

Hoda Vasi Chowdhury & Co.
Chartered Accountants
BTMC Bhaban
7-9 Karwan Bazar
Dhaka-1215

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

**Independent Auditors' Report to the Shareholders of Pubali Bank Limited
Report on the Audit of the Consolidated and Separate Financial Statements**

Opinion

We have audited the consolidated financial statements of Pubali Bank Limited and its subsidiary (the "Group") as well as the separate financial statements of Pubali Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2018 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 notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2018, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

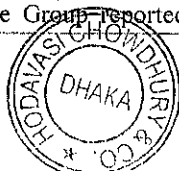
Basis for Opinion

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

Key Audit Matters

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

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans, advances and leases	
<p>The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provisions calculation consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.</p> <p>At year end the Group reported total gross</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank



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loans and advances of BDT 271,495 million (2017: BDT 240,149 million) and provision for loans and advances of BDT 12,812 million (2017: BDT 12,396 million).	<p>guidelines.</p> <ul style="list-style-type: none"> Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained
See note nos. 7 and 14 to the financial statements	

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

Impairment assessment of unquoted investments	
<p>In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.</p>	<p>We have assessed the processes and controls put in place by the Bank to ensure all major investment decisions are undertaken through a proper due diligence process</p> <p>We tested a sample of investments valuation as at 31 December 2018 and compared our results to the recorded value.</p> <p>Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note nos. 6 to the financial statements	

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



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

Carrying value of investments in subsidiary by the Bank	
<p>The Bank has invested in equity shares of its subsidiary, namely Pubali Bank Securities Limited. As at 31 December 2018 the carrying value of this investment is BDT 6,599 million.</p> <p>At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in the above subsidiary stated at cost.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its subsidiary in accordance with IAS 36.</p>	<p>We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiary in accordance with IAS 36.</p> <p>In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p> <p>We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.</p>

Reporting on other information

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

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

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

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



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

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

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

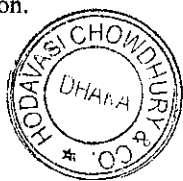
Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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



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

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

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

Report on other Legal and Regulatory Requirements

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

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities {other than matters disclosed in these financial statements};
- (iii) Consolidated financial statements of the Bank include the subsidiary, namely Pubali Bank Securities Limited reflect total assets of BDT 8,179,425,545 as at 31 December 2018 and total revenue of BDT 458,206,832 for the year ended 31 December 2018. The subsidiary of the Bank has been audited by other component auditor who has expressed unqualified audit opinion. The results of the subsidiary has been properly reflected in the Group's consolidated financial statements;
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;



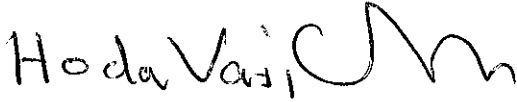
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- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 8000 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.



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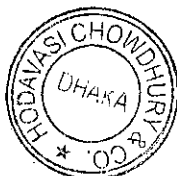
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Chartered Accountants

Dhaka, April 09, 2019



Pubali Bank Limited
Consolidated Balance Sheet
as at 31 December 2018


<u>PROPERTY AND ASSETS</u>	Notes	2018 Taka	2017 Taka
Cash	3 (a)	23,056,848,598	22,817,790,448
Cash in hand (Including foreign currencies)		3,789,308,079	3,643,109,729
Balance with Bangladesh Bank and its agent Bank (s) (Including foreign currencies)		19,267,540,519	19,174,680,719
Balance with other Banks and Financial Institutions	4 (a)	15,579,619,483	12,903,217,937
In Bangladesh		14,661,272,175	11,952,460,323
Outside Bangladesh		918,347,308	950,757,614
Money at Call on Short Notice	5	11,286,667	11,286,667
Investments	6 (a)	64,128,844,806	59,621,118,393
Government		37,761,946,381	35,243,859,418
Others		26,366,898,425	24,377,258,975
Loans, Advances and Leases	7 (a)	271,494,626,288	240,148,607,766
Loans, cash credits and overdrafts, etc.		256,690,433,175	228,211,262,961
Bills purchased & discounted		14,804,193,113	11,937,344,805
Fixed Assets including Premises, Furniture & Fixtures	8 (a)	3,783,953,684	3,688,655,901
Other Assets	9 (a)	32,170,138,377	28,993,216,456
Non-Banking Assets	10	375,246	375,246
Total Assets		410,225,693,149	368,184,268,814
<u>LIABILITIES AND CAPITAL</u>			
Liabilities			
Borrowings from other Banks, Financial Institutions & Agents	11	17,152,358,128	18,099,362,651
Subordinated bonds	12	5,000,000,000	5,000,000,000
Deposits and other Accounts	13 (a)	308,003,414,028	270,500,556,054
Current accounts & other accounts		37,751,065,237	34,087,307,863
Bills payable		11,661,553,322	9,757,892,778
Savings bank deposits		74,891,249,250	70,060,109,522
Term deposits		177,190,467,630	151,339,991,789
Other deposits		6,509,078,589	5,255,254,102
Other Liabilities	14 (a)	52,863,051,611	50,537,244,735
Total Liabilities		383,018,823,767	344,137,163,440
Capital / Shareholders' Equity			
Paid up capital	15.2	9,983,439,010	9,508,037,160
Statutory reserve	16	9,983,500,000	9,510,249,482
Retained earnings (general reserve)	17 (a)	4,288,480,105	2,085,289,771
Other reserves	18 (a)	2,951,449,393	2,943,528,160
Profit and Loss account surplus	19 (a)	-	-
		27,206,868,508	24,047,104,573
Non-controlling interest	20	874	801
Total Shareholders' Equity		27,206,869,382	24,047,105,374
Total Liabilities and Shareholders' Equity		410,225,693,149	368,184,268,814




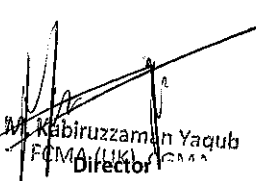
Pubali Bank Limited
Consolidated Balance Sheet
as at 31 December 2018


<u>OFF-BALANCE SHEET ITEMS</u>	Note	2018 Taka	2017 Taka
Contingent Liabilities			
Acceptances & Endorsements			
Letters of guarantee	21	16,533,529,663	11,338,890,478
Irrevocable letters of credit		73,923,683,137	67,861,025,606
Bills for collection		10,742,612,254	10,202,171,342
Other contingent liabilities		2,504,095,907	1,696,542,422
Total		103,703,920,961	91,098,629,848
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		103,703,920,961	91,098,629,848

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

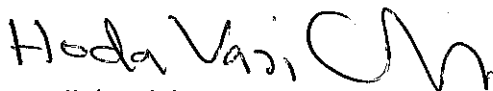

 Md. Abdul Halim Chowdhury
 Managing Director

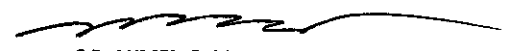

 Md. Abdur Razzaq Mondal
 Director


 M. Kabiruzzaman Yaqub
 Director

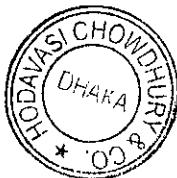

 Habibur Rahman
 Chairman

Signed as per annexed report on even date


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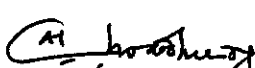
Dated, Dhaka
April 09, 2019




Pubali Bank Limited
Consolidated Profit & Loss Account
for the year ended 31 December 2018

	Notes	2018 Taka	2017 Taka
Operating Income			
Interest income	22 (a)	24,004,599,964	19,024,557,411
Interest paid on deposits, borrowings, etc.	23	(14,966,252,318)	(11,135,619,332)
Net Interest Income		9,038,347,646	7,888,938,079
Investment income	24 (a)	5,558,776,799	5,804,799,573
Commission, exchange and brokerage	25 (a)	1,894,682,098	1,735,228,966
Other operating income	26 (a)	1,225,859,602	1,245,348,178
Total Operating Income		17,717,666,145	16,674,314,796
Operating Expenses			
Salaries and allowances	27 (a)	5,107,037,789	4,671,421,490
Rent, taxes, insurance, electricity, etc.	28 (a)	863,030,255	768,264,087
Legal expenses	29 (a)	22,423,336	19,624,035
Postage, stamp, telecommunication, etc.	30 (a)	89,519,118	84,839,557
Stationery, printing, advertisements, etc.	31 (a)	140,081,193	145,562,607
Managing Director's salary and fees	32	15,181,667	10,500,000
Directors' fees	33 (a)	7,726,382	8,086,862
Auditors' fees	34 (a)	1,676,250	2,203,016
Charges on loan losses		589,963	55,388,623
Depreciation and repair of bank's assets	35 (a)	490,193,202	546,503,427
Other expenses	36 (a)	1,706,827,486	1,721,770,704
Total Operating Expenses		8,444,286,641	8,034,164,408
Profit/(Loss) before Provision		9,273,379,504	8,640,150,388
Provision for Loans, Advances, Investments and other Assets	37 (a)		
Provision for classified loans and advances		1,301,692,607	5,615,000,000
Provision for unclassified loans and advances		1,689,501,103	-
Provision for diminution in value of Investments		172,599,540	-
Provision for impairment clients' margin loan		37,677,727	40,145,837
Provision for bad debt offsetting		1,181,117	4,311,000
Provision for other assets		53,200,000	-
		3,255,852,094	5,659,456,837
Provision for exposure of off-balance sheet items	38	53,700,000	180,500,000
Total Provision		3,309,552,094	5,839,956,837
Total Profit/(Loss) before Taxes		5,963,827,410	2,800,193,551
Provision for current tax	14.6 (a)	2,347,847,810	2,788,123,957
Provision for deferred tax	14.6.1 (a)	(11,049,033)	(45,076,189)
Total Provision for Taxes		2,336,798,777	2,743,047,768
Net Profit after Taxation		3,627,028,633	57,145,783
Profit Attributable to			
Equity holders of parent		3,627,028,560	57,145,661
Non- controlling interest		73	122
Appropriations		3,627,028,633	57,145,783
Statutory reserve		473,250,518	210,000,000
Retained surplus (general reserve) carried forward		3,153,778,115	(152,854,217)
Earnings Per Share (EPS)	46 (a)		
Basic		3.63	0.06
Diluted		3.63	0.06

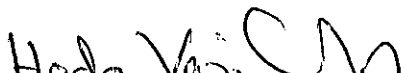
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Md. Abdul Halim Chowdhury
Managing Director


Md. Asaduzzaman Mondal
Director


M. Kabiruzzaman Yaquub
Director CGMA

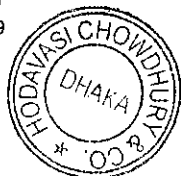

Habibur Rahman
Chairman


Hoda Vasi
Hoda Vasi Chowdhury & Co
Chartered Accountants

Signed as per annexed report on even date


S.F. AHMED & CO.
Chartered Accountants

Dated, Dhaka
April 09, 2019




Pubali Bank Limited
Consolidated Cash Flow Statement
for the year ended 31 December 2018

	<u>Notes</u>	<u>2018</u> <u>Taka</u>	<u>2017</u> <u>Taka</u>
a Cash flows from Operating Activities			
Interest receipts in cash		29,118,214,153	23,929,527,475
Interest payments		(14,125,032,642)	(11,498,345,271)
Dividend receipts		253,068,554	451,694,878
Fees and commission receipts		1,223,906,276	1,172,107,754
Recoveries of loans previously written-off		53,115	133,727,023
Cash payment to employees		(5,122,219,456)	(4,681,921,490)
Cash payment to suppliers		(252,591,765)	(251,251,725)
Current income tax paid		(2,581,967,216)	(2,643,451,576)
Receipts from other operating activities	40 (a)	2,111,074,963	1,911,657,471
Cash payments for other operating activities	41 (a)	(2,767,221,994)	(2,709,648,399)
Operating Profit before changes in Operating Assets & Liabilities		7,857,283,988	5,814,096,140
Increase/ (Decrease) in Operating Assets and Liabilities			
Statutory deposits		(2,501,543,527)	1,318,887,031
Purchase/sale of trading securities		(1,989,639,450)	(5,936,515,361)
Loans and advances to customers (other than banks)		(31,346,018,522)	(36,538,547,295)
Other assets	42 (a)	(349,051,446)	855,150,058
Deposits to/from other banks		(947,004,523)	11,793,372,946
Deposits from customers (other than banks)		36,452,726,088	24,690,051,177
Other liabilities account of customers		(3,456,151,407)	(1,451,880,209)
Other liabilities	43 (a)	(132,694,445)	952,457,756
Total Increase/ (Decrease) in Operating Assets and Liabilities		(4,269,377,232)	(4,317,023,897)
Net Cash from/(used in) Operating Activities		3,587,906,756	1,497,072,243
b Cash flows from Investing Activities			
Purchase /Sale of property, plant & equipment		(398,053,561)	(289,368,486)
Net Cash from/(used in) Investing Activities		(398,053,561)	(289,368,486)
c Cash flows from Financing Activities			
Payment for redemption of loan capital and debt security		-	(2,712,496)
Receipts from issue of Subordinated bonds		-	5,000,000,000
Effects of exchange rate changes on cash and cash equivalents		1,087,849	-
Dividend Paid		(475,401,858)	(440,186,906)
Net Cash from/(used in) Financing Activities		(474,314,009)	4,557,100,598
d Net Increase/ (Decrease) in Cash and Cash equivalents (a+b+c)		2,715,539,186	5,764,804,355
e Cash and Cash equivalents at beginning of the period		36,849,712,020	31,084,907,665
f Cash and Cash equivalents at end of the period (d+e)	44 (a)	39,565,251,206	36,849,712,020

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


Md. Abdul Halim Chowdhury
Managing Director


Md. Abdur Razzak Mondal
Director


M. K. Muzzaman Yaqub
FCM, Director, GMA


Habibur Rahman
Chairman

Signed as per annexed report on even date

Dated, Dhaka
April 09, 2019

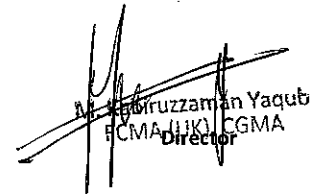


Pubali Bank Limited
Consolidated Statement of Changes in Equity
for the year ended 31 December 2018

Particulars	Paid-up capital	Statutory reserve	Retained earnings (general reserve)	Other reserves	Parent's equity	Non-controlling interest	Total
For the year 2018							
Balance as at 1 January 2018	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
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	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
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Adjustment of last year gain on investment	-	-	-	(17,247,775)	(17,247,775)	-	(17,247,775)
Surplus/Deficit on account of revaluation of investments	-	-	-	24,799,511	24,799,511	-	24,799,511
Currency translation differences	-	-	-	1,087,849	1,087,849	-	1,087,849
Net gains and losses not recognised in the Profit and Loss statement	-	-	-	-	-	-	-
Transfer regarding revaluation reserve on sale of properties	-	-	216,000	(718,352)	(502,352)	-	(502,352)
Non-controlling capital	-	-	-	-	-	-	-
Net profit for the year	-	-	3,153,778,042	-	3,153,778,042	73	3,153,778,115
Transfer to statutory reserve	-	473,250,518	-	-	473,250,518	-	473,250,518
Issue of bonus shares - 2017	475,401,850	-	(475,401,850)	-	-	-	-
Proposed dividend (bonus issue)	-	-	-	-	-	-	-
Dividends (cash) for 2017	-	-	(475,401,858)	-	(475,401,858)	-	(475,401,858)
Balance as at 31 December 2018	9,983,439,010	9,983,500,000	4,288,480,105	2,951,449,393	27,206,868,508	874	27,206,869,382
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


Md. Abdul Halim Chowdhury
 Managing Director


Md. Abdur Bazzak Mondal
 Director


M. Kabiruzzaman Yaqub
 F.C.M.A. (UK), CGMA
 Director


Habibur Rahman
 Chairman

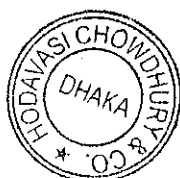
Signed as per annexed report on even date



Dated, Dhaka
 April 09, 2019

Pubali Bank Limited
Balance Sheet
as at 31 December 2018

<u>PROPERTY AND ASSETS</u>	<u>Notes</u>	<u>2018</u> <u>Taka</u>	<u>2017</u> <u>Taka</u>
Cash	3	23,056,848,598	22,817,790,448
Cash in hand (Including foreign currencies)		3,789,308,079	3,643,109,729
Balance with Bangladesh Bank and its agent Bank (s) (Including foreign currencies)		19,267,540,519	19,174,680,719
Balance with Other Banks and Financial Institutions	4	15,579,619,483	12,903,217,937
In Bangladesh		14,661,272,175	11,952,460,323
Outside Bangladesh		918,347,308	950,757,614
Money at Call on Short Notice	5	11,286,667	11,286,667
Investments	6	57,660,241,050	53,527,204,707
Government		37,761,946,381	35,243,859,418
Others		19,898,294,669	18,283,345,289
Loans, Advances and Leases	7	270,909,509,189	239,539,597,542
Loans, cash credits and overdrafts, etc.		256,105,316,076	227,602,252,737
Bills purchased and discounted		14,804,193,113	11,937,344,805
Fixed Assets including Premises, Furniture & Fixtures	8	3,782,347,623	3,686,856,333
Other Assets	9	38,743,864,411	35,828,288,870
Non-banking Assets	10	375,246	375,246
Total Assets		409,744,092,267	368,314,617,750
<u>LIABILITIES AND CAPITAL</u>			
Liabilities			
Borrowings From Other Banks, Financial Institutions & Agents	11	17,152,358,128	18,099,362,651
Subordinated bonds	12	5,000,000,000	5,000,000,000
Deposits and Other Accounts	13	308,899,774,685	271,605,828,921
Current accounts & other accounts		38,111,221,022	34,690,402,410
Bills payable		11,661,553,322	9,757,892,778
Savings bank deposits		74,891,249,250	70,060,109,522
Term deposits		177,726,672,502	151,842,170,109
Other deposits		6,509,078,589	5,255,254,102
Other Liabilities	14	51,314,856,543	49,189,120,209
Total Liabilities		382,366,989,356	343,894,311,781
Capital / Shareholders' Equity			
Paid up capital	15.2	9,983,439,010	9,508,037,160
Statutory reserve	16	9,983,500,000	9,510,249,482
Retained earnings (general reserve)	17	4,458,714,508	2,458,491,167
Proposed issue of bonus shares		-	-
Other reserves	18	2,951,449,393	2,943,528,160
Profit and Loss account surplus	19	-	-
Total Shareholders' Equity		27,377,102,911	24,420,305,969
Total Liabilities and Shareholders' Equity		409,744,092,267	368,314,617,750



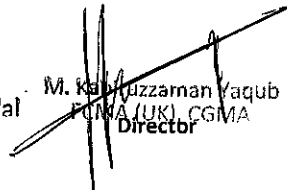
Pubali Bank Limited
Balance Sheet
as at 31 December 2018

<u>OFF-BALANCE SHEET ITEMS</u>	Note	2018 Taka	2017 Taka
Contingent Liabilities			
Acceptances & Endorsements			
Letters of guarantee	21	16,533,529,663	11,338,890,478
Irrevocable letters of credit		73,923,683,137	67,861,025,606
Bills for collection		10,742,612,254	10,202,171,342
Other contingent liabilities		2,504,095,907	1,696,542,422
Total Contingent Liabilities		103,703,920,961	91,098,629,848
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		103,703,920,961	91,098,629,848

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



Md. Abdul Halim Chowdhury
Managing Director


Md. Abdur Razzak Mondal
Director


M. Kalamuzzaman Yaquub
FCMA (UK), CGMA
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
April 09, 2019

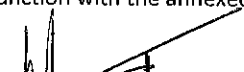


	Notes	2018 Taka	2017 Taka
Operating Income			
Interest income	22	23,987,744,711	18,991,519,774
Interest paid on deposits, borrowings, etc.	23	(14,966,252,318)	(11,135,619,332)
Net Interest Income		9,021,492,393	7,855,900,442
Investment income	24	5,193,007,458	5,409,009,746
Commission, exchange and brokerage	25	1,865,963,937	1,674,574,422
Other operating income	26	1,178,995,525	1,235,786,646
Total Operating Income		17,259,459,313	16,175,271,256
Operating Expenses			
Salaries and allowances	27	5,076,207,068	4,642,283,416
Rent, taxes, insurance, electricity, etc.	28	862,417,508	767,714,845
Legal expenses	29	22,024,336	19,440,535
Postage, stamp, telecommunication, etc.	30	89,186,316	84,527,574
Stationery, printing, advertisements, etc.	31	139,848,613	145,296,225
Managing Director's salary and fees	32	15,181,667	10,500,000
Directors' fees	33	6,610,882	7,005,862
Auditors' fees	34	1,532,500	1,987,391
Charges on loan losses		589,963	55,388,623
Depreciation and repair of bank's assets	35	489,083,477	545,268,958
Other expenses	36	1,699,099,843	1,710,969,005
Total Operating Expenses		8,401,782,173	7,990,382,434
Profit/(Loss) before Provision		8,857,677,140	8,184,888,822
Provision for Loans, Advances, Investments and Other Assets	37		
Provision for classified loans and advances		1,301,692,607	5,615,000,000
Provision for unclassified loans and advances		1,689,501,103	-
Provision for diminution in value of Investments	39	72,599,540	-
Provision for bad debt offsetting		1,181,117	4,311,000
Provision for other assets		53,200,000	-
		3,118,174,367	5,619,311,000
Provision for exposure of off-balance sheet items	38	53,700,000	180,500,000
Total Provision		3,171,874,367	5,799,811,000
Total Profit/(Loss) before Taxes		5,685,802,773	2,385,077,822
Provision for current tax	14.6.2	2,272,793,912	2,714,690,189
Provision for deferred tax	14.6.2	(11,052,706)	(48,414,419)
Total Provision for Taxes		2,261,741,206	2,666,275,770
Net Profit/(Loss) after Taxes		3,424,061,567	(281,197,948)
Appropriations			
Statutory Reserve		473,250,518	210,000,000
Retained surplus (general reserve) carried forward		2,950,811,049	(491,197,948)
Earnings Per Share (EPS)	46		
Basic		3.43	(0.28)
Diluted		3.43	(0.28)

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

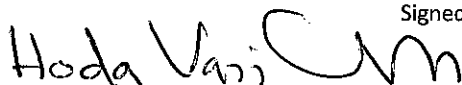

Md. Abdul Halim Chowdhury
Managing Director


Md. Abdul Razzak Mondal
Director


Md. Habiruzzaman Yaqub
FICMA (UK), CGMA
Director


Habibur Rahman
Chairman

Signed as per annexed report on even date


Hoda Vasi
Hoda Vasi Chowdhury & Co
Chartered Accountants


S.F. AHMED & CO.
Chartered Accountants

Dated, Dhaka
April 09, 2019




Pubali Bank Limited
Cash Flow Statement
for the year ended 31 December 2018

	Notes	2018 Taka	2017 Taka
a Cash flows from Operating Activities			
Interest receipts in cash		29,101,358,900	23,896,489,838
Interest payments		(14,125,032,642)	(11,498,345,271)
Dividend receipts		101,791,867	292,820,155
Fees and commission receipts		1,195,188,115	1,111,453,210
Recoveries of loans previously written-off		53,115	133,727,023
Cash payment to employees		(5,091,388,735)	(4,652,783,416)
Cash payment to suppliers		(252,591,765)	(251,251,725)
Current income tax paid		(2,581,967,216)	(2,643,451,576)
Receipts from other operating activities	40	1,849,718,232	1,665,180,835
Cash payments for other operating activities	41	(2,755,548,247)	(2,695,004,499)
Operating Profit before changes in Operating Assets & Liabilities		7,441,581,624	5,358,834,574
Increase/ (Decrease) in Operating assets and liabilities			
Statutory deposits		(2,501,543,527)	1,318,887,031
Purchase/sale of trading securities		(1,614,949,380)	(5,981,649,717)
Loans and advances to customers (other than banks)		(31,369,911,647)	(36,528,365,781)
Other assets	42	(356,006,923)	1,023,350,411
Deposits to/from other banks		(947,004,523)	11,793,372,946
Deposits from customers (other than banks)		36,452,726,088	24,690,051,177
Other liabilities account of customers		(3,456,151,407)	(1,451,880,209)
Other liabilities	43	148,272,168	541,918,562
Total Increase/(decrease) in Operating Assets and Liabilities		(3,644,569,151)	(4,594,315,580)
Net Cash from/(used in) Operating Activities		3,797,012,473	764,518,994
b Cash flows from Investing Activities			
Purchase /Sale of property, plant & equipment		(398,247,068)	(289,754,848)
Net cash from/(used in) Investing Activities		(398,247,068)	(289,754,848)
c Cash flows from Financing Activities			
Payment for redemption of loan capital and debt security		-	(2,712,496)
Receipts from issue of Subordinated bonds		-	5,000,000,000
Effects of exchange rate changes on cash and cash equivalents		1,087,849	-
Dividend Paid		(475,401,858)	(440,186,906)
Net cash from/(used in) Financing Activities		(474,314,009)	4,557,100,598
d Net increase/(decrease) in Cash and Cash equivalents (a+b+c)		2,924,451,396	5,031,864,744
e Cash and cash equivalents at beginning of the period		35,744,439,153	30,712,574,409
f Cash and cash equivalents at end of the period (d+e)	44	38,668,890,549	35,744,439,153

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


Md. Abdul Halim Chowdhury
Managing Director


Md. Abdur Razzak Mondal
Director


M. Kabiruzzaman Yaquub
FCMA (UK), CGMA
Director


Habibur Rahman
Chairman

Dated, Dhaka
April 09, 2019



Signed as per annexed report on even date




Pubali Bank Limited
Statement of Changes in Equity
for the year ended 31 December 2018


(Figures in Taka)

Particulars	Paid-up capital	Statutory reserve	Retained earnings (general reserve)	Other reserves	Proposed dividend	Total
For the year 2018						
Balance as at 1 January 2018	9,508,037,160	9,510,249,482	2,458,491,167	2,943,528,160	-	24,420,305,969
Changes in accounting policy	-	-	-	-	-	-
Restated balance	9,508,037,160	9,510,249,482	2,458,491,167	2,943,528,160	-	24,420,305,969
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-
Adjustment of last year gain on investment	-	-	-	(17,247,775)	-	(17,247,775)
Surplus/deficit on account of revaluation of investments	-	-	-	24,799,511	-	24,799,511
Currency translation differences	-	-	-	1,087,849	-	1,087,849
Net gains and losses not recognised in the Profit and Loss Statement	-	-	-	-	-	-
Transfer regarding revaluation reserve on sale of properties	-	-	-	-	-	-
Net profit for the year	-	-	216,000	(718,352)	-	(502,352)
Transfer to statutory reserve	-	-	2,950,811,049	-	-	2,950,811,049
Issue of bonus shares - 2017	-	473,250,518	-	-	-	473,250,518
Proposed dividend (bonus issue)	475,401,850	-	(475,401,850)	-	-	-
Dividends (cash) for 2017	-	-	-	-	-	-
Dividends (cash) for 2017	-	-	(475,401,858)	-	-	(475,401,858)
Balance as at 31 December 2018	9,983,439,010	9,983,500,000	4,458,714,508	2,951,449,393	-	27,377,102,911
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


Md. Abdul Halim Chowdhury
Managing Director

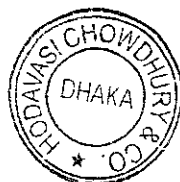

Md. Abdur Razzak Mondal
Director


M. Kalamuzzaman Yaquub
Director


Habibur Rahman
Chairman

Signed as per annexed report on even date


Dated, Dhaka
April 09, 2019



Pubali Bank Limited
Liquidity statement (assets and liabilities maturity analysis)
as at 31 December 2018

Particulars	Up to 01 month	01- 03 months	03-12 months	01- 05 years	More than 5 years	Total
Assets						
Cash in hand	23,056,848,598	-	-	-	-	23,056,848,598
Balances with other banks and financial institutions	941,630,112	12,195,868,327	2,221,200,000	220,921,044	-	15,579,619,483
Money at call on short notice	11,286,667	-	-	-	-	11,286,667
Investments	4,622,046,157	1,270,700,000	985,400,000	15,863,044,060	34,919,050,833	57,660,241,050
Loans & Advances	16,045,936,490	78,994,128,494	92,792,333,476	60,232,437,684	22,844,673,045	270,909,509,189
Fixed assets including premises, furniture & fixtures	-	-	803,659,540	75,713,152	2,902,974,931	3,782,347,623
Other assets	302,073,202	1,932,302,485	263,941,492	6,969,724,632	29,275,822,600	38,743,864,411
Non-banking assets	-	-	-	-	375,246	375,246
Total Assets	44,979,821,226	94,392,999,306	97,066,534,508	83,361,840,572	89,942,896,655	409,744,092,267
Liabilities						
Borrowings from other banks, financial institutions & agents	1,761,700,000	11,195,658,128	4,195,000,000	-	-	17,152,358,128
Subordinated bonds	-	-	-	3,000,000,000	2,000,000,000	5,000,000,000
Deposits	38,325,390,585	72,405,743,009	82,913,811,172	37,179,132,953	78,075,696,966	308,899,774,685
Provision & other liabilities	3,416,089,150	-	7,468,643,762	40,163,591,996	266,531,635	51,314,856,543
Total Liabilities	43,503,179,735	83,601,401,137	94,577,454,934	80,342,724,949	80,342,228,601	382,366,989,356
Net Liquidity Gap	1,476,641,491	10,791,598,169	2,489,079,574	3,019,115,623	9,600,668,054	27,377,102,911


Md. Abdul Halim Chowdhury
Managing Director


Md. Abdur Raheem Mondal


M. Kabirul Islam Yaqub
FCM (UK) CGMA
Director


Habibul Rahman
Chairman

Signed as per annexed report on even date

Dated, Dhaka
April 09, 2019



Pubali Bank Limited

Notes to the financial statements

As at and for the year ended 31 December 2018

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

1.2 Principal activities

The Bank engages in all types of commercial banking services as laid down in the Bank Company Act 1991 and directives received from Bangladesh Bank from time to time. It has 473 branches throughout the country. It is listed in both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) as a publicly-traded company.

