

*Auditors' Report and  
Audited Financial Statements  
Of*

*Palli Sanchay Bank*

Red Crescent Borak Tower, Level-8  
37/3/A Eskaton Garden Road, Dhaka-1000

For the year ended June 30, 2019

**AUDITORS**

**M M Rahman & Co.**  
Chartered Accountants  
Padma Life Tower, Level-10  
115 Kazi Nazrul Islam Avenue,  
Bangla Motor, Dhaka-1000

**Mollah Quadir Yusuf & Co.**  
Chartered Accountants  
Building # 01, House # 79 (2nd Floor)  
Road # 12/A, Dhanmondi,  
Dhaka-1209

**Independent Auditor's Report**  
To the Shareholders of Palli Sanchay Bank

**Report on the Audit of the Financial Statements**

**Qualified Opinion**

We have audited the financial statements of Palli Sanchay Bank (the "Bank"), which comprise the statement of financial position as at 30 June 2019 and the profit and loss accounts, statements of changes in equity and cash flow statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements of the Bank give a true and fair view of the financial position of the Bank as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

**Basis for Qualified Opinion**

1. As per Note 7.2 to the Financial Statements Loan Outstanding to the customer is Tk. 23,990,571,010 as of June 30, 2019 out of which overdue amount is Tk. 14,146,406,281 i.e. 58.98% of the loan outstanding is overdue. The Bank didn't maintain any overdue schedule & ageing schedule for the loan and the bank also didn't record any provision for the bad debt regarding loan outstanding which is require by the Palli Sanchay Bank Act, 2014.
2. The Financial Statements include an amount of Tk. 23,990,571,010 as Loan Outstanding to the customer in Note 7.2 and out of which overdue amount is Tk. 14,146,406,281. In our observation, during the course of our 24 branches audit the overdue amount didn't agree with the breakup of the overdue amount provided by the PSB Head Office.
3. The Financial Statements include an amount of Tk. 39,773,606 in Note 24.00 as Computer Expenses which was shown as revenue expenditure. In our observation an asset will be capitalized whenever the assets are ready for use as per IAS 16 Property, Plant & Equipment. We observe that the assets were not ready for use and it can't be record as expense in the Financial Statements as per accounting standards. As a result of the fact, the net profit shown in the Statement of Profit or Loss for the year ended was understated materially.
4. During the course of our 24 branches audit & subsequent checking with bank book balance of Money at call on short notice deposit with other bank and financial institution in Note 5.00 of the Financial Statements, it reveals that there remains a difference between bank statement & respective bank book and no reconciliation was made available. Therefore, we could not ascertain the accuracy of the closing balance shown as Tk. 2,150,043,354.
5. As per Palli Sanchay Bank Act, 2014 the activities of the bank are defined. However, we observed that the bank has significant investment in FDR amounting Tk. 16,684,120,126 in the note no 6.00 and the interest income from the investment in FDR in the note no 16.00 is the amount of Tk. 761,412,586. The above fact is ultra vires of the PSB Act.



6. As per IAS 12 Income Taxes, it is mandatory to make provision for income tax expenses for an entity liable to tax payment. However, the bank has not made any provision for tax expenses.
7. Included in Note 11.00 to the financial statements is the 'Accrued interest on FDR amounting Tk. 137,863,906. In the course of our external audit it reveals that PSB didn't record the accrued interest on FDR properly. As a result, accrued interest on FDR and Investment Income showing in the Statement of Profit or Loss is understated materially.
8. Included in Note 23 to the Financial Statements is the depreciation to the Fixed Assets amounting Tk. 7,089,590. However, the depreciation was not calculated complying the bank's depreciation policy.
9. As per IAS 16 Property, Plant & Equipment an asset will be capitalized only when the asset is ready for use and will flow benefits to the entity. In our observation we found that PSB capitalized an amount of Tk. 7,922,307 as fixed asset which were not ready for use and accordingly it is a non-compliance with IAS 16.
10. The Financial Statements included in the note no. 13.00 an amount of Tk. 121,568,941 as adjustment to the retained earnings and this is because of the misstatement between the current year and last year balance of expenses. However, we were not provided with the proper explanation regarding the misstatements and therefore the balance of retained earnings could be misstated.
11. Included in Note 11.06 to the Financial Statements is Suspense Liabilities amounting Tk. 225,836,873 against which we were not provided with the proper explanation and therefore we couldn't confirm the accuracy of the liabilities.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Risk	Our response to the risk
<p><b>Legal and regulatory matters</b></p> <p>We focused on this area because the Bank operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Bank's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>
<p><b>IT systems and controls</b></p> <p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness of the Group's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Group's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>

#### Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

MMR



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the Bank.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls**

Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with IFRSs as explained in note 02, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 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.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the bank audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirements**

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

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii. To the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank



on antifraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:

- a. Internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate;
- b. 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;
- iii. Financial statements of Palli Sanchay Bank have been audited by M M Rahman & Co., Chartered Accountants and Mollah Quadir Yusuf & Co., Chartered Accountants and have been properly reflected in the financial statements;
- iv. In our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- v. The records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- vi. The statement of financial position and statement of profit and loss together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- vii. The expenditures incurred were for the purpose of the Bank's business for the year;
- viii. The financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- ix. Adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- x. The information and explanations required by us have been received and found satisfactory;
- xi. We have reviewed over 80% of the risk weighted assets of the Bank and spent over 3480 person hours.

*mrahman&c*  
M M Rahman & Co.  
Chartered Accountants

Date: November 28, 2019  
Dhaka

*mollahquadir&c*

Mollah Quadir Yusuf & Co.  
Chartered Accountants

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**Palli Sanchay Bank**

Red Crescent Borak Tower (Level-8),  
37/3/A, Eskaton Garden Road, Dhaka-1000

**Balance Sheet**

As at June 30, 2019

Particulars	Notes	Amount in BDT	
		June 30, 2019	June 30, 2018
<b>PROPERTY AND ASSETS</b>			
Cash	3.00	908,418	3,510,732
Cash in hand (including foreign currencies)		908,418	3,510,732
Balance with Bangladesh Bank & its agent bank (including foreign currencies)		-	-
Balance with other banks and financial institutions	4.00	73,664,063	3,718,711,595
In Bangladesh		73,664,063	3,718,711,595
Outside Bangladesh		-	-
Money at call on short notice	5.00	2,152,042,491	5,487,214,742
Investments	6.00	16,684,120,126	9,288,248,505
Government		-	-
Others		16,684,120,126	9,288,248,505
Loans & Advance	7.00	23,990,571,010	21,456,564,559
Bill Purchased & Discount			
Fixed assets including premises, furniture and fixtures	8.00	51,649,667	19,313,552
Other assets	9.00	170,493,662	66,181,311
Non-banking assets			
<b>Total assets</b>		<b>43,123,449,437</b>	<b>40,039,744,997</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents			
Deposit and other accounts	10.00	33,914,566,689	33,236,782,245
Short Notice Deposits		50,113,245	152,003,500
Savings Deposits		12,485,434,988	11,707,524,837
Government Grant		21,239,988,636	21,239,988,636
Others Deposit		139,029,820	137,265,273
Other liabilities	11.00	2,979,690,641	2,587,765,378
<b>Total liabilities</b>		<b>36,894,257,330</b>	<b>35,824,547,623</b>
<b>Capital/ shareholders' equity</b>			
Paid-up capital	12.00	2,970,464,300	1,947,125,400
Statutory reserve		-	-
Other reserve		-	-
Migrated Fund from EBEK	13.00	1,564,003,291	1,685,572,232
Surplus in profit & loss account	14.00	1,694,724,516	582,499,742
<b>Total shareholders' equity</b>		<b>6,229,192,107</b>	<b>4,215,197,374</b>
<b>Total liabilities &amp; shareholders' equity</b>		<b>43,123,449,437</b>	<b>40,039,744,997</b>

The accounting policies and explanatory notes are an integral part of the financial statements.

