

RAJSHAHI KRISHI UNNAYAN BANK

Audit Report on the financial year ended on 30 June, 2008

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AUDITORS' REPORT

We have examined the annexed balance sheet of Rajshahi Krishi Unnayan Bank as on 30th June, 2008 together with the profit & loss account, cash flow statements, statement of changes in equity and statement of liquidity for the year ended on the same date. The management authority bears responsibility of preparing financial statements and attached notes. Our duty was to examine the financial statements and give audit opinion of the same.

We have conducted audit as per Bangladesh standards on auditing and Bangladesh Bank auditing standards. We applied appropriate standard of planning and its implementation so that no big fault remains in the financial statements. Sample verification and examination of correctness of the figures incorporated in the financial statement and those (statements) prepared on the basis of the information supplied was within our task of audit. Evaluation of presentation of the accounting procedure, important statistics and financial statements by the management authority were also part of our audit. We believe our opinion regarding audit contains sound base.

Our financial statements have been prepared on the basis of Bangladesh accounting standards. The financial statements, resultant business activities and cash flow statements for the year ended on 30th June 2007 prepared as per banking company act 1991, rules enforced from time to time by Bangladesh Bank and other approved rules and ragulation reflect true picture of the company.

Irregularities and faults detected during our audit are:

- 1) According to BPRD circular no 05/06 dt 05-06-2006 requisite bad loan provision against bad loan amounts TK 2,512,305,000 but provision made was TK 1,742,322,000. The shortage of bad loan provision was TK 769,983,000 in this year. The loss of this year whould stand at TK 1,186,285,229 instead of TK 416,302,229 if provision was accounted accurately.
2. Out of other assets amounting Tk 265.10 crore Tk 185.15 crore (interest remitted under double of principal) was shown in suspense account though it's recovery was not ensured by the government. It was known on discussion that the amount was booked in suspense account and was claimed from the government.
- 3) Aaccording to BRPD cicular no.10 dt 25.11.2002 total reserve capital should have been 238.10 crore as on 30.06.07 but it was (9.88) crore on the same date with shortage of Tk247.98 crore. Details have been shown in para 38.
- 4) Outstanding loans and advances was shown as Tk 25,906,434,247 in the balance sheet and it is Tk 25,906,307,000 in the C.L statement and there is differnce of Tk127,247.
- 5) Loan of various terms taken from Bangladesh bank was in overdue position since long. Which we defined shortly as under:

Term	Total loan	Overdue Loan
Short Term	16,457,823,527	9,048,244,721
Medium Term	1,579,961,654	1,042,809,910
Long Term	474,209,015	87,947,142

- 6) Due to accumulated loss the bank could not show any amount as statutory reserve.
- 7) Travelling allowances of some officers and staff remains unadjusted for long time.
- 8) Some other allowances also remain unadjusted for long.
- 9) An amount of Tk 6.31 crore paid as advance income tax is receivable by RAKUB head office from income tax authority subject to settlement of court cases.
- 10) Inter branch account was reconciled up to the year 2002. After wards this head of accounts remains unreconciled with involvement of 29,285 entries till 30.06.2007. Debit and credit balance involved and Tk1,109,294,583 and Tk1,564,097,080 respectively. Efforts for reconciliation of the account are being continued.
- 11) An amount of Tk 111,455 is found unreconciled since 1996-2007 in accounts payable account against demand drafts of the head office.
- 12) An amount of Tk 87,550 is found unreconciled since 1996-2007 in accounts payable account against of payment orders of the head office
- 13) According to banking laws the scheduled bank's required cash reserve ratio (CRR) with Bangaladesh Bank, @ 5% of total deposit, is Tk 616,664,000 as on 30-06-2007 but the bank's reserve on that date was Tk 622,794,123 which is Tk 6,130,123 higher than the required amount.
- 14) An amount of Tk 10,015,711 accumulated in accounts payable (misc.) account during the years 1987-1998 and 2003-2004 remained unadjusted.
- 15) An amount of Tk 3,321,928 of B.K.B current account is found unadjusted since 1988-2004.
- 16) An amount of Tk 1,191,639 of interest on pre-liberation loan is included in interest suspense account.
- 17) There is no difference in loan written off contra account.
- 18) There is long time unadjusted balance in inoperative deposit account of some branches
- 19) There is long time overdue agricultural loan in some branches.
- 20) There is unadjusted balance in inter-branch reconciliation account payable to head office and B.K.B general account
- 21) An amount of Tk1,725,310 shown in the balance sheet for gratuity was not sufficient against demand.
- 22) BAS-12 regulation regarding deferred tax was not followed in this bank due to accumulated loss.

On the basis of the above lapses and irregularities that influences balance sheet and profit-loss account of the bank we would like to make the following comments also:

- i) We got all information and explanation which we required necessarily for our knowledge and belief for the purpose of conducting audit and we examined correctness of those
- ii) To our opinion returns and statements of the bank have necessarily been preserved as per proper rules
- iii) The annexed balance sheet and profit and loss account inserted in this report has been prepared in conformity with the books of accounts and returns of the bank
- iv) Expenses incurred by the bank were necessary for the purpose of banking business
- v) Financial status of the bank as on 30th June 2007 and resultant business activities have properly been reflected in the financial statements and those statements have been prepared on the basis of generally accepted accounting principles (GAAP)
- vi) The financial statements have consistency with the banking company act 1991 and the rules enforced from time to time by Bangladesh Bank

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- vii) Sufficient provision has not been made against doubtful debts and other assets doubtful for recovery
- viii) Information and statements collected from the bank branches were preserved properly and on compilation in the right manner those were incorporated in the financial statements
- ix) Information and explanations were supplied as per requirement and those were found satisfactory

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Dated Dhaka, the 17th February 2008

RAJSHAHI KRISHI UNNAYAN BANK

(An undertaking owned by the Government of the People's Republic of Bangladesh)

Balance sheet as on June 30, 2008

Particulars	Notes	2007-2008 (Taka)	2006-2007 (Taka)
Properties and Assets			
Cash in hand	1.	1,300,964,217	1,127,814,376
Balance with the Bank company (including Foreign currency)		87,525,850	85,402,298
Balance with Bangladesh Bank & its Agent Banks (including Foreign currency)		1,213,438,386	1,042,412,078
Balalance with other Banks and Financial Institutions	2.	3,060,518,694	1,447,509,083
In Bangladesh		3,060,518,694	1,447,509,083
Out side Bangladesh		-	-
Money at call and short notice	3	-	-
Investments	4.	51,557,600	43,891,700
Government		19,907,600	43,891,700
Others		31,650,000	-
Receivable from Government	5.	3,337,836,410	3,337,836,410
Loan and Advances :	6.	27,112,080,472	25,906,434,247
Loans, cash credit, overdrafts etc		27,112,080,472	25,906,434,247
Bill discounted and purchased	7.	-	-
Land, building, furniture and fixed assets :	8.	139,673,307	135,209,233
Other Assets.	9.	2,608,001,846	2,651,010,873
Non-Banking Assets.	10.	-	-
Total Assets.		37,650,632,546	34,689,705,922
Liabilities & Capital:			
Liabilities:			
Borrowings from other financial institutions and agents	11.	18,594,014,196	17,916,912,572
Deposit & Other Accounts:	12.	15,389,755,298	13,789,286,978
Current accounts and other accounts		7,058,871,863	6,507,475,551
Bills payable		(22,828,499)	(53,985,448)
Savings Bank Deposits		3,000,727,746	2,645,990,112
Fixed deposit		5,352,984,188	4,689,806,763
Bearer's Certificate of deposit		-	-
Other deposits		-	-
Other liabilities:	13.	4,086,341,112	3,619,518,814
Total Liabilities		38,070,110,606	35,325,718,364

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Capital/ share holders equity:

Paid up capital	14.	2,200,000,000	1,800,000,000
Statutory reserve	15.	-	-
Other reserves	16.	208,490,150	208,490,150
Balance of profit-loss a/c	17.	(2,827,968,210)	(2,644,502,592)
Total share holders` equity:		(419,478,060)	(636,012,442)
Total liabilities and share holders equity:		37,650,632,546	34,689,705,922

Off-balancesheet items

Contingent liabilities	Notes	2007-2008 (Tk)	2006-2007 (Tk)
Accepted and endorsed liabilities			-
Letter of guarantee			-
Non-withdrawable Reen-patra			-
Bills received for collection			-
Other contingent liabilities	18.	706,564,886	687,264,251
Total		706,564,886	687,264,251
Other commitments/agreements:			
Documentary credit and short term business transactions		-	-
Purchased advance assets and established advance deposits		-	-
Non-endorsed notes issued and revolving underwritten advantages		-	-
Non-endorsed formal advantages, loan advantages and other commitments		-	-
Total		-	-
Total off-balance sheet items including contingent liabilities		706,564,886	687,264,251

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RAJSHAHI KRISHI UNNAYAN BANK

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Profit & loss account for the year ended on June 30, 2008

