

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

Particulars	Note	2019 Taka	2018 Taka
<b>7.8 Grouping as per Classification Rules</b>			
<b>Unclassified</b>			
Standard including staff loan		682,426,812	-
Special Mention Account (SMA)		-	-
		<b>682,426,812</b>	
<b>Classified</b>			
Sub standard		-	-
Doubtful		-	-
Bad / Loss		-	-
		<b>682,426,812</b>	
<b>7.9 Sector-wise Allocation of Loans and Advances</b>			
<b>Government</b>			
Private:			
Agriculture, fishing, forestry and dairy farm		-	-
Industry (jute, textile, garments, chemicals, cements etc.)		-	-
Working capital financing		98,953,008	-
Export credit		-	-
Commercial credit		-	-
Small and cottage industries		-	-
Miscellaneous		583,473,804	-
		<b>682,426,812</b>	
<b>7.10 Securities against loans/advances including bills purchased and discounted</b>			
Collateral of moveable/immovable assets		36,951,320	-
Local banks & financial institutions guarantee		-	-
Government guarantee		-	-
Foreign banks guarantee		-	-
Export documents		-	-
Fixed deposit receipts (FDR)		6,712,302	-
FDR of other banks		-	-
Government bonds		-	-
Corporate Guarantee		98,953,008	-
Personal guarantee & other securities		539,810,182	-
Other securities		-	-
		<b>682,426,812</b>	
<b>7.11 Particulars of required provisions for Loans and Advances</b>			

Status	Outstanding Loans & advances December 2019	Base for provision	Percentage (%) of required provision	Required provision December 2019	Required provision December 2018
<b>Unclassified</b>					
All unclassified loans (Other than Small & Medium enterprise Financing, Consumer Financing/MBs/SDs, Housing & loans for professional)	618,586,759	618,586,759	1%	6,185,867	-
Small & Medium enterprise financing	-	-	0.25%	-	-
Loans to BHs/MBs/SDs against share etc	-	-	2%	-	-
Housing & loan for professional	-	-	2%	-	-
Consumer finance	26,888,733	26,888,733	5%	1,344,437	-
Special Mentioned Account (SMA)	-	-	5%	-	-
				<b>7,530,304</b>	
<b>Classified-Specific provision</b>					
Sub-standard	-	-	20%	-	-
Doubtful	-	-	50%	-	-
Bad/Loss	-	-	100%	-	-
Required provision for loans and advances				<b>7,530,304</b>	
Total provision maintained (Note 13.1)				<b>7,537,515</b>	
Excess/(Short) provision at 31 December 2019				<b>7,211</b>	

\* BHs = Brokerage Houses, MBs = Merchant Banks, SDs = Stock Dealers Against Shares

Particulars	Note	2019 Taka	2018 Taka
<b>7.12 Particulars of Loans and Advances</b>			
i) Debts considered good in respect of which Bank is fully secured		43,663,622	-
ii) Debts considered good for which Bank holds no other security than the debtor's personal security		-	-
iii) Debts considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors.		638,763,190	-
iv) Debts considered doubtful or bad, not provided for		-	-
		<b>682,426,812</b>	
v) Debts due by directors or officers of the banking company or any of these either separately or jointly with any other persons;		36,951,320	-
vi) Debts due by companies or firms in which the directors or officers of the bank are interested as directors, partners or managing agents or in case of private companies as members;		-	-
vii) Maximum total amount of advances, including temporary advances made at 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;		36,951,320	-
viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in case of private companies, as members;		-	-
ix) Due from banking companies		-	-
x) Amount of Classified loans on which interest has not been charged should be mentioned as follows:			
a) Increase/decrease of provision (specific) amount of debts written off		-	-
amount realized against loan previously written off.		-	-
b) Amount of provision kept against loan classified as "bad/loss" on the date of preparing the balance sheet		-	-
c) Interest creditable to the Interest Suspense a/c.		-	-
xi) Cumulative amount of the written off loan and the amount written off during the current year should be shown separately. The amount of written off loan for which lawsuit has been filed should also be mentioned.		-	-
- Current year		-	-
- Cumulative to date		-	-
The amount of written off loans for which law suit filed		-	-
<b>7.13</b> The directors of the Bank have not taken any loan from the Bank during the year or there is no outstanding loan balances with any director of the Bank.			

