



Grant Thornton

An instinct for growth™

Howladar Yunus & Co.
House-14(Level 4 & 5)
Road-16A, Gulshan-1
Dhaka-1212
Bangladesh
T+880 2 58815247

Independent Auditor's Report

To the Shareholders of Pubali Bank Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Pubali Bank Limited and its subsidiary (the "Group") as well as the separate financial statements of Pubali Bank Limited (the "Bank"), which comprise the consolidated and separate Balance Sheets as at 31 December 2020, and consolidated and separate Profit and Loss Accounts, consolidated and separate statement of Changes in Equity, and consolidated and separate Cash Flow Statements for the year then ended, and notes to consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2020, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in Note 2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC), and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Grant Thornton

An instinct for growth™

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans and advances	
<p>The process for estimating the provision for loans, advances, and leases portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provisions calculation considers the estimates of future business performance and the market value of the collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on a portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions, and estimates.</p> <p>Due to the high level of judgment involved and using some manual process in estimating the provision for loans and advance, we considered this to be a key audit matter.</p> <p>Interest amounting to Taka 427 million were transferred to Income account with the approval of the Board based on the recommendations of the Board Audit Committee in compliance with BRPD Circular No. 56, dated December 10, 2020, and an additional 1% Special general provision COVID-19 has been maintained amounting to Taka 530</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed the adequacy of transfer of interests to the Income account appropriate approvals in line with the Bangladesh Bank's guideline. <p>Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines. Reviewed the grounds for recommendations for approvals in cases of transfer of interests to Income account;</p> <ul style="list-style-type: none"> • Assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; • Finally, compared the amount of provision requirement as determined by the Bangladesh Bank inspection team to the actual amount of provision maintained.



Grant Thornton

An instinct for growth™

<p>million in line with the direction of said circular.</p> <p>At year end the Bank reported total gross loans and advances of BDT 315,579 million (2019: BDT 287,035 million) and provision for loans and advances of BDT 17,156 million (2019: BDT 15,560 million).</p>	
<p>See note nos. 7 and 14 to the financial statements</p>	

<p>Valuation of treasury bill and treasury bond</p>	
<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.</p> <p>We obtained an understanding, evaluated the design, and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<p>See note nos. 6 to the financial statements</p>	

<p>Impairment assessment of unquoted investments</p>	
<p>In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques that may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.</p>	<p>We have assessed the processes and controls put in place by the Bank to ensure all major investment decisions are undertaken through a proper due diligence process. We tested a sample of investments valuation as at 31 December 2020 and compared our results to the recorded value.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures against relevant</p>



Grant Thornton

An instinct for growth™

	accounting standards and Bangladesh Bank guidelines.
See note nos. 6 to the financial statements	

IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily, and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment, and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management, and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration, and other application layer controls identified as key to our audit.</p> <p>We performed the Tests of IT General Controls to evaluate the Application Development and Database, Hosting Platforms, and segregation of incompatible duties relevant to application and database change management.</p>

Legal and regulatory matters	
<p>We focused on this area because the Bank and its subsidiary (the "Group") operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established as other contingent liabilities.</p>	<p>We obtained an understanding, evaluated the design, and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>



Grant Thornton

An instinct for growth™

Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.	
--	--

Carrying value of investments in the subsidiary by the Bank	
The Bank has invested in equity shares of its subsidiary, namely Pubali Bank Securities Limited. As at 31 December 2020, the carrying value of this investment is BDT 6,599 million. At the time of conducting our audit of the separate financial statements of the Bank, we have considered the Recoverable value of the Bank's investments in the above subsidiary stated at cost. Management has conducted an impairment assessment and calculated the recoverable value of its subsidiary in accordance with IAS 36.	We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiary in accordance with IAS 36. In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation. We also checked the mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.

Reporting on other information

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

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Grant Thornton

An instinct for growth™

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.



Grant Thornton

An instinct for growth™

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.



Grant Thornton

An instinct for growth™

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

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

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control, and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities (other than matters disclosed in these financial statements);
- (iii) consolidated financial statements of the Bank include the subsidiary, namely Pubali Bank Securities Limited reflect total assets of BDT 8,964,957,515 as at 31 December 2020 and total revenue of BDT 286,298,736 for the year ended 31 December 2020. The subsidiary of the Bank has been audited by another component auditor who has expressed an unqualified audit opinion. The result of the subsidiary has been properly reflected in the Group's consolidated financial statements;
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;



Grant Thornton

An instinct for growth™

- (viii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations, and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 8,000 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Muhammad Farooq FCA, Managing Partner, Enrolment No.: 0521
Howladar Yunus & Co., Chartered Accountants
Firm Registration Number: [N/A]

Dated: Dhaka, 12 April 2021

DVC No.: 2104130521AS166202

Pubali Bank Limited
Consolidated Balance Sheet
as at 31 December 2020


PROPERTY AND ASSETS	Notes	2020	2019
		Taka	Taka
Cash	3 (a)	24,146,439,622	25,902,988,481
Cash in hand (Including foreign currencies)		4,137,466,359	4,208,445,687
Balance with Bangladesh Bank and its agent Bank (s) (Including foreign currencies)		20,008,973,263	21,694,542,794
Balance with other Banks and Financial Institutions	4 (a)	18,580,803,997	13,086,547,908
In Bangladesh		17,021,755,202	11,569,394,369
Outside Bangladesh		1,559,048,795	1,517,153,539
Money at Call on Short Notice	5	1,200,786,667	126,786,667
Investments	6 (a)	154,539,484,172	107,107,015,433
Government		126,428,028,655	79,473,544,362
Others		28,111,455,517	27,633,471,071
Loans, Advances and Leases	7 (a)	316,197,329,547	287,613,059,940
Loans, cash credits and overdrafts, etc.		300,133,136,228	273,520,289,757
Bills purchased & discounted		16,064,193,319	14,092,770,183
Fixed Assets including Premises, Furniture & Fixtures	8 (a)	5,092,170,514	5,185,669,169
Other Assets	9 (a)	45,920,269,318	39,744,314,953
Non-Banking Assets	10	375,246	375,246
Total Assets		565,677,659,083	478,766,757,797
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions & Agents	11	17,486,797,436	16,970,348,305
Subordinated bonds	12	11,500,000,000	9,000,000,000
Deposits and other Accounts	13 (a)	428,002,537,947	358,163,503,011
Current accounts & other accounts		49,144,529,039	40,508,805,332
Bills payable		14,657,445,295	14,602,544,955
Savings bank deposits		100,270,298,831	82,675,389,187
Term deposits		254,532,597,513	212,716,562,946
Other deposits		9,397,667,269	7,660,200,591
Other Liabilities	14 (a)	69,993,589,798	62,511,806,357
Total Liabilities		526,982,925,181	446,645,657,673
Capital / Shareholders' Equity			
Paid up capital	15.2	10,282,942,180	10,282,942,180
Statutory reserve	16	10,283,000,000	10,283,000,000
Retained earnings (general reserve)	17 (a)	11,258,683,182	8,573,461,745
Other reserves	18 (a)	6,870,107,646	2,981,695,318
Profit and Loss account surplus	19 (a)	-	-
		38,694,733,008	32,121,099,243
Non-controlling interest	20	894	881
Total Shareholders' Equity		38,694,733,902	32,121,100,124
Total Liabilities and Shareholders' Equity		565,677,659,083	478,766,757,797



Pubali Bank Limited
Consolidated Balance Sheet
as at 31 December 2020

<u>OFF-BALANCE SHEET ITEMS</u>	Notes	2020 Taka	2019 Taka
<u>Contingent Liabilities</u>			
Acceptances & endorsements	21	53,089,224,132	44,598,746,938
Letters of guarantee		25,345,020,741	21,614,440,241
Irrevocable letters of credit		46,369,281,181	30,104,501,790
Bills for collection		10,515,149,103	9,862,686,330
Other contingent liabilities		2,376,488,786	2,319,836,392
Total Contingent Liabilities		137,695,163,943	108,500,211,691
<u>Other Commitments</u>			
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		137,695,163,943	108,500,211,691

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


Safiul Alam Khan Chowdhury
Managing Director


Azizur Rahman
Director


Rana Laila Hafiz
Director


Monzurur Rahman
Chairman

Signed as per annexed report on even date



Muhammad Farooq FCA, Managing Partner, Enrolment No.: 0521
Howladar Yunus & Co., Chartered Accountants
Firm Registration Number: [N/A]
Dhaka, 12 April 2021
DVC No.: 2104130521AS166202



Pubali Bank Limited
Consolidated Profit & Loss Account
for the year ended 31 December 2020

	Notes	2020 Taka	2019 Taka
Operating Income			
Interest income	22 (a)	22,740,070,640	26,074,721,880
Interest paid on deposits, borrowings, etc.	23	(19,851,842,772)	(17,691,771,966)
Net Interest Income		2,888,227,868	8,382,949,914
Investment income	24 (a)	12,890,913,469	7,447,062,612
Commission, exchange and brokerage	25 (a)	1,622,612,046	1,771,521,447
Other operating income	26 (a)	1,208,574,552	1,219,569,941
Total Operating Income		18,610,327,935	18,821,103,914
Operating Expenses			
Salaries and allowances	27 (a)	6,307,010,647	5,467,760,747
Rent, taxes, insurance, electricity, etc.	28 (a)	513,623,242	457,467,276
Legal expenses	29 (a)	19,036,465	31,391,202
Postage, stamp, telecommunication, etc.	30 (a)	58,068,046	87,264,951
Stationery, printing, advertisements, etc.	31 (a)	118,528,066	139,177,485
Managing Director's salary and fees	32	14,740,000	14,540,000
Directors' fees	33 (a)	7,282,712	7,743,543
Auditors' fees	34 (a)	1,691,750	1,562,500
Charges on loan losses		-	851,133
Depreciation and repair of bank's assets	35 (a)	967,651,431	895,124,972
Other expenses	36 (a)	1,976,507,725	1,895,061,892
Total Operating Expenses		9,984,140,084	8,997,945,701
Profit/(Loss) before Provision		8,626,187,851	9,823,158,213
Provision for Loans, Advances, Investments and other Assets	37 (a)		
Provision for classified loans and advances		461,149,107	2,525,186,311
Provision for unclassified loans and advances		2,072,864,396	1,264,560,096
Provision for diminution in value of Investments		152,843,497	614,718,435
Provision for impairment clients' margin loan		-	64,137,559
Provision for bad debt offsetting		-	1,307,265
Provision for Start-up fund		83,795,594	-
		2,770,652,594	4,469,909,666
Provision for exposure of off-balance sheet items	38	-	56,400,000
Total Provision		2,770,652,594	4,526,309,666
Total Profit/(Loss) before Taxes		5,855,535,257	5,296,848,547
Provision for current tax	14.9 (a)	1,996,194,309	3,107,618,479
Provision for deferred tax	14.9.1 (a)	152,525,280	26,327,639
Total Provision for Taxes		2,148,719,589	3,133,946,118
Net Profit after Taxation		3,706,815,668	2,162,902,429
Profit Attributable to			
Equity holders of parent		3,706,815,655	2,162,902,422
Non- controlling interest		13	7
Appropriations		3,706,815,668	2,162,902,429
Statutory reserve		-	299,500,000
Retained surplus (general reserve) carried forward		3,706,815,668	1,863,402,429
Earnings Per Share (EPS)	46 (a)	3.60	2.10
Basic			
Diluted		3.60	2.10

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

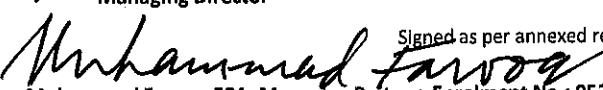

Safiul Alam Khan Chowdhury
Managing Director


Azizur Rahman
Director

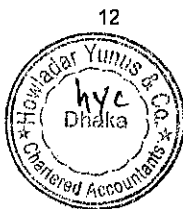

Rana Laila Hafiz
Director


Morzurur Rahman
Chairman

Signed as per annexed report on even date


Muhammad Farooq FCA, Managing Partner, Enrolment No.: 0521
Howladar Yunus & Co., Chartered Accountants
Firm Registration Number: [N/A]
Dhaka, 12 April 2021


DVC No.: 210 41305 21AS 166202



Pubali Bank Limited
Consolidated Cash Flow Statement
for the year ended 31 December 2020

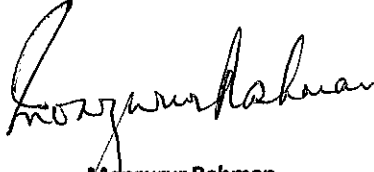
	Notes	2020 Taka	2019 Taka
a Cash flows from Operating Activities			
Interest receipts in cash		32,556,486,305	32,740,221,179
Interest payments		(20,037,455,174)	(16,840,185,239)
Dividend receipts		367,407,319	491,481,470
Fees and commission receipts		1,235,657,928	1,180,511,125
Recoveries of loans previously written-off		38,717,790	81,867,630
Cash payment to employees		(5,800,118,855)	(5,482,300,747)
Cash payment to suppliers		(203,385,558)	(257,871,824)
Current income tax paid		(2,873,865,841)	(2,441,105,579)
Receipts from other operating activities	40 (a)	1,621,660,297	1,953,501,066
Cash payments for other operating activities	41 (a)	(3,222,729,185)	(2,558,218,696)
Operating Profit before changes in Operating Assets & Liabilities		3,682,375,026	8,867,900,385
Increase/ (Decrease) in Operating Assets and Liabilities			
Statutory deposits		(42,537,054,326)	(41,675,550,355)
(Purchase)/sale of trading securities		(477,984,446)	(1,266,572,646)
Loans and advances to customers (other than banks)		(28,544,225,212)	(16,125,164,839)
Other assets	42 (a)	(969,438,257)	(2,660,696,578)
Deposits to/from other banks		516,449,131	(182,009,823)
Deposits from customers (other than banks)		70,513,522,511	49,401,945,722
Other liabilities account of customers		450,320,343	2,344,033,443
Other liabilities	43 (a)	1,495,583,591	962,981,986
Total Increase/ (Decrease) in Operating Assets and Liabilities		447,173,335	(9,201,033,090)
Net Cash from/(used in) Operating Activities		4,129,548,361	(333,132,705)
b Cash flows from Investing Activities			
(Purchase)/Sale of property, plant & equipment		(499,058,296)	(2,101,459,919)
Net Cash from/(used in) Investing Activities		(499,058,296)	(2,101,459,919)
c Cash flows from Financing Activities			
Receipts from issue of Subordinated bonds		2,500,000,000	4,000,000,000
Effects of exchange rate changes on cash and cash equivalents		-	1,060,599
Dividend Paid		(967,783,762)	(998,343,901)
Net Cash from/(used in) Financing Activities		1,532,216,238	3,002,716,698
d Net Increase/ (Decrease) in Cash and Cash equivalents (a+b+c)		5,162,706,303	568,124,074
e Cash and Cash equivalents at beginning of the period		40,133,375,280	39,565,251,206
f Cash and Cash equivalents at end of the period (d+e)	44 (a)	45,296,081,583	40,133,375,280

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


Safiul Alam Khan Chowdhury
Managing Director


Azizur Rahman
Director


Rana Laila Hafiz
Director


Monzurur Rahman
Chairman

Signed as per annexed report on even date

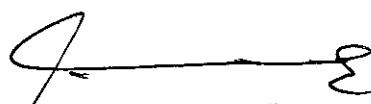
Dated, Dhaka
April 12, 2021



Pubali Bank Limited
Consolidated Statement of Changes in Equity
for the year ended 31 December 2020

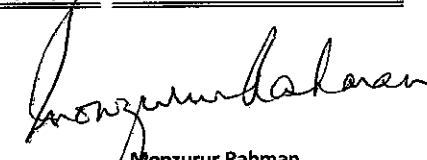
Particulars	Paid-up capital	Statutory reserve	Retained earnings (general reserve)	Other reserves	Parent's equity	Non-controlling interest	Total
For the year 2020							
Balance as at 1 January 2020	10,282,942,180	10,283,000,000	8,573,461,745 *	2,981,695,318	32,121,099,243	881	32,121,100,124
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	10,282,942,180	10,283,000,000	8,573,461,745	2,981,695,318	32,121,099,243	881	32,121,100,124
Adjustment on revaluation of fixed assets	-	-	-	(520,443,941)	(520,443,941)	-	(520,443,941)
Adjustment of last year gain on investment	-	-	-	-	-	-	-
Surplus/Deficit on account of revaluation of investments	-	-	-	4,417,106,067	4,417,106,067	-	4,417,106,067
Currency translation differences	-	-	-	-	-	-	-
Net gains and losses not recognised in the Profit and Loss statement	-	-	-	-	-	-	-
Transfer regarding revaluation reserve on sale of properties	-	-	6,700,000	(8,249,798)	(1,549,798)	-	(1,549,798)
Non-controlling capital	-	-	-	-	-	-	-
Net profit for the year	-	-	3,706,815,655	-	3,706,815,655	13	3,706,815,668
Transfer to statutory reserve	-	-	-	-	-	-	-
Issue of bonus shares - 2019	-	-	-	-	-	-	-
Proposed dividend (bonus issue)	-	-	-	-	-	-	-
Dividends (cash) for 2019	-	-	(1,028,294,218)	-	(1,028,294,218)	-	(1,028,294,218)
Balance as at 31 December 2020	10,282,942,180	10,283,000,000	11,258,683,182	6,870,107,646	38,694,733,008	894	38,694,733,902
Balance as at 31 December 2019	10,282,942,180	10,283,000,000	8,573,461,745 *	2,981,695,318	32,121,099,243	881	32,121,100,124

* Restated balance please read with (note:17)


Safiul Alam Khan Chowdhury
Managing Director


Azizur Rahman
Director


Rana Laila Hafiz
Director


Monzurur Rahman
Chairman

Signed as per annexed report on even date

Dated, Dhaka
April 12, 2021



Pubali Bank Limited
Balance Sheet
as at 31 December 2020

	Notes	2020 Taka	2019 Taka
PROPERTY AND ASSETS			
Cash	3	24,146,439,622	25,902,988,481
Cash in hand (Including foreign currencies)		4,137,466,359	4,208,445,687
Balance with Bangladesh Bank and its agent Bank (s) (Including foreign currencies)		20,008,973,263	21,694,542,794
Balance with Other Banks and Financial Institutions	4	18,580,803,997	13,086,547,908
In Bangladesh		17,021,755,202	11,569,394,369
Outside Bangladesh		1,559,048,795	1,517,153,539
Money at Call on Short Notice	5	1,200,786,667	126,786,667
Investments	6	147,906,006,042	100,603,861,735
Government		126,428,028,655	79,473,544,362
Others		21,477,977,387	21,130,317,373
Loans, Advances and Leases	7	315,578,899,240	287,034,674,028
Loans, cash credits and overdrafts, etc.		299,514,705,921	272,941,903,845
Bills purchased and discounted		16,064,193,319	14,092,770,183
Fixed Assets including Premises, Furniture & Fixtures	8	5,087,992,660	5,180,803,090
Other Assets	9	52,530,762,820	46,138,800,882
Non-banking Assets	10	375,246	375,246
Total Assets		565,032,066,294	478,074,838,037
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings From Other Banks, Financial Institutions & Agents	11	17,486,797,436	16,970,348,305
Subordinated bonds	12	11,500,000,000	9,000,000,000
Deposits and Other Accounts	13	429,343,017,243	359,153,307,134
Current accounts & other accounts		49,702,533,459	40,738,356,704
Bills payable		14,657,445,295	14,602,544,955
Savings bank deposits		100,270,298,831	82,675,389,187
Term deposits		255,315,072,389	213,476,815,697
Other deposits		9,397,667,269	7,660,200,591
Other Liabilities	14	67,894,214,623	60,679,477,157
Total Liabilities		526,224,029,302	445,803,132,596
Capital / Shareholders' Equity			
Paid up capital	15.2	10,282,942,180	10,282,942,180
Statutory reserve	16	10,283,000,000	10,283,000,000
Retained earnings (general reserve)	17	11,371,987,166	8,724,067,943
Proposed issue of bonus shares		-	-
Other reserves	18	6,870,107,646	2,981,695,318
Profit and Loss account surplus	19	-	-
Total Shareholders' Equity		38,808,036,992	32,271,705,441
Total Liabilities and Shareholders' Equity		565,032,066,294	478,074,838,037



Pubali Bank Limited
Balance Sheet
as at 31 December 2020

<u>OFF-BALANCE SHEET ITEMS</u>	Note	2020 Taka	2019 Taka
Contingent Liabilities			
Acceptances & endorsements	21	53,089,224,132	44,598,746,938
Letters of guarantee		25,345,020,741	21,614,440,241
Irrevocable letters of credit		46,369,281,181	30,104,501,790
Bills for collection		10,515,149,103	9,862,686,330
Other contingent liabilities		2,376,488,786	2,319,836,392
Total Contingent Liabilities		137,695,163,943	108,500,211,691
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		137,695,163,943	108,500,211,691

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

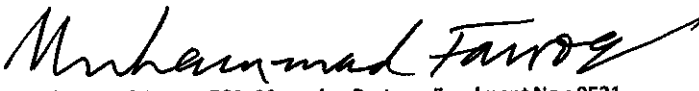

Safiul Alam Khan Chowdhury
Managing Director


Azizur Rahman
Director


Rana Jalla Hafiz
Director


Monzurur Rahman
Chairman

Signed as per annexed report on even date



Muhammad Farooq FCA, Managing Partner, Enrolment No.: 0521

Howladar Yunus & Co., Chartered Accountants

Firm Registration Number: [N/A]

Dhaka, 12 April 2021

DVC No.: 21041305 21AS166 202

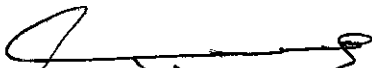


Pubali Bank Limited
Profit & Loss Account
for the year ended 31 December 2020

Howladar Yunus & Co.
Chartered Accountants

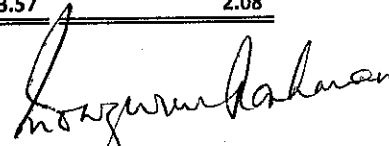
	Notes	2020 Taka	2019 Taka
Operating Income			
Interest income	22	22,716,882,313	26,060,652,218
Interest paid on deposits, borrowings, etc.	23	(19,851,842,772)	(17,691,771,966)
Net Interest Income		2,865,039,541	8,368,880,252
Investment income	24	12,707,362,495	7,131,919,838
Commission, exchange and brokerage	25	1,598,064,976	1,751,564,214
Other operating income	26	1,153,562,187	1,157,511,366
Total Operating Income		18,324,029,199	18,409,875,670
Operating Expenses			
Salaries and allowances	27	6,277,215,193	5,433,630,077
Rent, taxes, insurance, electricity, etc.	28	513,042,827	456,816,603
Legal expenses	29	19,036,465	30,714,302
Postage, stamp, telecommunication, etc.	30	57,823,308	86,948,686
Stationery, printing, advertisements, etc.	31	118,279,923	138,771,336
Managing Director's salary and fees	32	14,740,000	14,540,000
Directors' fees	33	6,281,712	6,942,043
Auditors' fees	34	1,529,500	1,437,500
Charges on loan losses		-	851,133
Depreciation and repair of bank's assets	35	965,603,956	893,690,681
Other expenses	36	1,970,916,962	1,887,728,189
Total Operating Expenses		9,944,469,846	8,952,070,550
Profit/(Loss) before Provision		8,379,559,353	9,457,805,120
Provision for Loans, Advances, Investments and Other Assets	37		
Provision for classified loans and advances		461,149,107	2,525,186,311
Provision for unclassified loans and advances		2,072,864,396	1,264,560,096
Provision for diminution in value of Investments	39	8,500,000	414,200,000
Provision for bad debt offsetting		-	1,307,265
Provision for Start-up fund		83,795,594	-
		2,626,309,097	4,205,253,672
Provision for exposure of off-balance sheet items	38	-	56,400,000
Total Provision		2,626,309,097	4,261,653,672
Total Profit/(Loss) before Taxes		5,753,250,256	5,196,151,448
Provision for current tax	14.8	1,931,362,255	3,027,024,693
Provision for deferred tax	14.9.2.2	152,374,560	25,852,538
Total Provision for Taxes		2,083,736,815	3,052,877,231
Net Profit/(Loss) after Taxes		3,669,513,441	2,143,274,217
Appropriations			
Statutory Reserve		-	299,500,000
Retained surplus (general reserve) carried forward		3,669,513,441	1,843,774,217
Earnings Per Share (EPS)	46		
Basic		3.57	2.08
Diluted		3.57	2.08


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


Safiul Alam Khan Chowdhury
Managing Director

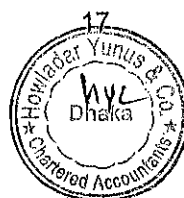

Azizur Rahman
Director


Rana Laila Hafiz
Director


Monzurur Rahman
Chairman


Signed as per annexed report on even date
Muhammad Farooq FCA, Managing Partner, Enrolment No.: 0521
Howladar Yunus & Co., Chartered Accountants
Firm Registration Number: [N/A]
Dhaka, 12 April 2021

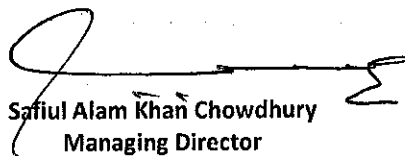
DVC No. : 210413052LAS166202



Pubali Bank Limited
Cash Flow Statement
for the year ended 31 December 2020

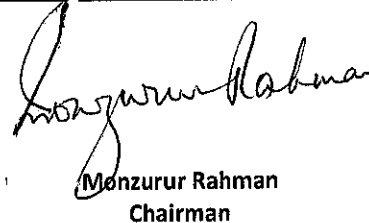
	Notes	2020 Taka	2019 Taka
a Cash flows from Operating Activities			
Interest receipts in cash		32,533,297,978	32,726,151,517
Interest payments		(20,037,455,174)	(16,840,185,239)
Dividend receipts		211,059,905	319,290,327
Fees and commission receipts		1,211,110,858	1,160,553,892
Recoveries of loans previously written-off		38,717,790	81,867,630
Cash payment to employees		(5,770,323,401)	(5,448,170,077)
Cash payment to suppliers		(203,385,558)	(257,871,824)
Current income tax paid		(2,873,865,841)	(2,441,105,579)
Receipts from other operating activities	40	1,539,444,372	1,748,490,860
Cash payments for other operating activities	41	(3,212,854,401)	(2,546,474,215)
Operating Profit before changes in Operating Assets & Liabilities		3,435,746,528	8,502,547,292
Increase/ (Decrease) in Operating assets and liabilities			
Statutory deposits		(42,537,054,326)	(41,675,550,355)
(Purchase)/sale of trading securities		(347,660,014)	(1,232,022,704)
Loans and advances to customers (other than banks)		(28,544,225,212)	(16,125,164,839)
Other assets	42	(850,359,693)	(2,563,512,279)
Deposits to/from other banks		516,449,131	(182,009,823)
Deposits from customers (other than banks)		70,513,522,511	49,401,945,722
Other liabilities account of customers		450,320,343	2,344,033,443
Other liabilities	43	1,142,822,145	1,099,897,354
Total Increase/(decrease) in Operating Assets and Liabilities		343,814,885	(8,932,383,481)
Net Cash from/(used in) Operating Activities		3,779,561,413	(429,836,189)
b Cash flows from Investing Activities			
(Purchase)/Sale of property, plant & equipment		(499,746,521)	(2,098,199,901)
Net cash from/(used in) Investing Activities		(499,746,521)	(2,098,199,901)
c Cash flows from Financing Activities			
Receipts from issue of Subordinated bonds		2,500,000,000	4,000,000,000
Effects of exchange rate changes on cash and cash equivalents		-	1,060,599
Dividend Paid		(967,783,762)	(998,343,901)
Net cash from/(used in) Financing Activities		1,532,216,238	3,002,716,698
d Net increase/(decrease) in Cash and Cash equivalents (a+b+c)		4,812,031,130	474,680,608
e Cash and cash equivalents at beginning of the period		39,143,571,157	38,668,890,549
f Cash and cash equivalents at end of the period (d+e)	44	43,955,602,287	39,143,571,157

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


Safiul Alam Khan Chowdhury
Managing Director


Azizur Rahman
Director


Rana Laila Hafiz
Director


Manzurur Rahman
Chairman

Signed as per annexed report on even date

Dated, Dhaka
April 12, 2021

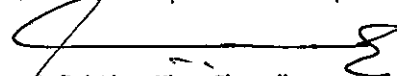


Pubali Bank Limited
Statement of Changes in Equity
for the year ended 31 December 2020

(Figures in Taka)

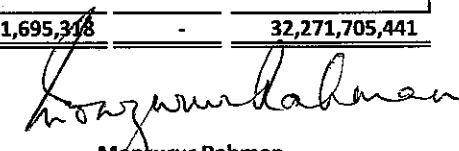
Particulars	Paid-up capital	Statutory reserve	Retained earnings (general reserve)	Other reserves	Proposed dividend	Total
For the year 2020						
Balance as at 1 January 2020	10,282,942,180	10,283,000,000	8,724,067,943 *	2,981,695,318	-	32,271,705,441
Changes in accounting policy	-	-	-	-	-	-
Restated balance	10,282,942,180	10,283,000,000	8,724,067,943	2,981,695,318	-	32,271,705,441
Adjustment on revaluation of fixed assets	-	-	-	(520,443,941)	-	(520,443,941)
Adjustment of last year gain on investment	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	4,417,106,067	-	4,417,106,067
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognised in the Profit and Loss Statement	-	-	-	-	-	-
Transfer regarding revaluation reserve on sale of properties	-	-	6,700,000	(8,249,798)	-	(1,549,798)
Net profit for the year	-	-	3,669,513,441	-	-	3,669,513,441
Transfer to statutory reserve	-	-	-	-	-	-
Issue of bonus shares - 2019	-	-	-	-	-	-
Proposed dividend (bonus issue)	-	-	-	-	-	-
Dividends (cash) for 2019	-	-	(1,028,294,218)	-	-	(1,028,294,218)
Balance as at 31 December 2020	10,282,942,180	10,283,000,000	11,371,987,166	6,870,107,646	-	38,808,036,992
Balance as at 31 December 2019	10,282,942,180	10,283,000,000	8,724,067,943 *	2,981,695,318	-	32,271,705,441

* Restated balance please read with (note:17)


Safiul Alam Khan Chowdhury
Managing Director


Azizul Rahman
Director


Rana Vaiba Hafiz
Director


Monzurur Rahman
Chairman

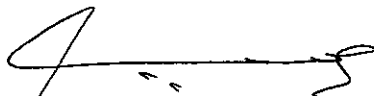
Signed as per annexed report on even date

Dated, Dhaka
April 12, 2021



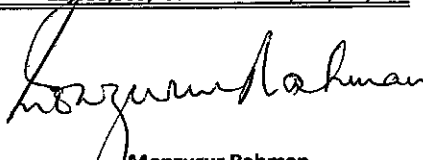
Pubali Bank Limited
Liquidity statement (assets and liabilities maturity analysis)
as at 31 December 2020

Particulars	Up to 01 month	01- 03 months	03-12 months	01- 05 years	More than 5 years	Total
Assets						
Cash in hand	24,146,439,622	-	-	-	-	24,146,439,622
Balances with other banks and financial institutions	5,593,136,773	10,492,839,600	2,274,005,500	220,822,124	-	18,580,803,997
Money at call on short notice	1,200,786,667	-	-	-	-	1,200,786,667
Investments	5,552,790,831	17,186,090,778	12,157,249,725	39,761,063,202	73,248,811,506	147,906,006,042
Loans & Advances	7,602,729,941	76,548,297,470	109,855,003,338	71,888,955,364	49,683,913,127	315,578,899,240
Fixed assets including premises, furniture & fixtures	-	-	-	2,727,427,672	2,360,564,988	5,087,992,660
Other assets	512,359,629	4,759,319,622	149,335,381	10,457,512,653	36,652,235,535	52,530,762,820
Non-banking assets	-	-	-	-	375,246	375,246
Total Assets	44,608,243,463	108,986,547,470	124,435,593,944	125,055,781,015	161,945,900,402	565,032,066,294
Liabilities						
Borrowings from other banks, financial institutions & agents	3,252,554,285	5,936,077,000	8,298,166,151	-	-	17,486,797,436
Subordinated bonds	-	-	1,000,000,000	3,000,000,000	7,500,000,000	11,500,000,000
Deposits	38,472,629,952	94,626,890,807	92,514,551,942	61,224,405,306	142,504,539,236	429,343,017,243
Provision & other liabilities	266,425,808	-	12,787,084,946	53,987,728,438	852,975,431	67,894,214,623
Total Liabilities	41,991,610,045	100,562,967,807	114,599,803,039	118,212,133,744	150,857,514,667	526,224,029,302
Net Liquidity Gap	2,616,633,418	8,423,579,663	9,835,790,905	6,843,647,271	11,088,385,735	38,808,036,992


Saful Alam Khan Chowdhury
Managing Director

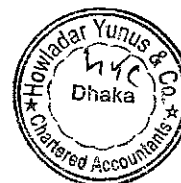

Azizur Rahman
Director


Rana Naila Hafiz
Director


Monzurur Rahman
Chairman

Signed as per annexed report on even date

Dated, Dhaka
April 12, 2021



Pubali Bank Limited
Notes to the financial statements
As at and for the year ended 31 December 2020

1. The Bank and its activities

1.1 Pubali Bank Limited

Pubali Bank Limited (the "Bank") was incorporated in the year 1959 under the name and style of Eastern Mercantile Bank Limited under Companies Act 1913. After the country's independence in 1971, the Bank was nationalised as per policy of the Government of Bangladesh under the Bangladesh Bank (Nationalisation) Order 1972 (PO No. 26 of 1972) and was renamed as Pubali Bank. Subsequently, the Bank was denationalised in the year 1983 and was again incorporated in the name of Pubali Bank Limited in that year. The government transferred the entire undertaking of Pubali Bank to Pubali Bank Limited, which took over the same as a going concern.

1.2 Principal activities

The Bank engages in all types of commercial banking services as laid down in the Bank Company Act 1991 and directives received from Bangladesh Bank from time to time. It has 482 branches throughout the country. It is listed in both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) as a publicly-traded company.

1.2.1 Islamic Banking Window

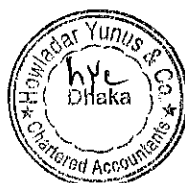
Islamic Banking Wing of the Bank has been maintaining a separate set of books and records for its operation. All Assets & Liabilities and Income and Expenditure of this Wing are incorporated in similar heads of account of Bank's Financial Statements. Separate Financial Statements, Balance Sheet and Profit & Loss Statement of Islamic Banking Wing are shown separately as per instruction of Bangladesh Bank BRPD Circular No. 15 dated: November 9, 2009. Basis of distribution of profit and fixation of final rate of return of Islamic Banking Operation for the year 2020 are enclosed in the Annex- D.

1.2.2 Off-shore Banking Unit

Offshore Banking operations have undergone a long development transition in Bangladesh due to global and international business dynamics. To cope with the pace, the Bank started its Offshore Banking operation obtaining the license of operating 02 (two) business unit in Dhaka and Chattogram initially.

Later on as per requirement of Bangladesh Bank BRPD circular no. 02 dated February 25, 2019, Offshore Banking division is established to control and supervise Offshore Banking operation of the Bank.

Offshore Banking unit shall refer to a specific business unit in the form of district branch, booth or desk of a branch of Pubali bank limited (Bank) that is dully approved by Bangladesh Bank (BB) to carry out the offshore banking operation. Separate Financial Statements of the OBUs are shown in Annexure-G.



1.2.3 Pubali Bank Securities Limited

Pubali Bank Securities Limited (PBSL) was incorporated on the 21st June 2010 under the Companies Act, 1994 as a public limited company. It is a subsidiary company of Pubali Bank Limited. Pubali Bank Limited holds all the shares of the company except for 13 (thirteen) shares being held by thirteen individuals. The company has been established as per Bangladesh Securities & Exchange Commission's (BSEC) Letter # SEC/Reg/DSE/MB/2009/ 444 dated 20.12.2009. The started its operation with effect February 01, 2011. The Registered office of the company is situated at A-A Bhaban (7th floor), 23 Mothijheel C/A, Dhaka-1000, Bangladesh.

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

1.3 Capital structure of the Bank

The authorized share capital of the Bank is Taka 20,000,000,000 divided into 2,000,000,000 ordinary shares of Taka 10 each which was increased from Taka 10,000,000,000 divided into 1,000,000,000 ordinary shares of Taka 10 each. The face value of each share has also been changed to Taka 10 each from Taka 100 vide special resolution passed in the extra ordinary general meeting held on 6 May 2010 and 15 July 2010 respectively. Details of share capital are given in note no. 15.

2. Basis of preparation of financial statements

2.1.1 Consolidated and Separate Financial Statement

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

The consolidated financial statements include the financial statements of Pubali Bank Limited and its subsidiary, i.e. Pubali Bank Securities Limited prepared at the end of the financial year. The consolidated financial statements have been prepared in accordance with International Accounting Standards (IAS)-27, "Separate Financial Statements" and International Financial Reporting Standard (IFRS)-10, "Consolidated Financial Statements". The consolidated Financial Statements are prepared for the same year ended on 31 December 2020.

2.1.2 Statement of Compliance and basis of preparation

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is to be formed and it is to issue financial reporting standards for public interest entities such as banks. The Bank Company Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable. The Bank complied with the requirements of following laws and regulations from regulatory bodies and legal authorities:

- i) The Bank Company Act, 1991 and amendment (Up to 2018)
- ii) The Companies Act, 1994;
- iii) Circulars, Rules and Regulations issued by Bangladesh Bank (BB) time to time;
- iv) Bangladesh Securities and Exchange Rules 1987
- v) Bangladesh Securities and Exchange ordinance 1969
- vi) Bangladesh Securities and Exchange Act 1993
- vii) Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015;
- viii) The Income Tax ordinance, 1984 and amendment thereon
- ix) The Value Added Tax Act, 2012 & Rule 2016 and amendment thereon
- x) Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations; and
- xi) Financial Reporting Act 2015.

In case any requirement of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank (BB) differ with those of IFRSs, the requirements of the Bank Company Act 1991, and provisions and circulars issued by BB shall prevail. Material departures from the requirements of IFRS are as follows:

i) Presentation of financial statements

IFRS: As per IAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

Bangladesh Bank: A format of financial statements (i.e. balance sheet, profit and loss account, cash flows statement, changes in equity, liquidity statement) is prescribed in the First Schedule” of section 38 of the Bank Company Act 1991 (amended up to 2018) and BRPD circular no. 14 dated 25 June 2003 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

ii) Investment in shares and securities

IFRS: As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity’s business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under “at fair value through profit or loss account” or under “at fair value through other comprehensive income” where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. As per DOS circular letter no. 03 dated March 12, 2015, investment in Mutual Fund (close-end) is revalued at lower of cost and (higher of market value and 85% of NAV). Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

iii) Revaluation gains/losses on Government securities

IFRS: As per requirement of IFRS 9 where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognised through the profit and loss account. Securities designated as amortised cost are measured at effective interest rate method and interest income is recognised through the profit and loss account.

Bangladesh Bank: HFT securities are revalued on the basis of marked to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortization of discount is recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end, gains on amortisation are recognised in other reserve as a part of equity and losses on amortisation are recognised in Expenditure (Profit and Loss) account according to DOS Circular no. 05 dated 26 May 2008 and subsequent clarification in DOS Circular no. 05 dated 28 January 2009 about marking to market based revaluation.

iv) **Provision on loans and advances/investments**

IFRS: As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD Circular Letter No. 56 (10 December, 2020), BRPD Circular Letter No. 52 (20 October, 2020) BRPD Circular No. 17 (28 September 2020) BRPD Circular No. 16 (21 July 2020) BRPD circular letter No.07 (19 March 2020), BRPD circular letter No.24 (17 November 2019), BRPD circular letter No.06 (19 May 2019), BRPD Circular No. 03 (21 April 2019) BRPD Circular No. 15 (27 September 2017), BRPD Circular No. 14 (23 September 2012), BRPD Circular No. 15 (23 September 2012), BRPD Circular No. 32 (27 October 2010) a general provision at 0.25% to 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. 13 dated 18 October 2018, BRPD circular no. 07 dated 21 June 2018, BRPD circular no. 14 dated 23 September 2012 a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

v) **Other comprehensive income**

IFRS: As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income statement.

