

## Information Memorandum

Rupali Bank 2<sup>nd</sup> Tier-II Subordinated Bond

**Private Placement of 1,200 Unsecured, Non-convertible, and Fully Redeemable Floating Rate**

**Subordinated Bonds of BDT 10,000,000 (ten million) each at par, totaling BDT 12,000,000,000 (twelve billion)**

**Coupon Rate/Yield to Maturity:** Average of most recent 6-month fixed deposit rates for Private Commercial Banks (excluding Islamic & Foreign Banks)

**Coupon Margin:** 2.00% p.a.

**Issuer:**

**Rupali Bank Limited**



34 Dilkusha C/A,  
Dhaka-1000, Bangladesh

**Trustee to the Issuer:**

**BRAC EPL Investments Limited**



**Type of Security: Unsecured**

**Face Value: 10,000,000**

**Issue Price: 10,000,000**

**Total Issue Amount: BDT 12,000,000,000**

**Mode of Placement: Private**

**Credit Rating of the Issuer: A-**

**Validity Date: September 20, 2024**

**Credit Rating of the Bond: BBB+**

**Validity Date: May 16, 2024**

**Arranger(s):**

**City Bank Capital Resources Limited**



**Date of Issuance of Information Memorandum: December 26, 2023**

**Syed Rashed Hussain**  
Chief Executive Officer  
BRAC EPL Investments Limited

**Md. Harunur Rashid**  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka

**মোহাম্মদ শাহেদুর রহমান**  
সহকারী ব্যবস্থাপক ও  
কোঅর্ডিনেটিং সচিব  
রূপালী ব্যাংক লিমিটেড  
প্রধান কার্যালয়, ঢাকা।

**Mohammad Jahangir**  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.

"If you have any queries about this document, please contact the issuer or originator, issue manager and the trustee."



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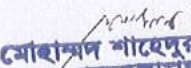
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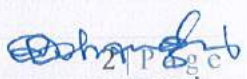
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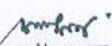
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
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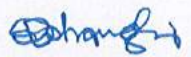
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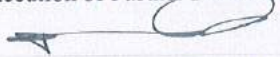
  
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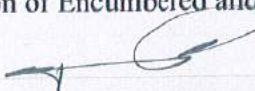
  
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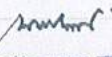
  
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
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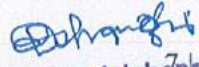


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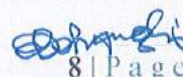
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## Abbreviations

ALCO	Asset Liability Management Committee
ATM	Automated Teller Machine
BDT	Bangladeshi Taka
BRMC	Board Risk Management Committee
BSEC	Bangladesh Securities and Exchange Commission
CAGR	Compound Annual Growth Rate
CASA	Current Account Savings Account
CRAR	Capital to Risk-weighted Asset Ratio
CRM	Credit Risk Management
CRR	Cash Reserve Requirement
ECRL	Emerging Credit Ratings Limited
FBP	Foreign Bill Purchase
FDBP	Foreign Documentary Bills for Purchase
FDR	Fixed Deposit Receipts
IBP	Inland Bill Purchase
IC	Investment Committee
LATR	Loan Against Trust Receipt
MAT	Management Action Triggers
MCR	Minimum Capital Requirement
NCRBD	National Credit Ratings Limited
NFCD	Non-Resident Foreign Currency Deposit
NII	Net Interest Income
NIM	Net Interest Margin
NPA	Non-performing Assets
NPL	Non-performing Loan
OBU	Off-shore Banking Unit
OD	Over Draft
PCB	Private Commercial Bank
POS	Point of Sale
RBL	Rupali Bank Limited
RFCDD	Resident Foreign Current Deposit
RMU	Risk Management Unit
RWA	Risk Weighted Assets
SLR	Statutory Liquidity Ratio
SME	Small and Medium-sized Enterprises
SOD	Secured Over Draft
VAR	Value at Risk



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মহাকাব্যস্থাপক ও  
কোম্পানির সচিব  
রূপালী ব্যাংক লিমিটেড  
প্রধান কার্যালয়, ঢাকা।



**Mohammad Jahangir**  
Managing Director & CEO  
**Rupali Bank PLC.**  
Head Office, Dhaka.



## Report to the Eligible Investor

By investing in the bonds, you are hereby deemed to have acknowledged, represented and warranted to, and agree (as the case may be) for the benefit of the Arranger, as set out below:

**High risk:** You are fully aware that investment in bonds involves a high degree of risk.

**Consultation with advisers:** You have (i) consulted with your own legal, regulatory, tax, business, investment, financial, and accounting advisers in connection herewith to the extent you have deemed necessary, (ii) collected and reviewed all information that you or your advisers believe is necessary or appropriate in connection with the purchase of the Bonds, and (iii) made your own investment decisions based upon your own judgment, due diligence and advice from such advisers as you have deemed necessary and not upon any view expressed by or on behalf of the Arranger.

**No reliance:** You acknowledge and agree that you may not rely on any investigation that the Arranger or any of its affiliates or any person acting on their behalf may have conducted with respect to the Issuer or any of their affiliates, and neither the Arranger nor its affiliates, employees, officers, directors, legal advisers or representatives have made any representation to you, express or implied, with respect to your investment in the Bonds.

**Informed decision:** You are in possession of all the information that you believe is necessary or appropriate in order to make an informed decision regarding your purchase of the Bonds, including without limitation, adequate information concerning the Issuer's business, financial condition, results of operations and prospects.

**Knowledge and experience:** You have such knowledge and experience in financial, business and international investment matters that you are capable of evaluating the merits and risks of purchasing the Bonds and are aware that you may be required to bear, and are able to bear, all risks including economic risk of an investment in the Bonds.

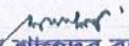
**Information of the Company:** You acknowledge that the information provided to you with regard to the Issuer and the Bonds in this Information Memorandum has been supplied to you by the Arranger only on behalf of the Issuer and that neither the Arranger nor any of its affiliates, employees, officers, directors, legal advisers or representatives has verified such information or makes any representation or warranty as to its accuracy or completeness.

