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CORPORATE GOVERNANCE

Report of the Audit Committee of the Board

The Audit Committee is formed to assist the Board of Directors of the Bank in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plan set by the Board for effective functioning of the Bank. As an effective forum in assisting the Board of Directors for protecting the interest of stakeholders, the Committee carries out regular oversight functions in a systematic & continuous manner and monitors & assesses the organizational performance against evolving regulatory requirements.

In compliance with the Bangladesh Bank BRPD Circular No. 11 dated 27 October 2013 and BSEC's (Bangladesh Securities and Exchange Commission) Notification regarding Corporate Governance Code dated 03 June 2018, Audit Committee of the Board of The Premier Bank Ltd. has been formed with an aim to assist the Board of Directors of the Bank to discharge its responsibilities by reviewing and/or overseeing the financial reporting, internal control, risk management process, auditing activities and compliances with existing laws and regulations and Code of Business Conduct.

Constitution of the Audit Committee

The Audit Committee comprised of Four members including Two Independent Directors. The Committee consists of the following members:

SL. No.	Name	Status with the Committee	Status with the Board	Educational Qualification
1	Mr. Chowdhury Jafarullah Sharafat	Chairman	Independent Director	M.S.S.
2	Mr. Mohammad Imran Iqbal	Member	Director	Bachelor of Science (Hons), Business Management
3	Mr. Naba Gopal Banik	Member	Independent Director	Masters of Science in Statistics
4	Mr. Nahyan Haroon	Member	Director	LLB (Hon's)

As per regulatory guidelines, the Company Secretary of the Bank acts as the Secretary to the Audit Committee. Senior Officials of the Bank attend the Meetings on invitation.

Functions of the Audit Committee

Main functions of the Audit Committee are to facilitate the Board in its oversight responsibilities. In order to fulfill the responsibilities, among others, main responsibilities of the Audit Committee are as follows:

- Oversee the Financial Reporting Process,
- Review the adequacy of Internal Audit Function,
- Review all quarterly, half yearly and annual financial results of the Bank and its subsidiaries prior to submission to the Board of Directors for approval
- Review Internal Audit Report and External Audit Report,
- Review the system of Internal Control and Management of financial risk,
- Ensure monitoring compliance with existing laws and regulations and its own code of business conduct,
- Recommendation of the Board regarding the appointment or reappointment of the External Auditors.
- Performing other activities as and when requested by the Board of Directors.

Meetings & Major areas focused by the Audit Committee in 2020

The Audit Committee of Board of Directors of the Premier Bank Ltd. conducted 05 (Five) meetings in the year of 2020 and had detailed discussion and review session. During the discussion and review session under the year among other things, the following issues were discussed/evaluated/reviewed:

- Reviewed annual & quarterly audit plans, including audit methodology in assessing & rating risks of auditable areas and internal audit reports encompassing the audit issues, audit recommendations and Management's responses on the findings.
- Reviewed the audit and inspection reports of Bangladesh Bank and advised the Management to implement recommendations of Bangladesh Bank Inspection Team in order to ensure effective control & compliance.

- Reviewed various comprehensive internal audit and inspection reports of the Branches and Divisions of Head Office and advised for corrective measures for effective operational control and compliance.
- Suggested improvement actions in the areas of internal controls, systems & efficiency enhancements in consultation with the Management and subsequent implementation of these recommendations through follow-up audit reports duly reviewed in its later meetings.
- Reviewed management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS).
- Reviewed the corrective measures taken by the Management with regard to the reports submitted by Internal Audit, Bangladesh Bank Inspection Team and External Auditors and subsequently informed the Board of Directors on a regular basis.
- Reviewed Training Policy of the Bank.
- Followed-Up Recovery drives of Loans & Advances of the Bank.
- Recommended for appointment of External Auditor(s) - M/s K M Hasan & Co., Chartered Accountants to conduct audit of the financial statements (Accounts) of the Bank for the year of 2020.
- Reviewed quarterly statements of the fraud & forgeries and recommended for corrective measures against fraud-forgeries and deficiencies in the internal control system in the Bank.

Review of Financial Statements

The Audit Committee of the Board reviewed and examined the quarterly, half yearly and annual financial statements and recommended those to the Board of Directors for consideration.

Acknowledgement

The Audit Committee accords its sincere thanks and gratitude to the members of the Board of Directors, Management and the Auditors for their continuous support to the Committee while discharging their duties and responsibilities in terms of the statutory guidelines.

On behalf of the Audit Committee



Chowdhury Jafarullah Sharafat
Chairman, Audit Committee

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable laws and regulations. Company law requires the directors to present the report along with the financial statements for each financial year in accordance with IFRSs and IASs as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable laws and regulations.

The financial statements are required by law to present fairly the financial position and the performance of the Company and to comply with Bank Companies Act 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. This Report has also a separate section named as 'Directors' Report 2020' in compliance with section 184 of Companies Act 1994 that contains among others, a review of the following issues:

- Statement of the Bank's affairs;
- Well-organized internal control systems for establishing sustainability;
- Sound Corporate Governance practice;
- Efficient Risk Management process and polices;

Disclosure of information with reasonable accuracy at any time the financial position of the Company and enables them to ensure that its financial statements comply with the Companies Act 1994 and Bank Companies Act 1991 (amended upto 2018) and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors confirm that the Annual Report together with Directors' Report and the Financial Statements for the year 2020 have been prepared in compliance with the law, rules and regulatory guidelines and compliance of the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June, 2018.