Particulars	Notes	2007-2008	2006-2007
		Taka	Taka
Interest Income	19.	1,874,753,332	1,831,248,677
Interest paid on deposit and borrowings etc.	20.	1,470,895,441	1,340,201,615
Net Interest Income		403,857,891	491,047,062
Income from Investments	21.	1,740,545	2,163,230
Commission, Exchange & Brokerage	22.	26,010,909	28,162,811
Other Operating Income	23.	72,212,361	78,256,033
Total Operating Income		503,822,706	599,629,136
Salaries and allowances	28.	725,345,484	686,137,246
Rents, Taxes, Insurance & Electricity etc.	29.	42,140,215	40,149,496
Legal Expenses	30.	199,462	879,999
Postage, Stamp, Telephone Expenses	31.	4,103,656	4,629,073
Stationery, Printing & Advertisement etc.	32.	12,666,836	13,884,231
Managing Director or Chief Executives fee	33.	447,360	395,147
Directors' Fee	34.	192,377	199,255
Loss on loans written off		810,000	800,176
Auditors' Fee	35.	206,164,415	144,779,505
Expense due to Repair and Depreciation of fixed assets	36.	7,138,768	9,165,965
Other expenses	37.	25,479,751	24,911,272
Total Operating Expenses		1,024,688,324	925,931,365
Profit before provision/(Loss)		(520,865,618)	(326,302,229)
Provision			
Provision against Loans	24.	(120,000,000)	(90,000,000)
Provision for diminution in value of investments	25.	-	-
Other provisions	26.	-	-
Total provision		(120,000,000)	(90,000,000)
Total profit/(Loss) before income Taxes		(640,865,618)	(416,302,229)
Provision for Taxes		-	-
Total profit after Taxes		(640,865,618)	(416,302,229)

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Appropriations:

Statutory Reserve	-	-	-
General Reserve	-	-	-
Dividends	-	-	-

Retained profit for the year	(416,302,229)	(421,513,581)
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বক্টন	27.	-	-
বিধিবদ্ধ সঞ্চিতি	-	-	-
সাধারণ সঞ্চিতি	-	-	-
লভ্যাংশ ইত্যাদি	-	-	-
উদ্ভূত		(640,865,618)	(416,302,229)

Auditors' Signature
dated 17-02-2008
sd/-
Kazi Zahir Khan & Co
Chartered Accountants

sd/-
Saha Majumder & Co
Chartered Accountants

RAJSHAHI KRISHI UNNAYAN BANK

(An undertaking owned by the People's Republic of Bangladesh)

Cash flow statement for the year ended on June 30, 2008

Particulars	2007-2008	2006-2007 (Taka)
Cash flow from operating Activities:		
Interest receipts in cash	1,874,753,332	1,831,248,677
Cash Payment of Interest	(1,470,895,441)	(1,340,201,615)
Dividend receipts in cash	403,857,891	491,047,062
Fees&commission receipts in cash	53,979,996	58,989,300
Cash receipts against loans previously writtenoff		-
Cash payment to employees	(725,985,221)	(679,290,041)
Cash payment to suppliers	(52,918,619)	(51,849,225)
Cash payment of income tax	(1,888,432)	(2,184,502)
Cash receipts from other operational activities(sectorwise)	45,984,818	49,592,775
Cash repayment against other operational activities (sectorwise)	(363,896,051)	(282,607,597)
	(1,044,726,509)	(907,349,290)
Cash flow before changes in operating assets and liabilities	(640,865,628)	(416,302,228)
Changes in operating assets and liabilities		
Increase/(Decrease) of statutory reserve	-	-
Increase/(Decrease) due to sale-purchase of trading security	-	-
Increase/(Decrease) due to change in loans and advances to Banks	-	-
Increase/(Decrease) due to change in loans and advances to customers	(1,205,646,225)	(1,193,534,905)
Increase/(Decrease) due to change in other assets (sectorwise)	43,009,023	(68,868,107)
Increase/(Decrease) due to change in deposits from other banks	-	-
Increase/(Decrease) due to change in deposits from customers	2,600,468,324	940,559,513
Increase/(Decrease) due to change in other liabilities paid to customers	-	-
Increase/(Decrease) due to change in trading liabilities	-	-
Increase/(Decrease) due to change in other liabilities	466,822,298	478,372,675
Net reciptet from operating activities	904,653,420	156,529,176
Cash flow from investment activities		
Cash reciptet from sale of securities		-
Cash payment for purchase of securities		
Increase/(Decrease) due to sale of property, plant and equipment	(11,582,261)	(93,009,438)

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Increase/(Decrease) due to subsidiary sale-purchase	7,118,187	14,085,761
Net cash in investment activities	(4,464,074)	(78,923,677)
Cash receipt from financial activities:		
Cash receipt from borrowings and debt security issues	2,295,712,080	1,501,468,742
Cash payment for release of borrowings and debt securities	(1,918,610,456)	(1,729,848,694)
Cash securities from general share issues	400,000,000	-
Dividend paid in cash	457,400,000	-
Net cash receipt from financial activities	1,534,501,624	(228,379,952)
Net cash Increase/(Decrease)		
Effect of change in exchange rates of cash& cash equivalents	1,793,825,352	(567,076,683)
Cash & cash equivalents at the beginning of the year	2,619,215,159	6,564,128,252
Cash & cash equivalents at the end of the year	4,413,040,511	5,997,051,569

Auditor's Signatur
dated 17-02-2008
sd/-

Kazi Zahir Khan & Co
Chartered Accountants

sd/-

Shaha Majumder & Co
Chartered Accountants

Kazi Zahir Khan & Co
Chartered Accountants

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Chartered Accountants

RAJSHAHI KRISHI UNNAYAN BANK

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Statement of liquidity status (Maturity details of assets and liabilities) As on 30 June 2008

Particulars	Below 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Assets						
Cash in hand	1,300,964,217	-	-	-	-	1,300,964,217
Cash with other banks and financial institutes	1,421,360,694	1,394,216,000	244,942,000	-	-	3,060,518,694
Cash payable at short notice	-	-	-	-	-	-
Investments	-	-	19,907,600	31,650,000	3,337,836,410	3,429,394,010
Loans & Advance	300,000,000	1,005,080,000	4,102,080,000	5,750,000,000	15,954,950,472	27,112,080,472
Land, building, furniture, equipments and fixed assets	-	-	-	19,445,000	120,228,307	139,637,307
Other assets	-	-	50,000,000	120,000,000	2,438,001,846	2,608,001,846
Non-Banking assets						
Total assets	3,022,324,911	2,399,296,000	4,416,899,600	5,921,095,000	21,891,017,035	37,650,632,546
Liabilities						
Borrowings from Bangladesh banks, other banks, financial institution and agents	120,000,000	400,000,000	1,600,000,000	2,000,000,000	14,474,014,196	18,594,014,196
Deposit and other accounts	750,000,000	1,465,000,000	1,604,050,000	2,405,080,000	9,165,625,298	15,389,755,298
Provision and other liabilities	453,200,000	526,548,000	424,865,000	1,456,432,000	1,226,296,112	4,096,341,112
Total liabilities	1,323,200,000	2,628,915,000	3,628,915,000	5,861,512,000	24,864,935,606	38,070,110,606
Net liquidity difference	1,699,124,911	7,748,000	787,984,600	59,583,000	(2,973,918,571)	(419,478,060)

Rajshahi Krishi Unnayan Bank
(An undertaking owned by the Government of the People's Republic of Bangladesh)
Statement of changes in equity for the year ended on 30 June 2008

Particulars	Paid up capital	Statutory reserve	Others reserve	Profit/Loss	Total
Balance as on 1 July, 2007	1,800,000,000	-	208,490,150	(2,644,502,592)	(636,012,442)
Changes accounting procedure restated balance	-	-	-	-	-
Surplus/deficit to revaluation of properties	-	-	-	-	-
Deficit/Surplus to revaluation of instruments	-	-	-	-	-
Deficit/Surplus due to changes in currency exchange rates	-	-	-	-	-
Receipt/loss not incued in income statements	-	-	-	457,400,000	457,400,000
Net profit during the period	-	-	-	(640,865,618)	(640,865,618)
Issue of Share Capital	400,000,000				400,000,000
Balance at June 30, 2008	2,200,000,000		208490150	(2,827,968,210)	(419,478,060)
<u>Others Reserves</u>					Amount (Taka)
General Reserve					77,106,905
Special Reserve					59,862,867
Reserve foe Banks Bulding and staff quarter					70,049,500
Reserve for unforeseen losses					1,470,878
Total liabilities					Tk 208,490,150

RAJSHAHI KRISHI UNNAYAN BANK

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Notes to the Accounts for the year ended on June 30, 2008

1.01 The Bank and its activities:

According to the Rajshahi Krishi Unnayan Bank ordinance 1986, taking over 253 branches and other offices of Bangladesh Krishi Bank within Rajshahi division along with their assets and liabilities, the bank started functioning from 15 March 1987. In this connection special balance sheet of the 253 branches of BKB in this region on 14-03-87 and profit and loss account for the period from 01-07-86 to 14-03-87 were prepared and those were duly audited after wards. Rajshahi Krishi Unnayan Bank started functioning on the basis of the assets and liabilities stated in above audited balance sheet. The bank had 364 branches at the end of the financial year under audit.

