

*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>Legal and regulatory matters</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>IT systems and controls</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

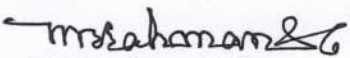
In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- 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

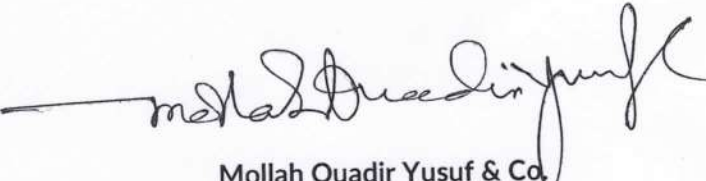


on antifraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:

- 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.


M M Rahman & Co.
Chartered Accountants

Date: November 28, 2019
Dhaka


Mollah Quadir Yusuf & Co.
Chartered Accountants

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
PROPERTY AND ASSETS			
Cash	3.00	908,418	3,510,732
Cash in hand (including foreign currencies)		908,418	3,510,732
Balance with Bangladesh Bank & it's 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		-	-
Total assets		43,123,449,437	40,039,744,997
LIABILITIES AND CAPITAL			
Liabilities			
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
Total liabilities		36,894,257,330	35,824,547,623
Capital/ shareholders' equity			
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
Total shareholders' equity		6,229,192,107	4,215,197,374
Total liabilities & shareholders' equity		43,123,449,437	40,039,744,997

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

Palli Sanchay Bank

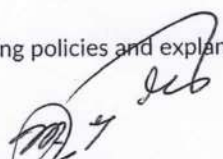
Red Crescent Borak Tower (Level-8),
37/3/A, Eskaton Garden Road, Dhaka-1000

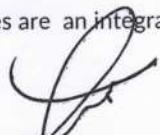
Off-Balance Sheet Items


As at June 30, 2019

Particulars	Notes	Amount in Taka	
		June 30, 2019	June 30, 2018
CONTINGENT LIABILITIES			
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Total contingent liabilities		-	-
OTHER COMMITMENTS			
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		-	-
Total shareholders' equity		-	-
Total off-balance sheet items including contingent liabilities		-	-

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

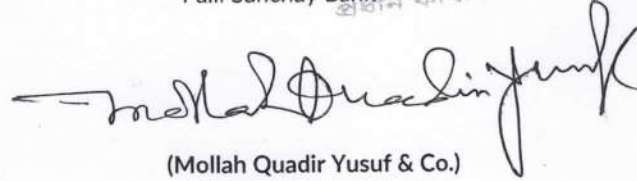

Dr. Mihir Kanti Majumdar
Chairman
Palli Sanchay Bank


(Md. Ismail Miah)
Assistant General Manager
Palli Sanchay Bank
প্রধান কার্যালয়, ঢাকা।


Md. Ismail Miah
Assistant General Manager
Palli Sanchay Bank
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

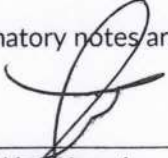
Profit and Loss Account

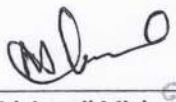
For the year ended June 30, 2019

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
Net interest income		476,302,932	378,947,307
Investment Income	17.00	761,412,586	162,908,941
Commission, exchange and brokerage		-	-
Other operating income		-	-
Net Income		761,412,586	162,908,941
Total operating income		1,237,715,518	541,856,248
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
Total operating expenses		125,490,744	75,284,175
Profit before provision		1,112,224,774	466,572,073
Provision against Lease, loans & Investment		-	-
Total profit before taxes		1,112,224,774	466,572,073
Provision for taxation		-	-
Net profit after taxes		1,112,224,774	466,572,073
Earning Per Share (EPS)	26.00	37.44	15.71


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

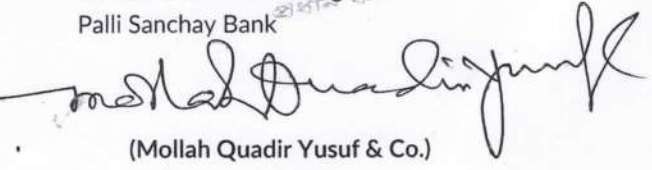

Dr. Mihir Kanti Majumdar
Chairman
Palli Sanchay Bank


Akher Hossain
Managing Director
Palli Sanchay Bank
প্রধান 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

Cash Flow Statement

For the year ended June 30, 2019

Amounts in Taka	
June 30, 2019	June 30, 2018

A. Cash Flow from Operating Activities

Interest receipts in cash
Interest payments
Cash Payments to Employees
Income Tax Paid
Payments for other Operating activities