Particulars	Note	2019 Taka	2018 Taka
<b>8 Fixed assets including premises, furniture and fixtures</b>			
<b>Cost</b>			
<b>Property plant and equipments:</b>			
Land		-	-
Building		55,013,806	-
Furniture and fixture		45,456,867	-
Office equipments		110,512,499	-
IT Hardware		26,760,000	-
Motor vehicles		237,743,172	-
<b>Intangible Assets:</b>			
IT Software		27,593,307	-
		<b>265,339,479</b>	
Less: Accumulated depreciation & amortization		18,210,344	-
<b>Net Book value at the end of the year</b>		<b>247,126,135</b>	
<b>(Details are shown in Annex - B)</b>			
<b>9 Other Assets</b>			
Income generating other assets		-	-
<b>9.1 Interest receivables</b>	(Note - 9.1.1)	201,824,897	-
Dividend receivable - Preference share		2,006,485	-
Interest receivable - Commercial paper		1,788,889	-
		<b>205,620,271</b>	
<b>9.1.1 Interest receivables</b>			
Interest receivables consists of interest receivable on loans, investments etc.			
Receivable against Govt. securities		2,908,363	-
Receivable against other securities		-	-
Receivable against balance with other bank		196,019,112	-
Receivable against loans and advances		2,897,422	-
		<b>201,824,897</b>	
<b>9.2 Non income generating other assets</b>			
Stock of stamps		160,500	-
Stock of security stationery		2,816,881	-
Advances to staff		203,540	-
Deferred revenue expenditure		4,104,193	-
Advance payment of income tax		13,444,525	-
Deferred tax asset	(Note - 9.2.1)	13,081,304	13,081,304
Advance to vendor & supplier		1,000,000	-
Advance against fixed assets	(Note - 9.2.3)	150,392,098	9,068,000
Advance against office rent		9,213,529	-
Advance security deposit		2,300,200	-
Prepayments		2,806,612	-
Receivable from trade partners		2,118	-
		<b>199,525,500</b>	<b>22,149,304</b>
<b>Total Other Assets</b>	(Note 9.1 + 9.2)	<b>405,145,771</b>	<b>22,149,304</b>

