

Annual Report 2021

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পুবালী ব্যাংক লিমিটেড
PUBALI BANK LIMITED

ANNUAL REPORT 2021



Welcome to our **Annual Report** 2021

This report focuses to inform our valued Stakeholders about our financial & non-financial performance in 2021. This report also aims to present a balanced and concise analysis of our strategy, performance, prospects as well as good governance. This report is a testimonial to strength, soundness and capability of moving forward through consistent progress in all parameters of the Bank in the year 2021.

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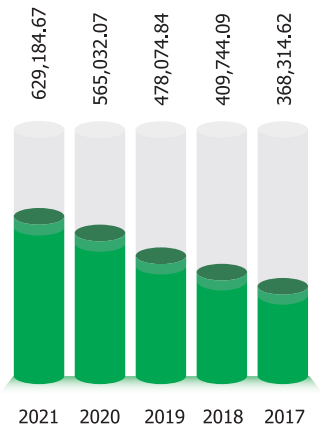
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39th Annual General Meeting
Pubali Bank Limited

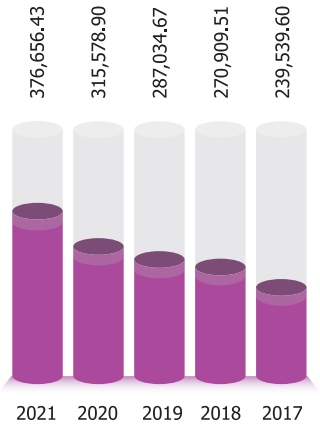
Physical and Virtual Meeting

Date: Tuesday, 31 May 2022
Time: 10:30 AM, Dhaka Time
Live webcast- https://www.pubalibangla.com/AGM2022
Venue: Pubali Bank Auditorium
Head Office, 26 Dilkusha C/A, Dhaka

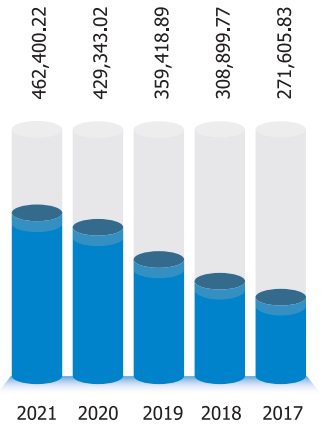
Financial Performance



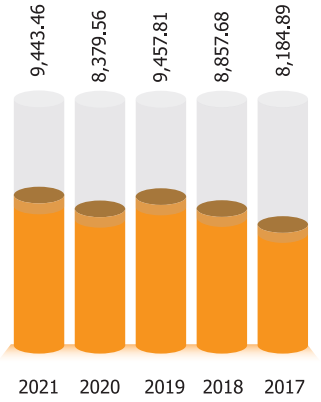
Total Assets
(BDT in Million)



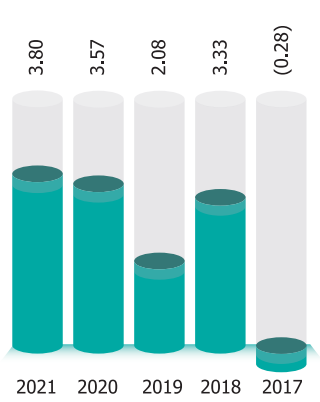
Loans and Advances
(BDT in Million)



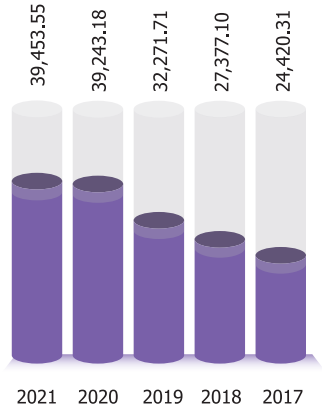
Deposits
(BDT in Million)



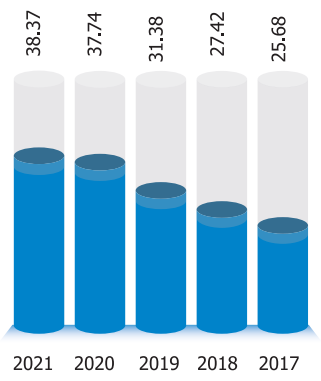
Operating Profit
(BDT in Million)



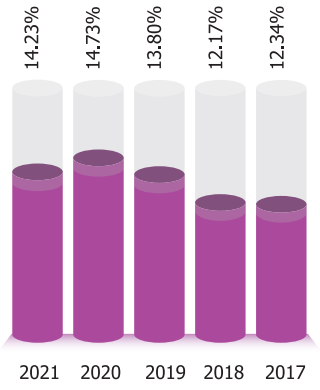
Earnings Per Share (EPS)
(in BDT)



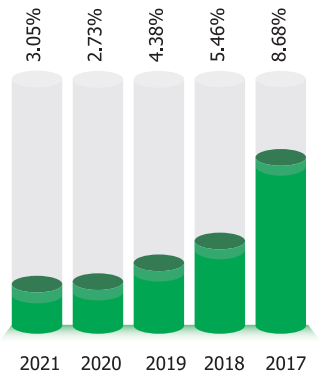
Total Shareholders' Equity
(BDT in Million)



Net Asset Value Per Share (NAVPS) (in BDT)

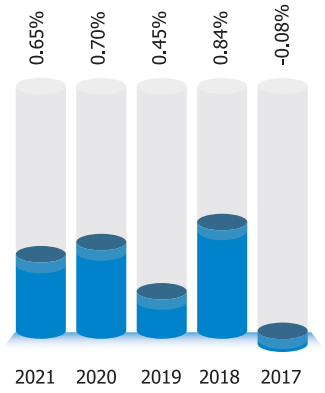


CRAR/ CAR
(in %)

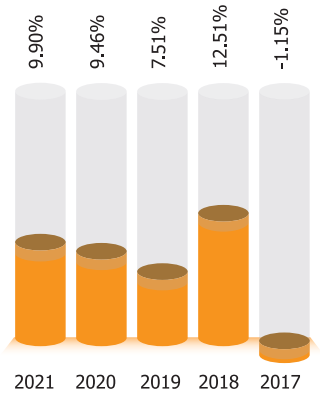


NPL
(in %)

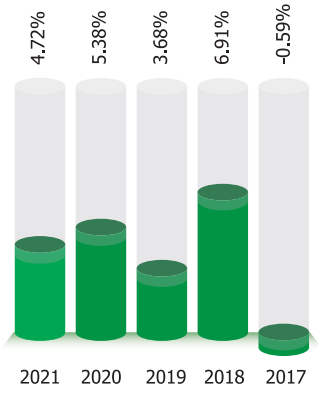
Financial Performance



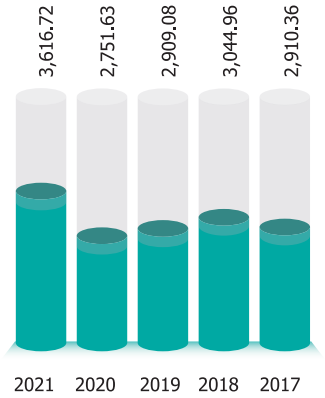
Return on Assets (ROA)
(in %)



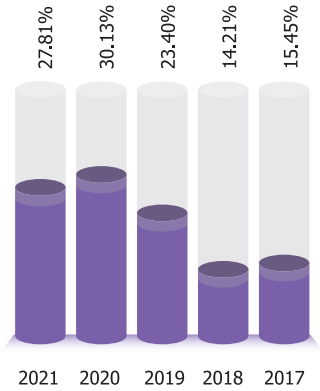
Return on Equity (ROE)
(in %)



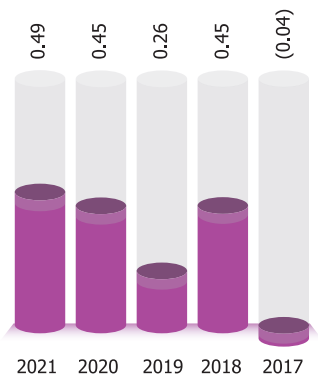
Return on Investment (ROI)
(in %)



Non-interest income
(BDT in Million)

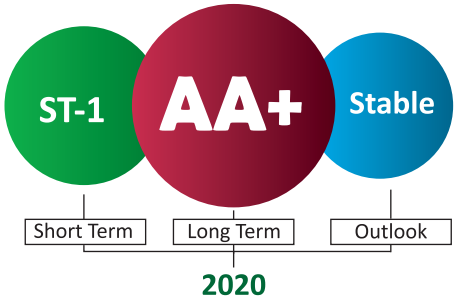


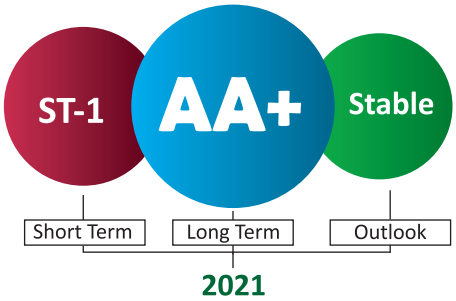
Statutory Liquidity Ratio (SLR) (in %)



Net profit per employee
(BDT in Million)

Credit Rating





Corporate Social Responsibility

2020
BDT 75.89 million

2021
BDT 120.52 million

Letter of Transmittal

All respected shareholders of Pubali Bank Limited
Bangladesh Bank
Bangladesh Securities and Exchange Commission (BSEC)
Dhaka Stock Exchange Limited (DSE)
Chittagong Stock Exchange PLC (CSE)
Financial Reporting Council
Registrar of Joint Stock Companies and Firms

Dear Sir,

Annual Report of Pubali Bank Limited for the year ended 31 December 2021.

Please accept best compliments from Pubali Bank Limited.

We are pleased to present before you the Annual Report 2021 of Pubali Bank Limited along with the consolidated Financial Statements of its subsidiary company Pubali Bank Securities Limited for your kind information and record.

The Annual Report 2021 covers the period from 1 January 2021 to 31 December 2021 and includes message from the Chairman of the Board of Directors, Report of the Managing Director & CEO, Directors' Report and audited Financial Statements with relevant notes along with the consolidated statements of subsidiary company and Non-Financial information. Our Annual Report aims to present a balanced and concise analysis of our strategy, performance, governance and prospects.

Management of the Bank, the business units and related divisions approved the relevant contents in the Annual Report. The Annual Report 2021 is testimonial to strength, soundness and capability of moving forward through consistent progress in all parameters of the Bank in the year 2021.

Yours Sincerely,

Zahid Ahsan
Deputy Managing Director
& Company Secretary

Forward Looking Statement

This announcement constitutes forward-looking statements about the bank, including financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations or forecasts.

These statements include statements regarding our intent. belief or current expectations regarding our customer base, estimates regarding future growth in our different business lines and our overall business, market share, financial results and other aspects of our activity and situation relating to the bank. The forward-looking statements in this document can be identified, in some instances, by the use of words such as expects, anticipates, intends, believes, and similar language or the negative thereof or by the forward-looking nature of discussions of strategy, plans or intentions.

Such forward-looking statements, by their nature, are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors.

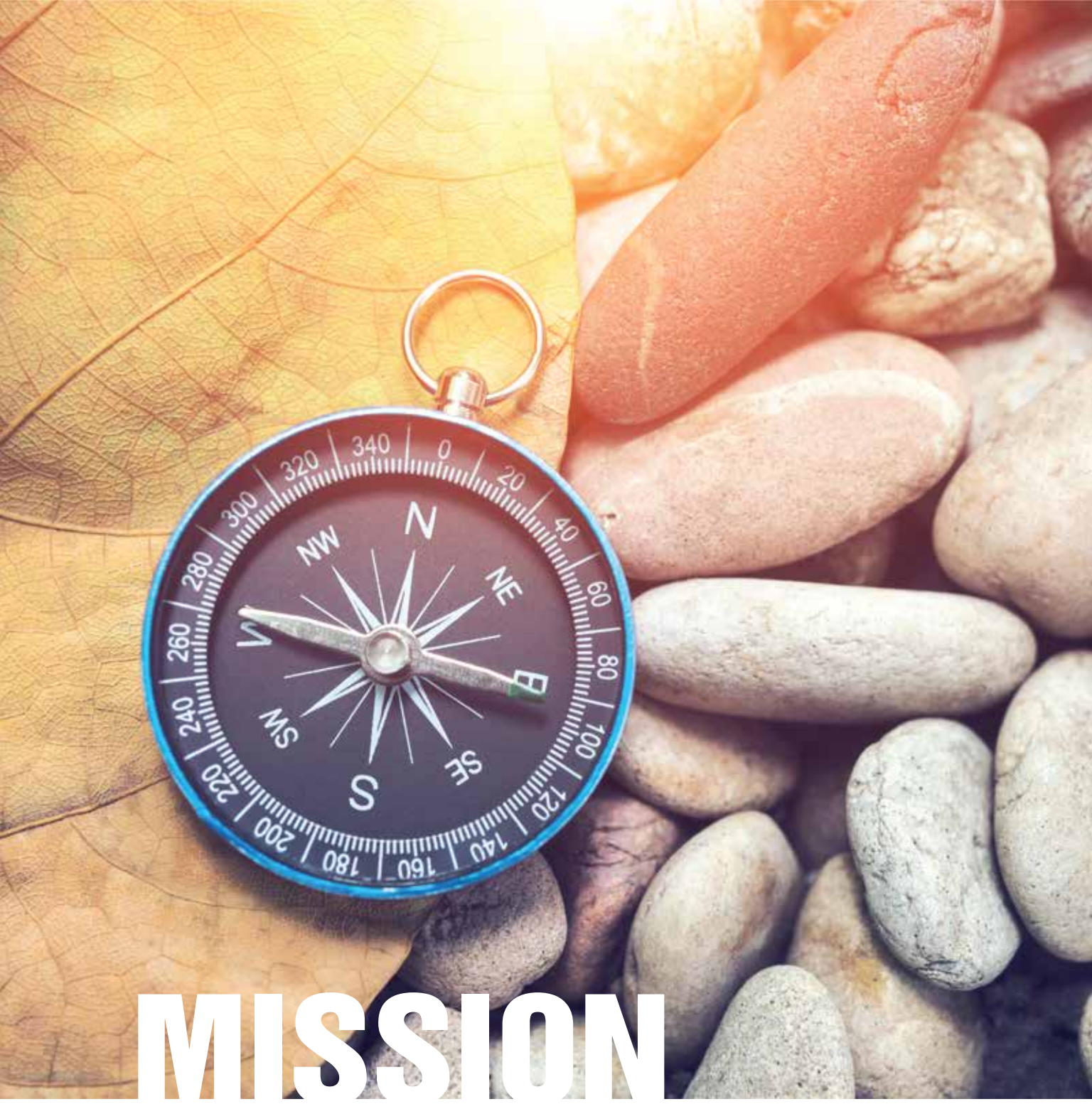
Neither this presentation nor any of the information contained herein constitutes an offer of purchase, sale or exchange, nor a request for an offer of purchase, sale or exchange of securities, or any advice or recommendation with respect to Pubali Bank Ltd. Moreover, be informed that this document may contain summarized information or information that has not been audited. In this sense, this information is subject to, and must be read in conjunction with, all other publicly available information, including if it is necessary, any disclosure documents published by the bank.

Finally, we caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our future oriented statement, to make any decision with respect to the bank, investors and other should carefully consider the foregoing factors and other uncertainties and potential events. We do not undertake to update any future oriented statement, whether written or oral that may be made from time to time by us on our behalf.



VISION

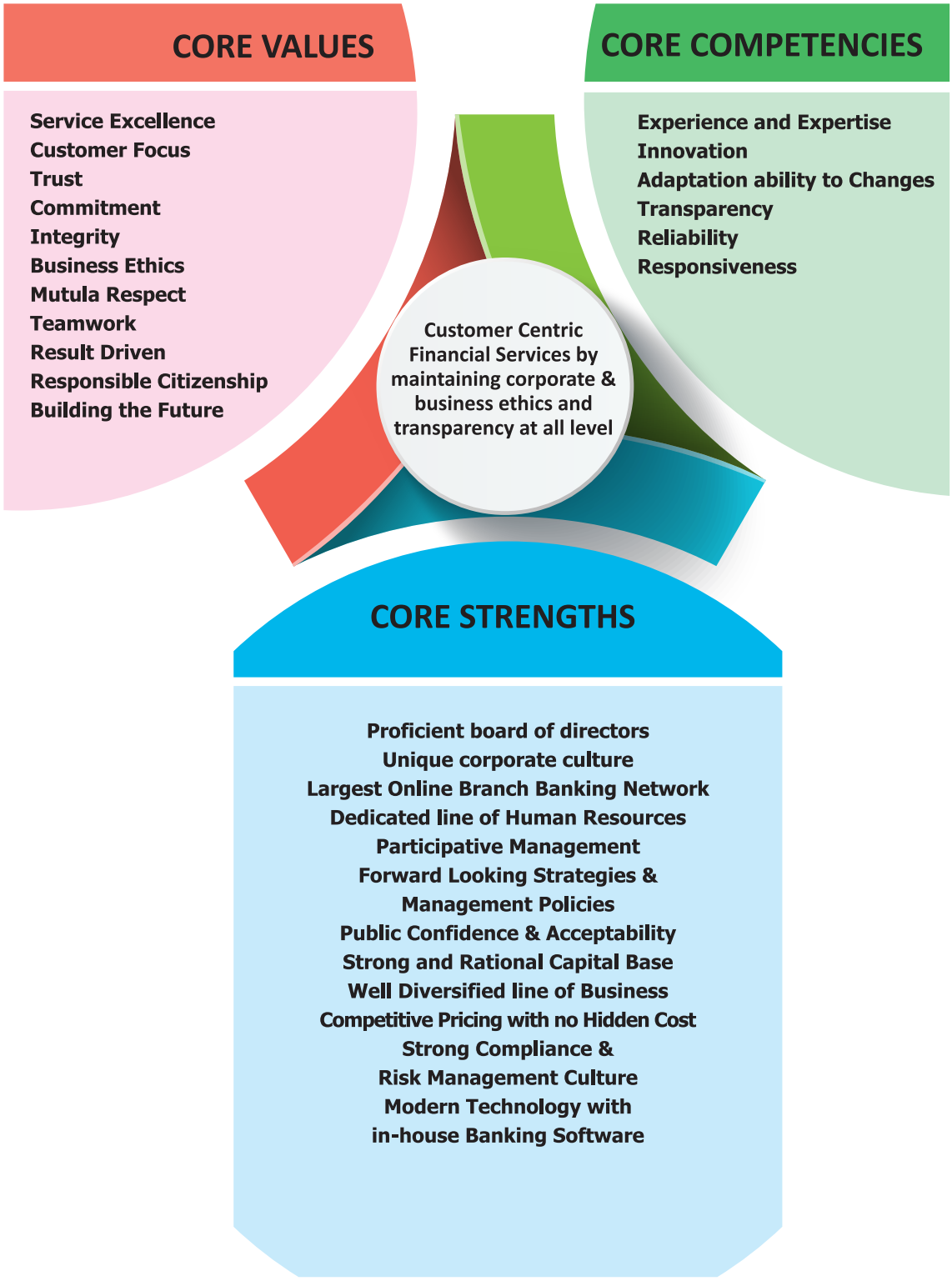
Providing Customer Centric Life Long Banking Services



MISSION

- To be the most respected and preferred brand among all financial service providers in Bangladesh.
- Providing a superior value proposition to the customers by fulfilling their financial needs in the fastest and most appropriate way.
- To provide world class finance, capital and risk management products bundled with diversity and differentiation, delivered economically through the client's choice of distribution channel recognizing the unique lifetime financial needs of clients.
- To build an empowering organization with the structure, career development, training and rewards to ensure the vision is achieved.
- Using flexible technology, scale and risk management to ensure our services are of superior value.

VALUES


CORE VALUES
Service Excellence
Customer Focus
Trust
Commitment
Integrity
Business Ethics
Mutula Respect
Teamwork
Result Driven
Responsible Citizenship
Building the Future
CORE COMPETENCIES
Experience and Expertise
Innovation
Adaptation ability to Changes
Transparency
Reliability
Responsiveness
Customer Centric Financial Services by maintaining corporate & business ethics and transparency at all level
CORE STRENGTHS
Proficient board of directors
Unique corporate culture
Largest Online Branch Banking Network
Dedicated line of Human Resources
Participative Management
Forward Looking Strategies &
Management Policies
Public Confidence & Acceptability
Strong and Rational Capital Base
Well Diversified line of Business
Competitive Pricing with no Hidden Cost
Strong Compliance &
Risk Management Culture
Modern Technology with
in-house Banking Software

Strategic Priority



Corporate Profile

KEY CORPORATE INFORMATION

Registered Name	**Pubali Bank Limited**
Legal Status	**Public Limited Company**
Type of Business	**Banking Service**
Date of Incorporation	**30 June 1983**
Date of Commencement	**11 August 1983**
Company Registration No.	**C-10881/777 of 1982-1983**
Bangladesh Bank Permission Date	**15 September 1983**
Date of Listing with DSE	**25 September 1984**
Date of Listing with CSE	**31 December 1995**
Authorized Capital	**BDT 2000,00,00,000**
Paid up Capital	**BDT 1028,29,42,180**
Tax Payer Identification No.	**147541533430**
VAT Registration No.	**BIN 000000196**
Total Manpower	**8,022**
Number of Branches	**490**
Number of Sub-branches	**40**
Number of Islamic Banking Windows	**17**
Number of AD Branches	**29**
Number of SME/Krishi Branches	**05**
Number of ATM Booths	**276**
Bank's Subsidiary	**Pubali Bank Securities Limited**

KEY MEMBERS OF THE BOARD OF DIRECTORS & ITS ASSISTIVE COMMITTEES

Chairman	**Mr. Monzurur Rahman**
Chairman, Executive Committee	**Mr. Md. Abdur Razzak Mondal**
Chairman, Audit Committee	**Mr. Mohammad Naushad Ali Chowdhury**
Chairman, Risk management Committee	**Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA**
Chairman, Nomination and Remuneration Committee	**Dr. Shahdeen Malik**
Managing Director & CEO	**Mr. Safiul Alam Khan Chowdhury as Ex-Officio Member**
Company Secretary	**Mr. Zahid Ahsan**

KEY SENIOR MANAGEMENT OFFICIALS

Additional Managing Director & COO	**Mr. Mohammad Ali**
Deputy Managing Director & Company Secretary	**Mr. Zahid Ahsan**
Deputy Managing Director	**Mr. Mohammad Esha**
Deputy Managing Director	**Mr. Mohammad Shahadat Hossain**
General Manager & Chief Financial Officer	**Mr. Mohammad Liton Miah FCA**

Corporate Profile

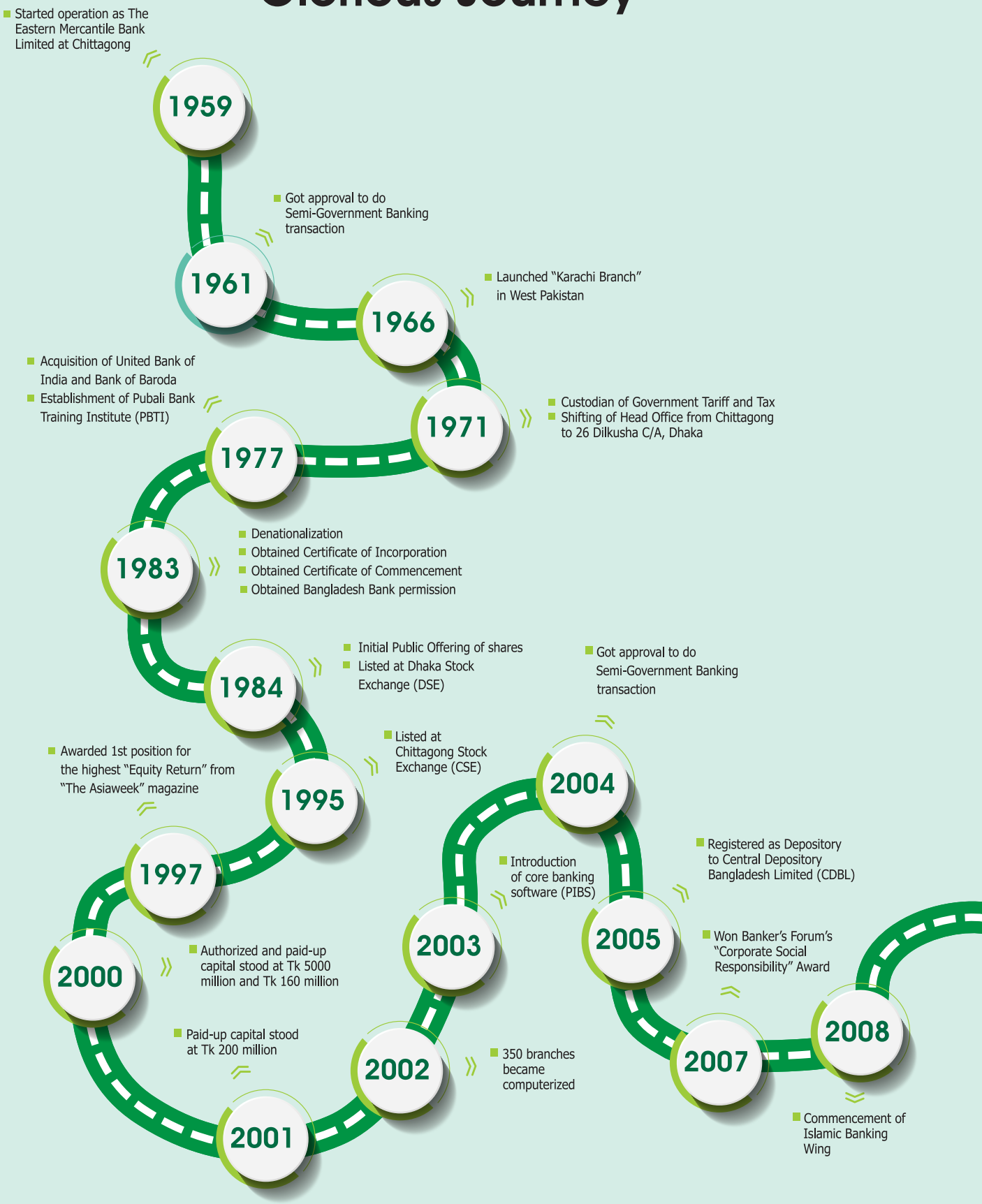
AUDITORS, CONSULTANTS & RATING AGENCY

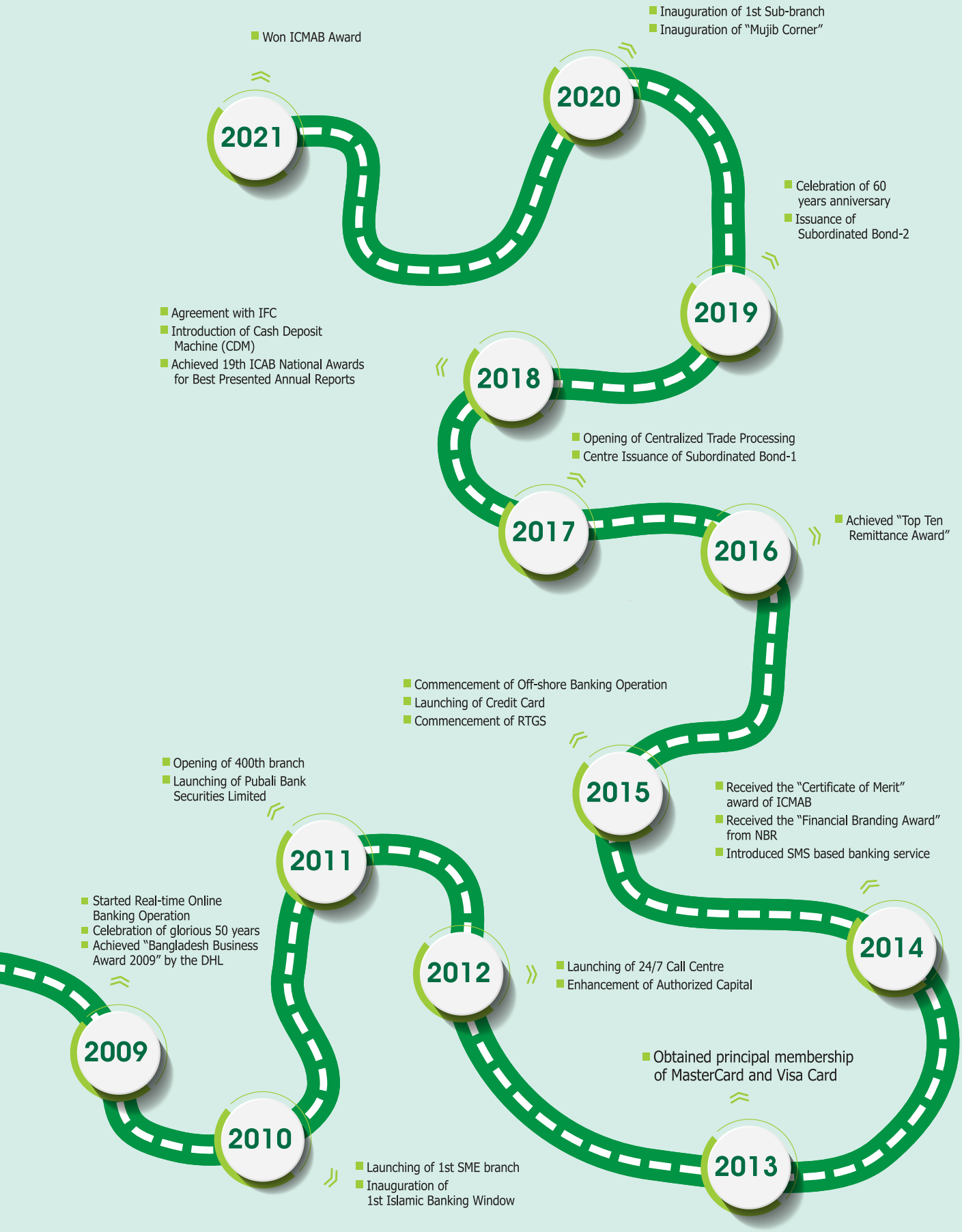
External Auditors	**Howlader Yunus & Co., Chartered Accountants** House 14 (Level 4 & 5), Road 16A Gulshan -1, Dhaka 1212
	A.Qasem & Co., Chartered Accountants Gulshan Pink City, Suit 1-3, Level 7, Plot 15, Road 103, Block-CEN(C) Gulshan, Dhaka 1212
Compliance Auditor	**Mohammad Sanaullah & Associates** Chartered Secretaries Rosetta, B4, House 8, Road 12 Dhanmondi, Dhaka 1209
Tax Consultant	**S. F. Ahmed & Co., Chartered Accountants,** House 51 (2nd & 3rd Floor), Road 9, Block F, Banani, Dhaka 1213
Credit Rating Agency	**Credit Rating Information and Service Limited** Nakshi Homes (1st, 4th & 5th Floor) 6/1/A, Segun Bagicha, Dhaka 1000

CONTACT

Registered Office & Corporate Head Office	26, Dilkusha C/A, Dhaka 1000, Bangladesh
GPO Box No.	853
Contact Information	Phone- +88 02 22338 1614, Fax- +88 02 22338 4009
Contact Center	16253
E-mail	mailbox@pubalibankbd.com
Website	www.pubalibangla.com
SWIFT Code	PUBABDDH
Investor's Enquiry	**Share Department** Head Office, Pubali Bank Limited Level 3, 26 Dilkusha C/A, Dhaka 1000
GPO Box No.	853
Contact	PABX +88 02 22338 1614 Ext: 227, 230, 369, 366
E-mail	boardpbl@pubalibankbd.com

63 Years of Glorious Journey




2021
Won ICMAB Award
2020
Inauguration of 1st Sub-branch
Inauguration of "Mujib Corner"
2019
Celebration of 60 years anniversary
Issuance of Subordinated Bond-2
2018
Agreement with IFC
Introduction of Cash Deposit Machine (CDM)
Achieved 19th ICAB National Awards for Best Presented Annual Reports
2017
Opening of Centralized Trade Processing
Centre Issuance of Subordinated Bond-1
2016
Achieved "Top Ten Remittance Award"
2015
Commencement of Off-shore Banking Operation
Launching of Credit Card
Commencement of RTGS
2014
Received the "Certificate of Merit" award of ICMAB
Received the "Financial Branding Award" from NBR
Introduced SMS based banking service
2013
Obtained principal membership of MasterCard and Visa Card
2012
Launching of 24/7 Call Centre
Enhancement of Authorized Capital
2011
Opening of 400th branch
Launching of Pubali Bank Securities Limited
2010
Launching of 1st SME branch
Inauguration of 1st Islamic Banking Window
2009
Started Real-time Online Banking Operation
Celebration of glorious 50 years
Achieved "Bangladesh Business Award 2009" by the DHL

Award & Recognitions



Award & Recognitions





Award & Recognitions





Memories of 38th Annual General Meeting

Mr. Monzurur Rahman, honorable Chairman of the Board delivering his speech in the 38th Annual General Meeting of the bank.





A moment of 38th Annual General Meeting held both with physical and virtual presence of honorable Directors, Senior Executives, Shareholders and others.

Our distinguished Shareholders attending the 38th Annual General Meeting.





39th Annual General Meeting
Pubali Bank Limited

Physical and Virtual Meeting

Date: Tuesday, 31 May 2022

Time: 10:30 AM, Dhaka Time

Live webcast-https://www.pubalibangla.com/AGM2022

Venue: Pubali Bank Auditorium
Head Office, 26 Dilkusha C/A, Dhaka

PUBALI BANK LIMITED

Registered Office
26 Dilkusha C/A, Dhaka-1000, Bangladesh

NOTICE OF THE 39TH ANNUAL GENERAL MEETING

Notice is hereby given to all concern that the 39th Annual General Meeting (AGM) of Pubali Bank Limited will be held on **Tuesday 31 May 2022** at **10.30 AM** (Dhaka Time) using Hybrid System i.e. at **Pubali Bank Auditorium, Head Office, 26 Dilkusha C/A, Dhaka** with physical presence and also virtually through the link **http://www.pubalibangla.com/AGM2022** by using digital platform to transact the following businesses:

AGENDA

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st December 2021 and Reports of the Directors and Auditors thereon.
2. To declare Dividend for the year ended 31 December 2021 as recommended by the Board of Directors.
3. To confirm the appointment of the Independent Director
4. To appoint/re-appoint Auditors of the Bank for the year 2022 and to fix their remuneration.
5. To appoint/re-appoint Corporate Governance Compliance Auditor for the year 2022 and to fix their remuneration.
6. To elect / re-elect Directors.

All the honorable members/shareholders of Pubali Bank Ltd. are requested kindly to make it convenient to attend the meeting physically or virtually in time.

Dated: Dhaka
26 April 2022

By order of the Board of Directors
sd/-
Zahid Ahsan
Deputy Managing Director &
Company Secretary

NOTES:

a) The members whose names will appear on the Members/Depository Register as on the "**Record Date**" i.e. **Sunday 08 May 2022** are eligible to attend/participate and vote in the 39th Annual General Meeting (AGM) and also entitle to receive dividend.

b) Pursuant to BSEC's Order Nos. SEC/SRMIC/94-231/25, BSEC/CMRRCD/2009-193/08 and SEC/SRMIC/94-231/91 dated 08 July 2020, 10 March 2021 and 31 March 2021 respectively, the Annual General Meeting will be conducted using Hybrid System i.e. at **Pubali Bank Auditorium, Head Office, 26 Dilkusha C/A, Dhaka** with physical presence and also virtually through the link **http://www.pubalibangla.com/AGM2022** by using digital platform

c) As per Companies Act 1994 under Regulation 79, 80 and 81 of schedule- I and as per article no. 90 & 91 of the Bank's Articles of Association, one- third of the directors need to retire every year and they will be eligible for re-election. Under this circumstances, the honorable directors (a) Mr. Monzurur Rahman (b) Mr. M. Kabiruzzaman Yaqub (c) Mr. Azizur Rahman and (d) Ms. Rana Laila Hafiz will retire in the 39th Annual General Meeting and they are eligible for re-election.

d) A Member entitled to attend and vote at the Annual General Meeting may appoint a **Proxy** to attend and vote in his/her stead. He / she shall have to submit his / her **proxy form**, duly filled in, signed and stamped (along with other necessary papers, if any) through online after successful completion of Registration or Paper based Manual form in the Share Department, 3rd floor, Registered Office, 26 Dilkusha C/A, Dhaka of the Bank no later than 48 hours before commencement of the Annual General Meeting i.e. **Sunday 29 May 2022** up to **10.30 AM.**

e) An entitled member who wants to attend the meeting and cast his/her vote physically has to submit his/her duly filled and signed registration form to the registration counter at Registered Office of **Pubali Bank Limited, Credit Conference Room, 5th Floor, 26 Dilkusha C/A, Dhaka** of the Bank. Then an OTP (One Time Password) will be sent to his/her mobile number and email address mentioned in the registration form. By using the OTP, he/she will be able to attend in the meeting physically in the AGM venue (Pubali Bank Auditorium, 13th floor, Head Office, 26 Dilkusha C/A, Dhaka) and exercise his/her voting right through ballot paper (at Registered Office of **Pubali Bank Limited, Credit Conference Room, 5th Floor, 26 Dilkusha C/A, Dhaka** of the Bank). Time for physical registration will be **Tuesday 31 May 2022** from **8.00 AM** to before closure of the Meeting and time for physical voting will be **Tuesday 31 May 2022** from **10.30 AM** to before closure of the Meeting.

f) An entitled member who wants to attend the meeting virtually by using digital platform and cast his/her vote through online has to go to the link: **www.pubalibangla.com/AGM2022** for login to the system. After putting his/her 16 digit BO ID/folio ID, an OTP (One Time Password) will be sent to his/her registered mobile number and email address (as per CDBL data). By using the OTP, he/she will be able to attend and cast his/her vote through online. Time for online registration and e-voting will be **Monday 30 May 2022** from **8.00 AM** to before closure of the Meeting on **Tuesday 31 May 2022**.

g) A valid **proxy holder** may attend the meeting virtually through link: **www.pubalibangla.com/AGM2022** by using digital platform or physically in the AGM venue (Pubali Bank Auditorium, 13th floor, Head Office, 26 Dilkusha C/A, Dhaka) and may cast his/her vote through online (link: http://www.pubalibangla.com/AGM2022) from **Monday 30 May 2022** at **8.00 AM** to before closure of the Meeting on **Tuesday 31 May 2022** or paper ballot (at Registered Office of **Pubali Bank Limited, Credit Conference Room, 5th Floor, 26 Dilkusha C/A, Dhaka of the Bank**) from T**uesday 31 May 2022** at **10.30 AM** to before closure of the Meeting.

h) The last date of submission of nomination paper through link **www.pubalibangla.com/AGM2022** or manually at Board Division for election of Directors is **22.05.2022** up to **5.00 PM**. Scrutiny of nomination papers will be completed on **24.05.2022** and will be published the eligible candidates list in the Notice Board of the Bank's Registered Office, 26 Dilkusha C/A, Dhaka by the Chief Election Commissioner and also in the bank's website by **5.00 PM**. Last date of withdrawal of nomination paper through email to "**chiefelectioncommissioner@pubalibankbd.com**" or paper based manually on **25.05.2022** up to **5.00 PM** and list of names of final candidates to be published in the Notice Board of the Bank's Registered Office, 26 Dilkusha C/A, Dhaka by the Chief Election Commissioner and also in the bank's website on **25.05.2022** after **5.00 PM**.

i) Nomination form, Registration Form and Proxy Form will be available in the Bank's website **www.pubalibangla.com**

j) All the online related activities are available in the link: **www.pubalibangla.com/AGM2022**

k) Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRC-D/2006-158/208/Admin/81 dated 20 June 2018, the soft copy of the Annual Report 2021 will be sent to the email addresses of the Members available in their Beneficial Owner (BO) accounts maintained with the Depository. The Members are requested to update their email addresses through their respective Depository Participant (DP). The soft copy of the Annual Report 2021 will also be available on the Investor Relations section of the Bank's website at: **www.pubalibangla.com**.

l) **Honorable Shareholders are requested to update their Mailing Address, Bank Account no., Branch Routing no., Signature, Mobile Number and other related information through Depository Participant (DP) of their BO Account before record date i.e before 08 May 2022.**

m) **Hon'ble Shareholders under BO are requested to update their respective BO Accounts with 12 Digits Taxpayer's Identification Number (e-TIN) through Depository Participant (DP) and Hon'ble Shareholders under Folio are requested to provide their e-TIN Certificate to Share Department of the Registered Office before record date i.e before 08 May 2022, failing which Income Tax at Source will be deducted from payable Dividend @ 15% (Fifteen Percent) instead of @ 10% (Ten Percent) as per amended under section 54 of IT Ordinance 1984.**

n) Merchant Banks and depository participant (DPs) are requested to email the soft copy of their margin clients list (in MS Excel format) as on 'Record Date' at **boardpbl@pubalibankbd.com** within **30 May 2022** for facilitating payment of Cash Dividend.

o) The Board of Directors has recommended **M/s MABS & J Partners Chartered Accountants** to appoint and **M/s A. Qasem & Co. Chartered Accountants** to re-appoint as auditor of the bank for the year 2022.

p) The Board of Directors has recommended **M/s Mohammad Sanaullah & Associates, Chartered Secretaries & Management Consultants** to re-appoint as Corporate Governance Compliance Auditor of the bank for the year 2022.

Payment of Dividend:

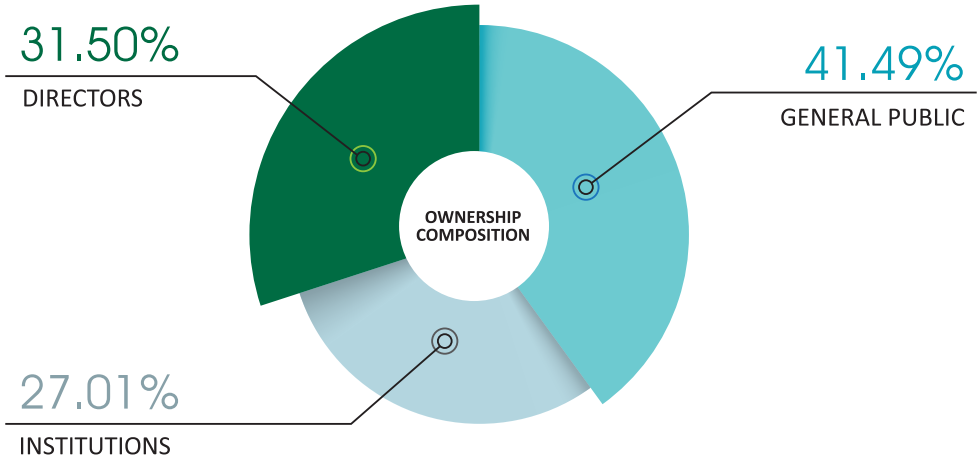
- Cash Dividend amount will be credited to the respective bank account of the shareholder through BEFTN.

Shareholder Information

1. GENERAL:

Authorized Capital	: BDT 2000,00,00,000
Issued and fully Paid-up Capital	: BDT 1028,29,42,180
Total number of Outstanding Securities	: 102,82,94,218 units of equity shares
Type of Securities	: Ordinary Shares
Face Value/Par Value of Shares	: BDT 10.00 each
Total number of Shareholders	: 35,648 as on 31.12.2021
Trading code	: PUBALIBANK
ISIN	: BD0106PUBNK6

2. SHAREHOLDING PATTERN:



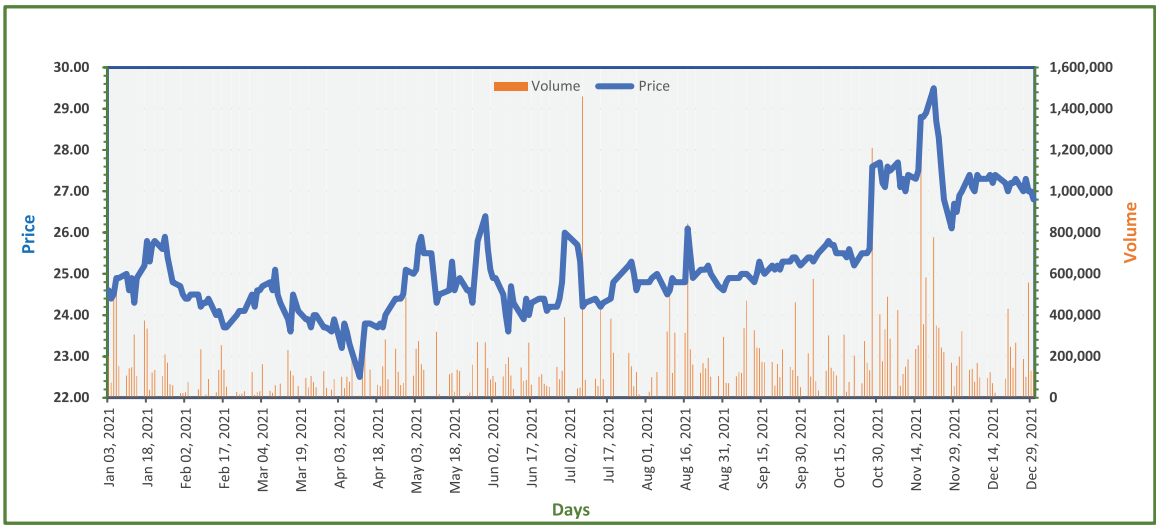
3. LAST 05 YEARS' DIVIDEND SUMMARY:

For the Year	Dividend Rate (%)	Dividend Per Share (BDT)	Par Value Per Share (BDT)	Dividend Type
2021(Proposed)	12.50%	1.25	10.00	12.50 % Cash
2020	12.50%	1.25	10.00	12.50 % Cash
2019	10%	1.00	10.00	10% Cash
2018	13%	1.30	10.00	10% Cash 3% Stock
2017	10%	1.00	10.00	5% Cash 5% Stock

4. PUBALI BANK SHARE TRADING STATUS OF 2021:

Month	DSE				CSE				Grand Total	
	Month High	Month Low	Total Turnover (mn)	Total Volume (Number)	Month High	Month Low	Total Turnover (mn)	Total Volume (Number)	Turnover (mn) DSE & CSE	Volume (Number) DSE & CSE
January	26.80	23.70	100.30	3,985,616	27.30	24.00	14.11	547,582	**114.41**	**4,533,198**
February	25.40	23.00	32.45	1,339,302	24.90	22.70	1.50	62,100	**33.95**	**1,401,402**
March	25.20	23.50	37.15	1,543,247	24.70	23.20	2.36	97,922	**39.52**	**1,641,169**
April	25.40	22.00	70.20	2,922,522	24.60	22.50	1.99	83,259	**72.19**	**3,005,781**
May	27.10	24.00	67.01	2,657,291	26.80	24.10	220.56	8,945,551	**287.57**	**11,602,842**
June	27.10	23.40	65.52	2,673,934	25.20	22.90	3.76	154,729	**69.28**	**2,828,663**
July	26.50	23.90	85.21	3,476,992	25.50	23.80	1.75	70,310	**86.96**	**3,547,302**
August	26.30	24.20	106.14	4,242,102	26.00	24.70	2.69	106,944	**108.84**	**4,349,046**
September	26.10	24.60	102.42	4,079,623	25.70	24.90	7.82	309,864	**110.25**	**4,389,487**
October	28.10	25.00	123.56	4,695,601	27.90	25.00	9.64	372,373	**133.20**	**5,067,974**
November	30.30	26.00	204.70	7,284,257	29.80	26.50	7.47	265,424	**212.16**	**7,549,681**
December	28.00	26.30	101.48	3,741,002	28.10	26.70	6.84	249,888	**108.32**	**3,990,890**

DSE Price Volume Chart Of PBL Share- 2021



5. DIVIDEND DISTRIBUTION POLICY:

Pubali Bank Limited has formulated a dividend distribution policy in line with the Directive No. BSEC/CMRRC-D/2021-386/03 dated January 14, 2021 of the Bangladesh Securities and Exchange Commission (BSEC).

DISTRIBUTION TIME

Pubali Bank Limited shall pay off the annual or final dividend to the entitled shareholder within 30 (thirty) days of approval. Provided that interim dividend shall be paid off to the entitled shareholder within 30 (thirty) days of record date.

CASH DIVIDEND

Cash dividend shall be distributed in the following manner and procedures, namely: -

i. Within 10 (ten) days of declaration of cash dividend by the board of directors, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of Pubali Bank Limited, dedicated for this purpose;

ii. Pubali Bank Limited shall pay off cash dividend directly to the bank account of the entitled shareholder as available in the Beneficiary Owner (BO) account maintained with the depository participant (DP), or the bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN):

Provided that Pubali Bank Limited may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;

iii. Pubali Bank Limited, upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN:

Provided that upon receiving the cash dividend, the stock broker or merchant banker or portfolio manager shall immediately account for such dividend in the individual client's portfolio account:

Provided further that the stock broker or merchant banker or portfolio manager shall provide detailed information (e.g., BO account number, code number, bank account number, intention, etc. of the client or customer including CCBA of stock broker or separate bank account of merchant banker or portfolio manager) to Pubali Bank Limited for such claim;

iv. Pubali Bank Limited, in case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, shall issue cash dividend warrant and shall send it by post to the shareholder;

v. Pubali Bank Limited shall pay off cash dividend to non-resident sponsor, director, shareholder or foreign

portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard;

vi. Pubali Bank Limited, immediately after disbursement of cash dividend and issuance of a certificate of tax deducted at source, if applicable, shall intimate to the shareholder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder;

vii. Pubali Bank Limited shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof, as per BO account number-wise or name-wise or folio number-wise of the shareholder; and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (quarterly/annually) as a separate line item 'Unclaimed Dividend Account':

Provided that Pubali Bank Limited shall publish the year-wise summary of its unpaid or unclaimed dividend in the website:

Provided further that any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remains, shall be transferred to a separate bank account of Pubali Bank Limited as maintained for this purpose, within 1 (one) year from the date of declaration or approval or record date, as the case may be.

STOCK DIVIDEND

Pubali Bank Limited shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL);

Pubali Bank Limited, the CDBL and the exchange(s) shall follow the provisions of প্রবিধান 46 of the ডিপোজিটরি (ব্যবহারিক) প্রবিধানমালা, 2003 for issuance of bonus shares:

Provided that Pubali Bank Limited shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership:

a. Pubali Bank Limited shall send at least 3 (three) reminders to the entitled shareholder;

b. The Suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to Pubali Bank Limited:

Provided that any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the Suspense BO Account.

c. Pubali Bank Limited shall, upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO Account to the BO account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the BSEC and the exchange(s);

d. Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholder is established.

COMPLIANCE REPORT REGARDING DIVIDEND DISTRIBUTION

Pubali Bank Limited shall submit a compliance report to the BSEC and the exchange(s) in a specified format within 7 (seven) working days of completion of dividend distribution:

Provided that Pubali Bank Limited shall publish the compliance report in its website.

FORFEITURE OF UNCLAIMED CASH OR STOCK DIVIDEND

Pubali Bank Limited shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force.

TRANSFER TO THE FUND FOR UNPAID OR UNCLAIMED OR UNSETTLED CASH DIVIDEND

If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by Pubali Bank Limited to the Fund as directed or prescribed by the BSEC:

Provided that Pubali Bank Limited shall provide detailed information to the manager of the Fund during transfer of cash dividend as directed or prescribed by the BSEC:

Provided further that if any shareholder claims his cash dividend after transfer of such dividend to the Fund, within 15 (fifteen) days of receiving such claim, Pubali Bank Limited shall, after proper verification of the claim, recommend to the manager of the Fund to pay off such dividend from the Fund and the manager of the Fund shall pay off such cash dividend to the claimant in accordance with the provisions and procedures as directed or prescribed by the BSEC.

TRANSFER TO THE FUND FOR UNPAID OR UNCLAIMED OR UNSETTLED STOCK DIVIDEND

If any stock dividend or bonus shares remains unclaimed or unsettled including corporate benefit in terms of bonus shares thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred in dematerialized form to the BO Account of the Fund as mentioned above:

Provided that Pubali Bank Limited shall provide detailed information to the manager of the Fund during transfer of stock dividend or bonus shares as directed or prescribed by the BSEC:

Provided further that if any shareholder claims his stock dividend or bonus shares after transfer of such dividend or bonus shares to the BO Account of the Fund, within 15 (fifteen) days of receiving such claim, Pubali Bank Limited shall, after proper verification of the claim, recommend to the manager of the Fund to pay off or transfer such stock dividend or bonus shares from the BO Account of the Fund and the manager of the Fund shall pay off or transfer such stock dividend or bonus shares to the claimant's BO Account in accordance with the provisions and procedures as directed or prescribed by the BSEC.

MAINTAINING DETAIL INFORMATION OF THE SHAREHOLDER FOR THE PURPOSE OF PROPER DISTRIBUTION OF CASH DIVIDEND OR STOCK DIVIDEND

Pubali Bank Limited, by itself or by appointing an agent, shall maintain detailed information of BO account, bank account, mobile phone number, email and address of the shareholder for the purpose of proper distribution of cash dividend or stock dividend:

Provided that Pubali Bank Limited or its agent or the CDBL or its DP shall keep confidentiality of information:
Provided further that Pubali Bank Limited shall collect detailed updated information on BO account, bank account, mobile number, email address and contact address of shareholder from the CDBL from time to time when needed for the purpose of proper distribution cash dividend or stock dividend and other compliances:

In case of holding paper shares, Pubali Bank Limited shall update the information at least once in a year.

DISCLOSURE OF THE POLICY

This Policy shall be disclosed in the annual report and official website.

6. POSITION OF UNPAID OR UNCLAIMED CASH DIVIDEND ON 31.12.2021

Year of Dividend	Unpaid or Unclaimed Cash Dividend Amount (BDT)
2009	14,476,816
2010	21,361,166
2011	16,183,162
2012	27,866,710
2013	16,541,400
2014	29,835,171
2015	34,006,450
2016	14,887,739
2017	15,022,438
2018	31,222,039
2019	37,387,424
2020	42,996,871

7. LAST DIVIDEND DISTRIBUTION COMPLIANCE REPORT

Under Clause (6) of the Directive No. BSEC/CMRRCD/2021_386/03, Dated: 14/01/2021				
1	Name of the Issuer/Securities/Mutual Fund	**Pubali Bank Limited**		
2	Particulars of Issuer DP	**154**		
3	Type of Dividend (Annual /Interim) (Put tick mark (a) on the recommended option)	a) Annual √	**b) Interim** □	
4	Whether audited or not for Interim Dividend (Put tick mark (a) on the recommended option)	a) Audited √	**b) Unaudited** □	
5	Date of recommendation of Dividend by the Board of Directors/Trustee: (Enclose copy of PSI)	**12.04.2021**		
6	Whether Dividend recommended other than directors or sponsors or any other classes (Put tick mark (a) on the recommended option)	a) Yes □	b) No √	
7	Record date for entitlement	**09.05.2021**		
8	Rate of Dividend recommended by the Board of Directors/Trustee	**12.50% Cash Dividend**		
9	Dividend recommended-Type (Put tick mark (a) on the recommended option)	**a) Cash √ b) Stock** □		
10	Securities/mutual fund traded under which categories (Put tick mark (a) on the recommended option)	(a) A √ (b) B □ (c) G □	**(d) N** □ **(e) Z** □	
11	Date of transfer to a separate bank account (Pls. mention bank details) or provisional creditof shares/units by CDBL	**13.04.2021**		
12	Date of approval of Dividend at AGM	**03.06.2021**		
13	Rate of Dividend approved at AGM- details at Annexure, (if any change)	**N/A**		
14	Date of commencement of disbursement of Cash and Stock Dividend	**06.06.2021**		
15	Mode of disbursement of Cash Dividend (Put tick mark (a) on the recommended option)	**a) BEFTN √ b) Bank Transfer √ c) MFS** □ **d) Dividend Warrant √e) Any other mode √**		
16	Date of completion of disbursement of Cash Dividend and Stock Dividend [Enclose Bankstatements and Corporate Action Processing Report (DP 70)]	**30.06.2021**		
17	Paid-up-capital of the issuer-before corporate action/entitlement	**1028,29,42,180.00**		
18	**Numbers of securities/shares outstanding-before corporate action/entitlement:**	**102,82,94,218**		
19	Total cash in taka or stock (nos. shares) dividend as per corporate declaration	Tk. 128,53,67,772.50 (Gross) Tk. 110,71,75,987.03 (After deduction Tax)		
20	**Distribution/Disbursement details of Cash & Stock Dividend:**	Cash (Tk)	Stock.(nos)	**Annexures**
	A. Mode of Dividend payment/credit for the concerned year:			
	a) through BEFTN or directly credited to respective BO	16,40,57,137.02		
	b) through Bank Transfer other than entitled BO-Margin loan	3,19,45,874.81		
	c) through Bank Transfer (BO Margin only)	1,24,196.98		
	d) through Mobile Financial Service (MFS)			
	e) through any other mode as approved by Bangladesh Bank	87,57,87,030.41		
	f) through transfer to Suspense Account for dematerialized Shares (BO wise detailed withreason should be maintained and submitted)			
	g) through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities	3,52,61,747.81		

Under Clause (6) of the Directive No. BSEC/CMRRCD/2021_386/03, Dated: 14/01/2021				
21	**Total Dividend paid/credited for the concerned year**	106,24,78,254.21		
22	Total unpaid/undistributed Dividend /accrued during the period (20-21)	4,46,97,732.82		
23	**Total unpaid/undistributed Dividend /accrued as on 1st day of Accounting year(as per Audited Accounts)**	32,67,73,243.98		
24	Transfer to Suspense Account for Demate Shares or any other reasons during theconcerned year			
	A. **Mode of Dividend Receipts/payment/credit for the previous years**:			
	a) through BEFTN or directly credited to respective BO			
	b) through Bank Transfer			
	e) through Mobile Financial Service (MFS)			
	d) through any other mode as approved by Bangladesh Bank			
	e) through transfer to/from Suspense Account for Demate Shares or any other reasons			
	f) through issuance of Dividend Warrant or issue of shares to Suspense Account fornon-dematerialized securities/shares/units			
	g) transfer of cash or stocks to the Fund as prescribed or directed by Commission after3 years or forfeit of share to Suspense Account for non-dematerialized securities			
25	**Total Dividend paid/credited for previous years:**	6,10,00,492.71		
26	**Total unpaid/undistributed Dividend for previous years (23 -25) Taka/Nos**	26,57,72,751.27		
27	**Grand Total of unpaid/undistributed Dividend (22+26)**	31,04,70,484.09		
28	**Aging of grand Total of unpaid/undistributed Dividend for previous years:**			
	More than 3 years; balance (Year 1986 to 2016)	18,11,66,145.84		
	More than 4 years; balance (Year 1986 to 2015)	16,62,08,203.11		
	More than 5 years *&* above; balance (Year 1986 to 2014)	13,20,67,418.10		
	Total of unpaid/undistributed Dividend for previous years (Year 1986 to 2019)	**26,57,72,751.27**		
	(Supporting bank statements and balances of securities with the Depository)			
	Note: Issuer shall maintain BO wise detailed information for all transfers/credit to suspended Accounts			
	with reasons and submit along with bank statements and other supporting documents. The issuer shall fill up all the applicable fields.			

If honorable Shareholders/investors of the Bank have any queries regarding to their shareholding and dividend, please contact at +880-2-223384012, +880-2-223381614 Ext 227, 230, 369 or email to Share Department, Head Office, Pubali Bank Limited at **boardpbl@pubalibankbd.com**

Business Model

KEY ACTIVITIES

Deposit Product
Advance
Trade Finance
Pubali Card
Lease Financing
Online Banking
Internet Banking
Treasury Operation
Off-Shore Banking Unit
Islamic Banking
Brokerage Service

KEY PARTNERS

Customers
Shareholders
Employees
Regulators
Strategic partners
Government
Stock Exchange
Technology

CUSTOMER SEGMENTS

Corporate
Small & Medium Enterprise
Banks
Non-Banking Financial Institutions
Govt. & Non-Government Organizations

KEY RESOURCES

Skilled, Experienced and Competent Workforce
Core Banking Software
Knowledgeable Directors and Management
Worldwide Correspondent Network
Strong Capital Base
Shareholders' Equity
Loans Asset

CHANNELS

Branch Banking
Internet Banking
Online Banking
Call Centre
ATM Service

COST STRUCTURE

Interest Expense
Capital Expenditure
Operating Expense

REVENUE STREAMS

Interest Income
Investment
Fees & Commission
Other Operating Income



BOARD OF DIRECTORS & MANAGEMENT

BOARD OF DIRECTORS

Chairman	MONZURUR RAHMAN
Directors	MONIRUDDIN AHMED HABIBUR RAHMAN AHMED SHAFI CHOUDHURY FAHIM AHMED FARUK CHOWDHURY RUMANA SHARIF M. KABIRUZZAMAN YAQUB FCMA (UK), CGMA MUSA AHMED AZIZUR RAHMAN MD. ABDUR RAZZAK MONDAL RANA LAILA HAFIZ MUSTAFA AHMED
Independent Director	DR. SHAHDEEN MALIK MOHAMMAD NAUSHAD ALI CHOWDHURY
Managing Director & CEO	SAFIUL ALAM KHAN CHOWDHURY
Company Secretary	ZAHID AHSAN
Chief Financial Officer	MOHAMMAD LITON MIAH FCA

COMMITTEES OF THE BOARD OF DIRECTORS

Audit Committee

Chairman	MOHAMMAD NAUSHAD ALI CHOWDHURY
Members	AHMED SHAFI CHOUDHURY
	M. KABIRUZZAMAN YAQUB FCMA (UK), CGMA
	RANA LAILA HAFIZ
	DR. SHAHDEEN MALIK

Executive Committee

Chairman	MD. ABDUR RAZZAK MONDAL
Members	MONIRUDDIN AHMED
	FAHIM AHMED FARUK CHOWDHURY
	RUMANA SHARIF
	MUSA AHMED
	AZIZUR RAHMAN
	MUSTAFA AHMED

Risk Management Committee

Chairman	M. KABIRUZZAMAN YAQUB FCMA (UK), CGMA
Members	HABIBUR RAHMAN
	MUSA AHMED
	AZIZUR RAHMAN
	MD. ABDUR RAZZAK MONDAL

Nomination & Remuneration Committee

Chairman	DR. SHAHDEEN MALIK
Members	MONIRUDDIN AHMED
	FAHIM AHMED FARUK CHOWDHURY
	MD. ABDUR RAZZAK MONDAL

SHARI`AH SUPERVISORY COMMITTEE

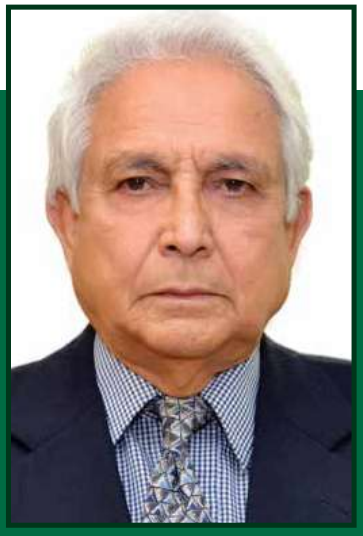
Chairman	PROFESSOR M. MANSURUR RAHMAN PROFESSOR, DEPARTMENT OF ISLAMIC STUDIES BANGLADESH ISLAMIC UNIVERSITY, DHAKA
Members	MONIRUDDIN AHMED DIRECTOR PUBALI BANK LIMITED
	HABIBUR RAHMAN DIRECTOR PUBALI BANK LIMITED
	AHMED SHAFI CHOUDHURY DIRECTOR PUBALI BANK LIMITED
	M. KABIRUZZAMAN YAQUB FCMA (UK), CGMA DIRECTOR PUBALI BANK LIMITED
	MD. ABDUR RAZZAK MONDAL DIRECTOR PUBALI BANK LIMITED
Members (Faqih)	PROFESSOR DR. MD. ABUL KALAM PATWARY HEAD OF THE DEPARTMENT OF ISLAMIC STUDIES UTTARA UNIVERSITY, DHAKA
	MOULANA MUHAMMAD MUSA FORMER ASSISTANT DIRECTOR ISLAMIC FOUNDATION
	DR. ABUL FATAH MUHAMMAD ABDUL JALIL FORMER DEPUTY DIRECTOR ISLAMIC FOUNDATION
Member	SAFIUL ALAM KHAN CHOWDHURY MANAGING DIRECTOR & CEO PUBALI BANK LIMITED



Monzurur Rahman
Chairman

Mr. Monzurur Rahman is the Chairman of Board of Directors of Pubali Bank Limited. He graduated from Calcutta University. He has long 55 years' experience in business areas like banking, insurance and tea business. He was the youngest Director of erstwhile Eastern Mercantile Bank Limited, which was eventually converted into Pubali Bank Limited.

Mr. Rahman belongs to a family whose members are involved in banks, Insurances and leading Financial Institutions of the country. He is the Chairman of Rema Tea Company Limited. He was an elected member of the Executive Committee of Bangladesh Association of Publicly Listed Companies (BAPLC).



Moniruddin Ahmed
Director

Mr. Moniruddin Ahmed has long 64 years' experience in business. A very experienced Director of Pubali Bank Limited, Mr. Ahmed is the Chairman of Pubali Bank Securities Ltd. Besides being a member of Executive Committee and Nomination & Remuneration Committee of the Board of Directors, he is also a member of Shari'ah Supervisory Committee of the bank. Mr. Ahmed served as Chairman and Vice-Chairman of Pubali Bank Limited in the past. He has experience of performing as the Chairman of the Audit Committee as well.

Mr. Moniruddin Ahmed has been working relentlessly to upgrade the education status of the country. He runs a renowned residential school and founder Chairman of Monir Ahmed Academy, Sylhet. Moreover, he is involved in many Social and Philanthropic activities.



Habibur Rahman
Director

Habibur Rahman is a reputed business leader with long 64 years' experience in banking and other businesses. Formerly he worked as the Chairman of the Board of Directors of Pubali Bank Limited and recently he has been serving as a member of the Board of Directors. His exceptional entrepreneurial skills and business leadership has added to the overall strength of the Board of Directors of Pubali Bank Limited. He is a member of the Shari'ah Supervisory Committee and Risk Management Committee of the bank. He is also one of the most experienced Directors of its subsidiary company named Pubali Bank Securities Ltd. Delta Hospital Ltd. and Global Pharmaceuticals Company Limited are also run under his directorship. Mr. Rahman is a well-travelled business personality. He has extensive travelling experiences across the globe on business purpose.



Ahmed Shafi Choudhury
Director

Mr. Ahmed Shafi Choudhury graduated from the University of Dhaka. He has long 53 years' experience in tea plantation and production business as well as commercial banking. He is a Director of Pubali Bank Limited whose exceptional entrepreneurial skills and business leadership has added to the overall strength of the Board of Directors of the Bank. He is also a Director of Pubali Bank Securities Limited, a subsidiary of the bank and also a member of the Audit Committee of the Board. He is a member of Shariáh Supervisory Committee of the Bank. He had served as Independent Director in Reliance Insurance Co. Limited. He is also an advisor of Transcom Group of Companies. Mr. Ahmed Shafi Choudhury is an amiable person and engages himself in various humanitarian activities out of his responsibility towards the society.



Fahim Ahmed Faruk Chowdhury
Director

Mr. Fahim Ahmed Faruk Chowdhury has long 31 years' experience in banking & other businesses. He has been serving as a member of the Board of Directors of Pubali Bank Limited for long. He is a member of Executive Committee and Nomination & Remuneration Committee of the Board of Directors of the bank.

Mr. Fahim Ahmed Faruk Chowdhury obtained his M.Sc. degree in Business Economics from the UK. He is a successful businessman and well known in the business arena of the country. In addition to being a Director of Pubali Bank Limited, he is the Managing Director of Chittagong Electric Manufacturing Co. Ltd., F.A.C. Eastern Enterprise Ltd., Ranks FC Properties Ltd. and CEM Group and FC Holdings Ltd. He is also a Director of Globex Pharmaceuticals Ltd., Surjiscope Hospital Pvt. Limited, Delta Hospital Ltd., Euro Petro Product Ltd. and Baraka Shikalbaha Power Ltd. Formerly he served as Vice-Chairman of Pubali Bank Limited and Director of Chittagong Chamber of Commerce & Industry. He is also involved in many social activities.



Rumana Sharif
Director

Ms. Rumana Sharif obtained her B.Sc. and M.Sc. degree in Biochemistry from Dhaka University both with first class. She has long 30 years' experience in her career. Her entrepreneurial skills and experience in business leadership has added to the overall strength of the Board of Directors of the bank. She has been serving as a Director of Pubali Bank Limited for long period of time. She is currently also a member of the Executive Committee of the Board of Directors of the bank.

She is also involved in many other businesses. She takes keen interest in different benevolent and philanthropic activities. She is a member of the National Executive Council of National Heart Foundation of Bangladesh, Treasurer of E A Choudhury Family Foundation and member of Executive Committee of SARA, an NGO based in Sylhet.



M. Kabiruzzaman Yaqub FCMA (UK), CGMA
Director

Mr. M. Kabiruzzaman Yaqub completed his graduation in Civil Engineering from United Kingdom. He is a fellow of the Institute of Chartered Management Accountants (UK) and also a CGMA (Chartered Global Management Accountant). He has 33 years of multifarious experiences in various organizations ranging from banking to many other sectors i.e. textile and spinning business, real estate business etc. He is the Chairman of Imagine Properties Ltd. and also a Director of Pubali Bank Securities Limited.

Mr. M. Kabiruzzaman Yaqub has been serving as a Director in Pubali Bank Limited since long. He is the Chairman of Risk Management Committee and a member of Audit Committee and Shari'ah Supervisory Committee of the bank. He has served as a member and Chairman on the Middle East, South Asia, North Africa (MESANA) Regional Board of Association of International Certified Professional Accountants.

Mr. Yaqub also served in various multinational companies in UK. He is an active member and former President of Gulshan Rotary Club, Bangladesh. He engages himself in various humanitarian activities out of his responsibilities towards the society.



Musa Ahmed
Director

Mr. Musa Ahmed obtained B.Sc. and MBA degree from the USA. He has long 25 years' experience in his career. He joined the Board of Pubali Bank Limited as a Director in 2010. Currently, he is a member of Executive Committee and Risk Management Committee of the bank.

Mr. Ahmed has been successfully running business conglomerates with diverse interests holding the position of directorship in Popular Jute Exchange Ltd., Popular Jute Mills Ltd., Comilla Food and Allied Ind. Ltd., Popular Food and Allied Ind. Co. Ltd. and Tejgaon Engineering and Construction Co. Ltd. He is an active social worker and takes keen interest in different benevolent and philanthropic activities.



Azizur Rahman
Director

Mr. Azizur Rahman is a renowned business leader with long 24 years' experience in his career. He has been serving as a Director of Pubali Bank Limited since November, 2012. He is also a member of the Executive Committee & Risk Management Committee of the Board of Directors of the bank. He is one of the Directors of its subsidiary company named Pubali Bank Securities Ltd. He also served as Vice-Chairman of Pubali Bank Limited.

Mr. Azizur Rahman studied Political Science SUNY at Stony Brook, NY, USA and Law at University of Wolverhampton, UK. He is a very prominent business entrepreneur in the country. He is the Managing Director of National Ceramic Industries Ltd. and Director of Dressmen Fashion Wear Ltd. A prominent industrialist of the country, Mr. Azizur Rahman deals in export oriented garment business. He is engaged in many humanitarian and philanthropic organizations and out of his social obligation he associates himself in various kinds of humanitarian activities. Mr. Azizur Rahman is very amiable and a man of simplicity in his personal life.



Md. Abdur Razzak Mondal
Director

Mr. Md. Abdur Razzak Mondal obtained his MBA degree from IBA of Dhaka University. An experienced and highly qualified person, Mr. Md. Abdur Razzak Mondal has long 47 years' experience in his career. Besides being a Director of Pubali Bank Limited, he is the Chairman of Executive Committee and a member of the Risk Management Committee. He also serves as a member on the Nomination & Remuneration Committee and Shari'ah Supervisory Committee of the bank. He is a nominee of That's It Fashions Ltd. Mr. Md. Abdur Razzak Mondal engages himself in different humanitarian activities out of his responsibility towards the society.



Rana Laila Hafiz
Director

Ms. Rana Laila Hafiz is a renowned woman entrepreneur of the country with long 17 years' experience of business. She has been contributing in the RMG sector as a well-known entrepreneur. She is a member of the Board of Directors of Pubali Bank Limited. She is also a member of the Audit Committee of the bank. Ms. Rana Laila Hafiz obtained her post-graduation degree in English from the University of Dhaka. Out of her personal obligation to the society and fellow beings, she engages herself in many social welfare activities.



Mustafa Ahmed
Director

Mr. Mustafa Ahmed is a reputed business leader with long 22 years' experience in banking and other business. He achieved his BBA degree from the USA. He joined the Board of Directors of Pubali Bank Limited on July 31, 2020 as an honorable member. He also served earlier as a Board member of the bank from 18.12.2007 to 31.03.2015. Mr. Ahmed is a Director of Pubali Bank Securities Limited. He is also a member of the Executive Committee of the bank.



Dr. Shahdeen Malik
Independent Director

Dr. Shahdeen Malik obtained PhD in Law from London, UK and LLM degree from Universities at Moscow & Philadelphia. He has long 34 years' experience in his career. He is an Independent Director in the Board of Directors of Pubali Bank Limited and Pubali Bank Securities Limited. He is the Chairman of Nomination & Remuneration Committee and a member of Audit Committee of the Board of Directors of the bank. A prominent lawyer and constitution expert, Dr. Shahdeen Malik has been practicing in Supreme Court of Bangladesh for long. Moreover, he had taught Law at Dhaka University and BRAC University. Dr. Shahdeen Malik is also a renowned contributor to many national dailies of the country.



Mohammad Naushad Ali Chowdhury
Independent Director

Mr. Mohammad Naushad Ali Chowdhury joined Pubali Bank Limited as an Independent Director in May 2021. He is also the Chairman of the Audit Committee of Pubali Bank Ltd. Mr. Chowdhury joined Bangladesh Bank in 1983 as Assistant Director and retired in 2016 as Executive Director. He worked in Head Office and different Branch Offices of Bangladesh Bank in different capacities. He has an extensive working experience in the Bangladesh Bank, specially in the sectors of Bank Supervision, Foreign Exchange Policy & Operations, Internal Audit, Financial Inclusion & Sustainable Finance Development. He was the Deputy Head of Bangladesh Financial Intelligence Unit (BFIU), Member & observer of Board of Directors of Karmasangstan Bank & Sonali Bank Limited respectively. After the retirement from Bangladesh Bank, he served in the Institute of Bankers Bangladesh (IBB) as a Secretary General from 2017 to 2021. IBB is a professional body of Banks & Financial Institution in Bangladesh established in 1973 for developing competent and skilled professionalism. Mr. Chowdhury attended many seminars & professional training courses at home and abroad. He obtained his BSc (Hons), MSc (Physics) & MBA degree from the University of Chittagong and Bangladesh Open University respectively.



Safiul Alam Khan Chowdhury
Managing Director & CEO

Mr. Safiul Alam Khan Chowdhury is the Managing Director & CEO of Pubali Bank Limited. He has experience of a long banking career with multidimensional capacities in this bank since his joining in 1983 as a Probationary Senior Officer. Mr. Chowdhury has proved himself as an exceptional and outstanding official of Pubali Bank Limited during various stages of his career with the bank. He has successfully served both at head office and branch level in different capacities and deployed his expertise towards achieving the vision and mission of the bank with his extraordinary leadership from the very beginning of his career. He is an Ex-Officio member of Shari'ah Supervisory Committee and Ex-Officio Director of Pubali Bank Securities Limited, a subsidiary of the bank.

Mr. Safiul Alam Khan Chowdhury completed his graduation and post-graduation from the University of Dhaka. Mr. Chowdhury has experience of vast travelling both on business and personal purpose across the globe. He has participated in various trainings, seminars and courses both at home and abroad on banking management and leadership conducted by different national and international banks, forum and training institutes. He has travelled many countries of the world including Kingdom of Saudi Arabia, United Kingdom, USA, India, Malaysia, Indonesia, Greece, Hungary, Portugal, Canada, France, Switzerland and China. He is a corporate member of Dhaka Club, one of the most prestigious clubs in our country. He is blessed with one son and one daughter in his personal life.

Code of Conduct



Members of the Board of Directors of Pubali Bank Limited shall individually and collectively remain committed and responsible to excel the practice of corporate governance principles in Pubali Bank Limited and activities by placing due attention and weight on compliance of best ethical standards and integrity as recommended by the regulators for enhancing their internal and external credibility and establishing transparency.



Members shall use the Bank's assets, property, proprietary information and intellectual rights for business purposes of the Bank and not for any personal benefits or gains.



Members shall not take part in any discussion or vote on any contract/arrangement on behalf of the bank if he/she is in any way interested in the contract/arrangement.



Members shall not borrow from the Bank without the approval of the Board and Bangladesh Bank.



Members shall act impartial to the Employees, Customers, Suppliers, Shareholders and other Stakeholders.



Members shall not pursue / insist / interfere for sanction of any credit facility favoring any client.



Members shall act honestly, ethically, in good faith and in the best interest of the stakeholders of the Bank.



Members shall conduct themselves in a professional, courteous and respectful manner and shall not take any improper advantage of their position.



Members shall conduct themselves so as to meet the expectations of operational transparency of the stakeholders while at the same time maintain confidentiality of information in order to foster a culture conducive to good decision making.



Members shall ensure compliance with the various legal / regulatory requirements as applicable to the business of the Bank.



Members shall remain independent in all material respects and in judgement and will take reasonable steps for the betterment of the Bank.



Members shall concern while making Sale-Buy of Company's share and shall refrain from making such transaction without formal declaration.



Whilst carrying out the duties, the Board of Directors shall ensure that it is executed in terms of the authorization granted and within the limits prescribed under the relevant policies, codes, guidelines and other directives issued by the Board of Directors of the Bank from time to time.



Members shall refrain from indulging in any discriminatory practice or behavior based on race, color, sex, age, religion, ethnic or national origin, disability or any other unlawful basis.



Members shall not enter into any transaction which is or may likely to have a conflict with the interest of the Bank.



Members shall disclose to the board whether they directly, indirectly or on behalf of third parties have a material interest in any transaction or matter directly affecting the Bank.



Members having interest of any nature in the agenda of the meeting, shall declare beforehand the nature of their interest and withdraw from the room, unless they have a dispensation to speak.

MANAGEMENT TEAM

Managing Director & CEO	SAFIUL ALAM KHAN CHOWDHURY
Additional Managing Director & COO	MOHAMMAD ALI
DMD & Company Secretary	ZAHID AHSAN
Deputy Managing Directors	MOHAMMAD ESHA MOHAMMAD SHAHADAT HOSSAIN
General Managers	DEWAN RUHUL AHSAN HABIBUR RAHMAN MOHAMMOD SHAHNAWAZ CHOWDHURY DEWAN JAMIL MASUD ABDUHU RUHUL MASIH A. S. SIRAJUL HAQUE CHOWDHURY MOSAMMAT SHAHIDA BEGUM RUBINA BEGUM NITISH KUMAR ROY AHMED ENAYET MANZUR MD. HELAL UDDIN MD. SHAHNEWAZ KHAN MOHAMMAD ANISUZZAMAN MOHAMMED AHSAN ULLAH DILIP KUMAR PAUL SULTANA SARIFUN NAHAR NARESH CHANDRA BASAK MD. SHAH ALAM MOHAMMAD LITON MIAH FCA MD. MONJURUL ISLAM MOJUMDER MD. FAIZUL HOQUE SHARIF NISHAT MAISURA RAHMAN SUKANTA CHANDRA BANIK MD.KAMRUZZAMAN ASHIM KUMAR ROY ENDRA MOHAN SUTRADHAR MD. FAISAL AHMED ISMAT ARA HUQ MD. SHAHIN SHAHRIA AJUBA KHANDAKER ABU LAICH MD. SAMSUJJAMAN MOHAMMAD ABDUR RAHIM JAVED HASAN

MANAGEMENT TEAM

Deputy General Managers

SHYAM SUNDAR BANIK
IFTIKHER HAIDER
A. JALIL
ZIAUL HAQUE CHOWDHURY
MOHAMMED MASHIUR RAHMAN KHAN
MAHBUB AHMED
HARI BHUSHON DEB
MD. MOHIUDDIN AHMED
A.K.M. MUZAMMEL HOQUE
MD. ANISUR RAHMAN
SHAKTI RANJAN DAS
FAROQUE AHMED
RATAN KUMAR SHIL
ABU HASAN MD. KAMRUZZAMAN
MD. SHAHEEN KHAN
NANNA SIKDER
MD. NOOR-E-ALAM SARKER
KHAN MD. JAVED JAFAR
MD. NAZRUL ISLAM SARKER
MOHAMMAD ARIFUR RAHMAN
MD. HASAN IMAM
MOHAMMED NURUL KABIR
MOHAMMAD ABDUS SHOBHAN MIAJEE
A.K.M. ABDUR RAQIB
MD. MALEQUL ISLAM
H.M. OMAR FARUQUE
MOHAMMED ALI AMZAD
MOHAMMAD MOHASIN SARKER
ZUBAIR ISLAM
CHOWDHURY MD. SHOFIUL HASSAN
MD. LOTIFUR RAHMAN
KANIZ FARHANA YASMIN
KAZI SHASWOTI ISLAM
MOHAMMAD AL MAMUN
MOHAMMAD ABDUL MANNAN
CHOWDHURY ABDUL WAHEED
MD. SHAIFUL ISLAM
MD. MASUDUZZAMAN
MD.SHAHIDUL ISLAM
DEBASHIS BHATTACHARYYA
MD. WAHID SHAMS
MOUSUMI RANI SAHA
MD. ZAHIRUL ISLAM
MD. BELLAL HOSSAIN
MD. SAIFUL ISLAM
MASUMA KHATUN
MD. ABUL HASAN
K. M. ISHTIAQ HAMID
HOSSAIN MOHAMMED FAISAL
MD. SAZIDUR RAHMAN

MANAGEMENT TEAM

Deputy General Managers

MOHAMMAD ZAHID HOSSAIN
MD. MAHBUB ALAM
MD. FAZLUL KABIR CHOWDHURY
MD. MONIRUZZAMAN
MOHAMMAD HAFIZUR RAHMAN SARDAR
SK. MD. SHAMSUDDOHA
KOHINOOR BEGUM
MD. AKHTARUZZAMAN SARKER
A. K. M. MASHUD
KAMRUL ISLAM
MOHAMMAD ALTAB HOSSAIN
MAINUL ISLAM
MOHAMMAD MANIRUL ISLAM
MOHAMMAD HARUN-UR- RASHID
MD. RAFIQUL ISLAM

Assistant General Managers

SYED MD. YAHIYA
JIBON KUMAR ROY
MOHAMMAD SHAHJAHAN
MD.SHAMSUL HAQUE
MD. BELLAL HOSSAIN SALIM
MD. IMTIAZUL HUQ
PRODYUT KUMAR ROY
ABDULLAH AL AMIN
MD. RAFIQUL ISLAM
MD. ABU NASAR
MD. AMINUL ISLAM
MD. ASIF IQBAL
S. M. LIAQUAT HOSSAIN
MUHAMMAD TARIQUL ISLAM
FATEMA SHAELA HOSSAIN
CHOWDHURY ISHFAQUR RAHMAN QURASHI
MD. ABDUL MUMITH CHOWDHURY
KANIZ FATIMA
MOHAMMAD TOFAZZAL HOSSAIN
FAHMIDA AKTER
MD. ANISUZZAMAN
ALAMGIR ZAHAN
SHAMEEMA AKHTER SAYMA
MONIRUL ISLAM
MOHAMMAD SAIFUL ISLAM
MOHAMMAD SHAHIDUL ISLAM
MD. NAZRUL ISLAM
MD. SHAHEEN MOMTAZ
MD. SHAHIDUL ISLAM
BIPLOB CHANDRA SAHA
MD. AHOSHAN HABIB
ANJAN DAS
MD. KHURSHED ALAM KHAN
MOHAMMED ABDUL KHALEQUE

MANAGEMENT TEAM

Assistant General Managers

SHANKAR CHANDRA HALDER
SARDAR MD. HARUNUR RASHID
MOHAMMAD ARIF RABBANI
MOHAMMAD JASIM UDDIN
FARHANA HOQUE
MOHAMMED WAIDUL ISLAM
A.S.M. RAYHAN SHAMEEM
SAIKA FARAH
S. M. S. AZGAR
MD. SHAHIDUL ALAM BISWAS
MD. DELWAR HOSSAIN
MOHAMMED MAHBUB ALAM
ABDUR ROUF SIDDIQUEE
UTTAM KARMAKER
SALMA SHAFI
SAMBARU CHANDRA MOHANTA
UTTAM KUMAR SAHA
MOHAMMED ISHAQUE
SABINA YEASMIN
MD. AMINUL ISLAM
REHANA AKTHER
MUHAMMED MOSHAHIDULLAH
MOHAMMAD MIZANNUR RAHMAN
MD. BELAL HOSSAIN
MUHAMMAD MAHMUDUR RAHMAN
MD. MOSHFIQUR RAHMAN
ALI BASHAT CHOWDHURY
SWAPNA ROY
FARZEEN AHMED
MD. MAINUL HOQUE
SAYED HUMAYUN KABIR
MUHAMMAD NURUL ISLAM
A.J.M. AZMAL HOSSAIN
MUHAMMAD SHAFIUL AZAM
DHURJATI PRASHAD BHATTACHARJEE
MD. ABDUL QUADER
MOHAMMED SHARIF SHAHNUR
SHAHNAZ AKTER
SUMAN CHANDRA DAS
SHIHAB UDDIN AHMED
MD. RUHUL AMIN
MOHAMMAD IKBAL HOSSAIN
SUKAMAL CHANDRA BHOWMIK
GOLAM MD. JUNAYED
MD. SALAMUZZAMAN
TANVEER SHAMS CHOWDHURY
MD. AZIZUR RAHAMAN
DAWAN MD. MASHIUR RAHMAN
ABU JAFAR MD. RAKIBULLAH
AHSANUL HAQUE

MANAGEMENT TEAM

Assistant General Managers

MD. SALAHUDDIN
NIGER SULTANA
MOHAMMAD IBRAHIM CHOWDHURY
PARITOSH KUMAR BISWAS
KAZI SHEHABUL ISLAM
MD. SHAHED ALI
MOHAMMAD ALI MIA
MOHAMMAD KHORSHED ALAM
MUHAMMAD MUZAHIDUL ISLAM
SUVASHISH DAS
S.M. MOONZUR MORSHED
MD. ANWAR HUSSAIN
MD. YUSUF ALI CHOWDHURY
MD. ABUL KHAIR KHAN
S. M. LUTFUL KABIR
MD. MAHBUB HASAN
MOHAMMAD KAMRUZZAMAN KHAN
MIR MASUDUR RAHMAN
KHALEDA BEGUM
JUBAIDA GULSHAN ARA
ZAKIA MOMTAZ
MAHMUDA JAHAN
NIRMAL CHANDRA KARMAKER
MOHAMMED SAROWAR ALAM
PARIMAL CHANDRA BANIK
MOHAMMAD SHAIFUL ALAM SARKAR
MOHAMMAD HOMAYUN MIAH
MAZBAH UDDIN MAHBUB
BISWAJIT KUMAR DEY
NARESH CHANDRA DAS
MD. MOSTAFIZUR RAHMAN
GULSHAN ARA
MALEKA FARAH DEEBA
MD. FARID AHMED
MD. ABDUR RAZZAQUE
MD. MOKLESUR RAHMAN
MUHAMMAD ABU TAHER
ISHRAT JAHAN
ABDUS SABUR MIA
MOHAMMAD SAIFUL ISLAM
PRANAB KUMAR SARKER
A.K.M. SHAFIUL ALAM
MD. IDRISUR RAHMAN
EMADUL HOQUE
SUMAN SHARMA
UJJAL HALDER
PRADYOT KANTI DAS
MD. JAHIRUL HOQUE
KAMRUNNAHER
MOHAMMAD ZAHIDUL ISLAM KHAN

MANAGEMENT TEAM

Assistant General Managers	KH. SAZIA AFRIN SUPTI
	ISHRAT FATEMA HABIB
	MD. AKTAR HOSSAIN
	SWAPAN KUMAR MRIDHA
	MD. AMIRUL ISLAM
	MOHAMMAD MOTIUR RAHMAN
	MOHAMMAD ASADUZZAMAN MAJUMDER
	SONIA JAHAN
	MUHAMMAD ANWAR HOSSAIN
	PROTIMA RANI BONIK
	MD. SAJEDUL ISLAM
	MAHBUB ALAM

MANAGEMENT COMMITTEE

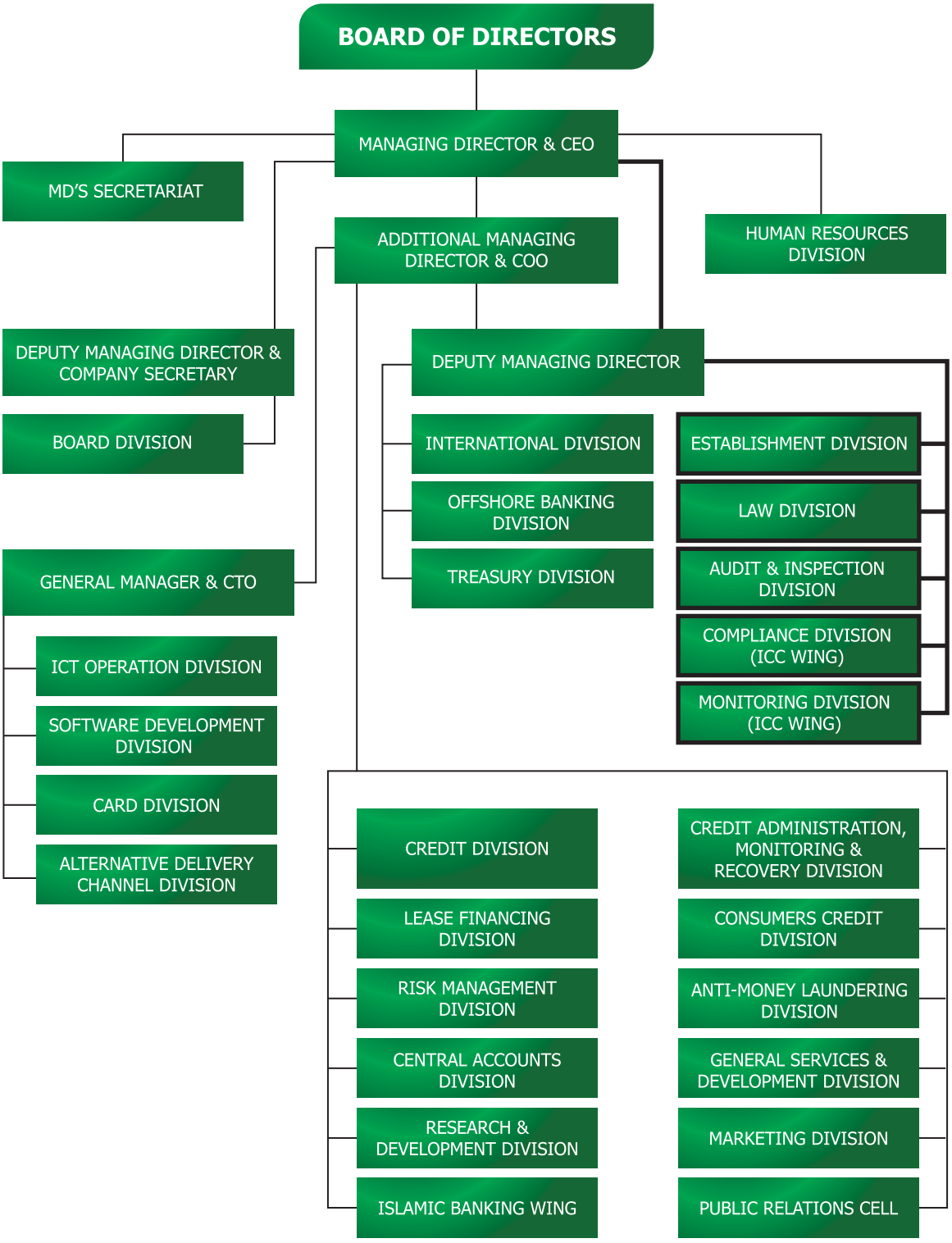
Chairman	SAFIUL ALAM KHAN CHOWDHURY **Managing Director & CEO**
Members	MOHAMMAD ALI **Additional Managing Director & COO**
	ZAHID AHSAN **DMD & Company Secretary**
	MOHAMMAD SHAHADAT HOSSAIN **Deputy Managing Director**
	DEWAN RUHUL AHSAN **General Manager** Credit Administration, Monitoring & Recovery Division
	HABIBUR RAHMAN **General Manager** Credit Division
	DEWAN JAMIL MASUD **General Manager** Islamic Banking Wing
	ABDUHU RUHUL MASIH **General Manager** Consumer Credit Division
	MOSAMMAT SHAHIDA BEGUM **General Manager** Research & Development Division
	RUBINA BEGUM **General Manager** Monitoring Division (ICC Wing)
	NITISH KUMAR ROY **General Manager & FPO, CRO** Risk Management Division
	AHMED ENAYET MANZUR **General Manager** Human Resource Divison
	MD. HELAL UDDIN **General Manager** ICT Operation Division
	MD. SHAHNEWAZ KHAN **General Manager** Credit Division
	DILIP KUMAR PAUL **General Manager** Establishment Division and GS&DD
	NARESH CHANDRA BASAK **General Manager** Credit Division
	MOHAMMAD LITON MIAH FCA **General Manager & CFO** Central Accounts Divison
	MD. FAIZUL HOQUE SHARIF **General Manager** General Services & Development Division

MANAGEMENT COMMITTEE

Members	MS. NISHAT MAISURA RAHMAN **General Manager** International Division
	ASHIM KUMAR ROY **General Manager** Card Division
	ENDRA MOHAN SUTRADHAR **General Manager** Software Development Division
	ISMAT ARA HUQ **General Manager** Human Resource Divison
	MS. AJUBA KHANDAKER **General Manager** Software Development Division
	JAVED HASAN **General Manager & CTO**
	MOHAMMAD AHSAN ULLAH **Managing Director** Pubai Bank Securities Limited
	SHYAM SUNDAR BANIK **Deputy General Manager** Marketing Division and AML Division
	A. JALIL **Deputy General Manager** Compliance Division
	MD. HASAN IMAM **Deputy General Manager** Lease Financing Division
	MOHAMMAD ABDUL MANNAN **Deputy General Manager** Treasury Division
	MD. MASUDUZZAMAN **Deputy General Manager** Law Division
	MD. ABUL HASAN **Deputy General Manager** Offshore Banking Division
	MS. KOHINOOR BEGUM **Deputy General Manager** Centralized Trade Processing Center
Member Secretary	MD. SHAHEEN KHAN **Deputy General Manager** Human Resource Divison

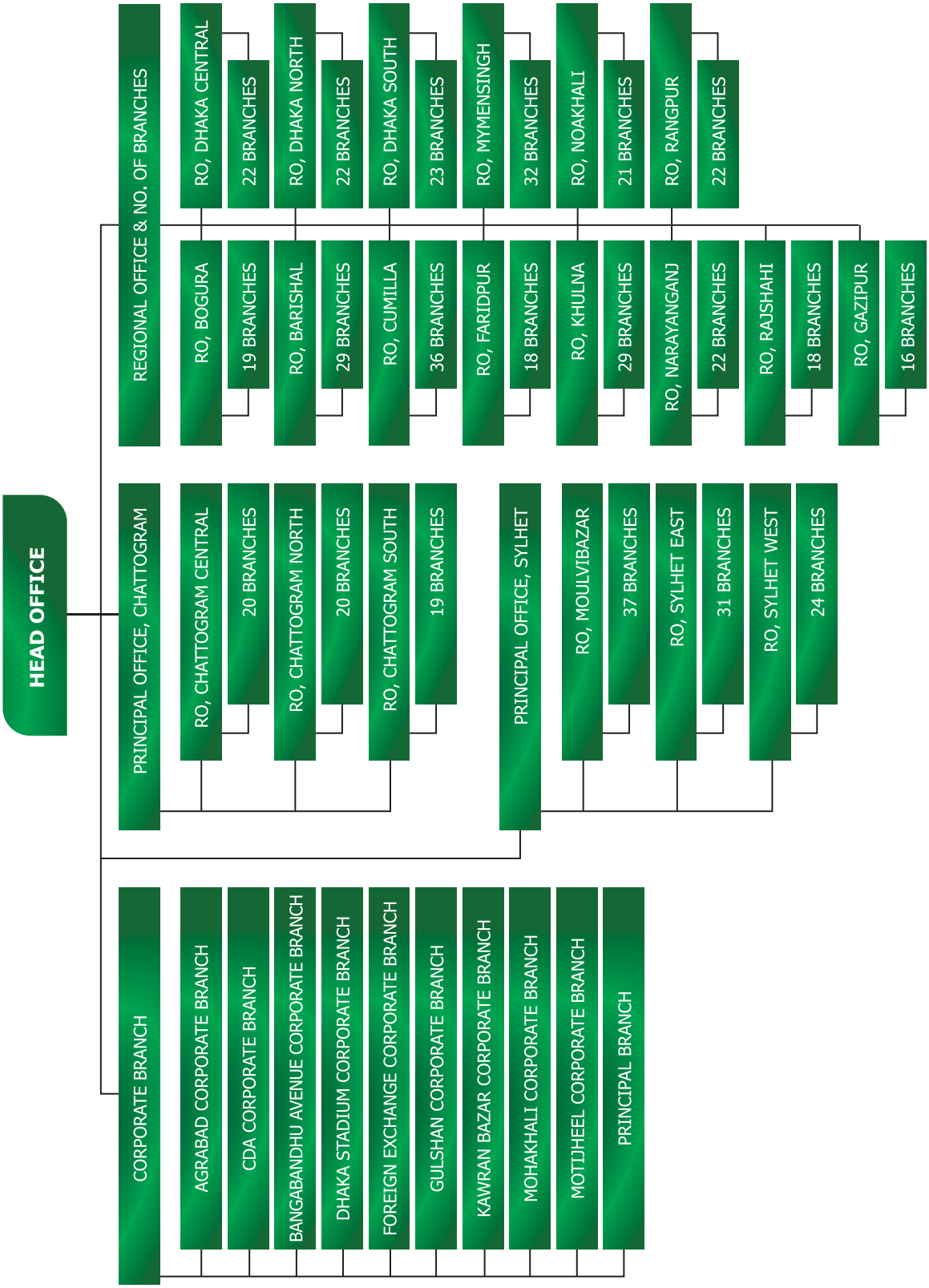
Corporate Organogram

Organogram for Head Office



Corporate Organogram

Organogram from Head Office To Regional Offices & Branches





CHAIRMAN'S MESSAGE

Consolidated Operating Profit	Total deposit BDT	Return on Equity (RoE)	2 out of 14
BDT 998.65 crore	46,240.02 crore	9.90 %	Directors are women

"We are proud that from the very beginning of this ongoing pandemic and difficult times the bank kept serving the customers with utmost sincerity and dedication while making sure we did what was needed to protect our employees, depositors and other stakeholders."

Dear Shareholders,

It is my great pleasure to welcome you all to the 39th Annual General Meeting of Pubali Bank Limited. I have great pleasure in placing before you the Annual Report of the bank for the year ended 31 December, 2021 along with the Audited Financial Statements for your review, comments and perusal. The bank steps into 63rd fruitful year of service and at the outset of this auspicious moment, I extend my thanks and gratitude to each one of you for your continued support and co-operation, particularly through the challenging time of the pandemic. Over its 62- year history, Pubali Bank Limited has proven its resilience by overcoming various economic and financial crises to become one of the top financial institutions of the country. Established before the independence of the Nation, the bank grew along with the country by providing financial services to create and protect the wealth of Bangladesh.

Looking back at the journey of last year, the bank has performed very well in an adverse global and Bangladeshi context. It has experienced the economic effects of the crisis of pandemic and has continued to grow and transform. We are proud that from the very beginning of this ongoing pandemic and difficult times the bank kept serving the customers with utmost sincerity and dedication while making sure we did what was needed to protect our employees, depositors and other stakeholders. The resilience so clearly demonstrated by Pubali Bank Limited in the recent times throughout the ongoing pandemic period is the outcome of our sound policies and strategies that have focused on supporting the sustainability of our stakeholders. Sustainability at Pubali Bank Limited is based on the incorporation of corporate governance principles into key decisions. Our bank has been awarded with ICMAB Best Corporate Award-2021 by the Institute of Cost and Management Accountants of Bangladesh (ICMAB) in recognition of our corporate governance.

Though the year 2021 without doubt a year of immense challenges, through robust management and the dedication of the employees Pubali Bank Limited achieved enviable success and continues to be one of the top performing banks in the

country. The bank made record breaking achievements in various indicators and the following is the summary position as on 31 December, 2021:

The bank generated a consolidated operating profit of BDT 998.65 crore which was BDT 862.62 crore in 2020 that means the bank registered an upward growth in profit of 15.77% while profit after tax reached to BDT 435.18 crore which was BDT 370.68 crore in 2020.

Its deposit reached to BDT 46,240.02 crore which is 7.70% higher than that of previous year and Capital adequacy rate is 14.23% while advance-deposit ratio (ADR) of the bank calculated at 77.58%.

Our total assets increased by BDT 6,371.75 crore and loans and advances increased to BDT 37,665.64 crore from BDT 31,557.89 crore in the year 2021 with a positive growth of 19.35% and Return on Asset (RoA) and Return on Equity (RoE) are respectively 0.65% and 9.90% in the year 2021.

Through strict evaluation and careful monitoring of lending portfolio the bank successfully managed to keep its NPL ratio around 3% while the L/D ratio of the bank increased to 77.58% which was 71.33% in the preceding year.

Pubali Bank Limited plays a vital role in the country's export and import business. Due to best possible use of virtual platform in our banking communication, it was able to handle import and export business as well as foreign remittance respectively worth BDT 279,780.03 crore BDT 129,799.36 crore and BDT 60,500.20 crore. Taking into account the shareholder's expectations and the dividend policy of the bank, a total dividend of 12.50% cash has been recommended subject to approval in the 39th Annual General Meeting of the bank scheduled to be held on 31 May 2022.

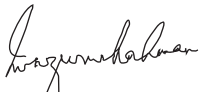
Through this challenging period of pandemic, well assisted by our strong capital position, we navigated vigilantly with a conservative approach. We have been very supple and reactive to this changed situation and strengthened our operational and technological infrastructures to ensure uninterrupted operations of the bank. Crisis leads to re-invention and creates opportunity to look for solution. We have experienced enhanced customer demand for digital products and transactions and that has led us to developing and expanding our own digital platform. We have introduced PI, a Mobile Banking Application. Moreover, all of our branches have been brought under money transfer networks spread over the world to encourage incoming foreign remittances.

Corporate Governance is all about effective, transparent and accountable administrations of affairs of an institution by its management while protecting the interests of the stakeholders including shareholders, creditors, regulators and the public in general. We believe the performance of any financial institution, besides managerial capacity and insight, rests on good governance. As a result, we continuously review and update our policies regarding corporate governance. We made significant progress in reinforcing our Anti-Money Laundering and Countering Financing of Terrorism capabilities through system enhancements, new processes and awareness programs. Our commitment to good governance is reflected in the diversity of age and experience of our Board of Directors also. The Board of Directors of our bank comprises of 14 members of which 2 are women. As a strong advocate of sustainable growth, we ensure regular meeting of Board of Directors, functions of Board's sub-committees, fair financial reporting and a risk management system. We also continued to safeguard the well-being of our people during the recent pandemic and remain focused on building capabilities and developing capacity for the new normal through learning and development programs.

I would like to believe the pandemic that broke out a couple of years ago or so is about to end this year. At this optimistic moment, I extend my sincere thanks and gratitude to all of our front liners who selflessly put themselves and their families at risk through their vocation during this unprecedented crisis for humanity. My words of thanks go to the Management including the Managing Director & CEO and other officials of our bank for their resolute commitment and sincerity.

In conclusion, I would like to take this opportunity to thank our stakeholders--the regulatory bodies of the country including Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange PLC (CSE PLC) for their timely recommendations and intervention through various policy guidelines. Our sincere thanks also goes to our shareholders, our network of partners and employees, as well as our customers for your continued support and co-operation.

With best regards,



Monzurur Rahman
Chairman



MANAGING DIRECTOR & CEO'S MESSAGE

"We have taken initiatives to establish 215 sub-branches of which 41 sub-branches have been already set up at various peripheral locations of the country for financial inclusion and expansion of our business. As a top performing bank, our aim is to take our banking services to the door step of new generation customers and at the same time to bring the unbanked people under banking services through low cost banking outlets."

Distinguished Shareholders,

It is my great pleasure to welcome you all to the 39th Annual General Meeting of Pubali Bank Limited. At this August moment of the bank, I happily let you know that the bank has passed another successful year by achieving its strategic goals despite the economic challenges and adversities posed by the pandemic. I would like to express my sincere thanks and gratitude to our esteemed clients and trusted partners for their continued support and co-operation with the bank. Here I am presenting before you the Annual Report of the bank for the year ended 31 December, 2021 along with the Audited Financial Statements for your review, comments and perusal.

Banking sector of Bangladesh has been struggling for the last couple of years or so due to high percentage non-performing loans and other adversities resulted from the pandemic. Amidst this challenging environment, we worked through various initiatives to ensure the interest of our stakeholders such as employees, clients, investors and others besides keeping our focus on achieving maximum amount of profit. You will be pleased to learn that the bank recorded a successful year in terms of both financial and non-financial performances. Despite the challenging economic environment, we were one of the top performers in terms of profit earning amongst the operating banks in Bangladesh. The bank made record breaking achievements in various indicators and the following is the summary position as on 31 December, 2021:

The bank generated a consolidated operating profit of BDT 998.65 crore which was BDT 862.62 crore in 2020 that means the bank registered an upward growth in profit of 15.77% while profit after tax reached to BDT 435.18 crore which was BDT 370.68 crore in 2020.

Its deposit reached to BDT 46,240.02 crore which is 7.70% higher than that of previous year and Capital adequacy rate is 14.23% while advance-deposit ratio (ADR) of the bank calculated at 77.58%.

Our total assets increased by BDT 6,371.75 crore and loans and advances increased to BDT 37,665.64 crore from BDT 31,557.89 crore in the year 2021 with a positive growth of 19.35% and Return on Asset (RoA) and Return on Equity (RoE) are respectively 0.65% and 9.90% in the year 2021.

Through strict evaluation and careful monitoring of lending portfolio the bank successfully managed to keep its NPL ratio around 3% while the L/D ratio of the bank increased to 77.58% which was 71.33% in the preceding year.

The bank's efficiency in cost management had also been reflected in minimal decrease of cost to income ratio to 53.08% from 54.27%.

Pubali Bank Limited plays a vital role in the country's export and import business. Due to best possible use of virtual platform in our banking communication, it was able to handle import and export business as well as foreign remittance respectively worth BDT 279,780.03 crore BDT 129,799.36 crore and BDT 60,500.20 crore.

Taking into account the shareholder expectations and the dividend policy of the bank, a total dividend of 12.50% cash has been recommended for the year 2021 subject to approval of our shareholders at the 39th Annual General Meeting of the bank.

The year 2021 or broadly speaking the pandemic period was significant for Pubali Bank Limited for a couple of reasons. It goes without saying that the pandemic has underlined the absolute necessity of fully embracing digitalization in order to support new ways of working and connecting with customers. We proceeded with our digital initiatives maintaining steady progress towards becoming a fully Digital Bank with a view to meeting the demand of new normal situation. Our digital platforms made it possible for our customers to carry out more banking transactions online without exposing themselves to risk from visiting the branches in person.

The other thing is that we took initiatives to remove the constraints of financial inclusion or inclusive financing. We want to make our financial services accessible to people of all walks of life at affordable cost. Generally low income populace from the periphery of society remains out of banking services due to unawareness and unavailability of services at hand. In this connection, besides offering banking services to our customers through our 490 branches we have taken initiatives to establish 215 sub-branches of which 41 sub-branches have been already set up at various peripheral locations of the country for financial inclusion and expansion of our business. As a top performing bank, our aim is to take our banking services to the door step of new generation customers and at the same time to bring the unbanked people under banking services through low cost banking outlets.

We have set our strategic priorities for the year 2022 by analyzing various macro-economic indicators, monetary policy of Bangladesh Bank, money market situation, SWOT of the bank and behavior pattern of the customers. Our main focus of the strategic priorities is to ensure profitability at desired level and at the same time we aim to upgrade our operational process by maintaining asset quality, technological advancement, expansion of branch network and capacity development of human resources.

I would like to take this opportunity to thank our Board of Directors specially for their wise counsel which has been very valuable for the management of the bank in these turbulent times of financial and social crisis created by the pandemic. It is their visionary insight and prudent guidance that helped us guide the bank through these unpredictable and difficult times and made our efforts met with success. I would also take this opportunity to extend my thanks to my colleagues for their individual efforts which made our collective vision and mission come true.

Finally, I would like to thank all those who supported in our journey in various ways from their respective positions. I extend my sincere thanks to our valued shareholders, customers and investors for resting your trust in us. My gratitude and indebtedness go to various regulatory bodies of the country including Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange PLC (CSE PLC) for their continuous support with timely recommendations and intervention through various policy guidelines.

With best regards,



Safiul Alam Khan Chowdhury
Managing Director & CEO



CORPORATE GOVERNANCE

Directors' Report

Dear Shareholders,

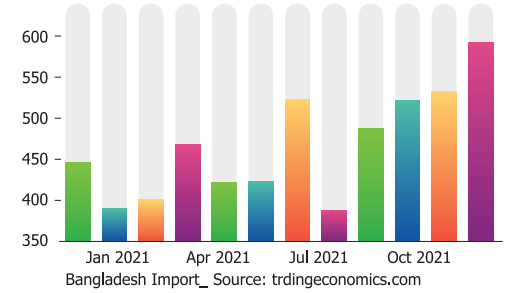
The Board of Directors of Pubali Bank Limited takes this opportunity to welcome you all to the 39th Annual General Meeting (AGM) of Pubali Bank Limited during this most challenging time. We have the pleasure to place herewith the Directors' Report and the Auditor's Report together with the Audited Financial Statements of the Bank, for the year ended 31 December 2021 for your valued consideration, approval and adoption. A brief overview of the key performances of the Bangladesh and Global economy during 2021 and outlook for 2021 are provided in this report.

Bangladesh Economy

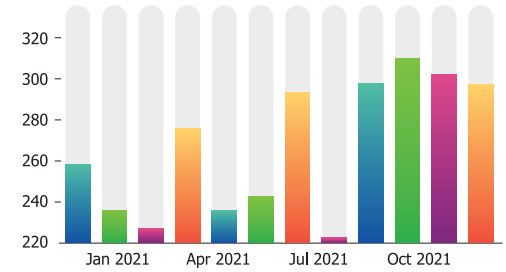
Bangladesh has been one of the best performers in the Millennium Development Goals (MDGs), making remarkable progress in reducing extreme poverty, improving sanitary conditions, furthering women empowerment, increasing primary and secondary education enrollment, and reducing child and maternal mortality.

The year 2021 was much important for the Bangladesh economy in many ways. That year the country has celebrated the golden jubilee of its independence and victory gorgeously. The biggest good news for Bangladesh in 2021 was the final recommendation of the United Nations General Assembly to upgrade from the Least Development Country (LDC) status to the Developing country status. This recommendation was the recognition of the economic and social prosperity of Bangladesh for the last 50 years.

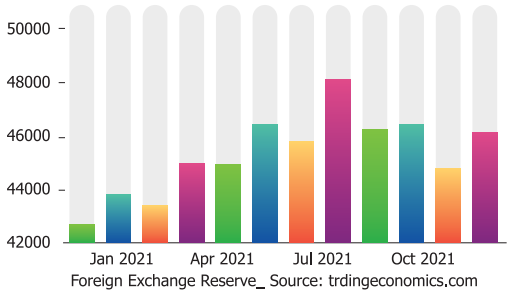
The last year began with the cloud of uncertainty which remained throughout the entire year. The Covid-19 pandemic has put a big toll on the global economy and disrupted the lives and livelihood of the people, where Bangladesh shown enough success in the Macroeconomic Management. Even, during this ongoing Covid-19 pandemic, Bangladesh has managed 5.56% GDP growth in FY 2021, while the world economy contracted at the rate of 3.5%. It is mentionable that the economic growth of our neighboring countries like India & Pakistan were quite negative in last year. As in last year the GDP growth rate was quite higher than the other previous years, the per capita income of the common people has been increased too. In FY 2019-20 the per capita income was $2064, while in FY 2020-21 the per capita income has been increased to $2554. It is expected that if this existing growth rate continues, then at the end of 2022 our country will achieve 7.2% GDP growth.



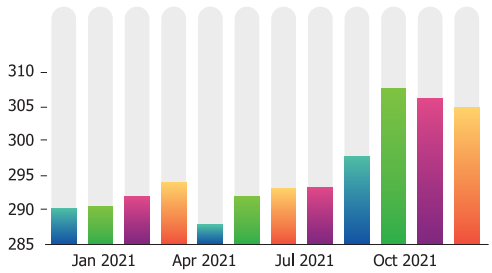
Bangladesh Import_ Source: trdingeconomics.com

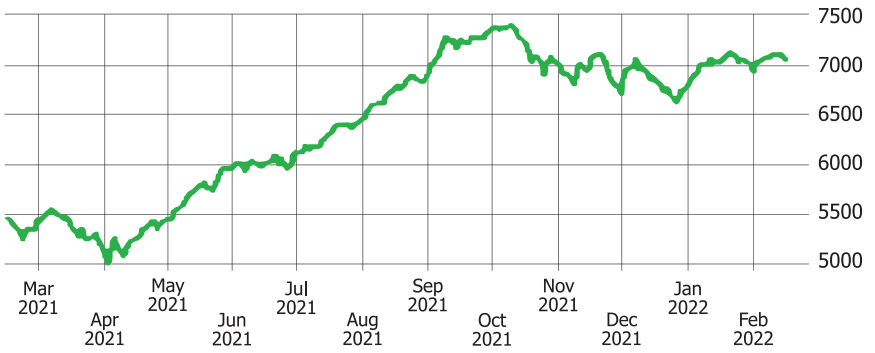


Bangladesh Export_ Source: trdingeconomics.com



Foreign Exchange Reserve_ Source: trdingeconomics.com





DSE Index

In the very beginning of the first quarter of the last year, the foreign exchange reserve shown a downward trend, while since August the foreign currency reserve of Bangladesh Bank has made a new record. The strong growth of wage earners remittance and financial inflows received in the form of assistance from the different development partners, the countries total foreign exchange reserve reached a high record amounting 46.45 billion at the end of December 2021.

The country's external trade faced severe disruption up to June due to the lockdown imposed by government. From July this situation improved gradually when the pandemic situation started to improve. At the end of the year the country's total export reached to $15.74 billion. The door of employment opened again when the Covid situation had improved. Especially the Banking & RMG sector were the pioneer in creating new job opportunity.

Despite the stagnation in the economy caused by the pandemic, the food production and the Supply Chain remained unaffected. The present government as well as the Bangladesh Bank took a series of timely and appropriate initiatives as stimulus packages especially for the business enterprises. Because of these timely initiatives the Bangladesh economy was not suffered significantly as like other South Asian neighboring countries.

The Bangladesh Capital market bounced back in 2021 and passed an eventful year due to the expansionary Capital market policy taken by Bangladesh Securities & Exchange Commission. The Dhaka Stock Exchange posted a decade high daily turnover value along with a rise in market cap to GDP ratio.

In 2021 the construction of different ongoing development projects were not hampered and continued even during the countrywide lockdown and hopefully many of them will be launched within the next 2022.

Though last year is considered an important year for Bangladesh for many significant achievements, but still the Rohingya crisis, Corruption & lack of Good Governance were the major concern for Bangladesh. In last year the target inflation was 5.4%, but due to the Covid-19 pandemic this rate increased slightly and reached to 5.56%. It is mentionable that the food inflation was 5.56%, while the non-food inflation stood at 5.85%. Though our government has been trying relentlessly to develop our different institutional frameworks. But still our country has a long way to go to improve its democracy, institutional strength, and good governance.

World Economy

The downward trend of the world economy that started in 2020 due to the Covid-19 pandemic continued in 2021 also. Though the world economy was collapsed severely because of the Covid-19 pandemic, but in 2021 when the covid situation improved, the world economy also started to improve. World bank has published a "Global Economic Prospects 2022" where they have mentioned that in 2021 the global growth was 5.5%, but they have predicted that in 2022 it will be decreased and at the end of 2022 the global growth will be approximately 4.1%. International Monetary Fund (IMF) has projected that in 2022 the global economy will grow by 4.4%.

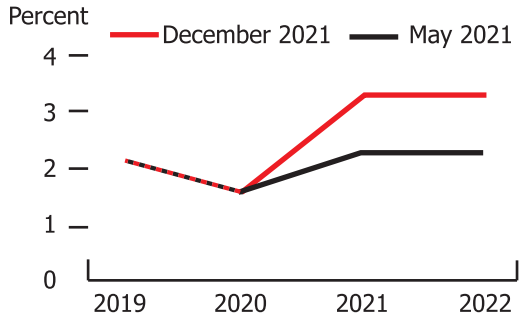
In 2020 unemployment reached alarming levels that pushed many households into poverty. Although the global economy has been rebounded in 2021, but the speed of job creation was quite slow to compensate the previous year's employment losses, especially in the developing economies. According to the ILO, around 220 million people remained unemployed globally in 2021, while the global unemployment rate reached 6.3 per cent. ILO has predicted that in 2022 the global unemployment rate will be 5.7% in 2022.

GDP growth (year on year in percent)

Particulars	2020	2021	2022p
World	-3.1	5.9	4.4
Advanced Economics	-4.7	5.1	3.6
Other Advanced Economics	-1.9	4.6	3.7
USA	-3.4	6.0	5.2
United Kingdom	-9.8	6.8	5.0
Canada	-5.3	5.7	4.7
Japan	-4.6	2.4	3.2
China	2.3	8.0	5.6
Russia	-3.0	4.7	2.9
India	-7.3	9.5	8.5
Emerging Market & Developing Economies	-2.1	6.4	5.1
Emerging & Developing Europe	-2.0	6.0	3.6
Middle East & Central Asia	-2.8	4.1	4.1
Low Income Developing Countries	0.1	3.0	5.3

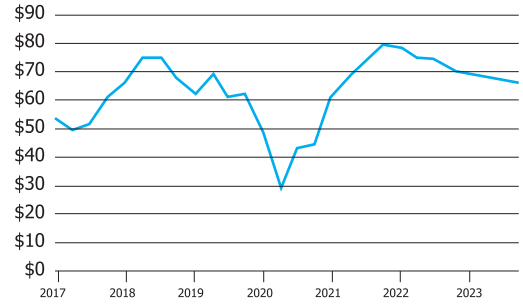
Source: IMF World Economic Outlook, October, 2021

Many geographic regions, such as Latin America and the Caribbean, are trying to recover their previous economic position that is accompanied by protracted high rates of unemployment and precarious increases in informality. At the same time, against the background of the global labour market distress, many developed economies, including Australia, Canada, the United States, and numerous economies in Europe, are confronted with acute labour shortages in specific sectors, threatening to obstruct the global recovery, although some of those countries still have unemployment rates above the pre- pandemic level.



