

**Auditors' Report**  
**And**  
**Audited Financial Statements**  
**For the year ended June 30, 2020**



**PROBASHI KALLYAN BANK**

**A. WAHAB & CO.**  
Chartered Accountants  
Hotel Purbani, Annex-2 (4<sup>th</sup> Floor)  
1 Dilkusha C/A, Dhaka-1000.  
Phone: 880-2-9585626, 9575293

**BASU BANERJEE NATH & CO.**  
Chartered Accountants  
Dhaka Trade Center (11<sup>th</sup> Floor)  
99, Kazi Nazrul Islam Avenue  
Kawran Bazar, Dhaka-1215.  
Phone: 880- 02-9126763, 9113357

**Probashi Kallyan Bank**  
**For the year ended 30 June 2020**

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## Independent Auditor's Report

### To the Shareholders of Probashi Kallyan Bank 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 2020 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, the Balance Sheet of the Probashi Kallyan Bank as at 30 June 2020 and of its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Banking 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 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.

Measurement of provision for loans, advances	
<p>The process for estimating the provision for loans and advances associated with credit risk is significant and complex.</p> <p>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.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.</p> <p>At year end the Bank reported total gross loans and advances of BDT 2436.85 million (2018-2019: BDT 1,839.64 million) and provision for loans and advances of BDT 53.29 million (2018-2019: BDT 45.95 million).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"><li>• Credit appraisal, loan disbursement procedures, monitoring and provisioning process;</li><li>• Identification of loss events, including early warning and default warning indicators;</li><li>• Reviewed quarterly Classification of Loans (CL);</li></ul> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"><li>• Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines;</li><li>• Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</li><li>• Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li><li>• Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained</li></ul>

See note nos. 7 and 12.01 to the financial statements





**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 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 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 comply with Banking Company Act, 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,
- 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,

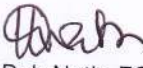


Basu Banerjee Nath & Co.  
Chartered Accountants

A. Wahab & Co.  
Chartered Accountants

- 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 Banking Companies Act, 1991 and in accordance with the accounting rules and regulations and accounting standards as well as with related guideline 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, and
- j) 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.


For, BASU BANERJEE NATH & CO.  
CHARTERED ACCOUNTANTS

  
Uzzal Deb Nath, FCA  
Partner  
Enrollment No.-1176

Dated: Dhaka, February 02, 2021



For, A. WAHAB & CO.  
CHARTERED ACCOUNTANTS

  
Md. Showkat Hossain, FCA  
Partner  
Enrollment No.-196

DVC: 2104070196AS270422





**Probashi Kallyan Bank**  
**Balance Sheet**  
**As at 30 June 2020**

Particulars	Notes	Amount in Taka	
		30-Jun-20	30-Jun-19
<b><u>Property and Assets</u></b>			
<b>Cash</b>	3	988,007	2,131,306
Cash in hand (Including foreign currencies)		988,007	2,131,306
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)		-	-
<b>Balance with Other Banks &amp; Financial Institutions</b>	4	4,079,015,304	3,997,955,297
In Bangladesh		4,079,015,304	3,997,955,297
Outside Bangladesh		-	-
<b>Money at Call on Short Notice</b>	5	-	-
<b>Investments</b>	6	-	-
Government		-	-
Others		-	-
<b>Loans &amp; Advances</b>	7	2,436,848,708	1,839,643,436
Loans, Cash Credit & Overdraft etc.		2,436,848,708	1,839,643,436
Bills Purchased & Discounted		-	-
<b>Fixed Assets including Premises, Furniture and Fixtures</b>	8	15,405,285	20,890,678
<b>Other Assets</b>	9	520,737,054	427,715,927
<b>Non-Banking Assets</b>		-	-
<b>Total Assets</b>		<b>7,052,994,358</b>	<b>6,288,336,643</b>
<b><u>Liabilities and Capital</u></b>			
<b><u>Liabilities</u></b>			
Borrowings from other banks, financial Institutions and agents	10	-	-
<b>Deposits and other accounts</b>	11	927,330,382	953,901,080
Current Accounts and other Accounts		1,585,300	-
Bills Payable		-	-
Savings Bank Deposits		28,486,499	24,429,703
Staff Deposits		3,737,095	2,790,438
Short Notice Deposits		2,303,086	1,266,473
Deposit Pension Scheme		36,200	-
Fixed Deposits		891,182,202	925,414,467
<b>Other liabilities</b>	12	1,013,630,420	865,497,697
<b>Total Liabilities</b>		<b>1,940,960,801</b>	<b>1,819,398,777</b>
<b><u>Capital/Shareholders' Equity</u></b>			
Paid up Capital	13	4,000,000,000	4,000,000,000
Statutory Reserve	14	257,801,769	187,959,003
General Reserve	15	152,202,312	117,280,929
Special Reserve	16	65,018,515	47,557,823
Share Money Deposit	17	450,000,000	-
Surplus in Profit and Loss Account	19	187,010,962	116,140,111
<b>Total Shareholders' Equity</b>		<b>5,112,033,558</b>	<b>4,468,937,866</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>7,052,994,358</b>	<b>6,288,336,643</b>





Off-Balance Sheet Items

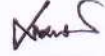
Particulars	Notes	Amount in Taka	
		30-Jun-20	30-Jun-19
<b><u>Contingent liabilities</u></b>			
<b>Acceptances and Endorsements</b>			
Letters of Guarantee		-	-
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
Other Contingent Liabilities		-	-
<b><u>Other commitments</u></b>			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total Off-Balance Sheet items including contingent liabilities:</b>		<b>-</b>	<b>-</b>

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

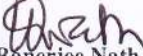
  
Dr. Ahmed Munirus Saleheen  
Chairman

  
Md. Hamidur Rahman  
Director

  
Md. Abnus Jahan  
Managing Director (Additional Charge)

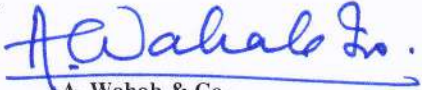
  
Md. Jahangir Hossain  
General Manager

Signed in terms of our annexed report of even date.