**Review of Information Memorandum:** You have reviewed this Information Memorandum in its entirety, including the risks associated with investment in the Bonds, and you understand and acknowledge all of the risks described herein. By investing in the Bonds, you have determined that:

- i. the Bonds are a suitable investment for you and your investment in the Bonds does not and will not, when consummated, violate any investment or other guidelines,

  
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BRAC EPL Investments Limited

  
Md. Harunur Rashid  
General Manager  
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policies or restrictions (corporate or otherwise), or any law, rule, regulation or order applicable to you; and

- ii. you have obtained all approvals and consents (whether internal or external) and have made all notifications necessary for you to invest in the Bonds as contemplated; and you can bear the economic risk of the investment and are able to sustain a complete loss in connection with your investment.

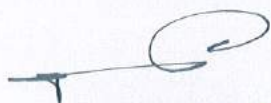
**Own account:** You are purchasing the Bonds for your own account and not with a view to any distribution thereof.

**No representation or warranty:** The Arranger has not made, and you have not relied upon any representation, warranty or condition (express and/or implied), and the Arranger shall not owe any duty whatsoever to you in connection with the Bonds.

**No obligation to purchase:** The Arranger shall have no obligation to purchase or acquire all or any part of the Bonds purchased by you or to support losses, if any, directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Bonds, including the non-performance by the issuance, whether to you or otherwise.



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## Section 2: Risk Factors and Management Perception about Risk

Rupali Bank Limited has a robust risk management framework that enables a consistent approach to the identification, management, and oversight of internal and external risks.

Identifying key risk formations, leveraging trusted risk management framework, all divisions, and units, identify the risks that could affect their strategy and operations in order to implement effective risk mitigation plans. These risks are then aggregated into a consolidated view and presented to senior management who add their own input on strategic, functional, and emerging risks. Thereafter, we comprehensively frame which emerging risks warrant being added to our risk watch list and monitored for their impact on the organization.

### 2.1 Interest Rate Risk

Interest rate risk is the possibility of a fluctuation in interest rates that could adversely affect the value of the bonds. Since bonds are interest-bearing assets, interest rates are primary drivers of a bond's price. Interest rate risk may arise either from trading portfolio or from non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills and bonds of different maturities. Interest rate risk arises from mismatches between the future yield of an asset and their funding cost. The bank may face such unfavorable conditions due to rise in borrowing rates and/or fall in lending rates. The bank's financing in different sectors is mostly structured at fixed rates for specified terms. Volatility in the money market can also raise the cost of funding of the issuer and thus hamper its profitability. Any change in the government's monetary policy also might cause unfavorable movement in interest rates. The risks derived from interest rate fluctuation thus may have a significant impact on the Issuer's business, profitability, and financial condition.

#### *Management's Perception:*

Interest rate risk in the trading book can be general and specific risk based on its effect. To minimize general interest rate risk, RBL emphasizes investment in government treasury bonds and quality financial instruments which are less volatile in nature. To manage this risk in the banking book, the bank considers the impact of interest rate changes on both assets and liabilities, and its particular features including- among other things- terms, and timing.

Changes in interest rates affect both the current earnings (earning perspective) as well as the net worth of the bank (economic value perspective). RBL periodically computes the interest rate risk on the banking book that arises due to re-pricing mismatches in interest rate sensitive assets and liabilities. For computation of interest rate mismatches, the guidelines of Bangladesh bank are generally followed. Details relating to re-pricing mismatches and interest rate risk thereon are placed to the ALCO regularly.

### 2.2 Foreign Exchange Risks with Risk Mitigation Policy

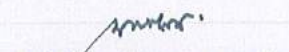
Foreign Exchange risk is the risk of a decline in cash flows and asset values of a bank due to change in exchange rate. It is described as a potential change in earnings due to changes in market prices. The foreign exchange risk of the bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements.



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### ***Management's Perception:***

The responsibility of Foreign Exchange Risk Management of RBL is on the Foreign Trade Finance & International Division. Foreign exchange risk management committee of RBL works as per foreign exchange risk management guideline. This committee is concerned regarding foreign exchange risk, import, export etc.

In compliance with Bangladesh Bank guidelines, RBL has prepared a Foreign Exchange Risk Management Manual. The Treasury Front Office, Back Office and Mid Office have been established and are functioning through an independent organizational chain in accordance with the terms and conditions of the manual. The dealers of the bank are responsible for risk management of its overall balance sheet and managing the capital. It is a highly responsible function where the best possible decisions are expected to be made in split- second to determine the extent of risk in this area.

### **2.3 Non-Repayment Risks**

Non-repayment risk is defined as the potential risk that the borrower or counterparty will fail to meet its obligations in accordance with agreed terms. Although banks set high standards in repaying all its obligations to the depositors and lenders, it is possible that they may fail to repay its obligations arising from the bonds to be issued in extreme cases. In the event of default, investors might suffer from financial loss.

### ***Management's Perception***

RBL operates under close supervision of Bangladesh Bank. Moreover, it is highly unlikely that such a reputed organization will risk its reputation by setting an instance of default. Furthermore, in case of any event of default or non-repayment, the Trustee would give notice period to the Issuer in protecting the Event of Default and take further steps to ensure the interest of the investors.

### **2.4 Prepayment, Call or Refunding Risks**

Prepayment, call or refunding risks are the risks associated with the early repayment of the principal amount of a bond. Such risks exist in a bond that has prepayment or call option.

### ***Management's Perception:***

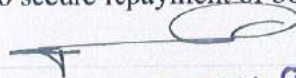
The bond will be redeemed according to the redemption schedule outlined in this memorandum subject to the approval of Bangladesh Bank and Bangladesh Securities and Exchange Commission. The Issuer shall pay an early redemption penalty of 2% (two per cent) higher than the coupon rate which will be applicable from end of the second year starting from the drawdown date. In case of early redemption, the coupon rate will be paid along with all coupons (accrued and unpaid) to be calculated with the last coupon rate along with the redeemed amount.

