BANGLADESH KRISHI BANK

Auditors' Report and Financial Statements
as at and for the year ended 30th June, 2016

AUDITORS'

KAZI ZAHIR KHAN & CO
Chartered Accountants
67/4 Kakrial (Ground Floor),
Dhaka-1000.

MASIH MUHITH HAQUE & CO.
Chartered Accountants
Level- 13, UTC Building,
8 Panthopoth,
Dhaka-1215.

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Independent Auditor's Report

To the Shareholders (Government of the People's Republic of Bangladesh)
of
Bangladesh Krishi Bank

Report on the Financial Statements

We have audited the accompanying financial statements of Bangladesh Krishi Bank("the Bank"), which comprise the Balance Sheet as at 30 June, 2016 and the Profit and Loss Account, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note 2.1 and for such internal control as management determines to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Companies Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements of the Bank.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

Masih Muhith Haque & Co. Chartered Accountants Dhaka. MMH

KAZI ZAHIR KHAN & CO. Dhaka-1000 Chartered Accountants KZKC

Basis for Qualified Opinion

1. The bank's capital adequacy ratio on June 30, 2016 was -46.87%, because of negative core capital amounting to BDT 65,239,801,803. The shortfall in amount of capital was BDT 74,865,181,803.

2. Included within Suspense Account in Other Assets is credit balance of BDT 1,409,845,331 pertaining to Inter Branch Transaction Account. No reconciliation was provided to us in this regard.

3. Provision of BDT 25,297,699,376 on Loans and Advances has been maintained in the financial statements. However, the required provision as per CL Report submitted to Bangladesh Bank on June 30, 2016 was BDT 27,263,608,887. This results in a shortfall of BDT 196,59,09,511.

4. Shortfall on Provision on Other Assets of BDT 5,554,300,000 has been carried forward from 2014-2015 to 2015-2016.

5. Provision for income tax has not been maintained in the financial statements. This should have been maintained at 0.6% of gross receipts as per section 82C of the Income Tax Ordinance 1984.

6. As per BAS 12 Income Taxes, it is mandatory for an entity liable to tax to recognize deferred tax liability/asset. However, deferred tax liability was not recognized in the financial statements of the Bank.

Opinion

In our opinion, except for the matters discussed in the Basis for Qualified Opinion paragraph, the financial statements give a true and fair view of the financial position of the Bank as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.1.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Bank Companies Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report the following:

(a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(b) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:

   i) internal audit, internal control and risk management arrangements of the Bank as disclosed in note 2.24 of the financial statements appeared to be adequate;

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ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities;

(c) 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;

(d) the balance sheet and the profit and loss account dealt with by the report are in agreement with the books of account, except in immaterial instances;

(e) the expenditure incurred was for the purposes of the Bank's business.

(f) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;

(g) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;

(h) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(i) the information and explanation required by us have been received and found satisfactory; and

(j) we have reviewed over 50% of the risk weighted assets of the Bank relating to the branches selected by Bangladesh Bank and we have spent around 3776 person hours for the audit of the books and accounts of the Bank.

(Masih Muhith Haque & Co.)
Chartered Accountants

(Kazi Zahir Khan & Co.)
Chartered Accountants

Place: Dhaka
19 January, 2017

Masih Muhith Haque & Co. Dhaka. Chartered Accountants

KAZI ZAHIR KHAN & CO. Dhaka-1000 Chartered Accountants

BANGLADESH KRISHI BANK
Notes to the Financial Statement
For the year ended 30 June 2016

1. Background

1.1 Status of the Bank

Bangladesh Krishi Bank (BKB) has been established under the Bangladesh Krishi Bank order 1973 (President's Order No 27 of 1973). BKB is Banking Company under the Banking Company Act-1991. The Head Office is situated at Krishi Bank Bhaban, 83-85 Motijheel Commercial Area, Dhaka - 1000. It has 1031 branches operating all over Bangladesh except Rajshahi and Rangpur division.

1.2 Principal Activities

The Bank provides all kinds of commercial banking services to its customers through its Branches in Bangladesh. Generally it provides loan to individuals and corporate bodies related to:

i) Production of Crops
ii) Purchase of Irrigation machinery and equipment
iii) Development of horticulture
iv) Piciculture
v) Animal husbandry

The Bank gives emphasis to establish small agro-based cottage industries at both urban and rural areas by way of providing technical and financial supports. The Bank, within its constitution put priority, as far as possible, and extend loan to small and marginal farmers. The Bank as such is discharging its duty to the society side by side its responsibility as a financial institution.

1.3 International Banking:

The focus of International Division with its expertise caters mainly to the banking needs related to import and export affairs. The department established correspondent relationships with the foreign banks in consultation with the respective senior management.

1.4 Information Technology:

In view of the above, Bangladesh Krishi Bank has already set up an Information Technology platform for its branches and offices. The bank has a vision to expand and to modernize the IT platform and information systems gradually. Notwithstanding the level of computerization, the security requirements of information systems are Universal and significant to the sustainability of the IT platforms. Accordingly, the bank requires policies to secure IT setup as well as information and to set standards for IT operations.

2.0 Significant accounting policies and basis of preparation of financial statements

2.01 Statement of Compliance

The financial statements of the Bank for the year ended 30 June 2016 have been prepared under the historical cost convention and in accordance with Bangladesh Financial Reporting Standards (BFRSs), the "First Schedule" (section-38) of the Bank Companies Act 1991, as amended by the BRPD Circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, the Companies Act, 1994, and other laws and rules applicable in Bangladesh. Where the requirement of provisions and circulars issued by Bangladesh Bank differ with those of the regulatory authorities and accounting standards, the provisions and circulars issued by Bangladesh Bank shall prevail.

The Bank has departed from those contradictory requirements of BFRSs in order to comply with the rules and regulation of Bangladesh Bank which are disclosed below:

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MMH
Masih Muhith Haque & Co. Dhaka. Chartered Accountants

2.01.01 Investment in shares

BFRSs: As per requirements of BAS 39 investments in shares generally falls either under "at fair value through profit and loss accounts" or under" available for sale" where any change in the fair value at the year ended is taken to profit and loss account or revaluation reserve account, as the case may be.

Bangladesh Bank: As per Banking Regulation & Policy Department (BRPD) Circular no. 14 dated 25 June 2003 of Bangladesh Bank Investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investments. As such Bangladesh Krishi Bank measures and recognizes Investment in Quoted and unquoted shares at cost if the year-end Market value (for Quoted shares) and book value (Unquoted shares) are higher than the cost.

2.01.02 Provision on loans and advances

BFRSs: As per Bangladesh Accounting Standard (BAS)-39, an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets, which are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.
Bangladesh Bank: As per BRPD Circular no. 14 dated 23 September 2012 and BRPD Circular no. 19 dated 27 December 2012 a general provision at 0.25% to 5% under different categories of unclassified loans (standard and SMA loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loan, doubtful loans and bad losses, should be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again As per BRPD Circular no. 10 dated 18 September 2007, a general provision at 1% should be provided for all off-balance sheet exposures. BAS 39 not specifically in line with those prescribes such Provision policies.

2.01.03 Financial instruments - presentation and disclosure:

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in BAS 39. As such some disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the accounts.

2.01.04 Financial guarantees

BFRSs: As per BAS-39 financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD circular # 14 dated 25 June 2003, financial guarantees such as L/C, L/G will be treated as off balance sheet items. No liability is recognized for the guarantee except the cash margin.

2.01.05 Cash and cash equivalents

BFRSs: Cash and cash equivalents items should be reported as cash item as per BAS 7 statement of Cash Flows.

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2.01.06 Non banking assets

BFRSs: No indication of non banking assets is found in any BFRSs.

Bangladesh Bank: As per BRPD circular # 14 dated 25 June 2003, there should exist a face item named non banking assets.

2.01.07 Cash flow statement

BFRSs: Cash flow statement can be prepared either in direct method or in indirect method. The presentation is selected to present these 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 # 14 dated 25 June 2003, cash flow should be a mixture of direct and indirect method.

2.01.08 Balance with Bangladesh Bank: (CRR)

BFRSs: Balance with Bangladesh Bank should be treated as other assets as it is not available for use in day to day operations as per BAS 7.

Bangladesh Bank: Balance with Bangladesh Bank should be treated as cash and cash equivalents.

2.01.09 Loans and advance net of provision

BFRSs: Loans and advances should be presented net of provisions.

Bangladesh Bank: As per BRPD circular # 14 dated 25 June 2003, provision on loans and advances should be presented separately as liability and cannot be netted off against loans and advances.

[Also refer to Note 2.21 Compliance of Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs)]

2.02 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items:

a) Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using marking to market concept with gain credited to revaluation reserve but loss charged to income statement.

b) Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortization concept.

c) Land & Buildings is recognized at cost at the time of acquisition and subsequently measured at fair value as per BAS-16 "Property, Plant & Equipment."

The accounting policies, unless otherwise stated have been consistently applied by the company and consistent with those of the previous year.

2.03 Going concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying financial statements do not include any adjustments should the Bank be unable to continue as a going concern.

KZKC Chartered Accountants

Masih Muhith Haque & Co. MMH Dhaka. Chartered Accountants

Kazi Zahir Khan & Co.
Chartered Accountants

Masih Muhith Haque & Co.
Chartered Accountants

BANGLADESH KRISHI BANK

BALANCE SHEET

AS AT 30 JUNE 2016

Particulars		Note	30 June 2016 Taka	30 June 2015 Taka
Property and Assets				
Cash		3	**19,43,83,49,145**	**17,26,41,55,464**
Cash in Hand (Including Foreign Currencies)			73,83,88,861	1,34,80,98,645
Balance with Bangladesh Bank & its Agent Bank(s) (Including Foreign Currencies)			18,69,99,60,284	15,91,60,56,819
Balance with Other Banks & Financial		4	**3,57,95,50,331**	**5,59,69,32,694**
In Bangladesh			2,80,16,87,567	5,24,29,10,994
Outside Bangladesh			77,78,62,764	35,40,21,700
Money at call and short notice		5	-	-
Investments		6	4,06,46,000	4,26,48,000
Government Securities			62,07,000	82,09,000
Other Investments			3,44,39,000	3,44,39,000
Loans and Advances		7	**1,86,41,99,92,845**	**1,79,96,01,75,586**
Loans, Cash Credits, Overdrafts etc.			1,79,75,27,49,225	1,73,66,48,43,747
Bills Purchased and Discounted			6,66,72,43,620	6,29,53,31,839
Fixed Assets Including Premises, Furniture & Fixtures		8	6,47,16,34,488	6,39,49,24,338
Other Assets		9	18,17,82,59,260	20,37,18,36,215
Non-Banking Assets		10	32,03,48,680	32,92,26,120
Total Assets			**2,34,44,87,80,749**	**2,29,95,98,98,416**
Liabilities and Capital				
Liabilities				
Agents		11	**28,48,51,55,406**	**30,12,93,89,409**
In Bangladesh			28,04,02,35,865	29,63,93,52,505
Outside Bangladesh			44,49,19,541	49,00,36,905
Deposits and Other Accounts		12	**2,11,82,43,19,311**	**1,98,91,23,73,336**
Current and Contingency Accounts			31,86,35,21,552	33,02,31,52,083
Bills Payable			1,14,77,37,235	1,48,40,22,994
Savings Deposit			50,31,39,93,979	44,13,91,03,981
Fixed Deposit			1,28,49,90,66,545	1,20,26,60,94,278
Other Liabilities		13	46,31,70,63,083	46,30,84,55,410
Total Liabilities			**2,86,62,65,37,800**	**2,75,35,02,18,155**
Capital/ Owners' Equity				
Paid-up Capital		14	9,00,00,00,000	9,00,00,00,000
Re-Capitalization		14.3	2,50,00,00,000	2,50,00,00,000
Statutory Reserve		15	23,23,06,342	23,23,06,342
Other Reserve		16	6,12,99,69,099	6,15,09,98,250
Retained Earnings Surplus/(Deficit)		17	(70,04,00,32,493)	(63,27,36,24,332)
Total Capital/ Owners' Equity			**(52,17,77,57,051)**	**(45,39,03,19,740)**
Total Liabilities and Owners' Equity			**2,34,44,87,80,749**	**2,29,95,98,98,416**

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BANGLADESH KRISHI BANK

OFF BALANCE SHEET ITEMS

AS AT 30 JUNE 2016

Particulars		Note	30 June 2016 Taka	30 June 2015 Taka
Contingent Liabilities:		18	**5,33,90,87,842**	**7,14,75,80,165**
Acceptance for Constituents Liabilities (Letter of Credit)			5,25,49,63,582	7,03,77,46,587
Outstanding Customers Liabilities Guarantees			8,41,24,260	10,98,33,578
Bills for Collection			-	-
Others			-	-
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			-	-
Total Off-Balance Sheet Items			**5,33,90,87,842**	**7,14,75,80,165**

Accompanying notes form an integral part of these financial statements

Mohammad Ismail
Chairman

Muhammad Awal Khan
Managing Director

Mamataz-Ala-Shakoor Ahmed
Director

Mohammad Shafiqul Azam(PRL)
Director

Md. Hamidur Rahman
Director

Abul Mansur Md. Faizullah
Director

Mohammad Abdul Qayyum
Director

Md.Nasir Uddin Ahmed
Director

Md. Kamruzzaman
Director

Md. Fashiar Rahman
Director

Dr. Md. Shahjahan
General Manager

Date: 19 January, 2017
Dhaka

Kazi Zahir Khan & Co.
Chartered Accountants

Masih Muhith Haque & Co.
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BANGLADESH KRISHI BANK

PROFIT AND LOSS ACCOUNT

For the year ended on 30 June 2016

Particulars	Note	30 June 2016 Taka	30 June 2015 Taka
Interest Income	19	14,41,80,86,797	14,68,40,07,128
Less : Interest Paid on Deposit & Borrowings	20	(14,20,67,69,708)	(14,29,16,44,348)
Net Interest Income		**21,13,17,089**	**39,23,62,780**
Income from Investment	21	10,80,000	10,80,000
Commission, Exchange & Brokerage	22	25,04,52,365	32,60,10,480
Other Receipts	23	1,19,93,02,523	1,18,34,85,557
Total Operating Income		**1,66,21,51,977**	**1,90,29,38,817**
Salary & Allowance	24	7,42,71,41,002	5,30,35,08,435
Rent, Taxes, Insurance, Lighting etc.	25	32,76,48,098	30,83,41,203
Legal Charges	26	15,18,504	8,92,520
Postage, Telegram, Telephone & Stamps	27	3,95,07,552	3,77,30,784
Auditor's Fees	28	9,32,000	9,74,000
Stationery, Printing & Advertisement	29	4,79,81,943	5,48,31,663
Pay & Allowances of Managing Director	30	13,26,259	12,80,000
Director's Fees	31	15,65,150	13,17,116
Depreciation & Repairs of Bank Property	32	18,92,58,985	16,77,29,856
Other Expenditure	33	41,27,09,796	50,46,38,913
Total Operating Expenditure		**8,44,95,89,289**	**6,38,12,44,490**
Profit / (Loss) Before Provision :		**(6,78,74,37,312)**	**(4,47,83,05,673)**
Provision for Loans & Advances	34	-	(2,30,65,53,964)
Provision for Diminution in Value of Investment	35	-	-
Other Provision	36	-	(2,49,24,198)
Total Provision		-	**(2,33,14,78,162)**
Total Profit /(Loss) before taxes		**(6,78,74,37,312)**	**(2,14,68,27,511)**
Provision for Income Tax	37	-	**57,08,816**
Net Profit/(Loss) After Tax		**(6,78,74,37,312)**	**(2,15,25,36,327)**
Appropriations:			
Statutory Reserve		-	-
General Reserve		-	-
Dividend		-	-
Retained Surplus		**(6,78,74,37,312)**	**(2,15,25,36,327)**
Earnings Per Share (EPS)		-	-

Accompanying notes form an integral part of these financial statements

Mohammad Ismail
Chairman

Muhammad Awal Khan
Managing Director

Mamataz-Ala-Shakoor Ahmed
Director

Mohammad Shafiqul Azam(PRL)
Director

Md. Hamidur Rahman
Director

Abul Mansur Md. Fazlullah
Director

Mohammad Abdul Qayyum
Director

Md.Nasir Uddin Ahmed
Director

Md. Kamruzzaman
Director

Md. Fashiar Rahman
Director

Dr. Md. Shahjahan
General Manager

Date: 19 January, 2017
Dhaka

Kazi Zahir Khan & Co.
Chartered Accountants

Masih Muhith Haque & Co.
Chartered Accountants

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BANGLADESH KRISHI BANK
CASH FLOW STATEMENT
For the year ended on 30 June 2016

