



PUBALI BANK LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

Some Important Notes to the Financial Statements

12.1.1 Bills payable

Pay orders issued	2,363,441,199	1,860,049,126
Demand Drafts	562,734,271	631,958,221
T.T. Payable	-	-
	2,926,175,470	2,492,007,347

IAS 37.84 13.1 Accumulated provision for loans and advances

Specific provision on classified loans and advances		
Provision held at the beginning of the year	219,825,451	396,949,367
Fully provided debts written off during the year	(410,914)	(219,273,663)
Recoveries of amounts previously written off	56,609,199	83,940,566
Provision transferred in	100,000,000	(41,790,819)
Specific provision for the year		
13.1.1 Provision for general loans and advances	376,023,736	219,825,451
13.1.2 Provision for consumers loan	398,520,799	308,878,307
13.1.3 Provision for lease finance	1,596,341	1,596,342
Provision held at the end of the year	776,140,876	530,300,100

General provision for unclassified loans and advances

Provision held at the beginning of the year	1,262,810,202	951,019,383
Excess provision transferred in	120,000,000	41,790,819
Provision made during the year	-	270,000,000
Provision held at the end of the year	1,382,810,202	1,262,810,202
	2,158,951,078	1,793,110,302

IAS 37.84 13.2 Provision for exposure against off balance sheet items

Provision held at the beginning of the year	249,300,000	179,300,000
Provision transferred in	20,000,000	-
Provision made during the year (note 37)	70,000,000	70,000,000
Provision held at the end of the year	339,300,000	249,300,000

IAS 37.84 13.5 Provision for current tax

Balance at the beginning of the year	6,704,166,128	5,133,846,048
Provision made for previous year	-	6,741,122
Provision made for current year	2,225,000,000	1,689,935,574
Settlement of previous years tax liability	-	(126,356,616)
Balance at the end of the year	8,929,166,128	6,704,166,128

IAS 12.81(g)(i) 13.5.1 Provision for deferred tax

Maintained the deferred tax liability in this year as per BAS-12 "Income Taxes".

Balance at the beginning of the year	132,530,461	82,249,476
Provision made during the year	45,000,000	50,280,985
Provision held at the end of the year	177,530,461	132,530,461

IAS 1.79 14 Capital

IAS 1.79(a)(i) 14.1 Authorized Capital

100,000,000 ordinary shares of Tk 10 each	10,000,000,000	10,000,000,000
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IAS 1.79(a)(ii) 14.2 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
114,660,000 ordinary shares of Tk 100 each as bonus share in 2009	11,466,000,000	1,146,600,000
17,391,000 ordinary shares of Tk 10 each as bonus share in 2010	1,739,010,000	-
	6,707,610,000	4,968,600,000

Percentage of shareholdings

	2011		2010	
	No. of share	Percentage	Amount	Amount
Directors	73,621,231	10.98%	736,212,310	832,470,000
Co-operative societies	28,131,114	4.19%	281,311,140	206,897,850
Banks and financial institutions	42,037,976	6.27%	420,379,760	251,706,640
Government	1,620	0.00%	16,200	12,000
Other institutions	69,559,177	10.37%	695,591,770	638,774,350
Non resident Bangladeshi	17,916,359	2.67%	179,163,590	232,840,780
General public	439,493,523	65.52%	4,394,935,230	1,977,665,380
	670,761,000	100%	6,707,610,000	4,968,600,000

IAS 1.79 14.4 Shareholding range

Range wise shareholding	2011		2010	
	No. of shareholders	Percentage of share holding	No. of share	No. of share
Up to 500 shares	72,289	1.63	10,946,376	10,320,792
501 to 5,000 "	35,414	7.79	52,233,423	35,004,287
5,001 to 10,000 "	2,052	2.16	14,453,657	10,750,965
10,001 to 20,000 "	974	2	13,383,538	11,096,300
20,001 to 30,000 "	391	1.35	9,031,760	4,482,913
30,001 to 40,000 "	135	0.69	4,656,132	5,150,270
40,001 to 50,000 "	133	0.87	5,865,110	8,193,005
50,001 to 100,000 "	296	2.91	19,542,978	12,796,580
100,001 and above	381	80.6	540,648,026	399,022,888
	112,065	100	6,707,610,000	4,968,600,000

IAS 1.135(d) 14.5 Capital adequacy ratio(CAR)

In terms of section 13 (2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD circulars nos. 01,14,10 and 05 dated January 08, 1996, November 25, 2002 and May 14,2007 respectively, required capital of the Bank at the close of business on 31 December 2011 was Taka 13,258,160,000 as against available core capital of Taka 14,350,014,634 and supplementary capital of Taka 3,626,694,569 making a total capital of Taka 17,976,709,203 thereby showing a surplus capital/equity of Taka 4,718,549,203 at that date. Details are shown below:

	2011 Taka	2010 Taka
Total assets including off-balance sheet items	190,907,496,772	156,198,458,131
Total risk-weighted assets	132,581,600,000	134,608,800,000
Required Capital (10% of risk weighted assets)	13,258,160,000	12,114,792,000
Actual capital held:	17,976,709,203	15,123,235,953
i) Core Capital (Tier-I)	14,350,014,634	11,458,223,984
ii) Supplementary capital (Tier-II)	3,626,694,569	3,665,011,969
Total Capital Surplus (% deficit)	4,718,549,203	3,008,443,953
Capital Adequacy Ratio(CAR) based on Basel II framework:	13.56%	11.23%

14.5.1 Core capital (Tier-I)

	2011	2010
Paid-up Capital	6,707,610,000	4,968,600,000
Statutory Reserve	5,230,776,439	4,148,732,309
General Reserve	2,411,628,195	2,340,891,673
	14,350,014,634	11,458,223,984

14.5.2 Supplementary capital (Tier-II)

	2011	2010
General Provision maintained against Unclassified Loans	1,382,810,202	1,262,810,202
General Provision @ 1.00% against Off-Balance Sheet Exposures	339,300,000	249,300,000
Asset revaluation reserve	1,445,320,066	1,445,320,066
Revaluation reserve for equity instruments upto 10%	453,000,000	677,100,000.0
Revaluation on investment (HFT) - upto 50%	68,872	104,123
Revaluation on investment (HTM) - upto 50%	6,195,429	417,606
Exchange equalization Fund	-	29,959,972
	3,626,694,569	3,665,011,969
Total actual capital maintained	17,976,709,203	15,123,235,953

14.6 Particulars of shareholding of the directors

Sl. No.	Name of the directors	Status	2011		2010	
			No. of shares	Amount (Tk)	No. of shares	Amount (Tk)
1	Mr.Hafiz Ahmed Mazumder	Chairman	2,325,806	23,258,060	1,722,820	17,228,200
2	Mr.Habibur Rahman	Vice-Chairman	628,789	6,287,890	465,770	4,657,700
3	Mr.Moinuddin Ahmed	Director	21,849,951	218,499,510	16,185,150	161,851,500
4	Mr.Sk. Wahidur Rahman	Director	16,872,934	168,729,340	12,498,700	124,987,000
5	Mr.Monzurur Rahman	Director	8,488,476	84,884,760	6,287,760	62,877,600
6	Mr.Syed Moazzem Hussain	Director	12,236,305	122,363,050	9,063,930	90,639,300
7	Mr.Ahmed Shafi Chowdhury	Director	54,472	544,720	40,350	403,500
8	Mr.Muhammad Faizur Rahman	Director	286,051	2,860,510	211,890	2,118,900
9	Mr.Mohammed Yaqub	Director	435,968	4,359,680	-	-
10	Mr.Fahim Ahmed Faruk Chowdhury	Director	10,164,663	101,646,630	7,529,380	75,293,800
11	Ms.Rumana Sharif	Director	36,544	365,440	27,070	270,700
12	Mr.Mustafa Shahriar Ahmed	Director	227,772	2,277,720	168,720	1,687,200
13	Mr.Musa Ahmed	Director	13,500	135,000	10,000	100,000
14	Mr.Khushid-ul-Alam	Independent Director	-	-	-	-
			73,621,231	736,212,310	54,211,310	542,113,100

14.7 Related Party disclosures

14.7.1 Particulars of directors and their shareholding in the Bank

Name of the Directors	Designation	Percentage of shareholding at 31 Dec 2011	Percentage of shareholding at 31 Dec 2010
Mr.Hafiz Ahmed Mazumder	Chairman	0.35	0.35
Mr.Habibur Rahman	Vice-Chairman	0.09	0.09
Mr.Moinuddin Ahmed	Director	3.26	3.26
Mr.Sk. Wahidur Rahman	Director	2.52	2.52
Mr.Monzurur Rahman	Director	1.27	1.27
Mr. Syed Moazzem Hussain	Director	1.82	1.82
Mr.Ahmed Shafi Chowdhury	Director	0.01	0.01
Mr.Muhammad Faizur Rahman	Director	0.04	0.04
Mr. Mohammed Yaqub	Director	0.06	0
Mr.Fahim Ahmed Faruk Chowdhury	Director	1.51	1.51
Ms.Rumana Sharif	Director	0.01	0.01
Mr.Mustafa Shahriar Ahmed	Director	0.03	0.03
Mr.Musa Ahmed	Director	0.002	0.002
Mr.Khushid-ul-Alam	Independent Director	-	-