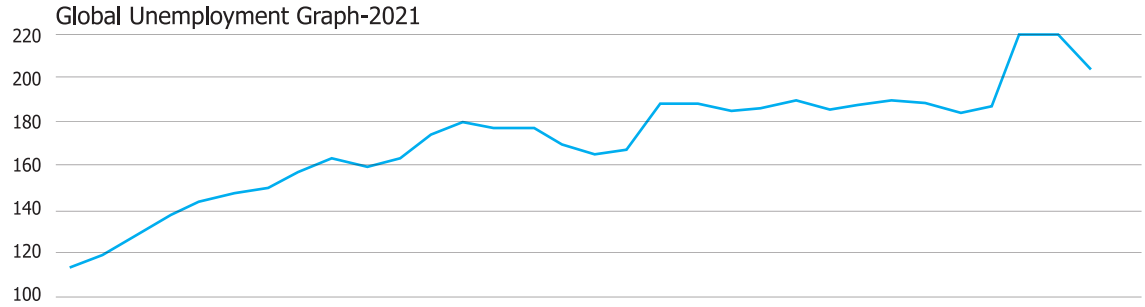
In the last one decade the price of Crude oil was the most in the international market in 2021. During that time the price of crude oil increased in many countries by more than 50-60 percent. It caused stagnation in the supply chain in many countries around the world including the United States and the United Kingdom as well. Last October, the price of Crude oil in the international market was $75 per barrel. It dropped to $69 in November, but rose again to $80 in December. Although the price of oil fell slightly in the international market on the last day of the year, but it did not last long.

Quarterly Brent crude oil spot price (2017-2023) dollars per barrel



Short-Term Energy Outlook (STEO) forecast

Global Unemployment Graph-2021



An Overview of the bank

Pubali Bank Limited, the largest private commercial bank in banking industry of Bangladesh, was incorporated on 30th day of June 1983 as a Public Limited Company in Bangladesh under the Companies Act 1913 and started its operation in the year 1983, with an authorized share capital of BDT 16,00,00,000 divided into 16,00,000 ordinary shares of BDT 100 each. At present, the bank's authorized share capital is BDT 2000,00,00,000 divided into 200,00,00,000 ordinary shares of BDT 10 each. It was listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. in 1984 and 1995 respectively. Its vision is providing customer centric lifelong banking services and one of the most prior mission is to be the most respected and preferred brand among all financial services providers in Bangladesh.

The Bank, in 2021, earned an after tax profit of BDT 390.45 crore which was after tax profit of BDT 366.95 crore in 2020. The deposit of the Bank grew by 7.70 percent to BDT 46,240.02 crore and loans and advances by 19.35 percent to BDT 37,665.64 crore compared to those of 2020.

Our product-basket encompasses Real Time Online Branch Banking, Islamic Banking, Deposit Products, Pubali Pension Scheme (PPS), Pubali Sanchay Prokolpo (PSP), Shikkha Sanchay Prokalpa (SSP), Digun Sanchay Prokalpa (DSP), Monthly Profit based Fixed Deposit, Monthly Profit based Small Deposit (Sadhin Sanchay), Target Based Small Deposit (Swapno Puron), Visa Credit Card, Master Card, ATMs, Short & Long Term Finance, Construction business finances, Consumer Loan, Special SME Loans, Special Agri Credit Program, Lease Financing, Trade Finance, Locker Service, Internet Banking, Off-Shore Banking, Corporate Banking, Syndicate Loan, Monthly Savings Scheme, Fixed Deposit, SMS Banking etc. in addition to our traditional credit and foreign trade related products and services. With a view to providing brokerage services in the stock market, our Bank has established another subsidiary named "Pubali Bank Securities Ltd".

Capital and Reserves

(Figure in million)

Regulatory Capital	Consolidated	Solo
Tier-I capital		
1) Common Equity Tier-I Capital (CET-1)		
Fully Paid up capital	10,282.94	10,282.94
Non-repayable share premium account		
Statutory reserve	10,283.00	10,283.00
General reserve		
Retained earnings	14,760.65	14,426.74
Minority interest in subsidiaries		
Regulatory Adjustments		
Reciprocal crossholding & Intangible Assets	(526.28)	(227.32)
Deferred Tax Assets (DTA) on Loan Loss Provision	(3,920.23)	(3,920.23)
2) Additional Tier-1 Capital (AT-1)	2,800.00	2,800.00
3) Total Tier-1 Capital (1+2)	33,680.08	33,645.13
Tier-2 Capital		
General provision (unclassified loans + off balance sheet)		
Subordinated debt	10,246.17	10,246.17
All other preference shares	8,700.00	8,700.00
Regulatory Adjustments		
4) Total Tier-2 Capital	18,946.17	18,946.17
Total eligible capital (3+4)	52,626.25	52,591.30

Capital to Risk Weighted Assets Ratio (CRAR)

Pubali Bank Limited maintained capital adequacy ratio of 14.23% percent of the risk-weighted assets as on December 31, 2021 as against the minimum capital requirement of 12.50% (including CCB 2.5%) percent as set by Bangladesh Bank under Basel-III reporting through BRPD Circular No.18 dated December 21, 2014 of Bangladesh Bank.

Capital Market Scenario

2021 was a notable year for the benchmark index DSEX, rising 25.08% from 5402.07 to 6756.66 amid pandemic situation. At the beginning of the year the benchmark index DSEX perform well due to end of second wave of Covid-19. It consolidating around six months and after that, the momentum gives a push the market and made a good steady upward move. Strong participation of investors, consolidation of stock prices, comparably high corporate earnings, and low interest rate on bank deposits were the pivotal reasons behind the decent year for the Bangladesh capital market. Average daily turnover in DSE increased 126.54% in 2021 (YtoY) and stood BDT 1468 crore which was BDT 648 crore in 2020.

The interest rate at single-digit which was drive the investors' attention towards investing in the stock market. Meanwhile, Bangladesh Bank declared an expansionary monetary policy to facilitate liquidity into the economy. On the other hand, Govt. already declared to inject BDT 10,000 crore fund from Bangladesh Bank into the capital market through stockbrokers, merchant bankers, stock dealers and other financial participants of capital market which was helped to keep the market increase the daily turnover. Besides, BSEC issued several directives to encourage the capital market, like: New IPO Policy, Resolve the OTC platform stocks problem and introducing Small Capital Platform, New Margin Loan Facilities for category changes of stocks, enlistment of some quality IPOs, undisclosed money investment opportunity in stocks etc.

The capital Market performed well throughout the year, the overall price earnings (P/E) ratio gone to 17.58 at the end of 2021 which shows that there is a huge prospect in our capital market, if institutional investors, foreign investors and small investors increase their participation and other components of capital market remain favorable then the capital market will do well in 2022.

Pubali Bank Securities Limited

Pubali Bank Limited started its operation in the Capital Market in the year 2006 under the Securities Trading Division (STD). After that as per the directive from Bangladesh Bank and Bangladesh Securities & Exchange Commission, Securities Trading Division (STD) of Pubali Bank Limited converted into a separate subsidiary company in the name of Pubali Bank Securities Limited (PBSL) which was incorporated as a Public Limited Company on the June 21, 2010 under the Companies Act 1994 and started its functioning from February 01, 2011 with an Authorized Capital BDT 5,000 (Five thousand) million only and an initial Paid up Capital BDT 1,600 (One thousand six hundred) million only. Currently the company is running with a Paid-up Capital of BDT 6,600 (Six thousand six hundred) million and Authorized Capital BDT 7,000.00 million only as on 31.12.2021.

The company is the TREC (Trading Right Entitlement Certificate) holder of both Dhaka Stock Exchange Ltd. (DSE TREC# 214) and Chittagong Stock Exchange Ltd. (CSE TREC # 105) and also acts as a full-service Depository Participant of CDBL.

The company offers full-fledged high standard brokerage service for retail and institutional investors. PBSL also operate its Stock Dealing operation for its own investment in Capital market. It has proven reputation in serving customers by maintaining strong compliance practices and highest ethical standard. Beside this, Pubali Bank Securities Ltd has been playing a vital role in capital market for stabilization & sustainable development of the market since its inception.

Throughout the year, PBSL has passed comparatively a good time in the year 2021 in terms of performance, profitability and brokerage activities. Hopefully PBSL will do better in 2022 and continue the progress in Future.

Dividend Policy

The Bank follows a stable Dividend Policy year over year which is depicted below:

a) The Company in General Meeting may declare a dividend to be paid to the shareholders out of the profits for that year or out of any undistributed profits of the previous year and fix the time for payment of it. No dividend shall exceed the amount recommended by the Directors and their declaration as to the amount of net profit of the Company shall be conclusive.

b) Dividend shall carry no interest as against the Company.

c) The Directors may from time to time pay such interim dividend to the shareholders as may be justified by the financial position of the Company.

d) If any bonus on shares is declared out of profits, and whether alone or in addition to any dividend thereon, the bonus shall for all purposes be deemed to be a dividend on the shares.

e) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

f) Unless otherwise directed, payment of dividend shall be made by cheque or warrant sent through registered post to the address of the shareholder or person entitled thereto or, in case of joint holders, to that one whose name stands first in the register in respect of the joint holding.

g) Any one of the registered joint holders of any share may grant effectual receipt of payment of dividend in respect of such shares.

h) All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. Unclaimed dividend shall not be forfeited.

i) Appropriation of profit or declaration of dividend shall be made by the Company in any year upto 50% of the profits remaining after payment of income/corporation taxes and creation of statutory reserves until the instalments stipulated for that year under the paragraph titled "THE PRICE" in part IV of the prospectus have been paid by the Company to the Government.

Dividend Declaration

Our Bank is paying healthy returns to its shareholders over the years and follows consistent Dividend Policy year over year. Listing Regulations of both stock exchanges and Bangladesh Secretarial Standard-4 (BSS-4) also enacted with the declaration of dividend. As per BSS-4 in Declaration of Dividend is as follows:

- Dividend should be declared by the Members at an Annual General Meeting on the basis of recommendation of the Board.
- Dividend should relate to a financial year.
- No Dividend should be declared on equity shares for previous year(s) in respect of which annual financial statements have already been adopted at the respective Annual General Meeting(s).
- Interim Dividend should be declared by the Board of Directors.
- Dividend, once declared, becomes a debt of the company and cannot be revoked in any way.

Pubali Bank Limited declared Cash & Stock dividend in different years as mentioned below:

Year	Cash	Stock
2017	5.00%	5%
2018	10.00%	3%
2019	10.00%	--
2020	12.50%	--
2021 (Proposed)	12.50%	--

Asset and Liability Management:

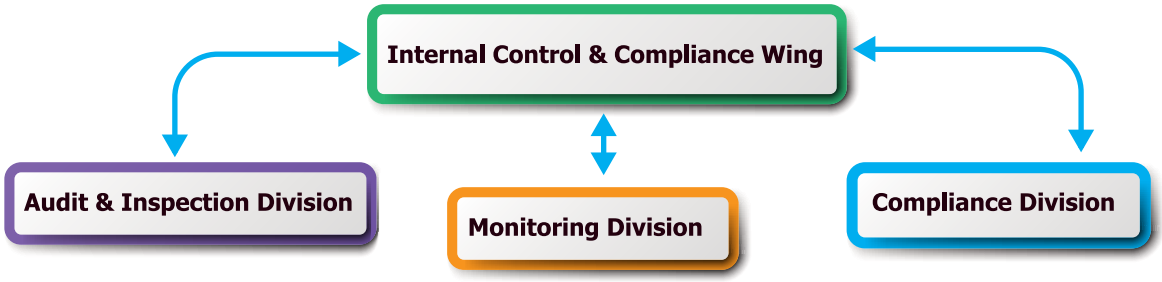
Asset and Liability Management (ALM) is a key financial risk management discipline. ALM is concerned with risk management and provides comprehensive and dynamic framework for measuring, monitoring and managing liquidity risk, interest rate risk, foreign exchange risk and equity price risk in the context of bank business strategy. ALM framework is formed for risk management that can arise due to changing circumstances and it focuses on long-term stability and profitability of the Bank.

Internal Control and Compliance

The system of internal control of Pubali Bank Limited is sound in design and has been effectively implemented and regularly monitored. The foundation of Internal Control and Compliance system of the Bank is implemented in organizational structure, policies, procedures and instructions provided by its Board of Directors and Senior Management and as per prevailing laws, regulations, nad best practices.

Today's Banks are highly exposed to compliance risk since they have a great number of stakeholders, eg. regulators, customers, counterparties, tax authorities, local authorities, and other authorized agencies. Compliance risk can lead to imposition of fines & penalties, payment of damagea, loss of market share, regulatory sanction and in severe case loss of franchise etc. Compliance risk can also lead to a diminished reputation, also known as reputation risk , arising from an adverse perception of the immage of the Bank by customers, counter parties, shareholders or regulators. Our Bank has restructured its ICC organogram considering our large branch network, volume of operations, introduction of Risk Based Audit and stringent regulatory compliance.

Audit & Inspection Division, Monitoring Division and Compliance Division are working separately and independently as shown below:



Audit & Inspection Division conducts audit as per Risk Based Audit Plan approved by the Audit Committee of the Board of Directors. IT auditor is attached with audit team to conduct IT audit. Synopsis of the audit report is placed before the Audit Committee of the Board of Directors regularly. Our Islamic Banking Wing conducts Shari'ah Audit in the Islamic Banking Windows of the Bank. Monitoring Division is engaged in monitoring function through different monitoring tools such as Pubali Monitoring System (PMS), Departmental Control Function Checklist (DCFCL), Quarterly Operations Report (QOR) and Loan Documentation Checklist (LDCL) etc. Compliance Division deals with all regulatory compliance related activities and also functions as the contact point of the Bank. The division ensures regulatory requirements and industry practices in the Bank. Compliance Division has also been entrusted to implement the National Integrity Strategy of the Bank.

Risk Management

Banking companies in Bangladesh, while conducting day-to-day operations, usually face Credit Risk, Internal Control & Compliance Risk, Money Laundering Risk, Asset Liability Management Risk, Foreign Exchange Risk, and Information Technology Risk. Moreover, Residual Risk, Concentration Risk, Liquidity Risk, Reputation Risk, Strategic Risk, Settlement Risk and Environmental & Climate Change Risk are also brought into consideration. Success or failure of the bank depends to a great extent on proper identification and minimization of these risks. As per the BRPD Circular no.11 dated 27 October 2013, a Risk Management Committee of the Board was formed, and the committee is complying with the instructions of Bangladesh Bank. Furthermore, as per Bangladesh Bank DOS circular letter no: 13 dated 09 September 2015 and subsequent DOS circular no. 04 dated 08 October 2018, a separate Risk Management Committee at Management level has also been formed and named as Executive Risk Management Committee (ERMC). The Committee is responsible to Managing Director for compliance and implementation of the decisions. As a part of risk management, adequate capital is maintained against Credit Risk, Market Risk and Operational Risk under Risk Based Capital Framework. Under the second pillar of Basel-III, a Supervisory Review Process (SRP) team was formed to review, monitor, and maintain adequate capital considering all relevant risks. Quarterly Stress Testing is conducted to assess the impact of different risks associated with banking business on asset, liability & ultimately on capital, and the report is submitted before the Board and Bangladesh Bank regularly.

Preparation of Financial Statement

While preparing the annual report along with financial statements, true and fair presentation has been given priority. The Institute of Chartered Accountants of Bangladesh (ICAB) adopted the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). Bangladesh Securities & Exchange Commission (BSEC) and Bangladesh Bank also mandated the implementation of IAS & IFRS. These standards and reporting system have also been complied with by our Bank in preparation of the Financial Statements.

Transparent Disclosure

Pubali Bank Limited prepares financial statements with adequate disclosures in accordance with the Bangladesh Accounting Standards (BAS), International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. In order to prepare the financial statements, the management is responsible for designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying accounting policies and making accounting estimates that are reasonable in the circumstances. These financial statements, once prepared, are reviewed initially by CFO and

CEO and then by the Audit Committee on a regular basis. After that, the Board reviews the financial statements of the Bank at the end of every quarter. The quarterly financial statements, along with notes are published on the two daily newspapers as well as the Bank's website. Furthermore, annual financial statements along with annual report are also sent to all Shareholders in a timely manner. On an annual basis, the Directors prepare the Directors' Report as part of the Annual Report which discloses the financial performance as well as non-financial information regarding bank's growth, responsibilities and other information in compliance with BSEC Notification. The Bank also abides by the applicable regulations in respect to Price Sensitive Information (PSI).

Performance of Pubali Bank Limited:

Pubali Bank Shares and Shareholders

Investors always look for a company which can meet their needs for dividend and capital gain. For the last few years country's Stock Markets have been remaining uncertain, inconsistent and unstable. We have a large number of shareholders which on 31st December 2021 stood at 35,648 (BO Shareholder-32,783 and Folio Shareholder-2,865). Year-wise Authorized Capital, Paid up Capital, Earnings per Share (EPS) and Net Asset Value (NAV) over the years are mentioned below:

Deposits

The deposit growth trend was positive in 2021. At the end of 2020, Total deposit was BDT 42,934.30 million that came to BDT 462,400.22 million at the end of 2021 showing 7.70% increase.

Out of the total deposits, Time Deposits BDT 378,252.45 million and Demand Deposits were BDT 84,147.77 million i.e. 81.80% and 18.20% respectively.

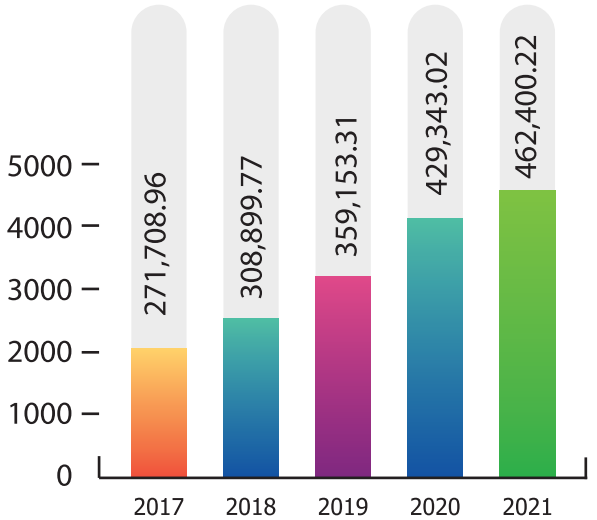
(BDT in million)

Year	2021	2020	2019	2018	2017
Authorized Capital	20,000	20,000	20,000	20,000	20,000
Paid up Capital	10282.94	10282.94	10282.94	9983.44	9508.04
EPS	3.80	3.57	2.08	3.43	(0.28)
NAVPS	38.37	38.16	31.38	27.42	25.68

Statutory and other Reserve

At the end of 2021, the statutory reserve and other reserves of the bank stood at BDT 29,170.61 million, out of which statutory reserve was BDT 10,283.00 million, Retained Earnings was BDT 14,426.73 and other reserve was BDT 4,460.87 million. Total Reserve was BDT 28,960.24 million at the end of 2020.

(BDT in million)



Borrowing from other Banks and Financial Institutions

In 2021 the bank borrowed BDT 30,019.84 million for business purpose compared to BDT 17,486.80 million during the previous year.

Lending to other Banks and Financial Institutions

In 2021 the bank lent BDT 21,481.97 million for business purpose compared to BDT 18,580.80 million the previous year.

Advances

Total advances of the bank as on 31 December 2021 stood at BDT 376,656.43 million showing an increase of BDT 61,077.53 million @ 19.35% growth.

In line with national economic development, the bank made advances mainly as Commercial Loan, Import & Export business, Term loan to large and medium scale industries, House Building loan, Working Capital loan, Consumer's Credit and

Syndication loans etc.

Key financial figure of the Balance Sheet is given below

(BDT in million)

Particulars	2021	2020	2019	2018	2017
Assets	629,184.67	565,467.21	478,074.84	409,744.09	368,314.62
Deposits	462,400.22	429,343,02	359,153.31	308,899.77	271,708.96
Loans & Advances	376,656.43	315,578.90	287,034.67	270,909.51	239,539.60
Shareholder's Equity	39,453.55	39,243.18	32,271.71	27,377.10	24,420.31

Foreign Exchange Business

a) Import Business

During the year the Bank handled import business worth BDT 279,780.03 million. During the previous year the amount was BDT 164,240.37 million. The amount of import business handled by the bank increased by BDT 115,539.66 million during the year which was 70.35% higher than previous year.

b) Export Business

The bank handled export business worth BDT 129,799.36 million during the year as against 87,340.06 million in previous year which was 48.61% decrease than previous year.

c) Inward Foreign Remittance

Nonresident Bangladeshis sent foreign exchange equivalent BDT 60,500.20 million in 2021 whereas the amount was BDT 52,113.40 million in 2020.

Total Operating Income

Due to the reasons explained above, total operating income of the bank increased by BDT 1,800.78 million during the year and stood at BDT 20,124.81 million.

Total Operating Expense

Total operating expenses of PBL increased by 7.41% during the year mainly salaries and allowances and due to rental expense for the bank's hired premises.

The productivity of the employee continued to grow which is marked from the following ratio:

(BDT in million)

Particulars	Income per Employee	Expense per Employee	Profit before provision per employee	Profit before tax per employee	Assets per employee
2021	5.24	3.91	1.18	0.65	78.43
2020	4.70	3.67	1.03	0.71	69.66
2019	4.43	3.33	1.16	0.64	58.63
2018	4.25	3.08	1.17	0.75	54.01

Analysis of Income Statement of Pubali Bank Limited (BDT in Million)

SL	Particulars	2021	2020	Growth %
1	Interest Income	22,737.80	22,716.88	0.09%
2	Interest Expenses	21,900.92	19,851.84	10.32%
3	Net Interest Income	836.88	2,865.04	-70.79%
4	Income from Investment, Commission, Brokerage & Others	19,287.93	15,458.99	24.77%
5	Total Net Income (Net Interest Income + Non Interest Income)	20,124.81	18,324.03	9.83%
6	Operating Expenditure	10,681.35	9,944.47	7.41%
7	Profit Before Provision	9,443.46	8,379.56	12.70%
8	Net Profit after Tax	3,904.55	3,669.51	6.41%

Total operating income & total operating expenditure of the Bank during 2021 were BDT 20,124.81 million and BDT 10,681.35 million respectively resulting a profit of BDT 9,443.46 million before making provision for bad and doubtful debts and income tax.

During the year the Bank made a provision of BDT 4,243.80 million against loans and advances, other assets, bad debt offsetting for IBW and off-balance sheet. Provision of BDT 1,295.11 million against Corporate Income Tax and deferred Tax. As such, net profit on the Bank stood at BDT 3,904.55 million.

Growth in Operating Profit and Net Profit before/after Income Tax and Provision for the Last 5 years:

Year	2021	2020	2019	2018	2017
Profit before provision & Tax	9,443.46	8,379.56	9,457.80	8,857.68	8,184.89
Net Profit	3,904.55	3,669.51	2,143.27	3,424.06	(281.20)
Return on Equity (ROE)	9.90%	9.46%	7.51%	12.51%	-1.15%

Network Expansion Program

Pubali Bank Limited, as a largest private commercial bank, always gives highest priority to accelerate its branch expansion programme to augment its customer base and provide banking services to unbanked people. The Bank invests in network expansion and new technology adoption to achieve competitive advantage.

Continue to our consistent progress we now have 490 (Four Hundred Ninety) branches that are placed in convenient locations, close to key shopping and commuting nodes. All branches are Online and fully equipped new technology based covering all Divisions of the country. Pubali Bank Limited, as a leading financial institution, always gives highest priority to quicken its branch expansion program to net the un-banked population across the country.

Moreover, the Bank is also offering Offshore Banking facilities through 02 (Two) Offshore Banking Units (OBU) i.e. OBU-Principal Branch is located at A-A Bhaban, 23 Motijheel C/A, Dhaka and OBU-Agrabad Branch is at Agrabad Branch, 99 Agrabad C/A, Chittagong. The Bank is also providing "Shariah-Based Islamic Banking Services" through 17(Seventeen) Windows to the customers. At present Bank's Authorized Dealer (AD) Branches are 29 (Twenty nine). The Bank is also providing "Evening Banking Service" through 87 (Eighty Seven) Branches to further augment its service delivery at extended banking hours.

Division-wise distribution of Branches, OBU Units and Islamic Windows are given below:

Division	Urban Branches	Rural Branches	Sub Branch	Authorized Dealer (AD)	OBU Unit	Islamic Banking window	SME/ Krishi	Evening Banking
Dhaka	101	36	9	16	1	4	2	26
Chittagong	71	47	12	5	1	3	1	17
Sylhet	29	63	2	3	-	3	1	12
Rajshahi	19	14	4	1	-	1	1	11
Khulna	22	12	4	2	-	3	-	5
Barisal	16	13	6	1	-	1	-	6
Rangpur	20	6	1	-	-	1	-	6
Mymensingh	17	4	2	1	-	1	-	4
Total	295	195	40	29	2	17	5	87

Implementation of Basel III

Bangladesh has entered into the Basel III regime from January 01, 2015. Bangladesh Bank revised the capital standard based on Basel III and planned to implement it gradually from 2015 to 2019. A Capital Conservation Buffer (CCB) of 2.5% is to be built up @ 0.625% each year from the beginning of 2016 to 2019. This is in addition to existing Minimum Capital Requirement (MCR) of 10%. It means CRAR requirement will be 12.50% from January 01, 2019.

To increase the quality and quantity of the capital base of the Bank, Basel III has introduced the following measures:

1. Tier 1 capital has been divided into two parts: Common Equity Tier 1 (CET1) and Additional Tier 1 (AT1).
2. The definition of capital has been made stringent. Tier 3 capital has been eliminated.
3. The Bank has to maintain 3% leverage ratio along with Liquidity Coverage Ratio (LCR) of 100% or more and Net Stable Funding Ratio (NSFR) of more than 100%.

Pubali Bank Limited is well positioned in respect of capital and risk management. It has commenced reporting of CRAR, leverage and liquidity ratio from January 01, 2015 following the new risk based capital adequacy framework.

The Bank has a Supervisory Review Process (SRP) team comprising of members from the senior management. They participate in dialogues with the Supervisory Review Process Evaluation (SREP) team of Bangladesh Bank on the issue of maintenance of adequate capital to compensate all the risks associated with business.
Stress testing is an integral part of Supervisory Review Process and is conducted through a prescribed format given by Bangladesh bank where impact on Capital to Risk Weighted Asset Ratio (CRAR) is assessed taking into account plausible shocks.

Pillar-III of Basel III aims at promoting market discipline through regulatory disclosure requirements. The reports on disclosure enable market participants to assess more effectively key information relating to Bank's regulatory capital and risk exposures in order to keep confidence about the Bank's exposure to risk and overall regulatory capital adequacy. The Bank has published the disclosure incorporating all the changes in the revised guidelines. The Bank has also made a significant progress in implementing Basel-III and preparing itself to meet the upcoming challenges for implementing advanced approaches of calculating credit, market and operational risks.

The Bank is well positioned in respect of capital and risk management. The overall scenario as of December 31, 2021 under pillar-I is shown below:

CRAR (Solo)	CRAR (Consolidated)	Leverage Ratio	LCR	NSFR
14.23%	14.11%	4.57%(solo)	200.26%	102.37%

Human Resources

Pubali Bank Limited had a total workforce of 8,022 (including 89 days basis) compared with 8,118 in 2020 and 8,153 in 2019 at the year end. We believe our employees are our most valuable asset. We aim to recruit the best talent, provide necessary training and develop retention policies with value based benefits as par with the industry's best practices. We established a broader framework for employee benefits and welfare that include Provident Fund, Gratuity Fund, life insurance policy, Staff Welfare Fund, Retired Employees Welfare Fund, subsidized medical facilities and so on. In 2021 we have recruited 169 new employees in different ranks. We aim to create an environment for the employees where all can be self-motivated, inspired and committed to achieve the desired goal and ambition of the Bank. We also encourage the employees to speak up on the concerned issues to conceive the views and reflect it upon the decisions we make for the Bank. The Bank is committed to empower the workforce with quality skills, knowledge, and training and experiences with the expectation of better performance and professional attitudes and quality services to the customers to materialize the goal of becoming the Best Bank in the country.

A detail review of Report on Human Capital is included in this Annual Report.

Going Concern

The Directors considered it appropriate to prepare the financial statements on the going concern basis. Going concern is one of the fundamental assumptions in accounting on the basis of which financial statements are prepared. Financial statements are prepared assuming that a business entity will continue to operate in the foreseeable future without the need or intention on the part of management to liquidate the entity or to significantly curtail its operational activities. Therefore, it is assumed that the entity will realize its assets and settle its obligations in the normal course of the business. It is the responsibility of the management of a bank to determine whether the going concern assumption is appropriate in the preparation of financial statements. The Management of Pubali Bank Ltd. has calculated all the ratios related to the maintenance of regulatory capital & liquidity such as CRAR, LCR, NSFR, Leverage ratio, CRR & SLR and assessed adequacy of bank's liquidity as per structured liquidity profile, and has performed stress testing to determine bank's shock absorbent capacity in different distress scenario. All the ratios and results thus calculated reveal that Pubali Bank Ltd. is running well above the level of different parameters set by the respective guidelines of Bangladesh Bank. A detail review of Going Concern of the Bank is included in this Annual Report.

Declaration of the Compliance of BSEC Notification

The Board is responsible to present a true and fair view of the Company's financial performance and position as a part of good governance and to that end the Directors confirm to the best of their knowledge that the following disclosures are made in compliance of certain provisions contained in the BSEC's CG Code dated June 3, 2018.

a) The financial statements prepared by the management present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

b) Proper books of account of bank's have been maintained.

c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

d) Bangladesh Accounting Standards (BAS)/Bangladesh Financial Reporting Standards (BFRS) as applicable in Bangladesh have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.

e) The system of internal control in the Bank is sound in design and has been effectively implemented and monitored.

f) There are no doubt upon the Bank's ability to continue as a going concern.

As required under BSEC's Corporate Governance Code, the Directors further confirm that the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have certified to the Board the following:

- they have reviewed the Financial Statements and that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- they have reviewed the financial statements and believe that these statements together present a true and fair view of the Bank's affairs and are in compliance with the existing accounting standards and applicable laws; and
- there are, to the best of their knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or in violation of the Bank's Code of Conduct.

Audit & Inspection

Our Bank is the largest private commercial bank in Bangladesh in terms of branch network. Workload of Audit & Inspection Division has substantially increased due to expansion of business, addition of Branches, Sub Branches & Islamic Banking Windows, diversified products & services, use of information technology, evolvement of new risks and stringent regulatory compliance. There is a positive correlation between risk and risk based audit. Each year Audit & Inspection Division sets out a Risk Based Audit & Inspection Plan which is duly approved by the Audit Committee of the Board as per ICC Guidelines.

Risk Based Audit & Inspection function is carried out following our Internal Control & Compliance Guidelines, Audit Manual, instructions of Audit Committee of the Board and regulatory instructions. Bangladesh Bank and its offices across the country conducted Inspections on our different Branches and Head Office, follow-up of which was carried out by Audit & Inspection Division for compliance and regularization. Moreover, Regional Offices and Principal Offices of our Bank also conducted Surprise Inspections, Surprise Visits and Audit and Inspections on the Branches, Sub Branches and Islamic Banking Windows under their jurisdictions. IT auditors were attached to the audit teams to conduct IT audit as a part ICT Risk Management.

As per Risk Based Audit & Inspection Plan-2021, Audit & Inspection Division conducted comprehensive audit on 482 Branches, 20 Regional Offices, 2 Principal Offices, 2 Off-shore Banking Units, 25 Divisions of Head Office and Pubali Bank Securities Ltd. subsidiary company of the Bank.

With a view to minimizing the operational risks Audit Teams examine day-to-day transactions, loan documentation and regulatory compliance related issues. Based on Branch-wise Audit/Inspection reports, significant audit findings & deficiencies identified/detected by the Audit & Inspection teams along with compliance reports are duly notified and placed before the Audit Committee of the Board. On the basis of the gravity of the irregularities/lapses, necessary preventive measures and disciplinary/administrative actions are taken against the delinquent person(s). Field is advised to bring down NPLs by way of recovery & making settlement through frequent communication with the defaulting borrowers and initiating legal actions if any required for upgrading the asset quality.

IT & Automation

ICT Operation Framework secures qualitative and error-free implementation and management of daily banking operation, prompt support services against PIBS, PMS, BACH, BEFTN, Network, System, etc and assure all stakeholders with confidence that ICT processes are harmonized securely with the Bank's requirements and risks are effectively managed and mitigated within the Banking Operation System that results in increased transaction volume, customer base as well as market share.

Pubali Bank Limited has been extending customer services at all of our **490 branches, 41 Sub-branches** and **17 Islamic Wings** using our **in-house developed** core banking software, **Pubali Integrated Banking System (PIBS)**, and **Pubali Integrated Islamic Banking System (PIIBS)**, under network environment. **Real Time Centralized Online Banking System** has been developed and deployed in all of **490** branches, **41** Sub-branches and **17** Islamic Wings across the country. The Online Banking Network of Pubali Bank Limited has become the largest one in the banking sector of Bangladesh.

To encourage incoming **foreign remittances**, all of our branches have been brought under the network of **Western Union Money Transfer, MoneyGram, Transfast, Xpress Money Services, Ria, Pravu Money Transfer, Placid Express etc.** in addition to receiving **Foreign TTs** from different **Exchange Houses** abroad. Besides, we have developed an online payment module through which branches can pay remittances to customers quickly.

We have introduced **Mobile Banking Application of Pubali Bank Limited, PI (n)**, since 01 October 2020. Unlike Internet Banking, Mobile Application of the Bank will facilitate our valued clients with different transactional and non-transactional banking services for 24/7. The mobile application can be downloaded from App Store (iOS) and from Google Play Store (Android). A web based application is accessible through www.pi.pubalibankbd.com.

We have launched our **Internet Banking System** using our in-house developed software and we are extending this services to the customers of our all Online Branches. Security of the transmitted data by encryption/decryption has been ensured through agreement with **VeriSign Secured Site Pro.** Our Software Development Division is working on development of software for **QR Code based Payment System, IDTP, e-KYC and Short e-KYC based Account Opening System.**

We have participated in the **Real Time Gross Settlement (RTGS) and National Payment System Bangladesh (NPSB)** from its inception as a pioneer bank through our in-house developed software, PIBS.

We have established our **Data Center** at ICT Operation Division, Head Office and **Disaster Recovery Center** at Uttara, Dhaka. Data Center of Pubali Bank Limited has been restructured recently and become one of the best ones in Bangladesh. In context of international standard, architecture of Data Center has been upgraded to Tire-3 Standard.

Considering the current **Cyber Security Thread Landscape,** we have introduced **Multi-layer Security Controls** to secure our Information Systems. The goal of Layered Security is to increase effectiveness of the security controls in place through a defensive strategy. We have already implemented Next-Gen Firewall and IPS, IDS, Email Security, Web Security, Web Application Firewall (WAF) and Advanced Malware Protection (AMP) to protect our environment.

We have 17 (Seventeen) Islamic Banking Wings at different locations of the country, and the windows are run by our in-house developed software, Pubali Integrated Islamic Banking System **(PIIBS)**. Customers of our Islamic banking windows can get selected services from any of our Online Branches through Online Banking Network.

We have introduced Automated Challan System (ACS) for collecting Government Challan against VAT, Taxes, Charges of Government Services and e-Payment.

We have made an agreement with Election Commission (EC) to verify genuineness/correctness of National ID of our all existing customers as well as new customers at the time of registration using EC's Database. Moreover, ICT Operation Division has facilitated e-GP related services to our valued customers in the line with the Management's goal to be the market leader in e-GP.

We have already deployed IP Phone to our Head Office, Principal Offices, Regional Offices and all of our branches. We have already launched video conferencing system all around the country. **Board Meetings, Important Management Meetings**, Meetings with other entities, different **Training Programmes, Countrywide Online Workshops** and so on are operating through WebEx.

Pubali Bank Limited is moving towards state of art technology platform and in such a scenario, we are now at a stage of introducing technology based different alternative delivery channels such as Agent Banking, Booth Banking, Mobile Financial Services (MFS) and so on in the line with transforming Pubali Bank Limited to a paperless banking. ICT Operation Division is working hard for achieving this objective within a short period of time.

Meeting of the Board of Directors

During the year 2021, total 53 nos of Board of Directors meeting, 4 nos of Executive Committee meeting, 17 nos of Audit Committee meeting and 4 nos of Risk Management Committee meeting were held. Dates for Board and other Meetings are decided in advance and notice of each Board Meeting is served in writing well ahead of the meeting. The notice contains the detailed statement of business to be transacted at each meeting. The Board meets for both scheduled meetings and on other occasions to deal with urgent and important matters that require attention. A record of the Directors' attendance at Board meetings during 2021 is set out on Report of Corporate Governance of this Annual Report.

Remuneration of the Directors

The Bank does not pay any remuneration to its Directors. As per the BRPD Circular no. 11 dated 27/10/2013 that the Chairman may be provided an office-room, a personal secretary/assistant, one peon/MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business-interest of the bank and no other facilities were availed by the Chairman. As per the BRPD circular no.11 dated 04/10/2015 Directors are only paid fees, travel and hotel allowances for attending the Board, EC, Audit Committee, Risk Management Committee and Shariah supervisory committee. Only Managing Director is paid salaries and allowances as per recommendation of the Board and approval of Bangladesh Bank.

Appointment of Auditors

The Board of Directors recommended to reappoint A. Qasem & Co., Chartered Accountants and appoint MABS & J Partners, Chartered Accountants as External Auditor for the year ended December 31, 2022 subject to approval by the shareholders in the 39th AGM of the Bank. This 02 (two) Chartered Accountant firms will audit the statement of accounts with due permission of Bangladesh Bank & Bangladesh Securities and Exchange Commission (BSEC). They are eligible for appointment as per rules and regulations. This 02 (two) Chartered Accountant firms expressed their willingness for appointment. The Board of Directors also recommended to reappoint Mohammad Sanaullah & Associates, Chartered Secretaries as compliance

auditor subject to approval by the shareholders in the 39th AGM of the Bank.

Declaration of Dividend

The Board of Directors gives utmost importance on the principles of sharing good achievements with valuable shareholders of the Bank. The Board of Directors has recommended 12.50% Cash Dividend for all shareholders of the bank out of profit on the basis of audited accounts for the year ended 31st December 2021 subject to approval by the shareholders in the 39th Annual General Meeting.

Annual General Meeting

The 39th Annual General Meeting (AGM) of the Bank will be held on May 31, 2022 at 10:30 AM by using hybrid system (Physical and Virtual) as per notification of Bangladesh Securities & Exchange Commission.

Expectations in 2022

The Bank has put stress on the business target fixed up for the year 2022. The Bank put emphasis on retail banking business and to increase the small sized loan portfolio. The target of Deposit and Advances are projected to be increased by 18.90% and 14.71% respectively. Import, Export and Foreign Remittance businesses are expected to rise by 14.38%, 54.08% and 32.23% respectively while operating profit target fixed is expected to be increased by 18.39%.

Corporate Governance

Pubali Bank Limited believes in transparency and accountability to the society as a whole through establishment of an efficient and effective Corporate Governance regime. As part of its governance pursuits, the bank is committed to ensuring the highest standards of governance designed to protect the interests of all stakeholders while promoting integrity, transparency and accountability. The Board and the Management Team also put their best efforts to comply with all the laws of the country and all internal regulations, policies and procedures to make Pubali Bank a thoroughly transparent bank.

In line with the same, Pubali Bank Limited has complied with the conditions as stipulated in the Corporate Governance Code issued on 03 June 2018 by BSEC. In this connection, the status of compliance has been annexed to this report. Further, a certificate of compliance from Mohammad Sanaullah & Associates, Chartered Secretaries, confirming compliance of conditions of Corporate Governance, as stipulated under condition 9(1) of the CG Code is also annexed to this report.

A detail review of Corporate Governance of the Bank is included in this Annual Report.

Rotation and Retirement of Directors

Pursuant to Companies Act 1994 under Regulation 79, 80 and 81 of schedule- I and as per article no. 90 & 91 of the Bank's Articles of Association, one-third of the directors will retire before the AGM and all of the retiring directors will be eligible for re-election. Under this circumstances, the following Four (4) honorable Directors will retire in the 39th Annual General Meeting of the Bank and they will be eligible for re-election.

SL.	Name of the Directors
1.	Mr. Monzurur Rahman
2.	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA
3.	Mr. Azizur Rahman
4.	Ms. Rana Laila Hafiz

Independent Director

As per the Bank Companies Act, 1991 at least 2 directors should be from Independent category if the maximum number of the Board members is below 20. Again, as per BSEC guidelines on Corporate Governance at least one fifth of the total Directors should be from Independent category. Therefore, the Board of Pubali Bank Limited appointed 2 (two) independent directors - Dr. Shahdeen Malik and Mr. Mohammad Naushad Ali Chowdhury. Among them, Mr. Mohammad Naushad Ali Chowdhury will be confirmed for appointment in the 39th AGM while Dr. Shahdeen Malik is continuing his directorship as independent director after completion of his 2nd term due to writ petition pending in the High Court.

Corporate Social Responsibilities

Corporate Social Responsibility (CSR) has been a long-standing commitment at our bank. In Pubali Bank Limited, CSR is taken seriously. CSR activities are not undertaken purely for public relations, it is a part and parcel of who we are and how we have worked for decades. The Bank's contribution to social sector development includes several pioneering interventions and is implemented through the involvement of stakeholders within the Bank and through the broader community. CSR of the Bank is oriented with a view to helping the needy segment of the population of the society. Pubali Bank Limited believes in socially equitable development.

The Bank is committed to ensure environmentally sustainable development. As a responsive corporate financial organization, the Bank has anchored its CSR activities on health, education, disaster management, sports, arts & cultures and on many other benevolent dimensions. Throughout the year 2021, the Bank participated in a numbers of CSR activities which encompassed social, environmental, ethical & philanthropic activities. The Bank undertook the voluntary contributions towards building a better society and cleaner environment beyond its financial commitments and regulatory obligations.

Pubali Bank Limited distributed a huge number of blankets among the poor, shelter less and cold-stricken people of the country through various organizations/societies. The Bank provided medical assistance for the distressed and unprivileged people of the society. The Bank donated good chunk of money in the following sectors in 2021.

In the year 2021, Pubali Bank Limited spent BDT 12.05 crore in different following categories for CSR activity. We are also one of the leading tax payers of the country.

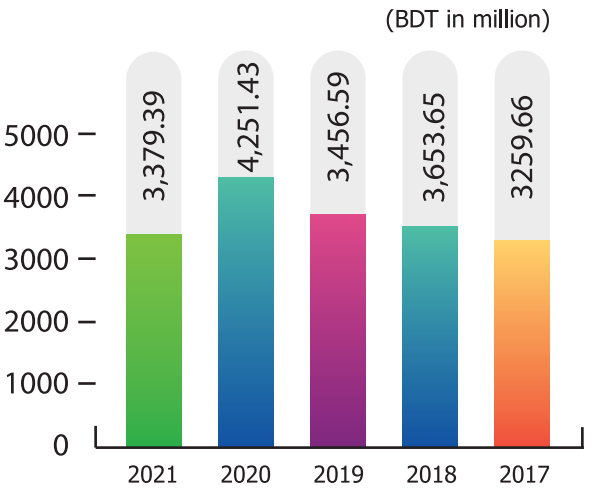
Disaster Management	**BDT 4.07 Crore**
Education	**BDT 1.65 Crore**
Health	**BDT 6.17 Crore**
Others	**BDT 15.61 Lac**

This report further encloses a detailed discussion on "Corporate Social Responsibility" under the Report of Corporate Social Responsibility.

Contribution to National Exchequer

Pubali Bank will continue to support Government's proposals that help to establish a sustainable level of tax contribution to the National Exchequer. The bank considered to be one of the major contributors in the economy and to the society of Bangladesh. During the year 2021, Pubali Bank Limited contributed BDT 1,809.44 million as taxes to the national exchequer.

The bank's contributions to the National Exchequer for the last five (5) years are given below:



Acknowledgement

The outcomes of the Year 2021 would not have been possible if not for the persistent support and encouragement of our stakeholders. The Board of Directors extend their warmest greetings to the valued customers, Patrons and well-wishers for their support and co-operation in the activities of the bank. The Board thanked the dedicated services of the Senior Management Team, all Executives and other employees of the Bank. The Board offers thanks to the Government of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies and Firms and Central Depository of Bangladesh Limited (CDBL) for their cooperation and effective guidance.

The Board also expresses its appreciation to Howlader Yunus & Co. and A. Qasem & Co. External Auditors and Mohammad Sanaullah & Associates, Chartered Secretaries, compliance auditor of the Bank, for their efforts for timely completion of Audit. The Board of Directors also thanks both the print and electronic media personnel for giving media coverage to the Bank's different activities and events.

The Board thanks the respected shareholders and assures them that it will continue to add to the Shareholders' wealth through further strengthening and development of the Bank in which they have placed their trust and confidence. I also thank the respected shareholders for attending the 39th Annual General Meeting and contributing meaningfully to the deliberations and adoption of resolutions against the agenda.

On behalf of the Board of Directors,

Monzurur Rahman
Chairman of the Board of Directors

Directors' Responsibility Statement

Dear Shareholders,
Assalamualaikum,

To ensure good governance in bank and to control over the bank affairs it is essential to have specific demarcation of responsibilities. Apart from discharge of oversight responsibilities, Board of Directors has to ensure that the Financial Statements of the Bank and its subsidiaries are prepared in accordance with applicable Bangladesh Financial Reporting Standards (including Bangladesh Accounting Standards), relevant provisions of the Companies Act 1994, Bank Company Act 1991 (amended up to 2018), rules and regulations of Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC), listing regulations of relevant stock exchanges and other applicable laws, rules and regulations.

Meeting of the Board of Directors
During the year 2021, total 53 nos. of Board of Directors meeting, 2 nos. of Executive Committee meeting, 17 nos. of Audit Committee meeting and 4 nos. of Risk Management Committee meeting were held. Dates for Board and other Meetings are decided in advance and notice of each Board Meeting is served in writing well ahead of the meeting.

Directors' Responsibility Statement is outlined below in compliance with Bangladesh Bank BRPD Circular No. 11 dated 27 October 2013:

Work-Planning and Strategic Management
The Board determines Bank's objectives and goals and chalks out strategies and work-plans on annual basis. It specially engages itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reformation for enhancement of institutional efficiency and other relevant policy matters. It analyzes and monitors the implementation of its decision on quarterly basis.

The Board gives its analytical review as incorporated in the Annual Report regarding the success or failure in achieving the business and other targets as set out in its annual work plan and apprises the shareholders of its opinions and recommendations on future plans and strategies. It sets the Key Performance Indicators (KPIs) for the CEO & Officers belonging to two tiers below the CEO and evaluates them from time to time.

Credit and Risk Management
The policies, strategies, procedures etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, rescheduling and write-off of loans are made with the Board's approval under the purview of the existing laws, rules and regulations. The Board specifically delegates the power of sanction of loan/investment and such delegations are suitably made amongst the CEO and his subordinate executives as far as desirable for efficient business operations. No Director interferes, directly or indirectly, in the process of loan approval.

The Board frames policies for Risk Management and ensures their implementation. It monitors compliance at quarterly intervals through reviews of the reports of the Risk Management Team. The Board monitors the compliance of the guidelines of Bangladesh Bank regarding Key Risk Management.

Internal Control Management
The Board remains vigilant on the internal control system of the Bank in order to attain and maintain satisfactory qualitative standard of its loan/investment portfolio. The Board establishes internal control system in such a way that the internal audit process can be conducted independently by the concerned department. It reviews the reports submitted by its Committees especially regarding compliance with recommendations made in Internal and External Audit Reports and the Bangladesh Bank Inspection Reports as well as reports on management of risks.

Human Resources Management and Development
Policies relating to recruitment, promotion, transfer, disciplinary action and punitive measures, human resource development etc. and service rules are framed with the approval of the Board. The Chairman or any Director in no way involves himself or interferes into or exercises influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as conducted under the set service rules. No member of the Board of Directors is included in the selection committee for recruitment and promotion to different levels. Recruitment, promotion, transfer and punishment of the officers immediate two tiers below

the CEO, however, rest upon the Board. Such recruitment and promotion are done complying with the service rules i.e., policies for recruitment and promotion.

The Board focuses its special attention on the development of skills of Bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, the adoption of modern electronic and information technologies and the introduction of effective Management Information System (MIS). The Board gets these programs incorporated in its annual work plan.

The Board imposes Code of Ethics for every tier of employees and they follow it properly. It promotes healthy code of conduct in the Bank for developing a compliant banking operation.

Financial Management
The annual budget and the statutory financial statements are finalized with the approval of the Board. It reviews and monitors monthly position of Bank's income, expenditure, liquidity, non-performing asset, capital base and capital adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures.

The Board frames the policies and procedures for Bank's purchase and procurement activities and accordingly approves the delegation of power for making such expenditures. The maximum possible delegation of such power of expenditures vests on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of Bank's business are, however, adopted with the approval of the Board.

Appointment of Chief Executive Officer (CEO)
One of the major responsibilities of the Board of Directors is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. The appointment of the CEO is made with the approval of the Bangladesh Bank.

Other Responsibilities of the Board
The Board follows and complies with all the responsibilities assigned to it by Bangladesh Bank from time to time.

In compliance with section 184 of Companies Act 1994, the Annual Report has a separate section as 'Directors' Report 2021' that contains following issues:

State of the Bank's affairs: A review of financial performance and position has been presented in the Directors' Report 2021.

Any recommended reserve in the balance sheet: None.

Recommended dividend: The Board has recommended 12.50% Cash dividend for the completed year 2021.

Any event after balance sheet date which may affect company's financial condition: None.

Any change in bank's activities, subsidiaries' activities etc.: No major change in strategy and actions in the Bank and Subsidiaries experienced in 2021.

The Directors are also required to declare the following matters in their report as per Corporate Governance Code of Bangladesh Securities & Exchange Commission (BSEC)'s notification dated June 3, 2018, as applicable for bank:

- Industry outlook and possible future developments in the industry;
- Segment-wise or product-wise performance with relevant risks;
- Extraordinary gain or loss;
- Related party transactions-a statement of all related party transactions;
- Utilization of proceeds from public issues, rights issues and/or through any other instruments;
- Significant variance between quarterly financial performance and annual financial statements;
- Remuneration to directors including independent directors;
- Preparation of the financial statements and any departure thereof, has been adequately disclosed;
- The system of internal control is sound in design and has been effectively implemented and monitored;

- There are no significant doubts upon the bank's ability to continue as a going concern;
- Significant deviations from the last year's operating results;
- Key operating and financial data of at least preceding 5 (five) years;
- If no dividend (cash or stock) has been declared for the year, the reasons thereof shall be given;
- The number of Board meetings held during the year and attendance by each director;
- The pattern of shareholding structure;
- In case of the appointment/re-appointment of a director, the following information to be disclosed to the shareholders:-
    a) A brief resume of the director;
    b) Nature of his/her expertise in specific functional areas;
    c) Names of companies in which the person also holds the directorship and the membership of committees of the board.
- A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:-
    a) accounting policies and estimation for preparation of financial statements;
    b) changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;
    c) comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;
    d) compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;
    e) briefly explain the financial and economic scenario of the country and the globe;
    f) risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and
    g) future plan or projection or forecast for company's operation, performance and financial position, with justification;

The Directors confirm that the Annual Report together with the Directors' Report and Consolidated Financial Statements have been prepared in compliance with the laws, rules and regulatory guidelines and BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018.

The Directors are of the view that they have discharged their responsibilities as set out in the Companies Act, 1994, the Bank Companies Act, 1991 (amended up to 2018), Securities laws, Corporate Governance Code, Listing regulations, 2015, and other prevailing laws and regulations, as applicable for Pubali Bank Limited.

On behalf of the Board of Directors,



Monzurur Rahman
Chairman

Corporate Governance Report

Pubali Bank Limited believes that Corporate Governance is a journey and not a destination and it needs to be continuously developed, nurtured and adapted to meet the varying needs of a modern business house as well as the justified aspirations of our valued investors, other stakeholders and the society at large. The Bank also believes in transparency and accountability to the society as a whole through establishment of an efficient and effective Corporate Governance regime.

Corporate Governance Principles

Corporate governance is "the system by which companies are directed and controlled" (Cadbury Committee, 1992). It involves a set of relationships between a company's management, its board, its shareholders and other stakeholders; it deals with prevention or mitigation of the conflict of interests of stakeholders. Ways of mitigating or preventing these conflicts of interests include the processes, customs, policies, laws, and institutions which have impact on the way a company is controlled. An important theme of corporate governance is the nature and extent of accountability of people in the business, and mechanisms that try to decrease the principal-agent problem.

Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the corporation is governed. In contemporary business corporations, the main external stakeholder groups are shareholders, debt holders, trade creditors, suppliers, customers and communities affected by the corporation's activities. Internal stakeholders are the board of directors, executives, and other employees. It guarantees that an enterprise is directed and controlled in a responsible, professional, and transparent manner with the purpose of safeguarding its long-term success. It is intended to increase the confidence of shareholders and capital-market investors. Pubali Bank is firmly convinced that a traditional banking model focused on closer customer relationships and advisory services best serves its purpose, as such, its goals are based on customers' needs & solutions and not merely a product.

The Bank's corporate governance policy for Directors, Management and employees has been formulated as per the guidelines of regulators. With adherence to this policy, the Bank aims to build trust and confidence among stakeholders, thereby improve its competitiveness, enhance value and promote stability. The policies are updated time to time in order to comply with the proper governance principles and relevant regulatory requirements.

Corporate Governance Framework

Pubali Bank Limited's Corporate Governance framework has been developed and enhanced based on the basic principles and best practices outlined in the following:

- Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC);
- The Companies Act 1994 and other applicable regulations of Bangladesh;
- The Bank Companies Act, 1991 (Amended upto 2018);
- Dhaka and Chittagong Stock Exchanges Listing Regulations, 2015;
- Laws of the land;
- Standards of Business Conduct, Policies and Guidelines of the Bank;
- Statement of Risk Management Internal Control of the Bank;
- Statement of Delegated Authorities of the Bank; and
- Local and global best practices.

The Bank has always strived to maintain the highest standards of corporate governance and business conduct so as to create and maintain sustainable shareholders' value, safeguard stakeholders' interest and maintain investors' trust and confidence. The Bank's corporate governance structure comprises of the Shareholders, the Board, Bank Management, Regulatory Authorities, Independent External Auditors and the Employees. The Bank, at the same time, expects acts of honesty and integrity from its Board of Directors, employees and stakeholders.

Practices of Corporate Governance

Pubali Bank regularly provides a complete set of financial statements and relevant documents to the Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), Stock Exchanges, National Board of Revenue (NBR), Registrar of Joint Stock Companies & Firms (RJSC&F) and all other relevant bodies and authorities.

The Bank also takes various initiatives to conduct awareness sessions on existing and proposed laws to ensure compliance throughout the bank. Overall, Pubali Bank Limited has always strived to remain a fully compliant bank accommodating every possible way and strategy to ensure the same.

Board of Directors, Chairman and CEO

Selection and Appointment of Directors

Pubali Bank complies with the requirement of Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC) for appointment of Directors. As per regulations, all Directors, except nominated, independent or alternate director, maintain at least 2% shares in the Bank.

According to Clauses 80(a) of the Articles of Association of Pubali Bank Limited, the Board of Directors (BoD) currently comprises 15 directors among whom 14 (fourteen) are Non-executive directors including the Chairman and 1 (one) is the Managing Director (Ex-Officio). The existing BoD of the Bank includes two Independent Directors as prescribed in the BSEC Corporate Governance Code and Section 15(9) of the Bank Companies Act 1991 (amended up to 2018).

As per the Companies Act 1994, one-third of the Directors retire and if become eligible, place themselves for reappointment which is approved by the shareholders in the Annual General Meeting.

As per the Bank Companies Act 1991 (As amended in 2018), the Directors are appointed for a term of three years which can be extended by another two term only subject to the approval by the shareholders in the Annual General Meeting (AGM) i.e. the Directors can hold their posts for nine years consecutively and maximum four members from the same family can be the directors of any bank.

The term of appointment for an Independent Director is three years which can be extended by one term subject to appointment by the Board and approval by the Shareholders in the AGM. Mentionable that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his/her completion of consecutive two tenures (i.e., six years). For appointment of an Independent Director, the approval of BSEC is obtained to comply with its requirement. All appointments of the Board are made subject to approval of Bangladesh Bank.

The Managing Director is appointed for a minimum period of three years subject to the approval received from Bangladesh Bank. However, unlike other Directors, he is not subject to retirement as long as he remains Managing Director.

Independent Directors

Independent director means a director who does not have any related business, hold any managerial position or have any beneficial interest in financial institutions that may affect his/ her independent decision. Independent Directors should be business acumen, knowledgeable individuals of proven integrity who are able to ensure compliance with financial, regulatory and corporate laws and make a meaningful contribution towards the business.

As per the Bank Companies Act, 1991 at least 2 directors should be from Independent category if the maximum number of the Board members below 20. Again, as per BSEC guidelines on Corporate Governance at least one fifth of the total Directors should be from Independent category. Therefore, the Board of Pubali Bank Limited nominated 2 (two) independent directors so that Board comprises of core skills considered important for diversification in the composition of the company's directors.

Role of Independent Directors

- The Independent Directors can provide guidance for management's decisions and ensure a focus on the investors' interest over those of the management;
- The powers of Independent Directors are not merely persuasive. Statute bestows upon them the power of the vote which is much more effective than mere persuasive power of words;
- Independent Directors have a large role to play in the shaping of the board's agenda and decisions. They are in a position to direct the board's attention to matters which require detailed analysis and review;
- Independent Directors can ensure that the tone and tenor of the board's discussions and decisions are in conformity with the stewardship function of the board and management;
- Independent Directors should also conduct periodic executive sessions without management being present so that they can discuss and debate issues in an open and frank manner;
- The actions of the Independent Directors should demonstrate ethics, integrity, honesty and transparency;
- Executive compensation is another area where leadership of Independent Directors is sought;
- Independent Directors can play a very important part in the area of compliance and Corporate Governance. Corporate Governance will continue to be primary responsibility of Independent Directors;

- Rules and regulations alone cannot ensure that companies are clean and honest. There should be an atmosphere of ethical conduct and a proper mind set to do the right thing;
- The Independent Directors have a great responsibility to create, preserve and strengthen the ethical and moral fabric of the company;
- Independent Directors should serve as independent watchdogs serving the interests of shareholders; and
- Shareholders rely on Independent Directors to protect their interests, address conflict of interest and to ensure that shareholders and the business is managed properly by management.

Independent Director as Effective instrument of Governance such as follows:

- Helps to improve the standard of corporate governance;
- With better accountability to stakeholders;
- Transparency in the operational activities by adequate and meaningful disclosures;
- Induction of Independent Directors is expected to qualitatively change the composition of the Board.

Independent Directors' Independence

Every Independent Director (ID) shall at first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, needs a declaration that he meets the criteria of independence mentioned in the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/admin/80 dated 3 June 2018. Contents of such declaration are stated below:

- ID holds less than one percent (1%) shares of the total paid up shares of the bank;
- ID is not a sponsor of the bank, or nominated director or shareholder of the bank or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the bank on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the bank connected (on the basis of family relationship) with any of the bank's sponsors, directors or shareholder who holds one percent (1%) or more of the total paid-up shares of the bank;
- ID has not been an executive of the bank in immediately preceding 2 (two) financial years;
- ID does not have any other relationship, whether pecuniary or otherwise, with the bank or its subsidiary / associated companies;
- ID is not a member, or TREC holder, director or officer of any stock exchange;
- ID is not a shareholder, director or officer of any member or TREC holder of stock exchange or capital markets intermediary;
- ID is currently not and was not a partner or an executive during the preceding 3 (three) years of the bank's statutory audit firm or audit firm engaged in internal audit services or conducting special audit or professional certifying compliance of CG Code;
- ID is not an Independent Director in more than 5 (five) listed companies;
- ID has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a Bank or a Non-Bank Financial Institution (NBFI); and
- ID has not been convicted for a criminal offence involving moral turpitude.

Qualification of Independent Director

Dr. Shahdeen Malik

Dr. Shahdeen Malik obtained PhD in Law from London, UK and LLM degree from Universities at Moscow & Philadelphia. He has long 34 years' experience in his career. He is an Independent Director in the Board of Directors of Pubali Bank Limited and Pubali Bank Securities Limited. He is the Chairman of Nomination & Remuneration Committee and a member of Audit Committee of the Board of Directors of the bank. A prominent lawyer and constitution expert, Dr. Shahdeen Malik has been practicing in Supreme Court of Bangladesh for long. Moreover, he had taught Law at Dhaka University and BRAC University.

Mohammad Naushad Ali Chowdhury

Mr. Mohammad Naushad Ali Chowdhury, a former Executive Director of Bangladesh Bank, served as the Deputy Head of Bangladesh Financial Intelligence Unit (BFIU), Member & observer of Board of Directors of Karmasangstan Bank & Sonali Bank Limited respectively. He has extensive working experience in the Bangladesh Bank specially in the sectors of Bank Supervision, Foreign Exchange Policy, Internal Audit, Financial Inclusion & Sustainable Development. He obtained his BSc (Hons), MSc (Physics) and MBA degrees from the University of Chittagong and Bangladesh Open University respectively.

Chairman's Independence

In compliance with Bangladesh Bank BRPD Circular No. 11 and Circular Letter No. 18 dated 27 October 2013 and Clause 1.4 of BSEC's CG Code dated 3 June 2018, we report that the Chairman of the Board Mr. Monzurur Rahman has been elected from among the Directors and there are clear and defined roles and responsibilities of the Chairman.

Non-Executive Directors

The Managing Director is the only Executive Director on the Board of Directors of the Bank. All other Directors including the Chairman are the Non-Executive Directors.

Independence of the Non-Executive Directors

None of the Directors takes part in the day to day affairs of the Bank. They attend only the Board/-Committee meetings to discuss the agenda reserved for the Board/Committees.

Duality of Chairperson of the Board of Directors and Managing Director and CEO of the Bank

The Chairman of the bank is independent and this has been practiced since very inception of the Bank. The Chairman and the CEO of the bank are separate persons. This also complies with Section 1(4) of the BSEC's notification on Corporate Governance Code. In the absence of the Chairperson of the Board, the remaining other members of the Board elect one of them from non-executive directors as Chairperson for that particular Board meeting. The reason of absence of the regular Chairperson is being duly recorded in the minutes.

The Directors' Report in Compliance with Best Practices on Corporate Governance

The status of compliance with corporate governance guidelines of Bangladesh Bank and Bangladesh Securities and Exchange Commission has been given hereafter. Mohammad Sanaullah & Associates, Chartered Secretaries, duly certified the Bank's Compliance Status which is re-produced in a page hereafter.

Directors' Remuneration

Directors are not eligible for any remuneration other than attendance fee for the Board and its Committee Meeting. Currently, as per guideline of Bangladesh Bank, Directors are eligible for remuneration of BDT 8,000 only for attending each meeting but numbers of such Meetings are also prescribed determining the numbers with or without remuneration. The Chairman may be provided with a car, telephone, office and private secretary. The Managing Director is paid a salary and allowances as per approval of the Bank's Board of Directors and Bangladesh Bank.

Meetings and Attendance of the Board of Directors

Presence of Directors in the Meetings, During their Tenure

SL	Name	Designation	No. of Meetings	Present	Leave	Remuneration per Meeting	Remuneration Drawn
1	Mr. Monzurur Rahman	Chairman	53	53	0	8,000 X 53	BDT 424,000
2	Mr. Moniruddin Ahmed	Director	53	53	0	8,000 X 53	BDT 424,000
3	Mr. Habibur Rahman	Director	53	53	0	8,000 X 53	BDT 424,000
4	Mr. Ahmed Shafi Choudhury	Director	30	30	0	8,000 X 30	BDT 240,000
5	Mr. Fahim Ahmed Faruk Chowdhury	Director	53	52	1	8,000 X 52	BDT 416,000
6	Ms. Rumana Sharif	Director	53	52	1	8,000 X 52	BDT 416,000
7	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Director	53	52	1	8,000 X 52	BDT 416,000
8	Mr. Musa Ahmed	Director	53	48	5	8,000 X 48	BDT 384,000
9	Mr. Azizur Rahman	Director	53	53	0	8,000 X 53	BDT 424,000
10	Mr. Md. Abdur Razzak Mondal	Director	53	50	3	8,000 X 50	BDT 400,000
11	Ms. Rana Laila Hafiz	Director	53	48	5	8,000 X 48	BDT 384,000
12	Mr. Mustafa Ahmed	Director	47	45	2	8,000 X 45	BDT 360,000
13	Dr. Shahdeen Malik	Independent Director	53	50	3	8,000 X 50	BDT 400,000
14	Mr. Mohammad Naushad Ali Chowdhury	Independent Director	33	33	0	8,000 X 33	BDT 264,000

- Board was reconstituted on 03.06.2021 and Directors as on 31.12.2021 and meeting related total fees and honorarium, expenses and travelling allowances are presented in the FS.
- Mr. Ahmed Shafi Choudhury was joined the Board on 03.06.2021.
- Mr. Mohammad Naushad Ali Chowdhury included in the Board as Independent Director vide BB letter dated 09.05.2021 and attended in the Board Meeting from 12.05.2021.
- Directors who could not attend any meeting were granted leave of absence by the Board.

Code of Conduct

Role and Responsibilities of the Chairman of the Board

The Chairman of the Bank is elected from among the members of the Board of Directors after every Annual General Meeting according to the Articles of Association of the Bank. He carries out his responsibilities within the purview of the provisions contained in the Articles of Association of the Bank, BRPD Circular No.11 dated 27 October, 2013 and Corporate Governance Code issued by BSEC on 03 June, 2018. The main responsibilities of the Chairman are to:

- Give leadership for Bank's disciplined growth and operation.
- Ensure non-intervention of any Director in the routine affairs of the Bank.
- Ensure compliance with corporate governance requirements of regulatory bodies.
- Bring policies for Board's deliberations and consideration for Bank's reforms and development.
- Determine sense of direction for the Bank, etc.

Besides these, the Chairman may/shall assume any other responsibility if the Board assigns within the purview of the Rules, Regulations, Acts and Articles of the Bank.

Role and Responsibilities of the Board of Directors

The major roles and responsibilities of the Board, among others, are to set the vision, mission and policies of the Bank and to determine the goals, objectives and strategies to ensure efficient utilization of the Bank's resources. The roles and responsibilities of the Board of Directors are outlined below (but not limited to) in compliance with Bangladesh Bank BRPD Circular No. 11 dated 27 October 2013:

Work planning and Strategic Management
Internal Control Management
Lending and Risk Management
Formation of Supporting Committees
Human Resources Management and Development
Financial Management
Appointment of Independent Directors
Appointment of Alternative Directors
Appointment of Managing Director & CEO
Approval of Financial Statements
Review of Bank's operational performance towards achievement of objects
Approval of policies and manuals
Developing compliance culture in the bank
Providing welfare to the employees

Role and Responsibilities of the Managing Director & CEO

In terms of the financial, business and administrative authorities vested upon him by the board, the MD & CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plans, efficient implementation thereof and prudent administrative and financial management.

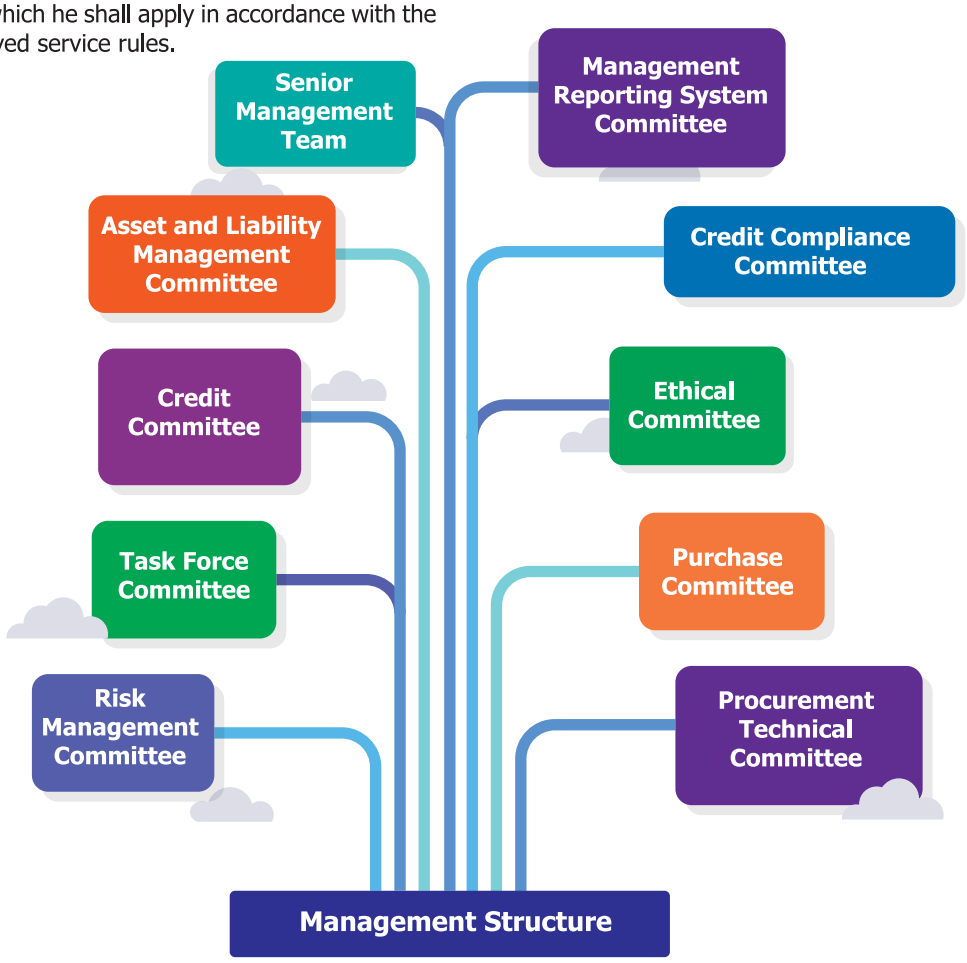
- The MD & CEO shall ensure compliance of the Bank Companies Act, 1991 and/or other relevant laws and regulations in discharge of routine functions of the bank.
- The MD & CEO shall include information on violation of any law, rules, regulation including Bank Companies Act, 1991 while presenting memos before the Board or the committee formed by the board.
- MD & CEO will provide all sorts of information to Bangladesh Bank about the violation of Bank Companies Act, 1991 and/ or any violation of Laws, rules and regulations.
- The recruitment and promotion of all staff of the bank except those in the two tiers below him shall rest on the CEO. He shall act in such cases in accordance with the approved service rules

on the basis of the human resources policy and sanctioned strength of employees as approved by the board. The board or the chairman of any committee of the board or any director shall not get involved or interfere into such affairs.

- The authority relating to transfer of and disciplinary measures against the staff, except those at two tier below the CEO, shall rest on him, which he shall apply in accordance with the approved service rules.

Besides, under the purview of the human resources policy, he shall nominate officers for training.

Besides, the Managing Director shall assume any other responsibility if the Board assigns within the purview of the Rules, Regulations, Acts and Articles of the Bank.



Managing Director & CEO, Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)

Appointment

The Board appoints the Managing Director & CEO, the Company Secretary, the Chief Financial Officer and the Head of Internal Audit and Compliance;

- The positions of the Managing Director & CEO, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance are filled by different individual;
- The Managing Director, the Company Secretary, the Chief Financial Officer and the Head of Internal Audit and Compliance are not holding any executive position in other company;
- The Board have clearly defined respective roles, responsibilities and duties of the MD, the CS, the CFO and the HIAC and;
- The Managing Director & CEO, the Company Secretary, the Chief Financial Officer and the Head of Internal Audit and Compliance are not being removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock Exchange. In our bank Head of Internal Audit and Head of Compliance are different individual.

Duties of Managing Director & CEO and Chief Financial Officer

As required under BSEC's Corporate Governance Code, the Directors further confirm that the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have certified to the Board the following:

- They have reviewed the Financial Statements and that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- They have reviewed the financial statements and believe that these statements together present a true and fair view of the Bank's affairs and are in compliance with the existing accounting standards and applicable laws; and
- There are, to the best of their knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or in violation of the Bank's Code of Conduct.

The Certification of the Managing Director & CEO and CFO is disclosed in the Annual Report.

Ownership Composition

		31.12.2021		31.12.2020	
SL	Type of Owners	No. of Shares Held	% to Total Shares	No. of Shares Held	% to Total Shares
1	Directors	32,39,11,299	31.50	32,37,72,908	31.49
2	General Public	42,66,28,049	41.49	42,43,31,838	41.27
3	Institutions	27,77,54,870	27.01	28,01,89,472	27.24
	Total	102,82,94,218	100.00	102,82,94,218	100.00

Pattern of Shareholdings

01 Shares held by Parent/Subsidiary/Associated Companies and other related Parties: Nil

02 Shareholding of CEO, CS, CFO & Head of Internal Audit and Compliance (HIAC) and their spouses and minor children:

SL	Name of Executives	% of Shares as on 31.12.2021
1	Chief Executive Officer and his spouse and minor children	Nil
2	Company Secretary and his spouse and minor children	Nil
3	Chief Financial Officer and his spouse and minor children	Nil
4	Head of Internal Audit and his spouse and minor children	Nil

Shareholding structure of Directors is as follows:

SL	Name and Designation		No. of Shares Held as on 31.12.2021	% of total shares
1	Mr. Monzurur Rahman Chairman		2,05,66,639	2.00
2	Mr. Moniruddin Ahmed Director		3,35,96,545	3.27
3	Mr. Habibur Rahman Director		2,05,81,213	2.00
4	Mr. Ahmed Shafi Choudhury Director	Nominated by Transcom Ltd. Personal	2,07,07,995 83,505	2.01 0.01
5	Mr. Fahim Ahmed Faruk Chowdhury Director		2,11,01,586	2.05
6	Ms. Rumana Sharif Director	Nominated by Delta Life Insurance Co. Ltd. Personal	5,14,18,707 2,56,417	5.00 0.02
7	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA Director		2,05,68,691	2.00
8	Mr. Musa Ahmed Director		2,06,15,794	2.00
9	Mr. Azizur Rahman Director		2,23,52,148	2.17
10	Mr. Md. Abdur Razzak Mondal Director	Nominated by Thats It Fashions Ltd. Personal	3,59,90,157 --	3.50 0.00
11	Ms. Rana Laila Hafiz Director		2,05,65,889	2.00
12	Mr. Mustafa Ahmed Director		3,58,45,935	3.49
13	Dr. Shahdeen Malik Independent Director		---	0.00
14	Mr. Mohammad Naushad Ali Chowdhury Independent Director		---	0.00

Total: (Excluding personal share of nominee Director)	No. of Shares 32,39,11,299	% of shares 31.50%

04 Shareholders holding ten percent (10%) or more voting interest in the Bank - Nil

Shareholding of Executives (Top five salaried executives other than CEO, CFO, CS, HIAC):

SL	Name of Executives	% of shares as at 31.12.2021
1	Mr. Mohammad Ali	Nil
2	Mr. Mohammad Esha	Nil
3	Mr. Mohammad Shahadat Hossain	Nil
4	Mr. Javed Hasan	Nill
5	Mr. Dewan Ruhul Ahsan	Nil

Rotation and Retirement of Directors

Pursuant to Companies Act 1994 under Regulation 79, 80 and 81 of schedule- I and as per article no. 90 & 91 of the Bank's Articles of Association, one-third of the directors will retire before the AGM and all of the retiring directors will be eligible for re-election. Under this circumstances, the following Four (4) honorable Directors will retire in the 39th Annual General Meeting of the Bank.

SL	Name of the Director	Mode of Change
1	Mr. Monzurur Rahman	Retired and Eligible for Re-election
2	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Retired and Eligible for Re-election
3	Mr. Azizur Rahman	Retired and Eligible for Re-election
4	Ms. Rana Laila Hafiz	Retired and Eligible for Re-election

The brief resume of the above Directors in compliance of Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of Bangladesh Securities and Exchange Commission (BSEC) is appended in the Directors' Profile of the Annual Report. Other information of the Board of Directors as per requirement of the aforesaid Notification is given below.

Mr. Monzurur Rahman

Memberships
Chairman of the Board of Directors

Expertise
Banking Activities
Prominent Business Entrepreneur

Directors
Rema Tea Company Ltd.

Mr. Habibur Rahman

Memberships
Risk Management Committee
Shariah Supervisory Committee

Expertise
Banking Activities

Directors
Delta Hospital Ltd.
Pubali Bank Securities Ltd.
Global Pharmaceutical Company Ltd

Mr. Moniruddin Ahmed

Memberships
Executive Committee
Nomination & Remuneration Committee
Shariah Supervisory Committee

Expertise
Banking Activities

Directors
Pubali Bank Securities Ltd.

Mr. Ahmed Shafi Choudhury

Memberships
Audit Committee
Shariah Supervisory Committee

Expertise
Banking Activities

Directors
Pubali Bank Securities Ltd.
Eskayef Pharmaceuticals Ltd.

Mr. Fahim Ahmed Faruk Chowdhury

Memberships
Executive Committee
Nomination & Remuneration Committee

Expertise
Banking Activities
Prominent Business Entrepreneur

Directors
Chittagong Electric Manufacturing Co. Ltd.
F.A.C Eastern Enterprise Ltd.
Ranks FC Properties Ltd.
FC Holdings Ltd.
CEM Readymix Concrete Ltd.
CEM UPVC Ltd.
Surgiscope Hospital Pvt. Ltd.
Globex Pharmaceuticals Ltd.
Delta Hospital Ltd
Euro Petro Product Ltd.
Baraka Shikalbaha Power Ltd.

Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA

Memberships
Audit Committee,
Risk Management Committee
Shariah Supervisory Committee

Expertise
Accounting Professional,
Banking Activities,
Prominent Business Entrepreneur

Directors
Imagine Properties Ltd.
Pubali Bank Securities Ltd.

Mr. Azizur Rahman

Memberships
Executive Committee and
Risk Management Committee

Expertise
Banking Activities,
Prominent Business Entrepreneur

Directors
Pubali Bank Securities Ltd.
National Ceramic Industries Ltd.
Dressmen Fashionwear Ltd.

Ms. Rumana Sharif

Memberships
Executive Committee

Expertise
Banking Activities

Mr. Musa Ahmed

Memberships
Executive Committee and
Risk Management Committee

Expertise
Banking Activities,
Prominent Business Entrepreneur

Directors
Popular Jute Exchange Ltd.
Popular Jute Mills Ltd.
Comilla Food and Allied Ind. Ltd.
Popular Food and Allied Ind. Co. Ltd.
Tejgaon Engineering and Construction Co. Ltd.
Peoples Equities Ltd.

Mr. Md. Abdur Razzak Mondal

Memberships
Executive Committee
Risk Management Committee
Nomination & Remuneration Committee
Shariah Supervisory Committee

Expertise
Banking Activities,

Directors
Thats It Fashions Ltd. (as a nominee)

Ms. Rana Laila Hafiz

Memberships
Audit Committee

Expertise
Banking Activities,
Prominent Business Entrepreneur

Directors
Trouser Line Ltd
SP Garments Ltd
SP Washing Ltd
Green Valley Plantation Ltd

Mr. Mustafa Ahmed

Memberships
Executive Committee

Expertise
Banking Activities

Directors
Pubali Bank Securities Ltd.

Mr. Mohammad Naushad Ali Chowdhury

Memberships
Audit Committee

Expertise
Banking Activities

Dr. Shahdeen Malik

Memberships
Audit Committee
Nomination & Remuneration Committee

Expertise
Prominent Lawyer

Directors
Pubali Bank Securities Ltd.

Appraisal of Board's Performance

At AGM shareholders critically appraise the performance of the Board and evaluate financial position and performance of the bank, its adequacy and effectiveness of internal control system and overall governance mechanisms. The shareholders also ask questions and make queries to the Board during AGM and the Chairman of Board gives a patient hearing and responds to all of their queries. The performance of the Board is appraised based on certain parameters such as shareholder return, share price, return on capital employed, earnings per share etc. of the bank. The attendance of Directors and their active participation in the meeting on various agenda is ensured in every Board meeting.

Policy on Training of Directors

Most of the Directors of the Bank are on the Board for many years. They have acquired enough knowledge and acumen to lead the Bank well to the path of progress. The latest legislations on the financial sector and directives of the regulatory bodies are made available to them for their instant information in order that they can discharge their responsibilities effectively. They also participate in the programs and seminars organized by various professional bodies at home and abroad on business, economic, technical, professional and corporate governance issues.

Directors' Knowledge and Expertise in Finance and Accounting

The Board of Directors of Pubali Bank Limited consists of highly qualified and experienced individuals. They are well conversant in Banking Business as well as administration. It is their practical experiences and theoretical knowledge on their respective fields that make them take appropriate decisions at the crucial time. The Board of Directors of Pubali Bank Limited is an excellent amalgamation of versatile individuals. Some of the honorable Directors, besides having Business degrees from home and foreign renowned universities and huge practical experiences from financial sector have reputation as prominent lawyers and business administrators.

Appointment of Chief Executive Officer (CEO)

In order to strengthen the financial base of the bank and obtain confidence of the depositors, Board of directors is responsible to appoint an honest, efficient, experienced and suitable Managing Director & CEO for the Bank in compliance with the relevant circular and rules of Bangladesh Bank and BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 through Corporate Governance Code, dated 3 June 2018.

Annual Evaluation of Performance of the Managing Director & CEO of the Bank

There is a 5 year Strategic Priorities & Action Plan (KPI) for the evaluation of the CEO on an annual basis and it is revised from time to time by the Board.

The CEO is evaluated on an annual basis and is also given KPI's for the years ahead. The Board has the authority to evaluate the CEO whenever it wishes so. In our bank, CEO is usually evaluated after his term, and on the basis of his evaluation, reappointment for another term is considered by the Board.

At the beginning of the year, the Board participates in extensive discussions with the Managing Director and decides on financial and non-financial objectives. The annual financial budget is considered and decided by the Board at the opening of the financial year. The business and financial goals are assessed each quarter with actual accomplishments by the Board.

The non-financial successes are also evaluated by the Board in each quarter. Furthermore, a yearly appraisal and assessment of the accomplishments of goals are made at the end of the year along with deviations.

A few mentionable KPIs for the CEO are to meet the annual budgetary targets of the Bank which was approved by the Board, maximize shareholder value measured through desired ROA, ROI, ROE, EPS and Risk Management as per expectation of the Board, sustainable growth in investment and growth of Loans and Deposits, Cost to Income Ratio, Loans Write Off and its recovery, Capital to

Benefits provided to the Directors and the Managing Director

In accordance to the guidelines of Bangladesh Bank, the following facilities can only be given to the Directors.

Chairman	An office chamber, one Private Secretary/Office Assistant, a telephone in office, one mobile phone for use within the country and a full time car.
Directors	Fees and other facilities for attending each meeting of the Board or its any Committee.
Managing Director	Only those benefits as are agreed upon in his contractual appointment and as are approved by Bangladesh Bank.

Role and Responsibilities of Company Secretary

To ensure effective assimilation and timely flow of information required by the Board and to maintain necessary liaison with internal organs as well as external agencies, the Board has appointed a Company Secretary. The Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC), also require a listed Company to appoint Company Secretary. In pursuance of the same, the Board of Directors has appointed the Company Secretary and defined his roles & responsibilities. In Pubali Bank Limited, among other functions, the Company Secretary:

- Performs as the bridge between the Board, Management and Shareholders on strategic and statutory decisions and directions.
- Acts as a quality assurance agent in all information streams towards the Shareholders/Board.
- Is responsible for ensuring that appropriate Board procedures are followed and advices the Board on Corporate Governance matters.
- Acts as the Disclosure Officer of the Company and monitors the compliance of the acts, rules, regulations, notifications, guidelines, orders/directives, etc. issued by Bangladesh Bank, BSEC or Stock Exchange(s) applicable to the conduct of the business activities of the bank so as to protect the interests of the investors and other stakeholders.

Board's Committees and their Responsibilities

The Board has constituted following 4 (four) Committees:

i) Executive Committee (EC)

Composition of the Executive Committee

In compliance with the provisions contained in BRPD Circular No.11 dated 27 October, 2013, the Board of Directors re-constituted the Executive Committee comprising 7 (seven) members. Company secretary of the bank is the secretary of the Executive Committee.

To comply with regulatory requirement, none of them are the members of Audit Committee of the Board.

Responsibilities

The Executive Committee is a body to deliberate on generally important issues and matters in the execution of operations of the Bank. The committee performs within the power delegated to it by the Board of Directors. The resolutions of the Executive Committee are ratified by the Board of Directors. The minutes of the Executive Committee are sent to Bangladesh Bank for their review. In 2021, total 4 meetings were held by the Committee.

Attendance of members of the Executive Committee in meetings

SL	Name	Designation	No. of Meetings	Present	Leave	Remuneration per Meeting	Remuneration Drawn
1	Mr. Md. Abdur Razzak Mondal	Chairman	04	04	0	8,000 X 4	BDT 32,000
2	Mr. Moniruddin Ahmed	Member	04	04	0	8,000 X 4	BDT 32,000
3	Mr. Fahim Ahmed Faruk Chowdhury	Member	02	02	0	8,000 X 2	BDT 16,000
4	Ms. Rumana Sharif	Member	04	04	0	8,000 X 4	BDT 32,000
5	Mr. Musa Ahmed	Member	04	04	0	8,000 X 4	BDT 32,000
6	Mr. Azizur Rahman	Member	04	03	0	8,000 X 3	BDT 24,000
7	Mr. Mustafa Ahmed	Member	04	04	0	8,000 X 4	BDT 32,000

Presence of Directors in the Meetings, during their Tenure

- The Committee was reconstituted on 03.06.2021 and Members as on 31.12.2021 and meeting related total fees & honorarium, expenses and travelling allowances are presented in the FS.
- Mr. Fahim Ahmed Faruk Chowdhury included as member in the committee on 03.06.2021.

ii. Audit Committee (AC)

Composition of the Audit Committee:

Members of the Audit Committee are nominated by the board from the directors in compliance with the relevant provisions contained in BRPD Circular No.11 dated 27 October, 2013 of Bangladesh Bank and BSEC's Notification No.BSEC/CMRRCD/2006-158/207/Admin/80 on Corporate Governance Code, dated 3 June 2018.

The Committee consists of 5 (five) members including 2 (two) independent directors. As per rules, the Committee consists of directors, who are not Executive Committee members. Company secretary of the bank is the secretary of the Audit Committee. In 2021, total 17 meetings were held by the Committee. The attendances of the members at those meeting are disclosed hereafter.

SL	Name	Designation	No. of Meetings	Present	Leave	Remuneration per Meeting	Remuneration Drawn
1	Mr. Mohammad Naushad Ali Chowdhury	Chairman	10	10	0	8,000 X 10	BDT 80,000
2	Mr. Ahmed Shafi Choudhury	Member	10	10	0	8,000 X 10	BDT 80,000
3	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Member	17	17	0	8,000 X 17	BDT 136,000
4	Ms. Rana Laila Hafiz	Member	17	17	2	8,000 X 15	BDT 120,000
5	Dr. Shahdeen Malik	Member	17	17	0	8,000 X 17	BDT 136,000

Presence of Directors in the Meetings, during their Tenure

- The Committee was reconstituted on 03.06.2021 and Members as on 31.12.2021 and meeting related total fees & honorarium, expenses and travelling allowances are presented in the FS.
- Mr. Mohammad Naushad Ali Chowdhury and Mr. Ahmed Shafi Choudhury included as member in the committee on 03.06.2021.
- Directors who could not attend any meeting were granted leave of absence by the Board.

Chairman of the Audit Committee is an independent Non-Executive Director

The Chairman of the Audit Committee was an independent non-executive director. He was not involved in the day to day operations of the Bank. He was an experienced individual and qualified to be the Chairman of the Audit Committee.

Audit Committee members are suitably qualified

As per BRPD circular of Bangladesh Bank, integrity, dedication and opportunity to spare time in the functions of the Committee are considered while nominating a director to the Committee. Each member is capable of making valuable and effective contributions in the functioning of the Committee. Members have adequate understanding of the detailed responsibilities of the Committee as well as the bank's business, operations and its risks. Professionally experienced persons in banking/financial institutions, specially having educational qualification in finance, management, economics and accounting get preference in forming the Audit Committee.

Conflict of Interest

The Code of Ethics and Business Conduct require all employees to avoid situations where their personal interests conflict, or may appear to conflict with those of the Bank. Employees are advised to take particular care when they are responsible for dealing with customers, business associates, agents on behalf of the Bank. Any failure to disclose a conflict of interest leads to a disciplinary action.

Recommendation for appointment of External Auditors

The Committee review the performance of the external auditors and their audit reports and examine whether the findings and recommendations made by the external auditors are duly considered by the management or not. The Audit Committee make scrutinizes the applications of the auditors and recommendations to the board regarding the appointment /reappointment of the external auditors subject to approval by the shareholders and Bangladesh Bank.

Services not provided by External Auditors

The services as are specifically barred in the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 are not obtained from the external auditors. Pubali Bank Limited should not engage its external/statutory auditors to perform the following services; namely:-

- Appraisal or valuation services or fairness opinions.
- Financial information systems design and implementation.
- Book-keeping or other services related to the accounting records or financial statements.
- Broker-dealer services.
- Actuarial services.
- Internal audit services or special audit services.
- Any service that the Audit Committee determines.
- Audit or certification services on compliance of corporate governance code.
- any other service that creates conflict of interest.

No partner or employees of the external audit firms shall possess any share of the bank they audit at least during the tenure of their audit assignment of the bank; his or her family members also shall not hold any shares in the bank.

iii. Risk Management Committee (RMC)

Composition of the Risk Management Committee
In Compliance with BRPD Circular No. 11 dated 27 October 2013, the Board of Directors of Pubali Bank reconstituted a five-member RMC of the Board in 2021. The RMC has been formed to identify and assess risk of the Bank and guide management to formulate action plans for minimizing and controlling of risk. The Committee reviews the risk management policy and modifies the same as per requirement.

Responsibilities

The Risk Management Committee is entrusted to examine and review whether management is properly working on identification, management and mitigation of credit risk, foreign exchange risk, internal control and compliance risk, money laundering risk, information and communication technology risk, operation risk, environmental risk, interest rate risk and liquidity risk. They also ensure whether adequate provision and capital against the said risks are maintained. The roles and responsibilities as well as the major activities of Risk Management Committee of the Board as well as the management have been described in "Report of the Risk Management Committee of the Board" and "Report of Bank's Chief Risk Officer (CRO)" section of this report. In 2021, total 4 meetings were held by the Committee. The attendances of the members at those meeting are disclosed hereafter.

Attendance of members of the Risk Management Committee

SL	Name	Designation	No. of Meetings	Present	Leave	Remuneration per Meeting	Remuneration Drawn
1	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Chairman	04	04	0	8,000 X 04	BDT 32,000
2	Mr. Habibur Rahman	Member	04	04	0	8,000 X 04	BDT 32,000
3	Mr. Musa Ahmed	Member	04	04	0	8,000 X 04	BDT 32,000
4	Mr. Azizur Rahman	Member	04	04	0	8,000 X 04	BDT 32,000
5	Mr. Md. Abdur Razzak Mondal	Member	04	04	0	8,000 X 04	BDT 32,000

Presence of Directors in the Meetings, during their Tenure

- The Committee was reconstituted on 03.06.2021 and Members as on 31.12.2021 and meeting related total fees & honorarium, expenses and travelling allowances are presented in the FS.

Internal Control and Risk Management

Internal Control

Board of Directors of Pubali Bank Limited has the responsibility to ensure compliance at all levels in the bank's day-to-day activities. The ICC Division ensures internal control structure in the Bank with appropriate assignments, accountability of the personnel and delegation of authorities to functional management to create control and ensure a compliance culture within the organization under the active guidance and supervision of the Senior Management and the Board of Directors and its report is submitted to the Board Audit Committee of the Bank.

Establishment and Review of Internal Control System

The Bank's internal control system is designed at Board and Management levels to provide reasonable assurance regarding the achievement of the bank's objectives in respect of effectiveness and efficiency of operations, reliability (completeness and timeliness) of financial reporting and management information, compliance with applicable laws, regulations and the Bank's policies. The Bank has its own internal auditors who are accountable to the Audit Committee and the Management.

Identification of risk to which Pubali Bank Limited is exposed internally and externally

The risks related issues of the Bank are looked after by the Risk Management Committee of the Board. A report on Risk Management is included in this Annual Report.

iv. Nomination and Remuneration Committee (NRC)

Appointment and Composition

In compliance with BSEC's Corporate Governance Code dated 3 June 2018, the Board of Directors of Pubali Bank Limited has been constituted a NRC of the Board on 03.06.2021. As required, all members of the NRC are non-executive directors and the Committee comprised of 4 (four) members including one Independent Director. The Chairman of the Committee is an Independent Director. The Company Secretary acts as the Secretary of the Committee. As per instruction of BB vide BRPD letter dated 16 June 2021, the functions of NRC committee are remaining halted as it contradicts with Bank Company Act, 1991 (amended upto 2018).

Members of the Nomination and Remuneration Committee (NRC)

SL	Name	Status with the Bank	Status with the Committee
1	Dr. Shahdeen Malik	Independent Director	Chairman
2	Mr. Moniruddin Ahmed	Director	Member
3	Mr. Fahim Ahmed Faruk Chowdhury	Director	Member
4	Mr. Md. Abdur Razzak Mondal	Director	Member

Ethics and Compliance

Code of Conduct

Code of Conduct is an integral part of our daily life. Code of Conduct for Directors has been approved by the Board of Directors. The Board's commitment is to establish high level of ethics and compliance within the organization. Pubali Bank has also a Code of Conduct for employees which are integral parts of the Service Rules and Regulation for the employees of the Bank. The employees of the Bank comply with the code of conduct and requirements of ethical principles. It reflects the core values of the bank and provides a clear guideline and principles for conducting fair business practice internally and externally among the Customers, Government, Community, etc. It is one of the governance documents, which helps employees to safeguard from any breach within the organization. The Code of Conduct helps remind the employees from committing any form of violation and further refrain from any kind of obligation.

Manual, Policies and Guidelines

The Bank has formulated different manual, policies, rules and guidelines i.e. Money Laundering and Terrorist Financing Risk Management guideline, Customer Selection Policy, Audit Manual, Operating Manual for Debit Card, Credit Card & ATM, Finance & Accounts Manual, Compliance Policy, ICC Guideline, Consumer Financing Policy, Credit Risk Management, Guidelines on Environmental & Social Risk Management (ESRM), Green Banking Policy, ICT Guideline, Foreign Exchange Manual, Lease Financing Manual, Guidelines for Prevention of Trade Based Money Laundering. All these policies/guidelines/manual are strictly followed and supervised of each encompassed field/Division.

Management Structure, Management Committees and their responsibilities

The Management headed by Managing Director and CEO is assisted by Additional Managing Director, Additional Managing Director & Chief Operating Officer, Deputy Managing Director and Company Secretary, Deputy Managing Director, General Managers, Deputy General Managers and Assistant General Managers along with Managing Director & CEO of Pubali Bank Securities Limited (a subsidiary of Pubali Bank Limited) to run the business. The workflows are carried out by the relevant divisions /departments /regional offices /branches of the Bank. The following Management Committees also assist the management:

Management Committee (MANCOM):

The Management committee is comprised of Senior Management Members headed by the Managing Director & CEO of the bank. The committee meets monthly to discuss relevant agenda and take appropriate decision / action for running the Bank smoothly. In SMT the Head of Audit Division is not included as per Bangladesh Bank directive. The Major roles and responsibilities of Management Committee/SMT are as under:-

i) Set a vision, mission and strategies of the Bank and for business units for effective discharging of Management Responsibilities.

ii) Analysis of business and financial performance of the Bank.

iii) Consider and propose innovative products and services as well as Management methodology and business strategies to the Board of Directors (If needed).

iv) Review and discuss policies and procedures of the Bank related to business; credit, operations, administrations, HR internal and financial control and compliance etc. and make necessary changes before taking to the Board (if needed).

v) Review the reports of the Internal and External Audit, reports of regulatory bodies and take appropriate steps in compliance process to remove the irregularities.

vi) Acting Managing Director can preside over the Management Committee/SMT meeting in absence of Managing Director.

Asset and Liability Management Committee (ALCO):

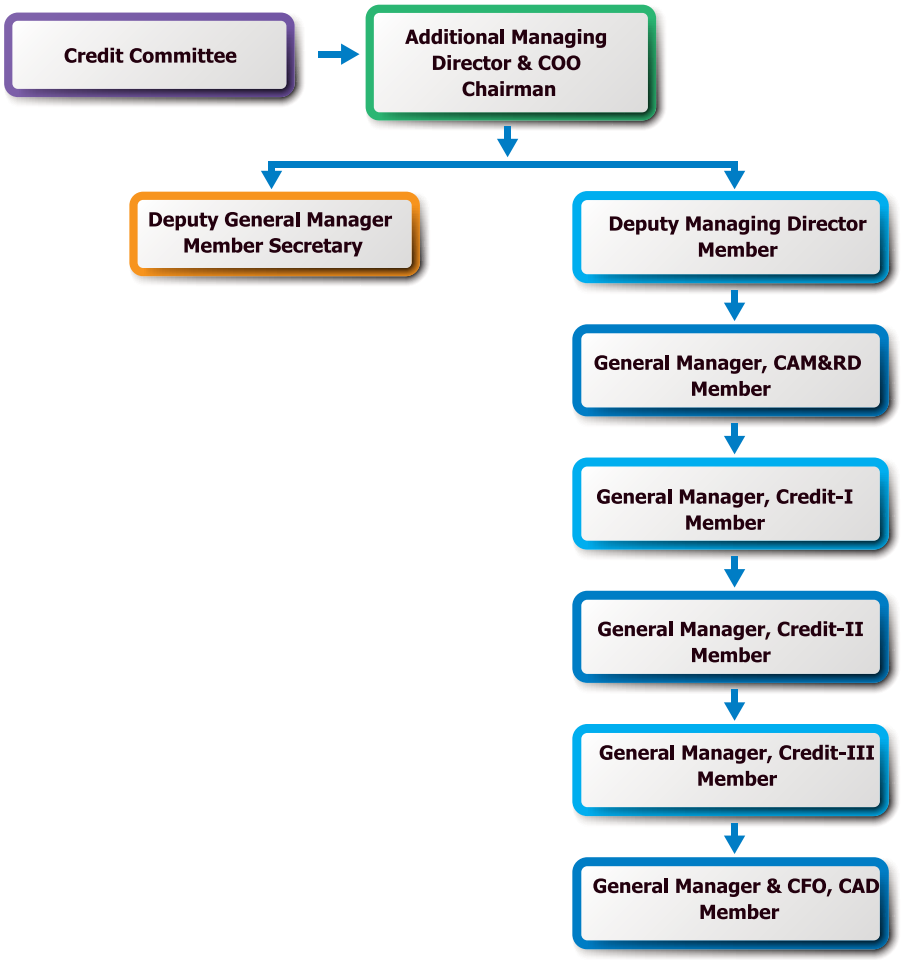
The committee of senior management headed by the Managing Director & CEO meet at least once in a month to set and review financial policy, risk exposure, liquidity position, product pricing, micro and macro-economic outlook, growth of deposit and loans & advances, various ratios, forecasted balance sheet etc. The ALCO of Pubali Bank Limited conducted 12 (Twelve) regular and 2 (Two) special meetings during the year 2021 for implementation ALM in the bank.

The major roles and responsibilities of ALCO are as follows:

- Reviewing balance sheet movements and taking measures for sound balance sheet management.
- Measuring liquidity risk and ensuring adequate liquidity while managing the bank's spread between the interest income and interest expense.
- Monitoring the interest rate risk of the Bank and taking actions to keep the interest rate gap at the desired level.
- Review product pricing strategy, fund transfer pricing strategy and contingency funding plan.

Credit Committee:

Bank's Credit Committee consisting 08 (eight) members where the Additional Managing Director & COO as Chairman; Senior Most Deputy General Manager of Credit Division as Member Secretary; the Deputy Managing Director, the Heads of Credit Division, Head of Credit Administration Monitoring & Recovery Division, CFO & Head of Central Accounts Division as Member acts as recommending body for approval of loan proposal for sanction, renewal and enhancement or decline in a rational manner after threadbare discussion of the proposal adhering to the interest of the Bank.



Task Force Committee:

A Task Force Committee for recovery of Classified & Written-off loans is constituted in the Head Office of the Bank with the Chairmanship of Hon'ble Managing Director and CEO. The members are Additional Managing Director, Deputy Managing Directors, Head of all divisions, Chief Technical Officer (CTO), Chief Financial Officer (CFO) and Deputy General Managers of Credit Administration, Monitoring & Recovery Division and Credit Division. The committee holds meeting at Head Office in every two months to evaluate the recovery position and formulate measures/steps for better recovery and preventing further classification of loans. Emphasis is given on proper follow up and monitoring of loan A/cs. Recovery drive under Action Plan Programme for recovery & rescheduling against classified loans & advances, written-off A/cs are being conducted on quarterly basis by the Task Force Committee. The Committee also extends discussion meetings with the borrower's at field level time to time to arrive at settlement of Bad loans/written-off under BRPD guidelines.

Executive Risk Management Committee:

An efficient and healthy banking system is a prerequisite for sustainable economic growth of a country. In this context, effective risk management practices enable the banking Industry to build public trust and confidence in the institutions which is necessary for mobilizing private savings for investment to facilitate economic growth. On the flip side, inadequate risk management practices in the banking industry may lead to erosion of public confidence in the industry having adverse implications for the economic growth. Therefore, an effective risk management framework is a necessary for banks to achieve their own business objectives. Risks are considered warranted when they are understandable, measurable, controllable and within a banking company's capacity to readily withstand adverse results. Sound risk management systems enable managers of banking companies to take risks knowingly, reduce risks where appropriate and strive to prepare for the future, which by its nature cannot be predicted with absolute certainty.

Risk management is a discipline at the core of every banking company, which encompasses all activities that affect its risk profile. Risk management is very important especially when the banks are dealing with multiple activities involving huge funds having both local and international currency exposure. Banking companies in Bangladesh, while conducting day-to-day operations, usually face the following major risks: Credit Risk, Internal Control & Compliance Risk, Money Laundering Risk, Asset Liability Management Risk, Foreign Exchange Risk, and Information Technology Risk. Moreover, Residual Risk, Concentration Risk, Liquidity Risk, Reputation Risk, Strategic Risk, Settlement Risk and Environmental & Climate Change Risk are also brought into consideration. As per BRPD Circular no.11 dated 27 October 2013, a Risk Management Committee of the Board was formed, and the committee is complying with the instructions of Bangladesh Bank. Furthermore, as per Bangladesh Bank DOS circular letter no: 13 dated 09 September 2015 and subsequent DOS circular no. 04 dated 08 October 2018, a separate Risk Management Committee at Management level has also been formed and named as Executive Risk Management Committee (ERMC). Currently, the ERMC is chaired by General Manager & Division Head of Risk Management Division as Chief Risk Officer (CRO) and all the Division Heads of Head Office, In-charge of CTPC are the members, and the Deputy General Manager of Risk Management Division is the member secretary. The Committee is responsible to our Honorable Managing Director for compliance and implementation of the decisions. Considering the importance of the issue and as per instructions of Bangladesh Bank DOS circular letter no: 13 dated 09 September 2015, a separate Risk Management Division was formed. Moreover, as per DOS circular no. 04 dated 08 October 2018, Pubali Bank Limited has already prepared "The Risk Management Guidelines of Pubali Bank Ltd" which is approved by the Board of Directors and has been sent the said Guidelines to all Branches, Regional Offices, Principal Offices, and Divisions to follow the instructions and do the daily banking activities. Risk Management Division also prepares Risk Appetite Statement (RAS) on yearly basis mentioning risk limit with tolerance level. Besides, Risk Management Division prepares "A Review Report of Risk Management Policies and Effectiveness of Risk Management Functions of our Bank" on yearly basis. As a part of risk management, adequate capital is maintained against Credit Risk, Market Risk and Operational Risk under Risk Based Capital Framework. Under the second pillar of Basel-III, a Supervisory Review Process (SRP) team was formed to review, monitor, and maintain adequate capital considering all relevant risks. Quarterly Stress Testing is conducted to assess the impact of different risks associated with banking business on asset, liability & ultimately on capital, and the report is submitted before the Board of Directors and Bangladesh Bank regularly.

Management Reporting System Committee:

The reporting objectives of internal control system in the bank are timely, accurate and comprehensive reporting of both financial and non-financial, external and internal.

Considering the importance of the issue and to ensure a strong Management Information System in the Bank, Management Reporting System Committee has been formed headed by Additional Managing Director & COO where all Division Heads are members and Mr. Nitish Kumar Roy, General Manager & CRO is the Member Secretary of the Committee. The Committee arranges monthly meeting on regular basis and accountable to our Managing Director & CEO for compliance. During the year 2021, total 12 meetings of Management Reporting System Committee were held. Centralized Management Information System, MIS of different divisions and auto generation of various reports etc. are discussed in the meeting and decisions are gradually implemented. Our Software Development Division has already developed MIS for different divisions which stimulate auto generation of information/report for effective and timely decision making. Pubali Monitoring System (PMS) has been introduced in our bank. Divisions of Head Office, Regional Offices and Principal Offices can now monitor different affairs of the branches by this tool. Day to day Management Information System of our bank is being strengthened to meet all kinds of information requirements.

Central Compliance Committee:

To prevent Money Laundering & Combat Terrorist Financing, a Central Compliance Committee (CCC) has been formed at head Office headed by Mr. Mohammad Ali, Additional Managing Director and Chief Operating Officer (COO) designated as Chief Anti-Money Laundering Compliance Officer (CAMLCO) and the member secretary of the CCC (Central Compliance Committee) is Mr. Shyam Sundar Banik, Deputy General Manager & Division Head, Anti-Money Laundering Division designated as Deputy Chief Anti-Money Laundering Compliance Officer (Deputy CAMLCO). The Anti-Money Laundering Division performs as the functional unit of the committee and submits all the required reports to the regulator. Every year, Management of our Bank approves an outreach training calendar on prevention of money laundering and combating financing of terrorism. To establish any relationship/account Sanctions screening is mandatory so that no black listed individual/entity can use our Banking channel. Our bank has already revised uniformed account opening form as per BFIU instructions by which complete and accurate information of the client can be obtained. As a part of prevention of money laundering and combating financing of terrorism, our Bank has already prepared all the necessary guidelines and the same has been disseminated to the branches for compliance.

Central Ethical Committee:

In the present stage of globalization, ethical issue in the banking sector is assumed of great importance. Moreover, behavioral norms of the Bank officials are to be brought into consideration since Banks deal with the money of countless depositors. If the depositors have no faith on the bank, the economy will face a halt. Considering the importance of the issue and as per instruction of Bangladesh Bank, a Central Ethical Committee has been formed at the Head Office of our Bank headed by Additional Managing Director & COO where all division heads are members and Mr. Nitish Kumar Roy, General Manager & CRO is the Member Secretary of the Committee. Goal of ethical banking in our bank is to maximize organization's reputation and minimize operational risk by ensuring sustainable banking. The Committee arranges quarterly meeting on regular basis and accountable to our Managing Director & CEO for compliance. As per Bangladesh Bank instruction, National Integrity Strategy (NIS) Workplan 2021-2022 for our bank has been prepared and the same has been approved by the Management and the Board. As per instruction of Bangladesh Bank, Code of Conduct of our bank has been prepared and the same has been disseminated for compliance. Since there is positive correlation between ethics and internal control, Compliance Division always incorporates session on "Ethics in Banking" in its all outreach training workshops.

Purchase Committee:

The Purchase Committee comprising of 08 (Eight) members headed by Mr. Dewan Ruhul Ahsan, General Manger, Credit Administration, Monitoring & Recovery Division, plays an instrumental role for the procurement procedure of the Bank. The main objective of this committee is to ensure transparency in procurement activities. The Committee is guided as per 'Procurement Policy' approved by the Board.

The Purchase Committee shall submit its recommendations for award of contract to the approving authority in terms of the Delegation of Financial Powers.

Procurement Technical Committee:

The Procurement Technical Committee comprising of 08 (Eight) members headed by Mr. Habibur Rahman, General Manager, Credit Division, plays a vital role in the procurement technical procedure of the Bank. Technical Committee of procuring entity as approved by the Management shall examine, evaluate and prepare a report with recommendations for award for submission to Purchase Committee.

Disclosure of key policies with regard to remuneration of senior management and employees

All employees including the Senior Management employees are paid competitive remuneration package. The structure and level of remuneration are reviewed time to time based on Bank's performance and affordability. The remuneration also stresses on ensuring internal and external pay equity.

Loans to Directors, Controlling Shareholders or Employees

No loans excepting Credit Card limit was allowed to the Directors/Controlling Shareholders of the Bank. However, the employees of the bank are entitled to House Building Loan, Consumer Loan, Car Loan and Provident Fund Loan at arm's length basis.

Related Party Transactions

The Bank in its ordinary course of business undertook financial transactions with some entities or persons that fall within the definition of 'Related Party' as contained in BAS 24 (Related Party Disclosures) and relevant provisions of Bank Companies Act 1991 (amended up to 2018) and Bangladesh Bank BRPD Circular No. 14 dated 25 June 2003. Please refer to financial statements for details of related party transactions.

Human Resource

The core strength of the Bank represents its employees. Thus, a group of motivated talented employees are the principal asset of the Bank. The Bank works extensively to provide a unique, diversified culture, respect and a growing scope of opportunities for showcasing their talent. The detailed discussion on Bank's Human Capital has been presented in this Annual Report.

Environmental and Social Obligations

Pubali Bank has Environmental & Social Risk Management Guidelines to understand and manage risks arising from environmental & social concerns. This brought a focus on planning and implementing policies and procedures to mitigate environmental risks associated with financing decisions. Environmental & Social Risks are being considered as part of existing Credit Risk Management methodology of the bank to assess the prospective borrower.

Sustainable Financing

Sustainable Finance Committee and Sustainable Finance Unit at Management level have been formed to monitor & ensure best practice of Green Banking in its every sphere of actions. The committee regularly reviews its actions for closer convergence towards related, national & global best practice. Bangladesh Bank has taken steps to inspire green banking in Bangladesh through issuance of guidelines on green banking and Environmental Risk Management (ERM). The main concern of the policy is to ensure sustainability through environmental protection from pollution by eco-friendly activities including investment. Pubali Bank Limited utilizing resources for serving customers as well as society & environment.

Shareholders Information

i) Communications with Shareholders

We believe good Corporate Governance involves openness and trustful cooperation between all stakeholders involved in the bank, including the owners of the bank–the Shareholders. Information is communicated to the Shareholders regularly through a number of forums and publications. Pubali Bank ensures that all shareholders are notified at least 21 days before the AGM so that all shareholders may attend it. The bank has adopted a detailed policy on information disclosure and communication in line with the Corporate Governance Code and Listing Regulations, 2015 of both Exchanges. In compliance with continuous disclosure requirements, the bank's policy is that Shareholders will be informed in a routine manner of all major developments that impact the business of the bank and also be able to make informed decisions. Pubali Bank provides copies (hard/soft) of Annual Reports in order that these are made available to them well in advance for detailed and constructive discussion. The Board also structures these meetings so that shareholders can vote on each agenda by proposing resolutions.

ii) Information Disclosure

In accordance with the disclosure requirements, the Bank follows these three main forms of information disclosure:

- Continuous disclosure – which is its core disclosure and primary method of informing the market and Shareholders;

- Periodic disclosure – in the form of quarterly and yearly reporting of financial results and other issues; and
- Event based disclosure – as and when required, of administrative and corporate developments, usually through stock exchanges & press releases.

All information provided to BSEC and stock exchanges are immediately made available to Shareholders and the market on the bank's Investor Relations section of the website: www.pubalibangla.com.

iii) General Meeting

The General Meeting of the Shareholders is the supreme governing forum in Pubali Bank Limited. The Bank recognizes the rights of Shareholders and the Shareholders' interests are primarily ensured through Pubali Bank's Annual General Meeting (AGM).

Pubali Bank ensures that all shareholders are notified at least 21 days before the AGM so that all shareholders may attend it. Also all other types of accounts (Quarterly, Half yearly and Annually) or information are updated on the website and notified to all stakeholders on a duly basis. The Bank encourages shareholders' active participation in AGM and other General Meetings. The Bank's General Meeting's provide a transparent and open platform for the shareholders to communicate with the Board. The Board Members, Chairman of the Board's Committee and Statutory Auditors attend/participate AGM to respond to the Shareholders' queries on the result or any other aspect of the Bank, if any.

As required under "Bangladesh Secretarial Standard 2: Secretarial Standard on General Meetings" issued by institute of Chartered Secretaries of Bangladesh (ICSB), particulars of last three years General Meetings are disclosed herewith.

38th Annual General Meeting

Date:	Thursday, 03 June, 2021
Time:	10:30 AM
Place:	The AGM held virtually by using Digital Platform and also physical presence of the members at Pubali Bank Auditorium, Head Office, 26 Dilkusha C/A, Dhaka.
Participants:	Total 155 Shareholders attended in person or by proxy.
Ordinary Business:	
Agenda 1:	To receive, consider and adopt the Audited Financial Statements for the year ended 31st December 2020 and Reports of the Directors and Auditors thereon.
Agenda 2:	To declare Dividend for the year ended 31 December 2020 as recommended by the Board of Directors.
Agenda 3:	To appoint/re-appoint Auditors of the Bank for the year 2021 and to fix their remuneration.
Agenda 4:	To appoint/re-appoint Corporate Governance Compliance Auditor for the year 2021 and to fix their remuneration.
Agenda 5:	To elect / re-elect Directors.
Special Business:	
Agenda 6:	To adopt, consider and resolve the proposal for issuance of unsecured, contingent-convertible, BASEL III compliant, perpetual bond (PB) of BDT 5,000 million by Pubali Bank Limited.

37th Annual General Meeting

Date:	Thursday, 30 July, 2020
Time:	10:30 AM
Place:	The AGM held using Digital Platform of the members.
Participants:	Total 82 Shareholders attended in person or by proxy.
Agenda 1:	To receive, consider and adopt the Audited Financial Statements for the year ended 31st December 2019 and Reports of the Directors and Auditors thereon.
Agenda 2:	To Declare Dividend for the year ended 31st December 2019 as recommended by the Board of Directors.
Agenda 3:	To re-appoint Auditors of the Bank for the year 2020 and to fix their remuneration.
Agenda 4:	To appoint Corporate Governance Compliance Auditor for the year 2020 and to fix their remuneration.
Agenda 5:	To elect/re-elect Directors.

36th Annual General Meeting

Date:	Sunday, 19 May, 2019
Time:	10:30 AM
Place:	Pubali Bank Auditorium, Head office, 26, Dilkusha C/A, Dhaka
Participants:	Total 440 Shareholders attended in person or by proxy.
Agenda 1:	To receive, consider and adopt the Audited Financial Statements for the year ended 31st December 2018 and Reports of the Directors and Auditors thereon.
Agenda 2:	To Declare Dividend for the year ended 31st December 2018 as recommended by the Board of Directors.
Agenda 3:	To re-appoint Auditors of the Bank for the year 2019 and to fix their remuneration.
Agenda 4:	To elect/re-elect Directors.

iv) Website

All financial results and key performance indicators as well as other relevant financial and non-financial data are posted of the bank's website: www.pubalibangla.com.

Reporting and Compliance of Corporate Governance

Corporate Governance compliance report with best practices

The status of compliance with Corporate Governance guidelines of Bangladesh Bank and Bangladesh Securities and Exchange Commission has been given hereafter. Mahammad Sanaullah & Associates, Chartered Secretaries duly certified the bank's Compliance Status, which is presented in this Annual Report.

Vision, Mission and Strategy approved by the Board

Vision, Mission of the Bank

The vision, mission's statement and the strategy of the Bank have been included in the beginning pages of the Annual Report. Those were approved by the Board. The Board firmly adheres to them.

Credit rating

As per Bangladesh Bank guidelines and notifications of Bangladesh Securities and Exchange Commission, Pubali Bank conducts its credit rating each year with due disclosure. Credit rating of Pubali Bank is available in this Annual Report.

Whistleblower Policy in the Workplace

Whistleblower is a person who is aware of illegal activities, if any, occurring in an organization & who reports that information to his higher authority.

Pubali Bank has introduced a Whistleblower Policy in the Workplace which intendeds to encourage and enable employees and others to raise serious concerns internally so that the Management can address and correct inappropriate conduct and actions. This helps prevent disasters ranging from customer mistreatment to huge financial loss. Every employee is supposed to play the role of whistleblower out of his professional obligation to the organization.

Report to the Shareholders of Pubali Bank Limited

on

Compliance on the Corporate Governance Code

[As required under Condition No 1(5)(xxvii) of the BSEC Corporate Governance Code]

We have examined the compliance status to the Corporate Governance Code by Pubali Bank Limited for the year ended 31 December 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission (BSEC).

Such compliance with the Corporate Governance Code is the responsibility of the Bank. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion and subject to the remarks and observations as reported in the Status of Compliance Statement:

(a) The Bank has complied with the conditions of the Corporate Governance Code as Stipulated in the above-mentioned Corporate Governance Code issued by the Commission;

(b) The Bank has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the Bank as required under the Companies Act, 1994, the securities laws and other relevant laws; and

(d) The governance of the Bank is satisfactory.

For: **Mohammad Sanaullah & Associates**

Mohammad Sanaullah FCS
CEO & Lead Consultant

April 26, 2022

MOHAMMAD SANAULLAH & ASSOCIATES, ROSETTA, B-4, HOUSE 8, ROAD 12, DHANMONDI, DHAKA-1209, CELL: +88 01713 380038, E-MAIL: ceo.msabd@gmail.com
REGISTERED ADDRESS: SIDDIQUE MANSION (4TH FLOOR) 193/2 FAKIRAPOOL, DHAKA-1000, CELL: +88 01715 330030, E-MAIL: sanaullahfcs@gmail.com

Declaration by CEO and CFO

Date: 07 April 2022

The Board of Directors
Pubali Bank Limited
26, Dilkusha Commercial Area
Dhaka 1000

Subject: Declaration on Financial Statements for the year ended on 31 December 2021

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRC-D/2006-158/207/Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of Pubali Bank Limited for the year ended on 31 December 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

(3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;

(4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

(5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and

(6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that::-

(i) We have reviewed the financial statements for the year ended on 31 December 2021 and that to the best of our knowledge and belief:

(a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Saiful Alam Khan Chowdhury
Managing Director & CEO

Mohammad Liton Miah FCA
Chief Financial Officer (CFO)

Credit Rating

THE BANK COMPLETED ITS CREDIT RATING BY NATIONAL CREDIT RATING (NCR)
BASED ON THE AUDITED FINANCIAL STATEMENTS OF
31 DECEMBER 2021 AND WAS AWARDED "AA+" (DOUBLE A PLUS)
IN THE LONG TERM AND "ST-1" IN THE SHORT TERM

Rating	2021	2020
Long Term	AA+	AA+
Short Term	ST-1	ST-1
Based on Audited Financial Statements	31 Dec 2020	31 Dec 2019

RATING DESCRIPTION

LONG TERM	**AA+**	Very strong capacity for timely servicing of financial obligations offering high safety. Such institutions carry very low credit risk.
SHORT TERM	**ST-1**	Strongest capacity for timely payment of financial commitments and carry lowest credit risk.

Rated by NCR on 27 July 2021 and valid till 26 July 2022

Pubali Bank awarded AA+ rating in the Long Term and ST-1 in the Short Term. The ratings reflect bank's prolonged track record, outspread business network and sound financial profile exemplified by increase in NIM & spread, decline in non-performing loan along with surplus provision maintained against required provision. The ratings also draw strength from improved risk absorption capacity with sound equity base, adequate liquidity in terms of CRR & SLR and reasonable maturity gap. The present rating takes into account, among others, bank's comfortable capital adequacy, improved asset quality, adequate liquidity and continued increased profitability.

Audit Committee Report

The Audit Committee is an important sub-committee of the Board of Directors. The Committee is assigned with various roles and responsibilities such as internal control, financial reporting, internal audit, external audit, regulatory compliance, corporate disclosures of banking operation etc. independently. The Committee assists the Board of Directors to ensure that the financial statements reflect a true and fair view of the state of affairs of the bank and is ensuring a good monitoring system within the organization. The Audit Committee is responsible to the Board of Directors. The duties of the Audit Committee are clearly set forth in writing.

