

Hoda Vasi Chowdhury & Co.
Chartered Accountants
BTMC Bhaban (6th & 7th Floors)
7-9 Karwan Bazar
Dhaka-1215

S. F. Ahmed & Co.
Chartered Accountants
House No. 51 (2nd & 3rd Floors)
Road No. 9, Block-F, Banani
Dhaka-1213

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF PUBALI BANK LIMITED**

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Pubali Bank Limited and its 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 2017, and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in **note 2** and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Companies 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.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2017, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in **note 2**.


Report on Other Legal and Regulatory Requirements


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

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;



- (b) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Controls:
- i) internal audit, internal control and risk management arrangements of the Group and the Bank, as disclosed in **note# 2.16** of the financial statements, appeared to be materially adequate;
 - ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities other than matters disclosed in **note# 2.17** of these financial statements;
- (c) financial statements of a subsidiary of the Bank, Pubali Bank Securities Limited have been audited by K.M. Hasan & Co., Chartered Accountants and have been properly reflected in the consolidated financial statements;
- (d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (f) the expenditure incurred was for the purposes of the Bank's business;
- (g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- (h) as per approval of Bangladesh Bank stated in **note 7.11**, adequate provisions have been made for loans and advances which are, in our opinion, doubtful of recovery;
- (i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (j) the information and explanation required by us have been received and found satisfactory; and
- (k) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 7,860 person hours for the audit of the books and accounts of the Bank.

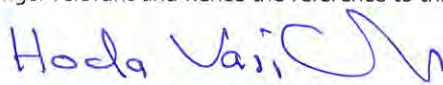

Hoda Vasi Chowdhury & Co.
 Chartered Accountants

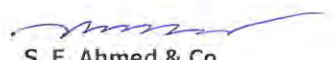

S. F. Ahmed & Co.
 Chartered Accountants

Dhaka, 29 March 2018

Other matters

We have earlier issued the above audit report on 29 March 2018 on the financial statements of the Bank which were authorized for issue by its Board of Directors on same date. However, as disclosed in note 2.27, certain subsequent amendments are made to those financial statements pursuant to the decision of the Bank's shareholders in 35th Annual General Meeting. Our subsequent audit procedures are restricted solely to these amendments to the financial statements as disclosed in note 2.27 as events after reporting date. Since required provision advised by Bangladesh Bank has now been recognized during the year ended 31 December 2017, an earlier disclosure in note 7.11 to the financial statements is no longer relevant and hence the reference to this note as stated in point (h) above should be considered as deleted.


Hoda Vasi Chowdhury & Co.
 Chartered Accountants


S. F. Ahmed & Co.
 Chartered Accountants

Dhaka, 10 May 2018



Pubali Bank Limited
Consolidated Balance Sheet
as at 31 December 2017

<u>PROPERTY AND ASSETS</u>	<u>Notes</u>	<u>2017</u> <u>Taka</u>	<u>2016</u> <u>Taka</u>
			Restated
Cash	3 (a)	22,817,790,448	21,114,474,598
Cash in hand (Including foreign currencies)		3,643,109,729	3,612,831,120
Balance with Bangladesh Bank and its agent Bank (s) (Including foreign currencies)		19,174,680,719	17,501,643,478
Balance with other Banks and Financial Institutions	4 (a)	12,903,217,937	9,033,361,643
In Bangladesh		11,952,460,323	7,802,936,535
Outside Bangladesh		950,757,614	1,230,425,108
Money at Call on Short Notice	5	11,286,667	551,286,667
Investments	6 (a)	59,621,118,393	55,004,797,463
Government		35,243,859,418	36,564,053,849
Others		24,377,258,975	18,440,743,614
Loans, Advances and Leases	7 (a)	240,148,607,766	203,610,060,471
Loans, cash credits and overdrafts, etc.		228,211,262,961	195,338,887,390
Bills purchased & discounted		11,937,344,805	8,271,173,081
Fixed Assets including Premises, Furniture & Fixtures	8 (a)	3,688,655,901	3,790,630,209
Other Assets	9 (a)	28,993,216,456	27,507,133,303
Non-Banking Assets	10	375,246	375,246
Total Assets		368,184,268,814	320,612,119,600
<u>LIABILITIES AND CAPITAL</u>			
Liabilities			
Borrowings from other Banks, Financial Institutions & Agents	11	18,099,362,651	6,305,989,705
Subordinated bond	12	5,000,000,000	-
Deposits and other Accounts	13 (a)	270,603,690,454	246,906,170,427
Current accounts & other accounts		34,087,307,863	28,815,286,575
Bills payable		9,757,892,778	12,240,637,725
Savings bank deposits		70,060,109,522	62,201,794,370
Term deposits		151,443,126,189	138,347,967,344
Other deposits		5,255,254,102	5,300,484,413
Other Liabilities	14 (a)	50,434,110,335	42,967,100,475
Total Liabilities		344,137,163,440	296,179,260,607
Capital / Shareholders' Equity			
Paid up capital	15.2	9,508,037,160	8,803,738,120
Statutory reserve	16	9,510,249,482	9,300,249,482
Retained earnings (general reserve)	17 (a)	2,085,289,771	3,382,630,056
Other reserves	18 (a)	2,943,528,160	2,946,240,656
Profit and Loss account surplus	19 (a)	-	-
		24,047,104,573	24,432,858,314
Non-controlling interest	20	801	679
Total Shareholders' Equity		24,047,105,374	24,432,858,993
Total Liabilities and Shareholders' Equity		368,184,268,814	320,612,119,600



Pubali Bank Limited
Consolidated Balance Sheet
as at 31 December 2017

<u>OFF-BALANCE SHEET ITEMS</u>	Note	2017 Taka	2016 Taka
<u>Contingent Liabilities</u>			
Acceptances & Endorsements			
Letters of guarantee	21	11,338,890,478	9,039,954,197
Irrevocable letters of credit		67,861,025,606	58,770,791,207
Bills for collection		10,202,171,342	4,125,546,631
Other contingent liabilities		1,696,542,422	1,072,217,186
Total		91,098,629,848	73,008,509,221
<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		91,098,629,848	73,008,509,221

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


Md. Abdul Halim Chowdhury
Managing Director


Director


Director


Habibur Rahman
Chairman

Signed as per annexed report on even date


Hoda Vasi Chowdhury & Co
Chartered Accountants


S.F. AHMED & CO.
Chartered Accountants

Dated, Dhaka
May 10, 2018



Pubali Bank Limited
Consolidated Profit & Loss Account
for the year ended 31 December 2017


	Notes	2017 Taka	2016 Taka
Operating Income			
Interest income	22 (a)	19,050,006,860	17,625,672,255
Interest paid on deposits, borrowings, etc.	23	(11,135,619,332)	(10,458,632,825)
Net Interest Income		7,914,387,528	7,167,039,430
Investment income	24 (a)	5,779,350,124	4,506,579,587
Commission, exchange and brokerage	25 (a)	1,735,228,966	1,447,405,594
Other operating income	26 (a)	1,245,348,178	1,054,096,752
Total Operating Income		16,674,314,796	14,175,121,363
Operating Expenses			
Salaries and allowances	27 (a)	4,671,421,490	4,249,573,508
Rent, taxes, insurance, electricity, etc.	28 (a)	768,264,087	654,434,348
Legal expenses	29 (a)	19,624,035	16,836,223
Postage, stamp, telecommunication, etc.	30 (a)	83,470,720	76,657,374
Stationery, printing, advertisements, etc.	31 (a)	145,562,607	119,406,187
Managing Director's salary and fees	32	10,500,000	10,500,000
Directors' fees	33 (a)	8,086,862	8,614,616
Auditors' fees	34 (a)	2,203,016	1,463,750
Charges on loan losses		55,388,623	-
Depreciation and repair of bank's assets	35 (a)	546,503,427	561,604,295
Other expenses	36 (a)	1,723,139,541	1,740,096,001
Total Operating Expenses		8,034,164,408	7,439,186,302
Profit/(Loss) before Provision		8,640,150,388	6,735,935,061
Provision for Loans, Advances, Investments and other Assets	37 (a)		
Provision for classified loans and advances		5,615,000,000	1,731,583,535
Provision for unclassified loans and advances		-	840,208,991
Provision for diminution in value of Investments		-	59,349,859
Provision for impairment clients' margin loan		40,145,837	18,463,446
Provision for bad debt offsetting		4,311,000	646,000
		5,659,456,837	2,650,251,831
Provision for exposure of off-balance sheet items	38	180,500,000	184,000,000
Total Provision		5,839,956,837	2,834,251,831
Total Profit/(Loss) before Taxes		2,800,193,551	3,901,683,230
Provision for current tax	14.5 (a)	2,788,123,957	2,960,433,315
Provision for deferred tax	14.5.1 (a)	(45,076,189)	(452,774,581)
Total Provision for Taxes		2,743,047,768	2,507,658,734
Net Profit after Taxation		57,145,783	1,394,024,496
Profit Attributable to			
Equity holders of parents		57,145,661	1,394,024,475
Non- controlling interest		122	21
Appropriations		57,145,783	1,394,024,496
Statutory reserve		210,000,000	-
Retained surplus (general reserve) carried forward		(152,854,217)	1,394,024,496
Earnings Per Share (EPS)	45 (a)	0.06	1.47
		Basic	Diluted
		0.06	1.47

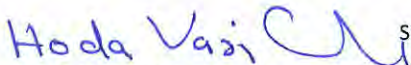
These financial statements should be read in conjunction with the annexed notes


Md. Abdul Halim Chowdhury
Managing Director


Director


Director


Habibur Rahman
Chairman


Hoda Vasi Chowdhury & Co
Chartered Accountants

Signed as per annexed report on even date


S.F. AHMED & CO.
Chartered Accountants

Dated, Dhaka
May 10, 2018



Pubali Bank Limited
Consolidated Cash Flow Statement
for the year ended 31 December 2017

	<u>Notes</u>	<u>2017</u> <u>Taka</u>	<u>2016</u> <u>Taka</u>
a Cash flows from Operating Activities			
Interest receipts in cash		24,024,536,675	21,437,774,583
Interest payments		(11,019,409,005)	(10,246,411,738)
Dividend receipts		451,694,878	457,481,437
Fees and commission receipts		1,172,107,754	971,001,544
Recoveries of loans previously written off		133,727,023	-
Cash payment to employees		(4,681,921,490)	(4,260,073,508)
Cash payment to suppliers		(249,882,888)	(212,952,010)
Current income tax paid		(2,643,451,576)	(2,759,337,697)
Receipts from other operating activities	39 (a)	1,911,657,471	1,555,275,537
Cash payments for other operating activities	40 (a)	(2,711,017,236)	(2,612,440,598)
Operating Profit before changes in Operating Assets & Liabilities		6,388,041,606	4,330,317,550
Increase/ (Decrease) in Operating Assets and Liabilities			
Statutory deposits		1,318,887,031	10,581,044,308
Purchase/sale of trading securities		(5,936,515,361)	(4,617,455,256)
Loans and advances to customers (other than banks)		(36,538,547,295)	(29,789,826,935)
Other assets	41 (a)	643,930,531	(322,565,053)
Deposits to/from other banks		11,793,372,946	3,762,435,457
Deposits from customers (other than banks)		24,430,459,638	22,469,913,155
Other liabilities account of customers		(1,555,014,609)	289,500,087
Other liabilities	42 (a)	952,457,756	554,906,783
Total Increase/ (Decrease) in Operating Assets and Liabilities		(4,890,969,363)	2,927,952,546
Net Cash from/(used in) Operating Activities		1,497,072,243	7,258,270,096
b Cash flows from Investing Activities			
Purchase /Sale of property, plant & equipment		(289,368,486)	(223,608,534)
Net Cash from/(used in) Investing Activities		(289,368,486)	(223,608,534)
c Cash flows from Financing Activities			
Payment for redemption of loan capital and debt security		(2,712,496)	(9,216,107)
Receipts from issue of Subordinated bond		5,000,000,000	-
Dividend Paid		(440,186,906)	(1,056,448,574)
Net Cash from/(used in) Financing Activities		4,557,100,598	(1,065,664,681)
d Net Increase/ (Decrease) in Cash and Cash equivalents (a+b+c)		5,764,804,355	5,968,996,881
e Cash and Cash equivalents at beginning period		31,084,907,665	25,115,910,784
f Cash and Cash equivalents at end of period (d+e)	43 (a)	36,849,712,020	31,084,907,665

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


Md. Abdul Halim Chowdhury
Managing Director


Director


Director


Habibur Rahman
Chairman


Signed as per annexed report on even date

Dated, Dhaka
May 10, 2018



Pubali Bank Limited
Consolidated Statement of Changes in Equity
for the year ended 31 December 2017

Particulars	Paid-up capital	Statutory reserve	Retained earnings (general reserve)	Other reserves	parent's equity	Non-controlling	Total
<u>For the year 2017</u>							
Balance as at 1 January 2017	8,803,738,120	9,300,249,482	3,382,630,056	2,946,240,656	24,432,858,314	679	24,432,858,993
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	8,803,738,120	9,300,249,482	3,382,630,056	2,946,240,656	24,432,858,314	679	24,432,858,993
Surplus/deficit on account of revaluation of properties	-	-	-	(25,465,120)	(25,465,120)	-	(25,465,120)
Adjustment of last year gain on investment	-	-	-	17,247,775	17,247,775	-	17,247,775
Surplus/Deficit on account of revaluation of investments	-	-	-	5,504,849	5,504,849	-	5,504,849
Currency translation differences	-	-	-	-	-	-	-
Net gains and losses not recognised in the Profit and Loss statement	-	-	-	-	-	-	-
Transfer regarding revaluation reserve on sale of properties	-	-	-	-	-	-	-
Non-controlling capital	-	-	-	-	-	-	-
Net profit for the year	-	-	(152,854,339)	-	(152,854,339)	122	(152,854,217)
Transfer to statutory reserve	-	210,000,000	(704,299,040)	-	210,000,000	-	210,000,000
Issue of bonus shares - 2016	704,299,040	-	-	-	-	-	-
Proposed dividend (bonus issue)	-	-	-	-	-	-	-
Dividends (cash) for 2016	-	-	(440,186,906)	-	(440,186,906)	-	(440,186,906)
Balance as at 31 December 2017	9,508,037,160	9,510,249,482	2,085,289,771	2,943,528,160	24,047,104,573	801	24,047,105,374
Balance as at 31 December 2016	8,803,738,120	9,300,249,482	3,382,630,056	2,946,240,656	24,432,858,314	679	24,432,858,993


Md. Abd'ul Halim Chowdhury
Managing Director


Director


Habibur Rahman
Chairman



Dated, Dhaka
May 10, 2018

Signed as per annexed report on even date

Pubali Bank Limited
Balance Sheet
as at 31 December 2017

<u>PROPERTY AND ASSETS</u>	<u>Notes</u>	<u>2017</u> <u>Taka</u>	<u>2016</u> <u>Taka</u>
Cash	3	22,817,790,448	21,114,474,598
Cash in hand (Including foreign currencies)		3,643,109,729	3,612,831,120
Balance with Bangladesh Bank and its agent Bank (s) (Including foreign currencies)		19,174,680,719	17,501,643,478
Balance with Other Banks and Financial Institutions	4	12,903,217,937	9,033,361,643
In Bangladesh		11,952,460,323	7,802,936,535
Outside Bangladesh		950,757,614	1,230,425,108
Money at Call on Short Notice	5	11,286,667	551,286,667
Investments	6	53,527,204,707	48,865,749,421
Government		35,243,859,418	36,564,053,849
Others		18,283,345,289	12,301,695,572
Loans, Advances and Leases	7	239,539,597,542	203,011,231,761
Loans, cash credits and overdrafts, etc.		227,602,252,737	194,740,058,680
Bills purchased and discounted		11,937,344,805	8,271,173,081
Fixed Assets including Premises, Furniture & Fixtures	8	3,686,856,333	3,788,444,279
Other Assets	9	35,828,288,870	33,996,968,178
Non-banking Assets	10	375,246	375,246
Total Assets		368,314,617,750	320,361,891,793
<u>LIABILITIES AND CAPITAL</u>			
Liabilities			
Borrowings From Other Banks, Financial Institutions & Agents	11	18,099,362,651	6,305,989,705
Subordinated bond	12	5,000,000,000	-
Deposits and Other Accounts	13	271,708,963,321	247,278,503,683
Current accounts & other accounts		34,690,402,410	29,016,869,218
Bills payable		9,757,892,778	12,240,637,725
Savings bank deposits		70,060,109,522	62,201,794,370
Term deposits		151,945,304,509	138,518,717,957
Other deposits		5,255,254,102	5,300,484,413
Other Liabilities	14	49,085,985,809	41,632,995,086
Total Liabilities		343,894,311,781	295,217,488,474
Capital / Shareholders' Equity			
Paid up capital	15.2	9,508,037,160	8,803,738,120
Statutory reserve	16	9,510,249,482	9,300,249,482
Retained earnings (general reserve)	17	2,458,491,167	4,094,175,061
Proposed issue of bonus shares		-	-
Other reserves	18	2,943,528,160	2,946,240,656
Profit and Loss account surplus	19	-	-
Total Shareholders' Equity		24,420,305,969	25,144,403,319
Total Liabilities and Shareholders' Equity		368,314,617,750	320,361,891,793



Pubali Bank Limited
Balance Sheet
as at 31 December 2017

OFF-BALANCE SHEET ITEMS	Note	2017 Taka	2016 Taka
Contingent Liabilities			
Acceptances & Endorsements			
Letters of guarantee	21	11,338,890,478	9,039,954,197
Irrevocable letters of credit		67,861,025,606	58,770,791,207
Bills for collection		10,202,171,342	4,125,546,631
Other contingent liabilities		1,696,542,422	1,072,217,186
Total Contingent Liabilities		91,098,629,848	73,008,509,221
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		91,098,629,848	73,008,509,221

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


Md. Abdul Halim Chowdhury
Managing Director


Director


Director


Habibur Rahman
Chairman

Signed as per annexed report on even date


Hoda Vasi Chowdhury & Co
Chartered Accountants


S.F. AHMED & CO.
Chartered Accountants

Dated, Dhaka
May 10, 2018




	Notes	2017 Taka	2016 Taka
Operating Income			
Interest income	22	19,016,969,223	17,602,872,116
Interest paid on deposits, borrowings, etc.	23	(11,135,619,332)	(10,458,632,825)
Net Interest Income		7,881,349,891	7,144,239,291
Investment income	24	5,383,560,297	4,354,878,450
Commission, exchange and brokerage	25	1,674,574,422	1,401,477,386
Other operating income	26	1,235,786,646	1,048,449,896
Total Operating Income		16,175,271,256	13,949,045,023
Operating Expenses			
Salaries and allowances	27	4,642,283,416	4,222,309,846
Rent, taxes, insurance, electricity, etc.	28	767,714,845	653,826,579
Legal expenses	29	19,440,535	16,117,123
Postage, stamp, telecommunication, etc.	30	83,158,737	76,348,995
Stationery, printing, advertisements, etc.	31	145,296,225	119,165,892
Managing Director's salary and fees	32	10,500,000	10,500,000
Directors' fees	33	7,005,862	7,779,716
Auditors' fees	34	1,987,391	1,320,000
Charges on loan losses		55,388,623	-
Depreciation and repair of bank's assets	35	545,268,958	559,940,973
Other expenses	36	1,712,337,842	1,725,263,406
Total Operating Expenses		7,990,382,434	7,392,572,530
Profit/(Loss) before Provision		8,184,888,822	6,556,472,493
Provision for Loans, Advances, Investments and Other Assets			
Provision for classified loans and advances	37	5,615,000,000	1,731,583,535
Provision for unclassified loans and advances		-	840,208,991
Provision for diminution in value of Investments		-	-
Provision for bad debt offsetting		4,311,000	646,000
Provision for other assets		-	-
		5,619,311,000	2,572,438,526
Provision for exposure of off-balance sheet items	38	180,500,000	184,000,000
Total Provision		5,799,811,000	2,756,438,526
Total Profit/(Loss) before Taxes		2,385,077,822	3,800,033,967
Provision for current tax	14.5.2	2,714,690,189	2,919,350,551
Provision for deferred tax	14.5.2	(48,414,419)	(454,271,132)
Total Provision for Taxes		2,666,275,770	2,465,079,419
Net Profit/(Loss) after Taxes		(281,197,948)	1,334,954,548
Appropriations			
Statutory Reserve		210,000,000	-
Retained surplus (general reserve) carried forward		(491,197,948)	1,334,954,548
Earnings Per Share (EPS)	45		
Basic		(0.30)	1.40
Diluted		(0.30)	1.40

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

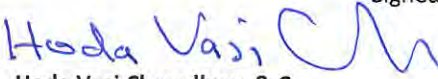

Md. Abdul Halim Chowdhury
Managing Director


Director


Director


Habibur Rahman
Chairman

Signed as per annexed report on even date


Hoda Vasi Chowdhury & Co
Chartered Accountants


S.F. AHMED & CO.
Chartered Accountants

Dated, Dhaka
May 10, 2018




Pubali Bank Limited
Cash Flow Statement
for the year ended 31 December 2017

	Notes	2017 Taka	2016 Taka
a Cash flows from Operating Activities			
Interest receipts in cash		23,991,499,038	21,414,974,444
Interest payments		(11,019,409,005)	(10,246,411,738)
Dividend receipts		292,820,155	330,555,035
Fees and commission receipts		1,111,453,210	925,073,336
Recoveries of loans previously written off		133,727,023	-
Cash payment to employees		(4,652,783,416)	(4,232,809,846)
Cash payment to suppliers		(249,882,888)	(212,952,010)
Current income tax paid		(2,643,451,576)	(2,759,337,697)
Receipts from other operating activities	39	1,665,180,835	1,524,853,946
Cash payments for other operating activities	40	(2,696,373,336)	(2,593,090,488)
Operating Profit before changes in Operating Assets & Liabilities		5,932,780,040	4,150,854,982
Increase/ (Decrease) in Operating assets and liabilities			
Statutory deposits		1,318,887,031	10,581,044,308
Purchase/sale of trading securities		(5,981,649,717)	(4,573,517,837)
Loans and advances to customers (other than banks)		(36,528,365,781)	(29,885,812,447)
Other assets	41	812,130,884	(235,584,362)
Deposits to/from other banks		11,793,372,946	3,762,435,457
Deposits from customers (other than banks)		24,430,459,638	22,469,913,155
Other liabilities account of customers		(1,555,014,609)	2,417,590,683
Other liabilities	42	541,918,562	758,892,405
Total Increase/(decrease) in Operating Assets and Liabilities		(5,168,261,046)	5,294,961,362
Net Cash from/(used in) Operating Activities		764,518,994	9,445,816,344
b Cash flows from Investing Activities			
Purchase /Sale of property, plant & equipment		(289,754,848)	(224,396,634)
Net cash from/(used in) Investing Activities		(289,754,848)	(224,396,634)
c Cash flows from Financing Activities			
Payment for redemption of loan capital and debt security		(2,712,496)	(9,216,107)
Receipts from issue of Subordinated bond		5,000,000,000	-
Investment in Subsidiary Company		-	(2,000,000,000)
Dividend Paid		(440,186,906)	(1,056,448,574)
Net cash from/(used in) Financing Activities		4,557,100,598	(3,065,664,681)
d Net increase/(decrease) in Cash and Cash equivalents (a+b+c)		5,031,864,744	6,155,755,029
e Cash and cash equivalents at beginning period		30,712,574,409	24,556,819,380
f Cash and cash equivalents at end of period (d+e)	43	35,744,439,153	30,712,574,409

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


Md. Abdul Halim Chowdhury
Managing Director


Director


Director


Habibur Rahman
Chairman

Signed as per annexed report on even date

Dated, Dhaka
May 10, 2018





Pubali Bank Limited
Statement of Changes in Equity
for the year ended 31 December 2017

(Figures in Taka)

Particulars	Paid-up capital	Statutory reserve	Retained earnings (general reserve)	Other reserves	Proposed dividend	Total
<u>For the year 2017</u>						
Balance as at 1 January 2017	8,803,738,120	9,300,249,482	4,094,175,061	2,946,240,656	-	25,144,403,319
Changes in accounting policy	-	-	-	-	-	-
Restated balance	8,803,738,120	9,300,249,482	4,094,175,061	2,946,240,656	-	25,144,403,319
Surplus/deficit on account of revaluation of properties	-	-	-	(25,465,120)	-	(25,465,120)
Adjustment of last year gain on investment	-	-	-	17,247,775	-	17,247,775
Surplus/deficit on account of revaluation of investments	-	-	-	5,504,849	-	5,504,849
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognised in the Profit and Loss Statement	-	-	-	-	-	-
Transfer regarding revaluation reserve on sale of properties	-	-	(491,197,948)	-	-	(491,197,948)
Net profit for the year	-	210,000,000	-	-	-	210,000,000
Transfer to statutory reserve	704,299,040	-	(704,299,040)	-	-	-
Issue of bonus shares - 2016	-	-	-	-	-	-
Proposed dividend (bonus issue)	-	-	-	-	-	-
Dividends (cash) for 2016	-	-	(440,186,906)	-	-	(440,186,906)
Balance as at 31 December 2017	9,508,037,160	9,510,249,482	2,458,491,167	2,943,528,160	-	24,420,305,969
Balance as at 31 December 2016	8,803,738,120	9,300,249,482	4,094,175,061	2,946,240,656	-	25,144,403,319


Md. Abdul Halim Chowdhury
Managing Director


Director


Habibur Rahman
Chairman


Signed as per annexed report on even date



Dated, Dhaka
May 10, 2018

Pubali Bank Limited
Liquidity statement (assets and liabilities maturity analysis)
for the year ended 31 December 2017

Particulars	Up to 01 month	01- 03 months	03-12 months	01- 05 years	More than 5 years	Total
Assets						
Cash in hand	22,817,790,448					22,817,790,448
Balances with other banks and financial institutions	963,989,447	10,768,257,756	950,000,000	220,970,734	-	12,903,217,937
Money at call on short notice	11,286,667	-	-	-	-	11,286,667
Investments	4,312,317,199	1,241,800,000	1,365,700,000	15,045,244,060	31,562,143,448	53,527,204,707
Loans & Advances	20,122,420,068	54,585,592,178	92,810,201,658	57,329,727,088	14,691,656,550	239,539,597,542
Fixed assets including premises, furniture & fixtures	-	-	687,849,085	76,733,846	2,922,273,402	3,686,856,333
Other assets	706,445,210	1,954,701,083	166,889,375	6,830,280,618	26,169,972,584	35,828,288,870
Non-banking assets	-	-	-	-	375,246	375,246
Total Assets	48,934,249,039	68,550,351,017	95,980,640,118	79,502,956,346	75,346,421,230	368,314,617,750
Liabilities						
Borrowings from other banks, financial institutions & agents	9,073,446,667	9,025,915,984	-	-	-	18,099,362,651
Subordinated bond				3,000,000,000	2,000,000,000	5,000,000,000
Deposits	29,397,441,659	49,660,768,707	86,314,317,745	41,099,686,777	65,236,748,433	271,708,963,321
Provision & other liabilities	10,024,017,279	-	6,252,608,938	32,617,281,325	192,078,267	49,085,985,809
Total Liabilities	48,494,905,605	58,686,684,691	92,566,926,683	76,716,968,102	67,428,826,700	343,894,311,781
Net Liquidity Gap	439,343,434	9,863,666,326	3,413,713,435	2,785,988,244	7,917,594,530	24,420,305,969


Md. Abdul Halim Chowdhury
Managing Director


Director


Habibur Rahman
Chairman

Dated, Dhaka
May 10, 2018



Signed as per annexed report on even date



Pubali Bank Limited

Notes to the financial statements for the year ended 31 December 2017

1. The Bank and its activities

1.1 Entity

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

1.2 Principal activities

The Bank engages in all types of commercial banking services as laid down in Banking Companies Act 1991 and directives received from Bangladesh Bank from time to time. It has 465 branches all over Bangladesh. It is listed in the stock exchange of Dhaka and Chittagong as a publicly-traded company.

