

2013 Annual Report



PUBALI BANK LIMITED

Head Office

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Dhaka-1000, Bangladesh
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Letter of Transmittal

All shareholders,
Bangladesh Bank,
Bangladesh Securities and Exchange Commission,
Registrar of Joint Stock Companies & Firms,
Dhaka Stock Exchange Limited,
Chittagong Stock Exchange Limited,

Dear Sir(s)

It is a pleasure to transmit the Annual Report 2013 of Pubali Bank Limited alongwith the consolidated balance sheet of its subsidiary companies namely Pubali Bank Securities Limited & Pubali Exchange Company (UK) Limited for all concerned.

The Annual Report includes message from the Chairman of the Board of Directors, Report of Managing Director & CEO, Directors' Report and Financial Statements with relevant notes alongwith consolidated statements of subsidiary companies.

Pubali Bank Limited proved its strength and capability of steady growth and moving forward through consistent progress in all parameters in the year 2013. I would like to convey my thanks and gratitude to all concerned.

Yours Sincerely



(Md. Sayeed Sikder)
General Manager &
Company Secretary

Board of Directors



Mr. Hafiz Ahmed Mazumder
Chairman



Mr. Habibur Rahman
Vice Chairman



Mr. Moniruddin Ahmed
Director



Mr. Syed Moazzem Hussain
Director



Mr. Muhammad Faizur Rahman
Director



Mr. Ahmed Shafi Choudhury
Director



Mrs. Suraiya Rahman
Director



Mr. Fahim Ahmed Faruk Chowdhury
Director



Ms. Rumana Sharif
Director



Mr. Mustafa Ahmed
Director



Mr. Musa Ahmed
Director



Mr. Azizur Rahman
Director



Mr. M. Kabiruzzaman Yaqub
FCMA (UK) & CGMA
Director



Mr. Khurshid-ul-Alam
Independent Director



Dr. Shahdeen Malik
Independent Director



Mr. Helal Ahmed Chowdhury
Managing Director & CEO

Corporate Structure

Board of Directors

Chairman

Mr. Hafiz Ahmed Mazumder

Vice Chairman

Mr. Habibur Rahman

Directors

Mr. Moniruddin Ahmed

Mr. Syed Moazzem Hussain

Mr. Muhammad Faizur Rahman

Mr. Ahmed Shafi Choudhury

Mrs. Suraiya Rahman

Mr. Fahim Ahmed Faruk Chowdhury

Ms. Rumana Sharif

Mr. Mustafa Ahmed

Mr. Musa Ahmed

Mr. Azizur Rahman

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

Mr. Khurshid-ul-Alam, Independent Director

Dr. Shahdeen Malik, Independent Director

Mr. Helal Ahmed Chowdhury, Managing Director & CEO

Chief Financial Officer

Mr. Sayeed Ahmed FCA, ACMA, CGMA

Company Secretary

Mr. Md. Sayeed Sikder

Executive Committee

Mr. Syed Moazzem Hussain	Chairman
Mr. Habibur Rahman Mr. Muhammad Faizur Rahman Mrs. Suraiya Rahman Mr. Azizur Rahman Mr. Helal Ahmed Chowdhury - Managing Director & CEO	Members
Mr. Md. Sayeed Sikder	Secretary

Audit Committee

Mr. Khurshid-ul-Alam	Chairman
Mr. Moniruddin Ahmed Mr. Ahmed Shafi Choudhury Mr. Mustafa Ahmed Dr. Shahdeen Malik	Members
Mr. Md. Sayeed Sikder	Secretary

Risk Management Committee

Mr. M. Kabiruzzaman Yaqub FCMA(UK), CGMA	Chairman
Mr. Fahim Ahmed Faruk Chowdhury Ms. Rumana Sharif Mr. Musa Ahmed Mr. Khurshid-ul-Alam	Members
Mr. Md. Sayeed Sikder	Secretary

Shariah Council

Jb. M. Azizul Huq	Chairman
Jb. Prof. M. Mansurur Rahman Jb. Abdullah Bin Sayeed Jalalabadi Jb. Md. Mukhlesur Rahman Jb. Mohammad Mahbubur Rahman	Faqih Members
Jb. Prof. M. Muzahidul Islam	Islamic Economist
Jb. Habibur Rahman Jb. Moniruddin Ahmed Jb. Ahmed Shafi Choudhury Jb. Helal Ahmed Chowdhury	Ex-Officio Members
Jb. Abdul Gofran	Member Secretary

Auditors

M/S Aziz Halim Khair Choudhury
Chartered Accountants

ACNABIN

Chartered Accountants

Tax Adviser

S.F. Ahmed & Co.
Chartered Accountants

Management Team

Managing Director & CEO

Mr. Helal Ahmed Chowdhury

Additional Managing Director

Mr. Md. Abdul Halim Chowdhury

Deputy Managing Director

Mr. Safiul Alam Khan Chowdhury

General Manager

Mr. Md. Sayeed Ahmed FCA, ACMA, CGMA

Mr. Mohammad Ali

Mr. Mohiuddin Ahmed

Mr. Sk. Golam Mohammad

Mr. Md. Sayeed Sikder

Mr. Md. Hasan Ali

Mr. Dewan Ruhul Ahsan

Mr. Md. Sirajul Islam Miah

Mr. Syed Abdul Mazid

Mr. Habibur Rahman

Mr. Protik Karim

Mr. Md. Shahnewaz Chowdhury

Mr. Dewan Jamil Masud

Mr. Abu Habib Khairul Kabir

Mr. Ershadul Hoque

Mr. Md. Mohiuddin Ahmed

Mr. B.M. Shahidul Hoque

Mr. Md. Humayun Kabir

Mr. Md. Shah Alam

Mr. Syed Aziz Ahmed

Consultant

Mr. M. Kamal Uddin Miah

Head of Islamic Banking Wing

Mr. Abdul Gofran

Deputy General Manager

Mrs. Rowshon Akhter

Mr. Md. Abu Taher Chowdhury

Mr. Sushil Kumar Saha

Mr. Prodip Kumar Datta

Ms. Shireen Aktar

Mr. Md. Belayet Hossain

Mr. Abduhu Ruhul Masih

Mr. A. S. Sirajul Hoque Chowdhury

Mr. Md. Mostafa Kamal

Mr. Arunava Chowdhury

Mr. Mohammad Ali Khan

Mr. Jagot Chandra Saha

Mr. Nitish Kumar Roy

Mr. Md. Omar Sultan

Mr. Md. Mamun Bakht

Mr. Abu Sayeed Siddiqui

Mr. A.T.M.Mominul Islam

Mr. Shushil Chandra Sikder

Mrs. Ferdousi Jahan

Mr. Ataullah Siddiqui

Mr. Md. Rafiqul Islam Bhuiyan

Mr. Sk. Abdus Sabur

Mr. Shyam Sundar Banik

Mr. Md. Shamsuddin Faruque

Mr. Parimal Kumar Das

Mr. Md. Ashrafal Alam

Mrs. Shamsun Nahar Akther

Mr. Kh. Mahbub-E-Rabbani

Mr. Mohiuddin Muhammad Noor Ullah

Mr. Md. Abdul Hakim

Mr. Md. Abdul Hye

Mr. Md. Mostafa Kamal Miah

Mr. Md. Khurshed Reza

Mr. Zahid Ahsan

Mr. K.M.Zakaria

Mr. Parimal Chandra Das

Mrs. Halima Khatoon

Mr. Md. Imamura Rashid

Mrs. Shahida Begum

Mr. Iftekhar Haider

Mr. Md. Shah Alam

Mr. Sayed Saiful Islam

Mrs. Rubina Begum

Mr. Dilip Kumar Paul

Mr. Md. Abdul Latif Howlader

Mr. Md. Shamsul Huda

Mr. Mohammad Saiful Islam

Mr. A. Jalil

Mr. Rafiqul Islam

Mr. Ziaul Hoque Chowdhury

Mr. Mahbub Ahmed

Mr. Md.Moshiur Rahman Khan

Mr. Ahmed Enayet Manjur

Mr. Hari Bhushan Deb

Mr. Md.Shahnewaz Khan

Mr. Md. Shahadat Hossain

Mr. Md.Mohiuddin Ahmed

Mr. Mohammad Monjurul Islam Mojumder

Mr. Md. Faizul Hoque Sharif

Mr. Md. Zahidur Rahman

Mr. Mohammed Esha

Mr. A.K.M.Mozammel Hoque

Ms. Nishat Maisura Rahman

Mr. Md. Anisur Rahman

Ms. Sultana Sarifun Nahar

Mr. Md. Helaluddin

Mr. Md. Nasiruddin Bhuiyan

Management Team

Assistant General Manager

- Mr. S. M. Shawkat Hossain
 Mr. Md. Shah Jahan
 Mr. Ziauddin Ahmed
 Mr. Mohammad Saidul Hoque
 Mr. Sheikh Faizul Wahab
 Mr. Faruq Hasan
 Mr. Md. Anwar Hossain
 Mr. Md. Alamgir Hossain
 Mr. Md. Muyeenu Hoque
 Mr. Aatur Rahman
 Mr. Md. Nazrul Islam
 Mr. A.K.M. Saiful Islam
 Mrs. Hosne Ara Begum
 Mr. Md. Mizanur Rahman
 Mr. Syed Md. Ehahiya
 Mr. Satya Ranjan Chakraborty
 Mr. Moksudul Haque Chowdhury
 Mrs. Shahnaz Begum
 Mr. Md. Rashed Mahbub Rabban
 Mr. Md. Shaheen Khan
 Mr. Sukanta Chandra Banik
 Mr. Debashis Bhattacharyya
 Mr. Md. Faisal Ahmed
 Mr. Md. Anisuzzaman
 Mr. Md. Rafiqul Islam
 Mr. Md. Nanna Sikder
 Mr. Mohammad Shahjahan
 Mr. Abu Hasan Md. Kamruzzaman
 Mr. Endra Mohan Sutradhar
 Mr. Mohd. Akhtar Hussain
 Mr. Bibhuti Bhushan Talukder
 Mr. Shamsul Hoque
 Mr. Jibon Kumar Roy
 Mr. Md. Shahidul Islam
 Mr. Tahir Hossain Idris
 Mr. Aminuddin Howlader
 Mr. Md. Majibur Rahman
 Mr. Md. Zahirul Hoque
 Mr. Shakti Ranjan Das
 Mr. Md. Kamruzzaman
 Mr. Md. Noor-E-Alam Sarker
 Mr. Md. Rafiqul Islam
 Mr. H.M. Omar Faruque
 Mr. Naresh Chandra Bashak
 Mr. Faroque Ahmed
 Mr. Khan Md. Javed Jafar
 Mr. Md. Nazrul Islam Sarker
 Mr. Ratan Kumar Shil
 Mr. Mohammad Arifur Rahman
 Mrs. Ismat Ara Huq
 Mr. Ashim Kumar Roy
 Mr. Md. Hasan Imam
 Mr. Md. Shah Alam Bhuiyan
 Mr. Naimul Hoque
 Mr. Mohammed Nurul Kabir
 Mr. A.F.M. Nurul Islam
 Mr. Abdul Hoque Sikder
 Mr. Kudrat Ali
 Mr. Jafar Ahmed
 Mr. Md. Solaiman Munshi
 Mr. Dam Kamal Kumar
 Mr. Md. Shamsul Hoque
 Mr. Md. Wahid Shams
 Mr. Md. Bellal Hossain Salim
 Mr. Md. Ziaur Rahman
 Mr. Md. Imtiazul Huq
 Mr. Jasim Uddin Ahmed
 Mr. Abdur Rahman
 Mr. Md. Abu Bakar Siddique
 Mr. Atahar Ali Mollah
 Mr. Md. Ishaque
 Mr. Md. Shahjahan
 Mr. Md. Rustom Ali Howlader
 Mr. Syed Anowarul Hoque
 Mr. Md. Bashirul Alam
 Mr. Md. Abdus Salam Pathan
 Mr. Khandoker Abdur Razzaque
 Mrs. Shahina Hossain
 Mr. Prodyut Kumar Roy
 Mr. Abdullah Al Amin
 Mr. Md. Khalilur Rahman
 Mr. Ali Ahmed Akan
 Mr. Nur Mohammad
 Mr. Md. Akkas Ali Miah

Management Team

Assistant General Manager

Mr. Nizamuddin
 Mr. A. F. M. Ruhul Amin
 Mr. Muzaffar Ali
 Mr. Md. Shahadat Hossain
 Mr. Md. Ziaul Huq
 Mr. Rafiqul Islam
 Ms. Mousumi Rani Shaha
 Mr. Shaheen Shahria
 Mr. Zahirul Islam
 Mr. Md. Bellal Hossain
 Mr. Md. Abu Nasar
 Mr. Md. Khairul Islam
 Mr. Md. Abdul Latif
 Mr. Nurur Rahman Akhand
 Mr. Kalimullah
 Mr. Md. Mojibus Shahid
 Mr. Nurul Alam
 Mr. Md. Matiur Rahman
 Mr. Md. Helal Uddin
 Mr. Kabir Ahmed Chowdhury
 Mr. Rafiqul Islam Khan
 Mr. Abdul Jabber
 Mr. Md. Abdur Razzaque
 Mr. Nurul Alam Khan
 Mr. Md. Abdul Wahab Mollah
 Mr. Mosharraf Hossain
 Mr. Anwar Hossain
 Mr. Md. Aminul Islam
 Mr. A.B.M. Jahurul Haque
 Mr. Syed Joaharul Alam
 Mr. Mizanur Rahman
 Mr. Md. Abdus Sobhan Miajee
 Mr. Aminul Islam
 Mr. S.M. Rakib Miah
 Mr. Sajal William Rozario
 Mr. Asif Iqbal
 Mr. Mohammed Ali Amzad
 Mr. Md. Wahid Ullah
 Mr. A.K.M. Abdur Raqib
 Mr. Mollah Md. Ekramul Hoque
 Mr. Jahangir Alam
 Mr. Md. Shajahan Mahmood

Mr. Md. Shariful Islam
 Mr. Shahidullah Bhuiyan
 Mr. Abul Kalam Azad
 Mr. Md. Abdul Mumith Chowdhury
 Mr. Chowdhury Ishfaqur Rahman Qureshi
 Mr. S. M. Liaquat Hossain
 Mr. Md. Malequl Islam
 Mr. Muhammad Tarequl Islam
 Ms. Fatema Shaela Hossain
 Ms. Ajuba Khandaker
 Mr. Md. Saiful Islam
 Mr. Abu Laich Md. Shamsujjaman
 Ms. Masuma Khatun
 Mr. Mohammad Mohasin Sarker
 Mrs. Kaniz Fatima
 Mr. Mohammad Tofazzal Hossain
 Ms. Tahmida Sharmin
 Ms. Fahmida Akter
 Mr. Md. Shaiful Islam
 Mr. Zubair Islam
 Mr. Chowdhury Md. Shafiul Hasan
 Mr. Md. Abul Hasan
 Mr. Mohammad Abdur Rahim
 Mrs. Kazi Shaswoti Islam
 Mr. Md. Lotifur Rahman
 Ms. Kaniz Farhana Yasmin
 Mr. Firoz Miazi Foyz Ahmed
 Mr. Ovijit Chowdhury
 Mr. Mohammad Al Mamun
 Mr. Babul Kanti Biswas



PUBALI BANK LIMITED

Registered Office

26, Dilkusha Commercial Area, Dhaka-1000, Bangladesh

Notice of the 31st (Thirty one) AGM of Pubali Bank Limited

Notice is hereby given that the 31st (Thirty one) Annual General Meeting (AGM) of Pubali Bank Limited will be held on 25th March, 2014 at 10:30 a.m. at Bashundhara Convention Center, Baridhara, Dhaka to transact the following businesses:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st December 2013 and Reports of the Directors and Auditors thereon.
2. To declare Dividend for the year ended 31st December 2013 as recommended by the Board of Directors.
3. To appoint Auditor(s) of the Company for the year 2014 and to fix their remuneration.
4. To elect Directors.

All the honourable Shareholders of the Bank are requested to kindly make it convenient to attend the Meeting in time.

By order of the Board of Directors

Sd/-

Md. Sayeed Sikder
General Manager &
Company Secretary

Dated: Dhaka
February 27, 2014

Notes:

- a) The "Record Date" of the 31st Annual General Meeting (AGM) is 10.03.2014.
- b) The Shareholders whose name would appear in the CDS/Register of Members of the Company on the Record Date shall be entitled to the dividend and attend the AGM.
- c) A member eligible to attend at the Annual General Meeting may appoint a proxy to attend on his/her behalf. Power of Attorney/Proxy forms must be submitted to the Share Department (26, Dilkusha C/A, 3rd floor), Head Office, Dhaka of the Company at least 48 (forty eight) hours before the Meeting i.e. 10.30 a.m. on 23.03.2014. Revenue Stamp of Tk.20/- (Taka Twenty) only shall have to be affixed on the proxy form.
- d) Shareholders and proxies are requested to record their entry well in time.
- e) The last date of submission of nomination paper at the Registered Office for election of Directors is 13.03.2014 up to 5.00 p.m. Scrutiny of nomination papers will be completed on 18.03.2014 and will be hung the list of eligible candidates at notice board by 4.00 p.m. of 18.03.2014. Last date of withdrawal of nomination paper is 20.03.2014 up to 5.00 p.m.
- f) List of the final candidates for election of Directors will be hung in the Notice Board at the Registered Office of the Company on 20.03.2014 after 5.00 p.m.
- g) Election procedures and rules thereto are available at the Registered Office of the Company.
- h) The honorable Shareholders may collect Proxy & Nomination forms from the Share Department of the Company and also download from Bank's website (www.pubalibangla.com). Attendance slip may be collected from the Bank's Head Office or from meeting venue.
- i) Annual Report & Balance sheet alongwith Directors' Report and Audited Financial Statements of the Bank for the year ended 31st December 2013 will be available at the Bank's website (www.pubalibangla.com) from 13th March, 2014 to till next AGM.
- j) Entry is reserved only for the honorable Shareholders and Proxies/Attorneys. Attendance slip (duly signed) must be submitted to the Registration Counter at the time of entrance. Registration Counter shall be opened at 7:30 a.m. and remain open up to 10:30 a.m.
- k) **Honorable Shareholders are requested to update Mailing Address, Bank Account no., Branch Routing no., Signature and other related information of their BO Account before record date.**

Payment of Stock Dividend:

- Stock Dividend will be credited through CDBL and fraction amount will be credited to the respective account of the shareholder through BEFTN.
- **No gift or benefit in cash or kind shall be paid/offered to the Shareholders in the 31st AGM as per BSEC Directive No. SEC/CMRCD/2009-193/154 dated 24.10.2013.**

Vision

- Providing customer centric life long banking services.

Mission

- To be the most respected and preferred brand among all financial services 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.

Goals

- Providing appropriate long term returns to our shareholders and to become the number one bank of all private commercial banks.
- Serve institutions, corporate, businesses and individuals through Customer Relationship Management (CRM).
- Develop innovative and new products recognizing the unique lifetime financial needs of customers.
- Delivery of services through all delivery channels like internet banking, IVR and telephone banking, ATM and POS, mobile banking etc.
- Enhancing Corporate Governance for effective interaction between various participants i.e. shareholders, board of directors, bank's management and taking effective decision to ensure corporate success and economic growth.
- Streamlining risk and compliance for shareholders confidence, better operating performance and optimal risk-reward outcomes.
- Continuous enrichment of its human assets so that they deliver value to the business.
- Strengthening brand image for creating higher customer satisfaction and loyalty.
- Adapting latest technologies and responding quickly in fast changing market scenario for providing uninterrupted services and business continuity, minimizing risks and moving towards MIS and DSS.
- Enhancing financial inclusion efforts for sustained high economic growth and development.
- Institutionalize CSR.

Corporate Governance Compliance Certificate 2013

We have examined the compliances of conditions of The Corporate Governance guidelines of the Bangladesh Securities and Exchange Commission ("BSEC") by Pubali Bank Limited (the "Bank") as stipulated in clause 7(i) of the BSEC notification no SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012.

The compliances of conditions of The Corporate Governance guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the Bank's Management. Our examination for the purpose of issuing this certificate was limited to the examining of procedures and implementations thereof, adopted by the Bank for ensuring the compliance of conditions of corporate governance and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representation received thereon.

To the best of our information and according to the explanations given to us, we certify that the Bank has complied with the conditions of corporate governance stipulated in the above mentioned BSEC notification dated 7 August 2012 Issued under section 2CC of the Securities and Exchange Ordinance-1969, for the year ended December 2013.

Hometown Apartment
87, New Eskaton Road, Dhaka-1000.
Dated : March 04, 2014



K. M. HASAN & CO.
Chartered Accountants

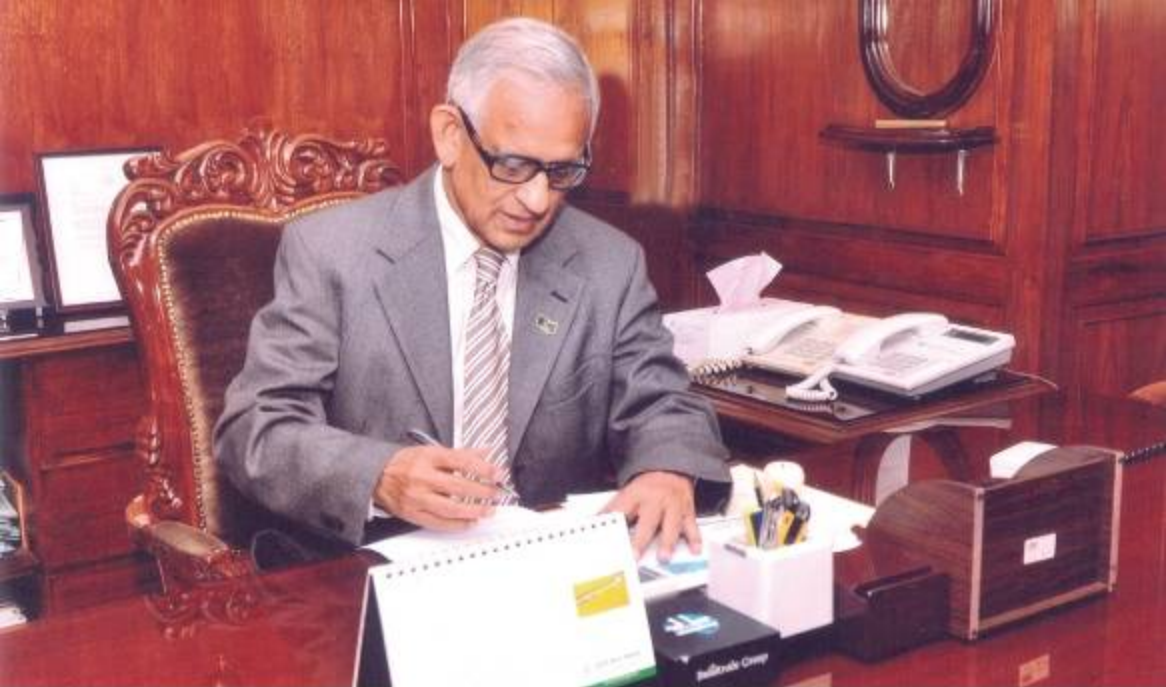
Credit Ratings

The summary of the up to date credit rating done by the National Credit Ratings Limited (NCR) is presented below:

Credit Rating Report (Surveillance Rating)

	Long Term	Short Term
Rating Outstanding (updated June 12, 2013)	AA (Double A) (Very Strong Capacity)	ST-1 (Strongest Capacity)
Validity of Outstanding Rating	June 11, 2014	December 11, 2013
Outlook of the Company:	Stable	

NCR has assigned AA (Pronounced Double A) rating of Pubali Bank Limited in the Long Term and ST1 in the Short Term. This level of rating indicates very strong capacity for timely payment of financial commitments in both Long Term and Short Term with very low likelihood to be adversely affected by foreseeable events. The ratings also draw strength from improved risk absorption maturity with sound equity base, adequate liquidity in terms of CRR & SLR and reasonable maturity gap. NCR performed the present rating assignment based on the Audited Financial Statements of 31st December 2012 and other relevant information. The present rating takes into account, among others, Bank's comfortable capital adequacy, improved asset quality, continued profitability, adequate liquidity and reduction in non-performing assets (NPA) levels to single digit.



Message from the Chairman

Dear Shareholders,

I am immensely glad to bid you all the heartiest welcome at the 31st Annual General Meeting (AGM) of Pubali Bank Limited on behalf of the Board of Directors of the bank.

I am very happy to inform you that your bank has been able to keep up strong position in all key areas covering capital adequacy, good asset quality, sound management, good earnings and strong liquidity. It has also been emerging as a number one financial institution with the highest level of reputation in the country.

Despite all the adversities, Pubali Bank Ltd. has been able to expand the business and witnessed the value propositions for our customers. The Bank is always vigilant and putting its absolute effort to make the bank a better place for both the employees at work and its customers and to all the stakeholders.

Please be noted that Pubali Bank has earned an operating profit of TK. 813.14 crore in spite of all national and international adversities. The Bank made a steady progress in all spheres of banking business in 2013. The Bank has increased the branch network keeping pace with growing demand of our economy. Now, all of our branches are modernized with the latest computer & electronic technology and providing largest real time on-line Internet Banking services to the customers by in-house developed software under the on-line banking network, with the traditional image of mass banking services provider. Pubali Bank always ready to provide with the best result to the stakeholders of the bank by complying with all the rules & regulations of the regulatory authorities.

I am grateful to our all valued customers, honourable shareholders, clients, well-wishers and to the regulators especially Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited and Registrar of Joint Stock Companies & Firms for their prudent guidelines and support. Once again I welcome you at the 31st Annual General Meeting of Pubali Bank Limited and offering my heartiest compliments to all of you.

With best regards

(Hafiz Ahmed Mazumder)
Chairman



Report of Managing Director & CEO

Dear Valued Shareholders,

I am delighted to report about the Bank's consistent improvement & performances of 2013 & welcome you all at the 31st Annual General Meeting of Pubali Bank Limited. In spite of all economic troubles & political turmoil round the year, which pushed the NPL a bit higher likewise with the peers bank yet we have been able to achieve operating profit growth 27.24% in 2013. We have made good progress in procuring of deposits, disbursement of loans & advances, expansion of volume of import & export businesses and in foreign remittance mobilization.

We focused on targeted business goals to pursue in the outgoing year. At the same time enhanced customer services by implementing advanced banking technology with full online banking network & internet banking and improving corporate policies in changing business environment. We remained very fair to recruit the best talents and nurturing their skill and improving knowledge through adequate training programs. This year we recruited 800 (eight hundred) officers thus became the largest recruiter in private sector. Because human resources is the most important factor for the success of the organization, especially for service sector. Corporate Social Responsibility (CSR) is another important issue that we have been accomplishing more successfully. Pubali Bank Limited provided financial support to the distressed people of the society round the year.

I am highly glad to apprise you that Pubali Bank Ltd. has been fostering the proficiency, expertise and acumen to become a strong, effective and trusted partner to all the stakeholders of the Bank.

We always remain complied with the rules and regulations of the regulatory bodies and guidelines/directions of Bangladesh bank, Bangladesh Securities and Exchange Commission and other Government departments/agencies. I express my special thanks to the regulatory authorities specially Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies & Firms and Central Depository of Bangladesh Limited for their guidance and cooperation.

I would like to take the opportunity to convey my sincere thanks and gratitude to all the distinguished members of the Board of Directors for their prudent guidance and strong commitment for running the bank in the right direction.

I conclude with sincere thanks to the members of the management team and all levels of employees for their cooperation and dedication. Due to their well-coordinated and combined performances, Pubali Bank Limited today stands in its enviable position which becomes a role model of government turned private bank. I convey my thanks to our valued shareholders, customers and clients for their support and trust upon us, which helps enormously to discharge sincere services to the all stakeholders and to owe the responsibilities for the cause of the Pubali Bank Limited.

With warmest regards

(Helal Ahmed Chowdhury)
Managing Director & CEO

Directors' Report

Dear Shareholders,
Assalamu Alaikum,

The Board of Directors of Pubali Bank Limited takes pleasure to welcome you all in the 31st Annual General Meeting (AGM) and present the Annual Report 2013 along with the Audited Financial Statements and Auditor's Report of the Bank on behalf of Board of Directors. The Board of Directors and the Management both played the pivotal role for achieving the set targets in a volatile economic situation and political turmoil round the year. Socio conditions are passing through a transitional stage. That's why the course of business was not even and smooth. In spite of all adverse circumstances, our Bank earned 27.24% growth of operating profit in the last year. Your support has paved the way to achieve this result in 2013.

Let us have an overview of the National and Global Economy of the immediate past year.

Bangladesh Economy

Turmoil led to fall in private sector credit growth in 2013. The rate of private sector credit growth came down to 11.07 % or Tk.465.118 billion in September 2013. The rate was 19.88 % or Tk. 696.620 billion in September 2012. Both operating and net profits of the commercial banks fell in the calendar year.

Manpower export dropped by 37 % in 10 months of 2013. The inward flow of remittance recorded a fall for the first time in a decade in the year 2013. The inflow of remittance came down by 2.39% to US\$ 13.84 billion in 2013 from US\$ 14.18 billion a year ago due to mainly lower export of manpower coupled with the political turmoil, according to the Bangladesh Bank statistics. In the year 2013, the country experienced slump in man power export and diminishing trend of foreign currency inflow from remittance sector in the third quarter of the year. Bangladesh manpower export has witnessed 37 % decline with 8.7 % year- on- year reduction in inward remittances.

New investment in RMG sector dropped sharply in the second-half of the year. High interest rate on bank loans, a protracted energy crisis during the period and chaotic political environment are responsible for the poor interest of the investors. Strictness over compliance issues by the foreign buyers also discouraged many prospective investors to invest in the sector. New entrepreneurs are afraid of the strictness over compliance issue as most of them cannot maintain compliance in the beginning.

Export earnings from apparel products during the July-November period of fiscal year 2013-14 grew by more than 20 % over the corresponding period of last fiscal despite sharp reactions both at home and abroad about the recent tragic incidents in garment industry.

Export receipts from knit products stood at US\$4.89 billion during the July-November period registering a 20.48 % growth over the corresponding period of the last year. The earnings also surpassed the target by 11.04 %, according to official data of the Export Promotion Bureau.

Export earnings from Knit items stood at US\$1.25 billion in July, US\$848.25 million in August, US\$1.05 billion in September, US\$862.01 million in October and US\$877.61 million in November this year.

Woven products fetched US\$4.75 billion showing a 21 % growth though it missed the target by 0.81 % during the same period of the current fiscal, according to EPB data. However, though earnings from export of garment items grew during the July-November period, the month - to - month earnings slowed down since October 2013. The exporters attributed this to recent incidents like Tazreen factory fire, Rana Plaza collapse, labour unrest and political turmoil.

Similarly, woven items fetched US\$1.26 billion in July, US\$796.05 million in August, US\$985.26 million in September, US\$820.49 million in October and US\$889.49 million in November in 2013.

On the other hand, the total export earnings witnessed a growth of 18.02 % during the period with earnings of US\$11.95 billion which was US\$10.13 billion during the corresponding period of the last fiscal. The single month earning also surpassed the target by 6.05% for the period. The single month earnings in November 2013 stood at US\$2.21% growth compared to that of November 2012 when the export earnings were US\$1.76 billion.

The prevailing political turmoil has taken its toll on the country's Balance of Payment (BoP) as its surplus has shrunk following poor inflow of remittances and foreign investment. The International Monetary Fund (IMF) has identified the ongoing political impasse and transition in the apparel sector as major challenges for Bangladesh.

Food inflation shot up to highest level in November. It rose to 8.55 % on point-to-point basis. Food inflation soared to its highest level in urban areas at 9.67 % in November. While general inflation also climbed up to its highest level at 7.15 % measured on point-to-point basis as a result of rising trend in price both food and non-food products. Both demand and supply sides are responsible for fast rising consumer price index (CPI). Supply side was disrupted mainly political chaos. Costs of products and services increased by 12%, while living cost also rose by 12% in the year 2013 according to statistics of Consumers Association of Bangladesh (CAB).

The foreign investment in the Dhaka Stock Exchange (DSE) jumped in 2013 compared to 2012, as foreign fund managers considered the market lucrative for long-term investment due to low prices of fundamentally strong stocks. Net investment by foreign investors in 2013 stood at Tk.19.44 billion, which was Tk. 7.92 billion in 2012, registering 145% rise over the year, according to statistics of Dhaka Stock Exchange (DSE).

The Banking industry in Bangladesh, according to a study, has still a significant flaw in loan recovery procedures. This largely accounts for a high ratio of their non-performing loans (NPL) in relation to the amount of their aggregate portfolios. On an average, the NPL was 12.79% of total loan of the banks as of September, 2013.

The introduction of a stringent loan classification system in 2012 was the main reason behind the increase in NPL. The system was only recently modified to a considerable extent by the central bank in view of the circumstances, prevailing now in the economy because of the knock-on effects of the country's confrontational policy.

Category-wise, the percentage of NPL in state-owned commercial and specialized banks is higher than that of private commercial banks in the country. As of September, 2013, the NPL rate was 28.76% in state-owned banks, 29.39% in specialized banks, 7.30% in private commercial banks and 6.02% in foreign banks.

The amount of classified loans in the country's banking system marked a gradual rise throughout this calendar year, and reached Tk. 567.20 billion in the third quarter, which is nearly 13% of the total outstanding loans caused by sluggish business activities amid the ongoing political impasse. The volume of classified loans marked a rise of more than 8.0% or Tk. 44.10 billion in the July - September period of 2013 over that of the previous quarter. It was Tk. 523.09 billion in the second quarter and Tk.510.20 billion in the first quarter, the BB data showed.

The central bank has introduced US dollar (USD) and Bangladesh Taka (BDT) swap arrangement through offshore banking units (OBUs) of the commercial banks. Under the new arrangement, the banks are allowed to swap maximum US\$20 million from Bangladesh Bank (BB) against their BDT through their OBUs for maximum six months.

The banks will receive interest on their invested BDT on the basis of reverse repo rate from Bangladesh Bank, while the banks will have to pay at the London Inter-bank Offered Rate (LIBOR) plus 1.0 % interest to the central bank for the US-dollar amount, according to the arrangement.

The monetary policy pursued by the Bangladesh Bank is aimed at keeping prices low by maintaining reasonable stability while supporting the highest sustainable growth in domestic output.

Global Economy

The world economy is still dominated by sluggish trend of recovery. While old risks remain, new risks have emerged, including the possibility of slowing growth, slowing credit and possibly tighter financial conditions if the anticipated unwinding of monetary policy stimulus in the United States leads to sustained capital flow reversals. Additional policy action is required for stronger global growth.

Global growth has increased very slightly from an annualized rate of 2.5% in the second half of 2012 to only 2.75% in the first quarter of 2013. This under performance was due to 3 vital factors:

- Less growth in emerging markets
- Profound recession in the euro area
- Slow expansion of the U.S. economy

United States economy grew a speedy 3.6 % in Q3, significantly higher than initially estimated. Gross Domestic product growth was originally estimated at 2.8 %. The strong third-quarter reading marked the fourth consecutive quarter of expansion in the world's largest economy, and was the fastest growth since the 2012 first quarter's 3.7 % pace.

China became the world's biggest trader in goods for the first time in 2013, overtaking the US for all of 2013 and finished the year with record trade figures in December. The total value of China's imports and exports in 2013 was US\$4.16tn, a 7.6% increase from a year earlier on a renminbin-adjusted basis.

India's industrial output shrank by an unexpected 2.1% in November and its trade gap widened. The year - on - year output fall amid sliding consumer demand marked the second straight month of contraction. Monetary policy is restrictive, the government is holding the leash on spending and business sentiment is depressed. New investments are still not happening. It has faced a string of regulatory hurdles and become emblematic of the woes faced by overseas investors seeking to put money in India. Exports grew just 3.49 % in December from a year earlier. Imports, meanwhile, slumped by 15.25% in December from a year earlier, reflecting downbeat domestic demand. In India, the domestic corporate have been raising funds from overseas bond market in an unprecedented manner following high interest rate in the country. So far Reliance, Bharati Airtel, ICICI Bank, HDFC Bank, Exim bank, Tata Communications, Union Bank, among others, had lapped up over US\$13.5 billion through overseas bond issues between January and mid-May 2013.

Britain approved reforms to scandal-hit banking sector for paving the way for a raft of new regulations including the "ring fencing" of bank's retail and investment divisions. This is a major milestone and marks the end of three year process, led by the government, to make the UK banking system stronger and safer so that it can support the economy, help businesses and serve consumers.

This is first time after formation of European Union, at the fag end of the year, the Central Bank of European Union has contemplated to impose negative interest rate on 'Deposits' of the central Banks of the member countries of European Union to encourage the investment.

This is the first time the Swiss Banking industries are going to relax their famous secrecy policy related to their customers in the event of pressure from US and European Union. The big economies are persuading vigorously to end the Tax evasion trend of the citizens of the rich countries.

Spanish banks bad loans surged to record high in 2013. Risky loans, mostly linked to the collapsed property sector, bad loans rose to 12.68 % of all credit in Spain.

In this year, Ireland has successfully come out from the bail out program. Ireland is the first country of the European Union, which has made this achievement through re-structuring their economy and financial sector. Their GDP growth and current account balance improved substantially. The negative balance of current account now graduated by 4% (approx) plus at the end of the 2013. Ireland can now participate in the financial market of European Union freely.

After long strenuous haggling the WTO reached in agreement in Bali, Indonesia to consider the demand of least developed countries. To ease the formalities for expansion of exports from the least developed countries to the developed countries. To allow subsidy to some extent in agriculture & food sectors of least developed countries. To facilitate trade by simplifying customs procedures for the least developed countries, To get penetration in service sectors by the least developed countries. It is presumed that this consensus could create US\$1.0 Trillion in economic activity and 21 million jobs if properly implemented. So, it is called a 'historic' boost for WTO. The experts presumes that due to this new agreement at least red tape bureaucracy will reduce to some extent even actually no tariff and duties do not reduce.

Corporate Governance:

Pubali bank is a 100% indigenously largest private commercial bank in Bangladesh. Meanwhile Pubali Bank Limited has taken effective measures to implement Corporate Governance. Corporate Governance is echoed with the good governance. Pubali Bank has ensured basic four columns of good governance i.e. Accountability, Transparency, Predictability & Balancing the Extreme through utilization of available resources and day to day decision making in conformity with instructions of regulatory bodies.

A. Board Structure

The Board of Directors consists of 16 Members including 02(two) Independent Directors and Managing Director, mainly directs on policy formulation and monitoring of its guidelines. The Board has following Supporting Committees:

Executive Committee: The Executive Committee is comprised of 6 Board Members and they take decision on emergency matters as and when required relating to Bank's business etc. subject to ratification by the full Board. In 2013 the committee conducted 4 (four) Meetings.

Audit Committee: The Audit committee is formed with 5 members of the Board of Directors. The Audit Committee peruses and evaluates all the Audit Reports of all Branches of the Bank (Audit & Inspection reports of internal team & Bangladesh Bank). The committee assists the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and ensuring a congenial working method in the bank as per guidelines of the Regulators. In 2013 the committee conducted 24 (twenty four) Meetings.

Risk Management Committee: The Risk Management Committee is constituted with 5 members of the Board of Directors in comply with the Bangladesh Bank's BRPD circular no.11 dated 27 October 2013. The Risk Management Committee peruses, analyzes, sorts, out the risk and formulates the appropriate policy to reduce the risk Such as Credit risk, Foreign exchange operation risk, Internal Control & Compliance risk, Money laundering risk, Information & Communication Technology risk, Operational risk, Interest risk, liquidity risk etc. and makes necessary capital reservation & provisioning against the above risks. The committee has conducted 1(one) meeting this year.

B. Financial Management

The Annual budget and the statutory financial statements are prepared with the approval of the Board. The Board regularly monitors and reviews bank's liquidity, income, expenditures, non-performing loans, loss provisions and steps taken for recovery of defaulted loans including legal means.

C. Management Structure

The management headed by Managing Director and CEO is assisted by Additional Managing Director, Deputy Managing Director, 20 General Manager's alongwith head of Islamic Banking wing and a law Consultant to run the business. The workflows are carried out by the relevant divisions/department/regional offices/branches of the Bank. The following committees also assist the management:

- i) **Management Committee (MANCOM):** The MANCOM is comprised of senior Management members and headed by Managing Director & CEO meets monthly to discuss relevant agenda and take appropriate actions for running the Bank smoothly.
- ii) **Asset Liability Management Committee (ALCO):** Asset Liability Management Committee headed by Managing Directors and Management Members, meets monthly to discuss relevant agenda and take appropriate actions for running the bank smoothly. CEO is responsible for balance Sheet Risk Management. The results of Balance Sheet analysis along with recommendation are placed in ALCO meeting where important decisions are made to minimize risk and to maximize returns.
- iii) **Credit Committee:** Headed by the Additional Managing Director, the Credit Committee evaluates credit proposals and recommends for approval and/or otherwise.
- iv) **Task Force Committee for Recovery of Classified Loans:** A task Force Committee for recovery of classified loans is constituted in the Head Office of the Bank with the Chairmanship of Managing Director and CEO. The other Members are Additional Managing Director, General Managers of Audit Division and Information Technology Division, General Managers and Deputy General Managers of credit Administration, Monitoring and Recovery Division, Credit Division, CLS Division, Lease financing Division and Law Division. The committee holds meeting at Head Office in every two months to evaluate the recovery position and formulate measures/steps for better recovery and preventing further classification of loans. Stress is given on proper follow up and Monitoring of loan A/Cs. The committee also extends discussion meetings with the borrowers at field level time to time to arrive at settlement of Bad loans under BRPD guidelines.