  
Basu Banerjee Nath & Co.  
Chartered Accountants  
Signed By: Uzzal Deb Nath, FCA  
Enrollment No.-1176

Dated: February 02, 2021



  
A. Wahab & Co.  
Chartered Accountants  
Signed By: Md. Showkat Hossain, FCA  
Enrollment No.-196

DVC: 2104070196AS270422






Probashi Kallyan Bank  
Profit & Loss Account  
For the year ended 30 June 2020

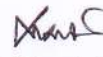
Particulars	Notes	Amount in Taka	
		30-Jun-20	30-Jun-19
<b>Operating Income</b>			
Interest income	20	554,874,718	482,133,557
Interest paid on deposits and borrowings etc.	21	(62,588,763)	(52,774,281)
<b>Net interest income</b>		<b>492,285,955</b>	<b>429,359,275</b>
Investment income		-	-
Commission, exchange and brokerage	22	8,728,482	12,498,618
Other operating income	23	44,528,819	43,155,629
		<b>53,257,301</b>	<b>55,654,247</b>
<b>Total operating income</b>		<b>545,543,256</b>	<b>485,013,522</b>
<b>Operating Expenses</b>			
Salary and allowances	24	136,956,189	119,094,254
Rent, taxes, insurance, electricity etc.	25	19,210,395	17,119,994
Legal Expenses	26	185,493	424,490
Postage, newspaper, stamp, telecommunication etc.	27	2,046,703	2,125,062
Stationery, Printings, Advertisements etc.	28	2,099,530	2,037,291
Chief Executive's salary and fees	29	-	-
Directors' fees	30	782,000	837,200
Auditors' fees	31	115,000	115,000
Depreciation of bank's assets	32	6,030,803	6,387,259
Repair of bank's assets	33	446,993	589,205
Other expenses	34	20,613,154	20,148,286
<b>Total operating expenses</b>		<b>188,486,260</b>	<b>168,878,040</b>
<b>Profit or Loss before provision</b>		<b>357,056,996</b>	<b>316,135,482</b>
Provision for loan	35	7,343,166	-
Others Provision	36	500,000	5,086,201
<b>Total provision for Loans and Advances</b>		<b>7,843,166</b>	<b>5,086,201</b>
<b>Total Profit/Loss before taxes</b>		<b>349,213,830</b>	<b>311,049,281</b>
<b>Provision for Taxation</b>		<b>144,009,966</b>	<b>121,379,738</b>
Provision for Current Tax	37	142,822,798	126,454,193
Provision for Deferred Tax		1,187,168	5,074,455
<b>Net Profit after Taxation</b>		<b>205,203,864</b>	<b>189,669,543</b>
<b>Appropriations</b>		<b>122,224,841</b>	<b>110,647,419</b>
Statutory Reserve	14	69,842,766	63,227,096
General Reserve	15	34,921,383	31,613,548
Special Reserve	16	17,460,692	15,806,774
<b>Retained surplus</b>		<b>82,979,023</b>	<b>79,022,125</b>
<b>Earnings Per Share (EPS) of Tk. 100 each</b>	38	<b>4.84</b>	<b>4.74</b>

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

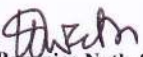
  
Dr. Ahmed Munirus Saleheen  
Chairman

  
Md. Abnus Jahan  
Managing Director (Additional Charge)

  
Md. Hamidur Rahman  
Director


  
Md. Jahangir Hossain  
General Manager

Signed in terms of our annexed report of even date.

  
Basu Banerjee Nath & Co.  
Chartered Accountants  
Signed By: Uzzal Deb Nath, FCA  
Enrollment No.-1176

Dated: February 02, 2021



  
A. Wahab & Co.  
Chartered Accountants  
Signed By: Md. Showkat Hossain, FCA  
Enrollment No.-196


DVC: 2104070100AS270422




Probashi Kalyan Bank  
Statement of Changes in Equity  
For the year ended 30 June 2020


Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Special Reserve	Share Money Deposit	Surplus/(Deficit) in Profit & Loss Account	Amount in Taka	
							Total	Total
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	
Prior year adjustment	-	-	-	-	-	(27,713,622)	(27,713,622)	
Dividend paid for 2018-2019	-	-	-	-	-	-	-	
Addition during the year	-	-	-	-	450,000,000	-	450,000,000	
Net profit for the year	-	69,842,766	34,921,383	17,460,692	-	82,979,023	205,203,864	
Adjustment of Provision for Loan	-	-	-	-	-	-	-	
Adjustment against Acc. Depreciation	-	-	-	-	-	-	-	
<b>Balance as at 30 June 2020</b>	<b>4,000,000,000</b>	<b>257,801,769</b>	<b>152,202,311</b>	<b>65,018,515</b>	<b>450,000,000</b>	<b>187,010,962</b>	<b>5,112,033,557</b>	
<b>Balance as at 30 June 2019</b>	<b>4,000,000,000</b>	<b>187,959,003</b>	<b>117,280,928</b>	<b>47,557,823</b>		<b>116,140,111</b>	<b>4,468,937,865</b>	


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

  
Dr. Ahmed Munir Saleheen  
Chairman

  
Md. Abnus Jahan  
Managing Director (Additional Charge)

  
Md. Hamidur Rahman  
Director

  
Md. Jahangir Hossain  
General Manager

  
Basu Banerjee Nath & Co.  
Chartered Accountants  
Signed By: Uzzal Deb Nath, FCA  
Enrollment No.-1176



Dated: February 02, 2021

Signed in terms of our annexed report of even date.

