

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of Pubali Bank PLC. takes this opportunity to welcome you all to the 41st Annual General Meeting (AGM) of Pubali Bank PLC. during this most challenging time. We have the pleasure to place herewith the Directors' Report and the Auditor's Report together with the Audited Financial Statements of the Bank, for the year ended 31 December 2023 for your valued consideration, approval and adoption. A brief overview of the key performances of the Bangladesh and Global economy during 2023 and outlook for 2023 are provided in this report.

Bangladesh Economy

The Russia-Ukraine war that began in 2022, severely agonized the developing countries economy and consequently Bangladesh economy had experienced a massive oscillation because of this war throughout the year. The falling Dollar reserves and runaway inflation headlined Bangladesh's economy throughout 2023. It was the year that saw completion of various landmark infrastructure projects that were taken years ago. Mega projects like Dhaka Elevated Expressway, Metro rail, Bangabandhu Tunnel, a new terminal at Dhaka airport and railway station in Cox's Bazar marked a major leap for the transport sector and promised an upward trajectory for social standards.

Major Macro-Economic Indicators

- The budget size was \$67 billion in FY'23 which was 12% higher than the last fiscal year. The budget deficit widened to \$24 billion which was 4% more than the previous years.
- The monthly average inflation was 9.02% as of June 2023 and increased to 9.48% in December 2023. In October 2023, there were significant increases in both food and non-food inflation rates at 12.56% and 8.3% respectively and finally the overall inflation stood at 9.93% (point to point basis). The consistent rise of inflation rates has

substantially increased the cost of living, resulting in a reduction of consumer purchasing power.

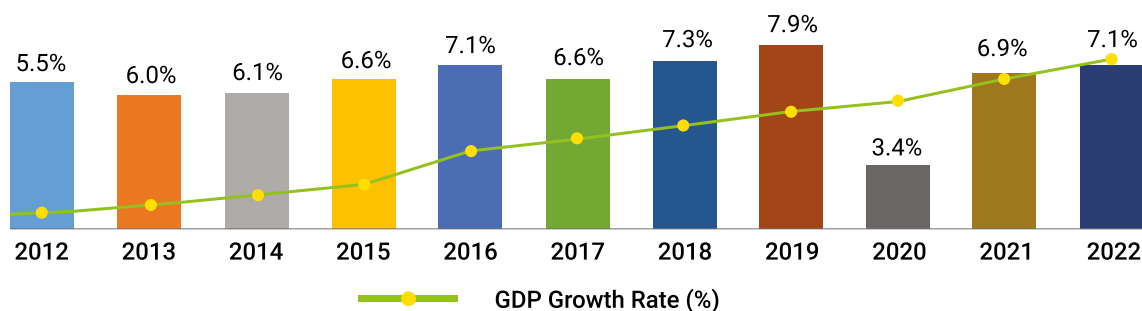
- Bangladesh achieved a significant milestone in Labor Migration surpassing the 1 million in labor exports which is almost 15% higher than the previous year. The reason behind this tremendous achievement is nothing but the increase in the quota for the recruitment of Bangladeshi workers in Saudi Arabia and also the re-opening of Labor Market in Malaysia.
- The DSEX, the key index of the Dhaka Stock Exchange (DSE) was ended at 6,246.49 points on the last trading day of 2023, which was 6,206.81 points on the first trading day of the outgoing year.

Pen Picture of Bangladesh Macro Economy in FY'23

- The average general inflation in FY'23 was 9.02%
- Gross foreign exchange reserves up to Dec'23 was \$26.8 billion
- Weighted average call money rate in Dec'23 was 9.16
- Government's domestic(P) & external(P) borrowing was 59% & 41% respectively in FY'23
- Remittances up to Nov'23 is \$1.93 billion
- Cut-off yield for T-bonds as of Dec'23 was 11.20%

Major Micro Economic Indicators

- The Bangladesh economy has been boosting at a double-digit nominal growth despite struggling with various domestic and global challenges. According to the provisional data of Bangladesh Bureau of Statistics (BBS), the current size of the GDP was \$405 billion in FY'23 and the real GDP growth stood at 6.03%.



- As per BBS, the export size in the FY'23 was \$57.3 billion which jumped by 8.3% due to the steady demand for ready-made garments. The Gross RMG exports volume increased by \$42.80 billion in FY'23 as it was \$33.57 billion in FY'22.

- On 18th January, 2023 Bangladesh Bank announced to initiate the Cashless Society. On 20th March NPSB introduced Bangla QR Code by combining 10 Banks and 3 Mobile operators and declared entire Motijheel as cashless zone.
- Bangladesh Bank withdrew the "Single Digit" interest rate of 6%-9% and replaced it with a market driven reference rate to be regulated by the average treasury bills rate.
- The implementation of the Annual Development Plan's budget was exceedingly slow while revenue collection failed to meet expectations.
- Due to Dollar shortage, Bangladesh Bank was compelled to impose some strict policy in opening Letter of Credit. Moreover, Bangladesh Bank granted permission to introduce the National Debit Card and opening LC in taka in order to mitigate the ongoing Dollar Crisis.
- Import prices rose as the value of taka plummeted

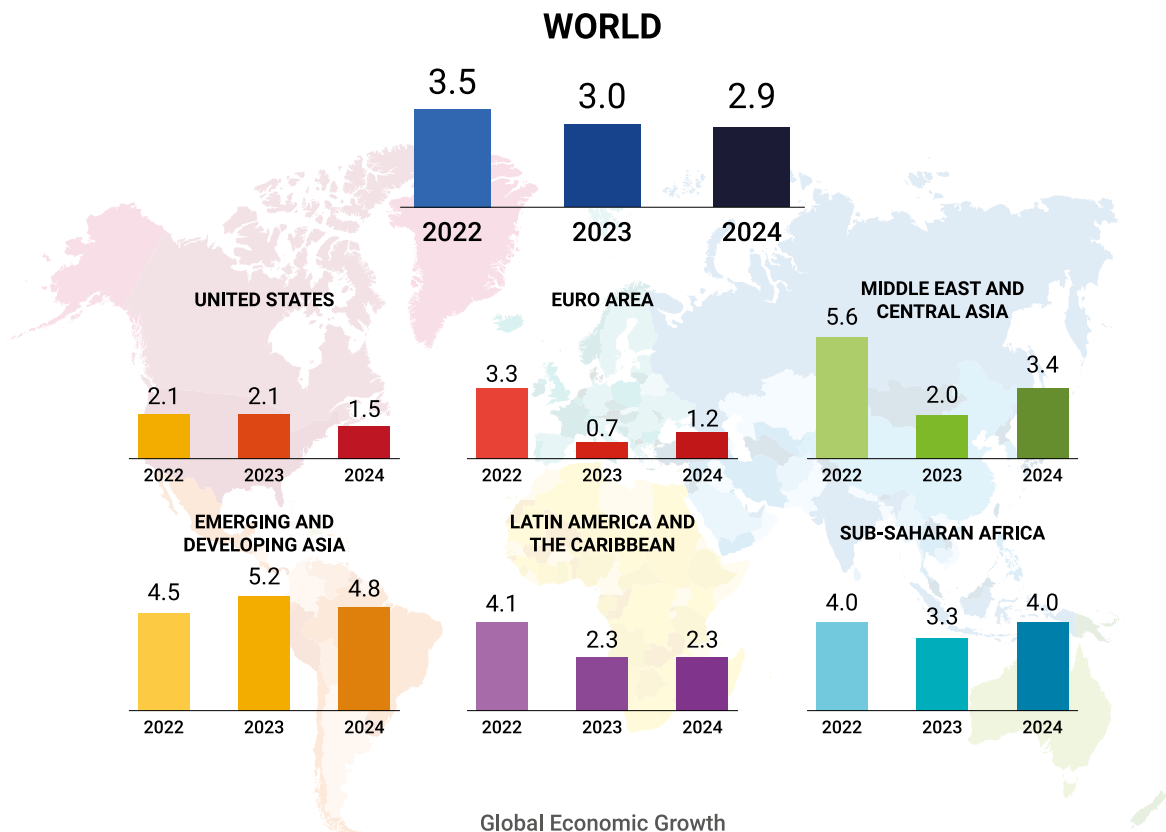
against the dollar. The fuel prices jumped as subsidies were cut.