Appointment and Composition

In compliance with Section 15(B) of The Bank Companies Act 1991 (amended up to 2013) and Bangladesh Bank BRPD Circular No.11 dated 27 October 2013 and BSEC's Corporate Governance Code dated 03 June 2018, Audit Committee (AC) of the Board of Pubali Bank Limited has been reconstituted by the Board of Directors with 5 (five) members of whom no one is on the existing Executive Committee of the Board. As required, all members of the Audit Committee are 'financially literate' and are able to analyze and interpret financial statements to effectively discharge their duties and responsibilities as members of the Audit Committee. The Committee was reconstituted by the Board in its 1288th Meeting held on 03.06.2021. The Company Secretary acts as the Secretary of the Committee.

The Audit Committee (AC) of the Board comprising of the following members of the Board of Directors:

SL.	Name	Status with the Bank	Status with the Committee	Educational Qualification
1	Mr. Mohammad Naushad Ali Chowdhury	Independent Director	Chairman	BSc (Hons), MSc (Physics), MBA
2	Mr. Ahmed Shafi Choudhury	Director	Member	BA, Dhaka University
3	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Director	Member	B. Eng (Civil), UK, FCMA (UK), CGMA
4	Ms. Rana Laila Hafiz	Director	Member	MA (English), Dhaka University
5	Dr. Shahdeen Malik	Independent Director	Member	PhD in Law, London, UK, Obtained LLM degrees from Universities at Moscow & Philadelphia

The Company Secretary acts as the Secretary of the Audit Committee of the Board of Directors.
*The Committee was reconstituted on 03.06.2021 and Members as on 31.12.2021.

Terms of Reference of the Audit Committee

i. The Board shall appoint non-executive directors of the Bank as members of the Audit Committee excepting Chairman of the Board.

ii. The Board shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.

iii. In the absence of the Chairman of the Audit Committee, the remaining members may elect one of themselves as Chairman for that particular meeting and the reason of absence of the regular Chairman shall be duly recorded in the minutes.

iv. The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee.

v. The quorum of the Audit Committee meeting shall require presence of at least 1 (one) Independent Director.

vi. The tenure of office of the Audit Committee shall be for 3 years.

vii. Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).

viii. The Company Secretary shall act as Secretary to the Audit Committee.

Roles and Responsibilities

The roles and responsibilities of Audit Committee have been defined in alignment with the relevant provisions of Corporate Governance Code and Circular issued by BSEC and Bangladesh Bank is to practice best corporate governance. The added roles of the Audit Committee include the followings:

i. To oversee the financial reporting process.

ii. To monitor choice of accounting policies and principles.

iii. To monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report.

iv. To oversee hiring and performance of external auditors.

v. To hold meeting with the external auditors for review of the annual financial statements before submission to the Board for approval or adoption.

vi. To review along with the management, the annual, quarterly and half yearly financial statements before submission to the Board for approval.

vii. To review the adequacy of internal audit function.

viii. To review the Management's Discussion and Analysis before disclosing in the Annual Report.

ix. To review statement of all related party transactions submitted by the management.

x. To review Management Letters or Letter of Internal Control Weakness issued by Statutory Auditors.

xi. To oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors.

xii. To oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.

xiii. To monitor internal control process and maintain oversight regulatory compliance, ethics and whistleblower hotlines.

xiv. To review Audit Committee's own terms of reference.

xv. To act on any other matters as may be directed by the Board.

Reporting of the Audit Committee:

i. Reporting to the Board of Directors

All findings and decisions of the Audit Committee were reported to the Board and the Board closely reviewed them. The Audit Committee immediately reports to the Board of Directors on the following findings, if any:

» report on conflict of interests;

» suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;

» suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;

» any other matter which the Committee deems necessary shall be disclosed to the Board immediately.

In compliance with condition no. 3(3) of the Corporate Governance Code of Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, the Managing Director and Chief Executive Officer and Chief Financial Officer (CFO) respectively of Pubali Bank Limited, have certified before the Board and to the shareholders that they have thoroughly reviewed the Financial Statements of the bank for the year ended 31 December 2021, and states that:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,

- These statements together present a true and fair view of the bank's affairs and are in compliance with existing accounting standards and applicable laws, and

- To the best of knowledge and belief, no transactions entered into by the bank during the year which are fraudulent, illegal or in violation of the code of conduct for the Bank's Board or its members.

This certificate has been reviewed by the Audit Committee before submitting to the Board.

ii. Reporting to the Regulatory Authorities

The Audit Committee reported its findings and observations to the Board of Directors. It is also required to report to the Bangladesh Securities and Exchange Commission about anything which has material impact on the financial condition and result of operation of the Bank. But there had not been any occurrence in the Bank that required reporting to the relevant authorities by the Bank's Audit Committee during the year.

iii. Reporting to the Shareholders and General Investors

Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) of the BSEC's Corporate Governance Code above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the Annual Report of the Bank.

Meetings of the Audit Committee

The Audit Committee of Board of Directors of Pubali Bank Limited conducted 17 (Seventeen) meetings in the year 2021 and had detailed discussions and review session. The Audit Committee instructed management to follow those remedial suggestions and monitored those accordingly. The membership and attendance of the members of the Audit Committee are given below:

SL.	Name	Position	Meetings held	Attendance	Remarks
1	Mr. Mohammad Naushad Ali Chowdhury (Independent Director)	Chairman	10	10	a) The Members who could not attend any meeting were granted leave of absence.
2	Mr. Ahmed Shafi Choudhury (Director)	Member	10	10	
3	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA (Director)	Member	17	17	
4	Ms. Rana Laila Hafiz (Director)	Member	17	15	
5	Dr. Shahdeen Malik (Independent Director)	Member	17	17	

* Mr. Mohammad Naushad Ali Chowdhury and Mr. Ahmed Shafi Choudhury included as member in the committee on 03.06.2021.
*The Committee was reconstituted on 03.06.2021 and Members as on 31.12.2021.

Major areas focused by Audit Committee in 2021

During the year under review, the Committee focused on following activities:

- Reviewed the Implementation status of Internal Control & Compliance as on 31.12.2020, 31.03.2021, 30.06.2021 and 30.09.2021.
- Reviewed and approved the Risk based Audit & Inspection Plan (RBA&IP)-2022.
- Reviewed the Quarterly Disciplinary Action Reports as on 31.12.2020, 31.03.2021, 30.06.2021 and 30.09.2021.
- Reviewed the latest position of the CLS portfolio of different branches.
- Examined/ evaluated the Audited Financial Statements 2020.
- Provisional & un-audited Balance Sheet, Profit & Loss a/c, Cash Flow Statement & Statement of Changes in Equity as on 31 March 2021, 30 June 2021 and 30 September 2021.

- Reviewed Management Level Risk Management Committee Meeting Minutes from July to September-2020, January to March-2021, April to June-2021.
- Reviewed First Quarter (Q1), Half-yearly (Q2) and Third Quarter (Q3) Un-audited Financial Statements of the Bank for the year 2021 before submission to the Board for approval in compliance with the BSEC's Corporate Governance Code.
- Reviewed the Annual Report on the health of the Bank as on 31 December 2020.
- Reviewed the progress/ improvement status of fraud-forgery committed at our Bank throughout the year.
- Reviewed the Audit report of Head Office level different Division.
- Evaluated performance of External Auditors before recommending for their appointment to the Board to be finally approved in the 38th AGM till the next AGM.
- Information Memorandum on Delegation of Power for filling cases under N.I Act.
- Reviewed the comprehensive Inspection Report of Bangladesh Bank received from time to time and status of compliance thereof and issued guidelines/ directions and decisions on the basis of report.
- Reviewed the internal Audit report of different Branches of the Bank conducted by Bank's Internal Audit Team received from time to time and gave guidelines/ directions and decisions on the basis of the report.
- Reviewed the corrective measures taken by the management with regard to the reports relating to deficiencies in Internal Audit Division, Bangladesh Bank Inspection Team and External Auditors and subsequently informed the Board of Directors on a regular basis.
- Reviewed External Auditor's Report on Branches.
- Followed-up the recovery of Loans and Advances of the Bank.

Miscellaneous desicion of the committee

The Audit Committee of the Board of Directors advised the Management to designate the Head of Audit Division as Chief Audit Officer. The Committee further advised the Management that the Chief Audit Officer will present the reports/memoranda to the Committee Meeting.

The Audit Committee discussed and advised the Management to appraise a report justifying the number of staffs employed in the branches with 10% LD ratio or less in terms of established criteria.

The Audit Committee discussed and advised the management to conduct Audit & Inspection to the High Risk & Medium Risk Branches on quarterly & half yearly Basis respectively but for the Low Risk Branches conduct the Audit & Inspection on two yearly Basis.

The Audit Committee discussed and advised the Management to review whether the expenditure of the deposit-oriented branches is commensurate/ justifiable with the amount of their deposits. The Committee also advised the Management to review whether the employees of deposit-oriented branches are underworked.

The Audit Committee advised the Management to instruct the Audit Division to execute the audit related work in a compliant way and at the same time to reflect in the Audit Report whether the branches ensure profit earning business. The Committee also advised the Management to apprise whether the Compliance Division and CAM & RD supervise the Audit Report properly.

The Audit Committee discussed and advised the Management to submit the Audit Plan half yearly basis i.e. every six (06) months.

The Audit Committee discussed and advised the Management to form an Audit Team within the Audit Division providing expert manpower and related training extensively on IT related issues as set out by the ICT guideline of Pubali Bank Limited.

The Audit Committee advised the Management to authorize the Regional Manager for filing Negotiable Instruments Act-1881 related cases without prior permission from the Head Office.

The Audit Committee discussed and advised the Management to mention the previous year's profit position of the respective branch in the Audit Report.

Minutes of the Audit Committee

The Minutes of the Audit Committee meetings containing various suggestions and recommendations to the Management and the Board respectively were placed subsequently to the Board for ratification on regular basis. The minutes of meetings of the Audit Committee were also sent to Bangladesh Bank for their information.

The Audit Committee expresses its sincere thanks to the Members of the Board, Management and the External Auditors for their excellent support to the Committee while discharging their duties and responsibilities in terms of the statutory guidelines.

On behalf of the Audit Committee,



Mohammad Naushad Ali Chowdhury
Independent Director
Chairman of the Audit Committee

Risk Management Committee Report

To play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently, a five-member risk management committee has been formed in compliance with Bangladesh Bank BRPD Circular.

Appointment and Composition

In Compliance with Section 15(B) of The Bank Companies Act 1991 (amended up to 2018) and Bangladesh Bank BRPD Circular No. 11 dated 27 October 2013, the Board of Directors of Pubali Bank Limited reconstituted a five-member Risk Management Committee (RMC) on 03.06.2021 (maximum limit is five members).

The Risk Management Committee (RMC) comprising of the following members of the Board of Directors:

SL	Name	Status with the Bank	Status with the Committee
1	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Director	Chairman
2	Mr. Habibur Rahman	Director	Member
3	Mr. Musa Ahmed	Director	Member
4	Mr. Azizur Rahman	Director	Member
5	Mr. Md. Abdur Razzak Mondal	Director	Member

The Company Secretary acts as the Secretary of the Risk Management Committee of the Board of Directors.

Purpose of the Committee

The RMC has been formed to reduce probable risks which could be arisen during implementation of Board approved policies, procedures and strategies. The RMC is entrusted to examine and review whether management is properly working on identification, management and mitigation of credit risk, foreign exchange risk, internal control and compliance risk, money laundering risk, information and communication technology risk, operational risk, interest rate and liquidity risk and keeping adequate provision and capital against the said risks.

Terms of Reference of the Audit Committee

- Members of the committee will be nominated by the board of directors from themselves;
- The Risk Management Committee will comprise of maximum 05 (five) members;
- Each member should be capable of making valuable and effective contributions in the functioning of the committee;
- To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks;
- Members may be appointed for a 03 (three) year term of office;
- Company secretary of the bank will be the secretary of the Risk Management Committee;
- The risk management committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit;
- The committee may invite Chief Executive Officer, Chief Risk Officer and any other Officer to its meetings, if it deems necessary;
- All decisions/observations of the committee should be noted in minutes;

Roles and Responsibilities of Risk Management Committee

- To identify different risks, introduce and implement proper strategies to control those, review existing risk management policies and methods and take corrective measures, if necessary;
- To ensure appropriate organizational structure for risk management;
- To form separate committees at Management level for compliance of instructions under risk related guidelines and supervision of their activities;
- To review risk management policies and guidelines, review lending limit and submission to the Board for necessary revision each year;
- To examine and approve the preservation of data and reporting system implemented by the management and ensure implementation of the same;
- To inform the Board of Directors about the summary of minutes of meetings of the committee;
- To submit decisions, observations, recommendations of the Committee to the Board on quarterly basis. If sought by the committee, internal and external auditors will submit evaluation report to the committee.

Meetings of the Risk Management Committee

The Risk Management Committee of Board of Directors of Pubali Bank Limited conducted 04 (Four) meetings in the year 2021 and had detailed discussions and review session. Attendance of the members of the Risk Management Committee are given below:

SL.	Name	Position	Meetings held	Attendance	Remarks
1	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Chairman	4	4	The Committee was reconstituted on 03.06.2021 and Members as on 31.12.2021.
2	Mr. Habibur Rahman	Member	4	4	
3	Mr. Musa Ahmed	Member	4	4	
4	Mr. Azizur Rahman	Member	4	4	
5	Mr. Md. Abdur Razzak Mondal	Member	4	4	

Meetings and Major areas focused by RMC in 2021

The Risk Management Committee of the Board of Directors of Pubali Bank Limited conducted 04 (Four) meetings having detailed discussions and review session regarding their findings, observations and recommendations on the issues of bank affairs that need improvement. The major areas focused by the RMC are highlighted below:

- Reviewed the report on Asset and Liability Management Risk of the Bank.
- Reviewed the report on Internal Control and Compliance Risk in Bank.
- Reviewed the Internal Control and Compliance Risk and present implementation status of our Bank.
- Reviewed the report on Compliance Risk Management of the Bank.
- Reviewed the report on Environmental & Climate Change Risk.
- Reviewed the report on Environmental & Climate Change Risk and it's present implementation status in our bank.
- Reviewed the Report of Risk Management Policies and Effectiveness of Risk Management Functions of our Bank.
- Reviewed the activities of MANCOM as per ICC Guidelines of Bangladesh Bank.
- Periodically reviewed and perused the Stress Testing Report for Q4 2020, Q1 2021, Q2 2021 and Q3 2021.
- Analyzed the report on "Risk Based Capital Adequacy", Solo & Consolidated return under Basel III framework as on December 31, 2020, March 31, 2021, June 30, 2021 and September 30, 2021.
- Reviewed and analyzed the Capital Growth Plan for 5 years from 2021 to 2025.
- Reviewed the Strategic Risk Management of the bank.
- Reviewed the ICT Security Status of the bank.
- Reviewed Operational Risk Management of the Bank.
- Reviewed and Analyzed on "Monetary Policy Statement for FY 2021-22".
- Money Laundering & Terrorist Financing Risk, its mitigation factors & Present Implementation Status of the Bank.
- Reviewed the Credit Concentration Risk of the bank.
- Reviewed the Residual Risk management of the bank.
- Reviewed the Credit Risk Management of the Bank as per Risk Management Guideline of Bangladesh Bank.
- Reviewed the half yearly Comprehensive Risk Management Report (CRMR) for the period of July to December, 2020 and January to June, 2020.
- Reviewed the report on Risk Limit and Credit approval limit.
- Reviewed the Reputation Risk Management.
- Reviewed the Minutes of Executive Risk Management Committee from October to December, 2020; January to March, 2021; April to June, 2021 and July to September 2021.

Reporting of the Risk Management Committee

As required, the Risk Management Committee reported its decisions and recommendations to the Board of Directors for review and ratification.

Reporting to the Board

The decisions and recommendations of the Risk Management Committee were submitted before the Board of Directors and the Board closely reviewed and ratified them.

Minutes of the Risk Management Committee to Bangladesh Bank
The minutes of meetings of the Risk Management Committee were submitted to Bangladesh Bank for information.

The Committee expressed its gratitude to the Members of the Board and appreciated the Management for their all-out support and co-operation extended to the Committee during the period.

On behalf of the Risk Management Committee,



M. Kabiruzzaman Yaqub FCMA (UK), CGMA
Chairman of the Risk Management Committee

Shari`ah Supervisory Committee Report

Praise be to Allah, the Cherisher and Sustainer of the multiverse. Peace and blessings of Allah be upon Muhammad sallallaahu 'alaihe wa-sallam, the emancipator of mankind.

Honourable Shareholders,
Assalamu 'Alaikum wa-Ra'hmatullah.

The duty of the Shari'ah Supervisory Committee is to give independent opinions and necessary guidelines by observing and reviewing the activities of Islamic Banking operation of the Bank and to make the clients aware of Shari`ah compliance. On the other hand, the responsibility of the Bank Management is to ensure that the Bank conducts its business under Islamic Banking operation in accordance with the rules and principles of Islamic Shari`ah.

During the year 2021 Pubali Bank Shari'ah Supervisory Committee met in 4 (four) meetings and reviewed different operational issues of Islamic Banking including those referred to it by the Board and the Management of the Bank and provided necessary guidelines in the light of Shari'ah. The important issues attended by the Shari`ah Supervisory Committee during the year 2021 were:

1. Consideration of Shari`ah Audit Reports of 2020 (Phase- 3) and 2021 (Phase- 1, 2 and 3) of Islamic Banking Windows and Committee's observations thereon.

2. Approval of annual Report of the Shari'ah Supervisory Committee for the year 2020 on Islamic Banking operation of the Bank.

3. Shar`ee approval of "Pubali Car Investment Scheme for the Executives of the Bank".

4. Reviewing implementation status of decisions taken in Shari`ah Supervisory Committee Meetings.

5. Analyzing business positions of Islamic Banking Windows.

The Shari`ah Supervisory Committee is entrusted with playing the role of Shari`ah watchdog for total activities of Pubali Bank Islamic Banking through the Shari`ah Secretariat of the Bank and to form their independent opinions based on findings of Shari`ah Audits. During the year 2021 the Committee focused on the following findings of the Shari`ah Audit:

a. Introduction of an export financing product namely MDB (Musharaka Documentary Bill) in place of existing IBP (Inland Bills Purchased).

b. Introduction of separate Foreign Trade Module (for both Import & Export) for Islamic Banking Windows for faster and quality services to the foreign trade clients.

c. To nominate officials and executives of the Bank working with traditional branches/offices along with Islamic Banking personnel for training on Islamic finance.

d. The Islamic Banking Windows must limit use of Buying Agent system in their financing in Bai-Mechanism (Bai-Muajjal, Bai-Murabaha etc.) within compelling situations only.

e. The System (Pubali Integrated Islamic Banking System/Software) for Islamic Banking Windows must be free from all types of words and terminologies objectionable to the Shari`ah such as `interest', `borrower', `down payment' etc., if any.

f. A scope should be available in the system (PIIBS) used by Islamic Banking Windows where the Windows will be able to deposit the value of goods with supplier's Bank A/C directly debiting Bai-Muajjal/Bai-Murabaha Investment A/C in financing under Bai-Mechanism to ensure actual sale-buy. The value of goods will be deposited through Online or Transfer if the supplier maintains Deposit A/C with any branch of Pubali Bank Limited. If the Deposit A/C of the supplier is run with other banks the value will be deposited through BEFTN/RTGS. If it is done, it will be possible to avoid depositing the value of goods with the client's A/C.

May Allah Sub'haanahoo wa-Ta'aala grant success to our sincere efforts and bless us with His Ra'hmat & Barakat and guide us all to His right path. Aameen.

Professor M. Mansurur Rahman
Chairman

Dewan Jamil Masud
Member Secretary

শারী'আহ্ সুপারভাইজরি কমিটির বার্ষিক প্রতিবেদন ২০২১

সমস্ত প্রশংসা আল্লাহ তা'আলার জন্য যিনি জগতসমূহের রব। দরূদ ও সালাম বর্ষিত হোক মানবতার মুক্তির দূত মুহাম্মাদ (স.)-এর প্রতি।

সম্মানীত শেয়ারহোল্ডারবৃন্দ
আস-সালামু 'আলাইকুম ওয়া রাহমাতুল্লাহ।

শারী'আহ্ সুপারভাইজরি কমিটির দায়িত্ব হলো ব্যাংকের ইসলামী ব্যাংকিং কার্যাবলী পর্যবেক্ষণ ও পর্যালোচনা পূর্বক স্বাধীন মতামত প্রদান করা, প্রয়োজনীয় দিক নির্দেশনা প্রদান করা এবং শারী'আহ পরিপালন সম্পর্কে গ্রাহকগণকে সচেতন করা। অপর দিকে ব্যাংক কর্তৃপক্ষের দায়িত্ব হলো ইসলামী শারী'আতের বিধি-বিধান মোতাবেক ইসলামী ব্যাংকিং কার্যক্রম পরিচালনা নিশ্চিত করা।

৩১ শে ডিসেম্বর ২০২১ তারিখে সমাপ্ত বছরে পূবালী ব্যাংক লিমিটেড-এর শারী'আহ্ সুপারভাইজরি কমিটি ৪টি সভায় মিলিত হয়ে ব্যাংকের ইসলামী ব্যাংকিং বিষয়ক বিভিন্ন অপারেশনাল ইস্যুসহ পরিচালনা পর্ষদ ও ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রেরিত বিভিন্ন বিষয়ের ওপর মতামত প্রদান করেন এবং সে সবের শার'ঈ সমাধান পেশ করেন। ২০২১ সালে শারী'আহ্ সুপারভাইজরি কমিটি যে সব গুরুত্বপূর্ণ বিষয়ে মতামত পেশ করেছেন তা নিম্নরূপ:

১. ইসলামী ব্যাংকিং উইন্ডোসমূহের শারী'আহ পরিদর্শন প্রতিবেদন-২০২০ (তৃতীয় পর্যায়) ও শারী'আহ পরিদর্শন প্রতিবেদন-২০২১ (প্রথম, দ্বিতীয় ও তৃতীয় পর্যায়) পর্যালোচনা এবং এর ওপর পর্যবেক্ষণ প্রদান।
২. ব্যাংকের ইসলামী ব্যাংকিং বিষয়ে শারী'আহ্ সুপারভাইজরি কমিটির বার্ষিক প্রতিবেদন ২০২০ অনুমোদন।
৩. "Pubali Car Investment Scheme for the Executives of the Bank" -এর শার'ঈ অনুমোদন।
৪. শারী'আহ্ সুপারভাইজরি কমিটির সভায় গৃহীত সিদ্ধান্তসমূহের বাস্তবায়ন পর্যালোচনা।
৫. ইসলামী ব্যাংকিং উইন্ডোসমূহের ব্যবসায়িক অবস্থা পর্যালোচনা।

শারী'আহ্ সুপারভাইজরি কমিটির আরো দায়িত্ব হলো ব্যাংকের শারী'আহ্ সচিবালয়ের মাধ্যমে পূবালী ব্যাংক ইসলামী ব্যাংকিংয়ের যাবতীয় কার্যাবলীর ওপর নজর রাখা এবং শারী'আহ পরিদর্শন প্রতিবেদনের আলোকে স্বাধীন মতামত প্রদান করা। ২০২১ সালে কমিটি শারী'আহ পরিদর্শন প্রতিবেদনের নিম্ন-বর্ণিত তথ্যের ওপর গুরুত্ব আরোপ করেন:

(ক) বিদ্যমান অভ্যন্তরীণ রফতানী অর্থায়ন পদ্ধতি IBP (Inland Bills Purchased)- এর স্থলে MDB (Musharaka Documentary Bill) পদ্ধতি প্রবর্তন করা।
(খ) বৈদেশিক বাণিজ্য গ্রাহকদের দ্রুত ও মান সম্মত সেবা দানের নিমিত্তে ইসলামী ব্যাংকিং উইন্ডোসমূহের আমদানী ও রফতানী উভয়ের জন্য আলাদা Foreign Trade Module চালু করা।
(গ) ইসলামী ব্যাংকিং বিষয়ক প্রশিক্ষণ কোর্সসমূহে ইসলামী ব্যাংকিং সংশ্লিষ্ট নির্বাহী ও কর্মকর্তাগণের পাশাপাশি ব্যাংকের প্রচলিত শাখা ও অফিসসমূহে কর্মরত নির্বাহী ও কর্মকর্তাগণকেও মনোনয়ন দেয়া।
(ঘ) ক্রয়-বিক্রয় পদ্ধতির অর্থায়নে (বাই-মুয়াজ্জাল/মুরাবাহা ইত্যাদি) ইসলামী ব্যাংকিং উইন্ডোসমূহকে অবশ্যই ক্রয়-প্রতিনিধি নিয়োগ পদ্ধতির ব্যবহার শুধুমাত্র বাধ্যতামূলক পরিস্থিতির (compelling situations) মধ্যেই সীমাবদ্ধ রাখতে হবে।
(ঙ) ইসলামী ব্যাংকিং উইন্ডোসমূহ কর্তৃক ব্যবহৃত সিস্টেমকে (Pubali Integrated Islamic Banking System/Software) অবশ্যই শরী'আহর দৃষ্টিতে আপত্তিকর সকল প্রকার শব্দ ও পরিভাষা (যদি থাকে) থেকে মুক্ত থাকতে হবে । যেমন- সুদ (Interest), ঋণ গ্রহীতা (Borrower), নগদ পরিশোধ (Down Payment) ইত্যাদি।
(চ) ক্রয়-বিক্রয় পদ্ধতির অর্থায়নে প্রকৃত ক্রয়-বিক্রয় নিশ্চিত করার স্বার্থে ইসলামী ব্যাংকিং উইন্ডোসমূহ কর্তৃক ব্যবহৃত সিস্টেমে (PIIBS) এমন সুযোগ থাকতে হবে যাতে উইন্ডোসমূহ বাই-মুয়াজ্জাল বা বাই-মুরাবাহা বিনিয়োগ হিসাব ডেবিট করে সরাসরি সরবরাহকারীর ব্যাংক হিসাবে পণ্যের মূল্য জমা করতে পারে। পূবালী ব্যাংকের কোন শাখায় সরবরাহকারীর জমা হিসাব থাকলে তাতে পণ্যের মূল্য জমা হবে Online- বা Transfer- এর মাধ্যমে। অন্য ব্যাংকে জমা হিসাব থাকলে তাতে পণ্যের মূল্য জমা হবে BEFTN বা RTGS- এর মাধ্যমে। তাতে গ্রাহকের হিসাবে পণ্যের মূল্য আর জমা করতে হবে না।

আল্লাহ সুবহানাহু ওয়া তা'আলা আমাদের আন্তরিক প্রচেষ্টাসমূহে কামিয়াবী দান করুন, তাঁর রহমত ও বরকত দ্বারা আমাদের সিক্ত করুন! সর্বোপরি, আমাদের সকলকে সিরাতুল মুস্তাকীমের পথে পরিচালিত করুন। আমীন!

অধ্যাপক মুহাম্মাদ মনসুর্বুর রহমান
চেয়ারম্যান

দেওয়ান জামিল মাসুদ
সদস্য সচিব

Compliance with Bangladesh Bank's Guidelines on Corporate Governance

Bangladesh Bank Guidelines for Corporate Governance: Our Status of Compliance with BRPD Circular No.11 dated 27 October 2013: Formation and responsibilities of Board of Directors (BoD).

SL.	Particulars	Compliance Status
1	**Formation of BoD:** Prior approval from BB to be taken before appointment/reappointment of new Directors, as well as dismissal, termination or removal of any Director from the post. Qualification and competency of Directors, maximum number of Directors of the Board, appointment of independent Directors, appointment of maximum 04 (Four) members from a family as Director.	Complied
1.1	**Appointment of New Directors:** Every bank company, other than specialized banks, at the time of taking prior approval from BB while appointing/reappointing Directors should furnish the following information along with the application:	
	a. Personal information of the nominated person	Complied
	b. Declaration of nominated person	Complied
	c. Declaration for confidentiality by the nominated person	Complied
	d. In case of independent director, the approval letter from BSEC	Complied
	e. In case of ID, a declaration of the directors concern	Complied
	f. CIB report of the nominated person	Complied
	g. Updated list of Directors	Complied
1.2	**Vacation of office of a Director**	
(a)	The office of a Director shall be vacated as per instruction provided in the provision of Section 108(1) of Companies Act 1994. Besides, becoming defaulter and does not repay the loan within two months after getting notice as per provision of Section 17 of Bank Companies Act 1991, providing false declaration at the time of appointment or failing to fulfil the minimum eligibility criteria as a Director.	No such case
(b)	If the office of a Director is vacated by notice as per Section 17 of Bank Companies Act 1991, s/he will not be eligible to become Director of that bank company or any other bank company or financial institutions within one year from the date of repayment of the total dues to the bank. The dues can be adjusted with the shares held by the Director in that bank company and he /she cannot transfer his/her shares of that bank company until he repays his/her all the liabilities of that bank company or financial institutions.	No such incident
(c)	BB can remove Directors or Chairman of a bank company other than the state-owned banks for doing any activity that is detrimental to the interest of the banks depositors or against the public interest under Section 46 and can supersede the Board of a bank company under Section 47 of Bank Companies Act 1991.	No such instance as yet
1.3	**Removal of Directors from office:** With the prior approval of Bangladesh Bank, any Director of a bank company other than specialized banks can be removed from his office for the reasons specified in its Articles of Association. The reason and grounds of the dismissal/removal and the copy of such decision taken by BoD and a list of Directors shall be submitted to Bangladesh Bank. Such removal shall be effective from the date of BB's approval.	No such instance as yet
1.4	**Appointment of Alternate Director:** An alternate director can be appointed to act for a director during his absence for a continuous period of not less than three months from Bangladesh by fulfilling following instructions:	
(a)	Bank has to collect and properly maintain the documentary evidences relating to departure and arrival of the original director while traveling abroad. If there is any exception, the CEO should immediately inform it to BB.	N/A
(b)	The copy of the decision of the BoD regarding appointment of alternate director, with original director's probable returning date from abroad should be sent to BB within 7 days of taking the decision and the director's arrival date must be intimated to BB immediately after his/her return.	N/A
(c)	Any loan defaulter or any person who is not eligible to become a director as per any relevant guiding rules and regulations will not be appointed as an alternate director.	N/A
(d)	As an alternate director is appointed temporarily; therefore, he/she will not be included in any kind of committee constituted by the BoD.	N/A
(e)	The alternate director or his/her affiliated organization will not get any kind of loan facilities from the bank. In case of previous loan, enhancement of limit or extension of time period or any kind	N/A
2	**Director from Depositors:** As per Bank Companies Act 1991 (amended in 2013) appointment of Directors from depositors is no longer required. But, in compliance with the provision of section 15(9) of Bank Companies Act 1991 (amended up to 2013), bank company may consider the tenure of existing Directors from depositors or may appoint them as the Independent Director of the company.	Complied No Depositor Director in Pubali Bank Limited

SL.	Particulars	Compliance Status
3	**Information regarding Directors:** Banks are advised to take the following steps regarding directors information:	
(a)	Every bank should keep an updated list of bank directors.	Complied
(b)	Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director.	Complied
(c)	Banks should display a list of directors on the website and update it on a regular basis.	Complied
4	**Responsibilities of the Board of Directors (BoD):** For establishing policies for the Bank, for risk management, internal control, internal audit & compliance and for ensuring their implementation, BOD has responsibilities as per section 15 (Kha) & (ga) of BCA 1991 (amended up to 2013)	
4.1	**Responsibilities and Authorities of the BoD:**	
(a)	**Work planning and strategic management** (i) The BoD shall determine the objectives and goals and to this end shall chalk out strategies and work plans on annual basis. It shall analyze/monitor at quarterly rests the development of implementation of work plans.	Complied
	(ii) The BoD shall have its analytical review presented in the Annual Report as regard to success/failure in achieving the business and other targets as set out in its annual work plan and shall apprise the shareholders of its opinions/recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the CEO and executives immediate two tiers below the CEO and have it evaluated at times.	Complied
(b)	**Credit and Risk Management:** (i) The policies, procedures, strategies, etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, re-scheduling and write-off thereof shall be made with the BoD's approval under the purview of the existing laws, rules and regulations. The BoD shall specifically distribute the power of sanction of loan/investment and such distribution should desirably be made among the CEO and his subordinate executives as much as possible. No director, however, shall interfere, directly or indirectly, into the process of loan approval.	Complied
	(ii) The board shall frame policies for Risk Management and get them complied with and shall monitor the compliance at quarterly rests and review the concerned report of the risk management team and shall compile in the minutes of the board meeting. The BoD shall monitor the compliance of the guidelines of BB regarding key risk management.	Complied
(c)	**Internal Control Management:** The Board shall be vigilant on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard of its loan/investment portfolio. The board will establish such an internal control system so that the internal audit process can be conducted independently from the management. It shall review at quarterly rests the reports submitted by its audit committee regarding the compliance of recommendations made in internal and external audit reports and the BB inspection reports.	Complied
(d)	**Human Resources (HR) Management and Development:** (i) Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the BoD. The chairman or the directors shall in no way involve themselves and interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No member of the BoD shall be included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer and punishment of the executives immediate two tiers below the CEO shall, however, rest upon the BoD. Such recruitment and promotion shall have to be carried out complying with the service rules i.e., policies for recruitment and promotion.	Complied PBL BoD approves HR Policy from time to time which guides all actions or decisions relation to HR Management of PBL
(e)	(ii) The BoD shall place special attention to the development of skills set of bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, and to **Financial Management:** (i) The annual budget and the statutory financial statements will be finalized with the approval of the BoD. It will at quarterly rests review/monitor the positions in respect of bank's income, expenditure, liquidity, non-performing assets, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures.	Complied Complied
	(ii) The BoD will frame the policies and procedures for bank's purchase and procurement activities and shall accordingly approve the distribution of power for making such expenditures. The maximum possible delegation of such power shall rest on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business shall, however, be taken with the approval of the BoD.	Complied PBL follows Board approved Procurement Policy
	(iii) The BoD will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to BB guidelines.	Complied

SL.	Particulars	Compliance Status
(f)	**Appointment of Chief Executive Officer (CEO):** In order to strengthen the financial base of the bank and obtain confidence of the depositors, one of the major responsibilities of the BoD is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. The BoD will appoint a competent CEO for the bank with the approval of BB.	Complied
(g)	**Other responsibilities of the BoD:** In accordance to BB Guidelines issued from time to time.	Complied
4.2	**Meetings of the Board of Directors:** Board of Directors may meet once or more than once in a month upon necessity and shall meet at least once in every three months. Excessive meetings are discouraged.	Complied. Usually Pubali Bank Limited holds four Board Meetings in a month.
4.3	**Responsibilities of the Chairman of the BoD:**	
(a)	As the Chairman of the BoD or Chairman of any committee formed by the BoD or any director does not personally possess the jurisdiction to apply policy making or executive authority, he/she shall not participate in or interfere into the administrative or operational and routine affairs of the bank.	Complied
(b)	The Chairman may conduct on-site inspection of any bank branch or financing activities under the purview of the oversight responsibilities of the BoD. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the BoD or the executive committee and if deemed necessary, with the approval of the BoD, he shall effect necessary action thereon in accordance with the set rules through the CEO. However any complaint against the CEO shall have to be apprised to BB through the BoD along with the statement of the CEO.	Complied
(c)	The Chairman may be offered an office room, a personal secretary/assistant, a peon/MLSS, a telephone at the office, a mobile phone usable inside the country and a vehicle in the business interest of the bank subject to the approval of the BoD.	Complied
5	**Formation of Supportive Committees of the Board:** The BoD of every Bank Company can form only three supporting committees of the BoD i.e. Executive Committee (EC), Audit Committee (AC) and Risk Management Committee (RMC).	Complied
5.1	**Executive Committee (EC):** EC is to be formed for taking decision on urgent and day-to-day or routine activities between the intervals of two BoD meetings. The EC will perform according to the terms of reference set by the BoD. The EC will be formed with maximum of 07 (seven) members for a period of 03 (three) years. The Chairman of the BoD can also be the Chairman of the EC. The company secretary of the bank shall act as the secretary of the EC. EC members, besides being honest and sincere, should have reasonable knowledge on banking business, its operations and risk management and be capable of making valuable and effective contributions in the functioning of the Committee. The committee shall discharge responsibilities and take decision on the matters as instructed by the BoD except discharging of those responsibilities and taking decisions that are specifically assigned to the full BoD by the Bank Company Act 1991 and other related laws and regulations. The decisions taken by the Committee shall be ratified in the next BoD meeting. Upon necessity the Committee can call meeting at any time. The Committee may invite CEO, Head of Internal Audit or any other officer to attend the committee meeting. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting. All decisions/observations of the Committee should be noted in minutes.	Complied
5.2	**Audit Committee (AC):** The AC will review the financial reporting process, the system of internal control and management of financial risks, the audit process and the Bank's process for monitoring compliance with laws and regulations and its own code of business conduct. The AC should have maximum five members and two of them shall be Independent Directors. It should be constituted with such members who are not members of the EC of the BoD. The members of the Committee may be appointed for three years and the company secretary of the bank shall act as the secretary of the Committee. Please see **'Report of the Audit Committee'** for details.	Complied
5.3	**Risk Management Committee (RMC):** The RMC is to be formed to mitigate impending risks which could be arisen during implementation of BoD approved policies, procedures and strategies. This committee is entrusted to examine and review whether management is properly working on identification and mitigation of credit risk, foreign exchange risk, internal control and compliance risk, money laundering risk, information and communication technology risk, operation risk, interest rate risk and liquidity risk and keeping adequate capital and provision against the risks identified. The RMC is to be formed with maximum five members who will be appointed for 03 (three) years. Each member should be capable of making valuable and effective contributions in the functioning of the Committee. The company secretary of the bank shall act as the secretary of the Committee. RMC shall review the risk management policy and guidelines of the bank at least once in a year, make necessary modifications as per requirement and submit the same to the BoD for approval. Besides, lending limits and other limits should be reviewed at least once in a year and should be amended, if necessary. Please see **'Report of the Risk Management Committee'** for details.	Complied

SL.	Particulars	Compliance Status
6	**Training for the Directors:** The Directors of the Board will acquire appropriate knowledge of the Banking laws and other relevant laws, rules and regulations to effectively discharge the responsibilities as a Director of the bank.	Complied
7	**Intimation of the Circular to the Board and related persons by CEO:** The CEO will inform about this Circular to the directors and other related persons.	Complied

Bangladesh Bank Guidelines for Corporate Governance: Our Status of Compliance with BRPD Circular Letter No. 18 dated 27 October 2013: Appointment and responsibilities of Chief Executive Officer (CEO).

SL.	Particulars	Compliance Status
A	**Rules and regulations for appointment of the CEO**	
1	**Moral Integrity:** In case of appointment to the post of CEO, satisfaction in respect of the concerned person should be ensured to the effects that: a) He has not been convicted by any Criminal Court of Law. b) He has not been punished for violating any rules, regulations or procedures/ norms set by any controlling authority. c) He was not associated with any such company/organization; registration or license of which has been cancelled.	Complied
2	**Experience and Suitability:** a) For appointment as a CEO, the concerned person must have experience in banking profession for at least 15 (fifteen) years as an active officer and at least 02 (two) years' experience in a post immediate below the CEO of a bank. b) He must have a Master's degree at minimum from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person. c) In respect of service, the concerned person should have excellent record of performance. d) Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/official of any company. e) Any director of any bank or financial institution or any person who has business interest in the bank concerned will not be eligible for appointment to the post of the CEO.	Complied
3	**Transparency and financial integrity:** Before making appointment as a CEO, satisfaction should be ensured to the effects that: a. The concerned person was not involved in any illegal activity while performing duties in his own or banking profession. b. He has not suspended payment to creditors or has not compromised with his creditors to be relieved from debts or he is not a loan defaulter. c. He is not a tax defaulter. d. He has never been adjudicated an insolvent.	Complied
4	**Age Limit:** No person crossing the age of 65 years shall hold the post of CEO of a bank.	Complied
5	**Tenure:** The tenure of the CEO shall be for at least 03 (three) years, which is renewable. If the candidate has less than 3 years left to attain 65 years, he/she can be appointed for that shorter period.	Complied
6	**Guidelines in fixing the salary and allowances:** Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting such proposal to BB: a. In fixing the salary and allowances of the CEO, financial condition, scope of operation, business-volume and earning capacity of the bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer banks shall have to be taken into consideration. b. Total salary shall be comprised of direct salary covering 'Basic Pay' and 'House Rent' and allowances as 'Others'. The allowances (e.g., provident fund, utility bill, leave-fare assistance) in 'Others' head should be specified in amount/ceiling. Besides, other facilities (e.g., car, fuel, driver etc.), as far as possible, shall have to be monetized and thus determining monthly total salary, it shall have to be mentioned in the proposal submitted to BB. In the proposal, Basic Pay, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount. c. Without improving the bank's major economic indicator like- CAMELS, annual salary increment will not be payable. d. Terms of salary-allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the job performance of the incumbent CEO. e. The CEO so appointed shall not get any other direct or indirect facilities (e.g., dividend, commission, club expense etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above. f. The bank shall not pay any income tax for the CEO, i.e., the CEO so appointed shall have to pay it.	Complied

SL.	Particulars	Compliance Status
7	**Incentive Bonus:** The CEO will be eligible to get incentive bonus subject to paying incentive bonus to all executives/officers/workers of the bank and the said bonus amount will not exceed BDT 1,000,000 in a year.	Complied
8	**Honorarium for attending the Board Meeting:** Being a salaried executive, CEO will not get any honorarium for attending the Board meeting or Board formed Committee meeting.	Complied
9	**Evaluation Report:** For reappointment of the CEO, the Chairman of the bank shall have to submit a Board approved evaluation report to BB.	Complied
10	**Prior Approval from Bangladesh Bank:** Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of Bank Companies Act 1991 (amended up to 2013). For processing such approval, along with the proposal signed by the Chairman of the BoD, the selected person's complete resume, offer letter (mentioning the direct & indirect remuneration and facilities) and copy of Board's approval must be submitted to BB. The selected person must also submit declarations as per Annexure ka & Annexure kha to BB.	Complied
11	**Decision of Bangladesh Bank is final:** The decision of BB regarding appointment of the CEO will be treated as final and the CEO such appointed cannot be dismissed, released or removed from his/her office without prior approval from BB.	Complied
B	**Duties & Responsibilities of the CEO:** The CEO of the bank, whatever name called, shall discharge the responsibilities and exercise the authorities as follows:	
	a. In terms of the financial, business and administrative authorities vested upon him by the BoD, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.	Complied
	b. The CEO shall ensure compliance of the Bank Companies Act 1991 and other relevant laws and regulations in discharging of routine functions of the bank.	Complied
	c. The CEO must point out if there is any violation from Bank Companies Act 1991 and/or other relevant laws and regulations at the time of memo presentation.	Complied
	d. The CEO shall report to Bangladesh Bank of any violation of the Bank Companies Act 1991 or of other laws/regulations.	Complied
	e. The recruitment and promotion of all staffs of the bank except those in the two tiers below him/her shall rest on the CEO. He/she shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and sanctioned strength of employees as approved by the BoD.	Complied

Bangladesh Bank Guidelines for Corporate Governance: Our Status of Compliance with BRPD Circular Letter No. 18 dated 27 October 2013: Appointment and responsibilities of Chief Executive Officer (CEO).

SL.	Particulars	Compliance Status
A	**Rules and regulations for appointment of an Advisor**	
1	**Experience and Suitability:** For appointment as advisor, the concerned person will have to fulfill the following requirements with regard to experience and qualifications: a. Experience in Banking or Administration for at least 15 (fifteen) years or have a long experience in social activities. b. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person. c. Satisfaction should be ensured that the concerned person was not dismissed from his service when he was Chairman/ Director/ Executive of any company. d. The person who is working in any bank or financial institution or who has business interest in that bank will not be eligible for appointment to the post of Advisor. e. Satisfaction should be ensured that the concerned person is not a loan defaulter or tax defaulter and has never been adjudicated a bankrupt by the Court.	Complied No advisor at present in PBL
2	**Responsibilities of the Advisor:** The roles and responsibilities of the Advisor should be defined specifically. The Advisor can advise the Board of Directors or CEO only on those matters specified in the appointment letter. The routine and general activities of the bank will not be included in his terms of reference. He will not be entitled to exercise any power or involved himself in the decision making process of financial, administrative, operations or other activities of the bank.	Complied No advisor at present in PBL
3	**Prior approval from Bangladesh Bank:** Prior approval from BB is mandatory before appointing an Advisor. For such appointment, the justifications of the post of advisor, responsibilities or terms of reference, complete resume of the concerned person, terms of appointment (mentioning remuneration and facilities) and copy of BoD's approval shall be submitted to BB. The nominated person has to make a declaration as per Annexure ka. This declaration must also be submitted to BB.	Complied No advisor at present in PBL

SL.	Particulars	Compliance Status
4	**Remuneration and other facilities of Advisor:** The post of Advisor is not a fixed or substantive post in the bank's organization structure. Advisor will not be entitled to salaries and allowances as regular employee except gross amount of remuneration, transport and telephone facilities. Remunerations inconsistent with the terms of reference of the advisor will not be considered as acceptable to BB.	No remuneration / honorarium only transport and telephone facilities.
5	**Tenure of Advisor:** The tenure of the Advisor shall be maximum 01(one) year, which is renewable. An evaluation report (by the Chairman that is approved by the BoD) of previous tenure should be submitted to BB along with the re-appointment proposal.	Complied No advisor at present in PBL
6	**Appointment of Ex-executive:** For ensuring good governance, any former Director, CEO or any other Executive bellow two tier from CEO of the bank will not be eligible to become an Advisor in the same bank immediately after their retirement or resignation. However, after 05 years from such retirement or resignation, he/she will be eligible for appointment as Advisor.	Complied No advisor at present in PBL
B	**Rules and regulations for appointment of a Consultant**	No such Consultant in Pubali Bank Limited
1 to 6	Terms of reference of Consultant, Responsibilities of a Consultant, Appointment of a Consultant, Tenure of a Consultant, Remuneration/honorarium of a Consultant, Appointment of Ex-executive as Consultant.	N/A

BSEC CHECKLIST ON CORPORATE GOVERNANCE:

Status of Compliance with the Corporate Governance Code (CGC)

[As per condition No. 1(5)(xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1	**Board of Directors:**			
1(1)	Board Size: Board members shall not be less than 5 (five) and more than 20 (Twenty).	√		The Board of Pubali Bank Limited is composed of 14 Directors.
1(2)	**Independent Directors:**			
1.2(a)	Independent Director: At least 1/5th of the total members of the Board.	√		Pubali Bank has 2 Independent Directors Which comply the requirement of Bank Company act 1991.
1.2(b)	For the purpose of this clause "independent director" means a director:			
1.2 (b)(i)	Independent Directors do not hold any share or hold less than one percent (1%) shares of the total paid up capital.	√		Independent Directors have declared their compliances.
1.2 (b)(ii)	Independent Directors are not connected with the company's Sponsor or Director or Shareholder who holds 1% or more shares.	√		Do
1.2 (b)(iii)	Independent Director has not been an executive of the Bank in immediately preceding two financial years.	√		Do
1.2 (b)(iv)	Independent Directors do not have any other relationship, whether pecuniary or otherwise, with the company or its Subsidiary/Associated Companies.	√		Do
1.2 (b)(v)	Independent Director is not a member or TREC holder, director or officer of any stock exchange.	√		Do
1.2 (b)(vi)	Independent Director is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		Do
1.2 (b)(vii)	Independent Director is/was not a partner or an executive of company's audit firms engaged in Statutory Audit or Internal Audit or Special Audit or Compliance Certification of this Code during preceding three years.	√		Do
1.2 (b)(viii)	Independent Director shall not be independent director in more than five listed companies.	√		Do
1.2 (b)(ix)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a NBFI.	√		Do
1.2(b)(x)	Independent Director has not been convicted for a criminal offence involving moral turpitude.	√		Do
1.2(c)	Appointment of Independent Director shall be done by the Board and approved by the shareholder in the AGM;	√		Do
1.2(d)	The post of Independent Director(s) cannot remain vacant for more than ninety days.	√		-

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1.2(e)	The tenure of office of an Independent Director(s) shall be for a period of three years, which may be extended for One tenure only.	√		Dr. Shahdeen Malik is continuing his Directorship as Independent Director after completion of his 2nd term due to writ petition pending in the High Court.
1.3	**Qualification of Independent Director (ID):**			
1.3(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial & corporate laws, regulatory requirements and can make meaningful contribution to the business	√		
1.3(b)(i)	ID is a Business Leader who is/was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	√		
1.3(b)(ii)	ID is a Corporate Leader or was a top level executive as adopted by the code or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	√		
1.3(b)(iii)	Independent Director is a Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale and has at least educational background of bachelor degree in economics or commerce or business or law; or	√		
1.3(b)(iv)	Independent Director is/was a University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	√		
1.3(b)(v)	Independent Directors is a professional who is/was an advocate practicing in the HCD of Bangladesh Supreme Court or a CA, CMA, CFA, ACCA, CPA and CS or equivalent qualification;	√		
1.3(c)	The ID shall have at least Ten years of experiences in any field mentioned in clause (b)	√		
1.3(d)	Special cases for relaxing qualifications or experiences with prior approval of the Commission;			No such cases arose
1.4	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:**			
1.4(a)	Chairperson of the Board and the Managing Director and/or CEO of the Bank shall be filled by different individuals	√		Mr.Monzurur Rahman, Chairman Mr. Safiul Alam Khan Chowdhury, MD & CEO
1.4(b)	Managing Director and/or Chief Executive Officer of a Bank shall not hold the same position in another listed company or Bank.	√		
1.4(c)	Chairperson shall be elected from among the non-executive directors of the company	√		
1.4(d)	The Board shall clearly define respective roles & responsibilities for Chairman and the Managing Director and/or CEO.	√		
1.4(e)	In absence of Chairman, the remaining members may elect one from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			Not applicable
1.5	**The Director's Report to Shareholders:**			

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1.5(i)	An industry outlook and possible future developments.	√		
1.5(ii)	Segment-wise or product-wise performance.	√		
1.5(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any.	√		
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable.	√		
1.5(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss).			No such Extra-Ordinary gain or loss occurred in this Financial Year.
1.5(vi)	A detailed discussion and statement on related party Transactions.	√		
1.5(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments.			Not applicable as no such events has occurred during the year 2021.
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.			Not applicable as no such events has occurred during the year 2021.
1.5(ix)	An explanation on any significant variance between Quarterly Financial performances and Annual Financial Statements.	√		
1.5(x)	A statement of Directors remuneration.	√		
1.5(xi)	A statement on fair preparation of the financial statements by the management of the Bank.	√		
1.5(xii)	A statement that proper books of account of the Bank have been maintained.	√		
1.5(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1.5(xiv)	IAS / BAS / IFRS / BFRS, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed	√		
1.5(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5(xvi)	statement with regard to the protection of minority shareholders from abusive actions of controlling shareholders.	√		
1.5(xvii)	A statement that there is no significant doubt upon the Bank's ability to continue as a going concern.	√		
1.5(xviii)	An explanation that significant deviations from the last year's operating results of the Bank shall be highlighted and the reasons thereof shall be explained.	√		
1.5(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
1.5(xx)	An explanation on the reasons if the Bank has not declared dividend (cash or stock) for the year.			Not Applicable
1.5(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend.			Not Applicable
1.5(xxii)	The total number of Board meetings held during the year and attendance by each director.	√		
1.5(xxiii)	**The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:**			
1.5(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	√		
1.5(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name wise details).	√		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1.5(xxiii)(c)	Executives (top five salaried employees of the Company other than stated in 1.5(xxiii)(b).	√		
1.5(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the Bank (name wise details).	√		
1.5(xxiv)	**In case of appointment /re-appointment of a Director the Bank shall disclose the following information to the Shareholders:**			
1.5(xxiv)(a)	A brief resume of the Director.	√		
1.5(xxiv)(b)	Nature of his/her expertise in specific functional areas.	√		
1.5(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1.5(xxv)	**A Management's Discussion and Analysis signed by CEO or MD:**			
1.5(xxv)(a)	Accounting policies and estimation for preparation of financial statements.	√		
1.5(xxv)(b)	Changes in accounting policies and estimation, if any.	√		
1.5(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof.	√		
1.5(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario.	√		
1.5(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe.	√		
1.5(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the bank.	√		
1.5(xxv)(g)	Future plan or projection or forecast for bank's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM.	√		
1.5(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A of CG Code.	√		
1.5(xxvii)	The report and compliance certificate shall be disclosed as per Annexure-B and Annexure-C of CG Code.	√		
1(6)	Conducting Board meetings, recording the minutes of the meetings and keeping required books and records in line with the provisions of the relevant BSS as adopted by the ICSB.	√		
1(7)	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:**			
1(7)(a)	Code of conduct, based on the recommendation of the NRC for the Chairman of the Board, other board members and Managing Director of the Bank.			NRC formed but under review by the Bangladesh Bank vide# BRPD(R-1)177/ 20089490 dated December 18, 2018. The bank has a Code of Conduct.
1(7)(b)	Code of conduct as determined by the NRC shall be posted on the website of the bank.			Do
2	**Governance of Board of Directors of Subsidiary Company:**			
2(a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the Composition of Board of Directors of the subsidiary company.	√		
2(b)	At least 1(one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	√		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company.	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	√		
3	**MD or CEO, Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):**			
3(1)(a)	The Board shall appoint a MD or CEO, CS, CFO and HIAC.	√		
3(1)(b)	The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals.	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time.	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		No such incident occurred.
3(2)	The MD or CEO, CS, CFO and HIAC of the bank shall attend the meetings of the Board.	√		
3(3)	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):**			
3(3)(a)	They shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief.	√		
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		Stated in the certificate of Due Diligence by CEO and CFO.
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		
3(3)(b)	They shall certify that there are to the best of knowledge and belief no transactions entered into by the bank during the year which are fraudulent, illegal or violation of the bank's code of conduct.	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	**Board of Directors' Committee:**			
4(i)	Audit Committee of the BoD	√		The Audit Committee consists of 5 Non-Executive Directors of which 2 are independent Directors including the Chairman of the Committee.
4(ii)	Nomination and Remuneration Committee of the BoD	√		NRC consists of 5 members including 1 (one) Independent Director.
5	**Audit Committee of BoD:**			
5(1)	**Responsibility to the Board of Directors:**			
5(1)(a)	The Company shall have an Audit committee as an sub-committee of the Board of Directors.	√		In Practice
5(1)(b)	The Audit committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the Bank and in ensuring a good monitoring system within the business.	√		Do

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
5(1)(c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		Do
5(2)	**Constitution of the Audit Committee:**			
5(2)(a)	The Audit committee shall be composed of at least 3 (three) members.	√		In Practice
5(2)(b)	Constitution of Audit Committee with the non-executive Board Members including one Independent Director.	√		Do
5(2)(c)	All members of the Audit Committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management experience and 10 (ten) years of such experience.	√		
5(2)(d)	Filling of Casual Vacancy in the Audit Committee.	√		No such Instance
5(2)(e)	The Company Secretary shall act as the Secretary of the Committee.	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)	**Chairman of the Audit Committee:**			
5(3)(a)	Chairman of the Audit Committee shall be an Independent Director.	√		
5(3)(b)	In absence of regular Chairperson of BAC in a particular meeting the remaining members may elect a Chairman of that meeting and the reasons of such absence of regular Chairperson shall be duly recorded in the minutes.			Not applicable
5(3)(c)	Chairman of Audit Committee shall present in the Annual General Meeting (AGM).	√		
5(4)	**Meeting of the Audit Committee:**			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	√		In Practice
5(4)(b)	The quorum of the meeting of Audit Committee shall be constituted in presence of either two members or two third of the members, whichever is higher, where presence of an Independent Director is a must.	√		Do
5(5)	**Role of the Audit Committee:**			
5(5)(a)	Oversee the financial reporting process.	√		In Practice
5(5)(b)	Monitor choice of accounting policies and principles.	√		Do
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced.	√		Do
5(5)(d)	Oversee hiring and performance of external auditors.	√		Do
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption.	√		Do
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval.	√		Do
5(5)(g)	Review along with the management, the quarterly & half-yearly financial statements before submission to the Board for approval.	√		Do
5(5)(h)	Review the adequacy of internal audit function.	√		Do
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report.	√		Do
5(5)(j)	Review statement of all related party transactions submitted by the Management.	√		Do
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	√		Do
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors.	√		Do
5(5)(m)	Oversee whether the proceeds raised through IPO or RPO or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.	√		Not applicable as no proceeds raised through IPO or RPO or right share offer.
5(6)	**Reporting of the Audit Committee:**			

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
5(6)(a)	**Reporting to the Board of Directors:**			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:	√		
5(6)(a)(ii)(a)	Report on conflict of interests.			Not applicable
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements.	-		Do
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-		Do
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.	-		Do
5(6)(b)	**Reporting to the Authorities:** Reporting of anything having material impact on the financial condition and results of operation to the Commission, (if ignored by the Board).	-		No such instance
5(7)	**Reporting to the Shareholders and General Investors:** Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii) shall be disclosed in the Annual Report.	√		
6	**Nomination and Remuneration Committee (NRC):** NRC has already been formed in accordance to CG Code. But the activities of NRC is halted as per instruction of Bangladesh Bank.			
6(1)	**Responsibility to the Board of Directors:**			
6(1)(a)	The Bank shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board.	-		NRC for Bank is under review by the Bangladesh Bank vide #BRPD(R-1)177/ 20089490 dated December 18, 2018.
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive.	-		Do
6(1)(c)	ToR of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	-		Do
6(2)	**Constitution of the NRC:**			
6(2)(a)	The Committee shall comprise of at least three members including an independent director.	-		Do
6(2)(b)	All members of the Committee shall be non-executive directors.	-		Do
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board.	-		Do
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee	-		Do
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee.	-		Do
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee.	-		Do
6(2)(g)	The company secretary shall act as the secretary of the Committee.	-		Do

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director.	-		Do
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the bank.	-		Do
6(3)	**Chairperson of the NRC:**			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director.	-		Do
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	-		Do
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	-		Do
6(4)	**Meeting of the NRC:**			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.	-		Do
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC.	-		Do
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h).	-		Do
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-		Do
6(5)	**Role of the NRC:**			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders.	-		Not applicable as formation of NRC for Bank is under review by the Bangladesh Bank vide #BRPD(R-1)177/ 2008-9490 dated December 18, 2018.
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	-		Do
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	-		Do
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	-		Do
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	-		Do
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.	-		Do
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.	-		Do
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board.	-		Do
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board.	-		Do

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
6(5)(b)(v)	Identifying the bank's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	-		Do
6(5)(b)(vi)	Developing, recommending and reviewing annually the bank's human resources and training policies.	-		Do
6(5)(c)	The bank shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	-		Do
7	**External/Statutory Auditors:** The Bank shall not engage its external or statutory auditors to perform the following services of the bank, namely:-			
7(1)(i)	Appraisal or valuation services or fairness opinions.	√		
7(1)(ii)	Financial information systems design and implementation.	√		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements.	√		
7(1)(iv)	Broker-dealer services.	√		
7(1)(v)	Actuarial services.	√		
7(1)(vi)	Internal audit services or special audit services.	√		
7(1)(vii)	Any service that the Audit Committee determines.	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the bank they audit at least during the tenure of their audit assignment of that bank; his or her family members also shall not hold any shares in the said bank.	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	**Maintaining a website by the bank:**			
8(1)	The bank shall have an official website linked with the website of the stock exchange.	√		
8(2)	The bank shall keep the website functional from the date of listing.	√		
8(3)	The bank shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	**Reporting and Compliance of Corporate Governance:**			
9(1)	The bank shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the bank shall state, in accordance with the Annexure-C attached with CG Code, in the directors' report whether the bank has complied with these conditions or not.	√		

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PUBALI BANK LIMITED



INTEGRATED REPORTING

INTEGRATED REPORT

Welcome to Pubali Bank's annual integrated report 2021. This report covers the 12-month period - 1 January to 31 December 2021 and is consistent with our annual reporting cycle for financial reporting. This report communicates the relationships and interdependence of many aspects of our business-such as strategy, governance, performance and prospects-in the context of creating value over time.

The aim of our integrated report is to enable our stakeholders and investors more informed and transparent of the Bank. In a nutshell, this report ensures accurate measurement of operational, financial and sustainable performance against our strategy and the matters we consider to be most material to the sustainability of our Bank.

Our Reporting Frameworks

Integrated Reporting:

- The International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC)

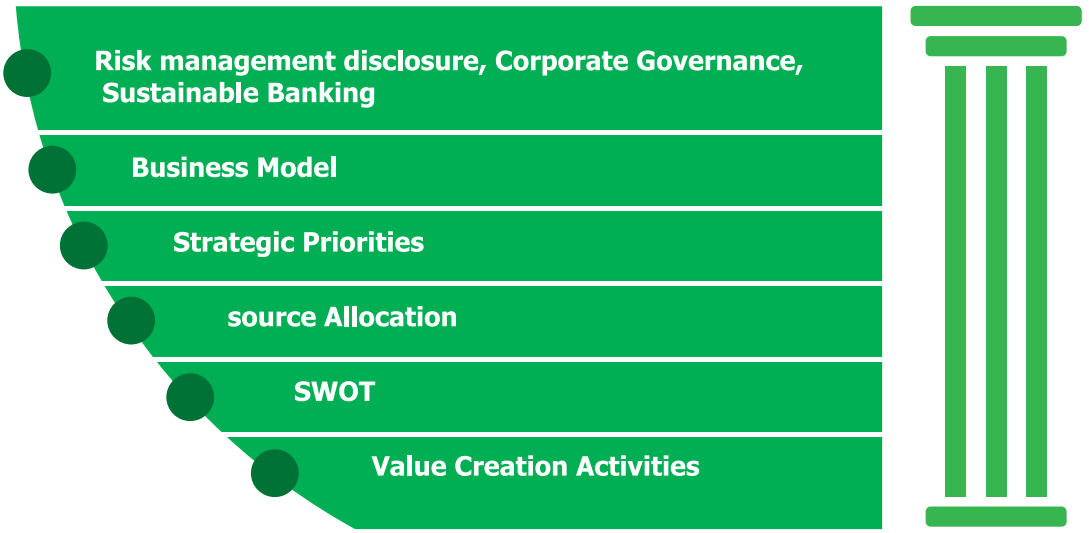
Governance and Compliance reporting:

- BSEC's Corporate Governance Code, 2018
- Listing regulations of Dhaka and Chattagram Stock Exchanges

Financial Reporting:

- Bank Companies Act (Amendment, 2018)
- BSEC Ordinance, 2018
- Bangladesh Banks Financial Reporting Guideline
- IAS and IFRS

Key Pillars of Integrated Report

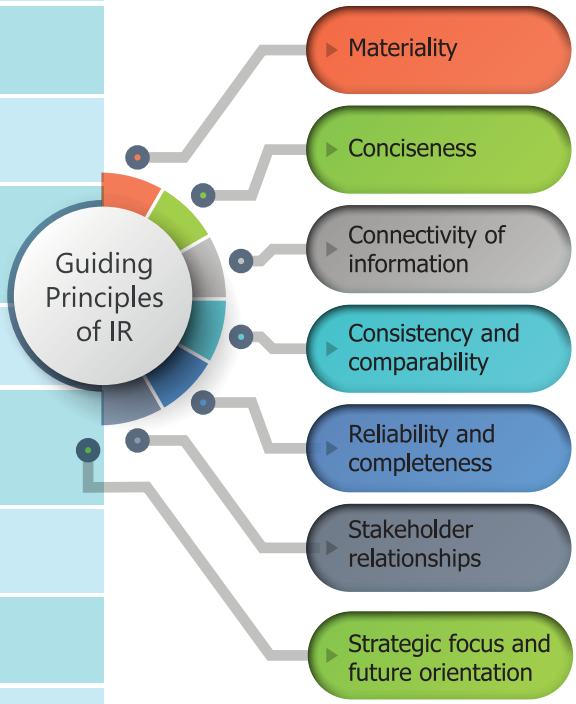


Our Material matters

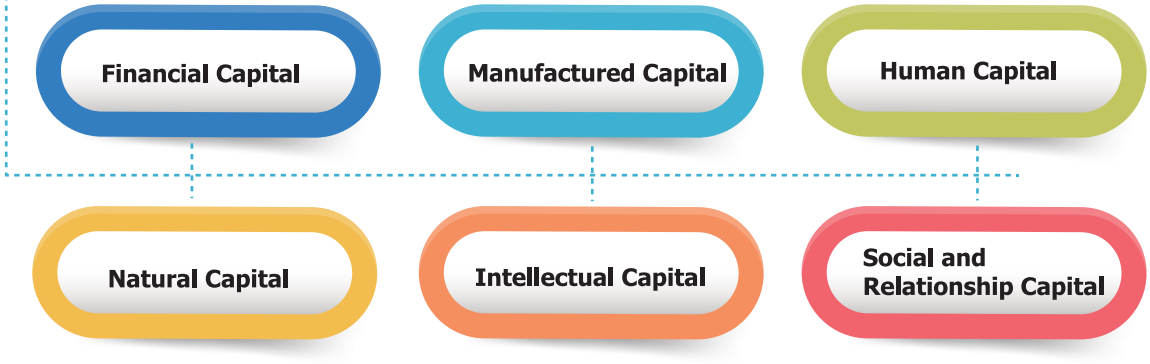
We view the materiality determination process as a toll that facilitates integrated thinking and, as such apply the principles of materiality in assessing what information is to be included in our integrated report. This ensures that we focused on the major material matters that met the interests and expectations of different stakeholders. This report also focused on those issues, opportunities and challenges that impacted materially on Pubali Bank and its ability to be a sustainable business that consistently delivers value to our valued stakeholders over the short, medium and long run.

External Assurance

Financial Statement Audit Report:	**M/s. Howlader Yunus & Co. & M/s. A.Qasem & Co.**
Gratuity Fund Financial Audit:	**M/S Haque Shah Alam Mansur & Co.**
Employees' Contributory Provident Fund:	**M/S Haque Shah Alam Mansur & Co.**
Credit Rating:	**National Credit Rating (NCR)**
Risk Management Assurance:	**Bangladesh Bank**
Cash Incentive:	**M/s. Howlader Yunus & Co. & M/s. A.Qasem & Co.**
Corporate Governance:	**M/s. Mohammad Sanaullah & Associates**
Legal Advisor:	**Dr. Kamal Hossain & Associates**
Tax Consultant:	**M/s. S.F. Ahmed & Co.**



Our six capitals include:



Responsibility over the Integrity of the Integrated Report

The Board and the Management have ensured that this report has been presented in line with the International Reporting Framework published by the International Integrated Reporting Council (IIRC). The Board and the Management of the bank further ensured that necessary care has been given in the preparation and the presentation of this Integrated Report that reflects the fair presentation of the bank's overall performance.



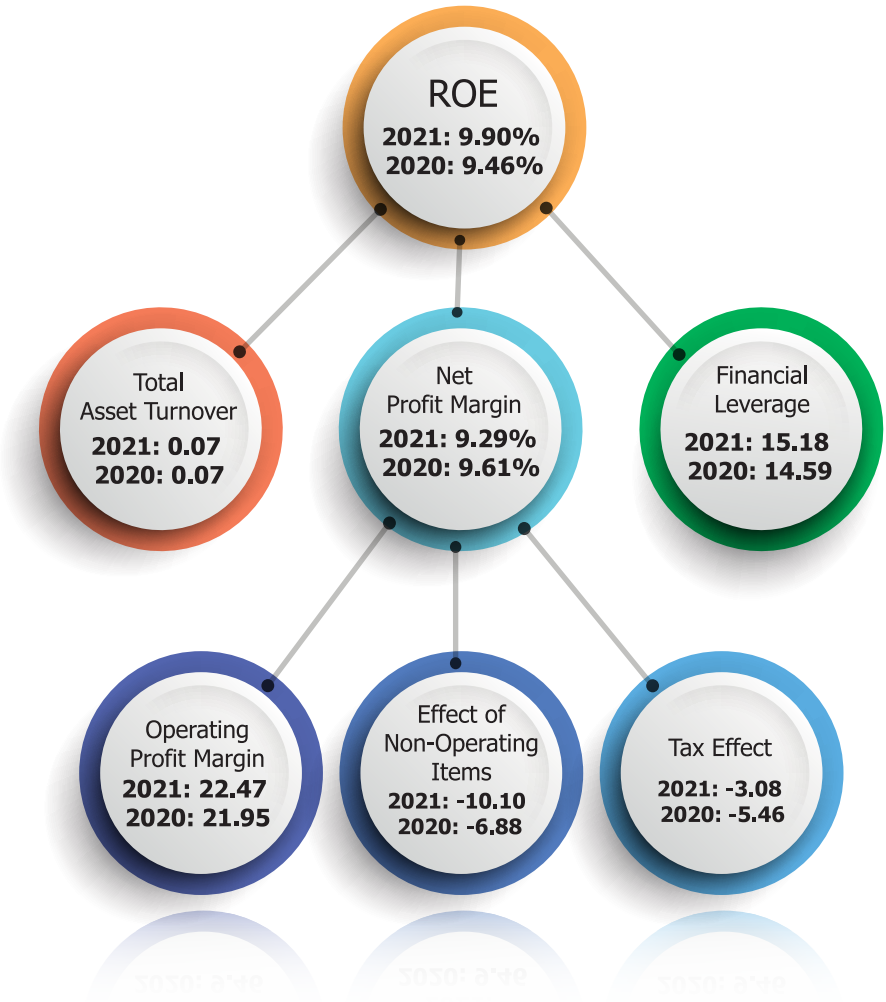
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Value creation activities



DuPont Analysis



- Return on Equity & Net Profit Margin have been increased due to the significant reduction of provision expense on investment and income tax expenses.
- Asset Turnover in terms of total income has been decreased due to the enforce of 9%
- The Financial Leverage has been increased due to the higher growth of assets.

PESTEL ANALYSIS

Generally, the environment of an organization is categorized into two main environments: Internal and External environment. External environment consists of the "PESTEL" (Political, Economic, Social, Technological, Environmental and Legal) factors. This analysis is very much crucial from the view point of the Stakeholders, as it informs them how key external factors can influence an organization's performance or ability to create value over the long-term.

At Pubali Bank, we believe that our focus on "PESTEL Analysis" enables us to monitor and respond to changes successfully in the macro-economic environment, thereby enabling us to differentiate from the competition and create a robust and unassailable competitive advantage.

P Political

Pubali Bank's focus areas

- Continuous assessment of the political environment
- Implements the stimulus packages announced by the government
- Formulates strategy by assessing the current and future environment.
- Reports promptly to the Bangladesh Election Commission on demand regarding bank defaulters.
- The bank goes for litigation against any defaulter irrespective of political and social identity.

Impact on Industry

- Political Stability
- Monetary policy
- Tax & Trade Policy
- Government debt relief program
- Government investment

Major outcomes

- Zero tolerance regarding any regulatory misalignments

E Economical

Pubali Bank's focus areas

- Dynamic lending approach
- Strong efforts in reducing NPLs
- The bank has refinanced to the Covid-19 affected industries as per the Bangladesh Bank instruction
- By creating employment, the bank tries to reduce unemployment problem
- Ensures inclusive and sustainable economic growth
- Strong grassroots distribution network for facilitating deposit mobilization
- Focus more on investment diversification
- More emphasis on SME loan

Impact on Industry

Macro-Economic trend	Increased Pvt. Sector participation
Well planned Govt. programs. e.g. Digital Bangladesh	Import-Export situation
Large infrastructural projects, e.g. Padma Bridge, Metro Rail, Karnaphuli Tunnel	Foreign currency reserve
	Inflation
	Domestic and Foreign Exchange rate

Major outcomes

Dedicated Human Resources



Pubali Bank's focus areas

Our bank offers innovative products and services as per the demand of the customers
Contributes the society by creating new job opportunity
Appoints employees irrespective of gender discrimination

Impact on Industry

Law Educational standard	Social norms
Lack of awareness about banking system	Consumer behavior
Living standard	Age distribution
Religious belief	

Major outcomes

Social development by creating new entrepreneurs



Pubali Bank's focus areas

Our bank provides the largest real time centralized online banking network
aims to introduce the world's latest technology
Launched Pi banking apps
Focus on digitalizing products, services & processes

Impact on Industry

Technological change
Threat from fintech and other competitors
Severe pressure on the banks to meet demands of the customers

Major outcomes

Digitalization across the bank

Environmental

Pubali Bank's focus areas

Our bank has already developed Green Banking policy, Environmental & Social Risk Management Guideline as well as CSR policy
Head office and branches are advised to take initiatives to reduce Carbon emission
Encourages in environment friendly investment
Emphasize more on reducing paper use in the desk work
Arranges all training, conferences and Board Meetings through online

Impact on Industry

Climate Change
Waste Management
Green building projects
Sustainable Finance Regulation

Major outcomes

Sustainable and Green Economy

Legal

Pubali Bank's focus areas

ADR Practice
Resolves Legal issues on time
Emphasis on corporate governance practice
Our bank is fully compliant with the Companies Act,1994, Income Tax Ordinance and Rules, 1984, and Value Added Tax Act and Rules, 1991.

Impact on Industry

Compliance with the regulatory bodies; i.e. Bangladesh Bank, BSEC, DSE, CSE, FRC etc.

Major outcomes

Our bank has received the "Best Corporate Award-2020" by the Institute of Cost and Management Accountants of Bangladesh (ICMAB) for its outstanding good governance practice in the banking arena.

SWOT Analysis

"SWOT" is the acronym for "Strength, Weakness, Opportunity and Threat." Financial institutions can be benefitted largely from the SWOT analysis as it helps to improve and make plan effectively and efficiently. The "Strength and Weakness" are the 2 (two) major internal factors that can be controlled over as well as can be influenced or changed, while "Opportunity and Threat" are also 2 (two) important external factors where competitive advantage can be taken by the diversification of risk. At Pubali Bank, we consider SWOT analysis a very powerful tool that helps us to develop our business strategy.



Competitive Intensity and Our Strategic Responses

Financial sector of Bangladesh is mainly dominated by the banking sector. Banking industry is confronting the challenge of both internal and external risks exposure. Some of these risks are beyond control. However, with matured experience, Pubali Bank Limited has witnessed various industry cycles, economic turmoil and hence has developed and adjusted itself with a risk identification and mitigation framework that not only protects the Bank from unfavorable conditions, but also helps to enhance operating viability and ensure sustainability.

Threat of new entrants

Despite the regulatory and capital requirements of starting a new bank, a number of new banks have entered in the market. With so many new banks in the market is obvious to intensify the competition and the probability of new entrants will intensify it further.

Supplier power

The two main suppliers for a bank are the depositors who supply the primary resource of capital and employees who supply the resource of work. The power of the suppliers is largely based on the market, their power is often considered to fluctuate between low to medium.

Buyer power

Corporate and high net worth individual customers have relatively higher bargaining power. Individual consumers, especially in the retail banking marketplace, have relatively low bargaining power. However, in the aggregate, the bargaining power of consumers is greater.

Threat of substitute product

In addition to the threat from the new entrants, our bank is also exposed to competition from the other financial intermediaries offering substitute products. These include the non-banking finance companies and the new entrants as well as the substitute products are adding on to the already existing competition from the present players.

Competitive rivalry

The banking industry of Bangladesh is considered highly competitive. Because of this, our bank must attempt to attract clients by offering cutting-edge services, higher rates, investment services, and greater conveniences compared to its rivals. The banking competition is often a race to determine whether our bank can offer both the best and fastest services. One of the industry element that intensifies the importance of competition is the relatively low switching costs that customers face.



Management's Discussion And Analysis

1.0 Accounting Policies And Estimation For Preparation Of Financial Statements

The financial statements of the Bank continue to be prepared in accordance with First Schedule of the Bank Company Act 1991, as amended, BRPD circular no. 14 of 25 June 2003, other Bangladesh Bank circulars, the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987, International Accounting Standards and International Financial Reporting Standards including those that have been so far adopted by the Institute of Chartered Accountants of Bangladesh. In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail.

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources.

1.1 Changes In Accounting Policies And Estimation

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision or future periods, if the revision affects both current and future periods.

2.0 Comparative Analysis

2.1 Overview Of Financial Performance

BDT in million

	2021	2020	% Change	2019	2018	2017
Interest income	22,737.80	22,716.88	0.09%	26,060.65	23,987.74	18,991.52
Interest paid on deposits, borrowings, etc.	-21,900.92	-19,851.84	10.32%	(17691.78)	(14966.25)	(11135.62)
Net Interest Income	**836.88**	**2,865.04**	-70.79%	**8,368.88**	**9,021.49**	**7,855.90**
Investment income	15,671.21	12,707.36	23.32%	7,131.92	5,193.01	5,409.01
Commission, exchange and brokerage	2,347.37	1,598.06	46.89%	1,751.56	1,865.96	1,674.57
Other operating income	1,269.34	1,153.56	10.04%	1,157.51	1,179.00	1,235.79
Operating Income	**20,124.81**	**18,324.03**	9.83%	**18,409.88**	**17,259.46**	**16,175.27**
Operating Expenses	**10,681.35**	**9,944.47**	7.41%	**8,952.07**	**8,401.78**	**7,990.38**
Operating Profit	**9,443.46**	**8,379.56**	12.70%	**9,457.81**	**8,857.68**	**8,184.89**
Provision for Loans, Advances, Investments and Other Assets	**4,243.80**	**2,626.31**	61.59%	**4,261.65**	**3,171.87**	**5,799.81**
Total Profit/(Loss) before Taxes	**5,199.66**	**5,753.25**	-9.62%	**5,196.15**	**5,685.80**	**2,385.08**
Total Provision for Taxes	**1,295.11**	**2,083.74**	-37.85%	**3,052.88**	**2,261.74**	**2,666.28**
Net Profit/(Loss) after Taxes	**3,904.55**	**3,669.51**	6.41%	**2,143.27**	**3,424.06**	**(281.20)**

Net profit & Net Interest Income

Net profit for the year ended 31 December, 2021 stood at 3,904.55 million, as compared to the net profit of` 3,669.51 million last year. Interest income increased from 22,176.88 million in 2020 to 22,737.80 million in 2021. Net interest income (NII) fall by 70.79% from 2,865.04 million in 2020 to 836.88 million in 2021, due to increase of interest paid by 10.32% compare to increase of interest income by 0.09%. Non-interest income consisting of investment income, commission, exchange and brokerage fee and other income. Investment income grew strongly by 23.32% from 12,707.36 million in 2020 to 15,671.21 million in 2021. Whereas Commission, exchange and brokerage fee income also increased by by 46.89% from 1,596.06 million in 2020 to 2,347.37 million in 2021. Other operating income also increased by 10.04% from 1,153.56 million in 2020 to 1 269.34 million in 2021.

Operating Income

The operating Income of the Bank increased by 0.9.83% to 20,124.81 million from 18,324.03 million last year. The core income streams (NII & Investment income) constituted 91.39% of the operating revenue, reflecting the stability of the Bank's earnings.

Operating expenses

Operating expenses rose 11.09% from 9,944.47 million in 2020 to 10,681.35 million in 2021 as salary expense, Rent, taxes, insurance, electricity, etc. and Depreciation of fixed assets increased. Salary expenses increased by 3.36%, Stationery, printing , advertisement etc. increased by 14.56%, Depreciation and repair of bank assets increased by 16.04% and other expenses increased by 14.07% in 2021.

Provisions and contingencies

During 2021, the Bank created total provisions (excluding provisions for tax) of 4,243.80 million compared to 2,626.31 million last year.

Key Ratios

	2021	2020	2019	2018	2017
Earnings per share (EPS) (in BDT)	3.80	3.57	2.10	3.43	(0.28)
Net asset value per share (NAVPS) (in BDT)	38.37	37.74	31.38	27.42	25.68
Return on assets (ROA) %	0.65%	0.70%	0.45%	0.84%	-0.08%
Return on equity (ROE) %	9.90%	9.46%	7.51%	12.51%	-1.15%
Operating Expense to operating income %	53.08%	54.27%	48.63%	48.68%	49.48%
Credit deposit ratio %	77.58%	70.71%	76.15%	82.94%	83.34%
Net profit per employee (in million)	0.49	0.45	0.26	0.45	(0.04)
Cost of fund %	6.80%	7.09%	7.52%	7.97%	7.42%

Basic Earnings Per Share (EPS) was BDT 3.80 compared to BDT 3.57 last year. Return on Equity (RoE) and Return on Assets (RoA) stood at 9.90% and 0.65% respectively. Book Value per Share increased BDT 38.37 from BDT 37.74 last year. Profit per Employee stood at 0.49 million. Credit Deposit (CD) ratio of the Bank as on 31 December, 2021 was at 77.58% and Cost of the fund of the Bank was 6.80%.

2.2 Balance Sheet Parameters

Assets

BDT in million

	2021	2020	% Change	2019	2018	2017
Cash	**24,646.33**	**24,146.44**	**2.07%**	**25,902.99**	**23,056.85**	**22,817.79**
Balance with Other Banks and Financial	**21,481.97**	**18,580.80**	**15.61%**	**13,086.55**	**15,579.62**	**12,903.22**
Money at Call on Short Notice	**241.99**	**1,200.79**	**-79.85%**	**126.79**	**11.29**	**11.29**
Investments	**145,632.76**	**147,906.01**	**-1.54%**	**100,603.86**	**57,660.24**	**53,527.20**
Government	125,104.79	126,428.03	**-1.05%**	79,473.54	37,761.95	35,243.86
Others	20,527.97	21,477.98	**-4.42%**	21,130.32	19,898.29	18,283.35
Loans, Advances and Leases	**376,656.43**	**315,578.90**	**19.35%**	**287,034.67**	**270,909.51**	**239,539.60**
Fixed Assets including Premises, Furniture & Fixtures	**5,785.75**	**5,087.99**	**13.71%**	**5,180.80**	**3,782.35**	**3,686.86**
Other Assets	**54,739.44**	**52,966.28**	**3.35%**	**46139.17613**	**38,743.86**	**35,828.29**
Total Assets	**629,184.67**	**565,467.21**	**11.27%**	**46138.80088**	**409,744.09**	**368,314.62**

Advances

Total advances of the Bank as on 31 December, 2021 increased by 19.35% to 376,656.43 million from 315,578.90 million as on 31 December 2020, largely driven by growth in corporate loans and SME loans

Investments

The investment portfolio of the Bank decreased by 1.54% to 145,632.76 million, of which investments in Government and approved securities, held mainly for SLR requirement, decreased by 1.05% to 125,104.79 million. Other investments, including corporate debt securities, decreased by 4.42% to 20,527.97 million

Liabilities and shareholder's funds

BDT in million

	2021	2020	% Change	2019	2018	2017
Borrowings From Other Banks, Financial Institutions & Agents	**30,019.84**	**17,486.80**	**71.67%**	**16,970.35**	**17,152.36**	**18,099.36**
Subordinated bonds	**10,500.00**	**11,500.00**	**-8.70%**	**9,000.00**	**5,000.00**	**5,000.00**
Perpetual Bonds	**2,800.00**	**-**		**-**	**-**	**-**
Deposits and Other Accounts	**462,400.22**	**429,343.02**	**7.70%**	**359,418.89**	**308,899.77**	**271,605.83**
Current accounts & other accounts	59,945.60	49,702.53	**20.61%**	41,003.94	38,111.22	34,690.40
Bills payable	13,829.75	14,657.45	**-5.65%**	14,602.54	11,661.55	9,757.89
Savings bank deposits	115,249.02	100,270.30	**14.94%**	82,675.39	74,891.25	70,060.11
Term deposits	262,848.08	255,315.07	**2.95%**	213,476.82	177,726.67	151,842.17
Other deposits	10,527.77	9,397.67	**12.03%**	7,660.20	6,509.08	5,255.25
Other Liabilities	**84,011.06**	**67,894.21**	**23.74%**	**60,413.89**	**51,314.86**	**49,189.12**
Total Liabilities	**589,731.12**	**526,224.03**	**12.07%**	**445,803.13**	**382,366.99**	**343,894.31**
Capital / Shareholders' Equity						
Paid up capital	10,282.94	10,282.94	**0.00%**	10,282.94	9,983.44	9,508.04
Statutory reserve	10,283.00	10,283.00	**0.00%**	10,283.00	9,983.50	9,510.25
Retained earnings (general reserve)	14,426.73	11,807.13	**22.19%**	8724.067943	4,458.71	2,458.49
Other reserves	4,460.87	6,870.11	**-35.07%**	2,981.70	2,951.45	2,943.53
Total Shareholders' Equity	**39,453.55**	**39,243.18**	**0.54%**	**32271.70544**	**27,377.10**	**24,420.31**
Total Liabilities and Shareholders' Equity	**629,184.67**	**565,467.21**	**11.27%**	**474,355.97**	**409,744.09**	**368,314.62**

Deposits
The total deposits of the Bank increased by 7.70% to 462,400.22 million against 429,343.02 million last year. Savings Bank deposits reported a growth of 14.94% to 115,249.02 million, while Current Account deposits reported an increase of 20.61% to 59,945.60 million and Bills Payable reported a negative growth of -5.65% to 13,829.75 million.

The Bank continued to maintain its focus on low cost deposits. As on 31 December, 2021, Time deposit constituting 59.12% of total deposits and stood at 273,375.85 million and Demand deposit constituting 40.88% of total deposits and stood at 189,024.37 million.

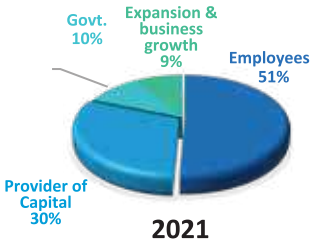
Borrowings from other Bank, Financial Institutions
The total borrowings from other Bank, Financial Institutions of the Bank increased by 71.67% from 17,486.80 million in 2020 to 30,019.84 million in 2021.

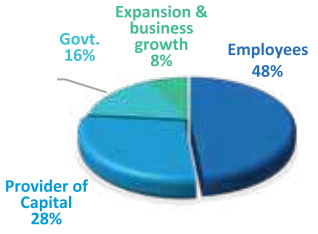
Subordinated and Perpetual Bonds
Subordinated Bonds redeem by BDT 1,000.00 million in the year 2021 and perpetual bond issued for BDT 5,000.00 million in the year 2021 out of which BDT 2800.00 million subscribed during the year 2021.

Value Added Statement

for the year ended 31 December 2021

The value added statement provides a detailed account of total value addition and the distribution of the value created by the organization. Pubali Bank Limited contributes positively to socio-economic development by empowering employees through the payment of salaries and allowances; by paying attractive and consistent dividend to the providers of capital; by assisting the regulatory capacities through paying taxes and of course keeping in mind company's continuous expansion and growth.





Figures in BDT

Particulars	2021		2020	
	Amount	%	Amount	%
Value added				
Net interest income	836,877,583	4.16	2,865,039,541	15.64
Commission, exchange and brokerage, etc.	2,347,374,875	11.66	1,645,114,876	8.72
Investment income	15,671,212,746	77.87	12,707,362,495	69.35
Other operating income	1,269,344,666	6.31	1,106,512,287	6.30
Sub-total (a)	20,124,809,870	100.00	18,324,029,199	100.00
Cost of service rendered	(3,058,247,715)	(41.88)	(2,686,910,697)	(50.57)
Provision for loans, investment, Off B/S items & etc.	(4,243,801,546)	(58.12)	(2,626,309,097)	(49.43)
Sub-total (b)	(7,302,049,261)	(100.00)	(5,313,219,794)	(100.00)
Total Value added by the bank (a-b)	12,822,760,609		13,010,809,405	
Distribution of value added				
Employees				
As salaries and allowances	6,502,553,741	50.71	6,291,955,193	48.36
Provider of Capital				
Shareholders	3,904,548,864	30.45	3,669,513,441	28.20
Government				
Corportate tax	1,405,506,892		1,931,362,255	
Deferred tax	(110,395,562)		152,374,560	
	1,295,111,330	10.10	2,083,736,815	16.02
Expansion and business growth				
Statutory reserve	-	-	-	-
Depreciation and repair of bank's assets	1,120,546,674	8.74	965,603,956	7.42
Total distribution	12,822,760,609	100.00	13,010,809,405	100.00



Market Value Added Statement

Unlike EVA, which measures internal performance, market value added (MVA) is a measure of external performance that indicate how the market has evaluated the company's performance in terms of market value of shares compared to book value of shares. MVA is the difference between the market value of equity of the bank(s) and the book value of equity invested in the bank. A positive MVA indicates that the bank could add value to shareholders wealth. The following statement indicates the MVA at the year ended on 31 December 2021 and 2020:

Figures in million Taka

Particulars	**2021**	**2020**
Market value of shares outstanding	27,558.29	24,781.89
Book value of shares outstanding	10,282.94	10,282.94
Market value added	**17,275.34**	**14,498.95**

Economic Value Added Statement (EVA)

for the year ended 31 December 2021

Economic value added (EVA) is the financial performance measure that attempts to measure the true economic profit of an organization. It provides a measurement of the bank(s) economic success (or failure) over a period of time. Such a metric is useful for investors who wish to determine how well the bank has added value for its investors and it can be compared against bank(s) peers for a quick analysis of how well the bank is operating in its industry. Economic value added is calculated by taking the bank(s) net profit after tax, adding with it, the amount of provision charged against profit to absorb the losses inherent in the investments. EVA is calculated as under :

EVA= (NPAT - Cost of average equity)

NPAT

NPAT is the net profit after tax plus the provision for doubtful losses charged against profit.

Equity

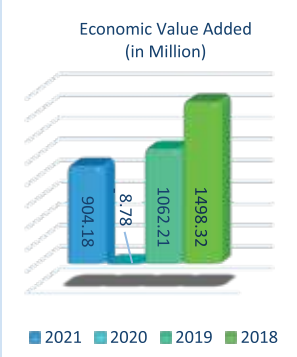
Shareholders' equity is the total amount of equity the year end plus accumulated provision charged against profit for doubtful losses.

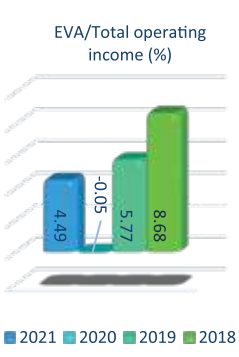
Cost of Equity

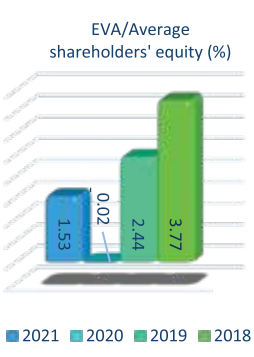
It is the opportunity cost i.e. the expected risk from return on investment, plus a risk premium. Interest on 5 years Bangladesh Government Sanchaya Patra plus 1% risk premium has been assumed to be the cost of equity.

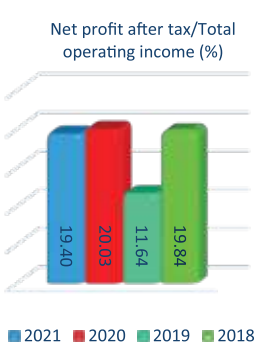
The following table indicates the EVA for the year from 2018 to 2021 :

Economic Value added analysis			Figures in BDT	
For the year ended	**2021**	**2020**	**2019**	**2018**
Shareholders' equity at year end	39,453,551,391	39,243,183,387	28,552,839,152	27,377,102,911
Add : Accumulated provision for loans, investments & Off B/S items etc.	20,917,171,399	18,369,336,875	16,950,531,239	14,134,401,590
Total	**60,370,722,790**	**57,612,520,262**	**45,503,370,391**	**41,511,504,501**
Average shareholders' equity	58,991,621,526	51,340,372,129	43,507,437,446	39,767,326,540
Cost of equity (%)	12.28%	12.28%	12.28%	12.28%
Economic Value Added	**904,179,287**	**(8,775,159)**	**1,062,214,571**	**1,498,323,181**
Net profit after tax (before provision)	8,148,350,410	6,295,822,538	6,404,927,889	6,595,935,934
Less : Cost of equity	7,244,171,123	6,304,597,697	5,342,713,318	5,097,612,753
Total operating income	20,124,809,870	18,324,029,199	18,409,875,670	17,259,459,313
Net profit after tax	3,904,548,864	3,669,513,441	2,143,274,217	3,424,061,567
Key ratios				
EVA/Total operating income (%)	4.49	(0.05)	5.77	8.68
EVA/Average shareholders' equity (%)	1.53	(0.02)	2.44	3.77
Net profit after tax/Total operating income (%)	19.40	20.03	11.64	19.84











RISK MANAGEMENT AND INTERNAL CONTROL

Report on Risk Management Framework, Mitigation Process & Risk Reporting by Chief Risk Officer

Risk is usually defined as the uncertainty of future outcomes or the probability of an adverse outcome. It is usually measured as the volatility or standard deviation of returns around the mean return. Profitability therefore depends on the management of risks and it is obvious that inadequate risk management may lead to insolvency. Since banks are exposed to a variety of risks they require to have well-constructed risk management infrastructure and need to follow government regulations. Hence, the concept of Risk Management has been derived in order to identify, analyze and evaluate the risks and taking some corrective measures to reduce or minimize risks. These risks could stem from a variety of sources including financial uncertainty, legal liabilities, strategic management errors, accidents and natural disasters. IT security threats, data-related risks and the risk management strategies to alleviate them, have become a top priority for digitized companies.

Banking companies in Bangladesh while conducting day to day operations usually face the following major risks such as Credit Risk, ICC Risk, Money Laundering Risk, ALM Risk (Market Risk & Liquidity Risk), Foreign Exchange Risks, ICT Risk along with Residual Risk, Credit Concentration Risk, Reputation Risk, Strategic Risk, Settlement Risk, Environmental Risk, Social & Climate Change Risk. Pubali Bank Limited always considers those risks and addresses those risks to concerned risk related divisions. Divisions take necessary steps and measures to reduce/mitigate those risks and Risk Management Division is also monitoring those risks with a view to minimizing risk & maximizing profit. Pubali Bank Limited has also formed various risk management committees at Management level like Credit Committee, Asset Liability Committee (ALCO), Management Committee (MANCOM), Central Compliance Committee (AML), Management Reporting System Committee (MRSC) for developing MIS and Risk Management Committee (RMC) at Management level for managing and monitoring of risk throughout the organization.

The risk management process of the bank operates under the following structure:
Our Board approves overall risk management policies of the Bank in line with the regulatory guidelines. Our Board also approved the Risk Appetite of the Bank at the beginning of the year as prepared by the RMD. The Audit Committee (AC) of the Board of Directors' reviews the internal audit reports of the bank and operational risk and assesses whether internal control of the Bank is proper or not. The Risk Management Committee (RMC) of the Board of Directors' oversees the overall Risk Management of the Bank. The BRMC also reviews risk management policies & guidelines and submits the same to the Board for necessary revision each year.

Pubali Bank Limited's Risk Management Division (RMD) starts working from 2013. Risk management policy and RMD structure of Pubali Bank Limited have been revised according to latest risk management guidelines of Bangladesh Bank. As per Bangladesh Bank's instruction (DOS Circular No: 4 dated 08 October 2018) Soft copies of CRMR prepared for June & December with half yearly Stress Test Report and MRMR (DOS Circular No: 4 dated 08 October 2018) for all other months are submitted to DOS of Bangladesh Bank of each quarter along with the minutes of Monthly RMC meeting at Management level. Risk Appetite Statement (RAS) - 2021 was prepared and submitted to DOS of Bangladesh Bank as per their instructions. As per Bangladesh Bank's instructions, Review report of Risk Management Policies and effectiveness of risk management functions -2020 have been submitted to DOS of Bangladesh Bank with the approval of the board of directors.

Pubali Bank's approaches addressing post pandemic effects
Bank's Credit growth was moderate because of the bank's focus towards quality lending as well as business houses focus toward survival during the COVID-19 period instead of expanding their businesses. The Bank has taken several initiatives such as fast tracking of approval process to support business during COVID-19 pandemic and implementation of stimulus package allocated by Bangladesh Bank on a priority basis, payment pause of installments, close contact with customers business and reducing the credit risk in the portfolio. The Bank has taken various initiatives to ensure effective management of NPL for reducing NPL as well as improving the asset quality of the Bank. The NPL ratio is expected to come down to a further extent at the end of December 2021.

The uncertainty caused by the pandemic lead to reduction in interest rates both in assets and liabilities and this has subsequent impact on profitability. The spread of COVID-19 has negatively impacted and is impacting many firms mainly through potential disruptions in manufacturing supply chains, domestic consumptions, tourism and exports and this will reduce earnings prospects. This will in turn impact the capacity of such organizations to pay installments or to serve interest leading to increase in NPLs. Pubali Bank Limited has assessed the implications of the outbreak and has taken following measures to effectively manage the risks stemming from it in order to ensure resilience.

- Assessing the business continuity plan to mitigate operational risks.
- Stress testing based on worst case COVID-19 scenario to observe impact on capital adequacy.
- Assessing credit portfolio to reduce the impact of NPL and profitability.
- Strategic hedging of trading book.
- Implementation of robust cyber security systems.

Pubali Bank Limited is constantly observing the regulatory changes, changes in customers' expectations, cyber security breaches, fraud and identify theft, requirement of reengineering of internal process, peer bank competitions in line with global best practices in each area to form a Best-in-class Risk Management capability.

Nitish Kumar Roy
General Manager
& Chief Risk Officer (CRO)

Report on Risk Management and Internal Control

Risk is the effect of uncertainty on objectives. It is the combination of probability of an event and consequences. A fundamental idea in finance is the relationship between risk and return. The greater the amount of risk that an investor is willing to take the greater the potential return. The reason for this is that investors need to be compensated for taking additional risk.

The management has to deal with ideas of risk management on proactive basis rather than on traditional post-facto basis so that it can serve to maximize the shareholders' value efficiently.

Risks and uncertainties form an integral part of banking, which by nature entails risk taking. Banks are highly leveraged business organizations. Bank deals with the money of countless depositors and if the depositors' interest is hampered, the economy will face a halt. Thus risk management has become of great importance in the banking sector.

Due to highly regulated environment, banks cannot afford to take redundant risks. But of late, banks are exposed to intense competition and hence are compelled to encounter various types of financial and non-financial risks.

Risks in Banking Sector:



Objectives of Risk Management:

The objective of risk management is to identify and analyze risks and manage their consequences. Risk management is a discipline at the core of every financial institution and encompasses all the activities that affect its risk profile. It involves identification, measurement, monitoring and controlling risks to ensure that –

- The individuals who take or manage risks clearly understand it;
- The organization's risk exposure is within the limits established by the Board;
- Risk taking decisions are explicit and clear;
- Risk taking decisions are in line with the business strategy and objectives set by the Board;
- The expected payoffs compensate for the risks taken; and
- Sufficient capital as a buffer is available to take risk.

Pubali Bank Limited adopted enhanced policies and procedures of risk management according to guidelines issued by Bangladesh Bank. PBL's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment, measurement procedures and continuous monitoring. PBL continues to focus on improving its risk management systems to ensure compliance with regulatory requirements as well as to ensure better risk-adjusted return and optimal capital utilization keeping in mind of the business objectives. For sound risk management, PBL manages risk in strategic layer, managerial layer, and operational layer.

Risk Management Process in Pubali Bank:

Risk management is to balance the trade-off between risk and return and ensure optimum risk-adjusted return on capital. The risk management functions of Pubali Bank Limited grapples to proactively anticipate vulnerabilities at the transaction as well as at the portfolio level, through quantitative and qualitative examination of the embedded risks. Risk is managed through a framework of policies and principles approved by the Board of Directors which ensures that the Bank operates within its risk appetite.



Risk Management Process

The risk management process of the bank operates under following structure:

The Board approves overall risk management policies of the Bank in line with the regulatory guidelines. The Board also approves the Risk Appetite of the Bank at the beginning of the year which is set by the Management.

Audit Committee (AC) of the Board reviews the internal audit reports of the bank and operational risk and assesses whether internal control of the Bank is proper or not;

Risk Management Committee (RMC) of the Board oversees the overall Risk Management of the Bank. The committee also reviews risk management policies & guidelines and submits to the Board for necessary revision each year.

For managing risk, Pubali Bank Limited established Credit Division, Credit Administration & Recovery Division, Law Division, Internal Control and Compliance Wing (ICCW), Risk Management Division (RMD), International Division, Treasury Division, Offshore Banking Division, ICT Operation Division, Card Division, Audit & Inspection Division, Anti-Money Laundering Division and other divisions.

Pubali Bank Limited also formed various risk management committees at management level like Credit Committee, Asset Liability Committee (ALCO), Management Committee (MANCOM), Central Compliance Committee, Management Reporting System Committee (MRS) and Executive Risk Management Committee (ERMC) for managing and monitoring of risk throughout the organization.

Risk Management Committee of the Board:

To oversee the risk management of the Bank, the Board has formed a Risk Management Committee of the Board as per the guidelines of Bangladesh Bank. The Committee supervises various risks arise from credit, foreign exchange, internal control and compliance, money laundering, information technology, operation, interest rate, liquidity etc. 04 (Four) meetings of the Risk Management Committee of the Board were held in the year of 2021. The names &status of the members of the Risk Management Committee of the Board are as follows:

Sl No.	Name of the Directors	Designation	Status with the Committee
1.	Mr. M. Kabiruzzaman Yaqub FCMA(UK), CGMA	Director	Chairman
2.	Mr. Habibur Rahman	Director	Member
3.	Mr. Musa Ahmed	Director	Member
4.	Mr. Azizur Rahman	Director	Member
5.	Mr. Md. Abdur Razzak Mondal	Director	Member

Mr. Zahid Ahsan, DMD & Company Secretary is working as Secretary of RMC of the Board.

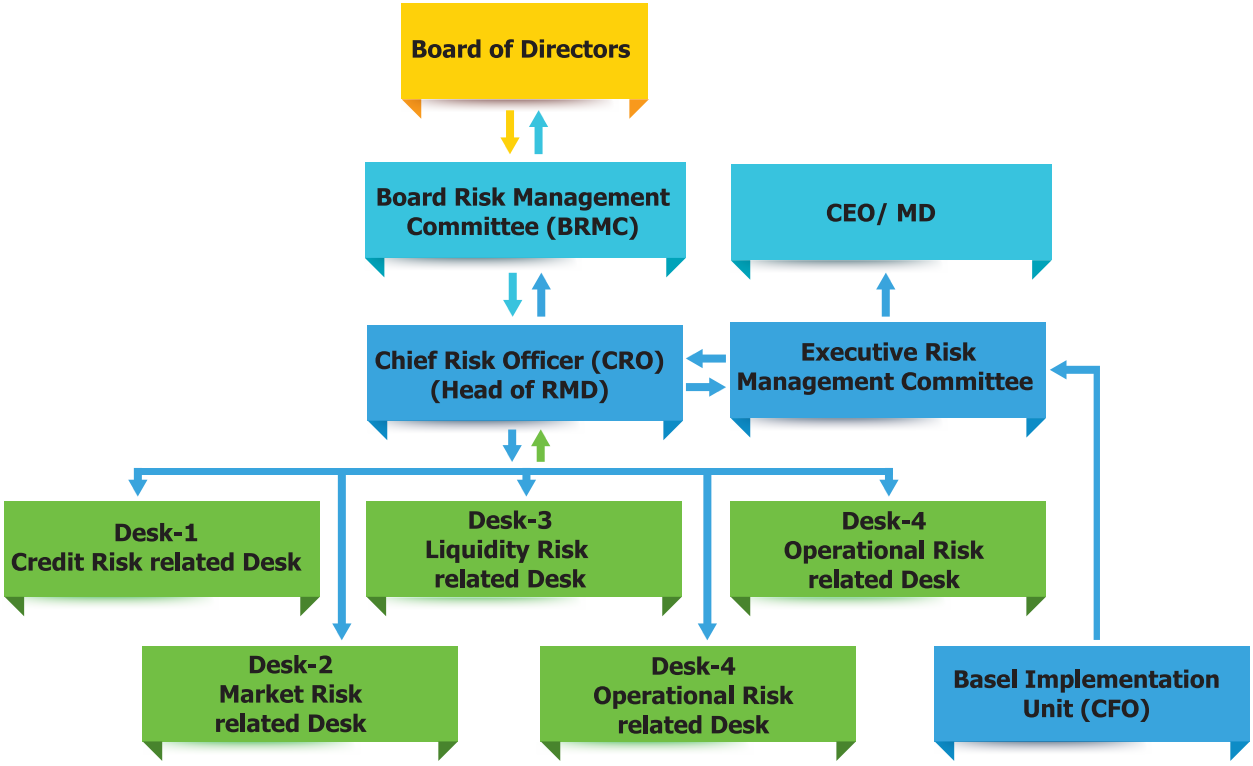
Risk Management Policy & Board Oversight

The board of directors has the ultimate responsibility for the risks taken by our bank. Therefore, it must define the risk appetite, risk tolerance and risk limit, and set risk strategies. The Board is responsible for understanding the nature of risks significant to Bank and for ensuring that the management is taking necessary steps to implement those strategies and manage accompanying risks. To perform the risk oversight role properly, the Board members of Pubali Bank Limited are having a clear understanding of the types of risks inherent in business lines and take appropriate steps to ensure continued awareness of any changes in the level of risks. PBL Board is approving the strategies and significant risk management policies developed by senior executives and review them on regular basis. While performing their oversight function, Board of directors is not involving in day-to-day activities of risk management. They are making it clear to Bank's management that risk management is not an impediment to the conduct of business nor a mere supplement to a company's overall compliance program but is, instead, an integral component of the company's strategy, culture and value generation process.

Risk Management Policy & Senior Management Oversight

While the overall responsibility for risk management rests with the board of directors, it is the responsibility of senior management to transform the strategic directions set by the Board into operational policies, procedures, and processes for effective risk management. The senior management should be fully aware of the activities undertaken by the bank that could expose it to various risks. It should possess necessary knowledge and skills to be able to align the risk levels with the board's strategies through risk assessment and treatment. Top management should be aware of the financial institution's risk profile on an ongoing basis and should regularly report it to the board or a board level committee for review. It has to ensure that the policies are embedded in the culture Bank. It is also responsible for implementing risk management strategies and policies and ensuring that procedures are put in place to manage and control the risks in accordance with those policies keeping in view the strategic direction and risk appetite specified by board. For effective oversight of risk management, management shall provide the members of the board with sufficient information to enable them to understand Bank's risk profile, how risks are assessed and prioritized by the management team, risk response strategies, implementation of risk management procedures and infrastructure, and the strength and weaknesses of the overall system. To serve this purpose, management will oversee the development, implementation and maintenance of an appropriate Management Information System (MIS) that identify, measure, monitor and control bank's various risk. Through effective communications between the board and senior management, members of the board should be confident that Bank's executives understand the risks that the enterprise faces and are accomplished in their day-to-day management of enterprise risk.

Risk Management Organogram of our Bank:



Functions of Risk Management Division of our Bank:

01. To oversee the core risks and other risks;
02. To Prepare risk management reports, arranging monthly meeting of ERMC and preparing meeting minutes, disseminating the decisions to the concerned department/divisions, monitoring and follow up of implementation status;
03. To arrange special meeting on "Comprehensive Risk Management Report" (CRMR) for the half-year ended June/December;
04. To place Minutes of the Risk Management Committee at Management Level to Risk Management Committee of the Board and Audit Committee of the Board on quarterly basis.
05. To comply with the Bangladesh Bank of various issues/inspection etc.

Among various activities of the Risk Management Division the followings are the key task:

06. Risk Appetite:

To prepare risk appetite of the Bank and place to the Board of Directors for approval and send the same to the Department of Off-site Supervision (DOS) of Bangladesh Bank. Through the statement covers the following areas:

a) Sector, industry, and area-wise loan target,

b) Concentration on among top-20 borrowers,

c) off-balance sheet exposure as a percentage of total assets,

d) The annual growth rate for loans and advances,

e) Limitations on the percentage of financial liabilities sourced from the top-10 suppliers,

The gaps between total assets and liabilities in different time buckets of the liquidity profile,

g) The gap between rate-sensitive assets and rate-sensitive liabilities in different time buckets,

h) Various ratios regarding liquid assets,

i) The Capital to Risk-weighted Asset Ratio (CRAR) after applying stress test etc.

07. Risk Management Report :

Our Risk Management Division prepares risk management report on monthly, quarterly and half yearly basis in accordance with Bangladesh Bank Guidelines. Following analysis are included amid the risk management report:

i.	Analysis of Credit risk	vii.	Operational Risk
ii.	Market Risk	viii.	Reputation Risk
iii.	Liquidity Risk	ix.	Environmental Risk
iv.	Foreign Exchange Risk	x.	Money Laundering Risk
v.	Interest Rate Risk	xi.	Compliance Risk
vi.	Equity Price Risk	xii.	Other Risks

a) Comprehensive Risk Management Report (CRMR):

Risk Management division prepares a "Comprehensive Risk Management Report" (CRMR) for the half-year ended June/December by analyzing all reported risk as per tables/formats provided by Bangladesh Bank. Thereafter, the statements of CRMR along with meeting minutes of the ERMC is submitted to the Department of off-site supervision (DOS) of Bangladesh Bank as per DOS circular.

b) Risk Management Report (Monthly/Quarterly):

As per Bangladesh Bank's instruction/table/formats, we prepare a consolidated Monthly/Quarterly Risk Management Report by analyzing all reported risk. We submit the statements along with meeting minutes of the management-level risk management committee to the Department of off-site supervision (DOS) of Bangladesh Bank as per DOS circular.

08. Review report of Risk Management Policies and effectiveness of risk management functions :

A review report of Risk Management Policies and effectiveness of risk management functions is prepared and place to the Board of Directors for approval and send the same to the Department of Off-site Supervision (DOS) of Bangladesh Bank.

Credit Risk Management:
Credit Risk is defined as the potential that a Bank's Borrower will fail to meet its obligations in accordance with agreed terms. To maximize a Bank's risk adjusted rate of return by maintaining credit risk exposure with acceptable parameters is the goal of credit risk management. The effective credit risk management is a critical component of a comprehensive approach to risk management and essential to the long-term success of any banking organization.

Pubali Bank Limited has a comprehensive credit risk management policy, which deals with identification, assessment, measurement and mitigation of credit risk. Our bank has segregated duties of the officers/executives involved in credit related activities in line with bank's CRM guidelines. Credit Division and Credit Administration Monitoring & Recovery Division (CAM&RD) are playing the key activities i.e. Credit approval, credit administration, monitoring, recovery function etc. Besides Law Division of the bank also work for credit risk management. Similarly Principal Office, Regional offices and corporate branches are also separated their works of sanctioning, disbursement, monitoring and recovery.

All credit proposals have been placed in credit committee (Corporate Branches, Regional Offices, Principal Offices and Head Office) for recommendation to sanction or decline. Credit committee is available in corporate branches, regional offices, principal offices and Head office. At Head Office level Additional Managing Director (AMD) is the chairman of the credit committee. Head of the corporate branch, head of regional offices and GM/DMD of the principal offices are the chairman of the credit committee at Corporate Branch, Region and Principal Office level respectively. Credits exposures beyond the discretionary power of the Managing Director are placed before the board of directors of the bank for approval.

Credit Administration, Monitoring and Recovery Division looks after post approval process such as to better control over loan portfolio by helping completion of documentation, scrutinizing the checklist of documents, disbursement etc. in a systematic manner and monitor & compliance of all covenants

and conditions precedent. Besides, this division keeps constant follow-up to keep the credits performing and unclassified.

Foreign Exchange Risk Management:

Foreign exchange risk is the current or prospective risk to earning capital arising from adverse movements in currency exchange rates. Foreign currency position poses potential foreign exchange risk to the balance sheet of Commercial banks, which could have serious negative impact on the capital position of Bank. Nonetheless, Pubali Bank Limited's prudent management decision pertaining to foreign currency movement is playing a crucial role in ensuring the safety and soundness of the bank and the banking system as whole. International Division (ID) and Treasury Division both work meticulously to mitigate the foreign exchange risk of the bank. Our bank has well defined policies and guidelines with central bank's directives related Foreign Exchange Risk. Moreover, to adopt the changing environment, Pubali Bank Ltd. established dealing room and centralized foreign exchange and money activities under a single functional area, which is functioning under Treasury Division.

In order to identify and minimize potential risk of loss arising from foreign exchange risk Pubali Bank Limited has put in place adequate foreign exchange risk management systems, appropriate operational guidelines and internal controls which includes regular monitoring of the followings:

Exchange Position
Counterparty Limit
Position Reconciliation
NOSTRO Account Reconciliation
Dealing Limit
Intra Day/Intraday/trading dealing Limit per day
Stop loss limit
Single day limit

To control the Foreign Exchange Risk our International Division has prepared a Foreign Exchange Dealing Manual which has covered such risk areas on up to date international trade and commerce.

Asset and Liability Management:

Asset and Liability Management (ALM) can be defined as the comprehensive and dynamic framework for measuring, monitoring and managing the financial risks associated with changing interest rates, foreign exchange rates and other factors that can affect the organization's liquidity and earnings. It is an integral part of bank management and so, it is essential to have a planned and systematic process for management of the Balance Sheet.

The Asset and Liability Management Committee (ALCO) of Pubali Bank Ltd. reflects key responsibility for balance sheet risk management. To ensure highest level of structural balance sheet stability and optimum profitability is another important responsibility of the ALCO for managing assets and liabilities. Besides, for the strategic management of interest rate and liquidity risk, ALCO of the bank plays the vital role. At present Treasury Division of Pubali Bank Limited is working thoroughly for Asset and Liability Management. In the meanwhile, PBLestablished Treasury Front Office, Back Office and Mid Office as per Bangladesh Bank Guideline to reduce this level of risk.

Liquidity Risk Management:

Failure of the capacity or an inability to meet current obligations of a bank or business entity can be defined as liquidity risk. On account of funding liquidity or market liquidity this risk may arise. Treasury Division of Pubali Bank Limited has sagacious manpower to mitigate Liquidity Risk. The following tools are used to determine bank's liquidity position:

Advance to Deposit Ratio (ADR)
Liquid Asset to Total Deposits Ratio
Liquid Asset to Total Assets Ratio
Snap Liquidity Ratio
Volatile Deposit to Total Deposit Ratio
Short Term Borrowing to Liquid Assets Ratio
Maximum Cumulative Outflow (MCO)
Maturity Ladder
Cash flow Projections
Stock of Liquid Assets
Wholesale Borrowing Limit Utilization

Pubali Bank Monitor and Manage Liquidity Risk with the given activities below:

Asset and Liability Management Committee (ALCO):

The bank already established an Asset and Liability Management Committee (ALCO) with the following roles to appease Liquidity and Market Risk:

- ALCO closely monitors the liquidity position of the bank
- ALCO facilitate, coordinate, communicate, and control balance sheet planning with regards to risks inherent in managing liquidity and convergences in interest rates
- Monitor the structure and composition of bank's asset and liabilities and identify balance sheet management issues that are leading to underperformance.

- Decide on the major aspects of balance sheet structure, such as maturity and currency mix of assets and liabilities, mix of wholesale versus retail funding, deposit mix, etc.
- Decide on how to respond to significant, actual and expected increases and decreases in required funding.
- Review maturity profile and mix of assets and liabilities.
- Articulate interest rate views of the bank and decide on balance sheet strategy.
- Approve and periodically review the transfer pricing policy of the bank.
- Evaluate market risk involved in launching of new products.
- Review deposit-pricing strategy.
- Review contingency funding plan for the bank.

Money Laundering Risk Management:

Money Laundering and Terrorist Financing are global Phenomenon, apparent in almost every part in the world. Money Laundering Risk arises from non-compliance of money laundering related instructions of the regulatory body. It's consequence are dire & far reaching and may be in the form of financial penalty, reputation loss, legal harassment and even the risk of sustainability. It provides the fuel for drug dealers, terrorists, illegal arm traders, corrupt public officials and others to operate and expand their criminal enterprises. Success in money laundering encourages the criminals to continue their illicit schemes which mean more fraud, more drugs & drug related crime, more violence, unrest in the society and the economy and a general loss of morale on the part of legitimate business people. Emerging sophisticated techniques of moving illicit money are compelling the financial intermediaries to make their compliance program more vigorous. Pubali Bank Limited, as a compliant bank, is firmly determined not to let such money launderers and terrorists or perpetrators to use it as a channel to launder money of finance terrorism in any possible way.

Some of the initiatives undertaken by our bank as a part of its rigorous AML & CFT compliance program are as follows:

To prevent money laundering and combat terrorist financing, Central Compliance Committee (CCC), Regional Compliance Unit (RCU) and Branch Compliance Unit (BCU) have been formed headed by a Chief Anti-Money Laundering Compliance Officer (CAMLCO), Regional Anti- Money Laundering Compliance Officer (RAMLCO) and Branch Anti-Money Laundering Compliance Officer (BAMLCO) at Head Office, Regional Offices and Branches respectively.

Money Laundering and Terrorist Financing Risk management Guideline has been reviewed as per Bangladesh Bank Guidelines and the same has been disseminated to the branches for compliance.

Customer Selection Policy has been prepared and the same has been disseminated to the branches for compliance.

So far 29 circulars of former Anti-Money Laundering Department and 26 circulars of present BFIU of Bangladesh Bank have been disseminated to the branches for compliance.

Considering the importance of the issue, honorable managing director of our bank issues a circular letter every year instructing the branches and regional offices to comply with money laundering and terrorist financing related laws, rules and instructions.

Uniform account opening form was introduced and branches were advised to obtain full and accurate information of the client while opening and maintaining accounts.

Risk rating of the customers is in force while opening accounts. Branches have been advised to apply Enhanced Due Diligence for high risk customers, influential persons and politically exposed persons.

Branches have been advised to follow the instruction of BFIU circular no. 26 dated 16.06.2020 for opening the accounts of Politically Exposed Persons, Influential Persons and Individuals entrusted with prominent function by international organizations.

Branches are reporting Cash Transaction Report on monthly basis and the same are being submitted to BFIU using goAML software.

All branches have been advised to report suspicious transaction if transaction of any account is deemed suspicious.

Self-Assessment Statement is prepared by the branches on half yearly basis and a summary report is prepared and submitted to Bangladesh Financial Intelligence Unit. Branches are followed up to remove the weakness detected in the report.

Basel -III Implementation:

Bangladesh has entered into the Basel III regime from January 01, 2015. Bangladesh Bank revised the capital standard based on Basel III and planned to implement it gradually from 2015 to 2019.

This is in addition to existing Minimum Capital Requirement (MCR) of 10%. It means CRAR requirement is 12.50% since January 01, 2019.

To increase the quality and quantity of the capital base of the Bank, Basel III has introduced the following measures:

1. Tier 1 capital has been divided into two parts: Common Equity Tier 1 (CET1) and Additional Tier 1 (AT1).
2. The definition of capital has been made stringent. Tier 3 capital has been eliminated.
3. The Bank has to maintain 3% leverage ratio along with Liquidity Coverage Ratio (LCR) of 100% or more and Net Stable Funding Ratio (NSFR) of more than 100%.

The overall scenario as of December 31, 2021 under Pillar-I is depicted below:

Solo CRAR	Consolidated CRAR	Leverage Ratio	LCR	NSFR
14.88%	14.75%	5.03%	200.26%	102.37%

The Bank has a Supervisory Review Process (SRP) team comprising of members from the senior management.

Pubali Bank Limited is well positioned in respect of capital and risk management. It has commenced reporting of CRAR, leverage and liquidity ratio from January 01, 2015 following the new risk based capital adequacy framework.

They participate in dialogues with the Supervisory Review Process Evaluation (SREP) team of Bangladesh Bank on the issue of maintenance of adequate capital to compensate all the risks associated with business.

Pillar-III of Basel III aims at promoting market discipline through regulatory disclosure requirements. The reports on disclosure enable market participants to assess more effectively key information relating to Bank's regulatory capital and risk exposures in order to keep confidence about the Bank's exposure to risk and overall regulatory capital adequacy. The Bank has published the disclosure incorporating all the changes in the revised guidelines. The Bank has also made a significant progress in implementing Basel-III and preparing itself to meet the upcoming challenges for implementing advanced approaches of calculating credit, market and operational risks.