1,555,013,401	518,816,383
(420,104,229)	(12,017,694)
(36,425,530)	-
-	-
(80,752,593)	(73,135,851)

Operating Profit before changes in Operating Assets & Liabilities

1,017,731,049 **433,662,838**

Increase/Decrease in Operating Assets & Liabilities

1,738,646,019 **10,500,159,243**

Statutory Deposits
Money at call on short notice
Other assets
Loans and Advances to customers
Other liabilities account of customers
Migrated Fund from EBEK
Other liabilities

-	-
3,335,172,251	(5,487,214,742)
(10,660,546)	(66,181,311)
(2,534,006,452)	(21,456,564,559)
677,784,444	33,236,782,245
(121,568,941)	1,685,572,232
391,925,263	2,587,765,378

Net cash from operating activities

2,756,377,068 **10,933,822,081**

B. Cash flows from Investing Activities

Proceed from sale of securities
Investments
Purchase/ sale of Property, plant & equipment
Purchase/ sale of Intangible asset
Purchase/ sale of Subsidiary

-	-
(7,395,871,621)	(9,253,190,945)
(18,052,025)	(21,461,877)
(13,442,169)	-
-	-

Net cash from investing activities

(7,427,365,814) **(9,274,652,822)**

C. Cash flows from Financing Activities

Opening profit surplus-PSB (Un-audited)
Issue of paid up Capital

-	115,927,669
1,023,338,900	1,947,125,400

Net cash from financing activities

1,023,338,900 **2,063,053,069**

D. Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)

(3,647,649,846) **3,722,222,327**

E. Cash and cash equivalents at the beginning of the year

3,722,222,327 **-**

F. Cash and cash equivalents at the end of the year (D+E)

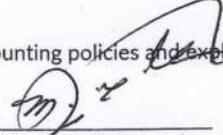
74,572,481 **3,722,222,327**

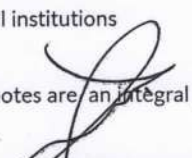
The above balance consists of the followings:

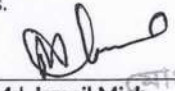
Cash in Hand
Balance with other banks and financial institutions

908,418	3,510,732
73,664,063	3,718,711,595
74,572,481	3,722,222,327

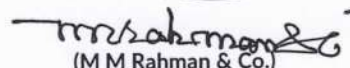
The accounting policies and explanatory notes are an integral part of the financial statements.

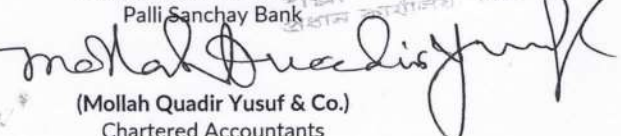

Dr. Mihir Kanti Majumdar
Chairman
Palli Sanchay Bank


Akber Hossain
Managing Director
Palli Sanchay Bank


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

mmr



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

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	General Reserve	Migrated Fund from EBEK	Profit & Loss	Total
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	-	-	-	-	-	-
Adjustment to the fund migrated from EBEK	-	-	-	(121,568,941)	-	(121,568,941)
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
Balance as at June 30, 2019	2,970,464,300	-	-	1,564,003,291	1,694,724,516	6,229,192,107

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
Balance as at June 30, 2018	1,947,125,400	-	-	1,685,572,232	582,499,742	2,529,625,142

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

Dr. Mihir Kanti Majumdar
Chairman
Palli Sanchay Bank

আবুল হোসেন
ব্যবস্থাপনা পরিচালক (অতিরিক্ত সচিব)
পাল্লী সঞ্চয় ব্যাংক
এবং 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

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
Assets:						
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	-	-	-	-	-	-
Total Assets	908,418	685,044,180	6,043,115,277	33,010,765,301	3,383,616,262	43,123,449,437
Liabilities:						
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
Total Liabilities	-	-	2,979,690,641	26,453,362,018	4,069,748,003	33,502,800,661
Net Liquidity Gap	908,418	685,044,180	3,063,424,636	6,557,403,283	(686,131,741)	9,620,648,776

As at June 30, 2018

Particulars	Up to 01 month	01-03 months	03-12 months	01-05 years	More than 5 years	Total
Assets:						
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	-	-	-	-	-	-
Total Assets	3,510,732	1,264,020,723	6,131,950,110	27,091,541,958	5,548,721,474	40,039,744,997
Liabilities:						
Borrowings from Bangladesh bank, other banks, financial institutions and agents	-	-	-	-	-	-
Deposits	-	-	-	25,924,690,151	3,988,413,869	29,913,104,020
Other liabilities	-	-	2,587,765,378	-	-	2,587,765,378
Total Liabilities	-	-	2,587,765,378	25,924,690,151	3,988,413,869	32,500,869,399
Net Liquidity Gap	3,510,732	1,264,020,723	3,544,184,732	1,166,851,806	1,560,307,605	7,538,875,598