**Palli Sanchay Bank**

Red Crescent Borak Tower (Level-8),  
37/3/A, Eskaton Garden Road, Dhaka-1000

**Off-Balance Sheet Items**

As at June 30, 2019

Particulars	Notes	Amount in Taka	
		June 30, 2019	June 30, 2018
<b>CONTINGENT LIABILITIES</b>			
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
<b>Total contingent liabilities</b>		-	-
<b>OTHER COMMITMENTS</b>			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines		-	-
Other commitments		-	-
<b>Total shareholders' equity</b>		-	-
<b>Total off-balance sheet items including contingent liabilities</b>		-	-

The accounting policies and explanatory notes are an integral part of the financial statements.

Dr. Mihir Kanti Majumdar  
Chairman  
Palli Sanchay Bank

(Akbar Hossain (সেন))  
Md. Akbar Hossain (সেন) (স্ট্র)।  
Palli Sanchay Bank।  
অধান কার্যালয়, ঢাকা।

Md. Ismail Miah  
Assistant General Manager  
Palli Sanchay Bank

Date: November 28, 2019  
Dhaka

(M M Rahman & Co.)  
Chartered Accountants

(Mollah Quadir Yusuf & Co.)  
Chartered Accountants



**Palli Sanchay Bank**

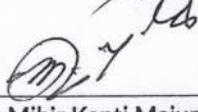
Red Crescent Borak Tower (Level-8),  
37/3/A, Eskaton Garden Road, Dhaka-1000

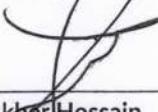
**Profit and Loss Account**

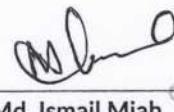
For the year ended June 30, 2019

Particulars	Notes	Amount in BDT	
		June 30, 2019	June 30, 2018
Interest Income	15.00	896,407,161	390,965,002
Less: Profit paid on deposits, borrowings etc.	16.00	420,104,229	12,017,694
<b>Net interest income</b>		<b>476,302,932</b>	<b>378,947,307</b>
Investment Income	17.00	761,412,586	162,908,941
Commission, exchange and brokerage		-	-
Other operating income		-	-
<b>Net Income</b>		<b>761,412,586</b>	<b>162,908,941</b>
<b>Total operating income</b>		<b>1,237,715,518</b>	<b>541,856,248</b>
Salaries and allowances	18.00	36,578,809	25,639,955
Rent, taxes, insurances, electricity etc.	19.00	10,837,544	10,733,490
Legal & professional expenses	20.00	695,000	130,000
Postage, stamps, telecommunication etc.	21.00	2,292,526	1,434,409
Stationery, printing, advertisements etc.	22.00	8,557,746	23,777,121
Directors' fees	23.00	979,500	509,423
Auditors' fees		460,000	-
Depreciation and repair of fixed assets	24.00	9,162,708	2,561,680
Other expenses	25.00	55,926,911	10,498,098
<b>Total operating expenses</b>		<b>125,490,744</b>	<b>75,284,175</b>
<b>Profit before provision</b>		<b>1,112,224,774</b>	<b>466,572,073</b>
Provision against Lease, loans & Investment		-	-
<b>Total profit before taxes</b>		<b>1,112,224,774</b>	<b>466,572,073</b>
Provision for taxation		-	-
<b>Net profit after taxes</b>		<b>1,112,224,774</b>	<b>466,572,073</b>
<b>Earning Per Share (EPS)</b>	26.00	<b>37.44</b>	<b>15.71</b>

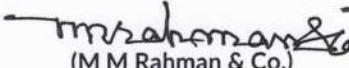
The accounting policies and explanatory notes are an integral part of the financial statements.

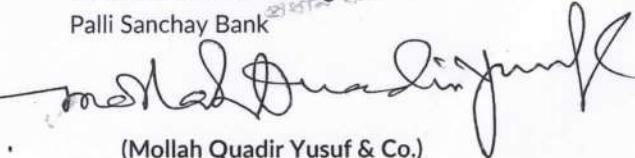
  
Dr. Mihir Kanti Majumdar  
Chairman  
Palli Sanchay Bank

  
Akber Hossain  
(প্রাক্তন প্রেসেন্ট)  
Managing Director  
(অতি:সচিব)  
Palli Sanchay Bank  
প্রধান কার্যালয়, ঢাকা।

  
Md. Ismail Miah  
Assistant General Manager  
Palli Sanchay Bank  
*গোপনীয় ইসমাইল মিয়া  
সহকারী মহাপ্রবর্হপক  
স্বীকৃত সম্পত্তি প্রযোগ করা  
প্রধান কার্যালয়, ঢাকা।*

Date: November 28, 2019  
Dhaka

  
(M M Rahman & Co.)  
Chartered Accountants

  
(Mollah Quadir Yusuf & Co.)  
Chartered Accountants



**Palli Sanchay Bank**

Red Crescent Borak Tower (Level-8),  
37/3/A, Eskaton Garden Road, Dhaka-1000

**Cash Flow Statement**

For the year ended June 30, 2019

**A. Cash Flow from Operating Activities**

	Amounts in Taka	
	June 30, 2019	June 30, 2018
Interest receipts in cash	1,555,013,401	518,816,383
Interest payments	(420,104,229)	(12,017,694)
Cash Payments to Employees	(36,425,530)	-
Income Tax Paid	-	-
Payments for other Operating activities	(80,752,593)	(73,135,851)
<b>Operating Profit before changes in Operating Assets &amp; Liabilities</b>	<b>1,017,731,049</b>	<b>433,662,838</b>
<b>Increase/Decrease in Operating Assets &amp; Liabilities</b>	<b>1,738,646,019</b>	<b>10,500,159,243</b>
Statutory Deposits	3,335,172,251	-
Money at call on short notice	(10,660,546)	(5,487,214,742)
Other assets	(2,534,006,452)	(66,181,311)
Loans and Advances to customers	677,784,444	(21,456,564,559)
Other liabilities account of customers	(121,568,941)	33,236,782,245
Migrated Fund from EBEK	391,925,263	1,685,572,232
Other liabilities	-	2,587,765,378
<b>Net cash from operating activities</b>	<b>2,756,377,068</b>	<b>10,933,822,081</b>

**B. Cash flows from Investing Activities**

Proceed from sale of securities	-	-
Investments	(7,395,871,621)	(9,253,190,945)
Purchase/ sale of Property, plant & equipment	(18,052,025)	(21,461,877)
Purchase/ sale of Intangible asset	(13,442,169)	-
Purchase/ sale of Subsidiary	-	-
<b>Net cash from investing activities</b>	<b>(7,427,365,814)</b>	<b>(9,274,652,822)</b>

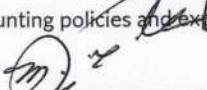
**C. Cash flows from Financing Activities**

Opening profit surplus-PSB (Un-audited)	-	115,927,669
Issue of paid up Capital	1,023,338,900	1,947,125,400
<b>Net cash from financing activities</b>	<b>1,023,338,900</b>	<b>2,063,053,069</b>
<b>D. Net Increase/ (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(3,647,649,846)</b>	<b>3,722,222,327</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>3,722,222,327</b>	<b>-</b>
<b>F. Cash and cash equivalents at the end of the year (D+E)</b>	<b>74,572,481</b>	<b>3,722,222,327</b>

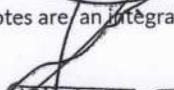
The above balance consists of the followings:

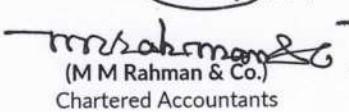
Cash in Hand	908,418	3,510,732
Balance with other banks and financial institutions	73,664,063	3,718,711,595
	<b>74,572,481</b>	<b>3,722,222,327</b>

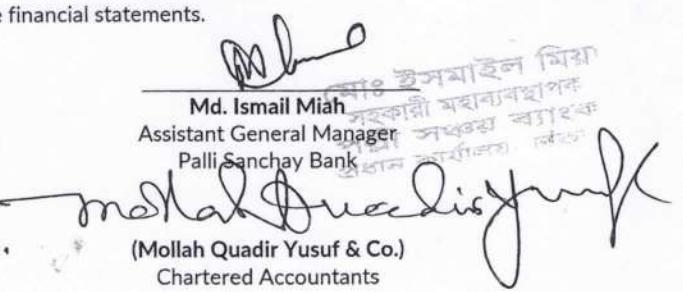
The accounting policies and explanatory notes are an integral part of the financial statements.