Stress Testing:

Stress testing is an integral part of Supervisory Review Process and is conducted through a prescribed format given by Bangladesh bank where impact on Capital to Risk Weighted Asset Ratio (CRAR) is assessed taking into account plausible shocks.

Stress Testing is one of the effective and popular ways to alert bank management with regard to adverse unexpected outcomes related to variety of risks and provides an indication how much capital adequacy ratio (CAR) might be needed to absorb losses for different shoks.

In the context of ICAAP under Pillar II of Basel III, banks consider Stress Testing as a diagnostic tool to improve the understanding of its risk profile. Bangladesh Bank has advised to conduct quarterly Stress Testing to measure resilience of the Bank. Therefore as a part of risk management, the Bank prepares stress testing report on quarterly basis to check out four major risks (interest rate risk, credit risk, equity price risk, liquidity risk) under different levels of magnitude to ensure optimum allocation of capital across its risk profile. In Stress Testing of the Bank different analytical tools are used, like sensitivity analysis which assesses the impact on an institution's financial condition of a move in one particular risk factor, scenario test which tends to consider the impact of simultaneous moves in a number of risk factors, and duration GAP analysis which is the analysis of the gap in duration.

Internal Control and Compliance Risk Management

Pubali Bank Limited has a well-structured Internal Control and Compliance (ICC) wing headed by Additional Managing Director with the following three distinct Division headed by a senior level executive. Under ICC wing 03 divisions are functioning separately and independently. These are;

- Audit and Inspection Division
- Compliance Division
- Monitoring Division

The mission of Pubali Bank's compliance function is to promote the culture and practice of compliance of legal and regulatory requirements and the Banks ethical standards.

Internal Control and Compliance

Internal Control
Pubali Bank Limited has established an effective internal control system whose primary aim is to ensure the overall control of risks and provide reasonable assurance that the objectives set by the Bank will be met. The Board of Directors of the Bank, through its Audit Committee, periodically reviews the effectiveness of Bank's internal control system covering all the material controls, including financial, operational and compliance controls, risk management systems, the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function, training programs, budget, etc.

Board Audit Committee reviews the actions taken on internal control issues identified by the Internal & External Auditors and Regulatory Authorities. It has active oversight on the internal audit's independence, scope of work and resources and it also reviews the functions of Internal Control & Compliance Wing of Head Office, particularly the scope of the annual audit plan and frequency of the internal audit activities.

Monitoring Division of ICC Wing monitors/supervises the operational performance of individual divisions/ branches through various control tools such as Departmental Control Function Checklist (DCFCL), Quarterly Operation Report (QOR), Loan Documentation Checklist (LDCL), Self -Assessment Anti-Fraud Internal Control Checklist.

The Division also monitors all branches and divisions/departments at Head Office through Pubali Monitoring System (PMS) developed by our Software Development Division. The monitoring Division prepares annual report on the Health of the Bank with emphasis given to the dynamism of Banks financial health, Internal Control & Compliance Health and Image & Reputation Health.

Internal Audit
To carry out the analysis and independent appraisal of the adequacy and effectiveness of risk management framework and internal control environment, Pubali BankLimited has formed an effective control system by establishing Audit& Inspection (A&I) Division under ICC wing. A & I division continually recognizes and assesses all the material risks that could adversely affect the achievement of the Bank's goals.

The risk assessment by internal control focuses more on compliance with regulatory requirements, social, ethical and environmental risks that affect the banking industry. It ensures reliable financial and managerial information that promote better strategic decision for the Bank.

The Internal Audit team conducts regular audit functions on the business activities of Bank based on different manuals, instructions, guidelines and procedures laid down by local regulatory bodies time to time. Internal Auditor works as the Eyes & Ears of the management. It may therefore be used to bridge the gap between management & shop floor. It can assure the management that the Internal Controls are adequate and in operations.

The policies and systems laid down are being adhered to and accounting records provided by the lower level are correct. Internal Audit Activity of Pubali Bank is effective and it provides senior management with a number of important services. These include detecting and preventing fraud, testing internal control, and monitoring compliance with own policies & procedures, applicable rules & regulations, instructions/ guidelines of regulatory authority etc.

Information Technology (IT) Audit
IT Audit has already been started as per the Central Bank's Guidelines to identify the intrinsic risks and manage those risks in an effective and efficient manner. A number of inherent risks such as data collapse, data loss, data modification, unauthorized access to data etc. may arise within the Bank. Pubali Bank's service delivery is designed on IT platform. IT Auditor follows the prescribed guidelines, solves the unsettled issues and also suggests to the higher Management for needful action.

ICT Risk Management:
Pubali Bank Limited has changed the way it provides services to its customers through transforming the manual process to automated system, converting branch banking to centralized real time online banking with harnessing the power of Information and Communication Technology (ICT). Security of Information of our bank has therefore gained much importance, and it is vital for us to ensure that the risks are properly identified and managed. Moreover, information and information technology systems are essential assets for the bank as well as for its customers and stakeholders. Maintenance of these assets is critical to ensure the uninterrupted services to customers and the organizations' sustainability. It is our utmost responsibility to protect the information from unauthorized access, modification, disclosure and destruction.

Considering the cyber-attacks on ATM and Card of different banks and SWIFT system of Bangladesh Bank, Pubali Bank Limited has upgraded its ICT Security Guideline considering the updated guideline of Bangladesh Bank and introducing the security measures accordingly.

Our key achievements for ICT Risk Management through protecting our system and securing ICT environments are:

Establish a standard ICT Security Policy and ICT Security Management
Ensuring secured and stable setup of its ICT Infrastructure
Establish a secured environment for the processing of data
Establish a holistic approach for ICT Risk Management
Identifying information security risks and their management
Communicating the responsibilities for the protection of information
Prioritization of information and information systems those need to be protected
Aware and trained the users associated with managing the ICT infrastructure

DISCLOSURES ON RISK BASED CAPITAL UNDER BASEL-III

For the year ended 31 December 2021

Capital Adequacy under Basel-III:

Banks operating in Bangladesh are maintaining capital since 1996 on the basis of risk weighted assets in line with the Basel Committee on Banking Supervision (BCBS) capital framework published in 1988. Considering present complexity and diversity in the banking industry and to make the banks' capital requirement more risk sensitive, Bangladesh Bank, being the central bank of the country has decided to adopt the Risk Based Capital Adequacy for banks in line with capital adequacy framework devised by the BCBS popularly known as 'Basel III'. Bangladesh Bank prepared a guideline to be followed by all scheduled banks from January 2009. Both the existing capital requirement rules on the basis of Risk Weighted Assets and revised Risk Based Capital Adequacy Framework for Banks as per Basel II were followed simultaneously initially for one year. For the purpose of statutory compliance during the period of parallel run i.e. 2009, the computation of capital adequacy requirement under existing rules prevailed. On the other hand, revised Risk Based Capital Adequacy Framework as per Basel II had been practiced by the banks during 2009 so that Basel II recommendation could effectively be adopted from 2010. From January 2010, Risk Based Capital Adequacy Framework as per Basel II have been fully practiced by the banks replacing the previousrules under Basel-I. Bangladesh Bank adopted "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" as per BRPD circular no. 18 dated 21 December 2014 replaced of "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)". This circular came into force with effect from January 01, 2015. Pubali Bank Limited is maintaining its capital requirements at adequate level as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)"

The guideline is structured around the following three aspects or pillars of Basel-III:

i. Minimum capital requirements to be maintained by a bank against credit, market and operational risk;
ii. Supervisory Review i.e., Process for assessing overall capital adequacy in relation to a bank's risk profile and a strategy for maintaining its capital at an adequate level;
iii. Market Discipline i.e., to make public disclosure of information on the bank's risk profiles, capital adequacy and risk management.

Disclosure framework of Pubali Bank Limited:

Disclosure includes the following as per Bangladesh Bank guidelines:

- Scope of Application
- Assets under Banking Book and Trading Book
- Credit risk
- Equity disclosure for Banking Book positions
- Interest rate risk in Banking Book (IRRBB)
- Market risk
- Operational risk
- Leverage Ratio
- Liquidity Ratio
- Remuneration

Disclosure under Pillar III:

Disclosure given below as specified by RBCA Guideline:

A〉 SCOPE OF APPLICATION

Qualitative Disclosure

(a) The name of the top corporate entity in the group to which this guidelines applies.	**Pubali Bank Limited**
(b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk weighted)	The consolidated financial statements of the Bank include the financial statements of (a) Pubali Bank Limited (b) Pubali Bank Securities Limited. A brief description of these are given below: **Pubali Bank Limited** Pubali Bank Limited (the Bank) was incorporated in the year 1959 under the name and style of Eastern Mercantile Bank Limited under Companies Act 1913. After the country's liberation in 1971, the Bank was nationalized as per policy of the Government of Bangladesh under the Bangladesh Bank (Nationalisation) Order 1972 (PO No. 26 of 1972) and was renamed as Pubali Bank. Subsequently, the Bank was denationalized in the year 1983 and was again incorporated in Bangladesh under the name and style of Pubali Bank Limited in that year. The government transferred the entire undertaking of Pubali Bank to Pubali Bank Limited, which took over the same as a going concern. **Pubali Bank Securities Limited** Pubali Bank Securities Limited (PBSL) was incorporated on the 21st June 2010 under the Companies Act, 1994 as a public limited company. It is a subsidiary company of Pubali Bank Limited holds all the shares of the company except for thirteen shares being held by thirteen individuals. The company has been established as per Securities & Exchange Commission's (SEC) Letter # SEC/Reg/DSE/MB/2009/444/ dated 20.12.2009. The Registered Office of the company is situated at A-A Bhaban (7th floor), 23 Motijheel C/A, Dhaka-1000, Bangladesh. The company has started its commercial activities from 01 February 2011. The main objects of the company is to carry on the business of a stock broker and stock dealer house and to buy, sell, and deal in, shares, stocks, debentures, bonds and other securities and to carry on any business as is permissible for a broker and dealer house duly licensed by the Securities & Exchange Commission of Bangladesh.

(c) (Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	Not applicable
Quantitative Disclosure	
(d) The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the name(s) of such subsidiaries.	Not applicable

B〉 CAPITAL STRUCTURE

	Qualitative Disclosure
(a) Summary information of the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1 or Tier 2.	The terms and conditions of the main features of all capital instruments have been segregated in line with of the eligibility criteria set forth vide BRPD Circular No. 35 dated 29 December 2010 and BRPD Circular No. 18 dated 21 December 2014 and other relevant instructions given by Bangladesh Bank from time to time. The main features of the capital instruments are as follows:
	Tier – I Capital instruments : **Paid-up share capital:** Issued, subscribed and fully paid up share capital of the Bank. It represents Paid up Capital, Right Shares as well as Bonus Shares issued from time to time. **Statutory Reserve:** As per Section 24(1) of the Bank Companies Act, 1991, an amount equivalent to 20% of the profit before taxes for each year of the Bank has been transferred to the Statutory Reserve Fund until equal to Paid up capital. **Bank is complied in this respect.** **General Reserve: A**ny reserve created through Profit and Loss Appropriation Account for fulfilling any purpose. **Bank is complied in this respect.** **Retained Earnings:** Amount of profit retained with the banking company after meeting up all expenses, provisions and appropriations. **Bank is complied in this respect.** **Additional Tier-I Capital instruments:** Perpetual Bond of BDT 5,000.00 Million issued in the year 2021 out of which BDT 2,800.00 Million has been subscribed in the year 2021.

Tier - II capital instruments :

General provision maintained against unclassified loans and off-balance sheet exposures: As per BB directive, amount of provision maintained against unclassified loans and off-balance sheet exposures as of the reporting date has been considered.

Subordinated Bond of BDT 5,000.00 Million issued in the year 2017 and has been fully subscribed.

Subordinated Bond of BDT 7,500.00 Million issued in the year 2019 out of which BDT 4,000.00 Million has been subscribed in 2019 and BDT 3,500.00 Million has been subscribed in 2020.

Quantitative Disclosure

Taka in million

		Solo	Consolidated
(a) The amount of Tier I Capital, with separate disclosure of : (as of 31.12.2019) CET 1 Capital	✓ Paid up Capital	10,282.94	10,282.94
	✓ Non –repayable share premium account	-	
	✓ Statutory reserve	10,283.00	10,283.00
	✓ General reserve	-	
	✓ Retained earnings	14,426.74	14,760.65
	✓ Minority Interest in subsidiaries	-	-
	✓ Non-cumulative irredeemable preference share	-	-
		34,992.68	35,326.59
Regulatory Adjustment		(4147.55)	(4,446.51)
Tier 1 Capital		30,845.13	30,880.08
Additional Tier 1 Capital		2,800.00	2,800.00
Total Tier 1 Capital		33,645.13	33,680.08
(b) Total amount of Tier - II Capital		18,946.17	18,946.17
Regulatory Adjustment		-	-
(c) **Total eligible capital**		**52,591.30**	**52,626.25**

C〉 CAPITAL ADEQUACY

Qualitative Disclosure

(a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.	Capital Adequacy is the cushion required to be maintained for covering the Credit risk, Market risk and Operational risk so as to protect the depositors and general creditors interest against such losses. In line with BRPD Circular No. 35 dated 29 December 2010, and BRPD Circular No. 18 dated 21 December 2014, the Bank has adopted Standardized Approach for Credit Risk, Standardized (Rule Based) Approach for Market Risk and Basic Indicator Approach for Operational Risk for computing Capital Adequacy.

Quantitative Disclosure

	Taka in million	
	Solo	**Consolidated**
(a) Minimum Capital requirement for Credit Risk:	32,098.41	31,394.93
(b) Minimum Capital requirement for Market Risk:	1,610.11	2,615.38
(c) Minimum Capital requirement for Operational Risk:	3,249.07	3,283.95
(d) Total Minimum Capital Requirement	36,957.59	37,294.26
(e) Capital requirement with Conservation Buffer	46196.98	46617.82
(f) Total Capital available	52591.30	52626.25
(g) Total capital, CET1 capital, Total Tier 1 capital and Tier 2 capital ratio: ■ For the Bank alone ■ For the consolidated group	Total = 14.23% CET 1 = 8.35% Tier 1 = 9.10% Tier 2 = 5.13% CCB = 3.10%	- Total = 14.11% CET 1 = 8.28% Tier 1 = 9.03% Tier 2 = 5.08% CCB = 3.03%

D〉 CREDIT RISK

Qualitative Disclosure

(a) The general qualitative disclosure requirement with respect to credit risk, including:	Bank classifies loans and advances (loans and bill discount in the nature of an advance) into performing and non-performing loans (NPL) in accordance with the Bangladesh Bank guidelines in this respect. An NPA is defined as a loan or an advance where interest and / or installment of principal remain overdue for more than 90 days in respect of a Continuous credit, Demand loan or a Term Loan etc. Classified loan is categorized under following 03 (three) categories: ✓ Sub-Standard ✓ Doubtful ✓ Bad & Loss
❯ Definitions of past due and impaired (for accounting purposes)	<u>Definition of past due and impaired (for accounting purpose):</u> Any Continuous Loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date. Any Demand Loan if not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date. Whereas, In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue after six months of the expiry date. Any **Continuous Loan** will be classified as : <u>Cottage, Micro & Small :</u> ✓ Sub-standard' if it is past due/overdue for 6 months or beyond but less than 18 months. ✓ Doubtful' if it is past due/overdue for 18 months or beyond but less than 30 months. ✓ Bad/Loss' if it is past due/overdue for 30 months or beyond.

Other than Cottage, Micro & Small :

- ✓ Sub-standard' if it is past due/overdue for 3 months or beyond but less than 9 months.
- ✓ Doubtful' if it is past due/overdue for 9 months or beyond but less than 12 months.
- ✓ Bad/Loss' if it is past due/overdue for 12 months or beyond.

Any **Demand Loan** will be classified as:

Cottage, Micro & Small:

- ✓ Sub-standard' if it remains past due/overdue for 6 months or beyond but less than 18 months from the date of claim by the bank or from the date of creation of forced loan.
- ✓ Doubtful' if it remains past due/overdue for 18 months or beyond but less than 30 months from the date of claim by the bank or from the date of creation of forced loan.
- ✓ Bad/Loss' if it remains past due/overdue for 30 months or beyond from the date of claim by the bank or from the date of creation of forced loan.

Other than Cottage, Micro & Small:

- ✓ Sub-standard' if it remains past due/overdue for 3 months or beyond but less than 9 months from the date of claim by the bank or from the date of creation of forced loan.
- ✓ Doubtful' if it remains past due/overdue for 9 months or beyond but less than 12 months from the date of claim by the bank or from the date of creation of forced loan.
  Bad/Loss' if it remains past due/overdue for 12 months or beyond from the date of claim by the bank or from the date of creation of forced loan.

In case of **Fixed Term Loans**:
Cottage, Micro & Small:

- ✓ Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 06 months or beyond but less than 18 months, the entire loan will be classified as ''Sub-standard''.
- ✓ Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 18 months or beyond but less than 30 months, the entire loan will be classified as 'Doubtful''.
- ✓ Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 30 months or beyond, the entire loan will be classified as "Bad/Loss".

Other than Cottage, Micro & Small:

- ✓ Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 03 (three) months or beyond but less than 09 (nine) months, the entire loan will be classified as ''Sub-standard''.
- ✓

- Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 09 (nine) months or beyond but less than 12 (twelve) months, the entire loan will be classified as 'Doubtful''.

- Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 12 (twelve) months or beyond, the entire loan will be classified as "Bad/Loss".

In case of Short Short-term Agricultural and Micro-Credit:

The Short-term Agricultural and Micro-Credit will be considered irregular if not repaid within the due date as stipulated in the loan agreement. If the said irregular status continues, the credit will be classified as 'Substandard' after a period of 12 months, as 'Doubtful' after a period of 36 months and as 'Bad/Loss' after a period of 60 months from the stipulated due date as per the loan agreement.

- **Rate of Provision are as follows :**

Particulars		Short Term Agri. Credit& Micro credit	Consumer financing					Medium	Loans BHs/MBs/SDs against shares etc.	All other credit
			Other than HF, LP, Credit card	HF	LP	Credit Card	Small, Cottage, Micro			
UC	Standard	1%	2%	1%	2%	2%	0.25%	0.25%	2%	1%
	SMA	N/A	2%	1%	2%	2%	0.25%	0.25%	2%	1%
Classified	SS	5%	20%	20%	20%	20%	5%	20%	20%	20%
	DF	5%	50%	50%	50%	50%	20%	50%	50%	50%
	B/L	100%	100%	100%	100%	100%	100%	100%	100%	100%

- Discussion of the Bank's credit risk management policy

The Board approves the credit policy keeping in view relevant Bangladesh Bank guide lines to ensure best practice in credit risk management and maintain quality of assets. Authorities are properly delegated in ensuring check and balance in credit operation at every stage i.e. screening, assessing risk, identification, management and mitigation of credit risk as well as monitoring, supervision and recovery of loans with provision for early warning system. There is a separate Credit Risk Management Division for ensuring proper risk management of Loans and Credit Monitoring and Recovery Division for monitoring and recovery of irregular loans. Adequate provision is maintained against classified loans as per Bangladesh Bank Guidelines. Status of loans are regularly reported to the Board/Board Audit Committee. Besides, Credit risk management process involves focused on monitoring of Top- 20 Loans, Top- 20 defaulters, Sectorial exposures viz-a-viz among others limit.

		Amounts in Taka
(a) Total gross credit risk exposures broken down by major types of credit exposure	Loans	142,497,590,954
	Cash credits	60,550,059,467
	Overdrafts	84,731,149,497
	Earnest money	4,308,192,802
	Loan against merchandise	3,212,012
	Packing credits	725,130,490
	Loan against trust receipts	7,817,134,742
	Pubali Prochesta	132,954,607
	Non-resident Credit Scheme	150,444
	Pubali Subarna	5,300,354,871
	Pubali Karmo Uddog	296,220,335
	Pubali Sujon	33,244,783
	Pubali Utsob	15,161,586
	Payment against documents	3,713,028,764
	Consumers loan scheme	12,583,170,256
	EDF loan	18,560,826,191
	Lease finance	7,686,653,441
	Bill purchased and discounted	27,030,040,348
	Credit Card	254,663,906
	Others	417,492,442
	Total	**376,656,431,938**
(b) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure	**Urban**	
	Dhaka	121,817,289,902
	Chittagong	30,372,169,308
	Sylhet	14,812,745,303
	Barisal	5,541,635,437
	Khulna	12,256,647,504
	Rajshahi	8,172,534,337
	Rangpur	6,846,133,001
	Mymensingh	6,181,957,098
		206,001,111,890
	Rural	
	Dhaka	87,863,981,931
	Chittagong	27,421,819,709
	Sylhet	11,230,393,900
	Barisal	1,050,933,398
	Khulna	3,130,761,559
	Rajshahi	3,903,722,839
	Rangpur	4,252,680,993
	Mymensingh	8,328,366,721
		147,182,661,050
	Outside Bangladesh	
	Foreign bills/drafts purchase	**23,472,658,998**
	Total	**376,656,431,938**

		Amounts in Taka
Industry or counter party type distribution of exposures, broken down by major types of credit exposure	Agriculture	6,970,409,703
	Jute	198,295,028
	Textile	35,183,627,519
	Ready-made garments	28,003,130,511
	Steel & engineering	15,885,448,581
	Ship scraping	2,908,570,809
	Edible oil	9,904,622,939
	Cement	7,398,826,350
	Pharmaceuticals	9,157,796,176
	Food & allied	26,057,961,291
	Paper, paper products and packaging	12,168,356,992
	Leather	3,029,573,740
	Printing & Dyeing Industries	860,945,752
	Others Manufacturing Industries	6,955,849,552
	Energy and power	25,200,198,395
	Hospitals, Clinics and other health services	7,866,558,117
	Construction	5,585,026,149
	Housing	15,615,146,107
	Transport and communication	13,119,170,249
	Others Service Industries	2,145,815,225
	Trade & Commerce	6,150,393,198
	NBFI (Non Bank Financial Institution)	75,274,839,530
	NGO	4,104,174,312
	Consumer Finance	5,259,627,866
	Others	32,353,690,730
		19,298,377,117
	Total	**376,656,431,938**
(c) Residual contractual maturity break down of the whole portfolio, broken down by major types of credit exposure.	**Loans and advances**	
	Repayable on demand	19,955,234,242
	Up to 3 months	91,596,725,955
	Over 3 months but below 1 year	99,791,369,417
	Over 1 year but below 5 years	80,977,779,865
	Over 5 years	57,305,282,111
		349,626,391,590
	Bills purchased and discounted	
	Receivable on demand	2,731,971
	Below 3 months	9,295,975,828
	Over 3 months but below 6 months	17,731,332,549
		27,030,040,348
	Total	**376,656,431,938**
(d) By major industry or counterparty type:		
Amount of impaired loans and if available, past due loans,		11,480,110,280
Specific and general provisions		19,253,162,055
Charges for specific allowances and charge-offs during the period		-

		Amounts in Taka
(e) Gross Non Performing Assets (NPAs) : Non Performing Assets(NPAs) to Outstanding Loans & advanceses of credit exposure.	**Movement of Non Performing Assets (NPAs) :**	
	Opening Balance	8,622,010,169
	Additions	2,828,100,111
	Reductions/Recovery	-
	Closing Balance	**11,480,110,280**
	Movement of Specific Provision for Non Performing Assets (NPAs) :	
	Opening Balance	9,265,045,514
	Provision for the year	1,544,301,000
	Fully provided waived during the year	(420,134)
	Write-off	(1,397,252,856)
	Recoveries of amounts -previously write –off	109,914,807
	Provision transferred in	593,741,861
	Provision for off balance sheet transferred in during the year	-
	Reserve transferred from unforeseen loss	-
	Other provision	974,616,551
	Provision transferred from customer liability	-
	Closing Balance	**11,089,946,743**

E〉 EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS

Qualitative Disclosure

(a) The general qualitative disclosure requirement with respect to the equity risk, including:	
• differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and	Investment in equity mainly for capital gain purpose but Bank has some investment for strategic reasons.
• discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	Quoted shares are valued at cost. Necessary provision is maintained if market price fall below the cost price. Unquoted shares are valued at cost.

Quantitative Disclosure

Amounts in Taka

(b) Value disclosed in the balance sheet of investment, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	CCost price of quoted share BDT 3,622,705,707 & Market value of quoted share BDT 4,498,657,098.60
(c) The cumulative realized gains (losses) arising from shares and liquidations in the reporting period.	BDT 189,491,115.00
(d) Total unrealized gains (losses) – quoted shares Total latent revaluation gain (loses) Any amounts of the above included in Tier 2 capital	BDT 875,951,391.60 BDT Nil BDT Nil
(e) Capital requirements broken down by appropriate equity grouping, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.	Nil

F〉 INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

Qualitative Disclosure

(a) The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.	Interest rate risk is the potential that the value of the On Balance Sheet and the Off Balance Sheet position of the Bank would be negatively affected with the change in the Interest rate. The vulnerability of an institution towards the advance movement of the interest rate can be gauged by using Duration GAP under Stress Testing Analysis. Pubali Bank Limited has also been exercising the Stress Testing using the Duration GAP for measuring the Interest Rate Risk on its On Balance Sheet exposure for estimating the impact of the net change in the market value of equity on the Capital to Risk weighted Asset Ratio (CRAR) due to change in interest rates only on its On Balance Sheet position (as the Bank holds no interest bearing Off Balance Sheet positions and or Derivatives). Under the assumption of three different interest rate changes i.e. 1%, 2% and 3%.

Quantitative Disclosure

(b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management-method for measuring IRRBB, broken down by currency (as relevant).	Market Value of Assets (Fig. in million) Market Value of Liability (Fig. in million) Duration GAP in years (times)	624,652.60 585,517.00 0.05

G〉 MARKET RISK

Qualitative Disclosure

(a) Views of BOD on trading / investment activities	The Board approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to provide cost effective funding last year to finance asset growth and trade related transaction.
Methods used to measure Market risk	Standardized approach has been used to measure the market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for 'specific risk' and 'general market risk'.
Market risk Management system	The Treasury Division manage market risk covering liquidity, Interest rate and foreign exchange risks with oversight from Asset-Liability management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. ALCO meets at least once in a month.
Policies and process for mitigating market risk	There are approved limits for Market risk related instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risks. The exchange rate committee of the Bank meets on a daily basis to review the prevailing market condition, exchange rate, forex position and transactions to mitigate foreign exchange risks.

Quantitative Disclosure

Taka in million

(b) The capital requirements for :	Solo	Consolidated
Interest rate risk	206.24	206.24
Equity position risk	1042.78	2048.06
Foreign exchange risk	361.09	361.09
Commodity risk	-	-

H〉 OPERATIONAL RISK

Qualitative Disclosure

✓ Views of BOD on system to reduce Operational Risk	The policy for operational risks including internal control & compliance risk is approved by the board taking into account relevant guidelines of Bangladesh Bank. Audit committee of the Board oversees the activities of Audit & Inspection Division to protect against all operational risks.
✓ Performance gap of executives and staffs	Pubali Bank Limited has a policy to provide competitive package and best working environment to attract and retain the most talented people available in the industry. The Bank's strong brand image plays an important role in employee motivation. As a result, there is no significant performance gap.

✓ Potential external events	No potential external events is expected to expose the Bank to significant operational risk.
✓ Policies and processes for mitigating operational risk	The policy for operational risks including internal control & compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh Bank. Policy guidelines on Risk Based Internal Audit system is in operation as branches are rated according to their risk status and branches having more risk score are subjected to more frequent audit by Audit & Inspection Division. It is the policy of the bank to put all the branches of the bank under any form of audit at least once in a year. Head of Audit & Inspection Division reports to Managing Director and Audit Committee of the Board.
✓ Approach for calculating capital charge for operational risk	Basic Indicator Approach is used for calculating capital charge for operational risk as of the reporting date.

Quantitative Disclosure

Taka in million

	Solo	Consolidated
(b) The capital requirements for Operational Risk	3,249.07	3,283.95

I 〉 LIQUIDITY RATIO

Qualitative Disclosure

✓ Views of BOD on system to reduce Liquidity Risk :	Liquidity risk is faced by a bank when it is unable to meet its financial obligations when they fall due. Liquidity risk can arise due to market liquidity or funding liquidity. Report on liquidity risk management is regularly submitted to the Risk Management Committee of the Board and they oversee the liquidity position and suggest corrective action to ensure better liquidity position of the Bank.
✓ Methods used to measure Liquidity Risk :	Various liquidity measurement tools like Advance to Deposit (AD) Ratio, Liquid Assets to Total Deposit Ratio, Liquid Assets to Total Assets Ratio, Snap Liquidity Ratio, Maximum Cumulative Outflow (MCO), Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and Structural Liquidity Profile etc. are used to measure liquidity risk.
✓ Liquidity Risk management system :	To manage the liquidity risk, ALCO regularly monitors various ratios & parameters and find out the risk related issues and also instructs the concern department or section to take corrective measures.
✓ Policies and processes for mitigating Liquidity Risk :	To manage liquidity risk Pubali Bank Limited maintains diversified and stable funding base. Policies and process which incorporated in ALM manual are used for mitigating liquidity risk. ALCO meets periodically to review different aspects of the bank's portfolio with special emphasis on deposits and liquidity position and determines the direction to be taken by the bank. Parameters set by Bangladesh Bank especially in regards to CRR, SLR & AD Ratio strictly maintained. A balanced mix of short and long terms deposits to counter maturity gaps is maintained. Annual budget is also formulated with a balance between growth in assets and liabilities.

Quantitative Disclosure

	Taka in million
Liquidity Coverage Ratio (LCR) :	200.26%
Net Stable Funding Ratio(NSFR) :	102.37%
Stock of High quality liquid assets :	149,709.74
Total net cash outflows over the next 30 calendar days :	74,759.25
Available amount of stable funding :	480,843.82
Required amount of stable funding :	469,726.08

J 〉 LEVERAGE RATIO

Qualitative Disclosure

✔ Views of BOD on system to reduce excessive Leverage :	Quarterly report on leverage ratio reviewed by the Risk Management Committee of the Board and they oversee the leverage position and suggest to ensure better position of the Bank.
✔ Policies and processes for managing excessive on and off-balance sheet Leverage :	The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements and is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage. Bangladesh Bank will monitor individual banks against an indicative leverage ratio of 3%.
✔ Approach for calculating exposure :	The Bank's leverage ratio is calculated in accordance with the RBCA guidelines under Basel-III framework of Bangladesh Bank.

Quantitative Disclosure

	Taka in million	
	Solo	**Consolidated**
Leverage Ratio:	4.57%	4.59%
On balance sheet exposure :	618,094.72	619,010.36
Off balance sheet exposure :	121,562.54	119,841.72
Total Deduction from On and Off-balance Sheet exposureexposure :	4,147.54	4,446.50
	735,509.72	734,405.58

K〉 REMUNERATION

Qualitative Disclosure

(a) Information relating to the bodies that oversee remuneration :

Name, composition and mandate of the main body overseeing remuneration :	Salary and related allowances review are done through a committee comprising of senior management headed by the Managing Director & CEO of the Bank. The mandate of the committee includes – 1) gathering data from 8-10 private banks, analyzing compensation, allowances and benefits of those banks and propose a pay scale which is appropriate in terms of attracting, retaining and ensuring its competitiveness in the market; 2) the report should include financial involvement of the bank. In addition, the CFO also examines the cost benefit impact in the process independently. Approving authority: The Board of Directors.

External consultant whose advise has been sought, the body by which they were commissioned, and in what areas of the remuneration process :	No external consultants are engaged for determining the salary and allowances for the employees of the bank. But Gratuity and Provident Funds are being administered through two separate Trustee Funds under Central Accounts Division (CAD) as per service rule and approval of the Board.
Description of the scope of the bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches :	Pubali Bank Limited maintain a salary structure uniform throughout the country. **Pubali Bank Limited and its business** We are committed to providing private, institutional and corporate clients, as well as retail clients with superior financial advice and solutions while generating attractive and sustainable returns for shareholders. **Performance measures** Our Work planning – setting objectives performance related Key assignments focused on key drivers of business and management. Our senior management reviews the performance of the employees on a regular basis by considering prevailing strategy, business conditions and the environment in which we operate.
Description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group :	**a) Potential Risk Taker in Business and Management:** i) Senior Management: MD & CEO, Additional Managing Directors- 1 no., Deputy Managing Director-03 nos.-Total 05 Nos. **b) Potential Risk Taker in Business:** i) General Managers/Deputy General Managers as Branch Managers, Regional Managers, Corporate Branch Managers and at Principal Office - Total 47 Nos. ii) General Managers at Head Office – Total 19 Nos. **c) Potential Risk Taker in Management:** i) General Managers/Deputy General Managers as Division Heads – Total 20 Nos.
(b) Information relating to the design and structure of remuneration processes :	
Overview of the key features and objectives of remuneration policy :	Stay competitive in the market, retention of employees and creating an environment which is highly competitive, competency based and provide fair remuneration for the achievers.
Whether the remuneration committee reviewed the bank's remuneration policy during the past year, and if so, an overview of any changes that were made :	The committee/Management based on past experience developed a Terms of Reference for the Salary Review Committee to ensure consistency in the review process.

Discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee :	PUBALI BANK LIMITED has a policy to provide competitive package and enabling working environment to attract and retain the most talented people available in the market. If salary package inappropriately structured compared to the market then it might have potential to negativity and material impact upon the level of risk considered acceptable to the Bank.
(c) Description of the ways in which current and future risks are taken into account in the remuneration processes :	
Overview of the key risks that the bank takes into account when implementing remuneration measures :	Key risks measurements of implementing remuneration are as follows: ■ Compliance risk ■ Operational risk ■ Financial risk
Overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed):	Key measures used for implementing remuneration process are as follows: ■ Branch Performance ■ Regulatory compliance ■ Compliance with Board delegated trigger limits
Discussion of the ways in which these measures affect remuneration :	Bank has a strong monitoring system that always trying to minimize all types of risk.
Discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration :	In relation to the goals in the Performance Appraisal Report, they are assessed and determined by the Supervisors each year at the commencement of the performance year under review. There were no material changes from the preceding year to the current year. The measures are considered appropriate for the circumstances of, and environment in which Pubali Bank operates. However, long-term impact to be seen in the future.
(d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration :	
Overview of main performance metrics for bank, top-level business lines and individuals :	The bank Management is seeking ways to struck a balance between performance metrics, top-level business lines and individuals.
Discussion of how amounts of individual remuneration are linked to bank–wide and individual performance:	A group of officials perform on their target, which fixed by the top Management. Their group performance score are reflected in their individual performance score.
Discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak :	Pubali Bank Limited have a robust performance indicator applicable across the Bank.

(e) Description of the ways in which the bank seeks to adjust remuneration to take account of longer –term performance :

Discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, description of the factors that determine the fraction and their relative importance :	Pubali Bank Limited adopted a policy for gratuity fund in the name 'Pubali Bank Limited Gratuity Fund Rules" which is administrated by a Board of Trustees. **Board of Trustees and its composition:** The Trustees, whose number will be 5(five), shall be appointed by the Board of Directors of the Bank. 03 (three) Trustees present shall constitute a quorum for conducting and executing the transaction of business of the Fund. **Entitlement of Gratuity:** Employees completing 8 years and more service will be paid a Gratuity of two months average basic salary last drawn by him/her for each completed year of service. Employees completing less than 8 (eight) years service will not be entitled to a Gratuity payment. No gratuity shall be paid to an employee- (i) if he/she has been dismissed or removed from the service as a measure of punishment; or (ii) if he/she has not resigned, left or discontinued the service without properly notifying the competent authority. Gratuity shall be admissible to an employee (even through he/she has not completed 8 (eight) years of service with the Bank)- (i) In case of death while in the service of the Bank; (ii) If terminated from service or compulsory retirement or mental infirmity provided this has not been caused by irregular or intemperate habits; (iii) If termination of service or compulsory retirement resulting from the abolition of his/her post or bonafide retirement; **Normal Retirement Age:** 59 years of age (age at which Gratuity benefit becomes payable) and for freedom fighter 60 years of age. **Gratuity Calculation:** The amount of gratuity admissible to an employee shall be a sum equal to 2 (two) months' average basic salary i.e. double of basic salary drawn in last month or earned while on duty during 12 (twelve) months immediately preceding the date of proceeding on **retirement** or of his ceasing to be an employee of the Bank or of his death whichever is favorable to the employees for each completed year of service in the Bank. In computing years of service, period of 6 (six) months or more shall be taken as a year.

	Bank's Overriding Lien The Bank shall be entitled to recover from any employee's account of the Fund any sum which may be due, outstanding or unpaid to the Bank or recoverable from the employee concerned against his obligations and liabilities for any loan(s) / advance(s) extended or to be extended by the Bank to him/her or otherwise, or which may have been lost or the amount of damages which it may have suffered by reason of the employee's acts, whether of commission or omission.
Discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw-back arrangements :	Employees who served in the Bank less than 8 years were not eligible for gratuity and the amount against those are forfeited accordingly.
(f) Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms :	
Over view of the forms of variable remuneration offered (i.e. cash, share linked instruments and other forms)	**Fixed Remuneration:** All Employees including regular and contractual are paid salary under Fixed remuneration package. **Variable Remuneration:** A group of 149 employees of 40 branches awarded for Tk. 24,51,801/- against recovery of write-off loans in 2021. All amounts are paid to the respective employees through their
Discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or group of employees, a description the factors that determine the mix and their relative importance :	accounts.**Fixed Remuneration:** Salaries of different employees may vary due to rank, service length & promotion etc. under the pay policy. **Variable Remuneration:** Reward remuneration for NPL & Write-off Loan recovery may vary depending on contribution of the employees to the recovery process, security against the NPL, amount of recovery etc.
Quantitative Disclosure	
(g) Number of the meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member :	**Fixed Remuneration:** Pay scale revised last in 2019. **Variable Remuneration:** Decided by the Board of Directors of the Bank.

(h) Number of employees having received a variable remuneration award during the financial year :	Eligible for Incentive Bonus for 2021: 8,022 Nos.
Number and total amount of guaranteed bonuses awarded during the financial year :	Two festival bonuses plus Bengali New Year Allowance disbursed during the calendar year 2021. Number of employees 8,022 Nos. Total Amount : Tk. 41,94,17,122/-
Number and total amount of sign-on awards made during the financial year :	No such payment was made during the calendar year i.e. in 2021.
Number and total amount of severance payments made during the financial year :	**Gratuity Payment*:** Number of employees : 169 Total Amount : Tk. 50,76,05,820/- **Provident Fund Payment*:** Number of employees : 228 Total Amount : Tk. 38,22,86,114.62 * All payment made in calendar year 2021
(i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms :	Deferred Amount: Tk. 395,09,72,287.09 (Gratuity Fund Position on 31.12.2021)
Total amount of deferred remuneration paid out in the financial year :	Total Amount : Tk. 50,76,05,820/- (Gratuity Payment)

(j) Breakdown of amount of remuneration awards for the financial year to show:	
-fixed and variable :	**Fixed amount:** Tk. 552,36,53,741/- (Salary and Allowances) Variable amount: Tk. 105,00,00,000/- (Incentive Bonus)
- deferred and non-deferred :	**Deferred amount:** Tk.88,98,91,934.62 (Gratuity & Provident fund Payment) **Non-deferred amount:** Tk. 24,51,801/- (Remuneration for recovery of write-off loans)
- different forms used (cash, shares and share linked instruments, other forms) :	Paid in Cash through their respective accounts in calendar year 2021.
(k) Quantitative information about employees 'exposure to implicit(e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. clawback or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:	
- Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments :	Total amount: Nil
- Total amount of reductions during the financial year due to ex post explicit adjustments :	Total amount: Nil
- Total amount of reductions during the financial year due to ex post implicit adjustments :	



SUSTAINABILITY ANALYSIS

Sustainability Report & Green Banking



Sustainability and Our Business

We live, breathe, create, extract, produce, pollute and consume in our daily life. We currently use 1.5 times capacity of the earth each year to absorb our waste and provide renewable resources. If we don't act properly, by 2030 this number will be two planets every year. This needs to change into a sustainable global economy.

Sustainability is not an only an environmental issue, it also takes into account economic & social issues, labor practices, human rights, economic performance, community, society, corruption, corporate governance and responsibility of product & services. A sustainable global economy is not a luxury. Without a sustainable business model, environmental and social issues will continue to badly impact our economy and compromise for our future needs. The planet and society need a sustainable global economy and an organization needs at first a long time strategy and success.

General Overview

Our business strategy focuses on banking the people and companies driving investment, trade and the creation of wealth across the nations. Our core markets are continuing to see strong economic growth, with rising incomes and increasing demand for financial services. This represents a massive opportunity for our business and, with it, the opportunity to promote sustainable, balanced and inclusive growth in our markets.

As a major financial institution of the country, our commitment to society goes beyond creating value for our shareholders. We seek to ensure that the financing we provide is sustainable and supports economic and social development for all of our stakeholders. Our approach focuses on three key priorities:

- Greening the economy with environment friendly product or services
- Contributing to sustainable economic growth
- Promoting inclusive financial services

We have taken a long term view of the environmental consequences of its actions. We believe sustainability must lie at the heart of business to achieve the long-term success which allows the bank to contribute to the greener economy and largely to the sustainability.

Sustainable Finance Committee and Sustainable Finance Unit

Sustainable Finance Committee and Sustainable Finance Unit at Head Office level have been formed to monitor & ensure best practice of Green Banking in its every sphere of actions. The committee regularly reviews its actions for closer convergence towards related, national & global best practice. Green Banking Policy has been designed based on Green Banking Policy of Bangladesh Bank. The main concern of the policy is to ensure sustainability through environmental protection from pollution by eco-friendly activities including investment. We are utilizing resources for serving customers as well as society & environment.

Incorporation of Environmental & Social Risks in Core Risk Management

Pubali Bank Limited recognizes that its financing decisions have a potential impact on people and the environment. We have Environmental & Social Risk Management Guidelines to understand and manage risks arising from environmental & social concerns. This brought a focus on planning and implementing policies and procedures to mitigate environmental risks associated with financing decisions. Our sustainable finance approach enables it to identify environmental risks and propose mitigating solutions at an early stage of credit appraisal process.

In-house Environment Management

We had made a global commitment to significantly reduce energy and water use in the offices. Our design standards and operational criteria are starting to transform the environment greener.

We maintain in-house consumption record of water, paper, electricity, energy etc. as a part of effective in-house environmental management. Theory of reduce; reuse & recycle are being in practice. Initiatives have been taken for attaining a prolific in-house Environment Management.

Initiatives have been taken to apply eco-font in printing to reduce usage of ink and paper, use scrap papers and avoid disposable cups/glasses and to install energy efficient electronic equipment's that will help the bank to reduce electricity consumption. Normal bulbs have been replaced by energy saving bulbs in offices of the bank.

We have replaced almost all the CRT monitors with LED monitors. This ensures 70% power usage cut by the personal computers all together.

We are enhancing online coverage for clients, like ATM, SMS Banking, Internet Banking, Mobile Banking etc.

E-mail: The electronic mail system decreases use of paper and chemical ink for printing. Using the nationwide computer network & the email correspondences also decrease communication time, increase accuracy, faster decision making etc.

Green Banking Logo; Slogan: Green Banking logo & slogan has been introduced to trigger familiarity with green banking concept. E-Circular platform is ready to be introduced. Apart from these, bank is on its route to commence e-statement, e-tendering system shortly.

Online Credit Application and Appraisal Processing System: Online Credit Application and Appraisal Processing System have been initiated. In this regard, necessary modules/software has already been incorporated in our PIBS. It will help offset usages of paper in our day to day activities.

Introducing Green Marketing

Green marketing refers to the process of selling products and/or services based on their environmental benefits. Such a product or service may be environmentally friendly or produced in an environmentally friendly way.
We have undertaken the strategy to introduce Green Marketing. Policy formulation is under process so that our product & services can reached our stakeholders in a greener automated process to address the contemporary global need.

Formulation of Green Office Guide

We have formulated Green Office Guide for in-house usage of the Bank. It is a comprehensive manual to facilitate in-house green banking activities of our bank. It will enable the employees to know about environment friendly office equipment and use the same to reduce the operating and environmental costs including emission of greenhouse gases by improving the use of office resources.

It will help office employees to evaluate & quantify their current practice, and take practical action to promote environment friendly activities through the practice of reduce, reuse & recycle at their level best. Expectedly, adoption of the measures will help to assign responsibility and set targets to encourage continuous improvement of sustainable practice to reduce environmental footprint i.e. harmful effects of our activities on the environment, and to act as greener at office.

This office guide is a primary document to be used by all employees concerned and must be exercised with maximum spirit to accelerate green banking activities of our bank.

Formation of Climate Risk Fund

We have created climate risk fund under CSR program for mitigating environmental risks arising out of climate changes in different areas. This fund is being utilized to promote economic activities in the flood, cyclone and drought prone areas in case of emergency as a part of bank's CSR activities. Regular financing in the vulnerable areas and sectors is also an ongoing process.



Employee Training

Employee awareness development and training on environmental and social risk and the relevant issues are continuous process as part of the bank's Employee Training Program. For our employees to have in depth understanding on Green Banking, we are on a track to arrange Green Banking Training on regular basis.

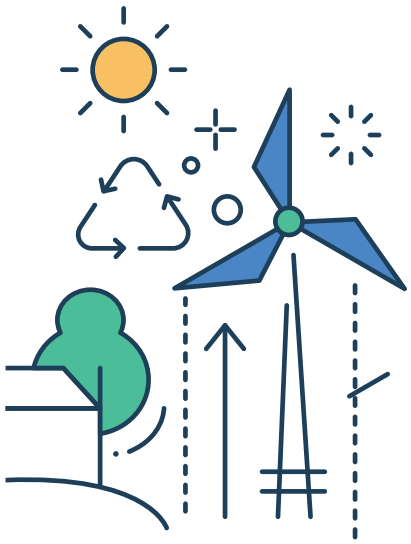
Green Finance

Green Investments (finance) implies the financial services to the businesses and projects that help prevent deterioration of the environment as well as which are not harmful to the environment.

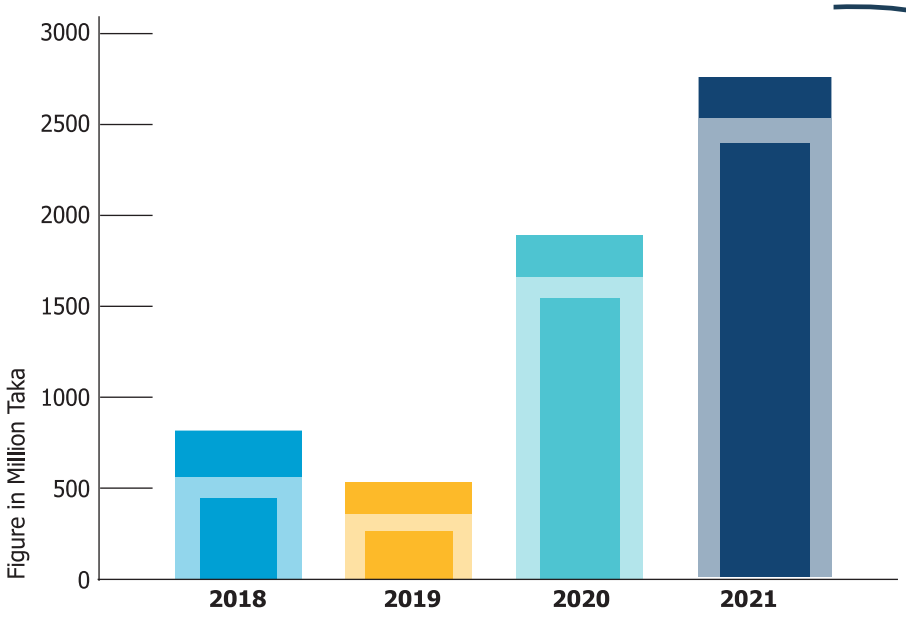
Green Investments combine both Direct and Indirect green investments. As per Bank's principles of giving preferences to eco-friendly business activities and energy efficient industries, Pubali Bank Ltd. has taken different steps for enhancing the green investment. Our Green Financing activities at a glance as under:

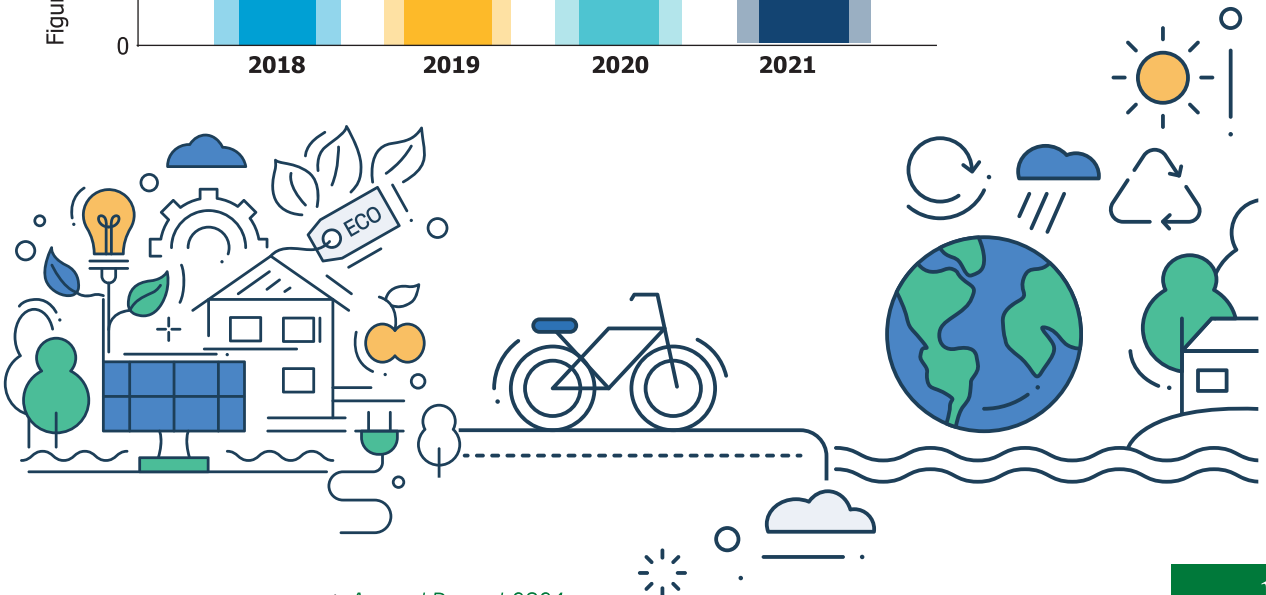
Green Financing (Direct)

2018 BDT.789.60 Million	2019 BDT.518.52 Million
2020 BDT.1796.50 Million	2021 BDT.2541.39 Million



Year-wise Direct Green Finance

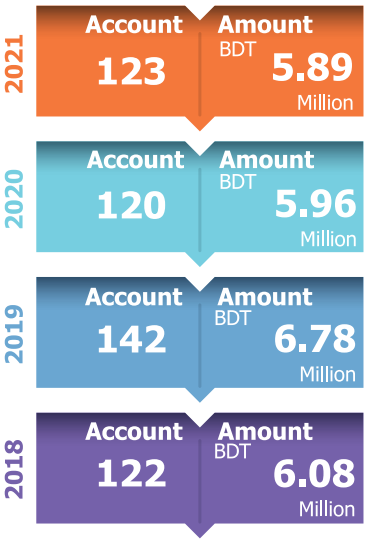


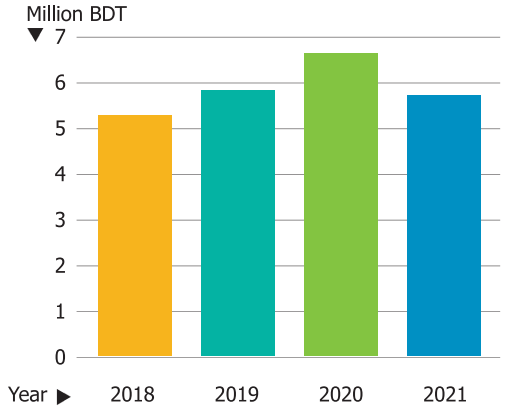


Report on Financial Inclusion

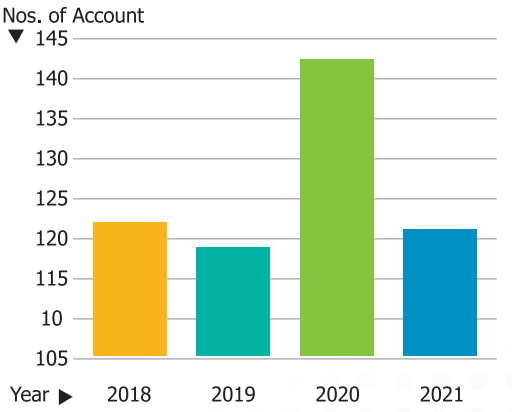
It is well recognized that well-functioning financial systems are essential for economic development. Financial inclusion or inclusive financial system is being considered as foremost tool for attaining sustainable, risk-absorbent & shock-resistant financial system.

Pubali Bank Limited has undertaken prompt strategy to delivery its credits & other financial services at affordable costs / prices to sections of disadvantaged and low-income segments of society. Combined with its usual banking services, Pubali Bank limited is on the way to create and expand financial services to blinds, garments workers, street children, school going children, poor and low-income populations come from the bottom of the society. We are bringing the said segment of the people under the umbrella of banking services by opening & maintaining their accounts as per guidelines of Bangladesh Bank. Moreover, we are disbursing loans to the account holders of Tk.10/- for promoting balanced development of national economy.





Year-wise Finance under Financial Inclusion in terms of Amount



Year-wise Finance under Financial Inclusion in terms of Borrower

Report on Going Concern

Every Company requires to assess its ability to continue as a going concern. The Board of Directors of Pubali Bank Ltd. has made annual assessment about whether there exists any material uncertainty which may cast significant doubt upon the Company's ability to continue as going concern. The director's assessment of whether the company is a going concern entity involves making appropriate inquiries including review of budget and future outcome of inherent uncertainties in existence.

The Directors are convinced from the following indications, which give reasonable assurance as to company's continuance as a going concern for the foreseeable future.

Financial indications

Positive key financial ratios:

During the year 2021 Pubali Bank's earning asset increased by 12.31 percent, deposits by 7.70 percent, shareholders equity by 0.54 percent and operating profit increased by 12.70 percent. The Company has a very positive financial ratio as evident from financial highlights and graphical presentation of financial position given separately in this Annual Report. Such positive financial ratios indicate Bank's sound financial strength and good prospects. Moreover, considering the operating profit for the year 2021 Pubali Bank is one of the top performers in the banking industry.

Consistent payment of dividends:

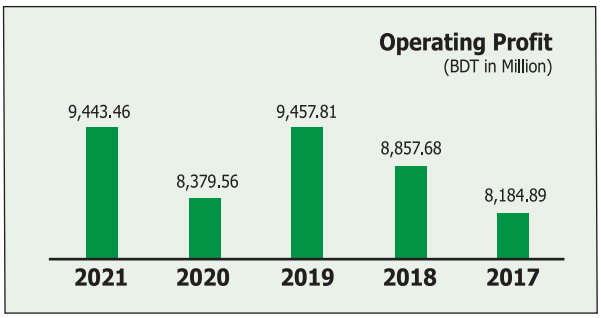
The Bank has been paying consistent dividend to its shareholders over many years which reflects company's long-term vision and firm commitment to its owners.

Credibility in payment of obligations:

The Company has strong credibility in terms of payment of its obligations to the lenders. The Company is very particular in fulfilling the terms of repayment agreement without any exception.

Performance growth:

Pubali Bank has excellent growth in its operating performance. Company's total asset has increased to BDT 629,184.67 million from BDT 565,032.07 million indicating a growth of more than 11.35 percent over last year. Total Operating income has increased by 12.70 percent in 2021. All these indicators support Company's continuance in foreseeable periods.



Cash Flow analysis:

Pubali Bank's cash flow analysis represents its strength about its ability to reply its obligation, ability to adapt in changing circumstances and generate sufficient cash and cash equivalent which will lead the bank to the foreseeable future.

Operating cash flow before adjustment of increase/-decrease in operating assets and liabilities; is BDT 9,450.54 million as against BDT 3,435.75 million of previous year.

However net operating cash flow after adjustment of increase/decrease in operating assets and liabilities shows net cash inflow of BDT 2,768.91 million as against net cash inflow of BDT 3,779.56 million of previous year. Such cash inflow indicates to cautious expansion of loans & advances of the bank.

Expansion of business:

The Company has expanded its segment geographically by opening new branches in different places considering the economic significance. During last year Pubali Bank opened 08 (eight) new branches and 17 sub branches at different places in Bangladesh, 58 (fifty eight) new ATM has also been installed during last year. Total no. of Branches 490, sub-branches 50 and ATMs 278 as on 31 December 2021 (2020: 482 Branches and 245 ATMs).

Pubali Bank also gives due importance on diversification of various innovative and customer oriented products and services and which is being done in a continuous manner.

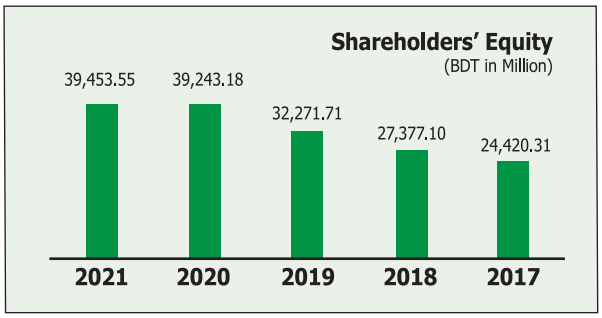
In addition to that Pubali Bank has one subsidiary as on the date of reporting namely; Pubali Bank Securities Limited. Pubali Bank Securities Limited has already started its full-fledged business operation as a brokerage company under the license of the Dhaka stock Exchange Limited and Chittagong stock Exchange Limited. On the other hand, Pubali Bank Securities Limited has been formed with the vision of carrying merchant banking activities in Bangladesh. Above diversification also represent Company's intention for perpetuity.

Corporate environment and employees' satisfaction:

There exists a very good corporate environment in the Company. Pubali Bank is an excellent work place with friendly environment Communication among the employees is very excellent. The company endeavors to be honest and practices fair treatment to all employees which ensures good corporate environment. The Company pays a competitive compensation package and there exists a good number of employee benefits like provident fund, gratuity fund, employees welfare fund, incentive bonus, transport facility to the eligible employees. Pay scale are frequently revised to give effect of inflation as well as to align with the industry level. Those all factors are to be considered as instrumental for employee satisfaction.

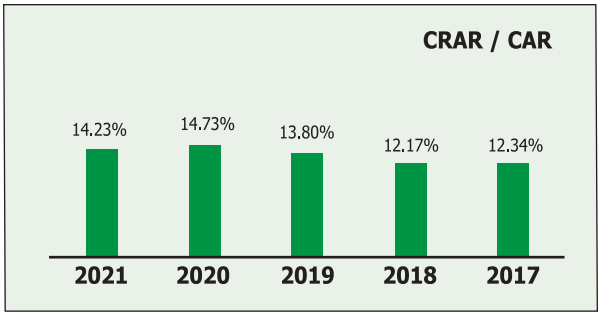
Maintenance of sufficient capital:

As on 31 December 2021, the Company's total equity stands at BDT 39,453.55 million as against BDT 39,243.18 million of 31 December 2020. On the other hand, as on the date of the reporting the paid up capital of the bank is BDT 10,282.94 million as against Bangladesh Bank requirement of minimum paid up capital BDT 4,000 million.



Particulars	Long Term	Short Term
Entity Rating	AA+	ST-1
Date of Rating	July 27, 2021	
Based on Financial Statement	December 31, 2020	
Validity Date	July 26, 2022	

Moreover, as per BASEL-III, a bank should maintain total capital at least @ 10 percent of RWA. Pubali Bank maintains above the required level consistently and the level of capital size of Pubali Bank is one of the highest in the industry. As on 31 December 2021 banks CRAR is 14.23% and maintained total regulatory capital TK. 52,591.30 million. All the above situation also indicates to its ability and intention to continue for the foreseeable future and long term vision.



Satisfactory credit rating:

Pubali Bank Ltd. has been rated as AA+ (pronounced as Double A+) the long term credit rating and ST-1 short term based on audited financials as on 31 December 2020 and other available information up to the date of rating declaration. The outlook on the rating is Stable. The ratings are consistent with NCRL's methodology for this type of company. NCRL considered financial performance, capital base, asset quality, liquidity position, management experience and prospect of the industry while assigning the rating. An institution rated AA has a very strong capacity for timely servicing of financial obligations offering high safety. Such institutions carry very low risk. An institution rated ST-1 has a strong capacity for timely payment of financial commitments and carry lowest credit risk.

Changes in Government policy:

Management anticipates no significant change in legislation or government policy, which may materially affect the business of the bank.

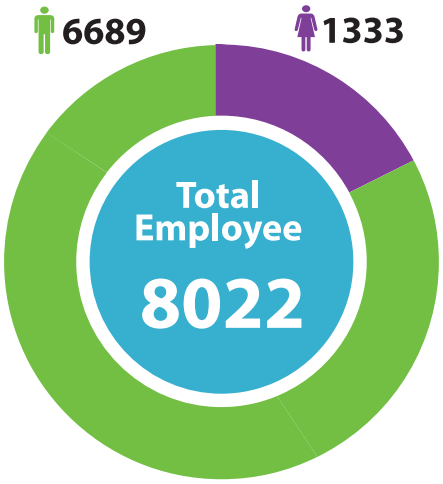
Based on the above indications, directors feel it appropriate to adopt going concern assumption and there is no material uncertainty exists in preparing the financial statements. Adequate disclosures have been made in the financial statements and different sections of the annual report to understand the appropriateness of going concern basis in preparing financial statements.

Human Capital Report

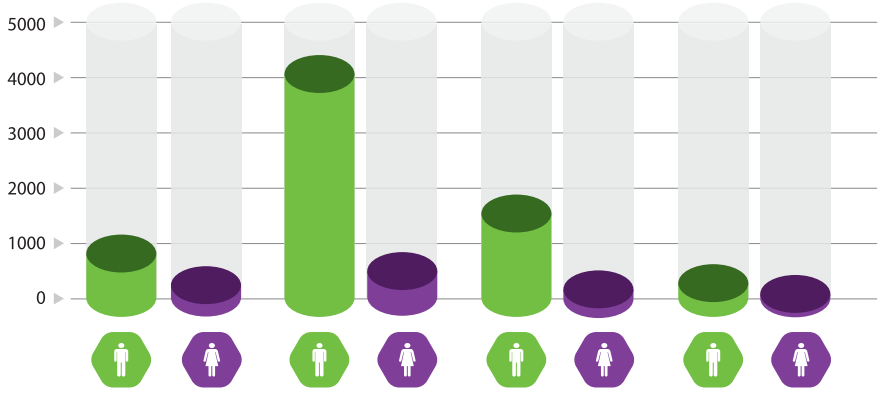
Pubali Bank Limited focuses on strengthening its manpower resource pool by acquiring the person with right skill and providing them with planned career growth opportunities within the Bank. As part of HR strategy to mix youth with the experienced ones, the management follows a rigorous recruitment system to hire fresh graduates as Trainee Assistant Junior Officer (Cash), Junior Officer, Officer and Senior Officer and experienced senior level Executives through a competitive, transparent and fair process.

Business and Human Capital are intertwined and its progress is dependent upon each other. In this context, Pubali Bank Limited has witnessed a rapid growth in human resources development for the last few years in terms of fast track and efficient e-recruitment and reduction of turnaround time significantly; development and implementation of a comprehensive orientation/induction process for the newly appointed officials at entry level, use of Performance Appraisal System (PAS); computerization of Human Resources Management Systems etc.

The number of employees of the Bank was 8,022 as on 31 December 2021. The Board of Directors and the Management of the Bank put an extra emphasis on Human Capital Development to secure all stakeholders interest. Training is the formal procedure to facilitate employees learning for bringing about the desired changes in the employees behavior. Banking technologies are evolving at a rapid pace and competency development is the prime need of the Bank by reinforcing the traditional banking skills with the new technology based skills.



Age-based Male-Female mix of the Employees



Employee Age Category	Male	Female	Total	Percentage of total Employee
<30Y	929	200	1129	14.07%
30-40Y	4060	682	4742	59.11%
40-50Y	1418	384	1802	22.46%
>50Y	282	67	349	4.35%
Total	6689	1333	8022	100%

Recruitment: Last 05(five) year's recruitment at a glance:

Sl. No.	Rank \ Year	2017	2018	2019	2020	2021
1	General Manager	-	-	1	-	1
2	Deputy General Manager	-	2	-	-	1
3	Assistant General Manager	-	-	2	2	2
4	Senior Principal Officer	2	-	4	-	1
5	Principal Officer	4	2	23	1	-
6	Senior Officer	116	46	22	31	6
7	Officer	162	4	2	12	4
8	Junior Officer	4	31	251	140	2
9	Deputy Junior Officer (Cash)	-	-	-	-	-
10	Trainee Assistant Junior Officer (Cash)	262	27	682	113	151
11	Driver	5	14	2	-	-
12	Technician	-	-	1	3	-
13	Armed Guard	-	198	1	-	-
14	Messenger-Cum-Guard	48	-	-	-	1
	TOTAL	604	324	991	302	169

Rank Wise Employees:

Sl. No.	Rank \ Year	2021
1	Managing Director	1
2	Additional Managing Director	1
3	Deputy Managing Director	3
4	General Manager	31
5	Dy. General Manager	65
6	Asst. General Manager	146
7	Sr. Principal Officer	514
8	Principal Officer	1188
9	Sr. Officer	1479
10	Officer	1070
11	Jr. Officer	467
12	Deputy Junior Officer (Cash)	259
13	Trainee/ Assistant Junior Officer (Cash)	835
14	Driver	120
15	Sr. Armed Guard	780
16	Care Taker	234
17	Technician	8
18	Armed Guard	197
19	Sr.Messenger-cum-guard	102
20	Messenger-cum-guard	123
21	Helper	399
	TOTAL	8022

Major steps have been initiated by Pubali Bank Training Institute (PBTI) to enhance the capacity of the in-house training system both qualitatively and quantitatively. Foundation Training Course has been redesigned and workshop and skill based training workshops are in place to ensure capacity building and generating future leaders for the Bank.

Incentivizing:

In 2021 from January to March cash reward was given to 03 employees for high performance, 02 for completing Certified Documentary Credit Specialist (CDCS), 08 for passing IELTS and 12 sub-staffs for passing graduation.

Employees Welfare:



The Bank provided stipend/scholarship to 61 children of employees for their meritorious academic achievement.



355 employees were facilitated with financial assistance for treatment & funeral for death cases from Pubali Bank Employees Staff Welfare Fund.



8 retired employees and their distressed families were given financial help from Pubali Bank Limited Retired Employees Welfare Fund.

Pubali Bank also facilitated day care services for the children of employees of the Bank by establishing Day Care Center in Motijheel area jointly with 21 other private commercial Banks. This facility gives comfort to the employees especially to the female employees and helps them to concentrate discharging their duties with more satisfaction.

Learning accomplishment in 2021:

Pubali Bank Training Institute (PBTI)

Vision: To impart desired skills in line with the creation of committed, ethical and motivated human resources through training in Bank's bid to become the best Bank in the country.

Mission: In a broad sense, mission of PBTI is to produce active and capable manpower for due support of the Management.

1. Bring all officers/executives of the bank under training net;
2. Ensure diversity of skills to accommodate banks job rotation at the working arena.
3. Organize need-based training program to cope with changes for achievement of the Bank's business strategy.
4. Laid down a solid foundation for creation of self-motivated workforce with standard ethical values nourished by good soft skills.

Performance:

Training at PBTI



Total 29 Courses with 81 frequencies were conducted in 2021 at PBTI through virtual training where attendance were 4666 number of officials of the Bank.

Training at other institute(s)



A total of 494 persons attended in 124 courses at BIBM, BBTA, BAB, BB and other institutes in 2021.

Corporate Social Responsibilities:

As a part of CSR, a total number of 318 students were facilitated by allowing them to complete their internship program (as a part of their academic curriculum) at different branches of Pubali Bank Limited all over the country.

Human Resources Division is committed to its prime motto in ensuring the highest standard of human resources management in its endeavor for the development of the Bank.

PUBALI BANK LIMITED
AN EMPLOYEE FRIENDLY BANK

Pubali Bank Ltd always cherishes to build a work environment with full of satisfied, loyal and dedicated employees by creating performance driven rewarding culture. The bank believes that employees are the most valuable assets who keep the voyage of the bank afloat even in adverse stormy weather. Our bank nurtures its employees with proper training & development programs and boosts up the morale by various motivational approaches.

Fringe Benefit Schemes

- House rent allowance
- Conveyance allowance
- Medical allowance
- House maintenance allowance
- Lunch Subsidy

BENEFITS TO EMPLOYEES

Every employee gets salary on monthly basis, which is the combination of basic pay, fringe benefits and other benefits disbursed on 25th day of each month or previous working day if 25th is holiday.

Other Benefit Schemes

- Incentive Bonus
- Festival Bonus
- Life Term Insurance
- Maternity Benefits for Female Employees
- Child care Centre facilities
- Staff Welfare Fund
- Retired Staff Welfare Fund
- Washing Allowance
- Car Maintenance Allowance
- Car Loan for Executives
- Transport with fuel for Executives
- Entertainment Allowance for Branch Managers
- Newspaper for Executives
- Leave Fare Assistance
- Covid Allowance

Apart from the above Pubali Bank is also providing benefits & rewards which are given below:

- Staff House Building at concessional rate
- Loan against Provident Fund at concessional rate
- Honorarium for passing Banking Diploma
- Crest, Certificate & Cash Incentive for outstanding performers

END SERVICE BENEFITS

Pubali Bank limited provides the following benefits to its employees on severance or regular retirement according to individuals' entitlement

- Provident fund
- Gratuity
- PRL (Post Retirement Leave)
- Leave encashment

Leave facilities for Employees

- Ordinary Leave
- Special Disability Leave
- Study Leave
- Quarantine Leave
- Maternity Leave
- Casual Leave
- Medical Leave

Training & Development

The bank has a well-structured Training Institute named "Pubali Bank Training Institute (PBTI)" that renders in house training. Besides, the Bank also nominates its officials to the programs arranged by BBTA, BAB Research & Training Centre, BIBM, DSE and other reputed local Training Institutes. In 2021, a good number of participants have been given training on Leadership Development, Strategic Management, Credit, Trade Processing, IT and other related areas.

Name of the Institution	Number of training programs	Number of participants
PBTI	81	4666
BBTA	02	10
BAB	09	27
BIBM	84	136
Others	99	321

Best practices of our Bank

- Pubali Bank is always committed to provide a congenial environment to the employees. It ensures equal opportunity for learning and personal growth.
- Compliance with the Labour Law of the country
- Active role of the Collective Bargaining Agent
- Multi-step merit-based recruitment system
- Comprehensive Performance Management Program
- Salary Re-Structure
- The Non-Discrimination Remuneration Policy
- Arrangement of fire drill session

Medicare facilities for employees:

The Bank has signed Memorandum of Understanding (MoU) with different Hospitals. According to these agreements the employees of the bank get Medicare facilities at concessional rate.
List of the Hospitals under MoU of the bank:

- Insaf Barakah Kindney & General Hospital Limited
- SIBL Foundation Hospital & Diagnostic Centre
- Islami Bank Hospital
- Holy Family Red Crescent Medical College Hospital (HFRCMCH)
- Asgar Ali Hospital
- Bangladesh Specialized Hospital Limited
- Chevron Clinical Pte Ltd.
- Green Life Hospital Ltd.
- Ad-din Medical College Hospital
- Impulse Hospital
- Labaid
- Aalok health Care and Hospital Ltd



CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) of Pubali Bank Limited



Total
BDT 120.52 million
CSR expenditure

Health care
BDT 61.74 million

Disaster Management
BDT 40.73 million

Education
BDT 16.49 million

Arts and culture
BDT 0.09 million

Others
BDT 1.47 million

Though there is no universally established definition of Corporate Social Responsibility (CSR), analyzing various national and international views and ideas for banks and financial institutions it may be defined as a process to embrace responsibility for the company's actions and encourage a positive impact through its activities on the society in which it operates. Because of global competitiveness and demand, the CSR practices are being implemented in Bangladesh also. Banking sectors are holding the foremost position in this connection. It aims to ensure that financial institutions conduct their business in a way that is ethical. This means taking account of their social, economic and environmental impact, and consideration of human rights. It's arena of activities stretches into various ranges such as working in partnership with local communities, socially responsible investment (SRI), developing relationships with employees and customers, environmental protection and sustainability.

As an ethical bank, we operate our business with our financial goals as well as with the purpose of fulfilling our social responsibility towards the targeted society. Our bank performs various community based CSR activities towards the society. The vision and mission of our bank is to contribute to the development of the society in every possible way by doing responsible banking. We recognize our obligations to the society by taking informed, reasonable and ethical decisions to operate business.

Our CSR activities over the years have focused on health care, sports, education, environment, youth development, arts and culture and charitable activities. As a socially responsible corporate institution, Pubali Bank Limited engaged itself in a number of CSR activities worth around BDT 12.05 crore throughout the year, including a number of donations towards charitable causes. Our bank focused mainly on the following areas in respect of Corporate Social Responsibility:

Disaster Management and Covid-19 Pandemic

Pubali Bank Limited always extends its helping hand generously when the nation falls in any disastrous situation or faces any natural calamity. From the very beginning of the Covid-19 pandemic we have tried to contribute in facing this unprecedented national and global crisis. We donated BDT 5.00 crore to the Prime Minister' Relief & Welfare Fund last year to assist the mass people of the country during the pandemic and BDT 2.00 crore to Jatir Janak Bangabandhu Sheikh Mujibur Rahman Memorial Trust.



Disaster Management BDT 40.73 million

Donated 75,000 blankets to the cold stricken people of the country

Pubali Bank Limited donated BDT 40.73 million to help the cold stricken impoverished people of different parts of the country with blankets and worm cloth.

Moreover, Pubali Bank donated blankets worth BDT around BDT 2.07 crore to the Prime Minister's Relief fund as a part of Corporate Social Responsibility to be distributed among the cold stricken people of the country. We gave some direct donations to individuals suffering from serious ailments to help them with their treatment.

Health Care:

We believe that good health is a pre-condition for rapid socio-economic development of any society. Our bank has given financial assistance in establishing hospitals and buying modern treatment equipment to ensure availability of modern health services for all especially the impoverished section of society at affordable cost. We donated a total of around BDT 6.18 crore to numerous health related organizations including National Health Care Network(NHN) and Uttara Adhunik Medical College. We donated BDT 5.00 crore to Prime Ministers Relief and Welfare Fund to assist the mass people of the country during the pandemic crisis of corona virus.

Moreover, some ailed persons, including a few employees of the bank, were financially helped last year for their treatment. Apart from direct donation, our bank from the very inception has been extending its helping hand to many renowned hospitals like BIRDEM, Ibrahim Cardiac Center, Apollo Hospital, United Hospital, Square Hospital, International Medical Collage and Hospital, Bangladesh Medical Collage and Hospital, Lab Aid, Green Life Hospital, National Heart Foundation, Sylhet and Kidney Awareness Monitoring and Prevention Society-KAMPS, Dhaka etc.

Health BDT 61.74 million

Financial assistance during Covid-19 pandemic BDT. 61.74 million

Pubali Bank Limited donated BDT 50.00 million through Prime Minister's Relief and Welfare Fund for prevention of Covid-19 pandemic & treatment of patients.

25 beneficiaries received BDT 11.74 million from Pubali Bank Limited during Covid-19 pandemic.



Education:

Pubali Bank Limited has come forward to promote the educational standard of Bangladesh through its social development initiatives. The bank has contributed a considerate amount in upgrading the standard of education. Education is the backbone of a nation. The development of a country mostly depends on the status of its education. So we are committed to upgrading the standard of education of our country through giving financial assistance and educational instruments to various educational institutions. We donated BDT 1.65 crore in education sectors last year. The bank donated BDT 1.30 crore to Dhaka University Alumni Association, BDT 15.00 lac to SUST Research Centre, Shahjalal University, Sylhet and BDT 12.00 lac to Bangladesh Agricultural University, Mymensingh.

Education BDT 16.49 MILLION

Dhaka University Hundred Year Celebration - BDT 10.00 million

Pubali Bank Limited donated BDT 10.00 million to Dhaka University Alumni Association to celebrate hundred-year completion of Dhaka University.

Sust Research Center BDT 1.50 million

Pubali Bank Limited donated BDT 1.50 million to facilitate research work of the university.

Bangladesh Agricultural University BDT 1.20 million

Pubali Bank Limited donated BDT 1.20 million to purchase educational instruments for the University.

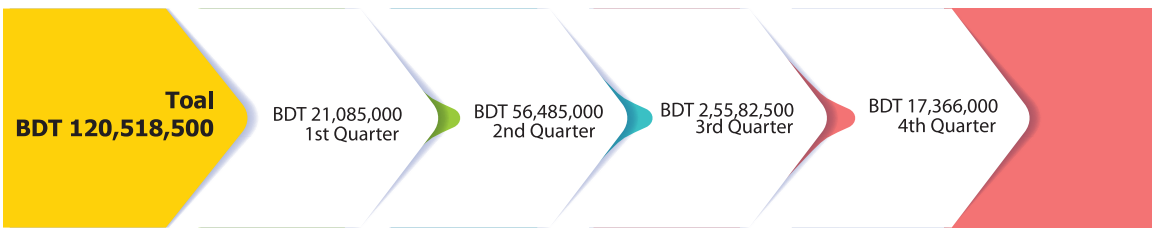
Arts and Culture:

Culture is an umbrella term which encompasses the social behavior and norms found in a specific society as well as the knowledge, beliefs, arts, laws, customs, capabilities and habits of the individuals in these groups. In this time of globalization, upholding the culture of respective nation besides absorbing the other cultures of the world is an urgent call. We contribute to the celebrations of our culture by providing financial help to various cultural organizations. As a part of our CSR activities we donated in various sectors including arts and culture, health, education and sports.

Arts and Culture BDT 0.09 million

Pubali Bank Limited donated BDT 0.09 million in sponsoring various cultural events for the promotion of Bangladeshi culture.

Quarter wise expependiture of Pubali Bank Limited

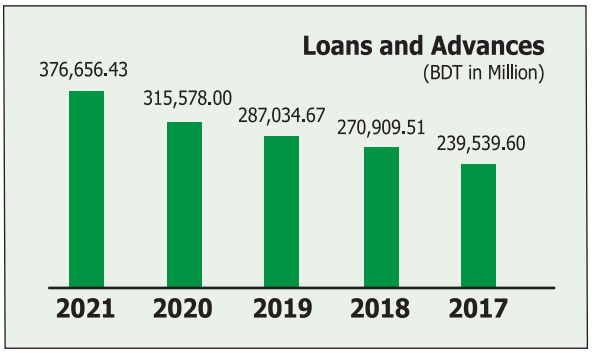


Contribution to National Economy

Pubali Bank Ltd. always recognizes that it has certain responsibilities to the development of the society and the country as a whole. We aspire to be known as a bank that builds enduring relationship with and delivers value for our clients, shareholders, employees and the community where we work. Besides direct contribution to the national exchequer by way of payment of corporate income tax, Pubali Bank Ltd. contributes to the economy of the country by generating employment, financing support to almost all the arena; such as corporate, SMEs, RMG sector, Agri and of course to the individuals through various kind of innovative retail product. While financing to a sector we never compromise with the social impact of the business such as environment effect, moral effect etc. Such financing also help to generate employment indirectly. Pubali Bank Ltd. also pays very attractive dividend to its shareholders.

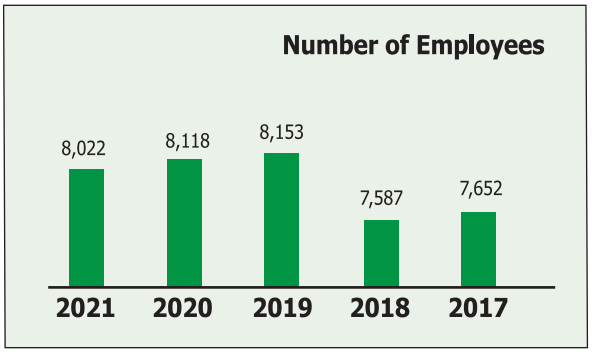
Financing support to industry; SMEs, individuals etc.

As a banking service provider Pubali Bank Ltd. contributes to the economic prosperity by providing financial products and services to the industrial undertakings including SMEs, RMG, Agro and various organizations and individuals. Based on the financials as on 31 December 2021 the size of total credit exposure of Pubali Bank Ltd. with 107,110 no. of clients is BDT 376,656.43 million (2020: 107,110 no. of clients, BDT 315,578.90 million).



Employment

We make an economic impact by creating employment and a well-trained workforce. Pubali Bank Ltd. and its subsidiary employed as many as 8,022 employees as on 31 December 2021 (2019: 8,118). During the year 2021 Pubali Bank paid total of BDT 5,523.65 million as salaries and allowances to its employees (2020: 6,277.22 million) and significant amount also being spent for training and HR development each year.

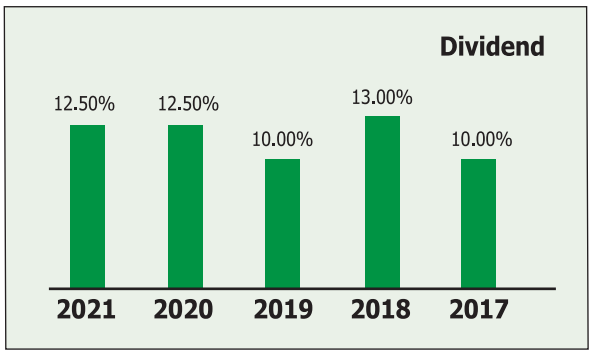


Tax Payment

Pubali Bank contributes to the economy by paying due corporate income tax and Value Added Tax (VAT) as per the prevailing laws and regulations. During the year 2021 Pubali Bank Ltd. provided total of BDT 1,809.44 million for payment of corporate income tax, VAT of BDT 542.91 million (2020: corporate tax BDT 2,873.87 million). We also pay VAT @15% on the fees and commission income of the Bank. On the other hand, we collect Tax , VAT at source while paying various bills and collect excise duty from deposit and loan accounts and ensure payment of such withholding tax and VAT to the government exchequer.

Payment of Dividend

We recognize our fiduciary duty to our shareholders and seek to establish constructive relationships. We are focused on maximizing long-term and sustainable shareholders' value through strong financial performance and returns. Over the past many years, Pubali Bank Ltd. paying a satisfactory return (dividend) to its shareholders. The Board of Directors of the bank proposed 12.50 percent Cash dividend to its shareholders for the year 2021 (in 2020 the bank also paid 12.50 percent cash dividend).



Market Capitalization

Pubali Bank Ltd. started its journey with a capital of BDT 160 million in the year 1983. At the end of the year 2021 Pubali Bank's total size of capital is BDT 10,282.84 million equivalents to market capitalization of BDT 27,558.01 million (2020: capital BDT 10,282.84 million, market capitalization BDT 24,781.89 million).

Donation

We always agree in building prosperity by supporting a broad range of socio-economic causes through donation. We believe, in order to reach our potential, we need to earn the respect of our stakeholders. We have learned by last three decade that the best way to do that is to foster creativity, innovation and diversity throughout our ventures, of course aligning business practices with highest values. We dream to crafting a way of social business rather than commercial business objective only. During the year 2021 the bank expended around BDT 157.14 million for donation (2019: BDT 245.08 million).

Development with sustainable growth compromising the needs of future generation

We firmly believe that sustainable economic growth and a healthy environment are inter-linked. We take supportive role in terms of providing financial services by restricting and discouraging projects detrimental to the environment and health. That means our profit motive never get priority over the process/way of earning profit.

Green Banking

Pubali Bank's deployed it's all-out effort to make the slogan 'Green Banking' a success. Various initiatives have already been taken BDT in policy and practically at large. Keeping the environment green, discouraging projects causes greenhouse effects, eco-font in printing to reduce use of ink, use scrap paper as notepads and Installing energy efficient electronic equipment are the glimpse of the bank's initiatives to facilitate Green Banking.



BUSINESS REVIEW AND ANALYSIS

Our Products & Services

DEPOSIT PRODUCTS

- SAVINGS BANK ACCOUNT
- CURRENT DEPOSIT ACCOUNT
- SPECIAL NOTICE DEPOSIT
- PUBALI PENSION SCHEME (PPS)
- PUBALI SANCHAY PROKOLPO (PSP)
- SHIKKHA SANCHAY PROKALPA (SSP)
- FIXED DEPOSIT RECEIPT (FDR)
- DIGUN SANCHAY PROKALPA (DSP)
- MONTHLY PROFIT BASED FIXED DEPOSIT
- MONTHLY PROFIT BASED SMALL DEPOSIT (SHADHIN SANCHAY)
- TARGET BASED SMALL DEPOSIT (SHOPNO PURON)
- SCHOOL BANKING SAVINGS ACCOUNT
- PATHO SHISHU ACCOUNT

LOAN PRODUCTS

- CONTINUOUS LOANS
  - CASH CREDIT
  - OVER DRAFT (OD)
  - PUBALI PROCHESTA (CONTINUOUS SME)
  - PUBALI PROTIVA (COMMON)
- SHORT TERM FINANCE
  - LOAN AGAINST TERM DEPOSITS
  - PBL UTTSHOB (SEASONAL BUSINESS)
  - AGRI CREDITS
  - PROBASH BONDHU (FOR FOREIGN REMITTER)
  - PUBALI GREEN PRANTIK
  - DEMAND LOAN
- LONG TERM FINANCES
  - TERM LOANS
  - HOUSE BUILDING LOAN
  - TERM LOANS TO FIS
  - TERM LOANS FOR SME
  - PUBALI PROTIVA (TERM)
  - TERM LOAN UNDER DIRECT GREEN FINANCE
  - LOAN AGAINST TRANSPORT
- WORK ORDER/CONSTRUCTION BUSINESS FINANCES
  - OVER DRAFT (BID BOND)
  - OVERDRAFT (EARNEST MONEY)
  - BANK GUARANTEE/ PERFORMANCE GUARANTEE
  - OVER DRAFT (WORK ORDER)
- CONSUMER LOANS
  - CAR LOAN
  - PUBALI STAR (DEMAND LOAN FOR PROFESSIONALS)
  - TEACHER'S LOAN SCHEME
  - PUBALI MORTGAGE
  - PUBALI ABASHON
  - PERSONAL LOAN
  - FLAT PURCHASE LOAN
  - HOUSE RENOVATION LOAN
  - HOUSE HOLD DURABLE LOAN
  - MEDICAL EQUIPMENT LOAN
  - FOREIGN EDUCATION LOAN
  - GOVT. EMPLOYEE HBL LOAN
- SPECIAL SME LOANS
  - PUBALI SUBORNO
  - PUBALI SUJON
  - PUBALI KORMOUDDUG
  - PUBALI PROCHESTA (CONTINUOUS)
- SPECIAL AGRI CREDIT PROGRAM
  - PUBALI INTEGRATED ANIMAL HUSBANDRY & BIOGAS PLANT LOAN
  - PUBALI BEEF FATTENING LOAN
  - PUBALI BULLOCK LOAN
  - PUBALI IRRIGATION/AGRICULTURAL EQUIPMENT LOAN
  - PUBALI MILCH COW/BUFFALO LOAN
  - PUBALI POULTRY FIRM LOAN
  - AGRI CREDIT UNDER CONCESSIONAL RATE
- LEASE FINANCING
- LOAN UNDER RE-FINANCE SCHEME

TRADE FINANCE

- IMPORT FINANCE
  - LETTER OF CREDIT (L/C)
  - UPAS LETTER OF CREDIT (UPAS L/C)
  - LOAN AGAINST TRUST RECEIPT (PIF-LATR)
  - LOAN AGAINST IMPORT MERCHANDISE (PIF-LIM)
- EXPORT FINANCE
  - BACK TO BACK LETTER OF CREDIT (L/C)
  - PACKING CREDIT (PC)
- BILLS
  - PAYMENT AGAINST DOCUMENT (PAD)
  - FOREIGN BILL PURCHASE (FBP)
  - INLAND BILL PURCHASE (IBP)
- FOREIGN BANK GUARANTEE

PUBALI CARD

- DEBIT CARD (VISA & MASTERCARD)
- PUBALI CREDIT CARD
- ANANYA – DEBIT CARD FOR WOMEN
- ATM SERVICE (NPSB, VISA, MASTERCARD)
- BRANCH POS SERVICE

ALTERNATIVE DELIVERY CHANNEL (ADC)

- PI BANKING (APPS. BASED BANKING)
- INTERNET BANKING

SERVICES

- ONLINE BANKING
- REMITTANCE SERVICE
- FUND TRANSFER (BACH, RTGS, EFT)
- BANK GUARANTY/ASSURANCE
- BANK DRAFTS
- LOCKER SERVICE
- CASH DEPOSIT MACHINE (CDM)
- MISC. ANCILLARY SERVICES

Our Products & Services

TREASURY OPERATION

- **FOREIGN EXCHANGE (FX) MARKET**
  - FOREIGN CURRENCY BUY-SELL (READY, TOM, SPOT, FORWARD)
  - CURRENCY SWAP
  - $ DEPO
  - INTER-BANK CALL/OVERNIGHT LENDING & BORROWING FOREIGN CURRENCY
  - INTER-BANK TERM LENDING & BORROWING FOREIGN CURRENCY
  - FX OPTION
  - READY/TOM/SPOT/FORWARD IN MAJOR CROSS CURRENCIES
- **MONEY MARKET**
  - INTER-BANK CALL/OVERNIGHT LENDING & BORROWING
  - INTER-BANK SHORT NOTICE LENDING & BORROWING
  - INTER-BANK TERM LENDING & BORROWING
  - REPO AND REVERSE REPO
- **CAPITAL MARKET**
  - FIXED INCOME & INVESTMENT
  - TREASURY BILL/BOND
  - SUBORDINATE BOND, PERPETUAL BOND
  - INVESTMENT IN SHARE
  - COMMERCIAL PAPER

OFF-SHORE BANKING UNIT (OBU)

- **BILL DISCOUNTING UPAS**
- **FINANCING TO AD FOR EXPORT BILL DISCOUNTING (EBD)**
- **TERM LOAN**

ISLAMIC BANKING (IBW)

- **DEPOSIT PRODUCTS**
  - AL-WADEEAH CURRENT ACCOUNT
  - MUDARABA SAVINGS ACCOUNT
  - MUDARABA SND ACCOUNT
  - MUDARAB TERM DEPOSIT
  - MUDARABA HAJJ SAVINGS ACCOUNT
  - MUDARABA MONTHLY PROFIT BASED DEPOSIT A/C
  - MUDARABA DEPOSIT PENSION ACCOUNT
  - MUDARABA MARRIAGE/MUHAR DEPOSIT ACCOUNT
  - MUDARABA CASH WAQF DEPOSIT ACCOUNT
  - MUDARABA SWAPNO PURAN DEPOSIT ACCOUNT
  - MUDARABA SWADHIN SANCHAY DEPOSIT ACCOUNT
  - MUDARABA SHIKSHA SANCHAY SAVINGS ACCOUNT
- **INVESTMENT PRODUCTS**
  - BAI-MUAZZAL
  - HIRE PURCHASE UNDER SIRKATUL MELK-HPSM (PROJECT FINANCE, TERM FINANCE, HOUSE BUILDING FINANCE, CAR FINANCE, FLAT PURCHASE FINANCE, HOUSE HOLD DURABLE FINANCE ETC.)
  - CAR INVESTMENT UNDER HPSM
  - BAI-ISTISNA
  - QUARD AGAINST MTDR, MDPA ETC.
  - PUBALI STAR (ISLAMIC)
  - E-GP FINANCING UNDER QUARD & WAKALA
- **EXPORT & IMPORT FINANCE PRODUCTS**
  - LETTER OF CREDIT(CASH LC & BBLC)
  - BANK GUARANTEE(BG)
  - BAI-ISTISNA [PRE SHIPMENT FINANCE]
  - IBP & FBP [POST SHIPMENT FINANCE]
  - MURABAHA POST IMPORT PIF-MPI (TR)
  - HIRE PURCHASE UNDER SIRKATUL MELK-HPSM (MACHINERY & EQUIPMENT)

PRODUCT & SERVICES OF PUBALI BANK SECURITIES LIMITED

(A SUBSIDIARY OF PUBALI BANK LTD.)

BROKERAGE SERVICES

- **TRADE EXECUTION (BUY & SALE) THROUGH BOTH DSE AND CSE**
- **AUTOMATIC PROCESS OF IPO SUBSCRIPTION WITHOUT CLIENT'S PRESENCE**
- **SMS AND E-MAIL SERVICES**
- **AWARENESS AND GUIDELINES FOR INVESTORS**
- **CONFIDENTIAL DSE & CSE TRADING BOOTH**
- **LARGE OPEN TRADING FLOOR**
- **DSE MOBILE/INTERNET TRADING FACILITY**

MARGIN LOAN

- **MARGIN LOAN FACILITY TO THE CLIENTS WITH MINIMUM INTEREST RATE**

CDBL SERVICES

- **BO ACCOUNTS OPENING & MAINTENANCE (RB, NRB, COMPANY ETC.)**
- **DEMATERIALIZATION & RE-MATERIALIZATION OF SHARES**
- **PLEDGING, UN-PLEDGING AND CONFISCATION OF SHARES**
- **ALL OTHER SERVICES AS FULL SERVICE DP**

PORTFOLIO INVESTMENT

- **MAINTENANCE OF OWN PORTFOLIO INVESTMENT THROUGH STOCK DEALING A/C**

Islamic Banking



Pubali Bank Limited has started Islamic Banking operation in the year 2010 through 02 (two) Islamic Banking Windows at Principal Branch, Dhaka and Dargagate Branch, Sylhet. Later on 15 (fifteen) more Windows have been opened in 2019 and 2020. Now 17 (seventeen) Islamic Banking Windows are operating all over the country.

It is pertinent to mention here that the Islamic Banking operations are completely separate from Conventional Banking. Separate accounting system for Islamic Banking Window is being maintained through core banking system i.e. PIIBS (Pubali Integrated Islamic Banking Systems). At present, more than hundreds of officials and staffs are working both at the field level of Islamic Banking Windows and at the Head Office of Islamic Banking Wing. The Bank possesses strong commitment to the principles of Islamic Shari'ah and to the avoidance of Riba, Gharar (speculation) and Mysir (gambling) in any of its Islamic Banking operations.

Financial Analysis

Since inception in 2010, Islamic Banking business of Pubali Bank Limited noted remarkable growth in all areas of Deposit, Investment and Profit. As on December 31, 2021, the Deposit, Investment and Operating Profit of Islamic Banking Windows were BDT 764.89 crore, BDT 541.96 crore and BDT 6.78 crore respectively. During the year 2021, total Import, Export and Remittance businesses handled by the Islamic Banking Windows were BDT 897.65 crore, BDT 421.38 crore and BDT 51.59 crore respectively. At the end of the year 2021, NPL of Islamic Banking Windows was only 18(eighteen) lac which is less than 1% of total investment. The performance of our Islamic Banking for the year 2021 is also reflected in its Balance Sheet and Profit & Loss Accounts furnished in this Report.

Some Important Activities in the Year 2021

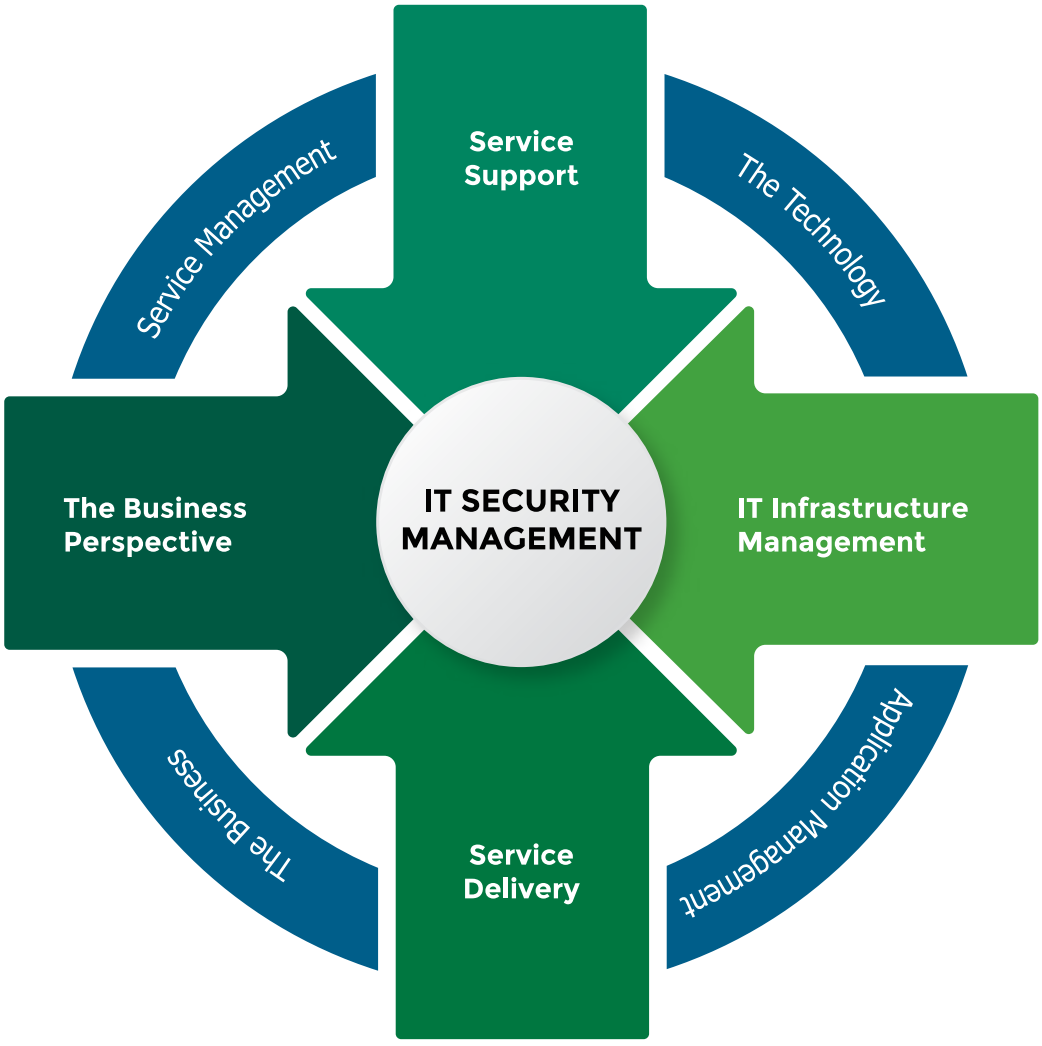
1. Introduction of Pubali Star (Islamic) investment product for individual client to fulfill their personal/family needs.
2. Introduction of Staff (Car) investment scheme for our Executives.
3. Introduction of separate Foreign Trade Module (for both Import & Export) for Islamic Banking Windows for faster and quality services to the foreign trade clients.
4. Introduction of Pubali Integrated Islamic Banking General (PIIBG) account module to settle inter Window fund management through CAD, Head Office.
5. Arrangement of training of conventional and Islamic Banking personnel of our Bank through PBTI, Islamic Banks Consultative Forum, Central Shariah Board for Islamic Banks and BIBM to enrich human resources in Islamic Banking field.
6. Intensive communication with several divisions of our Bank like SDD, ICT Operation, ID, GSDD, Audit & Inspection and CAD for development of Islamic Banking system and compliance.

We are enthusiastic to expand Islamic Banking business by opening full-fledged branches, Sub-branches along with more Windows and in this purpose we closely communicate with Bangladesh Bank. So, it is expected that the Bank with its inherent strength will make significant contribution to the growth of Islamic Banking Industry of the country, as well as, will earn business success in different indicators in the days to come, **In Sha Allah.**

ICT Security Status

Pubali Bank Limited has changed the way it provides services to its customers through transforming the manual process to automated system, converting branch banking to centralized real time online banking with harnessing the power of Information and Communication Technology (ICT). Security of Information of our bank has therefore gained much importance, and it is vital for us to ensure that the risks are properly identified and managed. Moreover, information and information technology systems are essential assets for the bank as well as for its customers and stakeholders. Maintenance of these assets are critical to ensure the uninterrupted services to customers and the organizations' sustainability. It is our utmost responsibility to protect the information from unauthorized access, modification, disclosure and destruction.

Considering the current **Cyber Security Thread Landscape**, we have introduced **Multi-layer Security Controls** to secure our Information Systems. The goal of Layered Security is to increase effectiveness of the security controls in place through a defensive strategy. We logically segregate our Data Center in different Zones such as Core zone, DMZ zone, Partner zone based on Application and minimize the attack vectors. We have already implemented Next-Gen Firewall and IPS, IDS, Email Security, Web Security, Web Application Firewall (WAF) and Advanced Malware Protection (AMP) to protect our environment.



Our key achievements for ICT Risk Management through protecting our system and securing ICT environments are:

- Establishing a standard ICT Security Policy and ICT Security Management
- Ensuring secured and stable setup of its ICT Infrastructure
- Establishing a secured environment for the processing of data
- Establishing a holistic approach for ICT Risk Management
- Identifying information security risks and their management
- Communicating the responsibilities for the protection of information
- Prioritization of information and information systems need to be protected
- Raising awareness and rendering training to the users associated with managing the ICT infrastructure

While designing our system, we considered the following pillars keeping robust ICT security policy, security procedure and ICT Risk Management in the basement:

A. ICT Security Management
B. ICT Risk Management
C. ICT Service Delivery Management
D. Infrastructure Security Management
E. Access Control of Information System
F. Business Continuity and Disaster Recovery Management
G. Acquisition and Development of Information Systems
H. Alternative Delivery Channels (ADC) Security Management
I. Service Provider Management
J. Customer Education

Moreover, we have taken the following initiatives to strengthen security:

A. Security Awareness Program/Campaign at Regional Level.
B. Security Awareness Conference for the SWIFT users at Head Office Auditorium
C. Further strengthening our Network, System, DC and DR Security.
D. Establishing Information Security Operation Center (24×7) as suggested by Bangladesh Bank
E. PCI-DSS Certification, Issuing Chip based card
F. Connecting all PCs with Active Directory of Microsoft
G. Update all security patches of Microsoft Windows for all workstations on regular basis.

Listed Exchange Companies / Bank

Bahrain: NEC B.S.C (Closed), Zenj Exchange Co.

Canada: U Remit International Exchange.

KSA: Al Rajhi Banking & Investment Corporation, Bank Al Bilad

Kuwait: Al Mulla International Exchange Company,Al Muzaini Exchange Co., Al Nada International Exchange, City International Exchange Co. W.L.L, Bahrain Exchange Company W.L.L

Malaysia: NBL Money Transfer Sdn. Bhd., Merchantrade Asia Sdn. Bhd., CBL Money Transfer, Max Money Sdn. Bhd.

Oman: Bank Muscat (S.A.O.G), Unimoni Exchange L.L.C, Oman Exchange L.L.C, Purshottam Kanji Exchange Co. L.L.C, Gulf Overseas Exchange Company L.L.C, Laxmidas Tharia Ved. Ex. Co.L.L.C, Musandum Exchange Co.,Mustafa Sultan Exchange Co., Hamdan Exchange , Joyalukkas Exchange LLC,

Qatar: Al Zaman Exchange Co., Arabian Exchange Co. W.L.L, Eastern Exchange Estt., Gulf Exchange Company, National Exchange Company, City Exchange Company.

Singapore: NBL Money Transfer PteLtd., Prime Exchange Pte. Ltd.

UAE: Al Ahalia Money Exchange Bureau, Al Ansari Exchange, Al Ghurair Exchange Company, Al Rostamani Int'l Exchange, Index Exchange L.L.C, Lari Exchange, National Exchange Company, UAE Exchange Center, Emirates India International Exchange,Multinet Trust Exchange L.L.C, Redha Al Ansari Exchange Estt., Universal Exchange Centre, Sharaf Exchange L.L.C, Instant Cash FZE, Al Fardan Exchange L.L.C

UK: NEC Money Transfer, KMB International Money Transfer Ltd., Frontier Global Consultants Ltd., BRAC Saajan Exchange Ltd., PBL Exchange(UK) Ltd., Worldwide West 2 East Services Ltd.(SHA Global).

USA: Wall Street Finance L.L.C, Placid NK Corporation, Standard Express NY.

Italy: National Exchange Company S.R.L, First Security Islami Exchange Italy S.R.L

Global: Western Union Network (France) SAS, MoneyGram Payment System Inc., Trans-Fast Remittance LLC, Xpress Money Services, Ria Financial Services Ltd., Prabhu Group Inc.





