

Annual Report 2015



পূবালী ব্যাংক লিমিটেড
PUBALI BANK LIMITED

Annual Report 2015



PUBALI BANK LIMITED

Head Office

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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 my pleasure to transmit the Annual Report 2015 of Pubali Bank Limited alongwith the consolidated balance sheet of its subsidiary company Pubali Bank Securities 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 company.

The Annual Report 2015 is testimonial of strength, soundness and capability of moving forward through consistent progress in all parameters of the Bank in the year 2015. I would like to convey my thanks and gratitude to all concerned.

Yours Sincerely



(Md. Sayeed Sikder)
General Manager &
Company Secretary

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.

Forward Looking Statement

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

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

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

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

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

Strategic Priority

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 shareholder 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 Profile

Registered Name	Pubali Bank Limited
Legal Status	Public Limited Company
Date of Incorporation	30 June 1983
Date of Commencement of Business	11 August 1983
Chairman	Mr. Hafiz Ahmed Mazumder
Vice-Chairman	Mr. Habibur Rahman
Vice-Chairman	Mr. Fahim Ahmed Faruk Chowdhury
Managing Director	Mr. Md. Abdul Halim Chowdhury
Chief Financial Officer	Mr. Sayeed Ahmed FCA, ACMA, CGMA
Company Secretary	Mr. Md. Sayeed Sikder
Date of Listing with DSE	25 September 1984
Date of Listing with CSE	31 December 1995
Authorized Capital	BDT 2000,00,00,000
Paid up Capital	BDT 880,37,38,120
Total Manpower	7,086
Number of Branches	444
Number of AD Branches	29
Number of SME/Krishi Branches	05
Number of ATM Booths	103
Auditors	ACNABIN , Chartered Accountants BDBL Bhaban (13th Floor), 12 Kawran Bazar Commercial Area, Dhaka-1215, Bangladesh
	Aziz Halim Khair Chowdhury , Chartered Accountants Baitul Mesbah, Building # 2 (3rd & 4th Floor) House # 79 (New), Road # 12A (new), Dhanmondi, Dhaka-1209
Tax Consultant	M/s. S. F. Ahmed & Co. , Chartered Accountants, House No.25, Road No.13A, Block-D, Banani, Dhaka-1213
Rating Agency	National Credit Ratings Ltd 3 Bijoy Nagar (2nd and 3rd Floor), Dhaka.
Registered office	26, Dilikusha Commercial Area, Dhaka-1000, Bangladesh.
Post Box	853
Fax	+880-2-9564009
Telephone	+880-2-9551614
E-mail	mailbox@pubalibankbd.com
Website	www.pubalibangla.com
SWIFT	PUBABDDH

Compliance Certificate on Corporate Governance Guidelines to the Shareholders of Pubali Bank Limited

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

The compliance 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 management of the bank. Our review for the purpose of issuing this certificate was limited to the verification of procedures and implementations thereof adopted by the bank for ensuring the compliance of conditions of Corporate Governance Guidelines and proper reporting of compliance status on the attached statement on the basis of evidences obtained and representation received thereon from the management of the bank. It is neither an audit nor expression of opinion on the financial statements of the bank.

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 the Corporate Governance Guidelines as stipulated in the above mentioned notification dated 7 August, 2012 issued under section 2CC of Securities and Exchange Ordinance-1969, for the year ended 31 December, 2015.



Md. Amirul Islam FCA, FCS
Senior Partner

Dhaka
March 23, 2016

Credit Rating

The Bank has completed its credit rating by National Credit Ratings Limited (NCR) based on the Audited Financial Statements up to 31 December 2014 and was awarded 'AA (Double A)' in the Long Term and 'ST-1' in the Short Term.



Particulars	Current Rating	Previous Rating
Long Term	AA	AA
Short Term	ST-1	ST-1
Based on Financials	31 December, 2014	31 December, 2013
Date of Rating	30 June 2015	13 July 2014
Validity Date	30 June 2016	13 July 2015
Outlook	Stable	Stable

AA : Very strong capacity for timely servicing of financial obligations offering high safety. Such Institutions carry very low risk.

ST-1 : Strongest capacity for timely payment of financials commitments and carry lowest credit risk.

NCR 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 likeliness 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 2014 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.

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: 08/2016/072



Date of issue : 23rd February 2016

Renewed Certificate

This is to certify that

PUBALI BANK LIMITED

*is a Ordinary Member of Bangladesh Association of Publicly Listed Companies
and is entitled to all the rights and privileges appertaining thereto.*

This certificate remains current until 31st December 2016.




Secretary-General



PUBALI BANK LIMITED

Registered Office

26, Dilkusha Commercial Area, Dhaka-1000, Bangladesh

NOTICE OF THE 33RD (THIRTY THIRD) ANNUAL GENERAL MEETING

Notice is hereby given that the 33rd (Thirty Third) Annual General Meeting (AGM) of Pubali Bank Limited will be held on 28th April, 2016 at 10.30 AM at Pubali Bank Auditorium, Head Office, 26 Dilkusha C/A, Dhaka for transacting the following businesses:

1. To receive, consider and adopt the Audited Financial Statements for the year ended on 31st December 2015 and Reports of the Directors and Auditors thereon.
2. To declare Dividend for the year ended on 31st December 2015 as recommended by the Board of Directors.
3. To appoint Auditor(s) of the Company for the year 2016 and to fix their remuneration.
4. To elect Directors in place of retiring Directors subject to receiving direction from the appropriate Court of Law.
5. To confirm appointment of Independent 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
10 March 2016

Notes:

- a) The "Record Date" of the 33rd Annual General Meeting (AGM) is 3rd April, 2016.
- 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 AM on 26th April, 2016. 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 honourable Shareholders may collect Proxy Form 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 the meeting venue.
- f) Annual Report and Balance sheet alongwith Directors' Report and Audited Financial Statements of the Bank for the year ended 31st December 2015 will be available at the Bank's website (www.pubalibangla.com) from 13th April, 2016 to till next AGM.
- g) Entry is reserved only for the honourable 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 7.00 AM and remain open up to 10.30 AM.
- h) Honourable Shareholders are requested to update their Mailing Address, Bank Account no., Branch Routing no., Signature and other related information through Depository Participant (DP) of their BO Account before record date.
- i) Hon'ble Shareholders under BO are requested to update their respective BO Accounts with 12 Digits Taxpayer's Identification Number (e-TIN) through Depository Participant (DP) and Hon'ble Shareholders under Folio are requested to provide their e-TIN Certificate to Share Department of the Registered Office before 3rd April, 2016, failing which Income Tax at Source will be deducted from payable Dividend @ 15% (Fifteen Percent) instead of @ 10% (Ten Percent) as per amended section 54 of IT Ordinance 1984.

Payment of Dividend:

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

N.B.: No gift or benefit in cash or kind shall be paid/offered to the Shareholders in the 33rd AGM as per BSEC Circular No. SEC/CMRRCD/2009-193/154 dated 24.10.2013.

Board of Directors

Chairman

Mr. Hafiz Ahmed Mazumder

Vice-Chairman

Mr. Habibur Rahman

Mr. Fahim Ahmed Faruk Chowdhury

Directors

Mr. Moniruddin Ahmed

Mr. Syed Moazzem Hussain

Mr. Monzurur Rahman

Mr. Ahmed Shafi Choudhury

Ms. Rumana Sharif

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

Mr. Musa Ahmed

Mr. Azizur Rahman

Mr. Md. Abdur Razzak Mondal

Mr. Khurshid-ul-Alam, Independent Director

Dr. Shahdeen Malik, Independent Director

Mr. Md. Abdul Halim Chowdhury, Managing Director & CEO

Chief Financial Officer

Mr. Sayeed Ahmed FCA, ACMA, CGMA

Company Secretary

Mr. Md. Sayeed Sikder

Committees of the Board of Directors

Executive Committee

Name	Status in the Committee
Mr. Syed Moazzem Hussain	: Chairman
Mr. Habibur Rahman	: Member
Ms. Rumana Sharif	: Member
Mr. Musa Ahmed	: Member
Mr. Md. Abdul Halim Chowdhury	: Member & Managing Director
Mr. Md. Sayeed Sikder	: Company Secretary

Audit Committee

Name	Status in the Committee
Mr. Khurshid-ul-Alam	: Chairman
Mr. Moniruddin Ahmed	: Member
Mr. Monzurur Rahman	: Member
Mr. Ahmed Shafi Choudhury	: Member
Dr. Shahdeen Malik	: Member
Mr. Md. Sayeed Sikder	: Company Secretary

Risk Management Committee

Name	Status in the Committee
Mr. M. Kabiruzzaman Yaqub FICMA(UK), CGMA	: Chairman
Mr. Fahim Ahmed Faruk Chowdhury	: Member
Mr. Azizur Rahman	: Member
Mr. Md. Abdur Razzak Mondal	: Member
Mr. Khurshid-ul-Alam	: Member
Mr. Md. Sayeed Sikder	: Company Secretary

Shariah Supervisory Committee

Name	Status in the Committee
Janab M. Azizul Huq	: Chairman
Professor M. Mansurur Rahman	: Faqih Member
Professor M. Muzahidul Islam	: Islamic Economist
Janab Md. Mukhlesur Rahman	: Faqih Member
Moulana Abdullah bin Sayeed Jalalabadi	: Faqih Member
Janab Habibur Rahman	: Ex-Officio Member
Janab Ahmed Shafi Choudhury	: Ex-Officio Member
Janab Moniruddin Ahmed	: Ex-Officio Member
Janab M. Kabiruzzaman Yaqub FICMA(UK), CGMA	: Ex-Officio Member
Janab Md. Abdur Razzak Mondal	: Ex-Officio Member
Janab Md. Abdul Halim Chowdhury	: Ex-Officio Member
Janab Abdul Gofran	: Ex-Officio Member
Janab A.N.M. Nurunnobi	: Member Secretary

Profile of the Board Directors



Mr. Hafiz Ahmed Mazumder
Chairman

Chairman	: Mr. Hafiz Ahmed Mazumder
Father's Name	: Late E.R. Mazumdar
Mother's Name	: Late Rahinun Nessa
Spouse Name	: Mrs. Hafsa Mazumdar
Present Address	: 153, Gulshan Avenue, Dhaka.
Permanent Address	: 153, Gulshan Avenue, Dhaka.
Educational Qualification	: BA
Experience & Involved with:	

Long 53 years' experience in Tea plantation business and in Banking and other business. He is an ex-member of parliament of Bangladesh Sangshad. He is a renowned educationist & philanthropist. He is the Chairman of Pubali Bank Limited. He is present Chairman of Bangladesh Red Crescent Society. He is actively engaged in various social works and pioneer in the arena of Garment industry. He is actively engaged with uplift of education, social service and politics. He is the founder of a number of humanitarian and educational institutions in Bangladesh namely Hafiz Mazumder Education Trust, Sylhet; Hafsa Mazumdar Girls College, Sylhet; Wazed Ali Mazumdar Secondary School, Sylhet; Sazzed Mazumdar Bidda Nikaton, Sylhet; Hafiz Mazumdar Bidda Nikaton, Sylhet; M. R. Mazumdar Bidda Nikaton, Sylhet; Emdad Mazumdar Bidda Nikaton, Sylhet; Hafiz Mazumder Trust, Sylhet; Scholars Home, Sylhet; etc. He is the donor of Underprivileged Children's Educational Programs (UCEP) Hafiz Mazumder Sylhet Technical College. Mr. Mazumder is the life member of Bangladesh Red Crescent Society and also member of Gulshan Club and Bangladesh Heart Foundation. Dhaka Ahsania Mission awarded the Khan Bahadur Ahsanullah Gold Medal-2011 in recognition of his outstanding contributions in social service and education.

He also participated in the 5th Asian Ministerial Conference on Disaster Risk Reduction-SAMCDRR, Jakarta, Indonesia as the Head of Delegation from Bangladesh Red Crescent Society. Most recently he participated in the Asia Pacific Zone Workshop on the Institutionalization of Principles and Rules for Humanitarian Assistance jointly organized by IFRC and ICRC in Kuala Lumpur during 14-17 April 2015. Mr. Mazumder is a versatile genius and is well known for his outstanding leadership and amiable personality.

Profile of the Board Directors



Mr. Habibur Rahman
Vice-Chairman

Vice-Chairman : Mr. Habibur Rahman
 Father's Name : Late Md. Mostafa Mia
 Mother's Name : Late Azirunnessa
 Spouse Name : Mrs. Dilara Begum
 Present Address : 8, U.N. Road, (1st floor) B-2,
 Baridhara, Dhaka.
 Permanent Address : 8, U.N. Road, (1st floor) B-2,
 Baridhara, Dhaka.

Educational Qualification : IA

Experience & Involved with:

Long 58 years' experience in Banking and other business. He is the Vice-Chairman of Pubali Bank Limited. He is a member of the Executive Committee of the Board of Directors and Shari'ah Supervisory Committee of Pubali Bank Limited. He is serving as Director of Delta Medical College and Hospital, Pubali Bank Securities Ltd. and Global Pharmaceuticals Company Limited.

Profile of the Board Directors



**Mr. Fahim Ahmed Faruk
Chowdhury**
Vice-Chairman

Vice-Chairman	: Mr. Fahim Ahmed Faruk Chowdhury
Father's Name	: Late Faruk Ahmed Chowdhury
Mother's Name	: Mrs. Shamsun Nahar Begum Chowdhury
Spouse Name	: Mrs. Ayesa Farah Chowdhury
Present Address	: Faruk Chamber (2nd floor), 1403, Sk. Mujib Road, Chittagong.
Permanent Address	: House No.6, Road No.3, Kulshi R/A, Chittagong.
Educational Qualification	: M.Sc in Business Economics, UK
Experience & Involved with:	Long 25 years' experience in Banking & other business. For long time he has been serving as member of Board of Directors of Pubali Bank Limited. At present he is Vice-Chairman of the Board of Directors of the bank. He is a member of Risk Management Committee of the Board of Directors of Pubali Bank Limited. In addition, he is the Director of Delta Medical Hospital Limited, Globex Pharmaceuticals Ltd. as well as Surjiscopes Hospital Pvt. Limited and also the Managing Director of Chittagong Electric Manufacturing Co. Ltd., F.A.C. Eastern Enterprise Ltd., Ranks FC Properties Ltd., CEM Ready Mix Concrete Ltd. He was former Director of Chittagong Chamber of Commerce & Industries. He is involved in many social activities and also a widely travelled person across the globe on business purposes.

Profile of the Board Directors



Mr. Moniruddin Ahmed
Director

Director : Mr. Moniruddin Ahmed
 Father's Name : Late Kurban Ali
 Mother's Name : Late Haricha Khatun
 Spouse Name : Mrs. Jahanara Khanam Ahmed
 Present Address : 35, Sagordighirpar, Subid bazar,
 Sylhet.
 Permanent Address : 18 Green Street, STEVENAGE
 HERTS SG1 3 DS, England.

Educational Qualification : Matriculation

Experience & Involved with:

Long 58 years' experience in business. He is serving as a Director of Pubali Bank Limited since long. He is a Member of both the Audit Committee and Shari'ah Supervisory Committee of the Board of Directors of Pubali Bank Limited. He is the Chairman of Pubali Bank Securities Ltd.

He is involved with the upliftment of education. He runs a renowned residential school. He is the founder Chairman of Moniruddin Academy, Sylhet. He is involved in philanthropic and CSR activities.

Profile of the Board Directors



Mr. Syed Moazzem Hussain
Director

Director : Mr. Syed Moazzem Hussain
 Father's Name : Late Syed Warez Ali
 Mother's Name : Late Wajamun Nessa
 Spouse Name : Syeda Halima Hussain
 Present Address : Prince Corporation Ltd., 56/57,
 Motijheel C/A, Sharif Mansion
 (2nd floor), Dhaka-1000.
 Permanent Address : House No.35, Road No.06,
 Dhanmondi R/A, Dhaka.
 Educational Qualification : Graduate (University of Lahore)
 Experience & Involved with:
 Long 43 years' experience in banking business & other activities. He is serving as a Director of Pubali Bank Limited since long. He is the Chairman of the Executive Committee of the Board of Directors of Pubali Bank Limited. He is former Chairman of the Board of Directors of Delta Life Insurance Company Limited. He is a renowned business man. He is the Chairman of Prince Corporation Ltd., Moazzem Knit & Dyeing Industry Ltd. He is involved with numerous philanthropic and CSR activities. He has donated a big sum for the extension & renovation of a Hospital of Barisal, which is run by Red Crescent Society of Bangladesh.

Profile of the Board Directors



Mr. Monzurur Rahman
Director

Director	: Mr. Monzurur Rahman
Father's Name	: Late Khan Bahadur Mukhlesur Rahman
Mother's Name	: Late Syeda Kadira Khatoun
Spouse Name	: Mrs. Suraiya Rahman
Present Address	: NE(E) 3A, Road # 74, Gulshan-2, Dhaka-1212.
Permanent Address	: 5A Circuit House Road, Shantinagar, Dhaka-1217.
Educational Qualification	: Bachelor of Arts, Calcutta University

Experience & Involved with:

He has long 49 years' experience in banking, insurance and tea business. He was the youngest Director of erstwhile Eastern Mercantile Bank Limited, which eventually was converted into Pubali Bank Limited. Currently he is a member of Board of Directors of Pubali Bank Limited and a member of the Audit Committee of the Board of Directors. Mr. Monzurur Rahman is also Independent Director of Lafarge Surma Cement Limited.

He is involved with many other businesses. He is the Chairman of Delta Life Insurance Company Limited and Rema Tea Company Ltd. He is also an elected Executive Committee member of BAPLC (Bangladesh Association of Publicly Listed Companies). He is involved with many philanthropic and CSR activities.

Profile of the Board Directors



Mr. Ahmed Shafi Choudhury
Director

Director	: Mr. Ahmed Shafi Choudhury
Father's Name	: Late Khan Bahadur Dewan Abdur Rahim Chowdhury
Mother's Name	: Late Zubeda Khatoon Chowdhury
Present Address	: House No.224, Lane 15, Lake Road, New DOHS, Mohakhali, Dhaka-1206.
Permanent Address	: 66, Park Road, 1st floor, Baridhara, Gulshan, Dhaka.
Educational Qualification	: BA (Dhaka University)
Experience & Involved with:	Long 48 years' experience in Tea plantation business and in Banking. He is a Director in the Board of Directors of Pubali Bank Limited. He is a member of the Audit Committee of the Board of Directors and member of Shari'ah Supervisory Committee of the Bank. He holds Director position in Pubali Bank Securities Ltd. (a subsidiary organization of Pubali Bank Limited). He is an Independent Director of Bangladesh Lamps Ltd. and Eskayef Bangladesh Limited. He was also Director of United Insurance Co. Ltd. and Reliance Insurance Co. Ltd. for a quite long time. He is also actively involved with number of philanthropic and charitable activities.

Profile of the Board Directors



Ms. Rumana Sharif
Director

Director : Ms. Rumana Sharif
 Father's Name : Late E.A. Chaudhury
 Mother's Name : Kaniz Momena Choudhury
 Spouse Name : Mr. A.Q.M. Shariful Ala
 Present Address : House No.37, Road No.07,
 Block-G, Banani, Dhaka.
 Permanent Address : House No.37, Road No.07,
 Block-G, Banani, Dhaka.
 Educational Qualification : M.Sc (Biochemistry),
 Dhaka University

Experience & Involved with:
 Long 24 years' experience in her career. She is serving since long as a Director of Pubali Bank Limited. She is currently a member of the Executive Committee of the Board of Directors of Pubali Bank Ltd.

She is also involved with other business. She takes keen interest in different benevolent and philanthropic activities.

Profile of the Board Directors



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

Director	: Mr. M. Kabiruzzaman Yaqub
Father's Name	: Mohammed Yaqub
Mother's Name	: Mrs. Rajia Yaqub
Spouse Name	: Afifa S.T. Yaqub
Present Address	: Flat-D2, House-20, Road-66, Gulshan-2, Dhaka-1212.
Permanent Address	: House-6, Road-30, Sector-7, Uttara, Dhaka.
Educational Qualification	: B. Eng(Civil), UK, FCMA (UK), CGMA

Experience & Involved with:

He completed his graduation in Civil Engineering from United Kingdom. He is also the fellow of the Institute of Chartered Management Accountants in United Kingdom. He has 27 years multifarious experience on different parameters. It ranges from banking business to many other sectors i.e. textile and spinning business, real estate business etc. He is the Chairman of Imagine Properties Ltd and also Director of Pubali Securities Limited. He also served in multinational company in UK. He is an active member and past President of Gulshan Rotary Club, Bangladesh. He takes part in various philanthropic and CSR activities and makes annual donation to Polio Eradication.

He has been serving in Pubali Bank Limited since long as a Director. At present he is the Chairman of Risk Management Committee of the Board of Directors and member of Shari'ah Supervisory Committee of Pubali Bank Ltd. He serves on the Middle East, South Asia, North Africa (MESANA) Regional Board of Chartered Institute of Management Accountants.

Profile of the Board Directors



Mr. Musa Ahmed
Director

Director : Mr. Musa Ahmed
 Father's Name : Late Giashuddin Ahamed
 Mother's Name : Mrs. Monjura Ahmed
 Spouse Name : Mrs. Taposhi Rabeya
 Present Address : 28, Dilikusha (8th floor) Room
 No.802, Dhaka.

Permanent Address : 174, B.B. Road, Narayangonj.
 Educational Qualification : B.Sc (USA), MBA (USA)

Experience & Involved with:

Long 17 years' experience in his career. Mr. Musa Ahmed joined the Board of Pubali Bank Limited as a Director in 2010 and currently a member of Executive Committee as well.

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

Profile of the Board Directors



Mr. Azizur Rahman
Director

Director : Mr. Azizur Rahman
 Father's Name : Late Sk. Wahidur Rahman
 Mother's Name : Mrs. Halima Rahman
 Spouse Name : Mrs. Nabila Rahman
 Present Address : 105-109, Tongi Industrial Area,
 Gazipur.
 Permanent Address : Beani Bazar Bhaban (1st floor),
 SEB-6, Road No.135, Gulshan,
 Dhaka.
 Educational Qualification : MSS in Political Science,
 SUNY at Stony Brook
 Experience & Involved with :
 Long 18 years' experience in his career. Mr. Azizur
 Rahman is a Director of the Pubali Bank Limited since
 November, 2012 and also one of the members of the Risk
 Management Committee of the Board of Directors of the
 Bank.

Mr. Rahman is a very prominent business entrepreneur in
 the country. He is one of the Director of Pubali Bank
 Securities Ltd., National Ceramic Industries Ltd. and Dress
 men Fashion wear Ltd. He is an industrialist and dealing
 with export oriented garment business.

Profile of the Board Directors



Mr. Md. Abdur Razzak Mondal
Director

Director : Mr. Md. Abdur Razzak Mondal
 Father's Name : Late Rashid Ahmed Mondal
 Mother's Name : Late Rahatunnessa
 Spouse Name : Mrs. Roushan Ara Begum
 Present Address : House # 05, Road # 33,
 Sector # 7, Uttara, Dhaka.
 Permanent Address : Mulatole, Kotwali, Rangpur.
 Educational Qualification : MBA (IBA, DU)

Experience & Involved with :

Long 41 years' experience in his career. He is a very experienced & qualified person. He held high post in Export Promotion Bureau (EPB), Ministry of Commerce, Dhaka. He is also high profile business executive of Ha-Meem Group, leading Garments & Textile group of the country. He is Director in the Board of Directors of Pubali Bank Limited. At present, he is member of Risk Management Committee of the Board of Directors and member of Shari'ah Supervisory Committee of Pubali Bank Ltd.

Profile of the Board Directors



Mr. Khurshid-ul-Alam
Independent Director

Independent Director	: Mr. Khurshid-ul-Alam
Father's Name	: Late Md. Jamal
Mother's Name	: Late Jahanara Begum
Spouse Name	: Mrs. Masuma Pervin
Present Address	: Flat No.2C, Plot No.71, Road No.11/A, Dhanmondi R/A, Dhaka-1209.
Permanent Address	: Vill-Dhalai, P.O.-Katirhat, P.S.-Hathazari, Dist.-Chittagong.
Educational Qualification	: BA (Hon's), MA (Eco), DU, MA (Eco), University of New England, Australia

Experience & Involved with :

Long 35 years' experience in his career. He was an Executive Director of Bangladesh Bank. After retirement from the service of Central Bank, he joined in Pubali Bank Limited as Deputy Managing Director. Now, he is Independent Director of Pubali Bank Limited. He is the Chairman of Audit Committee of the Board of Directors and member of Risk Management Committee of the Board of Directors. In addition, he is a faculty member of East West University, Bangladesh. He is also involved with philanthropic & CSR activities. He is also a life member of Bangladesh Economic Association and Bangladesh Bank Colony Scout Group, Chittagong.

Profile of the Board Directors



Dr. Shahdeen Malik
Independent Director

Independent Director	: Dr. Shahdeen Malik
Father's Name	: Abdul Malik Chowdhury
Mother's Name	: Syeda Bulbul Chowdhury
Spouse Name	: Mrs. Rezia Sultana Malik
Present Address	: House # 27, Road # 13A, Dhanmondi, Dhaka-1209.
Permanent Address	: House # 27, Road # 13A, Dhanmondi, Dhaka-1209.
Educational Qualification	: PhD in Law, London, UK, Obtained LL.M degrees from University at Moscow & Philadelphia.

Experience & Involved with :

Long 28 years' experience in his career. He is an Independent Director in the Board of Directors of Pubali Bank Limited and Pubali Bank Securities Limited. He is also member of the Audit Committee of the Board of Directors of Pubali Bank Limited. He is a prominent law practitioner by profession. He is practicing in Supreme Court Bangladesh. He is also a constitution expert. He is also a renowned contributor to the national dailies and had taught Law at Dhaka University and BRAC University.

Profile of the Board Directors



Mr. Md. Abdul Halim Chowdhury
Managing Director & CEO

Managing Director & CEO : Mr. Md. Abdul Halim Chowdhury
 Father's Name : Late Abdul Muquith Chowdhury
 Mother's Name : Wahida Khanom Chowdhury
 Spouse Name : Mrs. Rahima Aqter Chowdhury
 Present Address : Pubali Bank Limited,
 Head Office, Dhaka.
 Permanent Address : Jharna-80, Jharna Par,
 Kumarpara, Sylhet.

Educational Qualification : B. Sc(Hons), M.Sc

Experience & Involved with :

Long 31 years' experience in his career. A visionary leader in banking sector, Md. Abdul Halim Chowdhury started his career in Pubali Bank Limited as a Principal Officer in 1988. As Managing Director and CEO of Pubali Bank Limited he has been successfully leading the bank to its right direction. He is Ex-Officio member of Executive Committee of the Board of Directors of the bank and member of Shari'ah Supervisory Committee of the bank.

He attended International Bankers seminar in Langkawi, Malaysia in 2006, INSEAD arranged workshop on value creation in Banking and Strategic Management held in France from October 29 - November 1, 2015 and took part in Global Banking: Paradigm Shift in Mumbai. He also participated in various training, seminars & courses both at home & abroad on banking, management and leadership conducted by different International Banks, Forums and Training Institutes. He has extensive travelling experience across the globe. He visited Kingdom of Saudi Arabia, United Kingdom, USA, India, Malaysia, Indonesia, Greece, Bahrain, Singapore, Denmark, Canada & France. He is a corporate member of Dhaka Club.

Management Team

Managing Director & CEO

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. Sk. Golam Mohammad

Mr. Syed Aziz Ahmed

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. Mohammad Shahnawaz Chowdhury

Mr. Dewan Jamil Masud

Mr. Abu Habib Khairul Kabir

Mr. Ershadul Haque

Mr. Md. Mohiuddin Ahmed

Mr. B. M. Shahidul Haque

Mr. Mohammad Humayun Kabir

Pubali Bank Training Institute

Mr. Niranjana Chandra Gope

Principal

Head of Islamic Banking Wing

Mr. Abdul Gofran

Pubali Bank Securities Limited

Mr. Mohiuddin Ahmed

Managing Director & CEO

Chief of Board's Audit Cell

Mr. Md. Shah Alam

General Manager

Deputy General Manager

Mrs. Rowshon Akhter

Mr. Pradip Kumar Datta

Ms. Shireen Akter

Mr. Md. Belayet Hossain

Mr. Abduhu Ruhul Masih

Mr. A. S. Sirajul Haque Chowdhury

Mr. Arunava Chowdhury

Mr. Muhammad Ali Khan

Mr. Jagot Chandra Saha

Mr. Nitish Kumar Roy

Mr. Md. Mamun Bakht

Mr. Md. Abu Sayeed Siddiqui

Mr. Shushil Chandra Sikder

Mr. Ataullah Siddiqui

Mr. Shaikh Abdus Sabur

Mr. Shyam Sundar Banik

Mr. Md. Shamsuddin Faruque

Mr. Parimal Kumar Das

Mr. Md. Ashraful Alam

Mrs. Shamsun Nahar Akhter

Mr. Khondaker Mahbob-E-Rabbani

Mr. Md. Abdul Hye

Mr. Md. Mostafa Kamal Miah

Mr. Md. Khorshed Reza

Mr. Zahid Ahsan

Mrs. Halima Khatoon

Mr. Md. Imamura Rashid

Mosammat Shahida Begum

Mr. Iftikher Haider

Mr. Md. Shah Alam

Mr. Sayed Saiful Islam

Mrs. Rubina Begum

Mr. Dilip Kumar Paul

Mr. Md. Abdul Latif Howlader

Mr. Mohammad Saiful Islam

Mr. A. Jallil

Mr. Ziaul Hoque Chowdhury

Mr. Mahbob Ahmed

Mr. Md. Moshir 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. Md. Esha

Mr. A.K.M. Muzammel Hoque

Ms. Nishat Maisura Rahman

Mr. Md. Anisur Rahman

Ms. Sultana Sarifun Nahar

Mr. Md. Helal Uddin

Mr. Mohammad Liton Miah, FCA

Mr. Md. Ehteshamul Hoq Chowdhury

Mr. Sheikh Feazul Wahab

Mr. Sukanta Chandra Banik

Mr. Mohammad Anisuzzaman

Mr. Md. Rafiqul Islam

Mr. Abu Hasan Md. Kamruzzaman

Mr. Shakti Ranjan Das

Mr. Md. Kamruzzaman

Mr. Naresh Chandra Basak

Mr. Faroque Ahmed

Mr. Ratan Kumar Shil

Mr. Ashim Kumar Roy

Management Team

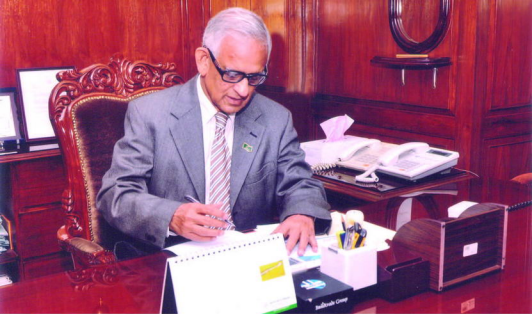
Assistant General Manager

Mr. Ziauddin Ahmed	Mr. Md. Muzaffar Ali
Mr. Mohammad Saidul Hoque	Mr. Md. Rafiqul Islam
Mr. Faruq Hasan	Ms. Mousumi Rani Shaha
Mr. Md. Muyeenu Hoque	Mr. Md. Shaheen Shahria
Mr. A.K.M. Saiful Islam	Mr. Md. Zahirul Islam
Mrs. Hosne Ara Begum	Mr. Md. Bellal Hossain
Mr. Md. Mizanur Rahman	Mr. Md. Abu Nasar
Mr. Syed Md. Yahiya	Mr. Nurul Alam
Mr. Satya Ranjan Chakraborty	Mr. Kabir Ahmed Chowdhury
Mrs. Shahnaz Begum	Mr. Md. Abdur Razzaque
Mr. Md. Rashed Mahbub Rabban	Mr. Nurul Alam Khan
Mr. Md. Shaheen Khan	Mr. Md. Abdul Wahab Mollah
Mr. Debashis Bhattacharyya	Mr. Mosharrarf Hossain
Mr. Md. Faisal Ahmed	Mr. Anwar Hossain
Mr. Nanna Sikder	Mr. Md. Aminul Islam
Mr. Mohammad Shahjahan	Mr. Syed Joaharul Alam
Mr. Endra Mohan Sutradhar	Mr. Md. Abdus Sobhan Miajee
Mr. Jibon Kumar Roy	Mr. Aminul Islam
Mr. Bibhuti Bhushan Talukder	Mr. S.M. Rakib Miah
Mr. Md. Shahidul Islam	Mr. Asif Iqbal
Mr. Md. Noor-E-Alam Sarker	Mr. Mohammed Ali Amzad
Mr. H.M. Omar Faruque	Mr. Md. Wahid Ullah
Mr. Khan Md. Javed Jafar	Mr. A.K.M. Abdur Raqib
Mr. Md. Nazrul Islam Sarker	Mr. Jahangir Alam
Mr. Mohammad Arifur Rahman	Mr. Md. Shajahan Mahmood
Mrs. Ismat Ara Huq	Mr. Md. Shariful Islam
Mr. Md. Hasan Imam	Mr. Shahidullah Bhuiyan
Mr. Mohammed Nurul Kabir	Mr. Abul Kalam Azad
Mr. A.F.M. Nurul Islam	Mr. Md. Abdul Mumith Chowdhury
Mr. Dam Kamal Kumar	Mr. Chowdhury Ishfaqur Rahman Qureshi
Mr. Md. Shamsul Hoque	Mr. S. M. Liaquat Hossain
Mr. Md. Wahid Shams	Mr. Md. Malequul Islam
Mr. Md. Bellal Hossain Salim	Mr. Muhammad Tarequul Islam
Mr. Md. Intiazul Huq	Ms. Fatema Shaela Hossain
Mr. Md. Abu Bakar Siddique	Ms. Ajuba Khandaker
Mr. Md. Rustom Ali Howlader	Mr. Md. Saiful Islam
Mr. Khandoker Abdur Razzaque	Mr. Abu Laich Md. Shamsujjaman
Mrs. Shahina Hossain	Ms. Masuma Khatun
Mr. Prodyut Kumar Roy	Mr. Mohammad Mohasin Sarker
Mr. Abdullah Al Amin	Mrs. Kaniz Fatima
Mr. Nur Mohammad	Mr. Mohammad Tofazzal Hossain
Mr. Md. Akkas Ali Miah	

Management Team

Assistant General Manager

Ms. Tahmida Sharmin	Mr. Khondoker Rafiqul Islam
Ms. Fahmida Akter	Mr. Mohammad Alamgir
Mr. Md. Shaiful Islam	Mr. Md. Nazrul Islam
Mr. Zubair Islam	Mr. Md. Shaheen Momtaz
Mr. Chowdhury Md. Shafiul Hasan	Mr. Mohammad Abdul Mannan
Mr. Md. Abul Hasan	Mr. Md. Mahbub Alam
Mr. Mohammad Abdur Rahim	Mr. Md. Fazlul Kabir Chowdhury
Mrs. Kazi Shaswoti Islam	Mr. Md. Moniruzzaman
Mr. Md. Lotifur Rahman	Mr. Md. Shahidul Islam
Ms. Kaniz Farhana Yasmin	Mr. Biplob Chandra Saha
Mr. Mohammad Al Mamun	Mr. Md. Ahoshan Habib
Mr. Md. Anisuzzaman	Mr. Anjan Das
Mr. K.M. Ishtiaq Hamid	Mr. Md. Khurshed Alam Khan
Mr. Hossain Mohammed Faisal	Mr. Mohammed Abdul Khaleque
Mr. Alamgir Zahan	Mr. Sankar Chandra Halder
Mr. Mirza Emdad Hossain	Mr. Sardar Md. Harunur Rashid
Mr. S.M. Nazrul Islam	Mr. Mohammad Arif Rabbani
Miss Shameema Akhter Sayma	Mr. Mohammad Hafizur Rahman Sarder
Mr. Md. Sazidur Rahman	Mr. Mohammad Jasim Uddin
Mr. Monirul Islam	Mr. Chowdhury Abdul Waheed
Mr. Mohammad Saiful Islam	Mr. Sk. Md. Shamsuddoha
Mr. Mohammad Zahid Hossain	Ms. Farhana Hoque
Mr. Abdur Rouf Miah	Ms. Lifonar Afrin
Mr. Mohammad Shahidul Islam	Ms. Kohinoor Begum
Mr. Md. Jaminul Islam	Mr. Mohammed Waidul Islam
Mr. Md. Toufiqur Rahman	



Message from the Chairman

Dear Shareholders,

It gives me immense pleasure to welcome all of you to our 33rd Annual General Meeting. It is my honor and privilege to share with you our achievements, challenges and how we have negotiated through the ever changing terrain of global and national economy.

Your Bank has delivered another good year despite the uncertain and challenging economic environment. In this year our operating profit was Tk.733.41 crore inspite of all the adversities in the banking sector. Throughout the year Pubali Bank Limited has been able to maintain its substantial progress. The bank's deposit has reached to Tk.22480.86 crore which is 16.43% higher than the previous year. Total advances of the bank is Tk.17312.54 crore, 15.44% higher than the previous year. During the year the bank handled import business worth Tk.11256.43 crore and export business worth Tk.8574.04 crore.

We always believe that efficiency is our strength. For this reason, the Bank continues to place its brand in the market and enhance accessibility by expanding our network of branches. 10 new branches were opened in 2015. Beside this, in its move towards modern and technology based banking, Pubali Bank Ltd. has launched VISA Credit Card for the first time on 19 August 2015. We continue to move onward with perseverance and at the same time we are sensitive to changes in the external environment, while competing strongly in all the market segments that we serve.

I would like to express my gratitude to the Government of Bangladesh, the Bangladesh Bank, the Bangladesh Securities and Exchange Commission, the Registrar of Joint Stock Companies & Firms, the Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd. and Central Depository Bangladesh Limited for all their support throughout the year.

In closing, I would like to thank all our Directors for their guidance and support. I would also like to thank to our respective Shareholders, clients, patrons, well wishers, and all employees for their continued support and cooperation, without which the bank would not be able to attain its current position. As we continue our work to deliver ever-higher standards of service and performance for our customers, our Shareholders, stakeholders and our communities, we look forward to your continued cooperation and support for 2016.

Best regards

(Hafiz Ahmed Mazumder)
Chairman



Managing Director & CEO's Message

Dear respected Shareholders,

It is my immense pleasure to place before you the Annual Report and the financial statements of the Bank for the year ended 31 December 2015. I express my heartfelt gratitude to all you for your continued support to us.

In this year our operating profit was Tk.733.41 crore inspite of all the adversities in the banking sector. Throughout the year Pubali Bank Limited has been able to maintain its substantial progress. The bank's deposit has reached to Tk.22480.86 crore which is 16.43% higher than the previous year. Total advances of the bank is Tk.17312.54 crore which is 15.44% higher than the previous year. During the year the bank handled import business worth Tk.11256.43 crore and export business worth Tk.8574.04 crore.

Our endeavor is to reach to the larger number of clients by providing easy access to technology driven services to the mass people. We ended the year with 444 real time online branches, 10 (ten) branches were newly added during the year. In its move towards modern and technology based banking, Pubali Bank Limited has launched VISA Credit Card for the first time on 19 August 2015.

This year Pubali Bank Limited Board of Directors has established a fund named "Pubali Bank Limited Retired Employees Welfare Fund" to extend financial assistance to the distressed and needy retired employees of the bank or his/her family. I would like to inform you that Pubali Bank Limited has been honoured with a plaque entitled 'Top Ten Remittance Award' from the Centre for Non-Resident Bangladeshis (NRBs) for remarkable support service to increase the flow of inward foreign remittance.

I would like to convey my sincere thanks and gratitude to the regulators i.e. Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies and Firms and Central Depository of Bangladesh Limited for their guidance and co-operation. Thanks goes to our Directors for their guidance and support, too. Finally, I would like to extend my deep appreciation to our valued shareholders, customers, clients, well-wishers for their continuous support and inspiration.

With best regards

(Md. Abdul Halim Chowdhury)
Managing Director & CEO

Directors' Report on Financial Statements and Internal Control

Dear Shareholders,
Assalamualaikum,

To present the Annual Report together with Directors' Report and the Financial Statements in accordance with Companies Act 1994, Rules and Regulations of Bangladesh Bank, Securities and Exchange Rules, 1987 and Rules and Regulations of Institute of Chartered Accountants of Bangladesh (ICAB) and Listing Regulations of the Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd is an integral part.

In compliance with the requirements of the BSEC's notification, the Directors are also required to declare the following matters in their report which inter alia includes as under:

- The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of account of the issuer company have been maintained;
- Appropriate accounting policies have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of financial statements with appropriate disclosures;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- 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, the fact along with reasons there should be disclosed;
- Significant deviations from last year in operating results of the issuer company should be highlighted and reasons thereof should be explained;
- Key operating and financial data of at least preceding three years should be summarized;
- If the issuer company has not declared dividend (cash or stock) for the year, the reason thereof should be given;

The Directors of the Bank confirm that Annual Report together with the Directors' Report and Financial Statements have been prepared in compliance with law, rules and regulatory guidelines and Compliance of BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012.

Meetings

The Board meets regularly to sanction loans and to review policies, procedures, risk management and business plan of the Bank and appoints MD & CEO and Senior Management etc. During the year 2015, 44 meetings of the Board were held.

On behalf of the Board of Directors



(Hafiz Ahmed Mazumder)
Chairman

Bangladesh Economy

At present, Bangladesh economy is an outlier among its equipotential economies in terms of robust growth with lowest inflation volatility. It has been on a sustained, steady average annual GDP growth rate for more than a decade, with the lowest growth and inflation volatility in South Asia. Bangladesh has well maintained its growth momentum, with the GDP growth averaged at 6.2 percent during FY 2010-2015. All indicators (e.g. growths in export, remittances, import of capital machineries, raw materials including cotton) look buoyant and robust during the first half of the current fiscal year. Resilience of the domestic economy over years amid repeated episodes of natural calamities and external shocks has provided the markets and entrepreneurs a predictable policy environment of low uncertainty. Bangladesh clearly distinguishes itself to be amongst a few (five or so) fast achievers in the world.

Despite political agitation early in 2015 that adversely affected transport services, exports, and private investment, growth in Bangladesh held up well because of brisk domestic demand, boosted by higher worker remittances, private sector wages, and public investment. Inflation moderated in FY2015 much as forecast in ADO (Asian Development Outlook) 2015 from 7.4% a year earlier, reflecting large public stocks of food grains, normal weather, a supportive monetary policy, and lower global food and commodity prices that a stable exchange rate allowed to pass through.

Export growth was 3.3% in FY2015, Garments-accounting for about 80% of total exports-grew slowly by 4.1%, reflecting supply chains disrupted by political demonstrations in early 2015, soft demand from the European Union and the US, and a marked decline in prices for cotton, a major input cost that can affect pricing. Imports rose by 11.2%, accelerating from 8.9% growth in FY2014. Larger imports of food grains, machinery, fertilizer, and industrial raw materials helped to propel the expansion. As exports grew significantly more slowly than imports, the trade deficit widened markedly.

The current level of reserves, covering almost 8 months of import payments provides a quite positive signal to the foreign investors. Growing FX reserves are also contributing towards maintaining a stable foreign exchange rate. Taka is probably the most stable currency in the South Asia. We are now experiencing a pleasant challenge of managing appreciation, not depreciation. Progress in the social economic indicators has been quite satisfactory as well. Bangladesh has achieved most of the MDGs well ahead of timeline, with rapid fall in poverty from 48.9 percent in 2000 to 24.5 percent in 2015. The average life expectancy in Bangladesh, according to the latest Human Development Report is 71 years which is at least four years more than our biggest neighbor. With continuous policy support from the Government and Bangladesh Bank, and rapid expansion of the remittance distribution network, remittance inflows have increased to USD 15.3 billion in FY 2014-15 from USD 9.7 billion in FY 2008-09.

Exports and imports are on positive growth trends rising from USD 16.2 billion and USD 23.7 billion in FY 2009-10 to USD 31.2 billion and USD 40.7 billion in FY 2014-15 respectively. With per capita income of USD 1,314, Bangladesh has joined the (lower) middle income country group in 2015. The banking sector remains stable and resilient ever than before as reflected in the major

financial sector indicators. Capital adequacy related BASEL II has been fully implemented, and the roadmap for BASEL III implementation has been chalked down. Capital Adequacy Ratio (CAR) was 10.53 percent in September 2015, higher than the international standard of 8 percent. The growth rate of banking sector deposit and credit in October 2015 was 13.9 percent and 11.5 percent respectively. Classified loans in the banking sector remained below 10 percent (9.67%). Call money rate remains around 5 percent for a long time. Constant vigilance of Bangladesh Bank and moral persuasion on the banks were effective in driving the interest rate spread below 5 percent, accompanied by fall in the deposit and lending rates.

Bangladesh is now being referred in global forums as an example of economic miracle in terms of the macro and micro indicators of economic and social development. Beginning with a mere US\$ 100 per capita income in the early 1970s, today Bangladesh boasts about crossing the threshold of the World Bank-defined low income economy by reaching \$ 1200 plus per capita income.

The growth performance of Bangladesh has been spectacular with the average annual growth rate of 6.14 percent over the past 12 years. What is remarkable is that the standard deviation of the growth rate in the past 12 years was as low as a quarter of a percent. This is lowest not only in South Asia but also in the global context. Bangladesh also experienced a strong external sector gains with a positive Balance of Payments (BOP) current account balance and a record high reserve of more than US\$ 27 billion. Poverty declined from around the 80 percent range in the early 1970s to 25 percent and extreme poverty is estimated to have fallen below 13 percent in 2015. Life expectancy rose by 10 years, from 59 to 69.

The economy is transforming in a big way wherein agriculture is no longer the dominant source of employment and income. There has been a substantial increase in the agricultural wages as well. Bangladesh for its sustained growth has achieved Ba3 (Moody's) and BB- (Standard and Poor's) ratings with stable outlook for the 6th consecutive year. Stable real GDP growth and strong external balances have helped Bangladesh achieve BB- rating with stable outlook from Fitch Ratings for the second time this year. In the road to this success, banking industry has played a key role by adopting international best practices ahead of other sectors in Bangladesh, creating value through innovations, and by raising the bar of service Excellence.

The financial sector reform programs that began in the 1990s have initiated implementation of prudential regulation and supervision in the banking sector, which laid the foundation of sound and resilient financial sector. Modernization of banking sector and technological up gradation in recent years has been phenomenal.

In the past few years plastic money is getting popular, use of ATM is on the rise, internet banking is making a foray in the banking habit of people. Banks are equal to the task of taking care of all and sundry contemporary banking needs. The ground for a modern, digitized and inclusive banking is set for us. The next step is to take off.

A negative impact is prevailing in the banking sector due to default of loans of large borrowers. The size of the classified loan is increasing. At the same time, the regulatory requirement for the

preservation of provision is growing. Consequently, a large part of the profit is being kept for maintaining provision, inflicted a negative impact on the net profit. Because of this, capital risk is increasing. A mixed trend has been observed in the banks and different financial institutions in April-June position.

"Quarterly Financial Risk Assessment" was released by the Bangladesh Bank for the April-June period. In this report it has been stated that, according to the Central Bank's assessment, 4 financial institutions out of 31, was marked as good that is "green". 12 of them were medium or "yellow" and 15 of them were not so good. The central bank has included them in the "red" zone. In December last year 8 financial institutions were in "red" zone. According to the report, though the amount of loans and advance increased at that time, the overall investment decreased. As a result, banks had less transactions in call money market due to low demand. However, the bank's loan portfolio has improved somewhat. Requirement of provision and capital for the banks have improved during the aforesaid period. The report stated that 47 banks out of 56, have the capital in accordance with the needs. The remaining 9 banks have capital shortfall. Additionally, it has been said that, this time defaulted loans of the big borrowers have increased. Specially, the number of delinquent borrowers have increased in the top 10 borrowers segment.

The volume of non-performing loans (NPLs) in the country's banking system increased again in the third quarter (Q3) of the current calendar year, officials said. The amount of NPLs rose by more than 4.0 percent to Tk. 547.08 billion during the July-September period of this year, from Tk. 525.19 billion in the preceding quarter (Q2). It was Tk. 546.58 billion in the first quarter. The share of NPLs in the total outstanding loans of the banking system also rose to 9.89 percent in Q3 of 2015, from 9.67 percent in Q2. It was 10.47 percent in Q1 of this year.

Belying some prudential norms being adopted, country's banking system is still burdened with an alarming amount of non-performing loans (NPLs) that make funds costlier and banks' operations riskier. The high and growing trends of NPLs continue to weigh on banks' balance sheets. The NPLs reduce banks' ability to refinance the loan, eventually hampering the banks' abilities to operate smoothly.

NPL as percentage to total loans of SCBs is very high and they hold more than 50 percent of total NPLs of the banking industry for the last 8 years. They attributed the huge NPLs to lack of effective monitoring and supervisions, lack of effective lenders' resources, weaknesses of legal infrastructure and lack of effective debt-recovery strategies. The SCBs and SBs (Specialized Banks) continue to have the high level of NPLs mainly due to substantial loans provided by them on considerations other than commercial criteria. Adoption of various policies, prudent norms and regulations, and new rule of loan classification, the amount of NPL has already been reduced substantially, coming under single digit.

The situation will improve further with implementation of Basel III, expecting full implementation of the international regulatory framework by the year 2019. Initially it may cost the banks, but ultimately it will help improve the country's banking sector by strengthening the regulation, supervision and risk management of the banking sector.

According to the latest statistics of Bangladesh Bank, risk based assets have become 6 lakh 91 thousand crore at the end of September. At the same time last year it was 6 lakh 14 thousand crore. In the period of just one year, risk based assets in the banking sector increased by 77 thousand crore, 72 thousand 763 crore capital was required in contrast to this risk based assets. Banks have saved 72 thousand 720 crore. As a result, in the overall capital of the banking sector, there is a shortage of 43 million to 87 million. In this time period, 9 banks failed to save the necessary capital of the banks.

In the light of Basel II policy, the banks had to keep the capital of either 400 crore or 10% of the risk based assets. The rate is still the same. However, there is a change and that is - the banks have to keep minimum 4.5% entrepreneur capital out of 10%. In addition, in TIER-1 and TIER-2 (known in the banking sector), the capital calculation is being made separately.

Fraudulent loans given by the government banks, have become bad debt. As a result, the defaulted loans have increased. And due to this rise of defaulted loans the risk-based asset is increasing.

According to the review report of the Bangladesh Bank, risk-based assets in the banking sector are increasing gradually. Whereas at the end of September last year, the risk-based asset was 6 lakh 14 thousand crore, in December it became 6 lakh 32 thousand crore. The bank's risk-based asset at the end of January-March was 6 lakh 46 thousand crore, which in June increased by Taka 6 lakh 64 thousand crore. At the end of September, it increased by 6 lakh 90 thousand crore. Due to the rise of risk-based asset, the ability to deposit capital continues to decline. Core capital saving rate has also reduced.

Investment is laming. There is no significant movement. In one month, it increases, the other month it decreases. Even if it increases, the amount is very little. In all, due to lack of investment, banks are running with surplus liquidity more than 1 lakh 35 thousand crore, the amount remains idle. Of them, the complete idle money is around 30 billion. But the Bangladesh Bank increased the rate of CRR on 23rd June so that the rate of inflation may not increase due to the investment in unproductive sectors. Due to this CRR hike, the daily average cash reserve amount has been increased to more than 3 thousand 214 crore to the central bank. Yet different banks are using in an average 4 to 5 billion in repo reverse system on daily basis because of the unutilized money of the bank.

Surplus liquidity does not increase if the import and investment situation remains in favour. But now the investment situation is stalled. Again, interest rates on deposits are not decreasing in the private sector due to increase of bad loans. While in the state owned banks it has been decreased slightly. Because they have a backup. In this circumstance, money is piling up in the bank. The cost of money in the private sector and the environment is still not congenial.

According to Bangladesh Bank, the weighted average interest rate on bank deposit fell below 7% in May. The monthly average interest rate was 6.99%. From then, the average interest rate is declining gradually. In June 6.80%, 6.78% in July and in August it became 6.74%. At the same time, interest rate on loans also fell. Last August the average interest rate on loans became

11.51%. Meanwhile, the flow of credit to the private sector has increased slightly, whereas the public sector has gone into a negative trend. At the end of August this year, the private sector credit growth has become 12.69%. However in this period, the public sector credit growth remained in negative trend.

According to Bangladesh Bank report, the quantum of the loan in August this year was 5 lakh 78 thousand 176 crore, which was 5 lakh 13 thousand 83 crore in the previous year. While public sector credit growth has been negative (-) 3.18%. However, in the monetary policy of Bangladesh Bank, the private sector credit growth for the current fiscal year up to June was projected to achieve 15.50%. Loan growth at the end of the last fiscal year rose 13.19%. Though the loan growth at the end of the last financial year in July-August was 1.07%, in the current fiscal year it has been reduced to 0.62%.

Bangladesh Bank figures show, in August last year domestic credit flow was 6 lakh 47 thousand 224 crore 90 lakh. In August this year it has risen to 7 lakh 9 thousand 551 crore 80 lakh. Other than the government debt, at the end of this August, 15 thousand 687 crore 70 lakh has been disbursed in different organizations, while it was 14 thousand 649 crore 70 lakh in this time in the previous year.

Ready-made garment industry is the largest source of export earning in Bangladesh. But in the last 2 years, 1693 garment factories have been closed. Consequently, millions of workers have lost their jobs.

According to BGMEA, there are 5999 registered garment factories in the country. Of them, 5145 registered factories are in Dhaka area which includes Dhaka, Narayangonj, Gazipur, Manikgonj, Narsingdi, Mymensingh, Munshigonj and in Chittagong it is 854 in number. Of them, 1693 are closed down. At present, the number of ongoing factories is 4306. The number of closed factories in Dhaka is 1544 and in Chittagong, this number is 149.

The Garments brand of Europe and North America faced criticism throughout the world after the collapse of Rana Plaza. So they founded two associations named 'Alliance' and 'Accord' to investigate the structure of the Bangladeshi garment factories, safety, fire-alarms, working atmosphere etc. At the same time, International Labour Organization (ILO) also visited the factories. Till now, Govt. has closed down 34 factories temporarily in terms of the reports of this three (3) organizations. Of them, 26 were closed in terms of Accord report, 7 in terms of 'Alliance' report and 1 has been closed down in response to ILO's report.

Bangladesh office of World Bank has comprised a calculation/report of change of money valuation till last August. Here, this situation has been compared to last August in 2014. It is observed that in this 1 year taka has been devaluated approximately 16% opposite to Euro, 3% opposite to yuan, 7% opposite to British Pound, 17% opposite to Japanese yen, 6% opposite to Indian rupee, 17% opposite to Canadian dollar, 11% opposite to Singapore dollar, 10% opposite to Thai baht, 19% opposite to Swedish krona, 14% opposite to Indonesian rupiah, 21% opposite to Malaysian ringgit, 2% opposite to Pakistani rupee and 6% opposite to Vietnamese dong.

Banks saw less profit in 2015 owing to low credit demand, cautious lending policy and the sluggish business environment. The outgoing year started with opposition-sponsored violent agitation programs for three months, which impacted the banks' business to a certain degree.

This year, the central bank put stress on compliance rather than risky lending. So, the banks had to lay emphasis on improving governance. However, no serious policies or legal efforts were undertaken to fix the systemic governance failures. The BB's flexible large loan rescheduling policy, which offers a repayment period of up to 12 years, discounted interest rates, down payments in cash and repayments in quarterly installments. This provision helped make banks' financial conditions look better on paper.