Particulars	Note	30 June 2016 Taka	30 June 2015 Taka
A. Cash flow from operating activities:			
Interest Received	39	9,15,82,29,933	8,73,73,44,480
Interest Paid	40	(9,25,73,38,453)	(7,70,39,27,219)
Dividend Received	21	10,80,000	(10,80,000)
Fees and Commission Receipt	22	25,04,52,365	32,60,10,480
Cash Paid to Employees	24	(7,42,71,41,002)	(5,30,35,08,435)
Cash Paid to Suppliers	41	(4,27,86,903)	(4,67,99,650)
Receipt from Other Operating Activities	23	1,19,93,02,523	1,18,34,85,557
Paid for Other Operating Activities	42	(74,17,55,024)	(71,32,67,901)
Recoveries of Previously Written-Off Loans & Advances		3,24,30,000	1,95,68,000
Income Tax Paid (at source)		(2,50,99,017)	(5,61,63,402)
Cash generated from operating activities		**(6,85,26,25,577)**	**(3,55,83,38,090)**
Increase/(decrease) in operating assets and liabilities			
Loans and Advances to Customers		(6,45,98,17,259)	(6,77,82,07,421)
Other Assets		2,19,35,76,954	(3,34,07,58,240)
Other Liabilities		86,07,673	(87,64,05,765)
Deposits From Customers		12,91,19,45,975	20,90,59,06,783
		8,65,43,13,343	**9,91,05,35,357**
Net Cash Flow from Operating Activities(A)		**1,80,16,87,767**	**6,35,21,97,267**
B. Cash Flows From Investing Activities			
(Purchase)/Sales of Securities and Bond (Others)		-	-
(Purchase)/Sale of Securities (Government)		20,02,000	3,89,000
(Purchase)/Sale of Property, Plant and Equipments		(24,58,53,448)	2,35,60,360
Net cash Flow from Investing Activities		**(24,38,51,448)**	**2,39,49,360**
C. Cash Flows from Financing Activities			
Paid up Capital/Re-capitalization		-	2,50,00,00,000
Dividend Paid		-	-
(Payments)/Receipt from Borrowings		(1,40,10,25,000)	(1,93,39,00,000)
Net Cash Flow from Financing Activities		**(1,40,10,25,000)**	**56,61,00,000**
D. Net Increase/(Decrease) in Cash (A+B+C)		15,68,11,319	6,94,22,46,627
F. Cash and Cash Equivalents at the Beginning of the Year		22,86,10,88,157	15,91,88,41,530
G. Cash and Cash Equivalents at the End of the Year(D+F)	38	**23,01,78,99,476**	**22,86,10,88,157**

Accompanying notes form an integral part of these financial statements

Mohammad Ismail
Chairman

Muhammad Awal Khan
Managing Director

Mumataz-Ala-Shakoor Ahmed
Director

hammad Shafiqul Azam(PRL)
Director

Md. Hamidur Rahman
Director

Abul Mansur Md. Fazlullah
Director

Mohammad Abdul Qayyum
Director

Md.Nasir Uddin Ahmed
Director

Md. Kamruzzaman
Director

Md. Yashiar Rahman
Director

Dr. Md. Shahjahan
General Manager

Date: 19 January, 2017
Dhaka

Kazi Zahir Khan & Co.
Chartered Accountants

Masih Muhith Haque & Co.
Chartered Accountants

KAZI ZAHIR KHAN & CO Dhaka-1000 Chartered Accountants

Masih Muhith Haque & Co. Dhaka. Chartered Accountants

BANGLADESH KRISHI BANK
STATEMENT OF CHANGES IN EQUITIES
For the year ended as on 30 June 2016

Amount in Taka

Particulars	Paid -Up Capital	Re-capitalization	Statutory Reserve	Revaluation Reserve	Other Reserves	Profit/ (Loss)	Total Amount
Balance as at 01 July, 2015	9,00,00,00,000	2,50,00,00,000	23,23,06,342	5,56,28,64,392	58,81,33,858	(63,27,36,24,332)	(45,39,03,19,740)
Related Balance due to Changes of Accounting Policy	-		-		-	-	-
Increased/ Decreased due to Revaluation of Assets or Devaluation of Currency	-		-	(2,10,29,151)	-	2,10,29,151	-
Revaluation Reserve				-	-	-	-
Re-Capitalization		-				-	-
Net Profit / (Loss)	-		-		-	(6,78,74,37,312)	(6,78,74,37,312)
Dividend	-		-		-	-	-
Increased of Capital	-		-		-	-	-
Issue of Share Capital	-		-		-	-	-
Balance as at 30 June, 2016	**9,00,00,00,000**	**2,50,00,00,000**	**23,23,06,342**	**5,54,18,35,241**	**58,81,33,858**	**(70,04,00,32,493)**	**(52,17,77,57,052)**

Accompanying notes form an integral part of these financial statements.

Mohammad Ismail
Chairman

Muhammad Awal Khan
Managing Director

Mamataz Ala-Shakoor Ahmed
Director

ohammad Shafiqul Azam(FCL)
Director

Md. Hamidur Rahman
Director

Abul Mansur Md. Fazullah
Director

Mohammad Abdul Qayyum
Director

Md.Nasir Uddin Ahmed
Director

Md. Kamruzzaman
Director

Md. Fashiar Rahman
Director

Dr. Md. Shahjahan
General Manager

Date: 19 January, 2017
Dhaka

Kazi Zahir Khan & Co.
Chartered Accountants

Masih Muhith Haque & Co.
Chartered Accountants

KAZI ZAHIR KHAN & CO. Dhaka-1000 Chartered Accountants

Masih Muhith Haque & Co. Dhaka. Chartered Accountants

BANGLADESH KRISHI BANK

Liquidity Statement

Maturity Analysis of Assets & Liabilities as at 30 June 2016

Amount in Taka

Particulars	upto 1 month	1- 3 months	3 -12 months	1-5 years	More than 5 years	Total
Assets						
a) Cash	73,83,88,861	-	-	-	-	73,83,88,861
b) Balance with other Banks	92,07,70,928	2,50,00,00,000	-	-	8,07,87,434	3,50,15,58,362
c) Investment	-	62,07,000	-	-	3,44,39,000	4,06,46,000
d) Loans & Advance	7,45,67,99,714	14,91,35,99,428	52,19,75,97,997	93,20,99,96,423	18,64,19,99,285	1,86,41,99,92,845
e) Land Building & Other Fixed Assets	-	-	-	63,98,59,937	5,83,17,74,552	6,47,16,34,489
f) Other Assets	-	2,23,56,36,272	3,35,34,54,408	3,77,67,50,574	8,81,24,18,006	18,17,82,59,260
g) Non- Banking Assets	-	-	18,56,85,112	13,46,63,568	-	32,03,48,680
Total Assets	**9,11,59,59,502**	**19,65,54,42,700**	**55,73,67,37,517**	**97,76,12,70,501**	**33,40,14,18,276**	**2,15,67,08,28,497**
Liabilities						
a) Borrowing from Bangladesh Bank, Other Banks And Agents	50,00,00,000	40,00,00,000	1,80,00,00,000	12,00,00,00,000	13,78,51,55,406	28,48,51,55,406
d) Deposits	8,42,70,63,283	12,64,05,94,925	48,45,56,13,877	84,27,06,32,830	56,88,26,77,161	2,10,67,65,82,076
c) Other Accounts	1,14,77,372	2,29,54,745	5,73,86,862	22,95,47,447	82,63,70,809	1,14,77,37,235
d) Provision and Other Liabilities	-	1,52,39,00,170	3,04,78,00,339	10,66,73,01,188	31,07,80,61,386	46,31,70,63,083
e) Equity	-	-	-	-	-	-
Total Liabilities	**8,93,85,40,655**	**14,58,74,49,839**	**53,36,08,01,079**	**1,07,16,74,81,465**	**1,02,57,22,64,761**	**2,86,62,65,37,800**
Net Liquidity Mismatch	**17,74,18,847**	**5,06,79,92,861**	**2,37,59,36,438**	**(9,40,62,10,964)**	**(69,17,08,46,486)**	**(70,95,57,09,303)**
Cumulative Net Mismatch	**17,74,18,847**	**5,24,54,11,708**	**7,62,13,48,147**	**(1,78,48,62,817)**	**(70,95,57,09,303)**	**(70,95,57,09,303)**

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Masih Muhith Haque & Co. Chartered Accountants MMH

2.04 Functional and presentation currency

The financial statements are presented in Bangladesh Taka (BDT) currency, which is the Bank's functional currency. All financial information presented in BDT has been rounded to the nearest BDT.

2.05 Use of estimates and judgments

The preparation of financial statements in conformity with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

The most critical estimates and judgments are applied to the Provision for impairment of loans & investments and Employees benefits.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

2.06 Comparative information

The accounting policies have been consistently applied by the Bank and are consistent with those used in the previous year. Comparative information is reclassified and rearranged wherever necessary to conform to the current presentation.

2.07 Foreign currency transaction and Commitments

a) Foreign currencies transaction

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per BAS-21" The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into Taka equivalent. The resulting exchange transaction gains and losses are included in the profit and loss account.

b) Commitments

Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance sheet date.

2.08 Statement of cash flows

Statement of cash flows has been prepared in accordance with **Bangladesh Accounting Standard-7 "Statement of Cash Flows"** and under the guideline of Bangladesh Bank BRPD Circular No. 14 dated 25 June 2003. The Statement shows the Structure of Changes in cash and cash equivalents during the financial year.

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2.09 Statement of changes in equity

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth. Statement of changes in equity has been prepared in accordance with **Bangladesh Accounting Standard-1 "Presentation of Financial Statements"** and relevant guidelines of Bangladesh Bank.

2.10 Liquidity statement

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

a) Balance with other banks and financial institutions, money at call and short notice, etc. are on the basis of their maturity term;
b) Investments are on the basis of their residual maturity term;
c) Loans and advances are on the basis of their repayment/maturity schedule;
d) Fixed assets are on the basis of their useful lives;
e) Other assets are on the basis of their adjustment;
f) Borrowing from other banks and financial institutions are as per their maturity/repayment term;
g) Deposits and other accounts are on the basis of their maturity term and behavioral past trend;
h) Other long term liabilities are on the basis of their maturity term;
i) Provisions and other liabilities are on the basis of their settlement.

2.11 Accounting for contingent liabilities and contingent assets

The bank recognized provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the obligation can be made. No provision is recognized for:

a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future event not wholly within the control of the bank; or

b) Any present obligation that arises from past events but is not recognized because

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- A reliable estimate of the amount of obligation cannot be made.

2.12 Assets and basis of their valuation

2.12.01 Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand held with Bangladesh Bank and its agent bank, ATM balance with other banks and financial institutions, money at call and on short notice and prize bond.

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2.12.02 Investments

All investment in securities is initially recognized at cost, being fair value of the consideration given, including acquisition charges associated with the investment. Premiums are amortized and discounts accredited, using the effective yield method and are taken to discount income. The valuation methods of investments used are:

a) Value of investments has been shown as under:

Investment class	Initial recognition	Measurement after recognition	Recording of change
Un quoted shares and debenture	Cost	None	-
Quoted shares	Cost	Cost	Loss transferred to profit and loss account but no unrealized gain recorded.

2.12.03 Loans, advances and provisions

Loans and advances are stated at gross amount. General provisions on unclassified loans & off balance sheet exposures, specific provisions for classified loans and interest suspense account thereon are shown under other liabilities. Provision against classified loans and advances is made on the basis of quarter end review by the management and instruction contained in BRPD Circular no. 14, 19 & 5 dated 23 September 2012, 27 December 2012 & 29 May 2013 and subsequent changes.

Interest on loans and advances

Interest is calculated on daily product basis but debited to the party's loan account quarterly. No interest is charged on loans and advances which are classified as bad and loss. Interest is calculated on unclassified loans and advances (only standard) and recognized as income during the year. Interest calculated on classified loans and advances (including special mention accounts) as per Bangladesh Bank circulars is kept in interest suspense account and credited to income on realization. Interest suspense and penal interest (if any) calculated on classified loans and advances are taken into income in the year of its receipt from the defaulting borrowers.
Commission and discounts on bills purchased and discounted are recognized at the time of realization. Recovery of written off loans and advances are taken into income in the year of its receipts from the defaulting borrowers.

Provision for loans and advances

Provision for loans and advances are made on the basis of quarter as well as year-end review by the management following instructions contained in BRPD Circular no. 14 dated 23 September 2012 of Bangladesh Bank. The percentage of provision on loans and advance are given below:

Rate of provision

Particulars		Short term Agri. Credit	Consumer financing			SMEF	Loans to BHs/SDs	All other Credit
			Other than HF, LP	HF	LP			
UC	Standard	2.5%	5%	2%	2%	0.25%	2%	1%
	SMA	-	5%	2%	2%	0.25%	2%	1%
Classified	SS	5%	20%	20%	20%	20%	20%	20%
	DF	5%	50%	50%	50%	50%	50%	50%
	B/L	100%	100%	100%	100%	100%	100%	100%

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Presentation of loans and advances
Loans and advances are shown at gross amount as assets while interest suspense and loan loss provision against classified advances are shown as liabilities in the statement of financial position.

Written off loans and advances
Loans and advances are written off to the extent that (i) there is no realistic prospect of recovery, (ii) and against which legal cases are filed and classified as bad loss more than five years as per guidelines of Bangladesh Bank and iii) Special permission of Bangladesh Bank. These write off however, will not undermine/ affect that claim amount against the borrowers. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.

2.12.04 Property, plant and equipments

a) Recognition

The cost of an item of property, plant and equipments (Fixed assets) shall be recognized as an asset, if and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Property, plant and equipments have been accounted for at cost or revalued amount less accumulated depreciation (except land) as per BAS-16: Property, plant and equipments. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent cost of enhancement of an existing asset is recognized as a separate asset, only when it is probable that future economic benefits associated with the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial periods, which are incurred.

b) Depreciation

Depreciation is charged at the following rates on straight-line method on all material fixed assets other than land

Category of fixed assets	Rate of Depreciation
Land	Nil
Building	2.50%
Furniture and fixture	10%
Electrical equipment	20%
Office Equipment	15%
Motorcar and Motor cycle	20%

Depreciation is charged on building after the completion of 3 years of that building.

2.12.05 Other assets

Other assets include all assets not covered specifically in other areas of the supervisory activity and such accounts may be quite insignificant in the overall financial condition of the bank.

Provision for other assets
Other assets have been classified as per BRPD Circular No. 14 dated June 25, 2001 of Bangladesh Bank and necessary provisions made thereon accordingly and for items not covered under the circular adequate provisions have been made considering their reliability.

2.12.06 Non-Banking Assets

Non-banking assets are acquired on account of the failure of a borrower to repay the loan in time after receiving the decree from the court regarding the right and title of the mortgaged property.

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2.13 Liabilities and provision

2.13.01 Borrowings from other banks, financial institutions and agents

Borrowing from other banks, financial institutions and agents include interest bearing borrowing redeemable at call, on-demand and short term deposits lodged for periods of less than 6 months. These items are brought to account at the gross value of the outstanding balance. Interest paid or payable on these borrowings is charged to the income statement.

2.13.02 Deposits and other accounts

Deposits and other accounts include non interest bearing current deposit redeemable at call, interests bearing on demand and short term deposits, savings deposit, term deposit, margin, bills payable etc. These items are brought to account at the gross value of the outstanding balances.

2.13.03 Other liabilities

Other liabilities comprise items such as provision for loans and advances; provision for taxes, pension fund, interest payable, interest suspense, accrued expenses etc. Other liability is recognized in the balance sheet according to the guideline of Bangladesh Bank and Income-tax Ordinance,1984, BAS-37 and internal policy of the banks. Provisions and accrued expenses are recognized in the financial statements when the bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.13.04 Deferred and Penal Interest Reserve Account

The provisions for charging for penal interest has been postponed with effect from July 01, 1992 vide the Circular No. 7 dated April 18, 1993. But all penal interest realized from loan account before the circular issued have been credited to income. The deferred interest on bad and doubtful loans is credited to income on realization.

2.13.05 Employee benefit scheme

The Bank operates one alternative retirement benefit scheme for its permanent employees, elements of which are as under:

Superannuation fund:

The Bank operates a Superannuation Fund Scheme, contribution in respect of which is made on monthly basis covering all its eligible employees. The trust fund has been established to meet financial facilities after retirement of employee's service. The fund is operated by a separate Board of Trustees. During the year Tk. 78.70 crore has been transferred to Superannuation Fund.

2.13.06 Provision for taxation

Provision for income tax is not kept due to significant losses incurred during the year and carried forward losses of earlier years.

2.14 Capital Expenditure Commitment

There is no capital expenditure on contingent contract or commitment as at June 30, 2016.