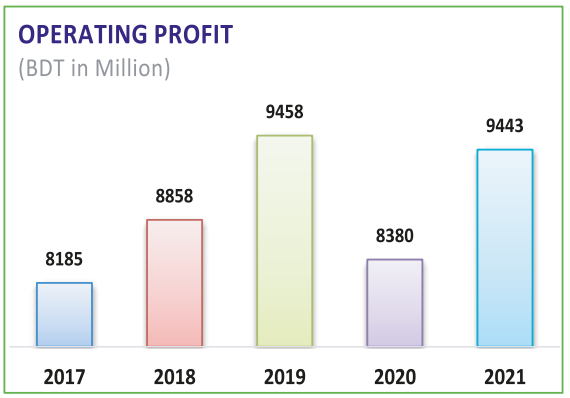
FINANCIAL ANALYSIS

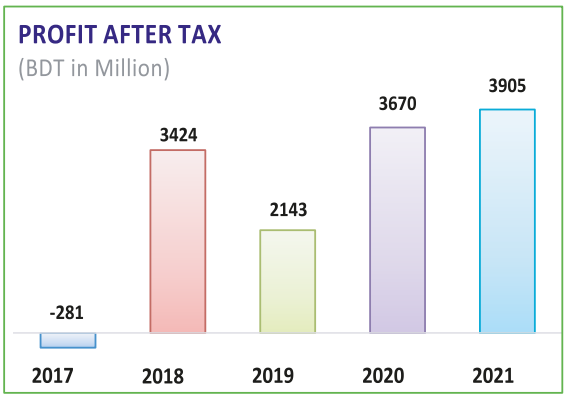
COMPARATIVE FINANCIAL HIGHLIGHTS OF PBL

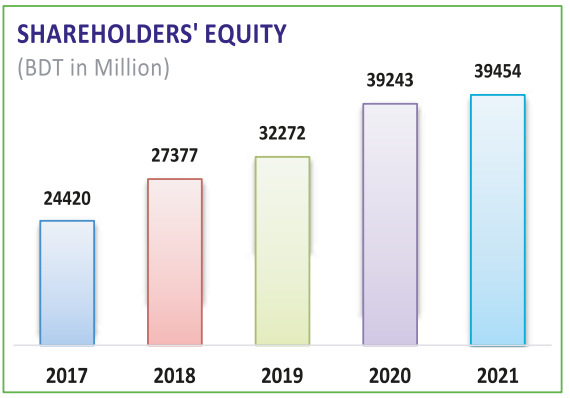
(BDT in million unless stated otherwise)

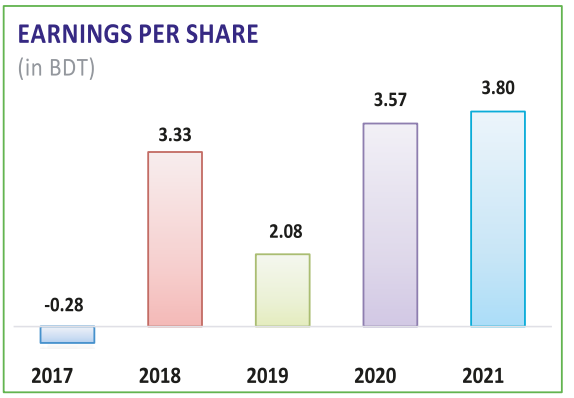
Particulars	2021	2020	Increse/ (Decrease)	Change (%)
Income Statement				
Total revenue	42,025.73	38,175.87	3,849.86	10.08%
Total expenses	32,582.27	29,796.31	2,785.96	9.35%
Operating profit	9,443.46	8,379.56	1,063.90	12.70%
Profit before tax	5,199.66	5,753.25	(553.59)	-9.62%
Profit after tax	3,904.55	3,669.51	235.04	6.41%
Earnings per share	3.80	3.57	0.23	6.41%
Assets & Liabilities				
Total assets	629,184.67	565,032.07	64,152.60	11.35%
Earning assets	531,301.80	473,085.44	58,216.36	12.31%
Total loans and advances	376,656.43	315,578.90	61,077.53	19.35%
Property, plant and equipment	5,785.75	5,087.99	697.76	13.71%
Total deposit	462,400.22	429,343.02	33,057.20	7.70%
Shareholders' equity	39,453.55	39,243.18	210.37	0.54%
Capital				
Paid up capital	10,282.94	10,282.94	-	-
Capital maintained	52,591.30	48,242.35	4,348.95	9.01%
Risk weighted assets (RWA)	369,575.88	327,491.48	42,084.40	12.85%
Capital required	36,957.59	32,749.15	4,208.44	12.85%
CRAR	14.23%	14.73%	-0.50%	-3.40%
Share Information				
Earnings per share (EPS)	3.80	3.57	0.23	6.41%
Net assets value per share (NAVPS)	38.37	38.16	0.20	0.54%
Number of shares	1,028,294,218	1,028,294,218	-	-
Regulatory Ratio				
Cash reserve ratio (CRR)	3.88%	4.14%	-0.26%	-6.31%
Statutory liquidity ratio (SLR)	27.81%	30.13%	-2.32%	-7.69%
CRAR	14.23%	14.73%	-0.50%	-3.40%
Credit deposit Ratio	77.58%	70.71%	6.86%	9.71%
Asset Quality				
Amount of classified loans and advances	11,480.11	8,622.01	2,858.10	33.15%
Percentage of classified loans and advances	3.05%	2.73%	0.32%	11.56%
Required provision for loans and advances	19,242.43	16,155.62	3,086.81	19.11%
Provision maintained for loans and advances	19,253.16	17,155.62	2,097.54	12.23%
Classified other assets	242.56	218.29	24.27	11.12%
Classified investment	241.83	242.05	(0.22)	-0.09%
Total classified assets	11,964.50	9,082.35	2,882.15	31.73%

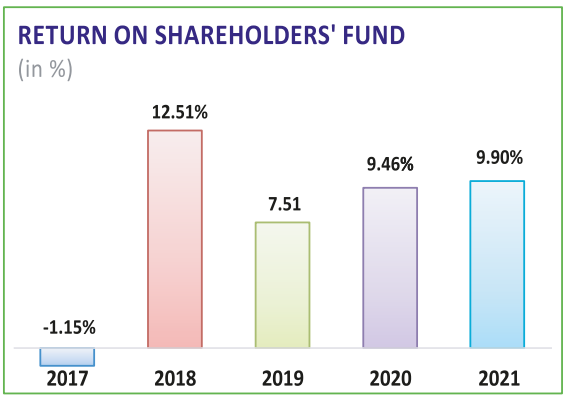
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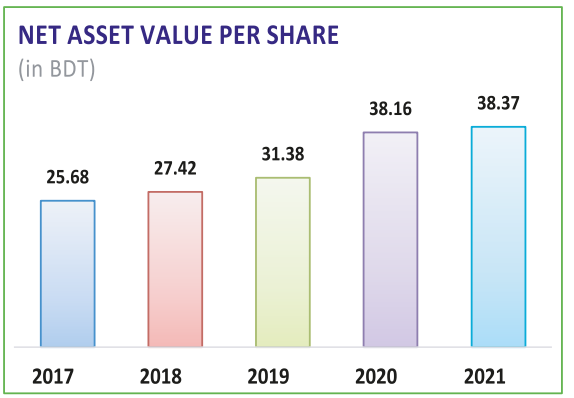


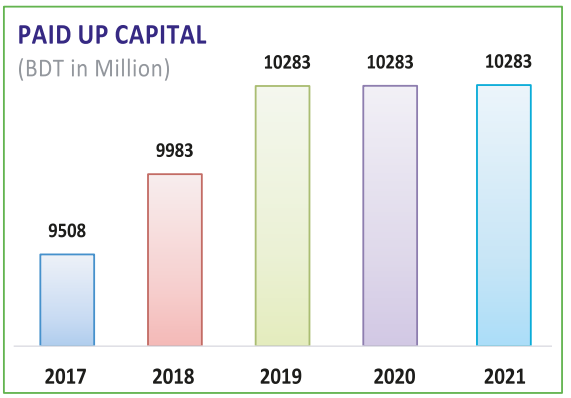


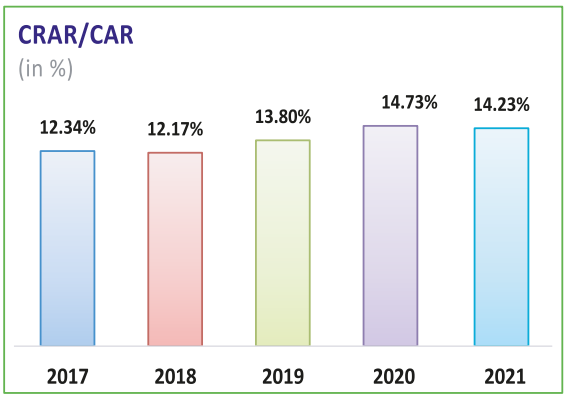




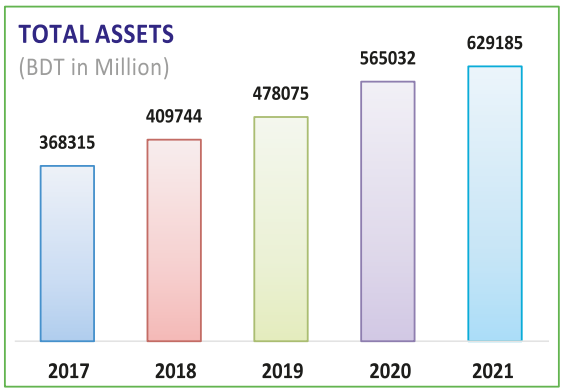


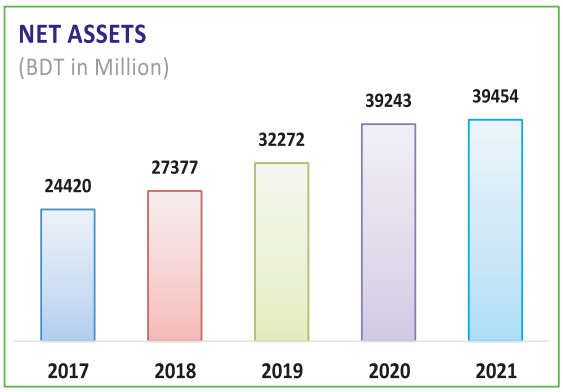


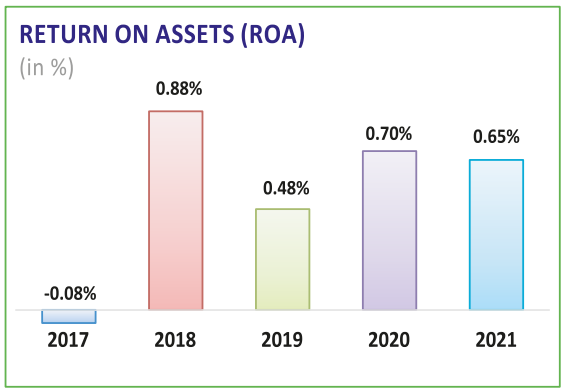


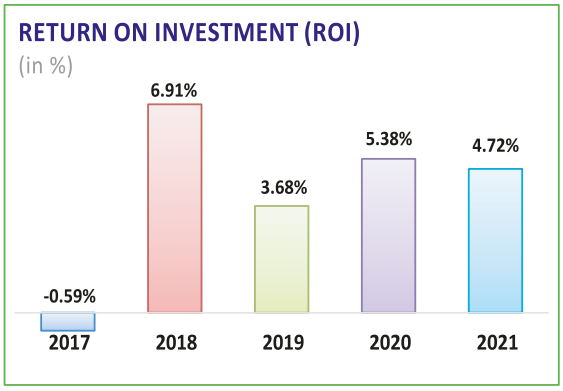


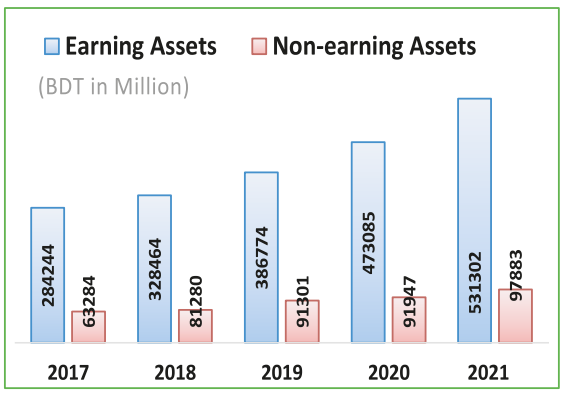
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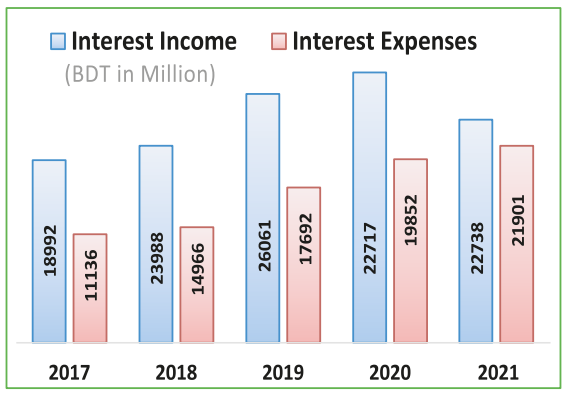


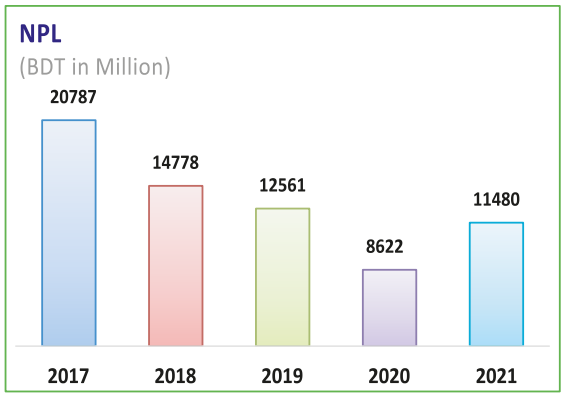


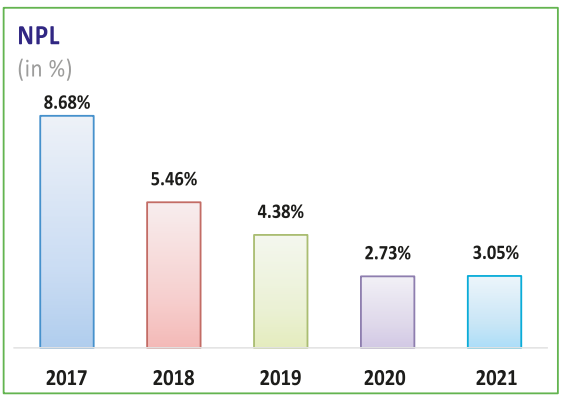




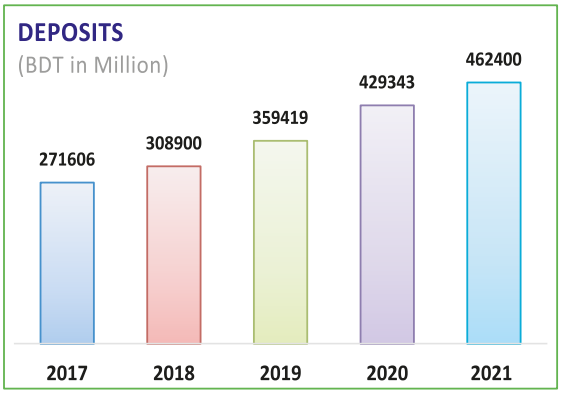


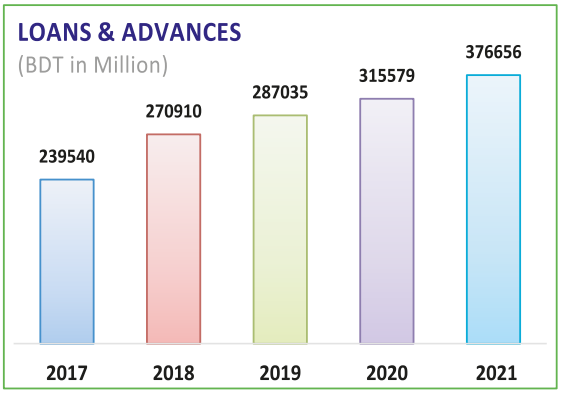


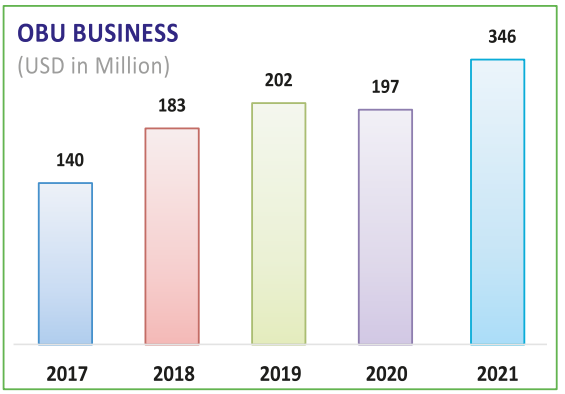


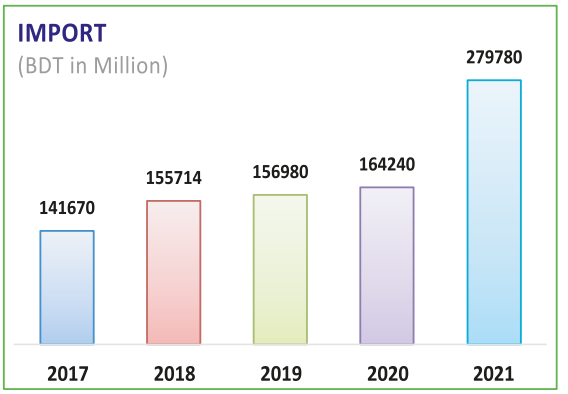


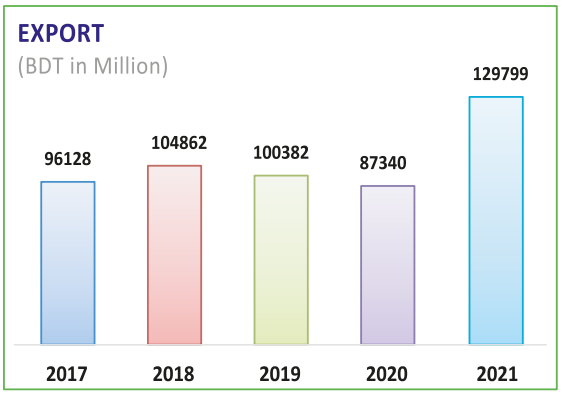
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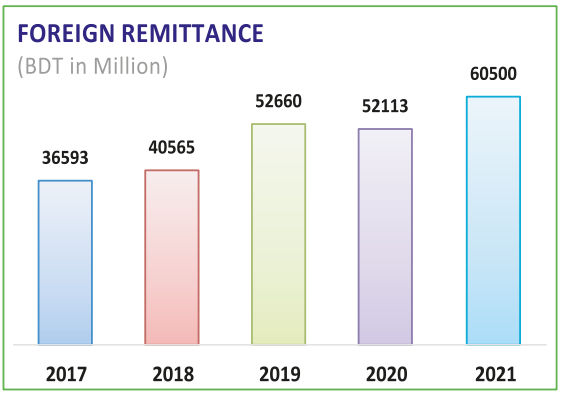


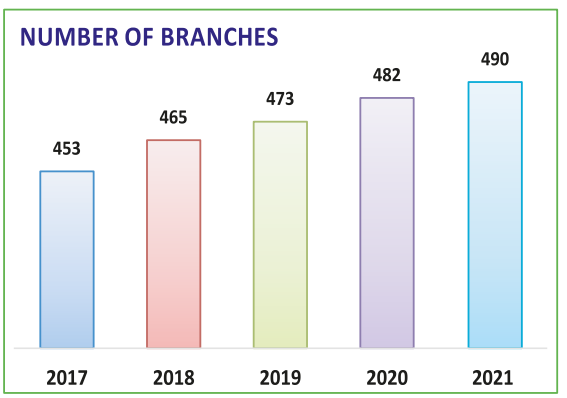


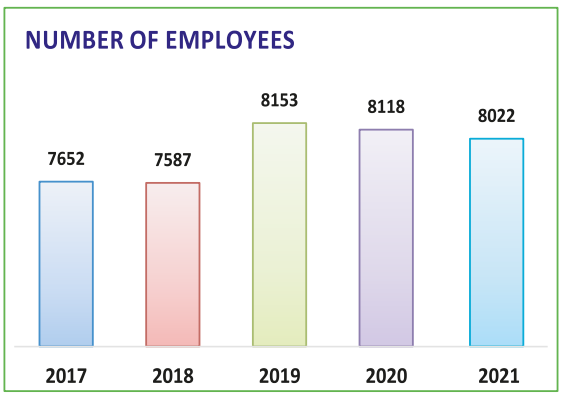




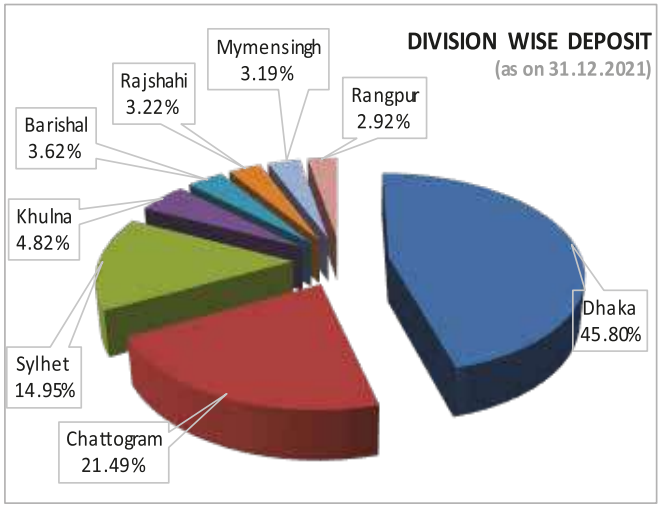


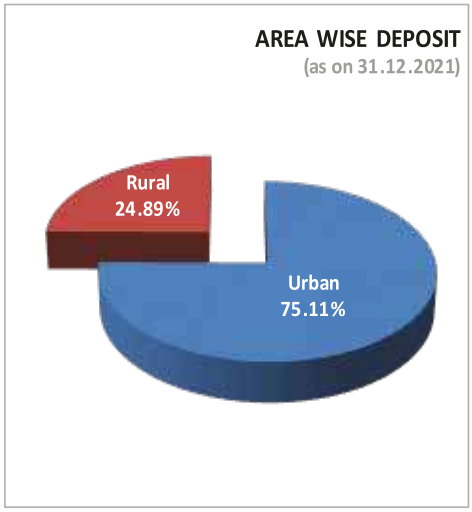


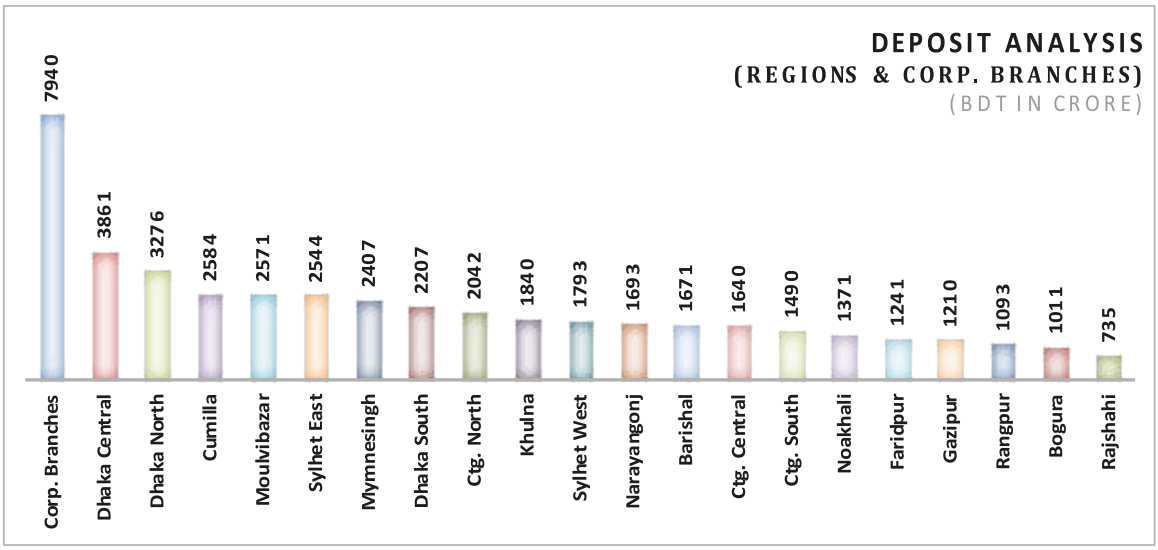


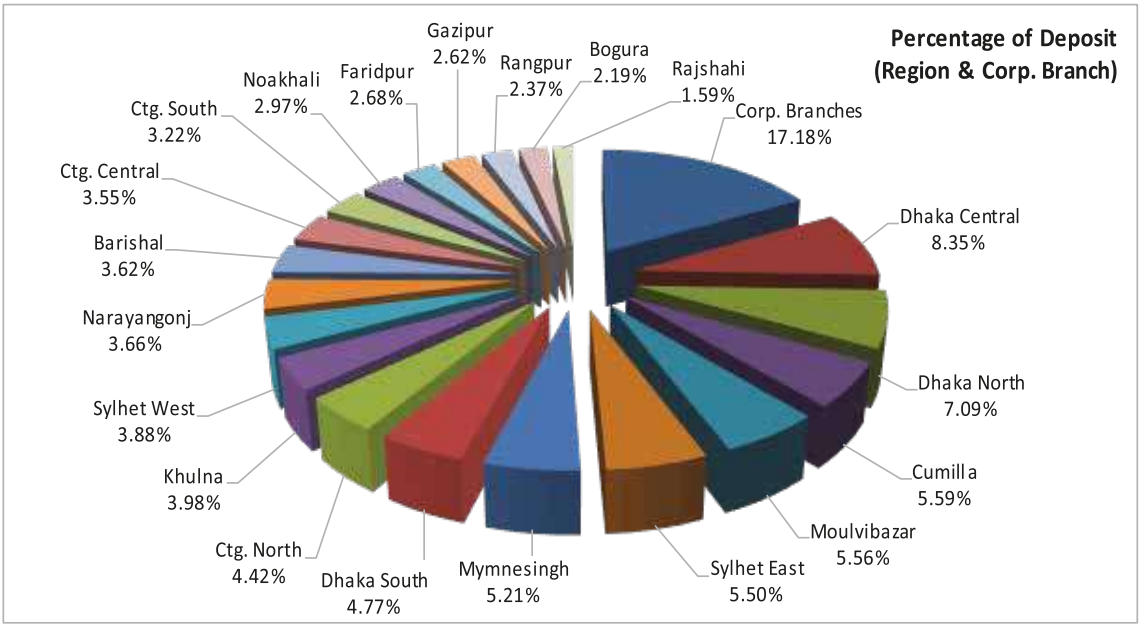


DEPOSIT ANALYSIS

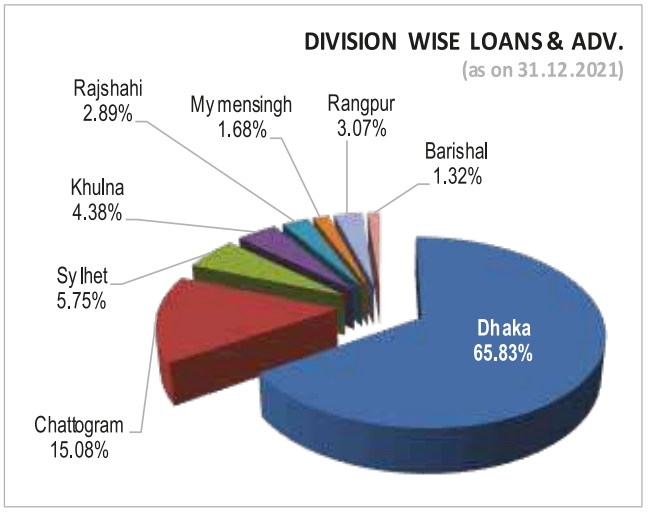


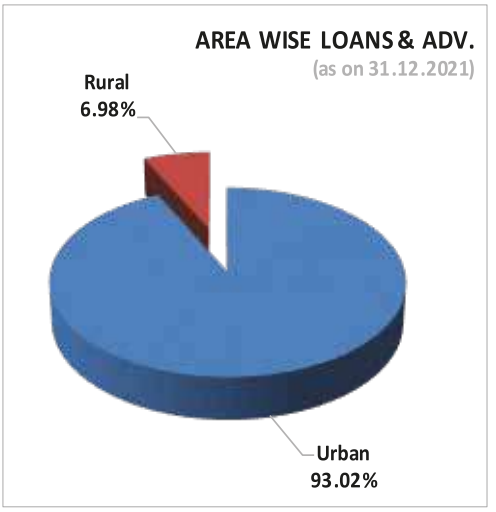


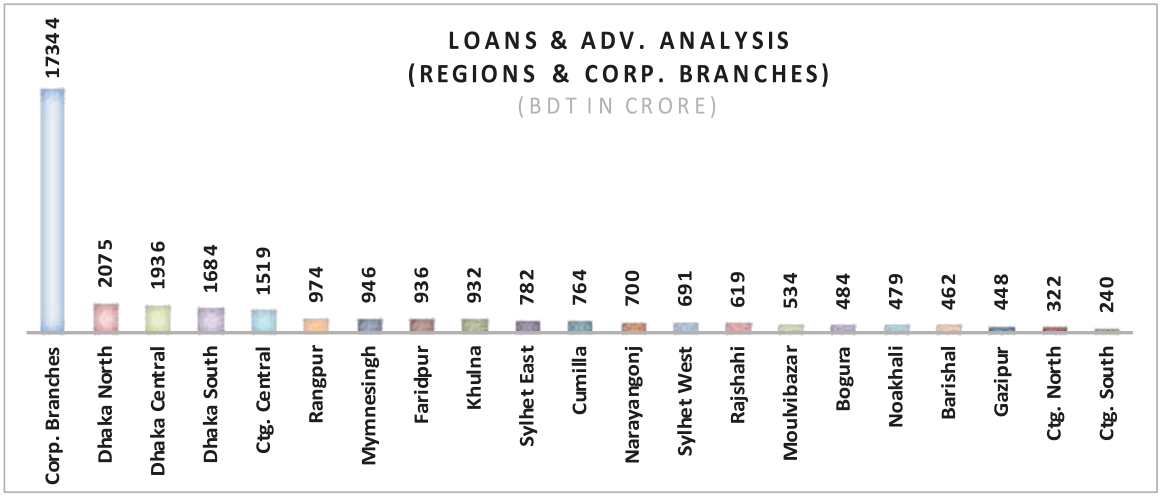


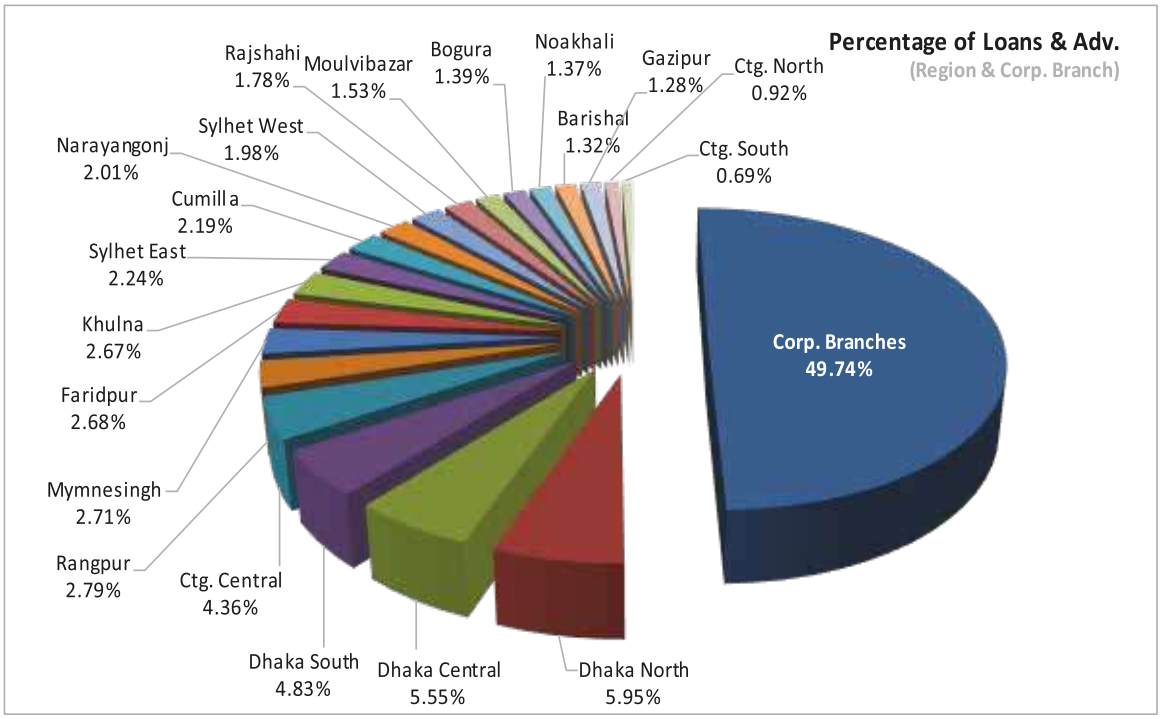


LOANS & ADVANCES ANALYSIS

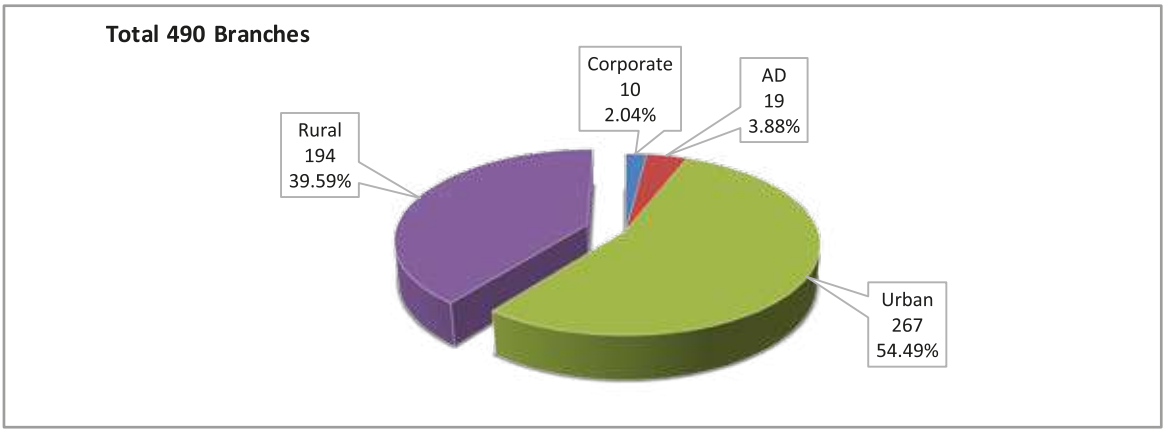


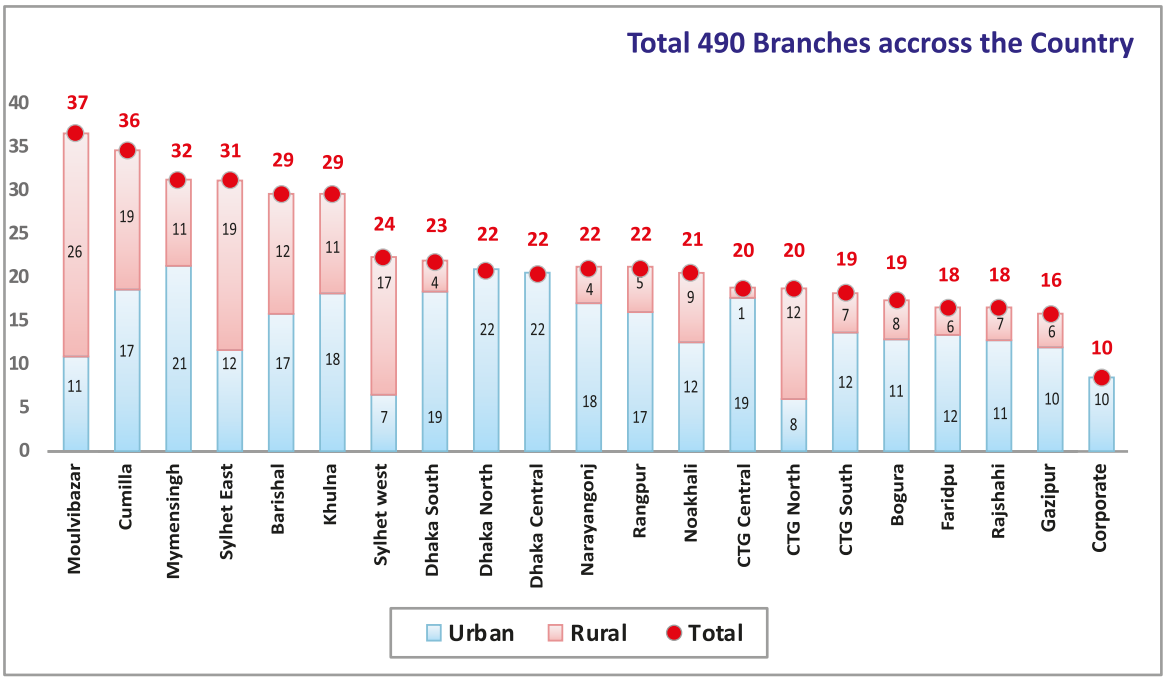


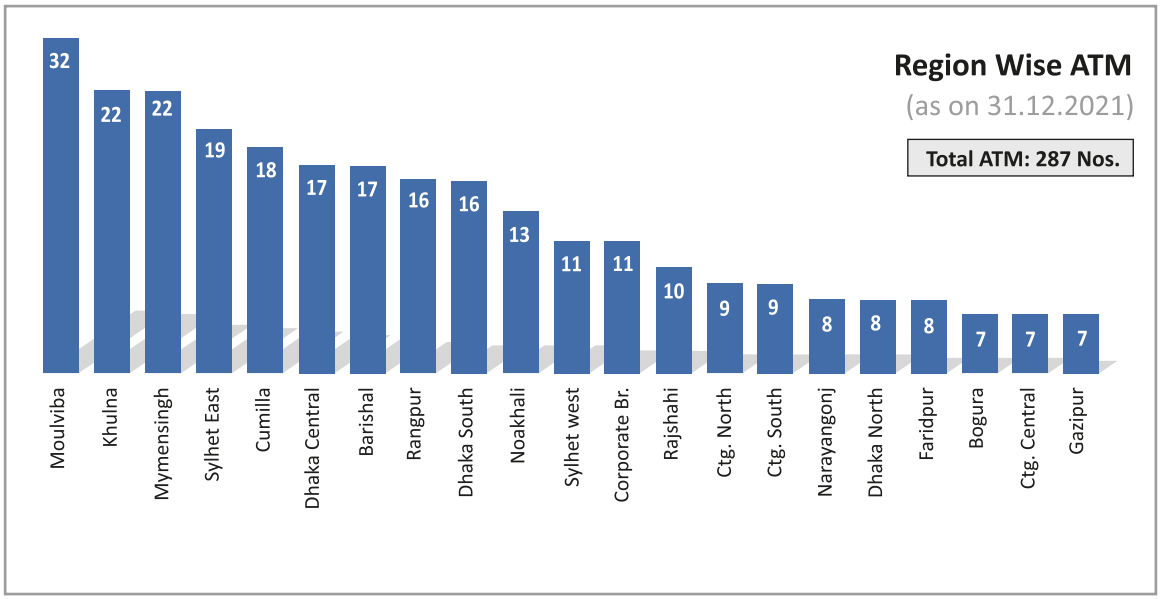




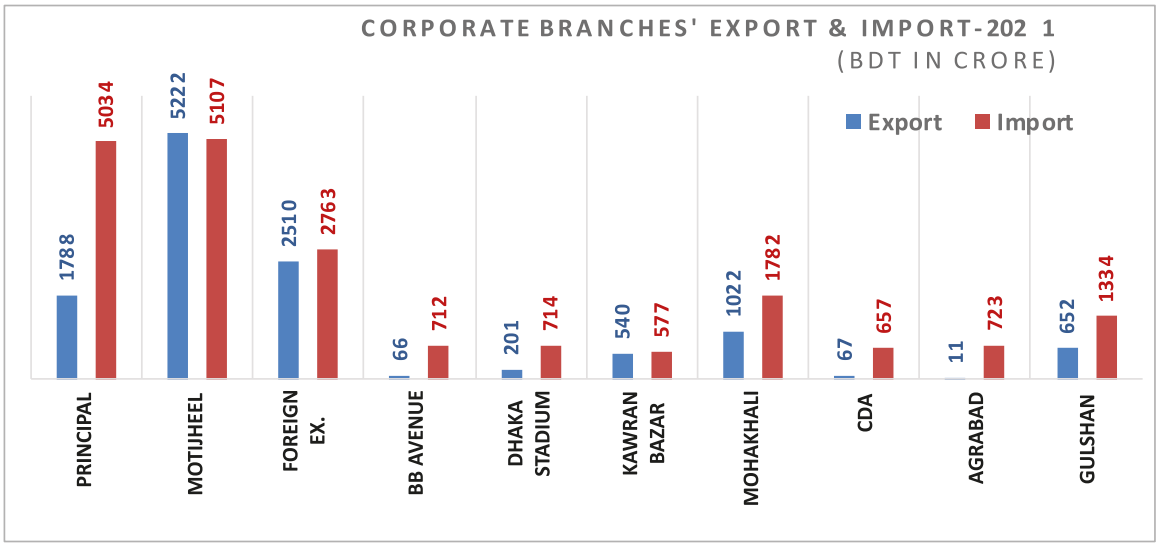
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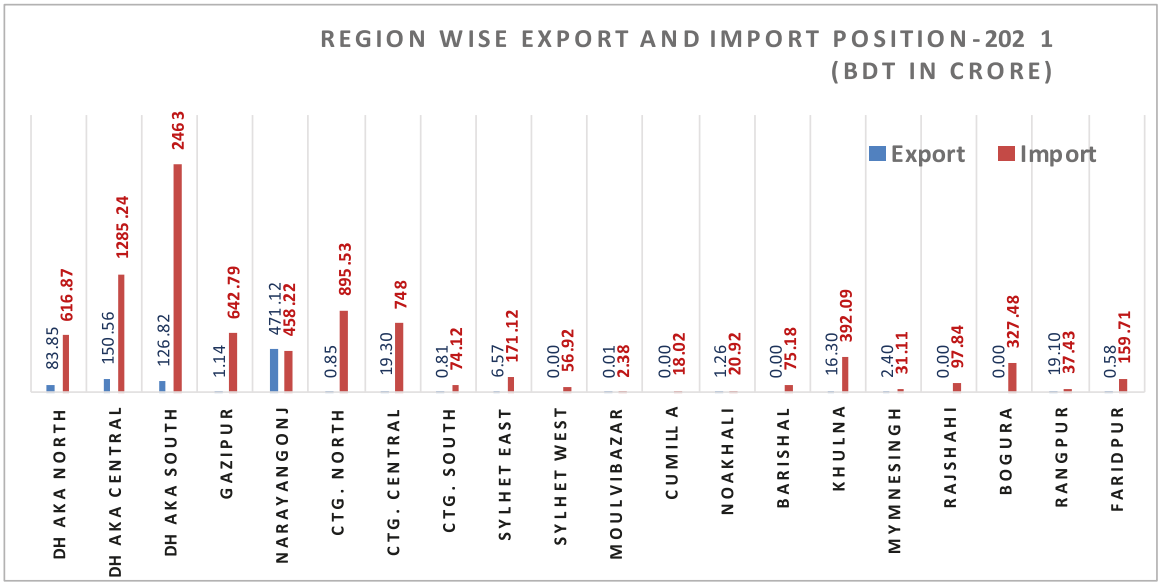


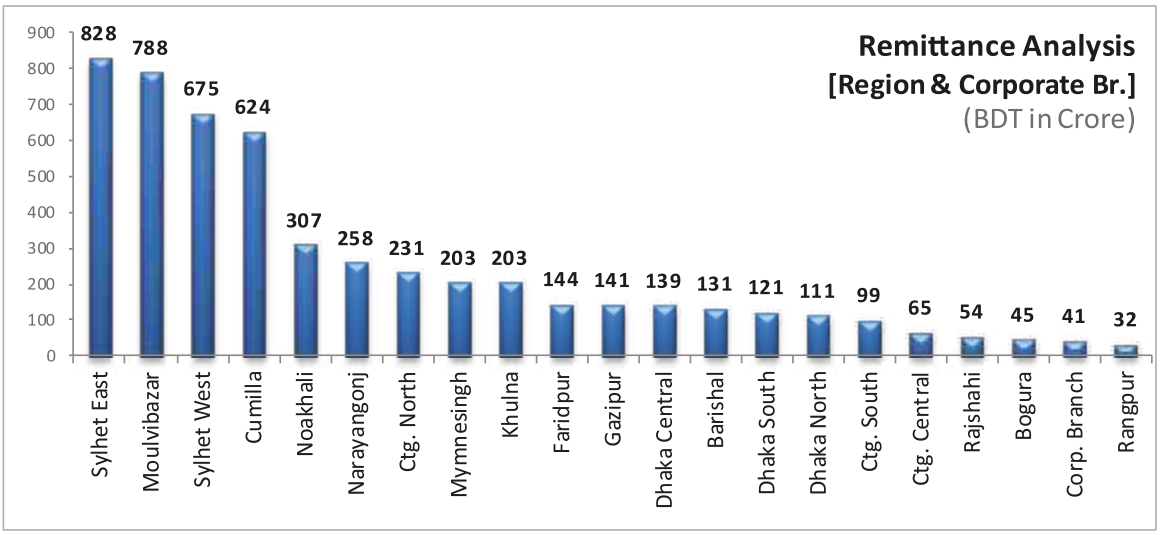




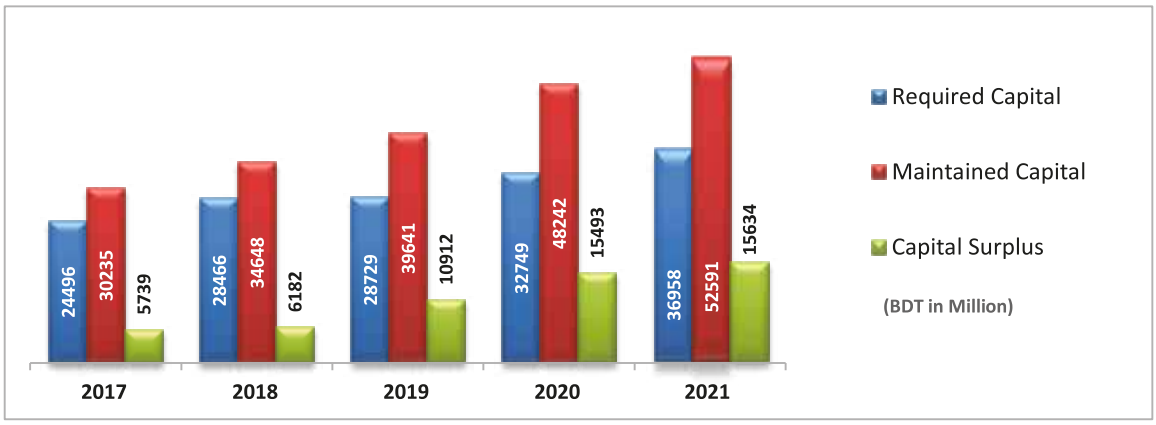
FOREIGN EXCHANGE BUSINESS

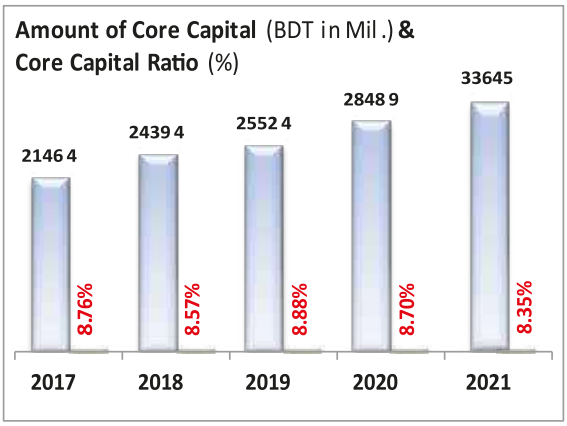


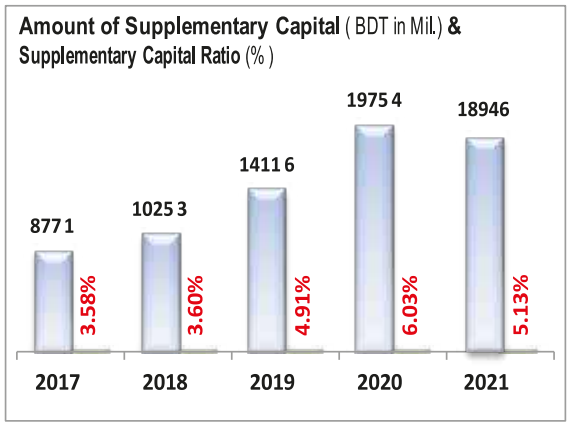


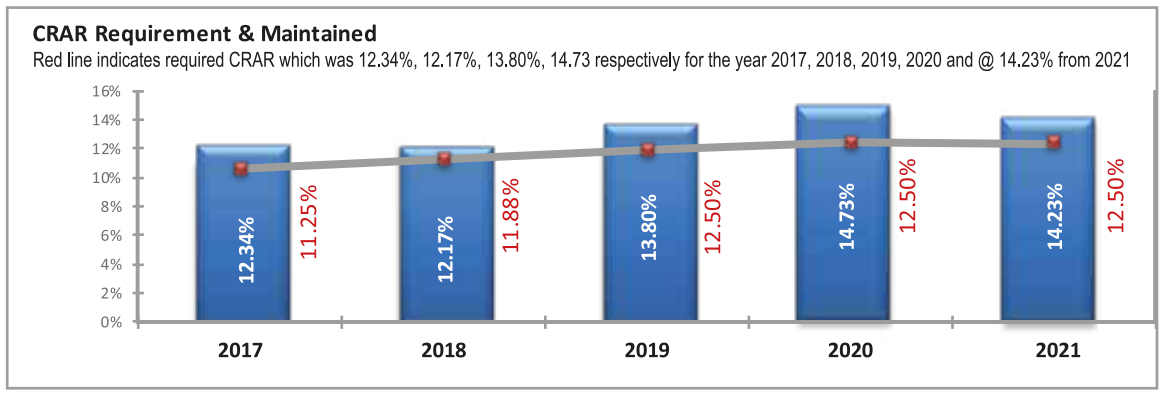


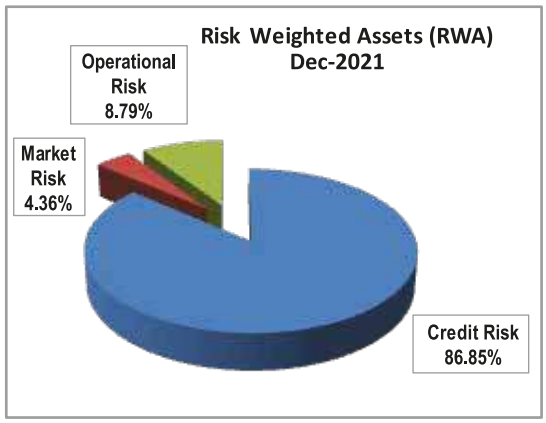
CAPITAL ADEQUICY

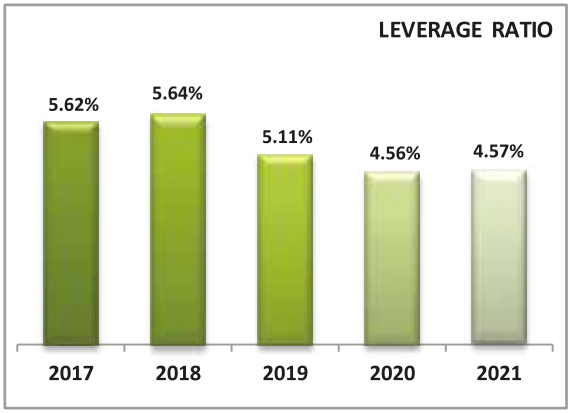












KEY FINANCIAL INFORMATION

Particular	2021	2020	2019	2018	2017
Balance Sheet Matrix					
Authorized capital	20,000	20,000	20,000	20,000	20,000
Paid up capital	10,282.94	10,282.94	10,282.94	9,983.44	9,508.04
Reserve fund & surplus	29,170.61	28,960.24	21,988.76	17,393.66	14,912.27
Total shareholders' equity	39,453.55	39,243.18	32,271.71	27,377.10	24,420.31
Capital employed	355,032.50	323,488.89	246,207.05	198,150.15	184,424.22
Deposits	462,400.22	429,343.02	359,418.89	308,899.77	271,605.83
Loans and advances	376,656.43	315,578.90	287,034.67	270,909.51	239,539.60
Investments	145,632.76	147,906.01	100,603.86	57,660.24	53,527.20
Property, plant & equipment (Fixed Assets)	5,785.75	5,087.99	5,180.80	3,782.35	3,686.86
Total assets	629,184.67	565,032.07	478,074.84	409,744.09	368,314.62
Total off balance sheet exposures	225,455.59	137,695.16	108,500.21	103,703.92	91,098.63
Earning assets	531,301.80	473,085.44	386,774.12	328,464.04	284,243.61
Non-earning assets	97,882.87	91,946.63	91,300.72	81,280.05	63,284.07
Net Assets	39,453.55	39,243.18	32,271.71	27,377.10	24,420.31
Income Statement Matrix					
Interest income	22,737.80	22,716.88	26,060.65	23,987.74	18,991.52
Investment income	15,671.21	12,707.36	7,131.92	5,193.01	5,383.56
Non-interest income	3,616.72	2,751.63	2,909.08	3,044.96	2,910.36
Total income	42,025.73	38,175.87	36,101.65	32,225.71	27,310.89
Interest expenses	21,900.92	19,851.84	17,691.77	14,966.25	11,135.62
Non-interest expenses	10,681.35	9,944.47	8,952.07	8,401.78	7,990.38
Total expenses	32,582.27	29,796.31	26,643.84	23,368.03	19,126.00
Net interest margin (NIM)	836.88	2,865.04	8,368.88	9,021.49	7,855.90
Net non-interest margin	8,606.58	5,514.52	1,088.93	(163.81)	303.54
Operating profit	9,443.46	8,379.56	9,457.81	8,857.68	8,184.89
Earnings before provision, depreciation and tax	10,334.07	9,148.41	10,157.36	9,159.93	8,576.23
Profit before provision & tax	9,443.46	8,379.56	9,457.81	8,857.68	8,184.89
Profit before tax	5,199.66	5,753.25	5,196.15	5,685.80	2,385.08
Net profit after tax	3,904.55	3,669.51	2,143.27	3,424.06	(281.20)
Capital Matrix					
Risk weighted assets (RWA)	369,575.88	327,491.48	287,290.00	284,659.50	244,961.80
Total required capital	36,957.59	32,749.15	28,729.00	28,465.95	24,496.18
Total regulatory capital maintained	52,591.30	48,242.35	39,640.53	34,647.53	30,235.20
Capital surplus/(shortfall)	15,633.71	15,493.20	10,911.53	6,181.58	5,739.02
CRAR/(CAR)	14.23%	14.73%	13.80%	12.17%	12.34%
Core capital ratio	8.35%	8.70%	8.88%	8.57%	8.76%
Supplementary capital ratio	5.13%	6.03%	4.91%	3.60%	3.58%
Amount of core capital (Tier-1)	33,645.13	28,488.80	25,524.32	24,394.18	21,463.95
Amount of supplementary capital (Tier-2)	18,946.17	19,753.55	14,116.21	10,253.35	8,771.25
Asset Quality					
Classified loans & advances (Non-performing loans)	11,480.11	8,622.01	12,560.60	14,778.27	20,786.94
Percentage of NPLs to total loans and advances	3.05%	2.73%	4.38%	5.46%	8.68%
Required provision for unclassified loans	8,152.48	5,897.81	4,127.99	4,001.53	2,312.03
Required provision for classified loans	11,089.95	10,257.81	11,429.95	8,810.37	10,082.69
Total required provision for loans and advances	19,242.43	16,155.62	15,557.94	12,811.90	12,394.72
Total provision maintained for loans and advances	19,253.16	17,155.62	15,559.76	12,811.90	12,396.23
Provision excess/(shortfall) for loans and advances	10.74	1,000.00	1.82	-	1.52
General provision maintained	8,163.22	6,897.81	4,129.81	4,001.53	2,312.03
Specific provision maintained	11,089.95	10,257.81	11,429.95	8,810.37	10,084.20
Classified investment	241.83	242.05	510.50	96.32	5.16
Provision maintained for classified investment	253.50	253.50	510.55	96.35	23.75
Classified other assets	242.56	218.29	97.16	97.46	104.65
Provision maintained for other assets	242.76	218.67	404.37	392.50	296.56
Total classified assets	11,964.50	9,082.35	13,168.26	14,972.05	20,896.75
Total unclassified assets	617,220.17	555,949.72	464,906.58	394,772.04	347,417.87

KEY FINANCIAL INFORMATION

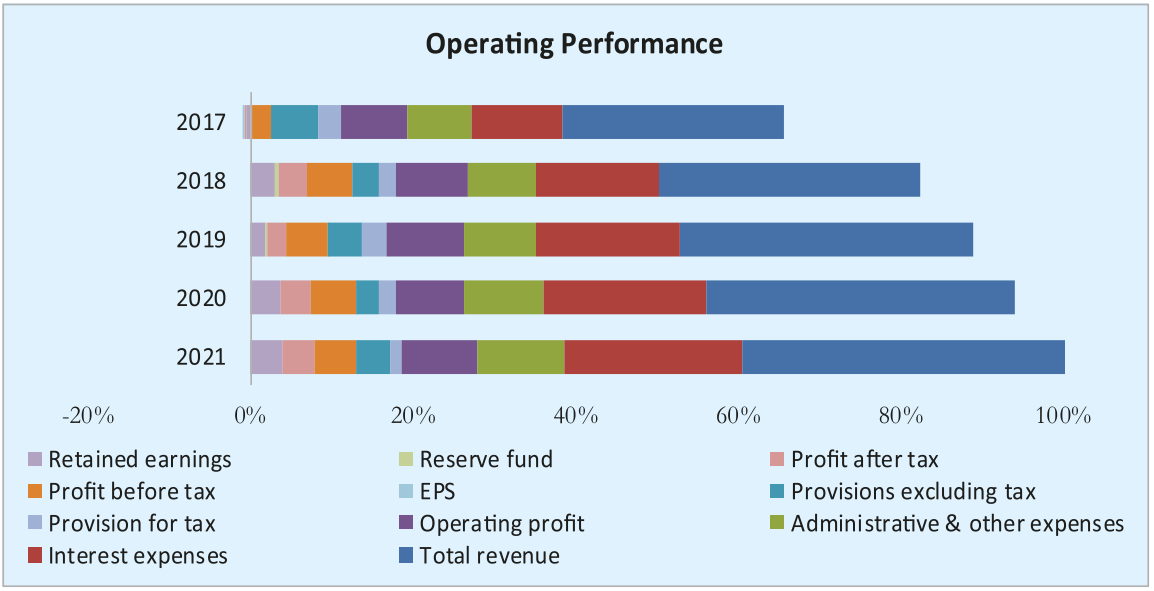
Particular	2021	2020	2019	2018	2017
Asset Quality					
Required provision for contingent liabilities	2,082.47	1,271.80	986.38	929.61	910.99
Provision maintained for contingent liabilities	2,082.95	1,271.95	986.40	930.00	911.30
Current assets	317,806.59	272,830.19	257,607.55	233,358.30	210,170.33
Current liabilities	274,152.17	241,543.18	231,867.79	211,593.94	183,890.40
Net current assets	43,654.42	31,287.01	25,474.17	21,764.36	26,279.93
Long term liabilities	315,578.95	284,680.85	213,669.75	170,773.05	160,003.91
Long term liabilities/current liabilities	1.15	1.18	0.92	0.81	0.87
Foreign Exchange Business					
Import	279,780.03	164,240.37	156,980.10	155,713.70	141,670.20
Export	129,799.36	87,340.06	100,381.90	104,861.60	96,127.50
Foreign remittance	60,500.20	52,113.40	52,660.00	40,564.51	36,593.00
Financial Ratios					
Operating profit ratio	22.47%	21.95%	26.20%	27.49%	29.97%
Gross profit ratio	22.47%	21.95%	26.20%	27.49%	29.97%
Operating profit as a percentage of average working fund	21.63%	26.78%	36.74%	40.70%	31.15%
Return on assets (ROA)	0.65%	0.70%	0.48%	0.88%	-0.08%
Return on equity (ROE)	9.90%	9.46%	7.51%	12.51%	-1.15%
Return on investment (ROI)	4.72%	5.38%	3.68%	6.91%	-0.59%
Return on loans & advances	1.04%	1.16%	0.75%	1.26%	-0.12%
Return on working fund	8.94%	11.73%	8.33%	15.73%	-1.07%
Return on earning assets	0.73%	0.78%	0.55%	1.04%	-0.09%
Operating profit per employee	1.18	1.03	1.16	1.17	1.07
Net profit per employee	0.49	0.45	0.26	0.45	(0.04)
Operating profit per branch	19.27	17.38	19.62	18.73	17.60
Net interest margin as a percentage of working fund	1.92%	9.16%	32.51%	41.45%	29.99%
Net interest margin on earning assets	0.16%	0.61%	2.16%	2.75%	2.58%
Efficiency ratio	0.25	0.26	0.25	0.26	0.29
Burden ratio	1.12%	1.27%	1.26%	1.31%	1.38%
Cost of deposit	3.45%	4.24%	4.38%	4.85%	4.10%
Yield on loans and advances	6.04%	7.20%	9.08%	8.85%	7.94%
Interest spread	2.59%	2.96%	4.70%	4.01%	3.84%
Cost of fund	6.80%	7.09%	7.52%	7.97%	7.42%
Net spread	-0.77%	0.11%	1.56%	0.88%	0.52%
Cost to income ratio (Operating exp. to operating Income)	53.08%	54.27%	48.63%	48.68%	49.48%
Debt equity ratio (times)	14.95	13.41	13.81	13.97	14.08
Current ratio (times)	1.16	1.13	1.11	1.10	1.14
Net asset value per share (NAVPS) (in BDT)	38.37	37.74	31.38	27.42	25.68
Earnings per share (EPS) (in BDT)	3.80	3.57	2.08	3.33	(0.28)
CRAR/ CAR	14.23%	14.73%	13.80%	12.17%	12.34%
Credit deposit ratio	77.58%	70.71%	76.21%	82.94%	83.34%
Cash reserve ratio/Liquidity ratio	3.88%	4.14%	5.35%	5.62%	6.47%
Statutory liquidity ratio (SLR)	27.81%	30.13%	23.40%	14.21%	15.45%
Medium term funding ratio (MTFR)	1.01	0.97	0.97	0.97	1.01
Shares Information Matrix					
Number of shares	1,028,294,218	1,028,294,218	1,028,294,218	998,343,901	950,803,716
Earnings per share (EPS) (in BDT)	3.80	3.57	2.08	3.33	(0.28)
Net asset value per share (NAVPS) (in BDT)	38.37	38.16	31.38	27.42	25.68
Market price per share	26.80	24.10	24.00	26.00	30.40
Dividend:					
Cash	12.50	12.50	10.00	10.00	5.00
Bonus	-	-	3.00	5.00	8.00
Other Information					
Number of branches	490	482	473	465	453
Number of Sub-branches	40	23	-	-	-
Number of employees	8,022	8,118	8,153	7,587	7,652
Number of foreign correspondents (Nostro)	31	31	30	30	31

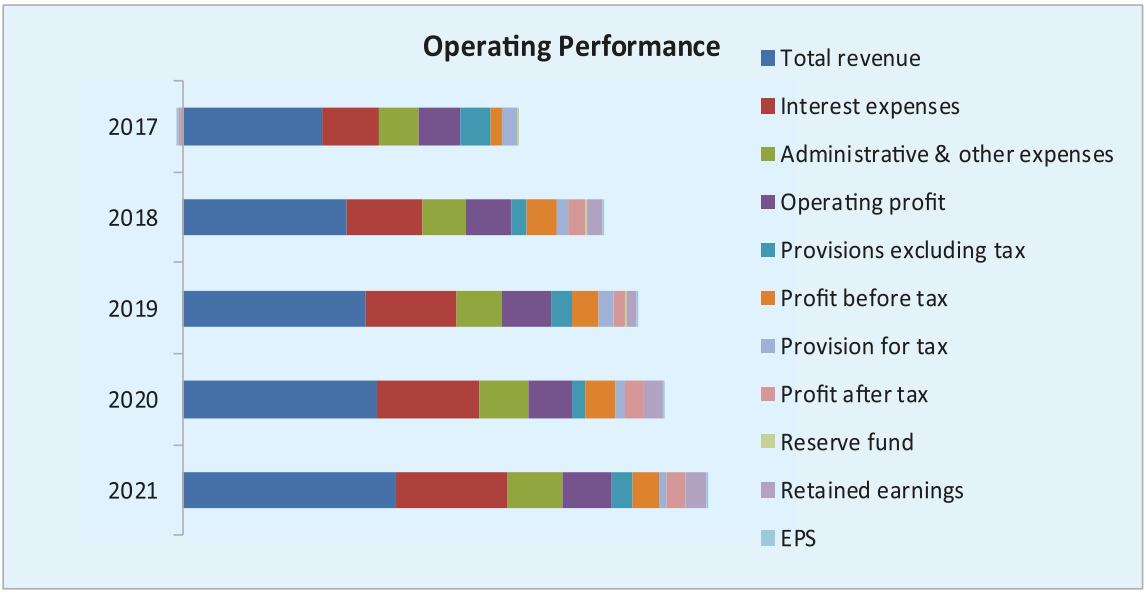
HORIZONTAL & VERTICAL ANALYSIS

Operating performance

(BDT in milli on unless stated otherwise)

Particular	2021	2020	2019	2018	2017
Total revenue	42,025.73	38,175.87	36,101.65	32,225.71	27,310.89
Interest expenses	21,900.92	19,851.84	17,691.77	14,966.25	11,135.62
Administrative & other expenses	10,681.35	9,944.47	8,952.07	8,401.78	7,990.38
Operating profit	9,443.46	8,379.56	9,457.81	8,857.68	8,184.89
Provisions excluding tax	4,243.80	2,626.31	4,261.65	3,171.87	5,799.81
Profit before tax	5,199.66	5,753.25	5,196.15	5,685.80	2,385.08
Provision for tax	1,295.11	2,083.74	3,052.88	2,261.74	2,666.28
Profit after tax	3,904.55	3,669.51	2,143.27	3,424.06	(281.20)
Reserve fund	-	-	299.50	473.25	210.00
Retained earnings	3,904.55	3,669.51	1,843.77	2,950.81	(491.20)
EPS	3.80	3.57	2.08	3.33	(0.28)



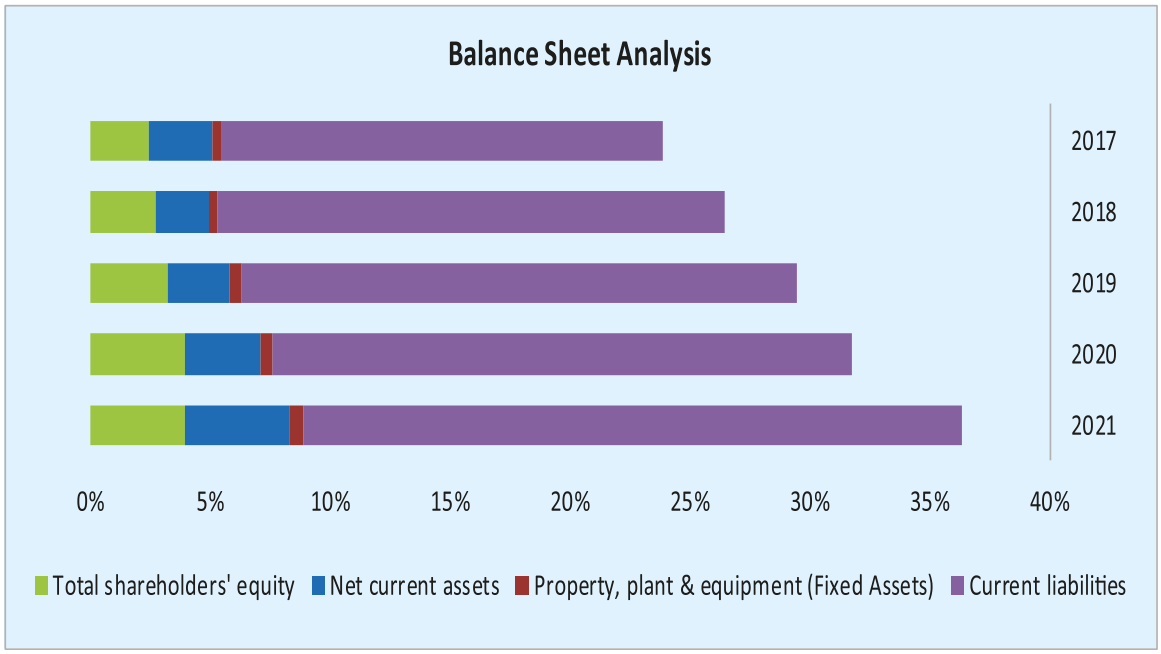


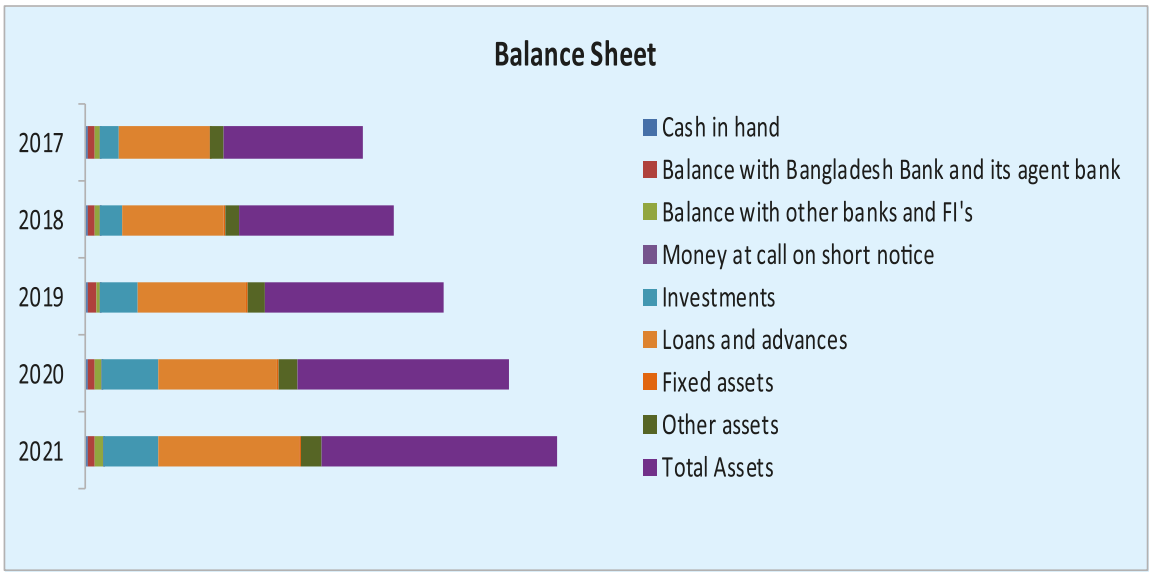
HORIZONTAL & VERTICAL ANALYSIS

Balance Sheet

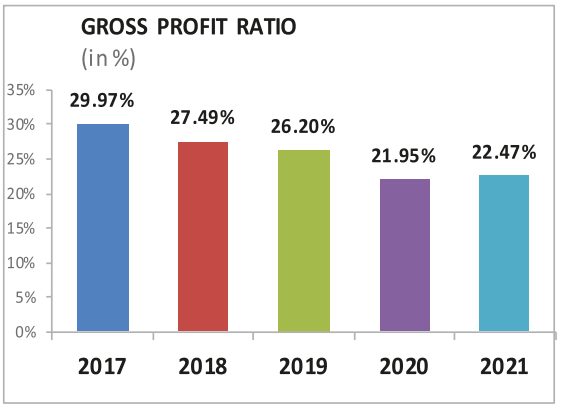
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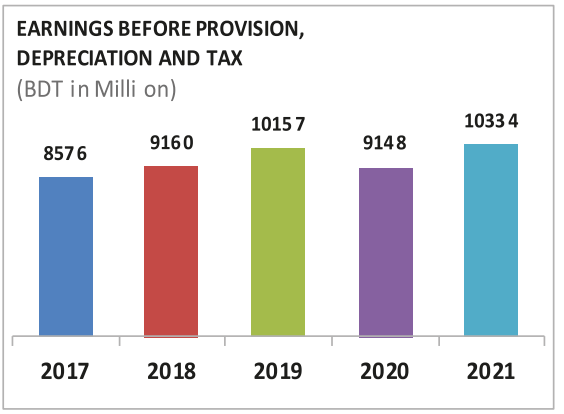
Particular	2021	2020	2019	2018	2017
Cash in hand	5,088.41	4,137.47	4,208.45	3,789.31	3,643.11
Balance with Bangladesh Bank and its agent bank	19,557.92	20,008.97	21,694.54	19,267.54	19,174.68
Balance with other banks and FI's	21,481.97	18,580.80	13,086.55	15,579.62	12,903.22
Money at call on short notice	241.99	1,200.79	126.79	11.29	11.29
Investments	145,632.76	147,906.01	100,603.86	57,660.24	53,527.20
Loans and advances	376,656.43	315,578.90	287,034.67	270,909.51	239,539.60
Fixed assets	5,785.75	5,087.99	5,180.80	3,782.35	3,686.86
Other assets	54,739.06	52,530.76	46,138.80	38,743.86	35,828.29
Total Assets	629,184.67	565,032.07	478,074.84	409,744.09	368,314.62

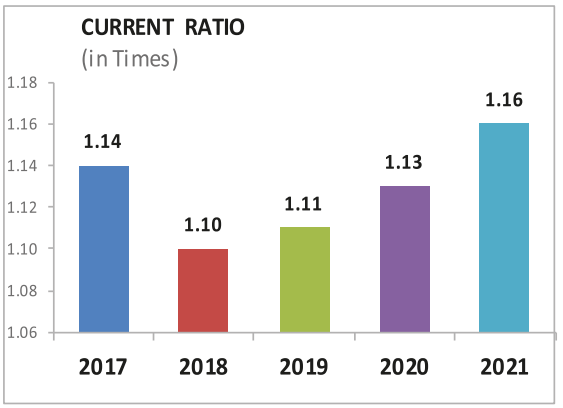


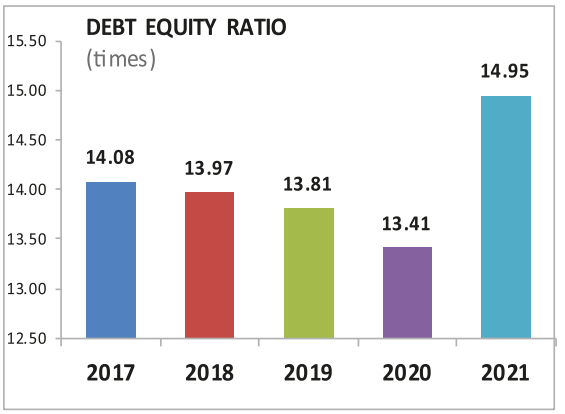


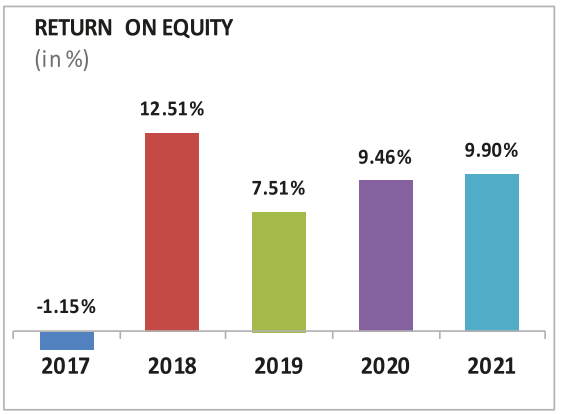
PROFITABILITY, DIVIDEND, PERFORMANCE AND RATIOS

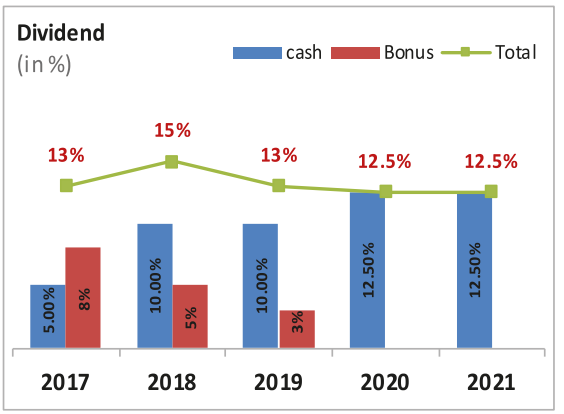


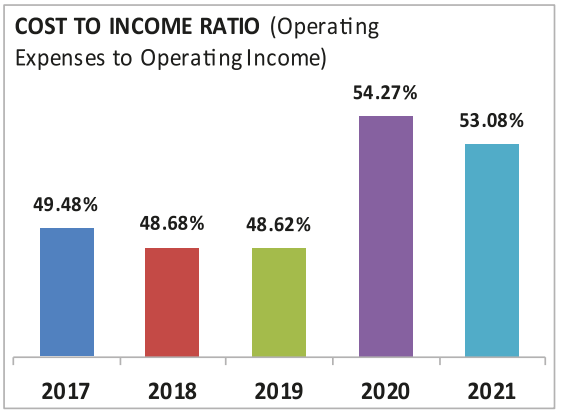


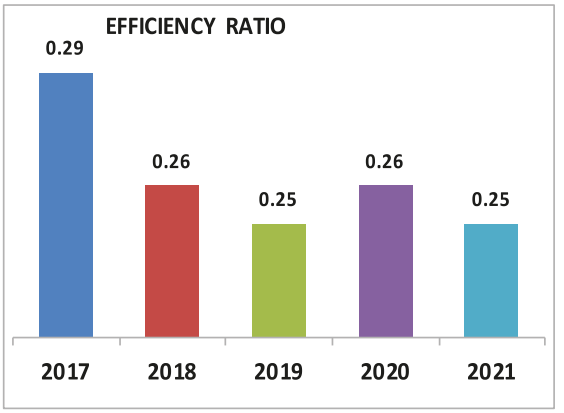












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Independent Auditor's Report

To the Shareholders of Pubali Bank Limited
Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Pubali Bank Limited and its subsidiary (the "Group") as well as the separate financial statements of Pubali Bank Limited (the "Bank"), which comprise the consolidated and separate Balance Sheets as at 31 December 2021, and consolidated and separate Profit and Loss Accounts, consolidated and separate statement of Changes in Equity, and consolidated and separate Cash Flow Statements for the year then ended, and notes to consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC), and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans, advances and leases	
The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex.	We tested the design and operating effectiveness of key controls focusing on the following: · Credit appraisal, loan disbursement procedures, monitoring and provisioning process;

For the individual analysis for large exposure, provision calculation considers the estimates of future business performance and the market value of the collateral provided for credit transactions. For the collective analysis of exposure on a portfolio basis, provision calculation and reporting are manually processed that deal with voluminous databases, assumptions and estimates. Due to the high level of judgment involved and using manual process in estimating the provision for loans and advances, we considered this to be a key audit matter. At year end the Bank reported total gross loans and advances of BDT 376,656 million (2020: BDT 315,579 million) and provision for loans and advances of BDT 19,253 million (2020: BDT 17,156 million).	· Identification of loss events, including early warning and default warning indicators; · Reviewed the adequacy of transfer of interests to the Income account appropriate approvals in line with the Bangladesh Bank's guidelines. Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines. Reviewed the grounds for recommendations for approvals in cases of transfer of interests to Income account; · Assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information; · Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; · Finally, compared the amount of provision requirement as determined by the Bangladesh Bank inspection team to the actual amount of provision maintained.
See note nos. 7 and 14.1 to the financial statements	

Recognition of interest income on loans and advances	
Recognition of interest income has significant and wide influence on financial statements. Recognition and measurement of interest income has involvement of complex IT environments. We identify recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of interest by management to meet specific targets or expectations.	We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans and advances. We performed test of operating effectiveness on automated control in place to measure and recognise interest income. We have also performed substantive procedure to check whether interest income is recognised completely and accurately. We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.
See note no. 22 to the financial statements	

Valuation of treasury bill and treasury bond	
The classification and measurement of T-Bill and T-Bond require judgment and complex estimates. In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.	We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds. We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance and valuation adjustments. We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data. Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note nos. 6 to the financial statements	

Impairment assessment of unquoted investments	
In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques that may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.	We have assessed the processes and controls put in place by the Bank to ensure all major investment decisions are undertaken through a proper due diligence process We tested a sample of investments valuation as at 31 December 2021 and compared our results to the recorded value. Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note nos. 6 to the financial statements	

Measurement of Deferred Tax	
We identified the measurement of deferred tax assets/liabilities as a key audit matter due to the recognition of these assets/liabilities involving judgement by management as to the likelihood of the realization of these deferred tax assets/liabilities, which is based on a number of factors including whether there will	Our procedures in relation to management's assessment about the measurement of deferred tax assets/liabilities included: · Evaluating management's assessment on the sufficiency of future taxable profits in support of the recognition of deferred tax by

be sufficient taxable profits in future periods to support recognition. As disclosed in Note 14.9.1 to the financial statements, as at December 31, 2021 the Bank has recognized BDT 4,020 million (2020: BDT 3,909 million) of deferred tax assets and BDT 83 million (2020: Nill) of deferred tax liabilities in the statement of financial position.	comparing management's forecasts of future profits to historical results and evaluating the assumptions used in those forecasts;and · Obtaining the communications between the Bank and taxation authorities regarding tax positions.
See note nos. 14.9.1 to the financial statements	

IT systems and controls	
Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.	We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configurations and other application layer controls identified as key to our audit. We performed the Tests of IT General Controls to evaluate the Application Development and Database, Hosting Platforms and segregation of incompatible duties relevant to application and database change management.

Legal and regulatory matters	
We focused on this area because the Bank and its subsidiary (the "Group") operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters

respect to the provisions which have been established as other contingent liabilities. Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.	and inspected internal notes and reports. We assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information. We also assessed the Bank's provisions and contingent liabilities disclosure.

Carrying value of investments in the subsidiary by the Bank	
The Bank has invested in equity shares of its subsidiary, namely Pubali Bank Securities Limited. As at 31 December 2021, the carrying value of this investment is BDT 6,599.99 million. At the time of conducting our audit of the separate financial statements of the Bank, we have considered the Recoverable value of the Bank's investments in the above subsidiary stated at cost. Management has conducted an impairment assessment and calculated the recoverable value of its subsidiary in accordance with IAS 36.	We have reviewed Management's analysis of impairment assessment and recoverable value calculation of the subsidiary in accordance with IAS 36. In particular, our discussions with the Management were focused on the continued appropriateness of the Value-in-use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the Value-in-use calculation. We also checked the mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.

Other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the Bank.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company 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.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987, the Bank Company Act 1991 (as amended up to date), the Financial Reporting Act 2015, and the rules and regulations issued by Bangladesh Bank, we also report that:

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

(ii) 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 consolidated financial statements 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:

(a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;

(b) 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 Group and its related entities (other than matters disclosed in these financial statements);

(iii) financial statements of subsidiary namely Pubali Bank Securities Limited has been audited by K. M. Hasan & Co., Chartered Accountants and has been properly reflected in the consolidated financial statements;

(iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;

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

(vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

(vii) the expenditures incurred were for the purpose of the Bank's business for the year;

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

(ix) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;

(x) the information and explanations required by us have been received and found satisfactory;

(xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 8,000 person hours; and

(xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Gorachad Kundu FCA, Partner
A. Qasem & Co., Chartered Accountants
Enrolment No.:1468
Firm Registration No.: 2-PC7202
DVC No.: 2204071468AS352387

Muhammad Farooq FCA, Managing Partner
Howladar Yunus & Co., Chartered Accountants
Enrolment No.: 0521
Firm Registration No.: N/A
DVC No.: 2204070521AS403089

Dated: Dhaka, April 07, 2022



FINANCIAL STATEMENTS

Consolidated Balance Sheet
as at 31 December 2021

PROPERTY AND ASSETS	Notes	2021 Taka	2020 Taka
Cash	**3 (a)**	**24,646,332,580**	**24,146,439,622**
Cash in hand (Including foreign currencies)		5,088,411,673	4,137,466,359
Balance with Bangladesh Bank and its agent Bank (s) (Including foreign currencies)		19,557,920,907	20,008,973,263
Balance with other Banks and Financial Institutions	**4 (a)**	**21,691,865,880**	**18,959,669,720**
In Bangladesh		20,460,626,000	17,400,620,925
Outside Bangladesh		1,231,239,880	1,559,048,795
Money at Call on Short Notice	**5**	**241,986,667**	**1,200,786,667**
Investments	**6 (a)**	**151,927,577,152**	**154,539,484,172**
Government		125,104,787,314	126,428,028,655
Others		26,822,789,838	28,111,455,517
Loans, Advances and Leases	**7 (a)**	**377,437,494,655**	**316,197,329,547**
Loans, cash credits and overdrafts etc.		350,407,454,307	300,133,136,228
Bills purchased & discounted		27,030,040,348	16,064,193,319
Fixed Assets including Premises, Furniture & Fixtures	**8 (a)**	**5,789,396,646**	**5,092,170,514**
Other Assets	**9 (a)**	**48,365,282,374**	**46,355,422,910**
Non-Banking Assets	**10**	**375,246**	**375,246**
Total Assets		**630,100,311,200**	**566,491,678,398**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions & Agents	**11**	**30,019,839,923**	**17,486,797,436**
Subordinated Bonds	**12**	**10,500,000,000**	**11,500,000,000**
Perpetual Bonds	**12.1**	**2,800,000,000**	**-**
Deposits and other Accounts	**13 (a)**	**460,662,845,575**	**428,381,403,670**
Current accounts & Other accounts		59,104,754,646	49,523,394,762
Bills payable		13,829,749,009	14,657,445,295
Savings bank deposits		115,249,019,676	100,270,298,831
Term deposits		261,951,557,060	254,532,597,513
Other deposits		10,527,765,184	9,397,667,269
Other Liabilities	**14 (a)**	**86,330,156,477**	**69,993,596,995**
Total Liabilities		**590,312,841,975**	**527,361,798,101**
Capital / Shareholders' Equity			
Paid up capital	**15.2**	10,282,942,180	10,282,942,180
Statutory reserve	**16**	10,283,000,000	10,283,000,000
Retained earnings	**17 (a)**	14,760,651,431	11,693,829,577
Other reserves	**18 (a)**	4,460,874,559	6,870,107,646
Profit and Loss account surplus	**19 (a)**	-	-
		39,787,468,170	**39,129,879,403**
Non-controlling interest	**20**	**1,055**	**894**
Total Shareholders' Equity		**39,787,469,225**	**39,129,880,297**
Total Liabilities and Shareholders' Equity		**630,100,311,200**	**566,491,678,398**

Consolidated Balance Sheet
as at 31 December 2021

OFF-BALANCE SHEET ITEMS	Notes	2021 Taka	2020 Taka
Contingent Liabilities	21		
Acceptances & endorsements		89,543,886,252	53,089,224,132
Letters of guarantee		32,360,536,133	25,345,020,741
Irrevocable letters of credit		83,959,348,873	46,369,281,181
Bills for collection		17,208,217,494	10,515,149,103
Other contingent liabilities		2,383,598,956	2,376,488,786
Total Contingent Liabilities		**225,455,587,708**	**137,695,163,943**
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 including contingent liabilities		**225,455,587,708**	**137,695,163,943**

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

Safiul Alam Khan Chowdhury
Managing Director

Rana Laila Hafiz
Director

M. Naushad Ali Chowdhury
Director

Monzurur Rahman
Chairman

Signed as per annexed report on even date

Gorachad Kundu FCA, Partner
A. Qasem & Co., Chartered Accountants
Enrolment No.:1468
Firm Registration No.: 2-PC7202
DVC No.: 2204071468AS352387

Muhammad Farooq FCA, Managing Partner
Howladar Yunus & Co., Chartered Accountants
Enrolment No.: 0521
Firm Registration No.: N/A
DVC No.: 2204070521AS403089

Dated, Dhaka
April 07, 2022

Consolidated Profit & Loss Account
for the year ended 31 December 2021

	Notes	2021 Taka	2020 Taka
Operating Income			
Interest income	22 (a)	22,790,938,427	22,740,070,640
Interest paid on deposits, borrowings etc.	23	(21,900,920,809)	(19,851,842,772)
Net Interest Income		**890,017,618**	**2,888,227,868**
Investment income	24 (a)	16,106,453,304	12,890,913,469
Commission, exchange and brokerage	25 (a)	2,411,721,642	1,669,661,946
Other operating income	26 (a)	1,310,732,909	1,161,524,652
Total Operating Income		**20,718,925,473**	**18,610,327,935**
Operating Expenses			
Salaries and allowances	27 (a)	6,521,589,306	6,307,010,647
Rent, taxes, insurance, electricity etc.	28 (a)	552,987,597	513,623,242
Legal expenses	29 (a)	20,133,676	19,036,465
Postage, stamp, telecommunication etc.	30 (a)	92,387,556	58,068,046
Stationery, printing, advertisements etc.	31 (a)	135,835,521	118,528,066
Managing Director's salary and fees	32	14,426,666	14,740,000
Directors' fees	33 (a)	9,645,045	7,282,712
Auditors' fees	34 (a)	1,684,500	1,691,750
Charges on loan losses		-	-
Depreciation and repair of bank's assets	35 (a)	1,122,232,664	967,651,431
Other expenses	36 (a)	2,261,529,949	1,976,507,725
Total Operating Expenses		**10,732,452,480**	**9,984,140,084**
Profit/(Loss) before Provision		**9,986,472,993**	**8,626,187,851**
Provision for Loans, Advances, Investments and other Assets	37 (a)		
Provision for classified loans and advances		1,544,301,000	461,149,107
Provision for unclassified loans and advances		1,859,148,000	2,072,864,396
Provision for diminution in value of Investments		-	152,843,497
Provision for other assets		22,000,000	-
Provision for bad debt offsetting for Islamic Banking		7,352,546	-
Provision for Start-up fund		-	83,795,594
		3,432,801,546	**2,770,652,594**
Provision for exposure of off-balance sheet items	38	811,000,000	-
Total Provision		**4,243,801,546**	**2,770,652,594**
Total Profit/(Loss) before Taxes		**5,742,671,447**	**5,855,535,257**
Provision for current tax	14.9 (a)	1,501,245,368	1,996,194,309
Provision for deferred tax	14.9.1 (a)	(110,343,709)	152,525,280
Total Provision for Taxes		**1,390,901,659**	**2,148,719,589**
Net Profit after Taxation		**4,351,769,788**	**3,706,815,668**
Profit Attributable to			
Equity holders of parent		4,351,769,627	3,706,815,655
Non- controlling interest		161	13
Appropriations		**4,351,769,788**	**3,706,815,668**
Statutory reserve		-	-
Retained surplus carried forward		4,351,769,788	3,706,815,668
Earnings Per Share (EPS) Basic	46 (a)	**4.23**	**3.60**
Diluted		**4.23**	**3.60**

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

Safiul Alam Khan Chowdhury
Managing Director

Rana Laila Hafiz
Director

M. Naushad Ali Chowdhury
Director

Monzurur Rahman
Chairman

Signed as per annexed report on even date

Gorachad Kundu FCA, Partner
A. Qasem & Co., Chartered Accountants
Enrolment No.:1468
Firm Registration No.: 2-PC7202
DVC No.: 2204071468AS352387
Dated, Dhaka
April 07, 2022

Muhammad Farooq FCA, Managing Partner
Howladar Yunus & Co., Chartered Accountants
Enrolment No.: 0521
Firm Registration No.: N/A
DVC No.: 2204070521AS403089

Consolidated Cash Flow Statement
for the year ended 31 December 2021

	Notes	2021 Taka	2020 Taka
a Cash flows from Operating Activities			
Interest receipts in cash		39,976,613,650	32,556,486,305
Interest payments		(22,584,235,462)	(20,037,455,174)
Dividend receipts		468,903,025	367,407,319
Fees and commission receipts		1,892,815,594	1,235,657,928
Recoveries of loans previously written-off		119,640,242	38,717,790
Cash payment to employees		(6,351,825,152)	(5,800,118,855)
Cash payment to suppliers		(234,832,985)	(203,385,558)
Current income tax paid		(1,809,442,190)	(2,873,865,841)
Receipts from other operating activities	40 (a)	2,067,797,864	1,621,660,297
Cash payments for other operating activities	41 (a)	(3,551,879,165)	(3,222,729,185)
Operating Profit before changes in Operating Assets & Liabilities		**9,993,555,421**	**3,682,375,026**
Increase/ (Decrease) in Operating Assets and Liabilities			
Statutory deposits		(1,007,225,797)	(42,537,054,326)
(Purchase)/sale of trading securities		1,288,665,679	(477,984,446)
Loans and advances to customers (other than banks)		(61,077,532,698)	(28,544,225,212)
Other assets	42 (a)	(1,972,119,999)	(1,404,584,652)
Deposits to/from other banks		12,533,042,487	516,449,131
Deposits from customers (other than banks)		33,688,316,097	70,513,522,511
Other liabilities account of customers		8,403,935,424	885,466,738
Other liabilities	43 (a)	1,524,533,644	1,495,583,591
Total Increase/ (Decrease) in Operating Assets and Liabilities		**(6,618,385,163)**	**447,173,335**
Net Cash from/(used in) Operating Activities		**3,375,170,258**	**4,129,548,361**
b Cash flows from Investing Activities			
(Purchase)/Sale of property, plant & equipment		(690,661,807)	(499,058,296)
Net Cash from/(used in) Investing Activities		**(690,661,807)**	**(499,058,296)**
c Cash flows from Financing Activities			
Receipts/(payment) from issue of Subordinated bonds		(1,000,000,000)	2,500,000,000
Receipts from issue of Perpetual bonds		2,800,000,000	-
Effects of exchange rate changes on cash and cash equivalents		2,223,951	-
Dividend Paid		(1,440,237,955)	(967,783,762)
Net Cash from/(used in) Financing Activities		**361,985,996**	**1,532,216,238**
d Net Increase/ (Decrease) in Cash and Cash equivalents (a+b+c)		**3,046,494,447**	**5,162,706,303**
e Cash and Cash equivalents at beginning of the period		**45,296,081,583**	**40,133,375,280**
f Cash and Cash equivalents at end of the period (d+e)	44 (a)	**48,342,576,030**	**45,296,081,583**

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

Safiul Alam Khan Chowdhury
Managing Director

Rana Laila Hafiz
Director

M. Naushad Ali Chowdhury
Director

Monzurur Rahman
Chairman

Signed as per annexed report on even date

Gorachad Kundu FCA, Partner
A. Qasem & Co., Chartered Accountants
Enrolment No.:1468
Firm Registration No.: 2-PC7202
DVC No.: 2204071468AS352387
Dated, Dhaka
April 07, 2022

Muhammad Farooq FCA, Managing Partner
Howladar Yunus & Co., Chartered Accountants
Enrolment No.: 0521
Firm Registration No.: N/A
DVC No.: 2204070521AS403089

Consolidated Statement of Changes in Equity

for the year ended 31 December 2021

Particulars	Paid-up capital	Statutory reserve	Retained earnings	Other reserves	Parent's equity	Non-controlling interest	Total
Balance as at 1 January 2021	**10,282,942,180**	**10,283,000,000**	**11,693,829,577***	**6,870,107,646**	**39,129,879,403**	**894**	**39,129,880,297**
Changes in accounting policy	-	-	-	-	-		-
Restated balance	10,282,942,180	10,283,000,000	11,693,829,577	6,870,107,646	**39,129,879,403**	894	**39,129,880,297**
Adjustment on revaluation of fixed assets	-	-	-	-	-		-
Recognition of deferred tax on revaluation reserve of fixed assets	-	-	-	(83,544,110)	**(83,544,110)**	-	**(83,544,110)**
Surplus/Deficit on account of revaluation of investments	-	-	-	(2,327,912,928)	**(2,327,912,928)**	-	**(2,327,912,928)**
Currency translation differences	-	-	-	2,223,951	**2,223,951**	-	**2,223,951**
Net gains and losses not recognised in the Profit and Loss statement	-	-	-	-	-	-	-
Transfer regarding revaluation reserve on sale of properties	-	-	420,000	-	**420,000**	-	**420,000**
Non-controlling capital	-	-	-	-	-	-	-
Net profit for the year	-	-	4,351,769,627	-	**4,351,769,627**	161	**4,351,769,788**
Transfer to statutory reserve	-	-	-	-	-	-	-
Issue of bonus shares - 2020	-	-	-	-	-	-	-
Proposed dividend (bonus issue)	-	-	-	-	-	-	-
Dividends (cash) for 2020	-	-	(1,285,367,773)	-	**(1,285,367,773)**	-	**(1,285,367,773)**
Balance as at 31 December 2021	**10,282,942,180**	**10,283,000,000**	**14,760,651,431**	**4,460,874,559**	**39,787,468,170**	**1,055**	**39,787,469,225**
Balance as at 31 December 2020	**10,282,942,180**	**10,283,000,000**	**11,693,829,577***	**6,870,107,646**	**39,129,879,403**	**894**	**39,129,880,297**

*Restated balance please read with (note:17)

Safiul Alam Khan Chowdhury
Managing Director

Rana Laila Hafiz
Director

M. Naushad Ali Chowdhury
Director

Monzurur Rahman
Chairman

Signed as per annexed report on even date

Gorachad Kundu FCA, Partner
A. Qasem & Co., Chartered Accountants
Enrolment No.:1468, Firm Registration No.: 2-PC7202, DVC No.: 2204071468AS352387

Dated, Dhaka
April 07, 2022

Muhammad Farooq FCA, Managing Partner
Howladar Yunus & Co., Chartered Accountants
Enrolment No.: 0521, Firm Registration No.: N/A, DVC No.: 2204070521AS403089

Balance Sheet
as at 31 December 2021

PROPERTY AND ASSETS	Notes	2021 Taka	2020 Taka
Cash	3	**24,646,332,580**	**24,146,439,622**
Cash in hand (Including foreign currencies)		5,088,411,673	4,137,466,359
Balance with Bangladesh Bank and its agent Bank (s) (Including foreign currencies)		19,557,920,907	20,008,973,263
Balance with Other Banks and Financial Institutions	4	**21,481,970,782**	**18,580,803,997**
In Bangladesh		20,250,730,902	17,021,755,202
Outside Bangladesh		1,231,239,880	1,559,048,795
Money at Call on Short Notice	5	**241,986,667**	**1,200,786,667**
Investments	6	**145,632,761,738**	**147,906,006,042**
Government		125,104,787,314	126,428,028,655
Others		20,527,974,424	21,477,977,387
Loans, Advances and Leases	7	**376,656,431,938**	**315,578,899,240**
Loans, cash credits and overdrafts etc.		349,626,391,590	299,514,705,921
Bills purchased and discounted		27,030,040,348	16,064,193,319
Fixed Assets including Premises, Furniture & Fixtures	8	**5,785,747,190**	**5,087,992,660**
Other Assets	9	**54,739,062,710**	**52,965,909,215**
Non-banking Assets	10	**375,246**	**375,246**
Total Assets		**629,184,668,851**	**565,467,212,689**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings From Other Banks, Financial Institutions & Agents	11	**30,019,839,923**	**17,486,797,436**
Subordinated Bonds	12	**10,500,000,000**	**11,500,000,000**
Perpetual Bonds	12.1	**2,800,000,000**	**-**
Deposits and Other Accounts	13	**462,400,218,687**	**429,343,017,243**
Current accounts & Other accounts		59,945,604,283	49,702,533,459
Bills payable		13,829,749,009	14,657,445,295
Savings bank deposits		115,249,019,676	100,270,298,831
Term deposits		262,848,080,535	255,315,072,389
Other deposits		10,527,765,184	9,397,667,269
Other Liabilities	14	**84,011,058,850**	**67,894,214,623**
Total Liabilities		**589,731,117,460**	**526,224,029,302**
Capital / Shareholders' Equity			
Paid up capital	15.2	10,282,942,180	10,282,942,180
Statutory reserve	16	10,283,000,000	10,283,000,000
Retained earnings	17	14,426,734,652	11,807,133,561
Proposed issue of bonus shares		-	-
Other reserves	18	4,460,874,559	6,870,107,646
Profit and Loss account surplus	19	-	-
Total Shareholders' Equity		**39,453,551,391**	**39,243,183,387**
Total Liabilities and Shareholders' Equity		**629,184,668,851**	**565,467,212,689**

Balance Sheet
as at 31 December 2021

	Note	2021 Taka	2020 Taka
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities	21		
Acceptances & endorsements		89,543,886,252	53,089,224,132
Letters of guarantee		32,360,536,133	25,345,020,741
Irrevocable letters of credit		83,959,348,873	46,369,281,181
Bills for collection		17,208,217,494	10,515,149,103
Other contingent liabilities		2,383,598,956	2,376,488,786
Total Contingent Liabilities		**225,455,587,708**	**137,695,163,943**
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 Including Contingent Liabilities		**225,455,587,708**	**137,695,163,943**

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

Safiul Alam Khan Chowdhury
Managing Director

Rana Laila Hafiz
Director

M. Naushad Ali Chowdhury
Director

Monzurur Rahman
Chairman

Signed as per annexed report on even date

Gorachad Kundu FCA, Partner
A. Qasem & Co., Chartered Accountants
Enrolment No.:1468
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Muhammad Farooq FCA, Managing Partner
Howladar Yunus & Co., Chartered Accountants
Enrolment No.: 0521
Firm Registration No.: N/A
DVC No.: 2204070521AS403089

Dated, Dhaka
April 07, 2022

Profit & Loss Account

for the year ended 31 December 2021

	Notes	2021 Taka	2020 Taka
Operating Income			
Interest income	22	22,737,798,392	22,716,882,313
Interest paid on deposits, borrowings, etc.	23	(21,900,920,809)	(19,851,842,772)
Net Interest Income		**836,877,583**	**2,865,039,541**
Investment income	24	15,671,212,746	12,707,362,495
Commission, exchange and brokerage	25	2,347,374,875	1,645,114,876
Other operating income	26	1,269,344,666	1,106,512,287
Total Operating Income		**20,124,809,870**	**18,324,029,199**
Operating Expenses			
Salaries and allowances	27	6,488,127,075	6,277,215,193
Rent, taxes, insurance, electricity etc.	28	552,419,215	513,042,827
Legal expenses	29	20,130,708	19,036,465
Postage, stamp, telecommunication etc.	30	92,161,680	57,823,308
Stationery, printing, advertisements etc.	31	135,529,130	118,279,923
Managing Director's salary and fees	32	14,426,666	14,740,000
Directors' fees	33	8,209,545	6,281,712
Auditors' fees	34	1,540,500	1,529,500
Charges on loan losses		-	-
Depreciation and repair of bank's assets	35	1,120,546,674	965,603,956
Other expenses	36	2,248,256,937	1,970,916,962
Total Operating Expenses		**10,681,348,130**	**9,944,469,846**
Profit/(Loss) before Provision		**9,443,461,740**	**8,379,559,353**
Provision for Loans, Advances, Investments and Other Assets	37		
Provision for classified loans and advances		1,544,301,000	461,149,107
Provision for unclassified loans and advances		1,859,148,000	2,072,864,396
Provision for diminution in value of Investments	39	-	8,500,000
Provision for other assets		22,000,000	-
Provision for bad debt offsetting for Islamic Banking		7,352,546	-
Provision for Start-up fund		-	83,795,594
		3,432,801,546	**2,626,309,097**
Provision for exposure of off-balance sheet items	38	811,000,000	-
Total Provision		**4,243,801,546**	**2,626,309,097**
Total Profit/(Loss) before Taxes		**5,199,660,194**	**5,753,250,256**
Provision for current tax	14.8	1,405,506,892	1,931,362,255
Provision for deferred tax	14.9.2.3	(110,395,562)	152,374,560
Total Provision for Taxes		**1,295,111,330**	**2,083,736,815**
Net Profit/(Loss) after Taxes		**3,904,548,864**	**3,669,513,441**
Appropriations			
Statutory Reserve		-	-
Retained surplus carried forward		3,904,548,864	3,669,513,441
Earnings Per Share (EPS) Basic	46	**3.80**	**3.57**
Diluted		**3.80**	**3.57**

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

Safiul Alam Khan Chowdhury
Managing Director

Rana Laila Hafiz
Director

M. Naushad Ali Chowdhury
Director

Monzurur Rahman
Chairman

Signed as per annexed report on even date

Gorachad Kundu FCA, Partner
A. Qasem & Co., Chartered Accountants
Enrolment No.:1468
Firm Registration No.: 2-PC7202
DVC No.: 2204071468AS352387
Dated, Dhaka
April 07, 2022

Muhammad Farooq FCA, Managing Partner
Howladar Yunus & Co., Chartered Accountants
Enrolment No.: 0521
Firm Registration No.: N/A
DVC No.: 2204070521AS403089

Cash Flow Statement

for the year ended 31 December 2021

	Notes	2021 Taka	2020 Taka
a Cash flows from Operating Activities			
Interest receipts in cash		39,923,473,615	32,533,297,978
Interest payments		(22,584,235,462)	(20,037,455,174)
Dividend receipts		275,728,984	211,059,905
Fees and commission receipts		1,828,468,827	1,211,110,858
Recoveries of loans previously written-off		119,640,242	38,717,790
Cash payment to employees		(6,318,362,921)	(5,770,323,401)
Cash payment to suppliers		(234,832,985)	(203,385,558)
Current income tax paid		(1,809,442,190)	(2,873,865,841)
Receipts from other operating activities	40	1,784,343,104	1,539,444,372
Cash payments for other operating activities	41	(3,534,237,046)	(3,212,854,401)
Operating Profit before changes in Operating Assets & Liabilities		**9,450,544,168**	**3,435,746,528**
Increase/ (Decrease) in Operating assets and liabilities			
Statutory deposits		(1,007,225,797)	(42,537,054,326)
(Purchase)/sale of trading securities		950,002,963	(347,660,014)
Loans and advances to customers (other than banks)		(61,077,532,698)	(28,544,225,212)
Other assets	42	(1,741,752,245)	(1,285,506,088)
Deposits to/from other banks		12,533,042,487	516,449,131
Deposits from customers (other than banks)		33,688,316,097	70,513,522,511
Other liabilities account of customers		8,403,935,424	885,466,738
Other liabilities	43	1,569,579,343	1,142,822,145
Total Increase/(decrease) in Operating Assets and Liabilities		**(6,681,634,426)**	**343,814,885**
Net Cash from/(used in) Operating Activities		**2,768,909,742**	**3,779,561,413**
b Cash flows from Investing Activities			
(Purchase)/Sale of property, plant & equipment		(691,190,205)	(499,746,521)
Net cash from/(used in) Investing Activities		**(691,190,205)**	**(499,746,521)**
c Cash flows from Financing Activities			
Receipts/(payment) from issue of Subordinated bonds		(1,000,000,000)	2,500,000,000
Receipts from issue of Perpetual bonds		2,800,000,000	-
Effects of exchange rate changes on cash and cash equivalents		2,223,951	-
Dividend Paid		(1,440,237,955)	(967,783,762)
Net cash from/(used in) Financing Activities		**361,985,996**	**1,532,216,238**
d Net increase/(decrease) in Cash and Cash equivalents (a+b+c)		**2,439,705,533**	**4,812,031,130**
e Cash and cash equivalents at beginning of the period		**43,955,602,287**	**39,143,571,157**
f Cash and cash equivalents at end of the period (d+e)	44	**46,395,307,820**	**43,955,602,287**

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

Safiul Alam Khan Chowdhury
Managing Director

Rana Laila Hafiz
Director

M. Naushad Ali Chowdhury
Director

Monzurur Rahman
Chairman

Signed as per annexed report on even date

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April 07, 2022

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Enrolment No.: 0521
Firm Registration No.: N/A
DVC No.: 2204070521AS403089

Statement of Changes in Equity

for the year ended 31 December 2021

(Figures in Taka)

Particulars	Paid-up capital	Statutory reserve	Retained earnings	Other reserves	Proposed dividend	Total
Balance as at 1 January 2021	**10,282,942,180**	**10,283,000,000**	**11,807,133,561***	**6,870,107,646**	-	**39,243,183,387**
Changes in accounting policy	-	-	-	-	-	-
Restated balance	10,282,942,180	10,283,000,000	11,807,133,561	6,870,107,646	-	39,243,183,387
Adjustment on revaluation of fixed assets	-	-	-	-		-
Recognition of deferred tax on revaluation reserve of fixed assets	-	-	-	(83,544,110)	-	(83,544,110)
Surplus/(deficit) on account of revaluation of investments	-	-	-	(2,327,912,928)	-	(2,327,912,928)
Currency translation differences	-	-	-	2,223,951	-	2,223,951
Net gains and losses not recognised in the Profit and Loss Statement	-	-	-	-	-	-
Transfer regarding revaluation	-	-	-	-	-	-
reserve on sale of properties	-	-	420,000	-	-	420,000
Net profit for the year	-	-	3,904,548,864	-	-	3,904,548,864
Transfer to statutory reserve	-	-	-	-	-	-
Issue of bonus shares - 2020	-	-	-	-	-	-
Proposed dividend (bonus issue)	-	-	-	-	-	-
Dividends (cash) for 2020	-	-	(1,285,367,773)	-	-	(1,285,367,773)
Balance as at 31 December 2021	**10,282,942,180**	**10,283,000,000**	**14,426,734,652**	**4,460,874,559**	-	**39,453,551,391**
Balance as at 31 December 2020	**10,282,942,180**	**10,283,000,000**	**11,807,133,561***	**6,870,107,646**	-	**39,243,183,387**

* Restated balance please read with (note:17)

Safiul Alam Khan Chowdhury
Managing Director

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Monzurur Rahman
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Signed as per annexed report on even date

Gorachad Kundu FCA, Partner
A. Qasem & Co., Chartered Accountants
Enrolment No.:1468, Firm Registration No.: 2-PC7202, DVC No.: 2204071468AS352387

Dated, Dhaka
April 07, 2022

Muhammad Farooq FCA, Managing Partner
Howladar Yunus & Co., Chartered Accountants
Enrolment No.: 0521, Firm Registration No.: N/A, DVC No.: 2204070521AS403089

Liquidity statement (assets and liabilities maturity analysis)

as at 31 December 2021

Particulars	Up to 01 month	01- 03 months	03-12 months	01- 05 years	More then 5 years	Total
Assets						
Cash in hand	24,646,332,580	-	-	-	-	24,646,332,580
Balances with other banks and financial institutions	4,081,593,795	15,429,625,898	1,750,000,000	220,751,089	-	21,481,970,782
Money at call on short notice	241,986,667	-	-	-	-	241,986,667
Investments	4,769,612,536	8,088,440,142	18,404,873,995	45,996,985,982	68,372,849,083	145,632,761,738
Loans & Advances	19,957,966,213	100,892,701,783	117,522,701,966	80,977,779,865	57,305,282,111	376,656,431,938
Fixed assets including premises, furniture & fixtures	-	-	-	3,430,196,368	2,355,550,822	5,785,747,190
Other assets	366,153,114	2,969,128,161	127,096,760	11,028,091,231	40,248,593,444	54,739,062,710
Non-banking assets	-	-	-	-	375,246	375,246
Total Assets	**54,063,644,905**	**127,379,895,984**	**137,804,672,721**	**141,653,804,535**	**168,282,650,706**	**629,184,668,851**
Liabilities						
Borrowings from other banks, financial institutions & agents	5,967,285,008	16,186,015,000	7,866,539,915	-	-	30,019,839,923
Subordinated bonds	-	-	1,800,000,000	8,000,000,000	700,000,000	10,500,000,000
Perpetual bonds	-	-	-	-	2,800,000,000	2,800,000,000
Deposits	42,125,480,904	102,271,197,880	99,302,713,821	65,781,447,042	152,919,379,040	462,400,218,687
Provision & other liabilities	405,908,239	-	23,670,375,561	59,212,575,002	722,200,048	84,011,058,850
Total Liabilities	**48,498,674,151**	**118,457,212,880**	**132,639,629,297**	**132,994,022,044**	**157,141,579,088**	**589,731,117,460**
Net Liquidity Gap	**5,564,970,754**	**8,922,683,104**	**5,165,043,424**	**8,659,782,491**	**11,141,071,618**	**39,453,551,391**

Safiul Alam Khan Chowdhury
Managing Director

Rana Laila Hafiz
Director

M. Naushad Ali Chowdhury
Director

Monzurur Rahman
Chairman

Signed as per annexed report on even date

Dated, Dhaka
April 07, 2022

Notes to the financial statements
as at and for the year ended 31 December 2021

1. The Bank and its activities

1.1 Pubali Bank Limited

Pubali Bank Limited (the "Bank") was incorporated in the year 1959 under the name and style of Eastern Mercantile Bank Limited under Companies Act 1913. After the country's independence in 1971, the Bank was nationalised as per policy of the Government of Bangladesh under the Bangladesh Bank (Nationalisation) Order 1972 (PO No. 26 of 1972) and was renamed as Pubali Bank. Subsequently, the Bank was denationalised in the year 1983 and was again incorporated in the name of Pubali Bank Limited in that year. The government transferred the entire undertaking of Pubali Bank to Pubali Bank Limited, which took over the same as a going concern.

1.2 Principal activities

The Bank engages in all types of commercial banking services as laid down in the Bank Company Act 1991 and directives received from Bangladesh Bank from time to time. It has 490 branches throughout the country. It is listed in both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) as a publicly-traded company.

1.2.1 Islamic Banking Window

Islamic Banking Wing of the Bank has been maintaining a separate set of books and records for its operation. All Assets & Liabilities and Income and Expenditure of this Wing are incorporated in similar heads of account of Bank's Financial Statements. Separate Financial Statements, Balance Sheet and Profit & Loss Statement of Islamic Banking Wing are shown separately as per instruction of Bangladesh Bank BRPD Circular No. 15 dated: November 9, 2009. Basis of distribution of profit and fixation of final rate of return of Islamic Banking Operation for the year 2021 are enclosed in the Annex- D.

1.2.2 Off-shore Banking Unit

Offshore Banking operations have undergone a long development transition in Bangladesh due to global and international business dynamics. To cope with the pace, the Bank started its Offshore Banking operation obtaining the license of operating 02 (two) business units in Dhaka and Chattogram initially.

Later on as per requirement of Bangladesh Bank BRPD circular no. 02 dated February 25, 2019, Offshore Banking division was established to control and supervise Offshore Banking operations of the Bank. The division is situated at 23 Motijheel C/A, AA Bhaban (Level # 4), Dhaka. It commenced its operation on 02.02.2020.

Offshore Banking unit refers to a specific business unit in the form of district branch, booth or desk of a branch of Pubali bank limited (Bank) that is duly approved by Bangladesh Bank (BB) to carry out the offshore banking operation. Separate Financial Statements of the OBUs are shown in Annexure-G.

1.2.3 Pubali Bank Securities Limited,

Pubali Bank Securities Limited (PBSL) was incorporated on the 21st June 2010 under the

Companies Act, 1994 as a public limited company. It is a subsidiary company of Pubali Bank Limited. Pubali Bank Limited holds all the shares of the company except for 13 (thirteen) shares being held by thirteen individuals. The company has been established as per Bangladesh Securities & Exchange Commission's (BSEC) Letter # SEC/Reg/DSE/MB/2009/ 444 dated 20.12.2009. PBSL started its operation with effect February 01, 2011. The Registered office of the company is situated at A-A Bhaban (7th floor), 23 Mothijheel C/A, Dhaka-1000, Bangladesh.

The main object of the company is to carry on the business of a stock broker and stock dealer house and to buy, sell and deal in shares, stocks, debentures, bonds and other securities and to carry on any business as is permissible for a broker and dealer house duly licensed by the Bangladesh Securities & Exchange Commission (BSEC).

1.3 Capital structure of the Bank

The authorized share capital of the Bank is Taka 20,000,000,000 divided into 2,000,000,000 ordinary shares of Taka 10 each which was increased from Taka 10,000,000,000 divided into 1,000,000,000 ordinary shares of Taka 10 each. The face value of each share has also been changed to Taka 10 each from Taka 100 vide special resolution passed in the extra ordinary general meeting held on 6 May 2010 and 15 July 2010 respectively. Details of share capital are given in note no. 15.

2. Basis of preparation of financial statements

2.1.1 Consolidated and Separate Financial Statement

A separate set of records for consolidating the Balance Sheet and Profit and Loss Statement of the branches are maintained at the Head Office of the Bank based on which these financial statements have been prepared.

The consolidated financial statements include the financial statements of Pubali Bank Limited and its subsidiary, i.e. Pubali Bank Securities Limited prepared at the end of the financial year. The consolidated financial statements have been prepared in accordance with International Accounting Standards (IAS)-27, "Separate Financial Statements" and International Financial Reporting Standard (IFRS)-10, "Consolidated Financial Statements". The consolidated Financial Statements are prepared for the same year ended on 31 December 2021.

2.1.2 Statement of Compliance and basis of preparation

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is to be formed and it is to issue financial reporting standards for public interest entities such as banks. The Bank Company Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable. The Bank complied with the requirements of following laws and regulations from regulatory bodies and legal authorities:

i) The Bank Company Act, 1991 and amendment (Up to 2021)
ii) The Companies Act, 1994;

iii) Circulars, Rules and Regulations issued by Bangladesh Bank (BB) time to time;
iv) Bangladesh Securities and Exchange Rules 1987
v) Bangladesh Securities and Exchange ordinance 1969
vi) Bangladesh Securities and Exchange Act 1993
vii) Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015;
viii) The Income Tax ordinance, 1984 and amendment thereon
ix) The Value Added Tax Act, 2012 & Rule 2016 and amendment thereon
x) Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations; and
xi) Financial Reporting Act 2015.

In case any requirement of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank (BB) differ with those of IFRSs, the requirements of the Bank Company Act 1991, and provisions and circulars issued by BB shall prevail. Material departures from the requirements of IFRS are as follows:

i) Presentation of financial statements

IFRS: As per IAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

Bangladesh Bank: A format of financial statements (i.e. balance sheet, profit and loss account, cash flows statement, changes inequity, liquidity statement) is prescribed in the First Schedule" of section 38 of the Bank Company Act 1991 (amended up to 2021) and BRPD circular no. 14 dated 25 June 2003 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

ii) Investment in shares and securities

IFRS: As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 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. As per DOS circular letter no. 03 dated March 12, 2015, investment in Mutual Fund (close-end) is revalued at lower of cost and (higher of market value and 85% of NAV). Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

iii) Revaluation gains/losses on Government securities

IFRS: As per requirement of IFRS 9 where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognised through the profit and loss account. Securities designated as amortised cost are measured at effective interest rate method and interest income is recognised through the profit and loss account.

Bangladesh Bank: HFT securities are revalued on the basis of marked to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortization of discount is recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end, gains on amortisation are recognised in other reserve as a part of equity and losses on amortisation are recognised in Expenditure (Profit and Loss) account according to DOS Circular no. 05 dated 26 May 2008 and subsequent clarification in DOS Circular no. 05 dated 28 January 2009 about marking to market based revaluation.

iv) Provision on loans and advances/investments

IFRS: As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD circular letter no-53 (30 December, 2021), BRPD circular letter no-52 (29 December, 2021), BRPD circular letter no-51 (29 December, 2021), BRPD circular letter no-50 (14 December, 2021), BRPD circular letter no-45 (04 October, 2021), BRPD circular no-19 (26 August, 2021), BRPD circular no-05 (24 March, 2021), BRPD circular no-03 (31 January, 2021), BRPD circular letter no-56 (10 December, 2020), BRPD Circular Letter No. 52 (20 October, 2020), BRPD Circular No. 17 (28 September 2020), BRPD Circular No. 16 (21 July 2020), BRPD circular letter No.07 (19 March 2020), BRPD circular letter No.06 (19 May 2019), BRPD Circular No. 03 (21 April 2019) BRPD Circular No. 15 (27 September 2017), BRPD Circular No. 14 (23 September 2012), BRPD Circular No. 15 (23 September 2012), BRPD Circular No. 32 (27 October 2010) a general provision at 0.25% to 2% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad/losses has to be provided at 5% to 20%, 5% to 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 13 dated 18 October 2018, BRPD circular no. 07 dated 21 June 2018, BRPD circular no. 14 dated 23 September 2012 a general provision at 1% is required to be

provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

v) Other comprehensive income

IFRS: As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank neither include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

vi) Financial instruments - presentation and disclosure

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

vii) Repo and reverse repo transactions

IFRS: As per IFRS 9 when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan and the underlying asset continues to be recognized at amortized cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank: As per DOS Circular letter no. 6 dated 15 July 2010 and subsequent clarification in DOS Circular no 03 dated 30 January 2012 and DOS circular no. 2 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

However, as per DMD circular letter no. 7 dated 29 July 2012, non-primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) programme, whereby such banks may enter collateralized repo arrangements with Bangladesh Bank.

Here the selling bank accounts for the arrangement as a loan, thereby continuing to recognize the asset.

viii) Financial guarantees

IFRS: As per IFRS 9, financial guarantees are contracts that require the issuer to make

specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 14, dated 25 June 2003 financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin and 1% general provision for all contingent liabilities.

ix) Cash and cash equivalent

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7 Statement of Cash Flows.

Bangladesh Bank: Some highly liquid assets such as money at call and short notice, T-bills, prize bonds are not prescribed to be shown as cash and cash equivalents rather shown as face item in the balance sheet. However, in the cash flow statement, money at call and short notice and prize bonds are shown as cash and cash equivalents beside cash in hand, balance with Bangladesh Bank and other banks.

x) Non-banking assets

IFRS: There is no specific guideline on Non-banking asset in IFRS.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, there must exist a face item named Non-banking asset.

xi) Cash flow statement

IFRS: The Cash flow statement can be prepared using either the direct method or the 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 14 dated 25 June 2003, cash flow statement is the mixture of direct and indirect methods.

xii) Balance with Bangladesh Bank: (Cash Reserve Requirement)

IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7 Statement of Cash Flows.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents

xiii) Presentation of intangible asset

IFRS: An intangible asset must be identified and recognised, and the disclosure must be

given as per IAS 38.

Bangladesh Bank: There is no regulation for intangible assets in BRPD 14 dated 25 June 2003.

xiv) Off-balance sheet items

IFRS: There is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee, etc.) must be disclosed separately on the face of the balance sheet.

xv) Disclosure of appropriation of profit

IFRS: There is no requirement to show appropriation of profit on the face of statement of comprehensive income.

Bangladesh Bank: As per BRPD circular no. 14, dated 25 June 2003, an appropriation of profit should be disclosed on the face of profit and Loss Account.

xvi) Loans and Advances/Investments net of provision

IFRS: Loans and advances/Investments should be presented net off provision.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003 provision for loans and advances/investments is presented separately as liability and cannot be netted off against loans and advances.

xvii) Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

xviii) Provision on undrawn loan commitments

IFRS: As per IFRS 9 bank shall recognise credit losses on undrawn loan commitments such as Letter of Credit (L/C), Letter of Guarantee (L/G) etc. as the present value of the difference between the contractual cash flow that are due by the customer if the commitment is drawn down and the cash flows that bank expects to receive.

Bangladesh Bank: As per BRPD Circular no. 07 dated 21 June 2018 and BRPD Circular no.14 dated 23 September 2012, the Bank is required to maintain provision at 1% rate against off-balance sheet exposures (which includes all types of undrawn loan commitments).

2.1.3 Basis of accounting

The financial statements, namely, Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement and relevant notes and disclosures thereto, of the Bank are prepared on a going concern basis under historical cost convention, and in accordance with First Schedule of the Bank Company Act 1991, as amended, BRPD circular no. 14 of 25 June 2003, other Bangladesh Bank circulars, the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987, International Accounting Standards and International Financial Reporting Standards including those that have been so far adopted by the Institute of Chartered Accountants of Bangladesh. Wherever appropriate, such principles are explained in succeeding notes.

2.1.4 Going Concern

The accompanying financial statements have been prepared on a going concern assumption that the Bank will continue in operation for the foreseeable future. The Bank has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the Bank continued to show a healthy trend for couple of years. The rating outlook of the bank, as reported by the rating agency is 'Stable'. The management do not see any issue with respect to going concern due to recent pandemic COVID-19. Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

2.1.5 Use of estimates and judgments

In preparing these consolidated financial statements in conformity with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) management has required to make judgments, estimates and assumptions that act the application of bank's accounting policies and the reported amounts of assets liabilities, income and expenses. Actual results may differ from these estimates.

The most critical estimates and judgments are applied to the following:

- Provision for loan and advances/investments
- Employee benefit
- Income tax
- Deferred tax assets/liabilities
- Useful lives of depreciable assets regard to noncurrent assets
- Revaluation of land

However, underlying assumptions on estimates are reviewed on a going concern basis and revisions thereon are recognized in the period in which the estimates are revised. It is also required to disclose the contingent assets and liabilities at the date of the financial statements in accordance with the guidelines as prescribed by IAS 37: "Provisions, Contingent Liabilities and Contingent Assets".

2.1.6 Foreign currency transactions

i. Functional and presentational currency

Financial statements of the Bank are presented in Taka, which is the Bank's functional and presentation currency.

ii. Foreign currency translation

Foreign currency transactions are converted into equivalent Taka currency at the ruling exchange rates on the respective dates of such transactions as per IAS-21 "The effects of Changes in Foreign Exchange Rates".

Assets and liabilities in foreign currencies at 31 December 2021 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "Balances with other Banks and Financial Institutions."

Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting/ crediting exchange gain or loss account.

iii. Commitment

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities/commitments for letter of credit, letter of guarantee and acceptance denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the date of balance sheet.

2.1.7 Basis of consolidation

A separate set of records for consolidating the Balance Sheet and Profit and Loss Statement of the branches are maintained at the Head Office of the Bank based on which these financial statements have been prepared.

The consolidated financial statements include the financial statements of Pubali Bank Limited and its subsidiary, i.e. Pubali Bank Securities Limited prepared at the end of the financial year. The consolidated financial statements have been prepared in accordance with International Accounting Standards (IAS)-27, "Separate Financial Statements" and International Financial Reporting Standard (IFRS)-10, "Consolidated Financial Statements". The consolidated Financial Statements are prepared for the same year ended on 31 December 2021.

Subsidiaries

Subsidiaries' are entities controlled by the Group. The Group 'controls' an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held (e.g. those resulting from a lending relationship) become substantive and lead to the Group having power over an investee.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.
Intra-company transactions, balances and intra-group gains on transaction between group companies are eliminated on consolidation.

2.1.8 Accounting for Provisions, Contingent Liabilities and Contingent Assets

The Bank recognizes 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 amount 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 events 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.

Such obligations are recorded as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for except in the extremely rare circumstances where no reliable estimate can be made.

Contingent assets are not recognized in the financial statement since this may result in the recognition of income that may never be realized. However due to regulations of Bangladesh Bank (Central Bank of Bangladesh) and Bank Company Act 1991 as amended, all items of such contingent assets/liabilities are shown as Off-Balance Sheet items under Balance Sheet of the Bank as a separate section.

2.1.9 Taxation

Income tax expense represents the sum of the current tax and deferred tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity.

Current tax

The current tax is the expected tax payable on taxable profit for the period ended on 31 December 2021. Taxable profit differs from profit as reported in the Profit and Loss Account because it excludes items of income or expense that are taxable or deductible. The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the date of Balance Sheet.

Provision for current income tax of the bank has been made @ 37.50% on taxable income

considering major disallowances of expenses and concessional rates on certain incomes (0% on gain from govt. securities, 10% on Capital gain of shares and 20% on dividend income) as per Income Tax Ordinance 1984. Tax provision of the subsidiaries at different rates are also applicable as per the Income Tax Ordinance 1984.

Deferred tax

Deferred tax assets or liabilities are recognised by the Bank on deductible or taxable temporary difference between the carrying amount of assets and liabilities used for financial reporting and the amount used for taxation purpose as required by IAS 12 (Income Taxes) and BRPD circular no-11 dated 12 December 2011.

Deferred tax assets is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax loses and credits can be utilized.

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax liabilities are recognised for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases.

Deferred tax assets and liabilities are reviewed at each reporting period and are measured using applicable tax rates as per tax laws that have been enacted or substantially enacted at the date of Balance Sheet. Any unrecognised deferred tax assets and liabilities are reassessed at each reporting period and recognised only if that has become probable that future taxable profit or loss will be available against which they can be used or settled.

Details of deferred tax assets or liabilities an amount recognised in profit and loss account for deferred tax income or expense are given in note no. 14.9.2.2 in the financial statements.

2.1.10 Reporting period

These financial statements cover one calendar year from 01 January 2021 to 31 December 2021.

2.2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements and have been applied consistently by the Bank.

Assets and basis of their valuation

2.2.1 Cash and cash equivalents

Cash and cash equivalents include currency notes and coins on hand, balances held with Bangladesh Bank and most liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Bank to meet its short term obligations.

2.2.2 Investments

All investments are initially recognised at cost, including acquisition charges associated with the investment. Investments classified as government/Bangladesh Bank treasury securities (categorised as HTM or/and HFT) are subsequently measured as per DOS circular no. 5 dated 26 May 2008 and subsequent clarifications on 28 January 2009. Investments classified as non-government treasury securities are subsequently measured either at cost or market value less any recoverable cost. Details are given below:

i) Held to Maturity (HTM)

Investments which are intended to be held till maturity are classified as Held to Maturity (HTM). These are measured at amortised cost at each year-end by taking into account any discount or premium on acquisition. Premiums are amortised and discounts are accredited, using the effective or historical yield. Any increase in value of securities is booked to equity but decrease to profit and loss account. Income is recognised to profit and loss account on earned basis as per BB guideline.

ii) Held for Trading (HFT)

These are investments primarily held for selling or trading. After initial recognition, investments are marked-to-market on weekly basis. Any decrease in revaluation of securities is recognised to profit and loss account, but any increase of value of securities is booked to revaluation reserve account as per BB DOS circular no. 5 dated 28 January 2009. Income is recognised to profit and loss account on earned basis as per BB guideline.

iii) REPO and reverse REPO

The Bank has been recording transactions of REPO and reverse REPO following DOS circular no. 6 dated 15 July 2010 of BB. In case of REPO of both coupon and non-coupon bearing (treasury bill) securities, the Bank adjusts the revaluation reserve account for HFT securities and stops the weekly revaluation (if the revaluation date falls within the REPO period) of the same security. For interest bearing security, the Bank does not accrue interest during REPO period.

2.2.3 Investment in listed securities

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income which are reported at cost. Unrealised gains are not recognised in the profit and loss statement. But provision was made for diminution in value of investment.

As per Bangladesh Bank DOS Circular # 04 dated 24 November 2011, provision for diminution in value of investment was made by netting off unrealilsed gain/ loss of shares from market price/ book value less cost price.

2.2.4 Investment in unquoted securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

Besides, bank complied with Bangladesh Bank BRPD Circular 14 dated June 25, 2003 as follows, "All investments in shares and securities (both dealing and investment) should be revalued at the year- end. The quoted shares should be valued as per market price in the stock exchange(s) and unquoted shares as per book value of last audited balance sheet. Provision should be made for any loss arising from diminution in value of investments."

Investments - Initial recognition and subsequent measurement at a glance

Investments are stated as per following bases:

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Govt. T-bills/bonds - Held for Trading (HFT)	Cost	Fair value	Revaluation loss to profit and loss account, but gain to revaluation reserve account.
Govt. T-bills/T-bonds - Held to Maturity (HTM)	Cost	Amortised cost	Increase in value of securities is booked to equity as amortization gain, but decrease to profit and loss account.
Debenture/bond	Cost	Cost	At realizable value. Unrealised loss to profit and loss account.
Shares (quoted) *	Cost	Lower of cost or market value (portfolio basis)	Provision for revaluation loss (net off gain) is charged to profit and loss account but no unrealised gain booking.
Shares (unquoted)*	Cost	Lower of cost or Net Asset Value (NAV)	Provision for unrealised loss to profit and loss account but no unrealised gain booking.
Mutual fund (closed-end) *	Cost	Lower of cost or (higher of market value or 85% of NAV)	Provision for unrealised loss (net) to profit and loss account but no unrealised gain booking.
Prize bonds	Cost	Cost	None

* Provision for shares against unrealised loss (gain net off) has been made as per DOS circular no. 4 dated 24 November 2011 and for mutual funds (closed-end) as per DOS circular letter no. 3 dated 12 March 2015 of Bangladesh Bank.

2.2.5 Investment in subsidiary

Investment in subsidiary is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the IAS 27 "Separate Financial Statements", IFRS 3 "Business Combination", IAS 36 "Impairment of Assets" and IFRS 10"Consolidated Financial Statements".

2.2.6 Impairment of investment in subsidiaries and associates

As per IAS 36 "Impairment", investment recognized either at cost or equity method need to review if there is any indication of impairment exists. If any indication of impairment exists then impairment test is carried out considering the individual subsidiary/associate as a "cash

generating unit (CGU)" to find if the carrying value is higher than its recoverable amount. Recoverable amount is higher of fair value less cost to sell and value in use. If the fair value less cost to sell is not readily available then value in use is calculated which is basically present value of future cash flows.

2.2.7 Loans and advances

Loans and advances (initial recognition):

'Loans and advances comprise of non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. These are recognised at gross amount on the date on which they are originated. The group has not designated any loans and advances upon initial recognition as at fair value through profit and loss account or other comprehensive income.

After initial recognition, loans, advances and interest receivables are subsequently measured at amortised cost using effective interest rate (EIR) over the relevant periods. The amortised cost of a financial asset is the amount at which the asset is measured at initial recognition less principal repayments, using EIR method. The EIR is the rate that exactly discounts estimated future cash receipts (estimates cash flows considering all contractual terms of the instrument but not future credit losses) during the expected life of the financial instrument.