1.3 Capital structure of the Bank

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

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

2.1 Basis of accounting

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



2.2 Basis of consolidation

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

The consolidated financial statements include the financial statements of Pubali Bank Limited and its subsidiary, i.e. Pubali Bank Securities Limited prepared at the end of the financial year. The consolidated financial statements have been prepared in accordance with International Accounting Standards (IAS)-27, "Separate Financial Statements" and International Financial Reporting Standard (IFRS)-10, "Consolidated Financial Statements". The consolidated Financial Statements are prepared for the same year ended on 31 December 2018.

2.3 a. Islamic Banking Window

Islamic Banking Wing of the Bank has been maintaining a separate set of books and records for its operation. All Assets and Liabilities and Income and Expenditure of this Wing are incorporated in similar heads of account of Bank's Financial Statements. Separate Financial Statements, Balance Sheet and Profit and Loss Statement of Islamic Banking Wing are shown separately as per instruction of Bangladesh Bank BRPD Circular No. 15 dated: November 09, 2009. Basis of distribution of profit and fixation of final Rate of Return of Islamic Banking Operation for the year 2018 are enclosed in the Annexure-D.

b. Off-shore Banking Unit

The Bank obtained the Off-shore Banking Unit (OBU) permission vide Bangladesh Bank letter No. BRPD (P-3) 744 (108)/2010-93 dated January 13, 2010. The Off-shore 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 Off-shore Banking Units. One unit is located at Dhaka and another unit is at Chattogram. 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 IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. 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 presentation currency.



ii. Foreign currency translation

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

Assets and liabilities in foreign currencies at 31 December 2018 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "Balances with other Banks and Financial Institutions."

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

iii. Commitment

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

2.6 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 2018. 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 @ 37.50% on business income, @ 20% on dividend income and @ 10% on Capital gain from Investment in Shares 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 IAS 12 "Income Taxes" (Note# 14.6.1).



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

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 amortised cost, less any provision for impairment in value. Amortised cost is calculated by taking into account any discount or premium on acquisition.

Value of investment has been enumerated as follows:

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

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

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 ratio (SLR) net of cash reserve ratio (CRR), at a minimum level. Investments classified in this category are principally for the purpose of selling or repurchasing on short trading or if designated as such by the management. In this category, investments are measured at their fair value and any change in the fair value i.e., profit or loss on sale of securities in HFT category is recognised in the Profit and Loss Account.

Value of investment has been enumerated as follows:

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



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 realised from borrowers.
- (b) Interest is not charged on bad and loss loans and advances as per guidelines of Bangladesh Bank.
- (c) Provision for loans and advances is made on the basis of periodical review by the management and of instructions contained in Bangladesh Bank's 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 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 the month 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%

2.7.4.1 Intangible assets and amortisation of intangible assets

An intangible asset is recognised (as per IAS-38) if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably. System and software is amortised at the rates of 30%, 30% and 40% on the straight line basis. Expenditure incurred for system and software is capitalised only when it enhances and extends the economic benefits of software beyond its original specification and life and such cost is recognised as capital improvement and added to the original cost of software.

2.7.5 Other assets

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

2.7.6 Lease finance

Leases are classified as finance leases of the Bank as per IAS-17 "Leases". Amount due from leases under finance lease is recorded as receivables as the amount of the Bank's net investment in the leases (note 7.13). Finance lease 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 Bonds"

Tier-II Subordinated bonds include fund raised from several banks through issuance of 7 (seven) years Bonds. These items are brought to financial statements at the gross value of the outstanding balance. 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 include refinance from Bangladesh Bank against agro-based credit, SME Loan etc., interest-bearing borrowings against securities from Bangladesh Bank and call borrowing from other banks. These items are brought to financial statements at the gross value of the outstanding balance. Details are shown in note 11.

2.8.3 Deposits and other accounts

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

2.8.4 Provision for liabilities

A provision is recognised 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 IAS-37 "Provisions, Contingent Liabilities and Contingent Assets".

2.8.5 Provision for Off-balance sheet exposure

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

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

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

Provisions for unsettled transactions on nostro accounts are reviewed semi-annually by management and certified by our external auditors in accordance with Bangladesh Bank Foreign Exchange Policy Department (FEPD) Circular No. 677 (13 September 2005).

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 08 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 IAS 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 10%-30% and Bank @10% of basic salary. Provident fund is invested by the Trustees as laid down in clause (2) of rules 3 (1) of the Income-Tax (Provident Fund Relief Rules) (Notification no.9 dated 15.3.1930) whereas Trust Act 1882. Interest earned from the investment is credited to the members' accounts annually. Provident fund benefits are given to the employees of the Bank in accordance with provident fund rules of the Bank.

b) Gratuity

The Bank has been maintaining an employee gratuity fund in the name of Pubali Bank Limited Gratuity Fund under which benefits are given to the staff of the Bank in accordance with the rules of gratuity fund. National Board of Revenue has approved the gratuity fund as a recognised gratuity fund vides 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 recognised as follows which satisfy all conditions of revenue recognition as prescribed by IFRS 9 "Financial Instruments".

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

2.12 Cash flow statement

Cash Flow Statement is prepared principally in accordance with IAS-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 dated 25 June 2003.



2.14 Statement of changes in equity

Statement of changes in equity is prepared in accordance with IAS-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 necessary for banks to achieve their own business objectives. Risks are considered warranted when they are understandable, measurable, controllable and within a banking company's capacity to readily withstand adverse results. Sound risk management systems enable managers of banking companies to take risks knowingly, reduce risks where appropriate and strive to prepare for 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 Department Offsite Supervision, Bangladesh Bank on monthly, quarterly and half-yearly basis. Risk Management Division 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

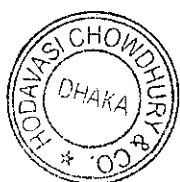
Credit risk is one of the major risk faced by the bank. This can be described as potential loss arising from the failure of a counterparty to perform as per contractual agreement with the bank. The failure may result from unwillingness of the counter party or decline in his/her financial condition. Therefore, 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.

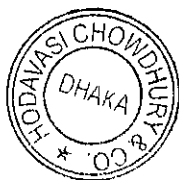
Our Treasury Division independently engages in the foreign currency transactions through foreign exchange (Fx) market and back office is responsible for verifying the deal and passes the necessary accounting entries. All foreign exchange transactions are revalued at mark-to-market rate on every month 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 and Liability Management

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

d) Prevention of Money Laundering and Combating Terrorist Financing

Money Laundering Risk arises from non-compliance of money laundering related instructions of the regulatory body. Its consequences are dire & far reaching and may be in the form of financial penalty, reputation loss, legal harassment and even the risk of sustainability. Money Launderers provide fuel for drug dealers, terrorists, illegal arm traders, corrupt public officials and others to operate and expand their criminal enterprises. Success in money laundering encourages the criminals to continue their illicit schemes which mean more fraud, more drugs & drug related crime, more violence, unrest in the society and the economy and a general loss of morale on the part of legitimate business people. Any country or financial institution reputed as a money laundering or terrorist financing haven, alone, could cause significant adverse consequences. Foreign banks may decide to limit their transactions with institutions from money laundering havens, subject these transactions with extra scrutiny, and terminate correspondent or lending relationship. Even legitimate banks from money laundering havens may suffer from reduced access to world market or access at a higher cost due to extra scrutiny of their ownership, organization and control systems. This can lead to diminished development and economic growth. Both depositors and borrowers as well as investors may cease doing business with an institution whose reputation has been damaged due to allegation of money laundering and terrorist financing. Large amounts of laundered funds may be withdrawn suddenly by the criminal depositors if the bank is under investigation. Legitimate customers may also begin to withdraw their funds for fear of losing the same, causing potential liquidity problems. Credit concentration risk may jeopardize interest income of a bank. Lack of knowledge about a particular loan customer or group of related borrowers, the customer's business or what the customer's relationship is to other parties can place a bank at risk. If the borrower is involved in money laundering, the status of the loan may be downgraded and recovery of the loan may not be



possible. The loss of high quality borrowers reduces interest income, requires additional provision which substantially reduce income of the bank. Moreover classified loans may increase the Risk Weighted Assets under Risk Based Capital Framework that reduces Capital to Risk Weighted Asset Ratio. Down gradation of the loan may also create liquidity crisis, affect the credit rating and CAMELS rating of the bank. Money laundering and Terrorist Financing may lead to legal risk such as law suits, adverse judgments, unenforceable contracts, fines & penalties generating losses etc. For involvement in money laundering & terrorist financing, the regulatory bodies may impose restrictions on business expansion and bank may lose its market share. Banks around the globe may be unwilling to establish banking relationship if money laundering prevention and combating terrorist financing status are not upto the mark.

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

- To prevent money laundering and combat terrorist financing Anti Money Laundering Division (AML D) has already been formed as per instruction of BFIU. The Deputy Chief Anti Money Laundering Compliance Officer (DCAMLCO) of the bank is functioning as the Division Head.
- Central Compliance Committee (CCC) at Head Office has already been formed headed by Chief Anti-Money Laundering Compliance Officer (CAMLCO). Regional Anti-Money Laundering Compliance Officer (RAMLCO) and Branch Anti-Money Laundering Compliance Officer (BAMLCO) have also been designated to the Regional Offices and Branches respectively.
- Money Laundering & Terrorist Financing Risk Management Guidelines has been prepared and the same has 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 Letter no. 01 dated 16th January 2017 Uniform Account Opening Form has been introduced. As per Money Laundering Prevention Act-2012 and its amendment 2015; Branches have been instructed to obtain complete & accurate information of the clients while opening and maintaining banking relationship.
- Branches have been advised to compare actual transactions with transaction Profile to identify abnormal and suspicious transactions.
- Cash Transaction Report (CTR) and Suspicious Transaction Report (STR) are submitted to Bangladesh Financial Intelligence Unit on regular basis through goAML web portal.
- Customers are graded on the basis of risk. Branches have been advised to closely monitor High Risk Customers, Politically Exposed Persons and Influential Persons and apply Enhanced Due Diligence in these regards.
- Self-Assessment Statement is prepared by the branches on half yearly basis and a summary report is prepared by Anti-Money Laundering Division of Head Office. The report is submitting to Bangladesh Financial Intelligence Unit regularly. Follow Up letters are issued to the branches to remove the weakness detected in the Self-Assessment Report.
- Our internal auditors assess the AML & CFT status of the branches through Independent Testing Procedure while conducting audit. The same is summarized and placed before the Management and Bangladesh Financial Intelligence Unit on half yearly basis. Branches are advised through follow up letters to remove their weakness.
- Extensive training is being continuously imparted to the officials of the Bank to make them familiar with money laundering prevention & combating terrorist financing and to mitigate the risk arising out therefrom. Every year Management of our Bank approves an outreach training calendar on Money Laundering Prevention, Combating Terrorist Financing and



Foreign Remittance. As per outreach Training Calendar workshops are arranged in due time. Pubali Bank Training Institute also arranges training workshop on the issue as per yearly training plan.

- All circulars of Bangladesh Financial Intelligence Unit (BFIU) have been disseminated to the branches for compliance.
- Before establishing correspondent banking relationship, status on money laundering prevention and combating terrorist financing of the respondent banks are obtained through a questionnaire developed by Bangladesh Financial Intelligence Unit. Other information and documents such as license, certificate of incorporation, list of directors, compliance status of regulatory instruction etc. are also verified. Correspondent Banking relationship with any bank is only established upon receipt of the desired information and subject to our satisfaction.
- As a precautionary measure and as per instruction of Bangladesh Financial Intelligence Unit, we do not establish Correspondent Banking relationship with any shell bank or any bank having banking relationship with any shell bank.
- At present; Trade Based Money Laundering by the way of under invoicing, over invoicing, under shipment, over shipment, multiple shipment and shipment of inferior goods etc. is a burning issue. Our Bank is seriously handling the issue. A session on Trade Based Money Laundering has been incorporated in all outreach workshops.
- Pubali Bank has already introduced sanction screening so that no black listed individual/entity can use our banking channel for money laundering, terrorist financing or any other financial crime.
- To ensure the genuineness of the customers, national ID card verification has been introduced.

e) Internal Control and Compliance

Internal control is a system structured within the organization whose goal is to raise efficiency and effectiveness of activities. The system assures the conformity of activities within the laws and regulations and improves the reliability of financial reporting. Internal control system possesses vital importance for the institution to attain its ultimate objectives. The system allows banks to foresee potential problems which may cause financial losses and thereby prevent or minimize any future losses. When internal control is effective, there is a reasonable assurance that plan is achieving its financial reporting objectives. When it is not effective, there is little or no such assurance.

Finance sector has become the most important actor with the impact of globalization and technological improvements in last two decades. As a consequence, financial products have increased, operational borders have expanded, and new financial markets have emerged. These developments have increased and diversified the risks that the banking sector has to manage. The globalization process, complexity of banking transactions and the increase in fraudulent activities have recently sharpened the ever-increasing attention on internal control systems in banking sector. Banks are the main player in economies, especially in bank-based economies. To sustain a healthy economic environment authorities care internal control system and develop strategies for bank managements through regulations. The diversified & complex financial activities and international business of the banks bear significant risk. Workload of the Bank has also increased significantly due to expansion of business, addition of branches and stringent regulatory compliance.



An effective system of internal control protects the plans of an organization in two ways:

- By minimizing opportunities for unintentional errors or intentional fraud that may harm the plan. Preventive controls, which are designed to discourage errors or fraud, help accomplish this objective.
- By discovering small errors before they become big problems. Detective controls are designed to identify an error or fraud after it has occurred.

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, and Compliance Division. Audit & Inspection Division conducts audit as per Risk Based Audit Plan approved by the Board. The division also faces regulatory audit and external audit. Synopsis of the audit report is placed before the Audit Committee of the Board regularly. Monitoring Division is engaged in monitoring function through different monitoring tools such as Pubali Monitoring System, Departmental Control Function Checklist, Quarterly Operations Report and Loan Documentation Checklist etc. Compliance Division deals with all regulatory compliance related activities and also functions as the contact point of the Bank. The division ensures regulatory requirements and industry practices in the Bank. Ethical issues and behavioral norms have assumed of great importance in the banking industry since banks deal with the money of countless depositors and if the interest of the depositors is threatened, it will bring the economy to a halt. Considering the fact and as per directive of our Central Bank, a Central Ethical Committee has been 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 areas 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 placed before the Board of Directors on the issue on yearly basis. 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 being gradually implemented.

Since there is a positive correlation between ethics and internal control, Compliance Division has stressed on extensive training on the issues. In the year 2018 total 09 workshops on Internal Control & Compliance (ICC) and Ethics in Banking were arranged by Compliance Division and total 1165 officials were imparted training on the issues. Considering the importance of ICC and Ethics in Banking, Compliance Division has also introduced system check on the issues so that regulatory compliance can be ensured and our Bank becomes a compliant one in banking arena of the country.

During the year Bank has identified five instances of fraud amounting BDT. 6.3 million, and out of which recovered BDT 5.34 million and amount BDT 0.96 million is in the process of recovery which also been reported to Bangladesh Bank.



f) ICT Operation

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

Pubali Bank Limited has been extending customer services at all of our **473 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 **473** 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, System, Network and Hardware Support Unit** at ICT Operation Division are extending quick support to the branches to solve any software/operational problems in banking software. Besides, ICT Operation Division is **implementing modification, update and changes** brought by software Development Division in 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, Transfast, Xpress Money Services, Ria, Pravu Money Transfer, Placid Express etc.** in addition to receiving **Foreign TTs** from different **Exchange Houses** abroad. Besides, we have developed an online payment module through which branches can pay remittances (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. Data Center of Pubali Bank Limited has been restructured recently and become one of the best ones in Bangladesh. In context of international standard, architecture of Data Center has been upgraded to Tire-3 Standard.

We have successfully implemented software for Bangladesh Automated Clearing House (**BACH**) 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 from June 2016.

Moreover, we have been upgrading security of ICT environment time-to-time. In the line with the security enhancement, we have updated our Software Patches and strengthen security control at our workstations, Data Center and Disaster Recovery Center.

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.

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 2018 we conducted 133 training programs at our Computer Lab on 19 (nineteen) different Topics/Modules covering 2,623 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 2018, 05 (Five) instances of fraud and forgeries were identified. Total amount of money involved against the 05 (Five) instances was Tk. 63.02 lac, TK. 52.31 lac has been recovered against 05 (Five) instances and Tk. 10.70 lac yet to be recovered.

Administrative and disciplinary actions 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.2 (13 January 2003) and BRPD circular No.13 (07 November 2013).

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 2018 have been authorized for issue in accordance with a resolution of the Board of Directors on 09 April 2019.

2.21 Offsetting

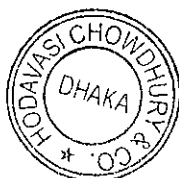
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability substantially.

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 2018 as per IAS-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 IAS 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 2018 to 31 December 2018.

2.26 Number of employees

The number of employees employed in the Bank as on 31 December 2018 was 7,587 of which 6,411 were male and 1,176 were female. The number of employees per branch was 13.36 excluding 1267 employees in the head office, Regional Offices and Principal Offices of the Bank.

During the year 2018, the Bank paid remuneration up to Taka 36,000 per employee to 240 persons and exceeding Taka 36,000 per employee to 7,347 persons.

2.27 Events after reporting period

In terms of provision of IAS-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 deceleration of dividend, if any.

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



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

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

2.29 Training

Training involves a series of planned goal directed activities for bringing about the desired change in the employee behavior. Training is a process of learning in a sequence of programmed behavior. It is the application of knowledge and gives people an awareness of rules & procedures to guide their behavior. It helps in bringing about positive change in the the knowledge, skills and attitudes of employees. Training is investment in getting more and better quality work from employee's talents.

Training is a process that tries to improve skills or add to the existing level of knowledge so that the employee is better equipped to do his present job or to mould him to be fit for a higher job involving higher responsibilities. It brings the gap between what the employee has & what the job demands. Thus, training involves two step objectives-immediate objectives to bring about the desired change in the level of knowledge, skills and attitudes of the employees and the ultimate objectives to improve the level of the job- performance of the trainees.

During the year 2018, the Training Institute conducted a total of 90 courses/ workshops including outreach workshops with participation of 3154 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	184
2	Conducting Inquiry and Report writing	2	53
3	Money laundering Prevention Act & Anti-Terrorism Act.	3	78
4	Training on International Trade Payment & Finance	3	72
5	Workshop on Risk Management in Bank	2	53
6	Workshop on Marketing & Customers Service Development in Banking	2	53
7	Foundation Training for Junior Officer & Junior Officer (Cash), AJO,TAJO,DJO	5	131
8	Training on Credit Management	2	53
9	Training on Branch Management	3	77
10	Workshop on Audit & Inspection in Banks	6	144
11	Workshop on Sustainable Finance (Green Banking), Financial Inclusions	2	61
12	Workshop on SME & Agri- Credit in Bank	2	52
13	Workshop on Prevention of Malpractices, Fraud & Forgeries.	2	53
14	Workshop on Business English & Communication Skill	3	77
15	Workshop on NPL Management: Legal & non-legal measure for recovery of loans	3	84
16	Training on General Banking	3	78



17	Workshop on Managerial Effectiveness : Think beyond Boundaries	3	191
18	Workshop on Inclusive Banking : School Banking, Agent Banking	2	57
19	Workshop on Legal Aspects of Securities & Documentation	3	72
20	Workshop on Executives Development Program	3	84
21	Workshop on Basic Accounting & Financial Analysis	2	57
22	Workshop on Ethics & Integrity in Banks	3	83
23	Workshop on Credit Risk Grading	2	54
24	Workshop on Training of Trainers	2	53
25	Workshop on Prevention of International Trade Based Money laundering	2	49
26	Workshop on Internal Control & Compliance	2	56
27	Workshop on BASEL-III	2	57
28	Workshop on Banking Law & Regulations	2	53
29	Workshop on Cash Management	3	85
	Sub Total	80	2,254
	Outreach Workshop : Managerial Effectiveness :Think beyond Boundaries	10	900
	Grand Total	90	3,154

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. Monzurur Rahman	Director	Member	Bachelor of Arts, Calcutta University
Mr. Md. Abdur Razzak Mondal	Director	Member	MBA (IBA, DU)
Mr. Arif A. Choudhury	Director	Member	MS in project management, MBA, International Business
Dr. Shahdeen Malik	Independent Director	Member	PhD in Law, London, UK, Obtained LLM degrees from Universities 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 Company Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable.

Accordingly, the financial statements of the Bank continue to be prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Bank Company 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 Company Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the requirements of the Bank Company Act 1991, and provisions and circulars issued by



Bangladesh Bank shall prevail. Material deviations from the requirements of IFRS are as follows:

i) **Investment in shares and securities**

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. 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**

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

Bangladesh Bank: HFT securities are revalued on the basis of marked to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount is recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end, gains on amortisation are recognised in other reserve as a part of equity and losses on amortisation are recognised in Expenditure (Profit and Loss) account according to DOS circular no. 5 dated 28 January 2009 of Bangladesh Bank about marking to market based revaluation.

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

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



Bangladesh Bank: As per BRPD circular 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 IFRS 9.

iv) **Recognition of interest in suspense**

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

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

v) **Other comprehensive income**

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

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

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

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



vii) **Financial guarantees**

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

Bangladesh Bank: As per BRPD 14, 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**

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

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

ix) **Non-banking assets**

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

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

x) **Cash flow statement**

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

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

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

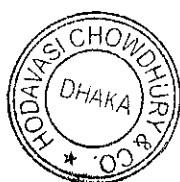
IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.

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

xii) **Presentation of intangible asset**

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

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



xiii) **Off-balance sheet items**

IFRS: There is no concept of off-balance sheet items in any IFRS; 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**

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

Bangladesh Bank: As per BRPD 14, provision for loans and advances/investments is 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 01 January 2019 have been considered. However, these amendments have no material impact on the financial statements of the Bank.

In December 2018, ICAB has decided to adopt IFRS replacing BFRS effective for annual periods beginning on or after 01 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 01 January 2019 and earlier application is permitted. However, the Bank has not early applied the following new standards in preparing these financial statements.

(a) IFRS 16 Leases

IFRS 16, issued in January 2016 replaces existing leases guidance and effective for reporting period beginning on or after 01 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.

(b) IFRS 17 Insurance Contracts

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

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



2.33 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 Bank Company Act, 1991 is obliged to follow the provisions of Bank Company Act, 1991, and Bank Company Act, 1991 being a special law, provisions of this Act shall prevail over Bangladesh Labour (amendment) Act 2013 which is a general law. Thus, we take the view that the Bank is not bound to form a WPPF under Bangladesh Labour (amendment) Act 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 operational results and value of assets and liabilities.
- ii) Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- iii) These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.