1.02 Basis of maintainance of Accounts:

The financial statements of the Bank were prepared under proper observation of continued process of generally accepted historic costing conventions and accepted costing principles evaluated by International Accounting Standards and accepted by Institute of chartered accountants, Bangladesh. Necessary principles have been explained in the notes. Balance sheet, profit and loss accounts, cash flow statement and statement of changes in equity has been prepared in the prescribed format of Bangladesh Bank.

1.03 Compilation:

The statement of affairs and statement of income and expenditure received from the branches have been compiled at the bank's head office, Rajshahi. The concerned branch managers have certified the statements of affairs.

1.04 Fixed Assets:

Depreciation has been charged on written down value (except vehicles) of fixed assets. Depreciation on vehicles has been charged on fixed installments. The procedure of charging depreciation has consistency with the procedures of the previous years.

Assets	Rates of Depreciation (%)
Buildings	2.5 %
Furniture & fixture	10 %
Office equipments	15 %
Electric Installations	20 %
Office Machinery	20 %
Vehicles (on purchase value)	20 %

Depreciation has been charged at fixed rates from the date of acceptance of the assets and incase of sale or removal of the assets depreciation has been charged till the dates of sale or removal.

- 1.05 Reserve for tax:
The bank did not keep tax reserve due to accounted loss.
- 1.06 Advance paid to borrower:
The bank disbursed loan to the time of Tk. 765.03cs and recovered Tk. 844.79 crore during fiscal 2007-2008.
- 1.07 Cash flow statement:
Cash flow statement has been prepared according to Bangladesh account standard (BAS-07). Cash flow from operational activities were calculated in indirect method.
- 1.08 Statement of liquidity status:
Total assets of the bank as on 30.06.2008 was Tk. 37,650,632,546 and of all liability was Tk. 38,070,110,606 with net liquidity distance (Tk. 419,478,060).
- 1.09 Core risk management:
It was informed during our audit that the bank has prepared core risk management guidelines in RAKUB's context as per Bangladesh Bank instructions and that has been sent to branches after approved of the board of directors and instructions laid down in the guideline and being followed at all levels.
- 1.10 Financial Year:
The bank submitted statement for the period from 1st July 2007 to 30th June 2008.
- 1.11 Audit committee:
317th meeting of board of directors of Bank was held on the 26 April, 2008. An audit committee as under was formed in the meeting.

Sl.No	Name	Designation in Bank	Designation in the Committee	Position/ Qualification
01	Dr. Sayeed Nokib Muslim	Director	Chairman	Additional secretary, Ministry of Agriculture
02	Md Mahbubur Rahman	Director	Member	Additional secretary, Ministry of Finance
03	Md. Abdul Matin	Director	Member	Additional Director Agri.Exten. dept Rajshahi

Last meeting of the committee was held on December 26 April, 2008 at 11.30 AM

- 1.12 Head office and 20(Twenty) branches of the Bank were audited by Kazi Zahir Khan & co. Chartered accounts & Saha Majumder & Co. Chartered accounts jointly and they executed audit activities including 80% Risk Weighted Assets of the Bank by working for 3,800 working hours.
- 1.13 Figures have been rounded up to nearest taka.

1.00 Cash: Tk 1,300,964,217	2007-2008	2006-2007
Break up of the above balance is as under		
a) Cash in hand	87,302,696	84,919,685
Foreign currency	223,154	482,613
Total	87,525,850	85,402,298
b) Cash in Bangladesh Bank	720,004,652	622,794,123
Cash in Sonali Bank	493,433,715	419,617,955
Total	1,213,438,367	1,042,412,078
Total (a+b)	1,300,964,217	1,127,814,376

*Amongst the total amount of deposit with Bangladesh Bank Tk 616,664,000 was deposited as capital reserve ratio (CRR)

a) Cash in hand and with Banks have been confirmed by the Bank authority.

2.00 Balance with other Banks and financial institutions	2007-2008	2006-2007
Tk 3,060,518,694		
Details of the above balance are shown below		
2.01 In Bangladesh	3,060,518,694	1,447,509,083
2.02 Outside Bangladesh		
Total	<u>3,060,518,694</u>	<u>1,447,509,083</u>

2.01(a) In Bangladesh

Name of Bank	STD	Current	Fixed	Total
Agrani Bank	239,732,795	65,167,580	0	304,900,375
Janata Bank	138,430,042	78,211,970	0	216,642,012
Rupali Bank Ltd.	4,051,944	6,238,184	0	10,290,128
Bangladesh Krishi Bank	188,109	641,146	0	829,255
ICB Islamic Bank	0	0	94,942,062	94,942,062
ICB	0	0	2,282,914,862	2,282,914,862
Bank Asia	0	0	150,000,000	150,000,000
Total	382,402,890	150,258,880	2,527,856,924	3,060,518,694

2.01 a(i) Current /STD Tk 532,661,770

Details are as under :

Name of Bank	Current	STD	Total
Agrani Bank	65,167,580	239,732,795	304,900,375
Janata Bank	78,211,970	138,430,042	216,642,012
Rupali Bank Ltd	6,238,184	4,051,944	10,290,128
Bangladesh Krishi Bank	641,146	188,109	829,255
Total	150,258,880	382,402,890	532,661,770

2.01 b(i i) Fixed deposit Tk 967,326,779

Details are as under:

Name of Banks	Duration			Total
	1 month	3 month	6 month	
ICB	888,698,781	1,394,216,081	-	2,282,914,862
ICB Islamic Bank	-	-	94,942,062	94,942,062
Bank Asia Ltd	-	-	150,000,000	150,000,000
Total	888,698,781	1,394,216,081	100,000,000	2,527,856,924

2.02 Outside Bangladesh: NIL

3.00 Deposit at call and short notice Tk Nil

4.00 Investment : Tk 43,891,700

Details are as under :

	<u>2007-2008</u>	<u>2006-2007</u>
(1) Government bonds (Held To Maturity)	19,907,600	43,891,700
(2) Other investments (Held for Trading)	31,650,000	
	<u>51,557,600</u>	<u>43,891,700</u>
(1) Government bonds (Held To Maturity)		
a) Treasury bonds	18,898,000	42,098,000
b) National investment bonds	-	-
c) Bangladesh Bank bills	-	-
d) Government notes/bonds	-	-
e) Prize bonds	1,009,600	1,793,700
	<u>19,907,600</u>	<u>43,891,700</u>
(2) Other investments (Held for Trading)		
a) Investment against preferred, general, detained and different type of shares, and exclusively shown shares fully or partially repaid shares	31,650,000	-
b) Debenture and bonds	-	-
c) Other investments	-	-
d) Gold etc.	-	-
Total	<u>31,650,000</u>	-
Total Tk (1+2)	<u>51,557,600</u>	<u>43,891,700</u>

4.01 (a) Treasury Bonds Tk 18,898,000

The above bonds were received from the government in the form of treasury bonds of five years term (ending in 2007-2008) against remission of interest on loan of sick industries.

4.01 (e) Prize Bonds Tk 1,009,600

This amount is sum total of the cash equivalents held at different branches of Rajshahi Krishi Unnayan Bank.

4.02 (a) Investment again preferred, general, detained of the type of shares and differant shawn total or put investment is share amounted Tk. 31,650,000. It was received as ICB Islamic Banks against part disposal of fixed deposit with Oriental Bank which is treated as investment.

5.00 Receveble from the Government Tk 3,377,836,410

The amount has come from the previous year. These bonds are receivable from the government against classification of loans and provision against it as per commitments made in 1991. The amount of provision against classified loans was Tk 417.78 crore in the year 1991, which is fully due from the government. Till now an amount of Tk 80 crore including 30 crore taka of last year has been received in the form of bonds which has been encashed also. No interest provision was made against it since the amount was receivable from the government.

