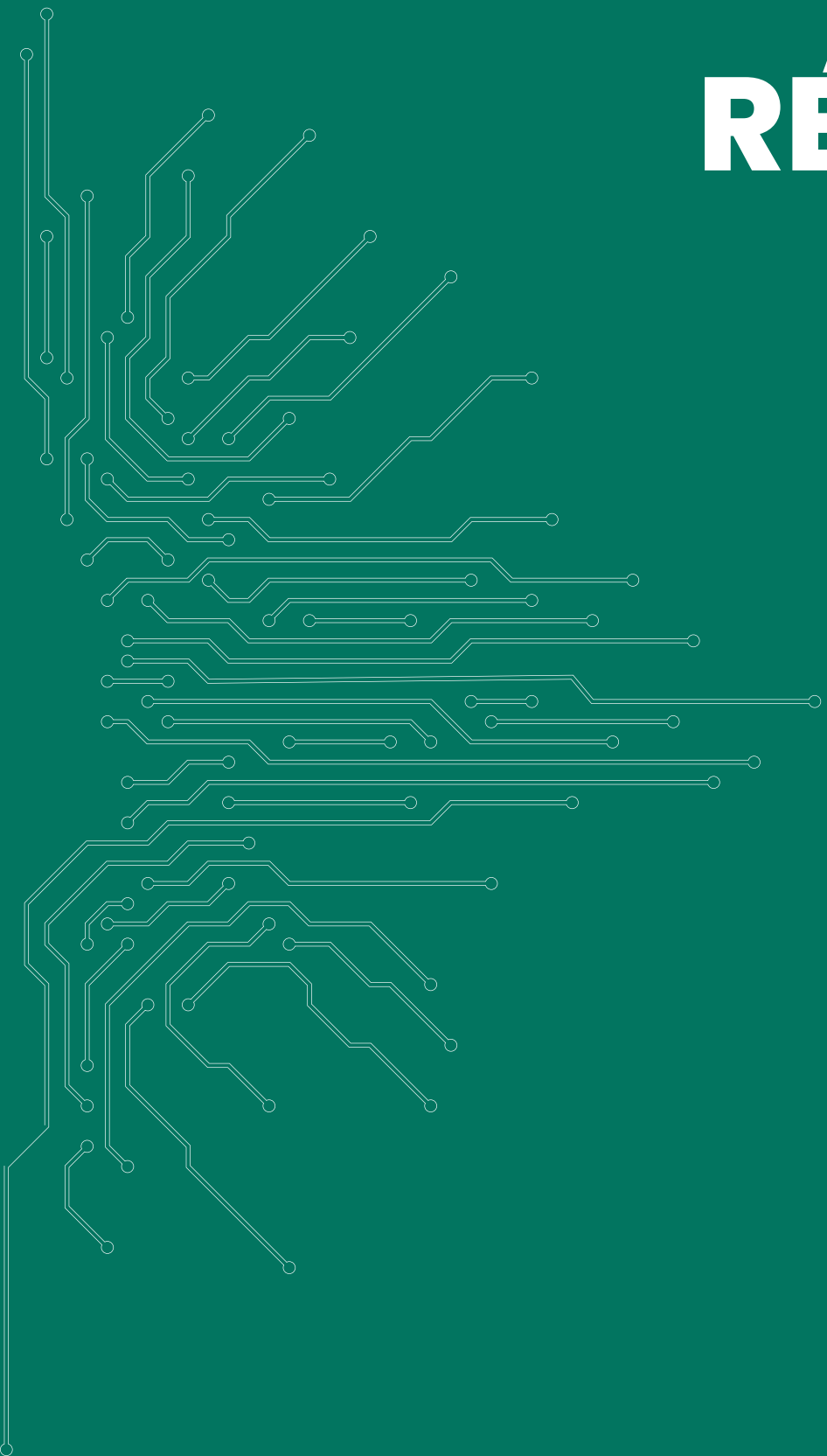
TRANSFORMATION TOWARDS
Digital Banking

ANNUAL REPORT 2023

পূবালী ব্যাংক পিএলসি.
PUBALI BANK PLC.

TRANSFORMATION TOWARDS
Digital Banking

ANNUAL REPORT 2023



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Welcome To Our Annual Report 2023

This report focuses to inform our valued Stakeholders about our financial & non-financial performance in 2023. 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 2023.

General Information

Letter of Transmittal

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

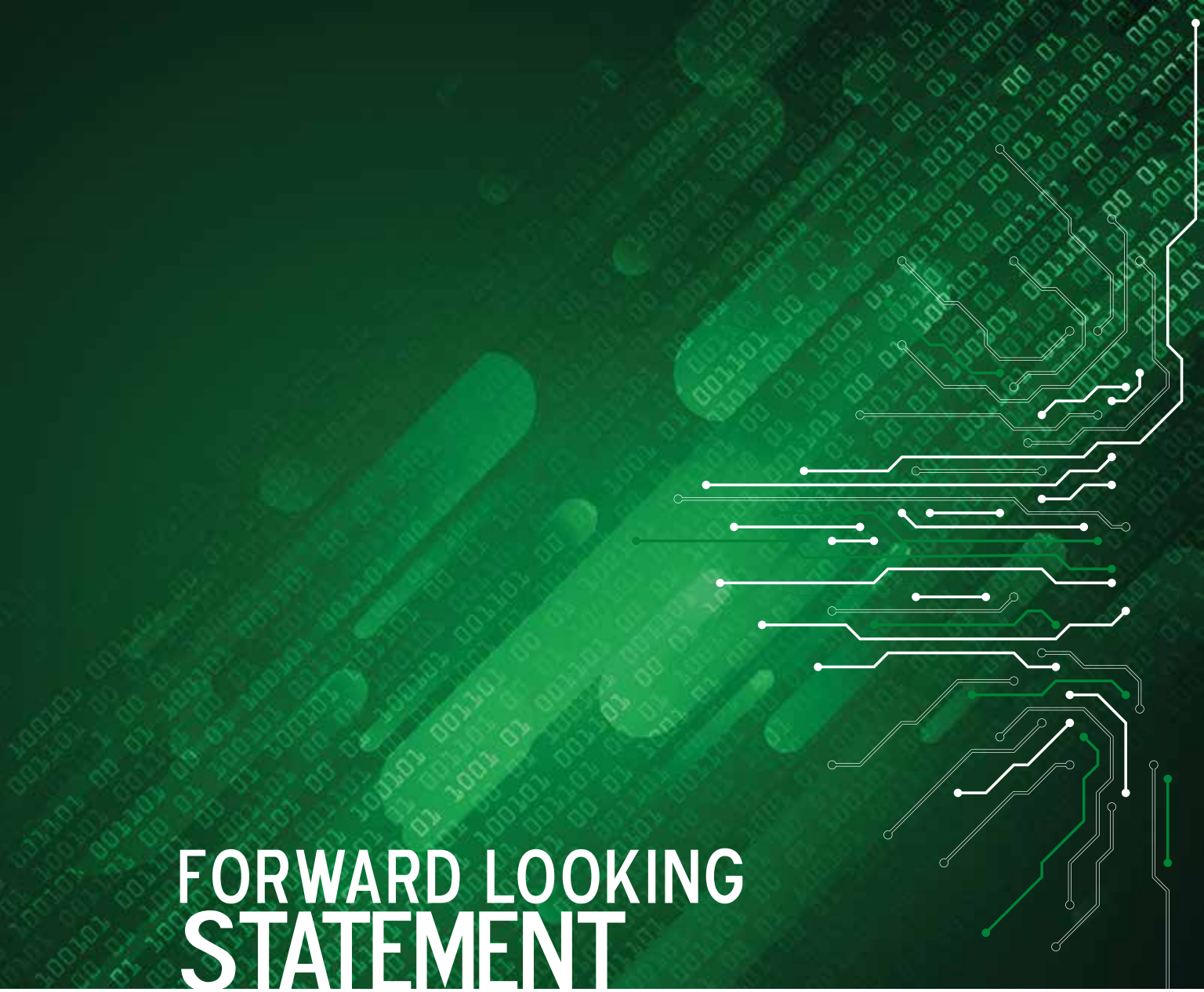
Sub: Annual Report of Pubali Bank PLC. for the year ended 31st December 2023.

Dear Sir(s)/Madam(s),

We are pleased to present a copy of the Annual Report 2023 along with Auditors Report, Director's Report and the Financial Statements for the year ended 31st December 2023 of Pubali Bank PLC. before you, including notes thereto and its subsidiary company for your kind information and record.

Yours Sincerely,

Md. Anisur Rahman
Company Secretary



FORWARD LOOKING STATEMENT

The entire banking environment has been in a competitive mood for the last couple of years as 61 schedule banks along with 35 non-banking financial institutions are competing to attract the attention of the customers by offering lucrative products and services. The Russia-Ukraine war, Hamas-Israel war and the ongoing economic inflation has created a turbulent situation in the macro economy. However, it is a known fact that a bank having good capital base will sustain as well as will perform well even during the economic crisis also. The "Forward Looking Statement" of Pubali Bank PLC. keeps an alert eye to the future and also focuses on what is forthcoming. It forecasts the probable future business and financial performance. This statement includes risks and uncertainties, belief or current expectations, estimates or projections of the bank, its honorable Directors, Shareholders or its employees and also other stakeholders in the economy in which it operates, necessary assumption taken by the Management and so on. This statement focuses mainly on income, business growth, trend analysis, horizontal expansion, cost structure, capital structure, dividend etc. Pubali Bank PLC. has been in the banking industry for the last 65 years and is committed to be a developing partner of the economy and will focus on the following issues in the year 2024:

- Transformation towards digital banking
- Changing interest rates in domestic and international market
- Volatility of foreign currency exchange rate
- Changes in fiscal policy and monetary policy
- Changes in commodity price in domestic and international market
- Changes in regulatory framework
- Oscillation in consumer behavior as well as purchasing power
- Keeping Non Performing Loans at an acceptable rate
- Diversification of credit/investment portfolio
- Reduction of cost of fund through mobilizing low cost no cost deposit and operational excellence
- Expansion of banking network by opening branch & sub-branch
- Promoting QR code and POS machines
- Rendering all banking services through Pi App of the Bank
- Strengthening ICT security of the Bank to combat cyber-security risks.

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

Customer Centric Financial Services by maintaining corporate & business ethics and transparency at all level.

CORE STRENGTHS

- Competent and efficient Board of Directors
- Experienced Management
- Nurturing Managerial Efficiency
- Dedicated line of Human Resources
- Patronizing innovative thinking
- Participative Management
- Strong compliance and risk management culture
- Market reputation
- Global recognition
- Strong Deposit Base
- Strong Capital Base
- Adequate liquidity
- Steady Credit Rating
- Largest Online Branch Banking Network
- Improved IT infrastructure with in-house banking software

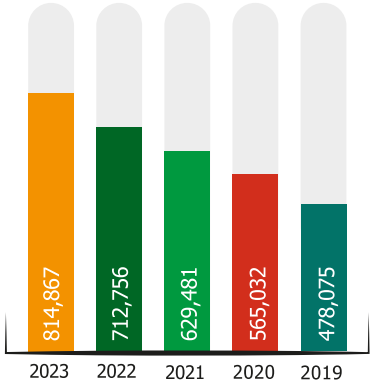
CORE VALUES

- Public confidence
- Business Ethics
- Customer Focus
- Trust
- Integrity
- Team Spirit
- Mutual Respect
- Responsible Citizenship

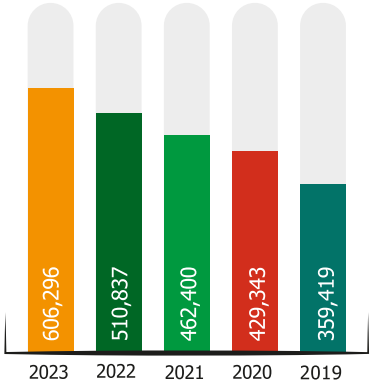
CORE COMPETENCIES

- Innovation
- Accountability
- Transparency
- Reliability
- Responsiveness
- Adaption ability to changes

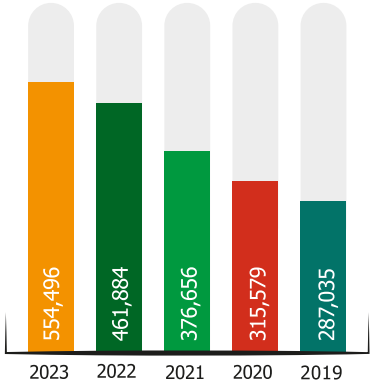
Key Financial Performance



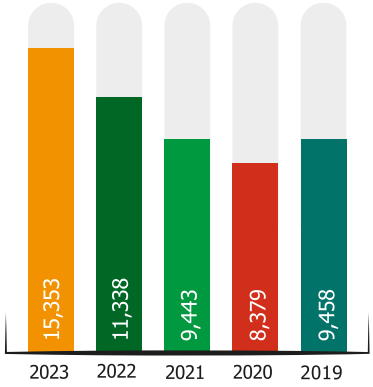
TOTAL ASSETS
(BDT in Million)



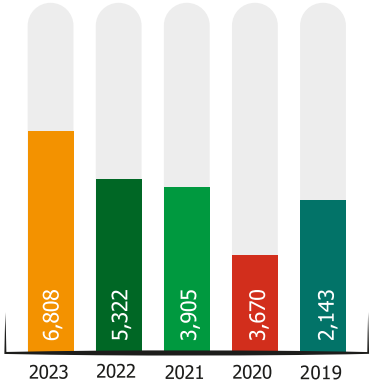
DEPOSITS
(BDT in Million)



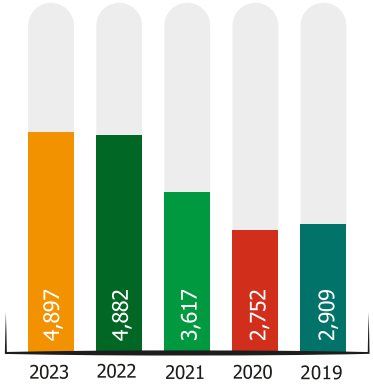
LOAN AND ADVANCES
(BDT in Million)



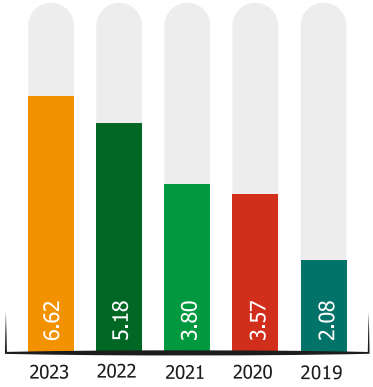
OPERATING PROFIT
(BDT in Million)



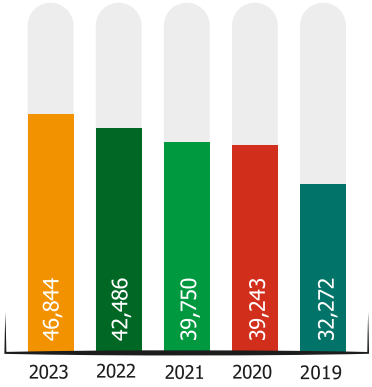
NET PROFIT
(BDT in Million)



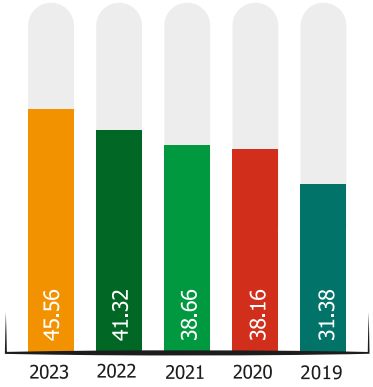
NON-INTEREST INCOME
(BDT in Million)



EARNINGS PER SHARE (EPS)
(in BDT)

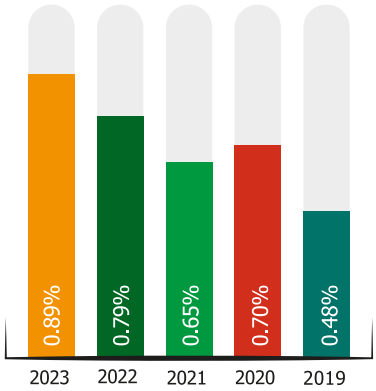


TOTAL SHAREHOLDERS' EQUITY
(BDT in Million)

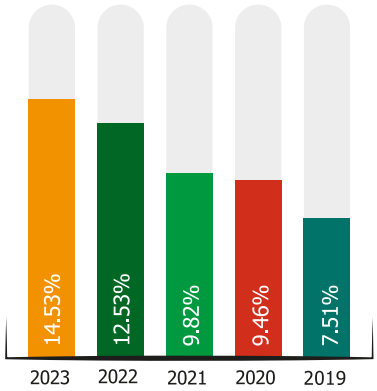


NET ASSET VALUE PER SHARE (NAVPS)
(in BDT)

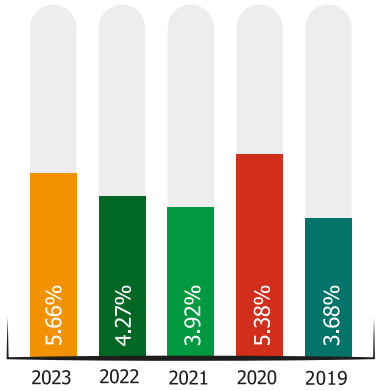
Key Financial Performance



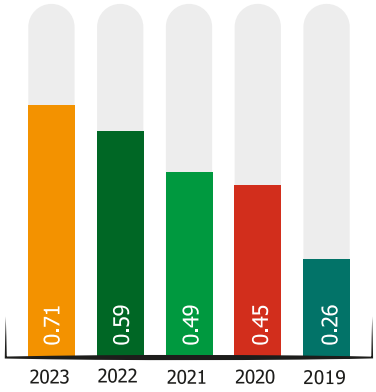
RETURN ON ASSETS (ROA)
(in %)



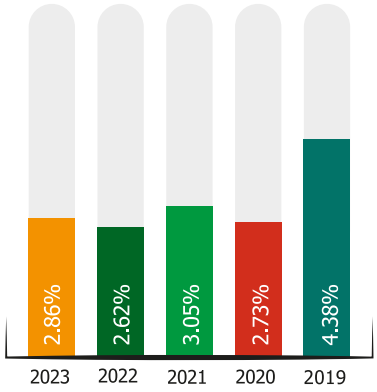
RETURN ON EQUITY (ROE)
(in %)



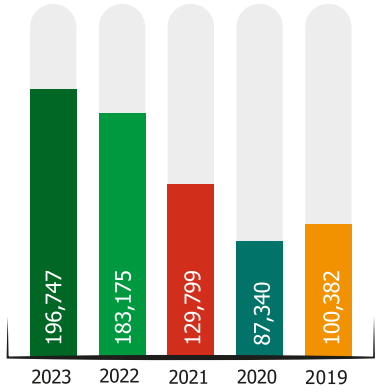
RETURN ON INVESTMENT (ROI)
(in %)



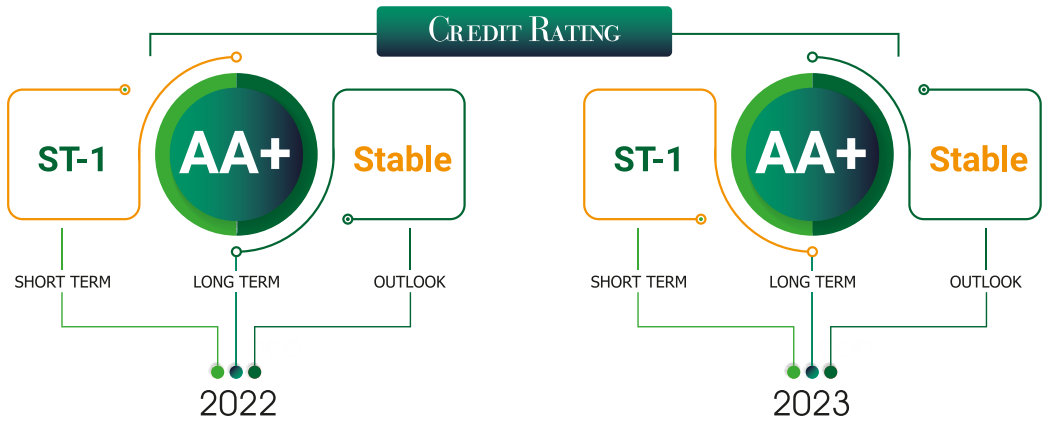
NET PROFIT PER EMPLOYEE
(BDT in Million)



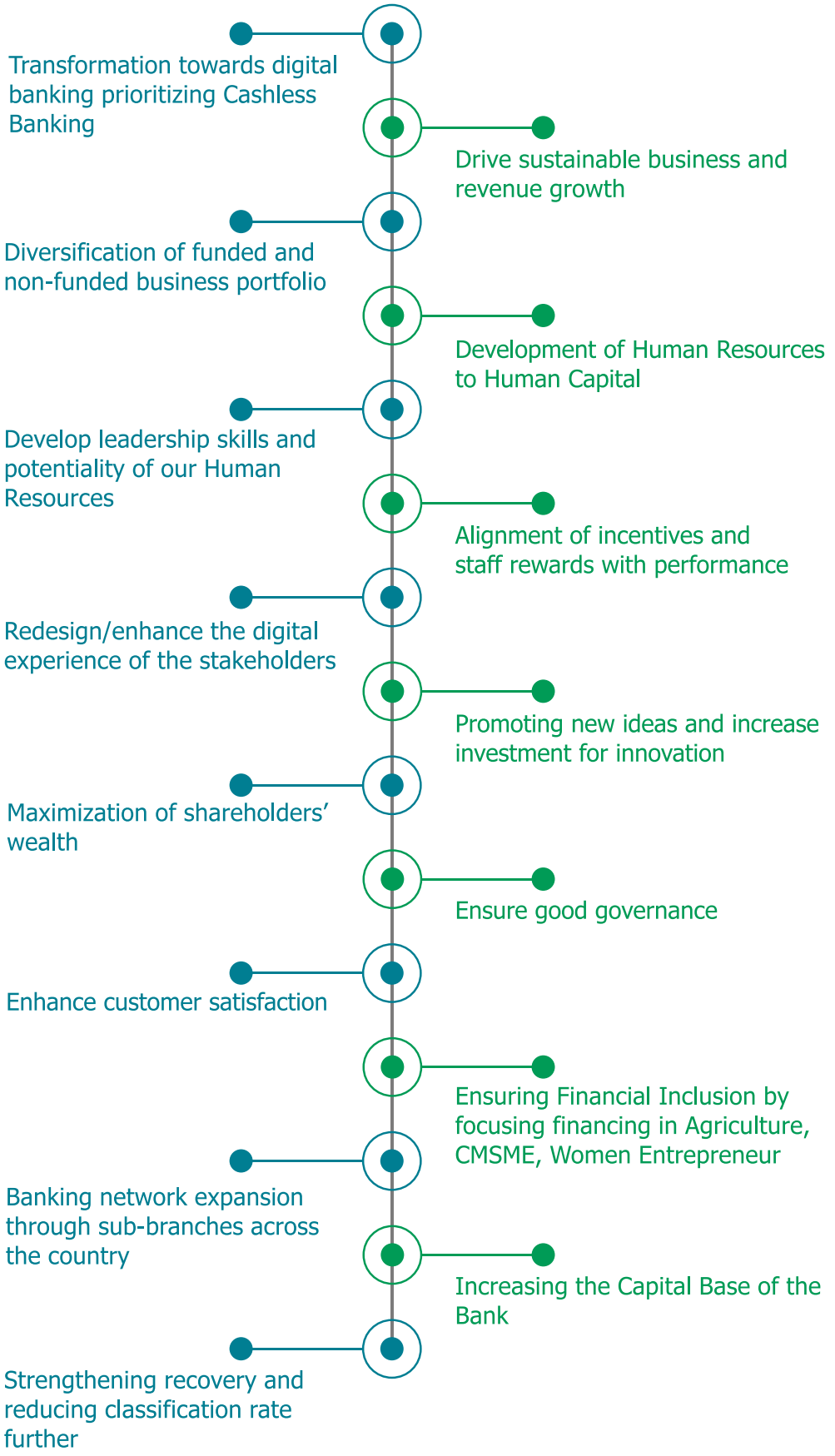
NPL
(in %)



EXPORT
(BDT in Million)



Strategic Priority



Corporate Profile

KEY CORPORATE INFORMATION

Registered Name	Pubali Bank PLC.
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
Taxpayer's Identification No.	147541533430
VAT Registration No.	BIN: 000000196-0002
Total Manpower	9,608
Number of Branches	504
Number of Sub-Branches	189
Number of Islamic Banking Windows	19
Number of AD Branches	29
Number of SME/Krishi Branches	05
Number of ATM Booths	335
Number of CRM	103
Bank's Subsidiary	Pubali Bank Securities Limited

KEY MEMBERS OF THE BOARD OF DIRECTORS & ITS ASSISTIVE COMMITTEES

Chairman
MONZURUR RAHMAN

Chairman, Executive Committee
MD. ABDUR RAZZAK MONDAL

Chairman, Audit Committee
MOHAMMAD NAUSHAD ALI CHOWDHURY

Chairman, Risk Management Committee
M. KABIRUZZAMAN YAQUB FCMA (UK), CGMA

Managing Director & CEO
MOHAMMAD ALI
as Ex-Officio Member

Company Secretary
MD. ANISUR RAHMAN

KEY SENIOR MANAGEMENT OFFICIALS

Deputy Managing Directors
MD. ESHA
MOHAMMAD SHAHADAT HOSSAIN
AHMED ENAYET MANZUR
MD. SHAHNEWAZ KHAN
MOHAMMAD ANISUZZAMAN
MOHAMMED JAMAL UDDIN MAZUMDER

General Manager & Chief Financial Officer
MOHAMMAD LITON MIAH FCA

Corporate Profile

AUDITORS, CONSULTANT & RATING AGENCY

External Auditors	**A.Qasem & Co.**, Chartered Accountants Gulshan Pink City, Suit 1-3, Level 7 Plot 15, Road 103, Block-CEN(C) Gulshan, Dhaka 1212
	MABS & J Partners, Chartered Accountants Corporate Office, SMC Tower (8th Floor) 33, Banani C/A, Road 17, Dhaka 1213
Compliance Auditor	**Mohammad Sanaullah & Associates** Chartered Secretaries Wins Court (Ground Floor), House 8, Road 14 Dhanmondi, Dhaka 1209
Tax Consultant	**M. Shahidul Islam & Co.** Chartered Accountants 56 Kazi Nazrul Islam Ave, Dhaka 1215
Credit Rating Agency	**Credit Rating Information and Services 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 No.: +88 02 22338 4009
Contact Center	16253
E-mail	mailbox@pubalibankbd.com
Website	www.pubalibangla.com
SWIFT Code	PUBABDDH
Investor's Enquiry	**Share Department** Board Division Head Office, Pubali Bank PLC. Level 11, 26 Dilkusha C/A, Dhaka 1000 GPO Box No. 853 Contact: PABX +88 02 22338 1614 Ext: 227, 230, 369, 366 Email: share@pubalibankbd.com

OUR GLORIOUS JOURNEY

1959
- Started operation as The Eastern Mercantile Bank Limited at Chittagong

1961
- Got approval to do Semi-Government Banking transaction

1966
- Launched "Karachi Branch" in West Pakistan

1971
- Custodian of Government Tariff & Tax
- Shifting of Head Office from Chittagong to 26 Dilkusha C/A, Dhaka

1977
- Acquisition of United Bank of India and Bank of Baroda
- Establishment of Pubali Bank Training Institute (PBTI)

1983
- Denationalization
- Obtained Certificate of Incorporation
- Obtained Certificate of Commencement
- Obtained Bangladesh Bank permission

1984
- Initial Public Offering of shares
- Listed at Dhaka Stock Exchange (DSE)

1995
- Listed at Chittagong Stock Exchange (CSE)

1997
- Awarded 1st position for the highest "Equity Return" from "The Asiaweek" magazine

2000
- Authorized and paid-up capital stood at Tk 5000 million and Tk 160 million

2001
- Paid-up capital stood at Tk 200 million

2002
- 350 branches became computerized

2003
- Introduction of core banking software (PIBS)

2004
- Introduction of Website of PBL
- Introduction of ATM Network

2005
- Registered as Depository to Central Depository Bangladesh Limited (CDBL)

2007
- Won Banker's Forum's "Corporate Social Responsibility" 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

2008
- Commencement of Islamic Banking Wing

2016
- Achieved "Top Ten Remittance Award"

2017
- Opening of Centralized Trade Processing
- Centre Issuance of Subordinated Bond-1

2018
- Agreement with IFC
- Introduction of Cash Deposit Machine (CDM)
- Achieved 19th ICAB National Awards for Best Presented Annual Reports

2019
- Celebration of 60 years Anniversary
- Issuance of Subordinated Bond-2

2020
- Inauguration of 1st Sub-branch
- Inauguration of "Mujib Corner"

2021
- Won ICMAB Award

2022
- Ranked among the top 10 sustainable Bank

2023
- Launched POS Terminals and QR Code
- Launched e-KYC account
- Opening of 500th Branch

Award & Recognitions

ICAB National Awards for
Best presented Annual Reports

Sustainable Rating Award

NRB Remittance Award

ICMAB Best Corporate Award

Daily Industry Best Rated Bank Award

MasterCard Best Partner Award

Memories of 40th Annual General Meeting

The 40th Annual General Meeting (AGM) of Pubali Bank PLC. was held at bank's auditorium of Head Office through hybrid method (physical presence and virtual platform) on June 06, 2023. Mr. Monzurur Rahman, Honourable Chairman, Board of Directors of Pubali Bank PLC. presided over the meeting

Mr. Monzurur Rahman, Honorable Chairman of the Board delivering his speech in the 40th Annual General Meeting of the Bank

Our distinguished shareholders attending the 40th Annual General Meeting

Mr. Mohammad Ali, Honorable Managing Director & CEO of the Bank delivering his speech in the 40th Annual General Meeting

Pubali Bank PLC.

Registered Office
26 Dilkusha Commercial Area, Dhaka-1000, Bangladesh

NOTICE OF THE 41ST ANNUAL GENERAL MEETING

Notice is hereby given to all concern that the 41st Annual General Meeting (AGM) of Pubali Bank PLC. will be held on **Wednesday, 05 June 2024** at **10.30 AM** (Bangladesh Standard Time) using digital platform through the link **https://www.pubalibangla.com/AGM2024** to transact the following agenda:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st December 2023 and Reports of the Directors and Auditors thereon.
2. To declare Dividend for the year ended 31st December 2023 as recommended by the Board of Directors.
3. To appoint the Statutory Auditors of the Bank for the year 2024 and to fix their remuneration.
4. To appoint Corporate Governance Compliance Auditor for the year 2024 and to fix their remuneration.
5. To approve the re-appointment of Independent Director.
6. To elect / re-elect Directors in place of retiring Directors.

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

Dated: Dhaka
05 May 2024

By order of the Board of Directors
sd/-
Md. Anisur Rahman
Company Secretary

NOTES:

a) The **"Record Date"** is fixed on **Sunday, 12 May 2024**. The members whose names will appear in the register of the Members of the Company and in the Depository Register (Central Depository System of CDBL) as on the **"Record Date"** will be eligible to attend/participate and vote in the 41st Annual General Meeting (AGM) and also will be entitle to receive dividend.

b) Pursuant to BSEC's letter No. BSEC/ICAD/SRIC/2024/318/87 dated 27.03.2024, the Annual General Meeting will be conducted by using digital platform through the link **https://www.pubalibangla.com/AGM2024**.

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. Habibur Rahman (c) Mr. Fahim Ahmed Faruk Chowdhury and (d) Mr. Musa Ahmed will retire in the 41st Annual General Meeting and they will be eligible for re-election.

d) 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: **https://www.pubalibangla.com/AGM2024** for login to the system. After putting his/her 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/company's record). 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 **Tuesday, 04 June 2024** from **8.00 AM** to before closure of the Meeting on **Wednesday, 05 June 2024**.

e) Any Member/Members of the Company entitled to attend and vote at the AGM may appoint any person, as his/her/their Proxy or Attorney to attend and vote on his/her/their behalf. A Member, being a corporation or company, may appoint its representative, duly appointed and authorized, to attend and vote on its behalf. The proxy form or power of attorney or letter of authority, as the case may be, duly signed and stamped must be submitted at Share Department, 11th 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. **Monday, 03 June 2024** up to **10.30 AM**.

f) A valid **proxy holder/Attorney/representative** may attend the meeting virtually by using digital platform by login to the system through link: **https://www.pubalibangla.com/AGM2024** and also

may cast his/her e-vote through the above mentioned link from **Tuesday, 04 June 2024** from **8.00 AM** to before closure of the Meeting on **Wednesday, 05 June 2024**. After putting BO ID/folio ID of the shareholder, an OTP (One Time Password) will be sent to the provided mobile number and email address of the valid **proxy holder/Attorney/representative**. By using the OTP, he/she will be able to attend and cast his/her vote through online.

g) Detail login procedures to participate in the virtual meeting will be available in the Company's website at **www.pubalibangla.com**

h) The last date of submission of nomination paper through link www.pubalibangla.com/AGM2024 or manually at Board Division for election of Directors is **28 May 2024** up to **5.00 PM**. Scrutiny of nomination papers will be completed on **29 May 2024** within **5.00 PM** and will be published the eligible candidates list in the Notice Board of the Bank's Registered Office, 26 Dilkusha C/A, Dhaka and also in the bank's website by the Chief Election Commissioner after **5.00 PM**. Last date of withdrawal of nomination paper through email to "chiefelectioncommissioner@pubalibankbd.com" or paper based manually on **30 May 2024** 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 **30 May 2024** after **5.00 PM**.

i) Nomination 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: **https:// www.pubalibangla.com/AGM2024**

k) Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018, the soft copy of the Annual Report 2023 will be sent to the email addresses of the Members available in their Beneficial Owner (BO) accounts maintained with the Depository. The soft copy of the Annual Report 2023 will also be available in the Bank's website at: **www.pubalibangla.com**.

l) 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 **share@pubalibankbd.com** followed by hard copy within **26 May 2024** for facilitating payment of Cash Dividend and sale proceeds of fractional bonus share amount (if any).

m) The Board of Directors has recommended **M/s G. Kibria & Co. Chartered Accountants** and **M/s Hussain Farhad & Co. Chartered Accountants** to appoint as Statutory Auditors of the bank for the year 2024.

n) The Board of Directors has recommended **M/s Jasmin & Associates, Chartered Secretaries** to appoint as Corporate Governance Compliance Auditor of the bank for the year 2024.

Payment of Dividend:

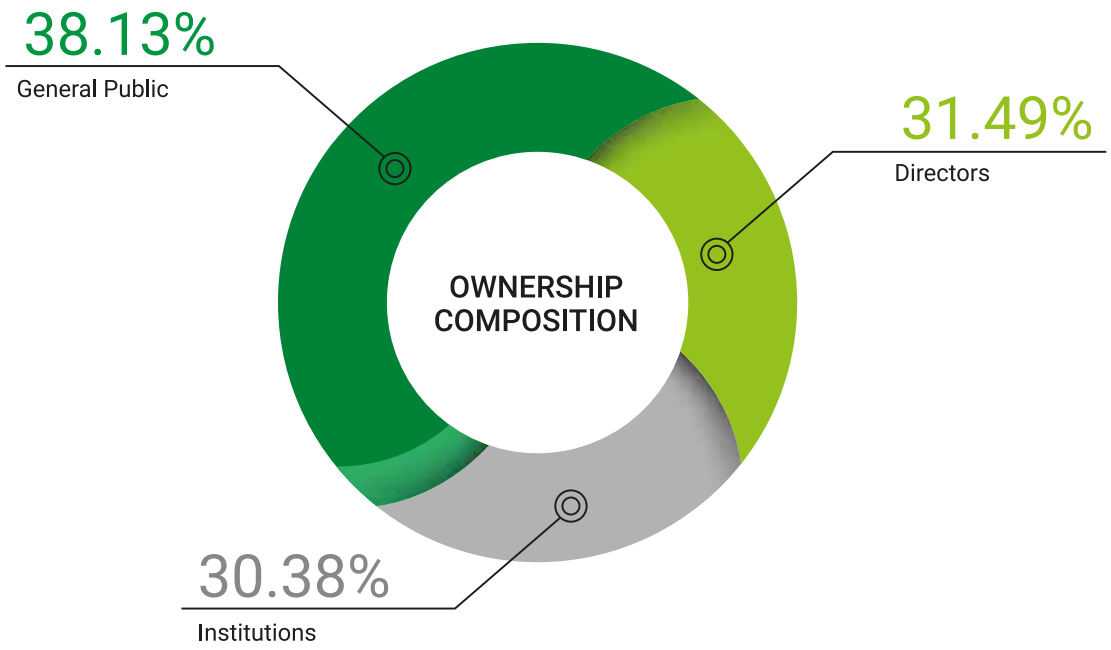
- Stock dividend will be credited to the respective BO account of the shareholder through Central Depository System of CDBL.
- Cash Dividend and sale proceeds of fractional bonus share amount (if any) will be credited to the respective bank account of the shareholder through BEFTN/Bank transfer.

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	: 30,595 as on 31.12.2023
Trading code	: PUBALIBANK
ISIN	: BD0106PUBNK6

2. SHAREHOLDING PATTERN:

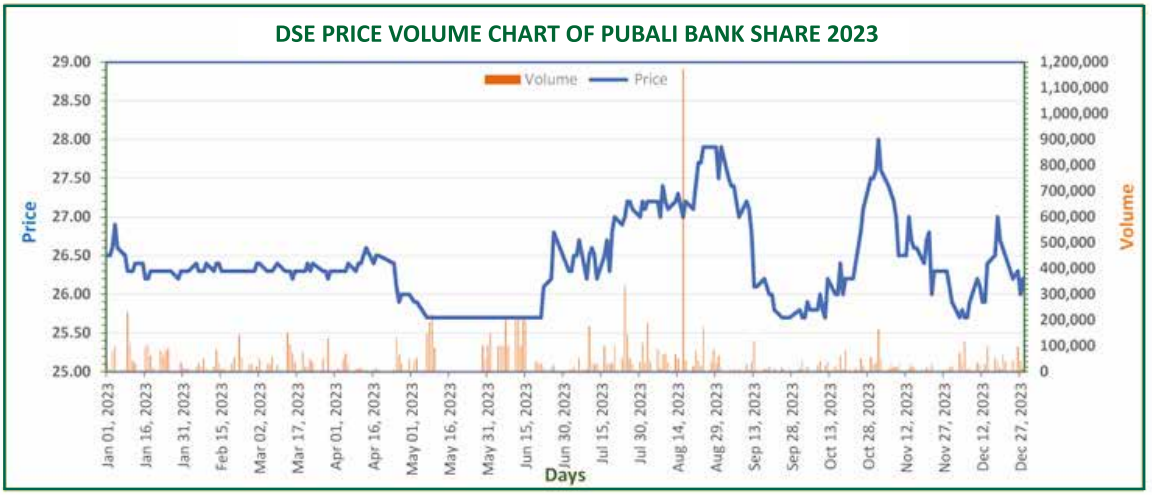


3. LAST 05 YEARS' DIVIDEND SUMMARY:

FOR THE YEAR	DIVIDEND RATE (%)	DIVIDEND PER SHARE (BDT)	PAR VALUE PER SHARE (BDT)	DIVIDEND TYPE
2023(Proposed)	25.00%	2.50	10.00	12.50 % Cash & 12.50 % Stock
2022	12.50%	1.25	10.00	12.50 % Cash
2021	12.50%	1.25	10.00	12.50 % Cash
2020	12.50%	1.25	10.00	12.50 % Cash
2019	10.00%	1.00	10.00	10.00% Cash

4. PUBALI BANK SHARE TRADING STATUS OF 2023:

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	26.90	26.20	34.41	1,306,101	27.60	25.70	0.43	16,383	**34.84**	**1,322,484**
February	26.40	26.30	17.64	670,065	26.30	26.00	0.25	9,449	**17.88**	**679,514**
March	26.40	26.20	25.57	971,655	26.30	26.00	0.95	36,230	**26.52**	**1,007,885**
April	26.60	25.90	14.01	534,853	26.90	25.70	0.75	28,329	**14.76**	**563,182**
May	25.90	25.70	26.04	1,012,391	26.90	25.70	0.11	4,247	**26.15**	**1,016,638**
June	26.80	25.70	46.70	1,815,872	25.70	25.70	0.10	3,890	**46.80**	**1,819,762**
July	27.20	26.20	38.27	1,428,020	27.00	25.80	0.63	23,902	**38.91**	**1,451,922**
August	27.90	27.00	66.66	2,450,657	28.00	26.50	1.63	59,575	**68.28**	**2,510,232**
September	27.50	25.70	8.17	309,262	27.40	25.70	0.65	24,256	**8.81**	**333,518**
October	27.60	25.70	15.99	606,263	26.60	25.70	0.76	29,401	**16.75**	**635,664**
November	28.00	25.90	13.37	491,950	27.50	25.70	1.06	39,430	**14.43**	**531,380**
December	27.00	25.70	22.00	841,889	26.70	25.70	0.26	10,055	**22.26**	**851,944**



5. DIVIDEND DISTRIBUTION POLICY

Pubali Bank PLC. distributes dividends to its shareholders every year. In this connection,The Bank has formulated a Policy named "Dividend Distribution Policy of Pubali Bank PLC." to ensure proper distribution of dividend to the shareholders in compliance with the Directive No. BSEC/CMRRCD/2021-386/03 dated January 14, 2021 of the Bangladesh Securities and Exchange Commission (BSEC).

PURPOSE

To set out the criteria and parameters for distribution of dividend among the shareholders.

TIMELINE FOR DISTRIBUTION OF DIVIDEND

(i) The Bank shall pay off the annual or final dividend to the entitled shareholder within 30 (thirty) days of approval in the Annual General Meeting; and

(ii) Interim dividend shall be paid off to the entitled shareholder within 30 (thirty) days of record date.

ENTITLEMENT TO DIVIDEND

The shareholders whose names would appear in the Register of Members of the Bank or in the depository register of CDBL on record date of the respective year will be entitled to receive the dividend.

PROCEDURES FOR DISTRIBUTION OF DIVIDEND

1. Cash Dividend

   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 dedicated to this purpose.

   ii. Cash dividend shall be paid off 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). Such cash dividend, if not possible to pay off through BEFTN may also be

paid off through bank transfer or any electronic payment system as recognized by Bangladesh Bank.

iii. In case of 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, cash dividend shall be paid off 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 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 PLC. for such claim.

iv. In case of non-availability of bank account information or impossibility to distribute cash dividend through BEFTN or any electronic payment system, Pubali Bank PLC. shall issue cash dividend warrant and shall send it by post to the shareholder.

v. Cash dividend shall be paid off 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. Immediately after disbursement of cash dividend and issuance of a certificate of tax deducted at source (if applicable), shareholders shall be intimated 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. The Bank 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 publish the year-wise summary of unpaid or unclaimed dividend in the website.

2. Stock Dividend
The Bank 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). In this regard the provisions of প্রবিধান ৪৬ of the ডিপোজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩ shall be followed.

The Bank shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the procedures mentioned below for ensuring the rightful ownership.

a. The Bank 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.
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. The Bank shall upon receiving application from the allottee and after proper verification of identity and his/her 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).

PAYMENT OF UNCLAIMED OR UNPAID CASH DIVIDEND AND STOCK DIVIDEND
The Bank shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force and shall follow the rules & regulations of the regulators issued from time to time regarding payment of unclaimed or unpaid cash dividend and stock dividend to the entitled shareholders.

SUBMISSION OF DIVIDEND DISTRIBUTION COMPLIANCE REPORT
Dividend distribution compliance report shall be submitted to BSEC, DSE & CSE in a specified format issued by the regulator(s) within 07 (Seven) working days of completion of dividend distribution to the entitled shareholders.

AMENDMENTS/MODIFICATIONS
To the extent any change/amendment is required in terms of any applicable law or change in regulations, the regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with the law of the land. Such amended policy shall be placed before the Board for approval.

DISCLOSURE OF THE POLICY
This Dividend Distribution Policy shall be available on the Bank's website and shall also be disclosed in the Bank's Annual Report.

6. POSITION OF UNPAID OR UNCLAIMED CASH DIVIDEND ON 31.12.2023:

YEAR OF DIVIDEND	UNPAID OR UNCLAIMED CASH DIVIDEND AMOUNT (BDT)
2009	1,33,11,756
2010	1,98,87,167
2011	1,60,13,293
2012	5,94,621
2013	2,97,489
2014	6,00,060
2015	7,47,791
2016	2,99,976
2017	3,24,091
2018	3,03,99,963
2019	3,64,52,376
2020	4,18,10,255
2021	4,08,81,288
2022	4,08,00,025

7. LAST DIVIDEND DISTRIBUTION COMPLIANCE REPORT

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 PLC.		
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)	13.04.2023		
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	11.05.2023		
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 credit of shares / units by CDBL	17.04.2023		
12	Date of approval of Dividend at AGM	06.06.2023		
13	Rate of Dividend approved at AGM-details at Annexure, (if any change)	12.50% Cash Dividend		
14	Date of commencement of disbursement of Cash and Stock Dividend	07.06.2023		
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 Bank statements and Corporate Action Processing Report (DP70)]	05.07.2023		
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.110,38,23,636.22 (After deduction of Tax)		
20	Distribution/Disbursement details of Cash & Stock Dividend:	Cash (Tk)	Stock. (nos)	Annexures
	Mode of Dividend payment/credit for the concerned year:			
	a) Through BEFTN or directly credited to respective BO	14,25,63,269.77		
	b) Through Bank Transfer other than entitled BO-Margin loan	2,94,10,897.06		
	c) Through Bank Transfer (BO Margin only)	72,244.74		
	d) Through Mobile Financial Service (MFS)			
	e) Through any other mode as approved by Bangladesh Bank	89,05,40,603.80		
	f) Through transfer to Suspense Account for dematerialized Shares (BO wise detailed with reason should be maintained and submitted)			
	g) Through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities			

21	Total Dividend paid /credited for the concerned year	106,25,87,015.37		
22	Total unpaid/undistributed Dividend/accrued during the period (20-21)	4,12,36,620.85		
23	Total unpaid/undistributed Dividend/accrued as on 1st day of accounting year (as per Audited Accounts)	21,12,06,865	4,56,37,120	
24	Transfer to Suspense Account for Demat Shares or any other reasons during the concerned year			
	A) Mode of Dividend Receipts/payment/credit for the previous years:			
	a. Through BEFTN or directly credited to respective BO	50,006.75		
	b. Through Bank Transfer			
	c. Through Mobile Financial Service (MFS)			
	d. Through any other mode as approved by Bangladesh Bank			
	e. Through transfer to/from Suspense Account for Demat Shares or any other reasons			
	f. Through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities/shares/units	11,26,381.41		
	g. Transfer of cash or stocks to the Fund as prescribed or directed by Commission after 3 years or forfeit of share to Suspense Account for non-dematerialized securities			
25	Total Dividend paid/credited for previous years:	11,76,388.16		
26	Total unpaid/undistributed Dividend for previous years (23+24-25) Taka/Nos	21,00,30,476.84	4,56,37,120	
27	Grand Total of unpaid/undistributed Dividend (22+26)	25,12,67,097.69	4,56,37,120	As on 05.07.2023
28	Aging of grand Total of unpaid/undistributed Dividend for previous years:			
	More than 3 years; balance (Year 1986 to 2018)	12,69,95,859.25	4,56,37,120	
	More than 4 years; balance (Year 1986 to 2017)	9,04,58,128.10	4,56,37,120	
	More than 5 years & above; balance (Year 1986 to 2016)	5,99,87,751.85	4,16,95,880	
	Total of unpaid/undistributed Dividend for previous years (Year 1986 to 2020)	21,00,30,476.84	4,56,37,120	
	(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.				

8. INVESTORS' ENQUIRY

Pubali Bank PLC. always gives much emphasis on mitigating shareholders complaints regarding shareholding and dividend. Honorable shareholders can approach to the Share Department with a complaint or can make an email at Share Department's designated e-mail address at share@pubalibankbd.com or in writing. Upon receipt of the complaint, immediate steps are being taken to resolve the complaint.

CONTACT POINT
Share Department
Board Division
Head Office
Pubali Bank PLC.
Level 11, 26 Dilkusha C/A, Dhaka 1000

Telephone: +88 02 22338 4012, PABX: +88 02 22338 1614 Ext: 227, 230, 369
Email: share@pubalibankbd.com
Hotline: 16253

Business Model

The Bank follows the decentralized model of Banking though there are delegated authority for Branch Managers and Regional Managers in addition to the authority of MD & CEO. There 21 regions and 2 principal offices which are controlling the operations of business units under their purview (as per delegation of authority).

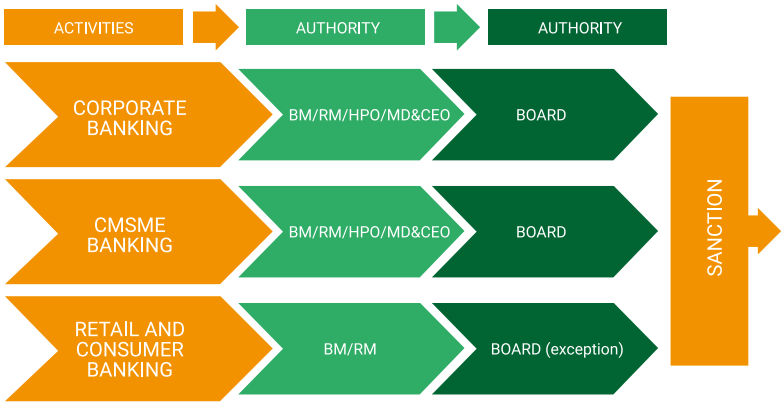
However, the Central Trade Processing Center of the Bank is responsible for Trade Services of the Bank to the Non-AD Branches.

The Bank is extending its products and services through 504 branches, two Offshore Banking Units, 19 Islamic Banking Windows and 189 sub-branches across the country. The business model of the Bank is mainly evolved through the following for conventional and Islamic banking (corresponding Islamic deposit and lending products) of the Bank:

PARTICULARS	SERVICES	DEPOSIT SERVICES	
Corporate Banking	• Corporate loans and advances • RMG loans and services • Project Finance • Syndications & Structured Finance • Cash management services etc.	• CASA Deposits	• Current account • Savings account • FC account
CMSME Banking	• Agricultural loans and advances • CMSME loans and advances • Green finances • Sustainable finances	• Term Deposits	• SND • FDR • Scheme deposits (DPS) • Pubali Pension Scheme (PPS) • Double deposits
Retail and consumer banking	• Retail loans and advances • Lease finances • Consumer loans and advances • Credit card etc.	• Other services	• Other ancillary services

For consumer financing, the Bank has Agent based model (who are entrusted with marketing and recovery on behalf of the Bank).

Approval Process of loans and advances:



*BM-Branch Manager, RM-Regional Manager, HPO-Head of Principal Office, RO-Regional Office

Products & Services

DEPOSIT PRODUCTS

Savings Bank Account
Current Deposit Account
Special Notice Deposit (SND)
Pubali Pension Scheme (PPS)
Pubali Sanchay Prokolpo (PSP)
Shikkha Sanchay Prokalpa (SSP)
Fixed Deposit Receipt (FDR)
DigunSanchayProkalpa (DSP)
Monthly Profit based Fixed Deposit
Monthly Profit based Small Deposit (Sadhin Sanchay)
Target Based Small Deposit (Swapno Puron)
School Banking Savings Account
PathoShishu Account
Peoples Pubali Pension Scheme (PPPS)
Senior Citizen Pubali Deposit Scheme (SCPDS)

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
- Pre-Foreign Education 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
- Overdraft (Bid Bond)
- Overdraft (Earnest Money)
- Bank Guarantee/ Performance Guarantee
- Overdraft (Work Order)

Consumer Loans
- Car Loan
- Car Loan for used vehicle
- Pubali Star (DL for Professionals)
- Teacher's Loan Scheme
- Pubali Mortgage
- Pubali Abashon
- Personal Loan
- Flat Purchase Loan
- House Renovation & Construction Loan
- Household Durable Loan
- Medical Equipment Loan
- Foreign Education Loan
- Govt. employee HBL Loan
- Probashee Nibash

Special SME Loans
- Pubali Suborno
- Pubali Sujon
- Pubali Kormouddug
- Pubali Prochesta (Continuous)

Special Agri Credit Program
- Pubali Sufala Rin
- Pubali Krishi Uddogta Rin
- Pubali Krishok Bondhu Rin

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)
Export Development Fund (EDF)
Export Facilitation Pre-finance Fund (EFPF)

Bills
Payment Against Document (PAD)
Foreign Bill Purchase (FBP)
Inland Bill Purchase (IBP)

Foreign Bank Guarantee

PUBALI CARD

Pubali Dual Interface Debit Card (VISA & Master Card)
Pubali Credit Card (Classic, Gold, Platinum)
Pubali Corporate Credit Card
Pubali Ananya Debit Card (for Women)
Pubali Instant Debit Card
Lounge Key Service

ALTERNATIVE DELIVERY CHANNEL (ADC)

PI Banking (Apps. Based Banking)
Internet Banking, Merchant POS & QR
ATM/CRM Service (NPSB, VISA, MasterCard)
Branch POS Service
Bangla QR Code

SERVICES

Real-time Online Banking
Remittance Service
Fund Transfer (BACH, RTGS, EFT)
Bank Guaranty/Assurance
Bank Drafts
Locker Service
Misc. Ancillary Services

TREASURY OPERATION

Foreign Exchange (FX) Market
- Foreign Currency Buy-Sell (Ready, Tom, Spot, Forward)
- Currency SWAP
- $ DEPO

- Inter-Bank Call/Overnight Lending & Borrowing
- Inter-Bank Term Lending & Borrowing
- 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
- Bangladesh Bank Bill
- Treasury Bill
- T Bill dealing in favour of individual & Corporate clients

Capital Market
- Fixed Income & Investment
- Treasury Bond
- Subordinate Bond, Perpetual Bond
- Investment in Share
- Commercial Paper
- T Bond dealing in favour of individual & Corporate clients

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
- MudarabaShiksha Sanchay Savings Account
- Mudaraba Peoples Pubali Pension Scheme
- Mudaraba Senior Citizen Pubali Deposit Scheme

Investment Products
- Bai-Muazzal (Continuous)
- Bai-Muazzal (Term)
- Hire Purchase under SirkatulMelk-HPSM (Project Finance, Term Finance, House Building Finance, Car Finance, Flat Purchase Finance, House Hold Durable Finance etc.)
- Car Investment under HPSM
- Bai-Istisna
- Pubali Star (Islamic)
- HPSM Probashee Nibash
- WFMD (Withdrawl Facility from Mudaraba Deposit)

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 SirkatulMelk-HPSM (Machinery & Equipment)

Product & Services of Pubali Bank Securities Limited (A subsidiary of Pubali Bank PLC.)

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
- Trading of Govt Securities (G-Sec) through G-Sec (Primary Auction & Secondary Market)
- 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

Pubali Bank's Credit Rating

The Bank completed its credit rating by Credit Rating Information & Services Ltd. (CRISL) based on the Audited Financial Statements of 31 December 2022 and is awarded "AA+" (Double A Plus) in the Long Term and "ST-1" in the Short Term.

Ratings	2023	2022
Long Term	AA+	AA+
Short Term	ST-1	ST-1
Based on Audited Financial Statements	31 DEC 2022	31 DEC 2021

RATING DESCRIPTION

	LONG TERM	SHORT TERM
Rating Outstanding (Declared on 25 June 2023)	**AA+ (Double A Plus)** (Higher safety and high credit quality)	**ST-1** (Highest certainly of timely payment)
Previous Rating (Declared on 25 July 2022)	**AA+ (Double A Plus)** (Higher safety and high credit quality)	**ST-1** (Highest certainly of timely payment)
Validity of Outstanding Rating	**Valid up to July 24, 2024**	

CRISL assigned AA+ (Pronounced Double A Plus) rating of Pubali Bank PLC. 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 Credit Rating Information & Services Ltd. (CRISL) performed the present rating assignment based on the Audited Financial Statements of 31 December 2022 and other relevant information. The present rating takes into account, among others, bank's comfortable capital adequacy, improved asset quality, adequate liquidity and continued increased profitability.

Eventful Year 2023

Mr. Monzurur Rahman, honorable Chairman and Mr. Hafiz Ahmed Mazumder MP, honorable former Chairman are cutting a cake along with fellow Board Members on the occasion of reaching the 1400th Board Meeting milestones of Pubali Bank PLC.

A moment from Annual Managers' Conference-2023' held at Hotel Long Beach Auditorium, Cox's Bazar where Mr. Monzurur Rahman, honorable Chairman of the Board was present as the Chief guest while Mr. Mohammad Ali, Managing Director & CEO presided over the conference.

Eventful Year 2023

Mr. Habibur Rahman and Ms. Rana Laila Hafiz, honorable Directors inaugurating the 128th Sub-branch of Pubali Bank PLC. at Sonasar Bazar of Zakiganj Thana, Sylhet with the presence of former Education Minister Mr. Nurul Islam Nahid and former Chairman of the Board of Directors of the Bank, Mr. Hafiz Ahmed Mazumder MP and other distinguished guests.

Mr. Mohammad Ali, Managing Director & CEO of Pubali Bank PLC. receiving "Remittance Award" from Dr. Mashiur Rahman, Economic Affairs Adviser to the Prime Minister for outstanding contribution to remittance collection in the year 2022.

Eventful Year 2023

Mr. Mohammad Ali, Managing Director & CEO of Pubali Bank PLC. and Mr. Abdur Rouf Talukder, honorable Governor of Bangladesh Bank exchanging the copy of an agreement between their respective institutions titled "Green Transformation Fund (GTF)".

Mr. Mohammad Ali, Managing Director and CEO of Pubali Bank PLC. celebrating the bank's stepping into the 65th year by cutting a cake with the presence of Senior Management Team on May 19, 2023 at the Head Office of the Bank.

Eventful Year 2023

A mournful moment from the 48th martyrdom anniversary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman and National Mourning Day observed at the Head Office of Pubali Bank PLC.

Mr. Mohammad Ali, Managing Director & CEO of Pubali Bank PLC. inaugurating the 501st Branch at ECB Chattar, Cantonment in the Capital of Dhaka with the presence of Senior Management Team and other guests.

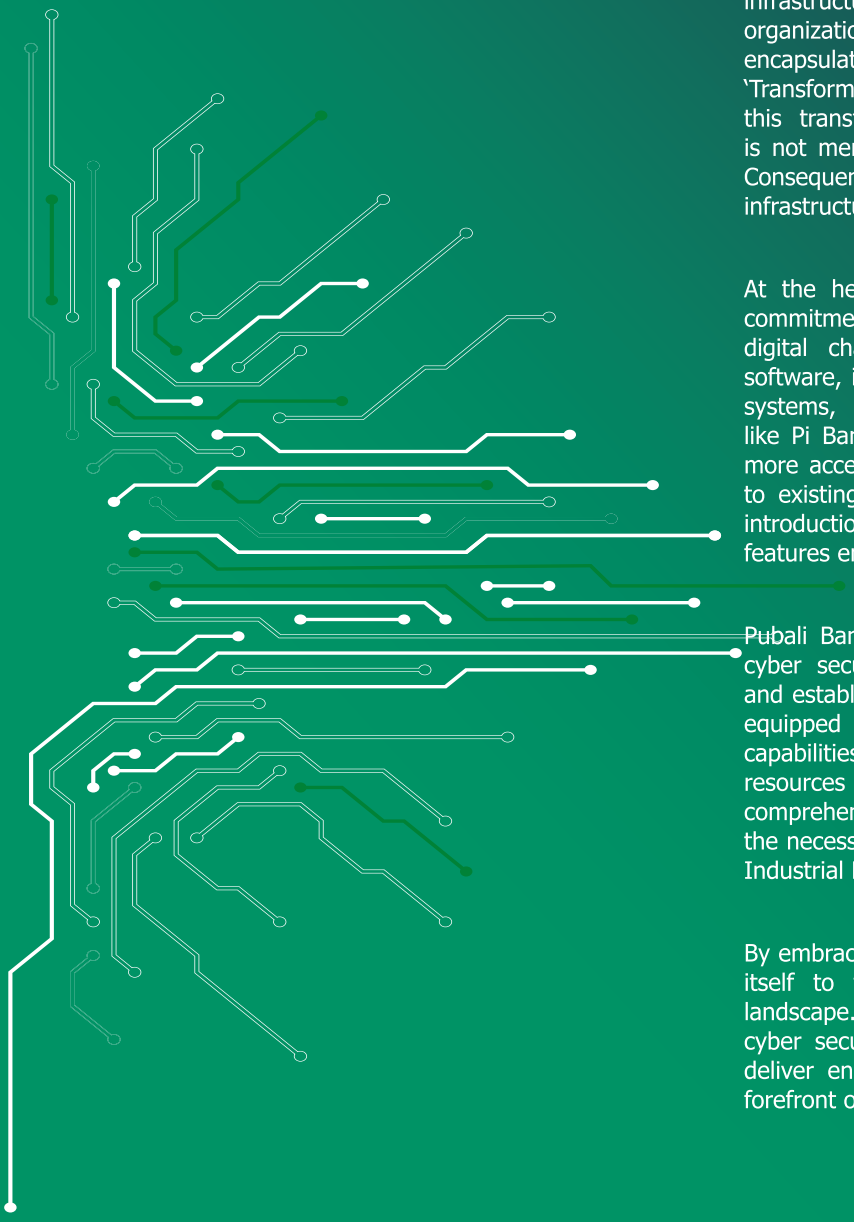
Eventful Year 2023

A moment from Managers' Conference of Islamic Banking Windows held at the Bank's Credit Conference Room, Head Office, Dhaka where Mr. Mohammad Ali, Managing Director and CEO and other members of Senior Management Team of the Bank were present.

A moment from "Annual Risk Conference -2023" organized by Pubali Bank PLC. held on December 09, 2023 at the Conference Room of Head Office wherein Mr. Mohammad Ali, Managing Director & CEO of the Bank was the Chief Guest and Mr. Md. Zabdul Islam, Director, Department of Offsite Supervision (Division-2), Bangladesh Bank was Special Guest.

“Transformation Towards Digital Banking”

The transformation towards digital banking underscores a strategic shift from conventional to technologically-driven banking services. This evolution, driven by advancements in information and communication technology, regulatory support, and changing customer preferences, has reshaped the banking landscape. Pubali Bank PLC. has embraced this digital revolution by not only upgrading its technological infrastructure but also fostering a cultural shift within the organization. The bank has adopted a thematic approach, encapsulated in the theme of its 2023 Annual Report: ‘Transformation Towards Digital Banking.’ At the core of this transformation is the recognition that digitalization is not merely a technological upgrade but a cultural shift. Consequently, Pubali Bank PLC. is diligently upgrading its infrastructure to align with this digital ethos.



At the heart of Pubali Bank PLC.’s transformation is its commitment to enhancing customer experiences through digital channels. By leveraging in-house core banking software, implementing real-time centralized online banking systems, and developing innovative mobile applications like Pi Banking App, the bank has made banking services more accessible and convenient for customers. In addition to existing debit and credit card (local and international) introduction of QR code-based payment systems and e-KYC features enhances security and streamlines transactions.

Pubali Bank PLC. has also prioritized full time call center, cyber security, implementing multi-layer security controls and establishing a Security Operation Center at Head Office equipped with advanced threat detection and response capabilities. Moreover, recognizing the importance of human resources in this digital journey, the bank is investing in comprehensive training programs to equip its workforce with the necessary skills to navigate the challenges of the Fourth Industrial Revolution.

By embracing digital banking Pubali Bank PLC. is positioning itself to thrive in an increasingly competitive financial landscape. Through strategic investments in technology, cyber security, and human capital, the bank is poised to deliver enhanced banking experiences and remain at the forefront of innovation in Bangladesh’s banking sector.

Board of Directors & Management

BOARD OF DIRECTORS

Chairman
MONZURUR RAHMAN

Directors
MONIRUDDIN AHMED
HABIBUR RAHMAN
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
ARIF AHMED CHOUDHURY

Independent Directors
DR. SHAHDEEN MALIK
MOHAMMAD NAUSHAD ALI CHOWDHURY

Managing Director & CEO
MOHAMMAD ALI

COMMITTEES OF THE BOARD OF DIRECTORS

AUDIT COMMITTEE

Chairman
MOHAMMAD NAUSHAD ALI CHOWDHURY

Members
FAHIM AHMED FARUK CHOWDHURY
M. KABIRUZZAMAN YAQUB FCMA (UK), CGMA
RANA LAILA HAFIZ
DR. SHAHDEEN MALIK

EXECUTIVE COMMITTEE

Chairman
MD. ABDUR RAZZAK MONDAL

Members
MONIRUDDIN AHMED
RUMANA SHARIF
MUSA AHMED
AZIZUR RAHMAN
MUSTAFA AHMED
ARIF AHMED CHOUDHURY

RISK MANAGEMENT COMMITTEE

Chairman
M. KABIRUZZAMAN YAQUB FCMA (UK), CGMA

Members
HABIBUR RAHMAN
MUSA AHMED
AZIZUR RAHMAN
MD. ABDUR RAZZAK MONDAL

SHARI`AH SUPERVISORY COMMITTEE

Chairman
PROF. M. MANSURUR RAHMAN
PROFESSOR, DEPARTMENT OF ISLAMIC STUDIES
FORMER TREASURER AND VICE-CHANCELLOR (IN CHARGE)
BANGLADESH ISLAMI UNIVERSITY, DHAKA

Member (Muslim Law Expert)
DR. SHAHDEEN MALIK
ADVOCATE, SUPREME COURT OF BANGLADESH &
INDEPENDENT DIRECTOR, PUBALI BANK PLC.

Members (Faqih)
PROF. DR. MD. ABUL KALAM PATWARY
FORMER PROFESSOR, ISLAMIC UNIVERSITY, KUSHTIA
PRESENTLY, 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
PRESENTLY, TEACHER, DEPARTMENT OF ISLAMIC STUDIES
BANGLADESH ISLAMI UNIVERSITY, DHAKA

MUFTI MOHAMMAD MUHIBULLAHIL BAQEE
SENIOR IMAM, BAITUL MUKARRAM NATIONAL MOSQUE, DHAKA

Member (Economist)
PROF. DR. H.M. MOSAROF HOSSAIN
PROFESSOR, DEPARTMENT OF FINANCE
UNIVERSITY OF DHAKA

Secretary
DEWAN JAMIL MASUD
GENERAL MANAGER & HEAD OF ISLAMIC BANKING WING
PUBALI BANK PLC.

DIRECTORS' PROFILE

Monzurur Rahman
CHAIRMAN

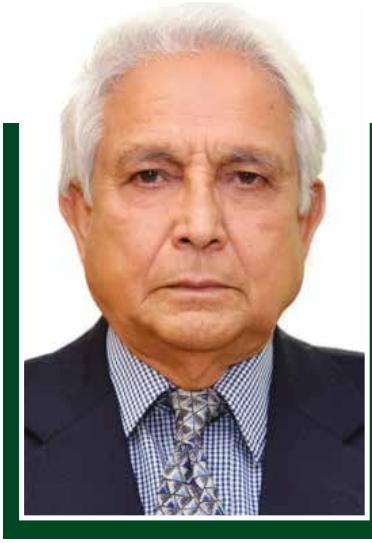
Mr. Monzurur Rahman is the Chairman of Board of Directors of Pubali Bank PLC. He graduated from the Calcutta University. He has long 57 years' experience in business areas like banking, insurance and tea businesses. He was the youngest Director of erstwhile Eastern Mercantile Bank Limited, which was eventually converted into Pubali Bank PLC.

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 Ltd. He was an elected member of the Executive Committee of Bangladesh Association of Publicly Listed Companies (BAPLC). He also served as Independent Director of LafargeHolcim Bangladesh Limited.

Moniruddin Ahmed
DIRECTOR

Mr. Moniruddin Ahmed has long 66 years' experience in business. A very experienced Director of Pubali Bank PLC., Mr. Ahmed is the Chairman of Pubali Bank Securities Ltd. Besides being a member of Executive Committee of the Board of Directors, he was also a member of Shari'ah Supervisory Committee of the Bank. Mr. Ahmed served as Chairman and Vice-Chairman of Pubali Bank PLC. in the past. He has experience of performing as the Chairman of the Audit Committee of Board 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

Mr. Habibur Rahman is a reputed business leader with long 66 years' experience in banking and other businesses. Formerly he worked as the Chairman of the Board of Directors of Pubali Bank PLC. and currently he is 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 PLC. He is a member of Risk Management Committee of the Bank. He served on the Shari'ah Supervisory Committee of the bank previously. He is also one of the most experienced Directors of Pubali Bank Securities Ltd., a subsidiary of the Bank. He is the Chairman of Delta Hospital Ltd. and Director of Global Pharmaceuticals Company Limited. Mr. Rahman is a well-travelled business personality. He has extensive travelling experiences across the globe for business purpose.

Fahim Ahmed Faruk Chowdhury
DIRECTOR

Mr. Fahim Ahmed Faruk Chowdhury has long 33 years' experience in banking & other businesses. He has been serving as a member of the Board of Directors of Pubali Bank PLC. for long. Currently, he is a member of Audit 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 PLC., he is the Managing Director of Chittagong Electric Manufacturing Co. Ltd., F.A.C. Eastern Enterprise Ltd., Ranks FC Properties Ltd., FC Holdings Ltd., CEM Readymix Concrete Ltd. and CEM UPVC Ltd. He is also a Director of Surjiscope Hospital Pvt. Limited, Globex Pharmaceuticals Ltd., Delta Hospital Ltd., Euro Petro Product Ltd. and Baraka Shikalbaha Power Ltd. Formerly he served as Vice-Chairman of Pubali Bank PLC. 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 the University of Dhaka both with first class. She has long 32 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 PLC. 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 in the country. 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 the United Kingdom. He is a fellow member of the Institute of Chartered Management Accountants (UK) and also a CGMA (Chartered Global Management Accountant). He has 35 years of multifarious experiences in various organizations ranging from banking to many other sectors i.e. textile and spinning businesses, real estate business etc. He is the Chairman of Imagine Properties Ltd.

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

Mr. Yaqub also served in various multinational companies in the 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 27 years' experience in his career. He joined the Board of Pubali Bank Limited as a Director in 2010. Currently, he is a member of the 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 26 years' experience in his career. He has been serving as a Director of Pubali Bank PLC. 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 Director of Pubali Bank Securities Ltd. Previously he also served as Vice-Chairman of Pubali Bank PLC.

Mr. Rahman studied Political Science at State University of New York (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 Fashionwear Ltd. A prominent industrialist of the country, Mr. 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 the Institute of Business Administration (IBA) of University of Dhaka. An experienced and highly qualified person, Mr. Md. Abdur Razzak Mondal has long 49 years' experience in his career. Besides being a Director of Pubali Bank PLC., he is the Chairman of Executive Committee and a member of the Risk Management Committee of the Board. He was a member of Shari'ah Supervisory Committee of the Bank previously. He is a nominee Director of 'That's It Fashions Ltd.' Mr. Abdur Razzak engages himself in different humanitarian activities out of his obligation towards the society.

Rana Laila Hafiz
DIRECTOR

Ms. Rana Laila Hafiz is a leading woman entrepreneur of Bangladesh. She is the Managing Director of three export oriented garments industries employing over 4000 people. She is a member of the Board of Directors of Pubali Bank PLC.-the largest private commercial bank in Bangladesh. She also sits on the Bank's Audit Committee. She is also involved in tea business.

Ms. Rana Laila Hafiz obtained her post graduate degree in English from the University of Dhaka.

Apart from business, she is also a dedicated Social Worker. She is a member of the Board of Trustees of the Hafiz Mazumder Trust which mainly works in the field of education and health in Sylhet. Her contribution to employment generation, earning precious foreign currency and social work in human development through education in Bangladesh is by far noteworthy.

Mustafa Ahmed
DIRECTOR

Mr. Mustafa Ahmed is a reputed business leader with long 24 years' experience in banking and other businesses. He achieved his BBA degree from the USA. He joined the Board of Directors of Pubali Bank PLC. 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, a subsidiary of the Bank. He is also a member of the Executive Committee of the Board of Directors of the Bank.

Arif Ahmed Choudhury CIP
DIRECTOR

Mr. Arif A. Choudhury finished his High School Graduation from the TASIS England American School, Surrey, UK, in 1988. He obtained his BBA from the American College in London majoring in Management Information System (MIS), UK in 1992. He also achieved his MBA in International Business & M.S. in Project Management from The George Washington University, Washington DC, USA respectively in 1995 and 1998.

Mr. Arif A. Choudhury worked as a financial analyst for American Express Bank and Chase Manhattan Bank in New York and also worked for Continental Grain Company in the USA. Mr. Arif A. Choudhury is the Managing Director of Transcon Securities Ltd. He was a Director of Green Delta Insurance Company till 2018. He has travelled too many countries of the world and has attended various international conferences such as Bangladesh Investment Summit 2012 held in Singapore. Mr. Arif A. Choudhury was awarded the certificate of international Honorary Citizen for the City of New Orleans by the Mayor of New Orleans, USA in May 1993. Mr. Arif A. Choudhury was given CIP (Commercially Important Person) status by Ministry of Finance, Govt. of Bangladesh for last couple of years after returning from the UK and USA.

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 36 years' experience in his career. He is an Independent Director in the Board of Directors of Pubali Bank PLC. and Pubali Bank Securities Limited, a subsidiary of the Bank. He is a member of the Audit Committee of the Board of Directors of the Bank. He is also a member of Shari'ah Supervisory Committee of the Bank. A prominent lawyer and constitution expert, Dr. Shahdeen Malik has been practicing in Supreme Court of Bangladesh for long. Moreover, he was Assistant Professor of Law at the University of Dhaka, Associate Professor of BRAC University and Adjunct Professor of Asia Pacific 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 PLC. as an Independent Director in May 2021. He is the Chairman of the Audit Committee of Pubali Bank PLC. 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 extensive working experience in the Bangladesh Bank, especially 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 the Board of Directors of Karmasangsthan Bank & Sonali Bank PLC. respectively. After retirement from Bangladesh Bank, he served in the Institute of Bankers Bangladesh (IBB) as a Secretary General from 2017 to 2021 which is a professional body of Banks & Financial Institution in Bangladesh. Mr. Chowdhury attended many seminars & professional training courses at home and abroad. He obtained his B.Sc. (Hons), M.Sc. (Physics) & MBA degree from the University of Chittagong and Bangladesh Open University respectively.

Mohammad Ali
MANAGING DIRECTOR & CEO

Mr. Mohammad Ali was appointed as the Managing Director & CEO of Pubali Bank PLC. on October 11, 2022. Prior to his current role, he was Additional Managing Director of the Bank. He possesses illustrious banking career in this Bank. He pioneered the establishment of largest online banking network of the country. He has also introduced KPI based assessment of Human Resources which will eventually help the Bank to turn the human resources to Human Capital and achieving the vision and mission of the Bank. He is an Ex-Officio Director of Pubali Bank Securities Limited, a subsidiary of the Bank. He is also a Nominated Director in the Board of Directors of Uttara Finance and Investment Limited on behalf of the Bank.

Mr. Ali obtained his B.Sc. and M.Sc. degree in Computer Science and Engineering from the Bangladesh University of Engineering and Technology (BUET). He also achieved master's degree on Development Studies (MDS) majoring in Economics from the University of Dhaka with Dean's Award for attaining first position. He further achieved MBA degree majoring in Marketing from the Institute of Business Administration (IBA) of University of Dhaka.

He has attended numerous trainings, seminars and courses both at home and abroad on banking, technology and leadership conducted by different national and international banks, forum and training institutes. He is a passionate reader and has a vast experience of travelling the world both on business and personal purpose.

Code of Conduct

Members of the Board of Directors of Pubali Bank PLC. shall individually and collectively remain committed and responsible to excel the practice of corporate governance principles in Pubali Bank PLC. 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.

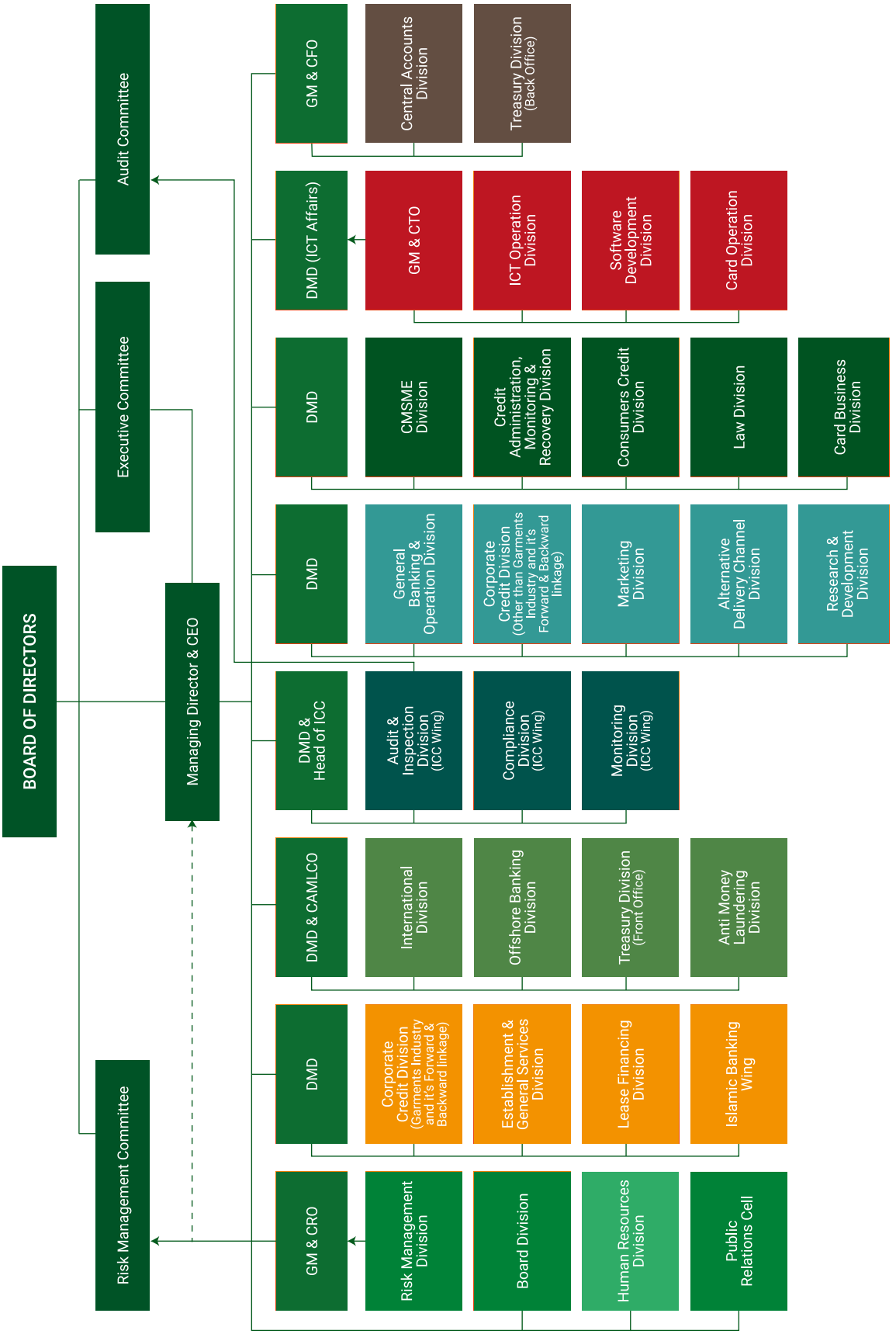
Members shall not enter into any transaction which is or may likely to have a conflict with the interest of the Bank.

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.

Corporate Organogram

Organogram for Head Office



Corporate Organogram

Organogram from Head Office To Regional Offices, Branches, Sub-Branches & IBW

Standing (L-R): Mohammad Liton Miah FCA, Md. Shaheen Khan, Javed Hasan, Dewan Jamil Masud

Sitting (L-R): Nitish Kumar Roy , Mohammad Anisuzzaman, Md. Shahnewaz Khan, Md. Esha, Mohammad Ali, Mohammad Shahadat Hossain, Ahmed Enayet Manzur, Mohammed Jamal Uddin Mazumder

Senior Management Team (SMT)

SL. NO.	NAME	DESIGNATION
	CHAIRMAN	
1	MOHAMMAD ALI	Managing Director & CEO
	MEMBERS	
2	MD. ESHA	Deputy Managing Director
3	MOHAMMAD SHAHADAT HOSSAIN	Deputy Managing Director
4	AHMED ENAYET MANZUR	Deputy Managing Director
5	MD. SHAHNEWAZ KHAN	Deputy Managing Director
6	MOHAMMAD ANISUZZAMAN	Deputy Managing Director
7	MOHAMMED JAMAL UDDIN MAZUMDER	Deputy Managing Director
8	DEWAN JAMIL MASUD	GM, Islamic Banking Wing
9	NITISH KUMAR ROY	GM & FPO, CRO & Head of RMD
10	MOHAMMAD LITON MIAH FCA	GM & Chief Financial Officer
11	JAVED HASAN	GM & Chief Technology Officer
	MEMBER SECRETARY	
12	MD. SHAHEEN KHAN	Deputy General Manager, HRD

Management Committee (MANCOM)

Standing (L-R): Mohammad Liton Miah FCA, Mohammad Abdul Mannan, Naresh Chandra Basak, Md. Helal Uddin, Javed Hasan, Mohammad Al Mamun, Mohammed Ali Amzad, Md. Malequl Islam, Md. Mahbub Alam, Md. Faizul Hoque Sharif, Nishat Maisura Rahman, Ajuba Khandaker, Kohinoor Begum, Ismat Ara Huq, Md. Shaheen Khan, Shyam Sundar Banik, Md. Faisal Ahmed, Md. Monjurul Islam Mojumder, Endra Mohan Sutradhar, A. Jalil, Md. Jahidul Islam FCMA, Dilip Kumar Paul, Md. Rabiul Alam, Md. Anisur Rahman, N.M. Firoz Kamal

Sitting (L-R): Mohammod Shahnawaz Chowdhury, Nitish Kumar Roy, Rubina Begum, Mosammat Shahida Begum, Mohammad Anisuzzaman, Md. Shahnewaz Khan, Md. Esha, Mohammad Ali, Mohammad Shahadat Hossain, Ahmed Enayet Manzur, Mohammed Jamal Uddin Mazumder, Mohammed Ahsan Ullah, Md. Shah Alam, Dewan Jamil Masud

Not in the picture: Ashim Kumar Roy, Md. Masuduzzaman

SL. NO.	NAME	DESIGNATION
	CHAIRMAN	
1	MOHAMMAD ALI	Managing Director & CEO
	MEMBERS	
2	MD. ESHA	Deputy Managing Director
3	MOHAMMAD SHAHADAT HOSSAIN	Deputy Managing Director
4	AHMED ENAYET MANZUR	Deputy Managing Director
5	MD. SHAHNEWAZ KHAN	Deputy Managing Director
6	MOHAMMAD ANISUZZAMAN	Deputy Managing Director
7	MOHAMMED JAMAL UDDIN MAZUMDER	Deputy Managing Director
8	MOHAMMOD SHAHNAWAZ CHOWDHURY	GM, Audit & Inspection Division
9	DEWAN JAMIL MASUD	GM, Islamic Banking Wing
10	MOSAMMAT SHAHIDA BEGUM	GM, Chief of Compliance & Monitoring
11	RUBINA BEGUM	GM, CMSME Division
12	NITISH KUMAR ROY	GM & FPO, CRO, Risk Management Division
13	MD. HELAL UDDIN	GM, ICT Operation Division
14	DILIP KUMAR PAUL	GM, Establishment & General Services Division
15	NARESH CHANDRA BASAK	GM, Credit Administration, Monitoring & Recovery Division
16	MOHAMMAD LITON MIAH FCA	GM & CFO, Central Accounts Division
17	MD. MONJURUL ISLAM MOJUMDER	GM, Corporate Credit Division
18	MD. FAIZUL HOQUE SHARIF	GM, General Banking & Operation Division
19	NISHAT MAISURA RAHMAN	GM, International Division
20	ASHIM KUMAR ROY	GM, Card Operation Division

SL. NO.	NAME	DESIGNATION
21	ENDRA MOHAN SUTRADHAR	GM, Software Development Division
22	MD. FAISAL AHMED	GM, CMSME Division
23	ISMAT ARA HUQ	GM, Human Resources Division
24	AJUBA KHANDAKER	GM, Software Development Division
25	JAVED HASAN	GM & CTO
26	MD. SHAH ALAM	GM & Chief Protocol Officer
27	MD. JAHIDUL ISLAM FCMA	GM, Corporate Credit Division
28	MOHAMMED AHSAN ULLAH	MD & CEO, Pubali Bank Securities Limited
29	SHYAM SUNDAR BANIK	DGM, Marketing, AML and Research & Development Division
30	A. JALIL	DGM, Compliance Division
31	MD. ANISUR RAHMAN	DGM & Company Secretary, Board Division
32	MD. MALEQUL ISLAM	DGM, Consumer Credit Division
33	MOHAMMED ALI AMZAD	DGM, Lease Financing Division
34	MOHAMMAD AL MAMUN	DGM, Offshore Banking Division
35	MOHAMMAD ABDUL MANNAN	DGM, Treasury Division
36	MD. MASUDUZZAMAN	DGM, Law Division
37	MD. MAHBUB ALAM	DGM, Monitoring Division
38	KOHINOOR BEGUM	DGM, Centeralized Trade Processing Unit (CTPC)
39	MD. RABIUL ALAM	DGM, Alternative Delivery Channel (ADC)
40	N.M. FIROZ KAMAL	DGM, Card Business Division
	MEMBER SECRETARY	
41	MD. SHAHEEN KHAN	DGM, HRD & Member Secretary

Standing (L-R): Mohammad Liton Miah FCA, Mohammad Abdul Mannan, Md. Faizul Hoque Sharif, Javed Hasan, Dewan Jamil Masud, Md. Rustum Ali

Sitting (L-R): Mohammad Anisuzzaman, Md. Shahnewaz Khan, Md. Esha, Mohammad Ali, Mohammad Shahadat Hossain, Mohammed Jamal Uddin Mazumder, Nitish Kumar Roy

Asset-Liability Management Committee (ALCO)

SL. NO.	NAME	DESIGNATION
	CHAIRMAN	
1	MOHAMMAD ALI	Managing Director & CEO
	MEMBERS	
2	MD. ESHA	Deputy Managing Director
3	MOHAMMAD SHAHADAT HOSSAIN	Deputy Managing Director
4	MD. SHAHNEWAZ KHAN	Deputy Managing Director
5	MOHAMMAD ANISUZZAMAN	Deputy Managing Director
6	MOHAMMED JAMAL UDDIN MAZUMDER	Deputy Managing Director
7	DEWAN JAMIL MASUD	GM, Islamic Banking Wing
8	NITISH KUMAR ROY	GM & FPO, CRO, Risk Management Division
9	MOHAMMAD LITON MIAH FCA	GM & CFO, Central Accounts Division
10	MD. FAIZUL HOQUE SHARIF	GM, General Banking & Operation Division
11	JAVED HASAN	GM & CTO
12	MD. RUSTUM ALI	AGM, ALM Desk
	MEMBER SECRETARY	
13	MOHAMMAD ABDUL MANNAN	DGM, Treasury Division

Executive Risk Management Committee (ERMC)

SL. NO.	NAME	DESIGNATION
	CHAIRMAN	
1	NITISH KUMAR ROY	GM & FPO, CRO, Risk Management Division
	MEMBERS	
2	MD. ESHA	Deputy Managing Director
3	MOHAMMAD SHAHADAT HOSSAIN	Deputy Managing Director
4	AHMED ENAYET MANZUR	Deputy Managing Director
5	MD. SHAHNEWAZ KHAN	Deputy Managing Director
6	MOHAMMAD ANISUZZAMAN	Deputy Managing Director
7	MOHAMMED JAMAL UDDIN MAZUMDER	Deputy Managing Director
8	MOHAMMOD SHAHNAWAZ CHOWDHURY	GM, Audit & Inspection Division
9	DEWAN JAMIL MASUD	GM, Islamic Banking Wing
10	MOSAMMAT SHAHIDA BEGUM	GM, Chief of Compliance & Monitoring
11	RUBINA BEGUM	GM, CMSME
12	MD. HELAL UDDIN	GM, ICT Operation Division
13	DILIP KUMAR PAUL	GM, Establishment & General Services Division
14	NARESH CHANDRA BASAK	GM, Credit Administration, Monitoring & Recovery Division
15	MOHAMMAD LITON MIAH FCA	GM & CFO, Central Accounts Division
16	MD. MONJURUL ISLAM MOJUMDER	GM, Corporate Credit Division
17	MD. FAIZUL HOQUE SHARIF	GM, General Banking & Operation Division
18	NISHAT MAISURA RAHMAN	GM, International Division
19	ASHIM KUMAR ROY	GM, Card Operation Division
20	ENDRA MOHAN SUTRADHAR	GM, Software Development Division
21	MD. FAISAL AHMED	GM, CMSME Division
22	ISMAT ARA HUQ	GM, Human Resources Division
23	AJUBA KHANDAKER	GM, Software Development Division
24	JAVED HASAN	GM & Chief Technology Officer (CTO)
25	MD. JAHIDUL ISLAM FCMA	GM, Corporate Credit Division
26	SHYAM SUNDAR BANIK	DGM, Marketing Division, AML Division and Research & Development Division
27	A. JALIL	DGM, Compliance Division
28	MD. ANISUR RAHMAN	DGM & Company Secretary, Board Division
29	MD. MALEQUL ISLAM	DGM, Consumers Credit Division
30	MOHAMMED ALI AMZAD	DGM, Lease Financing Division
31	MOHAMMAD AL MAMUN	DGM, Offshore Banking Division
32	MOHAMMAD ABDUL MANNAN	DGM, Treasury Division
33	MD. MASUDUZZAMAN	DGM, Law Division
34	MD. MAHBUB ALAM	DGM, Monitoring Division
35	KOHINOOR BEGUM	DGM, CTPC
36	MD. RABIUL ALAM	DGM, ADC
37	N.M. FIROZ KAMAL	DGM, Card Business Division
38	MOHAMMAD JASIM UDDIN	AGM, Risk Management Division
	MEMBER SECRETARY	
39	MD. MOJAMMEL HOQUE FCCA	DGM, Risk Management Division

Sustainable Finance Committee

SL. NO.	NAME	DESIGNATION
	CHAIRMAN	
1	MOHAMMAD ANISUZZAMAN	Deputy Managing Director
	MEMBERS	
2	NITISH KUMAR ROY	GM & FPO, CRO, Risk Management Division
3	MOHAMMAD LITON MIAH FCA	GM & CFO, Central Accounts Division
4	DILIP KUMAR PAUL	GM, Establishment & General Services Division
5	MD. HELAL UDDIN	GM, ICT Operation Division
6	NARESH CHANDRA BASAK	GM, Credit Administration, Monitoring & Recovery Division
7	MD. MONJURUL ISLAM MOJUMDER	GM, Corporate Credit Division
8	MD.FAISAL AHMED	GM, CMSME Division
9	ISMAT ARA HUQ	GM, Human Resources Division
10	NISHAT MAISURA RAHMAN	GM, International Division
11	ASHIM KUMAR ROY	GM, Card Operation Division
12	MD. FAIZUL HOQUE SHARIF	GM, General Banking & Operation Division
13	JAVED HASAN	GM & CTO
14	SHYAM SUNDAR BANIK	DGM, Marketing Division, AML Division and Research & Development Division
15	A. JALIL	DGM, Compliance Division
16	MD. MALEQUL ISLAM	DGM, Consumers Credit Division
	MEMBER SECRETARY	
17	CHOWDHURY ABDUL WAHEED	DGM, CMSME Division

Central Ethical Committee

SL. NO.	NAME	DESIGNATION
	CHAIRMAN	
1	AHMED ENAYET MANZUR	Deputy Managing Director
	MEMBERS	
2	MOHAMMAD ANISUZZAMAN	Deputy Managing Director
3	DEWAN JAMIL MASUD	GM, Islamic Banking Wing
4	NITISH KUMAR ROY	GM & CRO, FPO, Risk Management Division
5	MOHAMMAD LITON MIAH FCA	GM & Chief Financial Officer
6	JAVED HASAN	GM & CTO
7	ISMAT ARA HUQ	GM, HRD, Gendar Focal Point Officer
8	NISHAT MAISURA RAHMAN	GM, ID, Associate Gendar Focal Point Officer
	MEMBER SECRETARY	
9	A. JALIL	DGM & Head of Compliance Division, Alternative FPO

Central Compliance Committee (CCC)

SL. NO.	NAME	DESIGNATION
	CHAIRMAN	
1	MOHAMMAD SHAHADAT HOSSAIN	Deputy Managing Director
	MEMBERS	
2	MOHAMMAD ESHA	Deputy Managing Director
3	MD. SHAHNEWAZ KHAN	Deputy Managing Director
4	MOHAMMAD ANISUZZAMAN	Deputy Managing Director
5	DEWAN JAMIL MASUD	GM, Islamic Banking Wing
6	NITISH KUMAR ROY	GM & FPO, CRO, Risk Management Division
7	JAVED HASAN	GM & CTO
8	ISMAT ARA HUQ	GM, Human Resources Division
9	MD. FAIZUL HOQUE SHARIF	GM, General Banking & Operation Division
10	NISHAT MAISURA RAHMAN	GM, International Division
11	MD. MONJURUL ISLAM MOJUMDER	GM, Corporate Credit Division
12	MD.FAISAL AHMED	GM, CMSME Division
13	MOHAMMAD ABDUL MANNAN	DGM, Treasury Division
	MEMBER SECRETARY	
14	SHYAM SUNDAR BANIK	DGM, Marketing Division, AML Division and Research & Development Division

Executives

MANAGING DIRECTOR & CEO

MOHAMMAD ALI

DEPUTY MANAGING DIRECTORS

MD. ESHA
MOHAMMAD SHAHADAT HOSSAIN
AHMED ENAYET MANZUR
MD. SHAHNEWAZ KHAN
MOHAMMAD ANISUZZAMAN
MOHAMMED JAMAL UDDIN MAZUMDER

GENERAL MANAGERS

MOHAMMOD SHAHNAWAZ CHOWDHURY
DEWAN JAMIL MASUD
MOSAMMAT SHAHIDA BEGUM
RUBINA BEGUM
NITISH KUMAR ROY
MD. HELAL UDDIN
DILIP KUMAR PAUL
SULTANA SARIFUN NAHAR
NARESH CHANDRA BASAK
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
MD. JAHIDUL ISLAM FCMA

GENERAL MANAGER & CFO

MOHAMMAD LITON MIAH FCA

GENERAL MANAGER & CTO

JAVED HASAN

DGM & COMPANY SECRETARY

MD. ANISUR RAHMAN

DEPUTY GENERAL MANAGERS

SHYAM SUNDAR BANIK
A. JALIL
MOHAMMED MASHIUR RAHMAN KHAN
MAHBUB AHMED
HARI BHUSHON DEB
MD. MOHIUDDIN AHMED
A.K.M. MUZAMMEL HOQUE
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
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
MST. MASUMA KHATUN
MD. ABUL HASAN
K. M. ISHTIAQ HAMID
MD. SAZIDUR RAHMAN
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
MD. MAINUL ISLAM
MOHAMMAD MANIRUL ISLAM
MOHAMMAD HARUN-UR- RASHID
MD. RAFIQUL ISLAM
MD. RABIUL ALAM
N.M. FIROZ KAMAL
MUHAMMAD TARIQUL ISLAM
MD. ANISUZZAMAN
ALAMGIR ZAHAN
MD. AHOSHAN HABIB
A.S.M. RAYHAN SHAMEEM
SAMBARU CHANDRA MOHANTA
MUHAMMED MOSHAHIDULLAH
MD. MOSHFIQUR RAHMAN
MD. RUHUL AMIN
NIGER SULTANA
MD. SHAHED ALI
MOHAMMAD ALI MIA
MD. ASHRAFUL ALAM FCA, FCMA
MD. MOJAMMEL HOQUE FCCA
SHAH MD. JUBAER FCA, CAMS

ASSISTANT GENERAL MANAGERS

JIBON KUMAR ROY
MOHAMMAD SHAHJAHAN
MD.SHAMSUL HAQUE
MD. BELLAL HOSSAIN SALIM
PRODYUT KUMAR ROY

ASSISTANT GENERAL MANAGERS

ABDULLAH AL AMIN
MD. RAFIQUL ISLAM
MD. ABU NASAR
MD. AMINUL ISLAM
S. M. LIAQUAT HOSSAIN
FATEMA SHAELA HOSSAIN
CHOWDHURY ISHFAQUR RAHMAN QURASHI
KANIZ FATIMA
MOHAMMAD TOFAZZAL HOSSAIN
FAHMIDA AKTER
MONIRUL ISLAM
MOHAMMAD SAIFUL ISLAM
MOHAMMAD SHAHIDUL ISLAM
MD. NAZRUL ISLAM
MD. SHAHEEN MOMTAZ
MD. SHAHIDUL ISLAM
BIPLOB CHANDRA SAHA
ANJAN DAS
MD. KHURSHED ALAM KHAN
MOHAMMED ABDUL KHALEQUE
SHANKAR CHANDRA HALDER
SARDAR MD. HARUNUR RASHID
MOHAMMAD ARIF RABBANI
MOHAMMAD JASIM UDDIN
FARHANA HOQUE
MOHAMMED WAIDUL ISLAM
SAIKA FARAH
S. M. S. AZGAR
MD. SHAHIDUL ALAM BISWAS
MD. DELWAR HOSSAIN
MOHAMMED MAHBUB ALAM
ABDUR ROUF SIDDIQUEE
UTTAM KARMAKER
SALMA SHAFI
UTTAM KUMAR SAHA
MOHAMMED ISHAQUE
SABINA YEASMIN
MD. AMINUL ISLAM
MOSSA. REHANA AKTHER
MOHAMMAD MIZANNUR RAHMAN
MD. BELAL HOSSAIN
MUHAMMAD MAHMUDUR 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
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
MD. SALAHUDDIN
MOHAMMAD IBRAHIM CHOWDHURY
PARITOSH KUMAR BISWAS
KAZI SHEHABUL ISLAM
MUHAMMAD MUZAHIDUL ISLAM
SUVASHISH DAS
S.M. MOONZUR MORSHED
MD. ANWAR HUSSAIN
MD. YUSUF ALI CHOWDHURY
S. M. LUTFUL KABIR
MD. MAHBUB HASAN
MOHAMMAD KAMRUZZAMAN KHAN
MIR MASUDUR RAHMAN
KHALEDA BEGUM
S. 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
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
MST. KAMRUNNAHER
MOHAMMAD ZAHIDUL ISLAM KHAN
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
MD. MOSABBIR HOSSAIN TALUKDER
NAZIM AHMED
MD. ASHADULLA KHAN
SABREEN AHMED
MOHAMMAD MOMINUL ISLAM
MOHAMMED MAZHARUL ISLAM
AVIJIT BHATTACHARJEE
MONOMOHON ROY
MD. GOLAM MORSHED
MD. MAHBUBAR RAHMAN CHY.
MIRZA RAQIBUL HASAN
MOHAMMAD ABDUL BAREK
SHARMIN HOSSAIN
MOHAMMAD MIZANUR RAHMAN

ASSISTANT GENERAL MANAGERS

MUHAMMAD AHTESHAMUL HOQUE BHUIA
NAZMUL HASAN CHOWDHURY
MD. AHASANUL KABIR
MD. TAUHIDUL BAHAR
MUHAMMAD ASHRAFUL ISLAM
MUSTAK MAHMUD KHAN
MD. NAHID BABU
NAYAN KANTI SHEAL
MD. ALAMGIR KABIR
MD. ARIF MAHMUD
ISRAFIL HOSSAIN CHOWDHURY
UZZAL KUMAR SAHA
MD. KHUSDAR ALI
SK. MD. MARUF HASSAN
MOHAMMAD TAREQ AHAMMED
MD. SHAMIMUL ALAM KHAN
MD. FARIDUL ISLAM
MOST. MAKSUDA BEGUM
MOHAMMAD FOSIH UDDIN MAHTAB
MOHAMMAD MOZAMMEL HOSSAIN
MD MAHMUDUN NABI
ZAKIYA SULTANA
MD. RUSTUM ALI
MIJANUR RAHMAN
MD. NASIR UDDIN
A.K.M. RAKIBUL ALAM MONDAL
SWAPNA DAS CHOUWDHURY
MD. ANWAR HOSSAIN
K. M. RASEL
MD. MASUDUL HASSAN BHUIYA
MOHAMMAD ANWAR HOSSAIN
MD. SHAKIL MAHMUD KHAN
TAHMINA MAYNA
MST. TOHURA KHATUN
BADRUL ISLAM
MD. MOMINUL ISLAM
SUBIR DAS GUPTA
MOHAMMAD YOUSUF SOHEL
WAYES MASUM CHOWDHURY
MOHAMMAD GOLAM RABBENY
MD. SHAFIQUL ISLAM
MOHAMMAD SHAH ALAM
BABUL CHANDRA DASH
MD. MANZURUL HASSAN
ALAMGIR HOSSAIN

Messages & Report from Leaders

Chairman's Message

MONZURUR RAHMAN
Chairman, Board of Directors

Consolidated Operating Profit BDT **1566.50** crore	**Total Deposit** BDT **60629.64** crore
Return on Equity (RoE) **14.53%**	**2** out of **14** Directors are Women

> “Corporate social responsibility is a self-regulating business model by which companies make a concerted effort to operate in ways that develop rather than degrade society and the environment at the same time. We believe it can help improve various aspects of society as well as promote a positive brand image for companies. So Corporate social responsibility has become an integral part of our bank”

Our Distinguished Shareholders,

It is my great pleasure to welcome you to the 41st Annual General Meeting of Pubali Bank PLC. The bank has stepped into 65th year of its service. It is now well known in the banking sector of the country that Pubali Bank PLC. is one of those few financial institutions within the national arena which have proven resilience time and again by overcoming various economic and financial crises. It is now one of the top performing banks in the country. 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. I have great pleasure in placing the Annual Report of the bank for the year ended 31 December, 2023 along with the Audited Financial Statements for your review, comments and perusal.

Before I go on to let you know about the business performance of the bank I would like to discuss on the global and national economic scenario of the year 2023. The global economic growth in 2023 was predicted to remain highly uncertain due to the impact of the COVID-19 pandemic over the past three years and the growing adverse effects of the Russia-Ukraine war. The slowdown of global economic activity was observed due to spikes in commodity prices and supply chain disruption caused by the negative effects of the war. The year 2023 experienced a record breaking high inflation rate all over the world including developed countries like United States and some emerging and developing economies. According to the United Nation Publication,

"World Economic Situation and prospect 2023" the global economy grew only by 3.00% in 2023 which was 0.5% less than the previous year. On the other hand, whereas Bangladesh economy had been growing consistently high over a decade or so crossing 7.0 percent milestone in FY 2015-16 and 8.0 percent milestone in FY 2018-19, its progress had been seriously impeded due to the unprecedented COVID-19 pandemic and Russia-Ukraine war. It is on this backdrop of national and international economic situation that the bank operated and achieved success. I am happy to report that Pubali Bank PLC. continues to be one of the top performing banks due to cautious and insightful decision making and dedication of the Management and all employees. The bank made record breaking achievements in various indicators and the following is the summary position as on 31st December, 2023:

The bank generated a consolidated operating profit of BDT 1566.50 crore in 2023 which was BDT 1180.62 crore in 2022 that means the bank registered an upward growth in profit of 32.68% while profit after tax reached to BDT 694.98 crore which was BDT 564.80 crore in 2022. Its deposit reached to BDT 60,629.64 crore which is 18.68% higher than that of previous year and Capital adequacy rate is 13.87% while credit-deposit ratio (CDR) of the bank calculated at 86.85%.

Our total assets increased by BDT 10,211.08 crore and loans and advances increased to BDT 55,495.55 crore from BDT 46,188.41 crore in the year 2023 with a positive growth of 20.95% and Return on Asset (RoA) and Return on Equity (RoE) are respectively 0.89% and 14.53% in the year 2023. Through strict evaluation and careful monitoring of lending portfolio the bank successfully managed to keep its NPL ratio around 2.86% while the CD ratio of the bank increased to 86.85% which was 84.79% in the preceding year. The bank's efficiency in cost management had also been reflected in decrease of cost to income ratio to 49.75% from 55.00%.