On behalf of the Board of Directors



Chairman
The Premier Bank Limited

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

Report of the Shari'ah Supervisory Committee

الحمد لله رب العالمين الصلاة والسلام على سيدنا محمد و اله و اصحابه اجمعين

All praise be to Almighty Allah, the Lord of the universe and peace and blessings of Allah be upon Prophet Muhammad (S.M.) and all his descendants and companions

We, the Premier Bank Limited, always consider the Shari'ah compliance as the most significant and strategic priority in our Islamic Banking operations. Shari'ah Supervisory Committee of The Premier Bank Ltd. consists of qualified Faqihs (experts on Islamic jurisprudence), Islamic Scholars and Professionals to ensure Shari'ah compliance in every aspect of the Islamic Banking operations. The duty of Shari'ah Supervisory Committee is to give independent opinion and necessary guidelines on regular basis by observing and reviewing the activities of Islamic Banking operation of the Bank and to make the Clients aware of Shari'ah compliance. On the other hand, the responsibility of the Bank's Management is to ensure that the Bank conducts its business under Islamic Banking operation in accordance with the rules and principles of Shari'ah.

During the year 2020, the Shari'ah Supervisory Committee met in 04 (four) meetings and reviewed different operational issues, including those referred to it by the Management of the Bank and gave opinion and decisions related to Islamic Shari'ah. Shari'ah Supervisory Committee of the Bank discussed and gave guidance/opinion on different issues among which prominent ones are as under:

1. Reviewing the Half-Yearly/Yearly Shari'ah Audit Report of Islami Banking Branches and its observations.
2. Approving the Financial Statements for the year 2020 of Islami Banking Branches.
3. The Committee opined to follow the 'Guidelines for Islamic Banking' issued by Bangladesh Bank and 'Shari'ah Manual for Investment Operation' of the Bank in every sphere of its operations.

Shari'ah Supervisory Committee expressed their heartiest thanks to Almighty Allah and appraised the efforts taken by the Management of the bank for their guidance which significantly reduced operational lapses as reflected in the Shari'ah Audit Reports by the Murakib in the year 2020.

Shari'ah Supervisory Committee has given the following suggestions:

- i) The Executives/Officers of Islami Banking Branches should be more knowledgeable in Shari'ah based Banking and practices, should develop their efficiency and skills to ensure quality services to the Customers.
- ii) The Executives/Officers should be more cautious and dedicated themselves towards complying Shari'ah principles in every investment transactions and other business operations, and they would undergo Shari'ah products related training
- iii) Manual for Shari'ah Auditing would be followed meticulously to find out the Shari'ah lapses and gaps.
- iv) There may be meetings, seminars, symposiums to be organized by the Bank at regular intervals to develop awareness among the Clients and mass people about Islamic Banking, its practices and advantages.
- v) Arrangements to distribute a Hand Book named "এক নজরে ইসলামী ব্যাংকিং" among the senior management of the bank, Shari'ah Supervisory Committee, Central Shari'ah Board, Islamic Banking Windows and Other branches over the country of the bank to give basic knowhow about Islamic banking to concerned personnel and end customers.

To the best of our knowledge no gross irregularities & lapses in the Islamic Banking operations of the Bank have so far been detected.

May Almighty Allah give us tawfiq to achieve His satisfaction through implementation of Shari'ah in every aspect of our life.



Professor Dr. M. Shamsher Ali
Chairman, Shari'ah Supervisory Committee
The Premier Bank Limited

Corporate Governance Practices

Corporate Governance refers to the policies and procedures applied by a company in attaining its set out objectives, its corporate goals, and so also its mission and vision. Corporate Governance promotes corporate fitness, transparency and accountability.

The ultimate control of Corporate Governance is vested on the Board of Directors. It entails the method applied by the Board to ensure execution of its directives in the desired way. Corporate Governance deals with the composition of the Board, role of Board, the framework of internal controls and the relationship between the Board and Shareholders.

Our Bank give utmost importance to key parameters of corporate governance such as board system and its independence, function of board sub-committees, fair financial reporting, disclosure and compliance, and consistency of shareholders value enhancement. The Board of Directors and Management of our Bank ensures accountability, fairness and transparency in the company's relationship with all its stakeholders. Our Bank is committed to ensure that its policies and practices reflect the highest standards of corporate governance.

Proclamation to the Shareholders

Shareholders have the right to inspect the company's books and records or sue against the company for misdeeds of the directors and officers. Thus, the Bank, to protect shareholders right, holds Shareholders meeting with serving required notice in time as per regulations. Annual Report and other documents/information are sent to all shareholders to ensure their effective participation in the meetings in person or by proxy. The annual report of the Bank covers all the notes for current financial year, business performance, future plan and strategy and other key corporate information and disclosures. The Bank always shares a portion of its profit with shareholder in the form of dividend every year. All shareholders are treated equally on the basis of one vote per share. The shareholders' role is to appoint the suitable directors and the auditors for the Bank.