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

Dr. Mihir Kanti Majumdar
Chairman
Palli Sanchay Bank

Akber Hossain
Managing Director
Palli Sanchay Bank
এবং বোর্ডের প্রতিনিধি, 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

Property, Plant & Equipment

As at June 30, 2019

Sch-A

Particular	Cost				Rate of Depreciation	Depreciation			Written Down Value as at 30-Jun-19
	As at 01-Jul-18	Addition during the year	Adjustment	As at 30-Jun-19		As at 01-Jul-18	Addition during the year	Disposal	As at 30-Jun-19
Furniture & Fixtures	2,298,191	5,201,003	-	7,499,194	10%	229,819	233,441	-	463,260
Office Equipment	3,524,228	1,304,502	-	4,828,730	15%	512,314	350,644	-	862,958
Electric Equipment	100,958	2,226,840	-	2,327,798	20%	20,192	21,505	-	41,697
Motor Car	15,538,500	9,068,000	-	24,606,500	20%	1,386,000	4,331,000	-	5,717,000
Hardware	-	21,625,360	-	21,625,360	20%	-	2,153,000	-	2,153,000
Total as at 30.06.2019	21,461,877	39,425,705	-	60,887,582		2,148,325	7,089,590	-	9,237,915
Total as at 30.06.2018	-	21,461,877	-	21,461,877		-	2,148,325	-	19,313,552

Sch-B

Intangible Assets
As at June 30, 2019

Particular	Cost				Rate of Amortization	Amortization			Written Down Value as at 30-Jun-19
	As at 01-Jul-18	Addition during the year	Adjustment	As at 30-Jun-19		As at 01-Jul-18	Addition during the year	Disposal / Transfer	As at 30-Jun-19
Software & Database	27,957,180	28,124,419	36,055,930	20,025,669	16.66%	-	1,223,031	-	1,223,031
Total as at 30.06.2019	27,957,180	28,124,419	36,055,930	20,025,669		-	1,223,031	-	1,223,031
Total as at 30.06.2018	-	27,957,180	-	27,957,180		-	-	-	27,957,180

MMR

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 EBK/ 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.

mmr

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

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, Legislatives & 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) EBK 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 & it's Agent Banks		-	-
Total		908,418	3,510,732

3.01 Cash in hand : Tk. 908,418

Cash in Hand		908,418	3,510,732
		908,418	3,510,732

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
Balance as at June 30, 2019		73,664,063	3,718,711,595

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	-
Balance as at June 30, 2019		2,152,042,491	5,487,214,742

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

Government		-	-
Others	6.01	16,684,120,126	9,288,248,505
Total		16,684,120,126	9,288,248,505

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

FDR		16,684,120,126	9,288,248,505
-----	--	-----------------------	----------------------

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		-	-
Total		23,990,571,010	21,456,564,559

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		-	-
Total		23,990,571,010	21,456,564,559

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
Balance as on June 30, 2019	1,485,213,585	193,893,399



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
	22,505,357,425
Less: Adjustment during the year	-
Balance as on June 30, 2019	21,262,671,159

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	-
Total	23,990,571,010	21,456,564,559

7.03 Loans and Advances on the basis of significant Concentration: 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	23,990,571,010	21,456,564,559
Outside Bangladesh	-	-
Total	23,990,571,010	21,456,564,559

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

Unclassified Loan	-	-
Substandard	-	-
Doubtful	-	-
Bad/loss	-	-
Total	-	-

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



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	-	-
Closing balance	<u>60,887,582</u>	<u>21,461,877</u>

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	-	-
Closing balance	<u>9,237,915</u>	<u>2,148,325</u>

Written Down Value

<u>51,649,667</u>	<u>19,313,552</u>
-------------------	-------------------

Details of fixed assets are shown in "Assets Schedule"

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
Total		<u>170,493,662</u>	<u>66,181,311</u>

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	36,055,930	-
Closing balance	<u>20,025,669</u>	<u>27,957,180</u>

Accumulated Amortization:

Opening Balance
Add: Addition during the year

Less: Adjustment during the year
Closing balance

Written Down Value

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

Amount in BDT	
June 30, 2019	June 30, 2018
-	-
1,223,031	-
1,223,031	-
1,223,031	-
18,802,638	27,957,180

