

Independent Auditor's Report

To the Shareholders/ Management of Probashi Kallyan Bank Report on the Financial Statements

Report on the Financial Statements

Opinion

We have audited the financial statements of **Probashi Kallyan Bank** which comprise the Balance Sheet as at **30 June 2019** and Profit and Loss Account, Statement of Changes in Equity and Cash flow Statement for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, (or give a true and fair view of) the Balance Sheet of the **Probashi Kallyan Bank** as at **30 June 2019** and of its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Bank Companies Act 1991, and other applicable laws and regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the Auditor's 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) together with the ethical requirements that are relevant to our audit of the Financial Statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Measurement of provision for loans, advances and leases

The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex.

For the individual analysis for large exposure, provisions calculation consider the estimates of future business performance and the market value of collateral provided for credit transactions.

For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.

At year end the bank reported total gross loans and advances of BDT 1,839.64 million (2018: BDT 1,337.11 million) and provision for loans and advances of BDT 4.59 million (2018: BDT 7.48 million).

We tested the design and operating effectiveness of key controls focusing on the following:

- Credit appraisal, loan disbursement procedures, monitoring and provisioning process;
- Identification of loss events, including early warning and default warning indicators;
- Reviewed quarterly Classification of Loans (CL);

Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:

- Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines;
- Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information;
- Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
- Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained.

Legal and regulatory matters

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.

These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.

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.

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.

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 assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.

We also assessed the Bank's provisions and contingent liabilities disclosure

IT systems and controls

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.

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

We tested the design and operating effectiveness of the Bank'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 Bank's periodic review of access rights and reviewed 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.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the Consolidated 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.

Our opinion on the Consolidated 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 those charged with governance.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Managements is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRSs, 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.

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.

Auditors 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 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, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- 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 disclosure in the 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 Bank to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the 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.

Report on Other Legal and Regulatory Requirements

- a) The information and explanations required by us have been received and found satisfactory.
- b) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof except for the above mentioned in the basis for qualification.
- c) Nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exceptions or anything detrimental committed by employees of the bank and its related entities.
- d) In our opinion proper books of account as required by law have been kept by the bank so far as it appeared from our examination of those books.
- e) The Balance Sheet and Profit and Loss Account of the bank dealt with by the report are in agreement with the books of account.
- f) The expenditure incurred was for the purpose of the bank's business.
- g) The financial statements of the bank have been drawn up in conformity with Bank Act, 1991 and in accordance with the accounting rules and regulations and accounting standards as well as with related guidance issued by Bangladesh Bank.
- h) Adequate provisions have been made for loans and advances which are, in our opinion, doubtful or recovery.
- i) The records and statements submitted by the branches have been properly maintained and consolidated in the Financial Statements.
- j) The information and explanation required by us have been received and found satisfactory.
- k) We have reviewed over 80% of the risk weighted assets of the bank and spent required hours for the audit of the books and accounts of the bank as per law.

BBN
(BASU BANERJEE NATH & CO.)
CHARTERED ACCOUNTANTS

Place: Dhaka,
Dated: October 14, 2019



(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS



Probashi Kallyan Bank**Balance Sheet**

As at 30 June, 2019

Particulars	Notes	Amount in Taka	
		30-Jun-19	30-Jun-18
<u>Property and Assets</u>			
Cash	3	2,131,306	2,048,168
Cash in hand (Including foreign currencies)		2,131,306	2,048,168
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)		-	-
Balance with Other Banks & Financial Institutions	4	3,997,955,296	3,752,500,701
In Bangladesh		3,997,955,296	3,752,500,701
Outside Bangladesh		-	-
Money at Call on Short Notice	5	-	-
Investments	6	-	-
Government		-	-
Others		-	-
Loans & Advances	7	1,839,643,436	1,337,112,319
Loans, Cash Credit & Overdraft etc.		1,839,643,436	1,337,112,319
Bills Purchased & Discounted		-	-
Fixed Assets including Premises, Furniture and Fixtures	8	20,890,678	19,075,593
Other Assets	9	427,715,927	269,342,622
Non-Banking Assets		-	-
Total Assets		6,288,336,643	5,380,079,403
<u>Liabilities and Capital</u>			
Liabilities			
Borrowings from other banks, financial Institutions and agents	10	-	-
Deposits and other accounts	11	953,901,080	415,995,286
Current Accounts and other Accounts		-	-
Bills Payable		-	-
Savings Bank Deposits		24,429,703	19,730,797
Staff Deposits		2,790,438	3,077,717
Short Notice Deposits		1,266,473	1,794,443
Deposit Pension Scheme		-	-
Fixed Deposits		925,414,467	391,392,329
Other liabilities	12	865,497,697	691,443,174
Total Liabilities		1,819,398,777	1,107,438,460
Capital/Shareholders' Equity			
Paid up Capital	13	4,000,000,000	4,000,000,000
Statutory Reserve	14	187,959,003	124,731,907
General Reserve	15	117,280,928	85,667,380
Special Reserve	16	47,557,823	31,751,049
Surplus in Profit and Loss A/C	18	116,140,110	30,490,607
Total Shareholders' Equity		4,468,937,865	4,272,640,943
Total Liabilities and Shareholders' Equity		6,288,336,643	5,380,079,403

Off-Balance Sheet Items

Notes	Amount in Taka	
	30-Jun-19	30-Jun-18
Contingent liabilities		
Acceptances and Endorsements		
Letters of Guarantee	-	-
Irrevocable Letters of Credit	-	-
Bills for Collection	-	-
Other Contingent Liabilities	-	-
	-	-
Other commitments		
Documentary credits and short term trade-related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
	-	-
Total Off-Balance Sheet items including contingent liabilities:	-	-

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


Deputy Managing Director


Managing Director


Director


Chairman

Signed in terms of our annexed report of even date.


BASU BANERJEE NATH & CO.
CHARTERED ACCOUNTANTS

Place; Dhaka;
Dated: 14 October, 2019



A WAHAB & CO.
CHARTERED ACCOUNTANTS



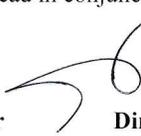
Probashi Kallyan Bank
Profit & Loss Account
For the year ended 30 June 2019