Board of Directors

Board of Directors occupies the center stage of overall governance practice of The Premier Bank Limited and is responsible for establishing an appropriate governance structure in the Bank. Board of Directors of The Premier Bank Limited comprises of 12 (twelve) Members including 2 (two) Independent Directors in pursuance with respective regulatory requirements. All the Directors were elected by the shareholders of the company, in conformity with

Bangladesh Bank guidelines and also the Articles of Association of the Bank. Board is the apex body for strategy and policy formulations and for taking decisions on business, operational and financial matters besides ensuring compliance and risk management of the Bank.

The Board of Directors sits regularly throughout the year and exercises control over strategic, financial, operational, internal control and compliance issues. The Board charts the strategic direction of the Bank, takes part in strategy formulation, setting objectives, establishing and communicating corporate values and policy guidelines. The Board also monitors the Management's handling of business affairs within an agreed framework. Management of the Bank operates within the policies, guidance and limits approved by the Board to ensure good governance in the Bank.

Independent Directors

Independent directors are appointed by the Board and subsequently approved by BSEC, Bangladesh Bank and the shareholders in the AGM. It is mentionable that Bank has followed the criteria set in the Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank while appointing Independent Directors. Independent directors being conversant in the field of financial, regulatory and corporate laws enjoy full freedom to carry out their assigned responsibilities.

Ownership Composition

As of December 31st, 2020, the Sponsors & Directors of The Premier Bank Limited held 33.22 percent shares of total shares whereas the financial institutions, foreign and general public are holding 16.09 percent, 2.29 percent and 48.40 percent shares respectively.

Composition	As of 31.12.2020		As of 31.12.2019	
	Number of Shares	% of total shares	Number of Shares	% of total shares
Sponsors & Directors	322,365,976	33.2234	307,015,220	33.2234
Financial Institutions	156,074,195	16.0852	105,524,175	11.4192
Foreign	22,194,505	2.2874	42,743,799	4.6255
General Public	469,663,675	48.4040	468,810,474	50.7319
Total	970,298,351	100.00	924,093,668	100.00

Responsibilities and Authorities of the Board of Directors

The Board has ultimate responsibility for the bank's business strategy and financial soundness, internal control and governance structure and practices, and risk management and compliance obligations. The Board may delegate some of its functions, though not its responsibilities, to board committees where appropriate.

The Board ensures that the bank's organizational structure enables the Board and senior management to carry out their own responsibilities and facilitates effective decision making and good governance. This includes clearly laying out the key responsibilities and authorities of the Board itself, of the senior management and of those responsible for the control functions. The Board approves the bank's budget and business plan and reviews them on quarterly basis so as to give directions as per changing economic and market environment. The Board reviews the policies and manuals of the various segments of businesses in order to establish effective risk management in credit and other.

The roles and responsibilities of the Board of Directors under broad categories are outlined below (but not limited to) in compliance with Bangladesh Bank BRPD Circular No. 11 dated 27 October 2013:

- a. Work- planning and strategic management
- b. Credit and Risk Management
- c. Internal Control Management
- d. Human Resources Management and Development
- e. Financial Management
- f. Appointment of Managing Director & CEO
- g. Appointment of Independent Directors
- h. Appointment of Alternate Directors

Responsibilities of the Chairman of the Board of Directors

The Chairman of the Board is elected by the Directors. The Chairman's primary responsibility is to lead the Board, to ensure a common purpose and effectiveness as a group to uphold and promote high standards of integrity, probity and corporate governance.

The Chairman of the board of directors or chairman of any committee formed by the board or any director does not personally possess the jurisdiction to apply policy making or executive authority. He does not participate in or interfere into the administrative or operational and routine affairs of the bank. The Chairman steers the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibility.

The chairman may conduct on-site inspection of any bank-branch or financing activities under the purview of the oversight responsibilities of the board. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the board or the executive committee and if deemed necessary, with the approval of the board, he shall effect necessary action thereon in accordance with the set rules through the CEO.

Committees of the Board of Directors

The Board has formed three Committees viz Executive Committee, Audit Committee and Risk Management Committee as per requirement of BRPD Circular No. 11 dated 27.10.2013 in order to increase efficiency and allow deeper focus in specific areas. The Committees are created and mandated by the full Board. Committee has specified roles and responsibilities that set out in line with Bangladesh Bank, Bangladesh Securities Exchange Commission (BSEC) and other regulatory guidelines.

Executive Committee (EC)

The Executive Committee comprises of 7 (seven) members nominated by Board of Directors. All operational matters (Beyond delegation of the Managing Directors and complying with Bangladesh Bank's rules and regulations) including expenses etc., are within the discretion of Executive Committee. The EC is also authorized to sanction all types of credit facilities other than those specifically vested on the Board of Directors (i.e. large loan) through the Bank Companies Act- 1991 and any other rules & regulations. However, minutes of all EC meetings is submitted to the Board for review & ratification.

Audit Committee

Audit Committee consists of 4 (four) members of the Board of Directors in order to fulfilling its oversight responsibilities of the Board. The Committee reviews the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct. The roles and responsibilities of the Audit Committee are governed/guided by Bangladesh Bank's BRPD Circular 11 dated 27.10.2013 and BSEC's Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03.06.2018.

Risk Management Committee (RMC)

The Risk Management Committee has been formed with 5 (five) members of the Board of Directors in order to mitigate impending risks arising out from strategies and policies formulated by the Board. The Committee also scrutinizes whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified.

Disclosure on Governance regarding meetings of the Board of Directors

The company conducts its Board meetings and record the minutes of the meetings as well as keeps required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.