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

Sl No	Name of the director	Status in the Bank	Name of the entities in which the directors have interest	Status in the entities	Percentage of interest / No of shares in the entities
1	Mr.Hafiz Ahmed Mazumder	Chairman	1 Green Valley Plantation Ltd 2 Beauty Garments	Managing Director Managing Director	34705 shares 14%
2	Mr.Habibur Rahman	Vice-Chairman	1 Delta Medical College and Hospital 2 Pubali Bank Securities Ltd 3 Pubali Exchange Company (UK) Ltd	Director Director Director	3.41% 1 share -
3	Mr.Moinuddin Ahmed	Director	1 Pubali Bank Securities Ltd	Chairman	1 share
4	Mr.Sk. Wahidur Rahman	Director	1 Pubali Bank Securities Ltd 2 National Ceramics-Ind Ltd 3 Aroma Tea Ltd	Vice-Chairman Managing Director Director	1 share 149,975 shares -
5	Mr.Monzurur Rahman	Director	1 Rema Tea Co Ltd 2 Pubali Bank Securities Ltd 3 Delta Life Insurance Co Ltd	Chairman Director Director	24.19% 1 share 2.83%
6	Mr. Syed Moazzem Hussain	Director	1 Prince Composites Ltd 2 Moazzem Knit & Dyeing Industry Ltd 3 Delta Life Insurance Co Ltd 4 Shalpa Bricks Ltd 5 Lafarge Sarna Cement Co Ltd	Chairman Chairman Chairman Chairman Director	78.72% 7.56% 1.12% 10% -
7	Mr.Ahmed Shafi Chowdhury	Director	1 Pubali Bank Securities Ltd 2 Bangladesh Lamps Ltd	Director Director	1 share -
8	Mr.Muhammad Faizur Rahman	Director	1 Asian Surepox Ltd 2 Credit Rating Agency of Bangladesh Ltd 3 Union Capital Ltd 4 Tiger Tolls Ltd	Chairman Director Director Director	- - - -
9	Mr.Mohammed Yaqub	Director	-	-	-
10	Mr.Fahim Ahmed Faruk Chowdhury	Director	1 Chatterjee Electric Manufacturing Co Ltd 2 FAC Eastern Enterprise Ltd 3 Ranks FC Properties Ltd 4 Delta Medical College & Hospital Ltd 5 Senjoseph Hospital Pvt. Ltd.	Managing Director Managing Director Managing Director Director Director	31.45% 51.59% 40% 22,900 shares 10000 shares
11	Ms.Rumana Sharif	Director	1 Union Capital Ltd	Director	-
12	Mr.Mustafa Shahriar Ahmed	Director	1 Pubali Bank Securities Ltd	Director	1 share
13	Mr.Musa Ahmed	Director	1. Popular Pure Exchange Ltd. 2. Popular Jute Mills Ltd. 3. Gomilla Food and allied Industry Ltd. 4. Ispahani Food and allied Industry Co. Ltd. 5. Teijson Engineering and construction Co. Ltd.	Director Director Director Director Director	- - - - -
14	Mr.Khushid-ul-Alam	Independent Director	-	-	-

14.7.3 Significant contracts where the Bank is a party and wherein directors have interest : nil
14.7.4 Shares issued to directors and executives without consideration or exercisable at a discount : nil
14.7.5 Related party transactions

IAS 1.77 15 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.

Balance at the beginning of the year	4,148,732,309	3,152,722,217
Add: Addition during the year	1,082,044,130	996,010,092
Balance at the end of the year	5,230,776,439	4,148,732,309

IAS 1.77 16 Retained earnings

Balance as on 1 January	2,340,891,675	1,369,468,957
Addition during the year:	2,058,176,520	2,237,082,688
Add: sale of properties	-	72,040,030
	4,399,068,195	3,678,591,675
Less: Issue of dividend	(1,987,440,000)	(1,337,700,000)
Balance as on 31 December	2,411,628,195	2,340,891,675

IFRS 7.20(b) 21 Interest income

	2011	2010
Loans	807,111,293	847,395,773
Cash credits	2,414,704,941	1,675,064,538
Over drafts	1,878,860,832	1,148,992,275
Bills of exchange	25,169	-
WES letter of credits	16,546	2,189
Loan against imported merchandise	1,781,093	1,212,512
Loan against trust receipt	2,184,429,741	1,785,981,635
Inland bill purchased & demand draft purchased	158,407,563	67,000,436
Foreign bill purchased and Export development fund	14,918,385	3,546,320
Packing credits	25,641,061	19,428,624
Foreign currency balance	305	56,933
Payments against document	223,456,866	131,760,908
Call loans	421,008,917	90,666,212
Loans against deposit pension scheme	1,867,171	2,875,075
Agricultural credits & rural credits	30,010	66,025
Sundries account	32,961,077	29,809,498
CLS account	991,978,438	869,908,279
Pubali monthly munafa account	50	2,838
Secured mortgages	1,154,567,861	1,064,729,520
Foreign bank accounts	18,069,181	23,784,461
Loan against Shikya Sanchay Prokalpa		