



পুতালী ব্যাংক লিমিটেড
PUBALI BANK LIMITED

Annual Report 2022

www.pubalibangla.com

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Welcome To Our Annual Report 2022

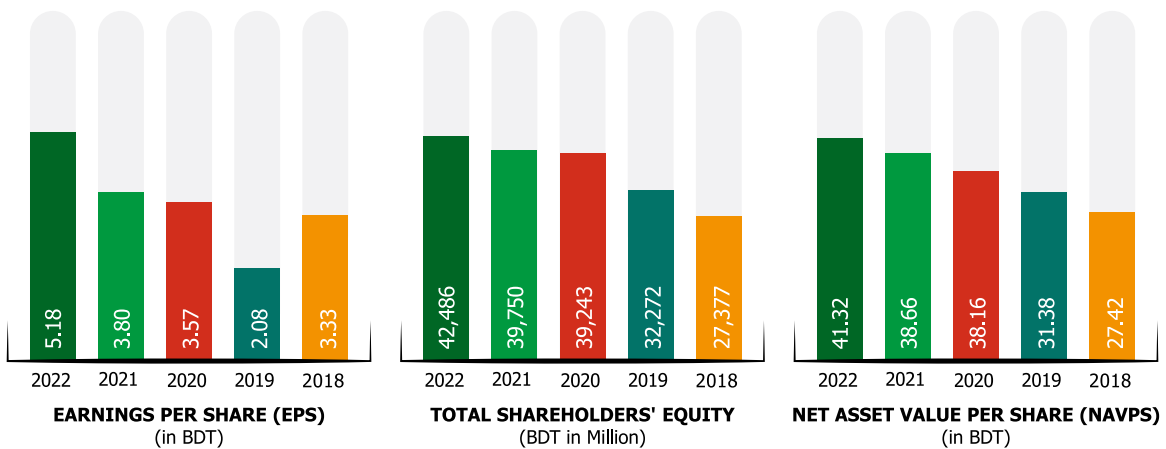
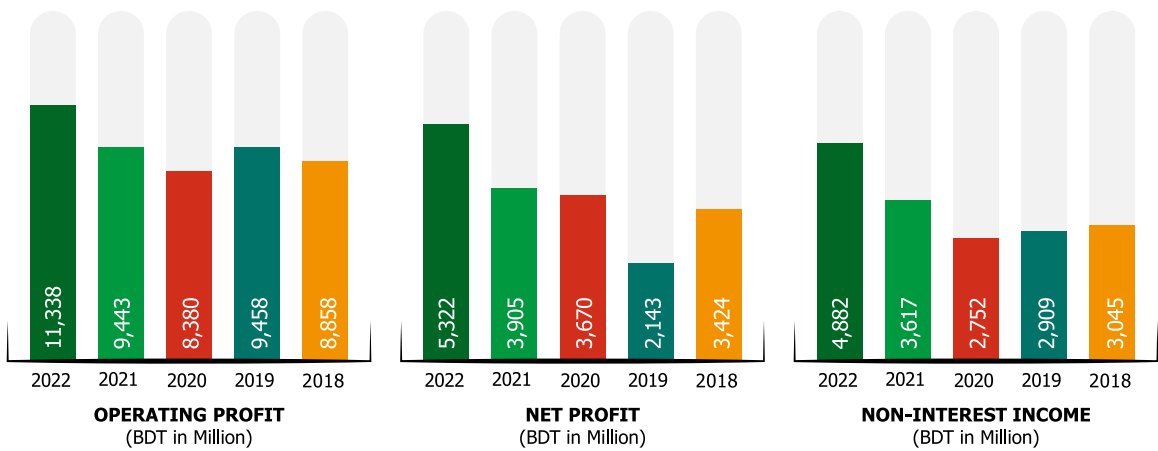
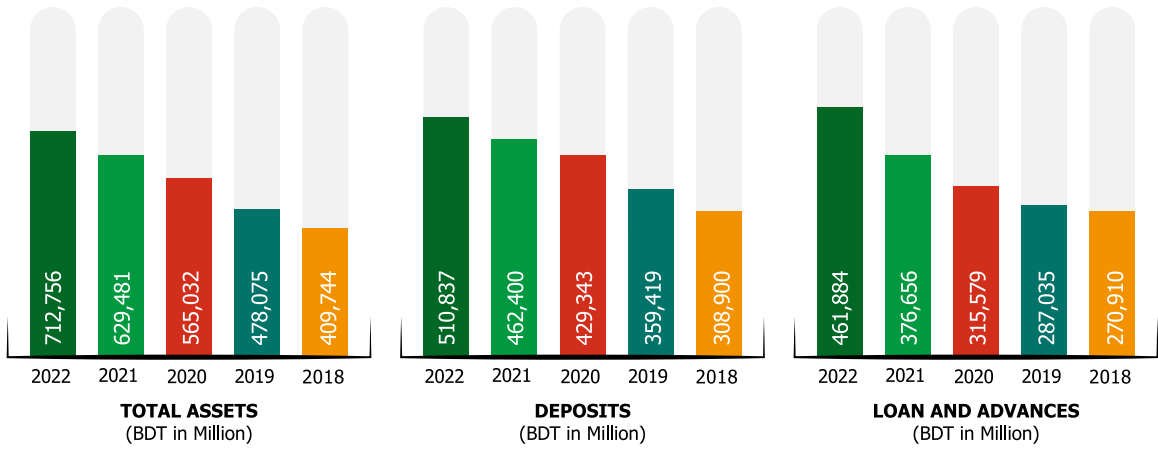
This report focuses to inform our valued Stakeholders about our financial & non-financial performance in 2022. This report also aims to present a balanced and concise analysis of our strategy, performance, prospects as well as good governance. This report is a testimonial to strength, soundness and capability of moving forward through consistent progress in all parameters of the Bank in the year 2022.



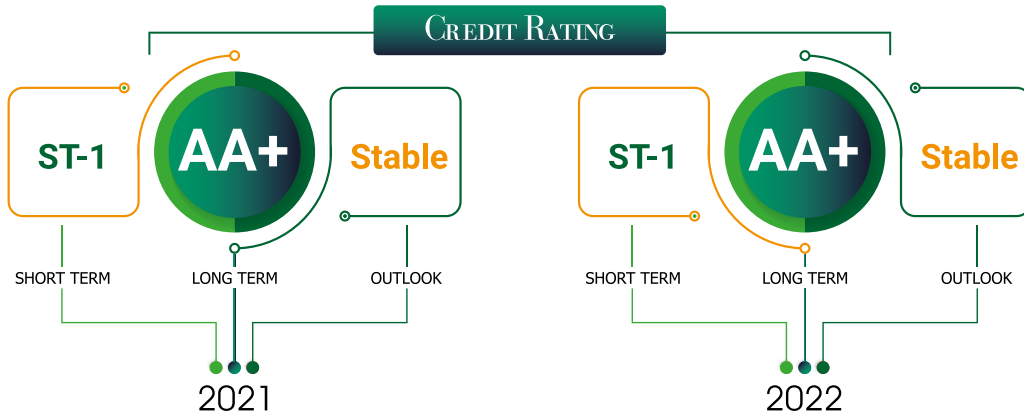
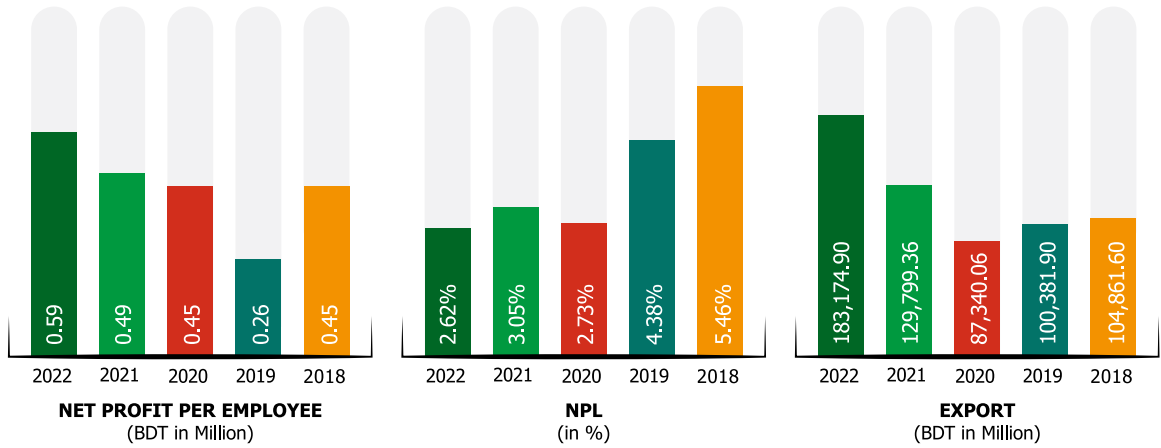
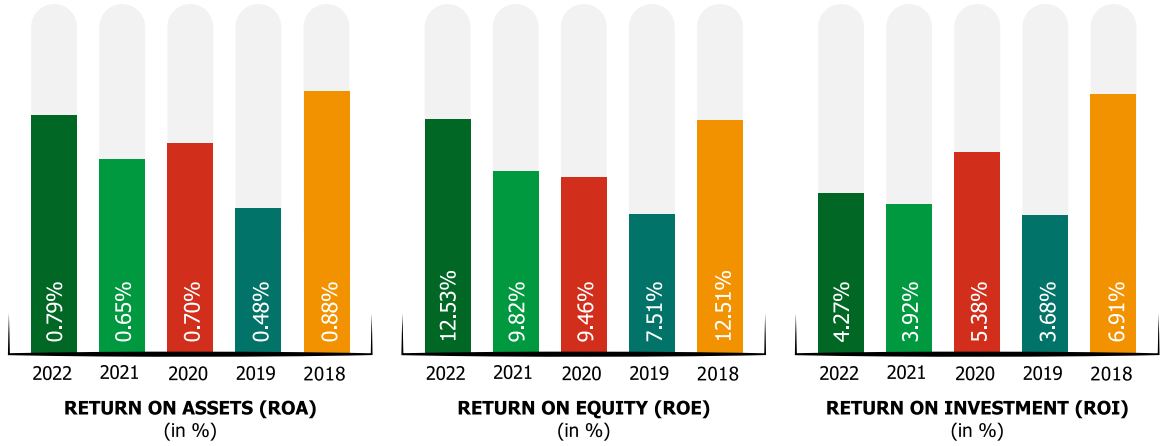


GENERAL INFORMATION

FINANCIAL PERFORMANCE



FINANCIAL PERFORMANCE



Letter of Transmittal

All Respected Shareholders of Pubali Bank Limited
Bangladesh Bank
Bangladesh Securities and Exchange Commission
Dhaka Stock Exchange Limited
Chittagong Stock Exchange PLC
Financial Reporting Council
Registrar of Joint Stock Companies and Firms

Dear Sir,

Annual Report of Pubali Bank Limited for the year ended 31 December 2022.

Please accept best compliments from Pubali Bank Limited.

We are pleased to present before you the Annual Report 2022 of Pubali Bank Limited along with the consolidated Balance Sheet of its subsidiary company Pubali Bank Securities Limited for your kind information and record.

The Annual Report 2022 covers the period from 1 January 2022 to 31 December 2022 and includes message from the Chairman of the Board of Directors, Report of the Managing Director & CEO, Directors' Report and Audited Financial Statements with relevant notes along with the consolidated statements of subsidiary company. Non-Financial information deemed necessary is also included. Our Annual Report aims to present a balanced and concise analysis of our strategy, performance, governance and prospects.

Management of the Bank and the business units and related divisions approved the relevant contents in the Annual Report. The Annual Report 2022 is testimonial to strength, soundness and capability of moving forward through consistent progress in all parameters of the Bank in the year 2022.

Yours Sincerely,



Md. Anisur Rahman
Company Secretary



FORWARD LOOKING STATEMENT

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

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

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

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

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



VISION

“ Providing Customer Centric
Life Long Banking Services ”

Mission

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



VALUES

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

CORE STRENGTHS

- Proficient Board of Directors
- Unique Corporate Culture
- Largest Online Branch Banking Network
- Dedicated line of Human Resources
- Participative Management
- Forward Looking Strategies & Management Policies
- Public Confidence & Acceptability
- Strong and Rational Capital Base
- Well Diversified line of Business
- Competitive Pricing with no Hidden Cost
- Strong Compliance & Risk Management Culture
- Modern Technology with in-house Banking Software

CORE VALUES

- Service Excellence
- Customer Focus
- Trust
- Commitment
- Integrity
- Business Ethics
- Mutual Respect
- Teamwork
- Result Driven
- Responsible Citizenship
- Building the Future

CORE COMPETENCIES

- Experience and Expertise
- Innovation
- Adaptation ability to Changes
- Transparency
- Reliability
- Responsiveness

STRATEGIC PRIORITY



CORPORATE PROFILE

KEY CORPORATE INFORMATION

Registered Name	Pubali Bank Limited
Legal Status	Public Limited Company
Type of Business	Banking Service
Date of Incorporation	30 June 1983
Date of Commencement	11 August 1983
Company Registration No.	C-10881/777 of 1982-1983
Bangladesh Bank Permission Date	15 September 1983
Date of Listing with DSE	25 September 1984
Date of Listing with CSE	31 December 1995
Authorized Capital	BDT 2000,00,00,000
Paid up Capital	BDT 1028,29,42,180
Taxpayer's Identification No.	147541533430
VAT Registration No.	BIN 000000196-0002
Total Manpower	9,031
Number of Branches	498
Number of Sub-Branches	125
Number of Islamic Banking Windows	17
Number of AD Branches	29
Number of SME/Krishi Branches	05
Number of ATM Booths	335
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

Chairman, Nomination and Remuneration Committee

DR. SHAHDEEN MALIK

Managing Director & CEO

MOHAMMAD ALI
as Ex-Officio Member

Company Secretary

MD. ANISUR RAHMAN

KEY SENIOR MANAGEMENT OFFICIALS

Deputy Managing Directors

MD. ESHA
AHMED ENAYET MANZUR
MD. SHAHNEWAZ KHAN
MOHAMMAD ANISUZZAMAN

Deputy Managing Director & CAMLCO

MOHAMMAD SHAHADAT HOSSAIN

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 S. F. Ahmed & Co., Chartered Accountants,
House 51 (2nd & 3rd Floor), Road 9, Block F
Banani, Dhaka 1213

Credit Rating Agency Credit Rating Information and 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 Limited

Level 3, 26 Dilkusha C/A, Dhaka 1000

GPO Box No. 853

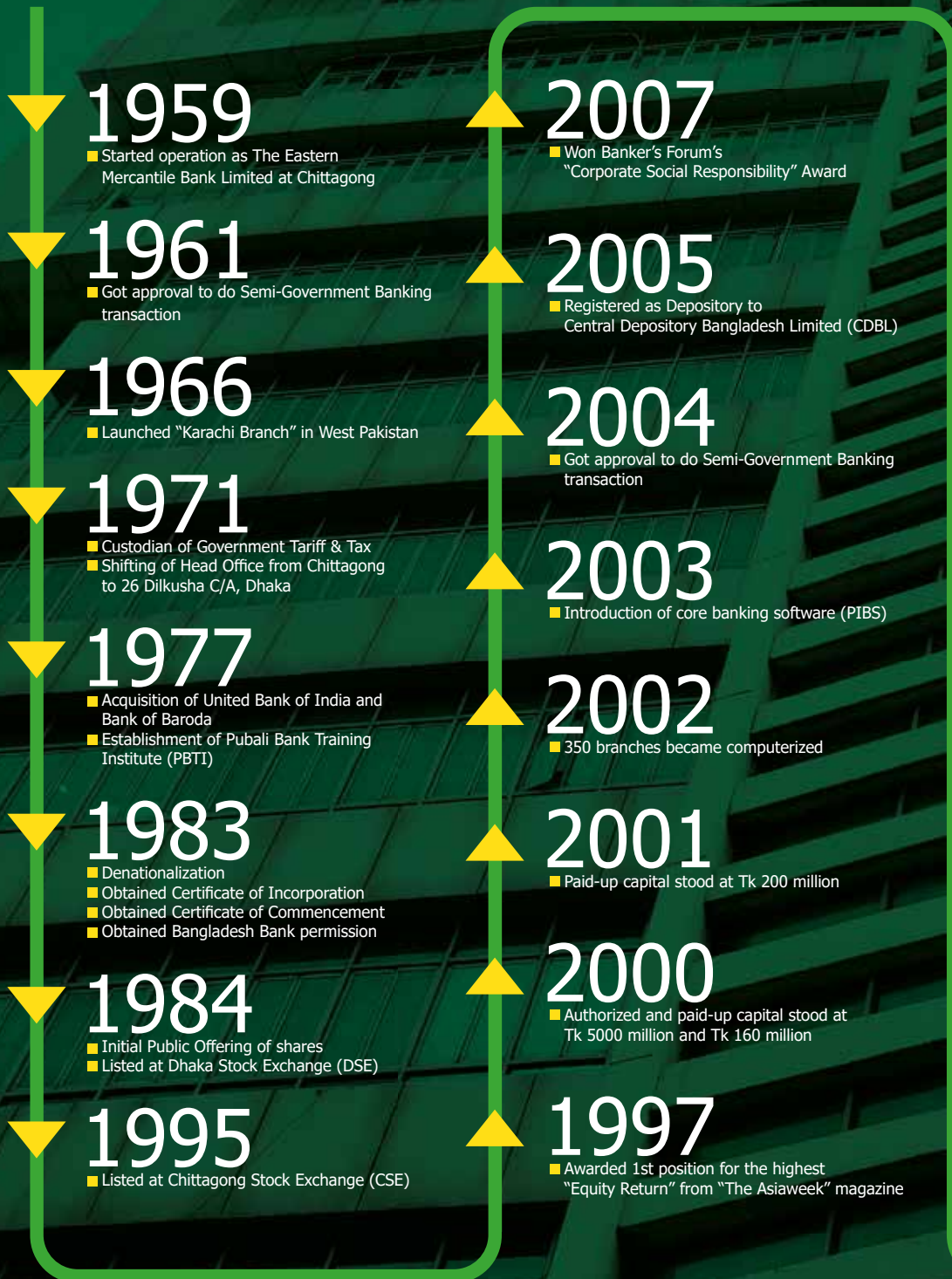
Contact: PABX +88 02 22338 1614

Ext: 227, 230, 369, 366

Email: boardpbl@pubalibankbd.com

64 YEARS OF GLORIOUS JOURNEY

Pubali Bank has dedicated itself to ensure sustainable growth of the economy and its customers through innovative services and products to meet the financial needs of the current times for a better tomorrow.



▲ 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

▼ 2015

- Commencement of Off-shore Banking Operation
- Launching of Credit Card
- Commencement of RTGS

▼ 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

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 39TH ANNUAL GENERAL MEETING

.....
A moment from 39th Annual General Meeting (AGM) of Pubali Bank Limited wherein Mr. Monzurur Rahman, honorable Chairman of the bank is present along with the honorable Directors of the Board and members of Senior Management
.....



.....
Mr. Monzurur Rahman, Honorable Chairman of the Board delivering his speech in the 39th Annual General Meeting of the Bank
.....

.....
Our distinguished shareholders attending the 39th Annual General Meeting
.....



.....
Our distinguished shareholders attending the 39th Annual General Meeting
.....



40TH AGM Invitation

40TH Annual General Meeting **Pubali Bank Limited**

Physical and Virtual Meeting

📅 Date: Tuesday 06 June 2023

🕒 Time: 10:30 AM, Dhaka Time

🌐 Live webcast: <https://www.pubalibangla.com/AGM2023>

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





PUBALI BANK LIMITED

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

NOTICE OF THE 40TH ANNUAL GENERAL MEETING

Notice is hereby given to all concern that the 40th Annual General Meeting (AGM) of Pubali Bank Limited will be held on **Tuesday 06 June 2023 at 10.30 AM** (Dhaka Time) using Hybrid System i.e. at **Pubali Bank Auditorium, Head Office, 26 Dilkusha C/A, Dhaka** with physical presence and also virtually through the link <https://www.pubalibangla.com/AGM2023> by using digital platform to transact the following businesses:

AGENDA

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st December 2022 and Reports of the Directors and Auditors thereon.
2. To declare Dividend for the year ended 31st December 2022 as recommended by the Board of Directors.
3. To re-appoint the Statutory Auditors of the Bank for the year 2023 and to fix their remuneration.
4. To appoint Corporate Governance Compliance Auditor for the year 2023 and to fix their remuneration.
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:

6. To adopt the change of registered name of the Bank to 'Pubali Bank PLC' from 'Pubali Bank Limited' 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 Limited' 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."

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

Dated: Dhaka
10 May 2023

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

NOTES:

- a) The members whose names will appear on the Members/Depository Register as on the "**Record Date**" i.e. **Thursday 11 May 2023** are eligible to attend/participate and vote in the 40th Annual General Meeting (AGM) and also entitle to receive dividend.
- b) Pursuant to BSEC's Order Nos. SEC/SRMIC/94-231/25, BSEC/CMRRCD/2009-193/08 and SEC/SRMIC/94-231/91 dated 08 July 2020, 10 March 2021 and 31 March 2021 respectively, the Annual General Meeting will be conducted using Hybrid System i.e. at **Pubali Bank Auditorium, Head Office, 26 Dilkusha C/A, Dhaka** with physical presence and also virtually through the link <https://www.pubalibangla.com/AGM2023> by using digital platform
- c) As per Companies Act 1994 under Regulation 79, 80 and 81 of schedule- I and as per article no. 90 & 91 of the Bank's Articles of Association, one- third of the directors need to retire every year and they will be eligible for re-election. Under this circumstances, the honorable directors (a) Mr. Moniruddin Ahmed (b) Ms. Rumana Sharif (Nominated by Delta Life Insurance Co. Ltd.) (c) Mr. Md. Abdur Razzak Mondal (Nominated by Thats It fashions Ltd.) and (d) Mr. Mustafa Ahmed will retire in the 40th Annual General Meeting and they are eligible for re-election.

- d) A Member entitled to attend and vote at the Annual General Meeting may appoint a **Proxy** to attend and vote in his/her stead. He / she shall have to submit his / her **proxy form**, duly filled in, signed and stamped (along with other necessary papers, if any) through online after successful completion of Registration or Paper based Manual form in the Share Department, 3rd floor, Registered Office, 26 Dilkusha C/A, Dhaka of the Bank no later than 48 hours before commencement of the Annual General Meeting i.e. **Sunday 04 June 2023 up to 10.30 AM**.
- e) An entitled member who wants to attend the meeting and cast his/her vote physically has to submit his/her duly filled and signed registration form to the registration counter at Registered Office of **Pubali Bank Limited, Credit Conference Room, 5th Floor, 26 Dilkusha C/A, Dhaka** of the Bank. Then an OTP (One Time Password) will be sent to his/her mobile number and email address mentioned in the registration form. By using the OTP, he/she will be able to attend in the meeting physically in the AGM venue (Pubali Bank Auditorium, 13th floor, Head Office, 26 Dilkusha C/A, Dhaka) and exercise his/her voting right through ballot paper (at Registered Office of **Pubali Bank Limited, Credit Conference Room, 5th Floor, 26 Dilkusha C/A, Dhaka** of the Bank). Time for physical registration will be **Tuesday 06 June 2023 from 8.00 AM** to before closure of the Meeting and time for physical voting will be **Tuesday 06 June 2023 from 10.30 AM** to before closure of the Meeting.
- f) An entitled member who wants to attend the meeting virtually by using digital platform and cast his/her vote through online has to go to the link: **<https://www.pubalibangla.com/AGM2023>** for login to the system. After putting his/her 16 digit BO ID/folio ID, an OTP (One Time Password) will be sent to his/her registered mobile number and email address (as per CDBL data). By using the OTP, he/she will be able to attend and cast his/her vote through online. Time for online registration and e-voting will be **Monday 05 June 2023 from 8.00 AM** to before closure of the Meeting on **Tuesday 06 June 2023**.
- g) A valid **proxy holder** may attend the meeting virtually through link: <https://www.pubalibangla.com/AGM2023> by using digital platform or physically in the AGM venue (Pubali Bank Auditorium, 13th floor, Head Office, 26 Dilkusha C/A, Dhaka) and may cast his/her vote through online (link: **<https://www.pubalibangla.com/AGM2023>**) from **Monday 05 June 2023 at 8.00 AM** to before closure of the Meeting on **Tuesday 06 June 2023** or paper ballot (at Registered Office of **Pubali Bank Limited, Credit Conference Room, 5th Floor, 26 Dilkusha C/A, Dhaka** of the Bank) from **Tuesday 06 June 2023 at 10.30 AM** to before closure of the Meeting.
- h) The last date of submission of nomination paper through link www.pubalibangla.com/AGM2023 or manually at Board Division for election of Directors is **29 May 2023** up to **5.00 PM**. Scrutiny of nomination papers will be completed on **31 May 2023** and will be published the eligible candidates list in the Notice Board of the Bank's Registered Office, 26 Dilkusha C/A, Dhaka by the Chief Election Commissioner and also in the bank's website by **5.00 PM**. Last date of withdrawal of nomination paper through email to "chiefelectioncommissioner@pubalibankbd.com" or paper based manually on **01 June 2023** 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 **01 June 2023** after **5.00 PM**.
- i) Nomination form, Registration Form and Proxy Form will be available in the Bank's website **www.pubalibangla.com**
- j) All the online related activities are available in the link: **<https://www.pubalibangla.com/AGM2023>**
- 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 2022 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 2022 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 **boardpbl@pubalibankbd.com** followed by hard copy within **05 June 2023** for facilitating payment of Cash Dividend.
- m) The Board of Directors has recommended **M/s MABS & J Partners Chartered Accountants** and **M/s A. Qasem & Co. Chartered Accountants** to re-appoint as auditor of the bank for the year 2023.
- n) The Board of Directors has recommended **M/s Mohammad Sanaullah & Associates, Chartered Secretaries & Management Consultants** to re-appoint as Corporate Governance Compliance Auditor of the bank for the year 2023.

Payment of Dividend:

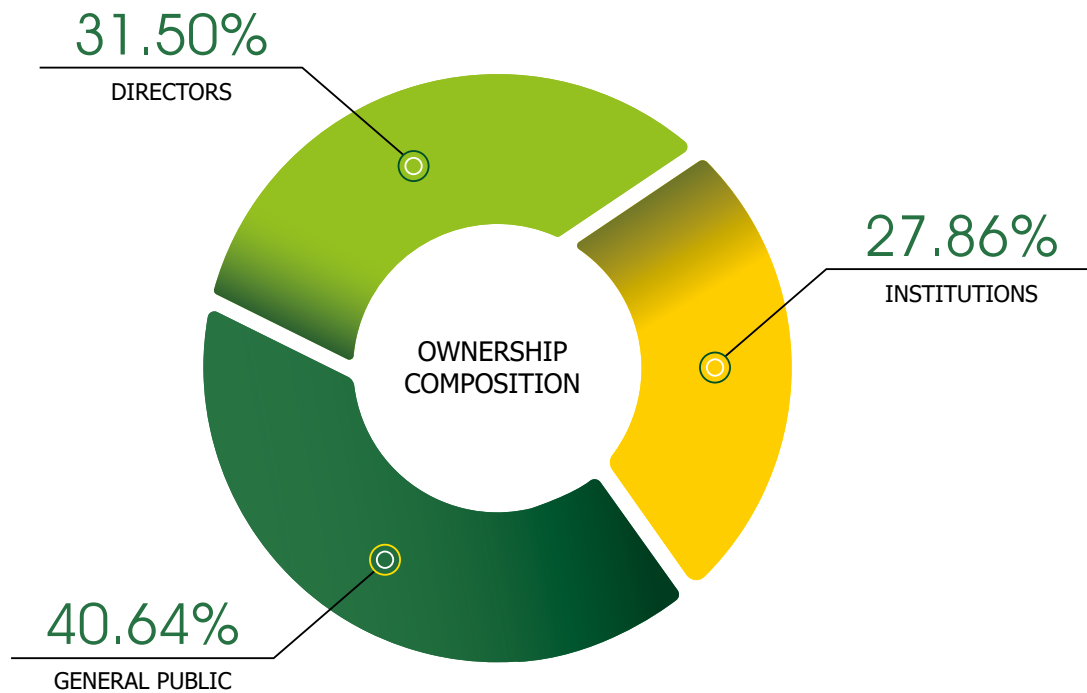
- Cash Dividend amount will be credited to the respective bank account of the shareholder through BEFTN.

SHAREHOLDER INFORMATION

1. GENERAL:

Authorized Capital	: BDT 2000,00,00,000
Issued and fully Paid-up Capital	: BDT 1028,29,42,180
Total number of Outstanding Securities	: 102,82,94,218 units of equity shares
Type of Securities	: Ordinary Shares
Face Value/Par Value of Shares	: BDT 10.00 each
Total number of Shareholders	: 32,290 as on 31.12.2022
Trading code	: PUBALIBANK
ISIN	: BD0106PUBNK6

2. SHAREHOLDING PATTERN:

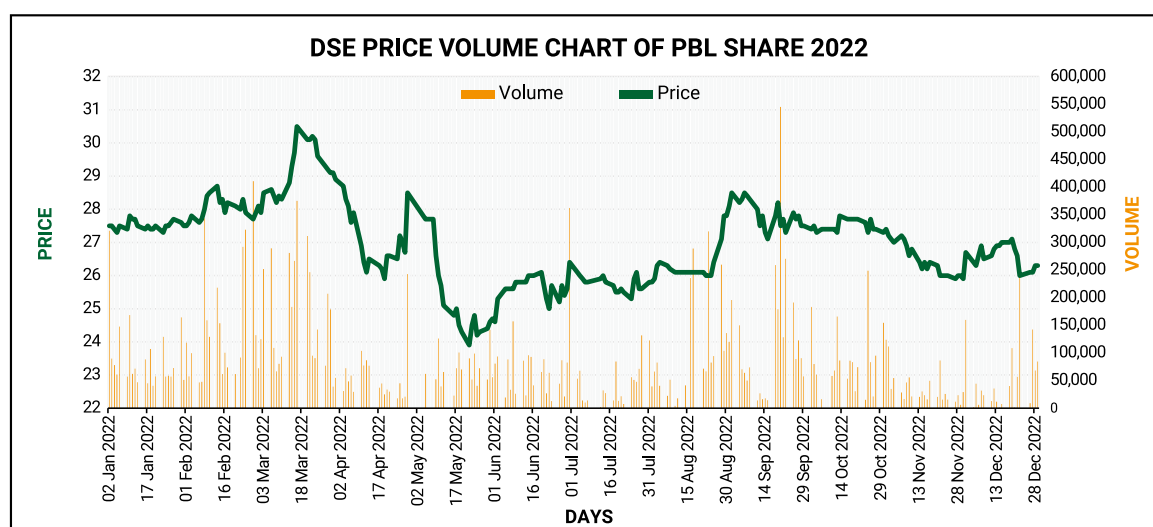


3. LAST 05 YEARS' DIVIDEND SUMMARY:

FOR THE YEAR	DIVIDEND RATE (%)	DIVIDEND PER SHARE (BDT)	PAR VALUE PER SHARE (BDT)	DIVIDEND TYPE
2022(Proposed)	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%	1.00	10.00	10% Cash
2018	13%	1.30	10.00	10% Cash 3% Stock

4. PUBALI BANK SHARE TRADING STATUS OF 2022:

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	28.00	27.00	55.98	2,031,897	27.90	27.10	1.29	47,049	57.28	2,078,946
February	29.10	27.10	81.69	2,921,240	28.50	26.90	2.40	85,381	84.09	3,006,621
March	31.00	27.60	106.25	3,635,008	30.20	27.50	4.76	162,401	111.01	3,797,409
April	29.00	25.30	29.73	1,099,201	28.40	25.40	3.34	127,311	33.07	1,226,512
May	28.50	23.10	30.32	1,213,982	28.00	23.10	1.07	42,706	31.39	1,256,688
June	27.00	24.50	43.54	1,691,438	26.70	24.20	2.16	84,400	45.69	1,775,838
July	28.00	24.80	21.64	841,892	25.90	25.10	1.04	40,885	22.68	882,777
August	28.90	25.70	56.85	2,144,346	28.10	25.50	2.55	95,660	59.41	2,240,006
September	28.70	26.80	72.85	2,625,532	29.10	26.30	229.46	8,056,868	302.31	10,682,400
October	28.00	27.10	49.20	1,787,554	28.20	27.10	4.36	157,628	53.56	1,945,182
November	27.80	25.80	19.78	741,742	28.90	25.70	0.75	27,611	20.52	769,353
December	27.40	25.70	28.82	1,091,698	27.00	25.70	0.67	25,652	29.48	1,117,350



5. DIVIDEND DISTRIBUTION POLICY

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

DISTRIBUTION TIME

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

CASH DIVIDEND

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

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

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

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

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

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

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

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

v. Pubali Bank Limited shall pay off cash dividend to non-resident sponsor, director, shareholder or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard;

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

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

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

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

STOCK DIVIDEND

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

Pubali Bank Limited, the CDBL and the exchange(s) shall follow the provisions of প্রবিধান 46 of the ডিপোজিটরি

(ব্যবহারিক) প্রবিধানমালা, 2003 for issuance of bonus shares:

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

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

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

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

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

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

FORFEITURE OF UNCLAIMED CASH OR STOCK DIVIDEND

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

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

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

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

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

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

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

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

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

directed or prescribed by the BSEC.

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

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

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

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

DISCLOSURE OF THE POLICY

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

6. POSITION OF UNPAID OR UNCLAIMED CASH DIVIDEND ON 31.12.2022:

YEAR OF DIVIDEND	UNPAID OR UNCLAIMED CASH DIVIDEND AMOUNT (BDT)
2009	1,44,41,303
2010	2,13,31,080
2011	1,61,01,251
2012	2,78,36,514
2013	1,65,25,854
2014	2,98,04,554
2015	3,39,69,708
2016	1,48,72,368
2017	1,49,92,430
2018	3,06,73,982
2019	3,67,71,576
2020	4,22,03,095
2021	4,14,17,610

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 LIMITED	
2	Particulars of Issuer DP	154	
3	Type of Dividend (Annual/Interim)	a) Annual <input checked="" type="checkbox"/> b) Interim <input type="checkbox"/>	
	(Put tick mark (a) on the recommended option)		
4	Whether audited or not for Interim Dividend	a) Audited <input checked="" type="checkbox"/> b) Unaudited <input type="checkbox"/>	
	(Put tick mark (a) on the recommended option)		
5	Date of recommendation of Dividend by the Board of Directors / Trustee: (Enclose copy of PSI)	07.04.2022	
6	Whether Dividend recommended other than directors or sponsors or any other classes	a) Yes <input type="checkbox"/> b) No <input checked="" type="checkbox"/>	
	(Put tick mark (a) on the recommended option)		
7	Record date for entitlement	08.05.2022	
8	Rate of Dividend recommended by the Board of Directors/Trustee	12.50% Cash Dividend	
9	Dividend recommended Type	a) Cash <input checked="" type="checkbox"/> b) Stock <input type="checkbox"/>	
	(Put tick mark(a) on the recommended option)		
10	Securities/mutual fund traded under which categories	(a) A <input checked="" type="checkbox"/> (b) B <input type="checkbox"/> (c) G <input type="checkbox"/> (d) N <input type="checkbox"/> (e) Z <input type="checkbox"/>	
	(Put tick mark (a) on the recommended option)		
11	Date of transfer to a separate bank account (Pls. mention bank details) or provisional credit of shares / units by CDBL	13.04.2022	
12	Date of approval of Dividend at AGM	31.05.2022	
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	31.05.2022	
15	Mode of disbursement of Cash Dividend	a) BEFTN <input checked="" type="checkbox"/> b) Bank Transfer <input checked="" type="checkbox"/> c) MFS <input type="checkbox"/> d) Dividend Warrant <input checked="" type="checkbox"/> e) Any other mode <input checked="" type="checkbox"/>	
	(Put tick mark (a) on the recommended option)		
16	Date of completion of disbursement of Cash Dividend and Stock Dividend [Enclose Bank statements and Corporate Action Processing Report (DP70)]	30.06.2022	
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.110,14,80,072.85 (After deduction of Tax)	
20	Distribution/Disbursement details of Cash & Stock Dividend:	Cash (Tk)	Stock. (nos)
	Mode of Dividend payment/credit for the concerned year:		
	a) Through BEFTN or directly credited to respective BO	15,21,89,024.53	
	b) Through Bank Transfer other than entitled BO-Margin loan	3,03,04,839.22	
	c) Through Bank Transfer (BO Margin only)	1,85,468.65	
	d) Through Mobile Financial Service (MFS)		
	e) Through any other mode as approved by Bangladesh Bank	88,45,25,133.98	
	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	3,42,75,606.47		

21	Total Dividend paid /credited for the concerned year	105,94,11,345.18		
22	Total unpaid/undistributed Dividend/accrued during the period (20-21)	4,20,68,727.67		
23	Total unpaid/undistributed Dividend/accrued as on 1st day of accounting year (as per Audited Accounts)	17,19,03,062	5,09,52,992	
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			
	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			
	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	13,52,87,263.87		
25	Total Dividend paid/credited for previous years:	8,72,498.07	51,04,968	
26	Total unpaid/undistributed Dividend for previous years (23+24-25) Taka/Nos	30,63,17,827.80	4,58,48,024	
27	Grand Total of unpaid/undistributed Dividend (22+26)	34,83,86,555.47	4,58,48,024	As on 30.06.2022
	Aging of grand Total of unpaid/undistributed Dividend for previous years:			
	More than 3 years; balance (Year 1986 to 2018)	22,65,44,293.24	4,58,48,024	
	More than 4 years; balance (Year 1986 to 2017)	19,55,72,531.50	4,43,16,343	
28	More than 5 years & above; balance (Year 1986 to 2016)	18,05,50,093.37	4,18,86,446	
	Total of unpaid/undistributed Dividend for previous years (Year 1986 to 2020)	30,63,17,827.80	4,58,48,024	
	(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 Limited 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 boardpbl@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 Limited

Level 3, 26 Dilkusha C/A, Dhaka 1000

Telephone: +88 02 22338 4012, PABX: +88 02 22338 1614 Ext: 227, 230, 369

Email: boardpbl@pubalibankbd.com

Hotline: 16253

BUSINESS MODEL

KEY ACTIVITIES

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

KEY PARTNERS

Customers
Shareholders
Employees
Regulators
Strategic partners
Government
Stock Exchange
Technology

CUSTOMER SEGMENTS

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

KEY RESOURCES

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

CHANNELS

Branch Banking
Internet Banking
Online Banking
Call Centre
ATM Service

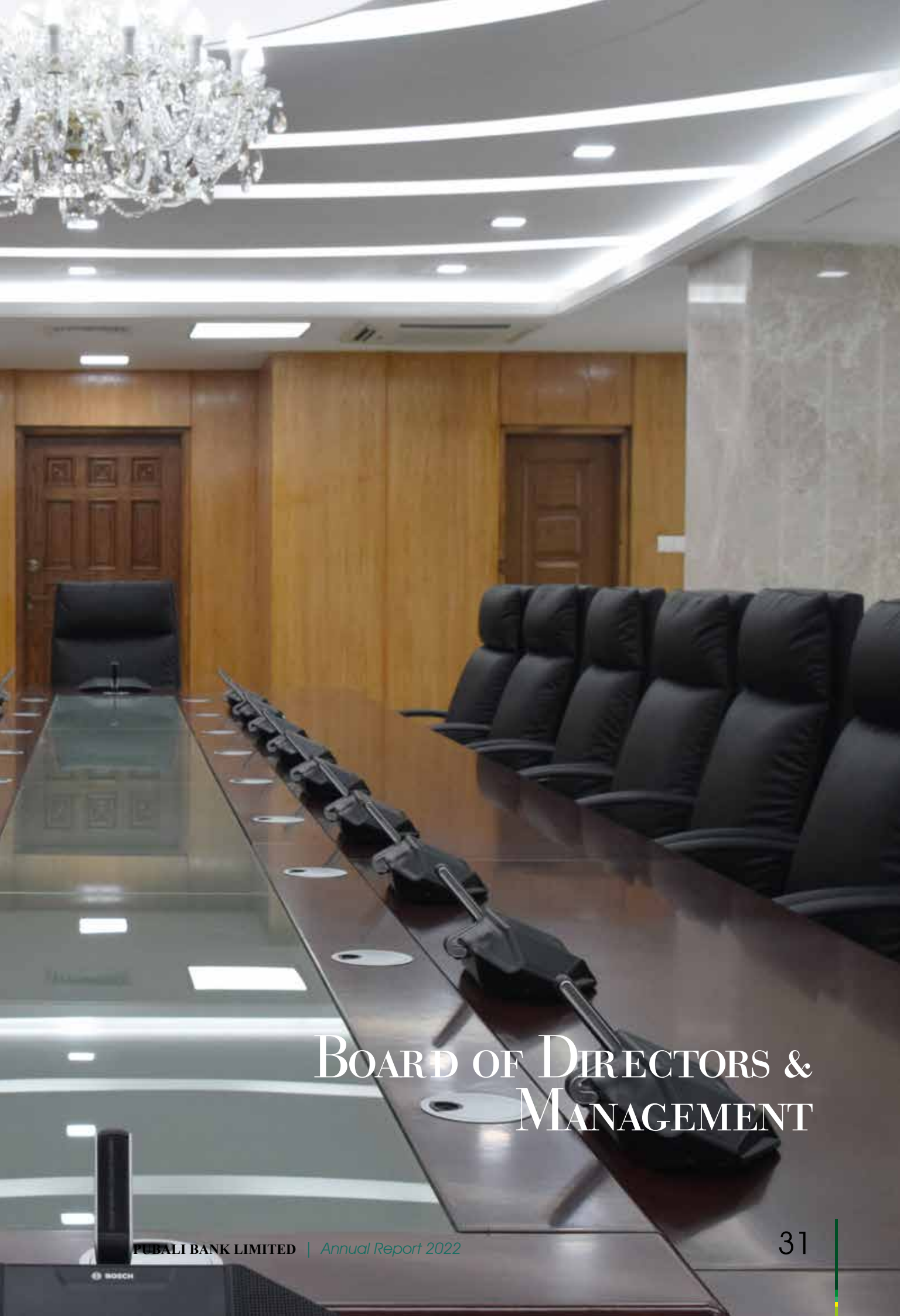
COST STRUCTURE

Interest Expense
Capital Expenditure
Operating Expense

REVENUE STREAMS

Interest Income
Investment
Fees & Commission
Other Operating Income





BOARD OF DIRECTORS & MANAGEMENT

BOARD OF DIRECTORS

Chairman

MONZURUR RAHMAN

Directors

MONIRUDDIN AHMED

HABIBUR RAHMAN

FAHIM AHMED FARUK CHOWDHURY

RUMANA SHARIF

M. KABIRUZZAMAN YAQUB FCMA (UK), CGMA

MUSA AHMED

AZIZUR RAHMAN

MD. ABDUR RAZZAK MONDAL

RANA LAILA HAFIZ

MUSTAFA AHMED

Independent Directors

DR. SHAHDEEN MALIK

MOHAMMAD NAUSHAD ALI CHOWDHURY

Managing Director & CEO

MOHAMMAD ALI

General Manager & CFO

MOHAMMAD LITON MIAH FCA

Company Secretary

MD. ANISUR RAHMAN

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

RISK MANAGEMENT COMMITTEE

Chairman

M. KABIRUZZAMAN YAQUB FCMA (UK), CGMA

Members

HABIBUR RAHMAN
MUSA AHMED
AZIZUR RAHMAN
MD. ABDUR RAZZAK MONDAL

NOMINATION & REMUNERATION COMMITTEE

Chairman

DR. SHAHDEEN MALIK

Members

MONIRUDDIN AHMED
FAHIM AHMED FARUK CHOWDHURY
MD. ABDUR RAZZAK MONDAL

Chairman**PROF. M. MANSURUR RAHMAN**

PROFESSOR, DEPARTMENT OF ISLAMIC STUDIES
FORMER TREASURE AND VICE-CHANCELLOR (IN CHARGE)
BANGLADESH ISLAMI UNIVERSITY, DHAKA

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

IMAM, BAITUL MUKARRAM NATIONAL MOSQUE, DHAKA

Members (Economist)**PROF. DR. H.M. MOSAROF HOSSAIN**

PROFESSOR, DEPARTMENT OF FINANCE
UNIVERSITY OF DHAKA

Members (Muslim Law Expert)**DR. SHAHDEEN MALIK**

ADVOCATE, SUPREME COURT OF BANGLADESH &
INDEPENDENT DIRECTOR, PUBALI BANK LIMITED

Members (Ex-Officio)**MOHAMMAD ALI**

HON'BLE MANAGING DIRECTOR & CEO
PUBALI BANK LIMITED

DIRECTORS' PROFILE



Monzurur Rahman
CHAIRMAN

Mr. Monzurur Rahman is the Chairman of Board of Directors of Pubali Bank Limited. He graduated from Calcutta University. He has long 56 years' experience in business areas like banking, insurance and tea business. He was the youngest Director of erstwhile Eastern Mercantile Bank Limited, which was eventually converted into Pubali Bank Limited.

Mr. Rahman belongs to a family whose members are involved in banks, Insurances and leading Financial Institutions of the country. He is the Chairman of Rema Tea Company 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 65 years' experience in business. A very experienced Director of Pubali Bank Limited, Mr. Ahmed is the Chairman of Pubali Bank Securities Ltd. Besides being a member of Executive Committee and Nomination & Remuneration Committee of the Board of Directors, he was also a member of Shari'ah Supervisory Committee of the Bank. Mr. Ahmed served as Chairman and Vice-Chairman of Pubali Bank Limited in the past. He has experience of performing as the Chairman of the Audit Committee 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 65 years' experience in banking and other businesses. Formerly he worked as the Chairman of the Board of Directors of Pubali Bank Limited and recently he has been serving as a member of the Board of Directors. His exceptional entrepreneurial skills and business leadership has added to the overall strength of the Board of Directors of Pubali Bank Limited. He is a member of 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. Delta Hospital Ltd. and Global Pharmaceuticals Company Limited are also run under his directorship. Mr. Rahman is a well-travelled business personality. He has extensive travelling experiences across the globe on business purpose.

Fahim Ahmed Faruk Chowdhury
DIRECTOR

Mr. Fahim Ahmed Faruk Chowdhury has long 32 years' experience in banking & other businesses. He has been serving as a member of the Board of Directors of Pubali Bank Limited for long. Currently, he is a member of Audit Committee and Nomination & Remuneration Committee of the Board of Directors of the Bank.

Mr. Fahim Ahmed Faruk Chowdhury obtained his M.Sc. degree in Business Economics from the UK. He is a successful businessman and well known in the business arena of the country. In addition to being a Director of Pubali Bank Limited, he is the Managing Director of Chittagong Electric Manufacturing Co. Ltd., F.A.C. Eastern Enterprise Ltd., Ranks FC Properties Ltd., FC Holdings Ltd., CEM Readymix Concrete Ltd. and CEM UPVC Ltd. He is also a Director of Surgiscope 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 Limited and Director of Chittagong Chamber of Commerce & Industry. He is also involved in many social activities.



DIRECTORS' PROFILE



Rumana Sharif
DIRECTOR

Ms. Rumana Sharif obtained her B.Sc. and M.Sc. degree in Biochemistry from Dhaka University both with first class. She has long 31 years' experience in her career. Her entrepreneurial skills and experience in business leadership has added to the overall strength of the Board of Directors of the Bank. She has been serving as a Director of Pubali Bank Limited for long period of time. She is currently also a member of the Executive Committee of the Board of Directors of the Bank.

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

M. Kabiruzzaman Yaqub FCMA (UK), CGMA
DIRECTOR

Mr. M. Kabiruzzaman Yaqub completed his graduation in Civil Engineering from United Kingdom. He is a fellow of the Institute of Chartered Management Accountants (UK) and also a CGMA (Chartered Global Management Accountant). He has 34 years of multifarious experiences in various organizations ranging from banking to many other sectors i.e. textile and spinning business, real estate business etc. He is the Chairman of Imagine Properties Ltd. and also a Director of Pubali Bank Securities Limited, a subsidiary of the Bank.

Mr. M. Kabiruzzaman Yaqub has been serving as a Director in Pubali Bank Limited since long. He is the Chairman of Risk Management Committee and a member of Audit Committee. 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 Association of International Certified Professional Accountants.

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





Musa Ahmed
DIRECTOR

Mr. Musa Ahmed obtained B.Sc. and MBA degree from the USA. He has long 26 years' experience in his career. He joined the Board of Pubali Bank Limited as a Director in 2010. Currently, he is a member of Executive Committee and Risk Management Committee of the Bank.

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

Azizur Rahman
DIRECTOR

Mr. Azizur Rahman is a renowned business leader with long 25 years' experience in his career. He has been serving as a Director of Pubali Bank Limited since November, 2012. He is also a member of the Executive Committee & Risk Management Committee of the Board of Directors of the Bank. He is one of the Directors of its subsidiary company named Pubali Bank Securities Ltd. He also served as Vice-Chairman of Pubali Bank Limited.

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



DIRECTORS' PROFILE



Md. Abdur Razzak Mondal
DIRECTOR

Mr. Md. Abdur Razzak Mondal obtained his MBA degree from IBA of Dhaka University. An experienced and highly qualified person, Mr. Md. Abdur Razzak Mondal has long 48 years' experience in his career. Besides being a Director of Pubali Bank Limited, he is the Chairman of Executive Committee and a member of the Risk Management Committee. He also serves as a member on the Nomination & Remuneration Committee. He was a member of Shari'ah Supervisory Committee of the Bank previously. He is a Nominee of That's It Fashions Ltd. Mr. Md. Abdur Razzak Mondal engages himself in different humanitarian activities out of his responsibility towards the society.

Rana Laila Hafiz
DIRECTOR

Ms. Rana Laila Hafiz is a leading woman entrepreneur of Bangladesh. She is the Managing Director of three Export Oriented Garmants Industries employing over 4000 people. She is a member of Board of Directors of Pubali Bank Limited - 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 Dhaka University.

Apart from business, she is also a dedicated Social Worker. She is a member of 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.



DIRECTORS' PROFILE



Mustafa Ahmed
DIRECTOR

Mr. Mustafa Ahmed is a reputed business leader with long 23 years' experience in banking and other business. He achieved his BBA degree from the USA. He joined the Board of Directors of Pubali Bank Limited on July 31, 2020 as an honorable member. He also served earlier as a Board member of the bank from 18.12.2007 to 31.03.2015. Mr. Ahmed is a Director of Pubali Bank Securities Limited, a subsidiary of the Bank. He is also a member of the Executive Committee of the Bank.

Dr. Shahdeen Malik
INDEPENDENT DIRECTOR

Dr. Shahdeen Malik obtained PhD in Law from London, UK and LLM degree from Universities at Moscow & Philadelphia. He has long 35 years' experience in his career. He is an Independent Director in the Board of Directors of Pubali Bank Limited and Pubali Bank Securities Limited, a subsidiary of the Bank. He is the Chairman of Nomination & Remuneration Committee and a member of 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 had taught Law at Dhaka University and BRAC University. Dr. Shahdeen Malik is also a renowned contributor to many national dailies of the country.





Mohammad Naushad Ali Chowdhury
INDEPENDENT DIRECTOR

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

Mohammad Ali
MANAGING DIRECTOR & CEO

Mr. Mohammad Ali is the Managing Director & CEO of Pubali Bank Limited. He has experience of a long banking career with multidimensional capacities in this bank. He has proved himself as an exceptional and outstanding official of Pubali Bank Limited during various stages of his career in the bank. He has successfully served in different capacities and deployed his expertise towards achieving the vision and mission of the bank with his extraordinary leadership from the very beginning of his career. He is an Ex-Officio member of the Bank's Shari'ah Supervisory Committee and 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. Mohammad Ali completed his BSc and MSc in Computer Science and Engineering from Bangladesh University of Engineering and Technology (BUET). He also attained master's degree on Development Studies (MDS) majoring in Economics from the University of Dhaka with Dean Award for attaining first position. He also achieved MBA degree majoring in Finance from Ahsanullah University of Science & Technology attaining first position. He further achieved MBA degree majoring in Marketing from the Institute of Business Administration (IBA) of University of Dhaka.

He has participated in various trainings, seminars and courses both at home and abroad on banking management, technology and leadership conducted by different national and international banks, forum and training institutes. Mr. Mohammad Ali has experience of vast travelling both on business and personal purpose across the globe.



CODE OF CONDUCT



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



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



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



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



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



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



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



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



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



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



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



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



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



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



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



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



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

MANAGEMENT TEAM

MANAGING DIRECTOR & CEO

MOHAMMAD ALI

DEPUTY MANAGING DIRECTORS

MD. ESHA
MOHAMMAD SHAHADAT HOSSAIN
AHMED ENAYET MANZUR
MD. SHAHNEWAZ KHAN
MOHAMMAD ANISUZZAMAN

GENERAL MANAGERS

MOHAMMOD SHAHNAWAZ CHOWDHURY
DEWAN JAMIL MASUD
A. S. SIRAJUL HAQUE CHOWDHURY
MOSAMMAT SHAHIDA BEGUM
RUBINA BEGUM
NITISH KUMAR ROY
MD. HELAL UDDIN
MOHAMMED AHSAN ULLAH
DILIP KUMAR PAUL
SULTANA SARIFUN NAHAR
NARESH CHANDRA BASAK
MD. SHAH ALAM
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

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
MOHAMMAD ABDUS SHOBHAN MIAJEE
A.K.M. ABDUR RAQIB
MD. MALEQUL ISLAM
H.M. OMAR FARUQUE
MOHAMMED ALI AMZAD
MOHAMMAD MOHASIN SARKER
ZUBAIR ISLAM
CHOWDHURY MD. SHOFIUL HASSAN
MD. LOTIFUR RAHMAN
KANIZ FARHANA YASMIN
KAZI SHASWOTI ISLAM
MOHAMMAD AL MAMUN
MOHAMMAD ABDUL MANNAN
CHOWDHURY ABDUL WAHEED
MD. SHAIFUL ISLAM
MD. MASUDUZZAMAN
MD. SHAHIDUL ISLAM
DEBASHIS BHATTACHARYYA
MD. WAHID SHAMS
MOUSUMI RANI SAHA
MD. ZAHIRUL ISLAM
MD. BELLAL HOSSAIN
MD. SAIFUL ISLAM
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. RAFIQU L ISLAM
MD. RABIUL ALAM
N.M. FIROZ KAMAL

ASSISTANT GENERAL MANAGERS

SYED MD. YAHIYA
JIBON KUMAR ROY
MOHAMMAD SHAHJAHAN
MD. SHAMSUL HAQUE
MD. BELLAL HOSSAIN SALIM
PRODYUT KUMAR ROY
ABDULLAH AL AMIN
MD. RAFIQU L ISLAM
MD. ABU NASAR
MD. AMINUL ISLAM
MD. ASIF IQBAL
S. M. LIAQUAT HOSSAIN
MUHAMMAD TARIQU L ISLAM
FATEMA SHAELA HOSSAIN
CHOWDHURY ISHFAQUR RAHMAN QURASHI

ASSISTANT GENERAL MANAGERS

MD. ABDUL MUMITH CHOWDHURY
KANIZ FATIMA
MOHAMMAD TOFAZZAL HOSSAIN
FAHMIDA AKTER
MD. ANISUZZAMAN
ALAMGIR ZAHAN
SHAMEEMA AKHTER SAYMA
MONIRUL ISLAM
MOHAMMAD SAIFUL ISLAM
MOHAMMAD SHAHIDUL ISLAM
MD. NAZRUL ISLAM
MD. SHAHEEN MOMTAZ
MD. SHAHIDUL ISLAM
BIPLOB CHANDRA SAHA
MD. AHOSHAN HABIB
ANJAN DAS
MD. KHURSHED ALAM KHAN
MOHAMMED ABDUL KHALEQUE
SHANKAR CHANDRA HALDER
SARDAR MD. HARUNUR RASHID
MOHAMMAD ARIF RABBANI
MOHAMMAD JASIM UDDIN
FARHANA HOQUE
MOHAMMED WAIDUL ISLAM
A.S.M. RAYHAN SHAMEEM
SAIKA FARAH
S. M. S. AZGAR
MD. SHAHIDUL ALAM BISWAS
MD. DELWAR HOSSAIN
MOHAMMED MAHBUB ALAM
ABDUR ROUF SIDDIQUEE
UTTAM KARMAKER
SALMA SHAFI
SAMBARU CHANDRA MOHANTA
UTTAM KUMAR SAHA
MOHAMMED ISHAQUE
SABINA YEASMIN
MD. AMINUL ISLAM
MOSSA. REHANA AKHTER
MUHAMMED MOSHAHIDULLAH
MOHAMMAD MIZANNUR RAHMAN
MD. BELAL HOSSAIN
MUHAMMAD MAHMUDUR RAHMAN
MD. MOSHFIQUR RAHMAN
ALI BASHAT CHOWDHURY
SWAPNA ROY
FARZEEN AHMED
MD. MAINUL HOQUE
SAYED HUMAYUN KABIR
MUHAMMAD NURUL ISLAM
A.J.M. AZMAL HOSSAIN
MUHAMMAD SHAFIUL AZAM
DHURJATI PRASHAD BHATTACHARJEE
MD. ABDUL QUADER
MOHAMMED SHARIF SHAHNUR
SHAHNAZ AKTER
SUMAN CHANDRA DAS
SHIHAB UDDIN AHMED
MD. RUHUL AMIN
MOHAMMAD IKBAL HOSSAIN
SUKAMAL CHANDRA BHOWMIK
GOLAM MD. JUNAYED
MD. SALAMUZZAMAN
TANVEER SHAMS CHOWDHURY
MD. AZIZUR RAHAMAN
DAWAN MD. MASHIUR RAHMAN
ABU JAFAR MD. RAKIBULLAH

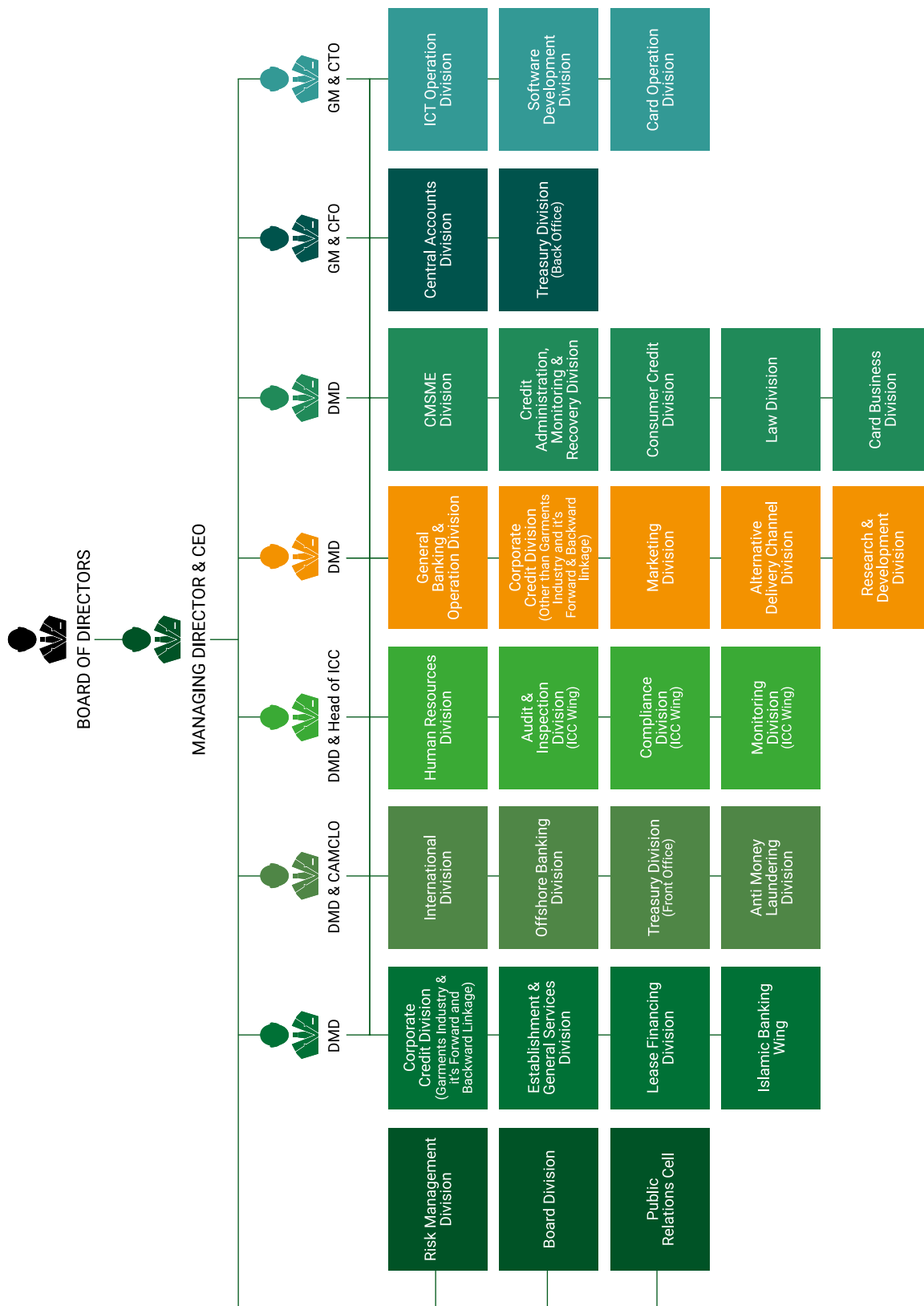
AHSANUL HAQUE
MD. SALAHUDDIN
NIGER SULTANA
MOHAMMAD IBRAHIM CHOWDHURY
PARITOSH KUMAR BISWAS
KAZI SHEHABUL ISLAM
MD. SHAHED ALI
MOHAMMAD ALI MIA
MUHAMMAD MUZAHIDUL ISLAM
SUVASHISH DAS
S.M. MOONZUR MORSHED
MD. ANWAR HUSSAIN
MD. YUSUF ALI CHOWDHURY
MD. ABUL KHAIR KHAN
S. M. LUTFUL KABIR
MD. MAHBUB HASAN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

MANAGEMENT COMMITTEE

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.	MOHAMMOD SHAHNAWAZ CHOWDHURY	GM, Audit & Inspection Division
8.	DEWAN JAMIL MASUD	GM, Islamic Banking Wing
9.	MOSAMMAT SHAHIDA BEGUM	GM, Research & Development Division
10.	RUBINA BEGUM	GM, CMSME Division
11.	NITISH KUMAR ROY	GM & FPO, CRO, Risk Management Division
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 & CTO
25.	MOHAMMED AHSAN ULLAH	MD & CEO, Pubali Bank Securites Limited
26.	SHYAM SUNDAR BANIK	DGM, Marketing, AML and Research & Development Division
27.	A. JALIL	DGM, Compliance Division
28.	MD. ANISUR RAHMAN	DGM & Company Secretary, Board Division
29.	MD. MALEQUL ISLAM	DGM, Consumer Credit Division
30.	MOHAMMED ALI AMZAD	DGM, Lease Financing Division
31.	MOHAMMAD ABDUL MANNAN	DGM, Treasury Division
32.	MR. MD. MASUDUZZAMAN	DGM, Law Division
33.	MR. MD. ABUL HASAN	DGM, Offshore Banking Division
34.	MR. MD. MAHBUB ALAM	DGM, Monitoring Division
35.	MS. KOHINOOR BEGUM	DGM, Centralized Trade Processing Unit (CTPC)
36.	MR. MD. RABIUL ALAM	DGM, Alternative Delivery Channel (ADC)
37.	MR. N.M. FIROZ KAMAL	DGM, Card Business Division
MEMBER SECRETARY		
38.	MR. MD. SHAHEEN KHAN	DGM, HRD & Member Secretary

CORPORATE ORGANOGRAM

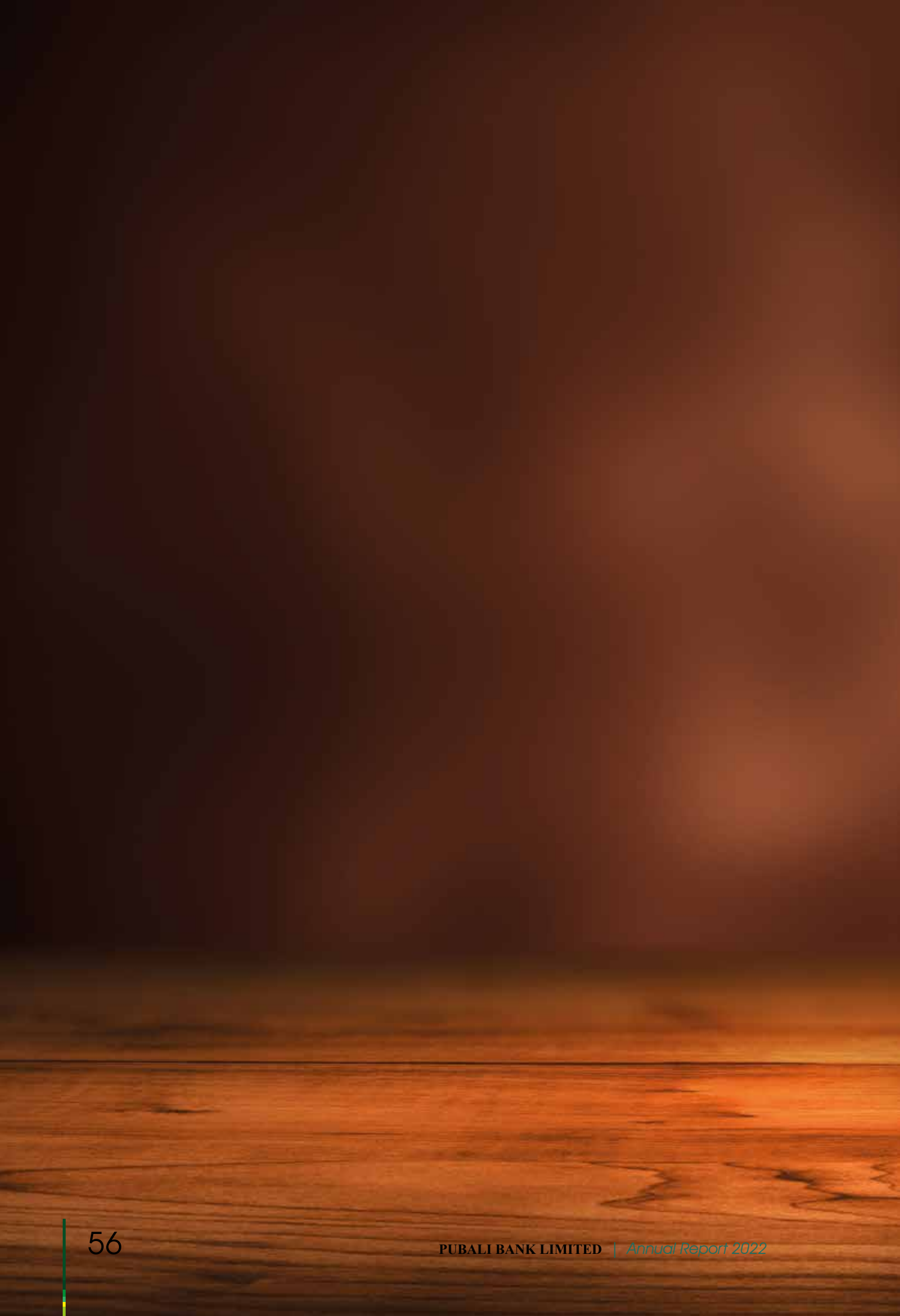
Organogram for Head Office



CORPORATE ORGANOGRAM

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







CHAIRMAN & MD'S MESSAGE

CHAIRMAN'S MESSAGE



MONZURUR RAHMAN
Chairman, Board of Directors

“The bank has developed a code of conduct for the directors and executives of the bank. As the country's one of the top ranking financial institutions, Pubali Bank Limited maintains a healthy corporate governance culture to provide the stakeholders with the highest level of accountability by clarifying and making publicly known the roles and responsibilities of the Board and Management Team as well”

**Consolidated
Operating Profit**
BDT 1180.62
crore

**Total
Deposit**
BDT 51083.65
crore

**Return on Equity
(RoE)**
12.53%

**2 out of 14
Directors are
Women**

Dear Shareholders,

It is my pleasure and privilege to welcome you all at the Annual General Meeting (AGM) of Pubali Bank Limited. Despite the challenges of 2022 caused mostly by the Russia-Ukraine war and the receding effect of Covid-19 pandemic, Pubali Bank Limited managed to produce satisfactory results. The bank achieved highest amount of profit last year in the history of the bank. It is your continuous support and co-operation that made our journey easier and successful despite the various obstacles posed by national and international phenomena. I would like to express my gratitude and extend warm felicitations to all of you for your support in the journey of the bank. Here I present before you the Annual Report along with the Audited Financial Statements of the bank for the year ended on 31 December, 2022 for your appraisal, comments and approval.

You are well aware that the sudden outbreak of Russia-Ukraine war changed the condition of national and international economy drastically while the effect of Covid-19 pandemic started receding at the beginning of 2022. Economic shockwaves have been felt across all industries including banking sector of Bangladesh. The war unsettled the international economy to such extent that the whole economic system faced unprecedented challenges. With energy prices rising and supply chain almost collapsed, inflation rate reached record levels all over the world. Bangladesh as an import oriented developing country was not outside of this economic landscape. The national economy suffered damage more than that of Covid-19 pandemic. Yet Bangladesh seems to bounce back and march forward with undaunted spirit. It is against this challenging operating economic environment that the bank delivered financial performances. It is my

pleasure to let you know that the bank maintained its position as one of the top performing bank in the sector despite the challenges.

The bank generated a consolidated operating profit of BDT 1,180.62 crore in 2022 which was BDT 998.65 crore in 2021 that means the bank registered an upward growth in profit of 18.22% while profit after tax reached to BDT 564.80 crore which was BDT 435.18 crore in 2021. Its deposit reached to BDT 51,083.65 crore which is 10.47% higher than that of previous year and Capital Adequacy Rate is 13.84% while Advance-Deposit Ratio (ADR) of the bank calculated at 84.79%.

Our total assets increased by BDT 8,327.44 crore and loans and advances increased to BDT 46,188.41 crore from BDT 37,665.64 crore in the year 2022 with a positive growth of 22.63 % and Return on Asset (RoA) and Return on Equity (RoE) are respectively 0.79% and 12.53% in the year 2022. Through strict evaluation and careful monitoring of lending portfolio the bank successfully managed to keep its NPL ratio around 2.62% while the L/D ratio of the bank increased to 84.79% which was 77.58% in the preceding year. The bank's efficiency in cost management had also been reflected in minimal increase of cost to income ratio to 55.00% from 53.08%.

Pubali Bank Limited plays a vital role in the country's export and import business. Due to best possible use of virtual platform in our banking communication, it was able to handle import and export business as well as foreign remittance respectively worth BDT 27,438.30 crore BDT 18,317.49 crore and BDT 8,681.34 crore. Taking into account the shareholder expectations and the dividend policy of the bank, a total dividend of 12.50% cash has been recommended for the year 2022 subject to approval of our shareholders at the 40th Annual General Meeting of the bank.

We are of the opinion that Corporate Social Responsibility (CSR) works as an instrument for achieving long-term sustainability and business growth. It exerts a positive impact on the environment and stakeholders including consumers, employees, investors, communities and others. It gives but it also brings back in manifold in a roundabout way. An organization must care for the community for whom it serves and survive. From this point of view, we have always tried to humanized our financial services. Our Corporate Social Responsibility (CSR) has become an integral part of our vision and mission of the bank. Our aim is to impact the society by making effective and meaningful contributions to the society where we operate in. As a socially responsible corporate institution, Pubali Bank Limited over the years have focused on health care, sports, education, environment, youth development, arts

and culture and other charitable activities. Out of our responsibility to the society we serve for, we extended our hand of co-operation to various kinds of institutions including some individuals and public universities with financial help last year also.

It is now apparent that digitization has already transformed the business model of the banking industry of Bangladesh and the process is still at work. It has been well felt that adoption of newer technology in the banking sector for improved operations and services is the precondition of making progress in this technology oriented modern world. We built our systems to enable straight through Processing for faster and more efficient operations. Our target is to touch the lives of millions of Bangladeshi in a positive way by providing high-quality banking products and services to them, with particular focus on aspiring consumers and entrepreneurs, using contemporary technology. But while focused on effective utilization of technology for serving our customers with less effort, we are also vigilant to keep the bank safeguarded from any ICT threats.

Corporate governance is the system of rules, practices, and processes by which a financial institution is directed and controlled. It essentially involves balancing the interests of a company's stakeholders including shareholders, customers, investors, employees, the government and the community. We believe the performance of any financial institution, besides managerial capacity and insight, rests on good governance. So we continuously review and update our policies regarding corporate governance. 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 Pubali Bank Limited comprises of 14 members of which 2 are women. Regular meeting of Board of Directors, functions of the sub-committees of Board, fair financial reporting and a risk management system are ensured with great importance in the bank. The bank has developed a code of conduct for the directors and executives of the bank. As the country's one of the top ranking financial institutions, Pubali Bank Limited maintains a healthy corporate governance culture to provide the stakeholders with the highest level of accountability by clarifying and making publicly known the roles and responsibilities of the Board and Management Team as well.

Finally, I, on behalf of the Board of Directors, would like to thank our dedicated Management team and our committed workforce for their spirited attitude, hard work and commitment during the year. I am impressed by your resilience and hard work. I hope you will continue your endeavor with spirit like this and bring in another successful year. I also thank our valuable customers for resting their confidence in us. My thanks and gratitude goes to the

concerned regulatory bodies of the country including Bangladesh Bank for their timely recommendations and intervention through various policy guidelines.

With best regards,



Monzurur Rahman
Chairman

MANAGING DIRECTOR & CEO'S MESSAGE



MOHAMMAD ALI
Managing Director & CEO

In the name of Allah
The most Beneficent
The most Merciful...

Distinguished Stakeholders,

It is with sincere thanks and gratitude to the Board of Directors of Pubali Bank Limited that I proceed to write my first message to you as the Managing Director & CEO of the bank. Though my involvement with the journey of the bank is long enough to understand its vision and mission yet it was a graceful opportunity to engage with the honorable directors, employees, stakeholders and our valued clients more closely as the Chief Executive and fully internalize the ambitions and aspirations of all.

I feel greatly honored being entrusted with the responsibility to lead such a prestigious institution and it is so not only for its well recognition as a financially successful and sustainable bank but also for its commitment to living up to its mission by providing customer centric lifelong banking services in a humanized way. As an innovation-oriented long-standing bank, we have taken some initiatives to consolidate our position further as one of the forefront leaders in the multi-faceted competitive milieu of banking sector of Bangladesh and transform our performance ability to take the bank in the topmost position in terms of both financial and non-financial activities. I hope your support and co-operation will be with us in the journey of the bank ahead.

Dear Shareholders,

It is my pleasure and privilege to welcome you all to the 40th Annual General Meeting (AGM) of Pubali Bank Limited and to share our success, challenges, renewed directions and strategies in response to the ever changing events of global and national economy. You are aware that the gradual reopening of the world economy saw 2022 get off to a promising start towards recovery and the wound exerted by the unprecedented Covid-19 pandemic on global and national economy started healing. But the sudden outbreak of Russia-Ukraine war took the wind out of our sails to some extent. Being an import dependent country the economy of Bangladesh was badly affected which also slowed down the recovery process of pandemic stress. Yet we continued to differentiate ourselves by staying ahead of the game with collective efforts and initiatives of the Board of Directors and the Management of the bank. We were able to offer the best possible customer experience amidst the crisis and hopefully we remain the most preferred bank in the country. I am pleased to share that the bank maintained its position as one of the top performing banks in the sector despite numerous challenges. Pubali Bank Limited broke its own records of profit earning in a financial year along with achievements

“ We have introduced, along with some other initiatives, Key Performance Indicators (KPIs) in the bank. Changes and adaptations must come in the process of materializing new plan and strategy. However, the KPIs that we introduced is actionable and practicable one and it fully connects to the vision and mission of the bank. We believe it will fill our employees with renewed enthusiasm, inspiration and drive which will eventually lead to the attainment of the bank’s goals and mission”

in various indicators.

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As a first generation long-standing bank in the country, the consistent performance of Pubali Bank Limited through all thick and thin is well recognized throughout the industry. Yet we know we have little scope of indulging in complacency. To survive and to thrive in the competitive and ever changing milieu of banking sector, we must go ahead with timely and innovative plan. It goes without saying that nothing ventured, nothing gained. Our target is to make the best use of our potentiality and take the bank in a newer dimension. Consequently, we have introduced, along with some other initiatives, Key Performance Indicators (KPIs) in the bank. Changes and adaptations must come in the process of materializing new plan and strategy. However, the KPIs that we introduced is actionable and practicable one and it fully connects to the vision and mission of the bank. We believe it will fill our employees with renewed enthusiasm, inspiration and drive which will eventually lead to the attainment of the bank's goals and mission.

Pubali Bank Limited has grown to become the largest commercial private bank in terms of branch and online banking. From the very beginning of the technological breakthrough in the country we kept our focus to turn our branch network and online banking system into state-of-the-art condition. We have developed our digital platform to improve customer experience and meet customers' financial needs in the most convenient way. And at the same time we have been constantly arranging trainings and seminars to help our employees acclimatize with the ever changing tech-based banking world. Much of the work that we have done so far from the time of initiating our digital journey in full swing before two decades or so has allowed us to achieve the status of 'Digital Bank' today. I believe we have an energetic human resource of high quality and competence with the ability to come up with innovative and suitable ideas. What we need to do is to motivate them to give the best of their ability in our journey to become the number one in the market. We believe the KPIs that we introduced in the bank will work as a motivation for our employees.

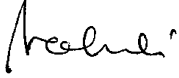
We started setting up sub-branches at various locations of the country to make our financial services accessible to the people of all walks of life, specially the underbanked at affordable cost. We decided to set up 215 sub-branches of which 125 sub-branches have already been established and they have been progressing well in operation. We believe in the inherent value of Islamic finance because of its emphasis on social development and environmental conservation. Along with our traditional banking activities, we have introduced Sharia-compliant finance which is now available in every branch or outlets of the bank throughout the country.

I am taking this opportunity to thank our Board of Directors for their wise counsel which was very valuable for the Management of the bank in these unsettling times of financial crisis caused by national and global factors including the Russia-Ukraine war. Their visionary insight and far-sighted guidance helped the Management to guide the bank through these unpredictable and difficult times. I would also take this opportunity to extend my thanks to my colleagues for their individual efforts which made our journey meet with success. It would be remiss if I do not acknowledge the contributions of the previous Managing Director & CEO, Mr. Safiul Alam Khan Chowdhury who retired from his service last year.

Finally, I would like to thank all those who supported in our journey in various ways from their respective positions. I extend my sincere thanks to our valued shareholders, customers and investors for resting your trust in us. My gratitude and indebtedness go to various regulatory bodies of the country including

Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange PLC (CSEPLC) for their continuous support with timely recommendations and intervention through various policy guidelines.

With best regards,



Mohammad Ali
Managing Director & CEO





CORPORATE GOVERNANCE

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of Pubali Bank Limited takes this opportunity to welcome you all to the 40th Annual General Meeting (AGM) of Pubali Bank Limited during this most challenging time. We have the pleasure to place herewith the Directors' Report and the Auditor's Report together with the Audited Financial Statements of the Bank, for the year ended 31 December 2022 for your valued consideration, approval and adoption. A brief overview of the key performances of the Bangladesh and Global economy during 2022 and outlook for 2022 are provided in this report.

Bangladesh Economy

In 2022, the Bangladesh economy showed a promising signs of recovery since the backlash of Covid-19 pandemic. The successful completion of massive infrastructural development projects are the remarkable achievements of Bangladesh in the last year. The inauguration of the Padma Bridge heralds a new era of the country's development and also accelerated the way to head towards the developed country status. The county came under 100 percent electricity coverage with the inauguration of the country's biggest Payra 1320 MW Thermal Power Plant which is the third in Asia and the thirteenth in the world to use ultra-supercritical technology in producing power. On 19th October the second and final reactor of the Rooppur Nuclear Power Plant was inaugurated which is considered the most important development in the country's first nuclear power project. It is expected that this plant will produce electricity for a lifetime of a minimum of 60 years and will help Bangladesh to generate electricity without emitting carbon dioxide. The long-awaited Metro rail was inaugurated on December 28, 2022 which is a remarkable achievement in the history of public transport in Bangladesh. With the launch of Metro rail, Bangladesh has become the third country in South Asia to have metro rail after India and Pakistan. It is assumed that this sky train will contribute to ease traffic as well as to the making of a smart country by 2041.

But the outbreak of the Russia-Ukraine war severely disrupted the global supply chain as well as the global economy. The impact of the war was so deep that Bangladesh soon found itself confronting one of the most difficult periods in its history.

The major factors and other events that have impacted the Bangladesh economy drastically in the year 2022, are elaborated below:

Inflation

The average inflation of Bangladesh in FY 2021-2022 was 7.70 percent. But at the end of December this rate reached at 8.71 percent. The Food Inflation of the country reached at 9.94 percent in August, while the Non-food inflation increased to a decade-high 9.98 per cent in November.

GDP Growth

The country's per capita income increased to \$2,824. The pace of growth of Bangladesh's economy rose to 7.25 percent in 2021-22 fiscal year from 6.94 per cent the previous year.

Energy Market

An exponential increase in oil and gas prices owing to Russia's energy war, OPEC+ oil supply cuts and the European Union Embargo on Russian crude oil has resulted in surging inflation and unsustainable energy import bills. As a result, Bangladesh compelled to stop gas purchases as well as to shut down several diesel-run power plants.

Foreign Exchange Reserve

In August 2021, Bangladesh's foreign exchange reserve was \$48 billion. But it began to fall when the flow of remittance of the expatriate decreased suddenly as well as the banks gave the payment of the skyrocketing import cost of the importers which brought down the figure to below \$34 billion now.

Import

In spite of having shortfall of US dollar reserve, Bangladeshi importers had opened LCs worth \$92.23 billion to import goods in the fiscal year 2021-22, which was 37.59 percent more than the previous fiscal year. To rein the spending on the US dollar, Bangladesh bank tightened the import of luxury product since April. At the end of the year the country's total import payment stood at USD 71,020 million from January to December while in 2021 it was USD 67,905 million.

Export

The country's total Export growth remained positive despite the record inflation, fuel crisis, forex shortage and the higher cost of production because of the increase in gas and oil prices. All vital sectors, including apparel, leather and leather goods, home textile, jute and jute goods, performed well that year. Even in November, the country booked highest ever single month export earnings of \$5.09 billion, where garment industries contributed \$4.37 billion. At the end of the year the country's total export volume stood at USD 52,080 billion.

Exchange Rate

The extreme rise of import reduced Bangladesh's foreign currency reserves from the very beginning of last 2022 that caused the depreciation of the local currency against the US dollar. The inter-bank exchange rate of the US dollar against Bangladeshi taka crossed the Tk 100-mark in September.

World Economy

The wound of the corona epidemic has not yet been healed. The Russia-Ukraine war has aggravated the wound to a great extent. The economists assumed that the world economy will turn back from its negative trend, but ultimately could not pass a satisfactory trend in 2022.

The USA, UK, Singapore and European Union countries have imposed new sanctions against Russia over the Ukraine issue. But because of this economic sanction on Russia, negative impact has been fallen on the entire world economy.

Russia, the giant supplier of gas, oil, food and fertilizer was compelled to reduce their export volume to the world market since the imposition of new economic sanction. Like Russia, Ukraine is itself a major supplier of food grain. The stoppage of supply of gas, oil, fertilizer and food from these two countries adversely affected the international supply chain as well as the price hike of all the commodities in the world.

Srilanka a south Asian country was in crisis of foreign currency for the last couple of years. In last year this

crisis became so extreme that thousands of people compelled to come to the street protesting the government for want of food, medicine, gas, fuel and other necessities of life. In Sri Lanka the inflation reached to 55%.

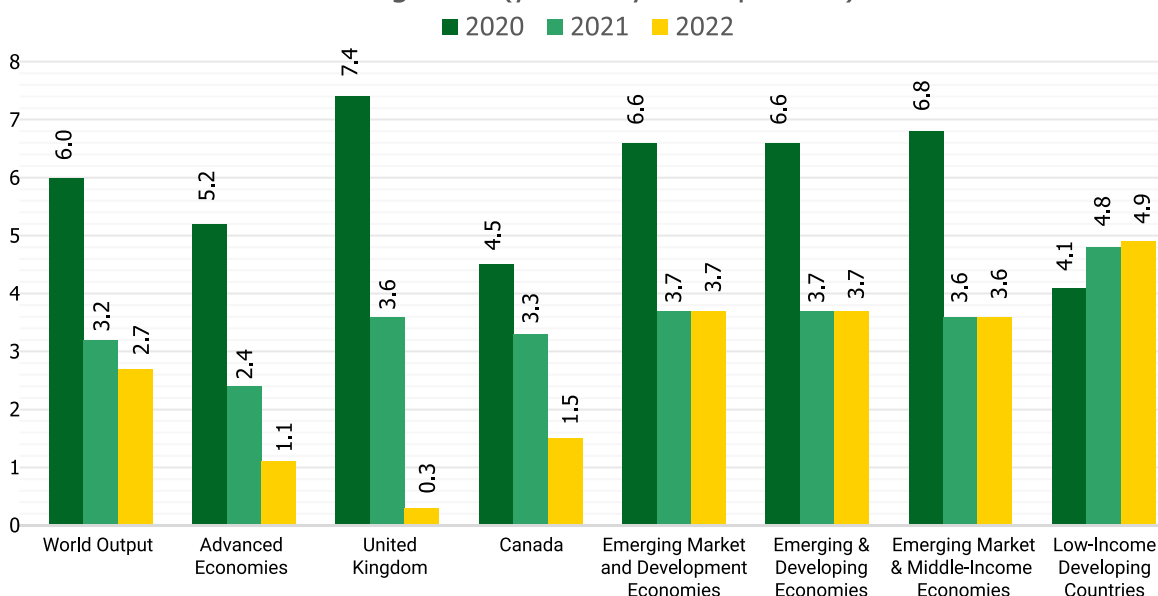
Pakistan had the same scenario as like as Sri Lanka. The Pakistan economy was about to collapse due to the shortage of fuel, electricity and gas. In South Korea, people protested for better salary, better working condition as well as for combating inflation. In South Africa the government could not buy food for want of sufficient foreign reserve. Even New Zealand, UK, Germany, Ecuador, USA etc. were in the group of inflation. In UK inflation was more than 10%. In Germany inflation was more than 7%.

The World Bank noted that the energy and commodity price in the global market decreased slightly in December that also impacted in the reduction of global inflation. World Bank warned that in the upcoming year there may be severe disruption in the global supply chain and will increase the inflation again.

Organization of Economic Co-Operation and Development a financial research institution of French has predicted that the economic turmoil in 2023 will be more challenging than 2022 due to the high interest rate, sky rocking inflation and the ongoing Russia-Ukraine war.

International Monetary Fund also predicted that the GDP growth will fell to 2.7% in 2023.

GDP growth (year on year in percent)



Source: IMF World Economic Outlook, 2022

An Overview of the bank

Pubali Bank Limited, the largest private commercial bank in banking industry of Bangladesh, was incorporated on 30th day of June 1983 as a Public Limited Company in Bangladesh under the Companies Act 1913 and started its operation in the year 1983, with an authorized share capital of BDT 16,00,00,000

divided into 16,00,000 ordinary shares of BDT 100 each. At present, the bank's authorized share capital is BDT 2000,00,00,000 divided into 200,00,00,000 ordinary shares of BDT 10 each. It was listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange 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 2022, earned an after tax profit of BDT 532.18 crore which was after tax profit of BDT 390.45 crore in 2021. The deposit of the Bank grew by 10.47% to BDT 51,083.65 crore and loans and advances by 22.63% to BDT 46,188.41 crore compared to those of 2021.

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

providing brokerage services in the stock market, our Bank has established another subsidiary named "Pubali Bank Securities Ltd".

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

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

Rotation and Retirement of Directors

Pursuant to Companies Act 1994 under Regulation 79, 80 and 81 of schedule- I and as per article no. 90 & 91 of the Bank's Articles of Association, one-third of the directors will retire before the AGM and all of the retiring directors will be eligible for re-election. Under this circumstances, the following four (4) honorable Directors will retire in the 40th Annual General Meeting of the Bank and they will be eligible for re-election.

SL.	NAME OF THE DIRECTORS
1.	Mr. Moniruddin Ahmed
2.	Ms. Rumana Sharif (Nominated by Delta Life Insurance Co. Ltd.)
3.	Mr. Md. Abdur Razzak Mondal (Nominated by Thats It fashions Ltd.)
4.	Mr. Mustafa Ahmed

Meeting of the Board of Directors

During the year 2022, total 50 nos. of Board of Directors meeting, 2 nos. of Executive Committee meeting, 13 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 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 2022 is set out on Report of Corporate Governance of this Annual Report.

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.

Remuneration of the Directors

The Bank does not pay any remuneration to its

Independent Director

As per the Bank Company Act, 1991 at least 2 directors should be from Independent category if the

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

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	18,700.55	18,040.40
Minority interest in subsidiaries		
Regulatory Adjustments		
Reciprocal crossholding & Intangible Assets	(230.90)	(210.65)
Deferred Tax Assets (DTA) on Loan Loss Provision	(4,523.53)	(4,523.53)
2) Additional Tier-1 Capital (AT-1)	5,000.00	5,000.00
3) Total Tier-1 Capital (1+2)	39,512.06	38,872.16
Tier-2 Capital		
General provision (unclassified loans + off balance sheet)	9,892.04	9,892.04
Subordinated debt	9,700.00	9,700.00
All other preference shares		
Regulatory Adjustments		
4) Total Tier-2 Capital	19,592.04	19,592.04
Total eligible capital (3+4)	59,104.10	58,464.20

Capital to Risk Weighted Assets Ratio (CRAR)

Pubali Bank Limited maintained capital adequacy ratio of 13.84% of the risk-weighted assets as on December 31, 2022 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 2022 due to various economic and geopolitical factors, including the Russia-Ukraine War, resulting in a decline of 8.14% DSEX Index i.e from 6,756.66 points to 6,206.81 points. At the beginning of the year the benchmark index DSEX performed well due to end of Covid-19 wave. It continued for one month and after that, the market started to move in downward. Beside Russian invasion of Ukraine, the Inflation, floor price, dollar crisis, hiked energy price, comparably low corporate earnings, and inter-bank interest rate were the pivotal reasons behind the gloomy condition for Bangladesh capital market in 2022. Daily Average Turnover in DSE decreased by 35.02% in 2022 (Y to Y) and was recorded at BDT 960 crore, compared to BDT 1478 crore in 2021.

The positive momentum of increasing exports and remittances, along with the potential relief from the dollar crisis through the IMF loan, there is optimism that the market may perform better in 2023. The potential strong performances of the market will largely depend on the increased participation of institutional investors, international investors, and small investors, and if other factors in the market continue to remain favorable.

Pubali Bank Securities Limited

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

a Paid-up Capital of BDT 6,600 (Six thousand six hundred) million and Authorized Capital BDT 7,000.00 million only as on 31.12.2022.

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

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

Throughout the year, PBSL has passed comparatively a good time in the year 2022 in terms of performance, profitability and brokerage activities despite the capital market faced challenges. PBSL will hopefully do better in 2023 and keep making progress going forward.

Dividend Policy

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

- (a) The Company in General Meeting may declare a dividend to be paid to the shareholders out of the profits for that year or out of any undistributed profits of the previous year and fix the time for payment of it. No dividend shall exceed the amount recommended by the Directors and their declaration as to the amount of net profit of the Company shall be conclusive.
- (b) Dividend shall carry no interest as against the Company.
- (c) The Directors may from time to time pay such interim dividend to the shareholders as may be justified by the financial position of the Company.
- (d) If any bonus on shares is declared out of profits, and whether alone or in addition to any dividend thereon, the bonus shall for all purposes be deemed to be a dividend on the shares.