1.3 Capital structure of the Bank

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

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

2.1 Basis of accounting

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

2.2 Basis of consolidation

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



The consolidated financial statements include the financial statements of Pubali Bank Limited and its subsidiary, i.e. Pubali Bank Securities Limited prepared at the end of the financial year. The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS)-27, "seperate Financial Statements" and Bangladesh Financial Reporting Standard (BFRS)-10, "Consolidated Financial Statements". The consolidated Financial Statements are prepared for the same year ended on 31 December 2017.

2.3 a. Islamic Banking Window

The Islamic Banking Wing of the Bank has been maintaining a separate set of books and records for its operation. All Assets and Liabilities and Income and Expenditure of this Wing are incorporated in similar heads of account of Bank's Financial Statements. Separate Financial Statements, Balance Sheet and Profit & 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 2017 are enclosed in the Annexure-D.

b. Off-shore Banking Unit

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

2.4 Use of estimates and judgments

The preparation of the financial statements in conformity with BFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision or future periods, if the revision affects both current and future periods.

2.5 Foreign currency transactions

i. Functional and presentational currency

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

ii. Foreign currency translation

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



Assets and liabilities in foreign currencies at 31 December 2017 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "Balances with other Banks and Financial Institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD(R) 717/2004-959 dated 21 November 2004.

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

iii. Commitment

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

2.6 Taxation

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

2.6.1 Current tax

The current tax payable is based on taxable profit up to the period ended on 31 December 2017. Taxable profit differs from profit as reported in the Profit and Loss Account because it excludes items of income or expense that are taxable or deductible. The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the date of Balance Sheet.

Provision for current income tax has been made @ 40% on accounting profit made by the Bank after considering some of the add backs of income and disallowances of expenditure as per Income Tax Ordinance 1984.

2.6.2 Deferred tax

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the date of Balance Sheet. The impact on the account of changes in the deferred tax assets and liabilities has also been recognised in the Profit and Loss Statement as per BAS 12 "Income Taxes" (Note# 14.5.1).

2.7 Assets and basis of their valuation

2.7.1 Cash and cash equivalents

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



2.7.2 Investments

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

2.7.2.1 Held to maturity (HTM)

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

Value of investment has been enumerated as follows:

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

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

2.7.2.2 Held for trading (HFT)

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

Value of investment has been enumerated as follows:

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

2.7.3 Loans and advances

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



- (b) Interest is not charged on bad and doubtful loans and advances from the date of filing money suits against the borrowers.
- (c) Provision for loans and advances is made on the basis of periodical review by the management and of instructions contained in Bangladesh Bank's BCD circular nos. 34 of 16 November 1989, 20 of 27 December 1994 and 12 of 04 September 1995 and BRPD circular nos. 16 of 06 December 1998, 9 of 14 May 2001, 2 of 15 February 2005, 9 of 20 August 2005, 17 of 6 December 2005, 5 of 5 June 2006 and 5 of 5 April 2008, 32 of 27 October 2010, 07 of 14 June 2012, 14 of 23 September 2012, 19 of 27 December 2012, 5 of 29 May 2013, 4 of 29 January 2015, 16 of 18 November 2015, 8 of 02 August 2016, 12 of 20 August 2017, 15 of 27 September 2017, 1 of 20 February 2018 and BRPD circular letter no. 1 of 03 January 2018 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 biz and credit card.	2%
	Standard Housing Finance(HF)	1%
	Standard Consumers loan Scheme other than HF, LP and credit card	5%
	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 and LP	5%
(ii)	Specific provision on classified loans and advances	
	Substandard (Agri and Micro credit)	5%
	Doubtful (Agri and Micro credit)	5%
	Substandard	20%
	Doubtful	50%
	Bad or Loss	100%

- (d) Loans and advances are written off to the extent that there is no realistic prospect of recovery, including taking legal action and for which the bank has already provided full provision as per guidelines of Bangladesh Bank. These write offs, however, will not undermine/affect the claim amount against the borrowers. Detailed memorandum records for all such written off accounts are meticulously maintained and followed up.

2.7.4 Fixed assets and depreciation

- (a) Fixed assets other than land are stated at cost/revalued price less accumulated depreciation.
- (b) Depreciation is charged at the rates as per our Bank's policy on diminishing balance method with the exception of Computers and Accessories, Machinery and Equipment's and Motor vehicles on which straight-line method is applied.



- (c) Cost of lifts is included in machinery and equipment and depreciated on straight line method.
- (d) Upon sale or disposal of any item of fixed assets, no depreciation is charged during year of its sale or disposal, original cost, accumulated depreciation and the net book value is eliminated from accounts and any resulting gain or loss is transferred to Profit and Loss Account.
- (e) Depreciation at applicable rates is charged on additions to fixed assets during the period from 21 December of the previous Year to 20 December of the current Year.

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

2.7.5 Other assets

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

2.7.6 Lease finance

Leases are classified as finance leases of the Bank as per BAS 17 "Leases" . Amount due from leases under finance leases are recorded as receivables as the amount of the Bank's net investment in the leases (note 7.13). Finance leases income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank's investment outstanding in respect of the leases. No depreciation has been charged for such leases in the account.

2.8 Liabilities and basis of their valuation

2.8.1 "Tier-II Subordinated Bond"

Tier-II Subordinated bond includes fund raised from several banks through issuance of 7 (seven) years Bond. These items are brought to financial statements at the gross value of the outstanding balance. Details are shown in note 12.

2.8.2 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents includes 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.

2.8.3 Deposits and other accounts

Deposits and other accounts include non interest-bearing current deposit redeemable at call, interest bearing on demand and short-term deposits, 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.

2.8.4 Provision for liabilities

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

2.8.5 Provision for Off-balance sheet exposure

"As per BRPD circular No.01 (03 January 2018) and BRPD circular No.14 (23 September 2012) the Bank has recognized 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

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

Provisions for unsettled transactions on nostro accounts made 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).

2.8.7 Other liabilities

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxation, interest payable, interest suspense, accrued expenses, obligation under finance lease etc. Other liabilities are recognised in the balance sheet according to the guidelines of Bangladesh Bank, Income Tax Ordinance, 1984 and internal policy of the Bank.

2.9 Capital/Shareholders' equity

2.9.1 Authorised capital

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

2.9.2 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.

2.9.3 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.



2.9.4 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 8 December 2010.

2.9.5 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 BAS 16 "Property, Plant and Equipment".

2.9.6 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."

2.10 Retirement benefits to the employees

a) Provident fund

The Bank operates a contributory provident fund for its eligible employees. The Commissioner of Income Taxes, Dhaka has approved the provident fund as a recognized provident fund as per section 2(1) of Part B of the First Schedule of Income Tax Ordinance 1984. The Fund is administered by a Board of Trustees consisting 3 (three) members and funded by contributions both from employees and Bank @10% of basic salary. Interest earned from the investment is credited to the members' accounts annually. Provident fund benefits are given to the employees of the Bank in accordance with provident fund rules of the Bank.

b) Gratuity

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



2.11 Revenue recognition

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

- (i) Interest is calculated on daily product basis on unclassified loan and advances but charged on a quarterly basis.
- (ii) Interest is charged on classified loans and advances as per Bangladesh Bank's BRPD circular no. 14 of 23 September 2012 and other related circulars and such interest is not taken into income.
- (iii) Dividend income is recognized when shareholders' right to receive is established.
- (iv) Commission and discount on bills purchased and discounted are recognized at the time of realization.

2.12 Cash flow statement

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

2.13 Statement of liquidity

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

2.14 Statement of changes in equity

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

2.15 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.

2.16 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 prerequisite 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 a future, which by its nature cannot be predicted with absolute certainty.



Risk management is a discipline at the core of every banking company and 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. A separate Risk Management Committee at Management level was also formed headed by Deputy Managing Director as Chief Risk Officer (CRO) where all the Division Heads of Head Office are the members and the Division Head, 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 instruction of Bangladesh Bank DOS circular letter no: 13 dated 09.09.2015, a separate Risk Management Division was formed. Monthly meeting of Risk Management Committee at Management level is arranged regularly where different risks are discussed and decisions are gradually implemented and minutes of that meeting along with risk management papers submitted to Bangladesh Bank DOS on monthly, quarterly and half-yearly basis. RMD also prepares Risk Appetite Statement (RAS) on yearly basis mentioning risk limit with tolerance level. 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 is entrusted with the duties of maintenance asset quality, assessing risk in lending to a particular customer, sanctioning credit, formulating policy/strategy for lending operation etc.



A thorough assessment is done before sanction of any credit facility at credit division, Head Office; Regional Office & Corporate Branch. The risk assessment includes borrower's evaluation, financial statement analysis, industry analysis, credit history of the customer, repayment capacity, security 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 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 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**

Money Laundering Risk arises from non-compliance of money laundering related instructions of the regulatory body. Its consequence are dire & far reaching and may be in the form of financial penalty, reputation loss, legal harassment and even the risk of sustainability. It provides the fuel for drug dealers, terrorists, illegal arm traders, corrupt public officials and others to operate and expand their criminal enterprises. Success in money laundering encourages the criminals to continue their illicit schemes which means 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 profitable loans and increases the risk of overall loan portfolio. Money laundering 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 up to the mark.

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

- 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.
- Guidelines on money laundering prevention and Combating Terrorist Financing Policy have been revised & updated and the same have been disseminated to the branches for compliance.
- Customer Selection Policy has been prepared and the same has been disseminated for compliance. The Policy will deter the potential wicked customers.
- As per BFIU circular 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 Reporting (CTR) and Suspicious Transaction Reporting (STR) are made to Bangladesh Bank on regular basis.
- Customers are graded on the basis of risk. Branches have been advised to closely monitor High Risk Customers and to apply Enhanced Due Diligence.
- Self-Assessment Statement is prepared by the branches on yearly basis and a summary report is prepared by functional unit of Central Compliance Committee. The report is submitted to Bangladesh Financial Intelligence Unit regularly. Followed 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 yearly basis. Branches are advised to remove their weakness through he followed up letters.
- Extensive training is being continuously imparted to the officials of the Bank to make them familiar with money laundering prevention & combating terrorist financing and to mitigate the risk arising out therefrom. Every year Management of our Bank approves an outreach training calendar on Money Laundering Prevention, Combating Terrorist Financing and Foreign Remittance. In the year 2017, 05 workshops have already been arranged. The remaining workshops will be arranged as per scheduled date. Pubali Bank Training Institute also arranges training workshop on the issue as per yearly training plan.
- All circulars of former Anti-Money Laundering Department and present Bangladesh Financial Intelligence Unit (BFIU) of Bangladesh Bank 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 Central Bank, 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 invoicing under shipment, over shipment, multiple shipment and shipment of inferior goods etc. is a burning issue. Our Bank is seriously handling the issue. Compliance Division has included a session on Trade Based Money Laundering in it's all outreach workshop.
- 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**

Today's banks are involved in diversified & complex financial activities. The activities are no longer confined to a single geographical boundary. The diversified & complex financial activities and international business of the bank bear significant risk. Thus the issue of effective internal control system, corporate governance, transparency & accountability etc. have become of great importance. Weakness in Internal Control System may lead to significant amount of loss and the loss may be originated from internal & external fraud, employee practices & workplace safety, business practices, damage to physical assets, business disruption & system failure and process management etc. In our Bank, internal control and compliance functions are jointly performed by Audit & Inspection Division, Monitoring Division, Compliance Division and Human Resources Division. Audit & Inspection Division conducts audit as per Risk Based Audit Plan approved by the Board. Synopsis of the audit report is placed before the Audit Committee of the Board of Directors regularly. Monitoring Division is engaged with on-site and off-site monitoring functions. Compliance Division deals with regulatory compliance related activities and also functions as the contact point of the Bank. It ensures regulatory requirements and industry practices. Ethical issue and behavioral norms have assumed 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, an Ethical Committee was formed headed by Deputy Managing Director where all the Division Heads are the members and the Division Head, Compliance Division is the Member Secretary. The Committee is responsible to Honorable Managing Director for implementation of the decisions. All branches, regional offices and divisions of Head Office have been advised to form Ethical Sub-committee so that ethics in banking can be practiced in all walks of the Bank. The Management Committee (MANCOM) headed by Honorable Managing Director reviews the overall internal control system of the Bank and a certificate is provided to the Board of Directors in this regard. As per instruction of Audit Committee of the Board, Compliance Division places the quarterly position of internal control & compliance of the Bank before the Committee on regular basis and decisions are gradually implemented.

f) **ICT Operation**

ICT Operation Framework secures qualitative and error-free implementation and management of daily banking operation, prompt support service against PIBS, PMS, BACH, BEFTN, Network, system, etc. and assure all stakeholders with confidence that ICT processes and 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 **465 branches** using our **in-house developed** core banking software, **Pubali Integrated Banking System (PIBS)** under network environment. **Real Time Centralized Online Banking System** has been developed and deployed in all of our **465 branches** across the country. The Online Banking Network of Pubali Bank Limited has become the largest one in the banking sector of Bangladesh.

The efficient members of the **Software, 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.

One Stop Service has been implemented at all of our branches to ensure better and quick customer services. **Hardware Engineers** have also been posted in each of our **Regional Offices** for quick solution to the hardware problems of the branches under the Region. Besides, **passing power** has been incorporated in PIBS to comply business requirements and to ensure higher security in Banking operation.

To encourage incoming **foreign remittances**, all of our branches have been brought under the network of **Western Union Money Transfer, MoneyGram, Trans fast, 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 (Cash/Account Payee) 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 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.

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

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

We have 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.

ICT Operation Division, obtaining prior permission of the Management, introduced **Off-shore Banking Units (OBU)** of Pubali Bank Limited. In regard to banking products, OBU's are allowed to offer banking services targeting selected group of clients and non-residents.

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

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 ensured ICT environments are:

1. Establish a standard ICT Security policy and ICT Security Management.
2. Ensuring security 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.

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 **2017** we conducted **138** training programs at our **Computer Lab** on **13 (thirteen)** different Topics/Modules covering **2,915** participants and **02 (two) Workshops** on "**Implementation of Credit Application and Appraisal System**" and "**Bill Collection system for DPDC**" at our **Head Office Auditorium** covering **544** participants from Branches/Regional Offices across the country.

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



2.17 Disclosure on fraud and forgeries committed by bank employees

During the year 2017, 09 (Nine) instances of fraud & forgeries were identified. Total amount of money involved against the 09 (Nine) instances was Tk. 1.12 Crore. TK. 83.16 lac has been recovered against 09 (nine) instances and Tk. 28.64 lac yet to be recovered.

It is mentionable here that out of the 09 (Nine) instances 8 (Eight) instances were internal fraud wherein amount of Tk.1.07 crore was involved against which Tk.78.23 lac has been recovered from the concerned employees. 1(one) instance was external fraud wherein amount of Tk.4.93 lac was involved and the same had been realized.

Administrative and disciplinary action have been initiated against the delinquent employees of the Bank.

2.18 Loan write-off

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

2.19 Non- banking assets

Bank has recognised the Non-Banking Assets equivalent to the final liability receivable from the client. No reserve has been created for excess of market value over adjusted liabilities.

2.20 Authorization of financial statements

The financial statements for the year ended 31 December 2017 have been previously authorized for issue in accordance with a resolution of the Board of Directors on 29 March 2018. However, as stated in note 2.27, pursuant to the decision of the shareholders in its 35th Annual General Meeting held on 10 May 2018 there have been subsequent amendments to those financial statements at the time of its approval.

2.21 Offsetting

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

2.22 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 2017 as per BAS 33 "Earnings per Share". Diluted earnings per share was not required to calculate as no dilution occurred.

2.23 Interest paid and other expenses

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

2.24 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.

2.25 Reporting period

These financial statements cover one calendar year from 01 January 2017 to 31 December 2017.



2.26 Number of employees

The number of employees employed in the Bank as on 31 December 2017 was 7,652 of which 6,472 were male and 1,180 were female. The number of employees per branch was 14.66 excluding 836 employees in the head office of the Bank.

During the year 2017, the Bank paid remuneration up to Taka 36,000 per employee to 247 persons and exceeding Taka 36,000 per employee to 7,405 persons.

2.27 Events after reporting period

In terms of provision of BAS 10 "Events after Reporting period" no material event has occurred after balance sheet date which could affect the values reported in the financial statements, except the following:

The Shareholders of Pubali Bank Limited (the "Bank") in its 35th Annual General Meeting held on 10 May 2018 has unanimously decided to approve the financial statements authorized for issue on 29 March 2018 after making relevant changes required to recognize provision shortfall of BDT 173.75 crore for the year ended 31 December 2017 instead of taking deferral as disclosed earlier in note 7.11 of that financial statements. As a result of this decision by the Shareholders, the following information presented in the financial statements authorized for issue by the Board of Directors on 29 March 2018 have been changed:

	Previously reported	Currently reported	Previously reported	Currently reported
	<i>Consolidated</i>		<i>Solo</i>	
Balance sheet				
Other Liabilities	48,694,110,335	50,434,110,335	47,345,985,809	49,085,985,809
Total Liabilities	342,397,163,440	344,137,163,440	342,154,311,781	343,894,311,781
Retained earnings (general reserve)	3,825,289,771	2,085,289,771	4,198,491,167	2,458,491,167
Total shareholders' equity	25,787,105,374	368,184,268,814	26,160,305,969	24,420,305,969
Profit & Loss Account				
Provision for classified loans and advances	3,875,000,000	5,615,000,000	3,875,000,000	5,615,000,000
Total provision	4,099,956,837	5,839,956,837	3,879,311,000	5,799,811,000
Total Profit/(loss) before taxes	4,540,193,551	2,800,193,551	4,125,077,822	2,385,077,822
Net profit/(loss) after taxes	1,797,145,783	57,145,783	1,458,802,052	(281,197,948)
Profit attributable to				
Equity holders of parent	1,797,145,661	57,145,661	-	-
Non-controlling interest	122	122	-	-
Appropriation				
Statutory reserve	210,000,000	210,000,000	210,000,000	210,000,000
Retained surplus (general reserve) carried forward	1,587,145,783	(152,854,217)	1,248,802,052	(491,197,948)
Earnings per share				
Basic	1.89	0.06	1.53	(0.30)
Diluted	1.89	0.06	1.53	(0.30)

Since required provision shortfall advised by Bangladesh Bank has now been fully recognized during the year ended 31 December 2017, an earlier disclosure in note 7.11 to the financial statements is no longer relevant and hence deleted.



2.28 Capital Adequacy under Basel-III

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

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

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

2.29 Training

Training involves learning process for bringing about the desired change in the employee behavior. Training aims at changing knowledge, skills and attitudes so that an individual can carry out his present job satisfactorily. Pubali Bank Training Institutes engaged in preparing and implementing Training Plan of the Bank. The Institute imparts training through specific training programs on overall Banking activities and management for the purpose of enhancing professional efficiency for all officers and executives.

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

During the year 2017, the Training Institute conducted a total of 87 courses/ workshops including outreach workshops with participation of 3221 Officers and Executives. The objectives of designing all training programs are to bridge the gap between present level of competence and the required level of competence.



Sl No	Training courses/workshops/seminars	No. of courses held	Number of participants attended
1	Foundation Training Course for Prob. Officers (Sr. Officers & Officers)	6	166
2	Conducting Inquiry and Report writing	2	41
3	Money laundering Prevention Act & Anti-Terrorism Act.	3	75
4	Training on International Trade Payment & Finance	3	59
5	Risk Management in Bank	2	45
6	Workshop on Marketing & Costumers Service Development in Banking	2	47
7	Foundation Training for Junior Officer & Junior Officer (Cash)	6	151
8	Training on Credit Management	4	101
9	Training on Branch Management	3	75
10	Workshop on Audit & Inspection in Banks	5	123
11	Workshop on Green Banking (Sustainable Finance), Financial Inclusion, SME & Agri-Credit	4	108
12	Workshop on Integrated Supervisory System (ISS)	1	54
13	Workshop on Prevention of Malpractices, Fraud & Forgeries.	2	53
14	Workshop on Business English & Communication Skill	3	69
15	Workshop on NPL Management: Legal & non-legal measure for recovery of loans	3	84
16	Foundation Training for Junior Officer Cash & C-C-C	2	51
17	Training on General Banking	4	89
18	Workshop on Manager & his Job	3	146
19	Workshop on BASEL-III	2	64
20	Workshop on Inclusive Banking : School Banking, Agent Banking	2	38
21	Workshop on Project Financing	2	55
22	Workshop on Internal Control & Compliance	2	57
23	Workshop on Legal Aspects of Securities & Documentation	2	59
24	Workshop on Executives Development Program	2	59
25	Workshop on Lease Financing , CLS and Debit & Credit Card	2	52
26	Workshop on Basic Accounting & Financial Analysis	2	54
27	Workshop on Banking laws and Regulation	2	54
28	Orientation for Senior Officers & Officers recruited 2017	1	242
29	Workshop on Ethics & Integrity in Banks	2	60
30	Orientation Program for Asstt. Junior officers(cash) recruited in 2017	1	222
	Sub Total	80	2,553
	Outreach Workshop : Manager & His Job	7	668
	Grand Total	87	3,221

2.30 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. M. Azizul Huq	Independent Director	Chairman	M.A (Eco), Dhaka University
Mr. Ahmed Shafi Choudhury	Director	Member	B.A (Dhaka University)
Mr. Monzurur Rahman	Director	Member	Bachelor of Arts, Calcutta University
Mr. M. Kabiruzzaman Yaqub FCMA (UK), CGMA	Director	Member	B.Eng (Civil), UK, FCMA (UK), CGMA
Dr. Shahdeen Malik	Independent Director	Member	PhD in Law, London, UK, Obtained LLM degrees from University at Moscow & Philadelphia.



2.31 Statement of compliance

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 Companies 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 Bangladesh Financial Reporting Standards (BFRS) as issued by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable.

Accordingly, the financial statements of the Bank continue to be prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and the requirements of the Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, Securities and Exchange Rules 1987. In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material deviations from the requirements of BFRS are as follows:

i) Investment in shares and securities

BFRS: As per requirements of BAS 39 investment in shares and securities generally falls either under “at fair value through profit and loss account” or under “available for sale” where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

ii) Revaluation gains/losses on Government securities

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

Bangladesh Bank: HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.



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

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

Bangladesh Bank: As per BRPD circular no.14 (23 September 2012), BRPD circular No. 19 (27 December 2012), BRPD circular no. 05 (29 May 2013), BRPD circular no. 4 (29 January 2015) and BRPD circular no. 16 (18 November 2015), BRPD Circular no. 12 (20 August 2017), BRPD Circular no. 15 (27 September 2017) and BRPD circular no. 1 (20 February 2018) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 5% to 20%, 5% to 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007, BRPD circular no. 14 dated 23 September 2012 and BRPD circular letter no. 01 (03 January 2018) a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

iv) **Recognition of interest in suspense**

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

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

v) **Other comprehensive income**

BFRS: As per BAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

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

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

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



vii) **Financial guarantees**

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

Bangladesh Bank: As per BRPD 14, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin.

viii) **Cash and cash equivalent**

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

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

ix) **Non-banking asset**

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

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

x) **Cash flow statement**

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

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

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

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

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

xii) **Presentation of intangible asset**

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

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



xiii) **Off-balance sheet items**

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

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

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

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

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

2.32 New accounting standards not yet adopted

The Bank has consistently applied the accounting policies as set out in Note 2 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2017 have been considered. However, these amendments have no material impact on the financial statements of the Bank.

In December 2017, ICAB has decided to adopt IFRS replacing BFRS effective for annual periods beginning on or after 1 January 2018. However, since currently issued BFRS have been adopted from IFRS without any major modification, such changes would not have any material impact on financial statements.

A number of standards and amendments to standards are effective for annual periods beginning after 1 January 2017 and earlier application is permitted. However, the Bank has not early applied the following new standards in preparing these financial statements.

(a) BFRS 9 Financial Instruments (to be adopted as IFRS 9)

BFRS 9, published in July 2014, replaces the existing guidance in BAS 39 Financial Instruments: Recognition and Measurement. BFRS 9 includes revised guidance on the classification and measurement of the financial instruments, a new expected credit loss model for calculating impairment of financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from BAS 39. BFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. As per the Bank's assessment, any material impact of BFRS 9 would be primarily on calculation of impairment provision. However, as Bangladesh Bank has not issued any circular to revise its current impairment, classification and measurement policies to align with BFRS 9 the Bank is unable to quantify any potential impact on its financial statements.

(b) BFRS 15 Revenue from Contracts with Customers (to be adopted as IFRS 15)

BFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing recognition guidance, including BAS 18 Revenue, BAS 11 Construction Contracts and BFRI 13 Customer Loyalty Programmes. BFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. Based on preliminary assessment the Bank has determined that BFRS 15 has no material impact on its financial statements.



(c) IFRS 16 Leases

IFRS 16, issued in January 2016 replaces existing leases guidance and effective for reporting period beginning on or after 1 January 2019. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The Bank has not yet assessed any potential impact of IFRS 16 on its financial statements.

(d) IFRS 17 Insurance Contracts

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 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.

2.33 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. The Bank obtained opinion from its legal advisor regarding this issue. The legal advisor opined that, "Pubali Bank Limited being governed by Banking Companies Act, 1991 is obliged to follow the provisions of Banking Companies Act, 1991, and Banking Companies Act, 1991 being a special law, provisions of this Act shall prevail over Bangladesh Labour Laws, 2006 (amended in 2013) which is a general law. Thus, we take the view that the Bank is not bound to form a WPPF under Bangladesh Labour Laws, 2006 (amended in 2013)". Consistent with the industry practice and in accordance with the legal opinion and the Bank Company Act, 1991 (amended in 2013), no provision has been made for WPPF.