Particulars	Bangladesh Secretarial Standards (BSS-1)	Compliance Status
1.0	Convening of a Meeting	Complied
2.0	Frequency of Meetings	Complied
3.0	Quorum	Complied
4.0	Attendance in Meetings	Complied
5.0	Chairman	Complied
6.0	Passing of Resolution by Circulation	Complied
7.0	Minutes	Complied
8.0	Attendance in Meetings and their Recording in the Minutes	Complied
9.0	Preservation of Minutes and Supporting Papers	Complied
10.0	Disclosure	Complied
Particulars	Bangladesh Secretarial Standards (BSS-2)	Compliance Status
1.0	Convening a meeting	Complied
2.0	Frequency of Meetings	Complied
3.0	Quorum	Complied
4.0	Presence of Directors and Auditors	Complied
5.0	Chairman	Complied
6.0	Voting	Complied
7.0	Proxies	Complied
8.0	Conduct of Poll	Not required in the Year of 2020
9.0	Withdrawal of Resolutions	Not required in the Year of 2020
10.0	Rescinding of Resolutions	Not required in the Year of 2020
11.0	Modifications to Resolutions	Not required in the Year of 2020
12.0	Reading of Report/Certificate	Complied
13.0	Distribution of Gifts	Complied
14.0	Adjournment of Meetings	Not required in the Year of 2020
15.0	Minutes	Complied
16.0	Recording in the Minutes	Complied
17.0	Preservation of Minutes and other Records	Complied
18.0	Disclosure	Complied
Particulars	Bangladesh Secretarial Standards (BSS-3)	Compliance Status
1.0	Maintenance	Complied
2.0	Contents	Complied
3.0	Recording	Complied
4.0	Alteration / Modification	Complied
5.0	Finalisation & Signing	Complied
6.0	Inspection	Complied
7.0	Preservation	Complied
Particulars	Bangladesh Secretarial Standards (BSS-4)	Compliance Status
1.0	Declaration / Recommendation of Dividend	Complied
2.0	Dividend Out of Profits	Complied
3.0	Dividend Out of Reserves	Not required in the Year of 2020
4.0	Entitlement to Dividend	Complied
5.0	Payment of Dividend	Complied
6.0	Unpaid / Unclaimed Dividend	Complied

Management Committees & Delegation of Power

Management team of the Bank is headed by the Managing Director & CEO. There are several committees grouped into Senior Management Team (SMT), MANCOM, Credit Committee, Asset Liability Management Committee (ALCO), ICT Steering Committee, ICT Security Committee Integrity Committee and Purchase Committee etc. The Management Committee (MANCOM) is mainly responsible for recommending strategy and monitoring business performance and internal control of the bank and its subsidiaries. Management of the Bank has been empowered with appropriate finance and business decision making authorities as per the guidelines of Bangladesh Bank.

Responsibilities and Authorities of the Managing Director & CEO

The CEO of the Bank discharges the following roles and responsibilities:

- In terms of the financial, business and administrative authorities vested upon him by the board, the CEO discharges his own responsibilities. He remains accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.
- The CEO ensures compliance of the Bank Company Act, 1991 and other relevant laws and regulations in discharging routine functions of the bank.
- At the time of presenting any memorandum in the Board Meeting or Board Committee Meeting, the CEO informs, if there is any deviation from the Bank Company Act, 1991 and other relevant laws and regulations.
- The CEO reports to Bangladesh Bank about any violation of the Bank Company Act, 1991 or of other laws/regulations.
- The recruitment and promotion of all staff of the bank except those in the two tiers below him rests on the CEO. He acts in such cases in accordance with the approved service rules on the basis of the human resources policy and sanctioned strength of employees as approved by the board.
- The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, rests on him, which he applies in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the board, he nominates officers for training etc.

Performance Evaluation of the Managing Director & CEO of the Bank

Better performance is always expected from the Chief Executive Officer (CEO) of the Bank. Performance of the Managing Director & CEO is assessed based on certain Key Performance Indicators (KPIs). A few mentionable KPIs like meet annual budgetary targets approved by the Board, maximize shareholder value measured through ROA, ROI, ROE, EPS, sustainable growth in investment and revenue earning, gradual reduction of the NPL ratio and improvement in the scores for CAMELS rating are expected by the Board of Directors from CEO of the Bank.

Distinct Position of Chairman and Managing Director

The functional responsibilities of the Chairman of the Board of Directors and the Managing Director & CEO are kept separate and independent of each other. The Chairman of the Bank is elected by the directors of the Bank and the CEO is being appointed by the Board of Directors subject to permission of Bangladesh Bank. Dr. H. B. M. Iqbal is the current Chairman of the Board of Directors and Mr. M. Reazul Karim, FCMA is the present Managing Director & CEO of the Bank.

Chief Financial Officer (CFO), Head of Internal Control & Compliance (ICC) and Company Secretary (CS)

The Board of Directors of the Bank appointed Chief Financial Officer (CFO), Head of Internal Control & Compliance (ICC) and Company Secretary (CS) as per policy of the Bank and other regulatory laws and regulations. They have enough proficiency of knowledge in the respective field of their assignment.