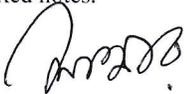
Particulars	Notes	Amount in Taka	
		43,646	30-Jun-18
Operating Income			
Interest income	19	482,133,557	289,941,079
Interest paid on deposits and borrowings etc.	20	(52,774,281)	(15,891,131)
Net interest income		429,359,275	274,049,948
Investment income			-
Commission, exchange and brokerage		12,498,618	15,609,820
Other operating income	21	43,155,629	29,479,178
		55,654,247	45,088,998
Total operating income		485,013,522	319,138,946
Operating Expenses			
Salary and allowances	22	118,753,254	94,959,531
Rent, taxes, insurance, electricity etc.	23	18,095,594	19,080,505
Postage, newspaper, stamp, telecommunication etc.	24	809,689	552,443
Stationery, Printings, Advertisements etc.	25	2,037,291	2,708,292
Chief Executive's salary and fees	26	-	-
Directors' fees	27	837,200	754,400
Auditors' fees		115,000	115,000
Depreciation of bank's assets	28	6,387,259	4,050,465
Repair of bank's assets	29	589,205	926,892
Other expenses	30	21,253,548	15,010,903
Total operating expenses		168,878,040	138,158,431
Profit or Loss before provision		316,135,482	180,980,515
Provision for loan	31	-	17,915,446
Others Provision	32	5,086,201	8,000,000
Total provision for Loans and Advances		5,086,201	25,915,446
Total Profit/Loss before taxes		311,049,281	155,065,069
Provision for Taxation		121,379,738	72,392,206
Provision for Current Tax	33	126,454,193	72,392,206
Provision for Deferred Tax		5,074,455	-
Net Profit after Taxation		189,669,544	82,672,863
Appropriations		110,647,419	63,343,180
Statutory Reserve		63,227,096	36,196,103
General Reserve		31,613,548	18,098,052
Special Reserve		15,806,774	9,049,026
Retained surplus		79,022,125	19,329,683
Earnings Per Share (EPS) of Tk. 100 each	34	4.74	3.63

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


Deputy Managing Director


Managing Director


Director


Chairman

Signed in terms of our annexed report of even date.


BASU BANERJEE NATH & CO.
CHARTERED ACCOUNTANTS

Place: Dhaka;



A WAHAB & CO.
CHARTERED ACCOUNTANTS



Probashi Kallyan Bank
Statement of Changes in Equity
For the year ended 30 June 2019

Particulars	Amount in Taka					
	Paid-up Capital	Statutory Reserve	General Reserve	Special Reserve	Surplus in Profit/ (Loss)	Total
Balance as at 30 June 2018	4,000,000,000	124,731,907	85,667,380	31,751,049	30,490,607	4,272,640,943
Correction for Wrong Posting in Assets	-	-	-	-	(262,150)	(262,150)
Correction of Bank Reconciliation of Ctg Br.	-	-	-	-	90,859	90,859
Settlement of Assessment Year 2014-15 in Financial Year 2018-2019	-	-	-	-	(7,947,147)	(7,947,147)
Dividend paid for 2017-2018	-	-	-	-	(14,795,959)	(14,795,959)
Net profit for the year	-	63,227,096	31,613,548	15,806,774	79,022,125	189,669,544
Adjustment of Provision for Loan	-	-	-	-	28,844,730	28,844,730
Adjustment against Acc. Depreciation	-	-	-	-	697,046	697,046
Balance as at 30 June 2019	4,000,000,000	187,959,003	117,280,928	47,557,823	116,140,111	4,468,937,865
Balance as at 30 June 2018	4,000,000,000	124,731,907	85,667,380	31,751,049	30,490,607	4,272,640,943

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



Deputy Managing Director



Managing Director



Director



Chairman

Signed in terms of our annexed report of even date.



BASU BANERJEE NATH & CO.
CHARTERED ACCOUNTANTS

Place: Dhaka;

Dated: 14 October, 2019



A WAHAB & CO.
CHARTERED ACCOUNTANTS



Probashi Kallyan Bank
Cash Flow Statement
For the year ended 30 June 2019

Particulars	Amount in Taka	
	30-Jun-19	30-Jun-18
Cash flow from operating activities		
Interest received in cash	450,720,770	217,593,080
Interests payment	(23,528,441)	(6,813,550)
Fee and commission receipts in cash	12,498,618	15,609,820
Cash payment to employees	(119,590,454)	(100,563,147)
Cash payment to suppliers	(21,531,779)	(3,635,184)
Income tax paid	(157,867,251)	(51,283,615)
Receipts from other operating activities	43,155,629	29,479,178
Payment for other operating activities	(21,368,548)	(35,498,251)
Increase/ Decrease in operating assets and liabilities	162,488,544	64,888,331
Statutory deposit	-	-
Purchase/ Sales of trading securities	-	-
Loans and advances to customer	(502,531,117)	(210,907,511)
Others assets	(1,949,582)	(464,578)
Deposit from other banks	-	-
Deposit from customers	537,905,794	295,884,156
Other liabilities	72,497,751	(166,490,750)
Net cash flow from/(used in) operating activities	268,411,390	(17,090,352)
Cash flow from Investing activities		
Purchase of property, plant and equipments	(8,077,698)	(616,295)
Sales of property, plant and equipment	-	-
Net cash flow from/(used in) investing activities	(8,077,698)	(616,295)
Cash flow from financing activities		
Increase/decrease of long term borrowing	-	-
Issue share capital	-	2,500,000,000
Dividend paid	(14,795,959)	(11,054,795)
Net cash flow from/(used in) financing activities	(14,795,959)	2,488,945,205
Net increase/(decrease) in cash and cash equivalents	245,537,733	2,471,238,558
Cash and cash equivalents at the beginning of the year	3,754,548,869	1,283,310,311
Cash and cash equivalents at the ending of the year	4,000,086,602	3,754,548,869
Analysis of cash and cash equivalents at the ending of the year		
Cash	2,131,306	2,048,168
Balance with other banks and financial institutions	3,997,955,296	3,752,500,701
	4,000,086,602	3,754,548,869

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


Deputy Managing Director


Managing Director


Director


Chairman

Signed in terms of our annexed report of even date.


BASU BANERJEE NATH & CO.
CHARTERED ACCOUNTANTS

Place: Dhaka:

A WAHAB & CO.
CHARTERED ACCOUNTANTS

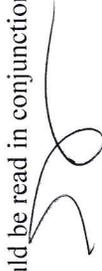
Probashi Kallyan Bank
Liquidity Statement
(Asset and Liability Maturity Analysis)
As at 30 June 2019

Particulars	Amount in Taka					
	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	More than 5 years	Total
Assets:						
in hand	2,131,306	-	-	-	-	2,131,306
Balance with other banks and financial institutions	309,615,167	2,174,400,000	1,511,340,130	-	2,600,000	3,997,955,296
Loans receivable at call on short notice	-	-	-	-	-	-
Investment	-	-	-	-	-	-
Loans and Advances	-	-	-	1,830,268,044	9,375,392	1,839,643,436
Fixed assets including premises, furniture & fixtures	-	-	-	12,551,958	8,338,719	20,890,678
Other assets	-	-	-	427,715,927	-	427,715,927
Banking assets	-	-	-	-	-	-
Total Assets	311,746,473	2,174,400,000	1,511,340,130	2,270,535,929	20,314,111	6,288,336,643
Liabilities:						
Capital	-	-	-	-	-	-
Reserves	-	-	-	-	-	-
Provision for contingencies	-	-	-	-	-	-
Loans to other banks, financial institutions and agents	-	-	-	-	-	-
Deposits & Other accounts	-	27,220,141	1,266,473	925,414,467	-	953,901,080
Other liabilities	-	-	454,370,265	411,127,432	-	865,497,697
Total Liabilities	-	27,220,141	455,636,737	1,336,541,899	-	1,819,398,777
Liquidity Gap	311,746,473	2,147,179,859	1,055,703,392	933,994,030	20,314,111	4,468,937,867

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



Deputy Managing Director



Director



Chairman

Signed in terms of our annexed report of even date.