  
A. Wahab & Co.  
Chartered Accountants

Signed By: Md. Showkat Hossain, FCA  
Enrollment No.-196

DVC: 2104070196AS270422







Probashi Kallvan Bank  
Cash Flow Statement  
For the year ended 30 June 2020

Particulars	Amount in Taka	
	30-Jun-20	30-Jun-19
<b>Cash flow from operating activities</b>		
Interest received in cash	522,460,231	450,720,770
Interests payment	(56,998,019)	(23,528,441)
Fee and commission receipts in cash	8,728,482	12,498,618
Cash payment to employees	(137,738,189)	(119,590,454)
Cash payment to suppliers	(23,989,114)	(21,531,779)
Income tax paid	(102,563,447)	(157,867,251)
Receipts from other operating activities	44,528,819	43,155,629
Payment for other operating activities	(20,728,154)	(21,368,548)
<b>Increase/ Decrease in operating assets and liabilities</b>	<b>233,700,609</b>	<b>162,488,544</b>
Statutory deposit	-	-
Loans and advances to customer	(597,205,272)	(502,531,117)
<i>Others assets</i>	<i>(1,611,918)</i>	<i>(1,949,582)</i>
Deposit from customers	(26,570,698)	537,905,794
Other liabilities	22,446,065	72,497,751
<b>Net cash flow from/(used in) operating activities</b>	<b>(369,241,216)</b>	<b>268,411,390</b>
<b>Cash flow from Investing activities</b>		
Purchase of property, plant and equipments	(842,077)	(8,077,698)
<b>Net cash flow from/(used in) investing activities</b>	<b>(842,077)</b>	<b>(8,077,698)</b>
<b>Cash flow from financing activities</b>		
Share Money Deposit	450,000,000	-
Dividend paid	-	(14,795,959)
<b>Net cash flow from/(used in) financing activities</b>	<b>450,000,000</b>	<b>(14,795,959)</b>
Net increase/(decrease) in cash and cash equivalents	79,916,704	245,537,733
Cash and cash equivalents at the beginning of the year	4,000,086,602	3,754,548,869
<b>Cash and cash equivalents at the ending of the year</b>	<b>4,080,003,305</b>	<b>4,000,086,602</b>
<b>Analysis of cash and cash equivalents at the ending of the year</b>		
Cash	988,007	2,131,306
Balance with other banks and financial institutions	4,079,015,304	3,997,955,297
	<b>4,080,003,311</b>	<b>4,000,086,603</b>

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

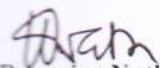
  
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Chartered Accountants  
Signed By: Uzzal Deb Nath, FCA  
Enrollment No.-1176



Dated: February 02, 2021

  
A. Wahab & Co.  
Chartered Accountants  
Signed By: Md. Showkat Hossain, FCA  
Enrollment No.-196  
DVC: 2104070196AS27042




Probashi Kalyan Bank  
Liquidity Statement  
(Asset and Liability Maturity Analysis)  
As at 30 June 2020


Particulars	Amount in Taka					
	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	More than 5 years	Total
<b>Assets:</b>						
Cash in hand	988,007	-	-	-	-	988,007
Balance with other banks and financial institutions	272,604,561	-	3,806,410,743	-	-	4,079,015,304
Money at call on short notice	-	-	-	-	-	-
Investment	-	-	-	-	-	-
Loans and Advances	-	607,744,260	685,977,832	1,135,579,242	7,547,374	2,436,848,708
Fixed assets including premises, furniture & fixtures	-	-	-	7,240,317	8,164,968	15,405,285
Other assets	-	-	-	520,737,054	-	520,737,054
Non-banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>273,592,568</b>	<b>607,744,260</b>	<b>4,492,388,575</b>	<b>1,663,556,613</b>	<b>15,712,342</b>	<b>7,052,994,358</b>
<b>Liabilities:</b>						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	-	-	-	-	-	-
Deposits & Other accounts	-	33,808,894	2,303,086	891,218,402	-	927,330,382
Other liabilities	-	-	469,658,913	543,971,507	-	1,013,630,420
<b>Total Liabilities</b>	<b>-</b>	<b>33,808,894</b>	<b>471,961,999</b>	<b>1,435,189,909</b>	<b>-</b>	<b>1,940,960,802</b>
<b>Net Liquidity Gap</b>	<b>273,592,568</b>	<b>573,935,366</b>	<b>4,020,426,576</b>	<b>228,366,704</b>	<b>15,712,342</b>	<b>5,112,033,557</b>


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

  
Dr. Ahmed Munirur Saleheen  
Chairman

  
Md. Abnus Sabban  
Managing Director (Additional Charge)

  
Md. Hamidur Rahman  
Director

  
Md. Jahangir Hossain  
General Manager

  
Basu Banerjee Nath & Co.  
Chartered Accountants  
Signed By: Uzzal Deb Nath, FCA  
Enrollment No.-1176

Dated: February 02, 2021

Signed in terms of our annexed report of even date.

  
A. Wahab & Co.  
Chartered Accountants  
Signed By: Md. Showkat Hossain, FCA  
Enrollment No.-196



Signed By: Md. Showkat Hossain, FCA  
Enrollment No.-196

DVC: 2104070196AS270422





**Probashi Kallyan Bank**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

**1. 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 Banking Companies Act and other prevailing Regulations related to the Banking 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. Basis of preparation and significant accounting policies**

**2.1 Basis of preparation**

The financial statements of the bank for the period from 1st July 2019 to 30 June 2020 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 Banking 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 through software automation.



**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 2019 to 30 June 2020.

**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 institution

**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 Banking 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, 2020 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.

Deffered 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 deffered 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 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.

**(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 365 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, 2020 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, 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
Revenue from contracts with customers	15	Applied

Name of International Accounting Standards (IAS)	IAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events After the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipments	16	Applied
Leases	17	N/A





Name of International Accounting Standards (IAS)	IAS No.	Status
Employee Benefits	19	Applied
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	Applied
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	Applied
Intangible Assets	38	Applied
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	Md. Shamshul Alam	Director General (Additional Secretary), Bureau of Manpower Employment and Training.	Director
3	Md. Hamidur Rahman	Director General (Additional Secretary), Wage Earner's Welfare Board.	Director
4	Md. Shahidul Alam, NDC	Additional Secretary (Admin & Finance), Ministry of Expatriate Welfare and Overseas Employment.	Director
5	Dr. Khiruzzaman Mazumdar	Ex-Economic Adviser, Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.	Director
6	A.K.M Fazul Haque Mia	Executive Director (Statistics) Bangladesh Bank.	Director
7	Rukhsana Hasin, NDC	Joint Secretary, Financial Institution Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.	Director
8	Begum Shakila Zerin Ahmed	Joint Secretary, Ministry of Labour and Employment)	Director
9	Mr. Md. Nazrul Islam	Director General, Ministry of Foreign Affairs, Dhaka.	Director



10	M. Shoaib Ahmad Khan	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 Banking Companies Act,1991:**

According to the Banking 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	Md. Shamshul Alam	Director General (Additional Secretary), Bureau of Manpower Employment and Training.	Director & Member
3	Md. Shahidul Alam, NDC	Additional Secretary (Admin & Finance), Ministry of Expatriate Welfare and Overseas Employment.	Director & Member
4	Rukhsana Hasin, NDC	Joint Secretary, Financial Institution Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.	Director & Member
5	A.K.M Fazul Haque Mia	Executive Director (Statistics) Bangladesh Bank.	Director & Member
6	Mahtab Zabin	Probashi Kallyan Bank, Head Office, Probashi Kallyan Bhaban, 71-72, Old Elephant Road, Dhaka-1000.	Managing Director & Member
7	Mohammad Kamal Hossain	Probashi Kallyan Bank, Head Office, Probashi Kallyan Bhaban, 71-72, Old Elephant Road, Dhaka-1000.	Member Secretary





