

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Par	ticulars			Note	2019 Taka	2018 Taka
7.8	Grouping as per Classif	ication Rules				
	Unclassified Standard including staff k Special Mention Account				682,426,812	<u> </u>
					682,426,812	<u> </u>
	Classified Sub standard Doubtful Bad / Loss				- - -	-
					682,426,812	<u> </u>
					002,420,012	
7.9	Sector-wise Allocation	of Loans and Adva	nces			
	Government Private: Agriculture, fishing, forest	ry and dairy firm			-	<u>-</u>
	Industry (jute, textile, garr Working capital financing Export credit Commercial credit	nents, chemicals, ce	ments etc.)		98,953,008	- - - -
	Small and cottage indust Miscellaneous	ries			583,473,804 682,426,812	
					682,426,812	
7.10	Securities against loans discounted	s/advances includir	ng bills purchase	ed and		
	Collateral of moveable/im Local banks & financial in				36,951,320	- -
	Government guarantee Foreign banks guarantee Export documents				-	. .
	Fixed deposit receipts (FI FDR of other banks Government bonds	DR)			6,712,302	<u>-</u>
	Corporate Guarantee				98,953,008	
	Personal guarantee & oth Other securities	er securities			539,810,182	
					682,426,812	-
7.11	Particulars of required p	provisions for Loans	s and Advances			
		Outstanding				
Stat	us	Outstanding Loans & advances December 2019	Base for provision	Percentage (%) of required provision	Required provision December 2019	Required provision December 2018

s	Loans & advances	Base for provision	Percentage (%) of required provision	Required provision December 2019	Required provision December 2018
ssified					
classified loans (Other small & Medium prise Financing, umer cing/MBs/SDs, Housing is for professional)	618,586,759	618,586,759	1%	6,185,867	
& Medium enterprise	-	ē	0.25%	÷	:
to BHs/MBs/SDs t share etc	-	-	2%	-	
ng & loan for professional	-	-	2%	-	
mer finance	26,888,733	26,888,733	5%	1,344,437	
Mentioned Account	-	-	5%	-	
				7,530,304	
ified-Specific provision					
andard	-	-	20%	-	
ful	-	-	50%	-	
oss	-	-	100%	-	
ed provision for loans				7,530,304	
rovision maintained 13.1)				7,537,515	
s/(Short) provision at 31 hber 2019				7,211	
	= Merchant Banks	s, SDs = Stock De	ealers Against Sha		

Particulars	Note	Taka	Taka
7.12 Particulars of Loans and Advances			
i) Debts considered good in respect of which Bank is fully secured		43,663,622	-
ii) Debts considered good for which Bank holds no other security than the debtor's personal security	S	-	- -
iii) Debts considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors .		638,763,190	-
iv) Debts considered doubtful or bad, not provided for		-	
		682,426,812	
 v) Debts due by directors or officers of the banking company or any of these either separately or jointly with any other persons; 	r	36,951,320	
 vi) Debts due by companies or firms in which the directors or officers of the bank are interested as directors, partners or managing agents or in case of private companies as members; 		-	-
 vii) Maximum total amount of advances, including temporary advances made at ar time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person; 	пу	36,951,320	-
viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in case of private companies, as members;		-	-
ix) Due from banking companies		-	-
x) Amount of Classified loans on which interest has not been charged should be mentioned as follows:		-	=
a) Increase/decrease of provision (specific) amount of debts written off		-	=
amount realized against loan previously written off. b) Amount of provision kept against loan classified as "bad/loss" on the date of preparing the balance sheet c) Interest creditable to the Interest Suspense a/c.		-	-
xi) Cumulative amount of the written off loan and the amount written off during the current year should be shown separately. The amount of written off loan for which lawsuit has been field should also be mentioned.		-	-
- Current year - Cumulative to date		-	= =
The amount of written off loans for which law suit filed		-	-
7.10. The diversary of the Donk house not taken only lean from the Donk during the		ava ia na autotondio	a laga laglonago