- v) **Risk Management Unit:** Banking business is a risky business. The risk of the Bank may be defined as the possibility of losses, financial or otherwise. The risk management of the Bank covers 06 core risks i.e. Credit Risk, Internal Control & Compliance Risk, Money Laundering Risk, Asset Liability Management Risk (Balance Sheet Risk), Foreign Exchange Risk and Information Technology Risk. Moreover, Operational Risk, Market Risk, Liquidity Risk, Residual Risk, Reputation Risk, Strategic Risk, Settlement Risk and Environmental & Climate Change Risk are also brought into consideration. A separate Risk Management Unit (RMU) has been formed headed by Additional Managing Director where all the General Managers & Division Heads of Head Office are the members and the Division Head, Internal Control & Compliance Division is the member secretary. The Committee is responsible to our Honorable Managing Director for compliance and implementation of the decisions. Monthly meeting of Risk Management Unit is arranged on regular basis where different risks are discussed and decisions are gradually implemented. Minutes of Risk Management Unit meeting along with risk management papers are submitted to Bangladesh Bank on quarterly basis.
- vi) **Management Reporting System Committee:** Management Reporting System Committee was formed headed by Additional Managing Director. In the meeting of Management Reporting System Committee, Bank's MIS affairs are discussed and decisions are gradually implemented. The Committee is responsible to Honorable Managing Director for implementation of the decisions. Automated system collect and to ensure updated data has been developed & deployed to different divisions of our Bank. Our Credit Administration, Monitoring & Recovery Division is now getting access to status of the loan, customer registration information, account opening information, expired loan etc. All other divisions of Head Office can now monitor different concerned affairs of the branches. Day by day, the system / MIS will be strengthened further to meet all kinds of requirements.
- vii) **Central Compliance Unit:** To prevent money laundering & combat terrorist financing, a Central Compliance Unit headed by a Chief Anti-Money Laundering Compliance Officer (CAMLCO) was formed. The unit is liable for regulatory compliance related to money laundering, terrorist financing, KYC, Cash Transaction Reporting (CTR), Suspicious Transaction Reporting (STR), and Account & Transaction Monitoring. The unit also faces Bangladesh Bank's inspection in this regard at our Head Office and branch level. Before establishing correspondent banking relationship with any bank/financial institution/exchange company, the unit evaluates the money laundering & terrorist financing prevention status of that institution. Every year Bangladesh Bank instructs to arrange lead bank workshop and regional Conference in different districts. The unit arranges workshop and conference accordingly. Management of our Bank approves an out reach training calendar on money laundering & terrorist financing every year. The unit imparts training according to the outreach training calendar. So far 38 AML circulars received from Bangladesh Bank have been dispatched to the branches and regional offices for compliance. More over the unit has issued several circulars/circular letters on this issue. As per Bangladesh Bank's AML circular no. 15 dated 24 March, 2008, a half yearly summary report on Self-assessment and Independent Testing Procedure of the branches are prepared and the same is placed before the Management and submitted to Bangladesh Bank. Monthly meeting of Central Compliance unit is arranged regularly and the decisions are gradually implemented.
- viii) **Ethical Committee:** In the present stage of globalization, ethical issue in banking sector is assumed great importance. More over behavioral norms of bank officials and loan takers are to be brought into consideration since the banks deal with the deposits of countless customers. If the interest of the depositors are in a vulnerable position, it may bring the economy to a halt. Considering the importance of the issue and as per instruction of Bangladesh Bank, an Ethical Committee has been formed headed by Additional Managing Director where all the General Managers & Division Heads of Head Office are the members and the Division Head, Internal Control & Compliance Division is the Member Secretary and Focal Point Officer. The Committee is responsible to our Honorable Managing Director for implementation of the decisions. Monthly meeting of Ethical Committee is arranged on regular basis and decisions are gradually implemented.

D. Code of Ethics/Policy of Business Conduct

The Bank instituted "Service Rules" since the inception of the bank in 1959. The Bank has formulated different policies including Credit Policy, Purchase Policy and Rules, Finance and Accounting Policy, Foreign Exchange Risk Management Policy, Internal Control & Compliance Policy, Anti-money laundering policy and IT Manual/guideline. All these policies are followed and supervised on the basis of own manual & guidelines of each encompassed field/Division.

E. Internal Control System and Appropriate Accounting Policies

The sound system of Internal Control has been designed and has been efficiently practiced, implemented and monitored through continuous reviewing and vigilant monitoring Internal Control & Compliances are ensured. Appropriate Accounting Policies have been consistently applied in preparation of the financial statements. Bangladesh Accounting Standard and International Accounting Standards, as applicable in Bangladesh have been followed and adequately disclosed.

F. Lending to Directors, Controlling Shareholders or Employees

No lending has been made to the Directors/Controlling Shareholders of the Bank. However, the employees of the bank are entitled to House Building Loan, Consumer Loan, Car Loan, Consumer Credit Scheme and Provident Fund Loan at arm's length basis.

G. Key Financials : Ref. to Page No. 47.

H. Related Party disclosures : Ref. to notes no. 14.7 at page No. 106.

I. Percentage of Shareholdings : Ref. to notes no. 14.3 at page No. 104.

J. Bangladesh Bank Guidelines for Corporate Governance: Our Compliance Status

To ensure good governance i.e. Corporate governance in bank management, Bangladesh Bank (Central Bank of Bangladesh) issued a circular (BRPD Circular No 06 dated 04 February 2010) which replaced earlier two circulars (BRPD circular no 03 dated 19 February 2002 & BRPD circular no 16 dated 24 July 2003). These guidelines were aimed to provide a clear segregation of authority and responsibilities between the CEO, The Chairman of the Board and the Board of Directors in the overall functioning of the bank.

The details of the Bangladesh Bank guidelines and Pubali Bank Ltd.'s compliance thereto are presented below:

Sl No.	Particulars	Compliance Status
1	<p>Responsibilities and authorities of the Board of Directors:</p> <p>(a) Work planning and strategic management:</p> <p>(i) The Board shall determine the objectives and goals and to this end shall chalk out strategies and work plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reorganization for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor at quarterly rests the development of implementation of work plans.</p>	Complied. Board formulates strategies, policies and set targets for the corporate management. Management puts best efforts in implementing the strategies to achieve set goals.
	<p>(ii) The Board shall have its analytical review incorporated in the Annual Report as regard the 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 the other senior executives and have it evaluated at times.</p>	Complied
	<p>(b) Loan and Risk Management:</p> <p>(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 Board's approval under the purview of the existing laws, rules and regulations. The Board 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.</p>	Complied
	<p>(ii) The Board shall frame policies for risk management and get them complied with and shall monitor at quarterly rests the compliance thereof.</p>	Complied

Sl No.	Particulars	Compliance Status
	<p>(c) Internal Control Management: The Board shall be vigilant on the internal control system of the bank in order to attain and maintain satisfactory health or grade of its loan/investment portfolio. It shall review at quarterly rest the reports submitted by its audit committee regarding the compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.</p>	Complied
	<p>(d) Human Resources Management and Development: (i) Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the Board. 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 Board of directors shall be included in the selection committees for recruitment and promotion to different levels. Recruitment and promotion to the immediate two tiers below the CEO shall, however, rest upon the Board. Such recruitment and promotion shall have to be carried out complying with the service rules i.e., policies for recruitment and promotion.</p>	Complied. Pubali Bank Limited Board approves Human Resource policy from time to time which guides all actions or decisions related to HR of Pubali Bank Limited
	<p>(ii) The Board shall focus its special attention to the development of skills 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 Board shall get these programs incorporated in its annual work plan.</p>	Complied
	<p>(e) Financial Management: (i) The annual budget and the statutory financial statements shall finally be prepared with the approval of the Board. It shall 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.</p>	Complied
	<p>(ii) The Board shall 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 adopted with the approval of the Board.</p>	Complied. Pubali Bank Limited Board approves the amendments from time to time as required to the approved "Procurement and Disposal Policy".
	<p>(f) Formation of Supporting Committees: For decision on urgent matters and executive committee, whatever name called, may be formed with the directors. There shall be no committee or sub-committee of the Board other than the executive committee and the audit committee. No alternate director shall be included in these committees.</p>	Complied.
	<p>(g) Appointment of CEO: The Board shall appoint a competent CEO for the bank with the approval of the Bangladesh Bank.</p>	Complied
	<p>(h) The Board shall ensure fulfilling any other responsibility (ies) appropriately assigned by the central bank (Bangladesh Bank).</p>	Complied
2	<p>Responsibilities of the Chairman of Board of Directors: (a) As the chairman of the Board of directors (or chairman of any committee formed by the Board 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.</p>	Complied

Sl No.	Particulars	Compliance Status
	(b) The chairman may conduct on-site inspection of any bank branch or financing activities under the purview of the oversight responsibilities of the Board. 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 Board or the executive committee and if deemed necessary, with the approval of the Board, 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 Bangladesh Bank through the Board along with the statement of the CEO.	Complied
	(c) The chairman may be offered an office room, a personal secretary/assistant, a telephone at the office and a vehicle in the business interest of the bank subject to the approval of the Board.	Complied
3	Responsibilities of the Adviser: The adviser, whatever name called, shall advise the Board of directors or the CEO only on such issues for which he/she is engaged in terms of the conditions of his/her appointment. He shall neither have access to the process of decision making nor shall have the scope of effecting executive authority in any matters of the bank including financial, administrative or operational affairs.	No such adviser at Pubali Bank Limited.
4	Responsibilities and authorities of CEO: The CEO of the bank, whatever name called, shall discharge the responsibilities and effect the authorities as follows:	
	(a) In terms of financial, business and administrative authorities vested upon him by the Board, the CEO shall discharge his own responsibilities. He/she 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/or other relevant laws and regulations in discharge of routine functions of the bank.	Complied
	(c) The CEO shall include clearly and violation from Bank Companies Act 1991 and/or any other related laws/regulations in the 'memo' presented to the meeting of the Board or any other committee (s) engaged by the Board.	Complied
	(d) The CEO shall report to Bangladesh Bank of issues in violation of the Bank Companies Act, 1991 or of other laws/regulations and, if required, may apprise the Board post facto.	Complied
	(e) The recruitment and promotion of all staff 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 approved delegation 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 of interfere into such affairs. The authority relating to transfer of and disciplinary measures against the staff, except those at one tier 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 Board, he/she shall nominate officers for training etc.	Complied
5	Meetings of the Board of Directors: One meeting of the Board of Directors per month can be held usually but it can be more than one upon necessity. No less than one meeting of the Board in three months to be held.	Complied. Usually Pubali Bank Limited holds four Board Meetings in a month.

Sl No.	Particulars	Compliance Status
6	Number of members of Executive Committee (EC) of the Board: Number of members of the EC cannot exceed 7 members as per BB BRPD Circular Letter No. 2 dated 15 February 2010 and more than one member from one family shall not be included in the EC as per BB Circular Letter No.4 dated 14 March 2010.	Complied. Pubali Bank Limited has 6 members of Executive Committee of the Board.
7	Training of 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

H. Compliance with BSEC Conditions:

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/129/Admin/43 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not complied	
1.	Board of Directors:			
1.1	Board Size: Board members shall not be less than 5(five) and more than 20(Twenty)	✓		
1.2	Independent Directors:			
1.2 (i)	Independent Director: At least 1/5 th	✓		According to Bank Company Act, 1991 (amended 22 July, 2013) Sec: 15(9), If the number of Director's is less than 20(twenty) then no. of Independent Director(s) shall be 2(two) in case of Bank Company.
1.2 (ii)	For the purpose of this clause " independent director" means a director	✓		
1.2 (ii) a)	Independent Directors do not hold any share or hold less than one percent (1%) shares of total paid up capital.	✓		
1.2 (ii) b)	Independent Directors are not connected with the company's Sponsor or Director Or Shareholder who holds 1% or more shares.	✓		
1.2 (ii) c)	Independent Directors do not have any other relationship, whether pecuniary or otherwise, with the company or its Subsidiary/Associated Companies.	✓		
1.2 (ii) d)	Independent Directors are not the Members, Directors or Officers of any Stock Exchange.	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not complied	
1.2 (ii) e)	Independent Directors are not the Shareholders, Directors or Officers of any member of Stock Exchange or an Intermediary of the Capital Market.	✓		
1.2 (ii) f)	Independent Directors are/were not the partners or executives during preceding 3(three) years of concerned company's Statutory Audit Firm.	✓		
1.2 (ii) g)	They are not the Independent Directors in more than 3(three) listed Companies.	✓		
1.2 (ii) h)	They are not convicted by a Court competent jurisdiction as a defaulter in payment of any loan to a Bank or a Non-Bank Financial Institution (NBFi).	✓		
1.2 (ii) i)	They have not been convicted for a criminal offence involving moral turpitude.	✓		
1.2 (iii)	The Independent Directors shall be appointed by the Board of Directors and approved by the Shareholders in the AGM.	✓		
1.2 (iv)	The post of Independent Directors cannot remain vacant for more than 90 days.	✓		
1.2 (v)	The Board shall lay down a Code of Conduct of all Board Members and Annual Compliance of the Code to be recorded.	✓		
1.2 (vi)	The tenure of office of an Independent Director shall be for a period of 3(three) years which may be extended for 1(one) Term only.	✓		
1.3	Qualification of Independent Director (ID):			
1.3 (i)	Independent Director shall be knowledgeable individual with integrity	✓		
1.3 (ii)	The Independent directors must have at least 12(twelve) years of corporate management/professional experiences	✓		
1.3 (iii)	In special cases above qualification may be relaxed by the commission;	✓		
1.4	Separate Chairman and CEO and their clearly defined roles and responsibilities.	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not complied	
1.5	Directors' Report to Shareholders:			
1.5 (i)	Industry outlook & possible future developments in the industry.	✓		
1.5 (ii)	Segment wise product-wise performance	✓		
1.5 (iii)	Risk and concerns.	✓		
1.5 (iv)	Discussion on Cost of goods sold, gross profit margin and net profit margin.	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	✓		
1.5 (vi)	Basis for related party transaction-a statement of all related party transactions should be disclosed in the annual report.	✓		
1.5 (vii)	Utilization of proceeds from public issues, right issues and/or through any others instruments.	✓		
1.5 (viii)	An explanation if the financial result deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing etc.	✓		
1.5 (ix)	If Significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	✓		
1.5 (x)	Remuneration to directors including independent directors.	✓		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the results of its operation, cash flows and changes in equity.	✓		
1.5 (xii)	Proper books of account of the issuer company have been maintained.	✓		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards(BAS)/International Financial Reporting Standards (IFRS)/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.	✓		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, that fact along with reasons thereof should be disclosed.	✓		
1.5 (xvii)	Significant deviations from last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	✓		
1.5 (xviii)	Key operating and financial data of at least preceding 5(five) years shall be summarized.	✓		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	✓		
1.5 (xx)	The number of Board Meeting held during the year and attendance by each director shall be disclosed.	✓		
1.5 (xxi)	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 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	✓		
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head Of Internal Audit and their spouses and minor children (name wise details).	✓		
1.5 (xxi) c)	Executives (top five salaried employees of the Company other than stated in 1.5(xx)i)b);	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not complied	
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
1.5 (xxii)	In case of appointment /re-appointment of a Director the Company shall disclose the following information to the Shareholders:			
1.5 (xxii) a)	A brief resume of the Director;	✓		
1.5 (xxii) b)	Nature of his/her expertise in specific functional areas.	✓		
1.5 (xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
2.0	Chief Financial Officer, (CFO), Head of Internal Audit And Company Secretary:			
2.1	Appointment of CFO, Head of Internal Audit and Company Secretary and their clearly defined roles, responsibilities and duties.	✓		
2.2	Attendance of CFO and the Company Secretary at Board of Directors.	✓		
3.	Audit Committee:			
3 (i)	Audit committee shall be the sub-committee of the Board of Directors.	✓		
3 (ii)	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 Company and in ensuring a good monitoring system within the business.	✓		
3 (iii)	The Audit committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
3.1	Constitution of the Audit Committee:			
3.1 (i)	The Audit committee shall be composed of at least 3 (three) members.	✓		
3.1 (ii)	Constitution of Audit Committee with Board Members including one independent Director.	✓		
3.1 (iii)	All members of the Audit Committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management experience.	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not complied	
3.1 (iv)	Filling of Casual Vacancy in Committee.	✓		
3.1 (v)	The Company Secretary shall act as the Secretary of the Committee.	✓		
3.1 (vi)	The Quorum of the audit committee meeting shall not constitute without at least 1(one) independent director.	✓		
3.2	Chairman of the Audit Committee:			
3.2 (i)	Chairman of the Audit Committee shall be an Independent Director.	✓		
3.2 (ii)	Chairman of Audit Committee shall present in the Annual General Meeting (AGM).	✓		
3.3	Role of the Audit Committee:			
3.3 (i)	Oversee the financial reporting process	✓		
3.3 (ii)	Monitor choice of accounting policies and principles.	✓		
3.3 (iii)	Monitor Internal Control Risk management process.	✓		
3.3 (iv)	Oversee hiring and performance of external auditors.	✓		
3.3 (v)	Review along with the management, the annual financial statements before submission to the Board for approval.	✓		
3.3 (vi)	Review along with the management, the quarterly & half-yearly financial statements before submission to the Board for approval	✓		
3.3 (vii)	Review the adequacy of internal audit function.	✓		
3.3 (viii)	Review the statement of significant related party transaction submitted by the management.	✓		
3.3 (ix)	Review management letters/letter of internal control weakness issued by statutory auditors.	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not complied	
3.3 (x)	When money is raised through initial public offering (IPO)/repeat public offering (RPO)/rights issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital etc.) on a quarterly basis, as a part of their quarterly declaration of financial results.	✓		
3.4	Reporting of the Audit Committee:			
3.4.1	Reporting to the Board of Directors:			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1 (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:	✓		
3.4.1 (ii) a)	Report on conflict of interests.	✓		
3.4.1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	✓		
3.4.1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations;	✓		
3.4.1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately;	✓		
3.4.2	Reporting of anything having material financial impact to the Commission.	✓		
3.5	Reporting to the Shareholders and General Investors	✓		
4.	External/Statutory Auditors:			
4 (i)	Appraisal or valuation services or fairness opinions.	✓		
4 (ii)	Financial information systems design and implementation.	✓		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		
4 (iv)	Broker-dealer services.	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not complied	
4 (v)	Actuarial services.	✓		
4 (vi)	Internal audit services.	✓		
4 (vii)	Any other service that the Audit Committee determines.			
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that Company;	✓		
5.	Subsidiary Company:			
5 (i)	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.	✓		
5 (ii)	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.	✓		
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓		
5 (iv)	The Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company.	✓		
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investment made by the subsidiary company.	✓		
6.	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):			
6 (i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief;	✓		
6 (i) a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not complied	
6 (i) b)	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.	✓		
6 (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 violation of the company's code of conduct.	✓		
7.	Reporting and Compliance of Corporate Governance:			
7 (i)	The company shall obtain a certificate from a professional accountant/secretary (CA/CMA/CS) regarding compliance of conditions of corporate governance guidelines of the commission and shall send the same to the shareholders alongwith the Annual Report on a yearly basis.	✓		
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached in the director's report whether the company has complied with these conditions.	✓		

Core risk Management

Risk Management

The risk of the Bank may be defined as the possibility of losses, financial or otherwise. The risk management of the Bank covers 06 core risks i.e. Credit Risk, Internal Control & Compliance Risk, Money Laundering Risk, Asset Liability Management Risk (Balance Sheet Risk), Foreign Exchange Risk and Information Technology Risk. Moreover, Operational Risk, Market Risk, Liquidity Risk, Reputational Risk and Sustainability Risk etc. are also brought into consideration. The prime objective of the risk management is that Bank takes well calculative business risks while safeguarding the Bank's capital, its financial resources and profitability from various risk areas. The Bank strictly follows the guidelines of Bangladesh Bank and other regulatory bodies in respect of risk management. A separate Risk Management Unit (RMU) has been formed headed by Additional Managing Director where all the General Managers & Division Heads of Head Office are the Members and the Division Head, Internal Control & Compliance Division is the member secretary of the committee. The committee reports to Honorable Managing Director regularly. Monthly meeting of Risk Management unit is arranged on regular basis where different risk areas are discussed, minutes and decisions are implemented. Minutes of Risk Management Unit meeting along with risk management papers are submitted to Bangladesh Bank on quarterly basis. Adequate capital is maintained against Credit Risk, Market Risk and Operational Risk under Base-II accord. Stress Testing is done on quarterly basis to assess the impact of different risk associated with banking business on asset, liability & ultimately on capital. As per 2nd pillar of BASEL-II a Supervisory Review Process Team has been formed to review and calculate total required capital against all possible risks.

Corporate Social Responsibilities (CSR)

The board of directors and the Management of the bank believe that we have definite obligations to the community. Every year we participate in various social activities. We use to donate handsome money each year. In 2013, we participated in number of social activities.

The bank donated Tk. 2(two) crore to Prime Minister's Relief Fund for the victims in Rana plaza tragedy. The bank also donated substantial amount to the Department of Applied Chemistry and Chemical, Development Studies, University of Dhaka, and The Asia Foundation.

The bank extended its financial cooperation to many other institutions, organizations and individuals in 2013. The bank like previous year contributed throughout the year to the Pubali Bank Staff Welfare Fund. The bank provided financial support to the employees for financial help and medical treatment purpose. Side by side cash reward/scholarship was awarded among the children of the members of the staff welfare fund.

Performance of Pubali Bank Limited:

Share capital

Authorized capital and paid up capital of the bank stood at Tk.2000.00 crore and Tk. 838.45 crore respectively in 2013.

Statutory and other Reserve

At the close of 2013, the statutory reserve and other reserves of the bank stood at Taka 11920.99 million, out of which statutory reserve was Taka 7171.55 million, other reserve was Tk. 4749.44 million. Total Reserve was Tk. 10420.19 million at the end of 2012.

Deposits

The deposit trend was positive in 2013 in spite of political turmoil. At the end of 2012, Total deposit was Taka 150418.82million that came to Taka 177868.17 million at the end of 2013 showing 18.26% increase. Out of the total deposits, Time Deposits Taka 160784.89 million and Demand Deposits were Taka 17093.29 million i.e.90.39% and 9.61% respectively.

Borrowing from other Banks and Financial Institutions

In 2013 the bank borrowed Taka 4149.35 million for business purpose compared to 3363.55 million during the previous year.

Lending to other Banks and Financial Institutions

In 2013 the bank lent Taka 568.89 million for business purpose compared to 2799.09 million during the previous year.

Advances

Total advances of the bank as on 31 December 2013 stood at Taka 136940.46 million showing an increase of Taka 14871.94 million @ 12.18% growth.

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

Investment

Total investment of the bank was Tk. 48678.92 million during 2013. In comparison to previous year total investment was increased by Taka 17987.77 million @ 58.61% growth. The bank mainly invested in Government Bonds, Treasury Bills, Approved Debentures of private institutions and Capital Market through own portfolio.

Foreign Exchange Business

a) Import Business

During the year the Bank handled import business worth Taka 97380.40 million. During the previous year the amount was Taka 108120.30 million. The amount of import business handled by the bank decreased by 10739.90 million during the year which was 9.93% lower than the previous year.

b) Export Business

The bank handled export business worth Taka 69484.40 million during the year as against Taka 59004.80 million in the previous year which was 17.76% higher than the previous year.

c) Inward Foreign Remittance

Non-resident Bangladeshis sent foreign exchange equivalent to Taka 3894.76 million in 2013 whereas the amount was Taka 4123.99 million in 2012.

Position of profit & loss

Total operating income & total operating expenditure of the Bank during 2013 were Tk. 12,596.76 million and Tk. 5036.96 million respectively resulting a profit of Taka 7559.80 million before making provision for bad and doubtful debts and income tax.

During the year the Bank made a provision of Taka 2123.01 million against loans and advances, diminution in value of investments exposure of Off balance Sheet items and provision of Taka 3081.25 million against Corporate Income Tax and deferred Tax. As such, net profit on the Bank stood at Taka 2305.54 million which the Board of Directors propose to appropriate in the following manner.

Net profit	Tk. 2305.54 million
Transferred to Statutory Reserve	Tk. 1077.36 million
Transferred to General Reserve	Tk. 1228.18 million

Branch Expansion & Modernization

The Bank expanded its operation through opening 5 new branches at different places during the year 2013. As such the total number of Branches of the Bank stood at 423 all over the country. Moreover number of branches were shifted to new premises in more suitable places and a large number of branches were furnished and modernized.

Information Technology and Automation

Pubali Bank Limited has been extending services to our customer in all of our 423 branches using our in-house developed core banking software. All branches have been brought under Real Time Centralized Online Banking Network. Data Center and Disaster Recovery Center has been established for storage of banking data.

One Stop Service has been implemented in all of our branches to ensure better and quick customer services.

All of our branches have been brought under the network of Western Union Money Transfer, Pravu Money Transfer, Transfast etc. in addition to receiving Foreign TTs from different Exchange Houses abroad to encourage incoming Foreign Remittances. Moreover, we have established our own exchange house in U.K. named Pubali Exchange Company (UK) Ltd. using our in-house developed software, Pubali Money Transfer System.

Internet Banking System has been launched using our in-house developed software and Development of software for Mobile Phone Banking is under process. We have introduced ATM debit Card and participated in the National Payment Switch under supervision of Bangladesh Bank. Pubali Bank Limited has established own ATM Network with about 100 ATM Booths across the country. We have obtained Principal Membership of MasterCard and Visa Card.

We have successfully implemented Bangladesh Automated Clearing House (BACH) and Bangladesh Electronic Fund Transfer Network (BEFTN), Credit Information Bureau (CIB) Reporting as per guidelines of Bangladesh Bank. We have opened Islamic Banking Window at our Principal Branch, Dhaka and at Stadium Branch, Sylhet using our in-house developed software.

We have established our website www.pubalibangla.com to upload information about our bank.

Man-power & Training

In 2013, the work force of the Bank reached 7362. The Board of Directors has put an extra emphasis on Human Capital Development to secure all stakeholders interest.

Business and Human Capital are intertwined and its progress dependent upon each other. In this context, the bank has witnessed a rapid growth in human resource development for the last few years in terms of - fast track and efficient e-recruitment and reduction of turn- around time significantly; development and implementation of a comprehensive orientation/induction process for the newly appointed officials at entry level implementation of new performance appraisal system (PAS); computerization of Human Resources Management system etc.

The bank is now uniquely position to move ahead in terms of creating an enabling environment for learning, change in culture & mind-set and to strengthen professional capacity of employees in terms of knowledge, skills and Attitude (KSA).

Pubali Bank Training Institute (PBTI):

- A total of 16 training programs having 40 frequencies were conducted in 2013 for 1549 persons of the Bank.
- A total of 4 outreach workshops having 16 frequencies were conducted in 2013 for 1314 persons of the Bank.

BIBM, BBTA, BAB, BSTD, BIM and other institutions:

A total of 942 persons attended in 119 courses at BIBM, BBTA, BAB, BSTD, BIM and other institutions in 2013.

Foreign Training

5 persons attended different programs i.e. Islamic Banking, Green Banking, Recovery Techniques & IT in abroad to acquire international practices to compete with others competitor in the local & International arena of Banking and to set ourselves at International standard as a benchmark of competence.

Human Resources Division of the Bank has a commitment for ensuring the highest standard imparting on-job and off-job training programs in its endeavor for excellence.

Audit & Inspection

Branches have been categorized as high risk, medium risk and low risk on the basis of the volume, nature of business and risk involved therein. 11 (eleven) branches have been categorized as high risk; 96 branches, 17 Regional Offices & 14 Divisions of Head Office have been categorized as medium risk i.e. total 127 (one hundred & twenty seven) Branches/Offices/Divisions categorized as medium risk and 178 (one hundred &

seventy eight) branches categorized as low risk branches in the year 2013 and accordingly, Audit Division conducted comprehensive Audit. Moreover, Surprise inspection have been conducted at 14 (fourteen) Branches in the year 2013 as high risk categorized. So total No. of Audited Branches, Offices, Divisions is 330 in the year 2013.

Besides, all Regional Offices and GM's Office, Chittagong conducted Surprise Inspection under their control as per Head Office guidelines.

Dividend

The Board of Directors has recommended 10% Stock Dividend for all shareholders of the bank out of profit on the basis of audited accounts for the year 31st December 2013 subject to approval in the 31st Annual General Meeting.

Appointment of Auditors

The honorable shareholders of Pubali Bank Limited appointed M/S Aziz Halim Khair Choudhury, Chartered Accounts and ACNABIN, Chartered Accountants as external Auditors for the year 2013 in the 30th AGM of the Bank. These 02(two) Chartered Accountants firms audited the statement of accounts with due permission of Bangladesh Bank & Bangladesh Securities and Exchange Commission (BSEC). They are eligible for re-appointment. These 02(two) Chartered Accountants firms expressed their willingness for re-appointment.

Future Plan

The Bank has put stress on the targets fixed up for the year 2014. The annual targets-2014 is a challenging one with a presumed growth of 23.00% in operating profit from the previous year. Deposits and Loans are projected to be increased by 22.00% and 27.79% respectively and Import, Export and Remittance business are expected to rise by 23.23%, 22.33% and 54.05% respectively.

Conclusion

The Board of Directors expresses its profound gratitude to all Clients, Shareholders and Patrons for extending support and cooperation in the activities of the bank during the year 2013. The Board thanked Bangladesh Government, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of joint Stock Companies & Firms and Central Depository of Bangladesh Limited (CDBL) for their cooperation and effective guidance.

The Directors also wish to place on record their sincere appreciation and thanks for the efforts and dedicated services and cooperation extended by the employees towards over all accelerated performance of the bank.

On behalf of the Board of Directors



(Hafiz Ahmed Mazumder)
Chairman

Executive Committee Report

The Executive Committee of the Bank consists of following Members:



Mr. Syed Moazzem Hussain
Chairman



Mr. Habibur Rahman
Member



Mr. Muhammad Faizur Rahman
Member



Mrs. Suraiya Rahman
Member



Mr. Azizur Rahman
Member



Mr. Helal Ahmed Chowdhury
Member

Sl No.	Name	Status
1	Mr. Syed Moazzem Hussain	Chairman
2	Mr. Habibur Rahman	Member
3	Mr. Muhammad Faizur Rahman	Member
4	Mrs. Suraiya Rahman	Member
5	Mr. Azizur Rahman	Member
6	Mr. Helal Ahmed Chowdhury	Member & Managing Director

During the year 2013 the Executive Committee of the Board of Directors conducted 4 (four) Meetings. The following issues were discussed/evaluated/reviewed/approved in the meeting.

- Reviewed of the applications of the employees against whom disciplinary actions were taken by the Management.
- Reviewed overall trend of business and profitability of the Bank. Reviewed and scrutinized proposals of large loan portfolio and forwarded to the Board with findings, comment and recommendations. The Executive Committee recommended guidelines to the Management for close monitoring of the large loan accounts as well as borrowers of the bank.

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

(Syed Moazzem Hussain)

Chairman

Audit Committee Report

The Audit Committee of Board comprising of the following members of the Board of Directors.



Mr. Khurshid-ul-Alam
Chairman



Mr. Moniruddin Ahmed
Member



Mr. Ahmed Shafi Choudhury
Member



Mr. Mustafa Ahmed
Member



Dr. Shahdeen Malik
Member

Sl No.	Name	Status
1	Mr. Khurshid-ul-Alam	Chairman
2	Mr. Moniruddin Ahmed	Member
3	Mr. Ahmed Shafi Choudhury	Member
4	Mr. Mustafa Ahmed	Member
5	Dr. Shahdeen Malik	Member

During the year 2013, the Audit Committee of the Board of Directors conducted 24 (twenty four) meetings in which among other things, the following issues were discussed/ evaluated/ reviewed and provided guidelines and necessary instructions:

- 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 the 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.
- Evaluated whether Management is setting the appropriate compliance culture by communicating the importance of Internal Control and risk management to ensure that all employees of the Bank have understood their roles and responsibilities.
- Reviewed the corrective measures taken by the management as regards to the reports relating to deficiencies in Internal Audit Division, Bangladesh Bank Inspection Team and External Auditors and subsequently inform the Board of Directors on a regular basis.
- Evaluated classified Loans and Advances on quarterly basis.
- Reviewed Annual and periodical Audit and Inspection program of the Bank & special audit reports.
- Reviewed External Auditor's Report on Branches.
- Reviewed policy guidelines of Information Technology and System Audit, Anti Money Laundering Guidelines, Internal Control and Compliance etc.
- Reviewed special inspection / special investigation / visit report of different Branches of the Bank conducted by the Board's Special Audit Cell from time to time and the status of compliance thereof.
- Reviewed Annual Financial Statements of the Bank.
- Followed-up the recovery of Loans and Advances of the Bank.
- Reviewed Un-audited Quarterly & Half yearly Financial Statements of the Bank.


 (Mr. Khurshid-ul-Alam)
 Chairman

Risk Management Committee Report

The Risk Management Committee of Board comprising of the following members of the Board of Directors.



Mr. M. Kabiruzzaman Yaqub
FCMA (UK) & CGMA
Chairman



Mr. Fahim Ahmed Faruk Chowdhury
Member



Ms. Rumana Sharif
Member



Mr. Musa Ahmed
Member

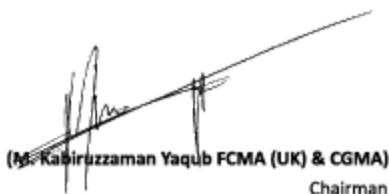


Mr. Khurshid-ul-Alam
Member

Sl No.	Name	Status
1	Mr. M. Kabiruzzaman Yaqub FCMA (UK) & CGMA	Chairman
2	Mr. Fahim Ahmed Faruk Chowdhury	Member
3	Ms. Rumana Sharif	Member
4	Mr. Musa Ahmed	Member
5	Mr. Khurshid-ul-Alam	Member

In the year 2013, the Risk Management Committee of the Board of Directors has been formed in consistency with the Bangladesh Bank's BRPD Circular No. 11 dated October 27, 2013. During the year 2013, the Risk Management Committee of the Board of Directors conducted 01 (one) meeting in which among other things, the following issues were discussed/ evaluated/ reviewed and provided guidelines and necessary instructions to the Management:

- Defining the definition of Risk and Risk Management.
- Discussion on Risk Management Structure and instructed to reorganized the structure.
- Evaluation of risk on the basis of minutes of Risk Management Unit (RMU).
- Perused the Terms of Reference (TOR) of Risk Management Committee.
- Analyzed and approved the Risk Management policy.
- Perused the Stress Testing Report Q3, 2013 and reviewed of comprehensive Risk Management Rating done by Bangladesh Bank.
- Perused the report on "ICAAP under Supervisory Review process" Based on December 31, 2011 & December 31, 2012 of the Bank.


 (Mr. Kabiruzzaman Yaqub FCMA (UK) & CGMA)
 Chairman

Shari'ah Supervisory Committee Report

The Shari'ah Supervisory Committee of Pubali Bank Limited is an advisory & recommending body. It advises the Bank management for better Shariah compliance, recommends ways to do so and gives opinion & instruction for ensuring Shari'ah compliance in the day-to-day business of the Islamic Banking of the Bank. On the other hand the duty of the Management of the Bank is to conduct Islamic Banking ensuring 100% Shariah compliance in line with the advice, recommendation, opinion and instruction given by the Shari'ah Supervisory Committee in this regard.

In the year 2013 Pubali Bank Shari'ah Supervisory Committee met in 3 (three) meetings. And another meeting was scheduled to be held on 27.11.2013. Due to unavoidable situation the meeting was postponed and couldn't be held within the year. The three Meetings discussed different issues related to Islamic Banking operation and gave necessary instructions on over all Shariah compliance.

As per instruction of the Shari'ah Supervisory Committee both the Islamic Banking Windows of the Bank were audited during the year 2013. The lapses/ irregularities/ violations dug out by the Muraqib were not wilful violation of Shariah rather a compelling situation e.i. no major Shariah violation occurred in Islamic Banking operations of Islamic Banking Windows of the Bank.

The Shari'ah Supervisory Committee gave some more important instructions regarding Shariah compliance aiming to gear up the Shariah Banking in Pubali Bank Limited. Here are the mention worthy ones the Shari'ah Supervisory Committee contributed to our Islamic Banking Operation in the year 2013:

- (a) The Shari'ah Supervisory Committee suggested the Bank Management to introduce the system of Appointment of Buying Agent for the buy mode of investment, when need be. The system of Appointment of Buying Agent got approved later accordingly. And a Manual for Appointment of Buying Agent has also been promulgated.
- (b) The Shari'ah Supervisory Committee approved a manual for HPSM mode of finance for Islamic Banking Windows of the Bank.
- (c) The Shari'ah Supervisory Committee has opined that the professional skills of the officials deployed in Islamic Banking operations should further be accelerated through continuous training in the light of ever changing situation. As per their opinion the Bank Management got its officials further trained from home & abroad.

Beside this the Shari'ah Supervisory Committee advised the Bank Management to take effective steps aiming to gradual development of customer awareness about Shariah compliance in Islamic Banking.



(Abdul Gofran)
Member Secretary



(M. Azizul Haq)
Chairman

Corporate Social Responsibility (CSR)

Pubali Bank Limited is moving forward with a vision of economic development of the country and equally obeying its Corporate Social Responsibility (CSR). Pubali Bank's response to Corporate Social Responsibility (CSR) is based on the concept of responsible banking. Which is imbibed in the way we do business and drive the objectives of the Bank to be the best financial institution in Bangladesh. We recognize our obligations to the society, so we are committed to always making informed, reasonable and ethical decision in the manner we carry out our business, how we treat our employees, and how we relate to our customers.

Our CSR initiatives have focused on health care, sports, education and youth development, the arts & culture, philanthropy and charitable activities over the years including disaster management.

Health Care:

We believe that good health is the pre-condition for rapid socio-economic development of the country. The Bank has donated or funded large volumes to set up state of the art facility to various hospitals across the country to underline its commitment to ensure availability of health service to all at affordable cost and thus saving exodus of foreign currencies.

Pubali Bank Limited has donated Tk. 10(ten) crore to Dhaka Ahsania Mission, a humanitarian organization, towards setting up a state of the art modern Cancer hospital to alleviate the sufferings of people who have currently no access to specialized medical treatment of Cancer.

Apart from direct donation, Pubali Bank Limited from the very beginning extended credit to all big hospitals at a concessional rate of interest so that valuable foreign currency can be saved and our people can get healthcare services at affordable cost:

1. BIRDEM
2. Ibrahim Cardiac Center
3. Apollo Hospital
4. United Hospital
5. Square Hospital
6. International Medical College and Hospital
7. Bangladesh Medical College and Hospital
8. Lab Aid
9. Green Life Hospital
10. National Heart Foundation Sylhet.
11. Kidney Awareness Monitoring and Prevention Society-KAMPS, Dhaka etc.

Our other areas of Corporate Social Responsibility

Pubali Bank Limited is always extending its cooperation generously, giving respond to the causes of common mass round the year. When nation faces any disastrous situation or natural calamity, Pubali Bank Limited extends it's active hand of assistance to the affected people. To help the distressed employees of Rana Plaza Tragedy at Savar Pubali Bank Limited donated Tk.2.27 Crore in the Relief Fund of our Honorable Prime Minister, Tk.60 lac to the Society for the Welfare of Autistic Children, Dhaka for purchasing land, Tk.25 lac to the Police Welfare Trust, Sylhet, Tk.15 lac for purchasing blankets to help cold wave affected people in the

Northern Area of the country. Pubali Bank also donated significant amount in BDR carnage, communal atrocity at Ramu, Nimtoli Tragedy i.e. fire incident in old Dhaka city etc.

Pubali Bank Limited regularly donates in different educational institutions, knowledge based organizations and victim family of various incidents. Every year we are donating at the Research Center of Shahjalal University of Science & Technology (SUST) in Sylhet, Asia Foundation, Dhaka for buying books, and bereaved family of martyred army officer killed in BDR mutiny.

We also sponsor to organize different sports each year like boat rowing, golf tournament and art competition to uphold the culture and tradition as well as uplifting the image of the country.

Since inception i.e. from 1959 this bank has been playing a vital role in socio-economic, industrial and agricultural development as well as in the overall economic development of the country with its ethical business through savings mobilization and investment of funds.

Eventful Year 2013



Chairman of Pubali Bank Limited Mr. Hafiz Ahmed Mazumder, Director of Pubali Bank Mr. Syed Moazzem Hussain, Mr. Muhammad Falzur Rahman, Mr. Ahmed Shafi Chowdhury, Mr. Fahim Ahmed Faruk Chowdhury, Ms. Rumana Sharif, Mr. M. Kabiruzzaman Yaqub FCMA (UK) & CGMA, Mr. Mustafa Ahmed & Alternate Director Mr. Sabir Ahmed, Managing Director Mr. Helal Ahmed Chowdhury, Additional Managing Director Mr. Md. Abdul Halim Chowdhury, Deputy Managing Director Mr. Safiul Alam Khan Chowdhury are seen in the 'Annual Managers Conference-2013' participated by all 419 Branch Managers, Regional Managers & Sr. Executives of Head Office was held at Cox's Bazar on 09-10 February 2013.



Chairman of Pubali Bank Ltd. Mr. Hafiz Ahmed Mazumder was signing the Balance Sheet for 31 December 2013. Vice-Chairman Mr. Habibur Rahman, Directors of Pubali Bank Ltd. Mr. Moniruddin Ahmed, Mr. Syed Moazzem Hussain, Mr. Ahmed Shafi Chowdhury, Mr. Muhammad Falzur Rahman, Mr. Fahim Ahmed Faruk Chowdhury & Ms. Rumana Sharif, Independent Director Mr. Khurshid-ul-Alam, Managing Director Mr. Helal Ahmed Chowdhury, Additional Managing Director Mr. Md. Abdul Halim Chowdhury, Chief Financial Officer (CFO) & GM of Pubali Bank Ltd. Sayed Ahmed FCA, ACMA, CGMA and Company Secretary & GM Mr. Md. Sayeed Sikder, Chief Technical Officer & GM Mr. Mohammad Ali were also seen in the photograph.



In its move towards modern and technology based banking Pubali Bank Ltd has launched its own ATM Card. Mr. Hafiz Ahmed Mazumder, Hon'ble Chairman, Board of Directors of Pubali Bank Ltd, Directors: Mr. Moniruddin Ahmed, Mr. Syed Moazzem Hussain, Mr. Ahmed Shafi Chowdhury, Mr. M. Kabiruzzaman Yaqub FCMA (UK) & CGMA, Managing Director of Pubali Bank Mr. Helal Ahmed Chowdhury, Additional Managing Director Mr. Md. Abdul Halim Chowdhury, Chief Technical Officer & GM Mr. Mohammad Ali, Chief Financial Officer (CFO) & GM Mr. Sayeed Ahmed FCA, ACMA, CGMA and Company Secretary & GM Mr. Md. Sayeed Sikder are seen in the Inaugural ceremony.



As a part of Corporate Social Responsibility by the Board of Directors of Pubali Bank Ltd. has donated Tk. 50 lac to Society for the Welfare of Autistic Children (SWAC) for purchasing Government allocated land at Saver and for construction of boundary wall as a simple ceremony in Pubali Bank Head Office. Director of Pubali Bank Ltd. Ms. Rumana Sharif handed over the donation Cheque to Emce, Student of SWAC, Chairman, Board of Directors of Pubali Bank Ltd. Mr. Hafiz Ahmed Mazumder, Vice-Chairman Mr. Habibur Rahman, Directors: Mr. Moniruddin Ahmed, Mr. Syed Moazzem Hussain, Mr. Mubannad Falzur Rahman, Mr. Ahmed Shafi Chowdhury, Mrs. Sarafia Rahman, Mr. Musa Ahmed, Mr. Aulizur Rahman & Managing Director Mr. Helal Ahmed Chowdhury and Chairman of SWAC Eng. Anwar Hossain are also seen in the photograph.