- (e) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
- (f) Unless otherwise directed, payment of dividend shall be made by cheque or warrant sent through registered post to the address of the shareholder or person entitled thereto or, in case of joint holders, to that one whose name stands first in the register in respect of the joint holding.
- (g) Any one of the registered joint holders of any share may grant effectual receipt of payment of dividend in respect of such shares.
- (h) All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. Unclaimed dividend shall not be forfeited.
- (i) Appropriation of profit or declaration of dividend shall be made by the Company in any year upto 50% of the profits remaining after payment of income/corporation taxes and creation of statutory reserves until the instalments stipulated for that year under the paragraph titled "THE PRICE" in part IV of the prospectus have been paid by the Company to the Government.

Dividend Declaration

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

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

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

Year	2022 (Proposed)	2021	2020	2019	2018
Cash	12.50%	12.50%	12.50%	10.00%	10.00%
Stock	-	-	-	-	3.00%

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 Limited is sound in design and has been effectively implemented and regularly monitored. The foundation

of Internal Control and Compliance system of the Bank is implemented in organizational structure, policies, procedures and instructions provided by its Board of Directors and Senior Management and as per prevailing laws, regulations, 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 and in severe case loss of franchise, etc.. Compliance risk can also lead to a diminished reputation, also known as reputation risk, arising from an adverse perception of the 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.

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/Credit 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 2022, 38 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-2022, Audit & Inspection Division has conducted thorough audit on 491 Branches (including 12 High Risk, 202 Medium Risk & 277 low risk branches), 20 Regional Offices, 02 Principal Offices, 02 Off-shore Banking Units, 06 Core Risks, 25 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 Limited has been extending customer services at all of our **498** Branches, **125** Sub-Branches and **17** 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.

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.

Considering the current **Cyber Security Threat 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.

We have introduced **Mobile Banking Application of Pubali Bank Limited, PI (n)**, since 01 October 2020. Unlike Internet Banking, Mobile Application of the Bank will facilitate our valued clients with different transactional and non-transactional banking services under 24/7.

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.

We have **17 (Seventeen) 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.

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

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.

Performance of Pubali Bank Limited:

Pubali Bank Shares and Shareholders

Investors always look for a company which can meet their needs for dividend and capital gain. For the last few years country's Stock Markets have been remaining uncertain, inconsistent and unstable. We have a large number of shareholders which on 31st December 2022 stood at 32,290 (BO Shareholder-29,451 and Folio Shareholder-2,839). 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)

Year	2022	2021	2020	2019	2018
Authorized Capital	20,000	20,000	20,000	20,000	20,000
Paid up Capital	10282.94	10282.94	10282.94	10282.94	9983.44
EPS	5.18	3.80	3.57	2.08	3.43
NAVPS	41.32	38.66	38.16	31.38	27.42

Preparation of Financial Statement

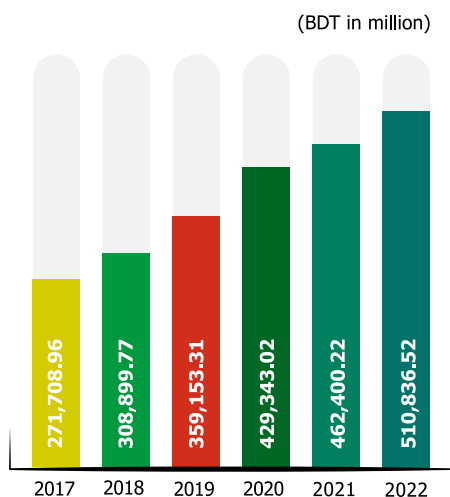
While preparing the annual report along with financial statements, true and fair presentation has been given priority. The Institute of Chartered Accountants of Bangladesh (ICAB) adopted the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). Bangladesh Securities 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 Limited prepares financial statements with adequate disclosures in accordance with the Bangladesh Accounting Standards (BAS), International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. In order to prepare the financial statements, the management is responsible for designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying accounting policies and making accounting estimates that are reasonable in the circumstances. These financial statements, once prepared, are reviewed initially by CFO and CEO and then by the Audit Committee on a regular basis. After that, the Board reviews the financial statements of the Bank at the end of every quarter. The quarterly financial statements, along with notes are published on the two daily newspapers as well as the Bank's website. Furthermore, annual financial statements along with annual report are also sent to all Shareholders in a timely manner. On an annual basis, the Directors prepare the Directors' Report as part of the Annual Report which discloses the financial performance as well as non-financial information regarding bank's growth, responsibilities and other information in compliance with BSEC Notification. The Bank also abides by the applicable regulations in respect to Price Sensitive Information (PSI).

Statutory and other Reserve

At the end of 2022, the statutory reserve and other reserves of the bank stood at BDT 32,203.15 million, out of which statutory reserve was BDT 10,283.00 million, Retained Earnings was BDT 18,040.40 million and other reserve was BDT 3,879.75 million. Total Reserve was BDT 29,467.28 million at the end of 2021.



Deposits

The deposit growth trend was positive in 2022. At the end of 2021, Total deposit was BDT 462,400.22

Investment

Total investment of the bank was BDT 139,403.49 million in 2022 compared to BDT 145,632.76 million in 2021. 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	2022	2021	2020	2019	2018
Assets	712,755.71	629,481.34	565,467.21	478,074.84	409,744.09
Deposits	510,836.52	462,400.22	429,343.02	359,153.31	308,899.77
Loans & Advances	461,884.12	376,656.43	315,578.90	287,034.67	270,909.51
Shareholder's Equity	42,486.09	39,750.22	39,243.18	32,271.71	27,377.10

Foreign Exchange Business

a) Import Business

During the year the Bank handled import business worth BDT 274,383.00 million. During the previous year the amount was BDT 279,780.03 million. The amount of import business handled by the bank decreased by BDT 5,397.03 million during the year which was 1.93% lower than previous year.

b) Export Business

The bank handled export business worth BDT 183,174.90 million during the year as against 129,799.36 million in previous year which was 41.12% increase than previous year.

c) Inward Foreign Remittance

Non-resident Bangladeshis sent foreign exchange equivalent BDT 86,813.40 million in 2022 whereas the amount was BDT 60,500.20 million in 2021.

Total Operating Income

Due to the reasons explained above, total operating income of the bank increased by BDT 5,069.89 million during the year and stood at BDT 25,194.70 million.

million that came to BDT 510,836.52 million at the end of 2022 showing 10.47% increase. Out of the total deposits, Time Deposits BDT 425,131.06 million and Demand Deposits were BDT 85,705.45 million i.e. 83.22% and 16.78% respectively.

Borrowing from other Banks and Financial Institutions

In 2022 the bank borrowed BDT 65,017.70 million for business purpose compared to BDT 46,500.33 million during the previous year.

Lending to other Banks and Financial Institutions

In 2022 the bank lent BDT 9,810.25 million for business purpose compared to BDT 21,481.97 million the previous year.

Advances

Total advances of the bank as on 31 December 2022 stood at BDT 461,884.12 million showing an increase of BDT 85,227.69 million @ 22.63% 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.

Total Operating Expense

Total operating expenses of Pubali Bank Ltd. increased by 29.73% 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
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
2018	4.25	3.08	1.17	0.75	54.01

Analysis of Income Statement of Pubali Bank Limited

(BDT in million)

SL	PARTICULARS	2022	2021	GROWTH %
1	Interest Income	29,813.19	22,737.80	31.12%
2	Interest Expenses	23,240.59	21,900.92	6.12%
3	Net Interest Income	6,572.60	836.88	685.37%
4	Income from Investment, Commission, Brokerage & Others	18,622.10	19,287.93	-3.45%
5	Total Net Income (Net Interest Income + Non Interest Income)	25,194.70	20,124.81	25.19%
6	Operating Expenditure	13,857.19	10,681.35	29.73%
7	Profit Before Provision	11,337.51	9,443.46	20.06%
8	Net Profit after Tax	5,321.77	3,904.55	36.30%

Total operating income & total operating expenditure of the Bank during 2022 were BDT 25,194.70 million and BDT 13,857.19 million respectively resulting a profit of BDT 11,337.51 million before making provision for bad and doubtful debts and income tax.

During the year the Bank made a provision of BDT 2,824.47 million against loans and advances, other assets, bad debt offsetting for IBW and off-balance sheet. Provision of BDT 3,191.27 million against Corporate Income Tax and deferred Tax. As such, net profit on the Bank stood at BDT 5,321.77 million.

(BDT in million)

Year	2022	2021	2020	2019	2018
Profit before provision & Tax	11,337.51	9,443.46	8,379.56	9,457.80	8,857.68
Net Profit	5,321.77	3,904.55	3,669.51	2,143.27	3,424.06
Return on Equity (ROE)	12.53%	9.82%	9.46%	7.51%	12.51%

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 Tier1

(AT1).

2. The definition of capital has been made stringent. Tier 3 capital has been eliminated.

3. The Bank has to maintain 3% leverage ratio along with Liquidity Coverage Ratio (LCR) of 100% or more and Net Stable Funding Ratio (NSFR) of more than 100%.

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

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

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

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

Pillar-III of Basel III aims at promoting market

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

The Bank is well positioned in respect of capital and risk management. The overall scenario as of December 31, 2022 under pillar-I is shown below:

CRAR (Solo)	CRAR (Consolidated)	Leverage Ratio	LCR	NSFR
13.84%	13.90%	4.69%(solo)	153.56%	103.14%

Going Concern

The Directors considered it appropriate to prepare the financial statements on the going concern basis. Going concern is one of the fundamental assumptions in accounting on the basis of which financial statements are prepared. Financial statements are prepared assuming that a business entity will continue to operate in the foreseeable future without the need or intention on the part of management to liquidate the entity or to significantly curtail its operational activities. Therefore, it is assumed that the entity will realize its assets and settle its obligations in the normal course of the business. It is the responsibility of the management of a bank to determine whether

the going concern assumption is appropriate in the preparation of financial statements. The Management of Pubali Bank Ltd. has calculated all the ratios related to the maintenance of regulatory capital & liquidity such as CRAR, LCR, NSFR, Leverage ratio, CRR & SLR and assessed adequacy of bank's liquidity as per structured liquidity profile, and has performed stress testing to determine bank's shock absorbent capacity in different distress scenario. All the ratios and results thus calculated reveal that Pubali Bank Ltd. is running well above the level of different parameters set by the respective guidelines of Bangladesh Bank. A detail review of Going Concern of the Bank is included in this Annual Report.

Network Expansion Program

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

Continue to our consistent progress we now have 498 (Four Hundred Ninety Eight) branches and 125 (One Hundred Twenty Five) 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 Limited, as a leading financial institution, always gives highest priority to quicken its branch expansion program to net the un-banked population across the country.

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

Division	Urban Branches	Rural Branches	Sub Branch	Authorized Dealer (AD)	OBU Unit	Islamic Banking window	SME/ Krishi	Evening Banking
Dhaka	102	39	26	16	1	4	2	26
Chittagong	72	47	36	5	1	3	1	17
Sylhet	29	63	7	3	-	3	1	12
Rajshahi	20	14	14	1	-	1	1	11
Khulna	22	12	13	2	-	3	-	5
Barisal	16	14	14	1	-	1	-	6
Rangpur	20	7	11	-	-	1	-	6
Mymensingh	17	4	4	1	-	1	-	4
Total	298	200	125	29	2	17	5	87

Human Resources

Pubali Bank Limited had a total workforce of 9,031 (including 89 days basis) compared with 8,022 in 2021 and 8,118 in 2020 at the year end. We believe our employees are our most valuable asset. We aim to recruit the best talent, provide necessary training and develop retention policies with value based benefits as par with the industry's best practices. We established a broader framework for employee benefits and welfare that include Provident Fund, Gratuity Fund, life insurance policy, Staff Welfare Fund, Retired Employees Welfare Fund, subsidized medical facilities and so on. In 2022, the bank recruited 1,190 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) Bangladesh Accounting Standards (BAS)/ Bangladesh Financial Reporting Standards (BFRS) as applicable in Bangladesh have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.
- e) The system of internal control in the Bank is sound in design and has been effectively implemented and monitored.
- f) There are no doubt upon the Bank's ability to continue as a going concern.

As required under BSEC's Corporate Governance Code, the Directors further confirm that the Chief

Executive Officer (CEO) and the Chief Financial Officer (CFO) have certified to the Board the following:

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

External Auditors

Based on suggestions of the Audit Committee, the Board recommends to reappoint A. Qasem & Co., Chartered Accountants and MABS & J Partners, Chartered Accountants as External Auditor for the year 2023 subject to approval by the shareholders in the 40th AGM of the Bank. This 02 (two) Chartered Accountant firms will audit the statement of accounts with due permission of Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC). They are eligible for appointment as per rules and regulations. This 02 (two) Chartered Accountant firms expressed their willingness for reappointment.

Compliance Auditor

Pursuant to code 9.2 of the Corporate Governance Code issued by BSEC, the shareholders appointed Mohammad Sanaullah & Associates, Chartered Secretaries as the compliance auditor for the year 2022. As proposed by the Audit Committee, the Board recommended the appointment Mohammad Sanaullah & Associates, Chartered Secretaries as compliance auditor for the year 2023 subject to approval by the shareholders in the 40th AGM of the Bank.

Declaration of Dividend

The Board of Directors gives utmost importance on the principles of sharing good achievements with valuable shareholders of the Bank. The Board of Directors has recommended 12.50% Cash Dividend for all shareholders of the bank out of profit on the basis of audited accounts for the year ended 31st December 2022 subject to approval by the shareholders in the 40th Annual General Meeting.

Annual General Meeting

The 40th Annual General Meeting (AGM) of the Bank will be held on June 6, 2023 at 10:30 AM by using hybrid system (Physical and Virtual) as per notification of Bangladesh Securities & Exchange Commission.

Expectations in 2023

The Bank has put stress on the business target fixed up for the year 2023. 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 17.40% and 13.20% respectively. Import, Export and Foreign Remittance businesses are expected to rise by 9.34%, 20.10% and 15.19% respectively while operating profit target fixed is expected to be increased by 13.07%.

Corporate Social Responsibilities

Corporate Social Responsibility (CSR) has been a long-standing commitment at our bank. In Pubali Bank Limited, CSR is taken seriously. CSR activities are not undertaken purely for public relations, it is a part and parcel of who we are and how we have worked for decades. The Bank's contribution to social sector development includes several pioneering interventions and is implemented through the involvement of stakeholders within the Bank and through the broader community. CSR of the Bank is oriented with a view to helping the needy segment of the population of the society. Pubali Bank Limited believes in socially equitable development. The Bank is committed to ensure environmentally sustainable development. As a responsive corporate financial organization, the Bank has anchored its CSR activities on health, education, disaster management, sports, arts & cultures and on many other benevolent dimensions. Throughout the year 2022, the Bank participated in a numbers of CSR activities which encompassed social, environmental, ethical & philanthropic activities. The Bank undertook the voluntary contributions towards building a better society and cleaner environment beyond its financial commitments and regulatory obligations.

Pubali Bank Limited distributed a huge number of blankets among the poor, shelter less and cold-stricken people of the country through various organizations/societies. The Bank provided medical assistance for the distressed and unprivileged people of the society. The Bank donated good chunk of money in the following sectors in 2022.

In the year 2022, Pubali Bank Limited spent BDT 18.91 crore in different following categories for CSR activity. We are also one of the leading tax payers of the country.

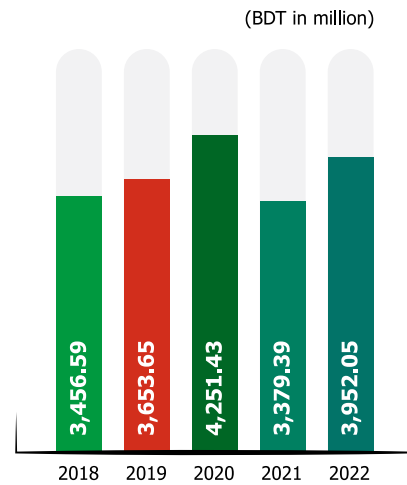
Disaster Management	BDT 12.27 Crore
Education	BDT 92.30 Lac
Health	BDT 3.76 Crore
Sports	BDT 1 Crore 50 Thousand

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 2022, Pubali Bank Limited contributed BDT 2,065.59 million as taxes to the national exchequer.

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



Acknowledgement

The outcomes of the Year 2022 would not have been possible if not for the persistent support and encouragement of our stakeholders. The Board of Directors extend their warmest greetings to the valued customers, Patrons and well-wishers for their support and co-operation in the activities of the bank. The Board thanked the dedicated services of the Senior Management Team, all Executives and other employees of the Bank. The Board offers thanks to the Government of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange 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 attending the 40th Annual General Meeting and contributing meaningfully to the deliberations and adoption of resolutions against the agenda.

On behalf of the Board of Directors,

Monzurur Rahman
Chairman of the Board of Directors

DIRECTORS' RESPONSIBILITY STATEMENT

Dear Shareholders,
Assalamualaikum,

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

Meeting of the Board of Directors

During the year 2022, total 50 nos. of Board of Directors meeting, 2 nos. of Executive Committee meeting, 13 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 appraises 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 the Bangladesh Bank.

Other Responsibilities of the Board

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

In compliance with section 184 of Companies Act 1994, the Annual Report has a separate section as 'Directors' Report 2022' that contains following issues:

State of the Bank's affairs: A review of financial performance and position has been presented in the Directors' Report 2022.

Any recommended reserve in the balance sheet: None.

Recommended dividend: The Board has recommended 12.50% Cash dividend for the completed year 2022.

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 2022.

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:

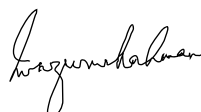
- Industry outlook and possible future developments in the industry;
- Segment-wise or product-wise performance with relevant risks;
- Extraordinary gain or loss;
- Related party transactions-a statement of all related party transactions;
- Utilization of proceeds from public issues, rights issues and/or 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 2018), Securities laws, Corporate Governance Code, Listing regulations, 2015, and other prevailing laws and regulations, as applicable for Pubali Bank Limited.

On behalf of the Board of Directors,



Monzurur Rahman
Chairman

CORPORATE GOVERNANCE REPORT

Pubali Bank Limited committed to excellence in corporate governance, transparency and accountability. It is essential for the long term performance and sustainability of our bank and to protect and enhance the interests of our shareholders and other stakeholders.

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

CORPORATE GOVERNANCE PRINCIPLES

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

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

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

CORPORATE GOVERNANCE FRAMEWORK

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

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

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

PRACTICES OF CORPORATE GOVERNANCE

Pubali Bank regularly provides a complete set of financial statements and relevant documents to the Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), Stock Exchanges, National Board of Revenue (NBR), Registrar of Joint Stock Companies & Firms (RJSC&F) and all other relevant bodies and authorities. The Bank also takes various initiatives to conduct awareness sessions on existing and proposed laws to ensure compliance throughout the bank. Overall, Pubali Bank has always strived to remain a fully compliant bank accommodating every possible way and strategy to ensure the same.

BOARD OF DIRECTORS, CHAIRMAN & CEO

Selection and Appointment of Directors

Pubali Bank complies with the requirement of Bangladesh Bank and Bangladesh Securities and

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

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

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

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

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

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

Independent Directors

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

As per the Bank Companies Act, 1991 at least 2 directors should be from Independent category if the maximum number of the Board members below

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

Role of Independent Directors

- The Independent Directors can provide guidance for management's decisions and ensure a focus on the investors' interest over those of the management;
- The powers of Independent Directors are not merely persuasive. Statute bestows upon them the power of the vote which is much more effective than mere persuasive power of words;
- Independent Directors have a large role to play in the shaping of the board's agenda and decisions. They are in a position to direct the board's attention to matters which require detailed analysis and review;
- Independent Directors can ensure that the tone and tenor of the board's discussions and decisions are in conformity with the stewardship function of the board and management;
- Independent Directors should also conduct periodic executive sessions without management being present so that they can discuss and debate issues in an open and frank manner;
- The actions of the Independent Directors should demonstrate ethics, integrity, honesty and transparency;
- Executive compensation is another area where leadership of Independent Directors is sought;
- Independent Directors can play a very important part in the area of compliance and Corporate Governance. Corporate Governance will continue to be primary responsibility of Independent Directors;
- Rules and regulations alone cannot ensure that companies are clean and honest. There should be an atmosphere of ethical conduct and a proper mind set to do the right thing;
- The Independent Directors have a great responsibility to create, preserve and strengthen the ethical and moral fabric of the company;
- Independent Directors should serve as independent watchdogs serving the interests of shareholders; and
- Shareholders rely on Independent Directors to protect their interests, address conflict of interest and to ensure that shareholders and the business is managed properly by management.

Independent Director as Effective instrument of Governance such as follows:

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

Independent Directors' Independence

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

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

Qualification of Independent Director

Dr. Shahdeen Malik

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

of Bangladesh for long. Moreover, he had taught Law at Dhaka University and BRAC University.

Mohammad Naushad Ali Chowdhury

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

Chairman's Independence

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

Non-Executive Directors

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

Independence of the Non-Executive Directors

None of the Directors takes part in the day to day affairs of the Bank. They attend only the Board and Committee meetings to discuss the agenda reserved for the Board and 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 Sanullah & Associates, Chartered Secretaries, duly certified the Bank's Compliance Status which is re-produced in a page hereafter.

Directors' Remuneration

Directors are not eligible for any remuneration other than attendance fee for the Board and its Committee Meeting. Currently, as per guideline of Bangladesh Bank, Directors are eligible for remuneration of BDT 8,000 only for attending each meeting but numbers

of such Meetings are also prescribed determining the numbers with or without remuneration. The Chairman may be provided with a car, telephone, office and private secretary. The Managing Director is paid a salary and allowances as per approval of the Bank's Board of Directors and Bangladesh Bank.

Meetings and Attendance of the Board of Directors

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	48	2	8,000 X 48	BDT 3,84,000
2	Mr. Moniruddin Ahmed	Director	50	48	2	8,000 X 48	BDT 3,84,000
3	Mr. Habibur Rahman	Director	50	46	4	8,000 X 46	BDT 3,68,000
4	Mr. Ahmed Shafi Choudhury (Deceased)	Director	50	50	0	8,000 X 50	BDT 4,00,000
5	Mr. Fahim Ahmed Faruk Chowdhury	Director	50	44	6	8,000 X 44	BDT 3,52,000
6	Ms. Rumana Sharif	Director	50	49	1	8,000 X 49	BDT 3,92,000
7	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Director	50	49	1	8,000 X 49	BDT 3,92,000
8	Mr. Musa Ahmed	Director	50	42	8	8,000 X 42	BDT 3,36,000
9	Mr. Azizur Rahman	Director	50	48	2	8,000 X 48	BDT 3,84,000
10	Mr. Md. Abdur Razzak Mondal	Director	50	41	9	8,000 X 41	BDT 3,28,000
11	Ms. Rana Laila Hafiz	Director	50	41	9	8,000 X 41	BDT 3,28,000
12	Mr. Mustafa Ahmed	Director	50	46	4	8,000 X 46	BDT 3,68,000
13	Dr. Shahdeen Malik	Independent Director	50	42	8	8,000 X 42	BDT 3,36,000
14	Mr. Mohammad Naushad Ali Chowdhury	Independent Director	50	50	0	8,000 X 50	BDT 4,00,000

* Directors as on December 31, 2022 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.

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) in compliance with Bangladesh Bank BRPD Circular No. 11 dated 27 October 2013:

WORK PLANNING AND STRATEGIC MANAGEMENT
INTERNAL CONTROL MANAGEMENT
LENDING AND RISK MANAGEMENT
FORMATION OF SUPPORTING COMMITTEES
HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT
FINANCIAL MANAGEMENT
APPOINTMENT OF INDEPENDENT DIRECTORS
APPOINTMENT OF ALTERNATIVE DIRECTORS
APPOINTMENT OF MANAGING DIRECTOR & CEO
APPROVAL OF FINANCIAL STATEMENTS
REVIEW OF BANK'S OPERATIONAL PERFORMANCE TOWARDS ACHIEVEMENT OF OBJECTS
APPROVAL OF POLICIES AND MANUALS
DEVELOPING COMPLIANCE CULTURE IN THE BANK
PROVIDING WELFARE TO THE EMPLOYEES

Role and Responsibilities of the Managing Director & CEO

- In terms of the financial, business and administrative authorities vested upon him by the board, the 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 employee 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 employees, 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 AUDIT, HEAD OF COMPLIANCE & 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 CS, 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	31.12.2022		31.12.2021	
		NO. OF SHARES HELD	% TO TOTAL SHARES	NO. OF SHARES HELD	% TO TOTAL SHARES
1	DIRECTORS	32,39,11,299	31.50	32,39,11,299	31.50
2	GENERAL PUBLIC	41,79,15,764	40.64	42,66,28,049	41.49
3	INSTITUTIONS	28,64,67,155	27.86	27,77,54,870	27.01
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 31.12.2022
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 31.12.2022	% OF TOTAL SHARES
1	Mr. Monzurur Rahman	Chairman	2,05,66,639	2.00
2	Mr. Moniruddin Ahmed	Director	3,35,96,545	3.27
3	Mr. Habibur Rahman	Director	2,05,81,213	2.00
4	Mr. Ahmed Shafi Choudhury (Deceased)	Nominated by Transcom Ltd.	2,07,07,995	2.01
		Personal	83,505	0.01
5	Mr. Fahim Ahmed Faruk Chowdhury	Director	2,11,01,586	2.05
6	Ms. Rumana Sharif	Nominated by Delta Life Insurance Co. Ltd.	5,14,18,707	5.00
		Personal	2,56,417	0.02
7	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Director	2,05,68,691	2.00
8	Mr. Musa Ahmed	Director	2,06,15,794	2.00
9	Mr. Azizur Rahman	Director	2,23,52,148	2.17
10	Mr. Md. Abdur Razzak Mondal	Nominated by Thats It Fashions Ltd.	3,59,90,157	3.50
		Personal	--	0.00
11	Ms. Rana Laila Hafiz	Director	2,05,65,889	2.00
12	Mr. Mustafa Ahmed	Director	3,58,45,935	3.49
13	Dr. Shahdeen Malik	Independent Director	---	0.00
14	Mr. Mohammad Naushad Ali Chowdhury	Independent Director	---	0.00
TOTAL (EXCLUDING PERSONAL SHARE OF NOMINEE DIRECTOR)			32,39,11,299	31.50%

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

SL	NAME OF EXECUTIVES	% OF SHARES AS AT 31.12.2022
1	Mr. Md. Esha	Nil
2	Mr. Mohammad Shahadat Hossain	Nil
3	Mr. Javed Hasan	Nil
4	Mr. Dewan Jamil Masud	Nil
5	Mr. Md. Shahnewaz Khan	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, Nomination & Remuneration Committee and Shariah Supervisory Committee	Pubali Bank Securities Ltd.
3	Mr. Habibur Rahman	Banking Activities	Risk Management Committee and Shariah Supervisory Committee	Delta Hospital Ltd. Pubali Bank Securities Ltd. Global Pharmaceutical Company Ltd.
4	Mr. Ahmed Shafi Choudhury (Deceased)	Banking Activities	Audit Committee and Shariah Supervisory Committee	Pubali Bank Securities Ltd. Eskayef Pharmaceuticals Ltd.
5	Mr. Fahim Ahmed Faruk Chowdhury	Banking Activities, Prominent Business Entrepreneur	Executive Committee and Nomination & Remuneration 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.
6	Ms. Rumana Sharif	Banking Activities	Executive Committee	
7	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Accounting Professional, Banking Activities, Prominent Business Entrepreneur	Audit Committee, Risk Management Committee and Shariah Supervisory Committee	Imagine Properties Ltd. Pubali Bank Securities Ltd.
8	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.
9	Mr. Azizur Rahman	Banking Activities, Prominent Business Entrepreneur	Executive Committee & Risk Management Committee	Pubali Bank Securities Ltd. National Ceramic Industries Ltd. Dressmen Fashionwear Ltd.
10	Mr. Md. Abdur Razzak Mondal	Banking Activities	Executive Committee, Risk Management Committee, Nomination & Remuneration Committee and Shariah Supervisory Committee	Thats It Fashions Ltd. (as a nominee)
11	Ms. Rana Laila Hafiz	Banking Activities, Prominent Business Entrepreneur	Audit Committee	Trouser Line Ltd. SP Garments Ltd. SP Washing Ltd. Green Valley Plantation Ltd.
12	Mr. Mustafa Ahmed	Banking Activities	Executive Committee	Pubali Bank Securities Ltd.
13	Dr. Shahdeen Malik	Prominent Lawyer	Audit Committee and Nomination & Remuneration Committee	Pubali Bank Securities Ltd.
14	Mr. Mohammad Naushad Ali Chowdhury	Banking Activities	Audit Committee	

APPRAISAL OF BOARD'S PERFORMANCE

At AGM shareholders critically appraise the performance of the Board and evaluate financial position and performance of the bank, its adequacy and effectiveness of internal control system and overall governance mechanisms. The shareholders also ask questions and make queries to the Board during AGM and the

Chairman of Board gives a patient hearing and responds to all of their queries. The performance of the Board is appraised based on certain parameters such as shareholder return, share price, return on capital employed, earnings per share etc. of the bank. The attendance of Directors and their active participation in the meeting on various agenda is

ensured in every Board meeting.

POLICY ON TRAINING OF DIRECTORS

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

DIRECTORS’ KNOWLEDGE AND EXPERTISE IN FINANCE AND ACCOUNTING

The Board of Directors of Pubali Bank Limited consists of highly qualified and experienced individuals. They are well conversant in Banking Business as well as

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

ROTATION AND RETIREMENT OF DIRECTORS

Pursuant to Companies Act 1994 under Regulation 79, 80 and 81 of schedule- I and as per article no. 90 & 91 of the Bank’s Articles of Association, one-third of the directors will retire before the AGM and all of the retiring directors will be eligible for re-election. Under this circumstances, the following four (4) honorable Directors will retire in the 40th Annual General Meeting of the Bank and they will be eligible for re-election.

SL	NAME OF THE DIRECTOR	MODE OF CHANGE
1	Mr. Moniruddin Ahmed	Retired and eligible for Re-election
2	Ms. Rumana Sharif (Nominated by Delta Life Insurance Co. Ltd.)	Retired and eligible for Re-election
3	Mr. Md. Abdur Razzak Mondal (Nominated by Thats It fashions Ltd.)	Retired and eligible for Re-election
4	Mr. Mustafa Ahmed	Retired and eligible for Re-election

APPOINTMENT OF 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.

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.

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.

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.

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

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 require a listed Company to appoint Company Secretary. In pursuance of the same, the Board of Directors has appointed the Company Secretary and defined his roles & responsibilities. In Pubali Bank Limited, among other functions, the Company Secretary:

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

BOARD'S COMMITTEES AND THEIR RESPONSIBILITIES

The Board has constituted following 4 (four) Committees:

i. Executive Committee (EC)

Composition of the Executive Committee

In compliance with the provisions contained in BRPD Circular No.11 dated 27 October, 2013, the Board of Directors re-constituted the Executive Committee comprising 7 (seven) members. Company secretary of the bank is the secretary of the Executive Committee. To comply with regulatory requirement, none of them are the members of Audit Committee of the Board.

Responsibilities

The Executive Committee is a body to deliberate on generally important issues and matters in the execution of operations of the Bank. The committee performs within the power delegated to it by the Board of Directors. The resolutions of the Executive Committee are ratified by the Board of Directors. The minutes of the Executive Committee are sent to Bangladesh Bank for their review. In 2022, total 2 meetings were held by the Committee.

Attendance of members of the Executive 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. Md. Abdur Razzak Mondal	Chairman	2	2	0	8,000 X 02	BDT 16,000.00
2	Mr. Moniruddin Ahmed	Member	2	2	0	8,000 X 02	BDT 16,000.00
3	Mr. Fahim Ahmed Faruk Chowdhury	Member	2	2	0	8,000 X 02	BDT 16,000.00
4	Ms. Rumana Sharif	Member	2	2	0	8,000 X 02	BDT 16,000.00
5	Mr. Musa Ahmed	Member	2	2	0	8,000 X 02	BDT 16,000.00
6	Mr. Azizur Rahman	Member	2	2	0	8,000 X 02	BDT 16,000.00
7	Mr. Mustafa Ahmed	Member	2	2	0	8,000 X 02	BDT 16,000.00

* Members as on 31.12.2022 and meeting related total fees and honorarium, expenses and travelling allowances are presented in the FS.

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 2022, total 13 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	13	13	0	8,000 X 13	BDT 1,04,000.00
2	Mr. Ahmed Shafi Choudhury (Deceased)	Member	13	13	0	8,000 X 13	BDT 1,04,000.00
3	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Member	13	13	0	8,000 X 13	BDT 1,04,000.00
4	Ms. Rana Laila Hafiz	Member	13	12	1	8,000 X 12	BDT 96,000.00
5	Dr. Shahdeen Malik	Member	13	13	0	8,000 X 13	BDT 1,04,000.00

* Members as on 31.12.2022 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.

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

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

Audit Committee members are suitably qualified

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

Conflict of Interest

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

Recommendation for appointment of External Auditors

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

Services not provided by External Auditors

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

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

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

iii. Risk Management Committee (RMC)

Composition of the Risk Management Committee

In Compliance with BRPD Circular No. 11 dated 27 October 2013, the Board of Directors of Pubali Bank reconstituted a five-member RMC of the Board in 2021 comprising 5 (five) members. 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 2022, 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 04	BDT 32,000.00
2	Mr. Habibur Rahman	Member	4	2	2	8,000 X 02	BDT 16,000.00
3	Mr. Musa Ahmed	Member	4	4	0	8,000 X 04	BDT 32,000.00
4	Mr. Azizur Rahman	Member	4	4	0	8,000 X 04	BDT 32,000.00
5	Mr. Md. Abdur Razzak Mondal	Member	4	3	1	8,000 X 03	BDT 24,000.00

* Members as on 31.12.2022 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 Board.

Internal Control and Risk Management

Internal Control

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

Establishment and Review of Internal Control System

The Bank's internal control system is designed at

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

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

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

iv. Nomination and Remuneration Committee (NRC)

Appointment and Composition

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

Members of the Nomination and Remuneration Committee (NRC)

SL	NAME	STATUS WITH THE BANK	STATUS WITH THE COMMITTEE
1	Dr. Shahdeen Malik	Independent Director	Chairman
2	Mr. Moniruddin Ahmed	Director	Member
3	Mr. Fahim Ahmed Faruk Chowdhury	Director	Member
4	Mr. Md. Abdur Razzak Mondal	Director	Member

ETHICS AND COMPLIANCE

Code of Conduct

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

Manual, Policies and Guidelines

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

Management Structure, Management Committees and their responsibilities

The Management headed by Managing Director and CEO is assisted by 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 Limited) to run the business. The workflows are carried out by the relevant divisions / departments / regional offices / branches of the Bank. The following Management Committees are 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 all division heads and General Managers of Head Office headed by the Managing Director & CEO of the bank. The committee meets monthly to discuss (i) Policy issues, (ii) Strategic issues and (iii) Performance issues and take decision / action for running the Bank smoothly. The Major roles and responsibilities of Management Committee 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. Acting Managing Director can preside over the Management Committee/SMT meeting in absence of Managing Director.

Asset and Liability Management Committee (ALCO)

Asset and Liability Management Committee (ALCO), the most important committee of senior management headed by the Managing Director & CEO meet at least once in a month to set and review financial policy, risk exposure, liquidity position, product pricing, micro and macro-economic outlook, growth of deposit and loans & advances, various ratios, forecasted balance sheet etc. The ALCO of Pubali Bank Limited conducted 12 (twelve) regular and 3 (three) special meetings during the year 2022 for implementation ALM in the bank.

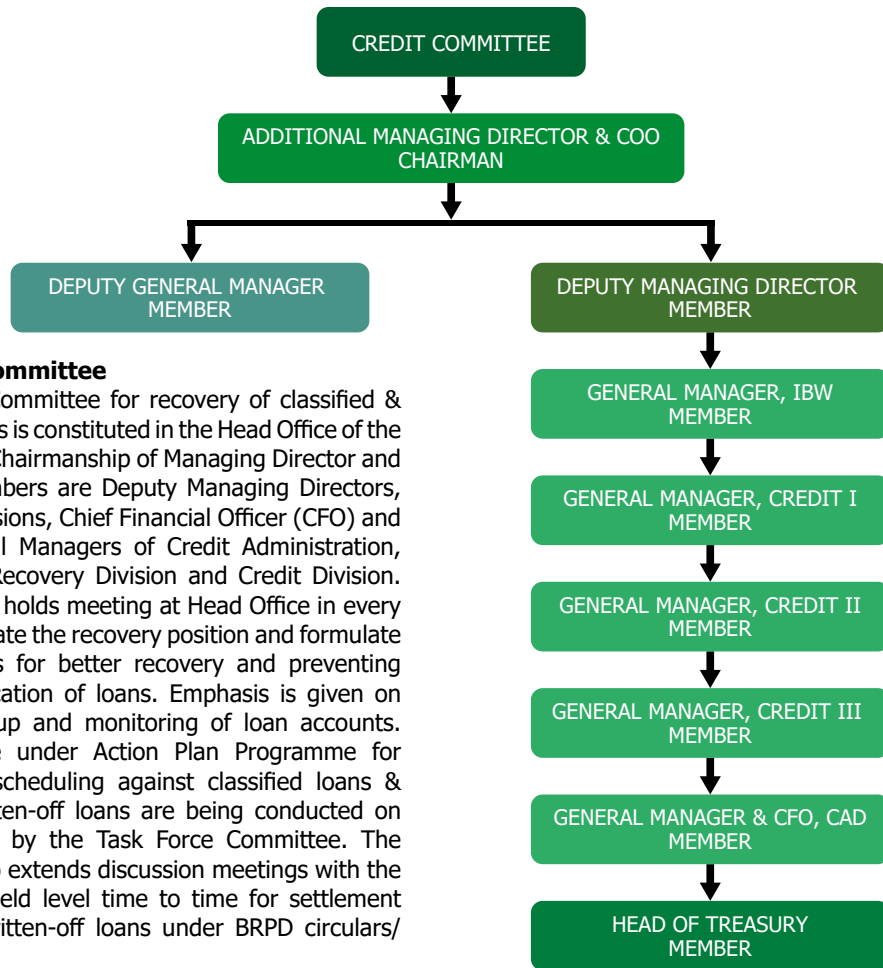
The major roles and responsibilities of ALCO are as follows:

- 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 and foreign exchange 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, contingency funding plan, balance sheet management strategy etc.

Credit Committee

Bank's Credit Committee consisting 09 (nine) members where the Additional Managing Director & COO as Chairman; Senior Most Deputy General Manager of Credit Division as Member Secretary; the Deputy Managing Director, the Heads of Credit Division, Head

of Islamic Banking Wing, 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.



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 holds meeting at Head Office in every month to evaluate the recovery position and formulate measures/steps for better recovery and preventing further classification of loans. Emphasis is given on proper follow up and monitoring of loan 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 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, and the Deputy General Manager of Risk Management Division is the member secretary. The Committee is responsible to our Honorable Managing Director for compliance and implementation of the decisions. Considering the importance of the issue and as per instructions of Bangladesh Bank DOS circular letter no: 13 dated 09 September 2015, a separate Risk Management Division was formed. Moreover, as per DOS circular no. 04 dated 08 October 2018, Pubali Bank Limited has already prepared "The Risk Management Revised Guidelines of Pubali Bank Ltd 2021" which is approved by the Board of Directors and has been sent the said Guidelines to all Branches, Regional Offices, Principal Offices, and Divisions to follow the instructions and do the daily banking activities. Risk Management Division also prepares Risk Appetite Statement (RAS) on yearly basis mentioning risk limit with tolerance level. Besides, Risk Management Division prepares "A Review Report of Risk Management Policies and Effectiveness of Risk Management Functions of our Bank" on yearly basis. As a part of risk management, adequate capital is maintained against Credit Risk, Market Risk and Operational Risk under Risk Based Capital Framework. Under the second pillar of Basel-III, a Supervisory Review Process (SRP) team was formed to review, monitor, and maintain adequate capital considering all relevant risks. Quarterly Stress Testing is conducted to assess the impact of different risks associated with banking business on asset, liability & ultimately on capital, and the report is submitted before the Board of Directors and Bangladesh Bank regularly.

Management Reporting System Committee

The reporting objectives of internal control system in the bank are timely, accurate and comprehensive reporting of both financial and non-financial, external and internal. Considering the importance of the issue and to ensure a strong Management Information System in the Bank, Management Reporting System Committee has been formed headed by 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 2022, 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 a Chief Anti-Money Laundering Compliance Officer (CAMLCO). The Deputy General Manager & Division Head, 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 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 obtain 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 2022-2023 for our bank has been prepared and the same has been approved by the Management

and the Board. As per instruction of Bangladesh Bank, Code of Conduct of our bank has been prepared and the same has been disseminated for compliance. Since there is positive correlation between ethics and internal control, Compliance Division always incorporates session on "Ethics in Banking" in its all outreach training workshops.

Purchase Committee

The Purchase Committee comprising of 08 (Eight) members headed by Mr. Ahmed Enayet Manzur, Deputy Managing Director, Human Resources Division, 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 08 (eight) members headed by Mr. Mohammad Liton Miah FCA, General Manager & CFO, Central Accounts Division, plays a vital role in the procurement technical procedure of the Bank. Technical Committee of procuring entity as approved by the Management shall examine, evaluate and prepare a report with recommendations for award for submission to Purchase Committee.

DISCLOSURE OF KEY POLICIES WITH REGARD TO REMUNERATION OF SENIOR MANAGEMENT AND EMPLOYEES

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

LOANS TO DIRECTORS, CONTROLLING SHAREHOLDERS OR EMPLOYEES

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

RELATED PARTY TRANSACTIONS

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

HUMAN RESOURCE

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

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 to 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.

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

SHAREHOLDERS INFORMATION

i) Communications with Shareholders

We believe good Corporate Governance involves openness and trustful cooperation between all stakeholders involved in the bank, including the owners of the bank—the Shareholders. Information is communicated to the Shareholders regularly through a number of forums and publications. Pubali Bank ensures that all shareholders are notified at least 21 days before the AGM so that all shareholders may attend it. The bank has adopted a detailed policy on information disclosure and communication in line

with the Corporate Governance Code and Listing Regulations, 2015 of both Exchanges. In compliance with continuous disclosure requirements, the bank's policy is that Shareholders will be informed in a routine manner of all major developments that impact the business of the bank and also be able to make informed decisions. Pubali Bank provides copies (hard/soft) of Annual Reports in order that these are made available to them well in advance for detailed and constructive discussion. The Board also structures these meetings so that shareholders can vote on each agenda by proposing resolutions.

ii) Information Disclosure

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

- Continuous disclosure – which is its core disclosure and primary method of informing the market and Shareholders;
- Periodic disclosure – in the form of quarterly and yearly reporting of financial results and other issues; and
- Event based disclosure – as and when required, of administrative and corporate developments, usually through stock exchanges & press releases.

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

iii) General Meeting

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

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

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 31 st 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.

38 TH 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

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

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 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 Limited

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	CAMELS Rating	Satisfactory 31.12.2021	Satisfactory 30.06.2022	-
02	Composite Risk Rating done by Bangladesh Bank	High 30.06.2021	Moderate 31.12.2021	Rating based on 30.06.22 not yet published
03	Ethical Banking Rating	Satisfactory 31.12.2021	Satisfactory 30.06.2022	-
04	Credit Rating	(a) AA+ for Long Term* (b) ST-1 for Short Term** done by National Credit Ratings Ltd (NCR)	(a) AA+ for Long Term*** (b) ST-1 for Short Term **** done by Credit Rating Information and Services Ltd (CRISL)	Clarification is given below

* Very strong capacity for timely servicing of financial obligations offering high safety and carrying very low credit risk.

** Strongest capacity for timely payment of financial commitments and carrying lowest credit risk. (valid upto 26/07/22).

*** Higher safety and high credit quality. **** Highest certainty of timely payment. (Valid upto 24/07/23).

Report to the Shareholders of PUBALI BANK Limited

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 Limited for the year ended on 31 December 2022. 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.

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

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

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

- (a) The Company 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 company 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 company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The governance of the company is satisfactory.

For: **Mohammad Sanullah & Associates**


Mohammad Sanullah FCS
CEO & Lead Consultant



May 2, 2023

DECLARATION BY CEO AND CFO

Date: 13 April 2023

The Board of Directors

Pubali Bank Limited
26 Dilkusha Commercial Area
Dhaka 1000

Subject: Declaration on Financial Statements for the year ended on 31 December 2022

Dear Sirs,

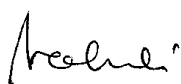
Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Pubali Bank Limited for the year ended on 31 December 2022 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 2022 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)

CREDIT RATING

The Bank completed its credit rating by Credit Rating Information & Services Ltd. (CRISL) based on the Audited Financial Statements of 31 December 2021 and was awarded "AA+" (Double A Plus) in the Long Term and "ST-1" in the Short Term.

Ratings	2022	2021
Long Term	AA+	AA+
Short Term	ST-1	ST-1
Based on Audited Financial Statements	31 DEC 2021	31 DEC 2020

RATING DESCRIPTION

	LONG TERM	SHORT TERM
Rating Outstanding (Declared on 25 July 2022)	AA+ (Double A Plus) (Higher safety and high credit quality)	ST-1 (Highest certainty of timely payment)
Previous Outstanding (Declared on 27 July 2021)	AA+ (Double A Plus) (Very Strong Capacity & High Safety)	ST-1 (Strongest Capacity)
Validity of Outstanding Rating	Valid up to July 24, 2023	

CRISL assigned AA+ (Pronounced Double A Plus) rating of Pubali Bank Limited 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 2021 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.

AUDIT COMMITTEE REPORT

Overview

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

Appointment and Composition

In compliance with Section 15(B) of The Bank Companies Act 1991 (amended up to 2013) and Bangladesh Bank BRPD Circular No.11 dated 27 October 2013 and BSEC's Corporate Governance Code dated 03 June 2018, Audit Committee (AC) of the Board of Pubali Bank Limited has been reconstituted by the Board of Directors with 5 (five) members of whom no one is on the existing Executive Committee of the Board. As required, all members of the Audit Committee are 'financially literate' and are able to analyze and interpret financial statements to effectively discharge their duties and responsibilities as members of the Audit Committee. The Committee was reconstituted by the Board on June 03, 2021. The Company Secretary acts as the Secretary of the Committee.

Composition of the Audit Committee (AC)

SL	NAME	STATUS WITH THE BANK	STATUS WITH THE COMMITTEE	EDUCATIONAL QUALIFICATION
1	Mr. Mohammad Naushad Ali Chowdhury	Independent Director	Chairman	BSc (Hons), MSc (Physics), MBA
2	Mr. Ahmed Shafi Choudhury (Deceased)	Director	Member	BA, Dhaka University
3	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Director	Member	B. Eng (Civil), UK, FCMA (UK), CGMA
4	Ms. Rana Laila Hafiz	Director	Member	MA (English), Dhaka University
5	Dr. Shahdeen Malik	Independent Director	Member	PhD in Law, London, UK, Obtained LLM Degrees from Universities at Moscow & Philadelphia

*The Committee was reconstituted on 03.06.2021 and Members as on 31.12.2022.

Terms of Reference of the Audit Committee

- The Board shall appoint non-executive directors of the Bank as members of the Audit Committee excepting Chairman of the Board.
- The Board shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an Independent Director.
- In the absence of the Chairman of the Audit Committee, the remaining members may elect one of themselves as Chairman for that particular meeting and the reason of absence of the regular Chairman shall be duly recorded in the minutes.
- 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.
- The quorum of the Audit Committee meeting shall require presence of at least 1 (one) Independent Director.
- The tenure of office of the Audit Committee shall be for 3 years.
- Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).
- The Company Secretary shall act as Secretary to the Audit Committee.

Roles and Responsibilities

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

Audit Committee include the followings:

- To oversee the financial reporting process.
- To monitor choice of accounting policies and principles.
- To monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report.
- To oversee hiring and performance of external auditors.
- To hold meeting with the external auditors for review of the annual financial statements before submission to the Board for approval or adoption.
- To review along with the management, the annual, quarterly and half yearly financial statements before submission to the Board for approval.
- To review the adequacy of internal audit function.
- To review the Management's Discussion and Analysis before disclosing in the Annual Report.
- To review statement of all related party transactions submitted by the management.
- To review Management Letters or Letter of Internal Control Weakness issued by Statutory Auditors.
- To oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors.
- To oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public

Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.

- xiii. To monitor internal control process and maintain oversight regulatory compliance, ethics and whistleblower hotlines.
- xiv. To review Audit Committee's own terms of reference.
- xv. To act on any other matters as may be directed by the Board.

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 and Chief Executive Officer and Chief Financial Officer (CFO) respectively of Pubali Bank Limited, have certified before the Board and to the shareholders that they have thoroughly reviewed the Financial Statements of the bank for the year ended 31 December 2022, 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, has been signed by the Chairman of the Audit Committee and disclosed in the Annual Report of the Bank.

Meetings of the Audit Committee

The Audit Committee of Board of Directors of Pubali Bank Limited conducted 13 (thirteen) meetings in the year 2022 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	13/13	100	
2	Mr. Ahmed Shafi Choudhury (Director) (Deceased)	Member	13/13	100	The Members who could not attend any meeting were granted leave of absence.
3	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA (Director)	Member	13/13	100	
4	Ms. Rana Laila Hafiz (Director)	Member	12/13	92	
5	Dr. Shahdeen Malik (Independent Director)	Member	13/13	100	

Major areas reviewed by the Audit Committee in 2022

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

- 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 Limited.
- Examined/ evaluated the Audited Financial Statements 2021.
- Provisional & un-audited Balance Sheet, Profit & Loss a/c, Cash Flow Statement & Statement of Changes in Equity as on 31 March 2022, 30 June 2022 and 30 September 2022.
- 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 2022 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 2021.
- 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, 2021.
- Reviewed the Audit report of Head Office level 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 39th 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

In Compliance with Section 15(B) of the Bank Companies Act 1991 (amended up to 2018) and Bangladesh Bank BRPD Circular No. 11 dated 27 October 2013, the Board of Directors of Pubali Bank Limited reconstituted a five-member Risk Management Committee (RMC) of the Board on June 03, 2021.

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 acts as the Secretary of the Risk Management Committee of Board.

Participation of non-members

The Company Secretary 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;
- Company Secretary of the bank will be the secretary of the Risk Management Committee;

- The risk management committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit;
- The committee may invite Chief Executive Officer, Chief Risk Officer and any other Officer to its meetings, if it deems necessary;
- All decisions/observations of the committee should be noted in minutes;

Roles and Responsibilities of Risk Management Committee

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

Meetings of the Risk Management Committee

The Risk Management Committee of Board conducted 04 (Four) meetings in the year 2022 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	2	
3	Mr. Musa Ahmed	Member	4	4	
4	Mr. Azizur Rahman	Member	4	4	
5	Mr. Md. Abdur Razzak Mondal	Member	4	3	

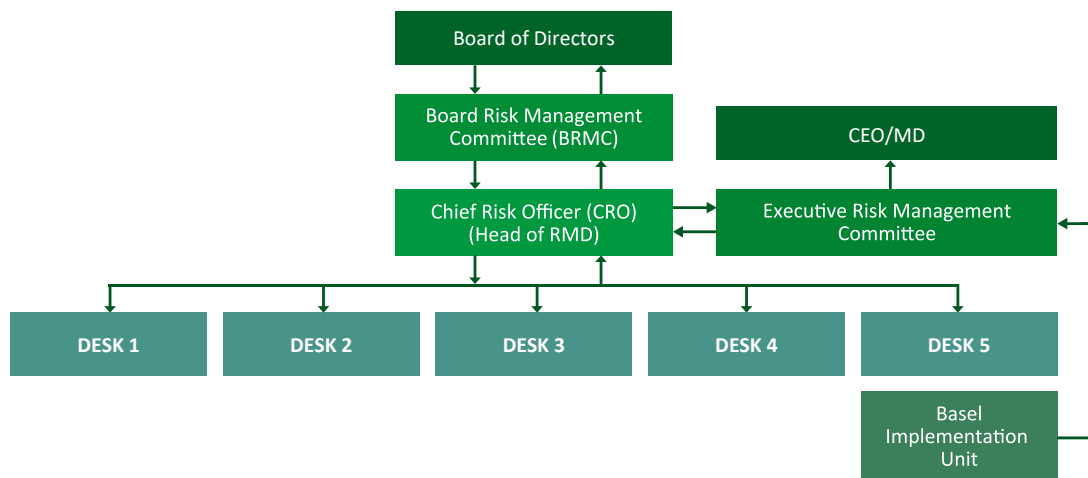
*The Committee was reconstituted on 03.06.2021 and Members as on 31.12.2022.

Major areas reviewed and focused by RMC in 2022

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

- Reviewed the 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 2021, Q1 2022, Q2 2022 and Q3 2022.
- Analyzed the report on "Risk Based Capital Adequacy", Solo & Consolidated return under Basel III framework as on December 31, 2021, March 31, 2022, June 30, 2022 and September 30, 2022.
- Reviewed the report on "Disclosure on risk based capital adequacy" under Market discipline (Basel III-Pillar 3) as on December 31, 2021.
- Reviewed the Non-Performing Loan (NPL) management and its present implementation status.
- Reviewed and analyzed the Capital Growth Plan of the bank from 2022 to 2026.
- Reviewed and Analyzed on "Monetary Policy Statement for FY 2022-23".
- Reviewed 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, 2022; April to June, 2022; July to September 2022 and October 2022.
- Reviewed the Minutes of Sustainable Finance Committee from January to March, 2022; April to June, 2022; July to September 2022 and October 2022.
- Reviewed the Minutes of Management Reporting System Committee from January to March, 2022; April to June, 2022 and July to September 2022.
- Reviewed the Minutes of Ethical Committee for Implementation of Integrity Strategy from January to June, 2022 and July to September, 2022.

The Bank's Risk Management organogram be in the following model as per Bangladesh Bank DOS Circular letter no. 04 dated 08 October 2018:



Reporting of the Risk Management Committee

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

Reporting to the Board

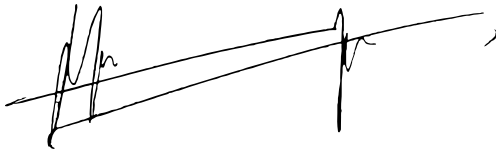
The decisions and recommendations of the Risk Management Committee were submitted before the Board of Directors and the Board closely reviewed and ratified them.

Minutes of the Risk Management Committee to Bangladesh Bank

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

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

On behalf of the Risk Management Committee,



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

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 sallallahu `alaihi wa-sallam, the emancipator of mankind.

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

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

During the year 2022 Pubali Bank Shari`ah Supervisory Committee met in 3 (three) meetings and reviewed different operational issues of Islamic Banking including those referred to it by the Board and the Management of the Bank and provided necessary guidelines in the light of Shari`ah. The important issues attended by the Shari`ah Supervisory Committee during 2022 are as follows:

1. Consideration of Shari`ah Audit Reports of 2021 (Phase-4) and 2022 (Phase- 1 and 2) of Islamic Banking Windows and observations thereon.
2. Approval of Annual Report of the Shari`ah Supervisory Committee for the year 2021 on Islamic Banking operations of the Bank.
3. Shar`ee approval of investment mode "Bai`-Muajjal against Deposit Instruments/Accounts" and "HPSM against Deposit Instruments/Accounts".
4. Policy approval for adjustment of "Expenditure A/C: Cost of Fund" by the compensation amount realized over the overdue period of Investment A/Cs under Bai`-Mechanism.
5. Approval of "Pubali Bank Islamic Banking Guidelines & Operational Manual".
6. Reviewing implementation status of decisions taken by Shari`ah Supervisory Committee.
7. Analyzing business positions of Islamic Banking Windows.

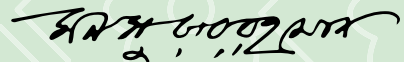
The Shari`ah Supervisory Committee is entrusted with playing the role of Shari`ah watchdog for total activities of Pubali Bank Islamic Banking through the Shari`ah Secretariat of the Bank and to form their independent opinions based on findings of Shari`ah Audits. During the year 2022 the Committee focused on the following points in respect of commitment to the principles of Islamic Shari`ah:

- a. Ensuring actual buy-sale in Bai`-Muajjal and MPI deals, and in case of HPSM the transaction must be backed by asset. The committee opined that without asset or goods or services, neither Bai`-Muajjal/MPI nor HPSM can be valid; money to money is a Financial Transaction, not real economic transaction. Any gain from this type of Financial Transaction is RIBA (Interest).
- b. The committee opined that the defaulting debtors in difficulty must not be fined or punished. Because the amount of fine is to be channeled to charity. Not unlikely, the debtor under punishment himself is eligible to receive charity (Sadaqah).
- c. The Committee expressed optimism that the new business endeavor of "Pubali Online Islamic Banking Services (POIBS)" will draw huge response from the pious mass people of the country.

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.



Dewan Jamil Masud
Secretary



Professor M. Mansurur Rahman
Chairman

COMPLIANCE WITH BANGLADESH BANK'S GUIDELINES ON CORPORATE GOVERNANCE

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

SL.	PARTICULARS	COMPLIANCE STATUS
1	Formation of BoD: Prior approval from BB to be taken before appointment/reappointment of new Directors, as well as dismissal, termination or removal of any Director from the post. Qualification and competency of Directors, maximum number of Directors of the Board, appointment of independent Directors, appointment of maximum 02 (two) members from a family as Director.	Complied
1.1	Appointment of New Directors: Every bank company, other than specialized banks, at the time of taking prior approval from BB while appointing/reappointing Directors should furnish the following information along with the application:	
	a. Personal information of the nominated person	Complied
	b. Declaration of nominated person	Complied
	c. Declaration for confidentiality by the nominated person	Complied
	d. In case of independent director, the approval letter from BSEC	Complied
	e. In case of ID, a declaration of the directors concern	Complied
	f. CIB report of the nominated person	Complied
	g. Updated list of Directors	Complied
1.2	Vacation of office wof a Director	
(a)	The office of a Director shall be vacated as per instruction provided in the provision of Section 108(1) of Companies Act 1994. Besides, becoming defaulter and does not repay the loan within two months after getting notice as per provision of Section 17 of Bank Companies Act 1991, providing false declaration at the time of appointment or failing to fulfil the minimum eligibility criteria as a Director.	No such case
(b)	If the office of a Director is vacated by notice as per Section 17 of Bank Companies Act 1991, s/he will not be eligible to become Director of that bank company or any other bank company or financial institutions within one year from the date of repayment of the total dues to the bank. The dues can be adjusted with the shares held by the Director in that bank company and he/she cannot transfer his/her shares of that bank company until he repays his/her all the liabilities of that bank company or financial institutions.	No such incident
(c)	BB can remove Directors or Chairman of a bank company other than the state-owned banks for doing any activity that is detrimental to the interest of the banks depositors or against the public interest under Section 46 and can supersede the Board of a bank company under Section 47 of Bank Companies Act 1991.	No such instance as yet
1.3	Removal of Directors from office: 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 BB's approval.	No such instance as yet
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:	
(a)	Bank has to collect and properly maintain the documentary evidences relating to departure and arrival of the original director while traveling abroad. If there is any exception, the CEO should immediately inform it to BB.	No such case
(b)	The copy of the decision of the BoD regarding appointment of alternate director, with original director's probable returning date from abroad should be sent to BB within 7 days of taking the decision and the director's arrival date must be intimated to BB immediately after his/her return.	Do
(c)	Any loan defaulter or any person who is not eligible to become a director as per any relevant guiding rules and regulations will not be appointed as an alternate director.	Do
(d)	As an alternate director is appointed temporarily; therefore, he/she will not be included in any kind of committee constituted by the BoD.	Do
(e)	The alternate director or his/her affiliated organization will not get any kind of loan facilities from the bank. In case of previous loan, enhancement of limit or extension of time period or any kind 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.	Do
2	Director from Depositors: As per Bank Companies Act 1991 (amended in 2013) appointment of Directors from depositors is no longer required. But, in compliance with the provision of section 15(9) of Bank Companies Act 1991 (amended up to 2013), bank company may consider the tenure of existing Directors from depositors or may appoint them as the Independent Director of the company.	No such Depositor Director in Pubali Bank Limited
3	Information regarding Directors: Banks are advised to take the following steps regarding directors information:	
(a)	Every bank should keep an updated list of bank directors.	Complied
(b)	Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director.	Complied

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

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

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

SL.	PARTICULARS	COMPLIANCE STATUS
A	Rules and regulations for appointment of the CEO	
1	<p>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:</p> <p>a) He has not been convicted by any Criminal Court of Law.</p> <p>b) He has not been punished for violating any rules, regulations or procedures/ norms set by any controlling authority.</p> <p>c) He was not associated with any such company/organization; registration or license of which has been cancelled.</p>	Complied
2	<p>Experience and Suitability</p> <p>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.</p> <p>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.</p> <p>c) In respect of service, the concerned person should have excellent record of performance.</p> <p>d) Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/official of any company.</p> <p>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.</p>	Complied
3	<p>Transparency and financial integrity: Before making appointment as a CEO, satisfaction should be ensured to the effects that:</p> <p>a) The concerned person was not involved in any illegal activity while performing duties in his own or banking profession.</p> <p>b) He has not suspended payment to creditors or has not compromised with his creditors to be relieved from debts or he is not a loan defaulter.</p> <p>c) He is not a tax defaulter.</p> <p>d) He has never been adjudicated an insolvent.</p>	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	<p>Guidelines in fixing the salary and allowances: Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting such proposal to BB:</p> <p>a) In fixing the salary and allowances of the CEO, financial condition, scope of operation, business-volume and earning capacity of the bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer banks shall have to be taken into consideration.</p> <p>b) Total salary shall be comprised of direct salary covering 'Basic Pay' and 'House Rent' and allowances as 'Others'. The allowances (e.g., provident fund, utility bill, leave-fare assistance) in 'Others' head should be specified in amount/ceiling. Besides, other facilities (e.g., car, fuel, driver etc.), as far as possible, shall have to be monetized and thus determining monthly total salary, it shall have to be mentioned in the proposal submitted to BB. In the proposal, Basic Pay, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount.</p> <p>c) Without improving the bank's major economic indicator like- CAMELS, annual salary increment will not be payable.</p> <p>d) Terms of salary-allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the job performance of the incumbent CEO.</p> <p>e) The CEO so appointed shall not get any other direct or indirect facilities (e.g., dividend, commission, club expense etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above.</p> <p>f) The bank shall not pay any income tax for the CEO, i.e., the CEO so appointed shall have to pay it.</p>	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
9	Evaluation Report: For reappointment of the CEO, the Chairman of the bank shall have to submit a Board approved evaluation report to BB.	Complied
10	Prior Approval from Bangladesh Bank: Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of Bank Companies Act 1991 (amended up to 2013). For processing such approval, along with the proposal signed by the Chairman of the BoD, the selected person's complete resume, offer letter (mentioning the direct & indirect remuneration and facilities) and copy of Board's approval must be submitted to BB. The selected person must also submit declarations as per Annexure ka & Annexure kha to BB.	Complied
11	Decision of Bangladesh Bank is final: The decision of BB regarding appointment of the CEO will be treated as final and the CEO such appointed cannot be dismissed, released or removed from his/her office without prior approval from BB.	Complied

SL.	PARTICULARS	COMPLIANCE STATUS
B	Duties & Responsibilities of the CEO: The CEO of the bank, whatever name called, shall discharge the responsibilities and exercise the authorities as follows:	
	a) In terms of the financial, business and administrative authorities vested upon him by the BoD, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.	Complied
	b) The CEO shall ensure compliance of the Bank Companies Act 1991 and other relevant laws and regulations in discharging of routine functions of the bank.	Complied
	c) The CEO must point out if there is any violation from Bank Companies Act 1991 and/or other relevant laws and regulations at the time of memo presentation.	Complied
	d) The CEO shall report to Bangladesh Bank of any violation of the Bank Companies Act 1991 or of other laws/regulations.	Complied
	e) The recruitment and promotion of all staffs of the bank except those in the two tiers below him/her shall rest on the CEO. He/she shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and sanctioned strength of employees as approved by the BoD.	Complied
	f) 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

Bangladesh Bank Guidelines for Corporate Governance: Our Status of Compliance with BRPD Circular Letter No. 19 dated 27 October 2013: Contractual appointment of Advisor and Consultant.

SL.	PARTICULARS	COMPLIANCE STATUS
A	Rules and regulations for appointment of an Advisor	
1	Experience and Suitability: For appointment as advisor, the concerned person will have to fulfill the following requirements with regard to experience and qualifications: a) Experience in Banking or Administration for at least 15 (fifteen) years or have a long experience in social activities. b) Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person. c) Satisfaction should be ensured that the concerned person was not dismissed from his service when he was Chairman/ Director/ Executive of any company. d) The person who is working in any bank or financial institution or who has business interest in that bank will not be eligible for appointment to the post of Advisor. e) Satisfaction should be ensured that the concerned person is not a loan defaulter or tax defaulter and has never been adjudicated a bankrupt by the Court.	No such advisor at present in PBL
	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 such advisor at present in PBL
	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 such advisor at present in PBL
	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 such advisor at present in PBL
	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 such advisor at present in PBL
	Appointment of Ex-executive: For ensuring good governance, any former Director, CEO or any other Executive below 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.	No such advisor at present in PBL
B	Rules and regulations for appointment of a Consultant	No such Consultant in Pubali Bank Limited
1 to 6	Terms of reference of Consultant, Responsibilities of a Consultant, Appointment of a Consultant, Tenure of a Consultant, Remuneration/honorarium of a Consultant, Appointment of Ex-executive as Consultant.	N/A

BSEC CHECKLIST ON CORPORATE GOVERNANCE

Status of Compliance with the Corporate Governance Code

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

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRC/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 Limited is composed of 15 Directors including Managing Director.
1(2)	Independent Directors			
1.2(a)	Independent Director: At least 1/5 th of the total members of the Board.	✓		Pubali Bank has 2 Independent Directors.
1.2(b)	For the purpose of this clause "independent director" means a director:			
1.2 (b)(i)	Independent Directors do not hold any share or hold less than one percent (1%) shares of the total paid up capital.	✓		Independent Directors have declared their compliances.
1.2 (b)(ii)	Independent Directors are not connected with the company's Sponsor or Director or Shareholder who holds 1% or more shares.	✓		Do
1.2 (b)(iii)	Independent Director has not been an executive of the Bank in immediately preceding two financial years.	✓		Do
1.2 (b)(iv)	Independent Directors do not have any other relationship, whether pecuniary or otherwise, with the company or its Subsidiary/Associated Companies.	✓		Do
1.2 (b)(v)	Independent Director is not a member or TREC holder, director or officer of any stock exchange.	✓		Do
1.2 (b)(vi)	Independent Director is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		Do
1.2 (b)(vii)	Independent Director is/was not a partner or an executive of company's audit firms engaged in Statutory Audit or Internal Audit or Special Audit or Compliance Certification of this Code during preceding three years.	✓		Do
1.2 (b)(viii)	Independent Director shall not be independent director in more than five listed companies.	✓		Do
1.2 (b)(ix)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a NBFI.	✓		Do
1.2(b)(x)	Independent Director has not been convicted for a criminal offence involving moral turpitude.	✓		Do
1.2(c)	Appointment of Independent Director shall be done by the Board and approved by the shareholder in the AGM;	✓		Do

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT ✓ IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		COMPLIED	NOT COMPLIED	
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 Independent Directorship after completion of 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)	ID is a Business Leader who is/was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or			Not Applicable
1.3(b)(ii)	ID is a Corporate Leader or was a top level executive as adopted by the code or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or			Not Applicable
1.3(b)(iii)	Independent Director is a Former official of government or statutory or autonomous or regulatory body in the position not below 5 th Grade of the national pay scale and has at least educational background of bachelor degree in economics or commerce or business or law; 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;	✓		One ID is an Advocate; Supreme Court of Bangladesh
1.3(c)	The ID shall have at least Ten years of experiences in any field mentioned in clause (b)	✓		
1.3(d)	Special cases for relaxing qualifications or experiences with prior approval of the Commission;			No such cases arose
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1.4(a)	Chairperson of the Board and the Managing Director and/or CEO of the Bank shall be filled by different individuals	✓		Mr. Monzurur Rahman, Chairman Mr. Mohammad Ali, MD & CEO
1.4(b)	Managing Director and/or Chief Executive Officer of a Bank shall not hold the same position in another listed company or Bank.	✓		

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT ✓ IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		COMPLIED	NOT COMPLIED	
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.11; dated 27 Oct 2013
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.	✓		
1.5(ii)	Segment-wise or product-wise performance.	✓		
1.5(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any.	✓		
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable.	✓		
1.5(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss).			No such Extra-Ordinary gain or loss occurred in this Financial Year.
1.5(vi)	A detailed discussion and statement on related party Transactions.	✓		
1.5(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments.			Not applicable as no such events has occurred during the year 2022.
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.			Not applicable as no such events has occurred during the year 2022.
1.5(ix)	An explanation on any significant variance between Quarterly Financial performances and Annual Financial Statements.	✓		
1.5(x)	A statement of Directors remuneration.	✓		
1.5(xi)	A statement on fair preparation of the financial statements by the management of the Bank.	✓		
1.5(xii)	A statement that proper books of account of the Bank have been maintained.	✓		
1.5(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		
1.5(xiv)	IAS / BAS / IFRS / BFRS, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed	✓		
1.5(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1.5(xvi)	Statement with regard to the protection of minority shareholders from abusive actions of controlling shareholders.	✓		
1.5(xvii)	A statement that there is no significant doubt upon the Bank's ability to continue as a going concern.	✓		
1.5(xviii)	An explanation that significant deviations from the last year's operating results of the Bank shall be highlighted and the reasons thereof shall be explained.	✓		
1.5(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT ✓ IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		COMPLIED	NOT COMPLIED	
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.	✓		
1.5(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the bank.	✓		
1.5(xxv)(g)	Future plan or projection or forecast for bank's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM.	✓		
1.5(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A of CG Code.	✓		
1.5(xxvii)	The report and compliance certificate shall be disclosed as per Annexure-B and Annexure-C of CG Code.	✓		
1(6)	Conducting Board meetings, recording the minutes of the meetings and keeping required books and records in line with the provisions of the relevant BSS as adopted by the ICSB.	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT ✓ IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		COMPLIED	NOT COMPLIED	
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.			The bank has a Code of Conduct. NRC formed but contradict with the Bangladesh Bank BRPD Circular No.11 dated 27 October 2013 (Ref: 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.	✓		Do
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	✓		Do
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).			No such incident occurred.
3(2)	The MD or CEO, CS, CFO and HIAC of the bank shall attend the meetings of the Board.	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	They shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief.	✓		
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	✓		Stated in the certificate of Due Diligence by CEO and CFO.
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		
3(3)(b)	They shall certify that there are to the best of knowledge and belief no transactions entered into by the bank during the year which are fraudulent, illegal or violation of the bank's code of conduct.	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee			

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT ✓ IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		COMPLIED	NOT COMPLIED	
4(i)	Audit Committee of the BoD	✓		The Audit Committee consists of 5 Non-Executive Directors of which 2 are independent Directors including the Chairman of the Committee.
4(ii)	Nomination and Remuneration Committee of the BoD			Not in practice
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.	✓		In Practice
5(2)(b)	Constitution of Audit Committee with the non-executive Board Members including one Independent Director.	✓		Do
5(2)(c)	All members of the Audit Committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management experience and 10 (ten) years of such experience.	✓		
5(2)(d)	Filling of Casual Vacancy in the Audit Committee.			No such Instance
5(2)(e)	The Company Secretary shall act as the Secretary of the Committee.	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)	Chairman of the Audit Committee			
5(3)(a)	Chairman of the Audit Committee shall be an Independent Director.	✓		
5(3)(b)	In absence of regular Chairperson of BAC in a particular meeting the remaining members may elect a Chairman of that meeting and the reasons of such absence of regular Chairperson shall be duly recorded in the minutes.			No such Instance
5(3)(c)	Chairman of Audit Committee shall present in the Annual General Meeting (AGM).	✓		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	✓		In Practice, 13 meetings conducted
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.	✓		In Practice
5(5)(b)	Monitor choice of accounting policies and principles.	✓		Do
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced.	✓		Do
5(5)(d)	Oversee hiring and performance of external auditors.	✓		Do

BSEC Checklist

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT ✓ IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		COMPLIED	NOT COMPLIED	
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.	✓		
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.			No such instance
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements.	-		Do
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-		Do
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.	-		Do
5(6)(b)	Reporting to the Authorities Reporting of anything having material impact on the financial condition and results of operation to the Commission, (if ignored by the Board).	-		No such instance
5(7)	Reporting to the Shareholders and General Investors: Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii) shall be disclosed in the Annual Report.	✓		
6	Nomination and Remuneration Committee (NRC): NRC has already been formed in accordance to CG Code. But the activities of NRC is halted as per instruction of Bangladesh Bank.			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The Bank shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board.	-		Not in practice
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

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT ✓ IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		COMPLIED	NOT COMPLIED	
6(1)(c)	ToR of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	-		Do
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director.	-		Do
6(2)(b)	All members of the Committee shall be non-executive directors.	-		Do
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board.	-		Do
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee	-		Do
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee.	-		Do
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee.	-		Do
6(2)(g)	The company secretary shall act as the secretary of the Committee.	-		Do
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director.	-		Do
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the bank.	-		Do
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director.	-		Do
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	-		Do
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	-		Do
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.	-		Do
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC.	-		Do
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h).	-		Do
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-		Do
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders.	-		Not in practice
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	-		Do

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT ✓ IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		COMPLIED	NOT COMPLIED	
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.	✓		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		
7(1)(iv)	Broker-dealer services.	✓		
7(1)(v)	Actuarial services.	✓		
7(1)(vi)	Internal audit services or special audit services.	✓		
7(1)(vii)	Any service that the Audit Committee determines.	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the bank they audit at least during the tenure of their audit assignment of that bank; his or her family members also shall not hold any shares in the said bank.	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	Maintaining a website by the Bank			
8(1)	The bank shall have an official website linked with the website of the stock exchange.	✓		In practice
8(2)	The bank shall keep the website functional from the date of listing.	✓		
8(3)	The bank shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		

CONDITION NO.	TITLE	COMPLIANCE STATUS (PUT ✓ IN THE APPROPRIATE COLUMN)		REMARKS (IF ANY)
		COMPLIED	NOT COMPLIED	
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.	✓		In practice
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9(3)	The directors of the bank shall state, in accordance with the Annexure-C attached with CG Code, in the directors' report whether the bank has complied with these conditions or not.	✓		





- Sector 1
- Sector 2
- Sector 3
- Sector 4
- Sector 5
- Sector 6
- Sector 7



INTEGRATED REPORTING FRAMEWORK

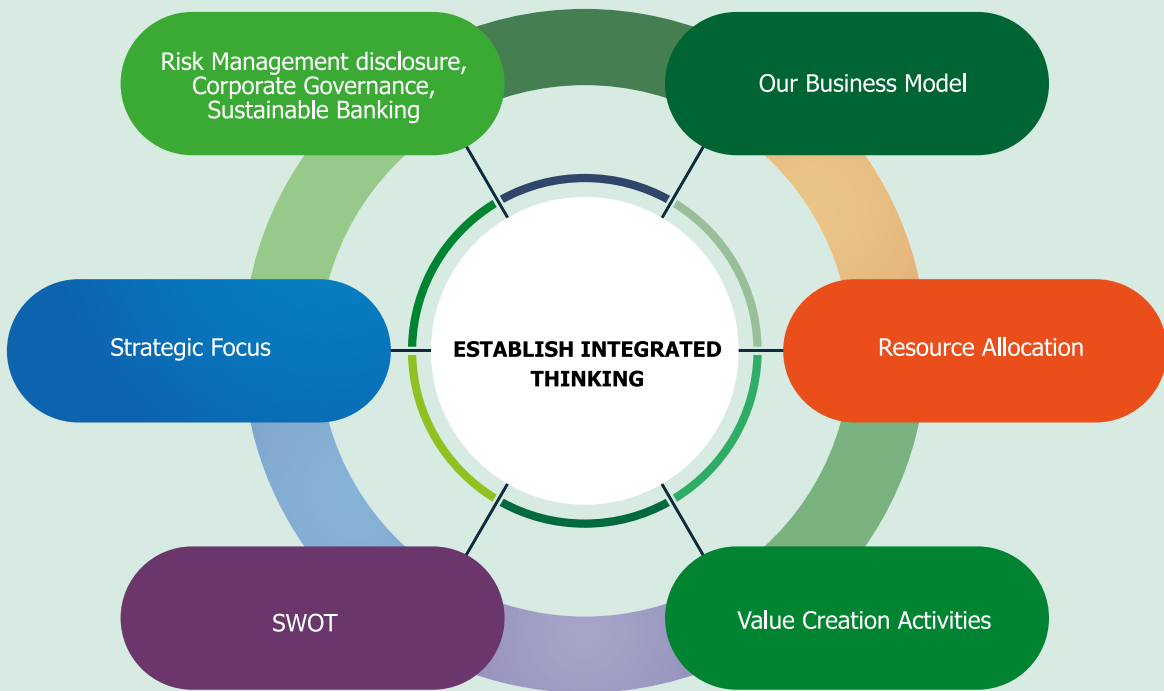
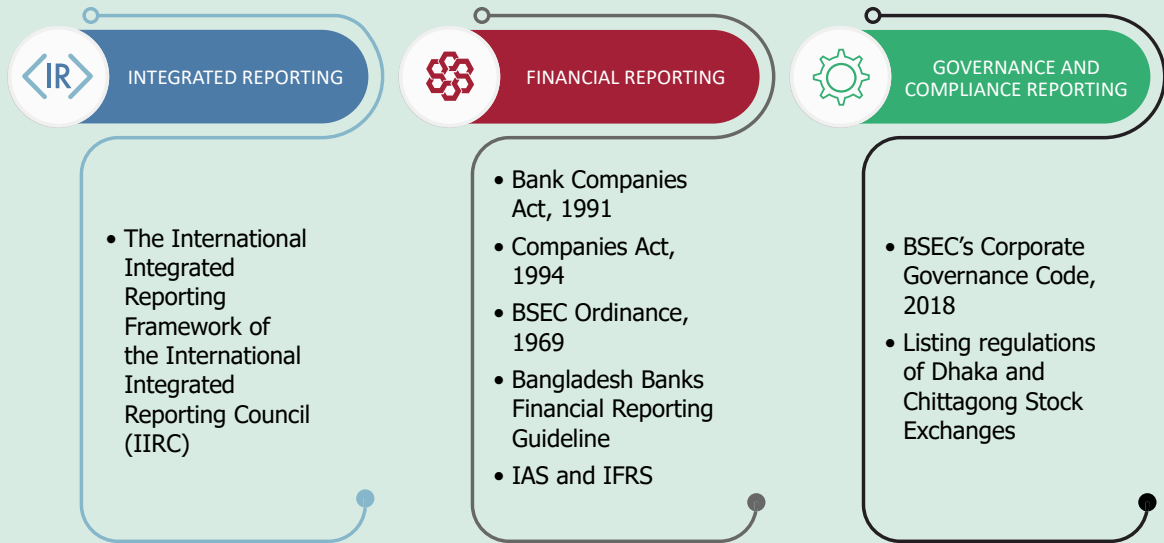
INTEGRATED REPORTING

Welcome to Pubali Bank’s annual integrated report 2022. This report covers the 12-month period - 1 January to 31 December 2022 and is consistent with our annual reporting cycle for financial reporting. This report communicates the relationships and interdependence of many aspects of our business-such as strategy, governance, performance and prospects-in

the context of creating value over time.

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

OUR REPORTING FRAMEWORKS



Our Material Matters

We view the materiality determination process as a toll that facilitates integrated thinking and, as such apply the principles of materiality in assessing what information is to be included in our integrated report. This ensures that we focused on the major material matters that met the

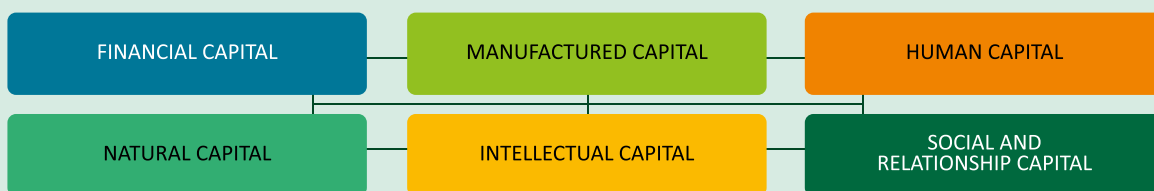
interests and expectations of different stakeholders. This report also focused on those issues, opportunities and challenges that impacted materially on Pubali Bank and its ability to be a sustainable business that consistently delivers value to our valued stakeholders over the short, medium and long run.



EXTERNAL ASSURANCE

FINANCIAL STATEMENT AUDIT REPORT M/s. MABS & J partners & M/s. A.Qasem & Co.	RISK MANAGEMENT ASSURANCE Bangladesh Bank
GRATUITY FUND FINANCIAL AUDIT M/s. Haque Shah Alam Mansur & Co.	CASH INCENTIVE M/s. MABS & J partners & M/s. A.Qasem & Co.
PROVIDENT FUND FINANCIAL AUDIT M/s. G. Kibria & Co.	CORPORATE GOVERNANCE M/s. Mohammad Sanaullah & Associates
CREDIT RATING Credit Rating Information Services Limited (CRISL)	LEGAL ADVISOR Dr. Kamal Hossain & Associates
TAX CONSULTANT M/s. S.F Ahmed & Co.	

OUR SIX CAPITALS INCLUDE



Responsibility over the Integrity of the Integrated Report

The Board and the Management have ensured that this report has been presented in line with the International Reporting Framework published by the International Integrated Reporting Council (IIRC). The Board and the Management of the bank further ensured that necessary care has been given in the

preparation and the presentation of this Integrated Report that reflects the fair presentation of the bank's overall performance.

Please help save the environment

Please help us to reduce bank's carbon footprint by reading this report online on www.pubalibangla.com

VALUE CREATION ACTIVITIES

Pubali Bank Ltd., the largest private commercial bank of Bangladesh was listed in Dhaka Stock Exchange and Chittagong Stock Exchange. The bank's market capitalization in the DSE and CSE stood at Tk 2704.41 crore and Tk 2673.56 crore respectively as on 31st December, 2022. General Public shareholding in the market stood 40.64%, while Directors and institutional shareholding in the market stood simultaneously 31.50% and 27.86%. Most of the employees of the bank are young and energetic and are highly committed to render services to our valued customers. The employees are the ambassador of our bank who are directly engaged in selling the products and services to our valued customers and as well as to win the trust and goodwill of our customers, which has been reflected in the tremendous growth that has been achieved in the year of 2022. At Pubali Bank, we are focused on 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 our key pillars:

Become a dependable financial partner

Since its inception, the bank is highly committed to be a trusted and dependable partner that meets versatile demands of its customers.

Become a people's Bank

Since 1959, the bank has made its position among the mass common people. The bank is aimed to be a leading retail and commercial service provider in Bangladesh.

Become more embedded as a development partner of the nation

Our bank is always ready to help our government as a development partner to meet its socio-economic goals and aspirations especially in implementation

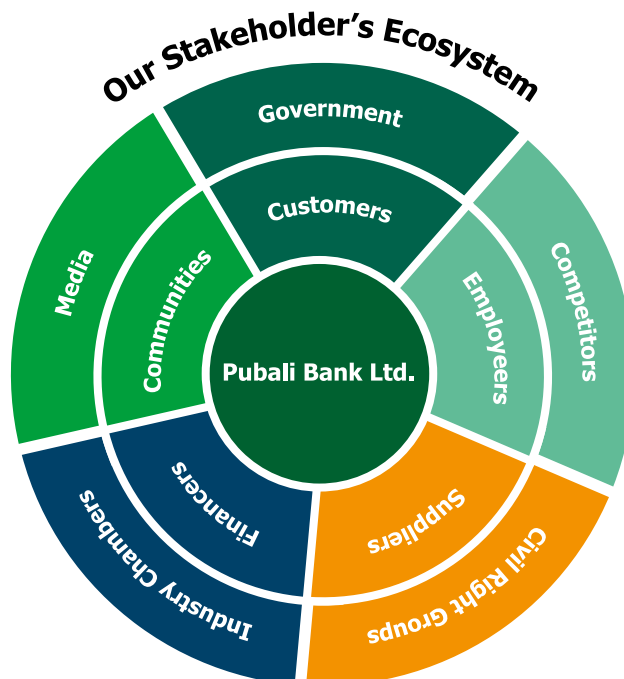
of government stimulus packages, collection and disbursement of remittances and so on.

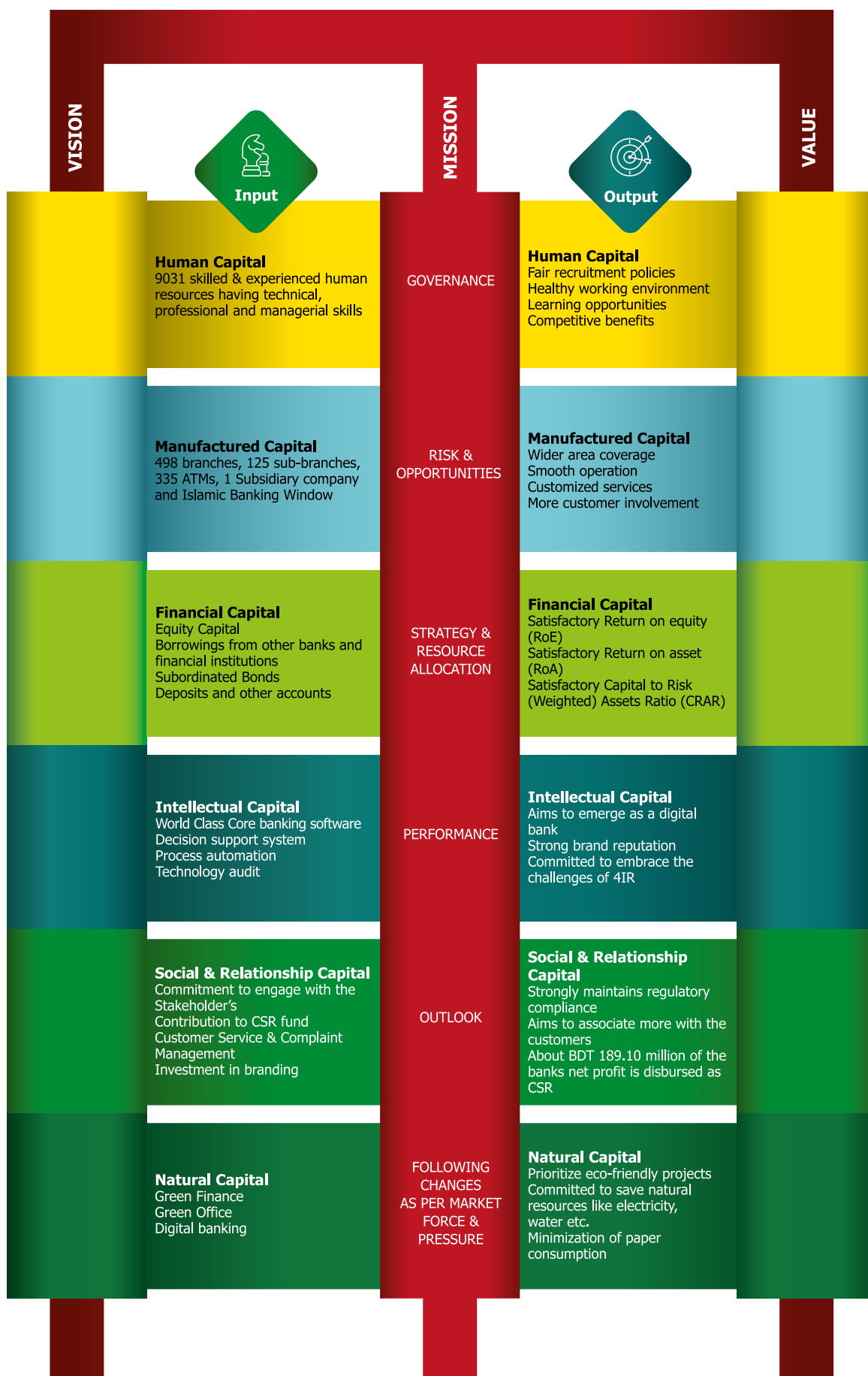
Become the digital bank of choice

Our bank has rightly realized the importance of Fourth Industrial Revolution and thus continuously reshaping the relevant infrastructure of the bank

Become an innovations-centric institution

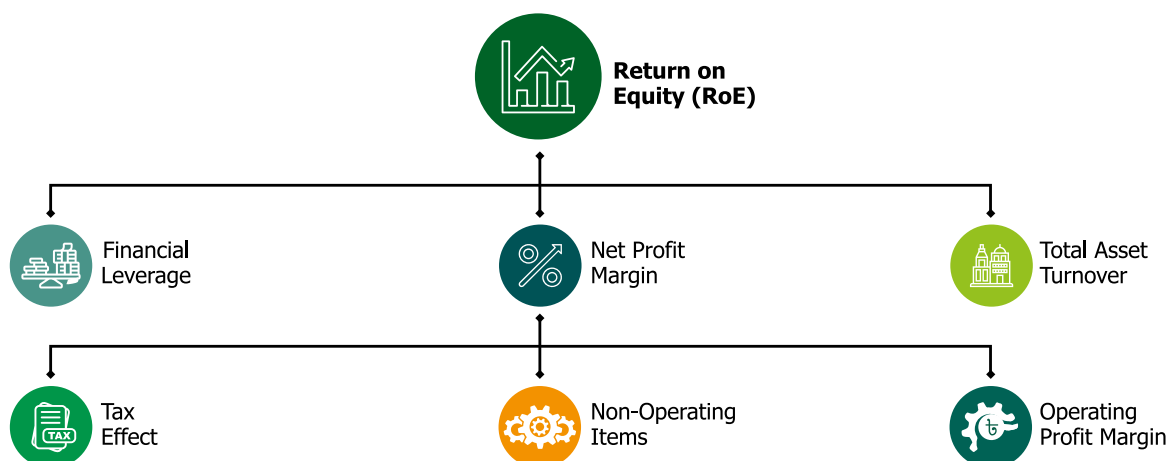
Our bank is doing business in Bangladesh for the last 64 years and has vast experience in this banking arena. As a result, this bank can understand the pulse of the customers easily, hence always conducts market analysis to collect information as well as re-fixes the interest rate of different products and services.





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	2022	2021	2020
Return on Equity (RoE)	12.53%	9.82%	9.46%
Net Profit Margin	10.99%	9.29%	9.61%
CONTRIBUTION ON NET PROFIT MARGIN			
a) Operating Profit Margin	23.41%	22.47%	21.95%
b) Non-Operating Items	-5.83%	-10.10%	-6.88%
c) Tax Effect	-6.59%	-3.08%	-5.46%
Asset Turnover (times)	0.07	0.07	0.07
Financial Leverage (times)	16.78	15.84	14.59

Pubali Bank's DuPont Analysis 2022

- The Operating Profit margin of our bank increased to 23.41 % compared to that of 22.47% in 2021.
- Effects of Non-Operating items include the loss and other provision which decreased to (5.83%) from (10.10%) in 2021.
- Tax effect increased to (6.59%) from (3.08%) in 2021.
- The combined effects of these three perimeters resulted in increase of net profit margin to 10.99% in 2022 from 9.29% of 2021.
- The financial leverage of our bank slightly increased to 16.78 from last year's 15.18.