Global Economy

Global economy had confronted several headwinds due to the Russia-Ukraine war, inflation in many economics, interest rate increase in many regions and the after effects of the Covid-19 pandemic. A rise in the global commodity price and sluggish economic activities caused by the ongoing war severely disrupted the global supply chain. Though, earlier, the economists had given a positive forecasting about the global economy, however, the reality were quite different than the forecasting and hence, the economist were compelled to revise the global economic growth prospect and inflation. As per the, United Nation Publication, "World Economic Situation and prospect 2023" the global economy grew by 3.00% in 2023 which was 0.5% less than the previous year.

Global Economic Growth

The global economy was assumed to be sluggish substantially in 2023 from 3.5% to 3.0% amid continued monetary policy tightening to rein in high inflation. Global financial conditions were tightened as a result of policy rate hikes and recent bouts of financial instability. It had weighed particularly on Emerging Market and Developing Economies (EMDEs) with greater vulnerabilities. In EMDEs, aggregate growth was projected to brink up to 4% in 2023, almost entirely due to a rebound in China. Excluding China, growth in EMDEs was set to slow substantially to 2.9% in that year.



Global Inflation

In 2023, global inflation was dropped slightly but still put pressure due to the Ukraine-Russia war and geopolitical tensions. Consumer prices rose across many countries, with global inflation averaging around 6.9%. The conflict's impact on energy markets and supply chains led to increased costs, contributing to inflationary pressures. Central Banks responded by implementing appropriate monetary policies, aiming to balance economic stability while managing inflationary risks.

COUNTRY	RATE (%)
Zimbabwe	284.94%
Venezuela	210.00%
Sudan	154.91%
Turkey	73.13%
Argentina	72.37%
Sri Lanka	48.19%
Suriname	47.56%
Yemen	43.85%
Iran	39.99%
Ethiopia	33.64%

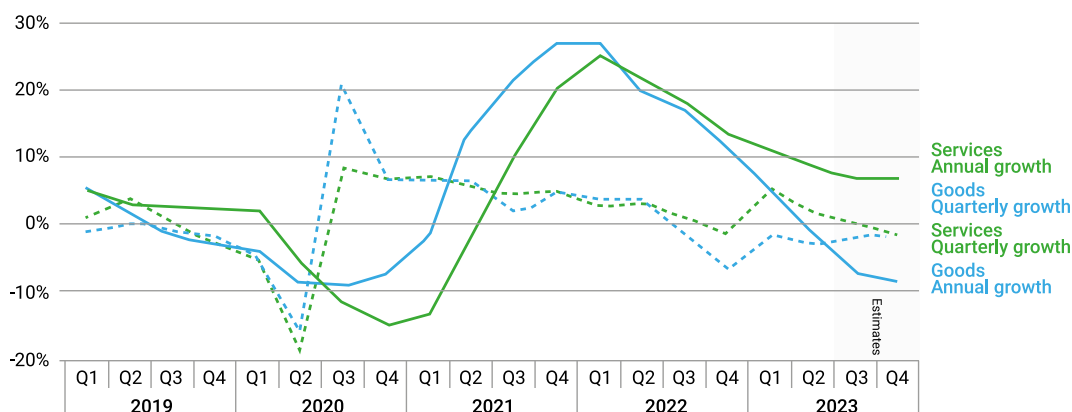
Source: www.imf.org

Global Unemployment

The unemployment rate of the member countries of Organization for Economic Cooperation and Development (OECD) was broadly stable at 4.9% in October 2023, having remained below 5.0% since July 2022. The number of unemployed persons in the OECD increased to 33.4 million in October, its highest level in 2023. In Austria, Lithuania, and Greece, bringing the Greek unemployment rate below 10% for the first time since August 2009. Spain's double-digit unemployment rate remained the highest in the euro area in October. Outside Europe, unemployment rates were stable or rose slightly in Australia, Canada, and the United States. More recent data show that in November the unemployment rate rose further to 5.8% in Canada and decreased in the United States to 3.7% from 3.9% in October.

Global Trade

It has experienced negative growth since mid-2022, primarily driven by a substantial decline in goods trade, which continued to contract in the first three quarters of 2023. In contrast, trade in services has displayed more resilience and its growth remained positive throughout the same period. Overall, the Global Trade Update projected that global trade in 2023 could be dropped to less than US\$ 31 trillion, representing a contraction of about US\$ 1.5 trillion or 4.5% compared to the 2022 record high. Specifically, trade in goods was expected to contract by nearly US\$ 2 trillion or 7.5% in 2023 while services trade should gain about US\$ 500 billion or 7%.



An Overview of the bank

Pubali Bank PLC., the largest private commercial bank in banking industry of Bangladesh, was incorporated on 30th day of June 1983 as a Public Limited Company in Bangladesh under the Companies Act 1913 and started its operation in the year 1983, with an authorized share capital of BDT 16,00,00,000 divided into 16,00,000 ordinary shares of BDT 100 each. At present, the bank's authorized share capital is BDT 2000,00,00,000 divided into 200,00,00,000 ordinary shares of BDT 10 each. It was listed with Dhaka Stock Exchange PLC. and Chittagong Stock Exchange PLC. in 1984 and 1995 respectively. Its vision is providing customer centric lifelong banking services and one of the most prior mission is to be the most respected and preferred brand among all financial services providers in Bangladesh.

The Bank, in 2023, earned an after tax profit of BD 680.85 crore which was after tax profit of BDT 532.18 crore in 2022. The deposit of the Bank grew by 18.68% to BDT 60,629.64 crore and loans and advances by 20.05% to BDT 55,449.50 crore compared to those of 2022.