In the first six months, the banks' operating profit decreased 1.2 percent year-on-year, according to central bank statistics. The overall demand for credit is weak, with imports remaining flat and private investment continuing to stagnate.

The inclusion of lower middle-income country brings happiness in the middle of the year. Our per capita income exceeded 1 thousand 45 USD dollar. So the World Bank announced this recognition. Not only in income, but also in various social indicators Bangladesh holds a strong position. In various sectors, like poverty reduction, reduction of child and maternity death rate, spreading of public education, Bangladesh has defeated its neighboring countries. Even Bangladesh has exceeded Pakistan and Nepal in human development and social indicators.

Even after achieving so much in the economy, there were some negative issues. One of them is the fiscal deficit. Last year revenue collection was 13 thousand crore less than the initial target. Even after that, in the current fiscal year big targets are taken. In the first five months deficit has become 8 thousand crore. From January to September this year, there was current account deficit in at least four months. The highest deficit was in March-April. In these two months, deficit was 4 thousand 216 and 2 thousand 376 crore Tk. respectively. In September, the deficit was 881 crore Tk. This year, there was a huge deficit in the balance of payment. At the end of June, the deficit was 17 thousand 818 crore 40 lakh Tk. This was the highest balance of payment deficit in the last 17 years. Besides, negative impact in the share market is also seen throughout the year. Fall of the share market has become regular because of the less participation of the commercial banks in the share market and the pressure of the central bank regarding the extra investment. At one point, the transaction of Dhaka Stock Exchange (DSE) fell below 200 crore Tk. However, the major drawback in the economy is not increasing the investment and trafficking money. The reason is that, the investment did not rise as expected, but enough money has been laundered abroad. According to the last report, around 1 thousand crore USD dollar has been laundered in the last year.

2015 was pretty much smooth compared to 2014. While in the first three months of the year, the businessmen had to suffer. Although there were some negative issues like revenues weaknesses, the overall macroeconomic situation was positive. But still, there are some obstacles in the infrastructure sector. Electricity, fuel and land problems are not solved yet. The government should increase the speed of decision-making.

The growth in Gross Domestic Product (GDP) was 6.51 percent in the Fiscal Year 2015. Bangladesh's Economy, marked by 'sound macro-economic fundamentals' including slower inflation, a stable exchange rate, a manageable fiscal deficit, and a balance-of-payment surplus over the past year.

Despite global downtrend in prices, many commodities, including edible oil, sugar, electricity, household gas and water, saw price spiral in Bangladesh in 2015. The prices of oil & petroleum products remained unchanged in spite of ever lowest of international price in last 11 years. The economy remained stable, but failed to gain any momentum. The private investment did not pick up as required despite a comparatively peaceful political environment, low level of inflation and stable international market.

The flow of remittances registered a slow growth in 2015 despite a significant rise in outbound jobs taken up by Bangladeshi nationals. Bangladeshi overseas workers remitted \$15.31 billion in 2015, marking a 2.47 percent growth comparing to that of previous calendar year. Currently, 34 exchange houses are operating across the globe and have set up 1123 drawing arrangements abroad to expedite the remittance inflow. Country's export earnings from merchandise products registered a modest 6.4 percent growth in the concluded year 2015, over the previous year, 2014. The total export earnings in 2015 stood at \$32.37 billion which was \$30.41 billion in 2014.

With low demand for domestic credit as many corporate resorted to foreign borrowing due to lower interest rates, the inter-bank money market volumes remained low, and interest rate dipped, as liquidity soared in banks. Throughout the year, the banks deployed excess liquidity with the Bangladesh Bank through reverse repo operations. The overall excess liquidity with the commercial banks stood at around Tk. 1.20 trillion as of December, 2015. Major portion of the funds has been invested in the risk-free government securities. From mid-October, the BB squeezed acceptance of reverse repo bids, and suspended it altogether from November, 2015.

The Country's inflation rate came down to 6.19 percent (CPI) in December'2015 on 12 months average basis from 6.20 percent. Core inflation rose to 7.50 percent in December from 7.05 percent in November. It was 7.20 percent in October. The private sector credit growth rose to 13.72 percent in November on year-on-year basis from 13.22 percent in October.

Global Economy

Global growth again fell short of expectations in 2015, slowing to 2.4 percent from 2.6 percent in 2014. The International Monetary Fund (IMF) lowered its forecast of global economic growth over the next two years amid the deepening slowdown in emerging markets and a continued slump in oil prices. The difference in policy implementation between the USA & Europe, the ambivalent uncertainties of fuel price, China's economic slowdown & India's contrasting invigoration and weakness in Latin America and Africa set a confusing global backdrop.

The most acute is the deterioration in emerging markets' economic and financial conditions-centred on China - that put further downward pressure on commodity prices and inflation, and exacerbated the structural slowdown in global trade and manufacturing activity. These, together

with heightened uncertainty outlook triggered a spike in financial market volatility. A more protracted slowdown across large emerging markets had substantial spillovers to other developing economies, and eventually hold back the recovery in advanced economies. A broad-based slowdown across developing countries posed a threat to hard-won gains in raising people out of poverty. "More than 40 percent of the world's poor live in the developing countries where growth slowed in 2015," said World Bank Group President Jim Yong Kim. Brazil and Russia were going through severe adjustments in the face of external and domestic challenges. On average, activity in emerging and developing commodity exporters stagnated in 2015, as they continued to be hard hit by declining commodity prices. As a result, the contribution to global growth from these economies declined substantially. More generally, 2015 growth estimates for more than half of developing countries were further downgraded.

Growth in low-income countries generally remained robust in 2015, albeit slowing to 5.1 percent from 6.1 percent in 2014. Some low-income economies showed continued strength (Ethiopia, Rwanda, Tanzania), supported by largescale infrastructure investment, ongoing mine development, and consumer spending. However, fiscal risks increased in several countries in East Africa because of sharp increases in public debt and contingent liabilities. In the Latin America and Caribbean region, though the quality of life of the citizens improved due to the wide spread poverty alleviation programs, their economy was not able to achieve the capability to produce high value added products. The economy of most countries of Latin America was stuck to this so-called 'middle income-trap'. International Labour Organization stated that 17 lac unemployed people were marked there. Being stuck in 'middle income traps', investments decrease in these countries, caused unemployment problem up to 6.7%.

The Chinese renminbi was included as one of the world's elite currencies, a milestone decision by the International Monetary Fund that demonstrates the country's rising financial and economic heft. The move will help pave the way for broader use of the renminbi in trade and finance, securing China's standing as a global economic power. Just four other currencies the dollar, the euro, the pound and the yen - have the IMF designation.

But the path to the IMF decision, a bumpy process that stretches back years, also introduced new uncertainty into China's economy and financial system. To meet the IMF requirements, China was forced to give up some of its tight control over the currency, culminating in the abrupt devaluation of the renminbi that shook global markets in August. The changes could inject fresh volatility into the country, at a time when its economy is already slowing.

Many central banks follow this benchmark in measuring their reserves, which countries hold to help protect their economies in times of trouble. By adding the renminbi to this group, the IMF effectively says that it considers the currency to be safe, reliable and freely usable. It is a "recognition of the progress that the Chinese authorities have made in the past years in reforming China's monetary and financial systems," Christine Lagarde, the managing director of the IMF, said in a statement in Washington. "The continuation and deepening of these efforts will bring about a more robust international monetary and financial system, which in turn will support the growth and stability of China and the global economy."

The era of zero interest rate has come to an end. United State Federal Reserve Bank has increased the interest rate by 0.25%. As a result, US Central Bank's regulatory interest rate has now become 0.50%. Before this, US Federal Reserve increased the interest rate for the last time in 2006. Then in 2008, interest rate was 0.25%, which can be referred as 0%. During the biggest recession, USA took the policy of zero interest rate. Now the country thinks that it's time to change the policy. This time GDP will be increased by 2.4%, Federal Reserve hopes.

In fact, since 2013, USA had been trying to change the monetary policy. In September 2015, it was pointed to increase the interest rate. But due to the bad condition of economy of that time, Federal Reserve Bank didn't take the initiative. Specially after the deflation of China's yuan in last August, monetary war began worldwide in a new way. Moreover, as USA was hesitant about her employment position and the rate of inflation, Federal Reserve stood back from the initiative. Employment opportunity is well enough, too. So people may invest in risk-based sector frequently as the interest rate is meager. But it won't be good for future. So this is the perfect time to increase the interest rate.

Though the interest rate has increased to a small amount, its impact won't be that small in world economy. Its influence will spread worldwide. This interest rate has been increased to keep pace with the growing economy of USA. But the analysts say, as a consequence of the rise of the inflation rate, dollar will be stronger than now. Therefore, many countries and companies will face problems to take loans. Because of this, Europe will experience difficulties. While recessionary Europe is trying to make it easy to take loan, USA is choosing the opposite path.

Greece became a mess. After five years of bailouts, budget battles and a battered economy, Greece is on the brink of becoming the first country to leave the euro zone. Due to Greece crisis, the banks were shut; withdrawals from ATMs were strictly limited, global stock markets were rattled. The Greek turmoil led to a global financial panic. After several contentious months of negotiations between the country and its creditors, Greece received its third bailout in five years. Terms of the bailout including commitments by the country to implement austerity measures and economic reforms, which Greek lawmakers recently approved. The legislation covered some of the economic changes sought by the country's international creditors, which include raising the retirement age, cutting pensions, liberalizing the energy market, opening up cosseted professions, expanding a property tax that Greeks already revile and pushing forward a stalled program to privatize state assets.

Passing that package paved the way for Greece to receive the first 2 billion euros, or about \$2.3 billion, from the bailout program. But Greece's international bailout program has hit snags, even before the first euro of loan payouts has been dispensed.

India is set to overtake China to become the world's fastest growing major economy in 2015. According to IMF, India's GDP grew up to 7.3% in 2015. The IMF managing director Christine Lagarde has described India as "a bright spot" amid the economic woes faced by the other major emerging market countries like Brazil, Russia and China. But India this month slashed its growth forecast to between 7 and 7.5 percent for the financial year to March, compared with an earlier range of 8.1 to 8.5 per cent. The Reserve Bank of India (RBI) cut interest rates four times this

year as inflation eased sharply. Rate cuts had been widely called for by the industry to reduce the cost of borrowing and help stimulate growth. But, recently, inflation has been driven higher by a surge in the prices of pulses, including lentils, a staple of the Indian diet. The consumer price index, a measure of retail inflation, rose to 5.4 percent in November year on year, with the price of pulses up by 46.1 percent.

The Japanese economy ended 2015 on a negative note. According to the preliminary GDP estimate by the Cabinet Office, the Japanese economy shrunk by 0.4% quarter on quarter in the October-December quarter. Out of the four quarters in 2015, the Japanese economy saw shrinkage in two of them. Among components of the GDP, private consumption declined heavily by -0.8% quarter on quarter. Public capital investment also declined heavily by 2.7% quarter on quarter. On the external trade, both imports and exports contracted. Private capital investments offered the only bright spot, expanding by 1.4% quarter on quarter for the second consecutive quarter in an expansion.

The UK economy has slowed a little in 2015 but domestic demand growth remains relatively strong, helped by lower oil prices. The global outlook remains mixed with a gradual pick-up during the year in the US and the Eurozone, but a slowdown in China, recessions in Russia and Brazil, and increased volatility in emerging markets more generally. London and the South East continue to lead the recovery, with average growth of around 3% in 2015-16, but all other UK regions should also register positive real growth of around 1.6-2.4% per annum over this period.

The Russian economy registered the steepest economic contraction in six years in 2015 on the back of low oil prices and international sanctions. Data showed that private consumption took a hard hit last year due to the steep depreciation of the ruble and the subsequent spike in inflation, which caused real wages to deteriorate. Other factors weighing on the economy in 2015 were a massive decline in investment, which was in response to harsh financial conditions, a drop in corporate profitability and a cut in many commodities producers' investment projects. Lower oil prices also challenged the effectiveness of Russian authorities' response to the crisis, as fiscal revenues were lower than expected, which limited government spending last year. Volatility and persistent weakness in oil prices put additional pressure on the ruble at the outset of the year and the currency reached an all-time low in January.

In fine, we may conclude that Global economic growth was less than expected in 2015, when falling commodity prices, flagging trade and capital flows, and episodes of financial volatility sapped economic activity. Firmer growth ahead will depend on continued momentum in high income countries, the stabilization of commodity prices, and China's gradual transition towards a more consumption and services-based growth model. Growth is projected to slow further in China, while Russia and Brazil are expected to remain in recession in 2016. The South Asia region, led by India, is projected to be a bright spot. The recently negotiated Trans-Pacific Partnership could provide a welcome boost to trade.

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 15 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 5 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 2015 the committee conducted 3 (three) 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 2015 the committee conducted 23 (twenty three) 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, analyze, sort out the risk and formulate 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 making necessary capital reservation & provisioning against the above risks. The committee conducted 3(three) meetings 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 Deputy Managing Director, 18 General Managers alongwith Head of Islamic Banking Wing and Chief of Board's Audit Cell to run the business. The workflows are carried out by the relevant divisions/departments/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 headed by the Managing Director & CEO of the bank. The committee meets monthly to discuss relevant agenda and take appropriate decision/action for running the Bank smoothly. The Major roles and responsibilities of MANCOM are as under:-

- (1) Set a vision, mission and strategies of the Bank and for business units for effective discharging of Management Responsibilities.
- (2) Analysis of business and financial performance of the Bank.
- (3) Consider and propose innovative products and services as well as Management methodology and business strategies to the Board of Directors (If needed).
- (4) Review and discuss policies and procedures of the Bank related to business; credit,

operations, administrations, HR internal and financial control and compliance etc. and make changes, if necessary before taking to the Board (if needed).

(5) Acting Managing Director can preside over the MANCOM meeting in absence of MD.

- ii) **Asset Liability Committee (ALCO):** Asset Liability Committee (ALCO), the committee of senior management headed by the Managing Director & CEO meets at least once in a month to set and reviews strategies on ALM. In addition to regular ALCO meeting special ALCO meeting is also arranged when any contingent situation arises. The ALCO conducted 12 (Twelve) regular and 2 (Two) special ALCO meetings in 2015 for implementation of ALM in the bank. Country's overall economic position, the bank's liquidity position, key performance ratios, interest rate risk, deposit & advance growth, market interest rate, deposit & lending pricing strategy etc. are placed in ALCO meeting for taking judicious decision in order to minimize risk and maximize returns.
- iii) **Credit Committee:** Bank's Credit Committee formed consisting of 06(six) members comprising the Deputy Managing Director, the Division Heads of Credit Division and the Division Head of Law Division and Credit Administration, Monitoring & Recovery Division headed by the Deputy Managing Director as its Chairman acts as a Recommending Body for approval of loan proposal for sanction, renewal and enhancement or decline in a rational manner after mutual discussions through arguments about the feasibility, potentiality and profitability of the proposal adhering to the interest of the Bank.
- 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 Deputy Managing Director, Head 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, Residual Risk, Concentration Risk, Liquidity Risk, Reputation Risk, Strategic Risk, Settlement Risk and Environmental & Climate Change Risk are also brought into consideration. A separate Risk Management Unit (RMU) was formed headed by Deputy Managing Director where all Division Heads of Head Office are the members and the Division Head, 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 monthly basis. Risk Management Unit places memo before the Risk Management Committee of the Board on regular basis.

- vi) **Management Reporting System Committee:** Management Reporting System Committee was formed, headed by Deputy 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. Our Information Technology Division has already developed MIS for different divisions of Head Office. Pubali Monitoring System has been introduced for monitoring and follow-up. Our Credit Administration, Monitoring & Recovery Division is now getting access to status of the loan, customer registration information, account opening information, and expired loan etc. 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. Correspondent banking relationship is only established upon receipt of desired information and subject to our satisfaction. Every year Bangladesh Bank instructs our bank to arrange lead bank workshop and regional conference in different districts. The unit arranges workshop and conference accordingly. Every year, Management of our Bank approves an outreach training calendar on prevention of money laundering and combating terrorist financing. The unit imparts training according to the outreach training calendar. So far 29 circulars from former Anti-Money Laundering Department and 18 circulars from present BFIU of Bangladesh Bank have been disseminated 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 BFIU circular no. 10 dated, 28/12/2014, two half yearly summary reports based Self-assessment and Independent Testing Procedure of the branches are prepared and the same is placed before the Management and submitted to Bangladesh Bank. 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 of great importance. More over behavioral norms of bank officials and

customers are to be brought into consideration since the banks deal with the deposits of countless customers. If the interest of the depositors is 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 Deputy Managing Director where all the General Managers & Division Heads of Head Office are the members and the Division Head, 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 Standards 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 Information:** Ref. to Page No. 127

H. **Related party disclosures:** Ref. to Note No. 14.7 & Page No. 198

I. **Percentage of Shareholdings:** Ref. to Note No. 14.3 & Page No. 195

J. **Remuneration to Directors:** Ref. to Note No. 32(a)

K. **Going Concern of Pubali Bank Limited:** Ref. to Page No. 111

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

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

1. BRPD Circular No.11 dated 27 October 2013: Formation and responsibilities of Board of Directors (BoD).

2. BRPD Circular Letter No. 18 dated 27 October 2013: Appointment and responsibilities of Chief Executive Officer (CEO).

3. BRPD Circular Letter No. 19 dated 27 October 2013: Contractual appointment of Advisor and Consultant.

The summary of the Bangladesh Bank guidelines and Pubali Bank Limited's compliance thereto are presented below:

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

Sl. No.	Particulars	Compliance Status
1	Formation of BoD: Prior approval from BB to be taken before appointment of new Directors, as well as dismissal, termination or removal of any Director from the post. Qualification and competency of Directors, maximum number of Directors of the Board, appointment of Independent Directors, appointment of maximum 02 (two) members from a family as Director.	Complied
1.1	Appointment of New Directors: Every bank company, other than specialized banks, at the time of taking prior approval from BB while appointing Directors should furnish the following information along with the application:	
	a. Personal information of the nominated person	Complied
	b. Declaration of nominated person	Complied
	c. Declaration for confidentiality by the nominated person	Complied
	d. In case of independent director, the approval letter from BSEC	Complied
	e. CIB report of the nominated person	Complied
	f. Updated list of Directors	Complied
1.2	Vacancy of office of a Director	
(a)	The office of a Director shall be vacated as per the provision of Section 108(1) of Companies Act 1994. Besides, provision of Section 17 of Bank Company Act 1991, providing false declaration at the time of appointment or observing shortfall of qualification as a Director.	No such case
(b)	If the office of a Director is vacated as per Section 17 of Bank Company Act 1991, s/he will not be eligible to become Director of that bank company or any other bank company or financial institutions within one year from the date of repayment of the total dues to the bank. The dues can be adjusted with the shares held by the Director in that bank company and he cannot transfer his shares of that bank company until he repays his all the liabilities of that bank company or financial institutions.	No such incident
(c)	BB can remove Directors or Chairman of a bank company other than the state-owned banks for doing any activity that is detrimental to the interest of the banks depositors or against the public interest under Section 46 and can also dissolve the Board of a bank company under Section 47 of Bank	No such instance as yet

Sl. No.	Particulars	Compliance Status
1.3	Removal of Directors from office: With the prior approval of Bangladesh Bank, any Director of a bank company other than specialized banks can be removed from his office for the reasons specified in its Articles of Association. The reason and grounds of the dismissal/removal and the copy of such decision taken by BoD and a list of Directors shall be submitted to Bangladesh Bank. Such removal shall be effective from the date of BB's approval.	No such instance as yet
1.4	Appointment of Alternate Director: An alternate director can be appointed to act for a director during his absence for a continuous period of not less than three months from Bangladesh by fulfilling following instructions:	
(a)	Bank has to collect and properly maintain the documentary evidences relating to departure and arrival of the original director while traveling abroad. If there is any exception, the CEO should immediately inform it to BB.	Complied
(b)	The copy of the decision of the BoD regarding appointment of alternate director, with original director's probable returning date from abroad should be sent to BB within 7 days of taking the decision and the director's arrival date must be intimated to BB immediately after his/her return.	Complied
(c)	Any loan defaulter or any person who is not eligible to become a director as per any relevant guiding rules and regulations will not be appointed as an alternate director.	Complied
(d)	As an alternate director is appointed temporarily; therefore, he/she will not be included in any kind of committee constituted by the BoD.	Complied
(e)	The alternate director or his/her affiliated organization will not get any kind of loan facilities from the bank. In case of previous loan, enhancement of limit or extension of time period or any kind of exemption or interest waiver will not be allowed. Moreover, all restrictions applicable to directors according to rules and regulations will also be applicable to the alternate director.	Complied
2	Director from Depositors: As per Bank Company Act 1991 (amended in 2013) appointment of Directors from depositors is no longer required. But, in compliance with the provision of section 15(9) of Bank Company Act 1991 (amended up to 2013), bank company may consider the tenure of existing Directors from depositors or may appoint them as the Independent Director of the company.	Complied. No Depositor Director in Pubali Bank Limited
3	Information regarding Directors: Banks are advised to take the following steps regarding directors information:	

Sl. No.	Particulars	Compliance Status
(a)	Every bank should keep an updated list of bank directors.	Complied
(b)	Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director.	Complied
(c)	Banks should display a list of directors on the website and update it on a regular basis.	Complied
4	Responsibilities of the Board of Directors (BoD)	
4.1	Responsibilities and Authorities of the BoD:	
(a)	Work planning and strategic management (i) The BoD shall determine the objectives and goals and to this end shall chalk out strategies and work plans on annual basis. It shall analyze/monitor at quarterly rests the development of implementation of work plans.	Complied
	(ii) The BoD shall have its analytical review presented in the Annual Report as regard to success/failure in achieving the business and other targets as set out in its annual work plan and shall apprise the shareholders of its opinions/recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the CEO and executives immediate two tiers below the CEO and have it evaluated at times.	Complied
(b)	Loan and Risk Management: (i) The policies, procedures, strategies, etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, re-scheduling and write-off thereof shall be made with the BoD's approval under the purview of the existing laws, rules and regulations. The BoD shall specifically distribute the power of sanction of loan/investment and such distribution should desirably be made among the CEO and his subordinate executives as much as possible. No director, however, shall interfere, directly or indirectly, into the process of loan approval.	Complied
	(ii) The board shall frame policies for Risk Management and get them complied with and shall monitor the compliance at quarterly rests and review the concerned report of the risk management team and shall compile in the minutes of the board meeting. The BoD shall monitor the compliance of the guidelines of BB regarding key risk management.	Complied

Sl. No.	Particulars	Compliance Status
(c)	<p>Internal Control Management:</p> <p>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. The board will establish such an internal control system so that the internal audit process can be conducted independently from the management. It shall review at quarterly rests the reports submitted by its audit committee regarding the compliance of recommendations made in internal and external audit reports and the BB inspection reports.</p>	Complied
(d)	<p>Human Resources (HR) Management and Development:</p> <p>(i) Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the BoD. The chairman or the directors shall in no way involve themselves and interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No member of the BoD shall be included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer and punishment of the executives immediate two tiers below the CEO shall, however, rest upon the BoD. Such recruitment and promotion shall have to be carried out complying with the service rules i.e., policies for recruitment and promotion.</p>	Complied
	<p>(ii) The BoD shall place special attention to the development of skills set of bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, and to the adoption of modern electronic and information technologies, and the introduction of effective Management Information System (MIS). The BoD shall get these programs incorporated in its annual work plan.</p>	Complied
	<p>(iii) The BoD will compose Code of Ethics for every tier of employees and they will follow it properly. The BoD will promote healthy code of conducts for developing a compliance culture.</p>	

Sl. No.	Particulars	Compliance Status
(e)	Financial Management:	Complied
	(i) The annual budget and the statutory financial statements will be prepared with the approval of the BoD. It will at quarterly rests review/monitor the positions in respect of bank's income,expenditure, liquidity, non-performing assets, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures.	
	(ii) The BoD will frame the policies and procedures for bank's purchase and procurement activities and shall accordingly approve the distribution of power for making such expenditures. The maximum possible delegation of such power shall rest on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehiclesetc. for the purpose of bank's business shall, however, be taken with the approval of the BoD.	Complied
	(iii) The BoD will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to BB guidelines.	Complied
(f)	Appointment of Chief Executive Officer (CEO): In order to strengthen the financial base of the bank and obtain confidence of the depositors, one of the major responsibilities of the BoD is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. The BoD will appoint a competent CEO for the bank with the approval of BB.	Complied
(g)	Other responsibilities of the BoD: In accordance to BB Guidelines issued from time to time.	Complied
4.2	Meetings of the Board of Directors: Board of Directors may meet once or more than once in a month upon necessity and shall meet at least once in every three months. Excessive meetings are discouraged.	Complied. Usually Pubali Bank Limited holds four Board Meetings in a month.
4.3	Responsibilities of the Chairman of the BoD:	
(a)	As the Chairman of the BoD or Chairman of any committee formed by the BoD or any director does not personally possess the jurisdiction to apply policy making or executive authority, he/sheshall not participate in or interfere into the administrative or operational and routine affairs of the bank.	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 BoD. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the BoD or the executive committee and if deemed necessary, with the approval of the BoD, he shall effect necessary action thereon in accordance with the set rules through the CEO. However any complaint against the CEO shall have to be apprised to BB through the BoD along with the statement of the CEO.	Complied
(c)	The Chairman may be offered an office room, a personal secretary/assistant, a peon/MLSS, a telephone at the office, a mobile phone usable inside the country and a vehicle in the business interest of the bank subject to the approval of the BoD.	Complied
5	Formation of Supportive Committees of the Board: The BoD of every Bank Company can form only three supporting committees of the BoD i.e. Executive Committee (EC), Audit Committee (AC) and Risk Management Committee (RMC).	Complied
5.1	Executive Committee (EC): EC is to be formed for taking decision on urgent and day-to-day or routine activities between the intervals of two BoD meetings. The EC will perform according to the terms of reference set by the BoD. The EC will be formed with maximum of 07 (seven) members for a period of 03 (three) years. The Chairman of the BoD can also be the member of the EC. The company secretary of the bank shall act as the secretary of the EC. EC members, besides being honest and sincere, should have reasonable knowledge on banking business, its operations and risk management and be capable of making valuable and effective contributions in the functioning of the Committee. The committee shall discharge responsibilities and take decision on the matters as instructed by the BoD except discharging of those responsibilities and taking decisions that are specifically assigned to the full BoD by the Bank Company Act 1991 or other related laws and regulations. The decisions taken by the Committee shall be ratified in the next BoD meeting. Upon necessity the Committee can call meeting at any time. The Committee may invite CEO, Chief Risk Officer or any executive to attend the committee meeting.	Complied
5.2	Audit Committee (AC): The AC should have maximum five members and two of them shall be Independent Directors. It should be constituted of such members who are not members of the EC of the BoD. The members of the Committee may be nominated for three years and the company	Complied

Sl. No.	Particulars	Compliance Status
5.3	<p>Risk Management Committee (RMC): The RMC is to be formed to mitigate impending risks which could be arisen during implementation of BoD approved policies, procedures and strategies. This committee is entrusted to examine and review whether management is properly working on identifying and mitigation of credit risk, foreign exchange risk, internal control and compliance risk, money laundering risk, information and communication technology risk, operation risk, interest rate risk and liquidity risk and keeping adequate capital and provision against the risks identified.</p> <p>The RMC is to be formed with maximum five members who will be appointed for 03 (three) years. Each member should be capable of making valuable and effective contributions in the functioning of the Committee. The company secretary of the bank shall act as the secretary of the Committee. RMC shall review the risk management policy and guidelines of the bank at least once in a year, make necessary modifications as per requirement and submit the same to the BoD for approval. Besides, lending limits and other limits should be reviewed at least once in a year and should be amended, if necessary. Please see 'Report of the Risk Management Committee' for details.</p>	Complied
6	<p>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.</p>	Complied
7	<p>Intimation of the Circular to the Board and related persons by CEO: The CEO will inform about this Circular to the directors and other related persons.</p>	Complied

2. Appointment and responsibilities of Chief Executive Officer (CEO)

Sl. No.	Particulars	Compliance Status
A	Rules and regulations for appointment of the CEO	
1	<p>Moral integrity: In case of appointment to the post of CEO, satisfaction in respect of the concerned person should be ensured to the effects that:</p> <p>a) He has not been convicted by any Criminal Court of Law.</p> <p>b) He has not been punished for violating any rules, regulations or procedures/ norms set by any regulatory authority.</p> <p>c) He was not associated with any such company/organization; registration or license of which has been cancelled.</p>	Complied

Sl. No.	Particulars	Compliance Status
2	<p>Experience and Suitability:</p> <p>a) For appointment as a CEO, the concerned person must have experience in banking profession for at least 15 (fifteen) years as an active officer and at least 02 (two) years experience in a postimmediate below the CEO of a bank.</p> <p>b) He must have a Master's degree at minimum from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person.</p> <p>c) In respect of service, the concerned person should have excellent track record of performance.</p> <p>d) Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/official of any company.</p> <p>e) Any director of any bank or financial institution or any person who has business interest in the concerned bank will not be eligible for appointment to the post of the CEO.</p>	Complied
3	<p>Transparency and financial integrity: Before making appointment as a CEO, satisfaction should be ensured to the effects that:</p> <p>a. The concerned person was not involved in any illegal activity while performing duties in his own or banking profession.</p> <p>b. He has not deferred payment to creditors or has not compromised with his creditors to be relieved from debts or he is not a loan defaulter.</p> <p>c. He is not a tax defaulter.</p> <p>d. He has never been adjudicated a bankrupt by the Court.</p>	Complied
4	<p>Age Limit: No person crossing the age of 65 years shall hold the post of CEO of a bank.</p>	Complied
5	<p>Tenure: The tenure of the CEO shall not be more than 03 (three) years, which is renewable. If the candidate has less than 3 years left to attain 65 years, he/she can be appointed for that shorter period.</p>	Complied
6	<p>Guidelines in fixing the salary and allowances: Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting such proposal to BB:</p> <p>a. In fixing the salary and allowances of the CEO, financial condition, scope of operation, business-volume and earning capacity of the bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer banks shall have to be taken into consideration.</p>	Complied

Sl. No.	Particulars	Compliance Status
	<p>b. Total salary shall be comprised of direct salary covering 'Basic Salary' and 'House Rent' and allowances as 'Others'. The allowances (e.g., provident fund, utility bill, leave-fare assistance) in 'Others' head should be specified in amount/ceiling. Besides, other facilities (e.g., car, fuel, driver etc.), as far as possible, shall have to be converted in the monetary value and thus determining monthly total salary, it shall have to be mentioned in the proposal submitted to BB. In the proposal, Basic Salary, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount.</p> <p>c. Without improving the bank's major financial indicator like- CAMELS, annual salary increment will not be payable.</p> <p>d. Terms of salary-allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the work performance of the current CEO.</p> <p>e. The CEO so appointed shall not get any other direct or indirect facilities (e.g., dividend, commission, club expense, etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above.</p> <p>f. The bank shall not pay any income tax for the CEO, i.e., the CEO so appointed shall have to pay it.</p>	
7	<p>Incentive Bonus: The CEO will get incentive bonus subject to paying incentive bonus to all executives/officers/workers of the bank and the said bonus amount will not exceed BDT 1,000,000 in a year.</p>	Complied
8	<p>Honorarium for attending the Board Meeting: Being a salaried executive, CEO will not get any honorarium for attending the Board meeting or Board formed Committee meeting.</p>	Complied
9	<p>Evaluation Report: For reappointment of the CEO, the Chairman of the bank shall have to submit a Board approved evaluation report to BB.</p>	Complied

Sl. No.	Particulars	Compliance Status
10	Prior Approval from Bangladesh Bank: Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of Bank Company Act 1991 (amended up to 2013). For processing such approval, along with the proposal signed by the Chairman of the BoD, the selected person's complete resume, offer letter (mentioning the direct & indirect remuneration and facilities) and copy of Board's approval must be submitted to BB. The selected person must also submit declarations as per Annexure A & Annexure B to BB.	Complied
11	Decision of Bangladesh Bank is final: The decision of BB for appointment of the CEO will be treated as final and the CEO such appointed cannot be terminated, released or removed from his/her office without prior approval from BB.	Complied
B	Responsibilities and Authorities of the CEO: The CEO of the bank, whatever name called, shall discharge the responsibilities and exercise the authorities as follows:	
	a. In terms of the financial, business and administrative authorities vested upon him by the BoD, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.	Complied
	b. The CEO shall ensure compliance of the Bank Company Act 1991 and other relevant laws and regulations in discharging of routine functions of the bank.	Complied
	c. The CEO shall include clearly any violation from Bank Company Act 1991 and/or other relevant laws and regulations in the "Memo" presented to the meeting of the BoD or any other Committee (s) engaged by the BoD.	Complied
	d. The CEO shall report to Bangladesh Bank of issues in violation of the Bank Company Act 1991 or of other laws/regulations.	Complied
	e. The recruitment and promotion of all staffs of the bank except those in the two tiers below him/her shall rest on the CEO. He/she shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and approved delegation of employees as approved by the BoD.	Complied
	f. The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, shall rest on him/her, which he/she shall apply in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the BoD, he/she shall nominate officers for training etc.	Complied

3. Contractual appointment of Advisor and Consultant

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

Sl. No.	Particulars	Compliance Status
5	Tenure of Advisor: The tenure of the Advisor shall be maximum 01(one) year, which is renewable. An evaluation report (by the Chairman that is approved by the BoD) of previous tenure should be submitted to BB along with the re-appointment proposal.	N/A
6	Appointment of Ex-executive: For ensuring good governance, any former Director, CEO or any other Executive of the bank will not be eligible to become an Advisor in the same bank immediately after their retirement or resignation. However, after one year from such retirement or resignation, he/she will be eligible for appointment as Advisor.	N/A
B	Rules and regulations for appointment of a Consultant	No such consultant in Pubali Bank Limited
1	Terms of reference of Consultant: Consultant can be appointed for specialized tasks like tax, law and legal procedures, engineering and technical works, information technology, etc. Consultants' appointment should be avoided as much as possible for those works that could be done by regular employees of the bank.	N/A
2	Responsibilities of a Consultant: The responsibilities or term of reference of a Consultant should be specified. He/she should not be involved in any activities beyond his/her terms of reference and he/she cannot exercise any kind of power in bank operation or cannot participate in the decision making process.	N/A
3	Appointment of a Consultant: A Consultant can be appointed with the approval of the BoD. After such appointment the bank shall send the Consultant's complete resume, terms of reference and details of remuneration to BB immediately.	N/A
4	Tenure of a Consultant: The tenure of a Consultant should be consistent with the terms of reference, but would not exceed 02 (two) years. Generally the Consultant will not be eligible for re-appointment. But to complete the unfinished tasks, his contract may be extended for maximum period of 01 (one) year with the approval of BB. The Chairman of the bank upon approval of the BoD shall have to submit the extension proposal to BB with the evaluation report of his previous tenure.	N/A
5	Remuneration/honorarium of a Consultant: The Consultant's remuneration should be in the form of monthly or single lump-sum payment, and he is not entitled to any other facilities.	N/A
6	Appointment of Ex-executive: For ensuring good governance, any former Director, CEO or any other Executive of the bank will not be eligible for	N/A

M. Compliance with BSEC Conditions:

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 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	
1.0	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 1/5th	✓		According to Bank Company Act, 1991 (amended 22 July, 2013) Sec: 15 (9) If the number of Director 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 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.	✓		

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
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;	N/A		
1.4	Separate Chairman and CEO and their clearly defined roles and responsibilities.	✓		
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.	✓		

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
1.5 (viii)	An explanation if the financial result deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing etc.	N/A		
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.	✓		
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.	✓		

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
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.	N/A		
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.			Dividend declared 12% Cash
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);	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not complied	
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(xxii)b);	✓		
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.	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not complied	
3.0	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.	✓		
3.1 (iv)	Filling of Casual Vacancy in Committee.	✓		
3.1 (v)	The Company Secretary shall act as the Secretary of the Committee.	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not complied	
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.	N/A		
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 (iii)	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.	N/A		
3.4.1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	N/A		
3.4.1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations;	N/A		
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	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not complied	
4.0	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.	✓		
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;	✓		
4 (ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7.	✓		
5.0	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.	✓		

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
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.	✓		
6.0	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.	✓		
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.	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not complied	
7.0	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 along with 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, Residual Risk, Concentration Risk, Liquidity Risk, Reputation Risk, Strategic Risk, Settlement Risk and Environmental & Climate Change Risk etc. are also brought into consideration. The prime objective of the risk management is that Bank takes well calculative business risks to earn adequate return and to safeguard bank's capital, its financial resources and its profitability. The Bank strictly follows the guidelines of Bangladesh Bank in respect of risk management. As per BRPD Circular No. 11 dated 27 October 2013 a Risk Management Committee of the Board was formed. A separate Risk Management Unit (RMU) was formed at Management level headed by Deputy Managing Director where all the Division Heads of Head Office are the Members and the Division Head of 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 regularly 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 monthly basis. Considering the importance of the issue and as per instructions of Bangladesh Bank, a separate Risk Management Division has already been formed. As a part of risk management, adequate capital is maintained against

Credit Risk, Market Risk and Operational Risk under Base-III accord. Under the 2nd pillar of BASEL-III, a Supervisory Review Process (SRP) team was formed to review, monitor and maintain adequate capital considering all relevant risks. Quarterly Stress Testing is conducted to assess the impact of different risks associated with banking business on asset, liability & ultimately on capital.

Corporate Social Responsibilities (CSR)

Corporate Social Responsibility (CSR) of the Bank is oriented with a view to helping the needy segment of the population of the society. Pubali Bank Limited believes in socially equitable development. The Bank is committed to ensure environmentally sustainable development. As a responsive corporate financial organization, the Bank has anchored its CSR activities on health, education, disaster management, sports, arts & cultures and on many other benevolent dimensions. Throughout the year 2015, the Bank participated in a numbers of CSR activities which encompassed social, environmental, ethical & philanthropic activities. The Bank undertook the voluntary contributions towards building a better society and cleaner environment beyond its financial commitments and regulatory obligations.

Pubali Bank Limited distributed a huge number of blankets among the poor, shelterless and cold-stricken people of the country through various organizations/societies. The Bank provided medical assistance for the distressed and unprivileged people of the society. It also donated Tk. 10 million to Honourable Prime Minister's Relief Fund for the disaster affected people. The Bank donated good chunk of money in the following sectors in 2015:-

Health	Tk. 52.19 million
Education	Tk. 10.85 million
Disaster Management	Tk. 12.77 million
Sports	Tk. 5.60 million
Arts & Culture	Tk. 1.21 million
Others	Tk. 4.46 million

Performance of Pubali Bank Limited:

Share capital

Authorized capital and paid up capital of the bank stood at Tk.2000.00 crore and Tk.880.37 crore respectively in 2015.

Statutory and other Reserve

At the close of 2015, the statutory reserve and other reserves of the bank stood at Taka 16071.38 million, out of which statutory reserve was Taka 9300.25 million, other reserve was Tk.6771.13 million. Total Reserve was Tk.14055.64 million at the end of 2014.

Deposits

The deposit growth trend was positive in 2015. At the end of 2014, Total deposit was Taka 193090.24 million that came to Taka 224808.59 million at the end of 2015 showing 16.43% increase. Out of the total deposits, Time Deposits Taka 189538.72 million and Demand Deposits were Taka 35269.87 million i.e. 84.31% and 15.69% respectively.

Borrowing from other Banks and Financial Institutions

In 2015 the bank borrowed Taka 2543.55 million for business purpose compared to Taka 3376.78 million during the previous year.

Lending to other Banks and Financial Institutions

In 2015 the bank lent Taka 935.29 million for business purpose compared to Taka 988.29 million during the previous year.

Advances

Total advances of the bank as on 31 December 2015 stood at Taka 173125.42 million showing an increase of Taka 149974.53 million @ 15.44% 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.57881.68 million during 2015. In comparison to previous year total investment was increased by Taka 8910.96 million @ 18.20% 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 112564.30 million. During the previous year the amount was Taka 97516.90 million. The amount of import business handled by the bank increased by 15047.40 million during the year which was 15.43% higher than the previous year.

b) Export Business

The bank handled export business worth Taka 85740.40 million during the year as against Taka 77071.30 million in the previous year which was 11.25% higher than the previous year.

c) Inward Foreign Remittance

Non resident Bangladeshis sent foreign exchange equivalent to Taka 4380.70 crore in 2015 whereas the amount was Taka 4354.17 crore in 2014.

Position of profit & loss

Total operating income & total operating expenditure of the Bank during 2015 were Tk.13930.79 million and Tk.6596.68 million respectively resulting a profit of Taka 7334.11 million before making provision for bad and doubtful debts and income tax.

During the year the Bank made a provision of Taka 1295.65 million against loans and advances, diminution in value of investments, exposure of Off balance Sheet items, bad debt off setting and other assets and provision of Taka 3143.17 million against Corporate Income Tax and deferred Tax. As such, net profit on the Bank stood at Taka 2895.29 million which the Board of Directors propose to appropriate in the following manner.

Net profit	Tk. 2895.29 million
Transferred to Statutory Reserve	Tk. 900.00 million
Transferred to General Reserve	Tk. 1995.29 million

Branch Expansion & Modernization

The Bank expanded its operation through opening 10 new branches at different places during the year 2015. As such the total number of Branches of the Bank stood at 444 all over the country. Moreover numbers 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

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 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 of our **444 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 all of 444 branches across the country. The Online Banking Network of Pubali Bank Limited has become the largest one in the banking sector of Bangladesh. The efficient members of the **Software 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. Besides, passing power has been incorporated in PIBS to ensure higher security in Banking operation.

To encourage incoming **foreign remittances**, all of our branches have been brought under the network of **Western Union Money Transfer, MoneyGram, Transfast, Xpress Money Services, Ria, Pravu Money Transfer, Placid Express** etc. in addition to receiving **Foreign TTs** from different **Exchange Houses** abroad.

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.

We have participated in the **Real Time Gross Settlement** from its inception as a pioneer bank.

As approved by the Board, we successfully established our **own ATM Network** with **103 ATM Booths** across the country. We have already participated in the **National Payment Switch Bangladesh (NPSB)** as Pilot Bank under supervision of Bangladesh Bank and inaugurated our **ATM Debit** and **Credit Card**. We have obtained Principal Membership of MasterCard and Visa Card. Our Call Center is operational.

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. Moreover, we have recently added Exadata storage solution for enhancing storage capacity of our Data Center and Disaster Recovery Center that assured uninterrupted data availability for end users and proliferated period end data processing speed.

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 **Islamic Banking Window** at our Principal Branch, Dhaka and at Dargagate Branch, Sylhet using our in-house developed software, Pubali Integrated Islamic Banking System (**PIIBS**). Customers of our Islamic banking windows can get selected services from any of our Online Branches through Online Banking Network.

We have 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 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 **2015**, we conducted **105 training programs** at our **Computer Lab** on **16 (sixteen)** different Topics/Modules covering **2,818 participants** and **03 (three) Workshops** on General Banking Practices and related IT Operations at our **Head Office Auditorium** covering **795 participants** from Branches/Regional Offices across the country.

Pubali Bank Limited is moving towards state of art technology platform and in such a scenario we are now at a stage of transforming Pubali Bank Limited to paper less banking. IT Division is working hard for achieving this objective within a short period of time.

Man-power & Training

Business and Human Capital are intertwined and its progress dependent upon each other. In this context, the Bank has witness 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 systems (PAS); computerization of Human Resources Management Systems etc.

Total workforce has been 7086 in 2015. The Board of Directors and the Management of the Bank put an extra emphasis on Human Capital Development to secure all stakeholders interest. Training is the formal procedure to facilitate employees learning for bringing about the desired changes in the employee behavior.

a) Pubali Bank Training Institute (PBTI):

Vision:

Training Institute aspires to visualize that Officers are self-confident and capable of taking right decision in right time by acquiring desired skills and act as a committed, ethical and well-motivated human resource through training.

Mission:

In the broader sense, mission of the Training Institute is to produce active and capable manpower for due support of the Management:

- a) Bring all officers of the bank in training net;
- b) Ensure compulsory job rotation for trained officials within at least one year in post-training period under effective Management plan;
- c) Create solid work-base in different operational areas by competent officers;
- d) Mouldman into manpower for making the bank gain fully profitable and turn it as one of the best Banks;
- e) Organize need-based training program to cope with changes for achievement of the Bank's business strategy.

Performance:

- a) Total **20 training programs** having **71 frequencies** were conducted in 2015 at PBTI for **2142** officials of the Bank.
- b) Total **6 outreach workshop** having **23 frequencies** were conducted in 2015 at PBTI for **2459** officials of the Bank.

b) Training at other institute:

A total of 866 persons attend in 134 courses at BIBM, IBA(DU), BBTA, BAB and other institutions in 2015.

c) Overseas training:

14 persons attended 11 different programs i.e. IT, Foreign Exchange, Trade Service in abroad to acquire international practices to compete with other competitors in the local & international arena of Banking and to set ourselves at international standards as a benchmarks of competence.

Human Resources Division of the banks has a commitment for ensuring the highest standard imparting on-job and formal training programs in its endeavor for development of human resources.

Audit & Inspection

Branches have been categorized as High risk, Medium risk, Low risk on the basis of the volume; nature of business and risk involved therein 12(twelve) branches have been categorized as high risk; 95(ninety five) branches & 17(seventeen) Regional Offices, 02(two) Principal Offices, 16(sixteen) Divisions of Head Office and Puabali Bank Securities Ltd. have been categorized as medium risk i.e. 131(one hundred & thirty one) Branches/Offices/Divisions have been categorized as medium risk and 208(two hundred & eight) branches have been categorized as low risk in the year 2015. Accordingly, Audit & Inspection Division conducted comprehensive Audit. Moreover, Surprise Inspection have been conducted at 21(twenty one) Corporate Branches in the year 2015 as high risk categorized. So, total number of Audited Branches, Offices, Divisions are 372 (three hundred seventy two) in the year 2015.

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

Dividend

The Board of Directors has recommended 12% Cash Dividend for all shareholders of the bank out of profit on the basis of audited accounts for the year 31st December 2015 subject to approval in the 33rd Annual General Meeting.

Appointment of Auditors

Board of Directors recommended to appoint Hoda Vasi Chowdhury & Co., Chartered Accountants and S.F. Ahmed & Co., Chartered Accountants as External Auditors for the year

2016 subject to approval in the 33rd AGM of the Bank. This 02(two) Chartered Accountants firms will audit the statement of accounts with due permission of Bangladesh Bank & Bangladesh Securities and Exchange Commission (BSEC). They are eligible for appointment. This 02(two) Chartered Accountants firms expressed their willingness for appointment.

Future Plan

The Bank has put stress on the business target fixed up for the year 2016. The Bank put emphasis on retail banking business and to increase the small sized loans portfolio. The target of Deposits and Advances are projected to be increased by 16.08% and 17.32% respectively and Import, Export and Remittance businesses are expected to rise by 19.94%, 16.63% and 36.95% respectively and operating profit target fixed for Tk.1000.00 crore which is expected to be increased by 24.84%.

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 2015. 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 and 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 overall accelerated performance of the bank.

Executive Committee Report

The Executive Committee of the Bank consists of following Members:

Sl.	Name	Status with the Bank	Status with the Committee
1	Mr. Syed Moazzem Hussain	Director	Chairman
2	Mr. Habibur Rahman	Vice-Chairman	Member
3	Ms. Rumana Sharif	Director	Member
4	Mr. Musa Ahmed	Director	Member
5	Mr. Md. Abdul Halim Chowdhury	Managing Director & CEO	Member

The Company Secretary acts as the Secretary of the Executive Committee of the Board of Directors.

In compliance with Section 15(B) of The Bank Company Act 1991 (amended up to 2013) and BRPD Circular No. 11 dated 27 October 2013, the Board of Directors of Pubali Bank Limited has re-constituted the Executive Committee (EC) of the Board in 2015 with above members (maximum limit is seven members). None of them are the members of Audit Committee of the Board. The Company Secretary acts as the Secretary of the Committee. During the year 2015 the Executive Committee of the Board of Directors conducted 3 (three) Meetings. The following issues were discussed/evaluated/reviewed/approved in the meeting:

- Reviewed of the application 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.
- Amendments of some terms and conditions under Education Loan Scheme & Reviewed of the interest free motor cycle loan for the officials of the Bank under the existing interest free motor cycle loan scheme.
- Discussed & evaluated consolidated comprehensive report on performance of the Garments Industries financed by Pubali Bank Limited & comprehensive analysis of credit portfolio of Pubali Bank Limited.
- Evaluated & discussed comparative performances of Pubali Bank & other Commercial Banks.

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

On behalf of the Executive Committee,



(Syed Moazzem Hussain)

Chairman of the Executive Committee of the Board

Audit Committee Report

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

Sl.	Name	Status with the Bank	Status with the Committee
1	Mr. Khurshid-ul-Alam	Independent Director	Chairman
2	Mr. Moniruddin Ahmed	Director	Member
3	Mr. Monzurur Rahman	Director	Member
4	Mr. Ahmed Shafi Choudhury	Director	Member
5	Dr. Shahdeen Malik	Independent Director	Member

The Company Secretary acts as the Secretary of the Audit Committee of the Board of Directors.

During the year 2015, the Audit Committee of the Board of Directors conducted 23 (twenty three) 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 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 with 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.

The Minutes of the Audit Committee meetings containing various suggestions and recommendations to the Management and the Board were placed subsequently to the Board for ratification on regular basis.

On behalf of the Audit Committee,



(Khurshid-ul-Alam)

Chairman of the Audit Committee of the Board

Risk Management Committee Report

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

Sl.	Name	Status with the Bank	Status with the Committee
1	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Director	Chairman
2	Mr. Fahim Ahmed Faruk Chowdhury	Vice-Chairman	Member
3	Mr. Khurshid-ul-Alam	Independent Director	Member
4	Mr. Azizur Rahman	Director	Member
5	Mr. Md. Abdur Razzak Mondal	Director	Member

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

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 2015, the Risk Management Committee of the Board of Directors conducted 03 (three) meetings in which among other things, the following issues were discussed/evaluated/reviewed and provided guidelines and necessary instructions to the Management:

- Evaluation of risk on the basis of minutes of Risk Management Unit (RMU).
- Perused the Stress Testing Report Q4 2014, Q1 2015 & Q2 2015 and reviewed the comprehensive Risk Management Rating done by Bangladesh Bank.
- Analyzed & perused the Monetary Policy Statement of Bangladesh Bank (January to June 2015).
- Analyzed & perused the Compliance Risk Management of the Bank.
- Perused the report on "ICAAP under Supervisory Review process" based on December 31, 2014 of the Bank.
- Analyzed & reviewed Budget 2015 & Budget Policy & Structure of the bank.
- Analyzed the Report on "Risk Based Capital Adequacy", Solo & Consolidated return under Basel II framework as on December 31, 2014, March 31, 2015, June 30, 2015 & September 30, 2015 and "Disclosure on risk based capital adequacy" under Market discipline (Basel II- Pillar 3) as on December 31, 2014.
- Perused the Consolidated Business Target for the year 2015 & analyzed 05 (five) years Capital Growth Plan of Pubali Bank Limited.
- Reviewed the Strategic Plan of Pubali Bank Limited (2012 -2016) and Implementation Status of Action Plan for the year 2014.
- Discussed & perused the Operational Risk Management Status of Our Bank and Control Risk associated with corporate role of Bank.
- Discussed & perused the Ethical Banking Implementation Status of the Bank and Report on Asset liability Risk Management.
- Discussed & reviewed Strengthening and updating the Risk Management System in Banks.
- Analyzed the Accounting Coding System of Pubali Bank Limited.

The Minutes of the Risk Management Committee Meetings containing various suggestions and recommendations to the Management were placed to the Board subsequently for ratification on regular basis.

On behalf of the Risk Management Committee,

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

Bismillahir Ra'hmaanir Ra'heem

Shari'ah Supervisory Committee Report

In the name of Allah, the Merciful, the Compassionate. All praises be to Allah, the Lord of the entire universe and peace and blessings of Allah be upon holy prophet Muhammad (SM).

Pubali Bank Limited is offering Islamic Banking Services through 2 Windows. The Bank has an independent *Shari'ah Supervisory Committee* consisting of preminent *Ulamaa* and Islamic Bankers of the country for necessary guidelines in this regard.

The *Shari'ah Supervisory Committee* is entrusted in expressing independent opinion based on observations and analysis of Islamic Banking activities of 2 Windows of the Bank and in continuous giving of suggestion(s)/ opinion(s) on *Shari'ah* issues. Besides, the responsibility of the Bank Management is to ensure Islamic Banking Operation of the Bank in accordance with those opinions and suggestions.

During the year ended on 31st December 2015 the *Shari'ah Supervisory Committee* met in 3 meetings and reviewed activities of Islamic Banking Windows of the Bank and have given their opinion as under:

1. The officials of Islamic Banking Windows are sincere in complying the *Shari'ah* direction.
2. Both the Windows have followed the principles of Islamic *Shari'ah* in Investing the Bank's fund.
3. Profits have been distributed among the *Mudarabah* depositors following Investment Income Sharing Ratio (ISR) system and
4. Compensation money has been kept in separate Heads of Accounts and not included in Windows' profit as per *Shari'ah* principle.

During the year the *Shari'ah Supervisory Committee* has advised the Bank on the following issues:

1. Introduction of Bengali version viz-a-viz English of annual *Shari'ah Supervisory Committee* Report and other agreements between the Bank and the Clients (Deposit & Investment).
2. Updating the PIIBS (Pubali Bank Integrated Islamic Banking Software) in a way which will enable the Islamic Window(s) to readily get the final rate of distributable profit to *Mudarabah* Depositors at the end of every month.
3. Organizing seminar and symposium on Islamic Banking to contribute to the growth of Islamic Banking Industry of the country.
4. To place proposal before the competent authority of the country for introducing Courses on Islamic Banking, Islamic Finance, Islamic Economics, Islamic Commercial Jurisprudence, Islamic Law and Islamic Trade & Commerce in all academic seminaries of Bangladesh aiming to develop human resources in this line.
5. To stand by downtrodden and unattended people of the country with *Sadaqah Tahbil* of the Bank and

6. Bringing some amendments in to papers and documents of Islamic Banking of the Bank in the light of *Shari'ah*.

The *Shari'ah Supervisory Committee* thinks that the high officials of the Bank, specially officials working with Investment (Credit) Division, should be familiar with the different modes of Islamic Finance for qualitative improvement of Islamic Banking of the Bank. In this regard, the officials of the Bank should participate in suitable Islamic Banking Training Courses both at home and abroad.

The *Shari'ah Supervisory Committee* hopes that Pubali Bank Limited will be able to make more significant contributions in days to come to the growth of Islamic Banking industry of the country, Inshaa Allah.

May Allah (SWT) bestow us with the best of Tawfiq in gaining His satisfaction through implementation of *Shari'ah* in every sphere of our life. Ameen.