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

vi) **Financial instruments – presentation and disclosure**

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

vii) **Repo and reverse repo transactions**

IFRS: As per IFRS 9 when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan and the underlying asset continues to be recognized at amortized cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank: As per DOS Circular letter no. 6 dated 15 July 2010 and subsequent clarification in DOS Circular no 03 dated 30 January 2012 and DOS circular no. 2 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

However, as per DMD circular letter no. 7 dated 29 July 2012, non-primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) programme, whereby such banks may enter collateralized repo arrangements with Bangladesh Bank.

Here the selling bank accounts for the arrangement as a loan, thereby continuing to recognize the asset.

viii) **Financial guarantees**

IFRS: As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 14, dated 25 June 2003 financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin and 1% general provision for all contingent liabilities.

ix) **Cash and cash equivalent**

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7 Statement of Cash Flows.

Bangladesh Bank: Some highly liquid assets such as money at call and short notice, T-bills, prize bonds are not prescribed to be shown as cash and cash equivalents rather shown as face item in the balance sheet. However, in the cash flow statement, money at call and short notice and prize bonds are shown as cash and cash equivalents beside cash in hand, balance with Bangladesh Bank and other banks.

x) **Non-banking assets**

IFRS: There is no specific guideline on Non-banking asset in IFRS.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, there must exist a face item named Non-banking asset.

xi) **Cash flow statement**

IFRS: The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, cash flow statement is the mixture of direct and indirect methods.

xii) **Balance with Bangladesh Bank: (Cash Reserve Requirement)**

IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7 Statement of Cash Flows.

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

xiii) **Presentation of intangible asset**

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

Bangladesh Bank: There is no regulation for intangible assets in BRPD 14 dated 25 June 2003.

xiv) **Off-balance sheet items**

IFRS: There is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee, etc.) must be disclosed separately on the face of the balance sheet.

xv) **Disclosure of appropriation of profit**

IFRS: There is no requirement to show appropriation of profit on the face of statement of comprehensive income.

Bangladesh Bank: As per BRPD circular no. 14, dated 25 June 2003, an appropriation of profit should be disclosed on the face of profit and Loss Account.

xvi) **Loans and Advances/Investments net of provision**

IFRS: Loans and advances/Investments should be presented net off provision.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003 provision for loans and advances/investments is presented separately as liability and cannot be netted off against loans and advances.

xvii) **Recognition of interest in suspense**

IFRS: Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

xviii) **Provision on undrawn loan commitments**

IFRS: As per IFRS 9 bank shall recognise credit losses on undrawn loan commitments such as Letter of Credit (L/C), Letter of Guarantee (L/G) etc. as the present value of the difference between the contractual cash flow that are due by the customer if the commitment is drawn down and the cash flows that bank expects to receive.

Bangladesh Bank: As per BRPD Circular no. 07 dated 21 June 2018 and BRPD Circular no.14 dated 23 September 2012, the Bank is required to maintain provision at 1% rate against off-balance sheet exposures (which includes all types of undrawn loan commitments).

2.1.3 Basis of accounting

The financial statements, namely, Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement and relevant notes and disclosures thereto, of the Bank are prepared on a going concern basis under historical cost convention, and in accordance with First Schedule of the Bank Company Act 1991, as amended, BRPD circular no. 14 of 25 June 2003, other Bangladesh Bank circulars, the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987, International Accounting Standards and International Financial Reporting Standards including those that have been so far adopted by the Institute of Chartered Accountants of Bangladesh. Wherever appropriate, such principles are explained in succeeding notes.

2.1.4 Going Concern

The accompanying financial statements have been prepared on a going concern assumption that the Bank will continue in operation for the foreseeable future. The Bank has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the Bank continued to show a healthy trend for couple of years. The rating outlook of the bank, as reported by the rating agency is 'Stable'. The management do not see any issue with respect to going concern due to recent pandemic COVID-19. Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

2.1.5 Use of estimates and judgments

The preparation of the financial statements in conformity with IAS/IFRS 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. Actual results may differ from these

estimates. 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 and in any future periods affected.

Other key items where estimates or judgment were involved includes:

- a) Useful life of fixed assets
- b) Defined benefit obligation - gratuity

2.1.6 Foreign currency transactions

i. Functional and presentational currency

Financial statements of the Bank are presented in Taka, which is the Bank's functional and presentation currency.

ii. Foreign currency translation

Foreign currency transactions are converted into equivalent Taka currency at the ruling exchange rates on the respective dates of such transactions as per IAS-21 "The effects of Changes in Foreign Exchange Rates".

Assets and liabilities in foreign currencies at 31 December 2020 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "Balances with other Banks and Financial Institutions."

Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting/ crediting exchange gain or loss account.

iii. Commitment

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities/commitments for letter of credit, letter of guarantee and acceptance denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the date of balance sheet.

2.1.7 Basis of consolidation

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

The consolidated financial statements include the financial statements of Pubali Bank Limited and its subsidiary, i.e. Pubali Bank Securities Limited prepared at the end of the financial year. The consolidated financial statements have been prepared in accordance with International Accounting Standards (IAS)-27, "Separate Financial Statements" and International Financial Reporting Standard (IFRS)-10, "Consolidated Financial Statements". The consolidated Financial Statements are prepared for the same year ended on 31 December 2020.

Subsidiaries

'Subsidiaries' are entities controlled by the Group. The Group 'controls' an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control if there

are changes to one or more of the elements of control. This includes circumstances in which protective rights held (e.g. those resulting from a lending relationship) become substantive and lead to the Group having power over an investee.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-company transactions, balances and intra-group gains on transaction between group companies are eliminated on consolidation.

2.1.8 Accounting for Provisions, Contingent Liabilities and Contingent Assets

The Bank recognizes provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No provision is recognized for-

a. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or

b. Any present obligation that arises from past events but is not recognized because-

* It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

* A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for except in the extremely rare circumstances where no reliable estimate can be made.

Contingent assets are not recognized in the financial statement since this may result in the recognition of income that may never be realized. However due to regulations of Bangladesh Bank (Central Bank of Bangladesh) and Bank Company Act 1991 as amended, all items of such contingent assets/liabilities are shown as Off-Balance Sheet items under Balance Sheet of the Bank as a separate section.

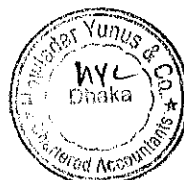
2.1.9 Taxation

Income tax expense represents the sum of the current tax and deferred tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity.

Current tax

The current tax is the expected tax payable on taxable profit for the period ended on 31 December 2020. Taxable profit differs from profit as reported in the Profit and Loss Account because it excludes items of income or expense that are taxable or deductible. The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the date of Balance Sheet.

Provision for current income tax of the bank has been made @ 37.50% on taxable income considering major disallowances of expenses and concessional rates on certain incomes (0% on gain from govt. securities, 10% on Capital gain of shares and 20% on dividend income) as per Income Tax Ordinance 1984. Tax provision of the subsidiaries at different rates are also applicable as per the Income Tax Ordinance 1984.



Deferred tax

Deferred tax assets or liabilities are recognised by the Bank on deductible or taxable temporary difference between the carrying amount of assets and liabilities used for financial reporting and the amount used for taxation purpose as required by IAS 12 (Income Taxes) and BRPD circular no-11 dated 12 December 2011.

Deferred tax assets is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses and credits can be utilized.

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax liabilities are recognised for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases.

Deferred tax assets and liabilities are reviewed at each reporting period and are measured using applicable tax rates as per tax laws that have been enacted or substantially enacted at the date of Balance Sheet. Any unrecognised deferred tax assets and liabilities are reassessed at each reporting period and recognised only if that has become probable that future taxable profit or loss will be available against which they can be used or settled.

Details of deferred tax assets or liabilities an amount recognised in profit and loss account for deferred tax income or expense are given in note no. 14.9.2.2 in the financial statements.

2.1.10 Reporting period

These financial statements cover one calendar year from 01 January 2020 to 31 December 2020.

2.2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements and have been applied consistently by the Bank.

2.2 Assets and basis of their valuation

2.2.1 Cash and cash equivalents

Cash and cash equivalents include currency notes and coins on hand, balances held with Bangladesh Bank and most liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Bank to meet its short term obligations.

2.2.2 Investments

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

Held to Maturity (HTM)

Investments which have fixed or determinable payments and are intended to be held to maturity, are classified as held to maturity. These investments are subsequently measured at amortised cost, less any provision for impairment in value. Amortised cost is calculated by taking into account any discount or premium on acquisition.

Value of investment has been enumerated as follows:

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

Investments 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.

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 ratio (SLR) net of cash reserve ratio (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 recognised 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

Revaluation

According to DOS Circular no. 05, dated 26 May 2008, DOS Circular no. 05, dated 28 January 2009, DOS Circular no. 02, dated 19 January 2012, the HFT securities are revalued once each week using Marking to Market concept and the HTM securities are amortized once a year according to Bangladesh Bank guidelines. The HTM securities are also revaluated if they are reclassified to HFT category with the Board's approval.

2.2.3 Investment in listed securities

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income which are reported at cost. Unrealised gains are not recognised in the profit and loss statement. But provision was made for diminution in value of investment.

2.2.4 Investment in unquoted securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

As per Bangladesh Bank DOS Circular # 04 dated 24 November 2011, provision for diminution in value of investment was made by netting off unrealised gain/ loss of shares from market price/ book value less cost price.

Besides, bank complied with Bangladesh Bank BRPD Circular 14 dated June 25, 2003 as follows, "All investments in shares and securities (both dealing and investment) should be revalued at the year-end. The quoted shares should be valued as per market price in the stock exchange(s) and unquoted



shares as per book value of last audited balance sheet. Provision should be made for any loss arising from diminution in value of investments.”

2.2.5 Investment in subsidiary

Investment in subsidiary is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the IAS 27 “Separate Financial Statements”, IFRS 3 “Business Combination”, IAS 36 “Impairment of Assets” and IFRS 10 “Consolidated Financial Statements”.

2.2.6 Impairment of investment in subsidiaries and associates

As per IAS 36 “Impairment”, investment recognized either at cost or equity method need to review if there is any indication of impairment exists. If any indication of impairment exists then impairment test is carried out considering the individual subsidiary/associate as a “cash generating unit (CGU)” to find if the carrying value is higher than its recoverable amount. Recoverable amount is higher of fair value less cost to sell and value in use. If the fair value less cost to sell is not readily available then value in use is calculated which is basically present value of future cash flows.

2.2.7 Loans and advances

(a) Interest on loans and advances is calculated on a daily product basis but charged and accounted for quarterly on accrual basis. Interest on classified loans and advances is kept in interest suspense account as per directives of Bangladesh Bank and such interest is not accounted for as income until realised from borrowers.

(b) Interest is not charged on bad and loss loans and advances as per guidelines of Bangladesh Bank.

(c) Provision for loans and advances is made on the basis of periodical review by the management and of instructions contained in Bangladesh Bank's BRPD Circular Letter No. 56 (10 December, 2020), BRPD Circular Letter No. 52 (20 October, 2020) BRPD Circular No. 17 (28 September 2020) BRPD Circular No. 16 (21 July 2020) BRPD circular letter No.07 (19 March 2020), BRPD circular letter No.24 (17 November 2019), BRPD circular letter No.06 (19 May 2019), BRPD Circular No. 03 (21 April 2019) BRPD Circular No. 15 (27 September 2017), BRPD Circular No. 14 (23 September 2012), BRPD Circular No. 15 (23 September 2012), BRPD Circular No. 32 (27 October 2010) respectively at the following rates:

(i)	General provision on unclassified loans and advances :	Rate
	Standard general loans and advances (others)	1%
	Standard Small and Medium enterprise Financing	0.25%
	Standard loans to Merchant Banking/BHs/SDs	2%
	Standard loans for professional to set up a business and credit card	2%
	Standard Housing Finance(HF)	1%
	Standard Consumers loan other than HF	2%
	Standard Short term Agri. and Micro credit	1%
	Special Mention Account general Loans and advances (others)	1%
	Special mention account Small and Medium enterprise Financing	0.25%
	Special mention account loans to BHs/MBs/SDs	2%
	Special mention account LP and credit card	2%
	Special mention account Housing Finance (HF)	1%
	Special mention account Consumer's loan scheme other than HF	2%
(ii)	Specific provision on classified loans and advances :	
	Substandard (Agri. and Micro credit)	5%

	Substandard (small, cottage, micro)	5%
	Substandard (others)	20%
	Doubtful (Agri. and Micro credit)	5%
	Doubtful (small, cottage, micro)	20%
	Doubtful (Others)	50%
	Bad or Loss	100%

(d) Loans and advances are written off to the extent that there is no realistic prospect of recovery and in accordance with BRPD circular No.01 (06 February 2019), BRPD circular No.13 (07 November 2013), DOS circular No.01 dated (29 December 2004), BRPD letter No.1290 dated 29 March 2003 and BRPD circular No.2 (13 January 2003). These write offs, however, will not undermine/affect the claim amount against the borrowers. Detailed memorandum records for all such written off accounts are meticulously maintained and followed up.

2.2.8 Property, Plant and equipment

Recognition and Measurement

All fixed assets are stated at cost less accumulated depreciation as per IAS 16 Property Plant and Equipment except Land. Land is initially measured at cost and then recognized at revalued amount.

The cost of an item of property, plant and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably.

The cost of the items of property, plant and equipment comprises:

- i) its purchase price, including import duties and non-refundable purchase tax, after deducting trade discount and rebates
- ii) any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- iii) the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as consequence of having used the item during a particular period of purpose other than to produce during that period.

Subsequent costs

The cost of replacing part of an item of fixed assets is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of fixed assets are recognized in profit or loss as incurred.

Depreciation

Land is not depreciated. Depreciation is charged at the rates as per our Bank's policy on diminishing balance method with the exception of Computers and Accessories, Machinery and Equipment and Motor vehicles on which straight-line method is applied. Cost of lifts is included in machinery and equipment and depreciated on straight line method. In case of acquisition of fixed assets, depreciation has been charged from the month of acquisition, whereas no depreciation on assets disposed-off has been charged from the month of disposal.

Depreciation at applicable rates is charged on additions to fixed assets during the period from 21 December of the previous Year to 20 December of the current Year. Asset category wise depreciation rates are as follows:



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

Gain or Loss on disposal of Fixed Assets

Sale price of fixed assets are determined on the basis of fair value of the assets. Gain or loss on sale of assets are recognized in profit and loss account as per provision of IAS 16 Property plant and equipment.

Revaluation

Increases in the carrying amount as a result of revaluation is credited directly to shareholders equity under the heading of revaluation reserve. Decreases in the carrying amount as a result of revaluation is recognized as an expense. However, a revaluation decrease is charged directly against any related revaluation surplus to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same assets.

Right Of Use (ROU) Assets as per IFRS 16

IFRS 16: "Leases" has come into force on 1st January 2019, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Pubali bank Limited applied IFRS 16 using modified retrospective approach where the bank measured the lease liability at the present value of the remaining lease payments, discounted it using the bank's incremental borrowing rate at the date of initial application, and recognized a right-of-use asset at the date of the initial application on a lease by lease basis.

2.2.9 Intangible assets and amortization of intangible assets

An intangible asset is recognized (as per IAS-38) if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably. The estimated useful life of software is three to five years. Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. System and software is amortized at the rates of 30%, 30% and 40% on the straight line basis. Expenditure incurred for system and software is capitalized only when it enhances and extends the economic benefits of software beyond its original specification and life and such cost is recognized as capital improvement and added to the original cost of software.

2.2.10 Investment properties

- Investment property is held to earn rentals or for capital appreciation or both and the future economic benefits that are associated with the investment property but not held for sale in the ordinary course of business.
- Investment property is accounted for under cost model in the financial statements. Accordingly, after recognition as an asset, the property is carried at its cost, less accumulated depreciation and accumulated impairment loss.

2.2.11 Other assets

Other assets include mainly advance office rent, payment of advance income tax has not been closed yet and all other financial assets, fees and other unrealized income receivable, advance for operating expenditure and stocks of stationery and stamps etc. Any part of uncollectible other assets is subject to making provision based on their ageing as per Bangladesh Bank circular no. 14 date 25 June 2001.

2.3 Liabilities and basis of their valuation

2.3.1 "Tier-II Subordinated Bonds"

Tier-II Subordinated bonds include fund raised from several banks through issuance of 7 (seven) years Bonds. These items are brought to financial statements at the gross value of the outstanding balance.

2.3.2 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents include refinance from Bangladesh Bank against agro-based credit, SME Loan etc., interest-bearing borrowings against securities from Bangladesh Bank and call borrowing from other banks. These items are brought to financial statements at the gross value of the outstanding balance. Details are shown in note 11.

2.3.3 Deposits and other accounts

Deposits and other accounts include non-interest-bearing current deposit redeemable at call, interest bearing on demand and short-term deposit, savings deposit and fixed deposit. These items are brought into financial statements are at the gross value of outstanding balance. Details are shown in note.13.

2.3.4 Other Liabilities

Other liabilities comprise items such as provision for loans and advances, provision for interest receivables, provision for taxes, interest payable, interest suspense, and accrued expenses. Other liability is recognized in the balance sheet according to the guideline of Bangladesh bank, IAS and IFRS, Income Tax Ordinance-1984 and internal policies of the Bank.

Provisions and accrued expenses are recognized in the financial statement when the bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.4 Capital/Shareholders' equity

Capital management

"The Bank has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. This capital management process aims to achieve the following objectives:

- To comply with the capital requirements set by the regulators;
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- To maintain a strong capital base to support the development of its business.

Capital is managed in accordance with the Board approved Capital Management Planning. Senior management develops the capital strategy and oversee the capital management planning of the Bank. The Bank's finance, treasury and risk management departments are key participators in implementing the Bank's capital strategy and managing capital. Capital is managed using both regulatory capital measures and internal matrix."

2.4.1 Authorised capital

Authorised capital is the maximum amount of share capital that the Bank is authorised by its Memorandum and Articles of Association.

2.4.2 Paid up capital

Paid up capital represents total amount of shareholders' capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding-up of the Bank, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

2.4.3 Statutory reserve

Statutory reserve has been maintained at the rate of 20% of profit before tax in accordance with provisions of section 24 of the Bank Company Act, 1991. Such transfer shall continue until the reserve balance equals its paid up capital together with the share premium.

2.4.4 Revaluation reserve

Revaluation reserve for government securities

Revaluation reserve for government securities arises from the revaluation of treasury bills, Bangladesh Bank bills and treasury bonds (HFT and HTM) in accordance with the DOS Circular no. 5 dated 26 May 2008 and DOS (SR) 1153/120/2010 dated 08 December 2010.

Revaluation reserve for fixed assets

Revaluation reserve for fixed assets arises from the revaluation of any class of fixed assets when the market price of the assets increased significantly from the carrying value. When an asset's carrying amount is increased as a result of revaluation, the increased amount is recognised directly to equity under the heading of revaluation surplus/reserve as per IAS 16 "Property, Plant and Equipment".

2.4.5 Non-controlling (minority) interest

Minority interest (non-controlling interest) in business is an accounting concept that refers to the portion of a subsidiary company's stock that is not owned by the parent company. The magnitude of the minority interest in Pubali Bank Securities Limited, (a majority owned subsidiary (99.99%) of Pubali Bank Limited) is very insignificant. Minority interest belongs to sponsor Director of the Bank and is reported on the consolidated balance sheet to reflect the claim on assets belonging to the other non-controlling shareholder. Also, minority interest is reported on the consolidated income statement as a share of profit belonging to the minority shareholder.

2.6 Retirement benefits to the employees

a) Provident fund

The Bank operates a contributory provident fund for its eligible employees. The Commissioner of Income Taxes, Dhaka has approved the provident fund as a recognized provident fund as per section 2(1) of Part B of the First Schedule of Income Tax Ordinance 1984. The Fund is administered by a Board of Trustees consisting 3 (three) members and funded by contributions both from employees 10%-30% and Bank @10% of basic salary. Provident fund is invested by the Trustees as laid down in clause (2) of rules 3 (1) of the Income-Tax (Provident Fund Relief Rules) (Notification no.9 dated 15.3.1930) whereas Trust Act 1882. Interest earned from the investment is credited to the members' accounts annually. Provident fund benefits are given to the employees of the Bank in accordance with provident fund rules of the Bank.

b) Gratuity

The Bank has been maintaining an employee gratuity fund in the name of Pubali Bank Limited Gratuity Fund under which benefits are given to the staff of the Bank in accordance with the rules of gratuity fund. National Board of Revenue has approved the gratuity fund as a recognised gratuity fund vide their letter no. 6(16) /2007/822 of 14 November 2007. The Fund is operated by a Board of Trustees consisting 5 (five) members of the Bank.

Provision for gratuity is made on monthly basis on the basis of actuarial valuation. Pubali Bank Limited maintained an investment of Tk. 352.56 crore as gratuity fund against the Gratuity Liability as on 31.12.2020. Three years, or immediately after any major change in the salary structure that could impact the periodic amount of contributions. Last actuarial valuation was done based on 31 December 2018. As per this valuation, effective from 01 January 2019.

c) Workers' Profit Participation Fund (WPPF)

As per Bangladesh Labour Act 2006 and SRO no. 336/Law/2010, all companies fall within the scope of WPPF are required to provide @ 5% of its profit before charging such expense to their eligible employees within the stipulated time. Consistent with the industry practice and subsequent clarification given by Bank & Financial Institutions Division (BFID), Ministry of Finance, no provision has been made by the Bank in the reporting period against Workers' Profit Participation Fund (WPPF).

d) Other Employee Benefits

Group Term Life Insurance

All regular employees are eligible for Group Term Life Insurance (death claim) according to their Ranks.

Staff Welfare Fund

The objective of the Staff Welfare Fund is to provide financial assistance to regular category employee of the bank incurring severe accident during office duty, extended illness (not more than 6 months) which costs would not be affordable by the employee and which are not covered by any other means. This fund also offers Scholarship grants to their children for their outstanding performance in public examination. All members of this Fund shall contribute monthly to the fund according to their designation. The subscription is deducted from salary of employees and credited



against separate index no. in "Staff Welfare fund" as a liability of the bank. The committee shall consist of 6 (six) members including the Managing Director as the ex-officio Chairman, Head of the Human Resources Division as ex-officio Member-Secretary, one GM, one DGM and one AGM to be appointed by the Board of Directors of the Bank and one representative of the CBA to be selected by them.

Festival bonus

All regular employees are entitled for two festival bonuses every year by the approval of Board of Directors.

Annual leave

According to Bangladesh Bank policy all permanent employees have to avail 10 consecutive days of mandatory leave. Besides this ordinary leave, maternity, casual & quarantine leave also sanctioned in favor of the official as per leave guidelines as stated in the Service Rule of the Bank.

Subsidized Scheme - Staff Loan

Demand Loan against P.F., Consumers Loan Scheme, House Building Loan, Education Loan, Car Loan, and Motor Cycle Loan are provided to the confirmed employee at a subsidized rate. Criteria & details of types wise staff loan is given below:

Staff Loan Scheme

A Confirmed employee who have completed at least 05 (Five) years of service in the Bank having clean service record can avail Staff Consumers Loan taking approval from department head and head of HR subject to completion of a specific service length. A confirmed employee can also avail Demand Loan against P.F. Balance if he/she has clean service record.

House building Loan

A regular confirmed employee whose length of service completing at least 05 (Five) years and 02 (two) years active service before retirement can avail the loan maximum 120 times of his existing basic pay at the rate of interest 5% (simple) by the authority of Staff House Building Loan Sanctioning Committee.

Car Loan & Motorcycle Loan

All Executives i.e. AGM and above can avail Car Loan facility by taking approval from the Car Loan Recommending Committee and all confirmed Officers are eligible for Motor Cycle Loan (Interest free) by taking approval from the competent authority at Head Office.



2.7 Revenue recognition

The revenue during the year is recognised as follows which satisfy all conditions of revenue recognition as prescribed by IFRS 9 "Financial Instruments".

- (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 dated 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 recognised at the time of realization.

2.8 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 2020 as per IAS-33 "Earnings per Share". Diluted earnings per share was not required to calculate as no dilution occurred.

2.9 Provisions on balances with other banks and financial institutions (Nostro accounts)

Provisions for unsettled transactions on nostro accounts are reviewed semi-annually by management and certified by our external auditors in accordance with Bangladesh Bank Foreign Exchange Policy Department (FEPD) Circular No. 677 (13 September 2005). Bank is required to make provision regarding the un-reconciled debit balance as at balance sheet date.

2.10 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.

2.11 Basis of preparation of liquidity statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following basis:

- a. Balances with other bank and financial institutions, money at call and short notice etc. are on the basis of their maturity term.
- b. Investments are on the basis of their residual maturity term.
- c. Loans and advances are on the basis of their repayment/ maturity schedule.
- d. Fixed assets are on the basis of their useful life.
- e. Other assets are on the basis of their adjustment.
- f. Borrowing from other banks, financial institutions and agents as per their maturity/ repayment term
- g. Deposits and other accounts are on the basis of their maturity term and behavioral past trend.
- h. Other long term liability on the basis of their maturity term.
- i. Provisions and other liabilities are on the basis of their settlement.



2.12 Dividend

Dividend on ordinary shares are recognized as a liability and deducted from retained earnings when they are approved by the shareholders in the Annual General Meeting (AGM) of the Bank. Dividend on ordinary shares for the year that are recommended by the directors after the balance sheet date for approval of the shareholders at the Annual General Meeting (AGM).

2.13 Compliance of International Financial Reporting Standard (IFRS)

Ref.	Name of the standards	Status
IFRS-1	First-time adoption of International financial Reporting Standards	Not applicable
IFRS-2	Share-based Payment	Not applicable
IFRS-3	Business Combinations	Complied
IFRS-4	Insurance Contracts	Not applicable
IFRS-5	Non-current assets Held for Sale and Discounted Operations	Not applicable
IFRS-6	Exploration for and Evaluation of Mineral Resources	Not applicable
IFRS-7	Financial Instruments: Disclosures	Complied *
IFRS-8	Operating Segments	Complied
IFRS-9	Financial Instruments	Complied *
IFRS-10	Consolidated Financial Statements	Complied
IFRS-11	Joint Arrangements	Not applicable
IFRS-12	Disclosure of Interests in Other Entities	Not applicable
IFRS-13	Fair Value Measurement	Complied
IFRS-14	Regulatory Deferral Accounts	Not applicable
IFRS-15	Revenue from Contracts with Customers	Complied
IFRS 16	Leases	Complied
IAS-1	Presentation of Financial Statements	Complied
IAS-2	Inventories	Not applicable
IAS-7	Statement of Cash Flows	Complied
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
IAS-10	Events after the Reporting Period	Complied
IAS-12	Income taxes	Complied
IAS-16	Property, Plant and Equipment	Complied
IAS-17	Leases	Not applicable
IAS-19	Employee Benefits	Complied
IAS-20	Accounting for Government Grants and Disclosure of Government Assistance	Not applicable
IAS-21	The Effect of Changes in Foreign Exchanges Rates.	Complied
IAS-23	Borrowing Cost	Complied
IAS-24	Related party Disclosures	Complied
IAS-26	Accounting and Reporting by Retirement Benefit Plans	Not applicable
IAS-27	Separate Financial Statements	Complied
IAS-28	Investment in Associates	Complied
IAS-29	Financial Reporting in Hyperinflationary Economies	Not applicable
IAS-32	Financial Instruments: Presentation	Complied *
IAS-33	Earnings per Share	Complied
IAS-34	Interim Financial Reporting	Complied**
IAS-36	Impairment of Assets	Complied
IAS-37	Provisions, Contingent Liabilities and Contingent Assets	Complied
IAS-38	Intangible Assets	Complied
IAS-39	Financial Instruments: Recognition and Measurement	Complied *
IAS-40	Investment Property	Not applicable
IAS-41	Agriculture	Not applicable

* Complied to the extent possible subject to compliance to Bangladesh Bank guidelines in this respect.

** Complied in the preparation of interim financial reports of the Bank.

Reason for departure from IFRS

The central Bank of Bangladesh (Bangladesh Bank) as regulator to the Banking Industry has issued a number of circulars/directives which are not consistent with the requirements specified in the IAS/IFRS as referred above. In such cases the bank has followed the regulatory requirements specified by the Bangladesh Bank.

Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Company has not early adopted the following new or amended standards in preparing these financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Bank when will be applicable

A. IFRS 17 Insurance Contracts

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 01 January 2021. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed in potential impact of IFRS 17 on its financial statements.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Bank in the current or future reporting periods and on foreseeable future transactions.

2.14 Implementation of IFRS 16 and its relevant assumptions and disclosure

IFRS 16: Leases has come into force on 1 January 2019, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). As Bangladesh Bank (BB) has no other alternative regulation or guidance regarding the same, IFIC Bank applied IFRS 16 its financial statements using modified retrospective approach where the Bank measured the lease liability at the present value of the remaining lease payments, discounted it using the bank's incremental borrowing rate at the date of initial application, and recognized a right-of-use asset at the date of initial application on a lease by lease basis. Due to applying modified retrospective effect, prior year results have not been restated.

Right-of-use assets (ROU)

The Bank recognizes right-of-use assets at the date of initial application of IFRS 16. The ROU asset is initially measured at cost at the amount of the lease liability plus any initial direct costs incurred by the lessee and depreciated using the straight line methods from the commencement date (from the beginning of 2019) to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The ROU assets are presented under fixed assets (note 9).

Lease Liability

At the commencement date of lease, the bank recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term using incremental borrowing rate at the



date of initial application. Lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments.

The impact of the new standard on lessees' financial statements are:

- An increase in recognized assets and liabilities;
- More lease expenses recognized in early periods of lease, and less in the later periods of a lease;
- A shift in lease expense classification from rental expenses to interest expense and depreciation

As per IFRS 16: Leases, summary of lease related information is provided in the table below:

Particulars	BDT in million	
	ROU Assets	Lease Liability
Opening Balance	1,157.94	935.75
Addition	669.13	669.13
Adjustment Advance rent	-	(14.13)
Interest Expense	-	96.92
Accumulated Depreciation/Lease Payment	(409.79)	(506.25)
Closing Balance	1,417.28	1,181.42

2.15 Risk Management

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

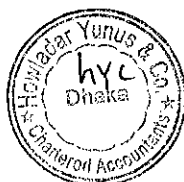
Risk management is a discipline at the core of every banking company, which encompasses all activities that affect its risk profile. Banks should attach considerable importance to improve the ability to identify, measure, monitor, and control the overall risks assumed. Risk management is very important especially when the banks are dealing with multiple activities involving huge funds having both local and international currency exposure. Banking companies in Bangladesh, while conducting day-to-day operations, usually face the following major risks: Credit Risk, Internal Control & Compliance Risk, Money Laundering Risk, Asset Liability Management Risk, Foreign Exchange Risk, and Information Technology Risk. Moreover, Residual Risk, Concentration Risk, Liquidity Risk, Reputation Risk, Strategic Risk, Settlement Risk and Environmental & Climate Change Risk are also brought into consideration. Success or failure of the bank depends to a great extent on proper identification and minimization of these risks. As per BRPD Circular no.11 dated 27 October 2013, a Risk Management Committee of the Board was formed, and the committee is complying with the instructions of Bangladesh Bank. Furthermore, as per Bangladesh Bank DOS circular letter no: 13 dated 09 September 2015 and subsequent DOS circular no. 04 dated 08 October 2018, a separate Risk Management Committee at Management level has also been formed and named as Executive

Risk Management Committee (ERMC). Currently, the ERMC is headed by Honorable Additional Managing Director as Chief Risk Officer (CRO) and all the Division Heads of Head Office, In-charge of CTPC are the members, and the Division Head of Risk Management Division is the member secretary. The Committee is responsible to our Honorable Managing Director for compliance and implementation of the decisions. Considering the importance of the issue and as per instructions of Bangladesh Bank DOS circular letter no: 13 dated 09 September 2015, a separate Risk Management Division was formed. Moreover, as per DOS circular no. 04 dated 08 October 2018, Pubali Bank Limited has already prepared "The Risk Management Guidelines of Pubali Bank Ltd" which is approved by the Board of Directors and has been sent the said Guidelines to all Branches, Regional Offices, Principal Offices, and Divisions to follow the instructions and do the daily banking activities. Monthly meeting of Executive Risk Management Committee (ERMC) are arranged regularly where different risk issues are discussed and decisions are gradually implemented and minutes of those meetings, along with risk management papers, are submitted to Department of Offsite Supervision, Bangladesh Bank on quarterly and half-yearly basis. Risk Management Division also prepares Risk Appetite Statement (RAS) on yearly basis mentioning risk limit with tolerance level. Besides, Risk Management Division prepares "A Review Report of Risk Management Policies and Effectiveness of Risk Management Functions of our Bank" on yearly basis. As a part of risk management, adequate capital is maintained against Credit Risk, Market Risk and Operational Risk under Risk Based Capital Framework. Under the second pillar of Basel-III, a Supervisory Review Process (SRP) team was formed to review, monitor, and maintain adequate capital considering all relevant risks. Quarterly Stress Testing is conducted to assess the impact of different risks associated with banking business on asset, liability & ultimately on capital, and the report is submitted before the Board of Directors and Bangladesh Bank regularly.

a) Credit Risk Management

Credit risk is one of the major risk faced by the bank. This can be described as potential loss arising from the failure of a counterparty to perform as per contractual agreement with the bank. The failure may result from unwillingness of the counter party or decline in his/her financial condition. Therefore, Bank's credit risk management activities have been designed to address all this issue. The bank has segregated duties of the Officers/Executives involved in credit related activities. Credit approval, Credit Administration, Monitoring and recovery function have been segregated in line with Bank's CRM guidelines. For this purpose, separate divisions have been formed at Head Office. These are Credit Division; Credit Administration, Monitoring and Recovery Division (CAM&RD) and Law Division. Similarly Regional Offices and Corporate Branches are also separated their works of sanctioning, disbursement, monitoring and recovery. Credit Division of a financial institution helps to maintain asset quality, assessing risk in lending to a particular customer, sanctioning credit, formulating policy/strategy for lending operation etc. as well as implement credit policy which has been approved by the Board.

A thorough assessment is done before sanction of any credit facility at credit division, Head Office; Regional Office & Corporate Branch. The risk assessment includes borrower's evaluation, financial statement analysis, industry analysis, credit history of the customer, repayment capacity, security coverage of the proposed credit facility, environmental & social risk etc. All credit proposals have been placed before the credit committee (Corporate Branches, Regional Offices, Principal Offices and Head office) for recommendation with a view to sanction or decline. Additional/Deputy Managing Director acts as Chairman of the credit committee at Head office level. Similarly Head of Principal office, Head of Regional office and Head of Corporate Branch act as Chairman of the respective credit Committee at Principal office, Regional office and Corporate Branch level. Loans exposure beyond the



discretionary power of Managing Director are placed before the Board of Directors of the Bank for approval. Concentration of Credit Risk Management is shown in note 7.5, 7.6, 7.7 & 7.8

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

b) Foreign Exchange Risk Management

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 and Liability Management

Asset and Liability Management (ALM) is an integral part of core risk management in the Bank. There is a structured and systematic process to manage Asset and Liability Management risk as well as Balance Sheet risk. Asset and Liability Management Committee (ALCO) is dedicated to manage the Asset and Liability Management risk of the Bank. ALCO provides comprehensive and dynamic framework for measuring, monitoring and managing liquidity risk, interest rate risk, foreign exchange risk and other factors in the context of bank's business strategy to earn a sufficient return while maintaining a comfortable liquidity position.

d) Prevention of Money Laundering and Combating Terrorist Financing

Money Laundering Risk arises from non-compliance of money laundering related instructions of the regulatory body. Its consequences are dire & far reaching and may be in the form of financial penalty, reputation loss, legal harassment and even the risk of sustainability. Money Launderers provide fuel for drug dealers, terrorists, illegal arm traders, corrupt public officials and others to operate and expand their criminal enterprises. Success in money laundering encourages the criminals to continue their illicit schemes which mean more fraud, more drugs & drug related crime, more violence, unrest in the society and the economy and a general loss of morale on the part of legitimate business people. Any country or financial institution reputed as a money laundering or terrorist financing haven, alone, could cause significant adverse consequences. Foreign banks may decide to limit their transactions with institutions from money laundering havens, subject these transactions with extra scrutiny, and terminate correspondent or lending relationship. Even legitimate banks from money laundering havens may suffer from reduced access to world market or access at a higher cost due to

extra scrutiny of their ownership, organization and control systems. This can lead to diminished development and economic growth. Both depositors and borrowers as well as investors may cease doing business with an institution whose reputation has been damaged due to allegation of money laundering and terrorist financing. Large amounts of laundered funds may be withdrawn suddenly by the criminal depositors if the bank is under investigation. Legitimate customers may also begin to withdraw their funds for fear of losing the same, causing potential liquidity problems. Credit concentration risk may jeopardize interest income of a bank. Lack of knowledge about a particular loan customer or group of related borrowers, the customer's business or what the customer's relationship is to other parties can place a bank at risk. If the borrower is involved in money laundering, the status of the loan may be downgraded and recovery of the loan may not be possible. The loss of high quality borrowers reduces interest income, requires additional provision which substantially reduce income of the bank. Moreover classified loans may increase the Risk Weighted Assets under Risk Based Capital Framework that reduces Capital to Risk Weighted Asset Ratio. Down gradation of the loan may also create liquidity crisis, affect the credit rating and CAMELS rating of the bank. Money laundering and Terrorist Financing may lead to legal risk such as law suits, adverse judgments, unenforceable contracts, fines & penalties generating losses etc. For involvement in money laundering & terrorist financing, the regulatory bodies may impose restrictions on business expansion and bank may lose its market share. Banks around the globe may be unwilling to establish banking relationship if money laundering prevention and combating terrorist financing status are not upto the mark.

The following initiatives have been taken by our Bank to comply with the requirements of Bangladesh Financial Intelligence Unit.

- To prevent money laundering and combat terrorist financing Anti Money Laundering Division (AML D) has already been formed as per instruction of BFIU. The Deputy Chief Anti Money Laundering Compliance Officer (DCAMLCO) of the bank is functioning as the Division Head.
- Central Compliance Committee (CCC) at Head Office has already been formed headed by Chief Anti-Money Laundering Compliance Officer (CAMLCO). Regional Anti-Money Laundering Compliance Officer (RAMLCO) and Branch Anti-Money Laundering Compliance Officer (BAMLCO) have also been designated to the Regional Offices and Branches respectively.
- All circulars of former Anti Money Laundering Department of Bangladesh bank and at present BFIU have been disseminated to the branches for compliance. BFIU circular no. 26 dated 16/06/2020 has already been disseminated to the branches, regional offices, principal offices and divisions of Head Office highlighting important instructions and asking for strict compliance.
- Bangladesh Bank has issued new account opening form through BRPD circular no 02 dated 23/02/2020. Later, BFIU has also revised KYC profile form through BFIU circular no. 26 dated 16/06/2020. Accordingly, our bank has finalized the new account opening form incorporating all the instructions of BRPD and BFIU of Bangladesh Bank.
- Money Laundering & Terrorist Financing Risk Management Guidelines, Customer Selection Policy have been prepared and the same have been disseminated to the branches for compliance.
- Guidelines on Prevention of Trade Based Money Laundering has been prepared.
- As per BFIU Circular Letter no. 01 dated 16th January 2017 Uniform Account Opening Form has been introduced. As per Money Laundering Prevention Act-2012 and its amendment 2015; Branches have been instructed to obtain complete & accurate information of the clients while opening and maintaining banking relationship.
- Branches have been advised to compare actual transactions with transaction Profile to identify abnormal and suspicious transactions.
- Cash Transaction Report (CTR) and Suspicious Transaction Report (STR) are submitted to Bangladesh Financial Intelligence Unit on regular basis through goAML web portal.