### **2.5 Security Risks**

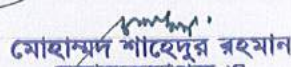
Securities are defined as certain revenue sources or assets pledged by an issuer to the bondholder in order to secure repayment of bonds. Security risk arises when the charge of



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such assets the bonds are repaid against need to be utilized by investors in case the issuer is unable to repay the face value of the bonds.

#### ***Management's Perception:***

The Rupali Bank 2<sup>nd</sup> Subordinated Bond is an unsecured bond. Rupali Bank Limited's revenue sources or assets are not being pledged against the issuance of the bonds. Investors will have the right on the cash flow for repayment, but the rank of a subordinated bond holder is below other loans (or securities) with regard to claims on assets or earnings.

### **2.6 Liquidity Risks**

Liquidity risk is a financial risk that for a certain period of time a given financial asset, security or commodity cannot be traded quickly enough in the market without impacting the market price. RBL's businesses are subject to liquidity risks and could affect the bank's ability to meet its financial obligations. For the Bank to continue to meet its funding obligations and to maintain or grow its business, it relies on customer savings/deposits as well as ongoing access to wholesale lending markets. The ability of the bank to access funding sources on favorable economic terms is dependent on a variety of factors, including those outside of its control, such as general market conditions and overall confidence in the banking system.

#### ***Management's Perception:***

RBL is blessed with a prudent Board of Directors that has always been giving utmost importance to minimize the liquidity risk of the bank. The prime responsibility of the liquidity risk management of the bank rests with Treasury Division under the supervision of ALCO Committee, which maintains liquidity based on current liquidity position, anticipated future requirement, sources of fund, options for reducing funding needs, present and anticipated asset quality, present and future earning capacity, present and planned capital position, etc. According to liquidity contingency plan RBL has incorporated all strategic decisions to tackle any kind of liquidity crisis. The Asset Liability Committee (ALCO), which meets at least once a month, is responsible for managing and controlling liquidity of the bank. The Treasury front office closely monitors and controls liquidity requirements on a daily basis through appropriate coordination of funding activities. They are primarily responsible for liquidity management in the bank.

### **2.7 Management Risks**

Management risk refers to the chance that company managers may put their own interests ahead of the interest of the company, shareholders, and other stakeholders. The term signifies the risk of the situation that may occur if the company or any of its stakeholders would have been better off without the choices made by management. In such an event, there is a risk that bondholders may suffer from financial loss.

#### ***Management's Perception:***

The management of RBL comprises of a group of highly professional individuals with considerable experience in some of the country's most flourishing financial industries. Moreover, management of the bank is actively supervised by a board of directors to ensure

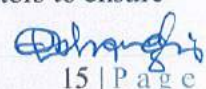


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that the interests of all the stakeholders are served. RBL's compliance under such a highly regulated banking industry should also act as a safeguard against such a risk.

## 2.8 Operational Risks

Operational risk is the potential for incurring losses in relation to employees, contractual specifications and documentation, technology, infrastructure failure and disasters, external influences, and customer relationships. This definition includes legal and regulatory risk but excludes business and reputation risk.

### *Management's Perception:*

The bank uses the basic indicator approach (BIA) to calculate its operational risk. Under BIA, the capital charge for operational risk is a fixed percentage denoted by a (alpha) of average positive annual gross income of the bank over the past three years. To reduce operational risks, RBL emphasizes on human resource development and proper distribution of resources to ensure placement of the right person in the right role. RBL has provided diverse training opportunities to employees through different training institutions including Rupali Bank Training Academy. Information on external events occurring in the banking industry is systematically utilized to ensure that similar incidents will not happen to RBL. The Audit and Inspection Division makes a year wise risk-based audit plan to carry out comprehensive audits and inspections of the banking operations in approved procedures. To manage operational risk in the best way, intensive compliance and follow up is very important.

## 2.9 Business Risks

Business risk refers to the possibility that the bank will have lower than anticipated profits, or that it will experience a loss rather than a profit. Business risk of the issuer could occur by numerous factors including interest spread, non-interest income, operating expenses, money & capital market volatility, competition, government regulations and economic climate. Like all other companies, RBL is also exposed to certain business risk factors.

### *Management's Perception:*

The bank has maintained Capital to Risk Weighted Assets Ratio (CRAR) on the solo & consolidated at 5.56 percent & 5.64 percent against the minimum regulatory requirement of 10 percent. Tier-I capital to Risk Weighted Assets ratio for solo & consolidated are 3.57 percent & 3.65 percent against the minimum regulatory requirement of 6 percent. RBL determines its risk weighted assets (RWA) by multiplying the exposure amount of assets with their respective risk weight given in Basel III guidelines by Bangladesh Bank. RWA for market & operational risks are calculated by multiplying the capital charge for these risks by the reciprocal of minimum capital adequacy ratio (10%).

## 2.10 Industry Risks

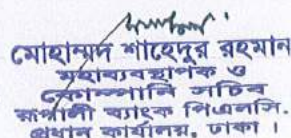
Industry risk refers to factors that can positively or negatively impact a specific industry and, by association, the companies involved in it. Risk factors of the banking industry in general can affect RBL's business growth, profitability, and volatility.



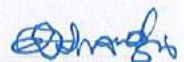
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### ***Management's Perception:***

Being one of the oldest private commercial banks operating in Bangladesh, RBL has already secured a commendable position in the banking industry of Bangladesh. The Bank has always been careful in offering its products and services at competitive terms and conditions which, in turn, optimizes its industry risk exposure. However, like any other bank currently operating in Bangladesh, industry risk remains prevalent.

### **2.11 Market and Technology-Related Risks**

Market risk is defined as the risk of losses in on and off-balance sheet positions arising from movements in market prices i.e. interest rate and equities in the trading book; commodity price and foreign exchange position (both in the banking and trading book).

### ***Management's Perception:***

RBL makes investment decisions based on historical data of market movements of all comparable financial instruments to avoid general market risk. For managing specific risk RBL emphasizes on investment in Government treasury bonds and quality financial instruments, which are less volatile in nature. Treasury Front Office, Back Office & Mid Office have been established and functioning through an independent organizational chain in line with the manual. The Board of Directors approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to obtain maximum returns (without taking undue risks) by reducing the negative effect of the risk.