BASU BANERJEE NATH & CO.
CHARTERED ACCOUNTANTS

Dhaka;

Date: 14 October, 2019

A WAHAB & CO.
CHARTERED ACCOUNTANTS



Probashi Kallyan Bank
Notes to the Financial Statements
For the year ended 30 June 2019

1.00 The bank and its activities**1.1 Reporting entity**

Probashi Kallyan Bank was established under Govt. gazette notification dated 12 October 2010 under Probashi Kallyan Bank Act 2010 (Act no. 55 of 2010). The requirements of the Bank Companies Act and other prevailing Regulations related to the Bank Companies Act are applicable to the Bank.

1.2 Nature of business

The Probashi Kallyan Bank is a specialized bank incorporated for the well being of the migrant workers. The bank provides its customers different services i.e. extending loans & advances to the migrant workers and returnee migrant workers.

2.00 Basis of preparation and significant accounting policies**2.1 Basis of preparation**

The financial statements of the bank for the period from 1st July 2018 to 30 June 2019 have been prepared under the historical cost convention and in accordance with the Probashi Kallyan Bank Act 2010, 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 of the requirement of provisions of the Probashi Kallyan Bank Act 2010 differ with those of other regulatory authorities and accounting standards, the provisions of the Probashi Kallyan Bank Act 2010 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:

2.1.1 Cash Flow Statement

Cash Flow 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.

2.1.2 Loans and advance net of provision

Loans and advances should be presented net of provisions.

Bangladesh Bank: As per BRPD 14, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

2.2 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.

2.3 Use of estimates and judgments

The preparation of the financial statements of the bank 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.

2.4 Books of account

The bank maintains its books of account for main business manually where in some cases maintains

2.5 Foreign currency**Foreign currency transaction**

The Bank have been awarded limited license to transact foreign currencies and authorized to receive foreign currency directly. The Bank shall have to report the transaction through any AD Branch of Agrani Bank Ltd. Accordingly the Bank have approached to Agrani Bank Ltd., Principal Branch, Dhaka and be able to transact foreign currency very soon.

2.6 Reporting period

The accounting period of the bank has been determined to be from 1st July to 30 June each year and is followed consistently. These financial statements cover the period from 1st July 2018 to 30 June 2019.

2.7 Cash flow statement

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 25th June 2003. The Statement shows the structure of changes in cash and cash equivalents during the financial year.

2.8 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.

2.9 Liquidity statement (Asset and Liability Maturity Analysis)

The liquidity statement has been prepared in accordance with remaining maturity grouping of Assets and Liabilities as of the close of the year on the following basis:-

- 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 and behavioral past trend;
- f) Other long term liability on the basis of their maturity term;
- g) Provisions and other liabilities on the basis of their settlement;

2.10 Cash and cash equivalents

Cash and cash equivalents include notes & coins in hand and balance with other banks & financial

2.11 Investments

No investment has been made by the Bank as yet.

2.12 Loans, advances and provisions**(i) Loans and advances**

Three types of loans are being disbursed by the bank, such as (1) Migration (2) Rehabilitation loan and (3) Motor Cycle Loan (Staff Loan)

(ii) Securities against Loan**Migration loan:**

Personal guarantee is considered as the security against the migration loan.

Rehabilitation loan:

Personal guarantee and collateral both are considered as the security against the rehabilitation loan.

Motor Cycle Loan:

Employee guarantee is considered as the security against the motor cycle loan.



(iii) Provision for loans and advances:

Provision for loans and advances are made on quarterly basis as well as year end review by the management following instructions contained in PKB Circulars. General provision on unclassified loans and advances and specific provision on classified loans and advances are given below:

Rate of Provision:

Particulars		Migration	Rehabilitation loan
Unclassified	Standard	5%	1%
	Overdue	5%	1%
Classified	SS	5%	20%
	DF	5%	50%
	BL	100%	100%

2.13 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 Straight Line method.
- (iii) Depreciation rates used for each type of fixed assets are as follows:

Category of fixed assets	Rate of depreciation
Furniture and fixtures	10%
Office Machineries	20%
Office Equipments	15%
Electrical Equipments	20%
Vehicles	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 and depreciation is charged on disposal item up to the date of disposal.

2.14 Other assets

Other assets include all other financial assets and include fees and other unrealised income receivable, advance for operating and capital expenditure and stocks of stationery and stamp etc.

2.15 Receivables

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity.

2.16 Deposits and other accounts

Deposits and other accounts includes savings deposit and fixed deposits.

2.17 Other liabilities

Other liabilities comprise items such as provision for loans and advances/investments/other assets, taxation and also includes interest payable, accrued expenses etc. Other liabilities are recognized in the balance sheet according to the guidelines of Bangladesh Bank, Income Tax Ordinance 1984 and internal policy of the Probashi Kallyan Bank.

2.18 Statutory reserve

As per section 24 of the Bank Companies Act 1991 it is required for the bank to transfer 20% of its current year's profit before tax to reserve until such reserve equals to its paid up capital.

2.19 Provision for taxation**Current year tax**

Provision for current income tax has been made @ 40% as prescribed in the Finance Act 2019 of the profit made by the Bank considering major taxable allowances and disallowances.

2.20 Deffered Tax

Provision for deffered tax has been made on the basis of third schedule of income tax ordinance 1984. Deferred income tax is provided in full, using the balance sheet method, on temporary difference arising between the tax base of assets and liabilities and their carrying amounts in the financial statements in accordance with the provisions of IAS 12. Currently enacted tax rates are used in the determination of deferred income tax.

2.21 Revenue recognition

The revenue during the year has been recognized following consistently all conditions of revenue recognitions as prescribed by International Accounting Standards IAS-18: 'Revenue'.

(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.

(ii) Fees and commission income

Fees and commission income arises on services provided by the bank recognized on a cash receipt basis.

(iii) Interest paid on deposits

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

(iv) Management and other expenses

Expenses incurred by the Bank are recognized on actual paid and accrual basis.