- Customers are graded on the basis of risk. Branches have been advised to closely monitor High Risk Customers, Politically Exposed Persons and Influential Persons and apply Enhanced Due Diligence in these regards.
- Self-Assessment Statement is prepared by the branches on half yearly basis and a summary report is prepared by Anti-Money Laundering Division of Head Office. The report is submitting to Bangladesh Financial Intelligence Unit regularly. Follow Up letters are issued to the branches to remove the weakness detected in the Self-Assessment Report.
- Our internal auditors assess the AML & CFT status of the branches through Independent Testing Procedure while conducting audit. The same is summarized and placed before the Management and Bangladesh Financial Intelligence Unit on half yearly basis. Branches are advised through follow up letters to remove their weakness.
- Extensive training is being continuously imparted to the officials of the Bank to make them familiar with money laundering prevention & combating terrorist financing and to mitigate the risk arising out therefrom. Every year Management of our Bank approves an outreach training calendar on Money Laundering Prevention, Combating Terrorist Financing and Foreign Remittance. As per outreach Training Calendar workshops are arranged in due time. Pubali Bank Training Institute also arranges training workshop on the issue as per yearly training plan.
- All circulars of Bangladesh Financial Intelligence Unit (BFIU) have been disseminated to the branches for compliance.
- Before establishing correspondent banking relationship, status on money laundering prevention and combating terrorist financing of the respondent banks are obtained through a questionnaire developed by Bangladesh Financial Intelligence Unit. Other information and documents such as license, certificate of incorporation, list of directors, compliance status of regulatory instruction etc. are also verified. Correspondent Banking relationship with any bank is only established upon receipt of the desired information and subject to our satisfaction.
- As a precautionary measure and as per instruction of Bangladesh Financial Intelligence Unit, we do not establish Correspondent Banking relationship with any shell bank or any bank having banking relationship with any shell bank.
- At present; Trade Based Money Laundering by the way of under invoicing, over invoicing, under shipment, over shipment, multiple shipment and shipment of inferior goods etc. is a burning issue. Our Bank is seriously handling the issue. A session on Trade Based Money Laundering has been incorporated in all outreach workshops.
- 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.
- To ensure the genuineness of the customers, national ID card verification has been introduced.

e) Internal Control and Compliance

Internal Control refers to the mechanism in place on a permanent basis to control the activities of an organization, both at a central and at a departmental/ divisional level. It is a process affected by a company's Board of Directors, Management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance. It is a process, rather than a structure. It is not a separate activity disconnected from the rest of business activities. It is an integral part of the daily activities of an organization which on its own merits identifies the risk associated with the process and adopts measures to mitigate the same. Internal Control may also be termed as the policies and procedures established and implemented alone, or in association with other policies or procedures to manage and control a particular risk or business activity, or combination of risks or business activities to which the company is exposed or in which it is engaged.

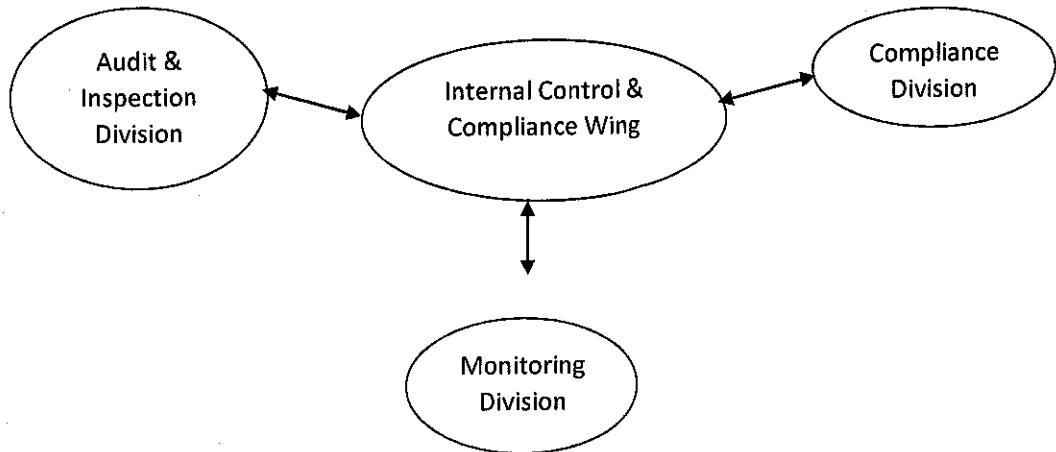
The main objectives of internal control system in a bank are classified as: (i) Operations Objectives: achievement of a bank's basic mission and vision, (ii) Reporting Objectives: timely, accurate, and comprehensive reporting-financial and non-financial, external and internal, and (iii) Compliance Objectives: conducting activities and taking specific actions in accordance with applicable laws and regulations. For attaining Operational Objectives, the organization should ensure the maximum utilization of its resources without hampering the quality of products/services. The reporting objectives of internal control system ensure that all necessary information that flow within the bank, into the bank and out of the bank are correct, reliable and timely generated for effective decision making. The Compliance Objectives ensure that the organization performs all its activities complying all laws, rules, regulations and business ethics for sustainable development, for betterment of the stakeholders, and to protect the reputation of the organization.

Internal Control Environment is also very much important for a bank for its existence and the factors which together comprise the control environment are : (1) a Board of Directors that is actively concerned with sound corporate governance and that can discharge its responsibilities by ensuring that the company is appropriately and effectively managed and controlled, (2) a Management that actively manages and operates the bank in a sound and prudent manner, (3) a Management Information System to provide timely, complete & reliable data/ information for effective decision making to support organizational and procedural control and to soundly & prudently manage the organization's exposures to risk and (4) an independent audit mechanism to monitor the effectiveness of the organizational and procedural control.

Compliance refers to operating the bank in conformity with applicable laws, regulations, policies, standards, guidelines etc. applicable to all institutions in its category and responding fully and in a timely manner to supervisory criticism and orders to take corrective action issued by the applicable regulatory authorities or law enforcement bodies. In this context, compliance also refers to preventive actions taken to mitigate compliance risk which is the risk of legal or regulatory sanctions, material financial loss or loss to reputation as a result of failure to comply with applicable rules. Today's banks are highly exposed to compliance risk since they have a great number of stakeholders, e.g. regulators, customers, counterparties, tax authorities, local authorities, and other authorized agencies. Compliance risk can lead to imposition of fines & penalties, payment of damages, loss of market share, regulatory sanction and in severe case loss of franchise etc. Compliance risk can also lead to a diminished reputation, also known as reputation risk, arising from an adverse perception of the image of the bank by customers, counter parties, shareholders or regulators.

Importance of Internal Control & Compliance has substantially increased in the banks due to expansion of business, addition of branches, diversified & sophisticated banking products/services, use of information technology, preparation and implementation of Risk Based Audit Plan, introduction of Risk Based Capital Framework and other stringent regulatory compliances. Considering the above issue, Bangladesh Bank has revised the ICC Organogram for all banks as shown in their Revised ICC Guidelines. Considering our large branch network, volume of operations, introduction of Risk Based Audit and stringent regulatory compliance, ICC organogram of our bank has also been restructured. Mr. Safiul Alam Khan Chowdhury, Additional Managing Director is functioning as the Head of Internal Control & Compliance Wing of our bank. In our bank, under Internal Control & Compliance Wing, 03 divisions viz. Audit & Inspection Division, Monitoring Division and Compliance Division are working separately and independently as shown below:





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

The issue of effective internal control system, corporate governance, transparency & accountability etc. have become of great importance. Weakness in Internal Control System may lead to significant amount of loss and the loss may be originated from internal & external fraud, employment practices & workplace safety, business practices, damage to physical assets, business disruption & system failure, and process management etc. Management Committee (MANCOM)/Senior Management Team (SMT) headed by Honorable Managing Director reviews the overall internal control system of the bank and a certificate is placed before the Board of Directors on the issue on yearly basis. As per instruction of Audit Committee of the Board of Directors, Compliance Division places the quarterly position of internal control & compliance of the bank before the Committee on regular basis and decisions are being gradually implemented. Moreover, as per yearly reporting cycle, Compliance Division also places memoranda on Internal Control & Compliance (ICC) Risk, Operational Risk and Compliance Risk before the Risk Management Committee of the Board. As a part of Internal Control & Operational Risk Management and as per Bangladesh Bank's DOS circular letter no. 03 dated 09 May, 2017, our bank submits Self-Assessment Report on Anti-Fraud Internal Controls on half yearly basis to Bangladesh Bank duly signed by Honorable Managing Director & CEO and countersigned by Honorable Chairman of the Audit Committee of the Board of Directors.

As per instruction of revised ICC Guidelines of Bangladesh Bank, an annual report on the health of the bank has been prepared and the same has been submitted to Audit Committee of the Board and Board of Directors of the bank.

To ensure a proper internal control & compliance, Revised Internal Control & Compliance Guidelines for our bank has been prepared following BRPD circular no. 03 dated 08 March, 2016 and BRPD circular no. 06 dated 04 September, 2016 and the same has been disseminated for compliance.

Bangladesh Bank in its revised ICC Guideline has asserted that all banks should have a Compliance Policy of their own approved by the Board of Directors, which will be a formal document for establishing a permanent and effective compliance function. Accordingly, Compliance Division has prepared Compliance Policy and the same has also been disseminated for compliance.

Ethical issues and behavioral norms have assumed of great importance in the banking industry since banks deal with the money of countless depositors and if the interest of the depositors is threatened, it will bring the economy to a halt. Considering the fact and as per directive of our Central Bank, a Central Ethical Committee has already been formed in our bank headed by Mr. Safiul Alam Khan Chowdhury, Additional Managing Director and the committee has been approved by Honorable Managing Director & CEO. The Committee is responsible to Honorable Managing Director & CEO for implementation of the decisions. To ensure Ethics in Banking and as per instruction of Bangladesh Bank, a National Integrity Strategy Cell has been prepared headed by Mr. Nitish Kumar Roy, General Manager & Focal Point Officer. Our bank prepares National Integrity Strategy Work Plan for every year and reports its implementation status to Bangladesh Bank on quarterly basis.

Since there is a positive correlation between ethics and internal control, Compliance Division always stresses on extensive training on Ethics in Banking. The division always incorporates sessions on the issue in its outreach training programs. Pubali Bank Training Institute also arranges training on Ethics in Banking as per yearly training calendar. Our Human Resources Division has already prepared Policy Guidelines on Code of Conduct and the same has also been disseminated for compliance.

f) ICT Operation

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

Pubali Bank Limited has been extending customer services at all of our 482 branches and 23 sub-branches using our in-house developed core banking software, Pubali Integrated Banking System (PIBS) and at 17 Islamic Wings using our in-house developed core Islamic banking software, Pubali Integrated Islamic Banking System (PIIBS) under network environment. Real Time Centralized Online Banking System has been developed and deployed in all of 482 branches, 23 sub-branches and 17 Islamic Wings across the country. The Online Banking Network of Pubali Bank Limited has become the largest one in the banking sector of Bangladesh.

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



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

We have launched our Internet Banking System using our in-house developed software and we are extending this services to the customers of our all Online Branches. Security of the transmitted data by encryption/decryption has been ensured through agreement with VeriSign Secured Site Pro. Our Software Development Division is working on development of software for Mobile Banking, SMS Banking and Agent Banking.

We have introduced Mobile Application, PI (π) for our customers with different transactional and non-transactional banking services for 24/7. Current Available Transactional Features include Fund Transfer, Mobile Recharge, Bill Payment and Credit Card Bill Payment whereas available Non-transactional Features include Creating Wallet Account, Balance of the Accounts, Mini Statement, Detailed Date Ranged Statement, Payment Status of issued Cheques, Cheque Book Requisition, Stop Payment of Cheque Leaf or Book and Submitting Positive Pay Instructions.

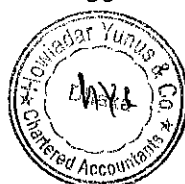
We have participated in the Real Time Gross Settlement (RTGS) from its inception as a pioneer bank through our in-house developed software, PIBS.

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

Considering the current Cyber Security Threat Landscape, we have introduced Multi-layer Security Controls to secure our Information Systems. The goal of Layered Security is to increase effectiveness of the security controls in place through a defensive strategy. We logically segregate our Data Center in different Zones such as Core zone, DMZ zone, Partner zone based on Application and minimize the attack vectors. We have already implemented Next-Gen Firewall and IPS, IDS, Email Security, Web Security, Web Application Firewall (WAF) and Advanced Malware Protection (AMP) to protect our environment.

We have successfully implemented Software for Bangladesh Automated Clearing House (BACH-2) and Bangladesh Electronic Fund Transfer System (BEFTN), Credit Information Bureau (CIB) Reporting as per guidelines of Bangladesh Bank.

We have successfully implemented Active Directory Domain Services (AD DS) to centralize the administrative control on OS user authentication complying with ICT Security Policy of our Bank.



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

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

We have established our website <https://www.pubalibangla.com> where from the visitors can get information about our products, charge schedule, career opportunities, procurement notices and present status of our bank. The website is updated periodically and also as and when required. Communication through email among our Branches, Regional Offices and different Divisions of Head Office under our own Mail Server at ICT Operation Division, Head Office has become quick and easier.

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

Pubali Bank Limited has upgraded its ICT Security Guideline considering the updated guideline of Bangladesh Bank and introducing the security measures accordingly. Our achievements for protecting our system and to ensure secured ICT environments are:

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

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

To ensure proper training to our officials and raising awareness among them, ICT Operation Division arranged need based hands on training program at our Computer Lab daily in addition to training/workshop arranged at Head Office Auditorium throughout the year. During the year 2020, we conducted 36 training programs at our Computer Lab on 19 (Nineteen) different Topics/Modules covering 1,015 participants from Branches/Regional Offices across the country.



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

2.16 Capital Adequacy under Basel-III

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

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

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

2.17 Disclosure on fraud and forgeries committed by bank employees

"During the year-2020, 01 instance of fraud and forgery occurred involving Tk.77.82 lac out of which Tk.67.12 lac has been adjusted by creating protested bill and the rest of the amount will be adjusted after submission of required documents by the concerned client(s). Insurance claim lodged on 06/02/2020 to Green Delta Insurance Company Limited against the defalcated bank money.

The said incident was occurred due to fraudulent activities by an employee of the concerned branch who has been absconding himself till date. The Branch Manager of Shiberhat Branch lodged GD No. 1188 dated 27/01/2020 against the delinquent employee with Sandwip Police station and they have forwarded the matter to Anti-Corruption Commission, Integrated District Office, Chattogram which is now under investigation of ACC.



As part of departmental disciplinary action, Head Office, Human Resources Division has also framed charge sheet against the involved person due to his fraudulent activities and 03 other officials due to their negligence to perform duties. Inquiry already completed and report submitted to the concerned department for taking disciplinary action."

2.18 Off Balance Sheet items

Off Balance Sheet Items include various non-derivative financial instruments primarily letter of credit (L/C), letter of guarantee (L/G), acceptance and endorsements, bills for collection etc. and various derivative instruments like forward contracts and currency rate swaps etc.

Provision for Off-balance sheet exposure

"As per BRPD circular No.14 (23 September 2012), BRPD circular No.01 (03 January 2018) and BRPD circular No.07 (21 June 2018) the Bank has recognised @ 1% General Provision on the following off-balance sheet exposures as defined in BRPD circular No.10 (24 November 2002).

- Acceptance and endorsements
- Letters of guarantee
- Irrevocable letters of credit
- Foreign exchange contracts

2.19 Loan write-off

Loans are normally written off, when there is no realistic prospect of recovery of these amounts and in accordance with BRPD circular No.2 (13 January 2003) and BRPD circular No.13 (07 November 2013) & BRPD circular No. 01 (06 February 2019).

2.20 Authorization of financial statements

The financial statements for the year ended 31 December 2020 have been authorized for issue in accordance with a resolution of the Board of Directors on 12 April 2021.

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 2020 to 31 December 2020.

2.23 Number of employees

The number of employees employed in the Bank as on 31 December 2020 was 8,118 of which 6,779 were male and 1,339 were female. The number of employees per branch was 14.09 excluding 1,326 employees in the head office, Regional Offices and Principal Offices of the Bank.

During the year 2020, the Bank paid remuneration up to Taka 36,000 per employee to 68 persons and exceeding Taka 36,000 per employee to 8,050 persons.



2.24 Training

Training constitutes a basic concept in human resource development. It is concerned with developing a particular skill to a desired standard by instruction and practice. Training is a highly useful tool that can bring an employee into a position where they can do their job correctly, effectively and conscientiously. Training is the act of increasing the knowledge and skill of an employee for doing a particular job.

Training and development is a fundamental human resource management practice for any organization that aimed at a competitive advantage in the contemporary business management. These enable the organization to cope with technological changes and challenges and effectively adopting new rules in the business context.

Training is provided especially for middle and lower level of employees. Training provides all information relating to various aspects of the organization; hence, they can develop required skill and ability to perform the assigned task successfully. It increases the level of knowledge possessed by individuals. It provides the opportunity for employees to impart new skills systematically so that they can perform the task successfully. The ever-changing environmental forces require new and innovative skills and ideas to perform the task. Training helps employees to get acquainted with new skills and knowledge.

During the year 2020, the Training Institute had gigantic journey but due to impact of COVID-19 we could not keep the trend and a total of 45 (20 at PBTI Premises, 24 Virtual and 1 Outreach) courses/workshops have been conducted with participation of 1885 Officers and Executives. Training helps in updating old talents and developing new ones.

Statement of total Training Programmed conducted from January to December 2020.

Sl No	Training courses/workshops/seminars	No. of courses held	Number of participants attended
1	General Banking	1	28
2	Credit Management	1	27
3	International Trade Payment and Finance	1	27
4	Basic Accounting and Financial Statement Analysis	1	26
5	Branch Management (Manager's Induction)	1	25
6	Foundation Training for the Sr. Officers/Officers (Promoted)		33
7	Foundation Training for Junior officer, Junior Officer (cash) and Deputy & Asst. Junior Officer (Cash)	2	66
8	Islamic Banking Operations	2	57
9	Core Risks Management in Bank	1	29
10	Marketing & Customers' Service Development in Banking	1	25
11	Cash Management	1	30
12	Prevention of malpractice, Fraud & Forgery in Banks	1	29
13	SME & Agri. Credit in Bank	2	52
14	Audit & Inspection in Banks	1	24
15	Money Laundering Prevention Act & Anti-Terrorism Act.	1	26
16	Legal Aspects of Securities & Documentation	1	27
17	Ethics & integrity in Banking	1	29
18	Virtual Training on Anti Money Laundering act & Anti-Terrorism Act	1	53
19	Virtual Training on Ethics & Integrity in Banking	1	51
20	Virtual Training, Foreign Trade Business through CTPC of PBL	4	155
21	Virtual Training on Cash Management	3	175
22	Virtual Training on AML, CFT & Trade Based Money	9	525
23	Virtual Training 12 on Islamic Banking Operation	1	68
24	Virtual Training on Enrichment of Branch Credit Portfolio	2	102
25	Virtual Training on Sustainable Finance: (ESRM & Green Banking)	1	51

	and Financial Inclusion		
26	Virtual Training on Audit & Inspection in Banks	1	53
27	Virtual Training on SME & Agri. Credit in Bank	1	50
	Sub Total	44	1,843
	Enhancing human skills in Banking Operation	1	42
	Grand Total	45	1,885

2.25 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. Fahim Ahmed Faruk Chowdhury	Director	Member	M.Sc in Business Economics (UK)
Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Director	Member	B. Eng (Civil), UK, FCMA (UK), CGMA
Ms. Rana Laila Hafiz	Director	Member	MA in English University of Dhaka
Dr. Shahdeen Malik	Independent Director	Member	PhD in Law, London, UK, Obtained LLM degrees from Universities at Moscow & Philadelphia

*Mr. M. Azizul Huq, Chairman of the Audit Committee passed away on November 12, 2020.

2.26 Accounting for Changes in Policy, Accounting Estimates and Errors

IAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors, states that the effect of a change in accounting policy and correction of error if material is to be applied retrospectively and change in an accounting estimate is to be applied prospectively. The carrying amount of assets, liabilities, or equity may be changed following a change in accounting estimates in the period of the change. The Bank followed the same accordingly.

2.27 Events after reporting period

As per IAS - 10 "Events after the Reporting Period" events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of event can be identified:

- Adjusting events after the reporting period which provide evidence of conditions which existed at the end of the reporting period; and
- Non adjusting events after the reporting period are those that are indicative of conditions that arose after the reporting period.

2.28 Related party disclosures

Related Party is a party related to an entity if:

- Directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under control with, the company; has an interest in the company, that gives it significant influence over the company; or has joint control over the company;
- The party is an associate (as defined in IAS 28 Investment in Associates);



(iii) The party is a joint venture in which the entity is a venture (as per IAS 31 Interests in Joint Ventures);

(iv) The party is member of the key management of personnel of the entity or its parent;

(v) The party is a close member of the family of any individual referred to in (i) or (iv);

(vi) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) The party is post-employment benefit plan for the benefit of employees of the entity or of any entity that is related party of the entity.

2.29 Director's responsibilities on financial statement

The Board of Directors takes the responsibilities for the preparation and presentation of these financial statements.

2.30 Segment reporting

As per IFRS 8 "Operating Segments", an operating segment is a component of an entity:

(i) That engages in business activities from which it may earn revenues and incur expenses (include revenues and expenses relating to transactions with other components of the same entity);

(ii) Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performances, and

(iii) For which discrete financial information is available.

The Bank identifies segment based on its business segment as well as its subsidiaries. Business segments are comprised of Conventional Banking, Islamic Banking, Off-shore Banking and Pubali Bank Securities Limited. The Bank reviews the segments at the end of each reporting period to identify which of its segments are reportable and disclose the related information for those reportable segments accordingly.

2.31 General

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

PUBALI BANK LIMITED
Notes to the financial statements for the year ended 31 December 2020

	2020 Taka	2019 Taka
3 Cash		
Cash in hand (Including foreign currencies)		
In local currency	4,117,213,715	4,192,403,245
In foreign currencies	20,252,644	16,042,442
	<u>4,137,466,359</u>	<u>4,208,445,687</u>
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)		
Bangladesh Bank		
In local currency	17,147,587,030	18,719,679,906
In foreign currencies	863,108,989	328,973,550
	<u>18,010,696,019</u>	<u>19,048,653,456</u>
Sonali Bank as agent of Bangladesh Bank		
In Local currency	1,998,277,244	2,645,889,338
	<u>20,008,973,263</u>	<u>21,694,542,794</u>
	<u>24,146,439,622</u>	<u>25,902,988,481</u>
3.1 Cash Reserve Ratio and Statutory Liquidity Ratio		
Cash Reserve Ratio and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of Bank Companies Act 1991, MPD circular numbers 1,2 dated 03 April 2018, DOS circular no. 01 dated 19 January 2014 and MPD circular 01 dated 09 April 2020 respectively.		
The Cash Reserve Ratio (CRR) required on the Bank's time and demand liabilities at the rate of 4.00% has been calculated and maintained with Bangladesh Bank through the current account and 13% Statutory Liquidity Ratio (SLR) on the same liabilities has also been maintained in the form of Treasury bills and bonds and other eligible securities. Both the reserves maintained by the Bank are in excess of the statutory requirements as shown below:		
3.1.1 Cash Reserve Ratio (CRR)		
Required Reserve (4%)	17,238,224,000	20,169,597,000
Actual Reserve maintained	<u>17,843,331,773</u>	<u>19,637,003,280</u>
Surplus/(deficit)	<u>605,107,773</u>	<u>(532,593,720)</u>
3.1.2 Statutory Liquidity Ratio (SLR)		
Required Reserve (13%)	56,597,283,000	47,571,838,000
Actual Reserve maintained	<u>131,182,627,070</u>	<u>85,638,690,907</u>
Surplus/(deficit)	<u>74,585,344,070</u>	<u>38,066,852,907</u>
Held for Statutory Liquidity Ratio (SLR)		
Cash In Hand	4,137,466,359	4,208,445,687
Balance with agent Bank (Sonali Bank Limited)	636,974,820	1,057,860,555
Excess Cash Reserve	605,107,773	23,439,280
Government Securities (HTM)	58,946,858,671	51,948,789,690
Government Securities (HFT)	65,906,570,321	27,450,506,570
Other Eligible Securities	949,649,126	949,649,125
	<u>131,182,627,070</u>	<u>85,638,690,907</u>
3.1.3 Total required amount of CRR and SLR		
Total required reserve (17%)	73,835,507,000	67,741,435,000
Total actual reserve maintained	<u>148,420,851,070</u>	<u>105,252,254,907</u>
Total Surplus	<u>74,585,344,070</u>	<u>37,510,819,907</u>
3(a) Consolidated Cash		
Cash in hand (Including foreign currencies)		
Pubali Bank Limited	4,137,466,359	4,208,445,687
Pubali Bank Securities Limited	-	-
	<u>4,137,466,359</u>	<u>4,208,445,687</u>
Balance with Bangladesh Bank and its agent Bank (s) (Including foreign currencies)		
Pubali Bank Limited	20,008,973,263	21,694,542,794
Pubali Bank Securities Limited	-	-
	<u>20,008,973,263</u>	<u>21,694,542,794</u>
	<u>24,146,439,622</u>	<u>25,902,988,481</u>
4 Balance with other banks and financial institutions		
In Bangladesh (Note 4.1)	17,021,755,202	11,569,394,369
Outside Bangladesh (Note 4.2)	1,559,048,795	1,517,153,539
	<u>18,580,803,997</u>	<u>13,086,547,908</u>



2020
Taka

2019
Taka

1,150,000,000	1,150,000,000
32,417,201	32,429,316
188,404,923	188,442,153
1,000,000,000	-
600,000,000	-
750,000,000	-
300,000,000	-
300,000,000	-
2,240,000,000	2,650,000,000
-	600,000,000
800,000,000	-
1,102,414,300	1,891,450,000
500,000,000	500,000,000
-	45,000,000
1,150,000,000	500,000,000
-	424,500,000
500,000,000	600,000,000
2,120,027,500	1,273,500,000
-	219,800,000
254,403,300	1,188,600,000
-	254,700,000
12,987,667,224	11,518,421,469
14,656,675	14,161,159
14,656,675	14,161,159

4.1 In Bangladesh

In fixed/term deposit account (in local currency)

- Delta Brac Housing and Finance Corporation Ltd.
- ICB Islamic Bank Ltd, Bangladesh Branch, Dhaka
- ICB Islamic Bank Ltd, Principal Office, Dhaka
- Bangladesh Krishi Bank
- Janata Bank Limited
- Southeast Bank Limited
- Exim Bank Limited
- Social Islami Bank Limited
- Investment Corporation of Bangladesh
- Jamuna Bank Limited
- Social Islami Bank Limited
- Mutual Trust Bank Limited
- Dhaka Bank Limited
- GSP Finance Company (Bangladesh) Limited
- Mercantile Bank Limited
- Southeast Bank Limited
- EXIM Bank Limited
- Islami Bank Bangladesh Limited
- Modhurmoti Bank Limited
- The City Bank Ltd.
- Agrani Bank Limited

In Savings deposit account

- Islami Bank Bangladesh Limited

In Special Notice Deposit account

- Sonali Bank Ltd, Shilpa Bhaban Branch, Dhaka
- Bank Al Falah Ltd, Principal Branch, Dhaka
- National Bank Ltd, Dilkusha Branch, Dhaka
- The City Bank Ltd, Foreign Exchange Branch, Dhaka
- Mutual Trust Bank Ltd, Principal Branch, Dhaka
- Bangladesh Krishi Bank, Local Office, Dhaka
- The Hongkong and Shanghai Banking Corp Ltd, Main Branch, Dhaka
- First Security Islami Bank Ltd, Dilkusha Branch, Dhaka
- AB Bank Limited, Islami Banking Branch, Dhaka

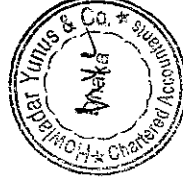
Total Deposit in Bank in BDT

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

Name of bank	Foreign currency name	2020		2019	
		Conversion rate per unit FC	Amount in foreign currency	Conversion rate per unit FC	Amount in taka
SCB Mumbai (AMEX)	ACUD	84.8011	30,177.44	84.9000	2,559,680
Bank of Bhutan, Thimpu	ACUD	84.8011	13,608.31	84.9000	1,154,900
MUFG Bank Ltd, New Delhi	ACUD	84.8011	22,770.00	84.9000	1,930,921
MUFG Bank Ltd, Japan	JPY	0.8206	5,990,262.00	0.7775	4,915,626
Commerz Bank, Germany	USD	84.8011	991,059.70	84.9000	84,042,953
Habib Metropolitan Bank, Ltd., Karachi	ACUD	84.8011	72,640.59	84.9000	6,160,002
Habib American Bank, New York	USD	84.8011	1,887,524.26	84.9000	160,064,134
HDFC Bank Ltd., Mumbai	ACUD	84.8011	145,846.91	84.9000	12,367,978
Punjab National Bank	ACUD	84.8011	435,407.62	84.9000	36,923,045
HSSC Bank, Mumbai	ACUD	84.8011	64,075.94	84.9000	5,433,710
ICICI Bank Ltd., Kolkata, India	ACUD	84.8011	299,738.92	84.9000	25,418,190
AB Bank, Mumbai	ACUD	84.8011	155,858.82	84.9000	13,216,999
Mashreq Bank PSC, New York	USD	84.8011	3,724,619.05	84.9000	315,868,753
Mashreq Bank PSC, New York (OBU)	USD	84.8011	2,122,466.67	84.9000	179,987,508
Mashreq Bank Mumbai, India (OBU)	ACUD	84.8011	221,692.74	84.9000	18,799,788
MCB, Pakistan	ACUD	84.8011	224,187.24	84.9000	19,011,325
Peoples Bank, Colombo	ACUD	84.8011	90,229.49	84.9000	7,651,560
Sonali Bank Ltd, Kolkata	ACUD	84.8011	163,907.54	84.9000	13,899,540
Standard Chartered Bank, Kathmandu	ACUD	84.8011	137,172.72	84.9000	11,632,398
Standard Chartered Bank, New York	USD	84.8011	2,404,730.24	84.9000	203,923,770
Standard Chartered Bank, Mumbai	ACUD	84.8011	507,562.06	84.9000	43,041,821
Standard Chartered Bank, UK	GBP	114.8292	30,240.04	111.3463	3,472,439
ICICI Bank, Kolkata, India	EUR	104.1951	14,537.17	95.0710	1,514,702
UBS AG, Zurich	CHF	96.1028	15,777.75	87.2738	1,516,286
Unicredit S.P.A., Milano, Italy	EUR	104.1951	169,575.07	95.0710	17,866,893
Citi Bank NA, New York	USD	84.8011	1,737,401.19	84.9000	147,333,532
Commerz Bank, Germany	EUR	104.1951	255,268.95	95.0710	26,597,777
JP Morgan Chase Bank, New York	USD	84.8011	1,215,092.17	84.9000	103,041,153
ABU DHABI Commercial Bank	AED	23.0846	1,608,723.00	23.1115	37,136,649
AXIS Bank Ltd, India	ACUD	84.8011	622,212.02	84.9000	52,764,264
			1,559,048,795		1,517,153,539

4.3 Maturity grouping of balance with other banks and financial institutions

Payable on demand	5,593,136,773	1,547,178,444
Up to 3 months	10,492,839,600	10,541,147,995
Over 3 months but not more than 1 year	2,274,005,500	777,350,000
Above 1 year (receivable from former The Oriental Bank Ltd.)	220,822,124	220,871,469
	18,580,803,997	13,086,547,908



	2020 Taka	2019 Taka
4(a) Consolidated Balance with other banks and financial institutions		
In Bangladesh		
Pubali Bank Limited	17,021,755,202	11,569,394,369
Pubali Bank Securities Limited	1,340,479,296	989,804,123
	<u>18,362,234,498</u>	<u>12,559,198,492</u>
Less: Inter Company Transactions	1,340,479,296	989,804,123
	<u>17,021,755,202</u>	<u>11,569,394,369</u>
Outside Bangladesh		
Pubali Bank Limited	1,559,048,795	1,517,153,539
Pubali Bank Securities Limited	-	-
	<u>1,559,048,795</u>	<u>1,517,153,539</u>
	<u>18,580,803,997</u>	<u>13,086,547,908</u>
5 Money at call on short notice		
Banking company (note- 5.1)	11,286,667	111,286,667
Non-banking Financial Institution (note-5.2)	1,189,500,000	15,500,000
	<u>1,200,786,667</u>	<u>126,786,667</u>
5.1 Banking company		
Bangladesh Krishi Bank	-	100,000,000
ICB Islamic Bank Ltd.	11,286,667	11,286,667
	<u>11,286,667</u>	<u>111,286,667</u>
5.2 Non-banking Financial Institution		
GSP Finance Co. (BD) Ltd.	39,500,000	15,500,000
IDLC Finance Limited	960,000,000	-
IPDC Finance Limited	190,000,000	-
	<u>1,189,500,000</u>	<u>15,500,000</u>
6 Investments		
Government Investments		
Securities		
Government/ Bangladesh Bank bills - at book value (note 6.1)	26,091,013,587	20,674,682,364
Government treasury bonds (Note 6.2)	100,309,443,067	58,771,613,897
National prize bonds	27,572,001	27,248,101
Total investment in government securities and bonds	<u>126,428,028,655</u>	<u>79,473,544,362</u>
Other Investments:		
Shares (Note 6.3)	6,522,869,417	5,835,159,403
Debentures (Note 6.4)	294,060	344,060
Prime Bank Limited Bond	500,000,000	500,000,000
Dhaka Bank Limited Bond	150,000,000	150,000,000
One Bank Limited Bond -1	-	20,000,000
Mercantile Bank Limited Bond	20,000,000	40,000,000
Trust Bank Limited Bond -1	50,000,000	100,000,000
Southeast Bank Limited Bond -1	60,000,000	120,000,000
Bank Asia Limited Bond -1	100,000,000	150,000,000
EXIM Bank Limited Bond -1	120,000,000	180,000,000
Social Islami Bank Limited Bond -1	40,000,000	80,000,000
Southeast Bank Limited Bond -2	600,000,000	800,000,000
Trust Bank Limited Bond -2	600,000,000	800,000,000
One Bank Limited Bond -2	600,000,000	800,000,000
Jamuna Bank Limited Bond	240,000,000	300,000,000
MTBL Bond -2	760,000,000	950,000,000
Bank Asia Limited Bond -2	800,000,000	1,000,000,000
EXIM Bank Limited Bond -2	800,000,000	1,000,000,000
Dutch- Bangla Bank Limited Bond-1	1,200,000,000	1,500,000,000
Shahjalal Islami Bank Limited Bond	560,000,000	700,000,000
Social Islami Bank Limited Bond -2	300,000,000	400,000,000
The City Bank Limited Bond -2	500,000,000	500,000,000
Standard Bank Limited Bond	400,000,000	500,000,000
Islami Bank Bangladesh Limited Bond	800,000,000	1,000,000,000
UCBL Bond -1	600,000,000	750,000,000
Southeast Bank Limited-3	150,000,000	150,000,000
The City Bank Limited Bond -3	500,000,000	500,000,000
Dutch- Bangla Bank Limited Bond -2	500,000,000	500,000,000
One Bank Bond-3	300,000,000	300,000,000
Eastern Bank Limited Bond	1,000,000,000	1,000,000,000
Bank Asia Limited Bond -3	500,000,000	500,000,000
Dutch- Bangla Bank Limited Bond-3	500,000,000	-
Trust Bank Limited Bond -3	500,000,000	-
City Bank perpetual Bond	1,000,000,000	-
Al-Arafah Islami Bank Limited Bond	200,000,000	-
Bridge financing advances (Note 6.5)	4,813,910	4,813,910
	<u>21,477,977,387</u>	<u>21,130,317,373</u>
	<u>147,906,006,042</u>	<u>100,603,861,735</u>
6.1 Government/ Bangladesh Bank bills		
30 days Bangladesh Bank bills	-	-
91 days treasury bills	9,197,441,442	8,188,966,229
182 days treasury bills	8,293,075,192	7,387,437,502
1 year treasury bills	8,600,496,953	5,098,278,633
	<u>26,091,013,587</u>	<u>20,674,682,364</u>
182 days (REVERSE REPO with other bank)	-	-
1 year (REVERSE REPO with other bank)	-	-
	<u>26,091,013,587</u>	<u>20,674,682,364</u>



		2020	2019			
		Taka	Taka			
6.2	Government treasury bonds					
	25 years treasury bond	5.00%	1,617,500			
	20 years treasury bond	8.24% - 12.98%	22,617,475,448			
	15 years treasury bond	7.20% - 12.42%	15,529,939,155			
	10 years treasury bond	6.77% - 12.22%	14,131,815,322			
	5 years treasury bond	4.36% - 8.97%	16,214,546,383			
	2 years treasury bond	3.64% - 8.73%	20,871,082,488			
			5,223,744,673			
			5,800,613,571			
			<u>58,714,613,897</u>			
	Government Security Bonds					
	6 Months Bangladesh Govt. Islami Investment Bond		26,400,000			
			240,000,000			
			<u>57,000,000</u>			
			<u>266,400,000</u>			
			<u>100,309,443,067</u>			
			<u>58,771,613,897</u>			
6.3	Shares					
	Name of company	No of share	Market price	Market value	Cost/Book value	Cost/Book value
	The ACME Laboratories Limited	1,723,686	74.70	128,759,344	159,292,379	124,610,826
	AND Telecom Limited	-	-	-	-	569,040
	Argon Denims Limited	-	-	-	-	2,709,217
	Bata Shoe Company (BD) Limited	6,517	702.70	4,579,496	7,452,371	7,452,371
	BBS Cables Limited	2,123,000	54.80	116,340,400	142,522,636	100,453,274
	Beacon Pharma Limited	-	-	-	-	31,115,097
	Bangladesh Shipping Corporation	356,046	44.70	15,915,256	15,525,120	-
	Bangladesh Submarine cable company Limited	185,866	166.10	30,872,343	24,811,041	-
	Bangladesh Steel Re-Rolling Mills Limited	1,857,454	60.20	111,818,731	169,376,745	169,046,615
	BSRM Steels Limited	1,017,266	42.50	43,233,805	78,756,312	78,756,312
	Beximco Pharmaceuticals Limited	-	-	-	-	150,210,748
	City Bank Limited	3,500,000	24.80	86,800,000	96,005,823	96,005,823
	Confidence Cement Limited	200,000	121.30	24,260,000	21,279,108	23,331,361
	Coppertech Industries Limited	-	-	-	-	47,420
	Crystal Insurance Company Limited	10,878	39.40	428,593	108,780	-
	Delta Brac Housing Finance Corporation Limited	412,425	92.60	38,190,555	44,192,510	43,581,111
	Eastern Bank Limited	17,259,702	36.00	621,349,272	53,051,800	53,051,800
	Esquire knit Composite Limited	-	-	-	-	470,025
	Envoy Textile Limited	1,000,000	24.60	24,600,000	44,433,247	48,159,242
	Exim Bank Limited	3,967,581	11.80	46,817,456	52,612,087	52,612,087
	Genex Infosys Limited	-	-	-	-	3,410
	GPH Ispat Limited	2,625,000	30.60	80,325,000	86,248,691	86,248,691
	Grameenphone Limited	940,000	347.10	326,274,000	314,358,531	307,277,390
	ICB Islamic Bank Limited	7,998,300	4.30	34,392,690	79,983,000	79,983,000
	IDLC Finance Ltd	2,557,207	63.40	162,126,924	150,421,230	148,407,959
	Ifad Autos Limited	938,400	47.20	44,292,480	64,605,006	64,605,007
	Islami Bank Bangladesh Limited	1,243,200	26.80	33,317,760	30,169,941	40,042,151
	Jamuna oil Company limited	293,539	165.50	48,580,705	52,392,988	52,392,988
	Khulna Power Company Limited	792,717	45.30	35,910,080	36,903,300	-
	Lafarge Holcim Bangladesh Limited	-	-	-	-	28,891,494
	Lanka Bangla Finance Limited	1,491,656	31.40	46,837,998	53,393,354	53,393,354
	Linde Bangladesh Limited	163,311	1,281.10	209,217,722	227,689,271	227,689,271
	LR Global Bangladesh Mutual Fund One	5,184,672	6.60	34,218,835	50,000,000	50,000,000
	Marico Bangladesh Limited	211,678	2,138.80	452,736,906	303,894,696	395,494,660
	M.I. Cement Factory Limited	-	-	-	-	6,882,724
	Mercantile Bank Limited	2,122,003	12.70	26,949,438	24,371,878	-
	MJL Bangladesh Limited	1,339,807	76.90	103,031,158	143,655,613	138,516,223
	Meghna Petroleum Limited	265,175	198.00	52,504,650	51,168,717	51,168,717
	New Line Clothings Limited	-	-	-	-	40,023
	NCC Bank Limited	1,019,025	13.20	13,451,130	13,929,441	-
	Olympic Industries Limited	2,528,750	191.10	483,244,125	727,221,190	859,263,564
	One Bank Limited	1,785,000	10.60	18,921,000	24,303,354	24,303,354
	Padma Oil Company Limited	109,544	205.10	22,467,474	25,735,997	25,735,997
	Reckitt Benckiser Bangladesh Limited	11,268	4,046.80	45,599,342	18,222,861	18,222,861
	Renata Ltd	168,536	1,106.90	186,552,498	112,713,298	100,949,897
	Ring Shine Textiles Limited	131,995	6.40	844,768	1,136,422	1,136,422
	Robi Axiata Limited	271,254	29.80	8,083,369	2,712,540	-
	Runner Automobiles Limited	3,963	50.90	201,717	283,083	283,083
	Sea Pearl Beach Resort & Spa Limited	1,865	79.10	147,522	17,764	37,300
	Silco Pharmaceuticals Limited	-	-	-	-	72,930
	Singer Bangladesh Limited	100,000	175.60	17,560,000	16,573,582	-
	Southeast Bank Limited	6,644,637	12.50	83,057,963	109,106,978	109,106,978
	Shahjibazar Power Company Limited	408,000	73.30	29,906,400	32,335,426	22,422,715
	Square Textile Mills Limited	982,180	29.80	29,268,964	44,948,965	44,948,965
	Square Pharmaceuticals Limited	2,000,000	219.50	439,000,000	418,456,694	279,123,055
	Summit Power Limited	6,085,994	38.90	236,745,167	250,904,661	204,512,820
	Titus Gas Transmission and Distribution Co. Ltd.	-	-	-	-	76,149,069
	Unilever Consumer Care Limited	46,751	2,809.20	131,332,909	79,948,157	79,948,157
	United Power Generation & Distribution Company Ltd	50,000	263.50	13,175,000	13,029,571	-
	Uttara Bank Limited	2,000,000	24.00	48,000,000	47,823,103	46,642,734
	Sub-Total (A)			4,792,240,946	4,518,079,262	4,606,079,332