### **2.12 Risks Related to Potential or Existing Government Regulations**

The issuer operates its business under the guidelines set by Bangladesh Bank, Bangladesh Securities and Exchange Commission, and other regulatory authorities. The bank is also regulated by the Bank Companies Act 1991 revised up to 2013, Companies Act 1994, Income Tax Ordinance 1984, Income Tax Rules 1984, and Value Added Tax (VAT) Act 1991. Moreover, Bangladesh Bank changes policy rates including a Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) of banking institutions from time to time. Any abrupt changes in the policies and regulations made by the authorities may adversely affect the business of the company.

### ***Management's Perception:***

Unless any policy change that may negatively and significantly affect the industry as a whole, the bank's business is expected not to be affected materially. Like all scheduled banks in Bangladesh, RBL has been funding their assets from their deposits after maintaining required SLR including CRR. Additionally, the regulatory bodies in Bangladesh are least likely to take any steps that might prove detrimental to the country's banking industry.

### **2.13 Risks Related to Potential Changes in Global or National Policies**

The ability of a financial institution to operate a profitable business is directly related to the monetary and fiscal policies of the country at any given time. Imposition of restrictive



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monetary and/or fiscal policy by the government at any time may affect a company's profitability. Again, changes in existing global or national policies can have either a positive or negative impact on the bank.

***Management's Perception:***

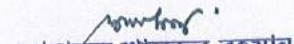
The management of the bank is always concerned about the prevailing and upcoming future changes in global or national policy and shall respond appropriately and timely to safeguard its interest. However, it is possible that RBL may suffer from major adverse changes in global and/or national policies in the future, should the situation dictate accordingly.



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কম্পিউটারি সফটওয়্যার  
অফিসার  
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### Section 3: Detailed Description and Information

<b>Part I</b>	
<b>1. Particulars of issuer:</b>	
Name	Rupali Bank Limited
Legal status	State-Owned Commercial Bank (SCB)
Contact Information	<b>Rupali Bank Limited</b> 34 Dilkusha C/A Dhaka- 1000, Bangladesh Phone: 02-9555094 Fax: +88-02-9564148, +88-02-9552671 Website: <a href="http://www.rupalibank.com.bd">www.rupalibank.com.bd</a> Email: <a href="mailto:info@rupalibank.org">info@rupalibank.org</a>
Date of incorporation or registration	December 14, 1986
Date of commencement	December 14, 1986
Authorized capital	BDT 7,000,000,000
Paid-up capital	BDT 4,646,972,050 (as of September 30, 2023)
Total equity capital	BDT 17,163,322,476
Total Liabilities	BDT 741,576,095,099
Total financial obligations	BDT 741,576,095,099
Total assets	BDT 758,739,417,575
Total tangible asset	BDT 14,556,994,031
Net worth	BDT 17,163,322,476
<b>2. Particulars of issue manager: N/A</b>	
<b>3. Particulars of the issue:</b>	
Name of the issue	Rupali Bank 2 <sup>nd</sup> Subordinated Bond
Type of instruments to be issued	Unsecured, Non-convertible, and Fully Redeemable Floating Rate Subordinated Bond
Purpose of the issue	To raise Tier-II Regulatory Capital and thereby enhancing its Capital to Risk-Weighted Asset Ratio (CRAR) as per "Guidelines on Risk Based Capital Adequacy" from Bangladesh Bank
Number of securities	1,200 (One Thousand and Two Hundred)
Total size of the issue to be offered	BDT 12,000,000,000 (Twelve Billion)
Face value	BDT 10,000,000 (Ten Million)
Issue price of securities mentioning discount or premium	BDT 10,000,000 at face value
Coupon rate	Reference Rate + Coupon Margin
Reference Rate	Average of most recent months fixed deposit rates (6 months) of Private Commercial Banks (excluding Islamic & Foreign Banks). The issuers 6 months tenure deposit rate to be considered at the time of calculating the average. The published deposit rate to be taken from "Announced Interest Rate Chart of the Scheduled Banks (Deposit Rate)" published by the Bangladesh Bank website. This will be fixed semi-annually. The Reference Rate will be fixed by the

  
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	trustee semi-annually on the immediately preceding business day of the issuance and afterwards semi-annually throughout the tenure of the bond. For avoidance of doubt, the Reference Rate shall be calculated by the trustee and notified to the issuer and all investors on every Quotation Day																	
Quotation Day	Five (05) days before the first day of any period for which the coupon is to be paid																	
Coupon Margin	2%																	
Tenure	7 years, i.e. 84 months from the issue date																	
Details conversion/ exchange option features	N/A																	
Mode of redemption	<table><tr><th>Month</th><th>Redemption</th></tr><tr><td>12</td><td>-</td></tr><tr><td>24</td><td>-</td></tr><tr><td>36</td><td>20% of Issue Size</td></tr><tr><td>48</td><td>20% of Issue Size</td></tr><tr><td>60</td><td>20% of Issue Size</td></tr><tr><td>72</td><td>20% of Issue Size</td></tr><tr><td>84</td><td>20% of Issue Size</td></tr></table>		Month	Redemption	12	-	24	-	36	20% of Issue Size	48	20% of Issue Size	60	20% of Issue Size	72	20% of Issue Size	84	20% of Issue Size
Month	Redemption																	
12	-																	
24	-																	
36	20% of Issue Size																	
48	20% of Issue Size																	
60	20% of Issue Size																	
72	20% of Issue Size																	
84	20% of Issue Size																	
Mode of option (call/ put)	N/A																	
Rate of return	Floating																	
Applicable tax rate	According to the laws of Bangladesh																	
Default protection mechanism	N/A																	
Type of collateral securities being offered	Unsecured																	
Status of securities holders in case of priority of payment	The subordinated bond will be referred to the debt instruments which will be subordinated to deposits and other liabilities of the bank. It implies that the claims of the subordinated debt holders will be junior to the claims of the depositors and the creditors.																	
Period within which securities to be issued	2023-2024																	
Nature of tradability or listing in the stock exchange(s)	The bond will not be listed on the exchanges																	
4. Particulars of the trustee:																		
Name of the trustee	BRAC EPL Investments Limited																	
Paid-up capital of the trustee	BDT 2,585,000,000 (as of December 2022)																	
Net worth of the trustee	BDT 1,302,350,935 (as of December 2022)																	
Name of the Issues where acting as Trustee	None																	
5. Particulars of the credit rating company:																		
a) Name of the credit rating company	Emerging Credit Rating Limited (ECRL) and National Credit Ratings Limited (NCRBD)																	
b) Credit rating status of the issuer	<table><tr><td>Long-term</td><td>A-</td></tr><tr><td>Outlook</td><td>Stable</td></tr></table>		Long-term	A-	Outlook	Stable												
Long-term	A-																	
Outlook	Stable																	
Credit rating status of the																		