Pubali Bank PLC. 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 29,544.64 crore, BDT 19,674.71 crore and BDT 12,300 crore. Taking into account the shareholder expectations and the dividend policy of the bank, a total dividend of 12.50 % cash and 12.50% stock has been recommended for the year 2023 subject to approval of our shareholders at the 41st Annual General Meeting of the bank.

Corporate social responsibility is a self-regulating business model by which companies make a concerted effort to operate in ways that develop rather than degrade society and the environment at the same time. We believe it can help improve various aspects of society as well as promote a positive brand image for companies. So Corporate social responsibility has become an integral part of our bank. We are well aware about the challenges and hazard faced by environment in the present world. Our aim is to impact the society positively by making effective and meaningful contributions in various sectors. Our objective of the bank's CSR policy is to bring about an overall positive impact with our contributions to improvement of living standards of the society specially the underprivileged. Like every year, the bank implemented its Corporate Social Responsibility (CSR) program throughout the year 2023. During the year the bank has made an active contribution towards various causes including health care, education, art and cultures, sports, and environment.

Corporate Governance is a concept referring to practices and procedures for ensuring that a company runs in a manner to meet its objectives and at the same time earn the confidence of its stakeholders. It is all about effective, transparent and accountable administrations of affairs of an institution to protect the interests of the stakeholders including shareholders, creditors, regulators and the public in general. We are of the view that any financial institution, besides managerial capacity and insight, rests on good governance. So we continuously review and update our policies regarding corporate governance. We made significant progress in reinforcing our Anti-Money Laundering and Combating the 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 as per the guideline of Bangladesh Bank and other regulatory bodies. We take measures to ensure independent and unbiased decision-making processes and controls to ensure the interests of the bank's shareholders, employees, suppliers, customers and above all the community in where we operate our business.

In closing, I would like to take this opportunity to thank all of our stakeholders, customers and business partners whose support and co-operation has eased our way to success. I also express my thanks and admiration to the Management Team and employees for their dedication and hard work

because it is they who made it possible to take the bank through turbulent times and produce excellent results. I would give special thanks to Mr. Mohammad Ali, the Managing Director & CEO of the bank along with his spirited team. My gratitude and thanks go to the concerned regulatory bodies including Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange PLC. (DSE), Chittagong Stock Exchange PLC. (CSE) for their timely recommendations and intervention through various policy guidelines. I hope Pubali Bank PLC. will continue to perform more efficiently and reach to greater heights by providing the best services to our valued customers.

With best regards,

Monzurur Rahman
Chairman

Managing Director & CEO's Message

MOHAMMAD ALI
Managing Director & CEO

> “Pubali Bank believes that technology is an enabler of business, both for us and our clients. Consequently, strengthening ICT and digitization was an integral part of our strategic initiatives taken in 2023. To strengthen ICT and upgrade digitization we formed “4IR Implementation Committee” consisting of the senior management. We also established a Security Operation Center (SOC) analyze and identify the most probable security threats automatically. Several globally recognized ICT security certifications attainment projects such as ISO-27001, PCI DSS and SWIFT CSP were initiated in 2023 to strengthen the ICT governance and mitigate ICT risks ”

Dear Shareholders,

It is with immense pleasure that I welcome all of you to the 41st Annual General Meeting of Pubali Bank PLC. Our bank is one of the oldest banks in the country and it has stepped into its 65th year of service and rich legacy this year. At this August moment of the bank, I am happy to report that 2023 was our best ever year both in terms of financial and non-financial success. The amount of consolidated operating profit in 2023 has excelled all figures of the bank in its history. I believe this tremendous success of ours is the outcome of co-operative efforts from our wise and experienced Board of Directors, Management Team, employees and other stakeholders. Here I am presenting before you the Annual Report of the bank for the year ended 31st December, 2023 along with the Audited Financial Statements for your review, comments and perusal.

Before discussing on the performance of the bank, I would like to mention some of the key prudently taken strategies of 2023 that helped to achieve our goals. Besides establishing new division, we bifurcated and merged some divisions based on their functional requirements and customer segmentation for smooth operations of those divisions. We recruited a good number of mid-level executives and officials in different divisions to bring fresh perspectives and diverse skills to the existing team. We also introduced and implemented a comprehensive appraisal process based on the Key Performance Indicators (KPI) for promotion and posting which, we believe, will work as inspiration and drive for the employees of the bank. Besides introducing Islamic banking services from all of our conventional branches through online, we opened 5 new branches, 2 new IBWs, and 64 new sub-branches in the year 2023. During the year 2023, 13 new products and services were introduced to meet up the demand of our clients. Moreover, we emphasized on our Product Marketing, Onboarding New Export Customers and Strengthening ICT and Digitization of the bank.

Despite the challenging economic conditions posed by the rising inflation and tight market liquidity, both in local and foreign currency, the bank generated a consolidated operating profit of BDT 1566.50 crore in 2023 which was BDT 1180.62 crore in 2022 that means the bank registered an upward growth in profit of 32.68% while profit after tax reached to BDT 694.98 crore which was BDT 564.80 crore in 2022. Its deposit reached to BDT 60,629.64 crore which is 18.68% higher than that of previous year and Capital adequacy rate is 13.87% while credit-deposit ratio (CDR) of the bank calculated at 86.85%.

Our total assets increased by BDT 10,211.08 crore and loans and advances increased to BDT 55,495.55 crore from BDT 46,188.41 crore in the year 2023 with a positive growth of 20.95% and Return on Asset

(RoA) and Return on Equity (RoE) are respectively 0.89% and 14.53% in the year 2023. Through strict evaluation and careful monitoring of lending portfolio the bank successfully managed to keep its NPL ratio around 2.86% while the CD ratio of the bank increased to 86.85% which was 84.79% in the preceding year. The bank's efficiency in cost management had also been reflected in decrease of cost to income ratio to 49.75% from 55.00%.

Pubali Bank PLC. 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 29,544.64 crore, BDT 19,674.71 crore and BDT 12,300 crore. Taking into account the shareholder expectations and the dividend policy of the bank, a total dividend of 12.50 % cash and 12.50% stock has been recommended for the year 2023 subject to approval of our shareholders at the 41st Annual General Meeting of the bank.

All the success we managed to record in the last financial year was possible due to the synergy between our highly experienced Board of Directors, skilled and optimistic Management Team and all the spirited members of Pubali Family. Our highly talented team is committed to sustained innovative initiatives for continued value creation for our customers. Providing the best quality services is the hallmark of Pubali Bank PLC. Pubali Bank believes that technology is an enabler of business, both for us and our clients. Consequently, strengthening ICT and digitization was an integral part of our strategic initiatives taken in 2023. To strengthen ICT and upgrade digitization we formed "4IR Implementation Committee" consisting of the senior management. We also established a Security Operation Center (SOC) analyze and identify the most probable security threats automatically. Several globally recognized ICT security certifications attainment projects such as ISO-27001, PCI DSS and SWIFT CSP were initiated in 2023 to strengthen the ICT governance and mitigate ICT risks. Moreover, conversion of conventional branch to Islamic branch as well as Islamic branch operation are now supported in CBS.

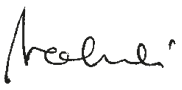
We are aware that to thrive in the contemporary banking landscape, we need to connect with our customers efficiently and effectively, offering them a winning digital banking proposition. We have built our systems to enable straight through Processing for faster and more efficient operations. In order to provide seamless online experience our bank is offering diverse digital banking services to 10,449 users, 4,90,342 debit card customers and providing 71,201 mobile app services. we are also focused on keeping our branch network and online banking system into state of art condition. With our continuous effort and initiatives, Pubali Bank PLC. has grown to become the largest commercial private bank in terms of branch network and online banking.

I would like to take this opportunity to express gratitude to our honorable Chairman and the members of the Board of Directors for their wise counsel and generous support which was very valuable for the us to achieve our goals set at the beginning of a year unsettled by global and national financial crisis. Their visionary insight and far-sighted guidance enabled us to guide the bank through these unpredictable and difficult times.

I also would like to convey my appreciation to the team of Pubali Bank PLC. for their commitment and dedication to ensure that the Bank delivered a strong performance despite various setbacks. Their passion, dedication and commitment to the collective goals of the bank have been unwavering and I would like to thank all the members of our staff for upholding our commitment to our customers and helping the Bank to achieve the targeted goals. I also wish to place on record my sincere appreciation for the trust and support placed in the Management team by the shareholders during the years.

In conclusion, I extend thanks to each and every one once again who supported in our journey from their respective positions. My sincere thanks goes to our valued shareholders, customers and investors for their continued support and confidence in us. I would like to convey my gratitude and acknowledgment to the regulatory bodies of the country including Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange PLC. (DSE), Chittagong Stock Exchange PLC. (CSE) for their continuous support with timely recommendations and intervention through various policy guidelines.

With best regards,



Mohammad Ali
Managing Director & CEO

পুবালী ব্যাংক পিএলসি.
PUBALI BANK PLC.
Studying abroad can be a life-changing decision, however, this doesn't come easy. Now guardians have the option to make arrangement for funding the education expenses.
Our new Pre-Foreign Education loan will help the guardians to fulfill their dream of an international education for their children.
BUILD YOUR FUTURE WITH
PRE- FOREIGN EDUCATION LOAN
Eligibility:
Applicant & Depositor have a personal savings and/or Current deposit acount
Clean CIB report
Minimum 7% Margin of entire limit
Loan limit:
Maximum Tk. 60.00 Lac (Including Margin)
Lower Interest rate
Tenure:
Maximum 180 days

Corporate Governance

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of Pubali Bank PLC. takes this opportunity to welcome you all to the 41st Annual General Meeting (AGM) of Pubali Bank PLC. 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 2023 for your valued consideration, approval and adoption. A brief overview of the key performances of the Bangladesh and Global economy during 2023 and outlook for 2023 are provided in this report.

Bangladesh Economy

The Russia-Ukraine war that began in 2022, severely agonized the developing countries economy and consequently Bangladesh economy had experienced a massive oscillation because of this war throughout the year. The falling Dollar reserves and runaway inflation headlined Bangladesh's economy throughout 2023.It was the year that saw completion of various landmark infrastructure projects that were taken years ago. Mega projects like Dhaka Elevated Expressway, Metro rail, Bangabandhu Tunnel, a new terminal at Dhaka airport and railway station in Cox's Bazar marked a major leap for the transport sector and promised an upward trajectory for social standards.

Major Macro-Economic Indicators

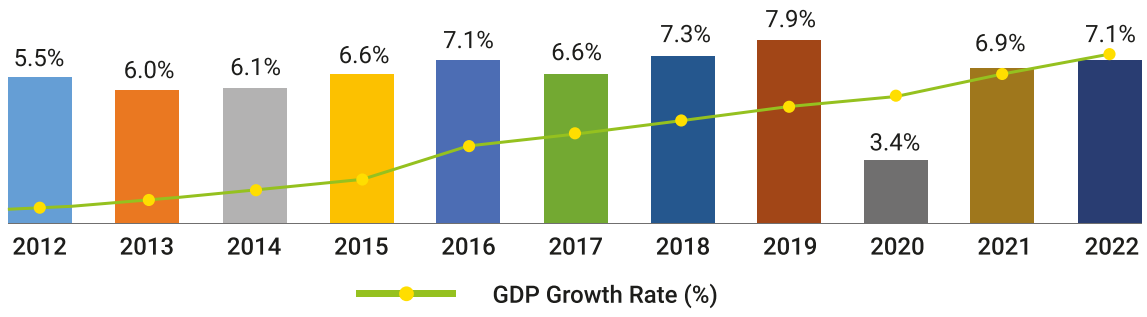
- The budget size was $67 billion in FY'23 which was 12% higher than the last fiscal year. The budget deficit widened to $24 billion which was 4% more than the previous years.
- The monthly average inflation was 9.02% as of June 2023 and increased to 9.48% in December 2023. In October 2023, there were significant increases in both food and non-food inflation rates at 12.56% and 8.3% respectively and finally the overall inflation stood at 9.93% (point to point basis). The consistent rise of inflation rates has substantially increased the cost of living, resulting in a reduction of consumer purchasing power.
- Bangladesh achieved a significant milestone in Labor Migration surpassing the 1 million in labor exports which is almost 15% higher than the previous year. The reason behind this tremendous achievement is nothing but the increase in the quota for the recruitment of Bangladeshi workers in Saudi Arabia and also the re-opening of Labor Market in Malaysia.
- The DSEX, the key index of the Dhaka Stock Exchange (DSE) was ended at 6,246.49 points on the last trading day of 2023, which was 6,206.81 points on the first trading day of the outgoing year.

Pen Picture of Bangladesh Macro Economy in FY'23

- The average general inflation in FY'23 was 9.02%
- Gross foreign exchange reserves up to Dec'23 was $26.8 billion
- Weighted average call money rate in Dec'23 was 9.16
- Government's domestic(P) & external(P) borrowing was 59% & 41% respectively in FY'23
- Remittances up to Nov'23 is $1.93 billion
- Cut-off yield for T-bonds as of Dec'23 was 11.20%

Major Micro Economic Indicators

- The Bangladesh economy has been boosting at a double-digit nominal growth despite struggling with various domestic and global challenges. According to the provisional data of Bangladesh Bureau of Statistics (BBS), the current size of the GDP was $405 billion in FY'23 and the real GDP growth stood at 6.03%.



- As per BBS, the export size in the FY'23 was $57.3 billion which jumped by 8.3% due to the steady demand for ready-made garments. The Gross RMG exports volume increased by $42.80 billion in FY'23 as it was $33.57 billion in FY'22.

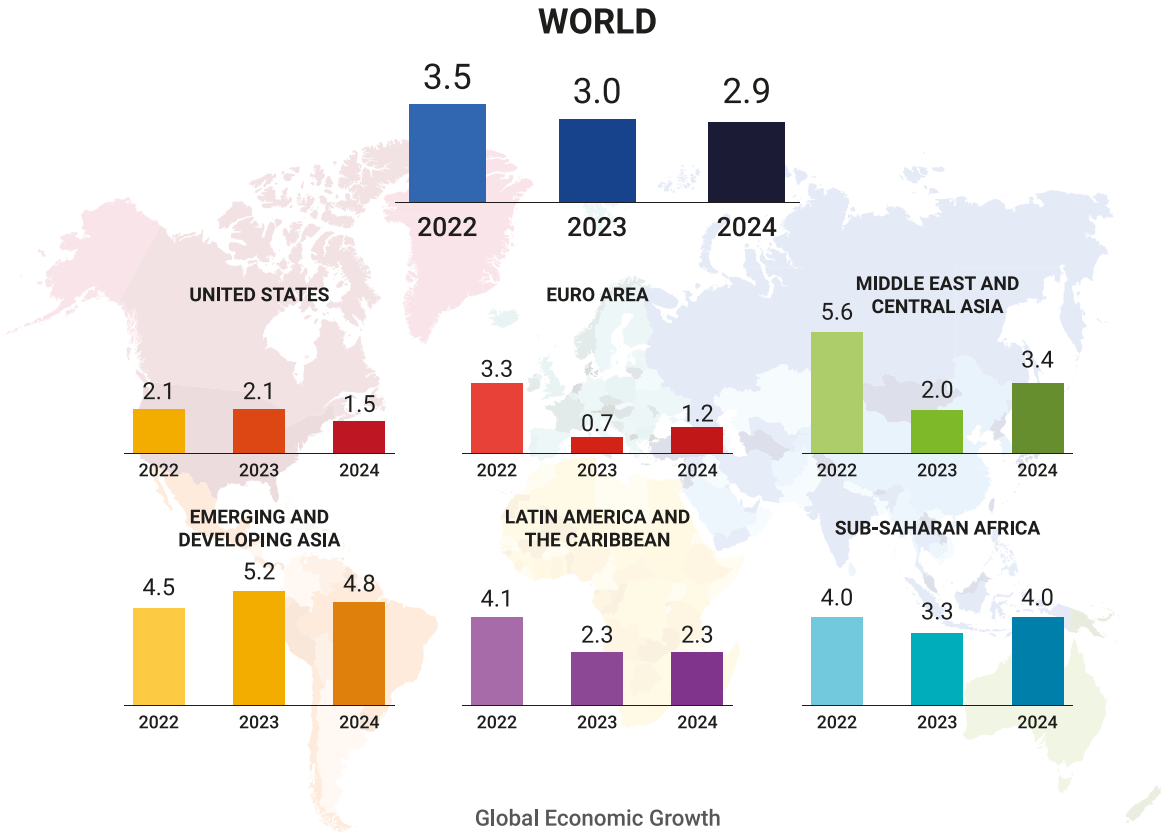
- On 18th January, 2023 Bangladesh Bank announced to initiate the Cashless Society. On 20th March NPSB introduced Bangla QR Code by combining 10 Banks and 3 Mobile operators and declared entire Motijheel as cashless zone.
- Bangladesh Bank withdrew the "Single Digit" interest rate of 6%-9% and replaced it with a market driven reference rate to be regulated by the average treasury bills rate.
- The implementation of the Annual Development Plan's budget was exceedingly slow while revenue collection failed to meet expectations.
- Due to Dollar shortage, Bangladesh Bank was compelled to impose some strict policy in opening Latter of Credit. Moreover, Bangladesh Bank granted permission to introduce the National Debit Card and opening LC in taka in order to mitigate the ongoing Dollar Crisis.
- Import prices rose as the value of taka plummeted against the dollar. The fuel prices jumped as subsidies were cut.

Global Economy

Global economy had confronted several headwinds due to the Russia-Ukraine war, inflation in many economics, interest rate increase in many regions and the after effects of the Covid-19 pandemic. A rise in the global commodity price and sluggish economic activities caused by the ongoing war severely disrupted the global supply chain. Though, earlier, the economists had given a positive forecasting about the global economy, however, the reality were quite different than the forecasting and hence, the economist were compelled to revise the global economic growth prospect and inflation. As per the, United Nation Publication, "World Economic Situation and prospect 2023" the global economy grew by 3.00% in 2023 which was 0.5% less than the previous year.

Global Economic Growth

The global economy was assumed to be sluggish substantially in 2023 from 3.5% to 3.0% amid continued monetary policy tightening to rein in high inflation. Global financial conditions were tightened as a result of policy rate hikes and recent bouts of financial instability. It had weighed particularly on Emerging Market and Developing Economies (EMDEs) with greater vulnerabilities. In EMDEs, aggregate growth was projected to brink up to 4% in 2023, almost entirely due to a rebound in China. Excluding China, growth in EMDEs was set to slow substantially to 2.9% in that year.



Global Economic Growth

Global Inflation

In 2023, global inflation was dropped slightly but still put pressure due to the Ukraine-Russia war and geopolitical tensions. Consumer prices rose across many countries, with global inflation averaging around 6.9%. The conflict's impact on energy markets and supply chains led to increased costs, contributing to inflationary pressures. Central Banks responded by implementing appropriate monetary policies, aiming to balance economic stability while managing inflationary risks.

COUNTRY	RATE (%)
Zimbabwe	284.94%
Venezuela	210.00%
Sudan	154.91%
Turkey	73.13%
Argentina	72.37%
Sri Lanka	48.19%
Suriname	47.56%
Yemen	43.85%
Iran	39.99%
Ethiopia	33.64%

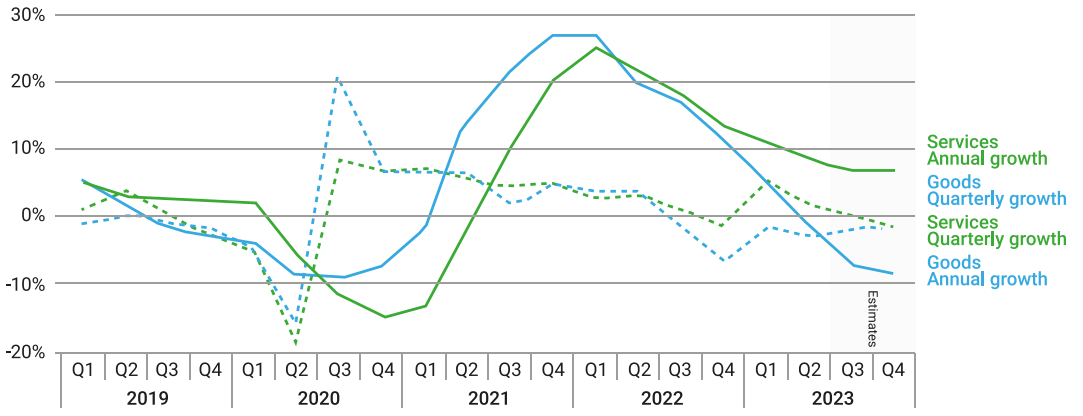
Source: www.imf.org

Global Unemployment

The unemployment rate of the member countries of Organization for Economic Cooperation and Development (OECD) was broadly stable at 4.9% in October 2023, having remained below 5.0% since July 2022. The number of unemployed persons in the OECD increased to 33.4 million in October, its highest level in 2023. In Austria, Lithuania, and Greece, bringing the Greek unemployment rate below 10% for the first time since August 2009. Spain's double-digit unemployment rate remained the highest in the euro area in October. Outside Europe, unemployment rates were stable or rose slightly in Australia, Canada, and the United States. More recent data show that in November the unemployment rate rose further to 5.8% in Canada and decreased in the United States to 3.7% from 3.9% in October.

Global Trade

It has experienced negative growth since mid-2022, primarily driven by a substantial decline in goods trade, which continued to contract in the first three quarters of 2023. In contrast, trade in services has displayed more resilience and its growth remained positive throughout the same period. Overall, the Global Trade Update projected that global trade in 2023 could be dropped to less than US$ 31 trillion, representing a contraction of about US$ 1.5 trillion or 4.5% compared to the 2022 record high. Specifically, trade in goods was expected to contract by nearly US$ 2 trillion or 7.5% in 2023 while services trade should gain about US$ 500 billion or 7%.



An Overview of the bank

Pubali Bank PLC., 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 PLC. and Chittagong Stock Exchange PLC. 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 2023, earned an after tax profit of BD 680.85 crore which was after tax profit of BDT 532.18 crore in 2022. The deposit of the Bank grew by 18.68% to BDT 60,629.64 crore and loans and advances by 20.05% to BDT 55,449.50 crore compared to those of 2022.

Our product-basket encompasses Real Time Online Branch Banking, Pi banking, Islamic Banking, Visa Credit Card, Master Card, ATMs, POS Terminal, QR Code, Locker Service, Internet Banking, Off-Shore Banking, Corporate Banking, SMS Banking, Deposit Products i.e. 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), Monthly Savings Scheme, Fixed Deposit, Short & Long Term Finance, Construction business finances, Consumer Loan, Special SME Loans, Special Agri Credit Program, Lease Financing, Trade Finance, Syndicate Loan, 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 a subsidiary company named "Pubali Bank Securities Ltd".

Corporate Governance

Pubali Bank 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 for the society as a whole through the establishment of an efficient and effective Corporate Governance regime.

In line with the same, Pubali Bank PLC. has complied with the conditions as stipulated in the Corporate Governance Code issued on 03 June 2018 by BSEC (Amended in 2023). 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 circumstance, the following four (4) honorable Directors will retire in the 41st 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. Habibur Rahman
3	Mr. Fahim Ahmed Faruk Chowdhury
4	Mr. Musa Ahmed

Meeting of the Board of Directors

During the year 2023, total 50 nos. of Board of Directors meeting, 09 nos. of Audit Committee meeting and 04 nos. of Risk Management Committee meeting were held. Dates for Board and other Meetings are decided in advance and notice of each 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 and other Meetings during 2023 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 Oct 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 Oct 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.

Independent Director

As per the Bank Company Act, 1991 (amended upto 2023) 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 PLC. appointed 2 (two) independent directors - Dr. Shahdeen Malik and Mr. Mohammad Naushad Ali Chowdhury. Among them, Mr. Mohammad Naushad Ali Chowdhury is recommended by the Board for 2nd term appointment 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.

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	23,767.04	22,998.15
Minority interest in subsidiaries		
Regulatory Adjustments		
Reciprocal crossholding & Intangible Assets	(390.16)	(207.09)
Deferred Tax Assets (DTA) on Loan Loss Provision	(4726.41)	(4726.41)
2) Additional Tier-1 Capital (AT-1)	5,000	5,000
3) Total Tier-1 Capital (1+2)	44,216.41	43,630.59
Tier-2 Capital		
General provision (unclassified loans + off balance sheet)	11,101.20	11,101.20
Subordinated debt	10,700.00	10,700.00
All other preference shares		
Regulatory Adjustments		
4) Total Tier-2 Capital	21,801.21	21,801.21
Total eligible capital (3+4)	66,017.62	65431.80

Capital to Risk Weighted Assets Ratio (CRAR)

Pubali Bank PLC. maintained capital adequacy ratio of 13.87% of the risk-weighted assets as on December 31, 2023 as against the minimum capital requirement of 12.50% (including CCB 2.5%) as set by Bangladesh Bank under Basel-III reporting through BRPD Circular No.18 dated December 21, 2014 of Bangladesh Bank.

Capital Market Scenario

The capital market of Bangladesh experienced an eventful year in 2023 due to various economic and geopolitical factors, including the Russia-Ukraine War, Hamas-Israel war resulting in a decline of 40.1 points or 0.6% to 6246.49. The average turnover in Dhaka Stock Exchange PLC. was BDT 578 core taka. Beside Russia-Ukraine War, Hamas-Israel war, the Inflation, floor price, dollar crisis, hiked energy price, comparably low corporate earnings and liquidity crisis were the pivotal reasons behind the gloomy condition for Bangladesh capital market in 2023. However, during that period, two companies were listed in the capital market through IPO. The two institutions were Midland Bank PLC. and Trust Islami Life Insurance Limited.

Pubali Bank Securities Limited

Pubali Bank PLC. 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 PLC. 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.

The company is the TREC (Trading Right Entitlement Certificate) holder of both Dhaka Stock Exchange PLC. (DSE TREC# 214) and Chittagong Stock Exchange PLC. (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 operates 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.

Though, the Capital Market is facing a critical situation, PBSL has passed comparatively a good time in the year 2023 in terms of performance, profitability and brokerage activities. Hopefully PBSL will do better in 2024 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 up to 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 PLC. declared Cash & Stock dividend in different years as mentioned below:

Year	2023 (Proposed)	2022	2021	2020	2019
Cash	12.50%	12.50%	12.50%	12.50%	10.00%
Stock	12.50%	-	-	-	-
Total	25.00%	12.50%	12.50%	12.50%	10.00%

Dividend Distribution

Cash dividend shall be paid directly to Shareholders bank account within 30 (thirty) days from the date of approval by the Shareholders in the AGM.
The stock dividend shall be credited within 30 (thirty) days of approval subject to the clearance of the regulatory requirement.

Asset and Liability Management

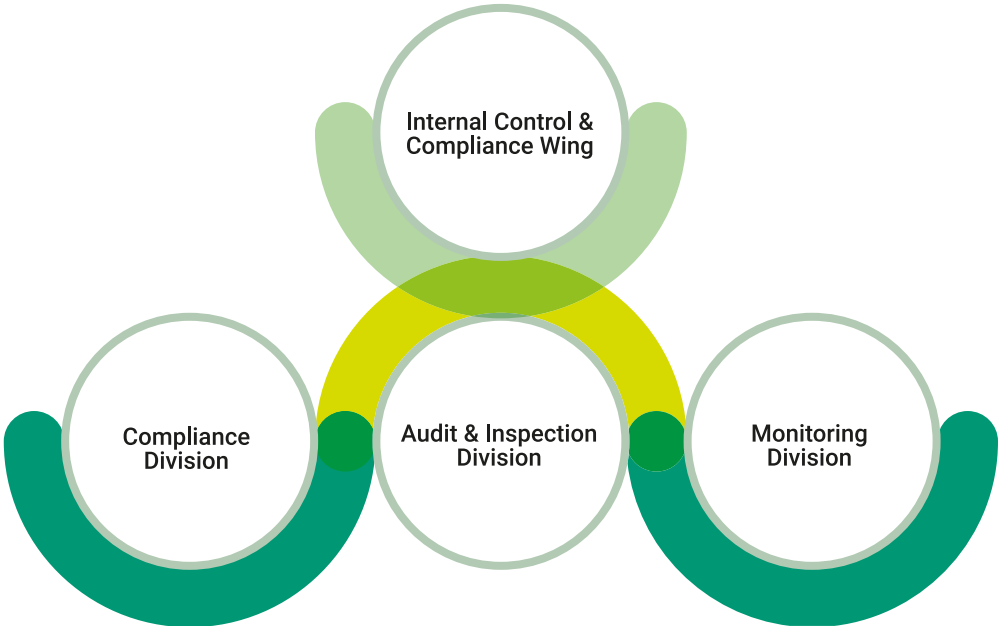
Asset and Liability Management (ALM) is a key financial risk management discipline. ALM is concerned with risk management and provides comprehensive and dynamic framework for measuring, monitoring and managing liquidity risk, interest rate risk, foreign exchange risk and equity price risk in the context 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. The ALM desk is involved in analyzing the overall economic and market situation to fix interest rates on customer deposits and loans & advances of the bank.

Internal Control and Compliance

The system of internal control of Pubali Bank PLC. 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, and best practices.

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 damage, loss of market share, regulatory sanction etc. Compliance risk 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. Our Bank has restructured its ICC organogram considering our large branch network, volume of operations, introduction of Risk Based Audit and stringent regulatory compliance.

For smooth functioning of Internal Control and Compliance, ICC wing of our Bank is comprised of three divisions, such as Audit & Inspection Division, Monitoring Division and Compliance Division and they 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)/Investment Documentation Checklist (IDCL), 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. Moreover, they do the compliance of the audit report.

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 and diversification of business products & services, by addition of Branches, Sub Branches & Islamic Banking Windows. Each year Audit & Inspection Division sets out a Risk Based Audit Plan which is duly approved by the Audit Committee of the Board as per ICC Guidelines.

Internal Audit is carried out by following ICC Guidelines, Audit Manual and regulatory instructions to minimize operational risks. Internal Audit Team examined whether business units are complying with Circulars/ Guidelines/ norms relating to Cash Management, GB Services, Credit Operational Activities, Foreign Trade Business Portfolio and Classification Status of Loans etc. Moreover, all Regional Offices and 02 Principal Offices of our Bank also conducted Surprise Inspections, Surprise Visits on the Branches, Sub Branches and Islamic Banking Windows under their jurisdictions, IT auditors are attached to the audit teams to conduct IT audit as per ICT checklists to minimize ICT Risk. Thus operation risk reduces &

strengthen Internal Control & Compliance.
Bangladesh Bank and its offices across the country also conducted Inspections on our different Branches and Head Office. In the year 2023, 108 nos of Bangladesh Bank Inspection reports were received for compliance. Moreover, external auditors M/s A. Qasem & Co. and MABS & J Partners, Chartered Accountants also conducted audit on the different branches of the bank.

As per Risk Based Audit Plan-2023, Audit & Inspection Division has conducted thorough audit on 501 Branches (including 10 High Risk, 104 Medium Risk & 387 low risk branches), 176 Sub Branches, 17 Islamic Banking Windows, 21 Regional Offices, 02 Principal Offices, 02 Off-shore Banking Units, 06 Core Risks, 28 Divisions of Head Office and Pubali Bank Securities Ltd., a subsidiary company of the bank.

Significant audit findings of the branches identified by internal audit and regulatory inspection are duly notified to the concerned branches and offices. Besides all out efforts are being taken by the concerned to remove such lapses and related compliance report with documentary evidence are placed before the higher authority as per ICC Guidelines.

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 PLC. has been extending customer services at all of our 504 branches, 189 Sub-branches and 19 Islamic Windows 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 504 branches, 189 Sub-branches and 19 Islamic Windows across the country. The Online Banking Network of Pubali Bank PLC. has become one of the largest in the banking sector of Bangladesh.

The efficient members of the Software, BACH-BEFTN, 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 and Pubali Online Islamic Banking Service(POIBS), 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.

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.

Moreover, we are going to introduce Application Code Security, Privilege Access Management (PAM), Data Loss Prevention (DLP) etc. and we are working on implementing Security Operation Center (SOC) to monitor all threat landscape round the clock. Besides, Pubali Bank has recently inaugurated Security Operations Center (SOC) as Security Monitoring Systems of Pubali Bank PLC. for ensuring prompt detection of unauthorized or malicious activities by the internal and external parties and for reducing impact of any unstoppable breach.

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 PLC. 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 Tier-3 Standard.

Pubali Bank PLC. has procured the latest Oracle based Database Infrastructure Exadata 9M including Data Security Products (Audit Vault, Database Firewall), Zero Data Loss Recovery Appliance (ZDLRA) and Data Warehousing System. Later, we have successfully accomplished Core Banking Data Migration (Live Banking Data) from existing Sun and Oracle based Solution (Exadata X4-2, Database: 12 C) to the latest one (Exadata 9M, Database: 19 C) from 28 September 2023 to 30 September 2023.

Pubali Bank has appointed Qualified Security Assessor

(QSA) for PCI DSS Compliance of Pubali Bank PLC. We have already accomplished task of First Phase i.e. Gap Assessment of the Bank. At present, we are working on accomplishing tasks of Second Phase. About 12 Controls have already been mitigated out of 44 as prescribed by QSA.

The Bank has appointed International Consultant with their local partner for ISO-27001 Certifications of Pubali Bank PLC. We have already accomplished Gap Assessment of First Phase. Now, we are working on developing different policy procedures which is Second Phase of the Certification.

In addition, Pubali Bank PLC. selected M/S Enterprise InfoSec Consultants as Consultants for accomplishing SWIFT Customer Security Program (CSP) Independent Assessment of the Bank. We have already mitigated 12 (Twelve) Non-Complied Issues out of 13 (Thirteen).

"Mentor of the Day" Module has been introduced in PIBS and PMS for ensuring better customer services and good governance at the branch level. Branch Managers assign Mentor of the Day using the module and mentors supervise three major areas of branch operation i.e. Human Resources Management, Customer Services Management and Branches Environment.

We have implemented Pubali Human Resources Management System (PHRMS) to perform complex Human Resources activities simply and for better Human Resources Management. Employees' Personal Data Sheet (PDS), Experience and Activities, Promotion and Confirmation, Transfer Posting, Suspension, Training, and so on are available in PHRMS with effect from 23 December 2018.

We have introduced Mobile Banking Application of Pubali Bank PLC., PI(π), 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. This will be operated in the internet enabled smart phone or tablet. 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 introduced QR Code based Payment System, IDTP, e-KYC and Short e-KYC based Account Opening System into our PI(π) Banking Application.

We have successfully implemented Software for Bangladesh Automated Clearing House (BACH-II) and Bangladesh Electronic Fund Transfer System (BEFTN), NIKASH, Credit Information Bureau (CIB) Reporting as per guidelines of Bangladesh Bank. 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 19 (Nineteen) Islamic Banking Windows 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 successfully implemented Active Directory Domain Services (ADDS) to centralize the administrative control on OS user authentication complying with ICT Security Policy of our Bank.

ICT Operation Division has also launched secured File Server for sharing the files among the officials of branches, Regional offices, Principal Offices, Divisions and other offices for ensuring safety and security of the Bank to restrict usage of pen drive, USB storage, portable hard drive, CD/DVD ROM which are very vulnerable for virus and other threats for the Systems. The secured file sharing system is already available for all ADDS users and restriction of usage any portable devices like pen drive etc. has been implemented.

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 to be the market leader in e-GP.

We have established our website https://www.pubalibangla.com where 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.

ICT Operation Division, obtaining prior permission of the Management, implemented software of Offshore Banking Units (OBU) of Pubali Bank PLC. In regard to banking products, OBUs are allowed to offer banking services targeting selected group of clients and non-residents.

Pubali Monitoring System, Management Information System (MIS) Reporting System of Pubali Bank, has been developed for different Divisions of Head Office, Regional Offices, Principal Offices and Management of the Bank to monitor/observe the status of branch operation and performance under their jurisdiction.

ICT Operation Division has implemented Integrated Supervision System (ISS) Module in PIBS and branches are advised to observe and verify the data generated by PIBS meticulously to ensure correct data to be sent to Bangladesh Bank as per instruction. Pubali Bank PLC. has upgraded its ICT Security Guideline (Version-5) considering the updated guideline

of Bangladesh Bank (Version-4) and introducing the security measures accordingly. Our achievements for protecting our system and to ensure secured ICT environments are:

1. Establish a standard ICT Security Policy and ICT Security Management.
2. Ensuring secured and stable setup of its ICT Infrastructure.
3. Establish a secured environment for data processing.
4. Establish a holistic approach for ICT Risk Management.
5. Identifying information security risks and their management.
6. Aware and train the users associated with managing the ICT Infrastructure.
7. Aware our users associated with operation about ICT Security on regular basis.

We have already implemented IP PBX and Video Conferencing System and deployed IP Phone to our Head Office, Principal Offices, Regional Offices, Branches and Sub-Branches. Through implementation of IP Phone Pubali Bank is experiencing standard unified Communication System that made internal communication free of cost and external communication less costly. We have already launched video conferencing system all around the country. Board Meetings, Important Management Meetings, Meetings with other entities, different Training Programs, Countrywide Online Workshops and so on are operating through WebEx.

Pubali Bank PLC. 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 Mobile Financial Services (MFS), Mobile Applications, ATM/ CRM, POS, QR-based Transaction and so on in the line with transforming Pubali Bank PLC. to a paperless banking facilitating all digital banking channels. ICT Operation Division is working hard for achieving this objective within a short period of time.

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 and Exchange Commission (BSEC) and Bangladesh Bank also mandated the implementation of Companies Act, 1994, IAS and IFRS. These standards and reporting system have also been complied with by our Bank in preparation of the Financial Statements.

Transparent Disclosure

Pubali Bank PLC. prepares financial statements with adequate disclosures in accordance with the International Financial Reporting Standards (IFRS), 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 PLC.:

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 2023 stood at 30,595 (BO Shareholder-27,766 and Folio Shareholder-2,829). Year-wise Authorized Capital, Paid up Capital, Earnings per Share (EPS) and Net Asset Value (NAV) over the years are mentioned below:

(BDT in million)

Particulars	2023	2022	2021	2020	2019
Authorized Capital	20,000	20,000	20,000	20,000	20,000
Paid up Capital	10282.94	10282.94	10282.94	10282.94	10282.94
EPS (in BDT)	6.62	5.18	3.80	3.57	2.08
NAVPS (in BDT)	45.56	41.32	38.66	37.74	31.38

Statutory and other Reserve

At the end of 2023, the statutory reserve and other reserves of the bank stood at BDT 37,362.61 million, out of which statutory reserve was BDT 10,283.00 million, Retained Earnings was BDT 23,767.04 million and other reserve was BDT 33,312.57 million. Total Reserve was BDT 32,203.15 million at the end of 2022.

Deposits

The deposit growth trend was positive in 2023. At the end of 2022, Total deposit was BDT 51,083.65 crore that came to BDT 60,629.64 crore at the end of 2023 showing 18.68% increase. Out of the total deposits, Time Deposits BDT 505,927.00 million and Demand Deposits were BDT 100,369.41 million i.e. 83.45% and 16.55% respectively.

(BDT in million)

YEAR	AMOUNT
2023	606,296.41
2022	510,836.52
2021	462,400.22
2020	429,343.02
2019	359,153.31

Borrowing from other Banks and Financial Institutions

In 2023 the bank borrowed BDT 55,316.48 million for business purpose compared to BDT 65,017.70 million during the previous year.

Lending to other Banks and Financial Institutions

In 2023 the bank lent BDT 6,156.65 million for business purpose compared to BDT 9,810.26 million in 2022.

Advances

Total advances of the bank as on 31 December 2023 stood at BDT 554,495.50 million showing an increase of BDT 92,611.38 million @ 20.05% 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.

Investment

Total investment of the bank was BDT 147,495.50 million in 2023 compared to BDT 139,403.49 million in 2022. The bank mainly invested in Government Bonds, Treasury Bills, Approved Debentures of private institutions and Capital Market through own portfolio.

Key financial figure of the Balance Sheet is given below

(BDT in million)

PARTICULARS	2023	2022	2021	2020	2019
Assets	814,866.57	712,755.71	629,481.34	565,032.07	478,074.84
Deposits	606,296.41	510,836.52	462,400.22	429,343.02	359,418.89
Loans & Advances	554,495.50	461,884.13	376,656.43	315,578.90	287,034.67
Shareholder's Equity	46,844.04	42,486.09	39,453.55	39,243.18	32,271.71

Foreign Exchange Business

a) Import Business

During the year the Bank handled import business worth BDT 295,446.40million. During the previous year the amount was BDT 274,383.00 million. The amount of import business handled by the bank increased by BDT 21,063.40 million during the year which was 7.68% higher than previous year.

b) Export Business

The bank handled export business worth BDT 196,747.10 million during the year as against 183,174.90 million in previous year which was 7.41% more than previous year.

c) Inward Foreign Remittance

Non-resident Bangladeshis sent foreign exchange equivalent BDT 123,000.00 million in 2023 whereas the amount was BDT 86,813.40 million in 2022.

Total Operating Income

Due to the reasons explained above, total operating income of the bank increased by BDT 5,356.76 million during the year and stood at BDT 30,551,46 million.

Total Operating Expense

Total operating expenses of Pubali Bank PLC. increased by 9.68% during the year mainly salaries & 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
2023	6.34	4.74	1.60	1.25	84.81
2022	5.36	4.11	1.26	0.94	78.92
2021	5.24	4.06	1.18	0.65	78.47
2020	4.70	3.67	1.03	0.71	69.66
2019	4.43	3.33	1.16	0.64	58.63

Analysis of Income Statement of Pubali Bank PLC.

(BDT in million)

SL	PARTICULARS	2023	2022	GROWTH %
1	Interest Income	40,340.84	29,813.19	35.31%
2	Interest Expenses	30,321.08	23,240.59	30.47%
3	Net Interest Income	10,019.76	6,572.60	52.45%
4	Income from Investment, Commission, Brokerage & Others	20,531.70	18,622.10	10.25%
5	Total Net Income (Net Interest Income + Non Interest Income)	30,551.46	25,194.70	21.26%
6	Operating Expenditure	15,198.35	13,857.19	9.68%
7	Profit Before Provision	15,353.12	11,337.51	35.42%
8	Net Profit after Tax	6,808.47	5,321.77	27.94%

Total operating income & total operating expenditure of the Bank during 2023 were BDT 30,551.46 million and BDT 15,198.35 million respectively resulting a profit of BDT 15,353.12 million before making provision for bad and doubtful debts and income tax.

During the year the Bank made a provision of BDT 2939.10 million against loans and advances, other assets, bad debt offsetting for IBW and off-balance sheet. Provision of BDT 5179.55 million against Corporate Income Tax and deferred Tax. As such, net profit on the Bank stood at BDT 6808.47 million.

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

(BDT in million)

Year	2023	2022	2021	2020	2019
Profit before provision & Tax	15,353.12	11,337.51	9,443.46	8,379.56	9,457.85
Net Profit	6808.47	5,321.77	3,904.55	3,669.51	2,143.27
Return on Equity (ROE)	14.53	12.53%	9.82%	9.46%	7.51%

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 PLC. 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, 2023 under pillar-I is shown below:

CRAR (SOLO)	CRAR (CONSOLIDATED)	LEVERAGE RATIO	LCR	NSFR
13.87%	13.82%	4.79%(solo)	125.03%	106.02%

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 PLC. 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 PLC. 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.

Network Expansion Program

Pubali Bank PLC., as a largest private commercial bank, always gives highest priority to accelerate its branch expansion program 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 504 (Five Hundred Four) branches and 189 (One Hundred Eighty Nine) sub branches that are placed in convenient locations, close to key shopping and commuting nodes. All branches and sub branches are Online and fully equipped new technology based covering all Divisions of the country. Pubali Bank PLC., 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 19 (Nineteen) 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	104	38	37	16	1	4	2	26
Chittagong	74	46	46	5	1	4	1	17
Sylhet	32	60	13	3	-	3	1	12
Rajshahi	21	14	20	1	-	2	1	11
Khulna	22	12	19	2	-	3	-	5
Barisal	17	14	19	1	-	1	-	6
Rangpur	20	9	26	-	-	1	-	6
Mymensingh	18	3	9	1	-	1	-	4
Total	**308**	**196**	**189**	**29**	**2**	**19**	**5**	**87**

Human Resources

Pubali Bank PLC. has a total workforce of 9608 (including 89 days basis) compared with 9031 in 2022. 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 2023, the bank recruited 733 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.

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. International Financial Reporting Standards (IFRS) 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.

External Auditors

Based on suggestions of the Audit Committee, the Board recommends to appoint G.Kibria & Co. and Hussain Farhad & Co. as Statutory Auditor for the year 2024 subject to approval by the shareholders in the 41st AGM of the Bank. These 02 (two) Chartered Accountant firms will audit the statement of accounts

of accounts with due permission of Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC).

Compliance Auditor

Pursuant to code 9.2 of the Corporate Governance Code issued by BSEC, the Board recommended for appointment of Jasmin & Associates, Chartered Secretaries as compliance auditor for the year 2024 as proposed by the Audit Committee subject to approval by the shareholders in the 41st 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 & 12.50% Stock Dividend for all shareholders of the bank out of profit on the basis of audited accounts for the year ended 31st December 2023 subject to approval by the shareholders in the 41st Annual General Meeting.

Annual General Meeting

The 41st Annual General Meeting (AGM) of the Bank will be held on June 05 2024 at 10:30 AM by using digital platform as per notification of Bangladesh Securities & Exchange Commission.

Expectations in 2024

The Bank has put stress on the business target fixed up for the year 2024. 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 20.47% and 11.81% respectively. Import and Export businesses are expected to rise by 8.31 % and 27.58% respectively while operating profit target fixed is expected to be increased by 23.37%.

Corporate Social Responsibilities

Corporate Social Responsibility (CSR) has been a long-standing commitment at our bank. In Pubali Bank PLC., 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 PLC. 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 2023, 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 PLC. 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 2023.

In the year 2023, Pubali Bank PLC. spent BDT 157.81 million in different following categories for CSR activity.

Disaster Management	BDT 22.86 million
Education	BDT 49.80 million
Health	BDT 56.10 million
Sports	BDT 29.05 million

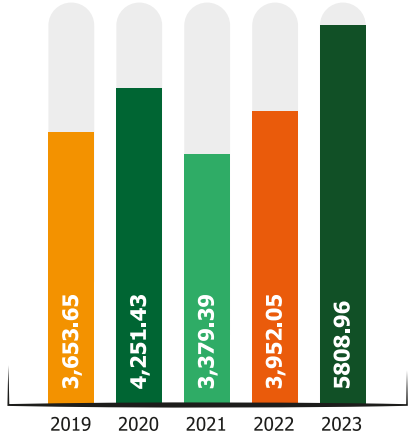
This report further encloses a detailed discussion on "Corporate Social Responsibility" under the Report of Corporate Social Responsibility.

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 2023, Pubali Bank PLC. contributed BDT 5,808.96 million as taxes to the national exchequer.

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

(BDT in million)



Acknowledgement

The outcomes of the Year 2023 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 PLC., Chittagong Stock Exchange PLC, 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 A. Qasem & Co. and MABS & J Partners, 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 joining the 41st Annual General Meeting virtually 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 2023), 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 2023, total 50 nos. of Board of Directors meeting, 9 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 Managing Director & Chief Executive Officer (CEO)
One of the major responsibilities of the Board is to appoint an honest, efficient, experienced and suitable Managing Director & CEO. The appointment of the Managing Director & CEO is made with the approval of 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 2023' that contains following issues:

State of the Bank's affairs: A review of financial performance and position has been presented in the Directors' Report 2023.

Any recommended reserve in the balance sheet: None.

Recommended dividend: The Board has recommended 12.50% Cash dividend and 12.50% Stock dividend for the completed year 2023.

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 2023.

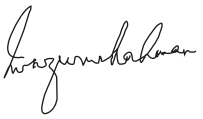
The Directors are also required to declare the following matters in their report as per Corporate Governance Code of Bangladesh Securities & Exchange Commission (BSEC)'s notification dated June 3, 2018, as applicable for bank:

- 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.

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 2023), Securities Laws, Corporate Governance Code, Listing Regulations, 2015 and other prevailing laws and regulations, as applicable for Pubali Bank PLC.

On behalf of the Board of Directors,



Monzurur Rahman
Chairman

Corporate Governance Report

Pubali Bank PLC. believes Corporate Governance a journey, not a destination and approaches to develop, nurture and adapt it gradually by meeting the varying needs of a modern business house as well as the justified aspirations of our valued investors, stakeholders and the society at large. The Bank believes transparency and accountability as a pillar of governance as a whole through establishment of an efficient and effective Corporate Culture.

Conceptual Framework

Corporate governance is the system of rules, practices and processes by which companies are directed and controlled. The purpose of corporate governance is to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of the company. Eventually, the Board of directors are the key responsible for the governance of the company. We, the Pubali Bank PLC. believe that a strong commitment is prerequisite to ensure corporate governance as well as to keep trust on our Bank and also enable to generate long term shareholders value.

Pubali Bank PLC., a market leader in Banking industry of Bangladesh, especially among all the private Commercial Banks, is highly committed to embrace the highest standards of corporate governance. We remain well-aware of the fact that our growing prominence entails additional responsibilities. Hence, we give the highest consideration to the expectations of all our valued shareholders and stakeholders and also get inspiration to move forward not only by showcasing but also by re-evaluating our performance and also rendering relentless services so on. Most importantly, our sustainable success depends on our stakeholder's valuable evaluation that we are conducting our business in the right way and we are promoting the right values and ethics in all of our works and words. Throughout the year 2023, our Board continued to meet their key targets and carried out their responsibilities diligently. To further strengthen our governance practices, we continued to raise awareness across the overall Banking arena adhering to regulatory rules and guidelines

Corporate Governance Philosophy

Pubali Bank's philosophy emphasizes on the implementation of good corporate governance measures and the framework for long-term value creation is ingrained within the organization. To establish a foundation of governance excellence, the Bank has implemented measures that fortify its information gathering and decision-making capabilities, enabling it to discharge its duties towards stakeholders with utmost responsibility. Pubali Bank places a significant emphasis on key parameters of corporate governance, including the independence of the board system, the function of board sub-committees, fair financial reporting, disclosure and compliance as well as consistency of shareholder value enhancement. By focusing on these parameters, the Bank aims to ensure that its good governance practices are in line with the industry's best practices and regulations, thereby creating value for all its valued stakeholders.

Proclamation to the Shareholders

The Honorable Shareholders have the right to inspect the company's books and records for misdeeds of the directors and officers. Thus, the Bank protects shareholder's rights, holds Shareholders meeting by serving notice as per regulations. Whenever, the Annual report gets finally prepared, the soft copy is uploaded in the Bank' website as well as the hard copy is sent to the valued shareholders and related regulatory bodies to ensure their active participation in the meetings in person or by proxy.

The annual report of the Bank covers all the notes for current financial year, business performance, future plan and strategy and other key corporate information and disclosures. The Bank has a good corporate practice to distribute a handsome portion of its annual net profit among its shareholder in the form of dividend every year. Each shareholder has equal value and also treated equally on the basis of their own vote per share. The shareholders' play the key role in the appointment of the suitable directors as well as commercial auditors and corporate governance auditor for the Bank.

Institutionalization of Good Governance along with Bank's Mission, Vision and Core Values

The Mission, Vision and Core Values are the key components of the Bank's Good Governance Practice as well as provide a long-term framework for decision making and also develops a layout of the behavior of the Bank's. Pubali Bank PLC. believes that the Good Governance culture is nothing but a set of values and are crucial to obtain the long term goals. Subsequently, our bank nurtures, promotes and stimulates all its peers to give it an institutionalization shape. However, the Mission, Vision and Core Values of the Bank have been presented at the very beginning of the Annual Report for the convenience of the Stakeholders.

Corporate Governance Benchmarks of Pubali Bank PLC.

Regulatory Benchmarks

- Relevant provision/clause of Companies Act 1994
- Corporate Governance Code Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 issued by Bangladesh Securities and Exchange Commission (BSEC) (Amended upto 2023)
- Listing Regulations of Dhaka Stock Exchange PLC. and Chittagong Stock Exchange PLC.
- Bangladesh Bank BRPD Circular no. 11 dated October 27, 2013
- The Bank Companies Act, 1991 (Amended upto 2023);
- The Bangladesh Secretarial Standards (BSS) published by the Institute of Chartered Secretaries of Bangladesh (ICSB)
- Corporate governance principles for Bank published

by Bank for International Settlements (BIS)
- Other relevant circulars, directions and guidelines published by Bangladesh Bank

Internal Benchmarks

- Articles of Association
- Code of Conduct
- Vision, Mission, Strategic Objectives, Core Values
- Business Ethics & Corporate Philosophy
- Board and Board Sub Committee Terms of Reference (ToR)
- Internal Circulars
- Internal Policies
- Manuals
- Guidelines

Assurance Process

- Internal Audit Function
- Internal Compliance and risk management framework
- Information Technology (IT) Audit
- External Audit Function
- Bangladesh Bank Inspection
- Review the adequacy of Internal Control

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 of the Bank.

According to Clauses 80(a) of the Articles of Association of Pubali Bank PLC., the Board of Directors (BoD) currently comprises of 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 2023).

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 2023), the Directors are appointed for a term of three years which can be extended by another three term only subject to the approval by the shareholders in the Annual General Meeting (AGM) i.e. the Directors can hold their posts for twelve years consecutively and maximum 03 (Three) members from the same family can be the directors of any bank.

As per the BSEC directive of Corporate Governance, 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 consent 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. Therefore, the Board of Pubali Bank PLC. 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

- 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 5 (five) 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 36 years' experience in his career. He is an Independent Director in the Board of Directors of Pubali Bank PLC. and Pubali Bank Securities Limited, a subsidiary of the Bank. He is a member of the Audit Committee of the Board of Directors of the Bank. He is also a member of Shari'ah Supervisory Committee of the Bank. A prominent lawyer and constitution expert, Dr. Shahdeen Malik has been practicing in Supreme Court of Bangladesh for long. Moreover, he was Assistant Professor of Law at the University of Dhaka, Associate Professor of BRAC University and Adjunct Professor of Asia Pacific University. Dr. Shahdeen Malik is also a renowned contributor to many national dailies of the country.

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 PLC. 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 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 were eligible for getting remuneration of BDT 8,000 which is now extended to BDT 10,000 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

SL	NAME	DESIGNATION	PRESENCE OF DIRECTORS IN THE MEETINGS, DURING THEIR TENURE			REMUNERATION PER MEETING	REMUNERATION DRAWN
			NO. OF MEETINGS	PRESENT	LEAVE		
1	Mr. Monzurur Rahman	Chairman	50	47	3	8,000 X 46	BDT 3,68,000
2	Mr. Moniruddin Ahmed	Director	50	46	4	8,000 X 45	BDT 3,60,000
3	Mr. Habibur Rahman	Director	50	48	2	8,000 X 47	BDT 3,76,000
4	Mr. Fahim Ahmed Faruk Chowdhury	Director	50	47	3	8,000 X 46	BDT 3,68,000
5	Ms. Rumana Sharif	Director	50	47	3	8,000 X 46	BDT 3,68,000
6	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Director	50	49	1	8,000 X 48	BDT 3,84,000
7	Mr. Musa Ahmed	Director	50	40	10	8,000 X 39	BDT 3,12,000
8	Mr. Azizur Rahman	Director	50	43	7	8,000 X 42	BDT 3,36,000
9	Mr. Md. Abdur Razzak Mondal	Director	50	43	7	8,000 X 42	BDT 3,36,000
10	Ms. Rana Laila Hafiz	Director	50	43	7	8,000 X 43	BDT 3,44,000
11	Mr. Mustafa Ahmed	Director	50	42	8	8,000 X 42	BDT 3,36,000
12	Mr. Arif Ahmed Choudhury	Director	Joined after 40th AGM on 06.06.2023	30	0	8,000X29	BDT 2,32,000
13	Dr. Shahdeen Malik	Independent Director	50	40	10	8,000 X 40	BDT 3,20,000
14	Mr. Mohammad Naushad Ali Chowdhury	Independent Director	50	50	0	8,000 X 49	BDT 3,92,000

* Board was reconstituted on 06.06.2023 and Directors as on 31.12.2023 and meeting related total fees and honorarium, expenses and travelling allowances are presented in the FS.
* Mr. Arif Ahmed Choudhury joined the Board on 06.06.2023.
* 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 role 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 role and responsibilities of the Board of Directors are outlined below (but not limited to) incompliance with Bangladesh Bank BRPD Circular No. 11 dated 27 October 2013:

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

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 declaration by CEO and CFO is disclosed in the Annual Report.

Ownership Composition

SL	TYPE OF OWNERS	31.12.2023		31.12.2022	
		NO. OF SHARES HELD	% TO TOTAL SHARES	NO. OF SHARES HELD	% TO TOTAL SHARES
1	DIRECTORS	32,37,69,668	31.49	32,39,11,299	31.50
2	GENERAL PUBLIC	39,20,75,886	38.13	41,79,15,764	40.64
3	INSTITUTIONS	31,24,48,664	30.38	28,64,67,155	27.86
	TOTAL	**102,82,94,218**	**100.00**	**102,82,94,218**	**100.00**

Pattern of Shareholdings

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

ii) 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 31.12.2023
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

iii) Shareholding structure of Directors is as follows:

SL	NAME	DESIGNATION		NO. OF SHARES HELD AS ON 31.12.2023	% 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. Fahim Ahmed Faruk Chowdhury	Director		2,11,01,586	2.05
5	Ms. Rumana Sharif	Director	Nominated by Delta Life Insurance Co. Ltd.	5,14,18,707	5.00
			Personal	2,56,417	0.02
6	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Director		2,05,68,691	2.00
7	Mr. Musa Ahmed	Director		2,06,15,794	2.00
8	Mr. Azizur Rahman	Director		2,23,52,148	2.17
9	Mr. Md. Abdur Razzak Mondal	Director	Nominated by Thats It Fashions Ltd.	3,59,90,157	3.50
			Personal	--	0.00
10	Ms. Rana Laila Hafiz	Director		2,05,65,889	2.00
11	Mr. Mustafa Ahmed	Director		3,58,45,935	3.49
12	Mr. Arif Ahmed Choudhury	Director		2,05,66,364	2.00
13	Dr. Shahdeen Malik	Independent Director		-	-
14	Mr. Mohammad Naushad Ali Chowdhury	Independent Director		-	-
	TOTAL (EXCLUDING PERSONAL SHARE OF NOMINEE DIRECTOR)			**32,40,26,085**	**31.50**

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

SL	NAME OF EXECUTIVES	% OF SHARES AS AT 31.12.2023
1	Mr. Md. Esha	Nil
2	Mr. Mohammad Shahadat Hossain	Nil
3	Mr. Ahmed Enayet Manzur	Nil
4	Mr. Md. Shahnewaz Khan	Nil
5	Mr. Mohammad Anisuzzaman	Nil

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

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.

SL	NAME	EXPERTISE	MEMBERSHIPS	DIRECTORS IN
1	Mr. Monzurur Rahman	Banking Activities, Prominent Business Entrepreneur	Chairman of the Board of Directors	Rema Tea Company Ltd.
2	Mr. Moniruddin Ahmed	Banking Activities	Executive Committee	Pubali Bank Securities Ltd.
3	Mr. Habibur Rahman	Banking Activities	Risk Management Committee	Delta Hospital Ltd. Pubali Bank Securities Ltd. Global Pharmaceutical Company Ltd.
4	Mr. Fahim Ahmed Faruk Chowdhury	Banking Activities, Prominent Business Entrepreneur	Audit Committee	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.
5	Ms. Rumana Sharif	Banking Activities	Executive Committee	
6	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Accounting Professional, Banking Activities, Prominent Business Entrepreneur	Audit Committee & Risk Management Committee	Imagine Properties Ltd.
7	Mr. Musa Ahmed	Banking Activities, Prominent Business Entrepreneur	Executive Committee & Risk Management Committee	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.
8	Mr. Azizur Rahman	Banking Activities, Prominent Business Entrepreneur	Executive Committee & Risk Management Committee	Pubali Bank Securities Ltd. National Ceramic Industries Ltd. Dressmen Fashionwear Ltd.
9	Mr. Md. Abdur Razzak Mondal	Banking Activities	Executive Committee & Risk Management Committee	Thats It Fashions Ltd. (as a nominee)
10	Ms. Rana Laila Hafiz	Banking Activities, Prominent Business Entrepreneur	Audit Committee	Trouser Line Ltd. SP Garments Ltd. SP Washing Ltd. Green Valley Plantation Ltd.
11	Mr. Mustafa Ahmed	Banking Activities	Executive Committee	Pubali Bank Securities Ltd.
12	Mr. Arif Ahmed Choudhury	Banking Activities	Executive Committee	Transcon Securities Ltd.
13	Dr. Shahdeen Malik	Prominent Lawyer	Audit Committee & Shariah Supervisory Committee	Pubali Bank Securities Ltd.
14	Mr. Mohammad Naushad Ali Chowdhury	Banking Activities	Audit Committee	
15	Mohammad Ali	Banking Activities and Prominent IT Professional		Pubali Bank Securities Ltd. Uttara Finance and Investments Limited

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 the 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 PLC. consist 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 PLC. 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 Risk Weighted Assets Ratio, Loan-Deposit Ratio, revenue earning for the Bank, gradual reduction of the NPL ratio for maintaining asset quality of the Bank and improvement in the scores for CAMELS rating.

Benefits provided to the Directors and the Managing Director

In accordance with 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.

Roles 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 requires a listed Company to appoint a Company Secretary. In pursuance of the same, the Board of Directors has appointed the Company Secretary and defined his roles & responsibilities.

In Pubali Bank PLC., 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 the following 3 (Three) Committees:

- Executive Committee (EC)
- Audit Committee (AC)
- Risk Management Committee (RMC)

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.

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 2023, total 09 meetings were held by the Committee. The attendances of the members at those meeting are disclosed hereafter.

Attendance of members of the Audit Committee in meetings

SL	NAME	DESIGNATION	PRESENCE OF MEMBERS IN THE MEETINGS, DURING THEIR TENURE			REMUNERATION PER MEETING	REMUNERATION DRAWN
			NO. OF MEETINGS	PRESENT	LEAVE		
1	Mr. Mohammad Naushad Ali Chowdhury	Chairman	9	9	0	8,000 X 09	BDT 72,000
2	Mr. Fahim Ahmed Faruk Chowdhury	Member	9	9	0	8,000 X 09	BDT 72,000
3	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Member	9	9	0	8,000 X 09	BDT 72,000
4	Ms. Rana Laila Hafiz	Member	9	7	2	8,000 X 07	BDT 56,000
5	Dr. Shahdeen Malik	Member	9	7	2	8,000 X 07	BDT 56,000

* Members as on 31.12.2023 and meeting related total fees & honorarium, expenses and travelling allowances are presented in the FS.
* Directors who could not attend any meeting were granted leave of absence by the Committee.

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 PLC. should not engage its external/statutory auditors to perform the following services; namely:-

i. Appraisal or valuation services or fairness opinions.
ii. Financial information systems design and implementation.
iii. Book-keeping or other services related to the accounting records or financial statements.
iv. Broker-dealer services.
v. Actuarial services.
vi. Internal audit services or special audit services.
vii. Any service that the Audit Committee determines.
viii. Audit or certification services on compliance of corporate governance code.
ix. 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 2023. 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 2023, 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	PRESENCE OF DIRECTORS IN THE MEETINGS, DURING THEIR TENURE			REMUNERATION PER MEETING	REMUNERATION DRAWN
			NO. OF MEETINGS	PRESENT	LEAVE		
1	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Chairman	4	4	0	8,000 X 4	BDT 32,000
2	Mr. Habibur Rahman	Member	4	3	1	8,000 X 3	BDT 24,000
3	Mr. Musa Ahmed	Member	4	3	1	8,000 X 3	BDT 24,000
4	Mr. Azizur Rahman	Member	4	4	0	8,000 X 4	BDT 32,000
5	Mr. Md. Abdur Razzak Mondal	Member	4	4	0	8,000 X 4	BDT 32,000

* Members as on 31.12.2023 and meeting related total fees and honorarium, expenses and travelling allowances are presented in the FS.
* Directors who could not attend any meeting were granted leave of absence by the Board.

Internal Control and Risk Management

Internal Control

Board of Directors of Pubali Bank PLC. 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 PLC. 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.

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, PSI 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 who is assisted by Deputy Managing Directors, General Managers, Deputy General Managers and Assistant General Managers along with Managing Director & CEO of Pubali Bank Securities Limited (a subsidiary of Pubali Bank PLC.) 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:

Senior Management Team (SMT)

The SMT is comprised of Senior Executives headed by the MD & CEO. In SMT, the Head of Audit Division is not included as per Bangladesh Bank directive. The committee meets regularly to discuss relevant agenda relating to policy issues and take appropriate decision/ action for running the Bank smoothly. The Major roles and responsibilities of SMT include monitoring the adequacy and effectiveness of the Internal Control System based on the bank's established policy and procedure. The SMT will review on a yearly basis the overall effectiveness of the control system of the organization and provide a certification on a yearly basis to the Board on the effectiveness of Internal Control policy, practice and procedure.

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.

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 PLC. conducted 12 (Twelve) regular and 6 (Six) special meetings during the year 2023 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 divides into 2 parts; Corporate Credit & Cottage, Micro, Small and Medium Enterprises. Mr. Mohammad Esha, Deputy Managing Director is the Chairman and Mr. Md. Nazrul Islam Sarkar is the Member Secretary

of Corporate Credit Division; on the other hand, Mr. Mohammad Shahadat Hussain, Deputy Managing Director is the Chairman and Mr. Hari Bhushon Deb is the Member Secretary of Cottage, Micro, Small and Medium Enterprises.

Other members of Credit Committee of Corporate Credit Division
Mr. Shah Newaz Khan
Deputy Managing Director

Mr. Mohammad Liton Miah FCA
General Manager & CFO
Central Accounts Division

Mr. Md. Monjurul Islam Mojumder
General Manager & Division Head
Corporate Credit Division

Mr. Md. Jahidul Islam FCMA
General Manager
Corporate Credit Division

Mr. Mohammad Abdul Mannan
Deputy General Manager
Treasury Division

Other members of Credit Committee of CMSME Division
Mr. Mohammad Anisuzzaman
Deputy Managing Director

Mr. Dewan Jamil Masud
General Manager
Islamic Banking Wing

Mr. Md. Faisal Ahmed
General Manager
CMSME Division

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 Managing Director and CEO. The members are Deputy Managing Directors, Head of all divisions, Chief Financial Officer (CFO) and Deputy General Managers of Credit Administration, Monitoring & Recovery Division and Credit Division. The committee evaluates the recovery position and formulates measures/steps for better recovery and preventing further classification of loans. Emphasis is given on proper follow up and monitoring of loan accounts. Recovery drive under Action Plan Programme for recovery & rescheduling against classified loans & advances, written-off loans are being conducted on quarterly basis by the Task Force Committee. The Committee also extends discussion meetings with the borrowers at field level time to time to for settlement of classified/written-off loans under BRPD circulars/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. 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 PLC. has already prepared "The Risk Management Revised Guidelines of Pubali Bank PLC." which was 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 Mr. Mohammad Esha, Honorable Deputy Managing Director where Ms. Ajuba Khandaker, General Manager of Software Development Division is the Member Secretary of the Committee. The Committee arranges monthly meeting on regular basis and accountable to our Managing Director & CEO for compliance. Minutes of the meeting are placed before the Risk management committee of the Board of Directors for perusal. During the year 2023, 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 headed by Mohammad Shahadat Hossain, Deputy Managing Director & 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 approved the training calendar both PBTI & Outreach Program for prevention of Money Laundering and Terrorist Financing. All circulars of former Anti-Money Laundering Department of Bangladesh Bank and BFIU have been disseminated to the branches and regional offices for compliance. More over several circulars/circular letters on this issue have already been circulated. To establish any relationship/account Sanctions screening is mandatory so that no black listed individual/entity can use our Banking channel. As a part of prevention of Money Laundering and Terrorist Financing, our Bank has already prepared all the necessary guidelines and the same has been disseminated to the branches for compliance. To obtained complete and accurate information of the client, uniform account opening form already revised & disseminated to the branches as per instruction of BFIU.

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 Mr. Ahmed Enayet Manzur, Honorable Deputy Managing Director where Mr. A. Jalil, Deputy General Manager & Division Head of Compliance Division is the Member Secretary of the Committee. The said committee has been approved by Honorable Managing Director & CEO. 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. Minutes of the meeting are placed before the Risk management committee of the Board of Directors for perusal. As per Bangladesh Bank instruction, National Integrity Strategy (NIS) Workplan 2023-2024 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 07 (Seven) members headed by Mr. Shahnewaz Khan, Deputy Managing Director, plays an instrumental role in 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 the 'Procurement Policy' which is 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 05 (five) members headed by Mr. Shahnewaz Khan, Deputy Managing Director 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 2023) 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 PLC. 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 Disclosure of Material Information (MI) and Price Sensitive Information (PSI) which has already been uploaded in the bank's website for the shareholder's and relevant stakeholder's perusal and necessary information. However, the 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 PLC.. 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.

40TH Annual General Meeting	
Date	Tuesday 06 June 2023
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 234 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 2022 and Reports of the Directors and Auditors thereon
Agenda 2	To declare Dividend for the year ended 31st December 2022 as recommended by the Board of Directors
Agenda 3	To re-appoint the Statutory Auditors of the Bank for the year 2023 and to fix their remuneration
Agenda 4	To appoint Corporate Governance Compliance Auditor for the year 2023 and to fix their remuneration
Agenda 5	To elect / re-elect Directors in place of retiring Directors and in the casual vacancy created due to death of Mr. Ahmed Shafi Choudhury, Ex Director
Special Business	
Agenda 6	To adopt the change of registered name of the Bank to 'Pubali Bank PLC.' from 'Pubali Bank Ltd.' in accordance with the Companies (2nd Amendment) Act, 2020 and to amend in the relevant clauses of the Memorandum and Articles of Associations of the Bank by adopting the following special resolution: "Resolved that the proposal of changing of registered name of the Bank to 'Pubali Bank PLC.' from 'Pubali Bank Ltd.' in accordance with the Companies (2nd Amendment) Act, 2020 and amendment in the relevant clauses of the Memorandum and Articles of Associations of the Bank be and is hereby approved subject to approval of regulatory authorities."

39TH Annual General Meeting	
Date	Tuesday 31 May 2022
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 250 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 2021 and Reports of the Directors and Auditors thereon.
Agenda 2	To declare Dividend for the year ended 31 December 2021 as recommended by the Board of Directors.
Agenda 3	To confirm the appointment of the Independent Director.
Agenda 4	To appoint/re-appoint Auditors of the Bank for the year 2022 and to fix their remuneration.
Agenda 5	To appoint/re-appoint Corporate Governance Compliance Auditor for the year 2022 and to fix their remuneration.
Agenda 6	To elect / re-elect Directors.

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.

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, duly certified the bank's Compliance Status by Mahammad Sanaullah & Associates, Chartered Secretaries, has been given 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 and other Ratings of Pubali Bank PLC.

As per Bangladesh Bank guidelines and notifications of Bangladesh Securities and Exchange Commission, Pubali Bank conducts its credit rating each year with due disclosure. Bank's comparative performance in terms of different rating is furnished below:

SL	NAME OF THE RATING	RISK RATING WITH BASE DATE		REMARKS
01	Ethical Banking Rating	Satisfactory 30.06.2022	Satisfactory 30.06.2022	
02	Credit Rating	(a) AA+ for Long Term (b) ST-1 for Short Term	(a) AA+ for Long Term (b) ST-1 for Short Term	
		done by Credit Rating Information and Services Ltd (CRISL)		

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.

Corporate Governance Certificate

Mohammad Sanaullah & Associates
Chartered Secretaries & Management Consultants

Report to the Shareholders of PUBALI BANK PLC.

on

Compliance of Corporate Governance Code

Certificate as per 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 PLC. for the year ended 31 December 2023. 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 as stated 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

MOHAMMAD SANAULLAH & ASSOCIATES

April 25, 2024

MOHAMMAD SANAULLAH & ASSOCIATES, WINS COURT (GROUND FLOOR), HOUSE NO. 8, ROAD NO. 14, DHANMONDI, DHAKA-1209
CELL: +88 01715 330030, E-MAIL: sanaullahfcs@gmail.com, WEB: www.msa-cs.com

Audit Committee Report

Overview

The Audit Committee is an important sub-committee of the Board of Directors of Pubali Bank PLC.. 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. 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 2023) 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 PLC. 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.

Composition of the Audit Committee (AC)

SL	NAME	STATUS WITH THE BANK	STATUS WITH THE COMMITTEE
1	Mr. Mohammad Naushad Ali Chowdhury	Independent Director	Chairman
2	Mr. Fahim Ahmed Faruk Chowdhury	Director	Member
3	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Director	Member
4	Ms. Rana Laila Hafiz	Director	Member
5	Dr. Shahdeen Malik	Independent Director	Member

*The Members as on 31.12.2023.

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. There should be 2 Independent Directors in the Audit Committee of the Board of Directors.
iii. The Board shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.
iv. In the absence of the Chairman of the Audit Committee, the remaining another independent director will perform the role as Chairman for that particular meeting and the reason of absence of the regular Chairman shall be duly recorded in the minutes.
v. 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.
vi. The quorum of the Audit Committee meeting shall require presence of at least 1 (one) Independent Director.
vii. The tenure of office of the Audit Committee shall be for 3 years.
viii. Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).

Roles and Responsibilities

The roles and responsibilities of the Audit Committee have been defined in line with the relevant provisions of the Corporate Governance related Guidelines issued by Bangladesh Bank (BRPD Circular No.2, dated February 11, 2024), BSEC and other best practices in governance. Some important roles and responsibilities are highlighted below:

Internal control

- Evaluate whether Management is adhering to appropriate risk management, compliance, and governance practices and has a clear understanding of their respective roles and responsibilities.
- Review whether the arrangements made by the management for developing and maintaining a suitable Management Information System (MIS) are adequate.
- Monitor whether suitable suggestions made by internal and external auditors to improve internal control practices have been duly implemented by the management.
- Review the corrective measures taken by the management relating to fraud, forgery, deficiencies in internal control, or other similar issues detected by internal and external auditors and Bangladesh Bank and inform the Board regularly.

Financial reporting

- Oversee the financial reporting process and monitor the choice of accounting policies and principles.
- Meeting with the Bangladesh Bank inspection team, external or statutory auditors and Management before fianalization of financial statements of the Bank.

Internal audit

- Audit committee will monitor whether internal audit is working independently from the Management.
- Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process.
- Examine the efficiency, effectiveness and adequacy of the internal audit function and will

recommend to take steps accordingly;
- Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.

External audit
- Assessment of the audit procedures and audit report of external auditor;
- Scrutinize the findings and recommendations of the external auditors, regarding irregularities and fraud-forgeries, are whether duly addressed by management;
- Recommendations to the Board regarding the appointment of external auditors from the list of eligible Chartered Accountancy Firms published by Bangladesh Bank from time to time;

Compliance with existing laws and regulations
- Review whether the laws and regulations framed by the regulatory authorities (Central Bank, BSEC, and other bodies) and internal circulars, instructions, policies, and regulations approved by the Board and management have been duly complied with.

Miscellaneous
- The Audit Committee submits a "Compliance Report" on a quarterly basis to the Board, mentioning any errors and irregularities, fraud and forgery, and other anomalies pointed out by the Internal and External Auditor and Inspection Team from Bangladesh Bank;
- The Audit Committee submits an evaluation report to the Board assessing the internal and external auditors of the bank;
- Evaluate legally bindings issues as desired by the Board of Directors and submit report/ recommendations by the Committee.

Access to the Committee

The Audit Committee of Board advised the Management that the Head of Audit Division will attend the meetings and present the reports/memoranda to the Committee Meeting. The Committee further advised the Management to designate the Head of Audit Division as Chief Audit Officer. The bank's Head of Audit reports to the Chairperson of the Board Audit Committee.

Participation of Non-Members

Head of Audit and representatives of the Management (Managing Director, Chief Financial Officer and other Senior Officials) also attend meetings on invitation.

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 & CEO and Chief Financial Officer (CFO) respectively of Pubali Bank PLC., 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 2023, 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 PLC. conducted 9 (Nine) meetings in the year 2023 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	ATTENDANCE	%	REMARKS
1	Mr. Mohammad Naushad Ali Chowdhury (Independent Director)	Chairman	09/09	100	The Members who could not attend any meeting were granted leave of absence.
2	Mr. Fahim Ahmed Faruk Chowdhury (Director)	Member	09/09	100	
3	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA (Director)	Member	09/09	100	
4	Ms. Rana Laila Hafiz (Director)	Member	07/09	77	
5	Dr. Shahdeen Malik (Independent Director)	Member	07/09	77	

Major areas reviewed by the Audit Committee in 2023:

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

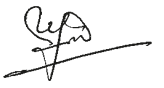
- Ensured that the rules and regulations of Regulatory Authorities were properly followed by the Bank.
- Assessed the whistle blowing policy throughout the year and made recommendations to further improve the policy as a means of communicating sincere concerns.
- Confirmed that the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) were followed in the preparation of the Bank's financial statements and that full disclosure was provided.
- Reviewed the Implementation status of Internal Control & Compliance.
- Reviewed, approved and the implementation status of the Risk based Audit & Inspection Plan (RBA&IP).
- Reviewed the Quarterly Disciplinary Action Reports of Human Resources Division.
- Reviewed the latest position of the CLS portfolio of different branches.
- Reviewed the Stress Testing Report of Pubali Bank PLC.
- Examined/ evaluated the Audited Financial Statements 2023.
- Provisional & un-audited Balance Sheet, Profit & Loss a/c, Cash Flow Statement & Statement of Changes in Equity as on 31 March 2023, 30 June 2023 and 30 September 2023.
- Reviewed Management Level Risk Management Committee Meeting Minutes.
- Reviewed First Quarter (Q1), Second Quarter (Q2) and Third Quarter (Q3) Un-audited Financial Statements of the Bank for the year 2023 with financial reporting standards before submission to the Board for approval in compliance with regulatory authorities.
- Reviewed the Annual Report on the health of the Bank as on 31 December 2022.
- Reviewed the progress/ improvement status of fraud-forgery committed at our Bank throughout the year.
- Followed-up the recovery of Loans and Advances of the Bank.
- Reviewed the quarterly Report on "Risk Based Capital Adequacy", Solo & Consolidated return under Basel III framework.
- Reviewed the Report of "Disclosure on risk based capital adequacy" under market discipline (Basel III-Pillar 3) as on 31 December, 2023.
- Reviewed the Audit report of Head Office level of different Division.
- 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 External Auditor's Report on Branches.
- Reviewed the corrective measures taken by the management with regard to the reports relating to deficiencies recommended by Internal Audit Team, Bangladesh Bank Inspection Team and External Auditors and subsequently informed the Board of Directors on a regular basis.
- Evaluated performance of External Auditors before recommending for their appointment to the Board to be finally approved in the 40th AGM till the next AGM.

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 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 of Board

Risk Management Committee Report

Overview

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. The Risk Management Committee scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified.

Appointment and Composition

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. The Risk Management Committee scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified.

Composition of the Risk Management Committee (RMC)

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 (CS) acts as the Secretary of the Risk Management Committee of Board.

Participation of non-members

The Company Secretary (CS) and the Chief Risk Officer (CRO) from the management participated in the meetings of the RMC. The Managing Director and CFO attend the meetings of the Committee, together with other concerned members of the Management as determined or invited by the Committee.

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 Risk Management 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;
- The Chairman of the Committee shall be elected for a period of 03 (three) years;
- 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;
- All decisions/observations of the committee should be noted in minutes;

Roles and Responsibilities of Risk Management Committee

- Identification of risks at different levels and formulation of necessary tactics and techniques to combat these risks as well as ensure the implementation of these tactics and techniques in risk identification.
- Supervision and assessment of the Risk Management Policy/procedures and taking corrective measures if necessary;
- To ensure an appropriate organizational structure for risk management;
- Supervision of the Risk Management Principle and guidelines as watchdog relating to Credit risk, Money Laundering risk, Liquidity risk, Information and Technology risk and so on.
- To review risk management policies and guidelines at least once in a year and will give instructions for necessary corrections; besides, the committee will review the lending limit and submit to the Board for necessary corrections at least once in a year;
- To examine and approve the preservation of data and reporting system implemented by the bank management and ensure implementation of the same;
- To inform the Board of Directors about the summary of minutes of meetings of the committee;
- Supervision of the implementation status of risk management policy and also analyzes the additional logistics supports to combat lending risk, market risk, operational risk and other sorts of risks;
- To submit the decisions, observations, and recommendations of the Committee to the Board

on a quarterly basis;
- To submit the evaluation report by the Chief Risk Officer, Internal Auditor and External Auditor if they are instructed by the committee.

Meetings of the Risk Management Committee

The Risk Management Committee of Board conducted 04 (Four) meetings in the year 2023 and had detailed discussions and review session. The membership and 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 Members who could not attend any meeting were granted leave of absence.
2	Mr. Habibur Rahman	Member	4	3	
3	Mr. Musa Ahmed	Member	4	3	
4	Mr. Azizur Rahman	Member	4	4	
5	Mr. Md. Abdur Razzak Mondal	Member	4	4	

*The Members as on 31.12.2023

Major areas reviewed and focused by RMC in 2022

The Risk Management Committee of the Board of Directors of Pubali Bank PLC. 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 Internal Control and Compliance Risk and present implementation status of the Bank.
- Reviewed the report on Compliance Risk Management of the Bank.
- Reviewed the report on Environmental & Social Risk and its Present implementation status.
- Periodically reviewed and perused the Stress Testing Report for Q4 2022, Q1 2023, Q2 2023 and Q3 2023.
- Analyzed the report on "Risk Based Capital Adequacy", Solo & Consolidated return under Basel III framework as on December 31, 2022, March 31, 2023, June 30, 2023 and September 30, 2023.
- Reviewed the report on "Disclosure on risk based capital adequacy" under Market discipline (Based III-Pillar 3) as on December 31, 2023.
- Reviewed the Non-Performing Loan (NPL) management and its present implementation status.
- Reviewed and analyzed the Capital Growth Plan of the bank from 2023 to 2026.
- Reviewed and Analyzed on "Monetary Policy Statement for FY 2023-24".
- Money Laundering & Terrorist Financing Risk, its mitigation factors & Present Implementation Status of the Bank.
- Reviewed the 6 (Six) Core Risks and their implementation status of the Bank.
- Reviewed the Residual Risk Management of the bank.
- Reviewed the Settlement Risk Management of the bank and its implementation status.
- Reviewed Operational Risk Management of the Bank.
- Reviewed the report on Asset and Liability Management Risk of the Bank.
- Reviewed the Credit Risk Management of the Bank as per Risk Management Guideline of Bangladesh Bank.
- Reviewed the report on Risk Limit and Credit approval limit.
- Reviewed the Reputation Risk Management of the bank.
- Reviewed the Minutes of Executive Risk Management Committee from January to March, 2023; April to June, 2023; July to September 2023 and October 2023.
- Reviewed the Minutes of Sustainable Finance Committee from January to March, 2023; April to June, 2023; July to September 2023 and October 2023.
- Reviewed the Minutes of Management Reporting System Committee from January to March, 2023; April to June, 2023 and July to September 2023.
- Reviewed the Minutes of Ethical Committee for Implementation of Integrity Strategy from January to June, 2023 and July to September, 2023.

Reporting to the Board

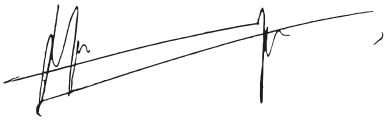
The decisions and recommendations of the Risk Management Committee were submitted before the Board of Directors and the Board closely ratified them.

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
Risk Management Committee of Board

পুবালী ব্যাংক পিএলসি.
PUBALI BANK PLC.

Introducing

INTERNATIONAL DEBIT CARD

Report of the Pubali Bank Shari`ah Supervisory Committee

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.

To the Shareholders, Depositors and Customers of Pubali Bank PLC.,

Assalamu 'Alaikum wa-Ra'hmatullah.

The Responsibility of the Shari`ah Supervisory Committee:
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.

The Legal Standing of the Shari`ah Supervisory Committee:
The Board of Directors of the Bank in its 1389th Meeting held on 14.06.2023 reconstituted Bank's Shari'ah Supervisory Committee as per requirement of Section III and Appendix- 1 the Guidelines for Conducting Islamic Banking issued by Bangladesh Bank on 09 November, 2009 vide BRPD Circular No. 15.

The Works undertaken by the Shari`ah Supervisory Committee during the FY 2023:
The reconstituted Committee met in two meetings during the remaining period of the year 2023 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 as per Shari'ah. The important issues attended by the Committee during 2023 are as follows:

1. Reviewing implementation of decisions taken by Shari`ah Supervisory Committee.
2. Consideration of Shari`ah Audit Reports of 03 Windows audited in the 3rd Phase of 2022 and of 15 Windows audited in the 1st Phase of 2023 and observations thereon.
3. Approval of Annual Report of the Shari'ah Supervisory Committee for the year 2022 on Islamic Banking operations of the Bank.
4. Shari`ah approval of two investment products titled "Bai'-Mu'ajjal-Mid Term" and "HPSM Probashee Nibash".
5. Shari`ah approval of Deposit Product "Mudaraba People's Pubali Pension Scheme'.
6. Shari`ah approval of cost-free Withdrawal Facility titled "WFMD (Withdrawal Facility from Mudarabah Deposits)".

Independence of the Shari`ah Supervisory Committee:
The Shari`ah Supervisory Committee is entrusted with ensuring Shari`ah compliance in all activities of Bank's Islamic Banking through Shari`ah Audit and to form their independent opinions based on findings thereof.

Opinion of the Committee regarding Commitment of the Bank to the Islamic Shari`ah:
During the year 2023 the Committee focused on the following points in respect of commitment to the principles of Islamic Shari`ah:

a. To mention lapses detected by the Shari`ah Auditors in the Memos on Shari`ah Audit Reports for SSC meeting and to make the Shari`ah Audit Reports available in the Meeting of the Shari`ah Supervisory Committee.
b. To prefer investment of Bank in the areas where the funds are collected from to avoid credit concentration according to the directives of the Qur`an Majeed. In this regard, Allah Sub`haanahoo wa-Ta`ala said: The wealth may not make a circuit between the wealthy among you (Surah Al-`Hashr, Ayah: 7).
c. To develop necessary Software Module for payment of prices of Bai'-Mu'ajjal goods to the suppliers' directly by debiting Bai'-Mu`ajjal deal(s) through RTGS/BEFTN without crediting client's account, at the earliest for the sake of Shari`ah compliance in trading.

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

Professor M. Mansurur Rahman
Chairman

Dewan Jamil Masud
Secretary

শারী'আহ্ সুপারভাইজরি কমিটির বার্ষিক প্রতিবেদন ২০২৩

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

পূবালী ব্যাংক পিএলসি. এর শেয়ারহোল্ডার, আমানতকারী ও গ্রাহকবৃন্দ

আস-সালামু 'আলাইকুম ওয়া রাহ্মাতুল্লাহ।

শারী'আহ্ সুপারভাইজরি কমিটির দায়িত্ব:

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'আহর বিধি-বিধান মোতাবেক ইসলামী ব্যাংকিং কার্যক্রম পরিচালনা নিশ্চিত করা।

শারী'আহ্ সুপারভাইজরি কমিটির আইনগত ভিত্তি:
বিআরপিডি পরিপত্র নম্বর ১৫, তারিখ ০৯ নভেম্বর, ২০০৯ মারফৎ বাংলাদেশ ব্যাংক কর্তৃক জারিকৃত গাইডলাইন্স ফর ইসলামিক ব্যাংকিং এর সেকশন- ৩ ও পরিশিষ্ট-১ এর চাহিদা মোতাবেক ব্যাংকের পরিচালনা পর্ষদ গত ১৪.০৬.২০২৩ তারিখে অনুষ্ঠিত ১৩৮৯তম সভায় ব্যাংকের শারী'আহ্ সুপারভাইজরি কমিটি পুনর্গঠন করেন।

২০২৩ অর্থ বছরে কমিটি কর্তৃক গৃহীত কার্যাবলী:
পুনর্গঠিত কমিটি ২০২৩ সালের অবশিষ্ট মেয়াদে ২টি সভায় মিলিত হয়ে ব্যাংকের ইসলামী ব্যাংকিং বিষয়ক বিভিন্ন পরিচালনাগত বিষয়াদি পরিচালনা পর্ষদ ও ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রেরিত বিভিন্ন বিষয়ের ওপর মতামত প্রদান করেন এবং উক্ত বিষয় সমুহের শারী'আহ্ সমাধান পেশ করেন। ২০২৩ সালে শারী'আহ্ সুপারভাইজরি কমিটি যে সব গুরুত্বপূর্ণ বিষয়ে মতামত পেশ করেছেন তা নিম্নরূপ:

১. শারী'আহ্ সুপারভাইজরি কমিটি কর্তৃক গৃহীত সিদ্ধান্তসমূহের বাস্তবায়ন পর্যালোচনা।
২. ২০২২ সালের তৃতীয় পর্বে অডিটকৃত ৩টি উইন্ডো ও ২০২৩ সালের প্রথম পর্বে অডিটকৃত ১৫টি উইণ্ডোর শারী'আহ পরিদর্শন প্রতিবেদন পর্যালোচনা ও পর্যবেক্ষণ।
৩. ইসলামী ব্যাংকিং অপারেশন বিষয়ে শারী'আহ্ সুপারভাইজরি কমিটির বার্ষিক প্রতিবেদন ২০২২ অনুমোদন।
৪. "Bai'-Muajjal-Mid Term" ও "HPSM Probashee Nibash" শীর্ষক দুইটি বিনিয়োগ প্রডাক্ট -এর শার'ঈ অনুমোদন প্রদান।
৫. "Mudaraba People's Pubali Pension Scheme" শীর্ষক আমানত প্রডাক্টের শার'ঈ অনুমোদন।
৬. "WFMD (Withdrawal Facility from Mudarabah Deposits)" শীর্ষক বিনামূল্যে উত্তোলন সুবিধা এর শার'ঈ অনুমোদন প্রদান।

শারী'আহ্ সুপারভাইজরি কমিটির স্বাধীনতা:
শারী'আহ্ সুপারভাইজরি কমিটির আরো দায়িত্ব হলো শারী'আহ পরিদর্শনের মাধ্যমে ব্যাংকের ইসলামী ব্যাংকিংয়ের সকল কাজে শারী'আহ পরিপালন নিশ্চিত করা এবং শারী'আহ পরিদর্শনের ফলাফলের ভিত্তিতে স্বাধীন মতামত প্রদান করা।

শারী'আহ্ আইনের প্রতি ব্যাংকের অঙ্গীকারবদ্ধতার প্রশ্নে কমিটির মতামত:
২০২৩ সালে কমিটি শারী'আহ নীতিমালার প্রতি অঙ্গীকারাবদ্ধ থাকার প্রশ্নে ব্যাংকের নিম্ন-বর্ণিত বিষয়াবলীর ওপর গুরুত্ব আরোপ করেছেন:

(ক) শারী'আহ্ সুপারভাইজরি কমিটির সভায় উপস্থাপনের জন্য শারী'আহ পরিদর্শন প্রতিবেদনের ওপর প্রস্তুতকৃত মেমোয় শারী'আহ পরিদর্শকগণ কর্তৃক উদ্ঘাটিত ত্রুটি-বিচ্যুতিসমূহ উল্লেখ করতে হবে এবং শারী'আহ্ পরিদর্শন প্রতিবেদনসমূহ শারী'আহ্ সুপারভাইজরি কমিটির সভায় উপস্থিত রাখতে হবে।

(খ) কুরআন মাজীদের নির্দেশনা মোতাবেক ব্যাংকের বিনিয়োগ এক জায়গায় কেন্দ্রীভূতকরণ পরিহার করতে যে অঞ্চল হতে আমানত সংগ্রহ করা হয়েছে সে অঞ্চলে তা বিনিয়োগ করার জন্য প্রাধান্য দিতে হবে। এ বিষয়ে আল্লাহ সুব'হানাহূ ওয়াতা'আলার বাণী: "সম্পদ যেন কেবল তোমাদের ধনীদের মাঝেই আবর্তিত না হয়।" আল-'হাশর: ৭।

(গ) ক্রয়-বিক্রয়ের ক্ষেত্রে শারী'আহ্ পরিপালনের স্বার্থে বাই'-মু'আজ্জাল পণ্যের মূল্য গ্রাহকের হিসাবে জমা না করে বাই'-মু'আজ্জাল ডিল বিকলনপূর্বক RTGS/BEFTN এর মাধ্যমে যত দ্রুত সম্ভব সরাসরি সরবরাহকারীর হিসাবে জমা করার জন্য প্রয়োজনীয় সফটওয়্যার মোডিউল ডিভেলাপ করতে হবে।

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 মনসুরুর রহমান
চেয়ারম্যান

দেওয়ান জামিল মাসুদ
সচিব

COMPLIANCE STATUS OF BANGLADESH BANK GUIDELINES ON CORPORATE GOVERNANCE

To ensure good governance i.e. corporate governance in bank management, Bangladesh Bank (BB) issued three circulars in 2013 covering three broad areas as follows:

1. BRPD Circular No.11 dated 27 October 2013: Formation and responsibilities of Board of Directors (BoD).
2. BRPD Circular Letter No. 18 dated 27 October 2013: Appointment and responsibilities of Chief Executive Officer (CEO).
3. BRPD Circular Letter No. 19 dated 27 October 2013: Contractual appointment of Advisor and Consultant.

The summary of the BB guidelines and Pubali Bank PLC. compliance thereto are presented below:

1. Formation and responsibilities of Board of Directors (BoD)

SL.	PARTICULARS	COMPLIANCE STATUS
1	**Formation of BoD**: The newly amended Bank Company Act, 1991 (amended in 2023) Section 15(4) illustrates provisions for prior approval of Bangladesh Bank before the 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 03 (three) 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 b. Declaration of nominated person c. Declaration for confidentiality by the nominated person d. In case of Independent Director, a declaration of the directors concern e. CIB report of the nominated person f. Updated list of Directors	Complied
1.2	**Vacation of office of a Director**	No such case occurred
(a)	The office of a Director shall be vacated as per instruction provided in 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 the office of the Director will be vacated.	
(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 case occurred
(c)	Bangladesh Bank 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 case occurred
1.3	**Removal of Directors from office**: U/s 108(2) of the Companies Act, 1994, 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 Bangladesh Bank's approval.	No such case occurred
1.4	**Appointment of Alternate Director**: Subject to compliance u/s 101 of the Companies Act, 1994, 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: i) 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 Bangladesh Bank. ii) 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 Bangladesh Bank within 7 days of taking the decision and the director's arrival date must be intimated to Bangladesh Bank immediately after his/her return. iii) 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. iv) As an alternate director is appointed temporarily; therefore, he/she will not be included in any kind of committee constituted by the BoD. v) 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 of exemption or interest waiver will not be allowed. Moreover, all restrictions applicable to directors according to rules and regulations will also be applicable to the alternate director.	No such case occurred

SL.	PARTICULARS	COMPLIANCE STATUS
2	**Director from Depositors**: As per Bank Companies Act 1991 (amended in 2023) 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 2023), 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 PLC.
3	**Information regarding Directors**: Banks are advised to take the following steps regarding director's information: i) Every bank should keep an updated list of bank directors. ii) Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director. iii) 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)**:	
4.1	**Responsibilities and Authorities of the BoD**:	
(a)	**Work planning and strategic management** i) The board shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall analyze/monitor quarterly rests the development of implementation of work plans. ii) The board 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/recommendationson 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. 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 Bangladesh Bank 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 Bangladesh Bank 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. 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 the adoption of modern electronic and information technologies, and the introduction of effective Management Information System (MIS). The BoD shall get these programs incorporated in its annual work plan. iii) The BoD will compose Code of Ethics for every tier of employees and they will follow it properly. The BoD will promote healthy code of conducts for developing a compliance culture.	Complied The Board approves HR Policy from time to time which guides all actions or decisions relation to HR Management of PBPLC.
(e)	**Financial Management**: i) The annual budget and the statutory financial statements will be finalized with the approval of the Board. 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. ii) The Board 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 Board. iii) The Board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.	Complied PBPLC. follows Board approved Procurement Policy

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 Bangladesh Bank.	Complied
(g)	**Other responsibilities of the BoD** In accordance to Bangladesh Bank 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 our bank holds 4 (four) Board meetings in a month.
4.3	**Responsibilities of the Chairman of the BoD** i) 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. ii) 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. iii) 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.	Complied
a)	**Organizational Structure** i) The EC will be formed with maximum of 07 (seven) members for a period of 03 (three) years. ii) Members of the Committee will be nominated by the Board of Directs from themselves. iii) The Chairman of the BoD can also be the Chairman of the EC. iv) The company secretary of the bank shall act as the secretary of the EC.	
b)	**Qualification of the Members**: (i) EC members should be honest and sincere. (ii) They should have reasonable knowledge on banking business, its operations and risk management. (iii) The should be capable of making valuable and effective contributions in the functioning of the Committee.	Complied
c)	**Roles and Responsibilities of the EC Committee** (i) The Executive Committee can decide or can act in those instructed by the Board of Directors that are not specifically assigned on full Board through the bank Company Act, 1991 and other laws and regulations. (ii) The Executive Committee can take all necessary decision or can approve cases within the power delegated by the Board of Directors. (iii) All decisions taken in the Executive Committee should be ratified in the next Board Meeting.	
d)	**Meetings** i) The Executive Committee can call meeting at any time. ii) The Committee may invite CEO, Head of Internal Audit or any other officer to attend the respective committee meeting. iii) To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting. iv) All decisions/observations of the Committee should be noted in minutes.	
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.	Complied
a)	**Organizational Structure** i) Members of the committee will be nominated by the board of directors; ii) The audit committee will comprise of maximum 05 (five) members, with minimum 2 (two) independent director; iii) Audit committee will comprise with directors who are not executive committee members; iv) Members may be appointed for a 03 (three) year term of office; v) Company secretary of the bank will be the secretary of the audit committee.	Complied

SL.	PARTICULARS	COMPLIANCE STATUS
b)	**Qualification of the Members** i. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee; ii. Each member should be capable of making valuable and effective contributions in the functioning of the committee; iii. 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. iv. Professionally Experienced persons in banking/financial institutions specially having educational qualification in Finance, Banking, Management, Economics, Accounting will get preference in forming the committee.	Complied
c)	**Roles and Responsibilities of the Audit Committee** **1) Internal Control**: i. Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities; ii. Review management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS); iii. Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management; iv. Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the board after reviewing whether necessary corrective measures have been taken by the management.	Complied
	2) Financial Reporting: i. Audit committee will check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank; ii. Discuss with management and the external auditors to review the financial statements before its finalization.	
	3) Internal Audit: i. Audit committee will monitor whether internal audit working independently from the management. ii. Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process; iii. Examine the efficiency and effectiveness of internal audit function; iv. Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.	
	4) External Audit i. Review the performance of the external auditors and their audit reports; ii. Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not. iii. Make recommendations to the board regarding the appointment of the external auditors.	
	5) Compliance with existing laws and Regulations: Review whether the laws and regulations framed by the regulatory authorities (central bank and other Bodies) and internal regulations approved by the board are being complied with.	
	6) Other Responsibilities: i. Submit compliance report to the board on quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities; ii. External and internal auditors will submit their related assessment report, if the Complied committee solicit; iii. Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.	
d)	**Meetings**: i. The audit committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit; ii. The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary; iii. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; iv. All decisions/observations of the committee should be noted in minutes.	Compiled
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.	Complied

SL.	PARTICULARS	COMPLIANCE STATUS
a)	**Organizational Structure** i. The RMC is to be formed with maximum five members who will be appointed for 03 (three) years. ii. Each member should be capable of making valuable and effective contributions in the functioning of the Committee. iii. The company secretary of the bank shall act as the secretary of the Committee.	Compiled
b)	**Qualifications of the Member** i) Integrity, dedication and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee; ii) Each member should be capable of making valuable and effective contributions in the functioning of the committee; iii) 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.	Compiled
c)	**Roles and Responsibilities of the Risk Management Committee** **i) Risk identification & control policy**: Formulation and implementation of appropriate strategies for risk assessment and its control is the responsibility of Risk Management Committee. Risk Management Committee will monitor risk management policies &methods and amend it if necessary. The committee will review the risk management process to ensure effective prevention and control measures.	Compiled
	ii) Construction of organizational structure: The responsibility of Risk Management Committee is to ensure an adequate organizational structure for managing risk within the bank. The Risk Management Committee will supervise formation of separate management level committees and monitor their activities for the compliance of instructions of lending risk, foreign exchange transaction risk, internal control & compliance risk, money laundering risk, information &communication risk including other risk related guidelines.	
	iii) Analysis and approval of Risk Management policy: Risk management policies & guidelines of the bank should be reviewed annually by the committee. The committee will propose amendments if necessary and send it to the Board of Directors for their approval. Besides, other limits including lending limit should be reviewed at least once annually and should be amended, if necessary.	
	iv) Storage of data & Reporting System Adequate record keeping & reporting system developed by the bank management will be approved by the risk management committee. The committee will ensure proper use of the system. The committee will minute its proposal, suggestions & summary in a specific format & inform the Board of Directors.	
	v) Monitoring the implementation of overall Risk Management Policy Risk Management Committee will monitor proper implementation of overall risk management policies. They will monitor whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk.	
	vi) Other responsibilities: i. Committee's decision and suggestions should be submitted to the Board of Directors quarterly in short form; ii. Comply instructions issued time to time by the controlling Body; iii. Internal & external auditor will submit respective evaluation report whenever required by the committee.	
d)	**Meetings** i. The risk management committee should hold at least 4 meetings in a year and it can sit any time as it may deem fit; ii. The committee may invite Chief Executive Officer, Chief Risk Officer and any other Officer to its meetings, if it deems necessary; iii. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; iv. All decisions/observations of the committee should be noted in minutes.	Compiled
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).

2. 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 berelieved 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 Bangladesh Bank: i) 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. ii) 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. iii) Without improving the bank's major economic indicator like- CAMELS, annual salary increment will not be payable. iv) 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. v) 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. vi) The bank shall not pay any income tax for the CEO, i.e., the CEO so appointed shall have to pay it.	Complied
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

SL.	PARTICULARS	COMPLIANCE STATUS
9	**Evaluation Report** For reappointment of the CEO, the Chairman of the bank shall have to submit a Board approved evaluation report to Bangladesh Bank.	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 2023). 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 Bangladesh Bank. The selected person must also submit declarations as per Annexure ka & Annexure kha to Bangladesh Bank.	Complied
11	**Decision of Bangladesh Bank is final**: The decision of Bangladesh Bank 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 Bangladesh Bank.	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:** i) 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. ii) 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. iii) 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. iv) The CEO shall report to Bangladesh Bank of any violation of the Bank Companies Act 1991 or of other laws/regulations. v) 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. vi) The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, shall rest on him/her, which he/she shall apply in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the BoD, he/she shall nominate officers for training etc.	Complied

3. Appointment of Advisor

Contractual appointment of Advisor and Consultant.

Our Status of Compliance with BRPD Circular Letter No.
19 dated 27 October 2013,
27 dated 12 May 2021,
37 dated 3 September 2023

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: i) Experience in Banking or Administration for at least 15 (fifteen) years or have a long experience in social activities. ii) Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person. iii) Satisfaction should be ensured that the concerned person was not dismissed from his service when he was Chairman/ Director/ Executive of any company. iv) 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. v) 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.	No advisor at present in PBPLC.
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.	No advisor at present in PBPLC.
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.	No advisor at present in PBPLC.
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 advisor at present in PBPLC.
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.	No advisor at present in PBPLC.
6	**Appointment of Ex-executive**: **i)** 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. **ii)** Any regular or contractual officials (retired) will not be appointed without completing their 5 years of retirement	No advisor at present in PBPLC.