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2.15 Off Balance Sheet items

Under general banking transactions, liabilities against acceptance, endorsements and other obligations and bills against which acceptance has been given and claims exists there against, have been shown as Off Balance Sheet items.

In compliance with the instruction of BRPD Circular No. 10 dated September 18, 2007 issued by the Bangladesh Bank, provision against the off-balance sheet exposures of the Bank as at reporting date has been made as follows:

Category/status of Off -balance sheet exposures	Rates	
	Bangladesh Bank's Requirement	Maintained by the Bank
General provisions for off-balance sheet exposures		
All types of Off- balance sheet exposures	1%	1%

2.16 Revenue recognition

The Revenue during the year has been recognized according to the provision of **BAS-18 "Revenue"** as well as Bangladesh Bank guidelines.

2.16.01 Interest income

In terms of the provisions of the **BAS-18 "Revenue"**, the interest income is recognized on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified.

a) Interest on unclassified loans and advances (except SMA) has been accounted for as income on accrual basis and calculated on daily product basis but charged and accounted for quarterly and in some cases yearly;

b) Interest on classified loans and advances including SMA has been credited to interest suspense account with actual receipt of interest there from having credited to income as and when received as per Instruction of Bangladesh Bank;

c) No interest is charged on loans and advances on classified as bad/loss;

d) Commission and discount on bills purchased and discounted are recognized at the time of realization.

e) Recovery of written off loans and advances are taken into income in the year of its receipts from the defaulting borrowers.

2.16.02 Investment income

Interest income on investments is recognized on accrual basis. Capital gain on investments in shares is also included in investment income. Capital gain is recognized when it is realized.

- Income on investment in treasury bills, bonds, preference shares and debenture, etc. other than equity shares has been accounted for on accrual basis.
- Govt. securities (HTM) are revalued on accrual basis and effect of such revaluation gain has been credited to Asset Revaluation Reserve account.
- Dividend on equity shares is recognized during the period in which it is declared and duly approved.
- Net increase in securities held to maturity during the period due to the valuation at market to market basis has been credited to income statement.

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2.16.03 Fee and commission income

- Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.
- Fee and Commission on bills discounted, purchased & others are recognized at the time of realization.
- Foreign currency transactions are converted into BDT at prevailing on the dates of such transactions and exchange gains or losses arising out of such transactions are recognized as income or expense for the year and dealt with exchange account.

2.16.04 Dividend Income:

Dividend Income from Investments is recognized at the time when it is declared, ascertained and right to receive the payment is established.

2.16.05 Other operating income

Other operating income is recognized at the time when it is realized.

2.16.06 Interest paid on deposits and borrowings

Interest paid on deposits, borrowing and other expenses are recognized on accrual basis.

2.16.07 Other expenses

Expenses incurred by the bank are recognized on accrual basis.

2.16.08 Other comprehensive income

Other comprehensive income is presented in financial statements in accordance **with BAS-1: Presentation of financial statements**. No other comprehensive income is recognized during the year.

2.17 Reporting period

These financial statements of the bank and its subsidiary cover one financial year from 01 July 2015 to 30 June 2016.

2.18 Compliance report on Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRS)

The institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRS). Bangladesh Krishi Bank has applied all the applicable of IAS and IFRS as adopted by ICAB while preparing the financial statements. Details are given below:

Name of the Bangladesh Accounting Standards (BASs)	BAS No.	Status
Presentation of Financial Statements	1	Applied*
Inventories	2	N/A
Statement of Cash Flows	7	Applied
Accounting policies, Changes in accounting Estimates & Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	N/A
Revenue	18	Applied
Employees Benefits	19	Applied

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Name of the Bangladesh Accounting Standards (BASs)	BAS No.	Status
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	Applied
Investment in Associates	28	N/A
Interest in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Applied*
Earning per share	33	N/A
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provision, Contingent Liabilities and Contingent Assets	37	Applied*
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied*
Investment Property	40	Applied
Agriculture	41	N/A
Bangladesh Financial Reporting Standard (BFRSs)	**BFRS No.**	**Status**
First-time Adoption of Bangladesh Financial Reporting Standard	1	N/A
Shares Based Payment	2	N/A
Business Combination	3	N/A
Insurance Contracts	4	N/A
Non current Assets Held for Sale and Discontinued Operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied*
Operating Segments	8	Applied

- Bangladesh Bank is the prime regulatory body for banks in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with the provision of BAS / BFRS as marked above. As such the bank has departed from those contradictory requirements of BAS/BFRS in order to comply with the rules and regulations of Bangladesh Bank.

2.19 Regulatory & legal compliance

The bank has complied with the requirements of following regulatory & legal authority:

a) The Bank Companies Act, 1991(as amended up to 2013)

b) The Companies Act, 1994

c) Rules & regulations issued by Bangladesh Bank

e) The Securities and Exchange Rules 1987, The Securities and Exchange Ordinance 1969, The Securities and Exchange Commission Act 1993.

f) The Income-tax Ordinance, 1984

g) VAT Act, 1991.

2.20 Approval of financial statements

The financial statements were approved by the board of directors.....

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2.21 Events after the reporting period

Where necessary, all the material events after the reporting period have been considered and appropriate adjustment/disclosures have been made in the financial statements.

2.22 Litigation

The bank is not a party to any lawsuits except those arising in the normal course of business, which were filed against the default clients for non-performance in loans repayment and against various level of tax authority regarding some disputed tax issues. The bank, however, provides adequate provisions as per guidelines of BAS 37.

2.23 Written Off

Write-off describes a reduction in recognized value. It refers to recognition of the reduced or zero value of an asset. Generally, it refers to loan for which a return on the loan is now impossible or unlikely. The item's potential return is thus canceled and removed from ("written off") the bank's statement of financial position. Recovery against debts written off /provided for is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities/properties or advances there-against or are considered recoverable.

2.24 Risk Management

The possibility of losses, financial or otherwise is defined as risk. The risks are inherent in banking business in the context of recovery of credit, maintaining liquidity market and operational affect. It is responsibility of the management to identify measure and mitigate the risks. According to Bangladesh Bank BRPD Circular # 17, dated 07-10-2003 the risk management of the bank covers 6 (six) core risk areas in the banking business and issued necessary guidelines as under to control and minimize the affected loss:-

1. Credit Risk;
2. Asset Liability/ Balance Sheet Risk;
3. Foreign Exchange Risk;
4. Internal Control & Compliance Risk;
5. Money Laundering Risk.
6. IT Risk

A Risk Management Department has been established in Bangladesh Krishi Bank dated 08-10-2014 according to the instruction of Bangladesh Bank. This department has been done monthly meeting which is addressed by the Managing Director. All the information as per Bangladesh Bank instruction has filled up and sent to the Bangladesh Bank quarterly. Besides, various statements such as CAMELS rating, Basel-3, Stress Test Report, Capital Adequacy etc. send to Bangladesh Bank in due time. All the Risk identification, measurement, how to control, and executes are done by this department and try to reduce it.

In managing the six 'Core Risks' in BKB, & six committees have been formed, headed by the Managing Director. The following steps have been taken regarding individual 'Core Risks':

2.24.1 Credit Risk:

An eight members committee has been formed, headed by the Managing Director to implement the Guidelines provided by Bangladesh Bank in credit risks management. Core task of the committee is to assess the risks and provide directions of those credit proposals received from the field level branches. 85% to 90% of BKB's total loan portfolio is delivered to borrowers under 1 crore and are specially delivered to crop, fishery, live stock, irrigation equipment, agro-based industries, working capital and poverty alleviation sectors. For the assessment of credit risk four credit risk assessment format has been introduced to BKB's loan procedure under "Risk Grade Matrix".

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2.24.2 Asset Liability/ Balance Sheet Risk:

ALM is a key management tool for improving the balance sheet of the bank. A high level Asset Liability Management Committee (ALCO) has been formed, headed by the Managing Director, to manage the balance sheet risks of BKB. From time to time the ALCO Committee takes necessary actions and set the 'Key Management indicators' to lower the risks associated with balance sheet. The ALCO committee meeting is conducted at regular basis.

2.24.3 Foreign Exchange Risk:

A committee consisting four members has been formed to monitor & coordinate the buying & selling of local and foreign currency form the money market in line of global fund management of BKB. The committee monitors and implements the following:

a. Coordination between local currency management and foreign currency management;

b. Coordination between local and foreign currency buying & selling in the money market; and

c. Managing foreign exchange risks and money market risks.

The introduction of full-fledged "Dealing Room" is well under process.

2.24.4 Internal Control & Compliance Risk:

According to the instructions provided by the Central Bank Guidelines, each and every department of the Head Office has been instructed to provide the schedule of task done by them in a regular interval, two month, at the meeting of Management Coordination Committee (MCC). According to the same guidelines the 'Declaration of Ethical Code of Conduct' has been collected from all the employees of the bank. A well-coordinated process is under way for the development, modernization and enhancement of all manuals of the bank.

2.24.5 Money Laundering Risk:

According to the Anti Money Laundering Act-2002 BKB has formed a committee & issued different Circulars and provided different statements as required by the Bangladesh Bank Guidelines from time to time. Beside this BKB takes necessary actions as introduced by Bangladesh Bank in identifying the abnormal transaction that could arise from money laundering.

2.24.6 IT Risk:

As per Bangladesh Bank Guidelines to conduct IT activities, BKB has formulated an Information & Communication Technology Security Policy in December, 2007. To mitigate different IT risks, the bank has adopted maintaining sufficient stock of hardware, backup of system & data storage. Qualified technical manpower is also employed to the IT operational areas. There is continuous training program of IT personnel of the bank through bank's own training institute & other ICT training centers.

2.25 Directors responsibility on statements

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

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2.26 Related Party Transactions

As per Bangladesh Accounting Standards (BAS) 24 "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The bank carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties.

During the year the Bank has some transactions with the Government (owner of the Bank) in respect of banking business like loans and advances, guarantees and commitments.

2.27 Law Suit Position

a) 15 Writ Suits & 89 Artho Rine Suits are settled during the period from 01July 2015 to 30 June 2016.

b) 101 Writ Suits, 02 Insolvency Suits & 1327 Artho Rine Suits are unsettled up to 30 June 2016.

2.28 Post balance sheet event

No post balance sheet event occurred from July, 2016 to sept, 2016 so far the available book and records and information gathered.

2.29 Disclosures of fraud and forgeries by bank employees

During the year 5 frauds committed by 5 employees. Total amount involved in the fraud is Tk. 51.65 lac, but the amount of taka 37.11 Lac has been realized.

In addition from 1983 to 2016 number of frauds were committed. The total amount involved in the fraud cases is Tk. 2349.77 lac out of which Tk. 215.30 was realized.

2.30 General

a) Wherever consider necessary certain accounts of Financial Year 2015-2016 financial statements have been rearranged to confirm to the current presentation.

b) Figures appearing in these accounts have been rounded off to the nearest Taka.

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		Ref. Notes	Amount in Taka	
			30-6-2016	30-6-2015
3	**Cash**			
	Cash in Hand (Including Foreign Currencies)	3.1	73,83,88,861	1,34,80,98,645
	Balance with Bangladesh Bank & its Agent Bank(s) (Including Foreign Currencies)	3.2	18,69,99,60,284	15,91,60,56,819
			19,43,83,49,145	**17,26,41,55,464**
3.1	**Cash in Hand (Including Foreign Currencies)**			
	Local Currency		72,11,54,843	1,33,52,17,831
	Q-Cash (ATM)		1,59,73,650	83,30,650
	Foreign Currency		12,60,368	45,50,164
			73,83,88,861	**1,34,80,98,645**
3.2	**Balance with Bangladesh Bank & its Agent Bank(s) (Including Foreign Currencies)**			
	Bangladesh Bank :			
	In Local Currency	3.2.1	13,45,98,53,307	13,62,04,70,569
	In Foreign Currency (Clearing Account)		32,01,21,696	56,07,79,341
			13,77,99,75,003	**14,18,12,49,910**
	Sonali Bank (as an Agent of BB) Local Currency		4,91,99,85,281	1,73,48,06,909
			18,69,99,60,284	**15,91,60,56,819**
3.2.1	**Local Currency in Bangladesh Bank**			
	Motijeel Office		13,41,05,80,413	13,58,31,85,595
	Chittagong Office		1,56,83,444	70,03,972
	Sylhet Office		46,71,323	1,21,41,741
	Barisal Office		1,15,69,435	62,06,119
	Khulna Office		1,73,48,692	1,19,33,142
			13,45,98,53,307	**13,62,04,70,569**

3.3 Disclosures Regarding Maintenance of CRR & SLR

3.3.1 Cash Reserve Requirment (CRR)

Cash Reserve Requirment (CRR) have been calculated and maintained in accordance with section 33 of Bank Companies Act 1991 (amended upto 2013) and MPD circular no.1 dated 23 june 2014.

As per Monetary Policy Department (MPD) circular No. 01 dated 23 June 2014 of Bangladesh Bank (effective from 24 June 2014), all scheduled Banks are required to maintain CRR of minimum 6.0% on daily basis and 6.5% on bi-weekly basis based on weekly average demand and time liabilities of two months prior to current month (i.e. CRR of June 2015 will be based on weekly average balance of April 2015 as per Banking Regulation and Policy Department (BRPD) circular no. 12 dated 06 September 1998). However, Bangladesh Krishi Bank (BKB) has been maintaining its CRR according to policy.

Average Time & Demand Liabilities	2,04,54,03,75,500	1,87,28,13,28,600
Required reserve @ 6.5%	13,29,51,24,408	12,17,32,86,359
Actual reserve maintained	13,88,47,00,000	13,62,04,70,569
Surplus/(Shortfall)	**58,95,75,593**	**1,44,71,84,210**

*As per Bangladesh Bank statements.

3.3.2 Statutory Liquidity Ratio (SLR)

As per MPD circular No . 02 dated 10 December 2013 and Department of Offsite Supervision (DOS) circular No. 01 dated 19 January 2014 of Bangladesh Bank (Effective from 01 February 2014), all scheduled Banks are required to maintain a SLR minimum 13% on daily basis based on weekly average demand and time liabilities of two months prior to current month . But the specialised banks continued to remain exampt from maintaining the SLR. Bangladesh Krishi Bank is a specialised bank of the government. So the bank has been exampted from this circular of Bangladesh Bank.

4	**Balance with other Banks and Financial Institutions**			
	In Bangladesh	4.1	2,80,16,87,567	5,24,29,10,994
	Outside Bangladesh	4.2	77,78,62,764	35,40,21,700
			3,57,95,50,331	**5,59,69,32,694**

KAZI ZAHIR KHAN & CO. Chartered Accountants KZKC

Masih Muhith Haque & Co. Chartered Accountants MMH Dhaka.