**2.26 Audit Committee of the bank**

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

1	Md. Hamidur Rahman	Director General (Additional Secretary), Wage Earner's Welfare Board.	President
2	Dr. Khiruzzaman Mazumdar	Ex-Economic Adviser, Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.	Member
3	A.K.M Fazul Haque Mia	Executive Director (Statistics) Bangladesh Bank.	Member
4	Mohammad Kamal Hossain	Probashi Kallyan Bank, Head Office, Probashi Kallyan Bhaban, 71-72, Old Elephant Road, Dhaka-1000.	Member Secretary

**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	Mohammad Jashim Uddin	Deputy Managing Director, Probashi Kallyan Bank, Head Office, Probashi Kallyan Bhaban, 71-72, Old Elephant Road, Dhaka-1000.	Member
3	Mohammad Jahangir Hossain	General Manager, Probashi Kallyan Bank, Head Office, Probashi Kallyan Bhaban, 71-72, Old Elephant Road, Dhaka-1000.	Member
4	Mr. Razibul Islam	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 reporting period.**

Events after the reporting period that provide additional information about the Banks position at the Balance Sheet date are reflected in the financial statements in note no. 40 as per International Accounting Standards (IAS)-10: Events after the reporting period.

**2.29 Management's responsibility on financial statements**

The Management of the bank takes the responsibility for the preparation and presentation of the 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.



Basu Banerjee Nath & Co.  
Chartered Accountants

A. Wahab & Co.  
Chartered Accountants

	Amount in Taka	
	30-Jun-20	30-Jun-19
<b>3. Cash</b>		
Cash in hand (Including foreign currencies,note :3.1)	988,007	2,131,306
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)	-	-
	<b>988,007</b>	<b>2,131,306</b>
<b>3.1 Cash in Hand (Including Foreign Currencies)</b>		
Cash in Hand	88,170	1,064,492
Cash in Hand in Airport Booth	30,553	239,118
Foreign Currency Dollar	662,476	620,889
Foreign Currency URO	142,410	142,410
Foreign Currency Pound	58,945	58,945
Foreign Currency Account	5,453	5,453
	<b>988,007</b>	<b>2,131,306</b>
<b>4. Balance with Other Banks &amp; Financial Institutions</b>		
In Bangladesh (Note 4.1)	4,079,015,304	3,997,955,297
Outside Bangladesh	-	-
	<b>4,079,015,304</b>	<b>3,997,955,297</b>
<b>4.1 In Bangladesh</b>		
Current Account	-	-
STD Account (Note 4.1.1)	272,604,561	309,615,167
Fixed Deposit Account (Note 4.1.2)	3,806,410,743	3,688,340,130
	<b>4,079,015,304</b>	<b>3,997,955,297</b>
<b>4.1.1 STD Account</b>		
Agrani Bank Limited	68,949,706	51,828,204
Sonali Bank Limited	32,377,744	36,385,834
Arab Bangladesh Bank Limited	29,501,884	78,449,615
Bnagladesh Krishi Bank	303,863	-
One Bank Limited	18,465,781	14,066,555
Bank Asia Limited	94,220,678	61,317,181
Rupali Bank Limited	5,822,242	46,061,134
Social Islami Bank Limited	20,397,348	20,207,464
Probashi Kallyan Bank	2,565,315	1,299,179
	<b>272,604,561</b>	<b>309,615,167</b>
<b>4.1.2 Fixed Deposit Account</b>		
Bangladesh Krishi Bank	500,000,000	500,000,000
Union Bank Limited	113,703,893	105,604,395
Jamuna Bank Limited	295,692,500	100,000,000
Rajshahi Krishi Unnyan Bank (RKUB)	250,000,000	250,000,000
Modhumoti Bnak Limited	62,677,784	-
Exim Bank Limited	-	2,600,000
Social Islami Bank Limited	260,276,048	100,000,000
Standard Bank Limited	202,454,295	240,000,000
Southeast Bank Limited	151,912,500	150,000,000
South Bangla Agriculture and Commerce Bnak	51,068,750	-
Rupali Bank Limited	665,162,500	500,000,000
Investment Corporation of Bangladesh	500,000,000	630,000,000
First Security Islami Bank Limited	-	50,000,000
National Bank Limited	48,224,160	44,400,000
NCC Bank Limited	104,128,028	180,000,000
United Commercial Bank Limited	-	100,000,000
Marcantile Bank Limited	-	286,131,601
Primier Bank Limited	375,588,785	216,823,121
One Bank Limited	225,521,500	70,000,000
Pubali Bank Limited	-	112,781,013
Al Arafah Islami Bank Limited	-	50,000,000
	<b>3,806,410,743</b>	<b>3,688,340,130</b>





	Amount in Taka	
	30-Jun-20	30-Jun-19
<b>4.2 Maturity grouping of balances with other banks &amp; financial institutions</b>		
On demand	272,604,561	309,615,167
Upto 1 month	-	-
Over 1 month but not more than 3 months	-	2,174,400,000
Over 3 months but not more than 1 year	3,806,410,743	1,511,340,130
Over 1 year but not more than 5 years	-	-
Over 5 Years	-	2,600,000
	<b>4,079,015,304</b>	<b>3,997,955,296</b>
<b>5. Money at call on Short Notice</b>		
Commercial Banks	-	-
Financial Institutions (Public & Private)	-	-
	<b>-</b>	<b>-</b>
<b>6. Investments</b>		
Government	-	-
Others	-	-
	<b>-</b>	<b>-</b>
<b>7. Loans &amp; Advances</b>		
Loans, Cash Credit & Overdraft etc. (Note 7.1)	2,436,848,708	1,839,643,436
Bills Purchased & Discounted	-	-
	<b>2,436,848,708</b>	<b>1,839,643,436</b>
<b>7.1 Loans, Cash Credit &amp; Overdraft etc</b>		
<b>In Bangladesh</b>		
Loans (Note 7.1.1)	2,436,848,708	1,839,643,436
Cash Credit	-	-
Overdraft	-	-
Others	-	-
<b>Total Inside Bangladesh</b>	<b>2,436,848,708</b>	<b>1,839,643,436</b>
<b>Outside Bangladesh</b>	<b>-</b>	<b>-</b>
	<b>2,436,848,708</b>	<b>1,839,643,436</b>
<b>7.1.1 Loans</b>		
Migration Loans	2,420,351,042	1,820,972,716
Rehabilitation Loan	8,362,494	9,295,328
Motor Cycle Loan (Staff Loan)	8,135,172	9,375,392
	<b>2,436,848,708</b>	<b>1,839,643,436</b>
<b>7.2 Remaining Maturity Grouping of Loans</b>		
Payable on Demand	-	-
Not more than 3 months	607,744,260	-
Above 3 months but not more than 1 year	685,977,832	-
Above 1 Year but not more than 5 years	1,135,579,242	1,830,268,044
Above 5 Years	7,547,374	9,375,392
	<b>2,436,848,708</b>	<b>1,839,643,436</b>
<b>7.3 Loans on the basis of significant concentration including bills purchased &amp; discounted</b>		
a. Advances to Directors	-	-
b. Advances to MD and other Senior Executives	-	-
c. Advances to Customers group	-	-
d. Advances to Industrial Sector	-	-
	<b>-</b>	<b>-</b>