2.34 General

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



PUBALI BANK LIMITED
Notes to the financial statements for the year ended 31 December 2017

	2017 Taka	2016 Taka
3 Cash		
Cash In hand (Including foreign currencies)		
In local currency	3,635,268,769	3,602,781,519
In foreign currencies	7,840,960	10,049,601
	<u>3,643,109,729</u>	<u>3,612,831,120</u>
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)		
Bangladesh Bank		
In local currency	17,083,054,108	15,422,923,958
In foreign currencies	413,509,074	642,508,639
	<u>17,496,563,182</u>	<u>16,065,432,597</u>
Sonali Bank as agent of Bangladesh Bank		
In Local currency	1,678,117,537	1,436,210,881
	<u>19,174,680,719</u>	<u>17,501,643,478</u>
	<u>22,817,790,448</u>	<u>21,114,474,598</u>
3.1 Cash Reserve Ratio and Statutory Liquidity Reserve		
Cash Reserve Ratio and Statutory Liquidity Reserve have been calculated and maintained in accordance with section 33 of Bank Companies Act 1991 MPD circular numbers 1 and 2 of 23 June 2014 and 10 December 2013.		
The statutory Cash Reserve Ratio (CRR) required on the Bank's time and demand liabilities at the rate of 6.5% has been calculated and maintained with Bangladesh Bank in current account and 13% Statutory Liquidity Requirement (SLR) , on the same liabilities is also maintained in the form of treasury bills and bonds and other eligible securities. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:		
3.1.1 Cash Reserve Ratio (CRR)		
Required Reserve (6.5%)	17,049,611,050	15,345,722,030
Actual Reserve maintained	16,958,928,129	15,889,764,383
Surplus/(deficit)	<u>(90,682,921)</u>	<u>544,042,353</u>
3.1.2 Statutory Liquidity Ratio (SLR)		
Required Reserve (13%)	34,029,225,150	30,624,848,319
Actual Reserve maintained	40,450,621,712	42,082,326,168
Surplus	<u>6,421,396,562</u>	<u>11,457,477,849</u>
3.1.3 Total required amount of CRR and SLR		
Total required reserve (19.5%)	51,078,836,200	45,970,570,349
Total actual reserve maintained	57,409,549,841	57,428,048,198
Total Surplus	<u>6,330,713,641</u>	<u>11,457,477,849</u>
3(a) Consolidated Cash		
Cash In hand (Including foreign currencies)		
Pubali Bank Limited	3,643,109,729	3,612,831,120
Pubali Bank Securities Limited	-	-
	<u>3,643,109,729</u>	<u>3,612,831,120</u>
Balance with Bangladesh Bank and its agent Bank (s) (Including foreign currencies)		
Pubali Bank Limited	19,174,680,719	17,501,643,478
Pubali Bank Securities Limited	-	-
	<u>19,174,680,719</u>	<u>17,501,643,478</u>
	<u>22,817,790,448</u>	<u>21,114,474,598</u>
4 Balance with other banks and financial institutions		
Inside Bangladesh (Note 4.1)	11,952,460,323	7,802,936,535
Outside Bangladesh (Note 4.2)	950,757,614	1,230,425,108
	<u>12,903,217,937</u>	<u>9,033,361,643</u>



4.1 In Bangladesh

In fixed/term deposit account (in local currency)

	2017 Taka	2016 Taka
Delta Brac Housing and Finance Corporation Ltd.	1,150,000,000	1,050,000,000
ICB Islamic Bank Ltd, Bangshal Branch, Dhaka	32,453,661	32,462,196
ICB Islamic Bank Ltd, Principal Office, Dhaka	188,517,073	188,541,643
Investment Corporation of Bangladesh	2,000,000,000	3,000,000,000
IPDC Finance Ltd	400,000,000	300,000,000
United Finance Ltd	400,000,000	150,000,000
Phoenix Finance & Investment Ltd	-	100,000,000
IDLC Finance Limited	500,000,000	500,000,000
Jamuna Bank Limited	900,000,000	-
IFIC Bank Limited	900,000,000	-
Shahjalal Islami Bank Limited	600,000,000	-
Social Islami Bank Limited	800,000,000	300,000,000
Mutual Trust Bank Limited	800,000,000	-
Dhaka Bank Limited	600,000,000	-
Standard Bank Limited	400,000,000	-
National Bank Limited	1,000,000,000	-
Premier Bank Limited	250,000,000	-
Dutch Bangla Bank Limited	500,000,000	-
Industrial and infrastructure Development finance Company Limited	100,000,000	-
GSP Finance Company (Bangladesh) Limited	200,000,000	-
National Housing Finance & Investment Limited	100,000,000	-
Langkabangla Finance Limited	100,000,000	-
Brac Bank Limited	-	500,000,000
EXIM Bank Limited	-	300,000,000
The city Bank Limited	-	500,000,000
	11,920,970,734	6,921,003,839

In Savings deposit account

Islami Bank Bangladesh Limited	12,723,569	12,337,078
	12,723,569	12,337,078

In Special Notice Deposit account

Sonali Bank Limited	8,452,743	859,538,739
Bank Al Falah Limited	1,148,221	1,120,415
National Bank Limited	616,218	608,288
The City Bank Limited	858,707	853,239
Mutual Trust Bank Limited	909,170	889,302
Bangladesh Krishi Bank	656,334	637,276
The Hongkong and Shanghai Banking Corporation Limited	590,440	583,317
First Security Islami Bank Limited	5,534,187	5,365,042
	18,766,020	869,595,618

Total Inside Deposit in BDT

	11,952,460,323	7,802,936,535
--	-----------------------	----------------------



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

Name of Bank	Foreign currency name	2017			2016		
		Conversion rate per unit FC	Amount in foreign currency	Amount in taka	Conversion rate per unit FC	Amount in foreign currency	Amount in taka
American Express Bank Ltd, Kolkata	ACUD	82.70	30,177.44	2,495,674	78.70	30,202.44	2,376,999
Bank of Bhutan, Thimpu	ACUD	82.70	84,143.92	6,958,702	78.70	8,099.83	637,474
Bank of Tokyo Mitsubishi Ltd, Kolkata	ACUD	82.70	22,770.00	1,883,079	78.70	22,770.00	1,792,049
Bank of Tokyo Mitsubishi Ltd, Tokyo	JPY	0.73	4,745,207.00	3,467,603	0.67	2,927,671.00	1,974,246
Commerz Bank , Germany	USD	82.70	333,425.63	27,574,300	78.70	687,232.37	54,086,699
Habib Metropolitan Bank, Ltd., Karachi	ACUD	82.70	339,011.91	28,036,285	78.70	608,122.19	47,860,554
Habib American Bank, New York	USD	-	-	-	78.70	1,161,785.37	91,435,065
United Bank of India, Kolkata	ACUD	82.70	308,373.86	25,502,518	78.70	266,918.13	21,007,044
HSBC Bank, Mumbai	ACUD	82.70	64,075.94	5,299,080	78.70	64,075.94	5,042,917
Hypovereins Bank, Munchen	EURO	-	-	-	82.35	20,202.09	1,663,723
ICICI Bank Ltd., Kolkata, India	ACUD	-	-	-	78.70	17,453.34	1,373,616
Mashreq Bank PSC, New york	USD	82.70	6,232,867.98	515,458,182	78.70	4,394,097.36	345,825,129
Mashreq Bank PSC, New york (OBU)	USD	82.70	982,122.48	81,221,529	78.70	1,504,608.82	118,415,709
Mashreq Bank Mumbai, India (OBU)	ACUD	82.70	79,786.75	6,598,364	78.70	17,331.84	1,364,054
NDLC IFIC Bank (NIB) Karachi	ACUD	82.70	34,229.74	2,830,799	78.70	4,229.74	332,890
Peoples Bank, Colombo	ACUD	82.70	38,530.10	3,186,439	78.70	74,996.41	5,902,383
Sonali Bank Ltd, Kolkata	ACUD	82.70	358,454.94	29,644,223	78.70	230,718.01	18,158,015
Sonali Bank, UK (GBP) Ltd	GBP	110.99	22,993.76	2,552,306	96.39	34,923.02	3,366,385
Sonali Bank, UK (USD) Ltd	USD	-	-	-	78.70	227,966.08	17,941,432
Standard Chartered Bank, Kathmandu	ACUD	82.70	4,962.42	410,392	78.70	104,962.42	8,260,773
Standard Chartered Bank, New york	USD	82.70	1,872,163.49	154,827,921	78.70	5,455,899.29	429,391,277
Standard Chartered Bank, UK	GBP	-	-	-	96.39	219,550.92	21,163,491
ICICI Bank, Kolkata, India	EURO	98.50	14,537.17	1,431,969	82.35	14,537.17	1,197,194
UBS AG, Zurich	CHF	83.96	31,508.39	2,645,694	76.69	11,976.41	918,505
Unicredit S.P.A., Milano, Italy	EURO	98.50	494,726.81	48,732,555	82.35	351,379.30	28,937,485
				950,757,614			1,230,425,108

4.3 Maturity grouping of balance with other banks and financial institutions

Payable on demand	963,989,447	2,096,012,763
Up to 3 months	10,768,257,756	2,266,345,041
Over 3 months but not more than 1 year	950,000,000	4,466,000,000
Above 1 year (receivable from former The Oriental Bank Ltd.)	220,970,734	205,003,839
	12,903,217,937	9,033,361,643

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

In Bangladesh

Pubali Bank Limited	11,952,460,323	7,802,936,535
Pubali Bank Securities Limited	1,105,272,867	372,333,256
	13,057,733,190	8,175,269,791
Less: Inter Company Transactions	1,105,272,867	372,333,256
	11,952,460,323	7,802,936,535

Outside Bangladesh

Pubali Bank Limited	950,757,614	1,230,425,108
Pubali Bank Securities Limited	-	-
	950,757,614	1,230,425,108
	12,903,217,937	9,033,361,643

5 Money at call on short notice

Banking company (note- 5.1)	11,286,667	211,286,667
Non-banking Financial Institution (note-5.2)	-	340,000,000
	11,286,667	551,286,667

5.1 Banking company

Mercantile Bank Limited	-	100,000,000
Midland Bank Limited	-	100,000,000
ICB Islamic Bank Ltd.	11,286,667	11,286,667
	11,286,667	211,286,667

5.2 Non-banking Financial Institution

Lanka bangla Finance Ltd.	-	90,000,000
Industrial & Infrastructure Development Finance Co. Ltd	-	140,000,000
Premier Leasing & Finance Ltd.	-	50,000,000
United Finance Ltd.	-	60,000,000
	-	340,000,000



6 Investments

Government investments

Securities

Government/ Bangladesh Bank bills - at book value (note 6.1)

Government treasury bonds (Note 6.2)

National prize bonds

Total investment in government securities and bonds

Other investments:

Shares (Note 6.3)

Debentures (Note 6.4)

Prime Bank Limited Bond

MTBL Bond -1

Dhaka Bank Limited Bond

National Bank Limited Bond

One Bank Limited Bond -1

Mercantile Bank Limited Bond

Trust Bank Limited Bond -1

The City Bank Limited Bond -1

Southeast Bank Limited Bond -1

Bank Asia Limited Bond -1

EXIM Bank Limited Bond -1

Social Islami Bank Limited Bond -1

Southeast Bank Limited Bond - 2

Trust Bank Limited Bond -2

One Bank Limited Bond -2

Jamuna Bank Limited Bond

MTBL Bond -2

Bank Asia Limited Bond -2

EXIM Bank Limited Bond -2

Dutch- Bangla Bank Limited Bond

Shahjalal Islami Bank Limited Bond

Social Islami Bank Limited Bond -2

The City Bank Limited Bond -2

Standard Bank Limited Bond

Islami Bank Bangladesh Limited Bond

UCBL Bond -1

Commercial paper of Runner Automobiles

Commercial paper of Energypac Engineering Ltd

Commercial paper of Shanta Holding Ltd

Commercial paper of Matador Ball Pen Industries

Commercial paper of Concord Real Estate & Development Ltd

Commercial paper of Danish Condensed Milk BD

Bridge financing advances (Note 6.5)

	2017 Taka	2016 Taka	
	-	8,033,929,007	
	35,231,715,317	28,516,673,341	
	12,144,101	13,451,501	
Total investment in government securities and bonds	35,243,859,418	36,564,053,849	
Other investments:			
Shares (Note 6.3)	5,141,187,319	5,474,577,602	
Debentures (Note 6.4)	344,060	344,060	
Prime Bank Limited Bond	-	45,000,000	
MTBL Bond -1	-	20,000,000	
Dhaka Bank Limited Bond	-	40,000,000	
National Bank Limited Bond	-	40,960,000	
One Bank Limited Bond -1	60,000,000	80,000,000	
Mercantile Bank Limited Bond	80,000,000	100,000,000	
Trust Bank Limited Bond -1	200,000,000	250,000,000	
The City Bank Limited Bond -1	147,000,000	196,000,000	
Southeast Bank Limited Bond -1	240,000,000	300,000,000	
Bank Asia Limited Bond -1	250,000,000	250,000,000	
EXIM Bank Limited Bond -1	300,000,000	300,000,000	
Social Islami Bank Limited Bond -1	160,000,000	200,000,000	
Southeast Bank Limited Bond - 2	1,000,000,000	1,000,000,000	
Trust Bank Limited Bond -2	1,000,000,000	1,000,000,000	
One Bank Limited Bond -2	1,000,000,000	1,000,000,000	
Jamuna Bank Limited Bond	300,000,000	-	
MTBL Bond -2	950,000,000	-	
Bank Asia Limited Bond -2	1,000,000,000	-	
EXIM Bank Limited Bond -2	1,000,000,000	-	
Dutch- Bangla Bank Limited Bond	1,500,000,000	-	
Shahjalal Islami Bank Limited Bond	700,000,000	-	
Social Islami Bank Limited Bond -2	500,000,000	-	
The City Bank Limited Bond -2	500,000,000	-	
Standard Bank Limited Bond	500,000,000	-	
Islami Bank Bangladesh Limited Bond	1,000,000,000	-	
UCBL Bond -1	750,000,000	-	
Commercial paper of Runner Automobiles	-	500,000,000	
Commercial paper of Energypac Engineering Ltd	-	500,000,000	
Commercial paper of Shanta Holding Ltd	-	250,000,000	
Commercial paper of Matador Ball Pen Industries	-	150,000,000	
Commercial paper of Concord Real Estate & Development Ltd	-	300,000,000	
Commercial paper of Danish Condensed Milk BD	-	300,000,000	
Bridge financing advances (Note 6.5)	4,813,910	4,813,910	
	18,283,345,289	12,301,695,572	
	53,527,204,707	48,865,749,421	
6.1 Government/ Bangladesh Bank bills			
30 days Bangladesh Bank bills	-	-	
91 days treasury bills	-	-	
182 days treasury bills	-	8,033,929,007	
	-	8,033,929,007	
182 days (REVERSE REPO with other bank)	-	-	
1 year (REVERSE REPO with other bank)	-	-	
	-	-	
	-	8,033,929,007	
6.2 Government treasury bonds			
25 years treasury bond	5.00%	7,678,000	12,121,000
20 years treasury bond	8.24% -12.98%	12,639,385,274	11,093,042,415
15 years treasury bond	7.79% - 12.42%	7,517,272,204	6,624,171,552
10 years treasury bond	6.77% - 12.22%	11,126,214,184	6,058,221,692
5 years treasury bond	5.84% - 11.82%	3,881,165,655	4,659,418,253
2 years treasury bond	8.50%	-	20,198,429
		35,171,715,317	28,467,173,341
6 Month Bangladesh Govt. Islami Investment Bond		60,000,000	49,500,000
		35,231,715,317	28,516,673,341



6.3 Shares

Name of company	No of share	Market price	Market value	S.F. Ahmed & Co. Chartered Accountants	
				2017 Taka	2016 Taka
ACI Limited	-	-	-	-	39,543,942
The ACME Laboratories Limited	941,165	114.00	107,292,810	108,781,303	-
Active Fines Chemicals Limited	-	-	-	-	34,071,851
Aman Cotton Fibrous Limited	31,385	40.00	1,255,400	1,255,400	-
Al-Arafah Bank Limited	750,527	24.10	18,087,701	18,288,481	-
Aman Feed Limited	-	-	-	-	30,604,972
Apollo Ispat Complex Limited	-	-	-	-	169,695,922
Argon Denims Limited	-	-	-	-	43,049,101
Bangladesh Shipping Corporation	-	-	-	-	28,920,836
Bata Shoe Company (BD) Limited	21,248	1,171.80	24,898,406	24,900,218	4,558,005
BDCOM Online Ltd	-	-	-	-	727,607
Beacon Pharma Limited	1,622,000	21.30	34,548,600	41,882,728	41,882,728
Berger Paints Bangladesh Limited	-	-	-	-	270,945,120
Bashundhara Paper Mills Limited	43,225	80.00	3,458,000	3,458,000	-
BRAC Bank Ltd	-	-	-	-	53,580,827
Bangladesh Steel Re-Rolling Mills Limited	487,755	98.80	48,190,194	67,870,027	24,990,809
BSRM Steels Limited	503,435	78.50	39,519,648	50,389,516	-
Beximco Pharmaceuticals Limited	1,216,000	103.80	126,220,800	135,596,520	-
City Bank Limited	800,000	53.20	42,560,000	29,174,785	-
Confidence Cement Limited	479,810	152.50	73,171,025	59,352,060	58,851,204
Delta Brac Housing Finance Corporation Limited	129,204	136.00	17,571,744	14,407,108	2,826,341
Dhaka Electric Supply Company Ltd	10,480	45.40	475,792	-	-
Eastern Bank Limited	15,690,639	51.10	801,791,653	53,051,800	53,051,800
Envoy Textile Limited	1,081,500	34.80	37,636,200	49,015,648	49,015,648
Exim Bank Limited	1,195,550	17.20	20,563,460	20,596,366	-
Far Chemical Industries Limited	2,249,511	19.50	43,865,465	53,665,850	-
Fortune Shoes Limited	-	-	-	-	100,630
GlaxoSmithKline Bangladesh Limited	46,751	1,550.80	72,501,451	79,948,157	78,624,401
Golden Harvest Agro Industries Limited	-	-	-	-	39,959,794
GPH Ispat Limited	472,500	38.80	18,333,000	21,143,758	-
Grameenphone Limited	703,668	470.80	331,286,894	219,731,618	28,161,367
Heidelberg Cement Bangladesh Limited	-	-	-	-	358,500
The IBN SINA Pharmaceutical Industry Ltd	-	-	-	-	56,300,431
ICB Islamic Bank Limited	7,998,300	7.00	55,988,100	79,983,000	79,983,000
IDLC Finance Ltd	350,000	85.30	29,855,000	18,244,497	14,623,064
IPDC Finance Limited	-	-	-	-	120,191,241
Islami Bank Bangladesh Limited	290,523	36.60	10,633,142	10,299,727	-
Lafarge Surma Cement Limited	1,000,000	69.90	69,900,000	56,314,054	528,849,224
LankaBangla Finance Limited	850,000	47.80	40,630,000	47,766,136	301,442,841
Linde Bangladesh Limited	163,311	1,284.70	209,805,642	227,689,271	220,130,973
LR Global Bangladesh Mutual Fund One	5,184,672	8.30	43,032,778	50,000,000	50,000,000
Marico Bangladesh Limited	334,227	1,106.10	369,688,485	479,831,691	466,535,540
M.I. Cement Factory Limited	104,536	84.70	8,854,199	10,988,673	-
MJL Bangladesh Limited	1,076,838	109.10	117,483,026	129,240,922	124,289,150
Meghna Petroleum Limited	21,210	188.90	4,006,569	4,182,809	-
Nahee Aluminum Composite Panel Limited	6,847	73.40	502,570	62,246	-
National Tubes Limited	-	-	-	-	832,191
Oimex Electrode Limited	7,128	65.20	464,746	64,800	-
Olympic Industries Limited	2,987,898	288.30	861,410,993	859,263,565	964,977,708
Pacific Denims Limited	3,529,139	19.60	69,171,124	83,230,238	-
Prime Bank Limited	974,791	27.40	26,709,273	26,398,665	-
Quasem Drycells Ltd	-	-	-	-	14,472,841
Reckitt Benckiser Bangladesh Limited	11,268	1,776.20	20,014,221	18,222,861	16,826,410
Renata Ltd	61,000	1,124.20	68,576,200	35,314,522	22,152,844
Shasha Denims Limited	-	-	-	-	2,692,525
Singer Bangladesh Limited	204,100	195.50	39,901,550	42,197,803	-
Southeast Bank Limited	4,392,847	22.20	97,521,203	95,844,766	-
Square Textile Mills Limited	-	-	-	-	14,931,865
Square Pharmaceuticals Limited	769,164	301.80	232,133,695	187,290,529	3,228,043
Summit Power Limited	1,835,994	35.90	65,912,185	86,999,885	105,365,781
Titas Gas Transmission and Distribution Co. Ltd.	3,254,005	44.20	143,827,021	254,143,027	339,609,462
United Power Generation & Distribution Company Ltd	200,000	181.10	36,220,000	37,448,463	396,546
Yeakin Polymer Limited	-	-	-	-	114,141
Sub-Total (A)			4,485,469,965	3,893,531,493	4,501,467,226



			2017	2016
			Taka	Taka
Unquoted (B)				
Saleh Carpet Mills Limited	56,800	10	568,000	568,000
Swan Textile Mills Limited	578	100	57,800	57,800
Specialised Jute Yarn & Twine Manufacturing Company Limited	19,880	10	198,800	198,800
Paper Converting & Packaging Limited	839	100	83,900	83,900
Ashraf Textile Mills Limited	99,165	10	1,274,980	1,274,980
Karmasangsthan Bank	100,000	100	10,000,000	10,000,000
Preferences Shares of Raj Lanka Power Company Limited	17,454,545	10	174,545,450	-
Preferences Shares of Summit Barisal Power Company Limited	6,400,000	10	64,000,000	-
Preferences Shares of Summit Narayanganj Power Company Limited (SPPCL)	3,600,000	10	36,000,000	-
Central Depository Bangladesh Limited	2,284,721	10	6,277,770	6,277,770
LankaBangla Securities Limited	97,828	10	5,000,000	5,000,000
Sub-Total (B)			298,006,700	23,461,250
Non Capital Market Investment Element (C)				
Investment Corporation of Bangladesh	49,903,464	10	949,649,126	949,649,126
Sub-Total (C)			949,649,126	949,649,126
Total (A+B+C)			5,141,187,319	5,474,577,602

6.3.1 Particulars of Required provision for investment

	Market value at 31 Dec 2017	Book value at 31 Dec 2017	Required provision 2017	Required provision 2016
Shares	5,690,093,013	5,091,187,319	-	-
Mutual Fund	43,032,778	50,000,000	-	4,520,057
	<u>5,733,125,791</u>	<u>5,141,187,319</u>	<u>-</u>	<u>4,520,057</u>
Bridge finance Advance	-	4,813,910	4,813,910	4,813,910
Debenture - at cost	-	344,060	344,060	344,060
Grand Total	5,733,125,791	5,146,345,289	5,157,970	9,678,027

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

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	50,000
Ahmed Jutex Mills Limited	75,000	75,000
Mirzaboo Steel Limited	89,000	89,000
	<u>344,060</u>	<u>344,060</u>

6.5 Bridge financing advances

Bridge financing advances (ICB sponsored)	<u>4,813,910</u>	<u>4,813,910</u>
-------------------------------------------	------------------	------------------

6.6 Maturity grouping of investments

Receivable on demand	4,312,317,199	4,908,108,832
Not more than 3 months	1,241,800,000	1,881,000,000
Over 3 months but not more than 1 year	1,365,700,000	9,240,889,007
Over 1 year but not more than 5 years	15,045,244,060	5,929,744,060
Over 5 years	31,562,143,448	26,906,007,522
	<u>53,527,204,707</u>	<u>48,865,749,421</u>

6.7 Investment classified as per Bangladesh Bank Circular

Treasury Bill - Held for trading (HFT)	-	8,033,929,007
Treasury Bond - Held to maturity (HTM)	35,231,715,317	28,516,673,341
Approved debenture - Held to maturity (HTM)	344,060	344,060
Other securities	18,295,145,330	12,314,803,013
	<u>53,527,204,707</u>	<u>48,865,749,421</u>



6.8 Repo and Reverse Repo

A.(I) Disclosure regarding outstanding repo as on 31 December 2017

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

A.(II) Disclosure regarding outstanding Reverse repo as on 31 December 2017

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	-	-	-
ii) With Other Banks and FIs	199,039,600	5,193,381,467	273,206,757
Securities Purchased under Reverse Repo:			
i) From Bangladesh Bank	-	-	-
ii) From Other Banks and FIs	49,703,400	2,791,212,500	217,627,282

6(a) Consolidated Investments

1. Government

Pubali Bank Limited

35,243,859,418

36,564,053,849

Pubali Bank Securities Limited

-

-

35,243,859,418

36,564,053,849

2. Other

Pubali Bank Limited

18,283,345,289

12,301,695,572

Pubali Bank Securities Limited

6,093,913,686

6,139,048,042

24,377,258,975

18,440,743,614

59,621,118,393

55,004,797,463

7 Loans, advances and leases

Loans, cash credits and overdrafts, etc. (note 7.1)

227,602,252,737

194,740,058,680

Bills purchased and discounted (note 7.2)

11,937,344,805

8,271,173,081

239,539,597,542

203,011,231,761

7.1 Loans, cash credits, overdrafts, etc.

Inside Bangladesh:

Loans

70,676,080,763

59,021,627,542

Cash credits

49,388,706,881

42,635,737,741

Overdrafts

61,027,188,632

52,175,950,607

Loan against merchandise

7,731,155

9,228,324

Packing credits

751,443,886

606,622,395

Loan against trust receipts

11,771,127,787

8,850,951,290

Pubali prochesta

288,960,254

390,912,172

Non-resident Credit Scheme

644,920

653,907

Pubali Subarna

4,936,364,669

4,795,100,759

Pubali Karmo Uddog

181,430,008

153,251,966

Pubali Sujon

41,061,616

38,080,885

Pubali Utsob

25,503,780

20,700,012

Payment against documents

4,066,645,531

2,627,585,120

Consumers loan scheme

14,111,214,579

12,846,153,329

EDF loan

4,916,516,503

6,222,200,475

Lease finance (Note 7.13)

5,328,312,904

4,338,566,512

Others

83,318,869

6,735,644

227,602,252,737

194,740,058,680

Outside Bangladesh

-

-

227,602,252,737

194,740,058,680

7.1.1 Maturity grouping of Loans, Advances and Leases

Repayable on demand

20,117,731,379

17,655,076,743

Up to 3 months

53,106,603,882

31,166,987,214

Over 3 months but not more than 1 year

82,356,533,838

63,328,483,225

Over 1 year but not more than 5 years

57,329,727,088

63,159,719,492

Over 5 years

14,691,656,550

19,429,792,006

227,602,252,737

194,740,058,680



7.2 Bills purchased and discounted

Payable in Bangladesh:

Loans against accepted bills
Loans against demand draft purchased

Payable outside Bangladesh:

Foreign bills purchased
Foreign draft purchased

7.2.1 Maturity grouping of Bills purchased and discounted

Receivable on demand
Not more than 3 months
Over 3 months but not more than 6 months

7.3 Loans and advances including bills purchased and discounted analysed in following broad categories

Inside Bangladesh

Loans
Cash credits
Overdrafts

Outside Bangladesh

7.4 Loans and advances on the basis of significant customer concentration including bills purchased and discounted

Advance to directors and others
Advance to officers and employees
Advance to customers group (note 7.9)

7.5 Industry wise distribution of loans and advances

Agriculture
Jute
Textile
Ready-made garments
Steel & engineering
Ship scrapping
Edible oil
Cement
Pharmaceuticals
Food & allied
Paper, paper products and packaging
Leather
Printing & Dyeing Industries
Others Manufacturing Industries
Energy and power
Hospitals, Clinics and other health services
Construction
Housing
Transport and communication
Others Service Industries
Trade & Commerce
NBF (Non Bank Financial Institution)
NGO
Consumer Finance
Others

	2017 Taka	2016 Taka
	2,666,145,254	1,221,573,057
	31,565	31,565
	<u>2,666,176,819</u>	<u>1,221,604,622</u>
	9,271,167,986	7,049,568,459
	-	-
	<u>9,271,167,986</u>	<u>7,049,568,459</u>
	<u>11,937,344,805</u>	<u>8,271,173,081</u>
	4,688,689	135,217,347
	1,478,988,296	1,184,455,430
	10,453,667,820	6,951,500,304
	<u>11,937,344,805</u>	<u>8,271,173,081</u>
	119,852,534,043	101,149,974,954
	49,388,706,881	42,635,737,741
	61,027,188,632	52,175,950,607
	<u>230,268,429,556</u>	<u>195,961,663,302</u>
	9,271,167,986	7,049,568,459
	<u>239,539,597,542</u>	<u>203,011,231,761</u>
	220,656	5,856,628
	2,804,413,906	2,624,724,617
	104,224,382,000	87,785,066,000
	4,260,731,429	3,873,357,827
	394,712,909	299,398,487
	22,999,350,999	15,533,695,125
	20,246,657,564	13,533,633,501
	9,814,033,046	9,458,167,423
	2,968,906,527	2,978,599,018
	5,255,881,601	1,592,613,062
	3,158,627,213	2,450,874,375
	3,750,572,363	1,662,885,638
	16,134,583,543	11,904,445,305
	966,992,332	961,571,170
	430,087,884	206,016,737
	3,483,670,421	1,691,549,479
	9,697,451,592	8,124,686,927
	1,887,210,248	736,869,030
	4,002,633,152	5,016,089,341
	6,300,567,661	5,721,625,288
	13,378,518,955	9,160,470,786
	1,218,492,762	1,024,927,440
	1,071,434,667	898,463,081
	57,532,345,993	57,930,827,127
	4,803,995,044	2,731,135,420
	8,420,696,176	5,472,748,267
	19,028,895,904	18,480,841,584
	18,332,547,557	21,565,740,323
	<u>239,539,597,542</u>	<u>203,011,231,761</u>



7.6 Geographical location-wise distribution of loans and advances including bills purchased and discounted

Inside Bangladesh - Urban

	2017 Taka	2016 Taka
Dhaka	116,806,820,717	117,548,327,203
Chittagong	38,959,716,143	36,609,646,896
Sylhet	7,009,945,468	7,457,320,361
Barisal	2,816,073,677	2,249,486,983
Khulna	7,026,787,598	5,127,497,035
Rajshahi	4,480,869,004	4,147,025,416
Rangpur	4,174,952,826	4,777,239,112
Mymensingh	3,937,220,028	3,303,536,414
	185,212,385,461	181,220,079,420

Inside Bangladesh - Rural

Dhaka	26,688,300,244	3,204,075,831
Chittagong	4,246,173,413	3,348,677,184
Sylhet	5,966,794,508	3,017,337,614
Barisal	742,324,499	538,124,211
Khulna	1,629,208,688	1,855,331,324
Rajshahi	2,339,358,625	1,467,084,497
Rangpur	771,475,862	625,278,041
Mymensingh	2,672,408,257	685,675,180
	45,056,044,095	14,741,583,882

Outside Bangladesh (Foreign bills/drafts purchased)

	9,271,167,986	7,049,568,459
	239,539,597,542	203,011,231,761

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

Public sector	46,707,721	451,171,849
Private sector	239,323,526,507	202,385,397,238
Co-operative sector	169,363,314	174,662,674
	239,539,597,542	203,011,231,761

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

Collateral of movable and immovable properties	132,280,374,583	110,480,447,686
Guarantee of local banks and financial institutions	-	3,804,095
Export documents	1,539,289,542	3,687,199,520
Fixed deposit receipts (FDR) of own Bank	10,000,694,413	9,685,231,214
FDR of other banks	3,200,250,462	2,833,473,806
Government bonds	3,089,784	3,089,784
Corporate Guarantee	32,605,894,626	23,444,728,847
Personal guarantee	52,729,313,374	40,841,059,088
Other securities	7,180,690,758	12,032,197,721
	239,539,597,542	203,011,231,761



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

Number of clients with amount of outstanding and classified loans to whom loans and advances sanctioned more than 10% of total capital of the Bank. Total capital of the Bank was Taka 30,235,204,355 as at 31 December 2017.