PUBALI BANK LIMITED
Notes to the financial statements for the year ended 31 December 2018

	2018 Taka	2017 Taka
3 Cash		
Cash In hand (Including foreign currencies)		
In local currency	3,778,743,541	3,635,268,769
In foreign currencies	10,564,538	7,840,960
	<u>3,789,308,079</u>	<u>3,643,109,729</u>
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)		
Bangladesh Bank		
In local currency	17,060,957,705	17,083,054,108
In foreign currencies	520,613,104	413,509,074
	<u>17,581,570,809</u>	<u>17,496,563,182</u>
Sonali Bank as agent of Bangladesh Bank		
In Local currency	1,685,969,710	1,678,117,537
	<u>19,267,540,519</u>	<u>19,174,680,719</u>
	<u>23,056,848,598</u>	<u>22,817,790,448</u>
3.1 Cash Reserve Ratio and Statutory Liquidity Reserve		
Cash Reserve Ratio and Statutory Liquidity Reserve Ratio have been calculated and maintained in accordance with section 33 of Bank Companies Act 1991 MPD circular numbers 1 and 2 dated 03 April 2018 and 10 December 2013 respectively.		
The statutory Cash Reserve Ratio (CRR) required on the Bank's time and demand liabilities at the rate of 5.50% has been calculated and maintained with Bangladesh Bank through the current account and 13% Statutory Liquidity Requirement (SLR) on the same liabilities is also be 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 (5.5%)	16,822,258,502	17,049,611,050
Actual Reserve maintained	17,177,613,875	16,958,928,129
Surplus/(deficit)	<u>355,355,373</u>	<u>(90,682,921)</u>
3.1.2 Statutory Liquidity Ratio (SLR)		
Required Reserve (13%)	39,683,002,240	34,029,225,150
Actual Reserve maintained	43,369,592,644	40,450,621,712
Surplus/(deficit)	<u>3,686,590,404</u>	<u>6,421,396,562</u>
Held for Statutory Liquidity Requirement (SLR)		
Cash in Hand	3,789,308,079	3,642,943,728
Balance with agent Bank (Sonali Bank Limited)	581,468,891	664,284,721
Excess Cash Reserve	355,355,373	9,028,820
Government Securities (HTM)	37,693,811,175	35,184,715,317
Other Eligible Securities	949,649,126	949,649,126
	<u>43,369,592,644</u>	<u>40,450,621,712</u>
3.1.3 Total required amount of CRR and SLR		
Total required reserve (18.5%)	56,505,260,742	51,078,836,200
Total actual reserve maintained	60,191,851,146	57,409,549,841
Total Surplus	<u>3,686,590,404</u>	<u>6,330,713,641</u>
3(a) Consolidated Cash		
Cash In hand (Including foreign currencies)		
Pubali Bank Limited	3,789,308,079	3,643,109,729
Pubali Bank Securities Limited	-	-
	<u>3,789,308,079</u>	<u>3,643,109,729</u>
Balance with Bangladesh Bank and its agent Bank (s) (Including foreign currencies)		
Pubali Bank Limited	19,267,540,519	19,174,680,719
Pubali Bank Securities Limited	-	-
	<u>19,267,540,519</u>	<u>19,174,680,719</u>
	<u>23,056,848,598</u>	<u>22,817,790,448</u>
4 Balance with other banks and financial institutions		
In Bangladesh (Note 4.1)	14,661,272,175	11,952,460,323
Outside Bangladesh (Note 4.2)	918,347,308	950,757,614
	<u>15,579,619,483</u>	<u>12,903,217,937</u>



4.1 In Bangladesh

In fixed/term deposit account (In local currency)

	2018 Taka	2017 Taka
Delta Brac Housing and Finance Corporation Ltd.	1,150,000,000	1,150,000,000
ICB Islamic Bank Ltd, Bangshal Branch, Dhaka	32,441,431	32,453,661
ICB Islamic Bank Ltd, Principal Office, Dhaka	188,479,613	188,517,073
Investment Corporation of Bangladesh	2,600,000,000	2,000,000,000
IPDC Finance Ltd	300,000,000	400,000,000
United Finance Ltd	200,000,000	400,000,000
Phoenix Finance & Investment Ltd	-	-
IDLC Finance Limited	500,000,000	500,000,000
Jamuna Bank Limited	900,000,000	900,000,000
IFIC Bank Limited	983,900,000	900,000,000
Shahjalal Islami Bank Limited	-	600,000,000
Social Islami Bank Limited	800,000,000	800,000,000
Mutual Trust Bank Limited	671,200,000	800,000,000
Dhaka Bank Limited	600,000,000	600,000,000
Standard Bank Limited	600,000,000	400,000,000
National Bank Limited	-	1,000,000,000
Premier Bank Limited	167,800,000	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	100,000,000	200,000,000
National Housing Finance & Investment Limited	-	100,000,000
Langkabangla Finance Limited	-	100,000,000
Southeast Bank Limited	500,000,000	-
EXIM Bank Limited	300,000,000	-
Al Arafah Islamic Bank Limited	500,000,000	-
Islami Bank Bangladesh Limited	1,691,665,155	-
First Security Islami Bank Limited	6,203,447	-
Eastern Bank Limited	1,006,800,000	-
Modhumoti Bank Limited	83,900,000	-
National Credit and Commerce Bank Ltd	251,700,000	-
The City Bank Ltd.	503,400,000	-
A B Bank Limited	499,725	-
	14,637,989,371	11,920,970,734

In Savings deposit account

Islami Bank Bangladesh Limited	-	12,723,569
	-	12,723,569

In Special Notice Deposit account

Sonali Bank Ltd, Shilpa Bhaban Branch, Dhaka	18,413,230	8,452,743
Bank Al Falah Ltd, Principal Branch, Dhaka	1,178,563	1,148,221
National Bank Ltd, Dilkusha Branch, Dhaka	635,493	616,218
The City Bank Ltd, Foreign Exchange Branch, Dhaka	869,305	858,707
Mutual Trust Bank Ltd, Principal Branch, Dhaka	923,577	909,170
Bangladesh Krishi Bank, Local office, Dhaka	667,572	656,334
The Hongkong and Shanghai Banking Corp Ltd, Main Branch, Dhaka	595,064	590,440
First Security Islami Bank Ltd, Dilkusha Branch, Dhaka	-	5,534,187
	23,282,804	18,766,020
	14,661,272,175	11,952,460,323

Total Deposit in Bank in BDT



2018
Taka

2017
Taka

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

Name of Bank	Foreign currency name	2018			2017		
		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	83.9000	30,177.44	2,531,887	82.70	30,177.44	2,495,674
Bank of Bhutan, Thimpu	ACUD	83.9000	37,759.64	3,168,034	82.70	84,143.92	6,958,702
Bank of Tokyo Mitsubishi Ltd, Kolkata	ACUD	83.9000	22,770.00	1,910,403	82.70	22,770.00	1,883,079
MUFG Bank Ltd.	JPY	0.7562	17,768,243.00	13,436,283	0.73	4,745,207.00	3,467,603
Commerz Bank, Germany	USD	83.9000	471,486.86	39,557,748	82.70	333,425.63	27,574,300
Habib Metropolitan Bank, Ltd., Karachi	ACUD	83.9000	263,714.35	22,125,634	82.70	339,011.91	28,036,285
Habib American Bank, New York	USD	83.9000	996,143.78	83,576,463	-	-	-
HDFC Bank Ltd., Mumbai	ACUD	83.9000	415,944.77	34,897,766	-	-	-
United Bank of India, Kolkata	ACUD	83.9000	339,856.97	28,514,000	82.70	308,373.86	25,502,518
HSBC Bank, Mumbai	ACUD	83.9000	64,075.94	5,375,971	82.70	64,075.94	5,299,080
ICICI Bank Ltd., Kolkata, India	ACUD	83.9000	103,557.79	8,688,499	-	-	-
AB Bank, Mumbai	ACUD	83.9000	264,415.04	22,184,422	-	-	-
Mashreq Bank PSC, New york	USD	83.9000	2,683,547.79	225,149,660	82.70	6,232,867.98	515,458,182
Mashreq Bank PSC, New york (OBU)	USD	83.9000	545,393.46	45,758,511	82.70	982,122.48	81,221,529
Mashreq Bank Mumbai, India (OBU)	ACUD	83.9000	202,288.86	16,972,035	82.70	79,786.75	6,598,364
MCB, Pakistan	ACUD	83.9000	34,229.74	2,871,875	82.70	34,229.74	2,830,799
Peoples Bank, Colombo	ACUD	83.9000	126,391.87	10,604,278	82.70	38,530.10	3,186,439
Sonali Bank Ltd, Kolkata	ACUD	83.9000	199,979.14	16,778,250	82.70	358,454.94	29,644,223
Sonali Bank, UK (GBP) Ltd	GBP	-	-	-	110.99	22,993.76	2,552,306
Standard Chartered Bank, Kathmandu	ACUD	83.9000	3,142.42	263,649	82.70	4,962.42	410,392
Standard Chartered Bank, New york	USD	83.9000	1,868,136.52	156,736,654	82.70	1,872,163.49	154,827,921
Standard Chartered Bank, Mumbai	ACUD	83.9000	459,997.56	38,593,795	-	-	-
Standard Chartered Bank, UK	GBP	106.2594	76,782.02	8,158,808	-	-	-
ICICI Bank, Kolkata, India	EURO	95.5285	14,537.17	1,388,714	98.50	14,537.17	1,431,969
UBS AG, Zurich	CHF	84.5340	9,847.97	832,488	83.96	31,508.39	2,645,694
Unicredit S.P.A., Milano, Italy	EURO	95.5285	65,672.69	6,273,616	98.50	494,726.81	48,732,555
Citi Bank NA, New York	USD	83.9000	620,208.04	52,035,455	-	-	-
Commerz Bank, Germany	EURO	95.5285	120,006.66	11,464,061	-	-	-
JP Morgan Chase Bank, New York	USD	83.9000	697,238.97	58,498,350	-	-	-
				918,347,308			950,757,614

4.3 Maturity grouping of balance with other banks and financial institutions

Payable on demand	941,630,112	963,989,447
Up to 3 months	12,195,868,327	10,768,257,756
Over 3 months but not more than 1 year	2,221,200,000	950,000,000
Above 1 year (receivable from former The Oriental Bank Ltd.)	220,921,044	220,970,734
	15,579,619,483	12,903,217,937

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

In Bangladesh

Pubali Bank Limited	14,661,272,175	11,952,460,323
Pubali Bank Securities Limited	896,360,657	1,105,272,867
	15,557,632,832	13,057,733,190
Less: Inter Company Transactions	896,360,657	1,105,272,867
	14,661,272,175	11,952,460,323

Outside Bangladesh

Pubali Bank Limited	918,347,308	950,757,614
Pubali Bank Securities Limited	-	-
	918,347,308	950,757,614
	15,579,619,483	12,903,217,937

5 Money at call on short notice

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

5.1 Banking company

ICB Islamic Bank Ltd.	11,286,667	11,286,667
	11,286,667	11,286,667

5.2 Non-banking Financial Institution

Lanka bangla Finance Ltd.	-	-
Industrial & Infrastructure Development Finance Co. Ltd	-	-
Premier Leasing & Finance Ltd.	-	-
United Finance Ltd.	-	-
	-	-



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

Southeast Bank Limited-3

The City Bank Limited Bond -3

Dutch- Bangla Bank Limited Bond -2

Bridge financing advances (Note 6.5)

	2018 Taka	2017 Taka	
	-	-	
	37,740,810,580	35,231,715,317	
	21,135,801	12,144,101	
Total Investment in government securities and bonds	37,761,946,381	35,243,859,418	
Other Investments:			
Shares (Note 6.3)	5,403,136,699	5,141,187,319	
Debentures (Note 6.4)	344,060	344,060	
Prime Bank Limited Bond	500,000,000	-	
MTBL Bond -1	-	-	
Dhaka Bank Limited Bond	150,000,000	-	
National Bank Limited Bond	-	-	
One Bank Limited Bond -1	40,000,000	60,000,000	
Mercantile Bank Limited Bond	60,000,000	80,000,000	
Trust Bank Limited Bond -1	150,000,000	200,000,000	
The City Bank Limited Bond -1	-	147,000,000	
Southeast Bank Limited Bond -1	180,000,000	240,000,000	
Bank Asia Limited Bond -1	200,000,000	250,000,000	
EXIM Bank Limited Bond -1	240,000,000	300,000,000	
Social Islami Bank Limited Bond -1	120,000,000	160,000,000	
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	300,000,000	
MTBL Bond -2	950,000,000	950,000,000	
Bank Asia Limited Bond -2	1,000,000,000	1,000,000,000	
EXIM Bank Limited Bond -2	1,000,000,000	1,000,000,000	
Dutch- Bangla Bank Limited Bond	1,500,000,000	1,500,000,000	
Shahjalal Islami Bank Limited Bond	700,000,000	700,000,000	
Social Islami Bank Limited Bond -2	500,000,000	500,000,000	
The City Bank Limited Bond -2	500,000,000	500,000,000	
Standard Bank Limited Bond	500,000,000	500,000,000	
Islami Bank Bangladesh Limited Bond	1,000,000,000	1,000,000,000	
UCBL Bond -1	750,000,000	750,000,000	
Southeast Bank Limited-3	150,000,000	-	
The City Bank Limited Bond -3	500,000,000	-	
Dutch- Bangla Bank Limited Bond -2	500,000,000	-	
Bridge financing advances (Note 6.5)	4,813,910	4,813,910	
	19,898,294,669	18,283,345,289	
	57,660,241,050	53,527,204,707	
6.1 Government/ Bangladesh Bank bills			
30 days Bangladesh Bank bills	-	-	
91 days treasury bills	-	-	
182 days treasury bills	-	-	
	-	-	
182 days (REVERSE REPO with other bank)	-	-	
1 year (REVERSE REPO with other bank)	-	-	
	-	-	
	-	-	
6.2 Government treasury bonds			
25 years treasury bond	5.00%	3,235,000	7,678,000
20 years treasury bond	8.24% -12.98%	14,546,066,944	12,639,385,274
15 years treasury bond	7.55% -12.42%	9,159,094,144	7,517,272,204
10 years treasury bond	6.77% -12.22%	10,882,705,807	11,126,214,184
5 years treasury bond	5.84% -9.66%	2,788,823,279	3,881,165,655
2 years treasury bond	3.70%	301,385,406	-
		37,681,310,580	35,171,715,317
6 Month Bangladesh Govt. Islami Investment Bond		59,500,000	60,000,000
		37,740,810,580	35,231,715,317



6.3 Shares

Name of company	No of share	Market price	Market value	2018	2017
				Taka	Taka
				Cost/Book value	Cost/Book value
The ACME Laboratories Limited	942,165	85.90	80,931,974	108,897,466	108,781,303
Aman Cotton Fibrous Limited	7,846	42.10	330,317	313,840	1,255,400
AND Telecom Limited	18,968	30.00	569,040	569,040	-
Al-Arafah Bank Limited	-	-	-	-	18,288,481
Bata Shoe Company (BD) Limited	10,000	1,116.40	11,164,000	11,435,278	24,900,218
Beacon Pharma Limited	1,622,000	16.20	26,276,400	41,882,728	41,882,728
Bashundhara Paper Mills Limited	21,613	83.80	1,811,169	1,729,040	3,458,000
BRAC Bank Ltd	748,268	72.70	54,399,084	49,627,614	-
Bangladesh Steel Re-Rolling Mills Limited	842,181	78.20	65,858,554	92,836,966	67,870,027
BSRM Steels Limited	676,038	59.90	40,494,676	57,980,279	50,389,516
Beximco Pharmaceuticals Limited	1,360,576	79.10	107,621,562	150,210,748	135,596,520
City Bank Limited	2,190,476	30.20	66,152,375	69,879,452	29,174,785
Confidence Cement Limited	-	-	-	-	59,352,060
Delta Brac Housing Finance Corporation Limited	80,829	129.40	10,459,273	9,047,060	14,407,108
Dutch-Bangla Bank Limited	499,300	144.40	72,098,920	59,629,586	-
Eastern Bank Limited	15,690,639	36.00	564,863,004	53,051,800	53,051,800
Esquire knit Composite Limited	41,780	45.00	1,880,100	1,880,100	-
Envoy Textile Limited	1,103,130	36.30	40,043,619	49,015,648	49,015,648
Exim Bank Limited	5,566,356	11.80	65,683,001	73,812,634	20,596,366
Far Chemical Industries Limited	-	-	-	-	53,665,850
Genex Infosys Limited	10,467	10.00	104,670	104,670	-
GlaxoSmithKline Bangladesh Limited	46,751	1,450.20	67,798,300	79,948,156	79,948,157
GPH Ispat Limited	956,287	35.00	33,470,045	36,086,774	21,143,758
Grameenphone Limited	915,075	367.30	336,107,048	308,965,588	219,731,618
ICB Islamic Bank Limited	7,998,300	4.80	38,391,840	79,983,000	79,983,000
IDLC Finance Ltd	365,000	69.70	25,440,500	19,200,119	18,244,497
Indo-Bangla Pharmaceuticals Limited	3,239	31.10	100,733	29,450	-
Intraco Refueling Station Limited	266	26.80	7,129	2,534	-
Islami Bank Bangladesh Limited	1,010,000	24.20	24,442,000	27,721,318	10,299,727
Jamuna oil Company limited	100,000	190.50	19,050,000	18,990,038	-
Kattali Textile Limited	11,070	25.30	280,071	100,640	-
Lafarge Surma Cement Limited	500,000	43.50	21,750,000	25,719,586	56,314,054
LankaBangla Finance Limited	1,420,625	22.90	32,532,313	53,393,354	47,766,136
Linde Bangladesh Limited	163,311	1,198.40	195,711,902	227,689,271	227,689,271
LR Global Bangladesh Mutual Fund One	5,184,672	6.90	35,774,237	50,000,000	50,000,000
Marico Bangladesh Limited	334,227	1,200.20	401,139,245	479,831,691	479,831,691
Matin Spinning Mills Limited	37,596	39.90	1,500,080	1,480,210	-
M.I. Cement Factory Limited	94,500	69.40	6,558,300	9,915,807	10,988,673
MJL Bangladesh Limited	1,130,679	99.20	112,163,357	129,240,922	129,240,922
M.L Dyeing Limited	7,248	29.70	215,266	60,400	-
Meghna Petroleum Limited	-	-	-	-	4,182,809
Nahee Aluminum Composite Panel Limited	-	-	-	-	62,246
Oimex Electrode Limited	-	-	-	-	64,800
Olympic Industries Limited	2,987,898	216.20	645,983,548	859,263,564	859,263,565
One Bank Limited	735,000	15.00	11,025,000	14,910,483	-
Pacific Denims Limited	-	-	-	-	83,230,238
Padma Oil Company Limited	100,000	225.20	22,520,000	23,645,128	-
Prime Bank Limited	8,000,000	18.10	144,800,000	141,963,057	26,398,665
Reckitt Benckiser Bangladesh Limited	11,268	2,149.70	24,222,820	18,222,861	18,222,861
Renata Ltd	119,548	1,141.60	136,475,997	88,686,739	35,314,522
Runner Automobiles Limited	14,411	75.00	1,080,825	1,080,825	-
Silva Pharmaceuticals Limited	9,194	30.10	276,739	91,940	-
SK Trims & Industries Limited	5,545	46.30	256,734	50,410	-
Singer Bangladesh Limited	-	-	-	-	42,197,803
Southeast Bank Limited	5,893,249	15.60	91,934,684	109,106,978	95,844,766
Shahjibazar Power Company Limited	164,800	94.80	15,623,040	15,893,445	-
Square Pharmaceuticals Limited	1,086,549	254.20	276,200,756	262,706,576	187,290,529
S.S. Steel Limited	13,492	10.00	134,920	134,920	-
Summit Power Limited	1,835,994	39.40	72,338,164	86,999,885	86,999,885
Titas Gas Transmission and Distribution Co. Ltd.	2,400,000	36.40	87,360,000	187,443,862	254,143,027
United Power Generation & Distribution Company Ltd	-	-	-	-	37,448,463
Uttara Bank Limited	134,641	28.50	3,837,269	3,766,884	-
VFS Thread Dyeing Limited	4,222	57.80	244,032	38,386	-
Sub-Total (A)			4,097,488,628	4,194,268,750	3,893,531,493



				2018 Taka	2017 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	11,478,314	10,000,000	10,000,000
Preferences Shares of Raj Lanka Power Company Limited	13,575,757	10	135,757,573	135,757,573	174,545,450
Preferences Shares of Summit Barisal Power Company Limited	6,400,000	10	64,000,000	64,000,000	64,000,000
Preferences Shares of Summit Narayanganj Power Company Limited (SPPCL)	3,600,000	10	36,000,000	36,000,000	36,000,000
Central Depository Bangladesh Limited	2,284,721	10	77,190,403	6,277,770	6,277,770
LankaBangla Securities Limited	97,828	10	1,687,107	5,000,000	5,000,000
Sub-Total (B)				259,218,823	298,006,700
Non Capital Market Investment Element (C)					
Investment Corporation of Bangladesh	52,398,637	10	949,649,126	949,649,126	949,649,126
Sub-Total (C)				949,649,126	949,649,126
Total (A+B+C)				5,403,136,699	5,141,187,319

6.3.1 Particulars of Required provision for investment

	Market value/NAV at 31 Dec 2018	Cost/Book value at 31 Dec 2018	Required provision 2018	Required provision 2017
Quoted Shares	4,061,714,391	4,144,268,750	82,554,359	-
Mutual Fund	35,774,237	50,000,000	3,109,826	-
Unquoted Shares:				
Provision Required				
Saleh Carpet Mills Limited	-	568,000	568,000	-
Swan Textile Mills Limited	-	57,800	57,800	-
Specialised Jute Yarn & Twine Manufacturing Company Limited	-	198,800	198,800	-
Paper Converting & Packaging Limited	-	83,900	83,900	-
Ashraf Textile Mills Limited	-	1,274,980	1,274,980	-
LankaBangla Securities Limited	1,687,107	5,000,000	3,312,893	-
Provision not Required				
Karmasangsthan Bank	11,478,314	10,000,000	-	-
Preferences Shares of Raj Lanka Power Company	135,757,573	135,757,573	-	-
Preferences Shares of Summit Barisal Power Company	64,000,000	64,000,000	-	-
Preferences Shares of Summit Narayanganj Power	36,000,000	36,000,000	-	-
Central Depository Bangladesh Limited	77,190,403	6,277,770	-	-
Investment Corporation of Bangladesh	949,649,126	949,649,126	-	-
	5,373,251,151	5,403,136,699	91,160,558	-
Bridge finance Advance	-	4,813,910	4,813,910	4,813,910
Debenture - at cost	-	344,060	344,060	344,060
Grand Total	5,373,251,151	5,408,294,669	96,318,528	5,157,970

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

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
	344,060	344,060

6.5 Bridge financing advances

Bridge financing advances (ICB sponsored)	4,813,910	4,813,910
---	------------------	------------------

6.6 Maturity grouping of investments

Receivable on demand	4,622,046,157	4,312,317,199
Not more than 3 months	1,270,700,000	1,241,800,000
Over 3 months but not more than 1 year	985,400,000	1,365,700,000
Over 1 year but not more than 5 years	15,863,044,060	15,045,244,060
Over 5 years	34,919,050,833	31,562,143,448
	57,660,241,050	53,527,204,707

6.7 Investment classified as per Bangladesh Bank Circular

Treasury Bill - Held for trading (HFT)	-	-
Treasury Bond - Held to maturity (HTM)	37,740,810,580	35,231,715,317
Approved debenture - Held to maturity (HTM)	344,060	344,060
Other securities	19,919,086,410	18,295,145,330
	57,660,241,050	53,527,204,707



6.8 Repo and Reverse Repo

A.(i) Disclosure regarding outstanding repo as on 31 December 2018

Counter Party Name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
Premier Bank Limited	26-12-18	2/1/2019	969,284,140
Janata Bank Limited	27-12-18	3/1/2019	529,642,250

A.(ii) Disclosure regarding outstanding Reverse repo as on 31 December 2018

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	399,485,600	1,500,132,000	19,277,805
Securities Purchased under Reverse Repo:			
i) From Bangladesh Bank	-	-	-
ii) From Other Banks and FIs	258,023,925	2,285,641,963	25,816,705

6(a) Consolidated investments

1. Government

Pubali Bank Limited
Pubali Bank Securities Limited

37,761,946,381
35,243,859,418

2. Other

Pubali Bank Limited
Pubali Bank Securities Limited

19,898,294,669
6,468,603,756

26,366,898,425
64,128,844,806

18,283,345,289
6,093,913,686

24,377,258,975
59,621,118,393

7 Loans, advances and leases

Loans, cash credits and overdrafts, etc. (note 7.1)
Bills purchased and discounted (note 7.2)

256,105,316,076
14,804,193,113

270,909,509,189
227,602,252,737

11,937,344,805
239,539,597,542

7.1 Loans, cash credits, overdrafts, etc.

In Bangladesh:

Loans
Cash credits
Overdrafts
Loan against merchandise
Packing credits
Loan against trust receipts
Pubali prochesta
Non-resident Credit Scheme
Pubali Subarna
Pubali Karmo Uddog
Pubali Sujon
Pubali Utsob
Payment against documents
Consumers loan scheme
EDF loan
Lease finance (Note 7.13)
Others

85,827,212,410
50,566,551,130
71,867,192,586
6,361,006
535,831,085
11,106,481,761
234,272,243
633,920
4,447,302,179
167,783,197
37,768,451
27,538,152
4,024,192,863
14,195,224,489
4,614,611,625
5,603,375,626
2,842,983,353

70,676,080,763
49,388,706,881
61,027,188,632
7,731,155
751,443,886
11,771,127,787
288,960,254
644,920
4,936,364,669
181,430,008
41,061,616
25,503,780
4,066,645,531
14,111,214,579
4,916,516,503
5,328,312,904
83,318,869

256,105,316,076
227,602,252,737

256,105,316,076
227,602,252,737

Outside Bangladesh

-

-

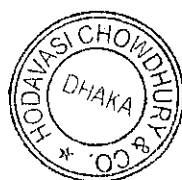
7.1.1 Maturity grouping of Loans, Advances and Leases

Repayable on demand
Up to 3 months
Over 3 months but not more than 1 year
Over 1 year but not more than 5 years
Over 5 years

16,033,431,947
64,283,873,976
92,710,899,424
60,232,437,684
22,844,673,045

256,105,316,076
227,602,252,737

20,117,731,379
53,106,603,882
82,356,533,838
57,329,727,088
14,691,656,550



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

	2018 Taka	2017 Taka
	3,025,455,887	2,666,145,254
	31,565	31,565
	<u>3,025,487,452</u>	<u>2,666,176,819</u>
	11,778,705,661	9,271,167,986
	<u>11,778,705,661</u>	<u>9,271,167,986</u>
	<u>14,804,193,113</u>	<u>11,937,344,805</u>

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

	12,504,543	4,688,689
	14,710,254,518	1,478,988,296
	81,434,052	10,453,667,820
	<u>14,804,193,113</u>	<u>11,937,344,805</u>

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

In Bangladesh

Loans
Cash credits
Overdrafts

	136,697,059,812	119,852,534,043
	50,566,551,130	49,388,706,881
	71,867,192,586	61,027,188,632
	<u>259,130,803,528</u>	<u>230,268,429,556</u>

Outside Bangladesh

	<u>11,778,705,661</u>	<u>9,271,167,986</u>
	<u>270,909,509,189</u>	<u>239,539,597,542</u>

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)

	249,148	220,656
	3,086,977,905	2,804,413,906
	133,761,800,000	104,224,382,000

7.5 Industry wise distribution of loans and advances

Agriculture
Jute
Textile
Ready-made garments
Steel & engineering
Ship breaking
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
NBFI (Non Bank Financial Institution)
NGO
Consumer Finance
Others

	4,951,580,096	4,260,731,429
	518,270,133	394,712,909
	24,558,436,340	22,999,350,999
	23,876,018,224	20,246,657,564
	11,464,689,469	9,814,033,046
	2,009,755,772	2,968,906,527
	7,182,697,938	5,255,881,601
	3,430,992,782	3,158,627,213
	4,797,084,497	3,750,572,363
	16,255,499,977	16,134,583,543
	787,729,099	966,992,332
	269,945,423	430,087,884
	5,005,101,973	3,483,670,421
	14,016,905,553	9,697,451,592
	3,886,911,790	1,887,210,248
	4,558,051,552	4,002,633,152
	9,378,335,209	6,300,567,661
	12,340,968,191	13,378,518,955
	1,688,001,079	1,218,492,762
	1,275,131,587	1,071,434,667
	64,555,235,349	57,532,345,993
	6,466,179,871	4,803,995,044
	8,462,693,292	8,420,696,176
	24,470,164,214	19,028,895,904
	14,703,129,779	18,332,547,557
	<u>270,909,509,189</u>	<u>239,539,597,542</u>



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

In Bangladesh - Urban

Dhaka
Chattogram
Sylhet
Barishal
Khulna
Rajshahi
Rangpur
Mymensingh

2018 Taka	2017 Taka
132,016,051,240	116,806,820,717
40,315,177,001	38,959,716,143
8,760,277,778	7,009,945,468
3,155,051,997	2,816,073,677
7,265,136,210	7,026,787,598
4,690,241,083	4,480,869,004
4,948,169,677	4,174,952,826
5,163,605,246	3,937,220,028
206,313,710,232	185,212,385,461

In Bangladesh - Rural

Dhaka
Chattogram
Sylhet
Barishal
Khulna
Rajshahi
Rangpur
Mymensingh

31,429,132,431	26,688,300,244
3,906,259,584	4,246,173,413
6,331,794,544	5,966,794,508
832,581,129	742,324,499
2,467,861,311	1,629,208,688
2,366,711,631	2,339,358,625
887,946,722	771,475,862
4,594,805,944	2,672,408,257
52,817,093,296	45,056,044,095

Outside Bangladesh (Foreign bills/drafts purchased)

11,778,705,661	9,271,167,986
270,909,509,189	239,539,597,542

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

Public sector
Private sector
Co-operative sector

35,266,038	46,707,721
270,768,367,281	239,323,526,507
105,875,870	169,363,314
270,909,509,189	239,539,597,542

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

Collateral of movable and immovable properties
Guarantee of local banks and financial institutions
Export documents
Fixed/ Term deposit receipts of own Bank
FDR of other banks
Government bonds
Corporate Guarantee
Personal guarantee
Other securities

152,698,809,814	132,280,374,583
-	-
13,267,559,924	1,539,289,542
10,908,676,381	10,000,694,413
3,388,456,147	3,200,250,462
5,655,759	3,089,784
33,549,767,299	32,605,894,626
54,083,263,065	52,729,313,374
3,007,320,800	7,180,690,758
270,909,509,189	239,539,597,542

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

Number of clients with amount of outstanding and classified loans to whom loans and advances sanctioned more than 10% of total Regulatory capital of the Bank. Total Regulatory capital of the Bank was Taka 34,647,525,659 as at 31 December 2018.