	Amount in Taka	
	30-Jun-20	30-Jun-19
<b>7.4 Geographical Location - Wise Loans and Advances</b>		
<b>Inside Bangladesh</b>		
Dhaka Division	710,172,782	572,115,571
Chittagong Division	506,745,948	386,728,421
Khulna Division	273,782,575	153,806,275
Rajshahi Division	281,906,269	199,691,801
Sylhet Division	197,632,059	181,789,850
Barisal Division	156,950,715	158,510,919
Rangpur Division	204,038,693	106,634,356
Mymensing Division	105,619,667	80,366,243
<b>Total Inside Bangladesh</b>	<b>2,436,848,708</b>	<b>1,839,643,436</b>
<b>Outside Bangladesh</b>	-	-
	<b>2,436,848,708</b>	<b>1,839,643,436</b>
<b>7.5 Distribution of Loans and Advances according to BRPD Circular by Bangladesh Bank</b>		
<b>Unclassified loan: (A)</b>		
Standard (Migration & Rehabilitation Loans)	2,105,311,104	150,268,517
Standard (Staff Loan; Motor Cycle)	8,135,172	9,375,392
Overdue	-	1,351,999,999
	<b>2,113,446,276</b>	<b>1,511,643,908</b>
<b>Classified loan: (B)</b>		
Sub-Standard	253,360,431	276,030,534
Doubtful	53,436,121	36,282,185
Bad and Loss	16,605,880	15,686,809
	<b>323,402,432</b>	<b>327,999,528</b>
<b>Sub-Total (A+B)</b>	<b>2,436,848,708</b>	<b>1,839,643,436</b>
<b>7.6 Particulars of Loans and Advances</b>		
(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.	2,113,446,276	1,511,643,908
(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.	-	-
(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	323,402,432	327,999,528
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	-	-





	Amount in Taka	
	30-Jun-20	30-Jun-19
(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 law suits have been filed	-	-
<b>Total</b>	<b>2,436,848,708</b>	<b>1,839,643,436</b>
<b>8. Fixed assets including premises, furniture and fixtures</b>		
Furniture and Fixtures	16,916,198	16,974,666
Office Machineries	7,656,132	9,288,683
Office Equipments	1,054,686	949,900
Electrical Equipments	188,493	230,352
Motor Vehicles	13,217,500	13,217,500
	<b>39,033,009</b>	<b>40,661,101</b>
Less: Accumulated depreciation	23,627,724	19,770,423
	<b>15,405,285</b>	<b>20,890,678</b>
<i>(Schedule of Fixed Assets is given in Annexure-A)</i>		
<b>9. Other assets</b>		
i) Income generating assets	-	-
ii) Non-Income generating assets		
a) Stationery, stamps, printing materials etc. (Note 9.1)	2,726,370	1,878,954
b) Advance income tax (Note 9.2)	358,690,392	298,508,495
c) Accounts Receivable (Note 9.3)	5,179,068	5,995,356
d) Accrued Interest on FDR	137,920,720	119,771,141
e) Interest Receivable	14,264,908	-
f) Advance Against Rent ( Note-4)	1,957,525	1,561,580
g) Clearing Adjustment Accounts	(1,929)	400
<b>Total</b>	<b>520,737,054</b>	<b>427,715,927</b>
<b>9.1 Stationery, stamps, printing materials etc</b>		
Prepaid Printing Stationery	1,919,655	673,919
Prepaid Security Stationery	806,715	1,205,035
	<b>2,726,370</b>	<b>1,878,954</b>
<b>9.2 Advance income tax</b>		
Opening Balance	298,508,495	178,572,014
Add: Paid during the year	102,563,447	157,867,251
	<b>401,071,942</b>	<b>336,439,265</b>
Less: Adjustment during the year	42,381,550	37,930,770
	<b>358,690,392</b>	<b>298,508,495</b>
<b>9.3 Accounts Receivable</b>		
Deferred Tax Asset	4,801,408	5,988,576
Sundry Debtors	183,871	-
Misc. Receivable	193,789	6,780
	<b>5,179,068</b>	<b>5,995,356</b>
<b>9.4 Advance Againsts Rent</b>		
Advance Against House Rent	1,654,697	1,178,748
Advance Against Rent	302,828	382,832
	<b>1,957,525</b>	<b>1,561,580</b>
<b>10. Borrowings from other banks, financial Institutions and agents</b>		
In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-