**Syed Rashed Hussain**  
Chief Executive Officer  
BRAC EPL Investments Limited

**Md. Harunur Rashid**  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

**মোহাম্মদ মোহেদুজ্জামান**  
মহান্যায়ালক ও  
সেবাগুলি সচিব  
রূপালী ব্যাংক লিমিটেড  
প্রধান কার্যালয়, ঢাকা।

**Mohammad Jahangir**  
20 Page  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



issue	<table><tr><td>Long-term</td><td>BBB+</td></tr><tr><td>Outlook</td><td>Stable</td></tr></table>	Long-term	BBB+	Outlook	Stable																				
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Outlook	Stable																								
c) Date and validity of rating along with surveillance rating for the issuer and for the issue	<table><tr><td colspan="2">Issuer Rating (done by ECRL)</td></tr><tr><td>Credit Rating</td><td></td></tr><tr><td>Long Term</td><td>A-</td></tr><tr><td>Short Term</td><td>ST-3</td></tr><tr><td>Publishing Date</td><td>September 21, 2023</td></tr><tr><td>Validity Date</td><td>September 20, 2024</td></tr><tr><td colspan="2">Bond Rating (Done by NCRBD)</td></tr><tr><td>Credit Rating</td><td></td></tr><tr><td>Long-Term</td><td>BBB+</td></tr><tr><td>Outlook</td><td>Stable</td></tr><tr><td>Publishing Date</td><td>May 17, 2023</td></tr><tr><td>Validity Date</td><td>May 16, 2024</td></tr></table>	Issuer Rating (done by ECRL)		Credit Rating		Long Term	A-	Short Term	ST-3	Publishing Date	September 21, 2023	Validity Date	September 20, 2024	Bond Rating (Done by NCRBD)		Credit Rating		Long-Term	BBB+	Outlook	Stable	Publishing Date	May 17, 2023	Validity Date	May 16, 2024
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Outlook	Stable																								
Publishing Date	May 17, 2023																								
Validity Date	May 16, 2024																								
d) Latest default rate of the credit rating company	0.1%																								
g) Average time to default of the rated category	57 months																								
h) Rating Trigger, if any	<table><tr><td colspan="2">If the credit rating of the Issue falls below the minimum investment grade i.e. “BBB” in the long term or “ST-3” in the short term, then the Issuer shall pay an additional fee on top of the stipulated Coupon Rate as a Risk Premium as mentioned in the below table:</td></tr><tr><td>Issue Rating</td><td>Risk Premium to be Added</td></tr><tr><td>BB</td><td>0.5%</td></tr><tr><td>B</td><td>1.0%</td></tr><tr><td>C</td><td>1.5%</td></tr><tr><td>D</td><td>2.0%.</td></tr></table>	If the credit rating of the Issue falls below the minimum investment grade i.e. “BBB” in the long term or “ST-3” in the short term, then the Issuer shall pay an additional fee on top of the stipulated Coupon Rate as a Risk Premium as mentioned in the below table:		Issue Rating	Risk Premium to be Added	BB	0.5%	B	1.0%	C	1.5%	D	2.0%.												
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Issue Rating	Risk Premium to be Added																								
BB	0.5%																								
B	1.0%																								
C	1.5%																								
D	2.0%.																								
6. Particulars of originators, if any:																									
Originator	N/A																								
7. Particulars of other contractual parties:																									
Underwriter(s)	N/A																								
Legal Counsel	Lex Juris																								
Arranger	<table><tr><td>City Bank Capital Resources Limited</td></tr><tr><td>Contact:</td></tr><tr><td>Ershad Hossain</td></tr><tr><td>Managing Director &amp; CEO</td></tr><tr><td>Shanta Wester Tower, Level 14</td></tr><tr><td>Bir Uttam Mir Shawkat Road</td></tr><tr><td>186 Tejgaon I/A, Dhaka, 1208, Bangladesh</td></tr><tr><td>Phone: +88-02 9565911, +88-02 9575880</td></tr><tr><td>Email: ershad.hossain@cbrl.com</td></tr></table>	City Bank Capital Resources Limited	Contact:	Ershad Hossain	Managing Director & CEO	Shanta Wester Tower, Level 14	Bir Uttam Mir Shawkat Road	186 Tejgaon I/A, Dhaka, 1208, Bangladesh	Phone: +88-02 9565911, +88-02 9575880	Email: ershad.hossain@cbrl.com															
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21 Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



## Section 4: Utilization of Proceeds

### Purpose of Issuance

Bank Management will ensure effective monitoring of utilization of the issue proceeds under the fund management policy. Management will also ensure that the risk exposure taken shall not be below investment grade, stock, or exposures.

The primary objective of Rupali Bank issuing subordinated bonds is to raise its Tier-II Regulatory Capital and enhance its Capital to Risk-Weighted Asset Ratio (CRAR) in order to meet the minimum requirement of total capital against risk-weighted assets as per the "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III)", regulated by Bangladesh Bank.

### Plan of Utilization of Proceeds

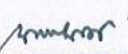
The aforesaid issuance will qualify as a part of the bank's Tier-II capital and will help maintain healthy capital adequacy ratios in the next few years. Besides that, the fund will also be used for undertaking general business activities of the bank, which include strengthening the loan portfolio and investing in treasury securities.