SL.	PARTICULARS	COMPLIANCE STATUS
B	**Rules and regulations for appointment of a Consultant**	
	i) Terms of Reference: Consultant can be appointed for specialized tasks like tax, law & legal procedures, engineering & technical works, information technology, etc. Consultants' appointment should be avoided as much as possible for those works that could be done by regular employees of the bank. **ii) Responsibilities**: The responsibilities or term of reference of consultant should be specified. He/she shouldn't be involved beyond his/her terms of references and he/she cannot exercise any kind of power in bank operation or cannot participate in the decision making process. **iii) Appointment**: Consultant can be appointed with the approval of Board of Directors. After such appointment the bank shall send the consultant's complete resume, terms of reference and details of remuneration to Bangladesh Bank immediately. **iv) Tenure**: The tenure of consultant should be consistent with the terms of reference, but would not exceed 2 (two) years. Generally, consultant's appointment will not be renewable, but to complete unfinished tasks, the contract can be extended up to maximum 1 year with the approval of Bangladesh Bank. An evaluation report (by the chairman that is approved by the board of directors) of previous period should be submitted to Bangladesh Bank. **v) Remuneration/honorarium**: The consultant's remuneration should be in the form of monthly or single lump-sum payment, he is not entitled to any other facilities. **vi) Appointment of Ex-officials**: For ensuring good governance any former director, chief executive or any official will not be eligible to become a consultant in the same bank immediately after his/her retirement or resign.	No such consultant in PBPLC.

BSEC Checklist on Corporate Governance

Status of Compliance with the Corporate Governance Code

[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 (PUT √ IN THE APPROPRIATE COLUMN)		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 PLC. is composed of 15 Directors.
1(2)	**Independent Directors**			
1.2(a)	Independent Director: At least 2 (two) directors or one-fifth (1/5) of the total number of Directors in the Board, whichever is higher	√		Pubali Bank has 2 (Two) Independent Directors which comply the requirement of Bank Company Act, 1991.
1.2(b)	Without contravention of any provision of any other laws, for the purpose of this clause an '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 except-ing 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 reported as a defaulter in the latest Credit Information Bereau (CIB) report of Bangladesh bank for non-payment of any loan or advance or obligation to a bank or a financial institution and	√		Do
1.2(b)(x)	Independent Director has not been convicted for a criminal offence involving moral turpitude.	√		Do

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT √ IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		COMPLIED	NOT COMPLIED	
1.2(c)	Appointment of Independent Director shall be done by the Board and approved by the shareholder in the AGM: Provided that the Board shall appoint the Independent Director, subject to prior consent of the commission, after due consideration of recommendation of the NRC of the company.	√		-
1.2(d)	The post of Independent Director(s) cannot remain vacant for more than ninety days.	√		
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 (on 18-12-2018) 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)	Independent Director 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 registered business association; or			Not Applicable
1.3(b)(ii)	Independent Director 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			Not Applicable
1.3(b)(iii)	Independent Director is a former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale who has at least educational background of bachelor degree in economics or commerce or business or law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or	√		One ID is a former senior official of Bangladesh Bank
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 (One) Independent Director is an Advocate; Supreme Court of Bangladesh and ex-teacher of University of Dhaka & BRAC University.
1.3(c)	The Independent Director shall have at least Ten years of experiences in any field mentioned in clause (b)	√		The Independent Directors have more than 10 years of experience in this respective field

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT √ IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		COMPLIED	NOT COMPLIED	
1.3(d)	Special cases for relaxing qualifications or experiences with prior approval of the Commission;	—		Not Applicable
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	√		The Chairperson of the Board and the Managing Director of the Bank are different individuals.
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.	√		Maintained BRPD Circular No.02; dated 11 Feb 2024.
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.	—		
1.5	**The Director's Report to Shareholders**			
1.5(i)	An industry outlook and possible future developments.	√		As stated in the Director's Report
1.5(ii)	Segment-wise or product-wise performance.	√		Do
1.5(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any.	√		Do
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.	—	—	No such instance
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.	—	—	No such instance
1.5(ix)	An explanation on any significant variance between Quarterly Financial performances and Annual Financial Statements.			No such significant variance occurred during the financial year under review.
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.	√		

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT √ IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		COMPLIED	NOT COMPLIED	
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).	√		
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.	√		

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT √ IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		COMPLIED	NOT COMPLIED	
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.	√		
1.5(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality	√		
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.	N/A		The Bank has been maintaining BRPD (R-1)717/2021-5064 dated 16 June 2021)
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.	√		In practice
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.	√		Do
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.	√		Do
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.	√		Do
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	√		Do
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.	√		In practice
3(1)(b)	The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals.	√		Do
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: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission:	√		Do
3(1)(d)	Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately.	√		Do

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT √ IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		COMPLIED	NOT COMPLIED	
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 situation arose in the reporting year
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.	√		
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.	√		Disclosed in the Annual Report as declaration by CEO and CFO.
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	√		Already is in Practice
4(ii)	Nomination and Remuneration Committee of the BoD	N/A		Not in Practice(Ref: BRPD Circular No. 11 dated 27.10.2013)
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
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.	√		The Audit Committee is composed of 5 (Five) members
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.	√		The background of Audit Committee Members can conform to the CG Codes of BSEC
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee.			No such case in the reporting year
5(2)(e)	The Company Secretary shall act as the Secretary of the Committee.	√		In practice

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT √ IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		COMPLIED	NOT COMPLIED	
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		In practice
5(3)	**Chairman of the Audit Committee**			
5(3)(a)	Chairman of the Audit Committee shall be an Independent Director.	√		The Chairman selected by the Board is 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.	√		9 (Nine) Meetings duly conducted in the reporting year
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.	√		
5(5)	**Role of the Audit Committee**			
5(5)(a)	Oversee the financial reporting process.	√		The Committee performed as per its norms
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
5(6)	**Reporting of the Audit Committee**			
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.	√		The Committee performed as Per norms
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.			None
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.	-		None

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT √ IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		COMPLIED	NOT COMPLIED	
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-		None
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.	√		
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).	-		Not applicable
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.	√		The activities of the Audit Committee are disclosed in the Annual Report
6	**Nomination and Remuneration Committee (NRC):** Not applicable for Banking Company as per guidelines 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.	-		Not in Practice (Ref: BRPD Circular No. 11 dated 27.10.2013)
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)	At least 02 (two) 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
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.	-		Not in Practice (Ref: BRPD Circular No. 11 dated 27.10.2013)

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT √ IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		COMPLIED	NOT COMPLIED	
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.	-		Do
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
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.	√		

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT √ IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		COMPLIED	NOT COMPLIED	
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.	√		Representative of Statutory Auditors were present in the last AGM
8	**Maintaining a website by the Bank**			
8(1)	The bank shall have an official website linked with the website of the stock exchange.	√		In practice
8(2)	The bank shall keep the website functional from the date of listing.	√		Do
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).	√		Do
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.	√		The Certificate of Compliance obtained from Mohammad Sanaullah & Associates is 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.	√		The Compliance Auditor Mohammad Sanaullah & Associates is duly appointed by the Shareholders at its 40th AGM
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.	√		The Statement of Compliance also disclosed in the Annual Report

Risk Management & Internal Control

Report of the Chief Risk Officer

We are delighted to provide an update on Risk Management Framework, Risk Mitigation Process, and Risk Reporting of Pubali Bank PLC.

Risk and risk management constitute integral parts of banking business. Risk cannot be eliminated but can be minimized by different techniques. Profit/wealth maximization is the function of sound risk management and adherence to internal control of the bank. Risk Management also ensures sustainable development. Now a days every bank while conducting business brings the use of information technology, compliance, risk management and capital management into consideration. There is a positive correlation between risk weighted asset and required capital under Risk Based Capital Framework.

The bank has developed its risk culture through policies, guidelines, circulars and training etc. regarding responsibility of Board, Senior Management and other officials. In Pubali Bank PLC. risk management in not confined to certain divisions but it is the duty of all officials of Sub Branches, Branches, Islamic Banking Windows, Regional Offices, Principal Offices and Head Office. Business and operational units, under the oversight of the management body are primarily responsible for managing risk on day-to-day basis, considering risk tolerance and risk appetite, and in line with bank's risk policies and procedures.

World economy was making significant progress in its recovery from the COVID-19 pandemic. But Russia-Ukraine war, fuel and food price hike, unrest in the Middle East, China-Taiwan conflict, negative trend of inward foreign remittance, demand & cost push inflation, and natural calamities etc. created risks for the banking institutions. These have affected bank's deposit, advance, earning, NPL, capital and liquidity position, credit rating, CAMELS rating and Composite Risk Rating etc.

Our bank continues to demonstrate resilience as evidenced by strong risk management and capital management under Risk Based Capital Framework. Non-financial risks such as fraud, Information, political unrest and Cyber Security, Technology, People and Change Management remain heightened. We have given high degree of attention and strengthened our operational defenses against these risks and developed resilience through active enhancement programs.

Bank's Risk Management Policy and Risk Management Structure have been revised according to latest risk management guidelines of Bangladesh Bank. As per Bangladesh Bank's instruction Comprehensive Risk Management Report is prepared for June & December and submitted to Bangladesh Bank. Risk Appetite Statement (RAS) and a Review report of Risk Management Policies and effectiveness of risk

management functions have also been prepared and submitted to Bangladesh Bank with the approval of the Board of Directors.

We have submitted Recovery Plan of our Bank to Bangladesh Bank according to BRPD Circular no-03 dated 24 February 2022 so that Bank can cope with stress situations and prepare its responses to the potential shocks in advance.

We have organized "Annual Risk Conference - 2023" at the Bank Head Office and the conference was attended by 982 numbers of officials from across the country.

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.
- Our 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.
- Our Risk Management Committee (RMC) of the Board 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 PLC. 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 within the organization.

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

Report on Risk Management Framework

Banks are highly leveraged business organizations and risk is an integral part of banking business. 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. Internal control is one of the tools that can reduce/minimize risk to some extent.

Risk Management Division of Pubali Bank PLC. in association with concerned divisions plays a critical role in ensuring that the bank is operating in a safe and sound manner. In our bank risks are identified, assessed, and managed in a comprehensive and integrated manner by almost all divisions such as Corporate Credit Division, CMSME Division, Credit Administration, Monitoring & Recovery Division, Audit & Inspection Division, Monitoring Division, Compliance Division, Treasury Division, ICT Operation Division and Risk Management Division etc. Risk Management Division works closely with other divisions within the bank to ensure that risk management practices are integrated into all aspects of the bank's operations. The division helps ensure compliance with regulatory requirements, protect the bank's health, enhance the bank's reputation, and ensure operational efficiency.

Risks in Banking Sector

The Bank faces the following risks which need utmost care for ensuring effective risk-return and increasing the shareholders' value of the Bank:

- credit risk,
- market risks (interest rate risk, foreign exchange risk and risk from change in market price of securities),
- liquidity risk,
- exposure risks,
- investment risks,
- risks relating to the country of origin of the entity to which the bank is exposed,
- operational risk,
- legal risk,
- reputational risk and strategic risk.

Moreover 06 core risks are rated annually to assess additional capital requirement under Pillar I & II of Basel III and concerned divisions are advised to improve the rating (if required).

Risk Management Framework of Pubali Bank PLC.

The primary goals of risk management are to ensure that the outcomes of risk-taking activities are consistent with the bank's strategies and risk appetite. The risk management framework of the bank is subject to constant evaluation to ensure that it meets the challenges and requirements of the local and global environment in which the bank operates including regulatory standards and industry best practices. In line with the local and global risk management framework Pubali Bank PLC. has own risk management framework for overall risk management of the Bank. The framework is the combination of Board & Management oversight and Operational level risk management structure. The bank 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.

Pubali Bank's risk management framework brings all risks that prevails in the banking industry at all times such as Credit Risk, Market Risk, Operational Risk, Money Laundering & Terrorist Financing Risk, Information & Communication Technology Risk, Compliance Risk and other emerging risks. This framework provides adequate, timely, and continuous identification, assessment, measurement, monitoring, mitigation, reporting & assurance of risks posed by its activities at the business line and bank-wide levels.

Risk Management Structures of the Bank

The Bank has three-layer defense systems for risk management of the Bank which are at strategic level, management level and at operational level.

Strategic Level	Managment Level	Operational Level
Board of Directors Audit Committee of Board Board Risk Management Committee	Executive Risk Management Committee (ERMC) Supervisory Review Process (SRP) Team Basel Implemenation Unit Corporate Credit Committee Retail & CMSME Credit Committee Central Taskforce Committee for NPL Recovery ALCO etc.	Risk Management Division All other risk related Divisions/Units

Risk Management Policy & Board Oversight

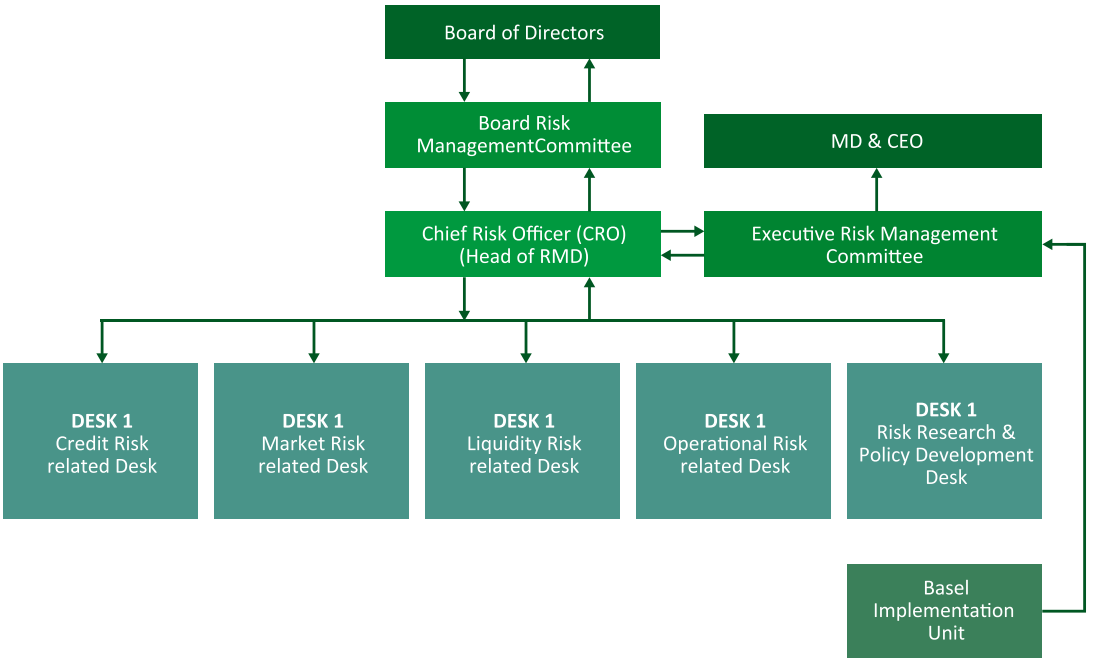
The Board of Directors has the ultimate responsibility for the risks taken by our bank. Therefore, it approves the risk appetite, risk tolerance and risk limit, and set risk strategies. The Board understands the nature of risks significant to bank and ensures that the management is taking necessary steps to implement those strategies and manage accompanying risks. To perform the risk oversight role properly, the Board members of Pubali Bank PLC. has 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. The Board approves the strategies and significant risk management policies and review them on regular basis.

Risk Management Policy & Senior Management Oversight

While the overall responsibility for risk management rests with the Board of Directors, Senior Management transforms the strategic directions set by the Board into operational policies, procedures, and processes for Effective Risk Management. The Senior Management is fully aware of the activities undertaken by the bank that could expose it to various risks. It possesses necessary knowledge and skills to be able to align the risk levels with the Board's strategies through risk assessment and treatment. Top management is aware of bank's risk profile on an ongoing basis and regularly reports to the Board or a Board Risk Management Committee for review. For effective oversight of risk management, management provides the members of the Board 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 oversees 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 ensure that Bank's executives understand the risks and take proper steps duly.

Risk Management Organogram of our Bank

Below is the Organogram that has been formed by our bank and the function of Risk Management to be followed accordingly.



Risk Management Related Committees

<table>
<tr><th>Committees</th><th>Key Objectives</th><th>Represented by</th></tr>
<tr><td>Board Risk Management Committee (BRMC)</td><td>To ensure that the Bank wide risks area such as credit, foreign exchange, money laundering, information technology, operation are managed within the risk strategy and appetite established by the Board of Directors.</td><td><table><tr><th>Name</th><th>Status</th></tr><tr><td>Mr. M. Kabiruzzaman Yaqub
FCMA (UK), CGMA</td><td>Chairman</td></tr><tr><td>Mr. Habibur Rahman</td><td>Member</td></tr><tr><td>Mr. Musa Ahmed</td><td>Member</td></tr><tr><td>Mr. Azizur Rahman</td><td>Member</td></tr><tr><td>Mr. Md. Abdur Razzak Mondal</td><td>Member</td></tr></table>All of them are Board members of Pubali Bank PLC.</td></tr>
<tr><td>Executive Risk Management Committee (ERMC)</td><td>To monitor the activities of risk management division responsible for integrated risk management across the Bank.</td><td>Chaired by CRO

Deputy Managing Directors, Head of all other Divisions and General Managers are the members of the Committee.</td></tr>
<tr><td>Supervisory Review Process (SRP) Team</td><td>To review and assess overall capital adequacy in relation to the Bank's risk Profile and strategy for maintaining Bank's Capital at an adequate level, i.e. enough capital to compensate all the risks in the Bank's business, and to develop and practice better risk management techniques in monitoring and managing risks.</td><td>Chaired by Managing Director & CEO

Deputy Managing Director, CFO and CRO are the members of the Committee.</td></tr>
<tr><td>Sustainable Finance Committee</td><td>To provide yearly goals & targets for the Sustainable Finance Unit (SFU) and evaluate the achievement as well as to ensure the co-ordination & co-operation among all divisions of the bank regarding the activities of Sustainable Finance Unit (SFU)</td><td>Chaired by Deputy Managing Director

Head of 15 Divisions are the members of the Committee and DGM of CMSME Division is the Member Secretary.</td></tr>
<tr><td>Asset Liability Committee (ALCO)</td><td>To maintain a balance sheet risk between liquidity and profitability of the Bank containing liquidity risk and interest rate risk at desired level.</td><td>Chaired by Managing Director & CEO

Deputy Managing Director, CRO, CFO, Head of Treasury Front Office, Head of GBOD are the members of the Committee.</td></tr>
<tr><td>Corporate Credit Committee</td><td>To implement credit risk policy/strategy approved by the Board and making recommendations to the Board for its approval, clear policies and standards for presenting credit proposals, financial covenants etc.</td><td>Chaired by Deputy Managing Director

DMD, Head of Corporate Credit Division, General Manager of Corporate Credit Division, CFO, Head of Treasury Division are members.</td></tr>
<tr><td>Retail & CMSME Credit Committee</td><td>To implement credit risk policy/strategy approved by the Board and making recommendations to the Board for its approval, clear policies and standards for presenting credit proposals, financial covenants etc.</td><td>Chaired by Deputy Managing Director

DMD, Head of CMSME Credit Division, CFO, Head of Treasury Division are members.</td></tr>
</table>

Risk Management Organogram of our Bank

In Compliance with Section 15(B) of the Bank Companies Act 1991 (amended up to 2023) and Bangladesh Bank BRPD Circular No. 02 dated 11 February 2024, the Bank has a five-member Risk Management Committee (RMC) of the Board which was reconstituted on June 03, 2021. The Committee supervises various risks arise from credit, foreign exchange, internal control and compliance, money laundering, information technology, operation, interest rate, liquidity etc. Presently five (05) members of the Board of Directors are representing in the Risk Management Committee of the Board. During the year 2023, four (04) meetings of the Committee were held where designated memorandums were placed for perusal, recommendation and approval. The lists of typical memorandums were as followings:

- Reviewed the Internal Control and Compliance Risk and present implementation status of the Bank.
- Reviewed the report on Environmental & Social Risk and its Present implementation status.
- Periodically reviewed and perused the Stress Testing Report.
- Reviewed the report on "Risk Based Capital Adequacy", Solo & Consolidated return under Basel III framework.
- Reviewed the report on "Disclosure on risk based capital adequacy" under Market discipline (Basel III-Pillar 3).
- Reviewed the Non-Performing Loan (NPL) management and its present implementation status.
- Reviewed and analyzed the Capital Growth Plan of the Bank from 2023 to 2026.
- Money Laundering & Terrorist Financing Risk, its mitigation factors & Present Implementation Status of the Bank.
- Reviewed the 6 (Six) Core Risks and their implementation status of the Bank.
- Reviewed the Residual Risk Management of the Bank.
- Reviewed the Settlement Risk Management of the Bank and its implementation status.
- Reviewed Operational Risk Management of the Bank.
- Reviewed the report on Asset and Liability Management Risk of the Bank.
- Reviewed the Minutes of Executive Risk Management Committee.
- Reviewed the Minutes of Sustainable Finance Committee.
- Reviewed the Minutes of Management Reporting System Committee.
- Reviewed the Minutes of Ethical Committee for Implementation of Integrity Strategy.

Chief Risk Officer (CRO)

Chief Risk Officer (CRO) is responsible for ensuring intense and effective risk management across the Bank. The CRO works to ensure that the Bank is compliant with rules, regulations, and reviews factors that could negatively affect the Bank's objectives. According to the Basel Committee on Banking Supervision, CRO has been referred as an independent senior executive with distinct responsibility for the risk management function and the institution's comprehensive risk management framework across the entire organization.

In the Corporate Organogram of the Bank, CRO is a functional designation and hold the position of General Manager with reporting line to Risk Management Committee of the Board with dotted line reporting to MD & CEO of the Bank.

Executive Risk Management Committee (ERMC)

The ERMC of the Bank has been formulated comprising of CRO (as the Chairman), Deputy Managing Directors and Head of all other Divisions and General Managers are the members of the Committee. The ERMC, from time to time, may invite top management, to attend the meetings so that they are well aware of risk management process.

Terms of Reference (ToR) of Executive Risk Management Committee (ERMC)

The responsibilities/ Terms of Reference of ERMC will include, but limited to the followings:

- Identifying, measuring and managing bank's existing and potential risks through detailed risk analysis;
- Holding meeting at least once in a month upon the findings of risk reports and taking appropriate decisions to minimize and/or control risks;
- Ensuring incorporation of all the decisions in the meeting minutes with proper dissemination of responsibilities to concerned Divisions;
- Minimizing/controlling risks through ensuring proper implementation of the decisions;
- Reviewing risks involved in new products and activities and ensuring that the risks can be measured, monitored and controlled adequately;
- Submitting proposals, suggestions & summary of ERMC meetings to CEO, BRMC on regular basis;
- Implementing the decisions of BRMC and Board meetings regarding risk issues;
- Assessing requirement of adequate capital in line with the risk exposures and ensuring maintenance of the same through persuading Senior Management and Board;
- Determining risk appetite, limits in line with strategic planning through threadbare discussions among the members;
- Contributing to formulation of risk policies for business units;
- Handling "critical risks" (risks that require follow-up and further reporting);
- Following up reviews and reports from BB and informing BRMC the issues affecting the bank's operation.
- Ensuring arrangement of Annual Risk Conference in the bank.

During the year 2023, twelve (12) meetings of the Executive Risk Management Committee were held under the chairmanship of Chief Risk Officer (CRO) where different risk related issues were elaborately discussed and decisions of the meeting disseminated across the Bank for mitigating risk issues.

Risk Management Division

As per guidelines of Bangladesh Bank, the Bank has separate Risk Management Division (RMD) headed by Chief Risk Officer (CRO) for appropriate decisions making by providing analytical data on important risk related issues that arise from 6 (six) core risks as per guidelines of Bangladesh Bank and risks defined under Pillar 1 i.e. Minimum Capital Requirement and Pillar 2 i.e. Supervisory Review Process under Basel III.

RMD manages and measures risks on the basis of the Bank's approved risk parameters independently in line with regulatory requirements. The role of RMD includes, but not limited to, the following:

- Collecting and analyzing data/information for identifying risks and making appropriate recommendations for risk mitigation;
- Designs bank's overall risk management strategy to reduce the risk under tolerable limit;
- Assisting BRMC/ERMC by providing risk issues that are needed to be addressed;
- Informing the Board Risk Management Committee and Executive Risk Management Committee about the appetite for risk across the bank;
- Preparing risk management reports, arranging monthly meeting of ERMC and preparing meeting minutes, disseminating the decisions to the concerned divisions, monitoring and follow up of implementation status;
- Establishing risk management policies and procedures;
- Assisting Senior Management in formulating strategic planning considering bank's risk exposures and industry as a whole;
- Supporting the Board, BRMC and ERMC in formulation, review and approval of the enterprise-wide risk governance framework which includes the bank's risk culture, risk appetite, risk limits, and MAT;
- Monitoring on ongoing basis the risk-taking activities and risk exposures in line with the Board approved risk appetite, risk limit and corresponding capital or liquidity needs (i.e. capital planning)
- Taking initiatives for interim review of risk appetites on request of other related divisions and informing the Board of Directors and BRMC time to time about the status of risk exposures as compared to appetite;

Risk Appetite Framework

The Bank has a Board approved Risk Appetite Framework and the risk appetites are determined as per annual business target, CRM, ALM and Risk Management Policy of the Bank which are meticulously followed by the Bank.

Risk Appetite Statement (RAS)

Risk Management Division (RMD) with the help of concerned divisions develops yearly Risk Appetite Statement and submits the same to Bangladesh Bank after getting approval from the Board of Directors. Risk Appetite statement includes risk appetite, risk limit, and risk tolerance so that functional units and the bank as a whole can manage risks considering yearly business targets, monetary & fiscal policy, industry growth and local and global scenario. RMD monitors these risk limits throughout the year and reports to senior management and Risk Management Committee of the Bank. Risk Appetite Statement is also used by various committees such as Credit Committee for Corporate, Credit Committee for Retail & CMSME, Asset Liability Committee, and Committee for Central Taskforce for recovery of NPL etc. Mentionable here that RMD prepared the RAS for the year 2023 and Board of Directors approved the same and after board approval the statement was submitted to Bangladesh Bank in time.

The status of Risk Appetite Statement of 2023 is noted below:

PARTICULARS	RISK APPETITE 2023	STATUS
Overall growth of loans and advances (funded)	14.31%	20.05%
Overall growth of loans and advances (non-funded)	28.58%	7.49%
Top-20 borrower-wise credit concentration (%) (funded)	24.00%	19.10%
Gross NPL to total loans (%)	3.00%	2.86%
Recovery against classified loan (%)	25.00%	12.00%
Unsecured exposure to total exposure (funded) (%)	40.00%	36.14%
Off-balance sheet exposure to total assets (%)	35.00%	29.79%
Overdue accepted bills (payable and receivable) to total loans (%)	1.00%	0.80%
Rescheduled loans to total loans (%)	2.50%	7.44%
Operating expenses to operating income (%)	45.00%	49.75%
CRAR	14.00%	13.87%

Review Report of Risk Management Policies and Effectiveness of Risk Management Functions

The bank has prepared a Review Report of Risk Management Policies and Effectiveness of Risk Management Functions for the year 2023 as per the Risk Management Guidelines issued by Bangladesh Bank vide DOS Circular No.4, dated October 08, 2018. The report includes the implementation status of different risk management policies across the Bank. Board of Directors has approved the same and after board approval the statement was submitted to Bangladesh Bank in time. Concerned Divisions/ Units of the Bank have been advised to resolve the deviations/weaknesses as detected in the report.

The status of the requirement of risk related guidelines of Bangladesh Bank shows that there is room for improvement of the risk management culture of the Bank. The Bank is closely working to improve its risk management culture through implementation of different prerequisites/requirements of the regulatory bodies.

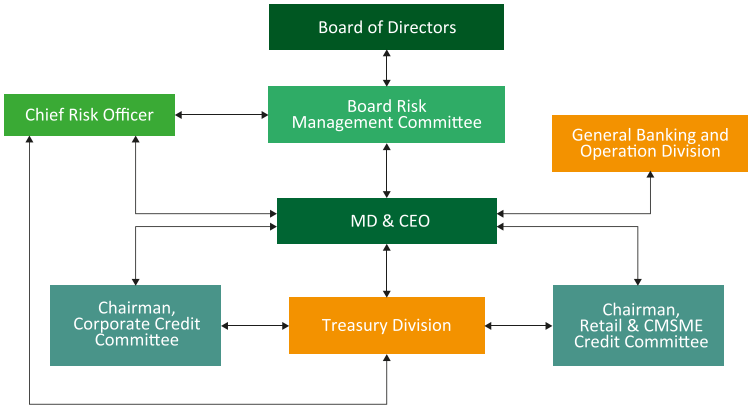
Risk Mitigation Methodology and Risk Mitigation Plan

Banking operation is subject to various risks. To ensure the sustainability the bank adopts a risk management framework that is effectively enough to manage all material risk to achieve the goal of the organization. Success of banking operation largely depends on choosing the best equation between risk and return.

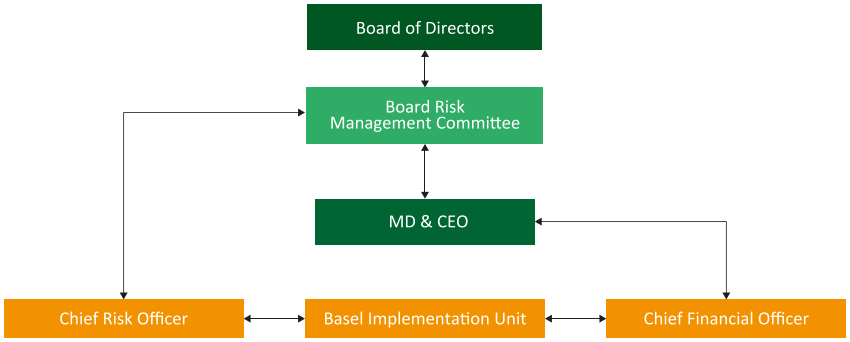
Risk Assessment, Escalation and Mitigation process

Risk Management is confined to all employees of the Bank. Every official make effort to identify risks within their own domains and resolve these in coordination with their supervisors. However, if the risk remains unresolved, it is escalated to higher authority as per organogram for resolution. Subsequently, issues that require the top management's guidance are placed at the Executive Risk Management Committee (ERMC). Critical risk elements are placed before the Board Risk Management Committee (BRMC). In our Head Office Risk Escalation report is shown as follows:

(a) For ADR and Other Liquidity Breach



(b) For CRAR and Capital Breach



Risk Management Process in Pubali Bank PLC.

Risk management is to balance the trade-off between risk and return and ensure optimum risk-adjusted return on capital. Risk in our bank 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.

The Risk Management process of the bank operates under following ways:

- 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. They peruse the Review Report of Risk Management Policies and Effectiveness of Risk Management Functions as per guidelines issued by Bangladesh Bank. Concerned divisions of Head Office implements the recommendations as mentioned in the report.
- 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 Based Audit is in force in our bank. Branches are graded as High Risk, Medium Risk and Low Risk branches considering different parameters. Auditors of Audit & Inspection Division conduct audit as per Risk Based Audit Plan approved by the Audit Committee of the Board. IT auditors are attached with audit teams to conduct IT audit. Synopsis of audit report is placed before the Audit Committee of the Board and decisions are implemented.
- As a part of operational risk management, academic certificates submitted by the officials are verified and police verification is must. If any official is dismissed from service for his involvement in any fraud-forgery or deviation in any other morality or if he/she resigns from the service during the period of investigation/inquiry, his/her information is uploaded in the CMMS of Bangladesh Bank so that other banks can bring the matter into consideration before appointing him in their banks as an experienced banker.
- 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.

Risk Management Reporting

Risk Management Division and other concerned divisions/unit of the Bank are continuously analyzing various risks for management information and reporting to competent authorities on regular basis. The reporting includes monthly and comprehensive risk management reporting, capital adequacy statement, stress testing report, quarterly risk management report, ICAAP Statement, assessment of core risk guidelines, Risk Appetite Statement of the Bank and Review report of Risk Management Policies and Effectiveness of Risk Management Functions etc.

Our Risk Management Division prepares risk

management report on monthly, quarterly and half yearly basis in accordance with Bangladesh Bank Guidelines. Following risk issues are included in the risk management report of the Bank:

Credit Risk	Operational Risk
Market Risk	Reputation Risk
Liquidity Risk	Environmental & Social Risk
Foreign Exchange Risk	Money Laundering Risk
Interest Rate Risk	Compliance Risk
Equity Price Risk	Other Risks

RMD places memorandums to the Executive Risk Management Committee of the Bank and Board Risk Management Committee on monthly and quarterly basis respectively.

Compliance status of risk management reporting

SL.	NAME OF REPORT	FREQUENCY	COMPLIANCE STATUS
1	Monthly Risk Management Report	Monthly	Complied
2	Quarterly Risk Management Report	Quarterly	Complied
3	Capital Adequacy Statement	Quarterly	Complied
4	Stress Testing & Gap Analysis	Quarterly	Complied
5	Comprehensive Risk Management Report	Half yearly	Complied
6	Internal Capital Adequacy Assessment Process (ICAAP) Statement	Yearly	Complied
7	Risk Appetite Statement	Yearly	Complied
8	Review Report of the Risk Management Policies & Effectiveness of Risk Management Function of the Bank	Yearly	Complied
9	Assessment of Core Risk Guidelines	Yearly	Complied

The Bank complied all the regulatory requirements relating to risk management activities of the Bank in the year 2023.

Annual Risk Conference - 2023

The Bank organized "Annual Risk Conference - 2023" on 9th December, 2023 at the Bank Head Office, Dilkusha, Dhaka. Mr. Mohammad Ali, Managing Director & CEO of Pubali Bank PLC. inaugurated the program as Chief Guest. Mr. Md. Zabdul Islam, Director, Department of Offsite Supervision (Division-2), Bangladesh Bank, Mr. Md. Esha, Mr. Md. Shahnewaz Khan and Mr. Mohammad Anisuzzaman, Deputy Managing Directors of Pubali Bank PLC. were present as Special Guests. Mr. Nitish Kumar Roy, GM & Chief Risk Officer of Pubali Bank PLC. presided over the ceremony. Among others, Regional Managers of Dhaka, Corporate Branch Managers of Dhaka and all Division heads along with other relevant officials of the Bank attended the Conference physically. The Conference were also attended by 982 numbers of officials from across the country including Head of Principal Offices, other Regional Managers, Branch and Sub-Branch Managers on zoom platform of the Bank. Two resources persons from Department of Off-Site Supervision (Division-2), Bangladesh Bank Mr. Kazi Arif Uz Zaman Ph.D, Additional Director and Mr. Mohammad Arif Hasan, Joint Director along with other internal resources persons of Pubali Bank PLC. delivered their presentations in the daylong conference.

Capital Management as a part of Risk Management

The bank has given due emphasis on Capital Management as per Risk Based Capital Framework. Under the 1st pillar of Basel-III, adequate capital is maintained against Credit Risk, Market Risk and Operational Risk. There is a positive correlation between risk weighted asset and required capital. The bank has introduced Key Performance Indicators (KPI) where emphasis has been given on security based loan to get provision and capital benefit and recovery of NPL. The bank has also stressed on credit rating/improvement of credit rating, recovery of NPL, reduction of credit concentration, increase of retail and SME exposure, and ancillary income for increasing Capital to Risk Weighted Asset Ratio (CRAR). The bank has issued perpetual Bond and Subordinated Bond to raise its additional Tier-1 Capital and Tier-2 Capital respectively after observing all regulatory requirement.

The bank has a plan to raise its CRAR at least 15.00% to fortify the risk management capacity of the Bank.

Internal Capital Adequacy Assessment Process (ICAAP)

Apart from Credit Risk, Market Risk and Operational Risk, the Bank prepares ICAAP report on yearly basis considering all material risks under Risk Based Capital Framework. The Senior Management Team and Board are engaged in the process. Supervisory Review Evaluation Process (SREP) Team of Bangladesh Bank arranges dialogue with our Supervisory Review Process (SRP) Team. ICAAP is a forward-looking assessment incorporating earnings, balance sheet and risk forecasts under baseline and adverse economic/ market conditions. The bank's top management also supervises ICAAP outcomes and provides insights via quarterly assessments of the adequacy of our capital and capital positions to the Board and its committees. A Capital Growth Plan was also prepared by the Bank to address the situation. In the monthly meeting of Executive Risk Management Committee agenda is always incorporated on Capital Management and Stress Testing. As per Basel III framework, the Bank faces the following material risks which are taken into consideration in assessing / planning capital:

RISKS UNDER PILLAR 1 (MCR)	
1	Credit Risk
2	Market Risk
3	Operational Risk

RISKS UNDER PILLAR 2 (SRP)	
1	Residual Risk
2	Concentration Risk
3	Liquidity Risk
4	Reputation Risk
5	Strategic Risk
6	Settlement Risk
7	Evaluation of Core Risk Management
8	Environmental & Climate Change Risk
9	Other Material Risks

As a part of ICAAP, the management identifies risks that the bank is exposed to and determines the means by which they can be mitigated and determines accurate levels of required capital according to the measures of balance sheet capital and regulatory capital (Tier 1 and Tier-2). The Bank is being always maintaining surplus capital against requirement under Pillar I and II of Risk Based Capital Framework.

Stress Testing

Stress Testing is a risk management technique used to evaluate the potential effects of Bank's financial condition of a specific event and/or movement in a set of financial variables. It is also an integral part of the Capital Adequacy Framework. The traditional focus of stress testing relates to exceptional but plausible events.

Stress testing framework as provided by Bangladesh Bank assesses the impact on Capital to Risk Weighted Asset Ratio (CRAR) due to minor, moderate and major level of shock in terms of Credit Risk, exchange rate risk, liquidity risk, equity price risk and interest rate risk. Stress testing for credit risk assesses the impact of increase in the level of Non-Performing Loans (NPLs) of the Banks.

The Bank performs stress testing on quarterly basis within the scope of Bangladesh Bank FSD circular no. 01 dated September 24, 2012. The Capital to Risk Weighted Assets Ratio (CRAR) was 13.87% as on 31.12.2023 upon which stress testing was conducted based on different parameters noted above. The position of CRAR after shock is noted below:

Description of different types of shocks	Extent of Shock			CRAR after Shock (%)		
	Minor	Moderate	Major	Minor	Moderate	Major
Performing loans directly downgraded to B/L: Trade Service	3%	9%	15%	13.84%	13.79%	13.74%
Performing loans directly downgraded to B/L: Constructions	3%	9%	15%	13.64%	13.19%	12.73%
Increase in NPLs due to default of top large loan borrowers	Top 3	Top 7	Top 10	10.34%	6.08%	3.49%
Negative shift in NPLs categories	5%	10%	15%	13.47%	13.24%	12.83%
Decrease in the FSV of collateral	10%	20%	40%	13.67%	13.48%	13.09%
Increase in NPLs	3%	9%	15%	12.52%	9.19%	4.01%
Interest Rate	1%	2%	3%	12.37%	10.87%	9.37%
FEX: Currency Depreciation	5%	10%	15%	13.72%	13.57%	13.42%
Equity Shock	10%	20%	40%	13.49%	13.11%	12.35%
Combined Shock				**9.91%**	**4.14%**	**-4.26%**

Stress situation in Duration Gap Analysis

The objective of the Duration GAP Analysis is to measure the level of the Bank's exposure to interest rate risk in terms of sensitivity of Market Value of its Equity (MVE) to interest rate movements. The duration gap tells how cash flows for assets and liabilities are matched. A positive duration gap is when the duration of assets exceeds the duration of liabilities (which means greater exposure to rising interest rates).

For absorbing different shocks under Stress Testing, the Bank takes following measures on an ongoing basis:

- Exposure on large loan customers are being monitored closely;
- Emphasize on enhancing collateral coverage against large loan exposure;
- Encouraging CMSME finances and home loan;
- Utmost care has been placed on monitoring and recovery of classified/write-off loans and advances;
- Credit rating of unrated Corporate and SME borrowers.

Credit Risk Management

Credit Risk is defined as the potential that bank's borrower will fail to meet its obligations in accordance with agreed terms. To maximize 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 PLC. 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. Corporate Credit Division and CMSME 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 Offices, Regional offices and Branches also manage credit risk by the way of sanctioning, disbursement, monitoring and recovery as per discretionary power. For reducing credit concentration, the bank has stressed on retail & SME sectors. IBW, Lease Financing Division, Consumers Credit Division and Card Business Division are also involved in credit risk management as per area of operation.

All credit proposals are placed in credit committees for disposal. Credit committee is available in corporate Branches, Regional Offices, Principal Offices and Head office. At Head Office level 02 Deputy Managing Directors are the chairmen of the credit committee for Corporate and Credit Committee for Retail & CMSME. Heads of the Corporate Branches, Regional and Principal Offices are the Chairman of the Credit Committee at Corporate Branches, Regional Offices and Principal Offices 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 by helping completion of documentation, scrutinizing the checklist of documents, and 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 borrowers as performing and unclassified. Audit & Inspection Division while conducting audit in the branches discloses the position of credit risk i.e. NPL position, documentation errors, excess over limit, overdue installment and validity expired loans. Compliance Division monitors the deviations as mentioned in the audit reports and asks remove the same by issuing follow up letter.

Foreign Exchange Risk Management

Foreign exchange risk is the current or prospective risk to earnings and 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'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 in line with central bank's directives related Foreign Exchange Risk. Moreover, to adopt the changing environment, Pubali Bank PLC. 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 PLC. 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, the bank 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 Liability Management Committee (ALCO) of the bank reflects key responsibility for balance sheet risk management. To ensure highest level of structural balance sheet stability, 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 PLC. is working thoroughly for Asset and Liability Management. In the meanwhile, the bank has established Treasury Front Office, Back Office and Mid Office as per Bangladesh Bank Guideline to mitigate the risk. Asset Liability Committee arranges monthly meeting and special meeting to address the ALM risk.

Interest Rate Risk

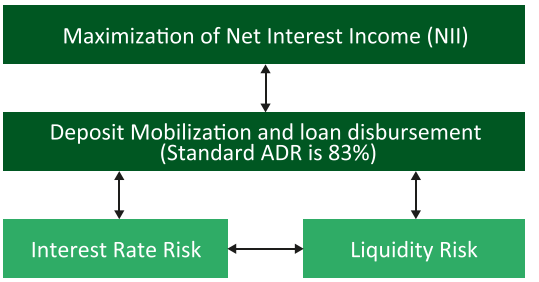
Interes Rate Risk arises from change of interest rate of assets (Loans and investment) and liabilities (Deposit & Call Money).The normal rule of banking business is to minimize the duration GAP of assets and libilities.

If Duration GAP is Positive i.e. Duration of Assets>Duration of liabilities (1) Increase of Interest Rate will reduce Income and (2) Decrease of Interest Rate will increase Income. On the other hand if If Duration GAP is Negative i.e. Duration of Assets < Duration of liabilities than (1) Increase of Interest Rate will increase Income and (2) Decrease of Interest Rate will reduce Income. Interest Rate Risk affects Net Interest Income and Economic Value of Assets and Liabilities.

Liquidity Risk Management

Liquidity Risk originates from change in liquidity position of the bank. Failure of the capacity or an inability to meet current obligations of the bank can be defined as liquidity risk. There is a negative correlation between liquidity and profitability. Treasury Division of Pubali Bank PLC. is primarily responsible to mitigate Liquidity Risk. The following indicators 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
- Liquidity Coverage Ratio
- Net Stable Funding 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



Asset Liability Management Committee (ALCO)

The bank already established Asset and Liability Management Committee (ALCO) headed by Managing Director & CEO with the following roles to manage 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. 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. 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 PLC., 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. The bank has also appointed SBAMLCO and IBAMLCO
- Money Laundering and Terrorist Financing Risk Management Guideline has been reviewed as per Bangladesh Bank Guidelines and the same has been disseminated to all concerns for compliance.
- Existing Customer Selection Policy has been reviewed and updated and disseminated to the branches for compliance.
- All circulars of former Anti-Money Laundering Department and present BFIU of Bangladesh Bank have been disseminated to the branches for compliance.
- Honorable Managing Director & CEO issues circular every year instructing all to comply with money laundering and terrorist financing related laws, rules and instructions.
- Uniform account opening form has been introduced and branches were advised to obtain complete and correct 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 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 web.
- Branches, Sub Branches and Islamic banking Windows 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. Follow up letter is issued to remove the weakness detected in the report.
- Our internal auditors while conducting audit uses Independent Testing Procedure to evaluate the AML & CFT status of the branches and branches are instructed to remove the weakness/deviation.

Internal Control and Compliance Risk Management

Pubali Bank PLC. has a well-structured Internal Control and Compliance (ICC) wing headed by a Deputy Managing Director with the following three distinct divisions headed by 03 division heads. 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 PLC. 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.

Monitoring Division of ICC Wing monitors/supervises the operational performance of individual divisions/ branches through various control tools such as Pubali Monitoring System (PMS), Departmental Control Function Checklist (DCFCL), Quarterly Operation Report (QOR), Loan Documentation Checklist (LDCL), Self -Assessment Anti-Fraud Internal Control Checklist. The Division also prepares annual report on 03 heaths of the Bank i.e. 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

Bank PLC. has formed an effective control system by establishing Audit & Inspection Division under ICC wing. The risk assessment focuses on compliance with regulatory requirements, banks own policies and international practices.

Internal Auditor works as the eyes & ears of the management. It can assure the management that the Internal Controls are adequate and in operations, policies and systems laid down are being adhered to and accounting records provided by the lower level are correct. Internal Audit Activity of the bank is effective and it provides senior management with a number of important services. These include detecting and preventing fraud, documentation error, concentration risk, NPL trend & recovery position, testing internal control & operational risk, and compliance with own policies & procedures, applicable rules & regulations, instructions/ guidelines of regulatory authority etc.

Information Technology (IT) Audit

IT Audit has already been introduced as per regulatory 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. At present IT auditor is attached with audit team to conduct IT audit in the branches. 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 PLC. 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). ICT Risk of the bank is managed by ICT Operation Division, Software Development Division and Alternative Delivery Channel Division. The bank is using ICT to capture market share, for auto generation of data/ information and for catering the customers from all walks of life. 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. 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 possible cyber-attacks and other risks, Pubali Bank PLC. has upgraded its ICT Security Guideline following the updated guidelines of Bangladesh Bank and taking security measures accordingly.

Pubali Bank PLC. has upgraded its ICT Security Guideline (Version-5) considering the updated guideline of Bangladesh Bank (Version-4) and introducing the security measures accordingly. Our achievements for protecting our system and to ensure secured 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
- Prioritization of information and information systems those need to be protected
- Aware and trained the users associated with managing the ICT infrastructure

Pubali Bank PLC. 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 Mobile Financial Services (MFS), Mobile Applications, ATM/ CRM, POS, QR-based Transaction and so on in line with transforming Pubali Bank PLC. to a paperless banking facilitating all digital banking channels.

Report on Internal Control and Compliance

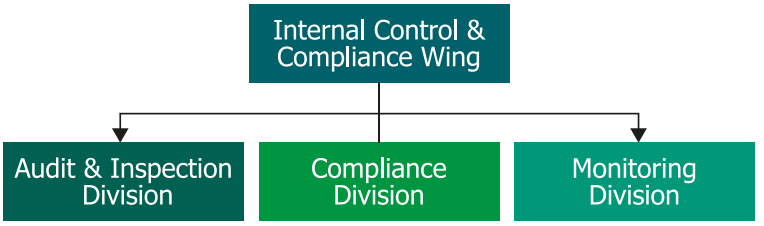
Pubali Bank PLC safeguards its operations and your trust with a robust internal control system.

- **Solid foundation**: Designed following best practices, prevailing laws, regulations, policies, procedures, and board/senior management guidance.
- **Clear structure**: Organizational structure, policies, procedures, and instructions for effective monitoring.
- **Consistent implementation**: Ensures all processes are followed and regularly monitored.
- **Prioritized securi**: Safeguards operations and prioritizes stakeholder well-being.

Navigating the financial landscape involves balancing diverse needs. Banks today work with various stakeholders, including regulators, customers and partners. This requires careful attention to compliance to ensure transparency, security, and trust. Failure to comply with regulations can result in fines, penalties, damages, market share loss, regulatory sanctions, and even the loss of franchise rights. Reputation risk, caused by an unfavorable perception of the Bank by customers, counter parties, shareholders, or regulators, can arise because of compliance risk.

By working collaboratively yet independently, these divisions create a robust internal control system that fosters transparency, security, and trust throughout our organization.

Safeguarding Your Trust: The Three Guardians of Our Bank's Integrity
For optimal effectiveness, our bank's Internal Control and Compliance (ICC) wing utilizes three specialized divisions:
1. **Audit & Inspection Division**
2. **Compliance Division**
3. **Monitoring Division**



Imagine a bank where regulations are followed meticulously, risks are detected swiftly, and compliance is not just a rule, but a commitment. This is the reality at our bank, thanks to the dedicated work of our three-pronged Internal Control and Compliance (ICC) team.

Think of them as the guardians of trust:
- **The eagle-eyed Auditors & Inspectors**: They swoop in, uncovering potential risks and ensuring every practice adheres to regulations, just like a vigilant hawk scanning the sky.
- **The Proactive Compliance Team**: These dedicated experts act as the bank's shield, proactively implementing and ensuring compliance with ever-evolving rules and best practices.
- **The ever-watchful Monitors**: Like tireless sentries, they continuously monitor processes and controls, providing real-time insights to keep things running smoothly.

By working independently in concert, these three divisions form an impenetrable fortress of internal control. This translates to transparency, security, and unwavering trust for you, our valued customer.

Audit & Inspection Division
- Conducts audit on all AD, Corporate Br., Islamic Wing, Islamic Branch, Regional Offices, Principal Offices, Divisions of Head Office, and Subsidiary companies. as per the Risk Based Audit Plan approved by the Audit Committee of the Board of Directors.
- Conducts audit on Non-AD, Sub-Branch, SME/Agri Branches as per the Risk Based Audit Plan approved by the Audit Committee of the Board of Directors.
- Carry out specialized (IT/IS) and vigilance audits.
- Carry out special investigation when required and find out fraud forgery if available.

The IT auditor is attached to the audit team to conduct the IT audit. Bank's Islamic Banking Wing conducts Shari'ah Audit in the Islamic Banking Windows of the Bank.

The Compliance Division does the

- Internal & External (Bangladesh Bank) audit compliance-related works
- All regulatory compliance-related activities of the Bank.
- Place Synopsis of the audit report of High-Risk Branches, all Divisions & Pubali Securities Ltd. before the Audit Committee of the Board of Directors as a Memorandum regularly.
- Ensure that the Bank is operating and complying with all applicable laws, regulations, policies, standards, guidelines, Ethical Standards, etc., and acts as the contact point of the Bank.
- Stimulate and give necessary directions to the Branches (AD and non AD)/Sub-Branches/Islamic Banking windows to regularize anomalies detected by the auditor during the audit period.
- The division has also been entrusted to implement the Bank's National Integrity Strategy (NIS).

The Monitoring Division identifies and monitors Key/high-risk items as a part of daily activities. The division conducts effective monitoring functions on the proper implementation of various control tools such as:

- Off-Site Supervision through Pubali Monitoring System (PMS) report.
- Departmental Control Function Checklist (DCFCL)
- Quarterly Operations Report (QOR)
- Loan Documentation Checklist (LDCL)/Investment Documentation Checklist (IDCL)
- Self-assessment of anti-fraud internal controls report to Bangladesh Bank.

Monitoring Division also

- Prepare the Annual Health Report of the bank as a regulatory compliance
- Grade the branches/IBWs based on Inherent Business Risk & Control Risk to prepare an internal audit plan for the bank at the end of each year
- Monitor the effectiveness of the bank's internal control system
- Report to the Head of the ICC Wing about major deviations if any
- Update various control tools (DCFCL, QOR, LDCL/IDCL, and Self-Assessment Anti-Fraud Internal Control Checklist, etc.) as and when required by Bangladesh Bank.

Market Disclosure under BASEL III

Disclosures on Risk Based Capital under Basel-III

for the year ended 31 December 2023

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 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 III)". This circular came into force with effect from January 01, 2015. Pubali Bank PLC. 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 PLC.

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 PLC.**
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 PLC. (b) Pubali Bank Securities Limited. A brief description of these are given below: **Pubali Bank PLC.** 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 Limited was renamed as Pubali Bank PLC. as per BRPD circular letter No.46 dated 09 October 2023. **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 PLC. 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**: Any 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 subscribed in the year 2021 and BDT 2,200.00 Million has been subscribed in 2022. **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. Pubali Bank 1st Subordinated Bond of BDT 5,000.00 Million issued in the year 2017 and has been fully subscribed. Pubali Bank 2nd Subordinated Bond of BDT 7,500.00 Million issued in the year 2019 out of which BDT 4,000.00 Million subscribed in 2019 and BDT 3,500.00 Million subscribed in 2020. Pubali Bank 3rd Subordinated Bond of BDT 7,000.00 Million issued in the year 2022 out of which BDT 3,500.00 Million has been subscribed in the year 2022 and BDT 3,500.00 Million subscribed in 2023.

Quantitative Disclosure			
			BDT in Million
		Solo	**Conslidated**
a. The amount of Tier I Capital, with separate disclosure of : (as of 31.12.2023) CET 1 Capital	■ Paid up Capital ■ Non –repayable share premium account ■ Statutory reserve ■ General reserve ■ Retained earnings ■ Minority Interest in subsidiaries ■ Non-cumulative irredeemable preference share	10,282.94 - 10,283.00 - 22,998.15 - -	10,282.94 - 10,283.00 - 23,767.04 - -
		43,564.09	44,332.98
Regulatory Adjustment		(4,933.50)	(5,116.57)
Tier 1 Capital		38,630.59	39,216.41
Additional Tier 1 Capital		5,000.00	5,000.00
Total Tier 1 Capital		43,630.59	44,216.41
b. Total amount of Tier - II Capital		21,801.21	21,801.21
Regulatory Adjustment		-	-
c. Total eligible capital		**65,431.80**	**66,017.62**

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		
		BDT in Million
	Solo	**Conslidated**
a. Credit Risk:	411,251.21	404,271.23
b. Market Risk:	19,748.33	31,984.15
c. Operational Risk:	40,883.73	41,589.37
d. Total Risk Weighted Assets	**471,883.27**	**477,844.75**
e. Capital requirement with Conservation Buffer	**58,985.41**	**59,730.59**
f. Total Capital available	**65,431.80**	**66,017.62**
g. Total capital, CET1 capital, Total Tier 1 capital and Tier 2 capital ratio: ■ For the Bank alone ■ For the consolidated group	Total = 13.87% CET 1 = 8.19% Tier 1 = 9.25% Tier 2 = 4.62% CCB = 3.25% -	- Total = 13.82% CET 1 = 8.21% Tier 1 = 9.25% Tier 2 = 4.56% CCB = 3.25%

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 **Definition of past due and impaired (for accounting purpose):** 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 : **Cottage, Micro & Small** : ■ 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-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 Credit				SMEF		Loans BHs/MBs/SDs against shares etc.	All other credit
			Other than HF, LP, Credit card	HF	LP	Credit Card	Small, Cottage, Micro	Medium		
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.

		Quantitative Disclosure
		Amount in BDT
a. Total gross credit risk exposures broken down by major types of credit exposure	Loans	209,216,420,429
	Cash credits	95,195,820,089
	Overdrafts	122,692,880,111
	Earnest money	9,466,818,539
	Loan against merchandise	3,211,972
	Packing credits	4,306,471,154
	Loan against trust receipts	13,040,066,438
	Pubali Prochesta	100,512,561
	Non-resident Credit Scheme	250,160
	Pubali Subarna	5,050,300,333
	Pubali Karmo Uddog	244,358,338
	Pubali Sujon	30,134,552
	Pubali Utsob	29,923,590
	Payment against documents	9,385,219,755
	Consumers loan scheme	12,836,417,238
	EDF loan	18,728,520,578
	Lease finance	17,356,434,915
	Bill purchased and discounted	35,256,987,944
	Credit Card	441,052,072
	Others	1,113,695,268
	Total	**554,495,496,036**
b. Geographical distribution of exposures, broken down in significant areas by major types of credit exposure	**In Bangladesh - Urban**	
	Dhaka	141,469,689,352
	Chittagong	62,238,484,412
	Sylhet	19,908,313,900
	Barisal	8,110,122,432
	Khulna	18,842,336,068
	Rajshahi	15,149,713,857
	Rangpur	13,505,445,110
	Mymensingh	7,942,186,180
		287,166,291,311
	In Bangladesh - Rural	
	Dhaka	162,918,993,652
	Chittagong	16,889,136,730
	Sylhet	22,699,358,833
	Barisal	2,689,069,500
	Khulna	6,862,510,524
	Rajshahi	7,344,601,025
	Rangpur	8,351,390,129
	Mymensingh	12,434,783,363
		240,189,843,756
	Outside Bangladesh	
	Foreign bills/drafts purchase	27,139,360,969
	Total	**554,495,496,036**

		Amount in BDT
Industry or counter party type distribution of exposures, broken down by major types of credit exposure	Agriculture	9,643,226,057
	Jute	1,973,729,690
	Textile	57,601,646,909
	Ready-made garments	51,617,248,707
	Steel & engineering	22,709,237,872
	Ship breaking	3,043,212,129
	Edible oil	11,153,260,136
	Cement	11,787,026,004
	Pharmaceuticals	9,596,220,888
	Food & allied	36,463,366,770
	Electrical equipments & Electronic Goods	16,007,191,975
	Paper, paper products and packaging	4,463,789,998
	Leather	439,794,132
	Printing & Dyeing Industries	4,080,514,370
	Others Manufacturing Industries	50,654,262,118
	Energy and power	8,769,786,914
	Hospitals, Clinics and other health services	7,230,484,208
	Construction	26,964,053,182
	Housing	13,794,512,540
	Transport and communication	3,391,495,906
	Others Service Industries	10,306,134,444
	Trade & Commerce	90,669,972,607
	NBFI (Non Bank Financial Institution)	3,394,645,594
	NGO	10,982,715,202
	Consumer Finance	58,239,588,555
	Others	29,518,379,129
	Total	**554,495,496,036**
c. Residual contractual maturity break down of the whole portfolio, broken down by major types of credit exposure.	**Loans and advances**	
	Repayable on demand	22,571,263,801
	Up to 3 months	153,555,571,935
	Over 3 months but below 1 year	153,085,887,084
	Over 1 year but below 5 years	116,481,847,417
	Over 5 years	73,543,937,855
		519,238,508,092
	Bills purchased and discounted	
	Receivable on demand	325,703,045
	Below 3 months	20,195,977,644
	Over 3 months but below 6 months	14,735,307,255
		35,256,987,944
	Total	**554,495,496,036**
d. By major industry or counterparty type:		
i. Amount of impaired loans and if available, past due loans,		15,862,023,467
ii. Specific and general provisions		24,174,634,828
iii. Charges for specific allowances and charge-offs during the period		-

		BDT in Million
e. Gross Non Performing Assets (NPAs) : Non-Performing Assets(NPAs) to Outstanding Loans & advances	**Movement of Non-Performing Assets(NPAs) :**	
	Opening Balance	12,121,227,966
	Additions	3,740,795,501
	Reductions/Recovery	-
	Closing Balance	15,862,023,467
	Movement of Specific Provision for Non Performing Assets(NPAs) :	
	Opening Balance	12,223,506,886
	Provision for the year	2,828,437,943
	Fully provided waived during the year	(346,626)
	Write-off	-
	Recoveries of amounts -previously write –off	149,420,728
	Provision transferred in	(717,001,372)
	Provision for off balance sheet transferred in during the year	-
	Reserve transferred from unforeseen loss	-
	Other provision	-
	Provision transferred from rebate on good borrower during the year	-
	Closing Balance	**15,468,377,340**

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 also valued at cost.

	Quantitative Disclosure
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.	Cost price of quoted share BDT 5,684,837,763.52 & Market value of quoted share BDT 6,210,132,213.80
c. The cumulative realized gains (losses) arising from shares and liquidations in the reporting period	BDT 75,48,807.79
d. * Total unrealized gains (losses) – quoted shares * Total latent revaluation gain (loses) * Any amounts of the above included in Tier 2 capital	BDT 52,48,93,387.18 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 PLC. 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)	815,163.10 769,558.60 0.01

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		
		BDT in Million
	Solo	**Conslidated**
b. The capital requirements for :		
Interest rate risk	430.66	430.66
Equity position risk	1,383.16	2,606.74
Foreign exchange risk	161.01	161.01
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 PLC. 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		
		BDT in Million
	Solo	**Conslidated**
b. The capital requirements for Operational Risk	40,883.73	41,589.37

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 PLC. 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	
	BDT in Million
Liquidity Coverage Ratio (LCR):	125.03%
Net Stable Funding Ratio(NSFR):	106.02%
Stock of High quality liquid assets:	160,063.47
Total net cash outflows over the next 30 calendar day	128,017.42
Available amount of stable funding:	628,193.66
Required amount of stable funding:	592,543.78

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		
		BDT in Million
	Solo	**Conslidated**
Leverage Ratio:	4.79%	4.84%
On balance sheet exposure :	799,398.19	802,122.78
Off balance sheet exposure :	116,264.80	116,264.80
Total Deduction from On and Off-balance Sheet exposure	4,933.50	5,116.57
Total exposure :	910,729.49	913,271.01

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 PLC. maintain a salary structure uniform throughout the country. **Pubali Bank PLC. 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, Deputy Managing Director-06 nos.-Total 07 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 44 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 24 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 PLC. 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.

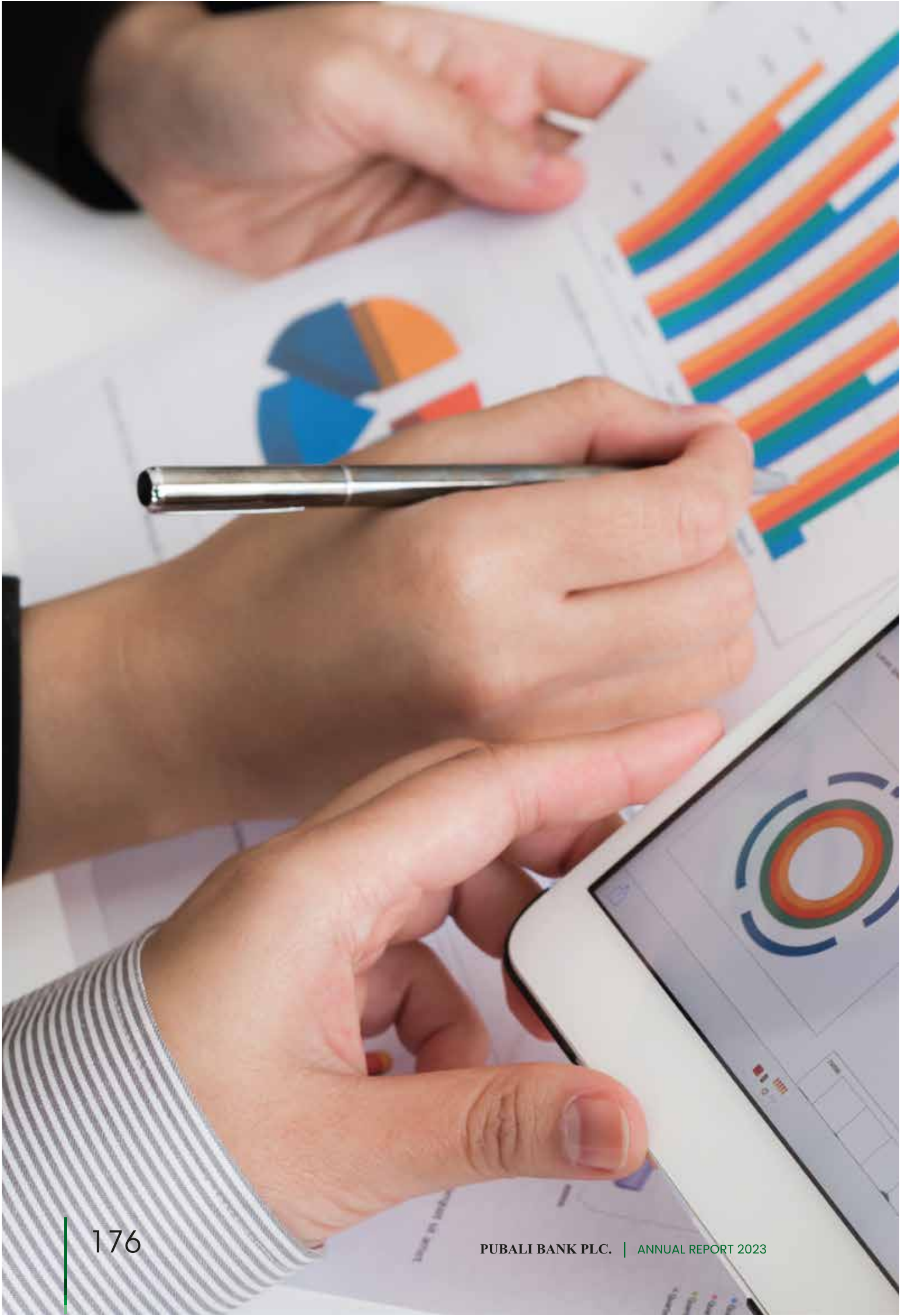
c. Description of the ways in which current and future risks are taken into account in the remuneration processes :	
Overview of the key risks that the bank takes into account when implementing remuneration measures:	Key risks measurements of implementing remuneration are as follows: ■ Compliance risk ■ 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 PLC. 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 PLC. adopted a policy for gratuity fund in the name 'Pubali Bank PLC. 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 252 employees of 69 branches awarded for Tk.37,39,039/- against recovery of write-off loans in 2023. All amounts are paid to the respective employees through their accounts.
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:	**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 2022. **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 2023: 9,532 Nos.
Number and total amount of guaranteed bonuses awarded during the financial year :	Two festival bonuses disbursed during the calendar year 2023. Number of employees 9,608 Nos. Total Amount : Tk. 62,78,99,707/-
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 2023.
Number and total amount of severance payments made during the financial year:	**Gratuity Payment***: Number of employees : 102 Total Amount : Tk. 25,94,77,000/- **Provident Fund Payment***: Number of employees : 139 Total Amount : Tk. 25,60,79,453/- * All payment made in calendar year 2023

i. Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms : Total amount of deferred remuneration paid out in the financial year :	Deferred Amount: Tk. 598,23,86,110.09/- (Gratuity Fund Position on 31.12.2023) Total Amount : Tk. 25,94,77,000/- (Gratuity Payment)
j. Breakdown of amount of remuneration awards for the financial year to show:	
- fixed and variable : - deferred and non-deferred : - different forms used (cash, shares and share linked instruments, other forms) :	**Fixed amount:** Tk. 750,35,98,499/- (Salary and Allowances) Variable amount: Tk. 177,00,00,000/- (Incentive Bonus) **Deferred amount:** Tk.51,55,56,453- (Gratuity & Provident fund Payment) **Non-deferred amount:** Tk. 37,39,039/- (Remuneration for recovery of write-off loans) Paid in Cash through their respective accounts in calendar year 2023.
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 of reductions during the financial year due to ex post explicit adjustments : - Total amount of reductions during the financial year due to ex post implicit adjustments :	Total amount: Nil Total amount: Nil Total amount: Nil



Integrated Reporting Framework

Annual Integrated Report

Welcome to Pubali Bank's Annual Integrated Report 2023. Integrated Report was prepared with the aim of highlighting how the Bank has excellently managed its business to deliver consistent value to its stakeholders. The Report gives a holistic view of business model, strategic focus, resource allocation, and future outlook to help stakeholders evaluate the bank's intrinsic value creation capability. Focus is also given on the key factors that are material to present and future value creation. The report has been prepared in accordance with the Framework of the International Integrated Reporting Council (IIRC).

Scope of the Report

This report covers the 12 month period from 01 January to 31 December 2023 and is consistent with Bank's 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 integrated report, incorporated into this annual report, has been prepared in line with the key guidelines of the International Integrated Reporting Council (IIRC). Annual Integrated Report 2023 covers following issues in different sections of this Annual Report:

- Organizational overview
- External environment
- Bank's Strategy
- How Bank Creates Value
- Governance structure of the Bank
- Business model
- Risks and opportunities
- Strategy and resource allocation
- Performance and Outlook

Governance and Audited Financial Statements

- Directors' Report
- Director's Responsibility Statement
- Corporate Governance Report
- Certification on Corporate Governance
- Audit Committee Report
- Risk Management Committee Report
- Shari'ah Supervisory Committee Report
- Independent Auditors' Report to the Shareholders
- Audited financial statements of Consolidated Financial Statements of Pubali Bank and its subsidiary as well as Separate Financial Statements

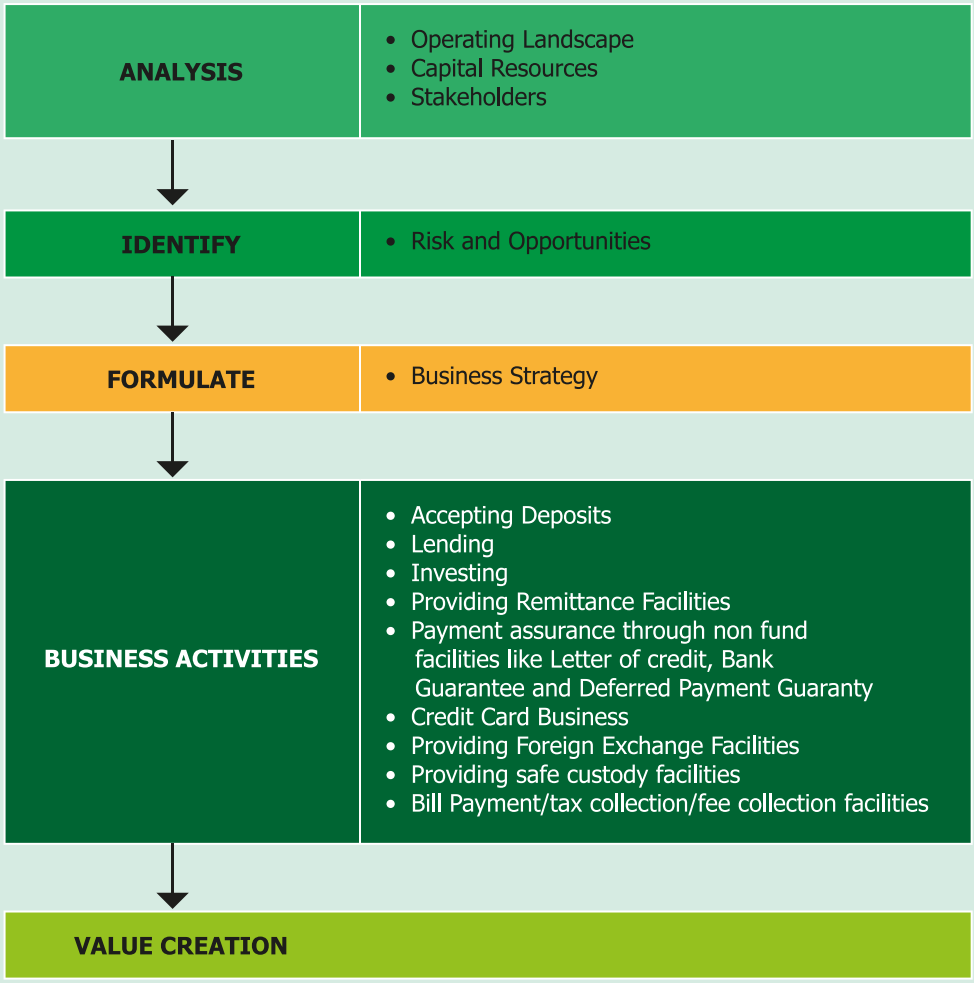
Regulations that Bank follows

- Companies Act, 1994 (as amended up to date)
- Bank Company Act, 1991 (as amended up to date)
- Securities and Exchange Rules, 1987
- Circulars, rules and regulations issued by Bangladesh Bank from time to time
- Financial Reporting Act, 2015 (issued by Financial Reporting Council)

- Bangladesh Securities and Exchange Commission rules and regulations
- Income Tax Act, 2023
- Value Added Tax Act, 2012 and Value Added Tax Rules, 2016 (as amended up to date)
- Corporate Governance Code
- Listing regulations of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE)
- Rules and regulations of Central Depository Bangladesh Limited

Frameworks and Guidelines that Bank follows

- International Financial Reporting Standards (IFRSs) and related interpretations
- Integrated Reporting Framework issued by International Integrated Reporting Council (IIRC) and adopted by IFRS Foundation
- Global Reporting Initiative (GRI) Sustainability Reporting Standards



Operating Landscape	Analyzing operational environment to identify the risks and opportunities that impact capacity to create value in the short, medium, and long term.

CAPITAL RESOURCES	SOURCES OF CAPITAL	UTILIZATIONS OF CAPITAL	LINKAGE OF SDGS WITH CAPITAL OUTCOMES
Financial Capital	Funds comprising customer deposits, borrowing and Shareholders' fund.	Optimal Utilizations of financial resources to achieve good returns for its shareholders, other stakeholders, and the nation at large.	
Human Capital	Employees, with their knowledge, skills and innovation capabilities	Pubali Bank devotes its best efforts, time, and resources to grow and retain its workforce, ensuring happiness and creating value for its employees by providing equal employment opportunities, career progression, and promoting diversity.	
Infrastructure Capital	The Bank's physical infrastructure, Including buildings, furniture and fixtures, office equipment, computer equipment, cars, books, IT infrastructure, and digital infrastructure	Bank places strategic importance on optimizing and leveraging its physical and digital infrastructure to produce stakeholder value, recognizing the vital role that manufactured capital plays in boosting consumer accessibility, satisfaction, and process efficiency.	
Intellectual Capital	Bank's values-driven culture, financial expertise, and knowledge-based intangible assets.	Bank invests in employee training to enhance tacit knowledge and fosters a strong compliance culture to mitigate risks and protect stakeholders. The Bank places a strong emphasis on innovation to improve and diversify its products and services to meet the evolving needs of its customers.	
Social and Relationship Capital	Collaborative stakeholder relationships along with society-centric initiatives.	Through comprehensive investment and community engagement initiatives, the Bank has nurtured long-term and meaningful relationships with its customers and communities. Bank seeks to create sustainable value for these communities and contribute towards their socioeconomic progress.	

Materiality

Then Bank views 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 integrated report. This ensures that Bank 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.

Assurance

The bank has obtained assurance from both internal and external sources that it is maintaining proper transparency in all of its operations. The combined assurance thus ensures the safety and soundness of its operation.

Internal Assurance

- Risk management
- Regulatory Compliance
- Internal Audit

External Assurance

During the reporting period under review, the bank received external assurance on the following reports:

DESCRIPTION OF REPORT	EXTERNAL ASSURANCE
Financial Statement	A. Qasem & Co and MABS & J partners
Gratuity Fund	Haque Shah Alam Mansur & Co.
Provident Fund	G. Kibria & Co.
Cash Incentive	A. Qasem & Co and MABS & J partners
Credit Rating	Credit Rating Information Services Limited (CRISL)
Corporate Governance	Mohammad Sanaullah & Associates

Forward Looking Statements

This report contains some forward-looking statements that are based on external factors, future events, and outcomes. As there are uncertainties about the future occurrence of these outcomes, these statements should be read keeping in mind the future uncertainties.

Availability of the Annual Report

The Annual Report is distributed to all shareholders in digital format prior to the holding of the Annual General Meeting. Additionally, the report is accessible on the website, www.pubalibangla.com.

Responsibility over the Integrity of the Integrated Report

The Board acknowledges the responsibility of the Board and the management to ensure the integrity of this integrated report, which addresses all material issues and fairly presents Bank's integrated performance. Reasonable care has been taken in the preparation and presentation of this integrated report to preserve the disclosure contained in it. This report comprises the discussion, analysis, and disclosures pertaining to stewardship, which should be read in conjunction with the audited financial statements. The integrated report, incorporated into this annual report, has been prepared in line with the key guidelines of the International Integrated Reporting Council (IIRC).

On behalf of the Board of Directors,

Monzurur Rahman
Chairman

Value Creation Activities

Pubali Bank PLC., the country's largest private commercial bank has been doing banking business since 1959 and this bank is listed on both Dhaka Stock Exchange PLC. and Chittagong Stock Exchange PLC. The bank has an independent subsidiary company named Pubali Bank Securities Ltd. which deals with share trading of DSE and CSE. The General Public shareholding of the bank stood 38.13%, while, Directors and institutional shareholding stood 31.49% and 30.38%.

The bank is blessed to have a considerable number of young employees who are the real ambassadors of the bank and engaged in representing the bank and deliver its products and services to the valued customers as well as to other stakeholders. In 2023, the bank broke all its previous records and achieved the highest Operating Profit Taka 1,535.31 crore and all contribution goes to its smart and energetic employees who were directly engaged in achieving the annual target. The professional attitude and aptitude of the employees worked as a bridge to win the trust of our varied stakeholders.

At our Bank, we are firmly committed to meeting the expectations of all our stakeholders and furthering our emphasis on sustainable value creation for meeting these objectives. Our value creation strategy is anchored on the key pillars:

Becoming a dependable financial partner
Following the glorious historical expedition, our bank has been working as a dependable financial partner topacify the speed ofeconomic prosperityfor the last 65 years.

Becoming a bank of mass people
Focusing on the demands of all sorts of customers in the economy, the bank has a vast number of products and services in its portfolio. Hence, the bank has a noble outlook to render banking service to any sort of customer as we have a vast and widespread branch network across the country.

Implementation of monetary policy
Being the country's largest private commercial bank, the Bank is always dedicated to implement the monetary policy of the Central Bank. The bank always prioritizes the government's socio-economic goals and aspirations, especially implementation of stimulus packages, collection and disbursement of remittances, subsidy and so on.

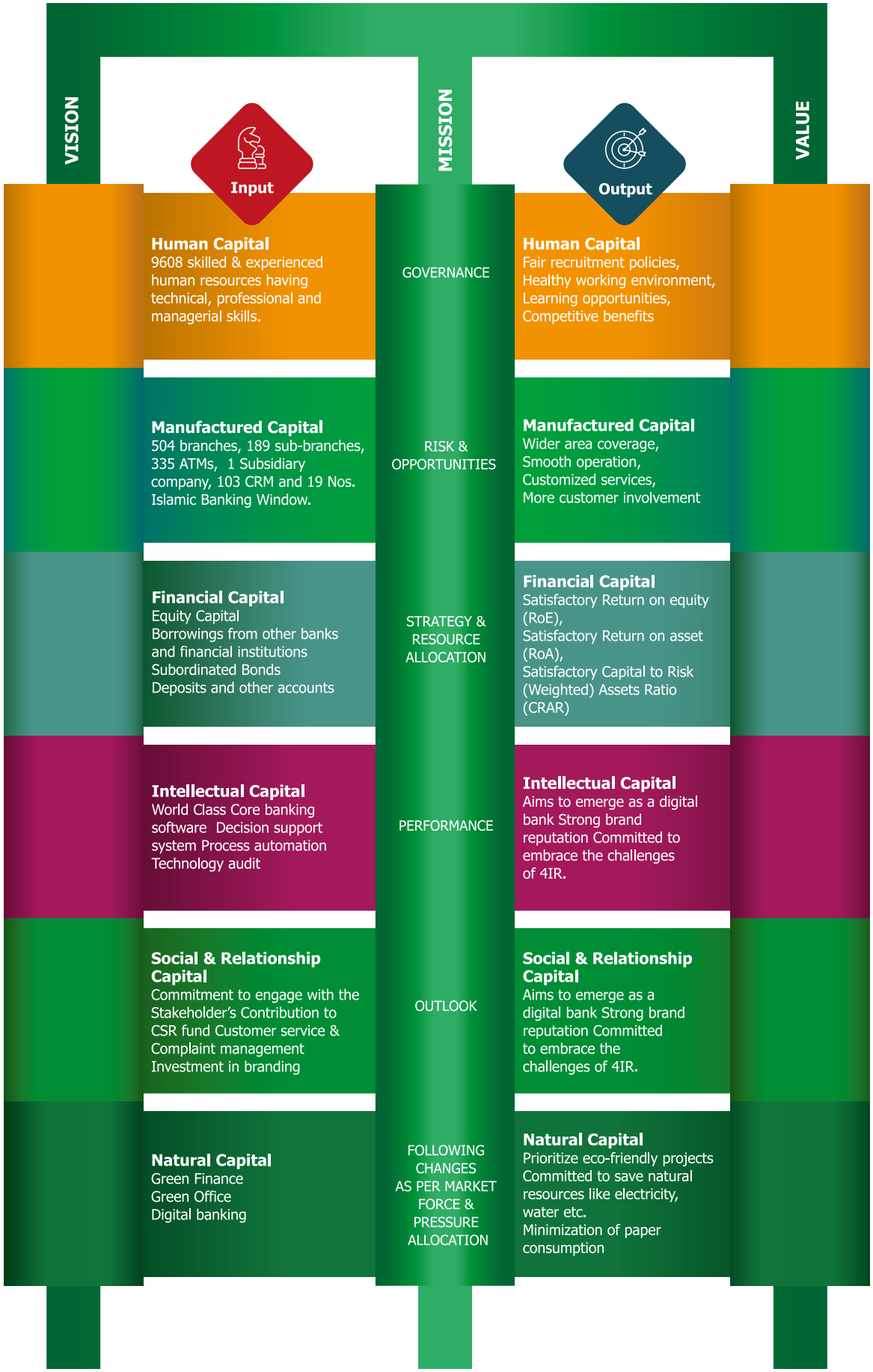
Becoming a bank of customers' first choice
Our bank has rightly realized the pulse of the customers and thus continuously reshaping the relevant infrastructure of the bank, specially to embrace the challenges of Fourth Industrial Revolution.

Becoming a dynamic bank
We are in banking business for more than 6 (six) decades and have made a strong bonding with our stakeholders. In order to give better service, we always conduct market analysis to collect information as well as re-fix the interest rate of different products and services.

Becoming a most complied bank
Our bank emphasizes transparency and accountability as a pillar of good governance and accordingly remains full alert to be the most complied bank.

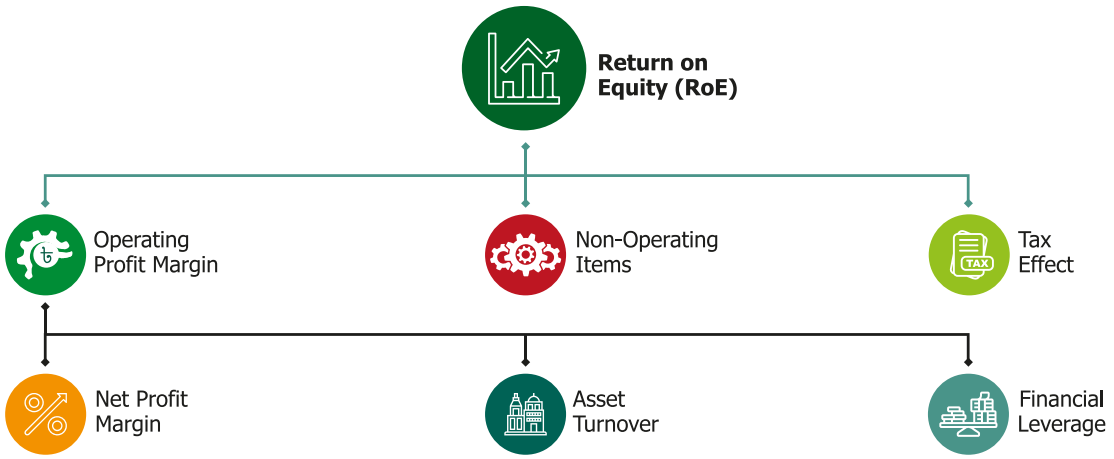
Becoming an IT based bank
Our bank is gradually adopting different latest technological equipmentsin all our branches and sub-branches togive the maximum benefitsto our customers.

Performing the role of whistleblower
The bank is blessed to have a IT skilled Managing Director and CEO who keeps connection with the employees frequently and shares his personal views, experiences as well as macro and micro economic parametersthrough virtual meeting. On the other hand, each employee works as a whistleblower regarding any anomaly.


VISION
MISSION
VALUE
Input
Output
Human Capital
9608 skilled & experienced human resources having technical, professional and managerial skills.
Manufactured Capital
504 branches, 189 sub-branches, 335 ATMs, 1 Subsidiary company, 103 CRM and 19 Nos. Islamic Banking Window.
Financial Capital
Equity Capital
Borrowings from other banks and financial institutions
Subordinated Bonds
Deposits and other accounts
Intellectual Capital
World Class Core banking software Decision support system Process automation Technology audit
Social & Relationship Capital
Commitment to engage with the Stakeholder's Contribution to CSR fund Customer service & Complaint management
Investment in branding
Natural Capital
Green Finance
Green Office
Digital banking
GOVERNANCE
RISK & OPPORTUNITIES
STRATEGY & RESOURCE ALLOCATION
PERFORMANCE
OUTLOOK
FOLLOWING CHANGES AS PER MARKET FORCE & PRESSURE ALLOCATION
Human Capital
Fair recruitment policies,
Healthy working environment,
Learning opportunities,
Competitive benefits
Manufactured Capital
Wider area coverage,
Smooth operation,
Customized services,
More customer involvement
Financial Capital
Satisfactory Return on equity (RoE),
Satisfactory Return on asset (RoA),
Satisfactory Capital to Risk (Weighted) Assets Ratio (CRAR)
Intellectual Capital
Aims to emerge as a digital bank Strong brand reputation Committed to embrace the challenges of 4IR.
Social & Relationship Capital
Aims to emerge as a digital bank Strong brand reputation Committed to embrace the challenges of 4IR.
Natural Capital
Prioritize eco-friendly projects
Committed to save natural resources like electricity, water etc.
Minimization of paper consumption

DuPont Analysis

DuPont analysis is a useful tool used to decompose the different drivers of return of equity (RoE). Decomposition of RoE allows the investors to focus on the key metrics of financial performance specially to identify the strengths and weaknesses. For broader analysis, our bank used 5 factors model that covers net profit margin, total asset turnover and financial leverage. Net Profit margin has been broken down to operating profit, effect of non-operating items and tax effects. The higher the value of all components of DuPont Analysis, the higher the positive impact on Return on Equity.



PARTICULARS	2023	2022	2021
Return on Equity (RoE)	14.53%	12.53%	9.82%
Net Profit Margin	11.18%	10.99%	9.29%
Total Asset Turnover (times)	0.07	0.07	0.06
Financial Leverage (times)	17.40	16.78	17.93
Operating Profit Margin	25.22%	23.41%	22.47%
Effect of Non-Operating items	(5.53%)	(5.83%)	(10.10%)
Tax Effects	(8.51%)	(6.59%)	(3.08%)

Pubali Bank's DuPont Analysis 2023

- The Operating Profit margin of our bank increased to 25.22% compared to that of 23.41% in 2022.
- Effects of Non-Operating items include the loss and other provision which decreased to 5.53% from 5.83% in 2022.
- Tax effect increased to 8.51% from 6.59% in 2022.
- The combined effects of these three perimeters resulted in increase of net profit margin to 11.18% in 2023 from 10.99% of last year.
- The financial leverage of our bank slightly increased to 17.40 times from last year's 16.78 times.

PESTEL Analysis

PESTEL analysis is a framework or tool used to analyze and monitor the macro-environment factors that may have a significant impact on an organization's performance. More elaborately, it is a strategic framework used to evaluate the external environment of a business by breaking down the opportunities and risks into Political, Economic, Social, Technological, Environmental and Legal factors.

At Pubali Bank PLC., 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.

Political Factors

The Banking Industry boosted up in spite of having political instability, high inflation andlow credit growth in private sector as well as implementation of stimulus packages announced by the government. On the other hand, the Industry facedmassive challenges not only in collecting deposit but alsohad to maintain more provision than the previous years. However, thegeo-political unrest and abnormal increase of the number of loan defaulters were accountable for creating panic in the economy. Moreover, government'szero tolerance against corruption got appreciation to the mass people.

Specific impact to Pubali Bank PLC.

Pubali Bank PLC. management meticulouslyscanned the political environment and formulated its strategy by assessing the current and future environment. Not a single investment was given under political consideration. Pubali Bank PLC. goes for litigation against any defaulter irrespective of political and social identity. Besides, the bank reports promptly to Election Commission on demand regarding any bank defaulters.

Economic Factors

The government borrowed fund from the Banking sector as well as general people to finance the mega projects like Padma Bridge, Karnaphuli tunnel, Shahjalal International Airport Third Terminal, Rooppur Nuclear Energy Plant, Metro Rail and so on. As a result, the banking sector faced massive challenges to collect deposits and consequently, they could not fund adequately to new projects. However, some mega projects like Padma Bridge, Shahjalal International Airport Third Terminal, Karnaphuli tunnel were opened for the general people and, as a result, it is aspired that the government has now more opportunity to undertake some new development projects in the upcoming years. Moreover, in 2024, some ongoing development projects will be completed and when all these projects will run in full swing, then the overall scenario of the country will be changed and will play a drasticrole in the GDP growth of the country.

Specific impact to Pubali Bank PLC. and on other Banks

Due to some negative indices in the macro economy, Bangladesh Bank took some time demanding strategies to address these negative economic indices to positive. Subsequently, the Bangladesh Bank formulated monetary policies and some general policies to stabilize the economy, e.g. raised the interest rate on the selling of a huge amount of dollars on the domestic market, continued liquidity support facilities for some banks and non-banking financial institutions. Bangladesh Bank also extended the refinancing facilities to neutralize the tight liquidity condition. To plummet the outflow of dollars, Bangladesh Bank issued a circular not to open any unnecessary L/C to import any luxury and non-essential products. Moreover, as a part of this stimulation, Bangladesh Bank increased the special incentive rate of 5% instead of 2.5%, specially to attract the expatriates to send their earnings through banking channels. Besides giving this incentive on the remittance, Pubali Bank PLC. also gave some additional exclusive giftitems like mugs, Bowl, Fry Pan and so on. Even, when many banks became unable to disburse new loan, Pubali Bank PLC. continued to sanction new loan families, especially SME loan to new and promising entrepreneurs, and thus contributed significantly to run the wheel of the economy.

Social Factors

Social factors influence customer needs, demands, tastes and preferences. No business can run ignoring thesociety. Banking industry, a significant part of the society has to consider the lives, culture as well as other societal norms where banks are running their operations.

Specific impact to Pubali Bank PLC.

We, Pubali Bank PLC. always respects customer needs, tastes and preferences. Hence, our bank always feels customer's choices and develops strategies and offers lucrative products and services accordingly. Every year the bank allocates a sufficient budget for Corporate Social Responsibility (CSR) and the bank tries to maintain the highest level of transparency in the disbursement of this fund. It is Mentionable that Pubali BankPLC. always emphasizes research-related projects in the disbursement of CSR. The Bank is committed to promoting business through SME investment. Moreover, our banks' SME products cover the growing demand of middle class and lower middle class people. Pubai Bank PLC. not only designs its product portfolio targeting corporate customers, rather the bank has a considerable number of products especially for promoting women entrepreneurship. However, our bank is quite liberal to finance in the startup projects considering the entrepreneur's spirit and potentiality of the project.

Technological Factors

In current days, themain problem that are being faced in the Banking sector isto render the instant customer

service as well asmeeting up customer expectation through introducing the latest technology. In the upcoming days, Cyber security may be a barrier to get the maximum benefit from this online banking era.

Specific impact to Pubali Bank PLC.

To remain competitive, our bank has developed Pi apps, and it is surprising that the entire Pubali Bank and its all services are now almost available within this app. At present, this app provides all sorts of banking services, e.g. account opening, loan application, cheque book requisition money transfer through NPBS, fund transfer to MFS, Utility Bills payment, dispute management and so on. Moreover, keeping in mind about the cyber threat, our bank always conducts numerous online and offline training programs. As a part of institutionalizing the cash Department, the bank is now moving to CRM Machine instead of existing ATM. However, the bank has a master plan to render prompt service to the customers especially for account opening.

Environmental Factors

Environment and Environmental issues are the buzzword at present days banking where there is a growing focus on embracing 'green' finance or more broadly speaking sustainable finance. Our country is severely vulnerable to climatic change. For instance, floods are a recurrent feature that cause massive losses every year. Moreover, our Central Bank has emphasized more on Green banking, it means priority should be given to those projects which are more environment friendly and which will not do any harm to the environment at all. Again in case of disbursement of CSR, the banks should give more priority to stimulate the Green projects.

Specific impact to Pubali Bank PLC.

Our Bank has already developed a Green Banking Policy. The Bank always welcomes those projects which are more environment friendly. We have a separate Green Banking Division whose members are actively working to institutionalize the paperless banking in its day to days' operations. Our Managing Director and CEO always encourage our employees by giving motivational speech to be more economical in the consumption of electricity or water, not only in our workplace but also at our residence.

Legal Factors

The Banking industry in Bangladesh is regulated under the Companies Act 1994 and Bank Companies Act 1991, as amended in 2023, Bangladesh Bank circulars and guidelines, Bangladesh securities & Exchange Commission (BSEC) and its different notifications and guidelines. Apart from these, the banks are required to comply with Income Tax Act, 2023, Value Added Tax Act and Rules 2012, etc.

Specific impact to Pubali Bank PLC.

Pubali Bank PLC., a listed company in Dhaka Stock Exchange PLC. and Chittagong Stock Exchange PLC., always abides by the Company Act, Bank Company Act and BSEC Corporate Governance Code and other respective notifications. We always value rules and regulations and engage in compliance with sustainability factors too.

SWOT Analysis

Strengths

- Nationwide networks having 504 branches and 189 Sub-branches
- Satisfactory and steady Credit Rating of "AA" for Long Term and "ST-1" for Short Term
- Competent and efficient Board of Directors
- Experienced Management
- Free from un-due intervention
- Nurturing Managerial Efficiency
- Patronizing innovative thinking
- Market reputation
- Global recognition
- Strong Deposit Base
- Strong Capital Base
- No provision shortfall
- Skilled manpower
- Newly recruited talents
- Adequate liquidity
- Consolidate Team Spirit
- Improved IT infrastructure
- Enriched programs

Opportunities

- Continuous expansion of product portfolio
- Opening of Branches and Sub-branches to new business areas
- A gigantic portion of total population is still unbanked
- Great potentiality to increase foreign remittance volume
- Expansion of business portfolio through Islamic Banking
- The Bank can enter into the "Bancassurance Business" and enjoy its optimum privileges.

Weaknesses

- The portion of low cost and no cost deposit in the overall deposit mix is not desirable level.
- Inclusion of root level customers not satisfactory.

Threats

- Severe Liquidity problem in the Banking industry
- Economic crisis because of Supply Chain disruption
- Reduction of Foreign Reserve
- Risk of Cyber attack
- Fluctuation of interest rate
- Increase of foreign currency rate
- Maximum existing customers are not capable to avail the new technological mechanisms.

Competitive Intensity and Our Strategic Responses

Banking sector plays a key role in every countries economy. At present days, this sector is confronting both internal and external challenges simultaneously. Pubali Bank PLC. the country's largest private commercial bank in Bangladesh has been rendering banking services since 1959. In its 65 years' glorious expedition, the bank has witnessed massive ups and downs. Even, our bank is itself an onlooker of several economic turmoil and hence, the bank has adjusted with these oscillations. In order to combat different internal and external risks, the bank has developed risk mitigation framework and it is believed that this will protect our bank from unfavorable conditions, as well as to enhance operating viability and ensure sustainability.

Throughout the year the bank conducts comprehensive study on the entire banking industry considering the threat of new competition, purchasing power of the domestic customers, bargaining power of the suppliers and the intensity of the competitive rivalry as well. Our bank focused on growing market share in true spirit of financial inclusion, as significant part of our customer still remains outside of the formal banking facilities. Thus achieving customer's satisfaction though giving the highest excellence was the key mission, vision and objective of the bank in the last year.

Competitive intensity level

PURCHASING POWER OF BUYER | THREATS OF NEW ENTRANT | BARGAINING POWER OF SUPPLIERS
COMPETITIVE RIVALRY | THREAT OF SUBSTITUTE

Purchasing power of Buyer

External Factor	Pubali Bank's responses and forward strategy
• The customers have the maximum authority to compare the ins and outs of the banks products and services as well as the rate of interest and other relevant banks involvement. • The products and services of banks and financial institutions differ very little. • Because of the existence of a large number of alternatives, customers oscillate from one bank to another in some case the customers compel the banks in determining the rate of interest.	• Pubali Bank PLC. provides all sorts of banking support to trade, commerce, industry and overall business of the country • The bank is offering unique products and services to the clients at concessional rate • The bank is committed to adopt the latest technology in each branch and sub-branch to render a prompt service to its customers. • The bank is firmly determined to expand the banking network especially with a view to bringing more unbanked population of the country.

Threats of new entrant

External Factor	Pubali Bank's responses and forward strategy
• The Strict licensing requirements, capital adequacy regulations and compliance obligations work as a barrier for the new banks and non-banking financial institutions. • The entrance of new banks intensify competition among the existing banks. • The fourth generation banks having the latest technology are focusing render the most comprehensive service to the customers.	• Pubali Bank is now focusing to launch sub-branch banking services throughout the country (Currently 504 branches + 177 sub branches are operating) to bring more unbanked people under modern banking facilities. • Our bank is emphasizing more on tech and digital banking to maintain our competitive position. • our bank's retail and SME segment are quite strong.

Competitive Rivalry

External factors influencing buyer power	Pubali Bank's responses and forward strategy
• Currently 61 scheduled banks, 5 non- scheduled banks and 34 financial institutions are doing banking business in Bangladesh. • The Market is comparatively small in size with huge number of competitors.	• Our bank gives more focus to onboard new more customers who are unbanked or underserved. • We have adopted a "strategy" to reach to the door of the grassroots clients through diversified delivery channels. • Our bank is committed to render unique customer service to retain and attract newer customers. • We demonstrate empathetic, speedy and sensitive customer service and prompt grievance resolution that only helps build customer confidence

Threat of substitute

External factors influencing buyer power	Pubali Bank's responses and forward strategy
• Modern Fintech services, like; Bkash, Nagad, Upay etc. • Competition from Non-Banking Financial institutions in providing attracting services. • Bangladesh Bank has already given licenses to two Digital Banks and more Digital Banks may get licenses.	• Our bank is working to upgrade the Pi banking app especially to make it more customer friendly • Our bank's research and development division always conducts research to collect data about the taste and demand of our customers and hence the bank take necessary steps to cope with the demand of the market. • The Bank has taken steps to reform different services of the Bank through digital platforms rather than conventional platforms

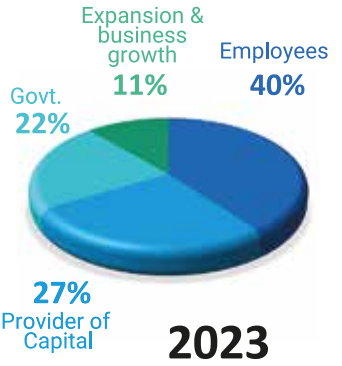
Value Added Statement

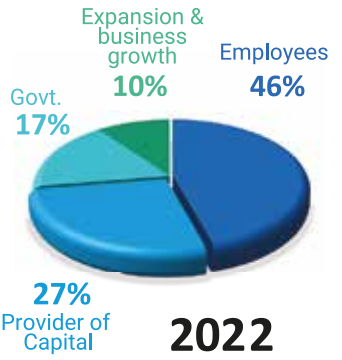
for the year ended 31 December 2023

The value added statement provides a detailed account of total value addition and the distribution of the value created by the organization. Pubali Bank PLC 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	2023		2022	
	Amount	%	Amount	%
Value added				
Net interest income	10,019,765,461	32.80	6,572,598,504	26.09
Commission, exchange and brokerage, etc.	3,103,987,478	10.16	3,311,320,514	13.14
Investment income	15,633,734,445	51.17	13,740,363,716	54.54
Other operating income	1,793,977,472	5.87	1,570,420,358	6.23
Sub-total (a)	30,551,464,856	100.00	25,194,703,092	100.00
Cost of service rendered	(3,841,076,987)	(53.30)	(4,058,888,592)	(58.97)
Provision for loans, investment, Off B/S items & etc.	(3,365,100,000)	(46.70)	(2,824,472,046)	(41.03)
Sub-total (b)	(7,206,176,987)	(100.00)	(6,883,360,638)	(100.00)
Total Value added by the bank (a-b)	23,345,287,869		18,311,342,454	
Distribution of value added				
Employees				
As salaries and allowances	9,273,598,499	39.72	8,360,449,256	45.66
Provider of Capital				
Shareholders	6,240,384,231	26.73	4,904,819,201	26.79
Government				
Corportate tax	5,406,911,843		3,728,336,561	
Deferred tax	(227,364,533)		(537,068,302)	
	5,179,547,310	22.19	3,191,268,259	17.43
Expansion and business growth				
Statutory reserve	-	-	-	-
Coupon/Dividend on perpetual bond	500,000,000	2.14	363,734,741	1.99
Start-up fund	68,084,689	0.29	53,217,717	0.29
Depreciation and repair of bank's assets	2,083,673,140	8.93	1,437,853,280	7.85
Total distribution	23,345,287,869	100.00	18,311,342,454	100.00



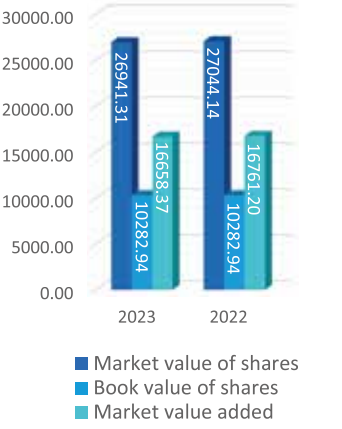


Market Value Added Statement

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 2023 and 2022:

Figures in million Taka

Particulars	2023	2022
Market value of shares outstanding	26,941.31	27,044.14
Book value of shares outstanding	10,282.94	10,282.94
Market value added	16,658.37	16,761.20



Economic Value Added Statement (EVA)

for the year ended 31 December 2023

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

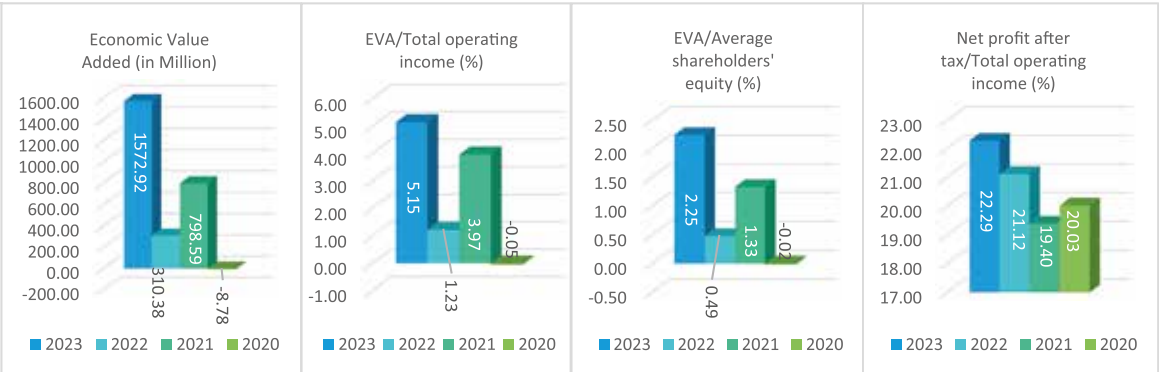
It is the opportunity cost i.e. the expected risk from return on investment, plus a risk premium. Interest on 5 years Bangladesh Government Sanchaya Patra plus 1% risk premium has been assumed to be the cost of equity.