	Amount in Taka	
	30-Jun-20	30-Jun-19
<b>11. Deposits and other accounts</b>		
Savings Bank Deposits	28,486,499	24,429,703
Short Notice Deposits	2,303,086	1,266,473
Current Deposit	1,585,300	-
Staff Deposit	3,737,095	2,790,438
Deposit Insurance Premium	36,200	-
Fixed Deposits (Note 11.1)	891,182,202	925,414,467
	<b>927,330,382</b>	<b>953,901,080</b>
<b>11.1 Fixed Deposits</b>		
Term Deposits	875,556,500	908,559,117
Double Deposit Scheme	1,485,700	1,488,350
PDS	14,140,002	15,367,000
	<b>891,182,202</b>	<b>925,414,467</b>
<b>11.2 Maturity Grouping</b>		
Over 1 month but within 6 months	33,808,894	24,602,957
Over 6 months but within 1 year	2,303,086	371,702,500
Over 1 year but within 5 years	891,218,402	12,389,088
Over 5 years but within 10 years	-	7,300,741
	<b>927,330,382</b>	<b>415,995,286</b>
<b>12. Other liabilities</b>		
Provision for Loan and Advances (Note 12.1)	53,288,248	45,945,082
Provision for Incentive Bonus (Note 12.2)	-	15,605,450
Provision for CSR (Note 12.3)	2,780,300	2,480,300
Expenses Payable (Note 12.4)	1,184,319	1,266,553
Others Payable (Note 12.5)	468,474,594	437,498,262
Provision for Current Tax (Note 37)	418,716,529	312,423,001
General Provident Fund (GPF)	25,484,389	18,827,821
Staff Superannuation Fund	42,738,465	30,741,931
Staff Risk/Benevolent Fund	963,575	709,296
	<b>1,013,630,420</b>	<b>865,497,697</b>
<b>12.1 Provision for Loans &amp; Advances</b>		
Provision held at beginning of the year	45,945,082	74,789,812
Add: Provision made for the year (Note-35)	7,343,166	-
	<b>53,288,248</b>	<b>74,789,812</b>
Less: Adjusted during the year	-	28,844,730
<b>Provision held at the end of the year</b>	<b>53,288,248</b>	<b>45,945,082</b>
<b>12.2 Provision for Incentive Bonus</b>		
Provision held at beginning of the year	15,605,450	11,019,249
Add: Provision made for the year (Note-36)	-	4,586,201
	<b>15,605,450</b>	<b>15,605,450</b>
Less: Adjustment (reversed) for the year	15,605,450	-
<b>Provision held at the end of the year</b>	<b>-</b>	<b>15,605,450</b>
<b>12.3 Provision for CSR</b>		
Provision held at beginning of the year	2,480,300	1,980,300
Add: Provision made for the year (Note-36)	500,000	500,000
Less: Prior year adjustment	200,000	-
<b>Provision held at the end of the year</b>	<b>2,780,300</b>	<b>2,480,300</b>





	Amount in Taka		
	30-Jun-20	30-Jun-19	
<b>12.4 Expenses Payable</b>			
Audit Fee	115,000	115,000	
Water Bill	30,000	24,000	
Electricity Bill	119,082	273,673	
Telephone Bill	149,422	121,515	
Stationery expense	2,350	-	
Newspaper	4,000	15,200	
Car Repair expenses	41,000	-	
Salary & Allowance	163,814	137,800	
Travelling Expense	7,220	23,873	
Business Development	330,000	127,778	
Sundry Expense	3,480	10,100	
Office Rent	15,264	160,364	
Overtime Allowance	60,000	25,000	
Professional Fees	112,500	8,000	
Branch Shifting Expenses	19,810	85,550	
Postage	-	40,000	
Lunch Subsidy	-	10,200	
Closing Subsidy	-	1,000	
Leverage & Uniform	11,377	87,500	
	<b>1,184,319</b>	<b>1,266,553</b>	
<b>12.5 Other Payables</b>			
VAT Payable	35,744	6,056	
Tax Payable	55,739	622	
Excise Duty Payable	89,600	-	
Security Deposit	4,537	5,234	
Loan Risk Coverage Scheme	66,492,651	55,438,516	
Accounts Payable	4,757,197	4,670,743	
Recruitment Application Fees	10,299,371	10,301,371	
Interest Suspense	44,503,377	23,113,480	
Suspense Account	188,001	185,968	
Interest Payable on FDR	46,768,139	41,177,395	
Registration Fee	36,539,540	53,442,175	
Welfare Fee	258,589,623	249,156,703	
Other	151,075	-	
	<b>468,474,594</b>	<b>437,498,262</b>	
<b>13. Authorized Capital</b>			
50,000,000 ordinary shares of Tk 100.00 each	<b>5,000,000,000</b>	<b>5,000,000,000</b>	
<b>Issued, Subscribed and Paid-up Capital</b>			
The Issued, Subscribed and Paid up Capital of the Bank as follows:			
40,000,000 Ordinary Shares of Tk. 100.00 Each	<b>4,000,000,000</b>	<b>4,000,000,000</b>	
<b>Name of Shareholders</b>			
<b>Name of Shareholders</b>	<b>No. of Shares</b>	<b>Taka</b>	<b>Taka</b>
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
<b>Total</b>	<b>40,000,000</b>	<b>4,000,000,000</b>	<b>4,000,000,000</b>
<b>14. Statutory Reserve</b>			
Balance at the beginning of the Year	187,959,003	124,731,907	
Add: Addition during the year (20% of profit before tax)	69,842,766	63,227,096	
	<b>257,801,769</b>	<b>187,959,003</b>	



	Amount in Taka	
	30-Jun-20	30-Jun-19
<b>15. General Reserve</b>		
Balance at the beginning of the Year	117,280,929	85,667,380
Add: Addition during the year (10% of profit before tax)	34,921,383	31,613,548
	<b>152,202,312</b>	<b>117,280,929</b>
<b>16. Special Reserve</b>		
Balance at the beginning of the Year	47,557,823	31,751,049
Add: Addition during the year (5% of profit before tax)	17,460,692	15,806,774
	<b>65,018,515</b>	<b>47,557,823</b>

**17. Share Money Deposit**

The Board of Directors of the Bank in its 57th Meeting has approved to increase the Bank's paid up capital from BDT 4,000 million to BDT 5,000 million which is also subsequently approved by the Ministry of Finance, Government of the People's Republic of Bangladesh on May 13, 2020. The Gazette of the increased paid up capital is yet to publish during the financial year ended 2020. As per section 8(3) of Probashi Kallyan Bank Act, 2010, the process of increasing bank's paid up capital will be completed when it has been published as Govt. Gazette. The Wage Earners Kallyan Board will contribute BDT 950 million (95%) and the rest of BDT 50 million will be contributed by the Ministry of Finance. The Bank has already received BDT 450 million from Wage Earners Kallyan Board on December 18, 2019.

**18. Dividend paid**

No Dividend has paid to the shareholders.