(A.N.M. Nurunnobi)
Member Secretary



(M. Azizul Haq)
Chairman

বিসমিত্ত্বিকির রা'হমনির রাইম

শারী'আহ সুপারভাইজরি কমিটির বার্ষিক প্রতিবেদন ২০১৫

সমস্ত প্রশংসা আল্লাহ তা'আলার জন্য যিনি অপরিসংখ্যকৃত হয। সমস্ত ও সালাম সর্বশেষ ও সর্বশ্রেষ্ঠ নবী মুহাম্মাদ (স.)-এর প্রতি।

পূবনী ব্যাংক লিমিটেড ২টি উইচোর মাধমে ইসলামী ব্যাংকিং কার্যক্রম পরিচালনা করেহে। ইসলামী ব্যাংকিং কার্যক্রম পরিচালনার ধরোজনীয় নিক নির্দেশনা প্রদানের জন্য দেশ বরোয়া উলামায়ে কোরাম ও ইসলামী ব্যাংকিংখণের সমন্বয়ে ব্যাংকের রয়োহে একটি শারী'আহ সুপারভাইজরি কমিটি।

পূবনী ব্যাংক শারী'আহ সুপারভাইজরি কমিটির দায়িত্ব হলে ইসলামী ব্যাংকিং উইচোরের কার্যবলী পর্যবেক্ষণ ও পর্যবেক্ষণ পূর্বক শারী'আহ মতামত প্রদান করা এবং শারী'আহ সনোহে নিক-নির্দেশনা প্রদান করা। অপরনিকে ব্যাংক কর্তৃকখের দায়িত্ব হলে উক্ত কমিটি প্রনত মতামত ও নিক-নির্দেশনা মোতাবেক ইসলামী উইচোরের যাবতীয় কার্যক্রম পরিচালনা নিশ্চিত করা।

৩১ শে ডিসেম্বর ২০১৫ তারিখে সমস্ত বছরে পূবনী ব্যাংক লিমিটেড-এর শারী'আহ সুপারভাইজরি কমিটি ৩টি সভার নিশ্চিত হতে ব্যাংকের ইসলামী উইচোরসমূহের কার্যক্রম পর্যবেক্ষণা পূর্বক নিরূহণ অতিমত প্রকাশ করে:

১. শারী'আহ নির্দেশনা পরিপালনে উইচোরসমূহের কর্তকর্তৃগণ আন্তরিক।
২. বিনিয়োগ প্রদানের ক্ষেত্রে ইসলামী ব্যাংকিং উইচোরের ইসলামী শারী'আহ নীতিমালা অনুসরণ করেহে।
৩. বিনিয়োগ আর ভাগ্যভাগি অনুশ্চত (আইএসআর) পদ্ধতিতে মুদারাবা আমানতকারিদের মাঝে মুদাফা বটন করা হয়োহে এবং
৪. শারী'আহ নীতিমালা অনুসারী ক্ষতিপূরণের টোল (Compensation Money) আশাপা রাখা হয়োহে, উইচোরসমূহের আর ব্যাংক অন্তর্ভুক্ত করা হয় নি।

এ বছর শারী'আহ সুপারভাইজরি কমিটি নিম্নোক্ত পরামর্শ প্রদান করে:

১. শারী'আহ সুপারভাইজরি কমিটির বার্ষিক প্রতিবেদন এবং ব্যাংক ও গ্রাহকের মাঝে সম্পন্নিত মুকিসমূহ ইয়েমির পাশাপাশি বাংলা অনুসরণে ব্যবস্থা করা।
২. মুদারাবা আমানতকারিদের মাঝে বিভ্রমশোধ্য মুদাফার ছড়ার হার ব্যাংক প্রত্যেক মাস শেষে জানা হায় এ লক্ষ্যে মুদাফা বটন সশ্রুটি সঙ্কটওয়ার হ্রাসপ্রদান করা।
৩. ইসলামী ব্যাংকিং শিল্পের বিকাশে অবদান রাখার লক্ষ্যে ইসলামী ব্যাংকিং-এর ওপর সেমিনার ও নিশ্চেষ্টিয়াসের আয়োজন করা।
৪. ইসলামী ব্যাংকিং ব্যাংক মানবসম্পদ উন্নয়নে দেশের সকল শিখা প্রতিষ্ঠানে ইসলামী ব্যাংকিং, ইসলামী অর্থনীতি, ইসলামী বাণিজ্যিক আইন ও ইসলামী ব্যবসা-বাণিজ্য বিখরে পার্ক্রম চালু করতে যথাযথ কর্তৃকখের কাছে প্রোভা উপস্থাপন করা।
৫. ব্যাংকের সালাকাহ তহবিল হারা সেনের অবহেলিত ও ছিন্নমূল যন্ত্রুরে পাশে দাঁড়ানো এবং
৬. ইসলামী শারী'আহর আলোকে ব্যাংকের ইসলামী ব্যাংকিং অংশের ভকুমেটসমূহে কিছু সংশোধনী আনয়ন।

পূবনী ব্যাংক লিমিটেড-এর ইসলামী ব্যাংকিং-এর সার্বিক মানোন্নয়নে ব্যাংকের উর্বনত কর্তকর্তৃগণ, বিশেষ করে বিনিয়োগ বিভাগের কর্তকর্তৃগণের ইসলামী বিনিয়োগ পদ্ধতিসমূহের সাথে পরিচিত হওয়া উচিত হলে শারী'আহ সুপারভাইজরি কমিটি মনে করে। এ লক্ষ্যে দেশ-বিদেশের ইসলামী ব্যাংকিং বিখরক প্রশিক্ষণ কর্মসূচিতে ব্যাংক কর্তকর্তৃগণের অংশ গ্রহণ করা দরকার।

শারী'আহ সুপারভাইজরি কমিটি আশা করে হে, পূবনী ব্যাংক লিমিটেড দেশের ইসলামী ব্যাংকিং শিল্পের বিকাশে তবযাতে আরো বেশি অবদান রাখতে সক্ষম হযে, ইনশাআল্লাহ।

আল্লাহ সুবহানাহ ওয়া তা'আলা আমাদের জীবনের সকল ক্ষেত্রে শারী'আহ পরিপালনের মাধ্যমে তাঁর সন্তুষ্টি অর্জনের তাওফীকৃ দান করুন। আমীন!


(এ.এ.এম. নুরুলহুদা)
সদস্য সচিব


(মু. আনীরুল হক)
চোয়ারমান

Corporate Social Responsibility (CSR)

Pubali Bank Limited is a bank with a vision of development and rendering social responsibility. Pubali Bank's response to corporate social responsibility is embodied by 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 business, how we treat our employees, and how we relate to our customers.

Our CSR initiatives over the years have focused on health care, sports, education and youth development, the arts, philanthropy and charitable activities including disaster management. Being a socially responsible corporate, Pubali Bank continued to be engaged in a number of CSR activities throughout the year, including a number of donations towards charitable causes. As a responsible corporate citizen Pubali Bank also donated Tk.45.00 lac to Bangladesh Football Federation through Bangladesh Association of Banks for the growth and expansion of football in Bangladesh. We also donated Tk.10.00 lac for Special Olympic for the Disable Children. To fulfill a continued commitment for ten years, effective from 2009, Pubali Bank contributed Tk.4.8 lac to the Prime Minister's Relief & Welfare Fund every year to one family of a martyred army officer killed in BDR carnage in February 2009. Our bank also donated Tk.15 lac for relief fund to Embassy of Nepal for the victims of devastating earthquake of Nepal.

Health Care:

We believe that good health is a critical condition for rapid socio-economic development of the country; the Bank has donated or funded large volumes to set up state of an 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 donated Tk.5.00 crore to Holy Family Red Crescent Medical College Hospital, Dhaka, Tk.5.00 lac to Bangabandhu Sheikh Mujib Medical University, Shahbagh, Dhaka, Tk.1.00 crore to Sylhet Diabetic Association, Sylhet, Tk.50.00 thousand to Sandhani of MAG Osmani Medical College and Hospital, Sylhet, to take the health services to the door steps of the mass.

Apart from direct donation, Pubali Bank Limited from the very initiation 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.

Education: To facilitate the research activities, we donated Tk.10.0 lac to Shahjalal University of Science and Technology, Sylhet, Tk.24.50 lac to Bangladesh Council for Scientific and Industrial Research (BCSIR), Dhaka & Bangladesh Medical Studies and Research Institute, Dhaka each. We donated Tk.10.0 lac to Dhaka Bar Association to purchase law books and Tk.9.39 lac to Asia Foundation to purchase books. We donated Tk.5.0 lac to Hajipur Girls High School, Moulvibazar and Shahid Shriti College, Netrokona each. We donated Tk.3.42 lac to Sheikh Wahidur Rahman Academy and Zakigonj Shahitya Sangsad, Sylhet to purchase computer.

Our other areas of Corporate Social Responsibility

Pubali Bank Limited is always extending its cooperation and generously coming forward when nation faces any disastrous situation or natural calamity and national tragedy. To help the winter stricken people of the country Pubali Bank Limited donated 25,000 pieces of blankets to the Prime Ministers Relief Fund, 5000 pieces to Bangladesh Red Crescent Society, 1000 pieces to Anjuman Mufidul Islam, 500 to Barisal City Corporation, 500 to Muslim Shishu Palli in Gaibandha, Rangpur, Nilphamari & Dinajpur and 200 pieces to Mymensingh Poursava. Pubali Bank also donated significant amount in BDR carnage, Masjid, Mondir 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), Asia Foundation for buying books, bereaved family of martyred army officer killed in BDR mutiny. We donated two minibuses to Bangladesh Council for Scientific and Industrial Research, Dhaka and Bangladesh Medical Studies and Research Institute, Dhaka.

We also sponsor to organize different sports each year 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.

Market Discipline-Pillar-III Disclosures under Basel-III

As on 31 December 2015

Capital Adequacy under Basel-III :

Banks operating in Bangladesh are maintaining capital since 1996 on the basis of risk weighted assets in line with the Basel Committee on Banking Supervision (BCBS) capital framework published in 1988. Considering present complexity and diversity in the banking industry and to make the banks' capital requirement more risk sensitive, Bangladesh Bank, being the central bank of the country has decided to adopt the Risk Based Capital Adequacy for banks in line with capital adequacy framework devised by the BCBS popularly known as 'Basel II'. Bangladesh Bank prepared a guideline to be followed by all scheduled banks from January 2009. Both the existing capital requirement rules on the basis of Risk Weighted Assets and revised Risk Based Capital Adequacy Framework for Banks as per Basel II were followed simultaneously initially for one year. For the purpose of statutory compliance during the period of parallel run i.e. 2009, the computation of capital adequacy requirement under existing rules prevailed. On the other hand, revised Risk Based Capital Adequacy Framework as per Basel II had been practiced by the banks during 2009 so that Basel II recommendation could effectively be adopted from 2010. From January 2010, Risk Based Capital Adequacy Framework as per Basel II have been fully practiced by the banks replacing the previous rules under Basel-I. Bangladesh Bank adopted "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" as per BRPD circular no. 18 dated 21 December 2014 replaced of "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)". This circular shall come into force with effect from January 01, 2015. Pubali Bank Limited is maintaining its capital requirements at adequate level as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)"

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

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

Disclosure framework of Pubali Bank Limited :

Disclosure includes the following as per Bangladesh Bank guidelines:

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

Disclosure under Pillar III :

Disclosure given below as specified by RBCA Guideline:

A) Scope of Application :**Qualitative Disclosure :**

(a) The name of the top corporate entity in the group to which this guidelines applies.	Pubali Bank Limited
(b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk weighted)	<p>The consolidated financial statements of the Bank include the financial statements of (a) Pubali Bank Limited (b) Pubali Bank Securities Limited. A brief description of these are given below:</p> <p><u>Pubali Bank limited</u></p> <p>Pubali Bank limited (the Bank) was incorporated in the year 1959 under the name and style of Eastern Mercantile Bank Limited under Companies Act 1913. After the country's liberation in 1971, the Bank was nationalized as per policy of the Government of Bangladesh under the Bangladesh Bank (Nationalisation) Order 1972 (PO No. 26 of 1972) and was renamed as Pubali Bank. Subsequently, the Bank was denationalized in the year 1983 and was again incorporated in Bangladesh under the name and style of Pubali Bank Limited in that year. The government transferred the entire undertaking of Pubali Bank to Pubali Bank Limited, which took over the same as a going concern.</p> <p><u>Pubali Bank Securities Limited</u></p> <p>Pubali Bank Securities Limited (PBSL) was incorporated on the 21st June 2010 under the Companies Act, 1994 as a public limited company. It is a subsidiary company of Pubali Bank Limited holds all the shares of the company except for thirteen shares being held by thirteen individuals. The company has been established as per Securities & Exchange Commission's (SEC) Letter # SEC/Reg/DSE/MB/2009/444/ dated 20.12.2009. The Registered Office of the company is situated at A-A Bhaban (7th floor), 23 Motijheel C/A, Dhaka-1000, Bangladesh. The company has started its commercial activities from 01 February 2011.</p> <p>The main objects of the company is to carry on the business of a stock broker and stock dealer house and to buy, sell, and deal in, shares, stocks, debentures, bonds and other securities and to carry on any business as is permissible for a broker and dealer house duly licensed by the Securities & Exchange Commission of Bangladesh.</p>
(c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	Not applicable

Quantitative Disclosure :

(a) The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the name(s) of such subsidiaries.	Not applicable
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B) Capital Structure :**Qualitative Disclosure :**

(a) Summary information of the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier-I or Tier-II.	<p>The terms and conditions of the main features of all capital instruments have been segregated in line with of the eligibility criteria set forth vide BRPD Circular No. 35 dated 29 December 2010 and BRPD Circular No. 18 dated 21 December 2014 and other relevant instructions given by Bangladesh Bank from time to time. The main features of the capital instruments are as follows:</p> <p>Tier - I Capital instruments :</p> <p>Paid-up share capital : Issued, subscribed and fully paid up share capital of the Bank. It represents Paid up Capital, Right Shares as well as Bonus Shares issued from time to time.</p> <p>Statutory Reserve : As per Section 24(1) of the Bank Companies Act, 1991, an amount equivalent to 20% of the profit before taxes for each year of the Bank has been transferred to the Statutory Reserve Fund.</p> <p>Bank is complied in this respect.</p> <p>General reserve : Any reserve created through Profit and Loss Appropriation Account for fulfilling any purpose</p> <p>Bank is complied in this respect.</p> <p>Retained Earnings : Amount of profit retained with the banking company after meeting up all expenses, provisions and appropriations.</p> <p>Bank is complied in this respect.</p> <p>Tier - II capital instruments :</p> <p>General provision maintained against unclassified loans and off-balance sheet exposures: As per BB directive, amount of provision maintained against unclassified loans and off-balance sheet exposures as of the reporting date has been considered.</p>
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Quantitative Disclosure :

		Taka in million	
		Solo	Consolidated
(a) The amount of Tier I Capital, with separate disclosure of : (as of 31.12.2015)	✓ Paid up Capital	8,803.74	8,803.74
	✓ Non – repayable share premium account	-	-
	✓ Statutory reserve	9,300.25	9,300.25
	✓ General reserve	-	-
	✓ Retained earnings	3,815.55	3,044.93
	✓ Minority interest in subsidiaries	-	-
	✓ Non-cumulative irredeemable preference share	-	-
		21,919.54	21,148.92
(b) Total amount of Tier - II Capital		3,788.80	3,739.20
(c) Other deduction from Capital		759.80	814.40
(d) Total Regulatory capital		24,948.54	24,073.72

C) Capital Adequacy :

Qualitative Disclosure :

(a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.	Capital Adequacy is the cushion required to be maintained for covering the Credit risk, Market risk and Operational risk so as to protect the depositors and general creditors interest against such losses. In line with BRPD Circular No. 35 dated 29 December, 2010, and BRPD Circular No. 18 dated 21 December 2014 the Bank has adopted Standardized Approach for Credit Risk, Standardized (Rule Based) Approach for Market Risk and Basic Indicator Approach for Operational Risk for computing Capital Adequacy.
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Quantitative Disclosure :

		Taka in million	
		Solo	Consolidated
(a) Capital requirement for Credit Risk:		174,370.60	170,399.70
(b) Capital requirement for Market Risk:		15,842.50	19,107.90
(c) Capital requirement for Operational Risk:		20,012.00	20,207.40
(d) Total and Tier I Capital Ratio :			
> For the Bank alone		Total = 11.87% and Tier I = 10.22%	-
> For the consolidated group		-	Total = 11.48% and Tier I = 9.85%

D) Credit Risk :

Qualitative Disclosure :

<p>(a) The general qualitative disclosure requirement with respect to credit risk, including:</p> <p>* Definitions of past due and impaired (for accounting purposes)</p>	<p>Bank classifies loans and advances (loans and bill discount in the nature of an advance) into performing and non-performing loans (NPL) in accordance with the Bangladesh Bank guidelines in this respect.</p> <p>An NPA is defined as a loan or an advance where interest and / or installment of principal remain overdue for more than 90 days in respect of a Continuous credit, Demand loan or a Term Loan etc.</p> <p>Classified loan is categorized under following 03 (three) categories:</p> <ul style="list-style-type: none"> ➢ Sub- Standard ➢ Doubtful ➢ Bad & Loss <p>Any continuous loan will be classified as :</p> <ul style="list-style-type: none"> ➢ Sub-standard' if it is past due/overdue for 3 months or beyond but less than 6 months. ➢ "Doubtful" if it is past due/overdue for 6 months or beyond but less than 9 months. ➢ 'Bad/Loss' if it is past due/overdue for 9 months or beyond. <p>Any demand Loan will be classified as :</p> <ul style="list-style-type: none"> ➢ Sub-standard' if it remains past due/overdue for 3 months or beyond but not over 6 months from the date of claim by the bank or from the date of creation of forced loan. ➢ Doubtful' if it remains past due/overdue for 6 months or beyond but not over 9 months from the date of claim by the bank or from the date of creation of forced loan. ➢ Bad/Loss' if it remains past due/overdue for 9 months or beyond from the date of claim by the bank or from the date of creation of forced loan. <p>In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the due date, the amount of unpaid installment(s) will be termed as 'past due or overdue installment'.</p> <p>i. In case of Fixed Term Loans amounting up-to Tk 10.00 lacs :</p> <ul style="list-style-type: none"> ➢ If the amount of 'past due installment' is equal to or more than the amount of installment(s) due within 6 (six) months, the entire loan will be classified as "Sub-standard". ➢ If the amount of past due installment' is equal to or more than the amount of installment(s) due within 9 (nine) months, the entire loan will be classified as "Doubtful". ➢ If the amount of 'past due installment' is equal to or more than the amount of installment(s) due within 12 (twelve) months, the entire loan will be classified as "Bad/Loss". <p>ii. In case of Fixed Term Loans amounting more than Tk. 10.00 lacs :</p> <ul style="list-style-type: none"> ➢ If the amount of past due installment' is equal to or more than the amount of installment(s) due within 3 (three) months, the entire loan will be classified as "Sub-standard". ➢ If the amount of past due installment' is equal to or more than the amount of installment(s) due within 6 (six) months, the entire loan will be classified as "Doubtful". ➢ If the amount of past due installment' is equal to or more than the amount of installment(s) due within 9 (nine) months, the entire loan will be classified as "Bad/Loss".
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Particulars		Rate of Provision are as follows :							
		Short Term Aggl. Credit & Micro credit	Consumer financing			SMEF	Loans BfH/MBH/S De against shares etc.	All other credit	
LIC	Standard	2.5%	5%	2%	2%	0.25%	2%	1%	
	SMA	N/A	5%	2%	2%	0.25%	2%	1%	
Classified	SS	5%	20%	20%	20%	20%	20%	20%	
	DF	5%	50%	50%	50%	50%	50%	50%	
	R/L	100%	100%	100%	100%	100%	100%	100%	
• Discussion of the Bank's credit risk management policy	<p>The Board approves the credit policy keeping in view relevant Bangladesh Bank guidelines to ensure best practice in credit risk management and maintain quality of assets. Authorities are properly delegated in ensuring check and balance in credit operation at every stage i.e. screening, assessing risk, identification, management and mitigation of credit risk as well as monitoring, supervision and recovery of loans with provision for early warning system. There is a separate Credit Risk Management Division for ensuring proper risk management of Loans and Credit Monitoring and Recovery Division for monitoring and recovery of Irregular loans. Adequate provision is maintained against classified loans as per Bangladesh Bank guidelines. Status of loans are regularly reported to the Board/Board Audit Committee. Besides, Credit risk management process involves focused on monitoring of Top- 30 Loans, Top- 20 Defaulters, Sectoral exposures viz-a-viz among others limit.</p>								

Quantitative Disclosure :

(a) Total gross credit risk exposures broken down by major types of credit exposure	Loans	53,567,994,006
	Cash credits	38,364,401,532
	Overdrafts	41,877,803,809
	Loan against merchandise	5,884,823
	Packing credits	375,393,270
	Loan against trust receipts	9,525,815,669
	Pubali prochesta	383,451,115
	Non-resident Credit Scheme	811,295
	Pubali Subarna	4,954,978,645
	Pubali KarmoUddog	143,071,919
	Pubali Sujon	46,548,056
	Pubali Utsob	13,461,122
	Payment against documents	2,377,945,206
	Consumers loan scheme	10,916,979,126
	EDF loan	3,259,847,450
	Lease finance	3,944,208,471
Bill purchased and discounted	3,356,441,587	
Others	10,382,213	
Total	173,125,419,314	

(b) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure	Urban	
	Dhaka	103,030,818,066
	Chittagong	33,124,926,746
	Sylhet	7,199,993,881
	Barisal	1,827,481,667
	Khulna	3,241,812,625
	Rajshahi	3,812,643,671
	Rangpur	3,182,863,694
	Mymensingh	1,982,485,242
		157,403,025,592
	Rural	
	Dhaka	3,395,688,002
	Chittagong	2,576,524,363
	Sylhet	2,630,128,580
	Barisal	523,520,861
	Khulna	1,755,375,325
	Rajshahi	1,011,226,172
Rangpur	463,208,387	
Mymensingh	538,247,120	
	12,893,990,810	
Outside Bangladesh		
Foreign bills/drafts purchase	2,828,402,912	
Total	173,125,419,314	
(c) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure	Agriculture	3,437,011,740
	Jute	408,702,546
	Textile	13,643,173,535
	Ready-made garments	11,315,486,582
	Hospitals and other health service	4,992,804,318
	Steel and Engineering	5,178,709,749
	Ship scrapping	2,387,214,266
	Edible oil	1,154,067,214
	Cement	2,254,750,494
	Food and allied products	6,151,434,590
	Paper and packing	838,083,458
	Construction	5,850,111,306
	Energy and power	515,950,000
	Transport and communication	1,156,968,857
	Pharmaceuticals	1,405,819,561
	Leather	165,591,701
	Trade & Commerce	44,429,409,894
	Consumer Finance	13,609,059,153
	Housing	7,601,579,918
	NBR	2,086,144,597
NGO	5,712,190,657	
Others	38,831,155,178	
Total	173,125,419,314	

(d) Residual contractual maturity break down of the whole portfolio, broken down by major types of credit exposure.	Loans and advances	
	Repayable on demand	12,769,684,339
	Below 3 months	20,653,981,749
	Over 3 months but below 1 year	68,024,197,376
	Over 1 year but below 5 years	48,313,487,507
	Over 5 years	20,007,626,756
		169,768,977,727
	Bills purchased and discounted	
	Receivable on demand	244,968,205
	Below 3 months	1,812,532,068
Over 3 months but below 6 months	1,298,941,314	
	3,356,441,587	
	Total	173,125,419,314
(e) By major industry or counterparty type:		
i. Amount of impaired loans and if available, past due loans,		9,218,417,544
ii. Specific and general provisions		5,574,928,553
iii. Charges for specific allowances and charge-offs during the period		2,422,749
(f) Gross Non Performing Assets (NPAs) :	Movement of Non Performing Assets(NPAs) :	
Non Performing Assets(NPAs) to Outstanding Loans & advances	Opening Balance	9,377,593,276
	Additions	-
	Reductions/Recovery	159,175,732
	Closing Balance	9,218,417,544
	Movement of Specific Provision for Non Performing Assets (NPAs) :	
	Opening Balance	4,085,459,558
	Provision made during the year	877,422,975
	Write-off	(1,253,323,228)
	Recoveries of amounts	
	-previously write –off	81,246,305
Provision transferred in	-	
Write-back of excess provision	(12,655,167)	
Other provision	-	
Closing Balance	3,778,150,443	

E) Equities : Disclosures for Banking Book Positions :

Qualitative Disclosure :

<p>(a) The general qualitative disclosure requirement with respect to the equity risk, including:</p> <p>*differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and</p> <p>*discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.</p>	<p>Investment in equity mainly for capital gain purpose but Bank has some investment for relationship and strategic reasons.</p> <p>Quoted shares are valued at cost. Necessary provision is maintained if market price fall below the cost price. Unquoted shares are valued at cost.</p>
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Quantitative Disclosure :

(a) Value disclosed in the balance sheet of investment, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	Cost price of quoted share BDT 7,240,152,189 & Market value of quoted share BDT 7,460,206,031
(b) The cumulative realized gains(losses) arising from shares and liquidations in the reporting period.	BDT 538,101,704
(c) * Total unrealized gains (losses) *Any amounts of the above included in Tier 2 capital	BDT 220,053,842 BDT Nil
(d) Capital requirements broken down by appropriate equity grouping, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.	Nil

F) Interest rate risk in the banking book (IRRBB) :**Qualitative Disclosure :**

(a) The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.	Interest rate risk is the potential that the value of the On Balance Sheet and the Off Balance Sheet position of the Bank would be negatively effected with the change in the Interest rate. The vulnerability of an institution towards the advance movement of the interest rate can be gauged by using Duration GAP under Stress Testing Analysis. Pubali Bank Limited has also been exercising the Stress Testing using the Duration GAP for measuring the Interest Rate Risk on its On Balance Sheet exposure for estimating the impact of the net change in the market value of equity on the Capital to Risk weighted Asset Ratio (CRAR) due to change in interest rates only on its On Balance Sheet position (as the Bank holds no interest bearing Off Balance Sheet positions and or Derivatives). Under the assumption of three different interest rate changes i.e. 1%, 2% and 3%.
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Quantitative Disclosure :

(a) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management method for measuring IRRBB, broken down by currency (as relevant).	Market Value of Assets (Fig. in million) Market Value of Liability (Fig. in million) Duration GAP in years (times)	284,947.50 260,988.10 0.87
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G) Market Risk :**Qualitative Disclosure :**

(a) Views of BOD on trading / investment activities	The Board approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to provide cost effective funding last year to finance asset growth and trade related transaction.
(b) Methods used to measure Market risk	Standardized approach has been used to measure the market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for 'specific risk' and 'general market risk'.
(c) Market risk Management system	The Treasury Division manage market risk covering liquidity, Interest rate and foreign exchange risks with oversight from Asset-Liability management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. ALCO meets at least once in a month.

(d) Policies and process for mitigating market risk	There are approved limits for Market risk related instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risks. The exchange rate committee of the Bank meets on a daily basis to review the prevailing market condition, exchange rate, forex position and transactions to mitigate foreign exchange risks.
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Quantitative Disclosure :

	Taka In million	
	Solo	Consolidated
(a) The capital requirements for :		
Interest rate risk	9.80	9.80
Equity position risk	1,492.04	1,818.58
Foreign exchange risk	82.40	82.43
Commodity risk	-	-

H) Operational Risk :

Qualitative Disclosure :

➤ Views of BOD on system to reduce Operational Risk	The policy for operational risks including internal control & compliance risk is approved by the board taking into account relevant guidelines of Bangladesh bank. Audit committee of the Board oversees the activities of Internal Control & Compliance Division (ICCD) to protect against all operational risk.
➤ Performance gap of executives and staffs	Pubali Bank Limited has a policy to provide competitive package and best working environment to attract and retain the most talented people available in the industry. The Bank's strong brand image plays an important role in employee motivation. As a result, there is no significant performance gap.
➤ Potential external events	No potential external events is expected to expose the Bank to significant operational risk.
➤ Policies and processes for mitigating operational risk	The policy for operational risks including internal control & compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh bank. Policy guidelines on Risk Based Internal Audit system is in operation as per RBA branches are rated according to their risk status and branches scoring more on risk status are subjected to more frequent audit by Internal Control & Compliance Division (ICCD). It is the policy of the bank to put all the branches of the bank under any form of audit at least once in a year. ICCD directly report to Audit Committee of the Board.
➤ Approach for calculating capital charge for operational risk	Basic Indicator Approach is used for calculating capital charge for operational risk as of the reporting date.

Quantitative Disclosure :

Taka in million

	<u>Solo</u>	<u>Consolidated</u>
The capital requirements for Operational Risk	2,001.20	2,020.70

l) Liquidity Ratio :**Qualitative Disclosure :**

<p>➤ Views of BOD on system to reduce Liquidity Risk :</p>	<p>Liquidity risk is faced by a bank when it is unable to meet its financial obligations when they fall due. Liquidity risk can arise due to market liquidity or funding liquidity. Report on liquidity risk management is regularly submitted to the Risk Management Committee of the Board and they oversee the liquidity position and suggest corrective action to ensure better liquidity position of the Bank.</p>
<p>➤ Methods used to measure Liquidity Risk :</p>	<p>Various liquidity measurement tools like Loan Deposit (LD) Ratio, Liquid Assets to Total Deposit Ratio, Liquid Assets to Total Assets Ratio, Snap Liquidity Ratio, Maximum Cumulative Outflow (MCO), Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), Structural Liquidity Profile etc. are used to measure liquidity risk.</p>
<p>➤ Liquidity Risk management system :</p>	<p>To manage the liquidity risk, ALCO regularly monitors various ratios & parameters and find out the risk related issues and also instructs the concern department or section to take corrective measures.</p>
<p>➤ Policies and processes for mitigating Liquidity Risk :</p>	<p>To manage liquidity risk Pubali Bank Limited maintains diversified and stable funding base. Policies and process which incorporated in ALM manual are used for mitigating liquidity risk. ALCO meets periodically to review different aspects of the bank's portfolio with special emphasis on deposits and liquidity position and determines the direction to be taken by the bank. Parameters set by Bangladesh Bank specially in regards to CRR, SLR & LD ratio strictly maintained. A balanced mix of short and long terms deposits to counter maturity gaps is maintained. Annual budget is also formulated with a balance between growth in assets and liabilities.</p>

Quantitative Disclosure :

Taka in million

Consolidated

Liquidity Coverage Ratio (LCR) :	109.02%
Net Stable Funding Ratio(NSFR) :	104.50%
Stock of High quality liquid assets :	69,674.39
Total net cash outflows over the next 30 calendar days :	63,910.29
Available amount of stable funding :	247,133.94
Required amount of stable funding :	236,493.68

J) Leverage Ratio :

Qualitative Disclosure :

➤ Views of BOD on system to reduce excessive Leverage :	Quarterly report on leverage ratio reviewed by the Risk Management Committee of the Board and they oversee the leverage position and suggest to ensure better position of the Bank.
➤ Policies and processes for managing excessive on and off-balance sheet Leverage :	The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements and is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage. Bangladesh Bank will monitor individual banks against an indicative leverage ratio of 3%.
➤ Approach for calculating exposure :	The Bank's leverage ratio is calculated in accordance with the RBCA guidelines under Basel-III framework of Bangladesh Bank.

Quantitative Disclosure :

Taka in million

Solo Consolidated

Leverage Ratio :	7.25%	6.97%
On balance sheet exposure :	285,462.25	285,435.92
Off balance sheet exposure :	54,502.19	54,502.19
Total exposure :	339,964.44	339,938.11

G) Remuneration :

Qualitative Disclosure :

(a) Information relating to the bodies that oversee remuneration :	
Name, composition and mandate of the main body overseeing remuneration :	<p>Salary and related allowances review are done through establishing a committee comprising of senior management and headed by the Managing Director & CEO of the Bank. The mandate of the committee includes – 1) gathering data from 8-10 private banks, analyzing compensation, allowances and benefits of those banks and propose a pay scale which is appropriate in terms of attracting, retaining and ensuring its competitiveness in the market; 2) the pay scale should be developed keeping in mind that it gives maximum tax relieve to the employees 3) the report should include financial involvement of the bank.</p> <p>In addition, the CFO also examines the cost benefit impact in the process independently.</p> <p>Approving authority: The Board of Directors.</p>
External consultant whose advise has been sought, the body by which they were commissioned, and in what areas of the remuneration process :	No external consultants are engaged for determining the salary and allowances for the employees of the bank. But Gratuity and Provident Funds are being administered through two separate Trustee Funds under Central Accounts Division (CAD) as per service rule and approval of the Board.
Description of the scope of the bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches :	<p>PBL maintain a salary structure uniform throughout the country.</p> <p>PBL and its business : We are committed to providing private, institutional and corporate clients, as well as retail clients with superior financial advice and solutions while generating attractive and sustainable returns for shareholders.</p> <p>Performance measures : Our Work planning – setting objectives performance related Key assignments focused on key drivers of business and management. Our senior management reviews the performance of the employees on a regular basis by considering prevailing strategy, business conditions and the environment in which we operate.</p> <p>New Merit Bonus System from 2015 : The bank introduced a new bonus system for the employees on the basis of competitiveness and merit. It is decided as a group performance against a set of criteria (deposit, advance, import export, profit, NPL trade finance etc) established through a circular following approval by the Board of Directors.</p>

<p>Description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group :</p>	<p>a) Potential Risk Taker in Business and Management:</p> <ul style="list-style-type: none"> i) Senior Management: MD & CEO, Additional Managing Director, Deputy Managing Directors – 05 Nos. <p>b) Potential Risk Taker in Business:</p> <ul style="list-style-type: none"> i) General Managers/Deputy General Managers as Regional Managers, Corporate Branch Managers and at Principal Office - 30 Nos. ii) General Managers at Head Office (Credit, International Division, Card Division) – 4 Nos <p>c) Potential Risk Taker in Management:</p> <ul style="list-style-type: none"> i) General Managers/Deputy General Managers as Division Heads - 16 Nos
<p>(b) Information relating to the design and structure of remuneration processes :</p>	
<p>Overview of the key features and objectives of remuneration policy :</p>	<p>Stay competitive in the market, retention of employees and creating an environment which is highly competitive, competency based and provide fair remuneration for the achievers.</p>
<p>Whether the remuneration committee reviewed the bank's remuneration policy during the past year, and if so, an overview of any changes that were made :</p>	<p>The committee/Management based on past experience developed a Terms of Reference for the Salary Review Committee to ensure consistency in the review process.</p>
<p>Discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee :</p>	<p>PBL has a policy to provide competitive package and enabling working environment to attract and retain the most talented people available in the market. From 2015 onward, the bank introduced a merit bonus for the employees based on performance.</p> <p>If salary package inappropriately structured compared to the market then it might have potential to negativity and material impact upon the level of risk considered acceptable to the Bank.</p>
<p>C. Description of the ways in which current and future risks are taken into account in the remuneration processes :</p>	
<p>Overview of the key risks that the bank takes into account when implementing remuneration measures :</p>	<p>Key risks measurements of implementing remuneration are as follows:</p> <ul style="list-style-type: none"> ◆ Compliance risk ◆ Operational risk ◆ Financial risk

Overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed):	Key measures used for implementing remuneration process are as follows: <ul style="list-style-type: none"> ❖ Branch Performance Scorecard ❖ Regulatory compliance ❖ Compliance with Board delegated trigger limits
Discussion of the ways in which these measures affect remuneration :	Bank has a strong monitoring system that always trying to minimize all types of risk.
Discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration :	In relation to the goals in the Performance Appraisal Report, they are assessed and determined by the Supervisors each year at the commencement of the performance year under review. There were no material changes from the preceding year to the current year. The measures are considered appropriate for the circumstances of, and environment in which Pubali Bank operates. However, long-term impact to be seen in the future.
(d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration	
Overview of main performance metrics for bank, top-level business lines and individuals :	The bank Management is seeking ways to struck a balance between performance metrics, top-level business lines and individuals.
Discussion of how amounts of individual remuneration are linked to bank-wide and individual performance:	A group of officials perform on their target, which fixed by the top Management. Their group performance score are reflected their individual performance score.
Discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak :	In general, the salary package is uniform for all level of employees, but, incentive bonus varies on the basis of their level of performance.
(e) Description of the ways in which the bank seeks to adjust remuneration to take account of longer – term performance :	
Discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, description of the factors that determine the fraction and their relative importance :	Pubali Bank Limited adopted a policy for gratuity fund in the name "Pubali Bank Limited Gratuity Fund Rules" which is administrated by a Board of Trustees. Board of Trustees and its composition: The Trustees, whose number will be 5(five), shall be appointed by the Board of Directors of the Bank. 03 (three) Trustees present shall constitute a quorum for conducting and executing the transaction of business of the Fund.

	<p>Entitlement of Gratuity:</p> <p>Employees completing 8 years and more service will be paid a Gratuity of two months average basic salary last drawn by him/her for each completed year of service. Employees completing less than 8 (eight) years' service will not be entitled to a Gratuity payment.</p> <p>No gratuity shall be paid to an employee-</p> <ul style="list-style-type: none"> (i) if he/she has been dismissed or removed from the service as a measure of punishment; or (ii) if he/she has not resigned, left or discontinued the service without properly notifying the competent authority. <p>Gratuity shall be admissible to an employee (even through he/she has not completed 8 (eight) years of service with the Bank)-</p> <ul style="list-style-type: none"> (i) In case of death while in the service of the Bank; (ii) If terminated from service or compulsory retirement or mental infirmity provided this has not been caused by irregular or intemperate habits; (iii) If termination of service or compulsory retirement resulting from the abolition of his/her post or bonafide retirement; <p>Normal Retirement Age:</p> <p>59 years of age (age at which Gratuity benefit becomes payable) and for freedom fighter 60 years of age.</p> <p>Gratuity Calculation:</p> <p>the amount of gratuity admissible to an employee shall be a sum equal to 2 (two) months' average basic salary i.e. double of basic salary drawn in last month or earned while on duty during 12 (twelve) months immediately preceding the date of proceeding on retirement or of his ceasing to be an employee of the Bank or of his death whichever is favorable to the employees for each completed year of service in the Bank. In computing years of service, period of 6 (six) months or more shall be taken as a year.</p> <p>Bank's Overriding Lien :</p> <p>The Bank shall be entitled to recover from any employee's account of the Fund any sum which may be due, outstanding or unpaid to the Bank or recoverable from the employee concerned against his obligations and liabilities for any loan(s) / advance(s) extended or to be extended by the Bank to him/her or otherwise, or which may have been lost or the amount of damages which it may have suffered by reason of the employee's acts, whether of commission or omission.</p>
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Discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw-back arrangements :	Employees who served in the Bank less than 8 years were not eligible for gratuity and the amount against those are forfeited accordingly.
(f) Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms :	
Overview of the forms of variable remuneration offered (i.e. cash, share-linked instruments and other forms) :	<p>Fixed Remuneration: All Employees including regular and contractual are paid salary under Fixed remuneration package.</p> <p>Variable Remuneration: 07 employees were rewarded in 2015 for Tk. 2,20,000/- against NPL recovery of 2014, and 03 employees are awaiting for reward of Tk.25,000/- for NPL recovery in 2014.</p> <p>A small group of employees of 4 branches also awarded for Tk. 2,16,727/- against recovery of write-off loans in 2014. All amounts are paid to the respective employees through their accounts.</p>
Discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or group of employees, a description the factors that determine the mix and their relative importance :	<p>Fixed Remuneration: Salaries of different employees may vary due to rank, service length & promotion etc. under the pay policy.</p> <p>Variable Remuneration: Reward remuneration for NPL & Write-off Loan recovery may vary depending on contribution of the employees to the recovery process, security against the NPL, amount of recovery etc.</p>

Quantitative Disclosure :

(a) Name of the meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member :	<p>Fixed Remuneration: Pay scale revised last in 2014. No meeting was held regarding Fixed remuneration during the calendar year 2015.</p> <p>Variable Remuneration: Decided by the Board of Directors of the Bank.</p>
(b) Number of employees having received a variable remuneration award during the financial year :	Eligible for Incentive Merit Bonus for 2015: Junior Officer and above – 4948 Nos
(c) Number and total amount of guaranteed bonuses awarded during the financial year :	<p>Two festival bonuses disbursed during the calendar year 2015</p> <p>Number of employees : 7086</p> <p>Total Amount : Tk. 27,78,48,282/-</p>

(d) Number and total amount of sign-on awards made during the financial year :	No such payment was made during the calendar year i.e. in 2015.
(e) Number and total amount of severance payments made during the financial year :	Gratuity Payment*: Number of employees : 315 Total Amount : Tk. 20,10,84,659/- Provident Fund Payment*: Number of employees : 121 Total Amount : Tk. 16,01,68,163/- * All payment made in calendar year 2015
(f) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms :	Deferred Amount: Tk. 191,89,25,000/-
(g) Total amount of deferred remuneration paid out in the financial year :	Total Amount : Tk. 20,10,84,659/-
(h) Breakdown of amount of remuneration awards for the financial year to show:	
-fixed and variable :	Fixed amount: Tk. 356,51,42,024/- Variable amount: Tk. 12,78,85,468/-
- deferred and non-deferred :	Deferred amount: Tk.36,12,52,822/- Non-deferred amount: Tk. 4,36,727/-
- different forms used (cash, shares and share linked instruments, other forms) :	Paid in Cash through their respective accounts in calendar year 2015.
(i) Quantitative information about employees 'exposure to implicit(e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. clawback or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:	
- Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments :	Total amount: Nil
- Total amount of reductions during the financial year due to ex post implicit adjustments :	Total amount: Nil

Report on Risk Management Framework, Mitigation, Methodology and Risk Reporting

Importance of Risk in the Banking Business:

Risk is the effect of uncertainty on objectives. It is the combination of the probability of an event and its consequences. In all types of undertaking, there is the potential for events and consequences that constitute opportunities for benefit (upside) or threats to success (downside). It is also defined as the chance that an investment's actual return will be different as expected earlier.

A fundamental idea in finance is the relationship between risk and return. The greater the amount of risk that an investor is willing to take the greater the potential return. The reason for this is that investors need to be compensated for taking additional risk.

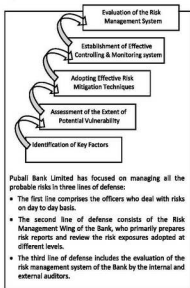
The management has to deal with ideas of risk management on proactive basis rather than on traditional post-facto basis so that it can serve to maximize the shareholders' value efficiently.

Risks and uncertainties form an integral part of banking, which by nature entails risk-taking. Banks are highly leveraged business organizations. Under Basel-III accord, the bank is required to maintain minimum 10.00% capital against risk weighted assets i.e. almost remaining 90.00% risk weighted assets are financed by the funds of depositors. Banks deals with the money of countless depositors and if the depositors' interest is hampered, the economy will face a halt. Thus risk management has become of great importance in the banking sector.

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

Risk Management- A Continuous Process:

Pubali Bank Limited has a well-established approach in the process of risk management. The process starts with the identification of key risk factors and ends with the evaluation of the system. It may be depicted as below:



Organizational Structure in Pubali Bank Limited:

Addressing the issue with utmost importance, Pubali Bank Limited has designed an integrated framework of risk management by inclusion of personnel from root to the top level of the Bank. The ultimate responsibility lies with the Board of Directors, which formulates the proper risk management



policies and establishes overall control over the implementation process. In this aspect, the Board of Directors has formed a committee named Risk Management Committee which assists the Board in fulfilling its responsibilities relating oversight of Bank's risk management strategies, policies and processes that have the potential to impact significantly on earnings performance, reputation and capital protection. There is also a Risk Management Committee at Management level headed by Deputy Managing Director & Chief Risk Officer. The committee arranges monthly meeting regularly and decisions are implemented. Considering the importance of the issue and as per instruction of Bangladesh Bank, a separate Risk management Division has already been formed.

Pubali Bank Limited believes in adopting a strong and integrated Risk Management Approach to ensure the overall financial soundness and stability of the Bank. It will continue to invest extensively to ensure that policies and infrastructure for advanced risk management system are in place in the branches, regional offices and divisions of Head Office for systematic identification, measurement, monitoring, and control of all material risks faced by the Bank. As such, the Bank's agenda for risk management includes, among others, the followings;

- Promotion of a strong and proactive culture, which gives high value to effective risk management.
- Communication of a concise risk management standards through policies, directives, operating procedures and trainings.
- Engagement of dedicated professional workforce with a high degree of expertise in all segments of risk management structure.

Understanding the Risks and its Management:

Every function of the banking business has an element of risk and success of this business lies in prudent identification, measurement, and management of these risks. Although banks have been doing risk management functions for ages, several tools and techniques have been developed recently by different regulators and supervisory bodies to bring uniformity in the approach. Pubali Bank Limited is focusing on the risks from two broad perspectives-Core Risk Management and Basel Framework (Presently Basel III regime is running). Therefore the risks can be described from both these perspectives.

Report on Going Concern



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

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

Financial indications

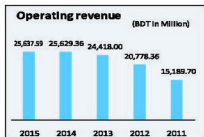
Positive key financial ratios:

During the year 2015 Pubali Bank's earning asset increased by 16.23 percent, deposits by 16.43 percent, shareholders equity by 8.82 percent and operating profit increased by 3.57 percent. The Company has a very positive financial ratio as evident from

financial highlights and graphical presentation of financial position given separately in this Annual Report. Such positive financial ratios indicate Bank's sound financial strength and good prospects. Moreover, considering the operating profit for the year 2015 Pubali Bank is one of the top performers in the banking industry.

Consistent payment of dividends:

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



Credibility in payment of obligations:

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

Performance growth:

Pubali Bank has excellent growth in its operating performance. Company's total asset has increased from BDT 248,386.50 million to BDT 285,462.25 million indicating a growth of more than 14.93 percent over last year. Operating revenue has increased by 0.03 percent in 2015. All these indicators support Company's continuance in foreseeable periods.

Cash Flow analysis:

Pubali Bank's cash flow analysis represents its strength about its ability to repay its obligation, ability to adapt in changing circumstances and generate sufficient cash and cash equivalent which will lead the bank to the foreseeable future.

Operating cash flow before adjustment of increase/decrease in operating assets and liabilities; is BDT 5,684.18 million as against BDT 3,997.70 million of previous year.

However net operating cash flow after adjustment of increase/decrease in operating assets and liabilities shows net outflow of BDT 2,401.13 million as against net outflow of BDT 2,693.67 million of previous year. Such outflow indicates to cautious expansion of loans & advances of the bank.

Expansion of business:

The Company has expanded its segment geographically by opening new branches in different places considering the economic significance. During last five years Pubali Bank opened 45 (forty five) new branches at different places in Bangladesh, 103 new ATM has also been installed during last five years tenure. Total no. of Branches and ATMs as on 31 December 2015 is 444 branches and 103 ATMs (2014: 434 Branches and 103 ATMs).

Pubali Bank also gives due importance on diversification of various innovative and customer oriented products and services and which is being done in a continuous manner. In addition to that Pubali Bank has one subsidiary as on the date of reporting namely; Pubali Bank Securities Limited. Pubali Bank Securities Limited has already started its full-fledged business operation as a brokerage company under the license of the Dhaka stock Exchange Limited and Chittagong stock Exchange Limited. On the other hand, Pubali Bank Securities Limited has been formed with the vision of carrying merchant banking activities in Bangladesh. Above diversification

also represent Company's intention for perpetuity.

Corporate environment and employees' satisfaction:

There exists a very good corporate environment in the Company. Pubali Bank is an excellent work place with friendly environment Communication among the employees is very excellent. The company endeavors to be honest and practices fair treatment to all employees which ensures good corporate environment. The Company pays a competitive compensation package and there exists a good number of employee benefits like provident fund, gratuity fund, employees welfare fund, incentive bonus, transport facility to the eligible employees. Pay scale are frequently revised to give effect of inflation as well as to align with the industry level. Those all factors are to be considered as instrumental for employee satisfaction.

Maintenance of sufficient capital:

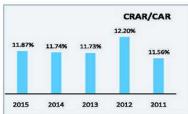
As on 31 December 2015, the Company's total equity stands at BDT 24,875.11 million as against BDT 22,859.38 million of 31 December



2014. On the other hand, as on the date of the reporting the paid up capital of the bank is BDT 8,803.74 million as against Bangladesh Bank requirement of minimum paid up capital BDT 4,000 million.

Moreover, as per BASEL-III, a bank should maintain total capital at least @ 10 percent of

RWA. Pubali Bank maintains above the required level consistently and the level of capital size of Pubali Bank is one of the



highest in the industry. As on 31 December 2015 banks CRAR is 11.87 and maintained total regulatory capital TK. 24,948.42. All the above situation also indicates to its ability and intention to continue for the foreseeable future and long term vision.

Other Indications

Satisfactory credit rating:

Pubali Bank has been rated as AA (pronounced as Double A) the long term credit rating and ST-1 short term based on audited financials as on 31 December 2015 and other available information up to the date of rating declaration. The outlook on the rating is Stable. The ratings are consistent with NCRL's methodology for this type of company. NCRL considered financial

performance, capital base, asset quality, liquidity position, management experience and prospect of the industry while assigning the rating. An institution rated AA has a very strong capacity for timely servicing of financial obligations offering high safety. Such institutions carry very low risk. An institution rated ST-1 has a strong capacity for timely payment of financial commitments and carry lowest credit risk.

Changes in Government policy:

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

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

Particulars	Long Term	Short Term
Entity Rating	AA	ST-1
Date of Rating	June 30, 2015	
Based on Financial Statements	December 31, 2014	
Validity Date	June 30, 2016	

Our Products & Services

DEPOSIT PRODUCTS

- Savings Bank Account
- Current Deposit Account
- Special Notice Deposit
- School Banking Savings Account
- Pubali Pension Scheme (PPS)
- Pubali Sanchay Prokalpa (PSP)
- Shikha Sanchay Prokalpa (SSP)
- Fixed Deposit Receipt (FDR)
- Digun Sanchay Prokalpa (DSP)
- Monthly Profit based Fixed Deposit
- Monthly Profit based Small Deposit (Sadhin Sanchay)
- Target Based Small Deposit (Swapno Purno)
- Pathoshishu Account

LOAN PRODUCTS

Continuous Loans

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

Short Term Finance

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

Long Term Finances

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

Work Order/Construction business finances

- Over Draft (Bid Bond)
- Bank Guarantee/ Performance Guarantee
- Over Draft (Work Order)

Consumer Loans

- Personal Loan
- Pubali Star (Demand Loan for Professionals)
- Car Loan
- Flat Purchase Loan
- House hold Durable Loan
- Medical Equipment Loan
- Govt. Primary School Teacher Loan
- Non-Resident Credit
- House Renovation Loan
- Education Loan

Special SME Loans

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

Special Agri Credit Program

- Pubali Integrated Animal Husbandry & Biogas Plant Loan
- Pubali Beef Fattening Loan
- Pubali Bullock Loan
- Pubali Irrigation/Agricultural Equipment Loan
- Pubali Milch Cow/ Buffalo Loan
- Pubali Poultry Firm Loan
- Agri Credit under concessional rate

Lease Financing

Loan under Re-Finance Scheme

Our Products & Services

TRADE FINANCE

Import Finance

Letter of Credit (L/C)

Loan Against Trust Receipt (LATR)

Export Finance

Back to Back L/C

Packing Credit (PC)

Bills

Payment Against Document (PAD)

Inland Bill Purchase (IBP)

Foreign Bill Purchase (FBP)

PUBALI CARD

Pubali Debit Card

Pubali Credit Card

SERVICES

ATM Service

Remittance Service

Locker Service

Online Banking

Internet Banking

Pubali Cash (Fund Transfer facilities for unbanked people)

TREASURY OPERATION

Money Market

- Inter Bank Call/Over Night Lending & Borrowing

- Term Money lending & Borrowing

- SWAP

- Repo/Reverse Repo

Fixed Income & Investment

- Treasury Bills/Bonds to Inter-bank

- Term Placement to NBFIs

Foreign Exchange & Corporate Sales

- Spot/Forward in USD/BDT

- Spot/Forward in Major Cross Currencies

OFF-SHORE BANKING UNIT (OBU)

- Bill Discounting UPAS

- Financing to AD for export bill discounting

- Term Loan

ISLAMIC BANKING

Deposit Products

- Mudaraba Savings Account

- Al-Wadeeah Current Account

- Mudaraba SND Account

- Mudaraba Term Deposit

- Mudaraba Deposit Pension Account

- Mudaraba Hajj Sanchay Account

Investment Products

- Bai Muazzal

- Hire Purchase under Shirkatul Meik

- Bi Istisna

- Murabaha Post Import (TR)

- Quard

PBL SECURITIES PRODUCTS & SERVICES

- Brokerage Operation

- Margin Loan

- Own Portfolio

- CDBL Services

Information on Market Price of Pubali Bank Ltd. Share, 2015

Month	DSE				CSE				Grand Total	
	Month High	Month Low	Total Turnover (mn)	Total Volume (Number)	Month High	Month Low	Total Turnover (mn)	Total Volume (Number)	Turnover (mn) DSE & CSE	Volume (Number) DSE & CSE
Jan-15	25.70	23.60	81.08	322,638	25.90	23.80	4.29	170,616	85.37	339,699
Feb-15	24.40	23.40	69.09	289,769	24.40	23.30	5.28	221,542	74.37	311,923
Mar-15	25.70	19.40	181.35	786,665	25.00	19.10	17.23	760,443	198.58	862,709
April-15	20.00	19.30	85.63	436,979	19.80	19.10	5.79	297,088	91.42	466,688
May-15	20.10	17.60	112.85	604,946	20.80	17.80	10.40	560,437	123.25	660,990
June-15	19.00	18.10	73.89	397,092	18.90	18.00	4.83	260,473	78.72	423,140
July-15	19.10	18.00	75.30	406,558	19.10	17.80	4.08	218,476	79.38	428,406
Aug-15	23.70	19.40	144.80	649,544	24.00	19.20	11.91	543,284	156.70	703,872
Sept-15	24.80	22.90	132.26	551,383	24.80	22.90	11.21	472,115	143.47	598,595
Oct-15	24.40	21.00	121.52	514,077	24.50	21.20	7.24	305,872	128.76	544,664
Nov-15	21.30	20.20	53.81	260,208	21.60	20.10	5.04	242,777	58.85	284,486
Dec-15	21.60	20.70	49.38	234,165	21.60	20.90	6.55	306,743	55.93	264,839

DSE Price Volume Chart of PBL Share-2015



Report on Human Resources Management

Pubali Bank Ltd. focused on strengthening its resource pool by acquiring the person with right skill and providing them with planned career growth opportunities within the Bank. As part of HR strategy to mix youth with the experienced ones, the management followed the recruitment policy to hire fresh graduates as Probationary Junior Officers, Officers and Senior Officers and experienced senior level officials through a competitive, transparent and fair recruitment process.



Business and Human Capital are intertwined and its progress dependent upon each other. In this context, the PUBALI Bank Ltd. has witness 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 systems (PAS); computerization of Human Resources Management Systems etc.

Total workforce has been 7086 in 2015. The Board of Directors and the Management of the Bank put an extra emphasis on Human Capital Development to secure all stakeholders interest. Training is the formal procedure to facilitate employees learning for bringing about the desired changes in the employee behavior. Banking technologies are evolving at a rapid pace and competence development is the prime need of the Bank by reinforcing the traditional banking skills with the new technology based skills. Major steps have been initiated by PUBALI Bank Training Institute (PBTI) to enhance the capacity of the in-house training system both qualitatively and quantitatively. Foundation Training Course has been redesigned and workshop and skill based training workshops were incorporated to ensure capacity building and generating future leaders in the Bank.

Learning accomplishment in 2015

**a) Pubali Bank
Training Institute
(PBTI):**

Vision: Training Institute aspires to visualize that Officers are self-confident and capable of taking right decision in right time by acquiring desired skills and act as a committed, ethical and well-motivated human resource through training.

Mission: In the broader sense, mission of the Training Institute is to produce active and capable manpower for due support of the Management:

- a) Bring all officers/executives of the bank in training net;
- b) Ensure compulsory job rotation for trained officials within at least one year in post-training period under effective Management plan;
- c) Create solid work-base in different operational areas by competent officers;
- d) Mould man into manpower for making the bank gain fully profitable and turn it as one of the best Bank;
- e) Organize need-based training program to cope with changes for achievement of the Bank's business strategy.