Our product-basket encompasses Real Time Online Branch Banking, Pi banking, Islamic Banking, Visa Credit Card, Master Card, ATMs, POS Terminal, QR Code, Locker Service, Internet Banking, Off-Shore Banking, Corporate Banking, SMS Banking, Deposit Products i.e. Pubali Pension Scheme (PPS), Pubali Sanchay Prokolpo (PSP), Shikkha Sanchay Prokalpa (SSP), Digun Sanchay Prokalpa (DSP), Monthly Profit based Fixed Deposit, Monthly Profit based Small Deposit (Sadhin Sanchay), Target Based Small Deposit (Swapno Puron), Monthly Savings Scheme, Fixed Deposit, Short & Long Term Finance, Construction business finances, Consumer Loan, Special SME Loans, Special Agri Credit Program, Lease Financing, Trade Finance, Syndicate Loan, etc. in addition to our traditional credit and foreign trade related products and services. With a view to providing brokerage services in the stock market, our Bank has established a subsidiary company named "Pubali Bank Securities Ltd".

Corporate Governance

Pubali Bank believes that Corporate Governance is a journey and not a destination and it needs to be continuously developed, nurtured and adapted to meet the varying needs of a modern business house as well as the justified aspirations of our valued investors, other stakeholders and the society at large. The Bank also believes in transparency and accountability for the society as a whole through the establishment of an efficient and effective Corporate Governance regime.

In line with the same, Pubali Bank PLC. has complied with the conditions as stipulated in the Corporate Governance Code issued on 03 June 2018 by BSEC (Amended in 2023). In this connection, the status of compliance has been annexed to this report. Further,

a certificate of compliance from Mohammad Sanaullah & Associates, Chartered Secretaries, confirming compliance of conditions of Corporate Governance, as stipulated under condition 9(1) of the CG Code is also annexed to this report.

A detail review of Corporate Governance of the Bank is included in this Annual Report.

Rotation and Retirement of Directors

Pursuant to Companies Act 1994 under Regulation 79, 80 and 81 of schedule- I and as per article no. 90 & 91 of the Bank's Articles of Association, one-third of the directors will retire before the AGM and all of the retiring directors will be eligible for re-election. Under this circumstance, the following four (4) honorable Directors will retire in the 41st Annual General Meeting of the Bank and they will be eligible for re-election.

SL.	NAME OF THE DIRECTORS
1	Mr. Monzurur Rahman
2	Mr. Habibur Rahman
3	Mr. Fahim Ahmed Faruk Chowdhury
4	Mr. Musa Ahmed

Meeting of the Board of Directors

During the year 2023, total 50 nos. of Board of Directors meeting, 09 nos. of Audit Committee meeting and 04 nos. of Risk Management Committee meeting were held. Dates for Board and other Meetings are decided in advance and notice of each Meeting is served in writing well ahead of the meeting. The notice contains the detailed statement of business to be transacted at each meeting. The Board meets for both scheduled meetings and on other occasions to deal with urgent and important matters that require attention. A record of the Directors' attendance at Board and other Meetings during 2023 is set out on Report of Corporate Governance of this Annual Report.

Remuneration of the Directors

The Bank does not pay any remuneration to its Directors. As per the BRPD Circular no. 11 dated 27 Oct 2013 that the Chairman may be provided an office-room, a personal secretary/assistant, one peon/MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business-interest of the bank and no other facilities were availed by the Chairman. As per the BRPD circular no.11 dated 04 Oct 2015, Directors are only paid fees, travel and hotel allowances for attending the Board, EC, Audit Committee, Risk Management Committee and Shariah Supervisory Committee. Only Managing Director is paid salaries and allowances as per recommendation of the Board and approval of Bangladesh Bank.

Independent Director

As per the Bank Company Act, 1991 (amended upto 2023) at least 2 directors should be from Independent category if the maximum number of the

Board members is below 20. Again, as per BSEC guidelines on Corporate Governance at least one fifth of the total Directors should be from Independent category. Therefore, the Board of Pubali Bank PLC. appointed 2 (two) independent directors - Dr. Shahdeen Malik and Mr. Mohammad Naushad Ali Chowdhury. Among them, Mr. Mohammad Naushad Ali Chowdhury is recommended by the Board for 2nd term appointment while Dr. Shahdeen Malik is continuing his directorship as independent director after completion of his 2nd term due to writ petition pending in the High Court.

Capital and Reserves

(Figure in million)

REGULATORY CAPITAL	CONSOLIDATED	SOLO
Tier-I capital		
1) Common Equity Tier-I Capital (CET-1)		
Fully Paid up capital	10,282.94	10,282.94
Non-repayable share premium account		
Statutory reserve	10,283.00	10,283.00
General reserve		
Retained earnings	23,767.04	22,998.15
Minority interest in subsidiaries		
Regulatory Adjustments		
Reciprocal crossholding & Intangible Assets	(390.16)	(207.09)
Deferred Tax Assets (DTA) on Loan Loss Provision	(4726.41)	(4726.41)
2) Additional Tier-1 Capital (AT-1)	5,000	5,000
3) Total Tier-1 Capital (1+2)	44,216.41	43,630.59
Tier-2 Capital		
General provision (unclassified loans + off balance sheet)	11,101.20	11,101.20
Subordinated debt	10,700.00	10,700.00
All other preference shares		
Regulatory Adjustments		
4) Total Tier-2 Capital	21,801.21	21,801.21
Total eligible capital (3+4)	66,017.62	65431.80

Capital to Risk Weighted Assets Ratio (CRAR)

Pubali Bank PLC. maintained capital adequacy ratio of 13.87% of the risk-weighted assets as on December 31, 2023 as against the minimum capital requirement of 12.50% (including CCB 2.5%) as set by Bangladesh Bank under Basel-III reporting through BRPD Circular No.18 dated December 21, 2014 of Bangladesh Bank.

Capital Market Scenario

The capital market of Bangladesh experienced an eventful year in 2023 due to various economic and geopolitical factors, including the Russia-Ukraine War, Hamas-Israel war resulting in a decline of 40.1 points or 0.6% to 6246.49. The average turnover in Dhaka Stock Exchange PLC. was BDT 578 core taka. Beside Russia-Ukraine War, Hamas-Israel war, the Inflation, floor price, dollar crisis, hiked energy price, comparably low corporate earnings and liquidity crisis were the pivotal reasons behind the gloomy condition for Bangladesh capital market in 2023. However, during that period, two companies were listed in the capital market through IPO. The two institutions were Midland Bank PLC. and Trust Islami Life Insurance Limited.