		Ref.	Notes	Amount in Taka	
				30-6-2016	30-6-2015
4.1	**Balance in Bangladesh**				
	Current Deposits			9,97,02,733	10,83,03,821
	Short Term Deposits			4,32,05,431	4,57,96,549
	Fixed Deposits			2,58,07,87,434	5,08,88,10,624
				2,72,36,95,598	**5,24,29,10,994**
	Electronic Money(DBBL mobile banking)			6,80,11,587	-
	Electronic Money(Bkash mobile banking)			99,80,382	-
				2,80,16,87,567	**5,24,29,10,994**
4.1.1	**In Current Deposits**				
	Janata Bank			3,10,42,939	5,08,53,112
	Rupali Bank Ltd.			1,52,86,717	1,88,74,197
	Agrani Bank Ltd.			3,42,26,337	2,24,44,662
	Pubali Bank Ltd			66,57,449	37,04,028
	National bank Ltd			-	22,01,307
	Trust bank (ATM)			1,304	-1,70,332
	Standard Charterd			22,138	24,323
	The City Bank Ltd			2,676	2,676
	Dutch Bangla Bank Ltd			-	11,977
	BRAC Bank Ltd			25,20,013	18,020
	Islami Bank (Bd.) Ltd			20,76,167	33,23,600
	Shajalal Islami Bank Ltd			55,88,395	70,16,251
	Mutual Trust Bank Ltd			22,78,600	-
				9,97,02,733	**10,83,03,821**
4.1.2	**Short Term Deposits**				
	Janata Bank			2,32,18,738	71,39,650
	Rupali Bank Ltd.			37,31,853	67,664
	Agrani Bank Ltd.			1,57,49,396	3,85,89,235
	Pubali Bank Ltd			5,05,445	-
				4,32,05,431	**4,57,96,549**
4.1.3	**In Fixed Deposits**				
	ICB Islamic Bank Ltd			8,07,87,434	8,88,10,624
	Estern Bank Ltd			2,50,00,00,000	2,00,00,00,000
	The City Bank Ltd			-	3,00,00,00,000
				2,58,07,87,434	**5,08,88,10,624**
4.2	**In Outside Bangladesh**				
	(Debit balance with NOSTRO Accounts)				
	Bank of Tokyo Mitsubishi Ltd. Tokyo			13,13,795.56	1,85,67,707
	Mashreq Bank PSC, Newyork			-	5,34,31,727
	Sonali Bank, Calcutta (ACU Dollar)			2,98,99,100.56	1,57,07,173
	Arab Bangladesh Bank Ltd. Mumbai (ACU Dollar)			3,67,57,721.39	3,98,70,082
	Hypovereins Bank(EURO)			85,38,327.88	3,07,371
	Commerz Bank,AG,Frunkfurt,Germany(EURO)			21,44,557.95	-
	Nepali Grindlaze Bank.(Nepal Aque Dollar)			0.84	24,11,744
	ICICI Bank LTD. Mumbai India			3,75,13,451.33	4,30,24,456
	Al-Rajhi Banking & Inv. Corp. Riadh Saudia Arabia			89,71,356.17	2,44,77,763
	Habib Metro bank			6,79,159.53	11,07,296
	Standard Chartered bank, Mumbai			-	2,31,60,259
	Standard Chartered bank, Kalauta			34,05,815.00	69,74,608
	Sonali Bank, UK (USD)			4,65,91,389.90	47,56,099
	Habib AG Juric Bank,			38,35,365.52	8,66,19,469
	Habib American bank, NY (USA)			59,17,99,664.38	2,72,91,450
	Sonali Bank Ltd. UK-London			14,14,699.74	28,01,145
	Summit Bank Ltd			12,53,226.13	35,13,350
	RBB, Nepal			12,02,237.00	-
	Habib AG Juric Bank, Switzerland (euro)			25,42,894.76	-
				77,78,62,764	**35,40,21,700**

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	Ref.	Notes	Amount in Taka	
			30-6-2016	30-6-2015

Currency-wise Grouping

Currencies	Amt in FC (30-6-16)	Exchange Rate	Amount in Taka
USD	90,85,613.22	78.4750	71,29,93,498
EURO	1,51,806.02	87.1229	1,32,25,781
GBP	4,43,364.81	105.0859	4,65,91,390
JPY	17,20,753.84	0.7635	13,13,796
CHF	46,727.00	80.0030	37,38,300
			77,78,62,764

4.3 Balance with Other Banks and Financial Institutions (acccording to remaining maturity grouping)

On demand		87,75,65,496	46,23,25,521
Not more than one month		4,32,05,431	4,57,96,549
More than 1 months but less than 3 months		2,50,00,00,000	5,00,00,00,000
More than 3 months but less than 1 year		-	-
More than 1 year but less than 5 years		-	-
More than 5 years		8,07,87,434	8,88,10,624
		3,50,15,58,362	**5,59,69,32,694**

5 Money at call and short notice

There is no deposit under money at call & short notice with other banks or finincial institutions.

6 Investment

Government securities	6.1	62,07,000	82,09,000
Other investments	6.2	3,44,39,000	3,44,39,000
		4,06,46,000	**4,26,48,000**

6.1 Government securities

i) Treasury bill		-	-
ii) National Investment Bond		-	-
iii) Bangladesh Bank Bill		-	-
iv) Govt. Notes/Bonds		-	-
v) Prise Bond		62,07,000	82,09,000
vi) Others		-	-
v) Repo		-	-
		62,07,000	**82,09,000**

6.2 Other Investments

i) Share	6.2.1	3,14,39,000	3,14,39,000
ii) Debenture & Bond		-	-
iii) Other investment		30,00,000	30,00,000
iv) Gold etc		-	-
		3,44,39,000	**3,44,39,000**

6.2.1 Ordinary Shares

Quoted (publicly traded)	3,14,39,000	3,14,39,000
Unquoted	-	-
	3,14,39,000	**3,14,39,000**

* Investment in quoted shares has been valued at the fair value as on the reporting date . As per Bangladesh Bank DOS circular No . 04 dated 24 November 2011, provisions for diminution value of shares will be made on the difference of average cost and market price . During the year average market price is lower than the cost price . For this reason the Bank made for provision during the year, details in Annexure - A.

6.3 Maturity grouping of Share

Upto 3 months	-	-
Over 3 months but below 1 year	-	-
Over 1 year but below 5 years	-	-
Over 5 years	3,14,39,000	3,14,39,000
	3,14,39,000	**3,14,39,000**

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		Ref.	Notes	Amount in Taka 30-6-2016	Amount in Taka 30-6-2015
6.4	**Provision required for investment**				
	Ordinary Shares				
	i) Provision required for diminution in value of Investment			1,85,49,010	1,85,49,010
	ii) Last year provision			1,85,49,010	1,47,76,330
	iii) Provision made during the year		13.5	-	-
	iv) Transfer from provision for unclassified loans & advances			-	37,72,680.00
	Total provision held			**1,85,49,010**	**1,85,49,010**
	iv) Provision excess/(shortfall)			-	-
6.5	**Net investment ordinary share**				
	Gross investment			3,14,39,000	3,14,39,000
	Less: provision for investment			1,85,49,010	1,85,49,010
				1,28,89,990	**1,28,89,990**
7	**Loans and Advances**				
	Loans, cash credits, Overdrafts etc.			1,79,75,27,49,225	1,73,66,48,43,747
	Bills Purchased and Discounted			6,66,72,43,620	6,29,53,31,839
				1,86,41,99,92,845	**1,79,96,01,75,586**
7.1	**Maturity Grouping of loans and advances**				
	Loans and advances are repayable :				
	Receivable on demand			7,45,67,99,714	8,09,82,07,901
	With in 3 months			14,91,35,99,428	17,99,60,17,559
	With in 3 months to 12 months			52,19,75,97,997	49,48,90,48,286
	With in 1 year to 5 years			93,20,99,96,423	89,98,00,87,793
	More than 5 years			18,64,19,99,285	14,39,68,14,047
				1,86,41,99,92,845	**1,79,96,01,75,586**
7.2	**Loans, Cash credit and overdraft etc. (including bills purchased and discounted)**				
	In Bangladesh			1,86,41,99,92,845	1,79,96,01,75,586
	Outside Bangladesh			-	-
				1,86,41,99,92,845	**1,79,96,01,75,586**
7.2.1	**In Bangladesh**				
	Loans			1,56,17,36,42,365	1,45,05,36,86,732
	Cash Credit			23,57,91,06,860	28,61,11,57,015
	Overdrafts			-	-
	Bills Purchased & discounted			6,66,72,43,620	6,29,53,31,839
				1,86,41,99,92,845	**1,79,96,01,75,586**
7.2.2	**Outside Bangladesh**			-	
	Bangladesh krishi bank does not sanction any amount as loans & advances to outside of the country.			-	-
7.3	"Loans, Cash credit and overdraft including bills purchased and discounted (loan category wise)"				
	Loans		7.3.1	1,56,17,36,42,365	1,45,05,36,86,732
	Cash Credit		7.3.2	23,57,91,06,860	28,61,11,57,015
	Bills Purchased & discounted		7.3.3	6,66,72,43,620	6,29,53,31,839
				1,86,41,99,92,845	**1,79,96,01,75,586**
7.3.1	**Loans**				
	Crop loan			1,05,34,69,81,526	86,70,04,00,000
	Fishery loan			11,01,80,00,000	10,23,00,00,000
	Livestock			10,55,49,00,000	9,66,31,00,000
	Irrigation Equipment			54,48,00,000	5,31,50,000
	Agro Industry Loan			1,19,61,00,000	11,88,88,00,000
	Socio Economic Activities			3,87,45,00,000	3,86,17,00,000
	Staff Loans			10,46,62,60,839	10,09,99,36,732
	Ready Made Garments (RMG)			3,20,91,00,000	2,81,60,00,000
	Textiles			3,61,19,00,000	3,57,94,00,000
	Transport, storage & communication			27,17,00,000	57,65,00,000
	SME			6,07,94,00,000	5,58,47,00,000
				1,56,17,36,42,365	**1,45,05,36,86,732**

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		Ref. Notes	Amount in Taka 30-6-2016	30-6-2015
7.3.2	**Cash Credit**			
	Cash Credit		23,57,91,06,860	28,61,11,57,015
			23,57,91,06,860	**28,61,11,57,015**
7.3.3	**Bills Purchased & discounted**			
	Local bills purchased		-	44,88,51,436
	Inland bills purchased		-	29,92,34,291
	Foreign documentary bills purchased		6,66,72,43,620	5,54,72,46,113
			6,66,72,43,620	**6,29,53,31,839**
7.3.3.1	**Bills Purchased & discounted**			
	In Bangladesh		-	74,80,85,727
	Outside Bangladesh		6,66,72,43,620	5,54,72,46,113
			6,66,72,43,620	**6,29,53,31,839**
7.3.3.2	**Maturity grouping of Bills Purchased & discounted**			
	Payable within 1 month		4,90,85,00,000	4,79,91,60,386
	Over 1 month but less than 3 months		78,63,00,000	74,80,85,727
	Over 3 months but less than 6 months		48,75,00,000	44,88,51,436
	6 months or more		48,49,43,620	29,92,34,291
			6,66,72,43,620	**6,29,53,31,839**
7.4	**Loans and advances on the basis of significant concentration**			
7.4.1	Loans and advances to Directors, Executive and customers group (loan amount more than 10% of bank's total paid -up capital)			
	i) Advances to allied concern of directors			-
	ii) Advances to Chief Executive and other Senior Executive			4,81,15,000
	iii) Advances to customers (loan amount more than 10% of bank 's total paid-up capital): Note : 7.4.2			
	Number of client		10	6
	Loan amount		17,13,02,00,000	9,88,45,00,000
	Classified loan therein:			
	Sub Standard (SS)		1,27,96,00,000	-
	Doubtful (DF)		-	1,56,77,00,000
	Bad/Loss (BL)		11,20,49,00,000	4,56,23,00,000
			12,48,45,00,000	**6,13,00,00,000**

Measures taken for recovery of classified loan :

i) Bank as a whole takes following steps to recover its classified loans and advances
ii) Sending letters and reminder to customer.
iii) Recovery cell including top management level holds discussion with the clients to recover the loans.
iv) Maintaining special recovery arrangement through loan fair, client gathering, recovery campaign, etc.
v) Legal proceedings and quick settlement.
vi) Providing incentives to employee for cash recovery from classified and written-off loans

7.4.2 Large Loans details (loan amount more than 10% of bank's total paid up capital)

Name of borrower	Outs. in crore	Types of Loan	Status
M/s Fair Yern	342.63	CC/LTR	BL
BCIC	227.42	CC	UC
M/s Delta Blended Yern Ltd, Tongi	206.01	CC	BL
M/s S A Group	199.70	CC/Project	BL
M/s Keya Yern Mills Ltd	133.82	CC	BL
M/s Padma Bleaching & Dying Ltd	127.96	CC/Project	SS
M/s Multazin Spaining Mills Ltd	127.95	CC/Project	UC
M/s Afil Agro Ltd	120.45	Project	BL
M/s Fiaz Group	117.88	CC/LTR	BL
M/s Bay Agro Ind. Ltd	109.20	CC/Project	UC
Total	1,713.02		

7.4.3	**Industry wise distribution of loans and advances**		
	Textiles	3,61,19,00,000	3,57,94,00,000
	Transport	27,17,00,000	57,65,00,000
	Food (Industry & Trade)	18,31,92,07,717	42,08,07,72,889
	Export & Import credit	13,14,82,00,000	14,65,61,29,000
	House Building	10,05,60,85,128	9,65,78,73,697
	Rural credit	1,37,80,38,00,000	1,06,59,35,00,000
	Ready Made Garments (RMG)	3,20,91,00,000	2,81,60,00,000
		1,86,41,99,92,845	**1,79,96,01,75,586**

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		Ref.	Notes	Amount in Taka	
				30-6-2016	30-6-2015
7.4.4	**Geographical area wise Loans and Advances (excluding staff loans)**				
	Dhaka			87,24,54,00,000	84,52,21,00,000
	Chittagong			34,52,33,00,000	34,00,53,00,000
	Sylhet			9,70,30,00,000	9,16,47,00,000
	Khulna			27,49,38,00,000	26,35,50,00,000
	Barisal			16,98,82,00,000	15,81,31,00,000
				1,75,95,37,00,000	**1,69,86,02,00,000**
7.5	**Classification Status of loans & advances**				
	Unclassified				
	i) Standard (including staff loans)			1,37,42,50,48,976	1,35,97,15,92,036
	ii) Special Mention Account (SMA)			58,19,65,186	88,79,46,415
	Sub-total			**1,38,00,70,14,162**	**1,36,85,95,38,451**
	Classified				
	i) Sub-Standard			5,21,54,51,516	5,85,62,85,265
	ii) Doubtful			2,88,62,26,999	6,06,29,29,209
	iii) Bad			40,31,13,00,168	31,18,14,22,661
	Sub-total			**48,41,29,78,683**	**43,10,06,37,135**
	Grand total			**1,86,41,99,92,845**	**1,79,96,01,75,586**
7.6	**Movement of classified loans & advances**				
	Opening classified loans & advances			43,10,06,37,135	45,62,64,36,608
	Less:				
	Cash recovery			13,26,52,00,000	8,41,11,00,000
	Write off			12,61,000	20,48,000
	Interest weaver			6,40,69,352	16,65,89,827
	Re-scheduling			13,95,20,24,000	23,87,90,99,000
				27,28,25,54,352	**32,45,88,36,827**
	Add: Newly classified loans & advances during the year			32,59,49,17,217	29,93,30,37,354
	Closing balance of classified loans & advances			**48,41,30,00,000**	**43,10,06,37,135**
7.7	**Details of Provision required and held for loans and advances**				
	Provision required for loans and advances				
	For unclassified loan				
	Standard			2,66,24,03,414	2,54,40,70,868
	SMA			56,35,675	84,58,085
				2,66,80,39,089	**2,55,25,28,953**
	For classified loan				
	Substandard			22,92,02,308	44,84,84,802
	Doubtful			25,47,67,075	83,83,08,200
	Bad/loss			24,11,16,00,415	21,45,53,89,826
				24,59,55,69,798	**22,74,21,82,828**
	Total required provision			**27,26,36,08,887**	**25,29,47,11,781**
	Provision maintained				
	For unclassified loan		13.4.1	2,55,55,16,548	2,55,25,28,953
	For classified loan		13.4.2	22,74,21,82,828	22,74,21,82,828
	Total provision held			**25,29,76,99,376**	**25,29,47,11,781**
	Provision excess/(shortfall)			(1,96,59,09,511)	-
7.8	**Net Loans and Advances**				
	Gross loans & advances			1,86,41,99,92,845	1,79,96,01,75,586
	Less: interest suspense			7,95,37,76,369	7,22,33,78,686
	Less: provision for loans and advances			25,29,76,99,376	25,29,47,11,781
				1,53,16,85,17,100	**1,47,44,20,85,119**

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	Ref.	Notes	Amount in Taka 30-6-2016	Amount in Taka 30-6-2015
7.9 Particulars of Loans and Advances				
1. Debts considered good in respect which the banking company is fully secured			30,40,65,00,000	66,48,23,44,246
2. Debts considered good for which the banking company holds no security other than the debtor's personal guarantee.			1,15,30,08,81,526	1,03,37,78,94,608
3. Debts considered good and secured by personal undertakings of one or more parties in addition to the personal guarantee of the debtor's			10,46,62,60,839	10,09,99,36,732
4. Debts considered bad or doubtful not provided for . (Total classified loans and advances less provision)				-
			1,56,17,36,42,365	1,79,96,01,75,586
5. Debts due by directors or officers of the banking company or any of these either separately or jointly with any other person.			-	-
6. Debts due by companies or firms in which the directors of Banking company have interests as directors , partners or managing agents or , in the case of private companies as members.			-	-
7. Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person.			-	-
8. Maximum total amount of advances including temporary advances granted during the year to the companies or firms in whom the directors of the banking company have interests as directors , partners or managing agents or in the case of private companies as members.			-	-
9. Due from banking companies			-	-
10. Amount of classified loan on which interest has not been charged			48,41,29,78,683	43,10,06,37,135
11. Amount written off during the year			12,61,000	9,52,00,000
12. Total written off Loan from beginning to the end			3,69,34,61,000	3,69,22,00,000
13. Amount realized/adjusted against previous written off			6,63,61,783	15,21,69,721
14. 30.06.15 Balance of written off loan			2,31,63,77,402	2,38,14,78,185
15. The amount of written off loan for which law suit has been filed.			2,31,63,77,402	2,38,14,78,185
8 Fixed Assets including premises, furniture & fixtures				
Land			4,75,60,76,000	4,75,60,76,000
Building			1,07,56,98,552	1,10,16,92,511
Motor Vehicles			6,59,25,833	4,23,01,677
Furniture & Fixtures			12,06,45,515	11,28,03,908
Office Euipments			4,64,36,194	4,22,40,875
Office Machineries			29,95,75,790	21,38,77,893
Electrical Equipments			10,72,76,604	12,59,31,474
			6,47,16,34,488	6,39,49,24,338
Fixed assets schedule detail in Annexure - B.				
9 Other Assets				
Income generating			-	-
Non income generating			18,17,82,59,260	20,37,18,36,215
			18,17,82,59,260	20,37,18,36,215