  
Dr. Mihir Kanti Majumdar  
Chairman  
Palli Sanchay Bank

Date: November 28, 2019  
Dhaka

  
Md. Ismail Miah  
Assistant General Manager  
Palli Sanchay Bank

  
(M M Rahman & Co.)  
Chartered Accountants

  
(Mollah Quadir Yusuf & Co.)  
Chartered Accountants



**Palli Sanchay Bank**

Red Crescent Borak Tower (Level-8),  
37/3/A, Eskaton Garden Road, Dhaka-1000

**Statement of Changes in Equity**

For the year ended June 30, 2019

Particulars	Paid-up capital	Statutory reserve	General Reserve	Migrated Fund from EBEK	Profit & Loss	Amount in Taka
Balance as at July 01, 2018	1,947,125,400	-	-	1,685,572,232	582,499,742	4,215,197,374
Changes in accounting policy Restated	-	-	-		-	-
Balance	-	-	-		-	-
Surplus/ deficit on account of revaluation of Investments	-	-	-	(121,568,941)		(121,568,941)
Adjustment to the fund migrated from EBEK						
Net profit for the period after taxation	-	-	-		1,112,224,774	1,112,224,774
Net gains and losses not recognized in the income statement	-	-	-		-	-
Dividends	-	-	-		-	-
Issue of share capital	1,023,338,900	-	-			1,023,338,900
<b>Balance as at June 30, 2019</b>	<b>2,970,464,300</b>	<b>-</b>	<b>-</b>	<b>1,564,003,291</b>	<b>1,694,724,516</b>	<b>6,229,192,107</b>

For the year ended June 30, 2018

Particulars	Paid-up capital	Statutory reserve	General Reserve	Migrated Fund from EBEK	Profit & Loss	Total
Balance as at July 01, 2017	-	-	-	-	115,927,669	115,927,669
Changes in accounting policy Restated	-	-	-		-	-
Balance	-	-	-		-	-
Surplus/ deficit on account of revaluation of property, plant, equipment	-	-	-		-	-
Surplus/ deficit on account of revaluation of Investments	-	-	-		-	-
Migrated Income from EBEK				1,875,771,349		
Migrated expenses from EBEK				(190,199,117)		
Net profit for the period after taxation	-	-	-		466,572,073	466,572,073
Net gains and losses not recognized in the income statement	-	-	-		-	-
Dividends	-	-	-		-	-
Issue of share capital	1,947,125,400	-	-			1,947,125,400
<b>Balance as at June 30, 2018</b>	<b>1,947,125,400</b>	<b>-</b>	<b>-</b>	<b>1,685,572,232</b>	<b>582,499,742</b>	<b>2,529,625,142</b>

The accounting policies and explanatory notes are an integral part of the financial statements.

Dr. Mihir Kanti Majumdar  
Chairman  
Palli Sanchay Bank

আবে হোসেল  
ব্যবসায় প্রতিবেশী  
নেপালি প্রতিবেশী  
পালি সঞ্চায় ব্যাংক  
প্রধান প্রতিবেশী, ঢাকা।

Md. Ismail Miah  
Assistant General Manager  
Palli Sanchay Bank

Date: November 28, 2019  
Dhaka

(M M Rahman & Co.)  
Chartered Accountants

(Mollah Quadir Yusuf & Co.)  
Chartered Accountants



**Palli Sanchay Bank**  
Red Crescent Borak Tower (Level-8),  
37/3/A, Eskaton Garden Road, Dhaka-1000

**Liquidity Statement**  
(Asset and Liability Analysis)

As at June 30, 2019

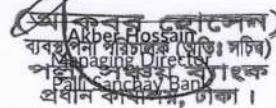
Particulars	Up to 01 month	01-03 months	03-12 months	01-05 years	More than 5 years	Total
<b>Assets:</b>						
Cash in hand	908,418	-				908,418
Balance with others banks and financial institutions	-	17,679,375	36,832,032	19,152,656		73,664,063
Money at call on Short notice	-	-	-	1,936,838,242	215,204,249	2,152,042,491
Investments	-	667,364,805	6,006,283,245	8,342,060,063	1,668,412,013	16,684,120,126
Loans and Advances	-	-	-	22,490,571,010	1,500,000,000	23,990,571,010
Property, plant & equipment	-	-	-	51,649,667	-	51,649,667
Other assets	-	-	-	170,493,662	-	170,493,662
Non-banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>908,418</b>	<b>685,044,180</b>	<b>6,043,115,277</b>	<b>33,010,765,301</b>	<b>3,383,616,262</b>	<b>43,123,449,437</b>
<b>Liabilities:</b>						
Borrowings from Bangladesh bank, other banks, financial institutions and agents	-	-	-	-	-	-
Deposits	-	-	-	26,453,362,018	4,069,748,003	30,523,110,020
Other liabilities	-	-	2,979,690,641	-	-	2,979,690,641
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>2,979,690,641</b>	<b>26,453,362,018</b>	<b>4,069,748,003</b>	<b>33,502,800,661</b>
<b>Net Liquidity Gap</b>	<b>908,418</b>	<b>685,044,180</b>	<b>3,063,424,636</b>	<b>6,557,403,283</b>	<b>(686,131,741)</b>	<b>9,620,648,776</b>

As at June 30, 2018

Particulars	Up to 01 month	01-03 months	03-12 months	01-05 years	More than 5 years	Total
<b>Assets:</b>						
Cash in hand	3,510,732	-				3,510,732
Balance with others banks and financial institutions	-	892,490,783	1,859,355,798	966,865,015		3,718,711,595
Money at call on Short notice	-	-	-	4,938,493,268	548,721,474	5,487,214,742
Investments	-	371,529,940	4,272,594,312	4,644,124,253	-	9,288,248,505
Loans and Advances	-	-	-	16,456,564,559	5,000,000,000	21,456,564,559
Property, plant & equipment	-	-	-	19,313,552	-	19,313,552
Other assets	-	-	-	66,181,311	-	66,181,311
Non-banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>3,510,732</b>	<b>1,264,020,723</b>	<b>6,131,950,110</b>	<b>27,091,541,958</b>	<b>5,548,721,474</b>	<b>40,039,744,997</b>
<b>Liabilities:</b>						
Borrowings from Bangladesh bank, other banks, financial institutions and agents	-	-	-	-	-	-
Deposits	-	-	-	25,924,690,151	3,988,413,869	29,913,104,021
Other liabilities	-	-	2,587,765,378	-	-	2,587,765,378
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>2,587,765,378</b>	<b>25,924,690,151</b>	<b>3,988,413,869</b>	<b>32,500,869,399</b>
<b>Net Liquidity Gap</b>	<b>3,510,732</b>	<b>1,264,020,723</b>	<b>3,544,184,732</b>	<b>1,166,851,806</b>	<b>1,560,307,605</b>	<b>7,538,875,598</b>

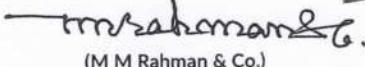
The accounting policies and explanatory notes are an integral part of the financial statements.