Performance:

- a) **Total 20 training programs** having **71 frequencies** were conducted in 2015 at PBTI for **2142** officials of the Bank.
- b) **Total 6 outreach workshop** having **23 frequencies** were conducted in 2015 at PBTI for **2459** officials of the Bank.

**b) Training at other
institute**

A total of 866 persons attend in 134 courses at BIBM, IBA(DU), BBTA, BAB and other institutions in 2015.

c) Overseas training

14 persons attended 11 different programs i.e. IT, Foreign Exchange, Trade Service in abroad to acquire international practices to compete with other competitors in the local & international arena of Banking and to set ourselves at international standards as a benchmarks of competence.

Human Resources Division of the bank has a commitment for ensuring the highest standard imparting on-job and formal training programs in its endeavor for development of human resources.

Performing Card Business

Card Division of Pubali Bank Limited has enabled efficient, accurate and timely management of the Card transaction that comes with a large number of Card users.

ATM Services

We have established our own ATM (Automated Teller Machines) Network across the nationwide for our valuable customers to make transactions on 24/7 for 365 days. Pubali Bank gives free transactions to its customers.

Expansion of delivery channels

We have installed 05 ATMs in 2015 to reach 103 ATMs at the end of 2015 and our upcoming 05 new ATMs are waiting for live operation. In recent future, we are working on developing country-wide network of Point of Sales (POS) terminals to ensure card acceptance.

Connectivity Established with National Payment Switch

Bangladesh Bank has introduced National Payment Switch Bangladesh (NPSB) in order to facilitate interbank electronic payments originating from different channels like Automated Teller Machines (ATM), Point of Sales (POS). The main objective of NPSB is to create a common electronic platform for the switches in Bangladesh.

Pubali Bank became a Pioneer in NPSB channel for both ATM and POS transaction. We are the first bank who joined in National Payment Switch Bangladesh (NPSB) channel in 2012 for ATM transaction and in 2015 for Point of Sales (POS) transaction. Hence, our customers are able to use low cost interbank transaction which is expensive in VISA & MasterCard channel. At present, 48 commercial banks have joined the National Payment Switch Bangladesh (NPSB) channel for daily interbank ATM transactions and among them 28 banks are currently joined in NPSB for POS transactions also.

Debit Cards

We are developing our Card business to make the plastic money popular for our valued customer. We obtained the Principal Membership of VISA and MasterCard.

MasterCard Debit Card

We have launched MasterCard Debit Card on 02 September 2013 and issued around 40,000 Cards as per our customer choice.

VISA Debit Card

We have introduced VISA Debit Card on 18 February 2014 and issued around 12,000 Cards as per our customers choice that is increasing day by day.

International Credit Cards

We have launched Pubali Bank VISA Credit Card on 19 August 2015 and Pubali Bank MasterCard Credit Card on 05 January 2016 for our valuable customer. We are issuing Credit Cards regularly as per customer request.

Card Facilities

We organized 01 (one) month durations MasterCard Debit "Card-Start-Go" promotional campaign for our MasterCard users. Under the campaign the winners got the Air Tickets for Malaysia visit, Smart phone and different gift vouchers.

We will provide our best services to deliver excellent benefits to our card members by signing different MOU and Agreement with different Hospitals, Restaurants, Hotels and Resorts in the coming days.

Our valued Card members can be able to use all local and international VISA and MasterCard supported ATM & POS machines.

Call Center

We have established 24 hours a day, 365 days a year Call Center as another delivery channel to deliver services & supports to the valued customers.

As per PCI-DSS (Payment Card Industry-Data Security Standard) requirement, we are providing our support on Risk & Fraud Management for the Card transaction.



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Off-shore Banking Operation

An off-shore banking unit (OBU) of a bank is a deemed foreign branch of the parent bank located generally within same country and shall undertake international banking business involving foreign currency denominated assets and liabilities.

Off-shore Banking is a new dimension of businesses of Pubali Bank Limited. The Bank has obtained permission from Bangladesh Bank vide Bangladesh Bank (BB) letter No. BRPD (P-3) 744 (108)/2010-93 dated January 13, 2010 to operate 2 (two) off-shore banking units at Principal Branch, Dhaka (transferred from Gulshan Model Town Branch) and Agrabad Branch, Chittagong. Operation of the both units commenced from January 22, 2015.

The Bank as the parent company of its OBUs is bound to make payment of any liability created by its OBUs.

At present OBUs are dealing with the following 3 (three) products:

- 1) Bill Discounting UPAS,
- 2) Financing for Export Bill Discounting and
- 3) Term Loan.

Currently PBL, OBU has managed fund from its own Treasury (International Division) and different external sources.

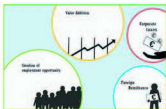
The summarized financial position as on 31 December 2015 and performance for the year ended on 31 December 2015 of OBUs are stated below:

(Figure in million)

Particulars	OBU, Principal Branch		OBU, Agrabad Branch		Grand Total	
	USD	BDT	USD	BDT	USD	BDT
Total Assets	30.81	2418.75	3.49	273.94	34.30	2692.69
Total Liabilities	30.55	2398.06	3.46	271.32	34.01	2669.38
Profit	0.26	20.69	0.03	2.62	0.29	23.31

Contribution to National Economy

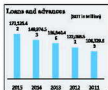
Pubali Bank Ltd. always recognizes that it has certain responsibilities to the development of the society and the country as a whole. We aspire to be known as a bank that builds enduring relationship with and delivers value for our clients, shareholders, employees and the community where we work. Besides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



Financing support to industry; SMEs, individuals etc.

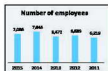


As a banking service provider Pubali Bank Ltd. contributes to the economic prosperity by providing financial products and services to the industrial undertakings including SMEs, RMG, Agro and various organizations and individuals. Based on the financials as on 31 December 2015 the size of total credit exposure of Pubali Bank Ltd. with 87,534 no. of clients is BDT 173,125.42 million (2014:83,444 no. of clients, BDT 149,974.53 million).



Employment

We make an economic impact by creating employment and a well-trained work force. Pubali Bank Ltd. and its subsidiary employed as many as 7,086 employees as on 31 December 2015 (2014: 7,645). During the year 2015 Pubali Bank paid total of BDT 4,065.14 million as salaries and allowances to its employees (2014: BDT 3,688.20 million) and significant amount also being spent for training and HR development each year.



Tax payment

Pubali Bank contributes to the economy by paying due corporate income tax and Value Added Tax (VAT) as per the prevailing laws and regulations. During the year 2015 Pubali Bank Ltd. provided total of BDT 1,918.90 million for payment of corporate income tax (2014:BDT 2,173.64 million). We also pay VAT @15% on the fees and commission income of the Bank. On the other hand, we collect tax and VAT at source while paying various bills and ensure payment of such with holding tax and VAT to the government exchequer.

Payment of dividend

We recognize our fiduciary duty to our shareholders and seek to establish constructive relationships. We are focused on maximizing long-term and sustainable shareholders' value through strong financial performance and returns. Over the past many years, Pubali Bank Ltd. paying a satisfactory return (dividend) to its shareholders. The Board of Directors of the bank proposed 12 percent cash dividend to its shareholders for the year 2015 (in 2014 the bank has also paid 10 percent cash dividend). Increased trend in payment of dividend reflects Pubali Bank's commitment to its owner.



Market capitalization

Pubali Bank Ltd. started its journey with a capital of BDT 160 million in the year 1983. At the end of the year 2015 Pubali Bank's total size of capital is BDT 8803.74 million equivalents to market capitalization of BDT 19,016.07 million (2014: capital BDT 8803.74 million, market capitalization BDT 22,449.53 million).

Donation

We always agree in building prosperity by supporting a broad range of socio-economic causes through donation. We believe, in order to reach our potential, we need to earn the respect of our stakeholders. We have learned by last three decade that the best way to do that is to foster creativity, innovation and diversity throughout our ventures, of course aligning business practices with highest values. We dream to crafting a way of social business rather than commercial business objective only. During the year 2015 the bank expended around BDT 88.59 million for donation (2014: BDT 44.42 million).

Development with sustainable growth compromising the needs of future generation

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

Green Banking

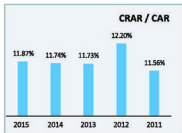
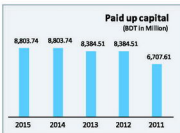
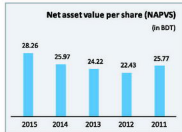
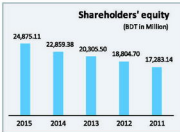
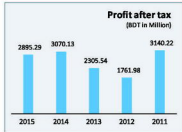
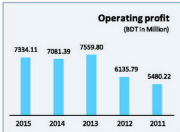
Pubali Bank's deployed it's all-out effort to make the slogan 'Green Banking' a success. Various initiatives have already been taken BDT in policy and practically at large. Keeping the environment green, discouraging projects causes greenhouse effects, eco-font in printing to reduce use of ink, use scrap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

Comparative Financial Highlights

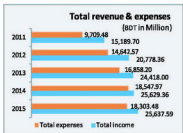
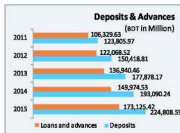
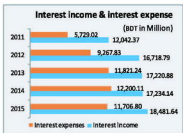
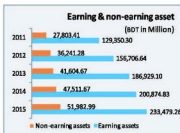
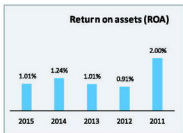
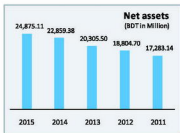
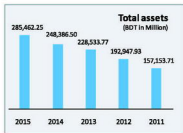
(BDT in million unless stated otherwise)

Particulars	2015	2014	Increase/ (Decrease)	Change (%)
Income Statement				
Total revenue	25,637.59	25,629.36	8.23	0.03%
Total expenses	18,303.48	18,547.97	(244.49)	(1.32)%
Operating profit	7,334.11	7,081.39	252.72	3.57%
Profit before tax	6,038.46	6,143.50	(105.04)	(1.71)%
Profit after tax	2,895.29	3,070.13	(174.84)	(5.69)%
Earnings per share	3.29	3.49	(0.20)	(5.69)%
Assets & Liabilities				
Total assets	285,462.25	248,386.50	37,075.75	14.93%
Earning assets	233,479.26	200,874.83	32,604.43	16.23%
Total loans and advances	173,125.42	149,974.53	23,150.89	15.44%
Property, plant and equipment	3,917.77	4,024.58	(106.81)	(2.65)%
Total deposit	224,808.59	193,090.24	31,718.35	16.43%
Shareholders' equity	24,875.11	22,859.38	2,015.73	8.82%
Capital				
Paid up capital	8,803.74	8,803.74	-	-
Capital maintained	24,948.42	23,434.69	1,513.73	6.46%
Risk weighted assets (RWA)	210,225.10	199,636.70	10,588.40	5.30%
Capital required	21,022.51	19,963.67	1,058.84	5.30%
CRAR/ CAR	11.87%	11.74%	0.13%	1.10%
Share Information				
Earnings per share (EPS)	3.29	3.49	(0.20)	(5.69)%
Net assets value per share (NAVPS)	28.26	25.97	2.29	8.82%
Number of shares	880,373,812	880,373,812	-	-
Regulatory Ratio				
Cash reserve requirement (CRR)	7.38%	6.65%	0.73%	10.91%
Statutory liquidity ratio (SLR)	24.30%	22.12%	2.18%	9.86%
Capital adequacy ratio (CAR)	11.87%	11.74%	0.13%	1.10%
Credit deposit Ratio	77.01%	77.67%	(0.01)%	(0.85)%
Asset Quality				
Amount of classified loans and advances	9,218.42	9,377.59	(159.17)	(1.70)%
% of classified loans and advances	5.32%	6.25%	(0.93)%	(14.84)%
Required provision for loans and advances	5,554.48	5,423.16	131.32	2.42%
Provision maintained for loans and advances	5,574.93	5,539.66	35.27	0.64%
Classified other assets	102.01	77.68	24.33	31.32%
Classified investment	10.76	6.69	4.07	60.84%
Total classified assets	9,331.19	9,461.96	(130.77)	(1.38)%

Graphical Presentation



Graphical Presentation



Key Financial Information

(BOT in million unless stated otherwise)

Particular	2015	2014	2013	2012	2011
Balance Sheet Matrix					
Authorized capital	20,000	20,000	20,000	20,000	10,000
Paid up capital	8,803.74	8,803.74	8,384.51	8,384.51	6,707.61
Reserve fund & surplus	16,071.38	14,055.64	11,920.99	10,420.19	10,575.53
Total shareholders' equity	24,875.11	22,859.38	20,305.50	18,804.70	17,283.14
Capital employed	142,909.23	117,629.61	107,983.07	88,235.57	69,714.20
Deposits	224,808.59	193,090.24	177,878.17	150,418.81	123,805.97
Loans and advances	173,125.42	149,974.53	136,940.46	122,068.52	106,329.63
Investments	57,881.68	48,970.73	48,678.92	30,691.15	19,069.27
Property, plant & equipment (Fixed Assets)	3,917.77	4,024.58	3,735.99	3,502.81	3,369.19
Total assets	285,462.25	248,386.50	228,533.77	192,947.93	157,153.71
Total off balance sheet exposures	54,502.19	47,538.41	45,738.25	40,151.65	33,616.28
Earning assets	233,479.26	200,874.83	186,925.10	156,706.64	129,350.30
Non-earning assets	51,982.99	47,511.67	41,604.67	36,241.28	27,803.41
Net Assets	24,875.11	22,859.38	20,305.50	18,804.70	17,283.14
Income Statement Matrix					
Interest income	18,481.64	17,234.14	17,220.88	16,718.79	12,042.37
Investment income	4,409.76	5,987.81	4,899.69	2,034.60	1,257.09
Non-interest income	2,746.15	2,407.41	2,297.42	2,024.97	1,890.24
Total income	25,637.55	25,628.36	24,418.00	20,778.36	15,189.70
Interest expenses	11,706.80	12,200.11	11,821.24	9,267.83	5,729.02
Non-interest expenses	6,596.68	6,347.86	5,036.96	5,374.74	3,980.46
Total expenses	18,303.48	18,547.97	16,858.20	14,642.57	9,709.48
Net interest margin (NIM)	6,774.84	5,034.03	5,399.64	7,450.96	6,313.35
Net non-interest margin	559.27	2,047.36	2,160.15	(1,315.17)	(833.13)
Operating profit	7,334.11	7,081.39	7,559.80	6,135.79	5,480.22
Earnings before provision, depreciation and tax	7,696.00	7,327.09	7,805.50	6,331.48	5,636.42
Profit before provision & tax	7,334.11	7,081.39	7,559.80	6,135.79	5,480.22
Profit before tax	6,038.46	6,143.50	5,386.79	4,317.08	5,410.22
Net profit after tax	2,895.29	3,070.13	2,305.54	1,761.98	3,140.22
Capital Matrix					
Risk weighted assets (RWA)	210,225.10	199,636.70	179,692.00	159,674.40	132,581.60
Total required capital	21,022.51	19,964.00	17,969.00	15,967.44	13,258.16
Total regulatory capital maintained	24,948.42	23,434.69	21,083.00	19,483.74	17,976.71
Capital surplus/(shortfall)	3,925.91	3,470.69	3,114.00	3,516.30	4,718.55
CRAR/(CAR)	11.87%	11.74%	11.73%	12.20%	11.56%
Core capital ratio	10.22%	9.97%	9.60%	9.88%	10.82%
Supplementary capital ratio	1.65%	1.77%	2.14%	2.32%	2.74%
Amount of core capital (Tier-1)	21,481.54	19,895.00	17,244.00	15,776.62	14,350.01
Amount of supplementary capital (Tier-2)	3,466.88	3,540.00	3,839.00	3,707.13	3,626.70
Asset Quality					
Classified loans & advances (Non-performing loans)	9,218.42	9,377.59	8,136.10	6,159.62	2,146.38
Percentage of NPLs to total loans and advances	5.32%	6.25%	5.94%	5.05%	2.02%
Required provision for unclassified loans	1,796.78	1,454.20	1,385.50	1,462.43	1,382.49
Required provision for classified loans	3,757.70	3,968.96	4,895.96	2,785.87	773.85
Total required provision for loans and advances	5,554.48	5,423.16	6,281.46	4,248.30	2,156.34
Total provision maintained for loans and advances	5,574.93	5,539.66	6,282.91	4,252.73	2,158.95
Provision excess/(shortfall) for loans and advances	20.45	116.50	1.45	4.43	2.61
General provision maintained	1,796.78	1,454.20	1,385.50	1,462.43	1,382.81
Specific provision maintained	3,778.15	4,085.46	4,897.41	2,790.31	776.14
Classified investment	30.76	6.69	6.73	7.24	7.24
Provision maintained for classified investment	23.75	18.75	18.75	18.75	18.75
Classified other assets	102.01	77.68	69.51	118.41	50.99
Provision maintained for other assets	220.24	190.05	162.19	143.97	125.24
Total classified assets	9,331.19	9,461.96	8,212.34	6,285.27	2,204.01
Total unclassified assets	276,131.06	238,924.54	220,321.43	186,662.66	154,949.70

Key Financial Information

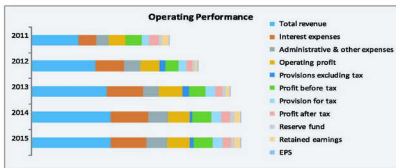
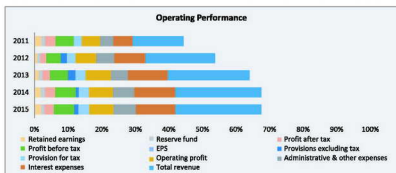
(BDT in million unless stated otherwise)

Particular	2015	2014	2013	2012	2011
Asset Quality					
Required provision for contingent liabilities	545.02	475.38	457.38	401.52	336.16
Provision maintained for contingent liabilities	546.80	476.80	464.30	414.30	339.30
Current assets	162,209.93	145,461.32	139,407.49	118,388.68	100,047.18
Current liabilities	142,553.02	130,756.89	120,550.70	104,712.36	87,439.51
Net current assets	19,656.91	14,704.43	18,856.79	13,676.32	12,607.67
Long term liabilities	118,094.12	94,770.23	87,677.57	69,430.87	52,431.06
Long term liabilities/current liabilities	0.83	0.72	0.73	0.66	0.60
Foreign Exchange Business					
Import	112,564.30	97,516.90	97,380.40	108,120.30	90,568.90
Export	85,740.40	77,071.30	69,484.40	59,004.80	47,515.90
Foreign remittance	43,807.00	43,541.70	38,947.60	41,239.90	34,003.90
Financial Ratios					
Operating profit ratio	28.61%	27.63%	30.96%	29.53%	36.08%
Gross profit ratio	28.61%	27.63%	30.96%	29.53%	36.08%
Operating profit as a percentage of average working fund	37.31%	48.16%	40.09%	44.86%	43.47%
Return on assets (ROA)	1.01%	1.24%	1.01%	0.91%	2.00%
Return on equity (ROE)	11.64%	13.43%	11.35%	9.37%	18.17%
Return on investment (ROI)	11.64%	13.43%	11.35%	9.37%	18.17%
Return on loans & advances	1.67%	2.05%	1.68%	1.44%	2.95%
Return on working fund	14.73%	20.88%	12.23%	12.88%	24.91%
Return on earning assets	1.24%	1.53%	1.23%	1.12%	2.43%
Operating profit per employee	1.04	0.93	1.17	0.92	0.88
Net profit per employee	0.41	0.40	0.36	0.26	0.50
Operating profit per branch	16.52	16.32	17.87	14.64	13.50
Net interest margin as a percentage of working fund	34.47%	34.23%	28.63%	54.48%	50.08%
Net interest margin on earning assets	2.90%	2.51%	2.89%	4.75%	4.88%
Efficiency ratio	0.26	0.25	0.21	0.26	0.26
Burden ratio	1.35%	1.59%	1.20%	1.74%	1.33%
Cost of deposit	5.21%	6.32%	6.65%	6.16%	4.63%
Yield on loans and advances	10.68%	11.49%	12.58%	13.70%	11.33%
Interest spread	5.47%	5.17%	5.93%	7.53%	6.70%
Cost of fund	8.75%	9.74%	10.17%	10.77%	8.93%
Net spread	1.93%	1.75%	2.41%	2.93%	2.40%
Cost to income ratio	71.39%	72.37%	69.04%	70.47%	63.92%
Debt equity ratio (times)	10.48	8.87	10.25	9.26	8.09
Current ratio (times)	1.14	1.11	1.16	1.13	1.14
Net asset value per share (NAPVS) (in BDT)	28.26	25.97	24.22	22.43	25.77
Earnings per share (EPS) (in BDT)	3.29	3.49	2.62	2.10	3.75
CRAR/ CAR	11.87%	11.74%	11.73%	12.30%	11.56%
Credit deposit ratio	77.01%	77.67%	76.99%	81.15%	85.88%
Cash reserve ratio/Liquidity ratio	7.38%	6.65%	6.53%	6.20%	6.00%
Statutory liquidity ratio (SLR)	24.30%	22.12%	24.04%	18.38%	18.51%
Medium term funding ratio (MTFR)	0.96	0.92	0.98	0.93	0.92
Shares Information Matrix					
Number of shares	880,373,812	880,373,812	838,451,250	838,451,250	670,761,000
Earnings per share (EPS) (in BDT)	3.29	3.49	2.62	2.10	3.75
Net asset value per share (NAPVS) (in BDT)	28.26	25.97	24.22	22.43	25.77
Market price per share	21.60	25.50	32.50	33.00	50.50
Dividend:					
Cash	12.00	30.00	5.00	10.00	5.00
Bonus	-	-	5.00	-	25.00
Other Information					
Number of branches	444	434	423	419	406
Number of employees	7,086	7,645	6,472	6,689	6,219
Number of foreign correspondents	30	30	30	33	33

Horizontal & Vertical Analysis Operating performance

(BDT in million unless stated otherwise)

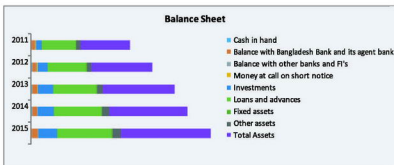
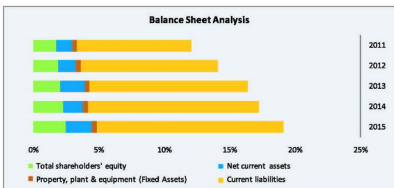
Particular	2015	2014	2013	2012	2011
Total revenue	25,637.59	25629.36	24418.00	20778.36	15189.70
Interest expenses	11,706.80	12200.11	11821.24	9267.83	5729.02
Administrative & other expenses	6,596.68	6347.86	5036.96	5374.74	3980.46
Operating profit	7,334.11	7081.39	7559.80	6135.79	5480.22
Provisions excluding tax	1,295.65	898.12	2173.01	1818.72	70.00
Profit before tax	6,038.46	6143.50	5386.79	4317.08	5410.22
Provision for tax	3,143.17	3073.37	3081.25	2555.10	2270.00
Profit after tax	2,895.29	3070.13	2305.54	1761.98	3140.22
Reserve fund	900.00	1,228.70	1077.36	863.42	1082.04
Retained earnings	1,995.29	1841.43	1228.18	898.56	2058.18
EPS	3.29	3.49	2.62	2.10	3.75



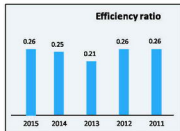
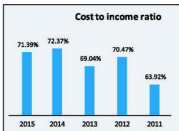
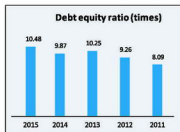
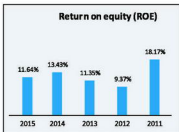
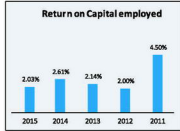
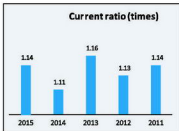
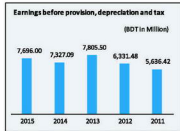
Horizontal & Vertical Analysis Balance Sheet

(BDT in million unless stated otherwise)

Particular	2015	2014	2013	2012	2011
Cash in hand	2,834.88	3,607.70	4,186.60	3,468.65	2,376.58
Balance with Bangladesh Bank and its agent bank	18,542.10	16,345.81	15,312.86	13,648.64	9,368.98
Balance with other banks and FI's	2,222.69	2,329.43	1,566.37	1,621.31	1,592.11
Money at call on short notice	935.29	988.29	568.89	2,799.09	2,359.29
Investments	57,881.68	48,970.73	48,678.92	30,691.15	19,069.27
Loans and advances	173,125.42	149,974.53	136,940.46	122,068.52	106,329.63
Fixed assets	3,917.77	4,024.58	3,735.99	3,502.80	3,369.19
Other assets	26,002.05	22,145.07	17,543.31	15,147.39	12,688.27
Total Assets	285,462.25	248,386.50	228,533.77	192,947.93	157,153.71

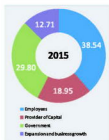


Financial Ratios



Value Added Statement for the year ended 31 December 2015

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.



Particulars	2015		2014	
	Amount	%	Amount	%
Value added				
Net interest income	6,774,843,275	48.63	5,014,039,058	37.49
Commission, exchange and brokerage, etc.	1,541,286,034	11.06	1,409,731,707	10.50
Investment income	4,408,756,059	31.66	5,987,807,463	44.58
Other operating income	1,204,902,509	8.65	997,675,201	7.43
Sub-total (a)	13,890,787,851	100.00	13,429,253,429	100.00
Cost of service rendered	(2,088,035,484)	(61.71)	(2,272,377,570)	(71.67)
Provision for loans, investment, Off &/S items & etc.	(1,295,652,452)	(38.29)	(898,120,000)	(28.33)
Sub-total (b)	(3,383,678,946)	(100.00)	(3,170,497,570)	(100.00)
Total Value added by the bank (a-b)	10,547,108,905		10,258,755,859	
Distribution of value added				
Employees				
As salaries and allowances	4,065,147,024	38.54	3,688,195,955	35.95
Provider of Capital				
Shareholders	1,997,709,802	18.95	1,842,430,556	18.35
Government				
Corporate tax	3,210,437,445		2,795,128,912	
Deferred tax	(67,266,979)		278,238,424	
	3,148,170,475	29.80	3,073,367,339	29.96
Expansion and business growth				
Statutory reserve	900,000,000	8.53	1,228,699,563	11.98
Depreciation and repair of bank's assets	641,086,604	4.18	386,082,649	3.76
Total distribution	10,547,108,905	100.00	10,258,755,859	100.00

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 indicates how the market has evaluated the company's performance in terms of market value of quoted shares compared to book value of these 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 2015 and 2014:

Particulars	Figures in million Taka	
	2015	2014
Market value of shares outstanding	7,460.21	8,539.15
Book value of shares outstanding	7,240.15	7,112.37
Market value added	220.06	1,426.78

Economic Value Added Statement (EVA) for the year ended 31 December 2015

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.

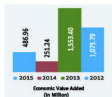
Cost of equity

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 2012 to 2015 :

Economic Value added analysis

For the year ended	Figures in BDT			
	2015	2014	2013	2012
Shareholders' equity at year end	24,875,113,452	22,859,377,335	20,305,498,036	18,804,700,020
Add : Accumulated provision for loans, investments & Off B/S items etc.	6,365,717,523	6,225,258,582	6,928,151,951	4,833,734,276
Total	31,240,830,975	29,084,635,917	27,233,649,987	23,638,434,296
Average shareholders' equity	30,162,733,446	28,159,142,952	25,436,042,142	21,781,911,939
Cost of equity (%)	12.28%	13.20%	11.50%	11.50%
Economic Value Added	486,955,838	251,243,610	1,553,403,696	1,075,785,828
Net profit after tax (before provision)	4,190,939,505	3,968,250,480	4,478,548,542	3,580,705,701
Less : Cost of equity	3,703,983,667	3,717,006,870	2,925,144,846	2,504,919,873
Total operating income	13,930,787,851	13,429,253,429	12,596,759,600	11,510,538,548
Net profit after tax	2,895,287,053	3,070,130,480	2,305,537,976	1,761,981,044
Key ratios				
EVA/Total operating income (%)	3.50	1.87	12.33	9.35
EVA/Average shareholders' equity (%)	1.61	0.89	6.11	4.94
Net profit after tax/Total operating income (%)	20.78	22.86	18.30	15.31



9 March 2016

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 2015:

- 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.


Md. Abdul Halim Chowdhury
Managing Director & CEO


Sayeed Ahmed FCA, AGMA, CGMA
Deputy Managing Director & CFO


Aziz Halim Khair Choudhury
Chartered Accountant
PhulBari House
House No 25
Road No 1, Sector - 9
Uttara Model Town, Dhaka -1230

ACNABIN
Chartered Accountants
BDBL Bhaban (Level-13 & 14)
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 2015, 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 # 2.29 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 2015, 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 # 2.29.

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 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 7,860 person hours for the audit of the books and accounts of the Bank.

Dr. Jamil H. A. Chowdhury
Aziz Halim Khair Choudhury
Chartered Accountants

Dated, Dhaka
10 March 2016

ACNABIN
ACNABIN
Chartered Accountants

Consolidated Balance Sheet as at 31 December 2015

PROPERTY AND ASSETS	Note	2015 Taka	2014 Taka
Cash	3 (a)	21,376,981,153	19,953,501,902
Cash in hand (Including foreign currencies)		2,834,684,562	3,607,695,337
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)		18,542,096,591	16,345,806,565
Balance with Other Banks and Financial Institutions	4 (a)	2,222,692,959	2,329,429,846
In Bangladesh		1,536,876,025	941,288,972
Outside Bangladesh		685,816,934	1,388,140,874
Money at Call on Short Notice	5	935,286,667	988,286,667
Investments	6 (a)	61,075,817,975	52,121,248,012
Government		47,153,505,257	39,184,326,576
Others		13,922,312,718	12,936,921,436
Loans, Advances and Leases	7 (a)	171,692,142,940	148,592,358,958
Loans, cash credits, overdrafts, etc.		168,335,701,353	147,788,972,473
Bills purchased & discounted		3,356,441,587	803,386,485
Fixed Assets Including Premises, Furniture & Fixtures	8 (a)	3,920,741,861	4,026,742,698
Other Assets	9 (a)	24,211,876,743	20,657,803,938
Non-Banking Assets	10	375,246	375,246
Total Assets		285,435,915,544	248,669,747,267
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, financial institutions & agents	11	2,543,554,248	3,376,775,986
Deposits and Other Accounts	12 (a)	224,249,499,124	192,653,143,179
Current accounts & other accounts		25,546,461,730	20,721,644,385
Bills payable		4,512,456,257	3,824,137,445
Savings bank deposits		51,969,483,909	45,159,141,790
Term deposits		137,567,155,752	118,197,230,889
Other deposits		4,653,941,475	4,750,988,670
Other Liabilities	13 (a)	34,454,192,288	30,509,132,424
Total Liabilities		261,247,245,660	226,539,051,589
Capital /Shareholders' Equity			
Paid up capital	14.2	8,803,738,120	8,803,738,120
Statutory reserve	15	9,300,249,482	8,400,249,482
Retained earnings (general reserve)	16 (a)	3,044,934,155	1,877,766,170
Other reserves	17 (a)	3,039,747,469	3,048,941,282
Profit and Loss account surplus	18 (a)	-	-
		24,188,669,226	22,130,695,054
Non-controlling interest	19	658	624
Total Shareholders' Equity		24,188,669,884	22,130,695,678
Total Liabilities and Shareholders' Equity		285,435,915,544	248,669,747,267

Consolidated Balance Sheet as at 31 December 2015

	Note	2015 Taka	2014 Taka
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances & endorsements			
Letters of guarantee	20	7,648,739,240	7,036,861,649
Irrevocable letters of credit		44,054,462,906	38,989,408,824
Bills for collection		1,614,641,134	563,495,313
Other contingent liabilities		1,184,343,398	948,646,848
Total		54,502,186,678	47,538,412,634
Other Commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		-	-
Total Off-Balance Sheet Items Including Contingent Liabilities		54,502,186,678	47,538,412,634

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



Md. Abdul Halim Chowdhury
Managing Director



Habibur Rahman
Director

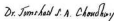


Fahim Ahmed Faruk Chowdhury
Director



Hafiz Ahmed Mazumder
Chairman

Signed as per annexed report on even date



Aziz Halim Khair Choudhury
Chartered Accountants



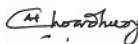
ACNABIN
Chartered Accountants

Dated, Dhaka
March 10, 2016

Consolidated Profit & Loss Account for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
Operating Income			
Interest income	21 (a)	18,527,671,946	17,329,810,385
Interest paid on deposits, borrowings, etc.	22 (a)	(11,706,798,614)	(12,200,105,488)
Net Interest Income		6,820,873,332	5,129,704,897
Investment income	23 (a)	4,512,250,388	6,061,018,782
Commission, exchange and brokerage	24 (a)	1,580,947,990	1,477,942,355
Other operating income	25 (a)	1,206,564,224	998,852,669
Total Operating Income		14,120,635,934	13,667,518,703
Operating Expenses			
Salaries and allowances	26 (a)	4,078,677,279	3,704,533,722
Rent, taxes, insurance, electricity, etc.	27 (a)	575,849,695	505,191,312
Legal expenses	28 (a)	16,261,988	13,944,856
Postage, stamp, telecommunication, etc.	29 (a)	72,953,080	72,461,980
Stationery, printing, advertisements, etc.	30 (a)	128,186,175	136,582,752
Managing Director's salary and fees	31	10,137,500	11,498,388
Directors' fees	32 (a)	6,206,413	5,891,901
Auditors' fees	33 (a)	1,973,570	2,868,180
Charges on loan losses		2,422,749	1,205,435
Depreciation and repair of bank's assets	34 (a)	442,498,337	389,289,445
Other expenses	35 (a)	1,294,483,540	1,563,456,781
Total Operating Expenses		6,629,650,326	6,406,924,752
Profit/(Loss) before Provision		7,490,985,608	7,260,593,951
Provision for Loans, Advances, Investments and Other Assets	36 (a)		
Provision for classified loans and advances		877,422,975	806,299,536
Provision for unclassified loans and advances		342,577,025	68,700,464
Provision for diminution in value of investments		5,000,000	86,844,546
Provision for impairment clients' margin loan		29,024,895	31,155,117
Provision for bad debt offsetting		652,452	620,000
Provision for other assets		-	10,000,000
		1,254,677,347	1,003,619,663
Provision for exposure of off-balance sheet items	37	70,000,000	12,500,000
Total Provision		1,324,677,347	1,016,119,663
Loss on disposal of subsidiary		-	(23,909,649)
Foreign currency translation gain		-	1,746,251
Total Profit/(Loss) before Taxes		6,166,308,261	6,222,310,890
Provision for current tax	13.5 (a)	3,301,063,810	2,828,927,796
Provision for deferred tax	13.5.1 (a)	(72,280,691)	278,067,175
Total Provision for Taxes		3,228,783,119	3,106,994,971
Net Profit after Taxation		2,937,525,142	3,115,315,919
Profit Attributable to:			
Equity holders of parents		2,937,525,108	3,115,315,884
Non-controlling interest		34	35
Appropriations :		2,937,525,142	3,115,315,919
Statutory reserve		900,000,000	1,228,699,563
Retained surplus (general reserve) carried forward		2,037,525,142	1,886,616,356
Earnings Per Share (EPS)	44 (a)	3.34	3.54
		Basic	3.54
		Diluted	3.54

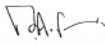
These financial statements should be read in conjunction with the annexed notes.



Md. Abdul Halim Chowdhury
Managing Director



Habibur Rahman
Director



Fahim Ahmed Faruk Chowdhury
Director



Hafiz Ahmed Mazumder
Chairman

Dr. Ismail A. A. Chowdhury
Aziz Halim Khair Chowdhury
Chartered Accountants

Signed as per annexed report on even date



ACNABIN
Chartered Accountants

Dated, Dhaka
March 10, 2016

Consolidated Cash Flow Statement for the year ended 31 December 2015

Note	2015 Taka	2014 Taka
a Cash Flows from Operating Activities		
Interest receipts in cash	22,538,309,726	22,727,121,574
Interest payments	(11,699,706,089)	(12,048,491,654)
Dividend receipts	442,021,965	481,243,186
Fees and commission receipts	955,584,440	914,954,615
Recoveries of loans previously written off	226,914,450	40,000,000
Cash payment to employees	(4,088,814,779)	(3,716,032,110)
Cash payment to suppliers	(218,409,977)	(222,961,190)
Current income tax paid	(2,011,827,165)	(3,329,389,035)
Receipts from other operating activities	38 (a) 1,657,511,442	1,552,690,982
Cash payments for other operating activities	39 (a) (1,960,530,552)	(2,221,417,747)
Operating Profit before Changes in Operating Assets & Liabilities	5,841,053,461	4,177,718,621
Increase/(Decrease) in Operating Assets and Liabilities		
Statutory deposits	(7,976,431,681)	1,287,169,787
Purchase/sale of trading securities	(975,391,282)	(1,610,054,263)
Loans and advances to customers (other than banks)	(23,099,789,212)	(13,103,994,498)
Other assets	40 (a) (1,882,266,291)	(1,315,665,038)
Deposits to/from other banks	(833,221,738)	(772,571,713)
Deposits from customers (other than banks)	31,718,347,131	15,212,070,970
Other liabilities account of customers	(374,787,818)	(1,197,561,767)
FC translation reserve	-	(1,125,043)
Other liabilities	41 (a) 106,413,097	212,256,258
Total Increase/(Decrease) in Operating Assets and Liabilities	(3,317,127,794)	(1,289,475,307)
Net Cash from/(Used in) Operating Activities	2,523,925,667	2,888,243,314
b Cash Flows from Investing Activities		
Proceeds from sale of securities	-	-
Purchase/ sale of property, plant & equipment	(255,894,181)	(529,809,863)
Net Cash from/(Used in) Investing Activities	(255,894,181)	(529,809,863)
c Cash Flows from Financing Activities		
Payment for redemption of loan capital and debt security	-	(97,025,556)
Receipts from issue of loan capital and debt security	822,876	-
Issue of Share capital	-	-
Dividend paid	(880,373,812)	(419,225,625)
Investment in Subsidiary Company	-	-
Net Cash from/(Used in) Financing activities	(879,550,936)	(516,251,181)
d Net Increase/ (Decrease) in Cash and Cash Equivalents (a+b+c)	1,388,480,550	1,842,182,270
e Cash and cash equivalents at beginning period	23,727,430,234	21,885,247,964
f Cash and cash Equivalents at end of period (d+e)	25,115,910,784	23,727,430,234

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



Md. Abdul Halim Chowdhury
Managing Director



Habibur Rahman
Director



Fahim Ahmed Faruk Chowdhury
Director



Hafiz Ahmed Maszumder
Chairman

Signed as per annexed report on even date

Dated, Dhaka
March 10, 2016

Consolidated Statement of Changes in Equity for the year ended 31 December 2015

(Figures in Taka)

Particulars	Paid-up capital	Statutory reserve	Retained earnings (general reserve)	Other reserves	Proposed dividend	Parent's equity	Non-controlling interest	Total
For the year 2015								
Balance as at 1 January 2015	8,803,738,120	8,400,249,482	1,877,766,170	3,048,941,282	-	22,130,695,054	624	22,130,695,678
Changes in accounting policy								
Revised balance	8,803,738,120	8,400,249,482	1,877,766,170	3,048,941,282		22,130,695,054	624	22,130,695,678
Surplus/deficit on account of revaluation of properties	-	-	-	(31,858,351)	-	(31,858,351)	-	(33,858,351)
Adjustment of last year gain on investment	-	-	-	34,681,227	-	34,681,227	-	34,681,227
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-	-
Net gains and losses not recognised in the Profit and Loss Statement	-	-	10,016,689	(10,016,689)	-	-	-	-
Transfer regarding revaluation reserve on sale of properties	-	-	-	-	-	-	-	-
Non-controlling capital	-	-	-	-	-	-	-	-
Net profit for the year	-	-	2,037,525,108	-	-	2,037,525,108	34	2,037,525,142
Transfer to statutory reserve	-	900,000,000	-	-	-	900,000,000	-	900,000,000
Issue of bonus shares - 2014	-	-	-	-	-	-	-	-
Proposed dividend (bonus issue)	-	-	(880,373,812)	-	-	(880,373,812)	-	(880,373,812)
Dividends (cash) for 2014	-	-	-	-	-	-	-	-
Balance as at 31 December 2015	8,803,738,120	9,300,249,482	3,044,934,155	3,039,747,469	-	24,188,669,226	658	24,188,669,884
Balance as at 31 December 2014	8,803,738,120	8,400,249,482	1,877,766,170	3,048,941,282	-	22,130,695,054	624	22,130,695,678



Md. Abdul Halim Chowdhury
Managing Director



Habibur Rahman
Director



Fahim Ahmed Faruk Chowdhury
Director



Hafiz Ahmed Nazim
Chairman

Signed as per annual report on even date

Dated, Dhaka
March 10, 2016

Balance Sheet as at 31 December 2015

	Note	2015 Taka	2014 Taka
PROPERTY AND ASSETS			
Cash	3	21,376,981,153	19,953,501,902
Cash in hand (Including foreign currencies)		2,834,884,562	3,607,695,337
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)		18,542,096,591	16,345,806,565
Balance with Other Banks and Financial Institutions	4	2,222,692,959	2,329,429,846
In Bangladesh		1,536,876,025	941,288,972
Outside Bangladesh		685,816,934	1,388,140,874
Money at Call on Short Notice	5	935,286,667	988,286,667
Investments	6	57,881,682,992	48,970,725,727
Government		47,153,505,257	39,184,326,576
Others		10,728,177,735	9,786,399,151
Loans, Advances and Leases	7	173,125,419,314	149,974,530,667
Loans, cash credits, overdrafts, etc.		169,768,977,727	149,171,144,182
Bills purchased and discounted		3,356,441,587	803,386,485
Fixed Assets Including Premises, Furniture & Fixtures	8	3,917,767,831	4,024,576,168
Other Assets	9	26,002,046,119	22,145,071,507
Non-Banking Assets	10	375,246	375,246
Total Assets		285,462,252,281	248,386,497,730
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from Other Banks, Financial Institutions & Agents	11	2,543,554,248	3,376,775,986
Deposits and Other Accounts	12	224,808,590,528	193,090,243,397
Current accounts & other accounts		26,080,165,638	21,156,902,329
Bills payable		4,512,456,257	3,824,137,445
Savings bank deposits		51,969,483,909	45,159,141,790
Term deposits		137,592,543,248	118,199,073,163
Other deposits		4,653,941,476	4,750,988,670
Other Liabilities	13	33,234,994,053	29,060,101,012
Total Liabilities		260,587,138,829	225,527,120,395
Capital / Shareholders' Equity			
Paid up capital	14.2	8,803,738,120	8,803,738,120
Statutory reserve	15	9,300,249,482	8,400,249,482
Retained earnings (general reserve)	16	3,815,549,087	2,690,619,157
Proposed issue of bonus shares		-	-
Other reserves	17	2,955,576,763	2,964,770,576
Profit and Loss account surplus	18	-	-
Total Shareholders' Equity		24,875,113,452	22,859,377,335
Total Liabilities and Shareholders' Equity		285,462,252,281	248,386,497,730

Balance Sheet as at 31 December 2015

OFF-BALANCE SHEET ITEMS

Contingent Liabilities

Acceptances & Endorsements

Note	2015 Taka	2014 Taka
20	7,648,739,240	7,036,861,649
	44,054,462,906	38,989,408,824
	1,614,641,134	563,495,313
	1,184,343,398	948,646,848
Total Contingent Liabilities	54,502,186,678	47,538,412,634
	-	-
	-	-
	-	-
	-	-
Total	-	-
Total Off-Balance Sheet Items Including Contingent Liabilities	54,502,186,678	47,538,412,634

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

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



Md. Abdul Halim Chowdhury
Managing Director



Habibur Rahman
Director

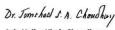


Fahim Ahmed Faruk Chowdhury
Director



Hafiz Ahmed Mazumder
Chairman

Signed as per annexed report on even date



Aziz Halim Khair Chowdhury
Chartered Accountants



ACNABIN
Chartered Accountants

Dated, Dhaka
March 10, 2016

Profit & Loss Account for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
Operating Income			
Interest income	21	18,481,641,889	17,234,144,546
Interest paid on deposits, borrowings, etc.	22	(11,796,798,614)	(12,200,105,488)
Net Interest Income		6,774,843,275	5,034,039,058
Investment income	23	4,409,756,059	5,987,807,463
Commission, exchange and brokerage	24	1,541,286,014	1,409,731,707
Other operating income	25	1,204,902,503	997,675,201
Total Operating Income		13,930,787,851	13,429,253,429
Operating Expenses			
Salaries and allowances	26	4,055,004,524	3,676,697,567
Rent, taxes, insurance, electricity, etc.	27	575,321,597	499,535,966
Legal expenses	28	16,045,488	12,435,798
Postage, stamp, telecommunication, etc.	29	72,591,856	71,874,937
Stationery, printing, advertisements, etc.	30	127,942,813	136,220,875
Managing Director's salary and fees	31	10,137,500	11,498,388
Directors' fees	32	5,908,413	5,385,901
Auditors' fees	33	1,829,820	2,429,580
Charges on loan losses		2,422,749	1,205,435
Depreciation and repair of bank's assets	34	441,086,604	386,082,449
Other expenses	35	1,288,386,507	1,544,494,513
Total Operating Expenses		6,596,677,871	6,347,861,409
Profit/(Loss) before Provisions		7,334,109,980	7,081,392,020
Provision for Loans, Advances, Investments and Other Assets	36		
Provision for classified loans and advances		877,422,975	806,299,536
Provision for unclassified loans and advances		342,577,025	68,700,464
Provision for diminution in value of investments		5,000,000	-
Provision for bad debt offsetting		652,452	620,000
Provision for other assets		-	10,000,000
		1,225,652,452	885,620,000
Provision for exposure of off-balance sheet items	37	70,000,000	12,500,000
Total Provisions		1,295,652,452	898,120,000
Loss on disposal of subsidiary		-	(39,774,204)
Total Profit/(Loss) before Taxes		6,038,457,528	6,143,497,816
Provision for current tax	13.5.2	3,210,437,445	2,795,128,912
Provision for deferred tax	13.5.2	(67,266,970)	278,238,424
Total Provision for Taxes		3,143,170,475	3,073,367,336
Net Profit after Taxes		2,895,287,053	3,070,130,480
Appropriations			
Statutory reserve		900,000,000	1,228,699,563
Retained surplus (general reserve) carried forward		1,995,287,053	1,841,430,917
Earnings Per Share (EPS)			
Basic	44	3.29	3.49
Diluted		3.29	3.49

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



Md. Abdul Halim Chowdhury
Managing Director



Habibur Rahman
Director



Fahim Ahmed Faruk Chowdhury
Director



Hafiz Ahmed Mazumder
Chairman

Dr. Simhaul S. A. Chowdhury
Aziz Halim Khair Chowdhury
Chartered Accountants

Signed as per annexed report on even date



ACNABEN
Chartered Accountants

Dated, Dhaka
March 10, 2016

Cash Flow Statement for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
a Cash Flows from Operating Activities			
Interest receipts in cash		22,492,279,669	22,631,455,735
Interest payments		(11,699,706,089)	(12,048,491,654)
Dividend receipts		392,025,754	438,882,440
Fees and commission receipts		915,922,464	846,743,967
Recoveries of loans previously written off		226,914,450	40,000,000
Cash payment to employees		(4,065,142,024)	(3,688,195,955)
Cash payment to suppliers		(218,409,977)	(222,961,190)
Current income tax paid		(2,011,827,165)	(3,329,389,035)
Receipts from other operating activities	38	1,603,351,603	1,520,662,941
Cash payments for other operating activities	39	(1,951,230,852)	(2,191,002,407)
Operating Profit before Changes in Operating Assets & Liabilities		5,684,177,833	3,997,704,842
Increase/(Decrease) in operating assets and liabilities			
Statutory deposits		(7,976,431,681)	1,287,169,787
Purchase/sale of trading securities		(931,778,584)	(1,575,011,145)
Loans and advances to customers (other than banks)		(23,150,888,647)	(13,034,068,298)
Other assets	40	(1,845,147,447)	(1,300,209,801)
Deposits to/from other banks		(833,221,738)	(772,571,713)
Deposits from customers (other than banks)		31,718,347,131	15,212,070,970
Other liabilities account of customers		(374,793,048)	(1,192,571,997)
Other liabilities	41	110,863,162	71,156,768
Total Increase / (Decrease) in Operating Assets and Liabilities		(3,283,050,852)	(1,304,035,429)
Net Cash from / (used in) Operating Activities		2,401,126,981	2,693,669,413
b Cash Flows from Investing Activities			
Proceeds from sale of securities		-	-
Purchase/sale of property, plant & equipment		(255,086,681)	(534,290,591)
Net Cash from/(used in) Investing Activities		(255,086,681)	(534,290,591)
c Cash Flows from Financing Activities			
Payment for redemption of loan capital and debt security		-	(97,025,556)
Receipts from issue of loan capital and debt security		822,876	-
Investment in subsidiary company		-	(2,659,724)
Dividend paid		(880,373,812)	(419,225,625)
Net Cash from/(used in) Financing Activities		(879,550,936)	(518,910,905)
d Net Increase/ (Decrease) in Cash and Cash Equivalents (a+b+c)		1,266,489,364	1,640,467,917
e Cash and cash equivalents at beginning period		23,290,330,016	21,649,862,099
f Cash and cash equivalents at end of period (d+e)	42	24,556,819,380	23,290,330,016

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


Md. Abdul Halim Chowdhury
Managing Director


Habibur Rahman
Director


Fahim Ahmed Faruk Chowdhury
Director


Hafiz Ahmed Mazumder
Chairman

Signed as per annexed report on even date

Dated, Dhaka
March 10, 2016

Statement of Changes in Equity for the year ended 31 December 2015

(Figures in Taka)

Particulars	Paid-up capital	Statutory reserve	Retained earnings (general reserve)	Other reserves	Proposed dividend	Total
For the year 2015						
Balance as at 1 January 2015	8,803,738,120	8,400,249,482	2,690,619,157	2,964,770,576	-	22,859,377,335
Changes in accounting policy						
Restated balance	8,803,738,120	8,400,249,482	2,690,619,157	2,964,770,576	-	22,859,377,335
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-
Adjustment of last year gain on investment	-	-	-	(33,856,351)	-	(33,856,351)
Surplus/deficit on account of revaluation of investments	-	-	-	34,681,227	-	34,681,227
Currency transition differences	-	-	-	-	-	-
Net gains and losses not recognised in the Profit and Loss Statement	-	-	-	-	-	-
Transfer regarding revaluation reserve on sale of properties	-	-	10,016,689	(10,016,689)	-	-
Net profit for the year	-	-	1,995,287,053	-	-	1,995,287,053
Transfer to statutory reserve	-	900,000,000	-	-	-	900,000,000
Issue of bonus shares - 2014	-	-	-	-	-	-
Proposed dividend (bonus issue)	-	-	-	-	-	-
Dividends (cash) for 2014	-	-	(880,373,812)	-	-	(880,373,812)
Balance as at 31 December 2015	8,803,738,120	9,300,249,482	3,815,549,087	2,955,576,763	-	24,875,113,452
Balance as at 31 December 2014	8,803,738,120	8,400,249,482	2,690,619,157	2,964,770,576	-	22,859,377,335



Md. Abdul Halim Chowdhury
Managing Director



Habbur Rahman
Director



Fahim Ahmed Faruk Chowdhury
Director



Hafiz Ahmed Nazim
Chairman

Signed as per annexed report on even date

Dated, Dhaka
March 10, 2016

Liquidity statement (assets and liabilities maturity analysis)
for the year ended 31 December 2015

Particulars	Up to 01 month	01 - 03 months	03 - 12 months	01 - 05 years	More than 5 years	Total
Assets						
Cash in hand	21,376,981,153	-	-	-	-	21,376,981,153
Balances with other banks and financial institutions	702,997,556	936,690,529	386,000,000	197,004,874	-	2,222,692,959
Money at call on short notice	935,286,667	-	-	-	-	935,286,667
Investments	9,183,951,146	22,768,242,720	918,373,669	6,687,718,943	18,323,296,514	57,881,682,982
Loans & Advances	13,014,652,544	22,466,513,817	69,323,138,690	48,313,467,507	20,007,606,756	173,125,419,314
Fixed assets including premises, furniture & fixtures	-	-	907,349,862	49,514,339	2,960,903,630	3,917,767,831
Other assets	407,020,476	1,536,696,887	102,819,334	1,934,716,900	22,020,792,522	26,000,046,119
Non-banking assets	-	-	-	-	375,246	375,246
Total Assets	45,620,889,542	47,708,243,953	71,637,681,555	57,182,442,563	63,312,994,668	285,462,252,281
Liabilities						
Borrowings from other banks, financial institutions & agents	973,548,248	1,570,006,000	-	-	-	2,543,554,248
Deposits	38,055,549,778	39,803,502,758	61,710,743,622	27,057,115,120	58,181,679,250	224,808,590,528
Provision & other liabilities	5,005,263,924	-	4,326,023,474	23,218,149,820	185,557,835	33,234,984,053
Total Liabilities	44,034,360,950	41,373,508,758	66,036,767,096	50,775,264,940	58,367,237,085	260,587,138,829
Net Liquidity Gap	1,586,528,592	6,334,735,195	5,600,914,459	6,407,177,623	4,945,757,583	24,875,113,452



Md. Abdul Haim Chowdhury
Managing Director



Habibur Rahman
Director



Fahim Ahmed Faruk Chowdhury
Director



Hafiz Ahmed Nazim
Chairman

Dated, Dhaka
March 10, 2016

Notes to the financial statements for the year ended 31 December 2015

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 444 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 & Loss Accounts, 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.

2.1.1 Loss on striking off Pubali Exchange Company (UK) Limited

"The Board of Directors of Pubali Bank Limited, the parent company of the wholly owned

Notes to the financial statements for the year ended 31 December 2015

subsidiary Pubali Exchange Company (UK) Limited closed down the company by getting it 'struck off' the Companies Register instead of voluntary liquidation. For getting it struck off, it fulfils all the conditions required as under:

- i. Hasn't traded or sold of any stock in the last 3 months;
- ii. Hasn't changed names in the last 3 months;
- iii. Isn't threatened with liquidation;
- iv. Has no agreements with creditors, e.g. Company Voluntary Agreement (CVA)"

The company ceased its commercial operations from 2 December 2014 and treated the assets and liabilities at net realizable value as per BFRS 5 -Non-current Assets held for sale and Discontinued Operation. The financial statements for the year then ended as on 31 December 2014 were prepared on 'break up' basis instead of going concern.

The fully owned subsidiary Pubali Exchange Company (UK) Limited discontinued its operation from 2 December 2014 for striking off the company from Companies Register, UK. As per Board decision of parent company all payables to third parties would be paid by the parent. At the close of the operation, total investment of parent company to this subsidiary was Tk. 30,497,705 and accumulated loss reached to Tk. 39,774,204. The investment in subsidiary was struck off from parent company records and all losses charged to statement of comprehensive income of parent company. The balancing amount remained payable by parent company to employees and third parties of UK subsidiary.

2.2 Basis of consolidation

A separate set of records for consolidating the Balance Sheet and Profit & Loss Statement of the branches are maintained at the Head Office of the Bank based on which these financial statements have been prepared.