2.22 Earnings per share

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

2.23 Compliance of International Financial Reporting Standards (IFRSs) and International Accounting Standards (IAS).

While preparing the financial statements, Probashi Kallyan Bank applied most of IFRS and IAS which are applicable as adopted by the ICAB, details are given below:

Name of International Financial Reporting Standards (IFRSs)	IFRSs No.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	1	N/A
Share-Based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non- Current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resource	6	N/A
Financial Instruments: Disclosures	7	N/A
Operating Segments	8	N/A

Name of International Accounting Standards (IAS)	IAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events After the Balance Sheet Date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipments	16	Applied

Revenue	18	Applied
Employee Benefits	19	N/A
Accounting for Govt. Grants and Disclosure of Government	20	N/A
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
Earnings per Share	33	Applied
Interim Financial Reporting	34	N/A
Impairment of Assets	36	N/A
Provisions, Contingent Liabilities and Contingent Assets	37	N/A
Intangible Assets	38	N/A
Financial Instruments: Recognition and Measurement	39	N/A
Investment Property	40	N/A
Agriculture	41	N/A

2.24 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 transactions with the directors of the bank as a related party.

(i) Board of Directors of Probashi Kallyan 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 Probashi Kallyan Bank
1	Begum Shamsun Nahar	Ex-Secretary, Ministry of Expatriates-Welfare and Overseas Employment, Probashi Kallyan Bhaban, 71-72, Old Elephant Road, Dhaka-1000.	Chairman
2	Mr. Gazi Mohammad Julhash ^{NDC}	Director General (Additional Secretary), Wage Earners' Welfare Board (WEWB) Probashi Kallyan Bhaban, 71-72, Old Elephant Road, Dhaka-1000.	Director
3	Mr. Md. Aminul Islam	Additional Secretary, Ministry of Expatriates-Welfare and Overseas Employment, Probashi Kallyan Bhaban, 71-72, Old Elephant Road, Dhaka-1000.	Director
4	Mr. Md. Salim Reza	Director General (Additional Secretary), Bureau of Manpower, Employment and Training. Probashi Kallyan Bhaban, 71-72, Old Elephant Road, Dhaka-1000.	Director
5	Mr. Md. Saiful Alam Hamidi	Ex-Economic Adviser, Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.	Director

6	Rukhsana Hasin, NDC	Joint Secretary, Financial Institution Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.	Director
7	Shakila Zerine Ahmed	Joint Secretary, Ministry of Labour and Employment)	Director
8	Mr. Mohammad Masum Kamal Bhuiyan	Executive Director, Bangladesh Bank, Head office, Dhaka	Director
9	Mr. Md. Nazrul Islam	Director General, Ministry of Foreign Affairs, Dhaka.	Director
10	Mr. Md. Shafiqul Islam	Joint Secretary (Finance & Welfare), Wage Earners Development Board	Director
11	Mahtab Zabin	Probashi Kallyan Bank, Head Office, Probashi Kallyan Bhaban, 71-72, Old Elephant Road, Dhaka-1000.	Managing Director

The directors have no other interest in the 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 Transactions:

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 to 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) Investments in the Securities of Directors and their related concern:

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

2.25 Executive Committee of the bank.

1	Begum Shamsun Nahar	Probashi Kallyan Bank, Head Office, Probashi Kallyan Bhaban, 71-72, Old Elephant Road, Dhaka-1000.	Chairman
2	Mr. Md. Aminul Islam	Additional Secretary, Ministry of Expatriates-Welfare and Overseas Employment, Probashi Kallyan Bhaban, 71-72, Old Elephant Road, Dhaka-1000.	Director & Member
3	Mr. Md. Salim Reza	Director General (Additional Secretary), Bureau of Manpower, Employment and Training, Probashi Kallyan Bhaban, 71-72, Old Elephant Road,	Director & Member
4	Rukhsana Hasin, NDC	Joint Secretary, Financial Institution Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.	Director & Member
5	Mr. Mohammad Masum Kamal Bhuiyan (Executive Director)	Executive Director, Bangladesh Bank, Head office, Dhaka	Director & Member
6	Mahtab Zabin	Probashi Kallyan Bank, Head Office, Probashi Kallyan Bhaban, 71-72, Old Elephant Road, Dhaka-1000.	Managing Director & Member

7	Mr. Bodre Munir Ferdous	Deputy Managing Director, Probashi Kallyan Bank, Head Office, Probashi Kallyan Bhaban, 71-72, Old Elephant Road, Dhaka-1000.	Member Secretary
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2.26 Audit Committee of the bank

Audit committee of Probashi Kallyan Bank has been formed with the following Board Members:

1	Mr. Gazi Mohammad Julhash NDC	Director General (Additional Secretary), Wage Earners' Welfare Board (WEWB) Probashi Kallyan Bhaban, 71-72, Old Elephant Road, Dhaka-1000.	Director & Convenor
2	Mr. Md. Saiful Alam Hamidi	Ex-Economic Adviser, Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.	Director & Member
3	Mr. Mohammad Masum Kamal Bhuiyan	Executive Director, Bangladesh Bank, Head office, Dhaka.	Director & Member

2.27 Management Committee

The bank has formed a management committee to expedite day to day transaction promptly with the following executives of the Bank.

1	Mahtab Zabin	Probashi Kallyan Bank, Head Office, Probashi Kallyan Bhaban, 71-72, Old Elephant Road, Dhaka-1000.	Managing Director & Chairman
2	Mr. Bodre Munir Ferdous	Deputy Managing Director, Probashi Kallyan Bank, Head Office, Probashi Kallyan Bhaban, 71-72, Old Elephant Road, Dhaka-1000.	Member
3	Mr. Safiar Rahman	General Manager, Probashi Kallyan Bank, Head Office, Probashi Kallyan Bhaban, 71-72, Old Elephant Road, Dhaka-1000.	Member
4	Hasna Hena Parvin	Assistant Vice president & Division Head, Human Resource Department, Probashi Kallyan Bank, Head Office, Probashi Kallyan Bhaban, 71-72, Old Elephant Road, Dhaka-1000.	Member Secretary

2.28 Events after the balance sheet date

No significant events had occurred 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'.

2.29 Management's responsibility on financial statements

The Board of Directors of the bank takes the responsibility for the preparation and presentation of this financial statements.

2.30 General

Figures appearing in these Financial Statements have been rounded off to the nearest Taka. Previous year's figures have been rearranged where ever considered necessary to confirm current year's presentation.



