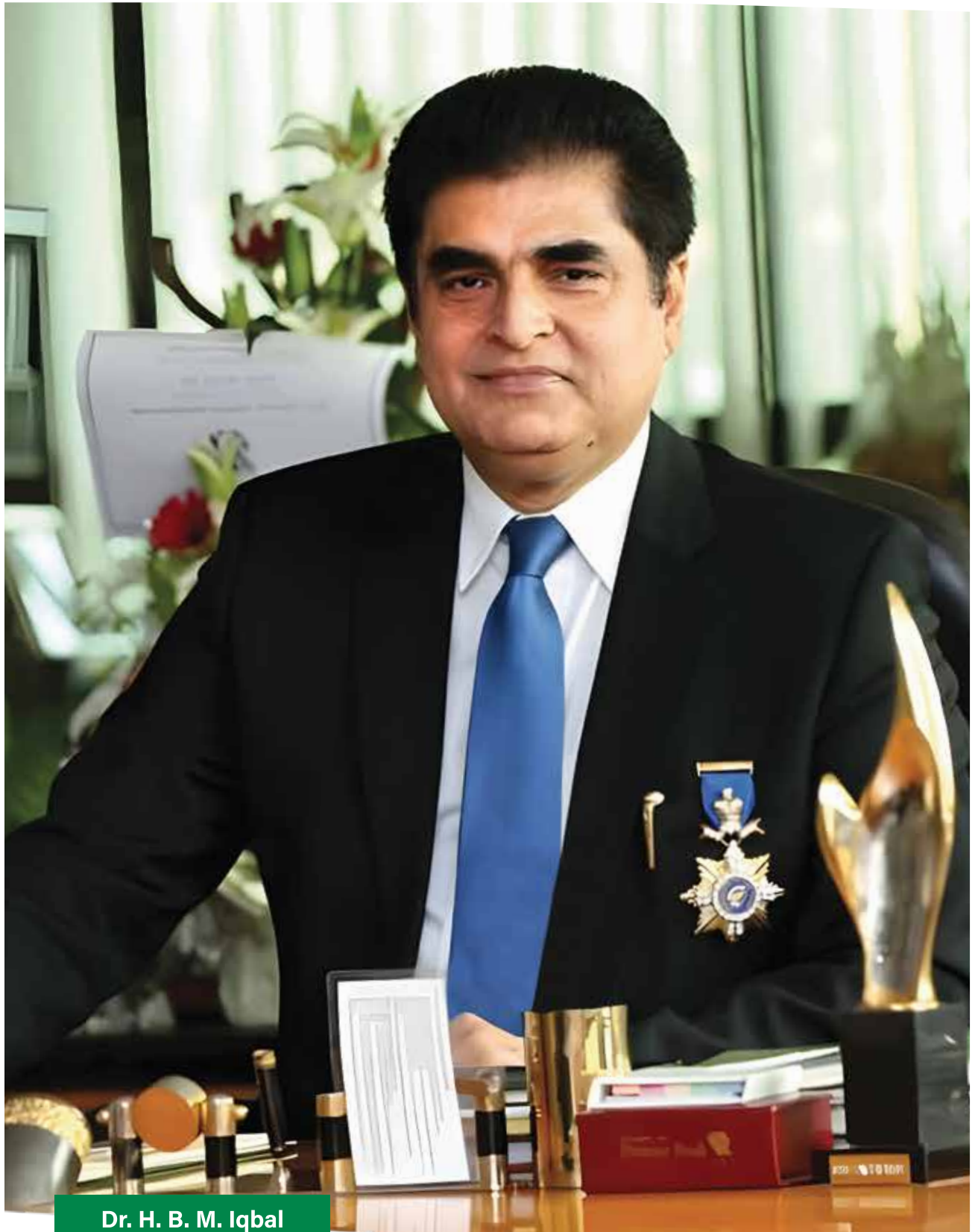


Directors' *Report*



*Message from the
Honorable Chairman*

Message from the Hon'ble Chairman



Dr. H. B. M. Iqbal
Chairman

Dear Valued Shareholders, Assalamualaikum

I am honored and privileged to welcome you to the 25th Annual General Meeting of The Premier Bank PLC., on behalf of the board of directors and myself. In the time of the unprecedented global challenges attributed to the Russia-Ukraine battle, Israel-Hamas war, ongoing global recession and inflation dampen global and domestic growth paths. Despite these adverse situations, The Premier Bank PLC. has responded positively by focusing on stockholders' priorities and financial needs while maintaining a stable business operation under this challenging environment.

War Threatens the Global Economy

"Russia's invasion over Ukraine and Israel-Hamas war are the unmitigated catastrophe for global peace. But the war also greatly compounds a number of preexisting adverse global economic trends, including rising inflation, extreme poverty, increasing food insecurity, deglobalization, and worsening environmental degradation.

Global growth is set to modest improvement this year amid tight monetary policy, restrictive financial conditions, and feeble global trade and investment. Downside risks include an escalation of the recent conflict in the Middle East, financial stress, persistent inflation, trade fragmentation, and climate-related disasters. Global cooperation is needed to provide debt relief, facilitate trade integration, tackle climate change, and alleviate food insecurity.

According to IMF, global growth was decelerated from 3.2 percent in 2022 to 2.7 percent in 2023. Furthermore, it is predicted that the rate of global growth will be slightly increased to 2.9 percent by 2024. This is the worst growth profile since 2001, except for the global financial crisis and the COVID-19 pandemic's acute phase. According to the Organization for Economic Cooperation and Development, the global economy will pay a "heavy price" for the conflict in Ukraine and Gaza, including slower GDP, higher prices and potentially long-lasting disruption to supply networks.

Economy of Bangladesh is on the Road to Recovery

According to IMF, The Economy of Bangladesh is developing. It is the 41st largest in the world in nominal terms or at current prices, and 30th largest by purchasing power parity. Bangladesh is classified among the Next Eleven emerging market middle income economies and a frontier market.

Many international banks and other financial organizations consider Bangladesh to be a promising new market. While Bangladesh participates in free trade through its membership in the South Asian Free Trade Area and the World Trade Organization, the GDP of Bangladesh grew by 6.3% in the fiscal year 2022-2023, although this was the first full year following the global pandemic. On 21st March 2022, every single home in the country got

access to electricity which is an immense achievement for our country. The Padma Bridge, Dhaka Metro Rail, Matarbari Port and Karnaphuli Tunnel are only a few of the megaprojects that have been planned to jumpstart the economy. When the construction of Padma Bridge was completed it was predicted that the GDP of Bangladesh will grow by 1.23 percent. Metrorail, one of the megaprojects which is the most modernized, fastest, and most popular urban communication. Moazzem Hossain, the director of the Accident Research Institute, estimates that a 60% reduction in traffic congestion in Dhaka could save USD 2.6 billion. Savings from the metro rail project will be USD 2.4 billion annually, or 1.5% of the nation's GDP. More than 15 million people in Dhaka would benefit from the metro rail's increased speed and ease of commuting which will have a positive impact on the economy.

Inward Remittances are the most important economic variables that have a great impact on the trade balance, economic growth and foreign reserve of our country. The Government of Bangladesh has taken several initiatives to boost up remittance inflow by ensuring 2.5% cash incentives against legitimate wage earners' remittance, CIP honoring of remittance senders, expansion and simplification of remittance disbursement process as well as facilitating investment and housing finance for non-resident Bangladeshis. The Government is encouraging international money transfer operators to set up drawing arrangements with Bangladeshi banks under fintech systems and waiving charges of banks or exchange houses for stipend remittances.

The RMG industry has become a major contributor to Bangladesh's economic and national growth. To push upward this sector, the Government has placed a strong emphasis on modernizing technology, including design creation, productivity improvements, environmental sustainability, resource efficiency, quality improvement, and worker well-being. The government launched a stimulus plan of BDT 956 billion (USD 11.2 billion), or 3.3% of GDP, to stimulate the economy by bolstering the social safety net, export industries, small and medium-sized enterprises (SMEs), and other priority sectors. The package authorizes BDT 50 billion for RMG and other export-oriented sectors, which can only be utilized to pay wages and benefits to employees and workers. The amount of the Export Development Fund has been increased from USD 3.5 billion to USD 5 billion in order to assist export-oriented enterprises with short term financing for the import of raw materials. Changes in digital technology, international trade and supply chains are accelerating across the global business ecosystem. Together, we can overcome local and global issues and assist individuals, businesses and communities in thriving towards a world that is constantly shifting.



Reviewing Our Performance In 2023

2023 was a challenging year for the nation's banking industry in terms of governance, liquidity, profitability and asset quality. The consequences of the global economic turmoil, particularly in banks and financial institutions had a severe influence on the economy as a whole. The clock of inflation has been ticking since the start of the Russia-Ukraine war. The world order was plagued by supply-demand issues as the foreign exchange market became unstable and commodity prices rose rapidly. Nearly every nation was experiencing the heat and so did Bangladesh. But the tenacity of our efforts and resiliency of our performance enabled us to complete a difficult 2023 with respectable growth. Our Board spent time and provide appropriate guidance and direction to the Management to guarantee continued service to our clients while adhering to regulatory regulations. With a 7.42% decrease, the Bank's Operating Profit recorded at BDT 9,145.82 million in 2023 from BDT 9,878.39 million in 2022.

During 2023, the Bank's total risk weighted assets increased by 4.73% to BDT 294,144.79 million from BDT 280,867.91 million in 2022 while total customer liability increased by 6.89% to BDT 316,870.64 million from BDT 296,439.86 million in 2022. The amount of non-performing loans of the Bank stood at BDT 14,451.50 million in the year 2023 from BDT 7,675.95 million in 2022 which is 4.99% of the total risk assets portfolio.

Concern for the Well-Being of Society

The Premier Bank PLC. has a long history of involvement in all facets of social responsibility and we can take satisfaction in several conspicuous examples. Over the past 24 years, the Bank has provided considerable financial support for charitable causes. As a responsible corporate entity, we have adopted CSR practices in a formal, structured manner following our organization's aim to assist the impoverished people of our nation by implementing socially responsible projects.