6.00 Loans & and Advances: Tk 27,112,080,472

	<u>2007-2008</u>	<u>2006-2007</u>
a) Repayable on demand with residual maturity:		
Below 3 months	-	-
Over 3 months but not more than 1 year	19,050,665,472	17,953,938,247
Over 1 year but not more than 5 years	4,917,253,000	4,878,119,000
More than 5 years	3,144,162,000	3,074,377,000
Total	<u>27,112,080,472</u>	<u>25,906,434,247</u>
b) Loans and advances:	27,112,080,472	25,906,434,247
Loans:	22,176,589,038	21,260,659,909
Cash credit	3,247,789,615	3,246,292,804
Over draft	1,687,701,819	1,399,481,534
Total	<u>27,112,080,472</u>	<u>25,906,434,247</u>
(c) 1. In Bangladesh	27,112,080,472	25,906,434,247
2. Outside Bangladesh	-	-
Total	<u>27,112,080,472</u>	<u>25,906,434,247</u>
d) 1. Advances to the Directors and others	-	-
2. Advances to the Managing Director, Chief executive and officers & staff	1,529,967,285	1,436,361,848
3. Advances to customers group (farmer)	25,582,113,187	24,470,072,399
Total	<u>27,112,080,472</u>	<u>25,906,434,247</u>
e) Classification of loan		
Unclassified	17,777,939,472	17,842,823,247
Sub standard	1,929,512,000	1,763,356,000
Doubtful	1,621,559,000	1,113,650,000
Bad debt	5,783,070,000	5,186,605,000
Total	<u>27,112,080,472</u>	<u>25,906,434,247</u>
f) Loan Disbursed @15% of the bank's capital		

Extra loan of 15% total capital of the bank has not been disbursed to any borrower.

g) 1.	Debts considered good in respect of which the banking company is fully secured	11,505,637,492
2.	Debts considered good for which the banking company holds no other security than the debtors personal security	10,247,356,000
3.	Debts considered secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	2,600,972,000
4.	Debts classified against which no provision is made	-
5.	Debts due from the directors or officers of the bank company or any of these either seperately or jointly with any other person	-
6.	Debts due from companies or farm in which the debtors of the banking company are interested as directors, pratners or as managing agent or incase 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 company or any of them either seperately or jointly with any other person	75,000
8.	Maximum total amount of advance, including temporary advances granted during the year to the companies or farms in which the directors of the banking companyies are interested as directors partners or managing agents or in case of private companies as members	-
9.	Due from banking companies	-
10	Amount of classified loans on which interest/profit is not charged.	

a/i	Increase /decrease of provision amount	2006-2007	2005-2006	Increase /decrease
		Tk	Tk	Tk
	Total provision	1,862,322,000	1,742,322,000	120,000,000
		0		

a/ii	Amount of loan written off	-
a/iii	Recovery against written off loans	
b	Provision for bad/loss loans on the date of balance sheet preparation	1,862,322,000
c	Amount of interest chargeable on deferrered accounts	676,556,440

11 a Amount of loan written off -

Loan written off till the previous year	Loan written off during the year	Total	Recovery	Total amount of loan written off
Tk	Tk			Tk
687,206,261	36,813,968	724,020,229	17,513,333	706,506,896

11(b) Written off Loan for recovery of which cases has been fixed.

h) Provision for bad debts Tk 1,862,322,000
Details are as under

	2007-2008	2006-2007
Opening balance (01-07-2007)	1,742,322,000	1,652,322,000
Add: Adjustment of classified loans provisions	120,000,000	90,000,000
Total provision for bad debt at the end of the year (30-06-2008)	Tk 1,862,322,000	1,742,322,000

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Chartered Accountants

Saha Majumder & Co
Chartered Accountants

Rajshahi Krishi Unnayan Bank

(An undertaking owned by the Government of the People's Republic of Bangladesh)

The procedure of Bad -Debt calculation as on 30-06-08

BRPD Circular no 5/2006

(Tk in thousand)

Particulars	Total amount of loan	Amount of outstanding loan					Basis of provision				Amount of provision required	Interest suspended			TOTAL
		Unclassified loan		Classified loan			SMA	sub standard loan	doubtful loan	bad debt		UC	SMA	CL	
		Stranded	SMA	sub standard loan	doubtful loan	bad debt									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1. Continuous loan (cl-2)															
a) Small enterprise financial (SEF)	46,275	43,522	310	438	163	1,842	301	-	-	-	450	-	9	45	54
b) Consumer financial (CA)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c) Other loan (without SEF & CA)	3,502,393	2,451,853	93,542	88,937	156,517	711,484	89,139	2,440	2,537	31,050	61,783	89	4,703	53,152	57,644
Sub- Total (a+b+c)	3,548,668	2,495,375	93,852	89,375	156,680	713,326	89,440	2,440	2,537	31,050	62,233	89	4,712	53,197	57,698
2. Demand loan (cl-3)															
a) Small enterprise financial (SEF)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Consumer financial (CA)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c) Other loan (without SEF & CA)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub- Total (a+b+c)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Term loan upto 5 years (cl-4)															
a) Small enterprise financial (SEF)	37,186	23,359	2,574	5,325	2,298	3,630	2,501	0	0	0	359	0	73	116	189
b) Consumer financial (CA)	266,675	252,949	2,036	4,234	2,826	4,630	1,860	4,209	2,783	4,321	19,295	0	176	377	553
c) Housing fesen (HF)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d) Other loan	4,614,674	2,360,118	51,669	166,626	212,323	1,823,938	49,114	2,184	1,846	43,254	70,668	339	2,804	94,955	98,098
Sub- Total (a+b+c+d)	4,918,535	2,636,426	56,279	176,185	217,447	1,832,198	53,475	6,393	4,629	47,575	90,322	339	3,053	95,448	98,840
4. Term loans above 5 years (cl-5)															
a) Small enterprise financial (SEF)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Consumer financial (CA)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c) Housing fesen (HF)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d) Other loan	3,144,162	1,758,047	32,439	98,656	242,231	1,012,789	31,334	1,203	20	26,463	45,861	116	1,105	106,288	107,509
Sub- Total (a+b+c+d)	3,144,162	1,758,047	32,439	98,656	242,231	1,012,789	31,334	1,203	20	26,463	45,861	116	1,105	106,288	107,509
5. Short term agricultural loan and micro credit (cl-6)															
a) Short term agricultural loan	12,406,507	8,072,289	-	1,439,750	910,337	1,984,131	-	1,337,552	817,307	1,771,199	2,282,557	848	-	375,441	376,289
b) Micro credit	1,564,335	1,103,911	-	125,486	94,864	240,074	-	113,381	85,881	211,982	277,142	6	-	35,874	35,880
Sub- Total (a+b)	13,970,842	9,176,200	-	1,565,236	1,005,201	2,224,205	-	1,450,933	903,188	1,983,181	2,559,699	854	-	411,315	412,169
Sub- Total (1+2+3+4)	25,582,207	16,066,048	182,570	1,929,512	1,621,559	5,782,518	174,249	1,460,969	910,374	2,088,269	2,758,115	1,398	8,321	665,755	675,474
Staff loan	1,529,967	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	27,112,174	16,066,048	182,570	1,929,512	1,621,559	5,782,518	174,249	1,460,969	910,374	2,088,269	2,758,115	1,398	8,321	665,755	675,474

I) 1. Unclassified loan

	<u>2007-2008</u>	<u>2006-2007</u>
Short term agricultural loan and micro credit	9,176,200,000	8,891,729,000
Other loans	7,072,418,000	7,513,262,000
Total unclassified loan	<u>16,248,618,000</u>	<u>16,404,991,000</u>
2. Classified loan	<u>9,333,589,000</u>	<u>8,064,952,000</u>
Total classified loan	<u>9,333,589,000</u>	<u>8,064,952,000</u>
3. Other unclassified loan		
Staff loan	1,529,967,000	1,436,364,000
Blocked account	-	-
	<u>1,529,967,000</u>	<u>1,436,364,000</u>
Unadjusted loan	(93,528)	127,247
Total other unclassified loan	<u>1,529,873,472</u>	<u>1,436,491,247</u>
Grand total (1+2+3)	<u>27,112,080,472</u>	<u>25,906,434,247</u>

j) Loan Industry and geographical basis (without staff loan) (amount in coare)

1. industri basis	2.83
2. Geographical Area basis (in Bangladesh)	<u>2,558.38</u>
	<u>2,561.21</u>

1. industri basis

Number	Amount
5463	2.83

2. Geographical Area basis (in Bangladesh)

Sl	District	Amount in corer
1	Rajshahi	235.78
2	Naogaon	192.55
3	Chapinawabganj	83.10
4	Bogra	208.16
5	Jaypurhat	110.52
6	Gaibandha	191.09
7	Pabna	135.71
8	Sirajganj	125.41
9	Nator	91.42
10	Rangpur	257.76
11	Kurigram	172.76
12	Nilphamari	208.86
13	Lalmonirhat	159.77
14	Dinajpur	217.36
15	Thakurgaon	77.66
16	Panchagarh	87.32
17	Dhaka	0.15
		<u>2555.38</u>

k) Details of Pledge Collaterals :

Sl. No.	Name of Borrower	Quantity (Tk. in Crore)
01	Nur Cold Storage	176.00
02	Sadat cold storage	37.00
03	Jyoti cold storage pvt. ltd.	132.20
04	R&R cold storage	36.20
05	Bashar himagar ltd.	21.50
06	Nigar cold storage pvt. ltd.	97.80
07	Mahmud Hasan cold storage	89.60
08	Jobeda cold storage	45.80
09	AHZ cold storage pvt. ltd.	524.70
10	Mollah cold storage	144.40
11	Uttara cold storage ltd.	141.50
12	Punat cold storage ltd.	360.50
Total =		1807.20