11	le amount of written of loans for which law suit filed		
7.13	The directors of the Bank have not taken any loan from the Bank during the year or the with any director of the Bank.	nere is no outstandi	ng loan balances

Partio	culars	Note	2019 Taka	2018 Taka
8 Fix	xed assets including premises, furniture and fixtures			
	Cost			
	Property plant and equipments:			
	Land Building Furniture and fixture Office equipments IT Hardware Motor vehicles		55,013,806 45,456,867 110,512,499 26,760,000 237,743,172	-
	Intangible Assets:			
	IT Software		27,593,307 265,336,479	
	Less: Accumulated depreciation & amortization Net Book value at the end of the year		18,210,344 247,126,135	
	(Details are shown in Annex - B)			
9	Other Assets			
9.1	Income generating other assets Interest receivables Dividend receivable - Preference share Interest receivable - Commercial paper	(Note -9.1.1)	201,824,897 2,006,485 1,788,889 205,620,271	
9.1.1	Interest receivables			
	Interest receivables consists of interest receivable on loans, investments etc.			
	Receivable against Govt. securities Receivable against other securities Receivable against balance with other bank Receivable against loans and advances		2,908,363 - 196,019,112 2,897,422 201,824,897	
9.2	Non income generating other assets Stock of stamps Stock of security stationery Advance to staff Deferred revenue expenditure Advance payment of income tax Deferred tax asset Advance to vendor & supplier Advance against fixed assets Advance against office rent Advance against expenditure Advance security deposit Prepayments Receivable from trade partners	(Note - 9.2.1) (Note - 9.2.3) (Note 9.1 + 9.2)	160,500 2,816,881 203,540 4,104,193 13,444,525 13,081,304 1,000,000 9,213,529 2,300,200 2,806,612 2,118 199,525,500 405,145,771	13,081,304 9,068,000 - - - 22,149,304 22,149,304