Number of clients	24	21
Amount of outstanding loans/advances	104,224,382,000	87,785,066,000
Classified amount thereon	5,804,921,000	-
Measures taken for recovery	-	-

* Details shown in Annexure C

Name of borrower

Meghna Group	7,899,800,000	5,447,400,000
City Group	5,988,335,000	5,642,505,000
Keya Group	5,810,621,000	5,669,035,000
Project Builders	5,464,327,000	5,052,310,000
Pran Group	5,224,625,000	3,543,767,000
Dird Group	5,198,332,000	4,827,340,000
Sharmin Group	5,150,700,000	4,464,700,000
BSRM Group	4,935,455,000	3,551,599,000
Max Group	4,737,242,000	2,847,159,000
Ha-Meem Group	4,446,400,000	6,963,105,000
Pakiza Group	4,275,200,000	4,068,300,000
City Seed Crushing Group	4,121,000,000	-
Envoy Textiles Ltd.	4,042,745,000	3,510,387,000
Paramount Group	3,990,400,000	-
Sheema Group	3,781,156,000	5,373,720,000
T K Group	3,592,100,000	-
Madina Group	3,357,415,000	3,260,640,000
Antim Group	3,252,500,000	2,628,300,000
KSRM	3,252,225,000	-
BRAC	3,249,206,000	2,786,959,000
Nitol Niloy Group	3,197,242,000	-
ACI Group	3,155,215,000	-
MSA Spinning Ltd	3,073,300,000	-
GPH Group	3,028,841,000	3,423,137,000
M A Rahman Dying Inds. Ltd.	-	2,690,738,000
S. A. Group	-	2,701,950,000
Abul Khair Group	-	6,564,515,000
AA Yarn Mills Ltd.	-	2,767,500,000
	104,224,382,000	87,785,066,000

7.10 Classification of loans and advances including bills purchased and discounted

Unclassified:	Standard	211,447,401,722	179,101,709,880
	Special mention account (SMA)	4,500,838,356	10,363,341,688
		215,948,240,078	189,465,051,568
Classified:	Substandard (SS)	498,950,008	1,007,846,999
	Doubtful (DF)	591,446,731	621,520,577
	Bad or loss (BL)	19,696,546,819	9,292,088,000
		20,786,943,558	10,921,455,576
Staff loan		2,804,413,906	2,624,724,617
		239,539,597,542	203,011,231,761



7.11 Particulars of required provision for loans and advances

Status of Classification	Base for Provision	Rate of Provision (%)	2017 Taka	2016 Taka
General provision - Unclassified				
Standard	148,816,813,126	1	1,488,168,131	1,229,225,586
Small & Medium Enterprise financing	46,676,699,126	0.25	116,691,748	103,578,714
Loans to BHs/MBs/SDs against share etc.	15,079,909	2	301,598	977,276
Housing Finance	248,875,085	1	2,488,751	6,538,188
Loan for Professional to setup business	91,322,040	2	1,826,441	3,089,247
Consumers loan scheme (Credit Card)	81,713,624	2	1,640,392	-
Consumers loan scheme	11,212,860,899	5	560,643,045	502,820,237
Short Term Agri Credit and Micro credit	4,304,037,813	1	43,040,378	96,386,434
Special mention account (SMEF)	1,487,126,843	0.25	3,717,817	2,390,144
Special mention account (CLS)	1,583,713,189	5	79,185,659	62,753,388
Special mention account (HF)	88,495,028	1	884,950	1,587,439
Special mention account (LP)	2,629,298	2	52,586	120,525
Special mention account (Others)	1,338,873,998	1	13,388,740	127,319,923
			2,312,030,236	2,136,787,101
Specific provision - Classified				
Substandard (Agri & Micro credit)	11,106,723	5	2,221,344	330,246
Substandard	242,394,276	20	48,478,855	130,215,702
Doubtful (Agri & Micro credit)	-	5	-	151,857
Doubtful	299,804,949	50	149,902,475	187,244,001
Bad/Loss	9,882,084,849	100	9,882,084,849	4,724,624,100
			10,082,687,523	5,042,565,906
Total Required provision (see below)			12,394,717,759	7,179,353,007
Provision maintained (note 14.1)			12,396,234,798	7,679,553,007
Excess provision			1,517,039	500,200,000

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			147,023,698,784	126,689,442,010
(iii) Loans considered good being secured by the personal security of one or more parties in addition to the personal security of the debtors.			57,947,427,244	50,282,292,531
(iv) Loans adversely classified; provision not maintained there against			34,568,471,514	26,039,497,220
			-	-
			<u>239,539,597,542</u>	<u>203,011,231,761</u>
(v) Loans due by directors or officers of the bank or any of them either severally or jointly with any other persons			2,804,634,562	2,630,581,245
(vi) Loan due from companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies as members.			-	-
(vii) Maximum total amount of advances, including temporary advances, made at any time during the year to directors or employees of the bank or any of them either severally or jointly with any other persons.			2,804,634,562	2,630,581,245
(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			4,803,995,044	2,731,135,420



	2017 Taka	2016 Taka
(x) Amount of classified loan on which interest /Profit has not been charged as follows		
a) Increase / (decrease) of provision (specific)	3,883,416,465	854,160,560
b) Amount written off debt	(1,302,053,011)	(788,857,595)
c) Amount of debt recovered against the debt which was previously written off	79,813,814	109,840,027
d) Amount of Provision kept against loans classified as bad or loss	9,882,084,849	4,724,624,100
e) Amount of interest credited in suspense account	2,164,617,779	1,622,699,217
(xi) Cumulative amount of written off Loans		
Opening Balance	11,117,799,922	10,328,942,327
Amount of written off during the current year	1,302,053,011	788,857,595
	<u>12,419,852,933</u>	<u>11,117,799,922</u>
(xii) Amount of written off loans for which law suit has been filed for recovery	<u>12,419,852,933</u>	<u>11,117,799,922</u>

7.13 Lease finance

Lease rental receivable within 1 year	2,226,054,204	1,806,830,156
Lease rental receivable within 5 years	4,437,390,774	3,448,973,154
Lease rental receivable after 5 years	136,465,621	406,817,121
Total lease rental receivable	6,799,910,599	5,662,620,431
Less : Un-earned interest receivable	(1,471,597,695)	(1,324,053,919)
Net Lease finance	<u>5,328,312,904</u>	<u>4,338,566,512</u>

7(a) Consolidated Loans, Advances and Leases Loans, cash credits, overdrafts, etc.

Pubali Bank Limited	227,602,252,737	194,740,058,680
Pubali Bank Securities Limited	609,010,224	598,828,710
	<u>228,211,262,961</u>	<u>195,338,887,390</u>
Bills purchased and discounted		
Pubali Bank Limited	11,937,344,805	8,271,173,081
Pubali Bank Securities Limited	-	-
	<u>11,937,344,805</u>	<u>8,271,173,081</u>
	<u>240,148,607,766</u>	<u>203,610,060,471</u>

8 Fixed Assets including premises, furniture & Fixtures

Cost		
Land	2,255,213,992	2,255,213,992
Building	908,092,261	908,092,261
Vehicles	260,086,954	231,164,544
Machinery and equipment	674,615,406	689,081,240
Computer & Computer Accessories	1,357,405,974	1,200,526,692
Furniture and fixtures	628,627,177	560,348,758
	<u>6,084,041,764</u>	<u>5,844,427,487</u>
Accumulated Depreciation	(2,397,185,431)	(2,055,983,208)
Net book value at the end of the year	<u>3,686,856,333</u>	<u>3,788,444,279</u>

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. Further details of above assets are shown in Annexure A.

8(a) Consolidated Fixed Assets including premises, furniture & fixtures

Cost		
Pubali Bank Limited	6,084,041,764	5,844,427,487
Pubali Bank Securities Limited	8,220,101	7,810,870
	<u>6,092,261,865</u>	<u>5,852,238,357</u>
Less: Accumulated Depreciation		
Pubali Bank Limited	(2,397,185,431)	(2,055,983,208)
Pubali Bank Securities Limited	(6,420,533)	(5,624,940)
	<u>(2,403,605,964)</u>	<u>(2,061,608,148)</u>
	<u>3,688,655,901</u>	<u>3,790,630,209</u>



9 Other Assets

	2017 Taka	2016 Taka
Interest accrued on investments	1,766,653,080	1,507,307,903
Accrued income on loans & advances	188,048,003	236,173,653
Investment in SWIFT AC	3,387,591	3,387,591
Advance security deposit, advance rent and prepaid expenses	230,843,148	193,835,708
Investment in Subsidiary Company	6,599,998,700	6,599,998,700
Stock dealing account	469,757,026	40,379,784
Stationery and stamps	67,696,410	64,778,476
Drafts payable	20,829,927	21,273,874
Sanchaypatra	-	993,725
Suspense account (note 9.1)	260,698,995	215,731,551
Demonetized notes (note 9.2)	1,531,750	1,531,750
Items in transit (note 9.3)	3,288,854,073	4,811,480,497
Advance against income tax (note 9.4)	22,778,223,619	20,134,772,043
Clearing house adjustment	148,161,847	63,886,071
Others (note 9.5)	3,604,701	101,436,852
	35,828,288,870	33,996,968,178

9.1 Suspense Account

Suspense account general	166,889,375	118,102,342
Suspense law	960,769	1,350,713
Protested bills	92,848,851	96,278,496
	260,698,995	215,731,551

9.2 Demonetized Notes :TK. 1,531,750

This relates to demonetized notes lying with Bangladesh Bank, after due reimbursement.

9.3 Items in Transit: TK. 3,288,854,073

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 25.03.2018

Period of un- reconciliation	Number of Un-responded entries		Un-responded entries (Amount in Taka)	
	Debit	Credit	Debit	Credit
up to 3 months	10	7	499,100	443,005
Over 3 months but within 6 months	-	-	-	-
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	4	4	164,100	115,000
Over 5 years	497	454	7,765,015	4,549,938

9.4 Advance income Tax

Balance at the beginning of the year	20,134,772,043	17,375,434,346
Paid during the year	2,643,451,576	2,759,337,697
Settlement of previous years tax liability	-	-
Balance at the end of the year	22,778,223,619	20,134,772,043

9.5 Others

Property account	162,129	162,129
Accrued interest overdue under CLS	-	97,813,422
Delayed charges of lease rental	88,219	106,948
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
	3,604,701	101,436,852

9.6 Classification of other assets

Unclassified (UC)	35,723,642,752	33,889,874,187
Substandard (SS)	-	-
Doubtful (DF)	789,153	1,599,535
Bad or Loss (BL)	103,856,965	105,494,456
	35,828,288,870	33,996,968,178

9.7 Particulars of provision for other assets

Status of Classification	Base for provision	Rate of Provision (%)		
Doubtful (DF)	789,153	50	394,577	799,768
Bad or Loss (BL)	103,856,965	100	103,856,965	105,494,456
Required provision			104,251,542	106,294,224
Provision maintained (note 14)			296,562,254	255,427,967
Excess provision			192,310,712	149,133,743



	2017 Taka	2016 Taka					
9(a) Consolidated Other Assets							
Pubali Bank Limited	35,828,288,870	33,996,968,178					
Pubali Bank Securities Limited	234,697,122	150,557,419					
	<u>36,062,985,992</u>	<u>34,147,525,597</u>					
Less: Inter company Transactions	(469,770,836)	(40,393,594)					
Pubali Bank Securities Limited	<u>(6,599,998,700)</u>	<u>(6,599,998,700)</u>					
	<u>28,993,216,456</u>	<u>27,507,133,303</u>					
10 Non-banking Assets							
Assets of United Bank of India Ltd. (located in Dhaka South, Comilla, Rajshahi)	<u>375,246</u>	<u>375,246</u>					
11 Borrowings from other Banks, Financial Institutions and Agents							
Inside Bangladesh (note 11.1)	7,310,000,000	-					
Outside Bangladesh (note 11.2)	<u>10,789,362,651</u>	<u>6,305,989,705</u>					
	<u>18,099,362,651</u>	<u>6,305,989,705</u>					
11.1 Inside Bangladesh							
Call loan borrowing from other bank							
Sonali Bank Limited	2,000,000,000	-					
State Bank of India	310,000,000	-					
National Bank Limited	610,000,000	-					
The Hongkong and Shanghai Banking Corporation Limited	240,000,000	-					
IFIC Bank Limited	1,400,000,000	-					
Commercial Bank of Ceylon	200,000,000	-					
Prime Bank Limited	300,000,000	-					
Janata Bank Limited	1,800,000,000	-					
Mutual Trust Bank Limited	200,000,000	-					
	<u>7,060,000,000</u>	<u>-</u>					
FDR borrowing from other Bank							
Citibank N.A	250,000,000	-					
	<u>7,310,000,000</u>	<u>-</u>					
11.2 Outside Bangladesh							
In demand deposit accounts (non- interest bearing) (note 11.2.1)	820,705,215	667,788,495					
Placement/ Borrowing from Outside Bangladesh	<u>9,968,657,436</u>	<u>5,638,201,210</u>					
	<u>10,789,362,651</u>	<u>6,305,989,705</u>					
11.2.1 In demand deposit accounts (non- interest bearing) with :							
	As at 31 December 2017			As at 31 December 2016			
Name of Bank	Foreign currency name	As at 31 December 2017			As at 31 December 2016		
		Conversion rate per unit FC	Amount in foreign currency	Equivalent Taka	Conversion rate per unit FC	Amount in foreign currency	Equivalent Taka
Commerz Bank , Germany	EURO	98.48	482,415.27	47,511,390	-	-	-
AB Bank Ltd, Mumbai	ACUD	82.70	65,341.14	5,403,712	78.70	323,012.59	25,421,802
Citi Bank NA, New York	USD	82.70	3,720,618.09	307,695,116	78.70	4,594,213.10	361,574,678
Commerz Bank , AG, Frankfurt	EURO	-	-	-	82.32	342,685.61	28,211,427
Habib American Bank, New York	USD	82.70	37,292.14	3,084,060	-	-	-
HDFC Bank, Mumbai	ACUD	82.70	167,398.12	13,843,825	78.20	474,554.12	37,348,453
ICICI Bank Ltd., Kolkata, India	ACUD	82.70	1,929,226.01	159,546,991	-	-	-
JP Morgan Chase Bank, New York	USD	82.70	3,112,527.92	257,406,059	78.70	2,643,672.44	208,062,837
Standard Chartered Bank, Mumbai	ACUD	82.70	267,003.69	22,081,205	78.70	91,094.00	7,169,298
Standard Chartered Bank, GBP	GBP	110.96	37,244.07	4,132,857	-	-	-
				<u>820,705,215</u>			<u>667,788,495</u>
11.3 Security against borrowing from other banks, financial institutions and agents							
Secured					18,099,362,651		6,305,989,705
Unsecured					-		-
					<u>18,099,362,651</u>		<u>6,305,989,705</u>
11.4 Maturity grouping of borrowing from other banks, financial institutions and agents							
Payable on demand					7,880,705,215		667,788,495
Payable within 1 month					1,192,741,452		236,106,600
Over 1 month but within 6 months					9,025,915,984		5,402,094,610
Over 6 months but within 1 year					-		-
Over 1 year but within 5 years					-		-
Over 5 years and above					-		-
					<u>18,099,362,651</u>		<u>6,305,989,705</u>
12 Subordinated bond							
Agrani Bank Limited					1,000,000,000		-
Janata Bank Limited					1,000,000,000		-
Rupali Bank Limited					1,000,000,000		-
Sonali Bank Limited					1,000,000,000		-
Uttara Bank Limited					1,000,000,000		-
					<u>5,000,000,000</u>		<u>-</u>



	2017 Taka	2016 Taka
13 Deposits and other accounts		
Inter-bank deposits	4,577,967,547	1,014,879,506
Other deposits	267,130,995,774	246,263,624,177
	271,708,963,321	247,278,503,683
13.1 Details of deposits and other accounts		
Current deposits and other accounts :		
Current account	32,833,898,827	27,214,882,793
Cash credit A/C. (Cr. Balance)	517,708,386	554,167,676
Overdraft earnest money (Cr. Balance)	20,000	-
Pubali Prochesta (Cr. Balance)	2,759,016	11,859,675
Credit card A/C	692,430	170,741
Call deposits	16,269,759	15,633,739
Foreign currency deposits	1,303,429,226	1,204,640,383
Un- claimed drafts payable	3,564	3,564
Un- claimed dividend	18,914	18,914
Unclaimed deposits FDD A/C	15,602,288	15,491,733
	34,690,402,410	29,016,869,218
Bills payable (note 13.1.1)	9,757,892,778	12,240,637,725
Savings Bank accounts	70,060,109,522	62,201,794,370
Term deposits :		
Fixed deposits - from customers	66,408,199,007	61,942,167,300
Special Notice Deposits	34,073,386,498	28,005,845,821
Deposit pension scheme	1,188,411	1,209,894
Interest payable on term deposit	2,548,458,917	2,808,050,456
Pubali pension scheme	19,805,721,180	14,658,904,213
Pubali sanchay prakalpa	3,815,826,339	4,476,150,111
Dwigun Sanchay Prokalpa	16,558,175,526	19,685,770,467
Target Based Small Deposit (Pubali shoppopuron)	3,259,853,282	2,196,766,442
Monthly profit base deposit	2,535,002,011	2,774,162,121
Monthly Profit Based Small Deposit (Pubali shadhin sonchoy)	2,708,576,983	1,758,208,860
Shikhya sanchay prokalpa	230,916,355	211,314,973
Child education Care & maturity deposit	-	167,299
	151,945,304,509	138,518,717,957
Other deposits	5,255,254,102	5,300,484,413
	271,708,963,321	247,278,503,683
13.1.1 Bills Payable		
Payment orders issued	9,385,033,860	11,783,417,739
Demand Drafts	129,100,612	259,127,899
Sanchayapatra	243,758,306	198,092,087
	9,757,892,778	12,240,637,725
13.2 Maturity analysis of inter-bank deposits		
Payable on demand	795,656,321	963,150,173
Payable within 1 month	464,231,938	36,255,663
Over 1 month but within 6 months	3,318,079,288	15,473,670
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years and above	-	-
	4,577,967,547	1,014,879,506
13.3 Maturity analysis of other deposits		
Payable on demand	13,388,882,089	22,490,278,422
Payable within 1 month	14,748,671,311	14,610,263,974
Over 1 month but within 6 months	73,083,103,338	54,599,792,587
Over 6 months but within 1 year	59,573,903,826	48,188,749,156
Over 1 year but within 5 years	41,099,686,777	40,998,500,503
Over 5 years and above	65,236,748,433	65,376,039,535
	267,130,995,774	246,263,624,177
	271,708,963,321	247,278,503,683
13 (a) Consolidated Deposits and other accounts		
Pubali Bank Limited	271,708,963,321	247,278,503,683
Pubali Bank Securities Limited	-	-
	271,708,963,321	247,278,503,683
Inter Company Transactions	(1,105,272,867)	(372,333,256)
	270,603,690,454	246,906,170,427



	2017 Taka	2016 Taka
14 Other Liabilities		
Accumulated provision for loans and advances (note 14.1.1.1)	9,192,609,121	4,223,743,657
Accumulated provision for consumers loan (note 14.1.1.2)	844,092,944	789,277,605
Accumulated provision for lease finance (note 14.1.1.3)	1,254,442	1,596,341
Accumulated provision for demand loan pubali star (note 14.1.1.4)	46,248,055	27,948,303
	<u>10,084,204,562</u>	<u>5,042,565,906</u>
Provision for unclassified loans and advances (note 14.1.2)	2,312,030,236	2,636,987,101
Provision @1% against off-balance sheet exposure (note 14.2)	911,300,000	730,800,000
Accumulated interest suspense (note 14.3)	2,164,617,779	1,622,699,217
Provision for rebate on good borrower	18,504,184	20,000,000
Provision for doubtful investment	23,750,460	23,750,460
Additional profit payable A/C for Islamic banking	2,356,033	1,738,845
I.B. bad debt offsetting reserve	8,215,452	3,904,452
Interest suspense on underwriting advances	235,599,888	235,599,888
CLS interest A/C	3,939,253	4,233,900
Accrued interest receivable on overdue CLS	-	97,813,422
Consumers deposits	181,165,892	153,396,713
Lease rental receivable	624,483	691,719
Unpaid dividend	675,231	675,231
Special blocked account (note 14.4)	1,215,640	1,215,640
Provision for Current Tax (note 14.5)	26,013,816,910	23,299,126,721
Provision for Deferred Tax (note 14.5.1)	77,121,056	125,535,475
Valuation adjustment	815,360,819	542,323,077
Exchange adjustment account (note 14.6)	28,666,878	28,666,878
Agri credit guarantee backing reserve (note 14.7)	70,261,300	70,261,300
Excise duty	347,750	14,469,034
Pakistan account (note 14.8)	8,393,039	8,393,039
Pension fund (note 14.9)	1,570,883	1,570,883
L/C cover account in Bangladesh	1,583,640	1,583,640
EDF adjustment	5,263,040,370	6,261,073,278
Pubali Bank Adjustment	114,712,249	49,058,060
Sadaqah fund	6,188,171	5,850,621
Card transaction fee (inter bank)	1,039,240	656,117
Foreign currency FCC account	17,363,819	17,363,819
Interest suspense account against 70% agri loan	192,382	192,382
Blocked account of UBI	2,973,186	2,973,186
Property account of UBI	49,617	49,617
Non resident blocked account of UBI	34,487	34,487
	<u>38,286,710,327</u>	<u>35,962,688,202</u>
Provision for expenses:		
(i) auditors' fees	1,820,000	1,800,000
(ii) advertisement	1,200,000	3,500,000
(iii) bonuses	310,605,581	318,448,505
(iv) others	104,883,085	48,564,506
	<u>418,508,666</u>	<u>372,313,011</u>
Provision for other assets:		
Suspense account(note 14.10)	63,714,468	63,714,468
Demonetized notes (note 14.11)	989,740	989,740
Provision for Un-reconciled General Account debit entries (note 14.12)	13,724,657	13,724,657
ICT Asset Insurance reserve	18,257,834	15,580,358
Reserve for unforeseen losses	199,875,555	161,418,744
	<u>296,562,254</u>	<u>255,427,967</u>
	<u>49,085,985,809</u>	<u>41,632,995,086</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	4,223,743,657	3,075,945,308
Fully provided debts written off during the year	(1,050,905,215)	(693,625,213)
Recoveries of amounts previously written off	79,813,814	109,840,027
Provision Transferred in during the year	324,956,865	-
Specific provision for the year	<u>5,615,000,000</u>	<u>1,731,583,535</u>
14.1.1.1 Provision for general loans and advances	9,192,609,121	4,223,743,657
14.1.1.2 Provision for consumers loan	844,092,944	789,277,605
14.1.1.3 Provision for lease finance	1,254,442	1,596,341
14.1.1.4 Accumulated provision for demand loan pubali star	46,248,055	27,948,303
Provision held at the end of the year	<u>10,084,204,562</u>	<u>5,042,565,906</u>
14.1.2 General provision for unclassified loans and advances		
Provision held at the beginning of the year	2,636,987,101	1,796,778,110
Provision made during the year	-	840,208,991
Provision Transferred out during the year	(324,956,865)	-
Provision held at the end of the year	<u>2,312,030,236</u>	<u>2,636,987,101</u>
	<u>12,396,234,798</u>	<u>7,679,553,007</u>
14.2 Provision for exposure against off balance sheet items		
Provision held at the beginning of the year	730,800,000	546,800,000
Provision made during the year (note 38)	180,500,000	184,000,000
Provision held at the end of the year	<u>911,300,000</u>	<u>730,800,000</u>



	2017 Taka	2016 Taka
14.3 Interest suspense account		
Balance at the beginning of the year	1,622,699,217	830,529,581
Amount transferred during the year	1,089,335,880	1,121,646,380
Amount recovered during the year	(404,660,182)	(225,145,124)
Amount written off during the year	(142,757,136)	(104,331,620)
Balance at the end of the year	<u>2,164,617,779</u>	<u>1,622,699,217</u>
14.4 Special blocked account: Tk. 1,215,640		

This represents refundable balance exceeding Tk.8,000 primarily disbursed to each depositor originated from reimbursement of demonetized notes by Bangladesh Bank in the year 1975. The amount is repayable to depositor after receipt of value of demonetized notes deposited to Bangladesh Bank.

14.5 Provision for Current tax

Balance at the beginning of the year	23,299,126,721	20,379,776,170
Provision made for previous years	-	298,406,335
Provision made for current year	2,666,275,770	2,166,673,084
Provision transferred in from deferred tax (note 14.5.1)	48,414,419	454,271,132
	<u>2,714,690,189</u>	<u>2,919,350,551</u>
Settlement of previous years tax liability	-	-
Balance at the end of the year	<u>26,013,816,910</u>	<u>23,299,126,721</u>

The status of corporate income tax of the Bank has been shown in Annexure B.

14.5 (a) Consolidated Provision for Current tax

Pubali Bank Limited	2,714,690,189	2,919,350,551
Pubali Bank Securities Limited	73,433,768	41,082,764
	<u>2,788,123,957</u>	<u>2,960,433,315</u>

14.5.1 Provision for deferred tax

Balance at the beginning of the year	125,535,475	579,806,607
Provision made during the year	-	-
Provision transferred to Current tax (note 14.5)	(48,414,419)	(454,271,132)
Provision held at the end of the year	<u>77,121,056</u>	<u>125,535,475</u>

Provision for deferred tax has been previously created for taxable temporary differences. Excess amount of deferred tax no longer required has been reversed during the year through profit and loss adjusted against current tax.

14.5.1 (a) Consolidated Provision for deferred tax

Pubali Bank Limited	(48,414,419)	(454,271,132)
Pubali Bank Securities Limited	3,338,230	1,496,551
	<u>(45,076,189)</u>	<u>(452,774,581)</u>

14.5.1 (b) Consolidated provision for deferred tax (Accumulated)

Balance at the beginning of the year	121,855,965	574,630,546
Provision transferred to Current tax	(48,414,419)	(454,271,132)
Provision made during the year	3,338,230	1,496,551
Provision held at the end of the year	<u>76,779,776</u>	<u>121,855,965</u>

14.5.2 Tax Provision made during the Year

Current Tax	2,714,690,189	2,919,350,551
Deferred Tax	(48,414,419)	(454,271,132)
	<u>2,666,275,770</u>	<u>2,465,079,419</u>

14.6 Exchange adjustment account: Tk. 28,666,878

This represents windfall gains from devaluation of Bangladesh Taka in the years 1975 and 1976 through barter transactions with socialist countries and the same is being carried forward since then. The account would be settled as per instruction of Bangladesh Bank.