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	-	-
Wage Earners Kallyan Board	38,500,000	-	-
<b>Total</b>	<b>40,000,000</b>	<b>-</b>	<b>-</b>

**19. Surplus in Profit and Loss Account**

Balance as at 01 July 2019	116,140,111	30,490,607
Prior year adjustment/correction for Wrong Posting in Assets	(27,713,622)	(262,150)
Correction of Bank Reconciliation of Ctg Br.	-	90,859
Retained Surplus during the year	82,979,023	79,022,125
<b>Sub Total</b>	<b>171,405,512</b>	<b>109,341,441</b>
Dividend Paid	-	(14,795,959)
Settlement of Assessment 2014-15 in Financial Year 2017-18 (AIT Settlement)	-	(7,947,147)
Add: Provision for Loan (Previous Year)	-	28,844,730
Add: Adjustment against Acc.Dep	-	697,046
Add: Adjustment of Provision for Incentive Bonus	15,605,450	-
<b>Balance as at 30 June 2020</b>	<b>187,010,962</b>	<b>116,140,111</b>





	Amount in Taka	
	30-Jun-20	30-Jun-19
<b>20. Interest income</b>		
Interest on Loans (Note 19.1)	221,822,596	174,667,301
Interest on Deposit with other Bank (Note 19.2)	333,052,122	307,466,255
	<b>554,874,718</b>	<b>482,133,557</b>
<b>20.1 Interest on Loans</b>		
Migration Loans	220,813,240	173,618,869
Rehabilitation Loan	515,910	542,536
Motor Cycle Loan	493,446	505,896
	<b>221,822,596</b>	<b>174,667,301</b>
<b>20.2 Interest on Deposit with other Bank</b>		
Interest on Short Term Deposit	12,496,463	10,315,070
Interest on FDR	320,555,659	297,151,185
	<b>333,052,122</b>	<b>307,466,255</b>
<b>21. Interest paid on deposits and borrowings etc.</b>		
On Savings Account	786,005	666,112
On PDS	1,330,671	1,577,804
On FDR	60,472,087	50,530,365
	<b>62,588,763</b>	<b>52,774,281</b>
<b>22. Commission exchange &amp; brokerage of the bank</b>		
Fees & commission	8,697,948	12,471,989
Foreign exchange gain	30,534	26,629
	<b>8,728,482</b>	<b>12,498,618</b>
<b>23. Other operating income</b>		
Misc. Earning	32,961,650	31,812,181
Sale of Forms	657,415	735,830
Other Income	10,909,754	10,607,618
	<b>44,528,819</b>	<b>43,155,629</b>
<b>24. Salary and allowances</b>		
Basic Salary	52,292,623	46,816,349
House Rent Allowance	24,289,983	22,082,432
Lunch Subsidy	7,185,000	8,043,104
Conveyance Allowance	74,221	128,041
Medical Allowance	3,414,332	3,313,671
Wages to Contract Basis Employees	14,398,860	6,701,013
Wages to temporary basis employees	7,426,100	11,447,365
Naboborsho Allowance	1,050,736	848,481
Festival Bonus	9,084,305	7,764,770
Covid Pronodona	4,577,340	-
Superannuation Fund (Banks Contribution)	10,719,709	9,468,099
Leverage Expenses & Uniform	217,760	140,000
Education Allowance	248,419	213,500
Overtime Allowance	165,854	174,843
Entertainment Allowance	52,137	28,428
Washing Allowances	48,165	49,825
Hill Track Allowance	53,035	54,100
Chairman Honorium	360,000	358,000
Car loan Advance Scheme Allowance	930,000	930,000
Recreation Allowance	53,610	-
Leave Encashment Allowance	-	191,233
Closing Allowance	314,000	341,000
	<b>136,956,189</b>	<b>119,094,254</b>



	Amount in Taka	
	30-Jun-20	30-Jun-19
<b>25. Rent, taxes, insurance, electricity etc.</b>		
Rent	17,775,893	15,220,273
Electricity and Heating	1,353,917	1,340,229
Insurance	80,585	559,492
	<b>19,210,395</b>	<b>17,119,994</b>
<b>26. Legal Expenses</b>		
Legal Expenses	168,931	415,860
Other Expenses	16,562	8,630
	<b>185,493</b>	<b>424,490</b>
<b>27. Postage, newspaper, stamp, telecommunication etc.</b>		
Postage	356,408	448,827
Telegram, telex, fax and internet	1,254,092	1,014,497
Telephon-Office	436,203	622,620
Telephon-residence	-	39,118
	<b>2,046,703</b>	<b>2,125,062</b>
<b>28. Stationery, Printings, Advertisements etc.</b>		
Printing Stationery	523,331	382,825
Security stationery	396,345	542,902
Publicity, Advertisement and publication	254,400	306,960
Table Stationery	925,454	804,603
	<b>2,099,530</b>	<b>2,037,291</b>
<b>29. Chief Executive's salary and fees</b>		
Basic Salary	-	-
Medical Allowance	-	-
House Rent Allowance	-	-
Noborsho Allowance	-	-
Festival Bonus	-	-
Subsistence allowance	-	-
Other Allowance	-	-
Closing allowance	-	-
	<b>-</b>	<b>-</b>
<b>30. Directors' fees</b>		
Board meeting and audit committee meeting	782,000	837,200
	<b>782,000</b>	<b>837,200</b>
As per BRPD letter no. 11 dated 04 October 2015 Taka 8,000 has been paid as Honarium to the Directors, per Board or Board Commiittee/Audit Committee meeting held during the year 2019-2020.		
<b>31. Auditors' Fees</b>		
External Audit Fee	115,000	115,000
	<b>115,000</b>	<b>115,000</b>
<b>32. Depreciation of bank's assets</b>		
Furniture and Fixtures	1,688,738	1,697,467
Office Machineries	1,515,046	1,857,737
Office Equipments	148,495	142,485
Electrical Equipments	35,024	46,070
Motor Vehicles	2,643,500	2,643,500
	<b>6,030,803</b>	<b>6,387,259</b>