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কোম্পানি সচিব  
রূপালী ব্যাংক লিমিটেড  
প্রধান কার্যালয়, ঢাকা।



## Section 5: Detailed Features of Rupali Bank 2<sup>nd</sup> Subordinated Bond

Rupali Bank's 2<sup>nd</sup> Subordinated Bond is a debt instrument which is coupon-bearing, non-convertible, fully redeemable, and unsecured in nature. The major features of the Rupali Bank 2<sup>nd</sup> Subordinated Bond are presented below.

### 5.1 Basic Features of the Instrument

Finalization of all terms & conditions of this instrument (stipulated in the table below) are subject to approval from concerned regulatory authorities and may need to change as per regulatory instruction.

<b>Name of the Instrument:</b>	Rupali Bank 2 <sup>nd</sup> Subordinated Bond
<b>Issue Type:</b>	Unsecured, Non-convertible, and Fully Redeemable Floating Rate Subordinated Bonds
<b>Issuer:</b>	Rupali Bank Limited
<b>Purpose and Objectives:</b>	To raise Tier-II Regulatory Capital and thereby enhancing its Capital to Risk-Weighted Asset Ratio (CRAR) as per "Guidelines on Risk Based Capital Adequacy" from Bangladesh Bank
<b>Arranger:</b>	City Bank Capital Resources Limited (CBCRL)
<b>Trustee:</b>	BRAC EPL Investments Limited
<b>Legal Counsel:</b>	Lex Juris
<b>Credit Rating Agency:</b>	National Credit Ratings Limited (NCRBD)
<b>Issue Size:</b>	BDT 12,000,000,000 (Twelve Billion Taka)
<b>No. of Bonds to be issued:</b>	1,200 (One Thousand and Two Hundred)
<b>Face Value:</b>	BDT 10,000,000 (Ten Million Taka) per bond
<b>Minimum Subscription:</b>	BDT 10,000,000 (Ten Million Taka)
<b>Tenure:</b>	7 years
<b>Investors:</b>	Institutional investors, high net-worth individuals, and all other investors as eligible under relevant regulations
<b>Mode of Placement:</b>	Private placement on a best effort basis/ as per BSEC consent
<b>Rate of Return:</b>	Floating
<b>Coupon Rate:</b>	Reference Rate + Coupon Margin
<b>Reference Rate:</b>	Average of most recent months fixed deposit rates (6 months) of Private Commercial Banks (excluding Islamic & Foreign Banks). The issuers 6 months tenure deposit rate to be considered at the time of calculating the average. The published deposit rate to be taken from "Announced Interest Rate Chart of the Scheduled Banks (Deposit Rate)" published by Bangladesh Bank in its website. This will be fixed semi-annually. The Reference Rate will be fixed by the trustee semi-annually on the immediately preceding business day of the issuance and afterwards semi-annually throughout the tenor of the bond. For avoidance of doubt, the Reference Rate shall be calculated by the trustee and notified to the issuer and all investors on every Quotation Day

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Chief Executive Officer  
BRAC EPL Investments Limited

Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
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ব্যবস্থাপনা পরিচালক  
রূপালী ব্যাংক লিমিটেড  
প্রধান কার্যালয়, ঢাকা।

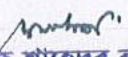
Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



<b>Quotation Day</b>	5 business days before the first day of any period for which a coupon rate is to be determined																						
<b>Coupon Margin:</b>	2% p.a.																						
<b>Coupon Payment:</b>	Semi-annually beginning at the end of 6 months from Drawdown Date/ Issue Date/ Coupon alignment date, as determined by tranches and listing procedures of the bond																						
<b>Repayment Schedule:</b>	<table border="1"> <thead> <tr> <th>Month</th><th>Redemption</th></tr> </thead> <tbody> <tr><td>12</td><td>-</td></tr> <tr><td>24</td><td>-</td></tr> <tr><td>36</td><td>20% of Issue Size</td></tr> <tr><td>48</td><td>20% of Issue Size</td></tr> <tr><td>60</td><td>20% of Issue Size</td></tr> <tr><td>72</td><td>20% of Issue Size</td></tr> <tr><td>84</td><td>20% of Issue Size</td></tr> </tbody> </table>	Month	Redemption	12	-	24	-	36	20% of Issue Size	48	20% of Issue Size	60	20% of Issue Size	72	20% of Issue Size	84	20% of Issue Size						
Month	Redemption																						
12	-																						
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72	20% of Issue Size																						
84	20% of Issue Size																						
<b>Prepayment, Call Refunding, Conversion Features:</b>	The bonds are non-convertible into ordinary shares, non-callable, and has no prepayment option																						
<b>Tax Features:</b>	According to the laws of Bangladesh																						
<b>Costs Related to the Issue</b>	BDT 18,932,750 (approx.)																						
<b>Late Redemption:</b>	The Issuer shall pay a late payment penalty of 2% (two per cent) higher than the Coupon Rate and be payable on the amount not paid on the due date till the date of actual payment.																						
<b>Early Redemption</b>	The Issuer shall pay an early redemption penalty of 2% (two per cent) higher than the Coupon rate which will be applicable from end of the second year starting from the Drawdown Date/ Issue Date/ Coupon alignment date, as determined by tranches and listing procedures of the bond. In case of early redemption, coupon rate will be paid along with all coupons (accrued and unpaid) to be calculated at last coupon rate along with the redeemed amount.																						
<b>Credit Rating:</b>	<p><b>Issuer Rating (done by ECRL)</b></p> <table border="1"> <thead> <tr> <th>Credit Rating</th><th>Current</th></tr> </thead> <tbody> <tr><td>Long-term</td><td>A-</td></tr> <tr><td>Short-term</td><td>ST-3</td></tr> <tr><td>Outlook</td><td>Stable</td></tr> <tr><td>Publishing Date</td><td>September 21, 2023</td></tr> <tr><td>Validity Date</td><td>September 20, 2024</td></tr> </tbody> </table> <p><b>Bond Rating (done by NCRBD)</b></p> <table border="1"> <thead> <tr> <th>Credit Rating</th><th>Current</th></tr> </thead> <tbody> <tr><td>Long-term</td><td>BBB+</td></tr> <tr><td>Outlook</td><td>Stable</td></tr> <tr><td>Publishing Date</td><td>May 17, 2023</td></tr> <tr><td>Validity Date</td><td>May 16, 2024</td></tr> </tbody> </table>	Credit Rating	Current	Long-term	A-	Short-term	ST-3	Outlook	Stable	Publishing Date	September 21, 2023	Validity Date	September 20, 2024	Credit Rating	Current	Long-term	BBB+	Outlook	Stable	Publishing Date	May 17, 2023	Validity Date	May 16, 2024
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Long-term	BBB+																						
Outlook	Stable																						
Publishing Date	May 17, 2023																						
Validity Date	May 16, 2024																						
<b>Description of Collateral Security to be created against the issue:</b>	Unsecured																						
<b>Listing:</b>	As per regulatory requirement/ as per BSEC consent																						