Adjusting to Modern Technology

The banking business is in a perpetual state of evolution with new technology being incorporated into banking systems and industry leaders implementing innovative financial goods and services. By embracing new technology, the bank can provide enhanced customer services. This can provide convenience to customers and help in saving time. The Bank is advancing its technology by ensuring bKash linked account integration which will help customer to complete transaction very smoothly, the bank is also planning to implement e-KYC account opening through Web & App, National Payment System Bangladesh linked in pMoney, QR Code payment in pMoney and ISO 27001:2013 Certification Achievements.

Maintaining Transparency and Accountability

Transparency and accountability are even more crucial for banks than they are for other businesses. By acting as mediators between investors and borrowers, banks facilitate economic activity in all other sectors. In this post-pandemic era and amid global geopolitical dangers, it is crucial to restore people's faith in the banking sector in order to protect Bangladesh's economy from additional threats. At PBL, we have adopted best international corporate governance practices to cultivate a culture of accountability, integrity, transparency and sound financial management, which ultimately leads to overall sustainable business and financial performance.

Heading forward Together

Throughout the year, we have devised a strategy for exploiting untapped market prospects using our greatest efforts, resources and capabilities. In hard times, the bank prioritized strengthening its customer relationships by providing exceptional services, thereby making banking more accessible and inclusive. The Bank has been on a roll since its inception. From the very beginning, the bank has been playing an active role in the country's economic development by financing to industrial, commercial and agricultural projects.

Acknowledgment

I would like to convey my appreciation to the Board of Directors for their insightful feedback, unwavering support and confidence in me and my team as well as Managing Director for his acumen and leadership. I am indebted to the Honorable Governor, the employees of the Bangladesh Bank and the representatives of other regulatory bodies, for their continued cooperation. A special note of thanks to the Bank's management and employees at all levels for their dedication in taking the Bank forward. Lastly, I would like to express my deepest gratitude to our valued shareholders, customers, business partners and other stakeholders for their untiring support during the most challenging periods and for helping us to achieve excellence.



Dr. H. B. M. Iqbal
Chairman

চেয়ারম্যানের বার্তা

সম্মানিত শেয়ারহোল্ডারগণ, আসসালামু আলাইকুম

দি প্রিমিয়ার ব্যাংক পিএলসি-এর ২৫ তম বার্ষিক সাধারণ সভায় পরিচালনা পর্ষদ এবং আমার পক্ষ থেকে আপনাদের সকলকে স্বাগত জানাতে পেরে নিজেকে সম্মানিত ও সৌভাগ্যবান মনে করছি। আপনারা নিশ্চয়ই জেনে থাকবেন, আমরা এমন এক সময়ে দাঁড়িয়ে আছি যেখানে রাশিয়া-ইউক্রেন যুদ্ধ, ইসরাইল-হামাস যুদ্ধ সহ চলমান বিশ্বব্যাপী অর্থনৈতিক মন্দা, লাগামহীন মুদ্রাস্ফীতি, বৈশ্বিক ও দেশীয় অর্থনৈতিক প্রবৃদ্ধির গতিপথকে স্ফিট করে দিয়েছে। পরিস্থিতি এমন প্রতিকূল হওয়া সত্ত্বেও, প্রিমিয়ার ব্যাংক পিএলসি একটি স্থিতিশীল ব্যবসায়িক কার্যক্রম বজায় রাখার পাশাপাশি স্টকহোল্ডারদের অগ্রাধিকার ও আর্থিক চাহিদার উপর গুরুত্ব দিয়ে ইতিবাচক সাড়া দিয়ে যাচ্ছে।

চলমান যুদ্ধের কারণে বিশ্ব অর্থনীতি এখন হুমকির মুখে

ইউক্রেনে রাশিয়ার আগ্রাসন এবং ইসরায়েল-হামাস যুদ্ধ বৈশ্বিক শান্তির পথে বাধা হয়ে দাঁড়িয়েছে এবং সৃষ্টি করেছে বড় বিপর্যয়। যুদ্ধ ইতোমধ্যে ক্রমবর্ধমান মুদ্রাস্ফীতি, সীমাহীন দারিদ্র্য, খাদ্য নিরাপত্তাহীনতা, বিশ্বায়ন এবং পরিবেশের অবনতি ঘটানো সহ বেশ কিছু ক্ষেত্রে বিশ্ব অর্থনীতিতে নেতিবাচক প্রভাব ফেলেছে।

কঠোর মুদ্রানীতি, সংকীর্ণ আর্থিক পরিস্থিতি এবং দুর্বল আন্তর্জাতিক বাণিজ্য ও বিনিয়োগের কারণে এ বছর বৈশ্বিক জিডিপি কিছুটা উর্ধ্বমুখী হবে বলে আশা করা যাচ্ছে। বর্তমানে মধ্যপ্রাচ্যে সাম্প্রতিক সংঘাত বৃদ্ধি, আর্থিক চাপ, ক্রমাগত মুদ্রাস্ফীতি, বাণিজ্য বিভাজন এবং জলবায়ু পরিবর্তন সংক্রান্ত প্রাকৃতিক দুর্যোগ নিম্নমুখী ঝুঁকির মধ্যে রয়েছে। ফলে, জলবায়ুর পরিবর্তন মোকাবেলা থেকে শুরু করে খাদ্য নিরাপত্তাহীনতা সহজ করা, বাণিজ্য সংহতকরণ সুষ্ঠু করা এবং ঋণমুক্ত করার জন্য আন্তর্জাতিক সহযোগিতা প্রয়োজন।

আইএমএফ এর ভাব্যমতে, বৈশ্বিক প্রবৃদ্ধির হার ২০২২ সালে ৩.২% থেকে হ্রাস পেয়ে ২০২৩ সালে ২.৭% এ নেমে এসেছে। তাছাড়া এটি অনুমান করা হয়েছে যে, ২০২৪ সালের মধ্যে বৈশ্বিক প্রবৃদ্ধির হার কিছুটা বৃদ্ধি পেয়ে ২.৯ % এ উন্নীত হবে। বিশ্বব্যাপী আর্থিক সংকট এবং কোভিড-১৯ মহামারীর কঠিন পরিস্থিতি বাদ দিলে এটি ২০০১ সালের পর থেকে সবচেয়ে নিম্নমুখী প্রোফাইল। অর্গানাইজেশন ফর ইকোনমিক কোঅপারেশন অ্যান্ড ডেভেলপমেন্ট-এর মতে, ইউক্রেন এবং গাজার সহিংসতার জন্য বিশ্ব অর্থনীতিকে 'চড়া মূল্য' দিতে হবে যার মধ্যে রয়েছে ধীর জিডিপি, পণ্যদ্রব্যের দাম বৃদ্ধি এবং সরবরাহকৃত নেটওয়ার্কগুলিতে সম্ভাব্য দীর্ঘমেয়াদী ব্যাঘাত।

পুনরুদ্ধারের পথে বাংলাদেশের অর্থনীতি

আইএমএফ এর মতে, বাংলাদেশের অর্থনীতি একটি উন্নয়নশীল বাজার অর্থনীতি। নামমাত্র মূল্য বা বর্তমান মূল্যের পরিপ্রেক্ষিতে, বিশ্বব্যাপী এটির অবস্থান ৪১তম এবং ক্রয় ক্ষমতার সমতা বিবেচনার ভিত্তিতে এটির অবস্থান ৩০তম। বাংলাদেশকে মধ্যম আয়ের উদীয়মান অর্থনীতি এবং সীমান্তবর্তী বাজার হিসাবে 'নেক্রট ইলেভেন'-এ শ্রেণীবদ্ধ করা হয়েছে।

অনেক আন্তর্জাতিক ব্যাংক এবং বিভিন্ন অর্থনৈতিক সংস্থা বাংলাদেশকে একটি নতুন প্রতিষ্ঠিতশীল বাজার হিসেবে বিবেচনা করে। বাংলাদেশ যখন দক্ষিণ এশীয় মুক্ত বাণিজ্য অঞ্চল এবং বিশ্ব বাণিজ্য সংস্থার সদস্যদের মাধ্যমে মুক্ত বাণিজ্যে অংশগ্রহণ করে,

তখন দেখা যায় ২০২২-২০২৩ অর্থবছরে বাংলাদেশের জিডিপি ৬.৩% বৃদ্ধি পেয়েছে, যদিও এটি বিশ্বব্যাপী মহামারীর পর প্রথম পূর্ণ বছর ছিল। ২১ শে মার্চ ২০২২ এ দেশের প্রতিটি ঘরে বিদ্যুতের সংযোগ পেয়েছে যা আমাদের দেশের জন্য এক বিশাল অর্জন। অর্থনীতিকে চাঙ্গা করতে পদ্মা সেতু, ঢাকা মেট্রোরেল, মাতারবাড়ি বন্দর, কর্ণফুলী টানেলসহ বেশ কিছু বড় প্রকল্পের প্রস্তাবও করা হয়েছে।

পদ্মা সেতুর নির্মাণ কাজ শেষ হলে বাংলাদেশের জিডিপি ১.২৩ শতাংশ বৃদ্ধি পাবে বলে ধারণা করা হয়। মেগাপ্রকল্পগুলির মধ্যে মেট্রোরেল একটি, যেটির মধ্যে রয়েছে সবচেয়ে আধুনিক, দ্রুততম এবং জনপ্রিয় শহুরে যোগাযোগ ব্যবস্থা। অ্যাক্সিডেন্ট রিসার্চ ইনস্টিটিউটের পরিচালক মোয়াজ্জেম হোসেনের মতে, ঢাকার যানজট ৬০% কমে গেলে বাংলাদেশের বাৎসরিক ২.৬ বিলিয়ন মার্কিন ডলার সাশ্রয় হতে পারে। মেট্রোরেল প্রকল্প বছরে ২.৪ বিলিয়ন মার্কিন ডলার বা দেশের জিডিপির ১.৫% সাশ্রয় করবে। মেট্রোরেলের গতি বৃদ্ধির কারণে ঢাকার ১৫ মিলিয়নেরও বেশি মানুষ দৈনন্দিন যাতায়াতে উপকৃত হবে যা নিঃসন্দেহে অর্থনীতিতে ইতিবাচক প্রভাব ফেলবে।