Pubali Bank Securities Limited

Pubali Bank PLC. started its operation in the Capital

Market in the year 2006 under the Securities Trading Division (STD). After that as per the directive from Bangladesh Bank and Bangladesh Securities & Exchange Commission, Securities Trading Division (STD) of Pubali Bank PLC. converted into a separate subsidiary company in the name of Pubali Bank Securities Limited (PBSL) which was incorporated as a Public Limited Company on the June 21, 2010 under the Companies Act 1994 and started its functioning from February 01, 2011 with an Authorized Capital BDT 5,000 (Five thousand) million only and an initial Paid up Capital BDT 1,600 (One thousand six hundred) million only. Currently the company is running with a Paid-up Capital of BDT 6,600 (Six thousand six hundred) million and Authorized Capital BDT 7,000.00 million only.

The company is the TREC (Trading Right Entitlement Certificate) holder of both Dhaka Stock Exchange PLC. (DSE TREC# 214) and Chittagong Stock Exchange PLC. (CSE TREC # 105) and also acts as a full-service Depository Participant of CDBL.

The company offers full-fledged high standard brokerage service for retail and institutional investors. PBSL also operates its Stock Dealing operation for its own investment in Capital market. It has proven

reputation in serving customers by maintaining strong compliance practices and highest ethical standard. Beside this, Pubali Bank Securities Ltd has been playing a vital role in capital market for stabilization & sustainable development of the market since its inception.

Though, the Capital Market is facing a critical situation, PBSL has passed comparatively a good time in the year 2023 in terms of performance, profitability and brokerage activities. Hopefully PBSL will do better in 2024 and continue the progress in Future.

Dividend Policy

The Bank follows a stable Dividend Policy year over year which is depicted below:

- a. The Company in General Meeting may declare a dividend to be paid to the shareholders out of the profits for that year or out of any undistributed profits of the previous year and fix the time for payment of it. No dividend shall exceed the amount recommended by the Directors and their declaration as to the amount of net profit of the Company shall be conclusive.
- b. Dividend shall carry no interest as against the Company.
- c. The Directors may from time to time pay such interim dividend to the shareholders as may be justified by the financial position of the Company.
- d. If any bonus on shares is declared out of profits, and whether alone or in addition to any dividend thereon, the bonus shall for all purposes be deemed to be a dividend on the shares.
- e. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
- f. Unless otherwise directed, payment of dividend shall be made by cheque or warrant sent through registered post to the address of the shareholder

- or person entitled thereto or, in case of joint holders, to that one whose name stands first in the register in respect of the joint holding.
- g. Any one of the registered joint holders of any share may grant effectual receipt of payment of dividend in respect of such shares.
- h. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. Unclaimed dividend shall not be forfeited.
- i. Appropriation of profit or declaration of dividend shall be made by the Company in any year up to 50% of the profits remaining after payment of income/corporation taxes and creation of statutory reserves until the instalments stipulated for that year under the paragraph titled "THE PRICE" in part IV of the prospectus have been paid by the Company to the Government.

Dividend Declaration

Our Bank is paying healthy returns to its shareholders over the years and follows consistent Dividend Policy year over year. Listing Regulations of both stock exchanges and Bangladesh Secretarial Standard-4 (BSS-4) also enacted with the declaration of dividend. As per BSS-4 in Declaration of Dividend is as follows:

- Dividend should be declared by the Members at an Annual General Meeting on the basis of recommendation of the Board.
- Dividend should relate to a financial year.
- No Dividend should be declared on equity shares for previous year(s) in respect of which annual financial statements have already been adopted at the respective Annual General Meeting(s).
- Interim Dividend should be declared by the Board of Directors.
- Dividend, once declared, becomes a debt of the company and cannot be revoked in any way.

Pubali Bank PLC. declared Cash & Stock dividend in different years as mentioned below:

Year	2023 (Proposed)	2022	2021	2020	2019
Cash	12.50%	12.50%	12.50%	12.50%	10.00%
Stock	12.50%	-	-	-	-
Total	25.00%	12.50%	12.50%	12.50%	10.00%

Dividend Distribution

Cash dividend shall be paid directly to Shareholders bank account within 30 (thirty) days from the date of approval by the Shareholders in the AGM.

The stock dividend shall be credited within 30 (thirty) days of approval subject to the clearance of the regulatory requirement.

Asset and Liability Management

Asset and Liability Management (ALM) is a key financial risk management discipline. ALM is concerned

with risk management and provides comprehensive and dynamic framework for measuring, monitoring and managing liquidity risk, interest rate risk, foreign exchange risk and equity price risk in the context of bank business strategy. ALM framework is formed for risk management that can arise due to changing circumstances and it focuses on long-term stability and profitability of the Bank. The ALM desk is involved in analyzing the overall economic and market situation to fix interest rates on customer deposits and loans & advances of the bank.

Internal Control and Compliance

The system of internal control of Pubali Bank PLC. is sound in design and has been effectively implemented and regularly monitored. The foundation of Internal Control and Compliance system of the Bank is implemented in organizational structure, policies, procedures and instructions provided by its Board of Directors and Senior Management and as per prevailing laws, regulations, and best practices.

Today's Banks are highly exposed to compliance risk since they have a great number of stakeholders, e.g. regulators, customers, counterparties, tax authorities, local authorities, and other authorized agencies. Compliance risk can lead to imposition of fines &

penalties, payment of damage, loss of market share, regulatory sanction etc. Compliance risk can also lead to a diminished reputation, also known as reputation risk, arising from an adverse perception of the image of the Bank by customers, counter parties, shareholders or regulators. Our Bank has restructured its ICC organogram considering our large branch network, volume of operations, introduction of Risk Based Audit and stringent regulatory compliance.

For smooth functioning of Internal Control and Compliance, ICC wing of our Bank is comprised of three divisions, such as Audit & Inspection Division, Monitoring Division and Compliance Division and they are working separately and independently as shown below:



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

Audit & Inspection

Our Bank is the largest private commercial bank in

Bangladesh in terms of branch network. Workload of Audit & Inspection Division has substantially increased due to expansion and diversification of business products & services, by addition of Branches, Sub Branches & Islamic Banking Windows. Each year Audit & Inspection Division sets out a Risk Based Audit Plan which is duly approved by the Audit Committee of the Board as per ICC Guidelines.

Internal Audit is carried out by following ICC Guidelines, Audit Manual and regulatory instructions to minimize operational risks. Internal Audit Team examined whether business units are complying with Circulars/ Guidelines/ norms relating to Cash Management, GB Services, Credit Operational Activities, Foreign Trade Business Portfolio and Classification Status of Loans etc. Moreover, all Regional Offices and 02 Principal Offices of our Bank also conducted Surprise Inspections, Surprise Visits on the Branches, Sub Branches and Islamic Banking Windows under their jurisdictions, IT auditors are attached to the audit teams to conduct IT audit as per ICT checklists to minimize ICT Risk. Thus operation risk reduces &

strengthen Internal Control & Compliance. Bangladesh Bank and its offices across the country also conducted Inspections on our different Branches and Head Office. In the year 2023, 108 nos of Bangladesh Bank Inspection reports were received for compliance. Moreover, external auditors M/s A. Qasem & Co. and MABS & J Partners, Chartered Accountants also conducted audit on the different branches of the bank.