The following table indicates the EVA for the year from 2019 to 2022 :

Economic Value added analysis

Figures in BDT

FOR THE YEAR ENDED	2023	2022	2021	2020
Shareholders' equity at year end	46,844,037,230	42,486,088,178	39,750,219,798	39,243,183,387
Add : Accumulated provision for loans, investments & Off B/S items etc.	27,137,499,418	23,608,118,786	21,809,842,755	18,369,336,875
Total	**73,981,536,648**	**66,094,206,964**	**61,560,062,553**	**57,612,520,262**
Average shareholders' equity	70,037,871,806	63,827,134,758	59,586,291,408	51,340,372,129
Cost of equity (%)	12.28%	12.28%	12.28%	12.28%
Economic Value Added	**1,572,918,262**	**308,271,557**	**831,153,825**	**(8,775,159)**
Net profit after tax (before provision)	10,173,568,920	8,146,243,705	8,148,350,410	6,295,822,538
Less : Cost of equity	8,600,650,658	7,837,972,148	7,317,196,585	6,304,597,697
Total operating income	30,551,464,856	25,194,703,092	20,124,809,870	18,324,029,199
Net profit after tax	6,808,468,920	5,321,771,659	3,904,548,864	3,669,513,441
Key ratios				
EVA/Total operating income (%)	5.15	1.22	4.13	(0.05)
EVA/Average shareholders' equity (%)	2.25	0.48	1.39	(0.02)
Net profit after tax/Total operating income (%)	22.29	21.12	19.40	20.03



Human Capital Report

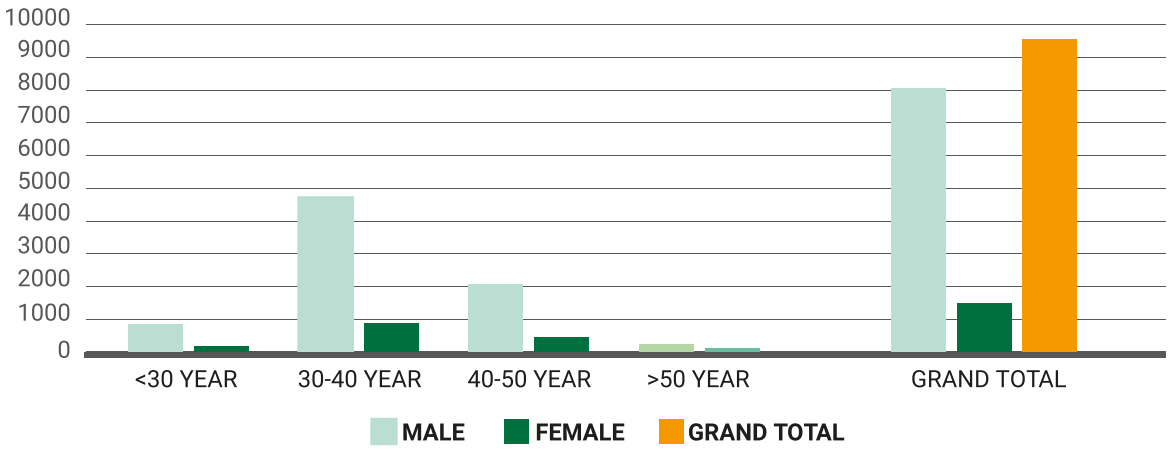
The Bank aims to create an organization and workplace where employees can work with passion and enthusiasm. It focuses on strengthening both the quality and quantity of human resources through onboarding the employees with right skill and quality so that they become Human Capital of the Bank. The Bank is committed to provide career growth opportunities to the employees. As a 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, Senior Officer and experienced officials, 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 PLC. 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 KPI (Key Performance Indicator) for evaluating performance of the employees; computerization of Human Resources Management Systems etc.

The number of employees of the Bank was 9608 as on 31 December 2023 which was 9031 as of 31 December 2022. The Board of Directors and the Management of the Bank put an extra emphasis on Human Resources 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 competence development is the prime need of the Bank by reinforcing the traditional banking skills. 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 competency based training & workshops are in place to ensure capacity building and generating future leaders for the Bank.

Age-based Male-Female mix of the Employees

EMPLOYEE AGE CATEGORY	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL PARTICIPATION
<30Y	840	147	987	10.27%
30-40Y	4822	725	5547	57.73%
40-50Y	2137	503	2640	27.48%
>50Y	328	106	434	4.52%
Total	**8127**	**1481**	**9608**	**100.00%**



RECRUITMENT: LAST 05 (FIVE) YEAR'S RECRUITMENT AT A GLANCE						
SL. NO.	RANK	YEAR				
		2019	2020	2021	2022	2023
1	General Manager	1		1		1
2	Deputy General Manager			1	2	3
3	Assistant General Manager	2	2	2	4	1
4	Senior Principal Officer	4		1	2	3
5	Principal Officer	23	1			5
6	Senior Officer	22	31	6	1	43
7	Officer	2	12	4	5	37
8	Junior Officer	251	140	2	21	113
9	Deputy Junior Officer (Cash)				1130	388
10	Trainee Assistant Junior Officer (Cash)	682	113	151	14	132
11	Driver	2				
12	Technician	1	3		3	1
13	Armed Guard	1				
14	Messenger-Cum-Guard			1	8	6
	TOTAL	**991**	**302**	**169**	**1190**	**733**

RANK-WISE EMPLOYEES

SL NO	RANK	TOTAL
1	Managing Director	1
2	Deputy Managing Director	6
3	General Manager	25
4	Deputy General Manager	76
5	Assistant General Manager	185
6	Senior Principal Officer & Equivalent Grade	704
7	Principal Officer & Equivalent Grade	1271
8	Senior Officer & Equivalent Grade	1685
9	Officer & Equivalent Grade	526
10	Junior Officer & Equivalent Grade	609
11	Deputy Junior Officer (Cash) & Equivalent Grade	1741
12	Assistant Junior Officer (Cash) & Equivalent Grade	795
13	Driver	117
14	Senior Armed Guard	941
15	Care Taker	302
16	Technician	11
17	Armed Gurad	8
18	Senior Messenger Cum Guard	24
19	Messenger Cum Guard	126
20	Helper	456
	TOTAL	**9608**

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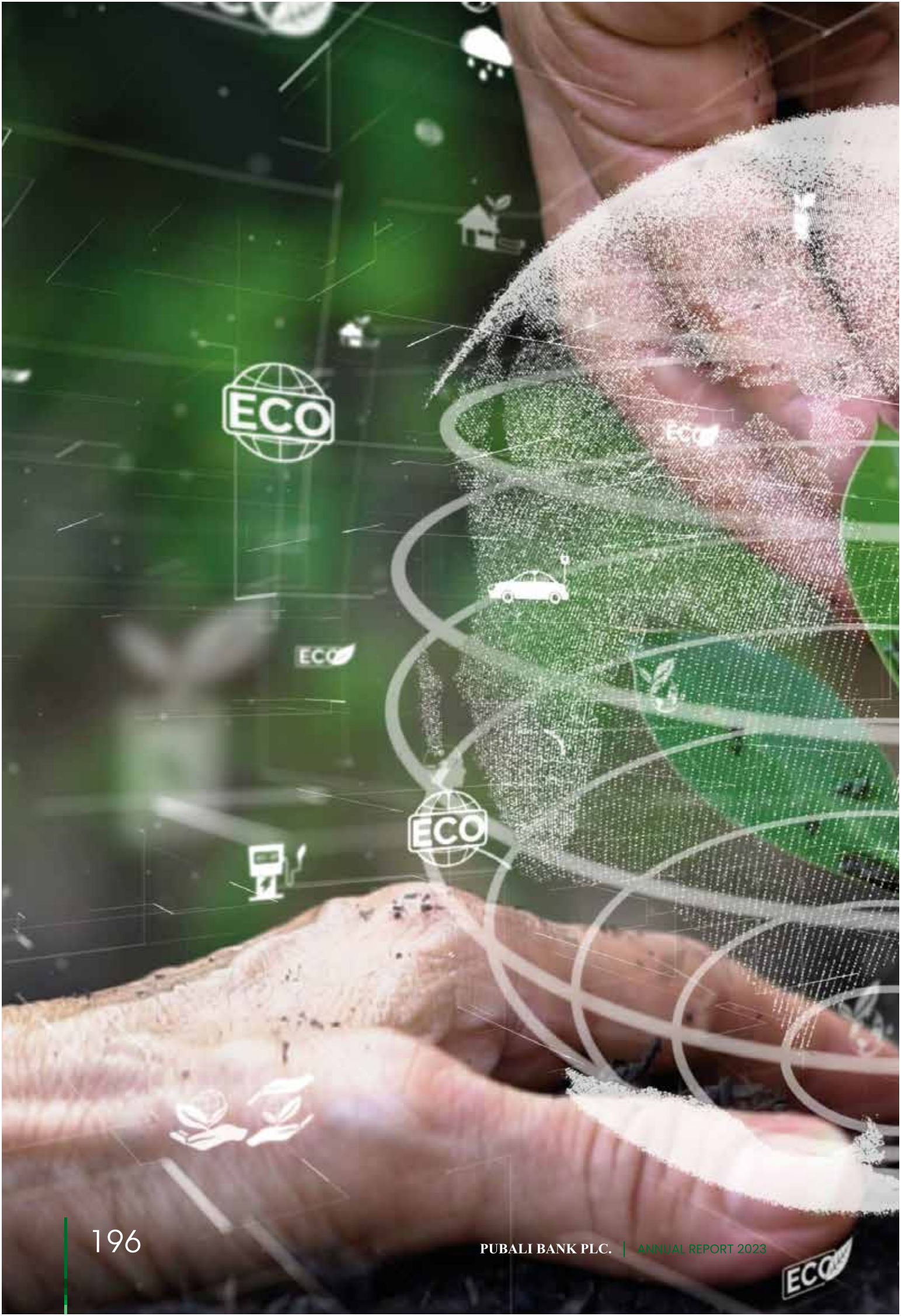
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Sustainability Reporting

Message from the Chairman of Sustainable Finance Committee

Sustainability reporting can help organizations to measure, understand and communicate their economic, environmental, social & governance performance, and then set goals, and manage change more effectively. It presents how the activities of a Bank are supporting the achievement of SDGs which embrace a universal approach to the sustainable development agenda. Sustainability reporting related issues are reviewed & executed by the Sustainable Finance Unit in association with 'Central Accounts Division (CAD)' of the Bank. In this regard, Sustainability Reporting Standards issued by the Global Reporting Initiatives (GRIs) are being followed by the Bank.

Despite significant gains in reducing the human toll from climate disasters, Bangladesh is already facing severe and increasing climate risks. As per world bank's report climate change may hit poor and vulnerable people the hardest. Average tropical cyclones cost Bangladesh about $1 billion annually. By 2050, a third of agricultural GDP could be lost and 13 million people could become internal climate migrants.

We are committed for continuous improvements of our business and operational policies & procedures so that the Bank can achieve sustainable growth in terms of business, profitability and balance sheet size. In our view, sustainability presents an opportunity to use our skills, expertise and relationships to make a positive difference to individuals, society and environment. Building trust by being open, approachable, transparent and acting with integrity is vital to achieve this objective.

We have already established an independent 'Sustainable Finance Unit (SFU)' which is working on formulation, amendment & up-gradation of policies related to green banking, Environmental and Social Risk Management, Green Office Guide, Green Strategic Plan etc. The Unit also ensures implementation of directives from Bangladesh Bank and other regulatory bodies of the country from time to time. The Bank as a sustainable organization, is being addressing Environmental, Social and Governance (ESG) aspects robustly.

We would like to make the promise to our esteemed stakeholders and the society at large on behalf of Pubali Bank PLC. that we strive to allocate capital to projects and businesses that create positive environmental and social impacts to create bridge between shareholder's values, profitability and legacy of responsible business entity. We are also committed to support the minimum consumption of energy, water, and other limited resources. We have also strengthened the financing in the sustainable and green initiatives identified by Bangladesh Bank. In 2023, we have disbursed TK. 6,224.75 million in Sustainable Finance.

Bangladesh has been endorsed by the United Nations to graduate from Least Developed Country (LDC) Group in the year 2026. In one hand, it may bring improved credit rating of the country and attract higher foreign direct investment. On the other hand, this graduation may pose challenges like affecting certain preferential treatment like reducing subsidies to agriculture and infant industry, concessional loans etc. Pubali Bank PLC has engaged itself into this journey by expediting CMSME growth, enhancing inclusive growth under the umbrella of banking services and addressing key environmental issues.

This report reflects our commitment to the society we serve. During the last couple of years, we have emphasized upon healthcare related CSR. In the year 2023, we started to refocus on education related to CSR by returning into mainstream. We also started the practice to make CSR from Net Profit After Tax. In the year 2023 we disbursed Tk. 157.81 million CSR expenditure in response to different national and humanitarian needs that justifies our dedication to society as stakeholder.

Bangladesh government has started campaign under the slogan "Cashless Bangladesh" with a view to ensure minimum 75% of all national transactions without any cash meaning digitally by the 2027. In this backdrop, it can be noted that we have already launched cash withdrawal through scanning QR Code, PI Apps, 24/7 Call Centre, introducing online facility in every branch, e-Account opening, upgraded workstations while many newer tech- based products and services are in the pipeline to be implemented soon.

We are hereby presenting the Sustainability Report of the Bank for the year 2023 which has been prepared as per the Guidelines of Bangladesh Bank, especially Sustainable Finance Policy, GRI standards and SDGs of UNDP. We would like to ensure our stakeholders regarding our commitment to the society apart from the profitability and shareholders' value of the Bank. We will continue to work for the betterment of our planet.

Mohammad Anisuzzaman
Deputy Managing Director
Chairman, Sustainable Finance Committee

Sustainability Report

Climate change is one of a handful of global challenges that has the power to affect the lives of everyone on Earth and is already doing so in many cases. Although it is a global challenge, as individuals it can affect our health, ability to grow food, housing, safety, work, and socio-economic progression.

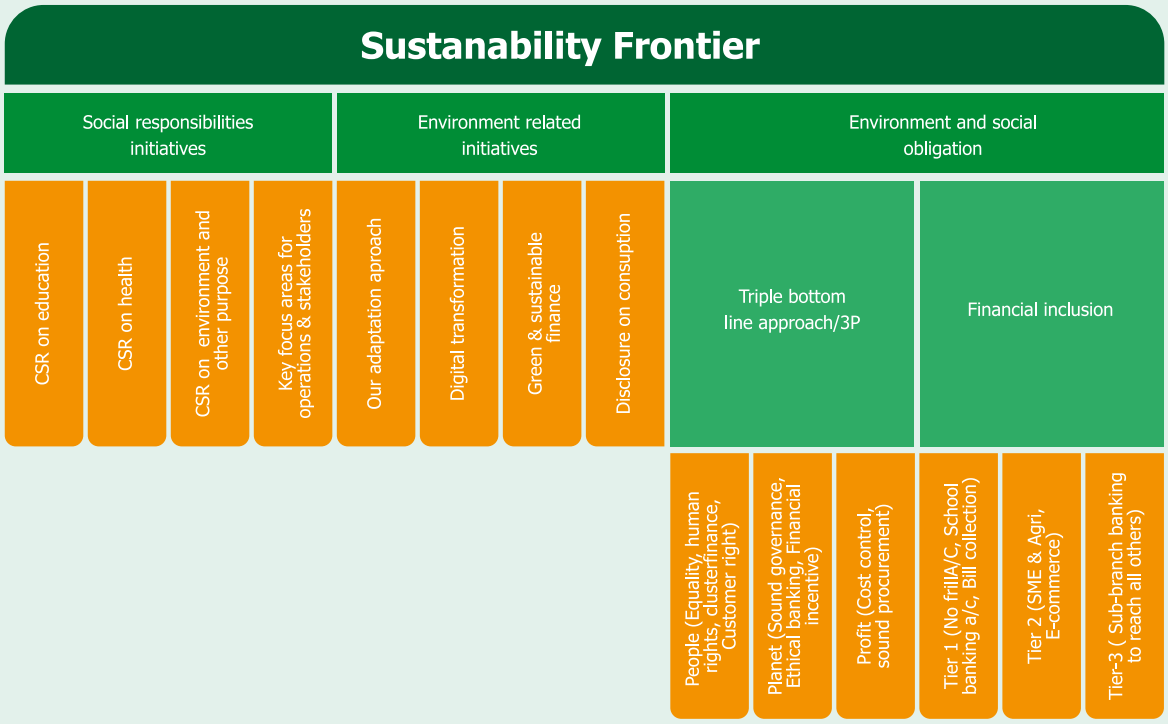
Bangladesh's current contribution to global greenhouse gas (GHG) emissions is not significant. But with its large population and fast economic growth, if the country follows a 'business-as-usual' development pathway, GHG emissions will increase substantially. Bangladesh also faces a high level of air pollution, which costs about 9% of GDP annually. Improved air quality standards across multiple sectors will improve health and increase climate resilience. The country's 2021 Nationally Determined Contributions (NDCs) commit to reduce emissions by 21.8% by 2030. With strong implementation, technology development and uptake, and regional collaboration, Bangladesh can exceed these commitments.

Scope of this Report

Pubali bank PLC has a thorough understanding of climate change and focuses on long- term initiatives that have a positive effect on the environment. This report covers all significant economic, social and environmental impacts resulting from the Bank's activities from January 01, 2023 to December 31, 2023.

Content and Boundary of this Report

The content of this Sustainability Report mainly considers following aspects:



While banks primarily deal with economic motif, environmental and social responsibility cover the role of true stakeholder of the earth.

SOCIAL RESPONSIBILITY INITIATIVES

Now-a-days Social Responsibility Initiatives are synonymous with Corporate Social Responsibility where a company looks beyond mere profit. Charity, equality, diversity, fair trade, labor right, inclusive growth, reduction of carbon footprint etc. are the most important pillars of Social Responsibility Initiatives. Keeping all these principles in mind, the Bank recognizes its social responsibility as a conscientious corporate institution and integrates Corporate Social Responsibility as an integral part of its value system.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is presently one of the most discussed topics in the corporate world, especially Banks and Financial Institutions for the sake of sustainable global phenomenon. The World Business Council for sustainable Development in its publication "Making Good Business Sense" by Lord Holme and Richard Watts used the following definition "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the

workforce and their families as well as of the local community and society at large." Based on this definition, CSR includes a broad range of complex internal and external business practices.

In Bangladesh, Companies are facing the challenges of adapting effectively to the changing environment in the context of globalization. Although Consumer rights Movement, enforcement of government regulations and a structured view regarding the economic importance of CSR are not yet so widespread in the Corporate World in Bangladesh. We are increasingly aware that CSR can be of direct economic value.

In 2008, Bangladesh Bank initiated mainstream CSR activities and instructed scheduled banks to participate in CSR voluntarily. Bangladesh Bank has so far tried to link CSR activities through the following policies and guidelines:

Pubali Bank PLC is a dreamer to achieve the excellence of business and believes in sustainable growth and success that our foremost duty is to contribute towards impacting the lives of various stakeholders like customers, employees, shareholders, communities and the environment in a positive manner through all aspects of its operations, thereby serving the interest of society at large.

As an ethical bank, Pubali Bank PLC operates the business with financial goals as well as with the purpose of fulfilling social responsibility towards the targeted society. Bank's unwavering commitment to CSR aligns with the United Nations' Sustainable Development Goals (SDGs), a transformative framework aimed at uplifting the most vulnerable and underprivileged segments of our society. With resolute dedication, the bank strives to contribute positively to socio-economic progress, environmental stewardship and overall societal well-being. In the pursuit of this noble vision, the bank established comprehensive guidelines in accordance with the Sustainable Finance Department circular no. 1, issued by Bangladesh Bank, as of 09 January 2022.

CSR activities of Pubali Bank PLC over the years have focused on health care, education, environment, disaster management, sports, youth development, rural development, arts and cultures, and charitable activities. In the ongoing journey, the bank made significant contributions to various institutions/sectors such as the Prime Minister's Relief and Welfare Fund; The Ahsania Mission Cancer Hospital; Holy Family Red Crescent Hospital; National Heart Foundation, Sylhet; Bangabandhu Sheikh Mujib Medical University (BSMMU); The Bangladesh Institute of Research and Rehabilitation in Diabetes, Endocrine and Metabolic Disorders (BIRDEM); The University of Dhaka; The Asia Foundation; Shahjalal University of Science and Technology (SUST); Bangladesh Agricultural University (BAU); Dhaka Metropolitan Police; Anjuman Mufidul Islam; Asiatic Society of Bangladesh; USEP Bangladesh; Bangladesh Scout; Kurmitola Golf Club, and various religious and research organizations.

SECTORS	MINIMUM THRESHOLD	YEAR 2023
Education	30%	32%
Healthcare	30%	35%
Environment and disaster management	20%	15%
Blanket distribution and others	20%	18%
Total	100%	100%

The new CSR policy of Bangladesh Bank requires banks to allocate their CSR budget from Net Profit After Tax (NPAT).

Health Care

Sound health is a basic condition for rapid socio-economic acceleration of any society. Our bank has cordially given financial assistance in establishing hospitals and buying modern medical equipment to ensure the availability of modern health facilities for all, focusing on affordable cost. We donated a total of around BDT 56.10 million to various types of health organizations, hospitals and some ailed individuals last year. We donated BDT 40.00 million to Home Construction Fund by Private Ashrayan Project-2, PMO, Dhaka and BDT 4.60 million to Ibrahim Cardiac Hospital & Research Institute etc.

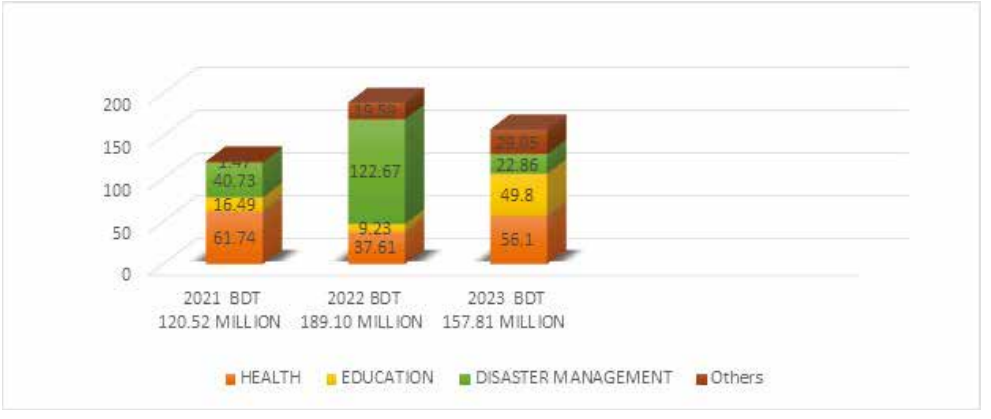
Mohammad Ali, Managing Director & CEO of Pubali Bank PLC. handed over the key to Professor Dr. A K Azad Khan, President of Bangladesh Diabetic Samity. Professor Mahmudur Rahman, Chairman, Board of Management, Ibrahim Cardiac Hospital & Research Institute presided over the ceremony.

Education

As Education is a prime need for a nation, Pubali Bank PLC. always remains committed to promoting the educational standard through its social development initiatives, The bank contributes a valuable amount in upgrading the quality and standard of education. Last year we contributed around BDT 49.80 million as to education sector of Bangladesh. Mentionably, we donated BDT 25.00 million to E.A Chaudhury Technical Institute, and BDT 7.50 million to Prime Minister Education Assistance Trust under Corporate Social Responsibility program for the year 2023.

Disaster Management

Bangladesh is a land of a natural calamities due to its flat topography edging the sea, low lying and climatic features, combined with its population density and socio-economic environment. It is one of the most suffering countries from environmental hazards. Pubali Bank PLC. always extends its helping hand generously when the nation falls in any disastrous condition or faces any natural calamity such as in the Covid-19 pandemic the bank tried to contribute to facing this unprecedented national and global crisis. We donated blanket worth around BDT 22.86 million to different organizations and affected areas during 2023.



Pubali Bank PLC. has donated blankets to the Honourable Prime Minister's Relief Fund as a part of corporate social responsibility to distribute among the cold-hit poor people of the country. Monzurur Rahman, Honourable Chairman, Board of Directors of Pubali Bank PLC. handed over the blankets to Prime Minister Sheikh Hasina at Ganobhaban in the capital. Mohammad Ali, Managing Director & CEO of Pubali Bank PLC. was also present.

Arts-Culture, Sports and others

In this era of globalization, upholding the culture of our nation along with absorbing the other cultures in the world is an inevitable measure. We are very glad to do contribute to the celebrations of our tradition, culture by providing financial assistance to different cultural organizations including Bishwo Sahitto Kendro, Bangladesh Olympic Association, Sheikh Rasel Jatiyo Shishu Kishor Parishad etc. In 2023, we donated a total of around BDT 29.05 million including BDT 10.00 million to Sheikh Rasel Jatiyo Shishu Kishor Parishad and BDT 1.50 million to Dhaka Bar Association under Corporate Social Responsibility.

Apart from institutional CSR, the bank provides a significant amount of CSR to individuals, especially in the healthcare and education sectors. In addition to financial assistance, Pubali Bank carries out various humanitarian activities under CSR. Under this program, the bank has provided jobs to one physically disabled woman and one visually disabled man in recent times. Pubali Bank is committed to continuing such humanitarian banking programs.

ENVIRONMENT RELATED INITIATIVES

We are aware that global warming is an issue that calls for a global response. The change in climate is too rapid to allow the eco-systems to adapt suitably. The change has direct impact on biodiversity, agriculture, forestry, dry land, water resources and human health. Due to unusual weather pattern, rising greenhouse gas, declining air quality etc. society demands that banking business also takes responsibility in safeguarding the planet. Green Finance as a part of Sustainable Finance can make great contribution to lead resource-efficient and low carbon emission industries i.e. green industry and green economy in general. Green banking is a component of the global initiative by a group of stakeholders to save environment. The state of environment in Bangladesh is rapidly deteriorating. The key areas of environmental degradation cover air pollution, water pollution and scarcity, encroachment of rivers, improper disposal of industrial/ medical and house - hold waste, deforestation, loss of open space and loss biodiversity. Bangladesh is presently facing vulnerable change in climate. In line with global development and response to the environmental degradation, financial sector in Bangladesh should play important roles as one of the key stake holders.

Risk & Opportunity Matrix

The Bank recognizes the potential social and economic risks associated with climate change and environmental degradation, which can impact the organization's economic performance in terms of income, expenses, or operational changes. One of the most significant risks of not participating in the fight against climate change is global warming, which can lead to adverse effects such as rising sea levels and ecological imbalances. The Bank is committed to measuring, developing strategies, and managing the risks and opportunities associated with climate change. In addition, we have identified and mapped the risks and opportunities related to climate change, which include:

Risk Matrix

Symbol	Risk Type	Risk Trigger	Risk Probability	Description	Risk Response Strategy
	Reputation Risk	Negative publicity for supporting projects or activities that have a negative impact on the climate.	Likely	Reputation risk is the risk caused by, among other things, negative publicity around the banks, business activities or negative perception of the Bank regarding compliance with climate change regulations.	• No finance in high-risk investment projects in 2023. • No negative report through media regarding the Bank's involvement into environmental and social issues.
	Credit risk	Inability of borrowers to make repayment.	Likely	Risks that may arise due to the impact of climate change that affect the borrowers' businesses and ultimately increase the Bank's investment risk.	• No new finance in conventional brick field. • ESDD is conducted in all applicable investment projects.
	Market Risk	Changes in customer preferences.	Likely	Market risk is the risk that arises due to changes in customer preferences towards low-emission products.	• The Bank has established refinance agreements with Bangladesh Bank to finance eco-friendly products/ projects/ initiatives.
	Legal Risk	Legal risks arising from climate change.	Likely	The risks that can arise are demands related to climate change regulations in national and international law.	No investment is allowed without environmental clearance certificate.
	ICT Risk	Replacement of existing products and services with lower emission alternatives.	Likely	Technology risk is one of the transition risks that tends to have a strategic and substantive impact on the Bank's operational activities.	Our bank is working to generate MIS from core banking software to report Sustainable Finance more accurately to Bangladesh Bank.

Opportunity Matrix

Symbol	Opportunity Type	Opportunity Trigger	Prob. of Opportunity	Description	Strategies to Realize the Opportunity
	Products and Services	Increased diversification of financial assets	Very Likely	Changes in customer preferences to low-emission products provide opportunities for the Bank to increase the diversification of financial assets.	The Bank has many clients for following green products: • ETP • Solar System • Energy Efficient Machinery
	Technology	Use of new technology	Very Likely	Digital-based products and services are the main means of banking during the pandemic. Moreover, the digitalization process has the potential to support emission reductions and paper savings.	Bank's digitalization effort is the answer to customer needs. Our recent technology includes- • PI Apps • Call Centre • QR Code • Automated Challan
	The Market	Improvement in sustainability performance	Likely	The Bank's disclosure of ESG aspects provides an opportunity for an external rating agency to raise its sustainability performance.	The Bank realizes the importance of transparency in ESG disclosure by publishing an annual Sustainability Report that uses the Global Reporting Initiative (GRI) Standards.
	Energy Sources	Deriving energy lower-emission sources.	Likely	Sustainability factors such as the use of low-emission energy sources are one of the factors that are increasingly considered by investors when making investment decisions.	The Bank has a number of solar powered branches and ATM Booths.
	ICT Risk	Replacement of existing products and services with lower emission alternatives.	Likely	Technology risk is one of the transition risks that tends to have a strategic and substantive impact on the Bank's operational activities.	Our bank is working to generate MIS from core banking software to report Sustainable Finance more accurately to Bangladesh Bank.

GREEN BANKING

Green Banking means promoting environment friendly practice by banking services and reducing carbon footprint emission from our banking activities. It is a very general term which can cover a multitude of areas conducive to environmental & social sustainability. The magnitude of a bank being environment friendly may be defines in terms of how its money is or is being invested. It considers all the social and environmental / ecological factors with an aim to protect the environment and conserve natural resources. It is also be a part of Ethical Banking as well as Sustainable Banking. Green Banking activities are controlled by the same authority but with an additional agenda towards taking care of the Earth's environment / habitats / resources.

The key activities relating to Green Banking can be categorized as under:

- Promoting environment friendly practice by banking services
- Reducing carbon footprint emission from our banking activities

BENEFITS OF GREEN BANKING

- Avoids paper works as much as possible by way of relying on electronic / on-line transaction in its Banking activities.
- Creates awareness to the business people about environmental and social responsibility enabling them to do environment friendly business practice.
- Adopts and implements environmental standards for lending, which is really a proactive area that would enable eco-friendly business practice resulting benefits to our future generations.
- Interest rate against credit facilities through green products to be comparatively less than normal rate of interest as Green Banking gives more importance to environment friendly factors or ecological gains. Natural resources conservation is also one of the underlying principles in a Green Bank while assessing credit need.
- Bangladesh Bank assigns point award on Management Component while computing CAMELS rating of the Bank.
- Bangladesh Bank declares the names of the Top Ten Banks for their overall performance in terms of green banking activities in the Bangladesh Bank's website.
- Bangladesh Bank actively considers green banking activities / practice of a bank while according permission for opening new bank branch.
- Pubali Bank PLC., as the largest scheduled commercial Bank of the country has the ability to really accelerate the green banking movement by innovating / changing its products, philosophy and drive to sustainability. Online banking, mobile banking, etc., can empower the consumers to make informed banking decisions. These will advance the banking services to its customers. Bank in due course will adopt mobile banking, integrated online banking and sustainability and the green bank will be the leader of future banks.

Green Bank as a concept is a proactive and smart way of thinking with a vision for future sustainability of our Earth and to contribute to higher and safe standard of living.

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 LED lights in offices of the bank.

We have replaced 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 be reached our stakeholders in a greener automated process to address the contemporary global need.

Formulation of Sustainable Finance Policy

We have formulated Sustainable Finance Policy 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 policy 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.

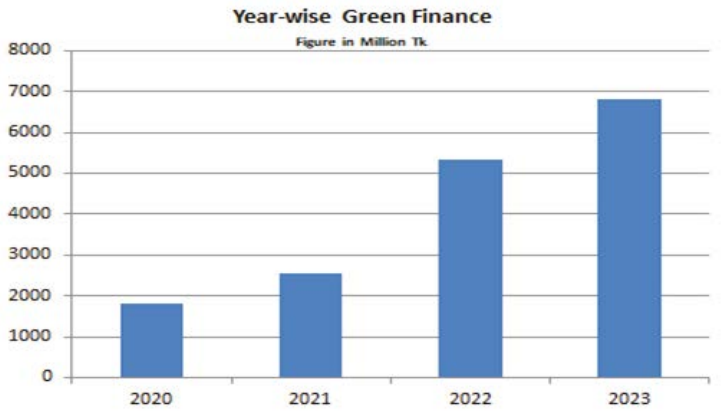
Employee Training

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 Activities

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 PLC. has taken different steps for enhancing the green investment. Our Green Financing activities at a glance as under:

	2020	2021	2022	2023
Green Financing	BDT 1796.50 million	BDT 2541.39 million	BDT 5338.80 million	BDT 6823.10 million



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 PLC 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.

Green & Sustainable Finance Status in 2023

The Bank understands how its lending practices can impact the environment of the country. The bank has always worked to create positive environmental impacts, both directly and indirectly, and has taken steps to mitigate any negative impacts of its operations. The Bank considers various environmental, social, and governance criteria when making lending decisions to ensure that it funds the right institutions.

Sustainable Finance Disbursement position in 2023:

Amount in Million Tk

SL.	Category	Sub-Category	Disbursement	Outstanding
1	Green Finance	Renewable Energy	1,356.49	634.08
2		Energy & Resource Efficiency	1,165.48	2,325.37
3		Alternative Energy	-	-
4		Liquid Waste Management	499.48	102.30
5		Solid Waste Management	-	-
6		Recycling & Manufacturing of Recyclable Goods	522.47	160.09
7		Environment Friendly Brick Production	64.41	253.37
8		Green/Environment Friendly Establishments	2,280.77	3,326.99
9		Green Agriculture	53.55	19.28
10		Green CMSME	280.91	1.69
11		Green SRF	1.20	-
		Total	**6,224.75**	**6,823.17**

Sustainable Linked Finance (SLF) in 2023:

Amount in Million Tk

SL.	Category	Sub-Category	Disbursement	Outstanding
1	Sustainable Linked Finance	Finance to Sustainable Agriculture	6,286.29	9,643.23
2		Finance to Sustainable CMSME	18,401.99	29,039.56
3		Socially Responsible Financing(SRF)	6,834.43	14,952.25
4		Working Capital & Demand Loan of Green Products/Projects/Initiatives	-	-
5		Priority Green/Eco-Friendly Products for trading Sector	-	-
		Total	**31,522.71**	**53,635.04**

Both the green finance and sustainable finance of the Bank have registered remarkable growth in 2023. The success can also be attributed to the sincere attempt of the Bank's SFU to segregate sustainable finance from conventional finance.

Digital Transformation

The rapid pace of digital adoption has had an impact on how our customers use financial services. Customers expect to access financial services at speed and on the go without compromising security. To cater to these evolving customer behaviors, we focused on a multi-faceted approach to develop cutting-edge digital solutions, form strategic partnerships, and enhance our digital infrastructure. These initiatives have improved our efficiency and competitiveness, enabling the Bank to generate long-term value for our stakeholders while thriving as a business. The bank has undertaken a series of initiatives to institutionalize digital banking and enhance its service delivery to

stakeholders:

1. **In-House Core Banking Software**: Pubali Bank PLC. utilizes its proprietary core banking software, namely Pubali Integrated Banking System (PIBS) and Pubali Integrated Islamic Banking System (PIIBS), to render customer services efficiently.

2. **Real-Time Centralized Online Banking System**: The deployment of a Real-Time Centralized Online Banking System across all branches, sub-branches, and Islamic Windows ensures seamless banking transactions nationwide.

3. **Pi Banking App**: The bank has developed the Pi banking app, offering round-the-clock banking services. Customers can now open bank accounts remotely through this app, eliminating the need for physical visits to the bank.

4. **QR Code-Based Payment System and e-KYC**: Introducing QR Code-based Payment System and Electronic Know Your Customer (e-KYC) features into the Pi Banking Application enhances convenience and security for customers.

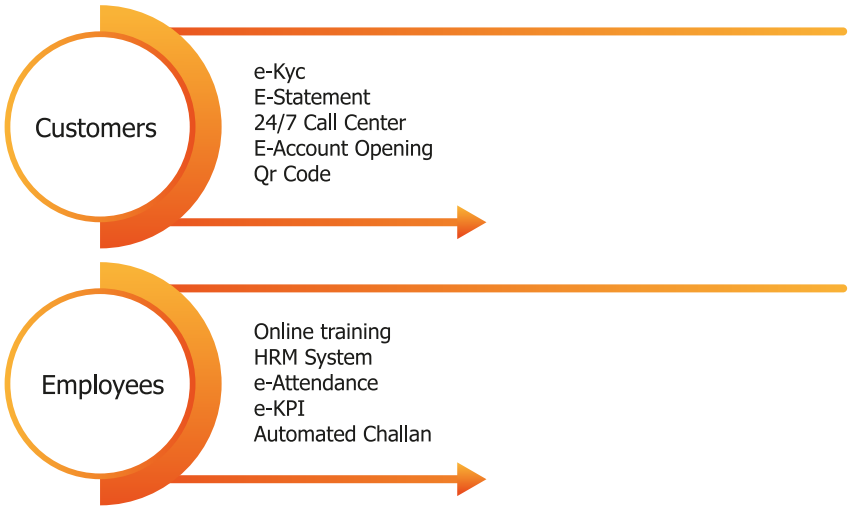
5. **Point of Sale (POS) Terminals**: Pubali Bank PLC. has installed POS terminals across its branches and sub-branches, enabling cardholders of all banks to withdraw cash seamlessly.

6. **Multi-Layer Security Controls**: Robust security measures, including Next-Generation Firewall, Intrusion Prevention System (IPS), Intrusion Detection System (IDS), Email Security, Web Security, Web Application Firewall (WAF), and Advanced Malware Protection (AMP), safeguard the bank's information systems against cyber threats.

7. **Security Operation Center (SOC)**: The establishment of a Security Operation Center equipped with a Security Incident and Event Management (SIEM) system enhances the bank's ability to detect and respond to cyber threats promptly.

8. **Human Resource Development**: Recognizing the pivotal role of human resources in this digital transformation journey, Pubali Bank PLC. is restructuring its logistics support and providing comprehensive training to its workforce. This initiative aims to equip employees with the necessary skills to embrace modern banking technologies and effectively navigate the challenges posed by the Fourth Industrial Revolution.

We strive to align our technology adoption and digitalization efforts with those of the government and central bank while complying with all applicable regulations related to digitalization and technology for commercial banking operations. The Bank has successfully utilized digital mechanisms in the following segments of its operations:

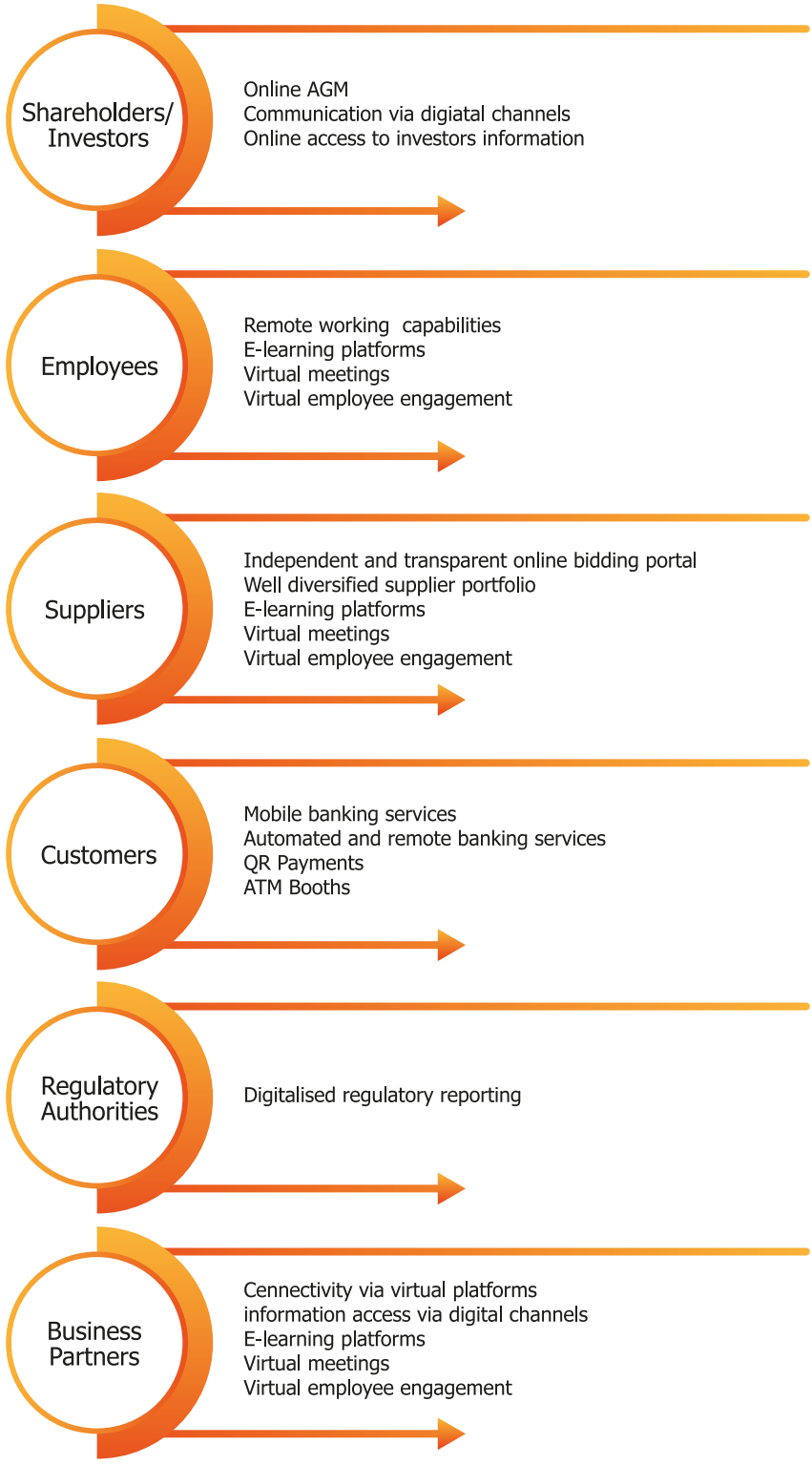


Our commitment to digitalization is rooted in our ambition to lead the banking industry. We strive to offer our corporate and financial institutional customers a distinctive banking experience that centers on digital transformation. We believe that we have made significant progress in this direction and are well positioned to capitalize on market opportunities.

Connecting Stakeholders through Digitalization

Our digitalization strategy is designed to create value for all stakeholders of the bank by aligning digitalization

efforts with their aspirations. We aim to achieve our financial goals and move towards a more sustainable future by investing in technology that streamlines operations, improves efficiency, and reduces costs.

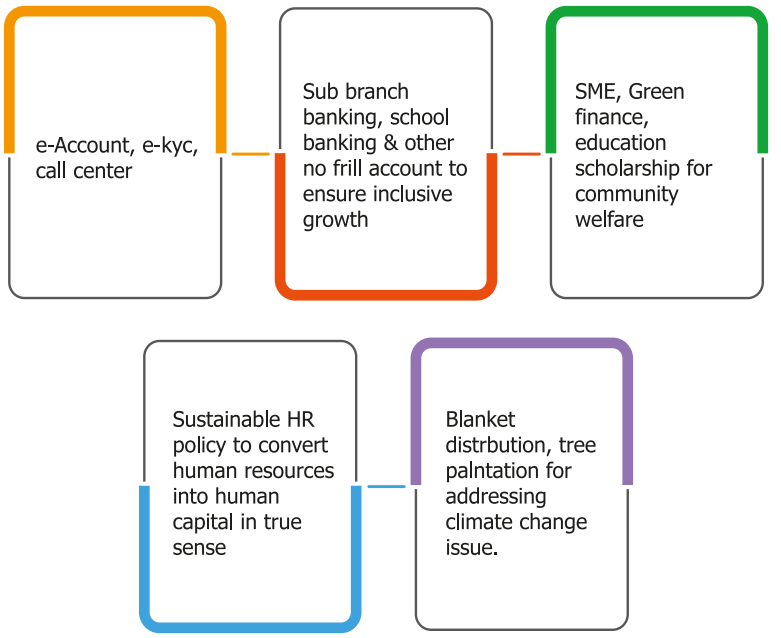


ENVIRONMENTAL AND SOCIAL OBLIGATIONS

The world economy is facing a complex situation due to multiple factors, such as the war in Ukraine, energy shortages in Europe, protectionism in the United States, and increasing debt burdens in developing countries. These economic issues have caused various social problems. Similarly, in Bangladesh, tighter regulations from the Bangladesh Bank have resulted in a decrease in the opening of LCs. The bank has advised against opening LCs for luxury and other goods where possible, leading to a reduction in volume. Despite these

challenges, Bangladesh has prioritized social causes such as financial inclusion, social welfare, and a public-oriented approach.

Against this backdrop, PBPLC has streamlined its efforts to focus on issues that make the institution socially responsible and ensure sustainable balanced growth in the economic, social, and ecological spheres. The bank is committed to social and environmental well-being and believes that sustainable growth is a counterfeit ideology without being socially responsible in business conduct and contributing to society. Therefore, the Bank aims to be a proud development partner of the communities where it operates by concentrating beyond short-term quantitative gains.



The Bank has faced pandemic and post-pandemic challenges along with its customers with prudence and efficiency. However, just as the economy was recovering, the Russia-Ukraine war led to inflation and a dollar crisis in the local market, causing another disaster. PBPLC began to face these economic hurdles while also addressing social issues as a responsible stakeholder in society. We adopted a Triple-Bottom Line Approach and an inclusive growth strategy to address these social issues.

Triple Bottom Line Approach/3P

The graduation of Bangladesh from the Least Developed Country (LDC) status has brought a new socio-economic reality that has impacted the business environment, with business sustainability becoming a key challenge. To address this challenge, we at Pubali bank are implementing the well-known Triple Bottom-line approach to become more sustainable.

As part of this effort, we have published our first Sustainability Report in line with the internationally recognized Global Reporting Initiative (GRI) standards, which evaluate an organization's sustainability in different environmental and social parameters. Additionally, we work to ensure Environmental, Social, and Governance (ESG) practices in our organization and with other stakeholders in a professional manner.

With the growing concern about the adverse impact of climate change on our habitat, economy, lifestyle, and future generations, the banking sector is also affected. As societal expectations change, banks must become more transparent and specific about how their products and services create value for their customers, clients, investors, and society.

Against this backdrop, the Bank has adopted the Triple Bottom Line approach, which incorporates three dimensions of performance: social, environmental, and economic. This approach differs from traditional reporting frameworks as it includes ecological and social measures that can be difficult to measure. Pubali bank PLC has been addressing several social and socio-cultural issues related to sustainability for all its stakeholders, including itself, ranging from the workplace to the community.

Triple bottom line approach:

Paperless banking

The transition from manual banking to digital banking is certainly not a new phenomenon for Bangladesh's banking sector. But the advent of the coronavirus pandemic has made the paperless and cashless banking process faster than ever before. All the digital products and services of the Bank, ranging from cards to PI Apps, contributed to paperless banking. In addition, the bank has also reduced its consumption of paper significantly in different ways, including by digitalizing various processes.

- Print paper on both side
- More communication via emails than hard copy
- Process automation by workflow management and e-documentation software
- Preserving all circulars in Central Circular Management System digitally to avoid hardcopy print or photocopy etc.
- Zoom meetings to avoid wastage of resources and expenditure.

Financial incentive

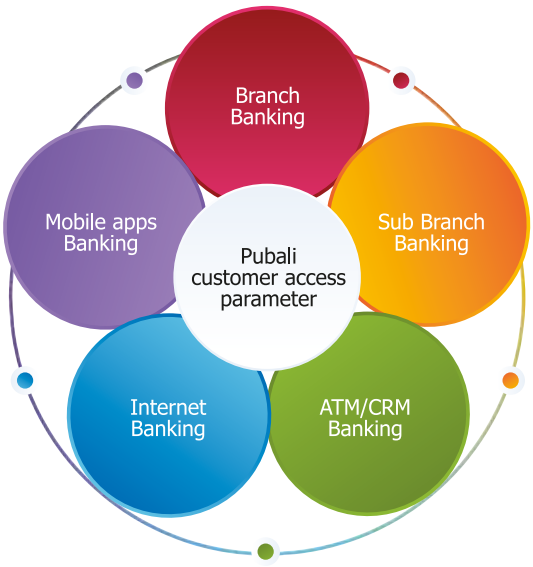
The Bank provides financial incentives to its customers through various modes. During the pandemic period, we have disbursed refinance under the COVID-19 stimulus package, which is still ongoing. Additionally, the Bank has been providing refinance to its clients in a routine manner to improve SMEs and other sectors in our country. Export Development Fund (EDF) is facilitated by Bangladesh Bank for exporters, and cash incentives are given for exports.

Financial inclusion

Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way.

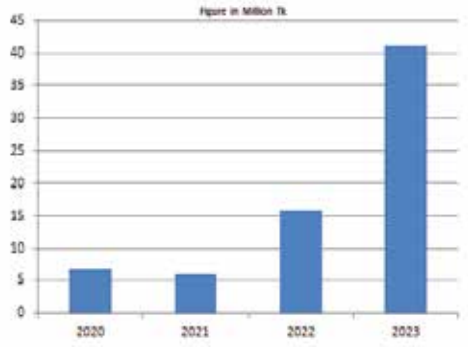
Pubali Bank PLC has undertaken prompt strategy to deliver its credits & other financial services at affordable costs / prices to the disadvantaged section and low-income segments of society. Combined with its usual banking services, Pubali Bank PLC. is on the way to create and expand financial services 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.

The Bank follows Financial Literacy Guidelines of Bangladesh Bank which was circulated vide FID circular Number-01 dated: 27th March 2022. As a bank, PBPLC has multi-pronged strategy to contribute to the financial inclusion of the country:

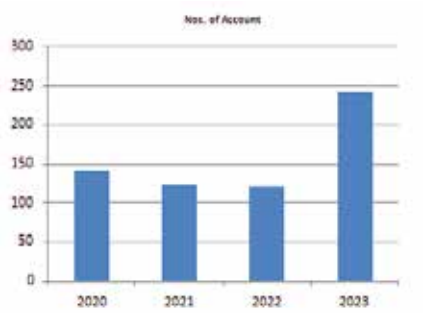


Loan Disbursement	2020	2021	2022	2023
Nos. of Account	142	122	121	242
Amount	BDT 6.78 million	BDT 6.08 million	BDT 15.92 million	BDT 41.19 million

Year-wise Finance under Financial Inclusion in terms of Amount



Year-wise Finance under Financial Inclusion in terms of Borrower



The target groups of the Bank comprise a cross-cutting community. Tier distribution covers both the financially included and excluded population of the target groups. The excluded people are the unserved or under- served segments who are expected to benefit from the available financial services after financial literacy. Those already included in the financial system are expected to keep pace with the evolution of the financial ecosystem.

Report on Going Concern

Every Company requires to assess its ability to continue as a going concern. The Board of Directors of Pubali Bank PLC. 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 2023 Pubali Bank's earning asset increased by 16.05 percent, deposits by 18.69 percent, shareholders equity by 10.26 percent and operating profit increased by 35.42 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 2023 Pubali Bank is one of the top performers in the banking industry.

Consistent payment of dividends

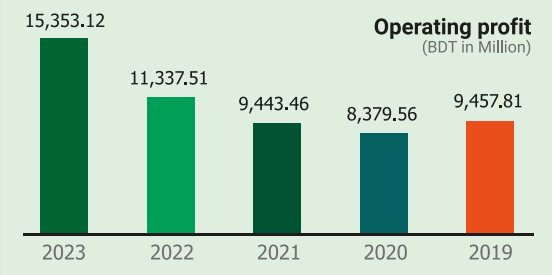
The Bank has been paying consistent dividend to its shareholders over many years which reflects company's long-term vision and firm commitment to its owners.

Credibility in payment of obligations

The 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.

Performance growth

Pubali Bank has excellent growth in its operating performance. Company's total asset has increased to BDT 814,866.57 million from BDT 712,755.71 million indicating a growth of more than 14.33% over last year. Total Operating income has increased by 21.26% in 2023. 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 14,224.66 million as against BDT 11,357.14 million of previous year.

However net operating cash flow after adjustment of increase/decrease in operating assets and liabilities shows net cash outflow of BDT 197,345.53 million as against net cash outflow of BDT 2,717.04 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 the year Pubali Bank opened 06 (six) new branches and 64 sub branches at different places in Bangladesh, 91 (ninety one) new ATM has also been installed. Total no. of Branches 504, sub-branches 189 and ATMs 438 as on 31 December 2023 (2022: 498 Branches, 125 sub-branches and 347 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.

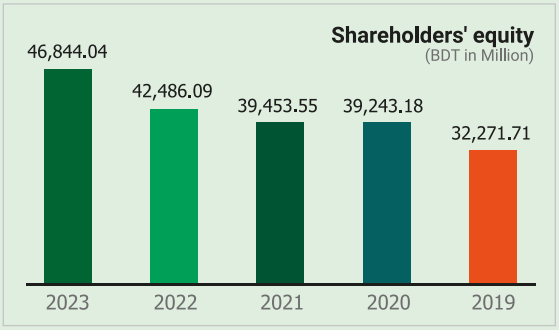
Corporate environment and Employees' satisfaction

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

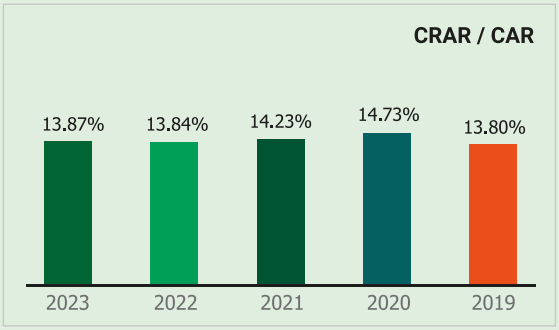
all factors are to be considered as instrumental for employee satisfaction.

Maintenance of sufficient capital

As on 31 December 2023, the Company's total equity stands at BDT 46,844.04 million as against BDT 42,486.09 million of 31 December 2022. 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.



Moreover, as per BASEL-III, a bank should maintain minimum total capital plus capital conservation buffer @ 12.50 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 2023 banks CRAR is 13.87% and maintained total regulatory capital TK. 65,431.79 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 PLC. 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 2023 and other available information up to the date of rating declaration. The outlook on the rating is Stable. The ratings are consistent with CRISL's methodology for this type of company. CRISL 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.

PARTICULARS	LONG TERM	SHORT TERM
Entity Rating	AA+	ST-1
Date of Rating	June 25, 2023	
Based on Financial Statement	December 31, 2022	
Validity Date	June 24, 2024	

Changes in Government policy

Management anticipates no significant change in legislation or government policy, which may materially affect the business of the bank.

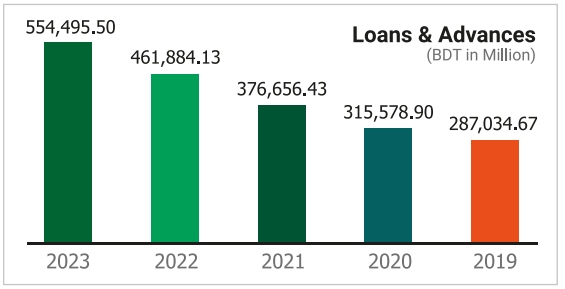
Based on the above indications, directors feel it appropriate to adopt going concern assumption and there is no material uncertainty exists in preparing the financial statements. Adequate disclosures have been made in the financial statements and different sections of the annual report to understand the appropriateness of going concern basis in preparing financial statements.

Contribution to National Economy

Pubali Bank PLC. 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 PLC. 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 PLC. also pays very attractive dividend to its shareholders.

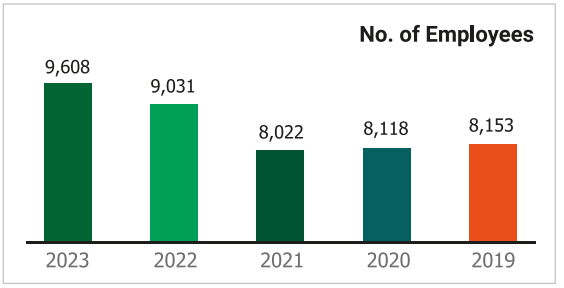
Financing support to industry; SMEs, individuals etc.

As a banking service provider Pubali Bank PLC. 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 2023 the size of total credit exposure of Pubali Bank PLC. with 118,200 no. of clients is BDT 554,495.50 million (2022: 106,830 no. of clients is BDT 461,884.13 million).



Employment

We make an economic impact by creating employment and a well-trained workforce. Pubali Bank PLC. and its subsidiary employed as many as 9,608 employees as on 31 December 2023 (2022: 9,031). During the year 2023 Pubali Bank paid total of BDT 9,273.60 million as salaries and allowances to its employees (2022: 8,360.45 million) and significant amount also being spent for training and HR development each year.



Tax payment

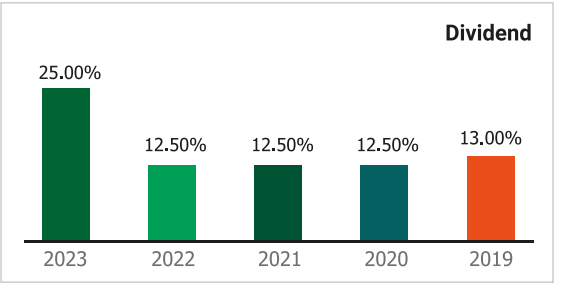
Pubali Bank contributes to the economy by paying due corporate income tax and Value Added Tax (VAT) as per the prevailing laws and regulations. During the year 2023 Pubali Bank PLC. provided total of BDT 3,607.22 million for payment of corporate income tax, VAT of BDT 822.95 million and excise duty BDT 1,378.79 million (2022: corporate tax BDT 2,065.59 million, VAT BDT 672.56 million and excise duty BDT 1,213.91 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 PLC. paying a satisfactory return (dividend) to its shareholders. The Board of Directors of the bank proposed 12.50 percent Cash dividend and 12.50 percent Stock dividend to its shareholders for the year 2023 (in 2022 the bank also paid 12.50 percent cash dividend).

Reasons of recommendation of Stock Dividend

- Stock Dividend has been recommended to strengthen the capital base of the Bank in order to support projected business growth and to improve certain regulatory ratios;
- Stock Dividend has been recommended out of accumulated profit; and
- Stock Dividend has not been recommended from capital reserve or revaluation reserve or any unrealized gain or out of profit earned prior to incorporation of the Bank or through reducing paid-up capital or through doing anything so that the post dividend retained earnings become negative or a debit balance.



Market capitalization

Pubali Bank PLC. started its journey with a capital of BDT 160 million in the year 1983. At the end of the year 2023 Pubali Bank's total size of capital is BDT 10,282.94 million equivalents to market capitalization of BDT 53,141.31 million (2022: capital BDT 10,282.94

million, market capitalization BDT 53,344.14 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 decades 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 2023 the bank expended around BDT 157.81 million for donation (2022: BDT 189.10 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 its 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.

পূবালী ব্যাংক পিএলসি.
PUBALI BANK PLC.

পাই ব্যাংকিং

"দেশের সর্ববৃহৎ অনলাইন ব্যাংক
এখন হাতের মুঠোয়"

- পূবালী ব্যাংক হিসাবে তাৎক্ষণিক অর্থ স্থানান্তর
- নিজস্ব হিসাবের তথ্য এবং বিবরণী জানা
- তাৎক্ষণিক যেকোনো ব্যাংক হিসাবে অর্থ স্থানান্তর
- বিদ্যুৎ বিল, পানির বিল ও বিভিন্ন পরিষেবার বিল প্রদান
- শিক্ষা প্রতিষ্ঠানের টিউশন ফি প্রদান
- মোবাইল ফোন রিচার্জ
- মোবাইল ব্যাংকিং হিসাবে তাৎক্ষণিক অর্থ স্থানান্তর (বিকাশ, নগদ, রকেট)
- নিজস্ব ক্রেডিট কার্ডের তথ্য এবং বিল পরিশোধ
- কিউআর কোডের মাধ্যমে মার্চেন্ট পেমেন্ট সুবিধা
- বিনিময়ের মাধ্যমে লেনদেন সুবিধা

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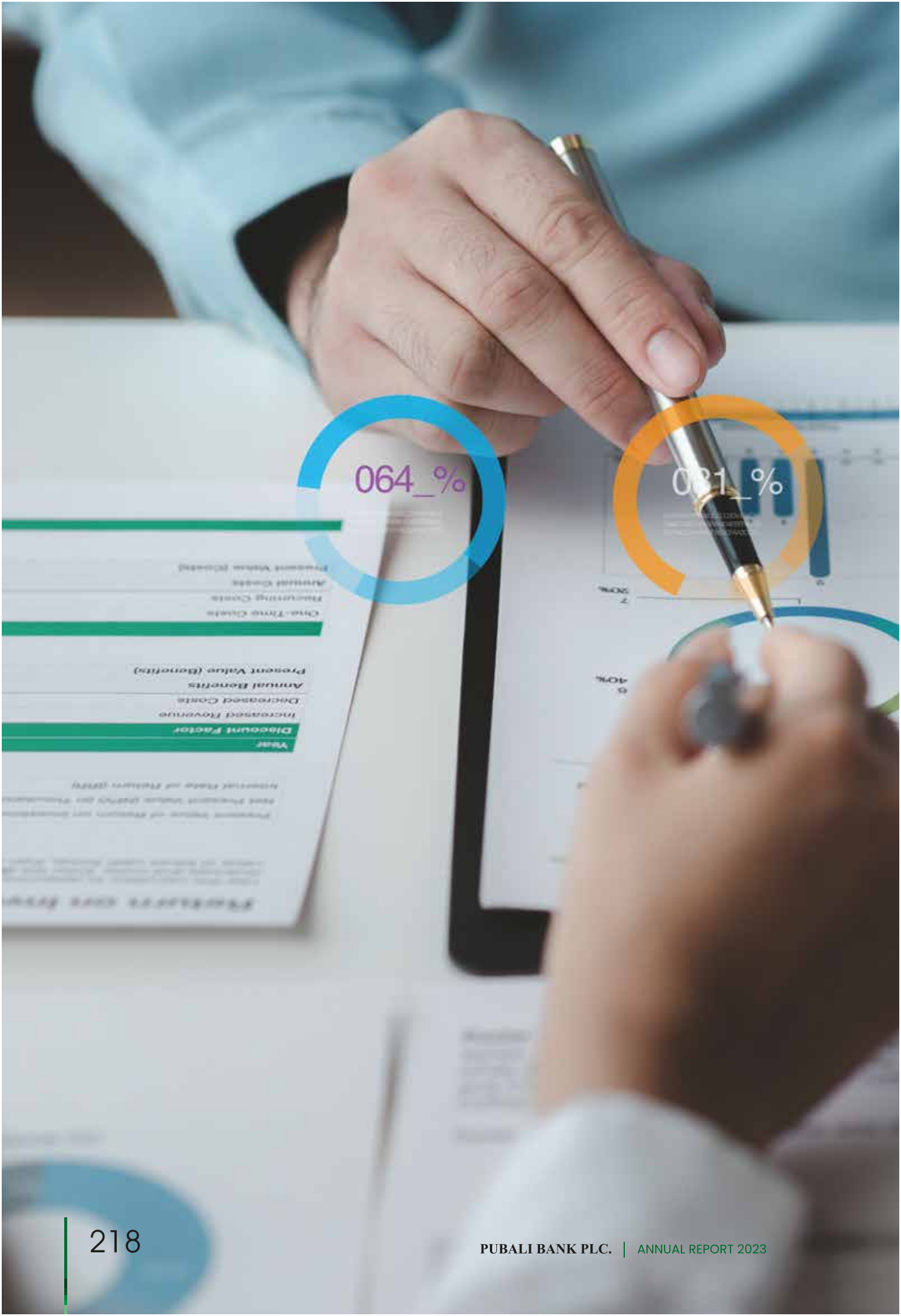
বিস্তারিত জানতে কল করুন: ১৬২৫৩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Performance Review & Analysis

Report from Chief Financial Officer (CFO)

Bangladesh has an inspiring story of growth and development, aspiring to be a middle-income country by 2026. Despite many challenges, the country has made exceptional strides in reducing poverty and boosting shared prosperity over the last five decades. Bangladesh made a rapid recovery from the COVID 19 pandemic supported by prudent macroeconomic policies. But the economy now faces considerable challenges with global economic uncertainty, rising inflationary pressure, energy shortages, a balance-of payments deficit, and a revenue shortfall.

The Balance of Payment encountered a substantial deficit, compounded by tightened monetary conditions in major advanced economies and escalating geopolitical tensions. These factors collectively exerted significant downward pressure on the Bangladesh Taka (BDT). Simultaneously, Bangladesh Bank intervened in the foreign exchange market through net sales. During July-December 2023, BB's net sale of foreign currency amounted to USD 5.69 billion, contributing to a decline in the nation's foreign exchange reserves. By 31 December 2023, the gross official foreign exchange reserves decreased to USD 21.87 billion (BPM6) from the previous USD 24.75 billion recorded at the end of June 2023.

Amidst a backdrop of monetary policies leaning towards contraction and consistent intervention in the foreign exchange market by Bangladesh Bank, the banking sector in Bangladesh finds itself navigating through tight liquidity conditions. This strain is evident in the diminishing levels of excess cash reserve and liquid assets.

The effects of this contractionary stance became apparent as borrowing from banks became more expensive. Simultaneously, the central bank's active involvement in the foreign exchange market, involving substantial USD sales that absorbed a substantial chunk of local currency liquidity, intensified the pressure on liquidity level. Adding to this, a notably high currency-deposit ratio has further contributed to the tight liquidity scenario in the money market. The dry liquidity situation within the banking sector has triggered a steady surge in interest rates in the financial industry of the country. The weighted average call money rate witnesses a striking ascent, climbing from 6.06 percent in June 2023 to 8.84 percent by December 2023.

Despite the challenges, Pubali Bank PLC. has remained resilient and has continued to sustainable growth in terms of increased business, remittances, profitability and lower NPL. We have endeavored for innovative banking through digital transformation and operational efficiency which will help the Bank to achieve sustainable growth. Moreover, we have invested in modern technologies, enhanced our digital capabilities, payment process and expanded

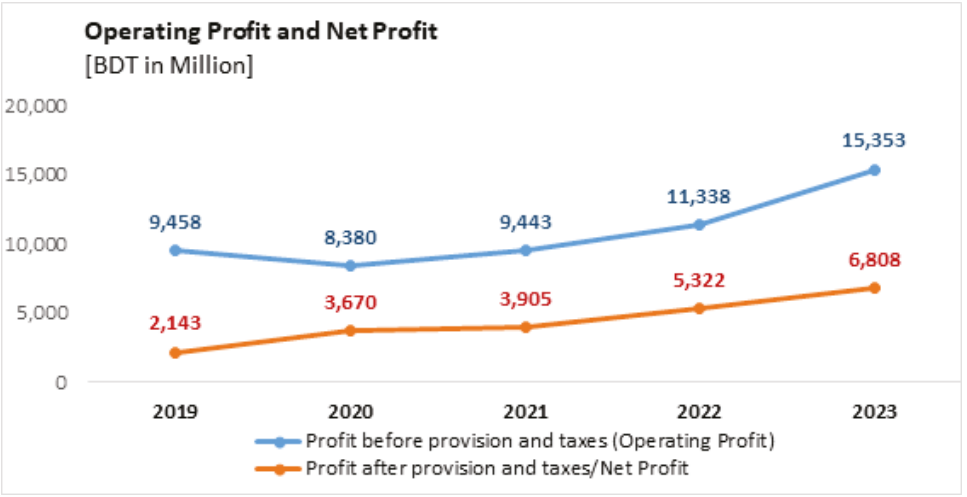
countrywide business networks to serve our stakeholders by providing superior customer experience.

Financial overview of the Bank

(BDT in million unless stated otherwise)

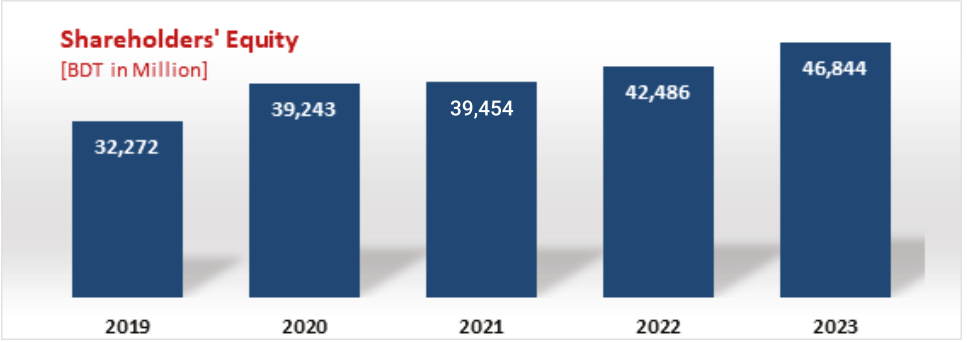
PARTICULARS	2023	2022	2021	2020	2019
Total Capital (Regulatory)	65,431	58,464	52,591	48,242	39,641
Shareholders' Equity	46,844	42,486	39,24	39,243	32,272
Paid up Capital	10,283	10,283	10,283	10,283	10,283
Earnings per Share (in BDT)	6.62	5.18	3.80	3.57	2.08
Return on Assets	0.89%	0.79%	0.65%	0.70%	0.48%
Return on Investment	5.66%	4.27%	3.92%	5.38%	3.68%
Non-performing loan (NPL)	2.86%	2.62%	3.05%	2.73%	4.38%
Credit Deposit Ratio (CDR)	86.85%	84.79%	77.58%	70.71%	76.21%
Capital to Risk weighted Asset Ratio	13.87%	13.84%	14.23%	14.73%	13.80%

Operating Profit and Net Profit



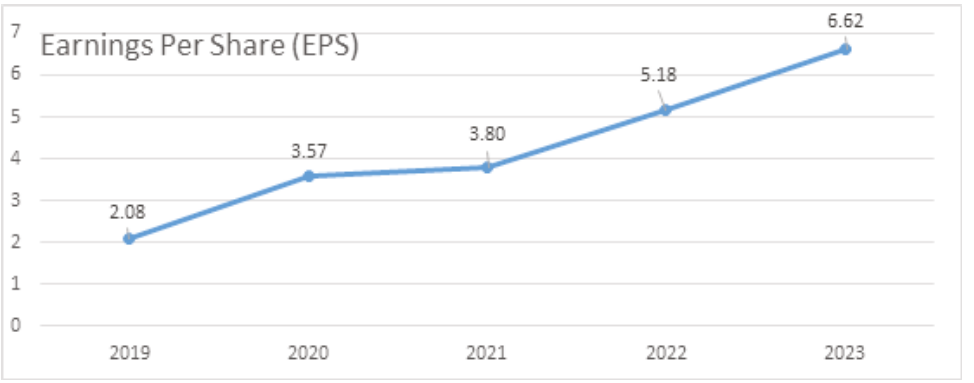
Despite the challenges of 2023 caused mostly by the Russia-Ukraine war and the receding effect of Covid-19 pandemic, Pubali Bank PLC managed to produce satisfactory results. The bank achieved the highest amount of profit last year in the history of the bank. Y-o-Y growth for operating profit and net profit in 2023 was 35.42% and 27.93% respectively.

Shareholders' Equity



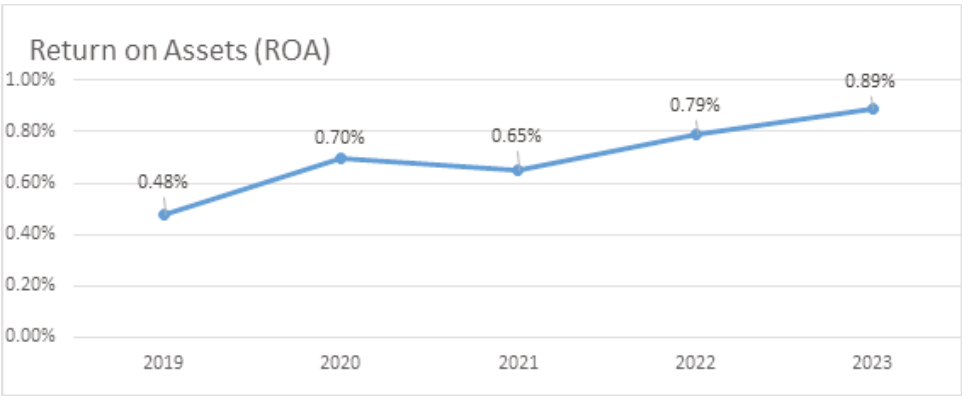
Shareholders' Equity has been increasing steadily for the last five years. The average growth rate in shareholders' equity from 2019 to 2023 is around 10 percent. Healthy share capital placed the bank in an advantageous position for more stable finances and more flexibility in case of economic or financial downturn.

Earnings Per Share (EPS)



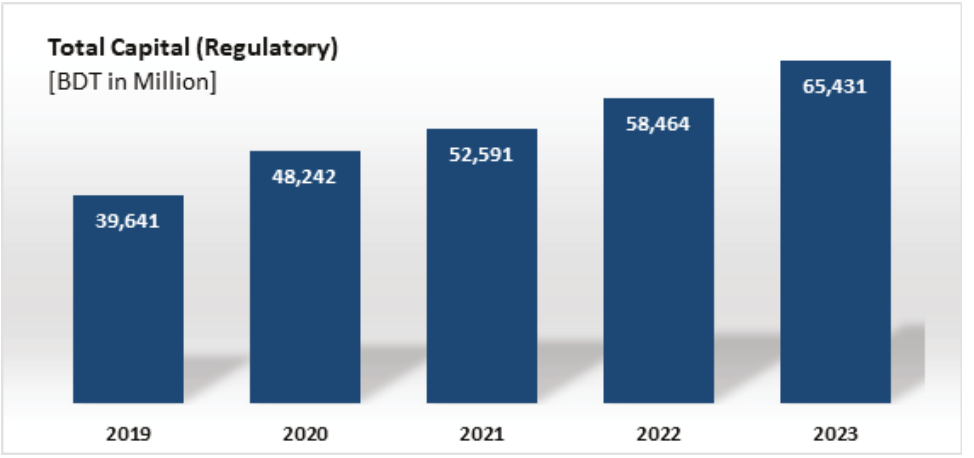
The continuous profit growth over the last few years is reflected in the upward trending EPS of the Bank. A higher EPS indicates greater value because investors will pay more for a company's share if they think the company has higher profits relative to its share price. In 2023, EPS was BDT 6.62 which is 27.80 percent higher than the previous year.

Return on Assets (ROA)



A higher ROA means a bank is more efficient and productive at managing its balance sheet to generate profits while a lower ROA indicates there is room for improvement. Return on Assets for the last 5 years shows that the bank uses its assets efficiently to generate profit. The ROA has increased to 0.89% in 2023 from 0.79% in the previous year.

Regulatory Capital



Total Regulatory capital maintained by a bank against credit, market, and operation risk. Increasing the level of capital to ensure that banks are sufficiently resilient to withstand losses in times of stress. Pubali bank's Regulatory capital has been increasing steadily for the last five years. It is mentionable here that compound

Total Regulatory capital maintained by a bank against credit, market, and operation risk. Increasing the level of capital to ensure that banks are sufficiently resilient to withstand losses in times of stress. Pubali bank's Regulatory capital has been increasing steadily for the last five years. It is mentionable here that compound annual growth rate (CAGR) of regulatory capital is 10.54% by considering above five years.

Pubali Bank PLC. is determined to maintain sustainable growth through ensuring sound asset quality, capital adequacy, expected liquidity, and effective risk management & control mechanisms. The Bank is positioning itself to thrive in an increasingly competitive financial landscape through strategic investments in technology, cyber security, and human capital, the bank is poised to deliver enhanced banking experiences and remain at the forefront of innovation in Bangladesh's banking sector.

Mohammad Liton Miah FCA
GM & Chief Financial Officer (CFO)

Comparative Financial Highlights

(BDT in million unless stated otherwise)

PARTICULARS	2023	2022	INCRESE/ (DECREASE)	CHANGE (%)
INCOME STATEMENT				
Total revenue	60,872.54	48,435.30	12,437.24	25.68%
Total expenses	45,519.43	37,097.78	8,421.65	22.70%
Operating profit	15,353.11	11,337.52	4,015.59	35.42%
Profit before tax	11,988.02	8,513.04	3,474.98	40.82%
Profit after tax	6,808.47	5,321.77	1,486.70	27.94%
Earnings per share	6.62	5.18	1.45	27.94%
ASSETS & LIABILITIES				
Total assets	814,866.57	712,755.71	102,110.86	14.33%
Earning assets	690,519.12	595,018.23	95,500.89	16.05%
Total loans and advances	554,495.50	461,884.13	92,611.37	20.05%
Fixed Assets	7,529.26	6,495.54	1,033.72	15.91%
Total deposit	606,296.41	510,836.52	95,459.89	18.69%
Shareholders' equity	46,844.04	42,486.09	4,357.95	10.26%
CAPITAL				
Paid up capital	10,282.94	10,282.94	-	-
Capital maintained	65,431.79	58,464.20	6,967.59	11.92%
Risk weighted assets (RWA)	471,883.27	422,330.73	49,552.54	11.73%
Capital required	47,188.33	42,233.07	4,955.26	11.73%
CRAR	13.87%	13.84%	0.02%	0.17%
SHARE INFORMATION				
Earnings per share (EPS)	6.62	5.18	1.45	27.94%
Net assets value per share (NAVPS)	45.56	41.32	4.24	10.27%
Number of shares	1,028,294,218	1,028,294,218	-	-
REGULATORY RATIO				
Cash reserve ratio (CRR)	3.72%	4.24%	-0.53%	-12.38%
Statutory liquidity ratio (SLR)	22.32%	23.44%	-1.12%	-4.78%
CRAR	13.87%	13.84%	0.02%	0.17%
Credit deposit Ratio	86.85%	84.79%	2.06%	2.42%
ASSET QUALITY				
Amount of classified loans and advances	15,862.02	12,121.23	3,740.79	30.86%
Percentage of classified loans and advances	2.86%	2.62%	0.24%	9.01%
Required provision for loans and advances	24,129.18	21,096.19	3,032.99	14.38%
Provision maintained for loans and advances	24,174.63	21,115.75	3,058.88	14.49%
Classified other assets	282.24	269.02	13.22	4.91%
Classified investment	255.34	245.85	9.49	3.86%
Total classified assets	16,399.60	12,636.10	3,763.50	29.78%

Key Financial Information

(BDT in million unless stated otherwise)

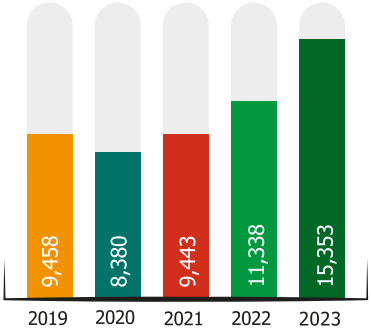
PARTICULAR	2023	2022	2021	2020	2019
BALANCE SHEET MATRIX					
Authorized capital	20,000	20,000	20,000	20,000	20,000
Paid up capital	10,282.94	10,282.94	10,282.94	10,282.94	10,282.94
Reserve fund & surplus	36,561.10	32,203.15	29,467.28	28,960.24	21,988.76
Total shareholders' equity	46,844.04	42,486.09	39,453.55	39,243.18	32,271.71
Capital employed	470,782.41	368,671.55	355,032.50	323,488.89	246,207.05
Deposits	606,296.41	510,836.52	462,400.22	429,343.02	359,418.89
Loans and advances	554,495.50	461,884.13	376,656.43	315,578.90	287,034.67
Investments	147,495.50	139,403.49	145,632.76	147,906.01	100,603.86
Fixed Assets	7,529.26	6,495.54	6,082.42	5,087.99	5,180.80
Total assets	814,866.57	712,755.71	629,481.34	565,032.07	478,074.84
Total off balance sheet exposures	242,759.38	225,838.75	225,455.59	137,695.16	108,500.21
Earning assets	690,519.12	595,018.23	531,301.80	473,085.44	386,774.12
Non-earning assets	124,347.45	117,737.48	97,882.87	91,946.63	91,300.72
Net Assets	46,844.04	42,486.09	39,750.22	39,243.18	32,271.71
INCOME STATEMENT MATRIX					
Interest income	40,340.84	29,813.19	22,737.80	22,716.88	26,060.65
Investment income	15,633.73	13,740.36	15,671.21	12,707.36	7,131.92
Non-interest income	4,897.96	4,881.74	3,616.72	2,751.63	2,909.08
Total income	60,872.54	48,435.29	42,025.73	38,175.87	36,101.65
Interest expenses	30,321.08	23,240.59	21,900.92	19,851.84	17,691.77
Non-interest expenses	15,198.35	13,857.19	10,681.35	9,944.47	8,952.07
Total expenses	45,519.43	37,097.78	32,582.27	29,796.31	26,643.84
Net interest margin (NIM)	10,019.77	6,572.60	836.88	2,865.04	8,368.88
Net non-interest margin	5,333.35	4,764.91	8,606.58	5,514.52	1,088.93
Operating profit	15,353.12	11,337.51	9,443.46	8,379.56	9,457.81
Earnings before provision, depreciation and tax	16,066.54	12,398.25	10,334.07	9,148.41	10,157.36
Profit before provision & tax	15,353.12	11,337.51	9,443.46	8,379.56	9,457.81
Profit before tax	11,988.02	8,513.04	5,199.66	5,753.25	5,196.15
Net profit after tax	6,808.47	5,321.77	3,904.55	3,669.51	2,143.27
CAPITAL MATRIX					
Risk weighted assets (RWA)	471,883.27	422,330.73	369,575.88	327,491.48	287,290.00
Total required capital	47,188.33	42,233.07	36,957.59	32,749.15	28,729.00
Total regulatory capital maintained	65,431.79	58,464.20	52,591.30	48,242.35	39,640.53
Capital surplus/(shortfall)	18,243.46	16,231.13	15,633.71	15,493.20	10,911.53
CRAR/(CAR)	13.87%	13.84%	14.23%	14.73%	13.80%
Core capital ratio	9.25%	9.20%	9.10%	8.70%	8.88%
Supplementary capital ratio	4.62%	4.64%	5.13%	6.03%	4.91%
Amount of core capital (Tier-1)	43,630.59	38,872.16	33,645.13	28,488.80	25,524.32
Amount of supplementary capital (Tier-2)	21,801.21	19,592.04	18,946.17	19,753.55	14,116.21
ASSET QUALITY					
Classified loans & advances (Non-performing loans)	15,862.02	12,121.23	11,480.11	8,622.01	12,560.60
Percentage of NPLs to total loans and advances	2.86%	2.62%	3.05%	2.73%	4.38%
Required provision for unclassified loans	8,660.80	7,903.53	8,152.48	5,897.81	4,127.99
Required provision for classified loans	15,468.38	13,192.66	11,089.95	10,257.81	11,429.95
Total required provision for loans and advances	24,129.18	21,096.19	19,242.43	16,155.62	15,557.94
Total provision maintained for loans and advances	24,174.63	21,115.75	19,253.16	17,155.62	15,559.76
Provision excess/(shortfall) for loans and advances	45.46	19.57	10.74	1,000.00	1.82
General provision maintained	8,706.26	7,923.09	8,163.22	6,897.81	4,129.81
Specific provision maintained	15,468.38	13,192.66	11,089.95	10,257.81	11,429.95
Classified investment	255.34	245.85	241.83	242.05	510.50
Provision maintained for classified investment	255.50	253.50	253.50	253.50	510.55
Classified other assets	282.24	269.02	242.56	218.29	97.16
Provision maintained for other assets	312.41	269.91	242.76	218.67	404.37
Total classified assets	16,399.60	12,636.10	11,964.50	9,082.35	13,168.26
Total unclassified assets	798,466.97	700,119.61	617,220.17	555,949.72	464,906.58
ASSET QUALITY					
Required provision for contingent liabilities	2,394.74	1,968.58	2,082.47	1,271.80	986.38
Provision maintained for contingent liabilities	2,394.95	1,968.95	2,082.95	1,271.95	986.40
Current assets	437,162.46	392,931.30	317,806.59	272,830.19	257,607.55
Current liabilities	370,819.40	344,084.16	274,152.17	241,543.18	231,867.79
Net current assets	66,343.06	48,847.14	43,654.42	31,287.01	25,474.17
Long term liabilities	397,203.14	326,185.46	315,578.95	284,680.85	213,669.75
Long term liabilities/current liabilities	1.07	0.95	1.15	1.18	0.92

Key Financial Information

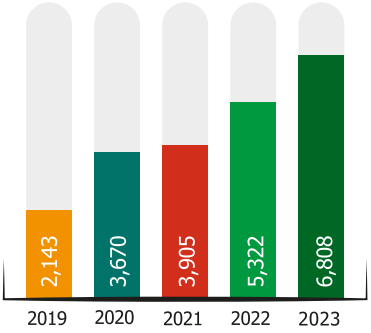
(BDT in million unless stated otherwise)

PARTICULAR	2023	2022	2021	2020	2019
FOREIGN EXCHANGE BUSINESS					
Import	295,446.00	274,383.00	279,780.03	164,240.37	156,980.10
Export	196,747.00	183,174.90	129,799.36	87,340.06	100,381.90
Foreign remittance	123,000.00	86,813.40	60,500.20	52,113.40	52,660.00
FINANCIAL RATIOS					
Operating profit ratio	25.22%	23.41%	22.47%	21.95%	26.20%
Gross profit ratio	11.18%	10.99%	9.29%	9.61%	5.94%
Operating profit as a percentage of average working fund	31.43%	23.21%	21.63%	26.78%	36.74%
Return on assets (ROA)	0.89%	0.79%	0.65%	0.70%	0.48%
Return on equity (ROE)	14.53%	12.53%	9.82%	9.46%	7.51%
Return on investment (ROI)	5.66%	4.27%	3.92%	5.38%	3.68%
Return on loans & advances	1.23%	1.15%	1.04%	1.16%	0.75%
Return on working fund	13.94%	10.89%	8.94%	11.73%	8.33%
Return on earning assets	0.99%	0.89%	0.73%	0.78%	0.55%
Operating profit per employee	1.60	1.26	1.18	1.03	1.16
Net profit per employee	0.71	0.59	0.49	0.45	0.26
Operating profit per branch	30.46	22.77	19.27	17.38	19.62
Net interest margin as a percentage of working fund	20.51%	13.46%	1.92%	9.16%	32.51%
Net interest margin on earning assets	1.45%	1.10%	0.16%	0.61%	2.16%
Efficiency ratio	0.25	0.29	0.25	0.26	0.25
Burden ratio	1.26%	1.26%	1.12%	1.27%	1.26%
Cost of deposit	3.96%	3.63%	3.45%	4.24%	4.38%
Yield on loans and advances	7.28%	6.45%	6.04%	7.20%	9.08%
Interest spread	3.32%	2.83%	2.59%	2.96%	4.70%
Cost of fund	7.15%	6.77%	6.80%	7.09%	7.52%
Net spread	0.12%	-0.32%	-0.77%	0.11%	1.56%
Cost to income ratio (Operating exp. to operating Income)	49.75%	55.00%	53.08%	54.27%	48.63%
Debt equity ratio (times)	16.40	15.78	14.95	13.41	13.81
Current ratio (times)	1.14	1.14	1.16	1.13	1.11
Net asset value per share (NAVPS) (in BDT)	45.56	41.32	38.66	37.74	31.38
Earnings per share (EPS) (in BDT)	6.62	5.18	3.80	3.57	2.08
CRAR/ CAR	13.87%	13.84%	14.23%	14.73%	13.80%
Credit deposit ratio	86.85%	84.79%	77.58%	70.71%	76.21%
Cash reserve ratio/Liquidity ratio	3.72%	4.24%	3.88%	4.14%	5.35%
Statutory liquidity ratio (SLR)	22.32%	23.44%	27.81%	30.13%	23.40%
Medium term funding ratio (MTFR)	1.05	1.02	1.01	0.97	0.97
SHARES INFORMATION MATRIX					
Number of shares	1,028,294,218	1,028,294,218	1,028,294,218	1,028,294,218	1,028,294,218
Earnings per share (EPS) (in BDT)	6.62	5.18	3.80	3.57	2.08
Net asset value per share (NAVPS) (in BDT)	45.56	41.32	38.66	38.16	31.38
Market price per share	26.20	26.30	26.80	24.10	24.00
DIVIDEND					
Cash	12.50%	12.50%	12.50%	12.50%	10%
Stock	12.50%	-	-	0%	3%
OTHER INFORMATION					
Number of branches	504	498	490	482	482
Number of Sub-branches	189	125	40	23	-
Number of employees	9,608	9,031	8,022	8,118	8,153
Number of foreign correspondents (Nostro)	37	32	31	31	30

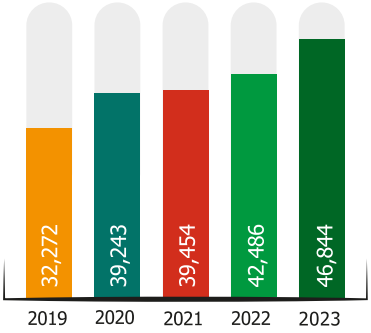
Five Years Performance



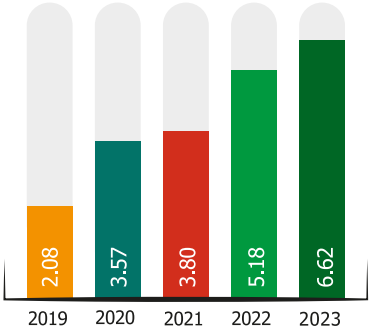
OPERATING PROFIT
(BDT in Million)



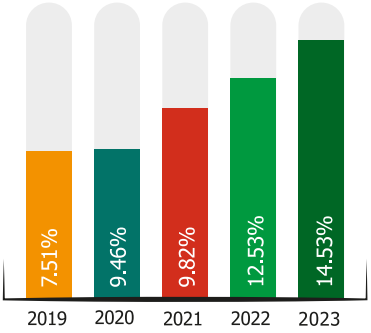
PROFIT AFTER TAX
(BDT in Million)



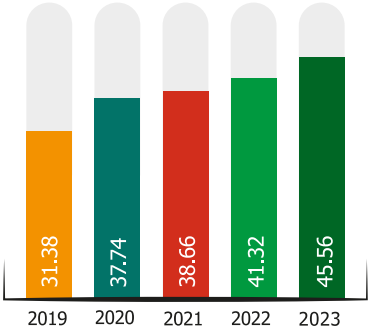
SHAREHOLDERS' EQUITY
(BDT in Million)



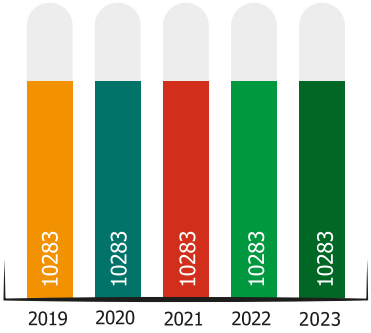
EARNINGS PER SHARE
(in BDT)



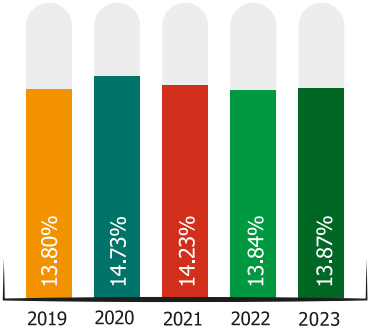
RETURN ON SHAREHOLDERS' FUND
(in %)



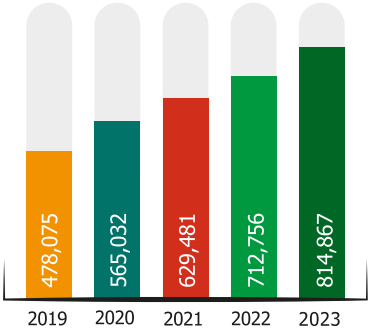
NET ASSET VALUE PER SHARE
(in BDT)



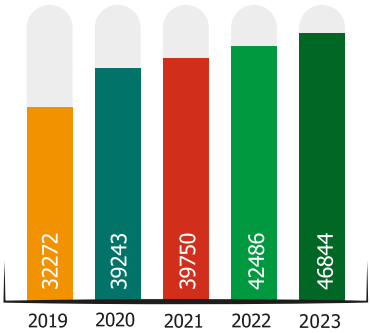
PAID UP CAPITAL
(BDT in Million)



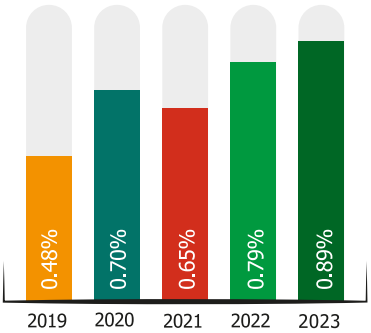
CRAR/CAR
(in %)



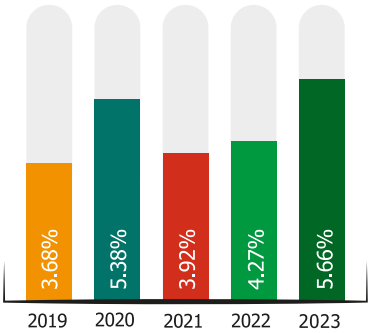
TOTAL ASSETS
(BDT in Million)



NET ASSETS
(BDT in Million)

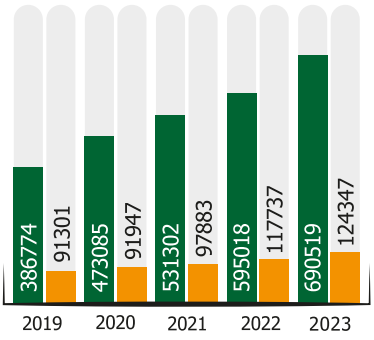


RETURN ON ASSETS (ROA)
(in %)

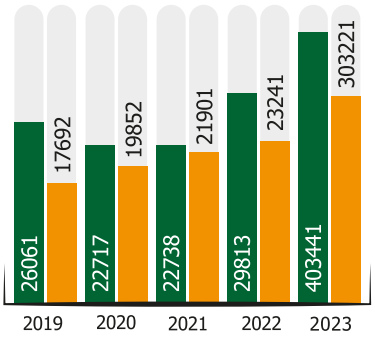


RETURN ON INVESTMENT (ROI)
(in %)

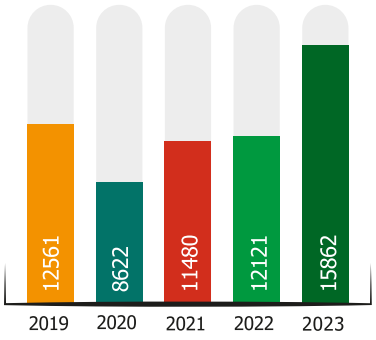
Five Years Performance



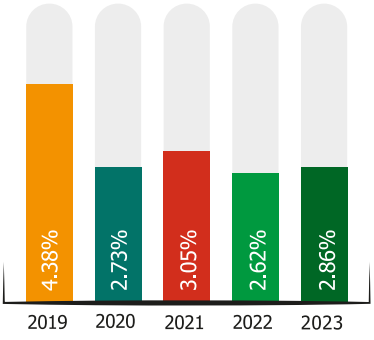
EARNING ASSETS
NON-EARNING ASSETS
(BDT in Million)



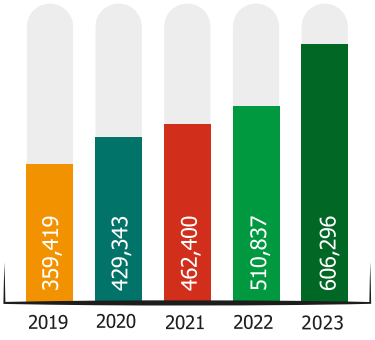
INTEREST INCOME
INTEREST EXPENSES
(BDT in Million)



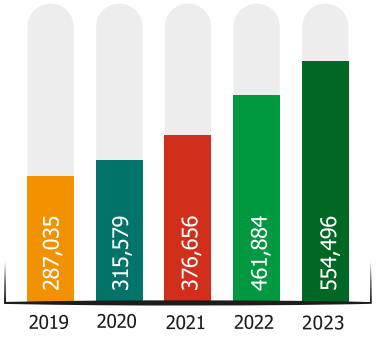
NPL
(BDT in Million)



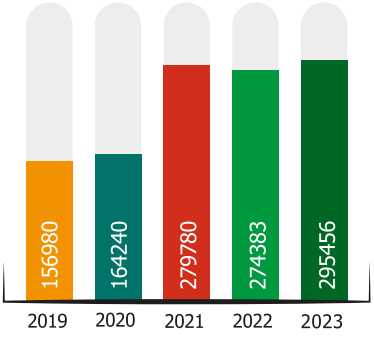
NPL
(in %)



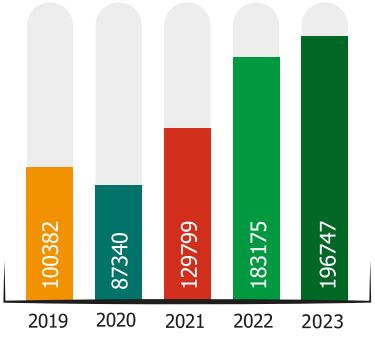
DEPOSITS
(BDT in Million)



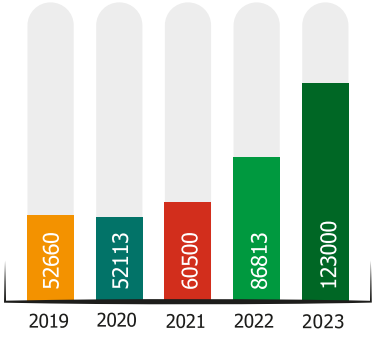
LOAN AND ADVANCES
(BDT in Million)



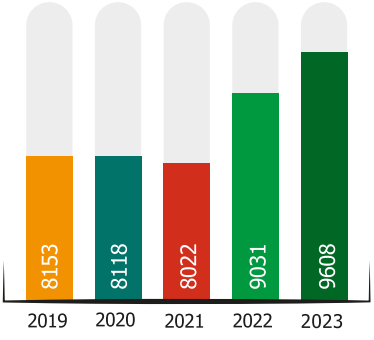
IMPORT
(BDT in Million)



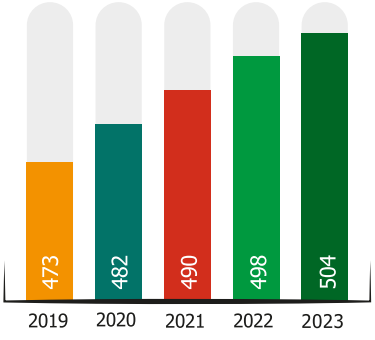
EXPORT
(BDT in Million)



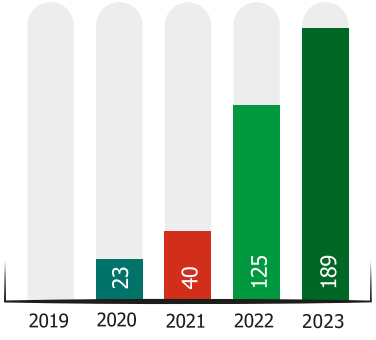
FOREIGN REMITTANCE
(BDT in Million)