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

P POLITICAL	
Pubali Bank's focus areas	
Continuous assessment of the political environment	
Implements the stimulus packages announced by the government	
Formulates strategy by assessing the current and future environment	
Reports promptly to the Bangladesh Election Commission on demand regarding bank defaulters	
The Bank goes for litigation against any defaulter irrespective of political and social identity	
Impact on Industry	
Government Policy	Political stability
Tax policy	Foreign Trade Policy
Trade restrictions	Tariffs
Bureaucracy	Government investment
Major Outcomes	
Zero tolerance regarding any regulatory misalignments	

E ECONOMICAL	
Pubali Bank's focus areas	
Dynamic lending approach	
Drives to reduce NPLs	
Employment creation	
Inclusive and sustainable economic growth	
Strong distribution network for facilitating deposit mobilization	
Focus on investment diversification	
More emphasis on Corporate and SME loan simultaneously	
Impact on Industry	
Economic growth rates	Interest rates
Exchange rates	Inflation rates
Disposable income	Unemployment rates
Major Outcomes	
Dedicated Human Resources	

S O C I A L	
Pubali Bank's focus areas	
Our bank offers innovative products and services as per the demand of the customers	
Contributes the society by creating new job opportunity	
Appoints employees irrespective of gender discrimination	
About BDT 189.10 million of the banks net profit is disbursed as CSR	
Impact on Industry	
Cultural aspects & Perceptions	Lifestyle attitudes
Population growth rates	Religious belief
Income distribution	Social norms
Health consciousness	Consumer behavior
Career attitude	Age distribution
Major Outcomes	
Social development by creating new entrepreneurs	

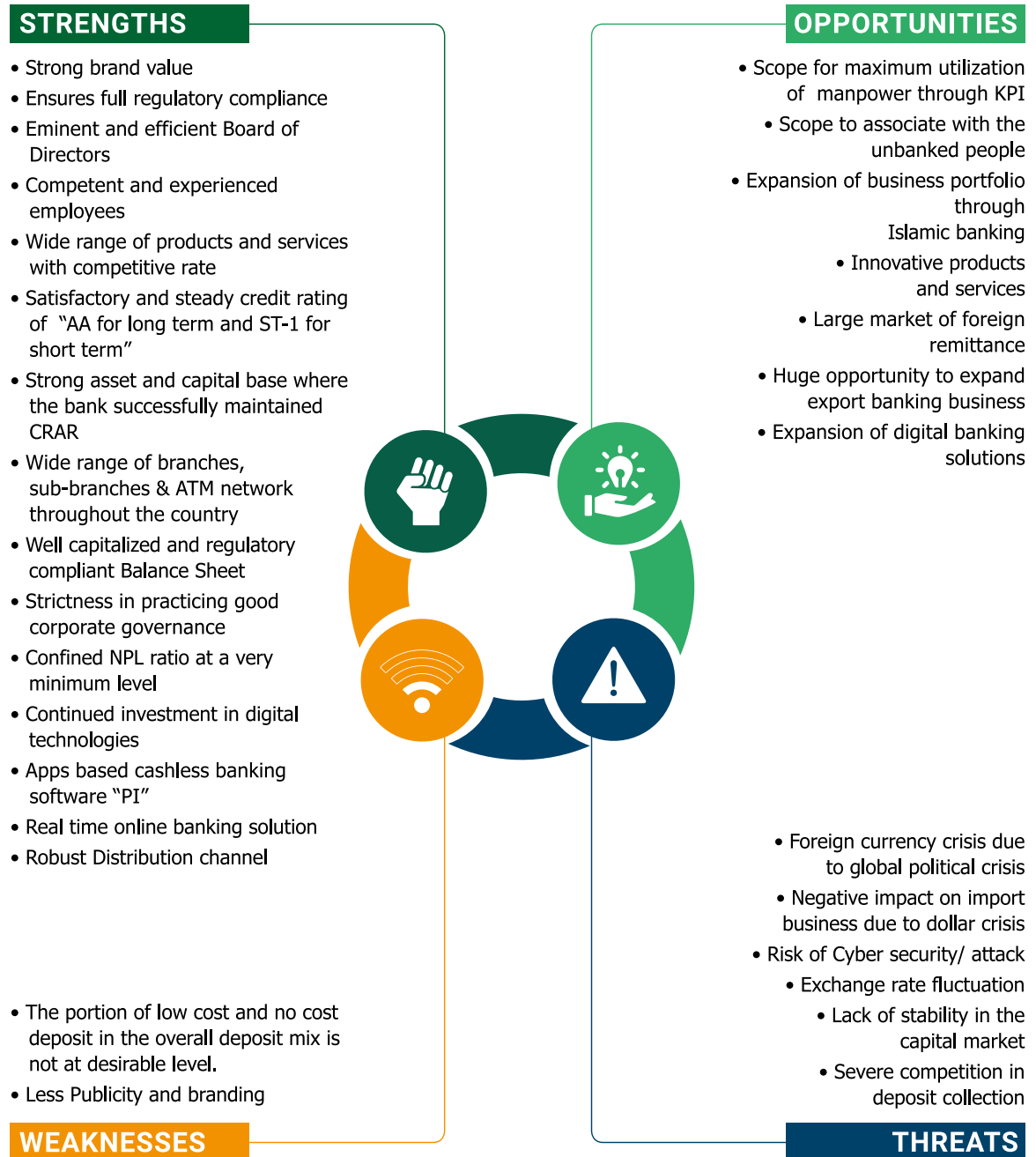
T E C H N O L O G I C A L	
Pubali Bank's focus areas	
Our bank provides the largest real time centralized online banking network	
Aims to introduce and implement the world's latest technology in our bank	
Renders cashless banking services through Pi banking apps	
Focus on digitalizing products, services & processes	
Impact on Industry	
Research & Development activities	Technological advancement
Automation	Threat from fintech and other competitors
Major Outcomes	
Digitalization across the Bank	

E N V I R O N M E N T A L	
Pubali Bank's focus areas	
Our bank has already developed Green Banking policy, Environmental & Social Risk Management Guideline as well as CSR policy	
Head office and branches are advised to take initiatives to reduce electricity consumption	
Encourages in environment friendly investment	
Emphasize more on reducing paper use in the desk work	
Impact on Industry	
Climate Change	Waste Management
Natural disaster	Temperature
Pollution	Green building projects
Sustainable Finance Regulation	
Major Outcomes	
Sustainable and Green Economy	

L	LEGAL
Pubali Bank's focus areas	
The banking industry is regulated under the bank Company Act, 1991 (amended up to 2018) guided by the circulars and guidelines of Bangladesh Bank, the listing regulations and securities laws of BSEC	
The Companies Act, 1994, Income Tax Ordinance and Rules, 1984, and Value Added Tax Act and Rules, 1991 are also mandatory for a bank	
Impact on Industry	
Compliance with the regulatory bodies; i.e. Bangladesh Bank, BSEC, DSE, CSE, FRC etc.	
Major Outcomes	
Emphasis on corporate governance practice	

SWOT ANALYSIS

Pubali Bank Ltd, the country's largest private commercial bank has a proven reputation among its stakeholders for its high quality products and services, productivity, sustainable financial growth, innovation and good governance. The bank has identified its strengths, weaknesses, opportunities and threats that raised collectively from its internal and external factors. The bank is endeavoring to strengthen its strengths to address its weakness and also exploring new opportunities to stave-off threats.



COMPETITIVE INTENSITY AND OUR STRATEGIC RESPONSES

Pubali Bank conducted a 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.

We fulfil our objectives through key trusts, including

DIGITAL INNOVATION | SERVICE EXCELLENCE | SUPERLATIVE CUSTOMER EXPERIENCE | PERSONALIZED SOLUTION

COMPETITIVE INTENSITY LEVEL

Threats of New Entrants	Fintech Companies	Existence of Bank/ Fis	Regulatory Guidelines Permitting New Entrances
Purchasing power of the domestic customers	Variation in customers demand & expectation	Versatility in product portfolio	Correlation between income and demand
Bargaining power of the suppliers	Shareholders Expectations	Stakeholders Expectations	Major corporate customers and high net-worth individuals
Intensity of the competitive rivalry	Existing & growing competitors	Differentiation in product and services	Relatively low customers loyalty

THREAT OF NEW ENTRANT

EXTERNAL FACTOR INFLUENCING BUYER POWER	PUBALI BANK'S RESPONSES AND FORWARD STRATEGY
Entrance of new banks and financial institutions may cause severe short term disruption in the economy	Our bank's has 64 years' glorious history in the banking arena. So it is not possible to establish such significant brand overnight
Almost all the banks and financial institutions are now focusing more on the retail and SME segments	Our bank is emphasizing more on tech and digital banking to maintain our competitive position. Meanwhile our bank's retail and SME segment are quite strong

BUYER POWER

EXTERNAL FACTOR INFLUENCING BUYER POWER	PUBALI BANK'S RESPONSES AND FORWARD STRATEGY
Presence of large number of banks and financial institutions	Our bank provides lucrative investment products at concessional rate
Presence of alternative delivery channel and other digital channels to select desired product and services	Upgradation of PI banking apps and inclusion to the NPBS

SUPPLIER POWER

EXTERNAL FACTOR INFLUENCING BUYER POWER	PUBALI BANK'S RESPONSES AND FORWARD STRATEGY
Depositors comprise the primary source of capital and are considered a major supplier group for the entire banking industry	Our bank focuses more on collecting low cost and no cost deposit
Grassroots suppliers have few bargaining power, while the giant suppliers have very strong bargaining power because of their portfolio size	Our bank conducts regular analysis to re-fix the interest rate of different product and services to attract the attraction of the customers

COMPETITIVE RIVALRY

EXTERNAL FACTOR 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	Our bank has already been able to make position among the customers because of reliability, trustworthiness and governance as well
Almost all the banks and FIs compete for the same customer	Our bank is committed to render unique customer service to retain and attract newer customers

THREAT OF SUBSTITUTE

EXTERNAL FACTOR INFLUENCING BUYER POWER	PUBALI BANK'S RESPONSES AND FORWARD STRATEGY
Modern Fintech services, like; Bkash, Nagad, Upay etc.	Our bank is working to upgrade the PI banking apps especially to make it more customer friendly
Competition from Non-Banking Financial institutions in providing attracting services	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

MANAGEMENT'S DISCUSSION AND ANALYSIS

1.0 Accounting Policies And Estimation For Preparation Of Financial Statements

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

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

1.1 Changes In Accounting Policies And Estimation

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

2.0 Comparative Analysis

2.1 Overview Of Financial Performance

BDT in million

	2022	2021	% Change	2020	2019	2018
Interest income	29,813.19	22,737.80	31.12%	22,716.88	26,060.65	23,987.74
Interest paid on deposits, borrowings, etc.	(23,240.59)	(21,900.92)	6.12%	(19,851.84)	(17,691.78)	(14,966.25)
Net Interest Income	6,572.60	836.88	685.37%	2,865.04	8,368.88	9,021.49
Investment income	13,740.36	15,671.21	-12.32%	12,707.36	7,131.92	5,193.01
Commission, exchange and brokerage	3,311.32	2,347.37	41.06%	1,598.06	1,751.56	1,865.96
Other operating income	1,570.42	1,269.34	23.72%	1,153.56	1,157.51	1,179.00
Operating Income	25,194.70	20,124.81	25.19%	18,324.03	18,409.88	17,259.46
Operating Expenses	13,857.19	10,681.35	29.73%	9,944.47	8,952.07	8,401.78
Operating Profit	11,337.51	9,443.46	20.06%	8,379.56	9,457.81	8,857.68
Provision for Loans, Advances, Investments and Other Assets	2,824.47	4,243.80	-33.44%	2,626.31	4,261.65	3,171.87
Total Profit/(Loss) before Taxes	8,513.04	5,199.66	63.72%	5,753.25	5,196.15	5,685.80
Total Provision for Taxes	3,191.27	1,295.11	146.41%	2,083.74	3,052.88	2,261.74
Net Profit/(Loss) after Taxes	5,321.77	3,904.55	36.30%	3,669.51	2,143.27	3,424.06

Net profit & Net Interest Income

Net profit for the year ended 31 December, 2022 stood at 5,321.77 million, as compared to the net profit of 3,904.55 million last year. Interest income increased by 31.12% from 22,737.80 million in 2021 to 29,813.19 million in 2022. Net interest income (NII) increased by 685.37% from 836.88 million in 2021 to 6,572.60 million in 2022, due to increase of loans & advances by 22.63% compare to last year loans & advances. Non-interest income consisting of investment income, commission, exchange and brokerage fee and other income. Investment income fall by 12.32% from 15,671.21 million in 2021 to 13,740.36 million in 2022. Whereas Commission, exchange and brokerage fee income also increased by by 41.06% from 2,347.37 million in 2021 to 3,311.32 million in 2022. Other operating income also increased by 23.72% from 1,269.34 million in 2021 to 1,570.42 million in 2022.

Operating Income

The operating Income of the Bank increased by 25.19% from 20,124.81 million in 2021 to 25,194.70 million in 2022. The core income streams (NII & Investment income) constituted 80.62% of the operating revenue, reflecting the stability of the Bank's earnings.

Operating expenses

Operating expenses rose 29.73% from 10,681.35 million in 2021 to 13,857.19 million in 2022 as salary expense, Rent, taxes, insurance, electricity, etc., Stationery, printing, advertisement etc and Depreciation of fixed assets increased. Salary expenses increased by 28.57%, Rent, taxes, insurance, electricity, etc. increased by 17.10%, Stationery, printing, advertisement etc. increased by 10.18%, Depreciation and repair of bank assets increased by 28.32% and other expenses increased by 39.69% in 2022.

Operating profit

During the year, Operating profit reported an increase of 20.06% over the previous year to 11,337.51 million due to recovery of interest income compared to 2021.

Provisions and contingencies

During 2022, the Bank created total provisions (excluding provisions for tax) of 2,824.47 million compared to 4,243.80 million last year.

BDT in million

	2022	2021	2020	2019	2018
Earnings per share (EPS) (in BDT)	5.18	3.80	3.57	2.10	3.43
Net asset value per share (NAVPS) (in BDT)	41.32	38.66	37.74	31.38	27.42
Return on assets (ROA) %	0.79%	0.65%	0.70%	0.45%	0.84%
Return on equity (ROE) %	12.53%	9.82%	9.46%	7.51%	12.51%
Operating Expense to operating income %	55.00%	53.08%	54.27%	48.63%	48.68%
Credit deposit ratio %	84.79%	77.58%	70.71%	76.15%	82.94%
Net profit per employee (in million)	0.59	0.49	0.45	0.26	0.45
Cost of fund %	6.77%	6.80%	7.09%	7.52%	7.97%

Basic Earnings Per Share (EPS) was BDT 5.18 compared to BDT 3.80 last year. Return on Equity (RoE) and Return on Assets (RoA) stood at 12.53% and 0.79% respectively. Book Value per Share increased BDT 41.32 from BDT 38.66 last year. Profit per Employee stood at 0.59 million. Credit Deposit (CD) ratio of the Bank as on 31 December, 2022 was at 84.79% and Cost of the fund of the Bank was 6.77%.

2.2 Balance Sheet Parameters

Assets

BDT in million

	2022	2021	% Change	2020	2019	2018
Cash	34,449.85	24,646.33	39.78%	24,146.44	25,902.99	23,056.85
Balance with Other Banks and Financial Institutions	9,810.26	21,481.97	-54.33%	18,580.80	13,086.55	15,579.62
Money at Call on Short Notice	838.99	241.99	246.71%	1,200.79	126.79	11.29
Investments	139,403.49	145,632.76	-4.28%	147,906.01	100,603.86	57,660.24
Government	116,634.18	125,104.79	-6.77%	126,428.03	79,473.54	37,761.95
Others	22,769.31	20,527.97	10.92%	21,477.98	21,130.32	19,898.29
Loans, Advances and Leases	461,884.13	376,656.43	22.63%	315,578.90	287,034.67	270,909.51
Fixed Assets including Premises, Furniture & Fixtures	6,495.54	6,082.42	6.79%	5,087.99	5,180.80	3,782.35
Other Assets	59,873.46	54,739.44	9.38%	52,966.284	46,139.18	38,743.86
Total Assets	712,755.71	629,481.34	13.23%	565,467.213	46,138.80	409,744.09

Advances

Total advances of the Bank as on 31 December, 2022 increased by 22.63% to 461,884.13 million from 376,656.43 million as on 31 December 2021, largely driven by growth in corporate loans and SME loans.

Investments

The investment portfolio of the Bank decreased by 4.28% to 139,403.49 million, of which investments in Government and approved securities, held mainly for SLR requirement, decreased by 6.77% to 116,634.18 million. Other investments, including corporate debt securities, increased by 10.92% to 22,769.31 million.

Liabilities and shareholder's funds

BDT in million

	2022	2021	% Change	2020	2019	2018
Borrowings From Other Banks, Financial Institutions & Agents	65,017.70	46,500.33	39.82%	17,486.80	16,970.35	17,152.36
Subordinated bonds	12,200.00	10,500.00	16.19%	11,500.00	9,000.00	5,000.00
Perpetual Bonds	5,000.00	2,800.00	78.57%	-	-	-
Deposits and Other Accounts	510,836.52	462,400.22	10.47%	429,343.02	359,418.89	308,899.77
Current accounts & other accounts	60,730.97	59,945.60	1.31%	49,702.53	41,003.94	38,111.22
Bills payable	14,271.04	13,829.75	3.19%	14,657.45	14,602.54	11,661.55
Savings bank deposits	118,927.12	115,249.02	3.19%	100,270.30	82,675.39	74,891.25
Term deposits	298,876.11	262,848.08	13.71%	255,315.07	213,476.82	177,726.67
Other deposits	18,031.27	10,527.77	71.27%	9,397.67	7,660.20	6,509.08
Other Liabilities	77,215.41	67,530.57	14.34%	67,894.21	60,413.89	51,314.86
Total Liabilities	670,269.62	589,731.12	13.66%	526,224.03	445,803.13	382,366.99
Capital / Shareholders' Equity						
Paid up capital	10,282.94	10,282.94	0.00%	10,282.94	10,282.94	9,983.44
Statutory reserve	10,283.00	10,283.00	0.00%	10,283.00	10,283.00	9,983.50
Retained earnings (general reserve)	18,040.40	14,426.73	25.05%	11807.134	8,724.07	4,458.71
Other reserves	3,879.75	4,757.54	-18.45%	6,870.11	2,981.70	2,951.45
Total Shareholders' Equity	42,486.09	39,750.22	6.88%	39243.183	32,271.71	27,377.10
Total Liabilities and Shareholders' Equity	712,755.71	629,481.34	13.23%	565,467.21	474,355.97	409,744.09

Deposits

The total deposits of the Bank increased by 10.47% to 510,836.52 million against 462,400.22 million last year. Savings Bank deposits reported a growth of 3.19% to 118,927.12 million, while Current Account deposits reported an increase of 1.31% to 60,730.97 million and Bills Payable reported an increase of 3.19% to 14,271.04 million.

The Bank continued to maintain its focus on low cost deposits. As on 31 December, 2022, Time deposit constituting 83.22% of total deposits and stood at 425,131.06 million and Demand deposit constituting 16.78% of total deposits and stood at 85,705.45 million.

Borrowings from other Bank, Financial Institutions

The total borrowings from other Bank, Financial Institutions of the Bank increased by 39.82% from 46,500.33 million in 2021 to 65,017.70 million in 2022.

Subordinated and Perpetual Bonds

Subordinated Bonds redeemed by BDT 1,800.00 million from BDT 10,500 million & newly subscribed 3rd Subordinated Bond for BDT 3,500.00 million out of issued BDT 7000.00 million during the year 2022 and the remaining perpetual bond for BDT 2,200.00 million fully subscribed during the year 2022 out of BDT 5000.00 million.

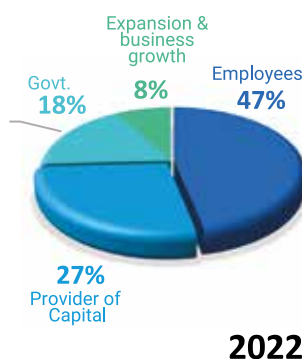
VALUE ADDED STATEMENT

for the year ended 31 December 2022

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

Figures in BDT

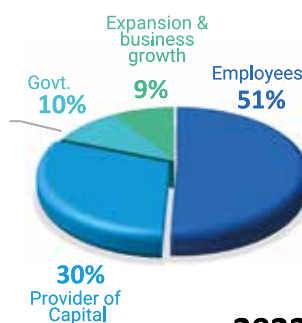
Particulars	2022		2021	
	Amount	%	Amount	%
Value added				
Net interest income	6,572,598,504	26.09	836,877,583	4.16
Commission, exchange and brokerage, etc.	3,311,320,514	13.14	2,347,374,875	11.66
Investment income	13,740,363,716	54.54	15,671,212,746	77.87
Other operating income	1,570,420,358	6.23	1,269,344,666	6.31
Sub-total (a)	25,194,703,092	100.00	20,124,809,870	100.00
Cost of service rendered	(4,058,888,592)	(58.97)	(3,058,247,715)	41.88)
Provision for loans, investment, Off B/S items & etc.	(2,824,472,046)	(41.03)	(4,243,801,546)	(58.12)
Sub-total (b)	(6,883,360,638)	(100.00)	(7,302,049,261)	(100)
Total Value added by the bank (a-b)	18,311,342,454		12,822,760,609	



2022

Distribution of value added

Employees				
As salaries and allowances	8,360,449,256	45.66	6,502,553,741	50.71
Provider of Capital				
Shareholders	4,904,819,201	26.79	3,904,548,864	30.45
Government				
Corporatate tax	3,728,336,561		1,405,506,892	
Deferred tax	(537,068,302)		(110,395,562)	
	3,191,268,259	17.43	1,295,111,330	10.10
Expansion and business growth				
Statutory reserve	-	-	-	-
Coupon/Dividend on perpetual bond	363,734,741			
Start-up fund	53,217,717			
Depreciation and repair of bank's assets	1,437,853,280	7.85	1,120,546,674	8.74
Total distribution	18,311,342,454	97.72	12,822,760,609	100.00



2022

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 2022 and 2021:

Figures in million Taka

Particulars	2022	2021
Market value of shares outstanding	27,044.14	27,558.29
Book value of shares outstanding	10,282.94	10,282.94
Market value added	16,761.20	17,275.34



ECONOMIC VALUE ADDED STATEMENT (EVA)

for the year ended 31 December 2022

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 :

$$\text{EVA} = (\text{NPAT} - \text{Cost of average equity})$$

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

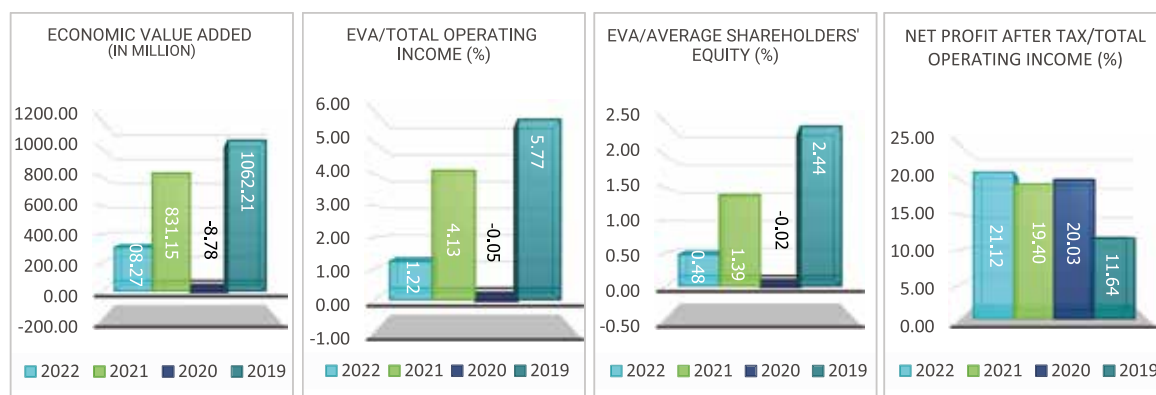
It is the opportunity cost i.e. the expected risk from return on investment, plus a risk premium. Interest on 5 years Bangladesh Government Sanchaya Patra plus 1% risk premium has been assumed to be the cost of equity.

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

Economic Value added analysis

Figures in BDT

FOR THE YEAR ENDED	2022	2021	2020	2019
Shareholders' equity at year end	42,486,088,178	39,750,219,798	39,243,183,387	28,552,839,152
Add : Accumulated provision for loans, investments & Off B/S items etc.	23,608,118,786	21,809,842,755	18,369,336,875	16,950,531,239
Total	66,094,206,964	61,560,062,553	57,612,520,262	45,503,370,391
Average shareholders' equity	63,827,134,758	59,586,291,408	51,340,372,129	43,507,437,446
Cost of equity (%)	12.28%	12.28%	12.28%	12.28%
Economic Value Added	308,271,557	831,153,825	(8,775,159)	1,062,214,571
Net profit after tax (before provision)	8,146,243,705	8,148,350,410	6,295,822,538	6,404,927,889
Less : Cost of equity	7,837,972,148	7,317,196,585	6,304,597,697	5,342,713,318
Total operating income	25,194,703,092	20,124,809,870	18,324,029,199	18,409,875,670
Net profit after tax	5,321,771,659	3,904,548,864	3,669,513,441	2,143,274,217
Key ratios				
EVA/Total operating income (%)	1.22	4.13	(0.05)	5.77
EVA/Average shareholders' equity (%)	0.48	1.39	(0.02)	2.44
Net profit after tax/Total operating income (%)	21.12	19.40	20.03	11.64







RISK MANAGEMENT & INTERNAL CONTROL

REPORT ON RISK MANAGEMENT FRAMEWORK, MITIGATION PROCESS & RISK REPORTING BY CHIEF RISK OFFICER

Risk is usually defined as the uncertainty of future outcomes or the probability of an adverse outcome. It is typically expressed as the standard deviation or volatility of returns around the mean return. Hence, managing risks is essential to profitability, and it goes without saying that poor risk management can result in insolvency. Banks must have a robust risk management infrastructure and adhere to legal requirements because they are subject to a number of hazards. As a result, the idea of risk management was developed in order to detect, assess, and evaluate risks as well as to take appropriate corrective action to mitigate or eliminate them. These risks could stem from a variety of sources including financial uncertainty, legal liabilities, strategic management errors, accidents and natural disasters. IT security threats, data-related risks and the risk management strategies to alleviate them, have become a top priority for digitized companies. Our Bank's Executive Risk Management Committee (ERMC) establishes a clear objective to be a risk-mitigated bank and fosters a culture of risk awareness to oversee accurate and prompt identification, measurement, and mitigation of risks presented by the bank in a thorough manner.

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

Our Board approves overall risk management policies of the Bank in line with the regulatory guidelines. Our Board also approved the Risk Appetite of the Bank at the beginning of the year as prepared by the RMD.

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.

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

Pubali Bank Limited's Risk Management Division (RMD) starts working from 2013. Risk management policy and RMD structure of Pubali Bank Limited have been revised according to latest risk management guidelines of Bangladesh Bank. As per Bangladesh Bank's instruction (DOS Circular No: 4 dated 08 October 2018) Soft copies of CRMR prepared for June & December with half yearly Stress Test Report and MRMR for all other months are submitted to DOS of Bangladesh Bank of each quarter along with the minutes of Monthly RMC meeting at Management level. Risk Appetite Statement (RAS) - 2023 is prepared and submitted to DOS of Bangladesh Bank as per their instructions. As per Bangladesh Bank's instructions, Review report of Risk Management Policies and effectiveness of risk management functions -2022 has been submitted to DOS of Bangladesh Bank with the approval of the board of directors.

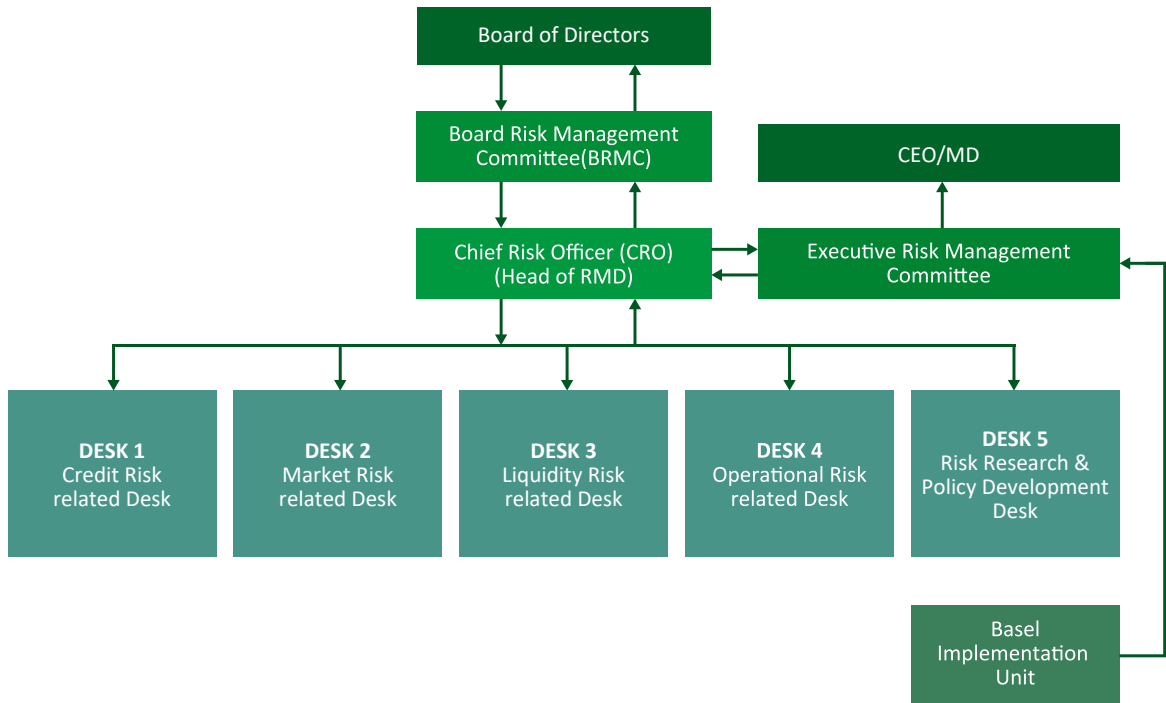
We have submitted Recovery Plan of our Bank to BRPD, Bangladesh Bank according to BRPD Circular no-03 dated 24 February 2022 so that Banks can cope with stress situations and prepare their responses to the potential shocks in advance.

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

- Our Board approves overall risk management policies of the Bank in line with the regulatory guidelines. Our Board also approved the Risk Appetite of the Bank at the beginning of the year as prepared by the RMD.
- 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.

Risk Management Organogram of our Bank (Operational Unit)

Risk Management Division headed by CRO is working under the following organogram:



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

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

REPORT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

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

Risks in Banking Sector

MAJOR RISKS	OTHER RISKS
Credit Risk	Reputational Risk
Market Risk	Residual Risk
Operational Risk	Strategic Risk
Liquidity Risk	Credit Concentration Risk
Money Laundering Risk	Settlement Risk
ICT Risk	Environmental Risk
Foreign Exchange Risk	Price Risk
ICC Risk	Compliance Risk
ALM Risk	Interest Rate Risk
	Other Material Risks

Objectives of Risk Management

The objective of risk management is to identify and analyze risks and manage their consequences.

Risk management is a discipline at the core of every financial institution and encompasses all the activities that affect its risk profile. It involves identification, measurement, monitoring and controlling risks to ensure that:

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

Pubali Bank Limited adopted enhanced policies and procedures of risk management according to guidelines issued by Bangladesh Bank. PBL's risk management

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

Risk Management Process in Pubali Bank

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

A Continuous Risk Management Process



The Risk Management process of the Bank Operates under following structure:

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

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

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

For managing risk, Pubali Bank Limited established Corporate Credit Division, CMSME Division, Credit

Administration, Monitoring & Recovery Division, Law Division, Internal Control and Compliance Wing (ICCW), Risk Management Division (RMD), International Division, Treasury Division, Offshore Banking Division, ICT Operation Division, Card Business Division, Card Operation Division, Audit & Inspection Division, Anti-Money Laundering Division and other divisions.

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

Risk Management Committee of the Board

To oversee the risk management of the Bank, the Board has formed a Risk Management Committee of the Board as per the guidelines of Bangladesh Bank. The Committee supervises various risks arise from credit, foreign exchange, internal control and compliance, money laundering, information technology, operation, interest rate, liquidity etc. 04 (Four) meetings of the Risk Management Committee of the Board were held in the year of 2022.

The names & status of the members of the Risk Management Committee of the Board are as follows:

SL NO.	NAME OF THE DIRECTORS	DESIGNATION	STATUS WITH THE COMMITTEE
1.	Mr. M. Kabiruzzaman Yaqub FCMA(UK), CGMA	Director	Chairman
2.	Mr. Habibur Rahman	Director	Member
3.	Mr. Musa Ahmed	Director	Member
4.	Mr. Azizur Rahman	Director	Member
5.	Mr. Md. Abdur Razzak Mondal	Director	Member

Mr. Md. Anisur Rahman, DGM & Company Secretary is working as Secretary of RMC of the Board

Risk Management Policy & Board Oversight

The Board of Directors has the ultimate responsibility for the risks taken by our bank. Therefore, it must define the risk appetite, risk tolerance and risk limit, and set risk strategies. The Board is responsible for understanding the nature of risks significant to Bank and for ensuring that the management is taking necessary steps to implement those strategies and manage accompanying risks. To perform the risk oversight role properly, the Board members of Pubali Bank Limited are having a clear understanding of the types of risks inherent in business lines and take appropriate steps to ensure continued awareness of any changes in the level of risks. PBL Board is approving the strategies and significant risk

management policies developed by senior executives and review them on regular basis. While performing their oversight function, Board of Directors is not involving in day-to-day activities of risk management. They are making it clear to Bank’s management that risk management is not an impediment to the conduct of business nor a mere supplement to a company’s overall compliance program but is, instead, an integral component of the company’s strategy, culture and value generation process.

Risk Management Policy & Senior Management Oversight

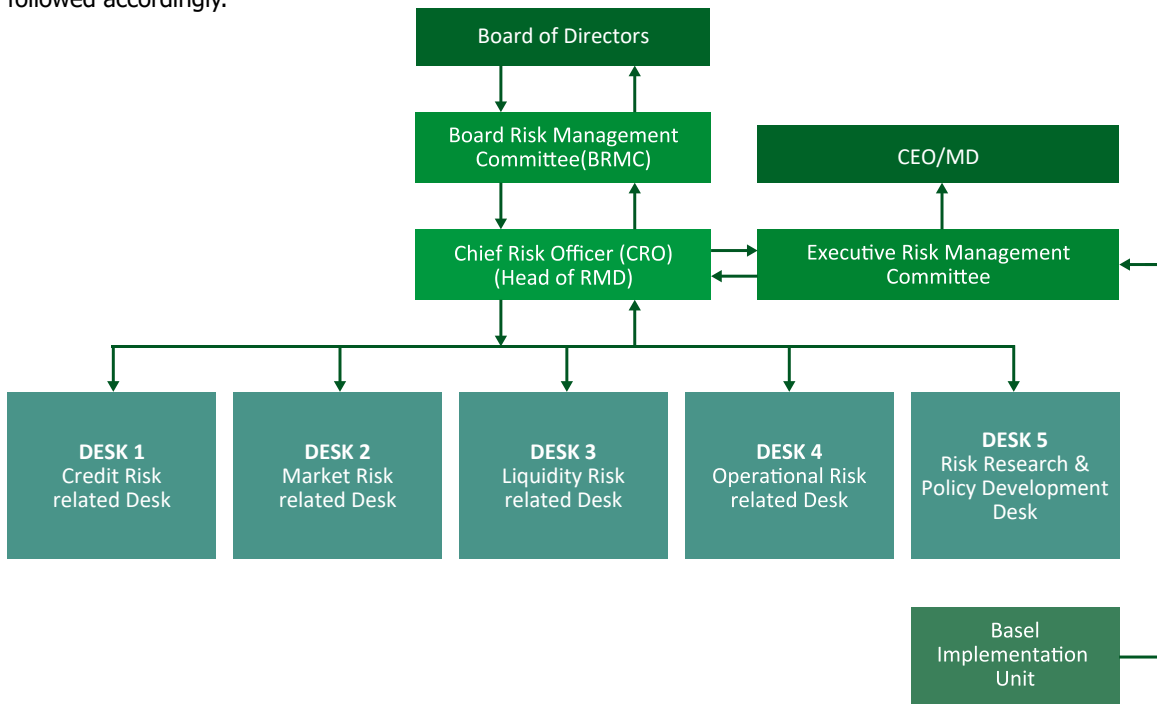
While the overall responsibility for risk management rests with the Board of Directors, it is the responsibility

of senior management to transform the strategic directions set by the Board into operational policies, procedures, and processes for effective risk management. The senior management should be fully aware of the activities undertaken by the bank that could expose it to various risks. It should possess necessary knowledge and skills to be able to align the risk levels with the board’s strategies through risk assessment and treatment. Top management should be aware of the financial institution’s risk profile on an ongoing basis and should regularly report it to the Board or a Board level committee for review. It has to ensure that the policies are embedded in the culture Bank. It is also responsible for implementing risk management strategies and policies and ensuring that procedures are put in place to manage and control the risks in accordance with those policies keeping in view the strategic direction and risk

appetite specified by Board. For effective oversight of risk management, management shall provide the members of the board with sufficient information to enable them to understand Bank’s risk profile, how risks are assessed and prioritized by the management team, risk response strategies, implementation of risk management procedures and infrastructure, and the strength and weaknesses of the overall system. To serve this purpose, management will oversee the development, implementation and maintenance of an appropriate Management Information System (MIS) that identify, measure, monitor and control bank’s various risk. Through effective communications between the Board and senior management, members of the Board should be confident that Bank’s executives understand the risks that the enterprise faces and are accomplished in their day-to-day management of enterprise risk.

Risk Management Organogram of our Bank

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



Functions of Risk Management Division of our Bank

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

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

- 6) Risk Appetite:
 - To prepare risk appetite of the Bank and place to the Board of Directors for approval and send the same to the Department of Off-site Supervision (DOS) of Bangladesh Bank. Through the statement covers the following areas:
 - a) Sector, industry, and area-wise loan target,
 - b) Concentration on among top-20 borrowers,
 - c) Off-balance sheet exposure as a percentage of total assets,
 - d) The annual growth rate for loans and advances,
 - e) Limitations on the percentage of financial

- liabilities sourced from the top-10 suppliers,
- f) The gaps between total assets and liabilities in different time buckets of the liquidity profile,
- g) The gap between rate-sensitive assets and rate-sensitive liabilities in different time buckets,
- h) Various ratios regarding liquid assets,
- i) The Capital to Risk-weighted Asset Ratio (CRAR) after applying stress test etc.

7) Risk Management Report :

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

Analysis of Credit risk
Market Risk
Liquidity Risk
Foreign Exchange Risk
Interest Rate Risk
Equity Price Risk
Operational Risk
Reputation Risk
Environmental Risk
Money Laundering Risk
Compliance Risk
Other Risks

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

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

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

Credit Risk Management

Credit Risk is defined as the potential that a Bank's Borrower will fail to meet its obligations in accordance

with agreed terms. To maximize a Bank's risk adjusted rate of return by maintaining credit risk exposure with acceptable parameters is the goal of credit risk management. The effective credit risk management is a critical component of a comprehensive approach to risk management and essential to the long-term success of any banking organization.

Pubali Bank Limited has a comprehensive credit risk management policy, which deals with identification, assessment, measurement and mitigation of credit risk. Our bank has segregated duties of the officers/executives involved in credit related activities in line with bank's CRM guidelines. Corporate Credit Division & 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 corporate branches are also separated their works of sanctioning, disbursement, monitoring and recovery.

All credit proposals have been placed in credit committee (Corporate Branches, Regional Offices, Principal Offices and Head Office) for recommendation to sanction or decline. Credit committee is available in corporate branches, regional offices, principal offices and Head office. At Head Office level 02 Deputy Managing Directors (DMD) are the chairman of the credit committee separately. Head of the corporate branch, head of regional offices and GM/DMD of the principal offices are the chairman of the credit committee at Corporate Branch, Region and Principal Office level respectively. Credits exposures beyond the discretionary power of the Managing Director are placed before the board of directors of the bank for approval.

Credit Administration, Monitoring and Recovery Division looks after post approval process such as to better control over loan portfolio by helping completion of documentation, scrutinizing the checklist of documents, disbursement etc. in a systematic manner and monitor & compliance of all covenants and conditions precedent. Besides, this division keeps constant follow-up to keep the credits performing and unclassified.

Foreign Exchange Risk Management

Foreign exchange risk is the current or prospective risk to earning capital arising from adverse movements in currency exchange rates. Foreign currency position poses potential foreign exchange risk to the balance sheet of Commercial banks, which could have serious negative impact on the capital position of Bank. Nonetheless, Pubali Bank Limited's prudent management decision pertaining to foreign currency movement is playing a crucial role in ensuring the safety and soundness of the bank and the banking system as whole. International Division (ID) and Treasury Division both work meticulously to mitigate the foreign exchange risk of the bank. Our bank has well defined policies and guidelines with central

bank's directives related Foreign Exchange Risk. Moreover, to adopt the changing environment, Pubali Bank Ltd. established dealing room and centralized foreign exchange and money activities under a single functional area, which is functioning under Treasury Division.

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

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

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

Asset and Liability Management

Asset and Liability Management (ALM) can be defined as the comprehensive and dynamic framework for measuring, monitoring and managing the financial risks associated with changing interest rates, foreign exchange rates and other factors that can affect the organization's liquidity and earnings. It is an integral part of bank management and so, it is essential to have a planned and systematic process for management of the Balance Sheet. The Asset and Liability Management Committee (ALCO) of Pubali Bank Ltd. reflects key responsibility for balance sheet risk management. To ensure highest level of structural balance sheet stability and optimum profitability is another important responsibility of the ALCO for managing assets and liabilities. Besides, for the strategic management of interest rate and liquidity risk, ALCO of the bank plays the vital role. At present Treasury Division of Pubali Bank Limited is working thoroughly for Asset and Liability Management. In the meanwhile, PBL established Treasury Front Office, Back Office and Mid Office as per Bangladesh Bank Guideline to reduce this level of risk.

Liquidity Risk Management

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

- Advance to Deposit Ratio (ADR)
- Liquid Asset to Total Deposits Ratio
- Liquid Asset to Total Assets Ratio
- Snap Liquidity Ratio
- Volatile Deposit to Total Deposit Ratio

- Short Term Borrowing to Liquid Assets Ratio
- Maximum Cumulative Outflow (MCO)
- Maturity Ladder
- Cash flow Projections
- Stock of Liquid Assets
- Wholesale Borrowing Limit Utilization

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

Asset and Liability Management Committee (ALCO)

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

- ALCO closely monitors the liquidity position of the bank
- ALCO facilitate, coordinate, communicate and control balance sheet planning with regards to risks inherent in managing liquidity and convergences in interest rates
- Monitor the structure and composition of bank's asset and liabilities and identify balance sheet management issues that are leading to underperformance.
- Decide on the major aspects of balance sheet structure, such as maturity and currency mix of assets and liabilities, mix of wholesale versus retail funding, deposit mix, etc.
- Decide on how to respond to significant, actual and expected increases and decreases in required funding.
- Review maturity profile and mix of assets and liabilities.
- Articulate interest rate views of the bank and decide on balance sheet strategy.
- Approve and periodically review the transfer pricing policy of the bank.
- Evaluate market risk involved in launching of new products.
- Review deposit-pricing strategy.
- Review contingency funding plan for the bank.

Money Laundering Risk Management

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

launderers and terrorists or perpetrators to use it as a channel to launder money of finance terrorism in any possible way.

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

- To prevent money laundering and combat terrorist financing, Central Compliance Committee (CCC), Regional Compliance Unit (RCU) and Branch Compliance Unit (BCU) have been formed headed by a Chief Anti-Money Laundering Compliance Officer (CAMLCO), Regional Anti-Money Laundering Compliance Officer (RAMLCO) and Branch Anti-Money Laundering Compliance Officer (BAMLCO) at Head Office, Regional Offices and Branches respectively.
- Money Laundering and Terrorist Financing Risk management Guideline has been reviewed as per Bangladesh Bank Guidelines and the same has been disseminated to the branches for compliance.
- Customer Selection Policy has been prepared and the same has been disseminated to the branches for compliance.
- So far 29 circulars of former Anti-Money Laundering Department and 27 circulars of present BFIU of Bangladesh Bank have been disseminated to the branches for compliance.
- Considering the importance of the issue, honorable managing director of our bank issues a circular

letter every year instructing the branches and regional offices to comply with money laundering and terrorist financing related laws, rules and instructions.

- Uniform account opening form was introduced and branches were advised to obtain full and accurate information of the client while opening and maintaining accounts.
- Risk rating of the customers is in force while opening accounts. Branches have been advised to apply Enhanced Due Diligence for high risk customers, influential persons and politically exposed persons.
- Branches have been advised to follow the instruction of BFIU circular no. 26 dated 16.06.2020 for opening the accounts of Politically Exposed Persons, Influential Persons and Individuals entrusted with prominent function by international organizations.
- Branches are reporting Cash Transaction Report on monthly basis and the same are being submitted to BFIU using goAML software.
- All branches have been advised to report suspicious transaction if transaction of any account is deemed suspicious.
- Self-Assessment Statement is prepared by the branches on half yearly basis and a summary report is prepared and submitted to Bangladesh Financial Intelligence Unit. Branches are followed up to remove the weakness detected in the report.

Basel -III Implementation

Bangladesh has entered into the Basel III regime from January 01, 2015. Bangladesh Bank revised the capital standard based on Basel III and planned to implement it gradually from 2015 to 2019. 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 is 12.50% since January 01, 2019.

To increase the quality and quantity of the capital base

of the Bank, Basel III has introduced the following measures:

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

The overall scenario as of December 31, 2022 under Pillar-I is depicted below:

CRAR (SOLO)	CRAR (CONSOLIDATED)	LEVERAGE RATIO	LCR	NSFR	MCO
13.84%	13.90%	4.69% (Solo) 4.76% (Consolidated)	153.56%	103.14%	13.82%

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

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

They participate in dialogues with the Supervisory Review Process Evaluation (SREP) team of Bangladesh

Bank on the issue of maintenance of adequate capital to compensate all the risks associated with business.

Pillar-III of Basel III aims at promoting market discipline through regulatory disclosure requirements. The reports on disclosure enable market participants to assess more effectively key information relating to Bank's regulatory capital and risk exposures in order to keep confidence about the Bank's exposure to risk and overall regulatory capital adequacy. The Bank has published the disclosure incorporating all the changes in the revised guidelines. The Bank has also made

a significant progress in implementing Basel-III and preparing itself to meet the upcoming challenges for implementing advanced approaches of calculating credit, market and operational risks.

Stress Testing

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

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

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

Internal Control and Compliance Risk Management

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

Audit and Inspection Division
Compliance Division
Monitoring Division

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

Internal Control and Compliance Internal Control

Pubali Bank Limited has established an effective internal control system whose primary aim is to ensure the overall control of risks and provide reasonable assurance that the objectives set by the Bank will be met. The Board of Directors of the Bank, through its Audit Committee, periodically reviews

the effectiveness of Bank's internal control system covering all the material controls, including financial, operational and compliance controls, risk management systems, the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function, training programs, budget, etc. Board Audit Committee reviews the actions taken on internal control issues identified by the Internal & External Auditors and Regulatory Authorities. It has active oversight on the internal audit's independence, scope of work and resources and it also reviews the functions of Internal Control & Compliance Wing of Head Office, particularly the scope of the annual audit plan and frequency of the internal audit activities.

Monitoring Division of ICC Wing monitors/supervises the operational performance of individual divisions/ branches through various control tools such as Departmental Control Function Checklist (DCFCL), Quarterly Operation Report (QOR), Loan Documentation Checklist (LDCL), Self-Assessment Anti-Fraud Internal Control Checklist. The Division also monitors all branches and divisions/departments at Head Office through Pubali Monitoring System (PMS) developed by our Software Development Division. The monitoring Division prepares annual report on the Health of the Bank with emphasis given to the dynamism of Banks financial health, Internal Control & Compliance Health and Image & Reputation Health.

Internal Audit

To carry out the analysis and independent appraisal of the adequacy and effectiveness of risk management framework and internal control environment, Pubali Bank Limited has formed an effective control system by establishing Audit & Inspection (A&I) Division under ICC wing. A & I division continually recognizes and assesses all the material risks that could adversely affect the achievement of the Bank's goals.

The risk assessment by internal control focuses more on compliance with regulatory requirements, social, ethical and environmental risks that affect the banking industry. It ensures reliable financial and managerial information that promote better strategic decision for the Bank.

The Internal Audit team conducts regular audit functions on the business activities of Bank based on different manuals, instructions, guidelines and procedures laid down by local regulatory bodies time to time. Internal Auditor works as the Eyes & Ears of the management. It may therefore be used to bridge the gap between management & shop floor. It can assure the management that the Internal Controls are adequate and in operations.

The policies and systems laid down are being adhered to and accounting records provided by the lower level are correct. Internal Audit Activity of Pubali Bank is effective and it provides senior management with a number of important services. These include detecting and preventing fraud, testing internal control, and

monitoring compliance with own policies & procedures, applicable rules & regulations, instructions/ guidelines of regulatory authority etc.

Information Technology (IT) Audit

IT Audit has already been started as per the Central Bank's Guidelines to identify the intrinsic risks and manage those risks in an effective and efficient manner. A number of inherent risks such as data collapse, data loss, data modification, unauthorized access to data etc. may arise within the Bank. Pubali Bank's service delivery is designed on IT platform. IT Auditor follows the prescribed guidelines, solves the unsettled issues and also suggests to the higher Management for needful action.

ICT Risk Management

Pubali Bank Limited has changed the way it provides services to its customers through transforming the manual process to automated system, converting branch banking to centralized real time online banking with harnessing the power of Information and Communication Technology (ICT). Security of Information of our bank has therefore gained much importance, and it is vital for us to ensure that the risks are properly identified and managed. Moreover, information and information technology systems are essential assets for the bank as well as for its customers and stakeholders. Maintenance of these assets is critical to ensure the uninterrupted services to customers and the organizations' sustainability. It is our utmost responsibility to protect the information from unauthorized access, modification, disclosure and destruction.

Considering the cyber-attacks on ATM and Card of different banks and SWIFT system of Bangladesh Bank, Pubali Bank Limited has upgraded its ICT Security Guideline considering the updated guideline of Bangladesh Bank and introducing the security measures accordingly.

Our key achievements for ICT Risk Management through protecting our system and securing ICT environments are:

- Establish a standard ICT Security Policy and ICT Security Management
- Ensuring secured and stable setup of its ICT Infrastructure
- Establish a secured environment for the processing of data
- Establish a holistic approach for ICT Risk Management
- Identifying information security risks and their management
- Communicating the responsibilities for the protection of information
- Prioritization of information and information systems those need to be protected
- Aware and trained the users associated with managing the ICT infrastructure

DISCLOSURES ON RISK BASED CAPITAL UNDER BASEL-III

for the year ended 31 December 2022

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 Limited is maintaining its capital requirements at adequate level as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)"

The guideline is structured around the following three aspects or pillars of Basel-III:

- i. Minimum capital requirements to be maintained by a bank against credit, market and operational risk;
- ii. Supervisory Review i.e., Process for assessing overall capital adequacy in relation to a bank's risk profile and a strategy for maintaining its capital at an adequate level;
- iii. Market Discipline i.e., to make public disclosure of information on the bank's risk profiles, capital adequacy and risk management.

Disclosure framework of Pubali Bank Limited

Disclosure includes the following as per Bangladesh Bank guidelines:

- Scope of Application
- Assets under Banking Book and Trading Book
- Credit risk
- Equity disclosure for Banking Book positions
- Interest rate risk in Banking Book (IRRBB)
- Market risk
- Operational risk
- Leverage Ratio
- Liquidity Ratio
- Remuneration

Disclosure under Pillar III

Disclosure given below as specified by RBCA Guideline:

A) Scope of Application

Qualitative Disclosure	
a. The name of the top corporate entity in the group to which this guidelines applies.	Pubali Bank Limited
b. An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk weighted)	<p>The consolidated financial statements of the Bank include the financial statements of (a) Pubali Bank Limited (b) Pubali Bank Securities Limited. A brief description of these are given below:</p> <p>Pubali Bank Limited Pubali Bank Limited (the Bank) was incorporated in the year 1959 under the name and style of Eastern Mercantile Bank Limited under Companies Act 1913. After the country's liberation in 1971, the Bank was nationalized as per policy of the Government of Bangladesh under the Bangladesh Bank (Nationalisation) Order 1972 (PO No. 26 of 1972) and was renamed as Pubali Bank. Subsequently, the Bank was denationalized in the year 1983 and was again incorporated in Bangladesh under the name and style of Pubali Bank Limited in that year. The government transferred the entire undertaking of Pubali Bank to Pubali Bank Limited, which took over the same as a going concern.</p> <p>Pubali Bank Securities Limited Pubali Bank Securities Limited (PBSL) was incorporated on the 21st June 2010 under the Companies Act, 1994 as a public limited company. It is a subsidiary company of Pubali Bank Limited holds all the shares of the company except for thirteen shares being held by thirteen individuals. The company has been established as per Securities & Exchange Commission's (SEC) Letter # SEC/Reg/DSE/MB/2009/444/ dated 20.12.2009. The Registered Office of the company is situated at A-A Bhaban (7th floor), 23 Motijheel C/A, Dhaka-1000, Bangladesh. The company has started its commercial activities from 01 February 2011.</p> <p>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.</p>
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	
<p>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.</p>	<p>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:</p> <p>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.</p> <p>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.</p> <p>Bank is complied in this respect.</p> <p>General Reserve: Any reserve created through Profit and Loss Appropriation Account for fulfilling any purpose.</p> <p>Bank is complied in this respect.</p> <p>Retained Earnings: Amount of profit retained with the banking company after meeting up all expenses, provisions and appropriations.</p> <p>Bank is complied in this respect.</p> <p>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.</p> <p>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.</p> <p>Subordinated Bond of BDT 5,000.00 Million issued in the year 2017 and has been fully subscribed.</p> <p>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.</p> <p>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.</p>

Quantitative Disclosure			
BDT in Million			
		Solo	Consolidated
a. The amount of Tier I Capital, with separate disclosure of : (as of 31.12.2022)	<ul style="list-style-type: none"> ■ 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 - 18,040.40 - -	10,282.94 - 10,283.00 - 18,700.55 - -
CET 1 Capital		38,606.34	39,266.49
Regulatory Adjustment		(4,734.18)	(4,754.43)
Tier 1 Capital		33,872.16	34,512.06
Additional Tier 1 Capital		5,000.00	5,000.00
Total Tier 1 Capital		38,872.16	39,512.06
b. Total amount of Tier - II Capital		19,592.04	19,592.04
Regulatory Adjustment		-	-
c. Total eligible capital		58,464.20	59,104.10

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.	<p>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.</p>

Quantitative Disclosure		
BDT in Million		
	Solo	Consolidated
a. Credit Risk:	369,514.90	362,398.60
b. Market Risk:	16,876.40	26,192.00
c. Operational Risk:	35,939.40	36,585.20
d. Total Risk Weighted Assets	422,330.70	425,175.80
e. Capital requirement with Conservation Buffer	52,791.34	53,146.97
f. Total Capital available	58,464.20	59,104.10
g. Total capital, CET1 capital, Total Tier 1 capital and Tier 2 capital ratio:	Total = 13.84%	-
■ For the Bank alone	CET 1 = 8.02%	
	Tier 1 = 9.20%	
	Tier 2 = 4.64%	Total = 13.90%
	CCB = 3.20%	CET 1 = 8.12%
■ For the consolidated group	-	Tier 1 = 9.29%
		Tier 2 = 4.61%
		CCB = 3.29%

D) Credit Risk

Qualitative Disclosure	
a. The general qualitative disclosure requirement with respect to credit risk, including :	<p>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.</p> <p>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.</p> <p>Classified loan is categorized under following 03 (three) categories:</p> <ul style="list-style-type: none"> ■ Sub-Standard ■ Doubtful ■ Bad & Loss <p>Definition of past due and impaired (for accounting purpose):</p> <p>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.</p> <p>Any Continuous Loan will be classified as :</p> <p>Cottage, Micro & Small :</p> <ul style="list-style-type: none"> ■ Sub-standard' if it is past due/overdue for 6 months or beyond but less than 18 months.

		<ul style="list-style-type: none"> ■ 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. <p>Other than Cottage, Micro & Small :</p> <ul style="list-style-type: none"> ■ 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. <p>Any Demand Loan will be classified as:</p> <p>Cottage, Micro & Small:</p> <ul style="list-style-type: none"> ■ 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. <p>Other than Cottage, Micro & Small:</p> <ul style="list-style-type: none"> ■ 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. <p>In case of Fixed Term Loans:</p> <p>Cottage, Micro & Small:</p> <ul style="list-style-type: none"> ■ 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". <p>Other than Cottage, Micro & Small:</p> <ul style="list-style-type: none"> ■ 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".
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		<p>In case of Short Short-term Agricultural and Micro-Credit: The Short-term Agricultural and Micro-Credit will be considered irregular if not repaid within the due date as stipulated in the loan agreement. If the said irregular status continues, the credit will be classified as 'Substandard' after a period of 12 months, as 'Doubtful' after a period of 36 months and as 'Bad/Loss' after a period of 60 months from the stipulated due date as per the loan agreement. ■ Rate of Provision are as follows :</p>									
	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			
■ Discussion of the Bank's credit risk management policy	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%
		<p>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.</p>									

Quantitative Disclosure		
Amount in BDT		
a. Total gross credit risk exposures broken down by major types of credit exposure	Loans	161,240,869,772
	Cash credits	72,283,468,046
	Overdrafts	111,976,434,329
	Earnest money	3,765,107,165
	Loan against merchandise	3,211,992
	Packing credits	1,149,369,402
	Loan against trust receipts	11,912,205,855
	Pubali Prochesta	105,643,232
	Non-resident Credit Scheme	50,728
	Pubali Subarna	5,966,132,134
	Pubali Karmo Uddog	325,060,987
	Pubali Sujon	32,225,953
	Pubali Utsob	19,709,996
	Payment against documents	9,512,249,834
	Consumers loan scheme	12,990,967,382
	EDF loan	19,392,866,426
	Lease finance	11,049,185,531
	Bill purchased and discounted	37,960,870,002
	Credit Card	301,256,486
	Others	1,897,240,829
	Total	461,884,126,081
b. Geographical distribution of exposures, broken down in significant areas by major types of credit exposure	In Bangladesh - Urban	
	Dhaka	117,004,700,864
	Chittagong	12,590,278,719
	Sylhet	12,309,691,588
	Barisal	8,241,109,564
	Khulna	15,469,420,779
	Rajshahi	11,229,989,260
	Rangpur	10,161,895,329
	Mymensingh	6,160,946,719
		193,168,032,822
	In Bangladesh - Rural	
	Dhaka	128,531,696,704
	Chittagong	57,790,522,044
	Sylhet	13,869,932,747
	Barisal	2,071,011,098
	Khulna	4,102,248,255
	Rajshahi	6,834,877,476
	Rangpur	5,802,274,207
	Mymensingh	17,437,044,587
		236,439,607,118
Outside Bangladesh		
Foreign bills/drafts purchase	32,276,486,141	
	Total	461,884,126,081

		Amount in BDT
Industry or counter party type distribution of exposures, broken down by major types of credit exposure	Agriculture	9,291,096,302
	Jute	608,921,373
	Textile	46,807,328,394
	Ready-made garments	33,676,578,915
	Steel & engineering	22,617,419,541
	Ship breaking	2,907,010,499
	Edible oil	15,616,818,043
	Cement	7,609,589,986
	Pharmaceuticals	12,130,011,758
	Food & allied	30,857,862,042
	Electrical equipments & Electronic Goods	17,622,036,739
	Paper, paper products and packaging	4,310,243,616
	Leather	381,561,694
	Printing & Dyeing Industries	4,218,867,603
	Others Manufacturing Industries	37,079,254,550
	Energy and power	7,452,797,855
	Hospitals, Clinics and other health services	7,046,081,841
	Construction	16,999,334,318
	Housing	11,396,175,500
	Transport and communication	2,137,407,820
Others Service Industries	9,704,482,673	
Trade & Commerce	82,273,454,120	
NBFI (Non Bank Financial Institution)	3,764,994,321	
NGO	9,878,224,497	
Consumer Finance	39,536,380,144	
Others	25,960,191,937	
	Total	461,884,126,081
c. Residual contractual maturity break down of the whole portfolio, broken down by major types of credit exposure.	Loans and advances	
	Repayable on demand	27,304,642,244
	Up to 3 months	117,705,095,545
	Over 3 months but below 1 year	121,554,823,224
	Over 1 year but below 5 years	91,912,187,086
	Over 5 years	65,446,507,980
		423,923,256,079
	Bills purchased and discounted	
	Receivable on demand	2,851,794,993
	Below 3 months	20,790,512,962
Over 3 months but below 6 months	14,318,562,047	
	37,960,870,002	
	Total	461,884,126,081
d. By major industry or counterparty type:		
i. Amount of impaired loans and if available, past due loans,		12,121,227,966
ii. Specific and general provisions		21,115,754,196
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	11,480,110,280
	Additions	641,117,686
	Reductions/Recovery	-
	Closing Balance	12,121,227,966
	Movement of Specific Provision for Non Performing Assets(NPAs) :	
	Opening Balance	10,115,330,192
	Provision for the year	1,880,136,844
	Fully provided waived during the year	(4,033,900)
	Write-off	(1,172,453,704)
	Recoveries of amounts	
	-previously write –off	160,249,992
	Provision transferred in	1,112,389,079
	Provision for off balance sheet transferred in during the year	114,000,000
	Reserve transferred from unforeseen loss	-
Other provision	969,153,251	
Provision transferred from rebate on good borrower during the year	17,888,383	
Closing Balance	13,192,660,137	

E) Equities: Disclosures for Banking Book Positions

Qualitative Disclosure	
<p>a. The general qualitative disclosure requirement with respect to the equity risk, including:</p> <ul style="list-style-type: none"> • differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and • 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. 	<p>Investment in equity mainly for capital gain purpose but Bank has some investment for strategic reasons.</p> <p>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.</p>

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 5,116,568,266.28 & Market value of quoted share BDT 5,570,893,991.30
c. The cumulative realized gains (losses) arising from shares and liquidations in the reporting period.	BDT 17,917,367.00
d. * Total unrealized gains (losses) – quoted shares * Total latent revaluation gain (loses) * Any amounts of the above included in Tier 2 capital	BDT 454,325,725.02 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.	<p>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.</p> <p>Pubali Bank Limited has also been exercising the Stress Testing using the Duration GAP for measuring the Interest Rate Risk on its On Balance Sheet exposure for estimating the impact of the net change in the market value of equity on the Capital to Risk weighted Asset Ratio (CRAR) due to change in interest rates only on its On Balance Sheet position (as the Bank holds no interest bearing Off Balance Sheet positions and or Derivatives). Under the assumption of three different interest rate changes i.e. 1%, 2% and 3%.</p>

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)	707,817.60 666,106.30 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	Consolidated
b. The capital requirements for :		
Interest rate risk	424.91	424.91
Equity position risk	1,255.31	2,186.87
Foreign exchange risk	7.42	7.42
Commodity risk	-	-

H) Operational Risk

Qualitative Disclosure	
<ul style="list-style-type: none"> ■ 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.
<ul style="list-style-type: none"> ■ Performance gap of executives and staffs 	Pubali Bank Limited has a policy to provide competitive package and best working environment to attract and retain the most talented people available in the industry. The Bank's strong brand image plays an important role in employee motivation. As a result, there is no significant performance gap.
<ul style="list-style-type: none"> ■ Potential external events 	No potential external events is expected to expose the Bank to significant operational risk.

<ul style="list-style-type: none"> ■ Policies and processes for mitigating operational risk 	<p>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.</p>
<ul style="list-style-type: none"> ■ Approach for calculating capital charge for operational risk 	<p>Basic Indicator Approach is used for calculating capital charge for operational risk as of the reporting date</p>

Quantitative Disclosure		
BDT in Million		
	Solo	Consolidated
b. The capital requirements for Operational Risk	35,939.40	36,585.20

I) Liquidity Ratio

Qualitative Disclosure	
<ul style="list-style-type: none"> ■ Views of BOD on system to reduce Liquidity Risk: 	<p>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.</p>
<ul style="list-style-type: none"> ■ Methods used to measure Liquidity Risk: 	<p>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.</p>
<ul style="list-style-type: none"> ■ Liquidity Risk management system: 	<p>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.</p>
<ul style="list-style-type: none"> ■ Policies and processes for mitigating Liquidity Risk: 	<p>To manage liquidity risk Pubali Bank Limited maintains diversified and stable funding base. Policies and process which incorporated in ALM manual are used for mitigating liquidity risk. ALCO meets periodically to review different aspects of the bank's portfolio with special emphasis on deposits and liquidity position and determines the direction to be taken by the bank. Parameters set by Bangladesh Bank especially in regards to CRR, SLR & AD Ratio strictly maintained. A balanced mix of short and long terms deposits to counter maturity gaps is maintained. Annual budget is also formulated with a balance between growth in assets and liabilities.</p>

Quantitative Disclosure	
BDT in Million	
Liquidity Coverage Ratio (LCR):	153.56%
Net Stable Funding Ratio(NSFR):	103.14%
Stock of High quality liquid assets:	150,216.15
Total net cash outflows over the next 30 calendar day	97,823.64
Available amount of stable funding:	531,666.02
Required amount of stable funding:	515,461.53

J) Leverage Ratio

Qualitative Disclosure	
<ul style="list-style-type: none"> 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.
<ul style="list-style-type: none"> 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%.
<ul style="list-style-type: none"> 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	Consolidated
Leverage Ratio:	4.69%	4.76%
On balance sheet exposure :	699,369.56	700,886.74
Off balance sheet exposure :	133,755.10	133,755.10
Total Deduction from On and Off-balance Sheet exposure	4,734.18	4,754.43
Total exposure :	828,390.48	829,887.40

K) Remuneration

Qualitative Disclosure	
a. Information relating to the bodies that oversee remuneration :	
Name, composition and mandate of the main body overseeing remuneration:	<p>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.</p> <p>In addition, the CFO also examines the cost benefit impact in the process independently.</p> <p>Approving authority: The Board of Directors.</p>

<p>External consultant whose advise has been sought, the body by which they were commissioned, and in what areas of the remuneration process:</p>	<p>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.</p>
<p>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:</p>	<p>Pubali Bank Limited maintain a salary structure uniform throughout the country.</p> <p>Pubali Bank Limited and its business We are committed to providing private, institutional and corporate clients, as well as retail clients with superior financial advice and solutions while generating attractive and sustainable returns for shareholders.</p> <p>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.</p>
<p>Description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group:</p>	<p>a. Potential Risk Taker in Business and Management: i) Senior Management: MD & CEO, Deputy Managing Director-03 nos.-Total 04 Nos.</p> <p>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 37 Nos. ii) General Managers at Head Office – Total 20 Nos.</p> <p>c. Potential Risk Taker in Management: i) General Managers/Deputy General Managers as Division Heads – Total 24 Nos.</p>
<p>b. Information relating to the design and structure of remuneration processes :</p>	
<p>Overview of the key features and objectives of remuneration policy:</p>	<p>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.</p>
<p>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:</p>	<p>The committee/Management based on past experience developed a Terms of Reference for the Salary Review Committee to ensure consistency in the review process.</p>
<p>Discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee:</p>	<p>Pubali Bank Limited has a policy to provide competitive package and enabling working environment to attract and retain the most talented people available in the market.</p> <p>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.</p>

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: <ul style="list-style-type: none"> ■ 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: <ul style="list-style-type: none"> ■ Branch Performance ■ Regulatory compliance ■ Compliance with Board delegated trigger limits
Discussion of the ways in which these measures affect remuneration:	Bank has a strong monitoring system that always trying to minimize all types of risk.
Discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration:	In relation to the goals in the Performance Appraisal Report, they are assessed and determined by the Supervisors each year at the commencement of the performance year under review. There were no material changes from the preceding year to the current year. The measures are considered appropriate for the circumstances of, and environment in which Pubali Bank operates. However, long-term impact to be seen in the future.
d. Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration :	
Overview of main performance metrics for bank, top-level business lines and individuals:	The bank Management is seeking ways to struck a balance between performance metrics, top-level business lines and individuals.
Discussion of how amounts of individual remuneration are linked to bank-wide and individual performance:	A group of officials perform on their target, which fixed by the top Management. Their group performance score are reflected in their individual performance score.
Discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak:	Pubali Bank Limited have a robust performance indicator applicable across the Bank.

e. Description of the ways in which the bank seeks to adjust remuneration to take account of longer –term performance :	
<p>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:</p>	<p>Pubali Bank Limited adopted a policy for gratuity fund in the name ‘Pubali Bank Limited Gratuity Fund Rules’ which is administrated by a Board of Trustees.</p> <p>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.</p> <p>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.</p> <p>No gratuity shall be paid to an employee-</p> <ul style="list-style-type: none"> (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. <p>Gratuity shall be admissible to an employee (even through he/she has not completed 8 (eight) years of service with the Bank)-</p> <ul style="list-style-type: none"> (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; <p>Normal Retirement Age: 59 years of age (age at which Gratuity benefit becomes payable) and for freedom fighter 60 years of age.</p> <p>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.</p> <p>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.</p>

<p>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</p>	<p>Employees who served in the Bank less than 8 years were not eligible for gratuity and the amount against those are forfeited accordingly.</p>
<p>f. Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms :</p>	
<p>Over view of the forms of variable remuneration offered (i.e. cash, share linked instruments and other forms)</p>	<p>Fixed Remuneration: All Employees including regular and contractual are paid salary under Fixed remuneration package.</p> <p>Variable Remuneration: A group of 90 employees of 24 branches awarded for Tk.24,25,241/- against recovery of write-off loans in 2022. All amounts are paid to the respective employees through their accounts.</p>
<p>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:</p>	<p>Fixed Remuneration: Salaries of different employees may vary due to rank, service length & promotion etc. under the pay policy.</p> <p>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.</p>
<p>Quantitative Disclosure</p>	
<p>g. Number of the meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member:</p>	<p>Fixed Remuneration: Pay scale revised last in 2022.</p> <p>Variable Remuneration: Decided by the Board of Directors of the Bank.</p>
<p>h. Number of employees having received a variable remuneration award during the financial year :</p> <p>Number and total amount of guaranteed bonuses awarded during the financial year :</p> <p>Number and total amount of sign-on awards made during the financial year :</p> <p>Number and total amount of severance payments made during the financial year:</p>	<p>Eligible for Incentive Bonus for 2022: 8,876 Nos.</p> <p>Two festival bonuses disbursed during the calendar year 2022. Number of employees 9,031 Nos. Total Amount : Tk. 59,65,07,381/-</p> <p>No such payment was made during the calendar year i.e. in 2022.</p> <p>Gratuity Payment*: Number of employees : 136 Total Amount : Tk. 31,60,37,500/-</p> <p>Provident Fund Payment*: Number of employees : 158 Total Amount : Tk. 29,24,77,319.95</p> <p>* All payment made in calendar year 2022</p>

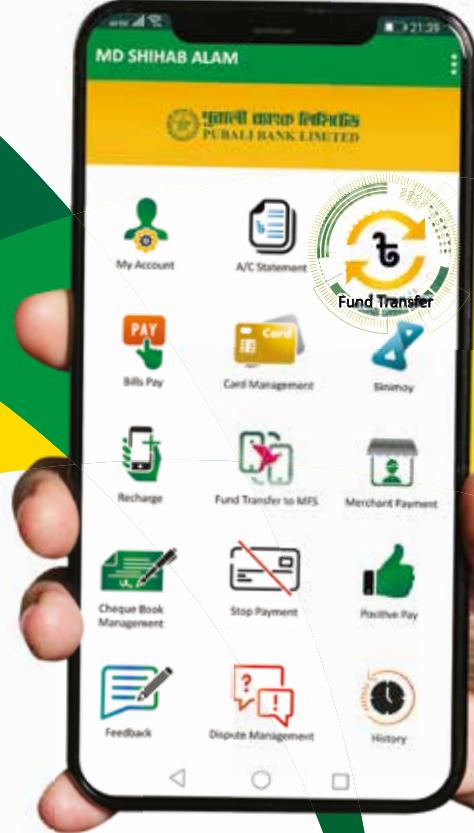
<p>i. Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms :</p> <p>Total amount of deferred remuneration paid out in the financial year :</p>	<p>Deferred Amount: Tk. 478,23,94,217.09 (Gratuity Fund Position on 31.12.2022)</p> <p>Total Amount : Tk. 31,60,37,500/- (Gratuity Payment)</p>
<p>j. Breakdown of amount of remuneration awards for the financial year to show:</p>	
<p>- fixed and variable :</p> <p>- deferred and non-deferred :</p> <p>- different forms used (cash, shares and share linked instruments, other forms) :</p>	<p>Fixed amount: Tk. 679,14,49,256/- (Salary and Allowances) Variable amount: Tk. 156,90,00,000/- (Incentive Bonus)</p> <p>Deferred amount: Tk.60,85,14,819.95 (Gratuity & Provident fund Payment) Non-deferred amount: Tk. 24,25,241/- (Remuneration for recovery of write-off loans)</p> <p>Paid in Cash through their respective accounts in calendar year 2022.</p>
<p>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:</p>	
<p>- Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments :</p> <p>- Total amount of reductions during the financial year due to ex post explicit adjustments :</p> <p>- Total amount of reductions during the financial year due to ex post implicit adjustments :</p>	<p>Total amount: Nil</p> <p>Total amount: Nil</p> <p>Total amount: Nil</p>



পূবালী ব্যাংক লিমিটেড
PUBALI BANK LIMITED



লিমিট বাড়ল
সাই ব্যাংকিং ফ্রাঞ্চ ট্রান্সফারে প্রতিদিন
১০
লাখ টাকা পর্যন্ত*



লেনদেন নিয়ে আর নেই চিন্তা।
পূবালী ব্যাংক বা অন্য যে কোনো ব্যাংকে পাই ব্যাংকিং
দিয়ে টাকা পাঠানোর লিমিট এখন প্রতিদিন সর্বোচ্চ ১০ লাখ টাকা।
দেশের সর্ববৃহৎ অনলাইন ব্যাংক এখন হাতের মুঠোয়।

শর্তসমূহ:

- পূবালী ব্যাংক অ্যাকাউন্টে একবারে পাঠানো যাবে ১ লাখ টাকা প্রতিদিন ৫ লাখ টাকা সর্বোচ্চ।
- অন্যান্য ব্যাংক অ্যাকাউন্টে একবারে পাঠানো যাবে ১ লাখ টাকা প্রতিদিন ৫ লাখ টাকা সর্বোচ্চ।
- PI Banking দিয়ে প্রতিদিন সর্বমোট ১০ লাখ টাকা পর্যন্ত লেনদেন করা যাবে।

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বিস্তারিত জানতে কল করুন: ১৬২৫৩

* শর্ত প্রযোজ্য





SUSTAINABILITY ANALYSIS

SUSTAINABILITY REPORT & GREEN BANKING

Sustainability and Our Business

We live, breathe, create, extract, produce, pollute and consume in our daily life. We currently use 1.5 times capacity of the earth each year to absorb our waste and provide renewable resources. If we don't act properly, by 2030 this number will be two planets every year. This needs to change into a sustainable global economy.

Sustainability is not an only an environmental issue, it also takes into account economic & social issues, labor practices, human rights, economic performance, community, society, corruption, corporate governance and responsibility of product & services. A sustainable global economy is not a luxury. Without a sustainable business model, environmental and social issues will continue to badly impact our economy and compromise for our future needs. The planet and society need a sustainable global economy and an organization needs at first a long time strategy and success.

General Overview

Our business strategy focuses on banking the people and companies driving investment, trade and the creation of wealth across the nations. Our core markets are continuing to see strong economic growth, with rising incomes and increasing demand for financial services. This represents a massive opportunity for our business and, with it, the opportunity to promote sustainable, balanced and inclusive growth in our markets.

As a major financial institution of the country, our commitment to society goes beyond creating value for our shareholders. We seek to ensure that the financing we provide is sustainable and supports economic and social development for all of our stakeholders. Our approach focuses on three key priorities:

- Greening the economy with environment friendly product or services
- Contributing to sustainable economic growth
- Promoting inclusive financial services

We have taken a long term view of the environmental consequences of its actions. We believe sustainability must lie at the heart of business to achieve the long-term success which allows the bank to contribute to the greener economy and largely to the sustainability.

Sustainable Finance Committee and Sustainable Finance Unit

Sustainable Finance Committee and Sustainable Finance Unit at Head Office level have been formed to monitor & ensure best practice of Green Banking in its every sphere of actions. The committee regularly reviews its actions for closer convergence towards related, national & global best practice. Green Banking Policy has been designed based on Green Banking Policy of Bangladesh Bank. The main

concern of the policy is to ensure sustainability through environmental protection from pollution by eco-friendly activities including investment. We are utilizing resources for serving customers as well as society & environment.

Incorporation of Environmental & Social Risks in Core Risk Management

Pubali Bank Limited recognizes that its financing decisions have a potential impact on people and the environment. We have Environmental & Social Risk Management Guidelines to understand and manage risks arising from environmental & social concerns. This brought a focus on planning and implementing policies and procedures to mitigate environmental risks associated with financing decisions. Our sustainable finance approach enables it to identify environmental risks and propose mitigating solutions at an early stage of credit appraisal process.

In-house Environment Management

We had made a global commitment to significantly reduce energy and water use in the offices. Our design standards and operational criteria are starting to transform the environment greener.

We maintain in-house consumption record of water, paper, electricity, energy etc. as a part of effective in-house environmental management. Theory of reduce; reuse & recycle are being in practice. Initiatives have been taken for attaining a prolific in-house Environment Management.

Initiatives have been taken to apply eco-font in printing to reduce usage of ink and paper, use scrap papers and avoid disposable cups/glasses and to install energy efficient electronic equipment's that will help the bank to reduce electricity consumption. Normal bulbs have been replaced by energy saving bulbs in offices of the bank.

We have replaced almost all the CRT monitors with LED monitors. This ensures 70% power usage cut by the personal computers all together.

We are enhancing online coverage for clients, like ATM, SMS Banking, Internet Banking, Mobile Banking etc.

E-mail: The electronic mail system decreases use of paper and chemical ink for printing. Using the nationwide computer network & the email correspondences also decrease communication time, increase accuracy, faster decision making etc.

Green Banking Logo; Slogan: Green Banking logo & slogan has been introduced to trigger familiarity with green banking concept. E-Circular platform is ready to be introduced. Apart from these, bank is on its route to commence e-statement, e-tendering system shortly.

Online Credit Application and Appraisal Processing System:

Online Credit Application and Appraisal Processing System have been initiated. In this regard, necessary modules/software has already been incorporated in our PIBS. It will help offset usages of paper in our day to day activities.

Introducing Green Marketing

Green marketing refers to the process of selling products and/or services based on their environmental benefits. Such a product or service may be environmentally friendly or produced in an environmentally friendly way.

We have undertaken the strategy to introduce Green Marketing. Policy formulation is under process so that our product & services can reach our stakeholders in a greener automated process to address the contemporary global need.

Formulation of Green Office Guide

We have formulated Green Office Guide for in-house usage of the Bank. It is a comprehensive manual to facilitate in-house green banking activities of our bank. It will enable the employees to know about environment friendly office equipment and use the same to reduce the operating and environmental costs including emission of greenhouse gases by improving the use of office resources.

It will help office employees to evaluate & quantify their current practice, and take practical action to promote environment friendly activities through the practice of reduce, reuse & recycle at their level best. Expectedly, adoption of the measures will help to assign responsibility and set targets to encourage continuous improvement of sustainable practice to reduce environmental footprint i.e. harmful effects of our activities on the environment, and to act as greener at office.

This office guide is a primary document to be used by all employees concerned and must be exercised with maximum spirit to accelerate green banking activities of our bank.

Formation of Climate Risk Fund

We have created climate risk fund under CSR program for mitigating environmental risks arising out of climate changes in different areas. This fund is being utilized to promote economic activities in the flood, cyclone and drought prone areas in case of emergency as a part of bank's CSR activities. Regular financing in the vulnerable areas and sectors is also an ongoing process.

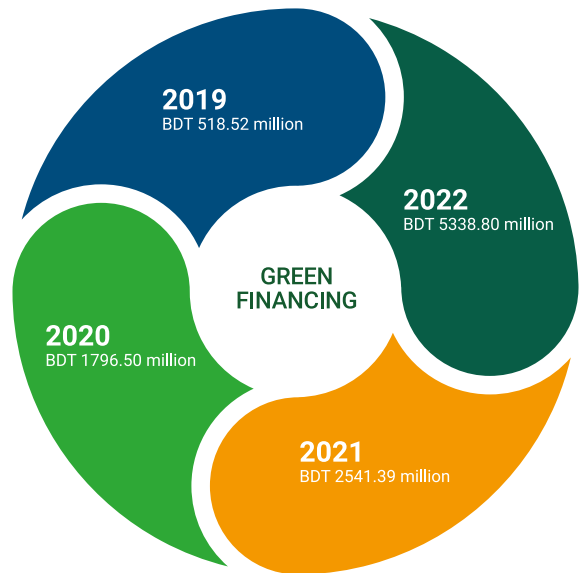
Employee Training

Employee awareness development and training on environmental and social risk and the relevant issues are continuous process as part of the bank's Employee Training Program. For our employees to have in depth understanding on Green Banking, we are on a track

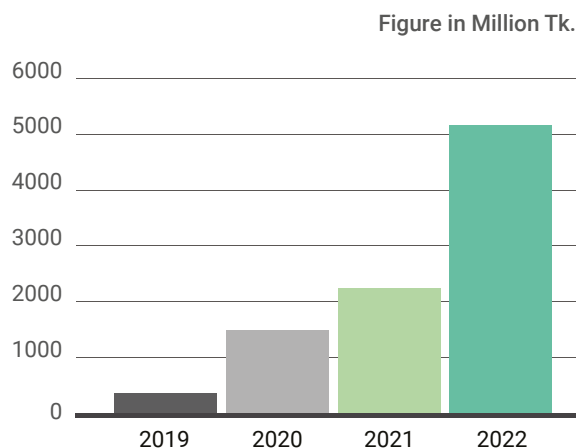
to arrange Green Banking Training on regular basis.

Green Finance

Green Investments (finance) implies the financial services to the businesses and projects that help prevent deterioration of the environment as well as which are not harmful to the environment. Green Investments combine both Direct and Indirect green investments. As per Bank's principles of giving preferences to eco-friendly business activities and energy efficient industries, Pubali Bank Ltd. has taken different steps for enhancing the green investment. Our Green Financing activities at a glance as under:



Year-wise Direct Green Finance

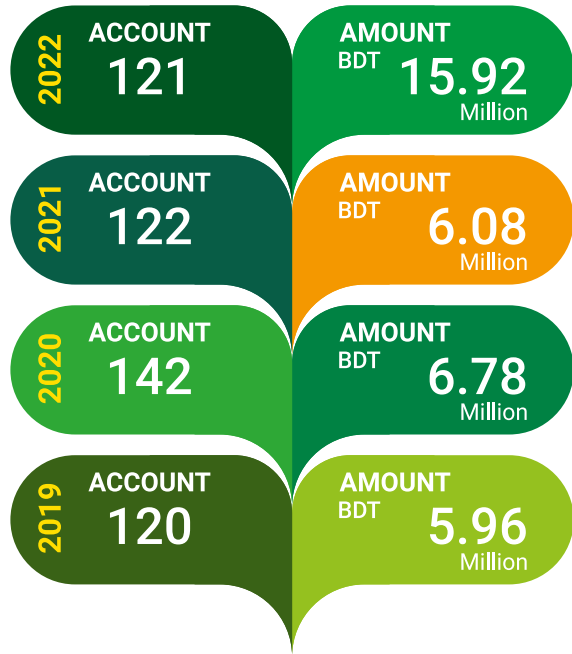


REPORT ON FINANCIAL INCLUSION

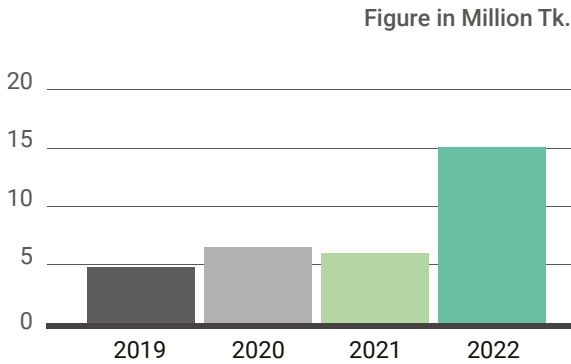
It is well recognized that well-functioning financial systems are essential for economic development. Financial inclusion or inclusive financial system is being considered as foremost tool for attaining sustainable, risk-absorbent & shock-resistant financial system.

Pubali Bank Limited has undertaken prompt strategy to delivery its credits & other financial services at affordable costs / prices to sections of disadvantaged and low-income segments of society. Combined with its usual banking services, Pubali Bank limited is on the way to create and expand financial services to blinds, garments workers, street children, school going children, poor and low-income populations come from the bottom of the society. We are bringing the said segment of the people under the umbrella of banking services by opening & maintaining their accounts as per guidelines of Bangladesh Bank. Moreover, we are disbursing loans to the account holders of Tk.10/- for promoting balanced development of national economy.

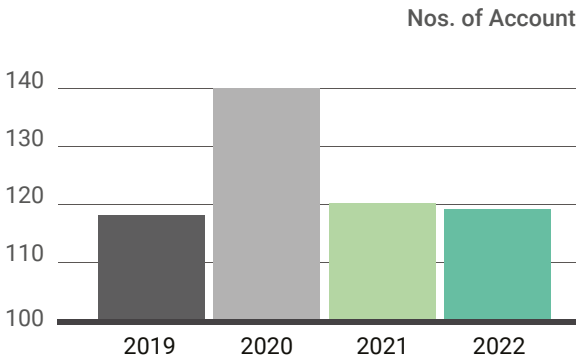
Loan disbursement scenario at a glance as under:



Year-wise Finance under Financial Inclusion in terms of Amount



Year-wise Finance under Financial Inclusion in terms of Borrower



REPORT ON GOING CONCERN

Every Company requires to assess its ability to continue as a going concern. The Board of Directors of Pubali Bank Ltd. has made annual assessment about whether there exists any material uncertainty which may cast significant doubt upon the Company's ability to continue as going concern. The director's assessment of whether the company is a going concern entity involves making appropriate inquiries including review of budget and future outcome of inherent uncertainties in existence.

The Directors are convinced from the following indications, which give reasonable assurance as to company's continuance as a going concern for the foreseeable future.

Financial indications

Positive key financial ratios

During the year 2022 Pubali Bank's earning asset increased by 11.99 percent, deposits by 10.47 percent, shareholders equity by 6.88 percent and operating profit increased by 20.06 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 2022 Pubali Bank is one of the top performers in the banking industry.

Consistent payment of dividends

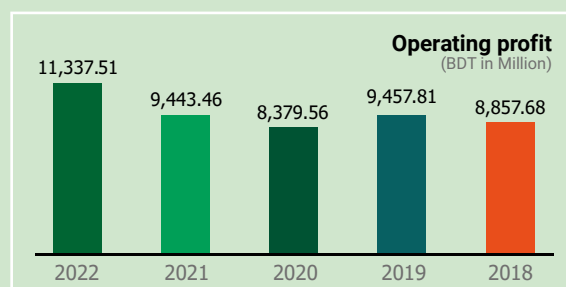
The Bank has been paying consistent dividend to its shareholders over many years which reflects company's long-term vision and firm commitment to its owners.

Credibility in payment of obligations

The Company has strong credibility in terms of payment of its obligations to the lenders. The Company is very particular in fulfilling the terms of repayment agreement without any exception.

Performance growth

Pubali Bank has excellent growth in its operating performance. Company's total asset has increased to BDT 712,755.71 million from BDT 629,481.33 million indicating a growth of more than 13.23 percent over last year. Total Operating income has increased by 20.06 percent in 2022. 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 11,357.14 million as against BDT 9,450.54 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 3,080.77 million as against net cash inflow of BDT 2,768.91 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 08 (eight) new branches and 75 sub branches at different places in Bangladesh, 69 (sixty nine) new ATM has also been installed. Total no. of Branches 498, sub-branches 125 and ATMs 347 as on 31 December 2022 (2021: 490 Branches, 50 sub-branches and 278 ATMs).

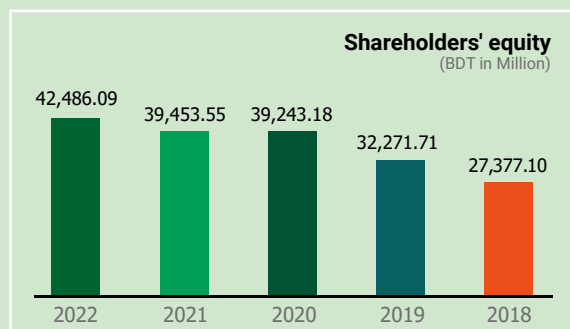
Pubali Bank also gives due importance on diversification of various innovative and customer oriented products and services and which is being done in a continuous manner. In addition to that Pubali Bank has one subsidiary as on the date of reporting namely; Pubali Bank Securities Limited. Pubali Bank 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

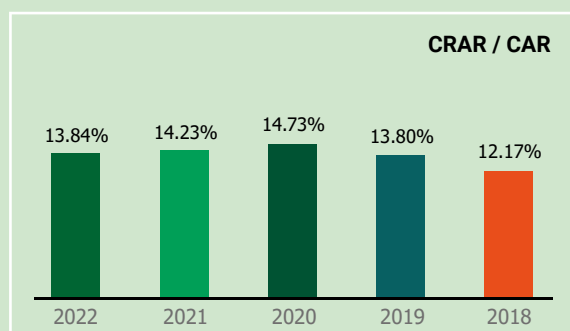
There exists a very good corporate environment in the Company. Pubali Bank is an excellent work place with friendly environment Communication among the employees is very excellent. The company endeavors to be honest and practices fair treatment to all employees which ensures good corporate environment. 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 2022, the Company's total equity stands at BDT 42,486.09 million as against BDT 39,750.22 million of 31 December 2021. 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 2022 banks CRAR is 13.84% and maintained total regulatory capital TK. 58,464.20 million. All the above situation also indicates to its ability and intention to continue for the foreseeable future and long term vision.



Satisfactory credit rating

Pubali Bank Ltd. has been rated as AA+ (pronounced as Double A+) the long term credit rating and ST-1 short term based on audited financials as on 31 December 2022 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	July 25, 2022	
Based on Financial Statement	December 31, 2021	
Validity Date	July 24, 2023	

Changes in Government policy

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

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

HUMAN CAPITAL REPORT

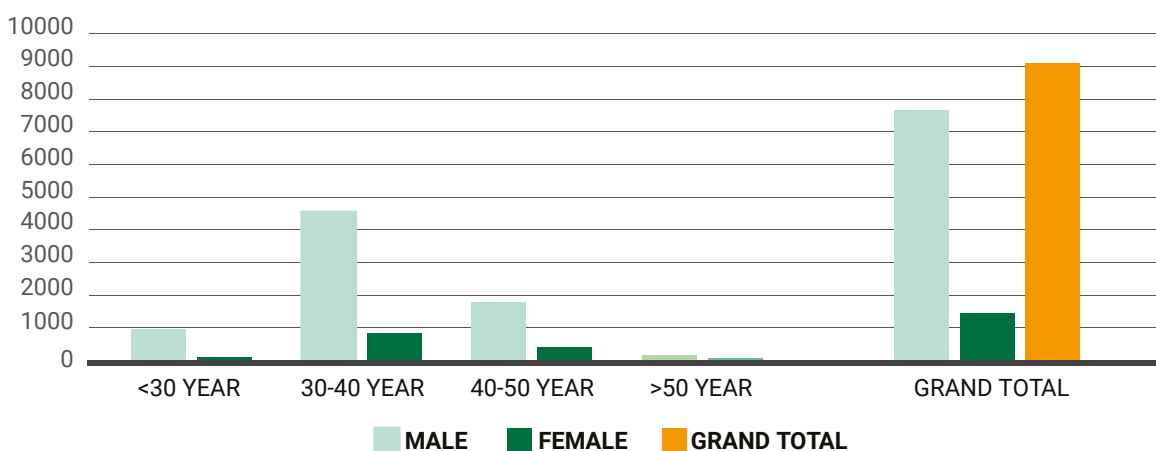
Pubali Bank Limited focuses on strengthening its manpower resource pool by acquiring the person with right skill and providing them with planned career growth opportunities within the Bank. As part of HR strategy to mix youth with the experienced ones, the management follows a rigorous recruitment system to hire fresh graduates as Trainee Assistant Junior Officer (Cash), Junior Officer, Officer and Senior Officer and experienced senior level Executives through a competitive, transparent and fair process.