The consolidated financial statements include the financial statements of Pubali Bank Limited and its subsidiary, i.e. Pubali Bank Securities Limited prepared at the end of the financial year. The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS)-27, "separate Financial Statements" and Bangladesh Financial Reporting Standard (BFRS)-10, "Consolidated Financial Statements". The consolidated Financial Statements are prepared for the same financial year ended on 31 December 2015.

2.3 a. Islamic Banking Window

The Islamic Banking Wing of the Bank has been maintaining a separate set of books and records for its operation. All Assets and Liabilities and Income and Expenditure of this Wing are incorporated in similar heads of account of Bank's Financial Statements. Separate Financial Statements, Balance Sheet and Profit and Loss Statement of Islamic Banking Wing are shown separately as per instruction of Bangladesh Bank BRPD Circular No. 15 dated: November 9, 2009. Basis of distribution of profit and fixation of final rate of return of Islamic Banking Operation for the year 2015 are enclosed in the Annexure- D.

Notes to the financial statements for the year ended 31 December 2015

b. Off-shore Banking Unit

The Bank obtained the Off-shore Banking Unit ("the Unit") permission vide letter No. BRPD (P-3) 744 (108)/2010-93 dated January 13, 2010. The Bank commenced operation from January 22, 2015. The Off-shore Banking Unit is governed under the rules and guidelines of the Bangladesh Bank. The Bank has two units. One is located at Dhaka and the other unit is located at Chittagong. Separate Financial Statement of Off-shore Banking Units are shown in Annexure-F.

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 2015 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

Notes to the financial statements for the year ended 31 December 2015

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 Account because it excludes items of income or expense that are taxable or deductible. The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the date of Balance Sheet.

Provision for current income tax has been made @ 40% 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.

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 accredited, using the effective yield method and are taken to discount income. The valuation methods of investments used are:

2.7.2.1 Held to maturity (HTM)

Investments which have fixed or determinable payments and are intended to be held to

Notes to the financial statements for the year ended 31 December 2015

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'.

Value of investment has been enumerated as follows:

<u>Item</u>	<u>Applicable accounting value</u>
Government treasury bonds	Amortized value
Prize bonds	At cost price
Approved debentures	At cost price
Shares and debentures	At cost price

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.

2.7.2.2 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 Account.

Value of investment has been enumerated as follows:

<u>Item</u>	<u>Applicable accounting value</u>
Bangladesh Bank Bills	At market value
Government Treasury Bills	At market value

2.7.3 Loans and advances

- 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.
- Interest is not charged on bad and doubtful loans and advances from the date of filing money suits against the borrowers.
- 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

Notes to the financial statements for the year ended 31 December 2015

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, 5 of 29 May 2013, 16 of 18 November 2014 and 8 of 02 August 2015 respectively at the following rates:

<u>(i) General provision on unclassified loans and advances</u>	<u>Rate</u>
Standard general loans and advances	1%
Standard Small and 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	2.50%
Special Mention Account general Loans and advances	1%
Special mention account Small and 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 and LP	5%
<u>(ii) Specific provision on classified loans and advances</u>	
Substandard (Agri and Micro credit)	5%
Doubtful (Agri and Micro credit)	5%
Substandard	20%
Doubtful	50%
Bad or Loss	100%

- (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 accumulated depreciation.
- (b) Depreciation is charged at the rates as per our Bank's policy on diminishing balance method with the exception of Computers and Accessories, Machinery and Equipments 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, original cost, accumulated depreciation and the net book value is

Notes to the financial statements for the year ended 31 December 2015

eliminated from accounts and any resulting gain or loss is transferred to Profit and Loss Account.

- (e) Depreciation at applicable rates is charged on additions to fixed assets during the period from 21 December of the previous Year to 20 December of the current Year.

Category of asset	Method	Rate of Depreciation
Freehold Land	N/A	-
Leasehold Land	Fixed	-
Buildings	Diminishing Balance	2.50%
Furniture and Fixtures	Diminishing Balance	10%
Machinery and Equipments	Straight Line	20%
Computers and Computer Accessories	Straight Line	30%, 30% & 40%
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 7.13). 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 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.

Notes to the financial statements for the year ended 31 December 2015

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. 14 of 23 September 2012 and other related circulars and such interest is not taken into income.
- (iii) Dividend income is recognized when shareholders' right to receive is established.
- (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 the mixture of direct and indirect 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.

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 and Compliance Risk, Money Laundering Risk, Asset Liability Management Risk (Balance Sheet

Notes to the financial statements for the year ended 31 December 2015

Risk), Foreign Exchange Risk and Information Technology Risk. Moreover, Residual Risk, Concentration Risk, Liquidity Risk, Reputation Risk, Strategic Risk, Settlement Risk and Environmental and 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 adequate measures to confront risk with a view to safeguarding the Bank's capital, its financial resources and profitability. As per BRPD Circular no. 11 dated 27 October, 2013 a Risk Management Committee of the Board was formed and the Committee is complying with the Instructions of Bangladesh Bank. A separate Risk Management Unit (RMU) was formed at Management level headed by Deputy Managing Director where all the Division Heads of Head Office are the members and the Division Head, 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 regularly 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 monthly basis. Considering the importance of the issue and as per instruction of Bangladesh Bank, a separate Risk Management Division has been formed. As a part of risk management, adequate capital is maintained against Credit Risk, Market Risk and Operational Risk under Basel-III accord. Under the second pillar of Basel-III, a Supervisory Review Process (SRP) team was formed to review, monitor and maintain adequate capital considering all relevant risks. Quarterly Stress Testing is conducted to assess the impact of different risks associated with banking business on asset, liability and ultimately on capital and the report is submitted before the Board of Directors and to Bangladesh Bank regularly.

a) Credit Risk Management

Credit risks 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 this issue. The bank has segregated duties of the Officers/Executives involved in credit related activities. Credit approval, Credit Administration, Monitoring and recovery function have been segregated in line with Bank's CRM guidelines. For this purpose, separate divisions have been formed at Head Office. These are Credit Division; Credit Administration, Monitoring and Recovery Division (CAM&RD) and Law Division. Similarly Regional Offices and Corporate Branches are also separated their works of sanctioning, disbursement, monitoring and recovery. Credit Division is entrusted with the duties of maintenance 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, Head Office; Regional Office and Corporate Branch. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the proposed credit facility environmental risk etc. All credit proposals have been placed in credit committee (Corporate Branches, Regional Offices, Principal Offices and Head office) for recommendation to sanction or decline.

Notes to the financial statements for the year ended 31 December 2015

Additional/Deputy Managing Director is the chairman of the credit committee at Head office level. In Corporate Branch, Head of Region and GM of Principal office is Chairman of the credit Committee at Corporate Branch, Region and Principal office level respectively. Loans exposure beyond the discretionary power of Managing Director are placed before the Board of Directors of the Bank for approval. Concentration of credit risk management is shown in note 7.5, 7.6, 7.7 and 7.8

In determining single borrower/large loan exposure, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted on periodical interval to ensure compliance of Bank's and Regulatory policies. In addition external audit firms are also engaged in this regard. Loans are classified as per Bangladesh Bank's guidelines. Concentration of large loan borrower shown in note 7.9

b) Foreign Exchange Risk Management

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

Asset Liability Management (ALM) is the most important aspect for the Bank to manage Balance Sheet risks, especially for managing liquidity risk and interest rate risk which is managed by the Asset Liability Committee (ALCO) of the Bank. ALCO is concerned with risk management and provides comprehensive and dynamic framework for measuring, monitoring and managing liquidity risk, interest rate risk and foreign exchange risk in the context of bank's business strategy. ALCO of the bank regularly monitors interest rate risk, foreign exchange risk and other factors that affect the bank's liquidity to maximize earnings and protect the institution from any disastrous financial consequences.

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 and far reaching and may be in the form of financial penalty, reputation loss, legal harassment and even the risk

Notes to the financial statements for the year ended 31 December 2015

of sustainability. Weakness in money laundering prevention and combating terrorist financing may lower the image of the Bank in local and global environment. It may also reduce the confidence of the stakeholders. For involvement in money laundering and terrorist financing, the regulatory body 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 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 following Money Laundering Prevention Act-2012, Anti-Terrorism (amendment) Act-2013, Bangladesh Bank's circulars/circular letters.
- * Uniform Account Opening Form was 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.
- * Branches have been advised to compare actual transactions with transaction Profile to identify abnormal and suspicious transactions.
- * 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. Branches have been advised to closely monitor High Risk Customers and to apply Enhanced Due Diligence in this case.
- * Branches have been advised to follow the instruction of BFIU circular no. 10 dated 28 December 2014 for opening the accounts of Politically Exposed Persons and Influential Persons.
- * Self-Assessment Statement is prepared by the branches on half yearly basis and a summary report is prepared and submitted to Bangladesh Bank. Branches are followed up to remove the weakness detected in the report.
- * Our internal auditors assess the AML & CFT status of the branches through independent Testing Procedure while conducting audit. The same is summarized and placed before the Management and Bangladesh Bank on half yearly basis. Branches are followed up to improve their status.

Notes to the financial statements for the year ended 31 December 2015

- Extensive training is being continuously imparted to the officials of the Bank to make them familiar with money laundering prevention & combating terrorist financing and to mitigate the risk arising out therefrom. Every year Management of our Bank approves an outreach training calendar on Money Laundering Prevention, Combating Terrorist Financing and Foreign Remittance. In the year 2015, all workshops were arranged in due time. Pubali Bank Training Institute also arranges training workshop on the issue as per yearly training plan.
- So far total 29 circulars of former Anti-Money Laundering Department and 18 circulars of present Bangladesh Financial Intelligent Unit (BFIU) of Bangladesh Bank have been disseminated to the branches for compliance.
- Meeting of Central Compliance Unit (CCU) is arranged at Head Office. Branches and Regional Offices have also been advised to arrange meeting of BCU and RCU respectively.
- 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. Other information and documents such as license, certificate of incorporation, list of directors, AML & CFT policies, and regulatory authority etc. are also obtained. Correspondent Banking relationship with any bank is only established upon receipt of the desired information and subject to our satisfaction.
- As a precautionary measure and as per instruction of Central Bank, we do not establish Correspondent Banking relationship with any shell bank or any bank having banking relationship with any shell bank.
- Pubali Bank has already introduced sanction screening so that no black listed individual/entity can use our banking channel for money laundering, terrorist financing or any other financial crime.

e) Internal Control and Compliance

Today's banks are involved in diversified and complex financial activities. The activities are no longer confined to a single geographical boundary. The diversified and complex financial activities and international business of the bank bear significant risk. Thus the issue of effective internal control system, corporate governance, transparency and accountability etc. have become of great importance. Weakness in Internal Control System may lead to significant amount of loss and the loss may be originated from internal and external fraud, employee practices and workplace safety, business practices, damage to physical assets, business disruption and system failure and process management etc. In our Bank, internal control and compliance functions are jointly performed by Audit and Inspection Division, Monitoring Division, Compliance Division and Human Resources Division. Audit and Inspection Division conducts 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

Notes to the financial statements for the year ended 31 December 2015

deals with 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 was formed headed by Deputy 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 advised to form Ethical Sub-committee so that ethics in banking 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 and compliance of the Bank before the Committee on regular basis and decisions are gradually implemented.

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 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 of our 444 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 all of our 444 branches across the country. The Online Banking Network of Pubali Bank Limited has become the largest one in the banking sector of Bangladesh. The efficient members of the **Software 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. Besides, passing power has been incorporated in PIBS to ensure higher security in Banking operation.

To encourage incoming **foreign remittances**, all of our branches have been brought under the network of **Western Union Money Transfer, MoneyGram, Transfast, Xpress Money Services, Ria, Pravu Money Transfer, Placid Express** etc. in addition to receiving **Foreign TTs** from different Exchange Houses abroad.

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

Notes to the financial statements for the year ended 31 December 2015

through agreement with VeriSign Secured Site Pro. Development of software for **Mobile Phone Banking** is under process.

We have participated in the **Real Time Gross Settlement** from its inception as a pioneer bank.

As approved by the Board, we successfully established **our own ATM Network** with **103 ATM Booths** across the country. We have already participated in the **National Payment Switch Bangladesh (NPSB)** as Pilot Bank under supervision of Bangladesh Bank and inaugurated our **ATM Debit** and **Credit Card**. We have obtained Principal Membership of MasterCard and Visa Card. Our **Call Center** is operational.

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. Moreover, we have recently added Exadata storage solution for enhancing storage capacity of our Data Center and Disaster Recovery Center that assured uninterrupted data availability for end users and proliferated period end data processing speed.

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 **Islamic Banking Window** at our Principal Branch, Dhaka and at Dargagate Branch, Sylhet using our in-house developed software, Pubali Integrated Islamic Banking System (**PIIBS**). Customers of our Islamic banking windows can get selected services from any of our Online Branches through Online Banking Network.

We have established our **website** www.pubalibangla.com from where the visitors can get information about our products, charge schedule, career opportunities, procurement notices and present status of our bank. The website is updated periodically and also as and when required. Communication through **email** among our Branches, Regional Offices and different Divisions of Head Office under our **own Mail Server** at 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 2015, we conducted **105 training programs** at our **Computer Lab** on **16 (sixteen)** different Topics/Modules covering **2,818 participants** and **03 (three) Workshops** on General Banking Practices and related IT Operations at our **Head Office Auditorium** covering **795 participants** from Branches/Regional Offices across the country.

2.15 Disclosure on fraud and forgeries committed by bank employees:

During the year 2015, 4 instances of fraud and forgeries were identified. Total amount of money involved against the 4 instances was Tk.12,47,073/-, Tk.10,27,379/- has been recovered/accounted for against 03 instances out of total defalcated amount of

Notes to the financial statements for the year ended 31 December 2015

Tk.12,47,073/- and the rest amount of Tk.2,19,694/- against 01 instances has not been accounted for/ recovered as yet.

It is mentionable here that out of the 04 instances, 02 instances were internal fraud amounting to Tk.7,40,693/- and 02 instances were external fraud amounting to Tk.5,06,380/-

Administrative and disciplinary actions have been taken against the delinquent officials of the Bank. All efforts are in force to recover the remaining defalcated 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 2015 have been authorized for issue in accordance with a resolution of the Board of Directors on 10 March 2016.

2.18 Offsetting

Financial assets and financial liabilities are offset and the net amount is 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 2015 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.

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 travelers' 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 2015 to 31 December 2015.

Notes to the financial statements for the year ended 31 December 2015

2.23 Number of employees

The number of employees employed in the Bank as on 31 December 2015 was 7,086, of which 6,037 were male and 1,049 were female. The number of employees per branch was 14.06 excluding 845 employees in the head office of the Bank.

During the year 2015, the Bank paid remuneration up to Taka 36,000 per employee to 06 persons and exceeding Taka 36,000 per employee to 7,080 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 probable 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 event has occurred after balance sheet date which could affect the values reported in the financial statements, except declaration of dividend, if any.

2.26 Capital Adequacy under Basel-III

Banks operating in Bangladesh are maintaining capital since 1996 on the basis of risk weighted assets in line with the Basel Committee on Banking Supervision (BCBS) capital framework published in 1988. Considering present complexity and diversity in the banking industry and to make the banks' capital requirement more risk sensitive, Bangladesh Bank, being the central bank of the country has decided to adopt the Risk Based Capital Adequacy for banks in line with capital adequacy framework devised by the BCBS popularly known as 'Basel II'. Bangladesh Bank prepared a guideline to be followed by all scheduled banks from January 2009. Both the existing capital requirement rules on the basis of Risk Weighted Assets and revised Risk Based Capital Adequacy Framework for Banks as per Basel II were followed simultaneously initially for one year. For the purpose of statutory compliance during the period of parallel run i.e. 2009, the computation of capital adequacy requirement under existing rules prevailed. On the other hand, revised Risk Based Capital Adequacy Framework as per Basel II had been practiced by the banks during 2009 so that Basel II recommendation could effectively be adopted from 2010. From January 2010, Risk Based Capital Adequacy Framework as per Basel II have been fully practiced by the banks replacing the previous rules under Basel-I. Bangladesh Bank adopted "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" as per BRPD circular no. 18 dated 21 December 2014 replaced of "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel II)". This circular shall come into force with effect from January 01, 2015. Pubali Bank Limited is maintaining its capital requirements at adequate level as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)"

Notes to the financial statements for the year ended 31 December 2015

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

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

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 face the complexities of banking world.

During the year 2015, the Training Institute of the Bank has arranged a total of 71 training courses, seminars and workshops mostly conducted by the internal resource persons with 2,142 participants. The objectives of designing all training programs are to bridge the gap between present level of competence and the required level of competence.

Sl No	Training courses/workshops/seminars	No. of courses held	Number of participants attended
1	Training Course General Banking	5	126
2	Workshop on Ethics in Banking	4	108
3	Training on Credit Management	5	141
4	Workshop on Marketing and Customers' Service Development in Banking	3	79
5	Workshop on Business English and Communication Skill	5	119
6	Workshop on Asset Liability Management	2	55
7	Workshop on Core Risk Management in Banking	5	120
8	Training Course International Trade payment and Finance	4	95
9	Training Course Branch Management (Manager's Induction)	4	108
10	Foundation Training for Junior Officers	5	118
11	Workshop on Risk Based Internal Audit in Banks	2	54
12	Workshop on Leadership, Team Building and Negotiation Skills	2	39
13	Workshop on Conducting Inquiry and Report Writing	3	88
14	Foundation Training Course for Jr. Officers (Cash)	4	118
15	Workshop on Risk Based Capital Management in Banks	1	22
16	Workshop on Management Development Program	2	59
17	Foundation Training Course for Prob. Officers (Sr. Officers and Officers)	6	174
18	Workshop on Prevention of Malpractice, Fraud and Forgeries.	3	73
19	Workshop on Integrated Supervisory System (ISS)	5	418
20	Green Banking and ERM	1	28
	Total	71	2,142

Notes to the financial statements for the year ended 31 December 2015

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 (Hon's), M.A (Eco) DU, M.A (Eco), University of New England, Australia.
Mr. Moniruddin Ahmed	Director	Member	Matriculation
Mr. Monzurur Rahman	Director	Member	Bachelor of Arts, Calcutta University
Mr. Ahmed Shafi Choudhury	Director	Member	B.A (Dhaka University)
Dr. Shahdeen Malik	Independent Director	Member	PhD in Law, London, UK, Obtained LL.M degrees from University at Moscow & Philadelphia.

2.29 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, 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 2015

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), BRPD circular No. 05 (29 May 2013) and BRPD circular No.16 (18 November 2014) 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 5% to 20%, 5% to 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 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

Notes to the financial statements for the year ended 31 December 2015

will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank neither include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

vi) Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines 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 on short notice', treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call 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

Notes to the financial statements for the year ended 31 December 2015

that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD 14, cash flow statement 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.

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.

2.30 General

- i) Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year for the purpose of comparison with current year's presentation, without any impact on.
- ii) Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- iii) These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
3	Cash		
	Cash in hand (Including foreign currencies)		
	In local currency	2,807,910,343	3,560,191,405
	In foreign currencies	26,974,219	47,503,932
		2,834,884,562	3,607,695,337
	Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)		
	Bangladesh Bank		
	In local currency	15,547,699,954	12,785,752,652
	In foreign currencies	1,054,063,223	1,254,226,923
		16,601,763,177	14,039,979,575
	Small Bank as agent of Bangladesh Bank		
	In local currency	1,940,331,414	2,305,425,990
		18,542,096,591	16,345,806,565
		21,376,981,153	19,953,591,902
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 MPD circular numbers 1 and 2 of 23 June 2014 and 10 December 2013.		
	The statutory Cash Reserve Ratio (CRR) required on the Bank's time and demand liabilities at the rate of 6.5% has been calculated and maintained with Bangladesh Bank in current account and 13% Statutory Liquidity Requirement (SLR) on the same liabilities is also maintained in the form of treasury bills and bonds and other eligible securities. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:		
3.1.1	Cash Reserve Ratio (CRR)		
	Required reserve (6.5%)	14,375,234,000	12,490,048,110
	Actual reserve maintained	16,321,681,751	12,785,752,652
	Surplus	1,946,447,751	295,704,542
3.1.2	Statutory Liquidity Requirement (SLR)		
	Required reserve (13%)	28,690,187,530	24,910,542,520
	Actual reserve maintained	53,627,581,000	42,416,288,418
	Surplus	24,937,393,470	17,485,745,898
3.1.3	Total required amount of CRR and SLR		
	Total required reserve (19.5%)	43,065,425,530	37,420,590,630
	Total actual reserve maintained	68,002,819,000	54,906,336,528
	Total surplus	24,937,393,470	17,485,745,898
3 (a)	Consolidated Cash		
	Cash in hand (Including foreign currencies)		
	Pubali Bank Limited	2,834,884,562	3,607,695,337
	Pubali Bank Securities Limited	-	-
		2,834,884,562	3,607,695,337
	Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)		
	Pubali Bank Limited	18,542,096,591	16,345,806,565
	Pubali Bank Securities Limited	-	-
		18,542,096,591	16,345,806,565
		21,376,981,153	19,953,591,902
4	Balance with Other Banks and Financial Institutions		
	In Bangladesh		
	Outside Bangladesh	4.1	
		1,536,876,025	941,788,972
		585,816,934	1,388,140,874
		2,222,692,959	2,329,929,846
4.1	In Bangladesh		
	In fixed/term deposit account (In local currency)		
	Delta Brac Housing and Finance Corporation Ltd.	450,000,000	300,000,000
	ICB Islamic Bank Ltd, Bangshal Branch, Dhaka	36,462,541	38,475,731
	ICB Islamic Bank Ltd, Principal Office, Dhaka	136,542,333	201,581,903
	Social Islami Bank Limited, Dilkusha Branch, Dhaka	300,000,000	300,000,000
		963,004,874	842,057,634

Notes to the financial statements for the year ended 31 December 2015

	2015 Taka	2014 Taka
In Savings Deposit account		
Islami Bank Bangladesh Limited, Foreign Exchange Branch, Dhaka	11,934,201	11,498,118
	11,934,201	11,498,118
In Special Notice Deposit account		
Sonali Bank Ltd, Shilpa Bhaban Branch, Dhaka	500,711,550	699,762
Bank Al Falah Ltd, Principal Branch, Dhaka	1,092,215	375,172
National Bank Ltd, Dilkusha Branch, Dhaka	592,458	568,401
The City Bank Ltd, Foreign Exchange Branch, Dhaka	827,123	620,482
Mutual Trust Bank Ltd, Principal Branch, Dhaka	866,705	836,894
Bangladesh Krishi Bank, Local office, Dhaka	617,941	596,532
The Hongkong and Shanghai Banking Corp Ltd, Main Branch, Dhaka	583,317	574,369
First Security Islami Bank Ltd, Dilkusha Branch, Dhaka	5,246,421	5,121,838
	510,536,830	5,393,470
Total Inside Deposit in BOT	1,505,479,505	862,948,222
Fixed deposit receipts (Foreign Currency)		
Standard Chartered Bank, Dhaka	-	1,948,750
Commercial Bank of Ceylon, Dhaka	31,400,120	62,749,750
The Hongkong and Shanghai Banking Corporation Ltd., Dhaka	-	13,641,250
	31,400,120	78,339,750
	1,536,879,625	941,288,972

4.2 Outside Bangladesh (Nostro Account) in demand deposit account (non interest bearing)

Name of Bank	Foreign currency name	2015			2014		
		Conversion rate per unit FC	Amount in foreign currency	Amount in taka	Conversion rate per unit FC	Amount in foreign currency	Amount in taka
American Express Bank Ltd, Kolkata	ACUD	78.50	89,625.44	5,464,048	77.95	34,849.44	4,375,481
Bank of Bhutan, Thimpu	ACUD	78.50	72,167.89	5,665,201	77.95	330,304.89	25,747,068
Bank of Tokyo Mitsubishi Ltd, Kolkata	ACUD	78.50	32,770.00	1,787,452	77.95	32,770.00	1,774,988
Bank of Tokyo Mitsubishi Ltd, Tokyo	JPY	0.05	6,419,893.00	4,181,576	0.05	6,206,950.00	4,008,850
Commerz Bank, Germany	USD	78.50	710,005.51	55,735,646	77.95	96,409.36	7,515,052
Commerz Bank, Germany	EUR	-	-	-	94.71	56,669.68	5,367,089
Habib Metropolitan Bank, Ltd., Karachi	ACUD	78.50	694,698.91	51,394,061	77.95	523,528.45	40,808,728
Habib American Bank, New York	USD	78.50	446,326.51	35,036,765	77.95	642,388.28	50,073,789
HDFC Bank Ltd, Mumbai	ACUD	78.50	36,296.40	2,849,278	77.95	40,665.02	3,169,814
United Bank of India, Kolkata	ACUD	78.50	229,755.99	18,035,914	77.95	134,516.96	10,485,516
HDFC Bank, Mumbai	ACUD	78.50	64,075.94	5,029,980	77.95	64,075.94	4,994,681
Hypochemis Bank, Muenchen	EUR	85.83	58,987.86	5,063,060	94.71	13,387.37	1,268,211
IOCI Bank Ltd., Kolkata, India	ACUD	78.50	182,659.20	14,338,802	77.95	365,461.18	28,489,039
AB Bank, Mumbai	ACUD	78.50	251,641.42	19,753,927	-	-	-
Mashreq Bank PSC New York	USD	78.50	1,246,645.46	97,783,542	77.95	502,626.94	39,179,468
Mashreq Bank, New York	USD	78.50	30,311.78	2,379,484	-	-	-
Mashreq Bank Mumbai, India	ACUD	78.50	4,830.16	299,884	-	-	-
NCLC PSC Bank Ltd. (NIB) Karachi	ACUD	78.50	4,229.74	332,036	77.95	4,229.74	328,796
Peoples Bank, Colombo	ACUD	78.50	284,310.06	22,318,425	77.95	81,553.89	6,357,072
Sonali Bank Ltd, Kolkata	ACUD	78.50	233,379.64	18,320,058	77.95	431,686.02	33,649,646
Sonali Bank (UK) (GBP) Ltd	GBP	116.31	90,642.71	10,542,295	120.93	167,761.84	20,287,557
Sonali Bank (UK) (USD) Ltd	USD	78.50	718,540.51	56,405,646	77.95	861,978.58	66,411,219
Standard Chartered Bank, Kaitiaki	ACUD	78.50	104,962.42	8,239,581	77.95	104,962.42	8,181,758
Standard Chartered Bank, New York	USD	78.50	2,052,227.96	161,100,510	77.95	12,053,499.67	939,563,067
Standard Chartered Bank, Mumbai	ACUD	78.50	815,615.82	64,026,067	77.95	754,851.89	58,801,280
Standard Chartered Bank, UK	GBP	116.31	331,685.92	35,315,869	120.93	172,115.18	20,814,009
IOCI Bank, Kolkata, India	EUR	85.83	4,923.37	422,412	94.71	12,304.89	1,174,186
UBS AG, Zurich	CHF	79.48	17,500.84	1,390,970	78.74	24,426.30	1,921,595
Unicredit S.P.A., Milano, Italy	EUR	85.83	30,343.68	2,604,465	94.71	35,862.61	3,492,065
			685,816,594			1,388,140,874	

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
4.3 Maturity grouping of balance with other banks and financial institutions			
Payable on demand		702,997,556	1,404,760,830
Up to 3 months		936,690,539	478,713,882
Over 3 months but not more than 1 year		386,000,000	212,897,500
Above 1 year (Receivable from former The Oriental Bank Ltd.)		197,004,874	233,057,634
		2,222,692,959	2,329,429,846
4 (a) Consolidated Balance with other banks and financial institutions			
In Bangladesh			
Pubali Bank Limited		1,536,876,025	941,288,972
Pubali Bank Securities Limited		553,091,404	437,100,218
		2,089,967,429	1,378,389,190
Inter company transactions		(553,091,404)	(437,100,218)
		1,536,876,025	941,288,972
Outside Bangladesh			
Pubali Bank Limited		685,816,934	1,388,140,874
Pubali Bank Securities Limited		-	-
		685,816,934	1,388,140,874
		2,222,692,959	2,329,429,846
5 Money at Call on Short Notice			
Banking company	5.1	15,286,667	118,286,667
Non-banking financial institution	5.2	920,000,000	870,000,000
		935,286,667	988,286,667
5.1 Banking Company			
Standard Bank Limited		-	100,000,000
ICB Islamic Bank Ltd.		15,286,667	18,286,667
		15,286,667	118,286,667
5.2 Non-banking Financial Institution			
Prime Finance & Investment Ltd.		40,000,000	50,000,000
Bangladesh Finance & Investment Co. Ltd.		40,000,000	50,000,000
Lanka Bangla Finance Ltd.		40,000,000	50,000,000
Industrial & Infrastructure Development Finance Co. Ltd.		150,000,000	140,000,000
Premier Leasing & Finance Ltd.		50,000,000	50,000,000
Bangladesh Industrial Finance Co. Ltd.		-	30,000,000
MIDAS Financing Ltd.		40,000,000	-
Investment Corporation of Bangladesh.		200,000,000	200,000,000
First Finance Ltd.		-	50,000,000
Phoenix Finance & Investment Ltd.		90,000,000	50,000,000
IDLC Finance Ltd.		140,000,000	-
International Leasing & Financial Services Ltd.		-	100,000,000
Fareast Finance & Investment Co. Ltd.		40,000,000	50,000,000
Delta Brac Housing Finance Corp. Ltd.		90,000,000	50,000,000
		920,000,000	870,000,000
6 Investments			
Government Investments			
Securities			
Government / Bangladesh bank bills - at book value	6.1	24,283,641,470	14,834,211,025
Debentures	6.2	-	10,000,000
		24,283,641,470	14,844,211,025
Bonds			
Government treasury bonds	6.3	22,848,005,186	24,371,003,950
National prize bonds		21,858,601	19,111,601
		22,869,863,787	24,390,115,551
Total investment in government securities and bonds		47,153,505,257	39,184,326,576

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
Other investments			
Shares	6.4	8,234,954,705	8,330,711,181
Debentures	6.5	469,060	469,060
Prime Bank Limited Bond		90,000,000	90,000,000
MTEL Bond		30,000,000	40,000,000
Dhaka Bank Limited Bond		70,000,000	100,000,000
National Bank Limited Bond		51,200,000	64,000,000
One Bank Limited Bond		100,000,000	100,000,000
Mercantile Bank Limited Bond		100,000,000	100,000,000
Trust Bank Limited Bond		250,000,000	250,000,000
The City Bank Limited Bond		196,000,000	196,000,000
Southeast Bank Limited Bond		300,000,000	300,000,000
Bank Asia Limited Bond		250,000,000	-
EDIM Bank Limited Bond		300,000,000	-
Social Islami Bank Limited Bond		200,000,000	-
Commercial paper of Computer Source		250,000,000	-
Commercial paper of RFL Plastics		300,000,000	-
Bridge financing advances	6.6	5,553,910	6,218,910
		10,738,177,735	9,796,399,151
		57,881,682,992	48,970,725,727
6.1 Government / Bangladesh bank bills			
30 days Bangladesh Bank bills		17,881,084,405	-
91 days treasury bills		4,887,258,315	-
182 days treasury bills		-	556,115,385
1 year treasury bills		-	13,404,952,067
		22,768,342,720	13,961,067,452
91 days (Lien-REPO with Bangladesh Bank under-ALS)		-	351,605,546
182 days (REVERSE REPO with other bank)		247,213,730	-
182 days (Lien-REPO with Bangladesh Bank under-ALS)		-	325,259,549
1 year (REVERSE REPO with other bank)		1,268,085,000	-
1 year (Lien-REPO with Bangladesh Bank under-ALS)		-	196,278,478
		1,515,298,730	873,143,573
		24,283,641,470	14,834,211,025
6.2 Approved debentures at cost			
	Rate of Interest		
Bangladesh House Building Finance Corporation	5.50%	-	10,000,000
		-	10,000,000
6.3 Government treasury bonds			
25 years treasury bond	5.00%	17,677,000	23,233,000
20 years treasury bond	10.85% - 12.98%	8,081,477,909	8,028,004,667
15 years treasury bond	10.30% - 12.42%	6,109,282,676	6,943,824,668
10 years treasury bond	8.75% - 12.16%	6,057,818,581	6,057,542,871
5 years treasury bond	7.87% - 11.82%	2,428,344,613	3,589,464,146
2 years treasury bond	8.50% - 8.59%	101,404,407	275,177,762
		22,796,065,186	24,817,247,114
20 years treasury bond (Lien-REPO with Bangladesh Bank under-ALS)		-	53,444,780
15 years treasury bond (Lien-REPO with Bangladesh Bank under-ALS)		-	64,680,215
5 years treasury bond (Lien-REPO with Bangladesh Bank under-ALS)		-	65,924,634
2 years treasury bond (Lien-REPO with Bangladesh Bank under-ALS)		-	81,227,207
		-	265,276,836
6 Month Bangladesh Govt. Islami Investment Bond		52,000,000	-
1 Year Bangladesh Govt. Islami Investment Bond		-	18,500,000
		22,848,065,186	24,121,003,950

Notes to the financial statements for the year ended 31 December 2015

6.4 Shares

Name of company	No of share	Market price	Market value	Book value 2015	Book value 2014
AB Bank Limited	-	-	-	-	278,247
ACI Limited	1,167,526	561.60	655,682,602	452,793,696	196,331,172
ACI Formulation's Limited	813,529	189.70	154,326,451	151,150,719	71,634,796
Active Fines Chemicals Limited	2,513,567	56.20	141,262,465	147,644,701	180,245,673
AFC Agro Biotech Ltd.	-	-	-	-	29,168,771
Alfab Automobiles Limited	596,120	63.40	37,794,008	66,380,061	66,380,061
Agricultural Marketing Company Limited (Pran)	185,600	204.20	37,899,520	46,490,852	46,490,852
Ambee Pharma Limited	-	-	-	-	2,850,366
Apollo Ispat Complex Limited	12,243,435	17.40	213,035,769	220,326,635	25,518,184
Aramit Cement Limited	8,050	521.00	4,194,050	2,924,749	-
Argon Denims Limited	603,888	22.30	13,466,702	37,086,374	37,086,374
Asia Insurance Company Limited	708,755	14.20	10,064,321	28,499,523	28,499,523
Bangas Limited	-	-	-	-	34,130,058
Bank Asia Limited	1,654,675	16.50	27,302,138	32,595,097	32,595,097
Bangladesh Auto Car Company Limited	-	-	-	-	1,936,219
Bangladesh Building Systems Ltd.	-	-	-	-	26,921,898
Bangladesh Lamps Limited	-	-	-	-	21,757,730
Bangladesh General Insurance Company Limited	-	-	-	-	8,514,112
Bangladesh Shipping Corporation	26,724	332.40	8,883,058	14,460,529	14,460,529
Bangladesh Submarine Cable Company Limited	152,988	108.10	16,538,003	26,639,603	26,639,603
Bata Shoe Company (BD) Limited	3,626	1,317.70	4,777,980	4,544,913	115,261,574
British American Tobacco Bangladesh Limited	41,600	2,950.50	122,740,800	40,817,526	40,817,526
Beacon Pharma Limited	1,622,000	15.00	24,330,000	41,882,728	41,882,728
Berger Paints Bangladesh Limited	132,713	1,903.60	252,632,467	163,054,150	93,637,094
Central Insurance Company Limited	-	-	-	-	4,523,223
City Bank Limited	555,524	20.40	11,332,690	13,086,178	13,086,178
City General Insurance Company Limited	-	-	-	-	19,629,698
OMC Kamal Textile Mills Limited	745,200	12.20	9,091,440	19,344,078	19,344,078
Confidence Cement Limited	397,100	86.70	34,428,570	58,851,204	58,851,204
Continental Insurance Company Limited	-	-	-	-	3,158,535
Delta Brac Housing Finance Corporation Limited	128,843	115.90	14,932,904	14,094,763	-
Delta Life Insurance Company Limited	2,504,655	122.20	307,392,841	357,449,990	307,008,131
Dhaka Bank Limited	2,207,172	19.70	43,481,288	55,334,148	55,334,148
Dhaka Electric Supply Company Limited	9,981	51.80	517,016	-	23,062,416
Dhaka Insurance Company Limited	-	-	-	-	6,016,955
East Land Insurance Company Limited	-	-	-	-	13,204,233
Eastern Lubricants Blenders Limited	31,900	305.60	9,748,640	17,751,805	17,751,805
Eastern Bank Limited	14,303,479	28.60	409,079,499	101,063,585	101,063,585

Notes to the financial statements for the year ended 31 December 2015

6.4 Shares

Name of company	No of share	Market price	Market value	Book value 2015	Book value 2014
Eastern Cables Limited	228,500	131.90	30,139,150	37,069,124	37,069,124
Eastern Housing Limited	218,680	34.90	7,631,932	11,348,319	11,348,319
Eastern Insurance Company Limited	-	-	-	-	4,066,819
Envooy Textile Limited	3,395,490	41.90	142,271,031	166,432,142	97,952,946
Export Import Bank of Bangladesh Limited	1,343,100	8.60	11,550,660	21,280,675	21,280,675
Familytex (BD) Limited	-	-	-	-	53,642,938
Foreast Life Insurance Company Limited	168,687	62.50	10,542,938	15,192,864	15,192,864
Generation Next Fashions Limited	-	-	-	-	130,389,189
GilcoSmithKline Bangladesh Limited	45,908	1,799.80	82,625,218	78,624,401	96,352,117
Global Insurance Company Limited	-	-	-	-	22,867,945
Golden Harvest Agro Industries Limited	1,154,010	22.90	26,426,829	49,536,365	49,536,365
GPH Ispat Limited	1,796,080	41.10	73,818,888	95,742,983	95,742,983
Grameenphone Limited	87,100	253.00	22,036,300	28,161,367	10,473,762
Green Delta Insurance Limited	-	-	-	-	31,938,029
Heidelberg Cement Bangladesh Limited	60,657	562.10	34,095,300	23,313,285	222,223,746
ICB Islamic Bank Limited	7,998,300	4.50	35,992,350	79,983,000	85,460,289
IDLC Finance Limited	-	-	-	-	110,922,617
IFAD Autos Limited	1,300	92.20	119,860	125,462	-
Islami Bank Bangladesh Limited	-	-	-	-	28,829
Jamuna Oil Company Limited	-	-	-	-	5,157,243
Jute Spinners Limited	1,000	51.70	51,700	100,000	100,000
Karnaphuli Insurance Company Limited	272,097	11.80	3,210,745	14,580,398	14,580,398
Lafarge Surma Cement Limited	18,860,712	74.60	1,407,009,115	969,766,027	745,338,646
LankaBangla Finance Limited	5,818,616	29.00	168,739,864	316,932,962	316,932,962
Libra Infsions Limited	-	-	-	-	17,205,639
Linde Bangladesh Limited	198,888	1,138.40	226,414,099	200,100,110	109,497,948
LR Global Bangladesh Mutual Fund One	5,184,672	5.50	28,515,696	50,000,000	50,000,000
Maksons Spinning Mills Limited	1,599,727	7.80	12,477,871	30,330,425	30,330,425
Malek Spinning Mills Ltd.	2,285,000	15.70	35,874,500	69,644,597	69,644,597
Sub Total C/F			4,974,479,267	4,372,540,113	4,239,749,790

Notes to the financial statements for the year ended 31 December 2015

Sub Total B/F			4,574,479,267	4,372,540,113	4,239,749,790
Marico Bangladesh Limited	321,138	1,428.30	458,681,405	466,535,540	54,506,104
M.I. Cement Factory Limited	248,070	85.40	21,185,178	23,578,186	23,578,186
Meghna Petroleum Limited	504,688	152.60	77,015,389	111,680,239	111,680,239
Meghna Life Insurance Company Limited	-	-	-	-	3,946,439
Mercantile Bank Limited	-	-	-	-	6,584,317
MIDAS Financing Limited	-	-	-	-	4,148,037
MIL Bangladesh Limited	-	-	-	-	220,172,998
Mutual Trust Bank Limited	-	-	-	-	7,183,454
Navena CNG Limited	264,620	49.70	13,151,614	19,649,901	19,547,040
National Bank Limited	1,142,482	9.40	10,739,331	26,341,707	26,341,707
National Credit & Commerce Bank Limited	-	-	-	-	4,608,562
National Tea Limited	-	-	-	-	3,390
National Life Insurance Limited	-	-	-	-	21,444,097
National Tubes Limited	277,728	99.70	27,689,482	34,267,834	34,267,834
NI First Mutual Fund	-	-	-	-	10,494,966
Northern General Insurance Company Ltd.	-	-	-	-	10,422,642
Olympic Industries Limited	427,363	259.20	110,772,490	107,857,272	2,500,655
One Bank Limited	1,709,447	15.30	26,154,539	24,825,266	133,529,131
Orion Pharma Limited	150,900	36.80	5,553,120	11,083,794	11,083,794
Padma Oil Company Limited	95,550	184.20	17,600,310	32,789,907	32,781,933
Phoenix Finance & Investments Limited	611,820	20.90	12,787,038	33,249,225	33,249,225
Popular Life Insurance Company Limited	630,000	76.90	48,447,000	53,399,303	54,997,722
Premier Bank Limited	-	-	-	-	6,615,537
Premier Cement Mills Limited	524,900	76.80	40,312,300	70,768,711	70,782,193
Prime Bank Limited	1,097,296	18.10	19,861,058	22,184,550	87,491,088
Prime Finance & Investment Limited	677,030	11.40	7,718,142	21,317,841	21,317,841
Paramount Textile Limited	656,880	14.80	9,721,824	34,657,058	34,657,058
People's Leasing And Financial Services Limited	-	-	-	-	2,833,705
Phoenix Insurance Company Limited	-	-	-	-	41,673,732
Pragati Insurance Limited	-	-	-	-	12,632,281
Ratanpur Steel Re-Rolling Mills Limited	-	-	-	-	19,789,629
Reckitt Benckiser Bangladesh Limited	10,375	1,609.20	16,695,450	16,826,410	-
Rerata Limited	94,139	1,233.10	116,082,801	58,252,138	92,738,966
Republic Insurance Company Limited	-	-	-	-	7,307,011

Notes to the financial statements for the year ended 31 December 2015

6.4 Shares

Name of company	No of share	Market price	Market value	Book value 2015	Book value 2014
R.N. Spinning Mills Limited	4,039,000	22.10	89,261,900	138,136,494	138,139,675
Rupali Insurance Company Limited	-	-	-	-	5,041,033
Rupali Life Insurance Co. Limited	276,622	32.40	8,962,553	20,004,029	20,004,029
S. Alam Cold Rolled Steels Limited	696,500	29.90	20,825,350	32,018,186	32,018,186
Summit Alliance Port Limited	675,629	60.30	52,800,429	53,603,897	8,561,715
Shahjalal Islami Bank Limited	1,100,026	13.50	14,850,351	19,168,109	19,168,109
Singer Bangladesh Limited	188,375	180.20	33,945,175	33,299,852	49,627,202
Social Islami Bank Limited	-	-	-	-	6,248,643
Southeast Bank Limited	6,708,397	17.60	118,067,787	128,129,472	128,129,472
Summit Purbanchol Power Company Limited	390,128	55.20	21,535,066	21,131,824	56,071,201
Square Textile Mills Limited	776,380	75.50	58,616,690	59,151,302	59,143,513
Square Pharmaceuticals Limited	1,822,415	253.70	462,346,686	303,425,863	200,035,841
Summit Power Limited	2,465,696	39.70	97,888,131	113,973,423	116,997,520
Sunlife Insurance Company Limited	-	-	-	-	10,124,908
Tailu Spinning Mills Limited	891,663	17.70	15,782,435	29,497,441	29,497,441
The Dacca Dyeing & Manufacturing Co.Ltd.	-	-	-	-	7,076,853
Titas Gas Transmission and Distribution Co. Ltd.	7,515,250	47.40	356,222,850	587,585,936	590,381,079
United Commercial Bank Limited	1,313,520	21.30	27,977,576	32,879,187	32,879,187
Unique Hotel and Resorts Limited	1,082,500	50.60	54,774,500	102,193,969	102,193,969
United Airways (BD) Limited	1,602,794	7.30	11,700,396	24,148,210	24,148,210
Uzmania Glass Sheet Factory Limited	-	-	-	-	1,993,702
Uttara Finance and Investments Limited	-	-	-	-	10,227,638
Sub-Total (A)			7,460,206,031	7,240,152,189	7,112,370,405

Notes to the financial statements for the year ended 31 December 2015

	No. of share	Face value	Book value 2015	Book value 2014
Unquoted (B)				
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
Paper Converting & Packaging Limited	839	100	83,900	83,900
Ashraf Textile Mills Limited	99,165	10	1,274,980	1,274,980
Karmasangsthan Bank	100,000	100	10,000,000	10,000,000
Preferences Shares of Summit Uttaranchal Power Company Limited (SUPCL)	86,053	100	8,605,300	21,513,200
Preferences Shares of Summit Purbanchal Power Company Limited (SPPCL)	130,869	100	13,086,900	32,717,200
Preferences Shares of United Power Generation & Distribution Company Limited (UPGDCL)			-	400,000,000
Central Depository Bangladesh Limited	2,284,721	10	6,277,770	6,277,770
LankaBangla Securities Limited	80,850	10	5,000,000	5,000,000
Sub-Total (B)			45,153,450	477,691,650
Non capital market investment element (C)				
Investment Corporation of Bangladesh	47,527,110	10	949,649,126	949,649,126
Sub-Total (C)			949,649,126	949,649,126
Total (A+B+C)			8,234,954,765	8,539,711,181

6.4.1 Particulars of required provision for investment

	Market value at 31 Dec	Book value at 31 Dec	Required provision	Required provision
	2015	2015	2015	2014
Shares	8,426,492,911	8,184,954,765	-	-
Mutual fund	28,515,696	50,000,000	4,740,406	-
	8,455,008,607	8,234,954,765	4,740,406	-
Bridge finance advances	-	5,553,910	5,553,910	6,218,910
Debentures - at cost	-	469,060	469,060	469,060
Grand Total	8,455,008,607	8,240,977,735	10,763,376	6,687,970

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

	2015	2014
	Taka	Taka
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)	5,553,910	6,218,910

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
6.7 Maturity grouping of investments			
Receivable on demand		9,183,951,146	7,141,283,112
Not more than 3 months		22,768,342,720	11,351,535,094
Over 3 months but not more than 1 year		918,373,669	3,563,975,931
Over 1 year but not more than 5 years		6,687,718,943	4,332,693,209
Over 5 years		18,323,296,514	22,581,238,381
		57,881,682,992	48,970,725,727
6.8 Investment classified as per Bangladesh Bank Circular			
Treasury bill - Held for trading (HFT)		24,283,641,470	14,834,211,025
Treasury bond - Held to maturity (HTM)		22,848,005,186	24,321,063,950
Approved debenture - Held to maturity (HTM)		469,060	10,469,060
Other securities		10,749,567,276	9,805,041,692
		57,881,682,992	48,970,725,727

6.9 Repo and Reverse Repo
A. (i) Disclosure regarding outstanding Repo as on 31 December 2015

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

A. (ii) Disclosure regarding outstanding Reverse Repo as on 31 December 2015

Counter Party Name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
Southeast Bank Limited	31-12-2015	03-01-2016	295,542,000
AB Bank Limited	31-12-2015	03-01-2016	972,543,000
Mutual Trust Bank Limited	31-12-2015	03-01-2016	247,213,750
Total			1,515,298,750

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

Particulars	Minimum Outstanding During the year	Maximum Outstanding During the year	Daily average Outstanding During the year
Securities sold under Repo			
i) With Bangladesh Bank	180,435,000	6,702,930,000	610,305,274
ii) With Other Banks and Fis	993,447,000	993,541,000	5,443,803
Securities Purchased under Reverse Repo			
i) From Bangladesh Bank	160,000,000	25,400,000,000	3,550,449,315
ii) From Other Banks and Fis	243,720,616	7,200,400,486	1,144,375,444

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
6 (a) Consolidated Investments			
I. Government			
Pubali Bank Limited		47,153,505,257	39,184,326,576
Pubali Bank Securities Limited		-	-
		47,153,505,257	39,184,326,576
II. Other			
Pubali Bank Limited		10,728,177,735	9,786,399,151
Pubali Bank Securities Limited		3,194,134,983	3,150,532,285
		13,922,312,718	12,936,931,436
		61,075,817,975	52,121,248,012
7 Loans, Advances and Leases			
Loans, cash credits and overdrafts, etc.	7.1	168,798,977,727	148,171,544,182
Bills purchased and discounted	7.2	3,356,441,587	803,386,485
		172,155,419,314	148,974,930,667
7.1 Loans, cash credits, overdrafts, etc.			
Inside Bangladesh:			
Loans		53,567,894,806	44,544,373,137
Cash credits		38,364,401,532	33,007,740,057
Overdrafts		41,877,839,809	39,816,216,893
Loan against merchandise		5,884,823	6,638,799
Packing credits		375,393,270	558,779,755
Loan against trust receipts		9,525,815,689	11,268,070,158
Pubali prochesta		383,451,115	384,165,646
Non-resident credit scheme		811,295	1,131,402
Pubali subarna		4,854,878,645	4,912,662,893
Pubali karmo uddog		143,071,915	108,691,248
Pubali sujon		46,548,056	45,534,941
Pubali utsob		13,481,122	14,185,491
Payment against documents		2,377,945,206	925,823,348
Consumers loan scheme		10,916,979,126	6,705,454,010
EDF loan		3,259,847,450	3,070,863,359
Lease finance	7.13	3,944,208,471	3,759,371,778
Others		10,382,213	51,511,297
		168,798,977,727	148,171,544,182
Outside Bangladesh		-	-
		168,798,977,727	148,171,544,182

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
7.1.1 Maturity grouping of Loans, Advances and Leases			
Repayable on demand		12,769,684,339	12,526,453,000
Up to 3 months		20,653,981,749	16,596,509,072
Over 3 months but not more than 1 year		68,024,197,376	70,206,557,894
Over 1 year but not more than 5 years		48,313,487,507	42,038,939,025
Over 5 years		20,007,626,756	7,802,285,191
		169,768,977,727	149,171,144,182
7.2 Bills purchased and discounted			
Payable in Bangladesh:			
Loans against accepted bills		528,007,110	659,376,768
Loans against demand draft purchased		31,565	31,565
		528,038,675	690,408,333
Payable outside Bangladesh:			
Foreign bills purchased		2,828,402,912	143,978,152
		2,828,402,912	143,978,152
		3,356,441,587	803,386,485
7.2.1 Maturity grouping of Bills purchased and discounted			
Receivable on demand		244,968,205	50,312,777
Not more than 3 months		1,812,532,068	496,522,650
Over 3 months but not more than 6 months		1,298,941,314	256,551,058
		3,356,441,587	803,386,485
7.3 Loans and advances including bills purchased and discounted analyzed in following broad categories			
Inside Bangladesh			
Loans		90,054,811,061	77,006,595,565
Cash credits		38,364,401,532	33,007,740,057
Overdrafts		41,877,803,809	39,816,216,893
		170,297,016,402	149,830,552,515
Outside Bangladesh		2,828,402,912	143,978,152
		173,125,419,314	149,974,530,667
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		2,533,433,967	2,292,302,554
Advance to customers group	7.9	60,363,877,000	50,182,935,000

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
7.5 Industry wise distribution of loans and advances			
Agriculture		3,437,011,740	2,540,180,425
Jute		408,702,546	239,835,973
Textile		13,643,173,535	12,738,609,097
Ready-made garments		11,315,486,582	10,787,284,514
Steel and engineering		5,178,205,749	3,780,892,679
Ship scrapping		2,387,234,266	2,910,109,350
Edible oil		1,154,067,214	3,226,552,226
Cement		2,254,750,404	1,488,173,153
Pharmaceuticals		1,405,819,561	1,462,666,164
Food and allied		6,151,434,590	4,069,761,891
Paper, paper products and packaging		838,083,458	342,433,850
Others manufacturing industries		10,851,471,284	15,802,043,206
Hospitals, clinics and other health services		4,992,804,318	5,324,159,770
Construction		5,850,111,306	1,678,712,837
Housing		7,601,579,918	7,551,556,619
Energy and power		515,950,000	417,445,716
Transport and communication		1,156,968,857	2,968,879,886
Leather		105,591,701	66,801,856
Trade and commerce		44,429,409,894	38,197,183,302
Others service industries		2,865,986,105	2,479,613,772
NBFI (Non Bank Financial Institution)		2,085,144,587	2,129,715,382
NGO		5,712,190,657	3,539,461,000
Consumer finance		13,609,059,153	8,863,105,712
Others		25,123,697,789	16,569,132,787
		179,125,419,314	149,974,530,667
7.6 Geographical location-wise distribution of loans and advances including bills purchased and discounted			
Inside Bangladesh - Urban			
Dhaka		103,030,818,066	91,779,744,943
Chittagong		33,124,926,746	29,043,994,996
Sylhet		7,199,993,881	7,055,171,067
Barisal		1,827,481,667	1,695,036,080
Khulna		3,241,812,625	3,536,859,314
Rajshahi		3,812,643,671	2,577,923,636
Rangpur		3,182,863,694	2,992,214,500
Mymensingh		1,982,485,242	-
		157,403,025,592	139,080,944,536
Inside Bangladesh - Rural			
Dhaka		3,395,688,022	4,006,207,370
Chittagong		2,576,524,363	1,922,929,700
Sylhet		2,630,178,580	2,258,831,283
Barisal		523,520,861	400,220,015
Khulna		1,755,375,325	830,984,905
Rajshahi		1,011,236,172	1,050,226,121
Rangpur		463,280,387	240,208,585
Mymensingh		538,247,120	-
		12,893,996,810	10,749,607,979
Outside Bangladesh (Foreign bills/drafts purchased)		2,828,402,912	143,978,152
		179,125,419,314	149,974,530,667

Notes to the financial statements for the year ended 31 December 2015

	2015 Taka	2014 Taka
7.7 Sector-wise loans and advances including bills purchased and discounted		
Public sector	13,250,350	20,754,628
Private sector	172,850,142,760	149,764,810,225
Co-operative sector	262,026,204	188,965,614
	173,125,419,314	149,974,530,467
7.8 Security base-wise loans and advances including bills purchased and discounted		
Collateral of movable and immovable properties	102,442,599,037	83,996,172,169
Guarantee of local banks and financial institutions	42,128,111	390,968,736
Export documents	4,254,144,155	2,892,417,758
Fixed deposit receipts (FDR) of own Bank	4,652,435,437	3,714,065,897
FDR of other banks	5,791,430,176	485,131,648
Government bonds	3,187,353	7,356,791
Corporate guarantee	16,971,611,956	11,243,731,267
Personal guarantee	25,082,597,553	33,603,578,529
Other securities	13,885,285,136	13,641,107,872
	173,125,419,314	149,974,530,467

7.9 Advance to customers group (Details of large loans and advances)

Number of clients with amount of outstanding and classified loans to whom loans and advances sanctioned more than 10% of total capital of the bank. Total capital of the bank was Tk. 24,948,420,302 as at 31 December 2015.