Eventful Year 2013



Managing Director and CEO of Pubali Bank Ltd Mr. Hetal Ahmed Chowdhury pose for photograph along with newly promoted Deputy General Managers, Additional Managing Director Mr. Md. Abdul Halim Chowdhury, Deputy Managing Director Mr. Saiful Alam Khan Chowdhury and other General Managers also seen in the photograph.



In its move towards modern and technology based banking, Pubali Bank Ltd. launched its own MasterCard Debit Card on 02 September 2013. Mr. Hetal Ahmed Chowdhury, Managing Director & CEO of Pubali Bank Ltd. has launched the MasterCard Debit Card as chief guest. Mr. Md. Abdul Halim Chowdhury, Additional Managing Director of Pubali Bank Ltd & Mr. Ari Sarkar, division president, South Asia, MasterCard Worldwide, Mr. Vikas Varma area head, South Asia, MasterCard Worldwide and Mr. Syed Mohammad Karim, Country Manager, Bangladesh, MasterCard Worldwide and Mr. Mohammad Ali, Chief Technical Officer & General Manager of Pubali Bank are also seen in the photograph.



Pubali Bank Ltd has given blankets to Red Crescent Society for distributing among the poor & homeless cold stricken people. Director of Pubali Bank Ltd, Mr. Moinuddin Ahmed handed over 200 pieces blanket to Mr. Hetal Ahmed Chowdhury, Vice-Chairman of Red Crescent Society and Chairman, Board of Directors of Pubali Bank Ltd. Mr. Md. Nurul Amin, Associate Director of Disaster Management, Red Crescent Society was also present. Director of Pubali Bank Ltd, Mr. Syed Muzammil Hussain, Mr. Ahmed Saifi Chowdhury, Mr. N. Subramanian Nayak FOMA (IR) & CGMA, Managing Director of Pubali bank Ltd Mr. Hetal Ahmed Chowdhury, Additional Managing Director Mr. Md. Abdul Halim Chowdhury, General Manager & Chief Technical Officer Mr. Mohammad Ali, General Manager & Chief Financial Officer Mr. Sayeed Sikder, ACA, ACMA, CGMA & Company Secretary and General Manager Mr. Md. Sayeed Sikder were present in the occasion.



Pubali Bank Ltd. and Western Union (WU) handed over motorbike to a Bank's customer, who won grand prize under Western Union's Global Ramadan Campaign. Managing Director and CEO of Pubali Bank Limited Mr. Hetal Ahmed Chowdhury formally handed over a motorbike to Md. Nurul Anis, customer of Pubali Bank at a function in Pubali Bank Head Office. Additional Managing Director Mr. Md. Abdul Halim Chowdhury, CFO & General Manager Mr. Sayeed Ahmed FCA, ACMA, CGMA & Company Secretary and General Manager Mr. Md. Sayeed Sikder, General Manager Mr. Md. Hossain Ali and Business Development Manager of Western Union Mr. Md. Matkur Rahman were present at the occasion.



The 30th Annual General Meeting (AGM) of Pubali Bank Limited was held at Basantdhara Convention Centre-2, Dhaka on August 21, 2013. In the photograph Chairman, Board of Directors Mr. Hetal Ahmed Chowdhury, Vice-Chairman, Board of Directors Mr. Subbir Rahman, Directors Mr. Moinuddin Ahmed, Mr. Syed Muzammil Hussain, Mr. Ahmed Saifi Chowdhury, Mr. Mohammarul Tahir Rahman, Mr. Fahim Ahmed Faruk Chowdhury, Mr. M. Kabiruzzaman Yasuj FOMA (IR) & CGMA, Mrs. Sunila Rahman, Mr. Nurul Islam Khan, Mr. Muzaffar Ahmed, Mr. Hetal Ahmed & Mr. Asrar Rahman are seen.



Pubali Bank Ltd has given blankets to Anjuman Mufidul Islam for distributing among the poor & homeless cold stricken people. Mr. Hetal Ahmed Chowdhury, Chairman, Board of Directors of Pubali Bank Ltd handed over 500 pieces blanket to Ahsanul Abus Salam, Chairman of relief committee, Anjuman Mufidul Islam, Director of Pubali Bank Ltd. Mr. Moinuddin Ahmed, Mr. Ahmed Saifi Chowdhury, Mr. Fahim Ahmed Faruk Chowdhury, Mrs. Sunila Rahman, Mr. Muzaffar Ahmed, Mr. M. Kabiruzzaman Yasuj FOMA (IR) & CGMA, Managing Director Mr. Hetal Ahmed Chowdhury, Additional Managing Director Mr. Md. Abdul Halim Chowdhury, Company Secretary & GM Mr. Md. Sayeed Sikder, General Manager & Chief Technical Officer Mr. Mohammad Ali were present in the occasion.



Pubali Bank Limited has donated Taka 20 Million to the Prime Minister's relief and welfare fund for the victims of Sewer building collapse as a part of their corporate social responsibility. Vice-Chairman, Board of Directors of Pubali Bank Limited Mr. Subbir Rahman on behalf of the Bank handed over the cheque to the Honorable Prime Minister Sheikh Hasina recently. Managing Director Mr. Hetal Ahmed Chowdhury was also present. Finance Minister Mr. AMA Makhin, Bangladesh Bank Governor Dr. Atiqur Rahman, Secretary of Banking and Financial Institutions Division Dr. M. Aslam Alam, 3rd Deputy Governor Mr. Sik Sur Chowdhury, Bangladesh Association of Banks (BAB) Chairman Mr. Md. Nazim Islam Makhmer and Chairman, Directors and Chief Executives of different banks were present on the occasion.



Mr. Hetal Ahmed Chowdhury, Managing Director of Pubali Bank Limited is addressing as Chief Guest "Orientation Course" for newly recruited Senior Officers & Officers. Newly recruited Officers are also seen in the photograph.

Eventful Year 2012



The 17th conference – 2012 of Regional and Corporate Branch Managers of Pubali Bank Limited held at Bank's head office 25 January 2012. Mr. Hafiz Ahmed Mazumder, Chairman, Board of Directors of Pubali Bank Limited was present as chief guest while Managing Director Mr. Hetal Ahmed Chowdhury presided over the meeting. Directors of Pubali Bank: Mr. Syed Musazzem Hussain, Mr. M. Kabiruzzaman Yaqub FCMIA (UK) & CGMA and Additional Managing Director Mr. Md. Abdul Halim Chowdhury are also seen in the photograph.



In its move towards modern and technology based banking Pubali Bank Ltd has launched its own ATM Card. Mr. Hafiz Ahmed Mazumder, Hon'ble Chairman, Board of Directors of Pubali Bank Ltd, Director Mr. Mokhammadul Alam, Mr. Syed Musazzem Hussain, Mr. Ahmed Shah Chowdhury, Mr. M. Kabiruzzaman Yaqub FCMIA (UK) & CGMA and Managing Director of Pubali Bank Mr. Hetal Ahmed Chowdhury, Additional Managing Director Mr. Md. Abdul Halim Chowdhury, Chief Technical Officer & CIO Mr. Mohammad Ali, Chief Finance Officer (CFO) & CMI Mr. Sayed Ahmed FCA, CGMA and Company Secretary & GM Mr. Md. Saaved Uddin are seen in the inaugural ceremony.



Pubali Bank Limited has been honoured with a plaque from the Centre for Non-Accident Bangladeshis (NAB) for remarkable support service to increase the flow of inward foreign remittance. On behalf of Pubali Bank Limited Managing Director & CEO Mr. Hetal Ahmed Chowdhury has received the award from the President of FNCCI Mr. Kazi Akram Uddin. In the award giving ceremony Dr. Atiar Rahman, Governor of Bangladesh Bank was present as a chief guest. Mr. Don W. Mearns, US Ambassador to Bangladesh was present as special guest. President of DCO Mr. Sabur Khan & Ex-Secretary Mr. Sobel Ahmed Chowdhury were present as the guests. WS Sheikh Chowdhury, Chairperson of the Centre for NABs presided over the function.



Mr. Hafiz Ahmed Mazumder is being greeted by a bouquet as elected Chairman, Board of Directors of Pubali Bank Ltd.



Hon'ble Prime Minister Sheikh Hasina handing over a cheque for Tk. 4 lac 80 thousand for year to the married army officers families at Gansobazar, Chairman, Board of Directors of Pubali Bank Ltd. Mr. Hafiz Ahmed Mazumder & Director of Pubali Bank Ltd. Mr. Mokhammadul Ahmed were present on the occasion.



The opening ceremony of a quarterly newspaper titled "Pubali Bank" carried various information of Pubali Bank Limited was held at Bank's Head Office on November 21, 2012. Mr. Hafiz Ahmed Mazumder, Chairman, Board of Directors of Pubali Bank has unveiled the cover of "Pubali Bank" as chief guest. Director of Pubali Bank Mr. Mokhammadul Alam, Mr. Syed Musazzem Hussain, Mr. Mokhammadul Islam Rahman, Mr. Ahmed Shah Chowdhury, Mr. Sayed Rahman, Mr. Ramez Shauk, Mr. Atiar Rahman, Independent Director Mr. Ghousul Alam & Managing Director Mr. Hetal Ahmed Chowdhury, Additional Managing Director Mr. Md. Abdul Halim Chowdhury, General Manager & Chief Technical Officer Mr. Mokhammad Ali, Company Secretary & General Manager Mr. Md. Saaved Uddin were present at the ceremony.



4th Pubali Bank Cup Golf Tournament-2013 (Pre-Open) sponsored by Pubali Bank Limited was held at Kurmibola Golf club. Vice Admiral M Farid Hossain, MSc, DSC, Chief of Naval Staff, Bangladesh Navy, Chairman of Executive Committee, Board of Directors of Pubali Bank Mr. Syed Musazzem Hussain are seen at opening ceremony.



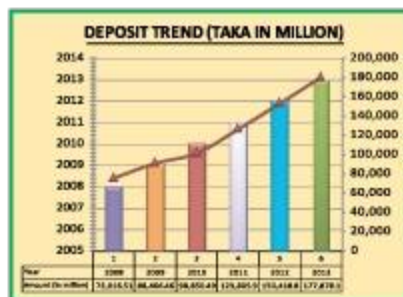
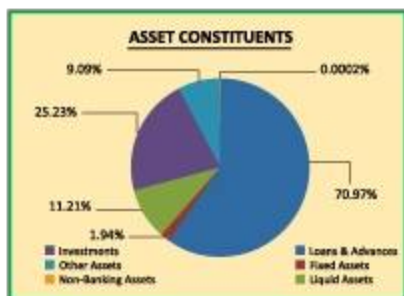
As a part of Corporate Social Responsibility the Board of Directors of Pubali Bank Ltd, donated 1000000 Tk to Shaikha National Medical College and Hospital. Mr. Mokhammadul Ahmed, Director of Pubali Bank Ltd handed over the cheque to Professor Md. Kafil Rahman, Principal, Shaikha National Medical College and Hospital, Directors of Pubali Bank: Mr. Ahmed Shah Chowdhury, Mrs. Suraiya Rahman, Mr. Atiar Rahman, Mr. M. Kabiruzzaman Yaqub FCMIA (UK) & CGMA and Managing Director Mr. Hetal Ahmed Chowdhury, Additional Managing Director Mr. Md. Abdul Halim Chowdhury and Director of Shaikha National Medical College and Hospital Dr. Captain (Retd.) N.A. Selim are also seen in the photograph.

5 years' comparative

Key Financials

(Figures in million taka)

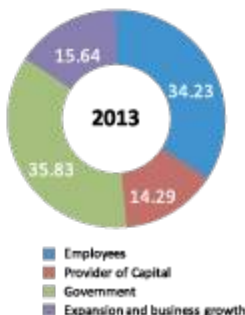
Sl.	PARTICULARS	2009	2010	2011	2012	2013
1.	Authorised Capital	5,000.00	10,000.00	10,000.00	20,000.00	20,000.00
2.	Paid-up Capital	3,822.00	4,968.60	6,707.61	8,384.51	8,384.51
3.	Reserve Fund & other Reserves	5,687.25	9,411.27	10,575.53	10,420.19	11,920.99
4.	Total Deposits	88,466.46	98,850.50	123,805.97	150,418.81	177,878.17
5.	Total Advances	74,203.33	89,106.21	106,329.63	122,068.52	136,940.46
6.	Total Investment	12,168.65	16,516.39	19,069.27	30,691.15	48,678.92
7.	Import Business	60,493.85	85,683.53	90,568.90	108,120.30	97,380.40
8.	Export Business	24,739.65	33,909.78	47,515.90	59,004.80	69,484.40
9.	Bridge Finance	6.89	6.89	6.78	6.78	6.26
10.	Total Income	10,663.81	12,828.53	15,189.70	20,778.37	24,418.00
11.	Total Expenditure	6,824.34	7,343.48	9,709.48	14,642.57	16,858.20
12.	Pre-tax Profit	3,839.47	5,485.05	5,480.22	6,135.80	7,559.80
13.	Net Profit	2,092.23	3,233.09	3,140.22	1,761.98	2,305.54
14.	Total Assets	107,579.60	128,462.65	157,153.71	192,947.93	228,533.77
15.	Fixed Assets	1,443.50	3,330.32	3,369.19	3,502.80	3,735.99
Other Information						
16.	Number of Employees	5375	5534	6219	6689	7362
17.	Number of Shareholders	30899	86200	112065	106876	102604
18.	Number of Branches	386	399	406	419	423
19.	Earnings per ordinary share (Taka)	4.21	4.82	3.75	2.10	2.75





Value Added Statement for the year ended 31 December 2013

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	2013		2012	
	Amount	%	Amount	%
Value added				
Net interest income	5,399,645,558	42.87	7,450,358,235	64.73
Commission, exchange and brokerage, etc.	1,510,703,313	11.99	1,364,379,119	11.86
Investment income	4,899,691,551	38.90	2,034,602,882	17.68
Other operating income	786,719,178	6.25	659,998,312	5.73
Sub-total (a)	<u>12,596,759,600</u>	<u>100.00</u>	<u>11,510,538,548</u>	<u>100.00</u>
Cost of service rendered	(1,825,233,312)	(45.65)	(1,705,890,225)	(48.40)
Provision for loans, investment, Off B/S items & etc.	(2,173,010,566)	(54.35)	(1,818,724,657)	(51.60)
Sub-total (b)	<u>(3,998,243,878)</u>	<u>(100.00)</u>	<u>(3,524,614,882)</u>	<u>(100.00)</u>
Total Value added by the bank (a-b)	<u>8,598,515,722</u>		<u>7,985,923,666</u>	
Distribution of value added				
Employees				
As salaries and allowances	2,943,179,086	34.23	2,696,940,790	33.77
Provider of Capital				
Shareholders	1,229,148,501	14.29	1,628,366,317	20.39
Government				
Corporate tax	2,939,948,685		2,505,095,000	
Deferred tax	141,304,692		50,000,000	
	3,081,253,377	35.83	2,555,095,000	31.99
Expansion and business growth				
Statutory reserve	1,077,358,271	12.53	863,415,209	10.81
Depreciation and repair of bank's assets	267,576,487	3.11	242,106,350	3.03
Total distribution	<u>8,598,515,722</u>	<u>100.00</u>	<u>7,985,923,666</u>	<u>100.00</u>

Market Value Added Statement



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 2013 and 2012 :

Particulars	Figures in million Taka	
	2013	2012
Market value of shares outstanding	11,594.75	7,758.62
Book value of shares outstanding	6,929.48	4,445.23
Market value added	4,665.27	3,313.39

Economic Value Added Statement (EVA) for the year ended 31 December 2013

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.

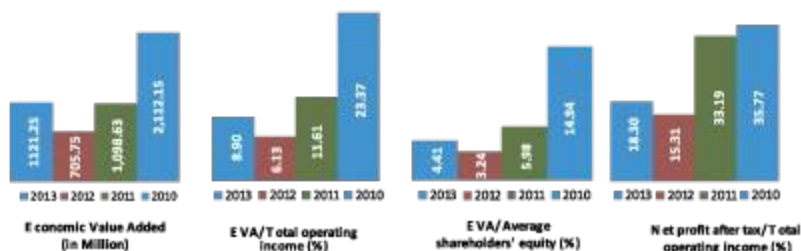
Cost of equity

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 2010 to 2013 :

Economic Value added analysis

For the year ended	Figures in BDT			
	2013	2012	2011	2010
Shareholders' equity at year end	20,305,498,036	18,804,700,020	17,283,143,339	14,379,867,545
Add : Accumulated provision for loans, investments & Off B/S Items etc.	6,928,151,951	4,829,771,725	2,642,246,242	2,418,000,909
Total	27,233,649,987	23,634,471,745	19,925,389,581	16,797,868,454
Average shareholders' equity	25,434,060,866	21,779,930,663	18,361,629,018	14,138,633,307
Cost of equity (%)	13.20%	13.20%	11.50%	11.50%
Economic Value Added	1,121,252,508	705,754,853	1,098,633,313	2,112,149,950
Net profit after tax (before provision)	4,478,548,542	3,580,705,701	3,210,220,650	3,738,092,780
Less : Cost of equity	3,357,296,034	2,874,950,848	2,111,587,337	1,625,942,830
Total operating income	12,596,759,600	11,510,538,548	9,460,681,597	9,038,343,319
Net profit after tax	2,305,537,976	1,761,981,044	3,140,220,650	3,233,092,780
Key ratios				
EVA/Total operating income (%)	8.90	6.13	11.61	23.37
EVA/Average shareholders' equity (%)	4.41	3.24	5.98	14.94
Net profit after tax/Total operating income (%)	18.30	15.31	33.19	35.77



26 February 2014

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

SUB: CEO and CFO's declaration to the Board

In terms of the notification of Bangladesh Securities and Exchange Commission no. SEC/CMRRCD/2006-158/134/Admin/44 of 7 August 2012 we declare that for the financial year ended 31 December 2013:

- i) We have reviewed financial statements for the year 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 together present a 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 Bank during the year which are fraudulent, illegal or violation of the Bank's code of conduct.



Helal Ahmed Chowdhury
Managing Director & CEO



Sayeed Ahmed FCA, ACMA, CGMA
Chief Financial Officer

Aziz Halim Khair Choudhury

Chartered Accountants
PhulBari House
House No 25
Road No 1, Sector - 9
Uttara Model Town, Dhaka -1230

ACNABIN

Chartered Accountants
BDBL Bhaban (Level-13)
12 Kawran Bazar Commercial Area
Dhaka-1215

AUDITORS' REPORT TO THE SHAREHOLDERS OF PUBALI BANK LIMITED**Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Pubali Bank Limited and its subsidiaries (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 2013, and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note# 2.32 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and also 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 2013, and of its consolidated and separate financial performance and its

consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in **note# 2.32**.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report the following:

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) 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 of the Group and the separate financial statements of the Bank 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 Controls:
 - i) Internal audit, internal control and risk management arrangements of the Group and the Bank, as disclosed in **note# 2.14** of the financial statements, appeared to be materially adequate;
 - ii) 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 Bank and its related entities other than matters disclosed in **note # 2.15** of these financial statements;
- (c) financial statements of a subsidiary, Pubali Bank Securities Limited, of the Bank have been audited by ACNABIN, Chartered Accountants and the financial statements of another subsidiary, Pubali Exchange Company (UK) Limited, of the Bank have been verified by Mudabbir Hussain & Co, Chartered Accountants and have been properly reflected in the consolidated financial statements;
- (d) 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;
- (e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (f) the expenditure incurred was for the purposes of the Bank's business;
- (g) 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 with related guidance issued by Bangladesh Bank;
- (h) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- (i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (j) the information and explanation required by us have been received and found satisfactory; and
- (k) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 4,850 person hours for the audit of the books and accounts of the Bank.



Aziz Halim Khair Choudhury
Chartered Accountants



ACNABIN
Chartered Accountants

Dated, Dhaka
27 February 2014

Consolidated Balance Sheet as at 31 December 2013

		2013 Taka	2012 Taka
Property and Assets	Note		
Cash	3 (a)	19,503,092,127	17,117,359,826
In hand (Including foreign currencies)		4,190,233,403	3,468,716,595
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)		15,312,858,724	13,648,643,231
Balance with Other Banks and Financial Institutions	4 (a)	1,798,122,069	1,767,391,892
Inside Bangladesh		968,943,349	1,273,666,180
Outside Bangladesh		829,178,720	493,725,712
Money at Call on Short notice	5	568,886,667	2,799,086,667
Investments	6 (a)	51,794,399,036	33,732,116,463
Government		40,482,479,528	25,385,898,224
Others		11,311,919,508	8,346,218,239
Loans, Advances and Leases	7 (a)	135,483,374,690	120,481,280,407
Loans, cash credits, overdrafts, etc.		134,249,125,738	119,417,762,095
Bills purchased & discounted		1,234,248,952	1,063,518,312
Fixed Assets including Premises, Furniture & Fixtures	8 (a)	3,740,843,922	3,509,159,737
Other Assets	9 (a)	16,015,288,310	13,621,706,180
Non-banking Assets	10	375,246	375,246
Total Assets		228,904,382,067	193,028,476,418
Liabilities and Capital			
Liabilities			
Borrowings from Other Banks, Financial Institutions & Agents	11	4,149,347,699	3,363,550,321
Deposits and Other Accounts	12	177,878,172,427	150,418,805,799
Current accounts & other accounts		18,079,808,927	15,591,429,099
Bills payable		2,872,700,896	2,920,446,289
Savings bank deposits		40,232,632,888	37,638,322,271
Term deposits		112,284,091,118	89,799,694,576
Other deposits		4,408,938,598	4,468,913,564
Other Liabilities	13 (a)	27,368,015,607	21,448,250,579
Total Liabilities		209,395,535,733	175,230,606,699
Capital / Shareholders' Equity			
Paid up capital	14.2	8,384,512,500	8,384,512,500
Statutory reserve	15	7,171,549,919	6,094,191,648
Retained earnings (general reserve)	16 (a)	805,691,445	289,896,506
Other reserves	17 (a)	3,145,966,838	3,028,084,842
Profit and Loss account surplus	18 (a)	-	-
Foreign currency translation reserve		1,125,043	1,183,741
		19,508,845,745	17,797,869,237
Non-controlling interest	19	589	482
Total Shareholders' Equity		19,508,846,334	17,797,869,719
Total Liabilities and Shareholders' Equity		228,904,382,067	193,028,476,418

Consolidated Balance Sheet as at 31 December 2013

	2013 Taka	2012 Taka
Off-Balance Sheet Items		
Contingent Liabilities		
Acceptances & Endorsements		
Letters of guarantee	5,818,362,057	5,262,909,058
Irrevocable letters of credit	38,756,296,689	34,469,613,860
Bills for collection	590,511,065	245,234,895
Other contingent liabilities	573,081,000	173,888,000
Total Contingent Liabilities	45,738,250,811	40,151,645,813
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 Other Commitments	-	-
Total Off-Balance Sheet Items including Contingent Liabilities	45,738,250,811	40,151,645,813

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


Helal Ahmed Chowdhury
Managing Director


Syed Muzzeem Hussain
Director


Moniruddin Ahmed
Director


Hafiz Ahmed Mazumder
Chairman

Signed as per annexed report on even date


Aziz Halim Khair Choudhury
Chartered Accountants


ACNABIN
Chartered Accountants

Dated, Dhaka
February 27, 2014


Consolidated Profit & Loss Account for the year ended 31 December 2013

	Note	2013 Taka	2012 Taka
Operating Income			
Interest income	21 (a)	17,315,050,815	16,518,363,260
Less: Interest paid on deposits, borrowings, etc.	22 (a)	11,821,238,722	9,267,828,639
Net Interest Income		5,493,812,093	7,250,534,621
Income from investment	23 (a)	4,941,750,335	2,123,020,586
Commission, exchange and brokerage	24 (a)	1,586,503,650	1,409,782,877
Other operating income	25 (a)	793,045,976	661,391,596
Total Operating Income		12,815,112,054	11,444,729,680
Operating Expenses			
Salaries and allowances	26 (a)	2,954,120,811	2,711,018,733
Rent, taxes, insurance, electricity, etc.	27 (a)	402,999,581	316,397,169
Legal expenses	28 (a)	11,773,462	11,916,120
Postage, stamp, telecommunication, etc.	29 (a)	67,187,516	56,527,145
Stationery, printing, advertisements, etc.	30 (a)	128,270,643	132,956,026
Managing Director's salary and fees	31	11,700,000	9,800,000
Directors' fees	32 (a)	5,814,807	5,820,115
Auditors' fees	33 (a)	1,182,555	1,223,434
Charges on loan losses		968,796	729,800,482
Depreciation and repair of bank's assets	34 (a)	270,114,689	244,904,496
Other expenses	35 (a)	1,225,004,156	1,203,338,805
Total Operating Expenses		5,079,137,016	5,423,702,525
Profit before Provisions & Taxation		7,735,975,038	6,021,027,155
Provision for Loans, Advances, Investments and Other Assets	36 (a)		
Provision for classified loans and advances		2,123,010,566	1,655,383,594
Provision for unclassified loans and advances		-	79,616,406
Provision for diminution in value of investments		-	-
Provision for impairment clients' margin loan		10,010,110	19,346,264
Provision for un-reconciled general account debit entries		-	8,724,657
		2,133,020,676	1,763,070,921
Provision for exposure of off-balance sheet items	37	50,000,000	75,000,000
Total Provisions		2,183,020,676	1,838,070,921
Profit before Tax		5,552,954,362	4,182,956,234
Provision for current tax	13.5 (a)	2,939,948,685	2,543,762,419
Provision for deferred tax	13.5.1(a)	181,401,110	28,945,434
Total Provision for Taxes		3,121,349,795	2,572,707,853
Net Profit after Taxes		2,431,604,567	1,610,248,381
Profit Attributable to:			
Equity holders of parents		2,431,604,460	1,610,248,497
Non-controlling interest		107	(116)
Appropriations:		2,431,604,567	1,610,248,381
Statutory reserve		1,077,358,271	863,415,209
Retained surplus (general reserve) carried forward		1,354,246,296	746,833,172
Earnings Per Share (EPS)	44 (a)	2.90	1.92


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

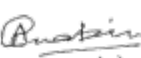

Hejal Ahmed Chowdhury
Managing Director


Syed Moazzem Hussain
Director


Moniruddin Ahmed
Director


Hafiz Ahmed Mazumder
Chairman


Aziz Halim Khair Choudhury
Chartered Accountants


ACNABIN
Chartered Accountants

Dated, Dhaka
February 27, 2014

Consolidated Cash Flow Statement for the year ended 31 December 2013

	Note	2013 Taka	2012 Taka
a Cash Flows from Operating Activities			
Interest receipts in cash		21,947,585,437	18,711,765,017
Interest payments		(11,821,238,722)	(9,538,254,324)
Dividend receipts		303,569,722	139,829,394
Fees and commission receipts		1,035,246,934	1,070,460,354
Recoveries of loans previously written off		-	700,000
Cash payment to employees		(2,965,820,811)	(2,720,818,733)
Cash payment to suppliers		(206,785,473)	(200,113,773)
Current income tax paid		(2,506,829,177)	(2,240,988,603)
Receipts from other operating activities	38 (a)	1,349,948,683	1,061,596,760
Cash payments for other operating activities	39 (a)	(1,688,765,985)	(2,305,802,252)
Operating Profit before Changes in Operating Assets & Liabilities		5,446,910,608	3,978,373,840
Cash Flows from Operating Assets & Liabilities:			
Statutory deposits		(15,115,707,439)	(7,806,072,863)
Purchase/sale of trading securities		(2,836,124,574)	(3,606,977,722)
Loans and advances to customers (other than banks)		(14,986,289,960)	(15,779,823,525)
Other assets	40 (a)	56,329,928	(208,548,047)
Deposits to/from other banks		785,797,378	2,903,874,569
Deposits from customers (other than banks)		27,459,366,628	26,612,838,033
Other liabilities account of customers		233,929,184	235,536,685
FC translation reserve		(58,698)	138,906
Other liabilities	41 (a)	390,894,905	113,169,728
Total Increase/ (Decrease) in Operating Assets and Liabilities:		(4,011,862,648)	2,464,135,764
Net Cash from/(used In) Operating Activities		1,435,047,960	6,442,509,604
b Cash Flows from Investing Activities			
Proceeds from sale of securities		-	-
Purchase/ sale of property, plant & equipment		(448,619,322)	(329,646,499)
Net Cash from/(used in) Investing Activities		(448,619,322)	(329,646,499)
c Cash Flows from Financing Activities			
Receipts from issue of loan capital and debt security		33,711,290	94,956,137
Dividend paid		(838,451,250)	(335,380,500)
Net Cash from/(used in) Financing Activities		(804,739,960)	(240,424,363)
d Net Increase/ (Decrease) in Cash and Cash Equivalents (a+b+c)		181,688,678	5,872,438,742
e Opening Cash and Cash Equivalents		21,703,559,286	15,831,120,544
f Closing Cash and Cash Equivalents (d+e)	42 (a)	21,885,247,964	21,703,559,286

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



Helal Ahmed Chowdhury
Managing Director



Syed Moazzem Hussain
Director


Moniruddin Ahmed
Director


Hafiz Ahmed Mazumder
Chairman

Signed as per annexed report on even date


Aziz Hallim Khair Choudhury
Chartered Accountants
Dated, Dhaka
February 27, 2014


ACNABIN
Chartered Accountants

Consolidated Statement of Changes in Equity for the year ended 31 December 2013

(Figures in Taka)

Particulars	Paid-up capital	Statutory reserve	Retained earnings (general reserve)	FC transition reserves	Other reserves	Proposed dividend	Parent's equity	Non-controlling interest	Total
For the year 2013									
Balance at 1 January 2013	8,384,512,500	6,094,191,648	289,896,506	1,183,741	3,028,084,842	-	17,797,869,237	482	17,797,869,719
Changes in accounting policy									
Restated balance	8,384,512,500	6,094,191,648	289,896,506	1,183,741	3,028,084,842	-	17,797,869,237	482	17,797,869,719
Surplus/deficit on account of revaluation of properties					(97,172,617)		(97,172,617)		
Adjustment of last year gain on investment					215,054,613		215,054,613		
Surplus/deficit on account of revaluation of investments				(58,698)			(58,698)		
Currency translation differences									
Net gains and losses not recognised in the Profit and Loss Statement									
Surplus/deficit on sale of properties									
Non-controlling capital									
Share of accumulated loss/ loss of Subsidiary			1,354,246,189				1,354,246,189		
Net profit for the year		1,077,358,271					1,077,358,271		
Transfer to statutory reserve									
Issue of bonus shares - 2012									
Proposed dividend (bonus issue)									
Dividends (cash) for 2012									
Balance at 31 December 2013	8,384,512,500	7,171,549,919	865,897,465	1,125,043	3,145,896,838	-	19,508,845,745	589	19,508,846,334
For the year 2012									
Balance at 1 January 2012	6,707,610,000	5,230,776,439	1,555,346,219	1,044,835	2,933,120,705	-	16,427,906,198	598	16,427,906,796
Changes in accounting policy									
Restated balance	6,707,610,000	5,230,776,439	1,555,346,219	1,044,835	2,933,120,705	-	16,427,906,198	598	16,427,906,796
Surplus/deficit on account of revaluation of properties									
Adjustment of last year gain on investment					(12,528,601)		(12,528,601)		
Surplus/deficit on account of revaluation of investments					307,484,738		307,484,738		
Currency translation differences				138,906			138,906		
Net gains and losses not recognised in the Profit and Loss Statement									
Surplus/deficit on sale of properties									
Non-controlling capital									
Share of accumulated loss/ loss of Subsidiary			746,833,287				746,833,287		
Net profit for the year		863,415,209	(1,676,502,500)				863,415,209		
Transfer to statutory reserve									
Issue of bonus shares - 2011									
Proposed dividend (bonus issue)									
Dividends (cash) for 2011									
Balance at 31 December 2012	8,384,512,500	6,094,191,648	289,896,506	1,183,741	3,028,084,842	-	17,797,869,237	482	17,797,869,719


 Hejal Ahmed Crowdhury
 Managing Director


 Syed Measatim Hussain
 Director


 Moniruddin Ahmed
 Director


 Hafiz Ajijeeq Maimun
 Chairman

Signed as per annexed report on even date

Dated, Dhaka
 February 27, 2014

Balance Sheet as at 31 December 2013

	Note	2013 Taka	2012 Taka
Property and Assets			
Cash	3	19,499,459,115	17,117,297,659
In hand (including foreign currencies)		4,186,600,391	3,468,654,428
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)		15,312,858,724	13,648,643,231
Balance with Other Banks and Financial Institutions	4	1,566,369,216	1,621,306,030
Inside Bangladesh		740,835,024	1,147,891,873
Outside Bangladesh		825,534,192	473,414,157
Money at Call on Short notice	5	568,886,667	2,799,086,667
Investments	6	48,678,919,869	30,691,146,512
Government		40,482,479,528	25,385,898,224
Others		8,196,440,341	5,305,248,288
Loans, Advances and Leases	7	136,940,462,369	122,068,518,354
Loans, cash credits, overdrafts, etc.		135,706,213,417	121,005,000,042
Bills purchased and discounted		1,234,248,952	1,063,518,312
Fixed Assets including premises, furniture & fixtures	8	3,735,987,434	3,502,800,150
Other Assets	9	17,543,310,652	15,147,394,778
Non-banking Assets	10	375,246	375,246
Total Assets		228,533,770,568	192,947,925,396
Liabilities and Capital			
Liabilities			
Borrowings from Other Banks, Financial Institutions & Agents	11	4,149,347,699	3,363,550,321
Deposits and Other Accounts	12	177,878,172,427	150,418,805,799
Current accounts & other accounts		18,079,808,927	15,591,429,099
Bills payable		2,872,700,896	2,920,446,289
Savings bank deposits		40,232,632,888	37,638,322,271
Term deposits		112,284,091,118	89,799,694,576
Other deposits		4,408,938,598	4,468,913,564
Other Liabilities	13	26,200,752,406	20,360,869,256
Total Liabilities		208,228,272,532	174,143,225,376
Capital / Shareholders' Equity			
Paid up capital	14.2	8,384,512,500	8,384,512,500
Statutory reserve	15	7,171,549,919	6,094,191,648
Retained earnings	16	1,687,639,485	1,297,911,030
Proposed issue of bonus shares		-	-
Other reserves	17	3,061,796,132	3,028,084,842
Profit and Loss account surplus	18	-	-
Total Shareholders' Equity		20,305,498,036	18,804,700,020
Total Liabilities and Shareholders' Equity		228,533,770,568	192,947,925,396


Balance Sheet as at 31 December 2013

	2013 Taka	2012 Taka
Off-Balance Sheet Items		
Contingent Liabilities		
Acceptances & Endorsements		
Letters of guarantee	5,818,362,057	5,262,909,058
Irrevocable letters of credit	38,756,296,689	34,469,613,860
Bills for collection	590,511,065	245,234,895
Other Contingent Liabilities	573,081,000	173,888,000
Total Contingent Liabilities	45,738,250,811	40,151,645,813
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 Other Commitments	-	-
Total Off-Balance Sheet Items including Contingent Liabilities	45,738,250,811	40,151,645,813

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


Helal Ahmed Chowdhury
Managing Director


Syed Mozlem Hussain
Director


Moniruddin Ahmed
Director


Hafiz Ahmed Mazumder
Chairman

Signed as per annexed report on even date


Aziz Halim Khair Choudhury
Chartered Accountants


ACNABIN
Chartered Accountants

Dated, Dhaka
February 27, 2014


Profit & Loss Account for the year ended 31 December 2013

	Note	2013 Taka	2012 Taka
Operating Income			
Interest income	21	17,220,884,280	16,718,786,874
Less: Interest paid on deposits, borrowings, etc.	22	11,821,238,722	9,267,828,639
Net Interest Income		5,399,645,558	7,450,958,235
Income from investment	23	4,899,691,551	2,034,602,882
Commission, exchange and brokerage	24	1,510,703,313	1,364,979,119
Other operating income	25	786,719,178	659,998,312
Total Operating Income		12,596,759,600	11,510,538,548
Operating Expenses			
Salaries and allowances	26	2,931,479,086	2,687,140,790
Rent, taxes, insurance, electricity, etc.	27	399,214,761	309,938,007
Legal expenses	28	11,433,121	10,969,263
Postage, stamp, telecommunication, etc.	29	66,628,243	56,014,938
Stationery, printing, advertisements, etc.	30	127,924,109	132,329,572
Managing Director's salary and fees	31	11,700,000	9,800,000
Directors' fees	32	5,630,807	5,498,115
Auditors' fees	33	800,000	800,000
Charges on loan losses		968,796	729,800,482
Depreciation and repair of bank's assets	34	267,576,487	242,106,350
Other expenses	35	1,213,602,271	1,190,340,330
Total Operating Expenses		5,036,957,681	5,374,737,847
Profit before Provisions & Taxation		7,559,801,919	6,135,800,701
Provision for Loans, Advances, Investments and Other Assets	36		
Provision for classified loans and advances		2,123,010,566	1,655,383,594
Provision for unclassified loans and advances		-	79,616,406
Provision for diminution in value of investments		-	-
Provision for un-reconciled general account debit entries		-	8,724,657
		2,123,010,566	1,743,724,657
Provision for exposure of off-balance sheet items	37	50,000,000	75,000,000
Total Provisions		2,173,010,566	1,818,724,657
Profit before Tax		5,386,791,353	4,317,076,044
Provision for current tax	13.5	2,939,948,685	2,505,095,000
Provision for deferred tax	13.5.1	141,304,692	50,000,000
Total Provision for Taxes		3,081,253,377	2,555,095,000
Net Profit after Taxes		2,305,537,976	1,761,981,044
Appropriations :			
Statutory reserve		1,077,358,271	863,415,209
Retained surplus (general reserve) carried forward		1,228,179,705	898,565,835
Earnings Per Share (EPS)	44	2.75	2.10


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



Helal Ahmed Chowdhury
Managing Director


Syed Moztem Hussain
Director
Signed as per annexed report on even date


Moniruddin Ahmed
Director


Hafiz Ahmed Mazumder
Chairman


Aziz Halim Khair Choudhury
Chartered Accountants
Dated, Dhaka
February 27, 2014


ACNABIN
Chartered Accountants

Cash Flow Statement for the year ended 31 December 2013

	Note	2013 Taka	2012 Taka
a Cash Flows from Operating Activities			
Interest receipts in cash		21,853,418,902	18,641,762,946
Interest payments		(11,821,238,722)	(9,267,828,639)
Dividend receipts		267,156,929	111,626,810
Fees and commission receipts		959,446,597	1,025,656,596
Recoveries of loans previously written off		-	700,000
Cash payment to employees		(2,943,179,086)	(2,696,940,790)
Cash payment to suppliers		(206,785,473)	(200,113,773)
Current income tax paid		(2,506,829,177)	(2,240,988,603)
Receipts from other operating activities	38	1,337,975,894	998,620,835
Cash payments for other operating activities	39	(1,670,201,969)	(2,281,989,356)
Operating Profit before Changes in Operating Assets & Liabilities		5,269,763,895	4,090,506,026
Cash Flows from Operating Assets & Liabilities:			
Statutory deposits		(15,115,707,439)	(7,806,072,863)
Purchase/sale of trading securities		(2,876,639,718)	(3,814,223,129)
Loans and advances to customers (other than banks)		(14,871,944,015)	(15,738,885,290)
Other assets	40	113,355,833	(210,537,812)
Deposits to/from other banks		785,797,378	2,903,874,569
Deposits from customers (other than banks)		27,459,366,628	26,612,838,033
Other liabilities account of customers		249,733,507	286,607,803
Other liabilities	41	335,885,700	95,518,741
Total Increase/ (Decrease) in Operating Assets and Liabilities:		(3,920,152,126)	2,329,120,052
Net Cash from/(used in) Operating Activities		1,349,611,769	6,419,626,078
b Cash Flows from Investing Activities			
Proceeds from sale of securities		-	-
Purchase /sale of property, plant & equipment		(449,978,437)	(329,301,218)
Net Cash from/(used in) Investing Activities		(449,978,437)	(329,301,218)
c Cash Flows from Financing Activities			
Receipts from issue of loan capital and debt security		33,711,290	94,956,137
Investment in Subsidiary Company		(2,442,530)	(7,594,230)
Dividend paid		(838,451,250)	(335,380,500)
Net Cash from/(used in) Financing Activities		(807,182,490)	(248,018,593)
d Net Increase/ (Decrease) in Cash and Cash Equivalents (a+b+c)		92,450,842	5,842,306,267
e Opening Cash and Cash Equivalents		21,557,411,257	15,715,104,990
f Closing Cash and Cash Equivalents (d+e)	42	21,649,862,099	21,557,411,257

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


Helal Ahmed Chowdhury
Managing Director



Syed Tajazzem Hussain
Director


Moniruddin Ahmed
Director


Hafiz Ahmed Mazumder
Chairman

Signed as per annexed report on even date


Aziz Halim Khair Choudhury
Chartered Accountants
Dated, Dhaka
February 27, 2014


ACNABIN
Chartered Accountants

Statement of Changes in Equity for the year ended 31 December 2013

Particulars	Figures in Taka					Total
	Paid-up capital	Statutory reserve	Retained earnings (general reserve)	Other reserves	Proposed dividend	
For the year 2013						
Balance at 1 January 2013	8,384,512,500	6,094,191,648	1,297,911,030	3,028,084,842	-	18,804,700,020
Changes in accounting policy	-	-	-	-	-	-
Restated balance	8,384,512,500	6,094,191,648	1,297,911,030	3,028,084,842	-	18,804,700,020
Surplus/deficit on account of revaluation of properties	-	-	-	(97,172,617)	-	(97,172,617)
Adjustment of last year gain on investment	-	-	-	130,883,907	-	130,883,907
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognised in the Profit and Loss Statement	-	-	-	-	-	-
Surplus/deficit on sale of properties	-	-	-	-	-	-
Net profit for the year	-	-	1,228,179,705	-	-	1,228,179,705
Transfer to statutory reserve	-	1,077,358,271	-	-	-	1,077,358,271
Issue of bonus shares - 2012	-	-	-	-	-	-
Proposed dividend (bonus issue)	-	-	-	-	-	-
Dividends (cash) for 2012	-	-	(838,451,250)	-	-	(838,451,250)
Balance at 31 December 2013	8,384,512,500	7,171,549,919	1,687,639,485	3,061,796,132	-	20,305,498,036
For the year 2012						
Balance at 1 January 2012	6,707,610,000	5,230,776,439	2,411,628,195	2,933,128,705	-	17,283,143,339
Changes in accounting policy	-	-	-	-	-	-
Restated balance	6,707,610,000	5,230,776,439	2,411,628,195	2,933,128,705	-	17,283,143,339
Surplus/deficit on account of revaluation of properties	-	-	-	(12,528,601)	-	(12,528,601)
Adjustment of last year gain on investment	-	-	-	107,484,738	-	107,484,738
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognised in the Profit and Loss Statement	-	-	-	-	-	-
Surplus/deficit on sale of properties	-	-	-	-	-	-
Net profit for the year	-	-	898,565,835	-	-	898,565,835
Transfer to statutory reserve	-	863,415,209	-	-	-	863,415,209
Issue of bonus shares - 2011	-	-	-	-	-	-
Proposed dividend (bonus issue)	1,676,902,500	-	(1,676,902,500)	-	-	-
Dividends (cash) 2011	-	-	(335,380,500)	-	-	(335,380,500)
Balance at 31 December 2012	8,384,512,500	6,094,191,648	1,297,911,030	3,028,084,842	-	18,804,700,020


 Heba Ahmed Chowdhury
 Managing Director


 Moinuddin Ahmed
 Director


 Hafiz Ahmed Nazimuddin
 Chairman

Dated, Dhaka
February 27, 2014

Signed as per annexed report on even date

Liquidity statement (assets and liabilities maturity analysis)
for the year ended 31 December 2013

Particulars	Up to 1 month	01 to 03 months	03 to 12 months	01 to 05 years	More than 05 years	Total
Assets						
Cash in hand	19,499,459,115	-	-	-	-	19,499,459,115
Balances with Other Banks and Financial Institutions	844,229,409	245,980,000	232,900,103	243,259,704	-	1,566,369,216
Money at Call on Short Notice	568,886,667	-	-	-	-	568,886,667
Investments	6,889,800,885	16,770,801,547	4,550,673,554	5,010,049,147	15,457,594,736	48,678,919,869
Loans & Advances	11,260,899,118	22,379,631,998	55,920,971,781	40,786,657,376	6,592,302,096	136,940,462,369
Fixed Assets including Premises, Furniture & Fixtures	-	-	643,404,492	64,008,859	3,028,574,083	3,735,987,434
Other Assets	276,413,191	1,153,921,248	82,059,498	1,832,156,210	14,198,760,505	17,543,310,652
Non-banking Assets	-	-	-	-	375,246	375,246
Total Assets	39,339,688,385	40,550,334,793	61,430,009,428	47,936,131,296	39,277,606,666	228,533,770,568
Liabilities :						
Borrowings from Other Banks, Financial Institutions & Agents	4,149,347,699	-	-	-	-	4,149,347,699
Deposits	28,496,705,093	35,362,397,314	52,191,724,533	28,174,088,358	33,653,257,129	177,878,172,427
Provision & Other Liabilities	6,114,403,955	-	3,080,073,740	16,836,613,970	169,660,741	26,200,752,406
Total Liabilities	38,760,456,747	35,362,397,314	55,271,798,273	45,010,702,328	33,822,917,870	208,228,272,532
Net Liquidity Gap	579,231,638	5,187,937,479	6,158,211,155	2,925,428,968	5,454,688,796	20,305,498,036


Hetal Ahmed Chowdhury
Managing Director


Syed Mozizem Hussain
Director


Moniruddin Ahmed
Director


Hariz Ahmed Mazumder
Chairman

Dated, Dhaka
February 27, 2014

Notes to financial statements for the year ended 31 December 2013

General

1. The Bank and its activities

1.1 Entity

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 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 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.