7.00 Bills discounted and Purchased: Tk –nil

There is no other bill than treasury bills in the bank

8.00 Fixed Assets including Land, Building, Furniture and Fixture (after depreciation) Tk 139,673,307

Details are as under

	<u>2007-2008</u>	<u>2006-2007</u>
Land and building	91,976,311	91,031,766
Furniture and fixture	27,058,094	26,422,548
Office equipments	1,414,099	1,456,714
Machinery	5,291,999	5,991,224
Electric installation	1,381,109	1,606,443
Motor car and other vehicles	12,551,695	8,700,538
Total	139,673,307	135,209,233

9.00 Other Assets Tk 2,608,001,846

Details are as under

a) Income generated assets

b) Non income generated assets

	<u>2007-2008</u>	<u>2006-2007</u>
	2,608,001,846	2,651,010,873
	<u>2,608,001,846</u>	<u>2,651,010,873</u>

b) Non income generated assets

1) Stationery stock, stamps&printed stationery etc.	৩১,৮১৮,১৮১	২৮,০৪৬,৩৫৬
2) Security deposit	৫৯১,৬৬৭	৬০৮,৫০২
3) Primary, formation and organizational expenses, renovation/development expenses prepaid expenses (9.01)	৮১,৭১৭,০৪৭	৬৭,১৬১,১৭৮
4) Branch reconciliation	২,৮২৫,০০৫	৪৬,১৬৭,০৯২
5) <u>Deferred interest</u> on staff loan (9.02)	৪৯৯,৬৯১,১৯৮	৪২৮১০৭২৫৫
5) Suspense account (9.03)	১,৮৯২,৭২৬,০১২	১,৯৬৬,৪৬৫,৩৮১
6) Deferred	২১১,৮৯২	০
7) Others	৯৮,৪২২,৮৪৪	১১৪,৪৫৫,১০৯
Total	2,608,003,846	2,651,010,873

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9.01	Preliminary expense, organizational expense, renovation /development expense and prepaid expenses Tk 81,717,047 Details are as under	<u>2007-2008</u>	<u>2006-2007</u>
	Travelling allowance advance	3,022,952	2,532,428
	Salary advance	642,375	424,248
	Advances to staff	51,063	33,930
	Prepaid expenses	824,109	756,706
	Reconstruction of accounts	270,538	280,498
	Prepaid Incometax	76,906,010	63,133,368
	Total	<u>81,717,047</u>	<u>67,161,178</u>
9.02	Interest Suspense account on officers and staff loan Tk 499,691,198 Details are as under	<u>2007-2008</u>	<u>2006-2007</u>
	Interest on vehicle loan to officers and staff	21,175,930	21,089,941
	Interest on house building loans to officers and staff	475,198,508	403,500,790
	Interest on sewing machine loan to officers and staff	3,316,760	3,516,524
	Total	<u>499,691,198</u>	<u>428,107,255</u>
9.03	Suspense account: Tk 1,892,726,012 Details are as under:		
	Interest remission on crop loans	-	14,759
	Remission of loan (upto tk 5000)	5,170,872	4,743,492
	Remission of interest on weaver's credit	18,294,088	16,014,505
	2% rebate(50% bank's part)	11,898	639,087
	Remission of interest on agricultural loan –2004 upto tk 5000	(6,596,942)	65,091,611
	Remission of interest under double of principal	1,854,990,368	1,851,588,647
	Remission of penal interest on weaver's credit	816,681	785,823
	Remission of interest on swanirvar loan	1,332,971	1,313,752
	Interest on paally pragati prakalpo loan	11,639,500	17,747,661
	Interest on U.N.C.D.F loan	512,227	512,227
	Demonetised/ obsolete notes	13,757	13,757
	Miracle	6,407,513	7,515,730
	Pension money	133,079	484,330
	Total	<u>1,892,726,012</u>	<u>1966,465,381</u>

10.00 Non-Bank Assets: Tk. Nil

11.00 Borrowings from other Banks including financial institutions and agents Tk 118,594,014,196
Maturity grouping

Upto 01 Mounth	120,000,000
01-03 Mounth	400,000,000
03-12 Mounths	1,600,000,000
01-05 years	2,000,000,000
above 5 years	14,474,014,196
Total	18,594,014,196

	<u>2007-2008</u>	<u>2006-2007</u>
a) In Bangladesh	18,594,014,196	17,912,235,588
b) Outside Bangladesh	0	4,676,984
Total	<u>18,594,014,196</u>	<u>17,916,912,572</u>

Details are as under

a) In Bangladesh (security free loan) : Tk 18,594,014,196.

	<u>2007-2008</u>	<u>2006-2008</u>
1) Refinance from Bangladesh Bank	18,511,994,196	17,748,165,588
2) Dues to Bangladesh Krishi Bank	82,020,000	164,040,000
Total	<u>18,594,014,196</u>	<u>17,912,235,588</u>

1) Refinance from Bangladesh Bank: Tk 18,511,994,196

	<u>2007-2008</u>	<u>2006-2007</u>
Short term	16,457,823,527	15,694,815,488
Medium term	1,579,961,654	1,342,246,701
Long term	474,209,015	711,133,399
Total	18,511,994,196	17,748,195,588

2) Due to Bangladesh Krishi Bank (security free loan) :Tk 164,040,000

	<u>2007-2008</u>	<u>2006-2007</u>
Total dues to Bangladesh Krishi Bank (01-07-2007)	164,040,000	246,060,000
Less: Principal repaid during the year	82,020,000	82,020,000
Total loan outstanding with Krishi Bank (30.06.2008)	82,020,000	164,040,000
Total(1+2)	18,594,014,196	17,912,235,588

The bank doesn't have to pay interest on B.K.B's loan

(b) Outside Bangladesh: Tk Nil

	<u>2007-2008</u>	<u>2006-2007</u>
Opening balance (01.07.2007)	4,676,984	9,353,974
Add: interest during the year	250,998	570,156
	4,927,982	9,924,130
Less: repayment during the year		
Principal	4,676,984	4,676,990
Interest	250,998	570,156
	4,927,982	5,247,146
Total loan outside Bangladesh(30-06-2008)	-	4,676,984

B.K B's dues to ADB in 1987 was Tk 51,446,884 which was transferred to RAKUB. Current year all dues have been paid

12.00 Deposit and Other Accounts: Tk 15,389,755,298

Details are as under:

	<u>2007-2008</u>	<u>2006-2007</u>
a) Repayable on demand	7,036,043,364	6,453,490,103
b) Other deposits	8,353,711,934	7,335,796,875
Total	15,389,755,298	13,789,286,978

12 a) Payable on demand Tk **7,036,043,364**

	<u>2007-2008</u>	<u>2006-2007</u>
1) Deposit from Banks	-	
2) Other than Banks		
i. Current and other accounts	7,058,871,863	6,507,475,551
ii. Bills payable	(22,828,499)	(53,985,448)
Total	7,036,043,364	6,453,490,103

2 (i.) Current deposit and other account Tk 6,507,475,551

Details are as under

	<u>2007-2008</u>	<u>2006-2007</u>
Current account	1,360,970,551	1,256,367,604
Demand deposit	646,726	1,783,101
Dorment account (current)	32,230,979	32,474,267
Special deposit	137,460	357,230
Security deposit	2,264,826	2,574,810
Short term deposit	1,302,656,276	1,389,994,941
Marginal deposit	11,755,493	15,298,105
Deposit pension scheme	169,928,691	153,327,202
Rakub pension scheme	3,727,924,710	3,395,679,775
Special blocked account(G.T.Z)	2,861,350	2,861,350
Rakub Gramin pension prokolpo	442,947,029	254,209,317
Rakub haj deposit prokolpo	719,589	660,445
Rakub education deposit prokolpo	3,366,938	1,726,054
Guarantee account (fixed)	-	-
Rakub children marriage deposit prokolpo	461,245	161,350
Total	7,058,871,863	6,507,475,551

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2	(ii) Repayable bills Tk (22,828,499)		
	Details are as under:	<u>30-06-2008</u>	<u>30-06-2007</u>
	Payment order	49,763,189	45,400,650
	Demand draft	(72,533,789)	(104,483,961)
	Mail transfer	249,921	95,325
	Telegraphic transfer	(307,820)	5,002,538
		<u>(22,828,499)</u>	<u>(53,985,448)</u>
12.	(b) Other deposits Tk 8,353,711,934	2007-2008	2006-2007
	1. Deposit received from Banks	120,860,000	241,694,650
	2. Deposit other than Banks	-	0
	a) Savings account	3,000,727,746	2,645,990,112
	b) Fixed deposit	5,232,124,188	4,448,112,763
	Total	<u>8,353,711,934</u>	<u>7,335,797,525</u>

Balance of deposit received from bank's was taken from the situation report. The bank failed to confirm bank-wise balance. The bank was asked to collect necessary papers.