Loans and advances (provisioning):

Provision for loans and advances is made on the basis of periodical review by the management and of instructions contained in Bangladesh Bank's BRPD circular letter no-53 (30 December, 2021), BRPD circular letter no-52 (29 December, 2021), BRPD circular letter no-51 (29 December, 2021), BRPD circular letter no-50 (14 December, 2021), BRPD circular letter no-45 (04 October, 2021), BRPD circular no-19 (26 August, 2021), BRPD circular no-05 (24 March, 2021), BRPD circular no-03 (31 January, 2021), BRPD circular letter no-56 (10 December, 2020), BRPD Circular Letter No. 52 (20 October, 2020), BRPD Circular No. 17 (28 September 2020), BRPD Circular No. 16 (21 July 2020), BRPD circular letter No.07 (19 March 2020), BRPD circular letter No.06 (19 May 2019), BRPD Circular No. 03 (21 April 2019) BRPD Circular No. 15 (27 September 2017), BRPD Circular No. 14 (23 September 2012), BRPD Circular No. 15 (23 September 2012), BRPD Circular No. 32 (27 October 2010) respectively at the following rates:

(i)	General provision on unclassified loans and advances :	Rate
	Standard general loans and advances (others)	1%
	Standard Small and Medium enterprise Financing	0.25%
	Standard loans to Merchant Banking/BHs/SDs	2%
	Standard loans for professional to set up a business and credit card	2%
	Standard Housing Finance(HF)	1%
	Standard Consumers loan other than HF	2%
	Standard Short term Agri. and Micro credit	1%

	Special Mention Account general Loans and advances (others)	1%
	Special mention account Small and Medium enterprise Financing	0.25%
	Special mention account loansto BHs/MBs/SDs	2%
	Special mention account LP and credit card	2%
	Special mention account Housing Finance (HF)	1%
	Special mention account Consumer's loan scheme other than HF	2%
(ii)	**Specific provision on classified loans and advances :**	
	Substandard (Agri. and Micro credit)	5%
	Substandard (small, cottage, micro)	5%
	Substandard (others)	20%
	Doubtful (Agri. and Micro credit)	5%
	Doubtful (small, cottage, micro)	20%
	Doubtful (Others)	50%
	Bad or Loss	100%

Loans and advances (write-off):

Loans and advances are written off to the extent that there is no realistic prospect of recovery and in accordance with BRPD circular No.01 (06 February 2019), BRPD circular No.13 (07 November 2013), DOS circular No.01 dated (29 December 2004), BRPD letter No.1290 dated 29 March 2003 and BRPD circular No.2 (13 January 2003). These write offs, however, will not undermine/affect the claim amount against the borrowers. Detailed memorandum records for all such written off accounts are meticulously maintained and followed up.

Loans and advances (recovery from written off):

The bank puts continuous effort for recovery from written off loans and advances in compliance with Section 28ka of the Banking Companies Act 1991 (as amended up to date) and BRPD circular no. 01 dated 6 February 2019. The Bank takes necessary legal measures against default borrowers for recovery against written off loans and advances as per relevant BB guidelines and Artha Rin Adalat Act-2003. Legal cost incurred against those borrowers are initially charged to the profit and loss account of the bank.

2.2.8 Property, Plant and equipment

Recognition and Measurement

All fixed assets are stated at cost less accumulated depreciation as per IAS 16 Property Plant and Equipment except Land. Land is initially measured at cost and then recognized at revalued

amount.

The cost of an item of property, plant and equipment is recognized as an asset 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.

The cost of the items of property, plant and equipment comprises:

i) its purchase price, including import duties and non-refundable purchase tax, after deducting trade discount and rebates

ii) any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

iii) the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as consequence of having used the item during a particular period of purpose other than to produce during that period.

Subsequent costs

The cost of replacing part of an item of fixed assets is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of fixed assets are recognized in profit or loss as incurred.

Depreciation

Land is not depreciated. Depreciation is charged at the rates as per our Bank's policy on diminishing balance method with the exception of Computers and Accessories, Machinery and Equipment and Motor vehicles on which straight-line method is applied. Cost of lifts is included in machinery and equipment and depreciated on straight line method. In case of acquisition of fixed assets, depreciation has been charged from the month of acquisition, whereas no depreciation on assets disposed-off has been charged from the month of disposal.

Depreciation at applicable rates is charged on additions to fixed assets during the period from 21 December of the previous Year to 20 December of the current Year. Asset category wise

Category of asset	Method	Rate of Depreciation
Freehold Land	N/A	-
Leasehold Land	Fixed	-
Buildings	Diminishing Balance	2.50%
Furniture and Fixtures	Diminishing Balance	10%
Machinery and Equipment	Straight Line	20%
Computers and Computer Accessories	Straight Line	30%, 30% & 40%
Motor Vehicles	Straight Line	20%

depreciation rates are as follows:

Gain or Loss on disposal of Fixed Assets

Sale price of fixed assets are determined on the basis of fair value of the assets. Gain or loss on sale of assets are recognized in profit and loss account as per provision of IAS 16 Property plant and equipment.

Revaluation

Increases in the carrying amount as a result of revaluation is credited directly to shareholders equity under the heading of revaluation reserve. Decreases in the carrying amount as a result of revaluation is recognized as an expense. However, a revaluation decrease is charged directly against any related revaluation surplus to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same assets.

2.2.9 Intangible assets and amortization of intangible assets

An intangible asset is recognized (as per IAS-38) if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably. The estimated useful life of software is three to five years. Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. System and software is amortized at the rates of 30%, 30% and 40% on the straight line basis. Expenditure incurred for system and software is capitalized only when it enhances and extends the economic benefits of software beyond its original specification and life and such cost is recognized as capital improvement and added to the original cost of software.

2.2.10 Investment properties

a) Investment property is held to earn rentals or for capital appreciation or both and the future economic benefits that are associated with the investment property but not held for sale in the ordinary course of business.

b) Investment property is accounted for under cost model in the financial statements. Accordingly, after recognition as an asset, the property is carried at its cost, less accumulated depreciation and accumulated impairment loss.

2.2.11 Other assets

Other assets include mainly advance office rent, payment of advance income tax has not been closed yet and all other financial assets, fees and other unrealized income receivable, advance for operating expenditure and stocks of stationery and stamps etc. Any part of uncollectible other assets is subject to making provision based on their ageing as per Bangladesh Bank circular no. 14 date 25 June 2001.

2.3 Liabilities and basis of their valuation

2.3.1 Subordinated Bonds & Perpetual Bonds

Subordinated bonds include fund raised from several banks through issuance of 7 (seven) years Bonds. These items are brought to financial statements at the gross value of the

outstanding balance.
Unsecured, Contingent-Convertible, fully paid-up, non-cumulative, Basel III compliant perpetual bonds are issued for raising Additional Tier-I Capital.

2.3.2 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents include refinance from Bangladesh Bank against agro-based credit, SME Loan etc., interest-bearing borrowings against securities from Bangladesh Bank and call borrowing from other banks. These items are brought to financial statements at the gross value of the outstanding balance. Details are shown in note 11.

2.3.3 Deposits and other accounts

Deposits and other accounts include non-interest-bearing current deposit redeemable at call, interest bearing on demand and short-term deposit, savings deposit and fixed deposit. These items are brought into financial statements are at the gross value of outstanding balance. Details are shown in note 13.

2.3.4 Other Liabilities

Other liabilities comprise items such as provision for loans and advances, provision for interest receivables, provision for taxes, interest payable, interest suspense, and accrued expenses. Other liability is recognized in the balance sheet according to the guideline of Bangladesh bank, IAS and IFRS, Income Tax Ordinance-1984 and internal policies of the Bank.

Provisions and accrued expenses are recognized in the financial statement 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.

2.4 Capital/Shareholders' equity

Capital management

"The Bank has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. This capital management process aims to achieve the following objectives:

- To comply with the capital requirements set by the regulators;
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- To maintain a strong capital base to support the development of its business.

Capital is managed in accordance with the Board approved Capital Management Planning. Senior management develops the capital strategy and oversee the capital management planning of the Bank. The Bank's finance, treasury and risk management departments are key participators in implementing the Bank's capital strategy and managing capital. Capital is managed using both regulatory capital measures and internal matrix."

2.4.1 Authorised capital

Authorised capital is the maximum amount of share capital that the Bank is authorised by its Memorandum and Articles of Association.

2.4.2 Paid up capital

Paid up capital represents total amount of shareholders' capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding-up of the Bank, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

2.4.3 Statutory reserve

Statutory reserve has been maintained at the rate of 20% of profit before tax in accordance with provisions of section 24 of the Bank Company Act, 1991. Such transfer shall continue until the reserve balance equals it's paid up capital together with the share premium.

2.4.4 Revaluation reserve

Revaluation reserve for government securities

Revaluation reserve for government securities arises from the revaluation of treasury bills, Bangladesh Bank bills and treasury bonds (HFT and HTM) in accordance with the DOS Circular no. 5 dated 26 May 2008 and DOS (SR) 1153/120/2010 dated 08 December 2010.

Revaluation reserve for fixed assets

Revaluation reserve for fixed assets arises from the revaluation of any class of fixed assets when the market price of the assets increased significantly from the carrying value. When an asset's carrying amount is increased as a result of revaluation, the increased amount is recognised directly to equity under the heading of revaluation surplus/reserve as per IAS 16 "Property, Plant and Equipment".

2.4.5 Non-controlling (minority) interest

Minority interest (non-controlling interest) in business is an accounting concept that refers to the portion of a subsidiary company's stock that is not owned by the parent company. The magnitude of the minority interest in Pubali Bank Securities Limited, (a majority owned subsidiary (99.99%) of Pubali Bank Limited) is very insignificant. Minority interest belongs to sponsor Director of the Bank and is reported on the consolidated balance sheet to reflect the claim on assets belonging to the other non-controlling shareholder. Also, minority interest is reported on the consolidated income statement as a share of profit belonging to the minority shareholder.

2.5 Retirement benefits to the employees

a) Provident fund

The Bank operates a contributory provident fund for its eligible employees. The Commissioner of Income Taxes, Dhaka has approved the provident fund as a recognized provident fund as per section 2(1) of Part B of the First Schedule of Income Tax Ordinance 1984. The Fund is administered by a Board of Trustees consisting 3 (three) members and funded by contributions both from employees 10%-30% and Bank @10% of basic salary. Provident fund is invested by the Trustees as laid down in clause (2) of rules 3 (1) of the Income-Tax (Provident Fund Relief Rules) (Notification no.9 dated 15.3.1930) whereas Trust Act 1882. Interest earned from the investment is credited to the members' accounts annually. Provident fund benefits are given to the employees of the Bank in accordance with provident fund rules of the Bank.

b) Gratuity

The Bank has been maintaining an employee gratuity fund in the name of Pubali Bank Limited Gratuity Fund under which benefits are given to the staff of the Bank in accordance with the rules of gratuity fund. National Board of Revenue has approved the gratuity fund as a recognised gratuity fund vides their letter no. 6(16) /2007/822 of 14 November 2007. The Fund is operated by a Board of Trustees consisting 5 (five) members of the Bank.

Provision for gratuity is made on monthly basis on the basis of actuarial valuation. Pubali Bank Limited maintained an investment of Tk. 352.56 crore as gratuity fund against the Gratuity Liability as on 31.12.2021. Three years, or immediately after any major change in the salary structure that could impact the periodic amount of contributions. Last actuarial valuation was done based on 31 December 2018. As per this valuation, effective from 01 January 2019.

c) Workers' Profit Participation Fund (WPPF)

As per Bangladesh Labour Act 2006 and SRO no. 336/Law/2010, all companies fall within the scope of WPPF are required to provide @ 5% of its profit before charging such expense to their eligible employees within the stipulated time. Consistent with the industry practice and subsequent clarification given by Bank & Financial Institutions Division (BFID), Ministry of Finance, no provision has been made by the Bank in the reporting period against Workers' Profit Participation Fund (WPPF).

d) Other Employee Benefits

Group Term Life Insurance

All regular employees are eligible for Group Term Life Insurance (death claim) according to their Ranks.

Staff Welfare Fund

The objective of the Staff Welfare Fund is to provide financial assistance to regular category employee and their declared dependents of the bank incurring severe accident during office duty, extended illness (not more than 6 months) which costs would not be affordable by the employee and which are not covered by any other means. This fund also offers Scholarship grants to their children for their outstanding performance in public examination. All members of this Fund shall contribute monthly to the fund according to their designation. The subscription is deducted from salary of employees and credited against separate index no. in "Staff Welfare fund" as a liability of the bank. The committee shall consist of 7 (seven) members including the Managing Director as the ex-officio Chairman, one DMD Head of the Human Resources Division as ex-officio Member-Secretary, one GM, one DGM and one AGM

to be appointed by the Board of Directors of the Bank and one representative of the CBA to be selected by them.

Festival bonus

All regular employees are entitled for two festival bonuses every year by the approval of Board of Directors.

Annual leave

According to Bangladesh Bank policy all permanent employees have to avail 10 consecutive days of mandatory leave. Besides this ordinary leave, maternity leave, casual leave & quarantine leave also sanctioned in favor of the official as per leave guidelines as stated in the Service Rule of the Bank.

Subsidized Scheme - Staff Loan

Demand Loan against P.F., Consumers Loan Scheme, House Building Loan, Education Loan, Car Loan, and Motor Cycle Loan are provided to the confirmed employee at a subsidized rate. Criteria & details of types wise staff loan is given below:

Staff Loan Scheme

A Confirmed employee who have completed at least 05 (Five) years of service in the Bank having clean service record can avail Staff Consumers Loan taking approval from department head and head of HR subject to completion of a specific service length. A confirmed employee can also avail Demand Loan against P.F. Balance if he/she has clean service record.

House building Loan

A regular confirmed employee whose length of service completing at least 05 (Five) years and 02 (two) years active service before retirement can avail the loan maximum 120 times of his existing basic pay at the rate of interest 4% (simple) per annum for 20 years by the authority of Staff House Building Loan Sanctioning Committee.

Car Loan & Motorcycle Loan

All Executives i.e. AGM and above can avail Car Loan facility by taking approval from the Car Loan Recommending Committee and all confirmed Officers are eligible for Motor Cycle Loan (Interest free) by taking approval from the competent authority at Head Office.

2.6 Revenue recognition

i) Interest income

Interest on unclassified loans and advances (except those of rescheduled and stay order accounts) is recognised as income on accrual basis, interest on classified loans and advances (including rescheduled and stay order accounts) is credited to interest suspense account with actual receipt of interest there from credited to income as and when received as per instruction contained in BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 03

dated 21 April 2019, BRPD circular no. 8 dated 12 April 2020, BRPD circular no 12 dated 10 June 2020, BRPD circular no 17 dated 28 September 2020 and BRPD circular letter no 56 dated 10 December 2020. BRPD circular letter no-50 (14 December, 2021), BRPD circular letter no-52 (29 December, 2021) and BRPD circular letter no-53 (30 December, 2021).

ii) Income from investments (interest and others)

Income on investments in Government and other securities, debentures and bonds are accounted for on accrual basis as per the provisions of IFRS 15 Revenue from contracts with customers and relevant Bangladesh Bank guidelines.

iii) Fees and commission income

Fees and commission income arising from services provided by the Bank are recognised as income on earned basis as per IFRS 15 Revenue from contracts with customers. Fees and commission charged to customers on trade finance i.e., L/C, L/G, acceptance and other general banking services i.e., card services, management fees, arrangement fees, locker charges etc. are recognised as income when a performance obligation is satisfied by transferring a promised service to customer by the bank, and at the time of effecting the transactions except those which are received in advance.

iv) Income from investments (non-interest income)

Non-interest investment income i.e., gain/loss arising from trading in government securities (HFT), quoted and unquoted shares & mutual funds are recognised in profit and loss account at the time of effecting the transactions except those which are restricted by Bangladesh Bank.

v) Dividend income

Dividend income is recognized when shareholders' right to receive is established.

2.7 Earnings per share

Earnings per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as on 31 December 2021 as per IAS-33 "Earnings per Share". Diluted earnings per share was not required to calculate as no dilution occurred.

2.8 Provisions on balances with other banks and financial institutions (Nostro accounts)

Provisions for unsettled transactions on nostro accounts are reviewed semi-annually by management and certified by our external auditors in accordance with Bangladesh Bank Foreign Exchange Policy Department (FEPD) Circular No. 677 (13 September 2005). Bank is required to make provision regarding the un-reconciled debit balance as at balance sheet date.

2.9 Reconciliation of books of account

Books of account in regard to inter-bank (inside Bangladesh and outside Bangladesh) and inter-branch transactions are being regularly reconciled. The Bank however, formed a task force to take positive steps to eliminate the long outstanding inter-branch entries within the shortest period of time.

2.10 Basis of preparation of liquidity statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following basis:

Particulars	Basis of use
Cash, balance with other banks and financial institutions, money at call and short notice, etc.	Stated maturity/observed behavioral trend.
Investments	Residual maturity term.
Loans and advances	Repayment/maturity schedule and behavioral trend (non-maturity products).
Fixed assets	Useful life.
Other assets	Realisation/amortisation basis.
Borrowings from other banks and financial institutions	Maturity/repayment term.
Deposits and other accounts	Maturity and behavioral trend (non-maturity products).
Other long term liability	Maturity term.
Provision and other liability	Settlement/adjustment schedule basis.

2.11 Dividend

Dividend on ordinary shares are recognized as a liability and deducted from retained earnings when they are approved by the shareholders in the Annual General Meeting (AGM) of the Bank.

2.12 Compliance of International Accounting Standard, International Financial Reporting Standard (IAS), (IFRS)

Ref.	Name of the standards	Status
IFRS-1	First-time adoption of International financial Reporting Standards	Not applicable
IFRS-2	Share-based Payment	Not applicable
IFRS-3	Business Combinations	Complied
IFRS-4	Insurance Contracts	Not applicable
IFRS-5	Non-current assets Held for Sale and Discounted Operations	Not applicable
IFRS-6	Exploration for and Evaluation of Mineral Resources	Not applicable
IFRS-7	Financial Instruments: Disclosures	Complied *
IFRS-8	Operating Segments	Complied
IFRS-9	Financial Instruments	Complied *
IFRS-10	Consolidated Financial Statements	Complied
IFRS-11	Joint Arrangements	Not applicable
IFRS-12	Disclosure of Interests in Other Entities	Not applicable

Notes to the financial statements
as at and for the year ended 31 December 2021

Ref.	Name of the standards	Status
IFRS-13	Fair Value Measurement	Complied
IFRS-14	Regulatory Deferral Accounts	Not applicable
IFRS-15	Revenue from Contracts with Customers	Complied
IFRS-16	Leases	Complied
IAS-1	Presentation of Financial Statements	Complied
IAS-2	Inventories	Not applicable
IAS-7	Statement of Cash Flows	Complied
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
IAS-10	Events after the Reporting Period	Complied
IAS-12	Income taxes	Complied
IAS-16	Property, Plant and Equipment	Complied
IAS-19	Employee Benefits	Complied
IAS-20	Accounting for Government Grants and Disclosure of Government Assistance	Not applicable
IAS-21	The Effect of Changes in Foreign Exchanges Rates.	Complied
IAS-23	Borrowing Cost	Complied
IAS-24	Related party Disclosures	Complied
IAS-26	Accounting and Reporting by Retirement Benefit Plans	Not applicable
IAS-27	Separate Financial Statements	Complied
IAS-28	Investment in Associates	Not applicable
IAS-29	Financial Reporting in Hyperinflationary Economies	Not applicable
IAS-32	Financial Instruments: Presentation	Complied *
IAS-33	Earnings per Share	Complied
IAS-34	Interim Financial Reporting	Complied**
IAS-36	Impairment of Assets	Complied
IAS-37	Provisions, Contingent Liabilities and Contingent Assets	Complied
IAS-38	Intangible Assets	Complied
IAS-39	Financial Instruments: Recognition and Measurement	Complied *
IAS-40	Investment Property	Not applicable
IAS-41	Agriculture	Not applicable

* Complied to the extent possible subject to compliance to Bangladesh Bank guidelines in this respect.

** Complied in the preparation of interim financial reports of the Bank.

Reason for departure from IFRS

The central Bank of Bangladesh (Bangladesh Bank) as regulator to the Banking Industry has issued a number of circulars/directives which are not consistent with the requirements specified in the IAS/IFRS as referred above. In such cases the bank has followed the regulatory requirements specified by the Bangladesh Bank.

Standards issued but not yet effective

A number of standards and amendments to standards are effective for annual periods beginning on or after 1 January 2022 and earlier application is permitted. However, the Bank has not early applied the following new standards in preparing these financial statements.

A. IFRS 17 Insurance Contracts

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 01 January 2023. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed in potential impact of IFRS 17 on its financial statements.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Bank in the current or future reporting periods and on foreseeable future transactions.

2.13 Implementation of IFRS 16 and its relevant assumptions and disclosure

IFRS 16: Leases has come into force on 1 January 2019, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). As Bangladesh Bank (BB) has no other alternative regulation or guidance regarding the same, IFIC Bank applied IFRS 16 its financial statements using modified retrospective approach where the Bank measured the lease liability at the present value of the remaining lease payments, discounted it using the bank's incremental borrowing rate at the date of initial application, and recognized a right-of-use asset at the date of initial application on a lease by lease basis. Due to applying modified retrospective effect, prior year results have not been restated.

Right-of-use assets (ROU)

The Bank recognizes right-of-use assets at the date of initial application of IFRS 16. The ROU asset is initially measured at cost at the amount of the lease liability plus any initial direct costs incurred by the lessee and depreciated using the straight line methods from the commencement date (from the beginning of 2019) to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The ROU assets are presented under fixed assets (note 9).

Lease Liability

At the commencement date of lease, the bank recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term using incremental borrowing rate at the date of initial application. Lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments.

The impact of the new standard on lessees' financial statements are:

- An increase in recognized assets and liabilities;
- More lease expenses recognized in early periods of lease, and less in the later periods of a lease;
- A shift in lease expense classification from rental expenses to interest expense and depreciation

Summary of IFRS 16 Leases, summary of lease related information is provided in the table below: BDT in million

Particulars	ROU Assets	Lease Liability
Opening Balance	1,417.28	1,181.42
Addition	782.57	782.57
Adjustment Advance rent	-	(17.10)
Interest Expense	-	111.73
Accumulated Depreciation/Lease Payment	(458.38)	(558.16)
Closing Balance	1,741.47	1,500.46

2.14 Risk Management

Banking companies in Bangladesh, while conducting day-to-day operations, usually face Credit Risk, Internal Control & Compliance Risk, Money Laundering Risk, Asset Liability Management Risk, Foreign Exchange Risk, and Information Technology Risk. Moreover, Residual Risk, Concentration Risk, Liquidity Risk, Reputation Risk, Strategic Risk, Settlement Risk and Environmental & Climate Change Risk are also brought into consideration. Success or failure of the bank depends to a great extent on proper identification and minimization of these risks. As per the BRPD Circular no.11 dated 27 October 2013, a Risk Management Committee of the Board was formed, and the committee is complying with the instructions of Bangladesh Bank. Furthermore, as per Bangladesh Bank DOS circular letter no: 13 dated 09 September 2015 and subsequent DOS circular no. 04 dated 08 October 2018, a separate Risk Management Committee at Management level has also been formed and named as Executive Risk Management Committee (ERMC). Currently, the ERMC is headed by the General Manager & Division Head of Risk Management Division as Chief Risk Officer (CRO) and all the Division Heads of Head Office, In-charge of CTPC are the members, and the Deputy General Manager of Risk Management Division is the member secretary. The Committee is responsible to our Honorable Managing Director for compliance and implementation of the decisions.

Considering the importance of the issue and as per instructions of Bangladesh Bank DOS circular letter no: 13 dated 09 September 2015, a separate Risk Management Division was formed. Moreover, as per DOS circular no. 04 dated 08 October 2018, Pubali Bank Limited has already prepared "The Risk Management Guidelines of Pubali Bank Ltd" which is approved by the Board of Directors and has been sent the said Guidelines to all Branches, Regional Offices, Principal Offices, and Divisions to follow the instructions and do the daily banking activities. Monthly meeting of Executive Risk Management Committee (ERMC) is arranged regularly where different risk issues are discussed and decisions are gradually implemented and minutes of those meetings, along with risk management papers, are submitted to Department of Offsite Supervision, Bangladesh Bank on quarterly and half-yearly basis. Risk Management Division also prepares Risk Appetite Statement (RAS) on yearly basis mentioning risk limit with tolerance level. Besides, Risk Management Division prepares "A Review Report of Risk Management Policies and Effectiveness of Risk Management Functions of our Bank" on yearly basis. As a part of risk management, adequate capital is maintained against Credit Risk, Market Risk and Operational Risk under Risk Based Capital Framework. Under the second pillar of Basel-III, a Supervisory Review Process (SRP) team was formed to review, monitor, and maintain adequate capital considering all relevant risks. Quarterly Stress Testing is conducted to assess the impact of different risks associated with banking business on asset, liability & ultimately on capital, and the report is submitted before the Board of Directors and Bangladesh Bank regularly.

a) Credit Risk Management

Credit risk is one of the major risk faced by the bank. This can be described as potential loss arising from the failure of a counterparty to perform as per contractual agreement with the bank. The failure may result from unwillingness of the counter party or decline in his/her financial condition. Therefore, Bank's credit risk management activities have been designed to address all this issue. The bank has segregated duties of the Officers/Executives involved in credit related activities. Credit approval, Credit Administration, Monitoring and recovery function have been segregated in line with Bank's CRM guidelines. For this purpose, separate divisions have been formed at Head Office. These are Credit Division; Credit Administration, Monitoring and Recovery Division (CAM&RD) and Law Division. Similarly Regional Offices and Corporate Branches are also separated their works of sanctioning, disbursement, monitoring and recovery. Credit Division of a financial institution helps to maintain asset quality, assessing risk in lending to a particular customer, sanctioning credit, formulating policy/strategy for lending operation etc. as well as implement credit policy which has been approved by the Board.

A thorough assessment is done before sanction of any credit facility at credit division, Head Office; Regional Office & Corporate Branch. The risk assessment includes borrower's evaluation, financial statement analysis, industry analysis, credit history of the customer, repayment capacity, security coverage of the proposed credit facility, environmental & social risk etc. All credit proposals have been placed before the credit committee (Corporate Branches, Regional Offices, Principal Offices and Head office) for recommendation with a view to sanction or decline. Additional/Deputy Managing Director acts as Chairman of the credit committee at Head office level. Similarly Head of Principal office, Head of Regional office and Head of Corporate Branch act as Chairman of the respective credit Committee at Principal office, Regional office and Corporate Branch level. Loans exposure beyond the discretionary power of Managing Director are placed before the Board of Directors of the Bank for approval. Concentration of Credit Risk Management is shown in note 7.4, 7.5, 7.6, 7.7 & 7.8

In determining single borrower/large loan exposure, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted on periodical interval to ensure compliance of Bank's and Regulatory policies. In addition external audit firms are also engaged in this regard. Loans are classified as per Bangladesh Bank's guidelines. Concentration of large loan borrower shown in note 7.9

b) Foreign Exchange Risk Management

Foreign exchange risk also known as FX risk, exchange rate risk or currency risk is a financial risk that exists when a financial transaction is denominated in a currency other than the domestic currency. The foreign exchange risk arises from the transaction involvement in foreign currency; it also may be occurred when a bank holds assets or liabilities in foreign currencies and impacts the earnings and capital of bank due to the fluctuations in the exchange rates. Foreign exchange related transactions are carried out on behalf of customer (against underlying L/C commitments and other fund requirements) thus bank has minimal exposure to the captioned risk. Treasury Division reviews the market conditions, exchange rates, exposure and transactions on daily basis in fixation of foreign exchange rates to mitigate foreign exchange risk. The players of the Foreign Exchange Market are Commercial Banks, Central Bank, Exporters, Importers, Individual Customers and various Commercials.

Our Treasury Division independently engages in the foreign currency transactions through foreign exchange (FX) market and back office is responsible for settlement of the deal and does the necessary accounting entries while mid office monitors the risk limit. All foreign exchange transactions are revalued at mark-to-market rate on every month end. The bank maintains the daily exchange position within the stipulated limit prescribed by Bangladesh Bank.

c) Asset and Liability Management

Asset and Liability Management (ALM) is an integral part of core risk management in the Bank. ALM is a mechanism to address the risk faced by the Bank due to disparity between assets and liabilities. There is a structured and systematic process to manage ALM risk as well as Balance Sheet risk. The Bank has an Asset and Liability Management Committee (ALCO) including the senior management who are dedicated to manage the Asset and Liability Management risk in the Bank. ALCO provides comprehensive and dynamic framework for measuring, monitoring and managing financial risks and to earn sufficient return while maintaining a comfortable liquidity position.

d) Prevention of Money Laundering and Combating Terrorist Financing

Money Laundering Risk arises from non-compliance of money laundering related instructions of the regulatory body. Its consequences are dire & far reaching and may be in the form of financial penalty, reputation loss, legal harassment and even the risk of sustainability. Money Launderers provide fuel for drug dealers, terrorists, illegal arm traders, corrupt public officials and others to operate and expand their criminal enterprises. Success in money laundering encourages the criminals to continue their illicit schemes which mean more fraud, more drugs & drug related crime, more violence, unrest in the society and the economy and a general loss of morale on the part of legitimate business people. Any country or financial institution reputed as a money laundering or terrorist financing haven, alone, could cause significant adverse consequences. Foreign banks may decide to limit their transactions with institutions

may suffer from reduced access to world market or access at a higher cost due to extra scrutiny of their ownership, organization and control systems. This can lead to diminished development and economic growth. Both depositors and borrowers as well as investors may cease doing business with an institution whose reputation has been damaged due to allegation of money laundering and terrorist financing. Large amounts of laundered funds may be withdrawn suddenly by the criminal depositors if the bank is under investigation. Legitimate customers may also begin to withdraw their funds for fear of losing the same, causing potential liquidity problems. Credit concentration risk may jeopardize interest income of a bank. Lack of knowledge about a particular loan customer or group of related borrowers, the customer's business or what the customer's relationship is to other parties can place a bank at risk. If the borrower is involved in money laundering, the status of the loan may be downgraded and recovery of the loan may not be possible. The loss of high quality borrowers reduces interest income, requires additional provision which substantially reduce income of the bank. Moreover classified loans may increase the Risk Weighted Assets under Risk Based Capital Framework that reduces Capital to Risk Weighted Asset Ratio. Down gradation of the loan may also create liquidity crisis, affect the credit rating and CAMELS rating of the bank. Money laundering and Terrorist Financing may lead to legal risk such as law suits, adverse judgments, unenforceable contracts, fines & penalties generating losses etc. For involvement in money laundering & terrorist financing, the regulatory bodies may impose restrictions on business expansion and bank may lose its market share. Banks around the globe may be unwilling to establish banking relationship if money laundering prevention and combating terrorist financing status are not upto the mark.

The following initiatives have been taken by our Bank to comply with the requirements of Bangladesh Financial Intelligence Unit.

- To prevent money laundering and combat terrorist financing Anti Money Laundering Division (AMLD) has already been formed as per instruction of BFIU. The Deputy Chief Anti Money Laundering Compliance Officer (DCAMLCO) of the bank is functioning as the Division Head.

- Central Compliance Committee (CCC) at Head Office has already been formed headed by Chief Anti-Money Laundering Compliance Officer (CAMLCO). Regional Anti-Money Laundering Compliance Officer (RAMLCO) and Branch Anti-Money Laundering Compliance Officer (BAMLCO) have also been designated to the Regional Offices and Branches respectively.

- All circulars of former Anti Money Laundering Department of Bangladesh bank and at present BFIU have been disseminated to the branches for compliance. BFIU circular no. 26 dated 1606/2020 has already been disseminated to the branches, regional offices, principal offices and divisions of Head Office highlighting important instructions and asking for strict compliance.

- Bangladesh Bank has issued new account opening form through BRPD circular no 02 dated 23/02/2020. Later, BFIU has also revised KYC profile form through BFIU circular no. 26 dated 16/06/2020. Accordingly, our bank has prepared the new account opening form incorporating all the instructions of BRPD and BFIU of Bangladesh Bank. And the same is disseminated to the branches to open new account opening form incorporating all the institutions of BRPD and BFIU of Bangladesh Bank and the same is disseminated to the branches to open new accounts through the form.

- Money Laundering & Terrorist Financing Risk Management Guidelines (Revised 2021), Customer Selection Policy (Revised 2021) have been prepared and the same have been disseminated to the branches for compliance.

- Guidelines on Prevention of Trade Based Money Laundering has been prepared disseminated.

- As per Money Laundering Prevention Act-2012 and its amendment 2015; Branches have been instructed to obtain complete & accurate information of the clients while opening and maintaining banking relationship.

- To ensure the genuineness of the customers, we obtain photocopy of national ID / Birth Registration Certificate from the customer, genuineness checked and verification done.

- Customers are graded on the basis of risk. Branches have been advised to closely monitor High Risk Customers, Politically Exposed Persons and Influential Persons and apply Enhanced Due Diligence in these regards.

- Branches have been advised to compare actual transactions with transaction profile to identify abnormal and suspicious transactions.

- Cash Transaction Report (CTR) is submitted to BFIU in time and certificate in relation of CTR analysis also submitted to them.

- Transaction Monitoring is done both Automated and Manual process. If any transaction seems suspicious then branch forward to Head Office through proper channel maintaining confidentiality. Head Office examine the documents and submit the report to BFIU through goAML webportal.

- Self-Assessment Statement is prepared by the branches on half yearly basis and a summary report is prepared by Anti-Money Laundering Division of Head Office. The report is submitting to Bangladesh Financial Intelligence Unit regularly. Follow-up letters are issued to the branches to remove the weakness detected in the Self-Assessment Report.

- Our internal auditors assess the AML & CFT status of the branches through Independent Testing Procedure while conducting audit. The same is summarized and placed before the Management and Bangladesh Financial Intelligence Unit on half yearly basis. Branches are advised through follow up letters to remove their weakness.

- Extensive training is being continuously imparted to the officials of the Bank to make them familiar with money laundering prevention & combating terrorist financing and to mitigate the risk arising out therefrom. Every year Management of our Bank approves an outreach training calendar on Money Laundering Prevention, Combating Terrorist Financing and Foreign Remittance. As per outreach Training Calendar workshops are arranged in due time. Pubali Bank Training Institute also arranges training workshop on the issue as per yearly training plan.

- All circulars of Bangladesh Financial Intelligence Unit (BFIU) have been disseminated to the branches for compliance.

- Before establishing correspondent banking relationship, status on money laundering prevention and combating terrorist financing of the respondent banks are obtained through a questionnaire developed by Bangladesh Financial Intelligence Unit. Other information and documents such as license, certificate of incorporation, list of directors, compliance status of regulatory instruction etc. are also verified. Correspondent Banking relationship with any bank is only established upon receipt of the desired information and subject to our satisfaction.

- As a precautionary measure and as per instruction of Bangladesh Financial Intelligence Unit, we do not establish Correspondent Banking relationship with any shell bank or any bank having banking relationship with any shell bank.

- At present; Trade Based Money Laundering by the way of under invoicing, over invoicing, under shipment, over shipment, multiple shipment and shipment of inferior goods etc. is a burning issue. Our Bank is seriously handling the issue. A session on Trade Based Money Laundering has been incorporated in all outreach workshops. Beside this own bank import export product wise price verification database is going to introduced soon.

- Before considering / establishing / continuing any relationship an automated sanction screening process is done so that no black listed individual/entity can use our banking channel for money laundering, terrorist financing or any other financial crime. Moreover; Acuity Compliance Link solution also incorporated our sanction screening process for foreign Trade.

e) Internal Control and Compliance

Internal Control refers to the mechanism in place on a permanent basis to control the activities of an organization, both at a central and at a departmental/divisional level. It is a process, effected by a bank's Board of Directors, Management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance. It is a process, rather than a structure. It is not a separate activity disconnected from the rest of business activities, rather is an integral part of those activities. It is a dynamic, continuing series of activities planned, implemented and monitored by the board of directors and management at all levels within an organization. It is an integral part of the daily activity of a bank which on its own merits identifies the risk associated with the process and adopts a measure to mitigate the same. Only part, not all, of internal control consists of policies and procedures. Internal control provides only reasonable assurance, not absolute assurance, with regard to achievement of the organization's objectives. External events such as economic recession, inflation, unrest in the society, Government policies and competition etc. can interfere with achievement of objectives of the organization although there is a good internal control system.

The main objectives of internal control system in a bank are as: (i) Operations objectives: achievement of a bank's basic mission and vision, (ii) Reporting objectives: timely, accurate and comprehensive reporting-financial and non-financial, external and internal and (iii) Compliance objectives: conducting activities and taking specific actions in accordance with

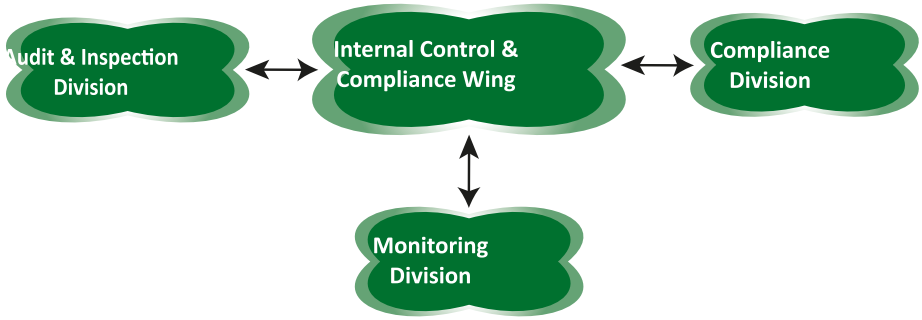
applicable laws and regulations. For attaining Operational objectives, the organization should ensure the maximum utilization of its resources without hampering the quality of products/services. The Reporting objectives of internal control system ensure that all necessary information that flow within the bank, into the bank and out of the bank are correct, reliable and timely generated for effective decision making. The Compliance objectives ensure that the organization performs all its activities complying all laws, rules, regulations and business ethics for sustainable development, for betterment of the stakeholders, and to protect the reputation of the organization.

Internal Control Environment is the framework under which internal control are developed, implemented and monitored. It consists of the Mechanisms and arrangements that ensure internal & external risks to which the bank company is exposed to. It is also very much important for a bank for its existence and the factors which together comprise the control environment are: (i) a Board of Directors that is actively concerned with sound corporate governance and that understands and diligently discharges its responsibilities by ensuring that the company is appropriately and effectively managed and controlled, (ii) a Management that actively manages and operates the bank in a sound and prudent manner, (iii) a Management Information System to provide timely, complete & reliable data/ information for effective decision making to support organizational and procedural control and to soundly & prudently manage the organization's exposures to risk and (iv) an independent audit mechanism to monitor the effectiveness of the organizational and procedural control.

Compliance refers to operating the bank in conformity with applicable laws, regulations, policies, standards, guidelines etc. applicable to all institutions in its category and responding fully and in a timely manner to supervisory criticism and orders to take corrective action issued by the applicable regulatory authorities or law enforcement bodies. In this context, compliance also refers to preventive actions taken to mitigate compliance risk which is the risk of legal or regulatory sanctions, material financial loss or loss to reputation as a result of failure to comply with applicable rules. Today's banks are highly exposed to compliance risk since they have a great number of stakeholders, e.g. regulators, customers, counterparties, tax authorities, local authorities, and other authorized agencies. Compliance risk can lead to imposition of fines & penalties, payment of damages, loss of market share, regulatory sanction and in severe case loss of franchise etc. It can also lead to a diminished reputation, also known as reputation risk, arising from an adverse perception of the image of the bank by customers, counter parties, shareholders or regulators.

Importance of Internal Control & Compliance has substantially increased in the banks due to expansion of business, addition of branches/Sub-Branches/ Islami Banking Windows, diversified & sophisticated banking products/services, use of information technology, preparation and implementation of Risk Based Audit Plan, introduction of Risk Based Capital Framework and other stringent regulatory compliances. Considering the above issues, Bangladesh Bank has revised the ICC Guidelines for all banks. Our bank has also prepared Revised ICC Guidelines by following Bangladesh Bank BRPD circular no. 03 dated 08 March, 2016 & BRPD circular no. 06 dated 04 September, 2016 to ensure a proper internal control & compliance. Considering our large branch network, volume of operations, introduction of Risk Based Audit and stringent regulatory compliance, ICC organogram of our bank has been

restructured. Mr. Mohammad Shahadat Hossain, Deputy Managing Director is functioning as the Head of Internal Control & Compliance Wing of our bank. In our bank, under Internal Control & Compliance Wing, 03 divisions viz. Audit & Inspection Division, Monitoring Division and Compliance Division are working separately and independently as shown below:



Audit & Inspection Division conducts audit as per Risk Based Audit Plan approved by the Audit Committee of the Board of Directors. IT auditor is attached with audit team to conduct IT audit. Synopsis of the audit report is placed before the Audit Committee of the Board of Directors regularly. Our Islamic Banking Wing conducts Shari'ah Audit in the Islamic Banking Windows of the bank. Monitoring Division is engaged in monitoring function through different monitoring tools such as Pubali Monitoring System (PMS), Departmental Control Function Checklist (DCFCL), Quarterly Operations Report (QOR) and Loan Documentation Checklist (LDCL) etc. Compliance Division deals with all regulatory compliance related activities and also functions as the contact point of the bank. The division ensures regulatory requirements and industry practices in the bank. Compliance Division has also been entrusted to implement the National Integrity Strategy of the bank.

The issue of effective internal control system, corporate governance, transparency & accountability etc. have become of great importance. Weakness in Internal Control System may lead to significant amount of loss and the loss may be originated from internal & external fraud, employment practices & workplace safety, business practices, damage to physical assets, business disruption & system failure, and process management etc. Management Committee (MANCOM)/Senior Management Team (SMT) headed by Honorable Managing Director & CEO reviews the overall internal control system of the bank and a certificate is placed before the Board of Directors on the issue on yearly basis. As per instruction of Audit Committee of the Board of Directors, Compliance Division places the memoranda on "Implementation Status of Internal Control and Compliance of the bank" before the Committee on quarterly basis and decisions are being gradually implemented. Moreover, as per yearly reporting cycle, Compliance Division also places memoranda on Internal Control & Compliance (ICC) Risk, Operational Risk and Compliance Risk before the Risk Management Committee of the Board. As a part of Internal Control & Operational Risk Management and as per Bangladesh Bank's DOS circular letter no. 03 dated 09 May, 2017, our bank submits Self-Assessment Report on Anti-Fraud Internal Controls to Bangladesh Bank on half yearly basis, duly signed by Honorable Managing Director & CEO and countersigned by Honorable Chairman of the Audit Committee of the Board of Directors.

As per instruction of revised ICC Guidelines of Bangladesh Bank, an annual report on the health of the bank is prepared and the same is submitted to Audit Committee of the Board, Board of Directors of the bank and Bangladesh Bank as regulatory compliance.

Bangladesh Bank in its revised ICC Guideline has asserted that all banks should have a Compliance policy of their own approved by the Board of Directors, which will be a formal document for establishing a permanent and effective compliance function. Accordingly, Compliance Division has prepared Compliance Policy and the same has also been disseminated for compliance.

Ethical issues and behavioral norms have assumed of great importance in the banking industry since banks deal with the money of countless depositors and if the interest of the depositors is threatened, it will bring the economy to a halt. Considering the fact and as per directive of our Central Bank, a Central Ethical Committee has already been formed in our bank headed by Mr. Mohammad Ali, Additional Managing Director & COO and the said committee has been approved by Honorable Managing Director & CEO. The Committee is responsible to the Honorable Managing Director & CEO for implementation of the decisions. To ensure Ethics in Banking and as per instruction of Bangladesh Bank, a National Integrity Strategy Cell has been formed headed by Mr. Nitish Kumar Roy, General Manager & Focal Point Officer. Our bank prepares National Integrity Strategy Work Plan for every financial year and submits reports on its implementation status to Bangladesh Bank on quarterly basis.

f) ICT Operation

ICT Operation Framework secures qualitative and error-free implementation and management of daily banking operation, prompt support services against PIBS, PMS, BACH, BEFTN, Network, System, etc and assure all stakeholders with confidence that ICT processes are harmonized securely with the Bank's requirements and risks are effectively managed and mitigated within the Banking Operation System that results in increased transaction volume, customer base as well as market share.

Pubali Bank Limited has been extending customer services at all of our 490 branches and 40 sub-branches using our in-house developed core banking software, Pubali Integrated Banking System (PIBS) and at 17 Islamic Wings using our in-house developed core Islamic banking software, Pubali Integrated Islamic Banking System (PIIBS) under network environment. Real Time Centralized Online Banking System has been developed and deployed in all of 490 branches, 40 sub-branches and 17 Islamic Wings across the country. The Online Banking Network of Pubali Bank Limited has become the largest one in the banking sector of Bangladesh.

The efficient members of the Software, System, Network and Hardware Support Unit at ICT Operation Division are extending quick support to the branches to solve any software/operational problems in banking software. Besides, ICT Operation Division is modifying, strengthening and enhancing our core banking solutions, PIBS, according to demand, which is being notified to branches through various circulars.

To encourage incoming foreign remittances, all of our branches have been brought under the network of Western Union Money Transfer, MoneyGram, Transfast, Xpress Money Services, Ria, Pravu Money Transfer, Placid Express etc. in addition to receiving Foreign TTs from different Exchange Houses abroad. Besides, we have developed an online payment module through which branches can pay remittances to customers quickly.

We have launched our Internet Banking System using our in-house developed software and we are extending this services to the customers of our all Online Branches. Security of the

transmitted data by encryption/decryption has been ensured through agreement with VeriSign Secured Site Pro. Our Software Development Division is working on development of software for Mobile Banking, SMS Banking and Agent Banking.

We have introduced Mobile Application, PI (৲) for our customers with different transactional and non-transactional banking services for 24/7. Current Available Transactional Features include Fund Transfer, Mobile Recharge, Bill Payment and Credit Card Bill Payment whereas available Non-transactional Features include Creating Wallet Account, Balance of the Accounts, Mini Statement, Detailed Date Ranged Statement, Payment Status of issued Cheques, Cheque Book Requisition, Stop Payment of Cheque Leaf or Book and Submitting Positive Pay Instructions.

We have participated in the Real Time Gross Settlement (RTGS) from its inception as a pioneer bank through our in-house developed software, PIBS.

We have established our Data Center at ICT Operation Division, Head Office and Disaster Recovery Center at Uttara, Dhaka. Banking Data of our all the Online Branches are being stored both at our Data Center and Disaster Recovery Center simultaneously to ensure business continuity even in disaster. Moreover, we have recently added Exadata storage solution for enhancing storage capacity of our Data Center and Disaster Recovery Center that assured uninterrupted data availability for end users and proliferated period end data processing speed. Data Center of Pubali Bank Limited has been restructured recently and become one of the best ones in Bangladesh. In context of international standard, architecture of Data Center has been upgraded to Tire-3 Standard.

Considering the current Cyber Security Thread Landscape, we have introduced Multi-layer Security Controls to secure our Information Systems. The goal of Layered Security is to increase effectiveness of the security controls in place through a defensive strategy. We logically segregate our Data Center in different Zones such as Core zone, DMZ zone, Partner zone based on Application and minimize the attack vectors. We have already implemented Next-Gen Firewall and IPS, IDS, Email Security, Web Security, Web Application Firewall (WAF) and Advanced Malware Protection (AMP) to protect our environment.
We have successfully implemented Software for Bangladesh Automated Clearing House (BACH-2) and Bangladesh Electronic Fund Transfer System (BEFTN), Credit Information Bureau (CIB) reporting as per guidelines of Bangladesh Bank.

We have successfully implemented Active Directory Domain Services (AD DS) to centralize the administrative control on OS user authentication complying with ICT Security Policy of our Bank.

We have made an agreement with Election Commission (EC) to verify genuineness/correctness of National ID of our all existing customers as well as new customers at the time of registration using EC's Database. Moreover, ICT Operation Division has facilitated e-GP related services to our valued customers in the line with the Management's goal to be the market leader in e-GP.

We have established our website https://www.pubalibangla.com where form the visitors can get information about our products, charge schedule, career opportunities, procurement notices and present status of our bank. The website is updated periodically and also as and when required. Communication through email among our Branches,

Regional Offices and different Divisions of Head Office under our own Mail Server at ICT Operation Division, Head Office has become quick and easier.

Pubali Monitoring System has been developed for different Divisions of Head Office, Regional Offices and Principal Offices to monitor/observe the status of branch operation and performance under their jurisdiction.

We have already deployed IP Phone to our Head Office, Principal Offices, Regional Offices, Corporate and AD branches. Now we are deploying IP Phone to all of our branches. We will launch video conferencing system shortly through which internal of the Bank will be nearly free of cost and external communication will be less costly. Eventually, Pubali Bank will experience standard unified Communication System.

To ensure proper training to our officials and raising awareness among them, ICT Operation Division arranged need based hands on training program at our Computer Lab daily in addition to training/workshop arranged at Head Office Auditorium throughout the year. During the year 2021, we conducted 76 training programs at our Computer Lab on 18 (Eighteen) different Topics/Modules covering 5,599 participants from Branches/Regional Offices across the country.

Pubali Bank Limited is moving towards state of art technology platform and in such a scenario, we are now at a stage of introducing technology based different alternative delivery channels such as Agent Banking, Booth Banking, Mobile Financial Services (MFS) and so on in the line with transforming Pubali Bank Limited to a technology based banking. ICT Operation Division is working hard for achieving this objective within a short period of time.

2.15 Capital Adequacy under Basel-III

Banks operating in Bangladesh are maintaining capital since 1996 on the basis of risk weighted assets in line with the Basel Committee on Banking Supervision (BCBS) capital framework published in 1988. Considering present complexity and diversity in the banking industry and to make the bank's capital requirement more risk sensitive, Bangladesh Bank, being the central bank of the country has decided to adopt the Risk Based Capital Adequacy for banks in line with capital adequacy framework revised by the BCBS popularly known as "Basel II''. Bangladesh Bank prepared a guideline to be followed by all scheduled banks from January 2009. Both the existing capital requirement rules on the basis of Risk Weighted Assets and revised Risk Based Capital Adequacy Framework for Banks as per Basel II were followed simultaneously initially for one year. For the purpose of statutory compliance during the period of parallel run i.e. 2009, the computation of capital adequacy requirement under existing rules prevailed. On the other hand, revised Risk Based Capital Adequacy Framework as per Basel II had been practiced by the banks during 2009 so that Basel II recommendation could effectively be adopted from 2010. From January 2010, Risk Based Capital Adequacy Framework as per Basel II have been fully practiced by the banks replacing the previous rules under Basel-I. Bangladesh Bank adopted "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" as per BRPD circular no. 18 dated 21 December 2014 replaced of "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel II)". This circular has been come into force with effect from January 01, 2015. Pubali Bank Limited is maintaining its capital requirements at adequate level as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)"

The guideline is structured around the following three aspects of pillars of Basel-III:

I. Minimum capital requirements to be maintained by a bank against credit, market and operational risk;

II. Supervisory Review i.e., Process for assessing overall capital adequacy in relation to a bank's risk profile and a strategy for maintaining its capital at an adequate level;

III. Market Discipline i.e., to make public disclosure of information on the bank's risk profiles, capital adequacy and risk management.

2.16 Disclosure on fraud and forgeries committed by bank employees

In the year-2021, 02 (two) incidents were traced relating to fraud and forgery. One was at our Salna Branch under Gazipur Rejoin involving Tk. 5.23 lakh and the other at Paduar Bazar branch under Cumilla Region for Tk. 6.00 lakh. The defalcated amount of Salna Branch was recovered from the concerned delinquent employee.

The victim and account holder of Paduar Bazar branch field a suit against the two accused bank employees. The next date of hearing has been fixed on 31.03.2022 for submission of charge sheet. Mentionable that law enforcing agency has recovered Tk. 3.27 lakh in the meantime which is kept under court's custody. Administrative action has been taken against the employees involved in both the incidents.

2.17 Off Balance Sheet items

Off Balance Sheet Items include various non-derivative financial instruments primarily letter of credit (L/C), letter of guarantee (L/G), acceptance and endorsements, bills for collection etc. and various derivative instruments like forward contracts and currency rate swaps etc.

Provision for Off-balance sheet exposure

"As per BRPD circular No.14 (23 September 2012), BRPD circular No.01 (03 January 2018) and BRPD circular No.07 (21 June 2018) the Bank has recognised @ 1% General Provision on the following off-balance sheet exposures as defined in BRPD circular No.10 (24 November 2002).

- Acceptance and endorsements
- Letters of guarantee
- Irrevocable letters of credit
- Foreign exchange contracts

2.18 Loan write-off

Loans are normally written off, when there is no realistic prospect of recovery of these amounts and in accordance with BRPD circular No.2 (13 January 2003) and BRPD circular No.13 (07 November 2013) & BRPD circular No. 01 (06 February 2019).

2.19 Authorization of financial statements

The Board of Directors accorded its approval and authorized these financial statements on 07 April 2022.

2.20 Memorandum items

Memorandum items are maintained to have control over all items of importance and for such transactions where the Bank has only a business responsibility and no legal commitment. Stock of travelers' cheques, value of savings certificates (sanchaya patra) etc. fall under the memorandum items.

2.21 Reporting period

These financial statements cover one calendar year from 01 January 2021 to 31 December 2021.

2.22 Number of employees

The number of employees employed in the Bank as on 31 December 2021 was 8,022 of which 6,689 were male and 1,333 were female. The number of employees per branch was 13.73 excluding 1,296 employees in the head office, Regional Offices and Principal Offices of the Bank.

2.23 Training

Training is a continuous process of developing human skills for the greater perfection of service delivery to achieve the desired customer satisfaction. Human skills which are associated with the new ideas, thoughts, regulatory compliance and new horizon of new hierarchy. Pubali Bank Training Institute always on the up gradation of employee's skills in delivery service in excellence and development of capacity into critical thinking and analyzing the business issues in a competitive environment.

Training is designed to meet the new challenges for achieving the organizational goal(s). Training helps employees to be acquainted with the new knowledge based service experiences as well as creating the value.

During the new normal workplace of COVID-19 impact, all training have been conducted virtually. It helps the Pubali Bank Training Institute to reach at the desk of concerned employee to train them.

In the year 2021, Pubali Bank Training Institute emphasizes on the Anti-Money Laundering compliance issues, to develop awareness on gender equality in workplace, expansion of quantum of business under "Centralized Trade Processing Centre (CTPC)".

During the year 2021, Pubali Bank Limited arranged total no 281 of Training Programmed where the Training Institute had successfully completed 29 Virtual training courses with 81 frequencies covering 4,666 participants, HRD conducted 124 no of external training

programmed covering 494 participants and Computer Lab of Pubali Bank conducted 76 no of Training programmed covering 5,599 participants throughout the year due to impact of COVID-19.

Training Programmed conducted from January to December 2021 by Pubali Bank Training Institute.

Sl. No.	Name of the Course/Seminar/ Workshop	No. of Courses held	Number of Participants attended	Male	Female
1	Asset Liability Risk Management	2	114	101	13
2	AML, CFT & Prevention of Trade Based Money Laundering	10	631	519	112
3	Audit & Inspection in Banks	3	162	139	23
4	Banking Laws & Regulations	3	165	137	28
5	BASEL- III	2	99	89	10
6	Basic Accounting and Financial Statement Analysis	3	155	136	19
7	Cash Management	10	553	439	114
8	Conducting Inquiry and Report Writing.	3	156	130	26
9	Consumer Loan Scheme	2	100	90	10
10	Core Risks Management in Bank	1	52	43	9
11	Credit Management	2	115	106	9
12	ESRM, Green Banking and Sustainable Finance.	2	110	103	7
13	Ethics & integrity in Banking	3	165	141	24
14	General Banking	2	115	87	28
15	Gender Equality	2	235	119	116
16	ICRR (Internal Credit Risk Rating System in Banks)	2	126	67	59
17	Internal Control & Compliance (ICC)	2	123	105	18
18	International Trade Payment and Finance	5	294	254	40
19	Islamic Banking Operations	4	207	184	23
20	Lease Financing Scheme	2	118	110	8
21	Legal & Compliance issues in banking operation	1	43	33	10
22	Legal Aspects of Securities & Documentation	2	116	108	8
23	Marketing & Customers' Service Development in Banking	2	116	100	16
24	Mobile Banking, Agent Banking and Card-Operations etc.	2	116	103	13
25	Money Laundering Prevention Act & Anti-Terrorism Act.	2	110	93	17
26	NPL Management: Legal & Non- Legal measures.	2	101	83	18
27	Prevention of International Trade- based Money Laundering	1	49	42	7
28	Prevention of malpractice, Fraud & Forgery in Banks	2	112	101	11
29	SME & Agri-Credit in Bank	2	108	104	4
	Grand Total	81	4,666	3,866	800

External Training Programs Conducted at Human Resources of Pubali Bank for the Year 2021

SL	Topic	Institute	Participant(s)	Period
1	Certified Expert in Credit Management	BIBM	2	06 months
2	Master of Economics	Dhaka School of Economics	3	18 months
3	Strategic Human Resources Management in Banks	BBM	3	03-04 February
4	Operational Risk Management in Banks	BIBM	3	31 January to 01 February
5	Combating Fraud: Fraud Risk Management	Fin Excel	2	13-16 February
6	Taxation- Financial Reporting Challenges from Bangladesh Market	ICAB	4	13 February 2021
7	Credit Risk Management	Bangladesh Bank	1	09 February 2021
8	Automated Challan System	Finance Ministry	3	08 February 2021
9	Automated Challan System	Finance Ministry	4	11 February 2021
10	Audit in Banks	ICAB	1	31 January 2021
11	Foreign Exchange Transection Reporting	Bangladesh Bank	1	22-24 February 2021
12	Problem Solving in Applying the right UCP600 & ISBP 745 on LC Issues	Black Stone	4	05-06 March 2021
13	Management of Non-performing Loan & Recovery Strategies	BAB	4	27-28 February 2021
14	Credit Risk Management	BAB	2	16-19 January 2021
15	Nomination for Training Sustainable Finance, green Finance	BB	2	28 March 2021
16	Governance Issues in Banks	BIBM	2	22 March 2021
17	Fundamentals of Shariah based banking & Finance	BIBM	3	01-04 March 2021
18	Implementation Challenges of Security Operation Center in banks	BIBM	2	24 February 2021
19	Liability management, Loan Providing and Profitability in Banks	BIBM	3	19-01-2021

Notes to the financial statements
as at and for the year ended 31 December 2021

SL	Topic	Institute	Participant(s)	Period
20	Artificial Intelligence in Banking : Adopt & Perish	BIBM	5	02 March 2021
21	Information System Audit in Banks	BIBM	2	04-08 April 2021
22	Open Account Trade: International factoring	BIBM	3	10-11 March
23	Demand Guarantee , URD 758-clear Underling and Application	Black Stone	4	09-10 April 2021
24	Internal Credit Risk Rating System in Banks	BIBM	3	14-16 March 2021
25	Basel capital Framework for bank Executives	BIBM	2	24-25 March 2021
26	Ethics in Banking & Prevention of malpractices in Banks	BAB	4	20- 21 March 2021
27	Legal Aspect of Security & Documentation	BIBM	2	07-08 April 2021
28	Automated Challan System	Finance Ministry	4	01 June 2021
29	The Online Meeting on SBS 2 and SBS 3	BB	8	01 June 2021
30	Automated Challan System	Finance Ministry	4	08 June 2021
31	Monitoring & Supervision of Loans & Advances in the context of covid-19 pandemic situation	BAB	4	26-28 June 2021
32	Investment Mechanism of Islamic Banking: Fixed Earning Modes	BIBM	5	09-10 June 2021
33	Internal Credit Risk Rating System in Banks	BIBM	4	16-17 June 2021
34	Policy and Procedure of Foreign Investment in Bangladesh: Role of Ads	BIBM	3	15-17 June 2021
35	Human Resources Management in Bank Branches	BIBM	4	04-08 July 2021
36	Certified Expert in Trade Services(CETS)	BIBM	1	
37	Online based training program for Certified Documentary Credit Specialist (CDCS)	City Bank N.A	41	18-29 june 2021
38	Online based training program for Certified Documentary Credit Specialist (CDCS)	City Bank N.A	2	18-29 june 2021
39	Unveiling Special Issue of Bank Parikrama for Commemorating the Birth Centenary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman	BIBM	5	22-Sep
40	Online Based Need Assessment Meeting On The Proposed Academic Calendar-2022	BIBM	1	27 September 2021

SL	Topic	Institute	Participant(s)	Period
41	Foreign Exchange & Foreign Trade	BAB	3	25-27 September 2021
42	Loan Classification & Provisioning Thereof	IBB	9	22-Sep
43	Sustainable Finance	Bangladesh Bank	2	13 September 2021
44	International Standard Demand Guarantee Practice(ISDGP)	ICCB	5	27-28 August 2021
45	Banking Technology for Non IT Executives	BIBM	4	22-26 August 2021
46	Asset -Liability Management in Banks	BIBM	4	22-26 August 2021
47	Reporting and Ethical Framework for Islamic Financial Institution	BIBM	5	08-12 August 2021
48	Employee Selection in Banks of Bangladesh: A Mixed Method Analysis	BIBM	1	17 August 2021
49	Credit Risk Management with Special Emphasis on ICCR	BAB	3	21-22 August 2021
50	Digital Trade Operations Covering eUCP 2.0 and Impact of Covid-19 in Trade Operations	Black Stone	4	27-28 August 2021
51	Financial Analysis for Bankers	BIBM	5	05-09 September 2021
52	Employee Selection in Banks of Bangladesh: A Mixed Method Analysis	BIBM	1	05 August 2021
53	NPL Management, Loan Recovery, Debt Re-Scheduling & Re-Structuring and Related Laws	Fin Excel	1	14 and 16-18 August 2021
54	International Trade Payment and Finance	BIBM	5	8-12 August 2021
55	Foreign Exchange Audit & Inspection in Banks	BIBM	5	16-17 August 2021
56	Financing Agro Based Business	BIBM	4	12-16 September 2021
57	Regulatory Guidelines For Trade Facilitations	BIBM	3	06-09 September 2021
58	Sustainable Financing and Green Banking	BIBM	1	13-16 September 2021
59	Team Building For Work Excellence in Branch Banking	BIBM	3	08-09 September 2021
60	Trade Services Operations of Banks	BIBM	7	20 September 2021

SL	Topic	Institute	Participant(s)	Period
61	Project Appraisal and Credit Management	BIBM	5	26-30 September 2021
62	Customer Relationship Management In Banks	BIBM	4	22-23 September 2021
63	Prevention of Malpractices in Banks with Special Reference to AML & CFT	BIBM	4	19-23 September 2021
64	Risk Reporting in Banks	BIBM	5	29-30 September 2021
65	Policy and Procedure of Foreign Investment of Bangladesh : Role of Ads	BIBM	2	28-30 September 2021
66	Document Verification System	ICMAB	3	
67	Different Dimension of Modern HRM and Strategies to Survive & Thrive in New Normal	Blackstone	3	25 September 2021
68	International Trade Payment & Finance-Practice, Compliance, Operations & Legal Analysis	Mashreq PSc	3	23-25 October 2021
69	Applicability and legal enforceability of sales purchase contract in international trade operations in banks	BIBM	3	28 August 2021
70	Customer Due Diligence in Banks	BIBM	10	21 October 2021
71	ই নামজারী সিস্টেম ভূমি বন্ধক ডাটাবেজ প্রনয়নে ব্যাংক / আর্থিক প্রতিষ্ঠানের সম্পৃক্ততা বিষয়ে আয়োজিত কর্মশালা	Bangladesh Bank	2	03 October 2021
72	Internal Credit Risk Rating System in Banks	BIBM	5	10-12 October 2021
73	Financial Analysis for Banks	BIBM	2	03-07 October 2021
74	Financing Agro-based Business & CMSME Business	BIBM	5	03-07 October 2021
75	Human resources Management in Banks	BIBM	5	10-14 October 2021
76	IT Security & Fraud Prevention in Banks for Non It executives	BIBM	4	24-28 October 2021
77	Islamic Banking Operation	BIBM	4	24-28 October 2021
78	Customer Due Diligence in Banks	BIBM	4	21 October 2021
79	Mobile, Agent & Booth Bankling in Banhladesh	BIBM	4	29-30 September

SL	Topic	Institute	Participant(s)	Period
80	In-depth Study of UCP600 and latest case studies	Blackstone	5	29-30 October 2021
81	Credit Operations in Banks	BIBM	3	11 October 2021
82	Ethics, Integrity and Governance in Banks	BIBM	5	13-14 October 2021
83	Policy & Procedure of Foreign Investment in Bangladesh: Role of AD's	BIBM	2	28-30 September 2021
84	Leadership excellence in Banks for Branch Management	BIBM	5	03-04 October 2021
85	International Trade Payment & Finance	BIBM	4	06-14 October 2021
86	Credit Management in Banks	BIBM	3	25-28 October 2021
87	Export under open Account against Risk Coverage	BIBM	5	24 October 2021
88	Marketing of Financial Services	BIBM	4	02-04 November 2021
89	Credit monitoring & Supervision	BAB	3	30-31 October 2021
90	Prevention of Trade & Credit Based Money Laundering	BIBM	3	01-02 November 2021
91	Plenary Session	BIBM	1	15 November 2021
92	Work Life Balance for Women & NBFI's	ACTIVA	34	06-07 November 2021
93	Entrepreneurship Development and CMSME Financing	BIBM	3	07-11 November 2021
94	Internal Credit Risk Rating SYSTEM IN Banks	BIBM	4	01-03 November 2021
95	SME Financing in Bangladesh: Do Local Banking Market Structures Matter	BIBM	3	02 November 2021
96	Rules and Regulations of General Banking and Credit	BIBM	3	22-25 November 2021
97	Prevention of Malpractices in Banks with special Reference to AML & CFT	BIBM	5	21-25 November 2021
98	Prevention of Trade Based Money Laundering	BIBM	3	01-02 November

SL	Topic	Institute	Participant(s)	Period
99	Project Appraisal and Credit Management	BIBM	4	21-30 November
100	ATM & Plastic Card Management with Security Issues	BIBM	3	04 November 2021
101	Green Banking	BIBM	2	03-04 November 2021
102	Assessment of Stimulus Packages on Covid-19	BIBM	2	09 November 2021
103	Export Finance and Incentives: Implications for Export From Bangladesh	BIBM	5	10 November 2021
104	Audit and Governance Framework of Islamic Banks(Joint Program with IBCF	BIBM	4	21-22 November 2021
105	Certified EI Graduate Course	SLSD	3	05 November 2021
106	Role of Banks in Managing in the Covid-19 Effect on Inward Remittance in Bangladesh	BIBM	4	01 November 2021
107	Prevention of Credit and Trade Based Money Laundering	BAB	3	27-28 November 2021
108	Information System Audit in Banks for Non IT Executives	BIBM	3	14-18 November
109	Cyber Security and Fraud Prevention	BIBM	8	28 November-01 December 2021
110	Post Covid Impact on Banking Activities and way of Recovery	BIBM	3	24-25 November, 2021
111	Management of Bonded Import & Risk Mitigation in Export Financing	ICCB	5	04 December 2021
112	Leadership issues in Banks for Barishal Region	BIBM	5	06 December 2021
113	Roundtable Discussion on " Developing Tailor-made Products for CMSME BY Banks: Do Business Characteristics Matter?	BIBM	2	07 November 2021
114	Outreach Training for Rangpur Region on " Banking Technology & Cyber Security Issue"	BIBM	4	05-09 December 2021
115	Banking For IT Executives	BIBM	2	05-09 December 2021
116	Prevention of Financial Crime in Banks	BIBM	5	28 November 2021
117	Shariah Standards for financial Contracts in Islamic Banks and Financial Inclusions(Joint	BIBM	3	08-09 December 2021

SL	Topic	Institute	Participant(s)	Period
118	Policy and Procedure of Foreign Investment in Bangladesh: Role of Ads"	BIBM	5	13-15 December 2021
119	Interest Rate Risk in Banking Book(IRRBB) & Iis impact on Banks	BAMDA	1	25 December 2021
120	Certified Experts in Trade Services	BIBM	1	Six months course
121	Seminar On " Board, Chief Executive Officer and Performance of Banks in Bangladesh"	BIBM	4	13 December 2021
122	Certified Experts in Credit Management (CECM)	BIBM	1	Six months course
123	Certified Experts in Expert in Anti-Money Laundering and Financial Crime (CEAF) for January 2022	BIBM	1	Six months course
124	Internal Control Mechanism and Bank Supervision	BAB	1	18-19 December 2021
			494	

Training Programs Conducted at Computer Lab of Pubali Bank for the Year 2021

SL No	Name of the Training programs	No. of Courses	Number of Participants attended	Male	Female
1	Pubali Integrated Banking System (PIBS) for New recruited officers	2	60	56	4
2	Security Paper Management, Bills Function, GL Register and Central Disbursement	7	418	350	68
3	Fixed Asset, PF / SWF / TDS / Excise Duty Maintenance / Source Tax, VAT, Payroll and Salary Register	6	298	240	58
4	Maintenance of Branch Network, System, Inventory Management & Cyber Security Awareness	7	379	363	16
5	PI Banking & RTGS/Automated Challan System	8	466	410	56
6	Bank Guarantee, e-GP, Earnest Money Financing	7	370	333	37
7	Changes in Import, Export and Online Reporting to Regulators	3	67	55	12
8	Changes in Loans & Advances	7	397	369	28
9	Card Management-Card Transaction & Delivery Process	6	307	253	54
10	Pubali Integrated Islamic Banking System (PIIBS)	3	63	61	2
11	Sub Branch Processes and Posting	3	201	185	16
12	End-Point Security Implementation and Maintenance	5	261	247	14
13	Changes in BACH BEFTN	2	202	196	6
14	Implementation of Digital Signature	1	167	159	8
15	ACS (Automated Challan System)	1	82	50	32
16	Central Disbursement	6	1,117	1,035	82
17	Information Security Awareness	1	650	621	29
18	E-payment and ACS	1	94	76	18
	Grand Total	**76**	**5,599**	**5,059**	**540**

2.24 Audit committee

The Audit Committee of the Board comprising of the following members of the Board of Directors:

Name	Status in the Bank	Status in the Committee	Educational Qualification
Mr. Mohammad Naushad Ali Chowdhury	Independent Director	Chairman	MBA, BSc(Hons), MSc (Physics)
Mr. Ahmed Shafi Choudhury	Director	Member	BA (Dhaka University)
Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Director	Member	B. Eng (Civil), UK, FCMA (UK), CGMA
Ms. Rana Laila Hafiz	Director	Member	MA (English) DU
Dr. Shahdeen Malik	Independent Director	Member	PhD in Law, London, UK, Obtained LLM degrees from Universities at Moscow & Philadelphia

2.25 Accounting for Changes in Policy, Accounting Estimates and Errors

IAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors, states that the effect of a change in accounting policy and correction of error if material is to be applied retrospectively and change in an accounting estimate is to be applied prospectively. The carrying amount of assets, liabilities, or equity may be changed following a change in accounting estimates in the period of the change. The Bank followed the same accordingly.

2.26 Events after reporting period

As per IAS - 10 "Events after the Reporting Period" events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of event can be identified:

(a) Adjusting events after the reporting period which provide evidence of conditions which existed at the end of the reporting period; and
(b) Non adjusting events after the reporting period are those that are indicative of conditions that arose after the reporting period.

2.27 Related party disclosures

Related Party is a party related to an entity if:

(i) Directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under control with, the company; has an interest in the company, that gives it significant influence over the company; or has join control over the company;

(ii) The party is an associate (as defined in IAS 28 Investment in Associates);

(iii) The party is a joint venture in which the entity is a venture (as per IAS 31 Interests in Joint Ventures);

(iv) The party is member of the key management of personnel of the entity or its parent;

(v) The party is a close member of the family of any individual referred to in (i) or (iv);

(vi) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) The party is post-employment benefit plan for the benefit of employees of the entity or of any entity that is related party of the entity.

2.28 Director's responsibilities on financial statement

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

2.29 Segment reporting

As per IFRS 8 "Operating Segments'', an operating segment is a component of an entity:

(i) That engages in business activities from which it may earn revenues and incur expenses (include revenues and expenses relating to transactions with other components of the same entity);

(ii) Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performances, and

(iii) For which discrete financial information is available.

The Bank identifies segment based on its business segment as well as its subsidiaries. Business segments are comprised of Conventional Banking, Islamic Banking, Off-shore Banking and Pubali Bank Securities Limited. The Bank reviews the segments at the end of each reporting period to identify which of its segments are reportable and disclose the related information for those reportable segments accordingly.

2.30 Disclosure of FRC Policy to preserve Audited Financial Report in processing Loans

Financial Statement of a company is a mandatory document for sanctioning new loan facilities as well as renewal and enhancement of existing facilities. As per BRPD Circular Letter No. 04 dated 04 January 2021 issued by Bangladesh Bank, at the time of loan sanction/renewal, it is mandatory to preserve the up-to-date Statutory Audited Financial Report audited by Chartered Accountants for the firms defined as Public Interest entity by the clause 2(8) of Financial Reporting Act, 2015. During year-2021, 380 borrowers submitted Audited Financial Report out of 415 public interest entities. Efforts are being made to preserve the up-to-date Audited Financial Report in all the loan files.

As per BRPD circular Letter No. 35 dated 06 July 2021, the bank will use the Document Verification System (DVS) of the Institute of Chartered Accountants of Bangladesh (ICAB) to verify the Audited Financial Reports submitted by the borrower. In this connection, Bank already signed a MoU with ICAB dated 02 September 2021 and attended the virtual training program on DVS titled "The SECOND Slot Go-on-live Training on Document Verification System (DVS) for banks" arranged by ICAB on 06 September 2021. Till now bank did not get any ID for accessing to the DVS system of ICAB. Upon getting access to the DVS system, bank will verify all such types of Firms' Audited Financial Report.

2.31 General

i) Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year for the purpose of comparison with current year's presentation, without any impact on operational results and value of assets and liabilities.

ii) Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.

iii) These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

		2021 Taka	2020 Taka
3	**Cash**		
	Cash In hand (Including foreign currencies)		
	In local currency	5,064,304,533	4,117,213,715
	In foreign currencies	24,107,140	20,252,644
		5,088,411,673	4,137,466,359
	Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)		
	Bangladesh Bank		
	In local currency	17,692,669,678	17,147,587,030
	In foreign currencies	23,493,024	863,108,989
		17,716,162,702	18,010,696,019
	Sonali Bank as agent of Bangladesh Bank		
	In Local currency	1,841,758,205	1,998,277,244
		19,557,920,907	20,008,973,263
		24,646,332,580	**24,146,439,622**

3.1 Cash Reserve Ratio and Statutory Liquidity Ratio

Cash Reserve Ratio and Statutory Liquidity Ratio have been calculated in accordance with the section 33 of Bank Companies Act 1991, MPD circular numbers 1, 2 dated 03 April 2018, DOS circular no. 01 dated 19 January 2014 and MPD circular 01 dated 09 April 2020 respectively.

The Cash Reserve Ratio (CRR) required on the Bank's time and demand liabilities at the rate of 4.00% has been calculated in line with Bangladesh Bank circular and 13% Statutory Liquidity Ratio (SLR) on the same liabilities has also been maintained in the form of Treasury bills and bonds and other eligible securities. Both the reserves maintained by the Bank are as shown below:

3.1.1	**Cash Reserve Ratio (CRR)**		
	Required Reserve (4%)	18,613,499,000	17,238,224,000
	Actual Reserve maintained	18,051,230,733	17,843,331,773
	Surplus/(deficit)	**(562,268,267)**	**605,107,773**
3.1.2	**Statutory Liquidity Ratio (SLR)**		
	Required Reserve (13%)	61,555,808,000	56,597,283,000
	Actual Reserve maintained	131,697,834,090	131,182,627,070
	Surplus/(deficit)	**70,142,026,090**	**74,585,344,070**
	Held for Statutory Liquidity Ratio (SLR)		
	Cash in Hand	5,088,411,673	4,137,466,359
	Balance with agent Bank (Sonali Bank Limited)	602,434,680	636,974,820
	Excess Cash Reserve	24,569,092	605,107,773
	Government Securities (HTM)	71,761,227,925	58,946,858,671
	Government Securities (HFT)	52,234,461,595	65,906,570,321
	Other Eligible Securities	1,986,729,125	949,649,126
		131,697,834,090	**131,182,627,070**
3.1.3	**Total required amount of CRR and SLR**		
	Total required reserve (17%)	80,169,307,000	73,835,507,000
	Total actual reserve maintained	149,724,495,731	148,420,851,070
	Total Surplus	**69,555,188,731**	**74,585,344,070**

Notes to the financial statements
for the year ended 31 December 2021

		2021 Taka	2020 Taka
3(a)	**Consolidated Cash**		
	Cash In hand (Including foreign currencies)		
	Pubali Bank Limited	5,088,411,673	4,137,466,359
	Pubali Bank Securities Limited	-	-
		5,088,411,673	**4,137,466,359**
	Balance with Bangladesh Bank and its agent Bank (s) (Including foreign currencies)		
	Pubali Bank Limited	19,557,920,907	20,008,973,263
	Pubali Bank Securities Limited	-	-
		19,557,920,907	**20,008,973,263**
		24,646,332,580	**24,146,439,622**
4	**Balance with other banks and financial institutions**		
	In Bangladesh (Note 4.1)	20,250,730,902	17,021,755,202
	Outside Bangladesh (Note 4.2)	1,231,239,880	1,559,048,795
		21,481,970,782	**18,580,803,997**
4.1	**In Bangladesh**		
	In current deposit Accounts (in local currency)		
	Janata Bank Limited	34,048,378	-
		34,048,378	**-**
	In fixed/term deposit account (in local currency)		
	Delta Brac Housing and Finance Corporation Ltd.	1,150,000,000	1,150,000,000
	ICB Islamic Bank Ltd, Bangshal Branch, Dhaka	32,401,856	32,417,201
	ICB Islamic Bank Ltd, Principal Office, Dhaka	188,349,233	188,404,923
	Bangladesh Krishi Bank	-	1,000,000,000
	Janata Bank Limited	800,000,000	600,000,000
	Southeast Bank Limited	-	750,000,000
	Exim Bank Limited	1,000,000,000	300,000,000
	Social Islami Bank Limited	400,000,000	300,000,000
	Investment Corporation of Bangladesh	1,480,000,000	2,240,000,000
	Jamuna Bank Limited	1,000,000,000	-
	Social Islami Bank Limited	200,000,000	800,000,000
	Mutual Trust Bank Limited	1,957,177,520	1,102,414,300
	Dhaka Bank Limited	1,000,000,000	500,000,000
	Brac Bank Limited	3,000,000,000	-
	IFIC Bank Limited	1,297,400,000	-
	Mercantile Bank Limited	-	1,150,000,000
	EXIM Bank Limited	-	500,000,000
	Islami Bank Bangladesh Limited	2,402,400,000	2,120,027,500
	The City Bank Ltd.	-	254,403,300
	United Commercial Bank Limited	429,000,000	-
	Trust Bank Limited	85,800,000	-
	The Premier Bank limited	772,200,000	-
	Midland Bank limited	171,600,000	-
		17,366,328,609	**12,987,667,224**
	In Savings deposit account		
	Islami Bank Bangladesh Limited	14,973,791	14,656,675
		14,973,791	14,656,675

	2021 Taka	2020 Taka
In Special Notice Deposit account		
Sonali Bank Ltd, Shilpa Bhaban Branch, Dhaka	1,359,768,868	4,008,015,008
Bank Al Falah Ltd, Principal Branch, Dhaka	-	1,199,934
National Bank Ltd, Dilkusha Branch, Dhaka	-	673,244
The City Bank Ltd, Foreign Exchange Branch, Dhaka	-	891,088
Mutual Trust Bank Ltd, Principal Branch, Dhaka	-	969,292
Bangladesh Krishi Bank, Local office, Dhaka	1,266,116,939	713,551
Janata Bank Limited, Nawabpur branch, Dhaka	202,361,637	-
First Security Islami Bank Ltd, Dilkusha Branch, Dhaka	6,601,795	6,452,010
AB Bank Limited, Islamic Banking Branch, Dhaka	530,885	517,176
	2,835,380,124	**4,019,431,303**
Total Deposit in Bank in BDT	**20,250,730,902**	**17,021,755,202**

4.2 Outside Bangladesh (Nostro Account)In demand deposit account (non interest bearing)

Name of Bank	Foreign currency name	2021			2020		
		Conversion rate per unit FC	Amount in foreign currency	Amount in taka	Conversion rate per unit FC	Amount in foreign currency	Amount in taka
SCB Mumbai (AMEX)	ACUD	85.8000	30,177.44	2,589,224	84.8011	30,177.44	2,559,080
Bank of Bhutan, Thimpu	ACUD	85.8000	15,174.54	1,301,976	84.8011	13,608.31	1,154,000
MUFG Bank Ltd. New Delhi	ACUD	85.8000	22,770.00	1,953,666	84.8011	22,770.00	1,930,921
MUFG Bank Ltd. Japan	JPY	0.7457	6,260,469.00	4,668,418	0.8206	5,990,262.00	4,915,626
Commerz Bank , Germany	USD	85.8000	644,176.96	55,270,383	84.8011	991,059.70	84,042,953
Habib Metropolitan Bank, Ltd., Karachi	ACUD	85.8000	142,554.72	12,231,195	84.8011	72,640.59	6,160,002
Habib American Bank, New York	USD	85.8000	330,937.84	28,394,467	84.8011	1,887,524.26	160,064,134
HDFC Bank Ltd., Mumbai	ACUD	85.8000	46,378.57	3,979,281	84.8011	145,846.91	12,367,978
Punjab National Bank	ACUD	85.8000	177,857.79	15,260,198	84.8011	435,407.62	36,923,045
HSBC Bank, Mumbai	ACUD	85.8000	64,075.94	5,497,716	84.8011	64,075.94	5,433,710
ICICI Bank Ltd., Kolkata, India	ACUD	85.8000	73,459.72	6,302,844	84.8011	299,738.92	25,418,190
AB Bank, Mumbai	ACUD	85.8000	2,104.04	180,527	84.8011	155,858.82	13,216,999
Mashreq Bank PSC, New york	USD	85.8000	3,415,523.61	293,051,926	84.8011	3,724,819.05	315,868,753
Mashreq Bank PSC, New york (OBU)	USD	85.8000	1,588,514.83	136,294,572	84.8011	2,122,466.67	179,987,508
Mashreq Bank Mumbai,India (OBU)	ACUD	85.8000	47,906.34	4,110,364	84.8011	221,692.74	18,799,788
MCB, Pakistan	ACUD	85.8000	228.28	19,586	84.8011	224,187.24	19,011,325
Peoples Bank, Colombo	ACUD	85.8000	14,572.58	1,250,327	84.8011	90,229.49	7,651,560
Sonali Bank Ltd, Kolkata	ACUD	85.8000	142,069.53	12,189,566	84.8011	163,907.54	13,899,540
Standard Chartered Bank, Kathmandu	ACUD	85.8000	208,591.86	17,897,182	84.8011	137,172.72	11,632,398
Standard Chartered Bank, New york	USD	85.8000	1,479,624.71	126,951,800	84.8011	2,404,730.24	203,923,770
Standard Chartered Bank, Mumbai	ACUD	85.8000	756,547.16	64,911,746	84.8011	507,562.06	43,041,821
Standard Chartered Bank, UK	GBP	115.7614	30,914.44	3,578,698	114.8292	30,240.04	3,472,439
ICICI Bank, Kolkata, India	EURO	97.2800	14,537.17	1,414,176	104.1951	14,537.17	1,514,702
UBS AG, Zurich	CHF	93.6988	8,347.09	782,112	96.1028	15,777.75	1,516,286
Unicredit S.P.A., Milano, Italy	EURO	97.2800	216,980.30	21,107,852	104.1951	169,575.07	17,668,893
Citi Bank NA. New York	USD	85.8000	1,204,782.12	103,370,306	84.8011	1,737,401.19	147,333,532
Commerz Bank , Germany	EURO	97.2800	533,317.45	51,881,142	104.1951	255,268.95	26,597,777
JP Morgan Chase Bank, New York	USD	85.8000	2,227,144.01	191,088,956	84.8011	1,215,092.17	103,041,153
ABU DHABI Commercial Bank	AED	23.3565	1,453,517.65	33,949,045	23.0846	1,608,723.00	37,136,649
AXIS Bank Ltd. India	ACUD	85.8000	346,860.47	29,760,628	84.801	622,212.02	52,764,264
				1,231,239,880			**1,559,048,795**

		2021 Taka	2020 Taka
4.3	**Maturity grouping of balance with other banks and financial institutions**		
	Payable on demand	4,081,593,795	5,593,136,773
	Up to 3 months	15,429,625,898	10,492,839,600
	Over 3 months but not more than 1 year	1,750,000,000	2,274,005,500
	Above 1 year (receivable from former The Oriental Bank Ltd.)	220,751,089	220,822,124
		21,481,970,782	**18,580,803,997**
4(a)	**Consolidated Balance with other banks and financial institutions**		
	In Bangladesh		
	Pubali Bank Limited	20,250,730,902	17,021,755,202
	Pubali Bank Securities Limited	1,947,268,210	1,340,479,296
		22,197,999,112	**18,362,234,498**
	Less: Inter Company Transactions *	1,737,373,112	961,613,573
		20,460,626,000	**17,400,620,925**
	Outside Bangladesh		
	Pubali Bank Limited	1,231,239,880	1,559,048,795
	Pubali Bank Securities Limited	-	-
		1,231,239,880	**1,559,048,795**
		21,691,865,880	**18,959,669,720**

*Amount of Consolidated Balance with other banks and financial institutions has been restated and decreased by Tk. 378,865,723 as it was considered in the last year 2020 with inter company transaction .

5	**Money at call on short notice**		
	Banking company (note- 5.1)	11,286,667	11,286,667
	Non-banking Financial Institution (note-5.2)	230,700,000	1,189,500,000
		241,986,667	**1,200,786,667**
5.1	**Banking company**		
	Bangladesh Krishi Bank	-	-
	ICB Islamic Bank Ltd.	11,286,667	11,286,667
		11,286,667	**11,286,667**
5.2	**Non-banking Financial Institution**		
	GSP Finance Co. (BD) Ltd.	30,700,000	39,500,000
	IDLC Finance Limited	-	960,000,000
	IPDC Finance Limited	200,000,000	190,000,000
		230,700,000	**1,189,500,000**
6	**Investments**		
	Government investments		
	Securities		
	Government/ Bangladesh Bank bills - at book value (note 6.1)	11,146,071,611	26,091,013,587
	Government treasury bonds (Note 6.2)	113,933,697,912	100,309,443,067
	National prize bonds	25,017,791	27,572,001
	Total investment in government securities and bonds	**125,104,787,314**	**126,428,028,655**

Notes to the financial statements
for the year ended 31 December 2021

	2021 Taka	2020 Taka
Other investments:		
Shares (Note 6.3)	7,077,957,454	6,522,869,417
Debentures (Note 6.4)	294,060	294,060
Prime Bank Limited Bond	400,000,000	500,000,000
Dhaka Bank Limited Bond	120,000,000	150,000,000
Mercantile Bank Limited Bond	-	20,000,000
Trust Bank Limited Bond -1	-	50,000,000
Southeast Bank Limited Bond -1	-	60,000,000
Bank Asia Limited Bond -1	50,000,000	100,000,000
EXIM Bank Limited Bond -1	60,000,000	120,000,000
Social Islami Bank Limited Bond -1	-	40,000,000
Southeast Bank Limited Bond - 2	400,000,000	600,000,000
Trust Bank Limited Bond -2	400,000,000	600,000,000
One Bank Limited Bond -2	400,000,000	600,000,000
Jamuna Bank Limited Bond	180,000,000	240,000,000
Mutual Trust Bank Limited Bond -2	570,000,000	760,000,000
Bank Asia Limited Bond -2	600,000,000	800,000,000
EXIM Bank Limited Bond -2	600,000,000	800,000,000
Dutch- Bangla Bank Limited Bond-1	900,000,000	1,200,000,000
Shahjalal Islami Bank Limited Bond	420,000,000	560,000,000
Social Islami Bank Limited Bond -2	200,000,000	300,000,000
The City Bank Limited Bond -2	425,000,000	500,000,000
Standard Bank Limited Bond	300,000,000	400,000,000
Islami Bank Bangladesh Limited Bond	600,000,000	800,000,000
United Commercial Bank Limited Bond -1	450,000,000	600,000,000
Southeast Bank Limited-3	120,000,000	150,000,000
The City Bank Limited Bond -3	400,000,000	500,000,000
Dutch- Bangla Bank Limited Bond -2	400,000,000	500,000,000
One Bank Bond-3	300,000,000	300,000,000
Eastern Bank Limited Bond	1,000,000,000	1,000,000,000
Bank Asia Limited Bond -3	500,000,000	500,000,000
Dutch- Bangla Bank Limited Bond-3	500,000,000	500,000,000
Trust Bank Limited Bond -3	500,000,000	500,000,000
The City Bank perpetual Bond	1,000,000,000	1,000,000,000
United Commercial Bank Limited Perpetual Bond	500,000,000	-
PRAN AGRO Limited Green Bond	300,000,000	-
NCC Bank Perpetual Bond	650,000,000	-
Al-Arafah Islami Bank Limited Bond	200,000,000	200,000,000
Bridge financing advances (Note 6.5)	4,722,910	4,813,910
	20,527,974,424	**21,477,977,387**
	145,632,761,738	**147,906,006,042**

Notes to the financial statements
for the year ended 31 December 2021

		2021 Taka	2020 Taka
6.1	**Government/ Bangladesh Bank bills**		
	30 days Bangladesh Bank bills	-	-
	91 days treasury bills	7,220,261,738	9,197,441,442
	182 days treasury bills	-	8,293,075,192
	1 year treasury bills	3,925,809,873	8,600,496,953
		11,146,071,611	**26,091,013,587**
	182 days (Reverse Repo with other bank)	-	-
	1 year (Reverse Repo with other bank)	-	-
		-	-
		11,146,071,611	**26,091,013,587**
6.2	**Government treasury bonds**		
	25 years treasury bond	-	-
	20 years treasury bond	28,252,898,849	27,620,392,052
	15 years treasury bond	15,963,952,707	15,529,939,155
	10 years treasury bond	28,167,621,289	26,221,015,801
	5 years treasury bond	17,254,429,889	20,871,082,488
	2 years treasury bond	23,331,115,178	9,800,613,571
		112,970,017,912	**100,043,043,067**
	5 years Sukuk Bond	673,680,000	26,400,000
	6 Months Bangladesh Govt. Islami Investment Bond	290,000,000	240,000,000
		963,680,000	**266,400,000**
		113,933,697,912	**100,309,443,067**

6.3 **Shares**

Name of company	No of share	Market price	Market value	Cost/Book value	Cost/Book value
The ACME Laboratories Limited	1,144,886	86.50	99,032,639	105,803,270	159,292,379
ACME Pesticides Limited	94,421	26.80	2,530,483	2,661,831	-
Bata Shoe Company (BD) Limited	10,017	966.90	9,685,437	10,606,008	7,452,371
BBS Cables limited	-	-	-	-	142,522,636
Bangladesh Shipping Corporation	-	-	-	-	15,525,120
Bangladesh Submarine cable company Limited	340,644	210.10	71,569,304	65,910,670	24,811,041
Bangladesh Steel Re-Rolling Mills Limited	1,973,175	103.30	203,828,978	182,058,989	169,376,745
BSRM Steels Limited	1,330,300	71.10	94,584,330	101,876,968	78,756,312
City Bank Limited	156,018	27.30	4,259,291	3,942,039	96,005,823
Confidence Cement Limited	-	-	-	-	21,279,108
Crystal Insurance Company Limited	-	-	-	-	108,780
Delta Brac Housing Finance Corporation Limited	474,288	77.10	36,567,605	44,192,510	44,192,510
Eastern Bank Limited	20,280,149	38.50	780,785,737	53,051,800	53,051,800
Envoy Textile Limited	-	-	-	-	44,433,247
Exim Bank Limited	-	-	-	-	52,612,087
GPH Ispat Limited	-	-	-	-	86,248,691
Grameenphone Limited	940,000	349.50	328,530,000	314,358,531	314,358,531
ICB Islamic Bank Limited	7,998,300	5.20	41,591,160	79,983,000	79,983,000

Notes to the financial statements
for the year ended 31 December 2021

				2021 Taka	2020 Taka
Name of company	No of share	Market price	Market value	Cost/Book value	Cost/Book value
IDLC Finance Ltd	2,403,153	60.30	144,910,126	148,744,494	150,421,230
Ifad Autos Limited	938,400	47.30	44,386,320	64,605,006	64,605,006
Islami Bank Bangladesh Limited	-	-	-	-	30,169,941
Jamuna oil Company limited	427,439	171.10	73,134,813	73,094,811	52,392,988
Krishibid Power Company Limited	86,526	10.00	865,260	865,260	-
Khulna Power Company Limited	792,717	29.90	23,702,238	36,903,300	36,903,300
Lanka Bangla Finance Limited	-	-	-	-	53,393,354
Linde Bangladesh Limited	173,311	1,579.80	273,796,718	244,445,234	227,689,271
LR Global Bangladesh Mutual Fund One	5,184,672	6.90	35,774,237	50,000,000	50,000,000
Marico Bangladesh Limited	100,000	2,301.00	230,100,000	143,564,611	303,894,696
Mercantile Bank Limited	5,932,369	17.10	101,443,510	100,899,807	24,371,878
MJL Bangladesh Limited	2,066,155	88.30	182,441,487	207,811,699	143,655,613
Meghna Petroleum Limited	304,554	196.80	59,936,227	56,034,345	51,168,717
NCC Bank Limited	4,000,000	15.30	61,200,000	63,019,013	13,929,441
Nialco Alloys Limited	41,298	23.60	974,633	412,980	-
Olympic Industries Limited	729,273	160.60	117,121,244	209,725,271	727,221,190
One Bank Limited	98,175	13.80	1,354,815	1,266,999	24,303,354
Padma Oil Company Limited	188,145	212.50	39,980,813	41,094,963	25,735,997
Power Grid Company Bangladesh	1,003,700	59.60	59,820,520	60,931,655	-
Reckitt Benckiser Bangladesh Limited	11,268	5,729.90	64,564,513	18,222,861	18,222,861
Renata Ltd	214,778	1,312.00	281,788,736	151,728,401	112,713,298
Ring Shine Textiles Limited	1,306	9.60	12,538	11,244	1,136,422
Robi Axiata Limited	-	-	-	-	2,712,540
Runner Automobiles Limited	-	-	-	-	283,083
Sea Pearl Beach Resort & Spa Limited	-	-	-	-	17,764
Singer Bangladesh Limited	100,000	169.90	16,990,000	16,573,583	16,573,582
Sena Kalyan Insurance Company Limited	6,994	77.30	540,636	69,940	-
Southeast Bank Limited	-	-	-	-	109,106,978
Shahijibazar Power Company Limited	-	-	-	-	32,335,426
Square Textile Mills Limited	-	-	-	-	44,948,965
Square Pharmaceuticals Limited	2,000,000	214.30	428,600,000	418,456,694	418,456,694
Summit Power Limited	7,201,863	38.90	280,152,471	296,941,323	250,904,661
Titas Gas Transmission and Distribution Co. Ltd.	184,343	36.30	6,691,651	6,902,145	-
Unilever Consumer Care Limited	46,751	2,977.10	139,182,402	79,948,156	79,948,157
United Power Generation & Distribution Company Ltd	291,194	244.20	71,109,575	77,184,968	13,029,571
Uttara Bank Limited	3,337,908	25.50	85,116,654	88,801,328	47,823,103
Sub-Total (A)			**4,498,657,099**	**3,622,705,707**	**4,518,079,262**

Notes to the financial statements
for the year ended 31 December 2021

				2021 Taka	2020 Taka
	No of share	Face Value	Market value/NAV	Cost/Book value	Cost/Book value
Unqouted (B)					
Swan Textile Mills Limited	578	100	-	57,800	57,800
Specialised Jute Yarn & Twine Manufacturing Company Limited	19,880	10	-	198,800	198,800
Paper Converting & Packaging Limited	839	100	-	83,900	83,900
Ashraf Textile Mills Limited	99,165	10	-	1,274,980	1,274,980
Karmasangsthan Bank	100,000	100	21,177,140	10,000,000	10,000,000
Central Depository Bangladesh Limited	2,284,721	10	85,147,439	6,277,770	6,277,770
Lanka Bangla Securities Limited	97,828	10	1,836,946	5,000,000	5,000,000
Sub-Total (B)			**108,161,525**	**22,893,250**	**22,893,250**
Preference Shares (C)	**No of share**	**Face Value**	**Market value/NAV**	**Cost/Book value**	**Cost/Book value**
Raj Lanka Power Company Limited	1,939,394	10	19,393,939	19,393,939	58,181,817
Summit Barisal Power Company Limited	3,400,000	10	34,000,000	34,000,000	44,000,000
Summit Narayangonj Power Company Limited	1,800,000	10	18,000,000	18,000,000	24,000,000
Confidence Power Bogra Unit-2 Limited	6,000,000	10	60,000,000	60,000,000	75,000,000
Kushiara Power Company Limited	19,550,000	10	195,500,000	195,500,000	230,000,000
City Sugar Mills Limited	5,000	100,000	500,000,000	500,000,000	-
Flamingo Fashion Limited	1,900,000	100	190,000,000	190,000,000	-
Akber Ali & Company Limited	75,000,000	10	750,000,000	750,000,000	-
Sub-Total (C)			**1,766,893,939**	**1,766,893,939**	**431,181,817**
Non Capital Market Investment Element (D)	**No of share**	**Face Value**	**Market value/NAV**	**Cost/Book value**	**Cost/Book value**
Investment Corporation of Bangladesh	60,520,422	10	949,649,126	949,649,126	949,649,126
The ACME Laboratories Limited	-	-	-	-	50,890,078
ACME Pesticides Limited	884,297	10	31,684,017	31,684,017	-
Bangladesh Submarine Cable Company Limited	75,000	10	14,406,686	14,406,686	-
Bangladesh Steel Re-Rolling Mills Limited	311,159	10	34,119,035	34,119,035	-
BSRM Steels Limited	199,590	10	14,288,714	14,288,714	-
IDLC Finance Ltd	540,525	10	33,746,923	33,746,923	49,701,723
IPDC Finance Limited	-	-	-	-	46,741,361
Jamuna Bank Limited	-	-	-	-	18,352,945
Jamuna Oil Company Limited	332,737	10	56,866,924	56,866,924	56,866,924
Khulna Power Company Limited	100,000	10	50,318,619	50,318,619	50,318,619
Linde Bangladesh Limited	43,201	10	52,555,304	52,555,304	52,555,304
Mercantile Bank Limited	4,316,888	10	82,743,448	82,743,448	-
Meghna Petroleum Limited	328,000	10	66,008,252	66,008,252	66,008,252
MJL Bangladeh Limited	54,063	10	4,907,969	4,907,969	5,905,774
Padma Oil Company Limited	207,873	10	46,128,499	46,128,499	46,128,499
Power Grid Company of Bangladesh Limited	155,000	10	9,200,275	9,200,275	-
Renata Ltd	63,678	10	84,787,848	84,787,847	44,813,107
Square Pharmaceuticals Limited	230,000	10	47,509,481	47,509,481	112,783,376
Summit Power Limited	1,416,850	10	58,881,827	58,881,827	-
Titas Gas Transmission and Distribution Co. Ltd.	168,820	10	6,288,060	6,288,060	-
United Power Generation & Distribution Ltd.	18,000	10	4,608,588	4,608,588	-
Uttara Bank Limited	635,907	10	16,764,963	16,764,964	-
Sub-Total (D)			**1,665,464,558**	**1,665,464,558**	**1,550,715,088**
Total (A+B+C+D)			**8,039,177,121**	**7,077,957,454**	**6,522,869,417**

6.3.1 Particulars of required provision for investment

	Market value/NAV at 31 Dec 2021	Cost/Book value at 31 Dec 2021	2021 Taka Required provision	2020 Taka Required provision
Quoted Shares	4,462,882,862	3,572,705,707	-	-
Mutual Fund	35,774,237	50,000,000	-	-
Unquoted Shares:				
Provision Required				
Swan Textile Mills Limited	-	57,800	57,800	57,800
Specialised Jute Yarn & Twine Manufacturing Company Limited	-	198,800	198,800	198,800
Paper Converting & Packaging Limited	-	83,900	83,900	83,900
Ashraf Textile Mills Limited	-	1,274,980	1,274,980	1,274,980
LankaBangla Securities Limited	1,836,946	5,000,000	3,163,054	3,213,578
Provision not Required				
Karmasangsthan Bank	21,177,140	10,000,000	-	-
Central Depository Bangladesh Limited	85,147,439	6,277,770	-	-
Preference Share				
Raj Lanka Power Company Limited	19,393,939	19,393,939	-	-
Summit Barisal Power Company Limited	34,000,000	34,000,000	-	-
Summit Narayanganj Power Company Limited (SPPCL)	18,000,000	18,000,000	-	-
Confidence Power Bogra Unit-2 Limited	60,000,000	60,000,000	-	-
Kushiara Power Company Limited	195,500,000	195,500,000	-	-
City Sugar Mills Limited	500,000,000	500,000,000	-	-
Flamingo Fashion Limited	190,000,000	190,000,000	-	-
Akber Ali & Company Limited	750,000,000	750,000,000	-	-
Non Capital Market Investment Element				
Investment Corporation of Bangladesh	949,649,126	949,649,126	-	-
ACME Pesticides Limited	31,684,017	31,684,017	-	-
Bangladesh Submarine Cable Company Limited	14,406,686	14,406,686	-	-
Bangladesh Steel Re-Rolling Mills Limited	34,119,035	34,119,035	-	-
BSRM Steels Limited	14,288,714	14,288,714	-	-
IDLC Finance Ltd	33,746,923	33,746,923	-	-
Jamuna Oil Company Limited	56,866,924	56,866,924	-	-
Khulna Power Company Limited	50,318,619	50,318,619	-	-
Linde Bangladesh Limited	52,555,304	52,555,304	-	-
Mercantile Bank Limited	82,743,448	82,743,448	-	
Meghna Petroleum Limited	66,008,252	66,008,252	-	-
MJL Bangladeh Limited	4,907,969	4,907,969	-	-
Padma Oil Company Limited	46,128,499	46,128,499	-	-
Power Grid Company of Bangladesh Limited	9,200,275	9,200,275	-	-
Renata Ltd	84,787,848	84,787,848	-	-
Square Pharmaceuticals Limited	47,509,481	47,509,481	-	-
Summit Power Limited	58,881,827	58,881,827	-	-
Titas Gas Transmission and Distribution Co. Ltd.	6,288,060	6,288,060	-	-
United Power Generation & Distribution Ltd.	4,608,588	4,608,588	-	-
Uttara Bank Limited	16,764,963	16,764,963	-	-
	8,039,177,121	7,077,957,454	4,778,534	4,829,058
Bridge finance Advance	-	4,722,910	4,722,910	4,813,910
Debenture - at cost	-	294,060	294,060	294,060
Grand Total	**8,039,177,121**	**7,082,974,424**	**9,795,504**	**9,937,028**

Required provision has been maintained in current year as per BRPD circular no.14 dated 25 June 2003, DOS circular no. 04 dated 26 May 2019, DOS circular no.04 dated 24 November 2011 and DOS circular no. 07 dated 25 February 2014.

		2021 Taka	2020 Taka
6.3.2	**Particulars of required provision for Balance with other Bank**		
	In fixed/term deposit account (in local currency)		
	ICB Islamic Bank Ltd, Bangshal Branch, Dhaka	32,401,856	32,417,201
	ICB Islamic Bank Ltd, Principal Office, Dhaka	188,349,233	188,404,923
	Total Fixed/ Term Deposit	**220,751,089**	**220,822,124**
	Money at call on short notice		
	ICB Islamic Bank Ltd.	11,286,667	11,286,667
	Total required provision	**232,037,756**	**232,108,791**
	Total required provision for Investment and Balance with other Bank		
	Investment	9,795,504	9,937,028
	Balance with other Bank	232,037,756	232,108,791
	Grand Total	241,833,260	242,045,819
	Provision maintained (note: 14.5)	253,500,000	253,500,000
	Excess/(Shortage)	**11,666,740**	**11,454,181**
6.4	**Debentures at cost**		
	Gandhara Industries Limited	60	60
	Rupan Oil and Feeds Limited	30,000	30,000
	Bay Sodium Chemical Industries Limited	15,000	15,000
	Monir Chemical Limited	85,000	85,000
	Ahmed Jutex Mills Limited	75,000	75,000
	Mirzaboo Steel Limited	89,000	89,000
		294,060	**294,060**
6.5	**Bridge financing advances**		
	Bridge financing advances (ICB sponsored)	**4,722,910**	**4,813,910**
6.6	**Maturity grouping of investments**		
	Receivable on demand	4,769,612,536	5,552,790,831
	Not more than 3 months	8,088,440,142	17,186,090,778
	Over 3 months but not more than 1 year	18,404,873,995	12,157,249,725
	Over 1 year but not more than 5 years	45,996,985,982	39,761,063,202
	Over 5 years	68,372,849,083	73,248,811,506
		145,632,761,738	**147,906,006,042**
6.7	**Investment classified as per Bangladesh Bank Circular**		
	Treasury Bill - Held for trading (HFT)	11,146,071,611	26,091,013,586
	Treasury Bond - Held for trading (HFT)	41,088,389,985	41,315,584,396
	Treasury Bond - Held to maturity (HTM)	72,845,307,927	58,993,858,671
	Approved debenture - Held to maturity (HTM)	294,060	294,060
	Other securities	20,552,698,155	21,505,255,329
		145,632,761,738	**147,906,006,042**

6.8 Repo and Reverse Repo

A.(I) Disclosure regarding outstanding repo as on 31 December 2021

Counter Party Name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
Standard Chartered Bank Limited	30/12/2021	3/1/2022	502,243,860
Total			**502,243,860**

A. (II) Disclosure regarding outstanding Reverse repo as on 31 December 2021

Counter Party Name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
NIL	NIL	NIL	NIL

B. (I) Disclosure regarding overall transaction of repo and Reverse repo

Particulars	Minimum Outstanding During the year	Maximum Outstanding During the year	Daily average Outstanding During the year
Securities sold under Repo:			
i) With Bangladesh Bank	-	-	-
ii) With Other Banks and FIs	233,822,886	9,595,653,844	814,355,570
Total	**233,822,886**	**9,595,653,844**	**814,355,570**
Securities Purchased under Reverse Repo:			
i) From Bangladesh Bank	-	-	-
ii) From Other Banks and FIs	304,393,028	6,279,844,400	255,331,382
Total	**304,393,028**	**6,279,844,400**	**255,331,382**

	2021 Taka	2020 Taka
6(a) Consolidated Investments		
1. Government		
Pubali Bank Limited	125,104,787,314	126,428,028,655
Pubali Bank Securities Limited	-	-
	125,104,787,314	**126,428,028,655**
2. Other		
Pubali Bank Limited	20,527,974,424	21,477,977,387
Pubali Bank Securities Limited	6,294,815,414	6,633,478,130
	26,822,789,838	**28,111,455,517**
	151,927,577,152	**154,539,484,172**
7 Loans, advances and leases		
Loans, cash credits and overdrafts, etc. (note 7.1)	349,626,391,590	299,514,705,921
Bills purchased and discounted (note 7.2)	27,030,040,348	16,064,193,319
	376,656,431,938	**315,578,899,240**

Notes to the financial statements
for the year ended 31 December 2021

		2021 Taka	2020 Taka
7.1	**Loans, cash credits, overdrafts, etc.**		
	In Bangladesh:		
	Loans	142,497,590,954	119,259,684,348
	Cash credits	60,550,059,467	51,340,450,445
	Overdrafts	84,731,149,497	77,317,682,640
	Earnest Money	4,308,192,802	5,744,912,604
	Loan against merchandise	3,212,012	4,240,723
	Packing credits	725,130,490	450,241,175
	Loan against trust receipts	7,817,134,742	8,280,615,537
	Pubali prochesta	132,954,607	174,113,539
	Non-resident Credit Scheme	150,444	618,920
	Pubali Subarna	5,300,354,871	4,939,541,361
	Pubali Karmo Uddog	296,220,335	268,103,173
	Pubali Sujon	33,244,783	35,655,970
	Pubali Utsob	15,161,586	17,018,210
	Payment against documents	3,713,028,764	5,583,224,697
	Consumers loan scheme	12,583,170,256	12,554,774,362
	EDF loan	18,560,826,191	7,196,070,350
	Lease finance (Note 7.13)	7,686,653,441	6,109,969,755
	Credit card	254,663,906	218,752,236
	Others	417,492,442	19,035,876
		349,626,391,590	**299,514,705,921**
	Outside Bangladesh	-	-
		349,626,391,590	**299,514,705,921**
7.1.1	**Maturity grouping of Loans, Advances and Leases**		
	Repayable on demand	19,955,234,242	7,602,179,457
	Up to 3 months	91,596,725,955	71,587,890,480
	Over 3 months but not more than 1 year	99,791,369,417	98,751,767,493
	Over 1 year but not more than 5 years	80,977,779,865	71,888,955,364
	Over 5 years	57,305,282,111	49,683,913,127
		349,626,391,590	**299,514,705,921**
7.2	**Bills purchased and discounted**		
	Payable in Bangladesh:		
	Loans against accepted bills	3,557,349,785	1,870,355,329
	Loans against demand draft purchased	31,565	31,565
		3,557,381,350	**1,870,386,894**
	Payable outside Bangladesh:		
	Foreign bills purchased	23,472,658,998	14,193,806,425
	Foreign draft purchased	-	-
		23,472,658,998	**14,193,806,425**
		27,030,040,348	**16,064,193,319**
7.2.1	**Maturity grouping of Bills purchased and discounted**		
	Receivable on demand	2,731,971	550,484
	Not more than 3 months	9,295,975,828	4,960,406,990
	Over 3 months but not more than 6 months	17,731,332,549	11,103,235,845
		27,030,040,348	**16,064,193,319**

		2021 Taka	2020 Taka
7.3	**Loans and advances including bills purchased and discounted analysed in following broad categories**		
	In Bangladesh		
	Loans	207,902,563,976	172,726,959,730
	Cash credits	60,550,059,467	51,340,450,445
	Overdrafts	84,731,149,497	77,317,682,640
		353,183,772,940	**301,385,092,815**
	Outside Bangladesh	23,472,658,998	14,193,806,425
		376,656,431,938	**315,578,899,240**
7.4	**Loans and advances on the basis of significant customer concentration including bills purchased and discounted**		
	Advance to directors and others	-	18,885
	Advance to officers and employees	4,180,339,375	3,654,128,995
	Advance to customers group (note 7.9)	211,411,100,000	116,255,100,000
7.5	**Industry wise distribution of loans and advances**		
	Agriculture	6,970,409,703	6,078,874,158
	Jute	198,295,028	157,541,346
	Textile	35,183,627,519	25,115,135,520
	Ready-made garments	28,003,130,511	24,387,172,355
	Steel & engineering	15,885,448,581	11,985,967,411
	Ship breaking	2,908,570,809	2,961,544,783
	Edible oil	9,904,622,939	9,277,075,594
	Cement	7,398,826,350	6,294,999,986
	Pharmaceuticals	9,157,796,176	7,679,063,363
	Food & allied	26,057,961,291	13,181,603,715
	Electrical equipments & Electronic Goods	12,168,356,992	5,798,885,361
	Paper, paper products and packaging	3,029,573,740	1,713,700,130
	Leather	860,945,752	94,438,658
	Printing & Dyeing Industries	6,955,849,552	6,509,818,788
	Others Manufacturing Industries	25,200,198,395	21,763,256,865
	Energy and power	7,866,558,117	5,434,061,317
	Hospitals, Clinics and other health services	5,585,026,149	5,933,516,575
	Construction	15,615,146,107	15,439,028,416
	Housing	13,119,170,249	12,419,106,551
	Transport and communication	2,145,815,225	3,353,645,880
	Others Service Industries	6,150,393,198	5,026,691,429
	Trade & Commerce	75,274,839,530	64,106,995,361
	NBFI (Non Bank Financial Institution)	4,104,174,312	4,876,746,425
	NGO	5,259,627,866	7,372,897,455
	Consumer Finance	32,353,690,730	27,356,996,133
	Others	19,298,377,117	21,260,135,665
		376,656,431,938	**315,578,899,240**

		2021 Taka	2020 Taka
7.6	**Geographical location-wise (based on fund used) distribution of loans and advances including bills purchased and discounted**		
	In Bangladesh - Urban		
	Dhaka	121,817,289,902	113,869,650,910
	Chattogram	30,372,169,308	30,049,519,411
	Sylhet	14,812,745,303	11,887,694,668
	Barishal	5,541,635,437	3,559,933,982
	Khulna	12,256,647,504	6,558,745,099
	Rajshahi	8,172,534,337	6,627,955,737
	Rangpur	6,846,133,001	5,432,347,370
	Mymensingh	6,181,957,098	5,653,428,138
		206,001,111,890	**183,639,275,315**
	In Bangladesh - Rural		
	Dhaka	87,863,981,931	71,234,296,502
	Chattogram	27,421,819,709	21,632,804,401
	Sylhet	11,230,393,900	9,878,821,578
	Barishal	1,050,933,398	1,171,768,812
	Khulna	3,130,761,559	3,024,111,719
	Rajshahi	3,903,722,839	2,653,961,425
	Rangpur	4,252,680,993	925,500,826
	Mymensingh	8,328,366,721	7,224,552,237
		147,182,661,050	**117,745,817,500**
	Outside Bangladesh (Foreign bills/drafts purchased)	**23,472,658,998**	**14,193,806,425**
		376,656,431,938	**315,578,899,240**
7.7	**Sector-wise loans and advances including bills purchased and discounted**		
	Public sector	25,756	74,017,991
	Private sector	374,787,682,467	314,918,929,440
	Co-operative sector	1,868,723,715	585,951,809
		376,656,431,938	**315,578,899,240**
7.8	**Security base-wise loans and advances including bills purchased and discounted**		
	Collateral of movable and immovable properties	208,667,475,903	175,348,157,176
	Export documents	35,115,588,593	4,262,872,162
	Fixed/ Term deposit receipts of own Bank	24,795,655,220	19,686,734,225
	FDR of other banks	446,059,558	753,829,628
	Government bonds	32,958,955	303,839
	Corporate Guarantee	60,117,872,978	57,244,660,964
	Personal guarantee	44,604,416,578	57,080,919,002
	Other securities	2,876,404,153	1,201,422,244
		376,656,431,938	**315,578,899,240**

	2021 Taka	2020 Taka

7.9 Advance to customers group (Details of large loans and advances)

Number of clients with amount of outstanding and classified loans to whom loans and advances sanctioned more than 10% of total Regulatory capital of the Bank. Total Regulatory capital of the Bank was Taka 52,591,295,305 as at 31 December 2021.

Number of clients	27	18
Amount of outstanding loans/advances	211,411,100,000	116,255,100,000
Classified amount thereon	-	-
Measures taken for recovery	-	-
*** Details shown in Annexure C**		
Name of borrower		
Ha-Meem Group	15,848,200,000	8,438,600,000
City Group	12,443,400,000	8,719,200,000
Meghna Group	11,489,000,000	9,758,900,000
Paramount Group	10,780,000,000	5,860,100,000
PRAN-RFL Group	9,328,300,000	7,172,500,000
AA Yarn Mills Ltd.	8,684,700,000	-
Sharmin Group	8,378,700,000	5,262,800,000
Fair Electronics Limited	8,265,100,000	6,534,400,000
City Seed Crushing Group	8,227,900,000	5,728,800,000
Secom Group	8,100,000,000	5,249,200,000
Amanat Shah Group	8,093,100,000	-
Abul Khair Group	7,836,300,000	6,102,600,000
JMI Group	7,645,000,000	-
MSA Spinning	7,476,000,000	5,722,200,000
Max Group	7,364,000,000	8,392,300,000
Envoy Group	6,802,000,000	5,408,500,000
Biswas group	6,487,500,000	-
BRB Group	6,348,500,000	-
DIRD Group	6,259,400,000	-
GPH Ispat Limited	6,254,700,000	-
Nitol-Niloy Group	6,186,900,000	-
Al Mostafa Group	5,925,000,000	-
T. K. Group	5,717,500,000	5,022,200,000
Pakiza Group	5,422,700,000	-
Sena Kalyan Group	5,387,400,000	4,853,800,000
Popular Group	5,374,600,000	-
Project Builders Group	5,285,200,000	5,473,700,000
Keya Group	-	5,350,700,000
BRAC Group	-	7,204,600,000
	211,411,100,000	**116,255,100,000**

7.10 Classification of loans and advances including bills purchased and discounted

Unclassified:		
Standard	356,673,535,974	292,675,837,444
Special mention account (SMA)	4,322,446,309	10,626,922,632
	360,995,982,283	303,302,760,076
Classified:		
Substandard (SS)	1,719,110,775	1,200,977,784
Doubtful (DF)	1,102,560,408	547,010,405
Bad or loss (BL)	8,658,439,097	6,874,021,980
	11,480,110,280	8,622,010,169
Staff loan	4,180,339,375	3,654,128,995
	376,656,431,938	**315,578,899,240**

			2021 Taka	2020 Taka
7.11 Particulars of required provision for loans and advances				
Status of Classification	**Base for Provision**	**Rate of Provision (%)**		
General provision - Unclassified				
Standard	263,099,186,477	1	2,630,991,865	2,095,073,584
Small & Medium Enterprise financing	72,202,003,550	0.25	180,505,009	155,346,366
Loans to BHs/MBs/SDs against share etc.	260,384,268	2	5,207,685	1,183,811
Housing Finance	269,118,776	1	2,691,188	4,000,667
Loan for Professional to setup business	258,436,091	2	5,168,722	1,408,328
Consumers loan scheme (Credit Card)	135,338,275	2	2,706,766	2,444,116
Consumers loan scheme	14,736,159,861	2	294,723,197	289,996,726
Short Term Agri Credit and Micro credit	5,712,908,676	1	57,129,087	58,782,168
Special mention account (SMEF)	1,896,406,189	0.25	4,741,015	5,446,755
Special mention account (Credit Card)	2,779,896	2	55,598	11,586
Special mention account (CLS)	246,661,342	2	4,933,227	2,645,758
Special mention account (HF)	5,138,306	1	51,383	45,779
Special mention account (LP)	611,319	2	12,226	72,062
Special mention account (Others)	1,871,022,314	1	18,710,223	71,741,467
			3,207,627,191	2,688,199,173
Provision kept as per Bangladesh Bank Inspection Team instruction against stay order given by Hon'ble High Court.			3,262,701,000	2,278,310,000
Provision kept as per instruction of Bangladesh Bank Inspection Team against some accounts has been considered uncertainity of the recovery due to present pandemic situation.			766,949,850	400,900,000
Special General Provision-COVID 19 has been maintained as per BRPD circular letter no.56/2000, 50/2021, 52/2021 and 53/2021.			915,201,520	530,400,000
			8,152,479,561	**5,897,809,173**
Specific provision - Classified				
Substandard (Agri & Micro credit)	1,046,008	5	52,300	52,191
Substandard (small, Cottage, Mirco credit)	487,541,363	5	24,377,068	12,047,055
Substandard (Others)	283,595,429	20	56,719,086	35,925,398
Doubtful (Agri & Micro credit)	-	5	-	561,953
Doubtful (small, Cottage, Mirco credit)	125,107,774	20	25,021,555	27,382,983
Doubtful (Others)	1,059,678,054	50	529,839,027	18,870,880
Bad/Loss	10,453,937,707	100	10,453,937,707	10,162,969,021
			11,089,946,743	**10,257,809,481**
Total Required provision (see below)			19,242,426,304	16,155,618,654
Provision maintained (note 14.1)			19,253,162,055	17,155,618,654
Excess provision			10,735,751	1,000,000,000

		2021 Taka	2020 Taka
7.12	**Particulars of loans and advances**		
	(i) Loans considered good in respect of which the bank is fully secured.		
	(ii) Loans considered good for which the bank holds no other security than the debtors' personal security	233,942,149,636 41,544,985,642	201,253,319,273 36,392,533,085
	(iii) Loans considered good being secured by the personal security of one or more parties in addition to the personal security of the debtors.	101,169,296,660	77,933,046,882
	(iv) Loans adversely classified; provision not maintained there against	-	-
		376,656,431,938	**315,578,899,240**
	(v) Loans due by directors or officers of the bank or any of them either severally or jointly with any other persons	4,180,339,375	3,654,147,880
	(vi) Loan due from companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies as members.	-	-
	(vii) Maximum total amount of advances, including temporary advances, made at any time during the year to directors or employees of the bank or any of them either severally or jointly with any other persons.	4,180,339,375	3,654,147,880
	(viii) Maximum total amount of advances, including temporary advances , granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies as members.	-	-
	(ix) Loans due from banking companies	4,104,174,312	4,876,746,425
	(x) Amount of classified loan on which interest /Profit has not been charged as follows	-	-
	a) Increase / (decrease) of provision (specific)	1,083,151,893	(2,064,037,204)
	b) Amount of written off debt including interest suspense	(1,593,425,556)	(1,177,042,952)
	c) Amount of debt recovered against the debt which was previously written off	119,552,642	38,717,790
	d) Amount of Provision kept against loans classified as bad or loss	10,453,937,707	10,162,969,021
	e) Amount of interest credited in suspense account	6,141,139,753	4,569,922,382
	(xi) Cumulative amount of written off from Loans		
	Opening Balance	17,773,213,817	16,596,170,865
	Amount of written off during the current year	1,593,425,556	1,177,042,952
		19,366,639,373	17,773,213,817
	(xii) Amount of written off loans for which law suit has been filed for recovery	19,184,945,014	17,599,150,872

		2021 Taka	2020 Taka
7.13	**Lease finance**		
	Lease rental receivable within 1 year	2,692,540,121	2,279,993,404
	Lease rental receivable within 5 years	5,098,995,558	4,666,353,950
	Lease rental receivable after 5 years	988,200,737	202,473,459
	Total lease rental receivable	8,779,736,416	7,148,820,813
	Less : Un-earned interest receivable	(1,093,082,975)	(1,038,851,058)
	Net Lease finance	7,686,653,441	6,109,969,755
7(a)	**Consolidated Loans, Advances and Leases**		
	Loans, cash credits, overdrafts, etc.		
	Pubali Bank Limited	349,626,391,590	299,514,705,921
	Pubali Bank Securities Limited	781,062,717	618,430,307
		350,407,454,307	**300,133,136,228**
	Bills purchased and discounted		
	Pubali Bank Limited	27,030,040,348	16,064,193,319
	Pubali Bank Securities Limited	-	-
		27,030,040,348	**16,064,193,319**
		377,437,494,655	**316,197,329,547**
8	**Fixed Assets including premises, furniture & Fixtures**		
	Tangible Assets		
	Land	1,127,377,430	1,127,377,430
	Lease land	1,111,195,000	1,111,195,000
	Building	418,660,966	418,660,966
	Vehicles	350,985,902	342,194,861
	Machinery and equipment	1,178,699,653	1,082,895,883
	Computer & Computer Accessories	1,655,857,225	1,382,484,766
	Furniture and fixtures	1,037,173,751	927,005,121
	Total Tangible Assets	**6,879,949,927**	**6,391,814,027**
	Accumulated Depreciation	(3,058,652,841)	(2,781,214,194)
	Net book value of Tangible assets	**3,821,297,086**	**3,610,599,833**
	Intangible Assets		
	Computer Software	**593,083,288**	**392,408,983**
	Accumulated Depreciation	(370,100,449)	(332,296,620)
	Net book value of Intangible assets	**222,982,839**	**60,112,363**
		4,044,279,925	**3,670,712,196**
	Lease assets		
	Right Of Use (ROU) Assets as per IFRS-16	**3,016,297,775**	**2,233,725,100**
	Accumulated Depreciation	(1,274,830,510)	(816,444,636)
	Net book value of Lease assets	**1,741,467,265**	**1,417,280,464**
	Net book value of total fixed assets at the end of the year	**5,785,747,190**	**5,087,992,660**

The above amount includes revaluation surplus of Tk 8,103,355, Tk 230,540,953, Tk 86,361,299,Tk 800,757,736 and Tk. 189,39,34,000 ascertained by independent valuers in 1986, 1992, 1996, 2006 and 2010 respectively, on land and buildings of the Bank at different locations. The above stated revaluation surplus amounts have been credited to capital reserve.