	Amount in Taka	
	30-Jun-19	30-Jun-18
3. Cash		
Cash in hand (Including foreign currencies,note :3.1)	2,131,306	2,048,168
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)	-	-
	2,131,306	2,048,168
3.1 Cash in Hand (Including Foreign Currencies)		
Cash in Hand	1,064,492	790,772
Cash in Hand in Airport Booth	239,118	562,963
Foreign Currency Dollar	620,889	487,625
Foreign Currency URO	142,410	142,410
Foreign Currency Pound	58,945	58,945
Foreign Currency Account	5,453	5,453
	2,131,306	2,048,168
4. Balance with Other Banks & Financial Institutions		
In Bangladesh (Note 4.1)	3,997,955,296	3,752,500,701
Outside Bangladesh	-	-
	3,997,955,296	3,752,500,701
4.1 In Bangladesh		
Current Account	-	-
STD Account (Note 4.1.1)	309,615,167	257,822,063
Fixed Deposit Account (Note 4.1.2)	3,688,340,130	3,494,678,638
	3,997,955,296	3,752,500,701
4.1.1 STD Account		
Agrani Bank Limited	51,828,204	66,536,356
Sonali Bank Limited	36,385,834	16,531,791
Arab Bangladesh Bank Limited	78,449,615	31,427,421
One Bank Limited	14,066,555	15,651,452
Bank Asia Limited	61,317,181	56,944,544
Rupali Bank Limited	46,061,134	40,279,482
Social Islami Bank Limited	20,207,464	30,451,017
Probashi Kallyan Bank	1,299,179	-
	309,615,167	257,822,063
4.1.2 Fixed Deposit Account		
Bangladesh Krishi Bank	500,000,000	500,000,000
Union Bank Limited	105,604,395	250,000,000
AB Bank Limited	-	30,000,000
Jamuna Bank Limited	100,000,000	120,000,000
Rajshahi Krishi Unnyan Bank (RKUB)	250,000,000	500,000,000
Exim Bank Limited	2,600,000	52,600,000
Social Islami Bank Limited	100,000,000	50,000,000
Standard Bank Limited	240,000,000	260,000,000
Southeast Bank Limited	150,000,000	100,000,000
Rupali Bank Limited	500,000,000	350,000,000
Investment Corporation of Bangladesh	630,000,000	540,000,000
NRB Global Bank Limited	-	80,000,000
Brack Bank Limited	-	30,000,000
First Security Islami Bank Limited	50,000,000	30,000,000
IFIC Bank Limited	-	200,000,000
National Bank Limited	44,400,000	100,000,000
NCC Bank Limited	180,000,000	50,000,000
United Commercial Bank Limited	100,000,000	-
Marcantile Bank Limited	286,131,601	-
Primier Bank Limited	216,823,121	52,078,638
One Bank Limited	70,000,000	-
Pubali Bank Limited	112,781,013	200,000,000
Al Arafah Islami Bank Limited	50,000,000	-
	3,688,340,130	3,494,678,638



	Amount in Taka	
	30-Jun-19	30-Jun-18
4.2 Maturity grouping of balances with other banks & financial institutions		
On demand	309,615,167	257,822,064
Upto 1 month	-	-
Over 1 month but not more than 3 months	2,174,400,000	1,502,078,638
Over 3 months but not more than 1 year	1,511,340,130	1,990,000,000
Over 1 year but not more than 5 years	-	-
Over 5 Years	2,600,000	2,600,000
	3,997,955,296	3,752,500,702
5. Money at call on Short Notice		
Commercial Banks	-	-
Financial Institutions (Public & Private)	-	-
	-	-
6. Investments		
Government	-	-
Others	-	-
	-	-
7. Loans & Advances		
Loans, Cash Credit & Overdraft etc. (Note 7.1)	1,839,643,436	1,337,112,319
Bills Purchased & Discounted	-	-
	1,839,643,436	1,337,112,319
7.1 Loans, Cash Credit & Overdraft etc		
In Bangladesh		
Loans (Note 7.1.1)	1,839,643,436	1,337,112,319
Cash Credit	-	-
Overdraft	-	-
Others	-	-
Total Inside Bangladesh	1,839,643,436	1,337,112,319
Outside Bangladesh	-	-
	1,839,643,436	1,337,112,319
7.1.1 Loans		
Migration Loans	1,820,972,716	1,316,993,268
Rehabilitation Loan	9,295,328	9,500,152
Motor Cycle Loan (Staff Loan)	9,375,392	10,618,899
	1,839,643,436	1,337,112,319
7.2 Remaining Maturity Grouping of Loans		
Payable on Demand	-	-
Not more than 3 months	-	-
Above 3 months but not more than 1 year	-	-
Above 1 Year but not more than 5 years	1,830,268,044	1,326,493,420
Above 5 Years	9,375,392	10,618,899
	1,839,643,436	1,337,112,319
7.3 Loans on the basis of significant concentration including bills purchased & discounted		
a. Advances to Directors	-	-
b. Advances to MD and other Senior Executives	-	-
c. Advances to Customers group	-	-
d. Advances to Industrial Sector	-	-
	-	-



	Amount in Taka	
	30-Jun-19	30-Jun-18
7.4 Geographical Location - Wise Loans and Advances		
Inside Bangladesh		
Dhaka Division	572,115,571	466,204,253
Chittagong Division	386,728,421	269,484,512
Khulna Division	153,806,275	102,371,341
Rajshahi Division	199,691,801	151,380,073
Sylhet Division	181,789,850	98,654,374
Barisal Division	158,510,919	75,381,134
Rangpur Division	106,634,356	111,604,422
Mymensing Division	80,366,243	62,032,209
Total Inside Bangladesh	1,839,643,436	1,337,112,319
Outside Bangladesh	-	-
	1,839,643,436	1,337,112,319
7.5 Distribution of Loans and Advances according to BRPD Circular by Bangladesh Bank		
Unclassified loan: (A)		
Standard (Migration & Rehabilitation Loans)	150,268,517	1,127,590,362
Standard (Staff Loan: Motor Cycle)	9,375,392	10,618,899
Overdue	1,351,999,999	105,132,664
	1,511,643,908	1,243,341,925
Classified loan: (B)		
Sub-Standard	276,030,534	66,356,396
Doubtful	36,282,185	18,349,107
Bad and Loss	15,686,809	9,064,892
	327,999,528	93,770,395
Sub-Total (A+B)	1,839,643,436	1,337,112,320
7.6 Particulars of Loans and Advances		
(i) Debts considered good in respect of which the banking company is fully secured.	-	-
(ii) Debts considered good for which the banking company holds no other security other than debtor's personal security.	-	-
(iii) Debts considered good secured by personal liabilities of one or more parties in addition to the personal security of the debtors.	1,511,643,908	1,243,341,925
(iv) Debts considered doubtful or bad not provided for	-	-
(v) Debts due by directors and officers of the banking company or any of them either severally or jointly with any other person.	-	-
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies, as members.	-	-
(vii) Maximum total amount of advances including temporary advances made at any time during the year to the directors or managers or officers of the banking company or any of them either severally or jointly with any other person.	-	-