NUMBER OF EMPLOYEES

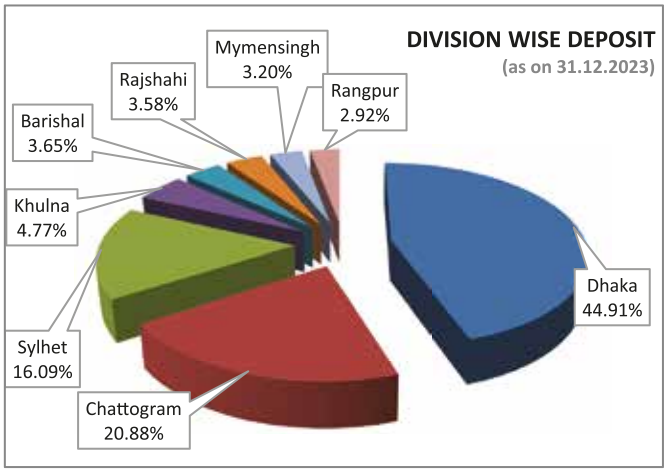


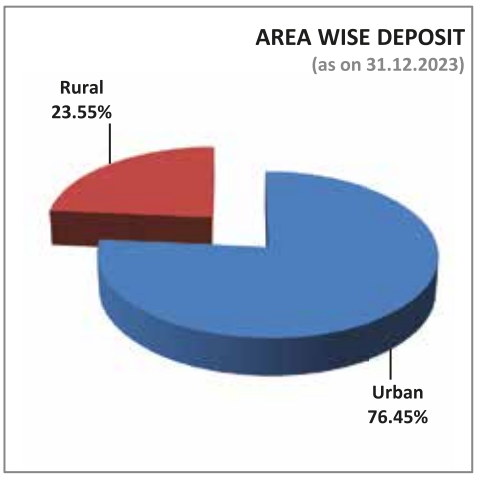
NUMBER OF BRANCHES

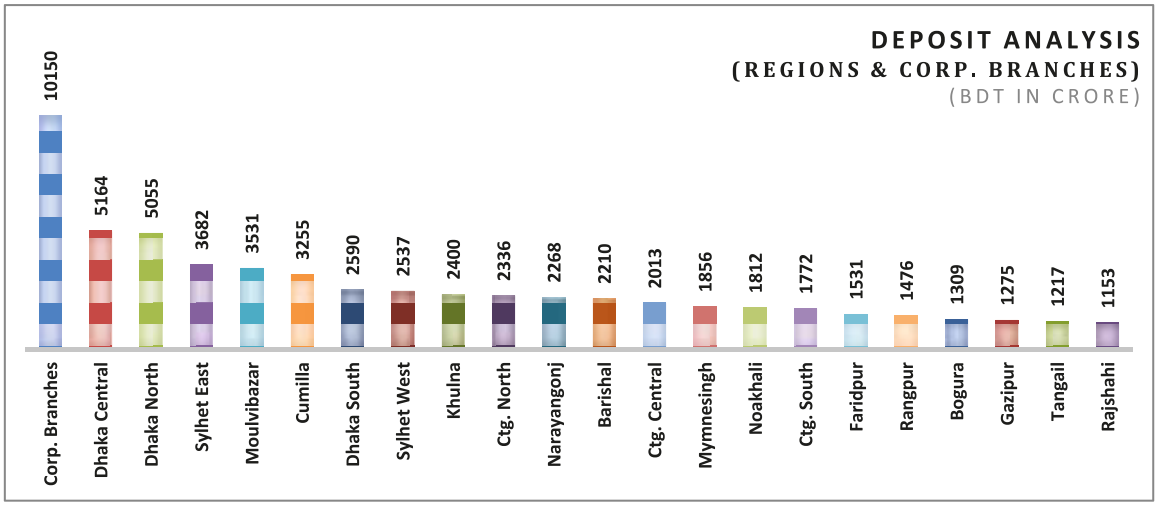


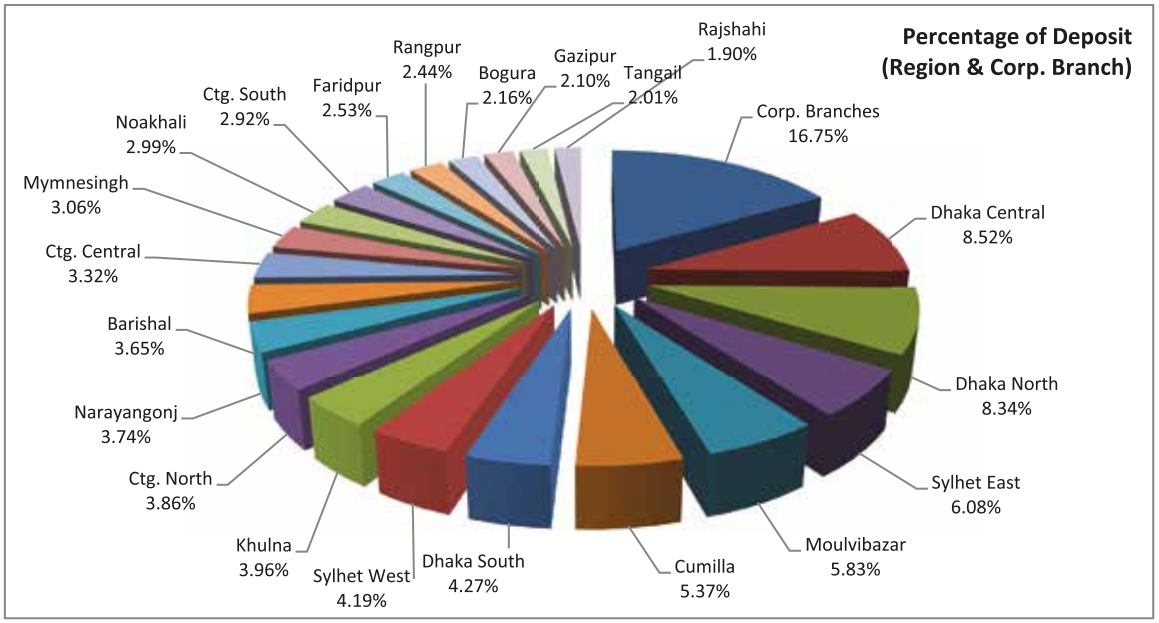
NUMBER OF SUB-BRANCHES

Deposit Analysis

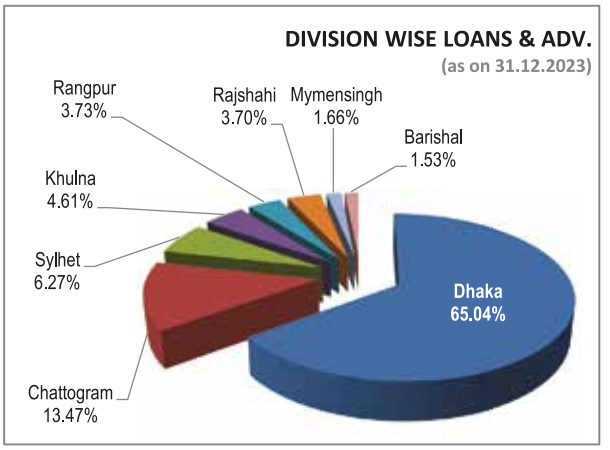


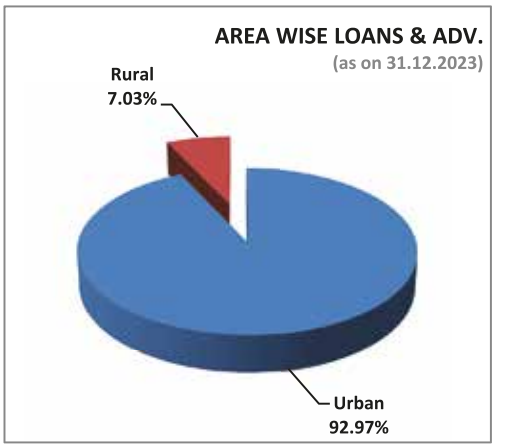


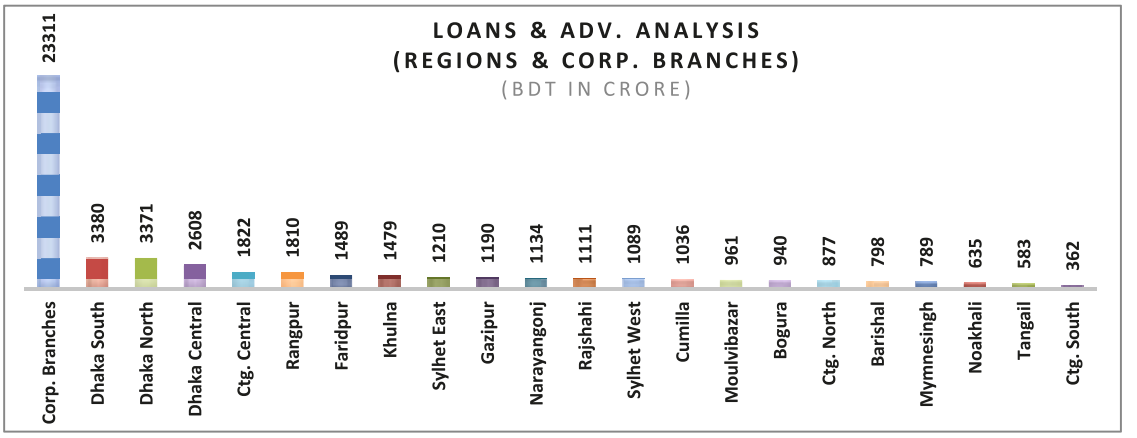


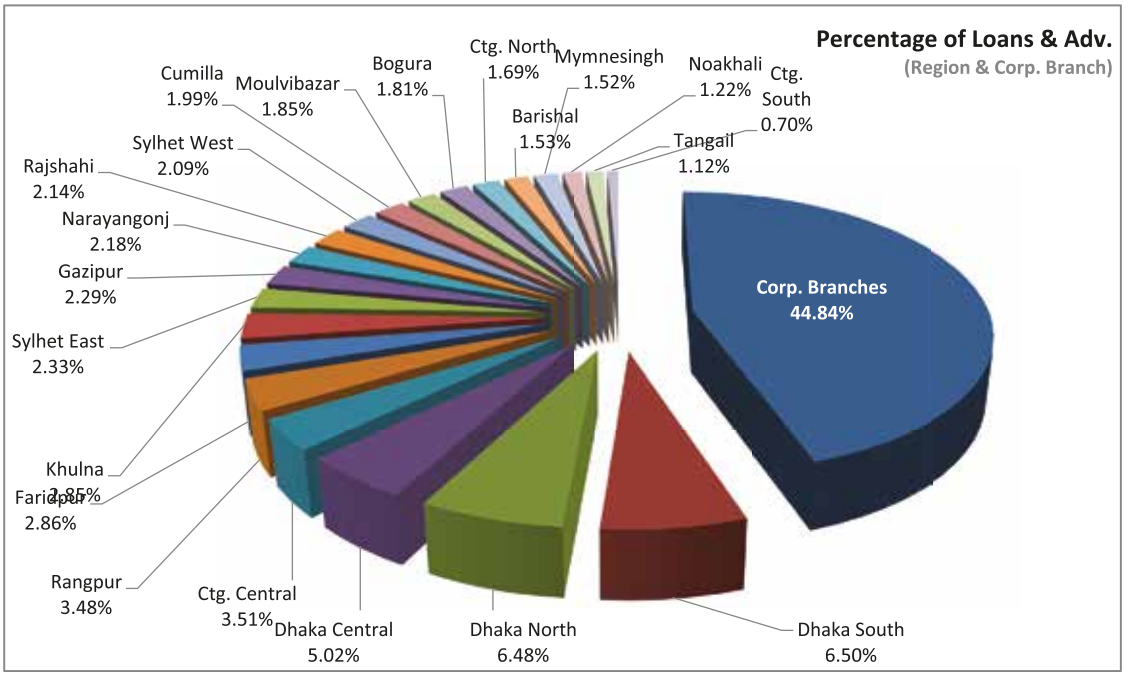


Loans & Advances Analysis

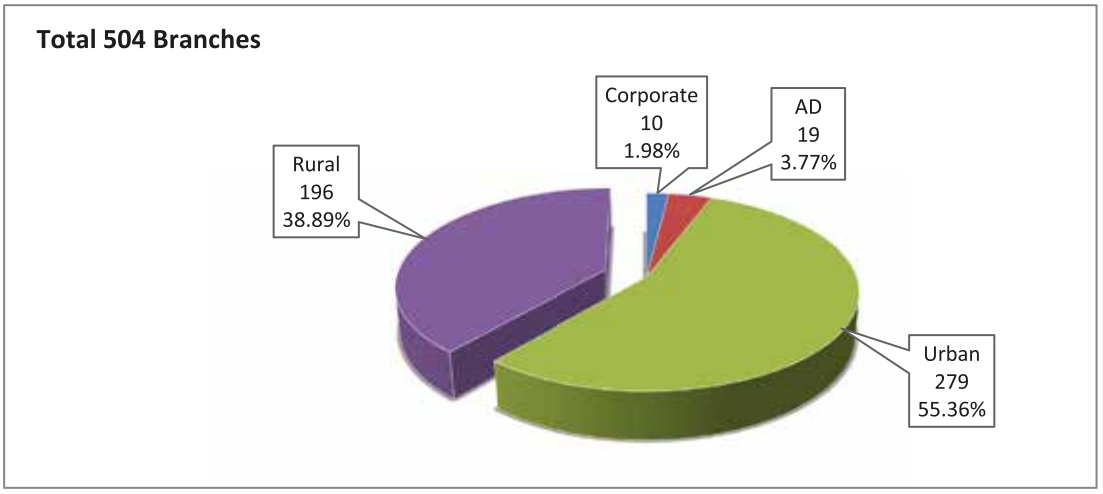


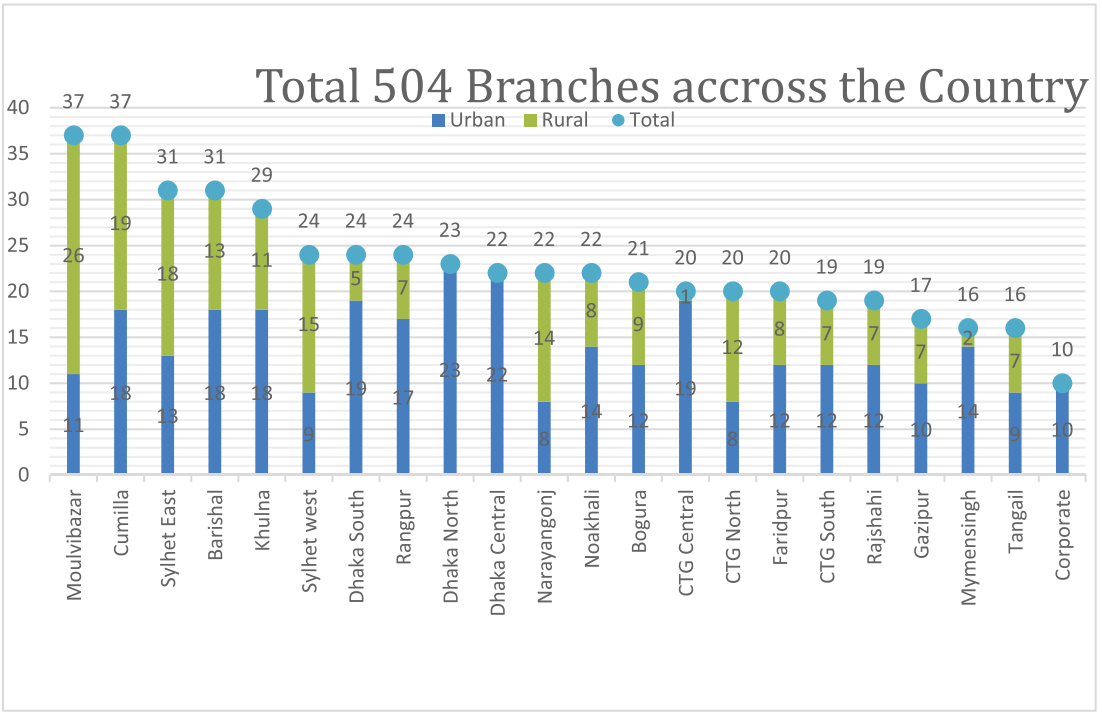


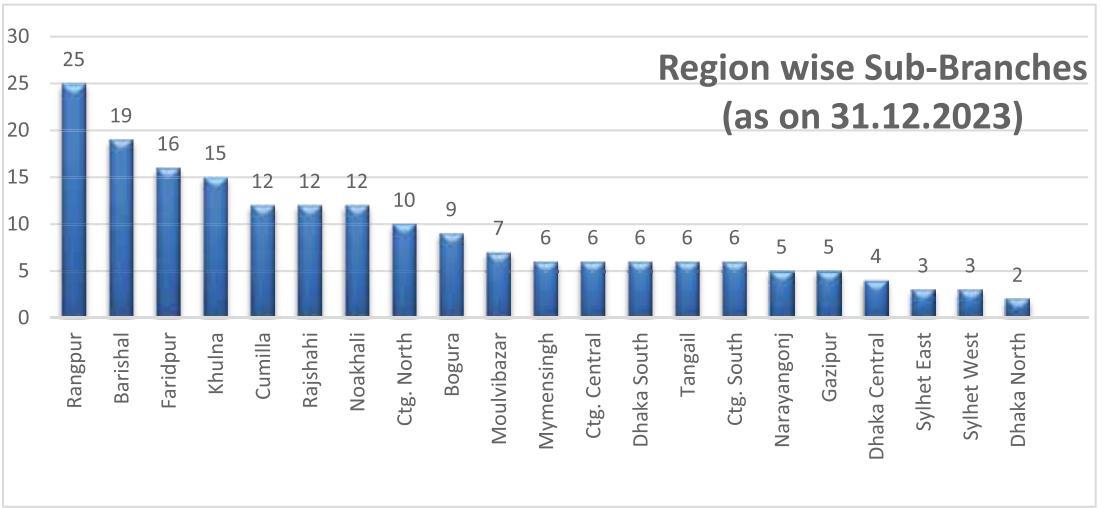




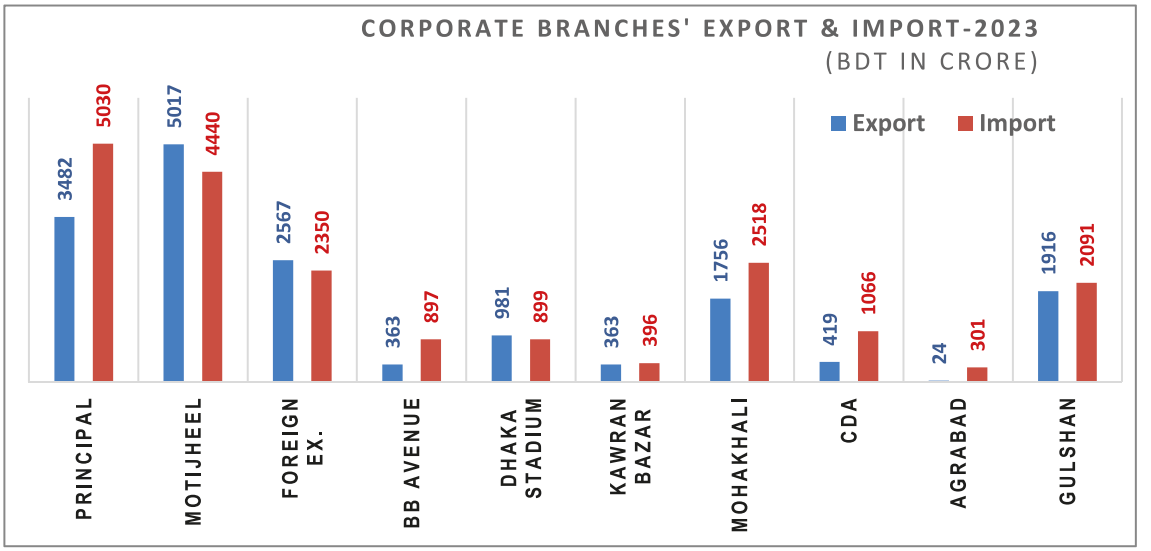
Branch Network

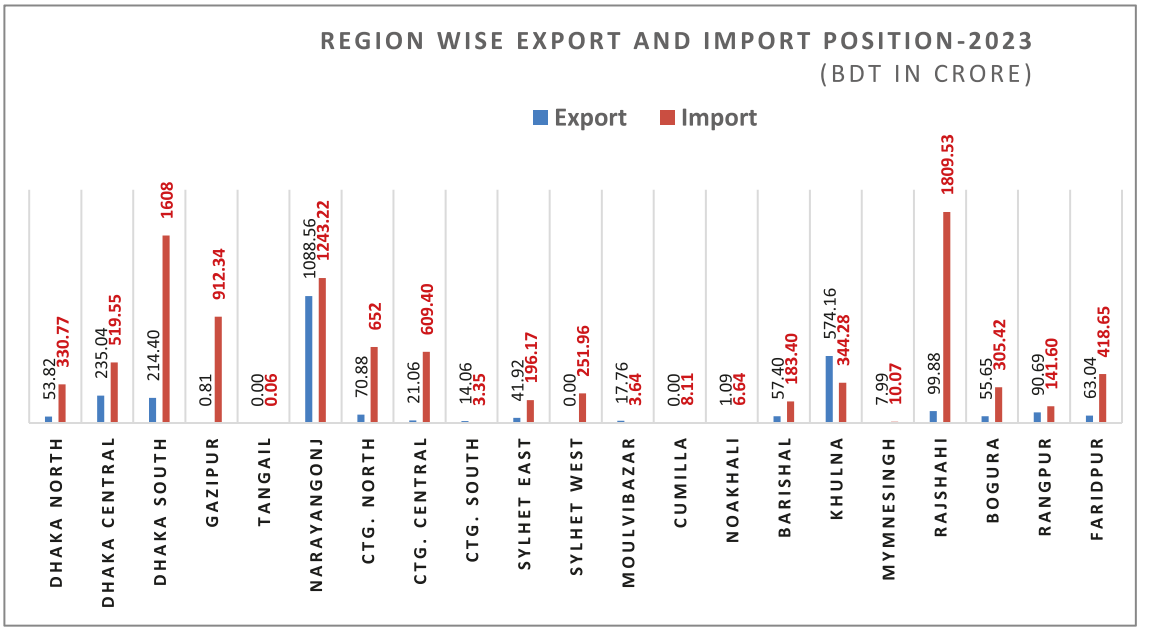


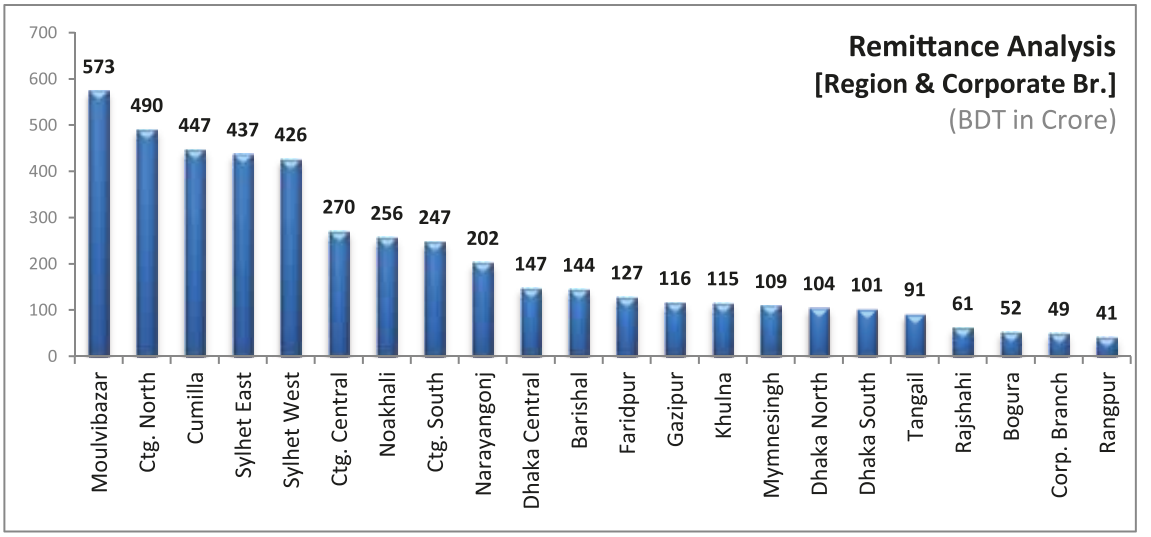




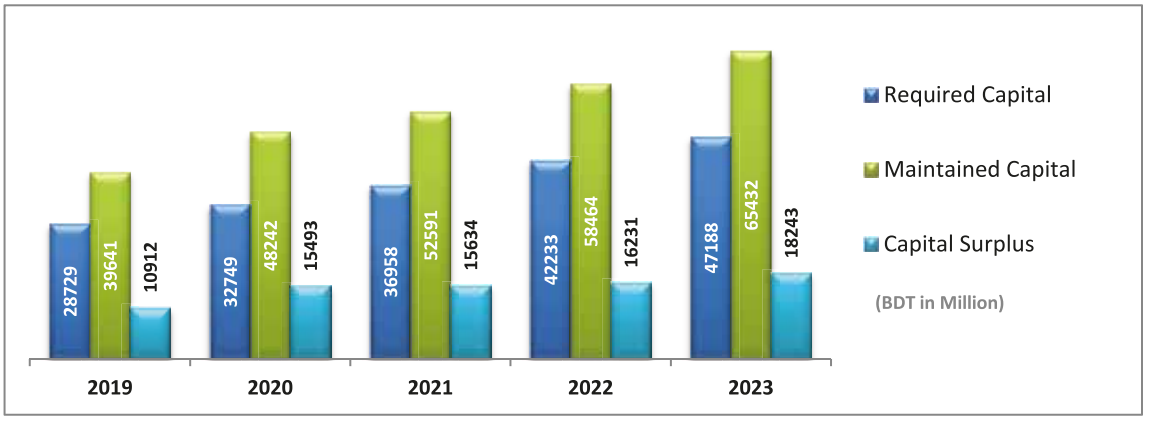
Foreign Exchange Business

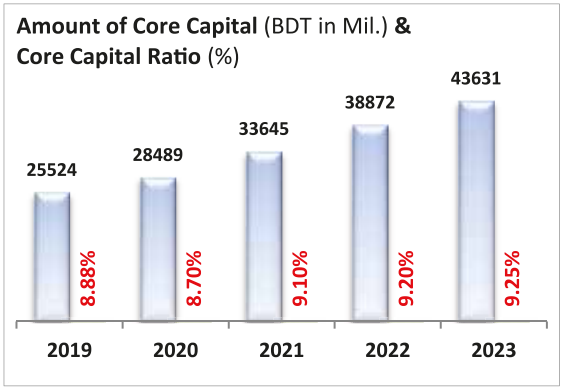


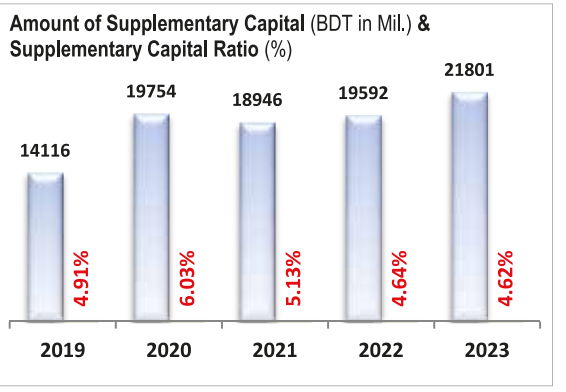


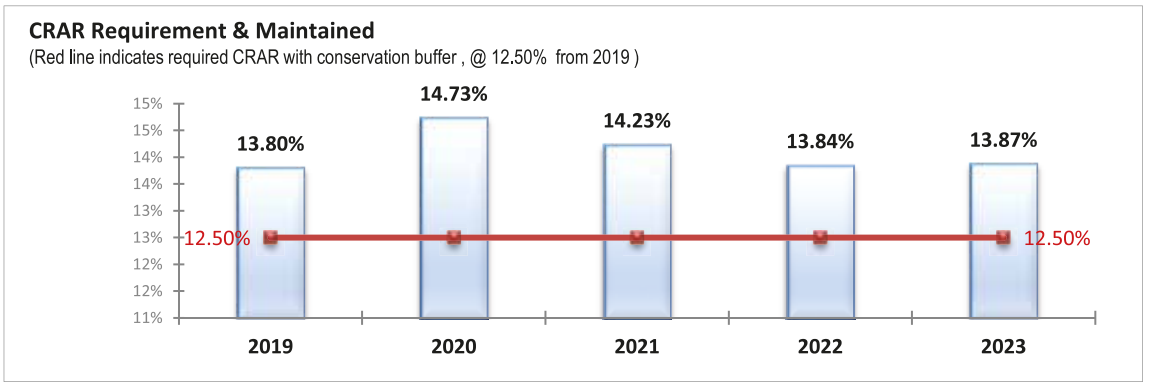


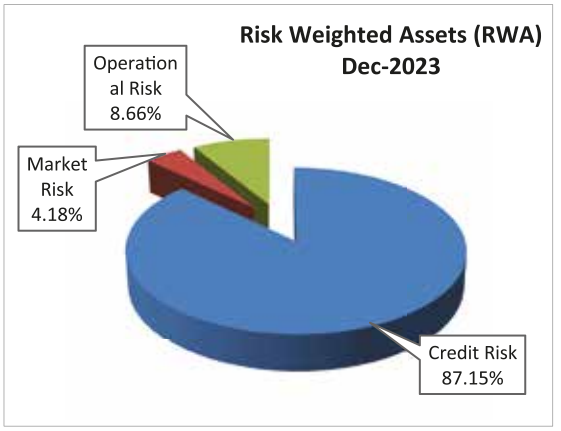
Capital Adequacy

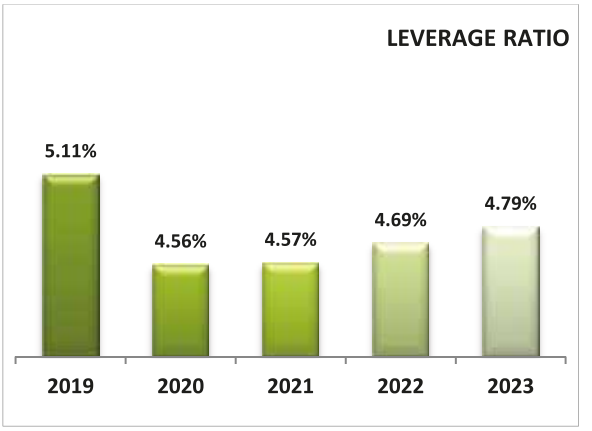










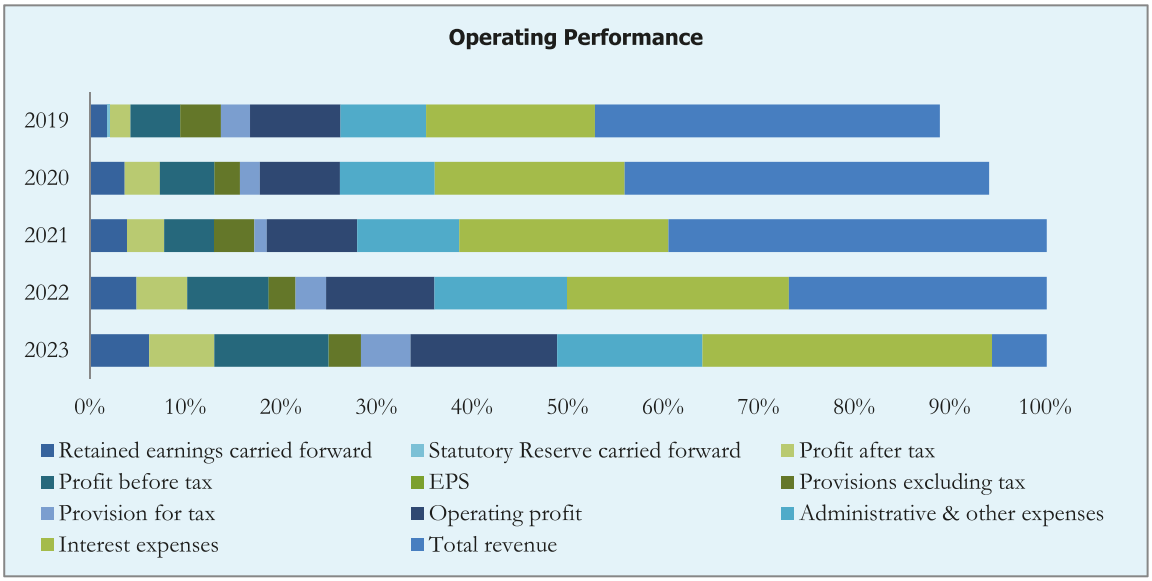


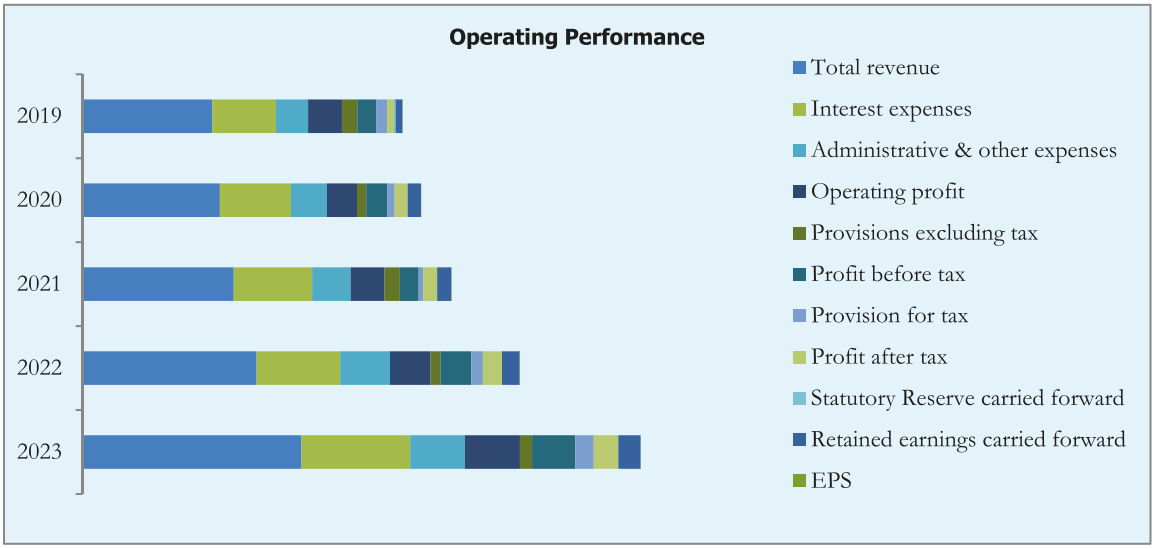
Horizontal & Vertical Analysis

Operating performance

(BDT in million unless stated otherwise)

PARTICULAR	2023	2022	2021	2020	2019
Total revenue	60,872.54	48,435.29	42,025.73	38,175.87	36,101.65
Interest expenses	30,321.08	23,240.59	21,900.92	19,851.84	17,691.77
Administrative & other expenses	15,198.35	13,857.19	10,681.35	9,944.47	8,952.07
Operating profit	15,353.12	11,337.51	9,443.46	8,379.56	9,457.81
Provisions excluding tax	3,365.10	2,824.47	4,243.80	2,626.31	4,261.65
Profit before tax	11,988.02	8,513.04	5,199.66	5,753.25	5,196.15
Provision for tax	5,179.55	3,191.27	1,295.11	2,083.74	3,052.88
Profit after tax	6,808.47	5,321.77	3,904.55	3,669.51	2,143.27
Statutory Reserve carried forward	-	-	-	-	299.50
Retained earnings carried forward	6,240.38	4,904.82	3,904.55	3,669.51	1,843.77
EPS (in BDT)	6.62	5.18	3.80	3.57	2.08



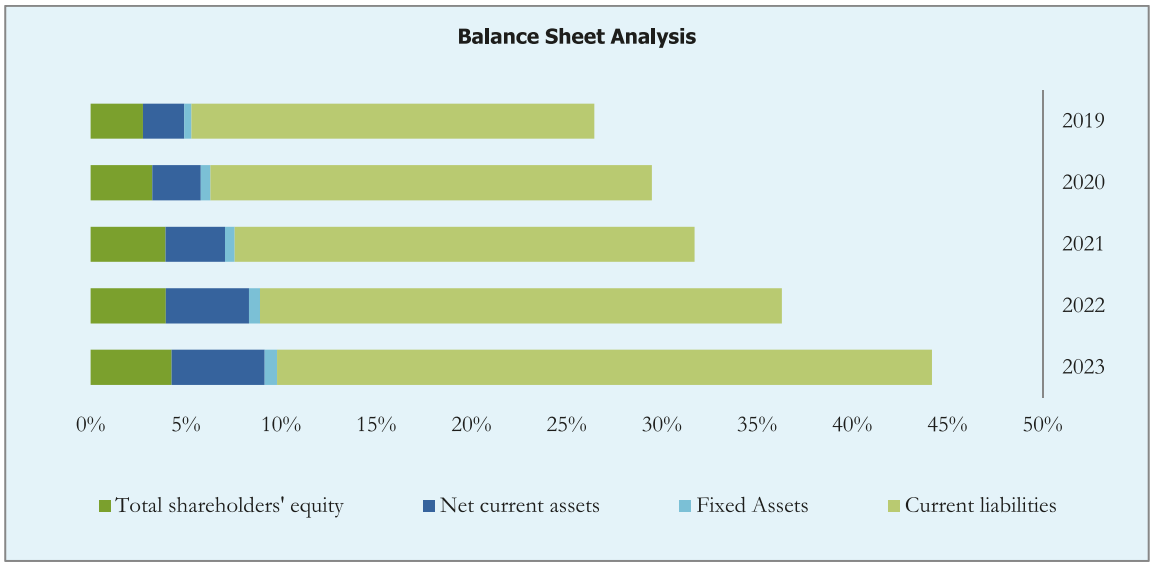


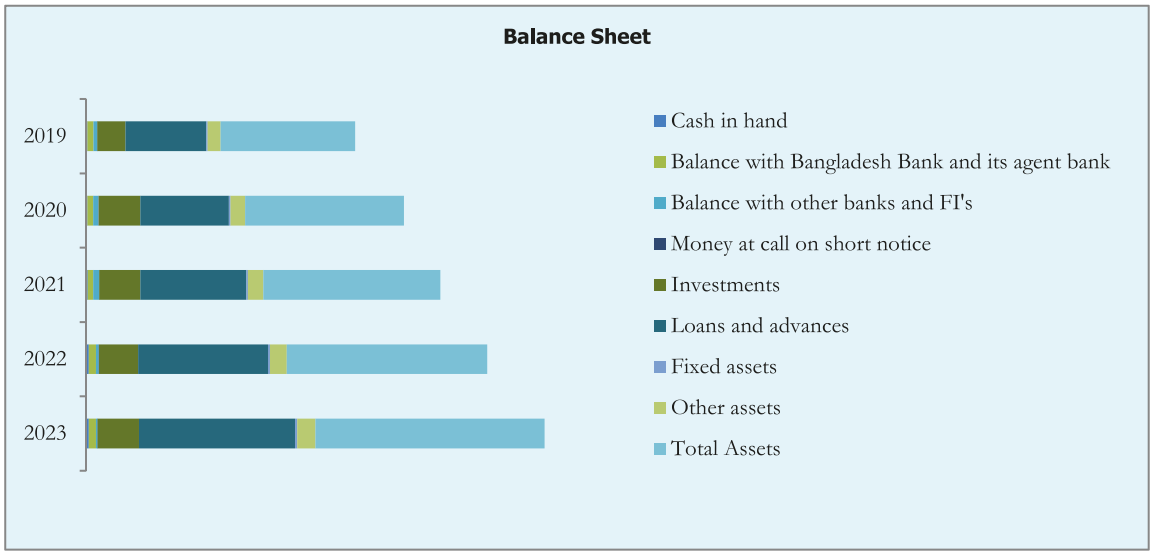
Horizontal & Vertical Analysis

Balance Sheet

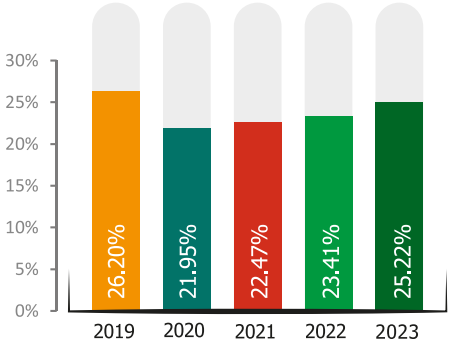
(BDT in million unless stated otherwise)

PARTICULAR	2023	2022	2021	2020	2019
Cash in hand	9,130.42	8,902.09	5,088.41	4,137.47	4,208.45
Balance with Bangladesh Bank and its agent bank	24,966.64	25,547.76	19,557.92	20,008.97	21,694.54
Balance with other banks and FI's	6,156.65	9,810.26	21,481.97	18,580.80	13,086.55
Money at call on short notice	37.69	838.99	241.99	1,200.79	126.79
Investments	147,495.50	139,403.49	145,632.76	147,906.01	100,603.86
Loans and advances	554,495.50	461,884.13	376,656.43	315,578.90	287,034.67
Fixed assets	7,529.26	6,495.54	6,082.42	5,087.99	5,180.80
Other assets	65,054.55	59,873.08	54,739.06	52,530.76	46,138.80
Total Assets	814,866.57	712,755.71	629,481.34	565,032.07	478,074.84

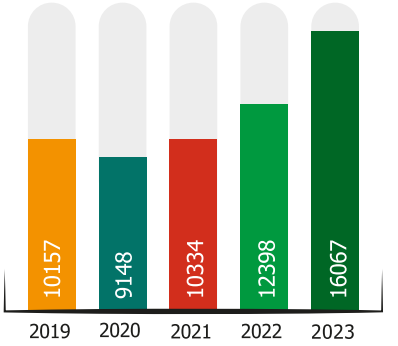




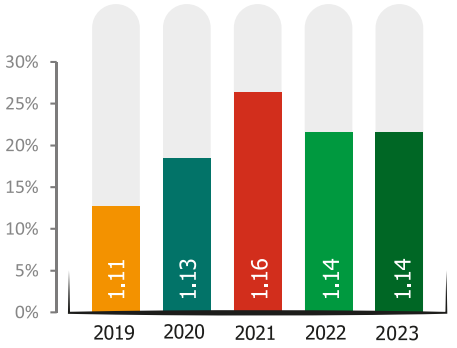
Profitability, Dividend, Performance And Liquidity Ratios



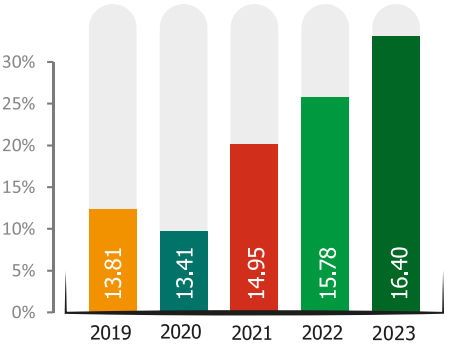
GROSS PROFIT RATIO
(in %)



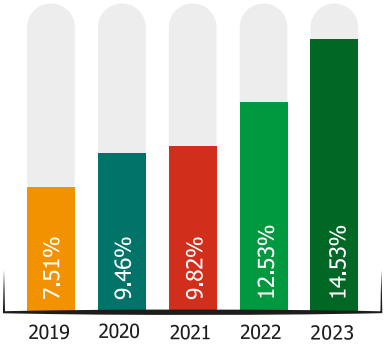
EARNINGS BEFORE PROVISION, DEPRECIATION AND TAX
(BDT in Million)



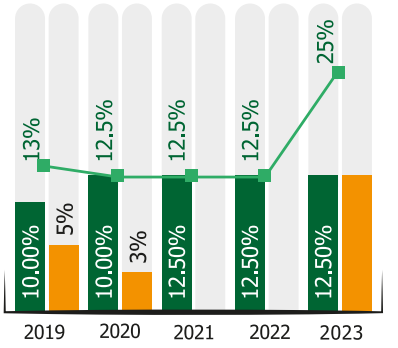
CURRENT RATIO
(in Times)



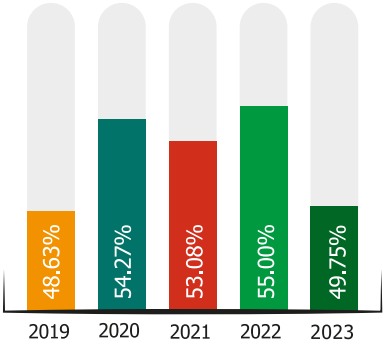
DEBT EQUITY RATIO
(in Times)



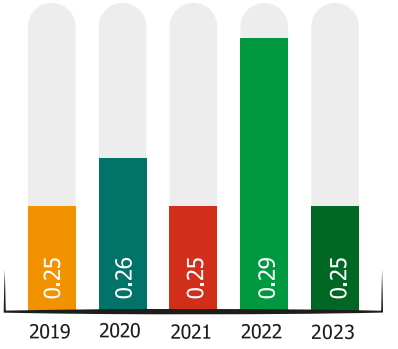
RETURN ON EQUITY
(in %)



DIVIDEND
(BDT in Million)
CASH **STOCK** **TOTAL**



COST TO INCOME RATIO
(Operating Expenses to Operating Income)



EFFICIENCY RATIO

Business Review & Analysis

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.

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.

Comparative Analysis

Overview of Financial Performance

BDT in Million

	2023	2022	% Change	2021	2020	2019
Interest income	40,340.84	29,813.19	35.31%	22,737.80	22,716.88	26,060.65
Interest paid on deposits, borrowings, etc.	(30,321.08)	(23,240.59)	30.47%	(21,900.92)	(19,851.84)	(17,691.78)
Net Interest Income	10,019.77	6,572.60	52.45%	836.88	2,865.04	8,368.88
Investment income	15,633.73	13,740.36	13.78%	15,671.21	12,707.36	7,131.92
Commission, exchange and brokerage	3,103.99	3,311.32	-6.26%	2,347.37	1,598.06	1,751.56
Other operating income	1,793.98	1,570.42	14.24%	1,269.34	1,153.56	1,157.51
Operating Income	30,551.46	25,194.70	21.26%	20,124.81	18,324.03	8,409.88
Operating Expenses	15,198.35	13,857.19	9.68%	10,681.35	9,944.47	8,952.07
Operating Profit	15,353.12	11,337.51	35.42%	9,443.46	8,379.56	9,457.81
Provision for Loans, Advances/ Investments, Leases and Other Assets	3,365.10	2,824.47	19.14%	4,243.80	2,626.31	4,261.65
Total Profit/(Loss) before Taxes	11,988.02	8,513.04	40.82%	5,199.66	5,753.25	5,196.15
Total Provision for Taxes	5,179.55	3,191.27	62.30%	1,295.11	2,083.74	3,052.88
Net Profit/(Loss) after Taxes	6,808.47	5,321.77	27.94%	3,904.55	3,669.51	2,143.27

Net profit & Net Interest Income

Net profit for the year ended 31 December, 2023 stood at 6,808.47 million, as compared to the net profit of 5,321.77 million last year. Interest income increased by 35.31% from 29,813.19 million in 2022 to 40,340.84 million in 2023. Net interest income (NII) increased by 52.45% from 6,572.60 million in 2022 to 10,019.77 million in 2023, due to increase of loans & advances by 20.05% compare to last year loans & advances and increase of interest rate. Non-interest income consisting of investment income, commission, exchange and brokerage fee and other income. Investment income increased by 13.78% from 13740.36 million in 2022 to 15,633.73 million in 2023. Other operating income also increased by 14.24% from 1,570.42 million in 2022 to 1,793.98 million in 2023.Whereas Commission, exchange and brokerage fee income decreased by 6.26% from 3,311.32 million in 2022 to 3,103.99 million in 2023.

Operating Income

The operating Income of the Bank increased by 21.26% from 25,194.70 million in 2022 to 30,551.46 million in 2023.The core income streams (NII & Investment income) constituted 83.97% of the operating revenue, reflecting the stability of the Bank's earnings.

Operating expenses
Operating expenses rose 9.68% from 13,857.19 million in 2022 to 15,198.35 million in 2023 as salary expense, Rent, taxes, insurance, electricity, etc., Stationery, printing, advertisement etc. and Depreciation of fixed assets increased. Salary expenses increased by 10.92%, Rent, taxes, insurance, electricity, etc. increased by 20.70%, Stationery, printing, advertisement etc. increased by 82.08% (consumption of books and forms & advertisement increased by 152.70% and 157.40% respectively), Depreciation and repair of bank assets increased by 44.92% in 2023. and other expenses decreased by 14.66% in 2023.

Operating profit
During the year, operating profit reported an increase of 35.42% from 11,337.51 million in 2022 to 15,353.12 million in 2023.

Provisions and contingencies
During 2023, the Bank created total provisions (excluding provisions for tax) of 3,365.10 million compared to 2,824.47 million last year.

BDT in Million

	2023	2022	2021	2020	2019
Earnings per share (EPS) (in BDT)	6.62	5.18	3.80	3.57	2.10
Net asset value per share (NAVPS) (in BDT)	45.56	41.32	38.66	37.74	31.38
Return on assets (ROA) %	0.89%	0.79%	0.65%	0.70%	0.45%
Return on equity (ROE) %	14.53%	12.53%	9.82%	9.46%	7.51%
Operating Expense to operating income %	49.75%	55.00%	53.08%	54.27%	48.63%
Credit deposit ratio %	86.85%	84.79%	77.58%	70.71%	76.15%
Net profit per employee (in million)	0.71	0.59	0.49	0.45	0.26
Cost of fund %	7.15%	6.77%	6.80%	7.09%	7.52%

Basic Earnings Per Share (EPS) was BDT 6.62 compared to BDT 5.18 last year. Return on Equity (RoE) and Return on Assets (RoA) stood at 14.53% and 0.89% respectively. Book Value per Share increased BDT 45.56 from BDT 41.32 last year. Profit per Employee stood at 0.71 million. Credit Deposit (CD) ratio of the Bank as on 31 December, 2023 was at 86.85% and Cost of the fund of the Bank was 7.15%.

Balance Sheet Parameters

Assets

BDT in Million

	2023	2022	% Change	2021	2020	2019
Cash	34,097.06	34,449.85	-1.02%	24,646.33	24,146.44	25,902.99
Balance with Other Banks and Financial Institutions	6,156.65	9,810.26	-37.24%	21,481.97	18,580.80	13,086.55
Money at Call on Short Notice	37.69	838.99	-95.51%	241.99	1,200.79	126.79
Investments	147,495.50	139,403.49	5.80%	145,632.76	147,906.01	100,603.86
Government	127,051.05	116,634.18	8.93%	125,104.79	126,428.03	79,473.54
Others	20,444.44	22,769.31	-10.21%	20,527.97	21,477.98	21,130.32
Loans, Advances and Leases	554,495.50	461,884.13	20.05%	376,656.43	315,578.90	287,034.67
Fixed Assets including Premises, Furniture & Fixtures	7,529.26	6,495.54	15.91%	6,082.42	5,087.99	5,180.80
Other Assets	65,054.93	59,873.46	8.65%	54739.44	52,966.28	46,139.18
Total Assets	814,866.57	712,755.71	14.33%	629481.34	565,467.21	46,138.80

Advances
Total advances of the Bank as on 31 December, 2023 increased by 20.05% to 554,495.50 million from 461,884.13 million as on 31 December 2022, largely driven by growth in corporate loans and SME loans.

Investments
The investment portfolio of the Bank increased by 5.80% to 147,495.50 million, of which investments in Government and approved securities, held mainly for SLR requirement, increased by 8.93% to 127,051.05 million. Whereas other investments, including corporate debt securities, decreased by 10.21% to 20,444.44 million.

BDT in Million

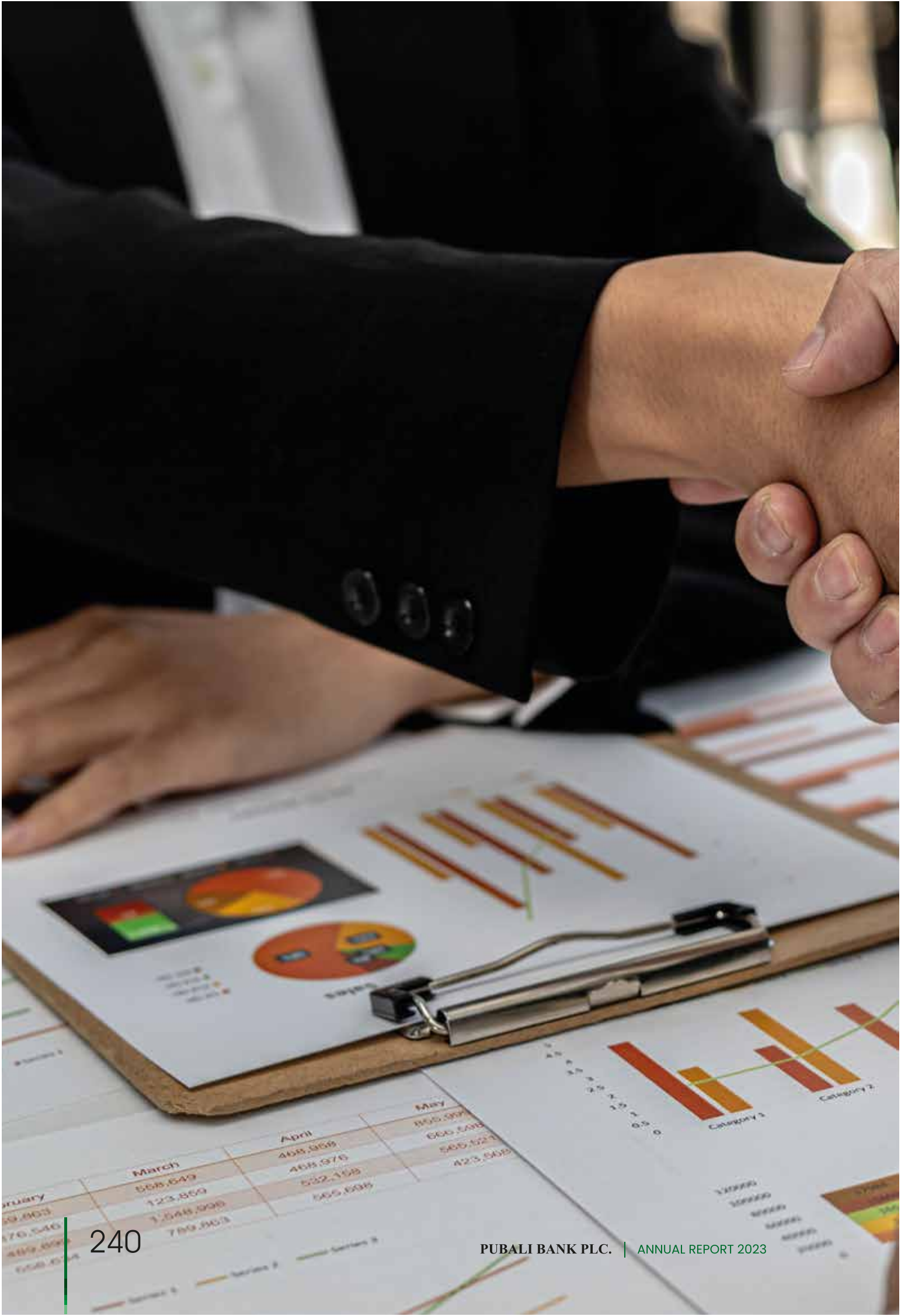
	2023	2022	% Change	2021	2020	2019
Borrowings From Other Banks, Financial Institutions & Agents	55,316.48	65,017.70	-14.92%	46,500.33	17,486.80	16,970.35
Subordinated bonds	13,200.00	12,200.00	8.20%	10,500.00	11,500.00	9,000.00
Perpetual Bonds	5,000.00	5,000.00	0.00%	2,800.00	-	-
Deposits and Other Accounts	606,296.41	510,836.52	18.69%	462,400.22	429,343.02	359,418.89
Current accounts & other accounts	66,414.27	60,730.97	9.36%	59,945.60	49,702.53	41,003.94
Bills payable	21,799.19	14,271.04	52.75%	13,829.75	14,657.45	14,602.54
Savings bank deposits	135,066.11	118,927.12	13.57%	115,249.02	100,270.30	82,675.39
Term deposits	358,816.79	298,876.11	20.06%	262,848.08	255,315.07	213,476.82
Other deposits	24,200.05	18,031.27	34.21%	10,527.77	9,397.67	7,660.20
Other Liabilities	88,209.65	77,215.41	14.24%	67,530.57	67,894.21	60,413.89
Total Liabilities	768,022.54	670,269.62	14.58%	589,731.12	526,224.03	445,803.13
Capital / Shareholders' Equity						
Paid up capital	10,282.94	10,282.94	0.00%	10,282.94	10,282.94	10,282.94
Statutory reserve	10,283.00	10,283.00	0.00%	10,283.00	10,283.00	10,283.00
Retained earnings (general reserve)	22,998.15	18,040.40	27.48%	14426.73465	11,807.13	8,724.07
Other reserves	3,279.95	3,879.75	-15.46%	4,757.54	6,870.11	2,981.70
Total Shareholders' Equity	46,844.04	42,486.09	10.26%	39,453.55	39,243.18	32,271.71
Total Liabilities and Shareholders' Equity	814,866.57	712,755.71	14.33%	629,481.34	565,467.21	474,355.97

Deposits
The total deposits of the Bank increased by 18.69% to 606,296.41 million against 510,836.52 million last year. Savings Bank deposits reported a growth of 13.57% to 135,066.11 million, while Current Account deposits reported an increase of 9.36% to 66,414.27 million and Bills Payable reported an increase of 52.75% to 21,799.19 million.

The Bank continued to maintain its focus on low cost deposits. As on 31 December, 2023, Time deposit constituting 83.45% of total deposits and stood at 505,927.00 million and Demand deposit constituting 16.55% of total deposits and stood at 100,369.41 million.

Borrowings from other Bank, Financial Institutions
The total borrowings from other Bank, Financial Institutions of the Bank decreased by 14.92% from 65,017.70 million in 2022 to 55,316.48 million in 2023.

Subordinated and Perpetual Bonds
Subordinated Bonds redeemed by BDT 2,500.00 million from BDT 12,200 million & remaining 3rd Subordinated Bond for BDT 3,500.00 million fully subscribed during the year 2023 and the perpetual bond fully subscribed BDT 5000.00 million.


March
April
May
Category 1
Category 2

Mangement Discussion & Analysis

Strategic initiatives behind the success story of 2023

Despite facing many economic difficulties in the domestic and international markets, Pubali Bank PLC. reached its diverse goals in 2023 by following some prudent strategies from the beginning of the year. A brief summary of these strategies are noted below:

Participatory Management and Decision-Making

Involving all DMDs and Senior Management Team (SMT) in major decision-making process of the Bank including recruitment, transfer, and promotion of human resources. Feedback from the Division Heads, Regional Managers, Head of branches, and officials have been taken into consideration in the decision-making process.

Corporate Governance

In accordance with guidelines of Bangladesh Bank, duties and responsibilities have been defined and segregated towards achieving corporate governance. The Head of ICC has been made fully functional, the Head of Audit is reporting directly to the Audit Committee of the Board, the position of Chief of Compliance and Monitoring has been created and placed in line with Bangladesh Bank guidelines for line reporting, and the Chief Risk Officer is also reporting directly to Risk Management Committee of the Board.

Restructuring Head Office

Credit Division has been bifurcated into two Divisions namely 'CMSME Division' and 'Corporate Credit Division' based on their functional requirements and customer segmentation. 'Establishment Division' and 'General Services and Development Division' have been redesigned as 'Establishment and General Services Division' and 'General Banking and Operation Division' respectively in line with the nature of jobs/ duties. Earlier the Bank had no dedicated Division to look after general banking and operations.

Card Division has been bifurcated into 'Card Operation Division' and 'Card Business Division'. New Alternative Delivery Channel (ADC) Division has been formed. Sufficient human resources have been recruited for ADC and Card Business Division. At present dedicated 156 officials are working for ADC and retail product marketing at the branch level.

We have established CTPC in Chattogram and export-oriented business like garments have been incorporated in CTPC Dhaka and Chattogram for non-AD branches.

Strengthening Human Resources

Lateral entry of mid-level executives/officials in different Divisions to bring fresh perspectives and diverse skills to the existing team.

- Professional accountant: Four (4) FCA/FCMA/FCCA have been recruited in the rank of GM and DGM and posted in different Divisions such as Corporate Credit, Audit & Inspection, Risk Management, and Treasury Back Office.
- Card Business: Division Head in the rank of DGM, 4 (four) AGM, and 106 DJO have been recruited. Joining of another 19 officials in different ranks is under process.
- ADC: Head of ADC in the rank of DGM, 186 officials in different ranks have been recruited. Joining of another 3 AGM, and 8 officials in different ranks is under process.
- Software Development Division (SDD): 63 officials in different ranks have been joined.
- ICTOD: 1 SQATE in the rank of AGM, and 09 officials have been joined.
- Card Operation: 73 (seventy-three) AJOs have been recruited.
- Law: 15 (fifteen) Junior Officers have been recruited
- Engineer: 4 civil, 3 electrical, and 1 environmental engineer have been joined
- We have recruited 299 DJO (cash) in 2023 especially for sub-branch operation
- Recruitment of 10 AGM, and 40 officials (SPO & PO) for Trade Finance (Export) was under process.

Restructure at the Branch Level

To segregate business from the operation, the rank of 'Operation Manager' has been introduced at the branch level. It facilitated business promotional works to become functionally segregated from operational activities.

Operational Excellence and Customer Service:

'Mentor of the Day' has become fully functional at all branches, ROs, POs, and Head Office level. All branches and offices arrange mentor meeting at 9.45 AM along with all officials and staff to discuss about customer services, different operational issues and business performance, and maintenance of the branch environment.

Introduction and Implementation of KPI:

In 2023, the bank introduced a comprehensive appraisal process based on the Key Performance Indicator (KPI). The KPI process is divided into three major parts.

- In Yearly Target based Team KPI, branch's score is calculated based on the annual target.
- Monthly Strategic Decision based KPI is another methodology of Team KPI. In this process, strategic targets are set for branches/sub-branches/Islamic windows every month considering global, micro & macroeconomic perspective, banking industry analysis and our bank's position.
- Moreover, Individual Business Target based KPI was set for all officials (AJO to DGM) of the bank on major business indicators at the beginning of the year.

These tools have been used for promotion and posting.

Establishing Sub-branches/IBW/Regional Offices

We have opened 05 new branches, 02 new IBWs, and 64 new sub-branches during 2023, accordingly total number of branches, sub-branch, and IBW stood at 504, 189, and 19 respectively. The total deposit of sub-branches reached BDT 2,330 crore and loans stood at BDT 963 crore as on 31.12.2023. We have introduced Islamic banking services from all conventional branches through online. 03 (three) conventional branches of the bank are going to be converted to full-fledged Islamic Banking Branch within January 2024.

In November 2023, Tangail Region was formed by splitting the existing Mymensingh Region to ensure better business expansion with proper supervision and control.

Compliance and Risk Management

- The bank arranged its 1st Annual Risk Conference 2023 at Head Office (both physical and virtual platform) in December 2023 where attended a total of 982 executives and officials across the country.
- Weekly and monthly visits of the branches by the Head Office Executives has been introduced to look after branch environment, document management, and other operational & business performance.
- We have taken a loan portfolio management strategy at the beginning of the year prioritizing security-based loan products and less risk-weighted assets. To minimize RWA, we adopt credit rating-based borrower selecting/onboarding approach. Besides, emphasis is also given to increasing the rating of existing borrowers. Countrywide 20 outreach workshops on 'Maintaining Asset Quality by Reducing Credit Risk' were arranged.
- Risk based pricing model has also been introduced

Introducing New Products and Services

During 2023, 13 (thirteen) new products and services have been introduced:

Deposit Products
i) Peoples Pubali Pension Scheme (PPPS)

Loan Products
i) Probashee Nibash (CLS), ii) Car Loan for used vehicle (CLS)

Agri Credit
i) Pubali Sufala Rin, ii) Krishi Uddogta Rin
iii) Krishok Bondhu

Islamic Banking
i) Mudaraba PPPS, ii) Bai-Muajjal (Term),
iii) HPSM Probashi Nibas, iv) WFMD (Withdrawal facility from mudarabah deposit)

Pubali Card
i) Corporate Credit Card, ii) Pre-generated Debit Card

Digital Banking
i) Bangla QR Code

Monthly Virtual Meeting

In every month one or two virtual meetings with all branches, sub-branches, IBWs, ROs, POs, and Head Office were arranged where MD and CEO, DMDs, and respective Division Heads participated. During 2023, there are 25 virtual meetings were arranged where our strategies and position were explained for setting Monthly Strategic Decision based KPI considering global, micro & macroeconomic perspectives. Performers of the previous month are also appraised in the monthly virtual meeting.

Onboarding New Export Customers

To boost up export, we have formed 24 (Twenty-Four) teams consisting of all corporate and 4 AD branches at the beginning of the year. 182 prospective export-oriented garments factories are allocated among those 24 teams. Frequent project/factory visit to the prospective exporters were made by the Branch Manager, Head Office Credit Committee, DMDs and the Managing Director throughout the year. The Corporate Credit Division organized 05 follow-up meetings with the export teams at Head Office presided over by the Managing Director. As a consequence, we were able to onboard 42 RMG borrowers (64 concerns) and 08 RMG backward linkage borrowers (12 concerns) in 2023. Newly on-boarded clients already made export for BDT 1,702 crore, and a lien export order for BDT 3,903 crore.

Frequency of Recovery Task Force

We have assigned mentors for all regions and corporate branches to accelerate the recovery of bad loans. Mentors regularly follow up with the branch for each individual account and provide necessary guidance. Region-wise Recovery Task Force held on each month from July 2023 throughout the country. Monthly Task Force meetings are being held every month at the Head Office where recovery activities are reviewed and the best mentors are rewarded for reschedulement, cash recovery, and written-off recovery category.

Product Marketing

Regular advertisements (especially full page, half-page, quarter page and spot ads) in major daily newspapers for marketing various products and services such as PI banking, e-KYC, Peoples Pubali Pension Scheme (PPPS), CMSME, Islamic Banking, Remittance etc.

Strengthening ICT and Digitization

During 2023 our initiatives for strengthening ICT and digitization:

a. Formation of '4IR Implementation Committee' consists of the senior management. The meeting of this committee is held every month.
b. Data infrastructure of the bank is upgraded to Oracle Exa-data 9M to ensure scalability of data processing and protecting data asset from cyber threats such as ransomware

c. Application infrastructure, CBS, PMS and all other systems are upgraded to Oracle PCA WebLogic environment. As a result, application maintainability and deployment process gets simplified and secured
d. Security Operation Center (SOC) is established. SOC can analyze and identify the most probable security threats automatically. As a result, security officials can fix these threats more efficiently
e. To strengthen the ICT governance and mitigate ICT risks, several globally recognized ICT security certifications attainment projects such as ISO-27001, PCI DSS and SWIFT CSP are initiated in 2023
f. KPI measurement feature is implemented. As a result, team and individual KPI register can be maintained and measured in CBS
g. Operation Manager role is supported in CBS
h. e-KYC account opening go-live. It enables customers to open new account through PI mobile app
i. Remittance API is implemented with many exchange houses and MFS company as Bkash, Nagad, Ria, Small World and more. These integrations help the Bank to grow remittance business
j. Conversion of Conventional Branch to Islamic Branch as well as Islamic Branch operation are supported in CBS. As a result, Bank can convert any Conventional Branch to Islamic Branch upon approval of Bangladesh Bank
k. Generalized CTPC system is go-live. This enables the Bank to open more CTPC across different regions of the country
l. Cash Recycling Machine (CRM) are deployed to various branches. This enables the customers to deposit and withdraw money 24/7
m. Merchant POS and Bangla QR based payment are deployed to many merchant and micro-merchant locations
n. Merchant acquiring certificate for both Visa and Master are completed
o. Contactless International Debit Card are introduced

Pubali Bank PLC. - An Employee Friendly Bank

The employees are the heart of our bank. Our human resources strategy aims to develop strong individuals through human capital development and the bank is committed to create an enabling corporate culture that fosters an environment of innovation, creativity and entrepreneurial spirit within the bank. The bank strives to nurture the strengths and abilities of its people, helping them to become stronger and support their aspirations of leaving a positive mark on the society, while unlocking and nurturing their true potential.

BEST PRACTICES OF OUR BANK

- Promote the success of human capital
- Diversity, equity and inclusion
- Undue intervention is discouraged strictly
- Learning and development
- Employee health and safety
- Employee digital experience
- Operational excellence
- Talent acquisition and management
- Employee engagement
- Driving high performance culture
- Creating a future ready workforce
- Grievances management
- Human Resources Management System

COMPETITIVE EMPLOYEE BENEFITS AND PROPOSITIONS

Our bank is highly committed in maintaining an equitable and consistent pay structure to the employees. The bank has its own compensation & benefit policies for its employees and designed the following for the convenience of all employees of the bank.

Fringe Benefit Schemes

- House rent allowance
- Medical allowance
- Lunch Subsidy
- Conveyance allowance
- House maintenance allowance

Rewards and Recognition

- Best Manager award
- Reward for deposit and profit target
- Financial reward for classified loan recovery
- Appreciation letter for outstanding performance
- Rewards for passing Graduation, Banking Professional Exam, CDCS, PMP and IELTS
- Cash reward for securing position (1st, 2nd, 3rd) in training at PBTI

Other Benefit Schemes

- Festival Bonus
- Child care Centre facilities
- Maternity Benefits for Female Employees
- Life Term Insurance
- Staff Welfare Fund
- Washing Allowance for sub-staff
- Car maintenance allowance
- Monthly Charge Allowance for Cash in Charge, Branch Manager & Regional Manager
- Transport with fuel for Executives
- Leave fare assistance
- Retired Staff Welfare Fund
- Newspaper for Executives
- Mobile Phone expenses
- Hardship allowance

Refreshed Policies

Educational Assistance policy

Pubali Bank believes that the employees will keep the voyage of the bank afloat even in adverse stormy weather. That is why bank always encourages its employees to undertake professional or academic degree or training that either the degree or training is beneficial to the bank in enhancing the employee's performance in his/her job or is relevant to the employee's career development.

Learning & Development

To keep our employees well-informed of all the latest enlargements in the banking sector, the bank continues to organize training and workshop for the officers and executives in an effort to improve their professional adeptness. The bank gives the highest importance on training of its employees as a continuous process of professional development. Our 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, ICCB, BTTI, DSE, CSE, BIM, ACTIVA, SLSD, Dhaka School of Economics and other reputed local Training Institutes. In 2023, a

good number of participants have been given training on Core Risks Management in Bank, Asset Liability Risk Management, Banking Laws and Regulations, NPL Management, International Trade Payment and Finance, Leadership Development, Strategic Management, Credit/Trade Processing, Emotional Intelligence, IT & other related areas.

NAME OF THE INSTITUTION	NUMBER OF TRAINING PROGRAMS	NUMBER OF PARTICIPANTS
PBTI	194 (Physical & Virtual)	10972
BBTA	4	5
BAB	10	21
BIBM	106	305
SLSD	3	75
OTHERS	54	11575
TOTAL	**371**	**188**

Medical benefit policy

Our bank has Memorandum of Understanding (MoU) with different Hospitals. According to these agreements the employees of our bank get Medicare facilities at concessional rate.

List of the Hospitals under MoU of the bank:

- Al-Helal Specialized Hospital Ltd.
- Anwer Khan Modern Hospital
- Asgar Ali Hospital
- Bangladesh Specialized Hospital Ltd.
- Bangladesh Eye Hospital Limited
- BRB Hospital
- Digilab Medical Services Ltd.
- DR. Lal Pathlabs Bangladesh Pvt Ltd.
- Farazy Hospital Ltd.
- Farazy Dental Hospital
- Green Life Hospital
- IBN SINA
- Japan Bangladesh Friendship Medical Services Ltd.
- Khulna City Medical college Hospital
- LABAID
- LABAID cancer Hospital & Super Specialty Centre
- SIBL Foundation Hospital
- Insaf Barakah Kidney & General Hospital
- BIRDEM
- Holy Family Red Crescent Medical College Hospital

Our bank has a very good culture of getting feedback from our grassroots workforces which will open the avenue of generating new idea. The Bank has introduced the post of Operation Manager to optimize day-to-day activities and streamline workflows to ensure profitability. Our bank has also introduced key performance indicator (KPI) to evaluate the performance of the employees, set criteria for distribution of annual incentive bonus/performance bonus and it is expected that these will gear up our employees and will have significant impact on their performance drastically. The bank is committed to driving cultural change at all levels which will have significant impact on many other areas of HR including promotion, reward and diversity. To bring transparency in all banking works as well as keeping line with other banks, Integrity Award is going on in our bank to the employees for best integrity practices in their own work place. The bank has implemented Social Media Policy which will provide a safe edge for the activities of our officials while utilizing the media not to become unscrupulous in using bank's logo / identifier which may tarnish the image of the bank by exposing them to the vulnerability of adverse comment from others and guide the employees' activities on social media platform(s).

CMSME Financing

CMSME Division of Pubali Bank PLC. focuses on disbursing loans to the Cottage, Micro, Small and Medium Enterprise (CMSMEs) sector as per the target set by Bangladesh Bank to ensure financial inclusion of all sectors of the country. CMSME sector is treated as driving force of economic growth process. In the context of Bangladesh, the development of Cottage, Micro, Small and Medium Enterprises (CMSMEs) can be considered as a vital instrument for employment generation, poverty alleviation and ensure the rapid industrialization. Since inception, Pubali Bank PLC. is constantly working for the betterment of the CMSME sector of the country. Pubali Bank PLC. has a well-organized and fully functional CMSME Division equipped with efficient manpower and is actively supporting this industry through its widespread network all over the country.

In 2021, the total CMSME loan was 7,941.63-Crore which is 23.05% of the total loan. But in 2022 total CMSME loan stands at 10,065.23-Crore which is 24.01% of total loan. In the year of 2023, the total CMSME loan is about 11,877.12-Crore which is 23.10% of the total loan. Multifaceted efforts of our bank are continuing to increase the total CMSME loan to 35-40% of total loan as per the expectations of management authorities.

Year wise target & achievement of CMSME loan of our Bank

(Figure in Crore Tk.)

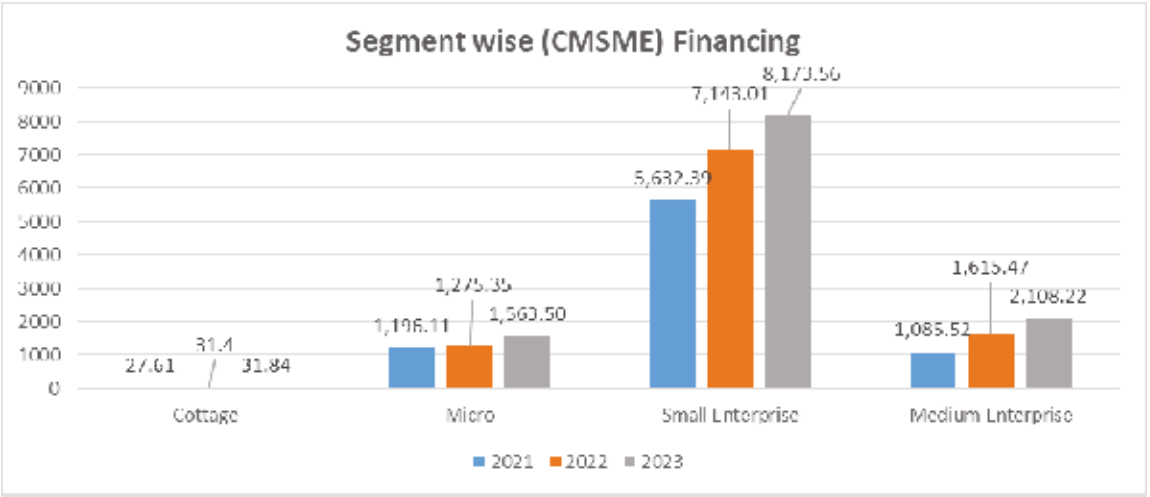
Particulars	2021			2022			2023		
	Target	Achievement	% of CMSME Loan	Target	Achievement	% of CMSME Loan	Target	Achievement	% of CMSME Loan
Total CMSME Loan	7,200.00	7,941.63	23.05%	8,400.00	10,065.23	24.01%	11,500.00	11,877.12	23.10%

**% of CMSME Loan to Total Loan*

Segment wise (CMSME) Financing

(Figure in Crore Tk.)

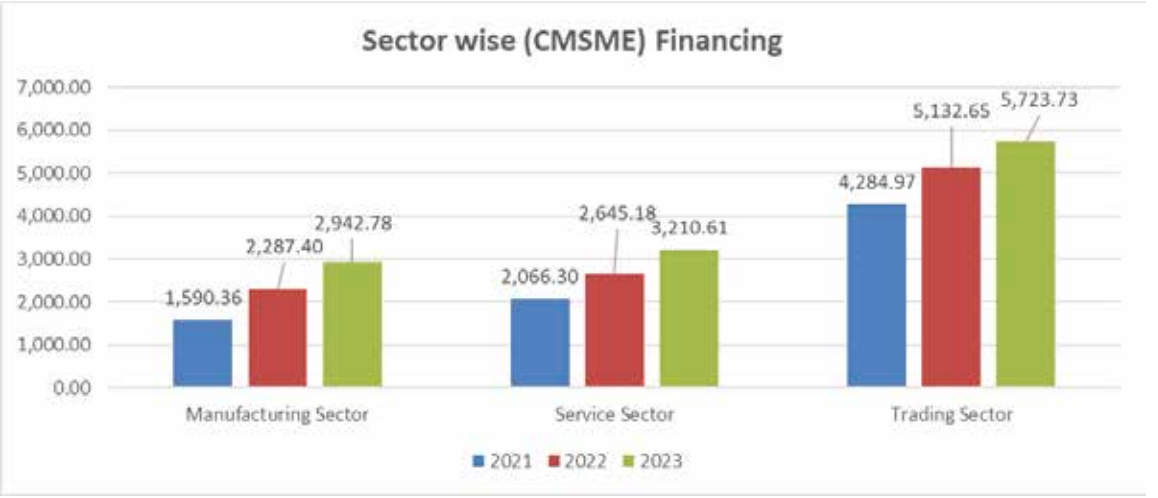
Particulars	2021	2022	2023
Cottage	27.61	31.40	31.84
Micro	1,196.11	1,275.35	1,563.50
Small Enterprise	5,632.39	7,143.01	8,173.56
Medium Enterprise	1,085.52	1,615.47	2,108.22
Total	**7,941.63**	**10,065.23**	**11,877.12**



Segment wise (CMSME) Financing

(Figure in Crore Tk.)

Particulars	2021	2022	2023
Manufacturing Sector	1,590.36	2,287.40	2,942.78
Service Sector	2,066.30	2,645.18	3,210.61
Trading Sector	4,284.97	5,132.65	5,723.73
Total	**7,941.63**	**10,065.23**	**11,877.12**



CMSME loan with Colletaral & without Collateral

(Figure in Crore Tk.)

Particulars	2021	2022	2023
CMSME loan with Collateral	7,382.93	9,443.66	11,342.88
CMSME loan without Collateral	558.70	621.57	534.24
Total	**7,941.63**	**10,065.23**	**11,877.12**

Women Entrepreneur loan

(Figure in Crore Tk.)

Particulars	2021	2022	2023
Women Entrepreneur	220.55	202.27	241.00

AML & CFT

Money Laundering and Terrorist Financing are global phenomenon. The banking sector is one of the most vulnerable sectors for the Money Laundering (ML), Terrorist Financing (TF) & Proliferation Financing (PF) among the financial sectors due to its indigenous nature of business, customer base, product type, delivery channel, external linkage, and ownership. Banks can play a pivotal role in preventing ML, TF & PF. In this regard Bank's roles and responsibilities are defined in MLP Act 2012 (amendment 2015), ATA, 2009 (amendment 2012 & 2013) and MLP rules, 2019 and instructions issued under these legal frameworks by BFIU. Pubali Bank PLC. as a compliant bank, is firmly determined to prevent ML, TF & PF and to ensure the implementation of the required provisions of Acts, Rules, and directives of BFIU in any possible way. Pubali Bank PLC. has developed strategies for the purpose of preventing ML, TF & PF and to ensure the implementation of required provisions of Acts, Rules, and directives of BFIU.

For preventing Money Laundering, Combating of Terrorist Financing & Proliferation Financing, our Bank has formed a Central Compliance Committee (CCC) headed by Chief Anti-Money Laundering Compliance Officer (CAMLCO). The Division Head of Anti-Money Laundering Division is the member secretary of the CCC (Central Compliance Committee) & designated as the Deputy Chief Anti-Money Laundering Compliance Officer (Deputy CAMLCO) of the Bank. The Anti-Money Laundering Division performs as the functional unit of the committee and submits all the concerned reports to the regulator.

Functions of CCC

- Formulating Policy or Strategy of AML & CFT
- Point of contact regarding AML/CFT
- Implementation of AML & CFT compliance
- Appointing BAMLCO

The banking sector is going through digital shifting and which is blessing for banking industries and their off-site customers. On the other hand, it caused to surge the interest of fraudsters, money launderers and other cybercriminals looking to take advantage of the digital influx. Though Banks are implementing Anti Money Laundering (AML) programs and procedure of know your customer (KYC) to prevent the criminals from using of banking channel, continuous review of the programs and procedures is required to cope up with rapid changes of financial market.

Pubali Bank PLC. has extended its off-site and on-site supervision on AML & CFT issues with the goal of prevention of ML & TF for top rating in AML & CFT status. In line of the above, Pubali Bank PLC already has included the following activities along with the existing to mitigate Money Laundering, Terrorist Financing and Proliferation Financing:

Prevention of Trade Based Money Laundering (TBML)

We use sanctions screening solutions named "FIRCO Compliance Link" from Accuity-FIRCOSOFT to screen all foreign trade transactions, in-house developed Price Verification Template for Price Verification of foreign trade concerned commodities. We also are using tracking system of Lloyd's List Intelligence, a world renowned service provider to track underlying import and export shipments. Pubali Bank PLC. already has introduced 3 Level Review Systems to prevent TBML risk arises from trade transactions as per TBML guidelines.

IT & Automation
With about 66 years' journey, it has adopted new technology, innovation & achieved glaring development. We have in-house developed core Banking software PIBS which is ISO certified. We run our core banking as well as monitor the millions of transactions automatically using this software that helps to generate report & alert for suspicious transactions and many others.

Alert Management for transaction Monitoring
Different types of alert like TP violation, Online transaction limit violation, high value, Dormant Account transaction & cash transaction alert implemented in the core banking system for monitoring the suspicious transactions of the customers.

e-KYC
We are committed in providing financial services at doorstep of the citizens in an easy, faster and low cost manner. For the purpose we already have introduced e-KYC, where a customer can be on boarded electronically.

Our Monitoring Activities
AML Division has integrated activities of monitoring of transaction, analysis of CTR. It also has integrated structuring monitoring, TP violation monitoring, online transaction monitoring using Module developed by Our Software Development Division in PIBS and PMS so that every customer can be brought under our monitoring system.

Reporting to regulators
AML Division is continuously reporting STR, SAR & CTR to BFIU through goAML for implementation of our Motto of preventing Money Laundering and Combating Terrorist Financing.

Risk Assessing Procedures
We asses risk associated with customers through Risk Grading System. Every branch evaluates itself half -year basis through a checklist developed by BFIU named 'Self-Assessment'. Our internal auditors assess Money Laundering and Terrorist Financing prevention status of the branches while conducting audit using Independent Testing Procedure (ITP) as per checklist developed by BFIU.

Training & Development
PBTI & AML Division is imparting outreach training as per training calendar all over the year on AML & CFT issues physically or virtually to enrich employees with knowledge of AML & CFT so that they can prevent ML & TF. About 1519 participants attended these training programs in 2023. PBTI also is providing training on AML & CFT issues besides its other training programs.

Regulators, Stakeholders and our Bank
Pubali Bank PLC-Board & Management is very much keen for compliance of all regulations & Instructions of regulators like BB, BFIU, CIC, ACC, NBR, CID and Customs Bond Commissionerate Office etc. and is eager to maintain a good relationship to all of its stakeholders.

Audit & Inspection Division

Information/ Statements/ Write up of Audit & Inspection Division for preparation of Bank's Annual Report-2023.

Pubali Bank PLC is the largest private commercial bank operating in Bangladesh in terms of its branch network. Considering the current demand of the economy and financial sector as well, business products are being diversified and new number of Branches, Sub Branches & Islamic Banking Windows are also being opened which has increased workload of Audit & Inspection Division. 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.

To minimize operational & business risks, Internal Audit on the Branches, Sub Branches & Islamic Banking Windows is being carried out in accordance with the instructions laid down in the ICC Guidelines and Audit Manual. Internal Audit Teams examine whether business/operation units are complying with Sanction terms/ Credit norms/Instructions of the Circulars/guidelines while operating its banking services to strengthen Internal Control & Compliance. Moreover, Regional Offices and Principal Offices of our Bank also conduct Surprise Inspections/Visits on the Branches, Sub Branches and Islamic Banking Windows under their jurisdictions. IT auditors are attached to the audit teams to conduct IT Audit as per ICT checklists. Bangladesh Bank and its offices across the country also conduct Inspections on our different Branches and Head Office. Moreover, listed External Auditors also conduct audit on the selective branches and submit report accordingly.

As per Risk Based Audit Plan-2023, Audit & Inspection Division has conducted thorough audit on 501 (i.e.,10 High Risk Branches, 104 Medium Risk Branches & 387 Low Risk Branches) 20 Regional Offices, 2 Principal Offices, 2 Off-shore Banking Units, 28 Division(s)/Unit(s) of Head Office and Pubali Bank Securities Ltd. (a subsidiary company of the Bank).

Significant audit findings and deficiencies of the branches identified by the both internal audit and regulatory audit are duly notified to the respective Line Management as per ICC Guidelines. All out efforts are being taken in streamlining the audit process regularly in accordance with the guideline of the regulatory body.

Alternative Delivery Channel Division

ADC Division was formed in the year of 2021 which was approved by the honorable Board of Directors in its 1287th meeting dated on May 25, 2021. Formally ADC division has started its journey on 14th March, 2022 and since then, successfully contributing to develop banking business of Pubali Bank PLC. As per approval of the Management, recently ADC Division has completed recruitment of new ADC officials through the supervision of the Human Resources Division. Maximum number of ADC officials have been posted already in different districts' main branches, corporate branches and also in Head Office. All officials are working to expand ADC business as well as banking business in different segments like- Card products, Consumers products, Lease products, CMSME products and deposit products.

ADC Division has introduced and operated the following services in the year 2023:

Merchant POS & QR

Contribution on Overall Growth of the Bank:

- Acquired new customers in the Merchant segment.
- Acquired new bank accounts by onboarding new Merchants.
- Increased low cost deposits in the Merchant accounts.
- Increased numbers and volume of debit & credit card transactions.
- Generating Revenue Income as Merchant Service Fee (MSF).
- Increased the number of cashless and contactless transactions.
- Contributed in the brand value of the bank.

Financial Growth in Numbers through Merchant POS:

Total No. of POS Terminals: 578 (started from the December-2023)
Total No. of Transaction: 28,929
Total Transaction volume (BDT): 189,752,984.61

Financial Growth in Numbers through Merchant QR:

Total No. of QR Code: 6,087 (started from the December- 2023)
Total No. of Transaction: 9,745

PI Banking App

Contribution on Business Growth of the Bank:

- Increased number of PI App users.
- Introduced new features such as user-friendliness, Reducing interval time etc.
- Implemented self-registration process on the PI app successfully.
- Reduced involvement of branch officials regarding PI registration.
- Increased transactional limit (i.e., Fund transfer, RTGS, NPSB).
- Launched new services: Fund Transfer through MFS, Payment of Utility Bills (i.e., DESCO Prepaid and Postpaid, DPDC Postpaid, Dhaka WASA, Link3), Merchant payments (Bangla QR), Payroll account opening, e-KYC account opening etc.

Contribution on Financial Growth through PI App:

Items Name	Jan- Dec, 2022	Jan- Dec, 2023	Total (From Sep. 2020 to Dec, 2023)	Growth (%) in 2023 [in terms of 2022]
PI Active User	27520	71201	125403	158.72%
Number of transaction	1157828	3528821	5136428	204.78%
Transaction volume (Crore)	1,802.8595	11,105.1926	13,329.0498	515.98%

Completion of Upgrading Activities of PI Banking App:

A. Implementation of Account Opening through e-KYC.
B. Following Simplification tasks have been implemented:
   i. Removing mandatory Password change after every two months;
   ii. Turning off OTP for logging in every time;
   iii. Removing transactional OTP for trusted account(s)/ low-risk transactions.
C. Minimization of Interval time for conducting multiple transactions.
D. Modification in PI Mobile Application Process.

e-KYC Account

Contribution on Business Growth of the Bank:

- Introduced e-KYC account opening feature in PI app and branch end.
- Introduced Payroll account opening feature in PI app.
- Increased number of Payroll account for Payroll account opening feature.
- Increased number of Instant debit card for e-KYC & Payroll account.
- Promoting new Fintech services to the customers.
- Increased number of Bank Accounts and Debit Cards through e-KYC account opening platform.
- Reduced account opening formalities of branch officials. For that branch officials can perform other banking task.

Contribution on Financial Growth through PI App:

Account Type	No of Account	Balance as on 31-12-2023
Regular Marchant	576	21,48,971.48
Micro Marchant	1160	14,82,823.48
Individual	17568	9,91,34,378.09
Total	**19304**	**10,27,66,173.10**

Training & Awareness

Contribution on Skill Development of the ADC employees as well as creating awareness on ADC products among the Bank:

- Conducted day long Outreach workshop program on ADC products at Head Office and six (06) Regional Offices among both ADC and Branch officials along with the participation of CMSME Division, Consumers Credit Division, Lease Financing Division and Card Business Division.
- Conducted four (04) day training program at the Head Office Auditorium for newly recruited ADC officials on ADC and other banking products.
- Conducted a total of 12 nos. of virtual training sessions on ADC and other banking products for both ADC and Branch officials.
- Conducted total four (04) virtual training program on business developments of Merchant POS & QR to the CLS Agents & Sub-staffs for expanding Merchant POS & QR business and e-KYC account registration of Pubali Bank PLC.

Signing off Agreements with Different Corporate Bodies to Establish Relationship and thus Expand Businesses:

A. Agreement with ROCKET of DBBL: ADC division has signed a partnership Agreement with Rocket (DBBL) which will cover initially for integrating Mobile App where a customer of Pubali Bank PLC. can send money from his account to an active Rocket account and vice versa. Rocket pays to Pubali Bank PLC. as settlement fee which is: "Bank-to-Rocket Transfer" 0.35% of the transaction amount (including VAT & AIT) and "Rocket-to-Bank Transfer" 0.25% of the transaction amount (including VAT & AIT).

B. Implementation of DESCO Prepaid & Postpaid bill collection service: We have successfully implemented DESCO Prepaid & Postpaid bill collection services on PI Mobile App. Now customers of Pubali Bank PLC. can securely pay their DESCO electricity bills from anywhere and anytime.

C. Signing Agreement with Software Shop PLC. (SSL): ADC division has signed a partnership agreement with Software Shop PLC. for Integration of Shohoz ticketing platform (BUS tickets) through PI Mobile App of Pubali Bank PLC.

D. Signing Agreement with Divergent Technologies Limited: ADC division has signed an agreement with Divergent Technologies Limited for integration/white labeling of "Purno Health Service" of Divergent Technologies Limited as the name of "Pubali Health Service" in Pubali PI mobile banking apps.

E. Signing off an Agreement with bKash Limited: ADC Division has signed an agreement with bKash Limited according to which the bank accounts of Pubali Bank and bKash accounts of bKash Ltd. will be linked for sending money between these accounts.

F. Implementation of BREB Postpaid bill collection service: We have successfully implemented DESCO (Postpaid) bill collection service on PI Mobile App. Now customers of Pubali Bank PLC. can securely pay their BREB (Postpaid) electricity bills from anywhere and anytime.

Fintech & 4IR Adoption
Contribution in Innovation of the Fintech Products of the Bank: • DGM & Head of ADC Division will contribute to implement new Fintech as a member of 4IR committee. • ADC division is working to implement innovative solutions that drive the financial services ahead for providing digital banking services of Pubali Customer's through different payment channel of ADC. • Adoption of new technology and changes as per Global changes and customer demand.

Consequently, it can easily be concluded; developing the use of alternate channels is now seen as an important strategy for delivering significant savings for Pubali Bank PLC. In the future we have plans of expanding our services significantly by adapting state of art technology in order to satisfy the needs of our clients at an optimum level.

Card Operation Division

Pubali Cards is the most effective way to provide financial services without relying on Bank Branches using different types of modern technology. Pubali Bank PLC. has implemented many channels like; ATMs, CRMs, POS devices, Debit Cards, Credit Cards, QR Payments and many more. By using those channels, Bank can get faster access in today's market and customers can enjoy instant access to Banks products as well as services anytime anywhere (24/7).

Contactless EMV Dual Interface Debit Card

Pubali Bank PLC. launched Contactless EMV Dual Currency Debit Card (both VISA and MasterCard) in 2023. The customer is only required to tap their Card near a compatible POS while they are making payment which is the most convenient, faster, and secure way for payment. In addition, this is capable for any international transactions.

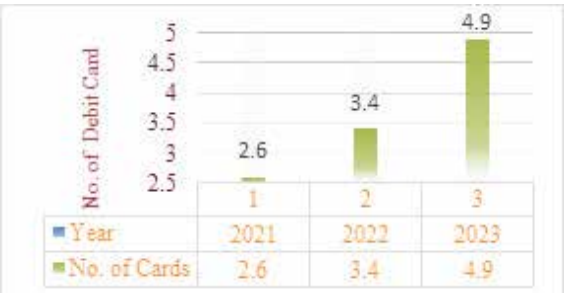
Instant Debit Card

We have already introduced Non-Personalized Debit Card namely, Instant Debit Card. Instant Debit Card is a pre generated Card having no Cardholder Name but will have Card Number, Expiry Date and CVV printed on the Card. The Card is available in branch and can be delivered to the Customer instantly on demand linking the customer's Bank Account against the Card.

Debit Card growth

At the end of December 2023, we issued 4,90,342 no. of Debit Card for our valued customers. The number of Card has increased by 43.83% in comparison to the year 2022.

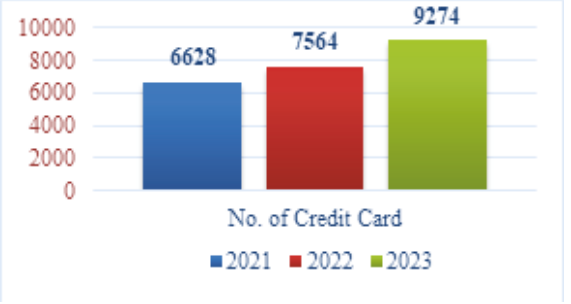
Figures in Lac *Growth 43.83%*



Credit Card Growth

At the end of 2023, we have issued 9,274 no. of Credit Card for our valued customers. The number of Card has increased by 22.61% in comparison to the year 2022.

Figures in Lac *Growth 43.83%*



Pubali ATM

Pubali Bank started ATM operation at the end of 2012 as a pioneer member of National Payment Switch Bangladesh (NPSB).

At the end of 2023, our 335 ATMs are on live operation across the country.

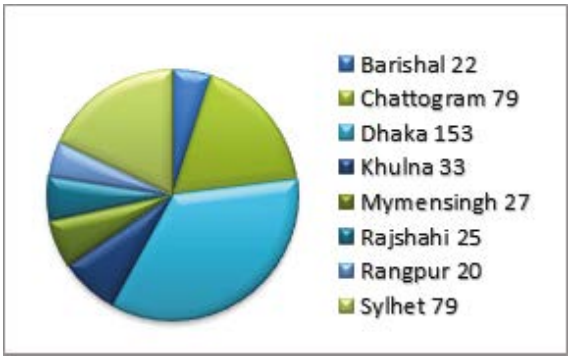
Pubali CRM

In addition to ATM operation, we are installing Cash Recycler Machine (CRM) which provide customers with real time cash withdrawal/ deposit facility along with many other banking services 24/7 round the clock.

Besides, customers who have no account with Pubali Bank can also deposit money in any of Pubali Bank account using Card less transaction facility.

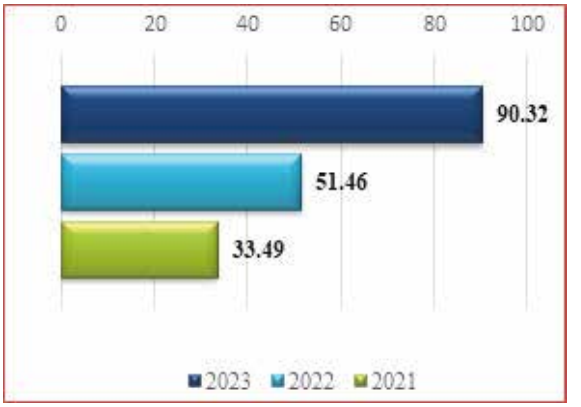
At the end of 2023, we have installed 103 CRM at different places across the country.

Division wise no. of ATM/CRM Booth



Transactions Growth *(comparison to the year 2022):*

Figures in Lac *Growth 75.49%*



Branch POS

We installed POS at our all Branch and Sub-Branches (504 Branch/ 189 Sub-Branch).

Cardholders of all Banks can withdraw cash through our Branch POS machine with their Debit and Credit Card.

Merchant POS

At the end of 2023, we have configured and installed 585 Merchant POS. We hope Merchant POS will create an impact in the market for increasing the brand value of our Bank.

QR Based Payment

PI Banking users can make payment at Bangla QR merchant point which is introduced by Bangladesh Bank.

Also, they can perform QR based payment at any merchant point of SSLCOMMERZ (payment gateway in Bangladesh) wherein they have more than 60,000 merchants in different category.

OTP Service

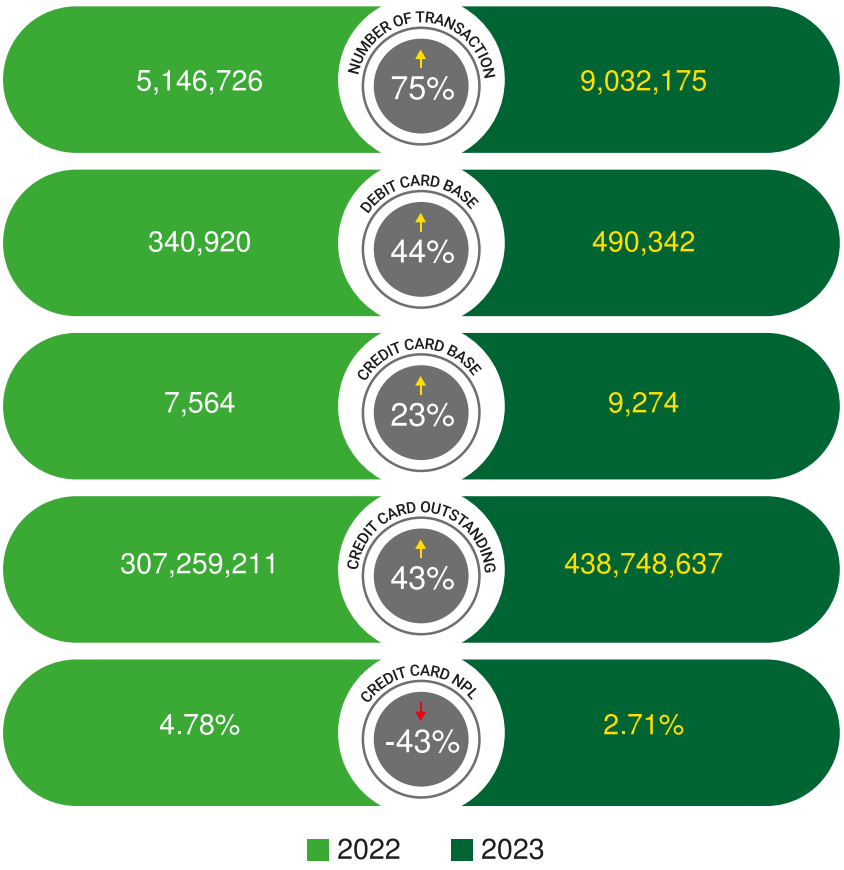
Our cardholders are frequently making e-commerce transactions (local and international) by their Card.

As e-commerce is "card not present" transaction, we took additional precautions for these transaction for customer's safety as well as to prevent fraudulent transaction. In this regard, we implemented 3D secure authentication services (OTP) by MasterCard which will provide the security of cardholder's e-commerce transactions.

Card Business Division

The widespread internet access and smartphone usage have driven the growth of digital banking in Pubali Bank, aligning with the Fourth Industrial Revolution. The bank is adopting advanced technologies to meet the rising demand for digital services and financial inclusion. Initiatives include new card products and features, corporate credit card, instant debit card, and strategic partnership.

BUSINESS ANALYTICS



PRODUCT PROGRAM GUIDELINE FOR CONSUMER CREDIT CARD:
Approved by the Board, this guideline ensures regular portfolio analysis, risk assessment, and compliance with regulatory instructions when issuing Consumer Credit Cards, maintaining the bank's standard and safeguarding its interest.

INTRODUCTION OF CORPORATE CREDIT CARD
Responding to demand, the bank offers Corporate Credit Cards to corporate employees based on the entity's creditworthiness, catering specifically to business expenses of the corporate body.

PRE-GENERATED INSTANT DEBIT CARD
Introducing the Instant Debit Card, customers receive their cards instantly upon request, streamlining the issuance process for speed, security, and convenience.

LOUNGE KEY
Available to Platinum Credit Cardholders, Lounge Key grants access to airport lounges worldwide, enhancing travel experiences.

BUY ONE GET ONE FREE
Pubali Bank's strategic partnerships offers exclusive benefits like "Buy One Get One Free " deals at top buffets, airline discounts, and healthcare benefits and enhancing customer engagement through special campaigns and branding initiatives.

Offshore Banking

Offshore Banking refers to the particular conduct of banking operations in foreign currencies approved by Bangladesh Bank. Being dynamic in banking arena, Pubali Bank PLC. has been conducting Offshore Banking through 2 (two) Offshore Banking Units (OBUs) named OBU Principal Branch and OBU Agrabad Branch situated in Dhaka and Chattogram respectively. The Bank has also formed a separate division named Offshore Banking Division (OBD) to control and supervise the OBUs.

There are many scopes of widening offshore banking operation with the following types of customers:

- Fully foreign-owned enterprises in EPZs, PEPZs, EZs and HI-tech Parks.
- Enterprises of joined ownership of Bangladesh and foreign country in EPZs, PEPZs, EZs and HI-tech Parks.
- Juristic persons not resident in Bangladesh.
- Persons resident outside Bangladesh without limiting to non-resident Bangladeshi nationals.
- Persons of Bangladeshi origin.
- Foreign nationals.
- Companies/firms registered and operating abroad.
- Foreign institutional investors.
- Resident Bangladeshi individuals.
- Persons resident in Bangladesh.

The OBUs of the Bank have been performing the following operation/transactions under the type of customer named Persons resident in Bangladesh namely:

- Discount/purchase accepted usance/deferred bills against import from abroad,
- Discount / purchase accepted usance / deferred export bills against direct and deemed exports and
- Medium/long term loans/advances.

The Bank earned a handsome amount of profit of USD2.11 million equivalents to BDT22.69 crore from a portfolio of loans and advances of USD315.62 million equivalent to BDT3,463.95 crore through offshore banking operation in 2023. The sources of funds of loans and advances are other banks & financial institutions and own bank. The borrowing amount from other banks & financial institutions and own bank stood at USD288.62 million equivalents to BDT3167.63 crore and USD41.14 million equivalent to BDT451.51 crore respectively in 2023 complying all regulatory requirements.

Islamic Banking Wing

Pubali Bank PLC. started Islamic banking operations in 2010. This year, Pubali Bank, Islamic Banking has completed 13 years of its services. From the very beginning, Pubali Bank Islamic Banking has been conducting all sorts of Islamic banking activities with utmost emphasis on ensuring the highest level of Shari'ah standards. All modern banking services like Debit Card, SMS Alert, Internet Banking and Mobile App usage are also available for Islamic banking customers.

Currently, the Bank runs 19 Islamic Banking Windows around the country. Recently, the Bank converted one of its conventional branches to a full-fledged Islamic banking branch with the approval from Bangladesh Bank. Moreover, conversion of other 02 conventional branches to full-fledged Islamic Banking Branches and opening of 03 more Islamic Banking Windows are under process.

All of our Islamic banking activities are strictly monitored by the Board of Directors and the Management and guided by an independent Shari'ah Supervisory Committee. Our Shari'ah Supervisory Committee consists of eminent jurists' experts in Fiqh Al-Muamalat and eminent academicians of the country having experience in Islamic Banking & Finance.

It is pertinent to mention here that the Islamic Banking operations of the Bank are completely separate from Conventional Banking. Separate accounting systems for Islamic Banking Window & Branch is being maintained through core banking system i.e. PIIBS (Pubali Integrated Islamic Banking Systems). At present, about one hundred and fifty officials are working with Islamic Banking of the Bank. The Bank is committed 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 the Bank has been growing up gradually in all areas of Deposit, Investment, Import, Export and Profit. As on December 31, 2023, Deposit, Investment and operating profit of Islamic Banking Windows were BDT2,451.55 crore, BDT2,340.37 crore and BDT53.71 crore respectively. During the year 2023, total Import, Export and Remittance business handled by the Islamic Banking Windows were BDT1,936.08 crore, BDT1,343.94 crore and BDT40.49 crore respectively. At the end of the year 2023, non-performing investment (NPI) of Islamic Banking Windows was nil. The performance of our Islamic Banking for the year 2023 is also reflected in its Balance Sheet and Profit & Loss Accounts furnished in this Report.

Some Important Activities of Pubali Bank Islamic Banking in the Year 2023:

1. Introduction of a new deposit product named 'Mudaraba Peoples Pubali Pension Scheme.'
2. Introduction of two new investment product named 'HPSM Probashee Nibash' and 'Bai-Muajjal-Mid Term'.
3. Introduction of Withdrawal Facility titled "WFMD (Withdrawal Facility from Mudarabah Deposits)".
4. Introduction of Weightage Average Method in the place of existing IISR (Investment Income Sharing Ratio) method as profit payout mechanism for Mudaraba Depositors as instructed by Bangladesh Bank.
5. Development of a conversion model for conversion of three conventional branches to full-fledged Islamic banking branches.
6. Arrangement of training for conventional and Islamic banking personnel of the Bank through PBTI, Islamic Banks Consultative Forum, Central Shariah Board for Islamic Banks and BIBM to develop human resources in Islamic Banking.

In the year 2023, Islamic Banking business achieved a remarkable growth in all parameters. Thus it is hoped that the growth of Islamic Banking will reach to a new height in near future-Insha Allah.

Treasury Division

Pubali Bank's Treasury is one of the most active Treasury teams in the market in Local Currency, Foreign Currency, Fixed Income and Derivatives transactions. Our team of dynamic dealers are engaged in providing full-fledged treasury solutions to both internal as well as external clients. Alongside managing the bank's funds, meeting regulatory requirements, managing day-to-day liquidity and acting as a market-maker, we cater to a diverse customer group through a number of dedicated desks. The roles are highly integrated and intertwined.

Money Market

Money market refers to raising and deploying short-term resources, with maturity of funds generally not exceeding one year. Pubali Bank money market desk is one of the most active and efficient desks in the interbank market of the country. Money Market products are:

- Money at Call and Shot Notice
- Term Money
- Repo
- Reverse Repo
- SWAP

Foreign Exchange Market

Foreign Exchange Market is the interaction of the buyers and sellers of foreign currency. Our FX team provides the best possible services through real time market intelligence, advice and timely execution of deals of our customers. Foreign exchange market products are:

- Spot Foreign Exchange
- Forward Foreign Exchange
- Foreign Currency SWAP
- Competitive Exchange Rates for Foreign Trade

Capital Market

Pubali Bank is performing capital market operations by ensuring proper utilization of its available fund. They also provide the services at corporate and individual level. Capital market products are:

- Government Securities Dealing
- Subordinate and Perpetual Bond
- Investment in Shares

Asset Liability Management

Asset-Liability Management Desk is mainly responsible for managing Interest Rate and liquidity risk of the bank. In addition, the desk is involved in analyzing the overall economic and market situation to fix interest rates on customer deposits and loans & advances of the bank. Balance-sheet management of the bank is another important function of the Asset-Liability Management desk.

At present the Treasury functions are performed by three distinct office under separate supervision viz., Front Office, Back Office and Mid Office.

Consumers Credit Division

Consumers Credit Scheme is one of the successful products of Pubali Bank PLC and and doing good business in this sector since inception. The journey of Consumers Credit Scheme started in 1996. Since beginning, a good number of authorized Agents are associated with this scheme. Presently 46 Nos. of Agents are working as CLS Agent of the Bank.

We have 13 Nos. of Consumer Loan products among which 06 (six) products namely i) Car Loan, ii) Personal Loan, iii) Household Durable Loan, iv) Medical Equipment Loan, v) Flat Purchase Loan & vi) House Renovation and Construction Loan are disbursed through the recommendation of CLS Agents. On the other hand, Bank has also 07 (Seven) products namely i) DLP- Pubali Star, ii) Teachers Loan Scheme iii) Foreign Education Loan iv) Pubali Mortgage Loan, v) Pubali Abashon Loan, vi) Govt. Employee House Building Loan and vii) Probashee Nibash which are disbursed directly by Bank.

Sanctioning of loans are fully decentralized. CLS Agents are marketing their products, primarily select clients, physically verify the necessary documents and submit the proposal in their allocated branch with their recommendation. Alternatively, our Branch/ Sub-branch are doing the same for Bank's own products. Regional Offices are the loan approval authority. For some products, Regional Office allocate budget and for some products Regional Office sanction the loan. After budget allocation/ sanction, branch disburse the loan observing all required formalities. Each and every loan accounts are vigorously followed by the CLS Agents as well as Branch Officials to ensure timely recovery of loans.

Comparative Position of Consumers Credit Scheme in last 03 years is as under (Figure in Crore Tk.)