Number of clients
Amount of outstanding loans/advances
Classified amount thereon
Measures taken for recovery
* Details shown in Annexure C

28	24
133,761,800,000	104,224,382,000
-	5,804,921,000
-	-

Name of borrower

Meghna Group
Max Group
City Group
Paramount Group
Abul Khair Group
Project Builders
Keya Group
Dird Group
Pran Group
BSRM Group
BRAC Group
Pakiza Group
Sharmin Group
City Seed Crushing Group
Nitol Niloy Group
DBL group
MSA Spinning Ltd
Sena Kalyan Sangstha
GPH Group
Ha-Meem Group
JMI Group
KSRM Steel Plant Ltd.
T K Group
ACI Group
AA Yarn Mills Ltd.
Envoy Textiles Ltd.
Madina Group
Sheema Group
Antim Group

8,267,400,000	7,899,800,000
7,658,100,000	4,737,242,000
6,823,500,000	5,988,335,000
6,127,800,000	3,990,400,000
5,553,000,000	-
5,471,200,000	5,464,327,000
5,460,600,000	5,810,621,000
5,254,500,000	5,198,332,000
5,195,400,000	5,224,625,000
4,889,100,000	4,935,455,000
4,865,400,000	3,249,206,000
4,700,500,000	4,275,200,000
4,593,200,000	5,150,700,000
4,444,600,000	4,121,000,000
4,390,800,000	3,197,242,000
4,337,400,000	-
4,068,100,000	3,073,300,000
4,007,900,000	-
3,973,800,000	3,028,841,000
3,933,900,000	4,446,400,000
3,914,100,000	-
3,911,200,000	3,252,225,000
3,806,000,000	3,592,100,000
3,722,800,000	3,155,215,000
3,695,100,000	-
3,665,000,000	4,042,745,000
3,547,700,000	3,357,415,000
3,483,700,000	3,781,156,000
-	3,252,500,000
133,761,800,000	104,224,382,000



7.10 Classification of loans and advances including bills purchased and discounted

Classification	2018 Taka	2017 Taka
Unclassified:		
Standard	248,456,217,358	211,447,401,722
Special mention account (SMA)	4,588,047,818	4,500,838,356
	253,044,265,176	215,948,240,078
Classified:		
Substandard (SS)	635,195,820	498,950,008
Doubtful (DF)	315,343,863	591,446,731
Bad or loss (BL)	13,827,726,425	19,696,546,819
	14,778,266,108	20,786,943,558
Staff loan	3,086,977,905	2,804,413,906
	270,909,509,189	239,539,597,542

7.11 Particulars of required provision for loans and advances

Status of Classification	Base for Provision	Rate of Provision (%)	2018 Taka	2017 Taka
General provision - Unclassified				
Standard	179,151,827,604	1	1,791,518,276	1,488,168,131
Small & Medium Enterprise financing	51,065,297,277	0.25	127,663,243	116,691,748
Loans to BHs/MBs/SDs against share etc.	47,891,665	2	957,833	301,598
Housing Finance	512,858,768	1	5,128,588	2,488,751
Loan for Professional to setup business	48,536,088	2	970,722	1,826,441
Consumers loan scheme (Credit Card)	165,683,703	2	3,313,674	1,640,392
Consumers loan scheme	13,006,960,913	5	650,348,046	560,643,045
Short Term Agri Credit and Micro credit	4,457,161,340	1	44,571,613	43,040,378
Special mention account (SMEF)	1,561,908,795	0.25	3,904,772	3,717,817
Special mention account (Credit Card)	1,333,919	2	26,678	-
Special mention account (CLS)	2,273,747,591	5	113,687,380	79,185,659
Special mention account (HF)	86,101,324	1	861,013	884,950
Special mention account (LP)	2,060,570	2	41,211	52,586
Special mention account (Others)	655,825,797	1	6,558,258	13,388,740
			2,749,551,307	2,312,030,236
provision to be kept as per Bangladesh Bank Audit Team observation for injunction by Hon'ble High Court A/C M.A. Rahman Dyeing, CDA Corporate Branch.			852,034,000	-
* Additional provision maintained as per Bangladesh Bank Instruction			399,946,032	-
			4,001,531,339	2,312,030,236
Specific provision - Classified				
Substandard (Agri & Micro credit)	16,098,279	5	804,914	2,221,344
Substandard	319,824,903	20	63,964,981	48,478,855
Doubtful (Agri & Micro credit)	899,484	5	44,974	-
Doubtful	171,731,525	50	85,865,763	149,902,475
Bad/Loss	8,659,688,029	100	8,659,688,029	9,882,084,849
			8,810,368,661	10,082,687,523
Total Required provision (see below)			12,811,900,000	12,394,717,759
Provision maintained (note 14.1)			12,811,900,000	12,396,234,798
Excess provision			-	1,517,039

* As per instruction of Bangladesh Bank an amount of Tk. 399,946,032 maintained as additional General Provision which will subsequently adjust.

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	180,269,158,025	147,023,698,784
(iii) Loans considered good being secured by the personal security of one or more parties in addition to the personal security of the debtors.	56,071,879,650	57,947,427,244
(iv) Loans adversely classified; provision not maintained there against	34,568,471,514	34,568,471,514
	270,909,509,189	239,539,597,542
(v) Loans due by directors or officers of the bank or any of them either severally or jointly with any other persons	3,087,227,053	2,804,634,562
(vi) Loan due from companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies as members.	-	-
(vii) Maximum total amount of advances, including temporary advances, made at any time during the year to directors or employees of the bank or any of them either severally or jointly with any other persons.	3,087,227,053	2,804,634,562

2018
Taka

2017
Taka

(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	6,466,179,871	4,803,995,044
(x) Amount of classified loan on which interest /Profit has not been charged as follows		
a) Increase / (decrease) of provision (specific)	(4,313,307,393)	3,883,416,465
b) Amount written off debt	(3,014,032,588)	(1,302,053,011)
c) Amount of debt recovered against the debt which was previously written off	38,256,423	79,813,814
d) Amount of Provision kept against loans classified as bad or loss	8,659,688,029	9,882,084,849
e) Amount of interest credited in suspense account	2,312,889,947	2,164,617,779
(xi) Cumulative amount of written off Loans		
Opening Balance	12,419,852,933	11,117,799,922
Amount of written off during the current year	3,014,032,588	1,302,053,011
	15,433,885,521	12,419,852,933
(xii) Amount of written off loans for which law suit has been filed for recovery	15,433,885,521	12,419,852,933

7.13 Lease finance

Lease rental receivable within 1 year	2,674,183,474	2,226,054,204
Lease rental receivable within 5 years	3,831,197,736	4,437,390,774
Lease rental receivable after 5 years	115,304,480	136,465,621
Total lease rental receivable	6,620,685,690	6,799,910,599
Less : Un-earned interest receivable	(1,017,310,064)	(1,471,597,695)
Net Lease finance	5,603,375,626	5,328,312,904

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

Pubali Bank Limited	256,105,316,076	227,602,252,737
Pubali Bank Securities Limited	585,117,099	609,010,224
	256,690,433,175	228,211,262,961
Bills purchased and discounted		
Pubali Bank Limited	14,804,193,113	11,937,344,805
Pubali Bank Securities Limited		
	14,804,193,113	11,937,344,805
	271,494,626,288	240,148,607,766

8 Fixed Assets including premises, furniture & Fixtures

Cost		
Land	2,254,495,642	2,255,213,992
Building	908,092,261	908,092,261
Vehicles	284,685,916	260,086,954
Machinery and equipment	774,201,333	674,615,406
Computer & Computer Accessories	1,151,306,688	1,065,067,425
Furniture and fixtures	709,482,441	628,627,177
	6,082,264,281	5,791,703,215
Accumulated Depreciation	(2,332,053,102)	(2,114,378,824)
	3,750,211,179	3,677,324,391

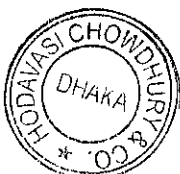
Intangible Assets

Cost		
Computer Software	325,927,379	292,338,549
	325,927,379	292,338,549
Accumulated Depreciation	(293,790,935)	(282,806,607)
	32,136,444	9,531,942
Net book value at the end of the year	3,782,347,623	3,686,856,333

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	6,408,191,660	6,084,041,764
Pubali Bank Securities Limited	8,626,391	8,220,101
	6,416,818,051	6,092,261,865
Less: Accumulated Depreciation		
Pubali Bank Limited	(2,625,844,037)	(2,397,185,431)
Pubali Bank Securities Limited	(7,020,330)	(6,420,533)
	(2,632,864,367)	(2,403,605,964)
	3,783,953,684	3,688,655,901



2018
Taka

2017
Taka

9 Other Assets

Interest accrued on investments	1,668,462,388	1,766,653,080
Accrued income on loans & advances	263,840,097	188,048,003
Investment in SWIFT AC	3,387,591	3,387,591
Advance security deposit, advance rent and prepaid expenses	273,263,628	230,843,148
Investment in Subsidiary Company	6,599,998,700	6,599,998,700
Stock dealing account	201,451,496	469,757,026
Stationery and stamps	75,918,940	67,696,410
Drafts payable	19,763,417	20,829,927
Suspense account (note 9.1)	352,686,540	260,698,995
Demonetized notes (note 9.2)	1,903,830	1,531,750
Items in transit (note 9.3)	3,910,178,215	3,288,854,073
Advance against income tax (note 9.4)	25,360,190,835	22,778,223,619
Clearing house adjustment	4,939,349	148,161,847
Others (note 9.5)	7,879,385	3,604,701
	38,743,864,411	35,828,288,870

9.1 Suspense Account

Suspense account general	263,941,492	166,889,375
Suspense law	999,269	960,769
Protested bills	87,745,779	92,848,851
	352,686,540	260,698,995

9.2 Demonetized Notes :TK. 1,903,830

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

9.3 Items In Transit: TK. 3,910,178,215

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 25.03.2019

Period of un-reconciliation	Number of Un-responded entries		Un-responded entries (Amount in Taka)	
	Debit	Credit	Debit	Credit
up to 3 months	99	849	359,284,115	84,949,809
Over 3 months but within 6 months	-	2	-	12,110
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	1	-	100	-
Over 5 years	499	457	7,859,015	4,607,638

9.4 Advance Income Tax

Balance at the beginning of the year	22,778,223,619	20,134,772,043
Paid during the year	2,581,967,216	2,643,451,576
Settlement of previous years tax liability	-	-
Balance at the end of the year	25,360,190,835	22,778,223,619

9.5 Others

Property account	162,129	162,129
Accrued interest overdue under CLS	4,316,997	-
Delayed charges of lease rental	45,906	88,219
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
	7,879,385	3,604,701

9.6 Classification of other assets

Unclassified (UC)	38,646,400,517	35,723,642,752
Substandard (SS)	-	-
Doubtful (DF)	773,000	789,153
Bad or Loss (BL)	96,690,894	103,856,965
	38,743,864,411	35,828,288,870

9.7 Particulars of provision for other assets

Status of Classification

Base for provision

Rate of Provision (%)

Doubtful (DF)	773,000	50	386,500	394,577
Bad or Loss (BL)	96,690,894	100	96,690,894	103,856,965
Required provision			97,077,394	104,251,542
Provision maintained (note 14)			392,501,590	296,562,254
Excess provision			295,424,196	192,310,712



	2018 Taka	2017 Taka					
9(a) Consolidated Other Assets							
Pubali Bank Limited	38,743,864,411	35,828,288,870					
Pubali Bank Securities Limited	227,737,972	234,697,122					
	38,971,602,383	36,062,985,992					
Less: Inter company Transactions	(201,465,306)	(469,770,836)					
Pubali Bank Securities Limited	(6,599,998,700)	(6,599,998,700)					
	(6,801,464,006)	(7,069,769,536)					
	32,170,138,377	28,993,216,456					
10 Non-banking Assets							
Assets of United Bank of India Ltd. (located in Brahmanbaria, Chandpur, Comilla, Barishal, Sadarghat -Dhaka)	375,246	375,246					
11 Borrowings from other Banks, Financial Institutions and Agents							
In Bangladesh (note 11.1)	1,761,700,000	7,310,000,000					
Outside Bangladesh (note 11.2)	15,390,658,128	10,789,362,651					
	17,152,358,128	18,099,362,651					
11.1 In Bangladesh							
Call loan borrowing from other banks							
Sonali Bank Limited	510,000,000	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					
Bank Asia Limited	100,000,000	-					
NRBC Bank Limited	100,000,000	-					
Premier Bank Limited	400,000,000	-					
	1,110,000,000	7,060,000,000					
FDR borrowing from other Bank							
Bangladesh Krishi Bank	400,000,000	-					
Southeast Bank Ltd.	251,700,000	-					
Citibank N.A	-	250,000,000					
	1,761,700,000	7,310,000,000					
11.2 Outside Bangladesh							
In demand deposit accounts (non- interest bearing) (note 11.2.1)	-	820,705,215					
Placement/ Borrowing from Outside Bangladesh	15,390,658,128	9,968,657,436					
	15,390,658,128	10,789,362,651					
11.2.1 In demand deposit accounts (non- interest bearing) with :							
	As at 31 December 2018			As at 31 December 2017			
Name of Bank	Foreign currency name	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
Citi Bank NA, New York	USD	-	-	-	82.70	3,720,618.09	307,695,116
Commerz Bank , AG, Frankfurt	EURO	-	-	-	-	-	-
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
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
Standard Chartered Bank, Mumbai	ACUD	-	-	-	82.70	267,003.69	22,081,205
Standard Chartered Bank, GBP	GBP	-	-	-	110.96	37,244.07	4,132,857
							820,705,215
11.3 Security against borrowing from other banks, financial institutions and agents							
Secured						15,390,658,128	18,099,362,651
Unsecured						1,761,700,000	-
						17,152,358,128	18,099,362,651
11.4 Maturity grouping of borrowing from other banks, financial institutions and agents							
Payable on demand						1,110,000,000	7,880,705,215
Payable within 1 month						651,700,000	1,192,741,452
Over 1 month but within 6 months						11,195,658,128	9,025,915,984
Over 6 months but within 1 year						4,195,000,000	-
Over 1 year but within 5 years						-	-
Over 5 years and above						-	-
						17,152,358,128	18,099,362,651
12 Subordinated bonds							
Agrani Bank Limited						1,000,000,000	1,000,000,000
Janata Bank Limited						1,000,000,000	1,000,000,000
Rupali Bank Limited						1,000,000,000	1,000,000,000
Sonali Bank Limited						1,000,000,000	1,000,000,000
Uttara Bank Limited						1,000,000,000	1,000,000,000
						5,000,000,000	5,000,000,000



	2018 Taka	2017 Taka
13 Deposits and other accounts		
Inter-bank deposits	1,419,104,000	4,577,967,547
Other deposits	307,480,670,685	267,027,861,374
	308,899,774,685	271,605,828,921
13.1 Details of deposits and other accounts		
Current deposits and other accounts :		
Current account	35,611,411,355	32,833,898,827
Cash credit A/C. (Cr. Balance)	615,362,595	517,708,386
Overdraft earnest money (Cr. Balance)	11,612	20,000
Pubali Prochesta (Cr. Balance)	14,378,083	2,759,016
Credit card A/C	1,880,445	692,430
Call deposits	15,032,459	16,269,759
Foreign currency deposits	1,836,200,832	1,303,429,226
Un-claimed drafts payable	3,564	3,564
Un-claimed dividend	18,914	18,914
Unclaimed deposits FDD A/C	16,921,163	15,602,288
	38,111,221,022	34,690,402,410
Bills payable (note 13.1.1)	11,661,553,322	9,757,892,778
Savings Bank accounts	74,891,249,250	70,060,109,522
Term deposits :		
Fixed deposits - from customers	78,259,693,181	66,408,199,007
Special Notice Deposits	36,512,027,366	34,073,386,498
Deposit pension scheme	1,144,232	1,188,411
Interest payable on term deposit	3,286,544,193	2,445,324,517
Pubali pension scheme	25,330,890,689	19,805,721,180
Pubali sanchay prakalpa	2,962,408,355	3,815,826,339
Dwigun Sanchay Prokalpa	20,163,775,292	16,558,175,526
Target Based Small Deposit (Pubali shonopuron)	4,510,828,477	3,259,853,282
Monthly profit base deposit	2,755,626,321	2,535,002,011
Monthly Profit Based Small Deposit (Pubali shadhin sonchoy)	3,741,026,879	2,708,576,983
Shikhya sanchay prakalpa	202,707,517	230,916,355
	177,726,672,502	151,842,170,109
Other deposits	6,509,078,589	5,255,254,102
	308,899,774,685	271,605,828,921
13.1.1 Bills Payable		
Payment orders issued	11,453,244,514	9,385,033,860
Demand Drafts	110,949,056	129,100,612
Sanchayapatra	97,359,752	243,758,306
	11,661,553,322	9,757,892,778
13.2 Maturity analysis of inter-bank deposits		
Payable on demand	246,641,999	795,656,321
Payable within 1 month	143,905,214	464,231,938
Over 1 month but within 6 months	1,028,556,787	3,318,079,288
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years and above	-	-
	1,419,104,000	4,577,967,547
13.3 Maturity analysis of other deposits		
Payable on demand	18,184,527,909	13,388,882,089
Payable within 1 month	19,750,315,463	14,748,671,311
Over 1 month but within 6 months	84,154,670,282	73,083,103,338
Over 6 months but within 1 year	70,136,327,112	59,573,903,826
Over 1 year but within 5 years	37,179,132,953	41,099,686,777
Over 5 years and above	78,075,696,966	65,133,614,033
	307,480,670,685	267,027,861,374
	308,899,774,685	271,605,828,921
13 (a) Consolidated Deposits and other accounts		
Pubali Bank Limited	308,899,774,685	271,605,828,921
Pubali Bank Securities Limited	-	-
	308,899,774,685	271,605,828,921
Inter Company Transactions	(896,360,657)	(1,105,272,867)
	308,003,414,028	270,500,556,054



	2018 Taka	2017 Taka
14 Other Liabilities		
Accumulated provision for loans and advances (note 14.1.1.1)	7,889,705,857	9,192,609,121
Accumulated provision for consumers loan (note 14.1.1.2)	857,690,537	844,092,944
Accumulated provision for lease finance (note 14.1.1.3)	-	1,254,442
Accumulated provision for demand loan pubali star (note 14.1.1.4)	62,972,267	46,248,055
	8,810,368,661	10,084,204,562
Provision for unclassified loans and advances (note 14.1.2)	4,001,531,339	2,312,030,236
Provision @1% against off-balance sheet exposure (note 14.2)	930,000,000	911,300,000
Accumulated interest suspense (note 14.4)	2,312,889,947	2,164,617,779
Provision for rebate on good borrower	18,104,154	18,504,184
Provision for doubtful investment (note 14.3)	96,350,000	23,750,460
Additional profit payable A/C for Islamic banking	1,661,787	2,356,033
I.B. bad debt offsetting reserve	9,396,569	8,215,452
Interest suspense on underwriting advances	235,599,888	235,599,888
CLS interest A/C	3,707,692	3,939,253
Imprest A/C Duty draw back	200	-
Consumers deposits	230,697,526	181,165,892
Lease rental receivable	47,988	624,483
Unpaid dividend	675,231	675,231
Special blocked account (note 14.5)	1,587,720	1,215,640
Provision for Current Tax (note 14.6)	28,286,610,822	26,013,816,910
Provision for Deferred Tax (note 14.6.1)	66,068,350	77,121,056
Valuation adjustment	208,961,500	815,360,819
Exchange adjustment account (note 14.7)	28,666,878	28,666,878
Agri credit guarantee backing reserve (note 14.8)	70,261,300	70,261,300
Excise duty	1,129,450	347,750
Pakistan account (note 14.9)	8,393,039	8,393,039
Pension fund (note 14.10)	1,570,883	1,570,883
L/C cover account in Bangladesh	1,583,640	1,583,640
EDF adjustment	4,468,154,451	5,263,040,370
Pubali Bank Adjustment	136,135,452	114,712,249
Sadaqah fund	8,271,165	6,188,171
Card transaction fee (inter bank)	1,977,945	1,039,240
Foreign currency FCC account	17,363,819	17,363,819
Interest suspense account against 70% agri loan	192,382	192,382
Blocked account of UBI	2,973,186	2,973,186
Property account of UBI	49,617	49,617
Payable to other Banks and Financial Institution	133,107,232	75,983,544
Unearned interest income on ISW	16,598,143	12,150,856
Interest payable on Subordinated Bond	15,000,000	15,000,000
Non resident blocked account of UBI	34,487	34,487
	41,315,353,782	38,389,844,727
Provision for expenses:		
(i) auditors' fees	2,102,500	1,820,000
(ii) advertisement	1,000,000	1,200,000
(iii) bonuses	648,812,000	310,605,581
(iv) others	144,718,010	104,883,085
	796,632,510	418,508,666
Provision for other assets:		
Suspense account(note 14.11)	63,714,468	63,714,468
Demonetized notes (note 14.12)	989,740	989,740
Provision for Un-reconciled General Account debit entries (note 14.13)	13,724,657	13,724,657
ICT Asset Insurance reserve	19,739,582	18,257,834
Reserve for unforeseen losses	241,133,143	199,875,555
Provision for Customers liability and Others	53,200,000	-
	392,501,590	296,562,254
	51,314,856,543	49,189,120,209
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	9,192,609,121	4,223,743,657
Fully provided debts written off during the year	(2,677,852,294)	(1,050,905,215)
Recoveries of amounts previously written off	38,256,423	79,813,814
Provision transferred in/(out) during the year	-	324,956,865
Provision for off balance sheet transferred in during the year	35,000,000	-
Specific provision for the year	1,301,692,607	5,615,000,000
14.1.1.1 Provision for general loans and advances	7,889,705,857	9,192,609,121
14.1.1.2 Provision for consumers loan	857,690,537	844,092,944
14.1.1.3 Provision for lease finance	-	1,254,442
14.1.1.4 Accumulated provision for demand loan pubali star	62,972,267	46,248,055
Provision held at the end of the year	8,810,368,661	10,084,204,562
14.1.2 General provision for unclassified loans and advances		
Provision held at the beginning of the year	2,312,030,236	2,636,987,101
Provision made during the year	1,689,501,103	-
Provision Transferred in/(out) during the year	-	(324,956,865)
Provision held at the end of the year	4,001,531,339	2,312,030,236
	12,811,900,000	12,396,234,798



2018
Taka

2017
Taka

14.2 Provision for exposure against off balance sheet items

Provision held at the beginning of the year	911,300,000	730,800,000
Provision transferred out during the year	(35,000,000)	-
Provision made during the year (note 38)	53,700,000	180,500,000
Provision held at the end of the year	930,000,000	911,300,000

14.3 Provision for doubtful investment

Provision held at the beginning of the year	23,750,460	23,750,460
Provision made during the year (note 39)	72,599,540	-
Provision held at the end of the year	96,350,000	23,750,460

14.4 Interest suspense account

Balance at the beginning of the year	2,164,617,779	1,622,699,217
Amount transferred during the year	895,044,571	1,089,335,880
Amount recovered during the year	(492,504,134)	(404,660,182)
Amount written off during the year	(254,268,269)	(142,757,136)
Balance at the end of the year	2,312,889,947	2,164,617,779

14.5 Special blocked account: Tk. 1,587,720

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

14.6 Provision for Current tax

Balance at the beginning of the year	26,013,816,910	23,299,126,721
Provision made for previous years	-	-
Provision made for current year	2,261,741,206	2,566,275,770
Provision transferred in from deferred tax (note 14.6.1)	11,052,706	48,414,419
	2,272,793,912	2,714,690,189
Settlement of previous years tax liability	-	-
Balance at the end of the year	28,286,610,822	26,013,816,910

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

14.6 (a) Consolidated Provision for Current tax

Pubali Bank Limited	2,272,793,912	2,714,690,189
Pubali Bank Securities Limited	75,053,898	73,433,768
	2,347,847,810	2,788,123,957

14.6.1 Provision for deferred tax

Balance at the beginning of the year	77,121,056	125,535,475
Provision made during the year	-	-
Provision transferred to Current tax (note 14.6)	(11,052,706)	(48,414,419)
Provision held at the end of the year	66,068,350	77,121,056

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.

14.6.1 (a) Consolidated Provision for deferred tax

Pubali Bank Limited	(11,052,706)	(48,414,419)
Pubali Bank Securities Limited	3,673	3,338,230
	(11,049,033)	(45,076,189)

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

Balance at the beginning of the year	76,779,776	121,855,965
Provision transferred to Current tax	(11,052,706)	(48,414,419)
Provision made during the year	3,673	3,338,230
Provision held at the end of the year	65,730,743	76,779,776

14.6.2 Tax Provision made during the Year

Current Tax	2,272,793,912	2,714,690,189
Deferred Tax	(11,052,706)	(48,414,419)
	2,261,741,206	2,666,275,770

14.7 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.

14.8 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.

14.9 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.



14.10 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.

14.11 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	63,714,468	63,714,468

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

14.12 Provision for demonetized notes:TK. 989,740

This is as per accounts of earlier years. Representing provision out of demonetized notes of Tk. 1,903,830 of 1975 which remains unsettled with Bangladesh Bank.