As per Risk Based Audit Plan-2023, Audit & Inspection Division has conducted thorough audit on 501 Branches (including 10 High Risk, 104 Medium Risk & 387 low risk branches), 176 Sub Branches, 17 Islamic Banking Windows, 21 Regional Offices, 02 Principal Offices, 02 Off-shore Banking Units, 06 Core Risks, 28 Divisions of Head Office and Pubali Bank Securities Ltd., a subsidiary company of the bank.

Significant audit findings of the branches identified by internal audit and regulatory inspection are duly notified to the concerned branches and offices. Besides all out efforts are being taken by the concerned to remove such lapses and related compliance report with documentary evidence are placed before the higher authority as per ICC Guidelines.

IT & Automation

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 PLC. has been extending customer services at all of our 504 branches, 189 Sub-branches and 19 Islamic Windows using our in-house developed core banking software, Pubali Integrated Banking System (PIBS), and Pubali Integrated Islamic Banking System (PIIBS), under network environment. Real Time Centralized Online Banking System has been developed and deployed in all of 504 branches, 189 Sub-branches and 19 Islamic Windows across the country. The Online Banking Network of Pubali Bank PLC. has become one of the largest in the banking sector of Bangladesh.

The efficient members of the Software, BACH-BEFTN, System, Network and Hardware Support Unit at ICT Operation Division are extending quick support to the branches to solve any software/operational problems in banking software. Besides, ICT Operation Division is modifying, strengthening and enhancing our core banking solutions, PIBS and Pubali Online Islamic Banking Service(POIBS), according to demand, which is being notified to branches through various circulars. To encourage incoming foreign remittances, all of

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

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

Moreover, we are going to introduce Application Code Security, Privilege Access Management (PAM), Data Loss Prevention (DLP) etc. and we are working on implementing Security Operation Center (SOC) to monitor all threat landscape round the clock. Besides, Pubali Bank has recently inaugurated Security Operations Center (SOC) as Security Monitoring Systems of Pubali Bank PLC. for ensuring prompt detection of unauthorized or malicious activities by the internal and external parties and for reducing impact of any unstoppable breach.

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 PLC. 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 Tier-3 Standard.

Pubali Bank PLC. has procured the latest Oracle based Database Infrastructure Exadata 9M including Data Security Products (Audit Vault, Database Firewall), Zero Data Loss Recovery Appliance (ZDLRA) and Data Warehousing System. Later, we have successfully accomplished Core Banking Data Migration (Live Banking Data) from existing Sun and Oracle based Solution (Exadata X4-2, Database: 12 C) to the latest one (Exadata 9M, Database: 19 C) from 28 September 2023 to 30 September 2023.

Pubali Bank has appointed Qualified Security Assessor

(QSA) for PCI DSS Compliance of Pubali Bank PLC. We have already accomplished task of First Phase i.e. Gap Assessment of the Bank. At present, we are working on accomplishing tasks of Second Phase. About 12 Controls have already been mitigated out of 44 as prescribed by QSA.

The Bank has appointed International Consultant with their local partner for ISO-27001 Certifications of Pubali Bank PLC. We have already accomplished Gap Assessment of First Phase. Now, we are working on developing different policy procedures which is Second Phase of the Certification.

In addition, Pubali Bank PLC. selected M/S Enterprise InfoSec Consultants as Consultants for accomplishing SWIFT Customer Security Program (CSP) Independent Assessment of the Bank. We have already mitigated 12 (Twelve) Non-Complied Issues out of 13 (Thirteen).

“Mentor of the Day” Module has been introduced in PIBS and PMS for ensuring better customer services and good governance at the branch level. Branch Managers assign Mentor of the Day using the module and mentors supervise three major areas of branch operation i.e. Human Resources Management, Customer Services Management and Branches Environment.

We have implemented Pubali Human Resources Management System (PHRMS) to perform complex Human Resources activities simply and for better Human Resources Management. Employees’ Personal Data Sheet (PDS), Experience and Activities, Promotion and Confirmation, Transfer Posting, Suspension, Training, and so on are available in PHRMS with effect from 23 December 2018.

We have introduced Mobile Banking Application of Pubali Bank PLC., PI(n), since 01 October 2020. Unlike Internet Banking, Mobile Application of the Bank will facilitate our valued clients with different transactional and non-transactional banking services for 24/7. This will be operated in the internet enabled smart phone or tablet. The mobile application can be downloaded from App Store (iOS) and from Google Play Store (Android). A web based application is accessible through www.pi.pubalibankbd.com. We have introduced QR Code based Payment System, IDTP, e-KYC and Short e-KYC based Account Opening System into our PI(n) Banking Application.

We have successfully implemented Software for Bangladesh Automated Clearing House (BACH-II) and Bangladesh Electronic Fund Transfer System (BEFTN), NIKASH, Credit Information Bureau (CIB) Reporting as per guidelines of Bangladesh Bank. 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 19 (Nineteen) Islamic Banking Windows at different locations of the country, and the windows

are run by 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 (ADDS) to centralize the administrative control on OS user authentication complying with ICT Security Policy of our Bank.

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

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

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

ICT Operation Division, obtaining prior permission of the Management, implemented software of Offshore Banking Units (OBU) of Pubali Bank PLC. In regard to banking products, OBUs are allowed to offer banking services targeting selected group of clients and non-residents.

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

ICT Operation Division has implemented Integrated Supervision System (ISS) Module in PIBS and branches are advised to observe and verify the data generated by PIBS meticulously to ensure correct data to be sent to Bangladesh Bank as per instruction. Pubali Bank PLC. has upgraded its ICT Security Guideline (Version-5) considering the updated guideline

of Bangladesh Bank (Version-4) and introducing the security measures accordingly. Our achievements for protecting our system and to ensure secured ICT environments are:

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

We have already implemented IP PBX and Video Conferencing System and deployed IP Phone to our Head Office, Principal Offices, Regional Offices, Branches and Sub-Branched. Through implementation of IP Phone Pubali Bank is experiencing standard unified Communication System that made internal communication free of cost and external communication less costly. We have already launched video conferencing system all around the country. Board Meetings, Important Management Meetings, Meetings with other entities, different Training Programs, Countrywide Online Workshops and so on are operating through WebEx.

Pubali Bank PLC. is moving towards state of art technology platform and in such a scenario, we are now at a stage of introducing technology based different alternative delivery channels such as Mobile Financial Services (MFS), Mobile Applications, ATM/CRM, POS, QR-based Transaction and so on in the line with transforming Pubali Bank PLC. to a paperless banking facilitating all digital banking channels. ICT Operation Division is working hard for achieving this objective within a short period of time.