Year	Outstanding	NPL	NPL (%)
2023	1954.87	84.50	4.32%
2022	1742.32	86.13	4.94%
2021	**1644.50**	**82.82**	**5.04%**

Total number of clients on 31.12.2023 is 37,119. Total disbursement in the year 2023 is Tk.896.16 crore and recovered Tk.862.17 crore. Gross Interest Income from Consumers Credit is Tk.170.72 Crore whereas Tk.26.87 Crore has been provided as agent commission plus VAT and Net Interest Income is Tk.143.85 Crore. Overall growth of Consumers Credit in 2023 is 12.19% whereas the growth in 2022 was 5.95%.

Presently, Car Loan is our prime product having present outstanding of Tk.992.06 crore and maintaining 2.41% NPL. But Home Loan was our main focus in 2023 to reduce Risk Weighted Assets of the Bank as it carries 50% risk weight. Year wise outstanding position of Home Loan is furnished below:

(Figure in Crore Tk.)

Product	Year		
	2021	2022	2023
Home Loan	93.04	131.60	375.86

ICT Operation Division

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 PLC. has been extending customer services at all of our 504 branches, 189 Sub-branches and 19 Islamic Windows 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 504 branches, 189 Sub-branches and 19 Islamic Windows across the country. The Online Banking Network of Pubali Bank PLC. has become the largest one in the banking sector of Bangladesh.

The efficient members of the Software, BACH-BEFTN, 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, and Pubali Integrated Islamic Banking System (PIIBS), 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.

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.

Moreover, we are going to introduce Application Code Security, Privilege Access Management (PAM), Data Loss Prevention (DLP) etc. and we are working on implementing Security Operation Center (SOC) to monitor all threat landscape round the clock. Besides, Pubali Bank has recently inaugurated Security Operations Center (SOC) as Security Monitoring Systems of Pubali Bank PLC. for ensuring prompt detection of unauthorized or malicious activities by the internal and external parties and for reducing impact of any unstoppable breach.

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 PLC. 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.

Pubali Bank PLC. has procured the latest Oracle based Database Infrastructure Exadata 9M including Data Security Products (Audit Vault, Database Firewall), Zero Data Loss Recovery Appliance (ZDLRA) and Data Warehousing System. Later, we have successfully accomplished Core Banking Data Migration (Live Banking Data) from existing Sun and Oracle based Solution (Exadata X4-2, Database: 12 C) to the latest one (Exadata 9M, Database: 19 C) from 28 September 2023 to 30 September 2023.

Pubali Bank has appointed Qualified Security Assessor (QSA) for PCI DSS Compliance of Pubali Bank PLC. We have already accomplished task of First Phase i.e. Gap Assessment of the Bank. At present, we are working on accomplishing tasks of Second Phase. About 12 Controls have already been mitigated out of 44 as prescribed by QSA.

The Bank PLC. has appointed International Consultant with their local partner for ISO-27001 Certifications of Pubali Bank PLC. We have already accomplished Gap Assessment of First Phase. Now, we are working on developing different policy procedures which is Second Phase of the Certification.

In addition, Pubali Bank PLC. selected M/S Enterprise InfoSec Consultants as Consultants for accomplishing SWIFT Customer Security Program (CSP) Independent Assessment of the Bank. We have already mitigated 12 (Twelve) Non-Complied Issues out of 13 (Thirteen).

Following instruction of the Management, we have introduced "Mentor of the Day" Module in PIBS and PMS for ensuring better customer services and good

governance at the branch level. Branch Managers assign Mentor of the Day using the module and mentors supervise three major areas of branch operation i.e. Human Resources Management, Customer Services Management and Branches Environment.

We have implemented Pubali Human Resources Management System (PHRMS) to perform complex Human Resources activities simply and for better Human Resources Management. Employees' Personal Data Sheet (PDS), Experience and Activities, Promotion and Confirmation, Transfer Posting, Suspension, Training, and so on are available on https://hrm.pubalibank.com.bd with effect from 23 December 2018.

We have introduced Mobile Banking Application of Pubali Bank PLC., PI (π), 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. This will be operated in the internet enabled smart phone or tablet. 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 introduced QR Code based Payment System, IDTP, e-KYC and Short e-KYC based Account Opening System into our PI (π) Banking Application.

We have successfully implemented Software for Bangladesh Automated Clearing House (BACH-II) and Bangladesh Electronic Fund Transfer System (BEFTN), NIKASH, Credit Information Bureau (CIB) Reporting as per guidelines of Bangladesh Bank. 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 19 (Nineteen) Islamic Banking Windows 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 successfully implemented Active Directory Domain Services (ADDS) to centralize the administrative control on OS user authentication complying with ICT Security Policy of our Bank.

ICT Operation Division has also launched secured File Server for sharing the files among the officials of branches, Regional offices, Principal Offices, Divisions and other offices for ensuring safety and security of the Bank to restrict usage of pen drive, USB storage, portable hard drive, CD/DVD ROM which are very vulnerable for virus and other threats for the Systems. The secured file sharing system is already available for all ADDS users and restriction of usage any portable devices like pen drive etc. has been implemented.

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.

ICT Operation Division, obtaining prior permission of the Management, implemented software of Offshore Banking Units (OBU) of Pubali Bank PLC. In regard to banking products, OBUs are allowed to offer banking services targeting selected group of clients and non-residents.

Pubali Monitoring System, Management Information System (MIS) Reporting System of Pubali Bank, has been developed for different Divisions of Head Office, Regional Offices, Principal Offices and Management of the Bank to monitor/observe the status of branch operation and performance under their jurisdiction.

ICT Operation Division has implemented Integrated Supervision System (ISS) Module in PIBS and branches are advised to observe and verify the data generated by PIBS meticulously to ensure correct data to be sent to Bangladesh Bank as per instruction.

Pubali Bank PLC. has upgraded its ICT Security Guideline (Version-5) considering the updated guideline of Bangladesh Bank (Version-4) and introducing the security measures accordingly. Our achievements for protecting our system and to ensure secured ICT environments are:

1. Establish a standard ICT Security Policy and ICT Security Management.
2. Ensuring secured and stable setup of its ICT Infrastructure.
3. Establish a secured environment for data processing.
4. Establish a holistic approach for ICT Risk Management.
5. Identifying information security risks and their management.
6. Aware and train the users associated with managing the ICT Infrastructure.
7. Aware our users associated with operation about ICT Security on regular basis.

Conferencing System and deployed IP Phone to our Head Office, Principal Offices, Regional Offices, Corporate and AD Branches. Through implementation of IP Phone Pubali Bank is experiencing standard unified Communication System that made internal communication free of cost and external communication less costly. We have already launched video conferencing system all around the country. Board Meetings, Important Management Meetings, Meetings with other entities, different Training Programs, Countrywide Online Workshops and so on are operating through WebEx.

Pubali Bank PLC. 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 Mobile Financial Services (MFS), Mobile Applications, ATM/CRM, POS, QR-based Transaction and so on in the line with transforming Pubali Bank PLC. to a paperless banking facilitating all digital banking channels. ICT Operation Division is working hard for achieving this objective within a short period of time.

Pubali Bank Securities Limited

Capital Market Scenario

The key Index of Dhaka Stock Exchange PLC. DSEX hovered up and down to range from 6177 to 6367 points throughout the year 2023 and gained approximate 0.64% in 2023 which was the lowest among the peer countries as most of the stocks have been stuck at their floor prices for a long period due to imposition of floor prices from August 28, 2022. The investor's sentiment became weakened as the market outlook remained uncertain with concerns in national election of Bangladesh and the economic challenges resulting from global adversities such as the escalating Russia-Ukraine war and worldwide recessionary forecasts.

The average daily turnover at the Dhaka Stock Exchange PLC. (DSE) witnessed a significant decline of 39.83%, reaching Tk 578 crore in 2023 compared to Tk 960 crore in the preceding year. Additionally, the market capitalization to GDP ratio decreased to 17.59% in the current year, down from 19.14% in 2022. Only 2 companies and 1 mutual fund listed in the Dhaka Stock Exchange PLC. for raising capital worth BDT. 106 crore. The ongoing decline of the local currency and sustained inflationary pressures have adversely affected corporate profitability. This has led to poor financial results for listed manufacturing companies, further worsening the momentum of the market.

The double-digit interest rates attracted investors' attention to the bond market. Meanwhile, Bangladesh Bank announced a contractionary monetary policy to curb inflation within the economy. Consequently, the market was unable to establish a positive trend, instead settling into a sideways movement. Support from the IMF in the form of foreign loans has somewhat alleviated the strain on the country's diminishing foreign exchange reserves towards the year's end, offering some relief to the struggling macroeconomic conditions. The economic uncertainties preceding the election significantly influenced investor sentiment, leading to a reduction in their capital market investments. This cautious approach stemmed from apprehensions about the market's performance in the current year.

The capital market exhibited sluggish performance throughout the year, with the overall price-earnings (P/E) ratio increasing from 16.22 to 14.88 by the end of 2023. This indicates a significant potential in the capital market, especially considering that the average P/E ratio over the past nine years stands at 15.88, 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 2024.

Pubali Bank Securities Limited

Pubali Bank PLC. 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 PLC. 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.

The company is the TREC (Trading Right Entitlement Certificate) holder of both Dhaka Stock Exchange PLC. (DSE TREC# 214) and Chittagong Stock Exchange PLC. (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.

Though, the Capital Market is facing a critical situation, PBSL has passed comparatively a good time in the year 2023 in terms of performance, profitability and brokerage activities. Hopefully PBSL will do better in 2024 and continue the progress in Future.

Research and Development

In recent years, the banking industry has undergone massive changes in the scope and nature of its environment. Technological advances, increased competition, increased income levels, expansion in economic activities, and the growing diversity of customer needs, have contributed to the increase in the scope of the bank's services. Research & Development (R&D) Division of Pubali Bank PLC. has been working to bring qualitative change in service level and to the overall growth of the Bank by increasing its performance in all key financial indicators through improving service quality, innovation of new products and re-engineering of the different business processes to meet the changing demand of the customers.

The major functions of the R&D Division are given below:

1. Economic Research and Statistical Analysis of bank's performance
2. Formulating the strategies of the bank
3. Innovation and product development
4. Process innovation and re-engineering of the existing process
5. Market Research
6. Publication (Research report, newsletter etc.)

Activities of Research and Development Division in 2023

R&DD has studied and analyzed the growth and position of Key Performance Indicators of the bank and compared them with other banks in the country perspective to decide the future strategy of the Bank. In 2023, we analyzed Peer Group Performance on major PCBs and compared it with Pubali Bank PLC. on a quarterly basis and submitted the report to MANCOM.

As a part of innovation and product development, R&D designed the Peoples Pubali Pension Scheme (সার্বজনীন পূবালী পেনশন স্কীম) in harmony with the Government Pension Scheme by adding more facilities and flexibilities. The product has been launched in November 2023.

To bring service excellence as well as satisfy customers' needs in a better way R&D updates and modifies the bank's existing business process/models when required. According to exclusive research findings, the following strategic initiatives taken in the year 2023:

- Opening of a new Division in the name of "General Banking and Operation Division" and Introduction of "Establishment and General Services Division" by merging the existing "General Services & Development Division" and "Establishment Division"
- Bifurcation of existing Credit Division to "Corporate Credit Division" and "CMSME Division"
- Formulation Team KPI methodology (Performance appraisal methodology for Branches, Regional Offices, Principal Offices and Head Office)
- We have introduced a loan portfolio management strategy at the beginning of the year prioritizing security-based loan products and less risk-weighted assets. To minimize RWA, we adopt credit rating-based borrower selecting/onboarding approach. Besides, emphasis is also given to increasing the rating of existing borrowers.
- Review of the Corporate Organogram of Pubali Bank PLC.
- Formulation of Division-wise Action Plan-2023 of the bank

R&D Division prepares a "Monthly Economic Review" by analyzing the Country's overall macroeconomic perspectives which include Monetary and Credit Development, Exports, Imports, Remittances, Reserve Money Development, Consumer Price Index and Inflation, Liquidity position of banking industry, Financial sector prices, Exchange rate movement, Balance of payment, etc. The report is publishing a monthly basis and placed before the MANCOM for discussion and strategic decision-making. R&DD also analyzes Bangladesh Bank's Monetary Policy Statement on a half-yearly basis for formulating short-term policy of the Bank.

As approved by the Board, a quarterly newsletter of Pubali Bank namely Pubali Barta is being published since November 2012, wherein the news relating to social development activities of our Bank, success stories of the officials/employees or their family members etc. are being published.

R&D Division has developed a new criterion for the gradation of Branches of our Bank in order to maintain effective control over the branches to extend logistic support, human resources, implementation of business policy, allocation of promotional expenses, fixation of business targets etc. Branch Gradation-2023 has been prepared considering the branches 'position on 31.12.2022 and approved by the MANCOM meeting in March 2023.

R&D Division also collects economic data and market information relating to the financial sector from different sources on a weekly basis for providing information to the Management.

Moreover, according to the requirements of the Board and Management, R&DD conducts exclusive research works as and when required. Largely, R&D plays a vital role in ensuring the sustainable growth of the bank.

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Financial Reports

Declaration by CEO and CFO

Date: 18 April 2024

The Board of Directors
Pubali Bank PLC.
26 Dilkusha Commercial Area
Dhaka 1000

Subject: **Declaration on Financial Statements for the year ended on 31 December 2023.**

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMR-RCD/2006-158/207/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of Pubali Bank PLC. for the year ended on 31 December 2023 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 2023 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,

Mohammad Ali
Managing Director & CEO

Mohammad Liton Miah FCA
Chief Financial Officer (CFO)

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INDEPENDENT AUDITORS' REPORT
To the Shareholders of Pubali Bank PLC.
Report on the Audit of the Consolidated and Separate Financial Statements

Opinion
We have audited the consolidated financial statements of Pubali Bank PLC. and its subsidiary (the "Group") as well as the separate financial statements of Pubali Bank PLC. (the "Bank"), which comprise the consolidated and separate Balance Sheets as at 31 December 2023, 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 2023, 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 and comply with the Bank Company Act, 1991 (as amended up to date), the Companies Act, 1994, the rules and regulations issued by the Bangladesh Bank, the rules and regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) 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 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 for the financial year 2023. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and informing auditors' opinion thereon, and we do not provide a separate opinion on these matters. For each matter described below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans, advances/investment and leases	
With reference to Note 14.1 to the financial statements, the process for calculating the provision for loans, advances/investments and leases portfolio associated with credit risk is significant and complex. The Bank calculates provision for loans, advances/investments and leases by considering various factors such as rate of provision, loan category, expiry date, outstanding balance, interest suspense amount, value of eligible collateral as per BRPD circular no. 14 dated 23 September 2012 and its subsequent amendments. To minimize COVID 19 impact, Bangladesh Bank issued BRPD Circular Letter No.56 dated 10 December 2020 related to BRPD Circular No. 17 dated 28 September 2020; BRPD circular No.52 dated 29 December 2021 related to BRPD Circular No. 19 dated 26 August 2021 and BRPD Circular No.53 dated 22 December 2022 related to BRPD Circular No.-14 dated 22 June 2022 for "Special General Provision-COVID-19". According to the circular, commercial banks must keep an extra provision for those borrowers who have availed of payment by deferral (PBD) facilities. The calculation of the new provisioning rule will have to be implemented based on the outstanding loans (deferral payment) as of 31 December 2020, 31 December 2021 and 31 December 2022. As per BRPD Circular No. 53 dated 22 December 2022, bank may transfer special general provision to income for fully recovered loans and specific provision for non-performing loans. The Bank has kept this "Special General Provision-COVID-19" as of 31 December 2023 BDT 930.34 million as per the circular. In Bangladesh, non-performing loans have been increasing day by day. Banks need to maintain provisions for additional non-performing loans in line with the central bank's guidelines. The Bank identifies impaired loan accounts and calculates required provisions manually. Furthermore, management has incentive to maintain lower provisions for loans and advances to overstate profit. Considering these factors, we have considered measurement of provision for loans, advances/investments and leases as significant risk as well as a key audit matter. At the year end of 2023 the Group reported total gross loans, advances/investments and leases of BDT 555.41 billion (2022: BDT 462.75 billion) and in 2023 the Bank reported total gross loans, advances/investments and leases of BDT 554.50 billion (2022: BDT 461.88 billion) whereas at the year end of 2023 the Group reported total provision for loans, advances/investments and leases of BDT 24.17 billion (2022: BDT 21.12 billion) and the Bank reported total provision for loans, advances/investments and leases of BDT 24.17 billion (2022: BDT 21.12 billion).	We tested the design and operating effectiveness of key controls focusing on the following: • Credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Review of quarterly Classification of Loans (CL). Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: For confirming the classification of rescheduled lease, loans and advances. we performed the following procedures: • We checked the no. of instalments outstanding and compliance with BRPD Circular No. 16 dated 18 July 2022; • Reviewed the appropriateness of the approvals for the transfer of interests to the Income account in accordance 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; • Tested the inputs in computation of provision in terms of testing the accuracy of underlying information; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Checked the adequacy of the Company's general and specific provisions; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines;
See note nos. 7 and 14.1 to the financial statements	

Recognition of interest income on loans, advances and leases	
Recognition of interest income has significant and wide influence on financial statements. Recognition and measurement of interest income have involved complex IT environments. We identify recognition of interest income from loans, advances/investments and leases 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 and overstatement in recognition of interest by management to meet specific targets or expectations.	We tested the design and operating e-ffectiveness of key controls over recognition and measurement of interest on loans, advances/investments and leases. 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 no. 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 review process We tested a sample of investments valuation as of 31 December 2023 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 no. 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 be sufficient taxable profits in future periods to support recognition. As disclosed in Note 14.8.1 & 14.8.2 respectively to the financial statements, as of December 31, 2023 the Bank has recognized BDT 4,793.13 million (2022: BDT 4,557.18 million) of deferred tax assets and BDT 175.12 million (2022: BDT 83.46 million) of deferred tax liabilities in the Balance Sheet.	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 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. 14.8.1 & 14.8.2 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.

Other Matter

The financial statements of subsidiary, Pubali Bank Securities Limited for the year ended 31 December 2023, has been audited by K. M. Hasan & Co., Chartered Accountants who expressed an unmodified opinion on these statements dated 13 March 2024.

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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 2020, 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) 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;

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

(v) 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;

(vi) the expenditures incurred were for the purpose of the Bank's business for the year;

(vii) 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;

(viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;

(ix) the information and explanations required by us have been received and found satisfactory;

(x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 8,000 person hours; and

(xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Md. Shahadat Hossain, FCA
Senior Partner
MABS & J Partners, Chartered Accountants
ICAB Enrolment No.: 0672
Firm Registration Number: [N/A]
DVC: 2404180672AS734685

Ziaur Rahman Zia FCA
Partner
A. Qasem & Co., Chartered Accountants
ICAB Enrolment No.:1259
Firm Registration No.: 2-PC7202
DVC: 2404211259AS484867

Dated: Dhaka,
18 April 2024

Consolidated Balance Sheet

as at 31 December 2023

Amount in BDT

PROPERTY AND ASSETS	NOTES	2023	2022
Cash	**3 (a)**	**34,097,059,963**	**34,449,846,439**
Cash in hand (Including foreign currencies)		9,130,422,101	8,902,088,820
Balance with Bangladesh Bank and its agent Bank (s) (Including foreign currencies)		24,966,637,862	25,547,757,619
Balance with Other Banks and Financial Institutions	**4 (a)**	**6,191,485,702**	**9,900,812,355**
In Bangladesh		4,387,306,510	5,103,413,666
Outside Bangladesh		1,804,179,192	4,797,398,689
Money at Call on Short Notice	**5**	**37,686,667**	**838,986,667**
Investments	**6 (a)**	**155,339,821,033**	**146,164,406,981**
Government		127,519,310,934	116,756,310,282
Others		27,820,510,099	29,408,096,699
Loans, Advances/Investments and Leases	**7 (a)**	**555,409,664,835**	**462,752,004,614**
Loans, cash credits and overdrafts etc./Investments		520,152,676,891	424,791,134,612
Bills purchased & discounted		35,256,987,944	37,960,870,002
Fixed Assets including Premises, Furniture & Fixtures	**8 (a)**	**7,536,527,950**	**6,499,064,580**
Other Assets	**9 (a)**	**58,978,541,662**	**53,667,230,069**
Non-Banking Assets	**10**	**375,246**	**375,246**
Total Assets		**817,591,163,058**	**714,272,726,951**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from Other Banks, Financial Institutions & Agents	**11**	**55,316,476,156**	**65,017,699,496**
Subordinated Bonds	**12**	**13,200,000,000**	**12,200,000,000**
Perpetual Bonds	**12.1**	**5,000,000,000**	**5,000,000,000**
Deposits and Other Accounts	**13 (a)**	**605,747,988,873**	**509,350,630,604**
Current accounts & Other accounts		66,209,911,659	60,210,299,951
Bills payable		21,799,191,392	14,271,043,896
Savings bank deposits		135,066,105,808	118,927,122,055
Term deposits		358,472,730,225	297,910,894,739
Other deposits		24,200,049,789	18,031,269,963
Other Liabilities	**14 (a)**	**90,681,141,004**	**79,558,157,547**
Total Liabilities		**769,945,606,033**	**671,126,487,647**
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)**	23,767,042,094	18,700,546,455
Other reserves	**18 (a)**	3,312,571,604	3,879,749,550
		47,645,555,878	**43,146,238,185**
Non-controlling interest	**20**	**1,147**	**1,119**
Total Shareholders' Equity		**47,645,557,025**	**43,146,239,304**
Total Liabilities and Shareholders' Equity		**817,591,163,058**	**714,272,726,951**

Consolidated Balance Sheet

as at 31 December 2023

Amount in BDT

OFF-BALANCE SHEET ITEMS	NOTES	2023	2022
Contingent Liabilities	21		
Acceptances & endorsements		85,520,080,684	103,377,186,550
Letters of guarantee		47,866,914,701	37,872,061,489
Irrevocable letters of credit		69,747,888,751	53,175,862,737
Bills for collection		37,191,310,041	28,980,463,041
Other contingent liabilities		2,433,181,166	2,433,181,166
Total Contingent Liabilities		**242,759,375,343**	**225,838,754,983**
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		**242,759,375,343**	**225,838,754,983**
Consolidated Net Asset Value Per Share	46(1)(a)	**46.33**	**41.96**

These financial statements should be read in conjunction with the annexed notes.

Mohammad Ali
Managing Director & CEO

Moniruddin Ahmed
Director

Md. Abdur Razzak Mondol
Director

Monzurur Rahman
Chairman

Signed as per annexed report on even date

Md. Shahadat Hossain, FCA
Senior Partner
MABS & J Partners, Chartered Accountants
ICAB Enrolment No.: 0672
Firm Registration Number: [N/A]
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Ziaur Rahman Zia FCA
Partner
A. Qasem & Co., Chartered Accountants
ICAB Enrolment No.:1259
Firm Registration No.: 2-PC7202
DVC: 2404211259AS484867

Dated, Dhaka
April 18, 2024

Consolidated Profit and Loss Account

for the year ended 31 December 2023

Amount in BDT

	NOTES	2023	2022
Operating Income			
Interest income/profit on investment	**22 (a)**	40,404,751,034	29,860,247,898
Interest paid/profit shared on deposits, borrowings etc.	**23**	(30,321,076,803)	(23,240,593,559)
Net Interest Income/profit on investment		**10,083,674,231**	**6,619,654,339**
Investment income	**24 (a)**	15,899,369,253	14,133,428,929
Commission, exchange and brokerage	**25 (a)**	3,128,981,436	3,355,096,290
Other operating income	**26 (a)**	1,822,103,855	1,617,389,253
Total Operating Income		**30,934,128,775**	**25,725,568,811**
Operating Expenses			
Salaries and allowances	**27 (a)**	9,306,688,171	8,391,735,067
Rent, taxes, insurance, electricity etc.	**28 (a)**	788,496,295	649,537,850
Legal expenses	**29 (a)**	19,554,616	17,548,426
Postage, stamp, telecommunication etc.	**30 (a)**	79,735,582	95,457,058
Stationery, printing, advertisements etc.	**31 (a)**	272,430,372	149,881,191
Managing Director's salary and fees	**32**	14,769,678	12,843,657
Directors' fees	**33 (a)**	8,560,436	9,057,206
Auditors' fees	**34 (a)**	2,581,750	2,199,250
Depreciation and repair of bank's assets	**35 (a)**	2,087,275,779	1,440,163,705
Other expenses	**36 (a)**	2,689,041,680	3,150,898,229
Total Operating Expenses		**15,269,134,359**	**13,919,321,639**
Profit/(Loss) before Provision		**15,664,994,416**	**11,806,247,172**
Provision for Loans, Advances/Investments, Leases and Other Assets	**37 (a)**		
Provision for classified loans, advances/investments and leases		2,828,437,943	1,880,136,844
Provision for unclassified loans, advances/investments and leases		66,162,057	872,267,826
Provision for diminution in value of investments		123,736,753	55,411,791
Provision for other assets		42,500,000	50,000,000
Specific Provision on margin loan for PBSL		9,193,325	-
Provision adjusted for unrealized loss on client margin loan for PBSL		(33,382,072)	-
Provision for bad debt offsetting for Islamic Banking		-	22,067,376
		3,036,648,006	**2,879,883,837**
Provision for exposure of off-balance sheet items	**38**	426,000,000	-
Total Provision		**3,462,648,006**	**2,879,883,837**
Total Profit/(Loss) before Taxes		**12,202,346,410**	**8,926,363,335**
Provision for current tax	**14.7 (a)**	5,481,604,416	3,815,861,265
Provision for deferred tax	**14.8.1 (a)**	(229,095,595)	(537,504,181)
Total Provision for Taxes		**5,252,508,821**	**3,278,357,084**
Net Profit after Taxation		**6,949,837,589**	**5,648,006,251**
Profit Attributable to			
Equity holders of parent		6,949,837,561	5,648,006,187
Non- controlling interest		28	64
Appropriations		**6,949,837,589**	**5,648,006,251**
Statutory reserve		-	-
Coupon/dividend on perpetual bond		500,000,000	363,734,741
Start-up fund		68,084,689	53,217,717
Retained surplus carried forward		6,381,752,900	5,231,053,793
Consolidated Earnings Per Share (EPS)	**46 (a)**	**6.76**	**5.49**

These financial statements should be read in conjunction with the annexed notes.

Mohammad Ali
Managing Director & CEO

Moniruddin Ahmed
Director

Md. Abdur Razzak Mondol
Director

Monzurur Rahman
Chairman

Signed as per annexed report on even date

Md. Shahadat Hossain, FCA
Senior Partner
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ICAB Enrolment No.:1259
Firm Registration No.: 2-PC7202
DVC: 2404211259AS484867

Dated, Dhaka
April 18, 2024

Consolidated Cash Flow Statement

for the year ended 31 December 2023

Amount in BDT

	NOTES	2023	2022
a Cash flows from Operating Activities			
Interest/investment income receipts in cash		55,773,460,919	43,128,512,486
Interest/profit paid on deposits, borrowings etc.		(28,962,191,516)	(22,396,592,940)
Dividend receipts		588,393,773	706,088,504
Fees and commission receipts		2,277,559,984	2,167,970,374
Recoveries of loans previously written-off		164,851,322	172,793,025
Cash payment to employees		(9,163,540,398)	(7,871,184,654)
Cash payment to suppliers		(372,406,923)	(264,009,660)
Current income tax paid		(3,695,380,168)	(2,065,590,099)
Receipts from other operating activities	40 (a)	2,687,044,927	2,910,386,823
Cash payments for other operating activities	41 (a)	(4,847,204,937)	(4,662,494,997)
Operating Profit before changes in Operating Assets & Liabilities		**14,450,586,983**	**11,825,878,862**
Increase/ (Decrease) in Operating Assets and Liabilities			
Statutory deposits		(10,928,762,441)	7,548,207,340
(Purchase)/sale of trading securities		1,241,457,138	(2,707,433,814)
Loans and advances to customers (other than banks)		(92,611,369,955)	(85,227,694,143)
Other assets	42 (a)	(1,678,318,908)	(3,263,018,996)
Deposits to/from other banks		(9,701,223,340)	18,517,368,495
Deposits from customers (other than banks)		94,123,611,100	47,588,697,569
Other liabilities account of customers		952,069,261	2,179,405,274
Other liabilities	43 (a)	1,191,270,297	450,594,085
Total Increase/ (Decrease) in Operating Assets and Liabilities		**(17,411,266,848)**	**(14,913,874,190)**
Net Cash from/(used in) Operating Activities		**(2,960,679,865)**	**(3,087,995,328)**
b Cash flows from Investing Activities			
Purchase of property, plant & equipment including lease assets		(2,092,131,617)	-
Sale of property, plant & equipment		5,523,584	(888,749,783)
Net Cash from/(used in) Investing Activities		**(2,086,608,033)**	**(888,749,783)**
c Cash flows from Financing Activities			
Receipts/(payment) from issue of subordinated bonds		1,000,000,000	1,700,000,000
Receipts from issue of perpetual bonds		-	2,200,000,000
Coupon/dividend paid on perpetual bonds		(500,000,000)	(363,734,741)
Dividend paid		(1,248,751,547)	(1,246,063,970)
Net Cash from/(used in) Financing Activities		**(748,751,547)**	**2,290,201,289**
d Net Increase/ (Decrease) in Cash and Cash equivalents (a+b+c)		**(5,796,039,445)**	**(1,686,543,822)**
e Effects of exchange rate changes on cash and cash equivalents		**4,279,874**	**32,181,625**
f Cash and Cash equivalents at beginning of the period		**46,688,213,833**	**48,342,576,030**
g Cash and Cash equivalents at end of the period (d+e+f)	44 (a)	**40,896,454,262**	**46,688,213,833**

These financial statements should be read in conjunction with the annexed notes.

Mohammad Ali
Managing Director & CEO

Moniruddin Ahmed
Director

Md. Abdur Razzak Mondol
Director

Monzurur Rahman
Chairman

Signed as per annexed report on even date

Md. Shahadat Hossain, FCA
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Dated, Dhaka
April 18, 2024

Consolidated Statement of Changes in Equity

for the year ended 31 December 2023

PARTICULARS	PAID-UP CAPITAL	STATUTORY RESERVE	RETAINED EARNINGS	OTHER RESERVES	PARENT'S EQUITY	NON-CONTROLLING INTEREST	TOTAL
Balance as at 1 January 2023	**10,282,942,180**	**10,283,000,000**	**18,700,546,455**	**3,879,749,550**	**43,146,238,185**	**1,119**	**43,146,239,304**
Changes in accounting policy	-	-	-	-	-		-
Restated balance	10,282,942,180	10,283,000,000	18,700,546,455	3,879,749,550	**43,146,238,185**	1,119	**43,146,239,304**
Recognition of deferred tax on revaluation reserve of fixed assets	-	-	-	(83,074,588)	**(83,074,588)**	-	**(83,074,588)**
Surplus/Deficit on account of revaluation of investments	-	-	-	(521,006,691)	**(521,006,691)**	-	**(521,006,691)**
Foreign currency translation gain/(loss)	-	-	-	4,279,874	**4,279,874**	-	**4,279,874**
Net income and expenses not recognised in the Profit and Loss Statement	-	-	1,804,999	-	**1,804,999**	-	**1,804,999**
Transfer regarding revaluation reserve on sale of properties	-	-	929,000	-	**929,000**	-	**929,000**
Coupon/dividend payment on Perpetual Bond	-	-	(500,000,000)	-	**(500,000,000)**	-	**(500,000,000)**
Transfer to Start-up fund	-	-	(68,084,689)	-	**(68,084,689)**	-	**(68,084,689)**
Non-controlling capital	-	-	-	-	**-**	-	**-**
Net profit for the year	-	-	6,949,837,561	-	**6,949,837,561**	28	**6,949,837,589**
Transfer to capital reserve	-	-	(32,623,459)	32,623,459	**-**	-	**-**
Transfer to statutory reserve	-	-	-	-	**-**	-	**-**
Dividends (cash) for 2022	-	-	(1,285,367,773)	-	**(1,285,367,773)**	-	**(1,285,367,773)**
Balance as at 31 December 2023	**10,282,942,180**	**10,283,000,000**	**23,767,042,094**	**3,312,571,604**	**47,645,555,878**	**1,147**	**47,645,557,025**
Balance as at 31 December 2022	**10,282,942,180**	**10,283,000,000**	**18,700,546,455**	**3,879,749,550**	**43,146,238,185**	**1,119**	**43,146,239,304**

Mohammad Ali
Managing Director & CEO

Moniruddin Ahmed
Director

Md. Abdur Razzak Mondol
Director

Monzurur Rahman
Chairman

Signed as per annexed report on even date

Md. Shahadat Hossain, FCA
Senior Partner
MABS & J Partners, Chartered Accountants
ICAB Enrolment No.: 0672
Firm Registration Number: [N/A]
DVC: 2404180672AS734685

Dated, Dhaka
April 18, 2024

Ziaur Rahman Zia FCA
Partner
A. Qasem & Co., Chartered Accountants
ICAB Enrolment No.:1259
Firm Registration No.: 2-PC7202
DVC: 2404211259AS484867

Balance Sheet

as at 31 December 2023

Amount in BDT

PROPERTY AND ASSETS	Notes	2023	2022
Cash	**3**	**34,097,059,963**	**34,449,846,439**
Cash in hand (Including foreign currencies)		9,130,422,101	8,902,088,820
Balance with Bangladesh Bank and its agent Bank (s) (Including foreign currencies)		24,966,637,862	25,547,757,619
Balance with Other Banks and Financial Institutions	**4**	**6,156,645,838**	**9,810,258,252**
In Bangladesh		4,352,466,646	5,012,859,563
Outside Bangladesh		1,804,179,192	4,797,398,689
Money at Call on Short Notice	**5**	**37,686,667**	**838,986,667**
Investments	**6**	**147,495,495,296**	**139,403,489,608**
Government		127,051,054,519	116,634,183,329
Others		20,444,440,777	22,769,306,279
Loans, Advances/Investments and Leases	**7**	**554,495,496,036**	**461,884,126,081**
Loans, cash credits and overdrafts etc./investments		519,238,508,092	423,923,256,079
Bills purchased and discounted		35,256,987,944	37,960,870,002
Fixed Assets including Premises, Furniture & Fixtures	**8**	**7,529,264,170**	**6,495,544,725**
Other Assets	**9**	**65,054,550,749**	**59,873,084,818**
Non-banking Assets	**10**	**375,246**	**375,246**
Total Assets		**814,866,573,965**	**712,755,711,836**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings From Other Banks, Financial Institutions & Agents	**11**	**55,316,476,156**	**65,017,699,496**
Subordinated Bonds	**12**	**13,200,000,000**	**12,200,000,000**
Perpetual Bonds	**12.1**	**5,000,000,000**	**5,000,000,000**
Deposits and Other Accounts	**13**	**606,296,413,262**	**510,836,516,875**
Current accounts & other accounts		66,414,271,964	60,730,969,028
Bills payable		21,799,191,392	14,271,043,896
Savings bank deposits		135,066,105,808	118,927,122,055
Term deposits		358,816,794,309	298,876,111,933
Other deposits		24,200,049,789	18,031,269,963
Other Liabilities	**14**	**88,209,647,317**	**77,215,407,287**
Total Liabilities		**768,022,536,735**	**670,269,623,658**
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**	22,998,146,905	18,040,396,448
Other reserves	**18**	3,279,948,145	3,879,749,550
Total Shareholders' Equity		**46,844,037,230**	**42,486,088,178**
Total Liabilities and Shareholders' Equity		**814,866,573,965**	**712,755,711,836**

Balance Sheet

as at 31 December 2023

Amount in BDT

OFF-BALANCE SHEET ITEMS	NOTES	2023	2022
Contingent Liabilities	21		
Acceptances & endorsements		85,520,080,684	103,377,186,550
Letters of guarantee		47,866,914,701	37,872,061,489
Irrevocable letters of credit		69,747,888,751	53,175,862,737
Bills for collection		37,191,310,041	28,980,463,041
Other contingent liabilities		2,433,181,166	2,433,181,166
Total Contingent Liabilities		**242,759,375,343**	**225,838,754,983**
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		**242,759,375,343**	**225,838,754,983**
Net Asset Value Per Share	**46(1)**	**45.56**	**41.32**

These financial statements should be read in conjunction with the annexed notes.

Mohammad Ali	**Moniruddin Ahmed**	**Md. Abdur Razzak Mondol**	**Monzurur Rahman**
Managing Director & CEO	**Director**	**Director**	**Chairman**

Signed as per annexed report on even date

Md. Shahadat Hossain, FCA
Senior Partner
MABS & J Partners, Chartered Accountants
ICAB Enrolment No.: 0672
Firm Registration Number: [N/A]
DVC: 2404180672AS734685

Ziaur Rahman Zia FCA
Partner
A. Qasem & Co., Chartered Accountants
ICAB Enrolment No.:1259
Firm Registration No.: 2-PC7202
DVC: 2404211259AS484867

Dated, Dhaka
April 18, 2024

Profit and Loss Account

for the year ended 31 December 2023

Amount in BDT

	NOTES	2023	2022
Operating Income			
Interest income/profit on investment	22	40,340,842,264	29,813,192,063
Interest paid/profit shared on deposits, borrowings etc.	23	(30,321,076,803)	(23,240,593,559)
Net Interest Income/profit on investment		**10,019,765,461**	**6,572,598,504**
Investment income	24	15,633,734,445	13,740,363,716
Commission, exchange and brokerage	25	3,103,987,478	3,311,320,514
Other operating income	26	1,793,977,472	1,570,420,358
Total Operating Income		**30,551,464,856**	**25,194,703,092**
Operating Expenses			
Salaries and allowances	27	9,258,828,821	8,347,605,599
Rent, taxes, insurance, electricity etc.	28	780,794,411	646,880,954
Legal expenses	29	18,467,449	17,399,747
Postage, stamp, telecommunication etc.	30	79,613,579	95,258,236
Stationery, printing, advertisements etc.	31	271,905,145	149,330,677
Managing Director's salary and fees	32	14,769,678	12,843,657
Directors' fees	33	7,669,436	7,341,206
Auditors' fees	34	2,420,750	2,021,000
Depreciation and repair of bank's assets	35	2,083,673,140	1,437,853,280
Other expenses	36	2,680,206,217	3,140,656,772
Total Operating Expenses		**15,198,348,626**	**13,857,191,128**
Profit/(Loss) before Provision		**15,353,116,230**	**11,337,511,964**
Provision for Loans, Advances/Investments, Leases and Other Assets	37		
Provision for classified loans, advances/investments and leases		2,828,437,943	1,880,136,844
Provision for unclassified loans, advances/investments and leases		66,162,057	872,267,826
Provision for diminution in value of investments	39	2,000,000	-
Provision for other assets		42,500,000	50,000,000
Provision for bad debt offsetting for Islamic Banking		-	22,067,376
		2,939,100,000	**2,824,472,046**
Provision for exposure of off-balance sheet items	38	426,000,000	-
Total Provision		**3,365,100,000**	**2,824,472,046**
Total Profit/(Loss) before Taxes		**11,988,016,230**	**8,513,039,918**
Provision for current tax	14.7	5,406,911,843	3,728,336,561
Provision for deferred tax	14.8.2.3	(227,364,533)	(537,068,302)
Total Provision for Taxes		**5,179,547,310**	**3,191,268,259**
Net Profit/(Loss) after Taxes		**6,808,468,920**	**5,321,771,659**
Appropriations			
Statutory Reserve		**-**	**-**
Coupon/dividend on perpetual bond		500,000,000	363,734,741
Start-up fund		68,084,689	53,217,717
Retained surplus carried forward		6,240,384,231	4,904,819,201
Earnings Per Share (EPS)	46	**6.62**	**5.18**

These financial statements should be read in conjunction with the annexed notes.

Mohammad Ali
Managing Director & CEO

Moniruddin Ahmed
Director

Md. Abdur Razzak Mondol
Director

Monzurur Rahman
Chairman

Signed as per annexed report on even date

Md. Shahadat Hossain, FCA
Senior Partner
MABS & J Partners, Chartered Accountants
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Partner
A. Qasem & Co., Chartered Accountants
ICAB Enrolment No.:1259
Firm Registration No.: 2-PC7202
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Dated, Dhaka
April 18, 2024

Cash Flows Statement

for the year ended 31 December 2023

Amount in BDT

	NOTES	2023	2022
a Cash flows from Operating Activities			
Interest/investment income receipts in cash		55,668,715,573	43,060,927,069
Interest/profit paid on deposits, borrowings etc.		(28,962,191,516)	(22,396,592,940)
Dividend receipts		379,403,654	474,168,037
Fees and commission receipts		2,252,566,026	2,124,194,598
Recoveries of loans previously written-off		164,851,322	172,793,025
Cash payment to employees		(9,115,714,848)	(7,827,067,586)
Cash payment to suppliers		(372,406,923)	(264,009,660)
Current income tax paid		(3,607,220,198)	(2,065,590,099)
Receipts from other operating activities	40	2,643,110,431	2,722,802,764
Cash payments for other operating activities	41	(4,826,452,353)	(4,644,481,554)
Operating Profit before changes in Operating Assets & Liabilities		**14,224,661,168**	**11,357,143,654**
Increase/ (Decrease) in Operating assets and liabilities			
Statutory deposits		(10,928,762,441)	7,548,207,340
(Purchase)/sale of trading securities		2,324,865,502	(2,241,331,855)
Loans and advances to customers (other than banks)		(92,611,369,955)	(85,227,694,143)
Other assets	42	(1,647,788,251)	(3,049,971,336)
Deposits to/from other banks		(9,701,223,340)	18,517,368,495
Deposits from customers (other than banks)		94,123,611,100	47,588,697,569
Other liabilities account of customers		952,069,261	2,179,405,274
Other liabilities	43	1,290,481,688	611,137,111
Total Increase/(decrease) in Operating Assets and Liabilities		**(16,198,116,436)**	**(14,074,181,545)**
Net Cash from/(used in) Operating Activities		**(1,973,455,268)**	**(2,717,037,891)**
b Cash flows from Investing Activities			
Purchase of property, plant & equipment including leased assets		(2,085,917,779)	(888,879,384)
Sale of property, plant & equipment		5,261,270	-
Net cash from/(used in) Investing Activities		**(2,080,656,509)**	**(888,879,384)**
c Cash flows from Financing Activities			
Receipts/(payment) from issue of subordinated bonds		1,000,000,000	1,700,000,000
Receipts from issue of perpetual bonds		-	2,200,000,000
Coupon/dividend paid on perpetual bonds		(500,000,000)	(363,734,741)
Dividend paid		(1,248,751,547)	(1,246,063,970)
Net cash from/(used in) Financing Activities		**(748,751,547)**	**2,290,201,289**
d Net increase/(decrease) in Cash and Cash equivalents (a+b+c)		**(4,802,863,324)**	**(1,315,715,986)**
e Effects of exchange rate changes on cash and cash equivalents		**4,279,874**	**32,181,625**
f Cash and cash equivalents at beginning of the period		**45,111,773,459**	**46,395,307,820**
g Cash and cash equivalents at end of the period (d+e+f)	44	**40,313,190,009**	**45,111,773,459**

These financial statements should be read in conjunction with the annexed notes.

Mohammad Ali
Managing Director & CEO

Moniruddin Ahmed
Director

Md. Abdur Razzak Mondol
Director

Monzurur Rahman
Chairman

Signed as per annexed report on even date

Md. Shahadat Hossain, FCA
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Dated, Dhaka
April 18, 2024

Statement of Changes in Equity

for the year ended 31 December 2023

Amount in BDT

PARTICULARS	PAID-UP CAPITAL	STATUTORY RESERVE	RETAINED EARNINGS	OTHER RESERVES	PROPOSED DIVIDEND	TOTAL
Balance as at 1 January 2023	**10,282,942,180**	**10,283,000,000**	**18,040,396,448**	**3,879,749,550**	**-**	**42,486,088,178**
Changes in accounting policy	-	-	-	-	-	-
Restated balance	10,282,942,180	10,283,000,000	18,040,396,448	3,879,749,550	-	42,486,088,178
Adjustment on revaluation of fixed assets	-	-	-	-		-
Recognition of deferred tax on revaluation reserve of fixed assets	-	-	-	(83,074,588)	-	(83,074,588)
Surplus/(deficit) on account of revaluation of investments	-	-	-	(521,006,691)	-	(521,006,691)
Foreign currency translation gain/(loss)	-	-	-	4,279,874	-	4,279,874
Net income and expenses not recognised in the Profit and Loss Statement	-	-	1,804,999	-	-	1,804,999
Transfer regarding revaluation reserve on sale of properties	-	-	929,000	-	-	929,000
Coupon/dividend payment on perpetual bond	-	-	(500,000,000)	-	-	(500,000,000)
Transfer to start-up fund	-	-	(68,084,689)	-	-	(68,084,689)
Net profit for the year	-	-	6,808,468,920	-	-	6,808,468,920
Transfer to statutory reserve	-	-	-	-	-	-
Dividends (cash) for 2022	-	-	(1,285,367,773)	-	-	**(1,285,367,773)**
Balance as at 31 December 2023	**10,282,942,180**	**10,283,000,000**	**22,998,146,905**	**3,279,948,145**	**-**	**46,844,037,230**
Balance as at 31 December 2022	**10,282,942,180**	**10,283,000,000**	**18,040,396,448**	**3,879,749,550**	**-**	**42,486,088,178**

Mohammad Ali
Managing Director & CEO

Moniruddin Ahmed
Director

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Signed as per annexed report on even date

Md. Shahadat Hossain, FCA
Senior Partner
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Dated, Dhaka
April 18, 2024

Ziaur Rahman Zia FCA
Partner
A. Qasem & Co., Chartered Accountants
ICAB Enrolment No.:1259
Firm Registration No.: 2-PC7202
DVC: 2404211259AS484867

Liquidity Statement (assets and liabilities maturity analysis)

as at 31 December 2023

Amount in BDT

PARTICULARS	UP TO 01 MONTH	01- 03 MONTHS	03-12 MONTHS	01- 05 YEARS	MORE THEN 5 YEARS	TOTAL
Assets						
Cash in hand	34,097,059,963	-	-	-	-	34,097,059,963
Balances with other banks and financial institutions	1,843,711,129	2,982,865,120	1,109,469,190	220,600,399	-	6,156,645,838
Money at call on short notice	37,686,667	-	-	-	-	37,686,667
Investments	6,818,387,578	2,887,625,439	20,195,344,820	34,061,374,060	83,532,763,399	147,495,495,296
Loans, advances and leases	22,896,966,846	173,751,549,579	167,821,194,339	116,481,847,417	73,543,937,855	554,495,496,036
Fixed assets including premises, furniture & fixtures	-	549,207,069	-	4,356,898,637	2,623,158,464	7,529,264,170
Other assets	263,335,835	2,914,046,316	188,235,666	13,103,776,307	48,585,156,625	65,054,550,749
Non-banking assets	-	-	-	-	375,246	375,246
Total Assets	**65,957,148,018**	**183,085,293,523**	**189,314,244,015**	**168,224,496,820**	**208,285,391,589**	**814,866,573,965**
Liabilities						
Borrowings from other banks, financial institutions & agents	10,451,339,312	32,252,124,970	9,628,897,451	-	2,984,114,423	55,316,476,156
Subordinated bonds	-	-	2,500,000,000	7,200,000,000	3,500,000,000	13,200,000,000
Perpetual bonds	-	-	-	-	5,000,000,000	5,000,000,000
Deposits	48,919,890,621	136,093,963,802	135,719,878,377	85,797,523,600	199,765,156,861	606,296,413,262
Provision & other liabilities	1,314,952,893	-	15,564,387,777	70,184,811,137	1,145,495,510	88,209,647,317
Total Liabilities	**60,686,182,826**	**168,346,088,772**	**163,413,163,605**	**163,182,334,737**	**212,394,766,794**	**768,022,536,735**
Net Liquidity Gap	**5,270,965,192**	**14,739,204,751**	**25,901,080,410**	**5,042,162,083**	**(4,109,375,205)**	**46,844,037,230**

Mohammad Ali
Managing Director & CEO

Moniruddin Ahmed
Director

Md. Abdur Razzak Mondol
Director

Monzurur Rahman
Chairman

Signed as per annexed report on even date

Dated, Dhaka
April 18, 2024

Notes To The Financial Statements

As at and for the year ended 31 December 2023

1. The Bank and its activities

1.1 Pubali Bank PLC.

Pubali Bank PLC. (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. By virtue of section 37(2)(C) of the Bangladesh Bank Order, 1972 (President Order No 127 of 1972) and the provisions of Section 11A(A) of the Companies Act, 1994, the name of 'Pubali Bank Limited' has been changed to 'Pubali Bank PLC.' in the list of Scheduled Banks from Monday 24 Ashwin 1430 on 09 October 2023.

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 504 Branches 189 Sub 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. It has 19 Windows throughout the country. 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 2023 are enclosed in the Annex- D.

1.2.2 Off-shore Banking Unit

Off-shore 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 Off-shore 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, Off-shore Banking division was established to control and supervise Off-shore 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 PLC. (Bank) that is duly approved by Bangladesh Bank (BB) to carry out the offshore banking operations in Foreign Currency. 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 PLC. Pubali Bank PLC. 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 PLC. 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 2023.

2.1.2 Statement of Compliance and basis of preparation

The consolidated and separate financial statements of the Group and the Bank have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the Financial Reporting Council (FRC) under the Financial Reporting Act (FRA), 2015 and the requirements of the Bank Company Act 1991 (as amended up to date), the circulars, rules and regulations issued by Bangladesh Bank (BB), the Companies Act 1994, the Securities and Exchange Rules 2020. In case any requirement of the Bank Company Act 1991 (as amended up to date), and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs, the requirements of the Bank Company Act 1991 (as amended up to date), and provisions and circulars issued by Bangladesh Bank shall prevail. In addition to above, the Bank complied with requirements of following laws and regulations:

a) Bangladesh Securities and Exchange Commission Ordinance 1969;

b) Bangladesh Securities and Exchange Commission Act 1993;

c) Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015;

d) Income Tax Act 2023 and amendment thereon;

e) The Value Added Tax and Supplementary Duty Act 2012 and amendment thereon; and

f) The Value Added Tax and Supplementary Duty Rules 2016 and amendment thereon.

Material departure from the requirements of IFRSs 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 in equity, 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 equity instruments (shares, mutual funds, etc.)

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) will be 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 will be 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: According to DOS circular no. 5 dated 26 May 2008 and subsequent clarification in DOS circular no. 5 dated 28 January 2008, Government securities/bills are classified into Held for Trading (HFT) and Held to Maturity (HTM), HFT securities are revalued on the basis of mark to market and 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 amortisation of discount is recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised and gains or losses on amortisation are recognised in other reserve as a part of equity.

According to DOS circular no. 27 dated 04 December 2023, the reduction due to weekly revaluation of any HFT class treasury bond can be adjusted (net-off) against the revaluation reserve (if any) of the said bond. However, if there is no revaluation reserve against the said bond, it will be accounted as profit and loss of the respective period. Under no circumstances can the loss of one bond be adjusted against the reserve of another bond. The existing procedure will be followed in the case of Treasury Bills.

iv. Provision on loans and advances/investments, off-balance sheet exposure including other commitments

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 No. 14 dated 23 September 2012, BRPD Circular No. 15 dated 27 September 2017, BRPD Circular No. 03 dated 21 April 2019, BRPD circular letter No.06 dated 19 May 2019, BRPD circular letter No.07 dated 19 March 2020, BRPD Circular No. 16 dated 21 July 2020, BRPD Circular No. 17 dated 28 September 2020, BRPD Circular Letter No. 52 dated 20 October 2020, BRPD circular letter no-33 dated 03 August 2022 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 and 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. 06 dated 25 April, 2023 a general provision at 1% is required to be maintained against total OBS exposure which has end maturity and additional provision at 1% to 5% is required to be provided depending on the duration of overdue for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9. As per BRPD circular letter no-56 dated 10 December 2020, BRPD circular letter no-50 dated 14 December 2021, BRPD circular letter no-52 dated 29 December

2021, BRPD circular letter no-53 dated 30 December 2021 and BRPD circular letter no-53 dated 22 December 2022, Special General Provision COVID-19 has to maintained as per prescribed rate on all unclassified moratorium loan accounts. As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognized 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.

v. Other comprehensive income and appropriation of profit

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 instruments, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value and is amortized over the life of instrument. Any such liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee becomes probable. Financial guarantees are prescribed to be 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 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 flows 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 flows statement

IFRS: The Cash flows 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 flows 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 specific regulation for intangible assets in BRPD 14 dated 25 June 2003.

xiv. Off-balance sheet items

IFRS: No concept of off-balance sheet items in any IFRS/IAS/IFRIC; so nothing to disclose as off-balance sheet items.

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 shall be presented at amortized cost net of any write down for impairment (expected credit losses that result from all possible default events over the life of the financial instrument).

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. Presentation of intangible asset

IFRSs: An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.

Bangladesh Bank: There is no specific regulation for intangible assets in BRPD circular no. 14 dated 25 June 2003. However, intangible assets of bank are shown in fixed assets.

*Please refer to note 2.10 compliance of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) for further details.

xix. 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. 06 dated 25 April, 2023 a general provision at 1% is required to be maintained against total OBS exposure which has end maturity and additional provision at 1% to 5% is required to be provided depending on the duration of overdue for all off-balance sheet exposures (which includes all types of undrawn loan commitments).

2.1.3 Basis of measurement

The consolidated financial statements of the Group and the separate financial statements of the Bank have been prepared on the historical cost basis except for the following material items:

- Government treasury bills and bonds designated as 'Held for Trading (HFT)' are marked-to-market weekly with resulting gain credited to revaluation reserve account but loss charged to profit and loss account.

- Government treasury bills and bonds designated as 'Held to Maturity (HTM)' are amortized yearly with resulting gain credited to amortization reserve account but loss charged to profit and loss account.

- Land is recognised at cost at the time of acquisition and subsequently measured at fair value as per IAS 16 Property, Plant & Equipment and BSEC notification no. SEC/CMRRCD/2009-193/150/Admin/51 dated 18 August 2013.

2.1.4 Going Concern basis of accounting

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'. 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 2023 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 PLC. 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 2023.

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 2023. 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 (15% on gain from govt. securities, 10% on Capital gain of shares and 20% on dividend income) as per Income Tax Act 2023. Tax provision of the subsidiaries at different rates are also applicable as per the Income Tax Act 2023.

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 are 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 of the Group, the Bank and its subsidiaries cover 01 (One) calendar year from 01 January to 31 December.

2.1.11 Significant accounting policies

The accounting policies have been applied consistently to all the periods presented in these financial statements and have been applied consistently by the Bank.

2.2 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 (other than government treasury securities) are initially recognised at cost including acquisition charges associated with the investment. Premiums are amortised and discount accredited using the effective or historical yield method. Accounting treatment of government treasury bills and bonds (categorised as HFT and HTM) are made in accordance with Bangladesh Bank DOS Circular letter no. 05, dated 26 May 2008 and subsequent clarifications DOS Circular letter no. 05 dated 28 January 2009 and DOS circular no. 27 dated 04 December 2023. 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 have 'fixed or determinable payments' and are intended to be held to maturity are classified as 'Held to Maturity'. These are measured at amortised cost at each year's end by considering any discount or premium in acquisition. Any increase or decrease in value of such investments are booked under equity and in the profit and loss statement respectively. Besides, amortisation can be done at other times of the year for the preparation of financial reports or statements. However, the amortised value completed at the end of the year will be considered as SLR for the next year.

ii. Held for Trading (HFT)

Investments classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or if designated as such by the management. After initial recognition, investments are marked to market weekly and any decrease in the present value is recognised in the Profit and Loss Account and any increase is booked to Revaluation Reserve Account as per DOS Circular no. 05 dated 28 January 2009. Besides, as per DOS circular no. 27 dated 04 December 2023, the reduction due to weekly revaluation of any HFT class treasury bond can be adjusted (net-off) against the revaluation reserve (if any) of the said bond. However, if there is no revaluation reserve against the said bond, it will be accounted as profit and loss of the respective period. Under no circumstances can the loss of one bond be adjusted against the reserve of another bond. The existing procedure will be followed in the case of Treasury Bills. 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 25 June 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 As per BRPD Circular No. 14 dated 23 September 2012, BRPD Circular No. 15 dated 27 September 2017, BRPD Circular No. 03 dated 21 April 2019, BRPD circular letter No.06 dated 19 May 2019, BRPD circular letter No.07 dated 19 March 2020, BRPD Circular No. 16 dated 21 July 2020, BRPD Circular No. 17 dated 28 September 2020, BRPD Circular Letter No. 52 dated 20 October 2020, BRPD circular letter no-33 dated 03 August 2022 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	1%
	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 loans to BHs/MBs/SDs	1%
	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 (05 January 2023), 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 05 January 2023, 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 depreciation rates are as follows:

CATEGORY OF ASSET	METHOD	RATE OF DEPRECIATION
Freehold Land	N/A	-
Leasehold Land	Fixed	Over the lease period
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%

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 BRPD circular no. 4 date 12 April 2022.

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 Act-2023 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) 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) Defined benefit plans

Post-employment benefit plans those define the amount that outgoing members will receive from the plans on separation on the bases of length of service and salary levels. Contributions are made by the Bank into the scheme based on actuarial valuation. The Bank has an obligation to make up any shortfall in the plan, thereby bearing the risk of the plan under performing. The Bank maintains defined benefit plans i.e. gratuity fund for its employees under separate trustee boards.

Gratuity

The Bank has been maintaining an employee gratuity fund in the name of Pubali Bank PLC. 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. 611.96 crore as gratuity fund against the Gratuity Liability as on 31.12.2023. Three years, or immediately after any major change in the salary structure that could impact the periodic amount of contributions. The last valuation was carried out on 31 December 2022 by Air Consulting Limited and as per their recommendation the Bank charged current service cost of BDT 41.86 crore to the Profit & Loss Account and the defined benefit obligation would come to BDT 609.67 Crore as on 31 December 2023.

Details i.e. actuarial liability, valuation method, service cost, required contribution etc. of defined benefit plans and amount recognized in profit & loss account are stated in note 14.6, 14.6.1, 14.6.2 of these financial statements

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, two DMD's, The GM/DGM Head of the Human Resources Division as ex-officio Member-Secretary, Chief Financial Officer (CFO), GM/ DGM of HRD to be appointed by the Board of Directors of the Bank and two representatives from Trade Union to be selected by them.

Festival bonus

All regular employees are entitled for two festival bonuses and Boishakhi vata 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 are 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 after taking approval from department head and head of HR. A confirmed employee can also avail Demand Loan against P.F. Balance if he/she has clean service record.

House building Loan

An employee who has completed at least 5(five) years confirmed service and having at least 02(two) years active service before retirement and having clean & satisfactory service record but in case of Lateral Grade Entries total 8 years continuous, regular and satisfactory service but a minimum 3 years regular, continuous and satisfactory service with Pubali Bank PLC. can avail the Staff HBL Limit maximum 150 times of his existing Basic Pay for a tenure of 20 years at the rate of interest 4% P.A. (simple) that will be changed time to time with Bank Rate as per recommendation of Staff HBL 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 ecognised 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 2023 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	Not applicable
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	Not 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
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-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.

** The objective of IAS 34 is to prescribe the minimum content of an interim financial report and to prescribe the principles for recognition and measurement in complete or condensed financial statements for an interim period and hence it is not applicable for annual financial statements. However, Pubali Bank PLC. being a listed entity in DSE and CSE regularly publishes interim financial reports complying with IAS 34.

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

In 2023, Pubali Bank PLC. has published a Sustainability Report without considering the guidance of IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2: Climate related disclosures, as the compliance of both standards is not mandatory for this year. However, the Bank has plan to implement IFRS S1 and IFRS S2 in 2024. The application of IFRS S1 and IFRS S2 may lead to changes in the Bank's operation and governance resulting an improvement in sustainability performance and achievement of the sustainability goals. Apart from this, the Bank and the key stakeholders will be able to compare the disclosed information objectively once all the entities are required to follow the similar sustainability reporting framework i.e. IFRS S1 and IFRS S2 from 2024. During implementation of IFRS S1 and IFRS S2, the Bank might have to incur additional costs relating to recruitment of additional staffs, relevant data collection and analysis, development & modification of internal control, and production of sustainability report. Moreover, IASB introduced IFRS 18: Presentation and Disclosure in Financial Statements in replacement of IAS 1. IFRS 18 is expected to be issued in April 2024 and will be effective for annual reporting periods

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, Pubali 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 8).

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

As per IFRS 16: Leases, summary of lease related information is provided in the table below:

Summary of IFRS 16 BDT in million

PARTICULARS	ROU ASSETS	LEASE LIABILITY
Opening Balance	3,678.11	1,663.03
Addition	515.07	515.07
Interest Expense	-	152.96
Accumulated Depreciation/Lease Payment	(2,286.20)	(670.01)
Closing Balance	1,906.98	1,661.05

2.14 Risk Management

Risk is inherent in banking business and Pubali Bank is not an exception. The Bank faces different risks which includes 06 core risks e.g. i) Credit Risk, ii) Internal Control & Compliance Risk, iii) Money Laundering Risk, iv) Asset-Liability Management Risk and vi) Foreign Exchange Risk, and vi) Information & Communication Technology Risk as per regulatory guidelines. Moreover, Bank faces Residual Risk, Concentration Risk, Liquidity Risk, Reputation Risk, Strategic Risk, Settlement Risk and Environmental & Climate Change Risk etc. as per Pillar 2 of Basel III. Like most of the Banks, Pubali Bank is also conducting banking business through state-of-the-art information & communication technologies which is also creating cyber security threat and other operational risks. However, the Bank employs proper tools and techniques for managing those risk in efficient and timely manner and as such creating awareness in the Bank regarding risk management and compliance culture.

In Pubali Bank PLC. risk is managed through a balanced organizational structure that are closely aligned with the activities of the Bank's risk management policies and processes as well as in line with the guidelines provided by Bangladesh Bank. The Bank has a Risk Management Committee of the Board as per regulatory requirement which oversee the risk management culture and practices of the Bank. The Bank has a separate Risk Management Committee at Management level namely 'Executive Risk Management Committee (ERMC)' which is headed by the Chief Risk Officer (CRO) who is also General Manager & Head of Risk Management Division. There are some other committees in the bank to address other risks such as Credit Committee, Senior Management Team (SMT), Asset Liability Committee (ALCO). Central Taskforce Committee for NPL. Recovery, Management Reporting System Committee and Ethical Banking Committee etc.

There are some other committees which are eventually working for managing different risks of the Bank e.g. Credit Committee for Corporate & CMSME, Asset Liability Committee (ALCO), Central Compliance Committee for preventing money laundering & combating terrorist financing, Taskforce Committee for NPL Recovery, Sustainable Finance Committee, Management Reporting System Committee for MIS, Ethical Banking Committee, MANCOM, Senior Management Team (SMT) etc.

Pubali Bank revises its Risk Management Guideline as per regulatory requirement and considering other contemporary changes. The Board approved guideline has been disseminated to all Branches, Sub Branches, Regional Offices, Principal Offices and Divisions of Head Office for compliance. Monthly meeting of Executive Risk Management Committee (ERMC) is arranged regularly where key risk issues are discussed and recommendations are provided to the management for implementation. Risk Management Reports are being placed in the meeting Board Risk Management Committee on quarterly basis. Few reports are being placed for approval of the Board of Directors usually on yearly basis. Apart from this minutes of the meetings along with risk management papers/reports are being submitted to Bangladesh Bank on monthly, quarterly and half-yearly basis in due course. Risk Management Division also prepares Risk Appetite Statement (RAS) and Review Report of Risk Management Policies and Effectiveness of Risk Management Functions of the Bank on yearly basis.

The Bank has a comprehensive risk management system to ensure that the risks it takes are compatible with its risk appetite, and their impact on capital. The Bank is still concentrating on improving its capacity for risk management and capital management. The Board from time to time evaluates the Bank's risk profile to ensure risk levels are within the established risk appetite. Additionally, senior management monitors key strategic risks and adopts new strategies (if required) to reach its goals.

The bank has already introduced Internal Credit Risk Rating (ICRR) for all its applicable credit proposals which is being approved by the Chief Risk Officer. The bank gives importance on Credit Rating/ improvement of Credit Rating of all applicable borrowers to reduce risk weighted assets & required capital. Central Taskforce Committee visits field offices on monthly basis which is instrumental to reduce the NPL ratio of the Bank.

As per Bangladesh Bank directives, the bank prepares Recovery Plan on yearly basis with giving stress on 5 parameters namely CET 1 Capital Ratio, CRAR, ADR, LCR and NSFR. In Recovery Plan, three stress scenarios are being applied by the Bank which are i) withdrawal of deposit, ii) asset quality downgrade and iii) equity and investment shock. The plan is being approved by the Board of Directors and submitted to Bangladesh Bank in due course.

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 counterparty to perform as per contractual agreement with the bank. The failure may result from unwillingness of the counterparty 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 Corporate Credit Division; CMSME 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. Corporate Credit Division and CMSME 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 Corporate Credit Division and CMSME Division Head Office; Regional Office & Corporate Branch. The risk assessment is done 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. Deputy Managing Director acts as Chairman of the CMSME and Corporate 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 7.5, 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

Corporate Credit Committee: At present Bank's Corporate Credit Committee consist of 07 (seven) members where the Deputy Managing Director as Chairman; Senior Most Deputy General Manager of Corporate Credit Division as Member Secretary; the Deputy Managing Director, the Heads of Corporate Credit Division, CFO & Head of Central Accounts Division and Head of Treasury Division as Member act 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.

Retail and CMSME Credit Committee: At present Bank's Retail and CMSME credit committee consist of 05 (five) members where the Deputy Managing Director as Chairman; Senior Most Deputy General Manager of CMSME Division as Member Secretary; the Deputy Managing Director, the Heads of CMSME Division and Head of Islamic Banking wing as Member act 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.

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.

Foreign exchange market in Bangladesh is experiencing remarkable volatility, which resulted in substantial depreciation of BDT against major currencies, particularly US Dollar. 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 daily basis. 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. Core objectives of ALM are:

- To mitigate financial risk
- To ensure long term stability
- To ensure regulatory compliance
- To ensure earning efficiency

ALCO provides comprehensive and dynamic framework for measuring, monitoring and managing financial risks and to earn sufficient return through maintaining a comfortable liquidity position.

d. AML & CFT

Money Laundering and Terrorist Financing are global Phenomenon. Banking sector is one of the most vulnerable sectors for the Money Laundering (ML), Terrorist Financing (TF) & Proliferation Financing (PF) among the financial sectors due to its indigenous nature of business, customer base, product type, delivery channel, external linkage and ownership. Banks can play a pivotal role in preventing ML, TF & PF. Pubali Bank PLC, as a compliant bank, is firmly determined to prevent ML, TF & PF and to ensure the implementation of required provisions of Acts, Rules and directives of BFIU in any possible way. Pubali Bank PLC has developed particular strategies for the purpose of preventing ML, TF & PF and to ensure the implementation of required provisions of Acts, Rules and directives of BFIU.

For the purpose of preventing Money Laundering, Combating of Terrorist Financing & Proliferation Financing, our Bank has formed a Central Compliance Committee (CCC) headed by Chief Anti-Money Laundering Compliance Officer (CAMLCO). The Division Head of Anti-Money Laundering Division is the member secretary of the CCC (Central Compliance Committee) & designated as the Deputy Chief Anti-Money Laundering Compliance Officer (Deputy CAMLCO) of the Bank. The Anti-Money Laundering Division performs as the functional unit of the CCC and submits all the concerned returns to the regulator and functions of CCC are Formulating Policy or Strategy of AML & CFT, Implementation of AML & CFT compliance, Appointing BAMLCO, Point of contact regarding AML/CFT etc.

Banking sector is going through digital shifting and which is blessing for banking industries and their off-site customers. It dashes the interest of fraudsters, money launderers and other cybercriminals looking to take advantage of the digital influx. In addition to Bank's implementation of Anti Money Laundering (AML) programs and procedure of know your customer (KYC) to prevent the criminals from using of banking channel, continuous review of the programs and procedures is required to

cope up with rapid changes of financial market. Pubali Bank PLC has integrated off-site and on-site supervision on AML & CFT issues with the goal of being rated top in AML & CFT status.

In line of the above, Pubali Bank PLC already has included the following activities to mitigate Money Laundering, Terrorist Financing and Proliferation Financing:

We use "FIRCO Compliance Link" to screen foreign trade transactions and use Lloyd's List Intelligence to track underlying import and export shipments and have introduced 3 Level Review Systems to prevent TBML. We monitor millions of transactions automatically using in-house developed core Banking software PIBS which is ISO certified. AML Division has integrated activities of monitoring of transactions, analysis of CTR. It also has integrated structuring monitoring, TP violation monitoring, online transaction monitoring using Module of PIBS and PMS developed by Our Software Development Division so that every customer can be brought under our monitoring system. AML Division is continuously reporting STR, SAR & CTR to BFIU through goAML for implementation of our vows of preventing Money Laundering and Combating Terrorist Financing. We asses risk associated with customers through Risk Grading System. Every branch evaluates itself half-year basis through a checklist developed by BFIU named 'Self-Assessment'. Our internal auditors assess Money Laundering and Terrorist Financing prevention status of the branches while conducting audit using Independent Testing Procedure (ITP) as per checklist developed by BFIU. AML Division is imparting outreach training as per training calendar all over the year on AML & CFT issues physically or virtually to enrich employees with knowledge of AML & CFT so that they can prevent ML & TF. About 1519 participants attended these training programs in 2023.

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 the 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. Internal control consists of policies and procedures only part, not all. Internal control provides only reasonable assurance, not absolute assurance, about the 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.

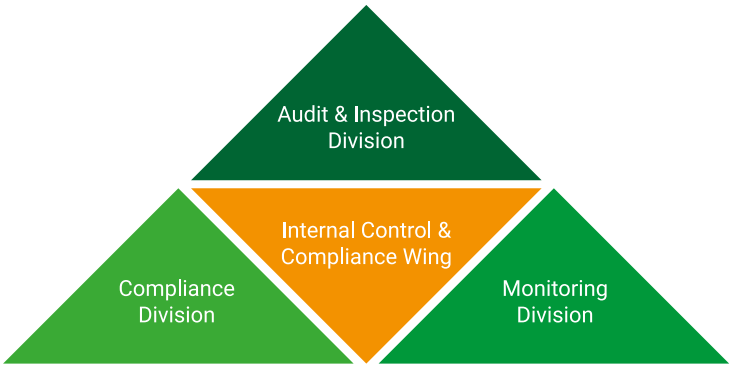
The main objectives of internal control system in a bank are as: (i) Operations objectives: achievement of a bank's basic mission and vision, (ii) Reporting objectives: timely, accurate and comprehensive reporting-financial and non-financial, external, and internal and (iii) Compliance objectives: conducting 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 the internal control system ensure that all necessary information that flows 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 is 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 of reputation because 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, the ICC organogram of our bank has been restructured. Mr. Ahmed Enayet Manzur, Honorable Deputy Managing Director, is functioning as the Head of Internal Control & Compliance Wing of our bank. Furthermore, in accordance with the ICC organogram, the current responsibilities of 'Chief of Compliance and monitoring' are being assumed by Mosammat Shahida Begum, General Manager. 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 audits 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. 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)/Investment Documentation Checklist (IDCL) etc. Compliance Division deals with internal & external (Bangladesh Bank) audit compliance related works and all regulatory compliance related activities of the Bank. Synopsis of audit report of High-Risk Branches, all Divisions & Pubali Securities Ltd. are now placed before the Audit Committee of the Board of Directors in the form of Memorandum regularly. It ensures that the Bank is operating complying with all applicable laws, regulations, policies, standards, guidelines, Ethical Standard etc. and acts as the contact point of the Bank. This division stimulates and gives necessary directions to the branches/sub-branches/Islamic banking windows to regularize anomalies detected by the auditor during audit period. The division has also been entrusted to implement the National Integrity Strategy (NIS) of our Bank.

The issues of effective internal control systems, 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. 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, Monitoring Division of 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, Banking Regulation & Policy Department, 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, the Compliance Division of our Bank has prepared a 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. Ahmed Enayet Manzur, Honorable Deputy Managing Director where Mr. A. Jalil, Deputy General Manager & Division Head of Compliance Division is the Member Secretary of the Committee. The said committee has been approved by the 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 of the Bank. Our bank prepares National Integrity Strategy Work Plan for every financial year and submits reports on its implementation status to NIS Cell, Secretariat Department of 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 PLC. has been extending customer services at all of our 504 branches and 189 sub-branches using our in-house developed core banking software, Pubali Integrated Banking System (PIBS) and at 19 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 504 branches, 189 sub-branches and 19 Islamic Wings across the country. The Online Banking Network of Pubali Bank PLC. 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 has developed software for Mobile Banking, SMS Banking and Agent Banking.

We have introduced Mobile Banking Application, PI (π) for our customers with different transactional and non-transactional banking services for 24/7. Current Available Transactional Features include Regular Fund Transfer, Fund Transfer through API i.e. transfer to Bkash, Nagad, Other Bank's account, 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) and NIKASH from its inception as a pioneer bank through our in-house developed software, PIBS. We have successfully implemented Software for Bangladesh Automated Clearing House (BACH-2) and Bangladesh Electronic Fund Transfer Network (BEFTN), Credit Information Bureau (CIB) Reporting as per guidelines of Bangladesh Bank.

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 and Disaster Recovery Center of Pubali Bank PLC. 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 Active Directory Domain Services (ADDS) 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, Schedule of Charges, 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 Branches, Branches and Sub-Branches. We have successfully launched video conferencing system through which countrywide video conferences are held at nearly free of cost and external communication becomes less costly. Hence, Pubali Bank is experiencing Standard Unified Communication System.

Pubali Bank PLC. 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 PLC. 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 PLC. 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-2023, 01 instance(s) of Final for Tk. 35.91 Lac was recurred at our Bailtali Sub Branch under Chandanish Branch of Chattogram South Region. The said fraud amount has already been recovered from the delinquent employee(s). Initial administrative action is taken and investigation/ inquiry is under process. Also initiating of legal action(s) as per rules is under process.

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.07 (21 June 2018), BRPD circular No.13 (18 October 2018) and BRPD circular No. 06 (25 April 2023) the Bank has recognised @ 1% General Provision with additional Provision on the following off-balance sheet exposures as defined in BRPD circular No.06 (25 April 2023).

- 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 18 April 2024.

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 2023 to 31 December 2023.

2.22 Number of employees

The number of employees employed in the Bank as on 31 December 2023 was 9,608 of which 8,127 were male and 1,481 were female. The number of employees per branch was 13.03 (504 branches,189 Sub-branches and 19 IBWs) excluding 1512 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 is always on the up-gradation of employee's skills in delivery service in excellence and development of capacity into critical thinking, analyzing and decision making in 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 upholding the brand value.

As per decision by the management PBTI has been shifted to BIWTC Bhaban (3rd floor), 5-Dilkusha C/A, Dhaka from 114, Motijheel C/A, Level-15, Dhaka-1000 on 18.03.2023 and Computer Lab of ICT Operation Division has been merged with PBTI as per decision by the management from 10.04.2023.

In the year 2023 Pubali Bank Training Institute has launched a new dimensional Training program for accelerating knowledge and skill in full phases with computer lab both in physical and virtual platform.

It is to be noted that we have conducted 10 virtual training on "AML, CFT and Prevention of Trade Based Money Laundering" with the support of Anti-Money Laundering Division as a compliance issue of regulatory authority and 867 participants got training covering the all branches, Regional Offices, Principal Offices and Head Office Divisions as on 31.12.2023.

During the year 2023 Pubali Bank PLC. arranged total no. 371 of Training Programmed where the Pubali Bank Training Institute has successfully completed Physical and virtual training courses with 194 frequencies covering 10,972 participants and HRD conducted 177 no of external training programmed covering 603 participants at BIBM, BBTA, IBB, ICCB, BAB and ICSB etc. Training helps in updating old talents and developing new ones.

2.24 Audit committee

The Audit Committee of the Board comprising of the following members of the Board of Directors:

NAME	STATUS IN THE BOARD	STATUS IN THE COMMITTEE	EDUCATIONAL QUALIFICATION
Mr. Mohammad Naushad Ali Chowdhury	Independent Director	Chairman	BSc(Hons), MSc (Physics), MBA
Mr. Fahim Ahmed Faruk Chowdhury	Director	Member	MSc (Business Economics), UK
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-2023, 498 borrowers submitted Audited Financial Report out of 591 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. The bank is accessing the DVS system and verifying all such types of Firms' Audited Financial Report.

Information about Loan sanctioned/renewed in Year-2023 to Firms:

PARTICULARS	NO. TO BORROWER	OUTSTANDING	PERCENTAGE (%)
Loan to Firms other than Proprietorship & Partnership (public interest entities)	591	498	84.26%

2.31 Credit Rating of the Bank

As per BRPD circular no. 6 dated 5 September 2006, the bank has done its credit rating by Credit Rating Information and Services Limited (CRISL) based on the financial statements as at and for the year ended 31 December 2022. The following ratings have been awarded:

PARTICULARS	PERIODS	DATE OF RATING	LONG TERM	SHORT TERM
Entity rating (CRISL)	January to December 2022	June 23, 2023	AA+	ST-1
Entity rating (CRISL)	January to December 2021	July 25, 2022	AA+	ST-1
Entity rating (NCR)	January to December 2020	July 27, 2021	AA+	ST-1

2.32 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.

Notes To The Financial Statements

for the year ended 31 December 2023

Amount in BDT

		2023	2022
3	**Cash**		
	Cash In hand (Including foreign currencies)		
	In local currency	9,115,035,165	8,884,367,385
	In foreign currencies	15,386,936	17,721,435
		9,130,422,101	8,902,088,820
	Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)		
	Bangladesh Bank (Annexure-E)		
	In local currency	22,141,218,196	22,142,960,998
	In foreign currencies	694,381,564	809,270,503
		22,835,599,760	22,952,231,501
	Sonali Bank as agent of Bangladesh Bank		
	In Local currency	2,131,038,102	2,595,526,118
		24,966,637,862	25,547,757,619
		34,097,059,963	**34,449,846,439**

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 and MPD circular no. 01 dated 09 April 2020 respectively.

The Cash Reserve Ratio (CRR Daily) required on the Bank's time and demand liabilities at the rate of DBO 3.50% ,OBO 1.50% & Islamic 3.50% has been calculated and maintained with Bangladesh Bank through the current account and 13% (DBO& OBO) & 5.50% (Islamic) Statutory Liquidity Ratio (SLR) on the same liabilities has also been maintained in the from of Treasury Bills and Bonds and other Eligible Securities. Both the Reserves maintained by the Bank are in excess of the statutory requirements as shown below:

3.1.1	**Cash Reserve Ratio (CRR)**		
	Required Reserve (daily basis)	21,431,230,000	21,397,563,000
	Actual Reserve maintained	22,765,758,625	22,698,152,170
	Surplus/(deficit)	**1,334,528,625**	**1,300,589,170**
3.1.2	**Statutory Liquidity Ratio (SLR)**		
	Required Reserve (13%)	80,549,209,000	71,321,072,000
	Actual Reserve maintained	138,309,987,478	128,612,207,150
	Surplus/(deficit)	**57,760,778,478**	**57,291,135,150**
	Held for Statutory Liquidity Ratio (SLR)		
	Cash in Hand	9,130,422,101	8,902,088,820
	Balance with agent Bank (Sonali Bank PLC.)	1,135,725,526	885,378,806
	Excess Cash Reserve	64,933,753	1,300,589,170
	Government Securities (HTM)	91,933,369,997	72,892,046,883
	Government Securities (HFT)	34,058,806,975	42,645,374,345
	Other Eligible Securities	1,986,729,126	1,986,729,126
		138,309,987,478	**128,612,207,150**
3.1.3	**Total required amount of CRR and SLR**		
	Total required reserve	101,980,439,000	92,718,635,000
	Total actual reserve maintained	161,010,812,350	150,009,770,150
	Total Surplus	**59,030,373,350**	**57,291,135,150**
3(a)	**Consolidated Cash**		
	Cash In hand (Including foreign currencies)		
	Pubali Bank PLC.	9,130,422,101	8,902,088,820
	Pubali Bank Securities Limited	-	-
		9,130,422,101	**8,902,088,820**
	Balance with Bangladesh Bank and its agent Bank (s) (Including foreign currencies)		
	Pubali Bank PLC.	24,966,637,862	25,547,757,619
	Pubali Bank Securities Limited	-	-
		24,966,637,862	**25,547,757,619**
		34,097,059,963	**34,449,846,439**

Amount in BDT

		2023	2022
4	**Balance with other banks and financial institutions**		
	In Bangladesh (Note 4.1)	4,352,466,646	5,012,859,563
	Outside Bangladesh (Note 4.2)	1,804,179,192	4,797,398,689
		6,156,645,838	**9,810,258,252**
4.1	**In Bangladesh**		
	In current deposit Accounts (in local currency)		
	Janata Bank PLC.	1,448,256	65,050,296
		1,448,256	**65,050,296**
	In fixed/term deposit account (in local currency)		
	ICB Islamic Bank PLC., Bangshal Branch, Dhaka	32,371,626	32,386,626
	ICB Islamic Bank PLC., Principal Office, Dhaka	188,228,773	188,293,773
	Exim Bank PLC.	950,000,000	1,050,000,000
	Investment Corporation of Bangladesh	700,000,000	940,000,000
	Southeast Bank PLC.	548,750,000	-
	Mutual Trust Bank PLC., Dhaka	1,893,584,310	-
	United Commercial Bank PLC.	-	500,000,000
	Agrani Bank PLC.	-	2,200,000,000
		4,312,934,709	**4,910,680,399**
	In Savings deposit account		
	Islami Bank Bangladesh PLC.	15,767,391	15,309,880
		15,767,391	**15,309,880**
	In Special Notice Deposit account		
	Sonali Bank PLC., Shilpa Bhaban Branch, Dhaka	235,003	90,417
	Bangladesh Krishi Bank, Local office, Dhaka	8,225,233	8,029,752
	Janata Bank PLC., Nawabpur branch, Dhaka	6,449,884	6,423,736
	First Security Islami Bank PLC., Dilkusha Branch, Dhaka	6,864,840	6,737,107
	AB Bank PLC., Islamic Banking Branch, Dhaka	541,330	537,976
		22,316,290	**21,818,988**
	Total Deposit in Bank in BDT	**4,352,466,646**	**5,012,859,563**

4.2 Outside Bangladesh (Nostro Account) In demand deposit account (non interest bearing)

NAME OF BANK	FOREIGN CURRENCY NAME	2023			2022		
		CONVERSION RATE PER UNIT FC	AMOUNT IN FOREIGN CURRENCY	AMOUNT IN BDT	CONVERSION RATE PER UNIT FC	AMOUNT IN FOREIGN CURRENCY	AMOUNT IN BDT
SCB Mumbai (AMEX)	ACUD	-	-	-	103.2970	30,177.44	3,117,239
Bank of Bhutan, Thimpu	ACUD	109.7500	882.08	96,808	103.2970	2,735.75	282,595
MUFG Bank Ltd. Japan	JPY	0.7770	5,679,858.00	4,413,199	0.7716	12,736,616	9,827,849
Commerz Bank , Germany	USD	109.7500	97,945.79	10,749,550	103.2970	231,524.58	23,915,795
Habib Metropolitan Bank, Ltd., Karachi	ACUD	109.7500	2,212.51	242,823	103.2970	18,107.97	1,870,499
Habib American Bank, New York	USD	109.7500	463,544.39	50,873,997	103.2970	677,993.95	70,034,741
HDFC Bank Ltd., Mumbai	ACUD	109.7500	2,752,030.47	302,035,344	103.2970	158,393.88	16,361,613
Punjab National Bank	ACUD	109.7500	166,911.99	18,318,591	103.2970	242,114.65	25,009,717
HSBC Bank, Mumbai	ACUD	109.7500	64,075.94	7,032,334	103.2970	64,075.94	6,618,852
ICICI Bank Ltd., Kolkata, India	ACUD	109.7500	2,615.57	287,059	103.2970	233,939.59	24,165,258
AB Bank, Mumbai	ACUD	109.7500	71,545.10	7,852,075	103.2970	317,005.55	32,745,722
Mashreq Bank PSC, New york	USD	109.7500	673,807.67	73,950,392	103.2970	14,527,796.19	1,500,677,763
Mashreq Bank PSC, New york (OBU)	USD	109.7500	946,144.11	103,839,316	103.2970	6,796,395.22	702,047,238
Mashreq Bank Mumbai, India (OBU)	ACUD	109.7500	307,571.95	33,756,022	103.2970	3,847.05	397,389
Unicredit A.P.A, ITALY	USD	109.7500	65,547.50	7,193,838	-	-	-
MCB, Pakistan	ACUD	109.7500	400,602.56	43,966,131	103.2970	247,352.08	25,550,728
Peoples Bank, Colombo	ACUD	109.7500	6,248.40	685,762	103.2970	6,248.40	645,441
Sonali Bank Ltd, Kolkata	ACUD	109.7500	265,305.33	29,117,260	103.2970	567,456.66	58,616,571
Standard Chartered Bank, Kathmandu	ACUD	109.7500	975,361.70	107,045,947	103.2970	328,061.70	33,887,789
Standard Chartered Bank, New york	USD	109.7500	1,753,955.99	192,496,670	103.2970	17,614,244.97	1,819,498,663
Standard Chartered Bank, Mumbai	ACUD	109.7500	887,438.49	97,396,374	103.2970	95,549.63	9,869,990
Standard Chartered Bank, UK	GBP	140.6007	3,308.15	465,128	124.3387	4,791.69	595,792
ICICI Bank, Kolkata, India	EURO	122.0201	14,537.17	1,773,827	109.7427	14,537.17	1,595,349
UBS AG, Zurich	CHF	130.6237	3,810.54	497,747	111.3594	15,949.89	1,776,170
Unicredit S.P.A., Milano, Italy	EURO	122.0202	986.21	120,338	109.7427	215,234.25	23,620,395
Citi Bank NA. New York	USD	109.7500	141,664.56	15,547,685	103.2970	238,326.16	24,618,377
Commerz Bank , Germany	EURO	122.0201	3,205,919.29	391,186,432	109.7427	596,847.46	65,499,671
JP Morgan Chase Bank, New York	USD	109.7500	289,975.13	31,824,771	103.2970	1,993,248.49	205,896,589
ABU DHABI Commercial Bank	AED	29.8778	1,067,404.25	31,891,655	28.1218	1,393,745.15	39,194,624
AXIS Bank Ltd. India	ACUD	109.7500	267,191.84	29,324,304	103.2970	641,133.99	66,227,218
ZHEJIANG CHOUZHOU Commercial Bank	USD	109.7500	286,465.49	31,439,588	103.2970	572.40	59,127
ZHEJIANG CHOUZHOU Commercial Bank	CNY	15.4165	7,423,674.91	114,447,018	14.8132	214,263.10	3,173,925
AL RAJHI Bank	SAR	29.2635	1,115,015.50	32,629,306	-	-	-
ICICI Bank USD, Hong Kong	USD	109.7500	14,610.13	1,603,462	-	-	-
CITIBANK EUROPE PLC	EURO	122.0201	246,504.07	30,078,439	-	-	-
				1,804,179,192			**4,797,398,689**

Notes To The Financial Statements

for the year ended 31 December 2023

Amount in BDT

		2023	2022
4.3	**Maturity grouping of balance with other banks and financial institutions**		
	Receivable on demand	1,843,711,129	4,899,577,853
	Up to 3 months	2,982,865,120	1,050,000,000
	Over 3 months but not more than 1 year	1,109,469,190	3,640,000,000
	Above 1 year (receivable from former The Oriental Bank PLC)	220,600,399	220,680,399
		6,156,645,838	**9,810,258,252**
4(a)	**Consolidated Balance with other banks and financial institutions**		
	In Bangladesh		
	Pubali Bank PLC.	4,352,466,646	5,012,859,563
	Pubali Bank Securities Limited	583,264,253	1,576,440,374
		4,935,730,899	**6,589,299,937**
	Less: Inter Company Transactions	548,424,389	1,485,886,271
		4,387,306,510	**5,103,413,666**
	Outside Bangladesh		
	Pubali Bank PLC.	1,804,179,192	4,797,398,689
	Pubali Bank Securities Limited	-	-
		1,804,179,192	**4,797,398,689**
		6,191,485,702	**9,900,812,355**
5	**Money at call on short notice**		
	Banking company (note- 5.1)	11,286,667	811,286,667
	Non-banking Financial Institution (note-5.2)	26,400,000	27,700,000
		37,686,667	**838,986,667**
5.1	**Banking company**		
	The Premier Bank PLC.	-	800,000,000
	ICB Islamic Bank PLC.	11,286,667	11,286,667
		11,286,667	**811,286,667**
5.2	**Non-banking Financial Institution**		
	GSP Finance Co. (BD) Ltd.	26,400,000	27,700,000
	IPDC Finance Limited	-	-
		26,400,000	**27,700,000**
6	**Investments**		
	Government investments		
	Securities		
	Government/ Bangladesh Bank bills - at book value (note 6.1)	15,530,470,259	11,505,232,705
	Government treasury bonds (Note 6.2)	111,498,786,719	103,005,040,360
	Reverse Repo (Note 6.3)	-	2,111,228,163
	National prize bonds	21,797,541	12,682,101
	Total investment in government securities and bonds	**127,051,054,519**	**116,634,183,329**
	Other investments:		
	Shares (Note 6.4)	8,390,058,807	8,152,789,309
	Debentures (Note 6.5)	294,060	294,060
	Prime Bank PLC. Bond	200,000,000	300,000,000
	Dhaka Bank PLC. Bond	60,000,000	90,000,000
	Southeast Bank PLC. Bond - 2	-	200,000,000
	Trust Bank PLC. Bond -2	-	200,000,000
	One Bank PLC. Bond -2	-	200,000,000
	Jamuna Bank PLC. Bond	60,000,000	120,000,000
	Mutual Trust Bank PLC. Bond -2	190,000,000	380,000,000
	Bank Asia PLC. Bond -2	200,000,000	300,000,000
	EXIM Bank PLC Bond -2	200,000,000	400,000,000
	Dutch- Bangla Bank PLC. Bond-1	300,000,000	600,000,000
	Shahjalal Islami Bank PLC. Bond	140,000,000	280,000,000
	Social Islami Bank PLC. Bond -2	-	100,000,000
	The City Bank PLC. Bond -2	87,500,000	262,500,000
	Standard Bank PLC. Bond	100,000,000	200,000,000
	Islami Bank Bangladesh PLC. Bond	200,000,000	400,000,000
	United Commercial Bank PLC. Bond -1	150,000,000	300,000,000

Amount in BDT

		2023	2022
	Southeast Bank PLC.-3	60,000,000	90,000,000
	The City Bank PLC. Bond -3	200,000,000	300,000,000
	Dutch- Bangla Bank PLC. Bond -2	200,000,000	300,000,000
	One Bank PLC. Bond-3	255,000,000	300,000,000
	Eastern Bank PLC. Bond	600,000,000	800,000,000
	Bank Asia PLC. Bond -3	300,000,000	500,000,000
	Dutch- Bangla Bank PLC. Bond-3	400,000,000	500,000,000
	Trust Bank PLC. Bond -3	500,000,000	500,000,000
	The City Bank perpetual Bond	799,000,000	799,000,000
	United Commercial Bank PLC. Perpetual Bond	500,000,000	500,000,000
	PRAN AGRO Limited Green Bond	180,000,000	240,000,000
	NCC Bank Perpetual Bond	650,000,000	650,000,000
	Islami Bank Bangladesh PLC. Perpetual Bond	100,000,000	100,000,000
	Mercantile Bank PLC. Perpetual Bond	1,000,000,000	1,000,000,000
	Mutual Trust Bank PLC. Bond-3	2,500,000,000	2,500,000,000
	United Commercial Bank PLC. Bond-2	1,000,000,000	1,000,000,000
	Mercantile Bank PLC. Perpetual Bond-2	499,910,000	-
	Dhaka Bank PLC. Perpetual Bond	157,955,000	-
	Banga Buliding Material PLC. 1st Sukuk Baond	100,000,000	-
	Al-Arafah Islami Bank PLC. Bond	160,000,000	200,000,000
	Bridge financing advances (Note 6.6)	4,722,910	4,722,910
		20,444,440,777	**22,769,306,279**
		147,495,495,296	**139,403,489,608**
6.1	**Government/ Bangladesh Bank bills**		
	30 days Bangladesh Bank bills	-	-
	91 days treasury bills	974,525,439	4,234,682,943
	182 days treasury bills	-	139,563,481
	1 year treasury bills	14,555,944,820	7,130,986,281
		15,530,470,259	**11,505,232,705**
6.2	**Government treasury bonds**		
	25 years treasury bond	-	-
	20 years treasury bond	34,699,128,809	29,141,268,603
	15 years treasury bond	15,975,078,893	16,981,980,475
	10 years treasury bond	32,462,339,227	26,040,828,365
	5 years treasury bond	24,783,227,232	14,933,494,517
	2 years treasury bond	2,555,332,558	15,233,788,400
		110,475,106,719	**102,331,360,360**
	5 years Sukuk Bond	673,680,000	673,680,000
	6 Months Bangladesh Govt. Islami Investment Bond	350,000,000	-
		1,023,680,000	**673,680,000**
		111,498,786,719	**103,005,040,360**
6.3	**Reverse Repo with other Bank**		
	Government/ Bangladesh Bank bills		
	182 days (Reverse Repo with other bank)	-	465,737,374
		-	**465,737,374**
	Government treasury bonds		
	20 years treasury bond	-	376,110,084
	15 years treasury bond	-	545,519,060
	10 years treasury bond	-	723,861,645
		-	**1,645,490,789**
		-	**2,111,228,163**

Notes To The Financial Statements

for the year ended 31 December 2023

Amount in BDT

6.4 Shares

NAME OF COMPANY	NO OF SHARE	MARKET PRICE	MARKET VALUE	COST/BOOK VALUE 2022	COST/BOOK VALUE 2021
The ACME Laboratories Limited	2,036,888	85.00	173,135,480	184,495,234	186,135,765
ACME Pesticides Limited	7,445,670	35.40	263,576,718	243,177,252	243,177,252
Bata Shoe Company (BD) Limited	105,269	966.90	101,784,596	104,463,481	93,124,144
Baraka Power Limited	1,120,790	21.30	23,872,827	28,903,695	28,903,695
Baraka Patenga Power Limited	933,895	29.30	27,363,124	30,371,573	30,371,573
Bangladesh Shipping Corporation	400,000	107.00	42,800,000	53,474,089	-
Bangladesh Submarine cable company Limited	361,644	218.90	79,163,872	70,123,254	70,123,254
Bangladesh Steel Re-Rolling Mills Limited	1,973,175	90.00	177,585,750	182,058,989	182,058,989
BSRM Steels Limited	2,798,048	63.90	178,795,267	212,974,449	212,974,448
City Bank PLC.	1,639,669	21.40	35,088,917	39,542,135	39,542,135
Confidence Cement Mills Limited	154,686	89.00	13,767,054	16,647,430	16,647,430
Delta Brac Housing Finance Corporation Limited	824,218	56.70	46,733,161	63,090,082	63,090,082
Eastern Bank PLC.	25,667,062	29.40	754,611,623	53,051,800	53,051,800
Global Islami Bank PLC.	1,383,236	8.60	11,895,830	13,173,680	13,173,680
Grameenphone Limited	940,000	286.60	269,404,000	314,358,531	314,358,531
ICB Islamic Bank PLC.	7,998,300	5.40	43,190,820	79,983,000	79,983,000
Islami Commercial Insurance Company Limited	-	-	-	-	87,980
IDLC Finance Ltd	3,850,989	46.50	179,070,989	221,795,630	221,795,630
Ifad Autos Limited	985,320	44.10	43,452,612	64,605,006	64,605,006
Jamuna oil Company limited	1,130,000	168.50	190,405,000	201,237,089	201,237,089
JMI Hospital Requisite Manufacturing Limited	-		-	-	66,045,395
Khulna Power Company Limited	792,717	26.60	21,086,272	36,903,300	36,903,300
Lanka Bangla Securities Limited	97,828	17.60	1,721,773	5,000,000	-
Lafarge Holcim Bangladesh Limited	297,151	69.30	20,592,564	20,916,478	-
Linde Bangladesh Limited	35,000	1,397.70	48,919,500	49,365,494	49,365,494
LR Global Bangladesh Mutual Fund One	5,184,672	6.40	33,181,901	50,000,000	50,000,000
Marico Bangladesh Limited	100,000	2,460.70	246,070,000	143,564,611	143,564,611
Meghna Insurane Limited	-	-	-	-	40,020
Mercantile Bank PLC.	6,353,566	13.30	84,502,428	100,899,807	100,899,807
MJL Bangladesh Limited	2,270,502	86.70	196,852,523	226,514,037	226,514,037
Meghna Petroleum Limited	1,000,000	198.60	198,600,000	203,475,158	203,475,158
NCC Bank PLC.	4,368,000	13.10	57,220,800	63,019,013	63,019,013
Olympic Industries Limited	262,128	152.00	39,843,456	75,383,109	75,383,109
One Bank PLC.	108,237	9.50	1,028,252	1,267,000	1,267,000
Padma Oil Company Limited	750,439	209.20	156,991,839	169,102,147	169,102,147
Power Grid Company Bangladesh	1,003,700	52.40	52,593,880	60,931,655	60,931,655
PTL	800,000	77.00	61,600,000	61,677,678	-
Rangpur Foundry Limited	84,244	154.00	12,973,576	13,721,574	-
Reckitt Benckiser Bangladesh Limited	11,268	4,760.70	53,643,568	18,222,861	18,222,861
Renata Ltd	229,812	1,217.90	279,888,035	151,728,401	151,728,401
Ring Shine Textiles Limited	-	-	-	-	11,244
Singer Bangladesh Limited	150,000	151.90	22,785,000	24,258,655	24,258,655
Square Pharmaceuticals Limited	4,257,500	210.30	895,352,250	885,601,353	418,456,694
Summit Power Limited	8,466,700	34.00	287,867,800	345,128,322	345,128,322
Titas Gas Transmission and Distribution Co Ltd.	2,840,163	40.90	116,162,667	132,799,706	132,799,706
Unilever Consumer Care Limited	76,772	2,019.20	155,018,022	84,155,591	79,948,157
Union Bank PLC.	19,950,000	8.90	177,555,000	241,106,922	241,106,922
United Power Generation & Distribution Company Ltd	800,000	233.70	186,960,000	207,510,306	207,510,306
Uttara Bank PLC.	6,503,247	22.30	145,022,408	135,058,186	136,444,769
Sub-Total (A)			**6,209,731,151**	**5,684,837,763**	**5,116,568,266**

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for the year ended 31 December 2023

Amount in BDT

	NO OF SHARE	FACE VALUE	MARKET VALUE/NAV	COST/BOOK VALUE 2022	COST/BOOK VALUE 2021
Unqouted (B)					
Swan Textile Mills Limited	578	100	-	57,800	57,800
Specialised Jute Yarn & Twine Manufacturing Co. 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	31,066,650	10,000,000	10,000,000
Central Depository Bangladesh Limited	2,284,721	10	89,816,952	6,277,770	6,277,770
Lanka Bangla Securities Limited	97,828	10	-	-	5,000,000
Sub-Total (B)			**120,883,602**	**17,893,250**	**22,893,250**

PREFERENCE SHARES (C)	NO OF SHARE	FACE VALUE	MARKET VALUE/NAV	COST/BOOK VALUE 2022	COST/BOOK VALUE 2021
Raj Lanka Power Company Limited	-	10	-	-	-
Summit Barisal Power Company Limited	-	10	-	-	-
Summit Narayangonj Power Company Limited	-	10	-	-	-
Confidence Power Bogra Unit-2 Limited	3,000,000	10	30,000,000	30,000,000	45,000,000
Kushiara Power Company Limited	13,800,000	10	138,000,000	138,000,000	161,000,000
City Sugar Mills Limited	3,000	100,000	300,000,000	300,000,000	400,000,000
Flamingo Fashion Limited	1,140,000	100	114,000,000	114,000,000	152,000,000
Akber Ali & Company Limited	45,000,000	10	450,000,000	450,000,000	600,000,000
Sub-Total (C)			**1,032,000,000**	**1,032,000,000**	**1,358,000,000**

NON CAPITAL MARKET INVESTMENT ELEMENT (D)	NO OF SHARE	FACE VALUE	MARKET VALUE/NAV	COST/BOOK VALUE 2022	COST/BOOK VALUE 2021
Investment Corporation of Bangladesh	63,546,441	10	949,649,126	949,649,126	949,649,126
Bangladesh Submarine Cable Company Limited	75,000	10	14,406,686	14,406,686	14,406,686
Bangladesh Steel Re-Rolling Mills Limited	311,159	10	34,119,035	34,119,035	34,119,035
BSRM Steels Limited	199,590	10	14,288,714	14,288,714	14,288,714
IDLC Finance Ltd	567,551	10	33,746,923	33,746,923	33,746,923
Jamuna Oil Company Limited	332,737	10	56,866,924	56,866,924	56,866,924
Khulna Power Company Limited	1,000,000	10	50,318,619	50,318,619	50,318,619
Mercantile Bank PLC.	4,532,732	10	82,743,448	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	4,907,969
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	9,200,275
Renata Ltd	68,135	10	84,787,848	84,787,848	84,787,847
Square Pharmaceuticals Limited	230,000	10	47,509,481	47,509,481	47,509,481
Summit Power Limited	1,500,000	10	62,114,646	62,114,646	62,114,646
Titas Gas Transmission and Distribution Co. Ltd.	168,820	10	6,288,060	6,288,060	6,288,060
United Power Generation & Distribution Ltd.	300,000	10	75,478,326	75,478,326	75,478,326
Uttara Bank PLC	724,933	10	16,764,963	16,764,963	16,764,963
Sub-Total (D)			**1,655,327,793**	**1,655,327,794**	**1,655,327,793**
Total (A+B+C+D)			**9,017,942,546**	**8,390,058,807**	**8,152,789,309**

Amount in BDT

6.4.1 Particulars of required provision for investment

	MARKET VALUE/NAV AT 31 DEC 2023	COST/BOOK VALUE AT 31 DEC 2023	REQUIRED PROVISION 2023	REQUIRED PROVISION 2022
Quoted Shares	6,176,549,250	5,634,837,763	-	-
Mutual Fund	33,181,901	50,000,000	16,818,099	4,211,569
Unquoted Shares				
Provision Required				
Swan Textile Mills Limited	-	57,800	57,800	57,800
Specialised Jute Yarn & Twine Manufacturing Co. Ltd.	-	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	-	-	-	3,042,922
Provision not Required				
Karmasangsthan Bank	31,066,650	10,000,000	-	-
Central Depository Bangladesh Limited	89,816,952	6,277,770	-	-
Preference Share				
Confidence Power Bogra Unit-2 Limited	30,000,000	30,000,000	-	-
Kushiara Power Company Limited	138,000,000	138,000,000	-	-
City Sugar Mills Limited	300,000,000	300,000,000	-	-
Flamingo Fashion Limited	114,000,000	114,000,000	-	-
Akber Ali & Company Limited	450,000,000	450,000,000	-	-
Non Capital Market Investment Element				
Investment Corporation of Bangladesh	949,649,126	949,649,126	-	-
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	-	-
Mercantile Bank PLC	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	62,114,646	62,114,646	-	-
Titas Gas Transmission and Distribution Co. Ltd.	6,288,060	6,288,060	-	-
United Power Generation & Distribution Ltd.	75,478,326	75,478,326	-	-
Uttara Bank PLC	16,764,963	16,764,963	-	-
	9,017,942,546	8,390,058,807	18,433,579	8,869,971
Bridge finance Advance	-	4,722,910	4,722,910	4,722,910
Debenture - at cost	-	294,060	294,060	294,060
Grand Total	**9,017,942,546**	**8,395,075,777**	**23,450,549**	**13,886,941**

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.