Number of clients	15	14
Amount of outstanding loans/advances	60,363,877,000	50,182,935,000
Classified amount thereon	-	-
Measures taken for recovery	-	-

* Details shown in Annexure-C

Name of borrower

Ha-Meem Group	6,099,500,000	3,947,261,000
Keya Group	5,141,974,000	3,124,606,000
Project Builders Group	5,173,285,000	4,795,986,000
Abul Khair Group	4,303,781,000	4,524,131,000
BRAC	5,891,434,000	4,081,561,000
Diral Composite Group	3,369,745,000	3,338,810,000
Meghna Group	-	3,287,287,000
Sharmin Group	4,988,200,000	3,221,132,000
Pakiza Group	3,517,100,000	2,776,369,000
M.A. Rahman Dying Industries Ltd.	-	2,769,313,000
Pubali Bank Securities Ltd.	-	2,628,985,000
Madina Group	2,794,478,000	2,726,159,000
Paramount Group	-	2,563,311,000
Pran Group	-	2,388,924,000
City Seed Crushing Group	3,671,585,000	-
City Group	3,352,427,000	-
Sheema Group	3,163,584,000	-
Envoy Group	3,105,281,000	-
AA Yam Mills Ltd.	2,951,476,000	-
GPH Group	2,900,947,000	-
	60,363,877,000	50,182,935,000

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
7.10 Classification of loans and advances including bills purchased and discounted			
Unclassified:			
Standard		158,030,146,370	135,700,701,764
Special Mention Account (SMA)		3,343,421,433	2,603,933,073
		161,373,567,803	138,304,634,837
Classified:			
Sub-Standard (SS)		1,280,271,543	1,626,892,533
Doubtful (DF)		1,052,600,957	1,377,841,745
Bad or Loss (B/L)		6,885,545,044	6,372,858,998
		9,218,417,544	9,377,593,276
Staff loan		2,533,433,967	2,292,302,554
		179,125,418,314	149,974,530,667
7.11 Particulars of required provision for loans and advances			
Status of Classification	Base for Provision	Rate of Provision (%)	
General provision - unclassified			
Standard	109,250,337,203	1	1,092,503,372
Small & Medium Enterprise financing	34,471,783,578	0.25	86,179,639
Loans to BPs/MBs/SDs Against Share etc.	2,128,511,794	2	42,570,236
Housing Finance	370,285,065	2	7,405,701
Loan for Professional to setup business	24,573,658	2	491,513
Consumers loan scheme	8,354,997,786	5	417,749,889
Short Term Agri Credit and Micro credit	3,429,655,286	2.50	85,741,383
Special Mention Account (SMEF)	1,172,994,809	0.25	2,932,487
Special Mention Account (CLS)	963,747,035	5	48,187,352
Special Mention Account (LP, HF)	94,992,198	2	1,899,844
Special Mention Account (Others)	1,111,887,351	1	11,116,874
			1,796,778,110
Specific provision - Classified			1,454,201,085
Substandard (Agri & Micro credit)	344,889	5	17,244
Substandard	624,771,907	20	124,954,381
Doubtful (Agri & Micro credit)	359,197	5	17,960
Doubtful	562,380,163	50	281,190,082
Bad/Loss	3,351,525,370	100	3,351,525,370
			3,757,705,037
Required provision			5,554,483,147
Provision maintained	13.1		5,574,928,553
Excess provision			20,445,406

Notes to the financial statements for the year ended 31 December 2015

	2015 Taka	2014 Taka
7.12 Particulars of loans and advances		
(i) Loans considered good in respect of which the bank is fully secured.	117,143,796,158	108,567,663,825
(ii) Loans considered good for which the bank holds no other security than the debtors' personal security.	38,686,909,324	32,844,860,586
(iii) Loans considered good being secured by the personal security of one or more parties in addition to the personal security of the debtors.	17,294,713,832	8,567,006,256
(iv) Loans adversely classified; Provision not maintained there against	-	-
	173,125,419,314	149,979,530,667
(v) Loans due by directors or officers of the bank or any of them either severally or jointly with any other persons.	2,533,433,967	2,292,302,554
(vi) Loan due from companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies as members.	-	-
(vii) Maximum total amount of advances, including temporary advances, made at any time during the year to directors or employees of the bank or any of them either severally or jointly with any other persons.	2,533,433,967	2,292,302,554
(viii) Maximum total amount of advances, including temporary advances, granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies as members.	-	-
(ix) Loans due from banking companies.	2,086,144,597	2,129,700,000
(x) Amount of classified loan on which interest /profit has not been charged.	9,218,417,544	9,377,593,276
a) Increase / (decrease) of provision (specific)	71,123,439	(1,316,711,030)
b) Amount written off debt	(1,253,323,228)	(1,722,422,465)
c) Amount of debt recovered against the debt which was previously written off	(81,246,305)	(82,220,297)
d) Amount of Provision kept against loans classified as bad or loss	3,351,525,370	3,418,501,855
e) Amount of interest credited in suspense account	830,529,581	718,127,569
(xi) Cumulative amount of written off Loans		
Opening Balance	7,026,156,257	5,303,733,792
Amount of written off during the current year	1,253,323,228	1,722,422,465
	8,279,479,485	7,026,156,257
(xii) Amount of written off loans for which law suit has been filed for recovery	8,279,479,485	7,026,156,257

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
7.13 Lease Finance			
Lease rental receivable within 1 year		1,802,932,921	1,687,286,849
Lease rental receivable within 5 years		2,956,401,251	2,973,328,504
Lease rental receivable after 5 years		170,128,740	212,430,941
Total lease rental receivable		4,929,462,912	4,873,046,294
Un-earned interest receivable		(985,254,441)	(1,113,674,516)
Net Lease finance		3,944,208,471	3,759,371,778
7 (a) Consolidated Loans, Advances and Leases			
Loans, cash credits, overdrafts, etc.			
Pubali Bank Limited		169,768,977,727	149,171,144,182
Pubali Bank Securities Limited		694,814,222	745,913,657
		170,463,791,949	149,917,057,839
Inter Company Transactions		(2,128,090,596)	(2,128,085,366)
		168,335,701,353	147,788,972,473
Bills purchased & discounted			
Pubali Bank Limited		3,356,441,587	803,386,485
Pubali Bank Securities Limited		-	-
		3,356,441,587	803,386,485
		171,692,142,940	148,592,358,958
8 Fixed Assets Including Premises, Furniture & Fixtures			
Cost			
Land		2,255,333,992	2,273,993,992
Building		906,092,261	918,006,184
Vehicles		200,372,891	200,398,266
Machinery and equipments		634,970,046	569,189,395
Computer & computer accessories		1,136,010,513	1,025,252,215
Furniture and fixtures		509,007,124	445,854,910
		5,643,786,827	5,432,694,962
Accumulated depreciation		(1,726,018,996)	(1,408,118,794)
Net book value at the end of the year		3,917,767,831	4,024,576,168

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. 1,899,934,000 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 Annexure-A.

8 (a) Consolidated Fixed Assets Including Premises, Furniture & Fixtures			
Cost			
Pubali Bank Limited		5,643,786,827	5,432,694,962
Pubali Bank Securities Limited		7,693,130	6,731,080
		5,651,479,957	5,439,426,042
Accumulated depreciation			
Pubali Bank Limited		(1,726,018,996)	(1,408,118,794)
Pubali Bank Securities Limited		(4,719,100)	(4,564,550)
		(1,730,738,096)	(1,412,683,344)
		3,920,741,861	4,026,742,698

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
9 Other Assets			
Interest accrued on Investments		1,323,187,174	1,326,609,436
Accrued income on loans & advances		213,509,713	86,200,442
Advance security deposit, advance rent and prepaid expenses		226,091,585	213,787,166
Investment in subsidiary company		1,599,998,700	1,599,998,700
Stock dealing account		277,596,210	-
Stationery and stamps		66,291,496	65,166,652
Drafts payable		22,571,374	51,599,731
Sanchaypatra		1,814,382	-
Suspense account	9.1	193,893,684	257,105,337
Demonetized notes	9.2	1,531,750	1,531,750
Items in transit	9.3	4,559,738,481	2,972,304,696
Advance against income tax	9.4	17,375,434,346	15,363,607,181
Clearing house adjustment		38,747,014	118,582,727
Others	9.5	101,639,810	88,577,689
		26,082,046,119	22,145,071,507
9.1 Suspense Account			
Suspense account general		102,813,334	188,473,866
Suspense law		1,390,417	1,390,433
Protested bills		89,683,533	67,241,038
		193,893,684	257,105,337

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. 4,559,738,481

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 06.03.2016

Period of un-reconciliation	Number of Un-responded entries		Un-responded entries (Amount in Taka)	
	Debit	Credit	Debit	Credit
Up to 3 months	21	162	60,889,139	65,371,568
Over 3 months but within 6 months	4	33	25,613	874,247
Over 6 months but within 1 year	2	7	503,264	333,085
Over 1 year but within 5 years	12	7	705,662	443,005
Over 5 years	489	451	7,224,303	4,224,633

Notes to the financial statements for the year ended 31 December 2015

Note	2015 Taka	2014 Taka		
9.4 Advance income Tax				
Balance at the beginning of the year	15,363,607,181	12,034,218,146		
Paid during the year	2,011,827,165	3,329,389,035		
Settlement of previous years tax liability	-	-		
Balance at the end of the year	17,375,434,346	15,363,607,181		
9.5 Others				
Property account	162,129	162,129		
Accrued interest overdue under CLS	98,056,547	83,925,816		
Delayed charges of lease rental	66,781	66,781		
Interest subsidy	9,000	9,000		
Interest suspense against waiver of 50% BSCIC loan	245,061	245,061		
Waiver of 50% outstanding BSCIC loan	44,176	44,176		
Settlement bank A/C AB bank	-	1,068,610		
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		
	101,639,810	88,577,689		
9.6 Classification of Other Assets				
Unclassified (UC)	25,900,035,479	22,067,387,702		
Sub-standard (SS)	-	-		
Doubtful (DF)	1,627,431	1,250,433		
Bad/Loss (BL)	100,383,209	76,433,372		
	26,002,046,119	22,145,071,507		
9.7 Particulars of provision for Other Assets				
Status of Classification	Base for provision	Rate of Provision (%)		
Doubtful (DF)	1,627,431	50	813,716	625,217
Bad/Loss (BL)	100,383,209	100	100,383,209	76,433,372
Required provision			101,196,925	77,058,589
Provision maintained		13	220,238,510	190,047,479
Excess provision			119,041,585	112,988,890
9(a) Consolidated Other Assets				
Pubali Bank Limited			26,002,046,119	22,145,071,507
Pubali Bank Securities Limited			87,439,344	112,744,941
Pubali Exchange Company (UK) Limited			-	9,276,499
			26,089,485,463	22,267,092,947
Inter-company transactions			(277,610,020)	(9,290,309)
Pubali Bank Securities Limited			(1,599,998,700)	(1,599,998,700)
			(1,877,608,720)	(1,609,289,009)
			24,211,876,743	20,657,803,938

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
10 Non-Banking Assets			
Assets of United Bank of India Ltd. (located in Dhaka South, Comilla, Rajshahi)		375,246	375,246
11 Borrowings from Other Banks, Financial Institutions and Agents			
Inside Bangladesh	11.1	33,906,140	2,440,229,241
Outside Bangladesh	11.2	2,509,648,108	936,546,745
		2,543,554,248	3,376,775,986
11.1 Inside Bangladesh			
Repo from Bangladesh Bank against Treasury Bill and Bond		-	1,021,950,000
Call loan from Citibank N.A.		-	500,000,000
Call loan from Sonali Bank Limited, Local Office, Dhaka.		-	800,000,000
Sonali Bank Limited, Local Office, Dhaka.		33,906,140	118,279,241
		33,906,140	2,440,229,241
11.2 Outside Bangladesh			
In demand deposit accounts (non- interest bearing)	11.2.1	936,642,108	936,546,745
Placement/ Borrowing from Outside Bangladesh	11.2.2	1,570,006,000	-
		2,509,648,108	936,546,745

11.2.1 In demand deposit accounts (non- interest bearing) with:

Name of Bank	Foreign Currency Name	As at 31 December 2015			As at 31 December 2014		
		Commission rate per unit FC	Amount in foreign currency	Equivalent Taka	Commission rate per unit FC	Amount in foreign currency	Equivalent Taka
AB Bank Ltd, Mumbai	ACUD	-	-	-	77.95	93,678.60	7,302,181
Citi Bank NA, New York	USD	78.50	7,578,707.46	594,931,594	77.95	9,815,264.79	765,094,001
COMMERZ Bank, AG Frankfurt	EURO	85.83	59,582.58	5,112,254	-	-	-
HSBC, New York	USD	78.50	600,411.96	47,132,519	77.95	182,189.00	14,201,537
JP Morgan Chase Bank, New York	USD	78.50	3,725,662.99	292,485,741	77.95	1,503,671.00	148,949,016
				936,642,108			936,546,745

 11.2.2 Placement/ Borrowing from Outside Bangladesh
 Placement/ Borrowing from Standard Chartered, Singapore

1,570,006,000	-
1,570,006,000	-

 11.3 Security against borrowing from other banks, financial institutions and agents
 Secured
 Unsecured

2,543,554,248	2,076,775,986
-	1,300,000,000
2,543,554,248	3,376,775,986

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
11.4	Maturity grouping of borrowing from other banks, financial institutions and agents		
	Payable on demand	973,548,248	3,376,775,986
	Payable within 1 month	-	-
	Over 1 month but within 6 months	1,570,006,000	-
	Over 6 months but within 1 year	-	-
	Over 1 year but within 5 years	-	-
	Over 5 years and above	-	-
		2,543,554,248	3,376,775,986
12	Deposits and Other Accounts		
	Inter-bank deposits	312,275,000	1,175,423,281
	Other deposits	224,496,315,528	193,914,820,116
		224,808,590,528	193,090,243,397
12.1	Details of Deposits and Other Accounts		
	Current deposits and other accounts :		
	Current account	24,251,865,585	19,599,377,014
	Cash credit A/C. (Cr. Balance)	401,324,874	466,508,161
	Pubali Procheta (Cr. Balance)	7,703,345	6,230,876
	Q-cash (Cr. Balance)	-	1,430,943
	Call deposits	17,208,921	25,302,252
	Foreign currency deposits	1,386,651,215	1,041,692,121
	Un-claimed drafts payable	3,564	3,564
	Un-claimed dividend	18,914	18,914
	Unclaimed deposits FDD A/C	15,389,420	16,338,484
		26,080,165,638	21,156,902,329
	Bills payable	12.1.1 4,512,856,257	3,824,137,445
	Savings Bank accounts	51,969,483,929	45,159,341,790
	Term deposits:		
	Fixed deposits - from customers	69,904,404,789	64,445,868,433
	Special notice deposits	26,996,685,648	20,823,994,538
	Deposit pension scheme	1,321,785	1,437,396
	Interest payable on term deposit	3,338,493,646	3,424,637,197
	Pubali pension scheme	10,047,071,310	5,238,539,294
	Pubali sanchay prakalpa	4,269,745,830	4,286,071,380
	Dwigun sanchay prakalpa	17,973,681,517	15,803,184,151
	Target based small deposit (Pubali shopnopuron)	867,877,236	249,850,151
	Monthly profit base deposit	3,104,262,332	2,304,849,200
	Monthly profit based small deposit (Pubali shadin sanchoy)	910,296,945	463,789,721
	Shikhya sanchay prakalpa	177,081,659	144,577,522
	Child edu. Care and maturity deposit	1,620,611	6,274,180
		137,592,543,248	118,199,073,163
	Other deposits	4,653,941,476	4,752,988,670
		224,808,590,528	193,090,243,397

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
12.1.1	Bills Payable		
	Payment orders issued	4,272,443,112	3,555,922,073
	Demand drafts	240,013,145	268,215,372
		4,512,456,257	3,824,137,445
12.2	Maturity Analysis of Inter-Bank Deposits		
	Payable on demand	261,592,456	505,103,305
	Payable within 1 month	20,572,657	49,204,493
	Over 1 month but within 6 months	30,109,887	621,115,483
	Over 6 months but within 1 year	-	-
	Over 1 year but within 5 years	-	-
	Over 5 years and above	-	-
		312,275,000	1,175,423,281
12.3	Maturity Analysis of Other Deposits		
	Payable on demand	23,649,309,310	20,459,262,265
	Payable within 1 month	14,124,075,355	11,885,396,072
	Over 1 month but within 6 months	54,478,647,008	51,342,817,571
	Over 6 months but within 1 year	47,005,489,485	42,085,977,384
	Over 1 year but within 5 years	27,057,115,120	22,336,318,963
	Over 5 years and above	58,181,679,250	43,805,047,861
		224,496,315,528	191,914,820,116
		224,808,590,528	193,090,243,397
12 (a)	Consolidated Deposits and Other Accounts		
	Pubali Bank Limited	224,808,590,528	193,090,243,397
	Pubali Bank Securities Limited	-	-
		224,808,590,528	193,090,243,397
	Inter Company Transactions	(550,091,404)	(437,100,218)
		224,249,499,124	192,653,143,179

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
13	Other Liabilities		
	Accumulated provision for loans and advances	13.1.1.1 3,075,945,308	3,370,589,256
	Accumulated provision for consumers loan	13.1.1.2 685,076,757	707,510,047
	Accumulated provision for lease finance	13.1.1.3 1,596,341	1,596,341
	Accumulated provision for demand loan pubali star	13.1.1.4 15,532,037	5,753,914
		3,778,150,443	4,085,450,558
	Provision for unclassified loans and advances	13.1.2 1,796,778,110	1,454,201,085
	Provision @1% against off-balance sheet exposure	13.2 546,800,000	476,800,000
	Accumulated interest suspense	13.3 880,529,581	718,127,569
	Provision for doubtful investment	23,750,460	18,750,460
	Additional profit payable A/C for Islamic banking	238,845	238,845
	L.B. bad debt offsetting reserve	3,258,452	2,606,000
	Interest suspense on underwriting advances	268,877,119	270,415,969
	CLS Interest A/C	4,289,515	10,589,420
	Accrued interest receivable on overdue CLS	95,371,068	82,855,732
	Consumers deposits	114,793,024	74,495,030
	Lease deposit	492,276	311,582
	Unpaid dividend	675,231	675,231
	Special blocked account	13.4 1,215,640	1,215,640
	Provision for Current Tax	13.5 20,379,776,170	17,189,338,725
	Provision for Deferred Tax	13.5.1 579,806,607	647,073,577
	Valuation adjustment	414,629,473	415,423,408
	Exchange adjustment account	13.6 28,666,878	28,666,878
	Agri credit guarantee backing reserve	13.7 70,261,300	70,261,300
	Excise duty	11,945,112	6,716,592
	Pakistan account	13.8 8,393,039	8,393,039
	Pension fund	13.9 1,570,883	1,570,883
	L/C cover account in Bangladesh	1,583,640	1,583,640
	EDF adjustment	3,547,626,531	2,833,139,786
	Pubali bank adjustment	30,553,557	40,411,840
	Sadaqah fund	4,594,950	2,664,436
	Card transaction fee (inter bank)	583,707	944,412
	Foreign currency FCC account	17,363,819	17,363,819
	Interest suspense account against 70% agri loan	152,382	152,382
	Blocked account of UBI	2,973,186	2,973,186
	Property account of UBI	49,617	49,617
	Payable to Pubali Exchange Co. (UK)	9,276,499	9,276,499
	Non resident blocked account of UBI	34,487	34,487
		28,796,937,158	24,353,361,069
	Provision for expenses:		
	(i) auditors' fees	1,715,000	1,515,000
	(ii) advertisement	4,800,000	5,000,000
	(iii) bonuses	372,576,259	376,939,363
	(iv) others	60,576,683	47,778,543
		439,667,942	431,232,906

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
Provision for other assets:			
Un-reconciled debit entries in Nostro A/C	13.10	-	-
Suspense account	13.11	63,714,468	63,714,468
Demonetized notes	13.12	989,740	989,740
Provision for un-reconciled general account debit entries	13.13	13,724,657	13,724,657
ICT asset Insurance reserve		11,737,402	7,200,120
Reserve for unforeseen losses		130,072,243	104,418,494
		220,238,510	190,047,479
		33,234,994,053	29,060,101,012
13.1 Accumulated provision for loans and advances			
13.1.1 Specific provision on classified loans and advances			
Provision held at the beginning of the year		3,370,599,256	4,204,501,888
Fully provided debts written off during the year		(1,253,323,228)	(1,722,422,465)
Recoveries of amounts previously written off		81,246,305	82,220,297
Specific provision for the year		877,422,975	806,299,536
13.1.1.1 Provision for general loans and advances		3,075,945,308	3,370,599,256
13.1.1.2 Provision for consumers loan		685,076,757	707,510,047
13.1.1.3 Provision for lease finance		1,596,341	1,596,341
13.1.1.4 Accumulated provision for demand loan pubali star		15,532,037	5,753,914
Provision held at the end of the year		3,778,150,448	4,085,458,558
13.1.2 General provision for unclassified loans and advances			
Provision held at the beginning of the year		1,454,201,085	1,385,500,621
Provision made during the year		342,577,025	68,700,464
Provision held at the end of the year		1,796,778,110	1,454,201,085
		5,574,928,553	5,539,660,643
13.2 Provision for exposure against off balance sheet items			
Provision held at the beginning of the year		476,800,000	464,300,000
Provision made during the year	37	70,000,000	12,500,000
Provision held at the end of the year		546,800,000	476,800,000
13.3 Interest suspense account			
Balance at the beginning of the year		718,127,569	646,970,801
Amount transferred during the year		774,676,254	859,405,858
Amount recovered during the year		(272,313,534)	(419,099,763)
Amount written off during the year		(389,560,708)	(369,149,327)
Balance at the end of the year		830,529,581	718,127,569
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.

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
13.5	Provision for current tax		
	Balance at the beginning of the year	17,169,338,725	14,374,209,813
	Provision made for previous year	-	228,492,990
	Provision made for current year	3,143,170,475	2,566,635,922
	Provision transferred from deferred tax	67,266,970	-
		3,210,437,445	2,795,128,912
	Settlement of previous years tax liability	-	-
	Balance at the end of the year	20,379,776,170	17,169,338,725
	The status of corporate income tax of the Bank has been shown in Annexure-B		
13.5 (a)	Consolidated Provision for current tax		
	Pubali Bank Limited	3,210,437,445	2,795,128,912
	Pubali Bank Securities Limited	90,626,365	33,758,884
		3,301,063,810	2,828,927,796
13.5.1	Provision for deferred Tax		
	Balance at the beginning of the year	647,073,577	368,835,153
	Provision made during the year	-	278,238,424
	Provision transferred out to current tax	(67,266,970)	-
	Provision held at the end of the year	579,806,607	647,073,577
13.5.1 (a)	Consolidated Provision for deferred Tax		
	Pubali Bank Limited	(67,266,970)	278,238,424
	Pubali Bank Securities Limited	(5,013,721)	(171,249)
		(72,280,691)	278,067,175
13.5.1 (b)	Consolidated Provision for deferred Tax (Accumulated)		
	Balance at the beginning of the year	646,911,237	368,844,062
	Provision transferred to current tax	(72,280,691)	278,067,175
	Provision held at the end of the year	574,630,546	646,911,237
13.5.2	Tax Provision made during the Year		
	Current Tax	3,210,437,445	2,795,128,912
	Deferred Tax	(67,266,970)	278,238,424
		3,143,170,475	3,073,367,336

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 bedding reserve: Tk. 70,261,300

This represents the surplus amount retained by the Bank which was received till the end of 1984 as government guarantee totaling Tk. 112,358,000 under Tk 100 crore special agri credit scheme disbursed during the years from 1977 to 1983. Repayment of the above to the government would be made in due course to the extent of recovery of aforesaid agri credit.

Notes to the financial statements for the year ended 31 December 2015

	2015 Taka	2014 Taka																																							
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																																								
	As per instruction contained in the Bangladesh Bank circular letter No. FEPO(FEMC)/01/2005-677 of 13 September 2005, the Bank is required to make provision regarding the un-reconciled debit balance of nostro accounts as on the reporting date in the financial statements. No such provision was required on as on the reporting date since there was no un-reconciled debit balance of nostro account.																																								
	Provision at the beginning of the year	721,323																																							
	Provision transferred out	(721,323)																																							
	Provision at the end of the year	-																																							
13.11	Provision for suspense																																								
	Provision at the beginning of the year	58,714,468																																							
	Provision made during the year	5,000,000																																							
	Provision at the end of the year	63,714,468																																							
	This represents provision for suspense or contingencies for the years 2004 & 2014 including the provisions made in the year 1985 for the period prior to privatisation as per vendor's agreement.																																								
13.12	Provision for demonetized notes: Tk. 989,740																																								
	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.																																								
13.13	Provision for Un-reconciled General Account debit entries																																								
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Period of un-reconciliation</th> <th rowspan="2">Amount Outstanding</th> <th rowspan="2">Base for Provision</th> <th colspan="2">Provision Required</th> </tr> <tr> <th>2015</th> <th>2014</th> </tr> </thead> <tbody> <tr> <td>Less than 12 months</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>12 months and above but less than 24 months</td> <td style="text-align: right;">458,012</td> <td style="text-align: center;">50%</td> <td style="text-align: right;">229,006</td> <td style="text-align: right;">82,000</td> </tr> <tr> <td>24 months and above</td> <td style="text-align: right;">7,475,253</td> <td style="text-align: center;">100%</td> <td style="text-align: right;">7,475,253</td> <td style="text-align: right;">9,586,941</td> </tr> <tr> <td>Required Provision</td> <td></td> <td></td> <td style="text-align: right;">7,704,259</td> <td style="text-align: right;">9,668,941</td> </tr> <tr> <td>Provision Maintained</td> <td></td> <td></td> <td style="text-align: right;">13,724,657</td> <td style="text-align: right;">13,724,657</td> </tr> <tr> <td>Excess Provision</td> <td></td> <td></td> <td style="text-align: right;">6,020,398</td> <td style="text-align: right;">4,055,716</td> </tr> </tbody> </table>				Period of un-reconciliation	Amount Outstanding	Base for Provision	Provision Required		2015	2014	Less than 12 months	-	-	-	-	12 months and above but less than 24 months	458,012	50%	229,006	82,000	24 months and above	7,475,253	100%	7,475,253	9,586,941	Required Provision			7,704,259	9,668,941	Provision Maintained			13,724,657	13,724,657	Excess Provision			6,020,398	4,055,716
Period of un-reconciliation	Amount Outstanding	Base for Provision	Provision Required																																						
			2015	2014																																					
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Provision Maintained			13,724,657	13,724,657																																					
Excess Provision			6,020,398	4,055,716																																					

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
13 (a) Consolidated Other Liabilities			
Pubali Bank Limited		33,294,594,053	29,060,101,012
Pubali Bank Securities Limited		3,624,896,851	3,577,130,588
Parents Subsidiary loan		(2,128,090,595)	(2,128,085,366)
Inter company payables		(277,610,020)	(9,290,309)
Pubali Exchange Company (UK) Ltd.		-	9,276,499
		34,454,192,288	30,505,132,424
14 Capital			
14.1 Authorized capital			
2,000,000,000 ordinary shares of Tk. 10 each		20,000,000,000	20,000,000,000
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 2004		200,000,000	200,000,000
8,000,000 ordinary shares of Tk. 100 each as bonus share in 2005		800,000,000	800,000,000
9,000,000 ordinary shares of Tk. 100 each as bonus share in 2006		900,000,000	900,000,000
8,400,000 ordinary shares of Tk. 100 each as bonus share in 2007		840,000,000	840,000,000
8,820,000 ordinary shares of Tk. 100 each as bonus share in 2008		882,000,000	882,000,000
11,466,000 ordinary shares of Tk. 100 each as bonus share in 2009		1,146,600,000	1,146,600,000
173,901,000 ordinary shares of Tk. 10 each as bonus share in 2010		1,739,010,000	1,739,010,000
167,690,250 ordinary shares of Tk. 10 each as bonus share in 2011		1,676,902,500	1,676,902,500
41,922,562 ordinary shares of Tk. 10 each as bonus share in 2013		419,225,620	419,225,620
		8,803,738,120	8,803,738,120

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

Particulars	2015			2014
	No. of share	Percentage	Amount	Amount
Directors	254,279,438	28.88%	2,542,794,380	2,294,878,600
Co-operative societies	9,293,679	1.06%	92,936,790	129,082,770
Banks and financial institutions	31,004,600	3.54%	320,046,000	289,196,900
Government	2,126	0.0002%	21,260	21,260
Other institutions	157,971,550	17.94%	1,579,715,500	1,778,755,770
Non resident Bangladeshi	15,059,842	1.71%	150,598,420	239,736,090
General public	411,762,577	46.77%	4,117,625,770	4,072,066,730
	880,373,812	100.00%	8,803,738,120	8,803,738,120

Notes to the financial statements for the year ended 31 December 2015

Note	2015 Taka	2014 Taka
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14.4 Range wise shareholdings

Range wise shareholdings	2015			2014
	Number of shareholders	Percentage of holding of shares	Number of Shares	Number of Shares
Up to 500 shares	50,107	0.05%	5,772,941	6,880,943
501 to 5,000 *	21,631	3.93%	34,627,722	39,073,179
5,001 * 10,000 *	1,423	1.12%	9,887,123	11,361,750
10,001 * 20,000 *	782	1.22%	10,736,260	11,877,252
20,001 * 30,000 *	316	0.90%	7,894,148	8,608,901
30,001 * 40,000 *	118	0.46%	4,072,581	4,077,223
40,001 * 50,000 *	75	0.38%	3,335,217	3,590,974
50,001 * 100,000*	286	2.37%	20,852,653	22,791,855
100,001 and above	320	88.97%	783,245,167	772,111,695
	73,058	100%	880,373,812	880,373,812

14.5 Capital to Risk Weighted Assets Ratio (CRAR):

In terms of section 13 (2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD circulars nos. 14,09,20,10,12,24,31,35,08,16 and 18 dated December 30,2007, December 31,2008, December 29,2009, March 10,2010, March 29,2010, August 03,2010, October 25,2010, December 29,2010, July 23,2012, October 29,2012 and December 21,2014 and DOS circular no 01 dated January 01, 2015 respectively, required capital of the Bank at the close of business on 31 December 2015 was Taka 21,022,510,000 as against available going - concern capital of Taka 21,481,536,689 and gone - concern capital of Taka 3,466,883,613 making a total regulatory capital of Taka 24,948,420,302 thereby showing a surplus regulatory capital /equity of Taka 3,925,910,302 at that date. Details are shown below:

Total assets including off-balance sheet items	330,964,438,959	295,924,910,364
Total risk-weighted assets	210,225,100,000	199,636,700,000
Required Capital (10% of risk weighted assets)	21,022,510,000	19,963,670,000

Regulatory capital held

i) Going - concern capital (Tier-1)	14.5.1	21,481,536,689	19,894,606,759
ii) Gone - concern capital (Tier-2)	14.5.2	3,466,883,613	3,540,084,698
		24,948,420,302	23,434,691,457
Total regulatory capital surplus / (deficit)		3,925,910,302	3,471,021,457

CRAR/ CAR Based on Basel III/ (II) Framework

	2015		2014	
	Required	Held	Required	Held
Capital Requirement :				
Tier-1 (Minimum CET-1 @ 4.50%)	5.50%	10.22%	5.00%	9.97%
Tier- 2 (Maximum up to 4% of the total RWA or 88.89% of CET-1 whichever is higher applicable from 01 January 2015) - Balancing	4.50%	1.65%	5.00%	1.77%
Total	10.00%	11.87%	10.00%	11.74%

Notes to the financial statements for the year ended 31 December 2015

		2015 Taka	2014 Taka
14.5.1	Going - concern capital (Tier-1)		
	Paid-up capital	8,803,738,120	8,803,738,120
	Statutory reserve	9,300,249,482	8,400,249,482
	General reserve	3,815,549,087	2,690,619,157
		21,919,536,689	19,894,606,759
	Reciprocal crossholdings in the CET -1 capital of banking , financial and insurance entities	(438,000,000)	-
		21,481,536,689	19,894,606,759
14.5.2	Gene - concern capital (Tier-2)		
	General provision (unclassified loans + off-balance sheet exposure) (Eligible for inclusion in Tier-2 will be limited to a maximum 1.25% points of credit risk-weighted assets calculated under the standardised approach)	2,179,600,000	1,931,001,085
	Asset revaluation reserve up to 50% as on 31 December 2014	1,449,354,627	1,449,354,627
	Revaluation reserve for equity instruments up to 10% as on 31 December 2014	141,678,310	141,678,310
	Revaluation reserve for securities up to 50% as on 31 December 2014	18,050,676	18,050,676
		3,788,683,613	3,540,084,698
	Regulatory adjustment		
	Revaluation reserve for fixed assets, securities & equipments as on 31 December 2014	(321,800,000)	-
		3,466,883,613	3,540,084,698
	Total Regulatory Capital Maintained	24,948,420,302	23,434,691,457

14.6 Particulars of Shareholding of the Directors

Sl.No.	Name of the directors	Status	2015		2014	
			No. of shares	Amount (Tk)	No. of shares	Amount (Tk)
1	Mr. Rafiq Ahmed Mazumder	Chairman	17,616,118	176,161,180	17,616,118	176,161,180
2	Mr. Habbibur Rahman	Vice-Chairman	17,620,601	176,206,010	17,620,601	176,206,010
3	Mr. Fahim Ahmed Faruk Chowdhury	Vice-Chairman	18,066,119	180,661,190	18,066,119	180,661,190
4	Mr. Syed Moazzem Hussain	Director	17,635,150	176,351,500	17,635,150	176,351,500
5	Mr. Moniruddin Ahmed	Director	28,678,059	286,780,590	28,678,059	286,780,590
6	Mr. Ahmed Shaif Chowdhury	Nominee Director	17,729,147	177,291,470	17,729,147	177,291,470
7	Mr. Monzurur Rahman	Director	17,608,124	176,081,240	17,608,124	176,081,240
8	Ms. Rumana Sharif	Nominee Director	44,022,114	440,221,140	17,850,000	178,500,000
9	Mr. M. Kabiruzzaman Yagub	Director	17,609,882	176,098,882	17,609,882	176,098,882
10	Mr. Musa Ahmed	Director	17,650,207	176,502,070	17,650,207	176,502,070
11	Mr. Azizur Rahman	Director	22,192,342	221,923,420	22,192,342	221,923,420
12	Mr. Md. Abdur Razzak Mondal	Nominee Director	17,850,000	178,500,000	-	-
13	Mr. Khurshid-ul-Alam	Independent Director	-	-	-	-
14	Dr. Shahreen Malik	Independent Director	15,75	15,750	15,75	15,750
			254,279,438	2,542,794,380	238,257,824	2,182,573,240

Notes to the financial statements for the year ended 31 December 2015

14.7 Related party disclosures

14.7.1 Particulars of directors and their shareholding in the Bank

Sl. No.	Name of the Directors	Designation	Percentage of shareholding at 31 Dec 2015	Percentage of shareholding at 31 Dec 2014
1	Mr. Hafiz Ahmed Mazumder	Chairman	2.00	2.00
2	Mr. Habibur Rahman	Vice-Chairman	2.00	2.00
3	Mr. Fahim Ahmed Faruk Chowdhury	Vice-Chairman	2.05	2.05
4	Mr. Syed Moazzem Hussain	Director	2.00	2.00
5	Mr. Moniruddin Ahmed	Director	3.26	3.26
6	Mr. Ahmed Shafi Chowdhury	Nominee Director	2.01	2.01
7	Mr. Manzoor Rahman	Director	2.00	2.00
8	Ms. Rumana Sharif	Nominee Director	5.00	2.03
9	Mr. M. Kabinuzaman Yaqub	Director	2.00	2.00
10	Mr. Musa Ahmed	Director	2.00	2.00
11	Mr. Azizur Rahman	Director	2.52	2.52
12	Mr. Md. Abdur Razzak Mondal	Nominee Director	2.03	-
13	Mr. Khurshid-ul-Alam	Independent Director	-	-
14	Dr. Shahreen 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 Directors	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	84,705 shares 14.00%
2	Mr. Habibur Rahman	Vice Chairman	1. Delta Medical College and Hospital 2. Pubali Bank Securities Ltd. 3. Global Pharmaceutical Company Ltd.	Director Director Director	3.41% 1 share -
3	Mr. Fahim Ahmed Faruk Chowdhury	Vice-Chairman	1. Chittagong Electric Manufacturing Co. Ltd. 2. F. A. C Eastern Enterprise Ltd. 3. Ranis FC Properties Ltd. 4. Delta Hospital Ltd. 5. Sarjiscopo Hospital Pvt. Ltd. 6. CEM Ready Mix Concrete Ltd. 7. Globex Pharmaceuticals Ltd.	Managing Director Managing Director Managing Director Director Director Managing Director Director	15,000 shares 485 shares 40.00% 7,59,894 shares 10,000 shares 7,500 shares 6,29,221 shares
4	Mr. Syed Moazzem Hussain	Director	1. Prince Corporation Ltd. 2. Moazzem Knit & Dyeing Industry Ltd.	Chairman Chairman	78.72% 7.56%
5	Mr. Moniruddin Ahmed	Director	1. Pubali Bank Securities Ltd.	Chairman	1 share
6	Mr. Ahmed Shafi Chowdhury	Nominee Director	1. Pubali Bank Securities Ltd. 2. Bangladesh Lamps Ltd. 3. ESKAYEF Bangladesh Ltd.	Director Independent Director Independent Director	1 share - -
7	Mr. Manzoor Rahman	Director	1. Rema Tea Company Ltd. 2. Delta Life Insurance Company Ltd. 3. Lafarge Surma Cement Ltd.	Chairman Chairman Independent Director	24.17% 2.82% -

Notes to the financial statements for the year ended 31 December 2015

Sl. No.	Name of the Director	Status in the Bank	Name of the entities in which the directors have interest	2015	2014
				Taka	Taka
8	Ms. Rumana Sharif	Nominee Director	Nil	-	-
9	Mr. M. Kabiruzzaman Yaqub	Director	1. Imagine Properties Ltd. 2. Pubali Bank Securities Ltd.	Chairman Director	50.00% 1 share
10	Mr. Musa Ahmed	Director	1. Popular Note Exchange Ltd. 2. Popular Note Mills Ltd. 3. Cornilla Food and Allied Ind. Ltd. 4. Popular Food and Allied Ind. Co. Ltd. 5. Tejgaon Engineering and Construction Co. Ltd.	Director Director Director Director Director	- - - - -
11	Mr. Azhar Rahman	Director	1. Pubali Bank Securities Ltd. 2. National Ceramic Industries Ltd. 3. Dressmen Fashionwear Ltd.	Director Director Director	1 share - -
12	Mr. Md. Abul Raazak Mondal	Nominee Director	1. Thats It Fashions Ltd.	Nominee	-
13	Mr. Khurshid-ul-Alam	Independent Director	Nil	-	-
14	Dr. Shahdeen Malik	Independent Director	1. Pubali Bank Securities Ltd.	Independent Director	-

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

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	8,400,249,482	7,171,549,919
Addition during the year	900,000,000	1,228,699,563
Balance at the end of the year	9,300,249,482	8,400,249,482

16 Retained earnings (general reserve)

Balance at the beginning of the year	2,690,619,157	1,687,639,485
Addition during the year	1,995,287,053	1,841,430,917
Transfer in: Asset revaluation reserve	10,016,689	-
	4,695,922,899	3,529,070,402
Issue of dividend	(880,373,812)	(838,451,245)
Balance at the end of the year	3,815,549,087	2,690,619,157

Notes to the financial statements for the year ended 31 December 2015

	2015 Taka	2014 Taka
16 (a) Consolidated Retained earnings (general reserve)		
Pubali Bank Limited	3,815,549,087	2,690,615,157
Pubali Bank Securities Limited	(770,614,932)	(812,852,987)
	3,044,934,155	1,877,762,170
17 Other reserves		
17.1 Assets revaluation reserve		
Balance at the beginning of the year	2,994,476,620	3,031,502,176
Addition on revaluation of Fixed Assets/ Investment During the Year	478,222,245	3,029,757,098
Disposal during the year	(477,359,369)	(3,126,782,654)
Transfer out: Asset revaluation reserve	(10,016,689)	-
	2,925,282,807	2,934,476,620
Share forfeiture account	333,984	333,984
Balance at the end of the year	2,925,616,791	2,934,810,604
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	29,959,972	29,959,972
	2,955,576,763	2,964,770,576
17 (a) Consolidated Other reserves		
Pubali Bank Limited	2,955,576,763	2,964,770,576
Pubali Bank Securities Limited	84,170,706	84,170,706
	3,039,747,469	3,048,941,282
18 Profit and loss account surplus		
Balance at the beginning of the year	-	-
Profit after tax during the year	2,895,287,053	3,070,130,480
	2,895,287,053	3,070,130,480
Appropriation for the year		
Statutory reserve	900,000,000	1,228,699,563
General reserve	1,995,287,053	1,841,430,917
	2,895,287,053	3,070,130,480
Balance at the end of the year	-	-
18 (a) Consolidated Profit and loss account surplus		
Balance at the beginning of the year	-	-
Profit after tax during the year	2,937,525,142	3,115,315,919
	2,937,525,142	3,115,315,919
Appropriation for the year		
Statutory reserve	900,000,000	1,228,699,563
General reserve	2,037,525,142	1,886,616,356
	2,937,525,142	3,115,315,919
Balance at the end of the year	-	-
19 Non-controlling interest		
Balance at the beginning of the year	624	589
Share of current year profit	34	35
	658	624

Notes to the financial statements for the year ended 31 December 2015

	2015 Taka	2014 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	-	-
2. Directors	-	-
3. Banks and other Financial Institutions	150,000,000	500,000,000
4. Others	7,498,739,240	6,536,861,649
	7,648,739,240	7,036,861,649
21 Interest income		
Loans	2,036,409,577	1,769,086,897
Cash credits	4,346,131,867	3,992,510,881
Over drafts	4,332,274,929	4,438,240,175
Loan against imported merchandise	30,241,004	34,551,714
Loan against trust receipt	1,292,906,426	1,540,073,781
Inland bill purchased & demand draft purchased	77,366,066	95,312,378
Foreign bill purchased and Export development fund	130,630,074	33,071,243
Packing credits	36,791,811	37,571,986
Payments against document	281,194,055	180,025,681
Call loans	505,133,572	148,491,524
Loans against deposit pension scheme	-	30,212
Agricultural credits & rural credits	22,750,852	18,478,477
Sundries account	49,593,811	40,991,572
CLS account	983,114,505	666,885,901
Secured mortgages	1,083,070,977	1,212,869,526
Foreign bank accounts	53,815,350	30,999,678
Loan against Shiksha Sanchay Prokalpa	1,052,879	896,299
Loan against Non-resident Credit Scheme	113,296	56,310
Lease finance	508,471,577	507,104,886
Loan against Pubali Sanchay Prokalpa	52,060,905	53,150,806
Loan against FDR	2,053,092	8,353,402
Term loans	2,605,722,921	2,388,048,189
Loan against Pubali Pension Scheme	50,742,393	27,343,028
	18,481,641,889	17,234,144,546
21 (a) Consolidated interest income		
Pubali Bank Limited	18,481,641,889	17,234,144,546
Pubali Bank Securities Limited	46,030,057	95,665,839
Inter company transaction	-	-
	18,527,671,946	17,329,810,385

Notes to the financial statements for the year ended 31 December 2015

	2015 Taka	2014 Taka
22 Interest paid on deposits, borrowings, etc.		
Fixed deposit	5,757,520,399	6,639,853,519
Interest on repo borrowings	45,342,538	89,540,363
Interest paid on borrowings	36,506,518	-
Short-notice deposit	1,089,648,330	1,182,871,844
Savings bank deposit	1,283,246,120	1,131,780,859
Deposit pension scheme	48,523	390,316
Pubali bank pension scheme	803,846,466	475,003,848
Child education care & maturity deposits	249,458	607,747
Call borrowing	5,986,958	76,209,944
Monthly monafa based deposit scheme	31,192,680	37,061,685
Pubali Sanchay Prokalpa	310,260,099	315,630,150
Shiksha Sanchay Prokalpa	13,181,066	10,903,862
Q-Cash Debit Card	29,599	91,333
Dwigun Sanchay Prokalpa	1,940,255,254	1,918,483,711
Treasury Bond	4,538,235	72,760,988
Marking to Market Revaluation	26,579	5,845,501
Interest on MP5D	59,853,585	32,381,919
Interest on TBSD	46,469,306	16,622,299
Interest on MFD A/C	276,694,529	192,927,019
Interest on Refinance from Bangladesh Bank	101,877	-
Sundry accounts	1,800,495	1,138,581
	11,706,798,614	12,200,105,488
22 (a) Consolidated interest paid on deposits, borrowings, etc.		
Pubali Bank Limited	11,706,798,614	12,200,105,488
Pubali Bank Securities Limited	-	-
Inter company transaction	-	-
	11,706,798,614	12,200,105,488
23 Investment income		
Interest on treasury bill	652,891,234	2,221,441,756
Interest on treasury bond	2,788,511,624	2,683,220,153
Interest on private bond	213,393,994	85,425,295
Interest on debentures	1,783,000	605,754
Interest on Bangladesh Bank bill	213,820,510	75,662,210
Interest on commercial paper	1,155,993	-
Gain on sale of shares	146,075,950	482,569,855
Dividend on shares	392,025,754	438,882,440
	4,409,756,059	5,987,807,463
23 (a) Consolidated investment income		
Pubali Bank Limited	4,409,756,059	5,987,807,463
Pubali Bank Securities Limited	102,494,329	73,211,319
	4,512,250,388	6,061,018,782

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
24	Commission, exchange and brokerage		
	SC, LSC, DD, TT, MT and PO	34,678,940	37,732,920
	Foreign L/C	304,037,181	280,410,352
	Local L/C	100,546,281	103,132,846
	Issuance of foreign guarantee	281,398	154,770
	Issuance of local guarantee	131,288,038	98,106,399
	Issuance of traveler's cheque	5,677	227,786
	Other transactions	203,413,393	201,466,134
	Miscellaneous handling commission	139,681,076	122,888,580
	Consumers credit	1,147,836	1,573,366
	Commission on stationery articles	840,022	536,005
	Income A/C commission Online	2,622	514,859
	Total commission	915,922,464	846,743,967
	Exchange	625,363,550	562,987,740
		1,541,286,014	1,409,731,707
24.1	Exchange		
	Exchange gain	3,668,323,137	3,499,740,544
	Exchange loss	(3,042,939,587)	(2,936,752,804)
		625,363,550	562,987,740
24 (a)	Consolidated Commission, exchange and brokerage		
	Pubali Bank Limited	1,541,286,014	1,409,731,707
	Pubali Bank Securities Limited	39,661,576	58,379,033
	Pubali Exchange Company (UK) Ltd.	-	9,831,615
		1,580,947,590	1,477,942,355
25	Other operating income		
	Rent recovery	2,316,219	2,350,075
	Postage and telecommunication recovery	8,957,268	11,264,351
	Miscellaneous income	90,840,231	79,144,170
	Miscellaneous income supervision and monitoring	7,919	61,603
	Miscellaneous income transfer fee	96,208	135,990
	Recovered from bad debt written off	226,914,450	40,000,000
	Swift income	90,046,552	81,100,497
	Application fee of CLS account	1,848,963	931,320
	Account opening charge of CLS account	2,773,386	1,872,500
	Service charge	27,254,089	23,066,469
	Income on sale of leased asset	778,676	1,208,878
	Online service charge	380,678,777	375,552,310
	Accounts maintenance fee	296,127,212	343,261,123
	SMS service charges	50,351,946	18,325,257
	Card fees and charges	8,717,389	4,920,505
	CIB service charges	11,175,348	9,497,839
	Income on sale of Bank's property	6,017,670	4,982,314
		1,204,902,508	997,675,201

Notes to the financial statements for the year ended 31 December 2015

	2015 Taka	2014 Taka
25 (a) Consolidated Other operating income		
Pubali Bank Limited	1,204,902,503	997,675,201
Pubali Bank Securities Limited	1,661,721	1,177,468
	1,206,564,224	998,852,669
26 Salaries and allowances		
Basic salary	1,733,221,997	1,611,592,516
House rent allowances	979,215,403	827,284,080
Medical allowances	208,360,889	177,648,948
Other allowances	702,520,017	683,516,624
Contributory provident fund	154,438,923	130,141,488
General provident fund	399,013	512,200
Bonus to employees	276,848,282	246,001,711
	4,055,004,524	3,676,697,567
26 (a) Consolidated Salaries and allowances		
Pubali Bank Limited	4,055,004,524	3,676,697,567
Pubali Bank Securities Limited	23,672,755	21,086,765
Pubali Exchange Company (UK) Ltd.	-	6,749,390
	4,078,677,279	3,704,533,722
27 Rent, taxes, insurance, electricity, etc.		
Bank premises	296,202,579	245,914,698
Godown	446,687	220,600
Rates and taxes	4,107,877	7,217,195
Insurance (vault)	27,916,785	21,814,237
Insurance premium	130,231,221	114,661,910
Electricity	92,728,066	87,347,516
Electric fittings and fixtures	15,715,538	18,511,881
Water and sewerage bill	3,972,844	3,847,929
	575,321,597	499,535,966
27 (a) Consolidated Rent, taxes, insurance, electricity, etc.		
Pubali Bank Limited	575,321,597	499,535,966
Pubali Bank Securities Limited	528,098	614,694
Pubali Exchange Company (UK) Ltd.	-	5,040,652
	575,849,695	505,191,312
28 Legal expenses		
Lawyers' charges	13,534,326	10,602,802
Court fees and other expenses	2,511,162	1,832,996
	16,045,488	12,435,798

Notes to the financial statements for the year ended 31 December 2015

		2015	2014
		Taka	Taka
28 (a)	Consolidated Legal expenses		
	Pubali Bank Limited	16,045,488	12,435,798
	Pubali Bank Securities Limited	216,500	600,000
	Pubali Exchange Company (UK) Ltd.	-	909,058
		16,261,988	13,944,856
29	Postage, stamp, telecommunication, etc.		
	Postage	9,620,271	9,948,190
	Telegram	304,235	216,966
	Telex	193,571	518,889
	Fax	-	14,650
	Stamp	6,020	23,660
	Telephone	26,204,086	31,256,234
	SWIFT charges	22,986,967	23,140,949
	SMS charges	11,115,173	2,881,810
	Tele rate/router	-	854,811
	Internet charges	2,161,533	3,018,778
		72,591,856	71,874,937
29 (a)	Consolidated Postage, stamp, telecommunication, etc.		
	Pubali Bank Limited	72,591,856	71,874,937
	Pubali Bank Securities Limited	361,224	349,262
	Pubali Exchange Company (UK) Ltd.	-	237,781
		72,953,080	72,461,980
30	Stationery, printing, advertisements, etc.		
	Table stationery	22,483,613	22,287,618
	Computer stationery	16,150,758	14,770,967
	Printing and stationery	8,235,250	7,781,314
	Consumption of books and forms	19,596,012	22,376,742
	Advertisement	61,477,180	69,004,234
		127,942,813	136,220,875
30 (a)	Consolidated Stationery, printing, advertisements, etc.		
	Pubali Bank Limited	127,942,813	136,220,875
	Pubali Bank Securities Limited	243,362	252,759
	Pubali Exchange Company (UK) Ltd.	-	109,118
		128,186,175	136,582,752
31	Managing Director's salary and fees		
	Basic pay	5,737,500	6,438,710
	Allowances	1,826,250	2,315,807
	Bank's contributory provident fund	573,750	648,871
	Bonus	2,000,000	2,100,000
		10,137,500	11,498,388

Notes to the financial statements for the year ended 31 December 2015

		2015	2014
		Taka	Taka
32	Directors' fees		
	Meeting fees and Honorarium	3,764,000	3,150,000
	Meeting expenses	1,341,813	1,184,241
	Meeting related travelling allowances	802,600	1,051,660
		5,908,413	5,385,901
32 (a)	Consolidated Directors' fees		
	Pubali Bank Limited	5,908,413	5,385,901
	Pubali Bank Securities Limited	298,000	506,000
		6,206,413	5,891,901
	Each director was paid Tk. 5,000 up to 30 September 2015 and Tk. 8,000 w.e.f. October 2015 per meeting per attendance as per BRPD Circular No. 11 dated 04 October 2015.		
33	Auditors' fees		
	Statutory audit	1,230,000	1,030,000
	Special audit	599,820	1,399,580
		1,829,820	2,429,580
33 (a)	Consolidated Auditors' fees		
	Pubali Bank Limited	1,829,820	2,429,580
	Pubali Bank Securities Limited	143,750	115,000
	Pubali Exchange Company (UK) Ltd.	-	323,600
		1,973,570	2,868,180
34	Depreciation and repair of bank's assets		
	Repairs to fixed assets	18,249,200	14,585,382
	Maintenance of assets	60,942,386	125,795,210
	Depreciation on fixed assets	361,855,018	245,701,857
		441,086,604	386,082,449
34 (a)	Consolidated Depreciation and repair of bank's assets		
	Pubali Bank Limited	441,086,604	386,082,449
	Pubali Bank Securities Limited	1,411,733	2,307,905
	Pubali Exchange Company (UK) Ltd.	-	899,091
		442,498,337	389,289,445

Notes to the financial statements for the year ended 31 December 2015

Note	2015 Taka	2014 Taka
35 Other expenses		
Repairs to rented property	1,170,235	1,114,374
Newspapers	3,218,007	3,270,474
Petrol consumption	51,339,153	55,670,312
Travelling	56,641,462	60,877,107
Donations	86,585,350	44,417,095
Honorarium	4,111,260	4,570,517
Subscriptions	4,956,624	7,933,650
Sub-ordinate staff clothing	11,146,280	9,541,130
Conveyance	18,302,898	17,487,481
Entertainment	26,127,290	24,983,803
Training	18,783,068	20,879,812
Photocopying	869,279	1,388,092
Branches' opening expenses	889,438	143,254
Shifting expenses	902,051	1,075,229
Carrying expenses	1,676,285	1,745,607
Professional fees	3,091,858	3,670,634
Security and Auxiliary Services	26,419,535	20,227,139
Gun license fees	1,560,451	1,406,488
Telegraphic address renewal fee	250	630
Overtime	23,778,569	26,149,760
Lunch subsidy	169,783,841	151,742,797
Promotional expenses	30,914,382	88,447,182
Gratuity	378,435,940	678,497,080
Group Insurance	18,997,474	15,760,376
House maintenance	116,030,921	89,551,230
Car allowance	19,539,021	5,385,180
Chemicals for office equipment's	506,326	578,949
Loss on sale of bank's property	830,100	833,726
CDL fees	1,507,230	544,540
Annual general meeting	2,786,080	5,324,935
Bandwidth charges	89,516,116	95,699,505
Card expenditure	34,901,868	-
Nostro account charges	2,079,634	-
Card transaction fee	1,205,105	-
Amortization loss on T. bond	-	2,046,143
Miscellaneous	77,843,126	103,510,281
	1,288,386,507	1,544,494,513
35 (a) Consolidated Other expenses		
Pubali Bank Limited	1,288,386,507	1,544,494,513
Pubali Bank Securities Limited	6,097,033	7,534,788
Pubali Exchange Company (UK) Ltd.	-	11,427,480
	1,294,483,540	1,563,456,781