Particulars	Note	2019 Taka	2018 Taka
<b>9.2.1 Deferred Tax asset</b>			
Deferred tax assets arises from carry forward tax credit:			
Loss before taxes		-	32,703,259
Tax rate		40%	40%
Deferred tax asset		-	13,081,304
Opening deferred tax asset		13,081,304	-
Deferred tax (income)		-	(13,081,304)
<b>9.2.2 Deferred tax liability</b>			
I. Temporary timing difference in written down value of fixed assets between tax base and carrying value:			
Carrying amount of fixed assets		247,126,135	-
Tax base		216,876,332	-
Taxable temporary difference		30,249,803	-
Tax rate		40%	-
Deferred tax liability		-	12,099,921
II. Temporary timing difference in interest receivable from treasury bills & bonds			
Accounting base		1,803,119	-
Tax base		-	-
Taxable temporary difference		1,803,119	-
Tax rate		40%	-
Deferred tax liability		-	721,248
Total Deferred tax liability (I+II)		-	12,821,169
Opening deferred tax liability		-	-
Deferred tax expense/(income)		-	12,821,169
*Deferred tax assets/(liabilities) have been recognised and measured as per IAS-12: Income Taxes and BRPD circular # 11 dated 12 December 2011. There is no other material temporary timing difference in assets/(liabilities) for which deferred tax asset/(liability) is required to be accounted for in the year.			
<b>9.2.3 Advance against fixed assets</b>			
Advance for core banking software		137,817,098	-
Advance for branch interior and civil works		12,575,000	-
Advance for pool car		-	9,068,000
		<b>150,392,098</b>	<b>9,068,000</b>
<b>10 Non-banking assets</b>			
<b>11 Borrowing from other banks, financial institutions and agents</b>			
<b>12 Deposit and Other Accounts</b>			
Current & other accounts		499,139,171	-
Bills payable	(Note-12.3)	5,396,775	-
Saving deposits		771,722,218	-
Fixed deposits		1,573,113,413	-
Other deposits		-	-
<b>Total Deposit and other accounts</b>		<b>2,849,371,577</b>	
<b>12.1 Deposit details concentrating liquidity nature</b>			
<b>i) Demand deposit</b>			
Current deposit		384,642,223	-
Saving deposit (9%)		69,455,000	-
Bills payable		5,396,775	-
		<b>459,493,997</b>	
<b>ii) Time deposit</b>			
Saving deposit (91%)		702,267,218	-
Fixed deposit		1,569,339,869	-
Short term deposit		114,496,948	-
Deposit pension scheme		3,773,544	-
		<b>2,389,877,580</b>	
		<b>2,849,371,577</b>	
<b>12.2 Maturity Wise Grouping of Deposits</b>			
Payable on demand		137,296,775	-
Payable within 1 month		518,300,000	-
Over 1 month but within 6 months		525,657,428	-
Over 6 months but within 1 year		1,530,671,411	-
Over 1 year but within 5 years		136,500,000	-
Over 5 years but within 10 years		945,994	-
Over 10 years		-	-
		<b>2,849,371,577</b>	
<b>12.3 Bills payable</b>			
Payment Order Issued		5,396,775	-
		<b>5,396,775</b>	
<b>13 Other Liabilities</b>			
Provisions for loans & advances	(Note - 13.1)	7,537,515	-
Withholding tax payable		731,541	-
Withholding VAT payable		1,161,922	-
Excise duty Payable		1,437,800	-
Provision for taxation	(Note - 13.2)	13,551,815	-
Deferred tax liability	(Note - 9.2.2)	12,821,169	-
Interest payable		20,173,594	-
Provision for Expenses-Auditor's Fees		115,000	115,000
Provision for Expenses-AGM		180,000	-
Suppliers payable	(Note - 13.3)	13,427,129	-
Payable against preliminary expenses	(Note - 13.4)	41,656,259	41,656,259
Payable to Bangladesh Police Kalyan Trust (BPKT)		33,311,329	-
Card related payables		11,173,015	-
Unearned Income		2,117	-
Clearing account		845,607	-
ATM/POS settlement account		380,000	-
Payable against provident fund		4,325,832	-
Security deposit by vendor		16,509,896	-
Others		184,293	-
		<b>184,525,800</b>	<b>41,771,259</b>
<b>13.1 A Provision for Loans and Advances :</b>			
Movement in general provision on unclassified loans			
Provisions held at the beginning of the year		-	-
Add: Net charge to Profit and Loss A/C		7,537,515	-
Provisions held at the end of the year		<b>7,537,515</b>	
<b>B Movement in specific provision on classified loans</b>			
Provisions held at the beginning of the year (i)		-	-
Less: Fully provided debts written off during the year		-	-
Add: Recoveries of amounts previously written off		-	-
Add: Net charge to profit and loss account		-	-
Provisions held at the end of the year		-	-
<b>Total provision held at the end of the year (A+B)</b>		<b>7,537,515</b>	
<b>13.2 Provision for current taxation</b>			
<b>Current tax expense</b>			
Opening Balance		-	-
Add: Addition during the year		13,551,815	-
		<b>13,551,815</b>	
Less: Adjustment of tax provision for previous years		-	-
Balance at the end of the year		<b>13,551,815</b>	
<b>13.3 Payable against preliminary expenses</b>			
Fees for Banking License		1,000,000	1,000,000
Fees and associated cost paid to BSEC for raising capital		905,000	905,000
Fees and associated cost paid to RJSC for Incorporation		11,558,031	11,558,031
Purchase of Pool Car		9,068,000	9,068,000
Other Preliminary expenses		19,125,228	19,125,228
		<b>41,656,259</b>	<b>41,656,259</b>
Preliminary expenses were born by promoter, Preliminary expenses includes those items which were incurred and paid by our promoter for the Bank before receiving the paid-up capital. Other preliminary expenses include recruitment cost, tender advertisement cost, salary, stationaries and other. All transactions were done on an arm's-length basis.			
<b>13.4 Payable to Bangladesh Police Kalyan Trust (BPKT)</b>			
Interior decoration - Head Office and Corporate Branch		11,936,531	-
Supply and Installation of Air Conditioning at Head Office		24,012,824	-
Other expenses		2,359,974	-
		<b>38,311,329</b>	
Above expenses are borne by Bangladesh Police Kalyan Trust (BPKT) on behalf of Community Bank Bangladesh limited and all transactions were done on an arm's-length basis.			
<b>14 Share Capital</b>			
<b>14.1 Authorized Capital</b>			
1,000,000,000 ordinary shares of Taka 10 each		10,000,000,000	10,000,000,000
<b>14.2 Issued, subscribed and fully paid up capital</b>			
400,000,000 ordinary shares of Taka 10 each issued for cash		4,000,000,000	-
		<b>4,000,000,000</b>	
<b>14.2.1 Issued, subscribed and fully paid up capital</b>			
Balance at the beginning of the year		-	-
Closing at the end of the year		<b>4,000,000,000</b>	
<b>14.3 Ordinary Shares</b>			
Bangladesh Police Kalyan Trust		No. of Shares	% of shareholding
Directors		399,999,990	99.9999975%
		10	0.0000025%
		<b>400,000,000</b>	<b>100%</b>
<b>14.4 Classification of Shareholding</b>			
Range of Holding of Shares	No. of Shareholders	No. of Shares	Percentage of Holding of Shares
Less than 500	10	10	0.0000025%
500 to 5,000	-	-	0.00%
5,001 to 10,000	-	-	0.00%
10,001 to 20,000	-	-	0.00%
20,001 to 30,000	-	-	0.00%
30,001 to 40,000	-	-	0.00%
40,001 to 50,000	-	-	0.00%
50,001 to 100,000	-	-	0.00%
100,001 to 1,000,000	-	-	