	Amount in Taka	
	30-Jun-20	30-Jun-19
<b>33. Repair of bank's assets</b>		
Air Conditioner	106,350	124,467
Furniture and Fixture	37,642	30,739
Vehicles	286,532	335,439
Computer	10,220	23,005
Office Equipment	1,299	43,130
Office Machineries	-	-
Photocopy Machine	4,950	32,425
	<b>446,993</b>	<b>589,205</b>
<b>34. Other expenses</b>		
Travelling Expenses	1,999,348	2,918,991
Conveyance Charge	592,512	619,003
Fuel Expenses	695,201	958,515
Books Purchase	431,352	358,555
Banking Diploma & Others Honorarium	357,000	156,000
Manager Conference and Training	73,000	1,007,417
Commission	257,128	227,622
Branch Shifting/Opening Expenses	50,785	182,913
Business Development Expenses	725,963	767,457
Water & Sewerage Expenses	183,584	174,324
Interest Paid on GPF Fund	1,134,092	1,936,879
Excise Duty	1,759,720	1,986,050
Welfare & Refresh / Entertainment expenses	2,232,564	1,360,853
Software maintenance expenses	910,000	966,000
Suddachar	90,850	96,950
Donation	200,000	200,000
Washing & Clening	498,572	355,968
Electronic Accessories	161,549	-
Computer Stationery & Accessories	574,285	700,311
Professional Fees	241,875	172,500
Other Committee Honorium	210,000	-
Development Fair	-	16,219
Deposit Insurance Premium	36,200	-
Recruitment Expenses	6,357,006	3,899,399
Miscellaneous Expenses	840,568	1,086,360
	<b>20,613,154</b>	<b>20,148,286</b>
<b>35. Provision for loan</b>		
Provision for (classified & unclassified) loans and advances	7,343,166	-
	<b>7,343,166</b>	-
<b>36. Other Provisions related expenses</b>		
Provision for Incentive Bonus	-	4,586,201
Provision for CSR	500,000	500,000
	<b>500,000</b>	<b>5,086,201</b>

The above provision for incentive bonus has been made on lump sum basis which will be adjusted as per approval of the competent authority.

<b>37. Provision for Current Tax</b>		
Opening balance	312,423,001	215,952,431
<b>Add:</b> Provision made for current year tax	142,822,798	126,454,193
	<b>455,245,799</b>	<b>342,406,624</b>
<b>Less:</b> Adjustment made during the year	36,529,270	29,983,623
<b>Closing balance</b>	<b>418,716,529</b>	<b>312,423,001</b>



Amount in Taka	
30-Jun-20	30-Jun-19
205,203,864	189,669,544
40,000,000	40,000,000
42,437,500	40,000,000
<b>4.84</b>	<b>4.74</b>

38. Earnings Per Share (EPS)

Net Profit after Tax (Numerator)  
Number of Ordinary Share Outstanding (Denominator)  
Weighted Average number of ordinary shares  
Earning Per Share (EPS)

39. 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.

40. Events after reporting period

The Gazette for increasing bank's paid up capital from BDT 4,000 million to BDT 5,000 has been completed and published on BG press on August 16, 2020.



Dr. Ahmed Munirus Saleheen  
Chairman



Md. Hamidur Rahman  
Director



Md. Abnus Jahan  
Managing Director (Additional Charge)



Md. Jahangir Hossain  
General Manager

Dated: February 02, 2021





**Probashi Kallyan Bank**  
**Highlights on the overall activities of the Bank**  
**For the year ended 30 June 2020**

Sl. No.	Particulars	FY 2019-2020	FY 2018-2019
1	Paid up Capital	4,000,000,000	4,000,000,000
2	Total Capital (TC)	5,112,033,558	4,468,937,866
3	Capital Surplus / (Deficit)	1,112,033,558	468,937,866
4	Total Assets (TA)	7,052,994,358	6,288,336,643
5	Total Deposits	927,330,382	953,901,080
6	Total Loans and Advances	2,436,848,708	1,839,643,436
7	Total Contingent Liabilities and Commitments	N/A	N/A
8	Credit - Deposit Ratio	263%	193%
9	Percentage of Classified Loans against total Loans & Advances	13.27%	17.83%
10	Profit after Tax and Provision (EAT)	205,203,864	189,669,543
11	Amount of Classified Loans and Advances	323,402,432	327,999,528
12	Provision Kept against Classified Loan	7,343,166	-
13	Provision against CL-Surplus/ (deficit)	-	28,844,730
14	Cost of Fund (With Establishment)	26.42%	22.57%
15	Cost of Fund (Without Establishment)	6.75%	5.53%
16	Interest Bearing Assets	6,515,864,012	5,837,598,733
17	Non-interest Bearing Assets	537,130,346	450,737,910
18	Return on Investment (ROI)	N/A	N/A
19	Return on Assets (ROA)-Based on EBPT & TA	5.06%	5.03%
20	Return on Assets (ROA)-Based on EAT & TA	2.91%	3.02%
21	Return on Equity (ROE)-Based on EAT & TC	4.01%	4.24%
22	Earnings Per Share (EPS)	4.84	4.74
23	Price Earning Ratio (MPS/EPS)	100%	100%



**Probashi Kallyan Bank**  
**Schedule of Fixed Assets**  
**As at 30 June 2020**

Particulars	Cost Price						Depreciation					Written Down Value as at 30.06.20
	Balance as at 01.07.2019	Addition during the year	Disposal/ Adjustment during the year	Balance as at 30.06.2020	Rate of Dep.	Balance as at 01.07.2019	Charged during the year	Disposal/ Adjustment during the year	Balance as at 30.06.2019	Written Down Value as at 30.06.20		
											Amount in Taka	
Furniture and Fixtures	16,974,666	115,283	173,751	16,916,198	10%	8,705,635	1,688,738	173,751	10,220,622	6,695,576		
Office Machineries	9,288,683	323,609	1,956,160	7,656,132	20%	4,499,444	1,515,046	1,659,493	4,354,997	3,301,135		
Office Equipments	949,900	349,702	244,916	1,054,686	15%	620,245	148,495	244,916	523,824	530,862		
Electrical Equipments	230,352	53,483	95,342	188,493	20%	130,617	35,024	95,342	70,299	118,194		
Motor Vehicles	13,217,500	-	-	13,217,500	20%	5,814,482	2,643,500	-	8,457,982	4,759,518		
<b>Balance as at 30 June 2020</b>	<b>40,661,101</b>	<b>842,077</b>	<b>2,470,169</b>	<b>39,033,009</b>	-	<b>19,770,423</b>	<b>6,030,803</b>	<b>2,173,502</b>	<b>23,627,724</b>	<b>15,405,284</b>		
<b>Balance as at 30 June 2019</b>	<b>36,747,925</b>	<b>8,319,488</b>	<b>4,406,312</b>	<b>40,661,101</b>		<b>17,672,332</b>	<b>6,387,259</b>	<b>4,289,167</b>	<b>19,770,424</b>	<b>20,890,678</b>		