Business and Human Capital are intertwined and its progress is dependent upon each other. In this context, Pubali Bank Limited has witnessed a rapid growth in human resources development for the last few years in terms of fast track and efficient e-recruitment and reduction of turnaround time significantly; development and implementation of a comprehensive orientation/induction process for the newly appointed

officials at entry level, use of Performance Appraisal System (PAS); computerization of Human Resources Management Systems etc.

The number of employees of the Bank was 9,031 as on 31 December 2022. The Board of Directors and the Management of the Bank put an extra emphasis on Human Capital Development to secure all stakeholders interest. Training is the formal procedure to facilitate employees learning for bringing about the desired changes in the employees behavior. Banking technologies are evolving at a rapid pace and competency development is the prime need of the Bank by reinforcing the traditional banking skills with the new technology based skills. Major steps have been initiated by Pubali Bank Training Institute (PBTI) to enhance the capacity of the in-house training system both qualitatively and quantitatively. Foundation Training Course has been redesigned and workshop and skill based training workshops are in place to ensure capacity building and generating future leaders for the Bank.

Age-based Male-Female mix of the Employees



EMPLOYEE AGE CATEGORY	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL PARTICIPATION
<30Y	972	159	1131	12.52%
30-40Y	4578	707	5285	58.52%
40-50Y	1784	454	2238	24.78%
>50Y	294	83	377	4.17%
Total	7628	1403	9031	100%

RECRUITMENT: LAST 05 (FIVE) YEAR'S RECRUITMENT AT A GLANCE						
SL. NO.	RANK	YEAR				
		2018	2019	2020	2021	2022
1	General Manager		1		1	
2	Deputy General Manager				1	2
3	Assistant General Manager		2	2	2	4
4	Senior Principal Officer		4		1	2
5	Principal Officer	2	23	1		
6	Senior Officer	46	22	31	6	1
7	Officer	4	2	12	4	5
8	Junior Officer	31	251	140	2	21
9	Deputy Junior Officer (Cash)					1130
10	Trainee Assistant Junior Officer (Cash)	27	682	113	151	14
11	Driver	14	2			
12	Technician		1	3		3
13	Armed Guard	198	1			
14	Messenger-Cum-Guard				1	8
	TOTAL	322	991	302	169	1190

RANK-WISE EMPLOYEES

SL NO	RANK	TOTAL
1	Managing Director	1
2	Deputy Managing Director	5
3	General Manager	25
4	Deputy General Manager	62
5	Assistant General Manager	148
6	Senior Principal Officer & Equivalent Grade	504
7	Principal Officer & Equivalent Grade	1167
8	Senior Officer & Equivalent Grade	1450
9	Officer & Equivalent Grade	1047
10	Junior Officer & Equivalent Grade	454
11	Deputy Junior Officer (Cash) & Equivalent Grade	1380
12	Assistant Junior Officer (Cash) & Equivalent Grade	825
13	Driver	119
14	Senior Armed Guard	755
15	Care Taker	230
16	Technician	10
17	Armed Gurad	196
18	Senior Messenger Cum Guard	100
19	Messenger Cum Guard	126
20	Helper	427
	TOTAL	9031

PUBALI BANK LIMITED - AN EMPLOYEE FRIENDLY BANK

The employees are the heart of our bank, 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.

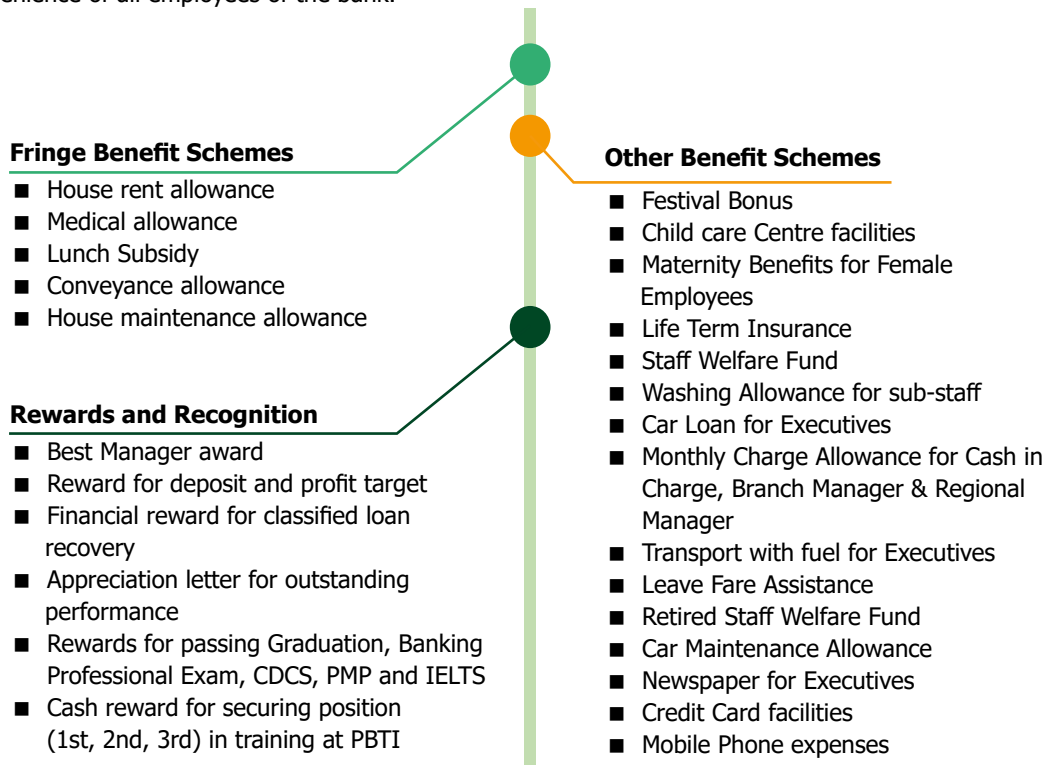
BEST PRACTICES OF OUR BANK

- ▶ Undue intervention is discouraged strictly
- ▶ Learning and Development
- ▶ Employee Health and Safety
- ▶ Employee digital experience
- ▶ Operational excellence

- Talent Acquisition and Management ◀
- Employee Engagement ◀
- Driving a high performance culture ◀
- Creating a future ready workforce ◀
- Grievance Management ◀

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.



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 the 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 & workshop for the officers & 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 BBT, BAB Research & Training Centre, BIBM, DSE, CSE, BIM, ACTIVA, SLSD, Dhaka School of Economics and other reputed local Training Institutes. In 2022, a good

number of participants have been given training on Leadership Development, Strategic Management, Credit, Trade Processing, IT, Emotional Intelligence and other related areas.

NAME OF THE INSTITUTION	NUMBER OF TRAINING PROGRAMS	NUMBER OF PARTICIPANTS
PBTI	47	5526
BBTA	24	45
BAB	11	32
BIBM	101	315
ACTIVA	1	35
S LSD	3	69
OTHERS	27	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.

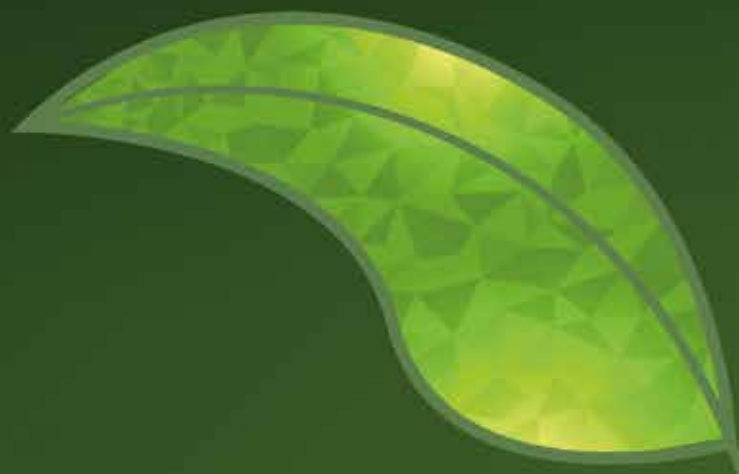
List of the Hospitals under MoU of the bank:

- Insaf Barakah Kindney & General Hospital Limited
- SIBL Foundation Hospital & Diagnostic Centre
- Holy Family Red Crescent Medical College Hospital
- Bangladesh Specialized Hospital Limited
- Islami Bank Hospital
- Asgar Ali Hospital
- Chevron Clinical Pte Ltd.
- Green Life Hospital Ltd.
- Ad-din Medical College Hospital
- Labaid
- Impulse Hospital
- Aalok health Care and Hospital Ltd

Our bank has a very good culture of getting feedback from our grassroots workforces which will open the avenue of generating new idea. Recently our bank has introduced Key Performance Indicator (KPI) to evaluate the performance of the employees and it is expected that this 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, our bank introduced giving reward to our employees for best Integrity practices in their own work place from the last year. In 2022 four (04) employees from different grade received prize money and certificate for best Integrity practices. It is strongly believed that this award will highly stimulate the employees in every sector of the bank.

Introducing
**INTERNATIONAL
DEBIT CARD**







CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY

Though there is no universally established definition of Corporate Social Responsibility (CSR), analyzing various national and international views and ideas for banks and financial institutions it may be defined as a process to embrace responsibility for the company's actions and encourage a positive impact through its activities on the society in which it operates. Investopedia, a New York based financial media website, defines Corporate Social Responsibility as "a self-regulating business model that helps a company be socially accountable to itself, its stakeholders and the public."



Blankets donated to Prime Minister's Relief Fund

It also adds that engaging in CSR means, in the ordinary course of business, a company is operating in ways that enhance society and the environment instead of contributing negatively to them. The crux of this theory is to enact policies that promote an ethical balance between the dual mandates of striving for profitability and benefiting society as a whole.

Because of global competitiveness and demand, the CSR practices are being implemented in Bangladesh also. Banking sectors are holding the foremost position in this connection. It aims to ensure that financial institutions conduct their business in a way that is ethical. This means taking account of

their social, economic and environmental impact, and consideration of human rights. It's arena of activities stretches into various ranges such as working in partnership with local communities, socially responsible investment (SRI), developing relationships with employees and customers, environmental protection and sustainability.

As an ethical bank, we operate our business with our financial goals as well as with the purpose of fulfilling our social responsibility towards the targeted society. Our bank performs various community based CSR activities towards the society. The vision and mission of our bank is to contribute to the development of the society in every possible way by doing responsible banking. We recognize our obligations to the society by taking informed, reasonable and ethical decisions to operate business.

Our CSR activities over the years have focused on health care, sports, education, environment, youth development, arts and culture and charitable activities. As a socially responsible corporate institution, Pubali Bank Limited engaged itself in a number of CSR activities worth around BDT 189.10 million throughout the year-2022, including a number of donations towards charitable causes. Our bank focused mainly on the following areas in respect of Corporate Social Responsibility:

Disaster Management

Bangladesh is a land of 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 sufferer countries of environmental hazards though its part in the global environment pollution with carbon-dioxide emission is not even noteworthy. Natural calamities prevail here throughout the year but the



TOTAL CSR EXPENDITURE: BDT 189.10 MILLION

monsoon is the severest. Pubali Bank Limited always extends its helping hand generously when the nation falls in any disastrous situation or faces any natural calamity. From the very beginning of the Covid-19 pandemic the bank tried to contribute in facing this unprecedented national and global crisis.



Donates Tk. 10 (Ten) Crore to Flood Affected People

We donated BDT 100.00 million to the Prime Minister’ Relief & Welfare Fund last year to help the mass people of the country during the unprecedented floods across the country. Moreover, Pubali Bank donated blankets worth around BDT 22.67 million to the Prime Minister’s Relief fund to be distributed among the cold stricken people of the country as a part of Corporate Social Responsibility.

Disaster Management BDT 122.67 million

☂ Donation of BDT 100.00 million to the Prime Minister’ Relief & Welfare Fund.

☂ Donation of 75,600 blankets worth BDT 22.67 million to the Prime Minister’ Relief & Welfare Fund and some other organizations to be distributed among the cold stricken people of the country.

Health Care



Donates Ambulance to BIRDEM

We believe that good health is a pre-condition for rapid socio-economic development of any society. Our bank has given financial assistance in establishing hospitals and buying modern treatment equipment to ensure availability of modern health services for all especially the impoverished section

of society at affordable cost. We donated a total of around BDT 37.61 million to numerous health related organizations and some ailed individuals last year. We donated BDT 7.00 million to Bangabandhu Sheikh Mujib Medical University (BSMMU) which is one of the premier Postgraduate Medical Institutions of the country. Another health related organization, BIRDEM also received an amount of BDT 4.00 million last year from our bank under Corporate Social Responsibility. An amount of BDT 3.45 million was given to National Heart Foundation Hospital, Sylhet. The bank also extended its helping hand to the flood affected people of the country with a donation of BDT 5.00 million which was disbursed by a few social organizations to help the impoverished people come out of the aftershocks of the long lasting flood of last year. Moreover, some ailed persons, including a few employees of the bank, were financially helped for their treatment. Apart from direct donation, our bank from the very inception has been extending its helping hand to many renowned hospitals like BIRDEM, Ibrahim Cardiac Center, Apollo Hospital, United Hospital, Square Hospital, International Medical Collage and Hospital, Bangladesh Medical Collage and Hospital, Lab Aid, Green Life Hospital, National Heart Foundation, Sylhet and Kidney Awareness Monitoring and Prevention Society-KAMPS, Dhaka etc. We also donated BDT 12.23 million to face the COVID-19 pandemic.

Health BDT 37.61 million

♥ Donation to Bangabandhu Sheikh Mujib Medical University (BSMMU), BIRDEM and National Heart Foundation Hospital, Sylhet respectively BDT 7.00 million, BDT 4.00 million and BDT 3.45 million.

♥ 27 beneficiaries received BDT 4.66 million from Pubali Bank Limited to meet up cost of treatment.

Education

It goes without saying that education raises productivity and creativity of the citizens as well as prompt entrepreneurship and technological breakthroughs and thus these factors eventually lead to greater output and economic growth of the country. Pubali Bank Limited, out of its obligation to the people of the country wherein it operates, has always remained committed to promoting the educational standard through its social development initiatives. The bank spent a considerate amount in upgrading the standard of education of the country and it relentlessly keeps doing so. The bank played its role to facilitate and upgrade the standard of education of the country through giving financial assistance and educational instruments to various educational institutions last year also. We donated BDT 9.23 million in education sector last year as a part of our Corporate Social Responsibility. We donated BDT 5.00 million to Prime Minister’s Education Assistance Trust, BDT 1.50 million to SUST

Research Centre, Shahjalal University, Sylhet and BDT 1.03 million to Asia Foundation under Corporate Social Responsibility program.

Education BDT 9.23 million

🎓 Donation of BDT 5.00 million to Prime Minister's Education Assistance Trust.

🎓 Donation of BDT 1.50 million to SUST Research Centre, Shahjalal University, Sylhet.

🎓 Donation of BDT 1.03 million to Asia Foundation.

Arts-Culture, Sports and others

Culture is an umbrella term which encompasses the social behavior and norms found in a specific society as well as the knowledge, beliefs, arts, laws, customs, capabilities and habits of the individuals in these groups. In this time of globalization, upholding the culture of respective nation besides absorbing the other cultures of the world is an urgent call. We contributed to the celebrations of our culture by providing financial assistance to various cultural organizations including Bishwo Sahitto Kendro, a non-profit institution to promote reading habits, enlightenment and progressive ideas among students in particular. We donated a cumulative amount of BDT 19.60 million in arts and culture, sports and some other sectors



Donates Tk.10 (Ten) Lac to Bishwo Sahitto Kendro

last year. Whereas Bangladesh Olympic Association received BDT 10.00 million and Bishwo Sahitto Kendro BDT 1.00 million under our Corporate Social Responsibility program. Besides these, the bank also made contributions in some other areas amounting to BDT 8.30 million including a few social and economic organizations and institutions.

Arts-Culture, Sports and others BDT 19.60 million

🏆 Donation of BDT 10.00 million to Bangladesh Olympic Association.

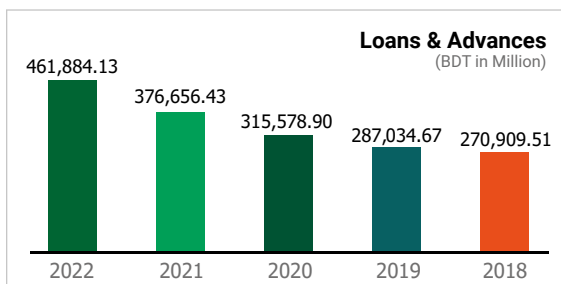
🎓 Donation of BDT 1.00 million to Bishwo Sahitto Kendro.

CONTRIBUTION TO NATIONAL ECONOMY

Pubali Bank Ltd. always recognizes that it has certain responsibilities to the development of the society and the country as a whole. We aspire to be known as a bank that builds enduring relationship with and delivers value for our clients, shareholders, employees and the community where we work. Besides direct contribution to the national exchequer by way of payment of corporate income tax, Pubali Bank Ltd. contributes to the economy of the country by generating employment, financing support to almost all the arena; such as corporate, SMEs, RMG sector, Agri and of course to the individuals through various kind of innovative retail product. While financing to a sector we never compromise with the social impact of the business such as environment effect, moral effect etc. Such financing also help to generate employment indirectly. Pubali Bank Ltd. also pays very attractive dividend to its shareholders.

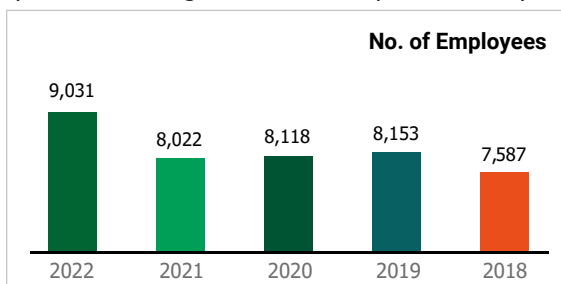
Financing support to industry; SMEs, individuals etc.

As a banking service provider Pubali Bank Ltd. contributes to the economic prosperity by providing financial products and services to the industrial undertakings including SMEs, RMG, Agro and various organizations and individuals. Based on the financials as on 31 December 2022 the size of total credit exposure of Pubali Bank Ltd. with 106,830 no. of clients is BDT 461,884.13 million (2021: 107,110 no. of clients is BDT 376,656.43 million).



Employment

We make an economic impact by creating employment and a well-trained workforce. Pubali Bank Ltd. and its subsidiary employed as many as 9,031 employees as on 31 December 2022 (2021: 8,022). During the year 2022 Pubali Bank paid total of BDT 8,360.45 million as salaries and allowances to its employees (2021: 6,502.55 million) and significant amount also being spent for training and HR development each year.

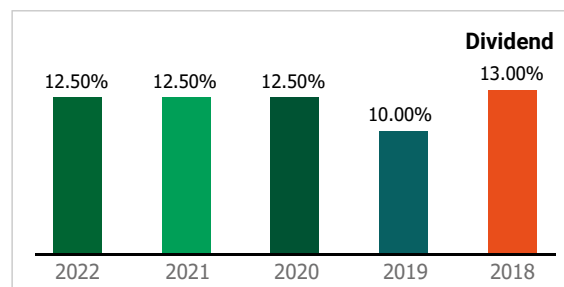


Tax payment

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 2022 Pubali Bank Ltd. provided total of BDT 2,065.59 million for payment of corporate income tax, VAT of BDT 672.56 million (2021: corporate tax BDT 1,809.44 million, VAT BDT 542.91 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 Ltd. paying a satisfactory return (dividend) to its shareholders. The Board of Directors of the bank proposed 12.50 percent Cash dividend to its shareholders for the year 2022 (in 2021 the bank also paid 12.50 percent cash dividend).

Market capitalization

Pubali Bank Ltd. started its journey with a capital of BDT 160 million in the year 1983. At the end of the year 2022 Pubali Bank's total size of capital is BDT 10,282.94 million equivalents to market capitalization of BDT 27,044.03 million (2021: capital BDT 10,282.94 million, market capitalization BDT 27,558.17 million).

Donation

We always agree in building prosperity by supporting a broad range of socio-economic causes through donation. We believe, in order to reach our potential, we need to earn the respect of our stakeholders. We have learned by last three decade that the best way to do that is to foster creativity, innovation and diversity throughout our ventures, of course aligning business practices with highest values. We dream to crafting a way of social business rather than commercial business objective only. During the year 2022 the bank expended around BDT 180.09 million for donation (2021: BDT 157.14 million).

Development with sustainable growth compromising the needs of future generation

We firmly believe that sustainable economic growth and a healthy environment are inter-linked. We take supportive role in terms of providing financial services by restricting and discouraging projects detrimental to the environment and health. That means our profit motive never get priority over the process/way of earning profit.

Green Banking

Pubali Bank's deployed it's all-out effort to make the slogan 'Green Banking' a success. Various initiatives have already been taken BDT in policy and practically at large. Keeping the environment green, discouraging projects causes greenhouse effects, eco-font in printing to reduce use of ink, use scrap paper as notepads and Installing energy efficient electronic equipment are the glimpse of the bank's initiatives to facilitate Green Banking.



পূবালী ব্যাংক লিমিটেড
PUBALI BANK LIMITED

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 account
- Clean CIB report
- Minimum 10% Margin of entire limit

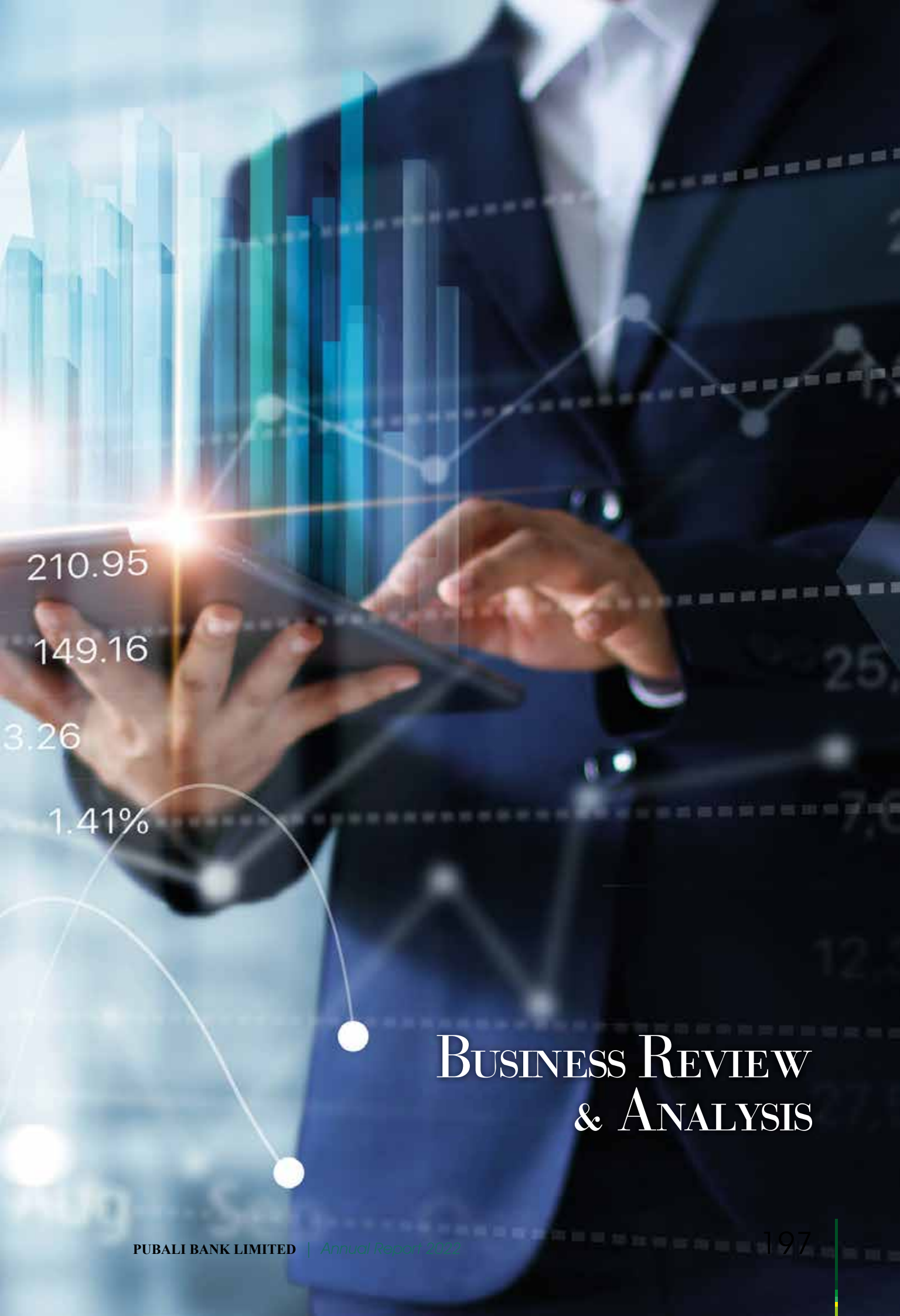
Loan limit:

Maximum Tk. 60.00 Lac (Including Margin)
Lower Interest rate

Tenure:

Maximum 180 days





210.95

149.16

3.26

1.41%

BUSINESS REVIEW & ANALYSIS

OUR PRODUCTS & SERVICES

DEPOSIT PRODUCTS

Savings Bank Account
Current Deposit Account
Special Notice Deposit (SND)
Pubali Pension Scheme (PPS)
Pubali Sanchay Prokolpo (PSP)
Shikkha Sanchay Prokolpo (SSP)
Fixed Deposit Receipt (FDR)
Digun Sanchay Prokolpo (DSP)
Monthly Profit based Fixed Deposit
Monthly Profit based Small Deposit (Sadhin Sanchay)
Target Based Small Deposit (Swapno Puron)
School Banking Savings Account
Patho Shishu Account

LOAN PRODUCTS

Continuous Loans

- Cash Credit
- Over Draft (OD)
- Pubali Prochesta (Continuous SME)
- Pubali Protiva (Common)

Short Term Finance

- Loan against Term Deposits
- PBL Uttshob (Seasonal Business)
- Agri Credits
- Probash Bondhu (For Foreign Remitter)
- Pubali Green Prantik
- Demand Loan

Long Term Finances

- Term Loans
- House Building Loan
- Term Loans to FIs
- Term Loans for SME
- Pubali Protiva (Term)
- Term Loan under direct Green Finance
- Loan against Transport

Work Order/Construction Business Finances

- Over Draft (Bid Bond)
- Overdraft (Earnest Money)
- Bank Guarantee/ Performance Guarantee/ Advance Payment Guarantee
- Over Draft (Work Order)

Consumer Loans

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

Special SME Loans

- Pubali Suborno

- Pubali Sujon
- Pubali Kormouddug
- Pubali Prochesta (Continuous)

Agri Credit Products

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

Debit Card (VISA & MasterCard)
Pubali Credit Card
Ananya – Debit Card for Women
ATM/CRM Service (NPSB, VISA, MasterCard)
Branch POS Service

ALTERNATIVE DELIVERY CHANNEL (ADC)

PI Banking (Apps. Based Banking)
Internet Banking, Merchant POS & QR

SERVICES

Online Banking
Remittance Service
Fund Transfer (BACH, RTGS, EFT)
Bank Guaranty/Assurance
Bank Drafts
Locker Service
Cash Deposit Machine (CDM)
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

Capital Market

- Fixed Income & Investment
- Treasury Bond
- Subordinate Bond, Perpetual Bond
- Investment in Share
- Commercial Paper

OFF-SHORE BANKING UNIT (OBU)

- Bill Discounting UPAS
- Financing to AD for export bill discounting (EBD)
- Term Loan

ISLAMIC BANKING (IBW)

Deposit Products

- Al-Wadeeah Current Account
- Mudaraba Savings Account
- Mudaraba SND Account
- Mudarab Term Deposit
- Mudaraba Hajj Savings Account
- Mudaraba Monthly Profit Based Deposit A/C
- Mudaraba Deposit Pension Account
- Mudaraba Marriage/Muhar Deposit Account
- Mudaraba Cash Waqf Deposit Account
- Mudaraba Swapno Puran Deposit Account
- Mudaraba Swadhin Sanchay Deposit Account
- Mudaraba Shiksha Sanchay Savings Account

Investment Products

- Bai-Muazzal
- Hire Purchase under Sirkatul Melk-HPSM (Project Finance, Term Finance, House Building Finance, Car Finance, Flat Purchase Finance, House Hold Durable Finance etc.)
- Car Investment under HPSM
- Bai-Istisna
- Quard against MTDR, MDPA etc.
- Pubali Star (Islamic)
- E-GP facility under Quard & Wakala

Export & Import Finance Products

- Letter of Credit(Cash LC & BBLC)
- Bank Guarantee(BG)
- Bai-Istisna [Pre Shipment Finance]
- IBP & FBP [Post Shipment Finance]
- Murabaha Post Import PIF-MPI (TR)
- Hire Purchase under Sirkatul Melk-HPSM (Machinery & Equipment)

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

BROKERAGE SERVICES

- Trade execution (Buy & Sale) through both DSE and CSE
- Automatic process of IPO subscription without client's presence
- SMS and e-mail services
- Awareness and guidelines for investors
- Confidential DSE & CSE Trading booth

- Large open trading floor
- DSE Mobile/Internet trading facility

MARGIN LOAN

- Margin Loan facility to the clients with minimum interest rate

CDBL SERVICES

- BO Accounts Opening & Maintenance (RB, NRB, Company etc.)
- Dematerialization & Re-Materialization of Shares
- Pledging, Un-Pledging and Confiscation of Shares
- All other services as full service DP

PORTFOLIO INVESTMENT

Maintenance of own portfolio investment through stock dealing a/c



ISLAMIC BANKING

Since 2010, Pubali Bank has been offering Islamic banking services through Islamic Banking Windows beside the traditional banking. At the moment, the bank runs 17 Islamic Banking Windows around the country. Besides, we launched Pubali Online Islamic Banking Services (POIBS) on 22.08.2022 through which we provide Islamic Banking Services to the customers from all 646 Branches, Sub-branches and Islamic Banking Windows. Opening of 02 (two) full-fledged Islamic Banking Branches and 05 (five) more Islamic Banking Windows are under consideration subject to approval of the Central Bank.

A competent Shari`ah Supervisory Committee oversees all Islamic banking activities of the bank as the Bank possesses strong commitment to the principles of Islamic Shari`ah and to the avoidance of Riba (interest), Gharar (speculation), and Maysir (gambling) in any of its Islamic banking operations.

It is pertinent to mention here that the Islamic Banking operations are completely separate from Conventional Banking. Separate accounting System for Islamic Banking Windows is being maintained through core banking system i.e. PIIBS (Pubali Integrated Islamic Banking System). At present, about one hundred and thirty officials and staffers are working both at field level and at Head Office for Islamic Banking.

Financial Analysis

Since inception in 2010, Islamic Banking business of the Bank has been growing up gradually in all areas of Deposit, Investment, Import Financing, Export Financing, Remittance Payment and Profit. As on December 31, 2022, Deposit, Investment and operating profit of Islamic Banking Windows were BDT 1,356.61 crore, BDT 1,221.66 crore and BDT 38.07 crore respectively. During the year, total Import Financing, Export Financing and Remittance Payment handled by the Islamic Banking Windows were BDT 1,494.89 crore, BDT 857.56 crore and BDT 58.66 crore respectively. At the end of the year 2022, NPI of Islamic Banking Windows was Tk 15.00 lac only which is 0.012% of total Investment. The performance of our Islamic Banking in the year 2022 is also reflected in its Balance Sheet and Profit & Loss Accounts included in this Annual Report.

Some Important Activities during the Year 2022

1. Introduction of new investment product named Bai-Muajjal and HPSM against Deposit in-instruments/Accounts of IBWs.
2. Revision of Quard against Deposit instruments/Accounts of IBWs.
3. Revision of e-GP facility under Quard & Wakalah Principles.
4. Compilation of "Pubali Bank Islamic Banking Guidelines & Operational Manual" which was a regulatory obligation.
5. Introduction of Pubali Online Islamic Banking Services (POIBS) through which every conventional Branch and sub-branch of our Bank can open any type of deposit account under their linked Islamic Banking windows.
6. Arrangement of outreach workshops on Pubali Online Islamic Banking Services (POIBS) covering all Branches and sub-Branches under Dhaka North, Dhaka South, Dhaka Central, Chattogram North, Chattogram Central, Chattogram South, Sylhet East, Sylhet West, Cumilla, Noakhali, Narayangonj, Gazipur, Mymensingh, Rangpur and Moulvibazar Regions and all Corporate Branches of the Bank.
7. Arrangement of training programs for conventional banking and Islamic banking personnel of the Bank through PBTI, Islamic Banks Consultative Forum (IBCF), Central Shariah Board for Islamic Banks of Bangladesh (CSBIB) and BIBM to develop human resources for Islamic Banking of the Bank.

We hope, introduction of POIBS will draw huge response from the pious mass people of the country which will take the Islamic Banking business of our Bank to a new height in days to come, In shaa Allah.

ICT SECURITY STATUS

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

Pubali Bank Limited has been extending customer services at all of our 498 branches, 125 Sub-branches and 17 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 498 Branches, 125 Sub-Branches and 17 Islamic Windows across the country. The Online Banking Network of Pubali Bank Limited has become the largest one in the banking sector of Bangladesh.

The efficient members of the Software, System, Network and Hardware Support Unit at ICT Operation Division are extending quick support to the branches to solve any software/operational problems in banking software. Besides, ICT Operation Division is modifying, strengthening and enhancing our core banking solutions, PIBS, 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 Threat 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.

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 Limited, PI (n), since 01 October 2020. Unlike Internet Banking, Mobile Application of the Bank will facilitate our valued clients with different transactional and non-transactional banking services for 24/7. 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 launched our Internet Banking System using our in-house developed software and we are extending this services to the customers of our all Online Branches. Security of the transmitted data by encryption/decryption has been ensured through agreement with VeriSign Secured Site Pro. Our Software Development Division is working on development of software for QR Code based Payment System, IDTP, e-KYC and Short e-KYC based Account Opening System.

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

We have established our Data Center at ICT Operation Division, Head Office and Disaster Recovery Center at Uttara, Dhaka. Banking Data of our all the Online

Branches are being stored both at our Data Center and Disaster Recovery Center simultaneously to ensure business continuity even in disaster. Moreover, we have recently added Exadata storage solution for enhancing storage capacity of our Data Center and Disaster Recovery Center that assured uninterrupted data availability for end users and proliferated period end data processing speed. Data Center of Pubali Bank Limited has been restructured recently and become one of the best ones in Bangladesh. In context of international standard, architecture of Data Center has been upgraded to Tire-3 Standard.

We have successfully implemented Software for Bangladesh Automated Clearing House (BACH-II) and Bangladesh Electronic Fund Transfer System (BEFTN), Credit Information Bureau (CIB) Reporting as per guidelines of Bangladesh Bank.

We have 17 (Seventeen) 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 (AD DS) 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 already implemented IP PBX and Video Conferencing System and deployed IP Phone to our Head Office, Principal Offices, Regional Offices, Corporate and AD branches. Now we are deploying IP Phone to all of our branches. We will launch video conferencing system shortly through which internal of the Bank will be nearly free of cost and external communication will be less costly. Eventually, Pubali Bank will experience standard unified Communication System.

We have established our website <https://www>.

pubalibangla.com where from 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, introduced Offshore Banking Units (OBU) of Pubali Bank Limited. In regard to banking products, OBUs are allowed to offer banking services targeting selected group of clients and non-residents.

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.

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 Limited has upgraded its ICT Security Guideline considering the updated guideline of Bangladesh Bank 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 data processing.
- Establish a holistic approach for ICT Risk Management.
- Identifying information security risks and their management.
- Aware and train the users associated with managing the ICT Infrastructure.
- Aware our users associated with operation about ICT Security on regular basis.

We have already deployed IP Phone to our Head Office, Principal Offices, Regional Offices and all of our 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 Programmes, Countrywide Online Workshops and so on are operating through WebEx.

To ensure proper training to our officials and raising awareness among them, Computer Training Lab of ICT Operation Division arranged need based hands on training program at our Computer Lab daily in addition to training/workshop arranged at Head Office Auditorium throughout the year. During the year 2022, we conducted 24 training programs at our Computer Lab on 140 (One Hundred and Forty) different Topics/ Modules covering 5,647 participants from Branches/Regional Offices across the country.

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

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





Despite the promise to materialize, according to University.

"The theory..."

part of its electronic...
coauthor Robert S...
Emeritus, at Har...

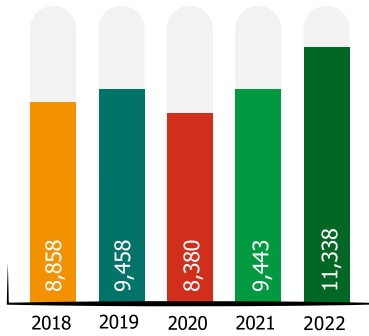
FINANCIAL ANALYSIS

COMPARATIVE FINANCIAL HIGHLIGHTS OF PUBALI BANK LIMITED

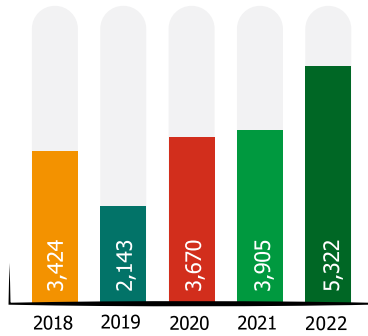
(BDT in million unless stated otherwise)

PARTICULARS	2022	2021	INCREASE/ (DECREASE)	CHANGE (%)
INCOME STATEMENT				
Total revenue	48,435.30	42,025.73	6,409.57	15.25%
Total expenses	37,097.78	32,582.27	4,515.51	13.86%
Operating profit	11,337.52	9,443.46	1,894.06	20.06%
Profit before tax	8,513.04	5,199.66	3,313.38	63.72%
Profit after tax	5,321.77	3,904.55	1,417.22	36.30%
Earnings per share	5.18	3.80	1.38	36.30%
ASSETS & LIABILITIES				
Total assets	712,755.71	629,481.34	83,274.37	13.23%
Earning assets	595,018.23	531,301.80	63,716.43	11.99%
Total loans and advances	461,884.13	376,656.43	85,227.70	22.63%
Fixed Assets	6,495.54	6,082.24	413.30	6.80%
Total deposit	510,836.52	462,400.22	48,436.30	10.47%
Shareholders' equity	42,486.09	39,750.22	2,735.87	6.88%
CAPITAL				
Paid up capital	10,282.94	10,282.94	-	-
Capital maintained	58,464.20	52,591.30	5,872.90	11.17%
Risk weighted assets (RWA)	422,330.73	369,575.88	52,754.85	14.27%
Capital required	42,233.07	36,957.59	5,275.48	14.27%
CRAR	13.84%	14.23%	-0.39%	-2.72%
SHARE INFORMATION				
Earnings per share (EPS)	5.18	3.80	1.38	36.30%
Net assets value per share (NAVPS)	41.32	38.66	2.66	6.87%
Number of shares	1,028,294,218	1,028,294,218	-	-
REGULATORY RATIO				
Cash reserve ratio (CRR)	4.24%	3.88%	0.36%	9.38%
Statutory liquidity ratio (SLR)	23.44%	27.81%	-4.37%	-15.71%
CRAR	13.84%	14.23%	-0.39%	-2.72%
Credit deposit Ratio	84.79%	77.58%	7.21%	9.30%
ASSET QUALITY				
Amount of classified loans and advances	12,121.23	11,480.11	641.12	5.58%
Percentage of classified loans and advances	2.62%	3.05%	-0.42%	-13.90%
Required provision for loans and advances	21,096.19	19,242.43	1,853.76	9.63%
Provision maintained for loans and advances	21,115.75	19,253.16	1,862.59	9.67%
Classified other assets	269.02	242.56	26.46	10.91%
Classified investment	245.85	241.83	4.02	1.66%
Total classified assets	12,636.10	11,964.50	671.60	5.61%

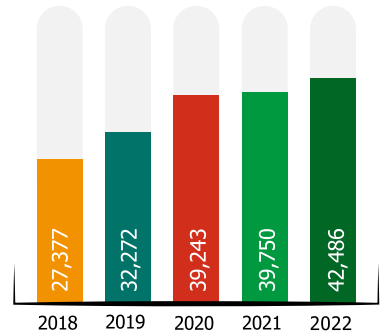
GRAPHICAL PRESENTATION



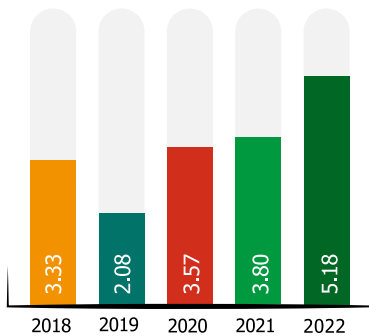
OPERATING PROFIT
(BDT in Million)



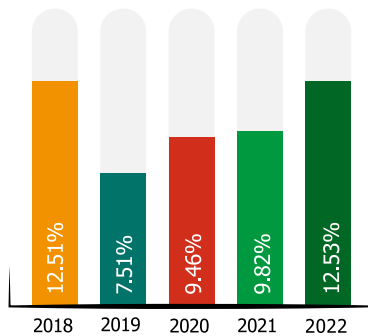
PROFIT AFTER TAX
(BDT in Million)



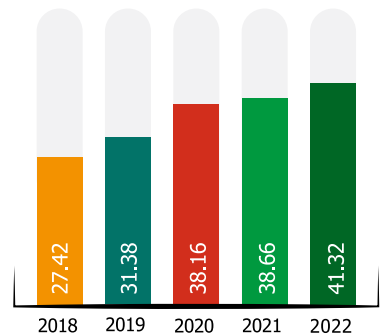
SHAREHOLDERS' EQUITY
(BDT in Million)



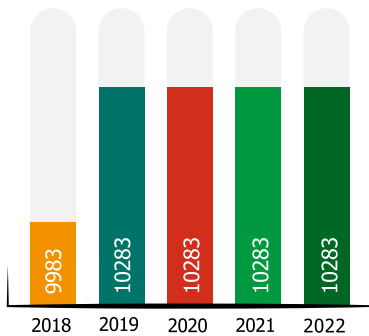
EARNINGS PER SHARE
(in BDT)



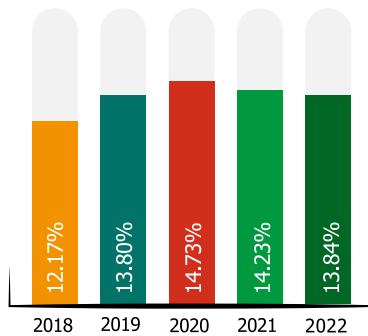
RETURN ON SHAREHOLDERS' FUND
(in %)



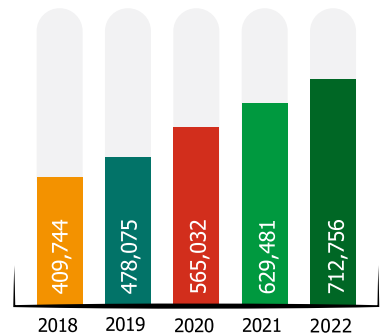
NET ASSET VALUE PER SHARE
(in BDT)



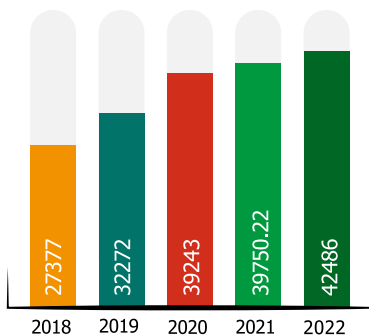
PAID UP CAPITAL
(BDT in Million)



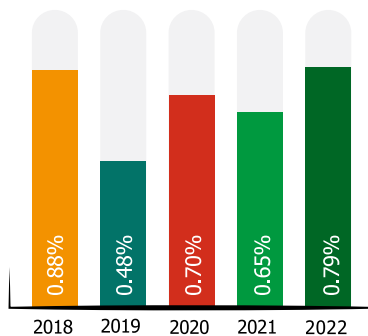
CRAR/CAR
(in %)



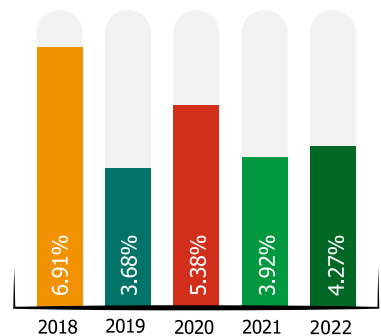
TOTAL ASSETS
(BDT in Million)



NET ASSETS
(BDT in Million)



RETURN ON ASSETS (ROA)
(in %)

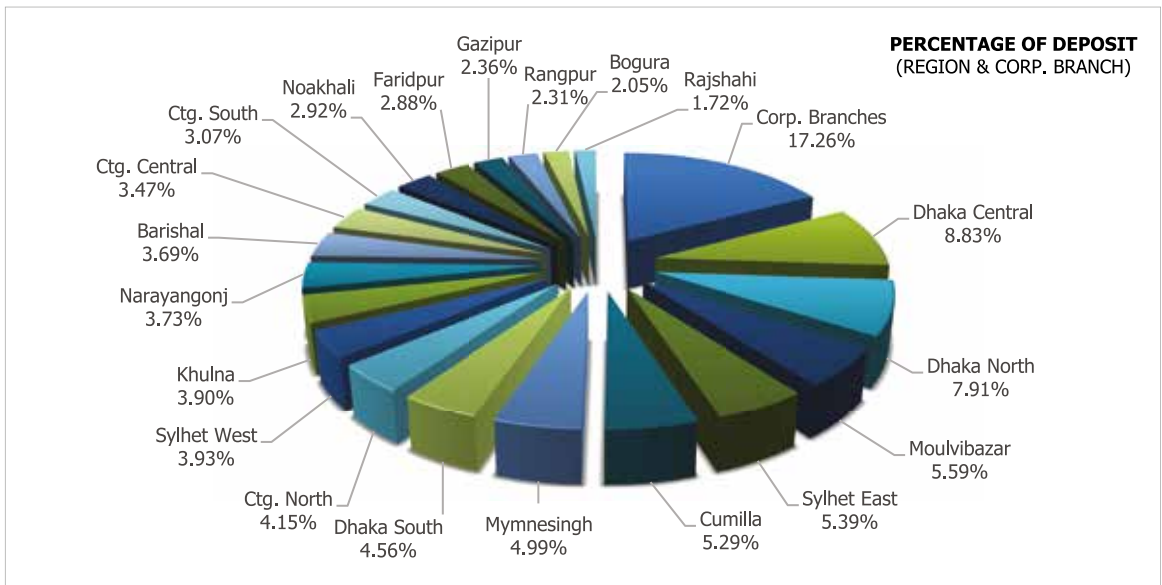
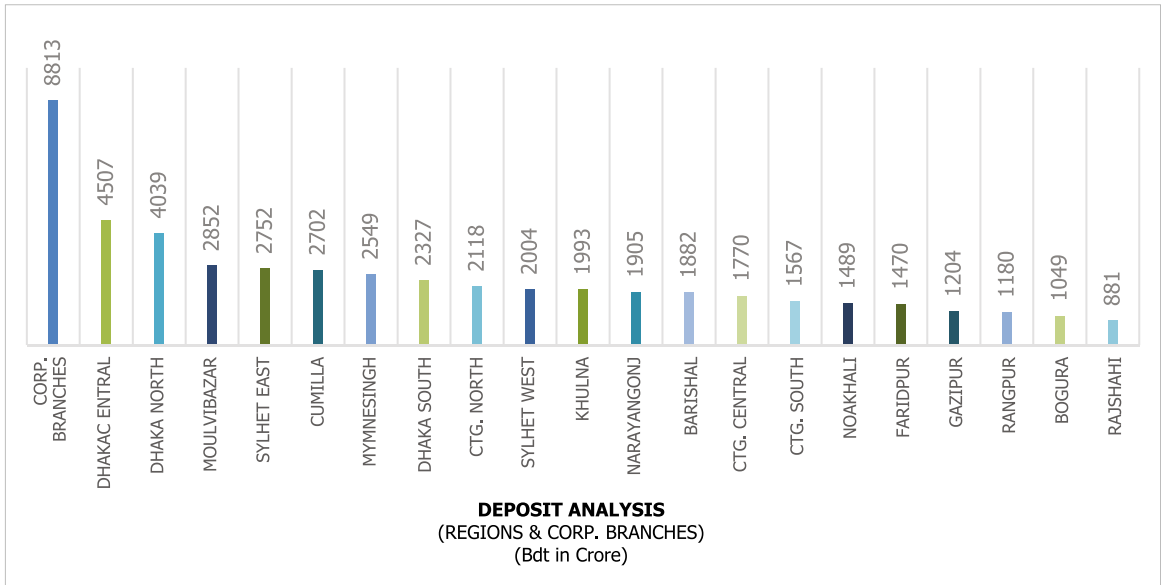
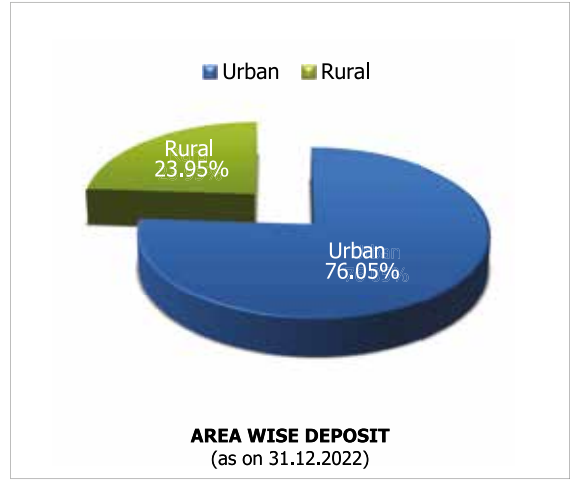
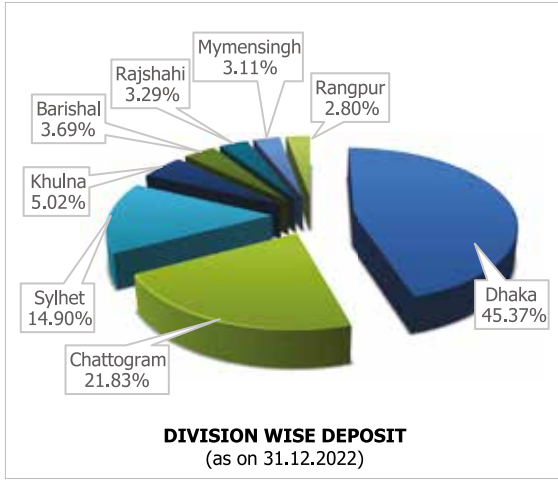


RETURN ON INVESTMENT (ROI)
(in %)

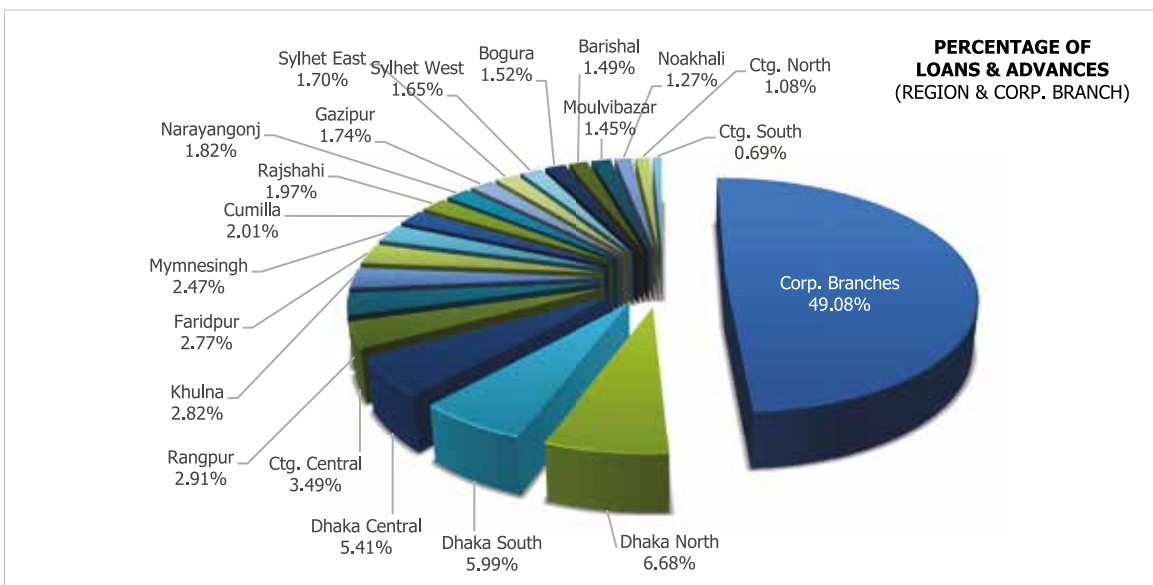
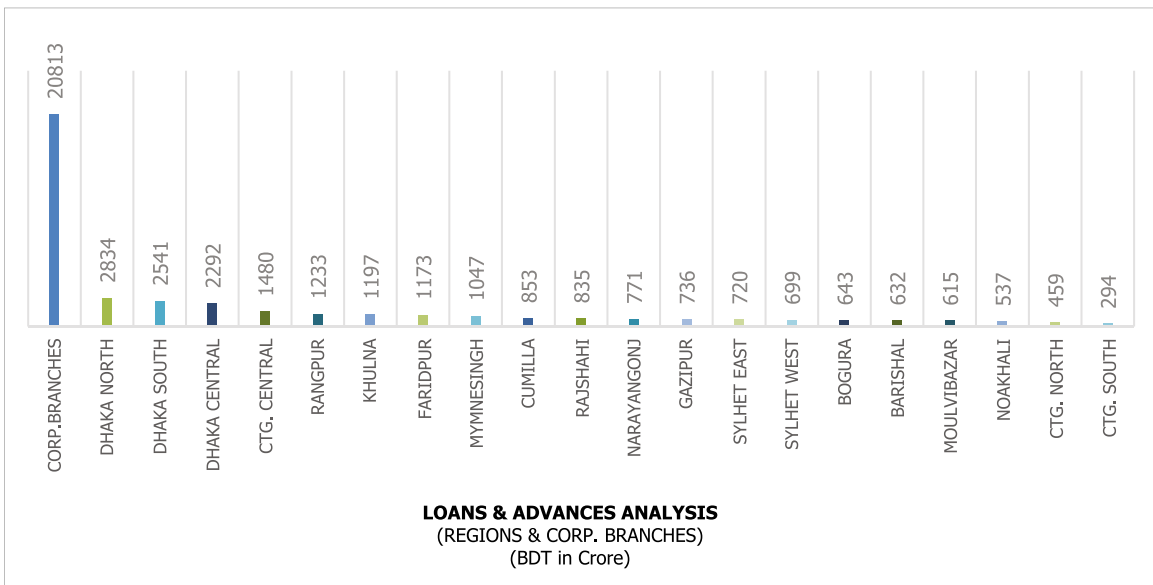
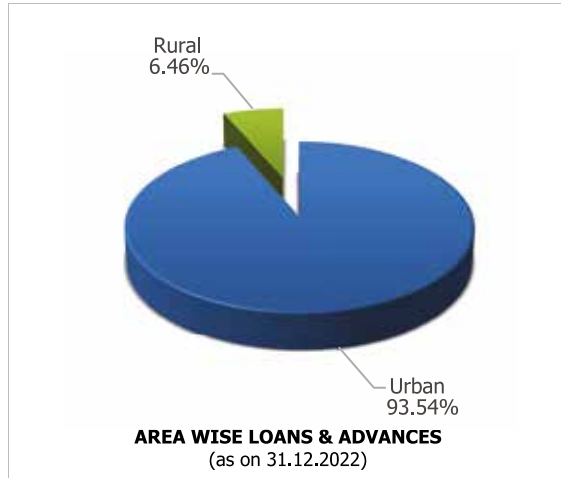
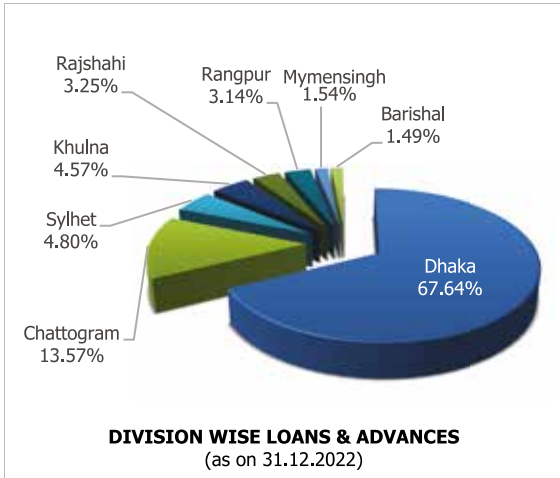
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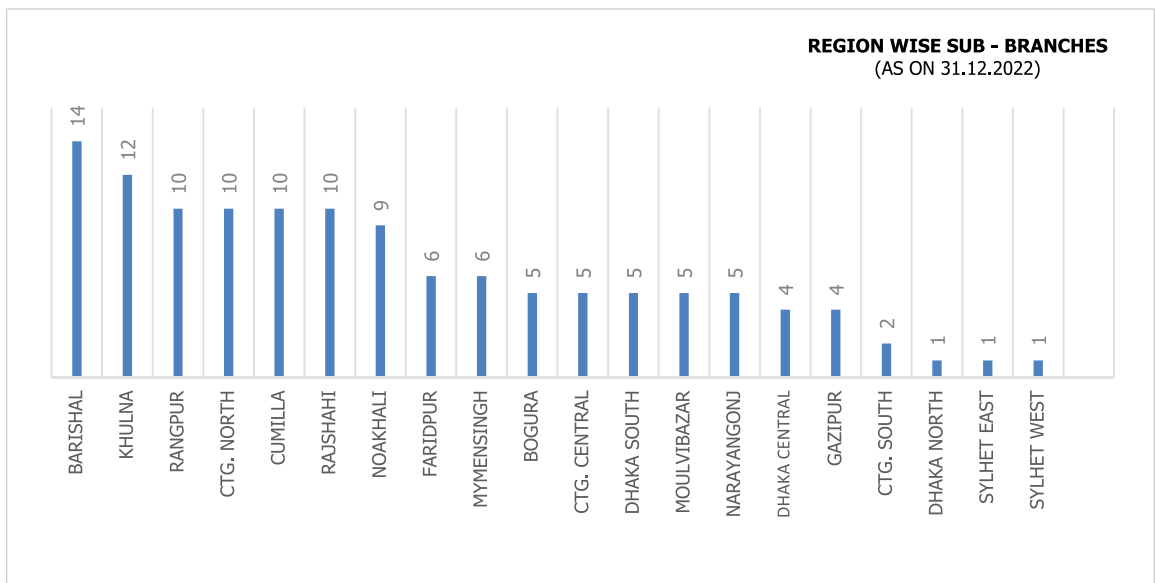
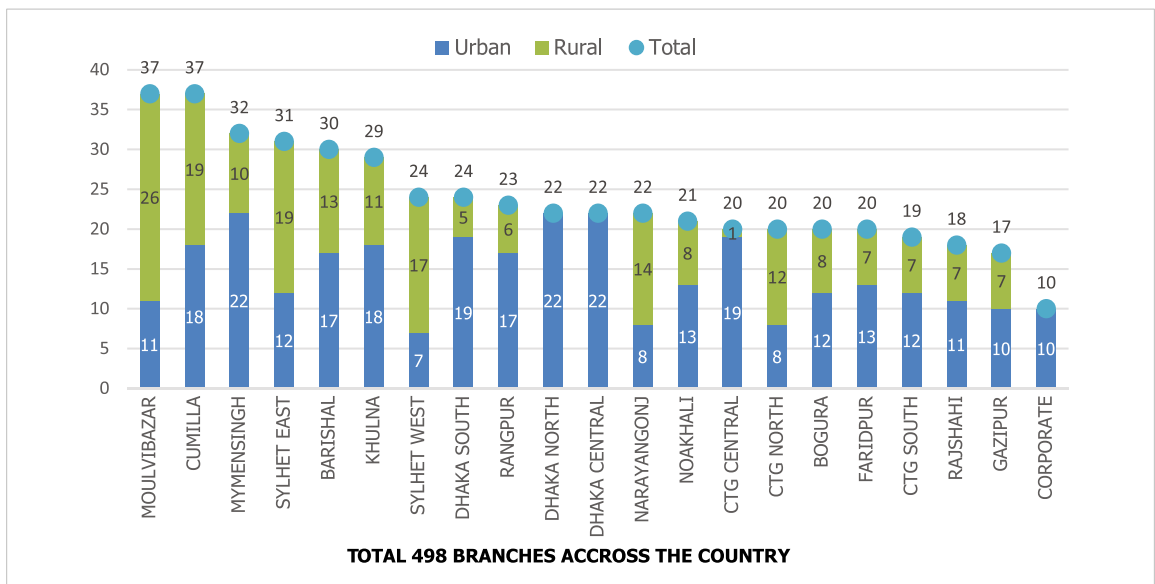
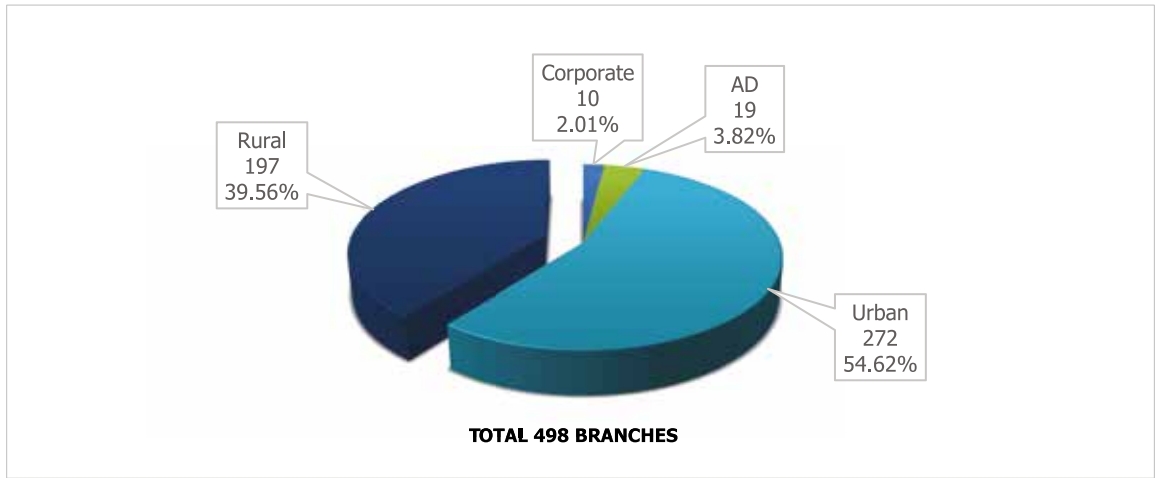
DEPOSIT ANALYSIS



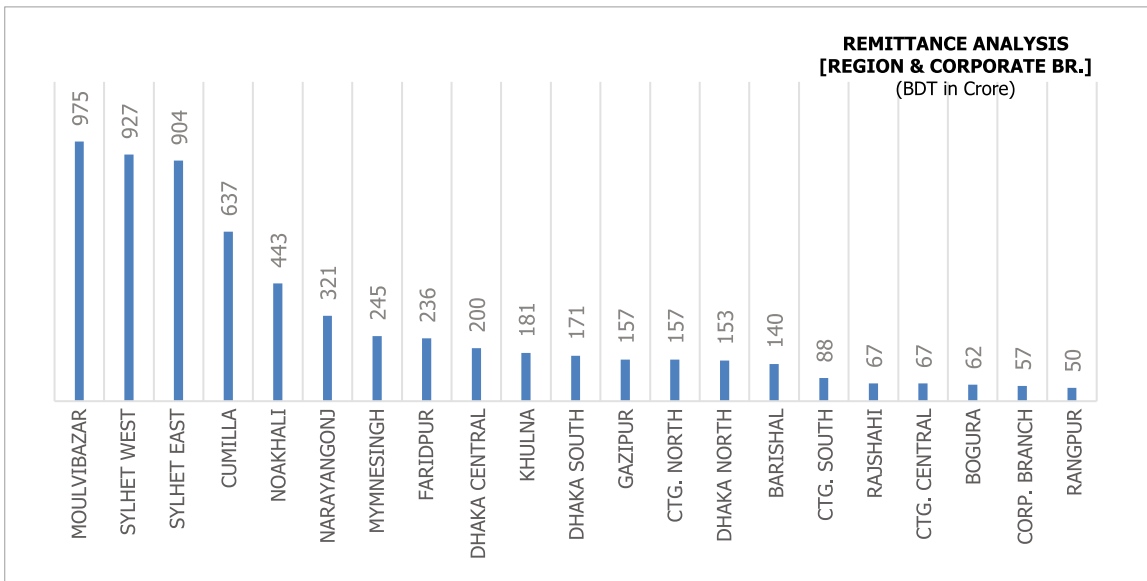
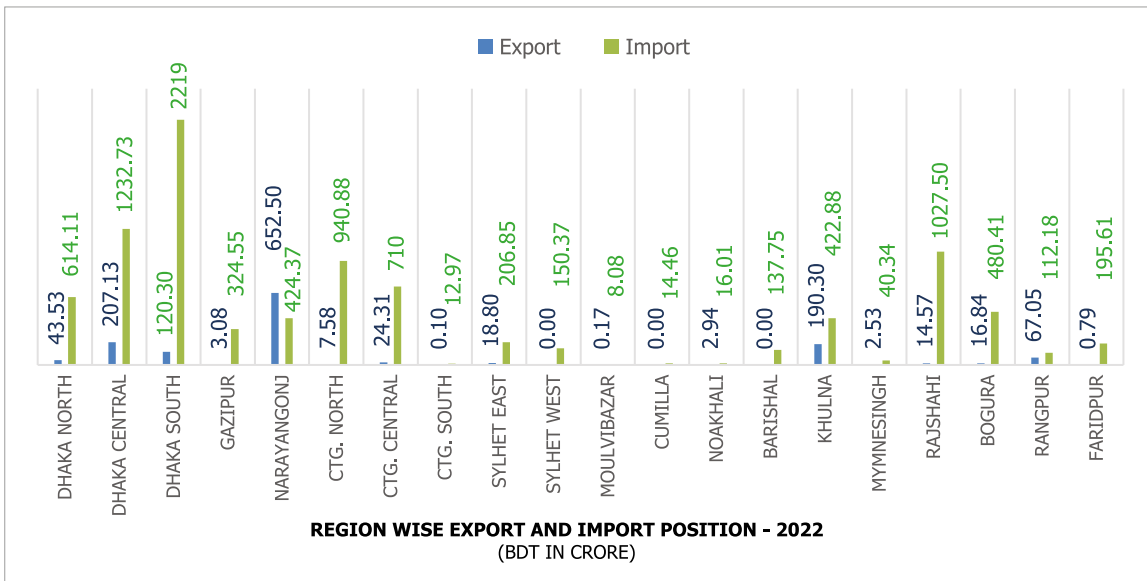
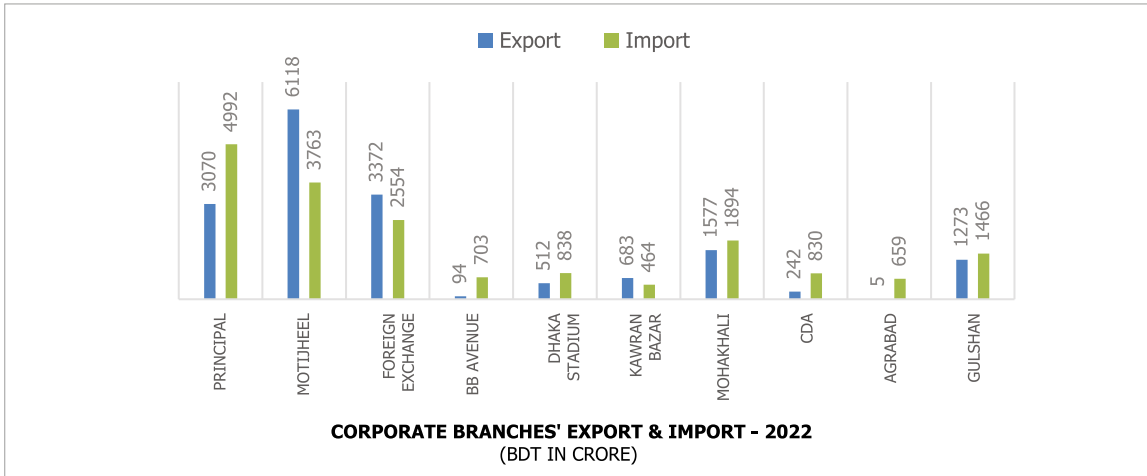
LOANS & ADVANCES ANALYSIS



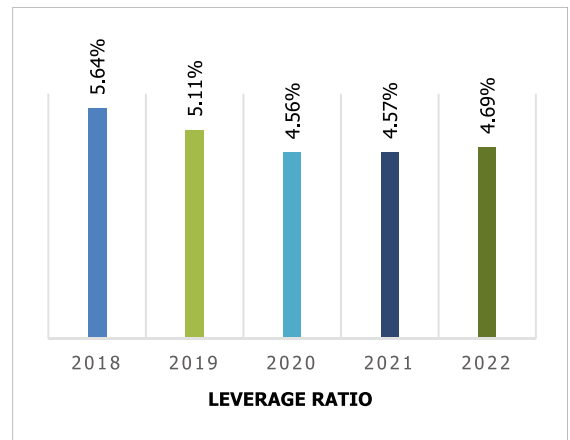
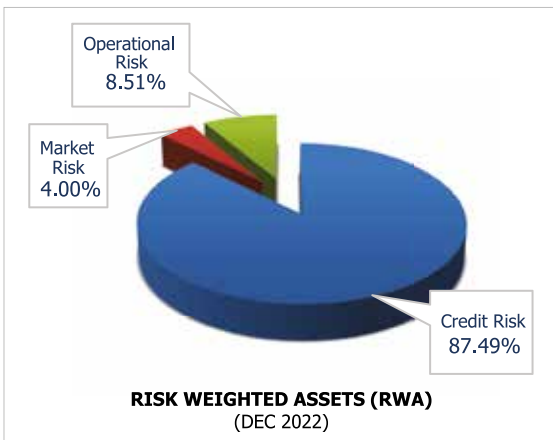
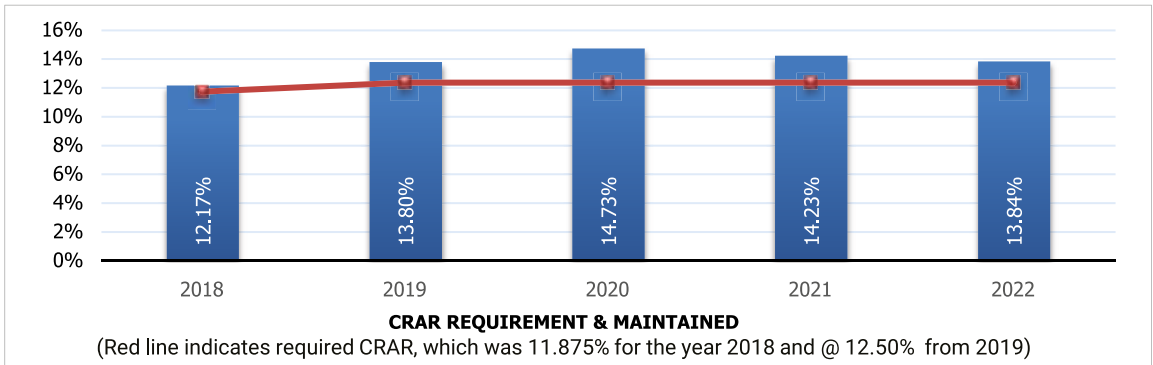
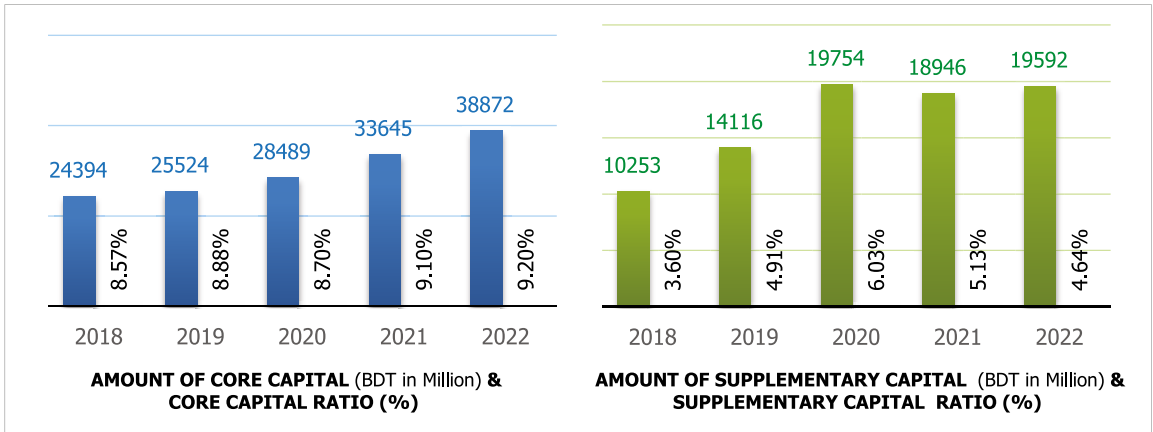
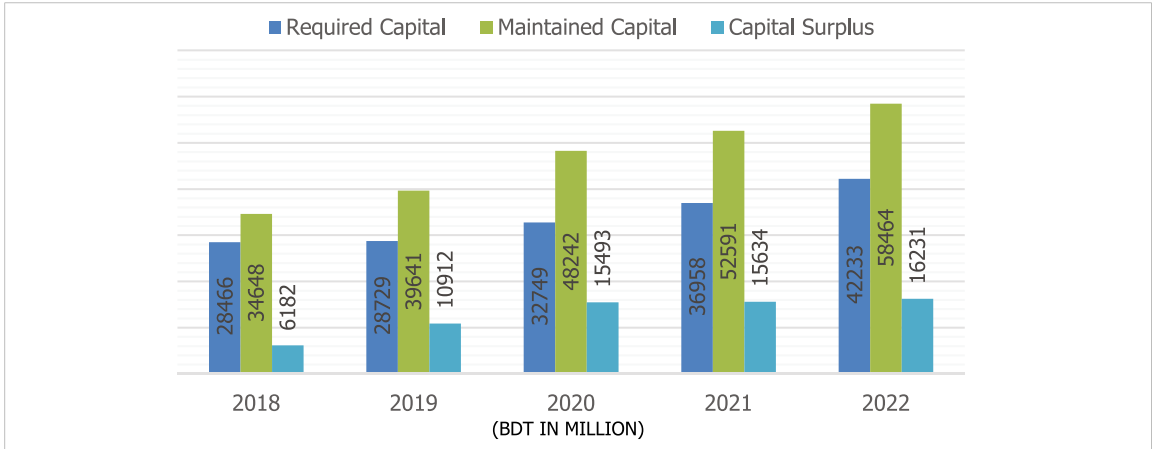
BRANCH NETWORK



FOREIGN EXCHANGE BUSINESS



CAPITAL ADEQUACY



KEY FINANCIAL INFORMATION

(BDT in million unless stated otherwise)

PARTICULAR	2022	2021	2020	2019	2018
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	9,983.44
Reserve fund & surplus	32,203.15	29,467.28	28,960.24	21,988.76	17,393.66
Total shareholders' equity	42,486.09	39,750.22	39,243.18	32,271.71	27,377.10
Capital employed	368,671.55	355,032.50	323,488.89	246,207.05	198,150.15
Deposits	510,836.52	462,400.22	429,343.02	359,418.89	308,899.77
Loans and advances	461,884.13	376,656.43	315,578.90	287,034.67	270,909.51
Investments	139,403.49	145,632.76	147,906.01	100,603.86	57,660.24
Fixed Assets	6,495.54	6,082.42	5,087.99	5,180.80	3,782.35
Total assets	712,755.71	629,481.34	565,032.07	478,074.84	409,744.09
Total off balance sheet exposures	225,838.75	225,455.59	137,695.16	108,500.21	103,703.92
Earning assets	595,018.23	531,301.80	473,085.44	386,774.12	328,464.04
Non-earning assets	117,737.48	97,882.87	91,946.63	91,300.72	81,280.05
Net Assets	42,486.09	39,750.22	39,243.18	32,271.71	27,377.10
INCOME STATEMENT MATRIX					
Interest income	29,813.19	22,737.80	22,716.88	26,060.65	23,987.74
Investment income	13,740.36	15,671.21	12,707.36	7,131.92	5,193.01
Non-interest income	4,881.74	3,616.72	2,751.63	2,909.08	3,044.96
Total income	48,435.29	42,025.73	38,175.87	36,101.65	32,225.71
Interest expenses	23,240.59	21,900.92	19,851.84	17,691.77	14,966.25
Non-interest expenses	13,857.19	10,681.35	9,944.47	8,952.07	8,401.78
Total expenses	37,097.78	32,582.27	29,796.31	26,643.84	23,368.03
Net interest margin (NIM)	6,572.60	836.88	2,865.04	8,368.88	9,021.49
Net non-interest margin	4,764.91	8,606.58	5,514.52	1,088.93	(163.81)
Operating profit	11,337.51	9,443.46	8,379.56	9,457.81	8,857.68
Earnings before provision, depreciation and tax	12,398.25	10,334.07	9,148.41	10,157.36	9,159.93
Profit before provision & tax	11,337.51	9,443.46	8,379.56	9,457.81	8,857.68
Profit before tax	8,513.04	5,199.66	5,753.25	5,196.15	5,685.80
Net profit after tax	5,321.77	3,904.55	3,669.51	2,143.27	3,424.06
CAPITAL MATRIX					
Risk weighted assets (RWA)	422,330.73	369,575.88	327,491.48	287,290.00	284,659.50
Total required capital	42,233.07	36,957.59	32,749.15	28,729.00	28,465.95
Total regulatory capital maintained	58,464.20	52,591.30	48,242.35	39,640.53	34,647.53
Capital surplus/(shortfall)	16,231.13	15,633.71	15,493.20	10,911.53	6,181.58
CRAR/(CAR)	13.84%	14.23%	14.73%	13.80%	12.17%
Core capital ratio	9.20%	9.10%	8.70%	8.88%	8.57%
Supplementary capital ratio	4.64%	5.13%	6.03%	4.91%	3.60%
Amount of core capital (Tier-1)	38,872.16	33,645.13	28,488.80	25,524.32	24,394.18
Amount of supplementary capital (Tier-2)	19,592.04	18,946.17	19,753.55	14,116.21	10,253.35
ASSET QUALITY					
Classified loans & advances (Non-performing loans)	12,121.23	11,480.11	8,622.01	12,560.60	14,778.27
Percentage of NPLs to total loans and advances	2.62%	3.05%	2.73%	4.38%	5.46%
Required provision for unclassified loans	7,903.53	8,152.48	5,897.81	4,127.99	4,001.53
Required provision for classified loans	13,192.66	11,089.95	10,257.81	11,429.95	8,810.37
Total required provision for loans and advances	21,096.19	19,242.43	16,155.62	15,557.94	12,811.90
Total provision maintained for loans and advances	21,115.75	19,253.16	17,155.62	15,559.76	12,811.90
Provision excess/(shortfall) for loans and advances	19.57	10.74	1,000.00	1.82	-
General provision maintained	7,923.09	8,163.22	6,897.81	4,129.81	4,001.53
Specific provision maintained	13,192.66	11,089.95	10,257.81	11,429.95	8,810.37
Classified investment	245.85	241.83	242.05	510.50	96.32
Provision maintained for classified investment	253.50	253.50	253.50	510.55	96.35
Classified other assets	269.02	242.56	218.29	97.16	97.46
Provision maintained for other assets	269.91	242.76	218.67	404.37	392.50
Total classified assets	12,636.10	11,964.50	9,082.35	13,168.26	14,972.05
Total unclassified assets	700,119.61	617,220.17	555,949.72	464,906.58	394,772.04
ASSET QUALITY					
Required provision for contingent liabilities	1,968.58	2,082.47	1,271.80	986.38	929.61
Provision maintained for contingent liabilities	1,968.95	2,082.95	1,271.95	986.40	930.00
Current assets	392,931.30	317,806.59	272,830.19	257,607.55	233,358.30
Current liabilities	344,084.16	274,152.17	241,543.18	231,867.79	211,593.94
Net current assets	48,847.14	43,654.42	31,287.01	25,747.17	21,764.36
Long term liabilities	326,185.46	315,578.95	284,680.85	213,669.75	170,773.05
Long term liabilities/current liabilities	0.95	1.15	1.18	0.92	0.81

KEY FINANCIAL INFORMATION

(BDT in million unless stated otherwise)

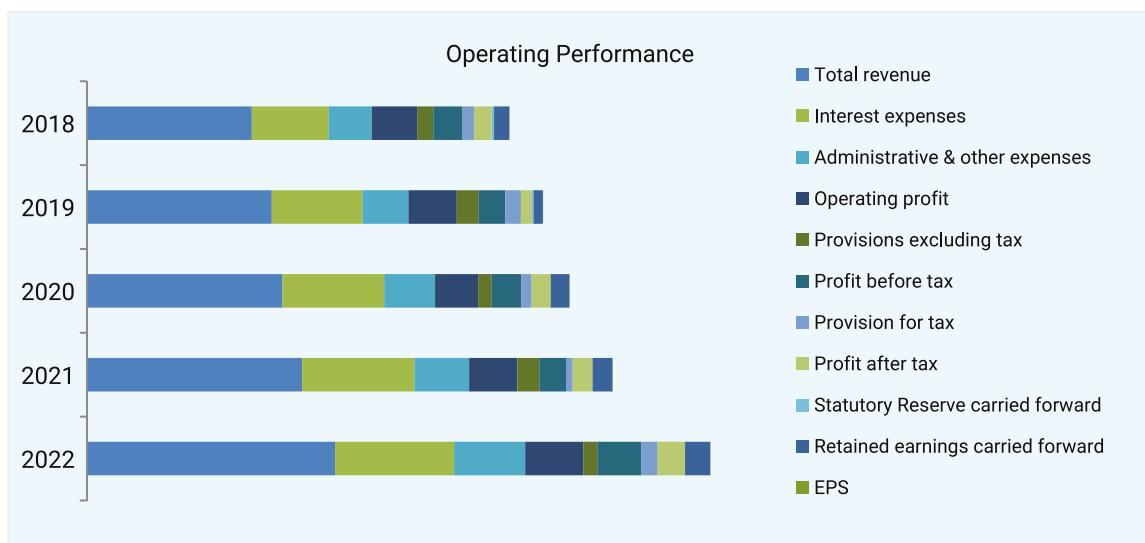
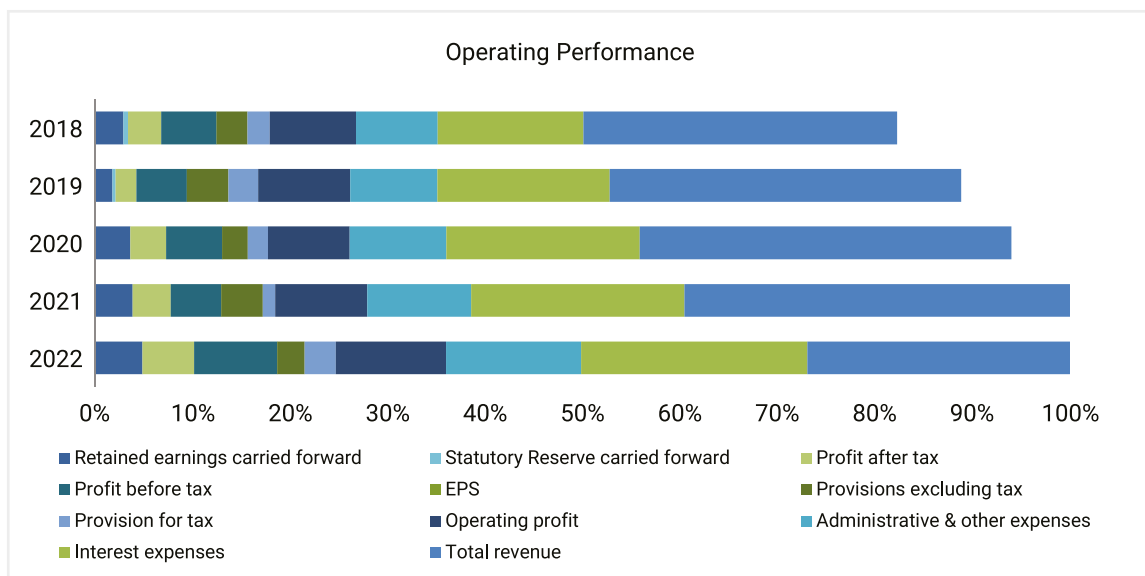
PARTICULAR	2022	2021	2020	2019	2018
FOREIGN EXCHANGE BUSINESS					
Import	274,383.00	279,780.03	164,240.37	156,980.10	155,713.70
Export	183,174.90	129,799.36	87,340.06	100,381.90	104,861.60
Foreign remittance	86,813.40	60,500.20	52,113.40	52,660.00	40,564.51
FINANCIAL RATIOS					
Operating profit ratio	23.41%	22.47%	21.95%	26.20%	27.49%
Gross profit ratio	23.41%	22.47%	21.95%	26.20%	27.49%
Operating profit as a percentage of average working fund	23.21%	21.63%	26.78%	36.74%	40.70%
Return on assets (ROA)	0.79%	0.65%	0.70%	0.48%	0.88%
Return on equity (ROE)	12.53%	9.82%	9.46%	7.51%	12.51%
Return on investment (ROI)	4.27%	3.92%	5.38%	3.68%	6.91%
Return on loans & advances	1.15%	1.04%	1.16%	0.75%	1.26%
Return on working fund	10.89%	8.94%	11.73%	8.33%	15.73%
Return on earning assets	0.89%	0.73%	0.78%	0.55%	1.04%
Operating profit per employee	1.26	1.18	1.03	1.16	1.17
Net profit per employee	0.59	0.49	0.45	0.26	0.45
Operating profit per branch	22.77	19.27	17.38	19.62	18.73
Net interest margin as a percentage of working fund	13.46%	1.92%	9.16%	32.51%	41.45%
Net interest margin on earning assets	1.10%	0.16%	0.61%	2.16%	2.75%
Efficiency ratio	0.29	0.25	0.26	0.25	0.26
Burden ratio	1.26%	1.12%	1.27%	1.26%	1.31%
Cost of deposit	3.63%	3.45%	4.24%	4.38%	4.85%
Yield on loans and advances	6.45%	6.04%	7.20%	9.08%	8.85%
Interest spread	2.83%	2.59%	2.96%	4.70%	4.01%
Cost of fund	6.77%	6.80%	7.09%	7.52%	7.97%
Net spread	-0.32%	-0.77%	0.11%	1.56%	0.88%
Cost to income ratio (Operating exp. to operating Income)	55.00%	53.08%	54.27%	48.63%	48.68%
Debt equity ratio (times)	15.78	14.95	13.41	13.81	13.97
Current ratio (times)	1.14	1.16	1.13	1.11	1.10
Net asset value per share (NAVPS) (in BDT)	41.32	38.66	38.16	31.38	27.42
Earnings per share (EPS) (in BDT)	5.18	3.80	3.57	2.08	3.33
CRAR/ CAR	13.84%	14.23%	14.73%	13.80%	12.17%
Credit deposit ratio	84.79%	77.58%	70.71%	76.21%	82.94%
Cash reserve ratio/Liquidity ratio	4.24%	3.88%	4.14%	5.35%	5.62%
Statutory liquidity ratio (SLR)	23.44%	27.81%	30.13%	23.40%	14.21%
Medium term funding ratio (MTFR)	1.02	1.01	0.97	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	998,343,901
Earnings per share (EPS) (in BDT)	5.18	3.80	3.57	2.08	3.33
Net asset value per share (NAVPS) (in BDT)	41.32	38.66	38.16	31.38	27.42
Market price per share	26.30	26.80	24.10	24.00	26.00
DIVIDEND					
Cash	12.50%	12.50%	12.50%	10%	10%
Bonus	-	-	-	3%	5%
OTHER INFORMATION					
Number of branches	498	490	482	473	465
Number of Sub-branches	125	40	23	-	-
Number of employees	9,031	8,022	8,118	8,153	7,587
Number of foreign correspondents (Nostro)	32	31	31	30	30

HORIZONTAL & VERTICAL ANALYSIS

Operating performance

(BDT in million unless stated otherwise)

PARTICULAR	2022	2021	2020	2019	2018
Total revenue	48,435.29	42,025.73	38,175.87	36,101.65	32,225.71
Interest expenses	23,240.59	21,900.92	19,851.84	17,691.77	14,966.25
Administrative & other expenses	13,857.19	10,681.35	9,944.47	8,952.07	8,401.78
Operating profit	11,337.51	9,443.46	8,379.56	9,457.81	8,857.68
Provisions excluding tax	2,824.47	4,243.80	2,626.31	4,261.65	3,171.87
Profit before tax	8,513.04	5,199.66	5,753.25	5,196.15	5,685.80
Provision for tax	3,191.27	1,295.11	2,083.74	3,052.88	2,261.74
Profit after tax	5,321.77	3,904.55	3,669.51	2,143.27	3,424.06
Statutory Reserve carried forward	-	-	-	299.50	473.25
Retained earnings carried forward	4,904.82	3,904.55	3,669.51	1,843.77	2,950.81
EPS	5.18	3.80	3.57	2.08	3.33

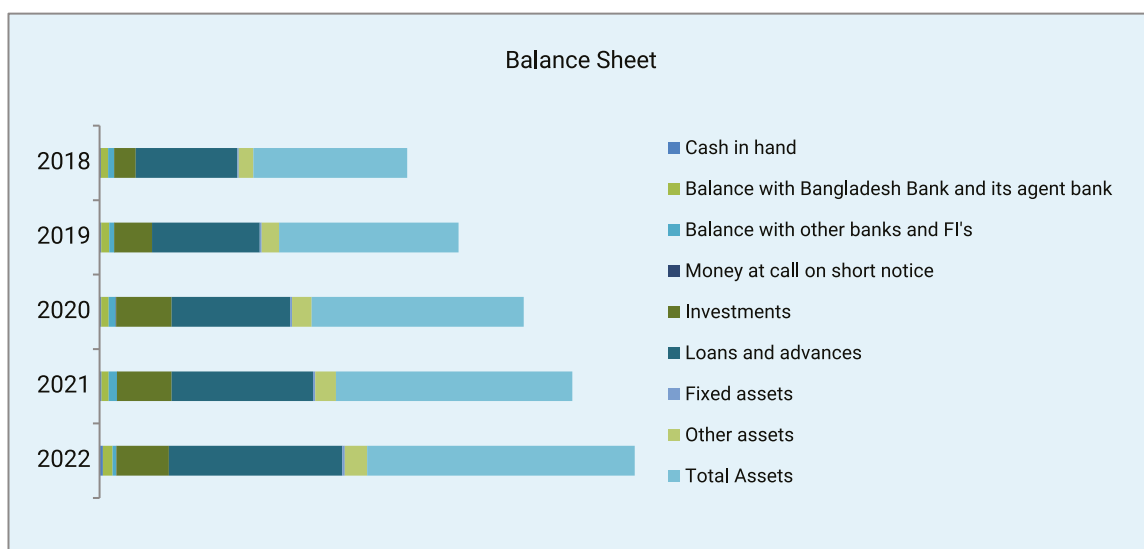
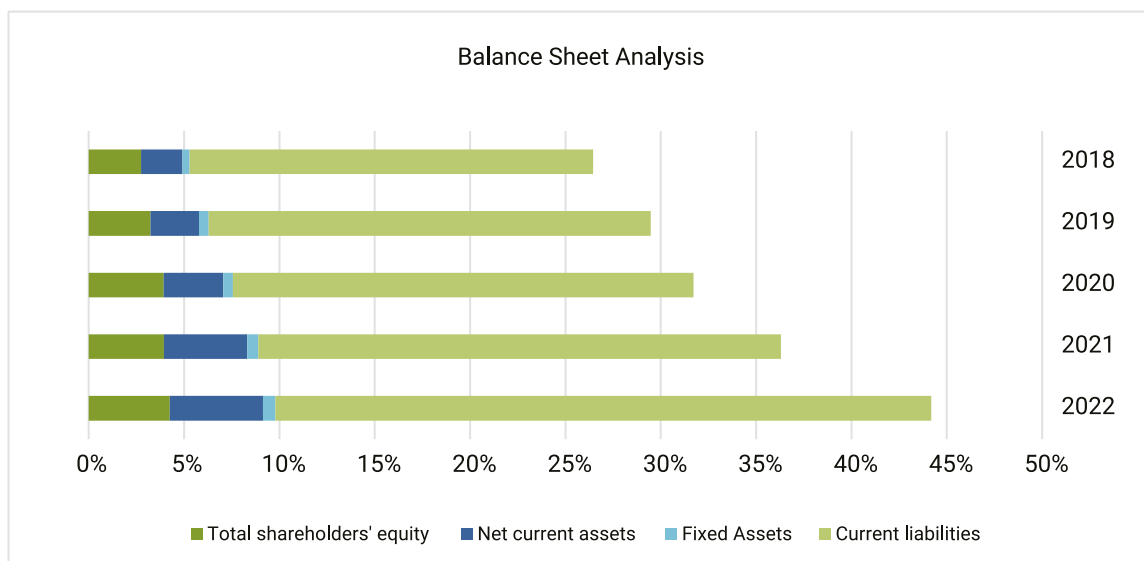


HORIZONTAL & VERTICAL ANALYSIS

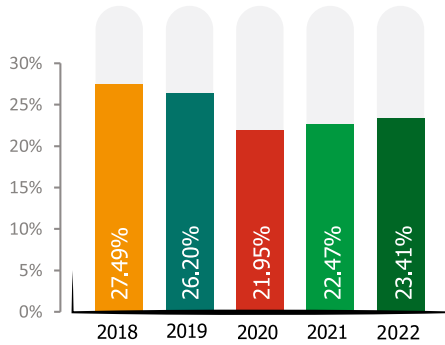
Balance Sheet

(BDT in million unless stated otherwise)

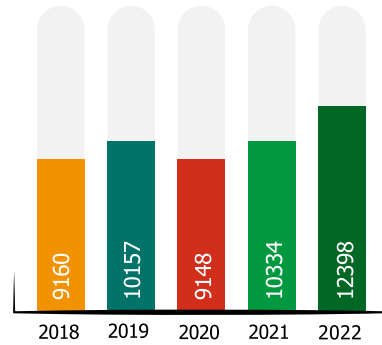
PARTICULAR	2022	2021	2020	2019	2018
Cash in hand	8,902.09	5,088.41	4,137.47	4,208.45	3,789.31
Balance with Bangladesh Bank and its agent bank	25,547.76	19,557.92	20,008.97	21,694.54	19,267.54
Balance with other banks and FI's	9,810.26	21,481.97	18,580.80	13,086.55	15,579.62
Money at call on short notice	838.99	241.99	1,200.79	126.79	11.29
Investments	139,403.49	145,632.76	147,906.01	100,603.86	57,660.24
Loans and advances	461,884.13	376,656.43	315,578.90	287,034.67	270,909.51
Fixed assets	6,495.54	6,082.42	5,087.99	5,180.80	3,782.35
Other assets	59,873.08	54,739.06	52,530.76	46,138.80	38,743.86
Total Assets	712,755.71	629,481.34	565,032.07	478,074.84	409,744.09



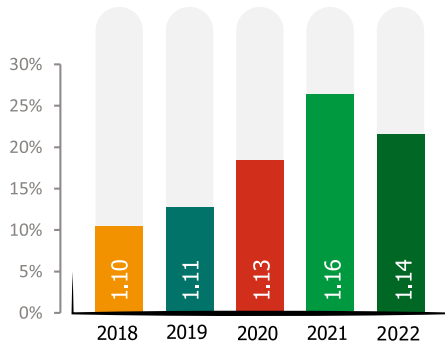
PROFITABILITY, DIVIDEND, PERFORMANCE AND RATIOS



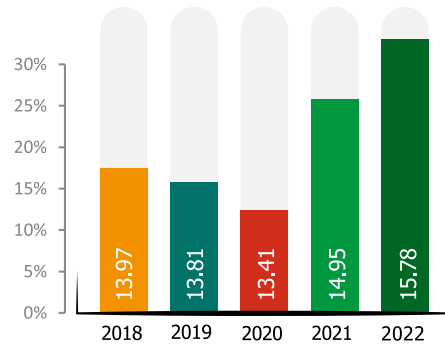
GROSS PROFIT RATIO
(in %)



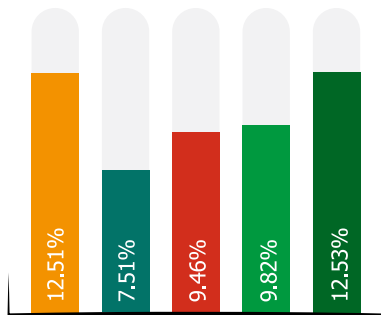
EARNINGS BEFORE PROVISION, DEPRECIATION AND TAX
(BDT in Million)



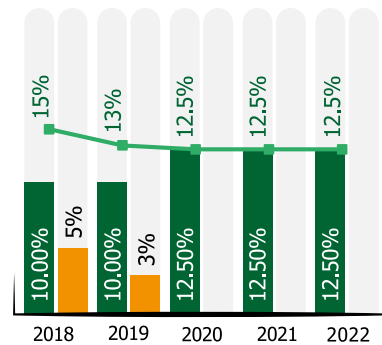
CURRENT RATIO
(in Times)



DEBT EQUITY RATIO
(in Times)

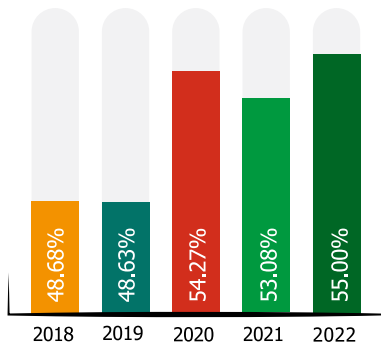


RETURN ON EQUITY
(in %)

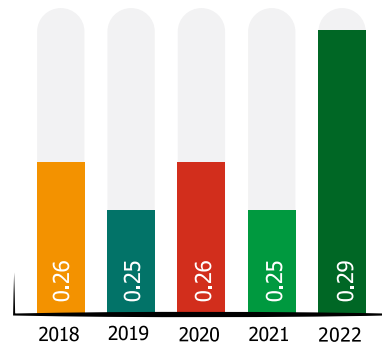


DIVIDEND
(in %)

■ CASH ■ BONUS — TOTAL



COST TO INCOME RATIO
(Operating Expenses to Operating Income)



EFFICIENCY RATIO

INDEPENDENT AUDITORS' REPORT
To the Shareholders of Pubali Bank Limited
Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Pubali Bank Limited and its subsidiary (the "Group") as well as the separate financial statements of Pubali Bank Limited (the "Bank"), which comprise the consolidated and separate Balance Sheets as at 31 December 2022, 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 2022, 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 of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our 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 and leases	
<p>With reference to Note 14.1 to the Financial Statements, the process for calculating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex. The Bank calculates provision for loans, advances 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.</p> <p>To minimize Covid 19 impact, Bangladesh Bank issued BRPD Circular Letter No. 19, 52 and 53 dated 26 August 2021, 29 December 2021, and 30 December 2021 and BRPD Circular Letter No. 14 dated 22 June 2022, BRPD Circular Letter No. 51 dated 18 December 2022 and BRPD Circular Letter No. 53 dated 22 December 2022 respectively.</p> <p>According to the circular, commercial banks must keep an extra 2% (percent) general provision for those borrowers who have availed of payment by deferral (PBD) facilities but for CMSME the rate is 1%. The calculation of the new provisioning rule will have to be implemented based on the outstanding (deferral payment) loans as of 31 December 2022. The Bank has kept this special provision as of 31 December 2022 BDT 1,046.63 million as per the circular.</p> <p>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.</p> <p>Considering these factors, we have considered measurement of provision for loans, advances and leases as significant risk as well as a key audit matter.</p> <p>At the year end of 2022 the Group reported total gross loans, advances and leases of BDT 462.75 billion (2021: BDT 377.44 billion) and in 2022 the Bank reported total gross loans, advances and leases of BDT 461.88 billion (2021: BDT 376.66 billion) whereas at the year end of 2022 the Group reported total provision for loans, advances and leases of BDT 21.12 billion (2021: BDT 19.25 billion) and the Bank reported total provision for loans, advances and leases of BDT 21.12 billion (2021: BDT 19.25 billion)</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • 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; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; • Finally, compared the amount of provision requirements as determined by the Bangladesh Bank inspection team to the actual amount of provisions maintained.
See note nos. 7 and 14.1 to the financial statements	

Recognition of interest income on loans, advances and leases	
<p>Recognition of interest income has significant and wide influence on financial statements. Recognition and measurement of interest income have involved complex IT environments.</p> <p>We identify recognition of interest income from loans, advances 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.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans, advances and leases.</p> <p>We performed test of operating effectiveness on automated control in place to measure and recognise interest income.</p> <p>We have also performed substantive procedure to check whether interest income is recognised completely and accurately.</p> <p>We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note no. 22 to the financial statements	

Valuation of treasury bill and treasury bond	
<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>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.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.</p> <p>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.</p> <p>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.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note no. 6 to the financial statements	

Impairment assessment of unquoted investments	
<p>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.</p>	<p>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 at 31 December 2022 and compared our results to the recorded value.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note no. 6 to the financial statements	

Measurement of Deferred Tax	
<p>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.</p> <p>As disclosed in Note 14.9.1 & 14.9.2 respectively to the financial statements, as at December 31, 2022 the Bank has recognized BDT 4,557.18 million (2021: BDT 4,020.11 million) of deferred tax assets and BDT 83.46 million (2021: BDT 83.54 million) of deferred tax liabilities in the Balance Sheet.</p>	<p>Our procedures in relation to management's assessment about the measurement of deferred tax assets/liabilities included:</p> <ul style="list-style-type: none"> • 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. 14.9.1 & 14.9.2 to the financial statements	
IT systems and controls	
<p>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.</p> <p>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.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>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.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configurations and other application layer controls identified as key to our audit.</p> <p>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.</p>
Legal and regulatory matters	
<p>We focused on this area because the Bank and its subsidiary (the "Group") operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established as other contingent liabilities.</p> <p>Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and quantifiable impact on the Group's financial statement.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their views on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>

Carrying value of investments in the subsidiary by the Bank	
<p>The Bank has invested in equity shares of its subsidiary, namely Pubali Bank Securities Limited. As at 31 December 2022, the carrying value of this investment is BDT 6,599.99 million. At the time of conducting our audit of the separate financial statements of the Bank, we have considered the Recoverable value of the Bank's investments in the above subsidiary stated at cost. Management has conducted an impairment assessment and calculated the recoverable value of its subsidiary in accordance with IAS 36.</p>	<p>We have reviewed Management's analysis of impairment assessment and recoverable value calculation of the subsidiary in accordance with IAS 36. In particular, our discussions with the Management were focused on the continued appropriateness of the Value-in-use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the Value-in-use calculation.</p> <p>We also checked the mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.</p>

Other Matter

The financial statements of Publai Bank Limited for the year ended 31 December 2021, were audited by Howladar Yunus & Co., Chartered Accountants and A. Qasem & Co., Chartered Accountants who expressed an unmodified opinion on those statements on 07 April 2022.