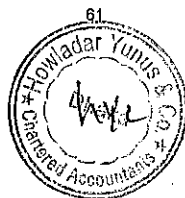


	No of share	Face Value	Market value/NAV	2020	2019
				Taka	Taka
				Cost/Book value	Cost/Book value
Unquoted (B)					
Saleh Carpet Mills Limited			-	-	568,000
Swan Textile Mills Limited	578	100	-	57,800	57,800
Specialised Jute Yarn & Twine Manufacturing Company Limited	19,880	10	-	198,800	198,800
Paper 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	11,610,851	10,000,000	10,000,000
Central Depository Bangladesh Limited	2,284,721	10	79,250,428	6,277,770	6,277,770
Lanka Bangla Securities Limited	97,828	10	1,786,422	5,000,000	5,000,000
Sub-Total (B)			92,647,702	22,893,250	23,461,250
Preference Shares (C)					
Raj Lanka Power Company Limited	5,818,182	10	58,181,817	58,181,817	96,969,695
Summit Barisal Power Company Limited	4,400,000	10	44,000,000	44,000,000	54,000,000
Summit Narayanganj Power Company Limited	2,400,000	10	24,000,000	24,000,000	30,000,000
Confidence Power Bogra Unit-2 Limited	7,500,000	10	75,000,000	75,000,000	75,000,000
Kushlara Power Company Limited	23,000,000	10	230,000,000	230,000,000	-
Sub-Total (C)			431,181,817	431,181,817	255,969,695
Non Capital Market Investment Element (D)					
Investment Corporation of Bangladesh	60,520,422	10	949,649,126	949,649,126	949,649,126
The ACME Laboratories Limited	659,499	10	50,890,078	50,890,078	-
IDLC Finance Ltd	863,747	10	49,701,723	49,701,723	-
IPDC Finance Limited	1,650,000	10	46,741,361	46,741,361	-
Jamuna Bank Limited	1,000,000	10	18,352,945	18,352,945	-
Jamuna Oil Company Limited	332,737	10	56,866,924	56,866,924	-
Khulna Power Company Limited	1,000,000	10	50,318,619	50,318,619	-
Linde Bangladesh Limited	43,021	10	52,555,304	52,555,304	-
Meghna Petroleum Limited	328,000	10	66,008,252	66,008,252	-
MJL Bangladeh Limited	74,678	10	5,905,774	5,905,774	-
Padma Oil Company Limited	207,873	10	46,128,499	46,128,499	-
Renata Ltd	47,844	10	44,813,107	44,813,107	-
Square Pharmaceuticals Limited	546,000	10	112,783,376	112,783,376	-
Sub-Total (D)			1,550,715,088	1,550,715,088	949,649,126
Total (A+B+C+D)			6,866,785,552	6,522,869,417	5,835,159,403

6.3.1 Particulars of required provision for investment

	Market value/NAV at 31 Dec 2020	Cost/Book value at 31 Dec 2020	Required provision 2020	Required provision 2019
Quoted Shares	4,758,022,110	4,468,079,262	-	490,908,448
Mutual Fund	34,218,835	50,000,000	-	9,059,238
Unquoted Shares:				
Provision Required				
Saleh Carpet Mills Limited	-	-	-	568,000
Swan Textile Mills Limited	-	57,800	57,800	57,800
Specialised Jute Yarn & Twine Manufacturing Company Limited	-	198,800	198,800	198,800
Paper Converting & Packaging Limited	-	83,900	83,900	83,900
Ashraf Textile Mills Limited	-	1,274,980	1,274,980	1,274,980
LankaBangla Securities Limited	1,786,422	5,000,000	3,213,578	3,189,562
Provision not Required				
Karmasangsthan Bank	11,610,851	10,000,000	-	-
Central Depository Bangladesh Limited	79,250,428	6,277,770	-	-
Preference Share				
Raj Lanka Power Company Limited	58,181,817	58,181,817	-	-
Summit Barisal Power Company Limited	44,000,000	44,000,000	-	-
Summit Narayanganj Power Company Limited (SPPCL)	24,000,000	24,000,000	-	-
Confidence Power Bogra Unit-2 Limited	75,000,000	75,000,000	-	-
Kushlara Power Company Limited	230,000,000	230,000,000	-	-
Non Capital Market Investment Element				
Investment Corporation of Bangladesh	949,649,126	949,649,126	-	-
The ACME Laboratories Limited	50,890,078	50,890,078	-	-
IDLC Finance Ltd	49,701,723	49,701,723	-	-
IPDC Finance Limited	46,741,361	46,741,361	-	-
Jamuna Bank Limited	18,352,945	18,352,945	-	-
Jamuna Oil Company Limited	56,866,924	56,866,924	-	-
Khulna Power Company Limited	50,318,619	50,318,619	-	-
Linde Bangladesh Limited	52,555,304	52,555,304	-	-
Meghna Petroleum Limited	66,008,252	66,008,252	-	-
MJL Bangladeh Limited	5,905,774	5,905,774	-	-
Padma Oil Company Limited	46,128,499	46,128,499	-	-
Renata Ltd	44,813,107	44,813,107	-	-
Square Pharmaceuticals Limited	112,783,376	112,783,376	-	-
	6,866,785,552	6,522,869,417	4,829,058	505,340,728
Bridge finance Advance	-	4,813,910	4,813,910	4,813,910
Debenture - at cost	-	294,060	294,060	344,060
Grand Total	6,866,785,552	6,527,977,387	9,937,028	510,498,698

Required provision has been maintained in current year as per BRPD circular no.14 dated 25 June 2003, DOS circular no.04 dated 26 May 2019, DOS circular no.04 dated 24 November 2011 and DOS circular no. 07 dated 25 February 2014.



	2020 Taka	2019 Taka
6.3.2 Particulars of required provision for Balance with other Bank		
In fixed/term deposit account (In local currency)		
ICB Islamic Bank Ltd, Bangshal Branch, Dhaka	32,417,201	32,429,316
ICB Islamic Bank Ltd, Principal Office, Dhaka	188,404,923	188,442,153
Total Fixed/ Term Deposit	220,822,124	220,871,469
Money at call on short notice		
ICB Islamic Bank Ltd.	11,286,667	11,286,667
Total required provision	232,108,791	232,158,136
Total required provision for Investment and Balance with other Bank		
Investment	9,937,028	510,498,698
Balance with other Bank	232,108,791	-
Grand Total	242,045,819	510,498,698
Provision maintained (note: 14.5)	253,500,000	510,550,000
Excess/(Shortage)	11,454,181	51,302
6.4 Debentures at cost		
Gandhara Industries Limited	60	60
Rupan Oil and Feeds Limited	30,000	30,000
Bay Sodium Chemical Industries Limited	15,000	15,000
Monir Chemical Limited	85,000	85,000
Saleh Carpet Industries Limited	-	50,000
Ahmed Jutex Mills Limited	75,000	75,000
Mirzaboo Steel Limited	89,000	89,000
	294,060	344,060
6.5 Brldge financing advances		
Bridge financing advances (ICB sponsored)	4,813,910	4,813,910
6.6 Maturity grouping of Investments		
Receivable on demand	5,552,790,831	5,039,969,039
Not more than 3 months	17,186,090,778	10,912,808,580
Over 3 months but not more than 1 year	12,157,249,725	12,742,573,784
Over 1 year but not more than 5 years	39,761,063,202	19,528,844,060
Over 5 years	73,248,811,506	52,379,666,272
	147,906,006,042	100,603,861,735
6.7 Investment classified as per Bangladesh Bank Circular		
Treasury Bill - Held for trading (HFT)	26,091,013,586	20,674,682,364
Treasury Bond - Held for trading (HFT)	41,315,584,396	-
Treasury Bond - Held to maturity (HTM)	58,993,858,671	58,771,613,897
Approved debenture - Held to maturity (HTM)	294,060	344,060
Other securities	21,505,255,329	21,157,221,414
	147,906,006,042	100,603,861,735
6.8 Repo and Reverse Repo		
A.(I) Disclosure regarding outstanding repo as on 31 December 2020		

Counter Party Name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
Agrani Bank Limited	27-12-2020	3/1/2021	3,339,379,950
Janata Bank Limited	27-12-2020	3/1/2021	2,491,942,500
Agrani Bank Limited	28-12-2020	4/1/2021	1,972,158,000
Janata Bank Limited	29-12-2020	5/1/2021	1,999,335,200
AB Bank Limited	30-12-2020	4/1/2021	2,082,395,835
Agrani Bank Limited	30-12-2020	6/1/2021	5,093,831,600
Janata Bank Limited	30-12-2020	6/1/2021	998,319,500
Total			17,977,362,585

A.(II) Disclosure regarding outstanding Reverse repo as on 31 December 2020

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

B.(I) Disclosure regarding overall transaction of repo and Reverse repo

Particulars	Minimum Outstanding During the year	Maximum Outstanding During the year	Daily average Outstanding During the year
Securities sold under Repo:			
i) With Bangladesh Bank	1,972,718,000	3,070,205,957	35,610,836
ii) With Other Banks and FIs	423,218,380	17,977,362,585	529,156,038
Total	2,395,936,380	21,047,568,542	564,766,874
Securities Purchased under Reverse Repo:			
i) From Bangladesh Bank	-	-	-
ii) From Other Banks and FIs	201,836,165	8,303,052,577	991,789,059
Total	201,836,165	8,303,052,577	991,789,059

6(a) Consolidated Investments

1. Government

Pubali Bank Limited
Pubali Bank Securities Limited

126,428,028,655
79,473,544,362
126,428,028,655
79,473,544,362

2. Other

Pubali Bank Limited
Pubali Bank Securities Limited

21,477,977,387
6,633,478,130
28,111,455,517
154,539,484,172
21,130,317,373
6,503,153,698
27,633,471,071
107,107,015,433



	2020 Taka	2019 Taka
7 Loans, advances and leases		
Loans, cash credits and overdrafts, etc. (note 7.1)	299,514,705,921	272,941,903,845
Bills purchased and discounted (note 7.2)	16,064,193,319	14,092,770,183
	<u>315,578,899,240</u>	<u>287,034,674,028</u>
7.1 Loans, cash credits, overdrafts, etc.		
In Bangladesh:		
Loans	119,259,684,348	97,550,311,148
Cash credits	51,340,450,445	49,763,508,121
Overdrafts	77,317,682,640	74,284,984,277
Earnest Money	5,744,912,604	5,287,886,943
Loan against merchandise	4,240,723	6,099,692
Packing credits	450,241,175	591,517,685
Loan against trust receipts	8,280,615,537	10,950,632,463
Pubali prochesta	174,113,539	167,645,569
Non-resident Credit Scheme	618,920	626,920
Pubali Subarna	4,939,541,361	4,505,939,612
Pubali Karmo Uddog	268,103,173	204,274,186
Pubali Sujon	35,655,970	32,239,714
Pubali Utsob	17,018,210	26,228,302
Payment against documents	5,583,224,697	4,736,173,942
Consumers loan scheme	12,554,774,362	13,726,281,059
EDF loan	7,196,070,350	5,104,393,111
Lease finance (Note 7.13)	6,109,969,755	5,777,741,928
Credit card	218,752,236	206,218,384
Others	19,035,876	19,200,789
	<u>299,514,705,921</u>	<u>272,941,903,845</u>
Outside Bangladesh	-	-
	<u>299,514,705,921</u>	<u>272,941,903,845</u>
7.1.1 Maturity grouping of Loans, Advances and Leases		
Repayable on demand	7,602,179,457	20,258,698,430
Up to 3 months	71,587,890,480	78,693,400,793
Over 3 months but not more than 1 year	98,751,767,493	76,751,003,287
Over 1 year but not more than 5 years	71,888,955,364	65,102,269,208
Over 5 years	49,683,913,127	32,136,532,127
	<u>299,514,705,921</u>	<u>272,941,903,845</u>
7.2 Bills purchased and discounted		
Payable in Bangladesh:		
Loans against accepted bills	1,870,355,329	2,520,609,554
Loans against demand draft purchased	31,565	31,565
	<u>1,870,386,894</u>	<u>2,520,641,119</u>
Payable outside Bangladesh:		
Foreign bills purchased	14,193,806,425	11,572,129,064
Foreign draft purchased	-	-
	<u>14,193,806,425</u>	<u>11,572,129,064</u>
	<u>16,064,193,319</u>	<u>14,092,770,183</u>
7.2.1 Maturity grouping of Bills purchased and discounted		
Receivable on demand	550,484	3,229,703
Not more than 3 months	4,960,406,990	4,326,399,645
Over 3 months but not more than 6 months	11,103,235,845	9,763,140,835
	<u>16,064,193,319</u>	<u>14,092,770,183</u>
7.3 Loans and advances including bills purchased and discounted analysed in following broad categories		
In Bangladesh		
Loans	172,726,959,730	151,414,052,566
Cash credits	51,340,450,445	49,763,508,121
Overdrafts	77,317,682,640	74,284,984,277
	<u>301,385,092,815</u>	<u>275,462,544,964</u>
Outside Bangladesh	<u>14,193,806,425</u>	<u>11,572,129,064</u>
	<u>315,578,899,240</u>	<u>287,034,674,028</u>
7.4 Loans and advances on the basis of significant customer concentration including bills purchased and discounted		
Advance to directors and others	18,885	-
Advance to officers and employees	3,654,128,995	3,321,215,690
Advance to customers group (note 7.9)	116,255,100,000	115,944,060,000



	2020 Taka	2019 Taka
7.5 Industry wise distribution of loans and advances		
Agriculture	6,078,874,158	5,074,865,021
Jute	157,541,346	168,575,942
Textile	25,115,135,520	23,935,587,141
Ready-made garments	24,387,172,355	22,085,914,376
Steel & engineering	11,985,967,411	12,660,587,054
Ship breaking	2,961,544,783	2,602,223,875
Edible oil	9,277,075,594	7,989,163,454
Cement	6,294,999,986	4,456,437,094
Pharmaceuticals	7,679,063,363	7,158,350,362
Food & allied	13,181,603,715	19,965,844,624
Paper, paper products and packaging	1,713,700,130	1,255,827,228
Leather	94,438,658	240,637,690
Printing & Dyeing Industries	6,509,818,788	5,929,263,309
Others Manufacturing Industries	27,562,142,226	19,418,603,696
Energy and power	5,434,061,317	5,980,753,006
Hospitals, Clinics and other health services	5,933,516,575	4,987,101,291
Construction	15,439,028,416	15,177,399,072
Housing	12,419,106,551	12,458,441,341
Transport and communication	3,353,645,880	2,078,788,656
Others Service Industries	5,026,691,429	5,026,691,429
Trade & Commerce	64,106,995,361	57,783,551,123
NBFI (Non Bank Financial Institution)	4,876,746,425	5,871,385,678
NGO	7,372,897,455	8,128,987,937
Consumer Finance	27,356,996,133	26,762,459,052
Others	21,260,135,665	9,837,234,577
	315,578,899,240	287,034,674,028
7.6 Geographical location-wise (based on fund used) distribution of loans and advances including bills purchased and discounted		
In Bangladesh - Urban		
Dhaka	113,869,650,910	114,648,699,801
Chattogram	30,049,519,411	39,250,832,910
Sylhet	11,887,694,668	8,568,557,170
Barishal	3,559,933,982	3,279,136,972
Khulna	6,558,745,099	6,449,358,010
Rajshahi	6,627,955,737	6,003,341,088
Rangpur	5,432,347,370	4,710,835,804
Mymensingh	5,653,428,138	5,570,099,407
	183,639,275,315	188,480,861,162
In Bangladesh - Rural		
Dhaka	71,234,296,502	61,814,116,430
Chattogram	21,632,804,401	6,021,717,827
Sylhet	9,878,821,578	7,293,336,916
Barishal	1,171,768,812	897,079,981
Khulna	3,024,111,719	2,596,230,941
Rajshahi	2,653,961,425	2,354,795,507
Rangpur	925,500,826	857,604,461
Mymensingh	7,224,552,237	5,146,801,739
	117,745,817,500	86,981,683,802
Outside Bangladesh (Foreign bills/drafts purchased)	14,193,806,425	11,572,129,064
	315,578,899,240	287,034,674,028
7.7 Sector-wise loans and advances including bills purchased and discounted		
Public sector	74,017,991	69,509,854
Private sector	314,918,929,440	286,886,693,428
Co-operative sector	585,951,809	78,470,746
	315,578,899,240	287,034,674,028
7.8 Security base-wise loans and advances including bills purchased and discounted		
Collateral of movable and immovable properties	175,348,157,176	168,896,142,652
Export documents	4,262,872,162	1,739,619,277
Fixed/ Term deposit receipts of own Bank	19,686,734,225	14,395,062,476
FDR of other banks	753,829,628	799,003,000
Government bonds	303,839	3,594,878
Corporate Guarantee	57,244,660,964	48,044,047,966
Personal guarantee	57,080,919,002	49,510,731,860
Other securities	1,201,422,244	3,646,471,919
	315,578,899,240	287,034,674,028



2020
Taka

2019
Taka

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

Number of clients with amount of outstanding and classified loans to whom loans and advances sanctioned more than 10% of total Regulatory capital of the Bank. Total Regulatory capital of the Bank was Taka 48,242,353,431 as at 31 December 2020.

Number of clients	18	21
Amount of outstanding loans/advances	116,255,100,000	115,944,060,000
Classified amount thereon	-	-
Measures taken for recovery	-	-
* Details shown in Annexure C		
Name of borrower		
Meghna Group	9,758,900,000	8,423,200,000
City Group	8,719,200,000	5,681,900,000
Ha-Meem Group	8,438,600,000	7,024,900,000
Max Group	8,392,300,000	8,816,400,000
BRAC Group	7,204,600,000	7,621,100,000
PRAN-RFL Group	7,172,500,000	5,772,700,000
Fair Electronics Limited	6,534,400,000	-
Abul Khair Group	6,102,600,000	6,110,100,000
Paramount Group	5,860,100,000	5,598,100,000
City Seed Crushing Group	5,728,800,000	4,118,800,000
MSA Spinning	5,722,200,000	4,427,400,000
Project Builders Group	5,473,700,000	5,805,800,000
Envoy Group	5,408,500,000	4,091,200,000
Keya Group	5,350,700,000	5,364,400,000
Sharmin Group	5,262,800,000	5,732,600,000
Secom Group	5,249,200,000	-
T. K. Group	5,022,200,000	-
Sena Kalyan Group	4,853,800,000	4,709,900,000
DIRD Group	-	4,453,200,000
Popular Group	-	-
GPH Group	-	5,413,360,000
JMI Group	-	4,281,800,000
United Group	-	4,272,700,000
Sheema Group	-	4,149,700,000
BSRM Group	-	4,074,800,000
	116,255,100,000	115,944,060,000

7.10 Classification of loans and advances including bills purchased and discounted

Unclassified:			
Standard		292,675,837,444	259,875,309,413
Special mention account (SMA)		10,626,922,632	11,277,548,452
		303,302,760,076	271,152,857,865
Classified:			
Substandard (SS)		1,200,977,784	1,976,721,770
Doubtful (DF)		547,010,405	408,972,198
Bad or loss (BL)		6,874,021,980	10,174,906,505
		8,622,010,169	12,560,600,473
Staff loan		3,654,128,995	3,321,215,690
		315,578,899,240	287,034,674,028

7.11 Particulars of required provision for loans and advances

Status of Classification	Base for Provision	Rate of Provision (%)		
General provision - Unclassified				
Standard	209,507,358,369	1	2,095,073,584	1,834,273,722
Small & Medium Enterprise financing	62,138,546,505	0.25	155,346,366	140,480,767
Loans to BHs/MBs/SDs against share etc.	59,190,566	2	1,183,811	1,111,692
Housing Finance	400,066,744	1	4,000,667	3,383,416
Loan for Professional to setup business	70,416,388	2	1,408,328	523,110
Consumers loan scheme (Credit Card)	122,205,802	2	2,444,116	4,020,786
Consumers loan scheme	14,499,836,285	2	289,996,726	743,038,391
Short Term Agri Credit and Micro credit	5,878,216,785	1	58,782,168	47,737,418
Special mention account (SMEF)	2,178,702,187	0.25	5,446,755	7,096,466
Special mention account (Credit Card)	579,288	2	11,586	6,884
Special mention account (CLS)	132,287,876	2	2,645,758	9,580,784
Special mention account (HF)	4,577,878	1	45,779	72,120
Special mention account (LP)	3,603,098	2	72,062	72,062
Special mention account (Others)	7,174,146,718	1	71,741,467	72,082,014
			2,688,199,173	2,863,479,632
Provision to be kept as per Bangladesh Bank Inspection Team Instruction against stay order given by Hon'ble High Court.			2,278,310,000	1,264,510,000
1% Special General Provision COVID-19 has been maintained as per BRPD circular no.56			530,400,000	-
Provision to be kept as per instruction of Bangladesh Bank Inspection Team against poor recovery of some accounts.			400,900,000	-
			5,897,809,173	4,127,989,632
Specific provision - Classified				
Substandard (Agri & Micro credit)	1,043,829	5	52,191	122,925
Substandard (small, Cottage, Micro credit)	240,941,107	5	12,047,055	-
Substandard (Others)	179,626,988	20	35,925,398	244,489,710
Doubtful (Agri & Micro credit)	11,239,050	5	561,953	561,953
Doubtful (small, Cottage, Micro credit)	136,914,913	20	27,382,983	-
Doubtful (Others)	37,741,761	50	18,870,880	91,341,291
Bad/Loss	10,162,969,021	100	10,162,969,021	11,093,431,288
			10,257,809,481	11,429,947,167
Total Required provision (see below)			16,155,618,654	15,557,936,799
Provision maintained (note 14.1)			17,155,618,654	15,558,760,000
Excess provision			1,000,000,000	1,823,201



	2020 Taka	2019 Taka
7.12 Particulars of loans and advances		
(i) Loans considered good in respect of which the bank is fully secured.		
(ii) Loans considered good for which the bank holds no other security than the debtors' personal security	201,253,319,273	184,093,803,006
(iii) Loans considered good being secured by the personal security of one or more parties in addition to the personal security of the debtors.	36,392,533,085	22,811,678,642
(iv) Loans adversely classified; provision not maintained there against	77,933,046,882	80,129,192,380
	<u>315,578,899,240</u>	<u>287,034,674,028</u>
(v) Loans due by directors or officers of the bank or any of them either severally or jointly with any other persons	3,654,147,880	3,321,215,690
(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.	3,654,147,880	3,321,215,690
(viii) Maximum total amount of advances, including temporary advances, granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies as members.	-	-
(ix) Loans due from banking companies	4,876,746,425	5,871,385,678
(x) Amount of classified loan on which Interest/Profit has not been charged as follows		
a) Increase / (decrease) of provision (specific)	(2,064,037,204)	1,223,493,704
b) Amount of written off debt including interest suspense	(1,177,042,952)	(1,162,285,344)
c) Amount of debt recovered against the debt which was previously written off	38,717,790	81,836,802
d) Amount of Provision kept against loans classified as bad or loss	10,162,969,021	11,093,431,288
e) Amount of interest credited in suspense account	4,569,922,382	3,414,216,268
(xi) Cumulative amount of written off from Loans		
Opening Balance	16,596,170,865	15,433,885,521
Amount of written off during the current year	1,177,042,952	1,162,285,344
	<u>17,773,213,817</u>	<u>16,596,170,865</u>
(xii) Amount of written off loans for which law suit has been filed for recovery	<u>17,599,150,872</u>	<u>16,467,352,454</u>
7.13 Lease finance		
Lease rental receivable within 1 year	2,279,993,404	2,135,991,220
Lease rental receivable within 5 years	4,666,353,950	4,809,104,088
Lease rental receivable after 5 years	202,473,459	180,475,542
Total lease rental receivable	7,148,820,813	7,125,570,850
Less : Un-earned interest receivable	(1,038,851,058)	(1,347,828,922)
Net Lease finance	<u>6,109,969,755</u>	<u>5,777,741,928</u>
7(a) Consolidated Loans, Advances and Leases		
Loans, cash credits, overdrafts, etc.		
Pubali Bank Limited	299,514,705,921	272,941,903,845
Pubali Bank Securities Limited	618,430,307	578,385,912
	<u>300,133,136,228</u>	<u>273,520,289,757</u>
Bills purchased and discounted		
Pubali Bank Limited	16,064,193,319	14,092,770,183
Pubali Bank Securities Limited	-	-
	<u>16,064,193,319</u>	<u>14,092,770,183</u>
	<u>316,197,329,547</u>	<u>287,613,059,940</u>
8 Fixed Assets including premises, furniture & Fixtures		
Tangible Assets		
Land	2,238,572,430	2,253,745,642
Building	418,660,966	932,181,493
Vehicles	342,194,861	308,794,861
Machinery and equipment	1,082,895,883	956,239,191
Computer & Computer Accessories	1,382,484,766	1,255,793,507
Furniture and fixtures	927,005,121	804,489,289
Total Tangible Assets	<u>6,391,814,027</u>	<u>6,511,243,983</u>
Accumulated Depreciation	(2,781,214,194)	(2,522,277,726)
Net book value of Tangible assets	<u>3,610,599,833</u>	<u>3,988,966,257</u>
Intangible Assets		
Computer Software	392,408,983	340,831,979
Accumulated Depreciation	(332,296,620)	(306,931,048)
Net book value of Intangible assets	<u>60,112,363</u>	<u>33,900,931</u>
	<u>3,670,712,196</u>	<u>4,022,867,188</u>



	2020 Taka	2019 Taka
Lease assets		
Right Of Use (ROU) Assets as per IFRS-16	2,233,725,100	1,564,590,118
Accumulated Depreciation	(816,444,636)	(406,654,216)
Net book value of Lease assets	1,417,280,464	1,157,935,902
Net book value of total fixed assets at the end of the year	5,087,992,660	5,180,803,090

The above amount includes revaluation surplus of Tk 8,103,355, Tk 230,540,953, Tk 86,361,299, Tk 800,757,736 and Tk. 189,39,34,000 ascertained by independent 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.

During the year 2020, total value of Land & Buildings has been revalued at Tk. 2,657,233,396 resulting total decrease of Tk. 520,443,941 which has been adjusted with assets revaluation reserve under other reserve. Further details of above assets are shown in Annexure A.

8(a) Consolidated Fixed Assets including premises, furniture & fixtures		
Cost		
Pubali Bank Limited	9,017,948,110	8,416,666,080
Pubali Bank Securities Limited	10,591,676	10,239,167
	9,028,539,786	8,426,905,247
Less: Accumulated Depreciation		
Pubali Bank Limited	(3,929,955,450)	(3,235,862,990)
Pubali Bank Securities Limited	(6,413,822)	(5,373,088)
	(3,936,369,272)	(3,241,236,078)
	5,092,170,514	5,185,669,169

9 Other Assets		
Interest accrued on investments	2,332,061,528	1,807,097,101
Accrued income on loans & advances	2,427,258,094	272,335,596
Investment in SWIFT AC	3,387,591	3,387,591
Advance security deposit, advance rent and prepaid expenses	452,813,423	383,157,688
Investment in Subsidiary Company	6,599,998,700	6,599,998,700
Stock dealing account	378,872,920	83,831,178
Stationery and stamps	98,426,473	99,588,895
Drafts payable	17,021,131	17,589,526
Sanchaypatra	16,655,185	78,967,851
Deferred tax assets * (note 14.9.1)	3,474,570,841	3,718,866,289
Suspense account (note 9.1)	359,902,851	295,551,874
Demonetized notes (note 9.2)	1,903,830	1,903,830
Items in transit (note 9.3)	5,971,619,730	5,240,523,069
Advance against income tax (note 9.4)	30,675,162,255	27,801,296,414
Clearing house adjustment	1,383,920	856,821
Others (note 9.5)	3,562,388	3,562,388
	52,814,600,860	46,408,514,811
Less: Advance Rent (For implementing IFRS 16 Leases, advance rent has been considered separately.)	283,838,040	269,713,929
	52,530,762,820	46,138,800,882

* Deferred tax assets of the year 2019 has been restated as per "Paragraph 42 of IAS 8: Accounting Policies, Changes in Accounting estimates and Errors" for amounting TK. 3,718,866,289 due to retrospective restatement of deferred tax Income against loan loss provision. It is to be noted that, the detailed calculation of deferred tax has been disclosed under other liabilities sub (note no.14.9.1)

9.1 Suspense Account		
Suspense account general	149,335,381	211,763,171
Suspense law	976,987	1,001,987
Protested bills	209,590,483	82,786,716
	359,902,851	295,551,874

9.2 Demonetized Notes :TK. 1,903,830
This relates to demonetized notes lying with Bangladesh Bank, after due reimbursement.

9.3 Items in Transit: TK. 5,971,619,730
The above is the net amount representing outstanding Inter-branch and Head Office transactions originated but yet to be responded at the balance sheet date. The above amount includes receivables of Tk. 29,99,670 of Bank's own branches operating in former West Pakistan before Liberation of the country in 1971.

9.3.1 Subsequent position of non-responded entries as on 31.12.2020 (Base date: 06.04.2021)

Period of un-reconciliation	Number of Un-responded entries		Un-responded entries (Amount in Taka)	
	Debit	Credit	Debit	Credit
up to 3 months	14	57	2,118,319	1,924,708
Over 3 months but within 6 months	-	-	-	-
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
Over 5 years	498	457	7,723,303	4,607,638

9.4 Advance Income Tax		
Balance at the beginning of the year	27,801,296,414	25,360,190,835
Paid during the year	2,873,865,841	2,441,105,579
Settlement of previous years tax liability	-	-
Balance at the end of the year	30,675,162,255	27,801,296,414

9.5 Others		
Property account	162,129	162,129
Delayed charges of lease rental	45,906	45,906
Interest Subsidy	9,000	9,000
Interest suspense against waiver of 50% BSCIC loan	245,061	245,061
Waiver of 50% outstanding BSCIC loan	44,176	44,176
Waiver of 50% Interest for flood affected jute borrowers	1,351,812	1,351,812
Waiver of 70% outstanding agricultural credit & rural credit	1,704,304	1,704,304
	3,562,388	3,562,388



		2020 Taka	2019 Taka
9.6 Classification of other assets			
	Unclassified (UC)	52,312,472,034	46,041,640,051
	Substandard (SS)	-	-
	Doubtful (DF)	-	-
	Bad or Loss (BL)	218,290,786	97,160,831
		52,530,762,820	46,138,800,882
9.7 Particulars of provision for other assets			
	Status of Classification	Base for provision	Rate of Provision (%)
	Doubtful (DF)	-	50
	Bad or Loss (BL)	218,290,786	100
	Required provision	218,290,786	97,160,831
	Provision maintained (note 14)	218,658,221	404,371,239
	Excess provision	377,435	307,210,408
9(a) Consolidated Other Assets			
	Pubali Bank Limited	52,530,762,820	46,138,800,882
	Pubali Bank Securities Limited	368,391,928	289,357,759
		52,899,154,748	46,428,158,641
	Less: Inter company Transactions	(378,886,730)	(83,844,988)
	Pubali Bank Securities Limited	(6,599,998,700)	(6,599,998,700)
		(6,978,885,430)	(6,683,843,688)
		45,920,269,318	39,744,314,953
10 Non-banking Assets			
	Assets of United Bank of India Ltd. (located in Brahmanbaria, Chandpur, Comilla, Barishal, Sadarghat -Dhaka)	375,246	375,246
11 Borrowings from other Banks, Financial Institutions and Agents In Bangladesh (note 11.1) Outside Bangladesh (note 11.2)		4,783,592,656	510,555,400
		12,703,204,780	16,459,792,905
		17,486,797,436	16,970,348,305
11.1 In Bangladesh			
	Borrowing from Bangladesh Bank	4,783,592,656	510,555,400
		4,783,592,656	510,555,400
	Call loan borrowing from other banks		
	Sonali Bank Limited	-	-
	Bank Asia Limited	-	-
	NRBC Bank Limited	-	-
	Premier Bank Limited	-	-
		-	-
	FDR borrowing from other Bank		
	Bangladesh Krishi Bank	-	-
	Southeast Bank Ltd.	-	-
		-	-
		4,783,592,656	510,555,400
11.2 Outside Bangladesh			
	In demand deposit accounts (non- interest bearing)	-	-
	Placement/ Borrowing from Outside Bangladesh	12,703,204,780	16,459,792,905
		12,703,204,780	16,459,792,905
11.3 Security against borrowing from other banks, financial institutions and agents			
	Secured	17,486,797,436	16,970,348,305
	Unsecured	-	-
		17,486,797,436	16,970,348,305
11.4 Maturity grouping of borrowing from other banks, financial institutions and agents			
	Payable on demand	-	-
	Payable within 1 month	848,011,000	2,338,452,752
	Over 1 month but within 6 months	5,936,077,000	5,631,340,153
	Over 6 months but within 1 year	8,298,166,151	8,490,000,000
	Over 1 year but within 5 years	1,645,493,285	-
	Over 5 years and above	759,050,000	510,555,400
		17,486,797,436	16,970,348,305
12 Subordinated bonds			
	Agrani Bank Limited	4,800,000,000	4,000,000,000
	Janata Bank Limited	1,300,000,000	1,000,000,000
	Rupali Bank Limited	1,800,000,000	1,000,000,000
	Sonali Bank Limited	1,800,000,000	2,000,000,000
	Uttara Bank Limited	1,300,000,000	1,000,000,000
	Delta Life Insurance Company Limited	500,000,000	-
		11,500,000,000	9,000,000,000
13 Deposits and other accounts			
	Inter-bank deposits	1,401,400,000	712,700,000
	Other deposits	427,941,617,243	358,440,607,134
		429,343,017,243	359,153,307,134



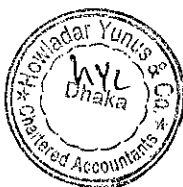
	2020 Taka	2019 Taka
13.1 Details of deposits and other accounts		
Current deposits and other accounts :		
Current account	47,706,101,388	38,991,089,341
Cash credit A/C. (Cr. Balance)	949,535,058	526,545,827
Overdraft earned money (Cr. Balance)	28,800	-
Pubali Prochesta (Cr. Balance)	4,539,040	5,825,454
Credit card A/C	2,487,513	1,860,689
Call deposits	14,844,397	14,882,697
Foreign currency deposits	1,007,291,466	1,180,760,569
Un-claimed drafts payable	3,564	3,564
Un-claimed dividend	18,914	18,914
Unclaimed deposits FDD A/C	17,683,319	17,369,649
	<u>49,702,533,459</u>	<u>40,738,356,704</u>
Bills payable (note 13.1.1)	<u>14,657,445,295</u>	<u>14,602,544,955</u>
Savings Bank accounts	<u>100,270,298,831</u>	<u>82,675,389,187</u>
Term deposits :		
Fixed deposits - from customers	116,998,827,377	94,828,461,687
Special Notice Deposits	53,016,106,853	44,182,822,160
Deposit pension scheme	9,132,824	1,252,804
Interest payable on term deposit	3,814,318,518	4,138,130,920
Pubali pension scheme	37,979,555,430	31,742,278,118
Pubali sanchay prakalpa	3,800,374,432	3,130,057,982
Dwlgun Sanchay Prokalpa	20,865,329,697	20,137,272,150
Target Based Small Deposit (Pubali shopnopuron)	9,511,579,968	6,860,144,870
Monthly profit base deposit	3,151,598,651	3,260,424,251
Monthly Profit Based Small Deposit (Pubali shadhin sonchoy)	5,969,873,344	4,983,648,938
Shikhya sanchay prakalpa	198,375,295	212,321,817
	<u>255,315,072,389</u>	<u>213,476,815,697</u>
Other deposits	<u>9,397,667,269</u>	<u>7,660,200,591</u>
	<u>429,343,017,243</u>	<u>359,153,307,134</u>
13.1.1 Bills Payable		
Payment orders issued	14,578,202,936	14,513,732,497
Demand Drafts	79,242,359	88,812,458
	<u>14,657,445,295</u>	<u>14,602,544,955</u>
13.2 Maturity analysis of inter-bank deposits		
Payable on demand	436,477,091	123,868,126
Payable within 1 month	265,571,853	72,271,832
Over 1 month but within 6 months	608,117,499	516,560,042
Over 6 months but within 1 year	22,372,278	-
Over 1 year but within 5 years	68,861,279	-
Over 5 years and above	-	-
	<u>1,401,400,000</u>	<u>712,700,000</u>
13.3 Maturity analysis of other deposits		
Payable on demand	15,004,086,970	21,214,025,564
Payable within 1 month	22,766,494,037	26,269,025,229
Over 1 month but within 6 months	94,018,773,308	89,300,095,285
Over 6 months but within 1 year	92,492,179,664	77,516,392,490
Over 1 year but within 5 years	61,155,544,027	36,916,373,619
Over 5 years and above	142,504,539,236	107,224,694,946
	<u>427,941,617,243</u>	<u>358,440,607,134</u>
	<u>429,343,017,243</u>	<u>359,153,307,134</u>
13 (a) Consolidated Deposits and other accounts		
Pubali Bank Limited	429,343,017,243	359,153,307,134
Pubali Bank Securities Limited	-	-
	<u>429,343,017,243</u>	<u>359,153,307,134</u>
Inter Company Transactions	<u>(1,340,479,296)</u>	<u>(989,804,123)</u>
	<u>428,002,537,947</u>	<u>358,163,503,011</u>