Details of Demand Deposits as per residual maturity grouping :

Payable within 1 month	Payable above 1 month but not exceeding 6 months time	Payable at above 6 months but not exceeding 1 years time	Payable at above 1 year but not exceeding 5 years time	Payable at above 5 years but not exceeding 10 years time
3,052,000	185,621,900	1,216,953,000	2,276,760,188	-

Details above was taken from the situation report .

13.00 Other Liabilities: Tk 4,086,341,112

Details are as under:	<u>2007-2008</u>	<u>2006-2007</u>
a) Bad debt provision	1,862,322,000	1,742,322,000
b) Interest suspense balance	676,556,440	557,821,882
c) Payable account	1,408,553,725	1,175,746,573
d) Benevolent fund	665,202	332,213
e) Dues to International Organizations	4,597,500	4,597,500
f) B.K.B current account	45,625,721	49,373,623
g) General provident fund	21,473,125	45,079,204
h) Super Annuation fund	24,312,468	7,205,623
i) Contributory Provident fund	1,555,251	1,942,790
j) Gratuity	1,725,350	1,725,310
k) Death Resrve Scheme	17,131,251	11,581,251
l) Account of disbursement tee lone & tee board	5,979,609	5,283,033,
m) Security of staff of cash	15,779,756	44,486
n) Stipend for Primary education	63,714	16,463,326
Total	<u>4,086,341,112</u>	<u>3,619,518,814</u>

13 (a) Bad Debts Provision Tk 1,862,322,000

1) Trend of Special Provision for Classified Loan

Opening balance (01-07-2007)	1,742,322,000	1,652,322,000
Written off loans fully provisioned	-	-
Recovery from previous written off loans	-	-
Special provision for the current year	-	-
Provision for bad debts (unrecoverable) no more required	-	-
Net charge in profit and loss account	120,000,000	90,000,000
Total provision at the end of the year	<u>1,862,322,000</u>	<u>1,742,322,000</u>

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(b) Interest Suspense Balance: Tk 676,556,440

	<u>2007-2008</u>	<u>2006-2007</u>
Opening balance (01-07-2006)	557,821,882	493,836,222
Amount of interest transferred to/written off to suspense account during the year	288,623,000	273,551,000
Amount of suspense interest recovered during the year	(133,328,000)	142,056,000
Amount of suspense interest written off during the year	(36,560,442)	67,509,340
Balance at the end of the year (30-06-2006)	<u>676,556,440</u>	<u>557,821,882</u>

(c) Payable Account: Tk 1,408,553,725

1) Head office	940,667,867	757,756,997
2) Branch office	467,885,858	417,989,575
	<u>1,408,553,725</u>	<u>1,175,746,572</u>

1) Head office: Tk 940,667,867

Details are as under:

	<u>30.06.2008</u>	<u>30.06.2007 Bs</u>
Opening balance (01-07-2007)	757,756,997	477,717,126
Plus: addition during the year	624,390,338	680,409,713
	<u>1,382,147,335</u>	<u>1,158,126,839</u>
Less: subtraction during the year	441,479,468	400,369,842
Balance at the year ending(30.06.08)	<u>940,667,867</u>	<u>757,756,997</u>

2) Branch office: Tk 467,885,858

Details are as under:

	<u>30.06.2008</u>	<u>30.06.2007</u>
Opening balance (01-07-2007)	417,989,575	346,903,603
Plus: addition during the year	1,781,939,529	1,496,047,994
	<u>2,199,929,104</u>	<u>1,842,951,597</u>
Less: subtraction during the year	1,732,043,246	1,424,962,022
Balance at the year ending (30.06.08)	<u>467,885,858</u>	<u>417,989,575</u>

d) Benevolent Fund: Tk 665,202

Details are as under:

	<u>30.06.2008</u>	<u>30.06.07</u>
Opening balance (01.07.2007)	332,133	1,454,402
Plus: addition during the year	11,681,904	20,621,356
	<u>12,014,037</u>	<u>22,075,545</u>
Less: subtraction during the year	11,348,915	21,743,454
Balance at the end of the year (30.06.2008)	<u>665,202</u>	<u>332,213</u>

This was created as 10% of the basic pay drawn by officers and staff or highest taka 40 per capita

e) Dues to International Organizations: Tk 4,597,550

Thre balance has been brought from the previous year. This was borrowing from UNCDF and was brought forward from 1987.

f) B.K.B Current Account: Tk **45,625,721**

	<u>2007-2008</u>	<u>2006-2007</u>
Details are as under:		
Opening balance (01.07.2007)	49,373,623	80,794,060
Plus: addition during the year	382,335,485	636,586,738
	<u>431,709,108</u>	<u>717,380,798</u>
Less: subtraction during the year	386,083,387	668,007,175
Balance at the end of the year(30.06.08)	<u>45,625,721</u>	<u>49,373,623</u>

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	30-06-2008	30-06-2007
g) General Provident Fund: Tk 21,473,125		
Details are as under		
Opening balance (01.07.2007)	45,079,204	46,683,958
Plus: addition during the year	491,481,901	363,972,238
	<u>536,561,105</u>	<u>410,656,196</u>
Less: subtraction during the year	515,087,980	365,576,992
Balance at the end of the year (30-06-08)	<u>21,473,125</u>	<u>45,079,204</u>
h) Super Annuation Fund: Tk 24,312,468	<u>2007-2008</u>	<u>2006-2007</u>
Details are as under		
Opening balance (01.07.2007)	7,205,623	19,965,584
Plus: addition during the year	374,956,454	251,745,992
	<u>382,162,077</u>	<u>271,711,576</u>
Less: subtraction during the year	357,849,700	264,505,953
Balance at the end of the year (30.06.08)	<u>24,312,468</u>	<u>7,205,623</u>
Superannuation fund is created from 20% of basic pay of officers and staff provided by the bank.		
i) Contributory Provident Fund: Tk 1,555,251	<u>2007-2008</u>	<u>2006-2007</u>
Details are as under		
Opening balance (01.07.2007)	1,942,790	406,303
Plus: addition during the year	9,406,908	2,331,372
	<u>11,349,698</u>	<u>2,737,675</u>
Less: subtraction during the year	9,794,447	794,884
Balance at the end of the year (30.06.08)	<u>1,555,251</u>	<u>1,942,790</u>
The officers and staff of the bank contributes at the rate of 8% to 10% of their basic pay to respective contributory provident fund account and the bank also contributes at the same rate to the account.		
j) Gratuity: Tk 1,725,350	<u>2007-2008</u>	<u>2006-2007</u>
Details are as under:		
Opening balance (01.07.2007)	1,725,310	1,725,300
Plus: addition during the year	752,029	269,461
	<u>2,477,339</u>	<u>1,994,761</u>
Less: subtraction during the year	751,969	269,451
Balance at the end of the year (30.06.08)	<u>1,725,350</u>	<u>1,725,310</u>
k) Death Reserve Scheme: Tk 17,131,251	<u>2007-2008</u>	<u>2006-2007</u>
Details are as under:		
Opening balance (01.07.2007)	11,581,251	7,706,251
Plus: addition during the year	10,000,000	10,000,000
	<u>21,581,251</u>	<u>17,706,251</u>
Less: subtraction during the year	4,450,000	6,125,000
Balance at the end of the year (30.06.08)	<u>17,131,251</u>	<u>11,581,251</u>

l) Tea loan disbursed: Tk 5,979,609

The balance relates to Panchagarh branch. loan was disbursed under "Development of small holding Tea cultivation on northern Bangladesh" project being materialized by Bangladesh tea board for promoting small scale tea cultivation in the northern Bangladesh.

m) Stipend for Primary Education (upa-britti): Tk 15,779,755

	<u>2007-2008</u>	<u>2006-2007</u>
Details are as under:		
Opening balance (01.07.2007)	16,463,326	2,092,422
Plus: addition during the year	3,457,540,421	3,777,377,363
	<u>3,474,003,747</u>	<u>3,779,469,785</u>
Less: subtraction during the year	3,458,223,992	3,763,006,459
Balance at the end of the year (30-06-2008)	<u>15,779,755</u>	<u>16,463,326</u>

14.00 Paid up Capital: Tk 2,200,000,000

	<u>2007-2008</u>	<u>2006-2007</u>
Opening balance (01-07-07)	1,800,000,000	1,800,000,000
Capital paid by the Government during the year	400,00,000	-
Balance at the end of the year (30-06-2008)	<u>2,200,000,000</u>	<u>-</u>

15.00 Statutory Reserve: Taka Nil

The bank could not create any amount as statutory reserve due to accumulated loss.