1.2 Principal activities

The Bank engages in all types of commercial banking services as laid down in Banking Companies Act 1991 and directives received from Bangladesh Bank from time to time. It has 423 branches all over Bangladesh. It is listed in the stock exchange of Dhaka and Chittagong as a publicly-traded company.

1.3 Capital structure of the Bank

The authorised 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. 14.

2. Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

The financial statements, namely, Balance Sheet, Profit and Loss Statement, 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 Banking Companies Act 1991, as amended, BRPD circular no. 14 of 25 June 2003, other Bangladesh Bank circulars, International Accounting Standards, and International Financial Reporting Standards adopted in Bangladesh as Bangladesh Accounting Standards (BAS), and Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 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.

2.2 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.

2.3 Islamic Banking Window

Islamic Banking Window has maintained a separate set of books and records for its operations. All assets and liabilities and income and expenses of that window are incorporated in similar heads of account of the Bank's financial statements. A separate financial statements, Balance Sheet and Profit and Loss Statement, of Islamic Banking window is shown separately as per Bangladesh Bank BRPD circular no. 15 dated 09 November 2009. Bases of distribution of profit and fixation of final rate of Islamic Banking Operations for the year 2013 are enclosed as Annex D.

Notes to the financial statements for the year ended 31 December 2013

2.4 Use of estimates and judgments

The preparation of the financial statements in conformity with BFRS 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. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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.

2.5 Foreign currency transactions

i. Functional and presentational currency

Financial statements of the Bank are presented in Taka, which is the Bank's functional and presentational 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 BAS-21 "The effects of Changes in Foreign Exchange Rates".

Assets and liabilities in foreign currencies at 31 December 2013 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" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD(R) 717/2004-959 dated 21 November 2004.

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.

2.6 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

2.6.1 Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Profit and Loss Statement 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 has been made @ 42.5% on accounting profit made by the Bank after considering some of the add backs of income and disallowances of expenditure as per Income Tax Ordinance 1984.

Notes to the financial statements for the year ended 31 December 2013

2.6.2 Deferred tax

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 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 measured using tax rates and tax laws that have been enacted or substantially enacted at the date of Balance Sheet. The impact on the account of changes in the deferred tax assets and liabilities has also been recognised in the Profit and Loss Statement as per BAS 12 "Income Taxes" (Note# 13.5.1).

2.7 Assets and basis of their valuation

2.7.1 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.

2.7.2 Investments

Investment in Govt. securities are initially recognized at cost, being fair value of the consideration given, including acquisition charges associated with the investment. Premiums are amortized and discounts accreted, using the effective yield method and are taken to discount income. The valuation method of investments used is:

2.7.2.1 Held to maturity (HTM)

Investments which have fixed or determinable payments and are intended to be held to maturity, are classified as held to maturity. These investments are subsequently measured at amortized cost, less any provision for impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition. Any gain or loss on such investments is recognized in the Profit and Loss Statement when the investment is derecognized or impaired as per BAS 39 'Financial Instruments: Recognition and Measurement'.

2.7.2.2 Held for trading (HFT)

The securities under this category include those acquired by the Bank with the intention to trade by taking advantages of short term price/interest movement, and the securities those are classified as HFT by the Bank held in excess of statutory liquidity reserve (SLR) net of cash reserve requirement (CRR), at a minimum level. Investments classified in this category are principally for the purpose of selling or repurchasing on short trading or if designated as such by the management. In this category, investments are measured at their fair value and any change in the fair value i.e., profit or loss on sale of securities in HFT category is recognized in the Profit and Loss Statement.

Notes to the financial statements for the year ended 31 December 2013

Value of investment has been enumerated as follows:

Item	Applicable accounting value
Government treasury bills	At book value
Government treasury bonds	At cost price
Prize bonds	At cost price
Approved debentures	At cost price
Shares and debentures	Lower of cost or market value at the date of Balance Sheet.

Investment in shares and debenture are valued at cost. Adequate provision is made for shortfall in market value of shares and debentures over their cost price.

2.7.3 Loans and advances

- (a) Interest on loans and advances is calculated on a daily product basis but charged and accounted for quarterly on accrual basis. Interest on classified loans and advances is kept in interest suspense account as per directives of Bangladesh Bank and such interest is not accounted for as income until realized from borrowers.
- (b) Interest is not charged on bad and doubtful loans and advances from the date of filing money suits against the borrowers.
- (c) Provision for loans and advances is made on the basis of periodical review by the management and of instructions contained in Bangladesh Bank's BCD circular nos. 34 of 16 November 1989, 20 of 27 December 1994 and 12 of 04 September 1995 and BRPD circular nos. 16 of 06 December 1998, 9 of 14 May 2001, 2 of 15 February 2005, 9 of 20 August 2005, 17 of 6 December 2005, 5 of 5 June 2006 and 5 of 5 April 2008 32 of 27 October 2010, 07 of 14 June 2012, 14 of 23 September 2012, 19 of 27 December 2012 and 5 of 29 May 2013 respectively at the following rates:

(i) <u>General provision on unclassified loans and advances</u>	Rate
Standard general loans and advances	1%
Standard Small & Medium enterprise Financing	0.25%
Standard loans to Merchant Banking/BHs/SDs	2%
Std. Housing Fin. and loans for professional to set up a biz.	2%
Standard Consumers loan Scheme other than HF and LP	5%
Standard Short term Agri and Micro credit	5%
Special Mention Account general Loans and advances	1%
Special mention account Small & Medium enterprise Financing	0.25%
Special mention account loans to BHs/MBs/Sds	2%
Special mention account HF and LP	2%
Special mention account Consumer's loan scheme other than HF &LP	5%
(ii) <u>Specific provision on classified loans and advances</u>	
Substandard (Agri & Micro credit)	5%
Doubtful (Agri & Micro credit)	5%
Substandard	20%
Doubtful	50%
Bad or Loss	100%

Notes to the financial statements for the year ended 31 December 2013

- (d) Loans and advances are written off to the extent that there is no realistic prospect of recovery, and against which legal cases are pending for more than five years as per guidelines of Bangladesh Bank. 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.

2.7.4 Fixed assets and depreciation

- (a) Fixed assets other than land are stated at cost/revalued price less depreciation.
- (b) Depreciation is charged at the rates prescribed by Bangladesh Bank on reducing balance method with the exception of machinery, equipment and motor vehicles on which straight-line method is applied.
- (c) Cost of lifts is included in machinery and equipment and depreciated on straight line method.
- (d) Upon sale or disposal of any item of fixed assets, no depreciation is charged in the year of its sale or disposal, the net book value is eliminated from accounts and any resulting gain or loss is transferred to Profit and Loss Statement.
- (e) Full year's depreciation at applicable rates is charged on additions to fixed assets made up to 30 September and no depreciation is calculated on additions after that date.

Category of asset	Method	"Rate of Depreciation"
Freehold Land	N/A	-
Leasehold Land	Fixed	-
Buildings	Reducing Balance	2.50%
Furniture and fixtures	Reducing Balance	10%
Machinery and equipment	Straight Line	20%
Computers and computer accessories	Straight Line	30%
Motor vehicles	Straight Line	20%

2.7.5 Other assets

Provision for other assets is made as per BRPD circular no. 14 of 25 June 2001.

2.7.6 Lease finance

Leases are classified as finance leases of the Bank as per BAS 17 "leases". Amount due from leases under finance leases are recorded as receivables as the amount of the Bank's net investment in the leases (note 7.12). Finance leases income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank's investment outstanding in respect of the leases. No depreciation has been charged for such leases in the account.

2.8 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

Notes to the financial statements for the year ended 31 December 2013

Board of Trustees consisting 3 (three) members and funded by contributions both from employees and Bank @10% of basic salary. 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 recognized 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.

2.9 Revenue recognition

The revenue during the year is recognized as follows which satisfy all conditions of revenue recognition as prescribed by BAS 18 "Revenue".

- (i) Interest is calculated on daily product basis on unclassified loan and advances but charged on a quarterly basis.
- (ii) Interest is charged on classified loans and advances as per Bangladesh Bank's BRPD circular no. 16 of 06 December 1998 and other related circulars and such interest is not taken into income.
- (iii) Dividend income is recognized at the time when it is realized.
- (iv) Commission and discount on bills purchased and discounted are recognized at the time of realization.

2.10 Cash flow statement

Cash Flow Statement is prepared principally in accordance with BAS-7 "Cash Flow Statement" under direct method as per guidelines of BRPD circular no. 14 dated 25 June 2003. The Cash Flow Statement shows the structure of and changes in cash and cash equivalents during the financial year. It reported cash flows during the period classified by operating activities, investing activities and financing activities.

2.11 Statement of liquidity

The liquidity statement has been prepared in accordance with the remaining maturity period of the value of the assets and liabilities as on the reporting date as per the guidelines of Bangladesh Bank BRPD Circular No 14 of 25 June 2003.

2.12 Statement of changes in equity

Statement of changes in equity is prepared in accordance with BAS-1" Presentation of Financial Statements" and under the guidelines of BRPD circular no.14 dated 25 June 2003.

2.13 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.

Notes to the financial statements for the year ended 31 December 2013

2.14 Risk Management

The risk of the Bank may be defined as the possibility of losses, financial or otherwise. The risk management of the Bank covers 06 core risks i.e. Credit Risk, Internal Control & Compliance Risk, Money Laundering Risk, Asset Liability Management Risk (Balance Sheet Risk), Foreign Exchange Risk and Information Technology Risk. Moreover, Operational Risk, Market Risk, Liquidity Risk, Residual 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. The prime objective of the risk management is that Bank takes well calculative business risks while safeguarding the Bank's capital, its financial resources and profitability from various risk areas. A separate Risk Management Unit (RMU) has been formed headed by Additional Managing Director where all the General Managers & Division Heads of Head Office are the members and the Division Head, Internal Control & Compliance Division is the member secretary. The Committee is responsible to our Honorable Managing Director for compliance and implementation of the decisions. Monthly meeting of Risk Management Unit is arranged on regular basis where different risks are discussed and decisions are gradually implemented. Minutes of Risk Management Unit meeting along with risk management papers are submitted to Bangladesh Bank on quarterly basis. Yearly Health Memo is placed before the Board in which analytical & exhaustive information are highlighted. Yearly summary report on the audit findings are also placed before the Audit committee of the Board of Directors mentioning & highlighting different incidences and the decisions are implemented by the Bank. As a part of risk management, adequate capital is maintained against Credit Risk, Market Risk and Operational Risk under Basel-II accord. Under the second pillar of Basel-II, a Supervisory Review Process (SRP) team has been formed comprising Honorable Managing Director, Additional Managing Director & Chief Risk Officer, GM & CFO, Central Accounts Division, Division Head, Audit Division, Division Head, Credit Administration, Monitoring & Recovery Division, Division Head, International Division and Division Head, Credit Division-I to review, monitor and maintain adequate capital considering all relevant risks. The Bank has a capital growth plan up to the year 2017. Stress Testing is done on quarterly basis 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 to Bangladesh Bank regularly.

As per BRPD Circular no. 11 dated 27 October, 2013 a Risk Management Committee of the Board has been formed and the Committee has already started its operation. "

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 counter party 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 these issues. The Bank has segregated duties of the Officers/Executives involved in credit related activities. Credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, three separate divisions have been formed. These are credit division, credit monitoring & recovery division and law division. Credit division is entrusted with the duties of maintaining asset quality, assessing risk in lending to a particular customer, sanctioning credit, formulating policy/strategy for lending operation, etc.

A thorough assessment is done before sanction of any credit facility at credit division. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the proposed credit facility, etc. All credit proposals have

Notes to the financial statements for the year ended 31 December 2013

been placed in credit committee for sanction or make decline. Managing Director is the Chairman of credit committee. Loans having big exposures are placed before the Board of Directors of the Bank for sanction. Concentration of credit risk management is shown in note 7.5.

In determining single borrower/large loan limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted on periodical interval to ensure compliance of Bank's and Regulatory polices. Loans are classified as per Bangladesh Bank's guidelines. Concentration of single borrower/large loan limit shown in note 7.8.

b) Foreign Exchange Risk Management

The foreign exchange risk arises from transaction involvement in any other nation 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. Providing major 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. It is mentionable that bank do not involve in any speculative transactions.

Our Treasury Division independently engages in the foreign currency transactions through foreign exchange (Fx) market and back office is responsible for verifying the deal and passes the necessary accounting entries. All foreign Exchange transactions are revalued at mark-to-market rate on every month end as advised by Bangladesh Bank. All nostro accounts are reconciled on monthly basis and outstanding entries beyond 30 days are reviewed by management for settlement. The bank maintains the daily exchange position within the stipulated limit prescribed by Bangladesh Bank.

c) Asset Liability Management

The Asset Liability Committee (ALCO) of the Bank monitors market risk and liquidity risks of the Bank. The market risk is defined as potential change in earnings due to change in rate of interest, foreign exchange rates which are not of trading nature. ALCO reviews liquidity requirement of the Bank, the maturity of assets and liabilities, deposit and lending, pricing strategy and the liquidity contingency plan.

d) Prevention of Money Laundering

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. Weakness in money laundering prevention and combating terrorist financing may lower the image of the Bank in local & global environment. It may also reduce the confidence of the stakeholders. For involvement in money laundering & terrorist financing, the regulatory bodies may impose restrictions in expansion of business and Bank may lose the market share. Banks around the globe may be unwilling to establish correspondent banking relationship if money laundering prevention and combating terrorist financing status are not up to the mark. The following initiatives have been taken by our Bank to comply with the requirements of Bangladesh Bank:

- * Central Compliance Unit (CCU) at Head Office, Regional Compliance Unit (RCU) at Regional Offices and Branch Compliance Unit (BCU) at branch level have been formed headed by Chief

Notes to the financial statements for the year ended 31 December 2013

Anti-Money Laundering Compliance Officer (CAMLCO), Regional Anti-Money Laundering Compliance Officer (RAMLCO) and Branch Anti-Money Laundering Compliance Officer (BAMLCO) respectively.

- Guideline on money laundering prevention and Combating Terrorist Financing Policy have been revised & updated in the light of Money Laundering Prevention Act-2012, Anti-Terrorism (amendment) Act-2013 and Bangladesh Bank's circulars/circular letters.
- Uniform Account Opening Form has been introduced where KYC is a must. As per Money Laundering Prevention Act-2012 and as per Bangladesh Bank instruction, branches have been instructed to obtain full & accurate information of the clients while establishing banking relationship.
- Actual transactions are compared with transaction Profile to identify abnormal and suspicious transaction.
- Cash Transaction Reporting (CTR) and Suspicious Transaction Reporting (STR) are made to Bangladesh Bank on regular basis.
- Customers are graded on the basis of risk. High risk customers are closely monitored and Enhanced Due Diligence is applied.
- Self Assessment is done by the branches and a summary report is prepared and submitted to the Management and Bangladesh Bank on half yearly basis.
- Independent Testing Procedure is done while conducting audit in the branches. The same is summarized and placed before the Management and Bangladesh Bank on half yearly basis.
- As per Bangladesh Bank's AML circular no. 24 dated 03 March 2010, branches have been instructed to apply Enhance Due Diligence (EDD) in opening & maintaining accounts of Politically Exposed Persons, their family members and close associates.
- As a part of core risk inspection, system check on money laundering has been introduced by CCU at branch level.
- 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. In the year 2013, total 567 officials were provided training on money laundering, terrorist financing and foreign remittance through outreach workshop. Our training institute is also arranging training workshop on the issue.
- So far 29 circulars of former Anti-Money Laundering Department and 9 circulars of present Bangladesh Financial Intelligent Unit (BFIU) of Bangladesh Bank on money laundering & terrorist financing have been circulated to the branches for compliance.
- Monthly meeting of Central Compliance Unit (CCU) and Branch Compliance Unit (BCU) are arranged and the decisions are gradually implemented.
- Before establishing correspondent banking relationship, status on money laundering prevention and combating terrorist financing of the respondent banks are obtained through a questionnaire developed by Bangladesh Bank. Correspondent Banking relationship with any bank is established on receipt of the desired information and subject to our satisfaction.
- As a precautionary measure and as per instruction of Central Bank, we do not establish Correspondent Banking relationship with any shell bank or any bank having banking relationship with any shell bank.
- We search the database of the customers to find out the sanction list of United Nations, OFAC

Notes to the financial statements for the year ended 31 December 2013

and competent authorities of Bangladesh. We also follow the list published in print & electronic media.

e) Internal Control and Compliance

Today's banks are involved in diversified & complex financial activities. The activities are no longer confined to a single geographical boundary. The diversified & complex financial activities and international business of the bank bear significant risk. Thus the issue of effective internal control system, corporate governance, transparency & accountability etc. have become of great importance. Operational loss may arise due to Internal & external fraud, employee practices & workplace safety, business practices, damage to physical assets, business disruption & system failure and process management etc. In our Bank, internal control and compliance functions are jointly performed by Audit & Inspection Division, Monitoring Division, Compliance Division and Human Resources Division. Audit & Inspection Division undertakes periodical and special audit as per Risk Based Audit Plan approved by the Board. Synopsis of the audit report is placed before the Audit Committee of the Board of Directors regularly. Monitoring Division is engaged with on-site and off-site monitoring functions. Compliance Division deals with the in-house developed and regulatory compliance related activities and also functions as the contact point of the Bank. It ensures regulatory requirements and industry practices. Ethical issue and behavioral norms have assumed 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, an Ethical Committee has been formed headed by Additional Managing Director where all the Division Heads are the members and the Division Head, Compliance Division is the Member Secretary. The Committee is responsible to Honorable Managing Director for implementation of the decisions. All branches, regional offices and divisions of Head Office have been instructed to form Ethical Sub-committee so that ethical issue can be practiced in all walks of the Bank.

The Management Committee (MANCOM) headed by Honorable Managing Director reviews the overall control system of the Bank and a certificate is provided to the Board of Directors in this regard. As per instruction of Audit Committee of the Board, Compliance Division places the quarterly position of internal control & compliance of the Bank before the Committee on regular basis. As a part of Internal Control & Compliance and as per instruction of Bangladesh Bank, Risk Management Unit was formed headed by Additional Managing Director where all the Division Heads are the members and Division head, Compliance Division is the Member Secretary. The Committee is responsible to Honorable Managing Director for implementation of the decisions. Monthly meeting of Risk Management Unit is arranged on regular basis where different risk areas are discussed, minutes and decisions are implemented. Minutes of Risk Management Unit meeting along with risk management papers are submitted to Bangladesh Bank's Department of Off-Site Supervision (DOS) on quarterly basis. Adequate capital is maintained against Credit Risk, Market Risk and Operational Risk under Basel-II accord. Stress Testing is conducted on quarterly basis to assess the impact of different risks associated with banking business on asset, liability & ultimately on capital. As per Bangladesh Bank ICC Guideline, Management Reporting System Committee was formed headed by Additional Managing Director. In the meeting of Management Reporting System Committee Bank's MIS affairs are discussed, minutes and decisions are gradually implemented. The Committee is responsible to Honorable Managing Director for implementation of the decisions.

f) Information technology

Information Technology has enabled efficient, accurate and timely management of the increased transaction volume of Pubali Bank Limited that comes with a larger customer base. Adoption of

Notes to the financial statements for the year ended 31 December 2013

technology has delighted the customers in terms of convenience and satisfaction through new products, new services and efficient delivery channels.

Pubali Bank Limited has been extending customer services at all our 423 branches using our **in-house developed** core banking software, **Pubali Integrated Banking System (PIBS)** under network environment. **Real Time Centralized Online Banking System** has been developed and deployed in 419 branches across the country. The rest of the branches will be brought under online banking network soon. 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 and Hardware Support Unit** at IT Division are extending quick support to the branches to solve any software/operational problems in banking software.

One Stop Service has been implemented at all of our branches to ensure better and quick customer services. **Hardware Engineers** have also been posted in each of our **Regional Offices** for quick solution to the hardware problems of the branches under the Region.

To encourage incoming **foreign remittances**, all of our branches have been brought under the network of **Western Union Money Transfer, Pravu Money Transfer, Transfast** etc. in addition to receiving **Foreign TTs** from different **Exchange Houses** abroad. Moreover, we have also established our own exchange house in U.K. named **Pubali Exchange Company (UK) Ltd.** using our in-house developed software, **Pubali Money Transfer System**.

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**. Development of software for **Mobile Phone Banking** is under process.

As approved by the Board, the establishment of our **own ATM Network** with **100 ATM Booths** across the country is under progress. We have already participated in the **National Payment Switch** as Pilot Bank under supervision of Bangladesh Bank and inaugurated our **ATM Debit Card**. We have obtained Principal Membership of Master Card and Visa Card. Establishment of **Call Center** is under progress.

We have established our **Data Center** at IT 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 successfully implemented Bangladesh Automated Clearing House (**BACH**) and Bangladesh Electronic Fund Transfer System (**BEFTN**), Credit Information Bureau (**CIB**) Reporting as per guidelines of Bangladesh Bank.

We have opened **Islamic Banking Window** at our Principal Branch, Dhaka and at Stadium Branch, Sylhet using our in-house developed software, **Pubali Integrated Islamic Banking System (PIIBS)**. Similar windows will be opened in other branches. Customers of our Islamic banking windows can get selected services from any of our Online Branches through Online Banking Network.

We have established our **website 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

Notes to the financial statements for the year ended 31 December 2013

Head Office under our **own Mail Server** at IT Division, Head Office has become quick and easier.

To ensure **proper training** to our officials, Information Technology 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 **2013**, we conducted **77** training programs at our **Computer Lab** on **8 (eight)** different Topics/Modules covering **1,714 participants** and **1 (one) Workshop** on General Banking Practices and related IT Operations at our **Head Office Auditorium** covering **193 participants** from Branches/Regional Offices across the country.

2.15 Disclosure on fraud and forgeries committed by bank employees:

During the year, 9 instances of frauds were identified, which were committed by some delinquent officials at 9 different branches. These white collar crimes were isolated ones, and were detected at the very early stage of occurrences. The sum total of money involved in all these incidences were around Tk.8.81 crore, of which Tk.6.14 crore have been recovered in cash by the reporting date. Legal, administrative and disciplinary actions have been taken against the concerned employees. Adequate provisions have been maintained and all incidences have been duly reported to the central bank within the requisite time. All efforts are in force to recover the remaining misappropriated money.

2.16 Off-balance sheet items

Under general banking transactions, liabilities against acceptance, endorsement and other obligations and bills against which acceptances have been given and claims exist there against, have been shown as off-balance sheet items.

2.17 Authorization of financial statements

The financial statements for the year ended 31 December 2013 have been authorized for issue in accordance with a resolution of the Board of Directors on 27 February 2014.

2.18 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability substantially.

2.19 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 2013 as per BAS 33 "Earnings per Share". Diluted earnings per share was not required to calculate as no dilution occurred.

2.20 Interest paid and other expenses

In terms of the provisions of BAS 1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

Notes to the financial statements for the year ended 31 December 2013

2.21 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 traveler's cheques, value of savings certificates (sanchaya patra), etc fall under the memorandum items.

2.22 Reporting period

These financial statements cover one calendar year from 01 January 2013 to 31 December 2013.

2.23 Number of employees

The number of employees employed in the Bank as on 31 December 2013 was 7,362, of which 6,399 were male and 963 were female. The number of employees per branch was 15.48 excluding 816 employees in the head office of the Bank.

During the year 2013, the Bank paid remuneration up to Taka 36,000 per employee to 192 persons and exceeding Taka 36,000 per employee to 7,170 persons.

2.24 Provision for liability

A provision is recognized in the balance sheet when the Bank has a legal or constructive obligation as a result of a past event and it is provable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

2.25 Events after reporting period

In terms of provision of BAS 10 "Events after Reporting period" no material events have occurred after balance sheet date which could affect the values reported in the financial statements, except declaration of dividend, if any.

2.26 BASEL II implementation

The BASEL Committee on Banking Supervision has published a new framework for calculating minimum capital requirement, known as 'Basel II'. The new guideline is structured around three pillars: (i) minimum capital requirement (on credit risk, market risk and operation risk), (ii) supervisory review process and (iii) market discipline. Implementation of Basel II framework in Bangladesh will integrate the risk management process of the Bank and its capital adequacy requirement. Bangladesh Bank has formed a National Steering Committee and Coordination Committee for implementation of BASEL II in Bangladesh. As per the Committee decision BASEL II has been fully implemented in Bangladesh from January 2011. The National Steering Committee has indicated that following methodology of BASEL II would be followed in Bangladesh:

- I. Standardized method for credit and market risk.
- II. Basic indicator approach for operational risk.
- III. Internal Ratings Based for credit risk has been applied from 2012 where prior permission from Bangladesh Bank would be required.

Notes to the financial statements for the year ended 31 December 2013

The National Steering Committee has suggested for continuous training of the officers and employees of the banks for capacity building and formation of an implementation team. Implementation team would remain responsible for overall supervision of BASEL II implementation in their banks. It has also suggested that the board of directors should also remain updated on the issue. Accordingly, the Bank has formed BASEL II implementation team and is providing training to senior management, credit officers and managers of the Bank. BASEL II implementation team has been regularly monitoring and to give various suggestion/instruction regarding implementation of the above three pillars.

2.27 Training

In implementation of the human resources development strategy, the Bank has established its own Training Institute at the Head Office with the vision to build up professionals with technical, human and conceptual skills. The Institute is focused to ensure a formal platform where employees can exchange their ideas, update their knowledge base, open up their eyes to the complexities of banking world.

During the year 2013, the training institute of the Bank has arranged a total of 40 training courses, seminars and workshops mostly conducted by the internal resource persons with 1549 participants. The objectives of designing all training programmes are to bridge the gap between present level of competence and the required level of competence.

SI No	Training courses/workshops/seminars	No. of courses held	No. of participants attended
1	Seminar on Manager and his/her job (Managers & Prospective Managers)	3	72
2	Foundation Course for Sr.Officers recruited in 2012	2	44
3	Foundation Course for non -Probationary Officers/promoted in 2011 & 2012.	2	41
4	Foundation Course for Officers recruited in 2012	2	58
5	Foundation Course for Jr. Officers on Promotion Jr. officer (Cash & Computer)	1	19
6	Refreshers Course for Second Officers / Deputy Managers of the Branches	2	31
7	Workshop on Core Risk's in Banking	4	116
8	Workshop on Credit Risk Management (CRM)	4	114
9	Workshop on Business English and Writing Skill	4	88
10	Foreign Exchange and International Trade Financing	1	27
11	Orientation Course for Senior Officers & Officers newly recruited in 2013	1	282
12	Orientation Course for Jr.Officers(Cash) newly recruited in 2013	1	273
13	Extended Learning Program for Jr.Officer (Cash) recruited in 2011 & 2012	6	140
15	Workshop on Modern marketing Techniques and Customer handling in Banks	3	73
16	Orientation Course for Jr.Officers newly recruited in 2013	1	96
17	Seminar on Good Etiquette Is good Business and Employee Counseling	3	75
	Total	40	1,549

Notes to the financial statements for the year ended 31 December 2013

2.28 Audit committee

The Audit Committee of the Board comprising of the following members of the Board of Directors.

Name	Status in the Bank	Status in the committee	"Educational Qualification"
Mr. Khurshid-ul-Alam	Independent Director	Chairman	"B.A.(Hons.), M.A(Eco) DUIMA(Eco), University of New England (Australia)."
Mr. Moniruddin Ahmed	Director	Member	Matriculation
Mr. Ahmed Shafi Choudhury	Director	Member	BA (Dhaka University)
Mr. Mustafa Ahmed	Director	Member	BBA (Finance) USA
Dr. Shahdeen Malik	Independent Director	Member	PHD. (UK) in Law

- 2.29** 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.
- 2.30** Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- 2.31** These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- 2.32 Statement of compliance**

The financial statements of the Bank are prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and the requirements of the Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, [the Securities and Exchange Rules 1987]. 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. Material departures from the requirements of BFRS are as follows:

i) Investment in shares and securities

BFRS: As per requirements of BAS 39 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve 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. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

ii) Revaluation gains/losses on Government securities

BFRS: As per requirement of BAS 39 where securities will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognised through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method and interest income is recognised through the profit and loss account.

Notes to the financial statements for the year ended 31 December 2013

Bangladesh Bank: HFT securities are revalued on the basis of mark 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 amortisation of discount are 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 and gains or losses on amortisation are recognised in other reserve as a part of equity.

iii) Provision on loans and advances/investments

BFRS: As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013) a general provision at 0.25% to 5% 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 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and 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 BAS 39.

iv) Recognition of interest in suspense

BFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

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.

v) Other comprehensive income

BFRS: As per BAS 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 do not 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.

Notes to the financial statements for the year ended 31 December 2013

vi) Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in BAS 39. As such full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

vii) Financial guarantees

BFRS: As per BAS 39, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 14, 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.

viii) Cash and cash equivalent

BFRS: Cash and cash equivalent items should be reported as cash item as per BAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.

ix) Non-banking asset

BFRS: No indication of Non-banking asset is found in any BFRS.

Bangladesh Bank: As per BRPD 14, there must exist a face item named Non-banking asset.

x) Cash flow statement

BFRS: 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, cash flow is the mixture of direct and indirect methods.

xi) Balance with Bangladesh Bank: (Cash Reserve Requirement)

BFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per BAS 7.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

Notes to the financial statements for the year ended 31 December 2013**xii) Presentation of intangible asset**

BFRS: An intangible asset must be identified and recognised, and the disclosure must be given as per BAS 38.

Bangladesh Bank: There is no regulation for intangible assets in BRPD 14.

xiii) Off-balance sheet items

BFRS: There is no concept of off-balance sheet items in any BFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD 14, 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) Loans and advances/Investments net of provision

BFRS: Loans and advances/Investments should be presented net of provision.

Bangladesh Bank: As per BRPD 14, provision on loans and advances/Investments are presented separately as liability and can not be netted off against loans and advances.

Notes to the financial statements for the year ended 31 December 2013

PROPERTY AND ASSETS	2013 Taka	2012 Taka
3 Cash		
Cash in hand (including foreign currency)		
In local currency	4,151,679,865	3,431,971,181
In foreign currencies	<u>34,920,526</u>	<u>36,683,247</u>
	<u>4,186,600,391</u>	<u>3,468,654,428</u>
Balance with Bangladesh Bank and its agent bank(s)		
Bangladesh Bank		
In local currency	10,417,814,127	8,674,027,003
In foreign currencies	<u>2,525,001,150</u>	<u>3,040,985,966</u>
	<u>12,942,815,277</u>	<u>11,715,012,969</u>
Sonali Bank as agent of Bangladesh Bank		
Local currency	2,370,043,447	1,933,630,262
	<u>15,312,858,724</u>	<u>13,648,643,231</u>
	<u>19,499,459,115</u>	<u>17,117,297,659</u>

3.1 Cash Reserve Ratio and Statutory Liquidity Requirement

Cash Reserve Ratio and Statutory Liquidity Requirement have been calculated and maintained in accordance with section 33 of Bank Companies Act 1991, BRPD circular numbers 11 and 12 of 25 August 2005 and MPD circular numbers 04 and 05 of 01 December 2010.

The statutory Cash Reserve Ratio (CRR) required on the Bank's time and demand liabilities at the rate of 6% has been calculated and maintained with Bangladesh Bank in current account and 19% Statutory Liquidity Requirement (SLR) including CRR, on the same liabilities is also maintained in the form of treasury bills and bonds including balances with Bangladesh Bank. 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 (6%)	10,377,596,156	8,396,958,606
Actual Reserve maintained	<u>10,417,814,127</u>	<u>8,674,027,003</u>
Surplus	<u>40,217,971</u>	<u>277,068,397</u>

Statutory Liquidity Requirement (SLR)

Required reserve (13%)	22,446,248,844	18,173,469,424
Actual reserve maintained	<u>41,508,986,300</u>	<u>25,687,817,752</u>
Surplus	<u>19,062,737,456</u>	<u>7,514,348,328</u>

Total required amount of CRR and SLR

Total required reserve (19%)	32,823,845,000	26,570,428,030
Total actual reserve maintained	<u>51,926,800,427</u>	<u>34,361,844,755</u>
Total surplus	<u>19,102,955,427</u>	<u>7,791,416,725</u>

3(a) Consolidated Cash

Cash in hand		
Pubali Bank Limited	4,186,600,391	3,468,654,428
Pubali Bank Securities Limited	-	-
Pubali Exchange Company (UK) Ltd.	3,633,012	62,167
	<u>4,190,233,403</u>	<u>3,468,716,595</u>

Notes to the financial statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
Balance with Bangladesh Bank and its Agent Bank(s)		
Pubali Bank Limited	15,312,858,724	13,648,643,231
Pubali Bank Securities Limited	-	-
Pubali Exchange Company (UK) Ltd.	-	-
	15,312,858,724	13,648,643,231
	19,503,092,127	17,117,359,826
4 Balance with Other Banks and Financial Institutions		
Inside Bangladesh (Note 4.1)	740,835,024	1,147,891,873
Outside Bangladesh (Note 4.2)	825,534,192	473,414,157
	1,566,369,216	1,621,306,030
4.1 Inside Bangladesh		
In fixed/term deposit account (in local currency)		
Delta Brac Housing and Finance Corporation Ltd.	300,000,000	300,000,000
ICB Islamic Bank Ltd, Bangshal Branch, Dhaka	40,076,421	40,281,766
ICB Islamic Bank Ltd, Principal Office, Dhaka	203,783,283	204,198,973
Union Bank Limited, Hatkola Branch, Dhaka	100,000,000	-
Islami Bank Bangladesh Limited, Foreign Exchange Branch	-	199,990,000
Al Arafa Islami Bank Ltd, Motijheel Corporate Branch	-	50,931,801
Al Arafa Islami Bank Ltd, Motijheel Corporate Branch	-	50,931,801
Al Arafa Islami Bank Ltd, Motijheel Corporate Branch	-	50,931,801
Al Arafa Islami Bank Ltd, Motijheel Corporate Branch	-	50,931,802
Al Arafa Islami Bank Ltd, Motijheel Corporate Branch	-	100,912,131
	643,859,704	1,049,110,075
In Savings deposit account		
Islami Bank Bangladesh Limited, Foreign Exchange Branch	10,957,832	10,366,984
	10,957,832	10,366,984
In Special notice deposit account		
Sonali Bank Ltd., Shilpa Bhaban Branch, Dhaka	474,761	455,322
Bank Al Falah Ltd., Principal Branch, Dhaka	176,862	1,175,269
National Bank Ltd., Dilkusha Branch, Dhaka	348,531	334,890
The City Bank Ltd, Foreign Exchange Branch, Dhaka	409,895	303,333
Mutual Trust Bank Ltd., Principal Branch, Dhaka	605,237	480,627
Bangladesh Krishi Bank, Local office, Dhaka	381,161	370,900
The Hongkong Shanghai Banking Corp Ltd., Main Branch, Dhaka	365,785	360,983
First Security Islami Bank Ltd., Dilkusha Branch	4,975,153	4,684,341
	7,737,385	8,165,665
Total Inside deposit in BDT	662,554,921	1,067,642,724
Fixed deposit receipts (Foreign Currency)		
Standard Chartered Bank, Dhaka	5,700,008	7,984,990
Commercial Bank of Ceylon, Dhaka	38,380,050	40,324,199
Hongkong and Shanghai Banking Corporation Ltd., Dhaka	34,200,045	31,939,960
	78,280,103	80,249,149
	740,835,024	1,147,891,873

Notes to the financial statements for the year ended 31 December 2013

4.2 Outside Bangladesh (Nostro Account)

Name of bank	Foreign currency name	2013			2012		
		Amount in foreign currency	Conversion rate per unit FC	Amount in BD Taka	Amount in foreign currency	Conversion rate per unit FC	Amount in BD Taka
American Express Bank Ltd, Kolkata	ACUD	55,485	77.75	4,313,931	73,769.64	79.85	5,890,498
Bank of Bhutan, Thimpu	ACUD	85,742	77.75	6,666,432	20,906.95	79.85	1,669,418
Bank of Tokyo Mitsubishi Ltd, Kolkata	ACUD	22,770	77.75	1,770,368	22,770.00	79.85	1,818,182
Bank of Tokyo Mitsubishi Ltd, Tokyo	YEN	3,814,917	0.74	2,820,289	8,206,599.00	0.93	7,614,410
Citibank NA, New York	USD	91,369	77.75	7,103,930	-	-	-
Commerz Bank, Germany	USD	278,060	77.75	21,654,186	58,926.56	79.85	4,705,280
Commerz Bank, Germany	EUR	-	-	-	9,649.75	105.58	1,008,101
Habib Metropolitan Bank, Ltd., Karachi	ACUD	576,186	77.75	44,798,494	543,123.26	79.85	43,368,338
Habib American Bank, New York	USD	116,260	77.75	9,039,215	419,585.62	79.85	33,503,870
HDFC BANK LTD. MUMBAI	ACUD	214,138	77.75	16,649,201	90,378.43	79.85	7,216,709
United Bank of India, Kolkata	ACUD	95,326	77.75	7,411,626	-	-	-
HSBC Bank, Mumbai	ACUD	64,076	77.75	4,981,904	64,075.94	79.85	5,116,457
Hypovereins Bank, Munchen	EUR	38,760	106.83	4,140,709	42,617.97	105.58	4,499,500
ICICI Bank Ltd., Kolkata, India	ACUD	536,438	77.75	41,708,016	28,872.32	79.85	2,305,452
ICICI Bank, Mumbai	EUR	9,741	106.83	1,040,601	9,740.86	105.58	1,028,416
AB Bank, Mumbai	ACUD	307,039	77.75	23,872,268	-	-	-
JP Morgan Chase Bank, New York	USD	-	-	-	268,021.35	79.85	21,401,478
Mashreq Bank PSC Newyork	USD	855,316	77.75	66,500,810	-	-	-
NDLC IFIC Bank Ltd. (NIB) Karachi	ACUD	4,230	77.75	328,862	4,079.74	79.85	325,767
Peoples Bank, Colombo	ACUD	151,815	77.75	11,803,608	72,472.86	79.85	5,786,951
Royal Bank of Canada, Toronto	CAD	191,471	72.56	13,893,507	129,105.84	80.11	10,342,183
Sonali Bank Ltd, Kolkata	ACUD	625,545	77.75	48,636,146	225,433.98	79.85	18,000,881
Sonali Bank,UK(GBP) Ltd	GBP	117,897	128.09	15,101,786	32,086.46	129.13	4,143,174
Sonali Bank,UK(USD) Ltd	USD	1,632,403	77.75	126,919,303	-	-	-
Standard Chartered Bank, Kathmandu	ACUD	105,018	77.75	8,165,151	122,413.02	79.85	9,774,667
Standard Chartered Bank, Newyork	USD	3,524,984	77.75	274,067,506	1,418,114.18	79.85	113,236,275
Standard Chartered Bank, Mumbai	ACUD	662,402	77.75	51,501,785	281,421.08	79.85	22,471,445
Standard Chartered Bank, UK	GBP	54,559	128.09	6,988,624	880,568.93	129.13	113,703,704
State Bank of India, Kolkata	ACUD	-	-	-	21,482.13	79.85	1,715,346
UBAF, Singapore	USD	-	-	-	186,067.25	79.85	14,857,451
UBS AG, Zurich	CHF	20,544	87.18	1,791,048	180,044.62	87.43	15,741,317
Unicredit S.P.A., Milano, Italy	EUR	17,457	106.83	1,864,885	20,543.07	105.58	2,168,887
				825,534,192			473,414,157

4.3 Maturity grouping of balance with other banks and financial institutions

	2013 Taka	2012 Taka
Payable on demand	844,229,409	491,946,805
Up to 3 months	245,980,000	604,629,336
Over 3 months but not more than 1 year	232,900,103	280,849,150
Above 1 year (receivable from former The Oriental Bank Ltd.)	243,259,704	243,880,739
	1,566,369,216	1,621,306,030