  
Dr. Mihir Kanti Majumdar  
Chairman  
Palli Sanchay Bank

  
Md. Akber Hossain  
Managing Director  
Palli Sanchay Bank  
পালি সঞ্চায় ব্যাংক  
প্রধান কার্যালয়, ঢাকা।

  
Md. Ismail Miah  
Assistant General Manager  
Palli Sanchay Bank  
পালি সঞ্চায় ব্যাংক  
কর্তৃপক্ষ কার্যালয়, ঢাকা

Date: November 28, 2019  
Dhaka

  
(M M Rahman & Co.)  
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Chartered Accountants



**Palli Sanchay Bank**  
Red Crescent Borak Tower (Level-8),  
37/3/A, Eskaton Garden Road, Dhaka-1000

**Property, Plant & Equipment**  
As at June 30, 2019

Particular	Cost			Depreciation			Written Down Value as at 30-Jun-19	
	As at 01-Jul-18	Addition during the year	As at 30-Jun-19	Rate of Depreciation	As at 01-Jul-18	Addition during the year	Disposal	
Furniture & Fixtures	2,298,191	5,201,003	-	7,499,194	10%	229,819	233,441	-
Office Equipment	3,524,228	1,304,502	-	4,828,730	15%	512,314	350,644	-
Electric Equipment	100,958	2,226,840	-	2,327,798	20%	20,192	21,505	-
Motor Car	15,538,500	9,068,000	-	24,606,500	20%	1,386,000	4,331,000	-
Hardware	-	21,625,360	-	21,625,360	20%	-	2,153,000	-
<b>Total as at 30.06.2019</b>	<b>21,461,877</b>	<b>39,425,705</b>	<b>-</b>	<b>60,887,582</b>	<b>2,148,325</b>	<b>7,089,590</b>	<b>-</b>	<b>9,237,915</b>
<b>Total as at 30.06.2018</b>	<b>-</b>	<b>21,461,877</b>	<b>-</b>	<b>21,461,877</b>	<b>-</b>	<b>2,148,325</b>	<b>-</b>	<b>2,148,325</b>
								<b>19,313,552</b>

**Intangible Assets**  
As at June 30, 2019

Particular	Cost			Amortization			Written Down Value as at 30-Jun-19	
	As at 01-Jul-18	Addition during the year	As at 30-Jun-19	Rate of Amortization	As at 01-Jul-18	Addition during the year	Disposal / Transfer	
Software & Database	27,957,180	28,124,419	36,055,930	16.66%	-	1,223,031	-	1,223,031
<b>Total as at 30.06.2019</b>	<b>27,957,180</b>	<b>28,124,419</b>	<b>36,055,930</b>	<b>16.66%</b>	<b>-</b>	<b>1,223,031</b>	<b>-</b>	<b>1,223,031</b>
<b>Total as at 30.06.2018</b>	<b>-</b>	<b>27,957,180</b>	<b>-</b>	<b>27,957,180</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,957,180</b>



## **Palli Sanchay Bank Limited**

### **Notes to the Financial Statements**

For the year ended June 30, 2019

#### **1.00 The bank and its activities:**

##### **1.01 Reporting entity:**

Palli Sanchay Bank was established under Govt. gazette notification dated 8 July 2014 under Palli Sanchay Bank Act 2014 (Act no.7 of 2014). The requirements of the Palli Sanchay Bank Act, 2014, Palli Sanchay Bank (management) Rule 2015, Bank Companies Act 1991 and other prevailing Regulations related to the bank Companies Act are applicable to the bank.

##### **1.02 Nature of business:**

The Palli Sanchay Bank is a specialized bank incorporation for the well being of the establishment of rural savings bank for the purpose of transferring and maintenance of money and advancement of savings and acquisitions of the poor and underprivileged people in rural areas and for investment. The bank provides its customers different services i.e. a) Microcredit loan b) SME( Short term khuddra Uddukta Unnayan Rin) c) Special Savings Deposit d) Savings Deposits e) Social Security Savings Deposit f) Time Deposit g) School Banking or student savings deposit h) Palli Pension Scheme i) Current Deposit

#### **2.00 Basis of preparation and significant accounting policies:**

##### **2.01 Basis of preparation:**

The financial statements of the bank for the year from July 01, 2018 to June 30, 2019 have been prepared under the historical cost convention and in accordance with the Palli Sanchay Bank Act 2014, the first Schedule (Section no 38 ) of the bank Companies Act 1991, as amended by the BRPD circular no. 14 dated 25 June 2003, other Bangladesh Bank circulars and other laws and rules applicable in Bangladesh. In case the requirement of provisions of the Palli Sanchay Bank Act 2014 differ with those of their regulatory authorities and accounting standards, the provisions of the Palli Sanchay Bank Act 2014 shall prevail.

However, the Bank has departed from some requirements of IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

##### **2.01.01 Statement of Cash Flow:**

**IFRS:** Cash Flows Statement can be prepared either in direct method or in indirect method. The presentation is selected to present 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 a mixture of direct and indirect methods.

##### **2.01.02 Loans and Advance net off provision:**

**IFRS:** Loans and advances should be presented net of provisions.

**Bangladesh Bank:** As per BRPD circular no. 14, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

##### **2.02 Functional and presentation currency**

The financial statements of the bank are presented in Taka which is the bank's functional currency. Financial information have been rounded off to the nearest Taka.

##### **2.03 Use of estimates and judgments:**

The preparation of the financial statements of the bank is in conformity with BRPD Circular no. 14 dated 25 June 2003 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.



**2.04 Books of accounts:**

The bank maintains its books of account for main business through software automation.

**2.05 Reporting period:**

The accounting period of the bank has been determined to be from July 01 to June 30 each year and is followed consistently. These financial statements cover the period from July 01, 2018 to June 30, 2019

**2.06 Statement of Cash Flow:**

Cash Flow Statement has been prepared in accordance with International Accounting Standards IAS -7, Statement of Cash Flows and under the guideline of Bangladesh Bank BRPD Circular No. 14 dated 25 June 2003. The Statement shows the structure of changes in cash and cash equivalents during the financial year.

**2.07 Statement of Changes in equity:**

The statement of changes in equity reflects information about increase or decrease in net assets or worth of the Bank. Statement of changes in equity has been prepared in accordance with International Accounting Standards IAS -1, Presentation of Financial Statements and relevant guidelines of Bangladesh Bank.

**2.08 Liquidity Statement (Asset and Liability Maturity Analysis):**

- a) Balance with other banks and financial institutions, money at call and on short notice etc. on the basis of their maturity term;
- b) loans and advances on the basis of their repayment/maturity schedule;
- c) Fixed assets on the basis of their useful lives;
- d) Other assets on the basis of their adjustment;
- e) Deposits and other accounts on the basis of their maturity term;
- f) Other long term liability on the basis of their maturity term;
- g) Provisions and other liabilities on the basis of their settlement;

**2.09 Cash and cash equivalents:**

Cash and cash equivalents include notes & coins on hand and balance with other banks & financial institution.

**2.10 Investments:**

Palli Sanchay Bank invest in FDR with others bank and financial institutions.

**2.11 Loans ,advances and provisions:**

**i) Loans and advances:**

Two types of loans are being disbursed by the bank, such as Microcredit loan and SME( Short term khuddra Uddukta Unnayan Rin).

**ii) Securities against Loan:**

Personal deposit are treated as the security against the Microcredit and SME loan.

**iii) Provision for loans and advances:**

As per BRPD circular No.14 dated September 23, 2012 Palli Sanchay Bank is required to be categorized of loans classification and provisioning for loans and advances but PSB did not categorized their loan and advances.

**2.12 Fixed assets and depreciation:**

Fixed assets are recognized if it is probable that future economic benefits associated with the assets will flow to the Bank and the cost of the assets can be reliably measured.



i) Fixed assets are stated at cost less accumulated depreciation as per International Accounting Standards IAS-16; Property ,plant and Equipment; Acquisition cost of an asset comprises the purchase price and any directly attributable cost of bringing the asset to working condition for its intended use.

ii) Depreciation is charged at the following rates on all fixed assets on the basis of estimated useful lives as determined by management of the bank. In all cases depreciation is calculated on the reducing method.

iii) Depreciation rates used for each type of fixed assets are as follows:

Category of fixed assets	Rate of depreciation
Furniture & Fixtures	10%
Office Equipment	15%
Electric Equipment	20%
Motor Car	20%
Hardware	20%

iv) Repairs and maintenance are charged to profit and loss account as expense when incurred.

v) Depreciation is charged on addition commencing from the date of acquisition.

#### **2.13 Other assets:**

Other assets include all other financial assets and include fees and other Unrealized income receivable, advance for operating and capital expenditure.

#### **2.14 Deposit and other accounts:**

Deposits and other accounts includes members savings deposit, government grant.

#### **2.15 Other liabilities**

Other liabilities comprise items such as cash excess/liabilities with EBEK/ other provision for expenses/taxation and also includes sundry accounts which was earn from bank interest etc. Other liabilities are recognized in the Balance sheet according to the guidelines of Bangladesh Bank, internal policy of the Palli Sanchay Bank.