14.13 Provision for Un-reconciled General Account debit entries

Period of un-reconciliation	Amount	Base for Provision (%)	Provision Required	
			2018	2017
Upto 12 months	359,284,115	-	-	-
12 months above but less than 24 months	-	50%	-	-
24 months and above	7,859,115	100%	7,859,115	7,929,114
Required provision			7,859,115	7,929,114
Provision maintained			13,724,657	13,724,657
Excess provision			5,865,542	5,795,543

14(a) Consolidated other liabilities

Pubali Bank Limited	51,314,856,543	49,189,120,209
Pubali Bank Securities Limited	1,749,660,374	1,817,895,362
Inter company payables	(201,465,306)	(469,770,836)
	52,863,051,611	50,537,244,735

15 Capital

15.1 Authorized Capital

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

1,600,000 ordinary shares of Tk 100 each issued for cash	160,000,000	160,000,000
400,000 ordinary shares of Tk 100 each as bonus share in 2000	40,000,000	40,000,000
2,000,000 ordinary shares of Tk 100 each as bonus share in 2004	200,000,000	200,000,000
8,000,000 ordinary shares of Tk 100 each as bonus share in 2005	800,000,000	800,000,000
9,000,000 ordinary shares of Tk 100 each as bonus share in 2006	900,000,000	900,000,000
8,400,000 ordinary shares of Tk 100 each as bonus share in 2007	840,000,000	840,000,000
8,820,000 ordinary shares of Tk 100 each as bonus share in 2008	882,000,000	882,000,000
11,466,000 ordinary shares of Tk 100 each as bonus share in 2009	1,146,600,000	1,146,600,000
173,901,000 ordinary shares of Tk 10 each as bonus share in 2010	1,739,010,000	1,739,010,000
167,690,250 ordinary shares of Tk 10 each as bonus share in 2011	1,676,902,500	1,676,902,500
41,922,562 ordinary shares of Tk 10 each as bonus share in 2013	419,225,620	419,225,620
70,429,904 ordinary shares of Tk 10 each as bonus share in 2016	704,299,040	704,299,040
47,540,185 ordinary shares of Tk 10 each as bonus share in 2017	475,401,850	-
	9,983,439,010	9,508,037,160

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	2018		Amount	2017 Amount
	No. of share	Percentage (%)		
Directors	310,769,974	31.13%	3,107,699,740	2,857,397,690
Co-operative societies	9,613,467	0.96%	96,134,670	92,547,720
Banks and financial institutions	38,355,327	3.84%	383,553,270	302,239,370
Government	2,410	0.0002%	24,100	22,960
Other institutions	211,093,157	21.14%	2,110,931,570	1,773,984,620
Non resident Bangladeshi	13,934,446	1.40%	139,344,460	169,116,790
General public	414,575,120	41.53%	4,145,751,200	4,312,728,010
	998,343,901	100.00%	9,983,439,010	9,508,037,160



15.4 Range wise shareholdings

Range wise shareholdings	2018		2017	
	Number of shareholders	Percentage of holding of shares (%)	Number of Shares	Number of Shares
Up to 500 shares	29,778	0.38%	3,817,605	4,176,438
501 to 5,000 "	15,393	2.72%	27,164,258	28,522,191
5,001 " 10,000 "	1,149	0.80%	7,972,524	8,902,393
10,001 " 20,000 "	716	0.96%	9,617,898	10,372,656
20,001 " 30,000 "	292	0.75%	7,480,110	7,809,711
30,001 " 40,000 "	118	0.41%	4,058,685	4,244,090
40,001 " 50,000 "	77	0.34%	3,422,416	3,479,026
50,001 " 100,000 "	264	2.00%	19,952,012	22,695,224
100,001 and above	343	91.64%	914,858,393	860,601,987
	48,130	100.00%	998,343,901	950,803,716

15.5 Capital to Risk Weighted Assets Ratio (Solo):

In terms of section 13 (2) of the Bank Company Act, 1991 and Bangladesh Bank BRPD circulars nos. 14,09,20,10,12,24,31,35,08,16,18 and 05 dated December 30, 2007, December 31, 2008, December 29, 2009, March 10, 2010, March 29, 2010, August 03, 2010, October 25, 2010, December 29, 2010, July 23, 2012, October 29, 2012, December 21, 2014 and May 31, 2016 and DOS circular no 01 dated January 01, 2015 respectively, required capital of the Bank (solo) at the close of business on 31 December 2018 was Taka 28,465,950,439 as against available going - concern capital of Taka 24,394,177,597 and gone - concern capital of Taka 10,253,348,062 making a total regulatory capital of Taka 34,647,525,659 thereby showing a surplus regulatory capital /equity of Taka 6,181,575,220 at that date. Details are shown below:

Total assets including off-balance sheet items	513,448,013,228	459,413,247,598
Total risk-weighted assets	284,659,504,389	244,961,800,000
Required Capital (10% of risk weighted assets)	28,465,950,439	24,496,180,000

Regulatory capital held :

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

24,394,177,597	21,463,953,387
10,253,348,062	8,771,250,968
34,647,525,659	30,235,204,355
6,181,575,220	5,739,024,355

Total Regulatory Capital Surplus /(Deficit)

CRAR Based on Basel III Framework:

Capital Requirement :

- Tier-1 (Minimum CET-1 @ 4.50%)
Tier-2 (Maximum upto 4% of total RWA or 88.89% of CET-1 which ever is higher) Balancing
Total

	12.17%	12.34%
Held	8.57%	8.76%
	3.60%	3.58%
	12.17%	12.34%

15.5.1 Going - concern capital (Tier-1)

Paid-up Capital	9,983,439,010	9,508,037,160
Statutory Reserve	9,983,500,000	9,510,249,482
General Reserve	4,458,714,508	2,458,491,167
	24,425,653,518	21,476,777,809
Reciprocal crossholdings in the CET -1. capital of banking , financial and insurance entities	31,475,921	12,824,422
	24,394,177,597	21,463,953,387

15.5.2 Gone - concern capital (Tier-2)

General provision (Unclassified' loans + off-balance sheet exposure)	4,931,531,339	3,127,617,523
Subordinated debt/ instruments issued by the Bank	5,000,000,000	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
	11,540,614,952	9,736,701,136

Regulatory adjustment

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

(1,287,266,890)	(965,450,168)
10,253,348,062	8,771,250,968
34,647,525,659	30,235,204,355

Total Regulatory Capital Maintained

Capital to Risk Weighted Assets Ratio (Consolidated):

In terms of section 13 (2) of the Bank Company Act, 1991 and Bangladesh Bank BRPD circulars nos. 14,09,20,10,12,24,31,35,08,16,18 and 05 dated December 30, 2007, December 31, 2008, December 29, 2009, March 10, 2010, March 29, 2010, August 03, 2010, October 25, 2010, December 29, 2010, July 23, 2012, October 29, 2012, December 21, 2014 and May 31, 2016 and DOS circular no 01 dated January 01, 2015 respectively, required capital of the Bank (Consolidated) at the close of business on 31 December 2018 was Taka 28,723,937,799 as against available going - concern capital of Taka 24,031,244,452 and gone - concern capital of Taka 10,253,348,062 making a total regulatory capital of Taka 34,284,592,514 thereby showing a surplus regulatory capital /equity of Taka 5,560,654,715 at that date. Details are shown below:

Total assets including off-balance sheet items	513,929,614,110	459,282,898,662
Total risk-weighted assets	287,239,377,986	247,932,694,930
Required Capital (10% of risk weighted assets)	28,723,937,799	24,496,180,000

Regulatory capital held :

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

24,031,244,452	20,874,253,335
10,253,348,062	8,771,250,968
34,284,592,514	29,645,504,303
5,560,654,715	5,149,324,303

Total Regulatory Capital Surplus /(Deficit)

CRAR Based on Basel III Framework:

Capital Requirement :

- Tier-1 (Minimum CET-1 @ 4.50%)
Tier-2 (Maximum upto 4% of total RWA or 88.89% of CET-1 which ever is higher) Balancing
Total

	11.94%	11.96%
Held	8.37%	8.42%
	3.57%	3.54%
	11.94%	11.96%



15.5.3 Going - concern capital (Tier-1)

Paid-up Capital
Statutory Reserve
General Reserve

2018 Taka	2017 Taka
9,983,439,010	9,508,037,160
9,983,500,000	9,510,249,482
4,288,480,105	2,085,289,771
24,255,419,115	21,103,576,413
224,174,663	229,323,078
24,031,244,452	20,874,253,335

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

15.5.4 Gone - concern capital (Tier-2)

General provision (Unclassified loans + off-balance sheet exposure)
Subordinated debt/ instruments issued by the Bank
Asset revaluation Reserve up to 50% as on 31 December 2014
Revaluation Reserve for equity instruments up to 10% as on 31 December 2014
Revaluation reserve for securities upto 50% as on 31 December 2014

4,931,531,339	3,127,617,523
5,000,000,000	5,000,000,000
1,449,354,627	1,449,354,627
141,678,310	141,678,310
18,050,676	18,050,676
11,540,614,952	9,736,701,136

Regulatory adjustment

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

(1,287,266,890)	(965,450,168)
10,253,348,062	8,771,250,968
34,284,592,514	29,645,504,303

Total Regulatory Capital Maintained

15.6 Particulars of shareholding of the directors

SL.No	Name of the directors	Status	2018		2017		
			No of shares	Amount (Tk)	No of shares	Amount (Tk)	
1	Mr. Habibur Rahman	Chairman	19,981,761	199,817,610	19,030,249	190,302,490	
2	Mr. Moniruddin Ahmed	Vice-Chairman	32,520,918	325,209,180	30,972,303	309,723,030	
3	Mr. Syed Moazzem Hussain	Vice-Chairman	31,325,842	313,258,420	19,045,962	190,459,620	
4	Mr. Monzurur Rahman	Director	19,967,611	199,676,110	19,016,773	190,167,730	
5	Mr. Fahim Ahmed Faruk Chowdhury	Director	20,486,977	204,869,770	19,511,408	195,114,080	
6	Mr. Azizur Rahman	Director	21,701,115	217,011,150	20,667,729	206,677,290	
7	Mr. Musa Ahmed	Director	20,015,334	200,153,340	19,062,223	190,622,230	
8	Mr. Md. Abdur Razzak Mondal	Director	Nominated by That's It fashions Ltd.	34,941,900	349,419,000	33,278,000	332,780,000
			Personal	-	-	300,000	3,000,000
9	Mr. M. Kabiruzzaman Yaqub FCMA (UK),CGMA	Director	19,969,604	199,696,040	19,018,672	190,186,720	
10	Ms. Rumana Sharif	Director	Nominated by Delta Life Insurance Co. Ltd.	49,921,076	499,210,760	47,543,883	475,438,830
			Personal	248,950	2,489,500	51,801	518,010
11	Mr. Arif A. Choudhury	Director	19,967,345	199,673,450	-	-	
12	Mr. Asif A. Choudhury	Director	19,970,491	199,704,910	-	-	
13	Dr. Shahdeen Malik	Independent Director	-	-	-	-	
14	Mr. M. Azizul Huq	Independent Director	-	-	-	-	
15	Mr. Ahmed Shafi Choudhury	Ex. Director	Nominated by Transcom Limited.	-	-	19,147,478	191,474,780
			Personal	-	-	77,213	772,130
16	Ms. Rana Laila Hafiz	Ex. Director	-	-	19,016,075	190,160,750	
			311,018,924	3,110,189,240	285,739,769	2,857,397,690	

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 2018	Percentage of shareholding at 31 Dec 2017
1	Mr. Habibur Rahman	Chairman	2.00	2.00
2	Mr. Moniruddin Ahmed	Vice-Chairman	3.26	3.26
3	Mr. Syed Moazzem Hussain	Vice-Chairman	3.14	2.00
4	Mr. Monzurur Rahman	Director	2.00	2.00
5	Mr. Fahim Ahmed Faruk Chowdhury	Director	2.05	2.05
6	Mr. Azizur Rahman	Director	2.17	2.17
7	Mr. Musa Ahmed	Director	2.00	2.00
		Nominated by That's It fashions Ltd.	3.50	3.50
8	Mr. Md. Abdur Razzak Mondal	Director	-	0.03
		Personal	-	-
9	Mr. M. Kabiruzzaman Yaqub FCMA (UK),CGMA	Director	2.00	2.00
10	Ms. Rumana Sharif	Director	5.00	5.00
		Personal	0.02	0.01
11	Mr. Arif A. Choudhury	Director	2.00	-
12	Mr. Asif A. Choudhury	Director	2.00	-
13	Dr. Shahdeen Malik	Independent Director	-	-
14	Mr. M. Azizul Huq	Independent Director	-	-
15	Mr. Ahmed Shafi Choudhury	Ex. Director	-	2.01
		Personal	-	0.01
16	Ms. Rana Laila Hafiz	Ex. Director	-	2.00



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 Hospital Ltd. 2. Pubali Bank Securities Ltd. 3. Global Pharmaceutical Company Ltd.	Director Director Director	3.41% 1 share -
2	Mr. Moniruddin Ahmed	Vice-Chairman	1. Pubali Bank Securities Ltd.	Chairman	1 share
3	Mr. Syed Moazzem Hussain	Vice-Chairman	1. Prince Corporation Ltd. 2. Moazzem Knit & Dyeing Industry Ltd.	Chairman Chairman	78.72% 7.56%
4	Mr. Monzurur Rahman	Director	1. Rema Tea Company Ltd. 2. Delta Life Insurance Company Ltd. 3. Lafarge Holcim Bangladesh Ltd.	Chairman Director Independent Director	24.17% 2.82% -
5	Mr. Fahim Ahmed Faruk Chowdhury	Director	1. Chittagong Electric Manufacturing Co. Ltd. 2. F. A. C Eastern Enterprise Ltd. 3. Ranks FC Properties Ltd. 4. FC Holdings Ltd. 5. CEM Readymix Concrete Ltd. 6. CEM UPVC Ltd. 7. Surgiscope Hospital Pvt. Ltd. 8. Globex Pharmaceuticals Ltd. 9. Delta Hospital Ltd. 10. Euro Petro Product Ltd.	Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Director Director Director Director	15,000 shares 413 shares Representative Director of FC Holdings Ltd. 2,000 shares 7,500 shares 7,000 shares 5,000 shares 6,29,221 shares 859,894 shares 1,50,000 shares
6	Mr. Azizur Rahman	Director	1. Pubali Bank Securities Ltd. 2. National Ceramic Industries Ltd. 3. Dressmen Fashionwear Ltd.	Director Managing Director Director	1 share 50,000 shares 40%
7	Mr. Musa Ahmed	Director	1. Popular Jute Exchange Ltd. 2. Popular Jute Mills Ltd. 3. Comilla Food and Allied Ind. Ltd. 4. Popular Food and Allied Ind. Co. Ltd. 5. Tejgaon Engineering and Construction Co. Ltd.	Director Director Director Director Director	22.55% 8.10% 10.88% 11.35% 22.41%
8	Mr. Md. Abdur Razzak Mondal	Nominee Director	1. Thats It Fashions Ltd.	Nominee	-
9	Mr. M. Kabiruzzaman Yaqub FCMA (UK),CGMA	Director	1 Imagine Properties Ltd. 2. Pubali Bank Securities Ltd.	Chairman Director	50% 1 share
10	Ms. Rumana Sharif	Nominee Director	Nil	-	-
11	Mr. Arif A Choudhury	Director	1 Transcon Securities Ltd. 2. Continental Travels Ltd.	Executive Director Managing Director	19,000 Shares 2,000 Shares
12	Mr. Asif A Choudhury	Director	1 Transcon Securities Ltd. 2. Continental Travels Ltd.	Managing Director Executive Director	19,000 Shares 2,000 Shares
13	Dr. Shahdeen Malik	Independent Director	1. Pubali Bank Securities Ltd.	Independent Director	-
14	Mr. M. Azizul Haq	Independent Director	Nil	-	-

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

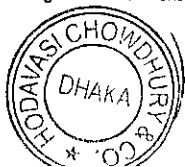
15.7.4 Shares issued to directors and executives without consideration or exercisable at a discount : Nil

15.7.5 Related party transactions

Name of party	Related to	Nature of transactions	Amounts (Tk)
None	Nil	Nil	Nil
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		9,510,249,482	9,300,249,482
Add: Addition during the year		473,250,518	210,000,000
Balance at the end of the year		<u>9,983,500,000</u>	<u>9,510,249,482</u>
17 Retained earnings (general reserve)			
Balance at the beginning of the year		2,458,491,167	4,094,175,061
Addition during the year:		2,950,811,049	(491,197,948)
Transfer in: Asset revaluation reserve		216,000	-
		<u>5,409,518,216</u>	<u>3,602,977,113</u>
Less: Issue of dividend		(950,803,708)	(1,144,485,946)
Balance at the end of the year		<u>4,458,714,508</u>	<u>2,458,491,167</u>
17(a) Consolidated Retained earnings (general reserve)			
Pubali Bank Limited		4,458,714,508	2,458,491,167
Pubali Bank Securities Limited		(170,234,403)	(373,201,396)
		<u>4,288,480,105</u>	<u>2,085,289,771</u>



	2018 Taka	2017 Taka
18 Other reserves		
18.1 Assets revaluation reserve		
Balance at the beginning of the year	2,907,729,355	2,915,946,700
Addition on revaluation of Fixed Assets/Investment During the Year	347,914,740	42,634,148
Disposal during the year	(340,363,004)	(50,851,493)
Transfer out: Asset revaluation reserve	(718,352)	-
	<u>2,914,562,739</u>	<u>2,907,729,355</u>
Share forfeiture account	333,984	333,984
Balance at the end of the year	<u>2,914,896,723</u>	<u>2,908,063,339</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	5,504,849	-
Addition during the period	1,087,849	5,504,849
Balance at the end of the period	<u>6,592,698</u>	<u>5,504,849</u>
	<u>2,951,449,393</u>	<u>2,943,528,160</u>
18(a) Consolidated Other reserves		
Pubali Bank Limited	2,951,449,393	2,943,528,160
Pubali Bank Securities Limited	-	-
	<u>2,951,449,393</u>	<u>2,943,528,160</u>
19 Profit & loss account surplus		
Balance at the beginning of the year	-	-
Profit after tax during the year	3,424,061,567	(281,197,948)
	<u>3,424,061,567</u>	<u>(281,197,948)</u>
Appropriation for the year		
Statutory reserve	473,250,518	210,000,000
General reserve	2,950,811,049	(491,197,948)
	<u>3,424,061,567</u>	<u>(281,197,948)</u>
Balance at the end of the year	-	-
19(a) Consolidated Profit & loss account surplus		
Balance at the beginning of the year	-	-
Profit after tax during the year	3,627,028,633	57,145,783
	<u>3,627,028,633</u>	<u>57,145,783</u>
Appropriation for the year		
Statutory reserve	473,250,518	210,000,000
General reserve	3,153,778,115	(152,854,217)
	<u>3,627,028,633</u>	<u>57,145,783</u>
Balance at the end of the year	-	-
20 Non-controlling interest		
Balance at the beginning of the year	801	679
Share of current year profit	73	122
	<u>874</u>	<u>801</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	-	-
	<u>16,533,529,663</u>	<u>11,338,890,478</u>
	<u>16,533,529,663</u>	<u>11,338,890,478</u>
22 Interest income		
Loans	2,552,186,928	2,009,552,831
Cash credits	5,157,634,458	4,491,911,605
Over drafts	5,923,544,733	4,303,102,424
Loan against imported merchandise	211,204	377,823
Loan against trust receipt	1,386,041,381	1,027,268,615
Inland bill purchased & demand draft purchased	181,602,830	96,778,810
Foreign bill purchased and Export development fund	106,425,226	148,166,557
Interest on Export Bill Discounting (EBD)	4,453,464	1,345,796
Packing credits	44,184,681	38,605,646
Payments against document	732,496,387	533,966,670
Call loans	57,053,361	29,446,709
Agricultural credits & rural credits	23,426,638	28,022,240
Sundries account	81,027,339	70,380,537
CLS account	1,432,731,939	1,389,091,452
Secured mortgages	846,556,120	606,608,014
Foreign bank accounts	32,750,673	19,081,147
Loan against Shiksha Sanchay Prokalpa	563,746	1,092,082
Loan against Non-resident Credit Scheme	-	40,641
Lease finance	632,982,272	589,024,536
Loan against Pubali Sanchay Prokalpa	22,284,162	40,191,189
Loan against FDR	918,931,520	608,507,534
Term loans	3,743,264,840	2,850,093,837
Loan against Pubali Pension Scheme	107,390,809	108,863,079
	<u>23,987,744,711</u>	<u>18,991,519,774</u>



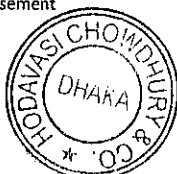
2018
Taka

2017
Taka

	2018 Taka	2017 Taka
22(a) Consolidated Interest Income		
Pubali Bank Limited	23,987,744,711	18,991,519,774
Pubali Bank Securities Limited	16,855,253	33,037,637
	24,004,599,964	19,024,557,411
23 Interest paid on deposits, borrowings, etc.		
Fixed deposit	5,500,730,063	3,421,675,963
Interest on repo borrowings	7,606,377	14,762,898
Interest paid on borrowings	666,021,486	340,421,613
Interest paid on Subordinated Bond	483,115,069	15,000,000
Short-notice deposit	1,579,688,501	1,129,019,604
Savings bank deposit	1,306,100,054	1,227,000,321
Deposit pension scheme	44,960	138,610
Pubali bank pension scheme	2,113,534,853	1,671,207,763
Call loan	36,184,917	60,804,431
Monthly monafa based deposit scheme	8,223,163	11,586,539
Pubali Sanchay Prokalpa	251,179,516	305,817,920
Shiksha Sanchay Prokalpa	16,715,821	17,795,739
Dwigun Sanchay Prokalpa	1,959,625,800	2,140,681,917
Treasury Bond	94,258,352	72,240,863
Marking to Market Revaluation	136,864,877	106,081,454
Interest on MPSD	257,503,531	148,680,328
Interest on TBSD	298,464,438	187,068,394
Interest on MFD A/C	240,240,162	258,183,053
Interest on Refinance from Bangladesh Bank	4,666,718	3,120,097
Sundry accounts	5,483,660	4,331,825
	14,966,252,318	11,135,619,332
24 Investment Income		
Interest on treasury bill	82,125,166	90,604,066
Interest on treasury bond	3,674,819,815	3,588,894,069
Interest on other bond	1,290,839,074	813,963,563
Interest on Bridge Loans & debentures	-	100,000
Interest on Bangladesh Bank bill	1,499,865	35,801,700
Interest on commercial paper	-	29,717,014
Gain/ (Loss) on sale of shares	38,909,574	531,659,730
Interest on Reverse Repo	2,322,331	25,449,449
Gain on Treasury Bill & Treasury Bond	699,766	-
Dividend on shares	101,791,867	292,820,155
	5,193,007,458	5,409,009,746
24(a) Consolidated Income from investment		
Pubali Bank Limited	5,193,007,458	5,409,009,746
Pubali Bank Securities Limited	365,769,341	395,789,827
	5,558,776,799	5,804,799,573
25 Commission, exchange and brokerage		
SC, LSC, DD, TT, MT and PO	31,410,207	30,928,355
Foreign L/C	356,730,180	374,390,807
Local L/C	74,900,864	85,379,436
Issuance of foreign guarantee	3,053,468	2,287,439
Issuance of local guarantee	191,839,976	138,158,275
Issuance of traveller's cheque	9,130	20,233
Other transactions	301,934,988	286,309,662
Miscellaneous handling commission	232,756,471	192,161,450
Consumers credit	1,240,083	990,990
Commission on stationery articles	1,312,469	823,081
Income A/C commission Online	279	3,482
Total commission	1,195,188,115	1,111,453,210
Exchange (Note 25.1)	670,775,822	563,121,212
	1,865,963,937	1,674,574,422
25.1 Exchange		
Exchange gain	4,265,006,692	4,246,659,364
Exchange loss	(3,594,230,870)	(3,683,538,152)
	670,775,822	563,121,212
25(a) Consolidated Commission, exchange and brokerage		
Pubali Bank Limited	1,865,963,937	1,674,574,422
Pubali Bank Securities Limited	28,718,161	60,654,544
	1,894,682,098	1,735,228,966



	2018 Taka	2017 Taka
26 Other operating income		
Rent recovery	3,002,798	3,540,436
Postage and telecommunication recovery	11,304,803	8,404,637
Miscellaneous income	96,581,114	79,336,639
Miscellaneous income supervision and monitoring	15,650	2,270
Miscellaneous income transfer fee	639,495	454,574
Recovered from bad debt written off	53,115	133,727,023
Swift charges Recovered	122,232,990	114,087,738
Fee on card transaction	6,247,393	3,735,409
Application fee of CLS account	1,192,146	1,431,295
Account opening charge of CLS account	1,324,475	1,849,232
Service charge	18,657,539	33,850,537
Income on sale of leased asset	2,561,642	2,230,862
Processing Fee on Pubali Abashon	3,000	-
Processing Fee on Lease Financing	1,071,440	4,775,222
Online service charge	426,094,633	397,714,885
Accounts maintenance fee	370,436,339	346,878,143
SMS service charges	86,787,803	75,155,119
Card Fees and charges	17,326,883	9,795,855
CTB service charges	12,602,450	13,391,775
Income on sale of Bank's property	859,817	5,424,995
	1,178,995,525	1,235,786,646
26(a) Consolidated Other operating income		
Pubali Bank Limited	1,178,995,525	1,235,786,646
Pubali Bank Securities Limited	46,864,077	9,561,532
	1,225,859,602	1,245,348,178
27 Salary and allowances		
Basic salary	2,065,949,942	2,003,867,465
House rent allowances	1,165,159,800	1,148,315,880
Medical allowances	237,776,942	245,036,699
Other allowances	1,051,264,485	706,398,444
Contributory provident fund	187,459,318	185,276,553
General provident fund	310,921	414,926
Bonus to employees	368,285,660	352,973,449
	5,076,207,068	4,642,283,416
27(a) Consolidated Salary and allowances		
Pubali Bank Limited	5,076,207,068	4,642,283,416
Pubali Bank Securities Limited	30,830,721	29,138,074
	5,107,037,789	4,671,421,490
28 Rent, taxes, insurance, electricity, etc.		
Bank premises	453,856,028	404,037,817
Godown	2,795,819	2,611,616
Rates and taxes	14,964,508	20,436,891
Insurance (vault)	44,770,102	42,223,644
Insurance premium	174,656,330	158,950,980
Electricity	139,301,082	112,244,600
Electric fittings and fixtures	27,466,255	23,423,564
Water and sewerage bill	4,607,384	3,785,733
	862,417,508	767,714,845
28(a) Consolidated Rent, taxes, insurance, electricity, etc.		
Pubali Bank Limited	862,417,508	767,714,845
Pubali Bank Securities Limited	612,747	549,242
	863,030,255	768,264,087
29 Legal expenses		
Lawyers' charges	17,360,848	16,256,986
Court fees and other expenses	4,663,488	3,183,549
	22,024,336	19,440,535
29(a) Consolidated Legal expenses		
Pubali Bank Limited	22,024,336	19,440,535
Pubali Bank Securities Limited	399,000	183,500
	22,423,336	19,624,035
30 Postage, stamp, telecommunication, etc.		
Postage	13,489,700	10,229,759
Telegram	509,144	316,542
Stamp	83,583	16,545
Telephone	20,661,496	20,853,683
SWIFT charges	39,869,995	36,195,048
SMS charges	11,239,448	14,086,035
Tele rate/ Router	2,020,199	1,368,837
Internet charges	1,312,751	1,461,125
	89,186,316	84,527,574
30(a) Consolidated Postage, stamp, telecommunication, etc.		
Pubali Bank Limited	89,186,316	84,527,574
Pubali Bank Securities Limited	332,802	311,983
	89,519,118	84,839,557
31 Stationery, printing, advertisement, etc.		
Table stationery	28,770,393	25,572,471
Computer stationery	23,342,009	19,368,934
Printing and stationery	7,956,457	28,046,301
Consumption of books and forms	16,484,032	13,227,684
Advertisement	63,295,722	59,080,835
	139,848,613	145,296,225



	2018 Taka	2017 Taka
31(a) Consolidated Stationery, printing, advertisement, etc.		
Pubali Bank Limited	139,848,613	145,296,225
Pubali Bank Securities Limited	232,580	266,382
	140,081,193	145,562,607
32 Managing Director's salary and fees		
Basic pay	8,050,000	6,000,000
Allowances	3,786,667	1,800,000
Bank's contributory provident fund	805,000	600,000
Bonus	2,540,000	2,100,000
	15,181,667	10,500,000
33 Directors' fees		
Meeting fees and Honorarium	4,554,400	4,912,000
Meeting expenses	1,167,682	1,222,262
Meeting related travelling allowances	888,800	871,600
	6,610,882	7,005,862
33(a) Consolidated Directors' fees		
Pubali Bank Limited	6,610,882	7,005,862
Pubali Bank Securities Limited	1,115,500	1,081,000
	7,726,382	8,086,862
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	1,532,500	1,987,391
	1,532,500	1,987,391
34(a) Consolidated Auditors' fees		
Pubali Bank Limited	1,532,500	1,987,391
Pubali Bank Securities Limited	143,750	215,625
	1,676,250	2,203,016
35 Depreciation and repair of bank's assets		
Repairs to fixed assets	35,178,478	30,344,065
Maintenance of assets	151,651,573	123,582,099
Depreciation on fixed assets	302,253,426	391,342,794
	489,083,477	545,268,958
35(a) Consolidated depreciation and repair of bank's assets		
Pubali Bank Limited	489,083,477	545,268,958
Pubali Bank Securities Limited	1,109,725	1,234,469
	490,193,202	546,503,427
36 Other expenses		
Repairs to rented property	1,809,167	1,218,107
Newspapers	3,350,546	3,355,056
Renovation Under Construction Works	61,430,074	24,163,463
Petrol consumption	59,172,338	56,006,610
Travelling	61,365,670	58,951,936
Donations	92,081,599	141,561,000
Honorarium	231,000	453,200
Subscriptions	15,288,309	14,781,024
Sub-ordinate staff clothing	4,716,309	12,195,222
Conveyance	23,539,307	20,066,480
Entertainment	31,648,592	26,494,688
Training	18,596,198	20,271,228
Photocopying	128,820	204,629
Branches' opening expenses	1,073,457	1,011,597
Shifting expenses	978,234	635,929
Carrying expenses	1,782,231	1,166,677
Professional fees	7,431,610	36,268,162
Security and Auxiliary Services	96,768,130	58,780,688
Gun license fees	6,194,430	5,178,166
Overtime	27,754,000	27,326,633
Employees recreation (Lunch subsidy)	198,858,599	202,725,631
Promotional expenses	63,377,682	15,946,487
Gratuity	565,888,160	597,375,080
Group insurance	16,837,474	16,392,237
House maintenance	124,277,805	131,834,208
Car allowance	29,224,283	27,394,719
Chemicals for office equipment's	670,963	777,971
Loss on sale of bank's property	3,622,477	2,349,660
COBL fees	264,945	366,071
Annual general meeting	1,841,269	1,629,889
Bandwidth charges	81,884,910	79,531,459
Card expenditure	21,804,732	18,418,450
Nostro account charges	7,289,711	7,049,090
Card transaction fee	2,726,715	1,601,295
Additional Profit Payable A/C For Islamic Banking	1,000,000	2,000,000
Loss on Disposal of Bank's property	-	64,693
Miscellaneous	64,190,097	95,421,570
	1,699,099,843	1,710,969,005