4(a) Consolidated Balance with other banks and financial institutions

Inside Bangladesh	2013 Taka	2012 Taka
Pubali Bank Limited	740,835,024	1,147,891,873
Pubali Bank Securities Limited	228,108,325	125,774,307
Pubali Exchange Company (UK) Ltd.	-	-
	968,943,349	1,273,666,180

Notes to the financial statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
Outside Bangladesh		
Pubali Bank Limited	825,534,192	473,414,157
Pubali Bank Securities Limited	-	-
Pubali Exchange Company (UK) Ltd.	3,644,528	20,311,555
	829,178,720	493,725,712
	1,798,122,069	1,767,391,892
5. Money at Call on Short Notice :		
Banking company (note- 5.1)	18,886,667	2,519,086,667
Non-banking Financial Institution (note-5.2)	550,000,000	280,000,000
	568,886,667	2,799,086,667
5.1 Banking company :		
Prime Bank Limited	-	650,000,000
Eastern Bank Limited	-	250,000,000
Mutual Trust Bank Limited	-	250,000,000
Uttara Bank Limited	-	450,000,000
Jamuna Bank Limited	-	200,000,000
Southeast Bank Limited	-	300,000,000
Mercantile Bank Limited	-	400,000,000
ICB Islamic Bank Ltd.	18,886,667	19,086,667
	18,886,667	2,519,086,667
5.2 Non-banking financial institution:		
Prime Finance & Inv. Ltd.	50,000,000	-
Bangladesh Finance & Investment Co. Ltd.	50,000,000	-
Lanka Bangla Finance Ltd.	50,000,000	-
Industrial & Infrastructure Development Finance Co. Ltd	100,000,000	-
Premier Leasing & Finance Ltd.	50,000,000	-
Union Capital Limited	-	40,000,000
Investment Corporation of Bangladesh	200,000,000	200,000,000
Delta Brac H.F.Corp Ltd.	50,000,000	40,000,000
	550,000,000	280,000,000
	568,886,667	2,799,086,667
6. Investments :		
Government securities		
Treasury bills- at book value (note 6.1)	21,344,375,101	12,083,158,480
Debentures (Note 6.2)	24,947,665	39,500,000
	21,369,322,766	12,122,658,480
Government bonds:		
Government treasury bonds (Note 6.3)	19,098,009,661	13,243,518,843
National prize bonds	15,147,101	19,720,901
	19,113,156,762	13,263,239,744
Total investment in government securities and bonds	40,482,479,528	25,385,898,224

Notes to the financial statements for the year ended 31 December 2013

	2013 Taka	2012 Taka	
Other investments:			
Shares (Note 6.4)	7,579,713,154	4,668,002,564	
Debentures (Note 6.5)	469,060	469,060	
Prime Bank Limited bond	90,000,000	90,000,000	
ORASCOM bond	200,000,000	300,000,000	
MTBL bond	40,000,000	40,000,000	
Dhaka Bank Limited bond	100,000,000	100,000,000	
National Bank Limited bond	80,000,000	100,000,000	
One Bank Limited bond	100,000,000	-	
Bridge financing advances (Note 6.6)	6,258,127	6,776,664	
	8,196,440,341	5,305,248,288	
	48,678,919,869	30,691,146,512	
6.1 Treasury bills			
91 days treasury bills	214,592,718	1,992,784,481	
182 days treasury bills	11,140,174,040	3,509,930,284	
1 year treasury bills	5,057,708,877	2,327,185,166	
	16,412,475,635	7,829,899,931	
91 days (Lien-REPO with Bangladesh Bank under-ALS)	2,982,014,418	235,824,582	
182 days (Lien-REPO with Bangladesh Bank under-ALS)	1,949,885,048	1,069,814,370	
1 year (Lien-REPO with Bangladesh Bank under-ALS)	-	1,842,089,349	
	4,931,899,466	3,147,728,301	
1 year Under reverse repo with Prime Bank Ltd.	-	1,105,530,248	
	21,344,375,101	12,083,158,480	
6.2 Approved debentures at cost			
Particulars	Rate of Intt.		
Bangladesh House Building Finance Corporation	5.50%	20,000,000	30,000,000
Bangladesh Steel and Engineering Corporation	11.75%	4,947,665	9,500,000
Investment Corporation of Bangladesh	5.00%	-	-
		24,947,665	39,500,000
6.3 Government treasury bonds			
25 years treasury bond	5.00%	28,789,000	34,345,000
20 years treasury bond	10.85% - 12.98%	5,426,337,249	4,831,524,400
15 years treasury bond	10.30% - 12.42%	4,572,839,464	2,055,332,815
10 years treasury bond	8.75% - 12.16%	4,757,180,126	3,488,225,652
5 years treasury bond	7.87% - 11.82%	4,007,891,886	2,820,090,976
2 years treasury bond	10.90% - 10.98%	274,971,936	-
1 Year Bangladesh Sarker Islami Biniyog bond	--	30,000,000	14,000,000
		19,098,009,661	13,243,518,843

Notes to the financial statements for the year ended 31 December 2013

6.4 Shares

Name of company Quoted (A):	No of share	Market price	Market value	Book value 31.12.2013	Book value 31.12.2012
ACI Formulations Limited	-	-	-	-	5,782,053
Active Fines Chemicals Limited	875,125	82.30	72,022,788	65,006,631	6,078,330
Aftab Automobiles Limited	596,120	90.70	54,068,084	66,380,061	8,494,967
Agricultural Marketing Company Limited (Pran)	185,600	188.00	34,892,800	46,490,852	-
Ambee Pharma Limited	20,100	259.50	5,215,950	6,720,512	6,720,512
Apex Adelchi Footwear Limited	325,400	412.10	134,097,340	110,290,412	8,871,804
Apex Tanary Limited	125,000	124.60	15,575,000	13,727,503	-
Argon Denims Limited	432,000	94.90	40,996,800	36,636,358	-
Asia Insurance Company Limited	675,005	30.00	20,250,150	28,499,523	28,499,523
Atlas Bangladesh Limited	600	151.30	90,780	114,352	114,352
Bangas Ltd	245,610	477.20	117,205,092	96,433,969	-
Bangladesh Auto Car Company Limited	41,259	28.60	1,180,007	1,936,219	1,936,219
Bangladesh Building Systems Ltd	141,500	67.60	9,565,400	8,476,244	-
Bangladesh Lamps Limited	116,850	125.90	14,711,415	17,159,862	18,973,506
Bangladesh General Insurance Company Limited	200,000	29.00	5,800,000	8,514,112	8,514,112
Bangladesh Shipping Corporation	512,044	413.00	211,474,172	282,272,514	63,400
Bangladesh Steel Re-Rolling Mills Limited	625,575	68.70	42,977,003	47,501,203	32,563,781
Bangladesh Submarine Cable Company Limited	139,080	168.10	23,379,348	26,639,603	6,370,723
Bank Asia Limited	1,367,500	23.00	31,452,500	32,595,097	32,904,959
Barkatullah Electro Dynamics Limited	398,200	33.80	13,459,160	12,915,776	-
Beta Shoe	71,200	690.00	49,128,000	56,893,665	-
Bay Leasing & Investment Limited	9,600	42.50	408,000	506,168	506,168
Beacon Pharma Limited	1,622,000	13.20	21,410,400	41,882,728	41,882,728
Bengal Windsor Thermoplastics Ltd	445,016	62.90	27,991,506	24,223,347	-
Berger Paints Bangladesh Limited	28,150	876.90	24,684,735	25,143,805	-
Brac Bank Limited	-	-	-	-	12,658
British American Tobacco Bangladesh Limited	36,850	1,603.10	59,074,235	30,745,104	16,204,459
Central Insurance Company Limited	119,168	29.30	3,491,622	4,523,223	4,523,223
Central Pharmaceuticals Limited	250	44.20	11,050	7,697	-
City Bank Limited	440,893	20.20	8,906,039	13,086,178	13,086,178
City General Insurance Company Limited	530,530	27.50	14,589,575	19,629,698	19,629,698
CMC Kamal	588,800	32.60	19,194,880	19,344,078	-
Confidence Cement Limited	277,440	123.90	34,374,816	40,822,816	3,562,509
Continental Insurance Company Limited	84,750	29.00	2,457,750	3,158,535	5,431,941
CVO Petrochemical Refinery Limited	15,000	614.50	9,217,500	10,597,746	-
Delta Brac Housing & Financing Limited	621,200	35.00	34,166,000	41,985,739	41,985,739
Delta Life Insurance Company Limited	2,545,000	266.70	678,751,500	385,694,903	26,053,958
Delta Spinners Limited	89,700	40.90	3,668,730	2,687,093	3,648,684
Deshbandhu Polymer Limited	44,100	22.40	987,840	1,403,126	1,403,126
Dhaka Bank Limited	1,902,400	18.80	35,765,120	55,146,106	55,146,106
Dhaka Electric Supply Company Limited	6,948	58.40	405,763	5,949	30,448,956
Dhaka Insurance Company Limited	108,500	40.40	4,383,400	6,016,955	6,016,955
East Land Insurance Company Limited	173,680	47.00	8,162,960	13,204,233	13,204,233
Eastern Bank Limited	14,303,479	29.10	416,231,239	101,063,585	101,063,585
Eastern Housing Limited	35,550	48.80	1,734,840	1,938,699	-
Eastern Insurance Company Limited	90,000	37.20	3,348,000	4,066,819	4,066,819
Erwoy Textile Limited	2,733,862	54.30	148,448,707	130,744,765	73,491,273
Exim Bank Limited	1,100,000	12.90	14,190,000	21,280,675	17,134,068
Familytex (Bd) Limited	565,000	58.10	32,826,500	27,561,122	-
First Lease Finance & Investment Limited	-	-	-	-	3,380,343
Fareast Life Insurance Company Limited	153,352	96.00	14,721,792	15,192,864	21,434,990
Federal Insurance Company Limited	13,440	24.70	331,968	362,072	131,640
Fu-Wang Ceramics Limited	93,450	20.60	1,925,070	1,884,654	-
Generation Next Fashions Limited	3,020,000	36.90	111,438,000	110,255,859	-
Global Insurance Company Limited	542,080	28.90	15,666,112	48,342,115	22,867,945
Golden Harvest Agro Industries Limited	1,022,100	43.90	44,870,190	22,867,945	-
Golden Son Limited	100	65.60	6,560	5,639	37,223,757
Gph Ispat Limited	1,503,100	51.20	76,958,720	83,826,740	111,540,634
Grameen Mutual Fund One	1,000	44.80	44,800	48,819	-
Grameenphone Limited	3,000	200.90	602,700	626,744	168,225,041
Green Delta Insurance Limited	268,146	94.90	25,447,055	31,938,029	16,631,607
Gsp Finance Company (Bangladesh) Limited	245,000	31.50	7,717,500	6,966,157	-
Heidelberg Cement, Bd Limited	126,700	380.70	48,234,690	43,200,164	4,863,331
Sub Total C/F			2,854,389,653	2,357,193,161	1,030,690,593

Notes to the financial statements for the year ended 31 December 2013

Sub Total B/F			2,854,389,653	2,357,193,161	1,030,690,593
ICB Islamic Bank Limited	8,711,800	6.10	53,141,980	85,460,289	85,460,288
IDLC Finance Limited	2,566,100	62.90	161,407,690	204,018,149	150,933,438
Investment Corporation Of Bangladesh	3,168,474	1,461.00	4,629,140,514	157,530,626	157,530,620
Islami Bank Limited	96	34.60	3,322	3,434	69,349,394
Jamuna Oil Company Limited	499,477	191.80	95,799,689	96,108,887	117,139,838
Janata Insurance Limited	51,200	25.90	1,326,080	1,226,625	-
Jute Spinners Limited	1,000	62.50	62,500	100,000	100,000
Karnaphuli Insurance Company Limited	246,800	24.30	5,997,240	14,580,398	14,580,398
Keys Cosmetics Ltd	531,300	27.70	14,717,010	16,475,106	-
Lafarge Surma Cement Ltd.	14,836,500	33.50	497,022,750	504,558,894	243,675,277
Lanka Bangla Finance Limited	5,369,025	66.50	357,040,163	329,382,405	186,066,559
Libra Infusions Limited	42,600	405.00	17,253,000	17,023,945	-
Linde Bangladesh Limited	65,100	629.30	40,967,430	47,454,790	-
LR Global Bangladesh Mututal Fund	5,000,000	7.30	36,500,000	50,000,000	50,000,000
M.L. Cement Factory Limited	248,070	78.20	19,399,074	23,578,186	20,166,510
Maksons Spinning Mills Limited	1,451,000	19.90	28,874,900	30,330,425	-
Malek Spinning Mills Ltd.	2,285,000	26.80	61,238,000	69,644,997	20,777,219
Marico Bangladesh Limited	63,050	763.40	48,132,370	51,152,078	-
Meghna Petroleum Limited	147,108	211.00	31,039,788	27,863,048	106,278,943
Meghna Life Insurance Company Limited	28,000	116.30	3,256,400	3,593,639	3,013,826
Mercantile Bank Limited	1,798,658	16.70	30,037,589	36,241,051	27,527,365
Mercantile Insurance Company Limited	95,200	26.70	2,541,840	3,185,470	3,185,470
Metro Spinning Limited	183,155	21.60	3,956,148	3,721,698	23,492,995
Midas Financing Ltd.	82,500	38.80	3,201,000	3,323,037	3,323,037
MJL Bangladesh Limited	5,178,900	75.10	388,935,390	423,126,620	421,001,801
Mutual Trust Bank Limited	298,100	16.30	4,859,030	7,183,454	7,183,454
National Bank Limited	944,200	11.80	11,141,560	26,341,707	18,914,896
National Credit & Commerce Bank Limited	231,161	13.10	3,028,209	4,608,562	4,608,562
National Tea Limited	360	40.80	14,688	3,600	3,600
National Life Insurance Limited	26,000	326.00	8,476,000	5,887,678	14,494,794
Navana Cng Limited	262,620	64.00	16,807,680	19,547,040	5,473,308
Nil First Mutual Fund	792,550	9.20	7,291,460	10,494,966	-
Northern General Insurance Company Ltd.	218,200	41.10	8,968,020	10,422,642	40,293,408
Olympic Industries	270,000	147.10	39,717,000	40,154,877	37,632,754
One Bank Limited	2,944,925	15.80	46,529,815	67,016,925	60,839,250
Orion Infusion Ltd	153,000	40.70	6,227,100	7,573,831	-
Orion Pharma Ltd	150,900	58.70	8,857,830	11,083,794	-
Padma Islami Life Insurance Limited	260,360	61.80	16,090,248	14,716,571	-
Padma Oil Company	70	252.30	17,661	22,522	101,245,233
Paramount Textile Limited	510,000	51.70	26,367,000	34,657,058	-
Peoples Leasing And Financial Services Ltd.	69,187	25.50	1,764,269	2,833,705	2,833,705
Phoenix Finance & Investment Limited	611,820	35.90	21,964,338	33,249,225	32,785,725
Phoenix Insurance Company Limited	710,312	42.00	29,833,104	41,673,732	41,673,732
Pioneer Insurance Limited	-	-	-	-	4,241,903
Popular Life Insurance Co. Limited	288,550	213.60	61,634,280	43,792,725	13,987,160
Power Grid Co. Bangladesh Limited	150	52.80	7,920	7,723	2,543,166
Pragati Insurance Company Limited	12,298	53.80	661,632	911,744	911,744
Pragati Life Insurance Limited	27,175	164.30	4,464,853	3,616,903	497,228
Premier Bank Limited	354,288	10.90	3,861,739	6,615,537	6,615,537
Premier Cement Mills Limited	525,000	99.60	52,290,000	70,782,193	-
Prime Bank Limited	50	25.90	1,295	1,089	26,289,946
Prime Finance & Investment Limited	677,030	26.70	18,076,701	21,317,841	-
Prime Life Insurance Limited	7,418	101.60	753,669	941,734	941,734
Purabi General Insurance Company Ltd.	33,000	25.60	844,800	905,159	705,159
Quasem Drycells Limited	220,000	39.70	8,734,000	8,235,544	-
RAK Ceramics Bangladesh Limited	780	53.30	41,574	43,955	23,542,848
Rangpur Foundary Limited	145,000	94.60	13,717,000	13,274,166	-
Reneta Limited	75,625	722.00	54,601,250	52,491,107	9,768,632
Renwick Jaineswar & Co (Bd)	47,000	137.60	6,467,200	8,587,767	-
Republic Insurance Com. Limited	124,452	43.80	5,450,998	7,307,011	41,990,712
Rn Spinning Mills Limited	3,269,462	36.90	120,643,148	110,643,994	101,095,841
Rupali Bank Limited	52,800	65.20	3,442,560	4,310,541	4,310,541
Rupali Insurance Company Limited	109,080	65.20	7,112,016	5,041,033	5,041,046
Rupali Life Insurance Company Limited	97,000	111.30	10,796,100	12,397,238	-
S. Alam Cold Rolled Steels Ltd.	696,500	47.30	32,944,450	32,018,186	-
Sandhani Insurance Company Limited	214,471	72.20	15,484,806	16,790,604	15,025,683
Shahjalal Bank Limited	1,000,024	16.80	16,800,403	19,168,109	36,308,778
Shinepukur Ceramics Limited	54,700	18.30	1,001,010	1,315,955	-
Sub Total C/F			10,083,169,934	5,334,866,301	3,394,093,650

Notes to the financial statements for the year ended 31 December 2013

Sub Total B/F			10,083,169,934	5,334,866,301	3,394,093,650
Singer Bangladesh Limited	248,237	186.80	46,370,672	49,627,202	5,784,615
Social Islami Bank Limited	309,925	13.30	4,122,003	6,248,643	6,248,643
Southeast Bank Limited	3,454,550	17.90	61,836,445	84,372,426	84,372,426
Square Pharmaceuticals Limited	1189043	190.20	226,155,979	170,896,954	132,060,471
Square Textile Mills Limited	1413501	90.40	127,780,490	130,308,290	104,645,525
Standard Bank Limited	23400	14.80	346,320	400,796	400,796
Standard Insurance Company Limited	110	39.70	4,367	3,855	3,280,295
Summit Alliance Port Limited	1543865	30.30	46,779,110	55,554,857	27,826,227
Summit Power Limited	1875636	38.40	72,024,422	116,997,520	86,999,885
Summit Purbanchol Power Company Limited	2240960	61.60	138,043,136	130,549,709	-
Sunlife Insurance Company Limited	150150	57.90	8,693,685	10,124,908	-
Talku Spinning Mills Limited	855603	38.10	32,598,474	31,134,969	2,386,328
The Dacca Dyeing & Manufacturing Co.Ltd.	163856	24.60	4,030,858	7,076,853	7,076,850
Titas Gas Transmission & Dist. Co. Ltd	7945500	73.80	586,377,900	620,537,358	539,604,542
Unique Hotel & Resorts Limited	1082500	78.00	84,435,000	102,193,969	-
United Airways (Bd) Ltd	1324624	16.40	21,723,834	24,148,210	-
United Commercial Bank Limited	1350000	25.10	33,885,000	40,226,643	40,226,643
Umania Glass Sheet Factory Limited.	43835	141.60	6,207,036	3,984,224	-
Utara Finance & Investment Limited	122925	82.70	10,165,898	10,227,618	10,227,618
Sub-Total (A)			11,594,750,561	6,929,483,304	4,445,234,514

Unquoted (B):	No of share		Face value	Book value 2013	Book value 2012
Saleh Carpet Mills Limited	56,800	10		568,000	568,000
Swan Textile Mills Limited	578	100		57,800	57,800
Specialised Jute Yarn & Twine Manufacturing Company Limited	19,880	10		198,800	198,800
Papre Converting & Packaging Limited	839	100		83,900	83,900
Ashraf Textile Mills Limited	99,165	13		1,274,980	1,274,980
Karma Sangshat Bank	100,000	100		10,000,000	10,000,000
Preferences Shares of Khulna Power Company Limited (KPCL)	4,000,000	10		40,000,000	80,000,000
Preferences Shares of Summit Uttaranchal (SUPCL)	344,211	10		34,421,100	47,329,000
Preferences Shares of Summit Purbanchal (SPPCL)	523,475	10		52,347,500	71,977,800
Preferences Shares of United Power Generation & Distribution Company Limited (UPGDCL)	50,000,000	10		500,000,000	-
Central Depository Bangladesh Limited	2,284,721	10		6,277,770	6,277,770
Lanka Bangla Securities	20,000	250		5,000,000	5,000,000
Sub-Total (B)				650,229,850	222,768,050
Total (A+B)				7,579,713,154	4,668,002,564

6.4.1 Particulars of required provision for investment

	Market value at 31 Dec 2013	Book value at 31 Dec 2013	Required provision 2013	Required provision 2012
a. Shares	-	-	-	-
b. Bridge finance advances	-	6,258,127	6,258,127	6,776,664
c. Debentures - at cost	-	469,060	469,060	469,060
Grand Total		6,727,187	6,727,187	7,245,724

No provision is required for current year as per DOS circular no.04 dated 24 November 2011.

6.5 Debentures at cost

Gandhara Industries Ltd.	60	60
Rupan Oil and Feeds Ltd.	30,000	30,000
Bengal Carpet Ltd.	75,000	75,000
Bay Sodium Chemical Industries Ltd.	15,000	15,000
Monir Chemical Ltd.	85,000	85,000
Saleh Carpet Industries Ltd.	50,000	50,000
Ismail Carpet Industries Ltd.	50,000	50,000
Ahmed Jutex Mills Ltd.	75,000	75,000
Mirzaboo Steel Ltd.	89,000	89,000
	469,060	469,060

6.6 Bridge financing advances

Bridge financing advances (ICB sponsored)	6,258,127	6,776,664
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Notes to the financial statements for the year ended 31 December 2013

6.7 Maturity grouping of Investments

	2013 Taka	2012 Taka
Receivable on demand	6,889,800,885	19,713,101
Not more than 3 months	16,770,801,547	10,407,934,839
Over 3 months but not more than 1 year	4,550,673,554	6,111,365,954
Over 1 year but not more than 5 years	5,010,049,147	3,480,090,976
Over 5 years	15,457,594,736	10,672,041,642
	48,678,919,869	30,691,146,512

6.8 Investment classified as per Bangladesh Bank Circular :

Treasury bill - Held for trading (HFT)	21,344,375,101	12,083,158,480
Treasury bill - Held to maturity (HTM)	-	-
Treasury bond - Held to maturity (HTM)	19,098,009,661	13,243,518,843
Approved debenture - Held to maturity (HTM)	24,947,665	39,969,060
Other securities	8,211,587,442	5,324,500,129
	48,678,919,869	30,691,146,512

6.9 Repo and Reverse Repo
A.(I) Disclosure regarding outstanding Repo as on 31 December 2013

Counter Party Name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
1. Bangladesh Bank	31.12.2013	01.01.2014	2,550,000,000
2. Bangladesh Bank	31.12.2013	01.01.2014	1,147,500,000
Total			3,697,500,000

A.(II) Disclosure regarding outstanding Reverse Repo as on 31 December 2013

Counter Party Name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
NIL	NIL	NIL	NIL

B.(I) Disclosure regarding overall Transaction of Repo and Reverse Repo

	Minimum Outstanding During the year	Maximum Outstanding During the year	Daily average Outstanding During the year
Securities sold under Repo:			
i) With Bangladesh Bank	242,585,000	10,772,815,000	3,726,340,231
ii) With Other Banks and FIs			
Securities Purchased under Repo:			
i) From Bangladesh Bank			
ii) From Other Banks and FIs	506,932,697	5,057,907,238	1,749,231,189

6(a) Consolidated Investments
Government

Pubali Bank Limited	40,482,479,528	25,385,898,224
Pubali Bank Securities Limited	-	-
Pubali Exchange Company (UK) Ltd.	-	-
	40,482,479,528	25,385,898,224

Other

Pubali Bank Limited	8,196,440,341	5,305,248,288
Pubali Bank Securities Limited	3,115,479,167	3,040,969,951
Pubali Exchange Company (UK) Ltd.	-	-
	11,311,919,508	8,346,218,239
	51,794,399,036	33,732,116,463

Notes to the financial statements for the year ended 31 December 2013

7. Loans, Advances and Leases

	2013 Taka	2012 Taka
Loans, cash credits and overdrafts, etc (note 7.1)	135,706,213,417	121,005,000,042
Bills purchased and discounted (note 7.2)	1,234,248,952	1,063,518,312
	136,940,462,369	122,068,518,354

7.1 Loans, cash credits, overdrafts, etc
Inside Bangladesh:

Loans	35,850,856,128	30,410,993,326
Cash credits	27,883,324,333	22,302,873,798
Overdrafts	36,855,206,715	28,429,616,571
Loan against merchandise	9,864,936	14,770,255
Packing credits	496,930,674	378,853,343
Loan against trust receipts	15,744,391,775	18,142,184,824
Agriculture credits	1,957,427,459	1,775,505,018
Pubali prochesta	212,988,208	2,576,177,837
Non-resident Credit Scheme	1,505,081	2,583,212
Pubali Subarna	3,925,280,689	2,784,390,580
Pubali Karmo Uddog	75,376,116	64,844,966
Pubali Sujon	29,998,215	35,176,814
Pubali Utsob	4,805,499	-
Payment against documents	728,809,206	2,464,433,163
Consumers loan scheme	5,776,366,033	6,754,218,752
Lease finance (Note 7.12)	3,801,213,741	3,004,807,726
Others	2,351,868,609	1,863,569,857
	135,706,213,417	121,005,000,042
Outside Bangladesh	-	-
	135,706,213,417	121,005,000,042

7.1.1 Maturity grouping of Loans, Advances and Leases

Repayable on demand	11,217,285,659	9,993,783,509
Up to 3 months	21,482,394,138	12,399,313,661
Over 3 months but not more than 1 year	55,627,574,148	57,099,246,492
Over 1 year but not more than 5 years	40,786,657,376	33,254,344,196
Over 5 years	6,592,302,096	8,258,312,184
	135,706,213,417	121,005,000,042

7.2 Bills purchased and discounted

Payable in Bangladesh:		
Loans against accepted bills	1,031,269,148	948,048,260
Loans against demand draft purchased	31,565	-
	1,031,300,713	948,048,260
Payable outside Bangladesh:		
Foreign bills purchased	202,940,544	115,393,733
Foreign drafts purchased	7,695	76,319
	202,948,239	115,470,052
	1,234,248,952	1,063,518,312
	136,940,462,369	122,068,518,354

7.2.1 Maturity grouping of Bills purchased and discounted

Receivable on demand	43,613,459	153,013,273
Not more than 3 months	897,237,860	688,033,908
Over 3 months but not more than 6 months	293,397,633	222,471,131
	1,234,248,952	1,063,518,312

Notes to the financial statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
7.3 Loans and advances including bills purchased and discounted analyzed in following broad categories		
Inside Bangladesh		
Loans	71,998,983,082	68,644,380,096
Cash credits	27,883,324,333	24,879,051,635
Overdrafts	36,855,206,715	28,429,616,571
	136,737,514,130	121,953,048,302
Outside Bangladesh	202,948,239	115,470,052
	136,940,462,369	122,068,518,354
7.4 Loans and advances on the basis of significant customer concentration including bills purchased and discounted		
Advance to directors and others	-	-
Advance to officers and employees	2,249,068,989	2,213,407,720
Advance to customers group	43,978,944,058	45,441,789,104
Industrial advances (note 7.4.1)	65,605,084,180	66,514,098,859
Others	25,107,365,142	7,899,222,671
	136,940,462,369	122,068,518,354
7.4.1 Industrial advances		
Agriculture	1,114,601,777	5,175,881,049
Jute	204,924,068	217,165,881
Textile	11,587,735,240	10,342,927,234
Ready-made garments	10,795,184,514	12,125,634,263
Steel & engineering	4,497,065,827	6,705,438,720
Ship scraping	3,579,413,081	1,763,594,483
Edible oil	6,732,052,098	5,100,657,351
Cement	1,961,431,063	2,830,154,216
Food & allied	3,327,860,089	4,856,263,263
Paper & packing	578,587,745	620,183,536
Construction	7,956,960,677	8,045,566,075
Energy and power	991,153,495	805,139,322
Transport and communication	4,686,466,134	1,662,483,289
Pharmaceuticals	1,724,219,691	1,449,675,530
Leather	69,762,778	332,426,003
Service Industries	989,794,521	936,241,522
Others	4,807,871,382	3,544,667,122
	65,605,084,180	66,514,098,859
7.5 Geographical location-wise distribution of loans and advances including bills purchased and discounted		
Inside Bangladesh - Urban		
Dhaka	86,834,822,537	75,325,159,575
Chittagong	26,332,129,523	27,400,747,178
Sylhet	6,689,783,867	5,970,183,610
Barisal	1,327,248,495	1,175,971,283
Khulna	2,441,466,492	2,585,176,191
Rajshahi	1,777,459,241	1,500,241,493
Rangpur	2,074,069,491	1,365,422,297
	127,476,979,646	115,322,901,627
Inside Bangladesh - Rural		
Dhaka	3,048,386,157	2,175,319,742
Chittagong	2,218,293,095	831,231,403
Sylhet	1,803,929,957	1,493,287,694
Barisal	333,866,575	225,068,409
Khulna	718,212,598	810,848,606
Rajshahi	881,168,303	397,962,720
Rangpur	256,677,799	696,428,101
	9,260,534,484	6,630,146,675
Outside Bangladesh (Foreign bills/drafts purchased)	202,948,239	115,470,052
	136,940,462,369	122,068,518,354

Notes to the financial statements for the year ended 31 December 2013

7.6 Sector-wise loans and advances including bills purchased and discounted

	2013 Taka	2012 Taka
Public sector	13,281,331	21,099,913
Private sector	136,738,215,424	121,858,452,828
Co-operative sector	188,965,614	188,965,614
	136,940,462,369	122,068,518,354

7.7 Security base-wise loans and advances including bills purchased and discounted

Collateral of movable and immovable properties	81,086,243,895	61,500,967,570
Guarantee of local banks and financial institutions	162,700,610	476,969,028
Export documents	3,846,093,039	4,989,328,723
Fixed deposit receipts (FDR) of own Bank	3,401,637,503	3,711,913,935
FDR of other banks	1,561,415,867	2,884,042,241
Government bonds	37,816,942	50,290,879
Personal guarantee	25,721,634,703	34,600,447,245
Other securities	21,122,919,810	13,854,558,733
	136,940,462,369	122,068,518,354

7.8 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 capital of the Bank.
Total capital of the Bank was Taka 21,082,873,319 as at 31 December 2013.

Number of clients	17	12
Amount of outstanding loans/advances	57,608,243,000	38,282,940,000
Classified amount thereon	-	-
Measures taken for recovery	-	-

Name of borrower

City Group	6,060,361,000	2,946,500,000
Ha-Meem Group	5,945,020,000	3,869,900,000
Keya Group	5,525,900,000	2,922,390,000
Envoy Group	4,138,318,000	4,027,420,000
Project Builders Group	4,004,729,000	2,602,640,000
T K Group	3,527,700,000	-
PHP Group	3,066,707,000	3,648,020,000
Sharmin Group	3,030,287,000	-
City Seed Crushing Group	2,778,189,000	-
Meghna Group	2,642,214,000	3,628,980,000
Pubali Bank Securities Ltd.	2,633,175,000	2,648,900,000
Madina Group	2,557,504,000	2,288,370,000
GPH Group	2,530,840,000	-
Grameen Phone	2,498,770,000	-
Dird Composite Group	2,282,760,000	-
Paramount Textile	2,201,369,000	-
Abul Khair Group	2,184,400,000	2,982,800,000
BRAC	-	3,464,370,000
Kabir Group	-	3,252,650,000
	57,608,243,000	38,282,940,000

7.9 Classification of loans and advances including bills purchased and discounted

Unclassified:

Standard	124,003,931,221	112,081,318,396
Special Mention Account (SMA)	2,551,357,338	1,614,167,484
	126,555,288,559	113,695,485,880

Classified:

Sub-standard (SS)	748,873,385	1,253,147,092
Doubtful (DF)	793,331,579	1,221,910,841
Bad or loss (B/L)	6,593,899,857	3,684,566,821
	8,136,104,821	6,159,624,754

Staff loan

	2,249,068,989	2,213,407,720
	136,940,462,369	122,068,518,354

Notes to the financial statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
7.10 Particulars of required provision for loans and advances		
Status of Classification		
	Base for Provision	Rate of Provision (%)
General provision - Unclassified		
Standard	97,181,659,830	1
Small & Medium Enterprise financing	19,100,686,756	0.25
Loans to BfBs/MBs/SDs Against Share etc.	2,184,709,611	2
Housing Finance	268,097,079	2
Short Term Agri Credit and Micro credit	1,853,825,597	5
Consumers loan scheme	3,393,434,813	5
Loan for Professional to setup business	21,517,535	2
Special Mention Account (SMEF)	432,037,421	0.25
Special Mention Account (CLS)	792,431,481	5
Special Mention Account (LPHF)	12,191,814	2
Special Mention Account (Others)	1,313,729,685	1
	1,385,500,621	1,462,426,608
Specific provision - Classified		
Substandard Agri & Micro credit	1,405,517	5
Substandard	457,628,787	20
Doubtful	419,482,577	50
Bad/Loss	4,594,619,476	100
	4,895,956,798	2,785,866,977
Required provision	6,281,457,419	4,248,293,585
Provision maintained (note 13.1)	6,282,907,449	4,252,734,739
Excess provision	1,450,030	4,441,154
7.11 Particulars of loans and advances		
(i) Loans considered good in respect of which the bank is fully secured	94,669,031,112	99,623,537,013
(ii) Loans considered good for which the bank holds no other security than the debtors' personal security	35,736,277,039	14,387,657,686
(iii) Loans considered good being secured by the personal security of one or more parties in addition to the personal security of the debtors	6,535,154,218	8,057,323,655
(iv) Loans adversely classified; Provision not maintained there against	136,940,462,369	122,068,518,354
(v) Loans due by directors or officers of the bank or any of them either severally or jointly with any other persons	2,249,068,989	2,213,407,720
(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	NIL	NIL
(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	2,249,068,989	2,213,407,720
(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.	NIL	NIL
(ix) Loans due from banking companies	3,165,965,000	2,570,200,000
(x) Amount of classified loans on which interest /profit has not been charged	8,136,104,821	6,159,624,754

Notes to the financial statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
a) Increase / (decrease) of provision (specific)	467,626,972	1,655,383,594
b) Amount written off debt	(185,080,699)	(839,858)
c) Amount of debt recovered against the debt which was previously written off	(89,708,851)	(69,369,711)
d) Amount of Provision kept against loans classified as bad or loss	4,594,619,476	2,119,207,218
e) Amount of interest credited in suspense account	646,970,801	298,452,532
(xi) Cumulative amount of written off Loans		
Opening Balance	5,118,653,093	5,117,813,235
Amount of written off during the current year	185,080,699	839,858
	5,303,733,792	5,118,653,093
(xii) Amount of written off loans for which law suit has been filed for recovery	5,303,733,792	5,118,653,093
7.12 Lease finance		
Lease rental receivable within 1 year	1,850,346,969	1,133,506,719
Lease rental receivable within 5 years	3,460,342,859	2,999,867,299
Lease rental receivable after 5 years	199,887,693	42,815,828
Total lease rental receivable	5,510,577,521	4,176,189,846
Less: Un-earned interest receivable	1,709,363,780	1,171,382,120
Net Lease finance	3,801,213,741	3,004,807,726
7(a) Consolidated Loans, Advances and Leases		
Loans, Advances and Leases		
Pubali Bank Limited	135,706,213,417	121,005,000,042
Pubali Bank Securities Limited	675,987,457	561,641,512
Pubali Exchange Company (UK) Ltd.	-	-
	136,382,200,874	121,566,641,554
Less: Inter Company Transactions	2,133,075,136	2,148,879,459
	134,249,125,738	119,417,762,095
Bills discounted and purchased		
Pubali Bank Limited	1,234,248,952	1,063,518,312
Pubali Bank Securities Limited	-	-
Pubali Exchange Company (UK) Ltd.	-	-
	1,234,248,952	1,063,518,312
	135,483,374,690	120,481,280,407
8. Fixed Assets including Premises, Furniture & Fixture:		
Cost		
Land	2,276,633,992	2,272,686,673
Building	918,856,184	833,580,938
Vehicles	174,070,267	183,144,627
Machinery and equipments	511,363,926	328,222,936
Computer & computer accessories	665,170,065	579,470,670
Furniture and fixtures	385,775,393	318,907,536
	4,931,869,827	4,516,013,380
Less: Accumulated depreciation	1,195,882,393	1,013,213,230
Net book value at the end of the year	3,735,987,434	3,502,800,150
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. 1,893,934,000 ascertained by independent values 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. Further details of above assets are shown in Annex- A		
8(a) Consolidated Fixed Assets including Premises, Furniture & Fixture		
Cost		
Pubali Bank Limited	4,931,869,827	4,516,013,380
Pubali Bank Securities Limited	5,354,022	5,342,612
Pubali Exchange Company (UK) Ltd.	4,012,896	3,892,502
	4,941,236,745	4,525,248,494
Less: Accumulated Depreciation		
Pubali Bank Limited	1,195,882,393	1,013,213,230
Pubali Bank Securities Limited	2,635,451	1,601,688
Pubali Exchange Company (UK) Ltd.	1,874,979	1,273,839
	1,200,392,823	1,016,088,757
	3,740,843,922	3,509,159,737

Notes to the financial statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
9. Other Assets:		
Income generating Other Assets		
Interest accrued on investments	1,072,457,732	812,525,660
Accrued income on loans & advances	81,463,516	26,930,155
Advance security deposit, advance rent and prepaid expenses	145,122,005	101,709,431
Investment in subsidiary company	1,627,836,681	1,625,394,151
	2,926,879,934	2,566,559,397
Non-income generating Other Assets		
Stationery and stamps	86,527,226	77,755,366
Drafts payable	107,021,016	191,790,369
Balance retained with BB (Agri-Credit)	2,700,000	2,700,000
Suspense account (note 9.1)	140,284,435	280,239,858
Demonetized notes (note 9.2)	1,531,750	1,531,750
Items in transit (note 9.3)	2,069,161,306	2,294,905,163
Advance against income tax (note 9.4)	12,034,218,146	9,527,388,969
Clearing house adjustment	82,864,949	103,256,382
Others (note 9.5)	92,121,890	101,267,524
	14,616,430,718	12,580,835,381
	17,543,310,652	15,147,394,778
9.1 Suspense account		
Suspense account general	79,359,498	176,956,833
Suspense law	1,613,603	1,442,717
Protested bills	59,311,334	101,840,308
	140,284,435	280,239,858
9.2 Demonetized Notes: Tk. 1,531,750		
This relates to demonetized notes lying with Bangladesh Bank, after due reimbursement.		
9.3 Items in Transit: Tk. 2,069,161,306		
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 23.02.2014		

Period of un-reconciliation	Un-responded entries		Un-responded entries (Amount in Taka)	
	Debit	Credit	Debit	Credit
Up to 3 months	580	1,466	70,738,021	62,438,890
Over 3 months but within 6 months	233	587	12,114,754	10,039,599
Over 6 months but within 1 year	53	167	1,758,679	2,680,929
Over 1 year but within 5 years	29	15	3,453,675	463,095
Over 5 years	489	452	7,224,303	4,225,207
Total	1384	2687	95,289,432	79,847,720

9.4 Advance income tax		
Balance at the beginning of the year	9,527,388,969	7,286,400,366
Paid during the year	2,506,829,177	2,240,988,603
Settlement of previous years tax liability	-	-
Balance at the end of the year	12,034,218,146	9,527,388,969

9.5 Others		
Property account	162,129	162,129
Accrued interest overdue under CLS	88,136,432	93,687,174
Delayed charges of lease rental	66,781	66,781
Interest subsidy	9,000	30,215
Interest suspense against waiver of 50% BSCIC loan	245,061	245,061
Waiver of 50% outstanding BSCIC loan	44,176	44,176
Settlement bank A/C Arab Bangladesh bank	402,195	3,975,872
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
	92,121,890	101,267,524

Notes to the financial statements for the year ended 31 December 2013

9.6 Classification of other assets

	2013 Taka	2012 Taka
Unclassified	17,473,801,551	15,028,986,767
Sub-standard (SS)	-	-
Doubtful (DF)	60,784,937	105,719,708
Bad/Loss (BL)	8,724,164	12,688,303
	17,543,310,652	15,147,394,778

9.7 Particulars of provision for other assets

Status of Classification	Base for provision	Rate of Provision (%)	
Doubtful	60,784,937	50	30,392,469
Bad/Loss	8,724,164	100	8,724,164
Required provision			39,116,633
Provision maintained (note 13)			162,194,042
Excess provision			123,077,409

9(a) Consolidated Other Assets

Pubali Bank Limited	17,543,310,652	15,147,394,778
Pubali Bank Securities Limited	97,604,704	96,981,308
Pubali Exchange Company (UK) Ltd.	2,287,618	2,802,228
	17,643,202,974	15,247,178,314
Less: Inter-company balance	(77,983)	(77,983)
Pubali Bank Securities Limited	(1,599,998,700)	(1,599,998,700)
Pubali Exchange Company (UK) Ltd.	(27,837,981)	(25,395,451)
	(1,627,914,664)	(1,625,472,134)
	16,015,288,310	13,621,706,180

10. Non-banking assets :

Assets of United Bank of India Ltd. located in (DHAKA SOUTH, COMILLA, RAJSHAHI)	375,246	375,246
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LIABILITIES AND CAPITAL

11. Borrowings from Other Banks, Financial Institution and Agents:

Inside Bangladesh (note 11.1)	4,003,889,221	3,091,368,193
Outside Bangladesh (note 11.2)	145,458,478	272,182,128
	4,149,347,699	3,363,550,321

11.1 Inside Bangladesh

Repo from Bangladesh Bank against treasury bill	3,697,500,000	2,905,130,000
Sonal Bank Limited, Local Office, Dhaka.	306,389,221	186,238,193
	4,003,889,221	3,091,368,193

11.2 Outside Bangladesh

Name of Bank	As at 31 December 2013				As at 31 December 2012		
	Foreign currency name	Amount in foreign currency	Conversion rate per unit FC	Equivalent Taka	Amount in foreign currency	Conversion rate per unit FC	Equivalent Taka
In demand deposit accounts (non-interest bearing) with:							
AB Bank Ltd, Mumbai	ACUD	-	-	-	473,295	79.85	37,792,597
Citi Bank NA, New York	USD	-	-	-	1,075,763	79.85	85,899,538
COMMERZ Bank, AG Frankfurt	EURO	111,215	106.82	11,879,897	-	-	-
HSBC, NY	USD	108,345	77.75	8,423,856	730,516	79.85	58,331,618
IOCI Bank Ltd, Kolkata	ACUD	-	-	-	-	-	-
JP Morgan Chase Bank, New York	USD	1,319,949	77.75	102,626,037	-	-	-
Mashreq Bank Psc, NY	USD	-	-	-	312,946	79.85	24,988,720
NDLC IFIC Bank Ltd Karachi	ACUD	-	-	-	-	-	-
Peoples Bank, Colombo (Vostro A/C)	ACUD	289,758	77.75	22,528,688	289,758	79.85	23,137,150
Sonal Bank Ltd, UK	ACUD	-	-	-	526,393.96	79.85	42,032,505
				145,458,478			272,182,128