External Auditor

The external auditors are appointed by the shareholders with the recommendation of the Board of Directors. External auditor covered sufficient number of Branches and Head Office as part of the annual audit program. They have also discussed with the Management and Audit Committee of the Board of Directors on various issues including Internal Control and Compliance issues. Suggestion of the auditors (if any) are given due consideration and are implemented by the Management. Before presenting to the shareholders, the report is reviewed by the Audit Committee and the Board.

Audits and Inspection by Bangladesh Bank

Bangladesh Bank conducted the comprehensive inspection on Head Office and some selected Branches based on 31



December 2020. Tripartite meeting among Bangladesh Bank, External Auditors and Management of the Bank has conducted for finalization of Annual Financial Statements.

Regulatory Compliance/ Disclosure

Bank has been following related guidelines on submission of Quarterly, Half-yearly and Yearly Financial Statements and other statutory reports. Any significant development in the business is instantaneously disclosed through the adherence of proper rules/guidelines/ directive in the form of Price Sensitive Declarations.

Premier Bank publishes annual report, half-yearly report, quarterly financials, price sensitive information (PSI), notice of AGM and credit rating in newspapers and website as applicable for its stakeholders during the year 2020 to comply with Companies & Bank Companies Act, Circulars and instructions issued by Bangladesh Bank and Bangladesh Securities & Exchange Commission.

Bank also ensures submission of returns to regulatory bodies in full-compliance of the requirements and appropriate disclosures ensuring transparency and accountability. Board of Directors ensures adequate disclosures for the Shareholders and other stakeholders through the Annual Report or other specific disclosures, if required.

Bank's Accomplishments towards Corporate Governance

The Board of Directors always gives great significance to constant improvement of Bank's strong corporate governance practices. The Bank conducts its business within a well-framed control supported by a bundle of policy statements, written procedures and control manuals. An all-inclusive code of conduct is adopted by the Board to provide a standard framework for directors and members of the Bank Management on integrated ethical conduct at office.

In regard to the best corporate practices, the Board exercises a high degree of intolerance to any instances of malpractice, misconduct, fraud and unethical behaviour with a clear adherence to laws, rules and regulations. The Board keeps an eye on performance trends and performance change against budget as closely as possible.

Compliance Checklist

Bangladesh Securities and Exchange Commission (BSEC) issued a Corporate Governance Code (Notification No. No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June, 2018) for the Companies listed with the stock exchanges for ensuring corporate governance. The compliance status of the above notification has been presented in the annexure A, B and C of this report for information of all concerned.

Human Capital Development

In Premier Bank we understand that people is the heart of the operations and the key success driver. The Bank has always assigned high importance towards development of the Human Capital. We always believe any expenditure in training, development, health and support is an investment, not just an expense. Being a value driven organization, Premier Bank considers its employees as the most precious capital that play the vital role in materializing the mission, vision, goals and objectives of the bank. Regular trainings are held with an objective to continuously update skill sets and build expertise. In consultation with all the Divisional Heads and Senior Management, training plans are developed based on need identified for the business. Extensive training programs covering Foundation Training Course, Basic Course, Product and Process, Advanced Courses are conducted at Bank's own Training Institute, BIBM, and other reputed training centers.

Nowadays, good corporate governance is vital to the growth of a company. Likewise, an organization will be able to strive sustainability by earning trust and acceptance from the society it operates. Key ingredients for a financial institution to achieve trustworthiness of stakeholders are operational transparency and accountability, good governance and employees that possess the highest level of integrity and ethics. We always tried to ensure that appropriate process, systems and tools are in place in every part of the organization. Our strategy is to support economic growth of our country and customers, to offer products and services that improves social welfare without sacrificing our ethical banking principle, and to reduce environmental impact

Human Resource Accounting

Human resource accounting is accounting for people as an organizational resource. It involves measuring the costs incurred by business firms and other organizations to recruit, select, hire, train and develop human assets. It also involves measuring the economic value of people to the organization. Thus, human resource accounting is primarily involved in measuring the various aspects related to human assets. Its basic purpose is to facilitate the effective management of human resources by providing information to acquiring, develop, retain, utilize, and evaluate human resources. Objectives of human resource accounting are as follows;

To provide cost value date for managerial decisions regarding acquiring, developing, allocating and maintaining human resource so as to attain cost effective organizational objectives.

1. To provide information for effectiveness of human resource utilization.
2. To provide information for determining the status of human asset whether it is conserved properly; it is appreciating or depleting.
3. To assist in the development of effective human resource Management practices by classifying the financial consequences of these practices.

Usually by the following methods Human resources are valued

Replacement Cost

As against historical cost method which takes into account the actual cost incurred on employees, replacement cost takes into account the national cost that may be required to acquire a new employee to replace the present one. Replacement cost is much better indicator of value of human assets though it may present certain operational problems. Standard Cost

Instead of using historical or replacement cost, many companies use standard cost for the valuation of human assets just as used for physical and financial assets. For using standard cost, employees of an organization are categorized into different groups based on their hierarchical positions.

Acquisition Cost Method

Under this method the costs of acquisition, namely, the costs incurred in recruitment, hiring and induction of employees are taken into account. The process involves capitalization of historic costs. The cost so capitalized has to be written off over a period of time for which the employee remains with the firm. If for some reason the employee leaves the organization prematurely, the unamortized cost remaining in the books has to be written off against the profit and loss account of the particular year.