  
**Ebad Rashed Hussain**  
 Executive Officer  
 EPL Investments Limited

  
**Md. Harunur Rashid**  
 General Manager  
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 Head Office, Dhaka.

  
 মোহাম্মদ হারুনুর রশিদ  
 প্রধান কার্যালয়ক ও  
 প্রধান কার্যালয় সচিব  
 রূপালী ব্যাংক লিমিটেড  
 প্রধান কার্যালয়, ঢাকা।

  
**Mohammad Jahangir**  
 Managing Director & CEO  
 Rupali Bank PLC.  
 Head Office, Dhaka.



<b>Transferability/Liquidity:</b>	Freely transferable in accordance with the provisions of the Deed of Trust.
<b>Governing Law:</b>	The Bonds are governed by and shall be construed in accordance with the existing laws of Bangladesh. Any dispute arising thereof shall be subject to the arbitration under Arbitration Act 2001.

Table 2: Basic Features of the Instrument

## 5.2 Repayment Schedule

Repayment schedule considering 8.08% coupon rate calculated based on deposit rate of May 2023 published on Bangladesh Bank Website:

Year	End of Month	Beginning Balance	Coupon Payment	Principal Payment Rate	Principal Payment	Installment	Ending Balance
1	6	12,000,000,000	484,800,000	0%	-	484,800,000	12,000,000,000
	12	12,000,000,000	484,800,000	0%	-	484,800,000	12,000,000,000
2	18	12,000,000,000	484,800,000	0%	-	484,800,000	12,000,000,000
	24	12,000,000,000	484,800,000	0%	-	484,800,000	12,000,000,000
3	30	12,000,000,000	484,800,000	0%	-	484,800,000	12,000,000,000
	36	12,000,000,000	484,800,000	20%	2,400,000,000	2,884,800,000	9,600,000,000
4	42	9,600,000,000	387,840,000	0%	-	387,840,000	9,600,000,000
	48	9,600,000,000	387,840,000	20%	2,400,000,000	2,787,840,000	7,200,000,000
5	54	7,200,000,000	290,880,000	0%	-	290,880,000	7,200,000,000
	60	7,200,000,000	290,880,000	20%	2,400,000,000	2,690,880,000	4,800,000,000
6	66	4,800,000,000	193,920,000	0%	-	193,920,000	4,800,000,000
	72	4,800,000,000	193,920,000	20%	2,400,000,000	2,593,920,000	2,400,000,000
7	78	2,400,000,000	96,960,000	0%	-	96,960,000	2,400,000,000
	84	2,400,000,000	96,960,000	20%	2,400,000,000	2,496,960,000	-
<b>Total</b>			<b>4,848,000,000</b>	<b>100%</b>	<b>12,000,000,000</b>	<b>16,848,000,000</b>	

**Rashed Hussain**  
Deputy Officer  
RPL Investments Limited

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মোহাম্মদ শাহেদুর রহমান  
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Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



## Section 6: Description of Collateral Security and Type of Charges to be Created Against the Issue

As this is an unsecured instrument, there are no underlying securities related to the issue.

## Section 7: Rights and Obligations of the Issuer and/or Originator

### 7.1 Payment Covenants

The Issuer covenants with the Trustee that it will, as and when the Bonds or any of them become due to be redeemed or any principal on the Bonds or any of them becomes due to be repaid in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in Bangladesh Taka in Dhaka in immediately available freely transferable funds the principal amount of the Bonds or any of them becoming due for redemption or repayment on that date and shall (subject to the provisions of the Conditions) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions coupon on the principal amount of the Bonds or any of them outstanding from time to time as set out in the Conditions provided that:

- 7.1.1 if any payment of principal or coupon in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the seventh day after notice has been given to the Bondholders in accordance with the Conditions that the full amount has been received by the Trustee to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and
- 7.1.2 in any case where payment of the whole or any part of the principal amount due in respect of any Bond is improperly withheld or refused coupon shall accrue at applicable coupon rate for the Bond on the whole or such part of such principal amount from the date of such withholding or refusal until the date either on which such principal amount due is paid to the Bondholders or, if earlier, the seventh day after which notice is given to the Bondholders in accordance with the Conditions that the full amount payable in respect of the said principal amount is available for collection by the Bondholders such payment is in fact made.

The Trustee will hold the benefit of this covenant and the covenants in Clause 12.3 (Covenant to comply with Trust Deed, Conditions, Schedules, and applicable law) and Clause 12.4 (Covenants by the Issuer) on trust for the Bondholders.

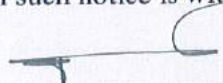
### 7.2 Following the Event of a Default

At any time after any Event of Default shall have occurred, the Trustee may:

by notice in writing to the Issuer, require it to make all subsequent payments in respect of Bonds to or to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, sub-clause 12.1.1 of Clause 12.1 (Covenant to

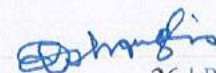


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Managing Director & CEO  
Rupali Bank PLC.  
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*Repay*) and (so far as it concerns payments by the Issuer) Clause **Error! Reference source not found.** (*Payment to Bondholders*) shall cease to have effect.