14.7 Agri credit guarantee backing reserve: TK. 70,261,300

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

14.8 Pakistan account: TK. 8,393,039

This represents net liability to Bank's own branches operating in former West Pakistan before Liberation of the country and remains unsettled as yet.

14.9 Pension fund: TK. 1,570,883

This fund has been created from profit up to the year 1985 to defray pension settlements of the Bank's eligible employees. Since then, up to the year 2005 no provision for pension has been made but claims for pension are being settled from expenditure account of the year it is incurred.

14.10 Provision for suspense:

Provision at the beginning of the year	63,714,468	63,714,468
Provision made during the year	-	-
Provision at the end of the year	<u>63,714,468</u>	<u>63,714,468</u>

This represents provision for suspense or contingencies for the years 2004 & 2015 including the provisions made in the year 1985 for the period prior to privatization as per vendor's agreement.



14.11 Provision for demonetized notes:TK. 989,740

This is as per accounts of earlier years. Representing provision out of demonetized notes of Tk. 1,531,750 of 1975 which remains unsettled with Bangladesh Bank.

14.12 Provision for Un-reconciled General Account debit entries

Period of un-reconciliation	Amount	Base for Provision (%)	Provision Required	
			2017	2016
Upto 12 months	2,500,000	-	-	-
12 months above but less than 24 months	-	50%	-	235,543
24 months and above	7,929,114	100%	7,929,114	7,929,014
Required provision			7,929,114	8,164,557
Provision maintained			13,724,657	13,724,657
Excess provision			5,795,543	5,560,100

14(a) Consolidated other liabilities

Pubali Bank Limited	49,085,985,809	41,632,995,086
Pubali Bank Securities Limited	1,817,895,362	1,374,498,983
Inter company payables	(469,770,836)	(40,393,594)
	50,434,110,335	42,967,100,475

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	-
	9,508,037,160	8,803,738,120

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	2017			2016
	No. of share	Percentage (%)	Amount	Amount
Directors	285,739,769	30.05%	2,857,397,690	2,542,692,220
Co-operative societies	9,254,772	0.97%	92,547,720	89,788,200
Banks and financial institutions	30,223,937	3.18%	302,239,370	416,301,240
Government	2,296	0.0002%	22,960	21,260
Other institutions	177,398,462	18.66%	1,773,984,620	1,610,072,950
Non resident Bangladeshi	16,911,679	1.78%	169,116,790	146,543,770
General public	431,272,801	45.36%	4,312,728,010	3,998,318,480
	950,803,716	100.00%	9,508,037,160	8,803,738,120

15.4 Range wise shareholdings

Range wise shareholdings	2017			2016
	Number of shareholders	Percentage of holding of shares (%)	Number of Shares	Number of Shares
Up to 500 shares	33,010	0.44%	4,176,438	4,896,244
501 to 5,000 "	16,424	3.00%	28,522,191	30,112,297
5,001 " 10,000 "	1,220	0.94%	8,902,393	8,264,214
10,001 " 20,000 "	732	1.10%	10,372,656	9,420,275
20,001 " 30,000 "	300	0.82%	7,809,711	7,151,719
30,001 " 40,000 "	120	0.44%	4,244,090	3,679,393
40,001 " 50,000 "	76	0.36%	3,479,026	3,418,902
50,001 " 100,000 "	295	2.39%	22,695,224	19,060,614
100,001 and above	338	90.51%	860,601,987	794,370,154
	52,515	100.00%	950,803,716	880,373,812



15.5 Capital to Risk Weighted Assets Ratio (CRAR):

In terms of section 13 (2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD circulars nos. 14,09,20,10,12,24,31,35,08,16 and 18 dated December 30,2007, December 31,2008, December 29,2009, March 10,2010, March 29,2010, August 03,2010, October 25,2010, December 29,2010, July 23,2012,October 29,2012 and December 21,2014 and DOS circular no 01 dated January 01, 2015 respectively, required capital of the Bank at the close of business on 31 December 2017 was Taka 24,496,180,000 as against available going - concern capital of Taka 21,463,953,387 and gone - concern capital of Taka 8,771,250,968 making a total regulatory capital of Taka 30,235,204,355 thereby showing a surplus regulatory capital /equity of Taka 5,739,024,355 at that date. Details are shown below:

Total assets including off-balance sheet items	459,413,247,598	393,370,401,014
Total risk-weighted assets	244,961,800,000	234,583,600,000
Required Capital (10% of risk weighted assets)	24,496,180,000	23,458,360,000

Regulatory capital held :

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

21,463,953,387	22,198,162,663
8,771,250,968	4,139,065,850
30,235,204,355	26,337,228,513
5,739,024,355	2,878,868,513

Total Regulatory Capital Surplus /(Deficit)

CRAR Based on Basel III Framework:

12.34% 11.22%

Capital Requirement :	Required	Held	Held
Tier-1 (Minimum CET-1 @ 4.50%)	5.50%	8.76%	9.46%
Tier-2 (Maximum upto 4% of total RWA or 88.89% of CET-1 which ever is higher) Balancing	4.50%	3.58%	1.76%
Total	10.00%	12.34%	11.22%

15.5.1 Going - concern capital (Tier-1)

Paid-up Capital	9,508,037,160	8,803,738,120
Statutory Reserve	9,510,249,482	9,300,249,482
General Reserve	2,458,491,167	4,094,175,061
	21,476,777,809	22,198,162,663

Reciprocal crossholdings in the CET -1 capital of banking , financial and insurance entities

12,824,422	-
21,463,953,387	22,198,162,663

15.5.2 Gone - concern capital (Tier-2)

General provision (Unclassified loans + off-balance sheet exposure)	3,127,617,523	3,173,615,682
Subordinated debt/ instruments issued by the Bank	5,000,000,000	-
Asset revaluation Reserve up to 50% as on 31 December 2014	1,449,354,627	1,449,354,627
Revaluation Reserve for equity instruments up to 10% as on 31 December 2014	141,678,310	141,678,310
Revaluation reserve for securities upto 50% as on 31 December 2014	18,050,676	18,050,676
	9,736,701,136	4,782,699,295

Regulatory adjustment

Revaluation reserve for fixed asset, securities & equipment as on 31 December 2014

(965,450,168)	(643,633,445)
8,771,250,968	4,139,065,850
30,235,204,355	26,337,228,513

Total Regulatory Capital Maintained

15.6 Particulars of shareholding of the directors

Sl.No	Name of the directors	Status	2017		2016		
			No of share	Amount (Tk)	No of shares	Amount (Tk)	
1	Mr. Habibur Rahman	Chairman	19,030,249	190,302,490	17,620,601	176,206,010	
2	Mr. Fahim Ahmed Faruk Chowdhury	Vice Chairman	19,511,408	195,114,080	18,066,119	180,661,190	
3	Mr. Azizur Rahman	Vice Chairman	20,667,729	206,677,290	22,192,342	221,923,420	
4	Mr. Syed Moazzem Hussain	Director	19,045,962	190,459,620	17,635,150	176,351,500	
5	Mr. Moniruddin Ahmed	Director	30,972,303	309,723,030	28,678,059	286,780,590	
6	Mr. Ahmed Shafi Choudhury	Director	Nominated by Transcom Limited	19,147,478	191,474,780	17,729,147	177,291,470
			Personal	77,213	772,130	71,494	714,940
7	Mr. Monzurur Rahman	Director	19,016,773	190,167,730	17,608,124	176,081,240	
8	Ms. Rumana Sharif	Director	Nominated by Delta Life Insurance Co. Ltd.	47,543,883	475,438,830	44,022,114	440,221,140
			Personal	51,801	518,010	47,964	479,640
9	Mr. M. Kabiruzzaman Yaqub FCMA (UK),CGMA	Director	19,018,672	190,186,720	17,609,882	176,098,820	
10	Mr. Musa Ahmed	Director	19,062,223	190,622,230	17,650,207	176,502,070	
11	Mr. Md. Abdur Razzak Mondal	Director	Nominated by Thats It fashions Ltd.	33,278,000	332,780,000	17,850,000	178,500,000
			Personal	300,000	3,000,000	-	-
12	Ms. Rana Laila Hafiz	Director	19,016,075	190,160,750	17,607,477	176,074,770	
13	Dr. Shahdeen Malik	Independent Director	-	-	-	-	
14	Mr. M. Azizul Huq	Independent Director	-	-	-	-	
			285,739,769	2,857,397,690	254,388,680	2,543,886,800	



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 2017	Percentage of shareholding at 31 Dec 2016	
1	Mr. Habibur Rahman	Chairman	2.00	2.00	
2	Mr. Fahim Ahmed Faruk Chowdhury	Vice-Chairman	2.05	2.05	
3	Mr. Azizur Rahman	Vice-Chairman	2.17	2.52	
4	Mr. Syed Moazzem Hussain	Director	2.00	2.00	
5	Mr. Moniruddin Ahmed	Director	3.26	3.26	
6	Mr. Ahmed Shafi Choudhury	Director	Nominated by Transcom Limited	2.01	2.01
			Personal	0.01	0.01
7	Mr. Monzurur Rahman	Director	2.00	2.00	
8	Ms. Rumana Sharif	Director	Nominated by Delta Life Insurance Co. Ltd.	5.00	5.00
			Personal	0.01	0.01
9	Mr. M. Kabiruzzaman Yaqub FCMA (UK),CGMA	Director	2.00	2.00	
10	Mr. Musa Ahmed	Director	2.00	2.00	
11	Mr. Md. Abdur Razzak Mondal	Director	Nominated by That's It fashions Ltd.	3.50	2.03
			Personal	0.03	-
12	Ms. Rana Laila Hafiz	Director	2.00	2.00	
13	Dr. Shahdeen Malik	Independent Director	-	-	
14	Mr. M. Azizul Huq	Independent Director	-	-	

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. Habibur Rahman	Chairman	1. Delta Medical College and Hospital 2. Pubali Bank Securities Ltd. 3. Global Pharmaceutical Company Ltd.	Director Director Director	3.41% 1 share -
2	Mr. Fahim Ahmed Faruk Chowdhury	Vice-Chairman	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. Euro Petro Product Ltd.	Managing Director Managing Director Managing Director Managing Director Managing Director Managing 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 1,50,000 shares
3	Mr. Azizur Rahman	Vice-Chairman	1. Pubali Bank Securities Ltd. 2. National Ceramic Industries Ltd. 3. Dressmen Fashionwear Ltd.	Director Director Director	1 share 50,000 shares 40%
4	Mr. Syed Moazzem Hussain	Director	1. Prince Corporation Ltd. 2. Moazzem Knit & Dyeing Industry Ltd.	Chairman Chairman	78.72% 7.56%
5	Mr. Moniruddin Ahmed	Director	1. Pubali Bank Securities Ltd.	Chairman	1 share
6	Mr. Ahmed Shafi Choudhury	Nominee Director	1. Pubali Bank Securities Ltd.	Director	1 share
			2. Bangladesh Lamps Ltd. 3. ESKAYEF Pharmaceuticals Ltd.	Independent Director Independent Director	- -
7	Mr. Monzurur Rahman	Director	1. Rema Tea Company Ltd.	Chairman	24.17%
			2. Delta Life Insurance Company Ltd.	Chairman	2.82%
			3. Lafarge Surma Cement Ltd.	Independent Director	-
8	Ms. Rumana Sharif	Nominee Director	Nil	-	-
9	Mr. M. Kabiruzzaman Yaqub FCMA (UK),CGMA	Director	1 Imagine Properties Ltd.	Chairman	50%
			2. Pubali Bank Securities Ltd.	Director	1 share
10	Mr. Musa Ahmed	Director	1. Popular Jute Exchange Ltd.	Director	-
			2. Popular Jute Mills Ltd.	Director	-
			3. Comilla Food and Allied Ind. Ltd.	Director	-
			4. Popular Food and Allied Ind. Co. Ltd.	Director	-
			5. Tejgaon Engineering and Construction Co. Ltd.	Director	-
11	Mr. Md. Abdur Razzak Mondal	Nominee Director	1. That's It Fashions Ltd.	Nominee	-
12	Ms. Rana Laila Hafiz	Director	1. Pubali Bank Securities Ltd.	Director	1 share
13	Dr. Shahdeen Malik	Independent Director	1. Pubali Bank Securities Ltd.	Independent Director	-
14	Mr. M. Azizul Huq	Independent Director	Nil	-	-

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

Name of party
None



58



Related to
Nil

Nature of transactions
Nil

Amounts (Tk)
Nil

	2017 Taka	2016 Taka
16 Statutory reserve		
This represents amounts transferred to this reserve as per section 24 of Banking Companies Act 1991 @ 20% of current year's profit, before tax. Since, balance at the end of the year is not less than the balance of Paid up capital, no amount is required to be transferred during the year.		
Balance at the beginning of the year	9,300,249,482	9,300,249,482
Add: Addition during the year	210,000,000	-
Balance at the end of the year	<u>9,510,249,482</u>	<u>9,300,249,482</u>
17 Retained earnings (general reserve)		
Balance at the beginning of the year	4,094,175,061	3,815,549,087
Addition during the year:	(491,197,948)	1,334,954,548
Transfer in: Asset revaluation reserve	-	120,000
	<u>3,602,977,113</u>	<u>5,150,623,635</u>
Less: Issue of dividend	(1,144,485,946)	(1,056,448,574)
Balance at the end of the year	<u>2,458,491,167</u>	<u>4,094,175,061</u>
17(a) Consolidated Retained earnings (general reserve)		
Pubali Bank Limited	2,458,491,167	4,094,175,061
Pubali Bank Securities Limited	(373,201,396)	(711,545,005)
	<u>2,085,289,771</u>	<u>3,382,630,056</u>
18 Other reserves		
18.1 Assets revaluation reserve		
Balance at the beginning of the year	2,915,946,700	2,925,282,807
Addition on revaluation of Fixed Assets/Investment During the Year	42,634,148	190,222,193
Disposal during the year	(50,851,493)	(199,438,300)
Transfer out: Asset revaluation reserve	-	(120,000)
	<u>2,907,729,355</u>	<u>2,915,946,700</u>
Share forfeiture account	333,984	333,984
Balance at the end of the year	<u>2,908,063,339</u>	<u>2,916,280,684</u>
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	-	-
Addition during the period	5,504,849	-
Balance at the end of the period	<u>5,504,849</u>	<u>-</u>
	<u>2,943,528,160</u>	<u>2,946,240,656</u>
18(a) Consolidated Other reserves		
Pubali Bank Limited	2,943,528,160	2,946,240,656
Pubali Bank Securities Limited	-	-
	<u>2,943,528,160</u>	<u>2,946,240,656</u>
19 Profit & loss account surplus		
Balance at the beginning of the year	-	-
Profit after tax during the year	281,197,948	1,334,954,548
	<u>281,197,948</u>	<u>1,334,954,548</u>
Appropriation for the year		
Statutory reserve	210,000,000	-
General reserve	491,197,948	1,334,954,548
	<u>281,197,948</u>	<u>1,334,954,548</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	57,145,783	1,394,024,496
	<u>57,145,783</u>	<u>1,394,024,496</u>
Appropriation for the year		
Statutory reserve	210,000,000	-
General reserve	(152,854,217)	1,394,024,496
	<u>57,145,783</u>	<u>1,394,024,496</u>
Balance at the end of the year	<u>-</u>	<u>-</u>
20 Non-controlling interest		
Balance at the beginning of the year	679	658
Share of current year profit	122	21
	<u>801</u>	<u>679</u>



21 Letters of guarantee

Claims against the Bank not acknowledged as debts Money for which the Bank is contingently liable in respect of guarantees given favoring:

1. Government
2. Directors
3. Banks and other Financial Institutions
4. Others

2017 Taka	2016 Taka
-	-
-	-
-	2,341,599
<u>11,338,890,478</u>	<u>9,037,612,598</u>
<u>11,338,890,478</u>	<u>9,039,954,197</u>

22 Interest income

- Loans
- Cash credits
- Over drafts
- Loan against imported merchandise
- Loan against trust receipt
- Inland bill purchased & demand draft purchased
- Foreign bill purchased and Export development fund
- Interest on Export Bill Discounting (EBD)
- Packing credits
- Payments against document
- Call loans
- Agricultural credits & rural credits
- Sundries account
- CLS account
- Secured mortgages
- Foreign bank accounts
- Loan against Shiksha Sanchay Prokalpa
- Loan against Non-resident Credit Scheme
- Lease finance
- Loan against Pubali Sanchay Prokalpa
- Loan against FDR
- Term loans
- Loan against Pubali Pension Scheme

2,035,002,280	2,098,245,922
4,491,911,605	4,375,194,960
4,303,102,424	3,978,214,800
377,823	193,613
1,027,268,615	1,011,803,246
96,778,810	62,110,965
148,166,557	106,708,930
1,345,796	-
38,605,646	33,208,137
533,966,670	329,922,331
29,446,709	35,393,811
28,022,240	20,517,940
70,380,537	56,834,008
1,389,091,452	1,337,959,002
606,608,014	779,919,069
19,081,147	36,525,722
1,092,082	914,168
40,641	51,294
589,024,536	534,799,027
40,191,189	47,414,225
608,507,534	163,026,467
2,850,093,837	2,515,328,763
108,863,079	78,585,716
<u>19,016,969,223</u>	<u>17,602,872,116</u>

22(a) Consolidated Interest Income

- Pubali Bank Limited
- Pubali Bank Securities Limited

19,016,969,223	17,602,872,116
33,037,637	22,800,139
<u>19,050,006,860</u>	<u>17,625,672,255</u>

23 Interest paid on deposits, borrowings, etc.

- Fixed deposit
- Interest on repo borrowings
- Interest paid on borrowings
- Interest paid on Subordinated Bond
- Short-notice deposit
- Savings bank deposit
- Deposit pension scheme
- Pubali bank pension scheme
- Child education care & maturity deposits
- Call loan
- Monthly monafa based deposit scheme
- Pubali Sanchay Prokalpa
- Shiksha Sanchay Prokalpa
- Dwigun Sanchay Prokalpa
- Treasury Bond
- Marking to Market Revaluation
- Interest on MPD
- Interest on TBSD
- Interest on MFD A/C
- Interest on Refinance from Bangladesh Bank
- Sundry accounts

3,421,675,963	3,825,426,741
14,762,898	11,615,897
340,421,613	147,305,472
15,000,000	-
1,129,019,604	933,977,856
1,227,000,321	1,135,818,749
138,610	29,611
1,671,207,763	1,208,903,774
-	234,040
60,804,431	18,537,931
11,586,539	26,716,684
305,817,920	312,248,939
17,795,739	15,331,059
2,140,681,917	2,225,503,614
72,240,863	29,202,437
106,081,454	-
148,680,328	102,169,876
187,068,394	121,934,516
258,183,053	299,530,061
3,120,097	9,752,173
4,331,825	34,393,395
<u>11,135,619,332</u>	<u>10,458,632,825</u>

24 Investment Income

- Interest on treasury bill
- Interest on treasury bond
- Interest on other bond
- Interest on Bridge Loans & debentures
- Interest on Bangladesh Bank bill
- Interest on commercial paper
- Gain/ (Loss) on sale of shares
- Dividend on shares

90,604,066	169,920,418
3,588,894,069	3,010,531,537
813,963,563	252,564,556
100,000	2,753,239
35,801,700	315,030,006
29,717,014	279,919,528
531,659,730	(6,395,869)
292,820,155	330,555,035
<u>5,383,560,297</u>	<u>4,354,878,450</u>

24(a) Consolidated Income from investment

- Pubali Bank Limited
- Pubali Bank Securities Limited

5,383,560,297	4,354,878,450
395,789,827	151,701,137
<u>5,779,350,124</u>	<u>4,506,579,587</u>



	2017 Taka	2016 Taka
25 Commission, exchange and brokerage		
SC, LSC, DD, TT, MT and PO	30,928,355	31,891,687
Foreign L/C	374,390,807	323,076,658
Local L/C	85,379,436	89,799,874
Issuance of foreign guarantee	2,287,439	1,282,821
Issuance of local guarantee	138,158,275	110,473,818
Issuance of traveller's cheque	20,233	36,129
Other transactions	286,309,662	206,863,529
Miscellaneous handling commission	192,161,450	159,872,546
Consumers credit	990,990	649,187
Commission on stationery articles	823,081	1,126,347
Income A/C commission Online	3,482	740
Total commission	1,111,453,210	925,073,336
Exchange (Note 25.1)	563,121,212	476,404,050
	1,674,574,422	1,401,477,386
25.1 Exchange		
Exchange gain	4,246,659,364	639,264,389
Exchange loss	(3,683,538,152)	(162,860,339)
	563,121,212	476,404,050
25(a) Consolidated Commission, exchange and brokerage		
Pubali Bank Limited	1,674,574,422	1,401,477,386
Pubali Bank Securities Limited	60,654,544	45,928,208
	1,735,228,966	1,447,405,594
26 Other operating income		
Rent recovery	3,540,436	2,488,000
Postage and telecommunication recovery	8,404,637	9,007,092
Miscellaneous income	79,336,639	90,761,341
Miscellaneous income supervision and monitoring	2,270	19,084
Miscellaneous income transfer fee	454,574	274,756
Recovered from bad debt written off	133,727,023	-
Swift income	114,087,738	106,951,467
Fee on card transaction	3,735,409	2,471,819
Application fee of CLS account	1,431,295	1,455,772
Account opening charge of CLS account	1,849,232	1,951,300
Service charge	33,850,537	31,049,094
Income on sale of leased asset	2,230,862	1,560,299
Processing Fee on Lease Financing	4,775,222	-
Online service charge	397,714,885	393,454,392
Accounts maintenance fee	346,878,143	317,240,163
SMS service charges	75,155,119	65,454,986
Card Fees and charges	9,795,855	8,571,755
CIB service charges	13,391,775	11,052,247
Income on sale of Bank's property	5,424,995	4,686,329
	1,235,786,646	1,048,449,896
26(a) Consolidated Other operating income		
Pubali Bank Limited	1,235,786,646	1,048,449,896
Pubali Bank Securities Limited	9,561,532	5,646,856
	1,245,348,178	1,054,096,752
27 Salary and allowances		
Basic salary	2,003,867,465	1,816,175,736
House rent allowances	1,148,315,880	1,046,088,087
Medical allowances	245,036,699	222,417,456
Other allowances	706,398,444	666,677,299
Contributory provident fund	185,276,553	166,546,619
General provident fund	414,926	340,948
Bonus to employees	352,973,449	304,063,701
	4,642,283,416	4,222,309,846
27(a) Consolidated Salary and allowances		
Pubali Bank Limited	4,642,283,416	4,222,309,846
Pubali Bank Securities Limited	29,138,074	27,263,662
	4,671,421,490	4,249,573,508
28 Rent, taxes, insurance, electricity, etc.		
Bank premises	404,037,817	335,934,496
Godown	2,611,616	2,009,006
Rates and taxes	20,436,891	9,301,296
Insurance (vault)	42,223,644	32,608,373
Insurance premium	158,950,980	145,953,665
Electricity	112,244,600	106,398,127
Electric fittings and fixtures	23,423,564	17,893,002
Water and sewerage bill	3,785,733	3,728,614
	767,714,845	653,826,579



	2017 Taka	2016 Taka
28(a) Consolidated Rent, taxes, insurance, electricity, etc.		
Pubali Bank Limited	767,714,845	653,826,579
Pubali Bank Securities Limited	549,242	607,769
	768,264,087	654,434,348
29 Legal expenses		
Lawyers' charges	16,256,986	11,834,558
Court fees and other expenses	3,183,549	4,282,565
	19,440,535	16,117,123
29(a) Consolidated Legal expenses		
Pubali Bank Limited	19,440,535	16,117,123
Pubali Bank Securities Limited	183,500	719,100
	19,624,035	16,836,223
30 Postage, stamp, telecommunication, etc.		
Postage	10,229,759	10,151,929
Telegram	316,542	270,409
Stamp	16,545	26,905
Telephone	20,853,683	20,795,157
SWIFT charges	36,195,048	31,978,339
SMS charges	14,086,035	11,173,835
Internet charges	1,461,125	1,952,421
	83,158,737	76,348,995
30(a) Consolidated Postage, stamp, telecommunication, etc.		
Pubali Bank Limited	83,158,737	76,348,995
Pubali Bank Securities Limited	311,983	308,379
	83,470,720	76,657,374
31 Stationery, printing, advertisement, etc.		
Table stationery	25,572,471	23,842,095
Computer stationery	19,368,934	16,355,194
Printing and stationery	28,046,301	8,035,919
Consumption of books and forms	13,227,684	14,300,539
Advertisement	59,080,835	56,632,145
	145,296,225	119,165,892
31(a) Consolidated Stationery, printing, advertisement, etc.		
Pubali Bank Limited	145,296,225	119,165,892
Pubali Bank Securities Limited	266,382	240,295
	145,562,607	119,406,187
32 Managing Director's salary and fees		
Basic pay	6,000,000	6,000,000
Allowances	1,800,000	1,800,000
Bank's contributory provident fund	600,000	600,000
Bonus	2,100,000	2,100,000
	10,500,000	10,500,000
33 Directors' fees		
Meeting fees and Honorarium	4,912,000	5,152,000
Meeting expenses	1,222,262	1,298,416
Meeting related travelling allowances	871,600	1,329,300
	7,005,862	7,779,716
33(a) Consolidated Directors' fees		
Pubali Bank Limited	7,005,862	7,779,716
Pubali Bank Securities Limited	1,081,000	834,900
	8,086,862	8,614,616
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	1,987,391	1,320,000
	1,987,391	1,320,000
34(a) Consolidated Auditors' fees		
Pubali Bank Limited	1,987,391	1,320,000
Pubali Bank Securities Limited	215,625	143,750
	2,203,016	1,463,750
35 Depreciation and repair of bank's assets		
Repairs to fixed assets	30,344,065	23,235,294
Maintenance of assets	123,582,099	182,985,493
Depreciation on fixed assets	391,342,794	353,720,186
	545,268,958	559,940,973



	2017 Taka	2016 Taka
35(a) Consolidated depreciation and repair of bank's assets		
Pubali Bank Limited	545,268,958	559,940,973
Pubali Bank Securities Limited	1,234,469	1,663,322
	546,503,427	561,604,295
36 Other expenses		
Repairs to rented property	1,218,107	1,728,761
Newspapers	3,355,056	3,253,378
Renovation Under Construction Works	24,163,463	-
Petrol consumption	56,006,610	54,172,116
Travelling	58,951,936	61,734,152
Donations	141,561,000	51,479,180
Honorarium	453,200	801,450
Subscriptions	14,781,024	6,405,213
Sub-ordinate staff clothing	12,195,222	10,021,294
Conveyance	20,066,480	18,879,191
Entertainment	26,494,688	26,403,265
Training	20,271,228	18,823,330
Photocopying	204,629	323,783
Branches' opening expenses	1,011,597	984,437
Shifting expenses	635,929	630,153
Carrying expenses	1,166,677	1,282,311
Professional fees	36,268,162	4,569,001
Security and Auxilliary Services	58,780,688	40,353,283
Gun license fees	5,178,166	3,784,801
Telegraphic address renewal fee	-	4,725
Overtime	27,326,633	24,600,332
Employees recreation (Lunch subsidy)	202,725,631	189,976,716
Promotional expenses	15,946,487	41,314,532
Gratuity	597,375,080	807,913,780
Group insurance	16,392,237	16,005,402
House maintenance	131,834,208	110,300,128
Car allowance	27,394,719	24,438,000
Chemicals for office equipment's	777,971	670,423
Loss on sale of bank's property	2,349,660	506,879
CDBL fees	366,071	695,660
Annual general meeting	1,629,889	1,309,093
Bandwidth charges	79,531,459	75,100,671
Card expenditure	18,418,450	24,153,139
Nostro account charges	7,049,090	4,091,856
Card transaction fee	1,601,295	950,405
Penal Interest Penalty	-	182,773
Rebate on good borrowers	-	20,000,000
Additional Profit Payable A/C For Islamic Banking	2,000,000	1,500,000
Loss On Disposal of Bank's property	64,693	292,056
Miscellaneous	96,790,407	75,627,737
	1,712,337,842	1,725,263,406
36(a) Consolidated Other expenses		
Pubali Bank Limited	1,712,337,842	1,725,263,406
Pubali Bank Securities Limited	10,801,699	14,832,595
	1,723,139,541	1,740,096,001
37 Provision for Loans, Advances, Investments and Other Assets		
Classified loans and advances (note 14.1.1)	5,615,000,000	1,731,583,535
Unclassified loans and advances (note 14.1.2)	-	840,208,991
Provision for bad debt offsetting	4,311,000	646,000
	5,619,311,000	2,572,438,526
37(a) Consolidated Provision for Loans, Advances, Investments and Other Assets		
Pubali Bank Limited	5,619,311,000	2,572,438,526
Pubali Bank Securities Limited	40,145,837	77,813,305
	5,659,456,837	2,650,251,831
38 Provision for exposure of off balance sheet items		
Provision for exposure against off-balance sheet items	180,500,000	184,000,000
	180,500,000	184,000,000