	Amount in Taka	
	30-Jun-19	30-Jun-18
(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 are interested as directors, partners or managing agents or in the case of private company.	-	-
(ix) Due from banking companies.	-	-
(x) Classified Loans and Advances:	-	-
a) Classified loans and advances on which interest has not been credited	327,999,528	93,770,395
b) (Decrease)/ Increase in provision (specific)	-	-
c) Amount realized against loan previously written off	-	-
d) Amount of provision kept against loan classified as bad/loss	-	-
(xi) Amount of the written off loan:	-	-
a) Cumulative amount of Classified Loans Which is Written off	-	-
b) Classified Loans/Interest Wave Written off in Current Year	-	-
c) The amount of written off/classified loan for which	-	-
Total	1,839,643,436	1,337,112,320
8. Fixed assets including premises, furniture and fixtures		
Furniture and Fixtures	16,974,666	14,242,468
Office Machinerics	9,288,683	6,421,476
Office Equipments	949,900	1,219,471
Electrical Equipments	230,352	1,769,865
Motor Vehicles	13,217,500	13,094,645
	40,661,101	36,747,925
Less: Accumulated depreciation	19,770,423	17,672,332
	20,890,678	19,075,593
<i>(Schedule of Fixed Assets is given in Annexure-A)</i>		
9. Other assets		
i) Income generating assets	-	-
ii) Non-Income generating assets		
a) Stationery, stamps, printing materials etc. (Note 9.1)	1,878,954	997,183
b) Advance income tax (Note 9.2)	298,508,495	178,572,014
c) Accounts Receivable (Note 9.3)	5,995,356	1,415,071
d) Accrued Interest on FDR	119,771,141	88,358,354
e) Advance Against Rent	1,561,580	-
f) Clearing Adjustment Accounts	400	-
Total	427,715,927	269,342,622



	Amount in Taka	
	30-Jun-19	30-Jun-18
9.1 Stationery, stamps, printing materials etc		
Prepaid Printing Stationery	673,919	392,865
Prepaid Security Stationery	1,205,035	604,318
	1,878,954	997,183
9.2 Advance income tax		
Opening Balance	178,572,014	182,342,309
Add: Addition for the year 2019-20 & AY 2018-19(Note: 9.2.1)	97,732,850	34,200,087
Add: Addition for the year 2018-19 & AY 2017-18	37,380,418	10,112,993
Add: Addition for the Assessment Year 2017-18 & AY 2016-17	13,015,299	811,702
Add: Addition for the Assessment Year 2016-17	1,791,537	-
Add: Addition for the Assessment Year 2016-17	7,947,147	-
Sub Total	336,439,265	227,467,091
Less: Settled during the Year	37,930,770	48,895,077
Closing Balance	298,508,495	178,572,014

9.2.1 Year wise payment for advance income tax as follows

Assessment Year	30-Jun-19	30-Jun-18	Status
2019-2020	97,732,850	-	Return will submit after a/c finalization
2018-2019	71,580,505	34,200,087	Assessment pending
2017-2018	42,381,550	29,366,251	Assessment pending
2016-2017	25,329,114	23,537,577	Assessment pending
2015-2016	23,128,640	23,128,640	Assessment pending
2014-2015	37,930,770	29,983,623	
2013-2014	38,355,836	38,355,836	Assessment pending
Sub-Total	336,439,265	178,572,014	
Settled (AY 2014-15)	(37,930,770)	-	
Net Balance	298,508,495	178,572,014	

9.3 Accounts Receivable

Advance Against House Rent	1,178,748	459,970
Advance Against Rent	382,832	9,500
Adjusting Account Loan/Savings	-	400
Advance Payment of Income Tax	298,508,495	-
Deffered Tax Asset	5,988,576	914,121
Misc. Receivable	6,780	31,080
	306,065,432	1,415,071

10. Borrowings from other banks, financial Institutions and agents

In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-

11 Deposits and other accounts

Savings Bank Deposits	24,429,703	19,730,797
Short Notice Deposits	1,266,473	1,794,443
Staff Deposit	2,790,438	3,077,717
Fixed Deposits (Note 11.1)	925,414,467	391,392,329
	953,901,080	415,995,286

11.1 Fixed Deposits

Term Deposits	908,559,117	371,702,500
Double Deposit Scheme	1,488,350	1,491,000
PDS	15,367,000	18,198,829
	925,414,467	391,392,329



	Amount in Taka	
	30-Jun-19	30-Jun-18
11.2 Maturity Grouping		
Over 1 month but within 6 months	27,220,141	24,602,957
Over 6 months but within 1 year	1,266,473	371,702,500
Over 1 year but within 5 years	925,414,467	12,389,088
Over 5 years but within 10 years	-	7,300,741
	953,901,080	415,995,286
12. Other liabilities		
Provision for Loan and Advances (Note 12.1)	45,945,082	74,789,812
Provision for Incentive Bonus (Note 12.2)	15,605,450	11,019,249
Provision for CSR (Note 12.3)	2,480,300	1,980,300
Expenses Payable (Note 12.4)	1,266,553	1,774,055
Others Payable (Note 12.5)	437,498,262	350,595,260
Provision for Current Tax (Note 12.6)	312,423,001	215,952,431
General Provident Fund (GPF)	18,827,821	13,304,184
Staff Superannuation Fund	30,741,931	21,505,544
Staff Risk/Benevolent Fund	709,296	522,339
	865,497,697	691,443,174
12.1 Provision for Loans & Advances		
Provision held at beginning of the year	74,789,812	56,874,366
Add: Provision made for the year (Note-31)	-	17,915,446
	74,789,812	74,789,812
Less: Adjusted during the year	28,844,730	-
Provision held at the end of the year	45,945,082	74,789,812
12.2 Provision for Incentive Bonus		
Provision held at beginning of the year	11,019,249	9,122,865
Add: Provision made for the year (Note-32)	4,586,201	7,500,000
	15,605,450	16,622,865
Less: Paid for the year (2016-17)	-	5,603,616
Provision held at the end of the year	15,605,450	11,019,249
12.3 Provision for CSR		
Provision held at beginning of the year	1,980,300	1,480,300
Add: Provision made for the year (Note-32)	500,000	500,000
Less: Prior year adjustment	-	-
Provision held at the end of the year	2,480,300	1,980,300
12.4 Expenses Payable		
Audit Fee	115,000	115,000
Water Bill	24,000	36,900
Electricity Bill	273,673	223,288
Telephone Bill	121,515	128,780
Mobile Bill	-	3,200
Newspaper	15,200	-
Salary & Allowance	137,800	1,261,325
Travelling Expense	23,873	880
Business Development	127,778	4,682
Sundry Expense	10,100	-
Office Rent	160,364	-



	Amount in Taka	
	30-Jun-19	30-Jun-18
Overtime Allowance	25,000	-
Professional Fees	8,000	-
Branch Shifting Expenses	85,550	-
Postage	40,000	-
Lunch Subsidy	10,200	-
Closing Subsidy	1,000	-
Leverage & Uniform	87,500	-
	1,266,553	1,774,055
12.5 Other Payables		
VAT Payable	6,056	272,556
Tax Payable	622	64,784
Excise Duty Payable	-	41,200
Security Deposit	5,234	3,853
Loan Risk Coverage Scheme	55,438,516	44,463,683
Accounts Payable	4,670,743	9,165,208
Recruitment Application Fees	10,301,371	10,299,371
Interest Suspense	23,113,480	9,458,610
Suspense Account	185,968	186,941
Interest Payable on FDR	41,177,395	11,931,554
Registration Fee	53,442,175	29,706,175
Welfare Fee	249,156,703	235,001,325
	437,498,262	350,595,260
12.6 Provision for Current Tax		
Provision held at beginning of the year	215,952,431	192,455,302
Add: Provision made for current year tax (Note : 12.6.1)	126,454,193	72,392,206
	342,406,624	264,847,508
Less: Adjustment made during the year	29,983,623	48,895,077
Provision held at the end of the year	312,423,001	215,952,431

Provision for income tax has been kept as per the provision of income tax ordinance 1984. Assessment of income tax has not been finalized by tax authority for the year 2017-18 & 2018-19 respectively.