Replacement Cost Method

While in the case of acquisition cost past costs are considered, under this approach one takes in to account how much it costs to replace a firm's existing resources and thus represents a current value approach. So this is a method resource and thus represents a current market conditions. This exercise may be redundant unless the management desires to replace its present resources. It is also difficult exercise as in many cases the replacement may not be exactly similar.

Present Value of Future Earnings Method

This is also known as capitalization of salary method. Under this method the future earnings of an employee or grades of employees are estimated up to the age of retirement and are discounted at a rate appropriate to the person or the group in order to obtain the present value.

Expected realizable value

The above methods discussed so far are based on cost consideration. Therefore, these methods may provide information for record purpose but do not reflect the true value of human assets. As against these methods Expected realizable value is based on the assumption that there is no direct relationship between cost incurred on an individual and his value to organization can be defined as the present worth of the set of future services that he is expected to provide during the period he remains in the organization.

Economic Value Method

The economist's concept of the value of an asset is equal to the present worth of its estimated future economic benefits. This approach has a strong theoretical appeal. But this method involves the following way:

Particulars	2020	2019	2018	2017	2016
Operating profit per employee	2.20	2.77	3.53	3.76	3.40

Competitive Bidding Method

This is also known as the opportunity cost method. Opportunity cost is defined as the measurable value of benefits that could be obtained by choosing an alternative course of action. In the case of HRA. Opportunity costs are determined by a process of competitive bidding in which various divisions and departments bid for the services of various officers. The amount of bid is added to the capital employed of the successful bidder for determining the return on investment.

Financial reporting standards

IFRS do not currently contain any standards regarding HRA. It could be argued that they are moving closer to providing more flexible approaches to accounting measurements and reporting. For example, the international standards IAS 38 Intangible Assets and IFRS 3 on Business Combinations allows for the recognition of the intangible asset goodwill, which indicates a willingness to allow for valuation of assets that are not traditional tangible assets, such as human resources.



Practice in Premier Bank

In Premier Bank, as there are no specific accounting standards, we are following conventional accounting practice and not capitalizing any HR cost, rather amortize it over service life of employees. However, we are taking benefits of HR accounting concepts and using HR accounting information (such as per employee cost to the company, expected service life of employees, per employee productivity and its growth over periods and many more) in making important management decisions that will benefit the long-run strategic goals and profitability of the Company. Motivated and Engaged Employees Premier Bank has a diverse group of motivated and engaged employees. From experience it knows that if employees are properly empowered, they become more engaged and go extra miles to fulfil organization's ambition. Engaged employees are likely to take more responsibility and embrace accountability which helps to achieve the sustainability strategies. The Bank has positioned itself with a performance-driven rewarding work culture; where employees are treated with respect and receive plenty of development opportunities. Premier Bank has a special focus on:

- Ensuring a balanced diversity
- Promoting human capital development
- Providing competitive compensation and benefits
- Promoting a performance centric culture
- Protecting human rights
- Ensuring workplace health and safety
- Ensuring equal opportunity

All the people related issues in Premier Bank are governed by the well-defined policies and procedures which are duly reviewed by the Management time to time.

Compensation & Benefits

To maintain the market competitiveness, the compensation and benefits of Premier Bank are regularly reviewed through market and peer group study. The well-crafted total rewards help the Bank to attract, motivate and retain talent. In Premier Bank, the Board of Directors is not eligible for any compensation. They are paid honorarium for attending meetings only. On the other hand, all employees are paid competitive remuneration package. The remuneration policy of the Bank does not allow any discrimination between male and female employees. In addition, employees are paid bonus based on yearly business performance. In addition to monthly competitive base pay and a good number of allowances (e.g., House Rent allowance, Medical allowance, Conveyance allowance etc.), Premier Bank has variety of market-competitive Benefits schemes designed to motivate the employees.

Pay Structure

The Management introduced Broad Banding Pay Structure which aims to ensure a performance driven work culture through a strategic compensation plan synced with the performance of individual employee. Since inception, Premier Bank has practiced a scale based pay structure for each grade, so to reward individual performance the new policy offers a flexible pay plan that will compensate the person, not the grade.

It places an increased emphasis on encouraging employees to develop new skills and paying for the skills according to their contribution and equity. In a nutshell, broad banding is a more flexible pay system for both the employees and for the employers where career progression takes a different route.

Learning & Development

In Premier Bank, Human Resources (HR) Division regularly undertakes effectively designed training programs targeting the right group of employees through proper training need assessment. Premier Bank believes that continuous efforts should be given so that employees acquire and develop the right set of skills required to face the challenge of ever changing market. In Premier Bank, the employee development plan is based on proper training need assessment. In 2020, Bank's Learning & Talent Development center (LTDC) arranged training on different topics for enthusiastic participants.

The banking sector is complex and diverse with evolving nature of threats and the risks. So, the training module is updated time to time for employees of the Bank in the changing context of financial market. Openness in communication for a better employee-management relation Employee communications and consultation are the lifeblood of any business. Proper exchange of information and instructions help the Bank to function more efficiently and provides the opportunity to build greater trust among employees and management in discussing issues of mutual interest. To ensure effective employee communications, management takes a positive lead.

Ethical and Lawful Behavior in Premier Bank is always committed to establish the highest level of ethical standard. Employees are properly oriented to comply with Code of Conduct. All employees duly signed the 'Code of Conduct' and the copy is preserved in respective Employee Records. During joining, HR Division makes sure that all the new employees read and accept this policy by signing.