অভ্যন্তরীণ রেমিট্যান্স সবচেয়ে গুরুত্বপূর্ণ অর্থনৈতিক পরিবর্তন যা আমাদের দেশের বাণিজ্যিক ভারসাম্য, অর্থনৈতিক প্রবৃদ্ধি এবং বৈদেশিক রিজার্ভের উপর বড় প্রভাব ফেলে। বিদেশে বসবাসরত বাংলাদেশি নাগরিকদের রেমিট্যান্স প্রবাহ বৃদ্ধির জন্য, বাংলাদেশ সরকার বৈধ মজুরি উপার্জনকারীদের রেমিট্যান্সের বিরপরীতে ২.৫% নগদ প্রণোদনা, রেমিট্যান্স প্রেরকদের সিআইপি সম্মাননা, রেমিট্যান্স বিতরণ প্রক্রিয়া সহজীকরণ-সম্প্রসারণ এবং আবাসন ও বিনিয়োগের অর্থায়ন সহ বেশ কয়েকটি পদক্ষেপ নিয়েছে। ফিনটেক সিস্টেম প্রতিষ্ঠার লক্ষ্যে সরকার বাংলাদেশি ব্যাংকগুলির সাথে আন্তর্জাতিক অর্থ স্থানান্তরকারী সংস্থাগুলিকে স্টাইপেন্ড রেমিট্যান্সের জন্য ব্যাংক ও এক্সচেঞ্জ হাউস ফি মওকুফ করার মাধ্যমে উৎসাহিত করে যাচ্ছে।

বাংলাদেশের অর্থনৈতিক ও সামাজিক উন্নয়নে 'তৈরি পোশাক' খাত একটি উল্লেখযোগ্য ভূমিকা রেখে যাচ্ছে। এই খাতকে এগিয়ে নেওয়ার জন্য সরকার ডিজাইন তৈরি, উৎপাদনশীলতার উন্নতি, পরিবেশগত স্থায়িত্ব, সম্পদের দক্ষতা, গুণগত মানোন্নয়ন, কর্মীদের সুস্থতা সহ প্রযুক্তিগত আধুনিকীকরণের উপর সর্বোচ্চ গুরুত্ব দিচ্ছে। অর্থনীতিকে পুনরুজ্জীবিত করতে সরকার সামাজিক নিরাপত্তা বেট্টনী, রপ্তানি শিল্প, ক্ষুদ্র ও মাঝারি আকারের উদ্যোগ (এসএমই) এবং অন্যান্য গুরুত্বপূর্ণ খাতকে সহায়তা করার জন্য ৯৫৬ বিলিয়ন (ইউএসডি ১১.২ বিলিয়ন) বা জিডিপির ৩.৩% যুগোপযুগী পরিকল্পনা চালু করেছে। প্যাকেজটি তৈরি পোশাক এবং অন্যান্য রপ্তানিমুখী শিল্পকে ৫০ বিলিয়ন অনুমোদন দেয় যা শুধুমাত্র কর্মচারী, শ্রমিকদের মজুরি ও অন্যান্য সুবিধা প্রদানের জন্য ব্যবহার করা যেতে পারে।

রপ্তানি উন্নয়ন তহবিলের পরিমাণ ৩.৫ বিলিয়ন মার্কিন ডলার থেকে ৫ বিলিয়ন মার্কিন ডলারে উন্নীত করা হয়েছে যাতে রপ্তানিমুখী উদ্যোগগুলিকে কাঁচামাল আমদানির জন্য স্বল্পমেয়াদী অর্থায়নে



সহায়তা করা যায়। ডিজিটাল প্রযুক্তি, আন্তর্জাতিক বাণিজ্য এবং সাপ্লাই চেইনের পরিবর্তন বিশ্বব্যাপী ইকোসিস্টেম ব্যবসায়কে ত্বরান্বিত করেছে। একসাথে কাজ করার মাধ্যমে আমরা ব্যক্তি, ব্যবসা ও সম্প্রদায়ের ক্রমাগত পরিবর্তনশীলতার দিকে লক্ষ্য রাখতে পারি এবং একইসাথে অতি দ্রুত স্থানীয় ও বিশ্বব্যাপী নানান সমস্যার সমাধান করতে পারি।

২০২৩ সালের কর্মক্ষমতা পর্যালোচনা

সম্পদের গুণমান, মুনাফা, তারল্য এবং শাসনের দিক থেকে ২০২৩ সাল ছিল দেশের ব্যাংকিং খাতের জন্য একটি কঠিন বছর। বিশ্বব্যাপী অর্থনৈতিক অস্থিরতার কারণে, বিশেষ করে ব্যাংক এবং অন্যান্য আর্থিক প্রতিষ্ঠানে সামগ্রিক অর্থনীতিতে নেতিবাচক প্রভাব পড়েছে। রাশিয়া-ইউক্রেন যুদ্ধ শুরু হওয়ার পর থেকে মুদ্রাস্ফীতি বেড়েই চলেছে। বৈদেশিক মুদ্রার বাজার অস্থিতিশীল হয়ে পড়ায় এবং পণ্যের দাম দ্রুত বৃদ্ধি পাওয়ায় সমগ্র বিশ্ব চাহিদা-জোগান সমস্যায় জর্জরিত হয়ে পড়ে। অন্য সব দেশের মতো বাংলাদেশও এই সমস্যার সম্মুখীন হয়েছে। কিন্তু আমরা আমাদের ঐকান্তিক প্রচেষ্টা, অধ্যবসায়, কর্মক্ষমতা ও দক্ষতাকে কাজে লাগিয়ে সংকটপূর্ণ ২০২৩ সাল শেষ করতে সক্ষম হয়েছি। আইন অনুযায়ী আমাদের সেবা যেন ঠিকভাবে পরিবেশা পান সেই লক্ষ্যে ম্যানেজমেন্টকে আমাদের বোর্ড সবসময় সঠিক দিকনির্দেশনা দিয়ে আসছে। তাছাড়া, ব্যাংকের অর্জিত মুনাফা ২০২৩ সালে ৭.৪২% কমে ৯,১৪৫.৮২ মিলিয়ন টাকায় দাঁড়িয়েছে যা ২০২২ সালে ছিল ৯,৮৭৮.৩৯ মিলিয়ন টাকা।

২০২৩ সালে ব্যাংকের মোট ঝুঁকিপূর্ণ সম্পদ ২৮০,৮৬৭.৯১ মিলিয়ন টাকা থেকে ৪.৭৩% বেড়ে ২৯৪,১৪৪.৭৯ মিলিয়ন টাকায় দাঁড়িয়েছে যেখানে গ্রাহকের মোট দায় ২৯৬,৪৩৯.৮৬ মিলিয়ন টাকা থেকে ৬.৮৯% বেড়ে হয়েছে ৩১৬,৮৭০.৬৪ মিলিয়ন টাকা। অন্যদিকে ব্যাংকের নন-পারফর্মিং লোনের পরিমাণ ২০২২ সালের হিসেবকৃত ৭,৬৭৫.৯৫ মিলিয়ন টাকা থেকে বেড়ে ২০২৩ সালে ১৪,৪৫১.৫০ মিলিয়ন টাকায় উন্নীত হয়েছে যা মোট ঝুঁকিপূর্ণ সম্পদের পোর্টফোলিওর ৪.৯৯%।

সামাজিক কল্যাণের লক্ষ্যে জনসচেতনতা

সামাজিক দায়বদ্ধতার সাথে সম্পৃক্ত এমন বেশ কিছু ক্ষেত্রে প্রিমিয়ার ব্যাংকের জড়িত থাকার দীর্ঘ ইতিহাসের পাশাপাশি উল্লেখযোগ্য উদাহরণ রয়েছে, যা তারা বেশ গর্বের সাথে পালন করে আসছে। গত ২৪ বছর ধরে বিভিন্ন রকমের দাতব্য কাজের জন্য ব্যাংক যথেষ্ট আর্থিক সহায়তা প্রদান করেছে। দায়িত্বশীল কর্পোরেট সত্তা হিসাবে, সামাজিকভাবে দায়বদ্ধ উদ্যোগ বাস্তবায়নের মাধ্যমে দেশের সুবিধাবঞ্চিতদের সমর্থন করার জন্য আমাদের সংস্থার লক্ষ্যের সাথে সামঞ্জস্য রেখে আমরা সামাজিক দায়বদ্ধতা নীতিগুলি আনুষ্ঠানিকভাবে কাঠামোগত পদ্ধতিতে প্রয়োগের পাশাপাশি সুসংগঠিত করেছি।

আধুনিক প্রযুক্তিতে অভ্যস্ততা

নতুন প্রযুক্তির ক্রমাগত অন্তর্ভুক্তি এবং শীর্ষস্থানীয় ইন্ডাস্ট্রির দ্বারা অত্যাধুনিক আর্থিক পণ্য ও পরিবেশা গ্রহণের মাধ্যমে ব্যাংকিং সেক্টর চিরস্থায়ী বিবর্তনের দিকে এগিয়ে যাচ্ছে। আধুনিক প্রযুক্তি ব্যবহার করে ব্যাংক তার গ্রাহকদের উন্নত সেবা দিতে পারবে। এর ফলে সুবিধা ভোগ করার পাশাপাশি গ্রাহকরা বাঁচাতে পারবে তাদের মূল্যবান সময়। বিকাশ লিঙ্কযুক্ত অ্যাকাউন্ট ইন্টিগ্রেশন নিশ্চিত করার মাধ্যমে ব্যাংক তার প্রযুক্তিকে উন্নত করছে যা গ্রাহকদের খুব সহজে লেনদেন সম্পন্ন করতে সাহায্য করবে। এছাড়া ব্যাংক, ওয়েব ও অ্যাপের মাধ্যমে ই-কেওয়াইসি অ্যাকাউন্ট খোলা, ন্যাশনাল পেমেন্ট সিস্টেম বাংলাদেশ-এ পি-মানি এর সংযুক্তকরণ, কিউআর