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		Ref.	Notes	Amount in Taka 30-6-2016	Amount in Taka 30-6-2015
9.1	**Ageing of Other Assets**				
	Upto 6 months			3,23,45,02,820	4,06,99,824
	More than 6 months but less than 1 year			2,35,45,87,861	14,64,06,35,925
	More than 1 year but less than 2 years			1,21,92,45,000	3,89,76,321
	More than 2 years but less than 3 years			1,86,95,09,000	51,88,62,093
	More than 3 years			9,50,04,14,579	5,13,26,62,052
				18,17,82,59,260	**20,37,18,36,215**
	Income Generating				
	Bangladesh Krishi Bank has no subsidiary company. So no investment is made theirin.				
	Non Income Generating				
	Stamps			1,44,43,828	3,09,61,902
	Stationery			9,70,26,565	9,59,59,265
	Prepaid Expenses			2,55,68,897	2,70,17,007
	Accrued Interest Receivable			4,39,02,93,617	4,16,04,68,140
	Security Deposits			68,54,798	4,27,888
	Advance, Deposit & Pre-Payments		9.2	1,17,35,47,669	1,14,30,76,626
	Sundry debtors (Accounts Receivable)		9.3	11,46,04,47,257	10,28,91,32,637
	Suspense Account		9.4	1,01,00,76,629	4,62,47,92,750
				18,17,82,59,260	**20,37,18,36,215**
9.2	**Advance, Deposit & Pre-Payments**				
	Traveling Advance			18,72,928	22,94,277
	Advance against Salary			19,55,801	11,31,658
	Other Advances to Staff			1,73,794	26,55,791
	Advance against Supply			1,44,80,416	70,91,491
	Advance against Foreign Loan			1,44,016	81,712
	Income Tax refundable		9.2.1	1,15,49,20,714	1,12,98,21,697
				1,17,35,47,669	**1,14,30,76,626**
9.2.1	**Income Tax refundable**				
	Year wise break up of refundable tax				
	Financial year	Ass. year			
	1990-91	1991-92		48,84,45,155	48,84,45,155
	1991-92	1992-93		16,30,08,161	16,30,08,161
	1993-94	1994-95		1,11,25,000	1,11,25,000
	1996-97	1997-98		3,26,25,000	3,26,25,000
	1997-98	1998-99		2,90,00,000	2,90,00,000
	1998-99	1999-00		2,90,00,000	2,90,00,000
	1999-00	2000-01		2,90,00,000	2,90,00,000
	2000-01	2001-02		2,90,00,000	2,90,00,000
	2001-02	2002-03		3,55,13,600	3,55,13,600
	2002-03	2003-04		4,69,09,959	4,69,09,959
	2003-04	2004-05		3,51,13,252	3,51,13,252
	2004-05	2005-06		1,68,83,290	1,68,83,290
	2006-07	2007-08		84,15,960	84,15,960
	2007-08	2008-09		2,63,13,260	2,63,13,260
	2008-09	2009-10		1,48,86,945	1,48,86,945
	2009-10	2010-11		2,20,25,505	2,20,25,505
	2010-11	2011-12		72,50,000	72,50,000
	2012-13	2013-14		3,97,15,318	3,97,15,318
	2013-14	2014-15		94,27,890	94,27,890
	2014-15	2015-16		5,61,63,402	5,61,63,402.00
	2015-16	2016-17		2,50,99,017	-
				1,15,49,20,714	**1,12,98,21,697**

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	Ref.	Notes	Amount in Taka	
			30-6-2016	30-6-2015
9.3	**Sundry debtors (Accounts Receivable)**			
	Interest on frozen tea Loan		-	1,98,89,609
	Interest remitted on pre-liberation loans & advances		3,99,76,028	4,07,44,144
	Interest Remitted on Crop loans		1,85,13,926	1,02,70,676
	Interest Remitted on weavers credit		13,18,23,648	12,98,45,946
	Transferable remission of interest Account		30,70,68,278	30,71,93,703
	Remissionable of interest		89,66,81,610	98,60,25,599
	Loss on remission of interest and others		57,37,41,181	57,37,31,888
	Remitted interest loan disbursed upto 30.06.90		3,38,93,595	4,38,94,016
	Loom board credit		7,55,164	8,53,494
	Prize against classified loan recovery		12,35,36,829	5,70,93,689
	Remission of 20% intt remission of classified loan four years		6,78,20,787	6,76,95,167
	Receivable from RAKUB		1,28,34,00,000	1,28,34,00,000
	Protested bill		1,79,17,254	1,79,42,254
	Provision for land and building		1,82,38,784	2,20,26,374
	Remission of agricultural Loan (1st claim)		6,31,31,854	6,99,12,231
	Food procurement program		5,09,35,078	10,54,400
	Retired army person		40,69,44,303	52,47,43,596
	Remissionbale interest on swanirvar credit program		51,92,345	51,27,716
	Payable on pension Account		4,14,57,690	1,44,86,360
	Benevolent grant after death		17,96,952	14,19,991
	Miscellaneous		1,38,09,64,770	54,77,99,294
	Provision for others expenditure		54,08,60,838	41,02,37,226
	Receivable from Govt. against remissionable 40% of sick frozen food industry		3,28,80,724	3,28,80,724
	Interest Remitted up to Tk.5000		34,98,55,113	34,87,00,259
	Legal charges against written off loan		48,46,145	63,29,597
	50%of remitted Agri.loan upto Tk.5000/-Bank's share		1,03,81,209	1,09,74,502
	Reconstruction of Accounts		49,93,876	56,01,811
	SIDOR affected agricultural Loan		2,82,28,763	2,82,73,064
	Interest receivable on ag. term loans adv.(Long Term)		-	28,71,249
	Interest receivable on ag. term loans adv.(Trust Receipt)		-	2,17,611
	Govt. subsidy against S.T.W.		(3,10,05,882)	42,87,918
	Wage Earners bond		25,01,21,106	70,06,678
	Business development		10,24,825	3,72,204
	IBTA Interest receivable account		9,08,35,466	-
	Receivable from Government(note:9.3.1)		4,71,36,34,998	4,70,62,29,647
			11,46,04,47,257	**10,28,91,32,637**
9.3.1	**Receivable from Government**			
	Receivable from Govt. against provision of first classification in 1990-91		1,40,08,05,527	1,40,08,05,526
	Receivable against Excess Interest of double amount of the principal loan		3,31,28,29,471	3,30,54,24,121
			4,71,36,34,998	**4,70,62,29,647**

* The bank has been received a sanction letter for Tk .140.08 crore against provision of 1st classification of loans and advances (ref. no. 53.00.0000.432.20.001.16-83 dated 29.06.2016 of Ministry of Finance).

9.4	**Datails of Suspense Account**			
	Fishery credit project		4,97,219	-
	Central Godown A/C (Maintenance)		3,70,341	3,70,340
	Grameen Bank		9,505	9,505
	D D paid in Suspense Accounts		72,56,50,061	71,48,07,029
	Western Union Remittance		3,79,55,142	5,52,34,394
	Ex-advice payment for Foreign Exchange		14,45,385	5,37,21,314
	Ex-advice Foreign DD suspense		26,79,106	14,57,200
	Xpress Money		1,73,61,382	1,41,33,008
	IME		1,22,72,745	1,07,37,726
	Trans Fast		99,34,796	58,36,077
	Electronic money (bkash mobile banking)		(9,57,609)	20,01,872
	Electronic money (DBBL)		(2,24,84,964)	7,03,19,408
	Sanchay patra		1,52,93,61,260	80,10,56,631
	Ex-advice payment for BEFT		10,58,27,591	-
	Inter branch transaction accounts	9.4.1	(1,40,98,45,331)	2,89,51,08,246
			1,01,00,76,629	**4,62,47,92,750**

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Ref.	Notes	Amount in Taka	
		30-6-2016	30-6-2015

9.4.1 Inter branch transaction accounts

Particulars	Debit balance	Credit balance	Net balance
Due from Branches(111)	6,03,16,53,917		6,03,16,53,917
Due to Head Office(112)		6,14,28,98,067	(6,14,28,98,067)
BKB General Account(113)	15,08,76,455		15,08,76,455
BKB Zonal Account(115)		1,72,70,60,038	(1,72,70,60,038)
BKB Division General Account(116)		1,16,87,25,311	(1,16,87,25,311)
BKB General Account(117)	1,77,01,46,047		1,77,01,46,047
BKB General A/c,Foreign Exc.(118)	50,04,87,997		50,04,87,997
BKB General A/c (119)	27,50,75,376		27,50,75,376
BKB onLine General A/c (1110)	49,70,82,673		49,70,82,673
BKB Exchange General A/c (1111)	4,47,29,708		4,47,29,708
BKB General A/c, DBBL (1112)		43,73,049	(43,73,049)
BKB General A/c, Bkash (1113)		14,29,30,779	(14,29,30,779)
BKB General A/c (1114)		1,16,28,17,567	(1,16,28,17,567)
BKB RTGS General A/c (1115)		19,68,99,080	(19,68,99,080)
Bkash regional General A/C (1116)		13,41,93,613	(13,41,93,613)
As on 30th June 2016	9,27,00,52,173	**10,67,98,97,504**	**(1,40,98,45,331)**
As on 30th June 2015	11,66,65,61,932	**8,77,14,53,686**	**2,89,51,08,246**

The above figure represents net accumulated balance of all branches.

9.5 Particulars of required provision of other assets

	Base for provision	Rate (%)	30.06.2016
Other assets for 6-12 months	1,26,44,73,202	50%	63,22,36,601
Other assets for more than 12 months	10,60,55,00,000	100%	10,60,55,00,000
Protested bill	1,79,17,254	100%	1,79,17,254
Legal charges	48,46,145	100%	48,46,145
	11,89,27,36,601		11,26,05,00,000

9.6 Classification of other assets and provision therein

i) Amount classified		11,89,12,28,148	11,89,12,28,148
ii) Provision required		11,26,05,00,000	11,26,05,00,000
iii) Last year provision		5,70,62,00,000	5,70,62,00,000
iv) Add: Provision made during the year	13.6	-	-
Total provision held(iii+iv)		**5,70,62,00,000**	**5,70,62,00,000**
v) Provision excess/(shortfall)		**(5,55,43,00,000)**	**(5,55,43,00,000)**

10 Non-Banking Assets

Income generating		-	-
Non income generating	10.1	32,03,48,680	32,92,26,120
		32,03,48,680	**32,92,26,120**

10.1 Non income generating

*Assets acquired in settlement loans & advances	32,03,48,680	32,92,26,120
	32,03,48,680	**32,92,26,120**

* Bank acquired the land & building in settlement of mortgage loans & advances.

10.2 Ageing of non-banking assets

Upto 6 months	-	-
More than 6 months but less than 1 year	18,56,85,112	18,99,15,311
More than 1 year but less than 2 years	7,45,65,420	7,45,65,420
More than 2 years but less than 3 years	6,00,98,148	6,47,45,389
More than 3 years	-	-
	32,03,48,680	**32,92,26,120**

11 Borrowing from Other Banks, Financial Institutions & Agents

In Bangladesh	11.1	28,04,02,35,865	29,63,93,52,505
Outside Bangladesh	11.2	44,49,19,541	49,00,36,905
		28,48,51,55,406	**30,12,93,89,409**

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		Ref.	Notes	Amount in Taka 30-6-2016	Amount in Taka 30-6-2015
11.1	**Borrowing in Bangladesh**				
	From Government	11.1.1		1,29,18,65,959	1,30,18,65,959
	From Bangladesh Bank	11.1.2		26,74,83,69,906	28,33,74,86,546
				28,04,02,35,865	**29,63,93,52,505**
11.1.1	**Borrowings from Government**				
	Before Liberation			3,26,52,959	3,26,52,959
	After Liberation :				
	Fund for SABINCO			-	1,00,00,000
	Fund for Thana Bonayan Cormosuchi			18,15,000	18,15,000
	Fund for Loan Disbursement under Agro Based Industries			1,18,69,98,000	1,18,69,98,000
	Sigma Consortium Loan (Fund for sick industries)			2,04,00,000	2,04,00,000
	Gharre Fera			5,00,00,000	5,00,00,000
				1,29,18,65,959	**1,30,18,65,959**
11.1.2	**Borrowings from Bangladesh Bank(including re- finance loan)**				
	Short Term Loan	11.1.2.1		13,25,51,48,000	14,45,51,48,000
	Medium Term Loan	11.1.2.2		5,44,04,18,000	5,44,04,18,000
	Long Term Loan	11.1.2.3		80,88,83,364	1,30,99,08,364
	Demand Loan			30,00,00,000	-
	Ref under 10 taka a/c holder			23,43,500	-
	Interest Payable			6,94,15,77,042	7,13,20,12,182
				26,74,83,69,906	**28,33,74,86,546**
	Loan accounts head wise details under below :				
11.1.2.1	**Short-Term Loan**				
	29 BK -1			36,45,77,000	1,46,45,77,000
	30 BK -1			2,75,00,00,000	2,75,00,00,000
	31 BK -1			2,04,05,71,000	2,04,05,71,000
	33 BK- 1			1,70,00,00,000	1,70,00,00,000
	34 BK- 1			2,00,00,00,000	2,00,00,00,000
	37 BK- 1			3,40,00,00,000	3,50,00,00,000
	38 BK- 1			1,00,00,00,000	1,00,00,00,000
	Sub Total			**13,25,51,48,000**	**14,45,51,48,000**
11.1.2.2	**Mid-Term Loan**				
	29 BK - 2			25,75,66,000	25,75,66,000
	30 BK - 2			33,50,00,000	33,50,00,000
	31 BK - 2			29,46,52,000	29,46,52,000
	31 BK - 3			1,70,00,000	1,70,00,000
	33 BK - 2			88,00,00,000	88,00,00,000
	33 BK - 4			4,37,00,000	4,37,00,000
	33 BK- 5			11,25,00,000	11,25,00,000
	34 BK- 2			33,00,00,000	33,00,00,000
	34 BK- 3			2,07,00,00,000	2,07,00,00,000
	34 BK- 6			10,00,00,000	10,00,00,000
	37 BK- 2			50,00,00,000	50,00,00,000
	38 BK- 3			50,00,00,000	50,00,00,000
	Sub Total			**5,44,04,18,000**	**5,44,04,18,000**
11.1.2.3	**Long-Term Loan**				
	23 BK - RI			-	50,10,25,000
	29 BK - 5			1,87,04,364	1,87,04,364
	29 BK Rubber-1			1,18,76,000	1,18,76,000
	30 BK - 5			2,30,00,000	2,30,00,000
	30 BK Rubber - 1			70,66,000	70,66,000
	31 BK - 5			2,92,37,000	2,92,37,000
	31 BK - Rubber - 1			1,00,00,000	1,00,00,000
	33 BK- 3			10,90,00,000	10,90,00,000
	33 BK- 6 (Tea)			9,50,00,000	9,50,00,000
	33 BK- R-1			50,00,000	50,00,000
	34 BK - 4			33,00,00,000	33,00,00,000
	34 BK - 5			16,00,00,000	16,00,00,000
	34 BK - RI			1,00,00,000	1,00,00,000
	Sub Total			**80,88,83,364**	**1,30,99,08,364**
11.1.3	**Security wise grouping**				
	Securied by Government			28,04,02,35,865	29,63,93,52,505
	Unsecured			-	-
				28,04,02,35,865	**29,63,93,52,505**

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		Ref.	Notes	Amount in Taka 30-6-2016	Amount in Taka 30-6-2015
11.1.4	**Maturity wise grouping**				
	Repayable on demand			-	-
	others			28,04,02,35,865	29,63,93,52,505
				28,04,02,35,865	**29,63,93,52,505**
11.2	**Outside Bangladesh**				
	Credit Balances with NOSTRO Accounts	11.2.1		17,73,35,229	22,11,43,593
	Borrowings from International Financial Institut	11.2.2		26,75,84,311	26,88,93,311
				44,49,19,541	**49,00,36,905**
11.2.1	**Credit Balances with NOSTRO Accounts**				
	Standard Chartered bank, Newyork			5,61,25,437	21,53,43,362
	Commerz Bank,AG,Frunkfurt,Germany(EURO)			-	58,00,232
	Mashreq Bank PSC, Newyork			12,12,09,792	-
				17,73,35,229	**22,11,43,593**