The Premier Bank Limited Declaration by CEO and CFO

Annexure-A
[As per condition No. 1(5)(xxvi)]

Date: 21.03.2021

The Board of Directors
The Premier Bank Limited
Head office, Banani,
Dhaka-1213

Subject: Declaration on Financial Statements for the year ended on December 31, 2020.

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- 1) The Financial Statements of The Premier Bank Limited for the year ended on December 31, 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- 2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- 3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- 4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- 5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- 6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

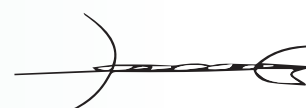
In this regard, we also certify that: -

- i) We have reviewed the financial statements for the year ended on December 31, 2020 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



M. Reazul Karim, FCMA
Managing Director & CEO



Sayed Abul Hashem FCA, FCMA
DMD & Chief Financial Officer



Annexure-B
[Certificate as per condition No. 1(5)(xxvii)]



Mahfel Huq & Co.

Chartered Accountants

The first registered accounting firm in independent Bangladesh



An independent member firm of AGN International

BGIC Tower (4th Floor)
34, Topkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-9553143, 9581786
Fax: +88-02-9571005
E-mail : info@mahfelhuq.com
Web: www.mahfelhuq.com

Report to the Shareholders of Premier Bank Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Premier Bank Limited for the year ended on 31st December 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006158/207/Admin/80, dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.


Such compliance with the Corporate Governance Code is the responsibility of the bank. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any conditions of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- a) The bank has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission except those mentioned in the statement of compliance status;
- b) The bank has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- c) Proper books and records have been kept by the bank as required under the Companies Act, 1994, the Securities Laws and other relevant laws;
- d) The Governance of the bank is satisfactory.

Place: Dhaka
Dated: 21 March, 2021


Howlader Mahfel Huq, FCA
For and on behalf of Mahfel Huq & Co.
Chartered Accountants

Status on Compliance of Corporate Governance Code

Status of Compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put \checkmark in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors: -			
1(1)	Size of the Board of Directors: The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not to be less than 5 (five) and more than 20 (twenty).	\checkmark		
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	\checkmark		
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	\checkmark		
1(2)(b)(ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	\checkmark		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2(two) financial years;	\checkmark		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	\checkmark		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director, or officer of any stock exchange;	\checkmark		
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	\checkmark		
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	\checkmark		
1(2)(b)(viii)	Who is not independent director in more than 5 (five) listed Companies;	\checkmark		



I STATUS ON COMPLIANCE OF CORPORATE GOVERNANCE CODE

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBF); and	√		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude?	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days; and		√	The post of Independent director remained vacant for more than 90 days.
1(2)(e)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) tenure only.	√		
1(3)	Qualification of Independent Director:-			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirement and corporate laws and can make meaningful contribution to business;	√		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	√		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk.100.00 million or of a listed company; or	-		N/A
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	√		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	-		N/A
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	-		N/A
1(3)(c)	The independent director(s) shall have at least 10(ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the nonexecutive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/ or Chief Executive officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		Not required in the year of 2020
1(5)	The Directors' Report to the Shareholders:-			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The Segment-wise or product-wise performance;	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their Implications (gain or loss);			The Bank does not have such gain or loss
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or through any other instruments;			Not Applicable
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc;			Not Applicable
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements;			Not Applicable
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		



I STATUS ON COMPLIANCE OF CORPORATE GOVERNANCE CODE

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xiii)	A statement that 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;	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or 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;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no Significant doubt upon the issuer company's ability to continue as going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	Not Applicable		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	Not Applicable		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name -wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance their spouses and minor children (name- wise details);	√		
1(5)(xxiii)(c)	Executives; and	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more votes interest in the company (name-wise details).	√		
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
1(5)(xxiv)(a)	a brief resume of the director	√		
1(5)(xxiv)(b)	nature of his/her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the board.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxv)	A management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		
1(6)	Meetings of the Board of Directors: The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	-		Not Applicable
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company;	-		Not Applicable
2	Governance of Board of Directors of Subsidiary Company:-			