16.00 Other Reserve: Tk 208,490,150

		<u>2007-2008</u>	<u>2006-2007</u>
Details are as under			
a) General Reserve		77,106,905	77,106,905
b) Special Reserve		59,862,867	59,862,867
c) Reserve for Bank building and staff quarters		70,049,500	70,049,500
d) Reserve for unforeseen losses		1,470,878	1,470,878
Total		<u>208,490,150</u>	<u>208,490,150</u>
a) General Reserve	Tk 77,106,905	2007-2008	2006-2007
1986-87		4,592,464	4,592,464
1987-88		11,055,499	11,055,499
1988-89		10,806,010	10,806,010
1989-90		9,011,839	9,011,839
1990-91		41,641,093	41,641,093
Total		<u>77,106,905</u>	<u>77,106,905</u>
b) Special Reserve	Tk 59,862,867	2007-2008	2006-2007
1986-87		3,588,052	3,588,052
1987-88		13,506,166	13,506,166
1988-89		12,267,334	12,267,334
1989-90		19,301,315	19,301,315
1990-91		11,200,000	11,200,000
Total		<u>59,862,867</u>	<u>59,862,867</u>
c) Reserve for Bank building and staff quarter: Tk 70,049,500			
1986-87		7,500,000	7,500,000
1987-88		20,000,000	20,000,000
1988-89		22,500,000	22,500,000
1989-90		20,000,000	20,000,000
2002-2003		49,500	49,500
Total		<u>70,049,500</u>	<u>70,049,500</u>
d) Reserve for unforeseen losses: Tk 1,470,878			

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24.00	Provision for Loans: Tk 1,862,322,000	2007-2008	2006-2007
	Outstanding of previous year	1,742,322,000	1,652,322,000
	Current Year Provision	120,000,000	90,000,000
	Total	1,862,322,000	1,742,322,000
<hr/>			
25.00	Provision for diminution in value of investments: Tk- Nil	2007-2008	2006-2007
	a) Dealing security	-	-
	-Quoted	-	-
	-Unoquoted	-	-
	b) Investment security	-	-
	-Quoted	-	-
	-Unquoted	-	-
26.00	Other provisions: Tk- Nil	2007-2008	2006-2007
	Provision for other classified assets	-	-
27.00	Appropriation: Tk- Nil		
28.00	Salary and Allowances: Tk 725,345,484	<u>2007-2008</u>	<u>2006-2007</u>
	Salary of officers	188,742,735	185,645,490
	Salary of staff	141,388,799	131,663,992
	House rent	131,266,491	127,349,236
	Overtime allowances	9,600,238	9,417,825
	Other allowances	6,890,222	6,229,644
	Encashment of earned leave	10,377,045	10,058,828
	Staff welfare	42,728,668	39,579,383
	Staff badannyata	372,696	24,000
	Medical allowance	20,659,539	20,591,778
	Contribution to provident fund	663,514	3,707,292
	General provident fund	63,538,065	71,222,152
	Expenses for staff deputed	132,501	161,830
	Festival bonus	53,690,260	51,879,402
	Exgreca	30,000,000	10,000,000
	Travelling expenses	25,294,711	18,606,394
	Search staff	0	-
	Gratuity and pension	0	-
	Total	725,345,484	686,137,246
<hr/>			
29.00	Rent, Tax, Insurance, Electricity etc. expense: Tk 42,140,215	<u>2007-2008</u>	<u>2006-2007</u>
	Electricity and Water	5,399,889	5,139,342
	Rent	19,487,471	18,381,025
	Insurance	5,131,430	14,276,827
	Expense against death Reserve Scheme	10,002,475	12,334
	Fidelity Insurance of cashier	0	7,138
	Rates and taxes	230,517	148,328
	Income tax of officers	1,888,433	2,184,502
	Total	42,140,215	40,149,496
<hr/>			
30.00	Legal Expenses Tk 199,462	<u>2007-2008</u>	<u>2006-2007</u>
	Lawyer cost	194,940	783,114
	Expense for court cases	4,522	96,885
	Total	199,462	879,999
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	<u>2007-2008</u>	<u>2006-2007</u>
31.00 Postal stamp ,Stamp and Tele-communication expenses: Tk 4,629,079		
Postage and Telegram		
Internet ,mobile and dis antenna fee	(629,625)	(787,087)
Telephone	73,459	2,260
Total	4,659,822	5,413,900
32.00 Stationery, Printing and Advertisement expenses: Tk 13,884,231		
Stationery		
Advertisement	11,111,282	11,712,445
Total	1,555,554	2,171,786
33.00 Salary and other fees of the chief executive : Tk 447,360		
Salary	266,100	195,200
Bonus	44,200	40,650
Other allowances	137,060	159,297
Total	447,360	395,147
34.00 Fee of the Directors: Tk 192,377		
a) Fee for attending Directors' meeting (@of Tk1500)	158,000	145,000
b) Other financial facilities	34,377	54,255
Total	192,377	199,255
35.00 Expense due to losses: 206,164,415		
Remission of interest (general)	58,401,655	98,101,353
Miracle	0	
Part of 2% rebate (bank's share 50%)	0	46,678,152
Loan written off	147,762,760	
Interest exemption	0	
Total	206,164,415	144,779,505
36.00 Expense for Depreciation and Repair of fixed assets of the Bank Tk 6,838,768		
Repairs	817,762	708,132
Depreciation	6,021,006	8,457,833
Total	6,838,768	9,165,965
37.00 Other Expenses; Tk 25,479,751		
Details are as under :		
Liveries of staff	1,242,740	1,356,096
Training expenses	1,650,421	1,390,840
Honorarium and wages	177,700	268,635
Depreciation of furniture	18,248	162,827
Conveyance	950,496	824,900
Vehicle (fuel)	5,237,755	5,015,189
Vehicle (repairs)	1,235,440	1,271,946
Awards	12,000	2,150
Entertainment	308,330	256,691
Business development	2,440,401	1,981,000
Excise duty	0	0
Book purchase	26,220	(145)
Miscellaneous expenses	9,674,577	10,166,774
Commission, exchange and others	2,505,423	2,214,369
Bank's subsidy to Benevolent fund	0	0
Total	25,479,751	24,911,272

38.00

	Tk in Crore <u>2007-2008</u>	Tk in Crore <u>2006-2007</u>
a) Authorised capital of the bank as on 30-06-08		
Paid up capital	220.00	180.00
Statutory reserve		
General reserve	20.85	20.85
Balance in profit and loss account	(282.80)	(264.45)
	<hr/>	<hr/>
	(41.95)	(63.60)
b) Supplementary capital as on 30.06.08		
General reserve (1% of unclassified loan)	54.64	53.72
Total capital	<hr/>	<hr/>
	12.69	(9.88)
Reserve required	273.04	238.10
Shortage of capital	<hr/>	<hr/>
	260.35	247.98

RAJSHAHI KRISHI KRISHI UNNAYAN BANK
(An undertaking owned by the People's Republic of Bangladesh)
Rakub's performance at a glance

Serial no.	Particulars	Current year(Tk) 2007-2008	Previous year (Tk) 2006-2007
1.	Paid up Capital	2,200,000,000	1,800,000,000
2.	Total Capital	(419,478,056)	(636,012,442)
3.	Shortage of Capital	2,603,468,206	2,479,802,592
4.	Total assets	37,650,632,550	34,689,705,922
5.	Total deposit	15,389,755,298	13,789,286,978
6.	Total Loans and Advances	27,112,080,472	25,906,434,247
7.	Total contingent liabilities and commitments	706,564,886	687,264,251
8.	Ratio of Loans and Deposits	1t0.57	1t0.53
9.	Ratio of total outstanding loans and classified loans	1t0.34	1t0.31
10.	Profit after provision of income tax	(640,865,614)	(426,302,229)
11.	Amount of loans classified as bad debts during the year	9,333,589,000	8,064,952,000
12.	Provision against bad debts	1,862,322,000	1,742,322,000
13.	Shortage of provisions	895,793,000	(769,983,000)
14.	Capital expense	8.30%	7.98%
15.	Assets from which interest income is possible	25,742,602,983	22,922,753,076
16.	Assets from which interest income is not possible	11,908,029,567	11,766,952,846
17.	Return on investments(ROI)	1,740,545	2,163,230
18.	Return on assets (ROA)	1,974,718,147	1,939,830,751
19.	Income from investment bonds	1,740,454	2,163,230
20.	Income per number of shares	-	-
21.	Profit from shares	-	-
22.	Ratio of capital income	-	-

Rajshahi Krishi Unnayan Bank
(An undertaking owned by the Government of the People's Republic of Bangladesh)

Annex-4

Statement of filing and settlement of certificate casses in last five years:

(Amount in crore)

FY	Position at the beginning of the year		Cases filed		Cases Settled		Position at the yearending		Rate of settlement
	Account	Amount	Account	Amount	Account	Amount	Account	Amount	
2003-2008	22182	67.88	1650	4.68	2374	5.78	21458	66.78	11%
2004-2005	21458	66.78	320	0.76	1504	3.42	20274	64.12	7%
2005-2006	20274	64.12	410	0.87	1623	8.84	19061	55.28	8%
2006-2007	19061	55.28	1148	4.45	1771	5.62	18438	54.12	9%
2007-2008	18438	54.12	1531	12.91	2306	9.78	17663	57.25	11%

**Statement of Arthareen Adalot cases filed and settled during
5 (Five) years**

(Amount in crore)