কোড ব্যবহার করে পি-মানি তে পেমেন্ট করা এবং আইএসও ২৭০০১:২০১৩ সার্টিফিকেশন বাস্তবায়নের পরিকল্পনা করছে।

স্বচ্ছতা ও জবাবদিহিতা নিশ্চিতকরণ

স্বচ্ছতা এবং জবাবদিহিতা অন্যান্য ব্যবসার তুলনায় ব্যাংকগুলির জন্য বেশি গুরুত্বপূর্ণ। বিনিয়োগকারী এবং ঋণগ্রহীতার মধ্যে মধ্যস্থতাকারী হিসাবে কাজ করার মাধ্যমে ব্যাংকগুলি অন্যান্য সকল ক্ষেত্রে অর্থনৈতিক কার্যকলাপকে সহজতর করে তোলে। এই মহামারী-পরবর্তী যুগে এবং বৈশ্বিক ভূ-রাজনৈতিক বিপদের মধ্যে বাংলাদেশের অর্থনীতিকে আসন্ন হুমকির হাত থেকে রক্ষা করার জন্য ব্যাংকিং সেক্টরে মানুষের আস্থা পুনরুদ্ধার করা অপরিহার্য। স্বচ্ছতা, সততা, জবাবদিহিতা এবং সুষ্ঠু আর্থিক ব্যবস্থাপনার সংস্কৃতি গড়ে তোলার জন্য প্রিমিয়ার ব্যাংক-এ আমরা সর্বোচ্চ আন্তর্জাতিক কর্পোরেট গভর্নেন্স অনুশীলন চালু করেছি, যেন তা শেষ পর্যন্ত ধারাবাহিকভাবে লাভজনক এবং সামগ্রিকভাবে টেকসই ব্যবসায় রূপ নিতে পারে।

দৃঢ়তার সাথে ঐক্যবদ্ধভাবে এগিয়ে যাচ্ছে প্রিমিয়ার ব্যাংক

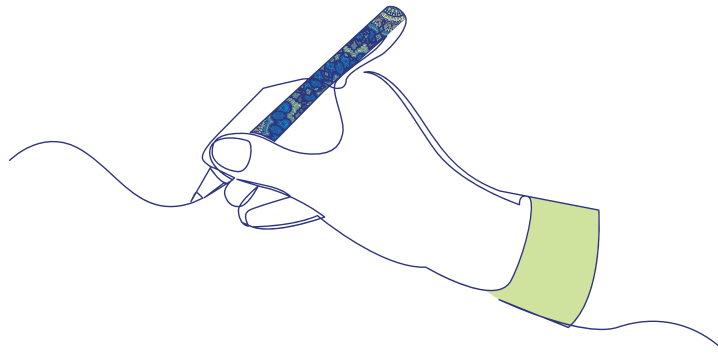
সারা বছর ধরে আমাদের প্রচেষ্টা, ক্ষমতা, সম্পদ ও দক্ষতাকে প্রয়োগ করে সুস্বস্তি সঞ্চারনাকে কাজে লাগানোর জন্য আমরা একটি কৌশল অবলম্বন করেছি। খারাপ সময়ে ব্যতিক্রমী পরিবেশা প্রদানের মাধ্যমে ব্যাংক গ্রাহকদের সাথে সম্পর্কের বন্ধন দৃঢ় করতে বাড়তি গুরুত্ব দেয়, যেন ব্যাংকিং জনসাধারণের কাছে আরও আস্থাভান ও সহজলভ্য হয়ে ওঠে। প্রতিষ্ঠার পর থেকেই ব্যাংকটি শিল্প, বাণিজ্যিক ও কৃষি প্রকল্পে অর্থায়নের মাধ্যমে দেশের অর্থনৈতিক উন্নয়নে গুরুত্বপূর্ণ ভূমিকা পালন করে আসছে।

কৃতজ্ঞতা স্বীকার

পরিচালনা পর্ষদের সুচিন্তিত মন্তব্য, ব্যবস্থাপনা পরিচালকের নেতৃত্ব গুণাবলি ও বুদ্ধিমত্তার পাশাপাশি আমার তথা আমার টিমের প্রতি আকর্ষণ সমর্থন ও আস্থা রাখার জন্য সকলের প্রতি রইলো কৃতজ্ঞতা, শ্রদ্ধা এবং অসীম ভালোবাসা। সামগ্রিক সহযোগিতার জন্য আমি মাননীয় গভর্নর, বাংলাদেশ ব্যাংকের কর্মীবৃন্দ এবং অন্যান্য নিয়ন্ত্রক সংস্থার প্রতিনিধিদের কাছে কৃতজ্ঞ। বিশেষ করে ধন্যবাদ জানাই ব্যাংকের ব্যবস্থাপনা কমিটি এবং সর্বস্তরের কর্মকর্তা ও কর্মচারীদের প্রতি, যারা দিনের পর দিন নিষ্ঠার সাথে কাজ করে ব্যাংক-কে সামনের দিকে এগিয়ে নিয়ে গিয়েছে। পরিশেষে, আমি আমাদের সম্মানিত শেয়ারহোল্ডার, ক্লায়েন্ট, ব্যবসায়িক অংশীদার এবং অন্যান্য স্টেকহোল্ডারদের প্রতি আন্তরিকভাবে ধন্যবাদ জানাই সবচেয়ে কঠিন সময়ে সমর্থনের পাশাপাশি কাঁধে কাঁধ মিলিয়ে আমাদের লক্ষ্য অর্জনে সহায়তা করার জন্য।



ডা. এইচ. বি. এম. ইকবাল
চেয়ারম্যান



*Message from the
Managing Director & CEO*

Message from the Managing Director & CEO



Mohammad Abu Jafar
Managing Director & CEO

The global economy is showing signs of improving, but the recovery will be weak because of Russia-Ukraine and Israel-Hamas War, the Organization for Economic Co-operation and Development (OECD) says. The government established priorities for resolving the vulnerable banks and financial sector changes in regulatory implementation. Special policies were implemented by the Ministry of Finance and Bangladesh Bank to mitigate the high NPL ratio and capital shortfall. The key goals were to enhance asset quality, increase capital adequacy, and revive economic activity through mainstream banking to encourage responsible leadership, openness, and healthy competition in the financial sector.

Impact of Wars on Global Economy and Bangladesh

Geopolitical tensions and societal unrest related to the war between Russia and Ukraine, Israel and Hamas pose a threat to energy supply, global trade, and policy coordination, raising the cost of food and energy. Rising commodity prices, extensive financial sanctions, and the potential for a restriction on Russian energy imports are all posing a threat to the global economy, which has been damaged by the COVID-19 pandemic and is still battling to gain traction. When global economy is shrinking it has a vast impact on Bangladeshi banking industry. This is an extraordinary time from a global perspective. The ongoing Russia-Ukraine and Israel- Hamas war and related sanctions are impacting all economies in the world. The Euro has fallen below the dollar for the second time after 20 years when the first time it traded below the dollar in December 2023. Similarly, BDT and Rupee also lost value against the Dollar whereas Russian Ruble gained by this year. The currency market's volatility has reached an all-time high. The supply and demand imbalance and panic buying made it appear more difficult. Since borders were reopened, there have been several pressures on foreign money, including an increase in international travel, the avoidance of official remittance routes, and regular debt service. This resulted in increased prices for firms, which were ultimately passed on to consumers. As a trading nation that relies heavily on imports for fuel and industrial raw materials, many businesses are unable to open letters of credit because banks are unwilling to do so owing to foreign exchange shortages. Stability of prices is largely dependent on a stable exchange rate. Despite the government and Bangladesh Bank's numerous efforts and attempts surrounding foreign exchange management, the situation remains bleak.

Highlights of Business Performance

In 2023, our bank ensured sound growth across almost all financial indicators despite economic and geopolitical

uncertainty, as well as a difficult business environment. At the end of 2023, deposits grew by 6.89% to BDT 316,870.64 million, compared to BDT 296,439.86 million in 2022 and Lending Portfolio increased by 9.39% to BDT 289,392.27 million from BDT 264,549.64 million in 2022. The operating profit decreased by 7.42% to BDT 9,145.82 million, compared to BDT 9,878.39 million in 2022. Additionally, the net profit after tax increased to BDT 4,343.53 million in 2023 from BDT 4,031.05 million in 2022. As of December 31, 2023, the total assets of the Bank stood at BDT 414,401.58 million, representing an increase of 7.70% from December 31, 2022. The Bank's return on assets (ROA) and return on equity (ROE) were 1.09% and 16.67%, respectively, in 2023. Besides, the CRAR of the Bank was 13.58% as of December 31, 2023. The SME sector is a crucial driving force for economic growth and has significant potential for socio-economic development. The outstanding SME investment as of December 31, 2023, stood at BDT 87,729.20 million, accounting for 30% of the total risk assets portfolio of the Bank. Moreover, consumer banking also plays a vital role in the country's economic activities.

Response to Global Crisis and Foreign Exchange Volatility

The Premier Bank PLC. has faced minimal impact due to Global Crisis and Foreign Exchange Volatility. As a trading nation that relies heavily on imports for petroleum and industrial raw materials, many businesses are unable to open LCs because banks are unwilling to do so due to foreign exchange shortages. But The Premier Bank PLC. moved inversely with the industry. Our Bank had a huge volume of import export surplus. So The Premier Bank PLC. has taken the advantage of exchange rate volatility when dollar prizes rises.

Non-Performing Loan (NPL) Management

The Premier Bank PLC's primary business objective is to reduce non-performing loans by preserving quality assets. However, in 2023, the Non-Performing Loans (NPL) stood at to 4.99% in 2023 which was 2.90% in 2022. The Bank has 50 Zero NPL Branches. The credit approval procedure and policy of the Bank have been designed to uncover and evaluate unanticipated inherent risk so that the asset quality does not worsen over time. In addition, the importance of an early warning system has been underlined so that preventative measures can be taken against assets at risk. To maintain the quality of the bank's assets, branches and the corporate office have reinforced their monitoring efforts and recovery efforts.