On the other hand, total value of Land & Buildings has been revalued at Tk. 2,657,233,396 resulting total decrease of Tk. 520,443,941 in the year 2020 which has been adjusted with assets revalution reserve under other reserve. Further details of above assets are shown in **Annexure A.**

Notes to the financial statements
for the year ended 31 December 2021

		2021 Taka	2020 Taka
8(a)	**Consolidated Fixed Assets including premises, furniture & fixtures**		
	Cost		
	Pubali Bank Limited	10,489,330,990	9,017,948,110
	Pubali Bank Securities Limited	11,148,671	10,591,676
		10,500,479,661	**9,028,539,786**
	Less: Accumulated Depreciation		
	Pubali Bank Limited	(4,703,583,800)	(3,929,955,450)
	Pubali Bank Securities Limited	(7,499,215)	(6,413,822)
		(4,711,083,015)	**(3,936,369,272)**
		5,789,396,646	**5,092,170,514**
9	**Other Assets**		
	Interest accrued on investments	2,579,937,060	2,332,061,528
	Accrued income on loans & advances	389,191,101	2,427,258,094
	Investment in SWIFT AC	3,387,591	3,387,591
	Advance security deposit, advance rent and prepaid expenses	486,353,902	452,813,423
	Investment in Subsidiary Company	6,599,998,700	6,599,998,700
	Stock dealing account	218,377,519	378,872,920
	Stationery and stamps	112,282,554	98,426,473
	Drafts payable	16,540,503	17,021,131
	Sanchaypatra	17,551,607	16,655,185
	Deferred tax assets (note 14.9.1)	4,020,112,798	3,909,717,236
	Suspense account (note 9.1)	346,089,155	359,902,851
	Demonetized notes (note 9.2)	1,903,590	1,903,830
	Items in transit (note 9.3)	7,758,535,689	5,971,619,730
	Advance against income tax (note 9.4)	32,484,604,445	30,675,162,255
	Clearing house adjustment	1,400,931	1,383,920
	Others (note 9.5)	3,739,932	3,562,388
		55,040,007,077	**53,249,747,255**
	Less: Advance Rent (For implementing IFRS 16 Leases, advance rent has been considered separately.)	300,944,367	283,838,040
		54,739,062,710	**52,965,909,215**
9.1	**Suspense Account**		
	Suspense account general	127,096,760	149,335,381
	Suspense law	1,208,664	976,987
	Protested bills	217,783,731	209,590,483
		346,089,155	**359,902,851**

9.2 Demonetized Notes :TK. 1,903,590

This relates to demonetized notes lying with Bangladesh Bank, after due reimbursement.

9.3 Items in Transit: TK. 7,758,535,689

"The above is the net amount representing outstanding Inter-branch and Head Office transactions originated but yet to be responded at the balance sheet date. The above amount includes receivables of Tk. 29,99,670 of Bank's own branches operating in former West Pakistan before Liberation of the country in 1971.

9.3.1 Subsequent position of non-responded entries as on 31.12.2021 (Base date: 02.04.2022)

Period of un- reconciliation	Number of Un-responded entries		Un-responded entries (Amount in Taka)	
	Debit	Credit	Debit	Credit
up to 3 months	-	5	-	2,340
Over 3 months but within 6 months	-	-	-	-
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
Over 5 years	498	457	7,723,303	4,607,638

		2021 Taka	2020 Taka
9.4	**Advance income Tax**		
	Balance at the beginning of the year	30,675,162,255	27,801,296,414
	Paid during the year	1,809,442,190	2,873,865,841
	Settlement of previous years tax liability	-	-
	Balance at the end of the year	**32,484,604,445**	**30,675,162,255**
9.5	**Others**		
	Property account	162,129	162,129
	Delayed charges of lease rental	45,906	45,906
	Interest Subsidy	9,000	9,000
	Remittance Disbursement to Bikash	177,544	-
	Interest suspense against waiver of 50% BSCIC loan	245,061	245,061
	Waiver of 50% outstanding BSCIC loan	44,176	44,176
	Waiver of 50% interest for flood affected jute borrowers	1,351,812	1,351,812
	Waiver of 70% outstanding agricultural credit & rural credit	1,704,304	1,704,304
		3,739,932	**3,562,388**
9.6	**Classification of other assets**		
	Unclassified (UC)	54,496,502,676	52,747,618,429
	Substandard (SS)	-	-
	Doubtful (DF)	-	-
	Bad or Loss (BL)	242,560,034	218,290,786
		54,739,062,710	**52,965,909,215**
9.7	**Particulars of provision for other assets**		

Status of Classification	Base for provision	Rate of Provision (%)		
Doubtful (DF)	-	50	-	-
Bad or Loss (BL)	242,560,034	100	242,560,034	218,290,786
Required provision			242,560,034	218,290,786
Provision maintained (note 14)			242,760,864	218,668,221
Excess provision			**200,830**	**377,435**

Notes to the financial statements
for the year ended 31 December 2021

		2021 Taka	2020 Taka
9(a)	**Consolidated Other Assets**		
	Pubali Bank Limited	54,739,062,710	52,965,909,215
	Pubali Bank Securities Limited	436,127,272	368,391,928
		55,175,189,982	**53,334,301,143**
	Less: Inter company Transactions *	(209,908,908)	(378,879,533)
	Pubali Bank Securities Limited	(6,599,998,700)	(6,599,998,700)
		(6,809,907,608)	**(6,978,878,233)**
		48,365,282,374	**46,355,422,910**

* In the last year 2020, inter company transactions has been restated to Tk. 378,865,723 insted of Tk. 378,872,920. So, the difference amount of Tk. 7,197 wrongly considered as Stock dealing account under inter company transactions.

10	**Non-banking Assets**		
	Assets of United Bank of India Ltd. (located in Brahmanbaria, Chandpur, Comilla, Barishal, Sadarghat -Dhaka)	**375,246**	**375,246**
11	**Borrowings from other Banks, Financial Institutions and Agents**		
	In Bangladesh (note 11.1)	6,999,699,923	4,783,592,656
	Outside Bangladesh (note 11.2)	23,020,140,000	12,703,204,780
		30,019,839,923	**17,486,797,436**
11.1	**In Bangladesh**		
	Borrowing from Bangladesh Bank	5,455,299,923	4,783,592,656
		5,455,299,923	4,783,592,656
	Term borrowing from other banks		
	Bangladesh Development Bank Ltd.	429,000,000	-
	United Commercial Bank Ltd.	429,000,000	-
	Trust Bank ltd.	429,000,000	-
	One Bank Ltd.	257,400,000	-
		1,544,400,000	-
		6,999,699,923	**4,783,592,656**
11.2	**Outside Bangladesh**		
	In demand deposit accounts (non- interest bearing)	-	-
	Placement/ Borrowing from Outside Bangladesh	23,020,140,000	12,703,204,780
		23,020,140,000	**12,703,204,780**
11.3	**Security against borrowing from other banks, financial institutions and agents**		
	Secured	28,475,439,923	17,486,797,436
	Unsecured	1,544,400,000	-
		30,019,839,923	**17,486,797,436**
11.4	**Maturity grouping of borrowing from other banks, financial institutions and agents**		
	Payable on demand	-	-
	Payable within 1 month	5,247,523,998	848,011,000
	Over 1 month but within 6 months	16,186,015,000	5,936,077,000
	Over 6 months but within 1 year	7,866,539,915	8,298,166,151
	Over 1 year but within 5 years	-	1,645,493,285
	Over 5 years and above	719,761,010	759,050,000
		30,019,839,923	**17,486,797,436**

Notes to the financial statements
for the year ended 31 December 2021

		2021 Taka	2020 Taka
12	**Subordinated bonds**		
	Agrani Bank Limited	4,600,000,000	4,800,000,000
	Janata Bank Limited	1,100,000,000	1,300,000,000
	Rupali Bank Limited	1,600,000,000	1,800,000,000
	Sonali Bank Limited	1,600,000,000	1,800,000,000
	Uttara Bank Limited	1,100,000,000	1,300,000,000
	Delta Life Insurance Company Limited	500,000,000	500,000,000
		10,500,000,000	**11,500,000,000**
12.1	**Perpetual bonds**		
	Trust Bank Limited	2,350,000,000	-
	Jamuna Bank Limited	450,000,000	-
		2,800,000,000	-
13	**Deposits and other accounts**		
	Inter-bank deposits	3,182,802,000	1,401,400,000
	Other deposits	459,217,416,687	427,941,617,243
		462,400,218,687	**429,343,017,243**
13.1	**Details of deposits and other accounts**		
	Current deposits and other accounts :		
	Current account	57,056,939,792	47,706,101,388
	Cash credit A/C. (Cr. Balance)	721,308,651	949,535,058
	Overdraft earnest money (Cr. Balance)	3,000	28,800
	Pubali Prochesta (Cr. Balance)	18,780,924	4,539,040
	Credit card A/C	3,522,582	2,487,513
	Call deposits	14,775,897	14,844,397
	Foreign currency deposits	2,112,733,372	1,007,291,466
	Un- claimed drafts payable	3,564	3,564
	Un- claimed dividend	18,914	18,914
	Unclaimed deposits FDD A/C	17,517,587	17,683,319
		59,945,604,283	49,702,533,459
	Bills payable (note 13.1.1)	13,829,749,009	14,657,445,295
	Savings Bank accounts	115,249,019,676	100,270,298,831
	Term deposits :		
	Fixed deposits - from customers	117,562,287,446	116,998,827,377
	Special Notice Deposits	55,450,203,277	53,016,106,853
	Deposit pension scheme	13,527,089	9,132,824
	Interest payable on term deposit	3,183,203,865	3,814,318,518
	Pubali pension scheme	40,366,386,090	37,979,555,430
	Pubali sanchay prakalpa	3,867,297,578	3,800,374,432
	Dwigun Sanchay Prokalpa	21,182,091,318	20,865,329,697
	Target Based Small Deposit (Pubali shopnopuron)	11,329,818,545	9,511,579,968
	Monthly profit base deposit	3,466,659,430	3,151,598,651
	Monthly Profit Based Small Deposit (Pubali shadhin sonchoy)	6,244,040,198	5,969,873,344
	Shikhya sanchay prokalpa	182,565,699	198,375,295
		262,848,080,535	255,315,072,389
	Other deposits	10,527,765,184	9,397,667,269
		462,400,218,687	**429,343,017,243**

Notes to the financial statements
for the year ended 31 December 2021

		2021 Taka	2020 Taka
13.1.1	**Bills Payable**		
	Payment orders issued	13,744,845,221	14,578,202,936
	Demand Drafts	84,903,788	79,242,359
		13,829,749,009	**14,657,445,295**
13.2	**Maturity analysis of inter-bank deposits**		
	Payable on demand	991,308,804	436,477,091
	Payable within 1 month	603,155,862	265,571,853
	Over 1 month but within 6 months	1,381,131,434	608,117,499
	Over 6 months but within 1 year	50,810,997	22,372,278
	Over 1 year but within 5 years	156,394,903	68,861,279
	Over 5 years and above	-	-
		3,182,802,000	**1,401,400,000**
13.3	**Maturity analysis of other deposits**		
	Payable on demand	16,100,649,669	15,004,086,970
	Payable within 1 month	24,430,366,569	22,766,494,037
	Over 1 month but within 6 months	100,890,066,446	94,018,773,308
	Over 6 months but within 1 year	99,251,902,824	92,492,179,664
	Over 1 year but within 5 years	65,625,052,139	61,155,544,027
	Over 5 years and above	152,919,379,040	142,504,539,236
		459,217,416,687	**427,941,617,243**
		462,400,218,687	**429,343,017,243**
13 (a)	**Consolidated Deposits and other accounts**		
	Pubali Bank Limited	462,400,218,687	429,343,017,243
	Pubali Bank Securities Limited	-	-
		462,400,218,687	**429,343,017,243**
	Inter Company Transactions *	(1,737,373,112)	(961,613,573)
		460,662,845,575	**428,381,403,670**

* Amount of Consolidated deposits and other accounts has been restated and decreased by Tk. 378,865,723 as it was considered in the last year

14	**Other Liabilities**		
	Accumulated provision for loans and advances (note 14.1.1.1)	10,115,330,192	9,265,045,514
	Accumulated provision for consumers loan (note 14.1.1.2)	903,489,850	921,637,266
	Accumulated provision for demand loan pubali star (note 14.1.1.3)	71,126,701	71,126,701
		11,089,946,743	10,257,809,481
	Provision for unclassified loans and advances (note 14.1.2)	7,248,013,792	6,367,409,173
	Special General Provision COVID-19	915,201,520	530,400,000
	Provision @1% against off-balance sheet exposure (note 14.4)	2,082,950,000	1,271,950,000
	Accumulated interest suspense (note 14.6)	6,141,139,753	4,569,922,382
	Provision for rebate on good borrower	17,888,383	17,888,383
	Provision for doubtful investment (note 14.5)	253,500,000	253,500,000
	Additional profit payable A/C for Islamic banking	1,319,918	1,319,917
	I.B. bad debt offsetting reserve	18,056,380	10,703,834
	Compensation realised account	9,297,163	6,985,159
	Compensation realisable account	10,855,815	11,780,624
	Interest suspense on underwriting advances	219,648,924	221,286,952
	CLS interest A/C	3,299,761	3,383,619

Notes to the financial statements
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		2021 Taka	2020 Taka
unclaimed amount in ATMS		65,000	65,000
Consumers deposits		245,512,079	268,488,801
Lease rental receivable		12,720	-
Unclaimed dividend (note 14.17)		171,903,062	326,773,244
Special blocked account (note 14.7)		1,587,720	1,587,720
Provision for Current Tax (note 14.8)		34,650,504,662	33,244,997,770
Deferred Tax Liabilities (note 14.9.2)		83,544,110	-
Valuation adjustment		405,908,239	266,425,808
Exchange adjustment account (note 14.10)		28,666,878	28,666,878
Agri credit guarantee backing reserve (note 14.11)		70,261,300	70,261,300
Pakistan account (note 14.12)		8,393,039	8,393,039
Pension fund (note 14.13)		1,570,883	1,570,883
L/C cover account in Bangladesh		1,583,640	1,583,640
EDF adjustment		16,480,491,078	7,352,578,948
Pubali Bank Adjustment		309,304,604	34,804,838
PBL Islamic Banking CSR fund		23,450,298	17,804,370
Card transaction fee (inter bank)		3,197,272	2,682,090
Foreign currency FCC account		17,363,819	17,363,820
Interest suspense account against 70% agri loan		192,382	192,382
Blocked account of UBI		2,973,186	2,973,186
Property account of UBI		49,617	49,617
Payable to other Banks and Financial Institution		123,857,348	72,136,751
Unearned interest income on IBW		208,855,747	153,498,093
Interest payable on Subordinated Bond		114,000,000	166,200,000
Interest Payable on Perpetual Bond		15,400,000	-
Bangladesh Bank incentive		14,848,356	-
CSR Fund for COVID-19		36,700,000	-
Start-up fund (note 14.18)		83,795,594	83,795,594
Lease Liabilities as per IFRS-16		1,500,458,967	1,181,424,189
Non resident blocked account of UBI		34,487	34,487
		71,525,657,496	56,570,882,491
Provision for expenses:	(i) auditors' fees	1,540,500	1,529,500
	(ii) advertisement	800,000	1,250,000
	(iii) bonuses	774,118,330	631,500,000
	(iv) Gratuity	182,700,000	-
	(v) others	193,534,917	212,574,930
		1,152,693,747	846,854,430
Provision for other assets:			
Suspense account(note 14.14)		188,214,468	166,214,468
Demonetized notes (note 14.15)		989,740	989,740
Provision for Un-reconciled General Account debit entries (note 14.16)		13,724,657	13,724,657
ICT Asset Insurance reserve		22,530,164	20,435,365
Reserve for unforeseen losses (note 14.2)		-	-
Provision for Customers liability and Others (note 14.3)		17,301,835	17,303,991
		242,760,864	218,668,221
		84,011,058,850	**67,894,214,623**

Notes to the financial statements
for the year ended 31 December 2021

		2021 Taka	2020 Taka
14.1	**Accumulated provision for loans and advances**		
14.1.1	**Specific provision on classified loans and advances**		
	Provision held at the beginning of the year	9,265,045,514	10,444,281,098
	Fully provided debts written off during the year excluding interest suspense	(1,397,252,856)	(1,136,785,628)
	Fully provided waived during the year	(420,134)	(23,604,759)
	Recoveries of amounts previously written off	109,914,807	33,423,246
	Provision transferred in/(out) to general provision and special General Provision COVID-19	593,741,861	(695,131,944)
	Provision transferred to off balance sheet exposure	-	(20,000,000)
	Reserve transferred from unforseen loss during the year	-	183,530,864
	Provision transferred from customers liability and Others during the year	-	18,183,530
	Specific provision for the year	1,544,301,000	461,149,107
	14.1.1.1 Provision for loans and advances	**10,115,330,192**	**9,265,045,514**
	Provision for consumers loan held at the beginning of the year	921,637,266	914,894,251
	Recoveries from risk fund	-	1,977,597
	Amount paid to Agent commission	-	(529,126)
	Fully provided debts written off during the year	(27,785,251)	-
	Recoveries of amounts previously written off	9,637,835	5,294,544
	14.1.1.2 Provision for consumers loan held at the beginning of the year	**903,489,850**	**921,637,266**
	14.1.1.3 Accumulated provision for demand loan pubali star	**71,126,701**	**71,126,701**
	Total Specific provision held at the end of the year	**11,089,946,743**	**10,257,809,481**
14.1.2	**General provision for unclassified loans and advances**		
	Provision held at the beginning of the year	6,367,409,173	4,129,812,833
	Provision made during the year	1,859,148,000	2,072,864,396
	Provision transferred in/(out) to specific provision during the year	(593,741,861)	164,731,944
	Provision transferred to COVID-19 during the year	(384,801,520)	-
	Provision	**7,248,013,792**	**6,367,409,173**
14.1.3	**Special General Provision COVID-19**		
	Provision held at the beginning of the year	530,400,000	530,400,000
	Provision transferred in/(out) to specific provision during the year	384,801,520	-
		915,201,520	**530,400,000**
	Total General provision held at the end of the year	**8,163,215,312**	**6,897,809,173**
		19,253,162,055	**17,155,618,654**
14.2	**Reserve for unforeseen losses**		
	Reserve held at the beginning of the year	-	285,918,364
	Reserve made during the year	-	112,500
	Reserve transferred to specific provision during the year	-	(183,530,864)
	Reserve transferred to suspense account during the year	-	(102,500,000)
	Reserve held at the end of the year	-	-
14.3	**Provision for Customers liability and Others**		
	Provision held at the beginning of the year	17,303,991	19,589,247
	Provision made during the year	-	18,183,530
	Provision out during the year	(2,156)	(2,285,256)
	Provision transferred to specific provision during the year	-	(18,183,530)
	Provision held at the end of the year	17,301,835	17,303,991

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		2021 Taka	2020 Taka
14.4	**Provision for exposure against off balance sheet items**		
	Provision held at the beginning of the year	1,271,950,000	986,400,000
	Provision transferred from doubtful investment during the year	-	265,550,000
	Provision transferred from specific provision during the year	-	20,000,000
	Provision made during the year (note 38)	811,000,000	-
	Provision held at the end of the year	**2,082,950,000**	**1,271,950,000**
14.5	**Provision for doubtful investment**		
	Provision held at the beginning of the year	253,500,000	510,550,000
	Provision made during the year (note 39)	-	8,500,000
	Provision transferred to off balance sheet during the year	-	(265,550,000)
	Provision held at the end of the year	**253,500,000**	**253,500,000**
14.6	**Interest suspense account**		
	Balance at the beginning of the year	4,569,922,382	3,414,216,268
	Amount transferred during the year	2,895,555,363	1,485,054,619
	Amount recovered during the year	(1,155,950,543)	(289,091,181)
	Amount written off during the year	(168,387,449)	(40,257,324)
	Balance at the end of the year	**6,141,139,753**	**4,569,922,382**
14.7	**Special blocked account: Tk. 1,587,720**		
	This represents refundable balance exceeding Tk.8,000 primarily disbursed to each depositor originated from reimbursement of demonetized notes by Bangladesh Bank in the year 1975.The amount is repayable to depositor after receipt of value of demonetized notes deposited to Bangladesh Bank.		
14.8	**Provision for Current tax**		
	Balance at the beginning of the year	33,244,997,770	31,313,635,515
	Provision made for previous years	-	-
	Provision made for current year	1,405,506,892	1,931,362,255
		1,405,506,892	1,931,362,255
	Settlement of previous years tax liability	-	-
	Balance at the end of the year	**34,650,504,662**	**33,244,997,770**

The status of corporate income tax of the Bank has been shown in **Annexure B.**

14.8.1	**Reconciliation of effective tax rate (Solo)**	Applicable Tax Tax rate	2021	2020		
	Profit before income tax as per profit & loss account				5,199,660,194	5,753,250,256
	Income tax as per applicable tax rate	37.50%	37.50%	37.50%	1,949,872,573	2,157,468,846
	Factors affecting the tax charge in current year					
	Tax Savings from reduced tax rates for Capital gain on share	10.00%	-1.00%	-0.19%	(52,110,057)	(11,042,322)
	Tax Savings from Tax exempted income	Exempted	-33.83%	-13.90%	(1,759,088,775)	(799,980,958)
	Tax Savings from reduced tax rates for Dividend	20.00%	-0.93%	-0.64%	(48,252,572)	(36,935,483)
	Admissible expenses in current Year (i.e. Bad debt write off etc.)	37.50%	-10.28%	-7.56%	(534,546,840)	(435,146,395)
	Admissible expenses in current Year	37.50%	-7.68%	-0.57%	(399,533,181)	(32,596,010)
	Inadmissible expenses in current year	37.50%	39.41%	18.06%	2,049,165,744	1,039,594,577
	Effect of deferred Tax	37.50%	-2.12%	2.65%	(110,395,562)	152,374,560
	Provision for uncertainty over Income Tax treatments by NBR	37.50%	3.85%	0.87%	200,000,000	50,000,000
			24.91%	**36.22%**	**1,295,111,330**	**2,083,736,815**

		2021 Taka	2020 Taka
14.9 (a)	**Consolidated Provision for Current tax**		
	Pubali Bank Limited	1,405,506,892	1,931,362,255
	Pubali Bank Securities Limited	95,738,476	64,832,054
		1,501,245,368	**1,996,194,309**
14.9.1	**Deferred tax assets**		
	Balance at the beginning of the year *	3,909,717,236	4,160,036,733
	Provision made during the year for loan loss (note 14.9.1.1)	109,113,257	(348,923,350)
	Deferred tax assets for fixed assets (note 14.9.2.1)	1,282,305	98,603,853
	Provision held at the end of the year	**4,020,112,798**	**3,909,717,236**

* Balance at the beginning of the year 2020 has been restated as per "Paragraph 42 of IAS-8: Accounting Policies, Changes in Accounting estimates and Errors" for amounting TK. 441,170,444 increased for the year 2019 and decreased Tk. 6,024,049 for the year 2020 due to retrospective restatement of deferred tax against loan loss provision.

14.9.2	**Deferred tax Liabilities**		
	Balance at the beginning of the year	-	91,920,888
	Provision made during the year * (note 14.9.2.2)	83,544,110	(91,920,888)
	Provision held at the end of the year	**83,544,110**	**-**

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 classified assets/liabilities for which deferred tax assets/liability is required to be accounted for the year 2021.

14.9.1.1	**Deferred Tax on loan loss provision**		
	Cumulative Provision made against Bad/loss	11,879,395,948	11,323,359,408
	Adjustment of Corresponding provision on write off	1,425,458,241	1,160,390,387
	Deductible/(taxable) temporary difference	10,453,937,707 *	10,162,969,021
	Tax Rate	37.50%	37.50%
	Closing Deferred tax assets	3,920,226,640	3,811,113,383
	Opening Deferred tax assets	3,811,113,383	4,160,036,733
	Deferred tax (expense)/Income	**109,113,257**	**(348,923,350)**

* In the last year 2020, Cumulative Provision made against Bad/loss has been restated to Tk. 11,323,359,408 insted of Tk. 10,162,969,021. So, the difference amount of Tk. 1,160,390,387 considered as excess adjustment.

* As per BRPD Circular no.11 dated 12 December 2011, total amount of Tk. 3,920,226,640 has been recognized as Deferred Tax Assets (DTA) included in Retained Earnings for 2021 based on the provision against classified loans and such earnings against Deferred Tax Assets (DTA) shall not be distributed as dividend. Moreover, while calculating the Regulatory Eligible capital such Deferred Tax Assets (DTA) also deducted as Regulatory adjustment from Common Equity Tier-1 (CET-1) capital. (Please see note 17)

		2021 Taka	2020 Taka
14.9.2.1	**Deferred Tax on Fixed Assets**		
	Carrying amount	4,044,279,925	3,670,712,196
	Tax Base	4,310,643,012	3,933,655,804
	Deductible/(taxable) temporary difference	266,363,087	262,943,608
	Tax Rate	37.50%	37.50%
	Closing Deferred tax assets/(Liabilities)	99,886,158	98,603,853
	Opening Deferred tax assets/(Liabilities)	98,603,853	(91,920,888)
	Deferred tax (expense)/Income	**1,282,305**	**190,524,741**
14.9.2.2	**Deferred Tax on Revalued land**		
	Carrying amount	2,238,572,000	-
	Tax Base	-	-
	Deductible/(taxable) temporary difference	(2,238,572,000)	-
	Tax Rate	3.73%	-
	Closing Deferred tax assets/(Liabilities)	(83,544,110)	-
	Opening Deferred tax assets/(Liabilities)	-	-
	Deferred tax (expense)/Income	**(83,544,110)**	**-**
14.9.2.3	**Deferred tax (expense)/Income (net)**		
	Deferred tax (expense)/Income arisen for charging specific provision (note 14.9.1.1)*	109,113,257	(348,923,350)
	Deferred tax (expense)/Income arisen in WDV of Fixed Assets (note 14.9.2.1)	1,282,305	190,524,741
		110,395,562	**(158,398,609)**

* After restated deferred tax expense of 2020 is Tk. 348,923,350 instead of Tk. 342,899,301 as a result deferred tax expenese increased by Tk 60,24,049 adjusted with retained earnings rather profit of loss A/c for the year 2020 to present retrospective restatement of deferred tax expense against loan loss provision.

14.9.1 (a)	**Consolidated Deferred tax (expense)/Income (net)**		
	Pubali Bank Limited	(110,395,562)	152,374,560
	Pubali Bank Securities Limited	51,853	150,720
		(110,343,709)	152,525,280
14.9.1 (b)	**Consolidated deferred tax Liabilities (Accumulated)**		
	Balance at the beginning of the year	(288,214)	92,058,382
	Provision made during the year	(83,595,963)	(91,770,168)
	Provision held at the end of the year	(83,884,177)	(288,214)
14.9.2	**Tax Provision made during the Year**		
	Current Tax	1,405,506,892	1,931,362,255
	Deferred Tax	(110,395,562)	152,374,560
		1,295,111,330	2,083,736,815

14.10 Exchange adjustment account: Tk. 28,666,878

This represents windfall gains from devaluation of Bangladesh Taka in the years 1975 and 1976 through barter transactions with socialist countries and the same is being carried forward since then. The account would be settled as per instruction of Bangladesh Bank.

14.11 Agri credit guarantee backing reserve: TK. 70,261,300

This represents the surplus amount retained by the Bank which was received till the end of 1984 as government guarantee totaling Tk 112,358,000 under Tk 100 crore special agri scheme disbursed during the years from 1977 to 1983. Repayment of the above to the government would be made in due course to the extent of recovery of aforesaid agri credit.

14.12 Pakistan account:TK. 8,393,039

This represents net liability to Bank's own branches operating in former West Pakistan before Liberation of the country and remains unsettled as yet.

14.13 Pension fund:TK. 1,570,883

This fund has been created from profit up to the year 1985 to defray pension settlements of the Bank's eligible employees. Since then, up to the year 2005 no provision for pension has been made but claims for pension are being settled from expenditure account of the year it is incurred.

	2021 Taka	2020 Taka
14.14 Provision for suspense:		
Provision at the beginning of the year	166,214,468	63,714,468
Provision made during the year	22,000,000	-
Provision transferred from reserve for unforeseen losses	-	102,500,000
Provision at the end of the year	**188,214,468**	**166,214,468**

This represents provision for suspense or contingencies for the years 2004 & 2015 including the provisions made in the year 1985 for the period prior to privatization as per vendor's agreement.

14.15 Provision for demonetized notes:TK. 989,740

This is as per accounts of earlier years. Representing provision out of demonetized notes of Tk. 1,903,830 of 1975 which remains unsettled with Bangladesh Bank.

14.16 Provision for Un-reconciled General Account debit entries

Period of un-reconciliation	Amount	Base for Provision (%)	Provision Required 2021	2020
Upto 12 months	-	-	-	-
12 months above but less than 24 months	-	50%	-	-
24 months and above	7,723,303	100%	7,723,303	7,723,303
Required provision			7,723,303	7,723,303
Provision maintained			13,724,657	13,724,657
Excess provision			**6,001,354**	**6,001,354**

		2021 Taka	2020 Taka

14.17 Unclaimed dividend in year wise

Year wise Dividend	2021 Total Amount	2020 Total Amount
Year of 1986	165,459	165,459
Year of 1987	198,711	198,711
Year of 1988	311,061	311,061
Year of 2001	1,316,432	1,316,432
Year of 2006	1,004,366	1,004,366
Year of 2007	1,037,633	1,037,633
Year of 2008	1,369,278	1,369,535
Year of 2009	14,476,816	14,576,420
Year of 2010	21,361,166	21,775,560
Year of 2011	16,183,162	16,324,998
Year of 2012	596,443	28,270,344
Year of 2013	298,408	16,754,934
Year of 2014	601,867	30,275,554
Year of 2015	749,960	34,522,134
Year of 2016	300,881	15,116,946
Year of 2017	325,085	15,260,427
Year of 2018	31,222,039	31,852,247
Year of 2019	37,387,424	96,640,483
Year of 2020	42,996,871	-
Total	**171,903,062**	**326,773,244**

14.18 Start-up fund

As per SMESPD Circular No. 04 dated March 29,2021 read with circualr no. 5 dated 26 April 2021 Bank has to create a Start-up fund to disburse the loan to the start-up entrepreneurs by transferring 1% of the Annual net profit (as per Auidted Financial Statements) from the year 2021 onwards for the next five years.

14(a) Consolidated other liabilities

Pubali Bank Limited	84,011,058,850	67,894,214,623
Pubali Bank Securities Limited	2,529,006,535	2,478,261,905
Inter company payables*	(209,908,908)	(378,879,533)
	86,330,156,477	**69,993,596,995**

* In the last year 2020, inter company payables has been restated to Tk. 378,865,723 insted of Tk. 378,872,920. So, the difference amount of Tk. 7,197 wrongly considered as Stock dealing account under inter company transactions.

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		2021 Taka	2020 Taka
15	**Capital**		
15.1	**Authorized Capital**		
	2,000,000,000 ordinary shares of Tk 10 each	20,000,000,000	20,000,000,000
15.2	**Issued, subscribed and paid up capital**		
	1,600,000 ordinary shares of Tk 100 each issued for cash	160,000,000	160,000,000
	400,000 ordinary shares of Tk 100 each as bonus share in 2000	40,000,000	40,000,000
	2,000,000 ordinary shares of Tk 100 each as bonus share in 2004	200,000,000	200,000,000
	8,000,000 ordinary shares of Tk 100 each as bonus share in 2005	800,000,000	800,000,000
	9,000,000 ordinary shares of Tk 100 each as bonus share in 2006	900,000,000	900,000,000
	8,400,000 ordinary shares of Tk 100 each as bonus share in 2007	840,000,000	840,000,000
	8,820,000 ordinary shares of Tk 100 each as bonus share in 2008	882,000,000	882,000,000
	11,466,000 ordinary shares of Tk 100 each as bonus share in 2009	1,146,600,000	1,146,600,000
	173,901,000 ordinary shares of Tk 10 each as bonus share in 2010	1,739,010,000	1,739,010,000
	167,690,250 ordinary shares of Tk 10 each as bonus share in 2011	1,676,902,500	1,676,902,500
	41,922,562 ordinary shares of Tk 10 each as bonus share in 2013	419,225,620	419,225,620
	70,429,904 ordinary shares of Tk 10 each as bonus share in 2016	704,299,040	704,299,040
	47,540,185 ordinary shares of Tk 10 each as bonus share in 2017	475,401,850	475,401,850
	29,950,317 ordinary shares of Tk 10 each as bonus share in 2018	299,503,170	299,503,170
		10,282,942,180	**10,282,942,180**
	All shares have been converted to Tk. 10 each in EGM held on 15 July 2010.		

15.3 Paid up capital as per shareholders category

Particular	2021			2020
	No. of share	Percentage (%)	Amount	Amount
Directors	323,911,299	31.50%	3,239,112,990	3,237,729,080
Co-operative societies	8,858,921	0.86%	88,589,210	93,286,120
Banks and financial institutions	49,853,273	4.85%	498,532,730	453,047,270
Government	2,482	0.0002%	24,820	24,820
Other institutions	219,040,194	21.30%	2,190,401,940	2,206,755,830
Non resident Bangladeshi	2,294,390	0.22%	22,943,900	73,074,250
General public	424,333,659	41.27%	4,243,336,590	4,219,024,810
	1,028,294,218	**100.00%**	**10,282,942,180**	**10,282,942,180**

15.4 Range wise shareholdings

Range wise shareholdings	2021			2020
	Number of shareholders	Percentage of holding of shares (%)	Number of Shares	Number of Shares
Up to 500 shares	21,352	0.27%	2,765,421	3,103,719
501 to 5,000 "	11,458	1.86%	19,108,904	21,185,106
5,001 " 10,000 "	1,344	0.83%	8,553,385	9,022,618
10,001 " 20,000 "	574	0.77%	7,916,566	8,470,802
20,001 " 30,000 "	174	0.41%	4,213,163	4,393,717
30,001 " 40,000 "	176	0.56%	5,723,720	6,076,416
40,001 " 50,000 "	61	0.26%	2,706,843	2,647,412
50,001 " 100,000 "	218	1.65%	16,991,837	18,141,449
100,001 and above	291	93.39%	960,314,379	955,252,979
	35,648	**100.00%**	**1,028,294,218**	**1,028,294,218**

	2021 Taka	2020 Taka

15.5 Capital to Risk Weighted Assets Ratio (Solo):

In terms of section 13 (2) of the Bank Company Act, 1991 and Bangladesh Bank BRPD circulars nos. 14,09,20,10,12,24,31,35,08,16,18 and 05 dated December 30, 2007, December 31, 2008, December 29, 2009, March 10, 2010, March 29, 2010, August 03, 2010, October 25, 2010, December 29, 2010, July 23, 2012,October 29, 2012, December 21, 2014 and May 31, 2016 and DOS circular no 01 dated January 01, 2015 respectively, required capital of the Bank (solo) at the close of business on 31 December 2021 was Taka 36,957,587,510 as against available going - concern capital of Taka 30,845,129,993, going - concern additional capital of Taka 2,800,000,000 and gone - concern capital of Taka 18,946,165,312 making a total regulatory capital of Taka 52,591,295,305 thereby showing a surplus regulatory capital /equity of Taka 15,633,707,796 at that date. Details are shown below:

Total assets including off-balance sheet items	854,640,256,559	702,727,230,237
Total risk-weighted assets	369,575,875,096	327,491,482,092
Required Capital (10% of risk weighted assets)	36,957,587,510	32,749,148,209
Regulatory capital held :		
i) Going - concern capital (Tier-1) (note 15.5.1)	30,845,129,993	28,488,798,664
ii) Going concern - Additional Tier-1 capital (note 15.5.1)	2,800,000,000	-
iii) Gone - concern capital (Tier-2) (note 15.5.2)	18,946,165,312	19,753,554,767
	52,591,295,305	**48,242,353,431**
Total Regulatory Capital Surplus /(Deficit)	**15,633,707,796**	**15,493,205,222**
CRAR Based on Basel III Framework:	**14.23%**	**14.73%**
Capital Requirement :	**Held**	**Held**
Common Equity Tier-1 (Minimum CET-1 @ 4.50%)	8.35%	8.70%
Additional Tier-1 (Maximam CET-1 @ 1.50%)	0.76%	0.00%
Tier-1 Capital	9.10%	0.00%
Tier-2 (Maximum upto 4% of total RWA or 88.89% of CET-1 which ever is higher) Balancing	5.13%	6.03%
Total	**14.23%**	**14.73%**

		2021 Taka	2020 Taka
15.5.1	**Going - concern capital (Tier-1)**		
	Paid-up Capital	10,282,942,180	10,282,942,180
	Statutory Reserve	10,283,000,000	10,283,000,000
	Retained Earnings	14,426,734,652	11,807,133,561
		34,992,676,832	32,373,075,741
	Reciprocal crossholdings in the CET -1, Goodwill and other intangible assets	(227,320,199)	(73,163,694)
	Deferred Tax assets (DTA) on loan loss provision	(3,920,226,640)	(3,811,113,383)
		30,845,129,993	**28,488,798,664**
	Additional Tier-1 Capital (AT-1)		
	Perpetual bonds	**2,800,000,000**	-
		33,645,129,993	**28,488,798,664**
15.5.2	**Gone - concern capital (Tier-2)**		
	General provision (Unclassified loans + off-balance sheet exposure)	10,246,165,312	8,253,554,767
	Subordinated debt/ instruments issued by the Bank	8,700,000,000	11,500,000,000
	Asset revaluation Reserve up to 50% as on 31 December 2014	-	-
	Revaluation Reserve for equity instruments up to 10% as on 31 December 2014	-	-
	Revaluation reserve for securities upto 50% as on 31 December 2014	-	-
		18,946,165,312	19,753,554,767
	Regulatory adjustment		
	Revaluation reserve for fixed asset, securities & equipment as on 31 December 2014	-	-
		18,946,165,312	**19,753,554,767**
	Total Regulatory Capital Maintained	**52,591,295,305**	**48,242,353,431**

Capital to Risk Weighted Assets Ratio (Consolidated):

In terms of section 13 (2) of the Bank Company Act, 1991 and Bangladesh Bank BRPD circulars nos. 14,09,20,10,12,24,31,35,08,16,18 and 05 dated December 30, 2007, December 31, 2008, December 29, 2009, March 10, 2010, March 29, 2010, August 03, 2010, October 25, 2010, December 29, 2010, July 23, 2012,October 29, 2012, December 21, 2014 and May 31, 2016 and DOS circular no 01 dated January 01, 2015 respectively, required capital of the Bank (Consolidated) at the close of business on 31 December 2021 was Taka 37,294,259,715 as against available going - concern capital of Taka 30,880,087,375, going concern-additional capital of Taka 2,800,000,000 and gone - concern capital of Taka 18,946,165,312 making a total regulatory capital of Taka 52,626,252,687 thereby showing a surplus regulatory capital /equity of Taka 15,331,992,972 at that date. Details are shown below:

Total assets including off-balance sheet items	855,555,898,908	703,372,823,026
Total risk-weighted assets	372,942,597,152	329,050,203,081
Required Capital (10% of risk weighted assets)	37,294,259,715	32,905,020,308
Regulatory capital held :		
i) Going - concern capital (Tier-1) (note 15.5.3)	30,880,087,375	28,251,521,476
ii) Going concern - Additional Tier-1 capital (note 15.5.1)	2,800,000,000	-
ii) Gone - concern capital (Tier-2) (note 15.5.4)	18,946,165,312	19,753,554,767
	52,626,252,687	**48,005,076,243**
Total Regulatory Capital Surplus /(Deficit)	**15,331,992,972**	**15,100,055,935**

		2021 Taka	2020 Taka
	CRAR Based on Basel III Framework:	**14.11%**	**14.59%**
	Capital Requirement :	**Held**	**Held**
	Tier-1 (Minimum CET-1 @ 4.50%)	8.28%	8.59%
	Additional Tier-1 (Maximam CET-1 @ 1.50%)	0.75%	0.00%
	Tier-1 Capital	9.03%	0.00%
	Tier-2 (Maximum upto 4% of total RWA or 88.89% of CET-1 which ever is higher) Balancing	5.08%	6.00%
	Total	**14.11%**	**14.59%**
15.5.3	**Going - concern capital (Tier-1)**		
	Paid-up Capital	10,282,942,180	10,282,942,180
	Statutory Reserve	10,283,000,000	10,283,000,000
	Retained Earnings	14,760,651,431	11,693,829,577
		35,326,593,611	32,259,771,757
	Reciprocal crossholdings in the CET -1, Goodwill and other intangible assets	(526,279,596)	(197,136,898)
	Deferred Tax assets (DTA) on loan loss provision	(3,920,226,640)	(3,811,113,383)
		30,880,087,375	**28,251,521,476**
	Additional Tier-1 Capital (AT-1)		
	Perpetual bonds	**2,800,000,000**	**-**
		33,680,087,375	**28,251,521,476**
15.5.4	**Gone - concern capital (Tier-2)**		
	General provision (Unclassified loans + off-balance sheet exposure)	10,246,165,312	8,253,554,767
	Subordinated debt/ instruments issued by the Bank	8,700,000,000	11,500,000,000
	Asset revaluation Reserve up to 50% as on 31 December 2014	-	-
	Revaluation Reserve for equity instruments up to 10% as on 31 December 2014	-	-
	Revaluation reserve for securities upto 50% as on 31 December 2014	-	-
		18,946,165,312	19,753,554,767
	Regulatory adjustment		
	Revaluation reserve for fixed asset, securities & equipment as on 31 December 2014	-	-
		18,946,165,312	**19,753,554,767**
	Total Regulatory Capital Maintained	**52,626,252,687**	**48,005,076,243**

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for the year ended 31 December 2021

15.6 Particulars of shareholding of the directors

SL	Name of the directors	Status		2021		2020	
				No of shares	Amount (Tk)	No of shares	Amount (Tk)
1	Mr. Monzurur Rahman	Chairman		20,566,639	205,666,390	20,566,639	205,666,390
2	Mr. Moniruddin Ahmed	Director		33,596,545	335,965,450	33,596,545	335,965,450
3	Mr. Habibur Rahman	Director		20,581,213	205,812,130	20,581,213	205,812,130
4	Mr. Ahmed Shafi Choudhury	Director	Nominated by Transcom Limited	20,707,995	207,079,950	-	-
			Personal	83,505	835,050	-	
5	Mr. Fahim Ahmed Faruk Chowdhury	Director		21,101,586	211,015,860	21,101,586	211,015,860
6	Ms. Rumana Sharif	Director	Nominated by Delta Life Insurance Co. Ltd.	51,418,707	514,187,070	51,418,707	514,187,070
			Personal	256,417	2,564,170	256,417	2,564,170
7	Mr. M. Kabiruzzaman Yaqub FCMA (UK),CGMA	Director		20,568,691	205,686,910	20,568,691	205,686,910
8	Mr. Musa Ahmed	Director		20,615,794	206,157,940	20,615,794	206,157,940
9	Mr. Azizur Rahman	Director		22,352,148	223,521,480	22,352,148	223,521,480
10	Mr. Md. Abdur Razzak Mondal	Director	Nominated by That's It fashions Ltd.	35,990,157	359,901,570	35,990,157	359,901,570
			Personal	-	-	-	-
11	Ms. Rana Laila Hafiz	Director		20,565,889	205,658,890	20,565,889	205,658,890
12	Mr. Mustafa Ahmed	Director		35,845,935	358,459,350	35,845,935	358,459,350
13	Dr. Shahdeen Malik	Independent Director		-	-	-	-
14	Mr. Mohammad Naushad Ali Chowdhury	Independent Director		-	-	-	-
15	Mr. Asif Ahmed Choudhury	Ex. Director		-	-	20,569,604	205,696,040
				324,251,221	**3,242,512,210**	**324,029,325**	**3,240,293,250**

15.7 Related party disclosures

15.7.1 Particulars of directors and their shareholding in the Bank

SL	Name of the Directors	Designation		Percentage of shareholding at 31 Dec 2021	Percentage of shareholding at 31 Dec 2020
1	Mr. Monzurur Rahman	Chairman		2.00	2.00
2	Mr. Moniruddin Ahmed	Director		3.27	3.27
3	Mr. Habibur Rahman	Director		2.00	2.00
4	Mr. Ahmed Shafi Choudhury	Director	Nominated by Transcom Limited	2.01	-
			Personal	0.01	-
5	Mr. Fahim Ahmed Faruk Chowdhury	Director		2.05	2.05
6	Ms. Rumana Sharif	Director	Nominated by Delta Life Insurance Co. Ltd.	5.00	5.00
			Personal	0.02	0.02
7	Mr. M. Kabiruzzaman Yaqub FCMA (UK),CGMA	Director		2.00	2.00
8	Mr. Musa Ahmed	Director		2.00	2.00
9	Mr. Azizur Rahman	Director		2.17	2.17
10	Mr. Md. Abdur Razzak Mondal	Director	Nominated by That's It fashions Ltd.	3.50	3.50
			Personal	-	-
11	Ms. Rana Laila Hafiz	Director		2.00	2.00
12	Mr. Mustafa Ahmed	Director		3.49	3.49
13	Dr. Shahdeen Malik	Independent Director		-	-
14	Mr. Mohammad Naushad Ali Chowdhury	Independent Director		-	-
15	Mr. Asif Ahmed Choudhury	Ex. Director		-	2.00

15.7.2 Name of directors and the entities in which they have interest

SL NO.	Name of the Directors	Status in the Bank	Name of the entities in which the directors have interest	Status in the entities	Percentages of interest/ No. of shares in the entities
1	Mr. Monzurur Rahman	Chairman	Rema Tea Company Ltd.	Chairman	12.13%
2	Mr. Moniruddin Ahmed	Director	Pubali Bank Securities Ltd.	Chairman	1 share
3	Mr. Habibur Rahman	Director	1. Delta Hospital Ltd.	Director	3.41%
			2. Pubali Bank Securities Ltd.	Director	1 share
			3. Global Pharmaceutical Company Ltd.	Director	-
4	Mr. Ahmed Shafi Choudhury	Nominee Director	1. Pubali Bank Securities Ltd.	Director	1 share
			2. Eskayef Pharmaceuticals Limited	Director	-
5	Mr. Fahim Ahmed Faruk Chowdhury	Director	1. Chittagong Electric Manufacturing Co. Ltd.	Managing Director	15,000 shares
			2. F. A. C Eastern Enterprise Ltd.	Managing Director	413 shares
			3. Ranks FC Properties Ltd.	Managing Director	Representative Director of FC Holdings Ltd.
			4. FC Holdings Ltd.	Managing Director	2,000 shares
			5. CEM Readymix Concrete Ltd.	Managing Director	7,500 shares
			6. CEM UPVC Ltd.	Managing Director	7,000 shares
			7. Surgiscope Hospital Pvt. Ltd.	Director	5,000 shares
			8. Globex Pharmaceuticals Ltd.	Director	755,065 shares
			9. Delta Hospital Ltd.	Director	1,008,155 shares
			10. Euro Petro Product Ltd.	Director	1,50,000 shares
			11. Baraka Shikalbaha Power Ltd.	Director	35,00,000 Shares
6	Ms. Rumana Sharif	Nominee Director	None	Nil	Nil
7	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Director	1. Imagine Properties Ltd.	Chairman	50%
			2. Pubali Bank Securities Ltd.	Director	1 share
8	Mr. Musa Ahmed	Director	1. Popular Jute Exchange Ltd.	Director	22.55%
			2. Popular Jute Mills Ltd.	Director	8.10%
			3. Cumilla Food and Allied Ind. Ltd.	Director	10.88%
			4. Popular Food and Allied Ind. Co. Ltd.	Director	11.35%
			5. Tejgaon Engineering and Construction Co. Ltd.	Director	22.41%
			6. Peoples Equities Ltd.	Director	1.75%
9	Mr. Azizur Rahman	Director	1. Pubali Bank Securities Ltd.	Director	1 share
			2. National Ceramic Industries Ltd.	Managing Director	50,000 shares
			3. Dressmen Fashionwear Ltd.	Director	40%
10	Mr. Md. Abdur Razzak Mondal	Nominee Director	1. That's It Fashions Ltd.	Nominee	-
11	Ms. Rana Laila Hafiz	Director	1. Trouser Line Ltd.	Managing Director	30.00%
			2. SP Garments Ltd.	Managing Director	25.00%
			3. SP Washing Ltd.	Managing Director	25.00%
			4. Green Valley Plantation Ltd.	Director	-
12	Mr. Mustafa Ahmed	Director	Pubali Bank Securities Ltd.	Director	1 share
13	Dr. Shahdeen Malik	Independent Director	Pubali Bank Securities Ltd.	Independent Director	-
14	Mr. Mohammad Naushad Ali Chowdhury	Independent Director	None	Nil	Nil

15.7.3 Significant contracts where the Bank is a party and wherein directors have interest: Nil

15.7.4 Shares issued to directors and executives without consideration or exercisable at a discount : Nil

15.7.5 Related party transactions

Sl No	Name of the Related parties	Relationship with Pubali Bank Ltd.	Nature of Transactions	Limit	Outstanding (Tk) 31 December 2021
1	Mr. Habibur Rahman	Director	Credit Card	500,000	-
2	Ms. Rumana Sharif	Director	Credit Card	500,000	-
3	Mr. Mustafa Ahmed	Director	Credit Card	100,000	-
4	Mr. Ahmed Shafi Choudhury	Advisor	Credit Card	200,000	-
5	Mr. Safiul Alam Khan Chowdhury	Managing Director	Credit Card	500,000	1,114

15.7.6 Key Management personnel compensation

Amounts incurred by the Bank for the provision of key Management personnel services is given below

Particulars	2021	2020
Short-term employee benefits	156,217,322	107,468,000
post-employment benefits	24,350,221	70,472,501

Key Management personnel are those persons having directly or indirectly authority and responsibility for planning, directing and controlling the activities of the entity. Key Management personnel includes Managing Director & CEO, Additional Managing Director, 03 nos. Deputy Managing Directors, 32 nos. General Manager, Company Secretary, Head of Internal Control & Compliance, Chief Technical Officer and Chief Financial Officer.

Amount of retirement/post-employment benefits such as Gratuity fund and Providend fund have been incurred by the Bank for 04 nos. of Key Management personnel.

	2021 Taka	2020 Taka
16 Statutory reserve		
Balance at the beginning of the year	10,283,000,000	10,283,000,000
Add: Addition during the year	-	-
Balance at the end of the year	**10,283,000,000**	**10,283,000,000**
17 Retained earnings		
Balance at the beginning of the year *	11,807,133,561	9,165,238,387
Addition during the year:	3,904,548,864	3,669,513,441
Deferred tax expense against loan loss provision	-	(6,024,049)
Transfer in: Asset revaluation reserve	420,000	6,700,000
	15,712,102,425	**12,835,427,779**
Less: Issue of dividend	(1,285,367,773)	(1,028,294,218)
Balance at the end of the year	**14,426,734,652**	**11,807,133,561**

* Balance at the beginning of the year 2020 has been restated as per "Paragraph 42 of IAS-8: Accounting Policies, Changes in Accounting estimates and Errors" for amounting TK. 441,170,444 increased for the year 2019 and decreased Tk. 6,024,049 for the year 2020 due to retrospective restatement of deferred tax against loan loss provision.

As per BRPD Circular no.11 dated 12 December 2011, total amount of Tk. 3,920,226,640 has been recognized as Deferred Tax Assets (DTA) included in Retained Earnings for 2021 based on the provision against classified loans and such earnings against Deferred Tax Assets (DTA) shall not be distributed as dividend. Moreover, while calculating the Regulatory Eligible capital such Deferred Tax Assets (DTA) also deducted as Regulatory adjustment from Common Equity Tier-1 (CET-1) capital.

Notes to the financial statements
for the year ended 31 December 2021

		2021 Taka	2020 Taka
17(a)	**Consolidated Retained earnings**		
	Pubali Bank Limited	14,426,734,652	11,807,133,561
	Pubali Bank Securities Limited	333,916,779	(113,303,984)
		14,760,651,431	**11,693,829,577**
18	**Other reserves**		
18.1	**Assets revaluation reserve**		
	Balance at the beginning of the year	6,832,160,393	2,943,748,065
	Addition on revaluation of Investment During the Year	2,678,620,766	8,968,673,541
	Disposal on revaluation of Investment during the year	(5,006,533,694)	(4,551,567,474)
	Revaluation adjustment of Fixed Assets	-	(520,443,941)
	Recognition of deferred tax on revaluation reserve of fixed assets	(83,544,110)	-
	Transfer out: Fixed Asset revaluation reserve	-	(8,249,798)
		4,420,703,355	6,832,160,393
	Share forfeiture account	333,984	333,984
	Balance at the end of the year	4,421,037,339	6,832,494,377
18.2	**Exchange Equalization Fund**		
	Balance at the beginning of the year	29,959,972	29,959,972
	Addition during the year	-	-
	Balance at the end of the year	29,959,972	29,959,972
18.3	**Foreign currency translation reserve**		
	Balance at the beginning of the period	7,653,297	7,653,297
	Addition during the period	2,223,951	-
	Balance at the end of the period	9,877,248	7,653,297
		4,460,874,559	**6,870,107,646**
18(a)	**Consolidated Other reserves**		
	Pubali Bank Limited	4,460,874,559	6,870,107,646
	Pubali Bank Securities Limited	-	-
		4,460,874,559	**6,870,107,646**
19	**Profit & loss account surplus**		
	Balance at the beginning of the year	-	-
	Profit after tax during the year	3,904,548,864	3,669,513,441
		3,904,548,864	**3,669,513,441**
	Appropriation for the year		
	Statutory reserve	-	-
	Retained earnings	3,904,548,864	3,669,513,441
		3,904,548,864	**3,669,513,441**
	Balance at the end of the year	-	-

Notes to the financial statements
for the year ended 31 December 2021

		2021 Taka	2020 Taka
19(a)	**Consolidated Profit & loss account surplus**		
	Balance at the beginning of the year	-	-
	Profit after tax during the year	4,351,769,788	3,706,815,668
		4,351,769,788	**3,706,815,668**
	Appropriation for the year		
	Statutory reserve	-	-
	Retained earnings	4,351,769,788	3,706,815,668
		4,351,769,788	**3,706,815,668**
	Balance at the end of the year	**-**	**-**
20	**Non-controlling interest**		
	Balance at the beginning of the year	894	881
	Share of current year profit	161	13
		1,055	**894**
21	**Contingent Liabilities**		
	Acceptances & endorsements (Note 21.1)	89,543,886,252	53,089,224,132
	Letters of guarantee (Note 21.2)	32,360,536,133	25,345,020,741
	Irrevocable letters of credit (Note 21.3)	83,959,348,873	46,369,281,181
	Bills for collection (Note 21.4)	17,208,217,494	10,515,149,103
	Other contingent liabilities *	2,383,598,956	2,376,488,786
		225,455,587,708	**137,695,163,943**

* The amount of Tk. 2,354,437,563 has been claimed by the different borrowers against the Bank regarding Loans & Advances and balance amount of Tk. 29,161,393 considered as other contingent liabilities due to a law suit has been filed before the honorable high court division of the supreme court which is still pending.

21.1	**Acceptance & Endorsements**		
	Foreign	83,487,639,536	49,840,711,945
	Local	6,056,246,716	3,248,512,187
		89,543,886,252	53,089,224,132
21.1.1	**Acceptance & Endorsements in favour of:**		
	Government	-	-
	Director/Executives/Officers	-	-
	Bank and other financial institutions	-	-
	Other customer	89,543,886,252	53,089,224,132
		89,543,886,252	53,089,224,132
21.2	**Letters of Guarantee**		
	Foreign	381,723,933	569,065,763
	Local	31,978,812,200	24,775,954,978
		32,360,536,133	25,345,020,741
21.2.1	**Letters of Guarantee in favour of:**		
	Government	-	-
	Director/Executives/Officers	-	-
	Bank and other financial institutions	-	-
	Other customer	32,360,536,133	25,345,020,741
		32,360,536,133	25,345,020,741

Notes to the financial statements
for the year ended 31 December 2021

		2021 Taka	2020 Taka
21.3	**Letters of Credit**		
	Foreign	73,265,488,261	40,835,763,883
	Local	10,693,860,612	5,533,517,298
		83,959,348,873	46,369,281,181
21.3.1	**Letters of Credit in favour of:**		
	Government	-	-
	Director/Executives/Officers	-	-
	Bank and other financial institutions	-	-
	Other customer	83,959,348,873	46,369,281,181
		83,959,348,873	46,369,281,181
21.4	**Bills for Collection**		
	Foreign	4,458,564,326	4,057,531,935
	Local	12,749,653,168	6,457,617,168
		17,208,217,494	10,515,149,103
21.4.1	**Bills for Collection in favour of:**		
	Government	-	-
	Director/Executives/Officers	-	-
	Bank and other financial institutions	-	-
	Other customer	17,208,217,494	10,515,149,103
		17,208,217,494	10,515,149,103
22	**Interest income**		
	Loans	3,383,770,886	3,090,109,089
	Cash credits	4,080,188,861	3,937,642,291
	Over drafts	5,272,848,462	5,912,269,578
	Loan against imported merchandise	2,078	268,351
	Loan against trust receipt	550,836,332	790,397,727
	Inland bill purchased & demand draft purchased	96,069,068	105,119,459
	Foreign bill purchased and Export development fund	119,891,275	97,125,647
	Interest on Export Bill Discounting (EBD)	2,060,862	1,847,811
	Packing credits	38,233,147	30,830,214
	Payments against document	843,030,076	709,279,511
	Agricultural credits & rural credits	7,930,806	5,637,100
	Sundries account	109,378,648	129,244,268
	CLS account	941,847,479	997,701,499
	Secured mortgages	1,760,405,867	1,711,679,606
	Loan against Shiksha Sanchay Prokalpa	58,579	233,620
	Loan against Non-resident Credit Scheme	2,742	4,840
	Lease finance	514,965,442	432,194,182
	Loan against Pubali Sanchay Prokalpa	7,748,620	10,783,253
	Term loans	3,675,678,821	3,777,152,926
	Syndication/Club Finance	604,253,904	-
	Loan against Pubali Pension Scheme	69,367,395	98,883,223
	Interest on loans and advances	**22,078,569,350**	**21,838,404,195**
	Interest on money at call and short notice	63,057,052	84,990,013
	Interest on balance with other banks	223,456,595	293,252,910
	Interest on fixed deposits with other banks	372,715,395	500,235,195
		22,737,798,392	**22,716,882,313**

Notes to the financial statements
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		2021 Taka	2020 Taka
22(a)	**Consolidated Interest Income**		
	Pubali Bank Limited	22,737,798,392	22,716,882,313
	Pubali Bank Securities Limited	53,140,035	23,188,327
		22,790,938,427	**22,740,070,640**
23	**Interest paid on deposits, borrowings, etc.**		
	Fixed deposit	5,602,699,594	7,031,593,112
	Short-notice deposit	1,378,619,337	1,977,014,492
	Savings bank deposit	1,433,843,121	1,288,349,591
	Deposit pension scheme	614,608	518,147
	Pubali bank pension scheme	3,391,235,400	3,058,324,421
	Monthly monafa based deposit scheme	-	475,906
	Pubali Sanchay Prokalpa	254,346,503	241,740,539
	Shiksha Sanchay Prokalpa	14,583,192	15,983,614
	Dwigun Sanchay Prokalpa	2,024,383,913	1,943,227,259
	Interest on MPSD	307,452,072	345,478,382
	Interest on TBSD	567,762,046	529,838,693
	Interest on MFD	249,585,212	268,102,432
	Sundry accounts	14,543,077	9,060,476
	Interest paid on Deposits	**15,239,668,075**	**16,709,707,064**
	Interest on call loan	13,883,486	13,800,944
	Interest on borrowings from Bank and Fis	588,578,974	550,630,522
	Interest on repo borrowings	21,520,381	34,275,739
	Interest on term borrowings	184,801	-
	Interest on Treasury bond	350,028,497	333,367,214
	Interest on HFT Securities	4,527,846,424	1,066,091,632
	Interest on HTM Securities	253,222,308	166,631,490
	Interest on borrowings from Bangladesh Bank	74,112,521	2,903,372
	Interest on Perpetual Bond	15,400,000	-
	Interest on Subordinated Bond	816,475,342	974,434,795
		21,900,920,809	**19,851,842,772**
24	**Investment Income**		
	Interest on treasury bill	163,670,298	1,420,037,458
	Interest on treasury bond	9,229,549,356	7,423,583,546
	Interest on other bond	1,058,111,456	1,315,879,711
	Interest on Bridge Loans & debentures	535,000	1,405,324
	Interest on Bangladesh Bank bill	36,130,800	-
	Gain/ (Loss) on sale of shares	189,491,115	40,153,897
	Interest on Reverse Repo	27,092,338	161,960,099
	Gain on Treasury Bill & Treasury Bond	4,690,903,399	2,133,282,555
	Dividend on shares	275,728,984	211,059,905
		15,671,212,746	**12,707,362,495**
24(a)	**Consolidated Income from investment**		
	Pubali Bank Limited	15,671,212,746	12,707,362,495
	Pubali Bank Securities Limited	435,240,558	183,550,974
		16,106,453,304	**12,890,913,469**

Notes to the financial statements
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		2021 Taka	2020 Taka
25	**Commission, exchange and brokerage**		
	SC, LSC, DD, TT, MT and PO	37,193,493	31,798,245
	Foreign L/C-Import/others	542,294,754	333,644,169
	Locl L/C-Import/others	65,257,390	38,076,763
	Issuance of foreign guarantee	3,951,098	6,553,324
	Issuance of local guarantee	309,753,445	272,390,205
	Issuance of traveller's cheque	3,575	1,428
	Other transactions	155,705,761	213,309,067
	Miscellaneous Handling Commission-Import/others	75,572,330	310,433,459
	Consumers credit	147,742	1,666,742
	Commission on stationery articles-Import/other	402,874,916	3,237,456
	Fees and Commission (Syndication/Club Finance)	2,501,400	-
	LC Acceptance charges	141,014,261	40,253,413
	LC Payment & Discrepancy Charges	92,196,662	6,796,487
	Income A/C commission Online	2,000	-
	Total commission	**1,828,468,827**	**1,258,160,758**
	Exchange (Note 25.1)	518,906,048	386,954,118
		2,347,374,875	**1,645,114,876**
25.1	**Exchange**		
	Exchange gain	2,945,807,661	1,886,311,129
	Exchange loss	(2,426,901,613)	(1,499,357,011)
		518,906,048	**386,954,118**
25(a)	**Consolidated Commission, exchange and brokerage**		
	Pubali Bank Limited	2,347,374,875	1,645,114,876
	Pubali Bank Securities Limited	64,346,767	24,547,070
		2,411,721,642	**1,669,661,946**
26	**Other operating income**		
	Rent recovery	6,211,239	4,683,541
	Postage (Import/others) and telecommunication recovery	8,512,339	11,618,786
	Recovered from bad debt written off	87,600	-
	Swift Income-Import/others	138,518,085	81,874,994
	Fee on card transection	16,580,729	9,215,257
	Application fee of CLS account	1,004,121	556,143
	Account opening charge of CLS account	1,415,700	392,300
	Service charge	34,219,209	40,551,581
	Income on sale of leased asset	6,515,456	4,032,367
	Processing Fee on Pubali Abashon	437,500	29,000
	Processing Fee on Lease Financing	11,710,368	-
	Loan Reschedule/Restructure Fee	19,802	-
	Online service charge	514,003,478	445,536,386
	Accounts maintenance fee	233,299,314	267,373,151
	SMS service charges	122,161,003	106,042,427
	Card Fees and charges	23,693,787	26,003,893
	CIB service charges	16,794,090	14,203,900
	Income on sale of Bank's property	3,820,010	1,071,933
	Miscellaneous income -Import/others	128,705,676	91,220,884
	Miscellaneous income supervision and monitoring	5,925	1,188,680
	Miscellaneous income transfer fee	1,629,235	917,064
		1,269,344,666	**1,106,512,287**

* Total amount of Tk. 47,049,900 of LC Acceptance charges and LC Payment & Discrepancy Charges for the year 2020 has been shifted to Commission, exchange and brokerage income.

Notes to the financial statements
for the year ended 31 December 2021

		2021 Taka	2020 Taka
26(a)	**Consolidated Other operating income**		
	Pubali Bank Limited	1,269,344,666	1,106,512,287
	Pubali Bank Securities Limited	41,388,243	55,012,365
		1,310,732,909	**1,161,524,652**
27	**Salary and allowances**		
	Basic salary	2,511,653,287	2,518,383,622
	House rent allowances	1,513,248,667	1,394,343,986
	Medical allowances	316,444,001	291,900,286
	House maintenance	207,030,032	189,635,551
	Other allowances	1,278,103,451	1,208,202,657
	Contributory provident fund	243,173,101	225,203,687
	General provident fund	257,414	225,962
	Bonus to employees	418,217,122	449,319,442
		6,488,127,075	**6,277,215,193**
27(a)	**Consolidated Salary and allowances**		
	Pubali Bank Limited	6,488,127,075	6,277,215,193
	Pubali Bank Securities Limited	33,462,231	29,795,454
		6,521,589,306	**6,307,010,647**
28	**Rent, taxes, insurance, electricity, etc.**		
	Bank premises	637,687,486	576,129,661
	Godown	4,200,657	2,480,223
	Total Rent expenses	641,888,143	578,609,884
	Reversal of rent expenses due to depreciation and interest expenses under IFRS 16	641,888,143	578,609,884
	Rent expenses after reversal	-	-
	Rates and taxes	14,078,365	20,931,697
	Insurance (vault)	1,786,077	1,182,819
	Insurance premium	322,296,578	297,108,573
	Electricity	174,014,176	148,037,958
	Electric fittings and fixtures	34,462,834	40,790,008
	Water and sewerage bill	5,781,185	4,991,772
		552,419,215	**513,042,827**

Total rent expenses for the year 2021 was Tk.641,888,143 as per IAS 17. To comply with "IFRS 16 Lease" rent expense has been adjusted with Depreciation Tk 458,385,874 arises against Right of use assets (Annex-A), Interest expense of Tk 111,732,032 and VAT on rent expense of Tk. 83,724,540 under note no. 36.

28(a)	**Consolidated Rent, taxes, insurance, electricity, etc.**		
	Pubali Bank Limited	552,419,215	513,042,827
	Pubali Bank Securities Limited	568,382	580,415
		552,987,597	**513,623,242**
29	**Legal expenses**		
	Lawyers' charges	16,932,383	15,795,830
	Court fees and other expenses	3,198,325	3,240,635
		20,130,708	**19,036,465**

Notes to the financial statements
for the year ended 31 December 2021

		2021 Taka	2020 Taka
29(a)	**Consolidated Legal expenses**		
	Pubali Bank Limited	20,130,708	19,036,465
	Pubali Bank Securities Limited	2,968	-
		20,133,676	**19,036,465**
30	**Postage, stamp, telecommunication, etc.**		
	Postage	11,544,446	14,125,009
	Telegram	400,774	376,420
	Stamp	110,132	32,952
	Telephone	15,642,461	18,592,079
	SWIFT charges	43,020,185	12,421,668
	SMS charges	16,587,570	8,262,076
	Tele rate/ Router	2,740,209	2,654,846
	Internet charges	2,115,903	1,358,258
		92,161,680	**57,823,308**
30(a)	**Consolidated Postage, stamp, telecommunication, etc.**		
	Pubali Bank Limited	92,161,680	57,823,308
	Pubali Bank Securities Limited	225,876	244,738
		92,387,556	**58,068,046**
31	**Stationery, printing, advertisement, etc.**		
	Table stationery	31,774,166	33,355,134
	Computer stationery	29,983,580	28,805,430
	Printing and stationery	7,586,880	5,551,795
	Consumption of books and forms	17,448,190	10,788,222
	Advertisement	48,736,314	39,779,342
		135,529,130	**118,279,923**
31(a)	**Consolidated Stationery, printing, advertisement, etc.**		
	Pubali Bank Limited	135,529,130	118,279,923
	Pubali Bank Securities Limited	306,391	248,143
		135,835,521	**118,528,066**
32	**Managing Director's salary and fees**		
	Basic pay	6,995,000	8,400,000
	Allowances	4,532,166	2,960,000
	Bank's contributory provident fund	699,500	840,000
	Bonus	2,200,000	2,540,000
		14,426,666	**14,740,000**
33	**Directors' fees**		
	Meeting fees and Honorarium	7,252,798	5,331,600
	Meeting expenses	755,201	764,219
	Meeting related travelling allowances	201,546	185,893
		8,209,545	**6,281,712**
33(a)	**Consolidated Directors' fees**		
	Pubali Bank Limited	8,209,545	6,281,712
	Pubali Bank Securities Limited	1,435,500	1,001,000
		9,645,045	**7,282,712**

Each director was paid TK 8,000 per meeting per attendance as per BRPD circular no.11 dated 4 October 2015.

Notes to the financial statements
for the year ended 31 December 2021

		2021 Taka	2020 Taka
34	**Auditors' fees**		
	Statutory audit	1,540,500	1,529,500
		1,540,500	**1,529,500**
34(a)	**Consolidated Auditors' fees**		
	Pubali Bank Limited	1,540,500	1,529,500
	Pubali Bank Securities Limited	144,000	162,250
		1,684,500	**1,691,750**
35	**Depreciation and repair of bank's assets**		
	Repairs to fixed assets	45,261,542	35,260,211
	Maintenance of assets	159,572,779	144,982,007
	Maintenance of assets -Wages	25,101,904	16,515,201
	*Depreciation on fixed assets	890,610,449	768,846,537
		1,120,546,674	**965,603,956**
	*Depreciation on fixed assets included Tk. 458,385,874 for depreciation of ROU (Right Of Use) Assets as per IFRS-16 for the year 2021		
35(a)	**Consolidated depreciation and repair of bank's assets**		
	Pubali Bank Limited	1,120,546,674	965,603,956
	Pubali Bank Securities Limited	1,685,990	2,047,475
		1,122,232,664	**967,651,431**
36	**Other expenses**		
	Repairs to rented property	1,211,383	2,152,717
	Newspapers	3,020,964	2,558,201
	Renovation under Construction Works	37,635,488	39,903,345
	Petrol consumption	52,511,203	49,568,593
	Travelling	34,022,531	44,625,821
	Donations	157,141,281	245,078,489
	Honorarium	256,000	293,242
	Subscriptions	23,550,946	16,067,539
	Sub-ordinate staff clothing	14,070,464	12,826,529
	Conveyance	110,048,005	21,922,690
	Entertainment	24,592,601	28,765,681
	Training	3,316,901	7,858,933
	Photocopying	191,096	114,524
	Branches' opening expenses	2,275,704	2,507,509
	Shifting expenses	1,387,572	3,991,980
	Carrying expenses	1,926,666	2,587,049
	Professional fees	72,820,163	27,518,096
	Security and Auxiliary Services	183,488,843	139,932,506
	Gun license fees	6,261,574	6,247,315
	Overtime	32,451,840	23,110,128
	Employees recreation (Lunch subsidy)	274,439,677	234,290,501
	Promotional expenses	35,292,771	73,286,780
	Gratuity	690,305,820	557,262,160
	Group insurance	17,923,599	18,302,625
	Car allowance	39,026,355	37,911,333

		2021 Taka	2020 Taka
	Chemicals for office equipment's	558,193	660,270
	Loss on sale of bank's property	1,976,724	1,986,626
	CDBL fees	126,772	137,223
	Annual general meeting	3,056,920	158,960
	Bandwidth charges	93,086,266	86,385,633
	Card expenditure	56,806,657	25,947,792
	VAT on Rent Expenses	83,724,540	72,358,364
	Interest Expenses for lease liability as per IFRS-16	111,732,032	96,919,450
	Bank Charges & Others	3,833,013	2,766,879
	Nostro account charges	12,133,266	11,312,896
	Card transection fee	5,173,455	3,993,710
	Miscellaneous	56,879,652	69,604,873
		2,248,256,937	**1,970,916,962**
36(a)	**Consolidated Other expenses**		
	Pubali Bank Limited	2,248,256,937	1,970,916,962
	Pubali Bank Securities Limited	13,273,012	5,590,763
		2,261,529,949	**1,976,507,725**
37	**Provision for Loans, Advances, Investments and Other Assets**		
	Classified loans and advances (note 14.1.1)	1,544,301,000	461,149,107
	Unclassified loans and advances (note 14.1.2)	1,859,148,000	2,072,864,396
	Provision for bad debt offsetting	7,352,546	-
	Provision for diminution in value of Investments	-	8,500,000
	Provision for other assets	22,000,000	-
	Provision for Start-up fund	-	83,795,594
		3,432,801,546	**2,626,309,097**
37(a)	**Consolidated Provision for Loans, Advances, Investments and Other Assets**		
	Pubali Bank Limited	3,432,801,546	2,626,309,097
	Pubali Bank Securities Limited	-	144,343,497
		3,432,801,546	**2,770,652,594**
38	**Provision for exposure of off balance sheet items**		
	Provision for exposure against off-balance sheet items	811,000,000	-
		811,000,000	**-**
38.1	**Details of provision for exposure against off-balance sheet items**		
	Particulars		
	Acceptances & endorsements	89,543,886,252	53,089,224,132
	Letters of guarantee	32,360,536,133	25,345,020,741
	Irrevocable letters of credit	83,959,348,873	46,369,281,181
	Bills for collection	17,208,217,494	10,515,149,103
	Other contingent liabilities	2,383,598,956	2,376,488,786
	Total Contingent Liabilities:	**225,455,587,708**	**137,695,163,943**
	Less: Margin		
	Letters of guarantee	-	-
	Irrevocable letters of credit	-	-
	Bills for collection	-	-
		-	-
		225,455,587,708	**137,695,163,943**

		2021 Taka	2020 Taka

Particulars	Base for Provision	Rate of Provision (%)		
Acceptances & endorsements	89,543,886,252	1	895,438,863	530,892,241
Letters of guarantee	32,360,536,133	1	323,605,361	253,450,207
Irrevocable letters of credit	83,959,348,873	1	839,593,489	463,692,812
Other contingent liabilities	2,383,598,956	1	23,835,990	23,764,888
Required provision			**2,082,473,703**	**1,271,800,148**
Provision maintained			2,082,950,000	1,271,950,000
Excess provision			**476,297**	**149,852**

39 Provision for doubtful investment

Provision for diminution in value of Investments	-	8,500,000
	-	**8,500,000**

40 Receipts from other operating activities

Exchange	518,906,048	386,954,118
Other operating income	1,265,437,056	1,152,490,254
	1,784,343,104	**1,539,444,372**

40(a) Consolidated Receipts from other operating activities

Pubali Bank Limited	1,784,343,104	1,539,444,372
Pubali Bank Securities Limited	283,454,760	82,215,925
	2,067,797,864	**1,621,660,297**

41 Cash payments for other operating activities

Rent ,taxes, insurance, electricity etc.	1,216,296,925	1,136,121,459
Director's fees	8,474,545	6,926,490
Charges on loan losses	-	-
Repairs of bank's assets	227,190,524	197,681,324
Other expenses	2,082,275,052	1,872,125,129
	3,534,237,046	**3,212,854,401**

41(a) Consolidated Cash payments for other operating activities

Pubali Bank Limited	3,534,237,046	3,212,854,401
Pubali Bank Securities Limited	17,642,119	9,874,784
	3,551,879,165	**3,222,729,185**

Notes to the financial statements
for the year ended 31 December 2021

		2021 Taka	2020 Taka
42	**Increase/(decrease) of other assets**		
	Closing other assets		
	Stationery and Stamps	112,282,554	98,426,473
	Advance security deposit, advance rent etc.	185,409,535	181,125,904
	Investment in SWIFT AC	3,387,591	3,387,591
	Stock dealing account	218,377,519	378,872,920
	Suspense Account	346,089,155	359,902,851
	Deferred tax assets	4,020,112,798	3,909,717,236
	Demonetized Notes	1,903,590	1,903,830
	Items in transit	7,758,535,689	5,971,619,730
	Drafts payable (Dr. Balance)	16,540,503	17,021,131
	Sanchaypatra	17,551,607	16,655,185
	Clearing house adjustment	1,400,931	1,383,920
	Others	3,739,932	3,562,388
		12,685,331,404	**10,943,579,159**
	Opening other assets		
	Stationery and stamps	98,426,473	99,588,895
	Advance security deposit, advance rent etc.	181,125,904	113,443,759
	Investment in SWIFT AC	3,387,591	3,387,591
	Stock dealing account	378,872,920	83,831,178
	Deferred tax assets	3,909,717,236	3,718,866,289
	Suspense account	359,902,851	295,551,874
	Demonetized notes	1,903,830	1,903,830
	Items in transit	5,971,619,730	5,240,523,069
	Drafts payable (Dr. Balance)	17,021,131	17,589,526
	Sanchaypatra	16,655,185	78,967,851
	Clearing house adjustment	1,383,920	856,821
	Others	3,562,388	3,562,388
		10,943,579,159	**9,658,073,071**
		(1,741,752,245)	**(1,285,506,088)**
42(a)	**Consolidated increase/(decrease) of other assets**		
	Pubali Bank Limited	(1,741,752,245)	(1,285,506,088)
	Pubali Bank Securities Limited	(230,367,754)	(119,078,564)
		(1,972,119,999)	**(1,404,584,652)**
43	**Increase/(decrease) of other liabilities**		
	Closing other liabilities		
	Interest suspense	6,141,139,753	4,569,922,382
	Interest suspense on underwriting advances	219,648,924	221,286,952
	Interest suspense against 70% Agri Loan	192,382	192,382
		6,360,981,059	**4,791,401,716**
	Opening other liabilities		
	Interest suspense	4,569,922,382	3,414,216,268
	Interest suspense on underwriting advances	221,286,952	234,170,921
	Interest suspense against 70% Agri Loan	192,382	192,382
		4,791,401,716	**3,648,579,571**
		1,569,579,343	**1,142,822,145**

Notes to the financial statements
for the year ended 31 December 2021

		2021 Taka	2020 Taka
43(a)	**Consolidated increase/(decrease) of other liabilities**		
	Pubali Bank Limited	1,569,579,343	1,142,822,145
	Pubali Bank Securities Limited	(45,045,699)	352,761,446
		1,524,533,644	**1,495,583,591**
44	**Cash and Cash Equivalents at End of Period**		
	Cash in hand (including foreign currencies)	5,088,411,673	4,137,466,359
	Balance with Bangladesh Bank and its agent bank(s)	19,557,920,907	20,008,973,263
	Balance with other banks and financial institutes	21,481,970,782	18,580,803,997
	Prize bonds	25,017,791	27,572,001
	Money at call on short notice	241,986,667	1,200,786,667
		46,395,307,820	**43,955,602,287**
44(a)	**Consolidated Cash and Cash Equivalents at End of Period**		
	Pubali Bank Limited	46,395,307,820	43,955,602,287
	Pubali Bank Securities Limited	1,947,268,210	1,340,479,296
		48,342,576,030	**45,296,081,583**

45 **Assets and liabilities as at 31 December 2021 denominated in foreign currencies have been converted to Bangladesh Taka at the following exchange rates:**

Currency	Currency unit	Equivalent Taka
European Currency	EURO	97.2800
Japanese Yen	JPY	0.7457
Pound Sterling	GBP	115.7614
Swiss Franc	CHF	93.6988
US Dollar	USD	85.8000
ACU Dollar	ACUD	85.8000
AED	AED	23.3565

46	**Basic and Diluted Earnings Per Share (EPS):**		
	Net profit after taxes	3,904,548,864	3,669,513,441
	Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
	Basic and Diluted Earnings Per Share (EPS)	**3.80**	**3.57**
46(a)	**Consolidated Basic and Diluted Earnings Per Share (EPS)**		
	Net profit after tax	4,351,769,788	3,706,815,668
	Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
	Basic and Diluted Earnings Per Share (EPS)	**4.23**	**3.60**

Earnings per share has been calculated in accordance with BAS-33:"Earnings Per Share (EPS)".

	Net Asset Value Per Share (NAVPS):		
	Total Shareholders' Equity	39,453,551,391	39,243,183,387
	Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
		38.37	*** 38.16**

Notes to the financial statements
for the year ended 31 December 2021

		2021 Taka	2020 Taka
	Consolidated Net Asset Value Per Share (NAVPS):		
	Total Shareholders' Equity	39,787,468,170	39,129,879,403
	Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
		38.69	***38.05**
	* Restated due to retrospective restatement of deferred tax income against loan loss provision. (Details see note no.17)		
	Net Operating Cash Flow Per Share (NOCFPS):		
	Net Cash from/(used in) Operating activities	2,768,909,742	3,779,561,413
	Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
		2.69	**3.68**
	Consolidated Net Operating Cash Flow Per Share (NOCFPS):		
	Net Cash from/(used in) Operating activities	3,375,170,258	4,129,548,361
	Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
		3.28	**4.02**
47	**Reconciliation of statement of cash flows from operating activities**		
	Profit before provision	**9,443,461,740**	**8,379,559,353**
	Adjustment for non cash items		
	Depreciation on fixed asset	852,806,620	743,480,965
	Amortization on software	37,803,829	25,365,572
		890,610,449	**768,846,537**
	Adjustment with non-operating activities		
	Gain on sale of shares	(189,491,115)	(40,153,897)
	Capital gain on sale of treasury bond	(4,690,903,399)	(2,133,282,555)
	Gain on sale of Bank's property	(3,820,010)	(1,071,933)
	Loss on sale of bank's property	1,976,724	1,986,626
		(4,882,237,800)	**(2,172,521,759)**
	Changes in operating assets and liabilities		
	Changes in loans & advances	(61,077,532,698)	(28,544,225,212)
	Changes in deposit and other accounts	33,057,201,444	70,189,710,109
	Changes in investment	4,823,171,680	(40,711,277,888)
	Changes in borrowings	12,533,042,487	516,449,131
	Changes in other assets	48,439,216	(3,530,246,618)
	Changes in other liabilities	9,742,195,414	1,757,133,601
		(873,482,457)	(322,456,877)
	Income Tax Paid	**(1,809,442,190)**	**(2,873,865,841)**
	Net cash flows from operating activities	**2,768,909,742**	**3,779,561,413**

Notes to the financial statements
for the year ended 31 December 2021

Highlights on the Overall Activities of the Bank for the period ended 31 December 2021 and 31 December 2020

48

Particulars	2021 Taka	2020 Taka
1. Paid- up Capital	10,282,942,180	10,282,942,180
2. Total Regulatory Capital	52,591,295,305	48,242,353,431
3. Regulatory Capital Surplus	15,633,707,796	15,493,205,222
4. Total Assets	629,184,668,851	565,467,212,689
5. Total Deposits	462,400,218,687	429,343,017,243
6. Total Loans & Advances	376,656,431,938	315,578,899,240
7. Total Contingent Liabilities	225,455,587,708	137,695,163,943
8. Loan Deposit Ratio (%)	77.58%	71.33%
9. Ratio of Classified Loan to total Loans & Advances (%)	3.05%	2.73%
10. Profit after taxation & Provision	3,904,548,864	3,669,513,441
11. Amount of Classified Loan during the current year	11,480,110,280	8,622,010,169
12. Provision kept against Classified Loans	11,089,946,743	10,257,809,481
13. Provision Surplus	10,735,751	1,000,000,000
14. Cost of Fund (%)	6.80%	7.09%
15. Interest Earning Assets	531,301,800,965	473,085,436,982
16. Non Interest Earning Assets	97,882,867,886	91,946,629,312
17. Return on Investment(ROI) [(PAT/ Shareholders' Equity + Borrowings)]	4.72%	5.38%
18. Return on Assets (ROA) [PAT/Average Assets]	0.65%	0.70%
19. Income from Investment	15,671,212,746	12,707,362,495
20. Earnings per Share (Taka)	3.80	3.57
21. Net Income per Share (Taka)	3.80	3.57
22. Price Earning Ratio (Times)	7.06	6.75

Schedule of Fixed Assets as at 31 December, 2021

Annexure- A

Particulars	Cost					Rate (%)	Depreciation/Amortization					Net book value at 31 December 2021 Taka
	Balance at 1 January 2021 Taka	Additions/ Revaluation during the Year Taka	Disposal during the year Taka	Adjustments during the year Taka	Balance at 31 December 2021 Taka		Balance at 1 January 2021 Taka	Charge for the Year Taka	Disposal during the year Taka	Adjustments during the year Taka	Balance at 31 December 2021 Taka	
Land	1,127,377,430	-	-	-	1,127,377,430		-	-	-	-	-	1,127,377,430
Lease land	1,111,195,000	-	-	-	1,111,195,000	Fixed	32,523,484	1,151,265	-	-	33,674,749	1,077,520,251
Building	418,660,966	-	-	-	418,660,966	2.50	264,144,924	3,862,901	-	-	268,007,825	150,653,141
Furniture and Fixture	927,005,121	124,612,237	14,443,607	-	1,037,173,751	10.00	383,358,077	60,087,325	10,724,196	(251,346)	432,469,860	604,703,891
Computer & Computer Accessories	1,382,484,766	335,207,923	61,835,464	-	1,655,857,225	30.00	1,145,449,547	166,078,849	61,765,675	61,934	1,249,824,655	406,032,570
Machinery and Equipment	1,082,895,883	125,265,038	29,461,268	-	1,178,699,653	20.00	709,381,037	130,966,615	29,349,503	105,976	811,104,125	367,595,528
Vehicles	342,194,861	27,152,046	15,561,005	(2,800,000)	350,985,902	20.00	246,357,125	32,273,791	15,059,289		263,571,627	87,414,275
Right of use Assets (ROU)	2,233,725,100	782,572,675	-	-	3,016,297,775		816,444,636	458,385,874	-	-	1,274,830,510	1,741,467,265
At 31 December 2021	**8,625,539,127**	**1,394,809,919**	**121,301,344**	**(2,800,000)**	**9,896,247,702**		**3,597,658,830**	**852,806,620**	**116,898,663**	**(83,436)**	**4,333,483,351**	**5,562,764,351**
At 31 December 2020	**8,075,834,101**	**637,368,582**	**90,475,244**	**2,811,688**	**8,625,539,127**		**2,928,931,942**	**743,480,965**	**77,552,729**	**2,798,652**	**3,597,658,830**	**5,027,880,297**

Schedule of Intangible asset as at 31 December, 2021

Particulars	Cost					Rate (%)	Depreciation/Amortization					Net book value at 31 December 2021 Taka
	Balance at 1 January 2021 Taka	Additions/ Revaluation during the Year Taka	Disposal during the year Taka	Adjustments during the year Taka	Balance at 31 December 2021 Taka		Balance at 1 January 2021 Taka	Charge for the Year Taka	Disposal during the year Taka	Adjustments during the year Taka	Balance at 31 December 2021 Taka	
Computer Software	392,408,983	200,674,305	-	-	593,083,288	0.30	332,296,620	37,803,829	-	-	370,100,449	222,982,839
At 31 December 2021	**392,408,983**	**200,674,305**	**-**	**-**	**593,083,288**		**332,296,620**	**37,803,829**	**-**	**-**	**370,100,449**	**222,982,839**
At 31 December 2020	**340,831,979**	**51,577,004**	**-**	**-**	**392,408,983**		**306,931,048**	**25,365,572**	**-**	**-**	**332,296,620**	**60,112,363**
At 31 December 2021	**9,017,948,110**	**1,595,484,224**	**121,301,344**	**(2,800,000)**	**10,489,330,990**		**3,929,955,450**	**890,610,449**	**116,898,663**	**(83,436)**	**4,703,583,800**	**5,785,747,190**
At 31 December 2020	**8,416,666,080**	**688,945,586**	**90,475,244**	**2,811,688**	**9,017,948,110**		**5,180,803,090**	**768,846,537**	**77,552,729**	**2,798,652**	**3,929,955,450**	**5,087,992,660**

Tax Status Report (As at 31 December 2021)

Annexure - B

(Amount in Taka)

Sl.No.	Income Year	Assessment Year	Tax Provision as per Financial Statements	Tax Determined by Tax Authority	Tax paid (Tax Deduction at Source & Cash paid & Refund Adjustment)	Tax Department's Demand/(Refund)	Assessment Status
1	1996	1997-1998	-	-	8,746,578	(8,746,578)	Finalized
2	1997	1998-1999	45,683,821	45,683,821	122,322,255	(76,638,434)	Tax authority filed an appeal with the High Court (Appellate Division)
3	1998	1999-2000	-	-	-	-	Reference application filed with High Court by LTU
4	1999	2000-2001	126,066,596	126,066,596	95,769,641	30,296,955	Reference application filed with High Court
5	2000	2001-2002	158,178,474	158,178,474	113,640,527	44,537,947	High Court judgement received in favour of the Bank but revised DCT assessment not yet received
6	2001	2002-2003	377,762,283	377,762,283	258,959,776	118,802,507	Reference application filed with High Court
7	2004	2005-2006	6,741,122	6,741,122	22,538,349	(15,797,227)	Finalized
8	2006	2007-2008	14,720,201	14,720,201	45,218,734	(30,498,533)	Case pending with DCT for rectification
9	2007	2008-2009	1,393,494,119	1,389,484,502	1,308,322,065	81,162,437	Reference application filed with High Court
10	2008	2009-2010	1,532,941,731	1,532,941,731	1,425,863,286	107,078,445	Reference application filed with High Court
11	2009	2010-2011	1,506,466,368	1,505,191,368	1,470,508,695	34,682,673	Reference application filed with High Court
12	2010	2011-2012	1,770,604,403	1,769,937,389	1,708,759,809	61,177,580	Reference application filed with High Court
13	2011	2012-2013	2,367,418,638	2,367,418,638	2,255,377,817	112,040,821	Reference application filed with High Court
14	2012	2013-2014	2,624,812,119	2,624,812,119	2,500,607,442	124,204,677	Reference application filed with High Court
15	2013	2014-2015	2,976,219,263	2,975,091,435	2,881,011,484	94,079,951	Reference application filed with High Court
16	2014	2015-2016	2,566,635,922	2,541,468,038	2,265,640,035	275,828,003	Reference application filed with High Court
17	2015	2016-2017	3,210,437,445	2,948,699,658	2,807,215,394	141,484,264	Reference application filed with High Court under process
18	2016	2017-2018	2,620,944,216	2,445,344,689	2,612,171,061	(166,826,372)	Reference application filed with High Court under process
19	2017	2018-2019	2,714,690,189	2,623,989,264	2,523,053,486	100,935,778	Reference application filed with High Court
20	2018	2019-2020	2,272,793,912	2,375,866,290	2,194,618,723	181,247,567	Reference application filed with High Court under process
21	2019	2020-2021	3,027,024,693	-	2,841,688,297	-	Assessment not yet done
22	2020	2021-2022	1,931,362,255	-	1,831,083,466	-	Assessment not yet done
23	2021	2022-2023	1,405,506,892	-	1,191,487,525	-	Return Submission date not due
Total			**34,650,504,662**	**27,829,397,618**	**32,484,604,445**	**1,209,052,461**	

TAT -Taxes Appellate Tribunal
CT(A) - Commissioner of Taxes (Appeal)
DCT- Deputy Commissioner of Taxes
LTU - Large Tax payer Unit

Details of large loans and advances

Annexure - C

Number of clients with amount of outstanding and classified loans to whom loans and advances sanctioned more than 10% of total capital of the Bank.

	Amount in Taka	
	As at 31 Dec 2021	As at 31 Dec 2020
Number of clients	27	18
Amount of outstanding loans/advances	211,411,100,000	116,255,100,000
Classified amount thereon	-	-
Measures taken for recovery	-	-

Amounts in Taka

Name of the clients	Sanctioned Limit	Status	Outstanding		Total outstanding	
			Funded	Non-funded	At 31 Dec 2021	At 31 Dec 2020
Ha-Meem Group	21,871,300,000	STD	4,368,600,000	11,479,600,000	15,848,200,000	8,438,600,000
City Group	16,639,800,000	STD	3,869,800,000	8,573,600,000	12,443,400,000	8,719,200,000
Meghna Group	17,837,600,000	STD	679,200,000	10,809,800,000	11,489,000,000	9,758,900,000
Paramount Group	14,322,700,000	STD	2,929,500,000	7,850,500,000	10,780,000,000	5,860,100,000
PRAN-RFL Group	12,058,100,000	STD	3,992,800,000	5,335,500,000	9,328,300,000	7,172,500,000
AA Yarn Mills Ltd.	11,890,900,000	STD	2,880,900,000	5,803,800,000	8,684,700,000	-
Sharmin Group	10,970,100,000	STD	4,383,800,000	3,994,900,000	8,378,700,000	5,262,800,000
Fair Electronics Limited	13,699,900,000	STD	1,881,400,000	6,383,700,000	8,265,100,000	6,534,400,000
City Seed Crushing Group	12,642,600,000	STD	2,473,100,000	5,754,800,000	8,227,900,000	5,728,800,000
Secom Group	13,167,700,000	STD	4,968,700,000	3,131,300,000	8,100,000,000	5,249,200,000
Amanat Shah Group	9,969,700,000	STD	4,591,000,000	3,502,100,000	8,093,100,000	-
Abul Khair Group	9,334,200,000	STD	594,700,000	7,241,600,000	7,836,300,000	6,102,600,000
JMI Group	9,355,100,000	STD	5,477,500,000	2,167,500,000	7,645,000,000	-
MSA Spinning	12,286,900,000	STD	4,593,600,000	2,882,400,000	7,476,000,000	5,722,200,000
Max Group	10,165,900,000	STD	3,927,100,000	3,436,900,000	7,364,000,000	8,392,300,000
Envoy Group	9,116,400,000	STD	4,267,300,000	2,534,700,000	6,802,000,000	5,408,500,000
Biswas group	7,247,300,000	STD	-	6,487,500,000	6,487,500,000	-
BRB Group	7,450,000,000	STD	5,017,300,000	1,331,200,000	6,348,500,000	-
DIRD Group	7,183,400,000	STD	4,066,100,000	2,193,300,000	6,259,400,000	-
GPH Ispat Limited	7,368,800,000	STD	1,790,700,000	4,464,000,000	6,254,700,000	-
Nitol-Niloy Group	10,773,000,000	STD	5,881,100,000	305,800,000	6,186,900,000	-
Al Mostafa Group	8,081,400,000	STD	3,095,700,000	2,829,300,000	5,925,000,000	-
T. K. Group	13,174,900,000	STD	1,020,600,000	4,696,900,000	5,717,500,000	5,022,200,000
Pakiza Group	6,767,600,000	STD	2,634,800,000	2,787,900,000	5,422,700,000	-
Sena Kalyan Group	7,850,000,000	STD	4,349,200,000	1,038,200,000	5,387,400,000	4,853,800,000
Popular Group	9,833,900,000	STD	3,707,500,000	1,667,100,000	5,374,600,000	-
Project Builders Group	5,502,800,000	STD	4,186,400,000	1,098,800,000	5,285,200,000	5,473,700,000
Keya Group	-	STD	-	-	-	5,350,700,000
BRAC Group	-	STD	-	-	-	7,204,600,000
	296,562,000,000		**91,628,400,000**	**119,782,700,000**	**211,411,100,000**	**116,255,100,000**

Pubali Bank Limited - Islamic Banking Windows
Distribution of profit for the year ended 31 December 2021

Annexure - D

Profit and loss of Islamic Banking Windows are calculated annually as at 31 December each year. We follow Investment Income Sharing Ratio (IISR) system for distribution of profit to our Mudarabah Depositors. The actual distributable rate of Investment Income of 2021 stands at 7.21% shown in the column '4' in the following table:

Type of Mudaraba Term Deposit Receipt (MTDR)	Particulars	ISR for Mudaraba Deposits (Depositor : Bank)	Final Profit Rate for Mudaraba Deposits for 2021 @ 7.21%
1	2	3	4
For 1 months	MTDR for Individual Customer, Institutional Provident Fund and Fund for payment of post retired credit.	40 : 60	2.88%
For 3 months		80 : 20	5.77%
For 6 months		80 : 20	5.77%
For 12 months		80 : 20	5.77%
For 24 months		80 : 20	5.77%
For 1 months	MTDR for Institution other than mentioned above.	40 : 60	2.88%
For 3 months		80 : 20	3.96%
For 6 months		80 : 20	4.33%
For 12 months		80 : 20	4.69%
For 24 months		80 : 20	4.69%
Mudaraba Monthly Profit based term Deposit		90 : 10	6.49%
Mudaraba Short Notice Deposit (MSND)			
Less than Tk.1.00 Crore		30 : 70	2.16%
Tk. 1.00 Crore or above but less than Tk.25.00 Crore		35 : 65	2.52%
Tk. 25.00 Crore or above but less than Tk.50.00 Crore		40 : 60	2.88%
Tk. 50.00 Crore or above		45 : 55	3.24%
Mudaraba Savings A/C (MSA)		30 : 70	2.16%
Mudaraba Swapno Puran Deposit A/C		75 : 25	5.41%
Mudaraba Swadhin Sanchay Deposit A/C		75 : 25	5.41%
Mudaraba Shiksha Sanchay Deposit A/C		85 : 15	6.13%
Mudaraba Hajj Savings A/C (MHSA)		85 : 15	6.13%
Mudaraba Cash Waqf Deposit A/C		85 : 15	6.13%
Mudaraba Deposit Pension A/C :			
For 5 years		85 : 15	6.13%
For 10 years		90 : 10	6.49%
Mudaraba Marriage/Muhar Depo. A/C			
For 5 years		80 : 20	5.77%
For 10 years		85 : 15	6.13%

A competent Shari'ah Supervisory Committee consisting of Islamic Scholars, Ulamas, Islamic Economists and Islamic Bankers led by Janab Professor M. Mansurur Rahman, oversees the Islamic Banking operations of the Bank. During this accounting year, the Shari'ah Supervisory Committee met in 4 (four) meetings and reviewed different operational issues in line with Islamic Shari'ah. Besides, the Muraquibs (Shari'ah Officer) of the Bank inspected 11 Islamic Banking windows out of 17 during the period and reported no major case of Shariah violation(s) in operation of Windows.

Reconciliation Between Bangladesh Bank statement and Bank's book

Annexure - E

As at 31 December 2021

The reconciling items relates to clearing of the following

a. Bangladesh Bank cheques

b. Foreign currency demand drafts

c. Government bonds, Sanchayapatra etc.

Local Currency	As per Bangladesh Bank Statement	As per Bank's General ledger	Reconciling Difference
	BDT	BDT	BDT
Bangladesh Bank, Dhaka	17,675,880,461.54	17,317,399,937.74	358,480,523.80
Bangladesh Bank, Dhaka (Al -wadeeah current account)	230,531,095.12	230,531,095.12	-
Bangladesh Bank, Chattogram	71,472,858.17	71,472,858.17	-
Bangladesh Bank, Sylhet	23,085.18	20,485.18	2,600.00
Bangladesh Bank, Barisal	50,911,292.84	50,910,718.84	574.00
Bangladesh Bank, Khulna	983,844.95	906,484.70	77,360.25
Bangladesh Bank,Bogura	21,058,544.94	21,058,544.94	-
Bangladesh Bank,Rajshahi	31,493.73	31,493.73	-
Bangladesh Bank, Rangpur	338,059.57	338,059.57	-
Total	**18,051,230,736.04**	**17,692,669,677.99**	**358,561,058.05**

Amount credited by Bank but not debited by Bangladesh Bank	102,381.25
Amount debited by Bank but not credited by Bangladesh Bank	-
Amount credited by Bangladesh Bank but not debited by us	993,410,905.00
Amount debited by Bangladesh Bank but not credited by us	(634,952,228.20)
	358,561,058.05

Foreign Currency	As per Bangladesh Bank statement	As per Bank's General ledger		Reconciling Difference
	USD	USD	BDT	USD
USD Clearing Account	6,719,155.12	143,607.08	12,321,487.46	6,575,548.04
Total	6,719,155.12	143,607.08	12,321,487.46	6,575,548.04

Amount credited by Bank but not debited by Bangladesh Bank	6,227,609.16
Amount debited by Bank but not credited by Bangladesh Bank	-
Amount credited by Bangladesh Bank but not debited by us	999,155.23
Amount debited by Bangladesh Bank but not credited by us	(651,216.35)
	6,575,548.04

Foreign Currency	As per Bangladesh Bank statement	As per Bank's General ledger	As per Bank's General ledger	Reconciling Difference
	GBP	GBP	BDT	GBP
GBP Clearing Account	43,233.40	43,233.40	5,004,758.91	-

Foreign Currency	As per Bangladesh Bank statement	As per Bank's General ledger		Reconciling Difference
	EURO	EURO	BDT	EURO
EURO Clearing Account	63,414.40	63,414.40	6,168,952.83	-

Pubali Bank Limited - Islamic Banking Windows
Balance Sheet as at 31 December 2021

Annexure - F (i)

PROPERTY AND ASSETS	Notes	2021 Taka	2020 Taka
Cash	1	**256,496,953**	**204,630,846**
Cash in hand (Including foreign currencies)		25,965,858	12,176,100
Balance with Bangladesh Bank and its agent Bank (s) (Including foreign currencies)		230,531,095	192,454,746
Balance with Other Banks and Financial Institutions	2	**222,106,471**	**1,321,625,861**
In Bangladesh		222,106,471	1,321,625,861
Outside Bangladesh		-	-
Placement with Banks and Other Financial Institutions	3	**-**	**-**
Investments in Shares and Securities	4	**1,163,691,000**	**466,400,000**
Government		963,691,000	266,400,000
Others		200,000,000	200,000,000
Investments	5	**5,419,625,652**	**2,707,018,359**
General investments		5,416,121,682	2,705,433,129
Bills purchased & discounted		3,503,970	1,585,230
Fixed Assets including Premises, Furniture & Fixtures	6	**14,069,778**	**16,943,111**
Other Assets	7	**1,179,909,051**	**28,122,111**
Non-banking Assets		**-**	**-**
Total Assets		**8,255,898,905**	**4,744,740,288**
LIABILITIES AND CAPITAL			
Liabilities			
Placement with other Banks, Financial institutions & Agents	8	**19,104,398**	**25,790,937**
Deposits and Other Accounts	9	**7,648,899,039**	**4,231,664,624**
Al-Wadia current deposit		562,633,361	487,736,903
Bills payable		122,132,685	70,250,493
Mudaraba savings bank deposit		373,715,866	284,711,029
Mudaraba term deposits		6,456,333,286	3,374,914,795
Other deposits		134,083,841	14,051,404
Other Liabilities	10	**520,099,446**	**540,489,393**
Total Liabilities		**8,188,102,883**	**4,797,944,954**
Capital / Shareholders' Equity			
Paid up capital		-	-
Statutory reserve		-	-
Retained surplus (general reserve)		-	-
Revaluation gain/(Loss) on investment		-	-
Other reserves		-	-
Profit and loss account surplus		67,796,022	(53,204,666)
Total Shareholders' Equity		**67,796,022**	**(53,204,666)**
Total Liabilities and Shareholders' Equity		**8,255,898,905**	**4,744,740,288**

Pubali Bank Limited - Islamic Banking Windows
Balance Sheet as at 31 December 2021

Annexure - F (i)

	Notes	2021 Taka	2020 Taka
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances & Endorsements			
Letters of guarantee		734,621,249	15,514,243
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	
Total Contingent liabilities		**734,621,249**	**15,514,243**
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 including Contingent Liabilities		**734,621,249**	**15,514,243**

Pubali Bank Limited - Islamic Banking Windows

Profit & Loss Account for the year ended 31 December 2021

Annexure - F (ii)

	Notes	2021 Taka	2020 Taka
Operating Income			
Investment Income	11	278,244,251	149,619,290
Less :Profit paid on deposits, borrowings, etc.	12	180,196,396	134,848,669
Net Investment Income		**98,047,855**	**14,770,621**
Income from investment in shares /securities	13	33,243,531	4,985,352
Commission, exchange and brokerage	14	21,190,166	3,242,225
Other operating income	15	6,912,233	2,661,097
Total Operating Income		**159,393,785**	**25,659,295**
Operating Expenses			
Salaries and allowances	16	75,281,265	65,207,864
Rent, taxes, insurance, electricity, etc.	17	1,981,480	2,152,055
Legal expenses	18	16,980	-
Postage, stamp, telecommunication, etc.	19	157,477	186,484
Stationery, printing, advertisements, etc.	20	834,341	674,164
Depreciation repair and maintenance of fixed assets	21	5,939,635	4,199,108
Other expenses	22	7,386,585	6,444,286
Total Operating Expenses		**91,597,763**	**78,863,961**
Total Profit/(Loss) before Provision		**67,796,022**	**(53,204,666)**
Provision for Loans, Advances, Investments and Other Assets			
Provision for bad debt offsetting for Islamic Banking		7,352,546	-
Provision for exposure of off-balance sheet items		7,347,000	155,142
Total Provision		**14,699,546**	**155,142.00**
Total Profit/(Loss) before Taxes		**53,096,476**	**(53,359,808)**
Provision for current tax		25,423,508	-
Provision for deferred tax		-	-
Total Provision for Taxes		**25,423,508**	**-**
Net Profit/(Loss) after Taxes		**27,672,968**	**(53,359,808)**

Pubali Bank Limited - Islamic Banking Windows
Cash Flow Statement for the year ended 31 December 2021

Annexure - F (iii)

	Notes	2021 Taka	2020 Taka
a Cash Flows from Operating Activities			
Investment income in cash		324,371,930	142,965,451
Profit paid		(180,196,396)	(134,848,669)
Fees and commission receipts		21,190,166	3,242,225
Cash payment to employees		(75,281,265)	(65,207,864)
Cash payment to suppliers		(991,818)	(860,648)
Receipts from other operating activities	15	6,912,233	2,661,097
Cash payments for other operating activities	23	(10,821,446)	(9,715,808)
Operating Profit before Changes in Operating Assets & Liabilities		**85,183,404**	**(61,764,216)**
Increase/ (Decrease) in Operating Assets and Liabilities			
Statutory deposits		(697,280,000)	(409,400,000)
Investment to customers (other than banks)		(2,712,607,293)	(2,060,119,628)
Other assets	24	(1,164,671,088)	585,383,643
Deposits to/from other banks		(6,686,539)	25,790,937
Deposits from customers (other than banks)		3,417,234,415	2,435,256,206
Other liabilities account of customers		32,814,719	299,536,714
Total Increase/(decrease) in operating assets and liabilities		**(1,131,195,786)**	**876,447,872**
Net Cash from/(used in) Operating Activities		**(1,046,012,382)**	**814,683,656**
b Cash Flows from Investing Activities			
Purchase /Sale of property, plant & equipment		(1,629,901)	(13,037,570)
Net Cash from/(used in) Investing Activities		**(1,629,901)**	**(13,037,570)**
c Cash Flows from Financing Activities			
Receipts from issue of Investments capital and debt securities		-	-
Net Cash from/(used in) Financing Activities		**-**	**-**
d Net increase /(decrease) in Cash and Cash equivalents (a+b+c)		**(1,047,642,283)**	**801,646,086**
e Cash and Cash equivalents at beginning of the period		**1,526,256,707**	**724,610,621**
f Cash and Cash equivalents at end of the period (d+e)	25	**478,614,424**	**1,526,256,707**

Pubali Bank Limited - Islamic Banking Windows

Notes to the financial statements for the year ended 31 December 2021

Annexure - F (iv)

		2021 Taka	2020 Taka
1	**Cash**		
1.1	**Cash In hand (Including foreign currencies)**		
	In local currency	25,965,858	12,176,100
	In foreign currencies	-	-
		25,965,858	12,176,100
1.2	**Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)**		
	Bangladesh Bank		
	In local currency	230,531,095	192,454,746
	In foreign currencies	-	-
		230,531,095	192,454,746
	Sonali Bank as agent of Bangladesh Bank		
	In local currency	-	-
		230,531,095	192,454,746
		256,496,953	**204,630,846**

1.3 Cash Reserve Ratio and Statutory Liquidity Ratio

Cash Reserve Ratio and Statutory Liquidity Ratio have been calculated and maintained in accordance with the section 33 of Bank Companies Act 1991, MPD circular no. 1,2 dated 03 April 2018, DOS circular no. 01 dated 19 January 2014 and MPD circular 01 dated 09 April 2020 respectively.

