



PUBALI BANK LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

Profit and Loss Account

for the year ended 31 December 2011

IAS 1(38 & 39)	Note	2011		2010	
		Taka	Taka	Taka	Taka
Operating Income					
IFRS 7.20(b)	21	12,042,366,483	9,003,507,661		
IFRS 7.20(b)	22	5,729,017,504	3,790,183,811		
IAS 1.85		6,313,348,979	5,213,323,850		
IFRS 7.20(b)	23	1,257,088,784	2,137,210,748		
IFRS 7.20(c)	24	1,542,062,517	1,385,835,411		
IAS 1.85	25	348,181,317	301,973,310		
IAS 1.85		4,458,001,844	(673,891,664)		
Operating Expenses					
IAS 1.104	26	2,323,025,726	2,053,455,763		
IAS 1.97	27	251,893,242	225,814,377		
IAS 1.97	28	8,746,672	10,278,757		
IAS 1.97	29	80,007,213	54,827,069		
IAS 1.97	30	107,497,674	98,398,557		
IAS 1.97	31	9,550,000	9,100,000		
IAS 1.97	32	5,188,573	5,136,241		
IAS 1.97	33	2,831,387	11,383,009		
IAS 1.104	34	190,001,114	152,590,911		
IAS 1.97	35	1,001,119,346	931,708,174		
IAS 1.85		3,980,460,947	3,553,292,858		
Profit before Provisions					
		5,480,220,650	5,485,050,461		
Provision for Classified loans and advances					
		-	270,000,000		
Provision for unclassified loans and advances					
		-	165,000,000		
Provision for diminution in value of Investments					
		-	165,000,000		
IAS 1.97	37	70,000,000	70,000,000		
Total Provisions					
		70,000,000	505,000,000		
IAS 1.85		5,410,220,650	4,980,050,461		
Provision for current tax					
		2,225,000,000	1,696,676,696		
Provision for deferred tax					
		45,000,000	50,280,985		
Total provision for taxes					
		2,270,000,000	1,746,957,681		
IAS 1.82 (f)		3,140,220,650	3,233,092,780		
IAS 1.85					
IAS 1.85 (f), (1.78)(c)		1,082,044,130	996,010,092		
IAS 1.85		2,058,176,520	2,237,082,688		
IAS 33.66	44	4.68	4.82		

The annexed notes form an integral part of these accounts

Helal Ahmed Chowdhury Syed Moazzem Hussain Monzurur Rahman Hafiz Ahmed Mazumder
Managing Director Director Director Chairman

Signed as per annexed report on even date

S. F. AHMED & CO
Chartered Accountants
DHAKA, 23 February 2012

Cash Flow Statement

for the year ended 31 December 2011

IAS 1(38 & 39)	Note	2011		2010	
		Taka	Taka	Taka	Taka
a Cash flows from operating activities					
IAS 7.10		13,225,629,141	11,043,052,874		
IAS 7.31		(5,729,017,504)	(3,790,183,811)		
IAS 7.31		73,826,126	97,665,535		
IAS 7.14 (b)		903,818,901	881,305,336		
IAS 7.14 (d)		30,287	82,672		
IAS 7.14 (b)		(2,332,575,726)	(2,062,555,763)		
IAS 7.14 (b)		(196,851,559)	(164,104,383)		
IAS 7.14 (b)		(1,788,575,008)	(1,401,197,054)		
IAS 7.14 (b)	38	986,394,646	806,420,713		
IAS 7.14 (b)	39	(1,294,828,869)	(1,206,038,683)		
Operating profit before changes in operating assets & liabilities					
		3,847,850,435	4,204,447,436		
Increase/(decrease) in operating assets & liabilities					
Statutory deposits					
		(6,798,500,325)	(1,502,728,224)		
Purchase/sale of trading securities					
		2,630,459,252	(2,850,026,334)		
Loans and advances to customers (other than banks)					
		(17,223,426,507)	(14,902,875,255)		
Other assets					
		(1,013,334,868)	986,699,783		
Deposits from other banks					
		(2,828,509,493)	2,860,734,430		
Deposits from customers (other than banks)					
		24,955,468,518	10,384,039,464		
Other liabilities account of customers					
		1,306,116,314	544,162,366		
Other liabilities					
		14,707,114	(28,459,813)		
Increase/(decrease) in operating assets and liabilities:					
		1,042,980,005	(4,508,453,583)		
Net cash received from operating activities					
		4,890,830,440	(304,006,147)		
b Cash flows from investing activities					
Proceeds from sale of securities					
		-	-		
IAS 7.23		(195,083,740)	(113,475,391)		
Net cash used in investing activities					
		(195,083,740)	(113,475,391)		
c Cash flows from financing activities					
IAS 7.10		11,485,144	(65,310,126)		
IAS 7.31		(248,430,000)	(191,100,000)		
Net cash used from financing activities					
		(236,944,856)	(256,410,126)		
d Net increase/(decrease) in cash and cash equivalents (a+b+c)					
		4,458,801,844	(673,891,664)		
e Cash and cash equivalents at the beginning of the year (d+e)					
		11,256,303,146	11,930,194,810		
f Cash and cash equivalents at the end of the year (d+e)					
		15,715,104,990	11,256,303,146		