In Pursuit of a Digital Transition

Innovations in the digital realm are altering economies and financial ecosystems. The COVID-19 epidemic enhanced the demand for digital products and services and expedited



our digital capabilities' growth. Customers increasingly want financial services to be easy, functional, dependable, and seamless. New corporate growth prospects are many, as are new hazards to data security and compliance, among others. In light of the market's rapid evolution, enhancing digital capabilities is our top goal. Our core banking system is being upgraded from its older version to a newer one, and we are continually embracing new initiatives to increase operational efficiency through automation, the introduction of new service features in existing banking service channels, and the enhancement of transaction security to provide our customers with a comfortable and dependable banking experience. The Bank currently has 136 branches, 67 sub branches and 2,720 employees. The Bank also has 25 Islamic Banking windows, 175 Agent Banking centers, 127 ATMs and 500 POS terminals across the country.

Ensure Cost-effectiveness

Enhanced operational efficiency and production are necessary for internal change to increase profitability. We must be vigilant, maintain strict cost control, and improve our cost effectiveness due to the low margins and high compliance expenses in the banking industry. We intend to concentrate more on cost rationalization in the future days to provide a friendly operational environment, little waste, and devoted human resources with a positive outlook to deliver good for the organization.

Significant Priorities We Pursued in 2023

- Promoting financial inclusion for those without bank accounts and continuing to be a leader in including those at the grassroots level through agricultural loans.
- Efficient Capital Planning under the preview of risk return trade-off for smooth expansion of business.
- Ensuring genuine recovery from rescheduled and stay order loans and recovery of written off loans.
- Emphasize on regular monitoring of loan accounts to restrain deterioration to overdue and SMA. Emphasis was given to increase MSME (Micro, Small and Medium Enterprise), Agri and Retail loan portfolios to ensure efficient distribution of capital.
- Ensuring prompt resolution of credit requests at the corporate office level and strict oversight to enable the quickest payment from branch level while adhering to all logical sanction terms.
- Liquidity management was the most critical priorities for the year 2023 as in the backdrop of sluggish investment demand but liquid money market arbitrage earning was the main resort of profitability upkeep.
- Mobilizing low cost and no cost deposits throughout the year.

Boosting Profitability and Bottom-line

Our results reflect our ability to maintain balanced growth in the key banking segments to lessen the consequences of income fluctuations in the context of the current climate. The Bank was able to maintain or increase the key performance ratios across the business cycles at quarterly rest, making it even more financially secure and better positioned to continue to be a systemically important Bank. The Bank achieved considerable progress on both the game plan and its return despite exceptionally difficult headwinds from regional wars with unavoidable externalities, and completed the year with a healthy operating profit, balance sheet, and liquidity. The Bank made an Operating Profit of BDT 9,145.82 million, which is remarkable considering the impacts of the wars.

Enhancing Customer Value and Experience

Our customer service was renewed with the zeal of a devoted banking brand in order to lessen the pandemic's economic effects, and we carried on with our performance and transformation. Enhancing the customer experience throughout our retail, corporate, and SME segments was our primary emphasis for the year. To get even closer to customers, we made the decision to build end-to-end customer journeys through the seamless fusion of human and digital transactions. Our team's front and back warriors exhibited empathy and understanding as they examined the data provided by clients to better understand their objectives and difficulties in order to develop more specialized goods, services and experiences. Our branches and sub-branches stayed open for business throughout the pandemic to ensure an uninterrupted service.

Our Culture

People orientation starts with a team of 2,720 committed and knowledgeable specialists who guide our strategic goals daily and improve the client experience. No matter what the situation, the majority of our employees stuck to our ingrained dedication to serve and went above to support our customers, communities and stakeholders. The closeness of our workers and the amiable culture they foster, undoubtedly provide us an advantage in the market. Our steadfast dedication to career development opportunities, diversity and inclusion fosters an atmosphere where everyone feels they have an equal chance to fit in and advance their careers.

Commitment to Sustainability

We strive to provide sustainable financial services, and in order to do so, we give our full attention to effective cost management, steady productivity gains brought about by seamless coordination between businesses and support units, and a focus on extending our banking horizon in order to provide consistent performance in this constantly

shifting business environment. We simply advise our employees to turn off lights after office hours, use daylight instead of electric lights, reduce usage of plastics, turn off all air conditioning after 7:00 p.m., move towards paperless office work, manage water consumption, plant trees and encourage green practices. All of these have been the mainstay of our green banking endeavors. We believe that every modest 'Green' move today will go a long way towards creating a greener future, and that each of us can contribute towards creating a better tomorrow.

Credit Rating

The Premier Bank PLC. has ensured a superior and steady credit ratings that express our strong credibility in both short and long term. In 2023, the Bank's long-term credit rating was AAA which means highest credit quality with lowest expectation & the short-term rating was ST-1 which means highest certainty of timely payment.

Corporate Social Responsibility

The Premier Bank PLC. participates in different corporate social responsibility (CSR) activities in accordance with its founding principles. The Bank has offered food packages, supplies, first aid kits, blankets, and ambulances in numerous locations across 2023. The Bank has many different CSR activities. The provision of infrastructure to underfunded educational institutions, the provision of primary healthcare, community development and financial assistance for the medical operations of the poor and numerous other social initiatives are examples of other targeted activities to lift society out of poverty and distress.

Human Resources Development

Human resources are the most precious asset and the driving force behind any firm's success in today's dynamic world where each individual defines the organization. The individual and team efforts of an organization's personnel are required to achieve its goals. Each employee plays a crucial role in the organization's efficient operation by bridging the communication gap between the company and its clients. The Bank employs a group of youthful, devoted, highly motivated, skilled, and committed staff members who work hard to accomplish both organizational and customer goals. A strategic approach towards the effective development and management of human resources is of paramount importance. Our efforts in retraining, re-skilling and redeploying resources are a continuous process that aims to improve the optimization, competency and timing

of our operations whilst concurrently gearing our workforce for the future. Skill building in credit, foreign exchange, business development, customer relationship management, marketing of products & services, investment monitoring and recovery, risk management, technology-based banking, branch management, complying with statutory, legal, and policy requirements, and preventive vigilance received special attention during the year. A training center has been established for enhancing employees through virtual training programs, enabling them to access these services from anywhere, in order to meet the social distancing criteria due to the wars as well as to protect the employees. The Bank also often invited its staff members to seminars, workshops, and training sessions held by BIBM and other reputable training organizations.

Acknowledgements

I would like to express my gratitude and admiration to the whole board of directors for their invaluable comments, unwavering support, and faith in me and my team, as well as to the Honorable Chairman of the board of directors for his support and guidance. I owe a great deal of gratitude to the Governor, employees of Bangladesh Bank and representatives of other regulatory agencies for their wise leadership and prompt assistance. A particular word of appreciation to the Bank's management and staffs at all levels for their commitment to moving the business forward. Finally, I would like to place on record my deepest appreciation to our valued shareholders, customers, business partners and other stakeholders for being loyal to us and help us deliver excellence.



Mohammad Abu Jafar
Managing Director & CEO



Report of the Board of Directors

The Board of Directors is pleased to welcome you all the 25th Annual General Meeting (AGM) of the bank and present before you the Annual Report along with the Audited Financial Statements for the year 2023. A review and business and financial performance and the underlying forces affecting our business have been pointed out in short.

Global Economy

The ongoing wars have had a significant economic impact, resulting in a sharp deceleration in global economic activity. The wars are leading to high commodity prices, adding to supply chain disruptions, increasing food insecurity and poverty, exacerbating inflation, magnifying financial vulnerability, and heightening policy uncertainty. With the emergence of the Delta variety in some regions of the planet, the year 2023 began with fresh worries that ultimately slowed the pace of the international economy's recovery. However, global economy has gained momentum at a moderate pace, partly attributable to incremental coverage of vaccination and better management of the pandemic. Rising energy prices and supply chain disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. All these have put pressure on quicker revival of economic activities to the full scale.

Global GDP Growth

GDP measures the health of nation and global economics. Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic. The forecast for 2024 is reflecting positive surprises and greater than expected resilience in numerous economies. Nevertheless, global growth projected for 2024 and 2025 is below the historical (2000–2019) annual average of 3.8 percent. The forecast of low growth in 2023 reflects the rise in central bank rates to fight inflation especially in advanced economies as well as the war in Ukraine & Gaza.

| Particulars | 2022 | 2023 | 2024(P) |
|--------------------|------|-------|---------|
| World | 3.2 | 2.7 | 2.9 |
| Advanced Economies | 2.7 | 1.6 | 1.5 |
| USA | 2.0 | 2.5 | 2.1 |
| India | 6.8 | 6.7 | 6.5 |
| China | 3.0 | 5.2 | 4.6 |
| Italy | 3.9 | 0.7 | 0.7 |
| Brazil | 3.1 | 3.1 | 1.7 |
| Saudi Arabia | 8.7 | (1.1) | 2.7 |

Global Inflation

According to the International Monetary Fund (IMF), global inflation is expected to fall from 8.8 percent in 2022 to 6.6 percent in 2023, and further to 4.3 percent in 2024. This is still above the pre-pandemic levels of about 3.5 percent. The balance of risks remains tilted to the downside, but adverse risks have moderated since October 2022. It is anticipated to reach 5.9 percent in advanced economies and 8.7 percent in emerging market and developing economies in this year.

| Particulars | 2022 | 2023 | 2024 (P) |
|----------------------|------|------|----------|
| World | 8.8 | 6.6 | 4.3 |
| Advanced Economies | 7.2 | 4.4 | 5.9 |
| Developing Economics | 9.9 | 8.1 | 8.7 |

Global Trade Volume

Global trade has experienced negative growth since mid-2022, primarily driven by a substantial decline in goods trade, which continued to 2023. In contrast, trade in services has displayed more resilience and its growth remained positive throughout the same period. Overall, the Global Trade Update projects that global trade in 2023 is US\$ 30.4 trillion, representing a contraction of about US\$ 1.6 trillion (or 5 per cent) compared to the 2022 record high. Specifically, trade in goods is expected to contract by nearly US\$ 2 trillion in 2023, or 7.5 per cent, while services trade should gain about US\$ 500 billion, or 7 per cent.

| Particulars | 2022 | 2023 | 2024 (P) |
|----------------------|------|------|----------|
| World | 5.4 | 2.4 | 3.4 |
| Advanced Economies | 6.6 | 2.3 | 2.7 |
| Developing Economics | 3.4 | 2.6 | 4.6 |

Global Foreign Direct Investment

Global foreign direct investment (FDI) flows in 2023, at an estimated \$1.37 trillion, showed a marginal increase (+3%) over 2022, defying expectations as recession fears early in the year receded and financial markets performed well.