Partio	culars Deferred Tax asset	Note	2019 Taka	2018 Taka
.2.1	Deferred tax assets Deferred tax assets arises from carry forward tax credit: Loss before taxes Tax rate		40%	32,703,259
	Deferred tax asset Opening deferred tax asset Deferred tax (income)		13,081,304	13,081,304 - (13,081,304)
.2.2	Deferred tax liability I. Temporary timing difference in written down value of fixed	d assets		
	between tax base and carrying value: Carrying amount of fixed assets Tax base		247,126,135 216,876,332	-
	Taxable temporary difference Tax rate Deferred tax liability		30,249,803 40% 12,099,921	_
	II. Temporary timing difference in Interest receivable from treas bonds Accounting base	ury bi ll s &	1,803,119	_
	Tax base Taxable temporary difference Tax rate		1,803,119	-
	Deferred tax liability Total Deferred tax liability (I+II) Opening deferred tax liability		721,248 12,821,169	-
	Deferred tax expense/(income) "Deferred tax assets/(liabilities) have been recognised at	ad maggurad as par	12,821,169	Tayon and PPPD
	circular # 11 dated 12 December 2011. There is no other which deferred tax asset/liability is required to be account	material temporary tim		
2.3	Advance against fixed assets Advance for core banking software Advance for branch interior and civil works		137,817,098 12,575,000	
	Advance for pool car		150,392,098	9,068,000
) 1	Non-banking assets Borrowing from other banks, financial institutions and			
2	Deposit and Other Accounts	agents		, <u> </u>
	Current & other accounts Bills payable Saving deposits	(Note-12.3	499,139,171 5,396,775 771,722,218	
	Fixed deposits Other deposits		1,573,113,413	
2.1	Total Deposit and other accounts Deposit details concentrating liquidity nature		2,849,371,577	
1	i) Demand deposit Current deposit		384,642,223	
	Saving deposit (9%) Bills payable		69,455,000 5,396,775 459,493,997	-
	ii) Time deposit Saving deposit (91%)		702,267,218	-
	Fixed deposit Short term deposi		1,569,339,869 114,496,948	-
	Deposit pension scheme		3,773,544 2,389,877,580 2,849,371,577	
2.2	Maturity Wise Grouping of Deposits			
	Payable on demand Payable within 1 month Over 1 month but within 6 months		137,296,775 518,300,000 525,657,428	- - -
	Over 6 month but within 1 year Over 1 year but within 5 years Over 5 years but within 10 years		1,530,671,411 136,500,000 945,964	- - -
	Over 10 years		2,849,371,577	-
2.3	Bills payable Payment Order Issued		5,396,775	
			5,396,775	-
3	Other Liabilities Provisions for loans & advances Withholding tax payable	(Note - 13.1)	7,537,515 731,541 1,161,922	- - -
	Withholding VAT payable Excise duty Payable Provision for taxation	(Note - 13.2)	1,437,800 13,551,815 12,821,169	- - -
	Deferred tax liability Interest payable Provision for Expenses-Auditor's Fees	(Note - 9.2.2)	20,173,594 115,000 180,000	
	Provision for Expenses-AGM Suppliers payable Payable against preliminary expenses	(Note - 13.3) (Note - 13.4)	13,427,129 41,656,259 38,311,329	41,656,259
	Payable to Bangladesh Police Kallyan Trust (BPKT) Card related payables Unearned Income	(Note - 13.4)	11,173,015 2,117 845,607	- -
	Clearing account ATM/POS settlement account		380,000 4,325,832	- -
	Payable against provident fund Security deposit by vendor Others		16,509,896 184,260 184,525,800	41,771,259
3.1	A Provision for Loans and Advances: Movement in general provision on unclassified loans Provisions held at the beginning of the year			-
	Add: Net charge to Profit and Loss A/C Provisions held at the end of the year		7,537,515 7,537,515	: -
	B Movement in specific provision on classified loans Provisions held at the beginning of the year (i) Less: Fully provided debts written off during the year Add: Recoveries of amounts previously written off		-	- -
	Add: Net charge to profit and loss account Provisions held at the end of the year Total provision held at the end of the year (A+B)		7,537,515	: <u>-</u>
3.2	Provision for current taxation Current tax expense		.,,,,	
	Opening Balance Add: Addition during the year		13,551,815 13,551,815	-
	Less: Adjustment of tax provision for previous years Balance at the end of the year		13,551,815	-
3.3	Payable against preliminary expenses Fees for Banking License Fore and specified east said to PCFO for reiging emitted		1,000,000	
	Fees and associated cost paid to BSEC for raising capital Fees and associated cost paid to RJSC for Incorporation Purchase of Pool Car		905,000 11,558,031 9,068,000	11,558,031 9,068,000
	Other Preliminary expenses		19,125,228 41,656,259	19,125,228
	Preliminary expenses were born by promoter. Preliminary exports by our promoter for the Bank before receiving the paid-up catender advertisement cost, salary, stationaries and other. A	apital. Other preliminary	expenses include	recruitment cost,
		Word do		J 2200
3.4	Payable to Bangladesh Police Kallyan Trust (BPKT) Interior decoration - Head Office and Corporate Branch		11,938,531	-
	Supply and Installation of Air Conditioning at Head Office Other expenses		24,012,824 2,359,974 38,311,329	
	Above expenses are borne by Bangladesh Police Kollaya limited and all transactions were done on an arm's-length		alf of Community E	3ank Bangladesh
l l.1	Share Capital Authorized Capital			
1.2	1,000,000,000 ordinary shares of Taka 10 each		10,000,000,000	10,000,000,000
1.2	Issued, subscribed and fully paid up capital 400,000,000 ordinary shares of Taka 10 each issued for c	eash	4,000,000,000	
.2.1	Issued, subscribed and fully paid up capital Balance at the beginning of the year	•		
	Closing at the end of the year		4,000,000,000 4,000,000,000	
1.3	Ordinary Shares Bangladesh Police Kallyan Trust		No. of Shares. 399,999,990	% of shareholding 99.9999975%
1.4	Directors Classification of Shareholding		400,000,000	0.0000025% 100%
	· ·	No. of Shareholders	No. of Shares	Percentage of Holding of Shares
	Less than 500 500 to 5, 000 5,001 to 10,000	10 - -	10 - -	0.0000025% 0.00% 0.00%
		-	-	0.00% 0.00% 0.00%
	10,001 to 20,000 20,001 to 30,000 30,001 to 40,000	-		
		- - -	- - -	0.00% 0.00% 0.00% 0.00% 0.00%