Other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the Bank.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when

it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

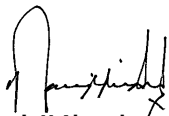
In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987, the Bank Company Act 1991 (as amended up to date), the Financial Reporting Act 2015, and the rules and regulations issued by Bangladesh Bank, we also report that:

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii. to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements

Independent Auditors' Report

and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:

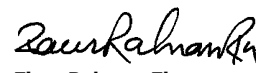
- a. internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
- b. nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities (other than matters disclosed in these financial statements);
- iii. financial statements of subsidiary namely Pubali Bank Securities Limited has been audited by K. M. Hasan & Co., Chartered Accountants and has been properly reflected in the consolidated financial statements;
- iv. in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- v. the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- vi. the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- vii. the expenditures incurred were for the purpose of the Bank's business for the year;
- viii. the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- ix. adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- x. the information and explanations required by us have been received and found satisfactory;
- xi. we have reviewed over 80% of the risk weighted assets of the Bank and spent over 8,000 person hours; and
- xii. Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.



Nasir U Ahmed
FCA, FCS, CGMA (AICPA), ACMA (UK),
FCA (England & Wales)

Deputy Managing Partner
MABS & J Partners, Chartered Accountants
Enrolment No.:535
Firm Registration Number: [N/A]
DVC: 2304180535AS421459

Dated: Dhaka, April 13, 2023



Ziaur Rahman Zia FCA

Partner
A. Qasem & Co., Chartered Accountants
Enrolment No.:1259
Firm Registration No.: 2-PC7202
DVC: 2304171259AS492923





FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

as at 31 December 2022

Amount in BDT

PROPERTY AND ASSETS	NOTES	2022	2021
Cash	3 (a)	34,449,846,439	24,646,332,580
Cash in hand (Including foreign currencies)		8,902,088,820	5,088,411,673
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)		25,547,757,619	19,557,920,907
Balance with Other Banks and Financial Institutions	4 (a)	9,900,812,355	21,691,865,880
In Bangladesh		5,103,413,666	20,460,626,000
Outside Bangladesh		4,797,398,689	1,231,239,880
Money at Call on Short Notice	5	838,986,667	241,986,667
Investments	6 (a)	146,164,406,981	151,927,577,152
Government		116,756,310,282	125,104,787,314
Others		29,408,096,699	26,822,789,838
Loans, Advances and Leases	7 (a)	462,752,004,614	377,437,494,655
Loans, cash credits and overdrafts etc.		424,791,134,612	350,407,454,307
Bills purchased & discounted		37,960,870,002	27,030,040,348
Fixed Assets including Premises, Furniture & Fixtures	8 (a)	6,499,064,580	6,086,065,053
Other Assets	9 (a)	53,667,230,069	48,365,281,074
Non-Banking Assets	10	375,246	375,246
Total Assets		714,272,726,951	630,396,978,307
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from Other Banks, Financial Institutions & Agents	11	65,017,699,496	46,500,331,001
Subordinated Bonds	12	12,200,000,000	10,500,000,000
Perpetual Bonds	12.1	5,000,000,000	2,800,000,000
Deposits and Other Accounts	13 (a)	509,350,630,604	460,662,845,575
Current accounts & Other accounts		60,210,299,951	59,104,754,646
Bills payable		14,271,043,896	13,829,749,009
Savings bank deposits		118,927,122,055	115,249,019,676
Term deposits		297,910,894,739	261,951,557,060
Other deposits		18,031,269,963	10,527,765,184
Other Liabilities	14 (a)	79,558,157,547	69,849,665,399
Total Liabilities		671,126,487,647	590,312,841,975
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)	18,700,546,455	14,760,650,131
Other reserves	18 (a)	3,879,749,550	4,757,542,966
Profit and Loss account surplus	19 (a)	-	-
		43,146,238,185	40,084,135,277
Non-controlling interest	20	1,119	1,055
Total Shareholders' Equity		43,146,239,304	40,084,136,332
Total Liabilities and Shareholders' Equity		714,272,726,951	630,396,978,307

CONSOLIDATED BALANCE SHEET

as at 31 December 2022

		Amount in BDT	
	NOTES	2022	2021
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities	21		
Acceptances & endorsements		103,377,186,550	89,543,886,252
Letters of guarantee		37,872,061,489	32,360,536,133
Irrevocable letters of credit		53,175,862,737	83,959,348,873
Bills for collection		28,980,463,041	17,208,217,494
Other contingent liabilities		2,433,181,166	2,383,598,956
Total Contingent Liabilities		225,838,754,983	225,455,587,708
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		-	-
Total Off-Balance Sheet Items including Contingent Liabilities		225,838,754,983	225,455,587,708

These financial statements should be read in conjunction with the annexed notes.

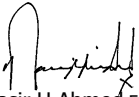

Mohammad Ali
 Managing Director & CEO



M. Naushad Ali Chowdhury
 Director


Azizur Rahman
 Director


Monzurur Rahman
 Chairman

Signed as per annexed report on even date


 Nasir U Ahmed FCA, FCS, CGMA (AICPA)
 ACMA (UK), FCA (England & Wales)
 Deputy Managing Partner
 MABS & J Partners, Chartered Accountants
 Enrolment No.:535
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 Ziaur Rahman Zia FCA
 Partner
 A. Qasem & Co., Chartered Accountants
 Enrolment No.:1259
 Firm Registration No.: 2-PC7202
 DVC: 2304171259AS492923

Dated, Dhaka
 April 13, 2023

CONSOLIDATED PROFIT & LOSS ACCOUNT

for the year ended 31 December 2022

		Amount in BDT	
	NOTES	2022	2021
Operating Income			
Interest income	22 (a)	29,860,247,898	22,790,938,427
Interest paid on deposits, borrowings etc.	23	(23,240,593,559)	(21,900,920,809)
Net Interest Income		6,619,654,339	890,017,618
Investment income	24 (a)	14,133,428,929	16,106,453,304
Commission, exchange and brokerage	25 (a)	3,355,096,290	2,411,721,642
Other operating income	26 (a)	1,617,389,253	1,310,732,909
Total Operating Income		25,725,568,811	20,718,925,473
Operating Expenses			
Salaries and allowances	27 (a)	8,391,735,067	6,521,589,306
Rent, taxes, insurance, electricity etc.	28 (a)	649,537,850	552,987,597
Legal expenses	29 (a)	17,548,426	20,133,676
Postage, stamp, telecommunication etc.	30 (a)	95,457,058	92,387,556
Stationery, printing, advertisements etc.	31 (a)	149,881,191	135,835,521
Managing Director's salary and fees	32	12,843,657	14,426,666
Directors' fees	33 (a)	9,057,206	9,645,045
Auditors' fees	34 (a)	2,199,250	1,684,500
Charges on loan losses		-	-
Depreciation and repair of bank's assets	35 (a)	1,440,163,705	1,122,232,664
Other expenses	36 (a)	3,150,898,229	2,261,529,949
Total Operating Expenses		13,919,321,639	10,732,452,480
Profit/(Loss) before Provision		11,806,247,172	9,986,472,993
Provision for Loans, Advances, Leases, Investments and other Assets			
Provision for classified loans, advances and leases	37 (a)	1,880,136,844	1,544,301,000
Provision for unclassified loans, advances and leases		872,267,826	1,859,148,000
Provision for diminution in value of investments		55,411,791	-
Provision for other assets		50,000,000	22,000,000
Provision for bad debt offsetting for Islamic Banking		22,067,376	7,352,546
Provision for start-up fund		-	-
		2,879,883,837	3,432,801,546
Provision for exposure of off-balance sheet items	38	-	811,000,000
Total Provision		2,879,883,837	4,243,801,546
Total Profit/(Loss) before Taxes		8,926,363,335	5,742,671,447
Provision for current tax	14.9 (a)	3,815,861,265	1,501,245,368
Provision for deferred tax	14.9.1 (a)	(537,504,181)	(110,343,709)
Total Provision for Taxes		3,278,357,084	1,390,901,659
Net Profit after Taxation		5,648,006,251	4,351,769,788
Profit Attributable to			
Equity holders of parent		5,648,006,187	4,351,769,627
Non-controlling interest		64	161
Appropriations		5,648,006,251	4,351,769,788
Statutory reserve		-	-
Coupon/dividend on perpetual bond		363,734,741	-
Start-up fund		53,217,717	-
Retained surplus carried forward		5,231,053,793	4,351,769,788
Earnings Per Share (EPS)	46 (a)	5.49	4.23
		Basic	Diluted
		5.49	4.23

These financial statements should be read in conjunction with the annexed notes.

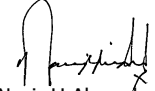

Mohammad Ali
 Managing Director & CEO


M. Naushad Ali Chowdhury
 Director


Azizur Rahman
 Director


Monzurur Rahman
 Chairman

Signed as per annexed report on even date


Nasir U Ahmed FCA, FCS, CGMA (AICPA)
 ACMA (UK), FCA (England & Wales)
 Deputy Managing Partner
 MABS & J Partners, Chartered Accountants
 Enrolment No.:535
 DVC: 2304180535AS421459


Zaur Rahman Zia FCA
 Partner
 A. Qasem & Co., Chartered Accountants
 Enrolment No.:1259
 Firm Registration No.: 2-PC7202
 DVC: 2304171259AS492923

Dated, Dhaka
 April 13, 2023

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2022

Amount in BDT


	NOTES	2022	2021
a Cash flows from Operating Activities			
Interest receipts in cash		43,128,512,486	39,976,613,650
Interest payments		(22,396,592,940)	(22,584,235,462)
Dividend receipts		706,088,504	468,903,025
Fees and commission receipts		2,167,970,374	1,892,815,594
Recoveries of loans previously written-off		172,793,025	119,640,242
Cash payment to employees		(7,871,184,654)	(6,351,825,152)
Cash payment to suppliers		(264,009,660)	(234,832,985)
Current income tax paid		(2,065,590,099)	(1,809,442,190)
Receipts from other operating activities	40 (a)	2,910,386,823	2,067,797,864
Cash payments for other operating activities	41 (a)	(4,662,494,997)	(3,551,879,165)
Operating Profit before changes in Operating Assets & Liabilities		11,825,878,862	9,993,555,421
Increase/ (Decrease) in Operating Assets and Liabilities			
Statutory deposits		7,548,207,340	(1,007,225,797)
(Purchase)/sale of trading securities		(2,707,433,814)	1,288,665,679
Loans and advances to customers (other than banks)		(85,227,694,143)	(61,077,532,698)
Other assets	42 (a)	(3,263,018,996)	(1,972,119,999)
Deposits to/from other banks		18,517,368,495	21,660,954,617
Deposits from customers (other than banks)		47,588,697,569	33,688,316,097
Other liabilities account of customers		1,815,670,533	(723,976,706)
Other liabilities	43 (a)	450,594,085	1,524,533,644
Total Increase/ (Decrease) in Operating Assets and Liabilities		(15,277,608,931)	(6,618,385,163)
Net Cash from/(used in) Operating Activities		(3,451,730,069)	3,375,170,258
b Cash flows from Investing Activities			
(Purchase)/Sale of property, plant & equipment		(888,749,783)	(690,661,807)
Net Cash from/(used in) Investing Activities		(888,749,783)	(690,661,807)
c Cash flows from Financing Activities			
Receipts/(payment) from issue of subordinated bonds		1,700,000,000	(1,000,000,000)
Receipts from issue of perpetual bonds		2,200,000,000	2,800,000,000
Effects of exchange rate changes on cash and cash equivalents		32,181,625	2,223,951
Dividend paid		(1,246,063,970)	(1,440,237,955)
Net Cash from/(used in) Financing Activities		2,686,117,655	361,985,996
d Net Increase/ (Decrease) in Cash and Cash equivalents (a+b+c)		(1,654,362,197)	3,046,494,447
e Cash and Cash equivalents at beginning of the period		48,342,576,030	45,296,081,583
f Cash and Cash equivalents at end of the period (d+e)	44 (a)	46,688,213,833	48,342,576,030

These financial statements should be read in conjunction with the annexed notes.



Mohammad Ali
 Managing Director & CEO


M. Naushad Ali Chowdhury
 Director


Azizur Rahman
 Director


Monzurur Rahman
 Chairman

Signed as per annexed report on even date


 Nasir U Ahmed FCA, FCS, CGMA (AICPA)
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Dated, Dhaka
 April 13, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

PARTICULARS	PAID-UP CAPITAL	STATUTORY RESERVE	RETAINED EARNINGS	OTHER RESERVES	PARENT'S EQUITY	NON-CONTROLLING INTEREST	TOTAL
Balance as at 1 January 2022	10,282,942,180	10,283,000,000	14,760,650,131	4,757,542,966*	40,084,135,277	1,055	40,084,136,332
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	10,282,942,180	10,283,000,000	14,760,650,131	4,757,542,966	40,084,135,277	1,055	40,084,136,332
Adjustment on revaluation of fixed assets	-	-	-	85,914	85,914	-	85,914
Recognition of deferred tax on revaluation reserve of fixed assets	-	-	-	(910,060,955)	(910,060,955)	-	(910,060,955)
Surplus/Deficit on account of revaluation of investments	-	-	-	32,181,625	32,181,625	-	32,181,625
Foreign currency translation gain/(loss)	-	-	(6,603,623)	-	(6,603,623)	-	(6,603,623)
Net income and expenses not recognised in the Profit and Loss Statement	-	-	-	-	-	-	-
Transfer regarding revaluation reserve on sale of properties	-	-	813,990	-	813,990	-	813,990
Coupon/dividend payment on Perpetual Bond	-	-	(363,734,740)	-	(363,734,740)	-	(363,734,740)
Transfer to Start-up fund	-	-	(53,217,717)	-	(53,217,717)	-	(53,217,717)
Non-controlling capital	-	-	-	-	-	64	64
Net profit for the year	-	-	5,648,006,187	-	5,648,006,187	-	5,648,006,251
Transfer to statutory reserve	-	-	-	-	-	-	-
Issue of bonus shares - 2021	-	-	-	-	-	-	-
Proposed dividend (bonus issue)	-	-	-	-	-	-	-
Dividends (cash) for 2021	-	-	(1,285,367,773)	-	(1,285,367,773)	-	(1,285,367,773)
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
Balance as at 31 December 2021	10,282,942,180	10,283,000,000	14,760,650,131	4,757,542,966	40,084,135,277	1,055	40,084,136,332

*Restated balance please read with (note:17)

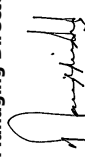

Mohammad Ali
 Managing Director & CEO

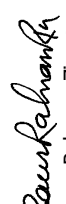

M. Naushad Ali Chowdhury
 Director


Azizur Rahman
 Director


Monzurur Rahman
 Chairman

Signed as per annexed report on even date


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BALANCE SHEET

as at 31 December 2022

		Amount in BDT	
	Notes	2022	2021
PROPERTY AND ASSETS			
Cash	3	34,449,846,439	24,646,332,580
Cash in hand (Including foreign currencies)		8,902,088,820	5,088,411,673
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)		25,547,757,619	19,557,920,907
Balance with Other Banks and Financial Institutions	4	9,810,258,252	21,481,970,782
In Bangladesh		5,012,859,563	20,250,730,902
Outside Bangladesh		4,797,398,689	1,231,239,880
Money at Call on Short Notice	5	838,986,667	241,986,667
Investments	6	139,403,489,608	145,632,761,738
Government		116,634,183,329	125,104,787,314
Others		22,769,306,279	20,527,974,424
Loans, Advances and Leases	7	461,884,126,081	376,656,431,938
Loans, cash credits and overdrafts etc.		423,923,256,079	349,626,391,590
Bills purchased and discounted		37,960,870,002	27,030,040,348
Fixed Assets including Premises, Furniture & Fixtures	8	6,495,544,725	6,082,415,597
Other Assets	9	59,873,084,818	54,739,062,710
Non-banking Assets	10	375,246	375,246
Total Assets		712,755,711,836	629,481,337,258
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings From Other Banks, Financial Institutions & Agents	11	65,017,699,496	46,500,331,001
Subordinated Bonds	12	12,200,000,000	10,500,000,000
Perpetual Bonds	12.1	5,000,000,000	2,800,000,000
Deposits and Other Accounts	13	510,836,516,875	462,400,218,687
Current accounts & other accounts		60,730,969,028	59,945,604,283
Bills payable		14,271,043,896	13,829,749,009
Savings bank deposits		118,927,122,055	115,249,019,676
Term deposits		298,876,111,933	262,848,080,535
Other deposits		18,031,269,963	10,527,765,184
Other Liabilities	14	77,215,407,287	67,530,567,772
Total Liabilities		670,269,623,658	589,731,117,460
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	18,040,396,448	14,426,734,652
Proposed issue of bonus shares		-	-
Other reserves	18	3,879,749,550	4,757,542,966
Profit and Loss account surplus	19	-	-
Total Shareholders' Equity		42,486,088,178	39,750,219,798
Total Liabilities and Shareholders' Equity		712,755,711,836	629,481,337,258

BALANCE SHEET

as at 31 December 2022

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

	Amount in BDT	
NOTES	2022	2021
21		
	103,377,186,550	89,543,886,252
	37,872,061,489	32,360,536,133
	53,175,862,737	83,959,348,873
	28,980,463,041	17,208,217,494
	2,433,181,166	2,383,598,956
	225,838,754,983	225,455,587,708
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	225,838,754,983	225,455,587,708

These financial statements should be read in conjunction with the annexed notes.


Mohammad Ali
Managing Director & CEO


M. Naushad Ali Chowdhury
Director


Azizur Rahman
Director


Monzurur Rahman
Chairman

Signed as per annexed report on even date


Nasir U Ahmed FCA, FCS, CGMA (AICPA)
ACMA (UK), FCA (England & Wales)
Deputy Managing Partner
MABS & J Partners, Chartered Accountants
Enrolment No.:535
DVC: 2304180535AS421459


Ziaur Rahman Zia FCA
Partner
A. Qasem & Co., Chartered Accountants
Enrolment No.:1259
Firm Registration No.: 2-PC7202
DVC: 2304171259AS492923

Dated, Dhaka
April 13, 2023

PROFIT & LOSS ACCOUNT

for the year ended 31 December 2022

		Amount in BDT	
	NOTES	2022	2021
Operating Income			
Interest income	22	29,813,192,063	22,737,798,392
Interest paid on deposits, borrowings etc.	23	(23,240,593,559)	(21,900,920,809)
Net Interest Income		6,572,598,504	836,877,583
Investment income	24	13,740,363,716	15,671,212,746
Commission, exchange and brokerage	25	3,311,320,514	2,347,374,875
Other operating income	26	1,570,420,358	1,269,344,666
Total Operating Income		25,194,703,092	20,124,809,870
Operating Expenses			
Salaries and allowances	27	8,347,605,599	6,488,127,075
Rent, taxes, insurance, electricity etc.	28	646,880,954	552,419,215
Legal expenses	29	17,399,747	20,130,708
Postage, stamp, telecommunication etc.	30	95,258,236	92,161,680
Stationery, printing, advertisements etc.	31	149,330,677	135,529,130
Managing Director's salary and fees	32	12,843,657	14,426,666
Directors' fees	33	7,341,206	8,209,545
Auditors' fees	34	2,021,000	1,540,500
Charges on loan losses		-	-
Depreciation and repair of bank's assets	35	1,437,853,280	1,120,546,674
Other expenses	36	3,140,656,772	2,248,256,937
Total Operating Expenses		13,857,191,128	10,681,348,130
Profit/(Loss) before Provision		11,337,511,964	9,443,461,740
Provision for Loans, Advances, Leases, Investments and other Assets	37		
Provision for classified loans, advances and leases		1,880,136,844	1,544,301,000
Provision for unclassified loans, advances and leases		872,267,826	1,859,148,000
Provision for diminution in value of investments	39	-	-
Provision for other assets		50,000,000	22,000,000
Provision for bad debt offsetting for Islamic Banking		22,067,376	7,352,546
		2,824,472,046	3,432,801,546
Provision for exposure of off-balance sheet items	38	-	811,000,000
Total Provision		2,824,472,046	4,243,801,546
Total Profit/(Loss) before Taxes		8,513,039,918	5,199,660,194
Provision for current tax	14.8	3,728,336,561	1,405,506,892
Provision for deferred tax	14.9.2.3	(537,068,302)	(110,395,562)
Total Provision for Taxes		3,191,268,259	1,295,111,330
Net Profit/(Loss) after Taxes		5,321,771,659	3,904,548,864
Appropriations			
Statutory Reserve		-	-
Coupon/dividend on perpetual bond		363,734,741	-
Start-up fund		53,217,717	-
Retained surplus carried forward		4,904,819,201	3,904,548,864
Earnings Per Share (EPS)	46	5.18	3.80
		5.18	3.80

These financial statements should be read in conjunction with the annexed notes.

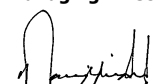

Mohammad Ali
 Managing Director & CEO


M. Naushad Ali Chowdhury
 Director


Azizur Rahman
 Director


Monzurur Rahman
 Chairman

Signed as per annexed report on even date


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Dated, Dhaka
 April 13, 2023

CASH FLOW STATEMENT

for the year ended 31 December 2022

	NOTES	2022	2021
Amount in BDT			
a Cash flows from Operating Activities			
Interest receipts in cash		43,060,927,069	39,923,473,615
Interest payments		(22,396,592,940)	(22,584,235,462)
Dividend receipts		474,168,037	275,728,984
Fees and commission receipts		2,124,194,598	1,828,468,827
Recoveries of loans previously written-off		172,793,025	119,640,242
Cash payment to employees		(7,827,067,586)	(6,318,362,921)
Cash payment to suppliers		(264,009,660)	(234,832,985)
Current income tax paid		(2,065,590,099)	(1,809,442,190)
Receipts from other operating activities	40	2,722,802,764	1,784,343,104
Cash payments for other operating activities	41	(4,644,481,554)	(3,534,237,046)
Operating Profit before changes in Operating Assets & Liabilities		11,357,143,654	9,450,544,168
Increase/ (Decrease) in Operating assets and liabilities			
Statutory deposits		7,548,207,340	(1,007,225,797)
(Purchase)/sale of trading securities		(2,241,331,855)	950,002,963
Loans and advances to customers (other than banks)		(85,227,694,143)	(61,077,532,698)
Other assets	42	(3,049,971,336)	(1,741,752,245)
Deposits to/from other banks		18,517,368,495	21,660,954,617
Deposits from customers (other than banks)		47,588,697,569	33,688,316,097
Other liabilities account of customers		1,815,670,533	(723,976,706)
Other liabilities	43	611,137,111	1,569,579,343
Total Increase/(decrease) in Operating Assets and Liabilities		(14,437,916,286)	(6,681,634,426)
Net Cash from/(used in) Operating Activities		(3,080,772,632)	2,768,909,742
b Cash flows from Investing Activities			
(Purchase)/Sale of property, plant & equipment		(888,879,384)	(691,190,205)
Net cash from/(used in) Investing Activities		(888,879,384)	(691,190,205)
c Cash flows from Financing Activities			
Receipts/(payment) from issue of subordinated bonds		1,700,000,000	(1,000,000,000)
Receipts from issue of perpetual bonds		2,200,000,000	2,800,000,000
Effects of exchange rate changes on cash and cash equivalents		32,181,625	2,223,951
Dividend paid		(1,246,063,970)	(1,440,237,955)
Net cash from/(used in) Financing Activities		2,686,117,655	361,985,996
d Net increase/(decrease) in Cash and Cash equivalents (a+b+c)		(1,283,534,361)	2,439,705,533
e Cash and cash equivalents at beginning of the period		46,395,307,820	43,955,602,287
f Cash and cash equivalents at end of the period (d+e)	44	45,111,773,459	46,395,307,820

These financial statements should be read in conjunction with the annexed notes.



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Dated, Dhaka
 April 13, 2023

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

PARTICULARS	PAID-UP CAPITAL	STATUTORY RESERVE	RETAINED EARNINGS	OTHER RESERVES	PROPOSED DIVIDEND	TOTAL
Balance as at 1 January 2022	10,282,942,180	10,283,000,000	14,426,734,652	4,757,542,966*	-	39,750,219,798
Changes in accounting policy	10,282,942,180	10,283,000,000	14,426,734,652	4,757,542,966	-	39,750,219,798
Restated balance	-	-	-	-	-	-
Adjustment on revaluation of fixed assets	-	-	-	85,914	-	85,914
Recognition of deferred tax on revaluation reserve of fixed assets	-	-	-	(910,060,955)	-	(910,060,955)
Surplus/Deficit on account of revaluation of investments	-	-	-	32,181,625	-	32,181,625
Foreign currency translation gain/(loss)	-	-	-	-	-	-
Net income and expenses not recognised in the Profit and Loss Statement	-	-	(6,603,623)	-	-	(6,603,623)
Transfer regarding revaluation reserve on sale of properties	-	-	813,990	-	-	813,990
Coupon/dividend payment on Perpetual Bond	-	-	(363,734,740)	-	-	(363,734,740)
Transfer to Start-up fund	-	-	(53,217,717)	-	-	(53,217,717)
Net profit for the year	-	-	5,321,771,659	-	-	5,321,771,659
Transfer to statutory reserve	-	-	-	-	-	-
Issue of bonus shares - 2021	-	-	-	-	-	-
Proposed dividend (bonus issue)	-	-	-	-	-	-
Dividends (cash) for 2021	-	-	(1,285,367,773)	-	-	(1,285,367,773)
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
Balance as at 31 December 2021	10,282,942,180	10,283,000,000	14,426,734,652	4,757,542,966*	-	39,750,219,798

*Restated balance please read with (note:18)



Mohammad Ali
 Managing Director & CEO

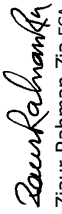

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Dated, Dhaka
 April 13, 2023

LIQUIDITY STATEMENT (ASSETS AND LIABILITIES MATURITY ANALYSIS)

as at 31 December 2022

PARTICULARS	UP TO 01 MONTH	01- 03 MONTHS	03-12 MONTHS	01- 05 YEARS	MORE THEN 5 YEARS	TOTAL
Assets						
Cash in hand	34,449,846,439	-	-	-	-	34,449,846,439
Balances with other banks and financial institutions	4,899,577,853	1,050,000,000	3,640,000,000	220,680,399	-	9,810,258,252
Money at call on short notice	838,986,667	-	-	-	-	838,986,667
Investments	8,352,230,803	21,327,375,335	11,127,166,643	29,961,502,313	68,635,214,514	139,403,489,608
Loans, advances and leases	30,156,437,237	138,495,608,507	135,873,385,271	91,912,187,086	65,446,507,980	461,884,126,081
Fixed assets including premises, furniture & fixtures	-	-	-	3,861,285,255	2,634,259,470	6,495,544,725
Other assets	238,831,906	2,757,588,834	829,932,922	12,528,197,149	43,518,534,007	59,873,084,818
Non-banking assets	-	-	-	-	375,246	375,246
Total Assets	78,935,910,905	163,630,572,676	151,470,484,836	138,483,852,202	180,234,891,217	712,755,711,836
Liabilities						
Borrowings from other banks, financial institutions & agents	22,905,409,545	29,292,588,871	12,190,924,512	-	628,776,568.00	65,017,699,496
Subordinated bonds	-	-	2,500,000,000	9,000,000,000	700,000,000	12,200,000,000
Perpetual bonds	-	-	-	-	5,000,000,000	5,000,000,000
Deposits	51,977,774,855	116,441,592,092	109,090,395,705	62,211,646,978	171,115,107,245	510,836,516,875
Provision & other liabilities	1,927,713,138	-	11,030,024,339	63,195,830,074	1,061,839,736	77,215,407,287
Total Liabilities	76,810,897,538	145,734,180,963	134,811,344,556	134,407,477,052	178,505,723,549	670,269,623,658
Net Liquidity Gap	2,125,013,367	17,896,391,713	16,659,140,280	4,076,375,150	1,729,167,668	42,486,088,178


Mohammad Ali
 Managing Director & CEO


M. Naushad Ali Chowdhury
 Director


Azizur Rahman
 Director


Monzurur Rahman
 Chairman

Signed as per annexed report on even date

Dated, Dhaka
 April 13, 2023

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2022

1. The Bank and its activities

1.1 Pubali Bank Limited

Pubali Bank Limited (the "Bank") was incorporated in the year 1959 under the name and style of Eastern Mercantile Bank Limited under Companies Act 1913. After the country's independence in 1971, the Bank was Nationalised as per policy of the Government of Bangladesh under the Bangladesh Bank (Nationalisation) Order 1972 (PO No. 26 of 1972) and was renamed as Pubali Bank. Subsequently, the Bank was denationalised in the year 1983 and was again incorporated in the name of Pubali Bank Limited in that year. The government transferred the entire undertaking of Pubali Bank to Pubali Bank Limited, which took over the same as a going concern.

1.2 Principal activities

The Bank engages in all types of commercial banking services as laid down in the Bank Company Act 1991 and directives received from Bangladesh Bank from time to time. It has 498 Branches and 125 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 17 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 2022 are enclosed in the Annex- D.

1.2.2 Off-shore Banking Unit

Offshore Banking operations have undergone a long development transition in Bangladesh due to global and international business dynamics. To cope with the pace, the Bank started its Offshore Banking operation obtaining the license of operating 02 (two) business units in Dhaka and Chattogram initially.

Later on as per requirement of Bangladesh Bank BRPD circular no. 02 dated February 25, 2019, Offshore Banking division was established to control and supervise Offshore Banking operations of the Bank. The division is situated at 23 Motijheel C/A, AA Bhaban (Level # 4), Dhaka. It commenced its operation on 02.02.2020.

Offshore Banking unit refers to a specific business unit in the form of district branch, booth or desk of a branch of Pubali bank limited (Bank) that is duly approved by Bangladesh Bank (BB) to carry out the offshore banking operation. Separate Financial Statements of the OBU are shown in Annexure-G.

1.2.3 Pubali Bank Securities Limited

Pubali Bank Securities Limited (PBSL) was incorporated on the 21st June 2010 under the Companies Act, 1994 as a public limited company. It is a subsidiary company of Pubali Bank Limited. Pubali Bank Limited holds all the shares of the company except for 13 (thirteen) shares being held by thirteen individuals. The company has been established as per Bangladesh Securities & Exchange Commission's (BSEC) Letter # SEC/Reg/DSE/MB/2009/ 444 dated 20.12.2009. PBSL started its operation with effect February 01, 2011. The Registered office of the company is situated at A-A Bhaban (7th floor), 23 Motijheel 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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2022

are maintained at the Head Office of the Bank based on which these financial statements have been prepared.

The consolidated financial statements include the financial statements of Pubali Bank Limited and its subsidiary, i.e. Pubali Bank Securities Limited prepared at the end of the financial year. The consolidated financial statements have been prepared in accordance with International Accounting Standards (IAS)-27, "Separate Financial Statements" and International Financial Reporting Standard (IFRS)-10, "Consolidated Financial Statements". The Consolidated Financial Statements are prepared for the same year ended on 31 December 2022.

2.1.2 Statement of Compliance and basis of preparation

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is to be formed and it is to issue financial reporting standards for public interest entities such as banks. The Bank Company Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable. The Bank complied with the requirements of following laws and regulations from regulatory bodies and legal authorities:

- i. The Bank Company Act, 1991 and amendment (Up to 2022)
- ii. The Companies Act, 1994;
- iii. Circulars, Rules and Regulations issued by Bangladesh Bank (BB) time to time;
- iv. Bangladesh Securities and Exchange Rules 1987
- v. Bangladesh Securities and Exchange ordinance 1969
- vi. Bangladesh Securities and Exchange Act 1993
- vii. Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015;
- viii. The Income Tax ordinance, 1984 and amendment thereon
- ix. The Value Added Tax and supplementary duty Act, 2012 & Rule 2016 and amendment thereon
- x. Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations; and
- xi. Financial Reporting Act 2015.

In case any requirement of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank (BB) differ with those of IFRSs, the requirements of the Bank Company Act 1991, and provisions and circulars issued by BB shall prevail. Material departures from the requirements of IFRS are as follows:

i) Presentation of financial statements

IFRS: As per IAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

Bangladesh Bank: A format of financial statements (i.e. balance sheet, profit and loss account, cash flows statement, changes 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 shares and securities

IFRS: As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. As per DOS circular letter no. 03 dated March 12, 2015, investment in Mutual Fund (close-end) is revalued at lower of cost and (higher of market value and 85% of NAV). Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2022

iii) Revaluation gains/losses on Government securities

IFRS: As per requirement of IFRS 9 where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognised through the profit and loss account. Securities designated as amortised cost are measured at effective interest rate method and interest income is recognised through the profit and loss account.

Bangladesh Bank: HFT securities are revalued on the basis of marked to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortization of discount is recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end, gains on amortisation are recognised in other reserve as a part of equity and losses on amortisation are recognised in Expenditure (Profit and Loss) account according to DOS Circular no. 05 dated 26 May 2008 and subsequent clarification in DOS Circular no. 05 dated 28 January 2009 about marking to market based revaluation.

iv) Provision on loans and advances/investments

IFRS: As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD circular letter no-53 (22 December, 2022), BRPD circular letter no-51 (18 December, 2022), BRPD circular letter no-33 (03 August, 2022), BRPD circular no-14 (22 June, 2022), BRPD circular letter no-53 (30 December, 2021), BRPD circular letter no-52 (29 December, 2021), BRPD circular letter no-51 (29 December, 2021), BRPD circular letter no-50 (14 December, 2021), BRPD circular letter no-45 (04 October, 2021), BRPD circular no-19 (26 August, 2021), BRPD circular no-05 (24 March, 2021), BRPD circular no-03 (31 January, 2021), BRPD circular letter no-56 (10 December, 2020), BRPD Circular Letter No. 52 (20 October, 2020), BRPD Circular No. 17 (28 September 2020), BRPD Circular No. 16 (21 July 2020), BRPD circular letter No.07 (19 March 2020), BRPD circular letter No.06 (19 May 2019), BRPD Circular No. 03 (21 April 2019) BRPD Circular No. 15 (27 September 2017), BRPD Circular No. 14 (23 September 2012), BRPD Circular No. 32 (27 October 2010) a general provision at 0.25% to 2% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad/losses has to be provided at 5% to 20%, 5% to 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 13 dated 18 October 2018, BRPD circular no. 07 dated 21 June 2018, BRPD circular no. 14 dated 23 September 2012 a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

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.

Other comprehensive income

IFRS: As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank neither include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement.

As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

v) Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2022

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.

vi) 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.

vii) Financial guarantees

IFRS: As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 14, dated 25 June 2003 financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin and 1% general provision for all contingent liabilities.

viii) Cash and cash equivalent

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7 Statement of Cash Flows.

Bangladesh Bank: Some highly liquid assets such as money at call and short notice, T-bills, prize bonds are not prescribed to be shown as cash and cash equivalents rather shown as face item in the balance sheet. However, in the cash flow statement, money at call and short notice and prize bonds are shown as cash and cash equivalents beside cash in hand, balance with Bangladesh Bank and other banks.

ix) 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.

x) Cash flow statement

IFRS: The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, cash flow statement is the mixture of direct and indirect methods.

xi) 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

xii) Presentation of intangible asset

IFRS: An intangible asset must be identified and recognised, and the disclosure must be given as per IAS 38.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2022

Bangladesh Bank: There is no regulation for intangible assets in BRPD 14 dated 25 June 2003.

xiii) Off-balance sheet items

IFRS: There is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee, etc.) must be disclosed separately on the face of the balance sheet.

xiv) 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.

xv) Loans and Advances/Investments net of provision

IFRS: Loans and advances/Investments should be presented net off provision.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003 provision for loans and advances/investments is presented separately as liability and cannot be netted off against loans and advances.

xvi) 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.

xvii) Provision on undrawn loan commitments

IFRS: As per IFRS 9 bank shall recognise credit losses on undrawn loan commitments such as Letter of Credit (L/C), Letter of Guarantee (L/G) etc. as the present value of the difference between the contractual cash flow that are due by the customer if the commitment is drawn down and the cash flows that bank expects to receive.

Bangladesh Bank: As per BRPD Circular no. 07 dated 21 June 2018 and BRPD Circular no.14 dated 23 September 2012, the Bank is required to maintain provision at 1% rate against off-balance sheet exposures (which includes all types of undrawn loan commitments).

2.1.3 Basis of accounting

The financial statements, namely, Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement and relevant notes and disclosures thereto, of the Bank are prepared on a going concern basis under historical cost convention, and in accordance with First Schedule of the Bank Company Act 1991, as amended, BRPD circular no. 14 of 25 June 2003, other Bangladesh Bank circulars, the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987, International Accounting Standards and International Financial Reporting Standards including those that have been so far adopted by the Institute of Chartered Accountants of Bangladesh. Wherever appropriate, such principles are explained in succeeding notes.

2.1.4 Going Concern

The accompanying financial statements have been prepared on a going concern assumption that the Bank will continue in operation for the foreseeable future. The Bank has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the Bank continued to show a healthy trend for couple of years. The rating outlook of the bank, as reported by the rating agency is 'Stable'. The management do not see any issue with respect to going concern due to recent pandemic COVID-19. Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2022

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 affect 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 2022 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "Balances with other Banks and Financial Institutions."

Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting/ crediting exchange gain or loss account.

iii. Commitment

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities/commitments for letter of credit, letter of guarantee and acceptance denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the date of balance sheet.

2.1.7 Basis of consolidation

A separate set of records for consolidating the Balance Sheet and Profit and Loss Statement of the branches are maintained at the Head Office of the Bank based on which these financial statements have been prepared.

The consolidated financial statements include the financial statements of Pubali Bank Limited and its subsidiary, i.e. Pubali Bank Securities Limited prepared at the end of the financial year. The consolidated financial statements have been prepared in accordance with International Accounting Standards (IAS)-27, "Separate Financial Statements" and International Financial Reporting Standard (IFRS)-10, "Consolidated Financial Statements". The consolidated Financial Statements are prepared for the same year ended on 31 December 2022.

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.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2022

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 2022. 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 Ordinance 1984. Tax provision of the subsidiaries at different rates are also applicable as per the Income Tax Ordinance 1984.

Deferred tax

Deferred tax assets or liabilities are recognised by the Bank on deductible or taxable temporary difference between the carrying amount of assets and liabilities used for financial reporting and the amount used for taxation purpose as required by IAS 12 (Income Taxes) and BRPD circular no-11 dated 12 December 2011.

Deferred tax assets is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses and credits can be utilized.

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax liabilities are recognised for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases.

Deferred tax assets and liabilities are reviewed at each reporting period and are measured using applicable tax rates as per tax laws that have been enacted or substantially enacted at the date of Balance Sheet. Any unrecognised deferred tax assets and liabilities are reassessed at each reporting period and recognised only if that has become probable that future taxable profit or loss will be available against which they can be used or settled.

Details of deferred tax assets or liabilities an amount recognised in profit and loss account for deferred tax income or expense are given in note no. 14.9.2.2 in the financial statements.

2.1.10 Reporting period

These financial statements cover one calendar year from 01 January 2022 to 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2022

2.2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements and have been applied consistently by the Bank.

Assets and basis of their valuation

2.2.1 Cash and cash equivalents

Cash and cash equivalents include currency notes and coins on hand, balances held with Bangladesh Bank and most liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Bank to meet its short term obligations.

2.2.2 Investments

All investments are initially recognised at cost, including acquisition charges associated with the investment. Investments classified as government/Bangladesh Bank treasury securities (categorised as HTM or/and HFT) are subsequently measured as per DOS circular no. 5 dated 26 May 2008 and subsequent clarifications on 28 January 2009. Investments classified as non-government treasury securities are subsequently measured either at cost or market value less any recoverable cost. Details are given below:

i) Held to Maturity (HTM)

Investments which are intended to be held till maturity are classified as Held to Maturity (HTM). These are measured at amortised cost at each year-end by taking into account any discount or premium on acquisition. Premiums are amortised and discounts are accredited, using the effective or historical yield. Any increase in value of securities is booked to equity but decrease to profit and loss account. Income is recognised to profit and loss account on earned basis as per BB guideline.

ii) Held for Trading (HFT)

These are investments primarily held for selling or trading. After initial recognition, investments are marked-to-market on weekly basis. Any decrease in revaluation of securities is recognised to profit and loss account, but any increase of value of securities is booked to revaluation reserve account as per BB DOS circular no. 5 dated 28 January 2009. Income is recognised to profit and loss account on earned basis as per BB guideline.

iii) REPO and reverse REPO

The Bank has been recording transactions of REPO and reverse REPO following DOS circular no. 6 dated 15 July 2010 of BB. In case of REPO of both coupon and non-coupon bearing (treasury bill) securities, the Bank adjusts the revaluation reserve account for HFT securities and stops the weekly revaluation (if the revaluation date falls within the REPO period) of the same security. For interest bearing security, the Bank does not accrue interest during REPO period.

2.2.3 Investment in listed securities

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income which are reported at cost. Unrealised gains are not recognised in the profit and loss statement. But provision was made for diminution in value of investment.

As per Bangladesh Bank DOS Circular # 04 dated 24 November 2011, provision for diminution in value of investment was made by netting off unrealised gain/ loss of shares from market price/ book value less cost price.

2.2.4 Investment in unquoted securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

Besides, bank complied with Bangladesh Bank BRPD Circular 14 dated June 25, 2003 as follows, "All investments in shares and securities (both dealing and investment) should be revalued at the year- end. The quoted shares should be valued as per market price in the stock exchange(s) and unquoted shares as per book value of last audited balance sheet. Provision should be made for any loss arising from diminution in value of investments."

NOTES TO THE FINANCIAL STATEMENTS

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Investments – Initial recognition and subsequent measurement at a glance

Investments are stated as per following bases:

INVESTMENT CLASS	INITIAL RECOGNITION	MEASUREMENT AFTER INITIAL RECOGNITION	RECORDING OF CHANGES
Govt. T-bills/bonds - Held for Trading (HFT)	Cost	Fair value	Revaluation loss to profit and loss account, but gain to revaluation reserve account.
Govt. T-bills/T-bonds - Held to Maturity (HTM)	Cost	Amortised cost	Increase in value of securities is booked to equity as amortization gain, but decrease to profit and loss account.
Debenture/bond	Cost	Cost	At realizable value. Unrealised loss to profit and loss account.
Shares (quoted) *	Cost	Lower of cost or market value (portfolio basis)	Provision for revaluation loss (net off gain) is charged to profit and loss account but no unrealised gain booking.
Shares (unquoted)*	Cost	Lower of cost or Net Asset Value (NAV)	Provision for unrealised loss to profit and loss account but no unrealised gain booking.
Mutual fund (closed-end) *	Cost	Lower of cost or (higher of market value or 85% of NAV)	Provision for unrealised loss (net) to profit and loss account but no unrealised gain booking.
Prize bonds	Cost	Cost	None

* Provision for shares against unrealised loss (gain net off) has been made as per DOS circular no. 4 dated 24 November 2011 and for mutual funds (closed-end) as per DOS circular letter no. 3 dated 12 March 2015 of Bangladesh Bank.

2.2.5 Investment in subsidiary

Investment in subsidiary is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the IAS 27 "Separate Financial Statements", IFRS 3 "Business Combination", IAS 36 "Impairment of Assets" and IFRS 10 "Consolidated Financial Statements".

2.2.6 Impairment of investment in subsidiaries and associates

As per IAS 36 "Impairment", investment recognized either at cost or equity method need to review if there is any indication of impairment exists. If any indication of impairment exists then impairment test is carried out considering the individual subsidiary/associate as a "cash generating unit (CGU)" to find if the carrying value is higher than its recoverable amount. Recoverable amount is higher of fair value less cost to sell and value in use. If the fair value less cost to sell is not readily available then value in use is calculated which is basically present value of future cash flows.

2.2.7 Loans and advances

Loans and advances (initial recognition):

Loans and advances comprise of non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. These are recognised at gross amount on the date on which they are originated. The group has not designated any loans and advances upon initial recognition as at fair value through profit and loss account or other comprehensive income.

After initial recognition, loans, advances and interest receivables are subsequently measured at amortised cost using effective interest rate (EIR) over the relevant periods. The amortised cost of a financial asset is the amount at which the asset is measured at initial recognition less principal repayments, using EIR method. The EIR is the rate that exactly discounts estimated future cash receipts (estimates cash flows considering all contractual terms of the instrument but not future credit losses) during the expected life of the financial instrument.

Loans and advances (provisioning):

Provision for loans and advances is made on the basis of periodical review by the management and of instructions contained in Bangladesh Bank's BRPD circular letter no-53 (22 December, 2022), BRPD circular letter no-51 (18 December, 2022), BRPD circular letter no-33 (03 August, 2022), BRPD circular no-14 (22 June, 2022), BRPD circular letter no-53 (30 December, 2021), BRPD circular letter no-52 (29 December, 2021), BRPD circular letter no-51 (29 December, 2021), BRPD circular letter no-50 (14 December, 2021), BRPD circular letter no-45 (04 October, 2021), BRPD circular no-19 (26 August, 2021), BRPD circular no-05 (24 March, 2021), BRPD circular no-03 (31 January, 2021), BRPD circular letter no-56 (10 December, 2020), BRPD Circular Letter

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No. 52 (20 October, 2020), BRPD Circular No. 17 (28 September 2020), BRPD Circular No. 16 (21 July 2020), BRPD circular letter No.07 (19 March 2020), BRPD circular letter No.06 (19 May 2019), BRPD Circular No. 03 (21 April 2019) BRPD Circular No. 15 (27 September 2017), BRPD Circular No. 14 (23 September 2012), BRPD Circular No. 15 (23 September 2012), BRPD Circular No. 32 (27 October 2010) respectively at the following rates:

(I)	GENERAL PROVISION ON UNCLASSIFIED LOANS AND ADVANCES	RATE
	Standard general loans and advances (others)	1%
	Standard Small and Medium enterprise Financing	0.25%
	Standard loans to Merchant Banking/BHs/SDs	2%
	Standard loans for professional to set up a business and credit card	2%
	Standard Housing Finance(HF)	1%
	Standard Consumers loan other than HF	2%
	Standard Short term Agri. and Micro credit	1%
	Special Mention Account general Loans and advances (others)	1%
	Special mention account Small and Medium enterprise Financing	0.25%
	Special mention account loans to BHs/MBs/SDs	2%
	Special mention account LP and credit card	2%
	Special mention account Housing Finance (HF)	1%
	Special mention account Consumer's loan scheme other than HF	2%
(II)	SPECIFIC PROVISION ON CLASSIFIED LOANS AND ADVANCES	
	Substandard (Agri. and Micro credit)	5%
	Substandard (small, cottage, micro)	5%
	Substandard (others)	20%
	Doubtful (Agri. and Micro credit)	5%
	Doubtful (small, cottage, micro)	20%
	Doubtful (Others)	50%
	Bad or Loss	100%

Loans and advances (write-off):

Loans and advances are written off to the extent that there is no realistic prospect of recovery and in accordance with BRPD circular No.01 (06 February 2019), BRPD circular No.13 (07 November 2013), DOS circular No.01 dated (29 December 2004), BRPD letter No.1290 dated 29 March 2003 and BRPD circular No.2 (13 January 2003). These write offs, however, will not undermine/affect the claim amount against the borrowers. Detailed memorandum records for all such written off accounts are meticulously maintained and followed up.

Loans and advances (recovery from written off):

The bank puts continuous effort for recovery from written off loans and advances in compliance with Section 28ka of the Banking Companies Act 1991 (as amended up to date) and BRPD circular no. 01 dated 6 February 2019. The Bank takes necessary legal measures against default borrowers for recovery against written off loans and advances as per relevant BB guidelines and Artha Rin Adalat Act-2003. Legal cost incurred against those borrowers are initially charged to the profit and loss account of the bank.

2.2.8 Property, Plant and equipment

Recognition and Measurement

All fixed assets are stated at cost less accumulated depreciation as per IAS 16 Property Plant and Equipment except Land. Land is initially measured at cost and then recognized at revalued amount. The cost of an item of property, plant and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably.

The cost of the items of property, plant and equipment comprises:

- i) its purchase price, including import duties and non-refundable purchase tax, after deducting trade discount and rebates.
- ii) any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable

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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	-
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.

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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 at the gross value of outstanding balance. Details are shown in note 13.

2.3.4 Other Liabilities

Other liabilities comprise items such as provision for loans and advances, provision for interest receivables, provision for taxes, interest payable, interest suspense, and accrued expenses. Other liability is recognized in the balance sheet according to the guideline of Bangladesh bank, IAS and IFRS, Income Tax Ordinance-1984 and internal policies of the Bank.

Provisions and accrued expenses are recognized in the financial statement when the bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.4 Capital/Shareholders' equity

Capital management

"The Bank has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. This capital management process aims to achieve the following objectives:

- To comply with the capital requirements set by the regulators;
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- To maintain a strong capital base to support the development of its business.

Capital is managed in accordance with the Board approved Capital Management Planning. Senior management develops the capital strategy and oversee the capital management planning of the Bank. The Bank's finance, treasury and risk management departments are key participators in implementing the Bank's capital strategy and managing capital. Capital is managed using both regulatory capital measures and internal matrix."

2.4.1 Authorised capital

Authorised capital is the maximum amount of share capital that the Bank is authorised by its Memorandum and Articles of Association.

2.4.2 Paid up capital

Paid up capital represents total amount of shareholders' capital that has been paid in full by the ordinary

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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 its paid up capital together with the share premium.

2.4.4 Revaluation reserve

Revaluation reserve for government securities

Revaluation reserve for government securities arises from the revaluation of treasury bills, Bangladesh Bank bills and treasury bonds (HFT and HTM) in accordance with the DOS Circular no. 5 dated 26 May 2008 and DOS (SR) 1153/120/2010 dated 08 December 2010.

Revaluation reserve for fixed assets

Revaluation reserve for fixed assets arises from the revaluation of any class of fixed assets when the market price of the assets increased significantly from the carrying value. When an asset's carrying amount is increased as a result of revaluation, the increased amount is recognised directly to equity under the heading of revaluation surplus/reserve as per IAS 16 "Property, Plant and Equipment".

2.4.5 Non-controlling (minority) interest

Minority interest (non-controlling interest) in business is an accounting concept that refers to the portion of a subsidiary company's stock that is not owned by the parent company. The magnitude of the minority interest in Pubali Bank Securities Limited, (a majority owned subsidiary (99.99%) of Pubali Bank Limited) is very insignificant. Minority interest belongs to sponsor Director of the Bank and is reported on the consolidated balance sheet to reflect the claim on assets belonging to the other non-controlling shareholder. Also, minority interest is reported on the consolidated income statement as a share of profit belonging to the minority shareholder.

2.5 Retirement benefits to the employees

a) Provident fund

The Bank operates a contributory provident fund for its eligible employees. The Commissioner of Income Taxes, Dhaka has approved the provident fund as a recognized provident fund as per section 2(1) of Part B of the First Schedule of Income Tax Ordinance 1984. The Fund is administered by a Board of Trustees consisting 3 (three) members and funded by contributions both from employees 10%-30% and Bank @10% of basic salary. Provident fund is invested by the Trustees as laid down in clause (2) of rules 3 (1) of the Income-Tax (Provident Fund Relief Rules) (Notification no.9 dated 15.3.1930) whereas Trust Act 1882. Interest earned from the investment is credited to the members' accounts annually. Provident fund benefits are given to the employees of the Bank in accordance with provident fund rules of the Bank.

b) Gratuity

The Bank has been maintaining an employee gratuity fund in the name of Pubali Bank Limited Gratuity Fund under which benefits are given to the staff of the Bank in accordance with the rules of gratuity fund. National Board of Revenue has approved the gratuity fund as a recognised gratuity fund vide 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. 549.64 crore as gratuity fund against the Gratuity Liability as on 31.12.2022. 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 defined benefit obligation of BDT 549.64 Crore.

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

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period against Workers' Profit Participation Fund (WPPF).

d) Other Employee Benefits

Group Term Life Insurance

All regular employees are eligible for Group Term Life Insurance (death claim) according to their Ranks.

Staff Welfare Fund

The objective of the Staff Welfare Fund is to provide financial assistance to regular category employee and their declared dependents of the bank incurring severe accident during office duty, extended illness (not more than 6 months) which costs would not be affordable by the employee and which are not covered by any other means. This fund also offers Scholarship grants to their children for their outstanding performance in public examination. All members of this Fund shall contribute monthly to the fund according to their designation. The subscription is deducted from salary of employees and credited against separate index no. in "Staff Welfare fund" as a liability of the bank. The committee shall consist of 7 (seven) members including the Managing Director as the ex-officio Chairman, one DMD, The GM/DGM Head of the Human Resources Division as ex-officio Member-Secretary, Chief Financial Officer (CFO). The Division Head of Audit Division, GM/ DGM of HRD to be appointed by the Board of Directors of the Bank and one representative from Trade Union to be selected by them.

Festival bonus

All regular employees are entitled for two festival bonuses every year by the approval of Board of Directors.

Annual leave

According to Bangladesh Bank policy all permanent employees have to avail 10 consecutive days of mandatory leave. Besides this ordinary leave, maternity leave, casual leave & quarantine leave also sanctioned in favor of the official as per leave guidelines as stated in the Service Rule of the Bank.

Subsidized Scheme - Staff Loan

Demand Loan against P.F., Consumers Loan Scheme, House Building Loan, Education Loan, Car Loan, and Motor Cycle Loan are provided to the confirmed employee at a subsidized rate. Criteria & details of types wise staff loan is given below:

Staff Loan Scheme

A Confirmed employee who have completed at least 05 (Five) years of service in the Bank having clean service record can avail Staff Consumers Loan taking approval from department head and head of HR subject to completion of a specific service length. A confirmed employee can also avail Demand Loan against P.F. Balance if he/she has clean service record.

House building Loan

A regular employee having clean and satisfactory service record at least 05 (Five) years confirmed service and at least 02 (two) years active service before retirement can avail the loan maximum 120 times of his existing basic pay at the rate of interest 4% (simple) per annum for 20 years by the authority of Staff House Building Loan Sanctioning Committee.

Car Loan & Motorcycle Loan

All Executives i.e. AGM and above can avail Car Loan facility by taking approval from the Car Loan Recommending Committee and all confirmed Officers are eligible for Motor Cycle Loan (Interest free) by taking approval from the competent authority at Head Office.

2.6 Revenue recognition

i) Interest income

Interest on unclassified loans and advances (except those of rescheduled and stay order accounts) is recognised as income on accrual basis, interest on classified loans and advances (including rescheduled and stay order accounts) is credited to interest suspense account with actual receipt of interest there from credited to income as and when received as per instruction contained in BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 03 dated 21 April 2019, BRPD circular no. 8 dated 12 April 2020, BRPD circular no 12 dated 10 June 2020, BRPD circular no 17 dated 28 September 2020 and BRPD circular letter no 56 dated 10 December 2020. BRPD

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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 2022 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

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2.11 Dividend

Dividend on ordinary shares are recognized as a liability and deducted from retained earnings when they are approved by the shareholders in the Annual General Meeting (AGM) of the Bank.

2.12 Compliance of International Accounting Standard, International Financial Reporting Standard (IAS), (IFRS)

REF.	NAME OF THE STANDARDS	STATUS
IFRS-1	First-time adoption of International financial Reporting Standards	Not applicable
IFRS-2	Share-based Payment	Not applicable
IFRS-3	Business Combinations	Complied
IFRS-4	Insurance Contracts	Not applicable
IFRS-5	Non-current assets Held for Sale and Discounted Operations	Not applicable
IFRS-6	Exploration for and Evaluation of Mineral Resources	Not applicable
IFRS-7	Financial Instruments: Disclosures	Complied*
IFRS-8	Operating Segments	Complied
IFRS-9	Financial Instruments	Complied*
IFRS-10	Consolidated Financial Statements	Complied
IFRS-11	Joint Arrangements	Not applicable
IFRS-12	Disclosure of Interests in Other Entities	Not applicable
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	Not 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.

** Complied in the preparation of interim financial reports of the Bank.

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Reason for departure from IFRS

The central Bank of Bangladesh (Bangladesh Bank) as regulator to the Banking Industry has issued a number of circulars/directives which are not consistent with the requirements specified in the IAS/IFRS as referred above. In such cases the bank has followed the regulatory requirements specified by the Bangladesh Bank.

Standards issued but not yet effective

A number of standards and amendments to standards are effective for annual periods beginning on or after 1 January 2022 and earlier application is permitted. However, the Bank has not early applied the following new standards in preparing these financial statements.

A. IFRS 17 Insurance Contracts

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 01 January 2023. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed in potential impact of IFRS 17 on its financial statements.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Bank in the current or future reporting periods and on foreseeable future transactions.

2.13 Implementation of IFRS 16 and its relevant assumptions and disclosure

IFRS 16: Leases has come into force on 1 January 2019, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). As Bangladesh Bank (BB) has no other alternative regulation or guidance regarding the same, 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 9).

Lease Liability

At the commencement date of lease, the bank recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term using incremental borrowing rate at the date of initial application. Lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments.

The impact of the new standard on lessees' financial statements are:

- An increase in recognized assets and liabilities;
- More lease expenses recognized in early periods of lease, and less in the later periods of a lease;
- A shift in lease expense classification from rental expenses to interest expense and depreciation.

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	1,741.47	1,500.46
Addition	702.66	702.66
Adjustment Advance rent	-	23.50
Interest Expense	-	134.86
Accumulated Depreciation/Lease Payment	(481.86)	(698.45)
Closing Balance	1,962.27	1,663.03

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2.14 Risk Management

Banks operating in Bangladesh while conducting operations usually face 06 core risks i.e. Credit Risk, Internal Control & Compliance Risk, Money Laundering Risk, Asset Liability Management Risk, Foreign Exchange Risk, and Information & Communication Technology Risk. Moreover, Residual Risk, Concentration Risk, Liquidity Risk, Reputation Risk, Strategic Risk, Settlement Risk and Environmental & Climate Change Risk etc. are also brought into consideration. Success or failure of the bank depends to a great extent on proper identification and minimization of these risks. Failure in risk management may affect bank's deposit, advance, earning, NPL, capital and liquidity position (domestic & foreign currency), credit rating, CAMELS rating and Composite Risk Rating etc.

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. The Committee is arranging required number of meetings every year. Risk Management Division and other concerned divisions are placing memos before the Risk Management Committee of the Board as per Task List and Reporting Cycle approved by the Committee. 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 named as Executive Risk Management Committee (ERMC) was also formed. Currently, the ERMC is headed by the General Manager & Division Head of Risk Management Division who is also functioning as the Chief Risk Officer (CRO) of the bank. In the ERMC, all Deputy Managing Directors, Heads of Principal Offices, all Division Heads and In-charge of CTPC are the members. Assistant General Manager of Risk Management Division is functioning as the Member Secretary of the Committee.

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.

As per DOS circular no. 04 dated 08 October 2018, Pubali Bank Limited revised the Risk Management Guidelines of the bank which was approved by the Board of Directors. The guideline was 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 different risks are discussed and decisions are gradually implemented. Minutes of the meetings along with risk management papers/reports are submitted to Department of Offsite Supervision of Bangladesh Bank on quarterly and half-yearly basis. Risk Management Division also prepares Risk Appetite Statement (RAS) on yearly basis mentioning risk limit with tolerance level. The division also prepares a review report of risk management policies and effectiveness of risk management functions of our bank on yearly basis.

As a part of Credit Risk Management, the bank has already introduced Internal Credit Risk Rating (ICRR) for all its applicable credit proposals. Internal Credit Risk Rating of all applicable loan proposals is approved by Risk Management Division. To address the environment risk, the bank has already recruited an environmental engineer in our Risk Management Division.

As per BRPD Circular no-03 dated 24 February 2022 and subsequent letter no. BRPD (R-1) (Law Review) 717/2022/8627 dated 24 August 2022 a Recovery Plan was prepared by the bank considering various situations such as COVID-19 like pandemic situation, fuel & food price hike, Russia-Ukraine war, economic recession, government monetary policy and fiscal policy, demand & cost push inflation, natural calamities like flood, drought & global warming etc. so that the bank can cope with different stress situations and prepare its responses to the potential shocks in advance. The plan was approved by the Board of Directors in its 1359th meeting held on 31.10.2022. The plan has already been submitted to Bangladesh Bank.

As a part of risk management, adequate capital is maintained against Credit Risk, Market Risk and Operational Risk. A Supervisory Review Process (SRP) Team was also formed to review, monitor, calculate and maintain adequate capital considering all material risks.

Our bank conducts Stress Testing on quarterly basis to quantify the impact of changes in a number of risk factors on assets, liabilities and ultimately on the capital of the bank. The report is submitted before the Board and Bangladesh Bank. Considering the importance of Credit Concentration, in the monthly meeting of Executive Risk Management Committee (ERMC), agenda are always incorporated on Credit Concentration Risk and Stress Testing. The bank always brings the post shock Capital to Risk Weighted Asset Ratio into consideration based on minor, moderate and major shock.

To make the officials familiar with risk management, the bank is imparting training to them on risk management in the following ways:

(1) All newly recruited employees are imparted foundation training where sessions on 06 Core Risks, Risk

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Management, and Capital Management etc. are incorporated.

(2) Pubali Bank Training Institute (PBTI) also arranges training workshops on different risks, risk weighted assets and capital management as per its yearly training calendar.

(3) Officials are also nominated for different trainings arranged by Bangladesh Institute of Bank Management (BIBM), and Bangladesh Bank Training Academy (BBTA) etc.

(4) Risk Management Division also arranges training workshops on risks, risk weighted assets and capital management under Risk Based Capital Framework (RBCF).

a) Credit Risk Management

Credit risk is one of the major risk faced by the bank. This can be described as potential loss arising from the failure of a counterparty to perform as per contractual agreement with the bank. The failure may result from unwillingness of the counter party or decline in his/her financial condition. Therefore, Bank's credit risk management activities have been designed to address all this issue. The Bank has segregated duties of the Officers/Executives involved in credit related activities. Credit approval, Credit Administration, Monitoring and recovery function have been segregated in line with Bank's CRM guidelines. For this purpose, separate divisions have been formed at Head Office. These are Credit Division, Lease Financing Division, Consumer Credit Division, Credit Administration, Monitoring and Recovery Division (CAM&RD) and Law Division. Similarly Regional Offices and Corporate Branches are also separated their works of sanctioning, disbursement, monitoring and recovery. Credit Division of a financial institution helps to maintain asset quality, assessing risk in lending to a particular customer, sanctioning credit, formulating policy/strategy for lending operation etc. as well as implement credit policy which has been approved by the Board.

A thorough assessment is done before sanction of any credit facility at credit division, Lease Financing Division, Consumer Credit Division, Head Office, Principal Office, Regional Office & Corporate Branch. The risk assessment includes borrower's evaluation, financial statement analysis, industry analysis, credit history of the customer, repayment capacity, security coverage of the proposed credit facility, environmental & social risk etc. All credit proposals have been placed before the credit committee (Corporate Branches, Regional Offices, Principal Offices and Head office) for recommendation with a view to sanction or decline. Additional/Deputy Managing Director acts as Chairman of the credit committee at Head office level. Similarly Head of Principal office, Head of Regional office and Head of Corporate Branch act as Chairman of the respective credit Committee at Principal office, Regional office and Corporate Branch level. Loans exposure beyond the discretionary power of Managing Director are placed before the Board of Directors of the Bank for approval. Concentration of Credit Risk Management is shown in note 7.4, 7.5, 7.6, 7.7 & 7.8.

In determining single borrower/large loan exposure, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted on periodical interval to ensure compliance of Bank's and Regulatory policies. In addition external audit firms are also engaged in this regard. Loans are classified as per Bangladesh Bank's guidelines. Concentration of large loan borrower shown in note 7.9.

b) Foreign Exchange Risk Management

Foreign exchange risk also known as FX risk, exchange rate risk or currency risk is a financial risk that exists when a financial transaction is denominated in a currency other than the domestic currency. The foreign exchange risk arises from the transaction involvement in foreign currency; it also may be occurred when a bank holds assets or liabilities in foreign currencies and impacts the earnings and capital of bank due to the fluctuations in the exchange rates. Foreign exchange related transactions are carried out on behalf of customer (against underlying L/C commitments and other fund requirements) thus bank has minimal exposure to the captioned risk. Treasury Division reviews the market conditions, exchange rates, exposure and transactions on daily basis in fixation of foreign exchange rates to mitigate foreign exchange risk. The players of the Foreign Exchange Market are Commercial Banks, Central Bank, Exporters, Importers, Individual Customers and various Commercials.

During the last few months, the 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.

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c) Asset and Liability Management

Asset and Liability Management (ALM) is an integral part of core risk management in the Bank. ALM is a mechanism to address the risk faced by the Bank due to disparity between assets and liabilities. There is a structured and systematic process to manage ALM risk as well as Balance Sheet risk. The Bank has an Asset and Liability Management Committee (ALCO) including the senior management who are dedicated to manage the Asset and Liability Management risk in the Bank. ALCO provides comprehensive and dynamic framework for measuring, monitoring and managing financial risks and to earn sufficient return through maintaining a comfortable liquidity position.

d) Prevention of Money Laundering and Combating Terrorist Financing

Money Laundering Risk arises from non-compliance of money laundering related instructions of the regulatory body. Its consequences are dire & far reaching and may be in the form of financial penalty, reputation loss, legal harassment and even the risk of sustainability. Money Launderers provide fuel for drug dealers, terrorists, illegal arm traders, corrupt public officials and others to operate and expand their criminal enterprises. Success in money laundering encourages the criminals to continue their illicit schemes which mean more fraud, more drugs & drug related crime, more violence, unrest in the society and the economy and a general loss of morale on the part of legitimate business people. Any country or financial institution reputed as a money laundering or terrorist financing haven, alone, could cause significant adverse consequences. Foreign banks may decide to limit their transactions with institutions from money laundering havens, subject these transactions with extra scrutiny, and terminate correspondent or lending relationship. Even legitimate banks from money laundering havens may suffer from reduced access to world market or access at a higher cost due to extra scrutiny of their ownership, organization and control systems. This can lead to diminished development and economic growth. Both depositors and borrowers as well as investors may cease doing business with an institution whose reputation has been damaged due to allegation of money laundering and terrorist financing. Large amounts of laundered funds may be withdrawn suddenly by the criminal depositors if the bank is under investigation. Legitimate customers may also begin to withdraw their funds for fear of losing the same, causing potential liquidity problems. Credit concentration risk may jeopardize interest income of a bank. Lack of knowledge about a particular loan customer or group of related borrowers, the customer's business or what the customer's relationship is to other parties can place a bank at risk. If the borrower is involved in money laundering, the status of the loan may be downgraded and recovery of the loan may not be possible. The loss of high quality borrowers reduces interest income, requires additional provision which substantially reduce income of the bank. Moreover classified loans may increase the Risk Weighted Assets under Risk Based Capital Framework that reduces Capital to Risk Weighted Asset Ratio. Down gradation of the loan may also create liquidity crisis, affect the credit rating and CAMELS rating of the bank. Money laundering and Terrorist Financing may lead to legal risk such as law suits, adverse judgments, unenforceable contracts, fines & penalties generating losses etc. For involvement in money laundering & terrorist financing, the regulatory bodies may impose restrictions on business expansion and bank may lose its market share. Banks around the globe may be unwilling to establish banking relationship if money laundering prevention and combating terrorist financing status are not upto the mark.

The following initiatives have been taken by our Bank to comply with the requirements of Bangladesh Financial Intelligence Unit (BFIU):

- To prevent money laundering and combat terrorist financing Anti Money Laundering Division (AMLDD) has already been formed as per instruction of BFIU. The Deputy Chief Anti Money Laundering Compliance Officer (DCAMLCO) of the bank is functioning as the Division Head.
- Central Compliance Committee (CCC) at Head Office has already been formed headed by Chief Anti-Money Laundering Compliance Officer (CAMLCO). Regional Anti-Money Laundering Compliance Officer (RAMLCO) and Branch Anti-Money Laundering Compliance Officer (BAMLCO) have also been designated to the Regional Offices and Branches respectively.
- All circulars of former Anti Money Laundering Department of Bangladesh Bank and at present Bangladesh Financial Intelligence Unit (BFIU) have been disseminated to the branches for compliance. BFIU circular no. 26 dated 16/06/2020 has already been disseminated to the branches, regional offices, principal offices and divisions of Head Office highlighting important instructions and asking for strict compliance.
- Bangladesh Bank has issued new account opening form through BRPD circular no 02 dated 23/02/2020. Later, BFIU has also revised KYC profile form through BFIU circular no. 26 dated 16/06/2020. Accordingly, our bank has prepared the new account opening form incorporating all the instructions of BRPD and BFIU of Bangladesh Bank and the same is disseminated to the branches to open new accounts through the form.
- Money Laundering & Terrorist Financing Risk Management Guidelines (Revised 2021), Customer Selection Policy (Revised 2021) have been prepared and the same have been disseminated to the branches for

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compliance.

- Guidelines on Prevention of Trade Based Money Laundering has been prepared and disseminated.
- As per Money Laundering Prevention Act-2012 and its amendment 2015; Branches have been instructed to obtain complete & accurate information of the clients while opening and maintaining banking relationship.
- To ensure the genuineness of the customers, we obtain photocopy of national ID / Birth Registration Certificate from the customer, genuineness checked and verification done.
- Customers are graded on the basis of risk. Branches have been advised to closely monitor High Risk Customers, Politically Exposed Persons and Influential Persons and apply Enhanced Due Diligence in these regards.
- Branches have been advised to compare actual transactions with transaction profile to identify abnormal and suspicious transactions.
- Cash Transaction Report (CTR) is submitted to BFIU in time and certificate in relation of CTR analysis also submitted to them.
- Transaction Monitoring is done both Automated and Manual process. If any transaction seems suspicious then the branch forward it to Head Office through proper channel maintaining confidentiality. Head Office examines the documents and submit the report to BFIU through goAML webportal.
- Self-Assessment Statement is prepared by the branches on half yearly basis and a summary report is prepared by Anti-Money Laundering Division of Head Office. The report is submitting to Bangladesh Financial Intelligence Unit regularly. Follow-up letters are issued to the branches to remove the weakness detected in the Self-Assessment Report.
- Our internal auditors assess the AML & CFT status of the branches through Independent Testing Procedure (ITP) while conducting audit. The same is summarized and placed before the Management as well as MANCOM meeting & after that it is used to submit to the Bangladesh Financial Intelligence Unit (BFIU) on half yearly basis. Branches are advised through follow up letters to remove their weakness.
- Extensive training is being continuously imparted to the officials of the Bank to make them familiar with money laundering prevention & combating terrorist financing and to mitigate the risk arising out therefrom. Every year Management of our Bank approves outreach training calendar on Money Laundering Prevention, Combating Terrorist Financing and Prevention of TBML. As per outreach Training Calendar workshops are arranged in due time. Pubali Bank Training Institute also arranges training workshop on the issue as per their yearly training plan.
- At present; Trade Based Money Laundering by the way of under invoicing, over invoicing, under shipment, over shipment, multiple shipment and shipment of inferior goods etc. is a burning issue. Our Bank is seriously handling the issue. A session on Trade Based Money Laundering has been incorporated in all outreach workshops. Beside this own bank import-export product wise price verification database is introduced.
- Before considering / establishing / continuing correspondent banking relationship, status on money laundering prevention and combating terrorist financing of the respondent banks are obtained through a questionnaire developed by Bangladesh Financial Intelligence Unit and/or Wolfsberg. Other information and documents such as license, certificate of incorporation, list of directors, compliance status of regulatory instruction etc. are also verified. Cross Boarder Correspondent Banking relationship with any bank is only established upon receipt of the desired information/documents and evaluate the same through Questionnaire after getting approval from CAMLCO.
- As a precautionary measure and as per instruction of Bangladesh Financial Intelligence Unit, we do not establish Correspondent Banking relationship with any shell bank or any bank having banking relationship with any shell bank.
- Our bank has already introduced sanction screening against UN, OFAC, UK and EU sanction list so that no blacklisted individual/entity can use our banking channel to commit any financial crime. Moreover, we used a sanctions screening solutions named "FIRCO Compliance Link" from Acuity-FIRCOSOFT for all foreign trade transactions.
- In house developed Price Verification Template for foreign trade have already been developed and maintained.
- As per instruction of Bangladesh bank, we have availed screening of underlying import and export shipments through vessel/container tracking from Lloyd's List Intelligence, a world renowned service provider.
- Customer Level Risk Assessment is performed through a Matrix as per instruction of BFIU by branch while conducting Trade related CDD along with general CDD or separately, before starting of trade transaction.
- Pubali Bank Limited has already introduced 3 Level Review Systems in trade transaction to prevent TBML risk arises in trade transaction as per TBML guidelines.

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e) Internal Control and Compliance

Internal Control refers to the mechanism in place on a permanent basis to control the activities of an organization, both at a central and at a departmental/divisional level. It is a process, effected by a bank's Board of Directors, Management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance. It is a process, rather than a structure. It is not a separate activity disconnected from the rest of business activities, rather is an integral part of those activities. It is a dynamic, continuing series of activities planned, implemented and monitored by the board of directors and management at all levels within an organization. It is an integral part of the daily activity of a bank which on its own merits identifies the risk associated with the process and adopts a measure to mitigate the same. Only part, not all, of internal control consists of policies and procedures. Internal control provides only reasonable assurance, not absolute assurance, with regard to achievement of the organization's objectives. External events such as economic recession, inflation, unrest in the society, Government policies and competition, etc. can interfere with achievement of objectives of the organization although there is a good internal control system.

The main objectives of internal control system in a bank are as: (i) Operations objectives: achievement of a bank's basic mission and vision, (ii) Reporting objectives: timely, accurate and comprehensive reporting-financial and non-financial, external and internal and (iii) Compliance objectives: conducting activities and taking specific actions in accordance with applicable laws and regulations. For attaining Operational objectives, the organization should ensure the maximum utilization of its resources without hampering the quality of products/services. The Reporting objectives of internal control system ensure that all necessary information that flow within the bank, into the bank and out of the bank are correct, reliable and timely generated for effective decision making. The Compliance objectives ensure that the organization performs all of its activities complying all laws, rules, regulations and business ethics for sustainable development, for betterment of the stakeholders, and to protect the reputation of the organization.

Internal Control Environment is the framework under which internal control are developed, implemented and monitored. It consists of the Mechanisms and arrangements that ensure internal & external risks to which the bank company is exposed to. It is also very much important for a bank for its existence and the factors which together comprise the control environment are: (i) a Board of Directors that is actively concerned with sound corporate governance and that understands and diligently discharges its responsibilities by ensuring that the company is appropriately and effectively managed and controlled, (ii) a Management that actively manages and operates the bank in a sound and prudent manner, (iii) a Management Information System to provide timely, complete & reliable data/ information for effective decision making to support organizational and procedural control and to soundly & prudently manage the organization's exposures to risk and, (iv) an independent audit mechanism to monitor the effectiveness of the organizational and procedural control.

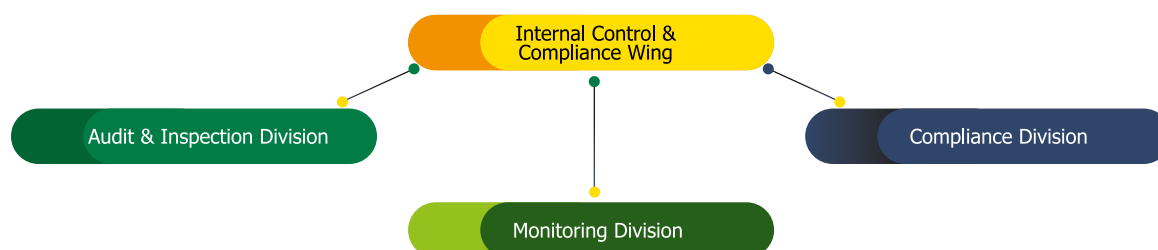
Compliance refers to operating the bank in conformity with applicable laws, regulations, policies, standards, guidelines etc. applicable to all institutions in its category and responding fully and in a timely manner to supervisory criticism and orders to take corrective action issued by the applicable regulatory authorities or law enforcement bodies. In this context, compliance also refers to preventive actions taken to mitigate compliance risk which is the risk of legal or regulatory sanctions, material financial loss or loss to reputation as a result of failure to comply with applicable rules. Today's banks are highly exposed to compliance risk since they have a great number of stakeholders, e.g. regulators, customers, counterparties, tax authorities, local authorities, and other authorized agencies. Compliance risk can lead to imposition of fines & penalties, payment of damages, loss of market share, regulatory sanction and in severe case loss of franchise etc. It can also lead to a diminished reputation, also known as reputation risk, arising from an adverse perception of the image of the bank by customers, counter parties, shareholders or regulators.

Importance of Internal Control & Compliance has substantially increased in the banks due to expansion of business, addition of branches/Sub-Branches/Islami Banking Windows, diversified & sophisticated banking products/services, use of information technology, preparation and implementation of Risk Based Audit Plan, introduction of Risk Based Capital Framework and other stringent regulatory compliances. Considering the above issues, Bangladesh Bank has revised the ICC Guidelines for all banks. Our bank has also prepared Revised ICC Guidelines by following Bangladesh Bank BRPD circular no. 03 dated 08 March, 2016 & BRPD circular no. 06 dated 04 September, 2016 to ensure a proper internal control & compliance. Considering our large branch network, volume of operations, introduction of Risk Based Audit and stringent regulatory compliance, ICC organogram of our bank has been restructured. Mr. Ahmed Enayet Manzur, Honorable Deputy Managing Director is functioning as the Head of Internal Control & Compliance Wing of our bank. In our bank, under Internal Control & Compliance Wing, 03 divisions viz. Audit & Inspection Division, Monitoring Division

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and Compliance Division are working separately and independently as shown below:



Audit & Inspection Division conducts audit as per Risk Based Audit Plan approved by the Audit Committee of the Board of Directors. IT auditor is attached with audit team to conduct IT audit. Synopsis of the audit report is placed before the Audit Committee of the Board of Directors regularly. Our Islamic Banking Wing conducts Shari'ah Audit in the Islamic Banking Windows of the bank. Monitoring Division is engaged in monitoring function through different monitoring tools such as Pubali Monitoring System (PMS), Departmental Control Function Checklist (DCFCL), Quarterly Operations Report (QOR) and Loan Documentation Checklist (LDCL)/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.

The issue of effective internal control system, corporate governance, transparency & accountability etc. have become of great importance. Weakness in Internal Control System may lead to significant amount of loss and the loss may be originated from internal & external fraud, employment practices & workplace safety, business practices, damage to physical assets, business disruption & system failure, and process management etc. Management Committee (MANCOM)/Senior Management Team (SMT) headed by Honorable Managing Director & CEO reviews the overall internal control system of the bank and a certificate is placed before the Board of Directors on the issue on yearly basis. As per instruction of Audit Committee of the Board of Directors, Compliance Division places the memoranda on "Implementation Status of Internal Control and Compliance of the bank" before the Committee on quarterly basis and decisions are being gradually implemented. Moreover, as per yearly reporting cycle, Compliance Division also places memoranda on Internal Control & Compliance (ICC) Risk, Operational Risk and Compliance Risk before the Risk Management Committee of the Board. As a part of Internal Control & Operational Risk Management and as per Bangladesh Bank's DOS circular letter no. 03 dated 09 May, 2017, our bank submits Self-Assessment Report on Anti-Fraud Internal Controls to Bangladesh Bank on half yearly basis, duly signed by Honorable Managing Director & CEO and countersigned by Honorable Chairman of the Audit Committee of the Board of Directors.

As per instruction of revised ICC Guidelines of Bangladesh Bank, an annual report on the health of the bank is prepared and the same is submitted to Audit Committee of the Board, Board of Directors of the bank and 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, Compliance Division of our Bank has prepared Compliance Policy and the same has also been disseminated for compliance.

Ethical issues and behavioral norms have assumed of great importance in the banking industry since banks deal with the money of countless depositors and if the interest of the depositors is threatened, it will bring the economy to a halt. Considering the fact and as per directive of our Central Bank, a Central Ethical Committee has already been formed in our bank headed by Mr. 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. 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

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

Pubali Bank Limited has been extending customer services at all of our 498 branches and 125 sub-branches using our in-house developed core banking software, Pubali Integrated Banking System (PIBS) and at 17 Islamic Wings using our in-house developed core Islamic banking software, Pubali Integrated Islamic Banking System (PIIBS) under network environment. Real Time Centralized Online Banking System has been developed and deployed in all of 498 branches, 125 sub-branches and 17 Islamic Wings across the country. The Online Banking Network of Pubali Bank Limited has become the largest one in the banking sector of Bangladesh.

The efficient members of the Software, System, Network and Hardware Support Unit at ICT Operation Division are extending quick support to the branches to solve any software/operational problems in banking software. Besides, ICT Operation Division is modifying, strengthening and enhancing our core banking solutions, PIBS, according to demand, which is being notified to branches through various circulars.

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

We have launched our Internet Banking System using our in-house developed software and we are extending this services to the customers of our all Online Branches. Security of the transmitted data by encryption/decryption has been ensured through agreement with VeriSign Secured Site Pro. Our Software Development Division is working on development of software for Mobile Banking, SMS Banking and Agent Banking.