However, economic uncertainty and higher interest rates did affect global investment. The headline increase was due largely to higher values in a few European conduit economies; excluding these conduits, global FDI flows were 18% lower. In developed countries, FDI in the European Union jumped from negative \$150 billion in 2022 to positive \$141 billion because of large swings in Luxembourg and the Netherlands. Excluding those two countries, inflows to the rest of the EU were 23% down, with declines in several large recipients. Inflows in other developed countries also stagnated, with zero growth in North America and declines elsewhere. FDI flows to developing countries fell by 9%, to \$841 billion, with declining or stagnating flows in most regions. FDI decreased by 12% in developing Asia and by 1% in Africa. It was stable in Latin America and the Caribbean as Central America bucked the trend.

Bangladesh Economic Review

The economy of Bangladesh as well as Global is going through a turbulent situation because of war in Ukraine & Gaza. Due to war, there was an abnormal increase in the prices of various commodities in the international market. Bangladesh is highly dependent on imports for many necessary products such as fuel, raw materials for industries and machinery. In addition, the fuel & energy price rate several time upward changes by Bangladesh Government contributed to the high inflationary pressure in the domestic market. In spite of these problems, Socio-political stability and the strong political leadership of the Honorable Prime Minister Sheikh Hasina have enabled Bangladesh achieve economic growth rate of 6.3% in fiscal year 2022-2023, whereas the growth rate was 7.1% in fiscal year 2021-2022 (BBS). Over the past two decades, a healthy demographic dividend, robust exports of ready-made garments (RMG), resilient remittance inflows, and stable macroeconomic conditions have sustained significant economic expansion. This accomplishment has placed Bangladesh among the top 10 economies with the quickest growth worldwide. According to International Monetary Fund (IMF) The economy of Bangladesh is a major developing market economy and it is the 41st largest in the world in nominal terms or at current prices, and 30th largest by purchasing power parity. The success story of Bangladesh in eradicating poverty and developing economically is equally inspiring. Bangladesh was one of the world's poorest countries when it was founded in 1971, but it has since risen to the level of a lower-middle income country by 2015. In 2026, it will no longer be considered one of the world's Least Developed Countries (LDCs). As per provisional estimate of BBS, per capita GDP and per capita national income stood at US\$ 2,657 and US\$ 2,765 respectively in FY 2022-23 compared to US\$ 2,687 and US\$ 2,793 respectively in the previous fiscal year. The per

capita national income in dollar terms has declined slightly in FY 2022-23 due to the appreciation of US dollar. The sectorial growth compositions are shown in the below:

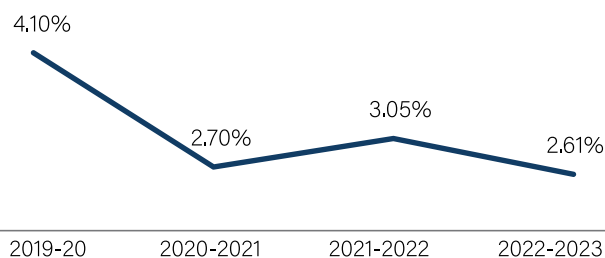
Agriculture Sector

Agriculture is the largest job sector in Bangladesh, contributing 11.20 percent of GDP in fiscal year 2022-2023 and employing 40 percent of the labor force whereas the contribution of this sector was 11.61 percent in fiscal year 2021-2022. The expansion was primarily triggered by the growth of the fishing, forest-related services, and animal farming subsectors.

The growth of agriculture sector was 2.7 percent in FY 2020-21, which stood at 3.05 percent in FY 2021-22 and the growth of the agriculture sector is 2.61 percent in FY 2022-23.

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|-----------------------------------|---------|---------|---------|---------|
| Growth rate of Agriculture Sector | 4.10% | 2.7% | 3.05% | 2.61% |

Growth rate of Agriculture Sector



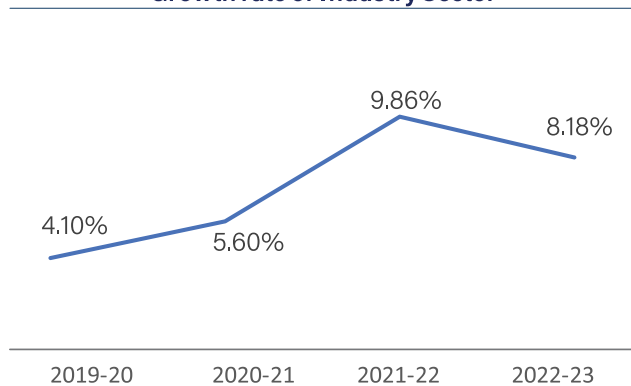
Industry Sector

Bangladesh's economy has seen significant fundamental shifts in recent decades. Bangladesh's Industrial Sector's contribution to the nation's gross domestic product is gradually growing. The industry sector contributed 37.56 percent to GDP and 39 percent of total employment in fiscal year 2022-2023 and contracted by 8.18 percent down from 9.86 percent in fiscal year 2021-2022. This sector growth in FY23 was mainly supported by the growth of the manufacturing; water supply, sewerage, waste management, and remediation activities, and construction sub-sectors. On the other hand, the electricity, gas, steam, and air conditioning supply sub-sector recorded lower growth of 5.96 percent, while the mining and quarrying sector exhibited negative growth of (1.94) percent in FY23 as compared to the previous year.

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|--------------------------------|---------|---------|---------|---------|
| Growth rate of Industry Sector | 4.10% | 5.6% | 9.86% | 8.18% |



Growth rate of Industry Sector

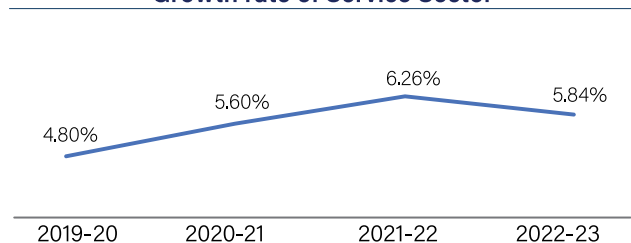


Service Sector

Bangladesh's economy is a booming one. It is primarily separated into the service, agriculture, and industry sectors. Bangladesh's economic sectors are dominated by the service industry. This sector contributed 51.24 percent of GDP in FY23, slight lower than 51.44 percent in FY22. Services sector grew by 5.84 percent in FY23, Lower than 6.26 percent growth in FY22. The components of services sectorsuch as, wholesale and retail trade, and repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities; financial and insurance activities; real estate activities; education; arts, entertainment and recreation; and other service activities exhibited growths in FY 2023.

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|-------------------------------|---------|---------|---------|---------|
| Growth rate of Service Sector | 4.80% | 5.60% | 6.26% | 5.84% |

Growth rate of Service Sector



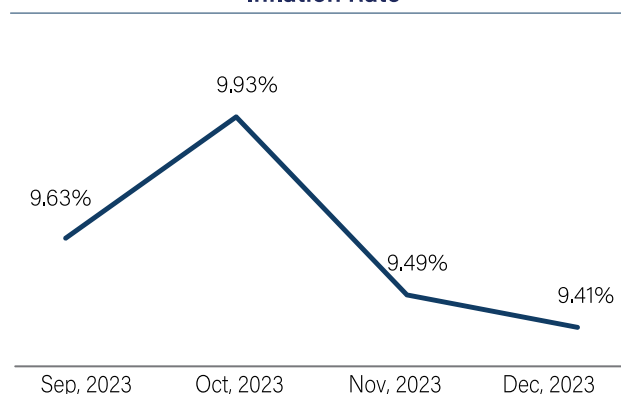
Inflation

The overall price level in Bangladesh has experienced a gloomy scenario in the calendar year 2022. The prices of almost all commodities have risen due to supply disruptions caused by COVID-19, the war in Ukraine & Gaza and the global energy crisis. Higher inflation has become a common phenomenon worldwide, fueled by pent-up demand from stimulus and pandemic disruptions, as well as global factors such as higher food and energy prices and soaring shipping costs. The dearth in dollar supply has made the greenback costlier, and import costs keep mounting, ultimately raising inflationary pressure that burns a hole in commoners'

pockets. The point to point inflation rate stood at 9.41 percent in December, 2023 from 8.71 percent in December, 2022 because of restrained pressure from demand side, moderate agricultural production along with coordinated fiscal and monetary policies. However, the targeted ceiling of average inflation rate was 6.5 percent for FY22 which was not met because of upward inflationary pressure of food components. In this backdrop, the government has adopted several necessary steps to increase food stock from domestic and international sources. Accordingly, the government has set the target of average inflation rate for 2024 at 6.5 percent. However, excess liquidity stemming from the stimulus packages may engender inflationary bubbles in the upcoming months where strong vigilance will be required.

| | Sep 2023 | Oct 2023 | Nov 2023 | Dec 2023 |
|----------------|----------|----------|----------|----------|
| Inflation Rate | 9.63% | 9.93% | 9.49% | 9.41% |