#### **2.16 Revenue recognition:**

The revenue during the year has been recognized following all conditions of revenue recognition as prescribed by International Financial Reporting Standards IFRS-15 'Revenue from Contracts with Customers'

##### **i) Interest Income:**

Interest on unclassified loans and advances have been accounted for as income on accrual basis. Interest from balance with other banks (FDR & STD) has been accounted for on cash basis and accrual basis.

##### **iii) Interest paid on deposit:**

Interest paid deposits are calculated on 360 days in a year and recognized on cash basis.

##### **iv) Interest income from investments in FDR:**

Interest income on investments in FDR is accounted for on accrual basis.

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## 2.17 Earnings per share:

Earnings per share (EPS) has been computed by dividing the profit after tax the weighted average number of ordinary shares outstanding as at June 30, 2019 as per International Accounting Standards (IAS-33) Earnings Per Share

## 2.18 Compliance of International Financial Reporting Standards (IFRSs) and International Accounting Standards (IAS):

While preparing the financial statements, Palli Sanchay bank applied most of IFRS and IAS as adopted by ICAB, details are given below:

Name of International Financial Reporting Standards (IFRSs)	IFRSs No.	Status
First-time Adoption of International Financial Reporting Standards	1	N/A
Share-Based Payments	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-Current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resource	6	N/A
Financial Instruments: Disclosures	7	Applied
Operating Segments	8	N/A
Financial Instrument	9	Applied
Consolidated Financial Statements	10	N/A
Joint Arrangements	11	N/A
Disclosure of Interest in other Entities	12	N/A
Fair Value Measurement	13	N/A
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with Customers	15	Applied

Name of International Accounting Standards (IAS)	IAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events After the Balance Sheet Date	10	Applied
Income Taxes	12	N/A
Property, Plant and Equipment	16	Applied
Leases	17	N/A
Employee Benefits	19	Applied
Accounting for Govt. Grants and Disclosure of Government Assistance	20	Applied
The Effects of Changes in Foreign Exchange Rates	21	N/A
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Accounting & Reporting by Retirement Benefit Plans	26	N/A

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Separate Financial Statements	27	N/A
Investments in Associates & Joint Venture	28	N/A
Financial Instruments: Presentation	32	N/A
Earning Per Share	33	Applied
Interim Financial Reporting	34	N/A
Impairment of Assets	36	N/A
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investments Property	40	N/A
Agriculture	41	N/A

#### 2.19 Related party disclosures:

As per International Accounting Standards IAS-24, 'Related Party Disclosures' parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

The bank provides banking service to the migrant and returnee workers in the form of loans but the bank had no transaction with the directors of the bank as a related party.

##### (i) Board of Directors of Palli Sanchay Bank and their interest in the Bank:

Sl. No.	Name of Directors'	Name of the firms/ companies/ institutions in which they have interest	Status with Palli Sanchay Bank
1	Dr. Mihir Kanti Majumdar	Ex-Secretary	Chairman
2	Md. Nazrul Islam Khan	Ex-Secretary office of Prime Minister	Director
3	Muhammad Moududur Rashid Safdar	Director General, BRDB	Director
4	Md. Nasir Uddin Ahmed	Additional Secretary, Finance Ministry	Director
5	Md. Humayan Farhad	Joint Secretary, Legislatures & Parliament Affairs	Director
6	Department of Rural Development & Co-Operative Board	Local Govt, Rural Development & Co-Operative Ministry	Director
7	Dr. Najnin Ahmed	Senior Research Fellow Bangladesh Institute of Development Studies agargaon, Dhaka	Director
8	Md. Ashfaq Ahmed	Upazilla Chairman, Sylhet	Director
9	Md. Akbar Hossain	PD (Add: Secretary) EBEK Project	Managing Director

The directors have no other interest in Bank except for availing meeting attendance fee of Tk 8,000 for each meeting.

##### (ii) Significant contracts where bank is a party & wherein Directors have interest:

There is no significant contracts and director's interests during the period.

##### (iii) Related party Transaction:

There is no transaction held between the directors and the bank.

##### (iv) Business other than banking business with any related concern of the directors as per section 18(2) of the Bank Companies Act 1991 :

According the Bank Companies Act 1991 under section-18(2), there was no business other than banking business with any related concern of the Directors.



(v) **Investment in the Securities of Directors and their related concern:**

There is no investments in the securities of directors and their related concern.

**2.27 Events after the balance sheet date:**

Event after the Balance sheet date that provide additional information about the Banks position at the Balance sheet date as per International Accounting Standards IAS-10: 'Events after the Balance Sheet Date'.

**2.28 Management's responsibility on financial statements:**

The Board of Directors of the Bank under takes the responsibility for the preparation and presentation of these financial statements.

**2.29 General:**

Figures appearing in these Financial Statements have been rounded off to the nearest Taka



Amount in BDT	
June 30, 2019	June 30, 2018

**3.00 Cash : Tk. 908,418**

Cash In hand (including foreign currencies)	3.01	908,418	3,510,732
Balance with Bangladesh Bank & its Agent Banks		-	
<b>Total</b>		<b>908,418</b>	<b>3,510,732</b>

**3.01 Cash in hand : Tk. 908,418**

Cash in Hand	908,418	3,510,732
	<b>908,418</b>	<b>3,510,732</b>

**4.00 Balance with other Banks & Financial Institutions : Tk. 73,664,063**

SI No	Bank Name	Amount	Amount
1	Sonali Bank Ltd	52,754,617	153,601,615
2	UCB Ltd	-	1,064,180,239
3	BCB Ltd	15,351,144	2,493,410,062
4	Janata Bank Ltd	-	5,530,986
5	Agrani Bank Ltd	5,558,302	1,988,693
<b>Balance as at June 30, 2019</b>		<b>73,664,063</b>	<b>3,718,711,595</b>

**5.00 Money at call on Short Notice : Tk. 2,152,042,491**

SI No	Bank Name	Amount(Tk)	Amount(Tk)
1	Sonali Bank Ltd	1,676,530,760	2,319,242,759
2	Bank Asia Ltd	151,621,908	3,158,937,246
3	Rupali Bank Ltd	311,015,559	9,034,737
4	UCB Ltd	7,294,913	-
5	NRB Bank Ltd	500,000	-
6	Janata Bank Ltd	5,079,351	-
<b>Balance as at June 30, 2019</b>		<b>2,152,042,491</b>	<b>5,487,214,742</b>

**6.00 Investments : Tk. 9,288,248,505**

Government			
Others	6.01	16,684,120,126	9,288,248,505
<b>Total</b>		<b>16,684,120,126</b>	<b>9,288,248,505</b>

**6.01 Others Investment : Tk. 16,684,120,126**

FDR	16,684,120,126	9,288,248,505
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The break up of the amount is as follows:

SI No	Bank / Financial Institutions	Amount(Tk)	Amount(Tk)
1	NCC Bank Ltd	734,541,834	359,166,600
2	Sonali Bank Ltd	1,410,696,600	1,071,926,262
3	RAKUB	496,988,571	173,901,939
4	BKB	307,616,780	-
5	Kormosongsthan Bank	578,701,263	209,883,872
6	Rupali Bank Ltd.	409,429,337	-
7	Janata Bank Ltd.	307,102,035	-
8	Agrani Bank Ltd.	101,325,000	-
9	AB Bank Ltd	537,551,006	502,137,500