Risk Management

Banking companies in Bangladesh, while conducting day-to-day operations, usually face 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 the BRPD Circular no.11 dated 27 October 2013, a Risk Management Committee of the Board was formed and the committee is complying with the instructions of Bangladesh Bank. Furthermore, as per Bangladesh Bank DOS circular letter no: 13 dated 09

September 2015 and subsequent DOS circular no. 04 dated 08 October 2018, a separate Risk Management Committee at Management level has also been formed and named as Executive Risk Management Committee (ERMC). The Committee is responsible to Managing Director for compliance and implementation of the decisions. 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 and Bangladesh Bank regularly.

Preparation of Financial Statement

While preparing the annual report along with financial statements, true and fair presentation has been given priority. The Institute of Chartered Accountants of Bangladesh (ICAB) adopted the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank also mandated the implementation of Companies Act, 1994, IAS and IFRS. These standards and reporting system have also been complied with by our Bank in preparation of the Financial Statements.

Transparent Disclosure

Pubali Bank PLC. prepares financial statements with adequate disclosures in accordance with the International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. In order to prepare the financial statements, the management is responsible for designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying accounting policies and making accounting estimates that are reasonable in the circumstances. These financial statements, once prepared, are reviewed initially by CFO and CEO and then by the Audit Committee on a regular basis. After that, the Board reviews the financial statements of the Bank at the end of every quarter. The quarterly financial statements, along with notes are published on the two daily newspapers as well as the Bank's website. Furthermore, annual financial statements along with annual report are also sent to all Shareholders in a timely manner. On an annual basis, the Directors prepare the Directors' Report as part of the Annual Report which discloses the financial performance as well as non-financial information regarding bank's growth, responsibilities and other information in compliance with BSEC Notification. The Bank also abides by the applicable regulations in respect to Price Sensitive Information (PSI).

Performance of Pubali Bank PLC.:

Pubali Bank Shares and Shareholders

Investors always look for a company which can meet their needs for dividend and capital gain. For the last few years' country's Stock Markets have been remaining uncertain, inconsistent and unstable. We have a large number of shareholders which on 31st December 2023 stood at 30,595 (BO Shareholder-27,766 and Folio Shareholder-2,829). Year-wise Authorized Capital, Paid up Capital, Earnings per Share (EPS) and Net Asset Value (NAV) over the years are mentioned below:

(BDT in million)

Particulars	2023	2022	2021	2020	2019
Authorized Capital	20,000	20,000	20,000	20,000	20,000
Paid up Capital	10282.94	10282.94	10282.94	10282.94	10282.94
EPS (in BDT)	6.62	5.18	3.80	3.57	2.08
NAVPS (in BDT)	45.56	41.32	38.66	37.74	31.38

Statutory and other Reserve

At the end of 2023, the statutory reserve and other reserves of the bank stood at BDT 37,362.61 million, out of which statutory reserve was BDT 10,283.00 million, Retained Earnings was BDT 23,767.04 million and other reserve was BDT 33,312.57 million. Total Reserve was BDT 32,203.15 million at the end of 2022.

Deposits

The deposit growth trend was positive in 2023. At the end of 2022, Total deposit was BDT 51,083.65 crore that came to BDT 60,629.64 crore at the end of 2023 showing 18.68% increase. Out of the total deposits, Time Deposits BDT 505,927.00 million and Demand Deposits were BDT 100,369.41 million i.e. 83.45% and 16.55% respectively.

(BDT in million)

YEAR	AMOUNT
2023	606,296.41
2022	510,836.52
2021	462,400.22
2020	429,343.02
2019	359,153.31

Borrowing from other Banks and Financial Institutions

In 2023 the bank borrowed BDT 55,316.48 million for business purpose compared to BDT 65,017.70 million during the previous year.

Lending to other Banks and Financial Institutions

In 2023 the bank lent BDT 6,156.65 million for business purpose compared to BDT 9,810.26 million in 2022.

Advances

Total advances of the bank as on 31 December 2023 stood at BDT 554,495.50 million showing an increase of BDT 92,611.38 million @ 20.05% growth.

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

Investment

Total investment of the bank was BDT 147,495.50 million in 2023 compared to BDT 139,403.49 million in 2022. The bank mainly invested in Government Bonds, Treasury Bills, Approved Debentures of private institutions and Capital Market through own portfolio.

Key financial figure of the Balance Sheet is given below

(BDT in million)

PARTICULARS	2023	2022	2021	2020	2019
Assets	814,866.57	712,755.71	629,481.34	565,032.07	478,074.84
Deposits	606,296.41	510,836.52	462,400.22	429,343.02	359,418.89
Loans & Advances	554,495.50	461,884.13	376,656.43	315,578.90	287,034.67
Shareholder's Equity	46,844.04	42,486.09	39,453.55	39,243.18	32,271.71

Foreign Exchange Business

a) Import Business

During the year the Bank handled import business worth BDT 295,446.40million. During the previous year the amount was BDT 274,383.00 million. The amount of import business handled by the bank increased by BDT 21,063.40 million during the year which was 7.68% higher than previous year.

b) Export Business

The bank handled export business worth BDT 196,747.10 million during the year as against 183,174.90 million in previous year which was 7.41% more than previous year.

c) Inward Foreign Remittance

Non-resident Bangladeshis sent foreign exchange equivalent BDT 123,000.00 million in 2023 whereas the amount was BDT 86,813.40 million in 2022.

Total Operating Income

Due to the reasons explained above, total operating income of the bank increased by BDT 5,356.76 million during the year and stood at BDT 30,551.46 million.

Total Operating Expense

Total operating expenses of Pubali Bank PLC. increased by 9.68% during the year mainly salaries & allowances and due to rental expense for the bank's hired premises.

The productivity of the employee continued to grow which is marked from the following ratio:

(BDT in million)

PARTICULARS	INCOME PER EMPLOYEE	EXPENSE PER EMPLOYEE	PROFIT BEFORE PROVISION PER EMPLOYEE	PROFIT BEFORE TAX PER EMPLOYEE	ASSETS PER EMPLOYEE
2023	6.34	4.74	1.60	1.25	84.81
2022	5.36	4.11	1.26	0.94	78.92
2021	5.24	4.06	1.18	0.65	78.47
2020	4.70	3.67	1.03	0.71	69.66
2019	4.43	3.33	1.16	0.64	58.63

Analysis of Income Statement of Pubali Bank PLC.

(BDT in million)

SL	PARTICULARS	2023	2022	GROWTH %
1	Interest Income	40,340.84	29,813.19	35.31%
2	Interest Expenses	30,321.08	23,240.59	30.47%
3	Net Interest Income	10,019.76	6,572.60	52.45%
4	Income from Investment, Commission, Brokerage & Others	20,531.70	18,622.10	10.25%
5	Total Net Income (Net Interest Income + Non Interest Income)	30,551.46	25,194.70	21.26%
6	Operating Expenditure	15,198.35	13,857.19	9.68%
7	Profit Before Provision	15,353.12	11,337.51	35.42%
8	Net Profit after Tax	6,808.47	5,321.77	27.94%

Total operating income & total operating expenditure of the Bank during 2023 were BDT 30,551.46 million and BDT 15,198.35 million respectively resulting a profit of BDT 15,353.12 million before making provision for bad and doubtful debts and income tax.