Currency-wise Grouping

Currencies	Amt in FC (30-6-16)	Exchange Rate	Amount in Taka
USD	22,59,767.18	78.4750	17,73,35,229
EURO	-	87.1229	-
			17,73,35,229

11.2.2	**Borrowings from International Financial Institutions :**				
	ADB 329 BAN (SF)			5,09,404	5,09,404
	ADB - 1067			23,30,07,135	23,30,07,135
	I FAD 280 BAN			37,64,600	50,73,600
	ODA Grant (Machine)			1,79,86,851	1,79,86,851
	E E C Grant			1,11,46,900	1,11,46,900
	STABESK/ Complex Fund			9,74,245	9,74,245
	ASCAP / ILO Grant			1,95,175	1,95,175
				26,75,84,311	**26,88,93,311**
11.2.3	**Security wise grouping**				
	Securied by Government			26,75,84,311	26,88,93,311
	Unsecured			-	-
				26,75,84,311	**26,88,93,311**
11.2.4	**Maturity wise grouping**				
	Repayable on demand			-	-
	others			26,75,84,311	26,88,93,311
				26,75,84,311	**26,88,93,311**
12	**Deposits & others accounts**				
	Current & Contingency accounts	12.1		31,86,35,21,552	33,02,31,52,083
	Bills Payable	12.2		1,14,77,37,235	1,48,40,22,994
	Savings deposit	12.3		50,31,39,93,979	44,13,91,03,981
	Fixed deposit	12.4		1,28,49,90,66,545	1,20,26,60,94,278
				2,11,82,43,19,311	**1,98,91,23,73,336**
12.1	**Current & Contingency accounts**				
	Current Deposits			8,28,88,41,553	8,94,24,96,750
	Hajj deposit			8,97,10,884	14,11,96,707
	Call Deposits			3,93,22,516	57,94,069
	Dorment Accounts			14,84,85,427	14,61,68,875
	Guarantee Account Cash Collateral(current)			7,74,610	17,27,300
	Guarantee Account Cash Collateral(savings)			41,387	1,57,310
	Guarantee Account Cash Collateral(fixed)			-	2,700
	Special Deposits			3,53,53,800	3,51,08,809

		Ref.	Notes	Amount in Taka	
				30-6-2016	30-6-2015
	Employees Security Deposits			96,17,294	88,21,624
	SND (Short Term Deposit Account)			5,38,29,17,110	6,23,65,19,833
	Marginal Deposit Account			38,40,46,452	48,11,62,478
	Deposit Pension Scheme			85,37,727	1,38,25,838
	Customers F.C A/C			1,80,21,198	1,43,28,699
	Exporters F.C A/C			1,17,30,562	2,03,04,890
	BKB Savings Pension Scheme			1,87,57,226	2,25,07,883
	Account of U.A.E Exchange Co.			46,19,38,766	50,37,18,978
	Teacher Deposit Scheme			8,56,602	17,83,69,061
	Small saving scheme			62,76,539	1,35,41,592
	Hajj Savings Scheme			36,88,279	37,02,599
	Education Savings Scheme			1,08,56,156	2,54,47,035
	BKB Sanchya Scheme			6,53,49,02,169	9,03,69,42,610
	Krishion Krishionery Sanchya Scheme			9,41,10,047	8,18,74,777
	Monthly/ Quarterly benefit Scheme			13,53,75,696	17,33,24,861
	ODA Revolving Fund			5,38,99,417	5,34,02,687
	BKB Monthly Savings Scheme			10,03,57,78,769	6,84,70,61,143
	Student savings scheme			8,48,31,047	3,56,18,775
	Special Blocked Account			48,50,319	24,200
				31,86,35,21,552	**33,02,31,52,083**
12.2	**Bills Payable**				
	Payment Orders Outstanding			47,64,73,843	64,81,24,944
	Demand Draft Payable			78,90,20,006	98,26,97,443
	Telegraphic transfer payable			(12,14,79,291)	(14,75,61,465)
	Mail Transfer Payable			23,95,250	5,02,372
	Demand Draft Payable on Ex-advice			13,27,427	2,59,700
				1,14,77,37,235	**1,48,40,22,994**
12.3	**Savings bank deposits**				
	Savings deposits			50,31,39,93,979	44,13,91,03,981
				50,31,39,93,979	**44,13,91,03,981**
12.4	**Fixed deposits**				
	Fixed deposits			1,28,49,90,66,545	1,20,26,60,94,278
				1,28,49,90,66,545	**1,20,26,60,94,278**
12.5	**Maturity grouping of deposits & other accounts**				
	Repayable on demand			3,37,08,25,313	46,41,28,387
	Repayable within 1 month			5,05,62,37,970	8,81,84,39,354
	Over 1 month but within 3 months			12,64,05,94,925	14,28,47,16,667
	Over 3 month but within 1 year			48,45,56,13,877	37,51,61,16,942
	Over 1 year but within 5 years			84,27,06,32,830	62,73,46,24,789
	Over 5 years			58,03,04,14,396	75,09,43,47,197
				2,11,82,43,19,311	**1,98,91,23,73,336**
13	**Other Liabilities**				
	Employees provident fund			71,36,878	60,32,011
	Exchange Fluctuation Account			6,54,16,183	6,54,16,387
	Income Tax Adjustment		13.1	4,70,28,848	4,70,28,847
	Interest Payable on Fixed Deposits			2,85,57,96,194	3,53,22,91,160
	Security Deposits			8,28,77,653	7,41,24,474
	Outstanding loan of Rupali Bank			14,76,11,708	15,30,24,939
	Interest Payable on Foreign Loans			55,31,186	84,23,611
	Payable accounts		13.2	4,06,81,17,862	4,10,20,89,886
	Deferred Credit Interest Uncollected		13.3	7,95,37,76,369	7,22,33,78,686
	Provision for loans & advances		13.4	25,29,76,99,376	25,29,47,11,781
	Provision for investment in shares		13.5	1,85,49,010	1,85,49,010
	Provision for other assets		13.6	5,70,62,00,000	5,70,62,00,000
	Provision for off balance sheet items		13.7	5,56,13,000	7,14,75,802
	Provision for Taxation		13.8	57,08,816	57,08,816
				46,31,70,63,083	**46,30,84,55,410**

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Ref.	Notes	Amount in Taka	
		30-6-2016	30-6-2015

13.1 Income Tax Adjustment

Year wise Income Tax Provision & Assessment are as shown in **Annexure-E.**

13.2 Accounts Payable

Cash Excesses	2,78,51,662	64,35,774
Deputationists Accounts	27,730	
Undisbursed Emoluments to Staff	33,34,969	1,19,73,533
Reconstruction on Loan Accounts	32,60,903	27,76,106
Recovery of BRRFC Loans	1,10,55,704	35,57,965
Miscellaneous	1,69,33,83,099	1,75,49,28,110
Income Tax Deducted from the Contractors Bills	1,71,56,768	2,77,26,983
Cost of Revenue Stamp Realised	62,83,355	63,83,160
Realised Loan Of Polly Progati Prokolpa	23,21,33,054	37,76,60,834
Premium due for EFAS	9,78,416	11,55,813
Deduction of Levey for Interest	14,54,759	9,50,558
Development Levey (4%) Flood	5,76,182	4,70,117
Deduction at source tax	7,95,26,130	3,41,58,639
Outstanding DD/TT/PO	1,05,130	13,33,257
Balance of inoptt. SB Account upto Taka Fifty	-	43,51,399
Payable pension fund	13,01,72,634	4,82,13,397
Excise Duty	3,21,56,139	1,60,69,978
Fin.benifit for dairy farm in Pvt. sector	2,00,18,482	2,00,41,895
Subscription for Benevolent fund	6,06,698	5,61,486
Service charge deduction from Swanirvar Programme	20,72,186	75,73,751
Budget provision for land & building	95,98,270	1,22,52,156
Budget provision for others	55,26,93,350	43,39,54,875
ODA Revolving fund	(3,58,15,088)	(3,56,61,383)
Post-flood Rehabilitation Tax on intt.of deposit	-	69,188
Hand Loom Board Credit.	21,24,833	13,98,781
E.E.C Revolving Fund.	4,35,07,036	5,70,85,946
E.C Revolving Fund.	-	5,74,24,571
Payable intt. on E.C Revolving Fund.	3,79,75,797	1,42,72,948
Payable intt. on E.E.C Revolving Fund	84,02,213	11,13,606
Amt. of rent/lease/sale of asset acquired unsettle	4,81,54,157	82,13,890
Treasury bond received from Govt. as subsidy against sick industry	-	21,67,94,500
Agro. based industry loan's recycle Fund	74,96,14,114	84,96,68,000
Community wise Asset Management Project	2,64,18,698	2,64,18,698
1.50% Payable intt. on Project Fund of CWAMP	20,12,838	32,22,013
Service charge on CIB online	1,34,53,412	51,315
Western Union Common Marketing	1,04,08,218	94,22,196
Realised VAT from BACH	26,37,707	1,33,56,777
Realised VAT & commission for BB	1,49,314	24,21,711
Sancha poatra	28,61,70,238	2,50,659
SWIFT charges	2,74,465	9,26,26,706
Risk fund for consumer credit	37,20,815	2,36,671
Income tax deduction from staff	1,99,05,240	55,46,968
Tax deduction from fees for Profe. & Tech. services	1,60,882	-
VAT deduction from fees for Profe. & Tech. services	1,500	23,95,976
Tax deduction from the Certain services	1,91,550	8,68,242
VAT deduction from the Certain services	11,47,760	1,24,808
Tax deduction from L/C	85,62,346	6,82,201
Vat deduction from L/C	1,44,707	16,491
Taxes of office house paid	(39,27,779)	2,19,406
VAT of office house rent paid	8,12,971	32,980
Xpress Money	6,03,332	2,942
Commission for other banks	-	44,319
Foreign Exchange back to back L/c	1,10,23,264	6,61,317
Incedental Charges	1,76,536	5,11,625
IBTA payments	56,61,166	66,032
	4,06,81,17,862	**4,10,20,89,886**

	Ref. Notes	Amount in Taka	
		30-6-2016	30-6-2015

13.3 Deferred Credit Interest Uncollected/Interest suspense account

Opening balance	7,22,33,78,686	6,14,92,72,844
Add : Transferred during the year	2,85,60,67,659	2,54,32,49,341
Less: Realized during the year	2,01,07,04,000	1,37,30,96,000
Less : Adjustment during the year	11,49,65,976	9,60,47,499
Closing Balance	**7,95,37,76,369**	**7,22,33,78,686**

The above figure represents net accumulated balance of all Branches & Head Office.

13.4 Provision for Loans and Advances

General provision (for unclassified)	2,55,55,16,548	2,55,25,28,953
Specific provision (for classified)	22,74,21,82,828	22,74,21,82,828
Total provision held	**25,29,76,99,376**	**25,29,47,11,781**
Required provision for loans and advances(as per CL-1)	27,26,36,08,887	25,29,47,11,781
Provision excess/(shortfall)	**(1,96,59,09,511)**	**-**

13.4.1 General Provision (for unclassified)

Opening balance	2,55,25,28,953	7,20,62,17,483
Transfer from/(to) Diminution in Value of Investments	-	(37,72,680)
Transfer from/(to) specific provision	-	(2,31,72,31,484)
Adjustment to remission of interest of staff loans	(1,28,75,207)	(2,61,30,402)
Transfer to retained earnings	-	(2,30,65,53,964)
Transfer from/(to) off balance sheet items	1,58,62,802	-
Provision held	**2,55,55,16,548**	**2,55,25,28,953**

13.4.2 Specific Provision (for classified)

Opening balance	22,74,21,82,828	20,42,49,51,344
Add: i. Recoveries of amounts previously written off	-	-
ii. Specific provision made during the year	-	-
iii. Net charge to profit & loss account during the year	-	-
Transfer from/(to) provision for unclassified loans & advances	-	2,31,72,31,484
Transfer from/(to) provision maintained for other assets	-	-
Transfer to retained earnings	-	-
Provision held	**22,74,21,82,828**	**22,74,21,82,828**

As per BRPD Circular # 14 dated September 23,2012 (revised BRPD Circular # 5, dated May 29,2013) of Bangladesh Bank, required provision is Tk . 2726,36,08,887 against loans & advances, but Bangladesh krishi bank has maintained Tk. 2529,76,99,376. So there is a provision shortfall of Tk . 196,59,09,511. For details calculation **Annexure -'F'**

13.5 Provision for Diminution in Value of Investments

Opening balance	1,85,49,010	1,47,76,330
Provision made during the year	-	-
Transfer from/(to) provision for unclassified loans & advances	-	37,72,680
Provision at end of the year	**1,85,49,010**	**1,85,49,010**
Less: Required provision for investment	1,85,49,010	1,85,49,010
Provision Excess/(Shortfall)	-	-

Provisions for diminution in value of investments has been maintained fully in accordance with Bangladesh Bank DOS circular no. 04 dated November 24, 2011 & as per the letter # DOS(SR) 1153/161/2012-427 dated December 30, 2012 .

13.6 Provision Maintained for Other Assets

Opening balance	5,70,62,00,000	5,70,62,00,000
Add : Additioan during the year	-	-
Less : Adjustment during the year	-	-
Total provision held	**5,70,62,00,000**	**5,70,62,00,000**
Less: Required provision for other assets (as per Bangladesh Bank)	11,26,05,00,000	11,26,05,00,000
Provision Excess/(Shortfall)	(5,55,43,00,000)	(5,55,43,00,000)

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	Ref.	Notes	Amount in Taka	
			30-6-2016	30-6-2015

13.7 Provision for Off-balance Sheet Exposures

Opening Balance	7,14,75,802	9,64,00,000
Add/(less): provision made/(released) during the year	-	0
Transfer from/(to) during the year(loan & adv)	(1,58,62,802)	(2,49,24,198)
Provision held	**5,56,13,000**	**7,14,75,802**
Required provision	5,56,13,000	7,14,75,802
Provision Excess/(Shortfall)	-	-

Provision for off balance sheet items is required Tk . 5,56,13,000 and fully maintained as per BRPD circular # 10, dated 23 September 2012.

13.8 Provision for Taxation

Opening Balance	57,08,816	-
Add: Provision made during the year	-	57,08,816
Less: Adjustment made during the year	-	-
Total provision held	**57,08,816**	**57,08,816**

As per section 82C of the Income Tax Ordinance 1984 income tax should have been maintained at 0.6% of gross receipt. But no provision has been maintained for income tax during the year. Because huse loss incurred by the bank.

14. Share Capital

14.1 Authorised Capital	15,00,00,00,000	15,00,00,00,000
	15,00,00,00,000	**15,00,00,00,000**

(The authorized capital of the bank is approved by the Government of the Peoples Republic of Bangladesh)

14.2 Issued, Subscribed and Paid-up Capital	9,00,00,00,000	9,00,00,00,000
	9,00,00,00,000	**9,00,00,00,000**

The paid-up capital is invested by the Government of the Peoples Republic of Bangladesh.

14.3 Re-capitalization	2,50,00,00,000	2,50,00,00,000
	2,50,00,00,000	**2,50,00,00,000**

The government given a Taka 250.00 crore to the Bangladesh Krishi Bank as re- capitalization vide the sanction letter no. 53.00.0000.412.20.001.15-82 Dated : 11.06.15.

14.4 Capital Adequacy

Details of the capital requirement & capital surplus /(shortfall) of the Bank as per requirement of Section 13(2) of the Bank Company Act 1991 (amended in 2013) and BRPD circular No. 35 dated 29 December 2010.