		Amount in BDT	
		June 30, 2019	June 30, 2018
10	Union Bank Ltd	782,144,942	757,343,750
11	SBAC Bank Ltd	185,407,045	50,000,000
12	NRB Commercial Bank Ltd	514,527,582	503,375,000
13	Bangladesh Commerce Bank Ltd	2,618,046,660	500,000,000
14	Exim Bank Ltd	249,668,951	226,940,881
15	Brac Bank Ltd	735,866,776	502,700,000
16	Jamuna Bank Ltd	163,728,353	151,860,826
17	Mercantile Bank Ltd	267,840,853	205,737,500
18	First Securities Islami Bank Ltd	477,679,161	354,612,500
19	The City Bank Ltd	354,310,375	704,240,625
20	NRB Global Bank Ltd	532,889,260	412,283,750
21	Social Islami Bank Ltd	645,081,601	500,000,000
22	One Bank Ltd	311,447,713	300,000,000
23	Standard Bank Ltd	216,157,270	300,000,000
24	UCB Ltd	1,089,272,177	700,000,000
25	Modhumoti Bank Ltd	-	102,137,500
26	Shimanto Bank Ltd	207,058,857	200,000,000
27	NRB Bank Ltd	155,380,168	100,000,000
28	Al Arafah Islami Bank Ltd	255,585,624	200,000,000
29	Premier Bank Ltd	158,036,714	100,000,000
30	National Bank Ltd	207,687,617	100,000,000
31	Bank Asia	1,363,375,000	-
32	Islami Bank Bangladesh Ltd.	258,975,000	-
33	South East Bank Ltd.	50,000,000	-
Total Balance as at June 30, 2019		16,684,120,126	9,288,248,505

**7.00 Loans & Advance : Tk. 23,990,571,010**

Short term, agricultural & Micro credit	7.01	23,990,571,010	21,456,564,559
Inside Bangladesh		23,990,571,010	21,456,564,559
 Outside Bangladesh			
<b>Total</b>		<b>23,990,571,010</b>	<b>21,456,564,559</b>

**7.01 Short term (Kuddra Uddukta Unnayan Rin), agricultural & Micro credit :Tk. 23,990,571,010**

Short term (Khuddra Uddukta Unnayan Rin)	7.01.01	1,485,213,585	193,893,399
Micro Credit	7.01.02	22,505,357,425	21,262,671,159
Agricultural			
<b>Total</b>		<b>23,990,571,010</b>	<b>21,456,564,559</b>

**7.01.01 Short term (Kuddra Uddukta Unnayan Rin) :Tk. 1,485,213,585**

Opening Balance		193,893,399	
Add: Addition during the year		1,291,320,186	200,684,825
		1,485,213,585	200,684,825
Less: Adjustment during the year		-	6,791,426
<b>Balance as on June 30, 2019</b>		<b>1,485,213,585</b>	<b>193,893,399</b>



7.01.02 Microcredit :Tk. 22,505,357,425

	Amount in BDT	
	June 30, 2019	June 30, 2018
Opening Balance	21,262,671,159	
Add: Addition during the year	1,242,686,266	21,262,671,159
	<u>22,505,357,425</u>	<u>21,262,671,159</u>
Less: Adjustment during the year		
Balance as on June 30, 2019	<u>22,505,357,425</u>	<u>21,262,671,159</u>

7.02 Slab of Loan:

5,000 to 10,000	4,674,357,797	4,663,498,116
10,001 to 20,000	10,273,484,599	11,075,968,971
20,001 to 30,000	5,738,127,034	4,735,964,190
30,001 to 40,000	1,601,993,391	787,239,882
40,001 to 50,000	214,103,844	193,893,399
Above 50,000	1,488,504,345	
<b>Total</b>	<b><u>23,990,571,010</u></b>	<b><u>21,456,564,559</u></b>

7.03 Loans and Advances on the basis of significant Concentratrion: Tk. 23,990,571,010

(i) Advances to Directors	-	-
(ii) Advances to Chief Executive & other senior executives	-	-
(iii) Advances to customer group	23,990,571,010	21,456,564,559
(iv) Industrial sectors	-	-
(v) Geographical location	-	-
Inside Bangladesh	<u>23,990,571,010</u>	<u>21,456,564,559</u>
Outside Bangladesh	-	-
<b>Total</b>	<b><u>23,990,571,010</u></b>	<b><u>21,456,564,559</u></b>

7.04 Distribution on Loans & Advances according to BRPD circular by Bangladesh Bank:

Unclassified Loan	-	-
Substandard	-	-
Doubtful	-	-
Bad/loss	-	-
<b>Total</b>	<b><u>-</u></b>	<b><u>-</u></b>

7.05 Particulars of Loans & Advances:

- (i) Loan considered good in respect of which the banking company will fully secured
- (ii) Loan considered good against which the banking company holds no security other than the debtors personal guarantee
- (iii) Loan considered good secured by the personal undertakings of one or more parties in addition to the personal guaranty to the debtor
- (iv) Loan adversely classified, provision not maintained their against
- (v) Loan due by directors or officers of the banking company or any of these either separately or jointly with any other persons
- (vi) Loan due from companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in case of private companies as members
- (vii) Maximum total amount of advance 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 persons

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Amount in BDT	
June 30, 2019	June 30, 2018

(viii) 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 interest as directors, partners or managing agents or in the case of private companies as members

(ix) Due from banking companies

(x) Amount of classified loans on which interest has not been charged

(a) Decrease / increase in provision, amount of loan written off & amount realized against loans previously written off

(b) Amount of provision kept against loan classified as bad/ loss

(c) Interest creditable to the interest suspense account

(xi) Cumulative amount of the written off loan and the amount written off during the current year should be shown separately. The amount of written off loan for which lawsuit has been filed should also be mentioned.

**8.00 Fixed Assets including premises, furniture & fixtures : Tk. 51,649,667**

**Cost**

Opening Balance	21,461,877	-
Add: Addition during the year	39,425,705	21,461,877
	<u>60,887,582</u>	<u>21,461,877</u>
Less : Adjustment during the year	-	
<b>Closing balance</b>	<b>60,887,582</b>	<b>21,461,877</b>

**Accumulated Depreciation**

Opening Balance	2,148,325	-
Add: Addition during the year	7,089,590	2,148,325
	<u>9,237,915</u>	<u>2,148,325</u>
Less : Adjustment during the year	-	
<b>Closing balance</b>	<b>9,237,915</b>	<b>2,148,325</b>

**Written Down Value**

Details of fixed assets are shown in "Assets Schedule"	
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**9.00 Other Assets: Tk. 170,493,662**

Software & Database	9.01	18,802,638	27,957,180
Prepaid Expense	9.02	3,949,140	119,360
Advance income tax	9.03	7,907,143	974,806
Security deposit	9.04	1,970,835	1,970,835
Accrued interest on FDR	9.05	137,863,906	35,057,560
Suspense	9.06	-	101,570
<b>Total</b>		<b>170,493,662</b>	<b>66,181,311</b>

**9.01 Software & Database: Tk. 18,802,638**

**Cost**

Opening Balance	27,957,180	-
Add: Addition during the year	28,124,419	27,957,180
	<u>56,081,599</u>	<u>27,957,180</u>
Less : Adjustment during the year	-	
<b>Closing balance</b>	<b>36,055,930</b>	<b>27,957,180</b>
	<u>20,025,669</u>	<u>27,957,180</u>

Amount in BDT	
June 30, 2019	June 30, 2018

**Accumulated Amortization:**

Opening Balance	
Add: Addition during the year	1,223,031
	1,223,031
Less : Adjustment during the year	
<b>Closing balance</b>	<b>1,223,031</b>
<b>Written Down Value</b>	<b>18,802,638</b>
	<b>27,957,180</b>

Details of Software & Database are shown in "Intangible assets Schedule"

**9.02 Prepaid Expense: Tk. 3,949,140**

Opening Balance	119,360	
Add: Addition during the year	9,386,161	3,289,654
	9,505,521	3,289,654
Less: Adjustment during the year	5,556,381	3,170,294
<b>Balance as on June 30, 2019</b>	<b>3,949,140</b>	<b>119,360</b>

**9.03 Advance income tax: Tk. 7,907,143**

Opening Balance	974,806	
Add : Addition during the year	6,932,336	974,806
	7,907,143	974,806
Less: Adjustment during the year		
<b>Closing Balance</b>	<b>7,907,143</b>	<b>974,806</b>

**9.04 Security deposit: Tk. 1,970,835**

Opening Balance	1,970,835	
Add : Addition during the year	-	1,970,835
	1,970,835	1,970,835
Less: Adjustment during the year		
<b>Closing Balance</b>	<b>1,970,835</b>	<b>1,970,835</b>