	2020 Taka	2019 Taka
14 Other Liabilities		
Accumulated provision for loans and advances (note 14.1.1.1)	9,265,045,514	10,444,281,098
Accumulated provision for consumers loan (note 14.1.1.2)	921,637,266	914,894,251
Accumulated provision for demand loan pubali star (note 14.1.1.3)	71,126,701	70,771,818
	<u>10,257,809,481</u>	<u>11,429,947,167</u>
Provision for unclassified loans and advances (note 14.1.2)	6,367,409,173	4,129,812,833
Special General Provision COVID-19	530,400,000	-
Provision @1% against off-balance sheet exposure (note 14.4)	1,271,950,000	986,400,000
Accumulated interest suspense (note 14.6)	4,569,922,382	3,414,216,268
Provision for rebate on good borrower	17,888,383	17,888,383
Provision for doubtful investment (note 14.5)	253,500,000	510,550,000
Additional profit payable A/C for Islamic banking	1,319,917	1,646,591
I.B. bad debt offsetting reserve	10,703,834	10,703,834
Compensation realised account	6,985,159	2,174,091
Compensation realisable account	11,780,624	13,674,963
Interest suspense on underwriting advances	221,286,952	234,170,921
CLS interest A/C	3,383,619	4,105,800
unclaimed amount in ATMS	65,000	48,000
Consumers deposits	268,488,801	250,548,026
Unclaimed dividend (note 14.17)	326,773,244	266,262,788
Special blocked account (note 14.7)	1,587,720	1,587,720
Provision for Current Tax (note 14.8)	33,244,997,770	31,313,635,515
Deferred Tax Liabilities (note 14.9.2)	-	91,920,888
Valuation adjustment	266,425,808	267,423,252
Exchange adjustment account (note 14.10)	28,666,878	28,666,878
Agri credit guarantee backing reserve (note 14.11)	70,261,300	70,261,300
Excise duty	-	25
Pakistan account (note 14.12)	8,393,039	8,393,039
Pension fund (note 14.13)	1,570,883	1,570,883
L/C cover account in Bangladesh	1,583,640	1,583,640
EDF adjustment	7,352,578,948	5,511,163,652
Pubali Bank Adjustment	34,804,838	171,639,703
Sadaqah fund	17,804,370	17,508,205
Card transaction fee (Inter bank)	2,682,090	2,539,840
Foreign currency FCC account	17,363,820	17,363,819
Interest suspense account against 70% agri loan	192,382	192,382
Blocked account of UBI	2,973,186	2,973,186
Property account of UBI	49,617	49,617
Payable to other Banks and Financial Institution	72,136,751	132,687,056
Unearned interest Income on ISW	153,498,093	2,253,297
Interest payable on Subordinated Bond	166,200,000	28,000,000
Start-up fund (note 14.18)	83,795,594	-
Lease Liabilities as per IFRS-16	1,181,424,189	935,745,388
Non resident blocked account of UBI	34,487	34,487
	<u>56,570,882,491</u>	<u>48,449,396,270</u>
Provision for expenses:		
(i) auditors' fees	1,529,500	2,102,500
(ii) advertisement	1,250,000	1,600,000
(iii) bonuses	631,500,000	186,511,850
(iv) others	212,574,930	205,548,131
	<u>846,854,430</u>	<u>395,762,481</u>
Provision for other assets:		
Suspense account(note 14.14)	166,214,468	63,714,468
Demonetized notes (note 14.15)	989,740	989,740
Provision for Un-reconciled General Account debit entries (note 14.16)	13,724,657	13,724,657
ICT Asset Insurance reserve	20,435,365	20,434,763
Reserve for unforeseen losses (note 14.2)	-	285,918,364
Provision for Customers liability and Others (note 14.3)	17,303,991	19,589,247
	<u>218,668,221</u>	<u>404,371,239</u>
	<u>67,894,214,623</u>	<u>60,679,477,157</u>
14.1 Accumulated provision for loans and advances		
14.1.1 Specific provision on classified loans and advances		
Provision held at the beginning of the year	10,444,281,098	7,889,705,857
Fully provided debts written off during the year excluding interest suspense	(1,136,785,628)	(1,128,516,011)
Fully provided waived during the year	(23,604,759)	(47,938,506)
Recoveries of amounts previously written off	33,423,246	69,564,845
Provision transferred in/(out) general provision and special General Provision COVID-19	(695,131,944)	1,136,278,602
Provision transferred to off balance sheet exposure	(20,000,000)	-
Reserve transferred from unforeseen loss during the year	183,530,864	-
Provision transferred from customers liability and Others during the year	18,183,530	-
Specific provision for the year	461,149,107	2,525,186,311
14.1.1.1 Provision for general loans and advances	<u>9,265,045,514</u>	<u>10,444,281,098</u>
Provision for consumers loan held at the beginning of the year	914,894,251	857,690,537
Recoveries from risk fund	1,977,597	52,538,745
Amount paid to Agent commission	(529,126)	(7,606,988)
Fully provided debts written off during the year	-	-
Recoveries of amounts previously written off	5,294,544	12,271,957
14.1.1.2 Provision for consumers loan held at the beginning of the year	<u>921,637,266</u>	<u>914,894,251</u>
14.1.1.3 Accumulated provision for demand loan pubali star	<u>71,126,701</u>	<u>70,771,818</u>
Provision held at the end of the year	<u>10,257,809,481</u>	<u>11,429,947,167</u>



	2020 Taka	2019 Taka		
14.1.2 General provision for unclassified loans and advances				
Provision held at the beginning of the year	4,129,812,833	4,001,531,339		
Provision made during the year	2,072,864,396	1,264,560,096		
Provision transferred from specific provision during the year	164,791,944	(1,136,278,602)		
Provision held at the end of the year	6,367,409,173	4,129,812,833		
14.1.3 Special General Provision COVID-19	530,400,000	-		
	17,155,618,654	15,559,760,000		
14.2 Reserve for unforeseen losses				
Reserve held at the beginning of the year	285,918,364	241,133,143		
Reserve made during the year	112,500	44,785,221		
Reserve transferred to specific provision during the year	(183,530,864)	-		
Reserve transferred to suspense account during the year	(102,500,000)	-		
Reserve held at the end of the year	-	285,918,364		
14.3 Provision for Customers liability and Others				
Provision held at the beginning of the year	19,589,247	53,200,000		
Provision made during the year	18,183,530	15,544,360		
Provision out during the year	(2,285,256)	(49,155,113)		
Provision transferred to specific provision during the year	(18,183,530)	-		
Provision held at the end of the year	17,303,991	19,589,247		
14.4 Provision for exposure against off balance sheet items				
Provision held at the beginning of the year	986,400,000	930,000,000		
Provision transferred from doubtful investment during the year	265,550,000	-		
Provision transferred from specific provision during the year	20,000,000	-		
Provision made during the year (note 38)	-	56,400,000		
Provision held at the end of the year	1,271,950,000	986,400,000		
14.5 Provision for doubtful investment				
Provision held at the beginning of the year	510,550,000	96,350,000		
Provision made during the year (note 39)	8,500,000	414,200,000		
Provision transferred to off balance sheet during the year	(265,550,000)	-		
Provision held at the end of the year	253,500,000	510,550,000		
14.6 Interest suspense account				
Balance at the beginning of the year	3,414,216,268	2,312,889,947		
Amount transferred during the year	1,485,054,619	1,531,415,225		
Amount recovered during the year	(289,091,181)	(396,319,571)		
Amount written off during the year	(40,257,324)	(33,769,333)		
Balance at the end of the year	4,569,922,382	3,414,216,268		
14.7 Special blocked account: Tk. 1,587,720				
This represents refundable balance exceeding Tk.8,000 primarily disbursed to each depositor originated from reimbursement of demonetized notes by Bangladesh Bank in the year 1975. The amount is repayable to depositor after receipt of value of demonetized notes deposited to Bangladesh Bank.				
14.8 Provision for Current tax				
Balance at the beginning of the year	31,313,635,515	28,286,610,822		
Provision made for previous years	-	-		
Provision made for current year	1,931,362,255	3,027,024,693		
Settlement of previous years tax liability	1,931,362,255	3,027,024,693		
Balance at the end of the year	33,244,997,770	31,313,635,515		
The status of corporate income tax of the Bank has been shown in Annexure B.				
14.8.1 Reconciliation of effective tax rate (Solo)	Applicable Tax rate	2020	2019	
Profit before income tax as per profit & loss account				5,753,250,256
Income tax as per applicable tax rate	37.50%	37.50%	37.50%	2,157,468,846
Factors affecting the tax charge in current year				
Tax Savings from reduced tax rates for Capital gain on share	10.00%	-0.19%	-0.07%	(11,042,322)
Tax Savings from Tax exempted income	Exempted	-13.90%	-0.23%	(799,980,958)
Tax Savings from reduced tax rates for Dividend	20.00%	-0.64%	-1.08%	(36,935,483)
Admissible expenses in current Year (i.e. Bad debt write off etc.)	37.50%	-7.56%	-8.49%	(435,146,395)
Admissible expenses in current Year	37.50%	-0.57%	-2.65%	(32,596,010)
Inadmissible expenses in current year	37.50%	18.06%	31.89%	1,039,594,577
Effect of deferred Tax	37.50%	2.65%	0.50%	152,374,560
Provision for uncertainty over Income Tax treatments by NBR	37.50%	0.87%	1.38%	50,000,000
		36.22%	58.75%	2,083,736,815
				3,052,877,231
14.9 (a) Consolidated Provision for Current tax				
Pubali Bank Limited				1,931,362,255
Pubali Bank Securities Limited				64,832,054
				1,996,194,309
14.9.1 Deferred tax assets				
Balance at the beginning of the year				3,718,866,289
Provision made during the year for loan loss (note 14.9.1.1)				(342,899,301)
Deferred tax assets for fixed assets (note 14.9.2.1)				98,603,853
Provision held at the end of the year				3,474,570,841
				2,243,188,401
				1,475,677,888
				-
				3,718,866,289



	2020 Taka	2019 Taka
14.9.2 Deferred tax Liabilities		
Balance at the beginning of the year	91,920,888	66,068,350
Provision made during the year * (note 14.9.2.1)	(91,920,888)	25,852,538
Provision held at the end of the year	-	91,920,888
<p>Deferred tax assets/(liabilities) have been recognised and measured as per IAS-12: Income taxes and BRPD circular # 11 dated 12 December 2011. No deferred tax liability has been recognised revaluation reserve on land & Building due to the fact that taxes paid at the time of land & Building registration is final discharge of related tax liability under section 82(C) 2(d) of Income tax ordinance 1984. There is no other material temporary timing difference in classified assets/liabilities for which deferred tax assets/liability is required to be accounted for the year 2020.</p> <p>* In 2019 Tk 91,920,888 has been shown in deferred tax liabilities against fixed assets but during the year 2020 it has been converted to deferred tax assets against fixed assets (note-14.9.2.1). As a consequence it is not required to maintain any deferred tax liability for 2020.</p>		
14.9.1.1 Deferred Tax on loan loss provision		
Cumulative Provision made against Bad/loss	10,162,969,021	11,093,431,288
Adjustment of Corresponding provision on write off	1,160,390,387	1,176,454,517
Deductible/(taxable) temporary difference	9,002,578,634	9,916,976,771
Tax Rate	37.50%	37.50%
Closing Deferred tax assets *	3,375,966,988	3,718,866,289
Opening Deferred tax assets	3,718,866,289	2,243,188,401
Deferred tax (expense)/income	(342,899,301)	1,475,677,888
<p>* As per BRPD Circular no.11 dated 12 December 2011, total amount of Tk. 3,375,865,762 has been recognized as Deferred Tax Assets (DTA) included in Retained Earnings for 2020 based on the provision against classified loans and such earnings against Deferred Tax Assets (DTA) shall not be distributed as dividend. Moreover, while calculating the Regulatory Eligible capital such Deferred Tax Assets (DTA) also deducted as Regulatory adjustment from Common Equity Tier-1 (CET-1) capital. (Please see note 17)</p>		
14.9.2.1 Deferred Tax on Fixed Assets		
Carrying amount	3,670,712,196	4,022,867,188
Tax Base	3,933,655,804	3,777,744,819
Deductible/(taxable) temporary difference	(262,943,608)	245,122,369
Tax Rate	37.50%	37.50%
Closing Deferred tax assets/(Liabilities)	98,603,853	(91,920,888)
Opening Deferred tax assets/(Liabilities)	(91,920,888)	(66,068,350)
Deferred tax (expense)/Income	190,524,741	(25,852,538)
14.9.2.2 Deferred tax (expense)/Income (net)		
Deferred tax (expense)/Income arisen for charging specific provision (note 14.9.1.1)	(342,899,301)	-
Deferred tax (expense)/Income arisen in WDV of Fixed Assets (note 14.9.2.1)	190,524,741	(25,852,538)
	(152,374,560)	(25,852,538)
<p>Deferred tax income of 2019 is "nil" due to the amount of Tk. 1,475,677,888 has been adjusted with retained earning rather profit of loss A/c for the year 2019 to present retrospective restatement of deferred tax Income against loan loss provision.</p>		
14.9.1 (a) Consolidated Deferred tax (expense)/Income (net)		
Pubali Bank Limited	152,374,560	25,852,538
Pubali Bank Securities Limited	150,720	475,101
	152,525,280	26,327,639
14.9.1 (b) Consolidated deferred tax Liabilities (Accumulated)		
Balance at the beginning of the year	92,058,382	65,730,743
Provision transferred to Current tax	-	-
Provision made during the year	(91,770,168)	26,327,639
Provision held at the end of the year	288,214	92,058,382
14.9.2 Tax Provision made during the Year		
Current Tax	1,931,362,255	3,027,024,693
Deferred Tax	152,374,560	25,852,538
	2,083,736,815	3,052,877,231
14.10 Exchange adjustment account: Tk. 28,666,878		
<p>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.</p>		
14.11 Agri credit guarantee backing reserve: TK. 70,261,300		
<p>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.</p>		
14.12 Pakistan account:TK. 8,393,039		
<p>This represents net liability to Bank's own branches operating in former West Pakistan before Liberation of the country and remains unsettled as yet.</p>		
14.13 Pension fund:TK. 1,570,883		
<p>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.</p>		
14.14 Provision for suspense:		
Provision at the beginning of the year	63,714,468	63,714,468
Provision made during the year	-	-
Provision transferred from reserve for unforeseen losses	102,500,000	-
Provision at the end of the year	166,214,468	63,714,468
<p>This represents provision for suspense or contingencies for the years 2004 & 2015 including the provisions made in the year 1985 for the period prior to privatization as per vendor's agreement.</p>		
14.15 Provision for demonetized notes:TK. 989,740		
<p>This is as per accounts of earlier years. Representing provision out of demonetized notes of Tk. 1,903,830 of 1975 which remains unsettled with Bangladesh Bank.</p>		



2020
Taka

2019
Taka

14.16 Provision for Un-reconciled General Account debit entries

Period of un-reconciliation	Amount	Base for Provision (%)	Provision Required	
			2020	2019
Upto 12 months	2,118,319	-	-	-
12 months above but less than 24 months	-	50%	-	-
24 months and above	7,723,303	100%	7,723,303	7,859,115
Required provision			7,723,303	7,859,115
Provision maintained			13,724,657	13,724,657
Excess provision			6,001,354	5,865,542

14.17 Unclaimed dividend In year wise

Year wise Dividend	2020	2019
	Total Amount	Total Amount
Year of 1986	165,459	165,459
Year of 1987	198,711	198,711
Year of 1988	311,061	311,061
Year of 2001	1,316,432	1,316,432
Year of 2006	1,004,366	1,004,366
Year of 2007	1,037,633	1,037,633
Year of 2008	1,369,535	1,369,535
Year of 2009	14,576,420	15,813,946
Year of 2010	21,775,560	23,127,503
Year of 2011	16,324,998	18,468,809
Year of 2012	28,270,344	33,628,849
Year of 2013	16,754,934	19,439,336
Year of 2014	30,275,554	35,602,417
Year of 2015	34,522,134	40,892,762
Year of 2016	15,116,946	17,769,209
Year of 2017	15,260,427	18,126,215
Year of 2018	31,852,247	37,990,545
Year of 2019	96,640,483	-
Total	326,773,244	266,262,788

Amount of Tk 675,231 has been reported as unpaid dividend in 2019 but as per BSEC directives no. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, it has to disclose in the financial statement as a separate line item "Unclaimed Dividend Account". It is noted that the earlier year balance has been restated and actual balance would be tk. 266,262,788. So, the difference amount of tk. 265,587,557/- had been reported in current account under total deposit account in the earlier year (note 13.1).

14.18 Start-up fund

As per Bangladesh Bank SME/SPD's Circular no. 04 Dated 29 March 2021, transfer 1% from operating profit (Audited Financial Statements) for creating a start-up fund for the next 5 years since 2020 to onward and which will be disbursed to start-up entrepreneur.

14(a) Consolidated other liabilities

Pubali Bank Limited	67,894,214,623	60,679,477,157
Pubali Bank Securities Limited	2,478,261,905	1,916,174,188
Inter company payables	(378,886,730)	(83,844,988)
	69,993,589,798	62,511,806,357

15 Capital

15.1 Authorized Capital

2,000,000,000 ordinary shares of Tk 10 each	20,000,000,000	20,000,000,000
---	----------------	----------------

15.2 Issued, subscribed and paid up capital

1,600,000 ordinary shares of Tk 100 each Issued for cash	160,000,000	160,000,000
400,000 ordinary shares of Tk 100 each as bonus share in 2000	40,000,000	40,000,000
2,000,000 ordinary shares of Tk 100 each as bonus share in 2004	200,000,000	200,000,000
8,000,000 ordinary shares of Tk 100 each as bonus share in 2005	800,000,000	800,000,000
9,000,000 ordinary shares of Tk 100 each as bonus share in 2006	900,000,000	900,000,000
8,400,000 ordinary shares of Tk 100 each as bonus share in 2007	840,000,000	840,000,000
8,820,000 ordinary shares of Tk 100 each as bonus share in 2008	882,000,000	882,000,000
11,466,000 ordinary shares of Tk 100 each as bonus share in 2009	1,146,600,000	1,146,600,000
173,901,000 ordinary shares of Tk 10 each as bonus share in 2010	1,739,010,000	1,739,010,000
167,690,250 ordinary shares of Tk 10 each as bonus share in 2011	1,676,902,500	1,676,902,500
41,922,562 ordinary shares of Tk 10 each as bonus share in 2013	419,225,620	419,225,620
70,429,904 ordinary shares of Tk 10 each as bonus share in 2016	704,299,040	704,299,040
47,540,185 ordinary shares of Tk 10 each as bonus share in 2017	475,401,850	475,401,850
29,950,317 ordinary shares of Tk 10 each as bonus share in 2018	299,503,170	299,503,170
	10,282,942,180	10,282,942,180

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

15.3 Paid up capital as per shareholders category

Particular	2020			2019
	No. of share	Percentage (%)	Amount	Amount
Directors	323,772,908	31.49%	3,237,729,080	3,084,933,370
Co-operative societies	9,328,612	0.91%	93,286,120	93,048,160
Banks and financial institutions	45,304,727	4.40%	453,047,270	432,657,020
Government	2,482	0.0002%	24,820	24,820
Other institutions	220,675,583	21.46%	2,206,755,830	2,242,304,510
Non resident Bangladeshi	7,307,425	0.71%	73,074,250	101,845,430
General public	421,902,481	41.03%	4,219,024,810	4,328,128,870
	1,028,294,218	100.00%	10,282,942,180	10,282,942,180



2020
Taka

2019
Taka

15.4 Range wise shareholdings

Range wise shareholdings	2020		2019	
	Number of shareholders	Percentage of holding of shares (%)	Number of Shares	Number of Shares
Up to 500 shares	24,360	0.30%	3,103,719	3,343,117
501 to 5,000 "	12,828	2.06%	21,185,106	22,589,312
5,001 " 10,000 "	1,434	0.88%	9,022,618	9,643,759
10,001 " 20,000 "	618	0.82%	8,470,802	8,957,261
20,001 " 30,000 "	185	0.43%	4,393,717	4,650,677
30,001 " 40,000 "	186	0.59%	6,076,416	6,046,368
40,001 " 50,000 "	60	0.26%	2,647,412	2,986,649
50,001 " 100,000 "	235	1.76%	18,141,449	18,707,990
100,001 and above	317	92.90%	955,252,979	951,369,085
	40,223	100.00%	1,028,294,218	1,028,294,218

15.5 Capital to Risk Weighted Assets Ratio (Solo):

In terms of section 13 (2) of the Bank Company Act, 1991 and Bangladesh Bank BRPD circulars nos. 14,09,20,10,12,24,31,35,08,16,18 and 05 dated December 30, 2007, December 31, 2008, December 29, 2009, March 10, 2010, March 29, 2010, August 03, 2010, October 25, 2010, December 29, 2010, July 23, 2012, October 29, 2012, December 21, 2014 and May 31, 2016 and DOS circular no 01 dated January 01, 2015 respectively, required capital of the Bank (solo) at the close of business on 31 December 2020 was Taka 32,749,148,209 as against available going - concern capital of Taka 28,488,798,664 and gone - concern capital of Taka 19,753,554,767 making a total regulatory capital of Taka 48,242,353,431 thereby showing a surplus regulatory capital /equity of Taka 15,493,205,222 at that date. Details are shown below:

Total assets including off-balance sheet items	702,727,230,237	582,856,183,439
Total risk-weighted assets	327,491,482,092	287,289,995,075
Required Capital (10% of risk weighted assets)	32,749,148,209	28,728,999,508

Regulatory capital held :

- i) Going - concern capital (Tier-1) (note 15.5.1)
ii) Gone - concern capital (Tier-2) (note 15.5.2)

28,488,798,664	25,524,315,639
19,753,554,767	14,116,212,833
48,242,353,431	39,640,528,472
15,493,205,222	10,911,528,964

Total Regulatory Capital Surplus /{ Deficit }

CRAR Based on Basel III Framework:

14.73% 13.80%

Capital Requirement :

Tier-1 (Minimum CET-1 @ 4.50%)	Held	Held
Tier-2 (Maximum upto 4% of total RWA or 88.89% of CET-1 which ever is higher) Balancing	8.70%	8.88%
Total	6.03%	4.91%
	14.73%	13.80%

15.5.1 Going - concern capital (Tier-1)

Paid-up Capital	10,282,942,180	10,282,942,180
Statutory Reserve	10,283,000,000	10,283,000,000
General Reserve	11,371,987,166	8,724,067,943
	31,937,929,346	29,290,010,123
Reciprocal crossholdings in the CET -1, Goodwill and other intangible assets	(73,163,694)	(46,828,195)
Deferred Tax assets (DTA) on loan loss provision	(3,375,966,988)	(3,718,866,289)
	28,488,798,664	25,524,315,639

15.5.2 Gone - concern capital (Tier-2)

General provision (Unclassified loans + off-balance sheet exposure)	8,253,554,767	5,116,212,833
Subordinated debt/ Instruments issued by the Bank	11,500,000,000	9,000,000,000
Asset revaluation Reserve up to 50% as on 31 December 2014	-	1,449,354,627
Revaluation Reserve for equity Instruments up to 10% as on 31 December 2014	-	141,678,310
Revaluation reserve for securities upto 50% as on 31 December 2014	-	18,050,676
	19,753,554,767	15,725,296,446

Regulatory adjustment

Revaluation reserve for fixed asset, securities & equipment as on 31 December 2014	-	(1,609,083,613)
	19,753,554,767	14,116,212,833
Total Regulatory Capital Maintained	48,242,353,431	39,640,528,472

Capital to Risk Weighted Assets Ratio (Consolidated):

In terms of section 13 (2) of the Bank Company Act, 1991 and Bangladesh Bank BRPD circulars nos. 14,09,20,10,12,24,31,35,08,16,18 and 05 dated December 30, 2007, December 31, 2008, December 29, 2009, March 10, 2010, March 29, 2010, August 03, 2010, October 25, 2010, December 29, 2010, July 23, 2012, October 29, 2012, December 21, 2014 and May 31, 2016 and DOS circular no 01 dated January 01, 2015 respectively, required capital of the Bank (Consolidated) at the close of business on 31 December 2020 was Taka 32,905,020,308 as against available going - concern capital of Taka 28,251,521,476 and gone - concern capital of Taka 19,753,554,767 making a total regulatory capital of Taka 48,005,076,243 thereby showing a surplus regulatory capital /equity of Taka 15,100,055,935 at that date. Details are shown below:

Total assets including off-balance sheet items	703,372,823,026	583,548,103,199
Total risk-weighted assets	329,050,203,081	288,189,250,352
Required Capital (10% of risk weighted assets)	32,905,020,308	28,818,925,035

Regulatory capital held :

- i) Going - concern capital (Tier-1) (note 15.5.3)
ii) Gone - concern capital (Tier-2) (note 15.5.4)

28,251,521,476	25,216,407,353
19,753,554,767	14,116,212,833
48,005,076,243	39,332,620,186
15,100,055,935	10,513,695,151

Total Regulatory Capital Surplus /{ Deficit }

CRAR Based on Basel III Framework:

14.59% 13.65%

Capital Requirement :

Tier-1 (Minimum CET-1 @ 4.50%)	Held	Held
Tier-2 (Maximum upto 4% of total RWA or 88.89% of CET-1 which ever is higher) Balancing	8.59%	8.75%
Total	6.00%	4.90%
	14.59%	13.65%



	2020 Taka	2019 Taka
15.5.3 Going - concern capital (Tier-1)		
Paid-up Capital	10,282,942,180	10,282,942,180
Statutory Reserve	10,283,000,000	10,283,000,000
General Reserve	11,258,683,182	8,573,461,745
	31,824,625,362	29,139,403,925
Reciprocal crossholdings in the CET -1, Goodwill and other intangible assets	(197,136,898)	(204,130,283)
Deferred Tax assets (DTA) on loan loss provision	(3,375,966,988)	(3,718,866,289)
	28,251,521,476	25,216,407,353
15.5.4 Gone - concern capital (Tier-2)		
General provision (Unclassified loans + off-balance sheet exposure)	8,253,554,767	5,116,212,833
Subordinated debt/ instruments issued by the Bank	11,500,000,000	9,000,000,000
Asset revaluation Reserve up to 50% as on 31 December 2014	-	1,449,354,627
Revaluation Reserve for equity instruments up to 10% as on 31 December 2014	-	141,678,310
Revaluation reserve for securities upto 50% as on 31 December 2014	-	18,050,676
	19,753,554,767	15,725,296,446
Regulatory adjustment		
Revaluation reserve for fixed asset, securities & equipment as on 31 December 2014	-	(1,609,083,613)
	19,753,554,767	14,116,212,833
Total Regulatory Capital Maintained	48,005,076,243	39,332,620,186

15.6 Particulars of shareholding of the directors

SL.No	Name of the directors	Status	2020		2019		
			No of shares	Amount (Tk)	No of shares	Amount (Tk)	
1	Mr. Monzurur Rahman	Chairman	20,566,639	205,666,390	20,566,639	205,666,390	
2	Mr. Moniruddin Ahmed	Director	33,596,545	335,965,450	33,596,545	335,965,450	
3	Mr. Habibur Rahman	Director	20,581,213	205,812,130	20,581,213	205,812,130	
4	Mr. Fahim Ahmed Faruk Chowdhury	Director	21,101,586	211,015,860	21,101,586	211,015,860	
5	Ms. Rumana Sharif	Director	Nominated by Delta Life Insurance Co. Ltd.	51,418,707	514,187,070	51,418,707	514,187,070
			Personal	256,417	2,564,170	256,417	2,564,170
6	Mr. M. Kabiruzzaman Yaqub FCMA (UK),CGMA	Director	20,568,691	205,686,910	20,568,691	205,686,910	
7	Mr. Musa Ahmed	Director	20,615,794	206,157,940	20,615,794	206,157,940	
8	Mr. Azizur Rahman	Director	22,352,148	223,521,480	22,352,148	223,521,480	
9	Mr. Md. Abdur Razzak Mondal	Director	Nominated by That's It fashions Ltd.	35,990,157	359,901,570	35,990,157	359,901,570
			Personal	-	-	-	-
10	Ms. Rana Laila Hafiz	Director	20,565,889	205,658,890	20,565,889	205,658,890	
11	Mr. Asif Ahmed Choudhury	Director	20,569,604	205,696,040	20,569,604	205,696,040	
12	Mr. Mustafa Ahmed	Director	35,845,935	358,459,350	-	-	
13	Dr. Shahdeen Malik	Independent Director	-	-	-	-	
14	Mr. M. Azizul Huq	Ex. Independent Director	-	-	-	-	
15	Mr. Arif Ahmed Choudhury	Ex. Director	-	-	20,566,640	205,666,640	
			324,029,325	3,240,293,250	308,749,754	3,087,497,540	

15.7 Related party disclosures

15.7.1 Particulars of directors and their shareholding in the Bank

SL NO.	Name of the Directors	Designation	Percentage of shareholding at 31 Dec 2020	Percentage of shareholding at 31 Dec 2019
1	Mr. Monzurur Rahman	Chairman	2.00	2.00
2	Mr. Moniruddin Ahmed	Director	3.27	3.27
3	Mr. Habibur Rahman	Director	2.00	2.00
4	Mr. Fahim Ahmed Faruk Chowdhury	Director	2.05	2.05
5	Ms. Rumana Sharif	Director	5.00	5.00
		Personal	0.02	0.02
6	Mr. M. Kabiruzzaman Yaqub FCMA (UK),CGMA	Director	2.00	2.00
7	Mr. Musa Ahmed	Director	2.00	2.00
8	Mr. Azizur Rahman	Director	2.17	2.17
9	Mr. Md. Abdur Razzak Mondal	Director	3.50	3.50
		Personal	-	-
10	Ms. Rana Laila Hafiz	Director	2.00	2.00
11	Mr. Asif Ahmed Choudhury	Director	2.00	2.00
12	Mr. Mustafa Ahmed	Director	3.49	-
13	Dr. Shahdeen Malik	Independent Director	-	-
14	Mr. M. Azizul Huq	Ex. Independent Director	-	-
15	Mr. Arif Ahmed Choudhury	Ex. Director	-	2.00



Mr. Mustafa Ahmed was elected as a new member of the Board of Directors by the honorable shareholders in the 37th Annual General Meeting of the Bank held on 30.07.2020 in place of Mr. Arif Ahmed Choudhury. Whereas by judgment and order dated 27.08.2020 passed by the Hon'ble High Court Division of the Supreme Court of Bangladesh in VC Company Matter No. 33 of 2020, Pubali Bank Ltd. has been directed to transact the "Agenda no. 5: To elect/re-elect of Directors" of the said 37th Annual General Meeting again through an Annual General Meeting within 6 (six) weeks of the date of receipt of the certified copy of the judgment upon consultation with BSEC. The Hon'ble High Court Division further directed that the complexion and membership of the Board of the Directors shall be as prevailed immediately prior to the holding of the AGM on 30.07.2020. The operation of the said judgment and order dated 27.08.2020 was stayed by the Hon'ble Appellate Division of the Supreme Court of Bangladesh by order dated 06.09.2020 in CMP No. 466 of 2020 filed by Pubali Bank Ltd. The ensuing Civil Petition No. 1511 of 2020 filed by Pubali Bank Ltd. has been dismissed by the Hon'ble Appellate Division as being not pressed by order dated 04.02.2021 thereby vacating the earlier order of stay dated 06.09.2020. Accordingly Mr. Mustafa Ahmed, who was declared elected a new Director on 30.07.2020 could not continue as a director from 04.02.2021 and Mr. Arif Ahmed Choudhury's position had been restored. After that, Pubali Bank Limited has transacted the "Agenda no. 5: To elect/re-elect of Directors" of the said 37th Annual General Meeting again on 18.03.2021 under BSEC the Directive no. BSEC/CMRRCD/2009-193/08 dated 10/03/2021 and Mr. Mustafa Ahmed has been re-elected as a member of the Board of Directors by the honorable shareholders in place of Mr. Arif Ahmed Choudhury.

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

SL NO.	Name of the Directors	Status in the Bank	Name of the entities in which the directors have Interest	Status in the entities	Percentages of interest/ No. of shares in the entities
1	Mr. Monzurur Rahman	Chairman	Rema Tea Company Ltd.	Chairman	12.13%
2	Mr. Moniruddin Ahmed	Director	1. Pubali Bank Securities Ltd.	Chairman	1 share
3	Mr. Habibur Rahman	Director	1. Delta Hospital Ltd. 2. Pubali Bank Securities Ltd. 3. Global Pharmaceutical Company Ltd.	Director Director Director	3.41% 1 share -
4	Mr. Fahim Ahmed Faruk Chowdhury	Director	1. Chittagong Electric Manufacturing Co. Ltd. 2. F. A. C Eastern Enterprise Ltd. 3. Ranks FC Properties Ltd. 4. FC Holdings Ltd. 5. CEM Readymix Concrete Ltd. 6. CEM UPVC Ltd. 7. Surgiscope Hospital Pvt. Ltd. 8. Globex Pharmaceuticals Ltd. 9. Delta Hospital Ltd. 10. Euro Petro Product Ltd.	Managing Director Managing Director Managing Director Managing Director Managing Director Director Director Director Director	15,000 shares 413 shares Representative Director of FC Holdings Ltd. 2,000 shares 7,500 shares 7,000 shares 5,000 shares 6,29,221 shares 859,894 shares 1,50,000 shares
5	Ms. Rumana Sharif	Nominee Director	None	Nil	Nil
6	Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Director	1. imagine Properties Ltd. 2. Pubali Bank Securities Ltd.	Chairman Director	50% 1 share
7	Mr. Musa Ahmed	Director	1. Popular Jute Exchange Ltd. 2. Popular Jute Mills Ltd. 3. Cumilla 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	22.55% 8.10% 10.88% 11.35% 22.41%
8	Mr. Azizur Rahman	Director	1. Pubali Bank Securities Ltd. 2. National Ceramic Industries Ltd. 3. Dressmen Fashionwear Ltd.	Director Managing Director Director	1 share 50,000 shares 40%
9	Mr. Md. Abdul Razzak Mondal	Nominee Director	1. That's It Fashions Ltd.	Nominee	-
10	Ms. Rana Laila Hafiz	Director	1. Trouser Line Ltd. 2. SP Garments Ltd. 3. SP Washing Ltd. 4. Green Valley Plantation Ltd.	Managing Director Managing Director Managing Director Director	30.00% 25.00% 25.00% -
11	Mr. Asif Ahmed Choudhury	Director	1. Transcon Securities Ltd. 2. Continental Travels Ltd. 3. Pubali Bank Securities Ltd.	Managing Director Executive Director Director	19,000 Shares 2,000 Shares 1 share
12	Mr. Mustafa Ahmed	Director	Pubali Bank Securities Ltd.	Director	1 share
13	Dr. Shahdeen Malik	Independent Director	1. Pubali Bank Securities Ltd.	Independent Director	-

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

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

15.7.5 Related party transactions

Sl No	Name of the Related parties	Relationship with Pubali Bank Ltd.	Nature of Transactions	Limit	Outstanding (Tk)
1	Mr. Habibur Rahman	Director	Credit Card	500,000	-
2	Ms. Rumana Sharif	Director	Credit Card	500,000	18,885
3	Mr. Ahmed Shafi Choudhury	Advisor	Credit Card	200,000	-
4	Mr. Md. Abdul Halim Chowdhury	Managing Director	Credit Card	500,000	-

15.7.6 Key Management personnel compensation

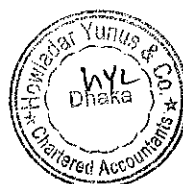
Amounts incurred by the Bank for the provision of key Management personnel services for the period January - December 2020 is given below

Particulars	Amount
Short-term employee benefits	107,468,000
post-employment benefits	70,472,501

Key Management personnel are those persons having directly or indirectly authority and responsibility for planning, directing and controlling the activities of the entity. Key Management personnel includes Managing Director & CEO, 02 nos. Additional Managing Directors, 20 nos. General Manager, Company Secretary, Head of Internal Control & Compliance and Chief Financial Officer.

Amount of retirement/post-employment benefits such as Gratuity fund and Provident fund have been incurred by the Bank for 04 nos. of Key Management personnel.