Core Capital (Tire I)	14.4.1	(65,23,98,01,803)	(56,50,74,84,132)
Supplementary capital (Tier-II)	14.4.2	4,29,28,00,000	3,92,68,20,757
Regulatory capital		**(60,94,70,01,803)**	**(52,58,06,63,375)**
Required capital (10% of total risk weighted ass	14.4.3	13,91,81,80,000	13,97,46,90,000
Capital surplus/(shortfall)		**(74,86,51,81,803)**	**(66,55,53,53,375)**
Capital Adequacy Ratio (CAR)			
Core capital (Tier-I)		-46.87%	-40.44%
Supplementary capital (Tier-II)		3.08%	2.81%
		-43.79%	**-37.63%**

14.4.1 Core Capital (Tire I)

Paid-up Capital	9,00,00,00,000	9,00,00,00,000
Re-capitalization	2,50,00,00,000	2,50,00,00,000
Statutory Reserve	23,23,06,342	23,23,06,342
Legal Reserve	58,81,33,858	58,81,33,858
Retained Earnings	(70,04,00,32,493)	(63,27,36,24,332)
	(57,71,95,92,292)	**(50,95,31,84,132)**
Less : Provision shortfall for other assets	7,52,02,09,511	5,55,43,00,000
	(65,23,98,01,803)	**(56,50,74,84,132)**

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		Ref.	Notes	Amount in Taka	
				30-6-2016	30-6-2015
14.4.2	**Supplementary capital (Tier-II)**				
	General provision on unclassified loans including OBS items			2,62,39,00,000	1,70,16,75,000
	Asset revaluation reserve (up to 50%)			2,78,15,00,000	2,78,14,32,196
				5,40,54,00,000	**4,48,31,07,196**
	Less : regulatory adjustments				
	Revaluation Reserves for fixed assets, securities & equity securities			1,11,26,00,000	55,62,86,439
	Other adjustments			-	0
				4,29,28,00,000	**3,92,68,20,757**
14.4.3	**Required capital**				
	Total assets (including Off-balance sheet amount)			2,39,78,78,68,591	2,37,10,74,78,581
	Risk weighted assets		14.3.3.1	1,39,18,18,00,000	1,39,74,69,00,000
	Required capital (10% of risk weighted assets)			**13,91,81,80,000**	**13,97,46,90,000**
14.4.3.1	**Break up of Risk weighted assets**				
	Credit risk:				
	On-balance sheet			1,34,40,25,00,000	1,35,72,58,00,000
	Off-balance sheet			53,86,00,000	40,82,00,000
				1,34,94,11,00,000	**1,36,13,40,00,000**
	Market risk			34,13,00,000	37,17,00,000
	Operation risk			3,89,94,00,000	3,24,12,00,000
				1,39,18,18,00,000	**1,39,74,69,00,000**
15	**Statutory Reserve**				
	Opening balance			23,23,06,342	23,23,06,342
	Add: Transfer from current year			-	-
				23,23,06,342	**23,23,06,342**
16	**Other Reserves**				
	General Reserve			43,77,13,493	43,77,13,493
	Contingency Reserve			9,00,00,000	9,00,00,000
	Exchange Rate Fluctuation			30,00,000	30,00,000
	Reseve for Insurance Fund			14,20,365	14,20,365
	Reseve for Bank Building and Staff Quarter			5,60,00,000	5,60,00,000
	Asset Revaluation Reserve		16.1	5,54,18,35,241	5,56,28,64,392
				6,12,99,69,099	**6,15,09,98,250**
16.1	**Assets Revaluation Reserve**				
	Opening revaluation gain			5,56,28,64,392	5,58,38,93,543
	Less: Transferred to retained earnings			(2,10,29,151)	(2,10,29,151)
	Add: additions during the year			-	-
	Closing balance			**5,54,18,35,241**	**5,56,28,64,392**
17	**Retained earnings Account**				
	Balance carried forward			-63,27,36,24,332	-61,14,21,17,156
	Profit / (Loss) generated during the year			-6,78,74,37,312	-2,15,25,36,327
	Transferred from asset revaluation reserve			2,10,29,151	2,10,29,151
				(70,04,00,32,493)	**(63,27,36,24,332)**
18.	**Contingent Liabilities**				
	Letters of guarantee		18.1	8,41,24,260	10,98,33,578
	Irrevocable letters of credit			5,25,49,63,582	7,03,77,46,587
	Bills for collection			-	-
				5,33,90,87,842	**7,14,75,80,165**
18.1	**Letters of Guarantee**				
	Claims lodged with the bank company, which is not recognized as loan			-	-
	Money for which the bank is contingently liable in respect of guarantee issued favoring:			-	-
	Director			-	-
	Government			-	-
	Bank & other financial institutions			8,41,24,260	10,98,33,578
	Others			-	-
				8,41,24,260	**10,98,33,578**

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		Ref.	Notes	Amount in Taka 30-6-2016	Amount in Taka 30-6-2015
19	**Interest Income**				
	Interest on Loans & advances (excluding staff loans)			13,68,92,87,453	13,70,28,00,274
	Interest on staff loans & advances			46,97,69,729	40,80,32,947
	Interest on Deposits to other banks			25,90,29,615	57,31,73,907
				14,41,80,86,797	**14,68,40,07,128**
19.1	**Interest & Commission Received**				
	Interest Income			14,41,80,86,797	14,68,40,07,128
	Commission, Exchange & Brokerage			25,04,52,365	32,60,10,480
				14,66,85,39,162	**15,01,00,17,608**
20.	**Interest paid on Deposits & Borrowings**				
	Interest paid on Deposits			12,18,36,49,014	12,13,64,66,822
	Interest paid on Deposit Pension Scheme			3,63,22,897	96,08,487
	Interest paid on BKB Savings Pension Scheme			1,86,45,314	1,88,53,666
	Interest paid on teacher savings scheme			14,10,896	5,38,573
	Interest paid on small savings scheme			60,77,614	68,81,963
	Interest paid on educatipaid on sanchya scheme			1,57,45,632	2,18,75,415
	Interest paid on BKB Sanchya Scheme			54,45,58,483	80,69,99,722
	Interest paid on Krishion Krishioney Sanchya Scheme			1,51,34,707	1,77,71,106
	Interest paid on Monthly/ Quarterly benefit Scheme			17,87,16,017	14,01,21,807
	Interest Paid to Bangladesh Bank			1,20,64,57,284	1,13,23,99,947
	Interest paid on Loans from International financial institutes			51,850	1,26,840
				14,20,67,69,708	**14,29,16,44,348**
21.	**Income from investment**				
	Dividend received from Grameen Bank			10,80,000	10,80,000
	Dividend received from ICB Islamic Bank Ltd			-	-
				10,80,000	**10,80,000**
22	**Commission, Exchange & Brokerage**				
	Commission and Exchange			11,99,70,798	16,16,73,910
	Commission on L/C			11,13,48,909	15,33,74,855
	Commission received from Western Union			1,46,33,619	1,03,05,943
	Commission on Bach			1,23,415	1,65,738
	Inter branch online commission			7,58,376	4,53,800
	Commission on Mobile banking			31,37,579	36,234
	Commission on ATM			4,19,871	-
	Commission on RTGS			59,799	-
				25,04,52,365	**32,60,10,480**
23	**Other Receipts**				
	Fees and Other Charges			8,57,91,698	9,49,39,656
	Search Fees			2,57,59,343	2,58,49,045
	Appraisals Fees			37,49,498	48,65,675
	Sale Proceeds of Forms			2,43,10,373	2,73,59,513
	Rent Received			2,43,270	5,57,528
	Service Charges/Acounts maint. Fee			16,66,21,963	23,55,09,418
	Misecellinous income			88,81,34,853	43,82,79,513
	Gain from Foreign Exchange Transaction			46,91,525	35,61,25,209
				1,19,93,02,523	**1,18,34,85,557**
24	**Salary & Allowance**				
	Salary of Officers			2,58,40,97,203	1,49,66,89,241
	Salary and Washes (Staff)			56,69,23,008	39,76,20,736
	Housing / House Allowance			73,95,31,857	77,13,57,708
	Overtime Allowance to employees			1,19,10,174	1,41,79,803
	Other Allowance			28,67,83,488	55,59,26,130

		Ref.	Notes	Amount in Taka 30-6-2016	30-6-2015
	Expenses on Encashment of earned/ Privilege			32,56,22,326	11,43,66,312
	Staff Welfare and Recreation Exp.			47,27,22,532	48,85,63,114
	Medical Services			8,69,88,438	9,00,66,353
	Bank Contribution to Employees P.F			25,06,08,196	6,23,90,633
	Bonus to staff (Festival)			61,49,34,003	42,65,86,408
	Contribution to Superannuation Fund			1,48,70,19,777	88,57,61,997
				7,42,71,41,002	**5,30,35,08,435**
25	**Rent, Tax and Insurance**				
	Electricity & Water Charges			4,60,25,937	4,21,20,391
	Rentals			14,82,13,496	13,74,08,626
	Rate & taxes			32,28,745	75,26,894
	Insurance			9,39,96,621	8,71,10,257
	House rent VAT			1,07,78,961	84,78,199
	Rent for Staff Bus			2,19,19,950	2,14,08,015
	Rent for rental Car			34,84,388	42,88,821
				32,76,48,098	**30,83,41,203**
26	**Legal Charges**				
	Legal charges			15,18,504	8,56,880
	Stamps, power of attorney & notary public expenses				35,640
				15,18,504	**8,92,520**
27	**Postage, Telegram & Stamps**				
	Postage & Telegram			43,83,169	50,37,012
	Expenses on Telephone (Office)			98,46,240	1,02,90,548
	Expenses on Telephone (Residence)			15,19,516	17,36,654
	Charges for internet			2,37,58,627	2,06,66,570
				3,95,07,552	**3,77,30,784**
	Postage & Telegram charges received from TT issues & DD/ Cheque collection included therein.				
28	**Auditor's Fees**				
	Statutory audit			9,32,000	9,74,000
				9,32,000	**9,74,000**
29	**Stationery, Printing & Advertisement**				
	Stationery and supplies			-	10,15,146
	Stationery and supplies (Printing)			2,63,54,046	2,96,47,657
	Stationery and supplies (Local)			1,64,32,857	1,61,36,847
	Advertisement and Publicity			51,95,040	80,32,013
				4,79,81,943	**5,48,31,663**
30	**Pay & Allowances of Managing Director**				
	Basic salary			9,19,226	4,80,000
	Allowances			4,07,033	8,00,000
				13,26,259	**12,80,000**
31	**Director's Fees**				
	Total fees paid for attending board meeting			14,45,150	12,42,116
	Total fees paid for executive committee meeting			-	-
	Total fees for attending audit committee meeting			1,20,000	75,000
				15,65,150	**13,17,116**

Note : Fee of the Chairman & Director's is Taka 8,000 per meeting.

No other finincial benefits are extended to Board of Directors (as per section 18(1) of the Banking Companies Act(Amendment) 2013 excluding above fees.

32	**Depreciation & Repairs of Bank Property**				
	Repair & Maintenance cost (General)			36,91,821	22,75,568
	Repair & Maintenance cost of building			34,28,105	33,01,076
	Repair & Maintenance (office Equipment)			43,85,061	36,33,260
	Repair & Maintenance of Motor car and other Vehicles			86,10,700	84,15,275
	Depreciation			16,91,43,298	15,01,04,677
				18,92,58,985	**16,77,29,856**

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		Ref.	Notes	Amount in Taka	
				30-6-2016	30-6-2015
33	**Other Expenditure**				
	Employees Benevolence			28,83,749	38,88,018
	Traveling & Tour			8,02,77,945	7,83,26,135
	Employees Travelling expense Transfer			1,40,33,947	1,39,87,504
	Training Expenses			57,94,698	83,09,895
	Field level workshop/conference			59,28,855	49,87,383
	Honoraria Rewards and Grand			2,93,11,275	1,20,92,454
	Incentive paid for deposit collection			1,94,56,992	55,82,936
	Conveyance Charge			1,18,03,347	1,18,32,655
	Exp. on Motor Car (Fuels & Lub)			1,34,97,663	99,72,014
	Liveries for Class four employees			90,93,684	70,21,944
	Awards and donation			32,11,142	19,09,309
	Entertainment Expenses			-	28,11,876
	Business Development			1,91,33,132	1,63,75,685
	Customer Conference			28,23,809	19,20,979
	Losses on Dead Stock			52,984	1,22,338
	Books Purchases for Library			1,46,686	56,896
	Computer Services Charge			2,10,09,414	1,76,52,333
	Death Relief Grant			1,73,05,190	2,17,50,000
	Misc. Expenses			2,82,00,304	3,31,60,787
	Papers Bill and house Building Loan Reg.			2,77,76,759	2,31,66,802
	Remissions on loans & others			6,78,31,062	16,65,89,827
	Commission Expenses and other Charge			2,23,96,064	4,29,20,874
	Generator fuel cost			58,59,316	1,04,90,952
	Bach Commission			2,08,134	97,09,317
	Tax & levy paid for Hazz deposit			8,51,757	-
	Sweipt expenses			38,21,888	-
				41,27,09,796	**50,46,38,913**
34	**Provision for Loans and Advances**				
	For unclassified loans(released/made)		13.4	-	(4,62,37,85,448)
	For classified loans and advances (made)		13.4	-	2,31,72,31,484
				-	**-2,30,65,53,964**
35	**Provision for diminution in value of Investment**				
	Provision made during the year			-	-
				-	**-**
36	**Other Provision**				
	Other Assets			-	-
	Off-balance Sheet Exposures			-	2,49,24,198
				-	**2,49,24,198**
37	**Provision for Taxation**				
	Current year tax			-	57,08,816
	Deferred tax			-	-
				-	**57,08,816**
38	**Closing Cash and Cash Equivalents**				
	Cash in hand		3.1	73,83,88,861	1,34,80,98,645
	Balance with Bangladesh Bank and Sonali Bank		3.2	18,69,99,60,284	15,91,60,56,819
	Balance with other bank and financial institutions		4	3,57,95,50,331	5,59,69,32,694
	Money at call and short notice			-	-
	Closing cash and cash equivalents			**23,01,78,99,476**	**22,86,10,88,157**
39	**Interest & Commission Income Received in Cash**				
	Interest received from loans & advances			8,90,77,77,568	8,41,13,34,000
	Commission, Exchange & Brokerage		22	25,04,52,365	32,60,10,480
				9,15,82,29,933	**8,73,73,44,480**
40	**Interest Paid in Cash**				
	Interest paid on Deposits			7,85,65,41,027	5,78,32,81,705
	Interest Paid to Bangladesh Bank			1,40,07,97,426	2,15,23,00,000
	Interest paid on Loans from International financial institutes			-	-
				9,25,73,38,453	**7,93,55,81,705**

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		Ref.	Notes	Amount in Taka	
				30-6-2016	30-6-2015
41	**Cash Paid to Suppliers**				
	Stationery and supplies			-	10,15,146
	Stationery and supplies (Printing)			2,63,54,046	2,96,47,657
	Stationery and supplies (Local)			1,64,32,857	1,61,36,847
				4,27,86,903	**4,67,99,650**
42	**Cash Paid for Other Operating Activities**				
	Rent, Taxes, Insurance, Lighting etc.		25	32,76,48,098	30,83,41,203
	Legal Charges		26	15,18,504	8,92,520
	Postage, Telegram, Telephone & Stamps		27	3,95,07,552	3,77,30,784
	Advertisement and Publicity		29	51,95,040	80,32,013
	Pay & Allowances of Managing Director		30	13,26,259	12,80,000
	Director's Fees		31	15,65,150	13,17,116
	Repairs & Maintenances		32	2,01,15,687	1,76,25,179
	Other Expenditure		33	34,48,78,734	33,80,49,086
				74,17,55,024	**71,32,67,901**

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43. Audit Committee of the Board of Directors:

In compliance to Bangladesh Bank's Circular , The audit committee of the Board of Directors consisted of the following 03(three) members of the Board:

Sl.	Name	Status with the Bank	Status with the Committee
1	Mr. Mamataz-Ala-Shakoor Ahmed	Director	Chairman
2	Mr. Md.Nasir Uddin Ahmed	Director	Member
3	Mr. Md. Kamruzzaman	Director	Member
4	Mr. Asoke Kumar Saha	DGM	Member Secretary

During the year 2015-2016, the audit committee of the board conducted 05 (Five) meetings in which the following important issues were reviewed/discussed along with others:

a) Oversee the financial reporting process & liquidity position of the bank at regular basis.

b) Reviewed internal & external auditors findings on the irregularities both major & significance at different branches of the bank and reference those to the Board with appropriate recommendation for decision, reviewed draft & audited financial statements for the year 2015.

c) Reviewed performance of internal audit 2015-2016.

d) Reviewed the reconciliation performance of inter branch transaction accounts and advised the management to keep it regular.

e) Reviewed the audit rating by internal audit on Anti Money Laundering of all branches for the year 2015.

f) Reviewed existing risk management procedures along with implementation of core riskmanagement guidelines and advised the managements to implement the same more effectively.