The Cash Reserve Ratio (CRR) required on the Bank's time and demand liabilities at the rate of 4.00% has been calculated and maintained with Bangladesh Bank through the current account and 5.50% Statutory Liquidity Ratio (SLR), on the same liabilities has also been maintained in the form of Treasury bills and bonds including excess balances of CRR with Bangladesh Bank. Both the reserves maintained by the Bank are in excess of the statutory requirements as shown below:

1.3.1	**Cash Reserve Ratio (CRR)**		
	Required Reserve (4.00%)	205,962,000	169,923,000
	Actual Reserve maintained	230,531,092	192,454,750
	Surplus	**24,569,092**	**22,531,750**
1.3.2	**Statutory Liquidity Ratio (SLR)**		
	Required Reserve (5.50%)	283,198,000	233,644,000
	Actual Reserve maintained	1,014,214,950	301,107,850
	Surplus	**731,016,950**	**67,463,850**
	Held for Statutory Liquidity Ratio (SLR)		
	Cash in Hand	25,965,858	12,176,100
	Excess Cash Reserve	24,569,092	22,531,750
	Government Securities (HTM)	290,000,000	266,400,000
	Other Eligible Securities	673,680,000	-
		1,014,214,950	**301,107,850**
1.3.3	**Total required amount of CRR and SLR**		
	Total required reserve	489,160,000	403,567,000
	Total actual reserve maintained	1,220,176,950	471,030,850
	Total Surplus	**731,016,950**	**67,463,850**

		2021 Taka	2020 Taka
2	**Balance with other banks and financial institutions**		
	In Bangladesh (Note 2.1)	222,106,471	1,321,625,861
	Outside Bangladesh	-	-
		222,106,471	**1,321,625,861**
2.1	**In Bangladesh**		
	In Mudaraba fixed/term deposit account (in local currency)		
	EXIM Bank Ltd, Gulshan Branch, Dhaka and Narayangonj Branch, Narayangonj	-	500,000,000
	Social Islami Bank Limited	200,000,000	800,000,000
		200,000,000	**1,300,000,000**
	In Mudaraba Savings deposit account		
	Islami Bank Bangladesh Limited, Foreign Exchange Branch, Dhaka	14,973,791	14,656,675
		14,973,791	**14,656,675**
	In Mudaraba Special Notice Deposit account		
	First Security Islami Bank Ltd., Dilkusha Branch, Dhaka	6,601,795	6,452,010
	AB Bank Limited, Islamic Banking Branch, Dhaka	530,885	517,176
		7,132,680	**6,969,186**
		222,106,471	**1,321,625,861**
2.2	**Maturity grouping of balance with other banks and financial institutions**		
	Payable on demand	22,106,471	21,625,861
	Up to 3 months	200,000,000	1,000,000,000
	Over 3 months but not more than 1 year	-	300,000,000
		222,106,471	**1,321,625,861**
3	**Placement with Banks and Other Financial Institutions**	-	-
		-	**-**
4	**Investments in Shares and Securities**		
	Government Treasury Bonds		
	Government Security Bonds	673,680,000	26,400,000
	6 months Bangladesh Govt. Islami Investment Bond	290,000,000	240,000,000
	National prize bonds	11,000	-
	Total investment in Investments in Shares and Securities	**963,691,000**	**266,400,000**
	Other investments		
	Al-Arafah Islami Bank Limited Bond	200,000,000	200,000,000
		200,000,000	200,000,000
		1,163,691,000	**466,400,000**
4.1	**Maturity grouping of Investments in Shares and Securities**		
	Repayable on demand	11,000	-
	Upto 3 months	178,000,000	-
	Over 3 months but not more than 1 year	112,000,000	240,000,000
	Over 1 year but not more than 5 years	833,680,000	26,400,000
	Over 5 years	40,000,000	200,000,000
		1,163,691,000	**466,400,000**

		2021 Taka	2020 Taka
5	**Investments**		
	General Investments (Note 5.1)	5,416,121,682	2,705,433,129
	Bills purchased and discounted (Note 5.2)	3,503,970	1,585,230
		5,419,625,652	**2,707,018,359**
5.1	**General Investments**		
	Inside Bangladesh:		
	Quard	118,593,740	55,415,000
	Quard against MDPA	767,300	70,000
	Quard against E-GP	20,912,294	8,825,800
	Quard against MPBSD & TBSD	2,200,750	-
	Bai Muazzal	3,558,007,999	1,966,768,208
	Bai Istisna	25,537,318	22,043,985
	Pubali Star	33,055,131	-
	Murabaha Post Import (TR)	318,493,128	289,119,989
	Hire Purchase Shirkatul Melk	1,305,820,663	329,960,112
	Pubali Islamic Staff House Building	32,733,359	33,230,035
		5,416,121,682	**2,705,433,129**
	Outside Bangladesh	-	-
		5,416,121,682	**2,705,433,129**
5.1.1	**Maturity grouping of General Investment**		
	Repayable on demand	264,195,839	58,018,694
	Upto 3 months	305,862,250	293,970,793
	Over 3 months but not more than 1 year	3,614,141,043	1,989,876,284
	Over 1 year but not more than 5 years	537,208,535	236,155,181
	Over 5 years	694,714,015	127,412,177
		5,416,121,682	**2,705,433,129**
5.2	**Bills purchased and discounted**		
	Payable in Bangladesh		
	Loans against accepted bills	3,503,970	1,585,230
	Loans against demand draft purchased	-	-
		3,503,970	**1,585,230**
	Payable outside Bangladesh		
	Foreign bills purchased	-	-
	Foreign drafts purchased	-	-
		-	**-**
		3,503,970	**1,585,230**
5.2.1	**Maturity grouping of bills purchased and discounted**		
	Receivable on demand	-	-
	Not more than 3 months	-	-
	Over 3 months but not more than 1 year	3,503,970	1,585,230
	Over 3 months but not more than 6 months	-	-
	6 months or more	-	-
		3,503,970	**1,585,230**

		2021 Taka	2020 Taka
5.3	**Geographical location-wise distribution of Investments including bills purchased and discounted**		
	In Bangladesh-Urban		
	Dhaka	4,530,686,289	2,320,083,290
	Chattogram	132,409,919	49,947,889
	Sylhet	284,335,290	150,386,718
	Barisal	89,620,530	21,807,975
	Khulna	236,789,333	119,503,155
	Rajshahi	94,093,050	38,059,932
	Rangpur	15,485,374	-
	Mymensingh	36,205,867	7,229,400
		5,419,625,652	**2,707,018,359**
	Rural	-	-
	Outside Bangladesh (Foreign bills/drafts purchased)	-	-
		5,419,625,652	**2,707,018,359**
5.4	**Sector-wise Investments including bills purchased and discounted**		
	Public sector	-	-
	Private sector	5,419,625,652	2,707,018,359
	Co-operative sector	-	-
		5,419,625,652	**2,707,018,359**
5.5	**Security base-wise Investments including bills purchased and discounted**		
	Collateral of movable and immovable properties	3,935,866,217	1,230,148,000
	Export documents	2,742,970	1,585,230
	Fixed deposit receipts (FDR) of own Bank	166,954,540	55,485,000
	FDR of other banks	-	-
	Government bonds	-	-
	Corporate guarantee	1,108,178,982	1,078,840,708
	Personal guarantee	205,882,943	332,133,621
	Other securities	-	8,825,800
		5,419,625,652	**2,707,018,359**
5.6	**Classification of Investments including bills purchased and discounted**		
	Unclassified:		
	Standard	5,378,550,913	2,651,648,005
	Special mention account (SMA)	-	21,152,567
		5,378,550,913	2,672,800,572
	Classified:		
	Sub-standard (SS)	4,260,300	-
	Doubtful (DF)	-	-
	Bad or loss (BL)	1,785,110	-
		6,045,410	-
	Staff loan	35,029,329	34,217,787
		5,419,625,652	**2,707,018,359**

			2021 Taka	2020 Taka
5.7 Particulars of required provision for Investments				
Status of Classification	**Base for Provision**	**Rate of Provision (%)**		
General provision - Unclassified				
Standard (others)	3,272,229,461	1	32,722,295	14,588,157
Standard (SMEF)	1,566,551,179	0.25	3,916,378	2,553,220
Standard (Consumer Loan Scheme)	349,916,589	2	6,998,332	3,376,946
Standard (Loan for Professional to setup business)	189,853,684	2	3,797,074	-
Housing Finance	-	1	-	26,970
Special mention account (SMEF)	-	0.25	-	-
Special mention account (Others)	-	1	-	211,526
			47,434,079	20,756,819
Specific provision - Classified				
Sub-standard (SS)	4,260,300	20	852,060	-
Doubtful (DF)	-	50	-	-
Bad/Loss (BL)	267,766	100	267,766	-
			1,119,826	-
Required provision			48,553,905	20,756,819
Provision maintained by head office			48,553,905	20,756,819
Excess provision			-	-
5.8 Particulars of Investments				
(i) Investments considered good in respect of which the bank is fully secured.			4,102,820,757	1,296,044,030
(ii) Investments considered good for which the bank holds no other security than the debtors' personal security			36,554,911	332,133,621
(iii) Investments considered good being secured by the personal security of one or more parties in addition to the personal security of the debtors.			1,280,249,985	1,078,840,708
(iv) Investments adversely classified; provision not maintained there against			-	-
			5,419,625,653	**2,707,018,359**

	2021 Taka	2020 Taka
(v) Investments due by directors or officers of the bank or any of them either severally or jointly with any other persons	35,029,329	34,217,787
(vi) Investment due from companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies as members.	-	-
(vii) Maximum total amount of advances, including temporary advances, made at any time during the year to directors or employees of the bank or any of them either severally or jointly with any other persons.	35,029,329	34,217,787
(viii) Maximum total amount of advances, including temporary advances , granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies as members.	-	-
(ix) Investments due from banking companies	-	-
(x) Classified Investments for which interest / profit not credited to income	-	-
a) Increase / decrease of provision (specific)	1,119,826.00	-
b) Amount written off debt	-	-
c) Amount of debt recovered against which was previously written off	-	-
d) Amount of Provision kept against Investments classified as bad or loss	267,766.00	-
e) Amount of interest credited in suspense account	-	-
(xi) Cumulative amount of written off Investments		
Opening Balance	-	-
Amount of debt written off for the current year	-	-
	-	-
(xii) Amount of written off loans for which case has been filed for recovery	-	-

5.9 Hire Purchase Shirkatul Melk

Lease rental receivable within 1 year	136,935,942	89,796,538
Lease rental receivable within 5 years	297,243,578	118,135,149
Lease rental receivable after 5 years	898,772,628	124,297,513
Total lease rental receivable	**1,332,952,148**	**332,229,200**
Less : Un-earned Income receivable	27,131,485	2,269,088
Net Lease finance	**1,305,820,663**	**329,960,112**

		2021 Taka	2020 Taka
6	**Fixed Assets including premises, furniture & Fixture**		
	cost		
	Machinery and equipment	8,451,440	8,174,064
	Computer & Computer Accessories	7,523,282	7,227,770
	Furniture and fixtures	7,891,820	7,654,202
		23,866,542	**23,056,036**
	Less: Accumulated Depreciation	9,796,764	6,112,925
	Net book value at the end of the year	**14,069,778**	**16,943,111**
7	**Other Assets :**		
	Accrued income on Investments	6,012,703	18,896,851
	Income Tax advance A/C	6,333,309	8,802,474
	Stationery and stamps	550,938	421,306
	Suspense account	156,500	1,480
	Pubali bank adjustment a/c	1,166,855,601	-
		1,179,909,051	**28,122,111**
8	**Placement with other Banks, Financial Institutions and Agents**		
	In Bangladesh		
	Borrowing from Bangladesh Bank	19,104,398	25,790,937
	Outside Bangladesh	-	-
		19,104,398	**25,790,937**
9	**Deposits and other accounts**		
	Inter-bank deposits	1,818,044,529	58,341,659
	Other deposits	5,830,854,510	4,173,322,965
		7,648,899,039	**4,231,664,624**
9.1	**Details of deposits and other Accounts**		
	Current deposits and other accounts :		
	Al-Wadia Current Deposit	562,633,361	487,736,903
		562,633,361	487,736,903
	Bills payable (note 9.1.1)	122,132,685	70,250,493
	Mudaraba Savings Bank Deposit	373,715,866	284,711,029
	Term deposits :		
	Mudaraba Fixed deposits	3,596,559,091	2,717,393,549
	Mudaraba Monthly Term deposit	110,827,400	35,904,200
	Mudaraba Profit Based Small deposit	6,281,570	219,166
	Mudaraba Short Notice Deposits	2,348,565,606	417,300,444
	Target Based Small Deposit	251,820,572	113,774,643
	Mudaraba Deposit Pension Scheme	129,534,487	82,192,809
	Mudaraba Marriage / Muhar Deposit	801,068	687,413

		2021 Taka	2020 Taka
	Mudaraba Hajj Savings	11,724,360	7,434,540
	Shikhya sanchay prokalpa	215,782	8,031
		6,456,333,286	3,374,914,795
	Other deposits	134,083,841	14,051,404
		7,648,899,039	**4,231,664,624**
9.1.1	**Bills Payable**		
	Payment orders issued	122,132,685	70,250,493
		122,132,685	**70,250,493**
9.2	**Maturity analysis of Inter-bank deposits**		
	Payable on demand	1,818,044,529	58,341,659
	Payable within 1 month	-	-
	Over 1 month but within 6 months	-	-
	Over 6 months but within 1 year	-	-
	Over 1 year but within 5 years	-	-
	Over 5 years and above	-	-
		1,818,044,529	**58,341,659**
9.3	**Maturity analysis of other deposits**		
	Payable on demand	1,452,195,956	871,045,046
	Payable within 1 month	157,379,413	124,577,801
	Over 1 month but within 6 months	2,815,571,867	1,904,885,671
	Over 6 months but within 1 year	588,416,997	790,639,721
	Over 1 year but within 5 years	541,067,633	311,439,440
	Over 5 years and above	276,222,644	170,735,286
		5,830,854,510	**4,173,322,965**
10	**Other Liabilities :**		
	Unpaid Expenses A/C	6,902	8,392
	Item in Transit (Cr. Balance)	267,631,661	306,881,946
	Card Transaction Fee (Inter Bank)	1,860	1,575
	Unearned interest income	208,855,747	153,498,093
	Sadaqad Fund	23,450,298	17,804,370
	Compensation Realised Account	9,297,163	6,985,159
	Compensation Realizable Account	10,855,815	11,780,624
	Pubali Bank Adjustment A/C	-	43,529,234
		520,099,446	**540,489,393**
11	**Investment income**		
	Bai Muazzal	199,755,255	35,914,342
	Bai Murabaha	537,787	-
	Pubali Star	111,114	-
	Murabaha Post Import (TR)	2,273,962	1,052,145
	Hire Purchase Shirkatul Melk	43,409,613	15,002,234
	Bai ISTISNA	1,852,610	948,617

		2021 Taka	2020 Taka
	Inland Bill Purchased	215,763	75,016
	Quard Against E-GP	1,791,826	24,832
	Other Bank	28,296,321	96,602,104
		278,244,251	**149,619,290**
12	**Profit paid on deposits, borrowings, etc.**		
	Mudaraba Term Deposits	131,510,535	115,546,170
	Mudaraba Special Notice Deposits	16,723,625	7,152,847
	Mudaraba Hajj Savings	480,159	407,779
	Mudaraba Savings Bank deposit	4,567,502	3,163,443
	Mudaraba Deposit Pension Scheme	5,092,665	3,812,157
	Mudaraba Monthly Profit deposit	3,835,341	1,614,840
	Mudaraba Mohor Scheme	40,860	25,332
	Mudaraba Shiksha Sanchay	5,589	36
	Mudaraba Swapno Puron	11,215,221	3,125,073
	Mudaraba Swadhin Sanchay	182,170	992
	Govt. Bond	6,542,729	-
		180,196,396	**134,848,669**
13	**Income from investment in shares /securities**		
	Govt. Bond	18,625,524	2,116,718
	Other Bond	14,618,007	2,868,634
		33,243,531	**4,985,352**
14	**Commission, exchange and brokerage**		
	SC, LSC, DD, TT, MT and PO	252,698	107,527
	Foreign L/C	11,227,670	1,041,571
	Local L/C	1,721,353	578,340
	Local Guarantee	1,610,713	310,925
	Other transactions	404,844	121,454
	Stationery Articles	25,626	13,982
	Miscellaneous handling commission	5,924,398	1,063,821
	Total commission	**21,167,302**	**3,237,620**
	Exchange	22,864	**4,605**
		21,190,166	**3,242,225**
15	**Other operating income**		
	Miscellaneous income	2,426,505	18,935
	Miscellaneous income supervision and monitoring	125	-
	Service charge	536,490	527,031
	CIB service charge	187,720	22,750
	Online service charge	1,851,220	1,023,807
	Account maintenance fee	1,210,665	739,931
	SMS service charge	478,870	264,786
	Processing Fee	47,000	-
	Swift Income-Import/others	57,638	-
	Card fees and charges	116,000	62,700
	Sale of Bank's property	-	1,157
		6,912,233	**2,661,097**

		2021 Taka	2020 Taka
16	**Salary and allowances**		
	Basic salary	34,073,581	29,329,824
	House rent allowances	20,672,348	16,760,061
	Medical allowances	4,294,523	3,593,829
	House maintenance	3,743,748	3,093,396
	Other allowances	3,450,527	4,715,212
	Contributory provident fund	3,388,638	2,748,782
	Bonus to employees	5,657,900	4,966,760
		75,281,265	**65,207,864**
17	**Rent, taxes, insurance, electricity, etc.**		
	Electric fittings and fixtures	28,794	732,715
	Bank premises	1,409,056	998,972
	Rates and taxes	-	6,728
	Insurance	38,744	30,617
	Lighting	504,886	383,023
		1,981,480	**2,152,055**
18	**Legal Expenses**		
	Lawyer Charges	-	-
	Court fees and other expenses	16,980	-
		16,980	**-**
19	**Postage, stamp, telecommunication, etc.**		
	Postage	13,997	17,368
	Telephone (office)	125,180	152,516
	Telephone (res)	18,300	16,600
		157,477	**186,484**
20	**Stationery, printing, advertisement, etc.**		
	Table stationery	241,741	198,624
	Computer Stationery	269,745	188,741
	Consumption of books and forms	304,585	260,785
	Advertisement	6,000	22,540
		834,341	**674,164**
21	**Depreciation repair and maintenance of fixed assets**		
	Repairs to fixed assets	221,213	142,038
	Depreciation on fixed assets	4,503,234	3,079,641
	Maintenance of Bank Premises	441,108	610,029
	Maintenance of assets -Wages	774,080	367,400
		5,939,635	**4,199,108**

		2021 Taka	2020 Taka
22	**Other expenses**		
	Newspapers	20,850	13,775
	Renovation under Construction Works	250	664,851
	Travelling	98,545	469,610
	Sub-ordinate staff clothing	42,994	23,833
	Conveyance	1,455,095	102,811
	Entertainment	177,480	208,702
	Carrying Expenses	3,377	11,132
	Employees recreation (Lunch subsidy)	3,497,747	2,801,300
	Security and Auxiliary Service	1,178,199	785,299
	Petrol consumption	55,250	25,569
	Branches' opening expenses	-	494,424
	Shifting expenses	23,287	-
	Training	-	8,400
	Photocopy	430	172
	Car allowance	210,000	-
	Miscellaneous	623,081	834,408
		7,386,585	**6,444,286**
23	**Cash payments for other operating activities**		
	Rent, tax, Insurance, Lighting etc.	1,981,480	2,152,055
	Repairing Expenses	1,436,401	1,119,467
	Other Expenses	7,386,585	6,444,286
		10,821,446	**9,715,808**
24	**Increase/(decrease) of other assets**		
	Closing other Assets		
	Stationery and Stamps	550,938	421,306
	Pubali Bank Adjustment A/C	1,166,855,601	-
	Income Tax advance A/C	6,333,309	8,802,474
	Suspense account	156,500	1,480
		1,173,896,348	**9,225,260**
	Opening other Assets		
	Stationery and Stamps	421,306	174,695
	Pubali Bank Adjustment	-	586,874,549
	Income Tax advance A/C	8,802,474	7,056,305
	Suspense account	1,480	503,354
		9,225,260	**594,608,903**
		(1,164,671,088)	**585,383,643**
25	**Cash and cash equivalents at the end of the year**		
	Cash in hand (including foreign currencies)	25,965,858	12,176,100
	Balance with Bangladesh Bank and its agent bank(s)	230,531,095	192,454,746
	Balance with other banks and financial institutes	222,106,471	1,321,625,861
	Prize bonds	11,000	-
		478,614,424	**1,526,256,707**

Pubali Bank Limited, Off-shore Banking Unit
Balance Sheet as at 31 December 2021

Annexure - G(i)

	Notes	2021 USD	2021 Taka	2020 Taka
PROPERTY AND ASSETS				
Cash	3	-	-	-
Cash in hand (Including foreign currencies)		-	-	-
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)		-	-	-
Balance with Other Banks and Financial Institutions	4	24,832,689.05	2,130,644,721	384,808,737
In Bangladesh		20,069,668.06	1,721,977,520	-
Outside Bangladesh		4,763,020.99	408,667,201	384,808,737
Loans, Advances and Leases	5	325,846,602.45	27,957,638,491	16,700,712,323
Loans, cash credits and overdrafts, etc.		14,204,737.89	1,218,766,511	1,005,026,465
Bills purchased and discounted		311,641,864.56	26,738,871,980	15,695,685,858
Fixed Assets including premises, furniture & fixtures	6	-	-	-
Other Assets	7	233,428.91	20,028,200	53,870,442
Non-banking Assets		-	-	-
Total Assets		350,912,720.41	30,108,311,412	17,139,391,502
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other Banks, Financial Institutions & Agents	8	346,342,561.76	29,716,191,799	16,878,593,631
Deposits and other accounts	9	-	-	-
Current accounts & other accounts		-	-	-
Bills Payable		-	-	-
Savings bank deposits		-	-	-
Term deposits		-	-	-
Other deposits		-	-	-
Other Liabilities	10	1,443,558.83	123,857,348	74,776,431
Total Liabilities		347,786,120.59	29,840,049,147	16,953,370,062
Capital / Shareholders' Equity				
Paid up Capital		-	-	-
Statutory Reserve		-	-	-
Retained earnings		-	-	-
Foreign currency translation reserves		-	2,223,951	
Profit and Loss account surplus		3,126,599.82	266,038,314	186,021,440
Total Shareholders' Equity		3,126,599.82	268,262,265	186,021,440
Total Liabilities and Shareholders' Equity		350,912,720.41	30,108,311,412	17,139,391,502

Pubali Bank Limited, Off-shore Banking Unit
Balance Sheet as at 31 December 2021

	Notes	2021		2020
		USD	Taka	Taka
OFF-BALANCE SHEET ITEMS				
Contingent liabilities				
Acceptances & Endorsements				
Letters of guarantee		-	-	-
Irrevocable letters of credit		-	-	-
Bills for collection		-	-	-
Other Contingent Liabilities		-	-	-
Total Contingent liabilities		-	-	-
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 including Contingent Liabilities		-	-	-

Pubali Bank Limited, Off-shore Banking Unit

Profit & Loss Account for the year ended 31 December 2021

Annexure - G (ii)

	Notes	2021 USD	2021 Taka	2020 Taka
Operating Income				
Interest income	11	10,278,659.99	874,597,816	734,588,527
Interest paid on deposits, borrowings etc.	12	(6,754,758.34)	(574,753,606)	(548,833,204)
Net Interest Income		**3,523,901.65**	**299,844,210**	**185,755,323**
Commission, exchange and brokerage		-	-	-
Other operating income	13	323,873.87	27,558,006	14,343,823
Total Operating Income		**3,847,775.52**	**327,402,216**	**200,099,146**
Operating Expenses				
Salaries and allowances	14	124,626.69	10,604,322	11,987,876
Rent, taxes, insurance, electricity etc.		-	-	-
Legal expenses		-	-	-
Postage, stamp, telecommunication etc.	15	33.02	2,810	-
Stationery, printing, advertisements etc.	16	2,468.63	210,053	141,064
Auditors' fees		-	-	-
Charges on loan losses		-	-	-
Depreciation and repair of bank's assets		-	-	-
Other expenses	17	594,047.36	50,546,717	1,948,766
Total Operating Expenses		**721,175.70**	**61,363,902**	**14,077,706**
Profit/(Loss) before Provision		**3,126,599.82**	**266,038,314**	**186,021,440**
Provision for loans & advances, investments & other assets				
Provision for classified loans and advances		-	-	-
Provision for unclassified loans and advances		-	-	-
		-	**-**	**-**
Other Provisions		-	-	-
Total Provision		**-**	**-**	**-**
Total Profit/(Loss) before taxes		**3,126,599.82**	**266,038,314**	**186,021,440**
Provision for current tax		-	-	-
Provision for deferred tax		-	-	-
Total Provision for taxes		**-**	**-**	**-**
Net Profit/(loss) after Taxation		**3,126,599.82**	**266,038,314**	**186,021,440**

Pubali Bank Limited, Off-shore Banking Unit
Cash Flow Statement for the year ended 31 December 2021

Annexure - G (iii)

	Notes	2021 USD	2021 Taka	2020 Taka
A) Cash flows from operating activities				
Interest receipts in cash		10,278,659.99	874,597,816	999,262,438
Interest payments		(6,146,915.03)	(523,033,009)	(609,383,509)
Receipts from other operating activities		323,873.86	27,558,006	14,343,823
Cash payments for other operating activities		(721,175.69)	(61,363,902)	(14,077,706)
Operating profit before changes in operating assets & liabilities		**3,734,443.13**	**317,758,911**	**390,145,046**
Increase/ (Decrease) in operating assets and liabilities				
Loans and advances to customers (other than banks)		(131,199,605.69)	(11,256,926,168)	(2,156,905,141)
Other assets		394,431.72	33,842,242	(10,309,525)
Other liabilities		(30,765.50)	(2,639,680)	2,639,680
Total Increase/(decrease) in operating assets and liabilities		**(130,835,939.46)**	**(11,225,723,606)**	**(2,164,574,986)**
Net cash from /(used in) operating activities		**(127,101,496.34)**	**(10,907,964,695)**	**(1,774,429,940)**
B) Cash flows from investing activities		-	-	-
C) Cash flows from financing activities				
Borrowings from other Banks, Financial Institutions & Agents.		149,622,356.27	12,837,598,168	(491,914,065)
Profit transferred to Central Operation.		(2,225,950.90)	(186,021,440)	(199,700,027)
		147,396,405.37	**12,651,576,728**	**(691,614,092)**
D) Net increase/(decrease) in cash and cash equivalents (a+b+c)		20,294,909.03	1,743,612,033	(2,466,044,032)
E) Effects of exchange rate changes on cash and cash equivalents		-	2,223,951	-
F) Cash and cash equivalents at beginning of the period		4,537,780.02	384,808,737	2,850,852,769
G) Cash and cash equivalents at end of the period (D+E+F)		**24,832,689.05**	**2,130,644,721**	**384,808,737**

Pubali Bank Limited, Off-shore Banking Unit

Notes to the financial statements for the year ended 31 December 2021

Annexure - G (iv)

1 Status of the unit

The Bank obtained the permission for operation of Offshore Banking Units (OBUs) vide Bangladesh Bank letter No. BRPD (P-3) 744 (108) / 2010-93 dated January 13, 2010. OBU Principal Branch and OBU Agrabad Branch commenced their operation on January 22, 2015. The OBUs are governed under the rules and guidelines of the Bangladesh Bank. Now, the Bank has 2 (two) Offshore Banking Units – one is situated at A-A Bhaban, Level # 4, 23, Motijheel C/A, Dhaka and the other is at Sattar Chamber, 99, Agrabad C/A, Ground Floor, Chattogram. At present, the units are controlled and supervised by Offshore Banking Division, newly formed by the Board of Directors of the Bank in its 1201st meeting held on 22nd May 2019. The OBD has commenced its operation on 2nd February 2020.

1.1 Principal Activities

The principal activities of the units are operated as per paragraph No. 6 of Policy for Offshore Banking Operation of the Banks in Bangladesh issued under reference No. BRPD Circular No. 2 dated 25 February 2019 and subsequent circular letters issued on different dates by Bangladesh Bank.

2 Significant accounting policies and basis of preparation of financial statements

2.1 Basis of Preparation

The financial statements are prepared on the basis of a going concern and represent the financial performance and financial position of the Off-shore Banking Units (OBU). The financial statements of the OBU are prepared in accordance with the Bank Companies Act 1991, particularly, Banking Regulation and Policy Department (BRPD) Circular No. 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRSs) including those that have been so far adopted by the Institute of Chartered Accountants of Bangladesh and other rules and regulations where necessary.

2.2 Foreign Currency

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per IAS-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.

	2021		2020
	USD	Taka	Taka
3 Cash			
Cash In hand (Including foreign currencies)			
In local currency	-	-	-
In foreign currencies	-	-	-
		-	-
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)			
Bangladesh Bank			
In local currency	-	-	-
In foreign currencies	-	-	-
		-	-

	2021		2020
	USD	Taka	Taka

3.1 Cash Reserve Ratio and Statutory Liquidity Ratio

Cash Reserve Ratio and Statutory Liquidity Ratio have been calculated and maintained in accordance with the section 33 of Bank Companies Act 1991, MPD circular numbers 1,2 dated 03 April 2018, DOS circular no. 01 dated 19 January 2014, BRPD circular 31 dated 18 June 2020 respectively.

The Cash Reserve Ratio (CRR) required on the Bank's time and demand liabilities at the rate of 2.00% has been calculated and maintained with Bangladesh Bank through the current account and 13% Statutory Liquidity Ratio (SLR) on the same liabilities has also been maintained in the form of Treasury bills and bonds and other eligible securities. Both the reserves maintained by the Bank are in

3.1.1	**Cash Reserve Ratio (CRR)**			
	Required Reserve (2%)		445,574,000	274,357,000
	Actual Reserve maintained		445,574,000	274,357,000
	Surplus/(deficit)		-	-
3.1.2	**Statutory Liquidity Ratio (SLR)**			
	Required Reserve (13%)		2,896,230,000	1,783,322,000
	Actual Reserve maintained		2,896,230,000	1,783,322,000
	Surplus/(deficit)		-	-
3.1.3	**Total required amount of CRR and SLR**			
	Total required reserve (15%)		3,341,804,000	2,057,679,000
	Total actual reserve maintained		3,341,804,000	2,057,679,000
	Total Surplus		-	-
4	**Balance with other banks and financial institutions**			
	In Bangladesh (Note 4.1)	20,069,668.06	1,721,977,520	-
	Outside Bangladesh (Note 4.2)	4,763,020.99	408,667,201	384,808,737
		24,832,689.05	**2,130,644,721**	**384,808,737**
4.1	**In fixed/term deposit account (in local currency)**			
	Finance to other Financial Institute	20,069,668.06	1,721,977,520	-
	Finance to Pubali Bank Limited	-	-	-
		20,069,668.06	**1,721,977,520**	**-**
4.2	**Outside Bangladesh**			
	Current A/c (Nostro)			
	Mashreq Bank NY, USD	4,715,114.65	404,556,837	366,008,949
	Mashreq Bank Mumbai, India-ACUD	47,906.34	4,110,364	18,799,788
		4,763,020.99	**408,667,201**	**384,808,737**
5	**Loans, advances and leases**			
	Loans, cash credits and overdrafts, etc. (note 5.1)	14,204,737.89	1,218,766,511	1,005,026,465
	Bills purchased and discounted (note 5.2)	311,641,864.56	26,738,871,980	15,695,685,858
		325,846,602.45	**27,957,638,491**	**16,700,712,323**

Pubali Bank Limited, Off-shore Banking Unit

Notes to the financial statements for the year ended 31 December 2021

	2021		2020
	USD	Taka	Taka
5.1 Loans, cash credits, overdrafts, etc.			
In Bangladesh			
Loans	14,204,737.89	1,218,766,511	1,005,026,465
Cash credits	-	-	-
Overdrafts	-	-	-
	14,204,737.89	**1,218,766,511**	**1,005,026,465**
Outside Bangladesh	-	-	-
	-	-	-
	14,204,737.89	**1,218,766,511**	**1,005,026,465**
5.2 Bills purchased and discounted			
Payable in Bangladesh			
Export Bill Discounting	38,805,237.50	3,329,489,378	1,531,943,031
Loans against demand draft purchased	-	-	-
	38,805,237.50	**3,329,489,378**	**1,531,943,031**
Payable outside Bangladesh			
Discounting -UPAS	272,836,627.06	23,409,382,602	14,163,742,827
Foreign drafts purchased	-	-	-
	272,836,627.06	**23,409,382,602**	**14,163,742,827**
	311,641,864.56	**26,738,871,980**	**15,695,685,858**
5.3 Classification of investments including bills purchased and discounted			
Unclassified			
Standard		27,922,259,356	16,700,712,323
Special mention account (SMA)		35,379,135	-
		27,957,638,491	16,700,712,323
Classified			
Substandard (SS)		-	-
Doubtful (DF)		-	-
Bad or loss (BL)		-	-
		-	-
Staff loan		-	-
		27,957,638,491	16,700,712,323

5.4 Particulars of required provision for investments

Status of Classification	Base for Provision	Rate of Provision (%)		
General provision - Unclassified				
Standard (others)	27,602,035,307	1	276,020,353	165,936,814
Standard (SMEF)	320,224,009	0.25	800,560	267,577
SMA (SMEF)	-	-	-	-
SMA (Others)	35,379,135	1	353,791	-
			277,174,704	166,204,391

			2021		2020
			USD	Taka	Taka
Specific provision - Classified					
Substandard (SS)	-	20		-	-
Doubtful (DF)	-	50		-	-
Bad/Loss (BL)	-	100		-	-
				-	-
Required provision				277,174,704	166,204,391
Provision maintained by head office				277,174,704	166,204,391
Excess provision				-	-

6 Fixed Assets including premises, furniture & Fixture

Cost	-	-	-
	-	-	-
Less: Accumulated Depreciation	-	-	-
Net book value at the end of the year	-	-	-

As per decision of the 740 Board of Director's meeting dated 25.11.2009 the logistic supports which includes computers, printers, electrical appliances, furniture and fixtures, telephone etc. was provided by Principal and Agrabad branches. Subsequently assets will be purchased by respective OBU itself, the cut off date will be decided by bank's senior management.

7 Other Assets

Income generating other assets			
Interest on EBD	-	-	-
Interest on UPAS Bill	-	-	-
Interest on Term Loan	-	-	-
Prepaid expenses	233,428.91	20,028,200	53,870,442
	233,428.91	**20,028,200**	**53,870,442**

8 Borrowings from other Banks, Financial Institutions and Agents

Parents Bank-Pubali Bank Limited	78,042,561.76	6,696,051,799	4,175,388,851
Others Banks & Financial Institutions	268,300,000.00	23,020,140,000	12,703,204,780
	346,342,561.76	**29,716,191,799**	**16,878,593,631**

9 Deposits and other accounts

Inter-bank deposits	-	-	-
Other deposits	-	-	-
	-	-	-

10 Other Liabilities

Interest payable to :			
Parent bank borrowing	240,350.65	20,622,086	10,295,735
Others Banks & Financial Institutions	1,203,208.18	103,235,262	61,841,016
Unpaid expenses	-	-	2,639,680
	1,443,558.83	**123,857,348**	**74,776,431**

Pubali Bank Limited, Off-shore Banking Unit

Notes to the financial statements for the year ended 31 December 2021

	2021		2020
	USD	Taka	Taka
11 Interest income			
Interest on EBD	847,157.00	72,083,488	57,960,304
Interest on UPAS Bill	8,419,845.52	716,433,709	574,336,141
Interest on Term loan	545,429.86	46,409,918	53,631,569
Interest on Finance to other financial Institution	466,227.61	39,670,701	48,660,513
	10,278,659.99	**874,597,816**	**734,588,527**
12 Interest paid on deposits, borrowings, etc.			
Interest on Borrowings from Parent Bank	1,858,711.21	158,155,321	61,102,305
Interest on Borrowings from other banks & Financial Institutions	4,896,047.13	416,598,285	487,730,899
	6,754,758.34	**574,753,606**	**548,833,204**
13 Other operating income			
Rebate received from Nostro A/C	76,373.87	6,498,553	3,642,267
Reimbursement fee received	244,832.95	20,832,517	6,369,447
Overdue interest	-	-	3,295,550
AIP received from Nostro A/C	2,667.05	226,936	1,036,559
	323,873.87	**27,558,006**	**14,343,823**
14 Salaries and allowances			
Basic salary	57,727.14	4,911,927	5,281,374
House rent allowances	33,380.98	2,840,344	3,031,102
Medical allowances	6,260.67	532,712	586,474
Other allowances	3,233.56	275,139	262,234
House maintenance	7,646.82	650,658	706,490
Leave fare Assistance	283.00	24,080	73,006
Contributory provident fund	5,613.79	477,670	518,536
Bonus to employees	10,480.73	891,792	1,528,660
	124,626.69	**10,604,322**	**11,987,876**
15 Postage, stamp, telecommunication, etc.			
Telephone	33.02	2,810	-
	33.02	**2,810**	**-**
16 Stationery, printing, advertisements, etc.			
Table Stationery	2,397.87	204,032	139,665
Computer Stationery	70.76	6,021	1,399
	2,468.63	**210,053**	**141,064**
17 Other expenses			
Bank charges of Nostro A/C (Mashreq Bank)	22,193.13	1,888,385	1,419,231
Foreign Currency translation loss	-	-	153,994
Newspaper	33.64	2,862	2,498
Entertainment	188.69	16,055	49,006
Conveyance	1,168.12	99,394	-
Professional Fees and Expenses	566,657.00	48,216,107	-
Employees recreation (Lunch subsidy)	3,806.78	323,914	324,037
	594,047.36	**50,546,717**	**1,948,766**

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF Pubali Bank Securities Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Pubali Bank Securities Limited, which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, the financial position of the Company as on 31 December 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Financial Statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially in consistent with the financial statements of our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of management of those charged with governance for the financial statements

Management of **Pubali Bank Securities Limited** is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting

Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable Laws and Regulation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedure that as appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are

responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant and findings, including any significant deficiencies in internal control. That we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, We also report the following:

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

(b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

(c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and

(d) the expenditure incurred was for the purposes of the company's business.

Place: Dhaka, Bangladesh
Dated: 23 March 2022

Md. Shahidul Islam FCA
Partner, Eroll. No. 1758
K. M. Hasan & Co.
Chartered Accountants
DVC: 2203241758AS375289

Pubali Bank Securities Limited

Statement of Financial Position as at 31 December 2021

Annexure-H (i)

ASSETS	Notes	Amount in Taka 2021	2020
Current Assets			
Cash and bank balances	3	1,947,268,210	1,340,479,296
Receivable from securities trading	4	87,775,364	91,690,967
Investment in securities (Own portfolio)	5	6,237,212,567	6,583,175,288
Receivable from other clients	6	781,062,717	618,430,307
Other assets	7	420,000	1,258,000
Advance income tax	8	347,931,908	275,442,961
Total current assets		**9,401,670,766**	**8,910,476,819**
Non-current assets			
Fixed assets	9	3,649,456	4,177,854
Value of investment in exchange (against membership value)	10	14,000,000	14,000,000
Investment in securities	11	43,602,847	36,302,842
Total non-current assets		**61,252,303**	**54,480,696**
Total Assets		**9,462,923,069**	**8,964,957,515**
EQUITY AND LIABILITIES			
Liabilities			
Current liabilities			
Payable to clients	12	412,778,538	444,816,867
Payable to exchanges	13	7,523,069	20,155,069
Other liabilities and provisions	14	2,108,704,928	2,013,289,969
Total current liabilities		**2,529,006,535**	**2,478,261,905**
Non-current liabilities			
Long term loan liabilities (other than current portion amount)	15	-	3,000,000,000
Total Non-current liabilities		**-**	**3,000,000,000**
Shareholders' equity			
Share capital	16	6,600,000,000	3,600,000,000
Retained earnings	17	333,916,534	(113,304,390)
Total Equity		**6,933,916,534**	**3,486,695,610**
Total Equity and Liabilities		**9,462,923,069**	**8,964,957,515**

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

Pubali Bank Securities Limited

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2021

Annexure-H (ii)

	Notes	Amount in Taka	
		2021	2020
Operating income	18	594,115,603	286,298,736
Less: Operating expenses	19	10,300,549	5,250,783
Gross profit		**583,815,054**	**281,047,953**
Less: Administrative and general expenses	20	40,803,801	34,419,455
Operating profit		**543,011,253**	**246,628,498**
Add: Other income		-	-
Profit before provision and income tax		**543,011,253**	**246,628,498**
Less: Provision for diminution in value of investment	14.2	-	144,343,497
provision for impairment of clients' margin loan	14.4	-	-
Profit before income tax		**543,011,253**	**102,285,001**
Less: Provision for income tax			
Current tax	14.3	95,738,476	64,832,054
Deferred tax	14.1	51,853	150,720
Net profit after income tax		**447,220,924**	**37,302,227**
Add: Other comprehensive income		-	-
Total comprehensive income		**447,220,924**	**37,302,227**

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

Pubali Bank Securities Limited

Statement of Cash Flow for the year ended 31 December 2021

Annexure-H (iii)

		Amount in Taka	
		2021	2020
A)	**Cash flows from operating activities**		
	Net profit before income tax	**543,011,253**	**102,285,001**
	Add: Adjustment for non-cash items:		
	Depreciation & amortization charged	1,085,393	1,040,734
	Provision for investment & clients margin loan	-	144,343,497
	Operating profit before changes in operating assets and liabilities	**1,085,393**	**145,384,231**
	Increase/decrease in operating assets and liabilities		
	(Increase)/ decrease in operating assets	180,783,909	(170,026,753)
	Increase/ (decrease) in operating liabilities	(45,045,699)	352,761,446
	Income tax paid	(72,488,947)	(79,376,243)
		63,249,263	**103,358,450**
	Net cash from/(used in) operating activities	**607,345,909**	**351,027,682**
B)	**Cash flows from investing activities**		
	Acquisition of property, plant and equipment	(556,995)	(352,509)
	Disposal of property, plant and equipment	-	-
	Net cash from/(used in) investing activities	**(556,995)**	**(352,509)**
C)	**Cash flows from financing activities**		
	Proceeds/(payments) from short term business liabilities	-	-
	Proceeds/(payments) long term loan liabilities	-	-
	Net cash flows from financing activities	-	-
D)	**Net increase/(decrease) in Cash and Cash equivalents (a+b+c)**	**606,788,914**	**350,675,173**
E)	**Cash and cash equivalents at the beginning of the Year**	1,340,479,296	989,804,123
F)	**Cash and cash equivalents at the end of the Year**	**1,947,268,210**	**1,340,479,296**

Pubali Bank Securities Limited

Statement of Changes in Equity for the year ended 31 December 2021

Annexure-H (iv)

Amount in Taka

Particulars	Share Capital	Retained Earnings	Total
Balance as at 1 January, 2021	3,600,000,000	(113,304,390)	3,486,695,610
Convertion of Preference share to Ordinary share	3,000,000,000	-	3,000,000,000
Net Profit after tax for the year	-	447,220,924	447,220,924
Balance as at 31 December 2021	**6,600,000,000**	**333,916,534**	**6,933,916,534**

For the year ended 31 December 2020

Amount in Taka

Particulars	Share Capital	Retained Earnings	Total
Balance as at 1 January, 2020	3,600,000,000	(150,606,617)	3,449,393,383
Net Profit after tax for the year	-	37,302,227	37,302,227
Balance as at 31 December 2020	**3,600,000,000**	**(113,304,390)**	**3,486,695,610**

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2021

Annexure-H (v)

1 Status of the Company

Pubali Bank Securities Limited (PBSL) was incorporated on the 21st June 2010 under the Companies Act, 1994 as a public limited company. It is a subsidiary company of Pubali Bank Limited. Pubali Bank Limited holds all the shares of the company except for thirteen shares being held by thirteen individuals. The Company has been established as per Bangladesh Securities & Exchange Commission's (BSEC) Letter # SEC/Reg/DSE/MB/2009/444 dated 20.12.2009. The company started its operation with effect February 01, 2011. The Registered office of the company is situated at A-A Bhaban (7th floor), 23 Motijheel C/A, Dhaka-1000, Bangladesh.

The main objects of the company are to carry on the business of a stock broker and stock dealer house and to buy, sell, and deal in shares, stocks, debentures, bonds and other securities and to carry on any business as is permissible for a broker and dealer house duly licensed by the Bangladesh Securities & Exchange Commission (BSEC).

2 Significant accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared under the historical cost convention on a going concern basis and in accordance with International Financial Reporting Standards (IFRSs), The Companies Act-1994, Securities and Exchange Rules-1987 and other laws and rules applicable in Bangladesh. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

2.2 Investment in securities (Own Portfolio)

The investment in securities have been prepared based on historical cost convention basis. However, the Company has maintained provision against the unrealized loss (after netting off unrealized loss with unrealized gain) as mentioned in note # 2.20.

2.3 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing concern basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.4 Components of Financial Statements

The financial statements referred to here comprises:

a) Statement of Financial Position

b) Statement of Profit or Loss and other Comprehensive Income

c) Statement of Changes in Equity

d) Statement of Cash Flow and

e) Notes to the Financial Statements

2.5 Statement of cash flow

Statement of cash flow is prepared in accordance with the International Accounting Standard (IAS-7) " Statement of Cash Flow" under indirect method.

2.6 Reporting period

These financial statements cover period from 1 January 2021 to 31 December 2021.

2.7 Share capital

Share capital consists of all funds raised by a company in exchange for shares of either common or preferred shares of stock.

2.8 Property, plant and equipment

All fixed assets are stated at cost less accumulated depreciation as per IAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

The Company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred.

Categories of Assets	Method of Depreciation	Rate
Computer and Computer Accessories	Straight Line Method	30%
Machinery and Equipment	Straight Line Method	20%
Furniture and Fixtures	Diminishing Balance Method	10%

Full year depreciation is charged on the assets if it is purchased upto 30 September of the financial year. No depreciation is charged on the assets written off.

2.9 Right of Use (ROU) asset (IFRS 16)

The company has complied with International Finacial Reporting Standards IFRS (16): Lease and accordingly accounted for asset under appropriate head. However upon review of companys lease rental agreement, termination clause include a clause like "Both party can cancell the agreement with 3 (Three) months prior notice, whice indicates that lease term is not more then 1 year. So company need not to include in Right of Use (ROU) assets".

2.10 Intangible assets and amortization of intangible assets

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably. System and software is amortized at the rate of 30% on the straight line basis.

Expenditure incurred for system and software are capitalized only when it enhances and extends the economic benefits of software beyond its original specification and life and such cost is recognized as capital improvement and added to the original cost of software.

2.11 Advance, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory, etc.

2.12 Advance income tax

The amount of advance income tax is mainly deduction at sources by DSE & CSE on daily transactions of broker & dealer operation. Tax deduction on interest income and dividend income are also included here.

2.13 Investments in securities

Investment in marketable and non-marketable ordinary shares has been shown at cost. Full provision for diminution in value of shares (Quoted) as on closing of the year on an aggregate portfolio basis has been made in the account.

2.14 Account receivables

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity.

2.15 Loans to customers

Loans to customers are stated in the balance sheet on gross basis. Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest on customer loans is realized quarterly.

2.16 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with banks and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Company management for its short-term commitments.

2.17 Provision for Tax

Current Tax

Provision for current tax is made in accordance with the provision of the Income Tax

Ordinance, 1984 and subsequent amendments made thereto from time to time.

Deferred taxation

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the profit and loss account as per IAS-12 "Income Taxes".

2.18 Provision for liabilities

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the IAS-37 "Provisions, Contingent Liabilities and Contingent Assets".

2.19 Revenue Recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise and in accordance with the IFRS-15 "Revenue from Contracts with Customers":

a) Brokerage commission

Brokerage commission is recognized as income when selling or buying order is executed.

b) Interest income on margin loan

Interest Income from margin loan is recognized on accrual basis. Such income is calculated on daily margin loan balance of the respective parties. Income is recognized on monthly basis and applied to the customers' account on quarterly basis.

c) Dividend Income

Dividend income is recognized when right to receive payment is established.

d) Capital Gain on Sale of share

Capital gain on investments in shares is recognized when it is realized.

2.20 Provision against unrealized loss in shares purchased as dealer and Margin Loan

As per directive no. BSEC/SRI/Policy/3/2020/68 dated 12 January 2020 of Bangladesh Securities and Exchange Commission, 20% provision may be made for unrealized loss arising out of year-end revaluation of shares purchased as dealer and unrealized loss as margin loan. However the Company maintain provision mentioned in note # 14.4

2.21 Convertion of Preference Share Capital into Ordinary share capital

The preferance shares of Tk. 300,00,00,000 was 5% redimable/convertable and the redumption /convertion started from 26.09.2020. Under this situation The Board of Directors of Pubali Bank Limited in its 1277th meeting held on 24th March 2021 has decided to exercise the option of conversion of preference share BDT 300.00 (three hundred) crore into ordinary share capital w.e.f 26.09.2020 as stated in the previous approval of the BSEC vide letter no BSEC/CI/CPLC-547/2016/517.(please see note no. 16)

2.22 Related Party Disclosures

As per International Accounting Standards (IAS)-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 operational decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties.

2.22.1 Particulars of Directors and Shareholders and their shareholdings

Name of the directors	Designation	Number of Share holding as 31 December 2021
Mr. Moniruddin Ahmed	Chairman	1
Mr. Ahmed Shafi Choudhury (Nominated by Pubali Bank Limited)	Director	Nil
Mr. Habibur Rahman	Director	1
Mr. Azizur Rahman	Director	1
Mr. Muhammed Kabiruzzaman Yaqub	Director	1
Mr. Mustafa Ahmed	Director	1
Ms. Runa Fowzia Hafiz	Director	1
Mr. Ahmed Salah Sater	Director	1
Mrs. Ayesha Farha Chowdhury	Director	1
Mr. Rezwan Rahman	Director	1
Mr. Zeyad Rahman	Director	1
Mr. Asif A. Choudhury	Director	1
Mr. Safiul Alam Khan Chowdhury (Nominated by Pubali Bank Limited)	Director	NIL
Mr. Shahdeen Malik	Independent Director	NIL
Mr. Giashuddin Ahamed	Shareholder	1
Ms. Rumana Sharif	Shareholder	1
Pubali Bank Limited	Shareholder	Ordinary: 65,999,987

2.22.2 Name of the directors and their interest in Pubali Bank Limited

Name of the directors	Status in Pubali Bank Securities Ltd.	Status in Pubali Bank Limited	Directors have interest in Pubali Bank Limited	Percentage of interest in Pubali Bank Ltd.
Mr. Moniruddin Ahmed	Chairman	Director	Pubali Bank Limited	3.27%
Mr. Ahmed Shafi Choudhury (Nominated by Pubali Bank Limited)	Director	Director	Pubali Bank Limited	0.01%
Mr. Habibur Rahman	Director	Director	Pubali Bank Limited	2.00%
Mr. Azizur Rahman	Director	Director	Pubali Bank Limited	2.17%
Mr. Muhammed Kabiruzzaman Yaqub	Director	Director	Pubali Bank Limited	2.00%
Mr. Mustafa Ahmed	Director	Director	Pubali Bank Limited	3.49%
Ms. Runa Fowzia Hafiz	Director	-	Not Applicable	-
Mr. Ahmed Salah Sater	Director	-	Not Applicable	-
Mrs. Ayesha Farha Chowdhury	Director	-	Not Applicable	-
Mr. Rezwan Rahman	Director	-	Not Applicable	-
Mr. Zeyad Rahman	Director	-	Not Applicable	-
Mr. Asif A. Choudhury	Director	-	Not Applicable	-
Mr. Saiful Alam Khan Chowdhury (Nominated by Pubali Bank Limited)	Director	Managing Director & CEO	Pubali Bank Limited	-
Mr. Shahdeen Malik	Independent Director	Independent Director	Pubali Bank Limited	-

2.23 Events after the reporting period

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

2.24 Management's responsibility on financial statements

The management of the company is responsible for the preparation and presentation of these financial statements.

2.25 Employee benefits

All the employees at Pubali Bank Securities Limited are on deputation from Pubali Bank Limited except the Managing Director & CEO, General Manager & Chief Protocol Officer, and will get existing and future benefits of the same Bank during the period of their service at Pubali Bank Securities Limited. All the employees of the management and executive team are on deputation from Pubali Bank Limited and their Salary, Incentive, Bonus, Provident Fund and all other financial benefits are provided as per Rules and Pay scale of Pubali Bank Limited.

		Amount in Taka	
		2021	2020
3 Cash and bank balances			
Current account:			
Pubali Bank Ltd. A/C-3555901034027 Customers Security Deposit		2,226,380	2,316,908
Pubali Bank Ltd. A/C-3555901037490 PBL Investment A/C		598,580	-
Pubali Bank Ltd. A/C-2905901048064 Strategic Investment A/C		300,310	934,346
Pubali Bank Ltd. A/C-2905901042129 Consolidated customer A/C		431,477,173	516,532,979
Pubali Bank Ltd. A/C-2905901042114 Dealer A/C		616,142,292	38,220,187
Sub total		**1,050,744,735**	**558,004,420**
Special notice deposit account :			
Pubali Bank Ltd. A/C-2905102001105 Public Issue Application A/C		405,811	3,193,295
Pubali Bank Ltd. A/C -2905102001047 Income& Expenditure A/C		99,592,531	23,364,774
Sub total		**99,998,342**	**26,558,069**
Investment In FDR (Note-3.1)		796,525,133	755,916,807
Total		**1,947,268,210**	**1,340,479,296**
3.1 Investment in FDR	**FDR A/C No.**		
Pubali Bank Limited	977310	130,596,500	124,368,407
Pubali Bank Limited	977311	65,213,631	62,122,157
Pubali Bank Limited	977312	65,213,631	62,122,157
Pubali Bank Limited	977313	65,213,631	62,122,157
Pubali Bank Limited	977314	65,213,631	62,122,157
Pubali Bank Limited	977703	108,337,890	103,162,500
Pubali Bank Limited	977509	60,159,271	57,337,312
Pubali Bank Limited	977542	118,288,474	111,279,980
Pubali Bank Limited	977543	118,288,474	111,279,980
		796,525,133	**755,916,807**

A schedule of Investment in FDR is given in "Annexure-H(ix)".

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2021

		Amount in Taka	
		2021	2020
4	**Receivable from securities trading**		
	Receivable from stock-broker/stock- dealer	933,979	2,654,928
	Receivable from dividend	76,609,181	71,176,189
	Dividend Receivable from-strategic investment	1,153,109	695,141
	Receivable from client	2,060,752	2,348,777
	Receivable from DSE- Digital Booth	300,000	-
	Receivable from others (Accrued interest of FDR) - (Annexure-H(ix))	6,718,343	14,815,932
		87,775,364	**91,690,967**
5	**Investment in securities (Own portfolio)**		
	Investment in securities (Own portfolio) at cost (Annexure-H(vii))	6,215,175,067	6,583,175,288
	IPO investment	22,037,500	-
		6,237,212,567	**6,583,175,288**
6	**Receivable from other clients**		
	Margin loan from clients	781,062,717	618,430,307
		781,062,717	**618,430,307**
7	**Other assets**		
	Prepaid expenses (Note 7.1)	420,000	1,258,000
		420,000	**1,258,000**
7.1	**Prepaid expenses**		
	Balance at the beginning of the year	1,258,000	1,053,000
	Add: Advances made during the year	2,894,600	1,919,350
	Less: Adjustment made during the year	(3,732,600)	(1,714,350)
	Balance at the end of the year	**420,000**	**1,258,000**
8	**Advance income tax**		
	Opening balance	275,442,961	196,066,718
	Add: Advance income tax paid during the year	20,835,590	39,281,088
		296,278,551	235,347,806
	Add: Tax deducted at source during the year	46,898,114	34,061,079
		343,176,665	269,408,885
	Add: Tax deducted at source against bank interest & others	4,755,243	6,034,076
		347,931,908	275,442,961
	Less: Adjustment during the year	-	-
		347,931,908	**275,442,961**

		Amount in Taka	
		2021	2020
9	**Fixed assets (net off depreciation & amortization):**		
	Computer & computer accessories	633,023	553,755
	Machinery & equipment	53,020	124,572
	Vehicle	1,936,879	2,582,506
	Furniture & fixtures	1,026,534	917,021
		3,649,456	**4,177,854**
	Intangible assets :		
	Systems & software	-	-
		-	-
		3,649,456	**4,177,854**
	A schedule of property, plant and equipment is given in Annexure-H(vi).		
10	**Value of investment in exchange (against membership value)**		
	Dhaka stock exchange Ltd. (Note 10.1)	6,000,000	6,000,000
	Chittagong stock exchange Ltd. (Note 10.2)	8,000,000	8,000,000
		14,000,000	**14,000,000**
10.1	**Dhaka stock exchange Ltd.**		
	Opening balance	6,000,000	6,000,000
	Add: Investment made during the year	-	-
		6,000,000	6,000,000
	Less: Sale/ recovery during the year	-	-
	Closing balance	**6,000,000**	**6,000,000**

* This represents total face value of the shares allotted by DSE in favor of the company against the DSE memberships. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange Ltd. (DSE) allotted total 72,15,106 ordinary shares at face value of Tk.10.00 each and a Trading Right Entitlement Certificate (TREC) in favor of the company against the membership of DSE respectively. Out of the above, DSE transferred 2,886,042 shares directly to the credit of the Beneficiary Owner's account of the company. TRECs out of (DSE) alloted total 7,215,106 shares. DSE sold 1,803,777 shares which is 25% of total shares to Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE). The rest shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act, 2013. As there is no active market for DSE shares, we have shown the value at original cost of our investment.

As the TREC is not a commonly tradable instrument and no purchase/sale transaction has yet occurred after demutualization, no value has been assigned to, and recorded against these two TRECs.

10.2	**Chittagong stock exchange Ltd.**		
	Opening balance	8,000,000	8,000,000
	Add: Investment made during the year	-	-
		8,000,000	**8,000,000**
	Less: Sale/ recovery during the year	-	-
	Closing balance	**8,000,000**	**8,000,000**

	Amount in Taka	
	2021	2020

* This represents total face value of the shares allotted by CSE in favor of the company against the CSE memberships. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Chittagong Stock Exchange Ltd. (CSE) allotted total 42,87,330 ordinary Shares at face value of Tk.10.00 and a Trading Right Entitlement Certificate (TREC) in favor of the company against the membership of CSE respectively. Out of the above, CSE transferred 1,714,932 shares directly to the credit of the Beneficiary Owner's account of the company. The rest shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act, 2013. As there is no active market for CSE shares, we have shown the value at original cost of our investment.

As the TREC is not a commonly tradable instrument and no purchase/sale transaction has yet occurred after demutualization, no value has been assigned to, and recorded against these two TRECs.

11	**Investment In securities**		
	Investment In securities (Strategic investment) at cost (Annexure-H(Viii))	43,602,847	36,302,842
		43,602,847	**36,302,842**
12	**Payable to clients**		
	General client	412,778,538	444,816,867
		412,778,538	**444,816,867**
13	**Payable to exchanges**		
	Payable to DSE & CSE broker	30,130	102,394
	Payable to DSE & CSE dealer	4,461,555	17,312,004
	Payable to Pubali Bank	13,810	13,810
	Payable for CDBL	782,654	404,941
	Security Deposit	2,234,920	2,321,920
		7,523,069	**20,155,069**
14	**Other liabilities and provisions**		
	Deferred tax and other deferred liabilities (Note 14.1)	340,067	288,214
	Provision for diminution in value of investment (Note 14.2)	1,534,588,209	1,534,588,209
	Provision for tax (Note 14.3)	381,703,658	285,965,182
	Provision for impairment of clients' margin loan (Note 14.4)	184,543,373	184,543,373
	Provision for rent, tax, insurance, electricity expense	121,016	109,905
	Provision for postage, stamp, telecommunication etc.	131,215	131,009
	Provision for stationery, printing, advertisement expenses	2,933	2,933
	Provision for repair of machinery equipment expenses	255	255
	Provision for other expenses	277,040	262,696
	Legal fees payable	726,975	959,875
	Payable to software provider	25,539	130,539
	Payable to suppliers	51,712	51,712
	Sundry deposit	62,576	62,576
	Sundry payable	520	520
	Provision for audit fees	143,750	143,500
	Payable for IPO fund	5,790,000	5,875,800
	VAT payable	43,346	52,470
	TAX payable	152,744	121,201
		2,108,704,928	**2,013,289,969**

	Amount in Taka	
	2021	2020
14.1 Deferred tax liability		
Deferred tax liability has been recognized in accordance with the provisions of IAS 12: Income Taxes, is arrived at as follows:		
Opening balance	288,214	137,494
Addition/(deduction) during the year charged in P&L	51,853	150,720
Closing balance	**340,067**	**288,214**
14.2 Provision for diminution in value of investment		
Opening balance	1,534,588,209	1,324,827,130
Add: Provision made during the year	-	144,343,497
Add: Provision Transfer in from provision from impairment of clients'	-	65,417,582
margin loan (note no. 14.4)	1,534,588,209	1,534,588,209
Less : Adjusted during the year	-	-
Closing balance	**1,534,588,209**	**1,534,588,209**

As per directive no.BSEC/SRI/Policy/3/2020/68 dated 12 January 2020 of Bangladesh Securities and Exchange Commission, has allowed the stock dealer to make provision against un-realised loss on investment in Dealer account in equal quarterly installment upto 31 December 2022 as well as margin loan. Meanwhile we have made provision of Tk. 153,45,88,209/- i.e 75% of unrealisedloss in dealer account.

14.3 Provision for tax		
Opening balance	285,965,182	221,133,128
Add: Provision made during the year	95,738,476	64,832,054
	381,703,658	285,965,182
Add: Adjustment made during the year	-	-
Closing balance	**381,703,658**	**285,965,182**
14.4 Provision for impairment of clients margin loan		
Opening balance	184,543,373	249,960,955
Add: Provision made during the year	-	-
	184,543,373	249,960,955
Less: Provision transfer out provision for diminution in value of investment note no. 14.2	-	(65,417,582)
Closing balance	**184,543,373**	**184,543,373**
100% provision for impairment of clients' margin loan		
15 Long term liabilities (Other than current portion amount)		
Preference share capital	-	3,000,000,000
	-	**3,000,000,000**

Issue of 5% redeemable/ convertible non- cumulative preference shares, 30,000,000 of Tk. 100/- each, fully paid through shares of different companies on market price basis.

8 years redemption call/ convertible option

Date of issue: 26.09.2016

Upto year 3 (Upto 26.09.2019)	No Redemption
Year End 4 (Upto 26.09.2020)	20% of 300 crore
Year End 5 (Upto 26.09.2021)	20% of 300 crore
Year End 6 (Upto 26.09.2022)	20% of 300 crore

Year End 7 (Upto 26.09.2023)	20% of 300 crore
Year End 8 (Upto 26.09.2024)	20% of 300 crore

These preference share now converted to ordinary share capital as per previous approval of BSEC vide letter no BSEC/CI/CPLC-547/2016/517 which was accorded by the Board of Pubali Bank Limited in its 1277th meeting held on 24th March 2021.Therefore in the year 2021 and later on the total paid up capital will be 660,00,00,000/- (Six hundred sixty crore). (Please see note no 2.21)

	Amount in Taka	
	2021	2020
16 Share capital		
Authorized capital		
70,000,000 Ordinary Shares of Tk. 100/- each.	**7,000,000,000**	**7,000,000,000**
Issued, subscribed and paid-up capital		
Ordinary Share capital		
Total 66,000,000 Ordinary shares of Tk. 100 each	**6,600,000,000**	**3,600,000,000**

Sl	Name of the shareholders	No. of shares		
1	Mr. Moniruddin Ahmed	1	100	100
2	Mr. Ahmed Shafi Choudhury (Nominated by Pubali Bank Limited)	Nil	-	-
3	Mr. Habibur Rahman	1	100	100
4	Mr. Azizur Rahman	1	100	100
5	Mr. Muhammed Kabiruzzaman Yaqub	1	100	100
6	Mr. Mustafa Ahmed	1	100	100
7	Ms. Runa Fowzia Hafiz	1	100	100
8	Mr. Ahmed Salah Sater	1	100	100
9	Mrs. Ayesha Farha Chowdhury	1	100	100
10	Mr. Rezwan Rahman	1	100	100
11	Mr. Zeyad Rahman	1	100	100
12	Mr. Asif A. Choudhury	1	100	100
13	Mr. Safiul Alam Khan Chowdhury	Nil	-	-
14	Mr. Shahdeen Malik	Nil	-	-
15	Mr. Giashuddin Ahamed	1	100	100
16	Ms. Rumana Sharif	1	100	100
17	Pubali Bank Limited	65,999,987	6,599,998,700	3,599,998,700
		66,000,000	**6,600,000,000**	**3,600,000,000**

Convertion of Preferance share BDT 300(three hundred) crore into ordinary share capital w.e.f. 26.09.2020.

17 Retained earnings		
Opening balance	(113,304,390)	(150,606,617)
Net profit/(loss) during the year	447,220,924	37,302,227
	333,916,534	(113,304,390)
Adjustment during the year	-	-
Closing balance	**333,916,534**	**(113,304,390)**

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2021

		Amount in Taka	
		2021	2020
18	**Operating income**		
	Brokerage commission DSE & CSE	64,346,767	24,547,070
	Interest on margin loan	53,140,035	23,188,327
	Revenue from CDBL charge & annual maintenance fee & others	89,903	37,546
	Dividend income DSE & CSE	-	1,180,141
	Dividend income from dealer A/C	191,645,932	155,167,273
	Dividend income from Strategic investment	1,528,109	-
	Capital gain from from Strategic investment	5,813,756	-
	Capital gain from Dealer A/C	236,252,761	27,203,560
	BO opening charge, margin documentation fees, FDR interest income & IPO income	41,298,340	54,974,819
		594,115,603	**286,298,736**
19	**Operating expenses**		
	Howla & laga charge DSE & CSE	4,720,880	1,728,728
	CDBL charges	2,551,768	949,107
	Directors fees	1,435,500	1,001,000
	Bank charges & excise duty	507,008	531,214
	Depreciation expenses	1,085,393	1,040,734
		10,300,549	**5,250,783**
20	**Administrative and general expenses**		
	Salaries & allowances (Note- 20.1)	33,462,231	29,795,454
	Rent expense	300,618	300,618
	Electricity & electric fittings expense	175,719	182,849
	Audit fees	144,000	162,250
	Insurance expense	37,907	48,715
	Postage, stamp, telecommunication etc.	220,473	239,290
	Stationery printing & advertisement expense	306,391	230,893
	Repairs of machinery and equipment	28,842	160,852
	Investment protection fund	74	103
	Legal fees	2,968	-
	Professional fees	-	60,000
	Advertising expenses	-	17,250
	Newspapers & periodicals	16,380	6,244
	Fuel expense	144,000	139,841
	Overtime allowance	159,265	142,312
	Traveling allowance	20,316	10,900
	Maintenance of bank premises	129,600	75,600
	Software development expenses	10,000	-
	DSE & CSE charge	391,742	9,118
	Subscription	12,500	12,500
	Conveyance charge	731,928	408,382
	Entertainment expense for office & clients	589,190	351,031

	Amount in Taka	
	2021	2020
Internet connection fee	5,403	5,448
Car expenses & maintenance	432,155	770,289
Bandwidth service charge	386,153	385,545
Renewal & registration expense	612,950	370,685
Water & sewerage	54,138	48,233
Security & auxiliary service	121,224	100,041
IPO expense	35,000	27,000
Staff welfare & Recreation	52,500	29,000
Capital Enchancement Expense	714,679	-
Business Development Expense	254,983	99,994
Foreign tour	963,171	-
Miscellaneous expense	287,301	229,018
	40,803,801	**34,419,455**

20.1 Salaries & allowances

Basic salary	13,228,398	12,555,646
House rent allowances	7,360,011	7,194,883
Medical allowances	1,671,088	1,626,558
Other allowances	3,334,351	3,253,490
Contributory provident fund	1,284,902	1,212,927
Bonus to employees	6,583,481	3,951,950
	33,462,231	**29,795,454**

21 Related party disclosures

Received from related party

Name of related party	Related to	Nature of instrument	Balance in Taka	
			As on 31.12.21	As on 31.12.20
Pubali Bank Limited	Parent company	Different types of deposits	1,947,268,210	1,340,479,296

22 Events after the reporting period

i) The Board of Directors in its meeting held on 23 March 2022 approved the financial statements of the company for the year ended 31 December 2021 and authorized the same for issue.

ii) No material events occurred after the date of statement of financial position, non-disclosure of which could affect the ability of the users of these financial statements to make appropriate evaluation.

23 Employee position for Pubali Bank Securities Ltd. (as at 31 December 2021)

Officer & Staff		Total Employee	Amount in Taka
Head Office	Gulshan Office		
23	8	31	33,462,231
		31	**33,462,231**

Pubali Bank Securities Limited

Schedule of Fixed Assets as at 31 December 2021

Annexure-H (vi)

Particulars	Cost				Depreciation					Written down value at 31 December 2021
	Balance at 1 January 2021	Addition during the year	Disposal during the year	Balance at 31 December 2021	Rate	Balance at 1 January 2021	Charged during the year	Disposal during the year	Balance at 31 December 2021	
Computer & Computer Accessories	3,655,261	350,720	-	4,005,981	30%	3,101,506	271,452	-	3,372,958	633,023
Machinery & Equipment	1,295,362	-	-	1,295,362	20%	1,170,790	71,552	-	1,242,342	53,020
Vehicles	3,228,133	-	-	3,228,133	20%	645,627	645,627	-	1,291,254	1,936,879
Furniture & Fixtures	2,387,920	206,275	-	2,594,195	10%	1,470,899	96,762	-	1,567,661	1,026,534
Total as at 31 December 2021	**10,566,676**	**556,995**	**-**	**11,123,671**		**6,388,822**	**1,085,393**	**-**	**7,474,215**	**3,649,456**
Total as at 31 December 2020	**10,214,167**	**352,509**	**-**	**10,566,676**		**5,350,588**	**1,038,234**	**-**	**6,388,822**	**4,177,854**

Schedule of Intangible asset
As at 31 December 2021

Particulars	Cost				Amortization					Written down value at 31 December 2021
	Balance at 1 January 2021	Addition during the year	Disposal during the year	Balance at 31 December 2021	Rate	Balance at 1 January 2021	Charged during the year	Disposal during the year	Balance at 31 December 2021	
Systems & Software	25,000	-	-	25,000	30%	25,000	-	-	25,000	-
Total as at 31 December 2021	**25,000**	**-**	**-**	**25,000**		**25,000**	**-**	**-**	**25,000**	**-**
Total as at 31 December 2020	**25,000**	**-**	**-**	**25,000**		**22,500**	**2,500**	**-**	**25,000**	**-**

Pubali Bank Securities Ltd.

Portfolio Investment under Stock Dealing

Annexure-H (vii)

Sl	Name of the Company	Cost Value		Market Value	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
	Banks				
1	ABBANK	89,898,718	89,898,718	31,836,146	27,175,838
2	ALARABANK	-	16,054,316	-	16,120,774
3	BANKASIA	17,725,955	-	18,720,118	-
4	BRACBANK	-	-	-	-
5	CITYBANK	114,353,309	84,239,195	95,550,000	56,801,102
6	DUTCHBANGL	8,672,639	2,373,569	8,130,210	2,444,520
7	EBL	7,713,757	-	7,643,444	-
8	EXIMBANK	-	-	-	-
9	FIRSTSBANK	6,084,368	-	5,979,473	-
10	IFIC	-	2,043,225	-	2,692,163
11	ISLAMIBANK	37,673,665	35,925,046	40,358,496	32,190,204
12	MERCANBANK	-	42,379,951	-	31,750,000
13	NBL	52,934,160	52,934,160	28,523,880	25,354,560
14	NCCBANK	56,999,308	32,390,150	52,045,995	22,267,397
15	PRIMEBANK	110,841,030	109,343,604	86,000,000	67,266,048
16	SHAHJABANK	63,827,068	38,988,559	60,862,417	35,266,893
17	TRUSTBANK	-	-	-	-
18	UCB	16,360,588	-	15,300,000	-
19	UTTARABANK	36,819,941	100,234,136	42,152,189	96,000,000
	Non Bank Financial Institution				
1	IDLC	95,856,997	95,856,997	94,972,500	95,100,000
2	ILFSL (B)	49,644,449	49,644,449	5,457,698	4,961,544
3	LANKABAFIN	-	14,862,557	-	12,534,440
4	UNITEDFIN	28,845,290	28,845,290	25,605,652	21,479,623
5	UNIONCAP	16,107,188	16,107,188	4,039,586	3,427,528
6	UTTARAFIN	79,694,511	55,491,674	57,325,563	42,104,860

Pubali Bank Securities Ltd.

Portfolio Investment under Stock Dealing

Sl	Name of the Company	Cost Value		Market Value	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
	Mutual Funds				
1	AIBL1STIMF	50,000,000	50,000,000	42,500,000	42,000,000
2	DBH1STMF	30,784,857	30,784,857	23,983,400	22,687,000
3	EBL1STMF		1,625,463		1,270,488
4	GRAMEENS2	24,387,729	24,387,729	13,132,350	14,326,200
5	GREENDELMF	44,478,302	44,478,302	37,000,000	38,500,000
6	MBL1STMF	50,000,000	50,000,000	39,500,000	37,500,000
7	PHPMF1	50,000,000	50,000,000	38,055,571	39,465,037
8	PRIME1ICBA	5,977,600	5,977,600	2,880,000	2,840,000
	Engineering				
1	ATLASBANG	113,543,620	113,543,620	60,466,225	52,625,338
2	BBS	71,495,210	71,495,210	37,674,173	36,027,215
3	BBSCABLES		24,644,447		23,317,400
4	BSRMSTEEL	204,895,905	201,153,596	91,222,935	52,251,073
5	COPPERTECH		-		-
6	DESHBANDHU	1,036,375	7,002,863	393,679	1,499,577
7	DOMINAGE		-		-
8	GOLDENSON	23,014,497	23,014,497	6,500,991	3,812,099
9	GPHISPAT	10,772,228	71,132,236	10,783,592	64,700,609
10	IFADAUTOS	31,547,640	31,547,640	24,145,704	24,094,656
11	NAVANACNG	129,094,550	129,094,550	32,700,750	39,167,027
12	RANFOUNDRY	43,551,689	44,671,791	52,667,065	43,259,351
13	RUNNERAUTO	1,347,686	540,450	1,026,000	385,109
14	SINGERBD	38,991,704	38,991,704	36,630,270	37,859,184
	Textile				
1	APEXWEAV	6,501,134	6,501,134	1,767,050	4,612,300
2	ENVOYTEX	-	101,816,877	-	71,136,583
3	ESQUIRENIT	940,050	940,050	731,150	549,407

Pubali Bank Securities Ltd.

Portfolio Investment under Stock Dealing

Sl	Name of the Company	Cost Value		Market Value	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
4	MALEKSPIN	-	101,086,724	-	53,934,738
5	METROSPIN (B)	42,471,093	42,471,093	17,164,415	6,748,402
6	RINGSHINE	11,244	1,136,422	12,538	844,768
7	SQUARETEXT	57,325,714	57,325,714	52,598,390	30,027,434
8	TALLUSPIN (Z)	-	8,687,496	-	2,677,653
	Food & Allied				
1	AMCL(PRAN)	38,646,324	40,160,750	54,635,198	37,549,453
2	BATBC	57,306,994	45,012,124	92,719,421	61,218,576
3	ORYZAAGRO	272,430	-	283,327	-
4	OLYMPIC	212,581,855	212,581,855	115,284,943	137,179,033
	Fuel & Power				
1	BARKAPOWER	-	5,276,036	-	5,140,000
2	DESCO	171,133,802	171,133,802	106,805,407	104,699,384
3	KPCL	181,026,311	181,026,311	62,408,147	94,551,474
4	ENERGYPRIMA	47,500,000	47,500,000	47,500,000	47,500,000
5	JAMUNAOIL	83,764,689	74,413,338	84,495,340	72,208,147
6	LINDEBD	247,986,003	254,810,402	313,901,521	261,555,782
7	MPETROLEUM	113,265,245	113,265,245	116,344,814	117,054,234
8	PADMAOIL	60,416,847	53,693,431	58,868,238	49,904,727
9	SUMITPOWER	153,526,536	111,955,571	124,523,257	86,829,468
10	TITASGAS	122,242,280	122,242,280	55,355,395	46,968,214
11	MJLBD	331,499,981	331,499,981	274,332,383	238,914,612
12	SPCL	-	107,554,285	-	91,755,474
13	UPGDCL	40,907,955	-	35,380,673	-
	Pharmaceuticals & Chemicals				
1	ACI	311,221,966	311,221,966	340,187,953	254,977,770
2	ACMELAB	-	9,699,376	-	9,711,000
3	ACIFORMULA	75,374,281	75,374,281	72,443,955	55,392,443
4	ACTIVEFINE	154,101,584	154,101,584	122,631,629	80,956,036
5	SILCOPHL	-	-	-	-
6	SQURPHARMA	393,307,243	416,780,945	433,670,981	472,907,263

Pubali Bank Securities Ltd.

Portfolio Investment under Stock Dealing

Sl	Name of the Company	Cost Value		Market Value	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
7	RENATA	-	2,414,639	-	3,692,618
	Services & Real estate				
1	SAPORTL	105,315,572	105,315,572	55,721,698	70,505,005
	Cement				
1	CONFIDCEM	-	13,347,661	-	13,288,536
2	MEGHNACEM	114,426,945	114,426,945	26,865,238	25,621,266
3	MICEMENT	60,748,274	60,748,274	46,964,732	35,034,784
4	LHBL	450,312,604	481,735,613	405,175,366	289,666,805
5	HEIDELBCEM	151,402,959	151,402,959	82,480,268	45,297,534
6	PREMIERCEM	48,868,190	48,868,190	34,170,990	32,071,390
	IT & Telecom Sector				
1	GP	163,664,138	131,422,494	146,076,671	114,851,572
2	ROBI	-	2,712,540	-	8,083,369
	Insurance				
1	BGIC	39,955,315	27,078,751	30,041,976	14,428,109
2	CONTININS	-	-	-	-
3	CRYSTALINS	-	108,780	-	428,593
4	DELTALIFE	125,376,000	125,376,000	249,378,936	86,552,893
5	FAREASTLIF	-	5,846,420	-	4,994,821
6	GREENDELT	-	3,607,130	-	3,718,546
7	MEGHNALIFE	-	4,578,126	-	4,321,733
8	PRIMELIFE	-	5,242,846	-	3,749,723
9	UNIONINS	46,431		46,431	
	Travel and Leisure				
1	SEAPEARL	-	17,764	-	147,522
2	UNIQUEHRL	129,903,250	129,903,250	83,206,500	65,637,000
3	UNITEDAIR (Z)	54,762,090	54,762,090	6,460,006	5,440,005
	Jute, Tannery & Misc.				
1	BEXIMCO	-	21,614,609	-	8,215,695
2	NIALCO	412,980	-	974,633	-
3	BATASHOE	51,676,227	51,676,227	43,041,554	31,280,691
	Total	**6,215,175,068**	**6,583,175,289**	**5,026,417,190**	**4,537,057,437**

Pubali Bank Securities Limited

Portfolio of Stratigic Investment

Annexure-H (viii)

SL No	Name of the Company	Cost Value		Market Value	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
1	ACIFORMULA	3,592,329	3,124,140	3,861,375	2,480,100
2	GP	1,799,469	1,799,469	1,747,500	1,735,500
3	JAMUNAOIL	5,434,742	1,831,410	5,133,000	1,655,000
4	MICEMENT	162,716	196,657	149,093	134,421
5	MJLBD	7,927,540	7,386,183	7,593,800	6,075,100
6	MPETROLEUM	1,726,514	1,528,088	1,805,640	1,584,000
7	RENATA	4,039,490	376,774	5,123,360	441,653
8	SAIFPOWER		6,967,689		6,210,540
9	SQURPHARMA	7,462,239	6,323,302	7,101,902	6,165,097
10	SUMITPOWER	4,688,680	-	3,890,000	-
11	UTTARAFIN	6,769,129	6,769,129	4,294,500	4,903,500
Total		**43,602,847**	**36,302,842**	**40,700,170**	**31,384,910**

Pubali Bank Securities Limited

Schedule of Investment for the year ended on 31 December 2021

Annexure-H (ix)

Amount in Taka

SL. No.	Purchased from	A/C No.	FDR No.	Beginning Balance		Addition during the Year									Encash during the Year		Closing Balance
										Interest Income			Bank Charge				
				Principal	Accrued Interest	Principal	Rate of Interest	Day Considered	Length Months	Cash	Accrued	Total	TDS	Excise duty	Principal	Interest	
1	Pubali Bank Limited	149886	977310	124,368,407	-	-	4.25%	-	12	6,964,548	1,465,628	6,964,548	696,455	40,000	-	-	130,596,500
2	Pubali Bank Limited	149894	977311	62,122,157	-	-	4.25%	-	12	3,479,417	732,089	3,479,417	347,943	40,000	-	-	65,213,631
3	Pubali Bank Limited	149909	977312	62,122,157	-	-	4.25%	-	12	3,479,417	732,089	3,479,417	347,943	40,000	-	-	65,213,631
4	Pubali Bank Limited	149913	977313	62,122,157	-	-	4.25%	-	12	3,479,417	732,089	3,479,417	347,943	40,000	-	-	65,213,631
5	Pubali Bank Limited	149921	977314	62,122,157	-	-	4.25%	-	12	3,479,417	732,089	3,479,417	347,943	40,000	-	-	65,213,631
6	Pubali Bank Limited	153649	977703	103,162,500	-	-	4.25%	-	12	5,794,878	639,731	5,794,878	579,488	40,000	-	-	108,337,890
7	Pubali Bank Limited	151764	977509	57,337,312	-	-	4.25%	-	12	3,179,955	483,266	3,179,955	317,996	40,000	-	-	60,159,271
8	Pubali Bank Limited	152087	977542	111,279,980	-	-	4.25%	-	12	7,831,660	600,681	7,831,660	783,166	40,000	-	-	118,288,474
9	Pubali Bank Limited	152096	977543	111,279,980	-	-	4.25%	-	12	7,831,660	600,681	7,831,660	783,166	40,000	-	-	118,288,474
Total				**755,916,807**	**-**	**-**				**45,520,369**	**6,718,343**	**45,520,369**	**4,552,043**	**360,000**	**-**	**-**	**796,525,133**



IMPORTANT INFORMATION

Integrated Reporting Checklist

SL.	Particulars	Chapters/Section reference	Page
1	Elements of an Integrated Reporting		
	Organizational overview and external environment	Directors' Report	65
	An integrated report should disclose the main activities of the organization and the environment in which it operates.	Integrated Reporting	138
	An integrated report should identify the organization's mission and vision, and provide essential context by identifying matters such as:		
	The organization		
	Culture, ethics and values	Vision, Mission &Values	08
	Ownership and operating structure including size of the organization location of its operations	Shareholder Information	23
	Principal activities and markets	Mgt. Discuss	147
	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, bargaining power of customers and suppliers and the intensity of competitive rivalry)	Ok	146
	Key quantitative information		
1.1	The number of employees, revenue and number of countries in which the organization operates highlighting, in particular, significant changes from prior periods	Human capital, core financial highlights, five year financial summary	191, 04, 211
	Significant factors affecting the external environment and the organization's response	PESTEL analysis	142
	Macro and micro economic conditions, such as economic stability, globalization, and industry trends	Global and Bangladesh review in the Director's Report	65
	Market forces, such as the relative strengths and weaknesses of competitors and customer demand	SWOT analysis	145
	The speed and effect of technological change	PESTEL analysis- Technological	144
	Societal issues, such as population and demographic changes, human rights, health, poverty, collective values and educational systems	PESTEL analysis- Social	143
	Environmental challenges, such as climate change, the loss of ecosystems, and resource shortages as planetary limits are approached	PESTEL analysis-Environmental	142
	The legislative and regulatory environment in which the organization operates	PESTEL analysis- Legal	144
	The political environment in countries where the organization operates and other countries that may affect the ability of the organization to implement its strategy	PESTEL analysis- Political	142
	Governance		
	An integrated report should show how does the organization's governance structure support its ability to create value in the short, medium and long term.	Corporate Governance Compliance Report, Human Capital	126, 191
	An integrated report needs to provide an insight about how such matters as the following are linked to its ability to create value:		
	The organization's leadership structure, including the skills and diversity	Board of Directors	31
1.2	Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues	Corporate Governance	84
	Particular actions those charged with governance have taken to influence and monitor the strategic direction of the organization and its approach to risk management	Corporate Governance, Risk Management Committee Meetings	84, 115
	How the organization's culture, ethics and values are reflected in its use of and effects on the capitals, including its relationships with key stakeholders	Corporate Governance	84
	Whether the organization is implementing governance practices that exceed legal requirements/ key policies	Corporate Governance	84
	The responsibility those charged with governance take for promoting and enabling innovation	Corporate Governance, Management Committee, Senior Management Team	84, 56

SL.	Particulars	Chapters/Section reference	Page
	Stakeholder identification/ relationships		
1.3	An integrated report needs to provide insight about the resources and the relationships used and affected by the organization, which are referred to collectively as the capitals and how the organization interacts with the capitals to create value over the short, medium and long term.	Business Model	29
	An integrated report needs to identify the various forms of capitals which are essential for the success of its business operations e.g. financial, manufactured, intellectual, human, social and relationship and natural.	Business Model	29
	Business model		
	An integrated report needs to describe the business model including key:	Business Model	29
	Inputs		
	Business activities		
	Outputs		
	Outcomes		
	Connection to information covered by other Content Elements, such as strategy, risks and opportunities, and performance (including KPIs and financial considerations, like cost containment and revenues)	Core Financial Highlights, Message from the Chairman, Massage from the Managing Director & CEO, Directors' Report	211, 60, 62
1.4	Inputs - An integrated report shows how key inputs relate to the capitals on which the organization depends, or that provide a source of differentiation for the organization, to the extent they are material to understanding the robustness and resilience of the business model.	Business Model	29
	Business activities		
	An integrated report describes key business activities. This can include:		
	How the organization approaches the need to innovate	Business Model	29
	Outputs - An integrated report identifies an organization's key products and services.	Business Model	29
	Outcomes: An integrated report describes key outcomes, including: Both internal outcomes, and external outcomes, Both positive outcomes and negative outcomes	Business Model	29
1.5	**Performance**		
	An integrated report needs to explain the extent to which the organization has achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals	Core Financial Highlights, Message from our Chairman, Massage from the Managing Director & CEO, Directors' Report	211, 60, 62
	An integrated report should contain qualitative and quantitative information about performance that may include matters such as:		
1.5	Quantitative indicators with respect to targets and risks and opportunities, explaining their significance, their implications and the methods and assumptions used in compiling them	Competitive intensity and strategic response	146
	The linkages between past and current performance and between current performance and the organization's outlook.	Core Financial Highlights, Message from our Chairman, Massage from the Managing Director & CEO, Directors' Report	211, 60, 62
	KPIs that combine financial measures with other components or narrative that explains the financial implications of significant effects on other capitals and other causal relationships may be used to demonstrate the connectivity of financial performance with performance relating to other capitals. In some cases, this may also include monetizing certain effects on the capitals.	Core financial highlights	211

SL.	Particulars	Chapters/Section reference	Page
1.6	**Risks and opportunities**		
	An integrated report should explain what are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long-term and how is the organization dealing with them	Competitive intensity and our Strategic Response	146
	This can include identifying:		
	The specific source of risks and opportunities, which can be internal, external or, commonly, a mix of the two	Risk management framework, Risk management methodology	155
	The organization's assessment of the likelihood that the risk or opportunity will come to fruition and the magnitude of its effect if it does	Risk management framework, Risk management methodology	155
	The specific steps being taken to mitigate or manage key risks or to create value from key opportunities, including the identification of the associated strategic objectives, strategies, policies, targets and KPIs	Risk management framework, Risk management methodology	155
	Risk management report (which includes details about risk, root cause, etc.)	From the desk of the Chief Risk Officer	153
	Response on the effectiveness of the internal controls and the Board's responsibility for the disclosures on internal controls to safeguard stakeholder interest	Statement of the Board Audit Committee	110
1.7	**Outlook**		
	An integrated report describes its basis of preparation and presentation, including:	Core Financial Highlights, Message from the Chairman, Massage from the Managing Director & CEO, Directors' Report	211, 60, 62, 65
	The organization's expectations about the external environment the organization is likely to face in the short, medium and long-term	Business Model, SWOT analysis, PESTEL analysis	29, 145, 142
	How that will affect the organization	SWOT analysis	145
	How the organization is currently equipped to respond to the critical challenges and uncertainties that are likely to arise	SWOT analysis	145
	The discussion of the potential implications, including implications for future financial performance may include:		
	The external environment and risks and opportunities, with an analysis of how these could affect the achievement of strategic objectives	Business model- External factors, SWOT analysis, PESTEL analysis	29, 145, 142
	An integrated report may also provide lead indicators, KPIs or objectives, relevant information from recognized external sources and sensitivity analyses. If forecasts or projections are included in reporting the organization's outlook, a summary of related assumptions is useful. Comparisons of actual performance to previously identified targets further enables evaluation of the current outlook	Director's Report	65
	Disclosures about an organization's outlook in an integrated report should consider the legal or regulatory requirements to which the organization is subject	Integrated Report	138
1.8	**Basis of preparation and presentation**		
	An integrated report should answer the question: How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated?	Integrated Report	138
	An integrated report describes its basis of preparation and presentation, including:	Integrated Report	138
	Identification of the role of those charged with governance and key personnel in the identification and prioritization of material matters	Integrated Report	138
	A description of the reporting boundary and how it has been determined	Integrated Report	138

SL.	Particulars	Chapters/Section reference	Page
2	**Responsibility for an integrated report**		
	An integrated report should include a statement from those charged with governance that includes:	Director' Report	138
	An acknowledgment of their responsibility to ensure the integrity of the integrated report	Integrated Report	138
	An acknowledgment that they have applied their collective mind to the preparation and presentation of the integrated report	Integrated Report	138
	Their opinion or conclusion about whether the integrated report is presented in accordance with the Framework	Integrated Report	138
3	**Other qualitative characteristics of an Integrated Report**		
	Consistency and comparability		
	The information in an integrated report should be presented:		
	On a basis that is consistent over time	Directors' Report	65
	Using benchmark data		
	Presenting information in the form of ratios	Five years' financial summary	211
	Reporting quantitative indicators commonly used by other organizations with similar activities, particularly when standardized definitions are stipulated by an independent organization	Five years' financial summary	211
	Connectivity of information		
	An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organization's ability to create value over time.		
	Content elements	Core financial highlights	211
	Past, Present & Future	Core Financial Highlights, Message from the Chairman, Massage from the Managing Director & CEO, Directors' Report	21, 60, 62, 65
	Finance and other information	Five years' financial summary	211
	Assurance on the Report		
	The policy and practice relating to seeking assurance on the report, the nature and scope of assurance provided for this particular report, any qualifications arising from the assurance, and the nature of the relationship between the organization and the assurance providers	Directors' Report, Independent Auditor's Report	65

SAFA Corporate Governance Disclosure Checklist

[In Line with South Asian Federation of Accountants (SAFA) Guidelines

SL	Items	Compliance Status	Ref Page No
1	**BOARD OF DIRECTORS, CHAIRMAN AND CEO**		
1.1	Company's policy on appointment of directors disclosed	complied	65-80
1.2	Adequate representation of non-executive directors i.e. one third of the board, subject to a minimum of two	complied	65-80
1.3	At least one independent director on the board and disclosure/ affirmation of the board on such director's independence	complied	65-80
1.4	Chairman to be independent of CEO	complied	65-80
1.5	Responsibilities of the Chairman of the board appropriately defined and disclosed. Disclosure of independence of Non-Executive Directors	complied	65-80
1.6	Existence of a scheme for annual appraisal of the boards performance and disclosure of the same	complied	65-80
1.7	Disclosure of policy on annual evaluation of the CEO by the Board	complied	65-80
1.8	Disclosure of policy on training (including details of the counting training program) of directors and type and nature of training courses organized for directors during the year existence of a scheme for annual appraisal of the boards performance	complied	65-80
1.9	At least one director having through knowledge and expertise finance and accounting to provide guidance in the matters applicable to accounting and auditing standards to ensure reliable financial reporting	complied	65-80
1.10	Disclosure of number of meetings of the board and participation of each directors (at least 4 meetings are required to be held)	complied	65-80
1.11	Directors issue a report on compliance with best practices on corporate governance that is reviewed by external auditors	complied	65-80
2	**VISION/MISSION AND STRATEGY**		
2.1	Company's vision/mission statements are approved by the board and disclosed in the annual report	complied	08-10
2.2	Identification of business objectives and areas of business focus disclosed	complied	10-11
2.3	General description of strategies to achieve the company's business objectives	complied	10-11, 29
3	**AUDIT COMMITTEE**		
3.1	Appointment and Composition	complied	110-114
3.1.1	Whether the audit committee chairman is an independent Non-executive Director and Professionally Qualified	complied	110-114
3.1.2	Whether it has specific terms of reference and whether it is empowered to investigate/ question employees and retain external counsel	complied	110-114
3.1.3	More than two thirds of the members are to be Non-Executive Directors	complied	110-114
3.1.4	All members of the audit committee to be suitably qualified and at least one member to have expert knowledge of finance and accounting	complied	110-114
3.1.5	Head of internal audit to have direct access to audit committee	complied	110-114
3.1.6	The committee to meet at least 4 times a year and the number of meetings and attendance by individuals members disclosed in the annual report	complied	110-114
3.2	**OBJECTIVE AND ACTIVITIES**		
3.2.1	Statement of Audit Committees review to ensure that internal controls are well conceived properly administered and satisfactorily monitored	complied	110-114
3.2.2	Statement to indicate audit committees role in ensuring compliance with Laws, Regulations and timely settlements of statutory dues	complied	110-114
3.2.3	Statement of Audit Committee involvement in the review of external audit function	complied	110-114
	Ensure effective coordination of external audit function	complied	110-114
	Ensure independence of external auditors	complied	110-114
	To review the external auditors findings in order to be satisfied that appropriate action is being taken	complied	110-114
	Review and approve any non-audit work assigned to the external auditor and ensure that such work does not compromise the independence of external auditors	complied	110-114
	Recommend external auditor for appointment/reappointment	complied	110-114
3.2.4	Statement on Audit committee involvement in selection of appropriate accounting policies that are in line with applicable accounting standards and annual review	complied	110-114
3.2.5	Statement on Audit committee involvement in the review and recommend to the board of directors, annual and interim financial releases	complied	110-114
3.2.6	Reliability of the management information used for such computation	complied	110-114
4	**INTERNAL CONTROL & RISK MANAGEMENT**		
4.1	Statement of director's responsibility to establish appropriate system of internal control	complied	155-163

SL	Items	Compliance Status	Ref Page No
4.2	Narrative description of key features of the internal control system and the manner in which the system is monitored by the Board, Audit Committee or Senior Management	complied	155-163
4.3	Statement that the directors have reviewed the adequacy of the system of internal controls	complied	155-163
4.4	Disclosure of the identification of risk the company is exposed to both internally and externally	complied	155-163
4.5	Disclosure of the strategies adopted to manage and mitigate the risks	complied	155-163
5	**ETHICS AND COMPLIANCE**		
5.1	Disclosure of statement of ethics and values, covering basic principles such as integrity, conflict of interest, compliance with laws and regulation etc.	complied	10, 138, 65-80
5.2	Dissemination/communication of the statement of ethics & business practices to all directors and employees and their acknowledgement of the same.	complied	49
5.3	Board's statement on its commitment to establishing high level of ethics and compliance within the organization	complied	65-80
5.4	Establishing effective anti-fraud programs and controls, including effective protection of whistle blowers, establishing a hot line reporting of irregularities etc.	complied	65-80
6	**REMUNERATION COMMITTEE**		
6.1	Disclosure of the charter (role and responsibilities) of the committee	-	
6.2	Disclosure of the composition of the committee (majority of the committee should be non-executive directors, but should also include some executive directors)	-	
6.3	Disclosure of key policies with regard to remuneration of directors, senior management and employees	-	
6.4	Disclosure of number of meetings and work performed	-	
6.5	Disclosure of remuneration of directors, chairman, chief executive and senior executives	complied	65-80
7	**HUMAN CAPITAL**		
7.1	Disclosure of general description of the policies and practices codified and adopted by the company with respect to Human Resource Development and Management, including succession planning, merit based recruitment, performance appraisal system, promotion and reward and motivation, training and development, grievance management and counseling	complied	191-192
7.2	Organizational Chart	complied	58
8	**COMMUNICATION TO SHAREHOLDERS AND STAKEHOLDERS**		
8.1	Disclosure of the company's policy/strategy to facilitate effective communication with shareholders and other stakeholders	complied	23-28
8.2	Disclosure of company's policy on ensuring participation of shareholders in the Annual General Meeting and providing reasonable opportunity for the shareholder participation in the AGM	complied	23-28
9	**ENVIRONMENTAL AND SOCIAL OBLIGATIONS**		
9.1	Disclosure of general description of the company's policies and practices relating to social and environmental responsibility of the entity	complied	142-144
9.2	Disclosure of specific activities undertaken by the entity in pursuance of these policies and practices	complied	142-144

Eventful Year 2021



A moment of New Year Celebration, 2022 by Pubali Bank Limited.



Mr. Monzurur Rahman, Chairman of the Board of Directors of Pubali Bank Limited inaugurating the 484th branch of the bank at Hotel InterContinental, Dhaka with the presence of the Honorable Board Members and Senior Executives of the Bank.



Honorable Board Members and Senior Executives of the bank attending a Board Meeting.



Mr. Safiul Alam Khan Chowdhury, Managing Director & CEO of Pubali Bank Limited inaugurating a sub-branch of the bank at Box Culvert Road, Nayapaltan, Dhaka with the presence of Mr. Mohammad Ali, Additional Managing Director & COO, Mr. Zahid Ahsan, Deputy Managing Director & Company Secretary and other Senior Executives of the Bank.



Mr. Mohammad Ali, Additional Managing Director and COO of Pubali Bank Limited receiving the 'Best Corporate Award-2020' by the Institute of Cost and Management Accountants of Bangladesh (ICMAB) from Mr. Tipu Munshi MP, Honorable Commerce Minister.



Mr. Safiul Alam Khan Chowdhury, Managing Director & CEO of Pubali Bank Limited inaugurated the transaction service with bkash with the presence of Mr. Kamal Quadir, Chief Executive Officer of bKash and Mr. Mohammad Ali, Additional Managing Director & COO of Pubali Bank Limited.



Mr. Safiul Alam Khan Chowdhury, Managing Director and CEO of Pubali Bank Limited and Commodore Golam Sadeq, NGP, NDC, Chairman of Bangladesh Inland Water Transport Authority jointly inaugurating an ATM booth at the traditional Sadarghat Launch Terminal, Dhaka with the presence of senior executives of the respective organizations.



A moment of Tree plantation program as a part of observing the 46th Martyrdom Anniversary and National Mourning Day-2021. Mr. Safiul Alam Khan Chowdhury, Managing Director and CEO of Pubali Bank Limited is planting a tree with the senior executives of the bank as a sign of respect and love for Bangabandhu Sheik Mujibur Rahman, the Father of Nation.

Branch Network

CORPORATE BRANCHES	District	Contact No
Principal (AD)	Dhaka	09612 82 2400
Motijheel (AD)	Dhaka	09612 82 2940
Foreign Exchange (AD)	Dhaka	09612 82 2700
Bangabandhu Avenue (AD)	Dhaka	09612 82 2520
Dhaka Stadium (AD)	Dhaka	09612 82 2640
Kawran Bazar (AD)	Dhaka	09612 82 2820
Mohakhali (AD)	Dhaka	09612 82 2880
Gulshan Corporate (AD)	Dhaka	09612 82 2760
CDA (AD)	Chattogram	09612 82 2580
Agrabad (AD)	Chattogram	09612 82 2460

DHAKA NORTH REGION	District	Contact No
Farmgate (AD)	Dhaka	09612 82 4472
Asad Avenue	Dhaka	09612 82 4536
Mohammadpur	Dhaka	09612 82 4606
Satmosjid Road	Dhaka	09612 82 4616
Tejgaon	Dhaka	09612 82 4545
Gulshan Circle-1	Dhaka	09612 82 4636
International Airport	Dhaka	09612 82 4576
Darussalam Road	Dhaka	09612 82 4516
Mirpur	Dhaka	09612 82 4501
Kafrul	Dhaka	09612 82 4491
Shewrapara	Dhaka	09612 82 4526
Khamarbari	Dhaka	09612 82 4720
Banani	Dhaka	09612 82 4596
Progati Sarani	Dhaka	09612 82 4568
Kuril Bishwa Road	Dhaka	09612 82 4712
Uttara Model Town	Dhaka	09612 82 4753
Baridhara	Dhaka	09612 82 4626
Pallabi	Dhaka	09612 82 4509
Dakshin Khan	Dhaka	09612 82 4689
Ring Road	Dhaka	09612 82 4661
Pirerbag	Dhaka	09612 82 4747
Sonargaon Janapath	Dhaka	09612 82 4777

DHAKA CENTRAL REGION	District	Contact No
Malibagh	Dhaka	09612 82 4311
Laboratory Road	Dhaka	09612 82 4445
Dhaka Railway Station	Dhaka	09612 82 4397
Shahbagh Avenue	Dhaka	09612 82 4455
R.K. Mission Road	Dhaka	09612 82 4387
Bashaboo	Dhaka	09612 82 4379
Nayapaltan (AD)	Dhaka	09612 82 4262
Dhaka Shishupark	Dhaka	09612 82 4405
Shantinagor	Dhaka	09612 82 4329
Khilgaon	Dhaka	09612 82 4348
Sonargaon Road	Dhaka	09612 82 4367
Moghbazar (AD)	Dhaka	09612 82 4273
Fakirapool Bazar	Dhaka	09612 82 4339
Rampura	Dhaka	09612 82 4291
New Market	Dhaka	09612 82 4435
Elephant Road	Dhaka	09612 82 4415
Hotel Osmani International	Dhaka	09612 82 4301
Shipahibagh Bazar	Dhaka	09612 82 4425
Panthapath (AD)	Dhaka	09612 82 4254
Banasree	Dhaka	09612 82 4379
Sonargaon Hotel	Dhaka	09612 82 4321
Hotel InterContinental	Dhaka	09612 82 7874

DHAKA SOUTH REGION	District	Contact No
Moghaltully	Dhaka	09612 82 7856
Peelkhana	Dhaka	09612 82 4879
Bar Library	Dhaka	09612 82 4966
Nawabpur Road	Dhaka	09612 82 4976
Bangshal (AD)	Dhaka	09612 82 4812
Nazimuddin Road	Dhaka	09612 82 4889
Sadarghat (AD)	Dhaka	09612 82 4822
Chawk bazar (AD)	Dhaka	09612 82 4802
Jhonson Road	Dhaka	09612 82 4938
Babu Bazar	Dhaka	09612 82 4899
Sutrapur	Dhaka	09612 82 5021
Begum Bazar	Dhaka	09612 82 4870

	District	Contact No
Islampur	Dhaka	09612 82 4859
Imamgonj	Dhaka	09612 82 4949
Nayabazar	Dhaka	09612 82 4851
Komorgonj	Dhaka	09612 82 4956
Dolaipar	Dhaka	09612 82 4917
Ati Bazar	Dhaka	09612 82 4840
Dania	Dhaka	09612 82 4986
Jurain	Dhaka	09612 82 4928
Kamrangirchar	Dhaka	09612 82 4994
Keranigonj	Dhaka	09612 82 5011
Ruhitpur	Dhaka	09612 82 7856

GAZIPUR REGION	District	Contact No
Board Bazar	Gazipur	09612 82 4738
Joydevpur	Gazipur	09612 82 4657
Kaligonj	Gazipur	09612 82 4762
Kashimpur	Gazipur	09612 82 4667
Mawna	Gazipur	09612 82 4706
Salna	Gazipur	09612 82 4681
Tongi	Gazipur	09612 82 4586
Kapashia	Gazipur	09612 82 4770
Daulatpur	Manikgonj	09612 82 4675
Manikgonj	Manikgonj	09612 82 4696
Singair	Manikgonj	09612 82 4729
Asulia	Dhaka	09612 82 4646
Savar	Dhaka	09612 82 4559
Palash	Narsingdi	09612 82 6179
Charsindur	Narsingdi	09612 82 6278
Ghorashal	Narsingdi	09612 82 6286

NARAYANGONJ REGION	District	Contact No
Narayangonj (AD)	Narayangonj	09612 82 6155
Tanbazar	Narayangonj	09612 82 6161
Kalirbazar	Narayangonj	09612 82 6169
Araihazar	Narayangonj	09612 82 6294
Duptara	Narayangonj	09612 82 6239
Shibu Market	Narayangonj	09612 82 6256
Netaigonj	Narayangonj	09612 82 6304
Bhulta	Narayangonj	09612 82 6248
Fatullah	Narayangonj	09612 82 6348
Siddirgonj	Narayangonj	09612 82 6233
Narsingdi	Narsingdi	09612 82 6187
Madhabdi	Narsingdi	09612 82 6333
Belabo	Narsingdi	09612 82 6272
Raipura	Narsingdi	09612 82 6227
Munshigonj	Munshigonj	09612 82 6313
Aldibazar	Munshigonj	09612 82 6264
Nurpur	Munshigonj	09612 82 6205
Dhalagaon	Munshigonj	09612 82 6200
Gazaria	Munshigonj	09612 82 6221
Bhaberchar	Munshigonj	09612 82 6339
Naopara	Munshigonj	09612 82 6323
Sreenagar Bazar	Munshigonj	09612 82 6215

CHATTOGRAM NORTH REGION	District	Contact No
Kulgaon	Chattogram	09612 82 3367
Aman Bazar	Chattogram	09612 82 3384
Shitakundo SME/Krishi	Chattogram	09612 82 3319
Laldighi East (AD)	Chattogram	09612 82 3301
Nazirhat	Chattogram	09612 82 3522
Bibirhat	Chattogram	09612 82 3344
Dharmapur	Chattogram	09612 82 3475
Nanupur	Chattogram	09612 82 3434
Madhunaghat	Chattogram	09612 82 3443
Rangunia	Chattogram	09612 82 3408
Raozan	Chattogram	09612 82 3505
Katirhat	Chattogram	09612 82 3426
Mithachara Bazar	Chattogram	09612 82 3326
Baratakia Bazar	Chattogram	09612 82 3334
Baroiarhat	Chattogram	09612 82 3374
Shiberhat	Chattogram	09612 82 3781
Sandwip	Chattogram	09612 82 3611

Branch Network

	District	Contact No
Colonel Hat	Chattogram	09612 82 3644
Hathazari	Chattogram	09612 82 3528
Khagrachari	Chattogram	09612 82 3791

CHATTOGRAM CENTRAL REGION	District	Contact No
Pathergata	Chattogram	09612 82 3394
Jubilee Road	Chattogram	09612 82 3500
Korbanigonj	Chattogram	09612 82 3483
Industrial Area	Chattogram	09612 82 3401
Chawk Bazar	Chattogram	09612 82 3458
Terribazar	Chattogram	09612 82 3490
Khatungonj (AD)	Chattogram	09612 82 3291
Asadgonj	Chattogram	09612 82 3512
Chaktai	Chattogram	09612 82 3311
Anderkilla	Chattogram	09612 82 3355
College Road	Chattogram	09612 82 3359
Bahadderhat	Chattogram	09612 82 3415
Mehdibagh	Chattogram	09612 82 3449
Ranirhat	Chattogram	09612 82 3467
Pahartali	Chattogram	09612 82 3677
Sheikh Mujib Road	Chattogram	09612 82 3634
Kadamtali	Chattogram	09612 82 3620
Reazuddin Bazar	Chattogram	09612 82 3650
Halishahor	Chattogram	09612 82 3669
Rangamati	Rangamati	09612 82 3764

CHATTOGRAM SOUTH REGION	District	Contact No
Anowara	Chattogram	09612 82 3800
Hadipara	Chattogram	09612 82 3770
Lohagora	Chattogram	09612 82 3744
North Potenga	Chattogram	09612 82 3709
E.P.Z.	Chattogram	09612 82 3806
Sadarghat	Chattogram	09612 82 3663
Port	Chattogram	09612 82 3722
Patiya	Chattogram	09612 82 3617
Shantirhat	Chattogram	09612 82 3628
Banshkhali	Chattogram	09612 82 3716
Satkania	Chattogram	09612 82 3776
Chandanaish	Chattogram	09612 82 3686
Padua	Chattogram	09612 82 3751
Keranihat	Chattogram	09612 82 3739
Cox's Bazar	Cox's Bazar	09612 82 3600
Moheshkhali	Cox's Bazar	09612 82 3730
Ukhiya	Cox's Bazar	09612 82 3700
Chokaria	Cox's Bazar	09612 82 3693
Bandarnban	Bandarnban	09612 82 3756

SYLHET EAST REGION	District	Contact No
Asirgonj Bazar	Sylhet	09612 82 7319
Bondar Bazar	Sylhet	09612 82 7245
Baroigram Bazar	Sylhet	09612 82 7299
Beani Bazar	Sylhet	09612 82 7327
Budhbari Bazar	Sylhet	09612 82 7292
Chandarpur Bazar	Sylhet	09612 82 7313
Chowdhury Bazar	Sylhet	09612 82 7352
Chowkidekhi	Sylhet	09612 82 7225
Darbost	Sylhet	09612 82 7406
Dargagate (AD)	Sylhet	09612 82 7182
Dhaka Dakshin	Sylhet	09612 82 7337
Fenchugonj	Sylhet	09612 82 7360
Gachhbari Bazar	Sylhet	09612 82 7416
Golapgonj	Sylhet	09612 82 7192
Gowainghat	Sylhet	09612 82 7423
Hetimgonj	Sylhet	09612 82 7200
Kadamtali	Sylhet	09612 82 7207
Kalighat Road	Sylhet	09612 82 7255
Kaligonj	Sylhet	09612 82 7342
Kanaighat	Sylhet	09612 82 7384
Mirgonj Bazar	Sylhet	09612 82 7431
Mohila College	Sylhet	09612 82 7235
Mokam Bazar	Sylhet	09612 82 7282
Shahjalal Upashahar	Sylhet	09612 82 7264

	District	Contact No
Shahgali Bazar	Sylhet	09612 82 7377
Shahi Eidgah	Sylhet	09612 82 7217
Shahparan Gate	Sylhet	09612 82 7305
Sylhet Main (AD)	Sylhet	09612 82 7172
Zakigonj	Sylhet	09612 82 7369
Companygonj	Sylhet	09612 82 7392
Shibgonj	Sylhet	09612 82 7274

SYLHET WEST REGION	District	Contact No
Balagonj	Sylhet	09612 82 7542
Baraikandi	Sylhet	09612 82 7549
Biswanath	Sylhet	09612 82 7516
Daspaika Bazar	Sylhet	09612 82 7591
Gowala Bazar	Sylhet	09612 82 7534
Technical Road	Sylhet	09612 82 7577
Jalalpur	Sylhet	09612 82 7711
Tajpur	Sylhet	09612 82 7600
Stadium	Sylhet	09612 82 7491
Lalabazar	Sylhet	09612 82 7557
Pathantula	Sylhet	09612 82 7563
Singerkatch Bazar	Sylhet	09612 82 7617
Tuker Bazar	Sylhet	09612 82 7571
Station Road	Sylhet	09612 82 7703
Chhatak	Sunamgonj	09612 82 7511
Derai	Sunamgonj	09612 82 7684
Gobindagonj	Sunamgonj	09612 82 7501
Jagannathpur	Sunamgonj	09612 82 7694
Jamalgonj	Sunamgonj	09612 82 7716
Jawa Bazar	Sunamgonj	09612 82 7526
Pagla Bazar	Sunamgonj	09612 82 7609
Rasulgonj	Sunamgonj	09612 82 7585
Sriramshi Bazar	Sunamgonj	09612 82 7595
Sunamgonj (AD)	Sunamgonj	09612 82 7481

MOULVIBAZAR REGION	District	Contact No
Kamalgonj	Moulvibazar	09612 82 5649
Dakshinbagh	Moulvibazar	09612 82 5642
Juri	Moulvibazar	09612 82 5728
Shamsernagar	Moulvibazar	09612 82 5710
Moulvi Bazar	Moulvibazar	09612 82 5471
Sreemongal	Moulvibazar	09612 82 5536
WAPDA Gate	Moulvibazar	09612 82 5615
Kulaura	Moulvibazar	09612 82 5566
Baralekha	Moulvibazar	09612 82 5656
Brahman Bazar	Moulvibazar	09612 82 5606
Adampur Bazar	Moulvibazar	09612 82 5636
Chowmohona	Moulvibazar	09612 82 5551
Sherpur Bazar	Moulvibazar	09612 82 5737
Tengra Bazar	Moulvibazar	09612 82 5696
Rabir Bazar	Moulvibazar	09612 82 5585
Bhatera Bazar	Moulvibazar	09612 82 5629
Munshi Bazar	Moulvibazar	09612 82 5720
Jogidahar	Moulvibazar	09612 82 5601
Syedpur Bazar	Habigonj	09612 82 5702
Ajmerigonj	Habigonj	09612 82 5678
Gazipur	Habigonj	09612 82 5560
Baniachong	Habigonj	09612 82 5526
Nabigonj	Habigonj	09612 82 5544
Dharmaghar	Habigonj	09612 82 5757
Sutang Bazar	Habigonj	09612 82 5519
Habigonj	Habigonj	09612 82 5481
Town Mosjid Road	Habigonj	09612 82 5511
Bar Libarary	Habigonj	09612 82 5501
Chunarughat	Habigonj	09612 82 5491
Shaistagonj	Habigonj	09612 82 5622
Madhabpur	Habigonj	09612 82 5575
Guningonj Bazar	Habigonj	09612 82 5672
Gajnaipur Bazar	Habigonj	09612 82 5689
Putijuri SME/Krishi	Habigonj	09612 82 5665
Razar Bazar	Habigonj	09612 82 5744
Olipur Bazar	Habigonj	09612 82 5749
Mirpur Bazar	Habigon	09612 82 5595

Branch Network

CUMILLA REGION	District	Contact No
Cumilla Main (AD)	Cumilla	09612 82 3911
Victoria College	Cumilla	09612 82 3958
Zilla Parishad	Cumilla	09612 82 3939
Daulatgonj	Cumilla	09612 82 3974
Cheora	Cumilla	09612 82 4083
Chawk Bazar	Cumilla	09612 82 3931
Meah Bazar	Cumilla	09612 82 4095
Dollai Nawabpur	Cumilla	09612 82 4103
Bangodda Bazar	Cumilla	09612 82 4119
Paduar Bazar	Cumilla	09612 82 3948
Gouripur Bazar	Cumilla	09612 82 4001
Doulkhar Bazar	Cumilla	09612 82 4114
Maynamati	Cumilla	09612 82 4057
Debidwar	Cumilla	09612 82 4009
Daudkandi	Cumilla	09612 82 3966
Chouddagram	Cumilla	09612 82 4067
Gunabati Bazar	Cumilla	09612 82 4151
Bhuschi Bazar	Cumilla	09612 82 4126
Brahmanpara	Cumilla	09612 82 4165
Chandina	Cumilla	09612 82 4089
Chhangarchar	Chandpur	09612 82 4032
Rampur Bazar	Chandpur	09612 82 4026
Chandpur Main	Chandpur	09612 82 3921
Matlab bazar	Chandpur	09612 82 4074
Ashrafpur Bazar	Chandpur	09612 82 4045
Gridakalindia Bazar	Chandpur	09612 82 4019
Hajigonj	Chandpur	09612 82 4156
Kachua	Chandpur	09612 82 4040
Nayergaon Bazar	Chandpur	09612 82 4051
Natun bazar	Chandpur	09612 82 3987
Baburhat	Chandpur	09612 82 3984
Brahmanbaria	Brahman baria	09612 82 3901
Akhaura	Brahman baria	09612 82 4145
Ashugonj	Brahman baria	09612 82 4131
Sarak Bazar	Brahman baria	09612 82 3995
Kuti Bazar	Brahman baria	09612 82 4141

NOAKHALI REGION	District	Contact No
Feni (Main)	Feni	09612 82 6391
Sonagazi	Feni	09612 82 6520
Kazirhat	Feni	09612 82 6526
Feni Bazar	Feni	09612 82 6487
Chhagalnaiya	Feni	09612 82 6531
Fulgazi	Feni	09612 82 6441
Bangla Bazar	Feni	09612 82 6539
Dagon Bhuiyan	Feni	09612 82 6475
Lemua Bazar	Feni	09612 82 6421
Maijdee Court	Noakhali	09612 82 6411
Samir Munshirhat	Noakhali	09612 82 6467
Chaumuhani	Noakhali	09612 82 6426
Hatiya	Noakhali	09612 82 6481
Sonaimuri	Noakhali	09612 82 6546
Bashurhat	Noakhali	09612 82 6461
Datterhat	Noakhali	09612 82 6454
Maizdee Bazar	Noakhali	09612 82 6512
Laxmipur	Laxmipur	09612 82 6401
Raipur	Laxmipur	09612 82 6435
Ramgonj	Laxmipur	09612 82 6502
Mirerhat	Laxmipur	09612 82 6496

MYMENSINGH REGION	District	Contact No
Mymensingh Main (AD)	Mymensingh	09612 82 5861
Swadeshi Bazar	Mymensingh	09612 82 5891
Taltola Bazar	Mymensingh	09612 82 6091
Trishal	Mymensingh	09612 82 6068
University Campus	Mymensingh	09612 82 5937
Charpara	Mymensingh	09612 82 5947
Muktagacha	Mymensingh	09612 82 6020
Bhaluka	Mymensingh	09612 82 5929
Fulbaria	Mymensingh	09612 82 5901
Kishorgonj	Kishorgonj	09612 82 5909
Bhairab Bazar	Kishorgonj	09612 82 5871

	District	Contact No
Kamalpur	Kishorgonj	09612 82 6045
Kathiadi	Kishorgonj	09612 82 6054
Netrokona (Town)	Netrokona	09612 82 6011
Mohanganj	Netrokona	09612 82 6076
Madan	Netrokona	09612 82 6097
Jamalpur	Jamalpur	09612 82 5851
Nandina Bazar	Jamalpur	09612 82 6036
Bakultala	Jamalpur	09612 82 6083
Sarishabari	Jamalpur	09612 82 5965
Melandah Bazar	Jamalpur	09612 82 6061
Sherpur Town	Sherpur	09612 82 5919
Pathrail Bazar	Tangail	09612 82 5981
Kalihati	Tangail	09612 82 6103
Tangail Main	Tangail	09612 82 5881
Akur Takur	Tangail	09612 82 5973
Gopalpur	Tangail	09612 82 6029
Zilla Sarak	Tangail	09612 82 5959
Pakutia	Tangail	09612 82 6003
Karatia	Tangail	09612 82 5989
Bhaighat Bazar	Tangail	09612 82 5996
Sakhipur	Tangail	09612 82 6116

RAJSHAHI REGION	District	Contact No
Rajshahi (AD)	Rajshahi	09612 82 6611
New Market	Rajshahi	09612 82 6797
Sericulture	Rajshahi	09612 82 6783
Katakhali Bazar	Rajshahi	09612 82 6765
Baneswar	Rajshahi	09612 82 6749
Bhawanigonj	Rajshahi	09612 82 6726
Bagha	Rajshahi	09612 82 6860
Courtbazar	Rajshahi	09612 82 6791
Natore	Natore	09612 82 6814
Kushumbi Kaligonj	Natore	09612 82 6719
Chapai Nawabgonj	Chapai Nawabgonj	09612 82 6671
Moharajpur	Chapai Nawabgonj	09612 82 6830
Pabna	Pabna	09612 82 6651
Salgaria	Pabna	09612 82 6775
Ataikula	Pabna	09612 82 6844
Tebunia	Pabna	09612 82 6824
Ishurdi	Pabna	09612 82 6755
Bhangura	Pabna	09612 82 8095

RANGPUR REGION	District	Contact No
Rangpur	Rangpur	09612 82 6911
Station Road	Rangpur	09612 82 6981
Shapla Chattar	Rangpur	09612 82 7011
Dhap	Rangpur	09612 82 7020
Kurigram	Kurigram	09612 82 6967
Fulbari	Kurigram	09612 82 7105
Nageshwari	Kurigram	09612 82 7112
Parbatipur	Dinajpur	09612 82 7055
Dinajpur	Dinajpur	09612 82 6941
Fulbari	Dinajpur	09612 82 7065
Pulhat	Dinajpur	09612 82 6975
Birgonj	Dinajpur	09612 82 7049
Lalmonirhat	Lalmonirhat	09612 82 6931
Tushbander	Lalmonirhat	09612 82 6961
Nilphamari	Nilphamari	09612 82 7083
Saidpur	Nilphamari	09612 82 7075
Shutibari	Nilphamari	09612 82 7093
Thakurgaon (Town)	Thakurgaon	09612 82 6921
Thakurgaon Road	Thakurgaon	09612 82 6989
Nekmorod	Thakurgaon	09612 82 7004
Pirganj	Thakurgaon	09612 82 7042
Panchagarh	Panchagarh	09612 82 7033

BOGURA REGION	District	Contact No
Sirajgonj	Sirajgonj	09612 82 6661
Khamargram	Sirajgonj	09612 82 6733
Tarash	Sirajgonj	09612 82 6688
Ullahpara	Sirajgonj	09612 82 6695
Satmatha	Bogura	09612 82 6701

Branch Network

	District	Contact No
New Market	Bogura	09612 82 6740
Bogura	Bogura	09612 82 6641
Murail SME/Krishi	Bogura	09612 82 6838
Santahar	Bogura	09612 82 6711
Sherpur	Bogura	09612 82 7818
Jaipurhat	Jaipurhat	09612 82 6621
Jamalgonj	Jaipurhat	09612 82 6681
Naogaon	Naogaon	09612 82 6631
Mohadevpur	Naogaon	09612 82 6853
Deluabari	Naogaon	09612 82 6804
Gaibandha	Gaibadha	09612 82 7026
Mahimagonj	Gaibadha	09612 82 7100
Park Road	Gaibadha	09612 82 6951
Gobindagonj	Gaibadha	09612 82 6996

KHULNA REGION	District	Contact No
Upper Jashore Road	Khulna	09612 82 5275
Khulna Main (AD)	Khulna	09612 82 5201
Batiaghata	Khulna	09612 82 5324
Khalishpur	Khulna	09612 82 5375
Doulatpur	Khulna	09612 82 5395
Mirerdanga	Khulna	09612 82 5301
Sheikhpara Bazar	Khulna	09612 82 5249
Kayerbazar	Khulna	09612 82 5353
Phultala	Khulna	09612 82 5259
Chuknagar	Khulna	09612 82 5367
Bagerhat	Bagerhat	09612 82 5315
Mongla	Bagerhat	09612 82 5241
Satkhira	Satkhira	09612 82 5297
Patkelghata	Satkhira	09612 82 5267
Kalaroa	Satkhira	09612 82 5343
Meherpur	Meherpur	09612 82 5422
Chuadanga	Chuadanga	09612 82 5211
Saratgonj	Chuadanga	09612 82 5385
Alukdia Bazar	Chuadanga	09612 82 5416
Alamdanga	Chuadanga	09612 82 5432
Jashore (AD)	Jashore	09612 82 5221
Noapara bazar	Jashore	09612 82 5231
Benapole	Jashore	09612 82 5363
Monirampur	Jashore	09612 82 5309
Navaran Bazar	Jashore	09612 82 5333
BSCIC	Jashore	09612 82 5442
Chowgacha	Jashore	09612 82 5446
Narail	Narail	09612 82 5285
Jhenaidah	Jhenaidah	09612 82 5404

BARISHAL REGION	District	Contact No
Barishal (AD)	Barishal	09612 82 3002
Madhabpasha	Barishal	09612 82 3123
Rupatoli	Barishal	09612 82 3070
Babugonj	Barishal	09612 82 3101
Mehendigonj	Barishal	09612 82 3177
Bazar Road	Barishal	09612 82 3090
Hospital Road	Barishal	09612 82 3062
Hizla	Barishal	09612 82 3184
Muladi	Barishal	09612 82 3157
Tarki Bandar	Barishal	09612 82 3077
Pirojpur	Pirojpur	09612 82 3022
Nazirpur	Pirojpur	09612 82 3129
Matbaria	Pirojpur	09612 82 3151
Bhandaria	Pirojpur	09612 82 3083
Sarshina	Pirojpur	09612 82 3144
Mearhat	Pirojpur	09612 82 3137
Rajapur	Jhalakhathi	09612 82 3171
Nalcity	Jhalakhathi	09612 82 3165
Jhalakathi	Jhalakhathi	09612 82 3208
Bhola	Bhola	09612 82 3032
Charfashion	Bhola	09612 82 3109
Lalmohan	Bhola	09612 82 3247
Kalaiya Bandar	Patuakhali	09612 82 3117
Patuakhali	Patuakhali	09612 82 3042
Golachipa	Patuakhali	09612 82 3191

	District	Contact No
Subidkhali	Patuakhali	09612 82 3197
Kalapara	Patuakhali	09612 82 3216
Barguna	Barguna	09612 82 3052
Bamna	Barguna	09612 82 3202

FARIDPUR REGION	District	Contact No
Kanaipur	Faridpur	09612 82 5081
Bhanga	Faridpur	09612 82 5127
Faridpur	Faridpur	09612 82 5041
Sadarpur	Faridpur	09612 82 5095
Madhukhali	Faridpur	09612 82 5171
Gopalgonj	Gopalgonj	09612 82 5132
Kashiani	Gopalgonj	09612 82 5105
Madaripur	Madaripur	09612 82 5071
Shibchar	Madaripur	09612 82 5089
Rajbari	Rajbari	09612 82 5164
Pangsha SME/Krishi	Rajbari	09612 82 5151
Kushtia	Kushtia	09612 82 5051
Bheramara	Kushtia	09612 82 5111
Kumarkhali	Kushtia	09612 82 5142
Poradah	Kushtia	09612 82 7931
Sariatpur	Sariatpur	09612 82 5061
Bhojeshwar Bazar SME/Krishi	Sariatpur	09612 82 5121
Magura	Magura	09612 82 5156

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2022/047

BAPLC

Date of issue : January 23, 2022

Renewed Certificate

This is to certify that

PUBALI BANK LIMITED

is an Ordinary Member of **Bangladesh Association of Publicly Listed Companies** *and is entitled to all the rights and privileges appertaining thereto.*

This certificate remains current until 31st December **2022.**

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES BAPLC

Secretary General

PUBALI BANK LIMITED
Registered Office
26 Dilkusha C/A, Dhaka-1000

PROXY / AUTHORIZATION FORM

I / We ..... of .....
..... being a shareholder(s) of Pubali Bank Limited do hereby appoint Mr./Mrs. ..... of .....
or failing him / her ..... of .....
..... as my / our Proxy, to attend and vote on my / our behalf at the 39th Annual General Meeting of the bank to be held on **31st May, 2022 at 10:30 AM** physically at **Pubali Bank Auditorium, Head Office, 26 Dilkusha C/A, Dhaka** and virtually through video conference and at any adjournment thereof.

As wished, I / We have attested Signature of the Proxy Holder on ..... day of ..... 2022.

Signature of the Shareholder(s)

Revenue Stamp
Tk. 20.00

Signature of the Proxy Holder

No. of Shares held	:
Folio No.	
BO ID No.	
E-mail of Shareholder	
Mobile of Shareholder	
E-mail of Proxy Holder(1)	
Mobile of Proxy Holder(1)	
E-mail of Proxy Holder(2)	
Mobile of Proxy Holder(2)	

NOTE:

1. A Member entitled to attend and vote at the 39th Annual General Meeting (AGM) may appoint a PROXY to attend and vote on his / her behalf.
2. Signature of the Shareholder(s) must agree with the Specimen Signature recorded with the Bank.
3. The Honorable Shareholder (s) will submit their Proxy form through online/Manual no later than 48 hours before commencement of the AGM i.e 29th May 2022 at 10.30 AM. Proxy is invalid if not signed and stamped as explained above.



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