Notes to the financial statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
11.3 Security against borrowing from other banks, financial institutions and agents		
Secured (against bills)	4,149,347,699	3,363,550,321
Unsecured	-	-
	4,149,347,699	3,363,550,321
11.4 Maturity grouping of borrowing from other banks, financial institutions and agents		
Payable on demand	4,149,347,699	3,363,550,321
Payable within 1 month	-	-
Over 1 month but within 6 months	-	-
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years and above	-	-
	4,149,347,699	3,363,550,321
12. Deposits and other accounts		
Inter-bank deposits	214,809,989	437,471,283
Other deposits	177,663,362,438	149,981,334,516
	177,878,172,427	150,418,805,799
12.1 Details of deposits and other accounts		
<u>Current deposits and other accounts:</u>		
Current account	16,727,849,918	14,185,745,383
Cash credit A/c. (Cr. Balance)	441,449,914	311,265,416
Pubali Procheta (Cr. Balance)	2,098,437	74,694
Q-cash (Cr. Balance)	3,185,228	6,571,959
Call deposits	27,739,177	32,443,770
Foreign currency deposits	861,217,280	1,038,325,492
Un-claimed drafts payable	3,564	3,564
Un-claimed dividend	18,914	18,914
Unclaimed deposits FDD A/C	16,246,495	16,979,907
	18,079,806,927	15,591,429,059
Bills payable (note 12.1.1)	2,872,700,896	2,920,446,289
Savings Bank deposits	40,232,632,888	37,638,322,271
<u>Term deposits:</u>		
Fixed deposits - from customers	65,857,426,844	52,247,441,394
Special notice deposits	18,284,740,519	16,283,446,071
Deposit pension scheme	8,902,234	24,663,462
Interest payable on term deposit	3,658,732,259	3,189,419,137
Pubali pension scheme	3,451,854,435	1,513,488,715
Pubali sanchay prakalpa	4,177,760,847	3,826,692,342
Dwigun sanchay prakalpa	14,626,581,144	10,911,902,311
Pubali shopnopuron	148,306,415	83,704,078
Monthly profit base deposit	1,688,493,858	1,501,458,075
Pubali shadhin sanchoy	256,592,805	113,690,879
Shikhya sanchoy prakalpa	121,437,225	99,399,816
Child edu. Care & maturity deposit	3,262,533	4,988,296
	112,284,091,118	89,799,694,576
Other deposits	4,408,938,598	4,468,913,564
	177,878,172,427	150,418,805,799
12.1.1 Bills payable		
Pay orders issued	2,454,895,997	2,504,246,712
Demand drafts	417,804,899	416,199,577
	2,872,700,896	2,920,446,289

Notes to the financial statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
12.2 Maturity analysis of inter-bank deposits		
Payable on demand	39,488,490	54,611,174
Payable within 1 month	24,218,382	370,184,271
Over 1 month but within 6 months	151,103,117	11,501,496
Over 6 months but within 1 year	-	1,174,342
Over 1 year but within 5 years	-	-
Over 5 years and above	-	-
	214,809,989	437,471,283
12.3 Maturity analysis of other deposits		
Payable on demand	17,053,798,933	21,854,713,218
Payable within 1 month	11,379,199,288	35,243,612,331
Over 1 month but within 6 months	50,868,811,557	28,601,971,269
Over 6 months but within 1 year	36,534,207,173	25,211,055,623
Over 1 year but within 5 years	28,174,068,358	18,135,278,806
Over 5 years and above	33,653,257,129	20,934,703,269
	177,663,362,438	149,981,334,516
	177,878,172,427	150,418,805,799
13. Other Liabilities :		
Accumulated provision for loans and advances (note 13.1.1)	4,197,575,901	2,099,937,183
Accumulated provision for consumers loan (note 13.1.2)	690,762,170	688,774,607
Accumulated provision for lease finance (note 13.1.3)	1,596,341	1,596,341
Accumulated provision for demand loan pubali star (note 13.1.4)	546,429	-
	4,890,480,841	2,790,308,131
Provision for unclassified loans and advances (note 13.1)	1,392,426,608	1,462,426,608
Provision @1% against off-balance sheet exposure (note 13.2)	464,300,000	414,300,000
Accumulated interest suspense (note 13.3)	646,970,801	298,452,532
Provision for doubtful investment	18,750,460	18,750,460
Additional profit payable A/C for Islamic banking	207,893	500,000
I.B. bad debt offsetting reserve	1,986,000	1,986,000
Interest suspense on underwriting advances	270,415,969	283,048,538
CLS interest A/C	13,120,921	18,917,211
Accrued interest receivable on overdue dis A/C	84,297,996	93,178,771
Consumers deposits	77,268,469	71,874,651
Lease deposit	139,544	168,697
Unpaid dividend	675,231	675,231
Special blocked account (note 13.4)	1,215,640	1,215,640
Provision for Current Tax (note 13.5)	14,374,209,813	11,434,261,128
Provision for Deferred Tax (note 13.5.1)	368,835,153	227,530,461
Valuation adjustment	436,907,462	526,127,661
Exchange adjustment account (note 13.6)	28,666,878	28,666,878
Agri credit guarantee backing reserve (note 13.7)	70,261,300	70,261,300
Excise duty	6,318,615	3,949,352
Pakistan account (note 13.8)	8,393,039	8,393,039
Pension fund (note 13.9)	1,570,883	1,570,883
L/C cover account in Bangladesh	1,583,640	1,583,640
EDF adjustment	2,468,259,791	2,008,710,159
Pubali Bank adjustment	38,137,937	102,444,326
Sadaqah fund	2,009,790	-
Card transaction fee (inter bank)	12,882	-
FC charges	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
Non resident blocked account of UBI	34,487	34,487
	20,797,556,206	17,099,606,657
Provision for expenses:		
(i) audit fee	1,315,000	1,315,000
(ii) advertisement	2,845,000	10,000,000
(iii) bonuses	300,768,711	270,000,000
(iv) others	45,502,606	41,690,391
	350,521,317	323,005,391

Notes to the financial statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
Provision for other assets:		
Unreconciled Dr. Entries in Nostro A/C (note 13.10)	721,323	721,323
Suspense account (note 13.11)	58,714,468	58,714,468
Demonetized notes (note 13.12)	989,740	989,740
Provision for un-reconciled General Account debit entries (note 13.13)	8,724,657	8,724,657
ICT Asset insurance reserve	5,840,308	3,962,551
Reserve for unforeseen losses	87,203,546	74,836,338
	162,194,042	147,949,077
	26,200,752,406	20,360,869,256
13.1 Accumulated provision for loans and advances		
Specific provision on classified loans and advances		
Provision held at the beginning of the year	2,099,937,183	376,023,736
Fully provided debts written off during the year	(185,080,699)	(839,858)
Recoveries of amounts previously written off	89,708,851	69,369,711
Provision transferred in	70,000,000	-
Specific provision for the year	2,123,010,566	1,655,383,594
13.1.1 Provision for loans and advances	4,197,575,901	2,099,937,183
13.1.2 Provision for consumers loan	690,762,170	688,774,607
13.1.3 Provision for lease finance	1,596,341	1,596,341
13.1.4 Accumulated provision for demand loan pubali star	546,429	-
Provision held at the end of the year	4,890,480,841	2,790,308,131
General provision for unclassified loans and advances		
Provision held at the beginning of the year	1,462,426,608	1,382,810,202
Excess provision transferred in	(70,000,000)	-
Provision made during the year	-	79,616,406
Provision held at the end of the year	1,392,426,608	1,462,426,608
	6,282,907,449	4,252,734,739
13.2 Provision for exposure against off balance sheet items		
Provision held at the beginning of the year	414,300,000	339,300,000
Provision transferred in	-	-
Provision made during the year (Note 37)	50,000,000	75,000,000
Provision held at the end of the year	464,300,000	414,300,000
13.3 Interest suspense account		
Balance at the beginning of the year	298,452,532	196,328,332
Amount transferred during the year	736,234,415	700,819,921
Amount recovered during the year	(347,894,858)	(239,602,304)
Amount written off during the year	(39,821,288)	(359,093,417)
Balance at the end of the year	646,970,801	298,452,532
13.4 Special blocked account: Tk. 1,215,640		
This represents refundable balance exceeding Tk.8,000 primarily disbursed to each depositor originated from reimbursement of demonetized notes by Bangladesh Bank in the year 1975. The amount is repayable to depositor after receipt of value of demonetized notes deposited to Bangladesh Bank.		
13.5 Provision for Current tax		
Balance at the beginning of the year	11,434,261,128	8,929,166,128
Provision made for previous year	-	-
Provision made for current year	2,939,948,685	2,505,095,000
Settlement of previous years tax liability	-	-
Balance at the end of the year	14,374,209,813	11,434,261,128
Details are given in Annex-8		
13.5 (a) Consolidated Provision for Current tax		
Pubali Bank Limited	2,939,948,685	2,505,095,000
Pubali Bank Securities Limited	-	38,667,419
Pubali Exchange Company (UK) Ltd.	-	-
	2,939,948,685	2,543,762,419

Notes to the financial statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
13.5.1 Provision for deferred tax		
Maintained the deferred tax liability in this year as per BAS-12 "Income Taxes".		
Balance at the beginning of the year	227,530,461	177,530,461
Provision made during the year	141,304,692	50,000,000
Provision held at the end of the year	<u>368,835,153</u>	<u>227,530,461</u>
13.5.1 (a) Consolidated provision for deferred tax in current year		
Pubali Bank Limited	141,304,692	50,000,000
Pubali Bank Securities Limited	40,096,418	(21,054,566)
Pubali Exchange Company (UK) Ltd.	-	-
	<u>181,401,110</u>	<u>28,945,434</u>
13.5.1 (b) Consolidated provision for deferred tax (Accumulated)		
Maintained the deferred tax liability in this year as per BAS-12 "Income Taxes".		
Balance at the beginning of the year	187,442,952	158,497,518
Provision made during the year	181,401,110	28,945,434
Provision held at the end of the year	<u>368,844,062</u>	<u>187,442,952</u>
13.5.2 Tax Provision made during the Year		
Current Tax	2,939,948,685	2,505,095,000
Deferred Tax	141,304,692	50,000,000
	<u>3,081,253,377</u>	<u>2,555,095,000</u>
13.6 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.		
13.7 Agri credit guarantee backing reserve: Tk. 70,251,300		
This represents the surplus amount retained by the Bank which was received till the end of 1984 as government guarantee totaling Tk. 112,358,000 under Tk. 100 crore special agri credit scheme disbursed during the years from 1977 to 1983. Repayment of the above to the government would be made in due course to the extent of recovery of aforesaid agri credit.		
13.8 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.		
13.9 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.		
13.10 Provision for nostro accounts: Tk. 721,323		
As per instruction contained in the Bangladesh Bank circular letter No FEPO/FEMO/01/2005-677 of 13 September 2005, the Bank is required to make provision regarding the unreconciled debit balance of nostro accounts as on the reporting date in the financial statements which is as follows:		
Provision at the beginning of the year	721,323	721,533
Provision made during the year	-	(210)
Provision at the end of the year	<u>721,323</u>	<u>721,323</u>
13.11 Provision for suspense: Tk. 58,714,468		
This represents provision for suspenses or contingencies for the period prior to privatization of the Bank made in the year 1985 & 2004 as per vendor's agreement.		
13.12 Provision for demonetized notes: Tk. 589,740		
This is as per accounts of earlier years. Representing provision out of demonetized notes of Tk. 1,531,750 of 1975 which remains unsettled with Bangladesh Bank.		

Notes to the financial statements for the year ended 31 December 2013

13.13 Provision for Un-reconciled General Account debit entries

Period of un-reconciliation	Amount Outstanding	Base for Provision (%)	Provision Required	
			2013	2012
Less than 12 months	-	-	-	-
12 months and above but less than 24 months	2,050,838	50%	1,025,419	1,500,354
24 months and above	7,224,303	100%	7,224,303	7,224,303
Required Provision			8,249,722	8,724,657
Provision Maintained			8,724,657	8,724,657
Excess Provision			474,935	-

13(a) Consolidated other liabilities

Pubali Bank Limited	26,200,752,406	20,360,869,256
Pubali Bank Securities Limited	3,292,020,369	3,216,840,995
Parent Subsidiary loan	(2,133,075,136)	(2,148,879,459)
Inter company payables	(77,963)	(77,963)
Pubali Exchange Company (UK) Ltd.	8,395,951	19,497,770
	27,364,015,607	21,448,250,579

14. Capital

14.1 Authorized capital

2,000,000,000 ordinary shares of Tk. 10 each	20,000,000,000	20,000,000,000
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14.2 Issued, subscribed and paid up capital

1,600,000 ordinary shares of Tk. 100 each issued for cash	160,000,000	160,000,000
400,000 ordinary shares of Tk. 100 each as bonus share in 2000	40,000,000	40,000,000
2,000,000 ordinary shares of Tk. 100 each as bonus share in 2005	200,000,000	200,000,000
8,000,000 ordinary shares of Tk. 100 each as bonus share in 2005	800,000,000	800,000,000
9,000,000 ordinary shares of Tk. 100 each as bonus share in 2006	900,000,000	900,000,000
8,400,000 ordinary shares of Tk. 100 each as bonus share in 2007	840,000,000	840,000,000
8,820,000 ordinary shares of Tk. 100 each as bonus share in 2008	882,000,000	882,000,000
11,466,000 ordinary shares of Tk. 100 each as bonus share in 2009	1,146,600,000	1,146,600,000
173,901,000 ordinary shares of Tk. 10 each as bonus share in 2010	1,739,010,000	1,739,010,000
167,690,250 ordinary shares of Tk. 10 each as bonus share in 2011	1,676,902,500	1,676,902,500
	8,384,512,500	8,384,512,500

All shares have been converted to Tk. 10 each in EGM held on 15 July 2010.

14.3 Paid up capital as per shareholders category

Particular	2013			2012
	No of share	Percentage	Amount	Amount
Directors	177,589,306	21.18%	1,775,893,060	1,218,824,100
Co-operative societies	15,111,900	1.80%	151,119,000	202,615,060
Banks and financial institutions	25,820,607	3.08%	258,206,070	620,985,060
Government	2,025	0.0002%	20,250	20,250
Other institutions	184,586,890	22.02%	1,845,868,900	1,361,932,130
Non resident Bangladeshi	21,775,534	2.60%	217,755,340	173,744,750
General public	413,564,988	49.32%	4,135,649,880	4,806,387,150
	838,451,250	100.00%	8,384,512,500	8,384,512,500

14.4 Range wise shareholdings

Range wise shareholding	2013		2012	
	Number of shareholders	Percentage of holding of shares (%)	Number of Shares	Number of Shares
Up to 500 shares	69,595	0.97	8,088,347	8,940,625
501 to 5,000 "	28,884	5.31	44,537,709	50,991,599
5,001 " 10,000 "	1,898	1.56	13,105,152	14,555,423
10,001 " 20,000 "	972	1.58	13,265,752	14,446,590
20,001 " 30,000 "	367	1.07	8,921,299	9,652,682
30,001 " 40,000 "	151	0.62	5,234,713	5,167,653
40,001 " 50,000 "	68	0.37	3,076,242	3,417,719
50,001 " 100,000 "	317	2.63	22,079,709	22,324,013
100,001 and above	352	85.89	720,142,327	708,954,946
	102,604	100.00	838,451,250	838,451,250

Notes to financial statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
14.5 Capital Adequacy Ratio (CAR):		
In terms of section 13 (2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD circulars nos. 01,14,10 and 05 dated January 08, 1996, November 25, 2002 and May 14,2007 respectively, required capital of the Bank at the close of business on 31 December 2013 was Taka 17,969,230,000 as against available core capital of Taka 17,243,701,904 and supplementary capital of Taka 3,839,171,415 making a total capital of Taka 21,082,873,319 thereby showing a surplus capital/equity of Taka 3,113,643,319 at that date. Details are shown below:		
Total assets including off-balance sheet items	274,272,021,379	233,099,571,209
Total risk-weighted assets	179,692,300,000	159,674,400,000
Required Capital (10% of risk weighted assets)	17,969,230,000	15,967,440,000
Actual capital held:	21,082,873,319	19,483,742,640
i) Core Capital (Tier-I)	17,243,701,904	15,776,615,178
ii) Supplementary capital (Tier-II)	3,839,171,415	3,707,127,462
Total Capital Surplus / (deficit)	3,113,643,319	3,516,302,640
Capital Adequacy Ratio(CAR) based on Basel II framework:	11.73%	12.20%

Capital Requirement:	Required	Held	
Tier-I (Minimum)	5.00%	9.60%	9.88%
Tier-II (Balancing)	5.00%	2.14%	2.32%
Total	10.00%	11.73%	12.20%

14.5.1 Core Capital (Tier-I)

Paid-up Capital	8,384,512,500	8,384,512,500
Statutory Reserve	7,171,549,919	6,094,191,648
General Reserve	1,687,639,485	1,297,911,030
	17,243,701,904	15,776,615,178

14.5.2 Supplementary capital (Tier-II)

Provision maintained against unclassified loans	1,392,426,608	1,462,426,608
Provision @ 1.00% against off-balance sheet exposures	464,300,000	414,300,000
Asset revaluation reserve up to 50%	1,450,476,127	1,450,476,127
Revaluation reserve for equity instruments up to 10%	466,526,726	331,338,418
Revaluation reserve for securities up to 50%	65,441,954	46,586,309
	3,839,171,415	3,707,127,462
Total actual capital maintained:	21,082,873,319	19,483,742,640

14.6 Particulars of shareholding of The Directors

Sl. No.	Name of the directors	Status	2013		2012	
			No of shares	Amount (Tk.)	No of shares	Amount (Tk.)
1	Mr. Hafiz Ahmed Mazumder	Chairman	16,777,256	167,772,560	2,907,256	29,072,560
2	Mr. Habibur Rahman	Vice-Chairman	16,781,525	167,815,250	16,781,525	167,815,250
3	Mr. Moniruddin Ahmed	Director	27,312,438	273,124,380	27,312,438	273,124,380
4	Mr. Syed Moazzem Hussain	Director	16,795,381	167,953,810	16,795,381	167,953,810
5	Mr. Muhammad Faizur Rahman	Director	357,563	3,575,630	357,563	3,575,630
6	Mr. Ahmed Shafi Choudhury	Director	68,090	680,900	68,090	680,900
7	Mrs. Suraiya Rahman	Director	9,212,645	92,126,450	9,212,645	92,126,450
8	Mr. Fahim Ahmed Faruk Chowdhury	Director	17,205,828	172,058,280	12,705,828	127,058,280
9	Ms. Rumana Sharif	Director	45,680	456,800	45,680	456,800
10	Mr. Mustafa Ahmed	Director	18,314,797	183,147,970	18,314,797	183,147,970
11	Mr. Musa Ahmed	Director	16,809,722	168,097,220	16,809,722	168,097,220
12	Mr. Azizur Rahman	Director	21,135,564	211,355,640	25,025	250,250
13	Mr. M Kabiruzzaman Yaqub	Director	16,771,317	167,713,170	-	-
14	Mr. Khurshid-ul-Alam	Independent Director	-	-	-	-
15	Dr. Shahdeen Malik	Independent Director	1,500	15,000	1,500	15,000
			177,589,306	1,775,893,960	121,337,450	1,213,374,500

Notes to financial statements for the year ended 31 December 2013

14.7 Related party disclosures

2013 Taka	2012 Taka
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14.7.1 Particulars of directors and their shareholding in the Bank

Name of the Directors	Designation	Percentage of shareholding at 31 Dec 2013	Percentage of shareholding at 31 Dec 2012
Mr. Hafiz Ahmed Mazumder	Chairman	2.00	0.35
Mr. Habibur Rahman	Vice-Chairman	2.00	2.00
Mr. Moniruddin Ahmed	Director	3.26	3.26
Mr. Syed Moazzem Hussain	Director	2.00	2.00
Mr. Muhammad Faizur Rahman	Director	0.04	0.04
Mr. Ahmed Shafi Choudhury	Director	0.01	0.01
Mrs. Suraiya Rahman	Director	1.10	1.10
Mr. Fahim Ahmed Faruk Chowdhury	Director	2.05	1.52
Mrs. Rumana Sharif	Director	0.01	0.01
Mr. Mustafa Ahmed	Director	2.18	2.18
Mr. Musa Ahmed	Director	2.00	2.00
Mr. Asifur Rahman	Director	2.52	0.905
Mr. M Kabiruzzaman Yaqub	Director	2.00	-
Mr. Khurshid-ul-Alam	Independent Director	-	-
Dr. Shahdeen Malik	Independent Director	0.0002	0.0002

14.7.2 Name of directors and the entities in which they have interest

Sl No	Name of the director	Status in the Bank	Name of the entities in which the directors have interest	Status in the entities	Percentage of interest / No of shares in the entities
1	Mr. Hafiz Ahmed Mazumder	Chairman	1. Green Valley Plantation Ltd. 2. Beauty Garments Ltd.	Managing Director Managing Director	34,700 shares 14%
2	Mr. Habibur Rahman	Vice-Chairman	1. Delta Medical College and Hospital 2. Pubali Bank Securities Ltd.	Director Director	3.41% 1 share
3	Mr. Moniruddin Ahmed	Director	1. Pubali Exchange Company (L) Ltd. 2. Pubali Bank Securities Ltd.	Director Chairman	- 1 share
4	Mr. Syed Moazzem Hussain	Director	1. Prince Corporation Ltd. 2. Moazzem Girt & Dyeing Industry Ltd. 3. Shapla Bricks Ltd.	Chairman Chairman Chairman	76.72% 7.58% 10,000
5	Mr. Ahmed Shafi Choudhury	Director	1. Pubali Bank Securities Ltd. 2. Sangalash Jangal Ltd.	Director Independent Director	1 share -
6	Mr. Muhammad Faizur Rahman	Director	1. Asian Surveyors Ltd. 2. Credit Rating Agency of Bangladesh Ltd. 3. Union Capital Ltd. 4. Tijen Towers Ltd.	Chairman Director Director Director	- - - -
7	Mrs. Suraiya Rahman	Director	Nil	Nil	-
8	Mr. Fahim Ahmed Faruk Chowdhury	Director	1. Chittagong Electric Manufacturing Co. Ltd. 2. F. A. C Eastern Enterprise Ltd. 3. Ranko FC Properties Ltd. 4. Delta Medical Hospital Ltd. 5. Sir George Hospital Pvt. Ltd.	Managing Director Managing Director Managing Director Director Director	31,45K 51,50K 45% 22,000 shares 10,000 shares
9	Mrs. Rumana Sharif	Director	1. Union Global Ltd.	Director	-
10	Mr. Mustafa Ahmed	Director	Pubali Bank Securities Ltd.	Director	1 share
11	Mr. Musa Ahmed	Director	1. Popular Juice Exchange Ltd. 2. Popular Juice Mills Ltd. 3. Cornilla Food and allied Ind. Ltd. 4. Popular Food and allied Ind. Co. Ltd. 5. Telgaon Engineering and Construction Co. Ltd.	Director Director Director Director Director	- - - - -
12	Mr. Asifur Rahman	Director	Nil	-	-
13	Mr. M. Kabiruzzaman Yaqub	Director	Imagine Properties Ltd.	Chairman	50%
14	Dr. Shahdeen Malik	Independent Director	Nil	-	-
15	Mr. Khurshid-ul-Alam	Independent Director	Nil	-	-

14.7.3 Significant contracts where the Bank is a party and wherein directors have interest: Nil

14.7.4 Shares issued to directors and executives without consideration or exercisable at a discount : Nil

14.7.5 Related party transactions

Name of party	Related to	Nature of transactions	Amounts (Tk.)
None	Nil	Nil	Nil

Notes to financial statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
15. Statutory reserve		
This represents amounts transferred to this reserve as per section 24 of Banking Companies Act 1991 @ 20% of current year's profit, before tax.		
Balance at the beginning of the year	6,094,191,648	5,230,776,439
Add: Addition during the year	1,077,358,271	863,415,209
Balance at the end of the year	<u>7,171,549,919</u>	<u>6,094,191,648</u>
16. Retained earnings (General reserve)		
Balance as on 1 January	1,297,911,030	2,411,628,195
Addition during the year	1,228,179,705	898,565,835
Add: sale of properties	-	-
	<u>2,526,090,735</u>	<u>3,310,194,030</u>
Less: Issue of dividend	(838,451,250)	(2,012,283,000)
Balance as on 31 December	<u>1,687,639,485</u>	<u>1,297,911,030</u>
16(a) Consolidated Retained earnings (General reserve)		
Pubali Bank Limited	1,687,639,485	1,297,911,030
Pubali Bank Securities Limited	(856,292,140)	(987,732,175)
Pubali Exchange Company (UK) Ltd.	(25,655,900)	(20,282,349)
	<u>805,691,445</u>	<u>289,896,506</u>
17. Other reserves		
17.1 Assets revaluation reserve		
Balance at the beginning of the year	2,997,790,886	2,902,834,749
Addition on revaluation of Fixed Assets/ Investment During the Year	5,305,583,644	805,491,694
Disposal during the year	(5,271,872,354)	(710,535,557)
	<u>3,031,502,176</u>	<u>2,997,790,886</u>
Share forfeiture account	333,984	333,984
Balance at the end of the year	<u>3,031,836,160</u>	<u>2,998,124,870</u>
17.2 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	<u>29,959,972</u>	<u>29,959,972</u>
17 (a) Consolidated Other reserves		
Pubali Bank Limited	3,061,796,132	3,028,084,842
Pubali Bank Securities Limited	84,170,706	-
Pubali Exchange Company (UK) Ltd.	-	-
	<u>3,145,966,838</u>	<u>3,028,084,842</u>
18. Profit & loss account surplus		
Balance at the beginning of the year	-	-
Profit after tax during the year	2,305,537,976	1,761,981,044
	<u>2,305,537,976</u>	<u>1,761,981,044</u>
Appropriation for the year		
Statutory reserve	1,077,358,271	863,415,209
General reserve	1,228,179,705	898,565,835
Balance at the end of the year	<u>2,305,537,976</u>	<u>1,761,981,044</u>
18(a) Consolidated Profit & loss account surplus		
Balance at the beginning of the year	-	-
Profit after tax during the year	2,431,604,567	1,610,248,381
	<u>2,431,604,567</u>	<u>1,610,248,381</u>
Appropriation for the year		
Statutory reserve	1,077,358,271	863,415,209
General reserve	1,354,246,296	746,833,172
Balance at the end of the year	<u>2,431,604,567</u>	<u>1,610,248,381</u>
19. Non-controlling interest		
Paid up Capital of Pubali Bank Securities Limited b/f	482	598
Share of accumulated loss	107	(116)
	<u>589</u>	<u>482</u>

Notes to financial statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
20 Letters of guarantee		
Claims against the Bank not acknowledged as debts Money for which the Bank is contingently liable in respect of guarantees given favoring:		
1.Government	244,068,737	142,372,847
2.Directors	-	-
3.Banks and other Financial Institutions	500,000,000	500,000,000
4.Others	5,074,293,320	4,620,536,211
	5,818,362,057	5,262,909,058
21. Interest income		
Loans	1,447,345,898	1,107,448,618
Cash credits	3,892,278,590	3,348,426,486
Over drafts	4,028,395,517	3,330,040,365
WES letter of credits	-	12,823,941
Loan against imported merchandise	1,115,236	10,798,678
Loan against trust receipt	2,145,407,218	2,804,202,602
Inland bill purchased & demand draft purchased	138,393,338	166,919,084
Foreign bill purchased and Export development fund	42,783,970	35,329,813
Packing credits	33,359,334	27,277,414
Payments against document	387,974,867	285,207,322
Call loans	280,101,450	986,312,849
Loans against deposit pension scheme	662,899	1,546,683
Agricultural credits & rural credits	9,301,699	4,417,125
Sundries account	95,064,839	32,487,341
CLS account	638,499,653	866,138,239
Pubali monthly monafa account	-	17,511
Secured mortgages	1,533,701,702	1,464,527,250
Foreign bank accounts	31,956,089	28,878,342
Loan against Shikya Sanchay Prokalpa	708,280	623,777
Loan against Non-resident Credit Scheme	176,671	254,461
Lease finance	531,294,548	458,056,575
Loan against Pubali Sanchay Prokalpa	45,832,904	36,623,062
Loan against FDR	14,202,531	5,109,103
Term loans	1,910,543,705	1,698,804,426
Loan against Pubali Pension Scheme	11,783,342	6,515,807
	17,220,884,280	16,718,786,874
21(a) Consolidated Interest Income		
Pubali Bank Limited	17,220,884,280	16,718,786,874
Inter company transaction	-	(270,425,685)
Pubali Bank Securities Limited	94,166,535	70,002,071
Pubali Exchange Company (UK) Ltd.	-	-
	17,315,050,815	16,518,363,260
22 Interest paid on deposits, borrowings, etc		
Fixed deposit	7,053,189,957	5,441,265,152
Borrowings	261,622,038	153,509,641
Short-notice deposit	935,233,818	749,113,184
Savings bank deposit	1,169,561,746	1,083,679,277
Deposit pension scheme	2,507,385	5,203,527
Pubali bank pension scheme	239,108,259	88,831,907
Child education care & maturity deposits	597,099	616,110
Call deposit	50,545,611	3,849,861
Monthly monafa based deposit scheme	40,335,733	36,099,626
Pubali Sanchay Prokalpa	306,699,153	288,170,528
Shikya Sanchay Prokalpa	8,930,369	8,277,619
Q-Cash Debit Card	798,743	158,218
Dwigun Sanchay Prokalpa	1,562,583,424	1,165,387,685
Treasury Bond	24,882,358	121,471,456
Marking to Market Revaluation	131,547	-
Interest on MPSP	16,080,401	5,008,368
Interest on TBSD	9,814,170	4,450,052
Interest on MFD A/C	136,501,123	111,866,089
Sundry accounts	2,115,788	870,339
	11,821,238,722	9,267,828,639
22 (a) Consolidated Interest paid on deposits, borrowings, etc		
Pubali Bank Limited	11,821,238,722	9,267,828,639
Pubali Bank Securities Limited	-	270,425,685
Inter company transaction	-	(270,425,685)
Pubali Exchange Company (UK) Ltd.	-	-
	11,821,238,722	9,267,828,639

Notes to financial statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
23. Income from investment		
Interest on treasury bill	2,078,183,442	686,547,544
Interest on treasury bond	1,839,466,817	1,044,181,471
Interest on private bond	72,968,825	86,448,856
Interest on debentures	1,154,247	2,774,608
Interest on Bangladesh Bank bill	102,974,094	-
Gain on sale of shares	537,787,197	103,023,593
Dividend on shares	267,156,929	111,626,810
	4,899,691,551	2,034,602,882
23 (a) Consolidated Income from investment		
Pubali Bank Limited	4,899,691,551	2,034,602,882
Pubali Bank Securities Limited	42,058,784	88,417,704
Pubali Exchange Company (UK) Ltd.	-	-
	4,941,750,335	2,123,020,586
24. Commission, exchange and brokerage		
SC, LSC, DD, TT, MT and PO	49,983,240	85,374,198
Foreign I/C	267,102,727	330,050,622
Local I/C	100,562,610	106,913,560
Issuance of foreign guarantee	201,538	60,902
Issuance of local guarantee	91,953,527	89,406,978
Issuance of traveller's cheque	782,998	42,493
Other transactions	336,031,612	338,937,524
Miscellaneous handling commission	101,293,600	60,901,745
Consumers credit	1,287,901	550,358
Commission on stationery articles	743,070	584,880
Point of service (POS) transactions	75	4,023
Income A/C commission Online	9,503,699	12,829,313
Total commission	959,446,597	1,025,656,596
Exchange (note 24.1)	551,256,716	339,322,523
Brokerage on securities trading	-	-
	1,510,703,313	1,364,979,119
24.1 Exchange		
Exchange gain	3,189,383,546	2,359,622,624
Less: exchange loss	2,638,126,830	2,020,300,101
	551,256,716	339,322,523
24 (a) Consolidated Commission, exchange and brokerage		
Pubali Bank Limited	1,510,703,313	1,364,979,119
Pubali Bank Securities Limited	66,496,941	38,607,896
Pubali Exchange Company (UK) Ltd.	9,303,396	6,195,862
	1,586,503,650	1,409,782,877
25. Other operating income		
Rent recovery	2,317,350	2,936,874
Postage and telecommunication recovery	14,540,133	25,759,613
Miscellaneous income	231,963,366	239,219,916
Miscellaneous income supervision and monitoring	5,513,650	4,831,234
Miscellaneous income transfer fee	59,825	195,135
Recovered from bad debt written off	-	700,000
Swift income	90,068,518	57,495,252
Application fee of CLS account	433,870	165,892
Account opening charge of CLS account	836,135	1,225,492
Service charge	102,403,040	83,749,452
Income on sale of leased asset	1,466,183	1,039,724
Online service charge recovery	325,051,852	237,978,700
CIB service charges recovery	7,053,302	4,519,152
Income on sale of Bank's property	5,011,954	181,876
	786,719,178	659,998,312
25 (a) Consolidated Other operating income		
Pubali Bank Limited	786,719,178	659,998,312
Pubali Bank Securities Limited	6,326,798	1,393,284
Pubali Exchange Company (UK) Ltd.	-	-
	793,045,976	661,391,596

Notes to financial statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
26. Salary and allowances (excluding Managing Director)		
Basic salary	1,285,261,885	1,180,527,415
House rent allowances	683,761,551	619,680,750
Medical allowances	143,026,495	131,718,886
Other allowances	512,882,118	464,376,995
Contributory provident fund	106,028,792	98,046,092
General provident fund	991,183	1,264,590
Bonus to employees	199,527,062	191,526,062
	2,931,479,086	2,687,140,790
26 (a) Consolidated Salary and allowances (excluding Managing Director)		
Pubali Bank Limited	2,931,479,086	2,687,140,790
Pubali Bank Securities Limited	16,959,214	16,566,259
Pubali Exchange Company (UK) Ltd.	5,682,511	7,311,684
	2,954,120,811	2,711,018,733
27. Rent, taxes, insurance, electricity, etc		
Rent:		
Bank premises	191,029,996	157,717,177
Officer's residence	11,336	-
Godown	5,600	11,200
ATM	3,000,000	3,000,000
Rates and taxes	6,201,788	2,914,424
Insurance (vault)	14,930,880	12,259,858
Insurance premium	98,243,993	70,963,476
Electricity	61,502,688	45,062,552
Electric fittings and fixtures	21,389,992	15,878,164
Water and sewerage bill	2,899,088	2,131,156
	399,214,761	309,938,007
27 (a) Consolidated Rent, taxes, insurance, electricity, etc		
Pubali Bank Limited	399,214,761	309,938,007
Pubali Bank Securities Limited	401,464	3,006,522
Pubali Exchange Company (UK) Ltd.	3,383,356	3,452,640
	402,999,581	316,397,169
28. Legal expenses		
Lawyers' charges	9,516,685	8,693,776
Court fees and other expenses	1,916,436	2,275,487
	11,433,121	10,969,263
28 (a) Consolidated Legal expenses		
Pubali Bank Limited	11,433,121	10,969,263
Pubali Bank Securities Limited	167,200	869,125
Pubali Exchange Company (UK) Ltd.	173,141	77,232
	11,773,462	11,916,120
29. Postage, stamp, telecommunication, etc		
Postage	8,654,349	10,500,126
Telegram	145,500	165,399
Telex	980,190	1,667,931
Fax	19,179	52,412
Stamp	49,525	20,780
Telephone (office)	27,341,594	22,022,744
Telephone (residence)	1,430,114	1,184,438
SWIFT charges	22,603,119	15,242,524
Tele rate/router	1,716,510	1,297,439
Internet charges	3,688,363	3,861,145
	66,628,243	56,014,938
29 (a) Consolidated Postage, stamp, telecommunication, etc		
Pubali Bank Limited	66,628,243	56,014,938
Pubali Bank Securities Limited	329,654	332,108
Pubali Exchange Company (UK) Ltd.	229,619	180,099
	67,187,516	56,527,145
30. Stationery, printing, advertisement, etc		
Table stationery	17,709,892	15,504,321
Computer stationery	14,542,615	12,338,303
Printing and stationery	8,542,992	12,512,819
Consumption of books and forms	23,393,521	25,245,025
Advertisement	63,735,089	66,729,104
	127,924,109	132,329,572

Notes to financial statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
30 (a) Consolidated Stationery, printing, advertisement, etc		
Pubali Bank Limited	127,924,109	132,329,572
Pubali Bank Securities Limited	229,748	417,509
Pubali Exchange Company (UK) Ltd.	116,786	208,945
	128,270,643	132,956,026
31. Managing Director's salary and fees		
Basic pay	6,600,000	5,700,000
Allowances	2,340,000	1,530,000
Bank's contributory provident fund	660,000	570,000
Bonus	2,100,000	2,000,000
	11,700,000	9,800,000
32. Directors' fees		
Meeting fees and Honorarium	3,535,000	3,369,975
Meeting expenses	1,225,007	1,044,170
Meeting related travelling allowances	870,800	1,083,970
	5,630,807	5,498,115
32 (a) Consolidated Directors' fees		
Pubali Bank Limited	5,630,807	5,498,115
Pubali Bank Securities Limited	184,000	322,000
Pubali Exchange Company (UK) Ltd.	-	-
	5,814,807	5,820,115
Each director is paid Tk. 5,000 per meeting per attendance.		
33. Auditors' fees		
Statutory audit	800,000	800,000
	800,000	800,000
33 (a) Consolidated Auditors' fees		
Pubali Bank Limited	800,000	800,000
Pubali Bank Securities Limited	125,500	209,000
Pubali Exchange Company (UK) Ltd.	257,055	214,434
	1,182,555	1,223,434
34. Depreciation and repair of bank's assets		
Repairs to fixed assets	12,709,334	11,576,054
Maintenance of assets	38,076,000	34,836,368
Depreciation on fixed assets	216,791,153	195,693,928
	267,576,487	242,106,350
34 (a) Consolidated Depreciation and repair of bank's assets		
Pubali Bank Limited	267,576,487	242,106,350
Pubali Bank Securities Limited	1,510,602	1,467,507
Pubali Exchange Company (UK) Ltd.	1,027,600	1,330,639
	270,114,689	244,904,496
35. Other expenses		
Repairs to rented property	1,332,577	1,374,434
Newspapers	2,901,535	2,699,299
Petrol consumption	58,169,684	59,532,721
Travelling	47,397,066	49,377,942
Donations	47,895,281	34,861,064
Honorarium	3,510,000	2,090,577
Subscriptions	8,953,507	13,410,564
Sub-ordinate staff clothing	8,209,444	14,265,433
Conveyance	15,622,492	14,090,311
Entertainment	15,909,979	21,780,771
Training	11,120,877	19,216,675
Photocopying	1,882,713	1,983,694
Branches' opening expenses	372,708	677,910
Shifting expenses	725,690	936,240
Carrying expenses	1,783,713	1,234,015
Professional fees	2,468,208	1,328,446
Security and Auxiliary Services	15,338,605	8,377,552
Gun license fees	1,058,872	1,345,848
Telegraphic address renewal fee	625	1,560
Overtime	22,450,205	21,123,149

Notes to financial statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
38 (a) Consolidated Receipts from Other operating activities		
Pubali Bank Limited	1,337,975,894	998,620,835
Pubali Bank Securities Limited	11,972,789	62,975,925
Pubali Exchange Company (UK) Ltd.	-	-
	1,349,948,683	1,061,596,760
39. Cash payments for Other operating activities		
Rent, taxes, insurance, electricity etc.	399,214,761	309,938,007
Director's fees	5,630,807	5,498,115
Charges on loan losses	968,796	729,800,482
Repairs of bank's assets	50,785,334	46,412,422
Other expenses	1,213,602,271	1,190,340,330
	1,670,201,969	2,281,989,356
39 (a) Consolidated Cash payments for Other operating activities		
Pubali Bank Limited	1,670,201,969	2,281,989,356
Pubali Bank Securities Limited	10,543,174	16,802,951
Pubali Exchange Company (UK) Ltd.	8,020,842	7,009,945
	1,688,765,985	2,305,802,252
40. Increase/(decrease) of Other assets		
Closing Other assets		
Stationery and stamps	86,527,226	77,755,366
Accrued income	1,153,921,248	839,455,815
Advance security deposit, Advance rent etc.	145,122,005	101,709,431
Suspense account	140,284,435	280,239,858
Demonetized notes	1,531,750	1,531,750
Items in transit	2,069,161,306	2,294,905,163
Drafts payable (Dr. Balance)	107,021,016	191,790,369
Clearing house adjustment	82,864,949	103,256,382
Others	94,821,890	103,967,524
	3,881,255,825	3,994,611,658
Opening Other assets		
Stationery and stamps	77,755,366	73,506,753
Accrued income	839,455,815	584,978,496
Advance security deposit, Advance rent etc.	101,709,431	144,211,846
Suspense account	280,239,858	313,036,844
Demonetized notes	1,531,750	1,531,750
Items in transit	2,294,905,163	2,059,445,792
Drafts payable (Dr. Balance)	191,790,369	428,865,819
Clearing house adjustment	103,256,382	75,972,974
Others	103,967,524	102,523,572
	3,994,611,658	3,784,073,846
	113,355,833	(210,537,812)
40 (a) Consolidated Increase/(decrease) of Other Assets		
Pubali Bank Limited	113,355,833	(210,537,812)
Pubali Bank Securities Limited	(57,025,905)	1,989,765
Pubali Exchange Company (UK) Ltd.	-	-
	56,329,928	(208,548,047)
41. Increase/(decrease) of Other Liabilities		
Closing Other Liabilities		
Interest suspense	646,970,801	298,452,532
Interest suspense on underwriting advances	270,415,969	283,048,538
Interest suspense against 70% Agri loan	192,382	192,382
	917,579,152	581,693,452
Opening Other Liabilities		
Interest suspense	298,452,532	196,328,332
Interest suspense on underwriting advances	283,048,538	289,653,997
Interest suspense against 70% Agri loan	192,382	192,382
	581,693,452	486,174,711
	335,885,700	95,518,741