Inflation Rate

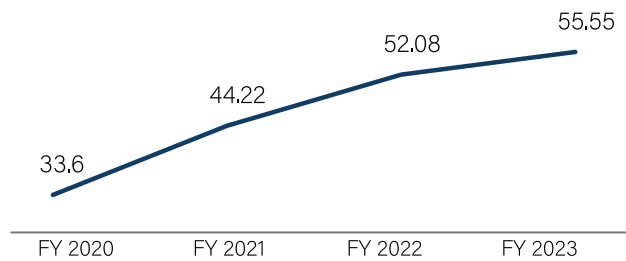


Export

According to Export Promotion Bureau (EPB) Bangladesh earned \$55.55 billion in export earnings in fiscal year 2022-23, seeing a narrow growth of 6.67% year-on-year growth on the backs of the apparel sector. The country's export earnings crossed the milestone of \$50 billion for the second consecutive fiscal year. It previously earned \$52.08 billion from export earnings in FY22. However, Bangladesh earned 4.28% less than the export target, which was set at \$58 billion, due to the lukewarm demand, ongoing economic turmoil, geopolitical crisis, and inflationary pressures in the destinations. Apart from the readymade garments (RMG) sector, alarmingly most of the notable export sectors like leather, jute, home textiles, agricultural products, and engineering products saw negative growth in FY23. In FY23, the RMG sector, the highest earner of export receipts, earned \$46.99 billion, registering a moderate y-o-y growth of 10.27%, which was \$42.61 billion in the last fiscal. Among apparel products, knitwear registered a growth of 10.87% to \$25.73 billion, while woven garments saw a growth of 9.56% to \$21.25 billion, the EPB data also stated.

| | 2020 | 2021 | 2022 | 2023 |
|-------------------------|-------|-------|-------|-------|
| Export (in Billion USD) | 33.60 | 44.22 | 52.08 | 55.55 |

Export (in Billion USD)

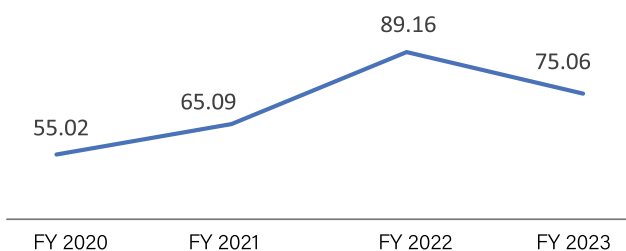


Import

The economy of Bangladesh largely depends on imports. According to Bangladesh Bank's most recent data analysis, the cost of imports in FY23 was \$75.06 billion. During the fiscal year 2022-23, Bangladesh's import costs fell by about 16%. In the preceding fiscal year (FY22), import expenses increased by 36%. It triggered a severe dollar crisis, which resonated throughout the economy and drove inflation to more than 9%. In FY22, the import cost was \$89.16 billion. Earlier, the import cost in FY21 was \$65.59 billion. Sarwar Hossain, spokesperson of Bangladesh Bank said that there is no shortage of products in the country despite the decrease in imports. There is no scope to launder money abroad through this channel as all the Opening letters of credit (LCs) are now being verified thoroughly. Sarwar Hossain, spokesperson of Bangladesh Bank said that there is no shortage of products in the country despite the decrease in imports. There is no scope to launder money abroad through this channel as all the Opening letters of credit (LCs) are now being verified thoroughly.

| | 2020 | 2021 | 2022 | 2023 |
|-------------------------|-------|-------|-------|-------|
| Export (in Billion USD) | 55.02 | 65.09 | 89.16 | 75.06 |

Import (in Billion USD)



Balance of Payment

A deficit trend has been continued in the current account balance during the last five years. During July-November 2023, financial account deficit stood at USD 5.40 billion,

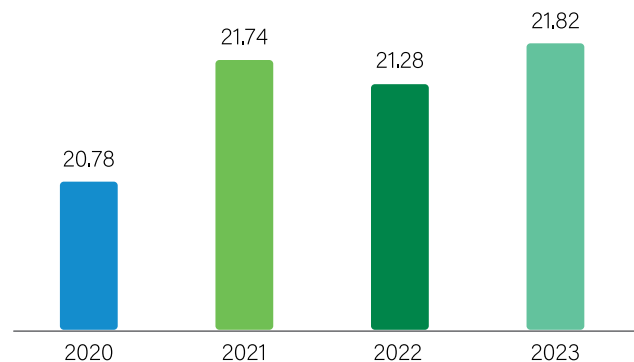
compared to a surplus of USD 1.26 billion in the same period in 2022, which put pressure on the balance of payments (BoP) despite having a current account surplus. This deficit mainly arose due to slowdown in private foreign borrowings amid global interest rate hikes, economic uncertainties, and delayed repatriation of certain export earnings. The overall Balance of Payment deficit stood at USD 4.90 billion during July-November 2023 from USD 6 billion in July-November 2022.

Remittance

Remittance, an important indicator of the economy has gone through turbulent situation in the last 4 fiscal years because of COVID-19, war in Ukraine and Gaza and the cost of living for expatriates increased due to global inflation. Bangladeshi migrant workers sent home \$21.82 billion as remittance in the just concluded 2023 calendar year, an increase of only 2.54% year on year mainly due to the gap of US dollar rate between formal and informal channels. The remittance earning was \$21.28 billion in 2022 and it was \$21.74 billion in 2021, according to Bangladesh Bank data. Bangladeshi expatriates sent \$1.90 billion in the last month of 2023. The December figure was 1.55% lower from the previous month when the remittance inflow was \$1.93 billion, the central bank data added.

| | 2020 | 2021 | 2022 | 2023 |
|--|-------|-------|-------|-------|
| Remittance Inflow (US Dollar in Billion) | 20.78 | 21.74 | 21.28 | 21.82 |

Remittance Inflow (US Dollar in Billion)



Foreign Exchange Reserve

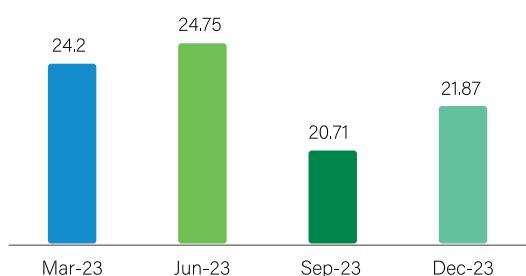
The Foreign Exchange Reserves are an additional important factor in stabilizing the foreign exchange market. Foreign exchange reserves are the foreign assets that Bangladesh Bank own or control. It is a crucial indicator of an economy's capacity to absorb external disruption. The country's FX reserve is being pressurized because of increased trade deficit with a surge in import payment, fluctuations in global commodity prices, widened financial account deficit, economic uncertainties in global market. At



the end of 2023, FX reserve stood at USD 2713 billion which amounted to USD 21.87 billion as per BPM6 that excludes other foreign currency assets like Export Development Fund (EDF). Remittance flows could have potentially been a lifeline for Bangladesh amidst declining foreign exchange reserves and the resulting challenges.

| | Mar 2023 | June 2023 | Sep 2023 | Dec 2023 |
|---|----------|-----------|----------|----------|
| FX Reserve (US Dollar in Billion) As Per BPM6 | 24.20 | 24.75 | 20.71 | 21.87 |

FX Reserve (US Dollar in Billion) As Per BPM6



Foreign Direct Investment

Geopolitical turmoil increases uncertainty, which hurts investment and economic growth. Conflicts and wars create global supply chain bottlenecks, potentially leading to inflationary pressure. According to Bangladesh Bank Foreign direct investment (FDI) contracted by over 7% to USD 3.2 billion in FY23 from USD 3.44 in FY22. The FDI was USD 2.50 billion in FY21 and USD 2.37 billion in FY20 due to covid pandemic.

Exchange Rate

The Bangladesh Taka (BDT) has been declining significantly against the U.S. Dollar over the last 2 years due mostly to an increase in demand for the greenback to settle import-payment obligations. By the end of December 2023, exchange rate was BDT 110.00 per USD, compared to BDT 107.00 at the end of December 2022 while it was 85.80 per USD at the end of 2021. Bangladesh observes overall approx. 29% depreciation of BDT against US Dollar in 2023 compare to that of the 2021. (Source: BB)

Interest Rate Movement

The difference between lending and deposit interest rates as a measure of banks' intermediation effectiveness

has also shrunk significantly. The monthly trends of the weighted average lending and deposit interest rates of all banks indicate that the increase of the deposit rate was more pronounced than that of the loan rate. According to available statistics, the weighted average loan rate increased from 8.05 percent to 9.34 percent between December 2022 and December 2023. While the weighted average deposit increased from 4.60 percent to 5.36 percent between December 2022 and December 2023.

| | 2020 | 2021 | 2022 | 2023 |
|--|-------|-------|-------|-------|
| Weighted average interest rate on advantages | 7.90% | 7.86% | 8.05% | 9.34% |
| Weighted average interest rate on deposits | 5.24% | 4.63% | 4.60% | 5.36% |

Banking Sector Outlook

Bangladesh's banking sector faces a number of major challenges including rising nonperforming loans, credit concentrations, and the rise of family oligarchy and from lack of corporate culture. Banks will face several challenges in recovering stimulus loans next year, especially from the small and medium segment. Default loans are already on the rise, signaling a non-recovery of loans, and survival will be difficult for banks if bad loans continue to rise. Bangladesh Bank (BB) has been continuing with contractionary monetary policy to shrink inflation. However, private sector credit growth decelerated due to tighter liquidity conditions, reduced demand for trade finance, and rising economic and political uncertainty. Public sector credit growth surged due to the government's heightened borrowing from the banking sector, partially the result of a shift away from National Savings Certificates (NSCs). Liquidity in the banking system remained under pressure due to dollar sale by BB and low deposit growth, driven by negative real interest rates and weak depositor confidence. In December 2023, domestic credit growth was 11.89% compared to 14.98% in December 2022 against deposit growth of 11.04% (y-o-y) in December 2023. Advance to Deposit Ratio (ADR) was 80.38% at the end of December 2023, well below the maximum allowable limit by BB. NPL ratio stood at 9% in December 2023 compared to 8.16% at the end of 2022.

A General Performance Review of The Premier Bank PLC.