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka		
36	Provision for Loans, Advances, Investments and Other Assets				
	Classified loans and advances	13.1.1 877,422,975	806,299,536		
	Unclassified loans and advances	13.1.2 342,577,025	68,700,464		
	Provision for other assets:				
	Provision for suspense	-	5,000,000		
	Provision for un-reconciled general account debit entries	-	5,000,000		
	Provision for diminution in value of Investments	5,000,000	-		
	Provision for bad debt offsetting	652,452	620,000		
		1,225,652,452	885,620,000		
36 (a)	Consolidated Provision for Loans, Advances, Investments and Other Assets				
	Pubali Bank Limited	1,225,652,452	885,620,000		
	Pubali Bank Securities Limited	29,024,895	117,999,663		
		1,254,677,347	1,003,619,663		
37	Provision for exposure of off-balance sheet items				
	Provision for exposure against off-balance sheet items	70,000,000	12,500,000		
		70,000,000	12,500,000		
37.1	Details of provision for exposure against off-balance sheet items				
	Particulars				
	Letter of guarantee	7,648,739,240	7,036,861,649		
	Irrevocable letters of credit	44,054,462,906	38,389,408,824		
	Bills for collection	1,614,641,134	563,495,313		
	Other contingent liabilities	1,184,343,398	948,646,848		
	Total Contingent Liabilities	54,502,186,678	47,538,412,634		
	Margin				
	Letter of guarantee	-	-		
	Irrevocable letter of credit	-	-		
	Bills for collection	-	-		
		54,502,186,678	47,538,412,634		
	Base for Provision	Rate of Provision (%)			
	Letter of guarantee	7,648,739,240	1	76,487,332	70,368,617
	Irrevocable letters of credit	44,054,462,906	1	440,544,629	389,894,088
	Bills for collection	1,614,641,134	1	16,146,411	5,634,953
	Other contingent liabilities	1,184,343,398	1	11,843,434	9,486,468
	Required provision			545,021,866	475,384,126
	Provision maintained			545,000,000	476,800,000
	Excess provision			1,778,134	1,415,874

Notes to the financial statements for the year ended 31 December 2015

	2015 Taka	2014 Taka
38 Receipts from Other operating activities		
Exchange	625,363,550	562,987,740
Other operating income	977,988,053	957,675,201
	1,603,351,603	1,520,662,941
38 (a) Consolidated Receipts from other operating activities		
Pubali Bank Limited	1,603,351,603	1,520,662,941
Pubali Bank Securities Limited	54,159,839	32,028,041
	1,657,511,442	1,552,690,982
39 Cash payments for other operating activities		
Rent ,taxes, insurance, electricity etc.	575,321,597	499,535,966
Director's fees	5,908,413	5,385,901
Charges on loan losses	2,422,749	1,205,435
Repairs of bank's assets	79,191,586	140,380,592
Other expenses	1,288,386,507	1,544,494,513
	1,951,230,852	2,181,002,407
39 (a) Consolidated Cash payments for other operating activities		
Pubali Bank Limited	1,951,230,852	2,191,002,407
Pubali Bank Securities Limited	9,299,700	12,280,408
Pubali Exchange Company (UK) Ltd.	-	18,134,932
	1,960,530,552	2,221,417,747
40 Increase/(decrease) of other assets		
Closing other assets		
Stationery and stamps	66,291,496	65,166,652
Accrued income	1,536,696,887	1,412,809,878
Advance security deposit, advance rent etc.	226,091,985	213,787,166
Stock dealing account	277,596,210	-
Suspense account	193,893,684	257,105,337
Demonetized notes	1,531,750	1,531,750
Items in transit	4,559,738,481	2,972,304,696
Drafts payable (Dr. Balance)	22,571,374	51,599,731
Sanchaypatra	1,814,382	-
Clearing house adjustment	38,747,014	118,582,727
Others	101,639,810	88,577,689
	7,026,613,079	5,181,465,626

Notes to the financial statements for the year ended 31 December 2015

	2015 Taka	2014 Taka
Opening other assets		
Stationery and stamps	65,166,652	86,527,226
Accrued income	1,412,809,878	1,153,921,248
Advance security deposit, advance rent etc.	213,787,166	145,122,005
Suspense account	257,105,337	140,284,435
Demonetized notes	1,531,750	1,531,750
Items in transit	2,972,304,696	2,069,161,306
Drafts payable (Dr. Balance)	51,598,731	107,021,016
Clearing house adjustment	118,582,727	82,864,949
Others	88,577,689	94,821,890
	5,181,465,626	3,881,255,825
	(1,845,147,447)	(1,300,209,801)
40 (a) Consolidated Increase/(decrease) of other assets		
Pubali Bank Limited	(1,845,147,447)	(1,300,209,801)
Pubali Bank Securities Limited	(37,118,844)	(15,455,237)
	(1,882,266,291)	(1,315,665,038)
41 Increase/(decrease) of other liabilities		
Closing other liabilities		
Interest suspense	830,529,581	718,127,569
Interest suspense on underwriting advances	268,877,119	270,415,969
Interest suspense against 70% Agri loan	192,382	192,382
	1,099,599,082	988,735,920
Opening other liabilities		
Interest suspense	718,127,569	646,970,801
Interest suspense on underwriting advances	270,415,969	270,415,969
Interest suspense against 70% Agri loan	192,382	192,382
	988,735,920	917,579,152
	110,863,162	71,156,768
41 (a) Consolidated Increase/(decrease) of other liabilities		
Pubali Bank Limited	110,863,162	71,156,768
Pubali Bank Securities Limited	(4,450,065)	138,477,691
Pubali Exchange Company (UK) Ltd.	-	2,625,799
	106,413,097	212,259,258
42 Cash and cash equivalents at end of period		
Cash in hand (including foreign currencies)	2,834,884,562	3,607,695,337
Balance with Bangladesh Bank and its agent bank(s)	18,542,096,591	16,345,806,565
Balance with other banks and financial institutes	2,222,692,939	2,329,429,846
Prize bonds	21,858,601	19,111,601
Money at call on short notice	935,286,667	988,286,667
	24,556,819,360	23,290,336,016

Notes to the financial statements for the year ended 31 December 2015

	2015 Taka	2014 Taka
42 (a) Consolidated cash and cash equivalents at end of period		
Pubali Bank Limited	24,556,813,380	23,290,330,016
Pubali Bank Securities Limited	559,091,404	437,100,218
	25,115,904,784	23,727,430,234

- 43 Assets and liabilities as at 31 December 2015 denominated in foreign currencies have been converted to Bangladesh Taka at the following exchange rates:**

Currency	Currency unit	Equivalent Taka
European Currency	EURO	85.83
Japanese Yen	JPY	0.65
Pound Sterling	GBP	116.31
Swiss Franc	CHF	79.48
US Dollar	USD	78.50
ACU Dollar	ACUD	78.50

	2015 Taka	2014 Taka
44 Basic and Diluted Earnings Per Share (EPS)		
Net profit after taxes	2,895,287,053	3,070,130,480
Number of ordinary shares outstanding	880,373,812	880,373,812
Basic and Diluted Earnings Per Share (EPS)	3.29	3.49
44 (a) Consolidated Basic and Diluted Earnings Per Share (EPS)		
Net profit after taxes	2,537,525,142	3,115,315,919
Number of ordinary shares outstanding	880,373,812	880,373,812
Basic and Diluted Earnings Per Share (EPS)	3.34	3.54

Notes to the financial statements for the year ended 31 December 2015

45. Highlights on the overall activities of the Bank for the period ended 31 December 2015 and 31 December 2014

Particulars	2015 Taka	2014 Taka
1. Paid-up Capital	8,803,738,120	8,803,738,120
2. Total Capital	24,948,420,302	23,434,691,457
3. Capital Surplus	3,925,910,302	3,471,021,457
4. Total Assets	285,462,252,281	248,386,497,730
5. Total Deposits	224,808,590,528	199,090,243,397
6. Total Loans & Advances	173,125,419,314	149,974,530,667
7. Total Contingent Liabilities	54,502,186,678	47,538,412,634
8. Loan Deposit Ratio (%)	77.01%	77.67%
9. Ratio of Classified Loan to total Loans & Advances (%)	5.32%	6.25%
10. Profit after taxation & Provision	2,895,287,053	3,070,130,480
11. Amount of Classified Loan during the current year	9,218,417,544	9,377,593,276
12. Provision kept against Classified Loans	3,778,150,443	4,085,459,558
13. Provision Surplus	20,445,406	116,498,313
14. Cost of Fund (%)	8.75%	9.74%
15. Interest Earning Assets	233,479,264,998	200,874,832,033
16. Interest Non- Earning Assets	51,982,987,283	47,511,665,697
17. Return on Investment (ROI) (PAT/Shareholders' Equity)	11.64%	13.43%
18. Return on Assets (ROA)	1.01%	1.24%
19. Income from investment	4,409,756,059	5,987,807,463
20. Earnings Per Share (Taka)	3.29	3.49
21. Net Income per Share (Taka)	3.29	3.49
22. Price Earning Ratio (Times)	6.57	7.31

Annexure-A

Schedule of Fixed Assets as at 31 December 2015

Particulars	Balance at 1 January 2015			Additions/Revaluation during the Year			Disposal during the year			Adjustments during the year			Depreciation/Amortisation			Balance at 31 December 2015		Net book value at 31 December 2015	
	Total	Taka	Taka	Total	Taka	Taka	Total	Taka	Taka	Total	Taka	Taka	Total	Taka	Taka	Total	Taka		
Land (including leased)	1,271,993,993	-	-	18,650,000	-	2,353,333,993	Fixed	1,178,870	-	-	-	-	1,178,870	-	-	26,628,621	2,233,765,362		
Building	593,006,184	-	-	9,913,825	-	998,592,261	2.50%	18,774,314	4,849,128	-	-	-	15,925,186	-	-	175,863,992	732,296,359		
Furniture and Fixture	443,654,919	71,220,682	71,220,682	8,332,330	251,632	509,907,114	10%	30,043,135	6,418,295	843,709	843,709	210,211,704	30,043,135	6,418,295	843,709	210,211,704	288,794,429		
Computer & Computer Accessories	1,025,253,715	127,227,979	1,152,481,694	10,861,279	(5,488,402)	1,156,993,292	20%	194,665,379	10,743,136	(4,311,048)	(4,311,048)	189,354,331	194,665,379	10,743,136	(4,311,048)	189,354,331	377,547,925		
Machinery and Equipment	569,399,395	74,982,410	644,381,805	12,812,751	4,610,962	657,194,767	20%	81,087,239	12,857,361	1,975,990	1,975,990	391,463,329	81,087,239	12,857,361	1,975,990	391,463,329	244,507,517		
Vehicles	201,398,355	8,390,000	209,788,355	7,633,375	(1,175,000)	207,613,355	20%	26,139,430	7,610,285	(178,360)	(178,360)	150,854,552	26,139,430	7,610,285	(178,360)	150,854,552	43,514,339		
At 31 December 2015	5,432,694,582	281,781,251	5,714,475,833	68,276,628	(2,410,798)	5,643,796,877		1,408,118,794	361,696,617	42,338,205	(1,796,610)	1,716,618,996	1,408,118,794	361,696,617	42,338,205	(1,796,610)	1,408,118,794	3,817,707,881	
At 31 December 2014	4,891,889,827	518,298,515	5,410,188,342	42,654,729	26,983,346	5,437,842,691		145,705,857	31,995,983	2,694,518	2,694,518	1,488,531,794	145,705,857	31,995,983	2,694,518	1,488,531,794	4,024,578,108		

Tax Status Report as at 31 December 2015

Sl. Income Year	Assessment Year	Tax Provision as per Financial Statements	Tax Determined by Tax Authority	Tax paid (Tax Deduction at Source & Cash Paid & Refund Adjustment)	Tax Department's Demand/(Refund)	Assessment Status	Amounts in Taka
1	Up to 1996	-	-	8,746,578	(8,746,578)	Finalised	
2	1997	45,683,821	45,683,821	121,322,255	(76,638,434)	Tax authority filed an appeal with the High Court (Appellate Division)	
3	1998	-	-	-	-	Reference application filed with High Court by LTU	
4	1999	126,066,596	126,066,596	95,769,641	30,296,955	Reference application filed with High Court	
5	2000	158,178,474	158,178,474	113,640,527	44,537,947	High Court judgement received in favor of the bank but revised assessment pending with the DCT	
6	2001	377,762,283	377,762,283	258,959,776	118,802,507	Reference application filed with High Court	
7	2004	6,741,122	6,741,122	22,538,349	(15,797,227)	Finalised	
8	2006	54,720,201	14,720,201	45,218,734	(30,698,533)	Case filed with DCT for rectification	
9	2007	1,393,694,119	1,389,484,502	1,281,267,066	108,217,436	Reference application filed with High Court	
10	2009	1,532,941,731	1,532,941,731	1,425,863,286	107,078,445	Reference application filed with High Court	
11	2008	1,506,466,368	1,505,191,368	1,470,508,695	34,662,673	Reference application filed with High Court	
12	2010	1,770,604,463	1,769,937,389	1,708,759,899	61,177,580	Reference application filed with High Court	
13	2011	2,275,000,000	2,340,895,800	2,235,377,817	114,457,983	Reference application filed with High Court	
14	2012	2,505,095,000	2,680,124,619	2,500,607,642	129,517,177	Case filed with TAT	
15	2013	2,939,948,685	2,972,511,719	2,869,311,484	123,200,235	Case filed with CT(A)	
16	2014	2,566,915,922	-	2,173,640,035	-	Assessment not yet done	
17	2015	3,210,437,445	-	1,062,902,852	-	Return submission date not due	
Total		26,379,776,170	14,879,179,625	17,375,494,946	740,288,166		

TAT - Taxes Appellate Tribunal

CT(A) - Commissioner of Taxes (Appeal)

DCT- Deputy Commissioner of Taxes

LTU - Large Tax payer Unit

Annexure - C

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.

	Amounts in Taka	
	As at 31 Dec 2015	As at 31 Dec 2014
Number of clients	15	14
Amount of outstanding loans/advances	60,363,877,000	50,182,935,000
Classified amount thereon	-	-
Measures taken for recovery	-	-

Name of the Clients	Sanctioned Limit	Status	Outstanding		Total Outstanding	
			Funded	Non-funded	At 31 Dec 2015	At 31 Dec 2014
Ha-Meen Group	9,141,200,000	STD	2,138,700,000	3,960,800,000	6,099,500,000	5,947,261,000
Keya Group	4,933,295,000	STD	5,121,874,000	20,100,000	5,141,974,000	5,124,606,000
Project Builders Group	5,672,385,000	STD	3,407,306,000	1,765,979,000	5,173,285,000	4,795,966,000
Abul Khair Group	5,047,000,000	STD	2,467,781,000	1,836,000,000	4,303,781,000	4,524,131,000
BRAC	6,510,500,000	STD	5,828,034,000	63,400,000	5,891,434,000	4,081,561,000
Dird Composite Group	5,805,352,000	STD	2,131,348,000	1,238,397,000	3,369,745,000	3,338,610,000
Meghna Group	-	STD	-	-	-	3,287,287,000
Sharmin Group	6,208,900,000	STD	1,714,700,000	3,273,500,000	4,988,200,000	3,221,132,000
Pakiza Group	5,526,300,000	STD	2,187,500,000	1,329,600,000	3,517,100,000	2,776,369,000
M.A. Rahman Dying Industries Ltd.	-	STD	-	-	-	2,769,313,000
Pubali Bank Securities Ltd.	-	STD	-	-	-	2,628,085,000
Madina Group	4,552,100,000	STD	2,019,478,000	715,000,000	2,734,478,000	2,726,159,000
Paramount Group	-	STD	-	-	-	2,563,311,000
Fran Group	-	STD	-	-	-	2,398,924,000
City Seed Crushing Group	3,700,000,000	STD	1,606,465,000	2,065,100,000	3,671,565,000	-
City Group	16,329,200,000	STD	2,206,740,000	1,145,687,000	3,352,427,000	-
Sheena Group	7,530,000,000	STD	2,675,539,000	488,045,000	3,163,584,000	-
Envoy Group	5,800,000,000	STD	1,701,681,000	1,403,600,000	3,105,281,000	-
AA Yam Mills Ltd.	3,094,600,000	STD	1,822,176,000	1,129,300,000	2,951,476,000	-
GPH Group	2,868,790,000	STD	2,729,645,000	170,402,000	2,900,047,000	-
	92,723,662,000	-	39,758,967,000	20,604,910,000	60,363,877,000	50,182,935,000

Distribution of profit for the income year ended 31 December 2015

Profit and loss of Islamic Banking Windows are calculated annually as at 31 December each year. We follow Investment Income Sharing Ratio (IISR) system for distribution of profit to our Mudaraba Depositors. During the year 2015, distributable Investment Income was 8.33% which was less than expectation and required to recover some amount of the distributed provisional profit.

The Board of Directors of the Bank was so generous not to recover any amount from the Mudaraba Depositors once it is paid and the Shari'ah Supervisory Committee of the Bank doesn't see any sort of Shari'ah violation in non-recovery of profit paid in excess. Rather it is an I'hsaan (the doing of good) which is highly encouraged in Islam. So, the Board declared the provisionally distributed profit as final. The rates of profit distributed to the Mudaraba Depositors were as under:

Sl.	Types of Mudaraba Deposit	Share of Depositors in Investment Income of 2015	Rates of Profit distributed provisionally assuming the earning @ 9.33%	Final Rates of Profit as per Investment Income @ 8.33%	Excess distribution (%)
1	Mudaraba Term Deposit Receipt				
(a)	For 3 months	75.00%	7.00%	6.25%	0.75%
(b)	For 6 months	80.00%	7.46%	6.66%	0.80%
(c)	For 12 months	85.00%	7.93%	7.08%	0.85%
(d)	For 24 months	85.00%	7.93%	7.08%	0.85%
2	Mudaraba Short Notice Deposit	35.00%	3.26%	2.92%	0.34%
3	Mudaraba Monthly Profit based Term Deposit	85.00%	7.93%	7.08%	0.85%
4	Mudaraba Savings Account	45.00%	4.20%	3.75%	0.45%
5	Mudaraba Hajj Savings Account	85.00%	7.93%	7.08%	0.85%
6	Mudaraba Deposit Pension Account				
(a)	For 5 years	83.00%	7.74%	6.91%	0.83%
(b)	For 10 years	85.00%	7.93%	7.08%	0.85%

A competent Shari'ah Supervisory Committee consisting of Islamic Scholars, Ulama, Islamic Economists and Islamic Bankers led by Janab M. Azizul Huq, Islamic Banking pioneer in Bangladesh, oversees the Islamic Banking operations of the Bank. During this accounting year, the Shari'ah Supervisory Committee met in 3 (three) meetings and reviewed different operational issues in line with Islamic Shari'ah. Besides, the Muraqulibs (Shari'ah Officer) of the Bank inspected both the Islamic Banking Windows during the period and reported no case of Shari'ah violation(s) in operation of Windows.

Pubali Bank Limited - Islamic Banking Windows

Annexure - E

Balance Sheet as at 31 December 2015

	Note	2015 Taka	2014 Taka
PROPERTY AND ASSETS			
Cash	1	106,500,010	50,021,941
Cash in hand (Including foreign currencies)		2,820,823	3,283,193
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)		103,679,187	46,738,748
Balance with Other Banks and Financial Institutions in Bangladesh	2	317,180,622	316,619,956
Outside Bangladesh		-	-
Placement with Banks and Other Financial Institutions	3	-	-
Investments in Shares and Securities	4	52,000,000	38,500,000
Government		52,000,000	38,500,000
Others		-	-
Investments	5	383,826,318	416,071,814
General investments		383,826,318	416,071,814
Bills purchased & discounted		-	-
Fixed Assets including Premises, Furniture & Fixtures	6	1,966,027	512,028
Other Assets	7	128,782,529	1,279,631
Non-banking Assets		-	-
Total Assets		990,255,506	823,005,370
LIABILITIES AND CAPITAL			
Liabilities			
Placement with Other Banks, Financial Institutions & Agents	8	-	-
Deposits and Other Accounts	9	906,516,259	728,700,951
Al-Wadia current deposit		36,246,373	15,283,120
Bills payable		5,656,173	4,985,297
Mudaraba savings bank deposit		65,434,867	50,279,438
Mudaraba term deposits		799,039,073	658,023,402
Other deposits		139,773	129,694
Other Liabilities	10	73,329,140	81,692,862
Total Liabilities		979,845,399	810,393,813
Capital / Shareholders' Equity			
Paid up capital		-	-
Statutory reserve		-	-
Retained surplus (general reserve)		-	-
Revaluation gain/(loss) on investment		-	-
Other reserves		-	-
Profit and loss account surplus		10,410,107	12,611,557
Total Shareholders' Equity		10,410,107	12,611,557
Total Liabilities and Shareholders' Equity		990,255,506	823,005,370

Pubali Bank Limited - Islamic Banking Windows

Balance Sheet as at 31 December 2015

OFF-BALANCE SHEET ITEMS	Note	2015 Taka	2014 Taka
Contingent Liabilities			
Acceptances & Endorsements			
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Total Contingent Liabilities		-	-
Other Commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		-	-
Total Off-Balance Sheet Items including Contingent Liabilities		-	-

Pubali Bank Limited - Islamic Banking Windows

Profit & Loss Account for the year ended 31 December 2015

Annexure-E (i)

	Note	2015 Taka	2014 Taka
Operating Income			
Investment income	11	65,245,237	62,039,568
Profit paid on deposits, borrowings, etc.	12	(48,679,842)	(45,570,134)
Net Investment Income		16,565,395	16,469,434
Income from Investment in shares /securities	13	-	-
Commission, exchange and brokerage	14	1,288,187	1,761,891
Other operating income	15	482,341	408,601
Total Operating Income		18,335,923	18,639,926
Operating Expenses			
Salaries and allowances	16	5,725,632	4,876,961
Rent, taxes, insurance, electricity, etc.	17	377,364	2,800
Legal expenses	18	-	-
Postage, stamp, telecommunication, etc.	19	20,371	41,800
Stationery, printing, advertisements, etc.	20	119,123	127,502
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	21	336,530	179,849
Other expenses	22	1,346,796	799,457
Total Operating Expenses		7,925,816	6,028,369
Total Profit/(Loss) before Provisions		10,410,107	12,611,557
Provision for Investments			
Specific provision		-	-
General provision		-	-
Total Profit/(Loss) before Taxation		10,410,107	12,611,557

Pubali Bank Limited - Islamic Banking Windows

Cash Flow Statement for the year ended 31 December 2015

Annexure - E (ii)

	Note	2015 Taka	2014 Taka
a Cash Flows from Operating Activities			
Investment income in cash		65,245,237	62,039,568
Profit paid		(48,679,842)	(45,570,134)
Fees and commission receipts		1,288,187	1,761,891
Cash payment to employees		(5,725,632)	(4,876,961)
Cash payment to suppliers		(139,494)	(169,302)
Receipts from other operating activities	15	482,341	408,601
Cash payments for other operating activities	23	(1,814,216)	(823,965)
Operating Profit before Changes in Operating Assets & Liabilities		10,656,581	12,769,698
Increase/ (Decrease) in Operating Assets and Liabilities			
Statutory deposits		(13,500,000)	(8,500,000)
Investment to customers (other than banks)		32,245,496	29,680,460
Other assets	24	(127,502,898)	80,940,894
Deposits from customers (other than banks)		177,815,308	79,013,755
Other liabilities account of customers		(8,363,722)	54,935,254
Total Increase/ (Decrease) in Operating Assets and Liabilities		60,694,184	236,070,363
Net Cash from/(used in) Operating Activities		71,350,765	248,840,061
b Cash Flows from Investing Activities			
Purchase /sale of property, plant & equipment		(14,312,030)	(31,795,908)
Net Cash from/(used in) Investing Activities		(14,312,030)	(31,795,908)
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)		57,038,735	217,044,153
e Cash and cash equivalents at beginning period		366,641,897	149,597,744
f Cash and cash equivalents at end of period (d+e)	25	423,680,632	366,641,897

Pubali Bank Limited - Islamic Banking Windows

Annexure-E (iii)

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
1 Cash			
1.1 Cash in hand (Including foreign currencies)			
In local currency		2,820,823	3,283,193
In foreign currencies		-	-
		2,820,823	3,283,193
1.2 Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)			
Bangladesh Bank			
In local currency		103,673,187	46,738,748
In foreign currencies		-	-
		103,673,187	46,738,748
Sonali Bank as agent of Bangladesh Bank			
In local currency		-	-
		103,673,187	46,738,748
		106,500,010	50,021,941
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 MPD circular numbers 1 and 2 of 23 June 2014 and 10 December 2013.			
The statutory Cash Reserve Ratio (CRR) required on the Bank's time and demand liabilities at the rate of 6.50% has been calculated and maintained with Bangladesh Bank in current account and 5.50% Statutory Liquidity Requirement (SLR), on the same liabilities is also maintained in the form of treasury bills and bonds including excess balances of CRR with Bangladesh Bank. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:			
1.3.1 Cash Reserve Ratio (CRR)			
Required reserve (6.50%)		52,250,000	42,946,350
Actual reserve maintained		103,673,187	46,738,748
Surplus		51,423,187	3,792,398
1.3.2 Statutory Liquidity Requirement (SLR)			
Required reserve (5.50%)		44,211,540	36,339,220
Actual reserve maintained		106,250,000	45,576,000
Surplus		62,038,460	9,236,780
1.3.3 Total required amount of CRR and SLR			
Total required reserve		96,461,540	79,285,570
Total actual reserve maintained		158,500,000	88,522,350
Total surplus		62,038,460	9,236,780
2 Balance with Other Banks and Financial Institutions			
In Bangladesh	2.1	317,180,622	316,619,956
Outside Bangladesh		-	-
		317,180,622	316,619,956

Pubali Bank Limited - Islamic Banking Windows

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
2.1 In Bangladesh			
In Mudaraba Fixed/Term Deposit Account (in local currency)			
Social Islami Bank Limited, Dilkusha Branch, Dhaka		300,000,000	300,000,000
		300,000,000	300,000,000
In Mudaraba Savings Deposit Account			
Islami Bank Bangladesh Limited, Foreign Exchange Branch, Dhaka		11,934,201	11,498,118
		11,934,201	11,498,118
In Mudaraba Special Notice Deposit Account			
First Security Islami Bank Ltd., Dilkusha Branch, Dhaka		5,246,421	5,121,838
		5,246,421	5,121,838
		317,180,622	316,619,956
2.2 Maturity Grouping of Balance with Other Banks and Financial Institutions			
Payable on demand		17,180,622	16,619,956
Up to 3 months		300,000,000	300,000,000
Over 3 months but not more than 1 year		-	-
		317,180,622	316,619,956
3 Placement with Banks and Other Financial Institutions		-	-
4 Investments in Shares and Securities			
Government Treasury Bonds			
1 Year Bangladesh Govt. Islami Investment Bond		52,000,000	38,500,000
		52,000,000	38,500,000
5 Investments			
General Investments	5.1	383,826,318	416,071,814
Bills purchased and discounted	5.2	-	-
		383,826,318	416,071,814
5.1 General Investments			
Inside Bangladesh			
Quard		900,000	10,335,000
Bai Muazzal		21,469,466	53,219,685
Murabaha Post Import (TR)		126,499,797	74,666,488
Hire Purchase Shirkatul Melk		234,957,055	277,850,641
		383,826,318	416,071,814
Outside Bangladesh		-	-
		383,826,318	416,071,814
5.1.1 Maturity Grouping of General Investment			
Repayable on demand		-	-
Up to 3 months		-	-
Over 3 months but not more than 1 year		148,869,263	138,221,173
Over 1 year but not more than 5 years		234,957,055	277,850,641
Over 5 years		-	-
		383,826,318	416,071,814

Pubali Bank Limited - Islamic Banking Windows

Notes to the financial statements for the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
5.2 Bills purchased and discounted			
Payable in Bangladesh			
Loans against accepted bills		-	-
Loans against demand draft purchased		-	-
		-	-
Payable outside Bangladesh			
Foreign bills purchased		-	-
Foreign drafts purchased		-	-
		-	-
		-	-
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		-	-
6 months or more		-	-
		-	-
5.3 Geographical location-wise distribution of investments including bills purchased and discounted in Bangladesh			
Urban			
Dhaka		220,410,794	253,907,358
Sylhet		163,415,524	162,164,456
		383,826,318	416,071,814
Rural		-	-
Outside Bangladesh (Foreign bills/drafts purchased)		-	-
		383,826,318	416,071,814
5.4 Sector-wise investments including bills purchased and discounted			
Public sector		-	-
Private sector		383,826,318	416,071,814
Co-operative sector		-	-
		383,826,318	416,071,814
5.5 Security base-wise investments including bills purchased and discounted			
Collateral of movable and immovable properties		382,926,318	405,736,814
Guarantee of local banks and financial institutions		-	-
Export documents		-	-
Fixed deposit receipts (FDR) of own Bank		-	-
FDR of other banks		900,000	10,335,000
Government bonds		-	-
Personal guarantee		-	-
Other securities		-	-
		383,826,318	416,071,814

Pubali Bank Limited - Islamic Banking Windows

Notes to the financial statements for the year ended 31 December 2015

Note	2015 Taka	2014 Taka		
5.6 Classification of investments including bills purchased and discounted				
Unclassified:				
Standard	379,361,119	411,114,489		
Special Mention Account (SMA)	-	347,303		
	379,361,119	411,461,792		
Classified:				
Sub-standard (SS)	-	-		
Doubtful (DF)	-	-		
Bad or loss (BL)	-	-		
	-	-		
Staff loan	4,465,195	4,610,072		
	383,826,318	416,071,814		
5.7 Particulars of required provision for investments				
<u>Status of Classification</u>	<table border="1"> <thead> <tr> <th>Base for Provision</th> <th>Rate of Provision (%)</th> </tr> </thead> </table>	Base for Provision	Rate of Provision (%)	
Base for Provision	Rate of Provision (%)			
General provision - Unclassified				
Standard (others)	<table border="1"> <tr> <td style="text-align: right;">375,232,569</td> <td style="text-align: center;">1</td> </tr> </table>	375,232,569	1	3,752,326
375,232,569	1			
Standard (cls)	<table border="1"> <tr> <td style="text-align: right;">2,530,996</td> <td style="text-align: center;">5</td> </tr> </table>	2,530,996	5	126,550
2,530,996	5			
Loan for professional to setup business	<table border="1"> <tr> <td style="text-align: right;">1,597,554</td> <td style="text-align: center;">2</td> </tr> </table>	1,597,554	2	31,951
1,597,554	2			
Special Mention Account (cls)	<table border="1"> <tr> <td style="text-align: right;">-</td> <td></td> </tr> </table>	-		17,365
-				
		3,910,827		
Specific provision - Classified				
Sub-standard (SS)	<table border="1"> <tr> <td style="text-align: center;">-</td> <td style="text-align: center;">20</td> </tr> </table>	-	20	-
-	20			
Doubtful (DF)	<table border="1"> <tr> <td style="text-align: center;">-</td> <td style="text-align: center;">50</td> </tr> </table>	-	50	-
-	50			
Bad or loss (BL)	<table border="1"> <tr> <td style="text-align: center;">-</td> <td style="text-align: center;">100</td> </tr> </table>	-	100	-
-	100			
		-		
Required provision		3,910,827		
Provision maintained by head office		3,910,827		
Excess provision		-		

Pubali Bank Limited - Islamic Banking Windows

Notes to the financial statements for the year ended 31 December 2015

Note	2015 Taka	2014 Taka
5.8 Particulars of Investments		
(i) Investments considered good in respect of which the bank is fully secured.	383,826,318	416,071,814
(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	-	-
	383,826,318	416,071,814
(v) Investments due by directors or officers of the bank or any of them either severally or jointly with any other persons	4,465,199	4,610,022
(vi) Investment due from companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies as members.	-	-
(vii) Maximum total amount of advances, including temporary advances, made at any time during the year to directors or employees of the bank or any of them either severally or jointly with any other persons.	4,465,199	4,610,022
(viii) Maximum total amount of advances, including temporary advances, granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies as members.	-	-
(ix) Investments due from banking companies	-	-
(x) Classified Investments for which interest/profit not credited to income		
a) Increase / decrease of provision (specific)	-	-
b) Amount written off debt	-	-
c) Amount of debt recovered against the debt which was previously written off	-	-
d) Amount of Provision kept against Investments classified as bad or loss	-	-
e) Amount of interest credited in suspense account	-	-
(xi) Cumulative amount of written off Investments	-	-
Opening Balance	-	-
Amount of debt written off for the current year	-	-
	-	-
(xii) Amount of written off loans for which case has been filed for recovery	-	-

Pubali Bank Limited - Islamic Banking Windows

Notes to the financial statements for the year ended 31 December 2015

Note	2015 Taka	2014 Taka
5.9 Hire Purchase Shirkatul Melk		
Lease rental receivable within 1 year	32,376,564	15,127,071
Lease rental receivable within 5 years	32,451,751	50,359,616
Lease rental receivable after 5 years	170,128,740	212,430,941
Total lease rental receivable	234,957,055	277,917,628
Un-earned income receivable	-	(66,987)
Net Lease finance	234,957,055	277,850,641
6 Fixed Assets including Premises, Furniture and Fixture Cost		
Machinery and equipments	811,520	579,040
Computer and computer accessories	1,298,199	677,700
Furniture and fixtures	1,211,714	364,621
	3,321,433	1,621,361
Accumulated depreciation	(1,355,806)	(1,109,333)
Net book value at the end of the year	1,966,027	512,028
7 Other Assets		
Accrued income on investments	3,984,000	1,248,000
Stationery and stamps	40,881	31,631
Suspense account	1,000	-
Pubali bank adjustment a/c	124,756,648	-
	128,782,529	1,279,631
8 Placement with Other Banks, Financial Institutions and Agents		
In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-
9 Deposits and Other Accounts		
Inter-bank deposits	104,849,963	60,270,428
Other deposits	801,666,296	668,430,523
	906,516,259	728,700,951

Pubali Bank Limited - Islamic Banking Windows

Notes to the financial statements for the year ended 31 December 2015

Note	2015 Taka	2014 Taka
9.1 Details of Deposits and Other Accounts		
<u>Current deposits and other accounts</u>		
Al-Wadia current deposit	36,246,373	15,283,120
	36,246,373	15,283,120
Bills payable	5,656,173	4,985,297
Mudaraba savings bank deposit	65,434,867	50,279,438
<u>Term deposits</u>		
Mudaraba fixed deposits	615,358,584	515,496,009
Mudaraba monthly term deposit	16,589,500	18,193,900
Mudaraba short notice deposits	140,417,230	102,769,179
Profit receivable on investment	6,988,890	7,920,240
Mudaraba deposit pension scheme	18,273,989	12,790,301
Mudaraba hajj savings	1,410,880	853,773
	799,039,073	658,023,402
Other deposits	139,773	129,694
	906,516,259	728,700,951
9.1.1 Bills Payable		
Payment orders issued	5,656,173	4,985,297
	5,656,173	4,985,297
9.2 Maturity analysis of Inter-bank deposits		
Payable on demand	104,849,963	-
Payable within 1 month	-	-
Over 1 month but within 6 months	-	60,270,428
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years and above	-	-
	104,849,963	60,270,428
9.3 Maturity analysis of other deposits		
Payable on demand	75,861,686	50,528,288
Payable within 1 month	4,218,514	30,522,583
Over 1 month but within 6 months	442,501,342	350,844,470
Over 6 months but within 1 year	138,203,177	45,826,528
Over 1 year but within 5 years	107,607,209	166,870,280
Over 5 years and above	33,274,368	23,837,974
	801,666,296	668,430,523
	906,516,259	728,700,951

Pubali Bank Limited - Islamic Banking Windows

Notes to the financial statements for the year ended 31 December 2015

Note	2015 Taka	2014 Taka
10 Other Liabilities		
Unpaid expenses A/C	690	2,010
Item in transit (Cr. Balance)	68,733,290	56,344,773
Card transaction fee (Inter Bank)	270	255
Sadaqad fund	4,594,950	2,664,436
Pubali Bank adjustment A/C	-	22,681,388
	73,329,140	81,692,862
11 Investment Income		
Bai Muazzal	5,743,795	4,887,042
Murabaha Post Import (TR)	12,451,614	10,383,114
Hire Purchase Shirkatul Melk	29,812,724	33,816,071
Investment income from Other Bank	17,237,104	12,953,341
	65,245,237	62,039,568
12 Profit paid on deposits, borrowings, etc		
Mudaraba term deposits	42,876,442	40,560,244
Mudaraba special notice deposits	1,457,820	1,055,668
Mudaraba hajj savings	85,567	46,853
Mudaraba savings bank deposit	1,638,972	1,355,417
Mudaraba special savings deposit	-	221,078
Mudaraba deposit pension scheme	1,090,128	606,394
Mudaraba monthly profit deposit	1,530,913	1,724,480
	48,679,842	45,570,134
13 Income from investment in shares/securities	-	-
14 Commission, exchange and brokerage		
SC, LSC, DD, TT, MT and PO	40,651	41,380
Foreign L/C	141,352	286,907
Local L/C	146,262	572,976
Other transactions	14,355	8,496
Miscellaneous handling commission	945,567	852,132
	1,288,187	1,761,891
15 Other Operating Income		
Miscellaneous income	7,308	1,239
Service charge	3,500	10,200
CIB service charge	9,100	12,480
Online service charge	191,912	167,883
Account maintenance fee	206,654	192,924
SMS service charge	45,267	18,475
Card fees and charges	18,600	5,400
	482,341	408,601

Pubali Bank Limited - Islamic Banking Windows

Notes to the financial statements for the year ended 31 December 2015

Note	2015 Taka	2014 Taka
16 Salary and allowances		
Basic salary	2,894,550	2,346,280
House rent allowances	1,551,281	1,352,983
Medical allowances	294,200	311,900
Other allowances	288,265	279,050
Contributory provident fund	247,476	225,643
Bonus to employees	449,860	361,105
	5,725,632	4,876,961
17 Rent, taxes, insurance, electricity, etc.		
Electric fittings and fixtures	203,479	2,800
Insurance	157	-
Lighting	173,728	-
	377,364	2,800
18 Legal expenses		
Lawyer charges	-	-
Court fees and other expenses	-	-
	-	-
19 Postage, stamp, telecommunication, etc.		
Postage	2,155	2,430
Telephone (office)	19,616	28,170
Telephone (res)	[1,400]	11,200
	20,371	41,800
20 Stationery, printing, advertisement, etc.		
Table stationery	16,107	10,235
Computer Stationery	21,514	16,553
Consumption of books and forms	55,600	97,833
Printing and Stationery	8,410	2,881
Advertisement	17,492	-
	119,123	127,502
21 Depreciation repair and maintenance of fixed assets		
Repairs to fixed assets	5,200	21,708
Depreciation on fixed assets	246,474	158,141
Maintenance of Bank Premises	84,856	-
	336,530	179,849

Pubali Bank Limited - Islamic Banking Windows

Notes to the financial statements for the year ended 31 December 2015

Note	2015 Taka	2014 Taka
22 Other expenses		
Newspapers	4,774	9,622
Travelling	20,790	18,770
Honorarium	30,000	40,000
Conveyance	24,841	8,570
Entertainment	1,554	94,210
Photocopy expenses	450	2,223
Carrying expenses	130	350
Employees recreation	311,400	266,550
Shifting Expenses	1,238	-
House maintenance	184,000	212,000
Security and auxiliary service	125,826	109,901
Miscellaneous	641,793	37,261
	1,346,796	799,457
23 Cash payments for other operating activities		
Rent, tax, insurance, lighting etc.	377,364	2,800
Repairing expenses	90,056	21,708
Other expenses	1,346,796	799,457
	1,814,216	823,965
24 Increase/(decrease) of Other Assets		
Closing Other Assets		
Stationery and stamps	40,881	31,631
Accrued income on investments	3,984,000	1,248,000
Pubali Bank adjustment	124,756,648	-
Suspense account	1,000	-
	128,782,529	1,279,631
Opening Other Assets		
Stationery and stamps	31,631	78,598
Accrued income on investments	1,248,000	2,791,602
Pubali Bank adjustment	-	79,350,325
	1,279,631	82,220,525
	(127,502,898)	80,940,894
25 Cash and Cash Equivalents at the end of the year		
Cash in hand (Including foreign currencies)	2,820,823	3,283,193
Balance with Bangladesh Bank and its agent bank(s)	103,679,187	46,738,748
Balance with other banks and financial institutes	317,180,622	316,619,956
	423,680,632	366,641,897

Pubali Bank Limited - Off-shore Banking Unit

Balance Sheet as at 31 December 2015

Annexure-F

Note	2015		2014
	USD	Taka	Taka
PROPERTY AND ASSETS			
Cash	3	-	-
Cash in hand (Including foreign currencies)	-	-	-
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)	-	-	-
Balance with Other Banks and Financial Institutions	4	34,131.94	2,679,368
In Bangladesh	-	-	-
Outside Bangladesh	34,131.94	2,679,368	-
Loans, Advances and Leases	5	33,882,616.45	2,659,795,556
Loans, cash credits and overdrafts, etc.	-	-	-
Bills purchased and discounted	33,882,616.45	2,659,795,556	-
Fixed Assets Including Premises, Furniture and Fixtures	6	-	-
Other Assets	7	384,848.02	30,210,685
Non-banking Assets	-	-	-
Total Assets		<u>34,301,596.41</u>	<u>2,692,685,609</u>
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions and Agents	8	33,853,343.92	2,657,487,654
Deposits and Other Accounts	9	-	-
Current accounts & other accounts	-	-	-
Bills Payable	-	-	-
Savings bank deposits	-	-	-
Term deposits	-	-	-
Other deposits	-	-	-
Other Liabilities	10	151,316.63	11,878,401
Total Liabilities		<u>34,004,660.55</u>	<u>2,669,376,055</u>
Capital / Shareholders' Equity			
Paid up capital	-	-	-
Statutory reserve	-	-	-
Retained earnings	-	-	-
Other reserves	-	-	-
Profit and loss account surplus	296,935.86	23,309,554	-
Total Shareholders' Equity		<u>296,935.86</u>	<u>23,309,554</u>
Total Liabilities and Shareholders' Equity		<u>34,301,596.41</u>	<u>2,692,685,609</u>

Pubali Bank Limited - Off-shore Banking Unit

Balance Sheet as at 31 December 2015

Note	2015		2014
	USD	Taka	Taka
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances & Endorsements			
Letters of guarantee	-	-	-
Irrevocable letters of credit	-	-	-
Bills for collection	-	-	-
Other contingent liabilities	-	-	-
Total Contingent Liabilities	-	-	-
Other Commitments			
Documentary credits and short term trade-related transactions	-	-	-
Forward assets purchased and forward deposits placed	-	-	-
Undrawn note issuance and revolving underwriting facilities	-	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-	-
Total	-	-	-
Total Off-Balance Sheet Items including Contingent Liabilities	-	-	-

Pubali Bank Limited - Off-shore Banking Unit

Profit & Loss Account for the year ended 31 December 2015

Annexure-F (I)

Note	2015		2014	
	USD	Taka	Taka	
Operating Income				
Interest income	11	736,858.01	57,843,575	-
Interest paid on deposits, borrowings, etc.	12	(465,049.40)	(36,506,518)	-
Net Interest Income		271,808.61	21,337,057	-
Commission, exchange and brokerage		-	-	-
Other operating income	13	28,707.03	2,253,511	-
Total Operating Income		300,515.64	23,590,568	-
Operating Expenses				
Salaries and allowances	14.1	-	-	-
Rent, taxes, insurance, electricity, etc.	14.2	-	-	-
Legal expenses		-	-	-
Postage, stamp, telecommunication, etc.	14.3	-	-	-
Stationery, printing, advertisements, etc.	14.4	-	-	-
Auditors' fees		-	-	-
Charges on loan losses		-	-	-
Depreciation and repair of bank's assets		-	-	-
Other expenses	15	3,579.78	281,014	-
Total Operating Expenses		3,579.78	281,014	-
Profit/(Loss) before Provisions		296,935.86	23,309,554	-
Provision for loans & advances, investments & other assets				
Provision for classified loans and advances		-	-	-
Provision for unclassified loans and advances		-	-	-
Other provisions		-	-	-
Total Provisions		-	-	-
Total Profit/(Loss) before Taxation		296,935.86	23,309,554	-
Provision for current tax		-	-	-
Provision for deferred tax		-	-	-
Total Provision for taxes		-	-	-
Net Profit/(loss) after Taxation		296,935.86	23,309,554	-

Pubali Bank Limited - Off-shore Banking Unit

Cash Flow Statement for the year ended 31 December 2015

Annexure-F (ii)

	2015		2014
	USD	Taka	Taka
a Cash Flows from Operating Activities			
Interest receipts in cash	736,858.01	57,843,575	-
Interest payments	(465,049.40)	(36,506,518)	-
Receipts from other operating activities	28,707.03	2,253,511	-
Cash payments for other operating activities	(3,579.78)	(281,014)	-
Operating Profit before Changes in Operating Assets & Liabilities	296,935.86	23,309,554	-
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers (other than banks)	(33,882,616.45)	(2,659,795,556)	-
Other assets	(384,848.02)	(30,210,685)	-
Deposits to/from other banks	33,853,343.92	2,657,497,654	-
Other liabilities	151,316.63	11,878,401	-
Total Increase/(decrease) in operating assets and liabilities	(262,803.92)	(20,630,186)	-
Net Cash from/(used in) Operating Activities	34,131.94	2,679,368	-
b Cash Flows from Investing Activities	-	-	-
c Cash Flows from Financing Activities	-	-	-
d Net Increase/ (Decrease) in Cash and Cash Equivalents (a+b+c)	34,131.94	2,679,368	-
e Cash and cash equivalents at beginning period	-	-	-
f Cash and cash equivalents at end of period (d+e)	34,131.94	2,679,368	-

Pubali Bank Limited - Off-shore Banking Unit

Notes to the financial statements for the year ended 31 December 2015

Annexure-F (iii)

1 Status of the unit

The Bank obtained the Off-shore Banking Unit ("the Unit") permission vide letter No. BRPD (P-3) 744 (106)/2010-93 dated January 13, 2010. The Bank commenced operation from January 22, 2015. The Off-shore Banking Unit is governed under the rules and guidelines of the Bangladesh Bank. The Bank has two Units. One is located at 25 Dilkusha C/A, (Pubali Bank Ltd., Head Office Building- 1st floor) Dhaka and the other unit is located at 99 Agrabad C/A (Sattar Chamber-Ground Floor), Chittagong.

1.1 Principal Activities

The principal activities of the units are to provide all kinds of commercial banking services to its customers through its Off-shore Banking Units in Bangladesh.

2 Significant accounting policies and basis of preparation of financial statements

2.1 Basis of Preparation

The financial statements are prepared on the basis of a going concern and represent the financial performance and financial position of the Off-shore Banking Unit (OBU). The financial statements of the OBU are prepared in accordance with the Bank Companies Act 1991, in particular, Banking Regulation and Policy Department (BRPD) Circular No. 14 dated 25 June 2003, other Bangladesh Bank Circulars, Bangladesh Financial Reporting Standards (BFRS) and other rules and regulations where necessary.

2.2 Foreign Currency

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per BAS-21 "The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month.

Note	2015		2014
	USD	Taka	Taka

3 Cash

Cash in hand (Including foreign currencies)

In local currency	-	-	-
In foreign currencies	-	-	-
	-	-	-

Balance with Bangladesh Bank and its agent bank(s)

(Including foreign currencies)

Bangladesh Bank

In local currency	-	-	-
In foreign currencies	-	-	-
	-	-	-

4 Balance with Other Banks and Financial Institutions

In Bangladesh	4.1	-	-	-
Outside Bangladesh	4.2	34,131.94	2,679,368	-
		34,131.94	2,679,368	-

4.1 In Bangladesh

-	-	-
---	---	---

4.2 Outside Bangladesh

Current A/C (Nostro)

Mashreq Bank NY, USD	30,311.78	2,379,484	-
Mashreq Bank Mumbai, India-ACUD	3,820.16	299,884	-
	34,131.94	2,679,368	-

Pubali Bank Limited - Off-shore Banking Unit

Notes to the financial statements for the year ended 31 December 2015

Note	2015		2014
	USD	Taka	Taka
5 Loans, Advances and Leases			
Loans, cash credits and overdrafts, etc.	5.1	-	-
Bills purchased and discounted	5.2	33,882,616.45	2,659,795,556
		33,882,616.45	2,659,795,556
5.1 Loans, cash credits, overdrafts, etc.			
In Bangladesh			
Loans		-	-
Cash credits		-	-
Overdrafts		-	-
Outside Bangladesh			
		-	-
5.2 Bills purchased and discounted			
Payable in Bangladesh			
Export Bill Discounting		264,200.00	20,739,779
Loans against demand draft purchased		-	-
		264,200.00	20,739,779
Payable outside Bangladesh			
Discounting -UPAS		33,618,416.45	2,639,055,777
Foreign drafts purchased		-	-
		33,618,416.45	2,639,055,777
		33,882,616.45	2,659,795,556
5.3 Classification of Investments Including Bills purchased & discounted			
Unclassified			
Standard		33,882,616.45	2,659,795,556
Special Mention Account (SMA)		-	-
		33,882,616.45	2,659,795,556
Classified			
Sub-standard (SS)		-	-
Doubtful (DF)		-	-
Bad or loss (BL)		-	-
Staff loan			
		-	-
		33,882,616.45	2,659,795,556

Pubali Bank Limited - Off-shore Banking Unit

Notes to the financial statements for the year ended 31 December 2015

Note	2015		2014
	USD	Taka	Taka

5.4 Particulars of required provision for investments

Status of Classification	Base for Provision	Rate of Provision (%)		
General provision - Unclassified				
Standard (Others)	2,638,589,461	1	26,385,895	-
Standard (SMEF)	21,206,095	0.25	53,015	-
			26,438,910	-
Specific provision - Classified				
Sub-Standard (SS)	-	20	-	-
Doubtful (DF)	-	50	-	-
Bad or Loss (B/L)	-	100	-	-
			-	-
Required provision			26,438,910	-
Provision maintained by head office			26,438,910	-
Excess / (shortfall) provision			-	-

6 Fixed Assets including Premises, Furniture and Fixtures

Cost	-	-	-
	-	-	-
Accumulated depreciation	-	-	-
Net book value at the end of the year	-	-	-

As per decision of the 740 Board of Director's meeting dated 25.11.2009 the logistic supports which includes computers, printers, electrical appliances, furnitures & fixtures, telephone etc was provided by Principal and Agrabad branches. Subsequently assets will be purchased by respective OBU itself, the cutoff date will be decided by bank's senior management.

7 Other Assets

Income generating other assets

Interest on EBD	2,215.95	173,953	-
Interest on UPAS Bill	382,632.07	30,036,732	-
	384,848.02	30,210,685	-

8 Borrowings from other Banks, Financial Institutions and Agents

Parents Bank-Pubali Bank Limited	13,853,343.92	1,087,491,654	-
Others Banks & Financial Institution	20,000,000.00	1,570,006,000	-
	33,853,343.92	2,657,497,654	-

9 Deposits and other accounts

Inter-bank deposits	-	-	-
Other deposits	-	-	-
	-	-	-

Pubali Bank Limited - Off-shore Banking Unit

Notes to the financial statements for the year ended 31 December 2015

Note	2015		2014
	USD	Taka	Taka
10 Other Liabilities			
Interest payable from parent bank borrowing	65,239.96	5,121,356	-
Others banks & financial institutions	86,076.67	6,757,045	-
	151,316.63	11,878,401	-
11 Interest income			
Interest on EBD	81,356.85	6,386,537	-
Interest on UPAS Bill	655,501.16	51,457,038	-
	736,858.01	57,843,575	-
12 Interest paid on deposits, borrowings, etc.			
Interest on Borrowings from Parent Bank	345,361.62	27,110,991	-
Interest on Borrowings from other banks & financial institutions	119,687.78	9,395,527	-
	465,049.40	36,506,518	-
13 Other operating income			
Rebate received from Nostro A/C	12,025.00	943,966	-
Reimbursement fee received	16,485.41	1,294,110	-
AIP received from Nostro A/C	196.62	15,435	-
	28,707.03	2,253,511	-
14 Expenditure of OBU borne by Principal & Agrabad Branches			
14.1 Salaries and allowances	40,424.94	3,173,370	-
14.2 Rent, taxes, insurance, electricity, etc.	21.21	1,665	-
14.3 Postage, stamp, telecommunication, etc.	192.29	15,095	-
14.4 Stationery, printing, advertisements, etc.	192.23	15,090	-
	40,830.67	3,205,220	-
Expenditure was borne by respective branches	(40,830.67)	(3,205,220)	-
	-	-	-
As per decision of the 740 Board of Director's meeting dated 25.11.2009 initially all related expenditure was borne by Principal and Agrabad branches. Subsequently all expenditure will borne by respective OBU itself, the cutoff date will be decided by bank's senior management.			
15 Other expenses			
Bank charges of Nostro A/C (Mashreq Bank)	1,629.78	127,938	-
Payment of profit sharing on EBD	1,950.00	153,076	-
	3,579.78	281,014	-



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Annex-G

Independent 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 2015 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in Notes 1-23 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 2015, 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:

- (a) 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;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (c) the Company's financial position and financial performance dealt with by the report are in agreement with the books of account; and
- (d) the expenditure incurred was for the purposes of the Company's business.

Dated, Dhaka
02 MAR 2016


ACNABIN
Chartered Accountants

Pubali Bank Securities Limited

Statement of Financial Position as at 31 December 2015

Annexure-G(i)

Note	Amount in Taka		
	2015	2014	
Non-Current Assets (A)			
Fixed assets	6	2,484,030	2,166,530
Intangible assets	7	490,000	-
Investment in securities (DSE & CSE shares)	10.2	115,024,360	115,024,360
		117,998,390	117,190,890
Current Assets (B)			
Advances, deposits and prepayments	8	953,500	1,064,000
Advance income tax	9	74,158,468	64,506,699
Investment in securities (Own Portfolio)	10.1	3,079,110,623	3,035,497,925
Accounts receivable	11	12,327,376	47,174,242
Loan to customers		694,814,222	745,913,657
Cash and cash equivalents	12	559,091,404	437,100,218
		4,420,455,593	4,331,256,741
Total Assets (A+B)		4,538,453,983	4,448,447,631
Equity and Liabilities			
Capital and Reserves (C)			
Share capital	3	1,600,000,000	1,600,000,000
Investment Revaluation reserve	4	84,170,706	84,170,706
Retained earnings	5	(770,615,574)	(812,853,663)
Total Equity		913,555,132	871,317,043
Non-current Liabilities (D)			
Secured overdraft	14	2,128,090,596	2,128,085,366
Deferred tax liabilities	19	9,677,593	14,691,314
		2,137,768,189	2,142,776,680
Current Liabilities (E)			
Accounts payable	13	331,036,260	333,409,611
Provision for investment and clients' margin loan	15	1,054,495,222	1,025,470,327
Provision for expenses	16	407,630	1,024,344
Provision for taxation	17	101,191,550	72,989,626
Payable for IPO fund	18	-	1,460,000
		1,487,130,662	1,434,353,908
Total Liabilities [F = (D+E)]		3,624,898,851	3,577,130,588
Total Equity and Liabilities [G= (F+C)]		4,538,453,983	4,448,447,631

Pubali Bank Securities Limited

Annexure-G (ii)

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2015

Note	Amount in Taka	
	2015	2014
Operating income		
Revenue from brokerage commission	39,661,976	58,379,033
Interest income	46,030,057	95,665,839
Capital gain from investment in securities	52,498,118	30,850,573
Dividend income	49,996,211	42,360,746
Other operating income	1,661,721	1,177,468
Total operating income (A)	189,848,083	228,433,659
Direct expenses	3,714,812	5,524,677
Operating expenses	29,257,643	27,842,496
Total operating expenses (B)	32,972,455	33,367,173
Operating profit before provision [C=(A-B)]	156,875,628	195,066,486
Provision for diminution in value of investment (D)	-	(86,844,546)
Provision for impairment of clients' margin loan (E)	(29,024,895)	(31,155,117)
Operating profit before taxation [F=(C-D-E)]	127,850,733	77,066,823
Current tax expense (G)	(90,626,365)	(33,798,884)
Deferred tax expense (H)	5,013,721	171,249
Net profit after tax [I= (F-G-H)]	42,238,089	43,439,188
Other comprehensive income		
Investment Revaluation reserve (Net off tax)	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	42,238,089	43,439,188
Earnings Per Share (EPS)	2.64	2.71

Pubali Bank Securities Limited

Statement of Cash Flow for the year ended 31 December 2015

Annexure-G (iii)

	Amounts in Taka	
	2015	2014
A) Cash flows from operating activities		
Net profit during the year	42,238,089	43,439,188
Amount considered as non-cash items		
Depreciation & amortization charged	1,204,550	1,194,099
Provision for investment & clients margin loan	29,024,895	117,999,663
Deferred tax expense	(5,013,721)	(171,249)
Provision for tax	28,201,924	33,798,884
	53,417,648	152,821,397
Changes in working capital		
(Increase)/decrease in advances, deposits and prepayments	110,500	(142,500)
(Increase)/decrease in advance Income tax	(9,651,769)	(24,564,469)
(Increase)/decrease in investments in securities	(43,612,698)	(35,043,117)
(Increase)/decrease in accounts receivable	34,846,866	9,251,732
(Increase)/decrease revenue stamp payable	2,870	(3,630)
Increase/(decrease) payable to SWF	380	181
Increase/(decrease) security deposit	(155,230)	12,460
(Increase)/decrease sundry deposit	1,000	-
(Increase)/decrease in loans to customers	51,099,435	(69,926,201)
Increase/(decrease) in accounts payable	(3,682,371)	137,614,582
Increase/(decrease) in provision for expenses	(616,714)	849,098
Increase/(decrease) secured overdraft	5,230	(4,989,770)
	28,347,499	13,058,366
Net cash from/ (used in) operating activities	124,003,236	209,318,951
B) Cash flows from investing activities		
Fixed assets acquisition	(2,012,050)	(327,058)
Proceeds from sale of fixed asset	-	-
Intangible assets acquisition	-	-
Net cash from /(used in) investing activities	(2,012,050)	(327,058)
C) Cash flows from financing activities		
Issue of share capital	-	-
Dividend receipts	-	-
Dividend paid	-	-
Net cash from /(used in) financing activities	-	-
D) Net cash increase /(decrease)	121,991,186	208,991,893
E) Cash and cash equivalent at the beginning of the period	437,100,218	228,108,325
F) Cash and cash equivalents at the end of the period	559,091,404	437,100,218

Pubali Bank Securities Limited
Statement of Changes In Equity for the year ended 31 December 2015

Annexure-G (iv)

Particulars	Share Capital	Investment Revaluation Reserve	Retained Earnings	Total
Balance as at January 1, 2015	1,600,000,000	84,170,706	(812,853,663)	871,317,043
Share capital	-	-	-	-
Pre-operating expenses	-	-	-	-
Total comprehensive Income for the year 2015	-	-	42,238,089	42,238,089
Balance as at 31 December 2015	1,600,000,000	84,170,706	(770,615,574)	913,555,132
Balance as at 31 December 2014	1,600,000,000	84,170,706	(812,853,663)	871,317,043

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2015

1 Status of the Company

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

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

2 Significant accounting policies**2.1 Basis of preparation of financial statements**

These financial statements have been prepared under the historical cost convention on a going concern basis and in accordance with Bangladesh Financial Reporting Standards (BFRS), The Companies Act 1994, Securities and Exchange Rules 1987 and other laws and rules applicable in Bangladesh.