Part	ticulars	Note	2019 Taka	2018 Taka
14.5	Capital to risk weighted assets ratio (CRAR): Common Equity Tier -1 Capital Paid up capital		4,000,000,000	rand
	Statutory reserve Retained earnings Regulatory adjustments:		9,329,215 (8,678,077) 4,000,651,138	
	Goodwill and all other intangible assets (WDV of Software) Deferred tax asset Total Tier-1 capital		23,989,438	
	Tier -2 Capital General provision		3,976,661,700 7,537,515	
	Revaluation reserves (50% of fixed assets & securities)		7,537,515	
	Regulatory adjustment: Revaluation reserves for fixed assets & securities Total Tier-2 Capital		7,537,515	
	A. Total regulatory capital B. Total risk weighted assets (RWA) C. Minimum capital requirement (MCR) (10% on B)		3,984,199,215 2,651,255,183 265,125,518	
	D. Surplus/(deficiency) [A - C] Capital to risk weighted assets ratio (CRAR):		3,719,073,697	
15	Common Equity Tier-I (Against Standard of minimum 6.00%) Total Capital to Risk Weighted Asset Ratio (Against Standard of mum 10% with Capital conservation buffer of 2.5%) Statutory Reserve	mini-	149.99%	
	Balance at the beginning of the year Add: Transferred from profit during the year		9,329,215	
16	Revaluation Reserve		9,329,215	
16.1	Revaluation Reserve on Govt. Securities (note - 16.1) Revaluation Reserve on Govt. Securities		2,136 2,136	
10.1	Opening balance Add adjustment during the year in Mark to market Method on Tr	easury Bond	- 2,136	
	Less: Adjustment during the year		2,136	
with e to be in equ	r Bangladesh Bank's DOS Circular Letter # 5 dated May 26, 2008 all iffect from July 1, 2008 must be segregated into HTM (Held to Matur amortized at the end of each year and any increase/decrease due july system. HFT securities are to revalued weekly as per Mark to N ion (Mark to Market) can not be taken into Profit & Loss account until	ity) and HFT (H such amortizati arket method.	Held for Trading). HT on is to be adjusted Any increase/decrea	M securities I in the chan ase due to s
	serve for Revaluation Accounts . Surplus in Profit and Loss Account/ Retained Earnings Balance at the beginning of the year Add: Retained Surplus for the vear	out of material	(19,621,955) 10,943,878	(19,621,
18	Income statement Income:		(8,678,077)	(19,621,9
	Interest, discount and similar income Dividend income Fees, commission and brokerage	(Note-18.1) (Note-21) (Note-18.2)	339,559,887 2,006,485 875,164	
	Gains less losses arising from investment securities Gains less losses arising from investment securities Gains less losses arising from dealing from foreign currencies	(Note-21)	(169,981)	
	Loss on amortization-T-BOND Income from non-banking assets	(Note-21) (Note-23)	(2,024)	
	Other operating income Profit less losses on interest rate changes Nominal value of bonus share received	(11016-23)	240,035	
	Expenses: Interest, fees and commission Administrative expenses	(Note-20) (Note-18.3)	342,509,566 22,247,122 227,506,640	
	Other operating expenses Depreciation on banking assets	(Note-31) (Note-30)	20,361,868 18,210,344 288,325,974	
18.1	Operating Profit Interest, discount and similar income		54,183,592	
	Interest on loans and advances Interest on money at call and short notice Interest on placement with banks and Financial Institutions		4,680,690 2,202,931 328,864,366	