38.1 Details of provision for exposure against off-balance sheet items

Particulars

	2017 Taka	2016 Taka
Letter of guarantee	11,338,890,478	9,039,954,197
Irrevocable letters of credit	67,861,025,606	58,770,791,207
Bills for collection	10,202,171,342	4,125,546,631
Other contingent liabilities	1,696,542,422	1,072,217,186
Total Contingent Liabilities:	91,098,629,848	73,008,509,221
Less: Margin		
Letter of guarantee	-	-
Irrevocable letters of credit	-	-
Bills for collection	-	-
	91,098,629,848	73,008,509,221

	Base for Provision (%)	Rate of Provision (%)		
Letter of guarantee	11,338,890,478	1	113,388,905	90,399,542
Irrevocable letters of credit	67,861,025,606	1	678,610,256	587,707,912
Bills for collection	10,202,171,342	1	102,021,713	41,255,466
Other contingent liabilities	1,696,542,422	1	16,965,424	10,722,172
Required provision			910,986,298	730,085,092
Provision maintained			911,300,000	730,800,000
Excess provision			313,702	714,908

39 Receipts from other operating activities

Exchange	563,121,212	476,404,050
Other operating income	1,102,059,623	1,048,449,896
	1,665,180,835	1,524,853,946

39(a) Consolidated Receipts from other operating activities

Pubali Bank Limited	1,665,180,835	1,524,853,946
Pubali Bank Securities Limited	246,476,636	30,421,591
	1,911,657,471	1,555,275,537

40 Cash payments for other operating activities

Rent, taxes, insurance, electricity etc.	767,714,845	653,826,579
Director's fees	7,005,862	7,779,716
Charges on loan losses	55,388,623	-
Repairs of bank's assets	153,926,164	206,220,787
Other expenses	1,712,337,842	1,725,263,406
	2,696,373,336	2,593,090,488

40(a) Consolidated Cash payments for other operating activities

Pubali Bank Limited	2,696,373,336	2,593,090,488
Pubali Bank Securities Limited	14,643,900	19,350,110
	2,711,017,236	2,612,440,598

41 Increase/(decrease) of other assets

Closing other assets

Stationery and Stamps	67,696,410	64,778,476
Accrued income	1,954,701,083	1,743,481,556
Advance security deposit, advance rent etc.	230,843,148	193,835,708
Investment in SWIFT AC	3,387,591	3,387,591
Stock dealing account	469,757,026	40,379,784
Suspense Account	260,698,995	215,731,551
Demonetized Notes	1,531,750	1,531,750
Items in transit	3,288,854,073	4,811,480,497
Drafts payable (Dr. Balance)	20,829,927	21,273,874
Sanchaypatra	-	993,725
Clearing house adjustment	148,161,847	63,886,071
Others	3,604,701	101,436,852
	6,450,066,551	7,262,197,435

Opening other assets

Stationery and stamps	64,778,476	66,291,496
Accrued income	1,743,481,556	1,536,696,887
Advance security deposit, advance rent etc.	193,835,708	226,091,985
Investment in SWIFT AC	3,387,591	-
Stock dealing account	40,379,784	277,596,210
Suspense account	215,731,551	193,893,684
Demonetized notes	1,531,750	1,531,750
Items in transit	4,811,480,497	4,559,738,481
Drafts payable (Dr. Balance)	21,273,874	22,571,374
Sanchaypatra	993,725	1,814,382
Clearing house adjustment	63,886,071	38,747,014
Others	101,436,852	101,639,810
	7,262,197,435	7,026,613,073
	812,130,884	(235,584,362)



	2017 Taka	2016 Taka
41(a) Consolidated increase/(decrease) of other assets		
Pubali Bank Limited	812,130,884	(235,584,362)
Pubali Bank Securities Limited	(168,200,353)	(86,980,691)
	<u>643,930,531</u>	<u>(322,565,053)</u>
42 Increase/(decrease) of other liabilities		
Closing other liabilities		
Interest suspense	2,164,617,779	1,622,699,217
Interest suspense on underwriting advances	235,599,888	235,599,888
Interest suspense against 70% Agri Loan	192,382	192,382
	<u>2,400,410,049</u>	<u>1,858,491,487</u>
Opening other liabilities		
Interest suspense	1,622,699,217	830,529,581
Interest suspense on underwriting advances	235,599,888	268,877,119
Interest suspense against 70% Agri Loan	192,382	192,382
	<u>1,858,491,487</u>	<u>1,099,599,082</u>
	<u>541,918,562</u>	<u>758,892,405</u>
42(a) Consolidated increase/(decrease) of other liabilities		
Pubali Bank Limited	541,918,562	758,892,405
Pubali Bank Securities Limited	410,539,194	(203,985,622)
	<u>952,457,756</u>	<u>554,906,783</u>
43 Cash and Cash Equivalents at End of Period		
Cash in hand (including foreign currencies)	3,643,109,729	3,612,831,120
Balance with Bangladesh Bank and its agent bank(s)	19,174,680,719	17,501,643,478
Balance with other banks and financial institutes	12,903,217,937	9,033,361,643
Prize bonds	12,144,101	13,451,501
Money at call on short notice	11,286,667	551,286,667
	<u>35,744,439,153</u>	<u>30,712,574,409</u>
43(a) Consolidated Cash and Cash Equivalents at End of Period		
Pubali Bank Limited	35,744,439,153	30,712,574,409
Pubali Bank Securities Limited	1,105,272,867	372,333,256
	<u>36,849,712,020</u>	<u>31,084,907,665</u>
44 Assets and liabilities as at 31 December 2017 denominated in foreign currencies have been converted to Bangladesh Taka at the following exchange rates:		
Currency	Currency unit	Equivalent Taka
European Currency	EURO	98.49
Japanese Yen	JPY	0.73
Pound Sterling	GBP	110.98
Swiss Franc	CHF	83.96
US Dollar	USD	82.70
ACU Dollar	ACUD	82.70
45 Basic and Diluted Earnings Per Share (EPS):		
Net profit after taxes	(281,197,948)	1,334,954,548
Number of ordinary shares outstanding	950,803,716	950,803,716
Basic and Diluted Earnings Per Share (EPS)	<u>-0.30</u>	<u>1.40</u>
45(a) Consolidated Basic and Diluted Earnings Per Share (EPS)		
Net profit after tax	57,145,783	1,394,024,496
Number of ordinary shares outstanding	950,803,716	950,803,716
Basic and Diluted Earnings Per Share (EPS)	<u>0.06</u>	<u>1.47</u>



46 Highlights on the Overall Activities of the Bank for the period ended 31 December' 2017 and 31 December' 2016

Particulars	2017 Taka	2016 Taka
1. Paid-up Capital	9,508,037,160	8,803,738,120
2. Total Capital	30,235,204,355	26,337,228,513
3. Capital Surplus	5,739,024,355	2,878,868,513
4. Total Assets	368,314,617,750	320,361,891,793
5. Total Deposits	271,708,963,321	247,278,503,683
6. Total Loans & Advances	239,539,597,542	203,011,231,761
7. Total Contingent Liabilities	91,098,629,848	73,008,509,221
8. Loan Deposit Ratio (%) (including OBU)	88.16%	82.10%
9. Ratio of Classified Loan to total Loans & Advances (%)	8.68%	5.38%
10. Profit after taxation & Provision	(281,197,948)	1,334,954,548
11. Amount of Classified Loan during the current year	20,786,943,558	10,921,455,576
12. Provision kept against Classified Loans	10,084,204,562	5,042,565,906
13. Provision Surplus	1,517,039	500,200,000
14. Cost of Fund (%)	7.42%	7.68%
15. Interest Earning Assets	305,030,549,239	260,231,204,384
16. Interest Non- Earning Assets	63,284,068,511	60,130,687,409
17. Return on Investment(ROI) [PAT/ Shareholders' Equity]	-1.15%	5.31%
18. Return on Assets (ROA)	-0.08%	0.42%
19. Income from Investment	5,383,560,297	4,354,878,450
20. Earnings per Share (Taka)	(0.30)	1.40
21. Net Income per Share (Taka)	(0.30)	1.40
22. Price Earning Ratio (Times)	(102.79)	15.83



Annexure - A

Schedule of Fixed Assets as at 31 December, 2017

Particulars	Cost				Depreciation/Amortization				Net book value at 31 December 2017 Taka			
	Balance at 1 January 2017 Taka	Additions/ Revaluation during the Year Taka	Disposal during the year Taka	Adjustments during the year Taka	Balance at 31 December 2017 Taka	Rate (%)	Balance at 1 January 2017 Taka	Charge for the Year Taka		Disposal during the year Taka	Adjustments during the year Taka	Balance at 31 December 2017 Taka
Land (including leased)	2,255,213,992	-	-	-	2,255,213,992	Fixed	27,807,601	1,178,970	-	-	28,986,571	2,226,227,421
Building	908,092,261	-	-	-	908,092,261	0.03	194,198,948	17,847,332	-	-	212,046,280	696,045,981
Furniture and Fixture	560,348,758	77,968,088	9,294,887	(394,782)	628,627,177	0.10	243,494,858	39,627,437	6,525,899	26,002	276,622,398	352,004,779
Computer & Computer Accessories	1,200,526,692	73,603,986	20,062,536	103,337,832	1,357,405,974	0.30	938,619,428	237,609,506	19,974,296	55,608,801	1,211,863,439	145,542,535
Machinery and Equipment	689,081,240	97,281,966	8,451,820	(103,295,980)	674,615,406	0.20	476,777,096	72,057,188	8,294,360	(56,226,289)	484,313,635	190,301,771
Vehicles	231,164,544	45,827,000	8,195,000	(8,709,590)	260,086,954	0.20	175,085,277	23,022,361	8,194,910	(6,559,620)	183,353,108	76,733,846
At 31 December 2017	5,844,427,487	294,681,040	46,004,243	(9,062,520)	6,084,041,764		2,055,983,208	391,342,794	42,989,465	(7,151,106)	2,397,185,431	3,686,856,333
At 31 December 2016	5,643,786,827	220,747,962	37,335,984	17,228,682	5,844,427,487		1,726,018,996	355,198,260	34,897,691	9,663,643	2,055,983,208	3,788,444,279



Pubali Bank Limited
Tax Status Report (As at 31 December 2017)
(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	Upto 1996	1997-1998	-	-	8,746,578	(8,746,578)	Finalised
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 favor of the bank but revised assessment pending with the DCT
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)	Finalised
8	2006	2007-2008	14,720,201	14,720,201	45,218,734	(30,498,533)	Case filed with DCT for rectification
9	2007	2008-2009	1,393,494,119	1,389,484,502	1,281,267,065	108,217,437	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	-	2,173,640,035	-	Assessment order not yet received
17	2015	2016-2017	3,210,437,445	-	2,791,465,394	-	Assessment order not yet received
18	2016	2017-2018	2,620,944,216	-	2,612,171,061	-	Assessment not yet done
19	2017	2018-2019	2,714,690,189	-	1,010,355,671	-	Return submission date not due
	Total		26,013,816,910	14,894,029,679	22,778,223,619	703,438,221	

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 2017	As at 31 Dec 2016
24	21
104,224,382,000	87,785,066,000
5,804,921,000	-
-	-

Amounts in Taka

Name of the clients	Sanctioned Limit	Status	Outstanding		Total outstanding	
			Funded	Non-funded	At 31 Dec 2017	At 31 Dec 2016
Meghna Group	9,870,000,000	STD	-	7,899,800,000	7,899,800,000	5,447,400,000
City Group	6,749,400,000	STD	3,144,635,000	2,843,700,000	5,988,335,000	5,642,505,000
Keya Group	4,931,013,000	BL	5,804,921,000	5,700,000	5,810,621,000	5,669,035,000
Project Builders	5,145,600,000	STD	3,761,577,000	1,702,750,000	5,464,327,000	5,052,310,000
Pran Group	9,445,099,000	STD	3,506,825,000	1,717,800,000	5,224,625,000	3,543,767,000
Dird Group	7,798,749,000	STD	3,792,875,000	1,405,457,000	5,198,332,000	4,827,340,000
Sharmin Group	7,684,700,000	STD	2,255,200,000	2,895,500,000	5,150,700,000	4,464,700,000
BSRM Group	7,035,000,000	STD	3,520,254,000	1,415,201,000	4,935,455,000	3,551,599,000
Max Group	10,969,400,000	STD	2,402,042,000	2,335,200,000	4,737,242,000	2,847,159,000
Ha-Meem Group	11,073,200,000	STD	2,432,800,000	2,013,600,000	4,446,400,000	6,963,105,000
Pakiza Group	5,726,100,000	STD	2,709,000,000	1,566,200,000	4,275,200,000	4,068,300,000
City Seed Crushing Group	8,658,700,000	STD	1,510,400,000	2,610,600,000	4,121,000,000	-
Envoy Textiles Ltd.	8,811,044,000	STD	2,814,680,000	1,228,065,000	4,042,745,000	3,510,387,000
Paramount Group	5,878,100,000	STD	1,451,100,000	2,539,300,000	3,990,400,000	-
Sheema Group	5,580,000,000	STD	3,349,309,000	431,847,000	3,781,156,000	5,373,720,000
T K Group	7,114,700,000	STD	749,400,000	2,842,700,000	3,592,100,000	-
Madina Group	6,203,000,000	STD	2,448,515,000	908,900,000	3,357,415,000	3,260,640,000
Antim Group	4,952,500,000	STD	2,334,400,000	918,100,000	3,252,500,000	2,628,300,000
KSRM	4,602,377,000	STD	2,170,748,000	1,081,477,000	3,252,225,000	-
BRAC	10,162,404,000	STD	3,191,483,000	57,723,000	3,249,206,000	2,786,959,000
Nitol Niloy Group	7,276,400,000	STD	2,948,501,000	248,741,000	3,197,242,000	-
ACI Group	3,991,450,000	STD	3,072,019,000	83,196,000	3,155,215,000	-
MSA Spinning Ltd	4,582,000,000	STD	2,284,300,000	789,000,000	3,073,300,000	-
GPH Group	4,285,360,000	STD	2,596,041,000	432,800,000	3,028,841,000	3,423,137,000
M A Rahman Dying Inds. Ltd.	-	STD	-	-	-	2,690,738,000
S. A. Group	-	STD	-	-	-	2,701,950,000
Abul Khair Group	-	STD	-	-	-	6,564,515,000
AA Yarn Mills Ltd.	-	STD	-	-	-	2,767,500,000
	168,526,296,000	-	64,251,025,000	39,973,357,000	104,224,382,000	87,785,066,000



Annexure - D

Pubali Bank Limited - Islamic Banking Windows

Distribution of profit for the income year ended 31 December 2017

Profit and loss of Islamic Banking are calculated annually as at 31 December each year. We follow Investment Income Sharing Ratio (IISR) system for distribution of profit to the Mudaraba Depositors. During the year 2017 the Investment Income was 7.87% in on average. After keeping 4% Bad Dept Offsetting Reserve the actual distributable rate of Investment Income stood at 7.55%. But we distributed the profit at 7.25% provosionally through out the year. The additional profit of 0.30% was calculated and distributed accordingly which is shown in the column '6' in the following table:

Sl.	Types of Mudaraba Deposit	Share of Depositors in Investment Income of 2017	Rates of Profit distributed provisionally assuming the earning @ 7.25%	Final rates of profit as per investment income @7.55%	Additional Profit distributed for final adjustment
1	2	3	4	5	6
1	Mudaraba Term Deposit Receipt				
(a)	For 3 months	75%	5.44%	5.66%	0.22%
(b)	For 6 months	80%	5.80%	6.04%	0.24%
(c)	For 12 months	85%	6.16%	6.42%	0.26%
(d)	For 24 months	85%	6.16%	6.42%	0.26%
2	Mudaraba Short Notice Deposit	35%	2.54%	2.64%	0.10%
3	Mudaraba Monthly Profit based Term Deposit	85%	6.16%	6.42%	0.26%
4	Mudaraba Savings Account	45%	3.26%	3.40%	0.14%
5	Mudaraba Hajj Savings Account	85%	6.16%	6.42%	0.26%
6	Mudaraba Deposit Pension Account				
(a)	For 5 years	83%	6.02%	6.27%	0.25%
(b)	For 10 years	85%	6.16%	6.42%	0.26%

A competent Shariah Supervisory Committee consisting of Islamic Scholars, Ulemas, Economists and Islamic Bankers headed by Janab M. Azizul Huq, Director, Pubali Bank Limited, founder Chief Executive of Islami Bank Bangladesh Limited, SIBL & IFIL oversees the Islamic Banking operations. During the Year Shariah Supervisory Committee met in 4 (four) meetings and reviewed different operational issues in line with Islamic Shariah. Besides, the Muraquibs of the Shariah secretariat inspected both the Islamic Banking Windows during the year and reported no case of major deviation of Islamic Shariah in their operations.



Pubali Bank Limited - Islamic Banking Windows
Balance Sheet as at 31 December 2017

<u>PROPERTY AND ASSETS</u>	<u>Notes</u>	<u>2017</u> Taka	<u>2016</u> Taka
Cash	1	73,055,297	71,076,479
Cash in hand (Including foreign currencies)		3,362,449	5,605,687
Balance with Bangladesh Bank and its agent Bank (s) (Including foreign currencies)		69,692,848	65,470,792
Balance with Other Banks and Financial Institutions	2	268,257,756	1,117,702,120
In Bangladesh		268,257,756	1,117,702,120
Outside Bangladesh		-	-
Placement with Banks and Other Financial Institutions	3	-	-
Investments in Shares and Securities	4	60,000,000	49,500,000
Government		60,000,000	49,500,000
Others		-	-
Investments	5	403,156,760	364,942,103
General investments		403,156,760	364,942,103
Bills purchased & discounted		-	-
Fixed Assets including Premises, Furniture & Fixtures	6	1,381,886	1,681,773
Other Assets	7	345,968,235	4,958,318
Non-banking Assets		-	-
Total Assets		1,151,819,934	1,609,860,793
<u>LIABILITIES AND CAPITAL</u>			
Liabilities			
Placement with other Banks, Financial institutions & Agents	8	-	-
Deposits and Other Accounts	9	989,055,449	977,111,539
Al-Wadia current deposit		59,934,716	43,568,418
Bills payable		6,360,563	12,840,958
Mudaraba savings bank deposit		110,256,167	91,113,837
Mudaraba term deposits		812,281,648	829,419,759
Other deposits		222,355	168,567
Other Liabilities	10	105,542,266	612,503,659
Total Liabilities		1,094,597,715	1,589,615,198
Capital / Shareholders' Equity			
Paid up capital		-	-
Statutory reserve		-	-
Retained surplus (general reserve)		-	-
Revaluation gain/(Loss) on investment		-	-
Other reserves		-	-
Profit and loss account surplus		57,222,219	20,245,595
Total Shareholders' Equity		57,222,219	20,245,595
Total Liabilities and Shareholders' Equity		1,151,819,934	1,609,860,793



Pubali Bank Limited - Islamic Banking Windows
Balance Sheet as at 31 December 2017

<u>OFF-BALANCE SHEET ITEMS</u>	<u>Note</u>	<u>2017</u> <u>Taka</u>	<u>2016</u> <u>Taka</u>
<u>Contingent Liabilities</u>			
Acceptances & Endorsements			
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities			
Total Contingent liabilities		-	-
<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		-	-



Pubali Bank Limited - Islamic Banking Windows
Profit & Loss Account for the year ended 31 December 2017

	Notes	2017 Taka	2016 Taka
Operating Income			
Investment Income	11	107,792,879	64,654,606
Less :Profit paid on deposits, borrowings, etc.	12	44,113,692	39,372,793
Net Investment Income		63,679,187	25,281,813
Income from investment in shares /securities	13	-	-
Commission, exchange and brokerage	14	2,058,781	1,610,410
Other operating income	15	623,061	560,031
Total Operating Income		66,361,029	27,452,254
Operating Expenses			
Salaries and allowances	16	7,202,135	5,714,313
Rent, taxes, insurance, electricity, etc.	17	246,537	195,758
Legal expenses	18	5,750	-
Postage, stamp, telecommunication, etc.	19	39,424	25,560
Stationery, printing, advertisements, etc.	20	114,871	103,438
Depreciation repair and maintenance of fixed assets	21	470,779	456,887
Other expenses	22	1,059,314	710,703
Total Operating Expenses		9,138,810	7,206,659
Total Profit/(Loss) before Provision		57,222,219	20,245,595



Pubali Bank Limited - Islamic Banking Windows
Cash Flow Statement
for the year ended 31 December 2017

	Notes	2017 Taka	2016 Taka
a Cash Flows from Operating Activities			
Investment income in cash		107,792,879	64,654,606
Profit paid		(44,113,692)	(39,372,793)
Fees and commission receipts		2,058,781	1,610,410
Cash payment to employees		(7,202,135)	(5,714,313)
Cash payment to suppliers		(154,295)	(128,998)
Receipts from other operating activities	15	623,061	560,031
Cash payments for other operating activities	23	(1,458,493)	(991,588)
Operating Profit before Changes in Operating Assets & Liabilities		57,546,106	20,617,355
Increase/ (Decrease) in Operating Assets and Liabilities			
Statutory deposits		(10,500,000)	2,500,000
Investment to customers (other than banks)		(38,214,657)	18,884,215
Other assets	24	(341,009,917)	123,824,211
Deposits from customers (other than banks)		11,943,910	70,595,280
Other liabilities account of customers		(506,961,393)	539,174,519
Total Increase/(decrease) in operating assets and liabilities		(884,742,057)	754,978,225
Net Cash from/(used in) Operating Activities		(827,195,951)	775,595,580
b Cash Flows from Investing Activities			
Purchase /Sale of property, plant & equipment		(20,269,595)	(10,497,613)
Net Cash from/(used in) Investing Activities		(20,269,595)	(10,497,613)
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)		(847,465,546)	765,097,967
e Cash and Cash equivalents at beginning period		1,188,778,599	423,680,632
f Cash and Cash equivalents at end of period (d+e)	25	341,313,053	1,188,778,599



Pubali Bank Limited - Islamic Banking Windows
Notes to the financial statements for the year ended 31 December 2017

Annexure - E (iii)

	2017 Taka	2016 Taka
1 Cash		
1.1 Cash In hand (Including foreign currencies)		
In local currency	3,362,449	5,605,687
In foreign currencies	-	-
	<u>3,362,449</u>	<u>5,605,687</u>
1.2 Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)		
Bangladesh Bank		
In local currency	69,692,848	65,470,792
In foreign currencies	-	-
	<u>69,692,848</u>	<u>65,470,792</u>
Sonali Bank as agent of Bangladesh Bank		
In local currency	-	-
	<u>69,692,848</u>	<u>65,470,792</u>
	<u><u>73,055,297</u></u>	<u><u>71,076,479</u></u>
1.3 Cash Reserve Ratio and Statutory Liquidity Reserve		
Cash Reserve Ratio and Statutory Liquidity Reserve have been calculated and maintained in accordance with section 33 of Bank Companies Act 1991 MPD circular numbers 1 and 2 of 23 June 2014 and 10 December 2013.		
The statutory Cash Reserve Ratio (CRR) required on the Bank's time and demand liabilities at the rate of 6.50% has been calculated and maintained with Bangladesh Bank in current account and 5.50% Statutory Liquidity Requirement (SLR), on the same liabilities is also maintained in the form of treasury bills and bonds including excess balances of CRR with Bangladesh Bank. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:		
1.3.1 Cash Reserve Ratio (CRR)		
Required Reserve (6.50%)	60,664,030	57,716,310
Actual Reserve maintained	69,692,848	65,470,791
Surplus	<u>9,028,818</u>	<u>7,754,481</u>
1.3.2 Statutory Liquidity Requirement (SLR)		
Required Reserve (5.50%)	51,331,100	48,836,878
Actual Reserve maintained	72,391,268	62,860,167
Surplus	<u>21,060,168</u>	<u>14,023,289</u>
1.3.3 Total required amount of CRR and SLR		
Total required reserve	111,995,130	106,553,188
Total actual reserve maintained	133,055,298	120,576,477
Total Surplus	<u>21,060,168</u>	<u>14,023,289</u>
2 Balance with other banks and financial institutions		
In Bangladesh (Note 2.1)	268,257,756	1,117,702,120
Outside Bangladesh	-	-
	<u>268,257,756</u>	<u>1,117,702,120</u>
2.1 In Bangladesh		
In Mudaraba fixed/term deposit account (in local currency)		
Shahjalal Islami Bank Ltd, Foreign Exchange Branch, Dhaka	250,000,000	-
EXIM Bank Ltd, Uttara Branch	-	300,000,000
The City Bank Ltd, Islamic Banking Branch	-	500,000,000
Social Islami Bank Limited, Dilkusha Branch, Dhaka	-	300,000,000
	<u>250,000,000</u>	<u>1,100,000,000</u>
In Mudaraba Savings deposit account		
Islami Bank Bangladesh Limited, Foreign Exchange Branch, Dhaka	12,723,569	12,337,078
	<u>12,723,569</u>	<u>12,337,078</u>
In Mudaraba Special Notice Deposit account		
First Security Islami Bank Ltd., Dilkusha Branch, Dhaka	5,534,187	5,365,042
	<u>5,534,187</u>	<u>5,365,042</u>
	<u>268,257,756</u>	<u>1,117,702,120</u>
2.2 Maturity grouping of balance with other banks and financial institutions		
Payable on demand	-	1,357,079
Up to 3 months	268,257,756	1,116,345,041
Over 3 months but not more than 1 year	-	-
	<u>268,257,756</u>	<u>1,117,702,120</u>



	2017 Taka	2016 Taka
3 Placement with Banks and Other Financial Institutions	-	-
4 Investments in Shares and Securities		
Government Treasury Bonds		
6 months Bangladesh Govt. Islami Investment Bond	60,000,000	49,500,000
	60,000,000	49,500,000
5 Investments		
General Investments (Note 5.1)	403,156,760	364,942,103
Bills purchased and discounted (Note 5.2)	-	-
	403,156,760	364,942,103
5.1 General Investments		
Inside Bangladesh:		
Quard	3,100,000	12,400,000
Bai Muazzal	63,473,706	16,784,807
Murabaha Post Import (TR)	163,539,548	17,020,761
Hire Purchase Shirkatul Melk	173,043,506	318,736,535
	403,156,760	364,942,103
Outside Bangladesh	-	-
	403,156,760	364,942,103
5.1.1 Maturity grouping of General Investment		
Repayable on demand	15,241,120	-
Upto 3 months	12,606,801	-
Over 3 months but not more than 1 year	233,906,050	46,205,568
Over 1 year but not more than 5 years	128,786,131	318,736,535
Over 5 years	12,616,658	-
	403,156,760	364,942,103
5.2 Bills purchased and discounted		
Payable in Bangladesh		
Loans against accepted bills	-	-
Loans against demand draft purchased	-	-
Payable outside Bangladesh		
Foreign bills purchased	-	-
Foreign drafts purchased	-	-
	-	-
5.2.1 Maturity grouping of bills purchased and discounted		
Receivable on demand	-	-
Not more than 3 months	-	-
Over 3 months but not more than 6 months	-	-
6 months or more	-	-
	-	-
5.3 Geographical location-wise distribution of Investments including bills purchased and discounted		
In Bangladesh		
Urban		
Dhaka	282,991,010	141,220,800
Sylhet	120,165,750	223,721,303
	403,156,760	364,942,103
Rural	-	-
Outside Bangladesh (Foreign bills/drafts purchased)	-	-
	403,156,760	364,942,103
5.4 Sector-wise Investments including bills purchased and discounted		
Public sector	-	-
Private sector	403,156,760	364,942,103
Co-operative sector	-	-
	403,156,760	364,942,103