		2018 Taka	2017 Taka
36(a) Consolidated Other expenses			
Pubali Bank Limited		1,699,099,843	1,710,969,005
Pubali Bank Securities Limited		7,727,643	10,801,699
		1,706,827,486	1,721,770,704
37 Provision for Loans, Advances, Investments and Other Assets			
Classified loans and advances (note 14.1.1)		1,301,692,607	5,615,000,000
Unclassified loans and advances (note 14.1.2)		1,689,501,103	-
Provision for bad debt offsetting		1,181,117	4,311,000
Provision for diminution in value of Investments (note 14.1.3)		72,599,540	-
Provision for other assets		53,200,000	-
		3,118,174,367	5,619,311,000
37(a) Consolidated Provision for Loans, Advances, Investments and Other Assets			
Pubali Bank Limited		3,118,174,367	5,619,311,000
Pubali Bank Securities Limited		137,677,727	40,145,837
		3,255,852,094	5,659,456,837
38 Provision for exposure of off balance sheet items			
Provision for exposure against off-balance sheet items		53,700,000	180,500,000
		53,700,000	180,500,000
38.1 Details of provision for exposure against off-balance sheet items			
<u>Particulars</u>			
Letter of guarantee		16,533,529,663	11,338,890,478
Irrevocable letters of credit		73,923,683,137	67,861,025,606
Bills for collection		10,742,612,254	10,202,171,342
Other contingent liabilities		2,504,095,907	1,696,542,422
Total Contingent Liabilities:		103,703,920,961	91,098,629,848
Less: Margin			
Letter of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
		103,703,920,961	91,098,629,848
	Base for Provision		
Letter of guarantee	16,533,529,663	Rate of Provision (%)	
Irrevocable letters of credit	73,923,683,137	1	165,335,297
Bills for collection	10,742,612,254	1	739,236,831
Other contingent liabilities	2,504,095,907	1	-
Required provision			102,021,713
Provision maintained			25,040,959
Excess provision			16,965,424
			929,613,087
			910,986,298
			930,000,000
			911,300,000
			386,913
			313,702
39 Provision for doubtful Investment			
Provision for diminution in value of Investments		72,599,540	-
		72,599,540	-
40 Receipts from other operating activities			
Exchange		670,775,822	563,121,212
Other operating income		1,178,942,410	1,102,059,623
		1,849,718,232	1,665,180,835
40(a) Consolidated Receipts from other operating activities			
Pubali Bank Limited		1,849,718,232	1,665,180,835
Pubali Bank Securities Limited		261,356,731	246,476,636
		2,111,074,963	1,911,657,471
41 Cash payments for other operating activities			
Rent, taxes, insurance, electricity etc.		862,417,508	767,714,845
Director's fees		6,610,882	7,005,862
Charges on loan losses		589,963	55,388,623
Repairs of bank's assets		186,830,051	153,926,164
Other expenses		1,699,099,843	1,710,969,005
		2,755,548,247	2,695,004,499
41(a) Consolidated Cash payments for other operating activities			
Pubali Bank Limited		2,755,548,247	2,695,004,499
Pubali Bank Securities Limited		11,673,747	14,643,900
		2,767,221,994	2,709,648,399



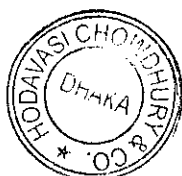
2018
Taka

2017
Taka

42 Increase/(decrease) of other assets		
Closing other assets		
Stationery and Stamps	75,918,940	67,696,410
Advance security deposit, advance rent etc.	273,263,628	230,843,148
Investment in SWIFT AC	3,387,591	3,387,591
Stock dealing account	201,451,496	469,757,026
Suspense Account	352,686,540	260,698,995
Demonetized Notes	1,903,830	1,531,750
Items in transit	3,910,178,215	3,288,854,073
Drafts payable (Dr. Balance)	19,763,417	20,829,927
Sanchaypatra	-	-
Clearing house adjustment	4,939,349	148,161,847
Others	7,879,385	3,604,701
	4,851,372,391	4,495,365,468
Opening other assets		
Stationery and stamps	67,696,410	64,778,476
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
	4,495,365,468	5,518,715,879
	(356,006,923)	1,023,350,411
42(a) Consolidated Increase/(decrease) of other assets		
Pubali Bank Limited	(356,006,923)	1,023,350,411
Pubali Bank Securities Limited	6,955,477	(168,200,353)
	(349,051,446)	855,150,058
43 Increase/(decrease) of other liabilities		
Closing other liabilities		
Interest suspense	2,312,889,947	2,164,617,779
Interest suspense on underwriting advances	235,599,888	235,599,888
Interest suspense against 70% Agri Loan	192,382	192,382
	2,548,682,217	2,400,410,049
Opening 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
	2,400,410,049	1,858,491,487
	148,272,168	541,918,562
43(a) Consolidated Increase/(decrease) of other liabilities		
Pubali Bank Limited	148,272,168	541,918,562
Pubali Bank Securities Limited	(280,966,613)	410,539,194
	(132,694,445)	952,457,756
44 Cash and Cash Equivalents at End of Period		
Cash in hand (including foreign currencies)	3,789,308,079	3,643,109,729
Balance with Bangladesh Bank and its agent bank(s)	19,267,540,519	19,174,680,719
Balance with other banks and financial institutes	15,579,619,483	12,903,217,937
Prize bonds	21,135,801	12,144,101
Money at call on short notice	11,286,667	11,286,667
	38,668,890,549	35,744,439,153
44(a) Consolidated Cash and Cash Equivalents at End of Period		
Pubali Bank Limited	38,668,890,549	35,744,439,153
Pubali Bank Securities Limited	896,360,657	1,105,272,867
	39,565,251,206	36,849,712,020

45 Assets and liabilities as at 31 December 2018 denominated in foreign currencies have been converted to Bangladesh Taka at the following exchange rates:

Currency	Currency unit	Equivalent Taka
European Currency	EURO	95.5285
Japanese Yen	JPY	0.7562
Pound Sterling	GBP	106.2594
Swiss Franc	CHF	84.5340
US Dollar	USD	83.9000
ACU Dollar	ACUD	83.9000



2018
Taka

2017
Taka

46 Basic and Diluted Earnings Per Share (EPS):

Net profit after taxes	3,424,061,567	(281,197,948)
Number of ordinary shares outstanding	998,343,901	998,343,901
Basic and Diluted Earnings Per Share (EPS)	3.43	(0.28)

46(a) Consolidated Basic and Diluted Earnings Per Share (EPS)

Net profit after tax	3,627,028,633	57,145,783
Number of ordinary shares outstanding	998,343,901	998,343,901
Basic and Diluted Earnings Per Share (EPS)	3.63	0.06

Earnings per share has been calculated in accordance with BAS-33:"Earnings Per Share (EPS)". Previous year's figures have been adjusted for the issue of 5% Bonus shares (for 2017) during the year.

Net Asset Value Per Share (NAVPS):

Total Shareholders' Equity	27,377,102,911	24,420,305,969
Number of ordinary shares outstanding	998,343,901	950,803,716
	27.42	25.68

Consolidated Net Asset Value Per Share (NAVPS):

Total Shareholders' Equity	27,206,868,508	24,047,104,573
Number of ordinary shares outstanding	998,343,901	950,803,716
	27.25	25.29

Net Operating Cash Flow Per Share (NOCFPS):

Net Cash from/(used in) Operating activities	3,797,012,473	764,518,994
Number of ordinary shares outstanding	998,343,901	950,803,716
	3.80	0.80

Consolidated Net Operating Cash Flow Per Share (NOCFPS):

Net Cash from/(used in) Operating activities	3,587,906,756	1,497,072,243
Number of ordinary shares outstanding	998,343,901	950,803,716
	3.59	1.57

47 Reconciliation of statement of cash flows from operating activities

Profit before provision	8,857,677,140	8,184,888,822
Adjustment for non cash items		
Depreciation on fixed asset	291,269,098	391,342,794
Amortization on software	10,984,328	-
	302,253,426	391,342,794
Adjustment with non-operating activities		
Gain on sale of shares	(38,909,574)	(531,659,730)
Capital gain on sale of treasury bond	(699,766)	-
Gain on sale of Bank's property	(859,817)	(5,424,995)
Gain on sale of leased asset	(2,561,642)	(2,230,862)
Loss on sale of bank's property	3,622,477	2,349,660
	(39,408,322)	(536,965,927)
Changes in operating assets and liabilities		
Changes in loans & advances	(31,369,911,647)	(36,528,365,781)
Changes in deposit and other accounts	37,293,945,764	24,430,459,638
Changes in investment	(4,076,883,567)	(4,131,102,956)
Changes in borrowings	(947,004,523)	11,793,372,946
Changes in other assets	(330,186,866)	819,786,741
Changes in other liabilities	(3,311,501,716)	(1,015,445,707)
	(2,741,542,555)	(4,631,295,119)
Income Tax Paid	(2,581,967,216)	(2,643,451,576)
Net cash flows from operating activities	3,797,012,473	764,518,994



48 Highlights on the Overall Activities of the Bank for the period ended 31 December' 2018 and 31 December' 2017

Particulars	2018	2017
	Taka	Taka
1. Paid-up Capital	9,983,439,010	9,508,037,160
2. Total Regulatory Capital	34,647,525,659	30,235,204,355
3. Regulatory Capital Surplus	6,181,575,220	5,739,024,355
4. Total Assets	409,744,092,267	368,314,617,750
5. Total Deposits	308,899,774,685	271,605,828,921
6. Total Loans & Advances	270,909,509,189	239,539,597,542
7. Total Contingent Liabilities	103,703,920,961	91,098,629,848
8. Loan Deposit Ratio (%) (excluding OBU)	82.94%	83.94%
9. Ratio of Classified Loan to total Loans & Advances (%)	5.46%	8.68%
10. Profit after taxation & Provision	3,424,061,567	(281,197,948)
11. Amount of Classified Loan during the current year	14,778,266,108	20,786,943,558
12. Provision kept against Classified Loans	8,810,368,661	10,084,204,562
13. Provision Surplus	-	1,517,039
14. Cost of Fund (%)	7.97%	7.42%
15. Interest Earning Assets	328,464,042,973	284,243,605,681
16. Interest Non- Earning Assets	81,280,049,294	63,284,068,511
17. Return on Investment(ROI) [PAT/ Shareholders' Equity]	12.51%	-1.15%
18. Return on Assets (ROA)	0.84%	-0.08%
19. Income from Investment	5,193,007,458	5,409,009,746
20. Earnings per Share (Taka)	3.43	(0.28)
21. Net Income per Share (Taka)	3.43	(0.28)
22. Price Earning Ratio (Times)	7.58	(107.93)



Schedule of Fixed Assets as at 31 December, 2018

Annexure- A

Particulars	Cost					Rate (%)	Depreciation/Amortization					Net book value at 31 December 2018 Taka
	Balance at 1 January 2018 Taka	Additions/ Revaluation during the Year Taka	Disposal during the year Taka	Adjustments during the year Taka	Balance at 31 December 2018 Taka		Balance at 1 January 2018 Taka	Charge for the Year Taka	Disposal during the year Taka	Adjustments during the year Taka	Balance at 31 December 2018 Taka	
Land (including leased)	2,255,213,992	-	718,350	-	2,254,495,642	Fixed	28,986,571	1,178,971	-	-	30,165,542	2,224,330,100
Building	908,092,261	-	-	-	908,092,261	0.025	212,046,280	17,401,150	-	-	229,447,430	678,644,831
Furniture and Fixture	628,627,177	98,470,263	17,589,202	(25,797)	709,482,441	0.10	276,622,398	40,312,656	12,377,411	(8,803)	304,548,840	404,933,601
Computer & Computer Accessories	1,065,067,425	121,873,204	35,633,941	-	1,151,306,688	0.30	929,056,832	116,570,731	35,325,102	-	1,010,302,460	141,004,228
Machinery and Equipment	674,615,406	123,416,732	22,875,432	(955,373)	774,201,333	0.20	484,313,635	86,877,954	22,253,469	(322,054)	548,616,066	225,585,267
Vehicles	260,086,954	27,906,962	5,075,000	1,767,000	284,685,916	0.20	183,353,108	28,927,636	5,074,970	1,766,990	208,972,764	75,713,152
At 31 December 2018	5,791,703,215	371,667,161	81,891,924	785,830	6,082,264,281		2,114,378,824	291,269,098	75,030,953	1,436,133	2,332,053,102	3,750,211,179
At 31 December 2017	5,558,934,589	287,835,389	46,004,243	(9,062,520)	5,791,703,215		1,873,231,567	291,287,828	42,989,465	(7,151,106)	2,114,378,824	3,677,324,391

Schedule of Intangible asset as at 31 December, 2018

Particulars	Cost					Rate (%)	Depreciation/Amortization					Net book value at 31 December 2018 Taka
	Balance at 1 January 2018 Taka	Additions/ Revaluation during the Year Taka	Disposal during the year Taka	Adjustments during the year Taka	Balance at 31 December 2018 Taka		Balance at 1 January 2018 Taka	Charge for the Year Taka	Disposal during the year Taka	Adjustments during the year Taka	Balance at 31 December 2018 Taka	
Computer Software	292,338,549	33,588,830	-	-	325,927,379	0.30	282,806,607	10,984,328	-	-	293,790,935	32,136,444
At 31 December 2018	292,338,549	33,588,830	-	-	325,927,379		282,806,607	10,984,328	-	-	293,790,935	32,136,444
At 31 December 2017	285,492,898	6,845,651	-	-	292,338,549		182,751,641	100,054,966	-	-	282,806,607	9,531,942
At 31 December 2018	6,084,041,764	405,255,991	81,891,924	785,830	6,408,191,660		2,397,185,431	302,253,426	75,030,953	1,436,133	2,625,844,037	3,782,347,623
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



Pubali Bank Limited
Tax Status Report (As at 31 December 2018)

(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	2,541,468,038	2,173,640,035	367,828,003	Case pending with TAT
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 order not yet received
19	2017	2018-2019	2,714,690,189	-	2,489,288,486	-	Assessment not yet done
20	2018	2019-2020	2,272,793,912	-	1,103,034,401	-	Return submission date not due
Total			28,286,610,822	17,435,497,717	25,360,190,835	1,071,266,224	

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 2018	As at 31 Dec 2017
28	24
133,761,800,000	104,224,382,000
-	5,804,921,000
-	-

Amounts in Taka

Name of the clients	Sanctioned Limit	Status	Outstanding		Total outstanding	
			Funded	Non-funded	At 31 Dec 2018	At 31 Dec 2017
Meghna Group	9,910,300,000	STD	2,027,000,000	6,240,400,000	8,267,400,000	7,899,800,000
Max Group	9,855,000,000	STD	3,106,800,000	4,551,300,000	7,658,100,000	4,737,242,000
City Group	7,124,600,000	STD	3,254,300,000	3,569,200,000	6,823,500,000	5,988,335,000
Paramount Group	8,235,700,000	STD	3,321,800,000	2,806,000,000	6,127,800,000	3,990,400,000
Abul Khair Group	7,450,000,000	STD	2,297,800,000	3,255,200,000	5,553,000,000	-
Project Builders	5,878,300,000	STD	3,947,300,000	1,523,900,000	5,471,200,000	5,464,327,000
Keya Group	4,930,900,000	STD	5,454,900,000	5,700,000	5,460,600,000	5,810,621,000
Dird Group	6,501,700,000	STD	3,994,200,000	1,260,300,000	5,254,500,000	5,198,332,000
Pran Group	8,508,800,000	STD	3,044,500,000	2,150,900,000	5,195,400,000	5,224,625,000
BSRM Group	6,624,400,000	STD	2,962,700,000	1,926,400,000	4,889,100,000	4,935,455,000
BRAC Group	8,364,600,000	STD	4,819,500,000	45,900,000	4,865,400,000	3,249,206,000
Pakiza Group	6,338,000,000	STD	3,353,800,000	1,346,700,000	4,700,500,000	4,275,200,000
Sharmin Group	7,468,000,000	STD	1,678,700,000	2,914,500,000	4,593,200,000	5,150,700,000
City Seed Crushing Group	5,048,800,000	STD	2,001,700,000	2,442,900,000	4,444,600,000	4,121,000,000
Nitol Niloy Group	8,069,300,000	STD	4,151,700,000	239,100,000	4,390,800,000	3,197,242,000
DBL group	5,730,000,000	STD	2,914,100,000	1,423,300,000	4,337,400,000	-
MSA Spinning Ltd	6,336,100,000	STD	3,187,600,000	880,500,000	4,068,100,000	3,073,300,000
Sena Kalyan Sangstha	6,138,000,000	STD	3,326,600,000	681,300,000	4,007,900,000	-
GPH Group	5,935,400,000	STD	3,244,800,000	729,000,000	3,973,800,000	3,028,841,000
Ha-Meem Group	9,945,600,000	STD	1,309,800,000	2,624,100,000	3,933,900,000	4,446,400,000
JMI Group	5,133,300,000	STD	2,493,300,000	1,420,800,000	3,914,100,000	-
KSRM Steel Plant Ltd.	5,380,000,000	STD	2,531,200,000	1,380,000,000	3,911,200,000	3,252,225,000
T K Group	5,400,000,000	STD	1,852,700,000	1,953,300,000	3,806,000,000	3,592,100,000
ACI Group	4,491,500,000	STD	3,097,200,000	625,600,000	3,722,800,000	3,155,215,000
AA Yam Mills Ltd.	5,226,900,000	STD	2,988,100,000	707,000,000	3,695,100,000	-
Envoy Textiles Ltd.	7,095,000,000	STD	2,694,700,000	970,300,000	3,665,000,000	4,042,745,000
Madina Group	4,805,100,000	STD	1,977,800,000	1,569,900,000	3,547,700,000	3,357,415,000
Sheema Group	5,280,000,000	STD	2,547,600,000	936,100,000	3,483,700,000	3,781,156,000
Antim Group	-	STD	-	-	-	3,252,500,000
	187,205,300,000		83,582,200,000	50,179,600,000	133,761,800,000	104,224,382,000



Annexure - D

Pubali Bank Limited - Islamic Banking Windows

Distribution of profit for the income year ended 31 December 2018

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. Investment Income was 9.45% on an average in the year 2018 .The actual distributable rate of Investment Income stands at 9.35% after keeping Bad Debt Offsetting Reserve as "1%" . But we distributed the profit provisionally at 9.25% assumed Investment Income throughout the year. The additional profit of 0.10% (9.35%-9.25%) was distributed accordingly as Final Rates of Profit which is shown in the column '6' in the following table:

Sl. No	Types of Mudaraba Deposit	Share of Depositors in Investment Income of 2018	Rates of Profit distributed provisionally at Assumed Investment Income @ 9.25%	Final rates of profit as per Actual investment net income @9.35%	Additional Profit distributed for final adjustment
1	2	3	4	5	6
1	Mudaraba Term Deposit Receipt				
	(a) For 3 months	75%	6.94%	7.01%	0.07%
	(b) For 6 months	80%	7.40%	7.48%	0.08%
	(c) For 12 months	85%	7.86%	7.95%	0.09%
	(d) For 24 months	85%	7.86%	7.95%	0.09%
2	Mudaraba Monthly Profit based Term Deposit (5 Years based)	85%	7.86%	7.95%	0.09%
3	Mudaraba Short Notice Deposit	35%	3.24%	3.27%	0.03%
4	Mudaraba Savings Account	45%	4.16%	4.21%	0.05%
5	Mudaraba Hajj Savings Account	85%	7.86%	7.95%	0.09%
6	Mudaraba Deposit Pension Account				
	(a) For 5 years	83%	7.68%	7.76%	0.08%
	(b) For 10 years	85%	7.86%	7.95%	0.09%

A competent Shariah Supervisory Committee consisting of Islamic Scholars, Ulemas, Economists and Islamic Bankers headed by Janab M. Azizul Huq, Director, Pubali Bank Limited and founder Chief Executive of Islami Bank Bangladesh Limited, SIBL & IFIL oversee the Islamic Banking operations of our Bank. Shariah Supervisory Committee met in 3 (three) meetings in the year 2018 and reviewed different operational issues in line with Islamic Shariah. Besides, the Muraquibs of the Shariah secretariat inspected all the Islamic Banking Windows of the bank during the year and reported no case of major deviation of Islamic Shariah in their operations.



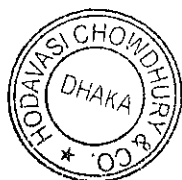
Pubali Bank Limited - Islamic Banking Windows
Balance Sheet as at 31 December 2018

<u>PROPERTY AND ASSETS</u>	Notes	2018 Taka	2017 Taka
Cash	1	62,209,739	73,055,297
Cash in hand (Including foreign currencies)		2,714,939	3,362,449
Balance with Bangladesh Bank and its agent Bank (s) (Including foreign currencies)		59,494,800	69,692,848
Balance with Other Banks and Financial Institutions	2	820,368,327	268,257,756
In Bangladesh		820,368,327	268,257,756
Outside Bangladesh		-	-
Placement with Banks and Other Financial Institutions	3	-	-
Investments in Shares and Securities	4	59,500,000	60,000,000
Government		59,500,000	60,000,000
Others		-	-
Investments	5	852,821,015	403,156,760
General investments		852,821,015	403,156,760
Bills purchased & discounted		-	-
Fixed Assets including Premises, Furniture & Fixtures	6	1,174,535	1,381,886
Other Assets	7	18,935,892	345,968,235
Non-banking Assets		-	-
Total Assets		1,815,009,508	1,151,819,934
<u>LIABILITIES AND CAPITAL</u>			
Liabilities			
Placement with other Banks, Financial institutions & Agents	8	-	-
Deposits and Other Accounts	9	1,126,682,193	989,055,449
Al-Wadia current deposit		56,866,915	59,934,716
Bills payable		10,873,700	6,360,563
Mudaraba savings bank deposit		90,092,778	110,256,167
Mudaraba term deposits		968,579,065	812,281,648
Other deposits		269,735	222,355
Other Liabilities	10	638,121,839	105,542,266
Total Liabilities		1,764,804,032	1,094,597,715
Capital / Shareholders' Equity			
Paid up capital		-	-
Statutory reserve		-	-
Retained surplus (general reserve)		-	-
Revaluation gain/(Loss) on investment		-	-
Other reserves		-	-
Profit and loss account surplus		50,205,476	57,222,219
Total Shareholders' Equity		50,205,476	57,222,219
Total Liabilities and Shareholders' Equity		1,815,009,508	1,151,819,934



Pubali Bank Limited - Islamic Banking Windows
Balance Sheet as at 31 December 2018

<u>OFF-BALANCE SHEET ITEMS</u>	<u>Notes</u>	<u>2018 Taka</u>	<u>2017 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 2018

	Notes	2018 Taka	2017 Taka
Operating Income			
Investment income	11	114,561,548	107,792,879
Less :Profit paid on deposits, borrowings, etc.	12	58,349,631	44,113,692
Net Investment Income		56,211,917	63,679,187
Income from investment in shares /securities	13	-	-
Commission, exchange and brokerage	14	2,251,562	2,058,781
Other operating income	15	794,208	623,061
Total Operating Income		59,257,687	66,361,029
Operating Expenses			
Salaries and allowances	16	7,051,519	7,202,135
Rent, taxes, insurance, electricity, etc.	17	281,758	246,537
Legal expenses	18	-	5,750
Postage, stamp, telecommunication, etc.	19	53,897	39,424
Stationery, printing, advertisements, etc.	20	191,851	114,871
Depreciation repair and maintenance of fixed assets	21	483,537	470,779
Other expenses	22	989,649	1,059,314
Total Operating Expenses		9,052,211	9,138,810
Total Profit/(Loss) before Provision		50,205,476	57,222,219



Pubali Bank Limited - Islamic Banking Windows
Cash Flow Statement
for the year ended 31 December 2018

	<u>Notes</u>	<u>2018</u> <u>Taka</u>	<u>2017</u> <u>Taka</u>
a Cash Flows from Operating Activities			
Investment income in cash		114,561,548	107,792,879
Profit paid		(58,349,631)	(44,113,692)
Fees and commission receipts		2,251,562	2,058,781
Cash payment to employees		(7,051,519)	(7,202,135)
Cash payment to suppliers		(245,748)	(154,295)
Receipts from other operating activities	15	794,208	623,061
Cash payments for other operating activities	23	(1,464,530)	(1,458,493)
Operating Profit before Changes in Operating Assets & Liabilities		50,495,890	57,546,106
Increase/ (Decrease) in Operating Assets and Liabilities			
Statutory deposits		500,000	(10,500,000)
Investment to customers (other than banks)		(449,664,255)	(38,214,657)
Other assets	24	327,032,343	(341,009,917)
Deposits from customers (other than banks)		137,626,744	11,943,910
Other liabilities account of customers		532,579,573	(506,961,393)
Total Increase/(decrease) in operating assets and liabilities		548,074,405	(884,742,057)
Net Cash from/(used in) Operating Activities		598,570,295	(827,195,951)
b Cash Flows from Investing Activities			
Purchase /Sale of property, plant & equipment		(57,305,282)	(20,269,595)
Net Cash from/(used in) Investing Activities		(57,305,282)	(20,269,595)
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)		541,265,013	(847,465,546)
e Cash and Cash equivalents at beginning period		341,313,053	1,188,778,599
f Cash and Cash equivalents at end of period (d+e)	25	882,578,066	341,313,053



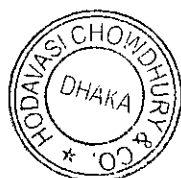
Pubali Bank Limited - Islamic Banking Windows
Notes to the financial statements for the year ended 31 December 2018

Annexure - E (iii)

	2018 Taka	2017 Taka
1 Cash		
1.1 Cash In hand (Including foreign currencies)		
In local currency	2,714,939	3,362,449
In foreign currencies	-	-
	<u>2,714,939</u>	<u>3,362,449</u>
1.2 Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currencies)		
Bangladesh Bank		
In local currency	59,494,800	69,692,848
In foreign currencies	-	-
	<u>59,494,800</u>	<u>69,692,848</u>
Sonali Bank as agent of Bangladesh Bank		
In local currency	-	-
	<u>59,494,800</u>	<u>69,692,848</u>
	<u>62,209,739</u>	<u>73,055,297</u>
1.3 Cash Reserve Ratio and Statutory Liquidity Reserve		
Cash Reserve Ratio and Statutory Liquidity Reserve Ratio have been calculated and maintained in accordance with section 33 of Bank Companies Act 1991 MPD circular number 1 and 2 of 03 April 2018 and 10 December 2013 respectively.		
The statutory Cash Reserve Ratio (CRR) required on the Bank's time and demand liabilities at the rate of 5.50% has been calculated and maintained with Bangladesh Bank in current account and 5.50% Statutory Liquidity Requirement (SLR), on the same liabilities is also be 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 (5.50%)	57,713,095	60,664,030
Actual Reserve maintained	59,494,800	69,692,848
Surplus	<u>1,781,705</u>	<u>9,028,818</u>
1.3.2 Statutory Liquidity Requirement (SLR)		
Required Reserve (5.50%)	57,713,095	51,331,100
Actual Reserve maintained	63,996,644	72,391,268
Surplus	<u>6,283,549</u>	<u>21,060,168</u>
Held for Statutory Liquidity Requirement (SLR)		
Cash in Hand	2,714,939	3,362,449
Excess Cash Reserve	1,781,705	9,028,819
Government Securities (HTM)	59,500,000	60,000,000
	<u>63,996,644</u>	<u>72,391,268</u>
1.3.3 Total required amount of CRR and SLR		
Total required reserve	115,426,190	111,995,130
Total actual reserve maintained	121,709,739	133,055,298
Total Surplus	<u>6,283,549</u>	<u>21,060,168</u>
2 Balance with other banks and financial Institutions		
In Bangladesh (Note 2.1)	820,368,327	268,257,756
Outside Bangladesh	-	-
	<u>820,368,327</u>	<u>268,257,756</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, Motijheel Branch	300,000,000	-
Al Arafah Islamic Bank Limited, Motijheel Branch	500,000,000	-
Islami Bank Bangladesh Limited, Foreign Exchange Branch	13,665,155	-
First Security Islami Bank Limited, Dilkusha	6,203,447	-
A B Bank Limited	499,725	-
	<u>820,368,327</u>	<u>250,000,000</u>
In Mudaraba Savings deposit account		
Islami Bank Bangladesh Limited, Foreign Exchange Branch, Dhaka	-	12,723,569
	<u>-</u>	<u>12,723,569</u>
In Mudaraba Special Notice Deposit account		
First Security Islami Bank Ltd., Dilkusha Branch, Dhaka	-	5,534,187
	<u>-</u>	<u>5,534,187</u>
	<u>820,368,327</u>	<u>268,257,756</u>