2.2 Investment in securities (Own Portfolio)

The financial statements have been prepared based on historical cost convention basis. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

2.3 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing concern basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2015

Annexure-G (v)**2.4 Components of Financial Statements**

The financial statements referred to:

- a) Statement of Financial Position
- b) Statement of Profit or Loss and other Comprehensive Income
- c) Statement of Changes in Equity
- d) Statement of Cash Flows and
- e) Notes to the Financial Statements

2.5 Statement of cash flows

Statement of cash flows is prepared in accordance with the Bangladesh Accounting Standard-7 "Statement of Cash Flows" under indirect method.

2.6 Reporting period

These financial statements cover one calendar year from 1 January to 31 December 2015.

2.7 Share capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

2.8 Property, plant and equipment

All fixed assets are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

The Company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred.

Categories of Assets	Method of Depreciation	Rate
Computer and Computer Accessories	Straight Line Method	30%
Machinery and Equipment	Straight Line Method	20%
Furniture and Fixtures	Deminishing Balance Method	10%

Full year depreciation is charged on the assets if it is purchased up to 30 september of the financial year. No depreciation is charged on the assets written off.

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2015

2.9 Intangible assets and amortization of intangible assets

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably. System and software is amortized at the rate of 30% on the straight line basis.

Expenditure incurred for system and software is capitalized only when it enhances and extends the economic benefits of software beyond its original specification and life and such cost is recognized as capital improvement and added to the original cost of software.

2.10 Advance, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory, etc.

2.11 Advance Income tax

The amount of advance income tax is mainly deducted at sources by DSE & CSE on daily transaction of broker & dealer operation. Tax deduction on interest income and dividend income are also included here.

2.12 Investments in securities

Investment in marketable and non-marketable ordinary shares has been shown at cost. Full provision for diminution in value of shares (Quoted) as on closing of the year on an aggregate portfolio basis has been made in the account.

2.13 Account receivables

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity.

2.14 Loans to customers

Loans to customers are stated in the balance sheet on gross basis. Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest on customer loans is realized quarterly.

2.15 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Banks and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Company management for its short-term commitments.

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2015

2.16 Provision for Tax

Current Tax

Provision for current tax is made in accordance with the provision of the Income Tax Ordinance, 1984 and subsequent amendments made thereto from time to time.

Deferred taxation

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the profit and loss account as per BAS-12 "Income Taxes".

2.17 Provision for liabilities

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

2.18 Revenue Recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise and in accordance with the Bangladesh Accounting Standard (BAS) 18 "Revenue Recognition":

a) Brokerage commission

Brokerage commission is recognized as income when selling or buying order executed.

b) Interest income on margin loan

Interest Income from margin loan is recognized on accrual basis. Such income is calculated on daily margin loan balance of the respective parties. Income is recognized on monthly basis and applied to the customers' account on quarterly basis.

c) Dividend Income

Dividend income is recognized when right to receive payment is established.

d) Capital Gain on Sale of share

Capital gain on investments in shares is recognized when it is realized.

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2015

2.19 Provision against unrealized loss in shares purchased as dealer and Margin Loan

As per directive no. SEC/CMRRCD/2009-193/181 dated 08 December 2015 of Bangladesh Securities and Exchange Commission, 20% provision can be made for unrealized loss arising out of year-end (31.12.2015) revaluation of shares purchased as dealer and unrealized loss as margin loan.

2.20 Related Party Disclosures

As per Bangladesh Accounting Standards (BAS)-24 "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties.

2.20.1 Particulars of directors and Shareholders and their shareholdings

Sl. No.	Name of the directors	Designation	Number of Share holding as 31 December 2015
1	Mr. Moniruddin Ahmed	Chairman	1
2	Mr. Ahmed Shafi Choudhury	Director	1
3	Mr. Habibur Rahman	Director	1
4	Mr. Mustafa Ahmed	Director	1
5	Mr. Azizur Rahman	Director	1
6	Mr. Muhammed Kabiruzzaman Yaqub	Director	1
7	Mrs. Rana Laila Hafiz	Director	1
8	Mr. Ahmed Salah Sater	Director	1
9	Mrs. Ayesha Farha Chowdhury	Director	1
10	Mr. Rezwan Rahman	Director	1
11	Mr. Zeyad Rahman	Director	1
12	Mr. Md. Abdul Halim Chowdhury (Nominated by Pubali Bank Limited)	Director	Nil
13	Mr. Shahdeen Malik	Independent Director	Nil
14	Mr. Ghashuddin Ahmed	Shareholder	1
15	Ms. Rumana Sharif	Shareholder	1
16	Pubali Bank Limited	Shareholder	15,999,987

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2015

2.20.2 Name of the directors and their interest in Pubali Bank Limited

Sl. No	Name of directors	Status in Pubali Bank Securities Ltd.	Directors have interest in Pubali Bank Limited	Status in Pubali Bank Ltd.	Percentage of interest in Pubali Bank Ltd.
1	Mr. Moniruddin Ahmed	Chairman	Pubali Bank Ltd.	Director	3.26%
2	Mr. Ahmed Shaif Choudhury	Director	Pubali Bank Ltd.	Director	2.01%
3	Mr. Habibur Rahman	Director	Pubali Bank Ltd.	Vice Chairman	2.00%
4	Mr. Muhammed Kabiruzzaman Yaqub	Director	Pubali Bank Ltd.	Director	2.00%
5	Mr. Atzur Rahman	Director	Pubali Bank Ltd.	Director	2.52%
6	Mr. Shahdeen Malik	Independent Director	Pubali Bank Ltd.	Director	0.0002%
7	Mr. Md. Abdul Halim Chowdhury (Nominated by Pubali Bank Limited)	Director	Pubali Bank Ltd.	Managing Director	-
8	Mr. Mustafa Ahmed	Director	Not Applicable	-	-
9	Mrs. Rana Laila Hafiz	Director	Not Applicable	-	-
10	Mrs. Ayesha Farha Chowdhury	Director	Not Applicable	-	-
11	Mr. Reowan Rahman	Director	Not Applicable	-	-
12	Mr. Zeyad Rahman	Director	Not Applicable	-	-
13	Mr. Ahmed Salah Sater	Director	Not Applicable	-	-

2.20.3 Related Party Transactions

Name of the Related Party	Related to	Nature of instrument	Balance in Taka	
			As on 31.12.2015	As on 31.12.2014
Pubali Bank Limited Foreign Exchange Branch	Parent company	Different Types of Deposits	509,091,404	437,100,218
Pubali Bank Limited	Parent company	Secured Overdraft	2,128,090,596	2,128,085,366

2.21 Events after the reporting period

Where necessary, all the material events after the reporting period date have been considered and appropriate adjustment/disclosures have been made in the financial statements.

2.22 Management responsibility on financial statements

The management of the company is responsible for the preparation and presentation of these financial statements.

2.23 General

- These financial statements are presented in Taka, which is the Company's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- The expenses, irrespective of capital or revenue nature, accrued / due but not paid have been provided for in the books of the Company.
- Figures of previous year have been rearranged whenever necessary to conform to current years presentation.

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2015

Note	Amount in Taka	
	2015	2014
3 Share capital		
Authorized capital		
50,000,000 Ordinary Shares of Tk. 100/- each.	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	84,170,706	84,170,706
Transferred during the year	-	-
	84,170,706	84,170,706
5 Retained earnings		
Balance at the beginning of the year	(812,853,663)	(856,292,851)
Add: Net profit during the year	42,238,089	43,439,188
Balance as at the end of the year	(770,615,574)	(812,853,663)
6 Fixed assets		
Furniture and fixtures	2,218,978	2,218,978
Computer and computer accessories	2,901,165	2,589,865
Machinery & equipment	1,872,987	872,237
	6,993,130	5,681,080
Accumulated depreciation [Annexure-G(vi)]	(4,509,100)	(3,514,550)
	2,484,030	2,166,530
7 Intangible assets		
Back office software-Broker	700,000	1,050,000
Accumulated amortization [Annexure-G(vi)]	(210,000)	(1,050,000)
	490,000	-
8 Advances, deposits and prepayments		
Balance at the beginning of the year	1,064,000	921,500
Advances made during the year	1,152,646	1,478,000
Adjustment made during the year	(1,263,146)	(1,335,500)
Balance as at the end of the year	953,500	1,064,000
This balance represents advances for office space, various expenses for the Head office & Gulshan Branch		
9 Advance income tax		
Balance at the beginning of the year	64,506,699	39,942,230
Advance income tax deducted by DSE on transaction (Broker)	4,254,457	6,448,325
Advance income tax deducted by DSE on transaction (Dealer)	166,194	161,740
Advance income tax deducted by CSE on transaction (Broker)	152,438	38,235
Advance income tax deducted by CSE on transaction (Dealer)	709	729
Advance income tax paid in cash assessment year 2012-2013	3,000,000	2,000,000
Advance income tax paid in cash assessment year 2013-2014	-	5,602,553
Advance income tax paid in cash assessment year 2014-2015	31,808,539	1,744,465
Advance income tax paid in cash assessment year 2015-2016	22,037,131	-
Advance income tax deducted by bank on interest income	36,043	1,261
Advance income tax deducted on dividend	10,620,699	8,567,161
	136,582,909	64,506,699

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2015

Note	Amount in Taka		
	2015	2014	
Adjustment made during the year			
Adjustment made for the year 2012	(10,634,030)	-	
Adjustment made for the year 2013	(51,790,411)	-	
	(62,424,441)	-	
	74,158,468	64,506,699	
10 Investment in securities			
Investment in securities (Own Portfolio)	10.1	3,079,110,623	3,035,497,925
Investment in securities (DSE & CSE Shares)	10.2	115,024,360	115,024,360
		3,194,134,983	3,150,522,285
10.1 Investment in securities (Own Portfolio)			
Cost price			
AB Bank Ltd.		89,898,718	89,898,718
Bank Asia Ltd.		14,042,342	13,688,898
City Bank Ltd.		38,956,837	38,609,837
Dhaka Bank Ltd.		24,518,555	24,482,639
Eastern Bank Ltd.		9,956,521	8,865,020
Exim Bank of Bangladesh Ltd.		29,411,520	29,411,520
IFIC Bank Ltd.		18,897,744	18,897,744
Mercantile Bank Ltd.		39,844,689	39,844,689
Mutual Trust Bank Ltd.		31,960,030	31,800,913
National Bank Ltd.		96,921,976	96,921,976
NCC Bank Ltd.		32,213,150	32,213,150
One bank Ltd.		2,452,500	-
The Premier Bank Ltd.		39,003,825	39,003,825
Prime Bank Ltd.		61,354,625	60,872,625
Shahjalal Islami Bank Ltd.		52,585,211	52,585,211
Southeast Bank Ltd.		45,030,900	43,022,987
Standard Bank Ltd.		11,815,500	11,532,500
Trust Bank Ltd.		6,892,894	5,540,894
United Commercial Bank Ltd.		22,906,096	20,221,105
Uttara Bank Ltd.		33,742,909	31,655,502
Delta Brac Housing Finance Corp. Ltd.		43,674,375	71,376,774
First Lease Finance and Investment Ltd.		2,712,200	2,712,200
FAS Finance & Investment Ltd.		1,295,578	1,295,578
IDLC Finance Ltd.		55,629,241	55,629,241
International Leasing & Financial Serv. Ltd.		76,825,919	76,825,919
United Finance Ltd.		6,998,502	6,998,502
Union Capital Ltd.		16,107,188	16,107,188
AIBL 1st Islamic Mutual Fund		50,000,000	50,000,000
DBH First Mutual Fund		30,784,857	30,784,857
Sub Total C/F		986,434,402	1,000,800,012

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2015

Note	Amount in Taka	
	2015	2014
Sub Total B/F	986,434,402	1,000,800,012
EBL First 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 First Mutual Fund	50,000,000	50,000,000
Prime Bank 1st ICB AMCL Mutual Fund	5,977,600	5,977,600
Atlas Bangladesh Ltd.	113,543,620	113,543,620
BSRM Ltd.	3,762,188	-
BSRM Steels Ltd.	201,153,596	201,153,596
Deshbandhu Polymer Ltd.	7,002,863	7,002,863
Golden Son Ltd.	26,883,401	26,883,401
S. Alam Cold Rolled Steels Ltd.	12,822,197	9,865,477
Navana CNG Ltd.	117,213,112	117,213,112
Olympic industries Ltd.	6,683,631	-
Barkapower	3,375,800	-
Dhaka Electric Supply Company Ltd.	48,462,345	49,207,762
Khulna Power Company Ltd.	261,860,408	261,860,408
Energyprima Ltd.	47,500,000	47,500,000
Jamuna Oil Company Ltd.	474,534	17,334,220
Linde BD	3,528,196	-
Meghna Petroleum Ltd.	46,226,227	25,947,880
Padma Oil Company Ltd.	6,971,795	6,971,795
Power Grid Company of Bangladesh Ltd.	9,609,450	9,167,150
Summit Power Ltd.	71,132,507	70,933,007
Titus Gas Transmission & Dist. Co. Ltd.	122,242,280	118,395,469
Apex Weaving & Finishing Mills Ltd.	6,501,134	6,501,134
Envoy Textiles Ltd.	18,174,151	15,409,155
Generation Next Fashions Ltd.	1,298,780	1,298,780
Familytex (BD) Ltd.	3,354,800	3,354,800
Malek Spinning Mills Ltd.	62,241,724	62,241,724
Metro Spinning Ltd.	67,126,678	67,126,678
Paramount Textile Ltd.	2,638,400	2,638,400
Square Textile	761,210	-
Beximco Pharma Ltd.	24,655,288	40,919,924
ACI Ltd.	-	21,412,519
Active Fine Chemicals Ltd.	30,408,218	18,527,100
Keya Cosmetics Ltd.	82,774,614	82,774,614
Beacon Pharmaceuticals Ltd.	15,429,400	15,429,400
Square Pharmaceuticals Ltd.	7,534,112	7,452,739
Summit Alliance Port Limited	8,999,460	8,999,460
Sub Total C/F	2,627,960,054	2,637,045,732

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2015

Note	Amount in Taka	
	2015	2014
Sub Total B/F	2,627,960,054	2,637,045,732
Confidcem Ltd	9,199,780	-
Meghna Cement Ltd.	114,426,945	114,426,945
M.I. Cement Factory Ltd.	23,230,909	12,284,915
Lafarge Surma Cement Ltd.	22,572,051	22,619,974
Heidelberg Cement Bd. Ltd.	8,052,350	4,839,545
Intech Online Ltd.	6,374,701	6,374,701
Gramin phone Ltd.	28,370,772	-
Bangladesh General Insurance Company Ltd.	27,078,751	27,078,751
Continental Insurance Ltd.	4,777,350	4,777,350
Delta Life Insurance Ltd.	12,041,690	8,546,739
Fareast Islami Life Insurance Co. Ltd.	2,322,515	2,322,515
Green Delta Insurance Ltd.	3,405,850	3,405,850
Meghna Life Insurance Co. Ltd.	9,174,845	9,174,845
National Life Insurance Ltd.	1,892,052	4,822,135
Pioneer Insurance Ltd.	4,393,750	4,393,750
Pragati Insurance Ltd.	2,330,955	2,330,955
Prime Islami Life Insurance Ltd.	3,023,110	3,023,110
Progressive Life Insurance Co. Ltd.	452,080	-
Reliance Insurance Ltd.	912,050	912,050
Unique Hotel & Resorts Ltd.	80,000,000	80,000,000
United Airways (BD) Ltd.	65,503,454	65,503,454
Bangladesh Export Import Company Ltd.	21,614,609	21,614,609
Total	3,079,110,623	3,035,497,925

10.2 Investment in securities (DSE & CSE Shares)

Dhaka Stock Exchange Ltd.	72,151,060	72,151,060
Chittagong Stock Exchange Ltd.	42,873,300	42,873,300
Total Cost price	115,024,360	115,024,360

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 Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange Ltd. (DSE) allotted total 72,15,106 ordinary Shares at face value of Tk.10.00 each and a Trading Right Entitlement Certificate (TREC) and Chittagong Stock Exchange Ltd. (CSE) allotted total 42,87,330 ordinary shares at face value of Tk.10.00 and 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 directly to the credit of the Beneficiary Owner's account of the company. The rest shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act, 2013. As there is no active market for DSE shares, we have shown the value at original cost of our investment.

As the TREC is not a commonly tradable instrument and no purchase/sale transaction has yet occurred after demutualization, no value has been assigned to, and recorded against these two TRECs.

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2015

Note	Amount in Taka	
	2015	2014
11 Accounts receivable		
Receivable from DSE (Broker)	669,120	23,641,036
Receivable from CSE (Broker)	-	4,473,714
Dividend income receivable	5,201,068	8,408,345
Receivable from clients	6,457,188	10,651,147
	12,327,376	47,174,242
12 Cash and cash equivalent		
Cash in hand	-	-
Cash at Bank		
Current account:		
Pubali Bank Ltd. A/C-355590103401-2 PBL, Securities Trading Division	8,855,171	12,162,836
Pubali Bank Ltd. A/C-355590103402-7 Customers Security Deposit	2,806,160	2,961,390
Pubali Bank Ltd. A/C-355590103403-1 Other Income	80,140	59,340
Pubali Bank Ltd. A/C-290590101901 Documentation fee	26,898	17,751
Pubali Bank Ltd. A/C-565901023491 PBL, STD, Gulshan Branch	1,049,000	-
Pubali Bank Ltd. A/C-3555901037490 Dealer A/C	599,710	-
Pubali Bank Ltd. A/C-2905901042129 Consolidated customer A/C	471,434,685	409,841,449
Pubali Bank Ltd. A/C-2905901042114 Dealer A/C	48,852,144	10,215,178
Sub total	533,703,908	435,257,944
Special notice deposit account :		
Pubali Bank Ltd. SND A/C-2905102001105 Public Issue Application A/C	25,928	1,157,043
Pubali Bank Ltd. A/C-29051020993 Sundry Deposit A/C	333,165	307,952
Pubali Bank Ltd. A/C-290510201047 Income & Expenditure A/C	25,028,403	377,279
Sub total	25,387,496	1,842,274
Total	559,091,404	437,100,218
13 Accounts payable		
Payable to DSE broker	5,876,532	29,384
Payable to CSE broker	602,879	-
Payable to Pubali Bank	13,810	13,810
Payable for CDBL	977,638	1,975,800
Payable to clients	319,038,487	301,761,019
Security deposit	2,806,620	2,961,850
Payable to software provider	681,789	461,789
VAT payable	84,169	74,188
Tax payable	290,611	25,336,046
Revenue stamp payable	3,650	780
SWF payable	2,099	1,719
Legal fees payable	414,500	579,500
Auditor's fee payable	143,750	115,000
Payable to suppliers	37,150	37,150
Sundry deposits	62,576	61,576
	331,036,260	333,409,611

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2015

Note	Amount in Taka	
	2015	2014
14 Secured overdraft		
Balance at the beginning of the year	2,128,085,366	2,133,075,136
Loan taken during the year	15,230	10,460
Repayment of loan during the year	(10,000)	(5,000,230)
Balance at the end of the year	2,128,090,596	2,128,085,366
15 Provision for investment and clients' margin loan		
Provision for diminution in value of investment	15.1 964,958,836	964,958,836
Provision for impairment of clients' margin loan	15.2 89,536,386	60,511,491
	1,054,495,222	1,025,470,327
15.1 Provision for diminution in value of investment		
Balance at the beginning of the year	964,958,836	878,114,290
Provision made during the year	-	86,844,546
	964,958,836	964,958,836
As per directive no. SEC/CMRRCD/2009-193/181 dated 08 December 2015 of Bangladesh Securities and Exchange Commission, provision can be made at 20% for diminution in value of investment as of 31 December 2015. However, Tk. 964,958,836 has been kept as provision for unrealized loss for diminution in value of investment, which is 69% of the unrealized loss as of 31 December 2015.		
15.2 Provision for impairment of clients' margin loan		
Balance at the beginning of the year	60,511,491	29,356,374
Provision made during year	29,024,895	31,155,117
20% provision for unrealized loss arising out of year end revaluation of shares purchased.	89,536,386	60,511,491
As per directive no. SEC/CMRRCD/2009-193/181 dated 08 December 2015 of Bangladesh Securities and Exchange Commission, provision can be made at 20% for impairment of clients' margin loan as of 31 December 2015. However, Tk. 89,536,386 has been kept for impairment of clients' margin loan, which is 44% of the unrealized loss as of 31 December 2015.		
16 Provision for expenses		
Provision for rent, tax, insurance, electricity expense	16.1 87,207	394,579
Provision for postage, stamp, telecommunication etc.	16.2 52,646	47,301
Provision for Stationery, printing, advertisement expenses	16.3 17,641	24,311
Provision for repair of machinery equipment expenses	16.4 255	2,900
Provision for other expenses	16.5 249,881	555,253
	407,630	1,024,344
16.1 Provision for rent, tax, insurance, electricity expense		
Balance at the beginning of the year	394,579	30,871
Provision made during the year	31,420	369,535
Settlement during the year	(338,792)	(5,827)
Balance at the year end	87,207	394,579

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2015

Note	Amount in Taka	
	2015	2014
16.2 Provision for postage, stamp, telecommunication etc.		
Balance at the beginning of the year	47,301	36,667
Provision made during the year	31,600	40,950
Settlement during the year	(26,255)	(30,316)
Balance at the year end	52,646	47,301
16.3 Provision for Stationery, printing, advertisement expenses		
Balance at the beginning of the year	24,311	-
Provision made during the year	16,315	24,311
Settlement during the year	(22,985)	-
Balance at the year end	17,641	24,311
16.4 Provision for repair of machinery equipment expenses		
Balance at the beginning of the year	2,900	-
Provision made during the year	-	2,900
Settlement during the year	(2,645)	-
Balance at the year end	255	2,900
16.5 Provision for other expenses		
Balance at the beginning of the year	555,253	107,708
Provision made during the year	184,987	536,733
Settlement during the year	(490,359)	(89,188)
Balance at the year end	249,881	555,253
17 Provision for taxation		
Balance at the beginning of the year	72,989,626	39,190,742
Current tax expenses	90,626,365	33,798,884
Settlement during the year	(62,424,441)	-
Balance at the end of the year	101,191,550	72,989,626
17.1 Current tax expenses		
Provision made during the year	28,366,116	33,798,884
Prior year adjustment	62,260,249	-
	90,626,365	33,798,884
18 Payable for IPO Fund		
Balance at the beginning of the year	1,460,000	-
Provision made during the year	11,780,600	5,634,000
Settlement during the year	(13,240,600)	(4,174,000)
Balance at the end of the year	-	1,460,000

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2015

Note	Amount in Taka	
	2015	2014

19 Deferred tax

Balance at the beginning of the year (deferred tax asset)	14,691,314	14,862,563
Provision made during the year	-	-
Provision adjusted during the year	(5,013,721)	(171,249)
Closing balance	9,677,593	14,691,314
Adjustment for deferred tax liability for investment revaluation reserve	-	-
Deferred tax liabilities/ (assets)	9,677,593	14,691,314

20 Interest income

Interest on margin loan*	46,090,057	95,665,839
	46,090,057	95,665,839

*While reviewing the investment status in margin account, the Board of Directors in its 29th Board meeting held on 17 December 2014 observed that 113 loan accounts continuing their weak performances in dealing with their accounts, and with the recent down trend in the market, their account positions are deteriorating day by day. The Board of Directors, in its 33rd Board meeting held on 30 September 2015, again reviewed the situation of the margin loan account holders and found that the performance of these 113 account holders have not improved. Moreover, they have identified new 16 margin account holders whose performances is deteriorating. Since, the performances of these accounts are substantially bad, the Board felt that these negative equity account holders need special attention and require proper nursing to make them turn around. So it is prudent not to charge the interest against these negative equity margin accounts up to 30 September 2016, so that these investors can make their accounts turned around which will eventually make the company asset realizable.

21 Other operating income

BO opening charge, margin documentation fees, cheque bounce charge and others income	682,041	58,933
Revenue from CDBL charge & annual maintenance fee & others	979,680	1,118,535
	1,661,721	1,177,468

22 Direct expenses

Howla and laga charges	2,201,593	3,116,477
CDBL expense	1,507,219	2,402,200
CDS connection fee	6,000	6,000
	3,714,812	5,524,677

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2015

Note	Amount in Taka	
	2015	2014
23 Operating expenses		
Salary and allowances	23,672,755	21,086,765
Rent expense	247,731	363,928
Electricity & electric fittings expense	157,845	178,991
Insurance expense	14,543	-
Postage, stamp, telecommunication etc.	325,362	311,637
Directors' fees	298,000	506,000
Stationery, printing, advertisement expense	243,362	252,759
Repairs of machinery and equipment	112,824	190,001
Depreciation & amortization charge [Detailed in Annexure-G(v)]	1,204,550	1,194,099
Auditor's fee	143,750	115,000
Software Development expenses	-	870,000
Investment protection fund	304	-
Legal fees	216,500	600,000
Newspapers & periodicals	14,728	14,824
Fuel expense	123,532	51,956
Overtime allowance	323,301	185,250
Travelling allowance	31,466	35,010
Maintenance of bank premises	49,600	48,400
DSE charge	3,357	8,436
CSE charge	12,596	-
Conveyance charge	96,151	67,580
Entertainment expense for office & clients	456,072	487,846
Internet connection fee	35,862	31,625
Car maintenance	44,759	5,405
Bandwidth service charge	326,400	311,245
Renewal & registration expense	380,010	176,210
Water & sewerage	107,979	71,775
Miscellaneous expense	614,304	677,754
	29,257,643	27,842,496
Allocation of operating expenses are given in Annexure-G(vii)		
23.1 Salary & Allowances		
Basic salary	11,528,598	8,281,867
House rent allowances	5,174,056	4,953,171
Medical allowances	1,100,900	1,122,700
Other allowances	2,501,820	2,238,137
Contributory provident fund	857,236	805,405
Bonus to employees	2,510,745	3,685,485
	23,672,755	21,086,765
24 Earnings Per Share (EPS)		
Net profit after tax (A)	42,238,089	43,439,188
Number of Share (B) (100 tk face value)	16,000,000	16,000,000
EPS (A/B)	2.64	2.71

Annexure-G (vi)

Pubali Bank Securities Limited

Schedule of Depreciation As at 31 December 2015

Particulars	Cost			Rate	Depreciation			Written down value
	Opening balance	Addition during the year	Disposal during the year		Total cost	Charged during the year	Disposal during the year	
Computer & Computer accessories	2,589,865	311,300	-	2,901,165	228,816	-	2,369,591	531,574
Machinery & Equipment	872,237	1,000,750	-	1,872,987	618,248	-	1,247,911	625,076
Furniture & fixtures	2,218,978	-	-	2,218,978	147,486	-	891,598	1,327,380
Total	5,681,080	1,312,050	-	6,993,130	994,550	-	4,509,100	2,484,030

Schedule of Amortization As at 31 December 2015

Particulars	Cost			Rate	Amortization			Written down value
	Opening balance	Addition during the year	Disposal during the year		Total cost	Charged during the year	Disposal during the year	
Systems & Software	-	700,000	-	700,000	210,000	-	210,000	490,000
Total	-	700,000	-	700,000	210,000	-	210,000	490,000

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2015

Annexure-G (vii)

Allocation of operating expense

[Figures in Tk.]

Particulars	2015		2014	
Revenue from brokerage commission	39,661,976	20.89%	58,379,033	25.56%
Capital gain from investment in securities	52,498,118	27.65%	30,850,573	13.51%
Dividend income	49,996,211	26.34%	42,360,746	18.54%
Other operating income	47,691,778	25.12%	96,843,307	42.39%
Total	189,848,083	100%	228,433,659	100%

1. Operating Expense attributable to Brokerage commission (20.89%, 25.56%)

	2015	2014
Salary and allowances	4,945,239	5,389,777
Rent expense	51,751	93,020
Electricity & electric fittings expense	32,974	45,750
Insurance expense	3,038	-
Postage, stamp, telecommunication etc.	67,968	79,654
Directors' fees	62,252	129,334
Stationery, printing, advertisement expense	50,838	64,605
Repairs of machinery and equipment	23,569	48,564
Depreciation & amortization charge	251,631	305,212
Auditor's fee	30,029	29,394
Software Development expenses	-	222,372
Investment protection fund	64	-
Legal fees	45,227	153,360
Newspapers & periodicals	3,077	3,789
Fuel expense	25,806	13,280
Overtime allowance	67,538	47,350
Travelling allowance	6,573	8,949
Maintenance of bank premises	10,361	12,371
DSE charge	701	2,156
CSE charge	2,631	-
Conveyance charge	20,086	17,273
Entertainment expense for office & clients	95,274	124,693
Internet connection fee	7,492	8,083
Car maintenance	9,350	1,382
Bandwidth service charge	68,185	79,554
Renewal & registration expense	79,384	45,039
Water & sewerage	22,557	18,346
Miscellaneous expense	128,328	173,234
Sub total (A)	6,111,923	7,116,542

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2015

2. Operating expense attributable to Capital gain from investment in securities (27.65%, 13.51%)

	2015	2014
Salary and allowances	6,545,516	2,848,822
Rent expense	68,498	49,167
Electricity & electric fittings expense	43,644	24,182
Insurance expense	4,021	-
Postage, stamp, telecommunication etc.	89,963	42,102
Directors' fees	82,397	68,361
Stationery, printing, advertisement expense	67,290	34,148
Repairs of machinery and equipment	31,196	25,669
Depreciation & amortization charge	333,058	161,323
Auditor's fee	39,747	15,537
Software Development expenses	-	117,537
Investment protection fund	84	-
Legal fees	59,862	81,060
Newspapers & periodicals	4,072	2,003
Fuel expense	34,157	7,019
Overtime allowance	89,393	25,027
Travelling allowance	8,701	4,730
Maintenance of bank premises	13,714	6,539
DSE charge	928	1,140
CSE charge	3,483	-
Conveyance charge	26,586	9,130
Entertainment expense for office & clients	126,104	65,908
Internet connection fee	9,916	4,273
Car maintenance	12,376	730
Bandwidth service charge	90,249	42,049
Renewal & registration expense	105,073	23,806
Water & sewerage	29,856	9,697
Miscellaneous expense	169,855	91,565
Sub total (B)	8,089,739	3,761,521

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2015

3. Operating expense attributable to Dividend income (26.34%, 18.54%)

	2015	2014
Salary and allowances	6,235,404	3,909,486
Rent expense	65,252	67,472
Electricity & electric fittings expense	41,576	33,185
Insurance expense	3,831	-
Postage, stamp, telecommunication etc.	85,700	57,777
Directors' fees	78,493	93,812
Stationery, printing, advertisement expense	64,102	46,862
Repairs of machinery and equipment	29,718	35,226
Depreciation & amortization charge	317,278	221,386
Auditor's fee	37,864	21,321
Software Development expenses	-	161,298
Investment protection fund	80	-
Legal fees	57,026	111,240
Newspapers & periodicals	3,879	2,748
Fuel expense	32,538	9,633
Overtime allowance	85,157	34,345
Travelling allowance	8,288	6,491
Maintenance of bank premises	13,065	8,973
DSE charge	884	1,564
CSE charge	3,318	-
Conveyance charge	25,326	12,529
Entertainment expense for office & clients	120,129	90,447
Internet connection fee	9,446	5,863
Car maintenance	11,790	1,002
Bandwidth service charge	85,974	57,705
Renewal & registration expense	100,095	32,669
Water & sewerage	28,442	13,307
Miscellaneous expense	161,808	125,656
Sub total (C)	7,706,463	5,161,999

Pubali Bank Securities Limited

Notes to the financial statements for the year ended 31 December 2015

4. Operating expense attributable to Other operating income (25.12%,42.39%)

	2015	2014
Salary and allowances	5,946,596	8,938,680
Rent expense	62,230	154,269
Electricity & electric fittings expense	39,651	75,874
Insurance expense	3,653	-
Postage, stamp, telecommunication etc.	81,731	132,103
Directors' fees	74,858	214,493
Stationery, printing, advertisement expense	61,132	107,145
Repairs of machinery and equipment	28,341	80,541
Depreciation & amortization charge	302,583	506,179
Auditor's fee	36,110	48,749
Software Development expenses	-	368,793
Investment protection fund	76	-
Legal fees	54,385	254,340
Newspapers & periodicals	3,700	6,284
Fuel expense	31,031	22,024
Overtime allowance	81,213	78,527
Travelling allowance	7,904	14,841
Maintenance of bank premises	12,460	20,517
DSE charge	844	3,576
CSE charge	3,164	-
Conveyance charge	24,153	28,647
Entertainment expense for office & clients	114,565	206,798
Internet connection fee	9,008	13,406
Car maintenance	11,243	2,291
Bandwidth service charge	81,992	131,937
Renewal & registration expense	95,458	74,695
Water & sewerage	27,124	30,425
Miscellaneous expense	154,313	287,300
Sub total (D)	7,349,518	11,802,434
Grand Total (A+B+C+D)	29,257,643	27,842,496

EVENTFULL YEAR 2015



- 1 Directors of Fubail Bank Limited are sworn in the state capital (Jeddah).
- 2 Mr. Hady Alwan, Managing Director, Chairman of the Board of Directors of the Bank, addresses the audience at the 20th Annual General Meeting.
- 3 Mr. Hady Alwan, Managing Director & CEO of the Bank, delivers his speech during AGM Annual General Meeting.
- 4 The Managing Director & CEO along with Director is exchanging views and opinion with honorable Shareholders.
- 5 A certificate of honor being presented to members of shareholder.
- 6 Registration of shareholders for the 20th AGM of Fubail Bank Limited is progress.

EVENTFULL YEAR 2015



- 7** Hon'ble Prime Minister Sheikh Hasina receives a token of appreciation from Pubali Bank Limited Board of Directors' Chairman Hafiz Ahmed Mazumder and Director Manzurur Rahman in Dhaka when they congratulated her on winning the Champions of the Earth Award given by the United Nations and ICT Sustainable Development Award by the ITU.
- 8** Pubali Bank Limited Board of Directors' has donated 25,000 blankets to the Honourable Prime Minister's Relief fund as a part of corporate social responsibility to distribute among the cold-hit poor people of the country. Hafiz Ahmed Mazumder, Chairman, Board of Directors of Pubali Bank Ltd. & Director Manzurur Rahman handed over a sample of the blankets to Sheikh Hasina, Hon'ble Prime Minister at Ganakhabon.
- 9** Pubali Bank Limited has donated Tk. 15 lac to the devastating earthquake victims of Nepal as a part of corporate social responsibility.
- 10** Hafiz Ahmed Mazumder, Chairman, Board of Directors of Pubali Bank has launched the VISA Credit Card as Chief Guest in a ceremony. Vice-Chairman Fahim Ahmed Faruk Chowdhury, Directors- Moniruddin Ahmed, Manzurur Rahman, Ahmed Shafi Choudhury, Ms. Rumana Sharif, M. Kabiruzzaman Yaqub, Azizur Rahman, Independent Director Khurshid-ul-Alam were present as Special Guests.
- 11** Md. Abdul Halim Chowdhury, Managing Director of Pubali Bank Ltd. was present as Chief Guest at the prize distribution ceremony of MasterCard's unique 'Card-Start-Go!' campaign.

EVENTFUL YEAR 2015



- 12** Bangladesh Bank (BB) Governor Dr. Atiur Rahman formally launched the inter-bank POS at the central bank headquarters in Dhaka. Md. Abdul Haïm Chowdhury, Managing Director of Pubali Bank Ltd. was present at the occasion along with other Chief Executive Officers from different banks.
- 13** A training program on 'Foundation Training for Probationary Officers'.
- 14** Pubali Bank Limited has inaugurated its 436th branch recently at Gunabati Bazar, Comilla having online banking facilities. Md. Abdul Haïm Chowdhury, Managing Director of Pubali Bank Ltd. formally inaugurated the branch as Chief Guest. Local elites & businessmen were also attended at the inaugural ceremony.
- 15** Pubali Bank Limited has inaugurated its 437th branch at Kamrangir Char, Dhaka having online banking facilities. Syed Moazzem Hussain, Director, Board of Directors of Pubali Bank Ltd. formally inaugurated the branch as Chief Guest.
- 16** Pubali Bank Limited has inaugurated its 438th branch at Torki Bondor, Barisal having online banking facilities. Syed Moazzem Hussain, Director, Board of Directors of Pubali Bank Ltd. formally inaugurated the branch as Chief Guest while Md. Abdul Haïm Chowdhury, Managing Director of Pubali Bank Ltd. was present as Guest of Honour. Sajful Alam Khan Chowdhury, Deputy Managing Director of the Bank was present as Special Guest. DGM and RM of Barisal region Md. Zahidur Rahaman presided over the inaugural ceremony. Local elites & businessmen also attended at the inaugural ceremony.
- 17** Pubali Bank Limited has shifted its Mohammadpur Branch of Dhaka to new premises with a view to providing best & modern banking services.

EVENTFUL YEAR 2015



- 18 The 1st conference- 2015 of Regional and Corporate Branch Managers of Pubali Bank Limited held at bank's head office recently.
- 19 The '1st Managers' Conference-2015' participated by all Managers of Barisal Region of Pubali Bank Limited.
- 20 A workshop on 'Management Development Program' was held recently under the auspices of Pubali Bank Training Institute. Md. Abdul Halim Chowdhury, Managing Director of Pubali Bank Ltd. graced the occasion as Chief Guest.
- 21 Pubali Bank Limited has inaugurated its 444th branch at Ring Road, Adabor in Dhaka having online banking facilities. Hafiz Ahmed Mazumder, Chairman, Board of Directors of Pubali Bank Ltd. formally inaugurated the branch as Chief Guest.

EVENTFULL YEAR 2015



22 The 2nd conference- 2015 of Regional and Corporate Branch Managers of Pubali Bank Limited held at bank's head office.

23 **Top Ten Remittance Award**
Mr. Md. Abdul Halim Chowdhury, Managing Director and CEO of Pubali Bank Limited is receiving the "Top Ten Remittance" award from Dr. Atiur Rahman, Governor, Bangladesh Bank for extraordinary performance of the bank.

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

- Bahrain** : Bahrain India International Exchange Co., NEC B.S.C(Closed), Zenj Exchange Co.
- KSA** : Al Rajhi Banking & Investment Corporation, Bank Al Bilad, Al Amoudi Exchange.
- Kuwait** : Al Mulla International Exchange Company, Al Muzaini Exchange Co., Bahrain Exchange Company, City International Exchange Co., Dollarco Exchange Co., Oman Exchange Company, Security Exchange Company.
- Malaysia** : NBL Money Transfer Sdn. Bhd., IME (M) Sdn. Bhd., Merchantrade Asia Sdn. Bhd., BFC Sdn. Bhd.,Malaysia; CBL Money Transfer, Malaysia.
- Oman** : Oman & UAE Exchange Centre, Oman International Exchange, Purshottam Kanji Exchange Co., Gulf Overseas Exchange Co., Laxmidas Tharia Ved (Exchange) Co., Modern Exchange Co., Musandam Exchange, Mustafa Sultan Exchange Co., Hamdan Exchange.
- Qatar** : Al Zaman Exchange, Arabian Exchange Company, Eastern Exchange Est., Gulf Exchange Company, Habib Qatar International Exchange Ltd., National Exchange Company, Trust Exchange Co., City 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, Index Exchange (Formerly Hablb Exchange Co.), Lari Exchange Establishment, National Exchange Company, UAE Exchange Centre (Express Money), UAE Exchange Centre LLC, 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., Instant Cash FZE.
- UK** : Orchid Money Transfer Limited, Wall Street Forex London Limited, K.F. Enterprises Money Transfer, KMB Enterprises, Frontier Global Consultants Ltd.; K.S Enterprise.
- USA** : Trans-Fast Remittance LLC, Wall Street Finance LLC, Prabhu Group Inc. (d/b/a Prabhu Money Transfer), Placid NK Corporation (DBA Placid Express), RIA Financial Services Ltd.
- Global** : Western Union Network (France) SAS, MoneyGram Payment System Inc.

BRANCH NETWORK

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

AD = Authorized Dealer Branch

BRANCH NETWORK

Name of the Regions/Branches	District	Name of the Regions/Branches	District
Komorgonj	Dhaka	Chaktai	Chittaging
Dolaipar	Dhaka	Anderkilla	Chittaging
Ati Bazar	Dhaka	College Road	Chittaging
Danla	Dhaka	Bahadderhat	Chittaging
Jurain	Dhaka	Mehdibagh	Chittaging
Kamrangirchar	Dhaka	Hathazari	Chittaging
		Ranirhat	Chittaging
		Nazirhat	Chittaging
		Bibirhat	Chittaging
		Dharmapur	Chittaging
		Nanupur	Chittaging
		Madhunaghat	Chittaging
		Rangunia	Chittaging
		Raozan	Chittaging
		Katirhat	Chittaging
Narayangonj Zone			
Narayangonj (AD)	Narayangonj		
Tanbazar	Narayangonj		
Kalirbazar	Narayangonj		
Araihazar	Narayangonj		
Duptara	Narayangonj		
Shibu Market	Narayangonj		
Netaigonj	Narayangonj		
Charsindur	Narsingdi		
Ghorashal	Narsingdi		
Narsingdi	Narsingdi		
Madhabdi	Narsingdi		
Palash	Narsingdi		
Belabo	Narsingdi		
Munshigonj	Munshigonj		
Aldibazar	Munshigonj		
Nurpur	Munshigonj		
Dhalagaon	Munshigonj		
Gazaria	Munshigonj		
Bhaberchar	Munshigonj		
Naopara	Munshigonj		
Sreenagar Bazar	Munshigonj		
Chittagong North Zone			
Pathergata	Chittaging		
Old Church Compound	Chittaging		
Korbanigonj	Chittaging		
Industrial Area	Chittaging		
Chawk Bazar	Chittaging		
Terribazar	Chittaging		
Kulgaon	Chittaging		
Khatungonj (AD)	Chittaging		
Aman Bazar	Chittaging		
Laldighi East (AD)	Chittaging		
Asadgonj	Chittaging		
Chittagong South Zone			
		Pahartali	Chittaging
		Nowara	Chittaging
		Hadipara	Chittaging
		Lohagora	Chittaging
		North Potenga	Chittaging
		E.P.Z.	Chittaging
		Shiberhat	Chittaging
		Sadarghat	Chittaging
		Port	Chittaging
		Patya	Chittaging
		Shantirhat	Chittaging
		Shaikh Mujib Road	Chittaging
		Kadamtali	Chittaging
		Sandwip	Chittaging
		Banshkhali	Chittaging
		Satkania	Chittaging
		Chandanaish	Chittaging
		Padua	Chittaging
		Mithachara Bazar	Chittaging
		Baratakia Bazar	Chittaging
		Reazuddin Bazar	Chittaging
		Halishahor	Chittaging
		Keranihat	Chittaging
		Shitakundo SME/Krishi	Chittaging
		Barolarhat	Chittaging

AD = Authorized Dealer Branch

BRANCH NETWORK

Name of the Regions/Branches	District	Name of the Regions/Branches	District
Cox's Bazar	Cox's Bazar	Sylhet West Zone	
Moiscal	Cox's Bazar	Balagonj	Sylhet
Ukhiya	Cox's Bazar	Baraikandi	Sylhet
Chokaria	Cox's Bazar	Biswanath	Sylhet
		Daspaika Bazar	Sylhet
		Gowala Bazar	Sylhet
		Technical Road	Sylhet
		Jalalpur	Sylhet
		Tajpur	Sylhet
		Stadium	Sylhet
		Lalabazar	Sylhet
		Pathantula	Sylhet
		Singerkatch Bazar	Sylhet
		Tuker Bazar	Sylhet
		Chhatak	Sunamgonj
		Derai	Sunamgonj
		Gobindagonj	Sunamgonj
		Jagannathpur	Sunamgonj
		Jamalgonj	Sunamgonj
		Jawa Bazar	Sunamgonj
		Pagla Bazar	Sunamgonj
		Rasulgonj	Sunamgonj
		Sriramshi Bazar	Sunamgonj
		Sunamgonj (AD)	Sunamgonj
		Moulvibazar Zone	
		Kamalgonj	Moulvibazar
		Dakshinbagh	Moulvibazar
		Juri	Moulvibazar
		Shamsernagar	Moulvibazar
		Moulvi Bazar	Moulvibazar
		Sreemongal	Moulvibazar
		WAPDA Gate	Moulvibazar
		Kulaura	Moulvibazar
		Baralekha	Moulvibazar
		Brahman Bazar	Moulvibazar
		Adampur Bazar	Moulvibazar
		Chowmohona	Moulvibazar
		Sherpur Bazar	Moulvibazar
		Tengra Bazar	Moulvibazar
		Jogdahir	Moulvibazar
		Rabir Bazar	Moulvibazar
		Bhatera Bazar	Moulvibazar
		Munshi Bazar	Moulvibazar
		Syedpur Bazar	Habligonj

AD = Authorized Dealer Branch

BRANCH NETWORK

Name of the Regions/Branches	District	Name of the Regions/Branches	District
Ajmerigonj	Habigonj	Hajigonj	Chandpur
Gazipur	Habigonj	Kachua	Chandpur
Baniachong	Habigonj	Nayergaon Bazar	Chandpur
Nabigonj	Habigonj	Natun bazar	Chandpur
Dharmaghar	Habigonj	Brahmanbaria	Brahman baria
Sutang Bazar	Habigonj	Akhaura	Brahman baria
Habigonj	Habigonj	Ashugonj	Brahman baria
Town Masjid Road	Habigonj	Sarak Bazar	Brahman baria
Bar Library	Habigonj	Kuti Bazar	Brahman baria
Chunarughat	Habigonj		
Shaistagonj	Habigonj	Noakhali Zone	
Madhabpur	Habigonj	Feni (Main)	Feni
Guningonj Bazar	Habigonj	Sonagazi	Feni
Gajnalpur Bazar	Habigonj	Kazirhat	Feni
Putjuri SME/Krishi	Habigonj	Feni Bazar	Feni
Razar Bazar	Habigonj	Chhagalnalya	Feni
		Fulgazi	Feni
		Bangla Bazar	Feni
		Dagon Bhuiyan	Feni
		Majdee Court	Noakhali
		Samir Munshirhat	Noakhali
		Chaumuhani	Noakhali
		Hatiya	Noakhali
		Thanarhat Bazar	Noakhali
		Bashurhat	Noakhali
		Datterhat	Noakhali
		Laxmipur	Laxmipur
		Raipur	Laxmipur
		Ramgonj	Laxmipur
		Mirerhat	Laxmipur
		Mymensingh Zone	
		Mymensingh (Main) (AD)	Mymensingh
		Swadeshi Bazar	Mymensingh
		Taltola Bazar	Mymensingh
		Darirampur	Mymensingh
		University Campus	Mymensingh
		Charpara	Mymensingh
		Muktagacha	Mymensingh
		Bhaluka	Mymensingh
		Kishorgonj	Kishorgonj
		Bhairab Bazar	Kishorgonj
		Kamalpur	Kishorgonj
		Kathiadi	Kishorgonj

AD = Authorized Dealer Branch

BRANCH NETWORK

Name of the Regions/Branches	District	Name of the Regions/Branches	District
Netrokona (Town)	Netrokona	Naogaon	Naogaon
Mohanganj	Netrokona	Mohadevpur	Naogaon
Madan	Netrokona	Deluabari	Naogaon
Jamalpur	Jamalpur		
Nandina Bazar	Jamalpur	Rangpur Zone	
Bakultala	Jamalpur	Rangpur	Rangpur
Sarishabari	Jamalpur	Station Road	Rangpur
Sherpur Town	Sherpur	Shapla Chattar	Rangpur
Pathrail Bazar	Tangail	Kurigram	Kurigram
Tangail Main	Tangail	Fulbari	Kurigram
Akur Takur	Tangail	Gaibandha	Gaibandha
Gopalpur	Tangail	Mahimagonj	Gaibandha
Zilla Sarak	Tangail	Park Road	Gaibandha
Pakutia	Tangail	Gobindagonj	Gaibandha
Karatia	Tangail	Parbatipur	Dinajpur
Bhaighat Bazar	Tangail	Dinajpur	Dinajpur
		Fulbari	Dinajpur
		Pulhat	Dinajpur
Rajshahi Zone		Lalmonirhat	Lalmonirhat
Rajshahi (AD)	Rajshahi	Tushbander	Lalmonirhat
New Market	Rajshahi	Nilphamari	Nilphamari
Sericulture	Rajshahi	Saidpur	Nilphamari
Katakhali Bazar	Rajshahi	Shutibari	Nilphamari
Baneswar	Rajshahi	Thakurgaon (Town)	Thakurgaon
Bhabanigonj	Rajshahi	Thakurgaon Road	Thakurgaon
Natore	Natore	Panchagarh	Panchagarh
Kushumbi Kaligonj	Natore	Nekmorod	Thakurgaon
Chapal Nawabgonj	Chapal Nawabgonj		
Moharajpur	Chapal Nawabgonj	Khulna Zone	
Pabna	Pabna	Upper Jessore Road	Khulna
Salgaria	Pabna	Khulna Main (AD)	Khulna
Ataikula	Pabna	Batiaghata	Khulna
Maligacha	Pabna	Khalishpur	Khulna
Ishurdi	Pabna	Doulatpur	Khulna
Sirajgonj	Sirajgonj	Mirerdanga	Khulna
Khamargram	Sirajgonj	Sheikhpara Bazar	Khulna
Tarash	Sirajgonj	Kayerbazar	Khulna
Satmatha	Bogra	Phultala	Khulna
Chelopara	Bogra	Chuknagar	Khulna
Bogra	Bogra	Bagerhat	Bagerhat
Murail SME/Krishi	Bogra	Mongla	Bagerhat
Santahar	Bogra	Satkhira	Satkhira
Jaipurhat	Jaipurhat	Patkelghata	Satkhira
Jamalgonj	Jaipurhat		

AD = Authorized Dealer Branch

BRANCH NETWORK

Name of the Regions/Branches	District	Name of the Regions/Branches	District
Kalaroa	Satkhira	Pirojpur	Pirojpur
Meherpur	Meherpur	Nazirpur	Pirojpur
Kushtia	Kushtia	Matbaria	Pirojpur
Bheramara	Kushtia	Bhandaria	Pirojpur
Chuadanga	Chuadanga	Sarshina	Pirojpur
Saratgonj	Chuadanga	Mearhat	Pirojpur
Alukdia Bazar	Chuadanga	Sariatpur	Sariatpur
Alamdanga	Chuadanga	Bhojeshwar Bazar SME/Krishi	Shariatpur
Jessore (AD)	Jessore	Rajapur	Jhalakathi
Noapara bazar	Jessore	Nalcity	Jhalakathi
Benapole	Jessore	Jhalakathi	Jhalakathi
Navaran Bazar	Jessore	Bhola	Bhola
Narail	Narail	Charfashion	Bhola
Jhenaidah	Jhenaidah	Kalalya Bandar	Patuakhali
Magura	Magura	Patuakhali	Patuakhali
		Golachipa	Patuakhali
		Subidkhali	Patuakhali
		Barguna	Barguna
		Bamna	Barguna
		Kanalpur	Faridpur
		Bhanga	Faridpur
		Faridpur	Faridpur
		Sadarpur	Faridpur
		Gopalgonj	Gopalgonj
		Madaripur	Madaripur
		Rajbari	Rajbari
		Pangsha SME/Krishi	Rajbari

Barisal Zone

Barisal (AD)	Barisal		
Madhabpasha	Barisal		
Shahid Minar	Barisal		
Babugonj	Barisal		
Mehendigonj	Barisal		
Bazar Road	Barisal		
Hospital Road	Barisal		
Hizla	Barisal		
Muladi	Barisal		
Tarki Bandar	Barisal		

Pubali Bank Securities Limited

(A Subsidiary of Pubali Bank Limited)

A-A Bhaban (7th Floor)

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Fax: 880-2-9590536

E-mail: pblsecurities@gmail.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 33rd Annual General Meeting
of the Bank to be held on 28th April, 2016 at 10.30 AM at the Pubali Bank Auditorium, Head Office, 26 Dilkusha C/A, Dhaka.

As wished, I/We have attested Signature of the Proxy Holder onday of2016.

Signature of the Shareholder(s)



Signature of the Proxy Holder

No. of Shares held

Folio No.

BO ID No.

N.B. Important

1. A Member entitled to attend and vote at the 33rd 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 AM 26th April, 2016) 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 33rd Annual General Meeting (AGM) held on 28th April, 2016 at 10.30 AM at the Pubali Bank Auditorium, Head Office, 26 Dilkusha C/A, 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

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