5.5 Security base-wise Investments including bills purchased and discounted

	2017 Taka	2016 Taka
Collateral of movable and immovable properties	245,325,041	352,542,103
Guarantee of local banks and financial institutions	-	-
Export documents	-	-
Fixed deposit receipts (FDR) of own Bank	-	-
FDR of other banks	3,100,000	12,400,000
Government bonds	-	-
Personal guarantee	154,731,719	-
Other securities	-	-
	403,156,760	364,942,103

5.6 Classification of Investments including bills purchased and discounted

Unclassified:			
Standard		383,815,101	360,635,835
Special mention account (SMA)		-	-
		383,815,101	360,635,835
Classified:			
Sub-standard (SS)		-	-
Doubtful (DF)		6,042,045	-
Bad or loss (BL)		9,199,075	-
		15,241,120	-
Staff loan		4,100,539	4,306,268
		403,156,760	364,942,103

5.7 Particulars of required provision for Investments

<u>Status of Classification</u>	Base for Provision	Rate of Provision (%)		
General provision - Unclassified				
Standard (others)	381,170,157	1	3,811,702	3,566,360
Standard (cls)	1,908,863	5	95,443	139,833
Loan for Professional to setup business	736,081	2	14,722	24,064
Special mention account (CLS)	-	-	-	-
			3,921,867	3,730,257
Specific provision - Classified				
Sub-standard (SS)		20	-	-
Doubtful (DF)	3,323,045	50	1,661,523	-
Bad/Loss (BL)	2,637,345	100	2,637,345	-
			4,298,868	-
Required provision			8,220,735	3,730,257
Provision maintained by head office			8,220,735	3,730,257
Excess provision			-	-



5.8 Particulars of Investments

	2017 Taka	2016 Taka
(i) Investments considered good in respect of which the bank is fully secured.	248,425,041	364,942,103
(ii) Investments considered good for which the bank holds no other security than the debtors' personal security	-	-
(iii) Investments considered good being secured by the personal security of one or more parties in addition to the personal security of the debtors.	154,731,719	-
(iv) Investments adversely classified; provision not maintained there against	-	-
	<u>403,156,760</u>	<u>364,942,103</u>
(v) Investments due by directors or officers of the bank or any of them either severally or jointly with any other persons	4,100,539	4,306,268
(vi) Investment due from companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies as members.	-	-
(vii) Maximum total amount of advances, including temporary advances, made at any time during the year to directors or employees of the bank or any of them either severally or jointly with any other persons.	4,100,539	4,306,268
(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)	4,298,868.00	-
b) Amount written off debt	-	-
c) Amount of debt recovered against the debt which was previously written off	-	-
d) Amount of Provision kept against Investments classified as bad or loss	2,637,345.00	-
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	-	-
	<u>-</u>	<u>-</u>
(xii) Amount of written off loans for which case has been filed for recovery	-	-

5.9 Hire Purchase Shirkatul Melk

Lease rental receivable within 1 year	37,766,223	15,045,917
Lease rental receivable within 5 years	16,555,465	68,032,653
Lease rental receivable after 5 years	122,117,406	235,657,965
Total lease rental receivable	<u>176,439,094</u>	<u>318,736,535</u>
Less : Un-earned Income receivable	3,395,588	-
Net Lease finance	<u>173,043,506</u>	<u>318,736,535</u>



	2017 Taka	2016 Taka
6 Fixed Assets including premises, furniture & Fixture cost		
Machinery and equipment	1,073,591	1,073,591
Computer & Computer Accessories	806,150	782,150
Furniture and fixtures	1,426,220	1,426,220
	3,305,961	3,281,961
Less: Accumulated Depreciation	1,924,075	1,600,188
Net book value at the end of the year	1,381,886	1,681,773
7 Other Assets :		
Accrued income on Investments	3,756,000	4,884,387
Stationery and stamps	76,075	73,931
Pubali bank adjustment a/c	342,136,160	-
	345,968,235	4,958,318
8 Placement with other Banks, Financial Institutions and Agents		
In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-
9 Deposits and other accounts		
Inter-bank deposits	34,244,522	90,012,771
Other deposits	954,810,927	887,098,768
	989,055,449	977,111,539
9.1 Details of deposits and other Accounts		
<u>Current deposits and other accounts :</u>		
Al-Wadia Current Deposit	59,934,716	43,568,418
	59,934,716	43,568,418
Bills payable (note 9.1.1)	6,360,563	12,840,958
Mudaraba Savings Bank Deposit	110,256,167	91,113,837
<u>Term deposits :</u>		
Mudaraba Fixed deposits	663,528,100	643,837,094
Mudaraba Monthly Term deposit	6,894,350	17,592,500
Mudaraba Short Notice Deposits	95,384,986	138,071,665
Profit Receivable on Investment	12,150,856	1,785,816
Mudaraba Deposit Pension Scheme	31,832,365	26,122,870
Mudaraba Hajj Savings	2,490,991	2,009,814
	812,281,648	829,419,759
Other deposits	222,355	168,567
	989,055,449	977,111,539
9.1.1 Bills Payable		
Payment orders issued	6,360,563	12,840,958
	6,360,563	12,840,958
9.2 Maturity analysis of Inter-bank deposits		
Payable on demand	34,244,522	90,012,771
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	-	-
	34,244,522	90,012,771



	2017 Taka	2016 Taka
9.3 Maturity analysis of other deposits		
Payable on demand	68,597,721	98,209,472
Payable within 1 month	51,280,844	9,875,068
Over 1 month but within 6 months	418,943,926	373,980,066
Over 6 months but within 1 year	139,385,601	138,274,519
Over 1 year but within 5 years	228,856,794	226,813,842
Over 5 years and above	47,746,041	39,945,801
	954,810,927	887,098,768
10 Other Liabilities :		
Unpaid Expenses A/C	2,500	1,700
Item in Transit (Cr. Balance)	99,351,265	79,143,397
Card Transaction Fee (Inter Bank)	330	285
Sadaqad Fund	6,188,171	5,850,621
Pubali Bank Adjustment A/C	-	527,507,656
	105,542,266	612,503,659
11 Investment income		
Bai Muazzal	2,451,207	4,969,948
Murabaha Post Import (TR)	12,556,639	6,427,102
Hire Purchase Shirkatul Melk	40,934,810	25,093,493
Investment Income from Other Bank	51,850,223	28,164,063
	107,792,879	64,654,606
12 Profit paid on deposits, borrowings, etc.		
Mudaraba Term Deposits	35,680,580	34,074,124
Mudaraba Special Notice Deposits	3,653,094	1,175,966
Mudaraba Hajj Savings	115,349	78,138
Mudaraba Savings Bank deposit	2,380,404	1,625,965
Mudaraba Deposit Pension Scheme	1,504,592	1,154,485
Mudaraba Monthly Profit deposit	779,673	1,264,115
	44,113,692	39,372,793
13 Income from Investment in shares /securities		
	-	-
14 Commission, exchange and brokerage		
SC, LSC, DD, TT, MT and PO	60,825	60,083
Foreign L/C	388,207	720,309
Local L/C	852,458	275,854
Other transactions	17,145	17,250
Miscellaneous handling commission	740,146	536,914
	2,058,781	1,610,410
15 Other operating income		
Miscellaneous income	-	5,480
Service charge	4,200	4,400
CIB service charge	17,290	16,770
Online service charge	240,909	219,040
Account maintenance fee	277,981	241,977
SMS service charge	61,481	53,064
Card fees and charges	21,200	19,300
	623,061	560,031
16 Salary and allowances		
Basic salary	3,314,900	2,631,633
House rent allowances	2,003,360	1,695,606
Medical allowances	466,575	360,744
Other allowances	474,400	326,455
Contributory provident fund	325,490	265,309
Bonus to employees	617,410	434,566
	7,202,135	5,714,313
17 Rent, taxes, insurance, electricity, etc.		
Electric fittings and fixtures	6,951	2,194
Insurance	61,092	1,005
Lighting	178,494	192,559
	246,537	195,758



	2017 Taka	2016 Taka
18 Legal Expenses		
Lawyer Charges	5,750	-
Court fees and other expenses	-	-
	<u>5,750</u>	<u>-</u>
19 Postage, stamp, telecommunication, etc.		
Postage	3,989	2,841
Telephone (office)	29,135	22,719
Telephone (res)	6,300.00	-
	<u>39,424</u>	<u>25,560</u>
20 Stationery, printing, advertisement, etc.		
Table stationery	16,949	18,779
Computer Stationery	32,053	31,209
Consumption of books and forms	65,869	53,450
Printing and Stationery	-	-
Advertisement	-	-
	<u>114,871</u>	<u>103,438</u>
21 Depreciation repair and maintenance of fixed assets		
Repairs to fixed assets	21,840	2,625
Depreciation on fixed assets	323,887	371,760
Maintenance of Bank Premises	125,052	82,502
	<u>470,779</u>	<u>456,887</u>
22 Other expenses		
Newspapers	8,683	6,440
Travelling	201,993	11,096
Sub-ordinate staff clothing	12,695	5,969
Conveyance	10,312	22,093
Entertainment	56,490	20,660
Carrying Expenses	470	530
Employees recreation (Lunch subsidy)	345,600	318,155
Overtime	-	1,500
House maintenance	240,000	157,500
Security and Auxiliary Service	158,262	139,806
Miscellaneous	24,809	26,954
	<u>1,059,314</u>	<u>710,703</u>
23 Cash payments for other operating activities		
Rent, tax, Insurance, Lighting etc.	246,537	195,758
Legal expenses	5,750	-
Repairing Expenses	146,892	85,127
Other Expenses	1,059,314	710,703
	<u>1,458,493</u>	<u>991,588</u>
24 Increase/(decrease) of other assets		
Closing other Assets		
Stationery and Stamps	76,075	73,931
Accrued income on investments	3,756,000	4,884,387
Pubali Bank Adjustment A/C	342,136,160	-
Suspense account	-	-
	<u>345,968,235</u>	<u>4,958,318</u>
Opening other Assets		
Stationery and Stamps	73,931	40,881
Accrued income on investments	4,884,387	3,984,000
Pubali Bank Adjustment	-	124,756,648
Suspense account	-	1,000
	<u>4,958,318</u>	<u>128,782,529</u>
	<u>(341,009,917)</u>	<u>123,824,211</u>
25 Cash and cash equivalents at the end of the year		
Cash in hand (including foreign currencies)	3,362,449	5,605,687
Balance with Bangladesh Bank and its agent bank(s)	69,692,848	65,470,792
Balance with other banks and financial institutes	268,257,756	1,117,702,120
	<u>341,313,053</u>	<u>1,188,778,599</u>



Pubali Bank Limited
Off-shore Banking Unit
Balance Sheet as at 31 December 2017

	Notes	2017		2016
		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	3,508,618.50	290,162,750	119,779,763
In Bangladesh		-	-	-
Outside Bangladesh		3,508,618.50	290,162,750	119,779,763
Loans, Advances and Leases	5	139,726,313.28	11,555,366,108	7,799,147,314
Loans, cash credits and overdrafts, etc.		2,582,275.10	213,554,151	78,227,369
Bills purchased and discounted		137,144,038.18	11,341,811,957	7,720,919,945
Fixed Assets including premises, furniture & fixtures	6	-	-	-
Other assets	7	1,839,831.99	152,154,107	94,568,473
Non-banking Assets		-	-	-
Total Assets		<u>145,074,763.77</u>	<u>11,997,682,965</u>	<u>8,013,495,550</u>
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other Banks, Financial Institutions & Agents	8	141,709,269.21	11,719,356,564	7,866,552,419
Deposits and other accounts	9	-	-	-
Current accounts & other accounts		-	-	-
Bills Payable		-	-	-
Savings bank deposits		-	-	-
Term deposits		-	-	-
Other deposits		-	-	-
Other Liabilities	10	918,785.29	75,983,544	42,075,251
Total Liabilities		<u>142,628,054.50</u>	<u>11,795,340,108</u>	<u>7,908,627,670</u>
Capital / Shareholders' Equity				
Paid up Capital		-	-	-
Statutory Reserve		-	-	-
Retained earnings		-	-	-
Foreign currency translation reserves		-	5,504,849	-
Profit and Loss account surplus		2,446,709.27	196,838,008	104,867,880
Total Shareholders' Equity		<u>2,446,709.27</u>	<u>202,342,857</u>	<u>104,867,880</u>
Total Liabilities and Shareholders' Equity		<u>145,074,763.77</u>	<u>11,997,682,965</u>	<u>8,013,495,550</u>
		-	-	-



Pubali Bank Limited
Off-shore Banking Unit
Profit & Loss Account for the year ended 31 December 2017

	Notes	2017		2016
		USD	Taka	Taka
Operating Income				
Interest income	11	6,418,483.56	516,367,645	249,640,362
Interest paid on deposits, borrowings, etc.	12	(4,052,785.89)	(326,047,030)	(147,305,472)
Net Interest Income		2,365,697.67	190,320,615	102,334,890
Commission, exchange and brokerage		-	-	-
Other operating income	13	199,113.13	16,018,672	10,266,919
Total Operating Income		2,564,810.80	206,339,287	112,601,809
Operating Expenses				
Salaries and allowances	14	91,376.56	7,351,253	5,460,400
Rent, taxes, insurance, electricity, etc.		-	-	-
Legal expenses		-	-	-
Postage, stamp, telecommunication, etc.		-	-	-
Stationery, printing, advertisements, etc.		-	-	-
Auditors' fees		-	-	-
Charges on loan losses		-	-	-
Depreciation and repair of bank's assets		-	-	-
Other expenses	15	26,724.97	2,150,026	2,273,529
Total Operating Expenses		118,101.53	9,501,279	7,733,929
Profit/(Loss) before Provision		2,446,709.27	196,838,008	104,867,880
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		2,446,709.27	196,838,008	104,867,880
Provision for current tax		-	-	-
Provision for deferred tax		-	-	-
Total Provision for taxes		-	-	-
Net Profit/(loss) after Taxation		2,446,709.27	196,838,008	104,867,880



Pubali Bank Limited
Off-shore Banking Unit
Cash Flow Statement for the year ended 31 December 2017

Notes	2017		2016
	USD	Taka	Taka
A) Cash flows from operating activities			
Interest receipts in cash	6,418,483.57	516,367,645	128,645,548
Interest payments	(4,052,785.89)	(326,047,030)	(80,602,104)
Receipts from other operating activities	199,113.11	16,018,672	8,013,408
Cash payments for other operating activities	(118,101.52)	(9,501,279)	(7,452,915)
Operating profit before changes in operating assets & liabilities	2,446,709.27	196,838,008	48,603,937
Increase/ (Decrease) in operating assets and liabilities			
Loans and advances to customers (other than banks)	(40,629,371.72)	(3,756,218,794)	(5,139,351,758)
Other assets	(638,233.14)	(57,585,634)	(1,206,549)
Other liabilities	384,171.88	33,908,293	-
Total Increase/(decrease) in operating assets and liabilities	(40,883,432.98)	(3,779,896,135)	(5,140,558,307)
Net cash from /(used in) operating activities	(38,436,723.71)	(3,583,058,127)	(5,091,954,370)
B) Cash flows from investing activities	-	-	-
C) Cash flows from financing activities			
Borrowings from other Banks, Financial Institutions & Agents.	41,755,869.95	3,852,804,145	5,209,054,765
Profit transferred to Central Operation.	(1,332,464.40)	(104,867,880)	-
	40,423,405.55	3,747,936,265	5,209,054,765
D) Net increase/(decrease) in cash and cash equivalents (a+b+c)	1,986,681.56	164,878,138	117,100,395
E) Effects of exchange rate changes on cash and cash equivalents	-	5,504,849	-
F) Cash and cash equivalents at beginning period	1,521,936.94	119,779,763	2,679,368
G) Cash and cash equivalents at end of period (D+E+F)	3,508,618.50	290,162,750	119,779,763



PUBALI BANK LIMITED
Notes to the financial statements for the year ended 31 December 2017

1 Status of the unit

The Bank obtained the Off-shore Banking Unit ("the Unit") permission vide letter No. BRPD (P-3) 744 (108)/2010-93 dated January 13,2010. The Bank commenced operation from January 22, 2015. The Off-shore Banking Unit is governed under the rules and guidelines of the Bangladesh Bank. The Bank has two Units. One is located at 26 Dilkusha C/A,(Pubali Bank Ltd., Head Office Building- 1st floor) Dhaka and the other unit is located at 99 Agrabad C/A (Sattar Chamber-Ground Floor), Chittagong.

1.1 Principal Activities

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

2 Significant accounting policies and basis of preparation of financial statements

2.1 Basis of Preparation

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

2.2 Foreign Currency

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

	2017		2016
	USD	Taka	Taka
3 Cash			
Cash In hand (Including foreign currency)			
In local currency	-	-	-
In foreign currencies	-	-	-
	-	-	-
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)			
Bangladesh Bank			
In local currency	-	-	-
In foreign currencies	-	-	-
	-	-	-
4 Balance with other banks and financial institutions			
In Bangladesh (Note 4.1)	-	-	-
Outside Bangladesh (Note 4.2)	3,508,618.50	290,162,750	119,779,763
	<u>3,508,618.50</u>	<u>290,162,750</u>	<u>119,779,763</u>
4.1 In Bangladesh	-	-	-
4.2 Outside Bangladesh			
Current A/c (Nostro)			
Mashreq Bank NY, USD	3,428,831.75	283,564,386	118,415,709
Mashreq Bank Mumbai, India-ACUD	79,786.75	6,598,364	1,364,054
	<u>3,508,618.50</u>	<u>290,162,750</u>	<u>119,779,763</u>
5 Loans, advances and leases			
Loans, cash credits and overdrafts, etc. (note 5.1)	2,582,275.10	213,554,151	78,227,369
Bills purchased and discounted (note 5.2)	137,144,038.18	11,341,811,957	7,720,919,945
	<u>139,726,313.28</u>	<u>11,555,366,108</u>	<u>7,799,147,314</u>



5.1 Loans, cash credits, overdrafts, etc.

In Bangladesh

Loans
Cash credits
Overdrafts

2017		2016
USD	Taka	Taka
2,582,275.10	213,554,151	78,227,369
-	-	-
-	-	-
2,582,275.10	213,554,151	78,227,369

Outside Bangladesh

-	-	-
-	-	-
2,582,275.10	213,554,151	78,227,369

5.2 Bills purchased and discounted

Payable in Bangladesh

Export Bill Discounting
Loans against demand draft purchased

26,534,600.00	2,194,411,420	867,051,906
-	-	-
26,534,600.00	2,194,411,420	867,051,906

Payable outside Bangladesh

Discounting -UPAS
Foreign drafts purchased

110,609,438.18	9,147,400,537	6,853,868,039
-	-	-
110,609,438.18	9,147,400,537	6,853,868,039
137,144,038.18	11,341,811,957	7,720,919,945

5.3 Classification of Investments including bills purchased and discounted

Unclassified

Standard
Special mention account (SMA)

139,726,313.28	11,555,366,108	7,799,147,314
-	-	-
139,726,313.28	11,555,366,108	7,799,147,314

Classified

Substandard (SS)
Doubtful (DF)
Bad or loss (BL)

-	-	-
-	-	-
-	-	-
-	-	-
139,726,313.28	11,555,366,108	7,799,147,314

Staff loan

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

5.4 Particulars of required provision for Investments

Status of Classification

General provision - Unclassified
Standard (others)
Standard (SMEF)

Base for Provision	Rate of Provision (%)
10,719,328,278	1
836,037,830	0.25

107,193,283	75,749,193
2,090,095	560,570
109,283,378	76,309,763

Specific provision - Classified

Substandard (SS)
Doubtful (DF)
Bad/Loss (BL)

-	20
-	50
-	100

-	-
-	-
-	-

Required provision
Provision maintained by head office
Excess provision

109,283,378	76,309,763
109,283,378	76,309,763
-	-

6 Fixed Assets including premises, furniture & Fixture

Cost

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

Less: Accumulated Depreciation

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

Net book value at the end of the year

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

As per decision of the 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 cutoff date will be decided by bank's senior management.



	2017		2016
	USD	Taka	Taka
7 Other Assets			
Income generating other assets			
Interest on EBD	150,281.65	12,428,293	3,184,897
Interest on UPAS Bill	1,689,550.34	139,725,814	90,177,027
Prepaid expenses	-	-	1,206,549
	1,839,831.99	152,154,107	94,568,473
8 Borrowings from other Banks, Financial Institutions and Agents			
Parents Bank-Pubali Bank Limited	21,169,276.03	1,750,699,128	2,228,351,209
Others Banks & Financial Institutions	120,539,993.18	9,968,657,436	5,638,201,210
	141,709,269.21	11,719,356,564	7,866,552,419
9 Deposits and other accounts			
Inter-bank deposits	-	-	-
Other deposits	-	-	-
	-	-	-
10 Other Liabilities			
Interest payable to :			
Parent bank borrowing	59,077.07	4,885,674	8,910,854
Others Banks & Financial Institutions	859,708.22	71,097,870	33,164,397
	918,785.29	75,983,544	42,075,251
11 Interest income			
Interest on EBD	715,346.60	57,549,706	14,391,424
Interest on UPAS Bill	5,666,616.60	455,879,872	228,803,049
Interest on Term loan	36,520.36	2,938,067	2,722,619
Interest on Finance to other financial Institution	-	-	3,723,270
	6,418,483.56	516,367,645	249,640,362
12 Interest paid on deposits, borrowings, etc.			
Interest on Borrowings from Parent Bank	890,706.22	71,657,404	69,799,851
Interest on Borrowings from other banks & Financial Institutions	3,162,079.67	254,389,626	77,505,621
	4,052,785.89	326,047,030	147,305,472
13 Other operating income			
Rebate received from Nostro A/C	47,723.50	3,839,360	2,713,494
Reimbursement fee received	97,828.03	7,870,275	5,031,237
Overdue interest	29,490.20	2,372,490	2,282,418
AIP received from Nostro A/C	24,071.40	1,936,547	239,770
	199,113.13	16,018,672	10,266,919
14 Salaries and allowances			
Basic salary	39,271.42	3,159,390	2,650,326
House rent allowances	23,086.86	1,857,340	1,528,006
Medical allowances	4,731.53	380,652	299,101
Other allowances	3,376.93	271,674	264,854
Contributory provident fund	3,937.44	316,767	262,144
Bonus to employees	16,972.38	1,365,430	455,969
	91,376.56	7,351,253	5,460,400
15 Other expenses			
Bank charges of Nostro A/C (Mashreq Bank)	14,140.10	1,137,572	1,442,570
House maintenance	4,847.82	390,008	355,655
Car allowance	4,671.53	375,825	324,647
Entertainment	681.27	54,808	-
Employees recreation (Lunch subsidy)	2,384.25	191,813	150,657
	26,724.97	2,150,026	2,273,529



**AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
PUBALI BANK SECURITIES LIMITED**

We have audited the accompanying financial statements of Pubali Bank Securities Limited ("the Company") which comprise the statement of financial position as at 31 December 2017, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act, 1994, the Securities and Exchange Rules 1987 and conditions and regulations issued by Bangladesh Securities and Exchange Commission and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements, referred to as above, exhibit a true and fair view of the state of affairs of the Pubali Bank Securities Limited as at 31 December 2017 and of its operational results for the year then ended comply with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 1987, conditions and regulations issued by the Bangladesh Securities and Exchange Commission and other applicable laws and regulations.

We also report that:

- we have obtained all the material information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- the company's 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.

Place: Dhaka, Bangladesh
Dated: 06 March 2018



K. M. Hasan
K. M. HASAN & CO.
Chartered Accountants



Annexure-G(i)

Pubali Bank Securities Limited
Statement of Financial Position
as at 31 December 2017

	Notes	2017	2016
Non-Current Assets (A)			Restated
Fixed assets	5	1,712,068	1,905,930
Intangible assets	5	87,500	280,000
Investment in securities (DSE & CSE shares)	8.2	16,000,000	16,000,000
Deferred tax assets	17	341,280	3,679,510
		18,140,848	21,865,440
Current Assets (B)			
Advances, deposits and prepayments	6	863,500	999,500
Advance income tax	7	79,450,486	84,648,491
Investment in securities (Own Portfolio)	8.1	6,077,913,686	6,123,048,042
Accounts receivable	9	154,041,856	61,229,918
Loan to customers		609,010,224	598,828,710
Cash and cash equivalents	10	1,105,272,867	372,333,256
		8,026,552,619	7,241,087,917
Total Assets (A+B)		8,044,693,467	7,262,953,357
Equity and Liabilities			
Capital and reserves (C)			
Share capital	3.1	3,600,000,000	3,600,000,000
Preference share capital	3.2	3,000,000,000	3,000,000,000
Retained earnings	4	(373,201,895)	(711,545,626)
Total Equity		6,226,798,105	5,888,454,374
Non Current Liabilities (D)			
Secured overdraft	12	-	-
Current Liabilities (E)			
Accounts payable	11	537,646,006	65,657,568
Provision for investment and clients' margin loan	13	1,172,454,364	1,132,308,527
Provision for expenses	14	351,456	295,700
Provision for taxation	15	107,443,536	114,732,188
Payable for IPO fund	16	-	61,505,000
		1,817,895,362	1,374,498,983
Total Liabilities [F = (D+E)]		1,817,895,362	1,374,498,983
Total Equity and Liabilities [G= (F+C)]		8,044,693,467	7,262,953,357



Pubali Bank Securities Limited
Statement of Profit or Loss and other Comprehensive Income
for the year ended 31 December 2017

	Notes	Amount in Taka	
		2017	2016
Operating income			
Revenue from brokerage commission		60,654,544	45,928,208
Interest income	18	33,037,637	22,800,139
Capital gain from investment in securities		236,915,104	24,774,735
Dividend income		158,874,723	126,926,402
Other operating income	19	9,561,532	5,646,856
Total operating income (A)		499,043,540	226,076,340
Direct expenses	20	7,554,964	6,352,420
Operating expenses	21	36,227,010	40,261,352
Total operating expenses (B)		43,781,974	46,613,772
Operating profit before provision (C=A-B)		455,261,566	179,462,568
Provision for diminution in value of investment (D)	13.1	-	(59,349,859)
Provision for impairment of clients' margin loan (E)	13.2	(40,145,837)	(18,463,446)
Operating profit before taxation (F=C-D-E)		415,115,729	101,649,263
Current tax expense (G)	15.1	(73,433,768)	(41,082,764)
Deferred tax expense (H)	17	(3,338,230)	(1,496,551)
Net profit after tax (I=F-G-H)		338,343,731	59,069,948
Other comprehensive income			
Decrease of investment revaluation reserve			(84,170,706)
Total comprehensive income		338,343,731	(25,100,758)

These financial statements should be read conjunction with annexed notes



Annexure-G(iii)

Pubali Bank Securities Limited
Statement of Cash Flow
for the year ended 31 December 2017

	Amounts in Taka	
	2017	2016
A) Cash flows from operating activities		
Net profit after tax during the year	338,343,731	59,069,948
Add: Amount considered as non-cash items		
Depreciation & amortization charged	795,593	1,072,345
Provision for investment & clients margin loan	40,145,837	77,813,305
Deferred tax expense	3,338,230	1,496,551
Provision for tax	(7,288,652)	13,540,638
	36,991,008	93,922,839
Changes in working capital		
(Increase)/decrease in advances, deposits and prepayments	136,000	(46,000)
(Increase)/decrease in advance income tax	5,198,005	(10,490,023)
(Increase)/decrease in investments in securities	45,134,356	(43,937,419)
(Increase)/decrease in accounts receivable	(92,811,938)	(48,902,542)
(Increase)/decrease revenue stamp payable	-	(3,650)
Increase/(decrease) payable to SWF	-	(2,099)
Increase/(decrease) security deposit	(74,700)	(73,000)
(Increase)/decrease Sundry deposit	-	-
(Increase)/decrease in Loans to customers	(10,181,514)	95,985,512
Increase/(decrease) in accounts payable	410,558,138	(203,794,943)
Increase/(decrease) in provision for expenses	55,756	(111,930)
Increase/(decrease) secured overdraft	-	(2,128,090,596)
	358,014,103	(2,339,466,690)
Net cash from/(used in) operating activities	733,348,842	(2,186,473,903)
B) Cash flows from investing activities		
Fixed assets acquisition	(409,231)	(284,245)
Net cash used in investing activities	(409,231)	(284,245)
C) Cash flows from financing activities		
Issue of Ordinary share capital	-	2,000,000,000
Net cash flows from financing activities	-	2,000,000,000
D) Net cash increase / (decrease)	732,939,611	(186,758,148)
E) Cash and cash equivalent at the beginning of the Year	372,333,256	559,091,404
F) Cash and cash equivalents at the end of the Year	1,105,272,867	372,333,256



Annexure-G(iv)

Pubali Bank Securities Limited
Statement of Changes in Equity
For the year ended 31 December 2017

Particulars	Ordinary Share Capital	Preference Share Capital	Retained Earnings	Total
Balance as at January 1, 2017	3,600,000,000	3,000,000,000	(711,545,626)	5,888,454,374
Net Profit after tax for the year	-	-	338,343,731	338,343,731
Balance as at 31 December 2017	3,600,000,000	3,000,000,000	(373,201,895)	6,226,798,105
Balance as at 31 December 2016	3,600,000,000	3,000,000,000	(711,545,626)	5,888,454,374



Pubali Bank Securities Limited
Notes to the financial statements for the year ended 31 December 2017

1 Status of the Company

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

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

2 Significant accounting policies

2.1 Basis of preparation of financial statements

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

The Company changed its accounting policy for subsequent measurement of investment in DSE and CSE shares at cost price as these have not a quoted market price in an active market and its fair value can not be reliably measured. This indicates mistakes undertaken in applying accounting policy. This accounting error resulted restatements of financial statements.