2.2 Maturity grouping of balance with other banks and financial institutions		
Payable on demand	-	-
Up to 3 months	820,368,327	268,257,756
Over 3 months but not more than 1 year	-	-
	820,368,327	268,257,756
3 Placement with Banks and Other Financial Institutions	-	-
4 Investments in Shares and Securities		
Government Treasury Bonds		
6 months Bangladesh Govt. Islami Investment Bond	59,500,000	60,000,000
	59,500,000	60,000,000
5 Investments		
General Investments (Note 5.1)	852,821,015	403,156,760
Bills purchased and discounted (Note 5.2)	-	-
	852,821,015	403,156,760
5.1 General Investments		
Inside Bangladesh:		
Quard	43,940,685	3,100,000
Bai Muazzal	107,810,641	63,473,706
Murabaha Post Import (TR)	475,048,068	163,539,548
Hire Purchase Shirkatul Melk	226,021,621	173,043,506
	852,821,015	403,156,760
Outside Bangladesh	-	-
	852,821,015	403,156,760
5.1.1 Maturity grouping of General Investment		
Repayable on demand	116,154,815	15,241,120
Upto 3 months	349,496,548	12,606,801
Over 3 months but not more than 1 year	173,860,686	233,906,050
Over 1 year but not more than 5 years	98,031,470	128,786,131
Over 5 years	115,277,496	12,616,658
	852,821,015	403,156,760
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	708,285,685	282,991,010
Sylhet	144,535,330	120,165,750
	852,821,015	403,156,760
Rural	-	-
Outside Bangladesh (Foreign bills/drafts purchased)	-	-
	852,821,015	403,156,760



5.4 Sector-wise Investments including bills purchased and discounted

Public sector
Private sector
Co-operative sector

2018 Taka	2017 Taka
-	-
852,821,015	403,156,760
852,821,015	403,156,760

5.5 Security base-wise Investments including bills purchased and discounted

Collateral of movable and immovable properties
Guarantee of local banks and financial institutions
Export documents
Fixed deposit receipts (FDR) of own Bank
FDR of other banks
Government bonds
Personal guarantee
Other securities

295,733,313	245,325,041
-	-
-	-
43,940,685	-
-	3,100,000
-	-
510,491,168	154,731,719
2,655,849	-
852,821,015	403,156,760

5.6 Classification of Investments including bills purchased and discounted

Unclassified:

Standard
Special mention account (SMA)

Classified:

Sub-standard (SS)
Doubtful (DF)
Bad or loss (BL)

Staff loan

844,954,876	383,815,101
3,986,156	-
848,941,032	383,815,101
-	-
-	6,042,045
-	9,199,075
-	15,241,120
3,879,983	4,100,539
852,821,015	403,156,760

5.7 Particulars of required provision for Investments

Status of Classification

Base for Provision
Rate of
Provision (%)

General provision - Unclassified

Standard (others)
Standard (SMEF)
Standard (Consumer Loan Scheme)
Standard (Loan for Professional to setup business)
Special mention account (SMEF)

799,738,588	1	7,997,386	3,811,702
42,206,986	0.25	105,517	-
2,813,156	5	140,658	95,443
196,146	2	3,923	14,722
3,986,156	0.25	9,965	-
		8,257,449	3,921,867

Specific provision - Classified

Sub-standard (SS)
Doubtful (DF)
Bad/Loss (BL)

	20	-	-
	50	-	1,661,523
	100	-	2,637,345
		-	4,298,868

Required provision
Provision maintained by head office
Excess provision

8,257,449	8,220,735
8,257,449	8,220,735
-	-



5.8 Particulars of Investments

(i) Investments considered good in respect of which the bank is fully secured.	377,772,947	248,425,041
(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.	475,048,068	154,731,719
(iv) Investments adversely classified; provision not maintained there against	-	-
	<u>852,821,015</u>	<u>403,156,760</u>
(v) Investments due by directors or officers of the bank or any of them either severally or jointly with any other persons	3,879,983	4,100,539
(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.	3,879,983	4,100,539
(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
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
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	59,064,473	37,766,223
Lease rental receivable within 5 years	65,300,774	16,555,465
Lease rental receivable after 5 years	110,397,056	122,117,406
Total lease rental receivable	<u>234,762,303</u>	<u>176,439,094</u>
Less : Un-earned Income receivable	8,740,682	3,395,588
Net Lease finance	<u>226,021,621</u>	<u>173,043,506</u>



	2018 Taka	2017 Taka
6 Fixed Assets including premises, furniture & Fixture cost		
Machinery and equipment	1,077,004	1,073,591
Computer & Computer Accessories	885,800	806,150
Furniture and fixtures	1,426,220	1,426,220
	3,389,024	3,305,961
Less: Accumulated Depreciation	2,214,489	1,924,075
Net book value at the end of the year	1,174,535	1,381,886
7 Other Assets :		
Accrued income on Investments	10,362,225	3,756,000
Accrued interest overdue under CLS	4,316,997	-
Income Tax advance A/C	4,159,999	-
Stationery and stamps	96,671	76,075
Pubali bank adjustment a/c	-	342,136,160
	18,935,892	345,968,235
8 Placement with other Banks, Financial Institutions and Agents		
In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-
9 Deposits and other accounts		
Inter-bank deposits	93,822,262	34,244,522
Other deposits	1,032,859,931	954,810,927
	1,126,682,193	989,055,449
9.1 Details of deposits and other Accounts		
<u>Current deposits and other accounts :</u>		
Al-Wadia Current Deposit	56,866,915	59,934,716
	56,866,915	59,934,716
Bills payable (note 9.1.1)	10,873,700	6,360,563
Mudaraba Savings Bank Deposit	90,092,778	110,256,167
<u>Term deposits :</u>		
Mudaraba Fixed deposits	771,479,300	663,528,100
Mudaraba Monthly Term deposit	5,196,350	6,894,350
Mudaraba Short Notice Deposits	147,982,645	95,384,986
Profit Receivable on Investment	26,376	12,150,856
Mudaraba Deposit Pension Scheme	40,237,083	31,832,365
Mudaraba Hajj Savings	3,657,311	2,490,991
	968,579,065	812,281,648
Other deposits	269,735	222,355
	1,126,682,193	989,055,449
9.1.1 Bills Payable		
Payment orders issued	10,873,700	6,360,563
	10,873,700	6,360,563
9.2 Maturity analysis of Inter-bank deposits		
Payable on demand	93,822,262	34,244,522
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	-	-
	93,822,262	34,244,522



	2018 Taka	2017 Taka
9.3 Maturity analysis of other deposits		
Payable on demand	95,048,905	68,597,721
Payable within 1 month	52,844,355	51,280,844
Over 1 month but within 6 months	428,556,745	418,943,926
Over 6 months but within 1 year	153,592,226	139,385,601
Over 1 year but within 5 years	263,821,799	228,856,794
Over 5 years and above	38,995,901	47,746,041
	1,032,859,931	954,810,927
10 Other Liabilities :		
Unpaid Expenses A/C	28,321	2,500
Item in Transit (Cr. Balance)	156,667,483	99,351,265
Card Transaction Fee (Inter Bank)	360	330
Unearned interest income	16,598,143	-
Sadaqad Fund	8,271,165	6,188,171
Pubali Bank Adjustment A/C	456,556,367	-
	638,121,839	105,542,266
11 Investment income		
Bai Muazzal	9,553,482	2,451,207
Murabaha Post Import (TR)	36,404,334	12,556,639
Hire Purchase Shirkatul Melk	15,755,420	40,934,810
Investment Income from Other Bank	52,848,312	51,850,223
	114,561,548	107,792,879
12 Profit paid on deposits, borrowings, etc.		
Mudaraba Term Deposits	49,492,975	35,680,580
Mudaraba Special Notice Deposits	2,763,237	3,653,094
Mudaraba Hajj Savings	229,649	115,349
Mudaraba Savings Bank deposit	2,898,544	2,380,404
Mudaraba Deposit Pension Scheme	2,522,526	1,504,592
Mudaraba Monthly Profit deposit	442,700	779,673
	58,349,631	44,113,692
13 Income from Investment in shares /securities		
	-	-
14 Commission, exchange and brokerage		
SC, LSC, DD, TT, MT and PO	49,600	60,825
Foreign L/C	569,014	388,207
Local L/C	527,826	852,458
Other transactions	15,659	17,145
Miscellaneous handling commission	1,089,463	740,146
	2,251,562	2,058,781
15 Other operating income		
Miscellaneous income	1,950.00	-
Service charge	34,885	4,200
CIB service charge	8,190	17,290
Online service charge	302,177	240,909
Account maintenance fee	343,564	277,981
SMS service charge	76,342	61,481
Card fees and charges	27,100	21,200
	794,208	623,061
16 Salary and allowances		
Basic salary	3,300,045	3,314,900
House rent allowances	1,973,862	2,003,360
Medical allowances	442,442	466,575
Other allowances	412,860	474,400
Contributory provident fund	318,240	325,490
Bonus to employees	604,070	617,410
	7,051,519	7,202,135
17 Rent, taxes, insurance, electricity, etc.		
Electric fittings and fixtures	4,797	6,951
Insurance	60,729	61,092
Lighting	216,232	178,494
	281,758	246,537



	2018 Taka	2017 Taka
18 Legal Expenses		
Lawyer Charges	-	5,750
Court fees and other expenses	-	-
	-	5,750.00
19 Postage, stamp, telecommunication, etc.		
Postage	5,822	3,989
Telephone (office)	39,675	29,135
Telephone (res)	8,400	6,300
	53,897	39,424
20 Stationery, printing, advertisement, etc.		
Table stationery	28,747	16,949
Computer Stationery	45,245	32,053
Consumption of books and forms	117,859	65,869
Printing and Stationery	-	-
Advertisement	-	-
	191,851	114,871
21 Depreciation repair and maintenance of fixed assets		
Repairs to fixed assets	20,580	21,840
Depreciation on fixed assets	290,414	323,887
Maintenance of Bank Premises	172,543	125,052
	483,537	470,779
22 Other expenses		
Newspapers	9,755	8,683
Travelling	43,094	201,993
Sub-ordinate staff clothing	-	12,695
Conveyance	10,355	10,312
Entertainment	79,389	56,490
Carrying Expenses	-	470
Employees recreation (Lunch subsidy)	327,073	345,600
Promotional expenses	39,300	-
Overtime	-	-
House maintenance	192,000	240,000
Security and Auxiliary Service	171,990	158,262
Miscellaneous	116,693	24,809
	989,649	1,059,314
23 Cash payments for other operating activities		
Rent, tax, Insurance, Lighting etc.	281,758	246,537
Legal expenses	-	5,750
Repairing Expenses	193,123	146,892
Other Expenses	989,649	1,059,314
	1,464,530	1,458,493
24 Increase/(decrease) of other assets		
Closing other Assets		
Stationery and Stamps	96,671	76,075
Accrued income on investments	10,362,225	3,756,000
Pubali Bank Adjustment A/C	-	342,136,160
Accrued interest overdue under CLS	4,316,997	-
Income Tax advance A/C	4,159,999	-
	18,935,892	345,968,235
Opening other Assets		
Stationery and Stamps	76,075	73,931
Accrued income on investments	3,756,000	4,884,387
Pubali Bank Adjustment	342,136,160	-
	345,968,235	4,958,318
	327,032,343	(341,009,917)
25 Cash and cash equivalents at the end of the year		
Cash in hand (including foreign currencies)	2,714,939	3,362,449
Balance with Bangladesh Bank and its agent bank(s)	59,494,800	69,692,848
Balance with other banks and financial institutes	820,368,327	268,257,756
	882,578,066	341,313,053



Pubali Bank Limited
Off-shore Banking Unit
Balance Sheet as at 31 December 2018

	Notes	2018		2017
		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	16,794,740.97	1,409,078,767	290,162,750
In Bangladesh		13,500,000.00	1,132,650,000	-
Outside Bangladesh		3,294,740.97	276,428,767	290,162,750
Loans, Advances and Leases	5	175,245,885.32	14,703,129,778	11,555,366,108
Loans, cash credits and overdrafts, etc.		6,169,656.26	517,634,160	213,554,151
Bills purchased and discounted		169,076,229.06	14,185,495,618	11,341,811,957
Fixed Assets including premises, furniture & fixtures	6	-	-	-
Other Assets	7	3,479,690.98	291,946,074	152,154,107
Non-banking Assets		-	-	-
Total Assets		195,520,317.27	16,404,154,619	11,997,682,965
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other Banks, Financial Institutions & Agents	8	191,352,469.97	16,054,472,231	11,719,356,564
Deposits and other accounts	9	-	-	-
Current accounts & other accounts		-	-	-
Bills Payable		-	-	-
Savings bank deposits		-	-	-
Term deposits		-	-	-
Other deposits		-	-	-
Other Liabilities	10	1,620,788.65	135,984,167	75,983,544
Total Liabilities		192,973,258.62	16,190,456,398	11,795,340,108
Capital / Shareholders' Equity				
Paid up Capital		-	-	-
Statutory Reserve		-	-	-
Retained earnings		-	-	-
Foreign currency translation reserves		-	1,087,849	5,504,849
Profit and Loss account surplus		2,547,058.65	212,610,372	196,838,008
Total Shareholders' Equity		2,547,058.65	213,698,221	202,342,857
Total Liabilities and Shareholders' Equity		195,520,317.27	16,404,154,619	11,997,682,965



Notes	2018		2017
	USD	Taka	Taka

OFF-BALANCE SHEET ITEMS

Contingent liabilities

Acceptances & Endorsements

Letters of guarantee

Irrevocable letters of credit

Bills for collection

Other Contingent Liabilities

Total Contingent liabilities

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

Other Commitments

Documentary credits and short term trade-related transactions

Forward assets purchased and forward deposits placed

Undrawn note issuance and revolving underwriting facilities

Undrawn formal standby facilities, credit lines and other commitments

Total

Total Off-Balance Sheet items including Contingent Liabilities

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



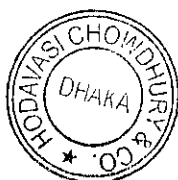
Pubali Bank Limited
Off-shore Banking Unit
Profit & Loss Account for the year ended 31 December 2018

	Notes	2018		2017
		USD	Taka	Taka
Operating Income				
Interest income	11	9,677,250.42	807,788,157	516,367,645
Interest paid on deposits, borrowings, etc.	12	(7,319,066.38)	(610,943,696)	(326,047,030)
Net Interest Income		2,358,184.04	196,844,461	190,320,615
Commission, exchange and brokerage		-	-	-
Other operating income	13	329,811.47	27,530,319	16,018,672
Total Operating Income		2,687,995.51	224,374,780	206,339,287
Operating Expenses				
Salaries and allowances	14	108,720.50	9,075,215	7,351,253
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	32,216.36	2,689,193	2,150,026
Total Operating Expenses		140,936.86	11,764,408	9,501,279
Profit/(Loss) before Provision		2,547,058.65	212,610,372	196,838,008
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		2,547,058.65	212,610,372	196,838,008
Provision for current tax		-	-	-
Provision for deferred tax		-	-	-
Total Provision for taxes		-	-	-
Net Profit/(loss) after Taxation		2,547,058.65	212,610,372	196,838,008



Pubali Bank Limited
Off-shore Banking Unit
Cash Flow Statement for the year ended 31 December 2018

Notes	2018		2017
	USD	Taka	Taka
A) Cash flows from operating activities			
Interest receipts in cash	9,677,250.42	807,788,157	516,367,645
Interest payments	(7,319,066.38)	(610,943,696)	(326,047,030)
Receipts from other operating activities	329,811.46	27,530,319	16,018,672
Cash payments for other operating activities	(140,936.85)	(11,764,408)	(9,501,279)
Operating profit before changes in operating assets & liabilities	2,547,058.65	212,610,372	196,838,008
Increase/ (Decrease) in operating assets and liabilities			
Loans and advances to customers (other than banks)	(37,518,041.36)	(3,147,763,670)	(3,756,218,794)
Other assets	(1,666,173.62)	(139,791,967)	(57,585,634)
Other liabilities	715,144.49	60,000,623	33,908,293.00
Total Increase/(decrease) in operating assets and liabilities	(38,469,070.49)	(3,227,555,014)	(3,779,896,135)
Net cash from /(used in) operating activities	(35,922,011.84)	(3,014,944,642)	(3,583,058,127)
B) Cash flows from investing activities	-	-	-
C) Cash flows from financing activities			
Borrowings from other Banks, Financial Institutions & Agents.	51,670,031.79	4,335,115,667	3,852,804,145
Profit transferred to Central Operation.	(2,461,897.48)	(196,838,008)	(104,867,880)
	49,208,134.30	4,138,277,659	3,747,936,265
D) Net increase/(decrease) in cash and cash equivalents (a+b+c)	13,286,122.47	1,123,333,017	164,878,138
E) Effects of exchange rate changes on cash and cash equivalents	-	(4,417,000)	5,504,849
F) Cash and cash equivalents at beginning period	3,508,618.50	290,162,750	119,779,763
G) Cash and cash equivalents at end of period (D+E+F)	16,794,740.97	1,409,078,767	290,162,750



PUBALI BANK LIMITED
Notes to the financial statements for the year ended 31 December 2018

1 Status of the unit

The Bank obtained the Off-shore Banking Unit ("the Unit") permission vide Bangladesh Bank 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 4th Floor, AA Bhaban, 23 Motijheel C/A, Dhaka and the other unit is located at 99 Agrabad C/A (Sattar Chamber-Ground Floor), Chattogram.

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.

3 Cash

Cash In hand (Including foreign currencies)

In local currency
In foreign currencies

2018		2017
USD	Taka	Taka
-	-	-
-	-	-
-	-	-

**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)

13,500,000.00	1,132,650,000	-
3,294,740.97	276,428,767	290,162,750
16,794,740.97	1,409,078,767	290,162,750

4.1 In Bangladesh

In fixed/term deposit account (in local currency)

Finance to other Financial Institute
Finance to Pubali Bank

8,000,000.00	671,200,000	-
5,500,000.00	461,450,000	-
13,500,000.00	1,132,650,000	-

4.2 Outside Bangladesh

Current A/c (Nostro)

Mashreq Bank NY, USD
Mashreq Bank Mumbai, India-ACUD

3,092,452.11	259,456,732	283,564,386
202,288.86	16,972,035	6,598,364
3,294,740.97	276,428,767	290,162,750

5 Loans, advances and leases

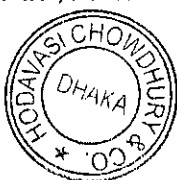
Loans, cash credits and overdrafts, etc. (note 5.1)
Bills purchased and discounted (note 5.2)

6,169,656.26	517,634,160	213,554,151
169,076,229.06	14,185,495,618	11,341,811,957
175,245,885.32	14,703,129,778	11,555,366,108



	2018		2017
	USD	Taka	Taka
5.1 Loans, cash credits, overdrafts, etc.			
In Bangladesh			
Loans	6,169,656.26	517,634,160	213,554,151
Cash credits	-	-	-
Overdrafts	-	-	-
	6,169,656.26	517,634,160	213,554,151
Outside Bangladesh	-	-	-
	6,169,656.26	517,634,160	213,554,151
5.2 Bills purchased and discounted			
Payable in Bangladesh			
Export Bill Discounting	30,557,200.00	2,563,749,080	2,194,411,420
Loans against demand draft purchased	-	-	-
	30,557,200.00	2,563,749,080	2,194,411,420
Payable outside Bangladesh			
Discounting -UPAS	138,519,029.06	11,621,746,538	9,147,400,537
Foreign drafts purchased	-	-	-
	138,519,029.06	11,621,746,538	9,147,400,537
	169,076,229.06	14,185,495,618	11,341,811,957
5.3 Classification of Investments including bills purchased and discounted			
Unclassified			
Standard		14,688,921,445	11,555,366,108
Special mention account (SMA)		14,208,333	-
		14,703,129,778	11,555,366,108
Classified			
Substandard (SS)		-	-
Doubtful (DF)		-	-
Bad or loss (BL)		-	-
Staff loan		-	-
		14,703,129,778	11,555,366,108
5.4 Particulars of required provision for Investments			
Status of Classification	Base for Provision	Rate of Provision (%)	
General provision - Unclassified			
Standard (others)	14,533,317,181	1	145,333,172
Standard (SMEF)	155,604,264	0.25	389,011
SMA (SMEF)	14,208,333	0.25	35,521
			145,757,704
Specific provision - Classified			
Substandard (SS)	-	20	-
Doubtful (DF)	-	50	-
Bad/Loss (BL)	-	100	-
			145,757,704
Required provision			145,757,704
Provision maintained by head office			145,757,704
Excess provision			-
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 cut off date will be decided by bank's senior management.



	2018		2017
	USD	Taka	Taka
7 Other Assets			
Income generating other assets			
Interest on EBD	125,000.00	10,487,500	12,428,293
Interest on UPAS Bill	2,895,726.98	242,951,494	139,725,814
Prepaid expenses	458,964.00	38,507,080	-
	3,479,690.98	291,946,074	152,154,107
8 Borrowings from other Banks, Financial Institutions and Agents			
Parents Bank-Pubali Bank Limited	7,911,967.85	663,814,103	1,750,699,128
Others Banks & Financial Institutions	183,440,502.12	15,390,658,128	9,968,657,436
	191,352,469.97	16,054,472,231	11,719,356,564
9 Deposits and other accounts			
Inter-bank deposits	-	-	-
Other deposits	-	-	-
	-	-	-
10 Other Liabilities			
Interest payable to :			
Parent bank borrowing	46,593.71	3,909,212	4,885,674
Others Banks & Financial Institutions	1,539,904.89	129,198,020	71,097,870
Unpaid expenses (Salary & Allowances)	34,290.05	2,876,935	-
	1,620,788.65	135,984,167	75,983,544
11 Interest income			
Interest on EBD	1,558,558.03	130,097,359	57,549,706
Interest on UPAS Bill	8,004,196.23	668,133,471	455,879,872
Interest on Term loan	114,496.16	9,557,327	2,938,067
Interest on Finance to other financial Institution	-	-	-
	9,677,250.42	807,788,157	516,367,645
12 Interest paid on deposits, borrowings, etc.			
Interest on Borrowings from Parent Bank	862,863.34	72,025,705	71,657,404
Interest on Borrowings from other banks & Financial Institutions	6,456,203.04	538,917,991	254,389,626
	7,319,066.38	610,943,696	326,047,030
13 Other operating income			
Rebate received from Nostro A/C	48,527.25	4,050,710	3,839,360
Reimbursement fee received	119,648.67	9,987,421	7,870,275
Overdue interest	102,830.39	8,583,551	2,372,490
AIP received from Nostro A/C	58,805.16	4,908,637	1,936,547
	329,811.47	27,530,319	16,018,672
14 Salaries and allowances			
Basic salary	51,123.94	4,267,464	3,159,390
House rent allowances	29,640.87	2,474,209	1,857,340
Medical allowances	5,422.78	452,655	380,652
Other allowances	3,800.04	317,200	271,674
Contributory provident fund	5,021.76	419,181	316,767
Bonus to employees	13,711.11	1,144,506	1,365,430
	108,720.50	9,075,215	7,351,253
15 Other expenses			
Bank charges of Nostro A/C (Mashreq Bank)	21,635.00	1,805,936	1,137,572
House maintenance	5,834.40	487,014	390,008
Car allowance	1,157.47	96,618	375,825
Entertainment	723.18	60,366	54,808
Employees recreation (Lunch subsidy)	2,866.31	239,259	191,813
	32,216.36	2,689,193	2,150,026





কে. এম. হাসান এন্ড কোং
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**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
PUBALI BANK SECURITIES LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **PUBALI BANK SECURITIES LIMITED**, which comprise the statement of financial position as at December 31, 2018, and statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

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

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

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

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

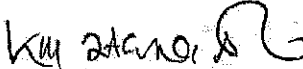
Report on other Legal and Regulatory Requirements

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

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

Place : Dhaka, Bangladesh

Dated : 14 March 2019


K. M. HASAN & CO.
Chartered Accountants



Pubali Bank Securities Limited
Statement of Financial Position
as at 31 December 2018

	Notes	Amount in Taka	
		2018	2017
Non-Current Assets (A)			
Fixed assets	5	1,596,051	1,712,068
Intangible assets	6	10,010	87,500
Investment in share with TREC	9.2	14,000,000	16,000,000
Deferred tax assets	17	337,607	341,280
		15,943,668	18,140,848
Current Assets (B)			
Advances, deposits and prepayments	7	960,000	863,500
Advance income tax	8	159,773,730	79,450,486
Investment in securities (Own Portfolio)	9.1	6,454,603,756	6,077,913,686
Accounts receivable	10	66,666,635	154,041,856
Loan to clients		585,117,099	609,010,224
Cash and cash equivalents	11	896,360,657	1,105,272,867
		8,163,481,877	8,026,552,619
Total Assets (A+B)		8,179,425,545	8,044,693,467
Equity and Liabilities			
Capital and reserves (C)			
Share capital	3.1	3,600,000,000	3,600,000,000
Retained earnings	4	(170,234,829)	(373,201,895)
Total Equity		3,429,765,171	3,226,798,105
Non Current Liabilities (D)			
Preference share capital	3.2	3,000,000,000	3,000,000,000
Current Liabilities (E)			
Accounts payable	12	256,381,312	537,646,006
Provision for investment and clients' margin loan	13	1,310,132,091	1,172,454,364
Provision for expenses	14	649,537	351,456
Provision for taxation	15	182,497,434	107,443,536
Payable for IPO fund	16	-	-
		1,749,660,374	1,817,895,362
Total Liabilities [F = (D+E)]		4,749,660,374	4,817,895,362
Total Equity and Liabilities G=(C+F)		8,179,425,545	8,044,693,467

These financial statements should be read conjunction with annexed notes



Pubali Bank Securities Limited
Statement of Profit or Loss and other Comprehensive Income
for the year ended 31 December 2018

	Notes	Amount in Taka	
		2018	2017
Operating income			
Revenue from brokerage commission		28,718,161	60,654,544
Interest income	18	16,855,253	33,037,637
Capital gain from investment in securities		178,613,337	236,915,104
Capital gain from Strategic investment (DSE)		35,879,317	-
Dividend income		151,276,687	158,874,723
Other operating income	19	46,864,077	9,561,532
Total operating income (A)		458,206,832	499,043,540
Direct expenses	20	4,238,453	7,554,964
Operating expenses	21	38,266,015	36,227,010
Total operating expenses (B)		42,504,468	43,781,974
Operating profit before provision (C=A-B)		415,702,364	455,261,566
Provision for diminution in value of investment (D)	13.1	(100,000,000)	-
Provision for impairment of clients' margin loan (E)	13.2	(37,677,727)	(40,145,837)
Operating profit before taxation (F=C-D-E)		278,024,637	415,115,729
Current tax expense (G)	15.1	(75,053,898)	(73,433,768)
Deferred tax expense (H)	17	(3,673)	(3,338,230)
Net profit after tax (I=F-G-H)		202,967,066	338,343,731
Other comprehensive income		-	-
Total comprehensive income		202,967,066	338,343,731

These financial statements should be read conjunction with annexed notes



Pubali Bank Securities Limited
Statement of Cash Flow
for the year ended 31 December 2018

	Amount in Taka	
	2018	2017
A) Cash flows from operating activities		
Net profit after tax during the year	202,967,066	338,343,731
Add: Amount considered as non-cash items		
Depreciation & amortization charged	599,797	795,593
Provision for investment & clients margin loan	137,677,727	40,145,837
Deferred tax expense	3,673	3,338,230
Provision for tax	75,053,898	(7,288,652)
	213,335,095	36,991,008
Changes in working capital		
(Increase)/decrease in advances, deposits and prepayments	(96,500)	136,000
(Increase)/decrease in advance income tax	(80,323,244)	5,198,005
(Increase)/decrease in investments in securities	(376,690,070)	45,134,356
(Increase)/decrease in accounts receivable	87,375,221	(92,811,938)
Increase/(decrease) security deposit	(118,000)	(74,700)
(Increase)/decrease in Loans to customers	23,893,125	(10,181,514)
Increase/(decrease) in accounts payable	(281,146,694)	410,558,138
Increase/(decrease) in provision for expenses	298,081	55,756
	(626,808,081)	358,014,103
Net cash from/(used in) operating activities	(210,505,920)	733,348,842
B) Cash flows from investing activities		
Fixed assets acquisition	(406,290)	(409,231)
Proceeds from sale of Investment in Securities	2,000,000	-
Net cash from/(used in) investing activities	1,593,710	(409,231)
C) Cash flows from financing activities		
Issue of Ordinary share capital	-	-
Net cash flows from financing activities	-	-
D) Net cash increase / (decrease)	(208,912,210)	732,939,611
E) Cash and cash equivalents at the beginning of the Year	1,105,272,867	372,333,256
F) Cash and cash equivalents at the end of the Year	896,360,657	1,105,272,867



Annexure-G(iv)

Pubali Bank Securities Limited
Statement of Changes in Equity
For the year ended 31 December 2018

Particulars	Ordinary Share Capital	Retained Earnings	Total
Balance as at January 1, 2018	3,600,000,000	(373,201,895)	3,226,798,105
Net Profit after tax for the year	-	202,967,066	202,967,066
Balance as at 31 December 2018	3,600,000,000	(170,234,829)	3,429,765,171
Balance as at 31 December 2017	3,600,000,000	(373,201,895)	3,226,798,105



Pubali Bank Securities Limited
Notes to the financial statements for the year ended 31 December 2018

1 Status of the Company

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

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

2 Significant accounting policies

2.1 Basis of preparation of financial statements

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

2.2 Investment in securities (Own Portfolio)

The investment in securities have been prepared based on historical cost convention basis. However, the Company has maintained provision against the unrealized loss (after netting off unrealized loss with unrealized gain) as mentioned in note# 2.19.