We have introduced Mobile Application, PI (n) for our customers with different transactional and non-transactional banking services for 24/7. Current Available Transactional Features include Fund Transfer, Mobile Recharge, Bill Payment and Credit Card Bill Payment whereas available Non-transactional Features include Creating Wallet Account, Balance of the Accounts, Mini Statement, Detailed Date Ranged Statement, Payment Status of issued Cheques, Cheque Book Requisition, Stop Payment of Cheque Leaf or Book and Submitting Positive Pay Instructions.

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

We have established our Data Center at ICT Operation Division, Head Office and Disaster Recovery Center at Uttara, Dhaka. Banking Data of our all the Online Branches are being stored both at our Data Center and Disaster Recovery Center simultaneously to ensure business continuity even in disaster. Moreover, we have recently added Exadata storage solution for enhancing storage capacity of our Data Center and Disaster Recovery Center that assured uninterrupted data availability for end users and proliferated period end data processing speed. Data Center and Disaster Recovery Center of Pubali Bank Limited has been restructured recently and become one of the best ones in Bangladesh. In context of international standard, architecture of Data Center has been upgraded to Tire-3 Standard.

Considering the current Cyber Security Threat Landscape, we have introduced Multi-layer Security Controls to secure our Information Systems. The goal of Layered Security is to increase effectiveness of the security controls in place through a defensive strategy. We logically segregate our Data Center in different Zones such as Core zone, DMZ zone, Partner zone based on Application and minimize the attack vectors. We have already implemented Next-Gen Firewall and IPS, IDS, Email Security, Web Security, Web Application Firewall (WAF) and Advanced Malware Protection (AMP) to protect our environment.

We have successfully implemented Software for Bangladesh Automated Clearing House (BACH-2) and Bangladesh Electronic Fund Transfer System (BEFTN), Credit Information Bureau (CIB) Reporting as per guidelines of Bangladesh Bank.

We have successfully implemented Active Directory Domain Services (AD DS) to centralize the administrative control on OS user authentication complying with ICT Security Policy of our Bank.

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

We have established our website <https://www.pubalibangla.com> where the visitors can get information about

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our products, charge schedule, career opportunities, procurement notices and present status of our bank. The website is updated periodically and also as and when required. Communication through email among our Branches, Regional Offices and different Divisions of Head Office under our own Mail Server at ICT Operation Division, Head Office has become quick and easier.

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

We have already deployed IP Phone to our Head Office, Principal Offices, Regional Offices, Corporate and AD branches. Now we are deploying IP Phone to all of our branches. We will launch video conferencing system shortly through which internal of the Bank will be nearly free of cost and external communication will be less costly. Eventually, Pubali Bank will experience standard unified Communication System.

To ensure proper training to our officials and raising awareness among them, ICT Operation Division arranged need based hands on training program at our Computer Lab daily in addition to training/workshop arranged at Head Office Auditorium throughout the year. During the year 2022, we conducted 24 training programs at our Computer Lab on 140 (One Hundred and Forty) different courses covering 5,647 participants from Branches/Regional Offices across the country.

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

2.15 Capital Adequacy under Basel-III

Banks operating in Bangladesh are maintaining capital since 1996 on the basis of risk weighted assets in line with the Basel Committee on Banking Supervision (BCBS) capital framework published in 1988. Considering present complexity and diversity in the banking industry and to make the bank's capital requirement more risk sensitive, Bangladesh Bank, being the central bank of the country has decided to adopt the Risk Based Capital Adequacy for banks in line with capital adequacy framework revised by the BCBS popularly known as "Basel II". Bangladesh Bank prepared a guideline to be followed by all scheduled banks from January 2009. Both the existing capital requirement rules on the basis of Risk Weighted Assets and revised Risk Based Capital Adequacy Framework for Banks as per Basel II were followed simultaneously initially for one year. For the purpose of statutory compliance during the period of parallel run i.e. 2009, the computation of capital adequacy requirement under existing rules prevailed. On the other hand, revised Risk Based Capital Adequacy Framework as per Basel II had been practiced by the banks during 2009, so that Basel II recommendation could effectively be adopted from 2010. From January 2010, Risk Based Capital Adequacy Framework as per Basel II have been fully practiced by the banks replacing the previous rules under Basel-I. Bangladesh Bank adopted "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" as per BRPD circular no. 18 dated 21 December 2014 replaced of "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel II)". This circular has been come into force with effect from January 01, 2015. Pubali Bank Limited is maintaining its capital requirements at adequate level as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)"

The guideline is structured around the following three aspects of pillars of Basel-III:

- I. Minimum capital requirements to be maintained by a bank against credit, market and operational risk;
- II. Supervisory Review i.e., Process for assessing overall capital adequacy in relation to a bank's risk profile and a strategy for maintaining its capital at an adequate level;
- III. Market Discipline i.e., to make public disclosure of information on the bank's risk profiles, capital adequacy and risk management.

2.16 Disclosure on fraud and forgeries committed by bank employees

In the year-2022, 02 (two) incidents were traced relating to fraud and forgery. One was at our Mohila College Branch under Sylhet Region involving Tk. 2.84 Lac and the other at Principal Branch Dhaka for Tk. 49.16 Lac. The defalcated amount of both branch has been fully recovered. Administrative action is taken/under process against delinquent employees.

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.

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Provision for off-balance sheet exposure

"As per BRPD circular No.14 (23 September 2012), BRPD circular No.01 (03 January 2018) and BRPD circular No.07 (21 June 2018) the Bank has recognised @ 1% General Provision on the following off-balance sheet exposures as defined in BRPD circular No.10 (24 November 2002).

- Acceptance and endorsements
- Irrevocable letters of credit
- Letters of guarantee
- 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 13 April 2023.

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 2022 to 31 December 2022.

2.22 Number of employees

The number of employees employed in the Bank as on 31 December 2022 was 9,031 of which 7,628 were male and 1,403 were female. The number of employees per branch was 13.03 (498 branch+125 Sub-branch) excluding 913 employees in the Head Office, Regional Offices and Principal Offices of the Bank.

2.23 Training

Training is a continuous process of developing human skills for the greater perfection of service delivery to achieve the desired customer satisfaction. Human skills which are associated with the new ideas, thoughts, regulatory compliance and new horizon of new hierarchy. Pubali Bank Training Institute always on the up gradation of employee's skills in delivery service in excellence and development of capacity into critical thinking and analyzing the business issues in a competitive environment.

Training is designed to meet the new challenges for achieving the organizational goal(s). Training helps employees to be acquainted with the new knowledge based service experiences as well as creating the brand value.

In the year 2022 Pubali Bank Training Institute has launched a new dimensional Training program for accelerating knowledge and skill designed by Center for Advances Research in Strategic Human Resource Management (CARSHRM), Faculty of Business Studies, University of Dhaka through online platform.

We have conducted one special physical training program on Entrepreneur Development training from 21.05.2022 to 19.06.2022 under agreement between Bangladesh Bank and Pubali Bank Limited. In this training 25 (twenty five) SME entrepreneurs participated and rewarded certificates.

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 777 participants got training covering the all branches, Regional Offices, Principal Offices and Head Office Divisions.

PBTI has also conducted a virtual workshop on Automated Challan System with 6 frequencies covering all Branches. Sub Branches, Islamic Banking Windows of Pubali Bank Limited for strengthening NBR revenue collection as well as commission earning of Pubali Bank Limited.

During the year 2022, Pubali Bank Limited arranged total no. 281 of Training Programmed where the Training Institute had successfully completed 44 Physical and virtual training courses with 116 frequencies covering 5,526 participant, HRD conducted 116 no of external training programmed covering 684 participants, 997 no. of people were given special training on "Enhancing Human Skills for Banking Excellence" in collaboration with the Center for Advanced Research in Strategic Human Resource Management (CARSHRM) under the faculty of Business Studies, University of Dhaka & PBTI and also Computer Lab of Pubali Bank conducted 76 no of Training programmed covering 5,599 participants throughout the year due to impact of COVID-19.

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As at and for the year ended 31 December 2022

Training Programmed conducted from January to December 2022 by Pubali Bank Training Institute

SL. NO.	NAME OF THE COURSE/SEMINAR/ WORKSHOP	NO. OF COURSES HELD	NUMBER OF PARTICIPANTS ATTENDED	MALE	FEMALE
1	Asset Liability Risk Management	2	77	61	16
2	AML , CFT & Prevention of Trade Based Money Laundering	10	777	632	145
3	Audit & Inspection in Banks	3	78	73	5
4	Banking Laws & Regulations	2	50	43	7
5	Branch Management (Manager's Induction)	1	27	22	5
6	BASEL- III & Stress Testing	1	27	20	7
7	Basic Accounting and Financial Statement Analysis	2	78	70	8
8	Business English & Communication Skill	1	22	20	2
9	Cash Management	6	383	339	44
10	Capital Management, Stress Testing, 6 (six) core risk and their mitigation process	1	201	183	18
11	Citizen's Charter of Pubali Bank Limited	1	62	48	14
12	Comprehensive Risk Management and Implementation of BASEL III accord in our Bank	1	213	177	36
13	Conducting Inquiry and Report Writing.	2	52	44	8
14	Consumer Loan Scheme	2	55	43	12
15	Core Risks Management in Bank	2	57	42	15
16	Credit Management	2	55	47	8
17	Enhancing human skills in Banking Excellence	10	997	819	178
18	E-Payment & RTGS System	2	56	44	12
19	ESRM, Green Banking and Sustainable Finance.	3	109	61	48
20	Ethics & integrity in Banking	4	133	116	17
21	Foundation Training for Junior Officer and Junior Officer (Cash)	4	119	104	15
22	Foundation Training for Asstt. Junior Officer (Cash) and Deputy Junior Officer (Cash)	8	229	177	52
23	General Banking	3	79	64	15
24	Gender Equality	3	346	178	168
25	Guidelines for Trust Fund Management in Payment and Settlement Servic	1	37	37	0
26	ICRR (Internal Credit Risk Rating System in Banks)	3	84	69	15
27	Innovation and Change Management	1	29	25	4
28	Internal Control & Compliance (ICC)	2	47	39	8
29	International Trade Payment and Finance	2	63	58	5
30	Islamic Banking Operations	2	56	49	7
31	Islamic Banking Service for Manager (S) of Islamic Banking Window & Affiliating Branch	1	34	31	3
32	Integrated Supervision System	2	59	47	12
33	Investment Operation	1	31	31	0
34	Iss reporting : Foreign trade	1	39	35	4
35	Lease Financing Scheme	2	49	44	5
36	Legal Aspects of Securities & Documentation	3	107	84	23
37	Marketing & Customers' Service Development in Banking	4	128	108	20
38	Mobile Banking, Agent Banking and Card-Operations etc.	2	79	61	18
39	Money Laundering Prevention Act & Anti-Terrorism Act.	3	106	90	16
40	Multi Foreign Currency RTGS	1	29	27	2
41	NPL Management: Legal & Non- Legal measures	4	134	118	16
42	Prevention of malpractice, Fraud & Forgery in Banks	1	32	26	6
43	SME & Agri-Credit in Bank	3	73	70	3
44	Training of Trainers (TOT)	1	28	22	6
	Grand Total	116	5,526	4,498	1,028

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External Training Programs Conducted at Human Resources of Pubali Bank for the Year 2022

SL.	TOPIC	INSTITUTE	PARTICIPANT(S)	PERIOD
1	Communication & Relationship Management Competency	BIM	5	11-13 Jan 2022
2	Masters of Economics (Entrepreneurship Development)	Dhaka School of Economics	3	18 months
3	Introduction to 4IR, Block Chain & AI/ Robotics for banking Industry	Blackstone	5	27 Jan 2022
4	Strategic Human Resources Management in Banks	BIBM	3	19-20 Jan 2022
5	Financial & Sustainability Reporting of Banks	BIBM	2	25-27 Jan 2022
6	Branch Management	BIBM	3	23-31 Jan 2022
7	Prevention of Money Laundering & Terrorist Financing	BIBM	4	26-27 Jan 2022
8	Sustainable Financing	BB	3	12,19,26 Feb 2022
9	Credit Risk Management with special emphasis on Covid Pandemic	BAB	4	22-24 Jan 2022
10	Course for Assistant Leader Trainer	Bangladesh Scout	1	10-16 Feb 2022
11	Certified EI Graduate Course	SLSD	7	30 hours course from 04 Feb 2022
12	International Trade Payment & Finance	BIBM	4	16-20 Jan 2022
13	Financial Analysis for Bankers	BIBM	5	06-10 Feb 2022
14	Marketing of Financial Services	BIBM	4	01-3 Feb 2022
15	Internal Credit Risk Rating System in Banks	BIBM	2	01-03 Feb 2022
16	Certified Led Implementer Training course on ISO 27001:2013, Information Security Management System (ISMS)	AGS Quality Action Limited	4	04, 05, 11, 12,18 Mar 2022
17	ATM & Plastic Card Management with Security Issues	BIBM	5	17 Feb 2022
18	Supply Chain Finance in International Trade	BIBM	5	16-17 Feb 2022
19	Management of Non-performing Loan & Recovery Strategies	BAB	3	12-13 Mar 2022
20	Sustainable Financing	BB	2	12 Mar 2022
21	Integrity Strategy	BB	1	14 Mar 2022
22	Foreign Direct Investment Promotion Project (FDIPP)	BB	1	15 Mar 2022
23	Asset Liability Management in Banks	BIBM	4	20-24 Mar 2022
24	Branch Management	BIBM	3	20-24 Mar 2022
25	Fundamentals of Shariah Based Banking & Finance	BIBM	4	20-24 Mar 2022
26	Bank Inspection and Regulatory Compliance	BIBM	3	23-24 Mar 2022
27	Automated Challan System (A-challan)	Finance Ministry	5	29 Mar 2022
28	Governance Issues in banks	BIBM	5	28 Mar 2022
29	International Rules covering UCP 600 URDG758 & ISP98	Blackstone	3	01-02 Apr 2022
30	20th Nurul Matin Memorial Lecture on Ethics in Banking	BIBM	1	28 Feb 2022
31	Management of Bonded Import & Risk Mitigation in Export Financing	ICC	1	27 Mar 2022
32	Prevention of Trade and Credit Based Money Laundering in Banks	BIBM	5	30-31 Mar 2022
33	Financial Analysis for Banks	BIBM	4	27-31 Mar 2022
34	Greening Data Center of Banking System: Bangladesh Perspective	BIBM	5	29 Mar 2022
35	Export under open account against risk coverage	BIBM	5	31 Mar 2022
36	Legal Aspect of Security & Documentation	BIBM	2	27-28 Feb 2022
37	Financing RMG Sector	BAB	3	26-27 Feb 2022
38	Cyber Security & Fraud Prevention	BIBM	5	06-10 Mar 2022
39	Cluster Financing for CMSME	BIBM	2	02-03 Mar 2022
40	Forensic Audit in Banks	BIBM	4	03 Mar 2022
41	Trade Financing in Banks	BIBM	3	27-28 Feb 2022
42	Internal Control & Compliance	BIBM	3	06-10 Mar 2022
43	Regulatory Guidelines for Trade Facilitation	BIBM	5	06-10 Mar 2022
44	Financial Inclusion	BB	5	2, 9, 16, 23, 30 Apr
45	Supply Chain Finance in Local & International Trade	BIBM	3	03-05 Apr 2022
46	Certified Islamic Professional Account (CIPA) Course	CSBIBB	2	01 Year Course
47	Ethics, Integrity and Governance in Banks	BIBM	2	06-07 Apr 2022
48	Customer Due Diligence in Banks	BIBM	2	07 Apr 2022
49	Investment Mechanism of Islamic Banking : Ijarah & Sharing Modes	BIBM	1	10-11 Apr 2022
50	Leadership, Team Building and Negotiation Skills for Branch Banking	BIBM	5	10-13 Apr 2022
51	Offshore Banking	BIBM	3	13 Apr 2022
52	Citizens Charter Implementation	BB	1	13 Apr 2022
53	Credit Risk Management in Banks	BIBM	6	16-19 May 2022
54	Prevention of Money Laundering and Terrorist Financing	BIBM	5	16-19 May 2022
55	Islamic Banking Operation-outreach training	BIBM	5	29 May-02 Jun 2022
56	ABB Cyber Security Summit 2022	ABB	3	08-09 Jun 2022

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SL.	TOPIC	INSTITUTE	PARTICIPANT(S)	PERIOD
57	Foreign Exchange Audit and Inspection in Banks	BIBM	2	18-19 May 2022
58	International Trade	City N.A	40	21 May 2022
59	Malpractices in Banks & Financial Institution	BAB	2	21-22 May 2022
60	Training Session on " Entrepreneurship Development training"	Bank Asia	0	
61	Financing Agro-based Business	BIBM	2	22-26 May 2022
62	Information System Audit in Banks for IT Officials	BIBM	3	22-26 May 2022
63	Customer Relationship Management in Banks	BIBM	3	25-26 May 2022
64	Project Financing and PPP	BIBM	3	29-31 May 2022
65	UCP-600 and related ICC Guidelines	BIBM	3	29-31 May 2022
66	Certified EI(Emotional Intelligence) Graduate Course	SLSD	19	w.e.f 10 Jun 2022
67	"iBAS++ এর পূর্ণাঙ্গ Information Security Management System (ISMS) প্রতিষ্ঠার লক্ষে ISMS Scope, ISMS Manual এবং Statement of Applicability (SOA) চূড়ান্তকরণ- বিষয়ক কর্মশালায় অংশগ্রহণ"	Finance Ministry	2	30 May 2022
68	Asset Management Company: A way Out to solve NPL Problems in Bangladesh	BIBM	1	06 Jun 2022
69	Policy and Procedure of Foreign Investment in Bangladesh:Role of Ads	BIBM	5	05-06 Jun 2022
70	Exchange of views with the Election Commission on the amendment of the Electoral law	Bangladesh Election Commission	1	06 Jun 2022
71	Team Building for work excellence in Branch Banking	BIBM	3	08-09 Jun 2022
72	Project Appraisal and Credit Mangement	BIBM	6	07-16 Jun 2022
73	Green Banking	BIBM	2	08-09 Jun 2022
74	Foreign Direct Investment Promotion Project(FDIPP)-Two Steps Loan	BB	1	09 Jun, 2022
75	Prevention of Money Laundering in New Payment System	BIBM	3	15-16 Jun 2022
76	Focus Group Discussion on "Human Resource Management of Banks"	BIBM	1	13 Jun 2022
77	International Trade Payment & Finance	ICC	4	18 Jun 2022
78	Prevention of Credit and Trade based Money Laundering	BAB	2	18-19 Jun 2022
79	Basel Capital Framework for Bank Executives	BIBM	2	15-16 Jun 2022
80	Asset Management Company: A way Out to solve NPL Problems in Bangladesh	BIBM	3	21 Jun 2022
81	"ব্যাংক ও আর্থিক প্রতিষ্ঠানের জন্য আর্থিক সাক্ষরতা নীতিমালা বিষয়ক কর্মশালা"	BB	1	29 Jun 2022
82	A M Kazemi Memorial Lecture on Monetary Policy	BIBM	1	26 Jun 2022
83	ISPAB & BDNOC Conference and workshop	ISPAB	2	27 Jun to 01 Jul 2022
84	Bangladesh Government Investment Sukuk: Issue, Management, Investment and Trading Process	BB	2	28-30 Jun 2022
85	The Supervision Manual on Shariah Based Sustainable Finance for Bangladesh Bank	BB	1	06 Jul 2022
86	Human Resources Management in Bank Branches	BIBM	2	24-28 Jul 2022
87	Academic Calender	BIBM	2	25 Jul 2022
88	Liquidity Management	IBB	5	20 Jul 2022
89	Work Life Balance for Woman in Bank & NFBIs	ACTIVA	35	30-31 Jul 2022
90	Human Resources Management in Bank	BIBM	5	26 Jul 2022
91	Credit Risk Management for CMSMES	BIBM	2	27-28 Jul 2022
92	Trade Finance Risk Management in Banks	BIBM	3	31 Jul 2022
93	Application of Bai Modes of Investment of Shariah Based Banks	BIBM	4	03-04- Aug 2022
94	Credit Monitoring & Supervision	BAB	4	30-31 Jul 2022
95	Internal Audit and bank Supervision	BIBM	3	01-04 Aug 2022
96	Sustainable Financng Policy of Bangladesh Bank	BB	1	28-27 Jul 2022
97	Internal Credit Risk Rating System in Banks	BIBM	2	27-28 Jul 2022
98	International Trade Payment & Finance-practice, compliance, operations & legal analysis	ICC	3	06 Aug 2022
99	ESRM Guidelines	BB	1	13 Aug 2022
100	Sustainable Finance Policy of Bangladesh Bank, at Sylhet	BB	1	11-12 Aug 2022
101	CMSEs Access to Finance in Bangladesh: Scope for Alternative Financing Options	BIBM	2	11 Aug 2022
102	Ninth Annual Banking Conference	BIBM	5	27-28 Aug 2022
103	Exploring the Concept of Business Continuity Plan in the Banking Sector of Bangladesh	BIBM	1	22 Aug 2022
104	Financial Analysis for Banks	BIBM	2	21-25 Aug 2022
105	International Trade Payment & Finance	BIBM	3	21-25 Aug 2022

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2022

SL.	TOPIC	INSTITUTE	PARTICIPANT(S)	PERIOD
106	Dissecting and Correcting Misconceptions in Islamic Banking & Finance	BBTA	2	28 Aug 2022
107	Foreign Trade & Foreign Exchange	BAB	2	27-29 Aug 2022
108	Prevention of Money Laundering & Terrorist Financing	BIBM	2	Aug 29-1 Sep 2022
109	International Bank Guarantees in Bangladesh	BIBM	3	01 Sep 2022
110	Feasibility Study and Development of Green Sukuk Guidelines	BB	1	11 Sep 2022
111	Leadership Issues in Banks	BIBM	5	06 Sep 2022
112	Banking for IT Officials	BIBM	3	11-15 Sep 2022
113	Human Resource Management in Bank Branches	BIBM	5	11-15 Sep 2022
114	Green Financing for Sustainable energy Solutions	BB	2	13 Sep 2022
115	Certified EI Graduate Course	SLSD	25	09 Sep 2022
116	Motivating people at Workplace	BIM	5	14-15 Sep 2022
117	Training of Trainers (TOT)	BIM	1	25-29 Sep 2022
118	Remittance related RITs(rationalized Input Template)	BB	2	14 Sep 2022
119	Retail Banking	BIBM	2	21-22 Sep 2022
120	Leadership Excellence in Banks for Branch Management	BIBM	2	21-22 Sep 2022
121	Human Resources Development in Islamic Banking: Bangladesh Perspective	CSIBB	1	24 Sep 2022
122	Policy & Procedure of Foreign Investment in Bangladesh:Role of Ads	BIBM	3	25-26 Sep 2022
123	IT Governance in Banks for executives	BIBM	2	25-26 Sep 2022
124	Internal Control Mechanism and Bank Supervision	BAB	5	24-25 Sep 2022
125	Risks and Controls for Trade Finance Products and Services	Blackstone	3	23-24 Sep 2022
126	Document Verification System	BIBM	1	29 Sep 2022
127	Certified Information System Auditor (CISA)	IBCS-Primax	2	26 Aug 2022
128	Financial Cyber Drill-2022	BGD e GOVT CIRT	5	22 Oct 2022
129	Sustainable Financing & Green Banking	BIBM	3	10-13 Oct 2022
130	Certified Expert in Trade Services (CETS)	BIBM	2	01 Jan 2023
131	Working Capital Financing	BIBM	3	10-13 Oct 2022
132	Financial Crime and Compliance Issues in Banks	BIBM	3	12-13 Oct 2022
133	Project Appraisal & Management	BIBM	5	16-20 Oct 2022
134	Banking Technology & Cyber Security Issues	BIBM	4	16-20 Oct 2022
135	6th Certified Islamic Professional Accountant (CIPA)	CSBIBB	3	01 Oct 2022
136	Bank Management for executives	BIBM	3	23-31 Oct 2022
137	Risk Reporting in Banks	BIBM	2	26-27 Oct 2022
138	Financing RMG Sector	BAB	3	22-23 Oct 2022
139	Post-Covid Impact on Banking Activities & Way of Recovery	BIBM	3	26-27 Oct 2022
140	Export Operations, Back-to-Back LC Mechanism and Challenges of Export Finance	ICCB	4	05 Nov 2022
141	Prevention of Trade & Credit Based Money Laundering in Banks	BIBM	3	30-31 Oct 2022
142	Regulatory Guidelines for Trade Facilitation	BIBM	2	1-3 Nov 2022
143	Project Appraisal and Credit Management	BIBM	3	01-10 Nov 2022
144	Information System Audit in Banks for Non- IT Officials	BIBM	2	6-10 Nov 2022
145	Time & Stress Management for Bank Executives	BIBM	5	9-10 Nov 2022
146	International Trade Payment & Finance	BIBM	5	6-10 Nov 2022
147	Certified Expert in E-Banking (CEEB)	BIBM	1	01 Jan 2023
148	Prevention of Financial Crime	BIBM	5	15 Nov 2022
149	Certified Expert in Credit Management (CECM)	BIBM	1	01 Jan 2023
150	Certified Expert in Anti-Money Laundering & Financial Crime(CEAF)	BIBM	1	01 Jan 2023
151	Credit Risk Management	BAB	2	19-21 Nov 2022
152	Outreach Financing Agro-based CMSME Business	BIBM	5	20-24 Nov 2022
153	Prevention of Money Laundering & Terrorist Financing	BIBM	3	23-24 Nov 2022
154	Digital Financial Services for Inclusive Banking	BIBM	2	27-28 Nov 2022
155	Operational Risk Management in Banks	BIBM	3	27-28 Nov 2022
156	Awareness Development Program on ESRM	BB	2	26 Nov 2022
157	Entrepreneurship Development	BB	1	30 Nov 2022
158	Certified EI Graduate Course	SLSD	25	23 Dec 2022
159	National Cyber Drill-2022	BGD e-Gov Cir	5	12-13 Dec, 2022
160	Regulatory & Legal Measures for NPL Management: Case based Analysis	BIBM	2	07-08 Dec 2022
161	Foreign Exchange Operations of Banks	BIBM	3	05-08 Dec 2022

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2022

SL.	TOPIC	INSTITUTE	PARTICIPANT(S)	PERIOD
162	Time Management & Stress Management	IBB	70	21 Dec 2022
163	Sustainable Financing Policy of Bangladesh Bank	BB	1	17-18 Dec, 2022
164	Shariah Based Sustainable Finance Policy Guidelines for Banks and Financial Institutions	BB	1	19 Dec. 2022
165	Management of Non-performing Loan & Recovery Strategies	BAB	2	17-18 Dec, 2022
166	Certified Expert in Sustainable Finance	BIBM	2	Mar, 2023 intake
167	“আমদানি পরিরীক্ষণ বিষয়ে এক্সিকিউটিভ ডেভেলপমেন্ট সেমিনার আয়োজন প্রসঙ্গে”	BB	5	24 Dec 2022
684				

Training programs conducted at Computer Lab of Pubali Bank for the Year 2022

SL	NAME OF THE PROGRAMME / WORKSHOP	NO. OF COURSES	NUMBER OF PARTICIPANTS	MALE	FEMALE
1	Pubali Integrated Banking System (PIBS), ICT Infrastructure and Security For Newly Recruited Junior Officers (Hardware Engineer)	1	14	12	2
2	Security Awareness Program for SWIFT User	1	33	27	6
3	Restructure, End Point Hardening & Introducing MFA (Multi-factor Authentication) at Branch End as per SWIFT CSP Recommendation	1	106	106	0
4	Implementation of Web Based PIBS/PIIBS	1	128	123	5
5	Information Security Awareness ((Virtual))	1	950	900	50
6	Implementation of PCI DSS	1	32	30	2
7	ISO Lead Implementation	1	11	11	0
A. Core Banking Operation:					
1	Pubali Integrated Banking System (PIBS) for New recruited officers	12	350	280	70
2	BACPS, BEFTN, RTGS, e-Payment, & Remittance	8	181	131	50
3	Credit Application Processing & Security Register	8	192	186	6
4	Changes in CLS/LFS, Stimulus Interest and Interest Suspense Register	11	762	700	62
5	Central Disbursement System & Document Archiving System	7	175	156	19
B. Training on ERP:					
1	Pubali Human Resources Management System	9	212	197	15
2	Customer Registration and A/C Opening (Both in Traditional & e-KYC Model)	7	163	125	38
3	Source Tax, VAT, Excise Duty, GL Register and Payroll	10	248	220	28
C. Alternate Delivery Chanel:					
1	Automated Challan System (ACS), Utility Bills, Collection Account and Security Paper Management	19	806	711	95
2	Card Business & Management System	7	204	154	50
3	Card Operation & Management System	8	203	188	15
4	Mobile Apps (PI) Retail & Corporate Banking	7	205	197	8
5	Web Application (PI) Retail & Corporate Banking	2	50	47	3
D. ICT Security & Technological Training:					
1	Maintenance of Branch Network, System, Inventory Management & Cyber Security Awareness	8	195	189	6
2	End-Point Security Implementation and Maintenance	8	238	213	25
3	Artificial Intelligence	2	57	49	8
E. Strategy Change Management :					
1	Fintech	1	31	26	5
Total		141	5546	4978	568

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2022

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. Ahmed Shafi Choudhury	Director	Member	BA (Dhaka University)
Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Director	Member	B. Eng (Civil), UK, FCMA (UK), CGMA
Ms. Rana Laila Hafiz	Director	Member	MA (English) DU
Dr. Shahdeen Malik	Independent Director	Member	PhD in Law, London, UK, Obtained LLM degrees from Universities at Moscow & Philadelphia

2.25 Accounting for Changes in Policy, Accounting Estimates and Errors

IAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors, states that the effect of a change in accounting policy and correction of error if material is to be applied retrospectively and change in an accounting estimate is to be applied prospectively. The carrying amount of assets, liabilities, or equity may be changed following a change in accounting estimates in the period of the change. The Bank followed the same accordingly.

2.26 Events after reporting period

As per IAS - 10 "Events after the Reporting Period" events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of event can be identified:

- Adjusting events after the reporting period which provide evidence of conditions which existed at the end of the reporting period; and
- 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:

- 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 joint control over the company;
- The party is an associate (as defined in IAS 28 Investment in Associates);
- The party is a joint venture in which the entity is a venture (as per IAS 31 Interests in Joint Ventures);
- The party is member of the key management of personnel of the entity or its parent;
- The party is a close member of the family of any individual referred to in (i) or (iv);
- 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:

- 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);
- 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
- For which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2022

The Bank identifies segment based on its business segment as well as its subsidiaries. Business segments are comprised of Conventional Banking, Islamic Banking, Off-shore Banking and Pubali Bank Securities Limited. The Bank reviews the segments at the end of each reporting period to identify which of its segments are reportable and disclose the related information for those reportable segments accordingly.

2.30 Disclosure of FRC Policy to preserve Audited Financial Report in processing Loans

Financial Statement of a company is a mandatory document for sanctioning new loan facilities as well as renewal and enhancement of existing facilities. As per BRPD Circular Letter No. 04 dated 04 January 2021 issued by Bangladesh Bank, at the time of loan sanction/renewal, it is mandatory to preserve the up-to-date Statutory Audited Financial Report audited by Chartered Accountants for the firms defined as Public Interest entity by the clause 2(8) of Financial Reporting Act, 2015. During year-2021, 406 borrowers submitted Audited Financial Report out of 584 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. Regarding the issue, ICAB arranged a virtual training program on DVS titled "The SECOND Slot held on 06 September 2021 Go-on-live Training on Document Verification System (DVS) for banks". In this connection, Bank already signed a MoU with ICAB dated 15 September 2022. Till now bank did not get any ID for accessing to the DVS system of ICAB. Upon getting access to the DVS system, bank will be able to verify all such types of Firms' Audited Financial Report.

Information about Loan sanctioned/renewed in Year-2022 to Firms:

PARTICULARS	NO. TO BORROWER	OUTSTANDING
Loan to Firms other than Proprietorship & Partnership (public interest entities)	584	Tk.23,078.04 crore
Out of them having Audited Financial Statement	406	Tk.19,070.82 crore

2.31 General

- 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.
- Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- 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 2022

		Amount in BDT	
		2022	2021
3	Cash		
	Cash In hand (Including foreign currencies)		
	In local currency	8,884,367,385	5,064,304,533
	In foreign currencies	17,721,435	24,107,140
		<u>8,902,088,820</u>	<u>5,088,411,673</u>
	Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)		
	Bangladesh Bank		
	In local currency	22,142,960,998	17,692,669,678
	In foreign currencies	809,270,503	23,493,024
		<u>22,952,231,501</u>	<u>17,716,162,702</u>
	Sonali Bank as agent of Bangladesh Bank		
	In Local currency	2,595,526,118	1,841,758,205
		<u>25,547,757,619</u>	<u>19,557,920,907</u>
		<u>34,449,846,439</u>	<u>24,646,332,580</u>
3.1	Cash Reserve Ratio and Statutory Liquidity Ratio		
	Cash Reserve Ratio and Statutory Liquidity Ratio have been calculated in accordance with the section 33 of Bank Companies Act 1991, MPD circular numbers 1, 2 dated 03 April 2018, DOS circular no. 01 dated 19 January 2014 and MPD circular 01 dated 09 April 2020 respectively.		
	The Cash Reserve Ratio (CRR) required on the Bank's time and demand liabilities at the rate of 4.00% has been calculated and maintained 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 (4%)	21,397,563,000	18,613,499,000
	Actual Reserve maintained	22,698,152,170	18,051,230,733
	Surplus/(deficit)	<u>1,300,589,170</u>	<u>(562,268,267)</u>
3.1.2	Statutory Liquidity Ratio (SLR)		
	Required Reserve (13%)	71,321,072,000	61,555,808,000
	Actual Reserve maintained	128,612,207,150	131,697,834,090
	Surplus/(deficit)	<u>57,291,135,150</u>	<u>70,142,026,090</u>
	Held for Statutory Liquidity Ratio (SLR)		
	Cash in Hand	8,902,088,820	5,088,411,673
	Balance with agent Bank (Sonali Bank Limited)	885,378,806	602,434,680
	Excess Cash Reserve	1,300,589,170	24,569,092
	Government Securities (HTM)	72,892,046,883	71,761,227,925
	Government Securities (HFT)	42,645,374,345	52,234,461,595
	Other Eligible Securities	1,986,729,126	1,986,729,125
		<u>128,612,207,150</u>	<u>131,697,834,090</u>
3.1.3	Total required amount of CRR and SLR		
	Total required reserve (17%)	92,718,635,000	80,169,307,000
	Total actual reserve maintained	150,009,770,150	149,724,495,731
	Total Surplus	<u>57,291,135,150</u>	<u>69,555,188,731</u>
3(a)	Consolidated Cash		
	Cash In hand (Including foreign currencies)		
	Pubali Bank Limited	8,902,088,820	5,088,411,673
	Pubali Bank Securities Limited	-	-
		<u>8,902,088,820</u>	<u>5,088,411,673</u>
	Balance with Bangladesh Bank and its agent Bank (s) (Including foreign currencies)		
	Pubali Bank Limited	25,547,757,619	19,557,920,907
	Pubali Bank Securities Limited	-	-
		<u>25,547,757,619</u>	<u>19,557,920,907</u>
		<u>34,449,846,439</u>	<u>24,646,332,580</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
4	Balance with other banks and financial institutions		
	In Bangladesh (Note 4.1)	5,012,859,563	20,250,730,902
	Outside Bangladesh (Note 4.2)	4,797,398,689	1,231,239,880
		9,810,258,252	21,481,970,782
4.1	In Bangladesh		
	In current deposit Accounts (in local currency)		
	Janata Bank Limited	65,050,296	34,048,378
		65,050,296	34,048,378
	In fixed/term deposit account (in local currency)		
	Delta Brac Housing and Finance Corporation Ltd.	-	1,150,000,000
	ICB Islamic Bank Ltd, Bangshal Branch, Dhaka	32,386,626	32,401,856
	ICB Islamic Bank Ltd, Principal Office, Dhaka	188,293,773	188,349,233
	Janata Bank Limited	-	800,000,000
	Exim Bank Limited	1,050,000,000	1,000,000,000
	Social Islami Bank Limited	-	400,000,000
	Investment Corporation of Bangladesh	940,000,000	1,480,000,000
	Jamuna Bank Limited	-	1,000,000,000
	Social Islami Bank Limited	-	200,000,000
	Mutual Trust Bank Limited	-	1,957,177,520
	Dhaka Bank Limited	-	1,000,000,000
	Brac Bank Limited	-	3,000,000,000
	IFIC Bank Limited	-	1,297,400,000
	Islami Bank Bangladesh Limited	-	2,402,400,000
	United Commercial Bank Limited	500,000,000	429,000,000
	Trust Bank Limited	-	85,800,000
	The Premier Bank limited	-	772,200,000
	Midland Bank limited	-	171,600,000
	Agrani Bank Limited	2,200,000,000	-
		4,910,680,399	17,366,328,609
	In Savings deposit account		
	Islami Bank Bangladesh Limited	15,309,880	14,973,791
		15,309,880	14,973,791
	In Special Notice Deposit account		
	Sonali Bank Ltd, Shilpa Bhaban Branch, Dhaka	90,417	1,359,768,868
	Bank Al Falah Ltd, Principal Branch, Dhaka	-	-
	National Bank Ltd, Dilkusha Branch, Dhaka	-	-
	The City Bank Ltd, Foreign Exchange Branch, Dhaka	-	-
	Mutual Trust Bank Ltd, Principal Branch, Dhaka	-	-
	Bangladesh Krishi Bank, Local office, Dhaka	8,029,752	1,266,116,939
	Janata Bank Limited, Nawabpur branch, Dhaka	6,423,736	202,361,637
	First Security Islami Bank Ltd, Dilkusha Branch, Dhaka	6,737,107	6,601,795
	AB Bank Limited, Islamic Banking Branch, Dhaka	537,976	530,885
		21,818,988	2,835,380,124
	Total Deposit in Bank in BDT	5,012,859,563	20,250,730,902

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

4.2 Outside Bangladesh (Nostro Account) In demand deposit account (non interest bearing)

NAME OF BANK	FOREIGN CURRENCY NAME	2022			2021		
		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	103.297	30,177.44	3,117,239	85.800	30,177.44	2,589,224
Bank of Bhutan, Thimpu	ACUD	103.297	2,735.75	282,595	85.800	15,174.54	1,301,976
MUFG Bank Ltd. New Delhi	ACUD	-	-	-	85.800	22,770.00	1,953,666
MUFG Bank Ltd. Japan	JPY	0.772	12,736,616.00	9,827,849	0.746	6,260,469.00	4,668,418
Commerz Bank, Germany	USD	103.297	231,524.58	23,915,795	85.800	644,176.96	55,270,383
Habib Metropolitan Bank, Ltd., Karachi	ACUD	103.297	18,107.97	1,870,499	85.800	142,554.72	12,231,195
Habib American Bank, New York	USD	103.297	677,993.95	70,034,741	85.800	330,937.84	28,394,467
HDFC Bank Ltd., Mumbai	ACUD	103.297	158,393.88	16,361,613	85.800	46,378.57	3,979,281
Punjab National Bank	ACUD	103.297	242,114.65	25,009,717	85.800	177,857.79	15,260,198
HSBC Bank, Mumbai	ACUD	103.297	64,075.94	6,618,852	85.800	64,075.94	5,497,716
ICICI Bank Ltd., Kolkata, India	ACUD	103.297	233,939.59	24,165,258	85.800	73,459.72	6,302,844
AB Bank, Mumbai	ACUD	103.297	317,005.55	32,745,722	85.800	2,104.04	180,527
Mashreq Bank PSC, New york	USD	103.297	14,527,796.19	1,500,677,763	85.800	3,415,523.61	293,051,926
Mashreq Bank PSC, New york (OBU)	USD	103.297	6,796,395.22	702,047,238	85.800	1,588,514.83	136,294,572
Mashreq Bank Mumbai, India (OBU)	ACUD	103.297	3,847.05	397,389	85.800	47,906.34	4,110,364
MCB, Pakistan	ACUD	103.297	247,352.08	25,550,728	85.800	228.28	19,586
Peoples Bank, Colombo	ACUD	103.297	6,248.40	645,441	85.800	14,572.58	1,250,327
Sonali Bank Ltd, Kolkata	ACUD	103.297	567,456.66	58,616,571	85.800	142,069.53	12,189,566
Standard Chartered Bank, Kathmandu	ACUD	103.297	328,061.70	33,887,789	85.800	208,591.86	17,897,182
Standard Chartered Bank, New york	USD	103.297	17,614,244.97	1,819,498,663	85.800	1,479,624.71	126,951,800
Standard Chartered Bank, Mumbai	ACUD	103.297	95,549.63	9,869,990	85.800	756,547.16	64,911,746
Standard Chartered Bank, UK	GBP	124.339	4,791.69	595,792	115.761	30,914.44	3,578,698
ICICI Bank, Kolkata, India	EURO	109.743	14,537.17	1,595,349	97.280	14,537.17	1,414,176
UBS AG, Zurich	CHF	111.359	15,949.89	1,776,170	93.699	8,347.09	782,112
Unicredit S.P.A., Milano, Italy	EURO	109.743	215,234.25	23,620,395	97.280	216,980.30	21,107,852
Citi Bank NA. New York	USD	103.297	238,326.16	24,618,377	85.800	1,204,782.12	103,370,306
Commerz Bank , Germany	EURO	109.743	596,847.46	65,499,671	97.280	533,317.45	51,881,142
JP Morgan Chase Bank, New York	USD	103.297	1,993,248.49	205,896,589	85.800	2,227,144.01	191,088,956
ABU DHABI Commercial Bank	AED	28.122	1,393,745.15	39,194,624	23.357	1,453,517.65	33,949,045
AXIS Bank Ltd. India	ACUD	103.297	641,133.99	66,227,218	85.800	346,860.47	29,760,628
ZHEJIANG CHOUZHOU Commercial Bank	USD	103.297	572.40	59,127	-	-	-
ZHEJIANG CHOUZHOU Commercial Bank	CNY	14.813	214,263.10	3,173,925	-	-	-
				4,797,398,689			1,231,239,880

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
4.3	Maturity grouping of balance with other banks and financial institutions		
	Payable on demand	4,899,577,853	4,081,593,795
	Up to 3 months	1,050,000,000	15,429,625,898
	Over 3 months but not more than 1 year	3,640,000,000	1,750,000,000
	Above 1 year (receivable from former The Oriental Bank Ltd.)	220,680,399	220,751,089
		9,810,258,252	21,481,970,782
4(a)	Consolidated Balance with other banks and financial institutions		
	In Bangladesh		
	Pubali Bank Limited	5,012,859,563	20,250,730,902
	Pubali Bank Securities Limited	1,576,440,374	1,947,268,210
		6,589,299,937	22,197,999,112
	Less: Inter Company Transactions	1,485,886,271	1,737,373,112
		5,103,413,666	20,460,626,000
	Outside Bangladesh		
	Pubali Bank Limited	4,797,398,689	1,231,239,880
	Pubali Bank Securities Limited	-	-
		4,797,398,689	1,231,239,880
		9,900,812,355	21,691,865,880
5	Money at call on short notice		
	Banking company (note- 5.1)	811,286,667	11,286,667
	Non-banking Financial Institution (note-5.2)	27,700,000	230,700,000
		838,986,667	241,986,667
5.1	Banking company		
	The Premier Bank Limited	800,000,000	-
	ICB Islamic Bank Ltd.	11,286,667	11,286,667
		811,286,667	11,286,667
5.2	Non-banking Financial Institution		
	GSP Finance Co. (BD) Ltd.	27,700,000	30,700,000
	IPDC Finance Limited	-	200,000,000
		27,700,000	230,700,000
6	Investments		
	Government investments		
	Securities		
	Government/ Bangladesh Bank bills - at book value (note 6.1)	11,505,232,705	11,146,071,611
	Government treasury bonds (Note 6.2)	103,005,040,360	113,933,697,912
	Reverse Repo (Note 6.3)	2,111,228,163	-
	National prize bonds	12,682,101	25,017,791
	Total investment in government securities and bonds	116,634,183,329	125,104,787,314
	Other investments:		
	Shares (Note 6.4)	8,152,789,309	7,077,957,454
	Debentures (Note 6.5)	294,060	294,060
	Prime Bank Limited Bond	300,000,000	400,000,000
	Dhaka Bank Limited Bond	90,000,000	120,000,000
	Bank Asia Limited Bond -1	-	50,000,000
	EXIM Bank Limited Bond -1	-	60,000,000
	Southeast Bank Limited Bond - 2	200,000,000	400,000,000
	Trust Bank Limited Bond -2	200,000,000	400,000,000
	One Bank Limited Bond -2	200,000,000	400,000,000
	Jamuna Bank Limited Bond	120,000,000	180,000,000
	Mutual Trust Bank Limited Bond -2	380,000,000	570,000,000
	Bank Asia Limited Bond -2	400,000,000	600,000,000
	EXIM Bank Limited Bond -2	400,000,000	600,000,000
	Dutch- Bangla Bank Limited Bond-1	600,000,000	900,000,000
	Shahjalal Islami Bank Limited Bond	280,000,000	420,000,000
	Social Islami Bank Limited Bond -2	100,000,000	200,000,000
	The City Bank Limited Bond -2	262,500,000	425,000,000
	Standard Bank Limited Bond	200,000,000	300,000,000

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

Amount in BDT

	2022	2021
Islami Bank Bangladesh Limited Bond	400,000,000	600,000,000
United Commercial Bank Limited Bond -1	300,000,000	450,000,000
Southeast Bank Limited-3	90,000,000	120,000,000
The City Bank Limited Bond -3	300,000,000	400,000,000
Dutch- Bangla Bank Limited Bond -2	300,000,000	400,000,000
One Bank Bond-3	300,000,000	300,000,000
Eastern Bank Limited Bond	800,000,000	1,000,000,000
Bank Asia Limited Bond -3	400,000,000	500,000,000
Dutch- Bangla Bank Limited Bond-3	500,000,000	500,000,000
Trust Bank Limited Bond -3	500,000,000	500,000,000
The City Bank perpetual Bond	799,000,000	1,000,000,000
United Commercial Bank Limited Perpetual Bond	500,000,000	500,000,000
PRAN AGRO Limited Green Bond	240,000,000	300,000,000
NCC Bank Perpetual Bond	650,000,000	650,000,000
Islami Bank Bangladesh Limited Perpetual Bond	100,000,000	-
Mercantile Bank Limited Perpetual Bond	1,000,000,000	-
Mutual Trust Bank Limited Bond-3	2,500,000,000	-
United Commercial Bank Limited Bond-2	1,000,000,000	-
Al-Arafah Islami Bank Limited Bond	200,000,000	200,000,000
Bridge financing advances (Note 6.6)	4,722,910	4,722,910
	22,769,306,279	20,527,974,424
	139,403,489,608	145,632,761,738
6.1 Government/ Bangladesh Bank bills		
30 days Bangladesh Bank bills	-	-
91 days treasury bills	4,234,682,943	7,220,261,738
182 days treasury bills	139,563,481	-
1 year treasury bills	7,130,986,281	3,925,809,873
	11,505,232,705	11,146,071,611
6.2 Government treasury bonds		
25 years treasury bond	-	-
20 years treasury bond	29,141,268,603	28,252,898,849
15 years treasury bond	16,981,980,475	15,963,952,707
10 years treasury bond	26,040,828,365	28,167,621,289
5 years treasury bond	14,933,494,517	17,254,429,889
2 years treasury bond	15,233,788,400	23,331,115,178
	102,331,360,360	112,970,017,912
5 years Sukuk Bond	673,680,000	673,680,000
6 Months Bangladesh Govt. Islami Investment Bond	-	290,000,000
	673,680,000	963,680,000
	103,005,040,360	113,933,697,912
6.3 Reverse Repo with other Bank		
Government/ Bangladesh Bank bills		
182 days (Reverse Repo with other bank)	465,737,374	-
1 year (Reverse Repo with other bank)	-	-
	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 2022

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	2,055,000	85.00	174,675,000	186,135,765	105,803,270
ACME Pesticides Limited	7,445,670	35.40	263,576,718	243,177,252	2,661,831
Bata Shoe Company (BD) Limited	94,000	952.30	89,516,200	93,124,144	10,606,008
Baraka Power Limited	1,120,790	21.30	23,872,827	28,903,695	-
Baraka Patenga Power Limited	933,895	29.30	27,363,124	30,371,573	-
Bangladesh Submarine cable company Limited	361,644	218.90	79,163,872	70,123,254	65,910,670
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	212,974,448	101,876,968
City Bank Limited	1,607,519	21.80	35,043,914	39,542,135	3,942,039
Confidence Cement Mills Limited	154,686	89.00	13,767,054	16,647,430	-
Delta Brac Housing Finance Corporation Limited	808,057	57.80	46,705,695	63,090,082	44,192,510
Eastern Bank Limited	22,815,167	31.80	725,522,311	53,051,800	53,051,800
Global Islami Bank Limited	1,317,368	9.00	11,856,312	13,173,680	-
Grameenphone Limited	940,000	286.60	269,404,000	314,358,531	314,358,531
ICB Islamic Bank Limited	7,998,300	5.40	43,190,820	79,983,000	79,983,000
Islami Commercial Insurance Company Limited	8,798	28.10	247,224	87,980	-
IDLC Finance Ltd	3,850,989	46.50	179,070,989	221,795,630	148,744,494
Ifad Autos Limited	985,320	44.10	43,452,612	64,605,006	64,605,006
Jamuna oil Company limited	1,130,000	167.30	189,049,000	201,237,089	73,094,811
JMI Hospital Requisite Manufacturing Limited	840,807	73.40	61,715,234	66,045,395	-
Krishibid Power Company Limited	-	-	-	-	865,260
Khulna Power Company Limited	792,717	26.60	21,086,272	36,903,300	36,903,300
Linde Bangladesh Limited	35,000	1,397.70	48,919,500	49,365,494	244,445,234
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	2,421.50	242,150,000	143,564,611	143,564,611
Meghna Insurane Limited	4,002	42.80	171,286	40,020	-
Mercantile Bank Limited	6,228,987	13.60	84,714,223	100,899,807	100,899,807
MJL Bangladesh Limited	2,270,502	86.70	196,852,523	226,514,037	207,811,699
Meghna Petroleum Limited	1,000,000	198.60	198,600,000	203,475,158	56,034,345
NCC Bank Limited	4,160,000	13.80	57,408,000	63,019,013	63,019,013
Nialco Alloys Limited	-	-	-	-	412,980
Olympic Industries Limited	262,128	124.00	32,503,872	75,383,109	209,725,271
One Bank Limited	103,083	10.20	1,051,447	1,267,000	1,266,999
Padma Oil Company Limited	750,439	209.20	156,991,839	169,102,147	41,094,963
Power Grid Company Bangladesh	1,003,700	52.40	52,593,880	60,931,655	60,931,655
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	1,306	9.80	12,799	11,244	11,244
Singer Bangladesh Limited	150,000	151.90	22,785,000	24,258,655	16,573,583
Sena Kalyan Insurance Company Limited	-	-	-	-	69,940
Square Pharmaceuticals Limited	2,000,000	209.80	419,600,000	418,456,694	418,456,694
Summit Power Limited	8,466,700	34.00	287,867,800	345,128,322	296,941,323
Titas Gas Transmission and Distribution Co. Ltd.	2,840,163	40.90	116,162,667	132,799,706	6,902,145
Unilever Consumer Care Limited	46,751	2,849.00	133,193,599	79,948,157	79,948,156
Union Bank Limited	19,000,000	9.30	176,700,000	241,106,922	-
United Power Generation & Distribution Company Ltd	800,000	233.70	186,960,000	207,510,306	77,184,968
Uttara Bank Limited	5,763,170	23.30	134,281,861	136,444,769	88,801,328
Sub-Total (A)			5,570,893,991	5,116,568,266	3,622,705,707

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

Amount in BDT

	NO OF SHARE	FACE VALUE	MARKET VALUE/NAV	COST/BOOK VALUE 2022	COST/BOOK VALUE 2021
Unquoted (B)					
Swan Textile Mills Limited	578	100	-	57,800	57,800
Specialised Jute Yarn & Twine Manufacturing Company Limited	19,880	10	-	198,800	198,800
Paper Converting & Packaging Limited	839	100	-	83,900	83,900
Ashraf Textile Mills Limited	99,165	10	-	1,274,980	1,274,980
Karmasangsthan Bank	100,000	100	30,440,860	10,000,000	10,000,000
Central Depository Bangladesh Limited	2,284,721	10	89,424,894	6,277,770	6,277,770
Lanka Bangla Securities Limited	97,828	10	1,957,078	5,000,000	5,000,000
Sub-Total (B)			121,822,832	22,893,250	22,893,250
PREFERENCE SHARES (C)					
Raj Lanka Power Company Limited	-	10	-	-	19,393,939
Summit Barisal Power Company Limited	-	10	-	-	34,000,000
Summit Narayanganj Power Company Limited	-	10	-	-	18,000,000
Confidence Power Bogra Unit-2 Limited	4,500,000	10	45,000,000	45,000,000	60,000,000
Kushiara Power Company Limited	16,100,000	10	161,000,000	161,000,000	195,500,000
City Sugar Mills Limited	4,000	100,000	400,000,000	400,000,000	500,000,000
Flamingo Fashion Limited	1,520,000	100	152,000,000	152,000,000	190,000,000
Akber Ali & Company Limited	60,000,000	10	600,000,000	600,000,000	750,000,000
Sub-Total (C)			1,358,000,000	1,358,000,000	1,766,893,939
NON CAPITAL MARKET INVESTMENT ELEMENT (D)					
Investment Corporation of Bangladesh	63,546,441	10	949,649,126	949,649,126	949,649,126
ACME Pesticides Limited	-	-	-	-	31,684,017
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
Linde Bangladesh Limited	-	-	-	-	52,555,304
Mercantile Bank Limited	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	84,787,847	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	58,881,827
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	4,608,588
Uttara Bank Limited	724,933	10	16,764,963	16,764,963	16,764,964
Sub-Total (D)			1,655,327,793	1,655,327,793	1,665,464,558
Total (A+B+C+D)			8,706,044,617	8,152,789,309	7,077,957,454

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

Amount in BDT

6.4.1 Particulars of required provision for investment

	MARKET VALUE/NAV AT 31 DEC 2022	COST/BOOK VALUE AT 31 DEC 2022	REQUIRED PROVISION 2022	REQUIRED PROVISION 2021
Quoted Shares	5,537,712,090	5,066,568,266	-	-
Mutual Fund	33,181,901	50,000,000	4,211,569	-
Unquoted Shares				
Provision Required				
Swan Textile Mills Limited	-	57,800	57,800	57,800
Specialised Jute Yarn & Twine Manufacturing Company Limited	-	198,800	198,800	198,800
Paper Converting & Packaging Limited	-	83,900	83,900	83,900
Ashraf Textile Mills Limited	-	1,274,980	1,274,980	1,274,980
LankaBangla Securities Limited	1,957,078	5,000,000	3,042,922	3,163,054
Provision not Required				
Karmasangsthan Bank	30,440,860	10,000,000	-	-
Central Depository Bangladesh Limited	89,424,894	6,277,770	-	-
Preference Share				
Raj Lanka Power Company Limited	-	-	-	-
Summit Barisal Power Company Limited	-	-	-	-
Summit Narayananj Power Company Limited (SPPCL)	-	-	-	-
Confidence Power Bogra Unit-2 Limited	45,000,000	45,000,000	-	-
Kushiara Power Company Limited	161,000,000	161,000,000	-	-
City Sugar Mills Limited	400,000,000	400,000,000	-	-
Flamingo Fashion Limited	152,000,000	152,000,000	-	-
Akber Ali & Company Limited	600,000,000	600,000,000	-	-
Non Capital Market Investment Element				
Investment Corporation of Bangladesh	949,649,126	949,649,126	-	-
ACME Pesticides Limited	-	-	-	-
Bangladesh Submarine Cable Company Limited	14,406,686	14,406,686	-	-
Bangladesh Steel Re-Rolling Mills Limited	34,119,035	34,119,035	-	-
BSRM Steels Limited	14,288,714	14,288,714	-	-
IDLC Finance Ltd	33,746,923	33,746,923	-	-
Jamuna Oil Company Limited	56,866,924	56,866,924	-	-
Khulna Power Company Limited	50,318,619	50,318,619	-	-
Linde Bangladesh Limited	-	-	-	-
Mercantile Bank Limited	82,743,448	82,743,448	-	-
Meghna Petroleum Limited	66,008,252	66,008,252	-	-
MJL Bangladeh Limited	4,907,969	4,907,969	-	-
Padma Oil Company Limited	46,128,499	46,128,499	-	-
Power Grid Company of Bangladesh Limited	9,200,275	9,200,275	-	-
Renata Ltd	84,787,848	84,787,848	-	-
Square Pharmaceuticals Limited	47,509,481	47,509,481	-	-
Summit Power Limited	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 Limited	16,764,963	16,764,963	-	-
	8,706,044,616	8,152,789,310	8,869,971	4,778,534
Bridge finance Advance	-	4,722,910	4,722,910	4,722,910
Debenture - at cost	-	294,060	294,060	294,060
Grand Total	8,706,044,616	8,157,806,280	13,886,941	9,795,504

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

Amount in BDT

	2022	2021
6.4.2 Particulars of required provision for Balance with other Bank		
In fixed/term deposit account (in local currency)		
ICB Islamic Bank Ltd, Bangshal Branch, Dhaka	32,386,626	32,401,856
ICB Islamic Bank Ltd, Principal Office, Dhaka	188,293,773	188,349,233
Total Fixed/ Term Deposit	220,680,399	220,751,089
Money at call on short notice		
ICB Islamic Bank Ltd.	11,286,667	11,286,667
Total required provision	231,967,066	232,037,756
Total required provision for Investment and Balance with other Bank		
Investment	13,886,941	9,795,504
Balance with other Bank	231,967,066	232,037,756
Grand Total	245,854,007	241,833,260
Provision maintained (note: 14.5)	253,500,000	253,500,000
Excess/(Shortage)	7,645,993	11,666,740
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	8,352,230,803	4,769,612,536
Not more than 3 months	21,327,375,335	8,088,440,142
Over 3 months but not more than 1 year	11,127,166,643	18,404,873,995
Over 1 year but not more than 5 years	29,961,502,313	45,996,985,982
Over 5 years	68,635,214,514	68,372,849,083
	139,403,489,608	145,632,761,738
6.8 Investment classified as per Bangladesh Bank Circular		
Treasury Bill - Held for trading (HFT)	11,505,232,705	11,146,071,611
Treasury Bond - Held for trading (HFT)	31,140,141,640	41,088,389,985
Treasury Bond - Held to maturity (HTM)	73,976,126,883	72,845,307,927
Approved debenture - Held to maturity (HTM)	294,060	294,060
Other securities	22,781,694,320	20,552,698,155
	139,403,489,608	145,632,761,738

6.9 Repo and Reverse Repo

A.(I) Disclosure regarding outstanding repo as on 31 December 2022

COUNTER PARTY NAME	AGREEMENT DATE	REVERSAL DATE	AMOUNT (1ST LEG CASH CONSIDERATION)
Bangladesh Bank	28/12/2022	4/1/2023	3,517,844,400
Standard Chartered Bank Limited	29/12/2022	3/1/2023	1,536,302,535
Total			5,054,146,935

A. (II) Disclosure regarding outstanding Reverse repo as on 31 December 2022

COUNTER PARTY NAME	AGREEMENT DATE	REVERSAL DATE	AMOUNT (1ST LEG CASH CONSIDERATION)
National Bank Limited	29/12/2022	3/1/2023	2,135,330,059
Total			2,135,330,059

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	493,717,000	3,517,844,400	55,113,076
ii) With Other Banks and FIs	244,755,750	10,137,855,000	394,774,527
Total	738,472,750	13,655,699,400	449,887,603
Securities Purchased under Reverse Repo:			
i) From Bangladesh Bank	-	-	-
ii) From Other Banks and FIs	178,132,650	9,928,969,806	1,290,702,930
Total	178,132,650	9,928,969,806	1,290,702,930

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
6(a)	Consolidated Investments		
	1. Government		
	Pubali Bank Limited	116,634,183,329	125,104,787,314
	Pubali Bank Securities Limited	122,126,953	-
		116,756,310,282	125,104,787,314
	2. Other		
	Pubali Bank Limited	22,769,306,279	20,527,974,424
	Pubali Bank Securities Limited	6,638,790,420	6,294,815,414
		29,408,096,699	26,822,789,838
		146,164,406,981	151,927,577,152
7	Loans, advances and leases		
	Loans, cash credits and overdrafts, etc. (note 7.1)	423,923,256,079	349,626,391,590
	Bills purchased and discounted (note 7.2)	37,960,870,002	27,030,040,348
		461,884,126,081	376,656,431,938
7.1	Loans, cash credits, overdrafts, etc.		
	In Bangladesh:		
	Loans	161,240,869,772	142,497,590,954
	Cash credits	72,283,468,046	60,550,059,467
	Overdrafts	111,976,434,329	84,731,149,497
	Earnest Money	3,765,107,165	4,308,192,802
	Loan against merchandise	3,211,992	3,212,012
	Packing credits	1,149,369,402	725,130,490
	Loan against trust receipts	11,912,205,855	7,817,134,742
	Pubali prochesta	105,643,232	132,954,607
	Non-resident Credit Scheme	50,728	150,444
	Pubali Subarna	5,966,132,134	5,300,354,871
	Pubali Karmo Uddog	325,060,987	296,220,335
	Pubali Sujon	32,225,953	33,244,783
	Pubali Utsob	19,709,996	15,161,586
	Payment against documents	9,512,249,834	3,713,028,764
	Consumers loan scheme	12,990,967,382	12,583,170,256
	EDF loan	19,392,866,426	18,560,826,191
	Lease finance (Note 7.13)	11,049,185,531	7,686,653,441
	Credit card	301,256,486	254,663,906
	Others	1,897,240,829	417,492,442
		423,923,256,079	349,626,391,590
	Outside Bangladesh	-	-
		423,923,256,079	349,626,391,590
7.1.1	Maturity grouping of Loans, Advances and Leases		
	Repayable on demand	27,304,642,244	19,955,234,242
	Up to 3 months	117,705,095,545	91,596,725,955
	Over 3 months but not more than 1 year	121,554,823,224	99,791,369,417
	Over 1 year but not more than 5 years	91,912,187,086	80,977,779,865
	Over 5 years	65,446,507,980	57,305,282,111
		423,923,256,079	349,626,391,590
7.2	Bills purchased and discounted		
	Payable in Bangladesh:		
	Loans against accepted bills	5,684,352,296	3,557,349,785
	Loans against demand draft purchased	31,565	31,565
		5,684,383,861	3,557,381,350
	Payable outside Bangladesh:		
	Foreign bills purchased	32,276,486,141	23,472,658,998
	Foreign draft purchased	-	-
		32,276,486,141	23,472,658,998
		37,960,870,002	27,030,040,348
7.2.1	Maturity grouping of Bills purchased and discounted		
	Receivable on demand	2,851,794,993	2,731,971
	Not more than 3 months	20,790,512,962	9,295,975,828
	Over 3 months but not more than 6 months	14,318,562,047	17,731,332,549
		37,960,870,002	27,030,040,348

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
7.3	Loans and Advances including bills purchased and discounted analysed in following broad categories		
	In Bangladesh		
	Loans	245,347,737,565	207,902,563,976
	Cash credits	72,283,468,046	60,550,059,467
	Overdrafts	111,976,434,329	84,731,149,497
		429,607,639,940	353,183,772,940
	Outside Bangladesh	32,276,486,141	23,472,658,998
		461,884,126,081	376,656,431,938
7.4	Loans and advances on the basis of significant customer concentration including bills purchased and discounted		
	Advance to Directors and others	93,045	-
	Advance to officers and employees	4,774,792,041	4,180,339,375
	Advance to customers group (note 7.9)	183,297,040,000	211,411,100,000
7.5	Industry wise distribution of loans and advances		
	Agriculture	9,291,096,302	6,970,409,703
	Jute	608,921,373	198,295,028
	Textile	46,807,328,394	35,183,627,519
	Ready-made garments	33,676,578,915	28,003,130,511
	Steel & engineering	22,617,419,541	15,885,448,581
	Ship breaking	2,907,010,499	2,908,570,809
	Edible oil	15,616,818,043	9,904,622,939
	Cement	7,609,589,986	7,398,826,350
	Pharmaceuticals	12,130,011,758	9,157,796,176
	Food & allied	30,857,862,042	26,057,961,291
	Electrical equipments & Electronic Goods	17,622,036,739	12,168,356,992
	Paper, paper products and packaging	4,310,243,616	3,029,573,740
	Leather	381,561,694	860,945,752
	Printing & Dyeing Industries	4,218,867,603	6,955,849,552
	Others Manufacturing Industries	37,079,254,550	25,200,198,395
	Energy and power	7,452,797,855	7,866,558,117
	Hospitals, Clinics and other health services	7,046,081,841	5,585,026,149
	Construction	16,999,334,318	15,615,146,107
	Housing	11,396,175,500	13,119,170,249
	Transport and communication	2,137,407,820	2,145,815,225
	Others Service Industries	9,704,482,673	6,150,393,198
	Trade & Commerce	82,273,454,120	75,274,839,530
	NBFI (Non Bank Financial Institution)	3,764,994,321	4,104,174,312
	NGO	9,878,224,497	5,259,627,866
	Consumer Finance	39,536,380,144	32,353,690,730
	Others	25,960,191,937	19,298,377,117
		461,884,126,081	376,656,431,938
7.6	Geographical location-wise (based on fund used) distribution of loans and advances including bills purchased and discounted		
	In Bangladesh - Urban		
	Dhaka	117,004,700,864	121,817,289,902
	Chattogram	12,590,278,719	30,372,169,308
	Sylhet	12,309,691,588	14,812,745,303
	Barishal	8,241,109,564	5,541,635,437
	Khulna	15,469,420,779	12,256,647,504
	Rajshahi	11,229,989,260	8,172,534,337
	Rangpur	10,161,895,329	6,846,133,001
	Mymensingh	6,160,946,719	6,181,957,098
		193,168,032,822	206,001,111,890
	In Bangladesh - Rural		
	Dhaka	128,531,696,704	87,863,981,931
	Chattogram	57,790,522,044	27,421,819,709
	Sylhet	13,869,932,747	11,230,393,900
	Barishal	2,071,011,098	1,050,933,398
	Khulna	4,102,248,255	3,130,761,559
	Rajshahi	6,834,877,476	3,903,722,839
	Rangpur	5,802,274,207	4,252,680,993
	Mymensingh	17,437,044,587	8,328,366,721
		236,439,607,118	147,182,661,050
	Outside Bangladesh (Foreign bills/drafts purchased)	32,276,486,141	23,472,658,998
		461,884,126,081	376,656,431,938

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
7.7	Sector-wise loans and advances including bills purchased and discounted		
	Public sector	25,756	25,756
	Private sector	460,651,305,997	374,787,682,467
	Co-operative sector	1,232,794,328	1,868,723,715
		461,884,126,081	376,656,431,938
7.8	Security base-wise loans and advances including bills purchased and discounted		
	Collateral of movable and immovable properties	240,507,558,639	208,667,475,903
	Export documents	11,807,775,795	35,115,588,593
	Fixed/ Term deposit receipts of own Bank	39,715,605,051	24,795,655,220
	FDR of other banks	276,120,031	446,059,558
	Government bonds	59,936,488	32,958,955
	Corporate Guarantee	90,277,476,015	60,117,872,978
	Personal guarantee	78,006,723,380	44,604,416,578
	Other securities	1,232,930,682	2,876,404,153
		461,884,126,081	376,656,431,938
7.9	Advance to customers group (Details of large loans and advances)		
	Number of clients with amount of outstanding and classified loans to whom loans and advances sanctioned more than 10% of total Regulatory capital of the Bank. Total Regulatory capital of the Bank was Taka 58,464,204,955 as at 31 December 2022.		
	Number of clients	21	27
	Amount of outstanding loans/advances	183,297,040,000	211,411,100,000
	Classified amount thereon	-	-
	Measures taken for recovery	-	-
	* Details shown in Annexure C		
	Name of borrower		
	City Group	13,192,700,000	12,443,400,000
	Paramount Group	11,443,200,000	10,780,000,000
	Secom Group	10,455,900,000	8,100,000,000
	Amanat Shah Group	10,172,700,000	8,093,100,000
	City Seed Crushing Group	9,920,200,000	8,227,900,000
	PRAN-RFL Group	9,656,200,000	9,328,300,000
	Meghna Group	9,482,300,000	11,489,000,000
	Envoy Group	9,385,140,000	6,802,000,000
	Sharmin Group	9,245,900,000	8,378,700,000
	MSA Spinning	9,071,200,000	7,476,000,000
	JMI Group	8,701,900,000	7,645,000,000
	AA Yarn Mills Ltd.	8,566,700,000	8,684,700,000
	Max Group	8,393,800,000	7,364,000,000
	Ha-Meem Group	7,932,300,000	15,848,200,000
	GPH Ispat Limited	7,523,100,000	6,254,700,000
	BRB Group	7,121,600,000	6,348,500,000
	Pakiza Group	6,806,300,000	5,422,700,000
	Popular Group	6,742,500,000	5,374,600,000
	Abul Khair Group	6,706,500,000	7,836,300,000
	BRAC Group	6,459,700,000	-
	Al Mostafa Group	6,317,200,000	5,925,000,000
	DIRD Group	-	6,259,400,000
	Fair Electronics Limited	-	8,265,100,000
	Biswas group	-	6,487,500,000
	Nitol-Niloy Group	-	6,186,900,000
	T. K. Group	-	5,717,500,000
	Sena Kalyan Group	-	5,387,400,000
	Project Builders Group	-	5,285,200,000
		183,297,040,000	211,411,100,000
7.10	Classification of loans and advances including bills purchased and discounted		
	Unclassified:		
	Standard	439,018,423,689	356,673,535,974
	Special mention account (SMA)	5,969,682,385	4,322,446,309
		444,988,106,074	360,995,982,283
	Classified:		
	Substandard (SS)	1,953,264,931	1,719,110,775
	Doubtful (DF)	652,108,582	1,102,560,408
	Bad or loss (BL)	9,515,854,453	8,658,439,097
		12,121,227,966	11,480,110,280
	Staff loan	4,774,792,041	4,180,339,375
		461,884,126,081	376,656,431,938

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

Amount in BDT

			2022	2021	
7.11	Particulars of required provision for investment				
	Status of Classification	Base for Provision	Rate of Provision (%)		
	Standard	316,162,804,245	1	3,161,628,043	2,630,991,865
	Small & Medium Enterprise financing	95,829,099,102	0.25	239,572,748	180,505,009
	Loans to BHs/MBs/SDs against share etc.	557,121,429	2	11,142,429	5,207,685
	Housing Finance	273,834,697	1	2,738,347	2,691,188
	Loan for Professional to setup business	21,648,776	2	432,976	5,168,722
	Consumers loan scheme (Credit Card)	159,766,120	2	3,195,322	2,706,766
	Consumers loan scheme	15,859,783,540	2	317,195,671	294,723,197
	Short Term Agri Credit and Micro credit	10,154,365,780	1	101,543,658	57,129,087
	Special mention account (SMEF)	1,970,973,651	0.25	4,927,434	4,741,015
	Special mention account (Credit Card)	3,455,094	2	69,102	55,598
	Special mention account (CLS)	173,152,445	2	3,463,049	4,933,227
	Special mention account (HF)	4,684,262	1	46,843	51,383
	Special mention account (LP)	-	2	-	12,226
	Special mention account (Others)	3,493,630,319	1	34,936,303	18,710,223
				3,880,891,925	3,207,627,191
	Provision kept as per Bangladesh Bank Inspection Team instruction against stay order given by Hon'ble High Court			1,595,168,098	3,262,701,000
	General provision to mitigate future risk			1,380,836,638	766,949,850
	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			1,046,629,539	915,201,520
				7,903,526,200	8,152,479,561
	Specific provision - Classified				
	Substandard (Agri & Micro credit)	372,298	5	18,614	52,300
	Substandard (small, Cottage, Mirco credit)	348,292,146	5	17,414,607	24,377,068
	Substandard (Others)	1,241,351,722	20	248,270,344	56,719,086
	Doubtful (Agri & Micro credit)	266,641	5	13,332	-
	Doubtful (Small, Cottage, Mirco credit)	217,005,066	20	43,401,013	25,021,555
	Doubtful (Others)	1,641,614,054	50	820,807,027	529,839,027
	Bad/Loss	12,062,735,200	100	12,062,735,200	10,453,937,707
				13,192,660,137	11,089,946,743
	Total Required provision (see below)			21,096,186,337	19,242,426,304
	Provision maintained (note 14.1)			21,115,754,196	19,253,162,055
	Excess provision			19,567,859	10,735,751
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			280,559,220,209	233,942,149,636
	iii. Loans considered good being secured by the personal security of one or more parties in addition to the personal security of the debtors.			22,901,574,091	41,544,985,642
	iv. Loans adversely classified; provision not maintained there against			158,423,331,781	101,169,296,660
				-	-
				461,884,126,081	376,656,431,938
	v. Loans due by directors or officers of the bank or any of them either severally or jointly with any other persons			4,774,885,086	4,180,339,375

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
vi.	Loan due from companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies as members.	-	-
vii.	Maximum total amount of advances, including temporary advances, made at any time during the year to directors or employees of the bank or any of them either severally or jointly with any other persons	4,774,885,086	4,180,339,375
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	3,764,994,321	4,104,174,312
x.	Amount of classified loan on which interest /Profit has not been charged as follows	-	-
a)	Increase / (decrease) of provision (specific)	335,835,844	1,083,151,893
b)	Amount of written off debt including interest suspense	(1,333,587,953)	(1,593,425,556)
c)	Amount of debt recovered against the debt which was previously written off	172,703,132	119,552,642
d)	Amount of Provision kept against loans classified as bad or loss	12,062,735,200	10,453,937,707
e)	Amount of interest credited in suspense account	6,752,276,864	6,141,139,753
xi.	Cumulative amount of written off from Loans		
	Opening Balance	19,366,639,373	17,773,213,817
	Amount of written off during the current year	1,333,587,953	1,593,425,556
		20,700,227,326	19,366,639,373
xii.	Amount of written off loans for which law suit has been filed for recovery	20,518,284,006	19,184,945,014
7.13	Lease finance		
	Lease rental receivable within 1 year	3,863,558,576	2,692,540,121
	Lease rental receivable within 5 years	8,328,348,043	5,098,995,558
	Lease rental receivable after 5 years	445,668,558	988,200,737
	Total lease rental receivable	12,637,575,177	8,779,736,416
	Less : Un-earned interest receivable	(1,588,389,646)	(1,093,082,975)
	Net Lease finance	11,049,185,531	7,686,653,441
7(a)	Consolidated Loans, Advances and Leases		
	Loans, cash credits, overdrafts, etc.		
	Pubali Bank Limited	423,923,256,079	349,626,391,590
	Pubali Bank Securities Limited	867,878,533	781,062,717
		424,791,134,612	350,407,454,307
	Bills purchased and discounted		
	Pubali Bank Limited	37,960,870,002	27,030,040,348
	Pubali Bank Securities Limited	-	-
		37,960,870,002	27,030,040,348
		462,752,004,614	377,437,494,655
8	Fixed Assets including premises, furniture & Fixtures		
	Tangible Assets		
	Land	1,117,377,420	1,127,377,430
	Lease land	1,121,195,000	1,111,195,000
	Building	418,660,966	418,660,966
	Vehicles	359,985,902	350,985,902
	Machinery and equipment	1,349,266,976	1,178,699,653
	Computer & Computer Accessories	1,878,175,861	1,655,857,225
	Furniture and fixtures	1,228,879,788	1,037,173,751
	Total Tangible Assets	7,473,541,913	6,879,949,927
	Accumulated Depreciation	(3,140,929,229)	*(2,761,984,434)
	Net book value of Tangible assets	4,332,612,684	4,117,965,493

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

Amount in BDT

	2022	2021
Intangible Assets		
Computer Software	664,560,474	593,083,288
Accumulated Depreciation	(463,894,586)	(370,100,449)
Net book value of Intangible assets	200,665,888	222,982,839
	4,533,278,572	4,340,948,332
Lease assets		
Right Of Use (ROU) Assets as per IFRS-16	3,718,953,437	3,016,297,775
Accumulated Depreciation	(1,756,687,284)	(1,274,830,510)
Net book value of Lease assets	1,962,266,153	1,741,467,265
Net book value of total fixed assets at the end of the year	6,495,544,725	6,082,415,597

The above amount includes revaluation surplus of Tk 8,103,355, Tk 230,540,953, Tk 86,361,299, Tk 800,757,736 and Tk. 189,39,34,000 ascertained by independent valuers in 1986, 1992, 1996, 2006 and 2010 respectively, on land and buildings of the Bank at different locations. The above stated revaluation surplus amounts have been credited to capital reserve.

On the other hand, total value of Land & Buildings has been revalued at Tk. 2,657,233,396 resulting total decrease of Tk. 520,443,941 in the year 2020 which has been adjusted with assets revaluation reserve under other reserve. Further details of above assets are shown in **Annexure A**.

*Opening balance of the year 2021 has been restated in revaluation reserve account and accumulated depreciation account as per " paragraph 42 of IAS-8 Accounting Policies, Changes in Accounting estimates and Errors". In the year 2020 when considering the impairment of Land & Building account, total Tk 296,668,407 was wrongly debited in the revaluation reserve account and credited to the accumulated depreciation account. Although the prior period error is an immaterial but effect of the fact considered in the financial statements retrospectively. As such, Tk. 264,144,923, & Tk. 32,523,484 has been decreased in accumulated depreciation of Land & Building Account respectively for restating the opening balance of 2021.

8(a) Consolidated Fixed Assets including premises, furniture & fixtures Cost		
Pubali Bank Limited	11,857,055,824	10,489,330,990
Pubali Bank Securities Limited	12,353,375	11,148,671
	11,869,409,199	10,500,479,661
Less: Accumulated Depreciation		
Pubali Bank Limited	(5,361,511,099)	(4,406,915,393)
Pubali Bank Securities Limited	(8,833,520)	(7,499,215)
	(5,370,344,619)	(4,414,414,608)
	6,499,064,580	6,086,065,053
9 Other Assets		
Interest accrued on investments	2,357,683,224	2,579,937,060
Accrued income on loans & advances	629,905,610	389,191,101
Investment in SWIFT AC	3,387,591	3,387,591
Advance security deposit, advance rent and prepaid expenses	1,127,821,568	486,353,902
Investment in Subsidiary Company	6,599,998,700	6,599,998,700
Stock dealing account	90,561,024	218,377,519
Stationery and stamps	99,365,441	112,282,554
Drafts payable	16,446,447	16,540,503
Sanchaypatra	29,670,982	17,551,607
Deferred tax assets (note 14.9.1)	4,557,181,100	4,020,112,798
Suspense account (note 9.1)	818,835,977	346,089,155
Demonetized notes (note 9.2)	-	1,903,590
Items in transit (note 9.3)	9,333,322,412	7,758,535,689
Advance against income tax (note 9.4)	34,550,194,544	32,484,604,445
Clearing house adjustment	2,788,012	1,400,931
Others (note 9.5)	24,454,855	3,739,932
	60,241,617,487	55,040,007,077
Less: Advance Rent (For implementing IFRS 16 Leases, advance rent has been considered separately.)	368,532,669	300,944,367
	59,873,084,818	54,739,062,710
9.1 Suspense Account		
Suspense account general	599,932,922	127,096,760
Suspense law	1,165,882	1,208,664
Protested bills	217,737,173	217,783,731
	818,835,977	346,089,155
9.2 Demonetized Notes		

As per Bangladesh Bank vide their letter no. DCM(FN) 09/2022 dated 30-06-2022 and through the approval of our honorable board of Directors meetings, it has been implemented to write-off demonetized notes balance as well as special block account.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

Amount in BDT

			2022	2021
9.3	Items in Transit: TK. 9,333,322,412			
	The above is the net amount representing outstanding Inter-branch and Head Office transactions originated but yet to be responded at the balance sheet date. The above amount includes receivables of Tk. 29,99,670 of Bank's own branches operating in former West Pakistan before Liberation of the country in 1971.			
9.3.1	Subsequent position of non-responded entries as on 31.12.2022 (Base date: 05.02.2023)			
	PERIOD OF UN- RECONCILIATION	NUMBER OF NON-RESPONDED ENTRIES	NON-RESPONDED ENTRIES (AMOUNT IN TAKA)	
		DEBIT	CREDIT	DEBIT
				CREDIT
	up to 3 months	-	-	-
	Over 3 months but within 6 months	19	21	447,353,176
	Over 6 months but within 1 year	-	-	1,752,762
	Over 1 year but within 5 years	-	-	-
	Over 5 years	498	451	7,723,303
			4,224,633	
9.4	Advance income Tax			
	Balance at the beginning of the year		32,484,604,445	30,675,162,255
	Paid during the year		2,065,590,099	1,809,442,190
	Settlement of previous years tax liability		-	-
	Balance at the end of the year		34,550,194,544	32,484,604,445
9.5	Others			
	Property account		162,129	162,129
	Delayed charges of lease rental		45,906	45,906
	Interest Subsidy		9,000	9,000
	Remittance Disbursement to Bikash		20,892,467	177,544
	Interest suspense against waiver of 50% BSCIC loan		245,061	245,061
	Waiver of 50% outstanding BSCIC loan		44,176	44,176
	Waiver of 50% interest for flood affected jute borrowers		1,351,812	1,351,812
	Waiver of 70% outstanding agricultural credit & rural credit		1,704,304	1,704,304
			24,454,855	3,739,932
9.6	Classification of other assets			
	Unclassified (UC)		59,604,063,691	54,496,502,676
	Substandard (SS)		-	-
	Doubtful (DF)		2,589,000	-
	Bad or Loss (BL)		266,432,127	242,560,034
			59,873,084,818	54,739,062,710
9.7	Particulars of provision for other assets			
	Status of Classification	Base for Provision	Rate of Provision %	
	Doubtful (DF)	2,589,000	50	1,294,500
	Bad or Loss (BL)	266,432,127	100	242,560,034
	Required provision			267,726,627
	Provision maintained (note 14)			242,560,034
	Excess provision			269,914,590
				2,187,963
				200,830
9(a)	Consolidated Other Assets			
	Pubali Bank Limited		59,873,084,818	54,739,062,710
	Pubali Bank Securities Limited		484,699,354	436,125,972
			60,357,784,172	55,175,188,682
	Less: Inter company Transactions		(90,555,403)	(209,908,908)
	Pubali Bank Securities Limited		(6,599,998,700)	(6,599,998,700)
			(6,690,554,103)	(6,809,907,608)
			53,667,230,069	48,365,281,074
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)		31,605,672,156	23,480,191,001
	Outside Bangladesh (note 11.2)		33,412,027,340	23,020,140,000
			65,017,699,496	46,500,331,001
11.1	In Bangladesh			
	Borrowing from Bangladesh Bank		26,936,980,156	21,935,791,001
			26,936,980,156	21,935,791,001

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
	Call loan borrowing from other banks		
	The Premier Bank Limited	800,000,000	-
		800,000,000	-
	Term borrowing from other banks		
	Bangladesh Development Bank Ltd.	-	429,000,000
	United Commercial Bank Ltd.	-	429,000,000
	Trust Bank Ltd.	-	429,000,000
	One Bank Ltd.	-	257,400,000
	Bank Asia Ltd.	1,652,752,000	-
	BRAC Bank Ltd.	826,376,000	-
	Commercial Bank of Ceylon	826,376,000	-
	Dutch Bangla Bank Ltd.	413,188,000	-
		3,718,692,000	1,544,400,000
	FDR borrowing from other Bank		
	Citibank N.A	150,000,000	-
		31,605,672,156	23,480,191,001
11.2	Outside Bangladesh		
	In demand deposit accounts (non- interest bearing)	-	-
	Placement/ Borrowing from Outside Bangladesh	33,412,027,340	23,020,140,000
		33,412,027,340	23,020,140,000
11.3	Security against borrowing from other banks, financial institutions and agents		
	Secured	41,081,261,963	28,475,439,923
	Unsecured	23,936,437,533	18,024,891,078
		65,017,699,496	46,500,331,001
11.4	Maturity grouping of borrowing from other banks, financial institutions and agents		
	Payable on demand	3,317,152,652	58,311,979
	Payable within 1 month	7,401,380,181	5,876,031,288
	Over 1 month but within 6 months	41,477,082,711	29,153,297,751
	Over 6 months but within 1 year	12,190,924,512	10,692,928,973
	Over 1 year but within 5 years	2,382,872	-
	Over 5 years and above	628,776,568	719,761,010
		65,017,699,496	46,500,331,001
12	Subordinated bonds		
	Agrani Bank Limited	3,800,000,000	4,600,000,000
	Janata Bank Limited	900,000,000	1,100,000,000
	Rupali Bank Limited	1,400,000,000	1,600,000,000
	Sonali Bank Limited	1,200,000,000	1,600,000,000
	Uttara Bank Limited	900,000,000	1,100,000,000
	Delta Life Insurance Company Limited	500,000,000	500,000,000
	Premier Bank Limited	1,200,000,000	-
	NRB Commercial Bank Limited	800,000,000	-
	Trust Bank Limited	1,500,000,000	-
		12,200,000,000	10,500,000,000
12.1	Perpetual bonds		
	Trust Bank Limited	1,000,000,000	2,350,000,000
	AB Bank Limited	1,000,000,000	-
	One Bank Limited	350,000,000	-
	Bank Asia Limited	1,000,000,000	-
	Jamuna Bank Limited	450,000,000	450,000,000
	Community Bank Bangladesh Limited	200,000,000	-
	Southeast Bank Limited	500,000,000	-
	Initial Public offering	500,000,000	-
		5,000,000,000	2,800,000,000

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
13	Deposits and other accounts		
	Inter-bank deposits	6,054,973,541	3,182,802,000
	Other deposits	504,781,543,334	459,217,416,687
		510,836,516,875	462,400,218,687
13.1	Details of deposits and other accounts		
	Current deposits and other accounts :		
	Current account	57,732,849,964	57,056,939,792
	Cash credit A/C. (Cr. Balance)	844,656,287	721,308,651
	Overdraft earnest money (Cr. Balance)	6,000	3,000
	Pubali Prochesta (Cr. Balance)	1,883,703	18,780,924
	Credit card A/C	3,540,390	3,522,582
	Call deposits	14,775,897	14,775,897
	Foreign currency deposits	2,111,693,232	2,112,733,372
	Un- claimed drafts payable	3,564	3,564
	Un- claimed dividend	18,914	18,914
	Unclaimed deposits FDD A/C	21,541,077	17,517,587
		60,730,969,028	59,945,604,283
	Bills payable (note 13.1.1)	14,271,043,896	13,829,749,009
	Savings Bank accounts	118,927,122,055	115,249,019,676
	Term deposits :		
	Fixed deposits from customers	149,411,634,261	117,562,287,446
	Special Notice Deposits	57,452,882,267	55,450,203,277
	Deposit pension scheme	17,685,197	13,527,089
	Interest payable on term deposit	4,030,804,484	3,183,203,865
	Pubali pension scheme	42,523,424,173	40,366,386,090
	Pubali sanchay prakalpa	4,035,866,123	3,867,297,578
	Dwigun Sanchay Prokalpa	20,009,796,383	21,182,091,318
	Target Based Small Deposit (Pubali shoppopuron)	11,144,294,243	11,329,818,545
	Monthly profit base deposit	3,881,985,740	3,466,659,430
	Monthly Profit Based Small Deposit (Pubali shadhin sonchoy)	6,176,221,578	6,244,040,198
	Shikhya sanchay prokalpa	191,517,484	182,565,699
		298,876,111,933	262,848,080,535
	Other deposits	18,031,269,963	10,527,765,184
		510,836,516,875	462,400,218,687
13.1.1	Bills Payable		
	Payment orders issued	14,198,543,170	13,744,845,221
	Demand Drafts	72,500,726	84,903,788
		14,271,043,896	13,829,749,009
13.2	Maturity analysis of inter-bank deposits		
	Payable on demand	1,635,104,720	991,308,804
	Payable within 1 month	264,399,956	603,155,862
	Over 1 month but within 6 months	4,064,637,896	1,381,131,434
	Over 6 months but within 1 year	22,273,556	50,810,997
	Over 1 year but within 5 years	68,557,413	156,394,903
	Over 5 years and above	-	-
		6,054,973,541	3,182,802,000
13.3	Maturity analysis of other deposits		
	Payable on demand	18,720,241,034	16,100,649,669
	Payable within 1 month	31,358,029,145	24,430,366,569
	Over 1 month but within 6 months	112,376,954,196	100,890,066,446
	Over 6 months but within 1 year	109,068,122,149	99,251,902,824
	Over 1 year but within 5 years	62,143,089,565	65,625,052,139
	Over 5 years and above	171,115,107,245	152,919,379,040
		504,781,543,334	459,217,416,687
		510,836,516,875	462,400,218,687
13 (a)	Consolidated Deposits and other accounts		
	Pubali Bank Limited	510,836,516,875	462,400,218,687
	Pubali Bank Securities Limited	-	-
		510,836,516,875	462,400,218,687
	Inter Company Transactions	(1,485,886,271)	(1,737,373,112)
		509,350,630,604	460,662,845,575