Amount in BDT

		2023	2022
6.4.2	**Particulars of required provision for Balance with other Bank**		
	In fixed/term deposit account (in local currency)		
	ICB Islamic Bank PLC, Bangshal Branch, Dhaka	32,371,626	32,386,626
	ICB Islamic Bank PLC, Principal Office, Dhaka	188,228,773	188,293,773
	Total Fixed/ Term Deposit	**220,600,399**	**220,680,399**
	Money at call on short notice		
	ICB Islamic Bank PLC.	11,286,667	11,286,667
	Total required provision	**231,887,066**	**231,967,066**
	Total required provision for Investment and Balance with other Bank		
	Investment	23,450,549	13,886,941
	Balance with other Bank	231,887,066	231,967,066
	Grand Total	255,337,615	245,854,007
	Provision maintained (note: 14.4)	255,500,000	253,500,000
	Excess/(Shortage)	**162,385**	**7,645,993**
6.5	**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**
6.6	**Bridge financing advances**		
	Bridge financing advances (ICB sponsored)	**4,722,910**	**4,722,910**
6.7	**Maturity grouping of investments**		
	Receivable on demand	6,818,387,578	8,352,230,803
	Not more than 3 months	2,887,625,439	21,327,375,335
	Over 3 months but not more than 1 year	20,195,344,820	11,127,166,643
	Over 1 year but not more than 5 years	34,061,374,060	29,961,502,313
	Over 5 years	83,532,763,399	68,635,214,514
		147,495,495,296	**139,403,489,608**
6.8	**Investment classified as per Bangladesh Bank Circular**		
	Treasury Bill - Held for trading (HFT)	15,530,470,259	11,505,232,705
	Treasury Bond - Held for trading (HFT)	18,528,336,721	31,140,141,640
	Treasury Bond - Held to maturity (HTM)	92,970,449,998	73,976,126,883
	Approved debenture - Held to maturity (HTM)	294,060	294,060
	Other securities	20,465,944,258	22,781,694,320
		147,495,495,296	**139,403,489,608**

6.9 **Repo and Reverse Repo**

A.(I) Disclosure regarding outstanding repo as on 31 December 2023

COUNTER PARTY NAME	AGREEMENT DATE	REVERSAL DATE	AMOUNT (1ST LEG CASH CONSIDERATION)
Bangladesh Bank	24/12/2023	1/1/2024	10,577,171,000
Bangladesh Bank	27/12/2023	3/1/2024	6,740,250,000
Bangladesh Bank	28/12/2022	8/1/2024	984,197,000
Total			**18,301,618,000**

A. (II) Disclosure regarding outstanding Reverse repo as on 31 December 2023

COUNTER PARTY NAME	AGREEMENT DATE	REVERSAL DATE	AMOUNT (1ST LEG CASH CONSIDERATION)
	-	-	-
Total			**-**

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	959,543,000	10,577,171,000	359,177,539
ii) With Other Banks and FIs	467,748,500	9,637,272,000	461,540,335
Total	**1,427,291,500**	**20,214,443,000**	**820,717,874**
Securities Purchased under Reverse Repo:			
i) From Bangladesh Bank	-	-	-
ii) From Other Banks and FIs	176,907,200	11,007,349,223	747,854,002
Total	**176,907,200**	**11,007,349,223**	**747,854,002**

Amount in BDT

		2023	2022
6(a)	**Consolidated Investments**		
	1. Government		
	Pubali Bank PLC.	127,051,054,519	116,634,183,329
	Pubali Bank Securities Limited	468,256,415	122,126,953
		127,519,310,934	**116,756,310,282**
	2. Other		
	Pubali Bank PLC.	20,444,440,777	22,769,306,279
	Pubali Bank Securities Limited	7,376,069,322	6,638,790,420
		27,820,510,099	**29,408,096,699**
		155,339,821,033	**146,164,406,981**
7	**Loans, advances and leases**		
	Loans, cash credits and overdrafts, etc. (note 7.1)	519,238,508,092	423,923,256,079
	Bills purchased and discounted (note 7.2)	35,256,987,944	37,960,870,002
		554,495,496,036	**461,884,126,081**
7.1	**Loans, cash credits, overdrafts, etc.**		
	In Bangladesh:		
	Loans	209,216,420,429	161,240,869,772
	Cash credits	95,195,820,089	72,283,468,046
	Overdrafts	122,692,880,111	111,976,434,329
	Earnest Money	9,466,818,539	3,765,107,165
	Loan against merchandise	3,211,972	3,211,992
	Packing credits	4,306,471,154	1,149,369,402
	Loan against trust receipts	13,040,066,438	11,912,205,855
	Pubali prochesta	100,512,561	105,643,232
	Non-resident Credit Scheme	250,160	50,728
	Pubali Subarna	5,050,300,333	5,966,132,134
	Pubali Karmo Uddog	244,358,338	325,060,987
	Pubali Sujon	30,134,552	32,225,953
	Pubali Utsob	29,923,590	19,709,996
	Payment against documents	9,385,219,755	9,512,249,834
	Consumers loan scheme	12,836,417,238	12,990,967,382
	EDF loan	18,728,520,578	19,392,866,426
	Lease finance (Note 7.13)	17,356,434,915	11,049,185,531
	Credit card	441,052,072	301,256,486
	Others	1,113,695,268	1,897,240,829
		519,238,508,092	**423,923,256,079**
	Outside Bangladesh	-	-
		519,238,508,092	**423,923,256,079**
7.1.1	**Maturity grouping of Loans, Advances and Leases**		
	Repayable on demand	22,571,263,801	27,304,642,244
	Up to 3 months	153,555,571,935	117,705,095,545
	Over 3 months but not more than 1 year	153,085,887,084	121,554,823,224
	Over 1 year but not more than 5 years	116,481,847,417	91,912,187,086
	Over 5 years	73,543,937,855	65,446,507,980
		519,238,508,092	**423,923,256,079**
7.2	**Bills purchased and discounted**		
	Payable in Bangladesh:		
	Loans against accepted bills	8,117,595,410	5,684,352,296
	Loans against demand draft purchased	31,565	31,565
		8,117,626,975	**5,684,383,861**
	Payable outside Bangladesh:		
	Foreign bills purchased	27,139,360,969	32,276,486,141
	Foreign draft purchased	-	-
		27,139,360,969	**32,276,486,141**
		35,256,987,944	**37,960,870,002**
7.2.1	**Maturity grouping of Bills purchased and discounted**		
	Receivable on demand	325,703,045	2,851,794,993
	Not more than 3 months	20,195,977,644	20,790,512,962
	Over 3 months but not more than 6 months	14,735,307,255	14,318,562,047
		35,256,987,944	**37,960,870,002**

Amount in BDT

		2023	2022
7.3	**Loans and Advances including bills purchased and discounted analysed in following broad categories**		
	In Bangladesh		
	Loans	309,467,434,869	245,347,737,565
	Cash credits	95,195,820,088	72,283,468,046
	Overdrafts	122,692,880,110	111,976,434,329
		527,356,135,067	**429,607,639,940**
	Outside Bangladesh	27,139,360,969	32,276,486,141
		554,495,496,036	**461,884,126,081**
7.4	**Loans and advances on the basis of significant customer concentration including bills purchased and discounted**		
	Advance to Directors and others	14,610	93,045
	Advance to officers and employees	5,618,830,929	4,774,792,041
	Advance to customers group (note 7.9)	167,753,800,000	183,297,040,000
7.5	**Industry wise distribution of loans and advances**		
	Agriculture	9,643,226,057	9,291,096,302
	Jute	1,973,729,690	608,921,373
	Textile	57,601,646,909	46,807,328,394
	Ready-made garments	51,617,248,707	33,676,578,915
	Steel & engineering	22,709,237,872	22,617,419,541
	Ship breaking	3,043,212,129	2,907,010,499
	Edible oil	11,153,260,136	15,616,818,043
	Cement	11,787,026,004	7,609,589,986
	Pharmaceuticals	9,596,220,888	12,130,011,758
	Food & allied	36,463,366,770	30,857,862,042
	Electrical equipments & Electronic Goods	16,007,191,975	17,622,036,739
	Paper, paper products and packaging	4,463,789,998	4,310,243,616
	Leather	439,794,132	381,561,694
	Printing & Dyeing Industries	4,080,514,370	4,218,867,603
	Others Manufacturing Industries	50,654,262,118	37,079,254,550
	Energy and power	8,769,786,914	7,452,797,855
	Hospitals, Clinics and other health services	7,230,484,208	7,046,081,841
	Construction	26,964,053,182	16,999,334,318
	Housing	13,794,512,540	11,396,175,500
	Transport and communication	3,391,495,906	2,137,407,820
	Others Service Industries	10,306,134,444	9,704,482,673
	Trade & Commerce	90,669,972,607	82,273,454,120
	NBFI (Non Bank Financial Institution)	3,394,645,594	3,764,994,321
	NGO	10,982,715,202	9,878,224,497
	Consumer Finance	58,239,588,555	39,536,380,144
	Others	29,518,379,129	25,960,191,937
		554,495,496,036	**461,884,126,081**
7.6	**Geographical location-wise (based on fund used) distribution of loans and advances including bills purchased and discounted**		
	In Bangladesh - Urban		
	Dhaka	141,469,689,352	117,004,700,864
	Chattogram	62,238,484,412	12,590,278,719
	Sylhet	19,908,313,900	12,309,691,588
	Barishal	8,110,122,432	8,241,109,564
	Khulna	18,842,336,068	15,469,420,779
	Rajshahi	15,149,713,857	11,229,989,260
	Rangpur	13,505,445,110	10,161,895,329
	Mymensingh	7,942,186,180	6,160,946,719
		287,166,291,311	**193,168,032,822**
	In Bangladesh - Rural		
	Dhaka	162,918,993,652	128,531,696,704
	Chattogram	16,889,136,730	57,790,522,044
	Sylhet	22,699,358,833	13,869,932,747
	Barishal	2,689,069,500	2,071,011,098
	Khulna	6,862,510,524	4,102,248,255
	Rajshahi	7,344,601,025	6,834,877,476
	Rangpur	8,351,390,129	5,802,274,207
	Mymensingh	12,434,783,363	17,437,044,587
		240,189,843,756	**236,439,607,118**
	Outside Bangladesh (Foreign bills/drafts purchased)	**27,139,360,969**	**32,276,486,141**
		554,495,496,036	**461,884,126,081**

Amount in BDT

		2023	2022
7.7	**Sector-wise loans and advances including bills purchased and discounted**		
	Public sector	24,756	25,756
	Private sector	554,270,978,308	460,651,305,997
	Co-operative sector	224,492,972	1,232,794,328
		554,495,496,036	**461,884,126,081**
7.8	**Security base-wise loans and advances including bills purchased and discounted**		
	Collateral of movable and immovable properties	320,140,685,079	240,507,558,639
	Guarantee of local banks and financial institutions	34,136,507,862	-
	Export documents	7,396,744,301	11,807,775,795
	Fixed/ Term deposit receipts of own Bank	36,446,182,988	39,715,605,051
	FDR of other banks	381,333,859	276,120,031
	Government bonds	6,655,031	59,936,488
	Corporate Guarantee	58,009,559,362	90,277,476,015
	Personal guarantee	87,428,059,794	78,006,723,380
	Other securities	10,549,767,760	1,232,930,682
		554,495,496,036	**461,884,126,081**
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 is Taka 65,431,793,942 as at 31 December 2023.		
	Number of clients	21	21
	Amount of outstanding loans/advances	194,469,000,000	183,297,040,000
	*** Details shown in Annexure C**		
	Name of borrower		
	Paramount Group	15,145,900,000	11,443,200,000
	Ha-Meem Group	13,792,200,000	7,932,300,000
	Secom Group	12,905,500,000	10,455,900,000
	PRAN-RFL Group	11,590,400,000	9,656,200,000
	Max Group	10,887,600,000	8,393,800,000
	Amanat Shah Group	10,762,600,000	10,172,700,000
	Sharmin Group	10,228,800,000	9,245,900,000
	City Group	9,702,600,000	13,192,700,000
	JMI Group	9,020,000,000	8,701,900,000
	BRB Group	8,960,800,000	7,121,600,000
	MSA Spining	8,793,200,000	9,071,200,000
	Abul Khair Group	8,024,200,000	6,706,500,000
	AA Yarn Mills Ltd.	7,950,700,000	8,566,700,000
	GPH Ispat Limited	7,923,700,000	7,523,100,000
	Nabil Group	7,812,200,000	-
	Biswas Group	7,306,500,000	-
	City Seed Crushing Group	6,946,900,000	9,920,200,000
	Fair Electronics Group	6,726,900,000	-
	Jamil Iqbal Group	6,702,600,000	-
	SQ Group	6,697,400,000	-
	Salam Steel Group	6,588,300,000	-
	Sheltech Group	-	9,385,140,000
	Al Mostafa Group	-	6,317,200,000
	Meghna Group	-	9,482,300,000
	Pakiza Group	-	6,806,300,000
	Popular Group	-	6,742,500,000
	BRAC Group	-	6,459,700,000
		194,469,000,000	**183,297,040,000**
7.10	**Classification of loans and advances including bills purchased and discounted**		
	Unclassified:		
	Standard	526,912,479,072	439,018,423,689
	Special mention account (SMA)	6,102,162,568	5,969,682,385
		533,014,641,640	444,988,106,074
	Classified:		
	Substandard (SS)	1,149,360,137	1,953,264,931
	Doubtful (DF)	2,716,524,269	652,108,582
	Bad or loss (BL)	11,996,139,061	9,515,854,453
		15,862,023,467	12,121,227,966
	Staff loan	5,618,830,929	4,774,792,041
		554,495,496,036	**461,884,126,081**

Amount in BDT

				2023	2022
7.11	**Particulars of required provision for investment**				
	Status of Classification	**Base for Provision**	**Rate of Provision (%)**		
	General provision - Unclassified				
	Standard	392,383,257,998	1	3,923,832,580	3,161,628,043
	Small & Medium Enterprise financing	108,174,814,861	0.25	270,437,037	239,572,748
	Loans to BHs/MBs/SDs against share etc.	520,783,442	1	5,207,834	11,142,429
	Housing Finance	4,316,974,669	1	43,169,747	2,738,347
	Loan for Professional to setup business	10,948,312	2	218,966	432,976
	Consumers loan scheme (Credit Card)	220,158,849	2	4,403,177	3,195,322
	Consumers loan scheme	19,563,174,095	2	391,263,482	317,195,671
	Short Term Agri Credit and Micro credit	1,722,366,846	1	17,223,668	101,543,658
	Special mention account (SMEF)	2,370,602,000	0.25	5,926,505	4,927,434
	Special mention account (Credit Card)	6,443,049	2	128,861	69,102
	Special mention account (CLS)	149,509,841	2	2,990,197	3,463,049
	Special mention account (HF)	24,104,867	1	241,049	46,843
	Special mention account (Others)	3,322,540,955	1	33,225,410	34,936,303
	Staff Loan	5,618,830,929	1	56,188,309	-
				4,754,456,822	3,880,891,925
	Provision kept as per Bangladesh Bank Inspection Team instruction against stay order given by Hon'ble High Court			1,595,168,098	1,595,168,098
	General provision to mitigate future risk			1,380,836,638	1,380,836,638
	Special General Provision-COVID 19 has been maintained as per BRPD circular letter no.56/2020, 50/2021, 52/2021, 53/2021 and 53/2022			930,338,940	1,046,629,539
				8,660,800,498	**7,903,526,200**
	Specific provision - Classified				
	Substandard (Agri & Micro credit)	637,051	5	31,853	18,614
	Substandard (Small, Cottage, Mirco credit)	294,734,018	5	14,736,701	17,414,607
	Substandard (Others)	1,305,736,962	20	261,147,392	248,270,344
	Doubtful (Agri & Micro credit)	-	5	-	13,332
	Doubtful (Small, Cottage, Mirco credit)	149,570,926	20	29,914,185	43,401,013
	Doubtful (Others)	5,117,562,333	50	2,558,781,167	820,807,027
	Bad/Loss	12,603,766,042	100	12,603,766,042	12,062,735,200
				15,468,377,340	**13,192,660,137**
	Total Required provision (see below)			24,129,177,838	21,096,186,337
	Provision maintained (note 14.1)			24,174,634,828	21,115,754,196
	Excess provision			**45,456,990**	**19,567,859**
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			391,111,364,818 22,901,574,092	280,559,220,209 22,901,574,091
	iii. Loans considered good being secured by the personal security of one or more parties in addition to the personal security of the debtors.			140,482,557,126	158,423,331,781
	iv. Loans adversely classified; provision not maintained there against			-	-
				554,495,496,036	**461,884,126,081**
	v. Loans due by directors or officers of the bank or any of them either severally or jointly with any other persons			5,618,845,539	4,774,885,086

Amount in BDT

		2023	2022
	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	5,618,845,539	4,774,885,086
	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	3,394,645,594	3,764,994,321
	x. Amount of classified loan on which interest /Profit has not been charged as follows	-	-
	a) Increase / (decrease) of provision (specific)	948,301,099	335,835,844
	b) Amount of written off debt including interest suspense	-	(1,333,587,953)
	c) Amount of debt recovered against the debt which was previously written off	164,627,258	172,703,132
	d) Amount of Provision kept against loans classified as bad or loss	12,603,766,042	12,062,735,200
	e) Amount of interest credited in suspense account	8,042,758,553	6,752,276,864
	xi. Cumulative amount of written off from Loans		
	Opening Balance	20,700,227,326	19,366,639,373
	Amount of written off during the current year	-	1,333,587,953
		20,700,227,326	20,700,227,326
	xii. Amount of written off loans for which law suit has been filed for recovery	**20,518,284,006**	**20,518,284,006**
7.13	**Lease finance**		
	Lease rental receivable within 1 year	3,933,755,282	3,863,558,576
	Lease rental receivable within 5 years	9,682,163,126	8,328,348,043
	Lease rental receivable after 5 years	5,509,737,489	445,668,558
	Total lease rental receivable	19,125,655,897	12,637,575,177
	Less : Un-earned interest receivable	(1,769,220,982)	(1,588,389,646)
	Net Lease finance	**17,356,434,915**	**11,049,185,531**
7(a)	**Consolidated Loans, Advances and Leases**		
	Loans, cash credits, overdrafts, etc.		
	Pubali Bank PLC.	519,238,508,092	423,923,256,079
	Pubali Bank Securities Limited	914,168,799	867,878,533
		520,152,676,891	**424,791,134,612**
	Bills purchased and discounted		
	Pubali Bank PLC.	35,256,987,944	37,960,870,002
	Pubali Bank Securities Limited	-	-
		35,256,987,944	**37,960,870,002**
		555,409,664,835	**462,752,004,614**
8	**Fixed Assets including premises, furniture & Fixtures**		
	Tangible Assets		
	Land	1,117,377,420	1,117,377,420
	Lease land	1,121,195,000	1,121,195,000
	Building	418,660,966	418,660,966
	Vehicles	450,812,042	359,985,902
	Machinery and equipment	1,570,586,587	1,349,266,976
	Computer & Computer Accessories	2,377,697,526	1,878,175,861
	Furniture and fixtures	1,462,049,470	1,228,879,788
	Capital Work-in Progress*	549,207,069	-
	Total Tangible Assets	**9,067,586,080**	**7,473,541,913**
	Accumulated Depreciation	(3,642,586,742)	(3,140,929,229)
	Net book value of Tangible assets	**5,424,999,338**	**4,332,612,684**

Amount in BDT

		2023	2022
	Intangible Assets		
	Computer Software	**771,436,796**	**664,560,474**
	Accumulated Depreciation	(574,148,042)	(463,894,586)
	Net book value of Intangible assets	**197,288,754**	**200,665,888**
		5,622,288,092	**4,533,278,572**
	Lease assets		
	Right Of Use (ROU) Assets as per IFRS-16	**4,193,178,237**	**3,718,953,437**
	Accumulated Depreciation	(2,286,202,159)	(1,756,687,284)
	Net book value of Lease assets	**1,906,976,078**	**1,962,266,153**
	Net book value of total fixed assets at the end of the year	**7,529,264,170**	**6,495,544,725**

Capital Work-in Progress*

Initial payment made for automation or upgradation of bank's different hardware and software is recognised as capital-work-in-progress as per IAS 16, until the development work is completed and/or the assets is ready for intended use. These assets are stated at cost and depreciation of these assets will be charged from the date of intended use.

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, 2006,2010 and 2020 respectively, on land and buildings of the Bank at different locations. The above stated revaluation surplus amounts have been credited to Fixed Assets Revaluation reserve. Further details of above assets are shown in Annexure A.

8(a)	**Consolidated Fixed Assets including premises, furniture & fixtures Cost**		
	Pubali Bank PLC.	14,032,201,113	11,857,055,824
	Pubali Bank Securities Limited	15,793,719	12,353,375
		14,047,994,832	**11,869,409,199**
	Less: Accumulated Depreciation		
	Pubali Bank PLC.	(6,502,936,943)	(5,361,511,099)
	Pubali Bank Securities Limited	(8,529,939)	(8,833,520)
		(6,511,466,882)	**(5,370,344,619)**
		7,536,527,950	**6,499,064,580**
9	**Other Assets**		
	Interest accrued on investments	2,448,199,081	2,357,683,224
	Accrued income on loans & advances	465,847,235	629,905,610
	Investment in SWIFT AC	3,387,591	3,387,591
	Advance security deposit, advance rent and prepaid expenses	1,465,458,711	1,127,821,568
	Investment in Subsidiary Company	6,599,998,700	6,599,998,700
	Stock dealing account	34,846,335	90,561,024
	Stationery and stamps	131,977,562	99,365,441
	Drafts payable	16,444,707	16,446,447
	Remittance Disbursement to Bikash and Nagad	17,625,302	20,892,467
	Sanchaypatra	61,785,118	29,670,982
	Deferred tax assets (note 14.8.1)	4,793,130,139	4,557,181,100
	Suspense account (note 9.1)	407,132,159	818,835,977
	Items in transit (note 9.2)	10,751,881,053	9,333,322,412
	Advance against income tax (note 9.3)	38,157,414,742	34,550,194,544
	Clearing house adjustment	656,811	2,788,012
	Fair Value of Plan Assets (note 14.6)	22,892,015	-
	Others (note 9.4)	3,562,378	3,562,388
		65,382,239,639	**60,241,617,487**
	Less: Advance Rent (for implementing IFRS 16 Leases, advance rent has been considered separately.)	327,688,890	368,532,669
		65,054,550,749	**59,873,084,818**
9.1	**Suspense Account**		
	Suspense account general	188,235,666	599,932,922
	Suspense law	1,159,320	1,165,882
	Protested bills	217,737,173	217,737,173
		407,132,159	**818,835,977**

9.2 Items in Transit: TK. 10,751,881,053

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.

Amount in BDT

		2023	2022

9.2.1 Subsequent position of non-responded entries as on 31.12.2023 (Base date: 16.04.2024)

PERIOD OF UN- RECONCILIATION	NUMBER OF NON-RESPONDED ENTRIES		NON-RESPONDED ENTRIES (AMOUNT IN TAKA)	
	DEBIT	CREDIT	DEBIT	CREDIT
up to 3 months	216	75	1,353,541,651	12,828,403
Over 3 months but within 6 months	31	-	834,518,428	-
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
Over 5 years	495	459	7,578,303	4,605,738

9.3	**Advance income Tax**		
	Balance at the beginning of the year	34,550,194,544	32,484,604,445
	Paid during the year	3,607,220,198	2,065,590,099
	Settlement of previous years tax liability	-	-
	Balance at the end of the year	**38,157,414,742**	**34,550,194,544**
9.4	**Others**		
	Property account	162,129	162,129
	Delayed charges of lease rental	45,896	45,906
	Interest Subsidy	9,000	9,000
	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
		3,562,378	**3,562,388**
9.5	**Classification of other assets**		
	Unclassified (UC)	64,772,306,895	59,604,063,691
	Doubtful (DF)	4,003,000	2,589,000
	Bad or Loss (BL)	278,240,854	266,432,127
		65,054,550,749	**59,873,084,818**
9.6	**Particulars of provision for other assets**		

Status of Classification	Base for Provision	Rate of Provision %		
Doubtful (DF)	4,003,000	50	2,001,500	1,294,500
Bad or Loss (BL) (note 9.6.1)	278,240,854	100	278,240,854	266,432,127
Required provision			280,242,354	267,726,627
Provision maintained (note 14)			312,414,590	269,914,590
Excess provision			**32,172,236**	**2,187,963**

9.6.1	**Bad or Loss (BL)**		
	Interest accrued on investments	11,537,000	11,537,000
	Suspense general	28,225,000	16,235,263
	Suspense law	1,135,000	985,000
	Protested bills (note-9.1)	217,737,173	217,737,173
	Un-reconciled General Account debit entries (note-14.14)	7,578,303	7,723,303
	Interest accrued on Blocked Account (COVID-19)	8,120,000	8,306,000
	Advance security deposit	346,000	346,000
	Others (note-9.4)	3,562,378	3,562,388
		278,240,854	266,432,127
9(a)	**Consolidated Other Assets**		
	Pubali Bank PLC.	65,054,550,749	59,873,084,818
	Pubali Bank Securities Limited	558,830,777	484,699,354
		65,613,381,526	**60,357,784,172**
	Less: Inter company Transactions	(34,841,164)	(90,555,403)
	Pubali Bank Securities Limited	(6,599,998,700)	(6,599,998,700)
		(6,634,839,864)	**(6,690,554,103)**
		58,978,541,662	**53,667,230,069**
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)	23,640,200,681	31,605,672,156
	Outside Bangladesh (note 11.2)	31,676,275,475	33,412,027,340
		55,316,476,156	**65,017,699,496**

Notes To The Financial Statements

for the year ended 31 December 2023

Amount in BDT

		2023	2022
11.1	**In Bangladesh**		
	Borrowing from Bangladesh Bank	20,101,200,681	26,936,980,156
		20,101,200,681	26,936,980,156
	Call loan borrowing from other banks		
	Citibank N.A	1,300,000,000	-
	Eastern Bank PLC.	300,000,000	-
	The Premier Bank PLC.	-	800,000,000
		1,600,000,000	800,000,000
	Term borrowing from other banks		
	Jamuna Bank PLC.	439,000,000	-
	Bank Asia PLC.	-	1,652,752,000
	BRAC Bank PLC.	-	826,376,000
	Commercial Bank of Ceylon PLC.	-	826,376,000
	Dutch Bangla Bank PLC.	-	413,188,000
		439,000,000	3,718,692,000
	FDR borrowing from other Bank		
	Rajshahi Krishi Unnayan Bank	1,000,000,000	-
	Uttara Bank PLC.	500,000,000	-
	Citibank N.A	-	150,000,000
		23,640,200,681	**31,605,672,156**
11.2	**Outside Bangladesh**		
	In demand deposit accounts (non- interest bearing)	-	-
	Placement/ Borrowing from Outside Bangladesh	31,676,275,475	23,020,140,000
		31,676,275,475	**23,020,140,000**
11.3	**Security against borrowing from other banks, financial institutions and agents**		
	Secured	54,877,476,156	41,081,261,963
	Unsecured	439,000,000	23,936,437,533
		55,316,476,156	**65,017,699,496**
11.4	**Maturity grouping of borrowing from other banks, financial institutions and agents**		
	Payable on demand	1,601,180,000	3,317,152,652
	Payable within 1 month	4,785,450,217	7,401,380,181
	Over 1 month but within 6 months	32,252,124,970	41,477,082,711
	Over 6 months but within 1 year	9,628,897,451	12,190,924,512
	Over 1 year but within 5 years	4,064,709,095	2,382,872
	Over 5 years and above	2,984,114,423	628,776,568
		55,316,476,156	**65,017,699,496**
12	**Subordinated bonds**		
	Agrani Bank PLC.	2,800,000,000	3,800,000,000
	Janata Bank PLC.	600,000,000	900,000,000
	Rupali Bank PLC.	1,000,000,000	1,400,000,000
	Sonali Bank PLC.	800,000,000	1,200,000,000
	Uttara Bank PLC.	600,000,000	900,000,000
	Delta Life Insurance Company Limited	400,000,000	500,000,000
	Premier Bank PLC.	1,200,000,000	1,200,000,000
	NRB Commercial Bank PLC.	800,000,000	800,000,000
	Trust Bank PLC.	1,500,000,000	1,500,000,000
	EBL Employees Provident Fund	100,000,000	-
	Nabil Naba Foods Ltd	1,900,000,000	-
	Nabil Feed Mills Ltd	1,000,000,000	-
	A.H Khan & Co	500,000,000	-
		13,200,000,000	**12,200,000,000**
12.1	**Perpetual bonds**		
	Trust Bank PLC.	1,000,000,000	1,000,000,000
	AB Bank PLC.	1,000,000,000	1,000,000,000
	One Bank PLC.	350,000,000	350,000,000
	Bank Asia PLC.	1,000,000,000	1,000,000,000
	Jamuna Bank PLC.	450,000,000	450,000,000
	Community Bank Bangladesh PLC.	200,000,000	200,000,000
	Southest Bank PLC.	500,000,000	500,000,000
	Initial Public Offering	500,000,000	500,000,000
		5,000,000,000	**5,000,000,000**

Notes To The Financial Statements

for the year ended 31 December 2023

Amount in BDT

		2023	2022
13	**Deposits and other accounts**		
	Inter-bank deposits	6,401,045,000	6,054,973,541
	Other deposits	599,895,368,262	504,781,543,334
		606,296,413,262	**510,836,516,875**
13.1	**Details of deposits and other accounts**		
	Current deposits and other accounts :		
	Current account	62,488,887,763	57,732,849,964
	Cash credit A/C. (Cr. Balance)	624,347,074	844,656,287
	Overdraft earnest money (Cr. Balance)	3,000	6,000
	Pubali Prochesta (Cr. Balance)	2,597,245	1,883,703
	Credit card A/C	4,586,638	3,540,390
	Call deposits	14,774,897	14,775,897
	Foreign currency deposits	3,257,511,792	2,111,693,232
	Un- claimed drafts payable	3,564	3,564
	Un- claimed dividend	18,914	18,914
	Unclaimed deposits FDD A/C	21,541,077	21,541,077
		66,414,271,964	60,730,969,028
	Bills payable (note 13.1.1)	21,799,191,392	14,271,043,896
	Savings Bank accounts	135,066,105,808	118,927,122,055
	Term deposits :		
	Fixed Deposits from customers	203,102,923,503	149,411,634,261
	Special Notice Deposits	57,306,867,138	57,452,882,267
	Deposit Pension Scheme	26,809,344	17,685,197
	Interest Payable on Term Deposit	5,367,089,771	4,030,804,484
	Pubali Pension Scheme	43,157,405,533	42,523,424,173
	Pubali Sanchay Prakalpa	4,123,549,477	4,035,866,123
	Dwigun Sanchay Prokalpa	20,609,709,802	20,009,796,383
	Target Based Small Deposit (Pubali shopnopuron)	13,271,027,576	11,144,294,243
	Monthly Profit Based Fixed Deposit	4,841,956,029	3,881,985,740
	Monthly Profit Based Small Deposit (Pubali shadhin sonchoy)	6,807,992,129	6,176,221,578
	Shikhya Sanchay Prokalpa	197,514,854	191,517,484
	Peoples Pubali Pension Scheme	3,949,153	-
		358,816,794,309	298,876,111,933
	Other deposits	24,200,049,789	18,031,269,963
		606,296,413,262	**510,836,516,875**
13.1.1	**Bills Payable**		
	Payment orders issued	21,719,458,083	14,198,543,170
	Demand Drafts	79,733,309	72,500,726
		21,799,191,392	**14,271,043,896**
13.2	**Maturity analysis of inter-bank deposits**		
	Payable on demand	1,728,558,981	1,635,104,720
	Payable within 1 month	279,511,711	264,399,956
	Over 1 month but within 6 months	4,296,951,903	4,064,637,896
	Over 6 months but within 1 year	23,546,599	22,273,556
	Over 1 year but within 5 years	72,475,806	68,557,413
	Over 5 years and above	-	-
		6,401,045,000	**6,054,973,541**
13.3	**Maturity analysis of other deposits**		
	Payable on demand	14,997,386,461	18,720,241,034
	Payable within 1 month	31,914,433,469	31,358,029,145
	Over 1 month but within 6 months	131,797,011,899	112,376,954,196
	Over 6 months but within 1 year	135,696,331,778	109,068,122,149
	Over 1 year but within 5 years	85,725,047,794	62,143,089,565
	Over 5 years and above	199,765,156,861	171,115,107,245
		599,895,368,262	**504,781,543,334**
		606,296,413,262	**510,836,516,875**
13 (a)	**Consolidated Deposits and other accounts**		
	Pubali Bank PLC.	606,296,413,262	510,836,516,875
	Pubali Bank Securities Limited	-	-
		606,296,413,262	**510,836,516,875**
	Inter Company Transactions	(548,424,389)	(1,485,886,271)
		605,747,988,873	**509,350,630,604**

Notes To The Financial Statements

for the year ended 31 December 2023

Amount in BDT

		2023	2022
14	**Other Liabilities**		
	Accumulated provision for loans and advances/investments (note 14.1.1.1)	14,484,017,559	12,223,506,886
	Accumulated provision for consumers loan (note 14.1.1.2)	913,233,080	898,026,550
	Accumulated provision for demand loan pubali star (note 14.1.1.3)	71,126,701	71,126,701
		15,468,377,340	13,192,660,137
	Provision for unclassified loans and advances/investments (note 14.1.2)	7,775,918,548	6,876,464,520
	Special General Provision COVID-19	930,338,940	1,046,629,539
	Provision against off-balance sheet exposure (note 14.3)	2,394,950,000	1,968,950,000
	Accumulated interest suspense (note 14.5)	8,042,758,553	6,752,276,864
	Provision for doubtful investment (note 14.4)	255,500,000	253,500,000
	Additional profit payable A/C for Islamic banking	6,996,289	7,650,000
	I.B. bad debt offsetting reserve	40,123,756	40,123,756
	Compensation realised account	36,467,993	12,291,999
	Compensation realisable account	31,992,247	56,033,764
	Interest suspense on underwriting advances	219,648,924	219,648,924
	CLS interest A/C	4,148,523	3,411,620
	Unclaimed amount in ATM	65,000	65,000
	Consumers deposits	223,045,852	225,563,847
	Unclaimed dividend (note 14.15)	247,823,091	211,206,865
	Provision for Current Tax (note 14.7)	43,785,753,066	38,378,841,223
	Deferred Tax Liabilities (note 14.8.2)	175,117,290	83,458,196
	Valuation adjustment	1,020,752,893	1,927,713,138
	Exchange adjustment account (note 14.9)	28,666,878	28,666,878
	Agri credit guarantee backing reserve (note 14.10)	70,261,300	70,261,300
	Pakistan account (note 14.11)	8,393,039	8,393,039
	Pension fund (note 14.12)	1,570,884	1,570,883
	L/C cover account in Bangladesh	1,583,640	1,583,640
	Pubali Bank Adjustment	1,370,277,600	257,855,528
	PBL Islamic Banking CSR fund	36,850,139	24,032,214
	Card transaction fee (inter bank)	7,459,609	8,969,705
	Foreign currency FCC account	17,363,819	17,363,819
	Interest suspense account against 70% agri loan	192,381	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	574,672,501	527,463,600
	Unearned interest income on IBW	931,120,884	456,643,733
	Interest payable on Subordinated Bond	133,000,000	110,400,000
	Bangladesh Bank incentive	23,518,747	136,081,807
	CSR Fund for COVID-19	24,466,667	24,466,667
	Start-up fund (note 14.16)	205,098,000	137,013,311
	Lease Liabilities as per IFRS-16	1,661,053,186	1,663,035,418
	Non resident blocked account of UBI	34,487	34,487
	Late Vault -Cash Received	294,200,000	-
	ICT Asset Insurance reserve	26,634,011	24,094,463
		70,610,841,540	61,564,974,932
	Provision for expenses: (i) auditors' fees	1,845,750	1,535,250
	(ii) advertisement	-	1,680,000
	(iii) bonuses	1,486,383,651	1,307,500,000
	(iv) Gratuity	-	619,500,000
	(v) others	329,784,446	257,642,378
		1,818,013,847	2,187,857,628
	Provision for other assets:		
	Suspense account (note 14.13)	298,689,933	256,189,933
	Provision for Un-reconciled General Account debit entries (note 14.14)	13,724,657	13,724,657
		312,414,590	269,914,590
		88,209,647,317	**77,215,407,287**
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	12,223,506,886	10,115,330,192
	Fully provided debts written off during the year excluding interest suspense	-	(1,172,453,704)

Amount in BDT

		2023	2022
	Fully provided waived during the year	(346,626)	(4,033,900)
	Recoveries of amounts previously written off	149,420,728	160,249,992
	Provision transferred to General Provision for unclassified loans and advances	(717,001,372)	1,112,389,079
	Provision transferred from off-balance sheet exposure	-	114,000,000
	Provision transferred from rebate on good borrower during the year	-	17,888,383
	Specific provision for the year	2,828,437,943	1,880,136,844
14.1.1.1	Provision for loans and advances	**14,484,017,559**	**12,223,506,886**
	Provision for consumers loan held at the beginning of the year	898,026,550	903,489,850
	Fully provided debts written off during the year	-	(17,916,440)
	Recoveries of amounts previously written off	15,206,530	12,453,140
14.1.1.2	Provision for consumers loan held at the beginning of the year	**913,233,080**	**898,026,550**
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	**15,468,377,340**	**13,192,660,137**
14.1.2	**General provision for unclassified loans and advances**		
	Provision held at the beginning of the year	6,876,464,520	7,248,013,792
	Provision made during the year	66,162,057	872,267,826
	Provision transferred from specific provision during the year	717,001,372	(1,112,389,079)
	Provision transferred from COVID 19 during the year	116,290,599	(131,428,019)
	Provision held at the end of the year	**7,775,918,548**	**6,876,464,520**
14.1.3	**Special General Provision COVID-19**		
	Provision held at the beginning of the year	1,046,629,539	915,201,520
	Provision transferred to General provision	(116,290,599)	131,428,019
		930,338,940	**1,046,629,539**
	Total General provision held at the end of the year	**8,706,257,488**	**7,923,094,059**
		24,174,634,828	**21,115,754,196**
14.2	**Provision for Customers liability and Others**		
	Provision held at the beginning of the year	-	17,301,835
	Provision transferred to suspense account during the year	-	(17,301,835)
	Provision held at the end of the year	-	-
14.3	**Provision for exposure against off-balance sheet items**		
	Provision held at the beginning of the year	1,968,950,000	2,082,950,000
	Provision transferred to specific provision during the year	-	(114,000,000)
	Provision made during the year (note 38)	426,000,000	-
	Provision held at the end of the year	2,394,950,000	1,968,950,000
14.4	**Provision for doubtful investment**		
	Provision held at the beginning of the year	253,500,000	253,500,000
	Provision made during the year (note 39)	2,000,000	-
	Provision transferred to off-balance sheet during the year	-	-
	Provision held at the end of the year	**255,500,000**	**253,500,000**
14.5	**Interest suspense account**		
	Balance at the beginning of the year	6,752,276,864	6,141,139,753
	Amount transferred during the year	2,757,847,749	2,077,734,539
	Amount recovered during the year	(1,467,366,060)	(1,323,379,619)
	Amount written off during the year	-	(143,217,809)
	Balance at the end of the year	**8,042,758,553**	**6,752,276,864**
14.6	**Net Fair Value of Plan Assets**		
	Fair value of plan assets (note 14.6.2)	6,119,618,215	5,496,400,000
	Defined benefit obligation (note 14.6.1)	6,096,726,200	5,496,400,000
		22,892,015	**-**
14.6.1	**Defined benefit obligation**		
	Balance at the beginning of the year	5,496,400,000	5,094,700,000
	Interest cost	489,179,600	453,400,000
	Current service cost	418,584,000	399,800,000
	Paid to outgoing employees	(307,437,400)	-
	Adjustment as per Acturial report	-	(451,500,000)
	Remeasurement (gain)/loss	-	-
	Balance at the end of the year	**6,096,726,200**	**5,496,400,000**
14.6.2	**Fair value of plan assets**		
	Balance at the beginning of the year	5,496,400,000	4,015,100,000
	Interest income	403,218,215	324,100,000
	Contribution to the fund	527,437,400	1,157,200,000
	Paid to outgoing employees	(307,437,400)	-
	Remeasurement gain/(loss)	-	-
	Balance at the end of the year	**6,119,618,215**	**5,496,400,000**

Amount in BDT

		2023	2022
14.7	**Provision for Current tax**		
	Balance at the beginning of the year	38,378,841,223	34,650,504,662
	Provision made for previous years	160,000,000	-
	Provision made for current year	5,246,911,843	3,728,336,561
		5,406,911,843	3,728,336,561
	Settlement of previous years tax liability	-	-
	Balance at the end of the year	**43,785,753,066**	**38,378,841,223**

The status of corporate income tax of the Bank has been shown in **ANNEXURE B**.

14.7.1	**Reconciliation of effective tax rate (Solo)**	**Applicable Tax Rate**	**2023**	**2022**		
	Profit before income tax as per profit & loss account				11,988,016,230	8,513,039,918
	Income tax as per applicable tax rate	37.50%	37.50%	37.50%	4,495,506,086	3,192,389,969
	Factors affecting the tax charge in current year					
	Tax Savings from reduced tax rates for Capital gain on share	10.00%	-0.02%	-0.06%	(2,075,922)	(4,927,276)
	Tax Savings from reduced tax rates for Capital gain on sale of Land	15.00%	0.00%	-0.08%	-	(6,749,998)
	Tax Savings from reduced tax rates for Capital gain on Govt Securities	15.00%	-3.94%	-5.62%	(472,707,246)	(478,112,170)
	Tax Savings from reduced tax rates for Dividend	20.00%	-0.55%	-0.97%	(66,395,639)	(82,979,407)
	Admissible expenses in current Year (i.e. Bad debt write off etc.)	37.50%	0.00%	-5.26%	(129,985)	(447,901,517)
	Admissible expenses in current Year	37.50%	-3.07%	-0.06%	(368,156,221)	(4,834,584)
	Inadmissible expenses in current year	37.50%	13.85%	15.99%	1,660,870,770	1,361,451,544
	Effect of deferred Tax	37.50%	-1.90%	-6.31%	(227,364,533)	(537,068,302)
	Provision for uncertainty over Income Tax treatments by NBR	37.50%	1.33%	2.35%	160,000,000	200,000,000
			43.21%	**37.48%**	**5,179,547,310**	**3,191,268,259**

14.7 (a)	**Consolidated Provision for Current tax**		
	Pubali Bank PLC.	5,406,911,843	3,728,336,561
	Pubali Bank Securities Limited	74,692,573	87,524,704
		5,481,604,416	**3,815,861,265**
14.8	**Deferred tax**		
14.9.1	**Deferred tax assets**		
	Balance at the beginning of the year	4,557,181,100	4,020,112,798
	Provision made during the year for loan loss (note 14.8.1.1)	202,886,566	603,299,060
	Deferred tax on fixed assets (note 14.8.2.1)	33,062,473	(66,230,758)
	Provision held at the end of the year	**4,793,130,139**	**4,557,181,100**
14.8.2	**Deferred tax Liabilities**		
	Balance at the beginning of the year	83,458,196	83,544,110
	Deferred Tax on Revalued land (note 14.8.2.2)	83,074,588	(85,914)
	Deferred tax liabilities for Defined benefit plan (note 14.8.3.1)	8,584,506	-
	Provision held at the end of the year	**175,117,290**	**83,458,196**

Deferred tax assets/(liabilities) have been recognised and measured as per IAS-12: Income taxes and BRPD circular no. 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 2023.

14.8.1.1	**Deferred Tax on loan loss provision**		
	Cumulative Provision made against Bad/loss	12,604,112,668	13,257,139,244
	Adjustment of Corresponding provision on write off	346,626	1,194,404,044
	Deductible/(taxable) temporary difference	12,603,766,042	12,062,735,200
	Tax Rate	37.50%	37.50%
	Closing Deferred tax assets	4,726,412,266	4,523,525,700
	Opening Deferred tax assets	4,523,525,700	3,920,226,640
	Deferred tax (expense)/Income	**202,886,566**	**603,299,060**

Amount in BDT

		2023	2022
	As per BRPD Circular no.11 dated 12 December 2011, total amount of Tk. 4,726,412,266 has been recognized as Deferred Tax Assets (DTA) included in Retained Earnings for 2023 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 15.5.1)		
14.8.2.1	**Deferred Tax on Fixed Assets**		
	Carrying amount	5,073,081,023	4,533,278,572
	Tax Base	5,250,995,351	4,623,026,306
	Deductible/(taxable) temporary difference	177,914,328	89,747,734
	Tax Rate	37.50%	37.50%
	Closing Deferred tax assets/(Liabilities)	66,717,873	33,655,400
	Opening Deferred tax assets/(Liabilities)	33,655,400	99,886,158
	Deferred tax (expense)/Income	**33,062,473**	**(66,230,758)**
14.8.2.2	**Deferred Tax on Revalued land**		
	Carrying amount	2,236,269,890	2,236,269,890
	Tax Base	-	-
	Deductible/(taxable) temporary difference	(2,236,269,890)	(2,236,269,890)
	Tax Rate	7.45%	3.73%
	Closing Deferred tax assets/(Liabilities)	(166,532,784)	(83,458,196)
	Opening Deferred tax assets/(Liabilities)	(83,458,196)	(83,544,110)
	Deferred tax adjustment through change in equity	**(83,074,588)**	**85,914**
14.8.2.3	**Deferred tax (expense)/Income (net)**		
	Deferred tax (expense)/Income arisen for charging specific provision (note 14.8.1.1)	202,886,566	603,299,060
	Deferred tax (expense)/Income arisen in WDV of Fixed Assets (note 14.8.2.1)	33,062,473	(66,230,758)
	Deferred tax (expense)/Income arisen in Defined benefit plan (note 14.8.3.1)	(8,584,506)	-
		227,364,533	**537,068,302**
14.8.3.1	**Deferred Tax on Defined benefit plan (gratuity)**		
	Fair value of plan assets	6,119,618,215	5,496,400,000
	Defined benefit obligation	6,096,726,200	5,496,400,000
	Deductible/(taxable) temporary difference	22,892,015	-
	Tax Base	-	-
		(22,892,015)	-
	Tax Rate	37.50%	
	Closing Deferred tax assets/(Liabilities)	(8,584,506)	-
	Opening Deferred tax assets/(Liabilities)	-	-
	Deferred tax (expense)/Income	**(8,584,506)**	**-**
14.8.1(a)	**Consolidated Deferred tax (expense)/Income (net)**		
	Pubali Bank PLC.	(227,364,533)	(537,068,302)
	Pubali Bank Securities Limited	(1,731,062)	(435,879)
		(229,095,595)	(537,504,181)
14.8.1(b)	**Consolidated Deferred tax Liabilities (Accumulated)**		
	Balance at the beginning of the year	(83,458,196)	(83,884,177)
	Provision made during the year	(91,659,094)	521,793
	Provision held at the end of the year	(175,117,290)	(83,362,384)
14.8.1(c)	**Consolidated Deferred tax Assets (Accumulated)**		
	Balance at the beginning of the year	4,557,276,912	4,020,112,798
	Provision made during the year	237,680,101	537,068,302
	Provision held at the end of the year	4,794,957,013	4,557,181,100
14.8.2.4	**Tax Provision made during the Year**		
	Current Tax	5,406,911,843	3,728,336,561
	Deferred Tax	(227,364,533)	(537,068,302)
		5,179,547,310	3,191,268,259

14.9 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.

14.10 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 credit 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.

Amount in BDT

		2023	2022

14.11 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.

14.12 Pension fund:TK. 1,570,884

This 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.

14.13 Provision for suspense:

	2023	2022
Provision at the beginning of the year	256,189,933	188,214,468
Provision made during the year	42,500,000	50,673,630
Provision transferred from Customers liability and Others	-	17,301,835
Provision at the end of the year	**298,689,933**	**256,189,933**

14.14 Provision for Un-reconciled General Account debit entries

PERIOD OF UN-RECONCILIATION	AMOUNT	BASE FOR PROVISION (%)	PROVISION REQUIRED	
			2023	2022
Upto 12 months	2,188,060,079	-	-	-
12 months above but less than 24 months	-	50%	-	-
24 months and above	7,578,303	100%	7,578,303	7,723,303
Required provision			7,578,303	7,723,303
Provision maintained			13,724,657	13,724,657
Excess provision			**6,146,354**	**6,001,354**

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 Unclaimed dividend in year wise

YEAR WISE DIVIDEND	2023	2022
	TOTAL AMOUNT	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	1,369,278
Year of 2009	13,311,756	14,441,303
Year of 2010	19,887,167	21,331,080
Year of 2011	16,013,293	16,101,251
Year of 2012	594,621	594,621
Year of 2013	297,489	297,489
Year of 2014	600,060	600,060
Year of 2015	747,791	747,791
Year of 2016	299,976	299,976
Year of 2017	324,091	324,091
Year of 2018	30,399,963	30,673,982
Year of 2019	36,452,376	36,771,576
Year of 2020	41,810,255	42,203,095
Year of 2021	40,881,288	41,417,610
Year of 2022	40,800,025	-
Total	**247,823,091**	**211,206,865**

14.16 Provision for Start-up fund

As per SMESPD Circular No. 04 dated 29 March 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 2020 onwards for the next five years.

Balance at the beginning of the year	137,013,311	83,795,594
Provision made during the year 2023	68,084,689	53,217,717
Balance at the end of the year	**205,098,000**	**137,013,311**

14(a) Consolidated other liabilities

Pubali Bank PLC.	88,209,647,317	77,215,407,287
Pubali Bank Securities Limited	2,506,333,551	2,433,304,363
Inter company payables	(34,839,864)	(90,554,103)
	90,681,141,004	**79,558,157,547**

Amount in BDT

		2023	2022
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	2023			2022
	NO. OF SHARE	PERCENTAGE (%)	AMOUNT	AMOUNT
Directors	323,769,668	31.49%	3,237,696,680	3,239,112,990
Co-operative societies	8,848,307	0.86%	88,483,070	88,748,880
Banks and financial institutions	51,828,878	5.04%	518,288,780	515,100,500
Government	2,482	0.0002%	24,820	24,820
Other institutions	251,768,997	24.48%	2,517,689,970	2,260,797,350
Non resident Bangladeshi	2,161,151	0.21%	21,611,510	22,259,080
General public	389,914,735	37.92%	3,899,147,350	4,156,898,560
	1,028,294,218	**100.00%**	**10,282,942,180**	**10,282,942,180**

15.4 Range wise shareholdings

RANGE WISE SHAREHOLDINGS	2023			2022
	NUMBER OF SHAREHOLDERS	PERCENTAGE OF HOLDING OF SHARES (%)	NUMBER OF SHARES	NUMBER OF SHARES
Up to 500 shares	18,514	0.23%	2,383,193	2,513,325
501 to 5,000 shares	9,681	1.56%	16,071,856	17,021,406
5,001 to 10,000 shares	1,124	0.68%	7,018,432	7,358,782
10,001 to 20,000 shares	466	0.63%	6,440,669	6,888,264
20,001 to 30,000 shares	140	0.33%	3,378,590	3,593,802
30,001 to 40,000 shares	159	0.50%	5,131,969	5,227,346
40,001 to 50,000 shares	52	0.22%	2,314,213	2,567,747
50,001 to 100,000 shares	192	1.49%	15,285,559	15,798,708
100,001 and above shares	267	94.36%	970,269,737	967,324,838
	30,595	**100.00%**	**1,028,294,218**	**1,028,294,218**

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 2023 is Taka 47,188,327,049 as against available going - concern capital of Taka 38,630,586,454, going - concern additional capital of Taka 5,000,000,000 and gone - concern capital of Taka 21,801,207,488 making a total regulatory capital of Taka 65,431,793,942 thereby showing a surplus regulatory capital /equity of Taka 18,243,466,893 at that date. Details are shown below:

Total assets including off-balance sheet items	1,057,625,949,308	938,594,466,819
Total risk-weighted assets	471,883,270,487	422,330,725,937
Required Capital (10% of risk weighted assets)	47,188,327,049	42,233,072,594

Amount in BDT

		2023	2022
	Regulatory capital held :		
	i) Going - concern capital (Tier-1) (note 15.5.1)	38,630,586,454	33,872,160,896
	ii) Going concern - Additional Tier-1 capital (note 15.5.1)	5,000,000,000	5,000,000,000
	iii) Gone - concern capital (Tier-2) (note 15.5.2)	21,801,207,488	19,592,044,059
		65,431,793,942	**58,464,204,955**
	Total Regulatory capital Surplus /(Deficit)	**18,243,466,893**	**16,231,132,361**
	CRAR Based on Basel III Framework:	**13.87%**	**13.84%**
	Capital Requirement :	**Held**	**Held**
	Common Equity Tier-1 (Minimum CET-1 @ 4.50%)	8.19%	8.02%
	Additional Tier-1 (Maximam CET-1 @ 1.50%)	1.06%	1.18%
	Tier-1 Capital	9.25%	9.20%
	Tier-2 (Maximum upto 4% of total RWA or 88.89% of CET-1 which ever is higher) Balancing	4.62%	4.64%
	Total	**13.87%**	**13.84%**
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	22,998,146,905	18,040,396,448
		43,564,089,085	38,606,338,628
	Reciprocal crossholdings in the CET -1, Goodwill and other intangible assets	(207,090,365)	(210,652,032)
	Deferred Tax assets (DTA) on loan loss provision	(4,726,412,266)	(4,523,525,700)
		38,630,586,454	**33,872,160,896**
	Additional Tier-1 Capital (AT-1)		
	Perpetual bonds	5,000,000,000	5,000,000,000
		43,630,586,454	**38,872,160,896**
15.5.2	**Gone - concern capital (Tier-2)**		
	General provision (Unclassified loans + off-balance sheet exposure)	11,101,207,488	9,892,044,059
	Subordinated debt/ instruments issued by the Bank	10,700,000,000	9,700,000,000
	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	-	-
		21,801,207,488	19,592,044,059
	Regulatory adjustment		
	Revaluation reserve for fixed asset, securities & equipment as on 31 December 2014		
		21,801,207,488	19,592,044,059
	Total Regulatory Capital Maintained	**65,431,793,942**	**58,464,204,955**

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 2023 is Taka 47,784,474,773 as against available going - concern capital of Taka 39,216,413,269, going concern-additional capital of Taka 5,000,000,000 and gone - concern capital of Taka 21,801,207,488 making a total regulatory capital of Taka 66,017,620,757 thereby showing a surplus regulatory capital /equity of Taka 18,233,145,984 at that date. Details are shown below:

Total assets including off-balance sheet items	1,060,350,538,401	940,111,481,934
Total risk-weighted assets	477,844,747,726	425,175,791,548
Required Capital (10% of risk weighted assets)	47,784,474,773	42,517,579,155
Regulatory capital held :		
i) Going - concern capital (Tier-1) (note 15.5.3)	39,216,413,269	34,512,053,741
ii) Going concern - Additional Tier-1 capital (note 15.5.1)	5,000,000,000	5,000,000,000
iii) Gone - concern capital (Tier-2) (note 15.5.4)	21,801,207,488	19,592,044,059
	66,017,620,757	59,104,097,800
Total Regulatory capital Surplus /(Deficit)	18,233,145,984	16,586,518,645

Amount in BDT

		2023	2022
	CRAR Based on Basel III Framework:	**13.82%**	**13.90%**
	Capital Requirement :	**Held**	**Held**
	Tier-1 (Minimum CET-1 @ 4.50%)	8.21%	8.12%
	Additional Tier-1 (Maximam CET-1 @ 1.50%)	1.05%	1.18%
	Tier-1 Capital	9.25%	9.29%
	Tier-2 (Maximum upto 4% of total RWA or 88.89% of CET-1 which ever is higher) Balancing	4.56%	4.61%
	Total	**13.82%**	**13.90%**
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	23,767,042,094	18,700,546,455
		44,332,984,274	39,266,488,635
	Reciprocal crossholdings in the CET -1, Goodwill and other intangible assets	(390,158,739)	(230,909,194)
	Deferred Tax assets (DTA) on loan loss provision	(4,726,412,266)	(4,523,525,700)
		39,216,413,269	**34,512,053,741**
	Additional Tier-1 Capital (AT-1)		
	Perpetual bonds	5,000,000,000	5,000,000,000
		44,216,413,269	**39,512,053,741**
15.5.4	**Gone - concern capital (Tier-2)**		
	General provision (Unclassified loans + off-balance sheet exposure)	11,101,207,488	9,892,044,059
	Subordinated debt/ instruments issued by the Bank	10,700,000,000	9,700,000,000
	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	-	-
		21,801,207,488	19,592,044,059
	Regulatory adjustment		
	Revaluation reserve for fixed asset, securities & equipment as on 31 December 2014	-	-
		21,801,207,488	**19,592,044,059**
	Total Regulatory Capital Maintained	**66,017,620,757**	**59,104,097,800**

15.6 Particulars of shareholding of the Directors

SL	NAME OF THE DIRECTORS	STATUS		2023		2022	
				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. Fahim Ahmed Faruk Chowdhury	Director		21,101,586	211,015,860	21,101,586	211,015,860
5	Ms. Rumana Sharif	Director	Nominated by Transcom Limited	51,418,707	514,187,070	51,418,707	514,187,070
			Personal	256,417	2,564,170	256,417	2,564,170
6	Mr. M. Kabiruzzaman Yaqub FCMA (UK),CGMA	Director		20,568,691	205,686,910	20,568,691	205,686,910
7	Mr. Musa Ahmed	Director		20,615,794	206,157,940	20,615,794	206,157,940
8	Mr. Azizur Rahman	Director		22,352,148	223,521,480	22,352,148	223,521,480
9	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	-	-	-	-
10	Ms. Rana Laila Hafiz	Director		20,565,889	205,658,890	20,565,889	205,658,890
11	Mr. Mustafa Ahmed	Director		35,845,935	358,459,350	35,845,935	358,459,350
12	Mr. Arif Ahmed Choudhury	Director		20,566,364	205,663,640	-	-
13	Dr. Shahdeen Malik	Independent Director		-	-	-	-
14	Mr. Mohammad Naushad Ali Chowdhury	Independent Director		-	-	-	-
15	Mr. Mohammad Ali	Managing Director & CEO		-	-	-	-
16	Mr. Ahmed Shafi Choudhury	Ex-Director	Nominated by Transcom Limited	-	-	20,707,995	207,079,950
			Personal	-	-	83,505	835,050
				324,026,085	**3,240,260,850**	**324,251,221**	**3,242,512,210**

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 2023	PERCENTAGE OF SHAREHOLDING AT 31 DEC 2022
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. Fahim Ahmed Faruk Chowdhury	Director		2.05	2.05
5	Ms. Rumana Sharif	Director	Nominated by Delta Life Insurance Co. Ltd.	5.00	5.00
			Personal	0.02	0.02
6	Mr. M. Kabiruzzaman Yaqub FCMA (UK),CGMA	Director		2.00	2.00
7	Mr. Musa Ahmed	Director		2.00	2.00
8	Mr. Azizur Rahman	Director		2.17	2.17
9	Mr. Md. Abdur Razzak Mondal	Director	Nominated by That's It fashions Ltd.	3.50	3.50
			Personal	-	-
10	Ms. Rana Laila Hafiz	Director		2.00	2.00
11	Mr. Mustafa Ahmed	Director		3.49	3.49
12	Mr. Arif Ahmed Choudhury	Director		2.00	-
13	Dr. Shahdeen Malik	Independent Director		-	-
14	Mr. Mohammad Naushad Ali Chowdhury	Independent Director		-	-
15	Mr. Mohammad Ali	Managing Director & CEO		-	-
16	Mr. Ahmed Shafi Choudhury	Ex-Director	Nominated by Transcom Limited	-	2.01
			Personal	-	0.01

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.	Chairman	3.17%
			2. Pubali Bank Securities Ltd.	Director	1 share
			3. Global Pharmaceutical Company Ltd.	Director	-
4	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
5	Ms. Rumana Sharif	Nominee Director	None	Nil	Nil
6	Mr. M. Kabiruzzaman Yaqub FCMA (UK),CGMA	Director	1 Imagine Properties Ltd.	Chairman	50.00%
7	Mr. Musa Ahmed	Director	1. Popular Jute Exchange Ltd.	Director	22.55%
			2. Popular Jute Mills Ltd.	Director	8.10%
			3. Comilla 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%
8	Mr. Azizur Rahman	Director	1. Pubali Bank Securities Ltd.	Director	1 share
			2. National Ceramic Industries Ltd.	Managing Director	54,167 shares
			3. Dressmen Fashionwear Ltd.	Director	40%
9	Mr. Md. Abdur Razzak Mondal	Nominee Director	1. That's It Fashions Ltd.	Nominee	-
10	Ms. Rana Laila Hafiz	Director	1. Trouser Line Ltd.	Managing Director	42.50%
			2. SP Garments Ltd.	Managing Director	2.19%
			3. SP Washing Ltd.	Managing Director	3.94%
			4. Green Valley Plantation Ltd.	Director	23.81%
11	Mr. Mustafa Ahmed	Director	Pubali Bank Securities Ltd.	Director	1 share
12	Mr. Arif Ahmed Choudhury	Director	Transcom Securities Ltd.	Managing Director	19,000 shares
13	Dr. Shahdeen Malik	Independent Director	Pubali Bank Securities Ltd.	Independent Director	-
14	Mr. Mohammad Naushad Ali Chowdhury	Independent Director	None	Nil	Nil
15	Mr. Mohammad Ali	Managing Director & CEO	1. Pubali Bank Securities Ltd.	Director (Representative of Pubali Bank PLC.)	-
			2. Uttara Finance and Investment Limited	Director (Representative of Pubali Bank Securities Ltd.)	-

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 2023
1	Mr. Habibur Rahman	Director	Credit Card	500,000	-
2	Ms. Rumana Sharif	Director	Credit Card	500,000	14,610
3	Mr. Mohammad Ali	Managing Director	Credit Card	500,000	-

Amount in BDT

		2023	2022
15.7.6	**Key Management personnel compensation**		

Amounts incurred by the Bank for the provision of key Management personnel services is given below

PARTICULARS	2023	2022
Short-term employee benefits	138,777,778	163,110,618
post-employment benefits	129,245,749	42,147,986

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, 05 nos. Deputy Managing Directors, 32 nos. General Manager, 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.

16	**Statutory reserve**		
	The Bank is required to transfer at least 20% of its profit before tax to the Statutory Reserve in accordance with provisions of section 24 of the Banking Companies Act, 1991. This is mandatory until such reserve is equal to the paid up capital together with amount in the share premium account.		
	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	18,040,396,448	14,426,734,652
	Net profit for the year	6,808,468,920	5,321,771,659
	Transfer regarding revaluation reserve on sale of Fixed Assets	929,000	813,990
	Coupon interest payment against Perpetual Bond	(500,000,000)	(363,734,740)
	Transfer to Start-up fund	(68,084,689)	(53,217,717)
	Net income and expenses not recognised in the Profit and Loss Statement	1,804,999	(6,603,623)
		24,283,514,678	**19,325,764,221**
	Less: Issue of cash dividend	(1,285,367,773)	(1,285,367,773)
	Balance at the end of the year	**22,998,146,905**	**18,040,396,448**

As per BRPD Circular no.11 dated 12 December 2011, total amount of Tk. 4,726,412,266 has been recognized as Deferred Tax Assets (DTA) included in Retained Earnings for 2023 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.

17(a)	**Consolidated Retained earnings**		
	Pubali Bank PLC.	22,998,146,905	18,040,396,448
	Pubali Bank Securities Limited	768,895,189	660,150,007
		23,767,042,094	**18,700,546,455**
18	**Other reserves**		
18.1	**Investment Revaluation Reserve**		
	Balance at the beginning of the year	1,248,583,316	2,158,644,271
	Addition/(disposal) during the year	(521,006,691)	(910,060,955)
	Balance at the end of the year	727,576,625	1,248,583,316
18.2	**Fixed Asset Revaluation Reserve**		
	Balance at the beginning of the year	2,558,813,405	2,558,727,491
	Recognition of deferred tax on revaluation reserve of fixed assets	(83,074,588)	85,914
	Transfer out: Fixed Asset revaluation reserve	-	-
	Balance at the end of the year	**2,475,738,817**	**2,558,813,405**
18.3	**Share forfeiture account**	**333,984**	**333,984**
18.4	**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
18.5	**Foreign currency translation reserve**		
	Balance at the beginning of the period	42,058,873	9,877,248
	Addition during the period	4,279,874	32,181,625
	Balance at the end of the period	46,338,747	42,058,873
	Other reserves	**3,279,948,145**	**3,879,749,550**

Notes To The Financial Statements

for the year ended 31 December 2023

Amount in BDT

		2023	2022
18(a)	**Consolidated Other reserves**		
	Pubali Bank PLC.	3,279,948,145	3,879,749,550
	Pubali Bank Securities Limited	32,623,459	-
		3,312,571,604	**3,879,749,550**
19	**Profit & loss account surplus**		
	Balance at the beginning of the year	-	-
	Profit after tax during the year	6,808,468,920	5,321,771,659
		6,808,468,920	**5,321,771,659**
	Appropriation for the year		
	Statutory reserve	-	-
	Retained earnings	6,808,468,920	5,321,771,659
		6,808,468,920	**5,321,771,659**
	Balance at the end of the year	-	-
19(a)	**Consolidated Profit & loss account surplus**		
	Balance at the beginning of the year	-	-
	Profit after tax during the year	6,949,837,589	5,648,006,251
		6,949,837,589	**5,648,006,251**
	Appropriation for the year		
	Statutory reserve	-	-
	Retained earnings	6,949,837,589	5,648,006,251
		6,949,837,589	**5,648,006,251**
	Balance at the end of the year	-	-
20	**Non-controlling interest**		
	Balance at the beginning of the year	1,119	1,055
	Share of current year profit	28	64
		1,147	**1,119**
21	**Contingent Liabilities**		
	Acceptances & endorsements (Note 21.1)	85,520,080,684	103,377,186,550
	Letters of guarantee (Note 21.2)	47,866,914,701	37,872,061,489
	Irrevocable letters of credit (Note 21.3)	69,747,888,751	53,175,862,737
	Bills for collection (Note 21.4)	37,191,310,041	28,980,463,041
	Other contingent liabilities *	2,433,181,166	2,433,181,166
		242,759,375,343	**225,838,754,983**

* The amount of Tk. 2,433,181,166 has been claimed by the different borrowers against the Bank regarding Loans & Advances including 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	73,637,926,618	97,016,459,827
	Local	11,882,154,066	6,360,726,724
		85,520,080,684	103,377,186,551
21.1.1	**Acceptance & Endorsements in favour of:**		
	Government	-	-
	Director/Executives/Officers	-	-
	Bank and other financial institutions	-	-
	Other customer	85,520,080,684	103,377,186,551
		85,520,080,684	103,377,186,551
21.2	**Letters of Guarantee**		
	Foreign	463,693,172	355,394,050
	Local	47,403,221,529	37,516,667,439
		47,866,914,701	37,872,061,489
21.2.1	**Letters of Guarantee in favour of:**		
	Government	-	-
	Director/Executives/Officers	-	-
	Bank and other financial institutions	-	-
	Other customer	47,866,914,701	37,872,061,489
		47,866,914,701	37,872,061,489
21.3	**Letters of Credit**		
	Foreign	53,057,848,406	44,785,924,638
	Local	16,690,040,345	8,389,938,098
		69,747,888,751	53,175,862,736
21.3.1	**Letters of Credit in favour of:**		
	Government	-	-

Amount in BDT

		2023	2022
	Director/Executives/Officers	-	-
	Bank and other financial institutions	-	-
	Other customer	69,747,888,751	53,175,862,736
		69,747,888,751	53,175,862,736
21.4	**Bills for Collection**		
	Foreign	8,907,952,326	6,279,597,326
	Local	28,283,357,715	22,700,865,715
		37,191,310,041	28,980,463,041
21.4.1	**Bills for Collection in favour of:**		
	Government	-	-
	Director/Executives/Officers	-	-
	Bank and other financial institutions	-	-
	Other customer	37,191,310,041	28,980,463,041
		37,191,310,041	28,980,463,041
22	**Interest income**		
	Loans	5,989,114,817	4,216,009,593
	Cash credits	6,778,038,010	4,883,896,348
	Over drafts	9,480,441,697	6,766,610,121
	Loan against trust receipt	810,915,182	745,424,776
	Inland bill purchased & demand draft purchased	525,114,708	243,580,372
	Foreign bill purchased and Export development fund	405,699,802	269,742,401
	Interest on Export Bill Discounting (EBD)	37,831,474	19,301,514
	Packing credits	142,552,398	83,103,464
	Payments against document	2,945,467,130	2,024,335,501
	Agricultural credits & rural credits	136,256,873	118,433,300
	Sundries account	36,216,953	40,207,635
	CLS account	1,220,692,203	1,119,179,676
	Secured mortgages	2,798,886,679	1,810,869,383
	Loan against Shiksha Sanchay Prokalpa	55,917,136	71,137
	Loan against Non-resident Credit Scheme	10,621	-
	Lease finance	1,079,805,230	763,019,165
	Loan against Pubali Sanchay Prokalpa	7,428,965	7,493,952
	Term loans	6,317,832,536	5,205,251,300
	Syndication/Club Finance	368,355,240	388,839,594
	Govt. employee house building loan	1,457,971	-
	Loan against Pubali Pension Scheme	66,891,975	63,052,705
	Interest on loans and advances	**39,204,927,600**	**28,768,421,937**
	Interest on money at call and short notice	179,866,565	234,148,470
	Interest on balance with other banks	746,071,223	618,129,385
	Interest on fixed deposits with other banks	209,976,876	192,492,271
		40,340,842,264	**29,813,192,063**
22(a)	**Consolidated Interest Income**		
	Pubali Bank PLC.	40,340,842,264	29,813,192,063
	Pubali Bank Securities Limited	63,908,770	47,055,835
		40,404,751,034	**29,860,247,898**
23	**Interest paid on deposits, borrowings, etc.**		
	Fixed deposit	11,388,808,812	7,528,803,469
	Short-notice deposit	2,236,425,990	2,099,739,199
	Savings bank deposit	1,587,656,916	1,523,658,149
	Deposit pension scheme	1,189,786	885,975
	Pubali bank pension scheme	3,401,556,871	3,427,888,635
	Pubali Sanchay Prokalpa	249,636,265	243,708,978
	Shiksha Sanchay Prokalpa	12,562,672	13,718,834
	Dwigun Sanchay Prokalpa	1,812,675,769	1,868,306,361
	Interest on MPSD	385,330,939	334,400,543
	Interest on TBSD	772,512,494	609,652,148
	Interest on MFD	312,660,536	268,826,662
	Sundry accounts	91,203,767	10,737,925
	Interest paid on Deposits	**22,252,479,268**	**17,930,326,878**
	Interest on call loan	102,907,750	31,467,222
	Interest on borrowings from Bank and Fis	3,072,530,355	1,582,852,177
	Interest on repo borrowings	301,325,834	49,558,442
	Interest on term borrowings	5,589,954	-
	Interest on Treasury bond	554,674,016	97,272,900
	Interest on HFT Securities	2,243,954,482	2,207,756,374

Amount in BDT

		2023	2022
	Interest on HTM Securities	340,994,038	395,352,860
	Interest on borrowings from Bangladesh Bank	213,958,680	142,150,542
	Interest on Subordinated Bond	1,146,701,041	803,856,164
	Net interest cost (Gratuity Fund)	85,961,385	-
		30,321,076,803	**23,240,593,559**
24	**Investment Income**		
	Interest on treasury bill	1,937,620,774	931,854,833
	Interest on treasury bond	9,753,177,554	8,733,957,986
	Interest on other bond	1,170,857,475	1,033,136,602
	Gain/ (Loss) on sale of shares	7,548,808	17,917,367
	Interest on Reverse Repo	284,205,086	424,385,912
	Gain on Treasury Bill & Treasury Bond	2,100,921,094	2,124,942,979
	Dividend on shares	379,403,654	474,168,037
		15,633,734,445	**13,740,363,716**
24(a)	**Consolidated Income from investment**		
	Pubali Bank PLC.	15,633,734,445	13,740,363,716
	Pubali Bank Securities Limited	265,634,808	393,065,213
		15,899,369,253	**14,133,428,929**
25	**Commission, exchange and brokerage**		
	SC, LSC, DD, TT, MT and PO	35,407,994	29,364,263
	Foreign L/C-Import/others	545,542,440	582,890,026
	Local L/C-Import/others	86,784,471	65,331,557
	Issuance of foreign guarantee	2,863,625	2,806,815
	Issuance of local guarantee	542,375,101	344,311,547
	Issuance of traveller's cheque	20,380	7,506
	Other transactions	157,559,524	182,397,465
	Miscellaneous Handling Commission-Import/others	70,252,832	88,053,524
	Consumers credit	1,519	-
	Stationery articles-Import/other	6,577,400	6,065,849
	Fees and Commission (Syndication/Club Finance)	600	984,784
	LC Acceptance charges	607,378,196	638,155,418
	LC Payment & Discrepancy Charges	185,632,806	178,538,003
	BSP, PSP, Prize Bond and ACS	12,169,138	5,287,841
	Online fee	-	-
	Total commission	**2,252,566,026**	**2,124,194,598**
	Exchange (Note 25.1)	851,421,452	1,187,125,916
		3,103,987,478	**3,311,320,514**
25.1	**Exchange**		
	Exchange gain	13,857,654,181	17,439,530,058
	Exchange loss	(13,006,232,729)	(16,252,404,142)
		851,421,452	**1,187,125,916**
25(a)	**Consolidated Commission, exchange and brokerage**		
	Pubali Bank PLC.	3,103,987,478	3,311,320,514
	Pubali Bank Securities Limited	24,993,958	43,775,776
		3,128,981,436	**3,355,096,290**
26	**Other operating income**		
	Rent recovery	7,453,928	6,563,847
	Postage (Import/others) and telecommunication recovery	11,788,716	12,987,685
	Recovered from bad debt written off	224,064	89,893
	Swift Income-Import/others	127,240,128	134,142,120
	Fee on card transection	44,763,132	26,653,556
	Application fee of CLS account	59,455	111,653
	Account opening charge of CLS account	5,700	43,800
	Service charge	57,014,746	65,131,287
	Income on sale of leased asset	8,361,532	8,113,736
	Processing Fee on Pubali Abashon	7,200,165	1,116,250
	Processing Fee on Lease	2,148,340	-
	Processing Fee	53,374,932	47,242,394
	Loan Reschedule/Restructure Fee	17,398	17,586
	Online service charge	624,505,609	548,877,663
	Accounts maintenance fee	346,427,796	320,522,412
	SMS service charges	167,802,045	129,252,741
	Card Fees and charges	60,564,077	42,125,979
	CIB service charges	22,421,640	19,901,780
	Early Settlement Fee	5,479,626	4,463,507
	Income on sale of Bank's property	2,064,429	34,653,617
	Miscellaneous income -Import/others	109,933,372	166,408,242

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for the year ended 31 December 2023

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		2023	2022
	Miscellaneous income-supervision and monitoring	133,204,431	-
	Miscellaneous income-transfer fee	1,922,211	2,000,610
		1,793,977,472	**1,570,420,358**
26(a)	**Consolidated Other operating income**		
	Pubali Bank PLC.	1,793,977,472	1,570,420,358
	Pubali Bank Securities Limited	28,126,383	46,968,895
		1,822,103,855	**1,617,389,253**
27	**Salary and allowances**		
	Basic salary	3,487,695,376	3,127,502,049
	House rent allowances	2,049,048,019	1,829,939,109
	Medical allowances	424,528,403	383,762,835
	House maintenance	259,269,724	245,101,999
	Other allowances	2,105,529,219	1,882,379,523
	Contributory provident fund	304,690,356	282,159,148
	General provident fund	168,017	253,555
	Bonus to employees	627,899,707	596,507,381
		9,258,828,821	**8,347,605,599**
27(a)	**Consolidated Salary and allowances**		
	Pubali Bank PLC.	9,258,828,821	8,347,605,599
	Pubali Bank Securities Limited	47,859,350	44,129,468
		9,306,688,171	**8,391,735,067**
28	**Rent, taxes, insurance, electricity, etc.**		
	Bank premises	766,331,789	694,771,727
	Godown	4,175,904	3,678,468
	Total Rent expenses	770,507,693	698,450,195
	Reversal of rent expenses due to depreciation and interest expenses under IFRS 16-Leases	770,507,693	698,450,195
	Rent expenses after reversal	-	-
	Rates and taxes	20,651,289	19,885,559
	Insurance premium (IDIPA, Lockers and others)	305,630,360	303,411,229
	Insurance premium (cash in Transit, Vault and ATM)	113,198,186	57,091,147
	Lighting (Electricity bill)	249,859,782	194,500,570
	Electric fittings and fixtures	84,914,847	65,203,803
	Water and sewerage bill	6,539,947	6,788,646
		780,794,411	**646,880,954**

Total rent expenses for the year 2023 was Tk.770,507,693 as per IAS 17. To comply with "IFRS 16 Lease" rent expense has been adjusted with Depreciation Tk 529,514,875 arises against Right of use assets (Annex-A), Interest expense of Tk 152,955,880 and VAT on rent expense of Tk. 100,501,003 under note no. 36.

28(a)	Consolidated Rent, taxes, insurance, electricity, etc.		
	Pubali Bank PLC.	780,794,411	646,880,954
	Pubali Bank Securities Limited	7,701,884	2,656,896
		788,496,295	**649,537,850**
29	**Legal expenses**		
	Lawyers' charges	14,282,339	13,463,087
	Court fees and other expenses	4,185,110	3,936,660
		18,467,449	**17,399,747**
29(a)	**Consolidated Legal expenses**		
	Pubali Bank PLC.	18,467,449	17,399,747
	Pubali Bank Securities Limited	1,087,167	148,679
		19,554,616	**17,548,426**
30	**Postage, stamp, telecommunication, etc.**		
	Postage	13,955,568	14,303,978
	Telegram	84,947	218,897
	Stamp	282,519	153,004
	Telephone	14,854,646	15,002,078
	SWIFT charges	27,874,524	38,425,436
	SMS charges	15,537,578	21,320,402
	Tele rate/ Reuters	4,307,553	3,388,851
	Internet charges	2,716,244	2,445,590
		79,613,579	**95,258,236**
30(a)	**Consolidated Postage, stamp, telecommunication, etc.**		
	Pubali Bank PLC.	79,613,579	95,258,236
	Pubali Bank Securities Limited	122,003	198,822
		79,735,582	**95,457,058**
31	**Stationery, printing, advertisement, etc.**		
	Table stationery	49,945,685	38,558,081

Amount in BDT

		2023	2022
	Computer stationery	35,986,990	33,838,817
	Printing and stationery	5,260,692	6,409,366
	Consumption of books and forms	43,981,145	17,404,727
	Advertisement	136,730,633	53,119,686
		271,905,145	**149,330,677**
31(a)	**Consolidated Stationery, printing, advertisement, etc.**		
	Pubali Bank PLC.	271,905,145	149,330,677
	Pubali Bank Securities Limited	525,227	550,514
		272,430,372	**149,881,191**
32	**Managing Director's salary and fees**		
	Basic pay	9,133,549	6,900,215
	Allowances	2,576,129	2,933,420
	Bank's contributory provident fund	-	690,022
	Bonus	3,060,000	2,320,000
		14,769,678	**12,843,657**
33	**Directors' fees**		
	Meeting fees and Honorarium	6,168,800	6,350,716
	Meeting expenses	1,093,789	629,473
	Meeting related travelling allowances	406,847	361,017
		7,669,436	**7,341,206**
33(a)	**Consolidated Directors' fees**		
	Pubali Bank PLC.	7,669,436	7,341,206
	Pubali Bank Securities Limited	891,000	1,716,000
		8,560,436	**9,057,206**

Directors' fees represent fees paid for attending board meeting, board audit committee meeting and risk management committee meeting @ Tk. 8,000 per director per meeting as per BRPD circular no.11 dated 4 October 2015.

34	**Auditors' fees**		
	Statutory Audit	2,420,750	1,437,500
	Interim and other audit	-	583,500
		2,420,750	**2,021,000**
34(a)	**Consolidated Auditors' fees**		
	Pubali Bank PLC.	2,420,750	2,021,000
	Pubali Bank Securities Limited	161,000	178,250
		2,581,750	**2,199,250**
35	**Depreciation and repair of bank's assets**		
	Repairs to fixed assets	76,260,402	63,892,157
	Maintenance of assets	666,044,081	246,362,672
	Maintenance of assets -Wages	98,426,996	66,856,884
	Depreciation on fixed assets (note 35.1)	1,242,941,661	1,060,741,567
		2,083,673,140	**1,437,853,280**
35.1	**Depreciation/Amortization**		
	Lease land	1,151,265	1,151,265
	Building	9,949,741	10,204,861
	Furniture and Fixture	87,288,915	70,026,429
	Computer & Computer Accessories	291,348,830	222,440,812
	Machinery and Equipment	176,535,352	147,355,360
	Vehicles	36,899,227	33,911,929
	Right of use assets (ROU)	529,514,875	481,856,774
	Computer Software	110,253,456	93,794,137
		1,242,941,661	**1,060,741,567**
35(a)	**Consolidated depreciation and repair of bank's assets**		
	Pubali Bank PLC.	2,083,673,140	1,437,853,280
	Pubali Bank Securities Limited	3,602,639	2,310,425
		2,087,275,779	**1,440,163,705**
36	**Other expenses**		
	Repairs to rented property	4,558,423	2,560,406
	Newspapers	4,616,567	3,864,596
	Renovation under construction works	62,580,685	65,292,283
	Petrol consumption	97,534,742	75,921,579
	Travelling	67,322,289	64,482,278
	Donations	183,701,006	180,093,602
	Honorarium	2,402,740	2,219,118
	Subscriptions	23,308,838	24,699,680

Amount in BDT

	2023	2022
Sub-ordinate staff clothing	13,032,423	13,396,449
Conveyance	34,715,244	31,128,024
Entertainment	43,095,628	33,188,522
Training	31,998,333	19,606,311
Photocopying	315,992	365,388
Branches' opening expenses	8,266,563	7,079,652
Shifting expenses	1,908,699	1,514,509
Carrying expenses	3,485,879	2,684,857
Professional fees	73,308,941	84,120,985
Security and Auxiliary services	285,822,828	224,931,722
Gun license fees	3,217,838	7,195,349
Overtime	35,963,174	35,399,100
Employees recreation (Lunch subsidy)	356,821,845	345,039,242
Promotional expenses	179,205,789	73,533,155
Gratuity	-	1,290,537,500
Group insurance	19,878,108	19,628,119
Car allowance	52,023,537	44,277,690
Chemicals for office equipment's	886,671	787,698
Loss on sale of bank's property	2,086,456	2,000,100
CDBL fees	133,570	111,850
Annual general meeting	1,222,059	2,248,812
Bandwidth charges	103,008,528	97,210,442
Card expenditure	149,984,973	79,218,570
VAT on Rent Expenses	100,501,003	91,102,199
Interest Expenses for lease liability as per IFRS-16	152,955,880	134,857,087
Bank Charges & Others	3,977,035	3,105,298
Nostro account charges	26,658,516	19,139,950
Card transection fee	9,276,132	6,411,177
Additional Profit Payable A/C For Islamic Banking	-	6,330,082
Current Service Cost (Gratuity fund)	418,584,000	-
Miscellaneous	121,845,283	45,373,391
	2,680,206,217	**3,140,656,772**

36.1 Cost savings initiatives of the Bank as per BRPD circular letter nos. 28,30 & 35 dated 26 July 2022, 27 July 2022 & 05 September 2022 respectively.

Pursuant to BRPD Circular Letter nos. 28,30 & 35 dated 26 July 2022, 27 July 2022 & 05 September 2022 respectively, all schedule banks of Bangladesh are instructed to reduce certain expenses at specific percentage from the allocated amount. Categories of expenses fall under these requirements are expenses for fuel, electricity, entertainment, travelling, computer and accessories, electrical equipment, furniture and other stationaries. Purchases of all new or replacement vehicle has also been prohibited. Pubali Bank PLC. has been extremely vigilant about cost.

Pubali Bank PLC. has taken several initiatives such as rationalizing the usage of office space to reduce electricity cost, restriciting entertainment expenses and travelling, reducing and deferring the expenses on comptuter and accessories which are not urgently required etc. To comply with the above instructions, the actual expenses on the said categories are monitored on periodically to track the savings achieved against the allocated amount. Savings achieved are reflected in the respective expense category in the profit and loss statement or fixed assets schedule of the Bank.

36(a)	**Consolidated Other expenses**		
	Pubali Bank PLC.	2,680,206,217	3,140,656,772
	Pubali Bank Securities Limited	8,835,463	10,241,457
		2,689,041,680	**3,150,898,229**
37	**Provision for Loans, Advances, Investments and Other Assets**		
	Classified loans and advances (note 14.1.1)	2,828,437,943	1,880,136,844
	Unclassified loans and advances (note 14.1.2)	66,162,057	872,267,826
	Provision for bad debt offsetting	-	22,067,376
	Provision for diminution in value of Investments	2,000,000	-
	Provision for other assets	42,500,000	50,000,000
		2,939,100,000	**2,824,472,046**
37(a)	**Consolidated Provision for Loans, Advances, Investments and Other Assets**		
	Pubali Bank PLC.	2,939,100,000	2,824,472,046
	Pubali Bank Securities Limited	97,548,006	55,411,791
		3,036,648,006	**2,879,883,837**
38	**Provision for exposure of off balance sheet items**		
	Provision for exposure against off-balance sheet items	426,000,000	-
		426,000,000	**-**

Amount in BDT

		2023	2022

38.1 Details of Required General and Additional Provision against off-balance sheet exposure

Particulars	Outstanding amount	Overdue amount			Additional provision on overdue amount		
		03-12 months	12-24 months	Above 24 months	1% on (03-12 months overdue)	2% on (12-24 months overdue)	5% on (Above 24 months overdue)
Acceptances & endorsements	85,520,080,684	623,608,934	48,851,703	-	6,236,089	977,034	-
Letters of guarantee	47,866,914,701	2,611,921,562	2,281,974,449	1,550,422,340	26,119,216	45,639,489	77,521,117
Irrevocable letters of credit	69,747,888,751	3,205,801,016	1,175,408,546	106,884,256	32,058,010	23,508,171	5,344,213
Bills for collection	37,191,310,041	-	-	-	-	-	-
Other contingent liabilities	2,433,181,166	-	-	-	-	-	121,659,058
Total	**242,759,375,343**	**6,441,331,512**	**3,506,234,698**	**1,657,306,596**	**64,413,315**	**70,124,694**	**204,524,388**

Particulars	General Provision (1%)	Additional provision on overdue amount		
Acceptances & endorsements	855,200,807	7,213,123	862,413,930	1,033,771,865
Letters of guarantee	478,669,147	149,279,822	627,948,969	378,720,615
Irrevocable letters of credit	697,478,888	60,910,394	758,389,282	531,758,627
Other contingent liabilities	24,331,812	121,659,058	145,990,870	24,331,812
Required provision			**2,394,743,051**	**1,968,582,919**
Provision maintained			2,394,950,000	1,968,950,000
Excess provision			**206,949**	**367,081**

39	**Provision for doubtful investment**		
	Provision for diminution in value of Investments	2,000,000	-
		2,000,000	**-**
40	**Receipts from other operating activities**		
	Net exchange gain	851,421,452	1,187,125,916
	Other operating income	1,791,688,979	1,535,676,848
		2,643,110,431	**2,722,802,764**
40(a)	**Consolidated Receipts from other operating activities**		
	Pubali Bank PLC.	2,643,110,431	2,722,802,764
	Pubali Bank Securities Limited	43,934,496	187,584,059
		2,687,044,927	**2,910,386,823**
41	**Cash payments for other operating activities**		
	Rent, taxes, insurance, electricity etc.	1,551,302,104	1,345,331,149
	Director's fees	7,669,436	7,341,206
	Repairs of bank's assets	840,731,479	377,111,713
	Other expenses	2,426,749,334	2,914,697,486
		4,826,452,353	**4,644,481,554**
41(a)	**Consolidated Cash payments for other operating activities**		
	Pubali Bank PLC.	4,826,452,353	4,644,481,554
	Pubali Bank Securities Limited	20,752,584	18,013,443
		4,847,204,937	**4,662,494,997**
42	**Increase/(decrease) of other assets**		
	Closing other assets		
	Stationery and Stamps	131,977,562	99,365,441
	Advance security deposit, advance rent etc.	1,137,769,821	759,288,899
	Investment in SWIFT AC	3,387,591	3,387,591
	Stock dealing account	34,846,335	90,561,024
	Suspense Account	407,132,159	818,835,977
	Deferred tax assets	4,793,130,139	4,557,181,100
	Items in transit	10,751,881,053	9,333,322,412
	Drafts payable (Dr. balance)	16,444,707	16,446,447
	Sanchaypatra	61,785,118	29,670,982
	Clearing house adjustment	656,811	2,788,012
	Others	44,079,695	24,454,855
		17,383,090,991	**15,735,302,740**

Notes To The Financial Statements

for the year ended 31 December 2023

Amount in BDT

		2023	2022
	Opening other assets		
	Stationery and stamps	99,365,441	112,282,554
	Advance security deposit, advance rent etc.	759,288,899	185,409,535
	Investment in SWIFT AC	3,387,591	3,387,591
	Stock dealing account	90,561,024	218,377,519
	Deferred tax assets	4,557,181,100	4,020,112,798
	Suspense account	818,835,977	346,089,155
	Demonetized notes	-	1,903,590
	Items in transit	9,333,322,412	7,758,535,689
	Drafts payable (Dr. Balance)	16,446,447	16,540,503
	Sanchaypatra	29,670,982	17,551,607
	Clearing house adjustment	2,788,012	1,400,931
	Others	24,454,855	3,739,932
		15,735,302,740	**12,685,331,404**
		(1,647,788,251)	**(3,049,971,336)**
42(a)	**Consolidated increase/(decrease) of other assets**		
	Pubali Bank PLC.	(1,647,788,251)	(3,049,971,336)
	Pubali Bank Securities Limited	(30,530,657)	(213,047,660)
		(1,678,318,908)	**(3,263,018,996)**
43	**Increase/(decrease) of other liabilities**		
	Closing other liabilities		
	Interest suspense	8,042,758,553	6,752,276,864
	Interest suspense on underwriting advances	219,648,924	219,648,924
	Interest suspense against 70% Agri Loan	192,381	192,382
		8,262,599,858	**6,972,118,170**
	Opening other liabilities		
	Interest suspense	6,752,276,864	6,141,139,753
	Interest suspense on underwriting advances	219,648,924	219,648,924
	Interest suspense against 70% Agri Loan	192,382	192,382
		6,972,118,170	**6,360,981,059**
		1,290,481,688	**611,137,111**
43(a)	**Consolidated increase/(decrease) of other liabilities**		
	Pubali Bank PLC.	1,290,481,688	611,137,111
	Pubali Bank Securities Limited	(99,211,391)	(160,543,026)
		1,191,270,297	**450,594,085**
44	**Cash and Cash Equivalents at End of Period**		
	Cash in hand (including foreign currencies)	9,130,422,101	8,902,088,820
	Balance with Bangladesh Bank and its agent bank(s)	24,966,637,862	25,547,757,619
	Balance with other banks and financial institution	6,156,645,838	9,810,258,252
	National Prize bonds	21,797,541	12,682,101
	Money at call on short notice	37,686,667	838,986,667
		40,313,190,009	**45,111,773,459**
44(a)	**Consolidated Cash and Cash Equivalents at End of Period**		
	Pubali Bank PLC.	40,313,190,009	45,111,773,459
	Pubali Bank Securities Limited	583,264,253	1,576,440,374
		40,896,454,262	**46,688,213,833**

45 Assets and liabilities as at 31 December 2023 denominated in foreign currencies have been converted to Bangladesh Taka at the following exchange rates:

Currency	Currency unit	Equivalent Taka
European Currency	EURO	122.0201
Japanese Yen	JPY	0.7770
Pound Sterling	GBP	140.6007
Swiss Franc	CHF	130.6237
US Dollar	USD	109.7500
ACU Dollar	ACUD	109.7500
AED	AED	29.8778
CNY	CNY	15.4165
Saudi Riyal	SAR	29.2635

46	**Basic and Diluted Earnings Per Share (EPS):**		
	Net profit after taxes	6,808,468,920	5,321,771,659
	Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
	Basic Earnings Per Share (EPS)	**6.62**	**5.18**

Notes To The Financial Statements

for the year ended 31 December 2023

Amount in BDT

		2023	2022
46(a)	**Consolidated Basic and Diluted Earnings Per Share (EPS)**		
	Net profit after tax	6,949,837,589	5,648,006,251
	Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
	Basic Earnings Per Share (EPS)	**6.76**	**5.49**
	Earnings per share has been calculated in accordance with BAS-33:"Earnings Per Share (EPS)".		
46(1)	**Net Asset Value Per Share (NAVPS):**		
	Total Shareholders' Equity	46,844,037,230	42,486,088,178
	Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
		45.56	**41.32**
46(1)(a)	**Consolidated Net Asset Value Per Share (NAVPS):**		
	Total Shareholders' Equity	47,645,555,878	43,146,238,185
	Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
		46.33	**41.96**
46(2)	**Net Operating Cash Flow Per Share (NOCFPS):**		
	Net Cash from/(used in) Operating activities	(1,973,455,268)	(2,717,037,891)
	Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
		(1.92)	***(2.64)**
46(2)(a)	**Consolidated Net Operating Cash Flow Per Share (NOCFPS):**		
	Net Cash from/(used in) Operating activities	(2,960,679,865)	(3,087,995,328)
	Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
		(2.88)	***(3.00)**
	*NOCFPS has been restated as per "Paragraph 42 of IAS-8: Accounting Policies, Changes in Accounting estimates and errors" for showing the payment of coupon/ dividend on perpetual bond as financing activities which was considered as operating activities in previous year.		
47	**Reconciliation of statement of cash flows from operating activities**		
	Profit before provision	**15,353,116,230**	**11,337,511,964**
	Adjustment for non cash items		
	Depreciation on fixed asset	1,132,688,205	966,947,430
	Amortization on software	110,253,456	93,794,137
		1,242,941,661	**1,060,741,567**
	Adjustment with non-operating activities		
	Gain on sale of shares	(7,548,808)	(17,917,367)
	Capital gain on sale of treasury bonds	(2,100,921,094)	(2,124,942,979)
	Gain on sale of Bank's property	(2,064,429)	(34,653,617)
	Loss on sale of bank's property	2,086,456	2,000,100
		(2,108,447,875)	**(2,175,513,863)**
	Changes in operating assets and liabilities		
	Changes in loans & advances	(92,611,369,955)	(85,227,694,143)
	Changes in deposit and other accounts	95,459,896,387	48,436,298,188
	Changes in investment	(6,495,427,037)	7,449,735,831
	Changes in borrowings	(9,701,223,340)	18,517,368,495
	Changes in other assets	(1,574,245,733)	(3,068,432,009)
	Changes in other liabilities	2,068,524,592	3,018,536,178
		(12,853,845,086)	(10,874,187,460)
	Income Tax Paid	**(3,607,220,198)**	**(2,065,590,099)**
	Net cash flows from operating activities	**(1,973,455,268)**	**(2,717,037,891)**

Notes To The Financial Statements

for the year ended 31 December 2023

Amount in BDT

48 Highlights on the Overall Activities of the Bank for the period ended 31 December 2023 and 31 December 2022

PARTICULARS	2023 Taka	2022 Taka
1. Paid- up Capital	10,282,942,180	10,282,942,180
2. Total Regulatory Capital	65,431,793,942	58,464,204,955
3. Regulatory Capital Surplus	18,243,466,893	16,231,132,361
4. Total Assets	814,866,573,965	712,755,711,836
5. Total Deposits	606,296,413,262	510,836,516,875
6. Total Loans & Advances	554,495,496,036	461,884,126,081
7. Total Contingent Liabilities	242,759,375,343	225,838,754,983
8. Credit Deposit Ratio (CDR) (%)	86.85%	84.79%
9. Ratio of Classified Loan to total Loans & Advances (%)	2.86%	2.62%
10. Profit after taxation & Provision	6,808,468,920	5,321,771,659
11. Amount of Classified Loan during the current year	15,862,023,467	12,121,227,966
12. Provision kept against Classified Loans	15,468,377,340	13,192,660,137
13. Provision Surplus	45,456,990	19,567,859
14. Cost of Fund (%)	7.15%	6.77%
15. Interest Earning Assets	690,519,121,178	595,018,233,953
16. Non Interest Earning Assets	124,347,452,787	117,737,477,883
17. Return on Investment (ROI) [(PAT/ Shareholders' Equity + Borrowings)]	5.66%	4.27%
18. Return on Assets (ROA) [PAT/Average Assets]	0.89%	0.79%
19. Return on Equity(ROE) [(PAT/ Shareholders' Equity)]	14.53%	12.53%
20. Income from Investment	15,633,734,445	13,740,363,716
21. Earnings Per Share (Taka)	6.62	5.18
22. Price Earning Ratio (Times)	3.97	5.08

Schedule of Fixed Assets

as at 31 December 2023

ANNEXURE - A

Amount in BDT

Particulars	Cost						Depreciation/Amortization					Net book value at 31 Dec 2023
	Balance at 1 Jan 2023	Additions/ Revaluation during the Year	Disposal during the year	Adjustments during the year	Balance at 31 Dec 2023	Rate (%)	Balance at 1 Jan 2023	Charge for the Year	Disposal during the year	Adjustments during the year	Balance at 31 Dec 2023	
Land	1,117,377,420	-	-	-	1,117,377,420		-	-	-	-	-	1,117,377,420
Lease land	1,121,195,000	-	-	-	1,121,195,000	Fixed	2,302,530	1,151,265	-	-	3,453,795	1,117,741,205
Building	418,660,966	-	-	-	418,660,966	2.50	20,671,386	9,949,741	-	-	30,621,127	388,039,839
Furniture and Fixture	1,228,879,788	249,614,777	16,445,095	-	1,462,049,470	10.00	491,085,600	87,288,915	11,443,153	(3,027)	566,928,335	895,121,135
Computer & Computer Accessories	1,878,175,861	543,677,952	44,156,287	-	2,377,697,526	30.00	1,420,093,119	291,348,830	44,092,328	67,404	1,667,417,025	710,280,501
Machinery and Equipment	1,349,266,976	259,095,816	37,776,205	-	1,570,586,587	20.00	923,112,948	176,535,352	37,558,849	16,514	1,062,105,965	508,480,622
Vehicles	359,985,902	99,261,140	8,435,000		450,812,042	20.00	283,663,646	36,899,227	8,434,960	(67,418)	312,060,495	138,751,547
Capital Work-in Progres	-	549,207,069	-	-	549,207,069		-	-	-	-	-	549,207,069
Right of use Assets (ROU)	3,718,953,437	515,068,579		(40,843,779)	4,193,178,237		1,756,687,284	529,514,875	-	-	2,286,202,159	1,906,976,078
At 31 Dec 2023	**11,192,495,350**	**2,215,925,333**	**106,812,587**	**(40,843,779)**	**13,260,764,317**		**4,897,616,513**	**1,132,688,205**	**101,529,290**	**13,473**	**5,928,788,901**	**7,331,975,416**
At 31 Dec 2022	**9,896,247,702**	**1,413,911,999**	**117,664,351**	**-**	**11,192,495,350**		**4,043,418,567**	**966,947,430**	**112,753,903**	**4,419**	**4,897,616,513**	**6,294,878,837**

Schedule of Intangible Assets as at 31 December 2023

Particulars	Cost						Depreciation/Amortization					Net book value at 31 Dec 2023
	Balance at 1 Jan 2023	Additions/ Revaluation during the Year	Disposal during the year	Adjustments during the year	Balance at 31 Dec 2023	Rate (%)	Balance at 1 Jan 2023	Charge for the Year	Disposal during the year	Adjustments during the year	Balance at 31 Dec 2023	
Computer Software	664,560,474	106,876,322	-	-	771,436,796	0.30	463,894,586	110,253,456	-	-	574,148,042	197,288,754
At 31 Dec 2023	**664,560,474**	**106,876,322**	**-**	**-**	**771,436,796**		**463,894,586**	**110,253,456**	**-**	**-**	**574,148,042**	**197,288,754**
At 31 Dec 2022	**593,083,288**	**71,477,186**	**-**	**-**	**664,560,474**		**370,100,449**	**93,794,137**	**-**	**-**	**463,894,586**	**200,665,888**
At 31 Dec 2023	**11,857,055,824**	**2,322,801,655**	**106,812,587**	**(40,843,779)**	**14,032,201,113**		**5,361,511,099**	**1,242,941,661**	**101,529,290**	**13,473**	**6,502,936,943**	**7,529,264,170**
At 31 Dec 2022	**10,489,330,990**	**1,485,389,185**	**117,664,351**	**-**	**11,857,055,824**		**4,413,519,016**	**1,060,741,567**	**112,753,903**	**4,419**	**5,361,511,099**	**6,495,544,725**

Tax Status Report

as at 31 December 2023

ANNEXURE - B

Amount in BDT

SL	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	2,830,815,394	117,884,264	Reference application filed with High Court
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
19	2017	2018-2019	2,714,690,189	2,597,499,692	2,523,053,486	74,446,206	Reference application filed with High Court
20	2018	2019-2020	2,272,793,912	2,375,866,290	2,221,618,723	154,247,567	Reference application filed with High Court
21	2019	2020-2021	3,027,024,693	3,137,063,559	2,841,688,297	295,375,262	Reference application filed with High Court under process
22	2020	2021-2022	1,931,362,255	2,109,508,788	1,831,083,466	278,425,322	Case pending with TAT
23	2021	2022-2023	1,405,506,892	1,918,155,637	1,881,543,151	36,958,736	Case pending with CT(A)
24	2022	2023-2024	3,728,336,561	-	3,300,994,268	-	Assessment not yet done
25	2023	2024-2025	5,406,911,843	-	1,631,506,653	-	Return submission date not due
Total			**43,785,753,066**	**34,967,636,030**	**38,157,760,992**	**1,742,722,209**	

TAT -Taxes Appellate Tribunal
CT(A) - Commissioner of Taxes (Appeal)
DCT- Deputy Commissioner of Taxes
LTU - Large Tax payers Unit

Details of Large Loans and Advances

for the year ended 31 December 2023

ANNEXURE - C

Amount in BDT

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.