2.3 Use of estimates and judgments

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

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

2.4 Components of Financial Statements

The financial statements referred to here comprises:

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

2.5 Statement of cash flow

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

2.6 Reporting period

These financial statements cover period from 1 January 2018 to 31 December 2018.

2.7 Share capital

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

2.8 Property, plant and equipment

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

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

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

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



2.9 Intangible assets and amortization of intangible assets

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

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

2.10 Advance, deposits and prepayments

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

2.11 Advance Income tax

The amount of advance income tax is mainly 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.

2.12 Investments in securities

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

2.13 Account receivables

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

2.14 Loans to customers

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

2.15 Cash and cash equivalents

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

2.16 Provision for Tax

Current Tax

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

Deferred taxation

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

2.17 Provision for liabilities

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

2.18 Revenue Recognition

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

a) Brokerage commission

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

b) Interest income on margin loan

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

c) Dividend Income

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

d) Capital Gain on Sale of share

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

2.19 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 and BSEC/CMRRCD (3rd part)/2011/60 of Bangladesh Securities and Exchange Commission, has allowed the stock dealer to provide loss on investment in securities in equal quarterly installment upto 31 December 2020 as dealer and unrealized loss as margin loan. However the Company maintain provision mentioned in note # 13.



2.20 Related Party Disclosures

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

2.20.1 Particulars of Directors and Shareholders and their shareholdings

Name of the directors	Designation	Number of Share holding as 31 December 2018
Mr. Moniruddin Ahmed	Chairman	1
Mr. Habibur Rahman	Director	1
Mr. Azizur Rahman	Director	1
Mr. Muhammed Kabiruzzaman Yaqub	Director	1
Mr. Mustafa Ahmed	Director	1
Ms. Runa Fowzia Hafiz	Director	1
Mr. Ahmed Salah Sater	Director	1
Mrs. Ayesha Farha Chowdhury	Director	1
Mr. Rezwan Rahman	Director	1
Mr. Zeyad Rahman	Director	1
Mr. Asif A. Choudhury	Director	1
Mr. Md. Abdul Halim Chowdhury (Nominated by Pubali Bank Limited)	Director	NIL
Mr. Shahdeen Malik	Independent Director	NIL
Mr. Giashuddin Ahmed	Shareholder	1
Ms. Rumana Sharif	Shareholder	1
Pubali Bank Limited	Shareholder	Ordinary:35,999,987 Preference:30,000,000

2.20.2 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	Vice Chairman	Pubali Bank Limited	3.26%
Mr. Habibur Rahman	Director	Chairman	Pubali Bank Limited	2.00%
Mr. Azizur Rahman	Director	Director	Pubali Bank Limited	2.17%
Mr. Muhammed Kabiruzzaman Yaqub	Director	Director	Pubali Bank Limited	2.00%
Mr. Mustafa Ahmed	Director	-	Not Applicable	-
Mrs. Runa Fowzia Hafiz	Director	-	Not Applicable	-
Mr. Ahmed Salah Sater	Director	-	Not Applicable	-
Mrs. Ayesha Farha Chowdhury	Director	-	Not Applicable	-
Mr. Rezwan Rahman	Director	-	Not Applicable	-
Mr. Zeyad Rahman	Director	-	Not Applicable	-
Mr. Asif A. Choudhury	Director	Director	Pubali Bank Limited	2.00%
Mr. Md. Abdul Halim Chowdhury (Nominated by Pubali Bank Limited)	Director	Managing Director & CEO	Pubali Bank Limited	-
Mr. Shahdeen Malik	Independent Director	Independent Director	Pubali Bank Limited	-

2.20.3 Related Party Transactions

Name of the related Party	Related to	Nature of instrument	Balance in Taka	
			As on 31.12.2018	As on 31.12.2017
Pubali Bank Limited	Parent Company	Different Types of Deposits	896,360,657	1,105,272,867

2.21 Events after the reporting period

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

2.22 Management' responsibility on financial statements

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



2.23 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.

2.24 General

- a) 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.
b) The expenses, irrespective of capital or revenue nature, accrued / due but not paid have been provided for in the books of the Company.
c) Figures of previous year have been rearranged whenever necessary to conform to current year's presentation.

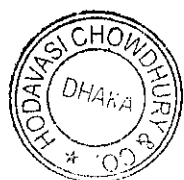
		Amount in Taka	
		2018	2017
3	Share capital		
	Authorized capital		
	70,000,000 Ordinary Shares of Tk. 100/- each.	<u>7,000,000,000</u>	<u>7,000,000,000</u>
	Issued, subscribed and paid-up capital		
3.1	Ordinary Share capital		
	Paid-up Capital 36,000,000 shares of Tk. 100/- each, fully paid.	<u>3,600,000,000</u>	<u>3,600,000,000</u>
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.	<u>3,000,000,000</u>	<u>3,000,000,000</u>
	8 years Redemption call/ Convertible Option		
	Date of issue : 26.09.2016		
	Upto year 3 (Upto 26.09.2019)	No Redemption	
	Year End 4 (Upto 26.09.2020)	20% of 300 crore	
	Year End 5 (Upto 26.09.2021)	20% of 300 crore	
	Year End 6 (Upto 26.09.2022)	20% of 300 crore	
	Year End 7 (Upto 26.09.2023)	20% of 300 crore	
	Year End 8 (Upto 26.09.2024)	20% of 300 crore	
4	Retained earnings		
	Balance at the beginning of the year	(373,201,895)	(711,545,626)
	Add: Net profit during the year	202,967,066	338,343,731
	Balance as at the end of the year	<u>(170,234,829)</u>	<u>(373,201,895)</u>
5	Fixed assets		
	Furniture and fixtures	2,325,434	2,325,434
	Computer and computer accessories	3,296,730	3,125,230
	Machinery & equipment	2,279,227	2,044,437
		7,901,391	7,495,101
	Accumulated depreciation [Annexure- G (Vi)]	(6,305,340)	(5,783,033)
		<u>1,596,051</u>	<u>1,712,068</u>
6	Intangible assets		
	Back office software-Broker	725,000	725,000
	Accumulated amortization [Annexure- G (Vi)]	(714,990)	(637,500)
		<u>10,010</u>	<u>87,500</u>
7	Advances, deposits and prepayments		
	Balance at the beginning of the year	863,500	999,500
	Add: Advances made during the year	2,423,200	2,317,100
	Less: Adjustment made during the year	(2,326,700)	(2,453,100)
	Balance at the end of the year	<u>960,000</u>	<u>863,500</u>



	Amount in Taka	
	2018	2017
8 Advance income tax		
Balance at the beginning of the year	79,450,486	84,648,491
Advance income tax deducted by DSE on transaction (Broker)	3,578,648	7,418,736
Advance income tax deducted by DSE on transaction (Dealer)	874,449	1,903,184
Advance income tax deducted by CSE on transaction (Broker)	183,488	387,349
Advance income tax deducted by CSE on transaction (Dealer)	3,909	16,683
Advance income tax on Capital Gain- Strategic Investment (DSE)	1,793,966	-
Advance income tax Paid in cash assessment year 2018-2019	39,009,637	-
Advance income tax Paid in cash assessment year 2019-2020	2,000,000	-
Advance income tax paid in cash assessment year 2016-2017	-	11,758,753
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	4,561,878	855,936
Advance income tax deducted on dividend	28,317,269	27,329,036
	159,773,730	160,172,906
Less: Adjustment made during the year		
Adjustment made for the year 2014	-	49,013,337
Adjustment made for the year 2015	-	31,709,083
	159,773,730	79,450,486

9 Investment in securities		
Investment in securities (Own Portfolio) (9.1)	6,454,603,756	6,077,913,686
Investment in securities (DSE & CSE Shares) (9.2)	14,000,000	16,000,000
	6,468,603,756	6,093,913,686

9.1 Investment in securities (Own Portfolio) at cost	Market value	Cost/Book value	Cost/Book value
AB Bank Ltd.	25,667,856	89,898,718	89,898,718
Al-Arafah Islami Bank Ltd.	7,118,449	8,178,773	26,782,085
BRAC Bank Ltd.	13,613,729	12,310,754	-
The City Bank Ltd.	65,875,320	84,239,195	-
Dutch-Bangla Bank Ltd.	5,950,002	4,869,169	-
IFIC Bank Ltd.	1,776,101	3,044,670	3,044,670
Islami Bank Ltd.	17,700,170	26,124,701	26,124,701
Mercantile Bank Ltd.	165,471,666	25,237,204	25,237,204
National Bank Ltd.	29,164,800	52,934,160	52,934,160
NCC Bank Ltd.	24,816,847	32,213,150	32,213,150
The Premier Bank Ltd.	5,045,625	6,634,718	6,634,718
Prime Bank Ltd.	70,357,288	108,586,937	108,586,937
Shahjalal Islami Bank Ltd.	23,809,002	27,055,445	27,055,445
Southeast Bank Ltd.	12,311,192	12,935,566	17,442,844
Trust Bank Ltd.	2,909,140	3,081,815	-
Uttara Bank Ltd.	57,000,000	65,724,782	24,759,658
Delta Brac Housing Finance Corp. Ltd.	9,138,487	7,265,412	29,920,262
IDLC Finance Ltd.	36,924,899	33,945,934	-
International Leasing & Financial Serv. Ltd.	10,789,394	49,644,449	49,644,449
Lankabangla Finance Ltd.	6,649,290	12,357,809	11,457,459
United Finance Ltd.	19,624,500	27,082,416	27,082,416
Union Capital Ltd.	4,818,752	16,107,188	16,107,188
Uttara Finance and Investments Limited	28,428,464	29,920,105	-
AIBL 1st Islamic Mutual Fund	40,500,000	50,000,000	50,000,000
DBH First Mutual Fund	26,252,100	30,784,857	30,784,857
EBL First Mutual Fund	1,441,150	1,625,463	1,625,463
Grameen One : Scheme Two	10,147,725	24,387,729	24,387,729
Green Delta Mutual Fund	37,500,000	44,478,302	71,200,865
MBL 1st Mutual Fund	36,000,000	50,000,000	50,000,000
PHP First Mutual Fund	31,008,243	50,000,000	50,000,000
Prime Bank 1st ICB AMCL Mutual Fund	2,480,000	5,977,600	5,977,600
Reliance One	-	-	1,244,950
Atlas Bangladesh Ltd.	53,307,601	113,543,620	113,543,620
Bangladesh Building Systems Ltd	45,370,780	71,495,210	71,495,210
BBS Cables Limited	3,159,603	3,263,888	-
BSRM Steels Ltd.	73,643,276	201,153,596	201,153,596
Deshbandhu Polymer Ltd.	1,721,254	7,002,863	7,002,863
GPH Ispat Ltd.	40,116,930	50,427,316	50,427,316
Golden Son Ltd.	4,254,149	26,883,401	26,883,401
IFAD Autos Limited	4,429,658	4,955,636	-
Sub total B/F	907,368,942	1,475,372,551	1,330,653,534



	Amount in Taka		
	2018	2017	
Sub total C/F	907,368,942	1,475,372,551	1,330,653,534
Intraco Refueling Station Limited	7,129	2,534	-
Oimex Electrode Limited	-	-	64,800
S. Alam Cold Rolled Steels Ltd.	-	-	68,665
Navana CNG Ltd.	50,252,034	129,094,550	129,094,550
Rangpur foundry Ltd.	61,320,337	55,145,401	55,734,565
Singer Bangladesh Limited	27,529,888	24,133,119	71,983,613
SK Trims & Industries Limited	233,445	50,420	-
S.S.Steel Limited	134,920	134,920	-
Amcl (Pran) Ltd.	40,076,501	35,202,878	36,538,977
British American Tobacco Bangladesh Ltd.	164,239,254	117,057,781	176,698,610
Olympic industries Ltd.	155,196,792	212,581,855	212,581,855
Dhaka Electric Supply Company Ltd.	117,347,860	166,378,214	166,378,214
Khulna Power Company Ltd.	123,772,680	181,026,311	261,860,408
Energyprima Ltd.	47,500,000	47,500,000	47,500,000
Jamuna Oil Company Limited	22,559,391	22,076,798	-
Linde BD	234,192,526	247,009,405	201,700,646
Meghna Petroleum Ltd.	111,899,586	114,284,070	110,370,785
Padma Oil Company Ltd.	27,049,222	27,806,111	-
Power Grid Company of Bangladesh Ltd.	21,522,528	24,517,626	24,517,626
Summit Power Ltd.	87,945,528	111,955,571	111,955,571
Titas Gas Transmission & Dist. Co. Ltd.	55,507,889	122,242,280	122,242,280
MJL Bangladesh Limited	264,552,214	291,459,903	237,822,447
Shahjibazar Power Co. Ltd.	63,849,317	65,328,180	16,949,665
United Power Generation & Distribution Company Ltd.	11,699,512	11,668,046	22,253,655
Apex Weaving & Finishing Mills Ltd.	4,612,300	6,501,134	6,501,134
Aman Cotton Fibrous Limited	330,317	313,840	-
Envoy Textiles Ltd.	106,120,255	105,330,871	105,330,871
Generation Next Fashions Ltd.	254,619	-	2,431,497
Kattali Textile Limited	-	100,640	-
Malek Spinning Mills Ltd.	55,549,550	101,086,724	101,086,724
Metro Spinning Ltd.	5,900,952	43,562,454	43,562,454
M.L. Dyeing Limited	215,266	60,400	-
Paramount Textile Limited	271,706	248,886	-
Square Textile	31,050,157	42,498,747	42,498,748
Tallu spin Ltd.	4,434,708	10,791,123	11,499,880
VFS Thread Dyeing Limited	244,032	38,386	-
ACI Ltd.	265,161,782	309,536,521	210,479,735
ACI Formula Ltd.	64,874,532	68,604,839	40,043,850
Active Fine Chemicals Ltd.	112,572,003	154,101,584	162,134,377
Beacon Pharmaceuticals Ltd.	7,889,400	15,429,400	15,429,400
Indo-Bangla Pharmaceuticals Limited	9,143	2,673	-
Silva Pharmaceuticals Limited	276,739	91,940	-
Square Pharmaceuticals Ltd.	437,053,178	407,364,364	408,446,435
Renata Ltd.	49,032,862	37,603,752	60,298,849
Marico Bangladesh Limited	15,458,576	14,226,624	6,894,969
Summit Alliance Port Limited	54,243,200	105,315,572	105,315,572
Confidence Cement Ltd.	5,826,553	5,164,898	17,235,495
Meghna Cement Ltd.	29,641,260	114,426,945	114,426,945
M.I. Cement Factory Ltd.	51,828,475	60,428,373	43,759,721
Lafarge Surma Cement Ltd.	263,608,913	481,735,612	481,735,613
Heidelberg Cement Bd. Ltd.	101,344,148	151,402,959	151,402,959
Premier Cement Ltd.	37,635,330	48,868,190	48,868,190
Bangladesh Submarin Cable Ltd.	26,535,768	34,753,918	34,753,918
Grameen phone Ltd.	127,427,389	138,804,075	2,883,625
Intech Online Ltd.	-	-	6,374,701
Bangladesh General Insurance Company Ltd.	6,773,760	27,078,751	27,078,751
Continental Insurance Ltd.	2,444,890	4,777,350	4,777,350
Delta Life Insurance Ltd.	139,347,619	125,376,000	137,972,336
Fareast Islami Life Insurance Co. Ltd.	1,962,170	2,366,120	2,366,120
Green Delta Insurance Ltd.	3,469,960	3,818,258	3,818,258
Meghna Life Insurance Co. Ltd.	16,115,563	14,622,197	13,534,691
National Life Insurance Ltd.	-	-	796,326
Sub total B/F	4,625,274,568	6,118,462,644	5,750,709,957



	Amount in Taka	
	2018	2017
Sub total C/F	4,625,274,568	5,750,709,957
Nitol Insurance Co. Ltd.	-	4,503,249
Pioneer Insurance Ltd.	2,880,900	4,393,750
Pragati Insurance Ltd.	1,330,663	2,330,955
Prime Islami Life Insurance Ltd.	4,183,217	5,242,846
Reliance Insurance Ltd.	-	912,050
Unique Hotel & Resorts Ltd.	87,516,000	129,903,250
United Airways (BD) Ltd.	9,960,363	55,319,455
Bangladesh Export Import Company Ltd.	3,225,892	21,614,609
Bata shoe Co. Ltd.	9,232,628	5,366,885
Berger paints Bangladesh Ltd.	108,041,446	92,903,200
Aman Cotton Fibrous Ltd (IPO)	-	1,255,400
Bashundhara Paper Mills Ltd(IPO)	1,811,169	1,729,040
Runner Automobiles Limited (IPO)	1,080,825	1,080,825
Esquire Knit Composite Limited (IPO)	1,880,100	-
ADNTelecom Ltd (IPO)	569,040	-
Genex Infosys Telecom Ltd (IPO)	104,660	-
Total	4,857,091,472	6,077,913,686
Investment in securities (Strategic Investment) at cost (Note- 9.3)	-	-
	12,042,824	-
	4,857,091,472	6,077,913,686

9.2 Investment in securities (DSE & CSE Shares)

Shares in Dhaka Stock Exchange Ltd.*

Shares in Chittagong Stock Exchange Ltd.*

Total Cost price

6,000,000	8,000,000
8,000,000	8,000,000
14,000,000	16,000,000

* This represents total face value of the shares allotted by DSE and CSE in favor of the company against the DSE and CSE memberships. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange Ltd. (DSE) allotted total 72,15,106 ordinary Shares at face value of Tk.10.00 each and a Trading Right Entitlement Certificate(TREC), and Chittagong Stock Exchange Ltd. (CSE) allotted total 42,87,330 ordinary Shares at face value of Tk.10.00 and 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. TRECS Out of (DSE) allotted total 72,15,106 shares. DSE sold 18,03,777 shares which is 25% of total shares to Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE). The rest shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act, 2013. As there is no active market for DSE shares, we have shown the value at original cost of our investment.

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

9.3 Investment in securities (Strategic Investment)

GP

MICEMENT

MJLBD

MPETROLEUM

RENATA

SQURPHARMA

UTTARAFIN

ACIFORMULA

1,799,469	-
196,657	-
1,831,958	-
660,632	-
376,774	-
5,787,367	-
1,060,095	-
329,871	-
12,042,824	-

10 Accounts receivable

Receivable from DSE (Broker)

Receivable from DSE (Dealer)

Receivable from CSE (Broker)

Receivable from CSE (Dealer)

Dividend income receivable

Receivable from clients

3,518,361	30,425,361
-	63,506,564
-	5,158,668
-	1,620,330
57,727,178	48,236,838
5,421,096	5,094,095
66,666,635	154,041,856

11 Cash and cash equivalents

Cash in hand

Cash at Bank (Note: 11.1)

Investment In FDR

-	-
411,812,370	651,177,867
484,548,287	454,095,000
896,360,657	1,105,272,867



Amount in Taka	
2018	2017

11.1 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-2905901048064 Strategic Investment A/C
Pubali Bank Ltd. A/C-2905901042129 Consolidated customer A/C
Pubali Bank Ltd. A/C-2905901042114 Dealer A/C
Sub total

205,482	205,482
2,539,840	2,657,700
146,670	124,470
50,680	46,516
24,030,467	-
332,377,355	577,003,246
805,291	23,057,133
360,155,785	603,094,547

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
Sub total

316,913	254,245
450,958	410,834
50,888,714	47,418,241
51,656,585	48,083,320

Fixed deposit rate (FDR)

Pubali Bank Ltd.

484,548,287	454,095,000
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Total

896,360,657	1,105,272,867
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12 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
Professional fees payable
Legal fees payable
Auditor's fee payable
Payable to suppliers
Sundry deposits

299,963	139,523
-	14,668
-	1,174
13,810	13,810
878,591	619,802
251,195,093	533,170,749
2,540,920	2,658,920
235,539	235,539
46,576	107,471
346,949	319,479
520	520
60,000	-
519,875	120,875
143,750	143,750
37,150	37,150
62,576	62,576
256,381,312	537,646,006

13 Provision for investment and clients' margin loan

Provision for diminution in value of investment (13.1)
Provision for impairment of clients' margin loan (13.2)

1,124,308,695	1,024,308,695
185,823,396	148,145,669
1,310,132,091	1,172,454,364

13.1 Provision for diminution in value of investment

Balance at the beginning of the year
Add: Provision made during the year

1,024,308,695	1,024,308,695
100,000,000	-
1,124,308,695	1,024,308,695

As per directive no. BSEC/CMRRCD/2009-193/203 dated 28 December 2017 and BSEC/CMRRCD (3rd Part)/2011/60 dated 19 December 2018 of Bangladesh Securities and Exchange Commission, has allowed the stock dealer to provide loss on investment in securities in equal quarterly installment upto 31 December 2020 as dealer and unrealized loss as margin loan. 70.91% provision for diminution in value of investment has been maintained which is in compliance with above mentioned circular.

13.2 Provision for impairment of clients' margin loan

Balance at the beginning of the year
Add: Provision made during year
100% provision for impairment of clients' margin loan

148,145,669	107,999,832
37,677,727	40,145,837
185,823,396	148,145,669



		Amount in Taka	
		2018	2017
14	Provision for expenses		
	Provision for rent, tax, insurance, electricity expense (Note-14.1)	99,037	94,508
	Provision for postage, stamp, telecommunication etc. (Note-14.2)	71,157	52,464
	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)	477,680	202,821
		649,537	351,456
14.1	Provision for rent, tax, insurance, electricity expense		
	Balance at the beginning of the year	94,508	85,340
	Provision made during the year	10,000	25,000
	Settlement during the year	(5,471)	(15,832)
	Balance at the year end	99,037	94,508
14.2	Provision for postage, stamp, telecommunication etc.		
	Balance at the beginning of the year	52,464	47,460
	Provision made during the year	35,600	25,000
	Settlement during the year	(16,907)	(19,996)
	Balance at the year end	71,157	52,464
14.3	Provision for Stationery, printing, advertisement expenses		
	Balance at the beginning of the year	1,408	1,408
	Provision made during the year	-	-
	Settlement during the year	-	-
	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	202,821	161,237
	Provision made during the year	410,199	131,675
	Settlement during the year	(135,340)	(90,091)
	Balance at the year end	477,680	202,821
15	Provision for taxation		
	Balance at the beginning of the year	107,443,536	114,732,188
	Current tax expenses (Note- 15.1)	75,053,898	73,433,768
	Settlement during the year	-	(80,722,420)
	Balance at the end of the year	182,497,434	107,443,536
15.1	Current tax expenses		
	Provision made during the year	75,053,898	73,433,768
	Prior year adjustment	-	-
		75,053,898	73,433,768
16	Payable for IPO Fund		
	Balance at the beginning of the year	-	61,505,000
	Provision made during the year	-	-
	Settlement during the year	-	(61,505,000)
	Balance at the end of the year	-	-
17	Deferred tax liabilities/(assets)		
	Opening balance	(341,280)	(3,679,510)
	Add: Provision made during the year	-	3,338,230
	Less: Provision adjusted during the year	3,673	-
	Balance at the end of the year	(337,607)	(341,280)
18	Interest income		
	Interest on margin loan	16,855,253	33,037,637
		16,855,253	33,037,637
19	Other operating income		
	BO opening charge, margin documentation fees, cheque bounce charge and others income	45,734,880	9,085,515
	Revenue from CDBL charge & annual maintenance fee & others	1,129,197	476,017
		46,864,077	9,561,532



		Amount in Taka	
		2018	2017
20	Direct expenses		
	Howla and laga charges	2,288,717	4,725,418
	CDBL expense	1,949,736	2,823,546
	CDS connection fee	-	6,000
		4,238,453	7,554,964
21	Operating expenses		
	Salary and allowances (Note- 21.1)	30,830,721	29,138,074
	Rent expense	319,196	314,021
	Electricity & electric fittings expense	206,753	146,567
	Insurance expense	12,070	12,070
	Postage, stamp, telecommunication etc.	319,822	294,927
	Directors' fees	1,115,500	1,081,000
	Stationary, printing, advertisement expense	232,580	266,382
	Repairs of machinery and equipment	144,497	123,067
	Depreciation & amortization charge [Detailed in Annexure-G (VI)]	599,797	795,593
	Auditor's fee	143,750	215,625
	Investment protection fund	484	776
	Legal fees	399,000	183,500
	Professional fees	60,000	60,000
	Newspapers & periodicals	25,156	19,145
	Fuel expense	129,412	131,462
	Overtime allowance	396,316	373,288
	Travelling allowance	46,362	13,994
	Maintenance of bank premises	92,600	73,500
	DSE charge	7,758	19,694
	CSE charge	304,154	265,284
	Business Development Expenses	-	150,000
	Software Development Expenses	105,000	109,000
	Subscription	12,500	-
	Conveyance charge	200,440	233,066
	Entertainment expense for office & clients	668,082	632,817
	Internet connection fee	12,980	17,056
	Car maintenance	167,831	133,309
	Bandwidth service charge	372,900	351,150
	Renewal & registration expense	269,375	284,515
	Water & sewerage	74,728	76,584
	Security & Auxillary service	126,009	119,608
	IPO expense	48,000	16,000
	Training Expenses	4,700	-
	Miscellaneous expense	817,542	575,936
		38,266,015	36,227,010
21.1	Salary and allowances		
	Basic salary	11,935,561	11,576,120
	House rent allowances	6,959,883	6,634,680
	Medical allowances	1,428,927	1,407,675
	Other allowances	4,124,716	3,722,884
	Contributory provident fund	1,180,314	1,108,765
	Bonus to employees	5,201,320	4,687,950
		30,830,721	29,138,074
21.2	Employee position for Pubali Bank Securities Ltd (as at 31 December 2018)		
		Officer & Staff	Total Employee
	Head Office	Gulshan Office	Amount in Taka
	27	7	34
			30,830,721
			34
			30,830,721



Annexure-G(vi)

Pubali Bank Securities Limited
Schedule of Fixed Assets
as at 31 December 2018

Particulars	Cost				Rate	Depreciation				Written down value at 31 December 2018
	Balance at 1 January 2018	Addition during the year	Disposal during the year	Balance at 31 December 2018		Balance at 1 January 2018	Charged during the year	Disposal during the year	Balance at 31 December 2018	
Computer & Computer accessories	3,125,230	171,500	-	3,296,730	30%	2,724,592	304,486	-	3,029,078	267,652
Machinery & Equipment	2,044,437	234,790	-	2,279,227	20%	1,911,503	97,907	-	2,009,410	269,817
Furniture & fixtures	2,325,434	-	-	2,325,434	10%	1,146,938	119,914	-	1,266,852	1,058,582
Total as at 31 December 2018	7,495,101	406,290	-	7,901,391		5,783,033	522,307	-	6,305,340	1,596,051
Total as at 31 December 2017	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 2018

Particulars	Cost				Rate	Amortization				Written down value at 31 December 2018
	Balance at 1 January 2018	Addition during the year	Disposal during the year	Balance at 31 December 2018		Balance at 1 January 2018	Charged during the year	Disposal during the year	Balance at 31 December 2018	
Systems & Software	725,000	-	-	725,000	30%	637,500	77,490	-	714,990	10,010
Total as at 31 December 2018	725,000	-	-	725,000		637,500	77,490	-	714,990	10,010
Total as at 31 December 2017	700,000	25,000	-	725,000		420,000	217,500	-	637,500	87,500