	2020 Taka	2019 Taka
16 Statutory reserve		
The Bank is required to transfer at least 20% of its profit before tax to the Statutory Reserve in accordance with provisions of section 24 of the Banking Companies Act, 1991. This is mandatory until such reserve is equal to the paid up capital together with amount in the share premium account.		
Balance at the beginning of the year	10,283,000,000	9,983,500,000
Add: Addition during the year	-	299,500,000
Balance at the end of the year	<u>10,283,000,000</u>	<u>10,283,000,000</u>
17 Retained earnings (general reserve)		
Balance at the beginning of the year *	8,724,067,943	6,701,902,909
Addition during the year:	3,669,513,441	1,843,774,217
Deferred tax income against loan loss provision	-	1,475,677,888
Transfer in: Asset revaluation reserve	6,700,000	560,000
	<u>12,400,281,384</u>	<u>10,021,915,014</u>
Less: Issue of dividend	(1,028,294,218)	(1,297,847,071)
Balance at the end of the year	<u>11,371,987,166</u>	<u>8,724,067,943</u>
* Balance at the beginning of the year 2019 has been restated as per "Paragraph 42 of IAS-8: Accounting Policies, Changes in Accounting estimates and Errors" for amounting Tk. 2,243,188,401 for the year 2018 and Tk. 1,475,677,888 for the year 2019 due to retrospective restatement of deferred tax income against loan loss provision.		
As per BRPD Circular no.11 dated 12 December 2011, total amount of Tk. 3,375,865,762 has been recognized as Deferred Tax Assets (DTA) included in Retained Earnings for 2020 based on the provision against classified loans and such earnings against Deferred Tax Assets (DTA) shall not be distributed as dividend. Moreover, while calculating the Regulatory Eligible capital such Deferred Tax Assets (DTA) also deducted as Regulatory adjustment from Common Equity Tier-1 (CET-1) capital.		
17(a) Consolidated Retained earnings (general reserve)		
Pubali Bank Limited	11,371,987,166	8,724,067,943
Pubali Bank Securities Limited	(113,303,984)	(150,606,198)
	<u>11,258,683,182</u>	<u>8,573,461,745</u>
18 Other reserves		
18.1 Assets revaluation reserve		
Balance at the beginning of the year	2,943,748,065	2,914,562,739
Addition on revaluation of Investment During the Year	8,968,673,541	441,363,113
Disposal on revaluation of Investment during the year	(4,551,567,474)	(411,427,787)
Revaluation adjustment of Fixed Assets *	(520,443,941)	-
Transfer out: Fixed Asset revaluation reserve	(8,249,798)	(750,000)
	<u>6,832,160,393</u>	<u>2,943,748,065</u>
Share forfeiture account	333,984	333,984
Balance at the end of the year	<u>6,832,494,377</u>	<u>2,944,082,049</u>
* Total value of Land & Buildings has been decreased from Tk. 3,177,677,337 to Tk. 2,657,233,396 resulting total decreased of Tk. 520,443,941 which has been adjusted with the assets revaluation reserve.		
18.2 Exchange Equalization Fund		
Balance at the beginning of the year	29,959,972	29,959,972
Addition during the year	-	-
Balance at the end of the year	<u>29,959,972</u>	<u>29,959,972</u>
18.3 Foreign currency translation reserve		
Balance at the beginning of the period	7,653,297	6,592,698
Addition during the period	-	1,060,599
Balance at the end of the period	<u>7,653,297</u>	<u>7,653,297</u>
	<u>6,870,107,646</u>	<u>2,981,695,318</u>
18(a) Consolidated Other reserves		
Pubali Bank Limited	6,870,107,646	2,981,695,318
Pubali Bank Securities Limited	-	-
	<u>6,870,107,646</u>	<u>2,981,695,318</u>
19 Profit & loss account surplus		
Balance at the beginning of the year	-	-
Profit after tax during the year	3,669,513,441	2,143,274,217
	<u>3,669,513,441</u>	<u>2,143,274,217</u>
Appropriation for the year		
Statutory reserve	-	299,500,000
General reserve	3,669,513,441	1,843,774,217
	<u>3,669,513,441</u>	<u>2,143,274,217</u>
Balance at the end of the year	<u>-</u>	<u>-</u>
19(a) Consolidated Profit & loss account surplus		
Balance at the beginning of the year	-	-
Profit after tax during the year	3,706,815,668	2,162,902,429
	<u>3,706,815,668</u>	<u>2,162,902,429</u>
Appropriation for the year		
Statutory reserve	-	299,500,000
General reserve	3,706,815,668	1,863,402,429
	<u>3,706,815,668</u>	<u>2,162,902,429</u>
Balance at the end of the year	<u>-</u>	<u>-</u>
20 Non-controlling interest		
Balance at the beginning of the year	881	874
Share of current year profit	13	7
	<u>894</u>	<u>881</u>



	2020 Taka	2019 Taka
21 Contingent Liabilities		
Acceptances & endorsements (Note 21.1)	53,089,224,132	44,598,746,938
Letters of guarantee (Note 21.2)	25,345,020,741	21,614,440,241
Irrevocable letters of credit (Note 21.3)	46,369,281,181	30,104,501,790
Bills for collection (Note 21.4)	10,515,149,103	9,862,686,330
Other contingent liabilities	2,376,488,786	2,319,836,392
	137,695,163,943	108,500,211,691
* The amount of Tk. 2,347,327,393 has been claimed by the different borrowers against the Bank regarding Loans & Advances and balance amount of Tk. 29,161,393 considered as other contingent liabilities due to a law suit has been filed before the honorable high court division of the supreme court which is still pending.		
21.1 Acceptance & Endorsements		
Foreign	49,840,711,945	41,006,848,786
Local	3,248,512,187	3,591,898,152
	53,089,224,132	44,598,746,938
21.1.1 Acceptance & Endorsements in favour of:		
Government	-	-
Director/Executives/Officers	-	-
Bank and other financial institutions	-	-
Other customer	53,089,224,132	44,598,746,938
	53,089,224,132	44,598,746,938
21.2 Letter of Guarantee		
Foreign	569,065,763	594,841,674
Local	24,775,954,978	21,019,598,567
	25,345,020,741	21,614,440,241
21.2.1 Letter of Guarantee in favour of:		
Government	-	-
Director/Executives/Officers	-	-
Bank and other financial institutions	-	-
Other customer	25,345,020,741	21,614,440,241
	25,345,020,741	21,614,440,241
21.3 Letter of Credit		
Foreign	40,835,763,883	25,356,446,027
Local	5,533,517,298	4,748,055,763
	46,369,281,181	30,104,501,790
21.3.1 Letter of Credit in favour of:		
Government	-	-
Director/Executives/Officers	-	-
Bank and other financial institutions	-	-
Other customer	46,369,281,181	30,104,501,790
	46,369,281,181	30,104,501,790
21.4 Bills for Collection		
Foreign	4,057,531,935	3,700,001,011
Local	6,457,617,168	6,162,685,319
	10,515,149,103	9,862,686,330
21.4.1 Bills for Collection in favour of:		
Government	-	-
Director/Executives/Officers	-	-
Bank and other financial institutions	-	-
Other customer	10,515,149,103	9,862,686,330
	10,515,149,103	9,862,686,330
22 Interest Income		
Loans	3,090,109,089	3,071,252,772
Cash credits	3,937,642,291	4,907,442,359
Over drafts	5,912,269,578	6,638,686,950
Loan against imported merchandise	268,351	307,318
Loan against trust receipt	790,397,727	1,078,747,046
Inland bill purchased & demand draft purchased	105,119,459	998,840,192
Foreign bill purchased and Export development fund	97,125,647	106,466,347
Interest on Export Bill Discounting (EBD)	1,847,811	3,537,659
Packing credits	30,830,214	31,172,889
Payments against document	709,279,511	136,840,456
Agricultural credits & rural credits	5,637,100	12,455,390
Sundries account	129,244,268	90,314,539
CLS account	997,701,499	1,409,462,278
Secured mortgages	1,711,679,606	1,459,628,576
Loan against Shiksha Sanchay Prokalpa	233,620	391,772
Loan against Non-resident Credit Scheme	4,840	3,272
Lease finance	432,194,182	622,739,075
Loan against Puball Sanchay Prokalpa	10,783,253	11,804,319
Term loans	3,777,152,926	4,246,248,347
Loan against Puball Pension Scheme	98,883,223	103,661,808
Interest on loans and advances	21,838,404,195	24,930,003,364
Interest on money at call and short notice	84,990,013	102,749,017
Interest on balance with other banks	293,252,910	194,055,115
Interest on fixed deposits with other banks	500,235,195	833,844,722
	22,716,882,313	26,060,652,218
22(a) Consolidated Interest Income		
Puball Bank Limited	22,716,882,313	26,060,652,218
Puball Bank Securities Limited	23,188,327	14,069,662
	22,740,070,640	26,074,721,880



	2020 Taka	2019 Taka
23 Interest paid on deposits, borrowings, etc.		
Fixed deposit	7,031,593,112	6,281,112,100
Short-notice deposit	1,977,014,492	1,864,580,959
Savings bank deposit	1,288,349,591	1,411,043,913
Deposit pension scheme	518,147	1,645
Pubali bank pension scheme	3,058,324,421	2,621,817,783
Monthly monafa based deposit scheme	475,906	3,802,353
Pubali Sanchay Prokalpa	241,740,539	216,141,653
Shiksha Sanchay Prokalpa	15,983,614	16,086,443
Dwigun Sanchay Prokalpa	1,943,227,259	2,082,349,218
Interest on MPSD	345,478,382	360,351,253
Interest on TBSD	529,838,693	483,636,100
Interest on MFD	268,102,432	256,895,077
Sundry accounts	9,060,476	8,280,876
Interest paid on Deposits	16,709,707,064	15,606,099,373
Interest on call loan	13,800,944	36,194,167
Interest on borrowings from Bank and Fis	550,630,522	767,456,789
Interest on repo borrowings	34,275,739	9,587,796
Interest on Treasury bond	1,566,090,336	757,639,192
Interest on borrowings from Bangladesh Bank	2,903,372	10,701,498
Interest on Subordinated Bond	974,434,795	504,093,151
	19,851,842,772	17,691,771,966
24 Investment Income		
Interest on treasury bill	1,420,037,458	605,035,520
Interest on treasury bond	7,423,583,546	4,570,195,186
Interest on other bond	1,315,879,711	1,483,536,887
Interest on Bridge Loans & debentures	1,405,324	-
Gain/ (Loss) on sale of shares	40,153,897	12,724,374
Interest on Reverse Repo	161,960,099	109,080,391
Gain on Treasury Bill & Treasury Bond	2,133,282,555	32,057,153
Dividend on shares	211,059,905	319,290,327
	12,707,362,495	7,131,919,838
24(a) Consolidated income from investment		
Pubali Bank Limited	12,707,362,495	7,131,919,838
Pubali Bank Securities Limited	183,550,974	315,142,774
	12,890,913,469	7,447,062,612
25 Commission, exchange and brokerage		
SC, LSC, DD, TT, MT and PO	31,798,245	39,777,346
Foreign L/C-Import/others	333,644,169	294,490,143
Loal L/C-Import/others	38,076,763	51,334,402
Issuance of foreign guarantee	6,553,324	4,046,793
issuance of local guarantee	272,390,205	225,716,870
Issuance of traveller's cheque	1,428	4,200
Other transactions	213,309,067	200,329,212
Miscellaneous Handling Commission-Import/others	310,433,459	340,950,238
Consumers credit	1,666,742	2,097,409
Commission on stationary articles-Import/other	3,237,456	1,807,279
Income A/C commission Online	-	-
Total commission	1,211,110,858	1,160,553,892
Exchange (Note 25.1)	386,954,118	591,010,322
	1,598,064,976	1,751,564,214
25.1 Exchange		
Exchange gain	1,886,311,129	2,084,020,676
Exchange loss	(1,499,357,011)	(1,493,010,354)
	386,954,118	591,010,322
25(a) Consolidated Commission, exchange and brokerage		
Pubali Bank Limited	1,598,064,976	1,751,564,214
Pubali Bank Securities Limited	24,547,070	19,957,233
	1,622,612,046	1,771,521,447
26 Other operating income		
Rent recovery	4,683,541	2,978,200
Postage (Import/others) and telecommunication recovery	11,618,786	11,415,227
Miscellaneous income -Import/others	91,220,884	96,108,834
Miscellaneous income supervision and monitoring	1,188,680	2,900
Miscellaneous Income transfer fee	917,064	768,025
Recovered from bad debt written off	-	30,828
Swift Income-Import/others	81,874,994	118,975,770
Fee on card transaction	9,215,257	8,761,095
Application fee of CLS account	556,143	772,230
Account opening charge of CLS account	392,300	847,700
Service charge	40,551,581	18,362,505
Income on sale of leased asset	4,032,367	2,849,597
Processing Fee on Pubali Abashon	29,000	28,000
Processing Fee on Lease Financing	-	7,300
Online service charge	445,536,386	443,402,714
Accounts maintenance fee	267,373,151	316,264,523
SMS service charges	106,042,427	94,993,488
Card Fees and charges	26,003,893	23,378,813
CIB service charges	14,203,900	13,678,075
LC Acceptance charges	40,253,413	-
LC Payment & Discrepancy Charges	6,796,487	-
Income on sale of Bank's property	1,071,933	3,885,542
	1,153,562,187	1,157,511,366



	2020 Taka	2019 Taka
26(a) Consolidated Other operating income		
Pubali Bank Limited	1,153,562,187	1,157,511,366
Pubali Bank Securities Limited	55,012,365	62,058,575
	<u>1,208,574,552</u>	<u>1,219,569,941</u>
27 Salary and allowances		
Basic salary	2,518,383,622	2,322,924,035
House rent allowances	1,394,343,986	1,359,244,447
Medical allowances	291,900,286	296,567,120
House maintenance	189,635,551	192,843,624
Other allowances	1,208,202,657	631,198,006
Contributory provident fund	225,203,687	217,749,868
General provident fund	225,962	304,947
Bonus to employees	449,319,442	412,798,030
	<u>6,277,215,193</u>	<u>5,433,630,077</u>
27(a) Consolidated Salary and allowances		
Pubali Bank Limited	6,277,215,193	5,433,630,077
Pubali Bank Securities Limited	29,795,454	34,130,670
	<u>6,307,010,647</u>	<u>5,467,760,747</u>
28 Rent, taxes, insurance, electricity, etc.		
Bank premises	576,129,661	495,837,067
Godown	2,480,223	3,060,770
Total Rent expenses	<u>578,609,884</u>	<u>498,897,837</u>
Reversal of rent expenses due to depreciation and interest expenses under IFRS 16	578,609,884	498,897,837
Rent expenses after reversal	-	-
Rates and taxes	20,931,697	15,398,370
Insurance (vault)	1,182,819	47,846,191
Insurance premium	297,108,573	203,651,247
Electricity	148,037,958	152,572,840
Electric fittings and fixtures	40,790,008	31,141,236
Water and sewerage bill	4,991,772	6,206,719
	<u>513,042,827</u>	<u>456,816,603</u>
Total rent expenses for the year 2020 was Tk.578,609,884 as per IAS 17. To comply with "IFRS 16 Lease" rent expense has been adjusted with Depreciation Tk 409,790,420 arises against Right of use assets (Annex-A), interest expense of Tk 96,919,450 and VAT on rent expense of Tk. 72,358,364 under note no. 36.		
28(a) Consolidated Rent, taxes, insurance, electricity, etc.		
Pubali Bank Limited	513,042,827	456,816,603
Pubali Bank Securities Limited	580,415	650,673
	<u>513,623,242</u>	<u>457,467,276</u>
29 Legal expenses		
Lawyers' charges	15,795,830	23,015,327
Court fees and other expenses	3,240,635	7,698,975
	<u>19,036,465</u>	<u>30,714,302</u>
29(a) Consolidated Legal expenses		
Pubali Bank Limited	19,036,465	30,714,302
Pubali Bank Securities Limited	-	676,900
	<u>19,036,465</u>	<u>31,391,202</u>
30 Postage, stamp, telecommunication, etc.		
Postage	14,125,009	14,264,486
Telegram	376,420	568,284
Stamp	32,952	81,205
Telephone	18,592,079	18,916,984
SWIFT charges	12,421,668	41,217,417
SMS charges	8,262,076	8,327,129
Tele rate/ Router	2,654,846	2,499,386
Internet charges	1,358,258	1,073,795
	<u>57,823,308</u>	<u>86,948,686</u>
30(a) Consolidated Postage, stamp, telecommunication, etc.		
Pubali Bank Limited	57,823,308	86,948,686
Pubali Bank Securities Limited	244,738	316,265
	<u>58,068,046</u>	<u>87,264,951</u>
31 Stationery, printing, advertisement, etc.		
Table stationery	33,355,134	32,068,669
Computer stationery	28,805,430	25,243,976
Printing and stationery	5,551,795	8,148,029
Consumption of books and forms	10,788,222	14,968,952
Advertisement	39,779,342	58,341,710
	<u>118,279,923</u>	<u>138,771,336</u>
31(a) Consolidated Stationery, printing, advertisement, etc.		
Pubali Bank Limited	118,279,923	138,771,336
Pubali Bank Securities Limited	248,143	406,149
	<u>118,528,066</u>	<u>139,177,485</u>
32 Managing Director's salary and fees		
Basic pay	8,400,000	8,400,000
Allowances	2,960,000	2,760,000
Bank's contributory provident fund	840,000	840,000
Bonus	2,540,000	2,540,000
	<u>14,740,000</u>	<u>14,540,000</u>
33 Directors' fees		
Meeting fees and Honorarium	5,331,600	4,999,166
Meeting expenses	764,219	1,186,977
Meeting related travelling allowances	185,893	755,900
	<u>6,281,712</u>	<u>6,942,043</u>



	2020 Taka	2019 Taka
33(a) Consolidated Directors' fees		
Pubali Bank Limited	6,281,712	6,942,043
Pubali Bank Securities Limited	1,001,000	801,500
	<u>7,282,712</u>	<u>7,743,543</u>
Each director was paid TK 8,000 per meeting per attendance as per BRPD circular no.11 dated 4 October 2015.		
34 Auditors' fees		
Statutory audit	1,529,500	1,437,500
	<u>1,529,500</u>	<u>1,437,500</u>
34(a) Consolidated Auditors' fees		
Pubali Bank Limited	1,529,500	1,437,500
Pubali Bank Securities Limited	162,250	125,000
	<u>1,691,750</u>	<u>1,562,500</u>
35 Depreciation and repair of bank's assets		
Repairs to fixed assets	35,260,211	39,651,674
Maintenance of assets	144,982,007	150,410,759
Maintenance of assets -Wages	16,515,201	4,073,814
*Depreciation on fixed assets	768,846,537	699,554,434
	<u>965,603,956</u>	<u>893,690,681</u>
*Depreciation on fixed assets Included Tk. 409,790,420 for depreciation of ROU (Right Of Use) Assets as per IFRS-16 for the year 2020		
35(a) Consolidated depreciation and repair of bank's assets		
Pubali Bank Limited	965,603,956	893,690,681
Pubali Bank Securities Limited	2,047,475	1,434,291
	<u>967,651,431</u>	<u>895,124,972</u>
36 Other expenses		
Repairs to rented property	2,152,717	1,835,813
Newspapers	2,558,201	3,424,010
Renovation under Construction Works	39,903,345	41,479,025
Petrol consumption	49,568,593	59,807,963
Travelling	44,625,821	60,516,292
Donations	245,078,489	98,513,307
Honorarium	293,242	424,000
Subscriptions	16,067,539	21,546,086
Sub-ordinate staff clothing	12,826,529	11,686,910
Conveyance	21,922,690	24,189,296
Entertainment	28,765,681	32,929,631
Training	7,858,933	35,005,088
Photocopying	114,524	76,587
Branches' opening expenses	2,507,509	3,232,456
Shifting expenses	3,991,980	1,579,268
Carrying expenses	2,587,049	1,590,411
Professional fees	27,518,096	33,438,245
Security and Auxiliary Services	139,932,506	113,665,163
Gun license fees	6,247,315	5,373,851
Overtime	23,110,128	28,017,619
Employees recreation (Lunch subsidy)	234,290,501	243,610,144
Promotional expenses	73,286,780	77,192,328
Gratuity	557,262,160	600,355,500
Group Insurance	18,302,625	16,613,278
Car allowance	37,911,333	32,372,300
Chemicals for office equipment's	660,270	664,090
Loss on sale of bank's property	1,986,626	1,621,575
CDBL fees	137,223	224,604
Annual general meeting	158,960	1,717,966
Bandwidth charges	86,385,633	85,940,896
Card expenditure	25,947,792	28,711,602
VAT on Rent Expenses	72,358,364	63,323,173
Interest Expenses for lease liability as per IFRS-16	96,919,450	76,443,863
Bank Charges & Others	2,766,879	595,545
Nostro account charges	11,312,896	8,283,168
Card transaction fee	3,993,710	3,810,980
Additional Profit Payable A/C For Islamic Banking	-	600,000
Miscellaneous	69,604,873	67,314,156
	<u>1,970,916,962</u>	<u>1,887,728,189</u>
36(a) Consolidated Other expenses		
Pubali Bank Limited	1,970,916,962	1,887,728,189
Pubali Bank Securities Limited	5,590,763	7,333,703
	<u>1,976,507,725</u>	<u>1,895,061,892</u>
37 Provision for Loans, Advances, Investments and Other Assets		
Classified loans and advances (note 14.1.1)	461,149,107	2,525,186,311
Unclassified loans and advances (note 14.1.2)	2,072,864,396	1,264,560,096
Provision for bad debt offsetting	-	1,307,265
Provision for diminution in value of Investments	8,500,000	414,200,000
Provision for Start-up fund	83,795,594	-
	<u>2,626,309,097</u>	<u>4,205,253,672</u>
37(a) Consolidated Provision for Loans, Advances, Investments and Other Assets		
Pubali Bank Limited	2,626,309,097	4,205,253,672
Pubali Bank Securities Limited	144,343,497	264,655,994
	<u>2,770,652,594</u>	<u>4,469,909,666</u>



	2020 Taka	2019 Taka
43 Increase/(decrease) of other liabilities		
Closing other liabilities		
Interest suspense	4,569,922,382	3,414,216,268
Interest suspense on underwriting advances	221,286,952	234,170,921
Interest suspense against 70% Agri Loan	192,382	192,382
	<u>4,791,401,716</u>	<u>3,648,579,571</u>
Opening other liabilities		
Interest suspense	3,414,216,268	2,312,889,947
Interest suspense on underwriting advances	234,170,921	235,599,888
Interest suspense against 70% Agri Loan	192,382	192,382
	<u>3,648,579,571</u>	<u>2,548,682,217</u>
	<u>1,142,822,145</u>	<u>1,099,897,354</u>
43(a) Consolidated Increase/(decrease) of other liabilities		
Pubali Bank Limited	1,142,822,145	1,099,897,354
Pubali Bank Securities Limited	352,761,446	(136,915,368)
	<u>1,495,583,591</u>	<u>962,981,986</u>
44 Cash and Cash Equivalents at End of Period		
Cash in hand (including foreign currencies)	4,137,466,359	4,208,445,687
Balance with Bangladesh Bank and its agent bank(s)	20,008,973,263	21,694,542,794
Balance with other banks and financial institutes	18,580,803,997	13,086,547,908
Prize bonds	27,572,001	27,248,101
Money at call on short notice	1,200,786,667	126,786,667
	<u>43,955,602,287</u>	<u>39,143,571,157</u>
44(a) Consolidated Cash and Cash Equivalents at End of Period		
Pubali Bank Limited	43,955,602,287	39,143,571,157
Pubali Bank Securities Limited	1,340,479,296	989,804,123
	<u>45,296,081,583</u>	<u>40,133,375,280</u>
45 Assets and liabilities as at 31 December 2020 denominated in foreign currencies have been converted to Bangladesh Taka at the following exchange rates:		
<u>Currency</u>	<u>Currency unit</u>	<u>Equivalent Taka</u>
European Currency	EURO	104.1951
Japanese Yen	JPY	0.8206
Pound Sterling	GBP	114.8292
Swiss Franc	CHF	96.1028
US Dollar	USD	84.8011
ACU Dollar	ACUD	84.8011
AED	AED	23.0846
46 Basic and Diluted Earnings Per Share (EPS):		
Net profit after taxes	3,569,513,441	2,143,274,217
Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
Basic and Diluted Earnings Per Share (EPS)	<u>3.57</u>	<u>2.08</u>
46(a) Consolidated Basic and Diluted Earnings Per Share (EPS)		
Net profit after tax	3,706,815,668	2,162,902,429
Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
Basic and Diluted Earnings Per Share (EPS)	<u>3.60</u>	<u>2.10</u>
Earnings per share has been calculated in accordance with BAS-33: "Earnings Per Share (EPS)".		
Net Asset Value Per Share (NAVPS):		
Total Shareholders' Equity	38,808,036,992	32,271,705,441
Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
	<u>37.74</u>	<u>* 31.38</u>
Consolidated Net Asset Value Per Share (NAVPS):		
Total Shareholders' Equity	38,694,733,008	32,121,099,243
Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
	<u>37.63</u>	<u>* 31.24</u>
* Restated due to retrospective restatement of deferred tax income against loan loss provision. (Details see note no.17)		
Net Operating Cash Flow Per Share (NOCFPS):		
Net Cash from/(used in) Operating activities	3,779,561,413	(429,836,189)
Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
	<u>3.68</u>	<u>(0.42)</u>
Consolidated Net Operating Cash Flow Per Share (NOCFPS):		
Net Cash from/(used in) Operating activities	4,129,548,361	(333,132,705)
Number of ordinary shares outstanding	1,028,294,218	1,028,294,218
	<u>4.02</u>	<u>(0.32)</u>

	2020 Taka	2019 Taka
47 Reconciliation of statement of cash flows from operating activities		
Profit before provision	8,379,559,353	9,457,805,120
Adjustment for non cash items		
Depreciation on fixed asset	743,480,965	686,414,321
Amortization on software	25,365,572	13,140,113
	768,846,537	699,554,434
Adjustment with non-operating activities		
Gain on sale of shares	(40,153,897)	(12,724,374)
Capital gain on sale of treasury bond	(2,133,282,555)	(32,057,153)
Gain on sale of Bank's property	(1,071,933)	(3,885,542)
Loss on sale of bank's property	1,986,626	1,621,575
	(2,172,521,759)	(47,045,494)
Changes in operating assets and liabilities		
Changes in loans & advances	(28,544,225,212)	(16,125,164,839)
Changes in deposit and other accounts	70,189,710,109	50,519,120,006
Changes in investment	(40,711,277,888)	(42,862,791,532)
Changes in borrowings	516,449,131	(182,009,823)
Changes in other assets	(3,530,246,618)	(1,231,079,061)
Changes in other liabilities	1,757,133,601	1,782,880,579
	(322,456,877)	(8,099,044,570)
Income Tax Paid	(2,873,865,841)	(2,441,105,579)
Net cash flows from operating activities	3,779,561,413	(429,836,189)

48 Highlights on the Overall Activities of the Bank for the period ended 31 December' 2020 and 31 December' 2019

Particulars	2020 Taka	2019 Taka
1. Paid- up Capital	10,282,942,180	10,282,942,180
2. Total Regulatory Capital	48,242,353,431	39,640,528,472
3. Regulatory Capital Surplus	15,493,205,222	10,911,528,964
4. Total Assets	565,032,066,294	478,074,838,037
5. Total Deposits	429,343,017,243	359,153,307,134
6. Total Loans & Advances	315,578,899,240	287,034,674,028
7. Total Contingent Liabilities	137,695,163,943	108,500,211,691
8. Loan Deposit Ratio (%)	70.71%	76.21%
9. Ratio of Classified Loan to total Loans & Advances (%)	2.73%	4.38%
10. Profit after taxation & Provision	3,669,513,441	2,143,274,217
11. Amount of Classified Loan during the current year	8,622,010,169	12,560,600,473
12. Provision kept against Classified Loans	10,257,809,481	11,429,947,167
13. Provision Surplus	1,000,000,000	1,823,201
14. Cost of Fund (%)	7.09%	7.52%
15. Interest Earning Assets	473,085,436,982	386,774,116,326
16. Non Interest Earning Assets	91,946,629,312	91,300,721,711
17. Return on Investment(ROI) [PAT/ Shareholders' Equity]	9.46%	7.51%
18. Return on Assets (ROA)	0.65%	0.45%
19. Income from Investment	12,707,362,495	7,131,919,838
20. Earnings per Share (Taka)	3.57	2.08
21. Net Income per Share (Taka)	3.57	2.08
22. Price Earning Ratio (Times)	6.75	11.51



Schedule of Fixed Assets as at 31 December, 2020

Annexure- A

Particulars	Cost					Rate (%)	Depreciation/Amortization					Net book value at 31 December 2020 Taka
	Balance at 1 January 2020 Taka	Additions/ Revaluation during the Year Taka	Disposal during the year Taka	Adjustments during the year Taka	Balance at 31 December 2020 Taka		Balance at 1 January 2020 Taka	Charge for the Year Taka	Disposal during the year Taka	Adjustments during the year Taka	Balance at 31 December 2020 Taka	
Land (including leased)	2,253,745,642	(6,923,414)	8,249,798	-	2,238,572,430	Fixed	31,344,513	1,178,971	-	-	32,523,484	2,206,048,946
Building	932,181,493	(513,520,527)	-	-	418,660,966	0.025	247,015,781	17,129,143	-	-	264,144,924	154,516,042
Furniture and Fixture	804,489,289	136,650,443	14,109,760	(24,851)	927,005,121	0.10	340,338,451	53,247,075	10,307,355	79,906	383,358,077	543,647,044
Computer & Computer Accessories	1,255,793,507	161,880,604	35,189,345	-	1,382,484,766	0.30	1,066,104,137	114,472,638	35,127,976	748	1,145,449,547	237,035,219
Machinery and Equipment	956,239,191	154,246,494	27,726,341	136,539	1,082,895,883	0.20	619,707,673	117,222,754	27,567,398	18,008	709,381,037	373,514,846
Vehicles	308,794,861	35,900,000	5,200,000	2,700,000	342,194,861	0.20	217,767,171	30,439,964	4,550,000	2,699,990	246,357,125	95,837,736
Right of use Assets (ROU)	1,564,590,118	669,134,982	-	-	2,233,725,100		406,654,216	409,790,420	-	-	816,444,636	1,417,280,464
At 31 December 2020	8,075,834,101	637,368,582	90,475,244	2,811,688	8,625,539,127		2,928,931,942	743,480,965	77,552,729	2,798,652	3,597,658,830	5,027,880,297
At 31 December 2019	6,082,264,281	2,088,183,229	93,256,966	(1,356,443)	8,075,834,101		2,332,053,102	686,414,321	88,007,020	(1,528,461)	2,928,931,942	5,146,902,159

Schedule of Intangible asset as at 31 December, 2020

Particulars	Cost					Rate (%)	Depreciation/Amortization					Net book value at 31 December 2020 Taka
	Balance at 1 January 2020 Taka	Additions/ Revaluation during the Year Taka	Disposal during the year Taka	Adjustments during the year Taka	Balance at 31 December 2020 Taka		Balance at 1 January 2020 Taka	Charge for the Year Taka	Disposal during the year Taka	Adjustments during the year Taka	Balance at 31 December 2020 Taka	
Computer Software	340,831,979	51,577,004	-	-	392,408,983	0.30	306,931,048	25,365,572	-	-	332,296,620	60,112,363
At 31 December 2020	340,831,979	51,577,004	-	-	392,408,983		306,931,048	25,365,572	-	-	332,296,620	60,112,363
At 31 December 2019	325,927,379	14,904,600	-	-	340,831,979		293,790,935	13,140,113	-	-	306,931,048	33,900,931
At 31 December 2020	8,416,666,080	688,945,586	90,475,244	2,811,688	9,017,948,110		5,180,803,090	768,846,537	77,552,729	2,798,652	3,929,955,450	5,087,992,660
At 31 December 2019	6,408,191,660	2,103,087,829	93,256,966	(1,356,443)	8,416,666,080		2,625,844,037	699,554,434	88,007,020	(1,528,461)	3,235,862,990	5,180,803,090



Pubali Bank Limited
Tax Status Report (As at 31 December 2020)

Annexure - B
(Amounts in Taka)

Sl.No.	Income Year	Assessment Year	Tax Provision as per Financial Statements	Tax Determined by Tax Authority	Tax paid (Tax Deduction at Source & Cash paid & Refund Adjustment)	Tax Department's Demand/(Refund)	Assessment Status
1	1996	1997-1998	-	-	8,746,578	(8,746,578)	Finalized
2	1997	1998-1999	45,683,821	45,683,821	122,322,255	(76,638,434)	Tax authority filed an appeal with the High Court (Appellate Division)
3	1998	1999-2000	-	-	-	-	Reference application filed with High Court by LTU
4	1999	2000-2001	126,066,596	126,066,596	95,769,641	30,296,955	Reference application filed with High Court
5	2000	2001-2002	158,178,474	158,178,474	113,640,527	44,537,947	High Court judgment received in favour of the Bank but revised DCT assessment not yet received
6	2001	2002-2003	377,762,283	377,762,283	258,959,776	118,802,507	Reference application filed with High Court
7	2004	2005-2006	6,741,122	6,741,122	22,538,349	(15,797,227)	Finalized
8	2006	2007-2008	14,720,201	14,720,201	45,218,734	(30,498,533)	Case pending with DCT for rectification
9	2007	2008-2009	1,393,494,119	1,389,484,502	1,308,322,065	81,162,437	Reference application filed with High Court
10	2008	2009-2010	1,532,941,731	1,532,941,731	1,425,863,286	107,078,445	Reference application filed with High Court
11	2009	2010-2011	1,506,466,368	1,505,191,368	1,470,508,695	34,682,673	Reference application filed with High Court
12	2010	2011-2012	1,770,604,403	1,769,937,389	1,708,759,809	61,177,580	Reference application filed with High Court
13	2011	2012-2013	2,367,418,638	2,367,418,638	2,255,377,817	112,040,821	Reference application filed with High Court
14	2012	2013-2014	2,624,812,119	2,624,812,119	2,500,607,442	124,204,677	Reference application filed with High Court
15	2013	2014-2015	2,976,219,263	2,975,091,435	2,881,011,484	94,079,951	Reference application filed with High Court
16	2014	2015-2016	2,566,635,922	2,541,468,038	2,173,640,035	367,828,003	Reference application filed with High Court under process
17	2015	2016-2017	3,210,437,445	2,948,699,658	2,807,215,394	141,484,264	Reference application filed with High Court under process
18	2016	2017-2018	2,620,944,216	2,500,095,931	2,612,171,061	(112,075,130)	Case pending with TAT
19	2017	2018-2019	2,714,690,189	2,644,918,173	2,504,853,486	140,064,687	Reference application filed with High Court under process
20	2018	2019-2020	2,272,793,912	2,375,866,290	2,194,618,723	181,247,567	Case pending with TAT
21	2019	2020-2021	3,027,024,693	-	2,841,688,297	-	Assessment not yet done
22	2020	2021-2022	1,931,362,255	-	1,323,328,801	-	Return submission date not due
Total			33,244,997,770	27,905,077,769	30,675,162,255	1,394,932,612	

TAT - Taxes Appellate Tribunal
CT(A) - Commissioner of Taxes (Appeal)
DCT- Deputy Commissioner of Taxes
LTU - Large Tax payer Unit



Details of large loans and advances

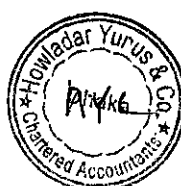
Annexure - C

Number of clients with amount of outstanding and classified loans to whom loans and advances sanctioned more than 10% of total capital of the Bank.

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

Amounts in Taka	
As at 31 Dec 2020	As at 31 Dec 2019
18	21
116,255,100,000	115,944,060,000
-	-
-	-

Name of the clients	Sanctioned Limit	Status	Outstanding		Total outstanding	
			Funded	Non-funded	At 31 Dec 2020	At 31 Dec 2019
Meghna Group	17,208,600,000	STD	848,500,000	8,910,400,000	9,758,900,000	8,423,200,000
City Group	11,167,200,000	STD	2,393,700,000	6,325,500,000	8,719,200,000	5,681,900,000
Ha-Meem Group	13,210,200,000	STD	3,868,100,000	4,570,500,000	8,438,600,000	7,024,900,000
Max Group	9,688,400,000	STD	4,922,700,000	3,469,600,000	8,392,300,000	8,816,400,000
BRAC Group	10,071,900,000	STD	7,092,100,000	112,500,000	7,204,600,000	7,621,100,000
PRAN-RFL Group	9,039,200,000	STD	3,209,200,000	3,963,300,000	7,172,500,000	5,772,700,000
Fair Electronics Limited	8,842,300,000	STD	1,616,900,000	4,917,500,000	6,534,400,000	-
Abul Khair Group	11,030,000,000	STD	859,100,000	5,243,500,000	6,102,600,000	6,110,100,000
Paramount Group	10,410,000,000	STD	3,747,800,000	2,112,300,000	5,860,100,000	5,598,100,000
City Seed Crushing Group	5,781,300,000	STD	1,118,200,000	4,610,600,000	5,728,800,000	4,118,800,000
MSA Spinning	8,499,300,000	STD	4,281,700,000	1,440,500,000	5,722,200,000	4,427,400,000
Project Builders Group	5,502,900,000	STD	4,177,700,000	1,296,000,000	5,473,700,000	5,805,800,000
Envoy Group	7,437,100,000	STD	3,798,900,000	1,609,600,000	5,408,500,000	4,091,200,000
Keya Group	4,930,900,000	STD	5,345,000,000	5,700,000	5,350,700,000	5,364,400,000
Sharmin Group	8,894,700,000	STD	3,202,800,000	2,060,000,000	5,262,800,000	5,732,600,000
Secom Group	9,854,900,000	STD	4,539,400,000	709,800,000	5,249,200,000	-
T. K. Group	8,698,400,000	STD	972,900,000	4,049,300,000	5,022,200,000	-
Sena Kalyan Group	6,690,000,000	STD	4,351,300,000	502,500,000	4,853,800,000	4,709,900,000
DIRD Group	-	STD	-	-	-	4,453,200,000
Popular Group	-	STD	-	-	-	-
GPH Group	-	STD	-	-	-	5,413,360,000
JMI Group	-	STD	-	-	-	4,281,800,000
United Group	-	STD	-	-	-	4,272,700,000
Sheema Group	-	STD	-	-	-	4,149,700,000
BSRM Group	-	STD	-	-	-	4,074,800,000
	166,957,300,000		60,346,000,000	55,909,100,000	116,255,100,000	115,944,060,000



Pubali Bank Limited - Islamic Banking Windows

Annexure - D

Distribution of profit for the income year ended 31 December 2020

Profit and loss of Islamic Banking Windows are calculated annually as at 31 December each year. We follow Investment Income Sharing Ratio (IISR) system for distribution of profit to our Mudarabah Depositors. The actual distributable rate of Investment Income of 2020 stands at 8.35% shown in the column '4' in the following table:

Sl. No	Types of Mudarabah Deposit	ISR for Mudaraba Deposits (Depositor : Bank)	Final Rates of Profit for Mudaraba Deposits for 2020 based on yield @ 8.35%
1	2	3	4
1	Mudarabah Term Deposit Receipt(MTDR)		
(a)	For 1 month	50 : 50	4.18%
(b)	For 3 months	65 : 35	5.43%
(c)	For 6 months	70 : 30	5.85%
(d)	For 12 months	75 : 25	6.26%
(e)	For 24 months	75 : 25	6.26%
2	Mudaraba Monthly Profit based term Deposit	85 : 15	7.10%
3	Mudaraba Short Notice Deposit (MSND)		
(a)	Less than Tk.1.00 Crore	30 : 70	2.51%
(b)	Tk.1.00 Crore or above but less than Tk.25.00 Crore	35 : 65	2.92%
(c)	Tk.25.00 Crore or above but less than Tk.50.00 Crore	50 : 50	4.18%
(d)	Tk.50.00 Crore or above	55 : 45	4.59%
4	Mudaraba Savings A/C (MSA)	25 : 75	2.09%
5	Mudaraba Hajj Savings A/C (MHSA)	85 : 15	7.10%
6	Mudaraba Swapno Puran Deposit A/C	85 : 15	7.10%
7	Mudaraba Swadhin Sanchay Deposit A/C	85 : 15	7.10%
8	Mudaraba Shiksha Sanchay Deposit A/C	85 : 15	7.10%
9	Mudaraba Cash Waqf Deposit A/C	85 : 15	7.10%
10	Mudaraba Deposit Pension A/C		
(a)	For 5 years	80 : 20	6.68%
(b)	For 10 years	85 : 15	7.10%
9	Mudaraba Marriage/Muhar Depo. A/C		
(a)	For 5 years	80 : 20	6.68%
(b)	For 10 years	85 : 15	7.10%

A competent Shari'ah Supervisory Committee consisting of Islamic Scholars, Ulamas, Islamic Economists and Islamic Bankers led by Janab Professor M. Mansurur Rahman, oversees the Islamic Banking operations of the Bank. During this accounting year, the Shari'ah Supervisory Committee met in 3 (three) meetings and reviewed different operational issues in line with Islamic Shari'ah. Besides, the Muraquibs (Shari'ah Officer) of the Bank inspected 10 Islamic Banking windows out of 17 during the period and reported no major case of Shariah violation(s) in operation of Windows.

Pubali Bank Limited

Reconciliation Between Bangladesh Bank statement and Bank's book

As at 31 December 2020

The reconciling items relates to clearing of the following

- Bangladesh Bank cheques
- Foreign currency demand drafts
- Government bonds, Sanchayapatra, etc.