I STATUS ON COMPLIANCE OF CORPORATE GOVERNANCE CODE

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	√		
2(b)	At least 1 (one) independent director of the Board of the holding company shall be a director on the Board of the subsidiary company;	√		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	√		
3.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary(CS):-			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3(2)	Requirement to attend Board of Director's Meetings: The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board.	√		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent illegal or violation of the code of conduct for the company's Board or its member;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4.	Board of Director's Committee.- For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee;	√		
4(ii)	Nomination and Remuneration Committee	-		N/A
5.	Audit Committee:- Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the audit committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director;	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10(ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5(2)(e)	The company secretary shall act as the secretary of the Committee.	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent director;	√		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(3)(b)	In the absence of the Chairperson of the audit committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No.5(4)(b) and the reason of absence of the regular chairperson shall be duly recorded in the minutes.	✓		Not required in the year 2020
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓		
5(4)	Meetings of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year;	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5(5)	Role of the Audit Committee: The Audit Committee shall-			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	Oversee hiring and performance of external auditors.	✓		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval;	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	✓		
5(5)(h)	Review the adequacy of internal audit function;	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	✓		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		
5(5)(m)	Oversee whether the proceeds raised through Initial public Offering(IPO) or Repeat public Offering(RPO) or Rights Share offer have been utilized as per the purpose stated in relevant offer document or prospectus approved by the Commission:	✓		
5(6)	Reporting of the Audit Committee:-			
5(6)(a)(i)	Reporting to the Board of Directors: The Audit Committee shall report on its activities to the Board.	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
5(6)(a)(ii)(a)	report on conflicts of interests;			No such variances occurred and accordingly not reported.
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; control system;	√		
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			No such variances occurred and accordingly not reported.
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately	√		
5(6)(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such matters to report
5(7)	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board under condition 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		
6(1)	Nomination and remuneration Committee (NRC):- Responsibility to the Board of Directors			Unresolved issue
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	-		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	-		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	-		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	-		
6(2)(b)	All member of the Committee shall be non-executive directors;	-		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	-		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	-		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	-		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	-		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	-		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1(one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	-		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	-		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	-		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	-		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	-		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	-		
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	-		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	-		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	-		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	-		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	-		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	-		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	-		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	-		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	-		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	-		
7(1)	External or Statutory Auditors: The issuer shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1) (i)	Appraisal or valuation services or fairness opinions;	✓		
7(1) (ii)	Financial information system design and implementation;	✓		
7(1) (iii)	Book-keeping or other services related to the accounting records or financial statement;	✓		
7(1)(iv)	Broker - dealer services;	✓		
7(1)(v)	Actuarial services;	✓		
7(1)(vi)	Internal audit services or special audit services	✓		
7 (1)(vii)	Any services that the Audit Committee determines.	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1);	✓		
7(1)(ix)	Any other service that creates conflict of interest	✓		
7(2)	No Partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company;	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General meeting or Extraordinary General Meeting) to answer the queries of the shareholders	✓		



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
8.	Maintaining a website by the Company:-			
8(1)	The Company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the regulations of the concerned stock exchange(s)	√		
9.	Reporting and Compliance of Corporate Governance:-			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

Meetings of the Board of Directors held during the Year-2020 and their attendance

Name of the Directors	Status	No. of Meetings held	No. of Attendance	Remarks
Dr. H. B. M. Iqbal	Chairman	13	13	The Board has granted leave of absence against the absentee directors of the meeting.
Mr. Moin Iqbal	Vice Chairman		12	
Mr. B. H. Haroon, MP (Till 10.08.2020)	Director		5	
Mr. Abdus Salam Murshedy, MP	Director		13	
Mr. Mohammad Imran Iqbal	Director		13	
Mr. Shafiqur Rahman	Director		13	
Mr. Jamal G Ahmed	Director		13	
Mrs. Shaila Shelley Khan	Director		12	
Mr. Yeh Cheng Min*	Director		10	
Mr. Chowdhury Jafarullah Sharafat	Independent Director		12	
Mr. Naba Gopal Banik (Since 09.07.2020)	Independent Director		8	

*Attended through Alternate Director Mr. A. H. M. Ferdous in Board Meeting.

Pattern of Shareholding

The Pattern of Shareholding of The Premier Bank Limited as on December 31, 2020 as per BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June, 2018:

- a) Shareholding by Parent/Subsidiary/Associated Companies and other related parties : Nil
- b) Shares held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their Spouses and Minor Children are as follows :

i. Shares held by Directors and their Spouses

Sl.	Name of Directors	Status	No. of Shares	Name of Spouses	No. of Shares
1.	Dr. H. B. M. Iqbal	Chairman	37,346,055	Dr. Momtaz Begum	20,868,892
2.	Mr. Moin Iqbal	Vice Chairman	19,406,963	Mrs. Yasna Pooja Iqbal	Nil
3.	Mr. B. H. Haroon, MP	Director	19,411,348	Mrs. Monira Haroon	Nil
4.	Mr. Abdus Salam Murshedy, MP	Director	40,859,660	Mrs. Sharmin Salam	939,234
5.	Mr. Mohammad Imran Iqbal	Director	19,406,883	Mrs. Zara Ali	Nil
6.	Mr. Shafiqur Rahman	Director	19,414,533	Mrs. Amena Rahman	Nil
7.	Mr. Jamal G Ahmed	Director	48,514,840	Mrs. Nawrin Iqbal	Nil
8.	Mrs. Shaila Shelley Khan	Director	48,498,728	Mr. H.B.M. Zahidur Rahman	Nil
9.	Mr. Yeh Cheng Min	Director	29,138,033	Mdm. Chang Ming Wei	Nil
10.	Mr. Chowdhury Jafarullah Sharafat	Independent Director	Nil	Mrs. Syeda Gulshanara	Nil
11.	Mr. Naba Gopal Banik	Independent Director	Nil	Dr. Kanchan Chowdhury	Nil

ii. Shares held by

Sl. No.	Name	Status	Shareholding as of 31.12.2020
1.	Mr. M. Reazul Karim, FCMA	Managing Director & CEO	Nil
2.	Mr. Sayed Abul Hashem FCA, FCMA	Chief Financial Officer	Nil
3.	Mr. Md. Anowar Hossain	Head of Internal Control & Compliance	Nil
4.	Mr. Mohammad Akram Hossain, FCS	Company Secretary	Nil
Spouses/minor children of the above Executives			

- c) Shareholding by Executives (Top five salaried employees of the Bank): Nil
- d) Shareholders holding ten percent (10%) or more voting interest in the company: Nil