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
14	Other Liabilities		
	Accumulated provision for loans and advances (note 14.1.1.1)	12,223,506,886	10,115,330,192
	Accumulated provision for consumers loan (note 14.1.1.2)	898,026,550	903,489,850
	Accumulated provision for demand loan pubali star (note 14.1.1.3)	71,126,701	71,126,701
		<u>13,192,660,137</u>	<u>11,089,946,743</u>
	Provision for unclassified loans and advances (note 14.1.2)	6,876,464,520	7,248,013,792
	Special General Provision COVID-19	1,046,629,539	915,201,520
	Provision @1% against off-balance sheet exposure (note 14.4)	1,968,950,000	2,082,950,000
	Accumulated interest suspense (note 14.6)	6,752,276,864	6,141,139,753
	Provision for rebate on good borrower	-	17,888,383
	Provision for doubtful investment (note 14.5)	253,500,000	253,500,000
	Additional profit payable A/C for Islamic banking	7,650,000	1,319,918
	I.B. bad debt offsetting reserve	40,123,756	18,056,380
	Compensation realised account	12,291,999	9,297,163
	Compensation realisable account	56,033,764	10,855,815
	Interest suspense on underwriting advances	219,648,924	219,648,924
	CLS interest A/C	3,411,620	3,299,761
	unclaimed amount in ATMS	65,000	65,000
	Consumers deposits	225,563,847	245,512,079
	Lease rental receivable	-	12,720
	Unclaimed dividend (note 14.17)	211,206,865	171,903,062
	Special blocked account (note 14.7)	-	1,587,720
	Provision for Current Tax (note 14.8)	38,378,841,223	34,650,504,662
	Deferred Tax Liabilities (note 14.9.2)	83,458,196	83,544,110
	Valuation adjustment	1,927,713,138	405,908,239
	Exchange adjustment account (note 14.10)	28,666,878	28,666,878
	Agri credit guarantee backing reserve (note 14.11)	70,261,300	70,261,300
	Pakistan account (note 14.12)	8,393,039	8,393,039
	Pension fund (note 14.13)	1,570,883	1,570,883
	L/C cover account in Bangladesh	1,583,640	1,583,640
	Pubali Bank Adjustment	257,855,528	309,304,604
	PBL Islamic Banking CSR fund	24,032,214	23,450,298
	Card transaction fee (inter bank)	8,969,705	3,197,272
	Foreign currency FCC account	17,363,819	17,363,819
	Interest suspense account against 70% agri loan	192,382	192,382
	Blocked account of UBI	2,973,186	2,973,186
	Property account of UBI	49,617	49,617
	Payable to other Banks and Financial Institution	527,463,600	123,857,348
	Unearned interest income on IBW	456,643,733	208,855,747
	Interest payable on Subordinated Bond	110,400,000	114,000,000
	Interest Payable on Perpetual Bond	-	15,400,000
	Bangladesh Bank incentive	136,081,807	14,848,356
	CSR Fund for COVID-19	24,466,667	36,700,000
	Start-up fund (note 14.18)	137,013,311	83,795,594
	Lease Liabilities as per IFRS-16	1,663,035,418	1,500,458,967
	Non resident blocked account of UBI	34,487	34,487
	ICT Asset Insurance reserve	24,094,463	22,530,164
		<u>61,564,974,932</u>	<u>55,067,696,582</u>
	Provision for expenses: (i) auditors' fees	1,535,250	1,540,500
	(ii) advertisement	1,680,000	800,000
	(iii) bonuses	1,307,500,000	774,118,330
	(iv) Gratuity	619,500,000	182,700,000
	(v) others	257,642,378	193,534,917
		<u>2,187,857,628</u>	<u>1,152,693,747</u>
	Provision for other assets:		
	Suspense account(note 14.14)	256,189,933	188,214,468
	Demonetized notes (note 14.15)	-	989,740
	Provision for Un-reconciled General Account debit entries (note 14.16)	13,724,657	13,724,657
	Provision for Customers liability and Others (note 14.3)	-	17,301,835
		<u>269,914,590</u>	<u>220,230,700</u>
		<u>77,215,407,287</u>	<u>67,530,567,772</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
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	10,115,330,192	9,265,045,514
	Fully provided debts written off during the year excluding interest suspense	(1,172,453,704)	(1,397,252,856)
	Fully provided waived during the year	(4,033,900)	(420,134)
	Recoveries of amounts previously written off	160,249,992	109,914,807
	Provision transferred from General Provision for unclassified loans and advances	1,112,389,079	593,741,861
	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	1,880,136,844	1,544,301,000
14.1.1.1	Provision for loans and advances	12,223,506,886	10,115,330,192
	Provision for consumers loan held at the beginning of the year	903,489,850	921,637,266
	Fully provided debts written off during the year	(17,916,440)	(27,785,251)
	Recoveries of amounts previously written off	12,453,140	9,637,835
14.1.1.2	Provision for consumers loan held at the beginning of the year	898,026,550	903,489,850
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	13,192,660,137	11,089,946,743
14.1.2	General provision for unclassified loans and advances		
	Provision held at the beginning of the year	7,248,013,792	6,367,409,173
	Provision made during the year	872,267,826	1,859,148,000
	Provision transferred to specific provision during the year	(1,112,389,079)	(593,741,861)
	Provision transferred to COVID 19 during the year	(131,428,019)	(384,801,520)
	Provision	6,876,464,520	7,248,013,792
14.1.3	Special General Provision COVID-19		
	Provision held at the beginning of the year	915,201,520	530,400,000
	Provision transferred from General provision	131,428,019	384,801,520
		1,046,629,539	915,201,520
	Total General provision held at the end of the year	7,923,094,059	8,163,215,312
		21,115,754,196	19,253,162,055
14.3	Provision for Customers liability and Others		
	Provision held at the beginning of the year	17,301,835	17,303,991
	Provision out during the year	-	(2,156)
	Provision transferred to suspense account during the year	(17,301,835)	-
	Provision held at the end of the year	-	17,301,835
14.4	Provision for exposure against off balance sheet items		
	Provision held at the beginning of the year	2,082,950,000	1,271,950,000
	Provision transferred to specific provision during the year	(114,000,000)	-
	Provision made during the year (note 38)	-	811,000,000
	Provision held at the end of the year	1,968,950,000	2,082,950,000
14.5	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)	-	-
	Provision transferred to off balance sheet during the year	-	-
	Provision held at the end of the year	253,500,000	253,500,000
14.6	Interest suspense account		
	Balance at the beginning of the year	6,141,139,753	4,569,922,382
	Amount transferred during the year	2,077,734,539	2,895,555,363
	Amount recovered during the year	(1,323,379,619)	(1,155,950,543)
	Amount written off during the year	(143,217,809)	(168,387,449)
	Balance at the end of the year	6,752,276,864	6,141,139,753
14.7	Special blocked account		
	as per Bangladesh Bank vide their letter no. DCM(FN) 09/2022 dated 30-06-2022 and through the approval of our honorable board of Directors meetings, it has been implemented to write-off demonetized notes balance as well as special block account.		
14.8	Provision for Current tax		
	Balance at the beginning of the year	34,650,504,662	33,244,997,770
	Provision made for previous years	-	-
	Provision made for current year	3,728,336,561	1,405,506,892
		3,728,336,561	1,405,506,892
	Settlement of previous years tax liability	-	-
	Balance at the end of the year	38,378,841,223	34,650,504,662

The status of corporate income tax of the Bank has been shown in ANNEXURE B.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

				Amount in BDT	
				2022	2021
14.8.1	Reconciliation of effective tax rate (Solo)	Applicable Tax Rate	2022	2021	
	Profit before income tax as per profit & loss account				8,513,039,918
	Income tax as per applicable tax rate	37.50%	37.50%	37.50%	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%	-0.06%	-0.19%	(4,927,276)
	Tax Savings from reduced tax rates for Capital gain on sale of Land	15.00%	-0.08%	0.00%	(6,749,998)
	Tax Savings from Tax exempted income	20.00%	-5.62%	-13.90%	(478,112,170)
	Tax Savings from reduced tax rates for Dividend	37.50%	-0.97%	-0.64%	(82,979,407)
	Admissible expenses in current Year (i.e. Bad debt write off etc.)	37.50%	-5.26%	-7.56%	(447,901,517)
	Admissible expenses in current Year	37.50%	-0.06%	-0.57%	(4,834,584)
	Inadmissible expenses in current year	37.50%	15.99%	18.06%	1,361,451,544
	Effect of deferred Tax	37.50%	-6.31%	2.65%	(537,068,302)
	Provision for uncertainty over Income Tax treatments by NBR	37.50%	2.35%	0.87%	200,000,000
			37.49%	36.22%	3,191,268,259
					1,295,111,330
14.9 (a)	Consolidated Provision for Current tax				
	Pubali Bank Limited				3,728,336,561
	Pubali Bank Securities Limited				87,524,704
					3,815,861,265
					1,501,245,368
14.9.1	Deferred tax assets				
	Balance at the beginning of the year				4,020,112,798
	Provision made during the year for loan loss (note 14.9.1.1)				603,299,060
	Deferred tax on fixed assets (note 14.9.2.1)				(66,230,758)
	Provision held at the end of the year				4,557,181,100
					4,020,112,798
14.9.2	Deferred tax Liabilities				
	Balance at the beginning of the year				83,544,110
	Provision made during the year * (note 14.9.2.2)				(85,914)
	Provision held at the end of the year				83,458,196
					83,544,110
Deferred tax assets/(liabilities) have been recognised and measured as per IAS-12: Income taxes and BRPD circular # 11 dated 12 December 2011. There is no other material temporary timing difference in classified assets/liabilities for which deferred tax assets/liability is required to be accounted for the year 2022.					
14.9.1.1	Deferred Tax on loan loss provision				
	Cumulative Provision made against Bad/loss				13,257,139,244
	Adjustment of Corresponding provision on write off				1,194,404,044
	Deductible/(taxable) temporary difference				12,062,735,200
	Tax Rate				37.50%
	Closing Deferred tax assets				4,523,525,700
	Opening Deferred tax assets				3,920,226,640
	Deferred tax (expense)/Income				603,299,060
					109,113,257

As per BRPD Circular no.11 dated 12 December 2011, total amount of Tk. 4,523,525,700 has been recognized as Deferred Tax Assets (DTA) included in Retained Earnings for 2022 based on the provision against classified loans and such earnings against Deferred Tax Assets (DTA) shall not be distributed as dividend. Moreover, while calculating the Regulatory Eligible capital such Deferred Tax Assets (DTA) also deducted as Regulatory adjustment from Common Equity Tier-1 (CET-1) capital. (Please see note 17)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

	Amount in BDT	
	2022	2021
14.9.2.1 Deferred Tax on Fixed Assets		
Carrying amount	4,533,278,572	4,044,279,925
Tax Base	4,623,026,306	4,310,643,012
Deductible/(taxable) temporary difference	89,747,734	266,363,087
Tax Rate	37.50%	37.50%
Closing Deferred tax assets/(Liabilities)	33,655,400	99,886,158
Opening Deferred tax assets/(Liabilities)	99,886,158	98,603,853
Deferred tax (expense)/Income	(66,230,758)	1,282,305
14.9.2.2 Deferred Tax on Revalued land		
Carrying amount	2,236,269,890	2,238,572,000
Tax Base	-	-
Deductible/(taxable) temporary difference	(2,236,269,890)	(2,238,572,000)
Tax Rate	3.73%	3.73%
Closing Deferred tax assets/(Liabilities)	(83,458,196)	(83,544,110)
Opening Deferred tax assets/(Liabilities)	(83,544,110)	-
Deferred tax (expense)/Income	85,914	(83,544,110)
14.9.2.3 Deferred tax (expense)/Income (net)		
Deferred tax (expense)/Income arisen for charging specific provision (note 14.9.1.1)	603,299,060	109,113,257
Deferred tax (expense)/Income arisen in WDV of Fixed Assets (note 14.9.2.1)	(66,230,758)	1,282,305
	537,068,302	110,395,562
14.9.1(a) Consolidated Deferred tax (expense)/Income (net)		
Pubali Bank Limited	(537,068,302)	(110,395,562)
Pubali Bank Securities Limited	(435,879)	51,853
	(537,504,181)	(110,343,709)
14.9.1(b) Consolidated deferred tax Liabilities (Accumulated)		
Balance at the beginning of the year	(83,884,177)	(288,214)
Provision made during the year	521,793	(83,595,963)
Provision held at the end of the year	(83,362,384)	(83,884,177)
14.9.2.4 Tax Provision made during the Year		
Current Tax	3,728,336,561	1,405,506,892
Deferred Tax	(537,068,302)	(110,395,562)
	3,191,268,259	1,295,111,330
14.10 Exchange adjustment account: Tk. 28,666,878		
This represents windfall gains from devaluation of Bangladesh Taka in the years 1975 and 1976 through barter transactions with socialist countries and the same is being carried forward since then. The account would be settled as per instruction of Bangladesh Bank.		
14.11 Agri credit guarantee backing reserve: TK. 70,261,300		
This represents the surplus amount retained by the Bank which was received till the end of 1984 as government guarantee totaling Tk 112,358,000 under Tk 100 crore scheme disbursed during the years from 1977 to 1983. Repayment of the above to the government would be made in due course to the extent of recovery of aforesaid agri credit.		
14.12 Pakistan account:TK. 8,393,039		
This represents net liability to Bank's own branches operating in former West Pakistan before Liberation of the country and remains unsettled as yet.		
14.13 Pension fund:TK. 1,570,883		
This fund has been created from profit up to the year 1985 to defray pension settlements of the Bank's eligible employees. Since then, up to the year 2005 no provision for pension has been made but claims for pension are being settled from expenditure account of the year it is incurred.		
14.14 Provision for suspense:		
Provision at the beginning of the year	188,214,468	166,214,468
Provision made during the year	50,673,630	22,000,000
Provision transferred from Customers liability and Others	17,301,835	-
Provision at the end of the year	256,189,933	188,214,468

This represents provision for suspense or contingencies for the years 2004 & 2015 including the provisions made in the year 1985 for the period prior to privatization as per vendor's agreement.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

Amount in BDT

	2022	2021
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	2022			2021
	NO. OF SHARE	PERCENTAGE (%)	AMOUNT	AMOUNT
Directors	323,911,299	31.50%	3,239,112,990	3,239,112,990
Co-operative societies	8,874,888	0.86%	88,748,880	88,589,210
Banks and financial institutions	51,510,050	5.01%	515,100,500	498,532,730
Government	2,482	0.0002%	24,820	24,820
Other institutions	226,079,735	21.99%	2,260,797,350	2,190,401,940
Non resident Bangladeshi	2,225,908	0.22%	22,259,080	22,943,900
General public	415,689,856	40.42%	4,156,898,560	4,243,336,590
	1,028,294,218	100.00%	10,282,942,180	10,282,942,180

15.4 Range wise shareholdings

RANGE WISE SHAREHOLDINGS	2022			2021
	NUMBER OF SHAREHOLDERS	PERCENTAGE OF HOLDING OF SHARES (%)	NUMBER OF SHARES	NUMBER OF SHARES
Up to 500 shares	19,527	0.24%	2,513,325	2,765,421
501 to 5,000	10,249	1.65%	17,021,406	19,108,904
5,001 to 10,000	1,177	0.72%	7,358,782	8,553,385
10,001 to 20,000	498	0.67%	6,888,264	7,916,566
20,001 to 30,000	149	0.35%	3,593,802	4,213,163
30,001 to 40,000	162	0.51%	5,227,346	5,723,720
40,001 to 50,000	58	0.25%	2,567,747	2,706,843
50,001 to 100,000	199	1.54%	15,798,708	16,991,837
100,001 and above	271	94.07%	967,324,838	960,314,379
	32,290	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 2022 was Taka 42,233,072,594 as against available going - concern capital of Taka 33,872,160,896, going - concern additional capital of Taka 5,000,000,000 and gone - concern capital of Taka 19,592,044,059 making a total regulatory capital of Taka 58,464,204,955 thereby showing a surplus regulatory capital /equity of Taka 16,231,132,361 at that date. Details are shown below:

Total assets including off-balance sheet items	938,594,466,819	854,529,860,997
Total risk-weighted assets	422,330,725,937	369,575,875,096
Required Capital (10% of risk weighted assets)	42,233,072,594	36,957,587,510

Regulatory capital held :

i) Going - concern capital (Tier-1) (note 15.5.1)	33,872,160,896	30,845,129,993
ii) Going concern - Additional Tier-1 capital (note 15.5.1)	5,000,000,000	2,800,000,000
iii) Gone - concern capital (Tier-2) (note 15.5.2)	19,592,044,059	18,946,165,312
	58,464,204,955	52,591,295,305
Total Regulatory capital Surplus /(Deficit)	16,231,132,361	15,633,707,795

CRAR Based on Basel III Framework:

	13.84%	14.23%
Capital Requirement :	Held	Held
Common Equity Tier-1 (Minimum CET-1 @ 4.50%)	8.02%	8.35%
Additional Tier-1 (Maximum CET-1 @ 1.50%)	1.18%	0.76%
Tier-1 Capital	9.20%	9.10%
Tier-2 (Maximum upto 4% of total RWA or 88.89% of CET-1 which ever is higher) Balancing	4.64%	5.13%
Total	13.84%	14.23%

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
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	18,040,396,448	14,426,734,652
		<u>38,606,338,628</u>	<u>34,992,676,832</u>
	Reciprocal crossholdings in the CET -1, Goodwill and other intangible assets	(210,652,032)	(227,320,199)
	Deferred Tax assets (DTA) on loan loss provision	(4,523,525,700)	(3,920,226,640)
		<u>33,872,160,896</u>	<u>30,845,129,993</u>
	Additional Tier-1 Capital (AT-1)		
	Perpetual bonds	5,000,000,000	2,800,000,000
		<u>38,872,160,896</u>	<u>33,645,129,993</u>
15.5.2	Gone - concern capital (Tier-2)		
	General provision (Unclassified loans + off-balance sheet exposure)	9,892,044,059	10,246,165,312
	Subordinated debt/ instruments issued by the Bank	9,700,000,000	8,700,000,000
	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	-	-
		<u>19,592,044,059</u>	<u>18,946,165,312</u>
	Regulatory adjustment		
	Revaluation reserve for fixed asset, securities & equipment as on 31 December 2014	19,592,044,059	18,946,165,312
		<u>58,464,204,955</u>	<u>52,591,295,305</u>
	Total Regulatory Capital Maintained		
		<u>58,464,204,955</u>	<u>52,591,295,305</u>
	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 2022 was Taka 42,517,579,155 as against available going - concern capital of Taka 34,512,053,741, going concern-additional capital of Taka 5,000,000,000 and gone - concern capital of Taka 19,592,044,059 making a total regulatory capital of Taka 59,104,097,800 thereby showing a surplus regulatory capital /equity of Taka 16,586,518,645 at that date. Details are shown below:		
	Total assets including off-balance sheet items	940,111,481,934	855,555,898,908
	Total risk-weighted assets	425,175,791,548	372,942,597,152
	Required Capital (10% of risk weighted assets)	42,517,579,155	37,294,259,715
	Regulatory capital held :		
	i) Going - concern capital (Tier-1) (note 15.5.3)	34,512,053,741	30,880,087,375
	ii) Going concern - Additional Tier-1 capital (note 15.5.1)	5,000,000,000	2,800,000,000
	iii) Gone - concern capital (Tier-2) (note 15.5.4)	19,592,044,059	18,946,165,312
		<u>59,104,097,800</u>	<u>52,626,252,687</u>
	Total Regulatory capital Surplus /(Deficit)	<u>16,586,518,645</u>	<u>15,331,992,972</u>
	CRAR Based on Basel III Framework:	13.90%	14.11%
	Capital Requirement :	Held	Held
	Tier-1 (Minimum CET-1 @ 4.50%)	8.12%	8.28%
	Additional Tier-1 (Maximum CET-1 @ 1.50%)	1.18%	0.75%
	Tier-1 Capital	9.29%	9.03%
	Tier-2 (Maximum upto 4% of total RWA or 88.89% of CET-1 which ever is higher) Balancing	4.61%	5.08%
	Total	13.90%	14.11%

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
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	18,700,546,455	14,760,651,431
		<u>39,266,488,635</u>	<u>35,326,593,611</u>
	Reciprocal crossholdings in the CET -1, Goodwill and other intangible assets	(230,909,194)	(526,279,596)
	Deferred Tax assets (DTA) on loan loss provision	(4,523,525,700)	(3,920,226,640)
		<u>34,512,053,741</u>	<u>30,880,087,375</u>
	Additional Tier-1 Capital (AT-1)		
	Perpetual bonds	5,000,000,000	2,800,000,000
		<u>39,512,053,741</u>	<u>33,680,087,375</u>
15.5.4	Gone - concern capital (Tier-2)		
	General provision (Unclassified loans + off-balance sheet exposure)	9,892,044,059	10,246,165,312
	Subordinated debt/ instruments issued by the Bank	9,700,000,000	8,700,000,000
	Asset revaluation Reserve up to 50% as on 31 December 2014	-	-
	Revaluation Reserve for equity instruments up to 10% as on 31 December 2014	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

15.6 Particulars of shareholding of the Directors

SL	NAME OF THE DIRECTORS	STATUS	2022		2021	
			NO OF SHARES	AMOUNT (TK)	NO OF SHARES	AMOUNT (TK)
1	Mr. Monzurur Rahman	Chairman	20,566,639	205,666,390	20,566,639	205,666,390
2	Mr. Moniruddin Ahmed	Director	33,596,545	335,965,450	33,596,545	335,965,450
3	Mr. Habibur Rahman	Director	20,581,213	205,812,130	20,581,213	205,812,130
4	Mr. Ahmed Shafi Choudhury	Director	20,707,995	207,079,950	20,707,995	207,079,950
		Nominated by Transcom Limited				
5	Mr. Fahim Ahmed Faruk Chowdhury	Director	21,101,586	211,015,860	21,101,586	211,015,860
		Personal				
6	Ms. Rumana Sharif	Director	51,418,707	514,187,070	51,418,707	514,187,070
		Nominated by Delta Life Insurance Co. Ltd.				
7	Mr. M. Kabiruzzaman Yaqub FCMA (UK),CGMA	Director	20,568,691	205,686,910	20,568,691	205,686,910
		Personal				
8	Mr. Musa Ahmed	Director	20,615,794	206,157,940	20,615,794	206,157,940
9	Mr. Azizur Rahman	Director	22,352,148	223,521,480	22,352,148	223,521,480
10	Mr. Md. Abdur Razzak Mondal	Director	35,990,157	359,901,570	35,990,157	359,901,570
		Nominated by That's It fashions Ltd.				
11	Ms. Rana Laila Hafiz	Director	20,565,889	205,658,890	20,565,889	205,658,890
		Personal				
12	Mr. Mustafa Ahmed	Director	35,845,935	358,459,350	35,845,935	358,459,350
13	Dr. Shahdeen Malik	Independent Director	-	-	-	-
14	Mr. Mohammad Naushad Ali Chowdhury	Independent Director	-	-	-	-
			324,251,221	3,242,512,210	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 2022	PERCENTAGE OF SHAREHOLDING AT 31 DEC 2021
1	Mr. Monzurur Rahman	Chairman	2.00	2.00
2	Mr. Moniruddin Ahmed	Director	3.27	3.27
3	Mr. Habibur Rahman	Director	2.00	2.00
4	Mr. Ahmed Shafi Choudhury	Director	2.01	2.01
		Nominated by Transcom Limited		
5	Mr. Fahim Ahmed Faruk Chowdhury	Director	2.05	2.05
		Personal		
6	Ms. Rumana Sharif	Director	5.00	5.00
		Nominated by Delta Life Insurance Co. Ltd.		
7	Mr. M. Kabiruzzaman Yaqub FCMA (UK),CGMA	Director	2.00	2.00
		Personal		
8	Mr. Musa Ahmed	Director	2.00	2.00
9	Mr. Azizur Rahman	Director	2.17	2.17
10	Mr. Md. Abdur Razzak Mondal	Director	3.50	3.50
		Nominated by That's It fashions Ltd.		
11	Ms. Rana Laila Hafiz	Director	2.00	2.00
		Personal		
12	Mr. Mustafa Ahmed	Director	3.49	3.49
13	Dr. Shahdeen Malik	Independent Director	-	-
14	Mr. Mohammad Naushad Ali Chowdhury	Independent Director	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

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	3.41%
			2. Pubali Bank Securities Ltd.	Director	1 share
			3. Global Pharmaceutical Company Ltd.	Director	-
4	Mr. Ahmed Shafi Choudhury	Nominee Director	1. Pubali Bank Securities Ltd.	Director	1 share
			2. Eskayef Pharmaceuticals Limited	Director	-
5	Mr. Fahim Ahmed Faruk Chowdhury	Director	1. Chittagong Electric Manufacturing Co. Ltd.	Managing Director	15,000 shares
			2. F. A. C Eastern Enterprise Ltd.	Managing Director	413 shares
			3. Ranks FC Properties Ltd.	Managing Director	Representative Director of FC Holdings Ltd.
			4. FC Holdings Ltd.	Managing Director	2,000 shares
			5. CEM Readymix Concrete Ltd.	Managing Director	7,500 shares
			6. CEM UPVC Ltd.	Managing Director	7,000 shares
			7. Surgiscope Hospital Pvt. Ltd.	Director	5,000 shares
			8. Globex Pharmaceuticals Ltd.	Director	755,065 shares
			9. Delta Hospital Ltd.	Director	1,008,155 shares
			10. Euro Petro Product Ltd.	Director	1,50,000 shares
			11. Baraka Shikalbaha Power Ltd.	Director	35,00,000 Shares
6	Ms. Rumana Sharif	Nominee Director	None	Nil	Nil
7	Mr. M. Kabiruzzaman Yaqub FCMA (UK),CGMA	Director	1 Imagine Properties Ltd.	Chairman	50%
			2. Pubali Bank Securities Ltd.	Director	1 share
8	Mr. Musa Ahmed	Director	1. Popular Jute Exchange Ltd.	Director	22.55%
			2. Popular Jute Mills Ltd.	Director	8.10%
			3. 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%
9	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%
10	Mr. Md. Abdur Razzak Mondal	Nominee Director	1. That's It Fashions Ltd.	Nominee	-
11	Ms. Rana Laila Hafiz	Director	1. Trouser Line Ltd.	Managing Director	30.00%
			2. SP Garments Ltd.	Managing Director	25.00%
			3. SP Washing Ltd.	Managing Director	25.00%
			4. Green Valley Plantation Ltd.	Director	-
12	Mr. Mustafa Ahmed	Director	Pubali Bank Securities Ltd.	Director	1 share
13	Dr. Shahdeen Malik	Independent Director	Pubali Bank Securities Ltd.	Independent Director	-
14	Mr. Mohammad Naushad Ali Chowdhury	Independent Director	None	Nil	Nil

Revaluation reserve for securities upto 50% as on 31 December 2014

-	-
19,592,044,059	18,946,165,312

Regulatory adjustment

SL NO	NAME OF THE RELATED PARTIES	RELATIONSHIP WITH PUBALI BANK LTD.	NATURE OF TRANSACTIONS	LIMIT	OUTSTANDING (TK) 31 DECEMBER 2022
1	Mr. Habibur Rahman	Director	Credit Card	500,000	-
2	Ms. Rumana Sharif	Director	Credit Card	500,000	93,045
3	Mr. Mohammad Ali	Managing Director	Credit Card	500,000	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

Amount in BDT

	2022	2021
Revaluation reserve for fixed asset, securities & equipment as on 31 December 2014	-	-
	19,592,044,059	18,946,165,312
Total Regulatory Capital Maintained	59,104,097,800	52,626,252,687

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

15.7.6 **Key Management personnel compensation**

Amounts incurred by the Bank for the provision of key Management personnel services is given below

PARTICULARS		
Short-term employee benefits	163,110,618	156,217,322
post-employment benefits	42,147,986	24,350,221

Key Management personnel are those persons having directly or indirectly authority and responsibility for planning, directing and controlling the activities of the entity. Key Management personnel includes Managing Director & CEO, Additional Managing Director, 03 nos. Deputy Managing Directors, 32 nos. General Manager, Head of Internal Control & Compliance, Chief Technical Officer and Chief Financial Officer.

Amount of retirement/post-employment benefits such as Gratuity fund and Provident 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	14,426,734,652	11,807,133,561
Net profit for the year	5,321,771,659	3,904,548,864
Transfer regarding revaluation reserve on sale of Fixed Assets	813,990	420,000
Coupon interest payment against Perpetual Bond	(363,734,740)	-
Transfer to Start-up fund	(53,217,717)	-
Net income and expenses not recognised in the Profit and Loss Statement	(6,603,623)	-
	19,325,764,221	15,712,102,425
Less: Issue of cash dividend	(1,285,367,773)	(1,285,367,773)
Balance at the end of the year	18,040,396,448	14,426,734,652

As per BRPD Circular no.11 dated 12 December 2011, total amount of Tk. 4,523,525,700 has been recognized as Deferred Tax Assets (DTA) included in Retained Earnings for 2022 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 Limited	18,040,396,448	14,426,734,652
Pubali Bank Securities Limited	660,150,007	333,915,479
	18,700,546,455	14,760,650,131

18 **Other reserves**

18.1 **Assets revaluation reserve**

Balance at the beginning of the year	4,717,371,762	*7,128,828,800
Addition on revaluation of Investment during the Year	1,334,674,706	2,678,620,766
Disposal on revaluation of Investment during the year	(2,244,735,661)	(5,006,533,694)
Recognition of deferred tax on revaluation reserve of fixed assets	85,914	(83,544,110)
Transfer out: Fixed Asset revaluation reserve	-	-
	3,807,396,721	4,717,371,762

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

Amount in BDT

	2022	2021
Balance at the end of the year	3,807,730,705	4,717,705,746
<p>* Opening balance of the year 2021 has been restated in revaluation reserve account and accumulated depreciation account as per " paragraph 42 of IAS-8 Accounting Policies, Changes in Accounting estimates and Errors". In the year 2020 when considering the impairment of Land & Building account, total Tk 296,668,407 was wrongly debited in the revaluation reserve account and credited to the accumulated depreciation of Land & Building account. Although the prior period error is an immaterial but effect of the fact considered in the financial statements retrospectively.</p>		
18.2 Exchange Equalization Fund		
Balance at the beginning of the year	29,959,972	29,959,972
Addition during the year	-	-
Balance at the end of the year	29,959,972	29,959,972
18.3 Foreign currency translation reserve		
Balance at the beginning of the period	9,877,248	7,653,297
Addition during the period	32,181,625	2,223,951
Balance at the end of the period	42,058,873	9,877,248
	3,879,749,550	4,757,542,966
18(a) Consolidated Other reserves		
Pubali Bank Limited	3,879,749,550	4,757,542,966
Pubali Bank Securities Limited	-	-
	3,879,749,550	4,757,542,966
19 Profit & loss account surplus		
Balance at the beginning of the year	-	-
Profit after tax during the year	5,321,771,659	3,904,548,864
	5,321,771,659	3,904,548,864
Appropriation for the year		
Statutory reserve	-	-
Retained earnings	5,321,771,659	3,904,548,864
	5,321,771,659	3,904,548,864
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	5,648,006,251	4,351,769,788
	5,648,006,251	4,351,769,788
Appropriation for the year		
Statutory reserve	-	-
Retained earnings	5,648,006,251	4,351,769,788
	5,648,006,251	4,351,769,788
Balance at the end of the year	-	-
20 Non-controlling interest		
Balance at the beginning of the year	1,055	894
Share of current year profit	64	161
	1,119	1,055
21 Contingent Liabilities		
Acceptances & endorsements (Note 21.1)	103,377,186,551	89,543,886,252
Letters of guarantee (Note 21.2)	37,872,061,489	32,360,536,133
Irrevocable letters of credit (Note 21.3)	53,175,862,736	83,959,348,873
Bills for collection (Note 21.4)	28,980,463,041	17,208,217,494
Other contingent liabilities*	2,433,181,166	2,383,598,956
	225,838,754,983	225,455,587,708
<p>* 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.</p>		
21.1 Acceptance & Endorsements		
Foreign	97,016,459,827	83,487,639,536
Local	6,360,726,724	6,056,246,716
	103,377,186,551	89,543,886,252
21.1.1 Acceptance & Endorsements in favour of:		

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
	Government	-	-
	Director/Executives/Officers	-	-
	Bank and other financial institutions	-	-
	Other customer	103,377,186,551	89,543,886,252
		<u>103,377,186,551</u>	<u>89,543,886,252</u>
21.2	Letters of Guarantee		
	Foreign	355,394,050	381,723,933
	Local	37,516,667,439	31,978,812,200
		<u>37,872,061,489</u>	<u>32,360,536,133</u>
21.2.1	Letters of Guarantee in favour of:		
	Government	-	-
	Director/Executives/Officers	-	-
	Bank and other financial institutions	-	-
	Other customer	37,872,061,489	32,360,536,133
		<u>37,872,061,489</u>	<u>32,360,536,133</u>
21.3	Letters of Credit		
	Foreign	44,785,924,638	73,265,488,261
	Local	8,389,938,098	10,693,860,612
		<u>53,175,862,736</u>	<u>83,959,348,873</u>
21.3.1	Letters of Credit in favour of:		
	Government	-	-
	Director/Executives/Officers	-	-
	Bank and other financial institutions	-	-
	Other customer	53,175,862,736	83,959,348,873
		<u>53,175,862,736</u>	<u>83,959,348,873</u>
21.4	Bills for Collection		
	Foreign	6,279,597,326	4,458,564,326
	Local	22,700,865,715	12,749,653,168
		<u>28,980,463,041</u>	<u>17,208,217,494</u>
21.4.1	Bills for Collection in favour of:		
	Government	-	-
	Director/Executives/Officers	-	-
	Bank and other financial institutions	-	-
	Other customer	28,980,463,041	17,208,217,494
		<u>28,980,463,041</u>	<u>17,208,217,494</u>
22	Interest income		
	Loans	4,216,009,593	3,383,770,886
	Cash credits	4,883,896,348	4,080,188,861
	Over drafts	6,766,610,121	5,272,848,462
	Loan against imported merchandise	-	2,078
	Loan against trust receipt	745,424,776	550,836,332
	Inland bill purchased & demand draft purchased	243,580,372	96,069,068
	Foreign bill purchased and Export development fund	269,742,401	119,891,275
	Interest on Export Bill Discounting (EBD)	19,301,514	2,060,862
	Packing credits	83,103,464	38,233,147
	Payments against document	2,024,335,501	843,030,076
	Agricultural credits & rural credits	118,433,300	7,930,806
	Sundries account	40,207,635	109,378,648
	CLS account	1,119,179,676	941,847,479
	Secured mortgages	1,810,869,383	1,760,405,867
	Loan against Shiksha Sanchay Prokalpa	71,137	58,579
	Loan against Non-resident Credit Scheme	-	2,742
	Lease finance	763,019,165	514,965,442
	Loan against Pubali Sanchay Prokalpa	7,493,952	7,748,620
	Term loans	5,205,251,300	3,675,678,821
	Syndication/Club Finance	388,839,594	604,253,904
	Loan against Pubali Pension Scheme	63,052,705	69,367,395
	Interest on loans and advances	28,768,421,937	22,078,569,350
	Interest on money at call and short notice	234,148,470	63,057,052
	Interest on balance with other banks	618,129,385	223,456,595
	Interest on fixed deposits with other banks	192,492,271	372,715,395
		<u>29,813,192,063</u>	<u>22,737,798,392</u>
22(a)	Consolidated Interest Income		
	Pubali Bank Limited	29,813,192,063	22,737,798,392

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
	Pubali Bank Securities Limited	47,055,835	53,140,035
		29,860,247,898	22,790,938,427
23	Interest paid on deposits, borrowings, etc.		
	Fixed deposit	7,528,803,469	5,602,699,594
	Short-notice deposit	2,099,739,199	1,378,619,337
	Savings bank deposit	1,523,658,149	1,433,843,121
	Deposit pension scheme	885,975	614,608
	Pubali bank pension scheme	3,427,888,635	3,391,235,400
	Pubali Sanchay Prokalpa	243,708,978	254,346,503
	Shiksha Sanchay Prokalpa	13,718,834	14,583,192
	Dwigun Sanchay Prokalpa	1,868,306,361	2,024,383,913
	Interest on MPSD	334,400,543	307,452,072
	Interest on TBSD	609,652,148	567,762,046
	Interest on MFD	268,826,662	249,585,212
	Sundry accounts	10,737,925	14,543,077
	Interest paid on Deposits	17,930,326,878	15,239,668,075
	Interest on call loan	31,467,222	13,883,486
	Interest on borrowings from Bank and Fis	1,582,852,177	588,578,974
	Interest on repo borrowings	49,558,442	21,520,381
	Interest on term borrowings	-	184,801
	Interest on Treasury bond	97,272,900	350,028,497
	Interest on HFT Securities	2,207,756,374	4,527,846,424
	Interest on HTM Securities	395,352,860	253,222,308
	Interest on borrowings from Bangladesh Bank	142,150,542	74,112,521
	Interest on Perpetual Bond	-	15,400,000
	Interest on Subordinated Bond	803,856,164	816,475,342
		23,240,593,559	21,900,920,809
24	Investment Income		
	Interest on treasury bill	931,854,833	163,670,298
	Interest on treasury bond	8,733,957,986	9,229,549,356
	Interest on other bond	1,033,136,602	1,058,111,456
	Interest on Bridge Loans & debentures	-	535,000
	Interest on Bangladesh Bank bill	-	36,130,800
	Gain/ (Loss) on sale of shares	17,917,367	189,491,115
	Interest on Reverse Repo	424,385,912	27,092,338
	Gain on Treasury Bill & Treasury Bond	2,124,942,979	4,690,903,399
	Dividend on shares	474,168,037	275,728,984
		13,740,363,716	15,671,212,746
24(a)	Consolidated Income from investment		
	Pubali Bank Limited	13,740,363,716	15,671,212,746
	Pubali Bank Securities Limited	393,065,213	435,240,558
		14,133,428,929	16,106,453,304
25	Commission, exchange and brokerage		
	SC, LSC, DD, TT, MT and PO	29,364,263	37,193,493
	Foreign L/C-Import/others	582,890,026	542,294,754
	Local L/C-Import/others	65,331,557	65,257,390
	Issuance of foreign guarantee	2,806,815	3,951,098
	Issuance of local guarantee	344,311,547	309,753,445
	Issuance of traveller's cheque	7,506	3,575
	Other transactions	182,397,465	155,705,761
	Miscellaneous Handling Commission-Import/others	88,053,524	75,572,330
	Consumers credit	-	147,742
	Stationery articles-Import/other	6,065,849	402,874,916
	Fees and Commission (Syndication/Club Finance)	984,784	2,501,400
	LC Acceptance charges	638,155,418	141,014,261
	LC Payment & Discrepancy Charges	178,538,003	92,196,662
	BSP, PSP, Prize Bond and ACS	5,287,841	-
	Online fee	-	2,000
	Total commission	2,124,194,598	1,828,468,827
	Exchange (Note 25.1)	1,187,125,916	518,906,048
		3,311,320,514	2,347,374,875
25.1	Exchange		
	Exchange gain	17,439,530,058	2,945,807,661
	Exchange loss	(16,252,404,142)	(2,426,901,613)
		1,187,125,916	518,906,048
25(a)	Consolidated Commission, exchange and brokerage		

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
	Pubali Bank Limited	3,311,320,514	2,347,374,875
	Pubali Bank Securities Limited	43,775,776	64,346,767
		3,355,096,290	2,411,721,642
26	Other operating income		
	Rent recovery	6,563,847	6,211,239
	Postage (Import/others) and telecommunication recovery	12,987,685	8,512,339
	Recovered from bad debt written off	89,893	87,600
	Swift Income-Import/others	134,142,120	138,518,085
	Fee on card transaction	26,653,556	16,580,729
	Application fee of CLS account	111,653	1,004,121
	Account opening charge of CLS account	43,800	1,415,700
	Service charge	65,131,287	34,219,209
	Income on sale of leased asset	8,113,736	6,515,456
	Processing Fee on Pubali Abashon	1,116,250	437,500
	Processing Fee on Lease Financing	47,242,394	11,710,368
	Loan Reschedule/Restructure Fee	17,586	19,802
	Online service charge	548,877,663	514,003,478
	Accounts maintenance fee	320,522,412	233,299,314
	SMS service charges	129,252,741	122,161,003
	Card Fees and charges	42,125,979	23,693,787
	CIB service charges	19,901,780	16,794,090
	Early Settlement Fee	4,463,507	-
	Income on sale of Bank's property	34,653,617	3,820,010
	Miscellaneous income -Import/others	166,408,242	128,705,676
	Miscellaneous income supervision and monitoring	-	5,925
	Miscellaneous income transfer fee	2,000,610	1,629,235
		1,570,420,358	1,269,344,666
26(a)	Consolidated Other operating income		
	Pubali Bank Limited	1,570,420,358	1,269,344,666
	Pubali Bank Securities Limited	46,968,895	41,388,243
		1,617,389,253	1,310,732,909
27	Salary and allowances		
	Basic salary	3,127,502,049	2,511,653,287
	House rent allowances	1,829,939,109	1,513,248,667
	Medical allowances	383,762,835	316,444,001
	House maintenance	245,101,999	207,030,032
	Other allowances	1,882,379,523	1,278,103,451
	Contributory provident fund	282,159,148	243,173,101
	General provident fund	253,555	257,414
	Bonus to employees	596,507,381	418,217,122
		8,347,605,599	6,488,127,075
27(a)	Consolidated Salary and allowances		
	Pubali Bank Limited	8,348,605,599	6,488,127,075
	Pubali Bank Securities Limited	44,129,468	33,462,231
		8,392,735,067	6,521,589,306
28	Rent, taxes, insurance, electricity, etc.		
	Bank premises	694,771,727	637,687,486
	Godown	3,678,468	4,200,657
	Total Rent expenses	698,450,195	641,888,143
	Reversal of rent expenses due to depreciation and interest expenses under IFRS 16	698,450,195	641,888,143
	Rent expenses after reversal		
	Rates and taxes	19,885,559	14,078,365
	Insurance premium (IDIPA, Lockers and others)	303,411,229	322,296,578
	Insurance premium (cash in Transit, Vault and ATM)	57,091,147	1,786,077
	Lighting (Electricity bill)	194,500,570	174,014,176
	Electric fittings and fixtures	65,203,803	34,462,834
	Water and sewerage bill	6,788,646	5,781,185
		646,880,954	552,419,215
	Total rent expenses for the year 2022 was Tk.698,450,195 as per IAS 17. To comply with "IFRS 16 Lease" rent expense has been adjusted with Depreciation Tk 481,856,774 arises against Right of use assets (Annex-A), Interest expense of Tk 134,857,087 and VAT on rent expense of Tk. 91,102,199 under note no. 36.		
28(a)	Consolidated Rent, taxes, insurance, electricity, etc.		

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
	Pubali Bank Limited	646,880,954	552,419,215
	Pubali Bank Securities Limited	2,656,896	568,382
		649,537,850	552,987,597
29	Legal expenses		
	Lawyers' charges	13,463,087	16,932,383
	Court fees and other expenses	3,936,660	3,198,325
		17,399,747	20,130,708
29(a)	Consolidated Legal expenses		
	Pubali Bank Limited	17,399,747	20,130,708
	Pubali Bank Securities Limited	148,679	2,968
		17,548,426	20,133,676
30	Postage, stamp, telecommunication, etc.		
	Postage	14,303,978	11,544,446
	Telegram	218,897	400,774
	Stamp	153,004	110,132
	Telephone	15,002,078	15,642,461
	SWIFT charges	38,425,436	43,020,185
	SMS charges	21,320,402	16,587,570
	Tele rate/ Reuters	3,388,851	2,740,209
	Internet charges	2,445,590	2,115,903
		95,258,236	92,161,680
30(a)	Consolidated Postage, stamp, telecommunication, etc.		
	Pubali Bank Limited	95,258,236	92,161,680
	Pubali Bank Securities Limited	198,822	225,876
		95,457,058	92,387,556
31	Stationery, printing, advertisement, etc.		
	Table stationery	38,558,081	31,774,166
	Computer stationery	33,838,817	29,983,580
	Printing and stationery	6,409,366	7,586,880
	Consumption of books and forms	17,404,727	17,448,190
	Advertisement	53,119,686	48,736,314
		149,330,677	135,529,130
31(a)	Consolidated Stationery, printing, advertisement, etc.		
	Pubali Bank Limited	149,330,677	135,529,130
	Pubali Bank Securities Limited	550,514	306,391
		149,881,191	135,835,521
32	Managing Director's salary and fees		
	Basic pay	6,900,215	6,995,000
	Allowances	2,933,420	4,532,166
	Bank's contributory provident fund	690,022	699,500
	Bonus	2,320,000	2,200,000
		12,843,657	14,426,666
33	Directors' fees		
	Meeting fees and Honorarium	6,350,716	7,252,798
	Meeting expenses	629,473	755,201
	Meeting related travelling allowances	361,017	201,546
		7,341,206	8,209,545
33(a)	Consolidated Directors' fees		
	Pubali Bank Limited	7,341,206	8,209,545
	Pubali Bank Securities Limited	1,716,000	1,435,500
		9,057,206	9,645,045
	Each director was paid TK 8,000 per meeting per attendance as per BRPD circular no.11 dated 4 October 2015.		
34	Auditors' fees		
	Statutory Audit	1,437,500	1,437,500
	Interim and other audit	583,500	103,000
		2,021,000	1,540,500
34(a)	Consolidated Auditors' fees		
	Pubali Bank Limited	2,021,000	1,540,500
	Pubali Bank Securities Limited	178,250	144,000
		2,199,250	1,684,500
35	Depreciation and repair of bank's assets		
	Repairs to fixed assets	63,892,157	45,261,542

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

Amount in BDT

	2022	2021
Maintenance of assets	246,362,672	159,572,779
Maintenance of assets -Wages	66,856,884	25,101,904
Depreciation on fixed assets*	1,060,741,567	890,610,449
	1,437,853,280	1,120,546,674

*Depreciation on fixed assets included Tk. 481,856,774 for depreciation of ROU (Right Of Use) Assets as per IFRS-16 for the year 2022.

35(a) Consolidated depreciation and repair of bank's assets

Pubali Bank Limited	1,437,853,280	1,120,546,674
Pubali Bank Securities Limited	2,310,425	1,685,990
	1,440,163,705	1,122,232,664

36 Other expenses

Repairs to rented property	2,560,406	1,211,383
Newspapers	3,864,596	3,020,964
Renovation under Construction Works	65,292,283	37,635,488
Petrol consumption	75,921,579	52,511,203
Travelling	64,482,278	34,022,531
Donations	180,093,602	157,141,281
Honorarium	2,219,118	256,000
Subscriptions	24,699,680	23,550,946
Sub-ordinate staff clothing	13,396,449	14,070,464
Conveyance	31,128,024	110,048,005
Entertainment	33,188,522	24,592,601
Training	19,606,311	3,316,901
Photocopying	365,388	191,096
Branches' opening expenses	7,079,652	2,275,704
Shifting expenses	1,514,509	1,387,572
Carrying expenses	2,684,857	1,926,666
Professional fees	84,120,985	72,820,163
Security and Auxiliary Services	224,931,722	183,488,843
Gun license fees	7,195,349	6,261,574
Overtime	35,399,100	32,451,840
Employees recreation (Lunch subsidy)	345,039,242	274,439,677
Promotional expenses	73,533,155	35,292,771
Gratuity	1,290,537,500	690,305,820
Group insurance	19,628,119	17,923,599
Car allowance	44,277,690	39,026,355
Chemicals for office equipment's	787,698	558,193
Loss on sale of bank's property	2,000,100	1,976,724
CDBL fees	111,850	126,772
Annual general meeting	2,248,812	3,056,920
Bandwidth charges	97,210,442	93,086,266
Card expenditure	79,218,570	56,806,657
VAT on Rent Expenses	91,102,199	83,724,540
Interest Expenses for lease liability as per IFRS-16	134,857,087	111,732,032
Bank Charges & Others	3,105,298	3,833,013
Nostro account charges	19,139,950	12,133,266
Card transaction fee	6,411,177	5,173,455
Additional Profit Payable A/C For Islamic Banking	6,330,082	-
Miscellaneous	45,373,391	56,879,652
	3,140,656,772	2,248,256,937

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 Ltd. has been extremely vigilant about cost.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

Amount in BDT

	2022	2021
<p>Pubali Bank Ltd. has taken several initiatives such as rationalizing the usage of office space to reduce electricity cost, restricting entertainment expenses and travelling, reducing and deferring the expenses on computer 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.</p>		
36(a) Consolidated Other expenses		
Pubali Bank Limited	3,140,656,772	2,248,256,937
Pubali Bank Securities Limited	10,241,457	13,273,012
	3,150,898,229	2,261,529,949
37 Provision for Loans, Advances, Investments and Other Assets		
Classified loans and advances (note 14.1.1)	1,880,136,844	1,544,301,000
Unclassified loans and advances (note 14.1.2)	872,267,826	1,859,148,000
Provision for bad debt offsetting	22,067,376	7,352,546
Provision for diminution in value of Investments	-	-
Provision for other assets	50,000,000	22,000,000
Provision for Start-up fund	-	-
	2,824,472,046	3,432,801,546
37(a) Consolidated Provision for Loans, Advances, Investments and Other Assets		
Pubali Bank Limited	2,824,472,046	3,432,801,546
Pubali Bank Securities Limited	55,411,791	-
	2,879,883,837	3,432,801,546
38 Provision for exposure of off balance sheet items		
Provision for exposure against off-balance sheet items	-	811,000,000
	-	811,000,000
38.1 Details of provision for exposure against off-balance sheet items		
Particulars		
Acceptances & endorsements	103,377,186,550	89,543,886,252
Letters of guarantee	37,872,061,489	32,360,536,133
PARTICULARS	BASE FOR PROVISION	RATE OF PROVISION (%)
Acceptances & endorsements	103,377,186,550	1
Letters of guarantee	37,872,061,489	1
Irrevocable letters of credit	53,175,862,737	1
Other contingent liabilities	2,433,181,166	1
Required provision	1,968,582,919	2,082,473,703
Provision maintained	1,968,950,000	2,082,950,000
Excess provision	367,081	476,297
Irrevocable letters of credit	53,175,862,737	83,959,348,873
Bills for collection	28,980,463,041	17,208,217,494
Other contingent liabilities	2,433,181,166	2,383,598,956
Total Contingent Liabilities:	225,838,754,983	225,455,587,708
Less: Margin		
Letters of guarantee	-	-
Irrevocable letters of credit	-	-
Bills for collection	-	-
	-	-
	225,838,754,983	225,455,587,708
39 Provision for doubtful investment		
Provision for diminution in value of Investments	-	-
	-	-
40 Receipts from other operating activities		
Net exchange gain	1,187,125,916	518,906,048
Other operating income	1,535,676,848	1,265,437,056
	2,722,802,764	1,784,343,104
40(a) Consolidated Receipts from other operating activities		
Pubali Bank Limited	2,722,802,764	1,784,343,104
Pubali Bank Securities Limited	187,584,059	283,454,760
	2,910,386,823	2,067,797,864
41 Cash payments for other operating activities		

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
	Rent ,taxes, insurance, electricity etc.	1,345,331,149	1,216,296,925
	Director's fees	7,341,206	8,474,545
	Charges on loan losses	-	-
	Repairs of bank's assets	377,111,713	227,190,524
	Other expenses	2,914,697,486	2,082,275,052
		4,644,481,554	3,534,237,046
41(a)	Consolidated Cash payments for other operating activities		
	Pubali Bank Limited	4,644,481,554	3,534,237,046
	Pubali Bank Securities Limited	18,013,443	17,642,119
		4,662,494,997	3,551,879,165
42	Increase/(decrease) of other assets		
	Closing 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
	Suspense Account	818,835,977	346,089,155
	Deferred tax assets	4,557,181,100	4,020,112,798
	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
	Opening other assets		
	Stationery and stamps	112,282,554	98,426,473
	Advance security deposit, advance rent etc.	185,409,535	181,125,904
	Investment in SWIFT AC	3,387,591	3,387,591
	Stock dealing account	218,377,519	378,872,920
	Deferred tax assets	4,020,112,798	3,909,717,236
	Suspense account	346,089,155	359,902,851
	Demonetized notes	1,903,590	1,903,830
	Items in transit	7,758,535,689	5,971,619,730
	Drafts payable (Dr. Balance)	16,540,503	17,021,131
	Sanchaypatra	17,551,607	16,655,185
	Clearing house adjustment	1,400,931	1,383,920
	Others	3,739,932	3,562,388
		12,685,331,404	10,943,579,159
		(3,049,971,336)	(1,741,752,245)
42(a)	Consolidated increase/(decrease) of other assets		
	Pubali Bank Limited	(3,049,971,336)	(1,741,752,245)
	Pubali Bank Securities Limited	(213,047,660)	(230,367,754)
		(3,263,018,996)	(1,972,119,999)
43	Increase/(decrease) of other liabilities		
	Closing 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
	Opening other liabilities		
	Interest suspense	6,141,139,753	4,569,922,382
	Interest suspense on underwriting advances	219,648,924	221,286,952
	Interest suspense against 70% Agri Loan	192,382	192,382
		6,360,981,059	4,791,401,716
		611,137,111	1,569,579,343
43(a)	Consolidated increase/(decrease) of other liabilities		
	Pubali Bank Limited	611,137,111	1,569,579,343
	Pubali Bank Securities Limited	(160,543,026)	(45,045,699)
		450,594,085	1,524,533,644
44	Cash and Cash Equivalents at End of Period		

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

Amount in BDT

	2022	2021
45 Assets and liabilities as at 31 December 2022 denominated in foreign currencies have been converted to Bangladesh Taka at the following exchange rates:		
CURRENCY	CURRENCY UNIT	EQUIVALENT TAKA
European Currency	EURO	109.743
Japanese Yen	JPY	0.772
Pound Sterling	GBP	124.339
Swiss Franc	CHF	111.359
US Dollar	USD	103.297
ACU Dollar	ACUD	103.297
AED	AED	28.122
CNY	CNY	14.813
Cash in hand (including foreign currencies)	8,902,088,820	5,088,411,673
Balance with Bangladesh Bank and its agent bank(s)	25,547,757,619	19,557,920,907
Balance with other banks and financial institutes	9,810,258,252	21,481,970,782
Prize bonds	12,682,101	25,017,791
Money at call on short notice	838,986,667	241,986,667
	45,111,773,459	46,395,307,820
44(a) Consolidated Cash and Cash Equivalents at End of Period		
Pubali Bank Limited	45,111,773,459	46,395,307,820
Pubali Bank Securities Limited	1,576,440,374	1,947,268,210
	46,688,213,833	48,342,576,030
46 Basic and Diluted Earnings Per Share (EPS):		
Net profit after taxes	5,321,771,659	3,904,548,864
Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
Basic and Diluted Earnings Per Share (EPS)	5.18	3.80
46(a) Consolidated Basic and Diluted Earnings Per Share (EPS)		
Net profit after tax	5,648,006,251	4,351,769,788
Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
Basic and Diluted Earnings Per Share (EPS)	5.49	4.23
Earnings per share has been calculated in accordance with BAS-33: "Earnings Per Share (EPS)".		
Net Asset Value Per Share (NAVPS):		
Total Shareholders' Equity	42,486,088,178	39,750,219,798
Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
	41.32	*38.66
Consolidated Net Asset Value Per Share (NAVPS):		
Total Shareholders' Equity	43,146,238,185	40,084,135,277
Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
	41.96	*38.98
* Restated due to retrospective restatement of revaluation reserve balance. (Details see note no.18)		
Net Operating Cash Flow Per Share (NOCFPS):		
Net Cash from/(used in) Operating activities	(3,080,772,632)	2,768,909,742
Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
	(3.00)	2.69
Consolidated Net Operating Cash Flow Per Share (NOCFPS):		
Net Cash from/(used in) Operating activities	(3,451,730,069)	3,375,170,258
Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
	(3.36)	3.28
47 Reconciliation of statement of cash flows from operating activities		
Profit before provision	11,337,511,964	9,443,461,740
Adjustment for non cash items		
Depreciation on fixed asset	966,947,430	852,806,620
Amortization on software	93,794,137	37,803,829
	1,060,741,567	890,610,449
Adjustment with non-operating activities		
Gain on sale of shares	(17,917,367)	(189,491,115)
Capital gain on sale of treasury bond	(2,124,942,979)	(4,690,903,399)
Gain on sale of Bank's property	(34,653,617)	(3,820,010)
Loss on sale of bank's property	2,000,100	1,976,724
	(2,175,513,863)	(4,882,237,800)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

	Amount in BDT	
	2022	2021
Changes in operating assets and liabilities		
Changes in loans & advances	(85,227,694,143)	(61,077,532,698)
Changes in deposit and other accounts	48,436,298,188	33,057,201,444
Changes in investment	7,449,735,831	4,823,171,680
Changes in borrowings	18,517,368,495	12,533,042,487
Changes in other assets	(3,068,432,009)	48,439,216
Changes in other liabilities	2,654,801,437	9,742,195,414
	(11,237,922,201)	(873,482,457)
Income Tax Paid	(2,065,590,099)	(1,809,442,190)
Net cash flows from operating activities	(3,080,772,632)	2,768,909,742

48 Highlights on the Overall Activities of the Bank for the period ended 31 December 2022 and 31 December 2021

PARTICULARS		
1. Paid-up Capital	10,282,942,180	10,282,942,180
2. Total Regulatory Capital	58,464,204,955	52,591,295,305
3. Regulatory Capital Surplus	16,231,132,361	15,633,707,795
4. Total Assets	712,755,711,836	629,481,337,258
5. Total Deposits	510,836,516,875	462,400,218,687
6. Total Loans & Advances	461,884,126,081	376,656,431,938
7. Total Contingent Liabilities	225,838,754,983	225,455,587,708
8. Loan Deposit Ratio (%)	84.79%	77.58%
9. Ratio of Classified Loan to total Loans & Advances (%)	2.62%	3.05%
10. Profit after taxation & Provision	5,321,771,659	3,904,548,864
11. Amount of Classified Loan during the current year	12,121,227,966	11,480,110,280
12. Provision kept against Classified Loans	13,192,660,137	11,089,946,743
13. Provision Surplus	19,567,859	10,735,751
14. Cost of Fund (%)	6.77%	6.80%
15. Interest Earning Assets	595,018,233,953	531,301,800,965
16. Non Interest Earning Assets	117,737,477,883	97,882,867,886
17. Return on Investment(ROI) [(PAT/ Shareholders' Equity + Borrowings)]	4.27%	4.72%
18. Return on Assets (ROA) [PAT/Average Assets]	0.79%	0.65%
19. Income from Investment	13,740,363,716	15,671,212,746
20. Earnings per Share (Taka)	5.18	3.80
21. Net Income per Share (Taka)	5.18	3.80
22. Price Earning Ratio (Times)	5.08	7.06

SCHEDULE OF FIXED ASSETS

as at 31 December 2022

ANNEXURE - A

Amount in BDT

Particulars	Cost			Rate (%)	Depreciation/Amortization				Net book value at 31 Dec 2022	
	Balance at 1 Jan 2022	Additions/Revaluation during the Year	Disposal during the year		Adjustments during the year	Balance at 31 Dec 2022	Charge for the Year	Disposal during the year		Adjustments during the year
Land	1,117,377,430	-	10	-	1,117,377,420	-	-	-	-	1,117,377,420
Lease land	1,121,195,000	-	-	Fixed	1,121,195,000	1,151,265*	1,151,265	-	2,302,530	1,118,892,470
Building	418,660,966	-	-	2.50	418,660,966	10,204,861	10,204,861	-	20,671,386	397,989,580
Furniture and Fixture	1,037,173,751	207,979,417	16,273,380	10.00	1,228,879,788	70,026,429	11,650,596	239,907	491,085,600	737,794,188
Computer & Computer Accessories	1,655,857,225	274,442,099	52,123,463	30.00	1,878,175,861	222,440,812	52,027,663	(144,685)	1,420,093,119	458,082,742
Machinery and Equipment	1,178,699,653	206,014,821	35,447,498	20.00	1,349,266,976	147,355,360	35,255,734	(90,803)	923,112,948	426,154,028
Vehicles	350,985,902	22,820,000	13,820,000	20.00	359,985,902	33,911,929	13,819,910	-	283,663,646	76,322,256
Right of use Assets (ROU)	3,016,297,775	702,655,662	-	-	3,718,953,437	481,856,774	-	-	1,756,687,284	1,962,266,153
At 31 Dec 2022	9,896,247,702	1,413,911,999	117,664,351	-	11,192,495,350	966,947,430	112,753,903	4,419	4,897,616,513	6,294,878,837
At 31 Dec 2021	8,625,539,127	1,394,809,919	121,301,344	(2,800,000)	9,896,247,702	852,806,620	116,898,663	(83,436)	4,036,814,944	5,859,432,758

*Opening balance of the year 2021 has been restated in revaluation reserve account and accumulated depreciation account as per " paragraph 42 of IAS-8 Accounting Policies, Changes in Accounting estimates and Errors". In the year 2020 when considering the impairment of Land & Building account, total Tk 296,668,407 was wrongly debited in the revaluation reserve account and credited to the accumulated depreciation account. Although the prior period error is an immaterial but effect of the fact considered in the financial statements retrospectively. As such, Tk. 264,144,923, & Tk. 32,523,484 has been decreased in accumulated depreciation of Land & Building Account respectively for restating the opening balance of 2021.

SCHEDULE OF INTANGIBLE ASSETS as at 31 December 2022

Particulars	Cost			Rate (%)	Depreciation/Amortization				Net book value at 31 Dec 2022	
	Balance at 1 Jan 2022	Additions/Revaluation during the Year	Disposal during the year		Adjustments during the year	Balance at 31 Dec 2022	Charge for the Year	Disposal during the year		Adjustments during the year
Computer Software	593,083,288	71,477,186	-	0.30	664,560,474	93,794,137	-	-	463,894,586	200,665,888
At 31 Dec 2022	593,083,288	71,477,186	-	-	664,560,474	93,794,137	-	-	463,894,586	200,665,888
At 31 Dec 2021	392,408,983	200,674,305	-	-	593,083,288	37,803,829	-	-	370,100,449	222,982,839
At 31 Dec 2022	10,489,330,990	1,485,389,185	117,664,351	-	11,857,055,824	1,060,741,567	112,753,903	4,419	5,361,511,099	6,495,544,725
At 31 Dec 2021	9,017,948,110	1,595,484,224	121,301,344	(2,800,000)	10,489,330,990	890,610,449	116,898,663	(83,436)	4,406,915,393	6,082,415,597

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	2,623,989,264	2,523,053,486	100,935,778	Reference application filed with High Court
20	2018	2019-2020	2,272,793,912	2,375,866,290	2,221,618,723	154,247,567	Reference application filed with High Court
21	2019	2020-2021	3,027,024,693	3,180,547,562	2,841,688,297	338,859,265	Case pending with CT(A)
22	2020	2021-2022	1,931,362,255	-	1,831,083,466	-	Assessment not yet done
23	2021	2022-2023	1,405,506,892	-	1,881,543,151	-	Assessment not yet done
24	2022	2023-2024	3,728,336,561	-	1,324,934,473	-	Return submission date not due
Total			38,378,841,223	31,009,945,180	34,550,194,544	1,497,311,726	

TAT - Taxes Appellate Tribunal
 CT(A) - Commissioner of Taxes (Appeal)
 DCT- Deputy Commissioner of Taxes
 LTU - Large Tax payer Unit

DETAILS OF LARGE LOANS AND ADVANCES

for the year ended 31 December 2022

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.

NAME OF THE CLIENTS	SANCTIONED LIMIT	STATUS	OUTSTANDING		TOTAL OUTSTANDING	
			FUNDED	NON-FUNDED	AT 31 DEC 2022	AT 31 DEC 2021
City Group	16,112,900,000	STD	5,524,600,000	7,668,100,000	13,192,700,000	12,443,400,000
Paramount Group	16,051,600,000	STD	5,516,800,000	5,926,400,000	11,443,200,000	10,780,000,000
Secom Group	16,682,500,000	STD	5,388,600,000	5,067,300,000	10,455,900,000	8,100,000,000
Amanat Shah Group	14,442,800,000	STD	6,721,200,000	3,451,500,000	10,172,700,000	8,093,100,000
City Seed Crushing Group	11,294,200,000	STD	4,968,700,000	4,951,500,000	9,920,200,000	8,227,900,000
PRAN-RFL Group	15,172,800,000	STD	3,535,500,000	6,120,700,000	9,656,200,000	9,328,300,000
Meghna Group	6,749,400,000	STD	-	9,482,300,000	9,482,300,000	11,489,000,000
Envoy Group	13,759,900,000	STD	5,846,440,000	3,538,700,000	9,385,140,000	6,802,000,000
Sharmin Group	12,295,000,000	STD	5,049,300,000	4,196,600,000	9,245,900,000	8,378,700,000
MSA Spinning	12,693,400,000	STD	7,856,200,000	1,215,000,000	9,071,200,000	7,476,000,000
JMI Group	11,548,100,000	STD	5,578,400,000	3,123,500,000	8,701,900,000	7,645,000,000
AA Yarn Mills Ltd.	12,834,500,000	STD	5,965,500,000	2,601,200,000	8,566,700,000	8,684,700,000
Max Group	10,682,800,000	STD	4,302,000,000	4,091,800,000	8,393,800,000	7,364,000,000
Ha-Meem Group	25,208,100,000	STD	3,136,700,000	4,795,600,000	7,932,300,000	15,848,200,000
GPH Ispat Limited	8,310,100,000	STD	2,761,500,000	4,761,600,000	7,523,100,000	6,254,700,000
BRB Group	14,450,000,000	STD	5,647,600,000	1,474,000,000	7,121,600,000	6,348,500,000
Pakiza Group	7,834,900,000	STD	4,138,200,000	2,668,100,000	6,806,300,000	5,422,700,000
Popular Group	13,442,700,000	STD	4,837,400,000	1,905,100,000	6,742,500,000	5,374,600,000
Abul Khair Group	11,959,500,000	STD	1,247,900,000	5,458,600,000	6,706,500,000	7,836,300,000
BRAC Group	12,089,000,000	STD	6,459,700,000	-	6,459,700,000	-
Al Mostafa Group	7,118,500,000	STD	4,225,600,000	2,091,600,000	6,317,200,000	5,925,000,000
DIRD Group	-	STD	-	-	-	6,259,400,000
Fair Electronics Limited	-	STD	-	-	-	8,265,100,000
Biswas group	-	STD	-	-	-	6,487,500,000
Nitol-Niloy Group	-	STD	-	-	-	6,186,900,000
T. K. Group	-	STD	-	-	-	5,717,500,000
Sena Kalyan Group	-	STD	-	-	-	5,387,400,000
Project Builders Group	-	STD	-	-	-	5,285,200,000
	270,732,700,000		98,707,840,000	84,589,200,000	183,297,040,000	211,411,100,000

	AS AT 31 DEC 2022	AS AT 31 DEC 2021
Number of clients	21	27
Amount of outstanding loans/advances	183,297,040,000	211,411,100,000
Classified amount thereon	-	-
Measures taken for recovery	-	-

PUBALI BANK LIMITED - ISLAMIC BANKING WINDOWS

Distribution of profit for the year ended 31 December 2022

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 2022 stood at 7.55%. The IISR and final rate of profit for Mudaraba depositors against the IRR at 7.55% are furnished as following:

TYPE OF MUDARABA TERM DEPOSIT RECEIPT (MTDR)	PARTICULARS OF MTDR	ISR FOR MUDARABA DEPOSITS FOR 2022	FINAL PROFIT RATE FOR MUDARABA DEPOSITS FOR 2022 AGAINST THE IRR @ 7.55%
1	2	3	4
For 1 months	MTDR for Individual Customer, Institutional Provident Fund and Fund for payment of post retired credit.	50	3.78%
For 3 months		82	6.19%
For 6 months		82	6.19%
For 12 months		82	6.19%
For 24 months		82	6.19%
For 1 months	MTDR for Institution other than mentioned above.	50	3.78%
For 3 months		75	5.66%
For 6 months		82	6.19%
For 12 months		82	6.19%
For 24 months		82	6.19%
Mudaraba Monthly Profit based term Deposit		87	6.57%
Mudaraba Short Notice Deposit (MSND)			
Less than Tk.1.00 Crore		32	2.42%
Tk. 1.00 Crore or above but less than Tk.25.00 Crore		35	2.64%
Tk. 25.00 Crore or above but less than Tk.50.00 Crore		44	3.32%
Tk. 50.00 Crore or above but less than Tk.100.00 Crore		50	3.78%
Tk. 100.00 Crore or above		57	4.30%
Mudaraba Savings A/C (MSA)		25	1.89%
Mudaraba Swapno Puran Deposit A/C		82	6.19%
Mudaraba Swadhin Sanchay Deposit A/C		82	6.19%
Mudaraba Shiksha Sanchay Deposit A/C		85	6.42%
Mudaraba Hajj Savings A/C (MHSA)		88	6.64%
Mudaraba Cash Waqf Deposit A/C		88	6.64%
Mudaraba Deposit Pension A/C :			
For 5 years		79	5.96%
For 10 years		85	6.42%
Mudaraba Marriage/Muhar Depo. A/C			
For 5 years		79	5.96%
For 10 years		85	6.42%

A competent Shari'ah Supervisory Committee consisting of Islamic Scholars, Ulama, 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 3 (three) meetings and reviewed different operational issues in line with Islamic Shari'ah. Besides, the Muraquibs (Shari'ah Officer) of the Bank inspected 12 Islamic Banking windows out of 17 during the period and reported no major case of Shariah violation(s) in operation of Windows.

PUBALI BANK LIMITED - RECONCILIATION BETWEEN BANGLADESH BANK STATEMENT AND BANK'S BOOK

as at 31 December 2022

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	22,232,707,883.98	21,677,628,849.55	555,079,034.43
Bangladesh Bank, Dhaka (AI -Wadeeah current account)	368,386,706.69	368,386,706.69	-
Bangladesh Bank, Chattogram	51,038,275.33	51,038,275.33	-
Bangladesh Bank, Sylhet	1,057,945.19	1,025,545.19	32,400.00
Bangladesh Bank, Barisal	272,821.62	269,371.62	3,450.00
Bangladesh Bank, Khulna	647,678.35	647,678.35	-
Bangladesh Bank, Bogura	35,007,272.68	34,934,300.36	72,972.32
Bangladesh Bank, Rajshahi	286,112.98	286,112.98	-
Bangladesh Bank, Rangpur	8,747,474.05	8,744,158.05	3,316.00
Total	22,698,152,170.87	22,142,960,998.12	555,191,172.75

Amount credited by Bank but not debited by Bangladesh Bank
 Amount debited by Bank but not credited by Bangladesh Bank
 Amount credited by Bangladesh Bank but not debited by us
 Amount debited by Bangladesh Bank but not credited by us

40,110,239.00
(6,619,931.16)
1,057,408,456.31
(535,707,591.40)
555,191,172.75

Foreign Currency	As per Bangladesh Bank statement	As per Bank's General ledger		Reconciling Difference
	USD	USD	BDT	USD
USD Clearing Account	7,230,236.49	7,760,581.86	801,644,824.39	(530,345.37)
Total	7,230,236.49	7,760,581.86	801,644,824.39	(530,345.37)

Amount credited by Bank but not debited by Bangladesh Bank
 Amount debited by Bank but not credited by Bangladesh Bank
 Amount credited by Bangladesh Bank but not debited by us
 Amount debited by Bangladesh Bank but not credited by us

6,640,753.91
(7,675,329.21)
755,656.72
(251,426.79)
(530,345.37)

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	53,601.32	53,601.32	6,662,498.06	-

Foreign Currency	As per Bangladesh Bank statement	As per Bank's General ledger		Reconciling Difference
	EURO	EURO	BDT	EURO
EURO Clearing Account	45,613.02	8,780.02	963,180.53	36,833

Amount credited by Bank but not debited by Bangladesh Bank

36,833
36,833

PUBALI BANK LIMITED - ISLAMIC BANKING WINDOWS

Balance Sheet as at 31 December 2022

		Amount in BDT	
	NOTES	2022	2021
PROPERTY AND ASSETS			
Cash	1	393,343,151	256,496,953
Cash in hand (Including foreign currencies)		24,956,444	25,965,858
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)		368,386,707	230,531,095
Balance with Other Banks and Financial Institutions	2	22,584,963	222,106,471
In Bangladesh		22,584,963	222,106,471
Outside Bangladesh		-	-
Placement with Banks and Other Financial Institutions	3	-	-
Investments in Shares and Securities	4	873,680,700	1,163,691,000
Government		673,680,700	963,691,000
Others		200,000,000	200,000,000
Investments	5	12,216,663,481	5,419,625,652
General investments		11,812,739,147	5,416,121,682
Bills purchased & discounted		403,924,334	3,503,970
Fixed Assets including Premises, Furniture & Fixtures	6	11,304,539	14,069,778
Other Assets	7	969,720,780	1,179,909,051
Non-banking Assets		-	-
Total Assets		14,487,297,614	8,255,898,905
LIABILITIES AND CAPITAL			
Liabilities			
Placement with other Banks, Financial institutions & Agents	8	3,820,880	19,104,398
Deposits and Other Accounts	9	13,566,176,674	7,648,899,039
Al-Wadia current deposit		665,781,141	562,633,361
Bills payable		127,693,304	122,132,685
Mudaraba savings bank deposit		567,068,884	373,715,866
Mudaraba term deposits		11,832,557,875	6,456,333,286
Other deposits		373,075,470	134,083,841
Other Liabilities	10	536,521,282	520,099,446
Total Liabilities		14,106,518,836	8,188,102,883
Capital / Shareholders' Equity			
Paid up capital		-	-
Statutory reserve		-	-
Retained surplus (general reserve)		-	-
Revaluation gain/(Loss) on investment		-	-
Other reserves		-	-
Profit and loss account surplus		380,778,778	67,796,022
Total Shareholders' Equity		380,778,778	67,796,022
Total Liabilities and Shareholders' Equity		14,487,297,614	8,255,898,905
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances & Endorsements		1,362,552,122	-
Letters of guarantee		902,894,242	734,621,249
Irrevocable letters of credit		4,155,089,348	-
Bills for collection		-	-
Other contingent liabilities		-	-
Total Contingent liabilities		6,420,535,712	734,621,249
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		6,420,535,712	734,621,249

PUBALI BANK LIMITED - ISLAMIC BANKING WINDOWS

Profit & Loss Account for the year ended 31 December 2022

		Amount in BDT	
	NOTES	2022	2021
OPERATING INCOME			
Investment Income	11	845,118,745	278,244,251
Less :Profit paid on deposits, borrowings, etc.	12	476,559,905	180,196,396
Net Investment Income		368,558,840	98,047,855
Income from investment in shares /securities	13	45,249,567	33,243,531
Commission, exchange and brokerage	14	70,529,579	21,190,166
Other operating income	15	8,671,137	6,912,233
Total Operating Income		493,009,123	159,393,785
Operating Expenses			
Salaries and allowances	16	92,635,693	75,281,265
Rent, taxes, insurance, electricity, etc.	17	2,126,985	1,981,480
Legal expenses	18	7,000	16,980
Postage, stamp, telecommunication, etc.	19	207,928	157,477
Stationery, printing, advertisements, etc.	20	1,498,720	834,341
Depreciation repair and maintenance of fixed assets	21	7,589,892	5,939,635
Other expenses	22	8,164,127	7,386,585
Total Operating Expenses		112,230,345	91,597,763
Total Profit/(Loss) before Provision		380,778,778	67,796,022
Provision for Loans, Advances, Investments and Other Assets			
Provision for bad debt offsetting for Islamic Banking		22,067,376	7,352,546
Provision for exposure of off-balance sheet items		64,205,357	7,347,000
Total Provision		86,272,733	14,699,546
Total Profit/(Loss) before Taxes		294,506,045	53,096,476
Provision for current tax		142,792,042	25,423,508
Provision for deferred tax		-	-
Total Provision for Taxes		142,792,042	25,423,508
Net Profit/(Loss) after Taxes		151,714,003	27,672,968

PUBALI BANK LIMITED - ISLAMIC BANKING WINDOWS

Cash Flow Statement for the year ended 31 December 2022

		Amount in BDT	
	NOTES	2022	2021
a Cash Flows from Operating Activities			
Investment income in cash		853,543,015	324,371,930
Profit paid		(476,559,905)	(180,196,396)
Fees and commission receipts		70,529,579	21,190,166
Cash payment to employees		(92,635,693)	(75,281,265)
Cash payment to suppliers		(1,706,648)	(991,818)
Receipts from other operating activities	15	8,671,137	6,912,233
Cash payments for other operating activities	23	(13,227,346)	(10,821,446)
Operating Profit before Changes in Operating Assets & Liabilities		348,614,139	85,183,404
Increase/ (Decrease) in Operating Assets and Liabilities			
Statutory deposits		290,000,000	(697,280,000)
Investment to customers (other than banks)		(6,797,037,829)	(2,712,607,293)
Other assets	24	247,013,568	(1,164,671,088)
Deposits to/from other banks		(15,283,518)	(6,686,539)
Deposits from customers (other than banks)		5,917,277,635	3,417,234,415
Other liabilities account of customers		(51,374,186)	32,814,719
Total Increase/(decrease) in operating assets and liabilities		(409,404,330)	(1,131,195,786)
Net Cash from/(used in) Operating Activities		(60,790,191)	(1,046,012,382)
b Cash Flows from Investing Activities			
Purchase /Sale of property, plant & equipment		(1,895,419)	(1,629,901)
Net Cash from/(used in) Investing Activities		(1,895,419)	(1,629,901)
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)		(62,685,610)	(1,047,642,283)
e Cash and Cash equivalents at beginning of the period		478,614,424	1,526,256,707
f Cash and Cash equivalents at end of the period (d+e)	25	415,928,814	478,614,424

PUBALI BANK LIMITED - ISLAMIC BANKING WINDOWS

Notes to the financial statements for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
1	Cash		
1.1	Cash In hand (Including foreign currencies)		
	In local currency	24,956,444	25,965,858
	In foreign currencies	-	-
		24,956,444	25,965,858
1.2	Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)		
	Bangladesh Bank		
	In local currency	368,386,707	230,531,095
	In foreign currencies	-	-
		368,386,707	230,531,095
	Sonali Bank as agent of Bangladesh Bank		
	In local currency	-	-
		368,386,707	230,531,095
		393,343,151	256,496,953
1.3	Cash Reserve Ratio and Statutory Liquidity Ratio		
	Cash Reserve Ratio and Statutory Liquidity Ratio have been calculated and maintained in accordance with the section 33 of Bank Companies Act 1991, MPD circular no. 1,2 dated 03 April 2018, DOS circular no. 01 dated 19 January 2014 and MPD circular 01 dated 09 April 2020 respectively.		
	The Cash Reserve Ratio (CRR) required on the Bank's time and demand liabilities at the rate of 4.00% has been calculated and maintained with Bangladesh Bank through the current account and 5.50% Statutory Liquidity Ratio (SLR), on the same liabilities has also been maintained in the form of Treasury bills and bonds including excess balances of CRR with Bangladesh Bank. Both the reserves maintained by the Bank are in excess of the statutory requirements as shown below:		
1.3.1	Cash Reserve Ratio (CRR)		
	Required Reserve (4.00%)	305,786,000	205,962,000
	Actual Reserve maintained	368,386,706	230,531,092
	Surplus	62,600,706	24,569,092
1.3.2	Statutory Liquidity Ratio (SLR)		
	Required Reserve (5.50%)	420,455,000	283,198,000
	Actual Reserve maintained	761,237,150	1,014,214,950
	Surplus	340,782,150	731,016,950
	Held for Statutory Liquidity Ratio (SLR)		
	Cash in Hand	24,956,444	25,965,858
	Excess Cash Reserve	62,600,706	24,569,092
	Government Securities (HTM)	-	290,000,000
	Other Eligible Securities	673,680,000	673,680,000
		761,237,150	1,014,214,950
1.3.3	Total required amount of CRR and SLR		
	Total required reserve (9.50%)	726,241,000	489,160,000
	Total actual reserve maintained	1,067,023,150	1,220,176,950
	Total Surplus	340,782,150	731,016,950
2	Balance with other banks and financial institutions		
	In Bangladesh (Note 2.1)	22,584,963	222,106,471
	Outside Bangladesh	-	-
		22,584,963	222,106,471
2.1	In Bangladesh		
	In Mudaraba fixed/term deposit account (in local currency)		
	EXIM Bank Ltd, Gulshan Branch, Dhaka and Narayangonj Branch, Narayangonj	-	-
	Social Islami Bank Limited	-	200,000,000
		-	200,000,000
	In Mudaraba Savings deposit account		
	Islami Bank Bangladesh Limited, Foreign Exchange Branch, Dhaka	15,309,880	14,973,791
		15,309,880	14,973,791
	In Mudaraba Special Notice Deposit account		
	First Security Islami Bank Ltd., Dilkusha Branch, Dhaka	6,737,107	6,601,795
	AB Bank Limited, Islamic Banking Branch, Dhaka	537,976	530,885
		7,275,083	7,132,680
		22,584,963	222,106,471

PUBALI BANK LIMITED - ISLAMIC BANKING WINDOWS

Notes to the financial statements for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
2.2	Maturity grouping of balance with other banks and financial institutions		
	Payable on demand	22,584,963	22,106,471
	Up to 3 months	-	200,000,000
	Over 3 months but not more than 1 year	-	-
		22,584,963	222,106,471
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	-	290,000,000
	National prize bonds	700	11,000
	Total investment in Investments in Shares and Securities	673,680,700	963,691,000
	Other investments		
	Al-Arafah Islami Bank Limited Bond	200,000,000	200,000,000
		200,000,000	200,000,000
		873,680,700	1,163,691,000
4.1	Maturity grouping of Investments in Shares and Securities		
	Repayable on demand	700	11,000
	Upto 3 months	-	178,000,000
	Over 3 months but not more than 1 year	40,000,000	112,000,000
	Over 1 year but not more than 5 years	833,680,000	833,680,000
	Over 5 years	-	40,000,000
		873,680,700	1,163,691,000
5	Investments		
	General Investments (Note 5.1)	11,812,739,147	5,416,121,682
	Bills purchased and discounted (Note 5.2)	403,924,334	3,503,970
		12,216,663,481	5,419,625,652
5.1	General Investments		
	Inside Bangladesh:		
	Quard	8,900,000	118,593,740
	Quard against MDPA	606,950	767,300
	Quard against E-GP	35,850,161	20,912,294
	Quard against MPBSD & TBSD	1,405,350	2,200,750
	Bai Muazzal	7,685,426,907	3,558,007,999
	Bai Istisna	76,573,202	25,537,318
	Pubali Star	88,032,018	33,055,131
	Murabaha Post Import (TR)	557,278,032	318,493,128
	Hire Purchase Shirkatul Melk	3,307,551,552	1,305,820,663
	Pubali Islamic Staff House Building	51,114,975	32,733,359
		11,812,739,147	5,416,121,682
	Outside Bangladesh	-	-
		11,812,739,147	5,416,121,682
5.1.1	Maturity grouping of General Investment		
	Repayable on demand	62,623,883	264,195,839
	Upto 3 months	839,009,965	305,862,250
	Over 3 months but not more than 1 year	7,606,463,310	3,614,141,043
	Over 1 year but not more than 5 years	2,068,789,772	537,208,535
	Over 5 years	1,235,852,217	694,714,015
		11,812,739,147	5,416,121,682
5.2	Bills purchased and discounted		
	Payable in Bangladesh		
	Loans against accepted bills	400,612,574	3,503,970
	Loans against demand draft purchased	-	-
		400,612,574	3,503,970
	Payable outside Bangladesh		
	Foreign bills purchased	3,311,760	-
	Foreign drafts purchased	-	-
		3,311,760	-
		403,924,334	3,503,970

PUBALI BANK LIMITED - ISLAMIC BANKING WINDOWS

Notes to the financial statements for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
5.2.1	Maturity grouping of bills purchased and discounted		
	Receivable on demand	3,071,093	-
	Not more than 3 months	304,595,840	-
	Over 3 months but not more than 1 year	96,257,401	3,503,970
	Over 1 year but not more than 5 years	-	-
	6 months or more	-	-
		403,924,334	3,503,970
5.3	Geographical location-wise distribution of Investments including bills purchased and discounted		
	In Bangladesh-Urban		
	Dhaka	8,105,751,690	4,530,686,289
	Chattogram	238,278,452	132,409,919
	Sylhet	370,317,156	284,335,290
	Barisal	117,316,700	89,620,530
	Khulna	1,105,577,243	236,789,333
	Rajshahi	123,287,709	94,093,050
	Rangpur	81,490,846	15,485,374
	Mymensingh	118,640,051	36,205,867
		10,260,659,847	5,419,625,652
	Rural	1,952,691,874	-
	Outside Bangladesh (Foreign bills/drafts purchased)	3,311,760	-
		12,216,663,481	5,419,625,652
5.4	Sector-wise Investments including bills purchased and discounted		
	Public sector	-	-
	Private sector	12,216,663,481	5,419,625,652
	Co-operative sector	-	-
		12,216,663,481	5,419,625,652
5.5	Security base-wise Investments including bills purchased and discounted		
	Collateral of movable and immovable properties	7,736,015,427	3,935,866,217
	Export documents	125,723,418	2,742,970
	Fixed deposit receipts (FDR) of own Bank	128,375,263	166,954,540
	Corporate guarantee	190,699,213	1,108,178,982
	Personal guarantee	4,035,850,160	205,882,943
		12,216,663,481	5,419,625,652
5.6	Classification of Investments including bills purchased and discounted		
	Unclassified:		
	Standard	12,142,592,221	5,378,550,913
	Special mention account (SMA)	19,660,423	-
		12,162,252,644	5,378,550,913
	Classified:		
	Sub-standard (SS)	-	4,260,300
	Doubtful (DF)	-	-
	Bad or loss (BL)	153,542	1,785,110
		153,542	6,045,410
	Staff loan	54,257,295	35,029,329
		12,216,663,481	5,419,625,652

PUBALI BANK LIMITED - ISLAMIC BANKING WINDOWS

Notes to the financial statements for the year ended 31 December 2022

			Amount in BDT		
			2022	2021	
5.7	Particulars of required provision for Investments				
	Status of Classification	Base for Provision	Rate of Provision (%)		
	General provision - Unclassified				
	Standard (others)	6,508,276,419	1	65,082,764	32,722,295
	Standard (SMEF)	4,822,590,211	0.25	12,056,476	3,916,378
	Standard (Short Term Agri & Micro credit)	9,153,809	1	91,538	-
	Standard (Consumer Loan Scheme)	800,953,117	2	16,019,062	6,998,332
	Standard (Loan for Professional to setup business)	-	2	-	3,797,074
	Housing Finance	-	1	-	-
	Special mention account (SMEF)	534,100	0.25	1,335	-
	Special mention account (Others)	19,126,323	1	191,263	-
				93,442,438	47,434,079
	Specific provision - Classified				
	Sub-standard (SS)		20	-	852,060
	Doubtful (DF)	-	50	-	-
	Bad/Loss (BL)	230,931	100	230,931	267,766
				230,931	1,119,826
	Required provision			93,673,369	48,553,905
	Provision maintained by Head Office			93,673,369	48,553,905
	Excess provision			-	-
5.8	Particulars of Investment				
	i.	Investments considered good in respect of which the bank is fully secured.		7,864,390,690	4,102,820,757
	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.		4,315,717,881	1,280,249,985
	iv.	Investments adversely classified; provision not maintained there against		-	-
				12,216,663,482	5,419,625,653
	v.	Investments due by directors or officers of the bank or any of them either severally or jointly with any other persons		54,257,295	35,029,329
	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.		54,257,295	35,029,329
	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.		-	-

PUBALI BANK LIMITED - ISLAMIC BANKING WINDOWS

Notes to the financial statements for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
ix.	Investments due from banking companies	-	-
x.	Classified Investments for which interest / profit not credited to income	-	-
a)	Increase / decrease of provision (specific)	230,931	1,119,826
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	267,766
e)	Amount of interest credited in suspense account	-	-
xi.	Cumulative amount of written off Investments		
	Opening Balance	-	-
	Amount of debt written off for the current year	-	-
		-	-
xii.	Amount of written off loans for which case has been filed for recovery	-	-
5.9	Hire Purchase Shirkatul Melk		
	Lease rental receivable within 1 year	588,390,550	136,935,942
	Lease rental receivable within 5 years	2,448,518,496	297,243,578
	Lease rental receivable after 5 years	334,062,697	898,772,628
	Total lease rental receivable	3,370,971,743	1,332,952,148
	Less : Un-earned Income receivable	63,420,191	27,131,485
	Net Lease finance	3,307,551,552	1,305,820,663
6	Fixed Assets including premises, furniture & Fixture Cost		
	Machinery and equipment	9,404,579	8,451,440
	Computer & Computer Accessories	8,567,267	7,523,282
	Furniture and fixtures	7,808,847	7,891,820
		25,780,693	23,866,542
	Less: Accumulated Depreciation	14,476,154	9,796,764
	Net book value at the end of the year	11,304,539	14,069,778
7	Other Assets		
	Accrued income on Investments	42,838,000	6,012,703
	Prepaid expenses	150,450	-
	Income Tax advance A/C	3,801,921	6,333,309
	Stationery and stamps	716,244	550,938
	Suspense account	104,783	156,500
	Pubali bank adjustment a/c	240,840,658	1,166,855,601
	Items in transit	681,268,724	-
		969,720,780	1,179,909,051
8	Placement with other Banks, Financial Institutions and Agents		
	In Bangladesh		
	Borrowing from Bangladesh Bank	3,820,880	19,104,398
	Outside Bangladesh	-	-
		3,820,880	19,104,398
9	Deposits and other accounts		
	Inter-bank deposits	4,659,757,541	1,818,044,529
	Other deposits	8,906,419,133	5,830,854,510
		13,566,176,674	7,648,899,039
9.1	Details of deposits and other Accounts		
	Current deposits and other accounts :		
	Al-Wadia Current Deposit	665,781,141	562,633,361
		665,781,141	562,633,361
	Bills payable (note 9.1.1)	127,693,304	122,132,685
	Mudaraba Savings Bank Deposit	567,068,884	373,715,866

PUBALI BANK LIMITED - ISLAMIC BANKING WINDOWS

Notes to the financial statements for the year ended 31 December 2022

Amount in BDT

	2022	2021
Term deposits :		
Mudaraba Fixed deposits	9,399,758,478	3,596,559,091
Mudaraba Monthly Term deposit	207,498,650	110,827,400
Mudaraba Profit Basd Small deposit	17,603,579	6,281,570
Mudaraba Short Notice Deposits	1,708,049,789	2,348,565,606
Profit Receivable on Investment	857,717	3,350
Target Based Small Deposit	296,630,728	251,820,572
Mudaraba Deposit Pension Scheme	184,870,725	129,534,487
Mudaraba Marriage / Muhar Deposit	862,064	801,068
Mudaraba Hajj Savings	15,852,959	11,724,360
Shikhya sanchay prokalpa	573,186	215,782
	11,832,557,875	6,456,333,286
Other deposits	373,075,470	134,083,841
	13,566,176,674	7,648,899,039
9.1.1 Bills Payable		
Payment orders issued	127,693,304	122,132,685
	127,693,304	122,132,685
9.2 Maturity analysis of Inter-bank deposits		
Payable on demand	1,200,553,685	1,818,044,529
Payable within 1 month	-	-
Over 1 month but within 6 months	3,459,203,856	-
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years and above	-	-
	4,659,757,541	1,818,044,529
9.3 Maturity analysis of other deposits		
Payable on demand	1,787,759,958	1,452,195,956
Payable within 1 month	1,090,982,343	157,379,413
Over 1 month but within 6 months	3,320,891,089	2,815,571,867
Over 6 months but within 1 year	1,359,455,581	588,416,997
Over 1 year but within 5 years	723,994,707	541,067,633
Over 5 years and above	623,335,455	276,222,644
	8,906,419,133	5,830,854,510
10 Other Liabilities		
Unpaid Expenses A/C	3,013	6,902
Item in Transit (Cr. Balance)	-	267,631,661
Card Transaction Fee (Inter Bank)	2,355	1,860
Unearned interest income	456,643,733	208,855,747
Sadaqad Fund	24,032,214	23,450,298
Compensation Realised Account	12,291,999	9,297,163
Compensation Realizable Account	43,547,968	10,855,815
	536,521,282	520,099,446
11 Investment income		
Bai Muazzal	418,956,164	199,755,255
Bai Murabaha	641,712	537,787
Pubali Star	3,578,579	111,114
Murabaha Post Import (TR)	37,481,958	2,273,962
Hire Purchase Shirkatul Melk	170,730,221	43,409,613
Bai ISTISNA	1,188,484	1,852,610
Inland Bill Purchased	1,352,809	215,763
Murabaha (EDF)	44,795,479	-
Quard Against E-GP	2,961,012	1,791,826
Head office Account (PBG)	151,795,591	-
Export Bill Discounting (EBD)	32,531	-
Other Bank	11,604,205	28,296,321
	845,118,745	278,244,251
12 Profit paid on deposits, borrowings, etc.		
Mudaraba Term Deposits	324,781,847	131,510,535
Mudaraba Special Notice Deposits	37,131,204	16,723,625
Mudaraba Hajj Savings	768,035	480,159
Mudaraba Savings Bank deposit	5,783,944	4,567,502
Mudaraba Deposit Pension Scheme	6,770,273	5,092,665
Mudaraba Monthly Profit deposit	8,611,098	3,835,341
Mudaraba Mohor Scheme	27,916	40,860
Mudaraba Shiksha Sanchay	23,878	5,589

PUBALI BANK LIMITED - ISLAMIC BANKING WINDOWS

Notes to the financial statements for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
	Mudaraba Swapno Puron	13,929,422	11,215,221
	Head office Accounts (PBG)	77,797,377	-
	Mudaraba Swadhin Sanchay	513,213	182,170
	POIBS Profit Paid	421,698	-
	Govt. Bond	-	6,542,729
		476,559,905	180,196,396
13	Income from investment in shares /securities		
	Govt. Bond	30,745,250	18,625,524
	Other Bond	14,504,317	14,618,007
		45,249,567	33,243,531
14	Commission, exchange and brokerage		
	SC, LSC, DD, TT, MT and PO	322,366	252,698
	Foreign L/C	35,558,614	11,227,670
	Local L/C	3,966,741	1,721,353
	Local Guarantee	7,523,335	1,610,713
	Other transactions	944,823	404,844
	Stationery Articles	132,000	25,626
	Miscellaneous handling commission	20,541,504	5,924,398
	Total commission	68,989,383	21,167,302
	Exchange	1,540,196	22,864
		70,529,579	21,190,166
15	Other operating income		
	Miscellaneous income	532,696	2,426,630
	Service charge	916,393	536,490
	CIB service charge	228,800	187,720
	Online service charge	2,379,290	1,851,220
	Account maintenance fee	1,852,846	1,210,665
	SMS service charge	662,542	478,870
	Processing Fee	129,500	47,000
	Swift Income-Import/others	1,696,472	57,638
	Card fees and charges	272,400	116,000
	Sale of Bank's property	198.00	-
		8,671,137	6,912,233
16	Salary and allowances		
	Basic salary	41,754,751	34,073,581
	House rent allowances	25,181,592	20,672,348
	Medical allowances	5,196,859	4,294,523
	House maintenance	4,334,852	3,743,748
	Other allowances	3,714,477	3,450,527
	Contributory provident fund	4,012,642	3,388,638
	Bonus to employees	8,440,520	5,657,900
		92,635,693	75,281,265
17	Rent, taxes, insurance, electricity, etc.		
	Electric fittings and fixtures	100,395	28,794
	Bank premises	1,383,160	1,409,056
	Rates and taxes	5,384.00	-
	Insurance	21,039	38,744
	Lighting	617,007	504,886
		2,126,985	1,981,480
18	Legal Expenses		
	Lawyer Charges	7,000	-
	Court fees and other expenses	-	16,980
		7,000	16,980
19	Postage, stamp, telecommunication, etc.		
	Postage	31,699	13,997
	Stamps	2,900	-
	Telephone	173,329	143,480
		207,928	157,477
20	Stationery, printing, advertisement, etc.		
	Table stationery	323,593	241,741
	Computer Stationery	410,884	269,745
	Consumption of books and forms	752,642	304,585
	Printing and Stationery	11,601	12,270
	Advertisement	-	6,000
		1,498,720	834,341

PUBALI BANK LIMITED - ISLAMIC BANKING WINDOWS

Notes to the financial statements for the year ended 31 December 2022

Amount in BDT

	2022	2021
21 Depreciation repair and maintenance of fixed assets		
Repairs to fixed assets	253,643	221,213
Depreciation on fixed assets	4,660,658	4,503,234
Maintenance of Bank Premises	680,591	441,108
Maintenance of assets -Wages	1,995,000	774,080
	7,589,892	5,939,635
22 Other expenses		
Newspapers	31,349	20,850
Renovation under Construction Works	-	250
Travelling	565,874	98,545
Sub-ordinate staff clothing	32,286	42,994
Conveyance	234,864	1,455,095
Entertainment	220,347	177,480
Carrying Expenses	2,070	3,377
Employees recreation (Lunch subsidy)	4,009,124	3,497,747
Promotional expenses	90,150	-
Security and Auxiliary Service	1,655,471	1,178,199
Gun license fees	23,250	-
Petrol consumption	109,437	55,250
Shifting expenses	-	23,287
Photocopy	-	430
Loss On Sale of Bank's property	195,533	-
Chemicals for Office equipments	1,345	-
Car allowance	480,000	210,000
Miscellaneous	513,027	623,081
	8,164,127	7,386,585
23 Cash payments for other operating activities		
Rent, tax, Insurance, Lighting etc.	2,126,985	1,981,480
Legal expenses	7,000	16,980
Repairing Expenses	2,929,234	1,436,401
Other Expenses	8,164,127	7,386,585
	13,227,346	10,821,446
24 Increase/(decrease) of other assets		
Closing other Assets		
Stationery and Stamps	716,244	550,938
Pubali Bank Adjustment A/C	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
Opening other Assets		
Stationery and Stamps	550,938	421,306
Pubali Bank Adjustment	1,166,855,601	-
Income Tax advance A/C	6,333,309	8,802,474
Suspense account	156,500	1,480
	1,173,896,348	9,225,260
	247,013,568	(1,164,671,088)
25 Cash and cash equivalents at the end of the year		
Cash in hand (including foreign currencies)	24,956,444	25,965,858
Balance with Bangladesh Bank and its agent bank(s)	368,386,707	230,531,095
Balance with other banks and financial institutes	22,584,963	222,106,471
Prize bonds	700	11,000
	415,928,814	478,614,424

PUBALI BANK LIMITED - OFF-SHORE BANKING UNIT

Balance Sheet as at 31 December 2022

NOTES	2022		2021
	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	11,090,324.82	1,145,597,283
In Bangladesh	-	-	1,721,977,520
Outside Bangladesh	11,090,324.82	1,145,597,283	408,667,201
Loans, Advances and Leases	5	366,459,453.25	37,854,162,142
Loans, cash credits and overdrafts, etc.	8,603,303.50	888,695,442	1,218,766,511
Bills purchased and discounted	357,856,149.75	36,965,466,700	26,738,871,980
Fixed Assets including premises, furniture & fixtures	6	-	-
Other Assets	7	114,750.00	11,853,331
Non-banking Assets	-	-	-
Total Assets		377,664,528.07	39,011,612,756
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions & Agents	8	368,496,637.53	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	4,877,807.99	503,862,932
Total Liabilities		373,374,445.52	38,568,460,099
Capital / Shareholders' Equity			
Paid up Capital	-	-	-
Statutory Reserve	-	-	-
Retained earnings	-	-	-
Foreign currency translation reserves	-	32,181,625	2,223,951
Profit and Loss account surplus	4,290,082.55	410,971,032	266,038,314
Total Shareholders' Equity		4,290,082.55	443,152,657
Total Liabilities and Shareholders' Equity		377,664,528.07	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 LIMITED - OFF-SHORE BANKING UNIT

Profit & Loss Account for the year ended 31 December 2022

	NOTES	2022		2021
		USD	BDT	BDT
Operating Income				
Interest income	11	20,074,294.83	1,923,029,118	874,597,816
Interest paid on deposits, borrowings etc.	12	(15,803,070.09)	(1,513,864,581)	(574,753,606)
Net Interest Income		4,271,224.74	409,164,537	299,844,210
Commission, exchange and brokerage		-	-	-
Other operating income	13	565,469.36	54,169,476	27,558,006
Total Operating Income		4,836,694.10	463,334,013	327,402,216
Operating Expenses				
Salaries and allowances	14	153,349.09	14,690,169	10,604,322
Rent, taxes, insurance, electricity etc.		-	-	-
Legal expenses		-	-	-
Postage, stamp, telecommunication etc.	15	-	-	2,810
Stationery, printing, advertisements etc.	16	2,148.72	205,838	210,053
Auditors' fees		-	-	-
Charges on loan losses		-	-	-
Depreciation and repair of bank's assets		-	-	-
Other expenses	17	391,113.74	37,466,974	50,546,717
Total Operating Expenses		546,611.55	52,362,981	61,363,902
Profit/(Loss) before Provision		4,290,082.55	410,971,032	266,038,314
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		4,290,082.55	410,971,032	266,038,314
Provision for current tax		-	-	-
Provision for deferred tax		-	-	-
Total Provision for taxes		-	-	-
Net Profit/(loss) after Taxation		4,290,082.55	410,971,032	266,038,314

PUBALI BANK LIMITED - OFF-SHORE BANKING UNIT

Cash Flow Statement for the year ended 31 December 2022

NOTES	2022		2021
	USD	BDT	BDT
A) Cash flows from operating activities			
Interest receipts in cash	20,074,294.83	1,923,029,118	874,597,816
Interest payments	(11,836,232.53)	(1,133,858,997)	(523,033,009)
Receipts from other operating activities	565,469.35	54,169,476	27,558,006
Cash payments for other operating activities	(546,611.55)	(52,362,981)	(61,363,902)
Operating profit before changes in operating assets & liabilities	8,256,920.11	790,976,616	317,758,911
Increase/ (Decrease) in operating assets and liabilities			
Loans and advances to customers (other than banks)	(95,806,496.33)	(9,896,523,651)	(11,256,926,168)
Other assets	79,139.46	8,174,869	33,842,242
Other liabilities	-	-	(2,639,680)
Total Increase/(decrease) in operating assets and liabilities	(95,727,356.86)	(9,888,348,782)	(11,225,723,606)
Net cash from /(used in) operating activities	(87,470,436.76)	(9,097,372,166)	(10,907,964,695)
B) Cash flows from investing activities	-	-	-
C) Cash flows from financing activities			
Borrowings from other Banks, Financial Institutions & Agents.	80,819,436.85	8,348,405,368	12,837,598,168
Profit transferred to Central Operation.	(7,091,364.32)	(268,262,265)	(186,021,440)
	73,728,072.52	8,080,143,103	12,651,576,728
D) Net increase/(decrease) in cash and cash equivalents (a+b+c)	(13,742,364.23)	(1,017,229,063)	1,743,612,033
E) Effects of exchange rate changes on cash and cash equivalents	-	32,181,625	2,223,951
F) Cash and cash equivalents at beginning of the period	24,832,689.05	2,130,644,721	384,808,737
G) Cash and cash equivalents at end of the period (D+E+F)	11,090,324.82	1,145,597,283	2,130,644,721

PUBALI BANK LIMITED - OFF-SHORE BANKING UNIT

Notes to the financial statement for the year ended 31 December 2022

	2022		2021
	USD	BDT	BDT
4 Balance with other banks and financial institutions			
In Bangladesh (Note 4.1)	-	-	1,721,977,520
Outside Bangladesh (Note 4.2)	11,090,324.82	1,145,597,283	408,667,201
	11,090,324.82	1,145,597,283	2,130,644,721
4.1 In fixed/term deposit account (in local currency)			
Finance to other Financial Institute	-	-	1,721,977,520
Finance to Pubali Bank Limited	-	-	-
	-	-	1,721,977,520
4.2 Outside Bangladesh			
Current A/C (Nostro)			
Mashreq Bank NY, USD	11,086,477.77	1,145,199,894	404,556,837
Mashreq Bank Mumbai, India-ACUD	3,847.05	397,389	4,110,364
	11,090,324.82	1,145,597,283	408,667,201
5 Loans, advances and leases			
Loans, cash credits and overdrafts, etc. (note 5.1)	8,603,303.50	888,695,442	1,218,766,511
Bills purchased and discounted (note 5.2)	357,856,149.75	36,965,466,700	26,738,871,980
	366,459,453.25	37,854,162,142	27,957,638,491
5.1 Loans, cash credits, overdrafts, etc.			
In Bangladesh			
Loans	8,603,303.50	888,695,442	1,218,766,511
Cash credits	-	-	-
Overdrafts	-	-	-
	8,603,303.50	888,695,442	1,218,766,511
Outside Bangladesh			
	-	-	-
	-	-	-
	8,603,303.50	888,695,442	1,218,766,511
5.2 Bills purchased and discounted			
Payable in Bangladesh			
Export Bill Discounting	46,731,347.70	4,827,208,023	3,329,489,378
Loans against demand draft purchased	-	-	-
	46,731,347.70	4,827,208,023	3,329,489,378
Payable outside Bangladesh			
Discounting -UPAS	311,124,802.05	32,138,258,677	23,409,382,602
Foreign drafts purchased	-	-	-
	311,124,802.05	32,138,258,677	23,409,382,602
	357,856,149.75	36,965,466,700	26,738,871,980
5.3 Classification of investments including bills purchased and discounted			
Unclassified			
Standard		37,802,174,269	27,922,259,356
Special mention account (SMA)		51,987,873	35,379,135
		37,854,162,142	27,957,638,491
Classified			
Substandard (SS)		-	-
Doubtful (DF)		-	-
Bad or loss (BL)		-	-
Staff loan		-	-
		37,854,162,142	27,957,638,491

PUBALI BANK LIMITED - OFF-SHORE BANKING UNIT

Notes to the financial statement for the year ended 31 December 2022

	2022		2021
	USD	BDT	BDT
11 Interest income			
Interest on EBD	2,175,181.33	208,372,801	72,083,488
Interest on UPAS Bill	16,765,550.38	1,606,065,958	716,433,709
Interest on Term loan	630,541.08	60,403,061	46,409,918
Interest on Finance to other financial Institution	503,022.04	48,187,298	39,670,701
	20,074,294.83	1,923,029,118	874,597,816
12 Interest paid on deposits, borrowings, etc.			
Interest on Borrowings from Parent Bank	2,799,235.59	268,154,453	158,155,321
Interest on Borrowings from other banks & Financial Institutions	13,003,834.50	1,245,710,128	416,598,285
	15,803,070.09	1,513,864,581	574,753,606
13 Other operating income			
Rebate received from Nostro A/C	96,555.00	9,249,544	6,498,553
Reimbursement fee received	231,208.00	22,148,709	20,832,517
AIP received from Nostro A/C	237,706.36	22,771,223	226,936
	565,469.36	54,169,476	27,558,006
14 Salaries and allowances			
Basic salary	76,971.09	7,373,492	4,911,927
House rent allowances	41,292.25	3,955,616	2,840,344
Medical allowances	7,190.39	688,808	532,712
Other allowances	3,748.80	359,119	275,139
House maintenance	8,517.91	815,978	650,658
Leave fare Assistance	-	-	24,080
Contributory provident fund	6,882.06	659,271	477,670
Bonus to employees	8,746.59	837,885	891,792
	153,349.09	14,690,169	10,604,322
15 Postage, stamp, telecommunication, etc.			
Telephone	-	-	2,810
	-	-	2,810
16 Stationery, printing, advertisements, etc.			
Table Stationery	2,123.17	203,390	204,032
Computer Stationery	25.55	2,448	6,021
	2,148.72	205,838	210,053
17 Other expenses			
Bank charges of Nostro A/C (Mashreq Bank)	31,378.50	3,005,922	1,888,385
Foreign Currency translation loss	-	0	-
Newspaper	27.81	2,664	2,862
Entertainment	-	-	16,055
Conveyance	-	-	99,394
Professional Fees and Expenses	355,025.41	34,009,872	48,216,107
Repairs to Machineries & Equipments	86.71	8,306	-
Employees recreation (Lunch subsidy)	4,555.60	436,406	323,914
Miscellaneous	39.71	3,804	-
	391,113.74	37,466,974	50,546,717



কে. এম. হাসান এন্ড কোং
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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 2022, 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 2022, 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 inconsistent with the financial statements or 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 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.