During the year the Bank made a provision of BDT 2939.10 million against loans and advances, other assets, bad debt offsetting for IBW and off-balance sheet. Provision of BDT 5179.55 million against Corporate Income Tax and deferred Tax. As such, net profit on the Bank stood at BDT 6808.47 million.

Growth in Operating Profit and Net Profit before/after Income Tax and Provision for the Last 5 years:

(BDT in million)

Year	2023	2022	2021	2020	2019
Profit before provision & Tax	15,353.12	11,337.51	9,443.46	8,379.56	9,457.85
Net Profit	6808.47	5,321.77	3,904.55	3,669.51	2,143.27
Return on Equity (ROE)	14.53	12.53%	9.82%	9.46%	7.51%

Implementation of Basel III

Bangladesh has entered into the Basel III regime from January 01, 2015. Bangladesh Bank revised the capital standard based on Basel III and planned to implement it gradually from 2015 to 2019. A Capital Conservation Buffer (CCB) of 2.5% is to be built up @ 0.625% each year from the beginning of 2016 to 2019. This is in addition to existing Minimum Capital Requirement (MCR) of 10%. It means CRAR requirement will be 12.50% from January 01, 2019.

To increase the quality and quantity of the capital base of the Bank, Basel III has introduced the following measures:

1. Tier 1 capital has been divided into two parts: Common Equity Tier 1 (CET1) and Additional Tier 1 (AT1).
2. The definition of capital has been made stringent. Tier 3 capital has been eliminated.
3. The Bank has to maintain 3% leverage ratio along with Liquidity Coverage Ratio (LCR) of 100% or more and Net Stable Funding Ratio (NSFR) of more than 100%.

Pubali Bank PLC. is well positioned in respect of capital and risk management. It has commenced reporting of CRAR, leverage and liquidity ratio from January 01, 2015 following the new risk based capital adequacy framework.

The Bank has a Supervisory Review Process (SRP) team comprising of members from the senior management. They participate in dialogues with the Supervisory Review Process Evaluation (SREP) team of Bangladesh Bank on the issue of maintenance of adequate capital to compensate all the risks associated with business.

Stress testing is an integral part of Supervisory Review Process and is conducted through a prescribed format given by Bangladesh bank where impact on Capital to Risk Weighted Asset Ratio (CRAR) is assessed taking into account plausible shocks.

Pillar-III of Basel III aims at promoting market discipline through regulatory disclosure requirements. The reports on disclosure enable market participants to assess more effectively key information relating to Bank's regulatory capital and risk exposures in order to keep confidence about the Bank's exposure to risk and overall regulatory capital adequacy. The Bank has published the disclosure incorporating all the changes in the revised guidelines. The Bank has also made a significant progress in implementing Basel-III and preparing itself to meet the upcoming challenges of implementing advanced approaches of calculating credit, market and operational risks.

The Bank is well positioned in respect of capital and risk management. The overall scenario as of December 31, 2023 under pillar-I is shown below:

CRAR (SOLO)	CRAR (CONSOLIDATED)	LEVERAGE RATIO	LCR	NSFR
13.87%	13.82%	4.79%(solo)	125.03%	106.02%

Going Concern

The Directors considered it appropriate to prepare the financial statements on the going concern basis. Going concern is one of the fundamental assumptions in accounting on the basis of which financial statements are prepared. Financial statements are prepared assuming that a business entity will continue to operate in the foreseeable future without the need or intention on the part of management to liquidate the entity or to significantly curtail its operational activities. Therefore, it is assumed that the entity will realize its assets and settle its obligations in the normal course of the business. It is the responsibility of the management of a bank to determine whether the going concern assumption is appropriate in the preparation of financial statements. The Management of Pubali Bank PLC. has calculated all the ratios related to the maintenance of regulatory capital & liquidity such as CRAR, LCR, NSFR, Leverage ratio, CRR & SLR and assessed adequacy of bank's liquidity as per structured liquidity profile, and has performed stress testing to determine bank's shock absorbent capacity in different distress scenario. All the ratios and results thus calculated reveal that Pubali Bank PLC. is running well above the level of different parameters set by the respective guidelines of Bangladesh Bank. A detail

review of Going Concern of the Bank is included in this Annual Report.

Network Expansion Program

Pubali Bank PLC., as a largest private commercial bank, always gives highest priority to accelerate its branch expansion program to augment its customer base and provide banking services to unbanked people. The Bank invests in network expansion and new technology adoption to achieve competitive advantage.

Continue to our consistent progress we now have 504 (Five Hundred Four) branches and 189 (One Hundred Eighty Nine) sub branches that are placed in convenient locations, close to key shopping and commuting nodes. All branches and sub branches are Online and fully equipped new technology based covering all Divisions of the country. Pubali Bank PLC., as a leading financial institution, always gives highest priority to quicken its branch expansion program to net the un-banked population across the country.

Moreover, the Bank is also offering Offshore Banking facilities through 02 (Two) Offshore Banking Units (OBU) i.e. OBU-Principal Branch is located at A-A Bhaban, 23 Motijheel C/A, Dhaka and OBU-Agrabad

Branch is at Agrabad Branch, 99 Agrabad C/A, Chittagong. The Bank is also providing "Shariah-Based Islamic Banking Services" through 19 (Nineteen) Windows to the customers. At present Bank's Authorized Dealer (AD) Branches are 29 (Twenty-nine).

The Bank is also providing "Evening Banking Service" through 87 (Eighty-Seven) Branches to further augment its service delivery at extended banking hours. Division-wise distribution of Branches, OBU Units and Islamic Windows are given below:

Division	Urban Branches	Rural Branches	Sub Branch	Authorized Dealer (AD)	OBU Unit	Islamic Banking window	SME/ Krishi	Evening Banking
Dhaka	104	38	37	16	1	4	2	26
Chittagong	74	46	46	5	1	4	1	17
Sylhet	32	60	13	3	-	3	1	12
Rajshahi	21	14	20	1	-	2	1	11
Khulna	22	12	19	2	-	3	-	5
Barisal	17	14	19	1	-	1	-	6
Rangpur	20	9	26	-	-	1	-	6
Mymensingh	18	3	9	1	-	1	-	4
Total	308	196	189	29	2	19	5	87

Human Resources

Pubali Bank PLC. has a total workforce of 9608 (including 89 days basis) compared with 9031 in 2022. We believe our employees are our most valuable asset. We aim to recruit the best talent, provide necessary training and develop retention policies with value based benefits as par with the industry's best practices. We established a broader framework for employee benefits and welfare that include Provident Fund, Gratuity Fund, life insurance policy, Staff Welfare Fund, Retired Employees Welfare Fund, subsidized medical facilities and so on. In 2023, the bank recruited 733 new employees in different ranks. We aim to create an environment for the employees where all can be self-motivated, inspired and committed to achieve the desired goal and ambition of the Bank. We also encourage the employees to speak up on the concerned issues to conceive the views and reflect it upon the decisions we make for the Bank. The Bank is committed to empower the workforce with quality skills, knowledge, and training and experiences with the expectation of better performance and professional attitudes and quality services to the customers to materialize the goal of becoming the Best Bank in the country.