**9.05 Accrued interest on FDR : Tk. 137,863,906**

Opening Balance	35,057,560	
Add : Addition during the year	119,063,047	35,057,560
	154,120,607	35,057,560
Less: Adjustment during the year	16,256,701	-
<b>Closing Balance</b>	<b>137,863,906</b>	<b>35,057,560</b>



Amount in BDT	
June 30, 2019	June 30, 2018

The break up of the amount is as follows:

SI No	Bank Name	Amount	Amount
1	AB Bank Ltd	-	4,275,000
2	Union Bank Ltd	32,848,266	11,981,701
3	SBAC Bank Ltd	-	1,125,000
4	NRB Commercial bank Ltd	18,900,000	2,137,500
5	Exim Bank Ltd	-	4,850,859
6	Brac Bank Ltd	-	4,275,000
7	Social Islami Bank Ltd	4,215,640	2,137,500
8	One Bank Ltd	18,900,000	2,137,500
9	Standard Bank Ltd	-	2,137,500
10	Al Arafah Islami Bank Ltd	9,000,000	-
11	Bangladesh commerce Bank Ltd	17,100,000	-
12	NRB Global bank Ltd	18,900,000	-
13	United commercial Bank Ltd	18,000,000	-
Total		137,863,906	35,057,560

9.06 Suspense Accounts: Tk. 0

Opening Balance	101,570	-
Add : Addition during the year	-	101,570
Less: Adjustment during the year	101,570	101,570
Closing Balance	101,570	-
	<u>101,570</u>	<u>101,570</u>

10.00 Deposits & other accounts: Tk. 33,914,566,689

Short Notice Deposits	10.01	50,113,245	152,003,500
Savings Deposits	10.02	12,485,434,988	11,707,524,837
Government Grant	10.03	21,239,988,636	21,239,988,636
Others Deposit	10.04	139,029,820	137,265,273
Total		33,914,566,689	33,236,782,245

10.01 Short Notice Deposits : Tk. 50,113,245

Short Notice Deposits (CBS)	50,113,245	152,003,500
Total	<u>50,113,245</u>	<u>152,003,500</u>

The break up of the amount is as follows:

Opening Balance	152,003,500	-
Add : Addition during the year	8,524,370,575	7,234,422,500
Less: Adjustment during the year	8,676,374,075	7,234,422,500
Balance as on June 30, 2019	8,626,260,830	7,082,419,000
	<u>50,113,245</u>	<u>152,003,500</u>

10.02 Savings Deposits: Tk. 12,485,434,988

Members' Saving	10.02.01	12,485,418,237	11,707,524,837
School Banking Savings Deposit	10.02.02	5,627	-
PSB monthly savings Scheme	10.02.03	11,125	-
Total		12,485,434,988	11,707,524,837



Amount in BDT	
June 30, 2019	June 30, 2018

**10.02.01 Members Savings: Tk. 12,485,418,237**

Opening Balance	11,707,524,837
Add : Addition during the year	777,893,400
	11,707,524,837
Less: Adjustment during the year	12,485,418,237
Balance as on June 30, 2019	11,707,524,837
	<u>12,485,418,237</u>
	<u>11,707,524,837</u>

**10.02.02 School Banking Savings Deposit: Tk. 5,627**

Opening Balance	45,632
Add : Addition during the year	45,632
	-
Less: Adjustment during the year	40,005
Balance as on June 30, 2019	5,627
	-
	-
	-

**10.02.03 PSB monthly savings Scheme: Tk. 11,125**

Opening Balance	-
Add : Addition during the year	11,125
	-
Less: Adjustment during the year	11,125
Balance as on June 30, 2019	11,125
	-
	-

**10.03 Government Grant: Tk. 21,239,988,636**

Member Grant	10.03.01	8,901,212,426	8,901,212,426
Samitee Grant		12,338,776,210	12,338,776,210
<b>Total</b>		<b>21,239,988,636</b>	<b>21,239,988,636</b>

**10.03.01 Member Grant: Tk. 8,901,212,426**

Current Member Grant	8,433,350,445	8,621,379,393
Outgoing Member Grant	467,861,981	279,833,032
<b>Total</b>	<b>8,901,212,426</b>	<b>8,901,212,426</b>

**10.04 Others Deposit: Tk. 139,029,820**

Loan asset recovery	130,028,088	130,028,088
Donation & Others	9,001,732	7,237,185
<b>Total</b>	<b>139,029,820</b>	<b>137,265,273</b>

**11.00 Other Liabilities: Tk. 2,979,690,641**

Cash Excess		-	1,266,972
Liabilities with EBEK	11.01	2,450,000,000	2,450,000,000
Liabilities with Forest Dept.		12,775,000	-
Death Risk Coverage Scheme		26,838,775	-
Provision for expenses	11.02	49,621,620	11,232,536
Suspense Account		38,905	38,905

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	Amount in BDT	
	June 30, 2019	June 30, 2018
Service charge	31,016	14,837
Sundry Payable	11.03	212,996,216
Staff Fund	11.04	1,552,236
Suspense Liabilities	11.05	225,836,873
Provision for income tax	-	11,250,940
<b>Total</b>	<b>2,979,690,641</b>	<b>2,587,765,378</b>

**11.01 Liabilities with EBEK: Tk. 2,450,000,000**

Opening Balance	2,450,000,000	
Add : Addition during the year	-	2,450,000,000
Less: Adjustment during the year	2,450,000,000	2,450,000,000
<b>Closing Balance</b>	<b>2,450,000,000</b>	<b>2,450,000,000</b>

**11.02 Provision for expenses: Tk. 49,621,620**

Opening Balance	11,232,536	
Add : Addition during the year	59,464,266	11,232,536
Less: Adjustment during the year	70,696,801	11,232,536
<b>Closing Balance</b>	<b>21,075,181</b>	<b>-</b>
	<b>49,621,620</b>	<b>11,232,536</b>

The break up of the amount consist of as follows:

Particular	Opening	Addition	Adjustment	Balance as on June 30, 2019	Balance as on June 30, 2018
Income tax against salary	129,239	1,024,165	632,169	521,235	129,239
Source tax	27,826	2,683,991	2,345,325	366,492	27,826
Vat	1,259,924	5,710,421	6,585,740	384,604	1,259,924
Provision for Unclassified loan	-	(624)		(624)	-
Provision for expenses	9,815,547	50,046,313	11,511,947	48,349,913	9,815,547
<b>Total</b>	<b>11,232,536</b>	<b>59,464,266</b>	<b>21,075,181</b>	<b>49,621,620</b>	<b>11,232,536</b>

**11.03 Sundry Payable: Tk. 212,996,216**

Opening Balance	112,562,232	
Add : Addition during the year	137,346,494	117,436,870
Less: Adjustment during the year	249,908,726	117,436,870
<b>Closing Balance</b>	<b>36,912,510</b>	<b>4,874,638</b>
	<b>212,996,216</b>	<b>112,562,232</b>

The break up of the amount is consist of as follows:

Particular	Opening	Addition	Adjustment	Balance as on June 30, 2019	Balance as on June 30, 2018
Sundry Accounts	58,916,357	133,763,570	17,056,186	175,623,741	58,916,357
Sundry Accounts- Share	139,100	-	139,100	-	139,100
Settlement Account (Agent)	-	3,582,924	-	3,582,924	-
Sundry Accounts-Recruitment	53,506,775	-	19,717,224	33,789,551	53,506,775
<b>Total</b>	<b>112,562,232</b>	<b>137,346,494</b>	<b>36,912,510</b>	<b>212,996,216</b>	<b>112,562,232</b>

Note: Sundry accounts is the undistributed amount which they received as interest income on migrated bank balance from different banks which will be distributed to the samite's members.