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.



Md. Shahidul Islam FCA

Partner

Enrollment No-1758

K. M. HASAN & CO.

Chartered Accountants

DVC: 2303071758AS213413

Place: Dhaka, Bangladesh

Date: 05 March 2023

PUBALI BANK SECURITIES LIMITED

Statement of Financial Position as at 31 December 2022

	NOTES	Amount in BDT	
		2022	2021
ASSETS			
Current Assets			
Cash and bank balances	3	1,576,440,374	1,947,268,210
Receivable from securities trading	4	103,547,414	87,775,364
Investment in securities (Own portfolio)	5	6,588,560,430	6,237,212,567
Receivable from other clients	6	867,878,533	781,062,717
Other assets	7	756,812	420,000
Advance income tax	8	380,395,128	347,931,908
Total current assets		9,517,578,691	9,401,670,766
Non-current assets			
Fixed assets	9	3,519,855	3,649,456
Value of investment in exchange (against membership value)	10	14,000,000	14,000,000
Investment in securities	11	158,356,943	43,602,847
Total non-current assets		175,876,798	61,252,303
Total Assets		9,693,455,489	9,462,923,069
EQUITY AND LIABILITIES			
Liabilities			
Current liabilities			
Payable to clients	12	254,633,094	412,778,538
Payable to exchanges	13	11,062,894	7,523,069
Other liabilities and provisions	14	2,167,608,375	2,108,704,928
Total current liabilities		2,433,304,363	2,529,006,535
Shareholders' equity			
Share capital	15	6,600,000,000	6,600,000,000
Retained earnings	16	660,151,126	333,916,534
Total Equity		7,260,151,126	6,933,916,534
Total Equity and Liabilities		9,693,455,489	9,462,923,069

These financial statements should be read in conjunction with annexed notes.

PUBALI BANK SECURITIES LIMITED

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2022

		Amount in BDT	
	NOTES	2022	2021
Operating income	17	530,865,719	594,115,603
Less: Operating expenses	18	9,232,731	10,300,549
Gross profit		521,632,988	583,815,054
Less: Administrative and general expenses	19	52,897,780	40,803,801
Operating profit		468,735,208	543,011,253
Add: Other income		-	-
Profit before provision and income tax		468,735,208	543,011,253
Less: Provision for diminution in value of investment	14.2	55,411,791	-
provision for impairment of clients' margin loan	14.4	-	-
Profit before income tax		413,323,417	543,011,253
Less: Provision for income tax			
Current tax	14.3	87,524,704	95,738,476
Deferred tax	14.1	(435,879)	51,853
Net profit after income tax		326,234,592	447,220,924
Add: Other comprehensive income		-	-
Total comprehensive income		326,234,592	447,220,924

.These financial statements should be read in conjunction with annexed notes.

PUBALI BANK SECURITIES LIMITED

Statement of Cash Flow for the year ended 31 December 2022

	Amount in BDT	
	2022	2021
A) Cash flows from operating activities		
Profit before provision and income tax	468,735,208	543,011,253
Add: Adjustment for non-cash items:		
Depreciation & amortization charged	1,334,305	1,085,393
Operating profit before changes in operating assets and liabilities	1,334,305	1,085,393
Increase/decrease in operating assets and liabilities		
(Increase)/ decrease in operating assets	(568,930,825)	180,783,909
Increase/ (decrease) in operating liabilities	(160,382,026)	(45,045,699)
Income tax paid	(110,379,794)	(72,488,947)
	(839,692,645)	63,249,263
Net cash from/(used in) operating activities	(369,623,132)	607,345,909
B) Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,204,704)	(556,995)
Disposal of property, plant and equipment	-	-
Net cash from/(used in) investing activities	(1,204,704)	(556,995)
C) Cash flows from financing activities		
Proceeds/(payments) from short term business liabilities	-	-
Proceeds/(payments) long term loan liabilities	-	-
Net cash flows from financing activities	-	-
D) Net increase/(decrease) in Cash and Cash equivalents (a+b+c)	(370,827,836)	606,788,914
E) Cash and cash equivalents at the beginning of the Year	1,947,268,210	1,340,479,296
F) Cash and cash equivalents at the end of the Year	1,576,440,374	1,947,268,210

PUBALI BANK SECURITIES LIMITED

Statement of Changes in Equity for the year ended 31 December 2022

Amount in BDT

PARTICULARS	SHARE CAPITAL	RETAINED EARNINGS	TOTAL
Balance as at 1 January, 2022	6,600,000,000	333,916,534	6,933,916,534
Net Profit after tax 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 the year ended 31 December 2021

PARTICULARS	SHARE CAPITAL	RETAINED EARNINGS	TOTAL
Balance as at 1 January, 2021	3,600,000,000	(113,304,390)	3,486,695,610
Conversion of Preference share to Ordinary share	3,000,000,000	-	3,000,000,000
Net Profit after tax for the year	-	447,220,924	447,220,924
Balance as at 31 December 2021	6,600,000,000	333,916,534	6,933,916,534

PUBALI BANK SECURITIES LIMITED

Notes to the financial statements for the year ended 31 December 2022

1 Status of the Company

Pubali Bank Securities Limited (PBSL) was incorporated on the 21st June 2010 under the Companies Act, 1994 as a public limited company. It is a subsidiary company of Pubali Bank Limited. Pubali Bank Limited holds all the shares of the company except for thirteen shares being held by thirteen individuals. The Company has been established as per Bangladesh Securities & Exchange Commission's (BSEC) Letter # SEC/Reg/DSE/MB/2009/444 dated 20.12.2009. The company started its operation with effect February 01, 2011. The Registered office of the company is situated at A-A Bhaban (7th floor), 23 Motijheel C/A, Dhaka-1000, Bangladesh.

The main objects of the company are to carry on the business of a stock broker and stock dealer house and to buy, sell, and deal in shares, stocks, debentures, bonds and other securities and to carry on any business as is permissible for a broker and dealer house duly licensed by the Bangladesh Securities & Exchange Commission (BSEC).

2 Significant accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared under the historical cost convention on a going concern basis and in accordance with International Financial Reporting Standards (IFRSs), The Companies Act-1994, Securities and Exchange Rules-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:

- Statement of Financial Position
- Statement of Profit or Loss and other Comprehensive Income
- Statement of Changes in Equity
- Statement of Cash Flow and
- Notes to the Financial Statements

2.5 Statement of cash flow

Statement of cash flow is prepared in accordance with the International Accounting Standard (IAS-7) "Statement of Cash Flow" under indirect method.

2.6 Reporting period

These financial statements cover period from 1 January 2022 to 31 December 2022.

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 Financial Reporting Standards IFRS (16): Lease and accordingly accounted for asset under appropriate head. However upon review of company's lease rental agreement, termination clause include a clause like "Both party can cancel the agreement with 3 (Three) months prior notice, which indicates that lease term is not more than 1 year. So company need not to include in Right of Use (ROU) assets".

PUBALI BANK SECURITIES LIMITED

Notes to the financial statements for the year ended 31 December 2022

2.10 Intangible assets and amortization of intangible assets

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably. System and software is amortized at the rate of 30% on the straight line basis.

Expenditure incurred for system and software are capitalized only when it enhances and extends the economic benefits of software beyond its original specification and life and such cost is recognized as capital improvement and added to the original cost of software.

2.11 Advance, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory, etc.

2.12 Advance income tax

The amount of advance income tax is mainly deduction at sources by DSE & CSE on daily transactions of broker & dealer operation. Tax deduction on interest income and dividend income are also included here.

2.13 Investments in securities

Investment in marketable and non-marketable ordinary shares has been shown at cost. Full provision for diminution in value of shares (Quoted) as on closing of the year on an aggregate portfolio basis has been made in the account.

2.14 Account receivables

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity.

2.15 Loans to customers

Loans to customers are stated in the balance sheet on gross basis. Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest on customer loans is realized quarterly.

2.16 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with banks and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Company management for its short-term commitments.

2.17 Provision for Tax

Current Tax

Provision for current tax is made in accordance with the provision of the Income Tax Ordinance, 1984 and subsequent amendments made thereto from time to time.

Deferred taxation

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the profit and loss account as per IAS-12 "Income Taxes".

2.18 Provision for liabilities

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the IAS-37 "Provisions, Contingent Liabilities and Contingent Assets".

2.19 Revenue Recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise and in accordance with the IFRS-15 "Revenue from Contracts with Customers":

a) Brokerage commission

Brokerage commission is recognized as income when selling or buying order is executed.

b) Interest income on margin loan

Interest Income from margin loan is recognized on accrual basis. Such income is calculated on daily margin loan balance of the respective parties. Income is recognized on monthly basis and applied to the customers' account on quarterly basis.

c) Dividend Income

Dividend income is recognized when right to receive payment is established.

d) Capital Gain on Sale of share

Capital gain on investments in shares is recognized when it is realized.

2.20 Provision against unrealized loss in shares purchased as dealer and Margin Loan

As per directive no. BSEC/SRI/NE/2020/605 dated 28 December 2022 of Bangladesh Securities and Exchange Commission, 20% provision may be made for unrealized loss arising out of year-end revaluation of shares purchased as dealer and unrealized loss as margin loan. However the Company maintain provision mentioned in note #14.4

PUBALI BANK SECURITIES LIMITED

Notes to the financial statements for the year ended 31 December 2022

2.21 Conversion of Preference Share Capital into Ordinary share capital

The preference shares of Tk. 300,00,00,000 was 5% redimable/convertible and the redemption /conversion started from 26.09.2020. Under this situation The Board of Directors of Pubali Bank Limited in its 1277th meeting held on 24th March 2021 has decided to exercise the option of conversion of preference share BDT 300.00 (three hundred) crore into ordinary share capital w.e.f 26.09.2020 as stated in the previous approval of the BSEC vide letter no BSEC/CI/CPLC-547/2016/517.

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 arms length basis at commercial rates with related parties.

2.22.1 Particulars of directors and Shareholders and their shareholdings

NAME OF THE DIRECTORS	DESIGNATION	NUMBER OF SHARE HOLDING AS 31 DEC 2022
Mr. Moniruddin Ahmed	Chairman	1
Mr. Ahmed Shafi Choudhury (Nominated by Pubali Bank Limited)	Director	Nil
Mr. Habibur Rahman	Director	1
Mr. Azizur Rahman	Director	1
Mr. Muhammed Kabiruzzaman Yaqub	Director	1
Mr. Mustafa Ahmed	Director	1
Ms. Runa Fowzia Hafiz	Director	1
Mr. Ahmed Salah Sater	Director	1
Mrs. Ayesha Farha Chowdhury	Director	1
Mr. Rezwan Rahman	Director	1
Mr. Zeyad Rahman	Director	1
Mr. Asif A. Choudhury	Director	1
Mr. Mohammad Ali (Nominated by Pubali Bank Limited)	Director	NIL
Mr. Shahdeen Malik	Independent Director	NIL
Mr. Giashuddin Ahamed	Shareholder	1
Ms. Rumana Sharif	Shareholder	1
Pubali Bank Limited	Shareholder	Ordinary: 65,999,987

2.22.2 Name of the directors and their interest in Pubali Bank Limited

NAME OF THE DIRECTORS	STATUS IN PUBALI BANK SECURITIES LTD.	STATUS IN PUBALI BANK LIMITED	DIRECTORS HAVE INTEREST IN PUBALI BANK LIMITED	PERCENTAGE OF INTEREST IN PUBALI BANK LTD.
Mr. Moniruddin Ahmed	Chairman	Director	Pubali Bank Limited	3.27%
Mr. Ahmed Shafi Choudhury (Nominated by Pubali Bank Limited)	Director	Director	Pubali Bank Limited	0.01%
Mr. Habibur Rahman	Director	Director	Pubali Bank Limited	2.00%
Mr. Azizur Rahman	Director	Director	Pubali Bank Limited	2.17%
Mr. Muhammed Kabiruzzaman Yaqub	Director	Director	Pubali Bank Limited	2.00%
Mr. Mustafa Ahmed	Director	Director	Pubali Bank Limited	3.49%
Ms. Runa Fowzia Hafiz	Director	-	Not Applicable	-
Mr. Ahmed Salah Sater	Director	-	Not Applicable	-
Mrs. Ayesha Farha Chowdhury	Director	-	Not Applicable	-
Mr. Rezwan Rahman	Director	-	Not Applicable	-
Mr. Zeyad Rahman	Director	-	Not Applicable	-
Mr. Asif A. Choudhury	Director	-	Not Applicable	-
Mr. Mohammad Ali (Nominated by Pubali Bank Limited)	Director	Managing Director & CEO	Pubali Bank Limited	-
Mr. Shahdeen Malik	Independent Director	Independent Director	Pubali Bank Limited	-

* Mr. Ahmed Shafi Choudhury , Director (Nominated by Pubali Bank Limited) passed away on 21.01.2023

PUBALI BANK SECURITIES LIMITED

Notes to the financial statements for the year ended 31 December 2022

2.23 Events after the reporting period

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

2.24 Management's responsibility on financial statements

The management of the company is responsible for the preparation and presentation of these financial statements.

2.25 Employee benefits

All the employees at Pubali Bank Securities Limited are on deputation from Pubali Bank Limited except the Managing Director & CEO, General Manager & Chief Protocol Officer, and will get existing and future benefits of the same Bank during the period of their service at Pubali Bank Securities Limited. All the employees of the management and executive team are on deputation from Pubali Bank Limited and their Salary, Incentive, Bonus, Provident Fund and all other financial benefits are provided as per Rules and Pay scale of Pubali Bank Limited.

		Amount in BDT	
		2022	2021
3	Cash and bank balances		
	Current account:		
	Pubali Bank Ltd. A/C-3555901034027 Customers Security Deposit	2,141,920	2,226,380
	Pubali Bank Ltd. A/C-3555901037490 PBL Investment A/C	-	598,580
	Pubali Bank Ltd. A/C-2905901048064 Strategic Investment A/C	10,702,669	300,310
	Pubali Bank Ltd. A/C-2905901042129 Consolidated customer A/C	322,342,340	431,477,173
	Pubali Bank Ltd. A/C-2905901042114 Dealer A/C	276,036,251	616,142,292
	Sub total	611,223,180	1,050,744,735
	Special notice deposit account :		
	Pubali Bank Ltd. A/C-2905102001105 Public Issue Application A/C	-	405,811
	Pubali Bank Ltd. A/C -2905102001047 Income& Expenditure A/C	138,531,930	99,592,531
	Sub total	138,531,930	99,998,342
	Investment In FDR (Note-3.1)	826,685,264	796,525,133
	Total	1,576,440,374	1,947,268,210
3.1	Investment in FDR		
		FDR A/C No.	
	Pubali Bank Limited	977310	130,596,500
	Pubali Bank Limited	977311	65,213,631
	Pubali Bank Limited	977312	65,213,631
	Pubali Bank Limited	977313	65,213,631
	Pubali Bank Limited	977314	65,213,631
	Pubali Bank Limited	977703	108,337,890
	Pubali Bank Limited	977509	60,159,271
	Pubali Bank Limited	977542	118,288,474
	Pubali Bank Limited	977543	118,288,474
		826,685,264	796,525,133
	A schedule of Investment in FDR is given in "Annexure-H(ix)".		
4	Receivable from securities trading		
	Receivable from stock-broker/stock- dealer	-	933,979
	Receivable from dividend	78,540,667	76,609,181
	Dividend Receivable from-strategic investment	779,679	1,153,109
	Receivable from Bond interest income	8,037,682	-
	Receivable from client	2,175,099	2,060,752
	Receivable from DSE- Digital Booth	300,000	300,000
	Receivable from others (Accrued interest of FDR) - (Annexure-H(ix))	13,714,287	6,718,343
		103,547,414	87,775,364
5	Investment in securities (Own portfolio)		
	Investment in securities (Own portfolio) at cost (Annexure-H(vii))	6,588,560,430	6,215,175,067
	IPO investment	-	22,037,500
		6,588,560,430	6,237,212,567
6	Receivable from other clients		
	Margin loan from clients	867,878,533	781,062,717
		867,878,533	781,062,717
7	Other assets		
	Prepaid expenses (Note 7.1)	661,000	420,000
	Deferred Tax Asset (Note-14.1)	95,812	-
		756,812	420,000

PUBALI BANK SECURITIES LIMITED

Notes to the financial statements for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
7.1	Prepaid expenses		
	Balance at the beginning of the year	420,000	1,258,000
	Add: Advances made during the year	4,739,675	2,894,600
	Less: Adjustment made during the year	(4,498,675)	(3,732,600)
	Balance at the end of the year	661,000	420,000
8	Advance income tax		
	Opening balance	347,931,908	275,442,961
	Add: Advance income tax paid during the year	50,366,267	20,835,590
		398,298,175	296,278,551
	Add: Tax deducted at source during the year	52,804,288	46,898,114
		451,102,463	343,176,665
	Add: Tax deducted at source against bank interest & others	7,209,239	4,755,243
		458,311,702	347,931,908
	Less: Adjustment during the year	(77,916,574)	-
		380,395,128	347,931,908
9	Fixed assets (net off depreciation & amortization):		
	Computer & computer accessories	541,407	633,023
	Machinery & equipment	384,961	53,020
	Vehicle	1,291,253	1,936,879
	Furniture & fixtures	1,152,234	1,026,534
		3,369,855	3,649,456
	Intangible assets :		
	Systems & software	150,000	-
		150,000	-
		3,519,855	3,649,456
	A schedule of property, plant and equipment is given in Annexure-H(vi).		
10	Value of investment in exchange (against membership value)		
	Dhaka stock exchange Ltd. (Note 10.1)	6,000,000	6,000,000
	Chittagong stock exchange Ltd. (Note 10.2)	8,000,000	8,000,000
		14,000,000	14,000,000
10.1	Dhaka stock exchange Ltd.		
	Opening balance	6,000,000	6,000,000
	Add: Investment made during the year	-	-
		6,000,000	6,000,000
	Less: Sale/ recovery during the year	-	-
	Closing balance	6,000,000	6,000,000
	* This represents total face value of the shares allotted by DSE in favor of the company against the DSE memberships. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange Ltd. (DSE) allotted total 72,15,106 ordinary shares at face value of Tk.10.00 each and a Trading Right Entitlement Certificate (TREC) in favor of the company against the membership of DSE respectively. Out of the above, DSE transferred 2,886,042 shares directly to the credit of the Beneficiary Owner's account of the company. TRECs out of (DSE) allotted total 7,215,106 shares. DSE sold 1,803,777 shares which is 25% of total shares to Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE). The rest shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act, 2013. As there is no active market for DSE shares, we have shown the value at original cost of our investment.		
	As the TREC is not a commonly tradable instrument and no purchase/sale transaction has yet occurred after demutualization, no value has been assigned to, and recorded against these two TRECs.		
10.2	Chittagong stock exchange Ltd.		
	Opening balance	8,000,000	8,000,000
	Add: Investment made during the year	-	-
		8,000,000	8,000,000
	Less: Sale/ recovery during the year	-	-
	Closing balance	8,000,000	8,000,000
	* This represents total face value of the shares allotted by CSE in favor of the company against the CSE memberships. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Chittagong Stock Exchange Ltd. (CSE) allotted total 42,87,330 ordinary Shares at face value of Tk.10.00 and a Trading Right Entitlement Certificate (TREC) in favor of the company against the membership of CSE respectively. Out of the above, CSE transferred 1,714,932 shares directly to the credit of the Beneficiary Owner's account of the company. The rest shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act, 2013. As there is no active market for CSE shares, we have shown the value at original cost of our investment.		

PUBALI BANK SECURITIES LIMITED

Notes to the financial statements for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
11	Investment In securities		
	Investment in Bond (Note-11.1)	122,126,953	-
	Investment In securities (Strategic investment) at cost (Annexure-H(Viii))	36,229,990	43,602,847
		158,356,943	43,602,847
11.1	Investment in Bond		
	Government Treasury Bond	122,126,953	-
		122,126,953	-
12	Payable to clients		
	General client	254,633,094	412,778,538
		254,633,094	412,778,538
13	Payable to exchanges		
	Payable to DSE & CSE broker	8,641,535	30,130
	Payable to DSE & CSE dealer	-	4,461,555
	Payable to Pubali Bank	-	13,810
	Payable for CDBL	266,439	782,654
	Security Deposit	2,154,920	2,234,920
		11,062,894	7,523,069
14	Other liabilities and provisions		
	Deferred tax and other deferred liabilities (Note 14.1)	-	340,067
	Provision for diminution in value of investment (Note 14.2)	1,590,000,000	1,534,588,209
	Provision for tax (Note 14.3)	391,311,788	381,703,658
	Provision for impairment of clients' margin loan (Note 14.4)	184,543,373	184,543,373
	Provision for rent, tax, insurance, electricity expense	50,987	121,016
	Provision for postage, stamp, telecommunication etc.	109,772	131,215
	Provision for stationery, printing, advertisement expenses	-	2,933
	Provision for repair of machinery equipment expenses	-	255
	Provision for other expenses	32,100	277,040
	Legal fees payable	726,975	726,975
	Payable to software provider	150,000	25,539
	Payable to suppliers	51,711	51,712
	Sundry deposit	90,117	62,576
	Sundry payable	520	520
	Provision for audit fees	161,000	143,750
	Payable for IPO fund	-	5,790,000
	VAT payable	112,043	43,346
	TAX payable	267,989	152,744
		2,167,608,375	2,108,704,928
14.1	Deferred tax liability/ (asset)		
	Deferred tax liability has been recognized in accordance with the provisions of IAS 12: Income Taxes, is arrived at as follows:		
	Opening balance	340,067	288,214
	Addition/(deduction) during the year charged in P&L	(435,879)	51,853
	Closing balance	(95,812)	340,067
14.2	Provision for diminution in value of investment		
	Opening balance	1,534,588,209	1,534,588,209
	Add: Provision made during the year	55,411,791	-
	margin loan (note no. 14.4)	1,590,000,000	1,534,588,209
	Less : Adjusted during the year	-	-
	Closing balance	1,590,000,000	1,534,588,209
	As per directive no.BSEC/SRI/Policy/3/2020/605 dated 28 December 2022 of Bangladesh Securities and Exchange Commission, has allowed the stock dealer to make provision against un-realised loss on investment in Dealer account in equal quarterly installment upto 31 December 2023 as well as margin loan. Meanwhile we have made provision of Tk. 1,590,000,000/- i.e 92% of unrealised loss in dealer account.		
14.3	Provision for tax		
	Opening balance	381,703,658	285,965,182
	Add: Provision made during the year	87,524,704	95,738,476
		469,228,362	381,703,658
	Add: Adjustment made during the year	(77,916,574)	-
	Closing balance	391,311,788	381,703,658

PUBALI BANK SECURITIES LIMITED

Notes to the financial statements for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
14.4	Provision for impairment of clients margin loan		
	Opening balance	184,543,373	184,543,373
	Add: Provision made during the year	-	-
		184,543,373	184,543,373
	Less: Provision transfer out provision for diminution in value of investment note no. 14.2	-	-
	Closing balance	184,543,373	184,543,373
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	100	100
	2 Mr. Ahmed Shafi Choudhury (Nominated by Pubali Bank Limited)	Nil	-
	3 Mr. Habibur Rahman	100	100
	4 Mr. Azizur Rahman	100	100
	5 Mr. Muhammed Kabiruzzaman Yaqub	100	100
	6 Mr. Mustafa Ahmed	100	100
	7 Ms. Runa Fowzia Hafiz	100	100
	8 Mr. Ahmed Salah Sater	100	100
	9 Mrs. Ayesha Farha Chowdhury	100	100
	10 Mr. Rezwan Rahman	100	100
	11 Mr. Zeyad Rahman	100	100
	12 Mr. Asif A. Choudhury	100	100
	13 Mr. Mohammad Ali	-	-
	14 Mr. Shahdeen Malik	-	-
	15 Mr. Giashuddin Ahamed	100	100
	16 Ms. Rumana Sharif	100	100
	17 Pubali Bank Limited	65,999,987	65,999,987
		66,000,000	66,000,000
16	Retained earnings		
	Opening balance	333,916,534	(113,304,390)
	Net profit/(loss) during the year	326,234,592	447,220,924
		660,151,126	333,916,534
	Adjustment during the year	-	-
	Closing balance	660,151,126	333,916,534
17	Operating income		
	Brokerage commission DSE & CSE	43,775,776	64,346,767
	Interest on margin loan	47,055,835	53,140,035
	Revenue from CDBL charge	196,332	89,903
	Dividend income from dealer A/C	230,318,163	191,645,932
	Dividend income from Strategic investment	1,602,304	1,528,109
	Capital gain from from Strategic investment	1,464,365	5,813,756
	Capital gain from Dealer A/C	139,150,799	236,252,761
	Bond interest income (Note 17.1)	20,529,582	-
	BO A/C Opening fee Income	95,500	136,500
	BO A/C Renewal fee Income	296,315	289,605
	IPO Service Charge Income	15,440	40,435
	FDR Interest, Bank and Other Income	46,365,308	40,831,800
		530,865,719	594,115,603
17.1	Bond interest income		
	Interest on Treasury bond	4,518,252	-
	Interest on Private/other bond	16,011,330	-
		20,529,582	-

PUBALI BANK SECURITIES LIMITED

Notes to the financial statements for the year ended 31 December 2022

		Amount in BDT	
		2022	2021
18	Operating expenses		
	Howla & laga charge DSE & CSE	3,342,805	4,720,880
	CDBL charges	1,954,680	2,551,768
	Directors fees	1,716,000	1,435,500
	Bank charges & excise duty	627,201	507,008
	DSE & CSE charge	257,740	-
	Depreciation expenses	1,334,305	1,085,393
		9,232,731	10,300,549
19	Administrative and general expenses		
	Salaries & allowances (Note- 20.1)	44,117,068	33,462,231
	Rent expense	2,415,084	300,618
	Electricity & electric fittings expense	158,336	175,719
	Audit fees	178,250	144,000
	Insurance expense	28,735	37,907
	Postage, stamp, telecommunication etc.	185,071	220,473
	Stationery printing & advertisement expense	550,514	306,391
	Repairs of machinery and equipment	80,455	28,842
	Investment protection fund	136	74
	Legal fees	148,679	2,968
	Professional fees	64,500	-
	Newspapers & periodicals	26,245	16,380
	Fuel expense	289,960	144,000
	Overtime allowance	170,107	159,265
	Traveling allowance	39,105	20,316
	Maintenance of bank premises	282,000	129,600
	Software development expenses	79,461	10,000
	Honorarium	48,992	-
	DSE & CSE charge	-	391,742
	Subscription	12,500	12,500
	Conveyance charge	524,646	731,928
	Entertainment expense for office & clients	723,642	589,190
	Internet connection fee	13,751	5,403
	Car expenses & maintenance	257,204	432,155
	Bandwidth service charge	515,525	386,153
	Renewal & registration expense	511,140	612,950
	Water & sewerage	54,741	54,138
	Security & auxiliary service	122,224	121,224
	IPO expense	12,000	35,000
	Staff welfare & Recreation	59,500	52,500
	Capital Enhancement Expense	-	714,679
	Business Development Expense	79,842	254,983
	Foreign tour	-	963,171
	Wages	277,000	-
	Leave encashment	12,400	-
	Training Expense	20,396	-
	Renovation under construction work	486,990	-
	Service charge	184,991	-
	Miscellaneous expense	166,590	287,301
		52,897,780	40,803,801
19.1	Salaries & allowances		
	Basic salary	16,542,150	13,228,398
	House rent allowances	9,192,315	7,360,011
	Medical allowances	2,047,000	1,671,088
	Other allowances	4,097,500	3,334,351
	Contributory provident fund	1,541,045	1,284,902
	Bonus to employees	10,697,058	6,583,481
		44,117,068	33,462,231

PUBALI BANK SECURITIES LIMITED

Notes to the financial statements for the year ended 31 December 2022

			2022	2021	
20	Related party disclosures				
	Received from related party				
	Name of related party	Related to	Nature of instrument	Balance in BDT	
				As on 31.12.2022	As on 31.12.2021
	Pubali Bank Limited	Parent Company	Different types of deposits	1,576,440,374	1,947,268,210

21 **Events after the reporting period**

i) The Board of Directors in its meeting held on 05 March 2023 approved the financial statements of the company for the year ended 31 December 2022 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.

22 **Employee position for Pubali Bank Securities Ltd. (as at 31 December 2022)**

OFFICER & STAFF		TOTAL EMPLOYEE	AMOUNT IN BDT
HEAD OFFICE	GLUSHAN OFFICE		
31	5	36	44,117,068
		36	44,117,068

PUBALI BANK SECURITIES LIMITED

Schedule of Property, Plant and Equipment as at 31 December 2022

ANNEXURE-H (VI)

Amount in BDT

PARTICULARS	COST				RATE	DEPRECIATION				WRITTEN DOWN VALUE AT 31 DEC 2022
	BALANCE AT 1 JAN 2022	ADDITION DURING THE YEAR	DISPOSAL DURING THE YEAR	BALANCE AT 31 DEC 2022		BALANCE AT 1 JAN 2022	CHARGED DURING THE YEAR	DISPOSAL DURING THE YEAR	BALANCE AT 31 DEC 2022	
Computer & Computer Accessories	4,005,981	370,705	-	4,376,686	30%	3,372,958	462,321	-	3,835,279	541,407
Machinery & Equipment	1,295,362	407,454	-	1,702,816	20%	1,242,342	75,513	-	1,317,855	384,961
Vehicles	3,228,133	-	-	3,228,133	20%	1,291,254	645,626	-	1,936,880	1,291,253
Furniture & Fixtures	2,594,195	276,545	-	2,870,740	10%	1,567,661	150,845	-	1,718,506	1,152,234
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
Total as at 31 December 2021	10,566,676	556,995	-	11,123,671		6,388,822	1,085,393	-	7,474,215	3,649,456

SCHEDULE OF INTANGIBLE ASSETS as at 31 December 2022

PARTICULARS	COST				RATE	DEPRECIATION				WRITTEN DOWN VALUE AT 31 DEC 2022
	BALANCE AT 1 JAN 2022	ADDITION DURING THE YEAR	DISPOSAL DURING THE YEAR	BALANCE AT 31 DEC 2022		BALANCE AT 1 JAN 2022	CHARGED DURING THE YEAR	DISPOSAL DURING THE YEAR	BALANCE AT 31 DEC 2022	
Systems & Software	25,000	150,000	-	175,000	30%	25,000	-	-	25,000	150,000
Total as at 31 December 2022	25,000	150,000	-	175,000		25,000	-	-	25,000	150,000
Total as at 31 December 2021	25,000	-	-	25,000		25,000	-	-	25,000	-

PUBALI BANK SECURITIES LIMITED

Portfolio Investment under Stock Dealing

Amount in BDT

SL	NAME OF THE COMPANY	COST VALUE		MARKET VALUE	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
BANKS					
1	ABBANK	89,898,718	89,898,718	24,046,892	31,836,146
2	BANKASIA	17,725,955	17,725,955	17,346,164	18,720,118
3	CITYBANK	114,353,309	114,353,309	85,837,500	95,550,000
4	DUTCHBANGL	16,251,774	8,672,639	13,772,000	8,130,210
5	EBL	11,148,598	7,713,757	10,296,331	7,643,444
6	FIRSTSBANK	6,084,368	6,084,368	4,769,670	5,979,473
7	GIB	13,173,670	-	11,856,303	-
8	IFIC	9,688,976	-	9,262,330	-
9	ISLAMIBANK	-	37,673,665	-	40,358,496
10	MERCANBANK	6,842,500	-	6,800,000	-
11	NBL	38,480,089	52,934,160	22,946,977	28,523,880
12	NCCBANK	56,999,308	56,999,308	48,821,171	52,045,995
13	PREMIER BANK	1,961,782	-	2,001,171	-
14	PRIMEBANK	110,841,030	110,841,030	76,800,000	86,000,000
15	SHAHJABANK	63,827,068	63,827,068	55,111,185	60,862,417
16	UCB	16,360,588	16,360,588	14,300,000	15,300,000
17	UNION BANK	12,460,914	-	9,300,000	-
18	UTTARABANK	-	36,819,941	-	42,152,189
NON BANK FINANCIAL INSTITUTION					
1	IDLC	108,720,110	95,856,997	89,454,375	94,972,500
2	ILFSL	49,644,449	49,644,449	5,126,929	5,457,698
3	UNITEDFIN	28,845,290	28,845,290	19,173,900	25,605,652
4	UNIONCAP	16,107,188	16,107,188	4,039,586	4,039,586
5	UTTARAFIN	79,694,511	79,694,511	47,374,181	57,325,563
BOND					
1	CBLPBOND	207,477,500	-	208,537,500	-
MUTUAL FUNDS					
1	AIBL1STIMF	50,000,000	50,000,000	37,000,000	42,500,000
2	ATCSLGF	3,050,581	-	2,958,102	-
3	DBH1STMF	30,784,857	30,784,857	22,362,900	23,983,400
4	GRAMEENS2	21,904,828	24,387,729	11,642,166	13,132,350
5	GREENDELMF	44,478,302	44,478,302	34,500,000	37,000,000
6	MBL1STMF	50,000,000	50,000,000	33,000,000	39,500,000
7	PHPMF1	50,000,000	50,000,000	36,646,106	38,055,571
8	PRIME1ICBA	5,977,600	5,977,600	3,080,000	2,880,000
ENGINEERING					
1	ATLASBANG	113,543,620	113,543,620	50,123,951	60,466,225
2	BBS	66,733,465	71,495,210	44,474,659	37,674,173
3	BSRM LTD	54,576,521	-	45,000,000	-
4	BSRMSTEEL	204,895,905	204,895,905	81,985,170	91,222,935
5	DESHBANDHU	1,036,375	1,036,375	347,364	393,679
6	GOLDENSON	23,014,497	23,014,497	6,194,661	6,500,991
7	GPHISPAT	55,132,514	10,772,228	47,264,000	10,783,592
8	IFADAUTOS	31,547,640	31,547,640	23,637,776	24,145,704
9	NAVANACNG	129,094,550	129,094,550	28,166,985	32,700,750
10	RANFOUNDRY	-	43,551,689	-	52,667,065
11	RUNNERAUTO	2,975,057	1,347,686	2,420,000	1,026,000
12	SINGERBD	38,991,704	38,991,704	32,749,488	36,630,270
TEXTILE					
1	APEXWEAV	-	6,501,134	-	1,767,050
2	ESQUIRENIT	940,050	940,050	720,705	731,150
3	METROSPIN	27,697,675	42,471,093	20,952,562	17,164,415
4	RINGSHINE	11,244	11,244	12,799	12,538
5	SQUARETEXT	-	57,325,714	-	52,598,390

PUBALI BANK SECURITIES LIMITED

Portfolio Investment under Stock Dealing

Amount in BDT

SL	NAME OF THE COMPANY	COST VALUE		MARKET VALUE	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
FOOD & ALLIED					
1	AMCL(PRAN)	-	38,646,324	-	54,635,198
2	BATBC	45,531,870	57,306,994	60,118,886	92,719,421
3	ORYZAAGRO	-	272,430	-	283,327
4	OLYMPIC	212,581,855	212,581,855	89,012,036	115,284,943
FUEL & POWER					
1	DESCO	171,133,802	171,133,802	110,114,870	106,805,407
2	BPPL	16,943,110	-	15,269,343	-
3	KPCL	181,026,311	181,026,311	55,520,291	62,408,147
4	ENERGYPRIMA	47,500,000	47,500,000	47,500,000	47,500,000
5	JAMUNAOIL	83,764,689	83,764,689	82,618,763	84,495,340
6	LINDEBD	239,982,187	247,986,003	268,755,347	313,901,521
7	MPETROLEUM	113,265,245	113,265,245	117,408,944	116,344,814
8	PADMAOIL	60,416,847	60,416,847	57,954,048	58,868,238
9	SUMITPOWER	269,093,978	153,526,536	210,280,344	124,523,257
10	TITASGAS	122,242,280	122,242,280	62,370,128	55,355,395
11	MJLBD	415,588,084	331,499,981	346,800,000	274,332,383
12	UPGDCL	75,428,827	40,907,955	65,346,493	35,380,673
PHARMACEUTICALS & CHEMICALS					
1	ACI	266,124,678	311,221,966	278,468,642	340,187,953
3	ACIFORMULA	46,940,016	75,374,281	47,538,035	72,443,955
4	ACTIVEFINE	154,101,584	154,101,584	92,452,751	122,631,629
6	SQRPHARMA	365,672,225	393,307,243	394,733,245	433,670,981
7	ACMELAB	33,272,151	-	31,789,915	-
SERVICES & REAL ESTATE					
1	SAPORTL	105,315,572	105,315,572	68,230,650	55,721,698
2	SAIFPOWER	41,142,031	-	30,591,000	-
CEMENT					
1	MEGHNACEM	114,426,945	114,426,945	25,368,146	26,865,238
2	CROWNCEMNT	60,748,274	60,748,274	56,176,464	46,964,732
3	LHBL	450,312,604	450,312,604	369,273,751	405,175,366
4	HEIDELBCEM	151,402,959	151,402,959	54,229,868	82,480,268
5	PREMIERCEM	48,868,190	48,868,190	23,358,050	34,170,990
IT & TELECOM SECTOR					
1	GP	244,890,206	163,664,138	187,644,472	146,076,671
2	BSCCL	73,353,823	-	72,230,433	-
INSURANCE					
1	BGIC	39,955,315	39,955,315	34,587,072	30,041,976
2	DELTALIFE	-	125,376,000	-	249,378,936
3	ICICL	87,980	-	247,224	-
4	POPULARLIFE	21,930,406	-	16,250,000	-
5	UNIONINS	-	46,431	-	46,431
TRAVEL AND LEISURE					
1	UNIQUEHRL	125,435,989	129,903,250	92,348,850	83,206,500
2	UNITEDAIR	54,762,090	54,762,090	6,460,006	6,460,006
JUTE, TANNERY & MISC.					
1	NIALCO	-	412,980	-	974,633
2	BATASHOE	52,343,629	51,676,227	43,054,435	43,041,554
	TOTAL	6,588,560,430	6,215,175,067	4,866,316,063	5,026,417,190

PUBALI BANK SECURITIES LIMITED

Portfolio of Strategic Investment

Amount in BDT

SL NO	NAME OF THE COMPANY	COST VALUE		MARKET VALUE	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
1	ACIFORMULA	225,804	3,592,329	255,750	3,861,375
2	GP	1,799,469	1,799,469	1,433,000	1,747,500
3	JAMUNAOIL	5,434,742	5,434,742	5,019,000	5,133,000
5	MJLBD	7,927,540	7,927,540	7,456,200	7,593,800
6	MPETROLEUM	1,726,514	1,726,514	1,822,155	1,805,640
7	RENATA	1,045,819	4,039,490	1,316,550	5,123,360
8	SQRPHARMA	7,462,239	7,462,239	6,952,772	7,101,902
9	SUMITPOWER	4,688,680	4,688,680	3,400,000	3,890,000
10	UTTARAFIN	5,919,184	6,769,129	3,103,381	4,294,500
11	CROWNCEMNT	-	162,716	-	178,337
Total		36,229,990	43,602,847	30,758,808	40,729,414

PUBALI BANK SECURITIES LIMITED

ANNEXURE - H (IX)

Schedule of Investment for the year ended on 31 December 2022

Amount in BDT

SL	Purchased from	A/C No.	FDR No.	Beginning Balance		Principal	Rate of Interest	Day Considered	Length Months	Addition During the Year			Bank Charge		Encash During the Year		Closing Balance
				Principal	Accrued Interest					Cash	Accrued	Total	TDS	Excise duty	Principal	Interest	
1	Pubali Bank Ltd.	149886	977310	130,596,500	1,465,628	-	6.50%	-	12	3,209,464	3,870,001	4,675,092	467,510	50,000	-	-	134,754,082
2	Pubali Bank Ltd.	149894	977311	65,213,631	732,089	-	6.50%	-	12	1,602,669	1,932,499	2,334,758	233,477	50,000	-	-	67,264,912
3	Pubali Bank Ltd.	149909	977312	65,213,631	732,089	-	6.50%	-	12	1,602,669	1,932,499	2,334,758	233,477	50,000	-	-	67,264,912
4	Pubali Bank Ltd.	149913	977313	65,213,631	732,089	-	6.50%	-	12	1,602,669	1,932,499	2,334,758	233,477	50,000	-	-	67,264,912
5	Pubali Bank Ltd.	149921	977314	65,213,631	732,089	-	6.50%	-	12	1,602,669	1,932,499	2,334,758	233,477	50,000	-	-	67,264,912
6	Pubali Bank Ltd.	153649	977703	108,337,890	639,731	-	6.50%	-	12	5,431,873	653,305	6,071,604	1,337,486	50,000	-	-	113,022,008
7	Pubali Bank Ltd.	151764	977509	60,159,271	483,266	-	6.00%	-	12	2,619,451	345,285	3,102,717	482,980	50,000	-	-	62,729,008
8	Pubali Bank Ltd.	152087	977542	118,288,474	600,681	-	6.50%	-	12	6,199,514	557,963	6,800,195	1,478,410	50,000	-	-	123,560,259
9	Pubali Bank Ltd.	152096	977543	118,288,474	600,681	-	6.50%	-	12	6,199,514	557,737	6,800,195	1,478,410	50,000	-	-	123,560,259
Total				796,525,133	6,718,343	-				30,070,492	13,714,287	36,788,835	6,178,704	450,000	-	-	826,685,264





IMPORTANT INFORMATION

INTEGRATED REPORTING CHECKLIST

SL.	PARTICULARS	CHAPTERS/SECTION REFERENCE	PAGE
1	Elements of an Integrated Reporting		
	Organizational overview and external environment		
	An integrated report should disclose the main activities of the organization and the environment in which it operates.	Shareholder Information, Integrated Reporting	23-28, 128-129
	An integrated report should identify the organization's mission and vision, and provide essential context by identifying matters such as:		
	The organization		
	Culture, ethics and values	Vision, Mission & Values	10-12
	Ownership and operating structure including size of the organization location of its operations	Pattern of shareholding	88
	Principal activities and markets	Business Model	29
	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, bargaining power of customers and suppliers and the intensity of competitive rivalry)	Competitive intensity and Strategic Response	137-138
1.1	Key Quantitative Information		
	The number of employees, revenue and number of countries in which the organization operates highlighting, in particular, significant changes from prior periods	Human capital, Key financial information	183-184, 216-217
	Significant factors affecting the external environment and the organization's response	PESTEL analysis	133-135
	Macro and micro economic conditions, such as economic stability, globalization, and industry trends	Global and Bangladesh economy review in the Director's Report	68-69
	Market forces, such as the relative strengths and weaknesses of competitors and customer demand	SWOT analysis	136
	The speed and effect of technological change		134
	Societal issues, such as population and demographic changes, human rights, health, poverty, collective values and educational systems		134
	Environmental challenges, such as climate change, the loss of ecosystems, and resource shortages as planetary limits are approached	PESTEL analysis	134
	The legislative and regulatory environment in which the organization operates		135
	The political environment in countries where the organization operates and other countries that may affect the ability of the organization to implement its strategy		134
1.2	Governance		
	An integrated report should show how does the organization's governance structure support its ability to create value in the short, medium and long term.	Corporate Governance Compliance Report, Human Capital report	116-125, 183-184
	An integrated report needs to provide an insight about how such matters as the following are linked to its ability to create value:		
	The organization's leadership structure, including the skills and diversity	Directors' Report	89-90
	Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues	Corporate Governance report	83-100
	Particular actions those charged with governance have taken to influence and monitor the strategic direction of the organization and its approach to risk management	Corporate Governance report, Risk Management Committee report	83-100, 148-155
	How the organization's culture, ethics and values are reflected in its use of and effects on the capitals, including its relationships with key stakeholders	Corporate Governance report	83-100
	Whether the organization is implementing governance practices that exceed legal requirements/ key policies	Corporate Governance report	83-100
	The responsibility those charged with governance take for promoting and enabling innovation	Corporate Governance report, Management Committee, Management Team	83-100, 53, 51-52

SL.	PARTICULARS	CHAPTERS/SECTION REFERENCE	PAGE
1.3	Stakeholder identification/ relationships		
	An integrated report needs to provide insight about the resources and the relationships used and affected by the organization, which are referred to collectively as the capitals and how the organization interacts with the capitals to create value over the short, medium and long term.	Value creation activities, Business Model	130-131, 29
	An integrated report needs to identify the various forms of capitals which are essential for the success of its business operations e.g. financial, manufactured, intellectual, human, social and relationship and natural.	Value creation activities, Business Model	130-131, 29
1.4	Business model		
	An integrated report needs to describe the business model including key:		
	Inputs	Integrated Reporting, Business Model, Strategic priority	128-129, 29, 13
	Business activities		
	Outputs		
	Outcomes		
	Connection to information covered by other Content Elements, such as strategy, risks and opportunities, and performance (including KPIs and financial considerations, like cost containment and revenues)	Key financial information, Message from the Chairman, Message from the Managing Director & CEO, Directors' Report	216-217, 58-80
	Inputs - An integrated report shows how key inputs relate to the capitals on which the organization depends, or that provide a source of differentiation for the organization, to the extent they are material to understanding the robustness and resilience of the business model.	Integrated Reporting	128-129
	Business activities		
	An integrated report describes key business activities. This can include:		
	How the organization approaches the need to innovate	Strategic priority, Business Model, Integrated Reporting	13, 29, 128-129
	Outputs - An integrated report identifies an organization's key products and services.	Strategic priority, Business Model, Integrated Reporting	13, 29, 128-129
	Outcomes: An integrated report describes key outcomes, including: Both internal outcomes, and external outcomes, Both positive outcomes and negative outcomes	Strategic priority, Business Model, Integrated Reporting	13, 29, 128-129
1.5	Performance		
	An integrated report needs to explain the extent to which the organization has achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals	Key financial information, Message from the Chairman, Message from the Managing Director & CEO, Directors' Report	216-217, 58-80
	An integrated report should contain qualitative and quantitative information about performance that may include matters such as:		
	Quantitative indicators with respect to targets and risks and opportunities, explaining their significance, their implications and the methods and assumptions used in compiling them	Competitive intensity and strategic responses	137-138
	The linkages between past and current performance and between current performance and the organization's outlook.	Key financial information, Message from the Chairman, Message from the Managing Director & CEO, Directors' Report	216-217, 58-80
	KPIs that combine financial measures with other components or narrative that explains the financial implications of significant effects on other capitals and other causal relationships may be used to demonstrate the connectivity of financial performance with performance relating to other capitals. In some cases, this may also include monetizing certain effects on the capitals.	Key financial information	216-217
	Include instances where regulations have a significant effect on performance (e.g., a constraint on revenues as a result of regulatory rate setting) or the organization's non-compliance with laws or regulations may significantly affect its operations.	N/A	-
1.6	Risks and opportunities		
	An integrated report should explain what are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long-term and how is the organization dealing with them	Competitive intensity and strategic responses	137-138

SL.	PARTICULARS	CHAPTERS/SECTION REFERENCE	PAGE
	This can include identifying:		
	The specific source of risks and opportunities, which can be internal, external or, commonly, a mix of the two	Risk Management & Internal Control	148-155
	The organization's assessment of the likelihood that the risk or opportunity will come to fruit and the magnitude of its effect if it does		148-155
	The specific steps being taken to mitigate or manage key risks or to create value from key opportunities, including the identification of the associated strategic objectives, strategies, policies, targets and KPIs		148-155
	Risk management report (which includes details about risk, root cause, etc.)	From the desk of the Chief Risk Officer	146-147
	Response on the effectiveness of the internal controls and the Board's responsibility for the disclosures on internal controls to safeguard stakeholder interest	Audit Committee report	104-106
1.7	Strategy and resource allocation		
	An integrated report should describe the company's strategic direction (where does the organization want to go and how does it intend to get there)	Mission, Strategic priority	11, 13
	An integrated report need to identify:		
	The organization's short, medium and long term strategic objectives	Strategic priority	13
	The strategies it has in place, or intends to implement, to achieve those strategic objectives	Strategic priority	13
	How is the entity positioned in the wider market	Value Added Statement	142
	How the long-term strategies relate to the current business model	Business Model	29
	The resource allocation plans it has to implement its strategy	Strategic priority, Human Capital Report	13, 183-184
	How it will measure achievements and target outcomes for the short, medium and long term. This can include describing:	Strategic priority, Human Capital Report	13, 183-184
	The linkage between the organization's strategy and resource allocation plans and the information covered by other content elements, including how its strategy and resource allocation plans:		
	- relate to the organization's business model, and what changes to that business model might be necessary to implement chosen strategies to provide an understanding of the organization's ability to adapt to change	Strategic priority, Human Capital Report	13, 183-184
	- are influenced by/respond to the external environment and the identified risks and opportunities affect the capitals and the risk management arrangements related to those capitals		13, 183-184
	What differentiates the organization to give it competitive advantage and enable it to create value, such as:		13, 183-184
	The role of innovation		13, 183-184
	How the organization develops and exploits intellectual capital	Employee friendly bank	185
	The extent to which environmental and social considerations have been embedded into the organization's strategy to give it a competitive advantage	PESTEL analysis, Strategic priority, Human Capital Report	133-135, 13, 183-184
	Key features and findings of stakeholder engagement that were used in formulating its strategy and resource allocation plans	Strategic priority, Human Capital Report	13, 183-184
1.8	Outlook		
	An integrated report describes its basis of preparation and presentation, including:	Key financial information, Message from the Chairman, Message from the Managing Director & CEO, Directors' Report	216-217, 58-80
	The organization's expectations about the external environment the organization is likely to face in the short, medium and long-term	Business Model, SWOT analysis, PESTLE analysis	29, 136, 133
	How that will affect the organization		136, 133-135
	How the organization is currently equipped to respond to the critical challenges and uncertainties that are likely to arise	SWOT analysis, PESTLE analysis	136, 133-135

SL.	PARTICULARS	CHAPTERS/SECTION REFERENCE	PAGE
	The discussion of the potential implications, including implications for future financial performance may include:		
	The external environment and risks and opportunities, with an analysis of how these could affect the achievement of strategic objectives	Business model- External factors, SWOT analysis, PESTLE analysis	29, 136, 133-135
	An integrated report may also provide lead indicators, KPIs or objectives, relevant information from recognized external sources and sensitivity analyses. If forecasts or projections are included in reporting the organization's outlook, a summary of related assumptions is useful. Comparisons of actual performance to previously identified targets further enables evaluation of the current outlook	Director's Report	68-80
	Disclosures about an organization's outlook in an integrated report should consider the legal or regulatory requirements to which the organization is subject	Integrated Reporting	128-129
1.9	Basis of preparation and presentation		
	An integrated report should answer the question: How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated?	Integrated Reporting	128-129
	An integrated report describes its basis of preparation and presentation, including:	Integrated Reporting	128-129
	Identification of the role of those charged with governance and key personnel in the identification and prioritization of material matters	Integrated Reporting	128-129
	A description of the reporting boundary and how it has been determined	Integrated Reporting	128-129
2	Responsibility for an integrated report		
	An integrated report should include a statement from those charged with governance that includes:	Director' Report	68-80
	An acknowledgment of their responsibility to ensure the integrity of the integrated report	Integrated Reporting	128-129
	An acknowledgment that they have applied their collective mind to the preparation and presentation of the integrated report		128-129
	Their opinion or conclusion about whether the integrated report is presented in accordance with the Framework		128-129
3	Other qualitative characteristics of an Integrated Report		
	Consistency and comparability		
	The information in an integrated report should be presented:		
	On a basis that is consistent over time	Directors' Report	68-80
	Using benchmark data	Five years' financial summary	216-217
	Presenting information in the form of ratios		216-217
	Reporting quantitative indicators commonly used by other organizations with similar activities, particularly when standardized definitions are stipulated by an independent organization		216-217
	Connectivity of information		
	An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organization's ability to create value over time.	Management Discussion and Analysis	139-141
	Content elements	Key financial information	216-217
	Past, Present & Future	Key financial information, Message from the Chairman, Message from the Managing Director & CEO, Directors' Report	216-217, 58-80
	Finance and other information	Key financial information	216-217
	Assurance on the Report		
	The policy and practice relating to seeking assurance on the report, the nature and scope of assurance provided for this particular report, any qualifications arising from the assurance, and the nature of the relationship between the organization and the assurance providers	Directors' Report, Independent Auditor's Report	68-80, 221-227

SAFA CORPORATE GOVERNANCE DISCLOSURE CHECKLIST

[In Line with South Asian Federation of Accountants (SAFA) Guide]

SL	ITEMS	COMPLIANCE STATUS	REF PAGE NO
1	BOARD OF DIRECTORS, CHAIRMAN AND CEO		
1.1	Company's policy on appointment of directors disclosed	complied	83-84
1.2	Adequate representation of non-executive directors i.e. one third of the board, subject to a minimum of two	complied	85
1.3	At least one independent director on the board and disclosure/ affirmation of the board on such director's independence	complied	84-85
1.4	Chairman to be independent of CEO	complied	85
1.5	Responsibilities of the Chairman of the board appropriately defined and disclosed. Disclosure of independence of Non-Executive Directors	complied	86
1.6	Existence of a scheme for annual appraisal of the boards performance and disclosure of the same	complied	89
1.7	Disclosure of policy on annual evaluation of the CEO by the Board	complied	90
1.8	Disclosure of policy on training (including details of the counting training program) of directors and type and nature of training courses organized for directors during the year existence of a scheme for annual appraisal of the boards performance	complied	90
1.9	At least one director having through knowledge and expertise finance and accounting to provide guidance in the matters applicable to accounting and auditing standards to ensure reliable financial reporting	complied	90
1.10	Disclosure of number of meetings of the board and participation of each directors (at least 4 meetings are required to be held)	complied	86
1.11	Directors issue a report on compliance with best practices on corporate governance that is reviewed by external auditors	complied	116-125
2	VISION/MISSION AND STRATEGY		
2.1	Company's vision/mission statements are approved by the board and disclosed in the annual report	complied	10, 11, 13
2.2	Identification of business objectives and areas of business focus disclosed	complied	13, 29
2.3	General description of strategies to achieve the company's business objectives	complied	13
3	AUDIT COMMITTEE		
3.1	Appointment and Composition	complied	91, 92
3.1.1	Whether the audit committee chairman is an independent Non-executive Director and Professionally Qualified	complied	92
3.1.2	Whether it has specific terms of reference and whether it is empowered to investigate/ question employees and retain external counsel	complied	104
3.1.3	More than two thirds of the members are to be Non-Executive Directors	complied	91
3.1.4	All members of the audit committee to be suitably qualified and at least one member to have expert knowledge of finance and accounting	complied	92
3.1.5	Head of internal audit to have direct access to audit committee	complied	105
3.1.6	The committee to meet at least 4 times a year and the number of meetings and attendance by individuals members disclosed in the annual report	complied	105
3.2	OBJECTIVE AND ACTIVITIES		
3.2.1	Statement of Audit Committees review to ensure that internal controls are well conceived properly administered and satisfactorily monitored	complied	106
3.2.2	Statement to indicate audit committees role in ensuring compliance with Laws, Regulations and timely settlements of statutory dues	complied	104
3.2.3	Statement of Audit Committee involvement in the review of external audit function	complied	106
	Ensure effective coordination of external audit function	complied	106
	Ensure independence of external auditors	complied	106
	To review the external auditors findings in order to be satisfied that appropriate action is being taken	complied	106
	Review and approve any non-audit work assigned to the external auditor and ensure that such work does not compromise the independence of external auditors	complied	106
	Recommend external auditor for appointment/reappointment	complied	106

SL	ITEMS	COMPLIANCE STATUS	REF PAGE NO
3.2.4	Statement on Audit committee involvement in selection of appropriate accounting policies that are in line with applicable accounting standards and annual review	complied	106
3.2.5	Statement on Audit committee involvement in the review and recommend to the board of directors, annual and interim financial releases	complied	104-106
3.2.6	Reliability of the management information used for such computation	complied	104-106
4	INTERNAL CONTROL & RISK MANAGEMENT		
4.1	Statement of director's responsibility to establish appropriate system of internal control	complied	145-147
4.2	Narrative description of key features of the internal control system and the manner in which the system is monitored by the Board, Audit Committee or Senior Management	complied	149
4.3	Statement that the directors have reviewed the adequacy of the system of internal controls	complied	148-174
4.4	Disclosure of the identification of risk the company is exposed to both internally and externally	complied	156-174
4.5	Disclosure of the strategies adopted to manage and mitigate the risks	complied	156-174
5	ETHICS AND COMPLIANCE		
5.1	Disclosure of statement of ethics and values, covering basic principles such as integrity, conflict of interest, compliance with laws and regulation etc.	complied	83, 92, 185
5.2	Dissemination/communication of the statement of ethics & business practices to all directors and employees and their acknowledgement of the same.	complied	50
5.3	Board's statement on its commitment to establishing high level of ethics and compliance within the organization	complied	94
5.4	Establishing effective anti-fraud programs and controls, including effective protection of whistle blowers, establishing a hot line reporting of irregularities etc.	complied	97
6	REMUNERATION COMMITTEE		
6.1	Disclosure of the charter (role and responsibilities) of the committee	-	-
6.2	Disclosure of the composition of the committee (majority of the committee should be non-executive directors, but should also include some executive directors)	-	-
6.3	Disclosure of key policies with regard to remuneration of directors, senior management and employees	-	-
6.4	Disclosure of number of meetings and work performed	-	-
6.5	Disclosure of remuneration of directors, chairman, chief executive and senior executives	-	-
7	HUMAN CAPITAL		
7.1	Disclosure of general description of the policies and practices codified and adopted by the company with respect to Human Resource Development and Management, including succession planning, merit based recruitment, performance appraisal system, promotion and reward and motivation, training and development, grievance management and counseling	complied	183-184
7.2	Organizational Chart	complied	54-55
8	COMMUNICATION TO SHAREHOLDERS AND STAKEHOLDERS		
8.1	Disclosure of the company's policy/strategy to facilitate effective communication with shareholders and other stakeholders	complied	97
8.2	Disclosure of company's policy on ensuring participation of shareholders in the Annual General Meeting and providing reasonable opportunity for the shareholder participation in the AGM	complied	97-98
9	ENVIRONMENTAL AND SOCIAL OBLIGATIONS		
9.1	Disclosure of general description of the company's policies and practices relating to social and environmental responsibility of the entity	complied	134
9.2	Disclosure of specific activities undertaken by the entity in pursuance of these policies and practices	complied	178-179

EVENTFUL YEAR 2022



Mr. Monzurur Rahman, Honorable Chairman of Pubali Bank Limited is cutting a cake in a special event "Celebrating Partnership for Core Banking Infrastructure" with the presence of honorable Board members, Senior Management and representatives of Oracle to commemorate the long-standing relationship between the two parties

Mr. Monzurur Rahman, Honorable Chairman of Pubali Bank Limited is inaugurating Dhanmondi Branch (previously known as Sat Masjid Road branch) at its new premises with the presence of Board Member Dr. Shahdeen Malik and Senior Management of the bank





Mr. Monzurur Rahman, Honorable Chairman of Pubali Bank Limited is present as the Chief Guest at 2nd Business Conference-2022 of Regional and Corporate Branch Managers of the bank along with the Senior Management

Entrepreneurs trained by Pubali Bank Training Institute are receiving dummy cheque for disbursement of loans in a Conference on Entrepreneurship Development Program & Open Loan Disbursement Ceremony with the presence of Mr. Abdur Rouf Talukder, Governor of Bangladesh Bank, Mr. Mohammad Ali, Managing Director & CEO of Pubali Bank Limited and others





A moment from Integrity Award Crest and Certificates giving ceremony held in the Board Room of the bank with the presence of Ex-Managing Director & CEO Mr. Safiul Alam Khan Chowdhury, Senior Management and the recipients

Mr. Safiul Alam Khan Chowdhury, Ex-Managing Director & CEO of Pubali Bank Limited is receiving crest and certificate from Mr. Fazle Kabir, erstwhile Governor of Bangladesh in recognition of one of the top 10 (ten) sustainable banks





Mr. Safiul Alam Khan Chowdhury, Ex-Managing Director & CEO of Pubali Bank Limited is inaugurating a Sub-branch of the bank at Nandipara in Khilgaon, Dhaka with the presence of current Managing Director & CEO Mr. Mohammad Ali and others

Mr. Mohammad Ali, Managing Director & CEO of Pubali Bank Limited is speaking on the occasion of International Mother Language Day in the premises of the bank





Conference on CLS Agents-2022 held at Head Office where honorable Managing Director & CEO Mr. Mohammad Ali and other executives of the Bank along with representatives of CLS Agents were present

Mr. Moniruddin Ahmed, Chairman of the Board of Directors of Pubali Bank Securities Limited, a subsidiary of the bank is inaugurating a Digital Booth at Gulshan Circle-1 with the presence of Senior Management and others



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)	Chittagong	09612 82 2580
Agrabad (AD)	Chittagong	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

DHAKA CENTRAL REGION	DISTRICT	CONTACT NO
Malibagh	Dhaka	09612 82 4311
Laboratory Road	Dhaka	09612 82 4445
Dhaka Railway Station	Dhaka	09612 82 4397
Shahbagh Avenue	Dhaka	09612 82 4455
R.K. Mission Road	Dhaka	09612 82 4387
Bashaboo	Dhaka	09612 82 4379
Nayapaltan (AD)	Dhaka	09612 82 4262
Dhaka Shishupark	Dhaka	09612 82 4405
Shantinagor	Dhaka	09612 82 4329
Khilgaon	Dhaka	09612 82 4348
Sonargaon Road	Dhaka	09612 82 4367
Moghbazar (AD)	Dhaka	09612 82 4273
Fakirapool Bazar	Dhaka	09612 82 4339
Rampura	Dhaka	09612 82 4291
New Market	Dhaka	09612 82 4435
Elephant Road	Dhaka	09612 82 4415

Hotel Osmani International	Dhaka	09612 82 4301
Shipahibagh Bazar	Dhaka	09612 82 4425
Panthapath (AD)	Dhaka	09612 82 4254
Banasree	Dhaka	09612 82 4379
Sonargaon Hotel	Dhaka	09612 82 4321
Hotel InterContinental	Dhaka	09612 82 7874

DHAKA SOUTH REGION	DISTRICT	CONTACT NO
Moghaltully	Dhaka	09612 82 7856
Peelkhana	Dhaka	09612 82 4879
Bar Library	Dhaka	09612 82 4966
Nawabpur Road	Dhaka	09612 82 4976
Bangshal (AD)	Dhaka	09612 82 4812
Nazimuddin Road	Dhaka	09612 82 4889
Sadarghat (AD)	Dhaka	09612 82 4822
Chawk bazar (AD)	Dhaka	09612 82 4802
Jhonson Road	Dhaka	09612 82 4938
Babu Bazar	Dhaka	09612 82 4899
Sutrapur	Dhaka	09612 82 5021
Begum Bazar	Dhaka	09612 82 4870
Islampur	Dhaka	09612 82 4859
Imamgonj	Dhaka	09612 82 4949
Nayabazar	Dhaka	09612 82 4851
Komorgonj	Dhaka	09612 82 4956
Dolaipar	Dhaka	09612 82 4917
Ati Bazar	Dhaka	09612 82 4840
Dania	Dhaka	09612 82 4986
Jurain	Dhaka	09612 82 4928
Kamrangirchar	Dhaka	09612 82 4994
Keranigonj	Dhaka	09612 82 5011
Ruhitpur	Dhaka	09612 82 7856
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

Branch Network

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

CHITTAGONG NORTH REGION	DISTRICT	CONTACT NO
Kulgaon	Chittagong	09612 82 3367
Aman Bazar	Chittagong	09612 82 3384
Shitakundo SME/Krishi	Chittagong	09612 82 3319
Laldighi East (AD)	Chittagong	09612 82 3301
Nazirhat	Chittagong	09612 82 3522
Bibirhat	Chittagong	09612 82 3344
Dharmapur	Chittagong	09612 82 3475
Nanupur	Chittagong	09612 82 3434
Madhunaghat	Chittagong	09612 82 3443
Rangunia	Chittagong	09612 82 3408
Raozan	Chittagong	09612 82 3505
Katirhat	Chittagong	09612 82 3426
Mithachara Bazar	Chittagong	09612 82 3326
Baratakia Bazar	Chittagong	09612 82 3334
Baroiarhat	Chittagong	09612 82 3374
Shiberhat	Chittagong	09612 82 3781
Sandwip	Chittagong	09612 82 3611
Colonel Hat	Chittagong	09612 82 3644
Hathazari	Chittagong	09612 82 3528
Khagrachari	Chittagong	09612 82 3791

CHITTAGONG CENTRAL REGION	DISTRICT	CONTACT NO
Pathergata	Chittagong	09612 82 3394
Jubilee Road	Chittagong	09612 82 3500
Korbanigonj	Chittagong	09612 82 3483
Industrial Area	Chittagong	09612 82 3401
Chawk Bazar	Chittagong	09612 82 3458
Terribazar	Chittagong	09612 82 3490
Khatungonj (AD)	Chittagong	09612 82 3291
Asadgonj	Chittagong	09612 82 3512
Chaktai	Chittagong	09612 82 3311
Anderkillia	Chittagong	09612 82 3355
College Road	Chittagong	09612 82 3359

Bahadderhat	Chittagong	09612 82 3415
Mehdibagh	Chittagong	09612 82 3449
Ranirhat	Chittagong	09612 82 3467
Pahartali	Chittagong	09612 82 3677
Sheikh Mujib Road	Chittagong	09612 82 3634
Kadamtali	Chittagong	09612 82 3620
Reazuddin Bazar	Chittagong	09612 82 3650
Halishahor	Chittagong	09612 82 3669
Rangamati	Rangamati	09612 82 3764

CHITTAGONG SOUTH REGION	DISTRICT	CONTACT NO
Anowara	Chittagong	09612 82 3800
Hadipara	Chittagong	09612 82 3770
Lohagora	Chittagong	09612 82 3744
North Potenga	Chittagong	09612 82 3709
E.P.Z.	Chittagong	09612 82 3806
Sadarghat	Chittagong	09612 82 3663
Port	Chittagong	09612 82 3722
Patiya	Chittagong	09612 82 3617
Shantirhat	Chittagong	09612 82 3628
Banshkhali	Chittagong	09612 82 3716
Satkania	Chittagong	09612 82 3776
Chandanaish	Chittagong	09612 82 3686
Padua	Chittagong	09612 82 3751
Keranihat	Chittagong	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
Rasulgongj	Sunamgonj	09612 82 7585
Sriramshi Bazar	Sunamgonj	09612 82 7595
Sunamgonj (AD)	Sunamgonj	09612 82 7481

MOULVIBAZAR REGION	DISTRICT	CONTACT NO
Kamalgonj	Moulvibazar	09612 82 5649
Dakshinbagh	Moulvibazar	09612 82 5642
Juri	Moulvibazar	09612 82 5728
Shamsernagar	Moulvibazar	09612 82 5710
Moulvi Bazar	Moulvibazar	09612 82 5471
Sreemongal	Moulvibazar	09612 82 5536
WAPDA Gate	Moulvibazar	09612 82 5615
Kulaura	Moulvibazar	09612 82 5566
Baralekha	Moulvibazar	09612 82 5656
Brahman Bazar	Moulvibazar	09612 82 5606
Adampur Bazar	Moulvibazar	09612 82 5636
Chowmohona	Moulvibazar	09612 82 5551
Sherpur Bazar	Moulvibazar	09612 82 5737
Tengra Bazar	Moulvibazar	09612 82 5696
Rabir Bazar	Moulvibazar	09612 82 5585
Bhatera Bazar	Moulvibazar	09612 82 5629
Munshi Bazar	Moulvibazar	09612 82 5720
Jogidahar	Moulvibazar	09612 82 5601
Syedpur Bazar	Habigonj	09612 82 5702

Ajmerigonj	Habigonj	09612 82 5678
Gazipur	Habigonj	09612 82 5560
Baniachong	Habigonj	09612 82 5526
Nabigonj	Habigonj	09612 82 5544
Dharmaghar	Habigonj	09612 82 5757
Sutang Bazar	Habigonj	09612 82 5519
Habigonj	Habigonj	09612 82 5481
Town Masjid Road	Habigonj	09612 82 5511
Bar Library	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	Habigonj	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
Doukhar Bazar	Cumilla	09612 82 4114
Maynamati	Cumilla	09612 82 4057
Debidwar	Cumilla	09612 82 4009
Daudkandi	Cumilla	09612 82 3966
Chouddagram	Cumilla	09612 82 4067
Gunabati Bazar	Cumilla	09612 82 4151
Bhuschi Bazar	Cumilla	09612 82 4126
Brahmanpara	Cumilla	09612 82 4165
Chandina	Cumilla	09612 82 4089
Chhangarchar	Chandpur	09612 82 4032
Rampur Bazar	Chandpur	09612 82 4026
Chandpur Main	Chandpur	09612 82 3921
Matlab bazar	Chandpur	09612 82 4074
Ashrafpur Bazar	Chandpur	09612 82 4045
Gridakalindia Bazar	Chandpur	09612 82 4019
Hajigonj	Chandpur	09612 82 4156
Kachua	Chandpur	09612 82 4040
Nayergaon Bazar	Chandpur	09612 82 4051
Natun bazar	Chandpur	09612 82 3987
Baburhat	Chandpur	09612 82 3984
Brahmanbaria	Brahman Baria	09612 82 3901
Akhaura	Brahman Baria	09612 82 4145
Ashugonj	Brahman Baria	09612 82 4131
Sarak Bazar	Brahman Baria	09612 82 3995

Branch Network

Kuti Bazar	Brahman Baria	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
Majdee Court	Noakhali	09612 82 6411
Samir Munshirhat	Noakhali	09612 82 6467
Chaumuhani	Noakhali	09612 82 6426
Hatiya	Noakhali	09612 82 6481
Sonaimuri	Noakhali	09612 82 6546
Bashurhat	Noakhali	09612 82 6461
Datterhat	Noakhali	09612 82 6454
Maizdee Bazar	Noakhali	09612 82 6512
Laxmipur	Laxmipur	09612 82 6401
Raipur	Laxmipur	09612 82 6435
Ramgonj	Laxmipur	09612 82 6502
Mirerhat	Laxmipur	09612 82 6496

MYMENSINGH REGION	DISTRICT	CONTACT NO
Mymensingh Main (AD)	Mymensingh	09612 82 5861
Swadeshi Bazar	Mymensingh	09612 82 5891
Taltola Bazar	Mymensingh	09612 82 6091
Trishal	Mymensingh	09612 82 6068
University Campus	Mymensingh	09612 82 5937
Charpara	Mymensingh	09612 82 5947
Muktagacha	Mymensingh	09612 82 6020
Bhaluka	Mymensingh	09612 82 5929
Fulbaria	Mymensingh	09612 82 5901
Kishorgonj	Kishorgonj	09612 82 5909
Bhairab Bazar	Kishorgonj	09612 82 5871
Kamalpur	Kishorgonj	09612 82 6045
Kathiadi	Kishorgonj	09612 82 6054
Netrokona (Town)	Netrokona	09612 82 6011
Mohanganj	Netrokona	09612 82 6076
Madan	Netrokona	09612 82 6097
Jamalpur	Jamalpur	09612 82 5851
Nandina Bazar	Jamalpur	09612 82 6036
Bakultala	Jamalpur	09612 82 6083
Sarishabari	Jamalpur	09612 82 5965
Melandah Bazar	Jamalpur	09612 82 6061
Sherpur Town	Sherpur	09612 82 5919
Pathrail Bazar	Tangail	09612 82 5981
Kalihati	Tangail	09612 82 6103
Tangail Main	Tangail	09612 82 5881
Akur Takur	Tangail	09612 82 5973
Gopalpur	Tangail	09612 82 6029
Zilla Sarak	Tangail	09612 82 5959

Pakutia	Tangail	09612 82 6003
Karatia	Tangail	09612 82 5989
Bhaighat Bazar	Tangail	09612 82 5996
Sakhipur	Tangail	09612 82 6116

RAJSHAHI REGION	DISTRICT	CONTACT NO
Rajshahi (AD)	Rajshahi	09612 82 6611
New Market	Rajshahi	09612 82 6797
Sericulture	Rajshahi	09612 82 6783
Katakhal Bazar	Rajshahi	09612 82 6765
Baneswar	Rajshahi	09612 82 6749
Bhawanigonj	Rajshahi	09612 82 6726
Bagha	Rajshahi	09612 82 6860
Courtbarazar	Rajshahi	09612 82 6791
Natore	Natore	09612 82 6814
Kushumbi Kaligonj	Natore	09612 82 6719
Chapai Nawabgonj	Chapai Nawabgonj	09612 82 6671
Moharajpur	Chapai Nawabgonj	09612 82 6830
Pabna	Pabna	09612 82 6651
Salgaria	Pabna	09612 82 6775
Ataikula	Pabna	09612 82 6844
Tebunia	Pabna	09612 82 6824
Ishurdi	Pabna	09612 82 6755
Bhangura	Pabna	09612 82 8095

RANGPUR REGION	DISTRICT	CONTACT NO
Rangpur	Rangpur	09612 82 6911
Station Road	Rangpur	09612 82 6981
Shapla Chattar	Rangpur	09612 82 7011
Dhap	Rangpur	09612 82 7020
Kurigram	Kurigram	09612 82 6967
Fulbari	Kurigram	09612 82 7105
Nageshwari	Kurigram	09612 82 7112
Parbatipur	Dinajpur	09612 82 7055
Dinajpur	Dinajpur	09612 82 6941
Fulbari	Dinajpur	09612 82 7065
Pulhat	Dinajpur	09612 82 6975
Birgonj	Dinajpur	09612 82 7049
Lalmonirhat	Lalmonirhat	09612 82 6931
Tushbander	Lalmonirhat	09612 82 6961
Nilphamari	Nilphamari	09612 82 7083
Saidpur	Nilphamari	09612 82 7075
Shutibari	Nilphamari	09612 82 7093
Thakurgaon (Town)	Thakurgaon	09612 82 6921
Thakurgaon Road	Thakurgaon	09612 82 6989
Panchagarh	Panchagarh	09612 82 7033
Nekmorod	Thakurgaon	09612 82 7004
Pirganj	Thakurgaon	09612 82 7042
Ulipur	Kurigram	09612 82 2490

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	Bogra	09612 82 6701
New Market	Bogra	09612 82 6740
Bogra	Bogra	09612 82 6641
Murail SME/Krishi	Bogra	09612 82 6838
Santahar	Bogra	09612 82 6711
Sherpur	Bogra	09612 82 7818
Jaipurhat	Jaipurhat	09612 82 6621
Jamalgonj	Jaipurhat	09612 82 6681
Naogaon	Naogaon	09612 82 6631
Mohadevpur	Naogaon	09612 82 6853
Deluabari	Naogaon	09612 82 6804
Gaibandha	Gaibandha	09612 82 7026
Mahimagonj	Gaibandha	09612 82 7100
Park Road	Gaibandha	09612 82 6951
Gobindagonj	Gaibandha	09612 82 6996
Dupchanchia	Bogura	09612 82 7844

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
Jessore (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

BARISAL REGION	DISTRICT	CONTACT NO
Barisal (AD)	Barisal	09612 82 3002
Madhabpasha	Barisal	09612 82 3123
Rupatoli	Barisal	09612 82 3070
Babugonj	Barisal	09612 82 3101
Mehendigonj	Barisal	09612 82 3177
Bazar Road	Barisal	09612 82 3090

Hospital Road	Barisal	09612 82 3062
Hizla	Barisal	09612 82 3184
Muladi	Barisal	09612 82 3157
Tarki Bandar	Barisal	09612 82 3077
Pirojpur	Pirojpur	09612 82 3022
Nazirpur	Pirojpur	09612 82 3129
Matbaria	Pirojpur	09612 82 3151
Bhandaria	Pirojpur	09612 82 3083
Sarshina	Pirojpur	09612 82 3144
Mearhat	Pirojpur	09612 82 3137
Rajapur	Jhalakhathi	09612 82 3171
Nalcity	Jhalakhathi	09612 82 3165
Jhalakathi	Jhalakhathi	09612 82 3208
Bhola	Bhola	09612 82 3032
Charfashion	Bhola	09612 82 3109
Lalmohan	Bhola	09612 82 3247
Kalaiya Bandar	Patuakhali	09612 82 3117
Patuakhali	Patuakhali	09612 82 3042
Golachipa	Patuakhali	09612 82 3191
Subidkhali	Patuakhali	09612 82 3197
Kalapara	Patuakhali	09612 82 3216
Barguna	Barguna	09612 82 3052
Bamna	Barguna	09612 82 3202
Dashmina	Patuakhali	09612 82 2680

FARIDPUR REGION	DISTRICT	CONTACT NO
Kanaipur	Faridpur	09612 82 5081
Bhanga	Faridpur	09612 82 5127
Faridpur	Faridpur	09612 82 5041
Sadarpur	Faridpur	09612 82 5095
Madhukhali	Faridpur	09612 82 5171
Gopalgonj	Gopalgonj	09612 82 5132
Kashiani	Gopalgonj	09612 82 5105
Madaripur	Madaripur	09612 82 5071
Shibchar	Madaripur	09612 82 5089
Rajbari	Rajbari	09612 82 5164
Pangsha SME/Krishi	Rajbari	09612 82 5151
Kushtia	Kushtia	09612 82 5051
Bheramara	Kushtia	09612 82 5111
Magura	Magura	09612 82 5156
Sariatpur	Sariatpur	09612 82 5061
Bhojeshwar Bazar SME/Krishi	Sariatpur	09612 82 5121
Kumarkhali	Kushtia	09612 82 5142
Poradah	Kushtia	09612 82 7931
Boalmari	Faridpur	09612 82 7936
Muksudpur	Gopalgonj	09612 82 2990





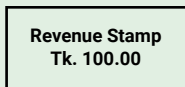
PUBALI BANK LIMITED
Registered Office
26 Dilkusha Commercial Area, Dhaka-1000, Bangladesh

PROXY/Authorization Form

I / We of
 being a shareholder(s) of Pubali Bank Limited do hereby appoint Mr./
 Mrs. of
 or failing him / her
ofas
 my / our Proxy, to attend and vote on my / our behalf at the 40th Annual General Meeting of the bank to be held on **06th June 2023 at 10:30 AM** physically at **Pubali Bank Auditorium, Head Office, 26 Dilkusha C/A, Dhaka** and virtually through video conference and at any adjournment thereof.

As wished, I / We have attested Signature of the Proxy Holder on day of 2023.

 Signature of the Shareholder(s)



 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 40th Annual General Meeting (AGM) may appoint a PROXY to attend and vote on his/her behalf.
 2. Signature of the Shareholder(s) must agree with the Specimen Signature recorded with the Bank.
 3. The Honorable Shareholder (s) will submit their Proxy form through online/Manual no later than 48 hours before commencement of the AGM i.e 04th June 2023 at 10.30 AM. Proxy is invalid if not signed and stamped as explained above.



PUBALI BANK BHABAN

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SWIFT: PUBABDDH