12.6.1 Year-wise provision for income tax as follows

FY- 2018-2019	126,454,193	-
FY- 2017-2018	72,392,206	72,392,206
FY- 2016-2017	29,366,251	29,366,251
FY- 2015-2016	23,537,577	23,537,577
FY- 2014-2015	23,128,640	23,128,640
FY- 2013-2014 (Settled)	-	29,983,623
FY- 2012-2013	37,544,134	37,544,134
Total	312,423,001	215,952,431

13. Authorized Capital

50,000,000 ordinary shares of Tk 100.00 each	5,000,000,000	5,000,000,000
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Issued, Subscribed and Paid-up Capital

The Issued, Subscribed and Paid up Capital of the Bank as follows:

40,000,000 Ordinary Shares of Tk. 100.00 Each	4,000,000,000	4,000,000,000
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Name of Shareholders

Name of Shareholders	No.of Shares	Taka	Taka
Government of the People's Republic of Bangladesh represented by Finance Secretary, Ministry of Finance	2,000,000	200,000,000	200,000,000
Wage Earners Kallyan Board	38,000,000	3,800,000,000	3,800,000,000
Total	40,000,000	4,000,000,000	4,000,000,000

	Amount in Taka	
	30-Jun-19	30-Jun-18
14. Statutory Reserve		
Balance at the beginning of the Year	124,731,907	88,535,804
Add: Addition during the year (20% of profit before tax)	63,227,096	36,196,103
	187,959,003	124,731,907
15. General Reserve		
Balance at the beginning of the Year	85,667,380	67,569,328
Add: Addition during the year (10% of profit before tax)	31,613,548	18,098,052
	117,280,928	85,667,380
16. Special Reserve		
Balance at the beginning of the Year	31,751,049	22,702,023
Add: Addition during the year (5% of profit before tax)	15,806,774	9,049,026
	47,557,823	31,751,049
17. Dividend paid		

Name of Shareholders	No. of Shares	Taka	Taka
Government of the People's Republic of Bangladesh represented by Finance Secretary, Ministry of Finance	1,500,000	779,110	500,000
Wage Earners Kallyan Board	38,500,000	14,016,849	10,554,795
Total	40,000,000	14,795,959	11,054,795

18. Surplus in Profit and Loss Account

Balance as at 01 July 2018	30,490,607	29,611,304
Correction for Wrong Posting in Assets	(262,150)	(1,236,752)
Correction of Bank Reconciliation of Ctg Br.	90,859	-
Retained Surplus during the year	79,022,125	19,329,683
Sub Total	109,341,441	47,704,235
Dividend Paid	(14,795,959)	(11,054,795)
Settlement of Assessment 2014-15 in Financial Year 2017-18 (AIT Settlement)	(7,947,147)	(6,158,833)
Add: Provision for Loan (Previous Year)	28,844,730	-
Add: Adjustment against Acc.Dep	697,046	-
Balance as at 30 June 2019	116,140,110	30,490,607



	Amount in Taka	
	30-Jun-19	30-Jun-18
19. Interest income		
Interest on Loans (Note 19.1)	174,667,301	145,501,037
Interest on Deposit with other Bank (Note 19.2)	307,466,255	144,440,042
	482,133,557	289,941,079
19.1 Interest on Loans		
Migration Loans	173,618,869	144,299,502
Rehabilitation Loan	542,536	810,721
Motor Cycle Loan	505,896	390,814
	174,667,301	145,501,037
19.2 Interest on Deposit with other Bank		
Interest on Short Term Deposit	10,315,070	7,731,954
Interest on FDR	297,151,185	136,708,088
	307,466,255	144,440,042
20. Interest paid on deposits and borrowings etc.		
On Savings Account	666,112	480,579
On PDS	1,577,804	1,657,970
On FDR	50,530,365	13,752,582
	52,774,281	15,891,131
21. Other operating income		
Misc. Earning	31,812,181	21,731,827
Sale of Forms	735,830	591,400
Other Income	10,607,618	7,155,951
	43,155,629	29,479,178
22. Salary and allowances		
Basic Salary	46,816,349	36,857,958
House Rent Allowance	22,082,432	17,838,942
Lunch Subsidy	8,043,104	6,934,600
Conveyance Allowance	128,041	108,905
Medical Allowance	3,313,671	2,702,775
Wages to Contract Basis Employees	6,701,013	4,747,402
Wages to temporary basis employees	11,447,365	9,187,307
Naboborsho Allowance	848,481	648,250
Festival Bonus	7,764,770	6,296,760
Superannuation Fund (Banks Contribution)	9,468,099	7,901,107
Leverage Expenses & Uniform	140,000	80,500
Education Allowance	213,500	193,855
Overtime Allowance	174,843	311,570
Entertainment Allowance	28,428	1,497
Washing Allowances	49,825	50,400
Hill Track Allowance	54,100	48,188
Chairman Honorium	358,000	334,133
Car loan Advance Scheme Allowance	930,000	600,806
Recreation Allowance	-	73,720
Leave Encashment Allowance	191,233	40,856
	118,753,254	94,959,531



	Amount in Taka	
	30-Jun-19	30-Jun-18
23. Rent, taxes, insurance, electricity etc.		
Rent	16,186,273	17,386,798
Electricity and Heating	1,340,229	1,605,964
Gas Bill	9,600	9,750
Insurance	559,492	77,993
	18,095,594	19,080,505
24. Postage, newspaper, stamp, telecommunication etc.		
Postage	448,827	246,683
Newspaper	352,232	305,760
Stamp	8,630	-
	809,689	552,443
25. Stationery, Printings, Advertisements etc.		
Printing Stationery	382,825	335,244
Security stationary	542,902	786,451
Publicity, Advertisement and publication	306,960	978,885
Table Stationery	804,603	607,712
	2,037,291	2,708,292
26. Chief Executive's salary and fees		
Basic Salary	-	-
Medical Allowance	-	-
House Rent Allowance	-	-
Noborsho Allowance	-	-
Festival Bonus	-	-
Subsistence allowance	-	-
Other Allowance	-	-
Closing allowance	-	-
	-	-
27. Directors' fees		
Board meeting and audit committee meeting	837,200	754,400
	837,200	754,400
Each Director is paid for Tk. 8,000 per meeting. There was no other financial benefits provided to the directors of the bank.		
28. Depreciation of bank's assets		
Furniture and Fixtures	1,697,467	1,424,247
Office Machineries	1,857,737	1,284,295
Office Equipments	142,485	182,921
Electrical Equipments	46,070	353,973
Motor Vehicles	2,643,500	805,029
	6,387,259	4,050,465