	AS AT 31 DEC 2023	AS AT 31 DEC 2022
Number of clients	21	21
Amount of outstanding loans/advances	194,469,000,000	183,297,040,000
Classified amount thereon	-	-
Measures taken for recovery	-	-

NAME OF THE CLIENTS	SANCTIONED LIMIT	STATUS	OUTSTANDING		TOTAL OUTSTANDING	
			FUNDED	NON-FUNDED	AT 31 DEC 2023	AT 31 DEC 2022
Paramount Group	23,425,800,000	STD	5,569,200,000	9,576,700,000	15,145,900,000	11,443,200,000
Ha-Meem Group	20,701,300,000	STD	6,825,400,000	6,966,800,000	13,792,200,000	7,932,300,000
Secom Group	16,718,800,000	STD	5,595,100,000	7,310,400,000	12,905,500,000	10,455,900,000
PRAN-RFL Group	16,793,100,000	STD	4,905,300,000	6,685,100,000	11,590,400,000	9,656,200,000
Max Group	13,695,700,000	STD	4,114,100,000	6,773,500,000	10,887,600,000	8,393,800,000
Amanat Shah Group	15,949,800,000	STD	8,842,600,000	1,920,000,000	10,762,600,000	10,172,700,000
Sharmin Group	14,580,100,000	STD	6,139,300,000	4,089,500,000	10,228,800,000	9,245,900,000
City Group	14,639,900,000	STD	4,647,100,000	5,055,500,000	9,702,600,000	13,192,700,000
JMI Group	14,055,800,000	STD	6,326,600,000	2,693,400,000	9,020,000,000	8,701,900,000
BRB Group	14,700,000,000	STD	6,481,900,000	2,478,900,000	8,960,800,000	7,121,600,000
MSA Spining	12,066,400,000	STD	7,583,600,000	1,209,600,000	8,793,200,000	9,071,200,000
Abul Khair Group	9,300,000,000	STD	4,297,000,000	3,727,200,000	8,024,200,000	6,706,500,000
AA Yarn Mills Ltd.	11,638,900,000	STD	6,804,600,000	1,146,100,000	7,950,700,000	8,566,700,000
GPH Ispat Limited	8,629,500,000	STD	2,885,400,000	5,038,300,000	7,923,700,000	7,523,100,000
Nabil Group	9,000,000,000	STD	182,200,000	7,630,000,000	7,812,200,000	-
Biswas Group	16,680,000,000	STD	6,752,100,000	554,400,000	7,306,500,000	-
City Seed Crushing Group	10,549,200,000	STD	4,951,800,000	1,995,100,000	6,946,900,000	9,920,200,000
Fair Electronics Group	16,942,200,000	STD	4,952,800,000	1,774,100,000	6,726,900,000	-
Jamil Iqbal Group	8,863,800,000	STD	3,898,600,000	2,804,000,000	6,702,600,000	-
SQ Group	16,380,900,000	STD	3,094,000,000	3,603,400,000	6,697,400,000	-
Salam Steel Group	15,696,500,000	STD	5,511,200,000	1,077,100,000	6,588,300,000	-
Sheltech Group		STD	-	-	-	9,385,140,000
Al Mostafa Group		STD	-	-	-	6,317,200,000
Meghna Group		STD	-	-	-	9,482,300,000
Pakiza Group		STD	-	-	-	6,806,300,000
Popular Group		STD	-	-	-	6,742,500,000
BRAC Group		STD	-	-	-	6,459,700,000
	301,007,700,000		**110,359,900,000**	**84,109,100,000**	**194,469,000,000**	**183,297,040,000**

Pubali Bank PLC. Islamic Banking Windows

Distribution of profit for the year ended 31 December 2023

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 rate of IRR/ERR/Yield of Investment Income for the year 2023 stood at 8.1882%. The IISR and final rate of profit for Mudaraba depositors against the IRR at 8.1882% are furnished as following:

TYPE OF MUDARABA TERM DEPOSIT RECEIPT (MTDR)	PARTICULARS OF MTDR	ISR FOR MUDARABA DEPOSITS FOR 2023	FINAL PROFIT RATE FOR MUDARABA DEPOSITS FOR 2023 AGAINST YIELD @ 8.1882%
Mudaraba Savings A/C (MSA)		23	1.88%
Mudaraba Short Notice Deposit (MSND)			
Less than Tk.1.00 Crore		34	2.78%
Tk. 1.00 Crore or above but less than Tk.25.00 Crore		45	3.68%
Tk. 25.00 Crore or above but less than Tk.50.00 Crore		50	4.09%
Tk. 50.00 Crore or above but less than Tk.100.00 Crore		53	4.34%
Tk. 100.00 Crore or above		67	5.49%
Mudaraba Term Deposit Receipt (MTDR)			
	For 1 months	78	6.39%
	For 3 months	81	6.63%
For 6 months		84	6.88%
For 12 months and above		86	7.04%
Mudaraba Monthly Profit based term Deposit		84	6.88%
Mudaraba Swapno Puran Deposit A/C		73	5.98%
Mudaraba Swadhin Sanchay Deposit A/C		73	5.98%
Mudaraba Shiksha Sanchay Deposit A/C		84	6.88%
Mudaraba Hajj Savings A/C (MHSA)		89	7.29%
Mudaraba Cash Waqf Deposit A/C		89	7.29%
Mudaraba Deposit Pension A/C :			
	For 5 years	84	6.88%
	For 10 years	88	7.21%
Mudaraba Marriage/Muhar Deposit A/C			
	For 5 years	84	6.88%
	For 10 years	88	7.21%
Mudaraba Peoples Pubali Pension Scheme		95	7.78%

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 2 (two) meetings and reviewed different operational issues in line with Islamic Shari'ah. Besides, the Muraquibs (Shari'ah Officer) of the Bank inspected 17 Islamic Banking windows out of 19 during the period and reported no major case of Shariah violation(s) in operation of Windows.

Pubali Bank PLC. Reconciliation Between Bangladesh Bank Statement And Bank's Book

as at 31 December 2023

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	21,999,677,462.33	21,379,463,919.53	620,213,542.80
Bangladesh Bank, Dhaka (Al -wadeeah current account)	744,030,753.21	744,030,753.21	-
Bangladesh Bank, Chattogram	3,451,549.05	3,451,549.05	-
Bangladesh Bank, Sylhet	14,929,002.54	10,678,841.19	4,250,161.35
Bangladesh Bank, Barisal	482,325.86	499,868.97	(17,543.11)
Bangladesh Bank, Khulna	820,541.30	820,541.30	-
Bangladesh Bank, Bogura	1,133,804.85	1,133,804.85	-
Bangladesh Bank, Rajshahi	1,138,636.27	1,138,636.27	-
Bangladesh Bank, Rangpur	94,549.82	281.46	94,268.36
Total	**22,765,758,625.23**	**22,141,218,195.83**	**624,540,429.40**

Amount credited by Bank but not debited by Bangladesh Bank	6,700,358,116.79
Amount debited by Bank but not credited by Bangladesh Bank	(7,234,042,818.67)
Amount credited by Bangladesh Bank but not debited by us	8,005,789,153.87
Amount debited by Bangladesh Bank but not credited by us	(6,847,563,965.09)
	624,540,486.90

Foreign Currency	As per Bangladesh Bank statement	As per Bank's General ledger		Reconciling Difference
	USD	USD	BDT	USD
USD Clearing Account	12,911,440.93	5,951,610.15	653,189,213.96	6,959,830.78
Total	12,911,440.93	5,951,610.15	653,189,213.96	6,959,830.78

Amount credited by Bank but not debited by Bangladesh Bank	49,831,222.66
Amount debited by Bank but not credited by Bangladesh Bank	(9,048,839.29)
Amount credited by Bangladesh Bank but not debited by us	809,065.35
Amount debited by Bangladesh Bank but not credited by us	(34,631,617.94)
	6,959,830.78

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	55,691.46	45,691.46	6,424,252.60	10,000.00

Foreign Currency	As per Bangladesh Bank statement	As per Bank's General ledger		Reconciling Difference
	EURO	EURO	BDT	EURO
EURO Clearing Account	284,963.21	284,963.21	34,768,097.39	-

Balance with Bangladesh Bank (Including foreign currencies)	22,835,599,760.00

Pubali Bank PLC. Islamic Banking Windows

Balance Sheet as at 31 December 2023

Amount in BDT

PROPERTY AND ASSETS	NOTES	2023	2022
Cash	1	**774,263,476**	**393,343,151**
Cash in hand (Including foreign currencies)		30,232,723	24,956,444
Balance with Bangladesh Bank and its agent Bank (s) (Including foreign currencies)		744,030,753	368,386,707
Balance with Other Banks and Financial Institutions	2	**23,173,562**	**22,584,963**
In Bangladesh		23,173,562	22,584,963
Outside Bangladesh		-	-
Placement with Banks and Other Financial Institutions	3	-	-
Investments in Shares and Securities	4	**1,183,681,300**	**873,680,700**
Government		1,023,681,300	673,680,700
Others		160,000,000	200,000,000
Investments	5	**23,403,653,039**	**12,216,663,481**
General investments		23,131,903,625	11,812,739,147
Bills purchased & discounted		271,749,414	403,924,334
Fixed Assets including Premises, Furniture & Fixtures	6	**12,836,893**	**11,304,539**
Other Assets	7	**1,505,509,454**	**969,720,780**
Non-banking Assets		-	-
Total Assets		**26,903,117,724**	**14,487,297,614**
LIABILITIES AND CAPITAL			
Liabilities			
Placement with other Banks, Financial institutions & Agents	8	**826,573,315**	**3,820,880**
Deposits and Other Accounts	9	**24,515,521,022**	**13,566,176,674**
Al-Wadia current deposit		1,987,112,544	665,781,141
Bills payable		1,423,995,758	127,693,304
Mudaraba savings bank deposit		984,030,142	567,068,884
Mudaraba term deposits		19,420,008,882	11,832,557,875
Other deposits		700,373,696	373,075,470
Other Liabilities	10	**1,023,958,517**	**536,521,282**
Total Liabilities		**26,366,052,854**	**14,106,518,836**
Capital / Shareholders' Equity			
Paid up capital		-	-
Statutory reserve		-	-
Retained surplus (general reserve)		-	-
Revaluation gain/(Loss) on investment		-	-
Other reserves		-	-
Profit and loss account surplus		537,064,870	380,778,778
Total Shareholders' Equity		**537,064,870**	**380,778,778**
Total Liabilities and Shareholders' Equity		**26,903,117,724**	**14,487,297,614**
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances & Endorsements		5,098,781,483	1,362,552,122
Letters of guarantee		885,773,748	902,894,242
Irrevocable letters of credit		2,973,147,853	4,155,089,348
Bills for collection		918,812,000	-
Other contingent liabilities		-	-
Total Contingent liabilities		**9,876,515,084**	**6,420,535,712**
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		9,876,515,084	6,420,535,712

Pubali Bank PLC. Islamic Banking Windows

Profit and Loss Account for the year ended 31 December 2023

Amount in BDT

OPERATING INCOME	NOTES	2023	2022
Investment Income	11	1,581,547,297	845,118,745
Less :Profit paid on deposits, borrowings, etc.	12	1,100,145,624	476,559,905
Net Investment Income		**481,401,673**	**368,558,840**
Income from investment in shares /securities	13	46,288,013	45,249,567
Commission, exchange and brokerage	14	123,118,261	70,529,579
Other operating income	15	12,287,352	8,671,137
Total Operating Income		**663,095,299**	**493,009,123**
Operating Expenses			
Salaries and allowances	16	102,419,326	92,635,693
Rent, taxes, insurance, electricity, etc.	17	2,878,838	2,126,985
Legal expenses	18	25,050	7,000
Postage, stamp, telecommunication, etc.	19	269,509	207,928
Stationery, printing, advertisements, etc.	20	2,651,698	1,498,720
Depreciation repair and maintenance of fixed assets	21	7,294,085	7,589,892
Other expenses	22	10,491,923	8,164,127
Total Operating Expenses		**126,030,429**	**112,230,345**
Total Profit/(Loss) before Provision		**537,064,870**	**380,778,778**
Provision for Loans, Advances, Investments and Other Assets			
Provision for bad debt offsetting for Islamic Banking		181,955,262	22,067,376
Provision for exposure of off-balance sheet items		94,026,828	64,205,357
Total Provision		**275,982,090**	**86,272,733**
Total Profit/(Loss) before Taxes		**261,082,780**	**294,506,045**
Provision for current tax		201,399,326	142,792,042
Provision for deferred tax		-	-
Total Provision for Taxes		**201,399,326**	**142,792,042**
Net Profit/(Loss) after Taxes		**59,683,454**	**151,714,003**

Pubali Bank PLC. Islamic Banking Windows

Cash Flow Statement for the year ended 31 December 2023

Amount in BDT

	NOTES	2023	2022
a Cash Flows from Operating Activities			
Investment income in cash		1,623,594,212	853,543,015
Profit paid		(1,100,145,624)	(476,559,905)
Fees and commission receipts		123,118,261	70,529,579
Cash payment to employees		(102,419,326)	(92,635,693)
Cash payment to suppliers		(2,921,207)	(1,706,648)
Receipts from other operating activities	15	12,287,352	8,671,137
Cash payments for other operating activities	23	(17,229,374)	(13,227,346)
Operating Profit before Changes in Operating Assets & Liabilities		**536,284,294**	**348,614,139**
Increase/ (Decrease) in Operating Assets and Liabilities			
Statutory deposits		(310,000,000)	290,000,000
Investment to customers (other than banks)		(11,186,989,558)	(6,797,037,829)
Other assets	24	(531,547,576)	247,013,568
Deposits to/from other banks		822,752,435	(15,283,518)
Deposits from customers (other than banks)		10,949,344,348	5,917,277,635
Other liabilities account of customers		106,658,457	(51,374,186)
Total Increase/(decrease) in operating assets and liabilities		**(149,781,894)**	**(409,404,330)**
Net Cash from/(used in) Operating Activities		**386,502,400**	**(60,790,191)**
b Cash Flows from Investing Activities			
Purchase /Sale of property, plant & equipment		(4,992,876)	(1,895,419)
Net Cash from/(used in) Investing Activities		**(4,992,876)**	**(1,895,419)**
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)		**381,509,524**	**(62,685,610)**
e Cash and Cash equivalents at beginning of the period		**415,928,814**	**478,614,424**
f Cash and Cash equivalents at end of the period (d+e)	25	**797,438,338**	**415,928,814**

Pubali Bank PLC. Islamic Banking Windows

Notes to the financial statements for the year ended 31 December 2023

Amount in BDT

		2023	2022
1	**Cash**		
1.1	**Cash In hand (Including foreign currencies)**		
	In local currency	30,232,723	24,956,444
	In foreign currencies	-	-
		30,232,723	**24,956,444**
1.2	**Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)**		
	Bangladesh Bank		
	In local currency	744,030,753	368,386,707
	In foreign currencies	-	-
		744,030,753	368,386,707
	Sonali Bank as agent of Bangladesh Bank		
	In local currency	-	-
		744,030,753	**368,386,707**
		774,263,476	**393,343,151**

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 The Cash Reserve Ratio (CRR Daily) required on the Bank's time and demand liabilities at the rate of 3.50% 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 from of Treasury Bills and Bonds including excess balance 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%)	594,210,000	305,786,000
	Actual Reserve maintained	744,030,753	368,386,706
	Surplus	**149,820,753**	**62,600,706**
1.3.2	**Statutory Liquidity Ratio (SLR)**		
	Required Reserve (5.50%)	933,759,000	420,455,000
	Actual Reserve maintained	1,118,846,476	761,237,150
	Surplus	**185,087,476**	**340,782,150**
	Held for Statutory Liquidity Ratio (SLR)		
	Cash in Hand	30,232,723	24,956,444
	Excess Cash Reserve	64,933,753	62,600,706
	Government Securities (HTM)	350,000,000	-
	Other Eligible Securities	673,680,000	673,680,000
		1,118,846,476	**761,237,150**
1.3.3	**Total required amount of CRR and SLR**		
	Total required reserve (9.50%)	1,527,969,000	726,241,000
	Total actual reserve maintained	1,797,943,476	1,067,023,150
	Total Surplus	**269,974,476**	**340,782,150**
2	**Balance with other banks and financial institutions**		
	In Bangladesh (Note 2.1)	23,173,561	22,584,963
	Outside Bangladesh	-	-
		23,173,561	**22,584,963**
2.1	**In Bangladesh**		
	In Mudaraba fixed/term deposit account (in local currency)		
	EXIM Bank PLC, Gulshan Branch, Dhaka and Narayangonj Branch, Narayangonj	-	-
	Social Islami Bank PLC		
		-	-
	In Mudaraba Savings deposit account		
	Islami Bank Bangladesh PLC, Foreign Exchange Branch, Dhaka	15,767,391	15,309,880
		15,767,391	**15,309,880**
	In Mudaraba Special Notice Deposit account		
	First Security Islami Bank PLC., Dilkusha Branch, Dhaka	6,864,840	6,737,107
	AB Bank PLC, Islamic Banking Branch, Dhaka	541,330	537,976
		7,406,170	**7,275,083**
		23,173,561	**22,584,963**

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Notes to the financial statements for the year ended 31 December 2023

Amount in BDT

		2023	2022
2.2	**Maturity grouping of balance with other banks and financial institutions**		
	Payable on demand	23,173,561	22,584,963
	Up to 3 months	-	-
	Over 3 months but not more than 1 year	-	-
		23,173,561	**22,584,963**
3	**Placement with Banks and Other Financial Institutions**	-	-
		-	-
4	**Investments in Shares and Securities**		
	Government Treasury Bonds		
	Government Security Bonds	673,680,000	673,680,000
	6 months Bangladesh Govt. Islami Investment Bond	350,000,000	-
	National prize bonds	1,300	700
	Total investment in Investments in Shares and Securities	**1,023,681,300**	**673,680,700**
	Other investments		
	Al-Arafah Islami Bank PLC Bond	160,000,000	200,000,000
		160,000,000	**200,000,000**
		1,183,681,300	**873,680,700**
4.1	**Maturity grouping of Investments in Shares and Securities**		
	Repayable on demand	1,300	700
	Upto 3 months	70,000,000	-
	Over 3 months but not more than 1 year	320,000,000	40,000,000
	Over 1 year but not more than 5 years	793,680,000	833,680,000
	Over 5 years	-	-
		1,183,681,300	**873,680,700**
5	**Investments**		
	General Investments (Note 5.1)	23,131,903,625	11,812,739,147
	Bills purchased and discounted (Note 5.2)	271,749,414	403,924,334
		23,403,653,039	**12,216,663,481**
5.1	**General Investments**		
	Inside Bangladesh:		
	Quard	99,552,300	8,900,000
	Quard against MDPA	450,450	606,950
	Quard against E-GP	4,277,680	35,850,161
	Quard against MPBSD & TBSD	400,500	1,405,350
	Bai Muazzal	10,742,418,397	7,685,426,907
	Bai Istisna	415,086,079	76,573,202
	Pubali Star	92,912,059	88,032,018
	Murabaha Post Import (TR)	1,385,789,039	557,278,032
	Murabaha EDF	1,402,230,906	-
	Hire Purchase Shirkatul Melk	8,920,741,369	3,307,551,552
	Pubali Islamic Staff House Building	66,166,846	51,114,975
		23,131,903,625	**11,812,739,147**
	Outside Bangladesh	-	-
		23,131,903,625	**11,812,739,147**
5.1.1	**Maturity grouping of General Investment**		
	Repayable on demand	958,046,517	62,623,883
	Upto 3 months	101,667,853	839,009,965
	Over 3 months but not more than 1 year	12,838,641,248	7,606,463,310
	Over 1 year but not more than 5 years	2,433,804,217	2,068,789,772
	Over 5 years	6,799,743,790	1,235,852,217
		23,131,903,625	**11,812,739,147**
5.2	**Bills purchased and discounted**		
	Payable in Bangladesh		
	Loans against accepted bills	51,650,193	400,612,574
	Loans against demand draft purchased	-	-
		51,650,193	**400,612,574**
	Payable outside Bangladesh		
	Foreign bills purchased	220,099,221	3,311,760
	Foreign drafts purchased	-	-
		220,099,221	**3,311,760**
		271,749,414	**403,924,334**

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Notes to the financial statements for the year ended 31 December 2023

Amount in BDT

		2023	2022
5.2.1	**Maturity grouping of bills purchased and discounted**		
	Receivable on demand	-	3,071,093
	Not more than 3 months	270,563,814	304,595,840
	Over 3 months but not more than 1 year	1,185,600	96,257,401
	Over 1 year but not more than 5 years	-	-
	6 months or more	-	-
		271,749,414	**403,924,334**
5.3	**Geographical location-wise distribution of Investments including bills purchased and discounted**		
	In Bangladesh-Urban		
	Dhaka	18,021,515,492	8,105,751,690
	Chattogram	449,311,525	238,278,452
	Sylhet	273,487,704	370,317,156
	Barisal	199,394,298	117,316,700
	Khulna	1,986,066,250	1,105,577,243
	Rajshahi	237,706,301	123,287,709
	Rangpur	1,831,143,340	81,490,846
	Mymensingh	182,500,211	118,640,051
		23,181,125,121	**10,260,659,847**
	Rural	2,428,697	1,952,691,874
	Outside Bangladesh (Foreign bills/drafts purchased)	220,099,221	3,311,760
		23,403,653,039	**12,216,663,481**
5.4	**Sector-wise Investments including bills purchased and discounted**		
	Public sector	-	-
	Private sector	23,403,653,039	12,216,663,481
	Co-operative sector	-	-
		23,403,653,039	**12,216,663,481**
5.5	**Security base-wise Investments including bills purchased and discounted**		
	Collateral of movable and immovable properties	17,542,537,393	7,736,015,427
	Export documents	575,171,394	125,723,418
	Fixed deposit receipts (FDR) of own Bank	646,532,368	128,375,263
	Corporate guarantee	4,031,977,174	190,699,213
	Personal guarantee	526,660,010	4,035,850,160
	Other securities	80,774,700	-
		23,403,653,039	**12,216,663,481**
5.6	**Classification of Investments including bills purchased and discounted**		
	Unclassified:		
	Standard	23,109,804,623	12,142,592,221
	Special mention account (SMA)	9,131,157	19,660,423
		23,118,935,780	12,162,252,644
	Classified:		
	Sub-standard (SS)	1,417,701	-
	Doubtful (DF)	23,235,129	-
	Bad or loss (BL)	191,321,129	153,542
		215,973,959	153,542
	Staff loan	68,743,300	54,257,295
		23,403,653,039	**12,216,663,481**

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Notes to the financial statements for the year ended 31 December 2023

Amount in BDT

5.7 Particulars of required provision for Investments

Status of Classification	Base for Provision	Rate of Provision (%)	2023	2022
General provision - Unclassified				
Standard (others)	10,666,976,783	1	106,669,768	65,082,764
Standard (SMEF)	8,779,695,039	0.25	21,949,238	12,056,476
Standard (Short Term Agri & Micro credit)	12,645,472	1	126,455	91,538
Standard (Consumer Loan Scheme)	3,650,487,328	2	73,009,747	16,019,062
Standard (Loan for Professional to setup business)		2	-	-
Housing Finance		1	-	-
Special mention account (SMEF)	6,153,107	0.25	15,383	1,335
Special mention account (Others)	2,978,050	1	29,781	191,263
			201,800,372	93,442,438
Staff loan	68,743,300	1	687,433	-
			202,487,805	93,442,438
Specific provision - Classified				
Sub-standard (SS)	1,269,340	20	253,868	-
Doubtful (DF)	20,803,600	50	10,401,800	-
Bad/Loss (BL)	171,299,594	100	171,299,594	230,931
			181,955,262	230,931
Required provision			384,443,067	93,673,369
Provision maintained by Head Office			386,602,806	93,673,369
Excess provision			2,159,739	-

5.8 Particulars of Investement

i. Investments considered good in respect of which the bank is fully secured.	12,602,874,050	7,864,390,690
ii. Investments considered good for which the bank holds no other security than the debtors' personal security	36,554,911	36,554,911
iii. Investments considered good being secured by the personal security of one or more parties in addition to the personal security of the debtors.	10,764,224,077	4,315,717,881
iv. Investments adversely classified; provision not maintained there against	-	-
	23,403,653,038	**12,216,663,482**
v. Investments due by directors or officers of the bank or any of them either severally or jointly with any other persons	68,743,300	54,257,295
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.	68,743,300	54,257,295
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		

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Notes to the financial statements for the year ended 31 December 2023

Amount in BDT

		2023	2022
	are interested as directors, partners or managing agents or in the case of private companies as members.	-	-
	i. Investments due from banking companies	-	-
	ii. Classified Investments for which interest / profit not credited to income	-	-
	a) Increase / decrease of provision (specific)	-	230,931
	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	-	230,931
	e) Amount of interest credited in suspense account	-	-
	iii. Cumulative amount of written off Investments		
	Opening Balance	-	-
	Amount of debt written off for the current year	-	-
		-	-
	iv. 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	408,031,354	588,390,550
	Lease rental receivable within 5 years	3,424,404,676	2,448,518,496
	Lease rental receivable after 5 years	5,450,533,661	334,062,697
	Total lease rental receivable	**9,282,969,691**	**3,370,971,743**
	Less : Un-earned Income receivable	362,228,322	63,420,191
	Net Lease finance	**8,920,741,369**	**3,307,551,552**
6	**Fixed Assets including premises, furniture & Fixture**		
	Cost		
	Machinery and equipment	11,139,404	9,404,579
	Computer & Computer Accessories	10,475,580	8,567,267
	Furniture and fixtures	9,158,586	7,808,847
		30,773,570	**25,780,693**
	Less: Accumulated Depreciation	17,936,677	14,476,154
	Net book value at the end of the year	**12,836,893**	**11,304,539**
7	**Other Assets**		
	Accrued income on Investments	47,079,098	42,838,000
	Prepaid expenses	-	150,450
	Income Tax advance A/C	5,950,230	3,801,921
	Stationery and stamps	951,253	716,244
	Suspense account	8,549	104,783
	Pubali bank adjustment a/c	189,168,610	240,840,658
	Items in transit	1,262,351,714	681,268,724
		1,505,509,454	**969,720,780**
8	**Placement with other Banks, Financial Institutions and Agents**		
	In Bangladesh		
	Borrowing from Bangladesh Bank	826,573,315	3,820,880
	Outside Bangladesh	-	-
		826,573,315	**3,820,880**
9	Deposits and other accounts		
	Inter-bank deposits	3,516,825,903	4,659,757,541
	Other deposits	20,998,695,119	8,906,419,133
		24,515,521,022	**13,566,176,674**
9.1	**Details of deposits and other Accounts**		
	Current deposits and other accounts :		
	Al-Wadia Current Deposit	1,807,323,531	665,781,141
	Foreign Currency Deposits	179,789,013	-
		1,987,112,544	665,781,141
	Bills payable (note 9.1.1)	**1,423,995,758**	**127,693,304**

Pubali Bank PLC. Islamic Banking Windows

Notes to the financial statements for the year ended 31 December 2023

Amount in BDT

		2023	2022
	Mudaraba Savings Bank Deposit	984,030,142	567,068,884
	Term deposits :		
	Mudaraba Fixed deposits	14,380,872,598	9,399,758,478
	Mudaraba Monthly Term deposit	354,496,129	207,498,650
	Mudaraba Profit Basd Small deposit	151,644,182	17,603,579
	Mudaraba Short Notice Deposits	3,413,578,843	1,708,049,789
	Profit Receivable on Investment	5,118,638	857,717
	Target Based Small Deposit	785,760,204	296,630,728
	Mudaraba Deposit Pension Scheme	301,222,769	184,870,725
	Mudaraba Marriage / Muhar Deposit	2,127,536	862,064
	Mudaraba Hajj Savings	23,627,348	15,852,959
	Mudaraba Cash WAQF Deposit	110,000	-
	Shikhya sanchay prokalpa	1,450,635	573,186
		19,420,008,882	11,832,557,875
	Other deposits	700,373,696	373,075,470
		24,515,521,022	**13,566,176,674**
9.1.1	**Bills Payable**		
	Payment orders issued	1,423,995,758	127,693,304
		1,423,995,758	127,693,304
9.2	**Maturity analysis of Inter-bank deposits**		
	Payable on demand	225,414,684	1,200,553,685
	Payable within 1 month	2,279,192,913	-
	Over 1 month but within 6 months	1,012,218,306	3,459,203,856
	Over 6 months but within 1 year	-	-
	Over 1 year but within 5 years	-	-
	Over 5 years and above	-	-
		3,516,825,903	**4,659,757,541**
9.3	**Maturity analysis of other deposits**		
	Payable on demand	4,910,795,626	1,787,759,958
	Payable within 1 month	885,567,701	1,090,982,343
	Over 1 month but within 6 months	7,825,300,475	3,320,891,089
	Over 6 months but within 1 year	5,303,877,940	1,359,455,581
	Over 1 year but within 5 years	1,465,601,371	723,994,707
	Over 5 years and above	607,552,006	623,335,455
		20,998,695,119	**8,906,419,133**
10	**Other Liabilities**		
	Unpaid Expenses A/C	8,490	3,013
	Card Transaction Fee (Inter Bank)	4,560	2,355
	Unearned interest income	931,120,884	456,643,733
	Sadaqad Fund	36,850,139	24,032,214
	Compensation Realised Account	23,982,197	12,291,999
	Compensation Realizable Account	31,992,247	43,547,968
		1,023,958,517	**536,521,282**
11	**Investment income**		
	Bai Muazzal	731,150,714	418,956,164
	Bai Murabaha	-	641,712
	Pubali Star	7,128,233	3,578,579
	Murabaha Post Import (TR)	41,425,872	37,481,958
	Hire Purchase Shirkatul Melk	367,908,413	170,730,221
	Bai ISTISNA	5,818,565	1,188,484
	Bai Salam	4,026,730	-
	MIB (PAD)	1,573,563	-
	Inland Bill Purchased	26,448,671	1,352,809
	Murabaha (EDF)	55,876,781	44,795,479
	Quard Against E-GP	4,114,529	2,961,012
	Head office Account (PBG)	335,336,445	151,795,591
	Export Bill Discounting (EBD)	-	32,531
	Other Bank	738,781	11,604,205
		1,581,547,297	**845,118,745**
12	**Profit paid on deposits, borrowings, etc.**		
	Mudaraba Term Deposits	722,128,283	324,781,847
	Mudaraba Special Notice Deposits	116,085,304	37,131,204
	Mudaraba Hajj Savings	1,092,046	768,035

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Notes to the financial statements for the year ended 31 December 2023

Amount in BDT

		2023	2022
	Mudaraba Savings Bank deposit	9,774,918	5,783,944
	Mudaraba Deposit Pension Scheme	14,470,976	6,770,273
	Mudaraba Monthly Profit deposit	20,515,200	8,611,098
	Mudaraba Mohor Scheme	86,244	27,916
	Mudaraba Shiksha Sanchay	62,729	23,878
	Mudaraba Swapno Puron	37,038,034	13,929,422
	Head office Accounts (PBG)	162,826,764	77,797,377
	Mudaraba Swadhin Sanchay	5,589,954	513,213
	POIBS Profit Paid	9,966,242	421,698
	Refinance from Bangladesh Bank	508,930	-
		1,100,145,624	**476,559,905**
13	**Income from investment in shares /securities**		
	Govt. Bond	30,296,748	30,745,250
	Other Bond	15,991,265	14,504,317
		46,288,013	**45,249,567**
14	**Commission, exchange and brokerage**		
	SC, LSC, DD, TT, MT and PO	277,500	322,366
	Foreign L/C	41,955,976	35,558,614
	Local L/C	6,168,547	3,966,741
	Local Guarantee	10,041,620	7,523,335
	Other transactions	1,507,520	944,823
	Stationery Articles	252,000	132,000
	Miscellaneous handling commission	53,749,897	20,541,504
	Total commission	**113,953,060**	**68,989,383**
	Exchange	9,165,201	1,540,196
		123,118,261	**70,529,579**
15	**Other operating income**		
	Miscellaneous income	944,492	532,696
	Miscellaneous income supervision and monitoring	229,164	-
	Service charge	530,346	916,393
	CIB service charge	214,370	228,800
	Online service charge	2,993,000	2,379,290
	Account maintenance fee	2,313,036	1,852,846
	SMS service charge	1,319,993	662,542
	Processing Fee	196,465	129,500
	Swift Income-Import/others	3,132,543	1,696,472
	Card fees and charges	413,943	272,400
	Sale of Bank's property	-	198
		12,287,352	**8,671,137**
16	**Salary and allowances**		
	Basic salary	47,005,059	41,754,751
	House rent allowances	28,245,974	25,181,592
	Medical allowances	5,789,911	5,196,859
	House maintenance	4,410,000	4,334,852
	Other allowances	3,938,127	3,714,477
	Contributory provident fund	4,398,815	4,012,642
	Bonus to employees	8,631,440	8,440,520
		102,419,326	**92,635,693**
17	**Rent, taxes, insurance, electricity, etc.**		
	Electric fittings and fixtures	1,012,578	100,395
	Bank premises	1,123,855	1,383,160
	Rates and taxes	5,460.00	5,384
	Insurance	14,895	21,039
	Lighting	722,050	617,007
		2,878,838	**2,126,985**
18	**Legal Expenses**		
	Lawyer Charges	25,050	7,000
		25,050	**7,000**
19	**Postage, stamp, telecommunication, etc.**		
	Postage	57,863	31,699
	Stamps	6,710	2,900
	Telephone	177,336	173,329
	SWIFT Charges	27,600	-
		269,509	**207,928**

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Amount in BDT

		2023	2022
20	**Stationery, printing, advertisement, etc.**		
	Table stationery	446,778	323,593
	Computer Stationery	532,615	410,884
	Consumption of books and forms	1,672,305	752,642
	Printing and Stationery	-	11,601
		2,651,698	**1,498,720**
21	**Depreciation repair and maintenance of fixed assets**		
	Repairs to fixed assets	424,688	253,643
	Depreciation on fixed assets	3,460,522	4,660,658
	Maintenance of Bank Premises	524,975	680,591
	Maintenance of assets -Wages	2,883,900	1,995,000
		7,294,085	**7,589,892**
22	**Other expenses**		
	Repairs to rented property	23,606	-
	Newspapers	46,580	31,349
	Renovation under Construction Works	214,844	-
	Travelling	599,277	565,874
	Sub-ordinate staff clothing	20,489	32,286
	Conveyance	269,654	234,864
	Entertainment	308,812	220,347
	Carrying Expenses	22,741	2,070
	Employees recreation (Lunch subsidy)	4,382,356	4,009,124
	Promotional expenses	1,333,584	90,150
	Security and Auxiliary Service	1,784,971	1,655,471
	Gun license fees	7,750	23,250
	Petrol consumption	184,418	109,437
	Branches' opening expenses	10,670	-
	Loss On Sale of Bank's property	-	195,533
	Chemicals for Office equipments	-	1,345
	Car allowance	780,000	480,000
	Miscellaneous	502,171	513,027
		10,491,923	**8,164,127**
23	**Cash payments for other operating activities**		
	Rent, tax, Insurance, Lighting etc.	2,878,838	2,126,985
	Legal expenses	25,050	7,000
	Repairing Expenses	3,833,563	2,929,234
	Other Expenses	10,491,923	8,164,127
		17,229,374	**13,227,346**
24	**Increase/(decrease) of other assets**		
	Closing other Assets		
	Stationery and Stamps	951,253	716,244
	Pubali Bank Adjustment A/C	189,168,610	240,840,658
	Prepaid expense	-	150,450
	Income Tax advance A/C	5,950,230	3,801,921
	Suspense account	8,549	104,783
	Others	1,262,351,714	681,268,724
		1,458,430,356	**926,882,780**
	Opening other Assets		
	Stationery and Stamps	716,244	550,938
	Pubali Bank Adjustment	240,840,658	1,166,855,601
	Prepaid expense	150,450	-
	Income Tax advance A/C	3,801,921	6,333,309
	Suspense account	104,783	156,500
	Others	681,268,724	-
		926,882,780	**1,173,896,348**
		(531,547,576)	**247,013,568**
25	**Cash and cash equivalents at the end of the year**		
	Cash in hand (including foreign currencies)	30,232,723	24,956,444
	Balance with Bangladesh Bank and its agent bank(s)	744,030,753	368,386,707
	Balance with other banks and financial institutes	23,173,562	22,584,963
	Prize bonds	1,300	700
		797,438,338	**415,928,814**

Pubali Bank PLC. Off-Shore Banking Unit

Balance Sheet as at 31 December 2023

	NOTES	2023		2022
		USD	BDT	BDT
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	**20,679,116.54**	**2,269,533,041**	**1,145,597,283**
In Bangladesh		17,253,615.58	1,893,584,310	-
Outside Bangladesh		3,425,500.96	375,948,731	1,145,597,283
Loans, Advances and Leases	5	**315,622,129.31**	**34,639,528,692**	**37,854,162,142**
Loans, cash credits and overdrafts, etc.		4,583,333.30	503,020,830	888,695,442
Bills purchased and discounted		311,038,796.01	34,136,507,862	36,965,466,700
Fixed Assets including premises, furniture & fixtures	6	-	-	-
Other Assets	7	**355,733.26**	**39,041,725**	**11,853,331**
Non-banking Assets		-	-	-
Total Assets		**336,656,979.11**	**36,948,103,458**	**39,011,612,756**
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other Banks, Financial Institutions & Agents	8	**329,762,292.91**	**36,191,411,647**	**38,064,597,167**
Deposits and other accounts	9	-	-	-
Current accounts & other accounts		-	-	-
Bills Payable		-	-	-
Savings bank deposits		-	-	-
Term deposits		-	-	-
Other deposits		-	-	-
Other Liabilities	10	**4,788,448.80**	**525,532,256**	**503,862,932**
Total Liabilities		**334,550,741.71**	**36,716,943,903**	**38,568,460,099**
Capital / Shareholders' Equity				
Paid up Capital		-	-	-
Statutory Reserve		-	-	-
Retained earnings		-	-	-
Foreign currency translation reserves		-	4,279,874	32,181,625
Profit and Loss account surplus		2,106,237.40	226,879,681	410,971,032
Total Shareholders' Equity		**2,106,237.40**	**231,159,555**	**443,152,657**
Total Liabilities and Shareholders' Equity		**336,656,979.11**	**36,948,103,458**	**39,011,612,756**
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 PLC. Off-Shore Banking Unit

Profit and Loss Account for the year ended 31 December 2023

	NOTES	2023		2022
		USD	BDT	BDT
Operating Income				
Interest income	11	27,447,256.84	2,956,563,612	1,923,029,118
Interest paid on deposits, borrowings etc.	12	(25,375,093.86)	(2,733,354,360)	(1,513,864,581)
Net Interest Income		**2,072,162.98**	**223,209,252**	**409,164,537**
Commission, exchange and brokerage	13	28,251.77	3,043,224	-
Other operating income	14	394,209.34	42,463,441	54,169,476
Total Operating Income		**2,494,624.09**	**268,715,917**	**463,334,013**
Operating Expenses				
Salaries and allowances	15	146,703.93	15,802,653	14,690,169
Rent, taxes, insurance, electricity etc.		-	-	-
Legal expenses		-	-	-
Postage, stamp, telecommunication etc.	16	-	-	-
Stationery, printing, advertisements etc.	17	2,251.55	242,532	205,838
Auditors' fees		-	-	-
Charges on loan losses		-	-	-
Depreciation and repair of bank's assets		-	-	-
Other expenses	18	239,431.21	25,791,051	37,466,974
Total Operating Expenses		**388,386.69**	**41,836,236**	**52,362,981**
Profit/(Loss) before Provision		**2,106,237.40**	**226,879,681**	**410,971,032**
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		**2,106,237.40**	**226,879,681**	**410,971,032**
Provision for current tax		-	-	-
Provision for deferred tax		-	-	-
Total Provision for taxes		-	-	-
Net Profit/(loss) after Taxation		**2,106,237.40**	**226,879,681**	**410,971,032**

Pubali Bank PLC. Off-Shore Banking Unit

Cash Flows Statement for the year ended 31 December 2023

	NOTES	2023		2022
		USD	BDT	BDT
A) Cash flows from operating activities				
Interest receipts in cash		30,863,250.63	2,956,563,612	1,923,029,118
Interest payments		(28,306,989.42)	(2,711,685,036)	(1,133,858,997)
Commission, exchange and brokerage		28,251.77	3,043,224	-
Receipts from other operating activities		443,271.31	42,463,441	54,169,476
Cash payments for other operating activities		(436,723.98)	(41,836,236)	(52,362,981)
Operating profit before changes in operating assets & liabilities		**2,591,060.30**	**248,549,005**	**790,976,616**
Increase/ (Decrease) in operating assets and liabilities				
Loans and advances to customers (other than banks)		31,120,298.27	3,214,633,450	(9,896,523,651)
Other assets		(263,206.04)	(27,188,394)	8,174,869
Other liabilities		-	-	-
Total Increase/(decrease) in operating assets and liabilities		**30,857,092.23**	**3,187,445,056**	**(9,888,348,782)**
Net cash from /(used in) operating activities		**33,448,152.53**	**3,435,994,061**	**(9,097,372,166)**
B) Cash flows from investing activities		-	-	-
C) Cash flows from financing activities				
Borrowings from other Banks, Financial Institutions & Agents.		(18,133,977.95)	(1,873,185,520)	8,348,405,368
Profit transferred to Central Operation.		(8,784,447.30)	(443,152,657)	(268,262,265)
		(26,918,425.25)	**(2,316,338,177)**	**8,080,143,103**
D) Net increase/(decrease) in cash and cash equivalents (a+b+c)		6,529,727.29	1,119,655,884	(1,017,229,063)
E) Effects of exchange rate changes on cash and cash equivalents		-	4,279,874	32,181,625
F) Cash and cash equivalents at beginning of the period		24,832,689.05	1,145,597,283	2,130,644,721
G) Cash and cash equivalents at end of the period (D+E+F)		**31,362,416.34**	**2,269,533,041**	**1,145,597,283**

Pubali Bank PLC. Off-Shore Banking Unit

Notes to the financial statement for the year ended 31 December 2023

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(OBD), 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.

	2023		2022
	USD	BDT	BDT
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	-	-	-
		-	-

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 excess of the statutory requirements, as shown below:

3.1.1 Cash Reserve Ratio (CRR)		
Required Reserve (daily basis)	448,432,000	723,797,000
Actual Reserve maintained	448,432,000	723,797,000
Surplus/(deficit)	-	-
3.1.2 Statutory Liquidity Ratio (SLR)		
Required Reserve (13%)	3,886,409,000	4,704,681,000
Actual Reserve maintained	3,886,409,000	4,704,681,000
Surplus/(deficit)	-	-
3.1.3 Total required amount of CRR and SLR		
Total required reserve (15%)	4,334,841,000	5,428,478,000
Total actual reserve maintained	4,334,841,000	5,428,478,000
Total Surplus	-	-

Pubali Bank PLC. Off-Shore Banking Unit

Notes to the financial statement for the year ended 31 December 2023

		2023		2022
		USD	BDT	BDT
4	**Balance with other banks and financial institutions**			
	In Bangladesh (Note 4.1)	17,253,615.58	1,893,584,310	-
	Outside Bangladesh (Note 4.2)	3,425,500.96	375,948,731	1,145,597,283
		20,679,116.54	**2,269,533,041**	**1,145,597,283**
4.1	**In fixed/term deposit account (in local currency)**			
	Finance to other Financial Institute	17,253,615.58	1,893,584,310	-
	Finance to Pubali Bank PLC.	-	-	-
		17,253,615.58	1,893,584,310	-
4.2	**Outside Bangladesh**			
	Current A/C (Nostro)			
	Mashreq Bank NY, USD	3,052,381.51	334,998,871	1,145,199,894
	Mashreq Bank Mumbai, India-ACUD	307,571.95	33,756,022	397,389
	Unicredit A.P.A, ITALY	65,547.50	7,193,838	-
		3,425,500.96	**375,948,731**	**1,145,597,283**
5	**Loans, advances and leases**			
	Loans, cash credits and overdrafts, etc. (note 5.1)	4,583,333.30	503,020,830	888,695,442
	Bills purchased and discounted (note 5.2)	311,038,796.01	34,136,507,862	36,965,466,700
		315,622,129.31	**34,639,528,692**	**37,854,162,142**
5.1	**Loans, cash credits, overdrafts, etc.**			
	In Bangladesh			
	Loans	4,583,333.30	503,020,830	888,695,442
	Cash credits	-	-	-
	Overdrafts	-	-	-
		4,583,333.30	**503,020,830**	**888,695,442**
	Outside Bangladesh	-	-	-
		-	-	-
		4,583,333.30	**503,020,830**	**888,695,442**
5.2	**Bills purchased and discounted**			
	Payable in Bangladesh			
	Export Bill Discounting	66,926,401.26	7,345,172,538	4,827,208,023
	Loans against demand draft purchased	-	-	-
		66,926,401.26	**7,345,172,538**	**4,827,208,023**
	Payable outside Bangladesh			
	Discounting -UPAS	244,112,394.75	26,791,335,324	32,138,258,677
	Foreign drafts purchased	-	-	-
		244,112,394.75	**26,791,335,324**	**32,138,258,677**
		311,038,796.01	**34,136,507,862**	**36,965,466,700**
5.3	**Classification of investments including bills purchased and discounted**			
	Unclassified			
	Standard		34,639,528,692	37,802,174,269
	Special mention account (SMA)		-	51,987,873
			34,639,528,692	37,854,162,142
	Classified			
	Substandard (SS)		-	-
	Doubtful (DF)		-	-
	Bad or loss (BL)		-	-
			-	-
	Staff loan		-	-
			34,639,528,692	37,854,162,142

				2023		2022
				USD	BDT	BDT
5.4	**Particulars of required provision for investments**					
	STATUS OF CLASSIFICATION	**BASE FOR PROVISION**	**RATE OF PROVISION (%)**			
	General provision - Unclassified					
	Standard (others)		1		-	344,517,699
	Standard (SMEF)		0.25		-	8,376,011
	SMA (SMEF)	-	-		-	-
	SMA (Others)		1		-	519,879
					-	353,413,589
	Specific provision - Classified					
	Substandard (SS)	-	20		-	-
	Doubtful (DF)	-	50		-	-
	Bad/Loss (BL)	-	100		-	-
					-	-
	Required provision				-	353,413,589
	Provision maintained by head office				-	353,413,589
	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 740th 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	355,733.26	39,041,725	11,853,331
		355,733.26	**39,041,725**	**11,853,331**
8	**Borrowings from other Banks, Financial Institutions and Agents**			
	Parents Bank-Pubali Bank Limited	41,140,192.91	4,515,136,172	4,652,569,827
	Others Banks & Financial Institutions	288,622,100.00	31,676,275,475	33,412,027,340
		329,762,292.91	**36,191,411,647**	**38,064,597,167**
9	**Deposits and other accounts**			
	Inter-bank deposits	-	-	-
	Other deposits	-	-	-
		-	-	-
10	**Other Liabilities**			
	Interest payable to :			
	Parent bank borrowing	250,038.01	27,441,672	25,941,690
	Others Banks & Financial Institutions	4,538,410.79	498,090,584	477,921,242
		4,788,448.80	525,532,256	503,862,932

Pubali Bank PLC. - Off-Shore Banking Unit

Notes to the financial statement for the year ended 31 December 2023

		2023		2022
		USD	BDT	BDT
11	**Interest income**			
	Interest on EBD	4,137,587.09	445,692,606	208,372,801
	Interest on UPAS Bill	20,767,007.49	2,236,980,513	1,606,065,958
	Interest on Term loan	545,666.66	58,778,121	60,403,061
	Interest on Finance to other financial Institution	1,996,995.60	215,112,372	48,187,298
		27,447,256.84	**2,956,563,612**	**1,923,029,118**
12	**Interest paid on deposits, borrowings, etc.**			
	Interest on Borrowings from Parent Bank	1,851,393.40	199,428,394	268,154,453
	Interest on Borrowings from other banks & Financial Institutions	23,523,700.46	2,533,925,966	1,245,710,128
		25,375,093.86	**2,733,354,360**	**1,513,864,581**
13	**Commission, exchange and brokerage**			
	Exchange gain	1,309,631.05	141,070,837	-
	Less: Exchange loss	(1,281,379.28)	(138,027,613)	-
		28,251.77	**3,043,224**	**-**
14	**Other operating income**			
	Rebate received from Nostro A/C	65,431.65	7,048,166	9,249,544
	Reimbursement fee received	149,430.00	16,096,301	22,148,709
	AIP received from Nostro A/C	179,347.69	19,318,974	22,771,223
		394,209.34	**42,463,441**	**54,169,476**
15	**Salaries and allowances**			
	Basic salary	69,667.17	7,504,408	7,373,492
	House rent allowances	40,201.74	4,330,451	3,955,616
	Medical allowances	6,632.22	714,409	688,808
	Other allowances	3,131.05	337,270	359,119
	House maintenance	7,762.57	836,169	815,978
	Contributory provident fund	6,700.29	721,742	659,271
	Bonus to employees	12,608.89	1,358,204	837,885
		146,703.93	**15,802,653**	**14,690,169**
16	**Postage, stamp, telecommunication, etc.**			
	Telephone	-	-	-
		-	**-**	**-**
17	**Stationery, printing, advertisements, etc.**			
	Table Stationery	2,251.55	242,532	203,390
	Computer Stationery	-	-	2,448
		2,251.55	**242,532**	**205,838**
18	**Other expenses**			
	Bank charges of Nostro A/C (Mashreq Bank)	29,770.50	3,206,819	3,005,922
	Newspaper	29.86	3,216	2,664
	Training	9.41	1,014	-
	Professional Fees and Expenses	205,266.91	22,110,941	34,009,872
	Repairs to Machineries & Equipments	19.63	2,115	8,306
	Employees recreation (Lunch subsidy)	4,059.90	437,324	436,406
	Miscellaneous	275.00	29,622	3,804
		239,431.21	**25,791,051**	**37,466,974**

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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 2023, 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 give a true and fair view, in all material respects, of the financial position of the company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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, 2020 and other applicable Laws and Regulations 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, 2020, 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.

Hedayet Ullah FCA
Senior Partner (Enrol. No. 0281)
K. M. HASAN & CO.
Chartered Accountants
DVC: 2403180281AS519711

Place: Dhaka
Dated: 13 March 2024

Pubali Bank Securities Limited

Statement of Financial Position as at 31 December 2023

Amount in BDT

ASSETS	NOTES	2023	2022
Current Assets			
Cash and bank balances	3	583,264,253	1,576,440,374
Receivable from securities trading	4	88,098,805	103,547,414
Investment in securities (Own portfolio)	5	7,326,885,845	6,588,560,430
Receivable from other clients	6	914,168,799	867,878,533
Other assets	7	2,176,874	756,812
Advance income tax	8	468,555,098	380,395,128
Total current assets		**9,383,149,674**	**9,517,578,691**
Non-current assets			
Fixed assets	9	7,263,780	3,519,855
Value of investment in exchange (against membership value)	10	14,000,000	14,000,000
Investment in securities	11	503,439,892	158,356,943
Total non-current assets		**524,703,672**	**175,876,798**
Total Assets		**9,907,853,346**	**9,693,455,489**
EQUITY AND LIABILITIES			
Liabilities			
Current liabilities			
Payable to clients	12	155,988,764	254,633,094
Payable to exchanges	13	7,807,993	11,062,894
Other liabilities and provisions	14	2,342,536,794	2,167,608,375
Total current liabilities		**2,506,333,551**	**2,433,304,363**
Non current liabilities			
Long term loan liabilities		-	-
Total Non-current liabilities		-	-
Shareholders' equity			
Share capital	15	6,600,000,000	6,600,000,000
Capital Reserve	16	32,623,459	-
Retained earnings	17	768,896,336	660,151,126
Total Equity		**7,401,519,795**	**7,260,151,126**
Total Equity and Liabilities		**9,907,853,346**	**9,693,455,489**

These financial statements should be read in conjunction with annexed notes
and were approved by the Board of Directors on
and were signed on its behalf by : 13 March 2024
For and on behalf of Board of Directors of Pubali Bank Securities Limited

Mohammed Ahsan Ullah
Managing Director & CEO

Ahmed Salah Sater
Director

Monruddin Ahmed
Chairman

Hedayet Ullah FCA
Senior Partner (Enrol No. 0281)
K.M. Hasan & Co.,
Chartered Accountants
ICAB Enrolment No.:1259
DVC NO: 2403180281AS519711

Place : Dhaka
Dated : 13 March 2024

Pubali Bank Securities Limited

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2023

Amount in BDT

	NOTES	2023	2022
Operating income	18	382,663,919	530,865,719
Less: Operating expenses	19	7,679,227	9,232,731
Gross profit		**374,984,692**	**521,632,988**
Less: Administrative and general expenses	20	63,106,506	52,897,780
Operating profit		**311,878,186**	**468,735,208**
Add: Other income		-	-
Profit before provision and income tax		**311,878,186**	**468,735,208**
Less: Provision for diminution in value of investment	14.1	121,736,753	55,411,791
Less: Specific Provision on margin loan	14.4	9,193,325	-
Add: Provision adjusted during the period for unrealized loss arising for client loan.	14.3	33,382,072	-
Profit before income tax		**214,330,180**	**413,323,417**
Less: Provision for income tax			
Current tax	14.2	74,692,573	87,524,704
Deferred tax	7.2	(1,731,062)	(435,879)
Net profit after income tax		**141,368,669**	**326,234,592**
Add: Other comprehensive income		-	-
Total comprehensive income		**141,368,669**	**326,234,592**
Earnings Per Share (EPS)	21.0	**2.14**	**4.94**

These financial statements should be read in conjunction with annexed notes
and were approved by the Board of Directors on
and were signed on its behalf by : 13 March 2024
For and on behalf of Board of Directors of Pubali Bank Securities Limited

Mohammed Ahsan Ullah
Managing Director & CEO

Ahmed Salah Sater
Director

Monruddin Ahmed
Chairman

Hedayet Ullah FCA
Senior Partner (Enrol No. 0281)
K.M. Hasan & Co.,
Chartered Accountants
ICAB Enrolment No.:1259
DVC NO: 2403180281AS519711

Place : Dhaka
Dated : 13 March 2024

Pubali Bank Securities Limited

Statement of Cash Flow for the year ended 31 December 2023

Amount in BDT

		2023	2022
A)	**Cash flows from operating activities :**		
	Interest receipts in cash	104,745,346	67,585,417
	Dividend receipts	208,990,119	231,920,467
	Fees and commission receipts	24,993,958	43,775,776
	Cash payment to employees	(47,825,550)	(44,117,068)
	Current income tax paid	(88,159,970)	(110,379,794)
	Receipts from other operating activities	43,934,496	187,584,059
	Cash payments for other operating activities	(20,752,584)	(16,679,138)
	Operating profit before changes in operating assets and liabilities	**225,925,815**	**359,689,719**
	Increase/decrease in operating assets and liabilities		
	(Purchase)/sale of trading securities	(1,083,408,364)	(466,101,959)
	Other assets	(30,530,657)	(102,828,866)
	Other liabilities	(99,211,391)	(160,382,026)
	Total Increase/(Decrease) in Operating Assets and Liabilities	**(1,213,150,412)**	**(729,312,851)**
	Net cash flows from operating activities	**(987,224,597)**	**(369,623,132)**
B)	**Cash flows from investing activities :**		
	Acquisition of property, plant and equipment	(6,213,838)	(1,204,704)
	Disposal of property, plant and equipment	262,314	-
	Net cash used in investing activities	**(5,951,524)**	**(1,204,704)**
C)	**Cash flows from financing activities :**		
	Net cash flows from financing activities	-	-
	Net surplus in Cash and bank balance for the period (A+B+C)	(993,176,121)	(370,827,836)
	Cash and bank balance at the beginning of the Year	1,576,440,374	1,947,268,210
	Cash and bank balance as at 31 December 2023	**583,264,253**	**1,576,440,374**

Mohammed Ahsan Ullah
Managing Director & CEO

Ahmed Salah Sater
Director

Monirruddin Ahmed
Chairman

Place : Dhaka
Dated : 13 March 2024

Pubali Bank Securities Limited

Statement of Changes in Equity for the year ended 31 December 2023

Amount in BDT

PARTICULARS	SHARE CAPITAL	CAPITAL RESERVE	RETAINED EARNINGS	TOTAL
Balance as at 01 January 2023	6,600,000,000	-	660,151,126	7,260,151,126
Net Profit for the year	-	-	141,368,669	141,368,669
Transfer during the year	-	32,623,459	(32,623,459)	-
Balance as at 31 December 2023	**6,600,000,000**	**32,623,459**	**768,896,336**	**7,401,519,795**

For the year ended 31 December 2022

PARTICULARS	SHARE CAPITAL	CAPITAL RESERVE	RETAINED EARNINGS	TOTAL
Balance as at 01 January, 2022	6,600,000,000	-	333,916,534	6,933,916,534
Net Profit for the year	-	-	326,234,592	326,234,592
Balance as at 31 December 2022	**6,600,000,000**	**-**	**660,151,126**	**7,260,151,126**

For and on behalf of Board of Directors of Pubali Bank Securities Limited

Mohammed Ahsan Ullah
Managing Director & CEO

Ahmed Salah Sater
Director

Monruddin Ahmed
Chairman

Hedayet Ullah FCA
Senior Partner (Enrol No. 0281)
K.M. Hasan & Co.,
Chartered Accountants
ICAB Enrolment No.:1259
DVC NO: 2403180281AS519711

Place : Dhaka
Dated : 13 March 2024

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2023

1 Status of the Company

Pubali Bank Securities Limited (PBSL) was incorporated on the 21st June 2010 with vide registration no.C-85267/10 under the Companies Act, 1994 as a public limited company. It is a subsidiary company of Pubali Bank PLC. Pubali Bank PLC 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-2020 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 flows

Statement of cash flows is prepared in accordance with the International Accounting Standard (IAS-7) " Statement of Cash Flows" under direct method.

2.6 Reporting period

These financial statements cover period from 1 January 2023 to 31 December 2023.

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/SMMID/NE/2023/840 dated 22 October 2023 of Bangladesh Securities and Exchange Commission, 20% provision may be made for unrealized loss as margin loan with in 30th June 2024. However the Company maintain provision mentioned in note #14.3

2.21 Provision against unrealized loss in shares purchased as dealer

As per directive no. BSEC/SRI/NE/2020/333 dated 27 March 2023 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. However the Company maintain provision mentioned in note #14.3

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 Name of the directors and their interest in Pubali Bank PLC.

NAME OF THE DIRECTORS	DESIGNATION	NUMBER OF SHARE HOLDING AS 31 DEC 2023
Mr. Moniruddin Ahmed	Chairman	1
Mr. Habibur Rahman	Director	1
Mr. Azizur Rahman	Director	1
Mr. Muhammed Kabiruzzaman Yaqub	Shareholder	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	Shareholder	1
Mr. Zeyad Rahman	Shareholder	1
Mr. Asif A. Choudhury	Director	1
Mr. Shahinuzzaman Yaqub (Nominated by Pubali Bank PLC)	Director	NIL
Mr. Mohammad Ali (Nominated by Pubali Bank PLC.)	Director	NIL
Mr. Shahdeen Malik	Independent Director	NIL
Mr. Giashuddin Ahamed	Shareholder	1
Ms. Rumana Sharif	Shareholder	1
Pubali Bank PLC.	Shareholder	Ordinary: 65,999,987

2.22.2 Name of the directors and their interest in Pubali Bank PLC.

NAME OF THE DIRECTORS	STATUS IN PUBALI BANK SECURITIES LTD.	STATUS IN PUBALI BANK PLC.	DIRECTORS HAVE INTEREST IN PUBALI BANK PLC.	PERCENTAGE OF INTEREST IN PUBALI BANK PLC.
Mr. Moniruddin Ahmed	Chairman	Director	Pubali Bank PLC.	3.27%
Mr. Habibur Rahman	Director	Director	Pubali Bank PLC.	2.00%
Mr. Azizur Rahman	Director	Director	Pubali Bank PLC.	2.17%
Mr. Mustafa Ahmed	Director	Director	Pubali Bank PLC.	3.49%
Ms. Runa Fowzia Hafiz	Director	-	Not Applicable	-
Mr. Ahmed Salah Sater	Director	-	Not Applicable	-
Mrs. Ayesha Farha Chowdhury	Director	-	Not Applicable	-
Mr. Asif A. Choudhury	Director	-	Not Applicable	-
Mr. Shahinuzzaman Yaqub (Nominated by Pubali Bank PLC.)	Director	-	Not Applicable	-
Mr. Mohammad Ali (Nominated by Pubali Bank PLC.)	Director	Managing Director & CEO	Pubali Bank PLC.	-
Mr. Shahdeen Malik	Independent Director	Independent Director	Pubali Bank PLC.	-

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 PLC except the Managing Director & CEO, 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 PLC and their Salary, Incentive, Bonus, Provident Fund and all other financial benefits are provided as per Rules and Pay scale of Pubali Bank PLC.

2.26 General

a) These financial statements are presented in Taka, which is the Company's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
b) The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the books of the Company.
c) Figures of previous period have been rearranged whenever necessary to conform to current periods presentation.

Amount in BDT

			2023	2022
3	**Cash and bank balances**			
	Current account:			
	Pubali Bank PLC. A/C-3555901034027 Customers Security Deposit		2,099,460	2,141,920
	Pubali Bank PLC. A/C-3555901037490 PBL Investment A/C		-	-
	Pubali Bank PLC. A/C-2905901048064 Strategic Investment A/C		-	10,702,669
	Pubali Bank PLC. A/C-2905901042129 Consolidated customer A/C		211,660,961	322,342,340
	Pubali Bank PLC. A/C-2905901042114 Dealer A/C		25,439,748	276,036,251
	Sub total		**239,200,169**	**611,223,180**
	Special notice deposit account :			
	Pubali Bank PLC. A/C-2905102001105 Public Issue Application A/C		-	-
	Pubali Bank PLC. A/C -2905102001047 Income& Expenditure A/C		135,028,553	138,531,930
	Sub total		**135,028,553**	**138,531,930**
	Investment In FDR (Note-3.1)		209,035,531	826,685,264
	Total		**583,264,253**	**1,576,440,374**
3.1	**Investment in FDR**	**FDR A/C No.**		
	Pubali Bank PLC.	1095567	104,466,254	-
	Pubali Bank PLC.	1095569	104,569,277	-
	Pubali Bank PLC.	977310	-	134,754,082
	Pubali Bank PLC.	977311	-	67,264,912
	Pubali Bank PLC.	977312	-	67,264,912
	Pubali Bank PLC.	977313	-	67,264,912
	Pubali Bank PLC.	977314	-	67,264,912
	Pubali Bank PLC.	977703	-	113,022,008
	Pubali Bank PLC.	977509	-	62,729,008
	Pubali Bank PLC.	977542	-	123,560,259
	Pubali Bank PLC.	977543	-	123,560,259
			209,035,531	**826,685,264**
	A schedule of Investment in FDR is given in "Annexure-H(ix)".			
4	**Receivable from securities trading**			
	Receivable from stock-broker		171,199	-
	Receivable from stock- dealer		906,655	-
	Receivable from dividend		69,796,415	78,540,667
	Dividend Receivable from-strategic investment		788,851	779,679
	Receivable from Bond interest income		10,491,258	8,037,682
	Receivable from client		2,381,645	2,175,099
	Receivable from DSE- Digital Booth		300,000	300,000
	Receivable from others (Accrued interest of FDR)		3,262,782	13,714,287
			88,098,805	**103,547,414**
5	**Investment in securities (Own portfolio)**			
	Investment in securities (Own portfolio) at cost (Annexure-H(vii))		7,326,885,845	6,588,560,430
			7,326,885,845	**6,588,560,430**
5.1	**Investment In securities (Own portfolio) Category wise Investment :**			
	(i) Category		6,245,489,358	-
	A category instruments		770,438,230	-
	B category instruments		54,762,090	-
	Z category instruments		7,070,689,677	-
	(ii) Mutual Fund			-
	Listed Fund		256,196,168	-
			256,196,168	-
	Total: (i+ii)		7,326,885,845	-

Amount in BDT

		2023	2022
6	**Receivable from other clients**		
	Margin loan from clients (note 6.1)	914,168,799	867,878,533
		914,168,799	**867,878,533**
6.1	**Margin loan (Net Receivable from margin clients)**		
	Receivable from Clients having no margin or full erosion of clients' equity (e.g.no equity against debit balance)*	333,217,889	341,873,274
	Receivable from Clients fall under force sale condition (e.g. equity is between 100% and 125% of DB)*	34,905,582	41,227,507
	Receivable from Clients fall under margin call (e.g. equity is >125% of DB but <150% of DB)*	65,160,328	74,484,363
	Receivable from regular Margin Clients (e.g. equity is >150% of debit balance)*	480,885,000	410,293,389
	Total Margin loan from clients	**914,168,799**	**867,878,533**
7	**Other assets**		
	Prepaid expenses (Note 7.1)	350,000	661,000
	Deferred Tax Asset (Note-7.2)	1,826,874	95,812
		2,176,874	**661,000**
7.1	**Prepaid expenses**		
	Balance at the beginning of the year	661,000	420,000
	Add: Advances made during the year	5,673,000	4,739,675
	Less: Adjustment made during the year	(5,984,000)	(4,498,675)
	Balance at the end of the year	**350,000**	**661,000**
7.2	**Deferred tax assest/(liability)**		
	Deferred tax liability has been recognized in accordance with the provisions of IAS 12: Income Taxes, is arrived at as follows:		
	Opening balance	95,812	(340,067)
	Addition/(deduction) during the year charged in P&L	1,731,062	435,879
	Closing balance	**1,826,874**	**95,812**
8	**Advance income tax**		
	Opening balance	380,395,128	347,931,908
	Add: Advance income tax paid during the year	31,310,000	50,366,267
		411,705,128	398,298,175
	Add: Tax deducted at source during the year	47,447,808	52,804,288
		459,152,936	451,102,463
	Add: Tax deducted at source against bank interest & others	9,402,162	7,209,239
		468,555,098	458,311,702
	Less: Adjustment during the year	-	(77,916,574)
		468,555,098	**380,395,128**
9	**Fixed assets (net off depreciation & amortization):**		
	Computer & computer accessories	307,550	541,407
	Machinery & equipment	2,567,717	384,961
	Vehicle	624,192	1,291,253
	Furniture & fixtures	3,659,321	1,152,234
		7,158,780	**3,369,855**
	Intangible assets :		
	Systems & software	105,000	150,000
		105,000	**150,000**
		7,263,780	**3,519,855**
	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**

Amount in BDT

		2023	2022
	* 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 PLC. (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 PLC.**		
	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**
	* 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 PLC. (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.		
11	**Investment In securities**		
	Investment in Bond (Note-11.1)	468,256,415	122,126,953
	Investment In securities (Strategic investment) at cost (Note-11.2)	34,503,477	36,229,990
	IPO Investment- Dealer	680,000	-
		503,439,892	**158,356,943**
11.1	**Investment in Bond**		
	Government Treasury Bond (Annexure-H(viii))	468,256,415	122,126,953
		468,256,415	**122,126,953**
	Category :	468,256,415	-
	N Category Instruments	**468,256,415**	**-**
11.2	**Investment In securities (Strategic investment) Category wise Investment :**		
	Category :		
	A Category Instruments (Annexure-H(x))	34,503,477	-
		34,503,477	**-**
12	**Payable to clients**		
	General client	155,988,764	254,633,094
		155,988,764	**254,633,094**
13	**Payable to exchanges**		
	Payable to DSE & CSE broker	5,492,572	8,641,535
	Payable to DSE & CSE dealer	-	-
	Payable for CDBL	199,501	266,439
	Security Deposit	2,115,920	2,154,920
		7,807,993	**11,062,894**
14	**Other liabilities and provisions**		
	Provision for diminution in value of investment (Note 14.1)	1,711,736,753	1,590,000,000
	Provision for tax (Note 14.2)	466,004,361	391,311,788
	Provision for impairment of clients' margin loan (Note 14.3)	150,745,165	184,543,373
	Specific Provision on Margin loan	9,193,325	-
	Provision for postage, stamp, telecommunication etc.	18,000	50,987
	Provision for stationery, printing, advertisement expenses	16,000	109,772
	Provision for other expenses	18,700	32,100
	Legal fees payable	111,475	726,975
	Payable to software provider	-	150,000
	Payable to suppliers	51,711	51,711
	Sundry deposit	109,039	90,117

Amount in BDT

		2023	2022
	Sundry payable	520	520
	Provision for audit fees	161,000	161,000
	VAT payable	117,320	112,043
	TAX payable	283,425	267,989
	Payable for IPO Fund	3,970,000	-
		2,342,536,794	**2,167,608,375**
14.1	**Provision for diminution in value of investment**		
	Opening balance	1,590,000,000	1,534,588,209
	Add: Provision made during the year	121,736,753	55,411,791
	margin loan (note no. 14.4)	1,711,736,753	1,590,000,000
	Less : Adjusted during the year	-	-
	Closing balance	**1,711,736,753**	**1,590,000,000**
14.2	**Provision for tax**		
	Opening balance	391,311,788	381,703,658
	Add: Provision made during the year	74,692,573	87,524,704
		466,004,361	469,228,362
	Add: Adjustment made during the year	-	(77,916,574)
	Closing balance	**466,004,361**	**391,311,788**
14.3	**Provision for impairment of clients margin loan**		
	Opening balance	184,543,373	184,543,373
	Less: Provision adjusted during the period for unrealized loss arising for client margin loan	(333,82,072)	-
		151,161,301	184,543,373
	Less : Adjusted during the year	(416,136)	-
	Closing balance	150,745, 165	184,543,373
	100% provision made during the period for unrealized loss arising for client margin loan.		
14.4	**Specific Provision on margin loan**		
	Opening balance	-	-
	Add: Provision made during the year	9,193,325	-
		9,193,325	-
	Less : Adjusted during the year	-	-
	Closing balance	**9,193,325**	**-**
	To compliance with the Bangladesh Securities & Exchange Commission (Risk Based Capital Adequicy) Rules, 2019 the company also Maintained a mandatory provision by 1% on outsanding margin Exposures. Added or Adjustment will depend on size of outstanding margin loan for the respective year.		
15	**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**	**6,600,000,000**

SL	NAME OF THE SHAREHOLDERS	NO. OF SHARES		
1	Mr. Moniruddin Ahmed	1	100	100
2	Mr. Habibur Rahman	1	100	100
3	Mr. Azizur Rahman	1	100	100
4	Mr. Muhammed Kabiruzzaman Yaqub	1	100	100
5	Mr. Mustafa Ahmed	1	100	100
6	Ms. Runa Fowzia Hafiz	1	100	100
7	Mr. Ahmed Salah Sater	1	100	100
8	Mrs. Ayesha Farha Chowdhury	1	100	100
9	Mr. Rezwan Rahman	1	100	100
10	Mr. Zeyad Rahman	1	100	100
11	Mr. Asif A. Choudhury	1	100	100
12	Mr. Giashuddin Ahamed	1	100	100
13	Ms. Rumana Sharif	1	100	100
14	Pubali Bank PLC.	65,999,987	6,599,998,700	6,599,998,700
		66,000,000	**6,600,000,000**	**6,600,000,000**

Amount in BDT

		2023	2022
16	**Capital reserve**		
	Opening balance	-	-
	Add: Addition during the year	32,623,459	-
	Closing balance	**32,623,459**	

Capital reserve has been made as per Bangladesh Securities Exchange Commission (Risk Based Capital Adequacy) rules, 2019. As per that rules, each registered entity shall maintain a mandatory provision which is at least 10% of profit after tax of previous year as capital reserve.

17	**Retained earnings**		
	Opening balance	660,151,126	333,916,534
	Net profit/(loss) during the year	141,368,669	326,234,592
		801,519,795	660,151,126
	Less: Amount transferred to capital reserve (Note: 16)	(32,623,459)	-
	Closing balance	**768,896,336**	**660,151,126**
18	**Operating income**		
	Brokerage commission DSE & CSE	24,993,958	43,775,776
	Interest on margin loan	63,908,770	47,055,835
	Revenue from CDBL charge	402,395	196,332
	Dividend income from dealer A/C	207,656,143	230,318,163
	Dividend income from Strategic investment	1,333,976	1,602,304
	Capital gain from from Strategic investment	133,292	1,464,365
	Capital gain from Dealer A/C	15,674,821	139,150,799
	Bond interest income (Note 18.1)	40,836,576	20,529,582
	BO A/C Opening fee Income	77,000	95,500
	BO A/C Renewal fee Income	299,840	296,315
	IPO Service Charge Income	4,290	15,440
	FDR Interest, Bank and Other Income	27,342,858	46,365,308
		382,663,919	**530,865,719**
18.1	**Bond interest income**		
	Interest on Treasury bond	20,683,820	4,518,252
	Interest on Private/other bond	20,152,756	16,011,330
		40,836,576	**20,529,582**
19	**Operating expenses**		
	Howla & laga charge DSE & CSE	1,988,178	3,342,805
	CDBL charges	1,320,242	1,954,680
	Directors fees	891,000	1,716,000
	Bank charges & excise duty	770,723	627,201
	DSE & CSE charge	501,485	257,740
	Depreciation expenses	2,207,599	1,334,305
		7,679,227	**9,232,731**
20	**Administrative and general expenses**		
	Salaries & allowances (Note- 20.1)	47,825,550	44,117,068
	Rent expense	7,438,936	2,415,084
	Electricity & electric fittings expense	180,057	158,336
	Audit fees	161,000	178,250
	Insurance expense	26,288	28,735
	Postage, stamp, telecommunication etc.	111,059	185,071
	Stationery printing & advertisement expense	525,227	550,514
	Repairs of machinery and equipment	123,154	80,455
	Investment protection fund	24	136
	Legal fees	1,087,167	148,679
	Professional fees	64,500	64,500
	Newspapers & periodicals	29,958	26,245
	Fuel expense	339,732	289,960
	Overtime allowance	133,908	170,107
	Traveling allowance	146,198	39,105
	Maintenance of bank premises	-	282,000
	Software development expenses	115,000	79,461
	Honorarium	-	48,992
	Subscription	42,500	12,500
	Conveyance charge	436,155	524,646
	Entertainment expense for office & clients	667,522	723,642
	Internet connection fee	10,944	13,751
	Car expenses & maintenance	193,886	257,204
	Bandwidth service charge	625,587	515,525
	Renewal & registration expense	462,460	511,140

Amount in BDT

		2023	2022
	Water & sewerage	56,603	54,741
	Security & auxiliary service	152,708	122,224
	IPO expense	6,000	12,000
	Staff welfare & Recreation	87,750	59,500
	Business Development Expense	115,000	79,842
	Washing Allowance	1,200	-
	Sub-Ordinate Clothing Expenses	27,064	-
	Wages	963,000	277,000
	Leave encashment	32,600	12,400
	Training Expense	14,223	20,396
	Renovation under construction work	79,320	486,990
	Service charge	739,966	184,991
	Miscellaneous expense	84,260	166,590
		63,106,506	**52,897,780**
20.1	**Salaries & allowances**		
	Basic salary	17,370,100	16,542,150
	House rent allowances	9,910,480	9,192,315
	Medical allowances	2,160,200	2,047,000
	Other allowances	4,468,690	4,097,500
	Contributory provident fund	1,677,580	1,541,045
	Bonus to employees	12,238,500	10,697,058
		47,825,550	**44,117,068**
21	**Earnings per share**		
	Net Profit after income tax	141,368,669	326,234,592
	Number of Ordinary Shares	66,000,000	66,000,000
		2.14	**4.94**
22	**Cash flows from operating activities (indirect method)**		
	Net Profit before income tax	**311,878,186**	**468,735,208**
	Add: Adjustment for non-cash items:		
	Depreciation	**2,207,599**	**1,334,305**
	Operating profit before changes in operating assets and liabilities	**314,085,785**	**470,069,513**
	Increase/decrease in operating assets and liabilities		
	(Increase)/ decrease in operating assets	(1,113,939,021)	(568,930,825)
	Increase/ (decrease) in operating liabilities	(99,211,391)	(160,382,026)
	Income tax paid	(88,159,970)	(110,379,794)
	Net cash flows from operating activities	**(987,224,597)**	**(369,623,132)**

23 Related party disclosures

Received from related party

Name of related party	Related to	Nature of instrument	Balance in BDT	
			As on 31.12.2023	As on 31.12.2022
Pubali Bank PLC.	Parent Company	Different types of deposits	583,264,253	1,576,440,374

24 Events after the reporting period

i) The Board of Directors in its meeting held on 13 March 2024 approved the financial statements of the company for the year ended 31 December 2023 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.

Mohammed Ahsan Ullah
Managing Director & CEO

Ahmed Salah Sater
Director

Monruddin Ahmed
Chairman

Place : Dhaka
Dated : 13 March 2024

Pubali Bank Securities Limited

Schedule of Property, Plant and Equipment as at 31 December 2023

ANNEXURE-H (VI)

Amount in BDT

PARTICULARS	COST				DEPRECIATION					WRITTEN DOWN VALUE AT 31 DEC 2023
	BALANCE AT 1 JAN 2023	ADDITION DURING THE YEAR	DISPOSAL DURING THE YEAR	BALANCE AT 31 DEC 2023	RATE	BALANCE AT 1 JAN 2023	CHARGED DURING THE YEAR	DISPOSAL DURING THE YEAR	BALANCE AT 31 DEC 2023	
Computer & Computer Accessories	4,376,686	180,402	1,807,818	2,749,270	30%	3,835,279	413,829	1,807,388	2,441,720	307,550
Machinery & Equipment	1,702,816	2,828,493	47,200	4,484,109	20%	1,317,855	645,627	47,090	1,916,392	2,567,717
Vehicles	3,228,133	-	-	3,228,133	20%	1,936,880	667,061	-	2,603,941	624,192
Furniture & Fixtures	2,870,740	3,204,943	918,476	5,157,207	10%	1,718,506	436,082	656,702	1,497,886	3,659,321
Total as at 31 December 2023	**12,178,375**	**6,213,838**	**2,773,494**	**15,618,719**		**8,808,520**	**2,162,599**	**2,511,180**	**8,459,939**	**7,158,780**
Total as at 31 December 2022	**11,123,671**	**1,054,704**	**-**	**12,178,375**		**7,474,215**	**1,334,305**	**-**	**8,808,520**	**3,369,855**

Schedule of Intangible Assets as at 31 December 2023

PARTICULARS	COST				DEPRECIATION					WRITTEN DOWN VALUE AT 31 DEC 2023
	BALANCE AT 1 JAN 2023	ADDITION DURING THE YEAR	DISPOSAL DURING THE YEAR	BALANCE AT 31 DEC 2023	RATE	BALANCE AT 1 JAN 2023	CHARGED DURING THE YEAR	DISPOSAL DURING THE YEAR	BALANCE AT 31 DEC 2023	
Systems & Software	175,000	-	-	175,000	30%	25,000	45,000	-	70,000	105,000
Total as at 31 December 2023	**175,000**	**-**	**-**	**175,000**		**25,000**	**45,000**	**-**	**70,000**	**105,000**
Total as at 31 December 2022	**25,000**	**150,000**	**-**	**175,000**		**25,000**	**-**	**-**	**25,000**	**150,000**

Pubali Bank Securities Limited

Portfolio Investment under Stock Dealing

Amount in BDT

SL	NAME OF THE COMPANY	COST VALUE		MARKET VALUE	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
BANKS					
1	ABBANK	89,898,718	89,898,718	24,032,313	24,046,892
2	BANKASIA	17,725,955	17,725,955	17,346,164	17,346,164
3	CITYBANK	114,353,309	114,353,309	85,947,750	85,837,500
4	DUTCHBANGL	16,251,774	16,251,774	13,977,150	13,772,000
5	EBL	11,148,598	11,148,598	10,709,156	10,296,331
6	FIRSTSBANK	6,084,368	6,084,368	4,764,802	4,769,670
7	GIB	13,173,670	13,173,670	11,895,821	11,856,303
8	IFIC	9,688,976	9,688,976	9,246,216	9,262,330
9	MERCANBANK	6,842,500	6,842,500	6,783,000	6,800,000
10	NBL	38,480,089	38,480,089	22,946,977	22,946,977
11	NCCBANK	56,999,308	56,999,308	48,661,967	48,821,171
12	PREMIERBAN	1,961,782	1,961,782	2,135,074	2,001,171
13	PRIMEBANK	110,841,030	110,841,030	84,000,000	76,800,000
14	SHAHJABANK	63,827,068	63,827,068	55,254,819	55,111,185
15	UCB	16,360,588	16,360,588	14,322,000	14,300,000
16	UNIONBANK	12,460,914	12,460,914	9,345,000	9,300,000
NON BANK FINANCIAL INSTITUTION					
1	IDLC	108,720,110	108,720,110	89,454,375	89,454,375
2	ILFSL	49,644,449	49,644,449	4,630,774	5,126,929
3	UNITEDFIN	28,845,290	28,845,290	19,173,900	19,173,900
4	UNIONCAP	16,107,188	16,107,188	3,631,547	4,039,586
5	UTTARAFIN	79,694,511	79,694,511	47,374,181	47,374,181
CORPORATE BOND					
1	CBLPBOND	207,477,500	207,477,500	208,537,500	208,537,500
MUTUAL FUNDS					
1	AIBL1STIMF	50,000,000	50,000,000	38,500,000	37,000,000
2	ATCSLGF	3,050,581	3,050,581	3,110,582	2,958,102
3	DBH1STMF	30,784,857	30,784,857	22,362,900	22,362,900
4	GRAMEENS2	21,904,828	21,904,828	11,642,166	11,642,166
5	GREENDELMF	44,478,302	44,478,302	34,500,000	34,500,000
6	MBL1STMF	50,000,000	50,000,000	33,500,000	33,000,000
7	PHPMF1	50,000,000	50,000,000	36,646,106	36,646,106
8	PRIME1ICBA	5,977,600	5,977,600	3,720,000	3,080,000
ENGINEERING					
1	ATLASBANG	113,543,620	113,543,620	50,123,951	50,123,951
2	BBS	66,733,465	66,733,465	44,474,659	44,474,659
3	BSRMLTD	54,576,521	54,576,521	45,000,000	45,000,000
4	BSRMSTEEL	204,895,905	204,895,905	81,985,170	81,985,170
5	DESHBANDHU	1,036,375	1,036,375	702,447	347,364
6	GOLDENSON	23,014,497	23,014,497	6,194,661	6,194,661
7	GPHISPAT	55,132,514	55,132,514	47,300,925	47,264,000
8	IFADAUTOS	31,547,640	31,547,640	23,637,776	23,637,776
9	NAVANACNG	129,094,550	129,094,550	28,516,163	28,166,985
10	RANFOUNDRY	2,815,853	-	2,594,438	-
11	RUNNERAUTO	2,975,057	2,975,057	2,420,000	2,420,000
12	SINGERBD	38,991,704	38,991,704	32,749,488	32,749,488
TEXTILE					
1	ESQUIRENIT	940,050	940,050	720,705	720,705
2	METROSPIN	27,697,675	27,697,675	12,102,736	20,952,562
3	RINGSHINE	-	11,244	-	12,799
4	PTL	23,157,034	-	23,100,000	-
FOOD & ALLIED					
1	BATBC	45,531,870	45,531,870	60,118,886	60,118,886
2	OLYMPIC	212,581,855	212,581,855	109,111,528	89,012,036

Pubali Bank Securities Limited

Portfolio Investment under Stock Dealing

Amount in BDT

SL	NAME OF THE COMPANY	COST VALUE		MARKET VALUE	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
FUEL & POWER					
1	DESCO	171,133,802	171,133,802	110,114,870	110,114,870
2	BPPL	16,943,110	16,943,110	15,269,343	15,269,343
3	KPCL	181,026,311	181,026,311	55,520,291	55,520,291
4	ENERGYPRIMA	47,500,000	47,500,000	47,500,000	47,500,000
5	JAMUNAOIL	57,364,622	83,764,689	56,985,689	82,618,763
6	LINDEBD	239,982,187	239,982,187	268,755,347	268,755,347
7	MPETROLEUM	77,694,108	113,265,245	80,536,471	117,408,944
8	PADMAOIL	60,416,847	60,416,847	57,954,048	57,954,048
9	SUMITPOWER	269,093,978	269,093,978	210,280,344	210,280,344
10	TITASGAS	122,242,280	122,242,280	62,370,128	62,370,128
11	MJLBD	415,588,084	415,588,084	346,800,000	346,800,000
12	UPGDCL	75,428,827	75,428,827	65,346,493	65,346,493
PHARMACEUTICALS & CHEMICALS					
1	ACI	266,124,678	266,124,678	278,468,642	278,468,642
2	ACIFORMULA	12,173,454	46,940,016	12,328,545	47,538,035
3	ACTIVEFINE	154,101,584	154,101,584	92,452,751	92,452,751
4	ACMELAB	33,272,151	33,272,151	31,789,915	31,789,915
5	MARICO	2,977,119	-	2,974,986	-
6	SQURPHARMA	308,301,998	365,672,225	333,596,787	394,733,245
SERVICES & REAL ESTATE					
1	SAPORTL	105,315,572	105,315,572	61,862,456	68,230,650
2	SAIFPOWER	41,142,031	41,142,031	30,591,000	30,591,000
CEMENT					
1	MEGHNACEM	114,426,945	114,426,945	29,375,691	25,368,146
2	CROWNCEMNT	60,748,274	60,748,274	57,158,042	56,176,464
3	LHBL	450,312,604	450,312,604	394,917,762	369,273,751
4	HEIDELBCEM	151,402,959	151,402,959	72,518,445	54,229,868
5	PREMIERCEM	48,868,190	48,868,190	28,134,640	23,358,050
IT & TELECOM SECTOR					
1	GP	244,890,206	244,890,206	187,644,472	187,644,472
2	GENEXIL	80,646	-	78,480	-
3	BSCCL	73,353,823	73,353,823	72,230,433	72,230,433
INSURANCE					
1	BGIC	39,955,315	39,955,315	27,714,000	34,587,072
2	DELTALIFE	897,707,923	-	844,593,750	-
3	ICICL	-	87,980	-	247,224
4	POPULARLIF	4,438,802	21,930,406	3,364,967	16,250,000
TRAVEL AND LEISURE					
1	UNIQUEHRL	94,086,788	125,435,989	68,068,350	92,348,850
2	UNITEDAIR	54,762,090	54,762,090	6,460,006	6,460,006
JUTE, TANNERY & MISC.					
1	BATASHOE	55,876,129	52,343,629	47,200,190	43,054,435
MISCELLANEOUS					
1	BSC	11,102,362	-	10,700,000	-
	Total	**7,326,885,845**	**6,588,560,430**	**5,620,663,107**	**4,866,316,064**

Pubali Bank Securities Limited

Treasury Bills and Bond

Amount in BDT

SL NO	NAME OF THE COMPANY	COST VALUE		MARKET VALUE	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
1	BD0932111109	50,042,301	50,042,301	50,042,301	50,042,301
2	BD0932851100	72,084,651	72,084,651	72,084,651	72,084,651
3	BD0928381054	99,993,913	-	99,993,913	-
5	BD0928461054	100,167,000	-	100,167,000	-
6	BD0909130249	48,661,350	-	48,661,350	-
7	BD0909132245	97,307,200	-	97,307,200	-
Total		**468,256,415**	**122,126,952**	**468,256,415**	**122,126,952**

Pubali Bank Securities Limited

Schedule of Investement for the year ended on 31 December 2023

ANNEXURE - H (IX)

Amount in BDT

SL	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 PLC.	156203	1095567	100,000,000	-	-	9.00%	-	12	5,645,317	1,506,050	5,645,317	1,129,063	50,000	-	-	104,466,254
2	Pubali Bank PLC.	156220	1095569	100,000,000	-	-	9.00%	-	12	5,774,096	1,756,732	5,774,096	1,154,819	50,000	-	-	104,569,277
Total				**200,000,000**	**-**	**-**				**11,419,413**	**3,262,782**	**11,419,413**	**2,283,882**	**100,000**	**-**	**-**	**209,035,531**

Pubali Bank Securities Limited

Portfolio of Strategic Investement

Amount in BDT

SL NO	NAME OF THE COMPANY	COST VALUE		MARKET VALUE	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
1	ACIFORMULA	225,804	225,804	255,750	255,750
2	GP	1,799,469	1,799,469	1,433,000	1,433,000
3	JAMUNAOIL	5,434,742	5,434,742	5,055,000	5,019,000
5	MJLBD	7,927,540	7,927,540	7,456,200	7,456,200
6	MPETROLEUM	-	1,726,514	-	1,822,155
7	RENATA	1,045,819	1,045,819	1,316,550	1,316,550
8	SQURPHARMA	7,462,239	7,462,239	6,969,342	6,952,772
9	SUMITPOWER	4,688,680	4,688,680	3,400,000	3,400,000
10	UTTARAFIN	5,919,184	5,919,184	3,103,381	3,103,381
Total		**34,503,477**	**36,229,990**	**28,989,223**	**30,758,808**

Pubali Bank Securities Limited

Statement showing computation of capital adequacy

A. Eligible Amount

Amount in BDT

COMPONENTS	BALANCE SHEET AMOUNT	HAIRCUT%	HAIRCUT AMOUNT	ELIGIBLE AMOUNT
Paid-up-capital	6,600,000,000	-	-	6,600,000,000
Capital Reserve	32,623,459	-	-	32,623,459
Retained Earnings	768,896,336	-	-	768,896,336
Sum of core capital	**7,401,519,795**	**-**	**-**	**7,401,519,795**
General Provision	1,862,481,918	20%	372,496,384	1,489,985,534
Specific Provision	9,193,325	30%	2,757,998	6,435,328
Sum of supplementary capital	**1,871,675,243**		**375,254,381**	**1,496,420,862**
Total Capital	**9,273,195,038**		**375,254,381**	**8,897,940,657**

B. Total Risk Requirment

PARTICULARS	RISK FACTOR	APPLICABLE AMOUNT
Operation Risk Requirement (ORR): Based on Average Annual Gross Income (see clause (b) of sub-rule (7.1) of rule 7)	**5%**	19,133,196
Proprietary positions in Equity securities:		
Value of "A" category securities	**10%**	624,548,936
Value of "B/G/N/." category securities	**12%**	148,643,357
Value of "Z" category instruments	**15%**	8,214,314
Proprietary positions in MFs : Value of listed funds	**10%**	25,619,617
Counterparty Risk Requirement (CPRR): Exposure of credit facilities to Clients	**8%**	73,133,504
Total Risk Requirment		**899,292,923**

$$\text{Capital Adequacy Ratio (CAR)} = \frac{\text{Total Capital (TC)}}{\text{Total Risk Requirement (TRR)}} \times 100$$

$$\frac{8,897,940,657}{899,292,923} \times 100$$

= 989.437 i.e 9.89 times

Pubali Bank Securities Limited

Statement of Statutory Liquid Capital Requirement
Area of Operation: Stock-Broker and Stock-Dealer
As at 31 December 2023

Amount in BDT

	Particulars	Notes	Amount as in Balance sheet	Proposed Haircut %	Amount after Haircut
Assets:					
01.	**Cash and Bank Balances**	3	**583,264,253**		**583,264,253**
	Cash in Hand		-	0.00%	-
	Cash at Bank in Company's account		137,128,013	0.00%	137,128,013
	Cash at Bank in trading accounts (Stock Dealer A/C)		25,439,748	0.00%	25,439,748
	Cash at Bank accounts for clients (net claim in consolidated customer account)		211,660,961	0.00%	211,660,961
	Cash at Bank at IPO Account		-	0.00%	-
	Investments in FDR (those to be matured within six months)		209,035,531	0.00%	209,035,531
02.	**Net Receivable from Securities Trading**	4	**14,250,757**		**14,246,558**
	Receivable from DSE (categorize as A, B, G, N, Z and DVP)		**171,199**		**167,000**
	Receivable against A,B,G and N category		87,220	0.00%	87,220
	Receivable against Z category		83,979	5.00%	79,780
	Receivable from CSE (categorize as A, B, G, N, Z and DVP):		**-**		**-**
	Receivable against A,B,G and N category		-	0.00%	-
	Receivable against Z category		-	5.00%	-
	Receivable from Stock Broker/Stock Dealer		906,655	0.00%	906,655
	Receivable from Merchant Banker		-	0.00%	-
	Receivable from selling agents			0.00%	-
	Receivable under securities borrowing and lending agreements		-	5.00%	-
	Receivable under repurchase transactions		-	0.00%	-
	Receivable from others		13,172,903	0.00%	13,172,903
03.	**Net Receivable from other Clients-**		**-**		**-**
	Receivable after securities trading			15.00%	-
	Receivable arises from fee, commission & charges			5.00%	-
04.	**Net receivable from margin clients**	6	**914,168,799**		**803,964,300**
	Receivable to Clients having no margin or full erosion of clients' equity (e.g.no equity against debit balance)		333,217,889	30.00%	233,252,522
	Receivable to Clients fall under force sale condition (e.g. equity is between 100% and 125% of DB)		34,905,582	20.00%	27,924,466
	Receivable to Clients fall under margin call (e.g. equity is >125% of DB but <150% of DB)		65,160,328	5.00%	61,902,312
	Receivable to regular Margin Clients (e.g. equity is >150% of debit balance)		480,885,000	0.00%	480,885,000
05.	**Proprietary positions in securities and specified investments**	5 & 11	**7,830,325,737**		**6,984,213,336**
	Proprietary positions in Equity securities		**7,747,642,260**		**6,952,548,207**
	Receivable against "A" category		6,406,685,526	10.00%	5,766,016,973
	Receivable against "B/G/ N" category		1,286,194,644	12.00%	1,131,851,287
	Receivable against "Z" category		54,762,090	15.00%	54,679,947
	Proprietary Position in strategic investments		**34,503,477**		**31,053,129**
	Receivable against "A" category		34,503,477	10.00%	31,053,129

Pubali Bank Securities Limited

Statement of Statutory Liquid Capital Requirement
Area of Operation: Stock-Broker and Stock-Dealer
As at 31 December 2023

Amount in BDT

	Particulars	Notes	Amount as in Balance sheet	Proposed Haircut %	Amount after Haircut
	Receivable against "B/G/ N" category		-	12.00%	-
	Receivable against "Z" category		-	15.00%	-
	Own subscription in IPOs but not yet allotted		680,000	10.00%	612,000
	Value of Investment in Securities no traded in Exchange		47,500,000	30.00%	33,250,000
06.	**Other assets arising from:**		**74,198,048**		**73,848,048**
	Receivable against Advisory Fees, Commission etc.		-	10.00%	-
	Dividend receivable	4	70,585,266	0.00%	70,585,266
	Interest receivable	4	3,262,782	0.00%	3,262,782
	Prepaid expenses	7	350,000	100.00%	-
	Security deposits		-	100.00%	-
07.	**Total liquid assets**		**9,416,207,594**		**8,459,536,495**
08.	**Advance /Investments in associated undertakings (LT):**		**468,555,098**		-
	Advance to Subsidiaries		-	100.00%	-
	Advance to Associated Companies		-	100.00%	-
	Advance to Directors & Staffs		-	100.00%	-
	Other Advances (Advance income Tax)	8	468,555,098	100.00%	-
09.	**Fixed assets (net off depreciation & amortization)**	**9**	**7,158,780**		**-**
	Furniture and Fixtures		3,659,321	100.00%	-
	Machinery and Equipment		3,191,909	100.00%	-
	Computer and Network Equipment		307,550	100.00%	-
10.	**Intangible assets**	**9**	**105,000**		**-**
	Software		105,000	100.00%	-
	Goodwill, Patents and other Intangible Assets		-	100.00%	-
11.	**Value of investment in exchange (membership value)**	10	14,000,000	100.00%	-
12.	**Other Long Term Assets:**	12	1,826,874		-
	Long Term Investments		-	100.00%	-
	Long Term Prepayments & Deposits		-	100.00%	-
	Deferred Tax Assets	7.2	1,826,874	100.00%	-
	Others		-	100.00%	-
13.	**Total assets (aggregate of amount in items 9 to 13)**		**9,907,853,346**		**8,459,536,495**
Liabilities :					
14.	Short positions in securities held for own account		-	0.00%	-
15.	Payable to Clients	12	**155,988,764**	0.00%	**155,988,764**

ANNEXURE-H (XII)

Pubali Bank Securities Limited

Statement of Statutory Liquid Capital Requirement
Area of Operation: Stock-Broker and Stock-Dealer
As at 31 December 2023

Amount in BDT

	Particulars	Notes	Amount as in Balance sheet	Proposed Haircut %	Amount after Haircut
16.	Short Term Business Liabilities:		-	0.00%	-
	Payable to Banks, if not for trading & investment (current due of long term liabilities)		-	0.00%	-
	Payable to Fis, if not for trading & Investment (current due of long term liabilities)		-	0.00%	-
	Payable to Banks & Fis for loan against Margin Financing & Investment (full amount)		-	0.00%	-
	Payment obligation against sub-debt, preference shares (current due)		-	0.00%	-
	Payable to associate companies or persons		-	0.00%	-
17.	**Amounts payable to clearing houses/Exchanges/ Depository**	**13**	**5,692,073**		**5,692,073**
	Payable to Exchanges		5,492,572	0.00%	5,492,572
	Payable to Clearing House		-	0.00%	-
	Payable to Depository		199,501	0.00%	199,501
	Payable to Brokers		-	0.00%	-
18.	**Other Liabilities and Provisions:**	**14**	**2,344,652,714**		**472,924,771**
	Accruals & Accounts payable		-	0.00%	-
	Deferred tax and other differed liabilities		-	0.00%	-
	Provision for Margin Loan		159,938,490	100.00%	-
	Provision for Unrealized Loss		1,711,736,753	100.00%	-
	General Provision			100.00%	-
	Provision for Gratuity, PF & others			50.00%	-
	Provision for Tax & VAT		466,004,361	0.00%	466,004,361
	Interest Suspense against Margin Loan			100.00%	-
	Other Provision		52,700	100.00%	-
	Liabilities for Expenses		4,804,490	0.00%	4,804,490
	Interest Payable			0.00%	-
	CCBA interest payable			0.00%	-
	Provision for contingent liabilities and floating losses		-	50.00%	-
	Others (Security deposits note 13)	13	2,115,920	0.00%	2,115,920
19.	**Total Current Liabilities**		**2,506,333,551**		**634,605,608**
20.	**Shareholders' Equity:**		**7,401,519,795**		**-**
	Share Capital	15	6,600,000,000	100.00%	-
	Share Premium		-	100.00%	-
	General Reserve		-	100.00%	-
	Capital Reserve	16	32,623,459	100.00%	-
	Dividend Equalization Reserve		-	100.00%	-
	Revaluation Reserve		-	100.00%	-
	Adjustment for diminution in value of portfolio holdings		-	100.00%	-
	Other Reserves		-	100.00%	-
	Retained Earnings	17	768,896,336	100.00%	-
21.	**Total liabilities & Shareholders' Equity**		**9,907,853,346**		**634,605,608**

Pubali Bank Securities Limited

Statement of Statutory Liquid Capital Requirement
Area of Operation: Stock-Broker and Stock-Dealer
As at 31 December 2023

Amount in BDT

	Particulars	Notes	Amount as in Balance sheet	Proposed Haircut %	Amount after Haircut
22.	**Net Short term obligations after haircut**		634,605,608		
23.	**Total Liabilities**		9,907,853,346		
24.	**Liquid Capital (Amount in item 07 minus item 19)**		7,824,930,887		
25.	**Regulatory LCB : 4%/6%/8% of Total Liabilities (8% of Item 23)**		792,628,268		
26.	**Excess/(Deficit) in Liquid Capital** (Amount in Item 24 less 25)		7,032,302,619		

Mohammed Ahsan Ullah
Managing Director & CEO

Ahmed Salah Sater
Director

Monruddin Ahmed
Chairman

Place : Dhaka
Dated : 13 March 2024

Important Information

Listed Exchange Companies / Bank

COUNTRY OF ORIGIN	EXCHANGE COMPANIES NAME
BAHRAIN	NEC B.S.C (Closed) Zenj Exchange Co.
CANADA	U Remit International Corporation
FRANCE	Western Union Network
ITALY	National Exchange Co. S.R.L, Italy First Security Islami Exchange Italy
KSA	Al Rajhi Banking and Investment Corp. Bank Al Bilad
KUWAIT	Al Muzaini Exchange Co. City Int'l Exchange Al Mulla Int'l Exchange Bahrain Exchange Co. AL Nada International Exchange Co.
MALAYSIA	NBL Money Transfer sdn Merchantrade Asia SDN BHD CBL Money Transfer BHD Max Money
OMAN	Mustafa Sultan Exchange Co. Laxmidas Tharia Ved Co. Hamdan Exchange Co. Musandum Exchange Co. Oman Int'l Exchange Unimoni Exchange LLC Purshottam Kanzi Exchangeww Gulf Overseas Exchange Co. Bank Muscat (S.A.O.G) Oman National Bank of Oman Joyalukkas Exchange LLC, Oman
QATAR	Gulf Exchange Co National Exchange co Eastern Exchange Est Arabian Exchange co AL Zaman Exchange Co.
SINGAPORE	NBL Money Transfer PTE Singapore Prime Exchange Co. Pte Ltd.
UAE	National Exchange Co. UAE Index Exchange L.L.C Emirates India Intl Exchange Al Ahalia Money Exchange UAE Exchange Centre Al Ansari Exchange co Lari Exchange co Al Rostamani Intl Exchange UAE Exchange Xpress Money Universal Exchange Centre Instant cash FZE Redha al Ansari Exchange Al Ghurair Exchange LTP Multinet Trust Exchange Sharaf Exchange
UK	KMB International Money Transfer. Brac Saajan Exchange Limited, UK PBL Exchange Limited (UK) NEC Money Transfer (UK) Worldwide West 2 East Services Ltd. LCC Trans-Sending Ltd. Aftab Currency Exchange Ltd.
USA	Wall Street Finance Transfast Remittance Placid NK Corporation Continental Exchange solution Standard Express Prabhu Group Inc NY MoneyGram Payment System

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
Dhanmondi	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
ECB Chattar	Dhaka	09612 82 4796

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 4907
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
Islampur	Dhaka	09612 82 4859
Imamgonj	Dhaka	09612 82 4949
Nayabazar	Dhaka	09612 82 4851
Komorgonj	Dhaka	09612 82 4956
Dholaipar	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
Hasnabad	Dhaka	09612 82 2745

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
Bolivodro Bazar	Dhaka	09612 82 7771

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
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
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
Mirpur 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

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	Brahmanbaria	09612 82 3995
Kuti Bazar	Brahmanbaria	09612 82 4141
Barura	Cumilla	09612 82 4218

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
Maijdee Bazar	Noakhali	09612 82 6512
Chaprashirhat	Noakhali	09612 82 6576
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
Kamalpur	Kishorgonj	09612 82 6045
Katiodi	Kishorgonj	09612 82 6054
Netrokona (Town)	Netrokona	09612 82 6011
Mohanganj	Netrokona	09612 82 6076
Madan	Netrokona	09612 82 6097

TANGAIL REGION	DISTRICT	CONTACT NO
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	Chapainawabgonj	09612 82 6671
Moharajpur	Chapainawabgonj	09612 82 6830
Rohanpur	Chapainawabgonj	09612 82 2805
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
Shathibari	Rangpur	09612 82 8400
Kurigram	Kurigram	09612 82 6967
Fulbari	Kurigram	09612 82 7105
Nageshwari	Kurigram	09612 82 7112
Ulipur	Kurigram	09612 82 2490
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
Panchagarh	Panchagarh	09612 82 7033
Nekmorod	Thakurgaon	09612 82 7004
Pirganj	Thakurgaon	09612 82 7042

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
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
Dupchanchia	Bogura	09612 82 7844
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	Gaibandha	09612 82 7026
Mohimagonj	Gaibandha	09612 82 7100
Park Road	Gaibandha	09612 82 6951
Gobindagonj	Gaibandha	09612 82 6996
Sundarganj	Gaibandha	09612 82 8600

KHULNA REGION	DISTRICT	CONTACT NO
K.D.A Avenue	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)	Jessore	09612 82 5221
Noapara bazar	Jessore	09612 82 5231
Benapole	Jessore	09612 82 5363
Monirampur	Jessore	09612 82 5309
Navaran Bazar	Jessore	09612 82 5333
BSCIC	Jessore	09612 82 5442
Chowgacha	Jessore	09612 82 5446
Narail	Narail	09612 82 5285
Jhenaidah	Jhenaidah	09612 82 5404
Shailkupa	Jhenaidah	09612 82 2935

BARISAL 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
Torki Bandar	Barishal	09612 82 3077
Pirojpur	Pirojpur	09612 82 3022
Nazirpur	Pirojpur	09612 82 3129
Mathbaria	Pirojpur	09612 82 3151
Bhandaria	Pirojpur	09612 82 3083
Sarshina	Pirojpur	09612 82 3144
Mearhat	Pirojpur	09612 82 3137
Rajapur	Jhalakhathi	09612 82 3171
Nalchity	Jhalakhathi	09612 82 3165
Jhalakathi	Jhalakhathi	09612 82 3208
Bhola	Bhola	09612 82 3032
Charfashion	Bhola	09612 82 3109
Lalmohan	Bhola	09612 82 3247
Borhanuddin	Bhola	09612 82 8501
Kalaiya Bandar	Patuakhali	09612 82 3117
Patuakhali	Patuakhali	09612 82 3042
Golachipa	Patuakhali	09612 82 3191
Subidkhali	Patuakhali	09612 82 3197
Kolapara	Patuakhali	09612 82 3216
Dashmina	Patuakhali	09612 82 2680
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
Modhukhali	Faridpur	09612 82 5171
Boalmari	Faridpur	09612 82 7936
Gopalgonj	Gopalgonj	09612 82 5132
Kashiani	Gopalgonj	09612 82 5105
Mukshudpur	Gopalgonj	09612 82 2990
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
Magura	Magura	09612 82 5156
Shariatpur	Sariatpur	09612 82 5061
Bhojeshwar Bazar SME/Krishi	Sariatpur	09612 82 5121
Kumarkhali	Kushtia	09612 82 5142
Poradah	Kushtia	09612 82 7931

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: **CM-2024/047**

BAPLC

Date of issue : **January 17, 2024**

Renewed Certificate

This is to certify that

PUBALI BANK PLC.

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 **2024.**

BAPLC

Secretary General

Pubali Bank PLC.

Registered Office
26 Dilkusha Commercial Area, Dhaka-1000, Bangladesh

PROXY/Authorization Form

I / We ..... of .... being a shareholder(s) of Pubali Bank PLC. 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 41st Annual General Meeting of the bank to be held on **05th June 2024** at **10:30 AM** (**Bangladesh Standard Time**) by using digital platform through the link: https://www.pubalibangla.com/AGM2024 and at any adjournment thereof.

As wished, I / We have attested Signature of the Proxy Holder on ..... day of ..... 2024.

Signature of the Shareholder(s)

Revenue Stamp
Tk. 100.00

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 41st Annual General Meeting (AGM) may appoint a Proxy/ attorney/representative 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/Authorization form no later than 48 hours before commencement of the AGM i.e 03rd June 2024 at 10.30 AM. Proxy is invalid if not signed and stamped as explained above.

PUBALI BANK BHABAN
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SWIFT: PUBABDDH