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

Helal Ahmed Chowdhury Syed Moazzem Hussain Monzurur Rahman Hafiz Ahmed Mazumder
Managing Director Director Director Chairman

Statement of Changes in Equity

for the year ended 31 December 2011

Particulars	Figures in Taka					
	Paid-up capital	Statutory reserve	Retained earnings (gener reserve)	Other reserves	Proposed dividend	Total
For the year 2011						
Balance at 1 January 2011	4,968,600,000	4,148,732,309	2,340,891,675	2,921,643,561	-	14,379,867,545
Changes in accounting policy	-	-	-	-	-	-
Restated balance	4,968,600,000	4,148,732,309	2,340,891,675	2,921,643,561	-	14,379,867,545
Surplus/deficit on account of revaluation of properties	-	-	-	130,910,825	-	130,910,825
Surplus/deficit on account of revaluation of investments	-	-	-	(119,425,681)	-	(119,425,681)
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-
Net gains and losses not recognised in the Profit and Loss Statement	-	-	-	-	-	-
Surplus/deficit on sale of properties	-	-	-	-	-	-
Net profit for the year	-	-	2,058,176,520	-	-	2,058,176,520
Transfer to statutory reserve	-	1,082,044,130	-	-	-	1,082,044,130
Issue of bonus shares - 2010	1,739,010,000	-	(1,739,010,000)	-	-	-
Proposed dividend (bonus issue)	-	-	-	-	-	-
Dividends (cash) for 2010	-	-	(248,430,000)	-	-	(248,430,000)
Balance at 31 December 2011	6,707,610,000	5,230,776,439	2,411,628,195	2,923,128,705	-	17,283,143,339
For the year 2010						
Balance at 1 January 2010	3,822,000,000	3,152,722,217	1,369,468,957	1,165,059,717	-	9,509,250,891
Changes in accounting policy	-	-	-	-	-	-
Restated balance	3,822,000,000	3,152,722,217	1,369,468,957	1,165,059,717	-	9,509,250,891
Surplus/deficit on account of revaluation of properties	-	-	-	1,776,010,154	-	1,776,010,154
Surplus/deficit on account of revaluation of investments	-	-	-	(19,426,310)	-	(19,426,310)
Net gains and losses not recognised in the Profit and Loss Statement	-	-	-	-	-	-
Surplus/deficit on sale of properties	-	-	72,040,030	-	-	72,040,030
Net profit for the year	-	-	2,237,082,688	-	-	2,237,082,688
Transfer to statutory reserve	-	996,010,092	-	-	-	996,010,092
Issue of bonus shares - 2009	1,146,600,000	-	(1,146,600,000)	-	-	-
Proposed dividend (bonus issue)	-	-	-	-	-	-
Dividends	-	-	(191,100,000)	-	-	(191,100,000)
Balance at 31 December 2010	4,968,600,000	4,148,732,309	2,340,891,675	2,921,643,561	-	14,379,867,545

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

Helal Ahmed Chowdhury Syed Moazzem Hussain Monzurur Rahman Hafiz Ahmed Mazumder
Managing Director Director Director Chairman

Liquidity statement (assets and liabilities maturity analysis)

for the year ended 31 December 2011

Particulars	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	Above 5 years term	Total
Assets						
Cash in hand	11,745,563,519	-	-	-	-	11,745,563,519
Balances with other banks and financial institutions	845,623,154	100,000,000	401,364,370	245,124,879	-	1,592,112,403
Money at call & short notice	2,359,286,667	-	-	-	-	2,359,286,667
Investments	13,040,752,715	2,456,726,766	346,467,361	2,508,678,455	716,646,723	19,069,272,020
Loans & Advances	12,199,424,977	19,190,454,162	37,366,629,068	29,197,942,724	8,375,182,134	106,329,633,065
Fixed assets including Premises, Furniture & Fixtures	-	-	381,757,491	55,400,768	2,932,034,601	3,369,192,860
Other Assets	578,345,546	584,978,496	264,827,828	1,801,850,611	9,458,271,652	12,688,274,133
Non-banking assets	-	-	-	-	375,246	375,246
Total Assets	40,768,996,578	22,332,159,424	38,761,046,118	33,808,997,437	21,482,510,356	157,153,709,913
Liabilities						
Borrowings from other banks, financial institutions & agents	459,675,752	-	-	-	-	459,675,752
Deposits	32,665,875,135	15,934,882,220	34,420,053,520	20,802,086,911	19,983,069,981	123,805,967,767
Provision & other liabilities	3,041,801,220	-	2,828,828,141	9,568,145,692	166,148,002	15,604,923,055
Total Liabilities	36,167,352,107	15,934,882,220	37,248,881,661	30,370,232,603	20,149,217,983	139,870,566,574
Net liquidity Gap	4,601,644,471	6,397,277,204	1,512,164,457	3,438,764,834	1,333,292,373	17,283,143,339