	Amount in Taka	
	30-Jun-19	30-Jun-18
29. Repair of bank's assets		
Air Conditioner	124,467	160,900
Furniture and Fixture	30,739	60,934
Vehicles	335,439	629,487
Computer	23,005	29,973
Office Equipment	43,130	4,030
Office Machineries	-	450
Photocopy Machine	32,425	41,118
	589,205	926,892
30. Other expenses		
Travelling Expenses (General)	2,490,796	1,667,861
Travelling Expenses (Transfer)	428,195	219,963
Conveyance Charge	619,003	533,665
Fuel Expenses	958,515	1,172,183
Books Purchase	6,323	1,440
Banking Diploma & Others Honorarium	156,000	22,050
Manager Conference and Training	1,007,417	558,350
Commission	227,622	225,101
Branch Shifting/Opening Expenses	182,913	19,715
Business Development Expenses	767,457	1,755,094
Water & Sewerage Expenses	174,324	170,007
Interest Paid on GPF Fund	1,936,879	1,343,786
Closing Allowance	341,000	278,000
Excise Duty	1,986,050	1,212,150
Sundry Expenses	1,076,759	882,735
Telephone, Telex & Telegraph etc.	1,676,235	1,386,104
Welfare & Refresh / Entertainment exp. & Suddachar	1,457,803	1,125,681
Law Charge	415,860	553,454
Donation	200,000	210,000
Washing & Clening	355,968	292,695
Computer Accessories	260,850	114,686
Computer Ribbon	439,461	394,625
Professional Fees	172,500	572,125
Development Fair	16,219	59,433
Recruitment Expenses	3,899,399	240,000
	21,253,548	15,010,903
31. Provision for loan		
Provision for (classified & unclassified) loans and advances (Notes 12.1)	-	17,915,446
	-	17,915,446



	Amount in Taka	
	30-Jun-19	30-Jun-18
32. Other Provisions related expenses		
Provision for Incentive Bonus	4,586,201	7,500,000
Provision for CSR	500,000	500,000
	<u>5,086,201</u>	<u>8,000,000</u>
The above provision for incentive bonus has been made on lump sum basis which will be adjusted as per approval of the competent authority.		
33. Provision for Current Tax		
Opening balance	215,952,431	192,455,302
Add: Provision made for current year tax	126,454,193	72,392,206
	<u>342,406,624</u>	<u>264,847,508</u>
Less: Adjustment made during the year	29,983,623	48,895,077
Closing balance	<u>312,423,001</u>	<u>215,952,431</u>
34. Earnings Per Share (EPS)		
Net Profit after Tax (Numerator)	189,669,544	82,672,863
Number of Ordinary Share Outstanding (Denominator)	40,000,000	40,000,000
Weighted Average number of ordinary shares	40,000,000	22,763,014
Earning Per Share (EPS)	<u>4.74</u>	<u>3.63</u>

35. Coverage of External Audit

The external auditor has covered 80% of the risk-weighted assets and have spent around 1,200 man hours for the audit of the books and account of the bank.

36. Events after reporting period

No significant event had occurred till date of signing the financial statements.


Deputy Managing Director


Managing Director


Director


Chairman



Probashi Kallyan Bank
Highlights on the overall activities of the Bank
For the year ended 30 June 2019

Sl. No.	Particulars	FY 2018-2019	FY 2017-2018
1	Paid up Capital	4,000,000,000	4,000,000,000
2	Total Capital	4,468,937,865	4,272,640,943
3	Capital Surplus / (Deficit)	468,937,865	272,640,943
4	Total Assets	6,288,336,643	5,380,079,403
5	Total Deposits	953,901,080	415,995,286
6	Total Loans and Advances	1,839,643,436	1,337,112,319
7	Total Contingent Liabilities and Commitments	N/A	N/A
8	Credit - Deposit Ratio	193%	321%
9	Percentage of Classified Loans against total Loans & Advances	17.83%	7.01%
10	Profit after Tax and Provision	189,669,544	82,672,863
11	Amount of Classified Loans and Advances	327,999,528	93,770,395
12	Provision Kept against Classified Loan	-	17,915,446
13	Provision Surplus/ (deficit)	28,844,730	-
14	Cost of Fund (With Establishment)	22.57%	36.06%
15	Cost of Fund (Without Establishment)	5.53%	3.82%
16	Interest Earning Assets	5,837,598,732	5,089,613,020
17	Non-interest Bearing Assets	450,737,910	290,466,383
18	Return on Investment (ROI)	N/A	N/A
19	Return on Assets (ROA)	5.03%	3.36%
20	Income on Investment	N/A	N/A
21	Earnings Per Share (EPS)	4.74	3.63
22	Price Earning Ratio (MPS/EPS)	100%	100%



Probashi Kallyan Bank
Schedule of Fixed Assets
As at 30 June 2019

Particulars	Cost Price				Rate of Dep.	Depreciation				Written Down Value as at 30.06.19
	Balance as at 01.07.2018	Addition during the year	Disposal/ Adjustment during the year	Balance as at 30.06.2019		Balance as at 01.07.2018	Charged during the year	Disposal/ Adjustment during the year	Balance as at 30.06.2019	
Plant and Fixtures	14,242,468	2,732,198	-	16,974,666	10%	7,008,169	1,697,467	-	8,705,635	8,269,030
Office Machineries	6,421,476	5,293,894	2,426,687	9,288,683	20%	4,828,394	1,857,737	2,186,687	4,499,444	4,789,239
Office Equipments	1,219,471	188,974	458,545	949,900	15%	936,305	142,485	458,545	620,245	329,655
Electrical Equipments	1,769,865	104,422	1,643,935	230,352	20%	1,728,482	46,070	1,643,935	130,617	99,735
Motor Vehicles	13,094,645	-	(122,855)	13,217,500	20%	3,170,982	2,643,500	-	5,814,482	7,403,018
Balance as at 30 June 2019	36,747,925	8,319,488	4,406,312	40,661,101	-	17,672,332	6,387,259	4,289,167	19,770,423	20,890,678
Balance as at 30 June 2018	60,220,373	9,685,795	33,158,243	36,747,925		44,629,237	4,050,465	31,007,370	17,672,332	19,075,593

Annexure-A

Amount in Taka