Notes to financial statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
41 (a) Consolidated Increase/(decrease) of Other Liabilities		
Pubali Bank Limited	335,885,700	95,518,741
Pubali Bank Securities Limited	66,111,024	14,885,772
Pubali Exchange Company (UK) Ltd.	(11,101,819)	2,765,215
	390,894,905	113,169,728
42. Cash and Cash Equivalents at the end of the year		
Cash in hand (including foreign currencies)	4,186,600,391	3,468,654,428
Balance with Bangladesh Bank and its agent bank(s)	15,312,858,724	13,648,643,231
Balance with other banks and financial institutes	1,566,369,216	1,621,306,030
Prize bonds	15,147,101	19,720,901
Money at call on short notice	568,886,667	2,799,086,667
	21,649,862,099	21,557,411,257
42 (a) Consolidated Cash and Cash Equivalents at the end of the year		
Pubali Bank Limited	21,649,862,099	21,557,411,257
Pubali Bank Securities Limited	228,106,325	125,774,307
Pubali Exchange Company (UK) Ltd.	7,277,540	20,373,722
	21,885,247,964	21,703,559,286
43. Assets and liabilities as at 31 December 2013 denominated in foreign currencies have been converted to Bangladesh Taka at the following exchange rates:		
Currency	Currency unit	Equivalent Taka
Canadian Dollar	CAD	72.56
European Currency	EURO	106.83
Japanese Yen	JPY	0.74
Pound Sterling	GBP	128.09
Swiss Franc	CHF	87.18
US Dollar	USD	77.75
ACU Dollar	ACUD	77.75
44. Earnings Per Share (EPS):		
Net Profit after Taxes	2,305,537,976	1,761,981,044
Number of ordinary shares outstanding	838,451,250	838,451,250
Earnings Per Share (EPS)	2.75	2.10
44 (a) Consolidated Earnings Per Share (EPS)		
Net Profit after Taxes	2,431,604,567	1,610,248,381
Number of ordinary shares outstanding	838,451,250	838,451,250
Earnings Per Share (EPS)	2.90	1.92

Notes to the financial statements for the year ended 31 December 2013

HIGHLIGHTS ON THE OVERALL ACTIVITIES OF THE BANK FOR
THE PERIOD ENDED 31 DECEMBER '13 AND 31 DECEMBER '12

PARTICULARS	2013 Taka	2012 Taka
1. Paid-up Capital	8,384,512,500	8,384,512,500
2. Total Capital	21,082,873,319	19,483,742,640
3. Capital Surplus	3,113,643,319	3,516,302,640
4. Total Assets	228,533,770,568	192,947,925,396
5. Total Deposits	177,878,172,427	150,418,805,799
6. Total Loans & Advances	136,940,462,369	122,068,518,354
7. Total Contingent Liabilities	45,738,250,811	40,151,645,813
8. Loan Deposit Ratio (%)	76.99%	81.15%
9. Ratio of Classified Loan to total Loans & Advances (%)	5.94%	5.05%
10. Profit after taxation & Provision	2,305,537,976	1,761,981,044
11. Amount of Classified Loan during the current year	8,136,104,821	6,159,624,754
12. Provision kept against Classified Loans	4,890,480,841	2,790,308,131
13. Provision Surplus	1,450,030	4,441,154
14. Cost of Fund (%)	10.17%	10.77%
15. Interest Earning Assets	186,929,103,929	156,706,643,406
16. Interest Non- Earning Assets	41,604,666,639	36,241,281,990
17. Return on Investment(ROI) [PAT/(Shareholders Equity+Borrowings)]	9.43%	7.95%
18. Return on Assets (ROA)	1.01%	0.91%
19. Income from Investment	4,899,691,551	2,034,602,882
20. Earnings per Share (Taka)	2.75	2.10
21. Net Income per Share (Taka)	2.75	2.10
22. Price Earning Ratio (Times)	11.82	15.70

Helal Ahmed Chowdhury
Managing Director

Syed Moazzem Hussain
Director

Moniruddin Ahmed
Director

Hafiz Ahmed Mazumder
Chairman

Schedule of Fixed Assets as at 31 December 2013

Particulars	Cost			Depreciation/Amortization			Net book value at 31 December 2013 Taka				
	Balance at 1 January 2013 Taka	Additions/ Revaluation during the year Taka	Disposal during the year Taka	Adjustments during the year Taka	Balance at 31 December 2013 Taka	Charge for the Year Taka		Disposal during the year Taka	Adjustments during the year Taka	Balance at 31 December 2013 Taka	
Land (including leased)	2,272,686,673	3,947,319	-	-	2,276,633,992	Fixed	-	-	24,270,691.00	2,252,363,301	
Building	833,580,938	85,275,246	-	-	918,856,184	2.50%	19,710,451	-	142,645,402.00	776,210,782	
Furniture and Fixture	318,507,536	72,878,725	5,716,857	(294,011)	385,775,393	10%	24,980,905	4,227,302	164,647,434	221,127,979	
Computer & Computer Accessories	579,470,670	91,270,976	5,675,715	104,134	665,170,065	30%	403,387,917	100,215,592	(314,804)	497,736,461	
Machinery and Equipment	328,222,936	186,996,471	2,895,264	(950,217)	511,363,926	20%	215,489,122	44,170,130	5,552,244	157,433,604	
Vehicles	183,144,627	12,240,000	10,005,000	(11,309,360)	174,070,267	20%	104,189,163	26,535,105	(400,640)	256,521,017	
At 31 December 2013	4,516,013,360	452,608,737	24,292,836	(12,459,454)	4,931,869,827		1,013,213,231	216,791,153	22,522,071	1,195,882,393	3,735,987,434
At 31 December 2012	4,188,180,910	331,779,111	10,970,077	7,023,436	4,516,013,380		818,988,050	195,693,028	9,887,834	1,013,213,230	3,502,800,150

Notes to the financial statements for the year ended 31 December 2013

Annex - B

Tax Status Report (as at 31 December 2013)

Sl.No	Income Year	Assessment Year	Tax provision as per Accounts	Tax determined by tax Authority	Tax paid (Tax deduction at source & Cash paid & Refund adjustment)	Tax Department's Demand/(Refund)	Assessment Status
1	Up to 1996	1997-98	-	-	8,746,578	(8,746,578)	Finalised
2	1997	1998-99	76,507,688	76,507,688	122,372,255	(45,814,567)	Reference application filed with High Court
3	1998	1999-00	-	-	26,968,734	(26,968,734)	Finalised
4	1999	2000-01	126,066,596	126,066,596	95,769,641	30,296,955	Reference application filed with High Court
5	2000	2001-02	158,178,474	158,178,474	113,640,527	44,537,947	Reference application filed with High Court
6	2001	2002-03	377,762,283	377,762,283	258,959,776	118,802,507	Reference application filed with High Court
7	2004	2005-06	6,741,122	6,741,122	22,538,349	(15,797,227)	Finalised
8	2006	2007-08	-	182,396,075	18,250,000	164,146,075	Case filed with Taxes Appellate Tribunal
9	2007	2008-09	1,323,640,684	1,323,640,684	1,269,151,280	54,489,404	Case filed with CT (Appeal)
10	2008	2009-10	1,502,601,666	1,532,072,366	1,425,863,286	-	Reference application filed with High Court
11	2009	2010-11	1,442,732,041	1,771,235,747	1,450,508,695	-	Case filed with CT (Appeal)
12	2010	2011-12	1,689,935,574	1,770,604,403	1,696,257,282	-	Case filed with Taxes Appellate Tribunal
13	2011	2012-13	2,225,000,000	-	2,220,592,817	-	DCT assessment not yet done
14	2012	2013-14	2,505,095,000	-	2,441,107,442	-	DCT assessment not yet done
15	2013	2014-15	2,939,948,685	-	863,541,484	-	Return submission date not due
		Total	14,374,209,813	7,325,205,438	12,034,218,146	314,945,782	

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

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. Total capital of the Bank was Tk. 21,082,873,319 as at 31 December 2013 and advances sanctioned more than 10% of total capital of the Bank. Total capital of the Bank was Tk. 19,483,742,640 as at 31 December 2012.

Number of clients
Amount of outstanding loans/advances
Classified amount
thereon
Measures taken for
recovery

Amounts in Taka	
At 31 Dec 2013	At 31 Dec 2012
17	12
57,608,243,000	38,282,940,000
-	-
-	-

Amounts in Taka

Name of the clients	Sanctioned Limit	Status	Outstanding		Total outstanding	
			Funded	Non-funded	At 31 Dec 2013	At 31 Dec 2012
City Group	6,540,573,000	STD	2,169,788,000	3,890,573,000	6,060,361,000	2,946,500,000
Ha-Meem Group	7,644,700,000	STD	3,263,900,000	2,681,120,000	5,945,020,000	3,869,900,000
Keys Group	6,359,800,000	STD	2,608,300,000	2,917,600,000	5,525,900,000	2,922,390,000
Envoy Group	8,142,136,000	STD	2,117,915,000	2,020,403,000	4,138,318,000	4,027,420,000
Project Builders Group	4,983,810,000	STD	2,421,596,000	1,583,133,000	4,004,729,000	2,602,640,000
TK Group	5,550,000,000	STD	1,296,400,000	2,231,300,000	3,527,700,000	-
PHP Group	3,666,923,000	STD	410,100,000	2,656,607,000	3,066,707,000	3,648,020,000
Sharmin Group	4,211,500,000	STD	1,014,787,000	2,015,500,000	3,030,287,000	-
City Seed Crushing Group	2,749,395,000	STD	2,228,794,000	549,395,000	2,778,189,000	-
Meghna Group	3,958,000,000	STD	1,357,714,000	1,284,500,000	2,642,214,000	3,628,980,000
Pubali Bank Securities Ltd.	3,000,000,000	STD	2,133,175,000	500,000,000	2,633,175,000	2,648,900,000
Medina Group	3,236,000,000	STD	2,248,775,000	308,729,000	2,557,504,000	2,288,370,000
GPH Group	2,761,399,000	STD	2,401,334,000	129,506,000	2,530,840,000	-
Grameen Phone	3,500,000,000	STD	2,498,770,000	-	2,498,770,000	-
Dird Composite Group	3,344,611,000	STD	1,313,138,000	969,622,000	2,282,760,000	-
Paramount Textile	3,565,000,000	STD	1,455,626,000	745,743,000	2,201,369,000	-
Abul Khair Group	2,542,600,000	STD	940,600,000	1,243,800,000	2,184,400,000	2,982,800,000
BRAC	-	STD	-	-	-	3,464,370,000
Kabir Group	-	STD	-	-	-	3,252,650,000
	75,756,447,000		31,880,712,000	25,727,531,000	57,608,243,000	38,282,940,000

Pubali Bank Limited - Islamic Banking Windows

Annex-D

Pubali Bank Limited - Islamic Banking Windows

Distribution of profit for the income year ended 31 December 2013

Profit and loss of Islamic Banking part is calculated annually as at 31 December each year. We follow Investment Income Sharing Ratio (IISR) system for distribution of profit to the depositors. During the year 2013 earned investment income was 10.32% which was less than expectation and required to recover some amount from the distributed provisional profit.

The Board of Directors was so generous not to recover any amount from the distributed provisional profit as the Shariah Supervisory Committee opined that non-recovery of such distributed profit will not amount to violation of Shariah and declared the distributed provisional profit as final. Distributed profit rates were as under :

Sl. no.	Types of mudaraba deposit	Investment income share of depositors for 2013 (%)	Final Profit distributed	Additional Profit, if any
1. (a)	Mudaraba Term Deposit for 3 months	85	10.63	-
(b)	Mudaraba Term Deposit for 6 months	90	11.25	-
(c)	Mudaraba Term Deposit for 12 months	95	11.88	-
(d)	Mudaraba Term Deposit for 24 months	95	11.88	-
2	Mudaraba Short Notice Deposit	40	5.00	-
3	Monthly profit based mudaraba term deposit	95	11.88	-
4	Mudaraba savings account	45	5.63	-
5	Mudaraba hajj savings account.	85	10.63	-
6.(a)	Mudaraba deposit pension account for 5 years	83	10.38	-
(b)	Mudaraba deposit pension account for 10 years	85	10.63	-

A competent Shariah Supervisory Committee consisting of Islamic Scholars, Ulemas, Economist and Islamic Bankers headed by Mr. M. Azizul Huq, founder Chief Executive of Islamic Bank Bangladesh Limited oversee Islamic Banking operations. During the year Shariah Supervisory Committee met in 3(three) meetings and reviewed different operational issues in the line with Islamic Shariah. Besides, the Muraqib of the Shariah Supervisory Committee inspected both the Islamic Banking Windows during the year and reported no case of major violation of Islamic Shariah in their operation.

**Pubali Bank Limited - Islamic Banking Windows
Balance Sheet as at 31 December 2013**
Annex-E

	2013 Taka	2012 Taka
Property and Assets		
Cash	33,664,759	21,858,638
In hand (Including foreign currencies)	2,335,983	2,258,875
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)	31,328,776	19,599,763
Balance with Other Banks and Financial Institutions	115,932,985	519,680,661
Inside Bangladesh	115,932,985	519,680,661
Outside Bangladesh	-	-
Placement with Banks and Other Financial Institutions	-	-
Investments in Shares and Securities	30,000,000	14,000,000
Government	30,000,000	14,000,000
Others	-	-
Investments	445,752,274	314,169,136
General investments	445,752,274	314,169,136
Bills purchased & discounted	-	-
Fixed Assets including Premises, Furniture & Fixtures	477,899	356,540
Other Assets	82,220,525	3,968,764
Non-banking Assets	-	-
Total Assets	708,048,442	874,033,739
Liabilities and Capital		
Liabilities		
Placement with Other Banks, Financial Institutions & Agents	-	-
Deposits and Other Accounts	649,687,196	620,169,265
Al-Wadia current deposit	14,616,813	28,880,082
Bills payable	7,066,767	4,222,638
Mudaraba savings bank deposit	39,097,646	20,304,564
Mudaraba term deposits	588,736,618	566,270,357
Other deposits	169,352	491,624
Other Liabilities	26,757,608	236,080,197
Total Liabilities	676,444,804	856,249,462
Capital / Shareholders' Equity		
Paid up capital	-	-
Statutory reserve	-	-
Retained surplus (general reserve)	31,603,638	17,784,277
Revaluation gain/(loss) on investment	-	-
Other reserves	-	-
Profit and Loss account surplus	-	-
Total Shareholders' Equity	31,603,638	17,784,277
Total Liabilities and Shareholders' Equity	708,048,442	874,033,739

Pubali Bank Limited - Islamic Banking Windows

Balance Sheet as at 31 December 2013

Note	2013 Taka	2012 Taka
Off-Balance Sheet Items		
Contingent Liabilities		
Acceptances & Endorsements		
Letters of guarantee	-	-
Irrevocable letters of credit	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
Total Contingent Liabilities	-	-
Other Commitments		
Documentary credits and short term trade related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Total Other Commitments	-	-
Total Off-Balance Sheet Items Including Contingent Liabilities	-	-
Total Off-Balance Sheet Items including Contingent Liabilities	-	-

Pubali Bank Limited - Islamic Banking Windows

Annex-E (I)

Profit and Loss Account for the year ended 31 December 2013

	2013 Taka	2012 Taka
Operating Income		
Investment income	113,163,558	48,070,548
Less: Profit paid on deposits, borrowings, etc.	78,301,486	24,926,636
Net Investment Income	34,862,072	23,143,912
Income from investment in shares /securities	-	-
Commission, exchange and brokerage	2,379,245	2,564,305
Other operating income	335,831	223,517
Total Operating Income	37,577,148	25,931,734
Operating Expenses		
Salaries and allowances	4,471,526	4,715,153
Rent, taxes, insurance, electricity, etc.	10,775	3,049
Legal expenses	-	-
Postage, stamp, telecommunication, etc.	31,508	33,770
Stationery, printing, advertisements, etc.	114,427	141,927
Chief Executive's salary and fees	-	-
Directors' fees & expenses	-	-
Shariah supervisory committee's fees and expenses	-	-
Auditors' fees	-	-
Charges on investment losses	-	-
Depreciation repair and maintenance of fixed assets	142,472	304,049
Other expenses	1,202,802	2,949,509
Total Operating Expenses	5,973,510	8,147,457
Total Profit/(Loss) before Provisions	31,603,638	17,784,277
Provision for investments		
Specific Provision	-	-
General Provision	-	-
Provision for off-balance sheet exposure	-	-
Provision for diminution in value of investments	-	-
Other provisions	-	-
Total Provisions	-	-
Total Profit/(Loss) before Taxation	31,603,638	17,784,277

Pubali Bank Limited - Islamic Banking Windows

Cash Flow Statement for the year ended 31 December 2013

Annex-E (ii)

	2013 Taka	2012 Taka
a Cash Flows from Operating Activities		
Investment income in cash	113,163,558	48,070,548
Profit paid	(78,301,486)	(24,926,636)
Fees and commission receipts	2,379,245	2,564,305
Cash payment to employees	(4,471,526)	(4,715,153)
Cash payment to suppliers	(145,935)	(175,697)
Receipts from other operating activities	15 335,831	223,517
Cash payments for other operating activities	23 (1,213,577)	(2,979,066)
Operating Profit before Changes in Operating Assets & Liabilities	31,746,110	18,061,818
Cash Flows from Operating Assets & Liabilities:		
Statutory deposits	(16,000,000)	(9,000,000)
Investment to customers (other than banks)	(131,583,138)	(82,203,743)
Other assets	24 (78,251,761)	(2,014,728)
Deposits from customers (other than banks)	29,517,931	517,749,923
Other liabilities account of customers	(209,322,589)	19,417,752
Increase/ (Decrease) in Operating Assets and Liabilities:	(405,639,557)	443,949,204
Net Cash from/(used in) Operating Activities	(373,893,447)	462,011,022
b Cash Flows from Investing Activities		
Purchase /sale of property, plant & equipment	(18,048,108)	(5,408)
Net Cash from/(used in) Investing Activities	(18,048,108)	(5,408)
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)	(391,941,555)	462,005,614
e Opening Cash and Cash Equivalents	541,539,299	79,533,685
f Closing Cash and Cash Equivalents (d+e)	149,597,744	541,539,299
	149,597,744	541,539,299
	-	-

Pubali Bank Limited - Islamic Banking Windows

Notes to the financial Statements for the year ended 31 December 2013

Annex-E (iii)

	2013 Taka	2012 Taka
PROPERTY AND ASSETS		
1. Cash		
1.1 Cash in hand		
In local currency	2,335,983	2,258,875
In foreign currencies	-	-
	<u>2,335,983</u>	<u>2,258,875</u>
1.2 Balance with Bangladesh Bank and its agent bank(s)		
Bangladesh Bank		
In local currency	31,328,776	19,599,763
In foreign currencies	-	-
	<u>31,328,776</u>	<u>19,599,763</u>
Sonali Bank as agent of Bangladesh Bank		
Local currency	-	-
	<u>31,328,776</u>	<u>19,599,763</u>
	<u>33,664,759</u>	<u>21,858,638</u>
1.3 Cash Reserve Ratio and Statutory Liquidity Requirement		
Cash Reserve Ratio and Statutory Liquidity Requirement have been calculated and maintained in accordance with section 33 of Bank Companies Act 1991 and BRPD circular numbers 11 and 12 of 25 August 2005.		
The statutory Cash Reserve Ratio (CRR) required on the Bank's time and demand liabilities at the rate of 6% has been calculated and maintained with Bangladesh Bank in current account and 11.50% Statutory Liquidity Requirement (SLR) including CRR, on the same liabilities is also maintained in the form of treasury bills and bonds including balances 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 (6%)	30,834,261	15,952,711
Actual reserve maintained	31,328,776	19,599,763
Surplus	<u>494,515</u>	<u>3,647,052</u>
1.3.2 Statutory Liquidity Requirement (SLR)		
Required reserve (5.50%)	28,264,739	14,623,319
Actual reserve maintained	32,336,000	15,433,000
Surplus	<u>4,071,261</u>	<u>809,681</u>
1.3.3 Total required amount of CRR and SLR		
Total required reserve (11.50%)	59,099,000	30,576,030
Total actual reserve maintained	63,664,776	35,032,763
Total surplus	<u>4,565,776</u>	<u>4,456,733</u>
2. Balance with Other Banks and Financial Institutions		
Inside Bangladesh (Note 2.1)	115,932,985	519,680,661
Outside Bangladesh	-	-
	<u>115,932,985</u>	<u>519,680,661</u>
2.1 Inside Bangladesh		
In fixed/term deposit account (in local currency)		
Union Bank Ltd., Hatkola Branch, Dhaka	100,000,000	-
Islami Bank Bangladesh Ltd., Foreign Exchange Branch	-	199,990,000
Al Arafa Islami Bank Ltd., Motijheel Corporate Branch	-	50,931,801
Al Arafa Islami Bank Ltd., Motijheel Corporate Branch	-	50,931,801
Al Arafa Islami Bank Ltd., Motijheel Corporate Branch	-	50,931,801
Al Arafa Islami Bank Ltd., Motijheel Corporate Branch	-	50,931,802
Al Arafa Islami Bank Ltd., Motijheel Corporate Branch	-	100,912,131
	<u>100,000,000</u>	<u>504,629,336</u>

Pubali Bank Limited - Islamic Banking Windows

Notes to the financial Statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
In Savings deposit account		
Islami Bank Ltd., Foreign Exchange Branch	10,957,832	10,366,984
	<u>10,957,832</u>	<u>10,366,984</u>
In Special Notice Deposit account		
First Security Islami Bank Ltd., Dilkusha Br.	4,975,153	4,684,341
	<u>4,975,153</u>	<u>4,684,341</u>
	<u>115,932,985</u>	<u>519,680,661</u>
2.2 Maturity grouping of Balance with Other Banks and Financial Institutions		
Payable on demand	15,932,985	15,051,325
Up to 3 months	100,000,000	504,629,336
Over 3 months but not more than 1 year	-	-
	<u>115,932,985</u>	<u>519,680,661</u>
3. Placement with Banks and Other Financial Institutions	-	-
4. Investments in Shares and Securities		
Government treasury bonds		
1 Year Bangladesh Sarker Islami Biniyog Bond	30,000,000	14,000,000
	<u>30,000,000</u>	<u>14,000,000</u>
5. Investments		
General investments	445,752,274	314,169,136
Bills purchased and discounted	-	-
	<u>445,752,274</u>	<u>314,169,136</u>
5.1 General Investments		
Inside Bangladesh:		
Quard	585,000	360,000
Bai Muazzal	36,306,572	36,073,240
Murabaha Post Import (TR)	95,110,858	-
Hire Purchase Shirkatul Melk	313,749,844	277,735,896
	<u>445,752,274</u>	<u>314,169,136</u>
Outside Bangladesh	-	-
	<u>445,752,274</u>	<u>314,169,136</u>
5.1.1 Maturity grouping of General Investment		
Repayable on demand	-	-
Up to 3 months	-	-
Over 3 months but not more than 1 year	132,002,430	36,433,240
Over 1 year but not more than 5 years	313,749,844	277,735,896
Over 5 years	-	-
	<u>445,752,274</u>	<u>314,169,136</u>
	<u>445,752,274</u>	<u>314,169,136</u>
5.2. Bills purchased and discounted		
Payable in Bangladesh:		
Loans against accepted bills	-	-
Loans against demand draft purchased	-	-
	<u>-</u>	<u>-</u>
Payable outside Bangladesh:		
Foreign bills purchased	-	-
Foreign drafts purchased	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Pubali Bank Limited - Islamic Banking Windows

Notes to the financial Statements for the year ended 31 December 2013

	2013 Taka	2012 Taka	
5.2.1 Maturity grouping of Bills purchased and discounted			
Receivable on demand	-	-	
Not more than 3 months	-	-	
Over 3 months but not more than 6 months	-	-	
	-	-	
5.3 Geographical location-wise distribution of Investments including Bills purchased and discounted in Bangladesh			
Urban			
Dhaka	255,237,568	165,380,611	
Sylhet	190,514,706	148,788,525	
	<u>445,752,274</u>	<u>314,169,136</u>	
Rural	-	-	
Outside Bangladesh (Foreign bills/drafts purchased)	-	-	
	<u>445,752,274</u>	<u>314,169,136</u>	
5.4 Sector-wise Investments including Bills purchased & discounted			
Public sector	-	-	
Private sector	445,752,274	314,169,136	
Co-operative sector	-	-	
	<u>445,752,274</u>	<u>314,169,136</u>	
5.5 Security base-wise Investments including Bills purchased & discounted			
Collateral of movable and immovable properties	445,167,274	313,809,136	
Guarantee of local banks and financial institutions	-	-	
Export documents	-	-	
Fixed deposit receipts (FDR) of own Bank	-	-	
FDR of other banks	585,000	360,000	
Government bonds	-	-	
Personal guarantee	-	-	
Other securities	-	-	
	<u>445,752,274</u>	<u>314,169,136</u>	
5.6 Classification of Investments including Bills purchased & discounted			
Unclassified:			
Standard	445,752,274	314,169,136	
Special Mention Account (SMA)	-	-	
	<u>445,752,274</u>	<u>314,169,136</u>	
Classified:			
Sub-standard (SS)	-	-	
Doubtful (DF)	-	-	
Bad or loss (B/L)	-	-	
Staff loan	-	-	
	<u>445,752,274</u>	<u>314,169,136</u>	
5.7 Particulars of required provision for Investments			
Status of Classification	Base for Provision	Rate of Provision (%)	
General provision - Unclassified			
Standard	445,752,274	1	4,457,523
			<u>3,141,691</u>
			4,457,523
			<u>3,141,691</u>
Specific provision - Classified			
Sub-standard (SS)		20	-
Doubtful (DF)		50	-
Bad or loss (B/L)		100	-
			<u>3,141,691</u>
Required provision			4,457,523
Provision maintained			4,457,523
Excess provision			<u>-</u>

Pubali Bank Limited - Islamic Banking Windows

Notes to the financial Statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
5.8 Particulars of Investments		
(i) Investments considered good in respect of which the bank is fully secured.	445,752,274	314,169,136
(ii) Investments considered good for which the bank holds no other security than the debtors' personal security	-	-
(iii) Investments considered good being secured by the personal security of one or more parties in addition to the personal security of the debtors.	-	-
(iv) Investments adversely classified; provision not maintained there against	-	-
	<u>445,752,274</u>	<u>314,169,136</u>
(v) Investments due by directors or officers of the bank or any of them either severally or jointly with any other persons	NIL	NIL
(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.	NIL	NIL
(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.	NIL	NIL
(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.	NIL	NIL
(ix) Investments due from banking companies	NIL	NIL
(x) Classified Investments for which profit has not been charged	NIL	NIL
a) Increase / decrease of provision (specific)	NIL	NIL
b) Amount written off debt	NIL	NIL
c) Amount of debt recovered against the debt which previously written off	NIL	NIL
d) Amount of Provision kept against Investments classified as bad or loss	NIL	NIL
e) Amount of interest credited in suspense account	NIL	NIL
(xi) Cumulative amount of written off Investments		
Opening Balance	NIL	NIL
Amount of debt written off for the current year	-	-
	<u>-</u>	<u>-</u>
(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	52,522,296	53,291,028
Lease rental receivable within 5 years	61,339,855	181,629,040
Lease rental receivable after 5 years	<u>199,887,693</u>	<u>42,815,828</u>
Total lease rental receivable	313,749,844	277,735,896
Less : Un-earned income receivable	-	-
Net Lease finance	<u>313,749,844</u>	<u>277,735,896</u>

Pubali Bank Limited - Islamic Banking Windows

Notes to the financial Statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
6. Fixed Assets including Premises, Furniture & Fixture Cost		
Machinery and equipments	482,590	218,759
Computer & computer accessories	598,000	598,000
Furniture and fixtures	348,501	348,501
	1,429,091	1,165,260
Less: Accumulated depreciation	951,192	808,720
Net book value at the end of the year	477,899	356,540
7. Other Assets:		
Income generating Other assets		
Accrued income on investments	2,791,602	3,831,304
	2,791,602	3,831,304
Non-income generating Other assets		
Stationery and stamps	78,598	137,460
Pubali bank adjustment a/c	79,350,325	-
	79,428,923	137,460
	82,220,525	3,968,764
LIABILITIES AND CAPITAL		
8. Placement with Other Banks, Financial Institutions & Agents:		
Inside Bangladesh	-	-
Outside Bangladesh	-	-
	-	-
9. Deposits and Other Accounts		
Inter-bank deposits	140,723,811	300,636,652
Other deposits	508,963,385	319,532,613
	649,687,196	620,169,265
9.1 Details of Deposits and Other Accounts		
Current deposits and other accounts :		
Al-Wadia current deposit	14,616,813	28,880,082
	14,616,813	28,880,082
Bills payable (note 9.1.1)	7,066,767	4,222,638
Mudaraba savings bank deposit	39,097,646	20,304,564
Term deposits :		
Mudaraba fixed deposits	397,364,547	238,961,702
Mudaraba monthly term deposit	18,192,670	11,600,000
Mudaraba short notice deposits	159,749,190	306,525,212
Profit payable on mudaraba term deposit	-	124,945
Profit receivable on investment	5,763,979	3,916,167
Mudaraba deposit pension scheme	7,210,085	4,399,632
Mudaraba hajj savings	456,147	742,699
	588,736,618	566,270,357
Other deposits	169,352	491,624
	649,687,196	620,169,265
9.1.1 Bills Payable		
Pay orders issued	7,066,767	4,222,638
	7,066,767	4,222,638

Pubali Bank Limited - Islamic Banking Windows

Notes to the financial Statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
9.2 Maturity analysis of Inter-bank deposits		
Payable on demand	-	300,636,652
Payable within 1 month	-	-
Over 1 month but within 6 months	140,723,811	-
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years and above	-	-
	140,723,811	300,636,652
9.3 Maturity analysis of other deposits		
Payable on demand	25,202,368	34,930,131
Payable within 1 month	16,030,035	8,324,871
Over 1 month but within 6 months	184,258,621	109,653,130
Over 6 months but within 1 year	127,275,663	74,786,634
Over 1 year but within 5 years	119,209,364	71,688,510
Over 5 years and above	36,987,334	20,149,337
	508,963,385	319,532,613
	649,687,196	620,169,265
10. Other Liabilities:		
Unpaid expenses A/C	3,000	3,500
Item in transit (Cr. Balance)	24,744,758	5,238,389
Card transaction fee (Inter Bank)	60	-
Sadaqad fund	2,009,790	-
Additional profit payable A/C for Islamic Banking	-	500,000
I.B. bad debt offsetting reserve	-	1,986,000
Pubali Bank adjustment A/C	-	228,352,308
	26,757,608	236,080,197
11. Investment income		
Bai muazzal	3,072,072	4,125,925
Murabaha post import (TR)	3,483,690	232,089
Hire purchase shirkatul melk	33,708,625	23,243,643
Profit on bai istisna	-	666,254
Investment income from other bank	72,899,171	10,728,233
Interest received on LIM	-	9,074,404
	113,163,558	48,070,548
12. Profit paid on deposits, borrowings, etc		
Mudaraba term deposits	34,661,681	15,105,281
Mudaraba special notice deposits	39,999,554	8,191,797
Mudaraba haji savings	40,094	69,018
Mudaraba savings bank deposit	1,062,412	515,627
Mudaraba special savings deposit	25,253	34,161
Mudaraba deposit pension scheme	506,263	273,727
Mudaraba monthly profit deposit	2,006,229	737,025
	78,301,486	24,926,636
13. Income from investment in shares/securities	-	-
14. Commission, exchange and brokerage		
SC, LSC, DD, TT, MT and PO	53,010	52,250
Foreign L/C	421,898	67,638
Local L/C	867,548	899,943
Other transactions	29,001	28,884
Miscellaneous handling commission	1,007,788	1,515,590
Total commission	2,379,245	2,564,305

Pubali Bank Limited - Islamic Banking Windows

Notes to the financial Statements for the year ended 31 December 2013

	2013 Taka	2012 Taka
15. Other Operating Income		
Miscellaneous income	72,976	54,005
Service charge	121,571	83,876
CIB service charge	4,810	910
Online service charge	136,474	84,726
	335,831	223,517
16. Salary and allowances (excluding Managing Director)		
Basic salary	2,291,481	2,190,766
House rent allowances	1,267,273	1,130,155
Medical allowances	236,771	221,497
Other allowances	123,396	620,350
Contributory provident fund	204,455	182,255
Bonus to employees	348,150	370,130
	4,471,526	4,715,153
17. Rent, taxes, insurance, electricity, etc		
Rent:		
Electric fittings and fixtures	10,771	3,049
Insurance	4	-
	10,775	3,049
18. Legal expenses		
Lawyer charges	-	-
Court fees & other expenses	-	-
	-	-
19. Postage, stamp, telecommunication, etc		
Postage	1,340	1,668
Telephone (office)	30,168	32,102
	31,508	33,770
20. Stationery, printing, advertisement, etc		
Table stationery	5,804	14,748
Computer stationery	1,522	2,462
Consumption of books and forms	107,101	124,717
	114,427	141,927
21. Depreciation repair and maintenance of fixed assets		
Repairs to fixed assets	-	19,020
Depreciation on fixed assets	142,472	277,541
Maintenance of computer hardware	-	7,488
	142,472	304,049
22. Other expenses		
Newspapers	4,743	4,526
Travelling	19,950	-
Conveyance	7,750	9,933
Entertainment	7,250	12,480
Photocopy expenses	2,227	1,245
Training expenses	269,395	-
Employees recreation	138,126	108,850
House maintenance	165,097	156,000
Promotional expenses	-	96,414
Security and auxiliary service	100,656	52,110
Additional Profit Payable A/C For Islamic Banking	30,952	500,000
I.B. bad debt offsetting reserve	-	1,986,000
Miscellaneous	456,656	21,951
	1,202,802	2,949,509
23. Cash payments for other operating activities		
Rent, tax, insurance, lighting etc.	10,775	3,049
Repairing expenses	-	26,508
Other expenses	1,202,802	2,949,509
	1,213,577	2,979,066

Pubali Bank Limited - Islamic Banking Windows

Notes to the financial Statements for the year ended 31 December 2013

	2013	2012
	Taka	Taka
24. Increase/(decrease) of Other Assets		
Closing Other Assets		
Stationery and stamps	78,598	137,460
Accrued income on investments	2,791,602	3,831,304
Pubali Bank adjustment	79,350,325	-
	<u>82,220,525</u>	<u>3,968,764</u>
Opening Other Assets		
Stationery and stamps	137,460	100,193
Accrued income on investments	3,831,304	1,853,843
	<u>3,968,764</u>	<u>1,954,036</u>
	<u>(78,251,761)</u>	<u>(2,014,728)</u>
25. Cash and Cash Equivalents at the end of the year		
Cash in hand (Including foreign currencies)	2,335,983	2,258,875
Balance with Bangladesh Bank and its agent bank(s)	31,328,776	19,599,763
Balance with other banks and financial institutes	115,932,985	519,680,661
	<u>149,597,744</u>	<u>541,539,299</u>



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Auditor's Report to the shareholders of Pubali Bank Securities Limited

We have audited the accompanying financial statements of Pubali Bank Securities Limited (PBSL) which comprise the financial position as at 31 December 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in Notes 1-22 to the financial statements.

Management's Responsibility for the Financial Statements

Management of PBSL is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2013, and its financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

We also report that:

- we have obtained all the material 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;
- 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;
- the Company's financial position and financial performance dealt with by the report are in agreement with the books of account; and
- the expenditure incurred was for the purposes of the Company's business.

Dated, Dhaka
February 03, 2014


ACNABIN
Chartered Accountants


Pubali Bank Securities Limited

Statement of Financial Position as at 31 December 2013

Annex-F(i)

		Amount in Taka	
		2013	2012
SOURCES OF FUNDS			
	Note		
Share capital	3	1,600,000,000	1,600,000,000
Investment Revaluation reserve	4	84,170,706	-
Retained earnings	5	(856,292,851)	(987,732,993)
Shareholders equity		827,877,855	612,267,007
APPLICATION OF FUNDS			
Non-Current Assets (A)			
Fixed assets	6	2,718,571	3,740,924
Intangible assets	7	315,000	630,000
Membership at cost	8	-	16,000,000
		3,033,571	20,370,924
Current Assets (B)			
Advances, deposits and prepayments	9	921,500	131,500
Advance income tax	10	39,942,230	27,015,588
Investment in securities	11	3,115,479,167	3,040,969,951
Accounts receivable	12	56,425,974	13,116,711
Loan to customers		675,987,457	561,641,512
Preliminary and pre-operation expenses	13	-	-
Deferred tax asset	20	-	40,087,509
Cash and cash equivalents	14	228,108,325	125,774,307
		4,116,864,653	3,808,737,078
Current Liabilities (C)			
Accounts payable	15	197,246,018	131,122,191
Secured overdraft	16	2,133,075,136	2,148,879,459
Provision for investment and clients' margin loan	17	907,470,664	897,460,554
Provision for expenses	18	175,246	188,049
Provision for taxation	19	39,190,742	39,190,742
Deferred tax liabilities	20	14,862,563	-
		3,292,020,369	3,216,840,995
Net Current Assets D=(B-C)		824,844,284	591,896,083
Total Assets (A+D)		827,877,855	612,267,007

Pubali Bank Securities Limited

Statement of Comprehensive Income for the year ended 31 December 2013

Annex-F (ii)

Note	Amount in Taka	
	2013	2012
Operating income		
Revenue from brokerage commission	66,496,941	38,607,896
Interest income	94,166,535	70,002,071
Capital gain from investment in securities	5,645,991	60,215,120
Dividend income	36,412,793	28,202,584
Other operating income	6,326,798	1,393,284
Total operating income (A)	209,049,058	198,420,955
Direct expenses	6,307,786	4,053,744
Operating expenses	21,194,602	299,741,151
Total operating expenses (B)	27,502,388	303,794,895
Operating profit before provision C=(A-B)	181,546,670	(105,373,940)
Less: Provision for diminution in value of investment in shares	-	-
Less: Provision for impairment clients' margin loan	(10,010,110)	(19,346,264)
Operating profit before taxation	171,536,560	(124,720,204)
Current tax expense	-	38,667,419
Deferred tax expense	40,096,418	(21,054,566)
Net profit after tax	131,440,142	(142,333,057)
Other comprehensive income		
Investment Revaluation reserve (Net Off tax)	84,170,706	-
Other comprehensive income for the year	84,170,706	-
Total comprehensive income for the year	215,610,848	(142,333,057)

Pubali Bank Securities Limited

Cash Flow Statement for the year ended 31 December 2013

Annex-F (iii)

	Amounts in Taka	
	2013	2012
A) Cash flows from operating activities		
Net profit during the year	131,440,142	(142,333,057)
Add: Amount considered as non-cash items		
Depreciation & amortization charged	1,348,764	1,367,521
Provision for clients margin loan	10,010,110	19,346,264
Deferred tax expense	40,096,418	(21,054,566)
Provision for tax	-	38,667,419
	51,455,292	38,326,638
Changes in working capital		
(Increase)/decrease in advances, deposits and prepayments	(790,000)	(103,500)
(Increase)/decrease in advance income tax	(12,926,642)	(10,342,241)
(Increase)/decrease in investments in securities	40,515,143	207,245,406
(Increase)/decrease in accounts receivable	(43,231,280)	7,749,632
(Increase)/decrease Revenue stamp payable	2,120	2,290
Increase/(decrease) Payable to SWF	270	1,268
Increase/(decrease) Security Deposit	31,770	(192,230)
(Increase)/decrease Sundry Deposit	-	61,576
(Increase)/decrease in Preliminary and pre-operation expenses	-	4,685,875
(Increase)/decrease in Loans to customers	(114,423,928)	(40,938,234)
Increase/(decrease) in accounts payable	66,089,667	19,831,358
Increase/(decrease) in Provision for expenses	(12,803)	24,454
(Increase)/decrease Payable in transit-clients	-	(4,842,944)
Increase/(decrease) Secured Overdraft	(15,804,323)	(51,071,118)
	(80,550,006)	132,111,592
Net cash flows from/ (used in) operating activities	102,345,428	28,105,173
B) Cash flows from investing activities		
Fixed assets acquisition	(15,410)	(282,873)
Proceeds from sale of Fixed asset	4,000	-
Intangible assets acquisition	-	-
Membership at cost	-	-
Net cash flows from / (used in) investing activities	(11,410)	(282,873)
C) Cash flows from financing activities		
Issue of share capital	-	-
Dividend receipts	-	-
Dividend paid	-	-
Net cash flows from / (used in) financing activities	-	-
D) Net cash increase / (decrease)	102,334,018	27,822,300
E) Cash and cash equivalent at the beginning of the year	125,774,307	97,952,007
F) Cash and cash equivalents at the end of the year	228,108,325	125,774,307

Pubali Bank Securities Limited

Statement of Changes in Equity for the year ended 31 December 2013

Annex-F (iv)

Particulars	Share Capital	Investment Revaluation Reserve	Retained Earnings	Total
Balance as at January 1, 2013	1,600,000,000	-	(987,732,993)	612,267,007
Share capital	-	-	-	-
Pre-operating expenses	-	-	-	-
Profit/(Loss) for the year 2013	-	84,170,706	131,440,142	215,610,848
Balance as at 31December 2013	1,600,000,000	84,170,706	(856,292,851)	827,877,855
Balance as at 31December 2012	1,600,000,000	-	(987,732,993)	612,267,007

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2013

Annex-F (v)

1 Status of the Company

Pubali Bank Securities Limited (PBSL) was incorporated on the 21st June 2010 under the Companies Act, 1994 as a public limited company. It is a subsidiary company of Pubali Bank Limited. Pubali Bank Limited holds all the shares of the company except for thirteen shares being held by thirteen individuals. The Company has been established as per Bangladesh Securities & Exchange Commission's (BSEC) Letter # SEC/Reg/DSE/MB/2009/444 dated 20.12.2009. The company started its operation with effect February 01, 2011. The Registered Office of the Company is situated at A-A Bhaban (7th floor), 23 Motijheel C/A, Dhaka-1000, Bangladesh.

The main objects of the company are to carry on the business of a stock broker and stock dealer house and to buy, sell, and deal in, shares, stocks, debentures, bonds and other securities and to carry on any business as is permissible for a broker and dealer house duly licensed by the Bangladesh Securities & Exchange Commission.

2 Accounting Policies

a) The figures appearing in these Financial Statements have been rounded off to the nearest integer.

b) The Financial Statements, namely, statement of financial position, statement of comprehensive income, Cash Flow Statement, Statement of Changes in Equity and relevant notes thereto, of Pubali Bank Securities Limited are prepared on a going concern and accrual basis under historical cost convention and in accordance with Bangladesh Accounting Standards (BASs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and other laws and rules applicable thereto.

3 Share capital

Authorized capital

50,000,000 Ordinary Shares of Tk. 100/- each.

Amount in Taka	
2013	2012

5,000,000,000 5,000,000,000

Issued, subscribed and paid-up capital

Paid-up Capital 16,000,000 shares of Tk. 100/- each, fully paid.