FY	Position at the beginning of the year		Cases filed		Cases Settled		Position at the yearending		Rate of settlement
	Account	Amount	Account	Amount	Account	Amount	Account	Amount	
2003-2004	5886	91.67	2689	45.52	1453	8.17	7122	129.02	25%
2004-2005	7122	129.02	381	2.53	1244	8.51	6259	123.04	17%
2005-2006	6259	123.04	341	1.80	1522	16.52	5078	108.32	24%
2006-2007	5078	108.32	478	4.16	734	5.44	4812	107.04	14%
2007-2008	4812	107.04	658	39.68	875	25.48	4595	121.24	18%

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Rajshahi Krishi Unnayan Bank
(An undertaking owned by the Government of the People's Republic of Bangladesh)
Detailed statement of Land and Building as on 30.06.2008

Sl no,	Name of Zones	Name of Branch	Land	Building	Balance as on 30.06.08	01-07-2007to30-06-2008		Total	Depreciaton charged on last year book value	Depreciation charged on last years' purchase value	Depreciatio n charged during the year	Present book value
						addition	subtract ion					
1	2	3	4	5	6	7	8	9	10	11	12	13
1.	Rajshahi	Godogari	40,000	0	40,000	-	-	40,000	0	-	0	40,000
	Rajshahi	Mohanpur	40,000	447,194	487,194	-	-	487,194	11,180	-	11,180	476,014
	Rajshahi	Tanore	28,425	450,211	478,636	-	-	478,636	11,255	-	11,255	467,381
2.	Naogaon	Atrai	55,218	905,376	960,594	-	-	960,594	22,634	-	22,634	937,960
3.	Joypurhat	Akkelpur	30,000	506,901	536,901	-	-	536,901	12,672	-	12,672	524,229
	Joypurhat	Madhainagar	10,000	0	10,000	-	-	10,000	0	-	0	10,000
	Joypurhat	Kalai	35,000	0	35,000	-	-	35,000	0	-	0	35,000
4.	Pabna	Bera	19,920	253,626	273,546	-	-	273,546	6,341	-	6,341	267,205
	Pabna	Durgapur	49,500	0	49,500	-	-	49,500	0	-	0	49,500
5.	Rangpur	Pirgacha	76,802	0	76,802	-	-	76,802	0	-	0	76,802
6.	Gaibandha	Gaibandha	204,295	(20,820)	183,475	-	-	183,475	2,891	-	2,891	180,584
7.	Nilpamary	Domar	200,000	481,137	681,137	-	-	681,137	12,028	-	12,028	669,109
8.	Thakurgaon	Thakurgaon	106,258	905,117	1,011,375	-	-	1,011,375	25,232	-	25,232	986,143
	Thakurgaon	Ranishakail	10,000	275,993	285,993	-	-	285,993	6,900	-	6,900	279,093
9.	Panchagarh	Panchagarh	27,500	449,803	477,303	-	-	477,303	11,245	-	11,245	466,058
	Panchagarh	Atwari	10,300	453,707	464,007	-	-	464,007	11,342	-	11,342	452,665
10.	Lalmonirhat	Lalmonirhat	575,000	375,071	950,071	-	-	950,071	6,996	-	6,996	943,075
11.	Bogra	Nandigram	17,850	293,382	311,232	-	-	311,232	7,335	-	7,335	303,897
12.	Head office	-	1,797,000	81,922,000	83,719,000	1,092,597	-	84,811,597	0	-	0	84,811,597
Total :			3,333,068		87,698,698	91,031,766	-	92,124,363	148,051	-	148,051	91,976,312

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Rajshahi Krishi Unnayan Bank
(An undertaking owned by the Government of the People's Republic of Bangladesh)
Statement of Furniture, Fixture and Equipments as on 30-06-2008

Sl.no	Items	Purchase value till last Year	Cumulated total depreciation till end of last year	Total Book value till end of last year	Purchased/ added during the year (plus)	Charged/ adjusted during the year	Current year			Cumulated depreciation at the end of the year	Current book value	
							Total	Depreciation charged on book value during the year	Depreciation charged on Purchase value during the year			Total depreciation charged during the year
1	2	3	4	5=3-4	6	7	8	9	10	11	12	13
01. 134/1 Furniture:												
	a) Head office	15,236,703	5,704,282	9,532,421	199,296	0	9,731,717	257,960	0	257,960	5,962,242	9,473,757
	b) Branch office	38,730,568	21,840,441	16,890,127	2,788,684	340,611	19,338,200	1,647,652	106,211	1,753,863	23,594,304	17,584,337
	sub-total	53,967,271	27,544,723	26,422,548	2,987,980	340,611	29,069,917	1,905,612	106,211	2,011,823	29,556,546	27,058,094
02. 134/2 Office equipment:												
	a) Head office	1,403,364	896,739	506,625	44,601	0	551,226	81,150	0	81,150	977,889	470,076
	b) Branch office	3,234,656	2,284,567	950,089	180,704	44,150	1,086,643	139,667	2,954	142,621	2,427,188	944,022
	sub-total	4,638,020	3,181,306	1,456,714	225,305	44,150	1,637,869	220,817	2,954	223,771	3,405,077	1,414,098
3. 134/3 Machinery:												
	a) Head office	9,438,499	6,831,633	2,606,866	462,189	195,572	2,873,483	598,579		598,579	7,430,212	2,274,904
	b) Branch office	8,297,066	4,912,708	3,384,358	364,447	86,639	3,662,166	612,154	32,917	645,071	5,557,779	3,017,095
	sub-total	17,735,565	11,744,341	5,991,224	826,636	282,211	6,535,649	1,210,733	32,917	1,243,650	12,987,991	5,291,999
4. 134/4: electric installation												
	a) Head office	3,000,889	2,482,512	518,377	7,080	0	525,457	105,318	0	105,318	2,587,830	420,139
	b) Branch office	3,786,853	2,698,787	1,088,066	159,692	125,579	1,122,179	152,500	8,709	161,209	2,859,996	960,970
	sub-total	6,787,742	5,181,299	1,606,443	166,772	125,579	1,647,636	257,818	8,709	266,527	5,447,826	1,381,109
5. 135-motor car and other vehicles :												
	a) Head office	33,262,010	29,776,814	3,485,196	6,282,000	0	9,767,196	1,003,682	0	1,003,682	30,780,496	8,763,514
	b) Branch office	19,306,845	14,091,503	5,215,342	971	4,630	5,211,683	1,423,477	25	1,423,502	15,515,005	3,788,181
	sub-total	52,568,855	43,868,317	8,700,538	6,282,971	4,630	14,978,879	2,427,159	25	2,427,184	46,295,501	12,551,695
	Total	135,697,453	91,519,986	44,177,467	10,489,664	797,181	53,869,950	6,022,139	150,816	6,172,955	97,692,941	47,696,995
6. 139-Land and building												
	a) Head office	83,719,000	0	83,719,000	1,092,597	0	84,811,597	0	0	0	0	84,811,597
	b) Branch office	9,721,916	2,409,150	7,312,766	0	0	7,312,766	148,051	0	148,051	2,557,201	7,164,715
	sub-total	93,440,916	2,409,150	91,031,766	1,092,597	0	92,124,363	148,051	0	148,051	2,557,201	91,976,312
G. Total :(1+2+3+4+5+6)		229,138,369	93,929,136	135,209,233	11,582,261	797,181	145,994,313	6,170,190	150,816	6,321,006	100,250,142	139,673,307

Kazi Zahir Khan & Co
Chartered Accountants

Saha Majumder & Co
Chartered Accountants

Rajshahi Krishi Unnayan Bank
(An undertaking owned by the Government of the People's Republic of Bangladesh)

অর্থবছর ও জড়িত অর্থ সীমা ভিত্তিক অসম্মিত এন্ট্রির বিবরণী

FY	Below 1.00 lac.		1.00 lac to below 2.00 lac		2.00 lac to below 3.00 lac		3.00 lac to below 4.00 lac		4.00 lac to below 5.00 lac		5.00 lac and above		Total
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	
1997-1998	26	30	4	5	5	6	6	7	6	1	1	0	97
1998-1999	58	69	3	5	2	3	0	1	1	4	4	2	152
1999-2000	135	171	6	1	1	1	0	0	0	1	1	0	317
2000-2001	200	178	13	22	3	4	3	0	0	1	1	1	426
2001-2002	250	236	18	21	9	8	1	2	2	4	5	4	560
2002-2003	366	208	10	11	6	3	2	3	3	7	8	7	634
2003-2004	742	970	90	23	36	14	10	4	5	5	6	8	1913
2004-2005	957	1231	192	200	84	71	36	35	16	14	28	10	2874
2005-2006	1778	2110	203	263	218	183	119	75	117	80	42	32	5220
2006-2007	994	1743	666	1446	562	842	574	490	176	212	61	101	7867

সযোজনী-৩

FY	Debit	Credit	Total
2002-2003	1250	1156	2406
2003-2004	835	1079	1914
2004-2005	1467	1407	2874
2005-2006	2622	2588	5210
2006-2007	2961	4695	7656
	9135	10925	20060