100	Interest on treasury bills & bonds Interest on commercial paper		2,023,011 1,788,889 339,559,887	
18.2	Fees, commission and brokerage Fees Commission		825,780 49,384	
18.3	Administrative expenses Salaries and allowances		875,164 142,763,857	
	Rent, taxes, insurance, electricity etc. Legal expenses Postage, stamps, telecommunication etc.		43,428,136 364,150 449,747	
	Stationery, printing, advertisement etc. Chief Executive's salary & fees Directors' fees & expenses	(Note: 27)	17,519,255 13,627,692 952,200	
	Auditors' fee Repairs & maintenance		345,000 8,056,603 227,506,640	
19	Interest Income Interest on loans and advances Interest on money at call on short notice		4,680,690 2,202,931	
00	Interest on placement with banks and Financial Institutions		328,864,366 335,747,987	
20	Interest paid on deposits and borrowings Interest on Special Notice Deposits (SND) Interest on Savings Deposits		222,010 1,723,489	
	Interest on Bangladesh Bank borrowings		20,273,678 22,219,177 27,945	
21	Investment Income Interest on treasury bills & bonds Color (I and on decline of countries UTL betweenter		2,023,011	
	Gain/ (Loss) on dealing of securities - HFT Instruments Loss on amortization-T-BOND Dividend on preference shares		(169,981) (2,024) 2,006,485	
22	Interest on commercial paper Commission, Exchange and Brokerage	-	1,788,889 5,646,380	
	Commission from issue of payment orders, DD & TT Commission on mobile recharge - digital banking service Cheque clearing fees		3,300 46,084 825,780	
23	Other operating income Miscellaneous Income		875,164 240,035	
24	Rent, Taxes, Insurance, Electricity etc. Rent, rates & laxes		240,035 35,323,095	
	Insurance Power & electricity Other utility		995,942 2,045,025 5,064,074 43,428,136	
25	Postage, Stamp, Telecommunication etc Postage & courier		155,906	
	Telegram, telex, fax & Network Court fees & stamps Telephone & mobile		46,703 11,980 235,158	
26	Stationery, Printing, Advertisement etc. Stationery & Printin ^g		449,747 3,718,776	399,
-	Security Stationery Advertisement		10,080,482 3,719,997 17,519,255	3,438, 3,838 ,
27	Chief Executive's salary and fees Basic salary Festival bonus		8,470,000 1,400,000	700
	Leave fair assistance House rent allowance Furniture allowance Others ellowance		700,000 1,800,000 57,692	150,
28	Other allowances Directors' Fees & Expenses	-0015	1,200,000 13,627,692	950,
	Each director of the Bank is paid as per BRPD circular letter no. 11 dated 4 Octobe Meeting attendance fees	≥∪15 per board o	952,200	60
29	Auditors' Fees Audit of the statutory report		952,200 200,000	60,
	Annual audit fees VAT on audit fees (i.e. 15%)		100,000 45,000 345,000	100 15 115 ,
30	Depreciation on and repairs to bank's assets Depreciation of Property plant and equipments Furniture & fixtures		1,745,639	
	Office equipments IT hardware Motor vehicles		2,265,277 8,175,692 2,419,867	
	Amortization of Intangible assets		, -,	

Repairs & Maintenance expenses Transport Maintenance Hardware & Software Maintenance Premises Maintenance

IT software

3,603,869 **18,210,344**

5,334,699 822,653 1,899,251 8,056,603 26,266,947