Local Currency	As per Bangladesh Bank Statement	As per Bank's General ledger	Reconciling Difference
	BDT	BDT	BDT
Bangladesh Bank, Dhaka	17,632,213,369.87	16,944,565,089.71	687,648,280.16
Bangladesh Bank, Dhaka (AI -wadeeah current account)	192,454,746.32	192,454,746.32	-
Bangladesh Bank, Chattogram	2,916,383.91	2,917,403.91	(1,020.00)
Bangladesh Bank, Sylhet	1,863,222.34	1,685,389.84	177,832.50
Bangladesh Bank, Barisal	522,632.76	522,196.76	436.00
Bangladesh Bank, Khulna	8,964,532.14	1,439,537.64	7,524,994.50
Bangladesh Bank, Bogura	2,421,531.93	2,025,885.93	395,646.00
Bangladesh Bank, Rajshahi	68,967.10	70,396.80	(1,429.70)
Bangladesh Bank, Rangpur	1,906,382.96	1,906,382.96	-
Total	17,843,331,769.33	17,147,587,029.87	695,744,739.46

Amount credited by Bank but not debited by Bangladesh Bank	73,688,029.68
Amount debited by Bank but not credited by Bangladesh Bank	-
Amount credited by Bangladesh Bank but not debited by us	762,156,271.23
Amount debited by Bangladesh Bank but not credited by us	(140,099,561.45)
	695,744,739.46

Foreign Currency	As per Bangladesh Bank statement	As per Bank's General ledger		Reconciling Difference
	USD	USD	BDT	USD
USD Clearing Account	10,945,006.91	10,016,459.21	849,406,759.11	928,547.70
Total	10,945,006.91	10,016,459.21	849,406,759.11	928,547.70

Amount credited by Bank but not debited by Bangladesh Bank	3,465,070.20
Amount debited by Bank but not credited by Bangladesh Bank	(3,002,219.00)
Amount credited by Bangladesh Bank but not debited by us	549,860.77
Amount debited by Bangladesh Bank but not credited by us	(84,164.27)
	928,547.70

Foreign Currency	As per Bangladesh Bank statement	As per Bank's General ledger	As per Bank's General ledger	Reconciling Difference
	GBP	GBP	BDT	GBP
GBP Clearing Account	43,103.43	43,103.43	4,949,532.38	-

Foreign Currency	As per Bangladesh Bank statement	As per Bank's General ledger		Reconciling Difference
	EURO	EURO	BDT	EURO
EURO Clearing Account	84,037.35	84,037.35	8,756,280.09	-



Pubali Bank Limited - Islamic Banking Windows
Balance Sheet as at 31 December 2020

	Notes	2020 Taka	2019 Taka
<u>PROPERTY AND ASSETS</u>			
Cash	1	204,630,846	103,662,626
Cash in hand (Including foreign currencies)		12,176,100	5,602,347
Balance with Bangladesh Bank and its agent Bank (s) (Including foreign currencies)		192,454,746	98,060,279
Balance with Other Banks and Financial Institutions	2	1,321,625,861	620,947,995
In Bangladesh		1,321,625,861	620,947,995
Outside Bangladesh		-	-
Placement with Banks and Other Financial Institutions	3	-	-
Investments in Shares and Securities	4	466,400,000	57,000,000
Government		266,400,000	57,000,000
Others		200,000,000	-
Investments	5	2,707,018,359	646,898,731
General investments		2,705,433,129	646,898,731
Bills purchased & discounted		1,585,230	-
Fixed Assets including Premises, Furniture & Fixtures	6	16,943,111	6,985,182
Other Assets	7	28,122,111	601,866,563
Non-banking Assets		-	-
Total Assets		4,744,740,288	2,037,361,097
<u>LIABILITIES AND CAPITAL</u>			
Liabilities			
Placement with other Banks, Financial institutions & Agents	8	25,790,937	-
Deposits and Other Accounts	9	4,231,664,624	1,796,408,418
Al-Wadia current deposit		487,736,903	139,252,722
Bills payable		70,250,493	22,454,676
Mudaraba savings bank deposit		284,711,029	245,282,039
Mudaraba term deposits		3,374,914,795	1,388,892,063
Other deposits		14,051,404	526,918
Other Liabilities	10	540,489,393	231,962,267
Total Liabilities		4,797,944,954	2,028,370,685
Capital / Shareholders' Equity			
Paid up capital		-	-
Statutory reserve		-	-
Retained surplus (general reserve)		-	-
Revaluation gain/(Loss) on investment		-	-
Other reserves		-	-
Profit and loss account surplus		(53,204,666)	8,990,412
Total Shareholders' Equity		(53,204,666)	8,990,412
Total Liabilities and Shareholders' Equity		4,744,740,288	2,037,361,097

Pubali Bank Limited - Islamic Banking Windows
Balance Sheet as at 31 December 2020

OFF-BALANCE SHEET ITEMS	Notes	2020 Taka	2019 Taka
<u>Contingent Liabilities</u>			
Acceptances & Endorsements			
Letters of guarantee		15,514,243	150,000
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Total Contingent liabilities		15,514,243	150,000
<u>Other Commitments</u>			
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		15,514,243	150,000



Pubali Bank Limited - Islamic Banking Windows
Profit & Loss Account for the year ended 31 December 2020

	Notes	2020 Taka	2019 Taka
Operating Income			
Investment Income	11	149,619,290	108,571,230
Less :Profit paid on deposits, borrowings, etc.	12	134,848,669	82,257,006
Net Investment Income		14,770,621	26,314,224
Income from investment in shares /securities	13	4,985,352	-
Commission, exchange and brokerage	14	3,242,225	1,595,796
Other operating income	15	2,661,097	968,175
Total Operating Income		25,659,295	28,878,195
Operating Expenses			
Salaries and allowances	16	65,207,864	15,290,885
Rent, taxes, insurance, electricity, etc.	17	2,152,055	514,243
Legal expenses	18	-	-
Postage, stamp, telecommunication, etc.	19	186,484	66,932
Stationery, printing, advertisements, etc.	20	674,164	447,959
Depreciation repair and maintenance of fixed assets	21	4,199,108	830,936
Other expenses	22	6,444,286	2,736,828
Total Operating Expenses		78,863,961	19,887,783
Total Profit/(Loss) before Provision		(53,204,666)	8,990,412

Pubali Bank Limited - Islamic Banking Windows
Cash Flow Statement
for the year ended 31 December 2020

	Notes	2020 Taka	2019 Taka
a Cash Flows from Operating Activities			
Investment income in cash		142,965,451	111,675,795
Profit paid		(134,848,669)	(82,257,006)
Fees and commission receipts		3,242,225	1,595,796
Cash payment to employees		(65,207,864)	(14,624,415)
Cash payment to suppliers		(860,648)	(514,891)
Receipts from other operating activities	15	2,661,097	968,175
Cash payments for other operating activities	23	(9,715,808)	(4,234,183)
Operating Profit before Changes in Operating Assets & Liabilities		(61,764,216)	12,609,271
Increase/ (Decrease) in Operating Assets and Liabilities			
Statutory deposits		(409,400,000)	2,500,000
Investment to customers (other than banks)		(2,060,119,628)	205,922,284
Other assets	24	585,383,643	(586,035,236)
Deposits to/from other banks		25,790,937	-
Deposits from customers (other than banks)		2,435,256,206	669,726,225
Other liabilities account of customers		299,536,714	(406,159,572)
Total Increase/(decrease) in operating assets and liabilities		876,447,872	(114,046,299)
Net Cash from/(used in) Operating Activities		814,683,656	(101,437,028)
b Cash Flows from Investing Activities			
Purchase /Sale of property, plant & equipment		(13,037,570)	(56,530,417)
Net Cash from/(used in) Investing Activities		(13,037,570)	(56,530,417)
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)		801,646,086	(157,967,445)
e Cash and Cash equivalents at beginning of the period		724,610,621	882,578,066
f Cash and Cash equivalents at end of the period (d+e)	25	1,526,256,707	724,610,621

Pubali Bank Limited - Islamic Banking Windows
Notes to the financial statements for the year ended 31 December 2020

Annexure - F (iv)

	2020 Taka	2019 Taka
1 Cash		
1.1 Cash In hand (Including foreign currencies)		
In local currency	12,176,100	5,602,347
In foreign currencies	-	-
	<u>12,176,100</u>	<u>5,602,347</u>
1.2 Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)		
Bangladesh Bank		
In local currency	192,454,746	98,060,279
In foreign currencies	-	-
	<u>192,454,746</u>	<u>98,060,279</u>
Sonali Bank as agent of Bangladesh Bank		
In local currency	-	-
	<u>192,454,746</u>	<u>98,060,279</u>
	<u>204,630,846</u>	<u>103,662,626</u>
1.3 Cash Reserve Ratio and Statutory Liquidity Ratio		
Cash Reserve Ratio and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of Bank Companies Act 1991, MPD circular no. 1,2 dated 03 April 2018, DOS circular no. 01 dated 19 January 2014 and MPD circular 01 dated 09 April 2020 respectively.		
The Cash Reserve Ratio (CRR) required on the Bank's time and demand liabilities at the rate of 4.00% has been calculated and maintained with Bangladesh Bank through the current account and 5.50% Statutory Liquidity Ratio (SLR), on the same liabilities has also been maintained in the form of Treasury bills and bonds including excess balances of CRR with Bangladesh Bank. Both the reserves maintained by the Bank are in excess of the statutory requirements as shown below:		
1.3.1 Cash Reserve Ratio (CRR)		
Required Reserve (4.00%)	169,923,000	74,621,000
Actual Reserve maintained	192,454,750	98,060,280
Surplus	<u>22,531,750</u>	<u>23,439,280</u>
1.3.2 Statutory Liquidity Ratio (SLR)		
Required Reserve (5.50%)	233,644,000	74,621,000
Actual Reserve maintained	301,107,850	86,041,627
Surplus	<u>67,463,850</u>	<u>11,420,627</u>
Held for Statutory Liquidity Ratio (SLR)		
Cash In Hand	12,176,100	5,602,347
Excess Cash Reserve	22,531,750	23,439,280
Government Securities (HTM)	266,400,000	57,000,000
	<u>301,107,850</u>	<u>86,041,627</u>
1.3.3 Total required amount of CRR and SLR		
Total required reserve	403,567,000	149,242,000
Total actual reserve maintained	471,030,850	160,662,627
Total Surplus	<u>67,463,850</u>	<u>11,420,627</u>
2 Balance with other banks and financial institutions		
In Bangladesh (Note 2.1)	1,321,625,861	620,947,995
Outside Bangladesh	-	-
	<u>1,321,625,861</u>	<u>620,947,995</u>
2.1 In Bangladesh		
In Mudaraba fixed/term deposit account (In local currency)		
EXIM Bank Ltd, Gulshan Branch, Dhaka and Narayanganj Branch, Narayanganj	500,000,000	600,000,000
Social Islami Bank Limited	800,000,000	-
Islami Bank Bangladesh Limited, Foreign Exchange Branch	-	-
First Security Islami Bank Limited, Dilkusha	-	-
A B Bank Limited	-	-
	<u>1,300,000,000</u>	<u>600,000,000</u>
In Mudaraba Savings deposit account		
Islami Bank Bangladesh Limited, Foreign Exchange Branch, Dhaka	14,656,675	14,161,159
	<u>14,656,675</u>	<u>14,161,159</u>
In Mudaraba Special Notice Deposit account		
First Security Islami Bank Ltd., Dilkusha Branch, Dhaka	6,452,010	6,281,978
AB Bank Limited, Islamic Banking Branch, Dhaka	517,176	504,858
	<u>6,969,186</u>	<u>6,786,836</u>
	<u>1,321,625,861</u>	<u>620,947,995</u>



	2020 Taka	2019 Taka
2.2 Maturity grouping of balance with other banks and financial institutions		
Payable on demand	21,625,861	-
Up to 3 months	1,000,000,000	620,947,995
Over 3 months but not more than 1 year	300,000,000	-
	<u>1,321,625,861</u>	<u>620,947,995</u>
3 Placement with Banks and Other Financial Institutions	-	-
4 Investments in Shares and Securities		
Government Treasury Bonds		
Government Security Bonds	26,400,000	-
6 months Bangladesh Govt. Islami Investment Bond	240,000,000	57,000,000
Total Investment in Investments in Shares and Securities	<u>266,400,000</u>	<u>57,000,000</u>
Other investments		
Al-Arafah Islami Bank Limited Bond	200,000,000	-
	<u>200,000,000</u>	-
	<u>466,400,000</u>	<u>57,000,000</u>
4.1 Maturity grouping of Investments in Shares and Securities		
Repayable on demand	-	-
Upto 3 months	-	-
Over 3 months but not more than 1 year	240,000,000	57,000,000
Over 1 year but not more than 5 years	26,400,000	-
Over 5 years	200,000,000	-
	<u>466,400,000</u>	<u>57,000,000</u>
5 Investments		
General Investments (Note 5.1)	2,705,433,129	646,898,731
Bills purchased and discounted (Note 5.2)	1,585,230	-
	<u>2,707,018,359</u>	<u>646,898,731</u>
5.1 General Investments		
Inside Bangladesh:		
Quard	55,415,000	57,850,000
Quard against MDPA	70,000	-
Quard against E-GP	8,825,800	-
Bai Muazzal	1,966,768,208	63,979,550
Bal Istisna	22,043,985	-
Murabaha Post Import (TR)	289,119,989	320,431,429
Hire Purchase Shirkatul Melk	329,960,112	204,637,752
Pubali Islamic Staff House Building	33,230,035	-
	<u>2,705,433,129</u>	<u>646,898,731</u>
Outside Bangladesh	-	-
	<u>2,705,433,129</u>	<u>646,898,731</u>
5.1.1 Maturity grouping of General Investment		
Repayable on demand	58,018,694	66,049,039
Upto 3 months	293,970,793	165,813,788
Over 3 months but not more than 1 year	1,989,876,284	161,897,463
Over 1 year but not more than 5 years	236,155,181	148,775,363
Over 5 years	127,412,177	104,363,078
	<u>2,705,433,129</u>	<u>646,898,731</u>
5.2 Bills purchased and discounted		
Payable in Bangladesh		
Loans against accepted bills	1,585,230	-
Loans against demand draft purchased	-	-
	<u>1,585,230</u>	-
Payable outside Bangladesh		
Foreign bills purchased	-	-
Foreign drafts purchased	-	-
	<u>-</u>	<u>-</u>
	<u>1,585,230</u>	-
5.2.1 Maturity grouping of bills purchased and discounted		
Receivable on demand	-	-
Not more than 3 months	-	-
Over 3 months but not more than 1 year	1,585,230	-
Over 3 months but not more than 6 months	-	-
6 months or more	-	-
	<u>1,585,230</u>	-

	2020 Taka	2019 Taka	
5.3 Geographical location-wise distribution of Investments including bills purchased and discounted			
In Bangladesh-Urban			
Dhaka	2,320,083,290	498,642,112	
Chattogram	49,947,889	-	
Sylhet	150,386,718	148,256,619	
Barisal	21,807,975	-	
Khulna	119,503,155	-	
Rajshahi	38,059,932	-	
Rangpur	-	-	
Mymensingh	7,229,400	-	
	2,707,018,359	646,898,731	
Rural	-	-	
Outside Bangladesh (Foreign bills/drafts purchased)	-	-	
	2,707,018,359	646,898,731	
5.4 Sector-wise Investments including bills purchased and discounted			
Public sector	-	-	
Private sector	2,707,018,359	646,898,731	
Co-operative sector	-	-	
	2,707,018,359	646,898,731	
5.5 Security base-wise Investments including bills purchased and discounted			
Collateral of movable and immovable properties	1,230,148,000	344,254,431	
Guarantee of local banks and financial institutions	-	-	
Export documents	1,585,230	-	
Fixed deposit receipts (FDR) of own Bank	55,485,000	57,850,000	
FDR of other banks	-	-	
Government bonds	-	-	
Corporate guarantee	1,078,840,708	239,436,633	
Personal guarantee	332,133,621	5,357,667	
Other securities	8,825,800	-	
	2,707,018,359	646,898,731	
5.6 Classification of Investments including bills purchased and discounted			
Unclassified:			
Standard	2,651,648,005	600,513,799	
Special mention account (SMA)	21,152,567	33,123,369	
	2,672,800,572	633,637,168	
Classified:			
Sub-standard (SS)	-	-	
Doubtful (DF)	-	-	
Bad or loss (BL)	-	-	
Staff loan	34,217,787	13,261,563	
	2,707,018,359	646,898,731	
5.7 Particulars of required provision for Investments			
Status of Classification	Base for Provision	Rate of Provision (%)	
General provision - Unclassified			
Standard (others)	1,458,815,690	1	14,588,157
Standard (SMEF)	1,021,288,029	0.25	2,553,220
Standard (Consumer Loan Scheme)	168,847,292	2	3,376,946
Standard (Loan for Professional to setup business)	-	2	-
Housing Finance	2,696,994	1	26,970
Special mention account (SMEF)	-	0.25	-
Special mention account (Others)	21,152,567	1	211,526
			20,756,819
Specific provision - Classified			
Sub-standard (SS)	-	20	-
Doubtful (DF)	-	50	-
Bad/Loss (BL)	-	100	-
			20,756,819
Required provision			20,756,819
Provision maintained by head office			20,756,819
Excess provision			-



	2020 Taka	2019 Taka
5.8 Particulars of Investments		
(i) Investments considered good in respect of which the bank is fully secured.	1,296,044,030	402,104,431
(ii) Investments considered good for which the bank holds no other security than the debtors' personal security	332,133,621	5,040,901
(iii) Investments considered good being secured by the personal security of one or more parties in addition to the personal security of the debtors.	1,078,840,708	239,753,399
(iv) Investments adversely classified; provision not maintained there against	-	-
	2,707,018,359	646,898,731
(v) Investments due by directors or officers of the bank or any of them either severally or jointly with any other persons	34,217,787	13,261,563
(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.	34,217,787	13,261,563
(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 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	-	-
5.9 Hire Purchase Shirkatul Melk		
Lease rental receivable within 1 year	89,796,538	55,295,026
Lease rental receivable within 5 years	118,135,149	59,736,083
Lease rental receivable after 5 years	124,297,513	110,023,346
Total lease rental receivable	332,229,200	225,054,455
Less : Un-earned Income receivable	2,269,088	20,416,703
Net Lease finance	329,960,112	204,637,752
6 Fixed Assets including premises, furniture & Fixture cost		
Machinery and equipment	8,174,064	2,791,453
Computer & Computer Accessories	7,227,770	4,163,249
Furniture and fixtures	7,654,202	2,836,938
	23,056,036	9,791,640
Less: Accumulated Depreciation	6,112,925	2,806,458
Net book value at the end of the year	16,943,111	6,985,182

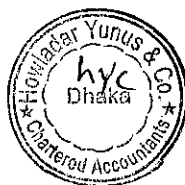


	2020 Taka	2019 Taka
7 Other Assets :		
Accrued income on Investments	18,896,851	7,257,660
Income Tax advance A/C	8,802,474	7,056,305
Stationery and stamps	421,306	174,695
Suspense account	1,480	503,354
Pubali bank adjustment a/c	-	586,874,549
	28,122,111	601,866,563
8 Placement with other Banks, Financial Institutions and Agents		
In Bangladesh		
Borrowing from Bangladesh Bank	25,790,937	-
Outside Bangladesh	-	-
	25,790,937	-
9 Deposits and other accounts		
Inter-bank deposits	58,341,659	32,900,415
Other deposits	4,173,322,965	1,763,508,003
	4,231,664,624	1,796,408,418
9.1 Details of deposits and other Accounts		
<u>Current deposits and other accounts :</u>		
Al-Wadia Current Deposit	487,736,903	139,252,722
	487,736,903	139,252,722
Bills payable { note 9.1.1}	70,250,493	22,454,676
Mudaraba Savings Bank Deposit	284,711,029	245,282,039
<u>Term deposits :</u>		
Mudaraba Fixed deposits	2,717,393,549	1,154,966,441
Mudaraba Monthly Term deposit	35,904,200	14,881,350
Mudaraba Profit Basd Small deposit	219,166	-
Mudaraba Short Notice Deposits	417,300,444	162,552,665
Target Based Small Deposit	113,774,643	-
Mudaraba Deposit Pension Scheme	82,192,809	51,545,806
Mudaraba Marriage / Muhar Deposit	687,413	217,028
Mudaraba Hajj Savings	7,434,540	4,728,773
Shikhya sanchay prokalpa	8,031	-
	3,374,914,795	1,388,892,063
Other deposits	14,051,404	526,918
	4,231,664,624	1,796,408,418
9.1.1 Bills Payable		
Payment orders issued	70,250,493	22,454,676
	70,250,493	22,454,676
9.2 Maturity analysis of Inter-bank deposits		
Payable on demand	58,341,659	32,900,415
Payable within 1 month	-	-
Over 1 month but within 6 months	-	-
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years and above	-	-
	58,341,659	32,900,415
9.3 Maturity analysis of other deposits		
Payable on demand	871,045,046	276,610,068
Payable within 1 month	124,577,801	111,260,944
Over 1 month but within 6 months	1,904,885,671	735,161,199
Over 6 months but within 1 year	790,639,721	214,191,217
Over 1 year but within 5 years	311,439,440	347,173,617
Over 5 years and above	170,735,286	79,110,958
	4,173,322,965	1,763,508,003



	2020 Taka	2019 Taka
10 Other Liabilities :		
Unpaid Expenses A/C	8,392	136,471
Item in Transit (Cr. Balance)	306,881,946	196,214,835
Card Transaction Fee (Inter Bank)	1,575	405
Unearned Interest income	153,498,093	2,253,297
Sadaqad Fund	17,804,370	17,508,205
Compensation Realised Account	6,985,159	2,174,091
Compensation Realizable Account	11,780,624	13,674,963
Pubali Bank Adjustment A/C	43,529,234	-
	540,489,393	231,962,267
11 Investment income		
Bai Muazzal	35,914,342	5,560,955
Murabaha Post Import (TR)	1,052,145	12,737,612
Hire Purchase Shirkatul Melk	15,002,234	21,862,513
Bai ISTISNA	948,617	-
Inland Bill Purchased	75,016	-
Quard Against E-GP	24,832	-
Other Bank	96,602,104	68,410,150
	149,619,290	108,571,230
12 Profit paid on deposits, borrowings, etc.		
Mudaraba Term Deposits	115,546,170	63,172,205
Mudaraba Special Notice Deposits	7,152,847	3,470,616
Mudaraba Hajj Savings	407,779	256,451
Mudaraba Savings Bank deposit	3,163,443	3,413,809
Mudaraba Deposit Pension Scheme	3,812,157	2,941,889
Mudaraba Monthly Profit deposit	1,614,840	677,593
Mudaraba Mohor Scheme	25,332	2,525
Mudaraba Shiksha Sanchay	36	-
Mudaraba Swapno Purno	3,125,073	-
Mudaraba Swadhin Sanchay	992	-
Borrowings from Bangladesh Bank	-	8,321,918
	134,848,669	82,257,006
13 Income from investment in shares /securities		
Govt. Bond	2,116,718	-
Other Bond	2,868,634	-
	4,985,352	-
14 Commission, exchange and brokerage		
SC, LSC, DD, TT, MT and PO	107,527	51,850
Foreign L/C	1,041,571	185,911
Local L/C	578,340	516,193
Local Guarantee	310,925	3,000
Other transactions	121,454	6,595
Stationery Articles	13,982	-
Miscellaneous handling commission	1,063,821	832,247
Total commission	3,237,620	1,595,796
Exchange	4,605	-
	3,242,225	1,595,796
15 Other operating income		
Miscellaneous income	18,935	875
Service charge	527,031	93,410
CIB service charge	22,750	20,930
Online service charge	1,023,807	377,891
Account maintenance fee	739,931	323,696
SMS service charge	264,786	103,473
Card fees and charges	62,700	47,900
Sale of Bank's property	1,157	-
	2,661,097	968,175
16 Salary and allowances		
Basic salary	29,329,824	7,294,665
House rent allowances	16,760,061	4,204,077
Medical allowances	3,593,829	953,903
House maintenance	3,093,396	666,470
Other allowances	4,715,212	828,500
Contributory provident fund	2,748,782	683,500
Bonus to employees	4,966,760	659,770
	65,207,864	15,290,885

	2020 Taka	2019 Taka
17 Rent, taxes, insurance, electricity, etc.		
Electric fittings and fixtures	732,715	225,635
Bank premises	998,972	61,474
Rates and taxes	6,728	6,728
Insurance	30,617	60,064
Lighting	383,023	160,342
	2,152,055	514,243
18 Legal Expenses		
Lawyer Charges	-	-
Court fees and other expenses	-	-
	-	-
19 Postage, stamp, telecommunication, etc.		
Postage	17,368	4,393
Telephone (office)	152,516	53,639
Telephone (res)	16,600	8,900
	186,484	66,932
20 Stationery, printing, advertisement, etc.		
Table stationery	198,624	168,464
Computer Stationery	188,741	57,188
Consumption of books and forms	260,785	214,257
Advertisement	22,540	8,050
	674,164	447,959
21 Depreciation repair and maintenance of fixed assets		
Repairs to fixed assets	142,038	17,229
Depreciation on fixed assets	3,079,641	514,294
Maintenance of Bank Premises	610,029	186,868
Maintenance of assets -Wages	367,400	112,545
	4,199,108	830,936
22 Other expenses		
Newspapers	13,775	11,146
Renovation under Construction Works	664,851	-
Travelling	469,610	57,188
Sub-ordinate staff clothing	23,833	9,419
Conveyance	102,811	23,281
Entertainment	208,702	162,680
Carrying Expenses	11,132	400
Employees recreation (Lunch subsidy)	2,801,300	750,829
Promotional expenses	-	111,154
Security and Auxiliary Service	785,299	175,500
Petrol consumption	25,569	1,360
Branches' opening expenses	494,424	984,746
Training	8,400	-
Photocopy	172	-
Miscellaneous	834,408	449,125
	6,444,286	2,736,828
23 Cash payments for other operating activities		
Rent, tax, Insurance, Lighting etc.	2,152,055	514,243
Repairing Expenses	1,119,467	316,642
Other Expenses	6,444,286	3,403,298
	9,715,808	4,234,183
24 Increase/(decrease) of other assets		
Closing other Assets		
Stationery and Stamps	421,306	174,695
Pubali Bank Adjustment A/C	-	586,874,549
Income Tax advance A/C	8,802,474	7,056,305
Suspense account	1,480	503,354
	9,225,260	594,608,903
Opening other Assets		
Stationery and Stamps	174,695	96,671
Pubali Bank Adjustment	586,874,549	-
Accrued interest overdue under CLS	-	4,316,997
Income Tax advance A/C	7,056,305	4,159,999
Suspense account	503,354	-
	594,608,903	8,573,667
	585,383,643	(586,035,236)
25 Cash and cash equivalents at the end of the year		
Cash in hand (including foreign currencies)	12,176,100	5,602,347
Balance with Bangladesh Bank and its agent bank(s)	192,454,746	98,060,279
Balance with other banks and financial institutes	1,321,625,861	620,947,995
	1,526,256,707	724,610,621



Pubali Bank Limited
Off-shore Banking Unit
Balance Sheet as at 31 December 2020

	Notes	2020		2019
		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	4,537,780.02	384,808,737	2,850,852,769
In Bangladesh		-	-	2,589,450,000
Outside Bangladesh		4,537,780.02	384,808,737	261,402,769
Loans, Advances and Leases	5	196,939,807.66	16,700,712,323	14,543,807,182
Loans, cash credits and overdrafts, etc.		11,851,573.45	1,005,026,465	1,192,683,957
Bills purchased and discounted		185,088,234.21	15,695,685,858	13,351,123,225
Fixed Assets including premises, furniture & fixtures	6	-	-	-
Other Assets	7	635,256.41	53,870,442	308,234,828
Non-banking Assets		-	-	-
Total Assets		202,112,844.09	17,139,391,502	17,702,894,779
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other Banks, Financial Institutions & Agents	8	199,037,437.38	16,878,593,631	17,370,507,696
Deposits and other accounts	9	-	-	-
Current accounts & other accounts		-	-	-
Bills Payable		-	-	-
Savings bank deposits		-	-	-
Term deposits		-	-	-
Other deposits		-	-	-
Other Liabilities	10	881,786.10	74,776,431	132,687,056
Total Liabilities		199,919,223.48	16,953,370,062	17,503,194,752
Capital / Shareholders' Equity				
Paid up Capital		-	-	-
Statutory Reserve		-	-	-
Retained earnings		-	-	-
Foreign currency translation reserves		-	-	1,060,599
Profit and Loss account surplus		2,193,620.61	186,021,440	198,639,428
Total Shareholders' Equity		2,193,620.61	186,021,440	199,700,027
Total Liabilities and Shareholders' Equity		202,112,844.09	17,139,391,502	17,702,894,779

Notes	2020		2019
	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 2020

Notes	2020		2019
	USD	Taka	Taka
Operating Income			
Interest income	11 8,655,323.14	734,588,527	933,781,339
Interest paid on deposits, borrowings, etc.	12 (6,466,652.50)	(548,833,204)	(751,834,347)
Net Interest Income	2,188,670.64	185,755,323	181,946,992
Commission, exchange and brokerage	-	-	-
Other operating income	13 169,006.76	14,343,823	30,589,432
Total Operating Income	2,357,677.40	200,099,146	212,536,424
Operating Expenses			
Salaries and allowances	14 141,247.71	11,987,876	11,555,985
Rent, taxes, insurance, electricity, etc.	-	-	-
Legal expenses	-	-	-
Postage, stamp, telecommunication, etc.	-	-	-
Stationery, printing, advertisements, etc.	15 1,662.09	141,064	194,515
Auditors' fees	-	-	-
Charges on loan losses	-	-	-
Depreciation and repair of bank's assets	-	-	-
Other expenses	16 21,146.99	1,948,766	2,146,496
Total Operating Expenses	164,056.79	14,077,706	13,896,996
Profit/(Loss) before Provision	2,193,620.61	186,021,440	198,639,428
Provision for loans & advances, investments & other assets			
Provision for classified loans and advances	-	-	-
Provision for unclassified loans and advances	-	-	-
Other Provisions	-	-	-
Total Provision	-	-	-
Total Profit/(Loss) before taxes	2,193,620.61	186,021,440	198,639,428
Provision for current tax	-	-	-
Provision for deferred tax	-	-	-
Total Provision for taxes	-	-	-
Net Profit/(loss) after Taxation	2,193,620.61	186,021,440	198,639,428



Pubali Bank Limited
Off-shore Banking Unit
Cash Flow Statement for the year ended 31 December 2020

Notes	2020		2019
	USD	Taka	Taka
A) Cash flows from operating activities			
Interest receipts in cash	11,773,855.69	999,262,438	933,781,339
Interest payments	(7,180,089.25)	(609,383,509)	(751,834,347)
Receipts from other operating activities	169,006.75	14,343,823	30,589,432
Cash payments for other operating activities	(165,871.22)	(14,077,706)	(13,896,996)
Operating profit before changes in operating assets & liabilities	4,596,901.97	390,145,046	198,639,428
Increase/ (Decrease) in operating assets and liabilities			
Loans and advances to customers (other than banks)	(25,434,872.20)	(2,156,905,141)	159,322,596
Other assets	(121,573.01)	(10,309,525)	(16,288,754)
Other liabilities	31,127.90	2,639,680	(3,297,111)
Total Increase/(decrease) in operating assets and liabilities	(25,525,317.31)	(2,164,574,986)	139,736,731
Net cash from /(used in) operating activities	(20,928,415.35)	(1,774,429,940)	338,376,159
B) Cash flows from investing activities	-	-	-
C) Cash flows from financing activities			
Borrowings from other Banks, Financial Institutions & Agents.	(5,796,000.12)	(491,914,065)	1,316,035,465
Profit transferred to Central Operation.	(2,316,753.49)	(199,700,027)	(212,610,372)
	(8,112,753.61)	(691,614,092)	1,103,425,093
D) Net increase/(decrease) in cash and cash equivalents (a+b+c)	(29,041,168.96)	(2,466,044,032)	1,441,801,252
E) Effects of exchange rate changes on cash and cash equivalents	-	-	(27,250)
F) Cash and cash equivalents at beginning of the period	33,578,948.98	2,850,852,769	1,409,078,767
G) Cash and cash equivalents at end of the period (D+E+F)	4,537,780.02	384,808,737	2,850,852,769

PUBALI BANK LIMITED, Off-shore Banking Unit
Notes to the financial statements for the year ended 31 December 2020

1 Status of the unit

The Bank obtained the permission for operation of Offshore Banking Units (OBUs) vide Bangladesh Bank letter No. BRPD (P-3) 744 (108) / 2010-93 dated January 13, 2010. OBU Principal Branch and OBU Agrabad Branch commenced their operation on January 22, 2015. The OBUs are governed under the rules and guidelines of the Bangladesh Bank. Now, the Bank has 2 (two) Offshore Banking Units – one is situated at A-A Bhaban, Level # 4, 23, Motijheel C/A, Dhaka and the other is at Sattar Chamber, 99, Agrabad C/A, Ground Floor, Chattogram. At present, the units are controlled and supervised by Offshore Banking Division, newly formed by the Board of Directors of the Bank in its 1201st meeting held on 22nd May 2019. The OBD has commenced its operation on 2nd February 2020.

1.1 Principal Activities

The principal activities of the units are operated as per paragraph No. 6 of Policy for Offshore Banking Operation of the Banks in Bangladesh issued under reference No. BRPD Circular No. 2 dated 25 February 2019 and subsequent circular letters issued on different dates by Bangladesh Bank.

2 Significant accounting policies and basis of preparation of financial statements

2.1 Basis of Preparation

The financial statements are prepared on the basis of a going concern and represent the financial performance and financial position of the Off shore Banking Unit (OBU). The financial statements of the OBU are prepared in accordance with the Bank Companies Act 1991, particularly, Banking Regulation and Policy Department (BRPD) Circular No. 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRSs) including those that have been so far adopted by the Institute of Chartered Accountants of Bangladesh and other rules and regulations where necessary.

2.2 Foreign Currency

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

3 Cash

Cash In hand (Including foreign currencies)

In local currency
In foreign currencies

2020		2019
USD	Taka	Taka
-	-	-
-	-	-
-	-	-

Balance with Bangladesh Bank and its agent bank(s)
(Including foreign currency)

Bangladesh Bank
In local currency
In foreign currencies

-	-	-
-	-	-
-	-	-

3.1 Cash Reserve Ratio and Statutory Liquidity Ratio

Cash Reserve Ratio and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of Bank Companies Act 1991, MPD circular numbers 1,2 dated 03 April 2018, DOS circular no. 01 dated 19 January 2014, BRPD circular 31 dated 18 June 2020 respectively.

The Cash Reserve Ratio (CRR) required on the Bank's time and demand liabilities at the rate of 2.00% has been calculated and maintained with Bangladesh Bank through the current account and 13% Statutory Liquidity Ratio (SLR) on the same liabilities has also been maintained in the form of Treasury bills and bonds and other eligible securities. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:

3.1.1 Cash Reserve Ratio (CRR)

Required Reserve (2%)	274,357,000	823,428,000
Actual Reserve maintained	274,357,000	823,428,000
Surplus/(deficit)	-	-

3.1.2 Statutory Liquidity Ratio (SLR)

Required Reserve (13%)	1,783,322,000	1,946,284,000
Actual Reserve maintained	1,783,322,000	1,946,284,000
Surplus/(deficit)	-	-

3.1.3 Total required amount of CRR and SLR

Total required reserve (15%)	2,057,679,000	2,769,712,000
Total actual reserve maintained	2,057,679,000	2,769,712,000
Total Surplus	-	-

4 Balance with other banks and financial institutions

In Bangladesh (Note 4.1)
Outside Bangladesh (Note 4.2)

-	-	2,589,450,000
4,537,780.02	384,808,737	261,402,769
4,537,780.02	384,808,737	2,850,852,769

	2020		2019
	USD	Taka	Taka
4.1 In fixed/term deposit account (in local currency)			
Finance to other Financial Institute		-	2,589,450,000
Finance to Pubali Bank	-	-	-
	-	-	2,589,450,000
4.2 Outside Bangladesh			
Current A/c (Nostro)			
Mashreq Bank NY, USD	4,316,087.28	366,008,949	253,696,314
Mashreq Bank Mumbai, India-ACUD	221,692.74	18,799,788	7,706,455
	4,537,780.02	384,808,737	261,402,769
5 Loans, advances and leases			
Loans, cash credits and overdrafts, etc. (note 5.1)	11,851,573.45	1,005,026,465	1,192,683,957
Bills purchased and discounted (note 5.2)	185,088,234.21	15,695,685,858	13,351,123,225
	196,939,807.66	16,700,712,323	14,543,807,182
5.1 Loans, cash credits, overdrafts, etc.			
In Bangladesh			
Loans	11,851,573.45	1,005,026,465	1,192,683,957
Cash credits	-	-	-
Overdrafts	-	-	-
	11,851,573.45	1,005,026,465	1,192,683,957
Outside Bangladesh			
	-	-	-
	11,851,573.45	1,005,026,465	1,192,683,957
5.2 Bills purchased and discounted			
Payable in Bangladesh			
Export Bill Discounting	18,065,131.60	1,531,943,031	1,828,406,400
Loans against demand draft purchased	-	-	-
	18,065,131.60	1,531,943,031	1,828,406,400
Payable outside Bangladesh			
Discounting - UPAS	167,023,102.61	14,163,742,827	11,522,716,825
Foreign drafts purchased	-	-	-
	167,023,102.61	14,163,742,827	11,522,716,825
	185,088,234.21	15,695,685,858	13,351,123,225
5.3 Classification of Investments Including bills purchased and discounted			
Unclassified			
Standard		16,700,712,323	14,502,510,880
Special mention account (SMA)		-	41,296,302
		16,700,712,323	14,543,807,182
Classified			
Substandard (SS)		-	-
Doubtful (DF)		-	-
Bad or loss (BL)		-	-
		-	-
Staff loan			
		-	-
		16,700,712,323	14,543,807,182
5.4 Particulars of required provision for Investments			
Status of Classification			
General provision - Unclassified			
Standard (others)	16,593,681,447	1	165,936,814
Standard (SMEF)	107,030,876	0.25	267,577
SMA (SMEF)	-	-	-
SMA (Others)	-	1	412,963
			166,204,391
Specific provision - Classified			
Substandard (SS)	-	20	-
Doubtful (DF)	-	50	-
Bad/Loss (BL)	-	100	-
			-
Required provision			166,204,391
Provision maintained by head office			166,204,391
Excess provision			-
6 Fixed Assets including premises, furniture & Fixture			
Cost	-	-	-
Less: Accumulated Depreciation	-	-	-
Net book value at the end of the year	-	-	-

2020		2019
USD	Taka	Taka

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

7 Other Assets			
Income generating other assets			
Interest on EBD	-	-	6,308,070
Interest on UPAS Bill	-	-	252,141,645
Interest on Term Loan	-	-	6,224,196
Prepaid expenses	635,256.41	53,870,442	43,560,917
	635,256.41	53,870,442	308,234,828
8 Borrowings from other Banks, Financial Institutions and Agents			
Parents Bank-Pubali Bank Limited	49,237,437.38	4,175,388,851	910,714,791
Others Banks & Financial Institutions	149,800,000.00	12,703,204,780	16,459,792,905
	199,037,437.38	16,878,593,631	17,370,507,696
9 Deposits and other accounts			
Inter-bank deposits	-	-	-
Other deposits	-	-	-
	-	-	-
10 Other Liabilities			
Interest payable to :			
Parent bank borrowing	121,410.39	10,295,735	1,018,859
Others Banks & Financial Institutions	729,247.81	61,841,016	131,668,197
Unpaid expenses	31,127.90	2,639,680	-
	881,786.10	74,776,431	132,687,056
11 Interest income			
Interest on EBD	682,919.95	57,960,304	98,317,992
Interest on UPAS Bill	6,767,142.02	574,336,141	771,114,989
Interest on Term loan	631,916.43	53,631,569	38,825,963
Interest on Finance to other financial Institution	573,344.74	48,660,513	25,522,395
	8,655,323.14	734,588,527	933,781,339
12 Interest paid on deposits, borrowings, etc.			
Interest on Borrowings from Parent Bank	719,940.72	61,102,305	62,560,081
Interest on Borrowings from other banks & Financial Institutions	5,746,711.78	487,730,899	689,274,266
	6,466,652.50	548,833,204	751,834,347
13 Other operating income			
Rebate received from Nostro A/C	42,915.18	3,642,267	4,502,795
Reimbursement fee received	75,048.30	6,369,447	7,365,243
Overdue interest	38,829.97	3,295,550	11,009,166
AIP received from Nostro A/C	12,213.31	1,036,559	7,712,228
	169,006.76	14,343,823	30,589,432
14 Salaries and allowances			
Basic salary	62,228.03	5,281,374	5,338,808
House rent allowances	35,714.10	3,031,102	3,038,745
Medical allowances	6,910.16	586,474	608,400
Other allowances	3,089.79	262,234	343,199
House maintenance	8,324.25	706,490	728,400
Leave fare Assistance	860.20	73,006	-
Contributory provident fund	6,109.67	518,536	523,921
Bonus to employees	18,011.51	1,528,660	974,512
	141,247.71	11,987,876	11,555,985
15 Stationery, printing, advertisements, etc.			
Table Stationery	1,645.61	139,665	116,634
Computer Stationery	16.48	1,399	77,881
	1,662.09	141,064	194,515
16 Other expenses			
Bank charges of Nostro A/C (Mashreq Bank)	16,722.16	1,419,231	1,762,496
Foreign Currency translation loss	-	153,994	-
Newspaper	29.43	2,498	-
Entertainment	577.42	49,006	60,000
Employees recreation (Lunch subsidy)	3,817.98	324,037	324,000
	21,146.99	1,948,766	2,146,496



কে. এম. হাসান এন্ড কোং
K. M. HASAN & CO.
Chartered Accountants

Hometown Apartments (8th & 9th Floor) 87,
New Eskaton Road, Dhaka-1000
Phone: 58311559, 9351564, 9351457,
Fax: 88-02-9345792
E-mail: info@kmhasan.com.bd
website: www.kmhasan.com.bd



McMillan Woods
International
Professionalism at the forefront

**INDEPENDENT AUDITOR'S REPORT TO
THE SHAREHOLDERS OF
Pubali Bank Securities Limited**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Pubali Bank Securities Limited**, which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as on 31 December 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Financial Statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

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

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

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



Responsibilities of management of those charged with governance for the financial statements

Management of **Pubali Bank Securities Limited** is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable Laws and Regulation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedure that as appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, We also report the following:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- (c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- (d) the expenditure incurred was for the purposes of the company's business.

Place: Dhaka, Bangladesh
 Dated: 04 April 2021
 DVC no. 2104071758AS576190

Md. Hasan & Co.