1,600,000,000 1,600,000,000

4 Investment Revaluation Reserve

Balance at the beginning of the year

Transferred during the year

Deferred tax liability

-	-
99,024,360	-
(14,853,654)	-
84,170,706	-

5 Retained earnings

Balance at the beginning of the year

Pre-operating expenses

Add: Net profit during the year

(987,732,993)	(845,399,936)
-	-
131,440,142	(142,333,057)
(856,292,851)	(987,732,993)

Less: Dividend

Balance at the end of the year

-	-
(856,292,851)	(987,732,993)

6 Fixed assets less depreciation

Furniture and fixture

Computer and computer accessories

Machinery & equipment

2,218,978	2,218,978
2,262,807	2,262,807
872,237	860,827

5,354,022

Less: Accumulated depreciation

5,342,612	5,342,612
(2,635,451)	(1,601,688)

2,718,571 3,740,924

7 Intangible assets

Back office software-Broker

1,050,000 1,050,000

Less: Accumulated amortization

1,050,000 1,050,000

(735,000) (420,000)

315,000 630,000

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2013

Amount in Taka	
2013	2012

The company has received a Trading Entitlement Certificate (TREC) from Dhaka Stock Exchange (DSE) and also from Chittagong Stock Exchange Limited (CSE) against their DSE and CSE memberships as stated in note-8 below. Through these two TRECs are intangible assets, no value has been assigned to, and recorded against, the same. This is because TREC is not a commonly tradable instrument and no purchase/sale transaction has yet occurred after demutualization.

8 Membership at cost

Purchase of DSE membership	-	8,000,000
Purchase of CSE membership	-	8,000,000
	-	<u>16,000,000</u>

The comparative figure of 2012 represents the amount paid for purchasing membership of Dhaka Stock Exchange Limited (DSE) and of Chittagong Stock Exchange Limited (CSE). But as per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Security Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange Ltd. (DSE) allotted total 72,15,106 ordinary Shares and a Trading Right Entitlement Certificate (TREC), and Chittagong Stock Exchange Ltd. (CSE) allotted total 42,87,330 ordinary Shares and a Trading Right Entitlement Certificate (TREC) in favor of the company against the membership of DSE and CSE respectively. Out of the above DSE transferred 2,886,042 shares and CSE transferred 1,714,932 shares at face value of Tk.10.00 each 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. The total allotted shares are shown at face value under the head "Investment in securities" (Note- 11). 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.

9 Advances, deposits and prepayments

Opening balance as at the beginning of the year	131,500	28,000
Add: Advance made during the year	1,567,000	889,491
Less: Adjustment made during the year	(777,000)	(785,991)
Balance as at the end of the year	<u>921,500</u>	<u>131,500</u>

This balance represents advances for other expenses for the Head Office & Gulshan Br.

10 Advance income tax

Opening balance as at the beginning of the year	27,015,588	16,673,347
Advance income tax deducted by DSE on transaction (Broker)	7,388,548	4,289,766
Advance income tax deducted by DSE on transaction (Dealer)	187,238	442,369
Advance income tax deducted by Bnk on interest income	28,935	-
Advance income tax deducted on dividend	5,321,921	5,610,106
	<u>39,942,230</u>	<u>27,015,588</u>

11 Investment in securities

Cost Price		
AB Bank	89,898,718	89,898,718
Bank Asia	12,819,798	11,898,148
Brac Bank	-	5,428,138
City Bank	38,130,537	38,130,537
Dhaka Bank	24,095,639	22,575,673
EBL	7,081,800	6,017,440
Exim Bank	29,411,520	29,411,520
Islami Bank	-	3,900,743
IFIC	18,897,744	18,897,744
Mercan Bank	39,844,689	39,844,689
MTBL	31,800,913	31,239,312
NBL	96,921,976	95,621,266
NCC Bank	32,213,150	32,213,150
Premier Bank	39,003,825	39,003,825
Prime Bank	59,761,325	59,761,325
Shahja Bank	52,585,211	52,273,341
Southeast Bank	35,474,238	33,617,888
Standard Bank	10,757,000	8,943,000
Trust Bank	5,540,894	5,017,494
UCBL	11,869,630	11,679,630
Uttara Bank	31,655,502	31,655,502
DBH	68,481,860	61,859,510
First Lease Finance and Investment Ltd.	2,712,200	2,612,200
Fas Finance & Investment	1,295,578	1,174,828
IDLC	52,537,101	52,537,101
ILFSL	76,825,919	76,825,919
Lanka Bangla Finance	29,491,271	29,933,634
ULC	6,998,502	6,998,502
Sub-Total	906,106,540	898,970,777

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2013

	Amount in Taka	
	2013	2012
B/F	906,106,540	898,970,777
Union Capital	16,107,187	16,107,187
AIBL 1st Islamic Mutual Fund	50,000,000	50,000,000
DBH 1st Mutual Fund	30,784,857	30,784,857
EBL 1st Mutual Fund	1,625,463	1,625,463
Grameen One: Scheme Two	20,375,605	20,375,605
Green Delta Mutual Fund	71,200,865	71,200,865
MBL 1st Mutual Fund	50,000,000	50,000,000
PHP 1st Mutual Fund	50,000,000	50,000,000
Prime 1st ICB MCL Mutual Fund	5,977,600	5,977,600
Aftab Auto	-	9,689,730
Atlas Bangladesh	113,543,620	113,543,620
BSRM Steel	201,153,596	199,572,946
Deshbandhu	7,002,863	7,002,863
Goldenson	26,883,401	26,883,401
Olympic	-	6,110,395
Quashem Drycell	15,356,791	15,356,791
S.Alam Cold Rolled Steels Ltd	7,975,327	7,299,827
Navana CMG	117,213,112	117,213,112
Singer BD	9,333,790	22,223,310
Fine Foods	33,420	34,276,409
DESCO	46,207,912	38,601,762
KPCL	261,860,408	261,860,408
MJLBD	8,334,702	4,637,212
Energy Prima	47,500,000	47,500,000
Jamuna Oil	7,924,990	1,916,700
Padma Oil	6,971,795	14,939,560
Power Grid	5,608,500	-
Summit Power	63,746,155	61,775,695
Titas Gas	121,014,593	152,932,129
Apex Weav	6,501,134	6,501,134
Envoy Textile	6,034,300	-
Generation Next	1,025,450	-
Malek Spinning	62,241,724	62,241,724
Metro Spinning	67,126,678	67,126,678
Beximco Pharma	40,919,924	40,919,924
ACI	18,011,464	17,792,064
Keya Cosmetic	82,774,614	79,277,114
Beacon Pharma	15,333,500	15,333,500
Square Pharma	8,808,721	33,006,622
Saportl	8,999,460	8,999,460
Meghnac Cement	114,426,945	114,426,945
MI Cement	11,849,215	9,419,140
Lafarge Surma Cement	34,470,150	14,071,800
INTECH	6,374,701	6,374,701
BATA Shoe	-	16,853,219
BGIC	27,078,751	27,078,751
Continental Insurance	4,777,350	4,777,350
Central Insurance	-	124,960
Delta Life Insurance	20,024,781	-
Fareast Life Insurance	2,322,515	-
Green Delta Life Insurance	-	2,881,803
Karnaphuli Insurance	-	641,450
Meghna Life Insurance	8,017,635	1,557,900
National Life Insurance	4,889,525	4,877,425
Republic Insurance	-	1,190,000
Pioneer Insurance	4,393,750	-
Pragati Insurance	2,303,205	-
Prime Life Insurance	3,023,110	-
Progressive Life Insurance	853,000	-
Reliance Insurance	912,050	-
Unique Hotel & Resort Ltd	80,000,000	80,000,000
United Airways(BD) Ltd	65,503,454	65,503,454
BEXIMCO	21,614,609	21,614,609
Sub-Total	3,000,454,807	3,040,969,951

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2013

	Amount in Taka	
	2013	2012
B/F	3,000,454,807	3,040,969,951
Stock Exchange Shares		
Dhaka Stock Exchange Ltd.	72,151,060	-
Chittagong Stock Exchange Ltd.	42,873,300	-
Sub-Total	115,024,360	-
Total Cost price	3,115,479,167	3,040,969,951

This represents total face value of the shares allotted by DSE and CSE in favor of the company against the DSE and CSE memberships. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Security 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 Chittagong Stock Exchange Ltd. (CSE) allotted total 42,87,330 ordinary Shares at face value of Tk.10.00 each against the membership of DSE and CSE respectively. Out of the above DSE transferred 2,886,042 shares and 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.

12 Accounts receivable		
Receivable from Pubali Bank	77,983	77,983
Receivable from DSE (Broker)	35,217,126	681,678
Receivable from DSE (Dealer)	-	5,351
Dividend income receivable	9,411,625	-
Receivable from clients	11,719,240	12,351,699
	56,425,974	13,116,711
13 Preliminary and Pre-operation Expenses		
Opening balance as at the beginning of the year	-	4,685,875
Paid to CDBL for DP Name Change	-	-
Less: Written off during the year	-	(4685875)
	-	-
14 Cash and cash equivalent		
Cash in hand	-	-
Cash at Bank :		
Pubali Bank Ltd. A/C-355590103401-2 Consolidated customer A/C	22,121,858	14,082,099
Pubali Bank Ltd. A/C-355590103402-7 Customers Security Deposit	2,949,390	2,917,620
Pubali Bank Ltd. A/C-355590103403-1 Other Income	28,970	22,170
Pubali Bank Ltd. A/C-2905901042303 Income& Expenditure A/C	-	1,025,559
Pubali Bank Ltd. A/C-29051020993 Sundry Deposit Account	258,253	246,979
Pubali Bank Ltd. A/C-290590101901 Documentation fee	11,680	29,107
Pubali Bank Ltd. A/C-565901023491 Consolidated customer (Gulshan Branch) A/C	815,000	-
Pubali Bank Ltd. A/C-2905901042400 Vat A/C	15	-
Pubali Bank Ltd. A/C-2905901042129 Consolidated customer A/C	178,220,587	105,772,715
Pubali Bank Ltd. A/C-2905901042114 Dealer A/C	6,775,770	967,606
Pubali Bank Ltd. A/C -290510201047 Income& Expenditure A/C	16,926,802	710,452
	228,108,325	125,774,307
15 Accounts payable		
Payable to DSE broker	34,131	33,702,779
Payable to DSE dealer	-	12,561
Payable for CDBL	2,769,919	2,787,327
Payable to clients	189,464,496	85,482,209
Security deposit	2,949,390	2,917,620
Payable to software provider	461,789	461,789
VAT payable	28,887	33,845
TAX payable	206,251	179,461
Revenue stamp payable	4,410	2,290
SWF payable	1,538	1,268
Payable to Pubali Bank	850,000	-
Incentive bonus payable	-	131,000
Salary and allowance payable	12,123	-
Rent expense payable	-	4,975,692
Legal fees payable	267,200	250,000
Auditor's fee payable	115,000	104,500
Stationery, printing, advertisement payable	12,308	774
Payable to suppliers	7,000	17,500
Sundry deposits	61,576	61,576
	197,246,018	131,122,191

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2013

	Amount in Taka	
	2013	2012
16 Secured overdraft		
Balance at the beginning of the year	2,148,879,459	2,199,950,577
Add: Loan taken during the year	34,195,677	551,998,126
Less: Repayment of loan during the year	(50,000,000)	(603,069,244)
Balance at the end of the year	2,133,075,136	2,148,879,459
17 Provision for investment and clients' margin loan		
Provision for diminution in value of investment (note 17.1)	878,114,290	878,114,290
Provision for impairment of clients' margin loan (note 17.2)	29,356,374	19,346,264
	907,470,664	897,460,554
17.1 Provision for diminution in value of investment		
Opening balance	878,114,290	878,114,290
Add: Provision made during the year	-	-
	878,114,290	878,114,290
17.2 Provision for impairment of clients' margin loan		
Opening Balance	19,346,264	-
Add: Provision made during year	10,010,110	19,346,264
20% provision for unrealized loss arising out of year end (31/12/13) revaluation of shares purchased.	29,356,374	19,346,264
As per derivative no. SEC/CMRRCD/2009-193/155 dated 09 December 2013 of Bangladesh Securities and Exchange Commission, 20% provision can be made for unrealized loss arising of the year end (31-12-2013) revaluation of shares purchased as dealer.		
18 Provision for expenses		
Provision for electricity expense (note-18.1)	30,871	46,050
Provision for postage, stamp, telecommunication etc. (note-18.2)	36,667	39,272
Provision for other expenses (note-18.3)	107,708	102,727
	175,246	188,049
18.1 Provision for electricity expense		
Balance at the beginning of the year	46,050	77,150
Provision made during the year	7,000	46,050
Settlement during the year	(22,179)	(77,150)
Balance at the year end	30,871	46,050
18.2 Provision for postage, stamp, telecommunication etc.		
Balance at the beginning of the year	39,272	24,214
Provision made during the year	29,184	39,272
Settlement during the year	(31,789)	(24,214)
Balance at the year end	36,667	39,272
18.3 Provision for other expenses		
Balance at the beginning of the year	102,727	62,230
Provision made during the year	95,374	102,539
Settlement during the year	(90,393)	(62,042)
Balance at the year end	107,708	102,727
19 Provision for taxation		
Balance at the beginning of the year	39,190,742	523,323
Provision made during the year (note-19.1)	-	38,667,419
Settlement during the year	-	-
Balance at the end of the year	39,190,742	39,190,742
19.1 Current tax expenses		
Provision made during the year	-	15,625,944
Prior year adjustment	-	23,041,475
	-	38,667,419
20 Deferred tax		
Balance at the beginning of the year	(40,087,509)	(19,032,943)
Provision made during the year	40,096,418	(21,054,566)
Provision adjusted during the year	-	-
Closing balance	8,909	(40,087,509)
Adjustment for deferred tax liability for investment revaluation reserve	14,853,654	-
Deferred tax liabilities/ (assets)	14,862,563	(40,087,509)
21 Interest income		
Interest on margin loan	94,166,535	70,002,071
	94,166,535	70,002,071

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2013

		Amount in Taka	
		2013	2012
22	Other operating income		
	BO opening charge, margin documentation fees, cheque bounce charge	336,771	92,683
	Revenue from CDBL charge and annual maintenance fees other income	1,011,140	1,064,793
	Others income from excess provision	4,978,887	235,808
		6,326,798	1,393,284
23	Direct expenses		
	Howla and laga charges	3,529,703	2,259,258
	CDBL expense	2,772,083	1,788,486
	CDS connection fee	6,000	6,000
		6,307,786	4,053,744
24	Operating expenses		
	Salary and allowances	16,959,214	16,566,259
	Rent expense	189,466	2,759,500
	Electricity & electric fittings expense	136,047	166,098
	Postage, stamp, telecommunication etc.	295,154	298,671
	Directors' fees	184,000	322,000
	Stationery, printing, advertisement expense	229,748	417,509
	Repairs of machinery and equipment	121,606	41,798
	Depreciation & amortization charge	1,348,764	1,367,521
	Auditor's fee	125,500	209,000
	Interest expense	-	270,425,685
	Legal fees	167,200	869,125
	Newspapers & periodicals	9,972	22,495
	Fuel expense	32,410	70,450
	Overtime allowance	148,550	123,351
	Travelling allowance	9,445	20,300
	Maintenance of bank premises	40,232	28,188
	DSE charge	16,438	18,312
	Subscription	5,000	5,000
	Conveyance charge	67,714	125,470
	Entertainment expense for office & clients	349,814	348,149
	Internet connection fee	34,500	33,437
	Car maintenance	-	30,000
	Bandwidth service charge	298,200	340,800
	Renewal & registration expense	71,515	82,915
	Water & sewerage	75,951	80,924
	Miscellaneous expense	278,162	282,319
	Write off of preliminary expenses	-	4,685,875
		21,194,602	299,741,151

Annex-G

ACCOUNTANT'S REPORT TO THE MEMBERS OF
PUBALI EXCHANGE COMPANY (UK) LTD
FOR THE YEAR 01 JANUARY 2013 TO 31 DECEMBER 2013

In accordance with instructions given to us we have verified the financial statements for the company for the period 01 January 2013 to 31 December 2013. The Accounts have been prepared in accordance to the special provisions of part 15 of the Companies Act 2006. The director of the company has confirmed that the company is entitled to exemption from audit under section 477(2) of the Companies Act 2006, and as a result no audit has been carried out. The financial statements on pages 2 to 5 are therefore based on the information shown in the accounting records and on the information supplied and explanations given to us by the director.

Mudabbir Hussain & Co.

MUDABBIR HUSSAIN & CO
Chartered Accountants (ICAB) and Tax Advisers
203 Mile End Road
London, E1 4AA

Pubali Exchange Company (UK) Ltd

Statement of Financial Position as at 31 December 2013

Annex-G(I)

Assets	Note	Amounts	Amounts	Amounts
		(GBP)	(Taka)	(Taka)
		2013		2012
Non-current Assets				
Preliminary expenses	2	17,879	2,287,618	2,802,228
Tangible assets	3	16,709	2,137,917	2,618,663
Total Non-current Assets		34,588	4,425,535	5,420,891
Current Assets				
Cash at bank	4	28,484	3,644,528	20,311,555
Cash in hand		28,394	3,633,012	62,167
Total Current Assets		56,878	7,277,540	20,373,722
Total Assets		91,466	11,703,075	25,794,613
Equity and Liabilities				
Capital and Reserves				
Paid up capital		235,417	27,837,981	25,395,451
Accumulated loss		(209,570)	(25,655,900)	(20,282,349)
Foreign currency translation reserve		-	1,125,043	1,183,741
Total Equity		25,847	3,307,124	6,296,843
Current Liabilities				
Payments in transit		59,357	7,594,728	18,735,174
Customs and excise		1,688	215,980	147,694
Provision for expenses		-	-	607,371
Other payables		4,574	585,243	7,531
Total Current Liabilities		65,619	8,395,951	19,497,770
Total Equity and Liabilities		91,466	11,703,075	25,794,613

Pubali Exchange Company (UK) Ltd.

Statement of Comprehensive Income for the year ended 31 December 2013

Annex-G (ii)

Note	Amounts (GBP)	Amounts (Taka)	Amounts (Taka)	
	2013		2012	
Commission income	5	75,280	9,303,396	6,195,862
Employee benefits expense		(45,981)	(5,682,511)	(7,311,684)
Depreciation & amortisation	6	(7,878)	(973,594)	(1,273,839)
Other expenses	7	(64,902)	(8,020,842)	(7,009,945)
Profit before income tax		(43,481)	(5,373,551)	(9,399,606)
Income tax expense		-	-	-
Net profit/(loss) for the period		(43,481)	(5,373,551)	(9,399,606)
Other comprehensive income		-	-	-
Other comprehensive income - net of tax		-	-	-
Total comprehensive income/(loss)		(43,481)	(5,373,551)	(9,399,606)

Pubali Exchange Company (UK) Ltd.

Statement of Cash Flow for the year ended 31 December 2013

Annex-G (iii)

	Amounts (GBP)	
	2013	2012
A) Cash flows from operating activities		
Profit/(loss) before income tax	(43,481)	(73,642)
Adjustment for non cash activities		
Depreciation and Amortization:		
Depreciation	3,805	4,981
Amortisation	4,073	4,999
Operating profit before working capital changes	(35,603)	(63,662)
Increase / (decrease) in trade and other payables	(87,078)	20,381
Cash flows generated from operations	(122,681)	(43,281)
Income tax paid	-	-
Interest received	-	-
Preliminary expenses	-	-
Net Cash from/(used in) operating activities	(122,681)	(43,281)
B. Cash flows from investing activities		
Purchase of fixtures, fittings & equipment	-	-
Net Cash from/(used in) investing activities	-	-
C. Cash flows from financing activities		
Issue of share capital	20,000	60,000
Net cash from/(used in) financing activities	20,000	60,000
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	(102,681)	16,719
E. Opening cash and cash equivalents	159,559	142,840
F. Closing cash and cash equivalents (C+D+E)	56,878	159,559

Pubali Exchange Company (UK) Ltd

Statement of Changes in Equity for the ended 31 December 2013

Annex-G (iv)

(Amounts in GBP)

Particulars	Share Capital	Accumulated Profit/(Loss)	Total
Balance at 1 January 2013	215,417	(166,089)	49,328
Issued and Paid-up	20,000	-	20,000
Total comprehensive income/(loss) for the year ended Dec. 2013	-	(43,481)	(43,481)
Balance at 31 Dec. 2013	235,417	(209,570)	25,847
Balance at 31 Dec. 2012	215,417	(166,089)	49,328

Pubali Exchange Company (UK) Ltd

Notes to the financial statements for the year ended 31 December 2013

Annex-G (v)

General

1 Status of the Company

Pubali Exchange Company (UK) Ltd. was incorporated on the 22 March, 2010 with the Registrar of Companies for England and Wales under the Companies Act 2006 with Company No.7197488. The Company received Certificate of Registration for Money Laundering Regulation (MLR) No.12589712 issued by HM Customs & Excise, UK on 10 June 2010. Financial Services Authority (FSA), UK has approved registration of Pubali Exchange Company (UK) Ltd. with effect from 3 December, 2010. The Registration Number is PSD/522085. The Company has started its operation from January, 2011.

The main objective of the company is to facilitate the Bangladeshi expatriates living and working in the UK to route their remittances through legal channel in a speedy and safe way to their families and dear & near one.

1 Accounting Policies

(a) Accounting Conventions

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Turnover

Turnover represents the amount of commission received from money transmitting services.

(c) Depreciation

Depreciation is provided @ 20% on reducing balance basis.

(d) Amortization

Amortization is provided @ 20% on Straight Line basis.

2 Preliminary expenses

Pre-operating expenses

Add: Additions for Inaugural ceremony expenses

Gift & Souvenir

Accessory

Postage

Photography

Transport & Taxi Hire

Decoration & Cake

Hall Hire

Catering

Advertising

Total addition in this period

Grand total

Less:20% Amortization for the period

At 31 December 2013

Amounts (GBP)	Amounts (GBP)
2013	2012
21,952	26,951
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
21,952	26,951
(4,073)	(4,999)
17,879	21,952

Pubali Exchange Company (UK) Ltd

Notes to the financial statements for the year ended 31 December 2013

	Amounts (GBP) 2013	Amounts (GBP) 2012
3 Tangible assets		
Fixtures, fittings & equipment:		
Cost		
Balance at the beginning of the period	31,363	31,363
Additions	-	-
Balance at the end of the period	31,363	31,363
Depreciation		
Balance at the beginning of the period	(10,849)	(5,868)
Charges for the period	(3,805)	(4,981)
Balance at the end of the period	(14,654)	(10,849)
Net book value at 31.12.2013	16,709	20,514
4 Cash at Bank		
Sonali Bank- Client A/C	28,484	-
Barclays Bank-Client A/C	-	146,722
Barclays Bank-Office A/C	-	12,394
	28,484	159,116
5 Commission income	75,280	48,542
Commission income represents the amount of commission received from money transmitting services.		
6 Depreciation & Amortization		
Depreciation	3,805	4,981
Amortization	4,073	4,999
	7,878	9,980
7 Other expenses		
Advertising and PR	417	844
Rent, rate, insurance & water	26,481	26,463
Light and heat	896	587
Telephone, fax & internet	1,858	1,411
Printing, postage and stationery	528	793
Fees & renewals	1,401	609
Bank charges	28,336	21,050
Computer & software	-	212
Repair & maintenance	437	233
Accountancy fees	2,080	1,680
Travel and subsistence	2,468	1,038
	64,902	54,920

World-wide list of Exchange Companies/Bank for sending remittance through Pubali Bank Limited

- Bahrain** : Bahrain India International Exchange Co., Nonoo Exchange Co., Zenj Exchange Co. WLL
- KSA** : Al Rajhi Banking & Investment Corporation, Bank Al Bilad, Al Amoudi Exchange.
- Kuwait** : Al Mulla International Exchange, Al Muzaini Exchange Co., Bahrain Exchange Company, City International Exchange Co., Dollarco Exchange Co., Oman Exchange Company, Security Exchange Company, UAE Exchange Centre WLL.
- Malaysia** : NBL Money Transfer Sdn. Bhd., IME (M) Sdn. Bhd.
- Oman** : Oman & UAE Exchange Centre, Oman International Exchange, Purshottam Kanji Exchange Co., Gulf Overseas Exchange Co., Laxmidas Tharia Ved (Exchange) Co., Modern Exchange Company, Musandam Exchange, Mustafa Sultan Exchange Co., Hamdan Exchange.
- Qatar** : Al Mana Exchange, Al Zaman Exchange, Arabian Exchange Company, Eastern Exchange Est., Gulf Exchange Company, Habib Qatar International Exchange, National Exchange Company, Trust Exchange Co.
- Singapore** : NBL Money Transfer Pte. Ltd., Prime Exchange Pte. Ltd.
- UAE** : Al Ahalia Money Exchange Bureau, Al Ansari Exchange, Al Falah Exchange, Al Ghurair Exchange Company, Al Mona Exchange Co., Al Rostamani International Exchange, Alfa Exchange, Habib Exchange Co., Lari Exchange Establishment, National Exchange Company, UAE Exchange Centre, UAE Exchange Centre (Xpress Money), Economic Exchange Centre, Emirates India International Exchange, Multinet Trust Exchange, Redha Al Ansari Exchange Est., Universal Exchange Centre, Wall Street Exchange Centre, Sharaf Exchange LLC.
- UK** : Pubali Exchange Company (UK) Limited, Orchid Money Transfer Limited, Wall Street Forex London Limited, K.F. Enterprises Money Transfer, KMB Enterprises, K.S. Enterprises.
- USA** : Trans-Fast Remittance LLC, Wall Street Finance LLC, Prabhu Group Inc. (d/b/a Prabhu Money Transfer), Placid NK Corporation (DBA Placid Express).
- Global** : Western Union Network (France) SAS.

BRANCH NETWORK

Name of the Regions/Branches	District	Name of the Regions/Branches	District
Corporate Branches		Dhaka Central Zone	
Principal	Dhaka	Malibagh	Dhaka
Motijheel	Dhaka	Laboratory Road	Dhaka
Foreign Exchange	Dhaka	Dhaka Railway Station	Dhaka
B.B. Avenue	Dhaka	Shahbagh Avenue	Dhaka
Dhaka Stadium	Dhaka	R.K. Mission Road	Dhaka
Kawran Bazar	Dhaka	Bashaboo	Dhaka
Mohakhali	Dhaka	Nayapalton	Dhaka
CDA	Chittagong	Dhaka Shishupark	Dhaka
Agrabad	Chittagong	Shantinagor	Dhaka
Dhaka North Zone		Goran Bazar	Dhaka
Farmgate	Dhaka	Sonargaon Road	Dhaka
Asad Avenue	Dhaka	Moghbazar	Dhaka
Mohammadpur	Dhaka	Fakirapool Bazar	Dhaka
Satmosjid Road	Dhaka	Rampura	Dhaka
Savar	Dhaka	New Market	Dhaka
Tejgaon	Dhaka	Elephant Road	Dhaka
Gulshan Model Town	Dhaka	Hotel Osmani International	Dhaka
International Airport	Dhaka	Shipahibagh Bazar	Dhaka
Chiriakhana Road	Dhaka	Dhaka South Zone	
Mirpur	Dhaka	Moghaitully	Dhaka
Kafrul	Dhaka	Peelkhana	Dhaka
Shewrapara	Dhaka	Bar Library	Dhaka
Agri Culture Complex	Dhaka	Nawabpur Road	Dhaka
Sonargaon Hotel	Dhaka	Bangshal	Dhaka
Banani	Dhaka	Nazimuddin Road	Dhaka
Progati Sarani	Dhaka	Sadarghat	Dhaka
Ashulia	Dhaka	Chawk bazar	Dhaka
Panthapath	Dhaka	Jhonson Road	Dhaka
Kuril Bishwa Road	Dhaka	Babu Bazar	Dhaka
Uttara Model Town	Dhaka	Sutrapur	Dhaka
Baridhara	Dhaka	Begum Bazar	Dhaka
Banasree	Dhaka	Islampur	Dhaka
Pallabi	Dhaka	Imamgonj	Dhaka
Dakshin Khan	Dhaka	Nayabazar	Dhaka
Kaligonj	Gazipur	Komorgonj	Dhaka
Kashimpur	Gazipur	Dolaipar	Dhaka
Tongi	Gazipur	Ati Bazar	Dhaka
Joydevpur	Gazipur	Dania	Dhaka
Daulatpur	Manikgonj		
Manikgonj	Manikgonj		
Singair	Manikgonj		

BRANCH NETWORK

Name of the Regions/Branches	District	Name of the Regions/Branches	District
Narayangonj Zone			
Narayangonj	Narayangonj	Bibirhat	Chittagong
Tanbazar	Narayangonj	Dharmapur	Chittagong
Kalirbazar	Narayangonj	Nanupur	Chittagong
Araihazar	Narayangonj	Madhunaghat	Chittagong
Duptara	Narayangonj	Rangunia	Chittagong
Shibu Market	Narayangonj	Raozan	Chittagong
Netaigonj	Narayangonj	Katirhat	Chittagong
Charsindur	Narsingdi	Chittagong South Zone	
Ghorashal	Narsingdi	Pahartali	Chittagong
Narsingdi	Narsingdi	Anowara	Chittagong
Madhabdi	Narsingdi	Hadipara	Chittagong
Palash	Narsingdi	Lohagora	Chittagong
Munshigonj	Munshigonj	North Potenga	Chittagong
Aldibazar	Munshigonj	E.P.Z.	Chittagong
Nurpur	Munshigonj	Shilberhat	Chittagong
Dhalagaon	Munshigonj	Sadarghat	Chittagong
Gazaria	Munshigonj	Port	Chittagong
Bhaberchar	Munshigonj	Patiya	Chittagong
Naopara	Munshigonj	Shantirhat	Chittagong
Sreenagar Bazar	Munshigonj	Shaikh Mujib Road	Chittagong
Chittagong North Zone		Kadamtali	Chittagong
Pathergata	Chittagong	Sandwip	Chittagong
Old Church Compound	Chittagong	Banshkhali	Chittagong
Korbanigonj	Chittagong	Satkania	Chittagong
Industrial Area	Chittagong	Chandanaish	Chittagong
Chawk Bazar	Chittagong	Padua	Chittagong
Terribazar	Chittagong	Mithachara Bazar	Chittagong
Kulgaon	Chittagong	Baratakia Bazar	Chittagong
Khatungonj	Chittagong	Reazuddin Bazar	Chittagong
Aman Bazar	Chittagong	Halishahor	Chittagong
Laldighi East	Chittagong	Keranihat	Chittagong
Asadgonj	Chittagong	Shitakundo SME/Krishi	Chittagong
Chaktai	Chittagong	Baroiarhat	Chittagong
Anderkilla	Chittagong	Cox's Bazar	Cox's Bazar
College Road	Chittagong	Moiscal	Cox's Bazar
Bahadderhat	Chittagong	Ukhiya	Cox's Bazar
Mehdibagh	Chittagong	Chokaria	Cox's Bazar
Hathazari	Chittagong	Hill Tracts Zone	
Ranirhat	Chittagong	Rangamati	Rangamati
Nazirhat	Chittagong	Khagrachari	Khagrachari
		Bandarban	Bandarban

BRANCH NETWORK

Name of the Regions/Branches	District	Name of the Regions/Branches	District
Sylhet East Zone			
Asirgonj Bazar	Sylhet	Chhatak	Sunamgonj
Bondar Bazar	Sylhet	Derai	Sunamgonj
Baroigram Bazar	Sylhet	Gobindagonj	Sunamgonj
Beani Bazar	Sylhet	Jagannathpur	Sunamgonj
Budhbari Bazar	Sylhet	Jamalganj	Sunamgonj
Chandarpur Bazar	Sylhet	Jawa Bazar	Sunamgonj
Chowdhury Bazar	Sylhet	Pagla Bazar	Sunamgonj
Chowkidekhi	Sylhet	Rasulgongj	Sunamgonj
Darbost	Sylhet	Sriramshi Bazar	Sunamgonj
Dargagate	Sylhet	Sunamgonj	Sunamgonj
Dhaka Dakshin	Sylhet		
Fenchugonj	Sylhet	Moulvibazar Zone	
Gachhbari Bazar	Sylhet	Kamalgonj	Moulvibazar
Golapgonj	Sylhet	Dakshinbagh	Moulvibazar
Gowalghat	Sylhet	Juri	Moulvibazar
Hetingonj	Sylhet	Shamsernagar	Moulvibazar
Kadamtali	Sylhet	Moulvi Bazar	Moulvibazar
Kalighat Road	Sylhet	Sreemongal	Moulvibazar
Kaligonj	Sylhet	WAPDA Gate	Moulvibazar
Kanalghat	Sylhet	Kulaura	Moulvibazar
Mirgonj Bazar	Sylhet	Baralekha	Moulvibazar
Mohila College	Sylhet	Brahman Bazar	Moulvibazar
Mokam Bazar	Sylhet	Adampur Bazar	Moulvibazar
Shahjalal Upashahar	Sylhet	Chowmohona	Moulvibazar
Shahgali Bazar	Sylhet	Sherpur Bazar	Moulvibazar
Shahi Eidgah	Sylhet	Tengra Bazar	Moulvibazar
Shahparan Gate	Sylhet	Jogidahar	Moulvibazar
Sylhet Main	Sylhet	Rabir Bazar	Moulvibazar
Zakigonj	Sylhet	Syedpur Bazar	Habigonj
		Ajmerigonj	Habigonj
Sylhet West Zone	Sylhet	Gazipur	Habigonj
Balagonj	Sylhet	Baniachong	Habigonj
Baraikandi	Sylhet	Nabigonj	Habigonj
Biswanath	Sylhet	Dharmaghar	Habigonj
Daspalka Bazar	Sylhet	Sutang Bazar	Habigonj
Gowala Bazar	Sylhet	Habigonj	Habigonj
Technical Road	Sylhet	Town Masjid Road	Habigonj
Jalalpur	Sylhet	Bar Library	Habigonj
Tajpur	Sylhet	Chunarughat	Habigonj
Stadium	Sylhet	Shaistagonj	Habigonj
Lalabazar	Sylhet	Madhabpur	Habigonj
Pathantula	Sylhet	Guningonj Bazar	Habigonj
Singerkatch Bazar	Sylhet	Gajnaipur Bazar	Habigonj

BRANCH NETWORK

Name of the Regions/Branches	District	Name of the Regions/Branches	District
Putijuri	Habigonj	Dagon Bhuiyan	Feni
Razar Bazar	Habigonj	Maijdee Court	Noakhali
Comilla Zone		Samir Munshirhat	Noakhali
Comilla Main	Comilla	Chaumuhani	Noakhali
Victoria College	Comilla	Afazia Bazar	Noakhali
Zilla Parishad	Comilla	Thanarhat Bazar	Noakhali
Daulatgonj	Comilla	Bashurhat	Noakhali
Cheora	Comilla	Datterhat	Noakhali
Chawk Bazar	Comilla	Laxmipur	Laxmipur
Meah Bazar	Comilla	Rajpur	Laxmipur
Dollai Nawabpur	Comilla	Ramgonj	Laxmipur
Bangodda Bazar	Comilla	Mirerhat	Laxmipur
Paduar Bazar	Comilla	Mymensingh Zone	
Gouripur Bazar	Comilla	Mymensingh (Main)	Mymensingh
Doulkhar Bazar	Comilla	Swadeshi Bazar	Mymensingh
Maynamati	Comilla	Taitola Bazar	Mymensingh
Debidwar	Comilla	Darirampur	Mymensingh
Daudkandi	Comilla	University Campus	Mymensingh
Chouddagram	Comilla	Charpara	Mymensingh
Chhangarchar	Chandpur	Mukttagacha	Mymensingh
Rampur Bazar	Chandpur	Kishorgonj	Kishorgonj
Chandpur	Chandpur	Bhairab Bazar	Kishorgonj
Motlab bazar	Chandpur	Kamalpur	Kishorgonj
Ashrafpur Bazar	Chandpur	Netrokona (Town)	Netrokona
Gridakalindia Bazar	Chandpur	Madan	Netrokona
Hajigonj	Chandpur	Jamalpur	Jamalpur
Kachua	Chandpur	Nandina Bazar	Jamalpur
Nayergaon Bazar	Chandpur	Bakultala	Jamalpur
Natun bazar	Chandpur	Sarishbari	Jamalpur
Brahmanbaria	Brahman baria	Sherpur Town	Sherpur
Akhaura	Brahman baria	Pathrail Bazar	Tangail
Ashugonj	Brahman baria	Tangail Main	Tangail
Sarak Bazar	Brahman baria	Akur Takur	Tangail
Kuti Bazar	Brahman baria	Gopalpur	Tangail
Noakhali Zone		Zilla Sarak	Tangail
Feni (Main)	Feni	Pakutia	Tangail
Sonagazi	Feni	Karatia	Tangail
Kazirhat	Feni	Bhalghat Bazar	Tangail
Feni Bazar	Feni	Rajshahi Zone	
Chhagalnaiya	Feni	Rajshahi	Rajshahi
Fulgazi	Feni	New Market	Rajshahi
Bangla Bazar	Feni	Sericulture	Rajshahi

BRANCH NETWORK

Name of the Regions/Branches	District	Name of the Regions/Branches	District
Katakhali Bazar	Rajshahi	Khulna Zone	
Natore	Natore	Upper Jessore Road	Khulna
Kushumbi Kaligonj	Natore	Khulna Main	Khulna
Chapai Nawabgonj	Chapai Nawabgonj	Batiaghata	Khulna
Moharajpur	Chapai Nawabgonj	Khalishpur	Khulna
Pabna	Pabna	Doulatpur	Khulna
Salgaria	Pabna	Mirerdanga	Khulna
Ataikula	Pabna	Sheikhpara Bazar	Khulna
Maligacha	Pabna	Kayerbazar	Khulna
Ishurdi	Pabna	Phultala	Khulna
Sirajgonj	Sirajgonj	Bagerhat	Bagerhat
Khamargram	Sirajgonj	Mongla	Bagerhat
Tarash	Sirajgonj	Satkhira	Satkhira
Satmatha	Bogra	Patkelghata	Satkhira
Chelopara	Bogra	Meherpur	Meherpur
Bogra	Bogra	Kushtia	Kushtia
Murail SME/Krishi	Bogra	Bheramara	Kushtia
Santahar	Bogra	Chuadanga	Chuadanga
Jaipurhat	Jaipurhat	Saratgonj	Chuadanga
Jamalgonj	Jaipurhat	Alukdia Bazar	Chuadanga
Naogaon	Naogaon	Alamdanga	Chuadanga
Mohadevpur	Naogaon	Jessore	Jessore
Deluabari	Naogaon	Noapara Bazar	Jessore
Rangpur Zone		Benapole	Jessore
Rangpur	Rangpur	Navaran Bazar	Jessore
Station Road	Rangpur	Narail	Narail
Shapla Chattar	Rangpur	Jhenaidah	Jhenaidah
Kurigram	Kurigram	Magura	Magura
Fulbari	Kurigram	Barisal Zone	
Gaibandha	Gaibandha	Barisal	Barisal
Mahimagonj	Gaibandha	Madhabpasha	Barisal
Park Road	Gaibandha	Shahid Minar	Barisal
Gobindagonj	Gaibandha	Babugonj	Barisal
Parbatipur	Dinajpur	Mehendigonj	Barisal
Dinajpur	Dinajpur	Bazar Road	Barisal
Fulbari	Dinajpur	Hospital Road	Barisal
Lalmonirhat	Lalmonirhat	Hizla	Barisal
Tushbander	Lalmonirhat	Muladi	Barisal
Nilphamari	Nilphamari	Pirojpur	Pirojpur
Saidpur	Nilphamari		
Shutibari	Nilphamari		
Thakurgaon (Town)	Thakurgaon		
Thakurgaon Road	Thakurgaon		
Thakurgaon Road	Thakurgaon		
Panchagarh	Panchagarh		

BRANCH NETWORK

Name of the Regions/Branches	District	Name of the Regions/Branches	District
Nazirpur	Pirojpur	Patuakhali	Patuakhali
Matbaria	Pirojpur	Golachipa	Patuakhali
Bhandaria	Pirojpur	Subidkhali	Patuakhali
Sarshina	Pirojpur	Barguna	Barguna
Mearhat	Pirojpur	Bamna	Barguna
Sariatpur	Sariatpur	Kanaipur	Faridpur
Naria SME/Krishi	Shariatpur	Bhanga	Faridpur
Rajapur	Jhalakhathi	Faridpur	Faridpur
Nalcity	Jhalakhathi	Sadarpur	Faridpur
Jhalakathi	Jhalakhathi	Gopalgonj	Gopalgonj
Bhola	Bhola	Madaripur	Madaripur
Charfashion	Bhola	Rajbari	Rajbari
Kalaiya Bandar	Patuakhali	Pangsha SME/Krishi	Rajbari

Pubali Bank Securities Limited

(A Subsidiary Company of Pubali Bank Limited)
 A-A Bhaban (7th Floor)
 23 Motijheel C/A, Dhaka-1000
 Tel: 7165243, 7173282, Fax: 880-2-7171783
 E-mail: pblsecurities@gmail.com

Pubali Exchange Company (UK) Limited

(Fully Owned Subsidiary of Pubali Bank Limited, Bangladesh)
 03 Old Montague Street, London, E1 5NL, UK
 Tel: 02072472355, Fax: 02072471718
 E-mail: publixchangeuk@pubalibankbd.com

PUBALI BANK LIMITED
Registered office
26, Dilkusha C/A, Dhaka-1000

PROXY FORM

I/We
Address: being the Shareholder
Member of Pubali Bank Limited do hereby appoint Mr./Ms. as my/our
Proxy to attend and vote on my/our behalf at the 31st Annual General Meeting of the Bank to be held on 25th March, 2014 at
10.30 a.m. at the Bashundhara Convention Center, Baridhara, Dhaka.

As wished, I/We have attested Signature of the Proxy Holder on day of 2014.

.....
Signature of the Shareholder (s)

Revenue
Stamp
Tk. 20.00

.....
Signature of the Proxy

No. of Shares held

Folio No.

BO ID No.

N.B. Important

1. A Member entitled to attend and vote at the 31st Annual General Meeting (AGM) may appoint a proxy to attend on his/her behalf.
2. The Proxy Form, duly completed, must be submitted at the Company's Registered Office at least 48 hours before (i.e. by 10.30 a.m. 23rd March, 2014) the time fixed for AGM. Proxy is invalid if not signed and stamped as explained above.
3. Signature of the Shareholder(s) should agree with the Specimen Signature recorded with the Company.

PUBALI BANK LIMITED
Registered office
26, Dilkusha C/A, Dhaka-1000

ATTENDANCE SLIP

I/We hereby record my/our presence at the 31st Annual General Meeting (AGM) held on 25th March, 2014 at 10.30 a.m. at the Bashundhara Convention Center, Baridhara, Dhaka.

Name of the Shareholder(s)

Name of the Proxy Holder

No. of Shares held

Folio No.

BO ID No.

.....
Signature of the Shareholder(s)

.....
Signature of the Proxy Holder

Notes: Please present this slip at the Reception Desk. Children and non-Shareholders will not be allowed at the Meeting.