Current and savings deposits do not have any contractual maturity and hence have been classified among all five maturities. Further, it has been assumed that on a going concern basis, these deposits are not expected to fall below the current year's level.

Helal Ahmed Chowdhury Syed Moazzem Hussain Monzurur Rahman Hafiz Ahmed Mazumder
Managing Director Director Director Chairman

Some Important Notes to the Financial Statements

for the year ended 31 December 2011

General	
IAS 1.138(a,b)	1. The Bank and its activities
IAS 1.112(a)	1.1 Entity
IAS 1.117	1.1.1 Pubali Bank Limited (the Bank) was incorporated in the year 1959 under the name and style of Eastern Mercantile Bank Limited under Companies Act 1913. After the country's liberation in 1971, the Bank was nationalised as per policy of the Government of Bangladesh under the Bangladesh Bank (Nationalisation) Order 1972 (PO No. 26 of 1972) and was renamed as Pubali Bank. Subsequently, the Bank was denationalised in the year 1983 and was again incorporated in Bangladesh under the name and style of Pubali Bank Limited in that year. The government transferred the entire undertaking of Pubali Bank to Pubali Bank Limited, which took over the same as a going concern.
	1.2 Principal activities
	The Bank engages in all types of commercial banking services as laid down in Banking Companies Act 1991 and directives received from Bangladesh Bank from time to time. It has 406 branches all over Bangladesh. It is listed in the stock exchange of Dhaka and Chittagong as a publicly-traded company.
	1.3 Capital structure of the Bank
	The authorised capital of the Bank is Taka 10,000,000,000 divided into 1,000,000,000 ordinary shares of Taka 10 each which was increased from Taka 5,000,000,000 divided into 50,000,000 ordinary shares of Taka 100 each and the face value of each share has also been changed to Taka 10 each from Taka 100 vide special resolution passed in the extra ordinary general meeting held on 6 May 2010 and 15 July 2010 respectively. Details of share capital are given in note no. 14.
	2. Significant accounting policies and basis of preparation of financial statements
	2.1 Basis of accounting
	The financial statements, namely, Balance Sheet, Profit and Loss Statement, cash flow statement, Statement of Changes in Equity, Liquidity Statement and relevant notes and disclosures thereto, of the Bank are prepared on a going concern basis under historical cost convention, and in accordance with First Schedule of the Banking Companies Act 1991, as amended, BRPD circular no. 14 of 25 June 2003, other Bangladesh Bank circulars, International Accounting Standards, and International Financial Reporting Standards adopted in Bangladesh as Bangladesh Accounting Standards (BAS), and Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 including those that have been so far adopted by the Institute of Chartered Accountants of Bangladesh. Wherever appropriate, such principles are explained in succeeding notes.
	2.2 Number of employees
	The number of employees employed in the Bank as on 31 December 2011 was 6,219, of which 5,375 were male and 844 were female. The number of employees per branch was 13.64 excluding 682 employees in the head office of the Bank. During the year 2011, the Bank paid remuneration up to Taka 36,000 per employee to 727 persons and exceeding Taka 36,000 per employee to 5,492 persons.
	2.2.3 Provision for liability
	A provision is recognized in the balance sheet when the Bank has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS 37 "Provisions, Contingent Liabilities and Contingent Assets".
	2.2.4 Post balance sheet events
	No material events have occurred after balance sheet date which could affect the values reported in the financial statements, except declaration of dividend, if any.
	2.2.5 Preparation for BASEL II implementation
	The BASEL Committee on Banking Supervision has published a new framework for calculating minimum capital requirement, known as 'Basel II'. The new guideline is structured around three pillars: (i) minimum capital requirement (on credit risk, operation risk and market risk), (ii) supervisory review process and (iii) market discipline. Implementation of Basel II framework in Bangladesh will integrate the risk management process of the Bank and its capital adequacy requirement. Bangladesh Bank has formed a National Steering Committee and Coordination Committee for implementation of BASEL II in Bangladesh. As per the Committee decision