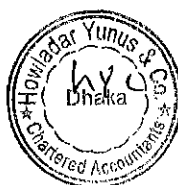
Md. Shahidul Islam FCA
 Partner, Eroll. No. 1758
 K. M. Hasan & Co.
 Chartered Accountants



Pubali Bank Securities Limited
Statement of Financial Position
as at 31 December 2020

<u>Assets</u>	Notes	Amount in Taka	
		2020	2019
Current Assets			
Cash and bank balances	3	1,340,479,296	989,804,123
Receivable from securities trading	4	91,690,967	92,238,041
Investment in securities (Own portfolio)	5	6,583,175,288	6,452,850,856
Receivable from other clients	6	618,430,307	578,385,912
Other assets	7	1,258,000	1,053,000
Advance income tax	8	275,442,961	196,066,718
Total current assets		8,910,476,819	8,310,398,650
Non-current assets			
Fixed assets	9	4,177,854	4,866,079
Value of investment in exchange (against membership value)	10	14,000,000	14,000,000
Investment in securities	11	36,302,842	36,302,842
Other long term assets	12	-	-
Total non-current assets		54,480,696	55,168,921
Total Assets		8,964,957,515	8,365,567,571
Equity and Liabilities			
Liability			
Current liabilities			
Payable to clients	13	444,816,867	114,716,924
Payable to exchanges	14	20,155,069	2,594,895
Other liabilities and provisions	15	2,013,289,969	1,798,862,369
Total current liabilities		2,478,261,905	1,916,174,188
Non-current liabilities			
Long term loan liabilities (other than current portion amount)	16	3,000,000,000	3,000,000,000
Total Non-current liabilities		3,000,000,000	3,000,000,000
Shareholders' equity			
Share capital	17	3,600,000,000	3,600,000,000
Retained earnings	18	(113,304,390)	(150,606,617)
Total Equity		3,486,695,610	3,449,393,383
Total Equity and Liabilities		8,964,957,515	8,365,567,571

These financial statements should be read conjunction with annexed notes



Pubali Bank Securities Limited
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2020

	Notes	Amount in Taka	
		2020	2019
Operating Income	19	286,298,736	411,228,244
Less: Operating expenses	20	5,250,783	6,034,455
Gross Profit		281,047,953	405,193,789
Less: Administrative and general expenses	21	34,419,455	39,840,696
Operating profit		246,628,498	365,353,093
Add: Other income		-	-
Profit before provision and income tax		246,628,498	365,353,093
Less: Provision for diminution in value of investment	15.2	144,343,497	200,518,435
provision for impairment of clients' margin loan	15.4	-	64,137,559
Profit before income tax		102,285,001	100,697,099
Less: Provision for income tax			
Current tax	15.3	64,832,054	80,593,786
Deferred tax	12.1 & 15.1	150,720	475,101
Net profit after income tax		37,302,227	19,628,212
Add: Other comprehensive income		-	-
Total comprehensive income		37,302,227	19,628,212

These financial statements should be read conjunction with annexed notes

Pubali Bank Securities Limited
Statement of Cash Flow
for the year ended 31 December 2020

	Amount in Taka	
	2020	2019
A) Cash flows from operating activities		
Net profit before income tax	102,285,001	100,697,099
Add: Adjustment for non-cash items:		
Depreciation & amortization charged	1,040,734	414,833
Provision for investment & clients margin loan	144,343,497	264,655,994
Operating profit before changes in operating assets and liabilities	145,384,231	265,070,827
Increase/decrease in operating assets and liabilities		
(Increase)/ decrease in operating assets	(170,026,753)	(53,483,161)
Increase/ (decrease) in operating liabilities	352,761,446	(136,915,368)
Income tax paid	(79,376,243)	(78,251,080)
Net cash from/(used in) operating activities	351,027,682	97,118,317
B) Cash flows from investing activities		
Acquisition of property, plant and equipment	(352,509)	(3,681,312)
Disposal of property, plant and equipment	-	6,461
Investment in dealer account	-	-
Cash proceed from sale of strategic investment in shares (DSE)	-	-
Net cash from/(used in) investing activities	(352,509)	(3,674,851)
C) Cash flows from financing activities		
Proceeds/(payments) from short term business liabilities	-	-
Proceeds/(payments) long term loan liabilities	-	-
Net cash flows from financing activities	-	-
D) Net cash increase / (decrease)	350,675,173	93,443,466
E) Cash and cash equivalents at the beginning of the Year	989,804,123	896,360,657
F) Cash and cash equivalents at the end of the Year	1,340,479,296	989,804,123

Annexure-H (iv)

Pubali Bank Securities Limited
Statement of Changes in Equity
For the year ended 31 December 2020

Amount in Taka

Particulars	Ordinary Share Capital	Retained Earnings	Total
Balance as at 1 January, 2020	3,600,000,000	(150,606,617)	3,449,393,383
Net Profit after tax for the year	-	37,302,227	37,302,227
Balance as at 31 December 2020	3,600,000,000	(113,304,390)	3,486,695,610

For the year ended 31 December 2019

Amount in Taka

Particulars	Ordinary Share Capital	Retained Earnings	Total
Balance as at 1 January, 2019	3,600,000,000	(170,234,829)	3,429,765,171
Net Profit after tax for the year	-	19,628,212	19,628,212
Balance as at 31 December 2019	3,600,000,000	(150,606,617)	3,449,393,383



Pubali Bank Securities Limited
Notes to the financial statements for the year ended 31 December 2020

1 Status of the Company

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

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

2 Significant accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared under the historical cost convention on a going concern basis and in accordance with International Financial Reporting Standards (IFRSs), The Companies Act-1994, Securities and Exchange Rules-1987 and other laws and rules applicable in Bangladesh. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

2.2 Investment in securities (Own Portfolio)

The investment in securities have been prepared based on historical cost convention basis. However, the Company has maintained provision against the unrealized loss (after netting off unrealized loss with unrealized gain) as mentioned in note # 2.20.

2.3 Use of estimates and judgments

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

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

2.4 Components of Financial Statements

The financial statements referred to here comprises:

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

2.5 Statement of cash flow

Statement of cash flow is prepared in accordance with the International Accounting Standard (IAS-7) "Statement of Cash Flows" under indirect method.

2.6 Reporting period

These financial statements cover period from 1 January 2020 to 31 December 2020.

2.7 Share capital

Share capital consists of all funds raised by a company in exchange for shares of either common or preferred shares of stock.

2.8 Property, plant and equipment

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

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

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

Full year depreciation is charged on the assets if it is purchased upto 30 September of the financial year. No depreciation is charged on the assets written off.

2.9 Right of Use (ROU) asset. (IFRS 16)

The company has complied with International Financial Reporting Standards IFRS (16): Lease and accordingly accounted for asset under appropriate head. However upon review of company's lease rental agreement, termination clause include a clause like "Both party can cancel the agreement with 3 (Three) months prior notice, which indicates that lease term is not more than 1 year. So company need not to include in Right of Use (ROU) assets".



2.10 Intangible assets and amortization of intangible assets

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

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

2.11 Advance, deposits and prepayments

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

2.12 Advance income tax

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

2.13 Investments in securities

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

2.14 Account receivables

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

2.15 Loans to customers

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

2.16 Cash and cash equivalents

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

2.17 Provision for Tax

Current Tax

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

Deferred taxation

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

2.18 Provision for liabilities

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

2.19 Revenue Recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise and in accordance with the International Financial Reporting Standards (IFRS)-15 "Revenue from Contracts with Customers":

a) Brokerage commission

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

b) Interest income on margin loan

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

c) Dividend Income

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

d) Capital Gain on Sale of share

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

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

As per directive no. BSEC/SRI/Policy/3/2020/68 dated 12 January 2020 of Bangladesh Securities and Exchange Commission, 20% provision may be made for unrealized loss arising out of year-end revaluation of shares purchased as dealer and unrealized loss as margin loan. However the Company maintain provision mentioned in note# 15.

2.21 Conversion of Preference Share Capital into Ordinary share capital

The preference shares of Tk. 300,00,00,000 was 5% redeemable/convertible and the redemption /conversion started from 26.09.2020. Under this situation The Board of Directors of Pubali Bank Limited in its 1277th meeting held on 24th March 2021 has decided to exercise the option of conversion of preference share BDT 300.00 (three hundred) crore into ordinary share capital w.e.f 26.09.2020 as stated in the previous approval of the BSEC vide letter no BSEC/CI/CPLC-547/2016/517.(please see note no. 16)



2.22 Related Party Disclosures

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

2.22.1 Particulars of Directors and Shareholders and their shareholdings

Name of the directors	Designation	Number of Share holding as 31 December 2020
Mr. Moniruddin Ahmed	Chairman	NIL
Mr. Ahmed Shafi Choudhury (Nominated by Pubali Bank Limited)	Director	NIL
Mr. Habibur Rahman	Director	1
Mr. Azizur Rahman	Director	1
Mr. Muhammed Kabiruzzaman Yaqub	Director	1
Mr. Mustafa Ahmed	Director	1
Ms. Runa Fowzia Hafiz	Director	1
Mr. Ahmed Salah Sater	Director	1
Mrs. Ayesha Farha Chowdhury	Director	1
Mr. Rezwan Rahman	Director	1
Mr. Zeyad Rahman	Director	1
Mr. Asif A. Choudhury	Director	1
Mr. Md. Abdul Halim Chowdhury (Nominated by Pubali Bank Limited)	Director	NIL
Mr. Shahdeen Malik	Independent Director	NIL
Mr. Giasuddin Ahamed	Shareholder	1
Ms. Rumana Sharif	Shareholder	1
Pubali Bank Limited	Shareholder	Ordinary: 35,999,987 Preference: 30,000,000

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

Name of the directors	Status in Pubali Bank Securities Ltd.	Status in Pubali Bank Limited	Directors have interest in Pubali Bank Limited	Percentage of interest in Pubali Bank Ltd.
Mr. Moniruddin Ahmed	Chairman	Director	Pubali Bank Limited	3.27%
Mr. Ahmed Shafi Choudhury (Nominated by Pubali Bank Limited)	Director	Advisor	Pubali Bank Limited	0.01%
Mr. Habibur Rahman	Director	Director	Pubali Bank Limited	2.00%
Mr. Azizur Rahman	Director	Director	Pubali Bank Limited	2.17%
Mr. Muhammed Kabiruzzaman Yaqub	Director	Director	Pubali Bank Limited	2.00%
Mr. Mustafa Ahmed	Director	Director	Pubali Bank Limited	3.49%
Ms. Runa Fowzia Hafiz	Director	-	Not Applicable	-
Mr. Ahmed Salah Sater	Director	-	Not Applicable	-
Mrs. Ayesha Farha Chowdhury	Director	-	Not Applicable	-
Mr. Rezwan Rahman	Director	-	Not Applicable	-
Mr. Zeyad Rahman	Director	-	Not Applicable	-
Mr. Asif A. Choudhury	Director	Director	Pubali Bank Limited	2.00%
Mr. Md. Abdul Halim Chowdhury (Nominated by Pubali Bank Limited)	Director	Managing Director & CEO	Pubali Bank Limited	-
Mr. Shahdeen Malik	Independent Director	Independent Director	Pubali Bank Limited	-

2.22 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.

2.23 Management' responsibility on financial statements

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

2.24 Employee benefits

All the employees at Pubali Bank Securities Limited are on deputation from Pubali Bank Limited except the Managing Director, and CEO will get existing and future benefits of the same Bank during the period of their service at Pubali Bank Securities Limited. All the employees except Managing Director and CEO of the management and executive team are on deputation from Pubali Bank Limited and their Salary, Incentive, Bonus, Provident Fund and all other financial benefits are provided as per Rules and Pay scale of Pubali Bank Limited.

2.25 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 year's presentation.

		Amount in Taka	
		2020	2019
3	Cash and bank balances		
	Current account:		
	Pubali Bank Ltd. A/C-3555901034012 Securities Trading Division	-	-
	Pubali Bank Ltd. A/C-3555901034027 Customers Security Deposit	2,316,908	2,430,380
	Pubali Bank Ltd. A/C-3555901034031 Other Income	-	165,870
	Pubali Bank Ltd. A/C-3555102001901 Documentation fee	-	54,172
	Pubali Bank Ltd. A/C-3555901037490 PBL Investment A/C	-	719,480
	Pubali Bank Ltd. A/C-2905901048064 Strategic Investment A/C	934,346	27,499
	Pubali Bank Ltd. A/C-2905901042129 Consolidated customer A/C	516,532,979	221,663,016
	Pubali Bank Ltd. A/C-2905901042114 Dealer A/C	38,220,187	4,490,955
	Sub total	558,004,420	229,551,372
	Special notice deposit account :		
	Pubali Bank Ltd. A/C-2905102001105 Public Issue Application A/C	3,193,295	356,251
	Pubali Bank Ltd. A/C-290510200993 Sundry Deposit A/C	-	346,216
	Pubali Bank Ltd. A/C -2905102001047 Income& Expenditure A/C	23,364,774	40,210,622
	Sub total	26,558,069	40,913,089
	Fixed deposit rate (FDR)		
	Pubali Bank Ltd.	755,916,807	719,339,662
	Total	1,340,479,296	989,804,123
3.1	Investment in FDR	FDR No.	
	Pubali Bank Limited	977310	124,368,407
	Pubali Bank Limited	977311	62,122,157
	Pubali Bank Limited	977312	62,122,157
	Pubali Bank Limited	977313	62,122,157
	Pubali Bank Limited	977314	62,122,157
	Pubali Bank Limited	977703	103,162,500
	Pubali Bank Limited	977390	-
	Pubali Bank Limited	977509	57,337,312
	Pubali Bank Limited	977542	111,279,980
	Pubali Bank Limited	977543	111,279,980
			755,916,807
			115,523,826
			57,722,404
			57,722,404
			57,722,404
			57,722,404
			112,102,544
			53,633,676
			103,595,000
			103,595,000
			719,339,662
	A schedule of Investment in FDR is given in "Annexure-H(ix)".		
4	Receivable from securities trading		
	Receivable from stock-broker/stock- dealer	2,654,928	458,611
	Receivable from dividend	71,176,189	67,985,001
	Dividend Receivable from-strategic Investment	695,141	664,197
	Receivable from client	2,348,777	2,266,778
	Receivable from others (Accrued interest of FDR) - (Annexure-H(ix))	14,815,932	20,863,454
		91,690,967	92,238,041
5	Investment in securities (Own portfolio)		
	Investment in securities (Own portfolio) at cost (Annexure-H(vii))	6,583,175,288	6,452,850,856
		6,583,175,288	6,452,850,856
6	Receivable from other clients		
	Margin loan from clients	618,430,307	578,385,912
		618,430,307	578,385,912
7	Other assets		
	Prepaid expenses (Note 7.1)	1,258,000	1,053,000
		1,258,000	1,053,000
7.1	Prepaid expenses		
	Balance at the beginning of the year	1,053,000	960,000
	Add: Advances made during the year	1,919,350	2,142,700
	Less: Adjustment made during the year	(1,714,350)	(2,049,700)
	Balance at the end of the year	1,258,000	1,053,000
8	Advance income tax		
	Opening balance	196,066,718	159,773,730
	Add: Advance income tax paid during the year	39,281,088	38,831,586
		235,347,806	198,605,316
	Add: Tax deducted at source during the year	34,061,079	35,345,038
		269,408,885	233,950,354
	Add: Tax deducted at source against bank interest & others	6,034,076	4,074,456
		275,442,961	238,024,810
	Less: Adjustment during the year (Assessment year 2016-2017)	-	(41,958,092)
		275,442,961	196,066,718

	Amount in Taka	
	2020	2019
9 Fixed assets (net off depreciation & amortization):		
Computer & computer accessories	553,755	399,888
Machinery & equipment	124,572	232,407
Vehicle	2,582,506	3,228,133
Furniture & fixtures	917,021	1,003,151
	4,177,854	4,863,579
Intangible assets :		
Systems & software	-	2,500
	-	2,500
	4,177,854	4,866,079

A schedule of property, plant and equipment is given in Annexure-H(vi).

10 Value of Investment in exchange (Against membership value)		
Dhaka stock exchange Ltd. (Note 10.1)	6,000,000	6,000,000
Chittagong stock exchange Ltd. (Note 10.2)	8,000,000	8,000,000
	14,000,000	14,000,000

10.1 Dhaka stock exchange Ltd.		
Opening balance	6,000,000	6,000,000
Add: Investment made during the year	-	-
	6,000,000	6,000,000
Less: Sale/ recovery during the year	-	-
Closing balance	6,000,000	6,000,000

* This represents total face value of the shares allotted by DSE in favor of the company against the DSE memberships. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange Ltd. (DSE) allotted total 72,15,106 ordinary Shares at face value of Tk.10.00 each and a Trading Right Entitlement Certificate (TREC) in favor of the company against the membership of DSE respectively. Out of the above, DSE transferred 2,886,042 shares directly to the credit of the Beneficiary Owner's account of the company. TRECs out of (DSE) allotted total 7,215,106 shares. DSE sold 1,803,777 shares which is 25% of total shares to Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE). The rest shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act, 2013. As there is no active market for DSE shares, we have shown the value at original cost of our investment.

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

10.2 Chittagong stock exchange Ltd.		
Opening balance	8,000,000	8,000,000
Add: Investment made during the year	-	-
	8,000,000	8,000,000
Less: Sale/ recovery during the year	-	-
Closing balance	8,000,000	8,000,000

* This represents total face value of the shares allotted by CSE in favor of the company against the CSE memberships. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Chittagong Stock Exchange Ltd. (CSE) allotted total 42,87,330 ordinary Shares at face value of Tk.10.00 and a Trading Right Entitlement Certificate (TREC) in favor of the company against the membership of CSE respectively. Out of the above, CSE transferred 1,714,932 shares directly to the credit of the Beneficiary Owner's account of the company. The rest shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act, 2013. As there is no active market for CSE shares, we have shown the value at original cost of our investment.

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

11 Investment In securities		
Investment In securities (Strategic investment) at cost (Annexure-H(VIII))	36,302,842	36,302,842
	36,302,842	36,302,842

12 Other long term assets		
Deferred tax assets (Note-12.1)	-	-
	-	-

12.1 Deferred tax assets		
Opening balance	-	337,607
Addition/(deduction) during the year charged in P&L	-	(475,101)
Closing balance	-	(137,494)

13 Payable to clients		
General client	444,816,867	114,716,924
	444,816,867	114,716,924

		Amount in Taka	
		2020	2019
14	Payable to exchanges		
	Payable to DSE & CSE broker	102,394	79,652
	Payable to DSE & CSE dealer	17,312,004	-
	Payable to Pubali Bank	13,810	13,810
	Payable for CDBL	404,941	69,513
	Payable to Sundry Deposit	2,321,920	2,431,920
		20,155,069	2,594,895
15	Other liabilities and provisions		
	Deferred tax and other deferred liabilities (Note 15.1)	288,214	137,494
	Provision for diminution in value of investment (Note 15.2)	1,534,588,209	1,324,827,130
	Provision for tax (Note 15.3)	285,965,182	221,133,128
	Provision for impairment of clients' margin loan (Note 15.4)	184,543,373	249,960,955
	Provision for rent, tax, insurance, electricity expense	109,905	104,421
	Provision for postage, stamp, telecommunication etc.	131,009	105,851
	Provision for stationery, printing, advertisement expenses.	2,933	1,408
	Provision for repair of machinery equipment expenses.	255	255
	Provision for other expenses.	262,696	735,931
	Legal fees payable	959,875	959,875
	Payable to software provider	130,539	235,539
	Payable to suppliers	51,712	193,150
	Sundry deposit	62,576	62,576
	Sundry payable	520	520
	Provision for audit fees payable	143,500	125,000
	Payable for IPO fund	5,875,800	-
	VAT payable	52,470	41,058
	TAX payable	121,201	238,078
		2,013,289,969	1,798,862,369
15.1	Deferred tax liability		
	Deferred tax liability has been recognized in accordance with the provisions of IAS 12: Income Taxes, is arrived at as follows:		
	Opening balance	137,494	-
	Addition/(deduction) during the year charged in P&L	150,720	137,494
	Closing balance	288,214	137,494
15.2	Provision for diminution in value of investment		
	Opening balance	1,324,827,130	1,124,308,695
	Add: Provision made during the year	144,343,497	200,518,435
	Add: Provision Transfer in from provision from impairment of clients' margin loan note no. 15.4	65,417,582	-
		1,534,588,209	1,324,827,130
	Less: Adjusted during the year	-	-
	Closing balance	1,534,588,209	1,324,827,130
	As per directive no.BSEC/SRI/Policy/3/2020/68 dated 12 January 2020 of Bangladesh Securities and Exchange Commission, has allowed the stock dealer to make provision against un-realised loss on investment in Dealer account in equal quarterly installment upto 31 December 2022 as well as margin loan. Meanwhile we have made provision of Tk. 153,45,88,209/- i.e. 75% of un realised loss in dealer account.		
15.3	Provision for tax		
	Opening balance	221,133,128	182,497,434
	Add: Provision made during the year	64,832,054	80,593,786
		285,965,182	263,091,220
	Add: Adjustment made during the year	-	(41,958,092)
	Closing balance	285,965,182	221,133,128
15.4	Provision for impairment of clients margin loan		
	Opening balance	249,960,955	185,823,396
	Add: Provision made during the year	-	64,137,559
		249,960,955	249,960,955
	Less: Provision transfer out provision for diminution In value of investment note no. 15.2	(65,417,582)	-
	Closing balance	184,543,373	249,960,955
	100% provision for Impairment of clients' margin loan		
16	Long term liabilities (Other than current portion amount)		
	Preference share capital	3,000,000,000	3,000,000,000
		3,000,000,000	3,000,000,000
	Issue of 5% redeemable/ Convertible non- cumulative Preference shares, 30,000,000 of Tk. 100/- each, fully paid through shares of different companies on market price basis.		

Amount in Taka	
2020	2019

8 years redemption call/ convertible option

Date of issue: 26.09.2016

Upto year 3 (Upto 26.09.2019)	No Redemption
Year End 4 (Upto 26.09.2020)	20% of 300 crore
Year End 5 (Upto 26.09.2021)	20% of 300 crore
Year End 6 (Upto 26.09.2022)	20% of 300 crore
Year End 7 (Upto 26.09.2023)	20% of 300 crore
Year End 8 (Upto 26.09.2024)	20% of 300 crore

These preference share now converted to ordinary share capital as per previous approval of BSEC vide letter no BSEC/CI/CPLC-547/2016/517 which was accorded by the Board of Pubali Bank Limited in Its 1277th meeting held on 24th March 2021. Therefore in the year 2021 and later on the total paid up capital will be 660,00,00,000/- (Six hundred sixty crore). (Please see note no 2.21)

17 Share capital

Authorized capital

70,000,000 Ordinary Shares of Tk. 100/- each.

7,000,000,000

7,000,000,000

Issued, subscribed and paid-up capital

Ordinary Share capital

Total 36,000,000 Ordinary shares of Tk. 100 each

3,600,000,000

3,600,000,000

Sl	Name of the shareholders	No. of shares		
1	Mr. Moniruddin Ahmed	1	100	100
2	Mr. Ahmed Shafi Choudhury (Nominated by Pubali Bank Limited)	Nil	-	-
3	Mr. Habibur Rahman	1	100	100
4	Mr. Azizur Rahman	1	100	100
5	Mr. Muhammed Kabiruzzaman Yaqub	1	100	100
6	Mr. Mustafa Ahmed	1	100	100
7	Ms. Runa Fowzia Hafiz	1	100	100
8	Mr. Ahmed Salah Sater	1	100	100
9	Mrs. Ayesha Farha Chowdhury	1	100	100
10	Mr. Rezwan Rahman	1	100	100
11	Mr. Zeyad Rahman	1	100	100
12	Mr. Asif A. Choudhury	1	100	100
13	Mr. Md. Abdul Halim Chowdhury (Nominated by Pubali Bank Limited)	Nil	-	-
14	Mr. Shahdeen Malik	Nil	-	-
15	Mr. Giashuddin Ahamed	1	100	100
16	Ms. Rumana Sharif	1	100	100
17	Pubali Bank Limited	35,999,987	3,599,998,700	3,599,998,700
		36,000,000	3,600,000,000	3,600,000,000

18 Retained earnings

Opening balance	(150,606,617)	(170,234,829)
Net profit/(loss) during the year	37,302,227	19,628,212
	(113,304,390)	(150,606,617)
Adjustment during the year	-	-
Closing balance	(113,304,390)	(150,606,617)

19 Operating income

Brokerage commission DSE & CSE	24,547,070	19,957,233
Interest on margin loan	23,188,327	14,069,662
Revenue from CDBL charge & annual maintenance fee & others	37,546	399,866
Dividend income DSE & CSE	1,180,141	986,697
Dividend income from dealer A/C	155,167,273	171,204,446
Capital gain from DSE & CSE	-	-
Capital gain from Dealer A/C	27,203,560	142,951,631
BO opening charge, margin documentation fees, FDR interest income & IPO	54,974,819	61,658,709
	286,298,736	411,228,244

20 Operating expenses

Howla & laga charge DSE & CSE	1,728,728	1,553,443
CDBL charges	949,107	2,417,819
Directors fees	1,001,000	801,500
Bank charges & excise duty	531,214	307,621
DSE, CSE fees & others	-	539,239
Depreciation expenses	1,040,734	414,833
	5,250,783	6,034,455



	Amount in Taka	
	2020	2019
21 Administrative and general expenses		
Salaries & allowances (Note- 21.1)	29,795,454	34,130,670
Rent expense	300,618	309,554
Electricity & electric fittings expense	182,849	203,449
Audit fees	162,250	125,000
Insurance expense	48,715	78,232
Postage, stamp, telecommunication etc.	239,290	312,020
Stationery printing & advertisement expense	230,893	313,827
Repairs of machinery and equipment	160,852	163,381
Investment protection fund	103	384
Legal fees	-	676,900
Professional fees	60,000	-
Advertising expenses	17,250	92,322
Newspapers & periodicals	6,244	21,975
Fuel expense	139,841	152,715
Overtime allowance	142,312	304,321
Traveling allowance	10,900	51,900
Maintenance of bank premises	75,600	95,600
Software development expenses	-	105,000
DSE & CSE charge	9,118	-
Subscription	12,500	12,500
Conveyance charge	408,382	231,245
Entertainment expense for office & clients	380,031	587,556
Internet connection fee	5,448	4,245
Car expenses & maintenance	770,289	655,477
Bandwidth service charge	385,545	373,130
Renewal & registration expense	370,685	383,290
Water & sewerage	48,233	59,438
Security & auxiliary service	100,041	123,770
IPO expense	27,000	15,000
Miscellaneous expense	329,012	257,795
	34,419,455	39,840,696

21.1 Salaries & allowances		
Basic salary	12,555,646	12,266,584
House rent allowances	7,194,883	7,168,900
Medical allowances	1,626,558	1,538,300
Other allowances	3,253,490	3,463,116
Contributory provident fund	1,212,927	1,215,290
Bonus to employees	3,951,950	8,478,480
	29,795,454	34,130,670

22 Related party disclosures
Received from related party

Name of related party	Related to	Nature of instrument	Balance in Taka	
			As on 31.12.20	As on 31.12.19
Pubali Bank Limited	Parent company	Different types of deposits	1,340,479,296	989,804,123

23 Events after the reporting period

- The Board of Directors in its meeting held on Dated 04 April 2021 approved the financial statements of the company for the year ended 31 December 2020 and authorized the same for issue.
- No material events occurred after the date of statement of financial position, non-disclosure of which could affect the ability of the users of these financial statements to make appropriate evaluation.

24 Employee position for Pubali Bank Securities Ltd (as at 31 December 2020)

Officer & Staff		Total Employee	Amount in Taka
Head Office	Gulshan Office		
24	6	30	29,795,454
		30	29,795,454

Annexure-H (vi)

Pubali Bank Securities Limited
Schedule of Fixed Assets
as at 31 December 2020

Particulars	Cost				Rate	Depreciation				Written down value at 31 December 2020
	Balance at 1 January 2020	Addition during the year	Disposal during the year	Balance at 31 December 2020		Balance at 1 January 2020	Charged during the year	Disposal during the year	Balance at 31 December 2020	
Computer & Computer accessories	3,318,548	336,713	-	3,655,261	30%	2,918,660	182,846	-	3,101,506	553,755
Machinery & Equipment	1,295,362	-	-	1,295,362	20%	1,062,955	107,835	-	1,170,790	124,572
Vehicles	3,228,133	-	-	3,228,133	20%	-	645,627	-	645,627	2,582,506
Furniture & fixtures	2,372,124	15,796	-	2,387,920	10%	1,368,973	101,926	-	1,470,899	917,021
Total as at 31 December 2020	10,214,167	352,509	-	10,566,676		5,350,588	1,038,234	-	6,388,822	4,177,854
Total as at 31 December 2019	7,901,391	3,681,312	1,368,536	10,214,167		6,305,340	407,323	1,362,075	5,350,588	4,863,579

Schedule of Intangible asset
As at 31 December 2020

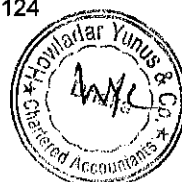
Particulars	Cost				Rate	Amortization				Written down value at 31 December 2020
	Balance at 1 January 2020	Addition during the year	Disposal during the year	Balance at 31 December 2020		Balance at 1 January 2020	Charged during the year	Disposal during the year	Balance at 31 December 2020	
Systems & Software	25,000	-	-	25,000	30%	22,500	2,500	-	25,000	-
Total as at 31 December 2020	25,000	-	-	25,000		22,500	2,500	-	25,000	-
Total as at 31 December 2019	725,000	-	700,000	25,000		714,990	7,510	700,000	22,500	2,500



Annexure-H (vii)

Pubali Bank Securities Ltd.
Portfolio Investment under Stock Dealing

Sl	Name of the Company	Cost Value		Market Value	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
Banks					
1	ABBANK	89,898,718	89,898,718	27,175,838	16,898,005
2	ALARABANK	16,054,316	8,178,773	16,120,774	6,275,678
3	BRACBANK	-	-	-	-
4	CITYBANK	84,239,195	84,239,195	56,801,102	48,326,744
5	DUTCHBANGL	2,373,569	-	2,444,520	-
6	IFIC	2,043,225	5,561,731	2,692,163	4,339,051
7	ISLAMIBANK	35,925,046	35,340,621	32,190,204	22,357,658
8	MERCANBANK	42,379,951	29,811,181	31,750,000	18,296,296
9	NBL	52,934,160	52,934,160	25,354,560	27,941,760
10	NCCBANK	32,390,150	32,213,150	22,267,397	19,666,176
11	PRIMEBANK	109,343,604	108,586,937	67,266,048	70,746,003
12	SHAHJABANK	38,988,559	28,059,786	35,266,893	23,178,028
13	TRUSTBANK	-	4,089,312	-	3,787,858
14	UTTARABANK	100,234,136	95,138,351	96,000,000	83,755,382
Non Bank Financial Institution					
1	IDLC	95,856,997	95,856,997	95,100,000	68,100,000
2	ILFSL	49,644,449	49,644,449	4,961,544	4,961,544
3	LANKABAFIN	14,862,557	12,357,809	12,534,440	5,226,516
4	UNITEDFIN	28,845,290	28,845,290	21,479,623	20,994,207
5	UNIONCAP	16,107,188	16,107,188	3,427,528	2,570,646
6	UTTARAFIN	55,491,674	55,030,342	42,104,860	46,644,895
Mutual Funds					
1	AIBL1STMF	50,000,000	50,000,000	42,000,000	36,000,000
2	DBH1STMF	30,784,857	30,784,857	22,687,000	27,224,400
3	EBL1STMF	1,625,463	1,625,463	1,270,488	834,350
4	GRAMEENS2	24,387,729	24,387,729	14,326,200	10,062,450
5	GREENELMF	44,478,302	44,478,302	38,500,000	40,000,000
6	MBL1STMF	50,000,000	50,000,000	37,500,000	30,500,000
7	PHPMF1	50,000,000	50,000,000	39,465,037	29,598,778
8	PRIME1ICBA	5,977,600	5,977,600	2,840,000	1,960,000
Engineering					
1	ATLASBANG	113,543,620	113,543,620	52,625,338	52,673,442
2	BBS	71,495,210	71,495,210	36,027,215	28,518,768
3	BBSCABLES	24,644,447	3,263,888	23,317,400	2,218,583
4	BSRMSTEEL	201,153,596	201,153,596	52,251,073	48,193,930
5	COPPERTECH	-	47,410	-	111,414
6	DESHBANDHU	7,002,863	7,002,863	1,499,577	1,447,418
7	GPHISPAT	71,132,236	58,650,691	64,700,609	38,935,755
8	GOLDENSON	23,014,497	26,883,401	3,812,099	2,663,813
9	IFADAUTOS	31,547,640	17,445,909	24,094,656	10,190,149
10	NAVANACNG	129,094,550	129,094,550	39,167,027	36,316,596
11	RANFOUNDRY	44,671,791	44,308,679	43,259,351	41,543,552
12	RUNNERAUTO	540,450	540,450	385,109	450,177
13	SINGERBD	38,991,704	17,706,087	37,859,184	15,558,237
Textile					
1	APEXWEAV	6,501,134	6,501,134	4,612,300	4,612,300
2	ENVOYTEX	101,816,877	101,816,877	71,136,583	72,004,102
3	ESQUIRENIT	940,050	940,050	549,407	591,187
4	MALEKSPIN	101,086,723	101,086,724	53,934,738	38,755,500
5	METROSPIN (B)	42,471,093	42,471,093	6,748,402	4,694,541
6	NEWLINE	-	40,023	-	63,374
7	RINGSHINE	1,136,422	1,136,422	844,768	1,190,773
8	SQUARETEXT	57,325,714	57,325,714	30,027,434	31,236,592
9	TALLUSPIN	8,687,496	10,368,438	2,677,653	2,059,484



Food & Allied					
1	AMCL(PRAN)	40,160,750	35,202,878	37,549,453	28,350,044
2	BATBC	45,012,124	47,453,674	61,218,576	54,699,450
3	OLYMPIC	212,581,855	212,581,855	137,179,033	118,443,435
Fuel & Power					
1	BARKAPOW	5,276,036	1,611,236	5,140,000	1,574,699
2	DESCO	171,133,802	171,133,802	104,699,384	111,318,311
3	KPCL	181,026,311	181,026,311	94,551,474	97,473,594
4	ENERGYPRIMA	47,500,000	47,500,000	47,500,000	47,500,000
5	JAMUNAOIL	74,413,338	59,892,491	72,208,147	48,941,310
6	LINDEBD	254,810,402	284,351,137	261,555,782	294,774,276
7	MPETROLEUM	113,265,245	113,851,077	117,054,234	96,943,556
8	PADMAOIL	53,693,431	44,136,900	49,904,727	37,505,716
9	SUMITPOWER	111,955,571	111,955,571	86,829,468	81,025,956
10	TITASGAS	122,242,280	122,242,280	46,968,214	47,120,708
11	MJLBD	331,499,981	331,499,981	238,914,612	196,661,833
12	SPCL	107,554,285	91,945,503	91,755,474	70,000,000
Pharmaceuticals & Chemicals					
1	ACI	311,221,966	311,221,966	254,977,770	171,021,824
2	ACMELAB	9,699,376	-	9,711,000	-
2	ACIFORMULA	75,374,281	75,374,281	55,392,443	43,010,051
3	ACTIVEFINE	154,101,584	154,101,584	80,956,036	70,417,381
6	SILCOPHL	-	72,940	-	221,008
7	SQURPHARMA	416,780,945	407,364,364	472,907,262	373,065,380
8	RENATA	2,414,639	2,414,639	3,692,618	3,325,685
Services & Real estate					
1	SAPORTL	105,315,572	105,315,572	70,505,005	35,804,800
Cement					
1	CONFIDCEM	13,347,660	3,332,739	13,288,536	2,668,203
2	MEGHNACEM	114,426,945	114,426,945	25,621,266	20,294,340
3	MICEMENT	60,748,274	60,428,373	35,034,784	29,125,512
4	LHBL	481,735,612	481,735,613	289,666,805	203,615,160
5	HEIDELBCEM	151,402,959	151,402,959	45,297,533	49,899,957
6	PREMIERCEM	48,868,190	48,868,190	32,071,390	23,200,580
IT & Telecom Sector					
1	GP	131,422,494	127,773,125	114,851,572	91,272,802
2	ROBI	2,712,540	-	8,083,369	-
3	ADNTEL	-	569,040	-	512,136
4	BSCCL	-	5,382,966	-	4,123,260
5	GENEXIL	-	3,409	-	26,421
Insurance					
1	BGIC	27,078,751	27,078,751	14,428,109	8,297,856
2	CONTININS	-	11,807,085	-	10,038,072
3	CRYSTALINS	108,780	-	428,593	-
4	DELTALIFE	125,376,000	125,376,000	86,552,893	99,624,664
5	FAREASTLIF	5,846,420	2,366,120	4,994,821	1,539,931
6	GREENDEL	3,607,129	3,818,258	3,718,545	3,065,288
7	MEGHNALIFE	4,578,126	3,742,081	4,321,733	2,737,153
8	PIONEERINS	-	4,393,750	-	3,385,800
9	PRAGATIINS	-	2,330,955	-	1,964,732
10	PRIMELIFE	5,242,846	5,242,846	3,749,723	3,626,900
Travel and Leisure					
1	SEAPEARL	17,764	37,300	147,521	154,049
2	UNIQUEHRL	129,903,250	129,903,250	65,637,000	72,764,250
3	UNITEDAIR	54,762,090	55,319,455	5,440,005	4,808,451
Jute, Tannery & Misc.					
1	BEXIMCO	21,614,609	21,614,609	8,215,695	1,989,063
2	BATASHOE	51,676,227	51,676,227	31,280,690	30,986,892
Total		6,583,175,288	6,452,850,856	4,537,057,437	3,803,196,597

**Pubali Bank Securities Ltd.
Portfolio of Stratigic Investment**

SL No	Name of the Company	Cost Value		Market Value	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
1	ACIFORMULA	3,124,140	3,124,140	2,480,100	1,925,700
2	GP	1,799,469	1,799,469	1,735,500	1,429,000
3	JAMUNAOIL	1,831,410	1,831,410	1,655,000	1,419,000
4	MJLBD	7,386,183	7,386,183	6,075,100	5,000,700
5	MICEMENT	196,657	196,657	134,421	112,983
6	MPETROLEUM	1,528,088	1,528,088	1,584,000	1,310,400
7	RENATA	376,774	376,774	441,653	398,030
8	SAIFPOWER	6,967,689	6,967,689	6,210,540	4,403,240
9	SQURPHARMA	6,323,303	6,323,303	6,165,096	5,082,500
10	UTTARAFIN	6,769,129	6,769,129	4,903,500	5,500,000
Total		36,302,842	36,302,842	31,384,910	26,581,553

Annexure-H (ix)

Pubali Bank Securities Limited
Schedule of Investment
For the year ended on 31 December 2020

Amount in Taka

SL NO.	Purchased from	A/C No.	FDR No.	Beginning Balance		Addition during the Year									Encash during the Year		Closing Balance
				Principal	Accrued Interest	Principal	Rate of Interest	Day Considered	Length Months	Interest Income			Bank Charge		Principal	Interest	
										Cash	Accrued	Total	TDS	Excise duty			
1	Pubali Bank Limited	149886	977310	115,523,826	-	-	6.00%	-	12	9,871,757	2,280,821	9,871,757	987,176	40,000	-	-	124,368,407
2	Pubali Bank Limited	149,894	977311	57,722,404	-	-	6.00%	-	12	4,933,059	1,139,640	4,933,059	493,306	40,000	-	-	62,122,157
3	Pubali Bank Limited	149909	977312	57,722,404	-	-	6.00%	-	12	4,933,059	1,139,640	4,933,059	493,306	40,000	-	-	62,122,157
4	Pubali Bank Limited	149913	977313	57,722,404	-	-	6.00%	-	12	4,933,059	1,139,640	4,933,059	493,306	40,000	-	-	62,122,157
5	Pubali Bank Limited	149921	977314	57,722,404	-	-	6.00%	-	12	4,933,059	1,139,640	4,933,059	493,306	40,000	-	-	62,122,157
6	Pubali Bank Limited	153649	977703	-	-	100,000,000	6.00%	244	-	3,558,333	1,152,428	3,558,333	355,833	40,000	-	-	103,162,500
7	Pubali Bank Limited	150673	977390	112,102,544	-	-	-	-	-	4,818,370	-	4,818,370	481,837	25,000	100,000,000	16,414,077	-
8	Pubali Bank Limited	151764	977509	53,633,676	-	-	6.00%	-	12	4,159,595	812,845	4,159,595	415,959	40,000	-	-	57,337,312
9	Pubali Bank Limited	152087	977542	103,595,000	-	-	6.00%	-	12	8,583,311	3,005,639	8,583,311	858,331	40,000	-	-	111,279,980
10	Pubali Bank Limited	152096	977543	103,595,000	-	-	6.00%	-	12	8,583,311	3,005,639	8,583,311	858,331	40,000	-	-	111,279,980
Total				719,339,662	-	100,000,000				59,306,913	14,815,932	59,306,913	5,930,691	385,000	100,000,000	16,414,077	755,916,807