Amount in BDT	
June 30, 2019	June 30, 2018

**11.04 Staff Fund: Tk. 1,552,236**

Opening Balance	1,398,957	
Add : Addition during the year	1,589,229	1,530,801
	2,988,186	1,530,801
Less: Adjustment during the year	1,435,950	131,844
<b>Closing Balance</b>	<b>1,552,236</b>	<b>1,398,957</b>

The break up of the amount consist of as follows:

Particular	Opening	Addition	Adjustment	Balance as on June 30, 2019	Balance as on June 30, 2018
Superannuation Fund	1,398,957	1,426,493	1,398,957	1,426,493	1,398,957
Benevolent Fund	-	162,736	36,993	125,743	-
<b>Total</b>	<b>1,398,957</b>	<b>1,589,229</b>	<b>1,435,950</b>	<b>1,552,236</b>	<b>1,398,957</b>

**11.05 Suspense Liabilities: Tk.225,836,873**

Opening Balance	11,250,940	
Add : Addition during the year	214,585,933	11,250,940
	225,836,873	11,250,940
Less: Adjustment during the year	-	
<b>Closing Balance</b>	<b>225,836,873</b>	<b>11,250,940</b>

**12.00 Share Capital: Tk. 2,970,464,300**

Authorised capital :		
1000,000,00 Ordinary Shares of Tk 100 each	<u>10,000,000,000</u>	<u>10,000,000,000</u>

**Issued & paid up capital :**

29,704,643 ordinary shares of Taka 100 each.	<u>2,970,464,300</u>	<u>1,947,125,400</u>
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Share holding position as on June 30, 2019

SI No.	Name of Share holder	No. of shares	Value per share	% of share holdings	2018-2019 Amount (Tk.)	2017-2018 Amount (Tk.)
1	Government of the People's Republic of Bangladesh, Ministry of Finance	21,500,000	100	72%	2,150,000,000	1,250,000,000
2	Samitee	8,204,643	100	28%	820,464,300	697,125,400
	<b>Total</b>	<b>29,704,643</b>		<b>100%</b>	<b>2,970,464,300</b>	<b>1,947,125,400</b>

**13.00 Migrated Fund from EBEK : Tk. 1,564,003,291**

Opening Balance	1,685,572,232	
Add: Migrated Income from EBEK	-	1,875,771,349
	1,685,572,232	1,875,771,349
Less: Migrated Expenses from EBEK	-	190,199,117
Less: Unexplained adjustment	121,568,941	-
	<u>1,564,003,291</u>	<u>1,685,572,232</u>



Amount in BDT	
June 30, 2019	June 30, 2018

14.00 Surplus in Profit & Loss Accounts : Tk. 1,694,724,516

Opening Balance	582,499,742	115,927,669
Add : Profit during the year	1,112,224,774	466,572,073
	<u>1,694,724,516</u>	<u>582,499,742</u>

15.00 Interest Income : Tk. 896,407,161

Interest income	15.01	801,187,603	378,139,898
Interest income on short term deposit	15.02	91,292,001	12,825,104
Penalty Income		3,902,757	-
Miscellaneous income		24,800	-
<b>Total</b>		<b>896,407,161</b>	<b>390,965,002</b>

15.01 Interest income: Tk. 801,187,603

Interest income	2,130,306	3,597,656
Interest income on SME Short term	753,870,733	1,070,578
Interest income on Microcredit	45,186,564	373,471,664
<b>Total</b>	<b>801,187,603</b>	<b>378,139,898</b>

15.02 Interest income on STD: Tk. 91,292,001

State own Bank	84,208,993	12,758,859
Private Bank	7,083,008	66,245
<b>Total</b>	<b>91,292,001</b>	<b>12,825,104</b>

16.00 Interest paid deposit and borrowings etc: Tk. 420,104,229

Interest Expense	420,104,229	184,964
Dividend expenses	-	11,832,730
<b>Total</b>	<b>420,104,229</b>	<b>12,017,694</b>

17.00 Investment income: Tk. 761,412,586

Interest income from FDR	17.01	761,412,586	162,908,941
		<u>761,412,586</u>	<u>162,908,941</u>

17.01 Interest income from FDR: Tk. 761,412,586

State own Bank	96,987,551	69,713,702
Private Bank	664,425,035	93,195,239
<b>Total</b>	<b>761,412,586</b>	<b>162,908,941</b>

18.00 Salary & Allowance: Tk. 36,578,809

Salary (Officer)	13,463,602	21,589,487
Salary (Staff)	9,305,035	45,200
Wages (Temporary Staff)	1,288,100	597,165
House Rent	6,165,204	38,025
Medical Allowance	1,590,976	74,800
Overtime Allowances	91,340	-
Entertainment	41,582	18,950
Education allowance	40,122	542,546



	Amount in BDT	
	June 30, 2019	June 30, 2018
Festival Bonus	4,161,280	73,500
Incentive bonus/Exgratia	-	21,074
Bangla Nabarsha Allowance	80,460	67,640
House Rent/ Ceiling	-	1,401,967
Conveyance Allowance	20,573	9,850
Bank Contribution to Staff Fund	28,522	1,043,379
Recreation Allowance	76,490	58,500
Encashment earn leave	-	57,072
Tiffin allowance (Staff)	400	600
Hill Allowance	55,896	-
Other Allowance	169,227	200
<b>Total</b>	<b>36,578,809</b>	<b>25,639,955</b>

**19.00 Rent, taxes, insurances, electricity etc.: Tk. 10,837,544**

Rent on premises	9,071,844	9,071,629
Rates & taxes	6,952	6,952
Insurance	663,131	128,268
Lighting charge Electricity	357,093	436,501
Lighting charge Diesel	-	51,657
Electric bulb, Ware, Switch etc.	-	714
Tax on investment	738,524	1,037,769
<b>Total</b>	<b>10,837,544</b>	<b>10,733,490</b>

**20.00 Legal & professional expenses: Tk. 695,000**

Legal Fees	500,000	130,000
Other Legal Fees	195,000	-
<b>Total</b>	<b>695,000</b>	<b>130,000</b>

**21.00 Postage, stamps, telecommunication etc.: Tk. 2,292,526**

Postage	622,262	679,844
Telephone (Office)	169,348	51,125
Telephone (Residence)	6,415	11,334
Telephone (Mobile)	179,258	139,355
Internet / E-mail	1,315,243	552,751
<b>Total</b>	<b>2,292,526</b>	<b>1,434,409</b>

**22.00 Stationery, printing, advertisements etc.: Tk. 8,557,746**

Printed Stationery	5,676,600	22,034,140
Table Stationery	500,151	434,160
Advertisement	2,371,743	1,246,484
Newspaper & journal	9,252	50,367
Photocopier expense	-	11,970
<b>Total</b>	<b>8,557,746</b>	<b>23,777,121</b>

**23.00 Directors fees: Tk. 979,500**

Honorarium	393,500	42,667
Fees for attending Board meeting	568,000	387,400
Others	18,000	79,356
<b>Total</b>	<b>979,500</b>	<b>509,423</b>



Amount in BDT	
June 30, 2019	June 30, 2018

24.00 Depreciation and repair of fixed assets: Tk. 9,162,708

Depreciation expense	Sch-A	7,089,590	2,148,325
Amortization expense	Sch-B	1,223,031	-
Repair and maintenance		850,087	413,355
<b>Total</b>		<b>9,162,708</b>	<b>2,561,680</b>

25.00 Other Expenses: Tk. 55,926,911

Honorium -Training		63,600	
Other expenses for training		253,400	1,261,884
Honorium -Workshop, Seminar and conference		74,060	301,800
other expenses for workshop, Seminar and conference		23,400	110,678
Traveling expense		2,494,510	2,882,278
Conveyance		163,588	137,735
Lunch Subsidy		244,400	94,000
Fuel		1,293,357	495,362
Staff Bus		82,800	110,400
Entertainment		219,366	252,615
Bank Charge		4,601,531	1,143,339
Remittance expenditure		1,208,340	1,138,701
Prize & honorium		437,500	-
Computer expense		39,773,606	69,079
DRS hosting bill		474,097	-
Miscellaneous Expense		4,582,886	2,436,287
Tools		70	340
<b>Total</b>		<b>55,926,911</b>	<b>10,498,098</b>

26.00 Earning per share (EPS): Tk. 37.44

Net profit after tax for the year	1,112,224,774	466,572,073
No. of ordinary share	29,704,643	29,704,643
<b>Earning per share</b>	<b>37.44</b>	<b>15.71</b>