Previously, the company classified investment in DSE and CSE shares as available for sale financial asset, measured at face value and the gain was recognised in other comprehensive income.

For correcting accounting policy/(error) for investment in DSE and CSE shares, investment in DSE and CSE shares, investment revaluation reserve and deferred tax liabilities have changed for comparative figure and all the related balance for comparative figures have been restated.

The Company follows accounting policy for measurement of investment in marketable securities at fair value through profit or loss as per BAS 39: Financial Instrument Recognition and measurement as these are acquired or held for trading purposes in dealer account.

For measuring at fair value through profit or loss in investment in marketable securities, the net profit after tax, have been correctly stated in profit and loss account.

The following tables summaries the adjustments made to the balance sheet on implementation of the new accounting polices:

Particulars	Investment in DSE & CSE shares	Reserve against Investment Revaluation	Deferred Tax Liabilities/(Assets)
	TAKA	TAKA	TAKA
Balance as at 1 January 2016, as previously reported	115,024,360	84,170,706	9,677,593
Impact of the change in accounting policy	(99,024,360)	(84,170,706)	(14,853,654)
Restated balance as at 1 January 2016	16,000,000	-	(5,176,061)

Particulars	Investment in DSE & CSE shares	Reserve against Investment Revaluation	Deferred Tax Liabilities/(Assets)
	Taka	Taka	Taka
Balance as at 31 December 2016, as previously reported	115,024,360	84,170,706	11,174,144
Impact of the change in accounting policy	(99,024,360)	(84,170,706)	(14,853,654)
Restated balance as at 31 December 2016	16,000,000	-	(3,679,510)



2.5 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 Flows and
- e) Notes to the Financial Statements

2.6 Statement of cash flows

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

2.7 Reporting period

These financial statements cover period from 1 January 2017 to 31 December 2017.

2.8 Share capital

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

2.9 Property, plant and equipment

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

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

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

2.10 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 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.

2.11 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 transaction 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 BAS-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 BAS 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 Bangladesh Accounting Standard (BAS) 18 "Revenue Recognition":

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/CMRRCD/2009-193/203 dated 28 December 2017 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# 13.

2.21 Related Party Disclosures

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

2.21.1 Particulars of Directors and Shareholders and their shareholdings

Name of the directors	Designation	Number of Share holding as 31 December 2017
Mr. Moniruddin Ahmed	Chairman	1
Mr. Ahmed Shafi Choudhury	Director	1
Mr. Habibur Rahman	Director	1
Mr. Mustafa Ahmed	Director	1
Mr. Azizur Rahman	Director	1
Mr. Muhammed Kabiruzzaman Yaqub	Director	1
Ms. Rana Laila 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. Md. Abdul Halim Chowdhury (Nominated by Pubali Bank Limited)	Director	NILL
Mr. Shahdeen Malik	Independent Director	NILL
Mr. Giashuddin Ahmed	Shareholder	1
Ms. Rumana Sharif	Shareholder	1
Pubali Bank Limited	Shareholder	Ordinary:35,999,987 Preference:30,000,000



2.21.2 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	3.26%
Mr. Ahmed Shafi Choudhury	Director	Nominee Director	Pubali Bank Limited	2.02%
Mr. Habibur Rahman	Director	Chairman	Pubali Bank Limited	2.00%
Mr. Muhammed Kabiruzzaman Yaqub	Director	Director	Pubali Bank Limited	2.00%
Mr. Azizur Rahman	Director	Vice Chairman	Pubali Bank Limited	2.17%
Mr. Shahdeen Malik	Independent Director	Independent Director	Pubali Bank Limited	-
Mr. Md. Abdul Halim Chowdhury (Nominated by Pubali Bank Limited),	Director	Managing Director & CEO	Pubali Bank Limited	-
Mr. Mustafa Ahmed	Director	-	Not Applicable	-
Ms. Rana Laila Hafiz	Director	Director	Pubali Bank Limited	2.00%
Mrs. Ayesha Farha Chowdhury	Director	-	Not Applicable	-
Mr. Rezwan Rahman	Director	-	Not Applicable	-
Mr. Zeyad Rahman	Director	-	Not Applicable	-
Mr. Ahmed Salah Sater	Director	-	Not Applicable	-

2.21.3 Related Party Transactions

Name of the related Party	Related to	Nature of instrument	Balance in Taka	
			As on 31.12.2017	As on 31.12.2016
Pubali Bank Limited, Foreign Exchange Branch	Parent Company	Different Types of Deposits	1,105,272,867	372,333,256

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

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.

3 Share capital

Authorized capital

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

Issued, subscribed and paid-up capital

3.1 Ordinary Share capital

Paid-up Capital 36,000,000 shares of Tk. 100/- each, fully paid.

3.2 Preference Share capital

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.

8 years Redemption call/ Convertible Option

Upto year 3	No Redemption
Year End 4	20% of 300 crore
Year End 5	20% of 300 crore
Year End 6	20% of 300 crore
Year End 7	20% of 300 crore
Year End 8	20% of 300 crore

Amount in Taka	
2017	2016

7,000,000,000 7,000,000,000

3,600,000,000 3,600,000,000

3,000,000,000 3,000,000,000



		Amount in Taka	
		2017	2016
4	Retained earnings		
	Balance at the beginning of the year	(711,545,626)	(770,615,574)
	Add: Net profit during the year	338,343,731	59,069,948
	Balance as at the end of the year	(373,201,895)	(711,545,626)
5	Fixed assets		
	Furniture and fixtures	2,325,434	2,218,978
	Computer and computer accessories	3,125,230	2,924,405
	Machinery & equipment	2,044,437	1,967,487
		7,495,101	7,110,870
	Accumulated depreciation [Annexure- G (Vi)]	(5,783,033)	(5,204,940)
		1,712,068	1,905,930
	Intangible assets		
	Back office software-Broker	725,000	700,000
	Accumulated amortization [Annexure- G (Vi)]	(637,500)	(420,000)
		87,500	280,000
6	Advances, deposits and prepayments		
	Balance at the beginning of the year	999,500	953,500
	Add: Advances made during the year	2,317,100	7,757,025
	Less: Adjustment made during the year	(2,453,100)	(7,711,025)
	Balance at the end of the year	863,500	999,500
7	Advance income tax		
	Balance at the beginning of the year	84,648,491	74,158,468
	Advance income tax deducted by DSE on transaction (Broker)	7,418,736	5,393,843
	Advance income tax deducted by DSE on transaction (Dealer)	1,903,184	455,992
	Advance income tax deducted by CSE on transaction (Broker)	387,349	347,192
	Advance income tax deducted by CSE on transaction (Dealer)	16,683	5,809
	Advance income tax paid in cash assessment year 2012-2013	-	5,868,779
	Advance income tax paid in cash assessment year 2016-2017	11,758,753	4,481,541
	Advance income tax paid in cash assessment year 2014-2015	11,997,002	-
	Advance income tax paid in cash assessment year 2017-2018	13,857,736	-
	Advance income tax deducted by bank on interest income	855,936	294,958
	Advance income tax deducted on dividend	27,329,036	21,184,035
		160,172,906	112,190,617
	Less: Adjustment made during the year		
	Adjustment made for the year 2011	-	27,542,126
	Adjustment made for the year 2014	49,013,337	-
	Adjustment made for the year 2015	31,709,083	-
		79,450,486	84,648,491
8	Investment in securities		
	Investment in securities (Own Portfolio) (8.1)	6,077,913,686	6,123,048,042
	Investment in securities (DSE & CSE Shares) (8.2)	16,000,000	16,000,000
		6,093,913,686	6,139,048,042



8.1 Investment in securities (Own Portfolio)

AB Bank Ltd.
Al-Arafah Islami Bank Ltd.
Bank Asia Ltd.
The City Bank Ltd.
Dhaka Bank Ltd.
Eastern Bank Ltd.
Exim Bank Ltd.
IFIC Bank Ltd.
Islami Bank Ltd.
Mercantile Bank Ltd.
Mutual Trust Bank Ltd.
National Bank Ltd.
NCC Bank Ltd.
The Premier Bank Ltd.
Prime Bank Ltd.
Shahjalal Islami Bank Ltd.
Social Islami Bank Ltd.
Southeast Bank Ltd.
Standard Bank Ltd.
Trust Bank Ltd.
United Commercial Bank Ltd.
Uttara Bank Ltd.
Delta Brac Housing Finance Corp. Ltd.
First Lease Finance and Investment Ltd.
FAS Finance & Investment Ltd.
IDLC Finance Ltd.
International Leasing & Financial Serv. Ltd.
Lankabangla Finance Ltd.
United Finance Ltd.
Union Capital Ltd.
AIBL 1st Islamic Mutual Fund
DBH First Mutual Fund
EBL First Mutual Fund
Grameen One : Scheme Two
Green Delta Mutual Fund
MBL 1st Mutual Fund
PHP First Mutual Fund
Prime Bank 1st ICB AMCL Mutual Fund
Reliance One
Atlas Bangladesh Ltd.
Bangladesh Building Systems Ltd
BSRM Steels Ltd.
Deshbandhu Polymer Ltd.
GPH Ispat Ltd.
Golden Son Ltd.
Oimex Electrode Limited
S. Alam Cold Rolled Steels Ltd.
Navana CNG Ltd.
Rangpur foundry Ltd.
Singer Bangladesh Limited
Yeakin polymer Ltd.
Amcl (Pran) Ltd.
British American Tobacco Bangladesh Ltd.
Olympic industries Ltd.
Dhaka Electric Supply Company Ltd.
Khulna Power Company Ltd.
Energyprima Ltd.
Linde BD
Meghna Petroleum Ltd.
Padma Oil Company Ltd.
Sub total B/F

Amount in Taka	
2017	2016
89,898,718	89,898,718
26,782,085	-
-	14,042,342
-	49,363,681
-	49,642,895
-	9,956,521
-	41,633,730
3,044,670	18,897,744
26,124,701	3,353,522
25,237,204	39,844,689
-	6,998,414
52,934,160	109,009,433
32,213,150	32,213,150
6,634,718	39,003,825
108,586,937	61,354,625
27,055,445	52,585,211
-	3,471,338
17,442,844	139,790,290
-	11,815,500
-	6,892,894
-	50,977,677
24,759,658	33,742,909
29,920,262	87,891,810
-	2,712,200
-	1,295,578
-	94,098,075
49,644,449	76,825,919
11,457,459	9,021,239
27,082,416	6,998,502
16,107,188	16,107,187
50,000,000	50,000,000
30,784,857	30,784,857
1,625,463	1,625,463
24,387,729	20,375,605
71,200,865	71,200,865
50,000,000	50,000,000
50,000,000	50,000,000
5,977,600	5,977,600
1,244,950	-
113,543,620	113,543,619
71,495,210	-
201,153,596	201,153,596
7,002,863	7,002,863
50,427,316	-
26,883,401	26,883,401
64,800	-
68,665	-
129,094,550	129,094,550
55,734,565	886,026
71,983,613	-
-	2,591
36,538,976	28,466,125
176,698,610	199,656,809
212,581,855	14,007,581
166,378,214	64,458,682
261,860,408	261,860,408
47,500,000	47,500,000
201,700,646	52,365,450
110,370,785	138,382,255
-	24,916,085
2,801,229,221	2,749,584,049



Sub total C/F

Power Grid Company of Bangladesh Ltd.
Summit Power Ltd.
Titas Gas Transmission & Dist. Co. Ltd.
MJL Bangladesh Limited
Shahjibazar Power Co. Ltd.
United Power Generation & Distribution Company Ltd.
Apex Weaving & Finishing Mills Ltd.
Envoy Textiles Ltd.
Familytex (BD) Ltd.
Generation Next Fashions Ltd.
Malek Spinning Mills Ltd.
Metro Spinning Ltd.
Rnspin Ltd.
Square Textile
Tallu spin Ltd.
ACI Ltd.
Aci Formula Ltd.
Acme lab Ltd.
Beximco Pharma Ltd.
Active Fine Chemicals Ltd.
Keya Cosmetics Ltd.
Beacon Pharmaceuticals Ltd.
Square Pharmaceuticals Ltd.
Renata Ltd.
Marico Bangladesh Limited
Summit Alliance Port Limited
Confidence Cement Ltd.
Meghna Cement Ltd.
M.I. Cement Factory Ltd.
Lafarge Surma Cement Ltd.
Heidelberg Cement Bd. Ltd.
Premier Cement Ltd.
Grameen phone Ltd.
Bangladesh Submarin Cable Ltd.
Intech Online Ltd.
Bangladesh General Insurance Company Ltd.
Continental Insurance Ltd.
Delta Life Insurance Ltd.
Fareast Islami Life Insurance Co. Ltd.
Green Delta Insurance Ltd.
Meghna Life Insurance Co. Ltd.
National Life Insurance Ltd.
Nitol Insurance Co. Ltd.
Pioneer Insurance Ltd.
Pragati Insurance Ltd.
Prime Islami Life Insurance Ltd.
Progressive Life Insurance Co. Ltd.
Reliance Insurance Ltd.
Unique Hotel & Resorts Ltd.
United Airways (BD) Ltd.
Amanfeed co Ltd.
Bangladesh Export Import Company Ltd.
Bata shoe Co. Ltd.
Berger paints Bangladesh Ltd.
Bangladesh Shipping Company Ltd.
Jute Spinn Ltd.
Fortune Shoes Ltd.
Pasific Denims Ltd (IPO)
Aman Cotton Fibrous Ltd (IPO)
Bashundhara Paper Mills Ltd(IPO)
Total

Amount in Taka	
2017	2016
2,801,229,221.00	2,749,584,049
24,517,626	-
111,955,571	71,132,507
122,242,280	122,242,280
237,822,447	-
16,949,665	-
22,253,655	-
6,501,134	6,501,134
105,330,871	108,484,124
-	3,354,800
2,431,497	1,298,780
101,086,724	101,086,724
43,562,454	67,126,678
-	33,345,608
42,498,748	833,559
11,499,880	13,018,280
210,479,735	493,009,234
40,043,850	105,602,777
-	742,000
-	19,091,182
162,134,377	167,872,921
-	34,548,126
15,429,400	15,429,400
408,446,435	572,526,061
60,298,849	31,586,429
6,894,969	-
105,315,572	9,202,890
17,235,495	3,537,936
114,426,945	114,426,945
43,759,721	40,807,707
481,735,613	481,735,613
151,402,959	28,124,850
48,868,190	48,868,190
2,883,625	33,412,773
34,753,918	19,276,488
6,374,701	6,374,701
27,078,751	27,078,751
4,777,350	4,777,350
137,972,336	296,318,156
2,366,120	2,322,515
3,818,258	3,405,850
13,534,690	9,174,845
796,326	-
4,503,249	-
4,393,750	4,393,750
2,330,955	2,330,955
5,242,846	3,023,110
-	452,080
912,050	912,050
129,903,250	129,903,250
55,319,455	73,036,586
-	8,565,520
21,614,609	21,614,609
5,366,885	863,485
92,903,199	-
-	325,432
-	342,122
-	22,880
-	30,000,000
1,255,400	-
3,458,080	-
6,077,913,686	6,123,048,042



8.2 Investment in securities (DSE & CSE Shares)
Shares in Dhaka Stock Exchange Ltd.*
Shares in Chittagong Stock Exchange Ltd.*
Total Cost price

Amount in Taka	
2017	2016
8,000,000	8,000,000
8,000,000	8,000,000
16,000,000	16,000,000

* This represents total cost value of the shares allotted by DSE and CSE in favor of the company against the DSE and CSE memberships. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange Ltd. (DSE) allotted total 72,15,106 ordinary Shares at face value of Tk.10.00 each and a Trading Right Entitlement Certificate(TREC), and Chittagong Stock Exchange Ltd. (CSE) allotted total 42,87,330 ordinary Shares at face value of Tk.10.00 and a Trading Right Entitlement Certificate(TREC) in favor of the company against the membership of DSE and CSE respectively. Out of the above DSE transferred 2,886,042 shares and CSE transferred 1,714,932 shares directly to the credit of the Beneficiary Owner's account of the company. The rest shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act, 2013. As there is no active market for DSE shares, we have shown the value at original cost of our investment.

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

9 Accounts receivable

Receivable from DSE (Broker)
Receivable from DSE (Dealer)
Receivable from CSE (Broker)
Receivable from CSE (Dealer)
Dividend income receivable
Receivable from clients

30,425,361	6,425,067
63,506,564	22,923,185
5,158,668	200,218
1,620,330	-
48,236,838	26,207,296
5,094,095	5,474,152
154,041,856	61,229,918

10 Cash and cash equivalent

Cash in hand
Cash at bank :

Current account:

Pubali Bank Ltd. A/C-3555901034012 Securities Trading Division
Pubali Bank Ltd. A/C-3555901034027 Customers Security Deposit
Pubali Bank Ltd. A/C-3555901034031 Other Income
Pubali Bank Ltd. A/C-3555102001901 Documentation fee
Pubali Bank Ltd. A/C-565901023491 PBL, STD, Gulshan Branch
Pubali Bank Ltd. A/C-3555901037490 Dealer A/C
Pubali Bank Ltd. A/C-2905901042129 Consolidated customer A/C
Pubali Bank Ltd. A/C-2905901042114 Dealer A/C

205,482	205,466
2,657,700	2,733,160
124,470	96,570
46,516	33,802
-	2,166,500
-	1,279,710
577,003,246	177,763,695
23,057,133	17,303,740
603,094,547	201,582,643

Sub total

Special notice deposit account :

Pubali Bank Ltd. A/C-2905102001105 Public Issue Application A/C
Pubali Bank Ltd. A/C-290510200993 Sundry Deposit A/C
Pubali Bank Ltd. A/C -2905102001047 Income& Expenditure A/C

254,245	61,600,513
410,834	393,617
47,418,241	108,756,483
48,083,320	170,750,613

Sub total

Fixed deposit rate (FDR)

Pubali Bank Ltd.

454,095,000	-
1,105,272,867	372,333,256

Total

11 Accounts payable

Payable to DSE broker
Payable to DSE Dealer
Payable to CSE Dealer
Payable to Pubali Bank
Payable for CDBL
Payable to clients
Security deposit
Payable to software provider
VAT payable
TAX payable
Sundry Payable
Legal fees payable
Auditor's fee payable
Payable to suppliers
Sundry deposits

139,523	680,226
14,668	1,234,527
1,174	-
13,810	13,810
619,802	1,516,202
533,170,749	58,171,602
2,658,920	2,733,620
235,539	235,539
107,471	28,437
319,479	328,460
520	44
120,875	471,625
143,750	143,750
37,150	37,150
62,576	62,576
537,646,006	65,657,568



		Amount in Taka	
		2017	2016
12	Secured overdraft		
	Balance at the beginning of the year	-	2,128,090,596
	Add: Loan taken during the year	-	-
	Less: Repayment of loan during the year	-	(2,128,090,596)
	Balance at the end of the year	-	-
13	Provision for investment and clients' margin loan		
	Provision for diminution in value of investment (13.1)	1,024,308,695	1,024,308,695
	Provision for impairment of clients' margin loan (13.2)	148,145,669	107,999,832
		1,172,454,364	1,132,308,527
13.1	Provision for diminution in value of investment		
	Balance at the beginning of the year	1,024,308,695	964,958,836
	Add: Provision made during the year	-	59,349,859
		1,024,308,695	1,024,308,695
13.2	Provision for impairment of clients' margin loan		
	Balance at the beginning of the year	107,999,832	89,536,386
	Add: Provision made during year	40,145,837	18,463,446
		148,145,669	107,999,832
14	Provision for expenses		
	Provision for rent, tax, insurance, electricity expense (Note-14.1)	94,508	85,340
	Provision for postage, stamp, telecommunication etc. (Note-14.2)	52,464	47,460
	Provision for Stationery, printing, advertisement expenses.(Note-14.3)	1,408	1,408
	Provision for repair of machinery equipment expenses(Note-14.4)	255	255
	Provision for other expenses (Note-14.5)	202,821	161,237
		351,456	295,700
14.1	Provision for rent, tax, insurance, electricity expense		
	Balance at the beginning of the year	85,340	87,207
	Provision made during the year	25,000	25,000
	Settlement during the year	(15,832)	(26,867)
	Balance at the year end	94,508	85,340
14.2	Provision for postage, stamp, telecommunication etc.		
	Balance at the beginning of the year	47,460	52,646
	Provision made during the year	25,000	24,000
	Settlement during the year	(19,996)	(29,186)
	Balance at the year end	52,464	47,460
14.3	Provision for Stationery, printing, advertisement expenses		
	Balance at the beginning of the year	1,408	17,641
	Provision made during the year	-	-
	Settlement during the year	-	(16,233)
	Balance at the year end	1,408	1,408
14.4	Provision for repair of machinery equipment expenses		
	Balance at the beginning of the year	255	255
	Provision made during the year	-	-
	Settlement during the year	-	-
	Balance at the year end	255	255
14.5	Provision for other expenses		
	Balance at the beginning of the year	161,237	249,881
	Provision made during the year	131,675	95,300
	Settlement during the year	(90,091)	(183,944)
	Balance at the year end	202,821	161,237
15	Provision for taxation		
	Balance at the beginning of the year	114,732,188	101,191,550
	Add: Current tax expenses (Note- 15.1)	73,433,768	41,082,764
	Settlement during the year	(80,722,420)	(27,542,126)
	Balance at the end of the year	107,443,536	114,732,188



		Amount in Taka	
		2017	2016
15.1	Current tax expenses		
	Provision made during the year	73,433,768	41,082,764
	Prior year adjustment	-	-
		73,433,768	41,082,764
16	Payable for IPO Fund		
	Balance at the beginning of the year	61,505,000	-
	Provision made during the year		61,505,000
	Settlement during the year	(61,505,000)	
	Balance at the end of the year	-	61,505,000
17	Deferred tax liabilities/(assets)		
	Opening balance	(3,679,510)	9,677,593
	Add: Provision made during the year	3,338,230	1,496,551
	Less: Provision adjusted during the year	-	(14,853,654)
	Balance at the end of the year	(341,280)	(3,679,510)
18	Interest income		
	Interest on margin loan	33,037,637	22,800,139
		33,037,637	22,800,139
19	Other operating income		
	BO opening charge, margin documentation fees, cheque bounce charge and others income	9,085,515	4,399,967
	Revenue from CDBL charge & annual maintenance fee & others	476,017	1,246,889
		9,561,532	5,646,856
20	Direct expenses		
	Howla and laga charges	4,725,418	2,905,700
	CDBL expense	2,823,546	3,440,720
	CDS connection fee	6,000	6,000
		7,554,964	6,352,420
21	Operating expenses		
	Salary and allowances (Note- 21.1)	29,138,074	27,263,662
	Rent expense	314,021	313,045
	Electricity & electric fittings expense	146,567	196,771
	Insurance expense	12,070	14,543
	Postage, stamp, telecommunication etc.	294,927	273,879
	Directors' fees	1,081,000	834,900
	Stationery, printing, advertisement expense	266,382	240,295
	Repairs of machinery and equipment	123,067	349,998
	Depreciation & amortization charge [Detailed in Annexure-G (Vi)]	795,593	1,072,345
	Auditor's fee	215,625	143,750
	Investment protection fund	776	623
	Legal fees	183,500	719,100
	Professional fees	60,000	60,000
	Newspapers & periodicals	19,145	15,885
	Fuel expense	131,462	129,807
	Overtime allowance	373,288	366,185
	Travelling allowance	13,994	13,400
	Maintenance of bank premises	73,500	63,000
	DSE charge	19,694	11,076
	CSE charge	265,284	-
	Capital Enhancement Expense	-	5,804,525
	Business Development Expenses	150,000	-
	Software Development Expenses	109,000	43,750
	Subscription	-	25,000
	Conveyance charge	233,066	237,761
	Entertainment expense for office & clients	632,817	488,762
	Internet connection fee	17,056	34,500
	Car maintenance	133,309	134,229
	Bandwidth service charge	351,150	326,400
	Renewal & registration expense	284,515	375,130
	Water & sewerage	76,584	83,410
	Security & Auxiliary service	119,608	23,249
	IPO expense	16,000	-
	Miscellaneous expense	575,936	602,372
		36,227,010	40,261,352



21.1 Salary and allowances

Basic salary
House rent allowances
Medical allowances
Other allowances
Contributory provident fund
Bonus to employees

Amount in Taka	
2017	2016
11,576,120	10,331,393
6,634,680	5,885,026
1,407,675	1,228,344
3,722,884	3,842,402
1,108,765	984,659
4,687,950	4,991,838
29,138,074	27,263,662

21.2 Employee position for Pubali Bank Securities Ltd (as at 31 December 2017)

Officer & Staff		Total Employee	Amount in Taka
Head Office	Gulshan Office		
29	7	36	29,138,074
		36	29,138,074



Annexure-G(vi)

Pubali Bank Securities Limited
Schedule of Depreciation
as at 31 December 2017

Particulars	Cost			Depreciation			Written down value			
	Opening balance	Addition during the year	Disposal during the year	Total cost	Rate	Opening balance		Charged during the year	Disposal during the year	Total depreciation
Computer & Computer accessories	2,885,930	239,300	-	3,125,230	30%	2,417,993	306,599	-	2,724,592	400,638
Machinery & Equipment	2,005,962	38,475	-	2,044,437	20%	1,762,611	148,892	-	1,911,503	132,934
Furniture & fixtures	2,218,978	106,456	-	2,325,434	10%	1,024,336	122,602	-	1,146,938	1,178,496
Total	7,110,870	384,231	-	7,495,101		5,204,940	578,093	-	5,783,033	1,712,068

Schedule of Intangible asset
As at 31 December 2017

Particulars	Cost			Amortization			Written down value			
	Opening balance	Addition during the year	Disposal during the year	Total cost	Rate	Opening balance		Charged during the year	Disposal during the year	Total amortization
Systems & Software	700,000	25,000	-	725,000	30%	420,000	217,500	-	637,500	87,500
Total	700,000	25,000	-	725,000		420,000	217,500	-	637,500	87,500