The Premier Bank PLC. incorporated on 10 June 1999 to carry out all kinds of banking business. The Bank commenced its operations on 26 October 1999 with the prime motto of "Service First". The Bank offers a wide range of depository products, Loans & Advances, Card products and a variety of services to cater virtually for every customer segment. The Product basket is rich in content featuring different types of Savings and Current Accounts, Term and Continuous Loans, Personal Loans, Debit/Credit Cards, Internet Banking, Treasury & Syndication Services etc. The Bank has current network of 136 Branches which includes 19 AD Branches & 117 Non-AD Branches including 12 SME/Agri. Branches. The Bank has also 67 sub-branches and 127 ATM booths including 6 Premier Fast Track at different locations of the country and a fully-owned subsidiary company named "Premier Bank Securities Limited" (PBSL) with 5 Branches at Dhaka and Chittagong cities. The Bank continued to strive towards building strong relationship with the customers and provide them fast and quality services as well as the best financial solution according to their actual needs. In its long journey, it has been trusted custodians of their money and a true financier of their wants.

Core Banking Activities

The range of banking activities comprises of deposits mobilization, extending credit facilities to corporate and retail businesses, small and medium enterprises, foreign trade business, trade financing, project financing, syndicate financing, commercial paper, lease and hire purchase financing, issuance of local and international credit card, remittance service, Off-shore Banking and so forth. The Bank has both conventional and Islamic Banking in its mode of operations. The services are provided through both traditional and modern IT system.

Products and Services

Premier Bank tries to position itself on a different platform away from its competitors through customizing its products and services. In the advent of growing customers' demand, sophisticated pricing of products is not the single weapon for higher market share.

Review of Financial Performance 2023

The overall performance of our Bank during the year 2023 has ensured value-creation for all stakeholders, including shareholders and customers despite the negative effects of Russia-Ukraine war. In the year 2023, the Bank witnessed

significant growth in the field of deposits mobilization, loans distributions, import & export, remittances and other areas. Round the year we have focused our attention on understanding customer expectations and responding through appropriate products and services as well as developing strong relationship with different customer segment.

Operating Income

The Bank generated Operating Income of BDT 17,664.26 million in 2023 recording a decline of 3.52% over 2022 in the core banking business. The net Interest Income of the Bank stood at BDT 4,150.39 million for the year 2023. Besides, Income streams from fees, commissions and other operating Income stood at BDT 9,980.32 million. Operating income per employee declined from BDT 7.14 million in 2022 to BDT 6.49 million in 2023.

Operating Expenses

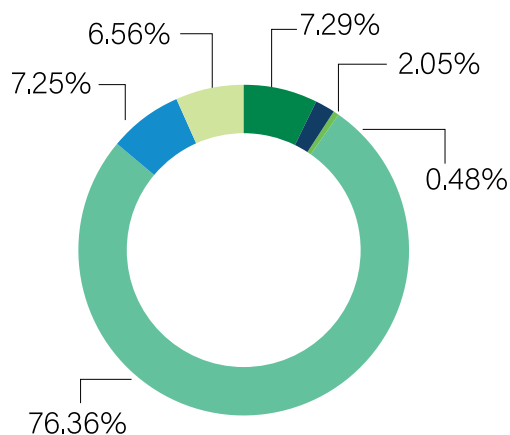
Operating Expenses stood at BDT 8,518.43 million. Operating cost per employee decreased from BDT 3.29 million in 2022 to BDT 3.13 million in 2023 despite salary, performance related rewards and increase of human resources. Other Operating were associated with system up-gradation, promotional & advertisement activities and Branch-network expansion to improve operational efficiency and enhance customer service.

Assets

Total Assets of the Bank stood at BDT 414,401.58 million in 2023 against BDT 384,771.82 million in 2022 which was attributed mainly to a growth of BDT 24,824.63 million in the Loans and Advances portfolio. In 2023, Loans and Advances as a percentage of Total Assets was 69.83% as compared to 68.75% at the end of year 2022.

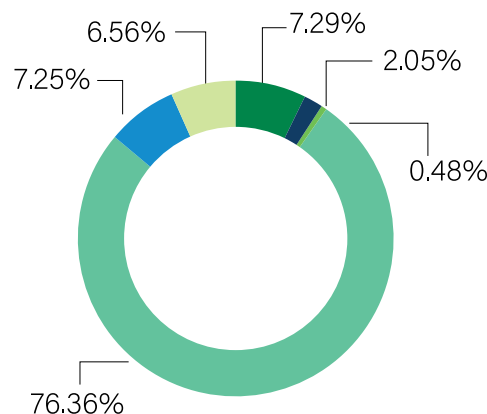


Total Assets



- Cash
- Balance with other banks and financial institutions
- Investments
- Loans, advances and lease/ investments
- Fixed assets including premises, furniture and fixtures
- Other assets

Total Liabilities



- Borrowings from other banks, financial institutions and agents
- Non-convertible Subordinated bonds
- Premier Bank Perpetual Bond
- Deposits and other accounts
- Other liabilities
- Total Equity

Liabilities

Total liabilities and shareholder's equity of the Bank increased to BDT 414,401.58 million in 2023 from BDT 384,771.82 million in 2022 registering a growth of 7.70%. This was mainly due to increase of deposits and making of provision for taxation, loans, advances etc. Borrowings including subordinated bond of banks stood at BDT 38,773.90 million in 2023 against 2022 levels of BDT 39,606.99 million. The ratio of credit to deposit ratio stood at 80.87 compared to 76.86% at the end of preceding year.

Capital adequacy

Capital adequacy indicates the financial strength and sustainability of the bank. The Bank actively manages its capital to meet regulatory requirement, current and future business needs and the risks in its businesses. The Bank ended the year 2023 with Common Equity Tier-I and Total Tier-I capital of BDT 24,990.03 million and 26,990.03, Tier-II capital of BDT 12,951.61 million; total Capital of the Bank stood at BDT 39,941.64 million. The Bank's capital to risk weighted asset ratio is 13.58%, well above the BASEL-III requirement of 12.50% (including capital conversion buffer). Total capital to risk weighted asset ratio (CRAR) of the Bank are as follows:

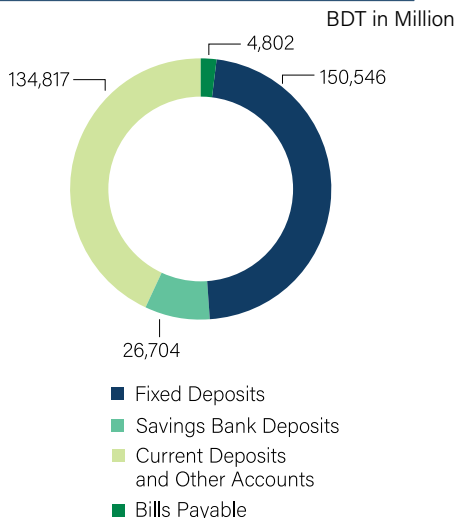
| Type | 2023 | 2022 |
|---|------------|------------|
| Tier-1 Capital | 26,990.03 | 25,337.70 |
| Tier-2 Capital | 12,951.61 | 14,503.15 |
| Total Capital | 39,941.64 | 39,040.06 |
| Total Risk Weighted Assets (RWA) | 294,144.79 | 280,867.91 |
| Capital to Risk Weighted Asset Ratio (CRAR) | 13.58% | 14.18% |

Deposits

Deposit builds up the strong foundation of operating assets of the Bank. It is recognized as the blood of financial institution and gives strength to run the business activities. In pursuit of deposit mobilization, the Bank continued to succeed during the year 2023 with deposit balance of BDT 316,870.64 million from BDT 296,439.86 million in 2022 registering a growth of 6.8%. Our collective efforts in ensuring superior customer services through numerous delivery channels across the country could make it possible. Countrywide Branch Network and SME/Agri. Service Centers with a focus on rural customers have given the lower income segment an access to Online Banking System and opportunity for prompt receipt of remittances. We have wide range of our liability products which include fixed deposit, multiple savings schemes, current and savings deposit, special notice deposit etc. Comparative Deposit Blend of the Bank.

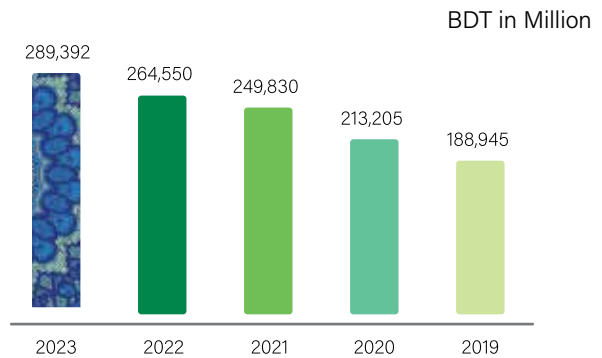
| Type | 2023 | 2022 |
|-------------------------------------|----------------|----------------|
| Fixed Deposits | 150,546 | 137,960 |
| Savings Bank Deposits | 26,704 | 26,576 |
| Current Deposits and Other Accounts | 134,817 | 124,612 |
| Bills Payable | 4,802 | 7,289 |
| Total | 316,870 | 296,439 |

Total Deposit



Credit Portfolio

Total Loans & Advances



The Bank maintains a well-diversified loan portfolio by extending project finance, export finance, SME loans, commercial credit, continuous loans, agricultural credit, house building loan to the deserving clients and staff loan. A wide range of business, industry, service and trade sectors constitute the Bank's advance portfolio.

The credit portfolio of the Bank is composed of Corporate, SME and Retail Products under both conventional and Shariah based terms. Credit activities of the Bank are administered by the Credit Committee at Head Office with delegation of responsibilities grouped into assessment of risks, lending decisions and monitoring functions.

At the end of 2023, credit portfolio of the Bank increased by BDT 24,842.63 million to reach the total of BDT 289,392.27 million against BDT 264,549.64 million in 2022. The growth recorded was 9.39% over the preceding year. Our loan recovery efforts were successful and total non-performing loans accounted for 4.99% of total loans in 2023. Bank's Credit to Deposit ratio was 80.87% percent in 2023.

On behalf of the Board of Directors,

Dr. H. B. M. Iqbal
Chairman