44. Related Party Disclosures:

Name of the Directors and their interest in the bank:

SL.	Name	Designation	Share Holding on 30.06.2016(In Taka)	Share Holding on 30.06.2015 (In Taka)
1	Mr. Mohammed Ismail	Chairman	Nil	Nil
2	Mr. Muhammad Awal Khan	Managing Director	Nil	Nil
3	Mr. Mamataz-Ala-Shakoor Ahmed	Director	Nil	Nil
4	Mr. Mohammad Shafiqul Azam	Director	Nil	Nil
5	Mr. Md.Hamidur Rahman	Director	Nil	Nil
6	Mr. Abul Mansur Md. Faizullah	Director	Nil	Nil
7	Mr. Mohammad Abdul Qayyum	Director	Nil	Nil
8	Mr. Md.Nasir Uddin Ahmed	Director	Nil	Nil
9	Mr. Md. Kamruzzaman	Director	Nil	Nil
10	Mr. Md. Fashiar Rahman	Director	Nil	Nil

45. Name of Directors and their interest in different entities:

SL.	Name	Designation	Entities where they have interest as the owner/ MD etc.	Share/Guarantee Interest with other Organization
1	Mr. Mohammed Ismail	Chairman	Nil	Nil
2	Mr. Muhammad Awal Khan	Managing Director	Nil	Nil
3	Mr. Mamataz-Ala-Shakoor Ahmed	Director	Nil	Nil
4	Mr. Mohammad Shafiqul Azam	Director	Nil	Nil
5	Mr. Md.Hamidur Rahman	Director	Nil	Nil
6	Mr. Abul Mansur Md. Faizullah	Director	Nil	Nil
7	Mr. Mohammad Abdul Qayyum	Director	Nil	Nil
8	Mr. Md.Nasir Uddin Ahmed	Director	Nil	Nil
9	Mr. Md. Kamruzzaman	Director	Nil	Nil
10	Mr. Md. Fashiar Rahman	Director	Nil	Nil

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Significant contracts where Bank is a party and wherein Directors have interest:	Nill
Shares issued to Directors and Executive without consideration or exercisable at discount:	Nill
Lending to related parties is effected as per requirement of section 27(1) of the Bank Companies Act -	Nill
Loan and advances to Directors and their related concern:	Nill
Business other than banking business with any related concern of the Directors as per section 18(2) of the Bank Companies Act -1991:	Nill

Mohammad Ismail
Chairman

Muhammad Awal Khan
Managing Director

Mamataz-Ala-Shakoor Ahmed
Director

ıammad Shafiqul Azam(PRL)
Director

Md. Hamidur Rahman
Director

Abul Mansur Md. Faizullah
Director

ohammad Abdul Qayyum
Director

Md. Kasir Uddin Ahmed
Director

Md. Kamruzzaman
Director

Md. Bashiar Rahman
Director

Dr. Md. Shahjahan
General Manager

Date: 19 January, 2017
Dhaka

Kazi Zahir Khan & Co.
Chartered Accountants

Masih Muhith Haque & Co.
Chartered Accountants

KAZI ZAHIR KHAN & CO. Dhaka-1000 Chartered Accountants

Masih Muhith Haque & Co. Dhaka. Chartered Accountants

Annexure 'A'

Investment in Shares
As at 30 June 2016

Particulars	Number of Shares	Market Price per Share/Taka	Total market price/ Taka	Cost per Share	Total cost/Taka	Surplus(+) /diminution(-)
Shares (quoted)						
ICB islami bank ltd	31,43,900	4.10	1,28,89,990	10.00	3,14,39,000	(1,85,49,010)
Total			**1,28,89,990**		**3,14,39,000**	**(1,85,49,010)**

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Annexure -'B'

FIXED ASSETS SCHEDULE
AS AT 30 JUNE 2016

Sl no.	Particulars	Cost					% of Depreciation	Depreciation			Written down value as on June 30, 2016
		Written down value as on 01.07.2015	Addition during the year	Appreciation during the year	Adjustment during the year	Total cost 30.06.2016		Opening Accumulated	Charged during the year	Total depreciation	
1	2	3		4	5	6	7	8	9	10	11
1	Land	4,75,60,76,000	-	-	-	4,75,60,76,000	-	-	-	-	4,75,60,76,000
2	Building	1,10,16,92,511	37,87,590	-	-	1,10,54,80,101	2.5	28,42,18,812	2,97,81,549	31,40,00,361	1,07,56,98,552
3	Motor Vehicles	4,23,01,677	4,24,00,000	-	-	8,47,01,677	20	25,86,65,133	1,87,75,844	27,74,40,977	6,59,25,833
4	Furniture & Fixtures	11,28,03,908	2,91,21,998	-	-	14,19,25,906	10	14,65,49,959	2,12,80,391	16,78,30,350	12,06,45,515
5	Office Euipments	4,22,40,875	1,55,31,450	-	-	5,77,72,325	15	7,16,43,102	1,13,36,131	8,29,79,233	4,64,36,194
6	Office Machineries	21,38,77,893	12,34,80,985	-	-	33,73,58,878	15	24,44,58,051	3,77,83,088	28,22,41,139	29,95,75,790
7	Electrical Equipments	12,59,31,474	3,15,31,425	-	-	15,74,62,899	20	12,24,25,557	5,01,86,295	17,26,11,852	10,72,76,604
	Total	**6,39,49,24,338**	**24,58,53,448**	**-**	**-**	**6,64,07,77,786**		**1,12,79,60,614**	**16,91,43,298**	**1,29,71,03,912**	**6,47,16,34,488**

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Annexure- 'C'

Maturity Analysis of Outstanding entries of foreign currency dealings
As on 30-06-2016

As per Local Book

Period of Un-adjustment	Debit		Credit		Remarks
	Entries No.	Amount (USD)	Entries No.	Amount (USD)	
Less than 3 months	10	3,19,758.00	17	5,45,612	No provision has been kept against the unadjusted amount.
More than 3 months but less than 6 months	-	-	-	-	
More than 6 months but less than 9 months	-	-	-	-	
More than 9 months but less than 12 months	-	-	-	-	
12 months and above	-	-	-	-	
Total	**10**	**3,19,758.00**	**17**	**5,45,612**	

As per Correspondent 's book

Period of Un-adjustment	Debit		Credit		Remarks
	Entries No.	Amount (USD)	Entries No.	Amount (USD)	
Less than 3 months	52	19,46,212	174	36,92,279.00	No provision has been kept against the unadjusted amount.
More than 3 months but less than 6 months	-	-	51	10,91,439.00	
More than 6 months but less than 9 months	-	-	-	-	
More than 9 months but less than 12 months	-	-	-	-	
12 months and above	-	-	-	-	
Total	**52**	**19,46,212**	**225**	**47,83,718.00**	

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Annexure - 'D'

Schedule of Branch Unadjustment account

Due to head office (112)

Amount in core

Year	Debit		Credit		Total	
	Entries	Amount TK.	Entries	Amount TK.	Entries	Amount TK.
	20	1,59,034	37	52,32,332	57	53,91,365

BKB General accounts (113)

Year	Debit		Credit		Total	
	Entries	Amount TK.	Entries	Amount TK.	Entries	Amount TK.
	15	19,00,000	18	5,53,878	33	24,53,878

BKB general accounts (117)

Year	Debit		Credit		Total	
	Entries	Amount TK.	Entries	Amount TK.	Entries	Amount TK.
2003	-	-	1	4,00,000	1	4,00,000
2007	1	13,000	-	-	1	13,000
2008	1	11,569	3	13,00,000	4	13,11,569
2009	7	7,50,557	5	18,00,000	12	25,50,557
2010	10	15,69,525	29	1,30,53,430	39	1,46,22,955
2011	1	2,98,500	-	-	1	2,98,500
2012	3	72,327	-	-	3	72,327
Total :	**23**	**27,15,478**	**38**	**1,65,53,430**	**61**	**1,92,68,908**

BKB general accounts (119)

Year	Debit		Credit		Total	
	Entries	Amount TK.	Entries	Amount TK.	Entries	Amount TK.
2011	1,521	14,86,82,508	1,387	14,70,65,660	2,908	29,57,48,169
2012	2,078	19,65,21,739	1,598	15,76,81,370	3,676	35,42,03,108
2013	2,969	23,79,06,094	1,951	16,97,01,182	4,920	40,76,07,276
2014	1,239	12,76,17,144	1,376	13,96,65,578	2,615	26,72,82,722
2015	832	23,66,06,895	249	6,08,78,286	1,081	29,74,85,180
2016	1	28,125	-	-	1	28,125
Total :	**8,640**	**94,73,62,505**	**6,561**	**67,49,92,076**	**15,201**	**1,62,23,54,581**

BKB general accounts (1114)

Year	Debit		Credit		Total	
	Entries	Amount TK.	Entries	Amount TK.	Entries	Amount TK.
2014	3,784	1,31,66,01,822	3,798	1,09,17,19,986	7,582	2,40,83,21,808
2015	23,331	11,01,00,01,624	28,001	11,96,41,68,901	51,332	22,97,41,70,525
2016	13,002	7,57,98,07,281	12,571	8,34,82,61,170	25,573	15,92,80,68,451
Total :	**40,117**	**19,90,64,10,727**	**44,370**	**21,40,41,50,057**	**84,487**	**41,31,05,60,784**

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BKB general accounts (118)

Year	Debit		Credit		Total	
	Entries	Amount TK.	Entries	Amount TK.	Entries	Amount TK.
2001	1	26,000	-	-	1	26,000
2002	3	32,000	17	11,41,775	20	11,73,775
2003	15	4,37,986	5	84,393	20	5,22,378
2004	23	6,55,136	30	3,95,520	53	10,50,656
2005	32	13,07,502	121	21,68,045	153	34,75,547
2006	59	16,31,688	285	67,86,925	344	84,18,613
2007	62	16,12,460	2,509	6,26,05,512	2,571	6,42,17,972
2008	76	15,00,957	2,433	6,82,78,333	2,509	6,97,79,290
2009	38	9,49,579	1,386	4,07,04,580	1,424	4,16,54,159
2010	51	13,97,600	1,827	5,39,32,098	1,878	5,53,29,698
2011	80	21,70,897	2,471	7,09,68,508	2,551	7,31,39,404
2012	95	29,14,166	1,683	6,31,55,548	1,778	6,60,69,714
2013	27	4,82,003	512	2,97,13,728	539	3,01,95,731
2014	-	-	104	38,85,620	104	38,85,620
2015	-	-	6	67,500	6	67,500
Total :	**562**	**1,51,17,971**	**13,389**	**40,38,88,086**	**13,951**	41,90,06,057

BKB Exchange General A/c (1111)

Year	Debit		Credit		Total	
	Entries	Amount TK.	Entries	Amount TK.	Entries	Amount TK.
2013	1,739	6,29,96,904	5,247	16,27,08,632	6,986	22,57,05,537
2014	8,553	31,27,80,588	27,189	87,78,19,830	35,742	1,19,06,00,417
2015	31,658	1,29,16,82,868	38,473	1,33,05,71,434	70,131	2,62,22,54,301
2016	1,481	6,37,63,638	31,825	93,37,60,248	33,306	99,75,23,886
Total :	**43,431**	**1,73,12,23,997**	**1,02,734**	**3,30,48,60,144**	1,46,165	5,03,60,84,141

G.Total	**92,808**	**22,60,48,89,712**	**1,67,147**	**25,81,02,30,002**	**2,59,955**	**48,41,51,19,714**

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Annexure - 'E'

Year wise Income tax provision & assessment are as under:

Financial year	Assessment Year	Tax provision as per accounts	Assessed Tax as per Tax authority	Short/ Excess (paid during the year)	Remarks Profit/Loss as per calculation
1994-95	1995-96	-	(192.67)	-	(165.07)
1995-96	1996-97	-	(271.06)	-	(238.76)
1996-97	1997-98	-	(180.30)	-	(157.71)
1997-98	1998-99	-	(200.60)	-	(206.14)
1998-99	1999-00	-	(224.85)	-	(227.68)
1999-00	2000-01	-	(215.84)	-	(264.06)
2000-01	2001-02	-	(19.99)	-	2.91
2001-02	2002-03	-	(225.75)	-	(192.07)
2002-03	2003-04	-	(125.80)	-	(133.28)
2003-04	2004-05	-	(209.43)	-	(140.76)
2004-05	2005-06	-	(245.09)	-	(184.40)
2005-06	2006-07	-	(177.70)	2.37(T.T.)	(177.26)
2006-07	2007-08	-	3.07	1.45(T.T.)	(148.77)
2007-08	2008-09	-	(196.64)	-	(196.64)
2008-09	2009-10	-	(1.49)	-	nil
2009-10	2010-11	-	assessed but under Appeel	-	nil
2010-11	2011-12	-	Awaiting assessment	-	(154.28)
2011-2012	2012-2013		Awaiting assessment		(140.40)
2012-2013	2013-2014		Awaiting assessment		(2,991.05)
2013-2014	2014-2015		Awaiting assessment		(215.25)
2014-2015	2015-2016		Awaiting assessment		(678.74)

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Annexure 'F'

Calculation of required provision for loans and advances as of 30-06-2016

Sector	Total Outstanding	Un-Classified UC		Classified			Total Classified (CL)
		Standard	SMA	Sub-Standard (SS)	Doubtful (DF)	Bad / Loss (BL)	
Continuous	29,69,28,30,732	17,17,90,55,912	41,81,12,114	57,16,49,616	45,00,04,498	11,07,40,08,592	12,09,56,62,706
Demand loans	11,09,00,23,818	2,98,10,76,102	-	4,84,18,225	19,37,472	8,05,85,92,019	8,10,89,47,716
Term loan (upto 5 years)	26,60,58,65,319	12,10,48,59,137	16,38,53,072	25,82,08,200	1,07,43,65,047	13,00,45,79,863	14,33,71,53,110
Term loan (over 5 years)	-						-
STAC & MC	1,08,56,50,12,137	94,69,37,96,986	-	4,33,71,75,475	1,35,99,19,982	8,17,41,19,694	13,87,12,15,151
Staff Loan	10,46,62,60,839	10,46,62,60,839					-
TOTAL 30TH JUNE, 2016	**1,86,41,99,92,845**	**1,37,42,50,48,976**	**58,19,65,186**	**5,21,54,51,516**	**2,88,62,26,999**	**40,31,13,00,168**	**48,41,29,78,683**
TOTAL 30TH JUNE, 2015	1,79,96,01,75,586	1,35,97,15,92,036	88,79,46,415	5,85,62,85,265	6,06,29,29,209	31,18,14,22,661	43,10,06,37,135

Sector	Base of Provision				Amount of Provision Required	Amount of Interest suspense
	Un-Classified (SMA)	Sub-Standard (SS)	Doubtful (DF)	Bad / Loss (BL)		
Continuous	41,81,12,114	10,25,52,036	7,98,03,657	4,52,48,15,346	4,72,85,67,456	93,31,34,044
Demand loans	-	1,34,62,283	2,90,621	6,66,61,22,731	6,69,87,71,260	67,89,14,125
Term loan (upto 5 years)	16,38,53,072	5,02,72,915	31,87,77,185	5,80,67,00,736	6,10,36,87,442	1,67,62,85,939
Term loan (over 5 years)						
STAC & MC	-	3,91,88,97,231	1,10,66,26,867	7,11,39,61,602	9,73,25,82,732	4,66,54,42,261
Staff Loan						
TOTAL 30TH JUNE, 2016	**58,19,65,186**	**4,08,51,84,465**	**1,50,54,98,330**	**24,11,16,00,415**	**27,26,36,08,890**	**7,95,37,76,369**
TOTAL 30TH JUNE, 2015	88,79,46,415	4,25,24,79,920	3,08,50,88,400	21,44,56,62,188	25,29,47,11,781	7,22,33,78,686

KAZI ZAHIR KHAN & CO. Dhaka-1000 Chartered Accountants

Masih Muhith Haque & Co. Dhaka Chartered Accountants

Highlights

Tk. In crore

Sl. No.	Particulars	Amount in Taka	
		2015-16	2014-15
1	Paid up capital	900.00	900.00
2	Re-capitalization	250.00	250.00
3	Total Capital	(5,217.78)	(4,539.03)
4	Capital Shortfall	7,486.52	6,655.54
5	Total Assets	23,444.88	22,995.99
6	Total Deposits	21,067.66	19,742.84
7	Total Loans and Advances	18,642.00	17,996.02
8	Contingent Liabilities and other Commitments	533.91	714.76
9	Credit Deposit Ratio	88.49%	91.15%
10	Percentage of classified loans against total loans and advances	25.97%	23.95%
11	Profit after tax and provision	(678.74)	(215.25)
12	Amount of classified loan	4,841.30	4,310.06
13	Provision maintained: i) for loans & advances	2,529.77	2,529.47
	ii) for dinimution of share value	1.85	1.85
	iii) for OBS items	5.56	7.15
	iv) for other assets	570.62	570.62
14	Provision surplus/(shortfall): i) for loans & advances	(196.59)	-
	ii) for dinimution of share value	-	-
	iii) for OBS items	-	-
	iv) for other assets	(555.43)	(555.43)
15	Cost of Fund	10.79%	10.04%
16	Interest Earning Assets	13,801	13,686
17	Non-Performing Assets	9,644	9,310
18	Return on Investment (loans & advances) (ROI)	7.73%	8.16%
19	Return on assets (ROA) after tax	-2.90%	-0.94%
20	Income from Investment	0.11	0.11
21	Income per share (EPS)	N/A	N/A
22	Earning per share (EPS)	N/A	N/A
23	Return on equity (ROE)	-13.01%	-4.74%