9.02 Prepaid Expense: Tk. 3,949,140

Opening Balance
Add: Addition during the year

Less: Adjustment during the year
Balance as on June 30, 2019

119,360	-
9,386,161	3,289,654
9,505,521	3,289,654
5,556,381	3,170,294
3,949,140	119,360

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

Opening Balance
Add: Addition during the year

Less: Adjustment during the year
Closing Balance

974,806	-
6,932,336	974,806
7,907,143	974,806
-	-
7,907,143	974,806

9.04 Security deposit: Tk. 1,970,835

Opening Balance
Add: Addition during the year

Less: Adjustment during the year
Closing Balance

1,970,835	-
-	1,970,835
1,970,835	1,970,835
-	-
1,970,835	1,970,835

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

Opening Balance
Add: Addition during the year

Less: Adjustment during the year
Closing Balance

35,057,560	-
119,063,047	35,057,560
154,120,607	35,057,560
16,256,701	-
137,863,906	35,057,560



Amount in BDT	
June 30, 2019	June 30, 2018

The break up of the amount is as follows:

Sl 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
	101,570	101,570
Less: Adjustment during the year	101,570	-
Closing Balance	-	101,570

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	50,113,245	152,003,500

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
	8,676,374,075	7,234,422,500
Less: Adjustment during the year	8,626,260,830	7,082,419,000
Balance as on June 30, 2019	50,113,245	152,003,500

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
		12,485,418,237	11,707,524,837
	Less: Adjustment during the year	-	-
	Balance as on June 30, 2019	12,485,418,237	11,707,524,837
10.02.02	School Banking Savings Deposit: Tk. 5,627		
	Opening Balance	-	
	Add : Addition during the year	45,632	-
		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	-
		11,125	-
	Less: Adjustment during the year	-	-
	Balance as on June 30, 2019	11,125	-
10.03	Government Grant: Tk. 21,239,988,636		
	Member Grant	8,901,212,426	8,901,212,426
	Samitee Grant	12,338,776,210	12,338,776,210
	Total	21,239,988,636	21,239,988,636
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
	Total	8,901,212,426	8,901,212,426
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
	Total	139,029,820	137,265,273
11.00	Other Liabilities: Tk. 2,979,690,641		
	Cash Excess	-	1,266,972
	Liabilities with EBEK	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	49,621,620	11,232,536
	Suspense Account	38,905	38,905

mmR

m87

		Amount in BDT	
		June 30, 2019	June 30, 2018
Service charge		31,016	14,837
Sundry Payable	11.03	212,996,216	112,562,232
Staff Fund	11.04	1,552,236	1,398,957
Suspense Liabilities	11.05	225,836,873	11,250,940
Provision for income tax		-	-
Total		2,979,690,641	2,587,765,378

11.01 Liabilities with EBK: Tk. 2,450,000,000

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

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
	70,696,801	11,232,536
Less: Adjustment during the year	21,075,181	-
Closing Balance	49,621,620	11,232,536

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
Total	11,232,536	59,464,266	21,075,181	49,621,620	11,232,536

11.03 Sundry Payable: Tk. 212,996,216

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

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
Total	112,562,232	137,346,494	36,912,510	212,996,216	112,562,232

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
Closing Balance	1,552,236	1,398,957

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	-
Total	1,398,957	1,589,229	1,435,950	1,552,236	1,398,957

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	-	-
Closing Balance	225,836,873	11,250,940

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

Authorised capital :		
1000,000,00 Ordinary Shares of Tk 100 each	10,000,000,000	10,000,000,000

Issued & paid up capital :		
29,704,643 ordinary shares of Taka 100 each.	2,970,464,300	1,947,125,400

Share holding position as on June 30, 2019

Sl 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
	Total	29,704,643		100%	2,970,464,300	1,947,125,400

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

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



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

		Amount in BDT	
		June 30, 2019	June 30, 2018
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	-
Total		<u>896,407,161</u>	<u>390,965,002</u>

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
Total		<u>801,187,603</u>	<u>378,139,898</u>

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
Total		<u>91,292,001</u>	<u>12,825,104</u>

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

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

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
Total		<u>761,412,586</u>	<u>162,908,941</u>

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
Total	36,578,809	25,639,955

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
Total	10,837,544	10,733,490

20.00 Legal & professional expenses: Tk. 695,000

Legal Fees	500,000	130,000
Other Legal Fees	195,000	-
Total	695,000	130,000

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
Total	2,292,526	1,434,409

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
Total	8,557,746	23,777,121

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
Total	979,500	509,423



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
Total		9,162,708	2,561,680

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
Total		55,926,911	10,498,098

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
Earning per share	37.44	15.71