A detail review of Report on Human Capital is included in this Annual Report.

Declaration of the Compliance of BSEC Notification

The Board is responsible to present a true and fair view of the Company's financial performance and position as a part of good governance and to that end the Directors confirm to the best of their knowledge that the following disclosures are made in compliance of certain provisions contained in the BSEC's CG Code dated June 3, 2018.

- The financial statements prepared by the management present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of bank's have been

maintained.

- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.
- The system of internal control in the Bank is sound in design and has been effectively implemented and monitored.
- There are no doubt upon the Bank's ability to continue as a going concern.

As required under BSEC's Corporate Governance Code, the Directors further confirm that the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have certified to the Board the following:

- they have reviewed the Financial Statements and that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- they have reviewed the financial statements and believe that these statements together present a true and fair view of the Bank's affairs and are in compliance with the existing accounting standards and applicable laws; and
- there are, to the best of their knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or in violation of the Bank's Code of Conduct.

External Auditors

Based on suggestions of the Audit Committee, the Board recommends to appoint G.Kibria & Co. and Hussain Farhad & Co. as Statutory Auditor for the year 2024 subject to approval by the shareholders in the 41st AGM of the Bank. These 02 (two) Chartered Accountant firms will audit the statement of accounts

with due permission of Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC).

Compliance Auditor

Pursuant to code 9.2 of the Corporate Governance Code issued by BSEC, the Board recommended for appointment of Jasmin & Associates, Chartered Secretaries as compliance auditor for the year 2024 as proposed by the Audit Committee subject to approval by the shareholders in the 41st AGM of the Bank.

Declaration of Dividend

The Board of Directors gives utmost importance on the principles of sharing good achievements with valuable shareholders of the Bank. The Board of Directors has recommended 12.50% Cash Dividend & 12.50% Stock Dividend for all shareholders of the bank out of profit on the basis of audited accounts for the year ended 31st December 2023 subject to approval by the shareholders in the 41st Annual General Meeting.

Annual General Meeting

The 41st Annual General Meeting (AGM) of the Bank will be held on June 05 2024 at 10:30 AM by using digital platform as per notification of Bangladesh Securities & Exchange Commission.

Expectations in 2024

The Bank has put stress on the business target fixed up for the year 2024. The Bank put emphasis on retail banking business and to increase the small sized loan portfolio. The target of Deposit and Advances are projected to be increased by 20.47% and 11.81% respectively. Import and Export businesses are expected to rise by 8.31 % and 27.58% respectively while operating profit target fixed is expected to be increased by 23.37%.

Corporate Social Responsibilities

Corporate Social Responsibility (CSR) has been a long-standing commitment at our bank. In Pubali Bank PLC., CSR is taken seriously. CSR activities are not undertaken purely for public relations, it is a part and parcel of who we are and how we have worked for decades. The Bank's contribution to social sector development includes several pioneering interventions and is implemented through the involvement of stakeholders within the Bank and through the broader community. CSR of the Bank is oriented with a view to helping the needy segment of the population of the society. Pubali Bank PLC. believes in socially equitable development. The Bank is committed to ensure environmentally sustainable development. As a responsive corporate financial organization, the Bank has anchored its CSR activities on health, education, disaster management, sports, arts & cultures and on many other benevolent dimensions. Throughout the year 2023, the Bank participated in a numbers of CSR activities which encompassed social, environmental, ethical & philanthropic activities. The Bank undertook

the voluntary contributions towards building a better society and cleaner environment beyond its financial commitments and regulatory obligations.

Pubali Bank PLC. distributed a huge number of blankets among the poor, shelter less and cold-stricken people of the country through various organizations/societies. The Bank provided medical assistance for the distressed and unprivileged people of the society. The Bank donated good chunk of money in the following sectors in 2023.

In the year 2023, Pubali Bank PLC. spent BDT 157.81 million in different following categories for CSR activity.

Disaster Management	BDT 22.86 million
Education	BDT 49.80 million
Health	BDT 56.10 million
Sports	BDT 29.05 million

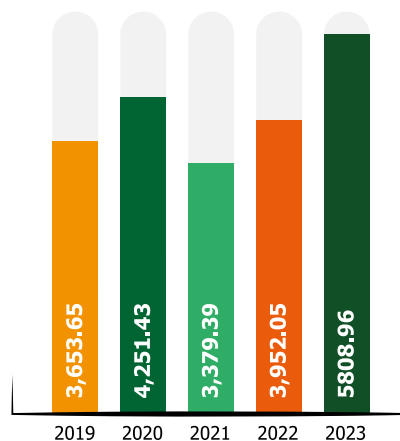
This report further encloses a detailed discussion on "Corporate Social Responsibility" under the Report of Corporate Social Responsibility.

Contribution to National Exchequer

Pubali Bank will continue to support Government's proposals that help to establish a sustainable level of tax contribution to the National Exchequer. The bank considered to be one of the major contributors in the economy and to the society of Bangladesh. During the year 2023, Pubali Bank PLC. contributed BDT 5,808.96 million as taxes to the national exchequer.

The bank's contributions to the National Exchequer for the last five (5) years are given below:

(BDT in million)



Acknowledgement

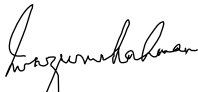
The outcomes of the Year 2023 would not have been possible if not for the persistent support and encouragement of our stakeholders. The Board of Directors extend their warmest greetings to the valued customers, Patrons and well-wishers for their support and co-operation in the activities of the bank. The Board thanked the dedicated services of the

Senior Management Team, all Executives and other employees of the Bank. The Board offers thanks to the Government of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange PLC., Chittagong Stock Exchange PLC, Registrar of Joint Stock Companies and Firms and Central Depository of Bangladesh Limited (CDBL) for their cooperation and effective guidance.

The Board also expresses its appreciation to A. Qasem & Co. and MABS & J Partners, External Auditors and Mohammad Sanaullah & Associates, Chartered Secretaries, compliance auditor of the Bank, for their efforts for timely completion of Audit. The Board of Directors also thanks both the print and electronic media personnel for giving media coverage to the Bank's different activities and events.

The Board thanks the respected shareholders and assures them that it will continue to add to the Shareholders' wealth through further strengthening and development of the Bank in which they have placed their trust and confidence. I also thank the respected shareholders for joining the 41st Annual General Meeting virtually and contributing meaningfully to the deliberations and adoption of resolutions against the agenda.

On behalf of the Board of Directors,



Monzurur Rahman

Chairman of the Board of Directors