### 7.3 Covenant to Comply with Trust Deed, Schedules, and Applicable Law

- 7.3.1 The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the Trust Deed, the Conditions (including, without limitation, Condition 5 (*Covenants*)) and the other Schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in the Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by the Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents applicable to them.
- 7.3.2 The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the applicable law including but is not limited to the Rules. The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the applicable law and will be deemed to have notice of all of the provisions of the applicable law applicable to them.
- 7.3.3 The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions and the applicable law as if the same were set out and contained in the Trust Deed which shall be read and construed as one document with the Bonds.

### 7.4 Covenants by the Issuer

The Issuer hereby covenants with the Trustee that so long as any of the Bonds remain outstanding, it will:

#### 7.4.1. *Books of Account*

At all times keep and procure that all its Subsidiaries keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow, subject to confidentiality obligations under applicable law, the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same with responsible officers of the Issuer;

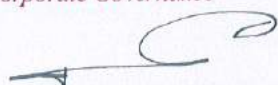
#### 7.4.2. *Event of Default*

Give notice in writing to the Trustee forthwith upon becoming aware of any Event of Default and without waiting for the Trustee to take any further action;

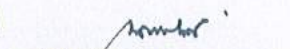
#### 7.4.3. *Corporate Governance*




Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited



Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

  
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প্রধান কার্যালয়, ঢাকা।

  
Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



Comply (and shall ensure that each member of the Group will) in all material respects with the corporate governance guidelines set out by the Bangladesh Bank and the Bangladesh Securities and Exchange Commission.

**7.4.4. Information**

So far as permitted by applicable law, at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and, in such form, as it shall require in relation to Issuer for the performance of its obligations under the Bond Documents;

**7.4.5. Execution of Further Documents**

So far as permitted by applicable law, at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the provisions of the Trust Deed;

**7.4.6. Notices to Bondholders**

Send or procure to be sent to the Trustee not less than 5 (five) business days prior to the date of publication, one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice;

**7.4.7. Notification of Non-Payment**

Notify the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds or any of them, pay unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Bonds;

**7.4.8. Notification of Late Payment**

In the event of the unconditional payment to the Trustee of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith give notice to the Bondholders that such payment has been made;


**7.4.9. Notification of Redemption or Repayment**


14 (Fourteen) days prior to the Redemption Dates or purchase in respect of any Bond, give to the Trustee notice in writing of the amount of such redemption or purchase pursuant to the Conditions and duly proceed to redeem or purchase such Bonds accordingly;

**7.4.10. Authorized Signatories**

Upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustee a list of the Authorised Signatories of the Issuer, together with certified specimen signatures of the same; and

**7.4.11. Payments**

  
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**Md. Harunur Rashid**  
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**Mohammad Jahangir**  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



Pay moneys payable by it to the Trustee hereunder without set off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law will pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.

#### 7.4.12. Risk Premium

In case where the credit rating of the Issue falls below the minimum investment grade i.e. "BBB" in the long term or "ST-3" in the short term, the Issuer shall pay an additional interest on top of the stipulated Coupon Rate as a Risk Premium as mentioned in the table below:

Issue Rating	Risk Premium to be Added
BB	0.5%
B	1.0%
C	1.5%
D	2.0%

Table 3: Risk Premium

#### 7.4.13. Escrow Account

So long as any of the Bonds remain outstanding, maintain an Escrow Account for the purpose of receiving the proceeds raised through the issuance of the Bonds and utilization thereof.

## Section 8: Rights and Obligations of the Trustee

### 8.1 Trustee's Rights

#### 8.1.1. Rights under Applicable Law

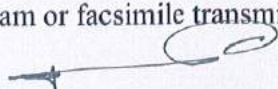
Notwithstanding anything contained in the Trust Deed the Trustee shall have all such rights and powers granted to it under the applicable law including but is not limited to the Rules.

#### 8.1.2. Advice

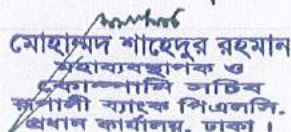
The Trustee may in relation to the Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuator, surveyor, broker, auctioneer, accountant, or other expert (whether obtained by the Trustee, the Issuer, or any Subsidiary) and which advice or opinion may be provided on such terms (including as to limitations on liability) as the Trustee may consider in its sole discretion to be consistent with prevailing market practice with regard to advice or opinions of that nature and shall not be responsible for any Liability occasioned by so acting; any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, telex, cablegram or facsimile transmission.



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BRAC EPL Investments Limited



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Managing Director & CEO  
Rupali Bank PLC.  
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**8.1.3. Resolution or Direction of Bondholders**

The Trustee shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Bondholders;

**8.1.4. Trustee Not Responsible for Investigations**

Save as otherwise provided by applicable law, the Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in the Trust Deed, the Bonds, or any other agreement or document relating to the transactions herein or therein contemplated or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof;

**8.1.5. Entry on the Register**

The Trustee shall not be liable to the Issuer or any Bondholder by reason of having accepted as valid or not having rejected any entry on the Register later found to be forged or not authentic and can assume for all purposes in relation hereto that any entry on the Register is correct;

**8.1.6. Events of Default**

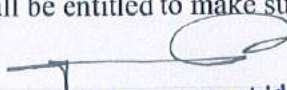
Save as otherwise provided by applicable law, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and under this Trust Deed and no event has happened as a consequence of which any of the Bonds may become repayable;

**8.1.7. Right to Deduct or Withhold**

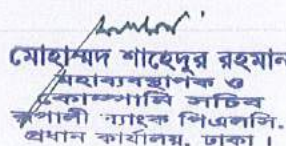
Notwithstanding anything contained in the Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whenever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under the Trust Deed (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising therefrom or any action of the Trustee in connection with the trusts of the Trust Deed (other than the remuneration herein specified) or otherwise, then the Trustee shall be entitled to make such deduction or withholding or, as the case may



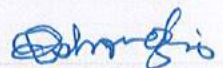
Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited



Md. Harunur Rashid  
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Head Office, Dhaka.



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কোম্পানি সচিব  
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প্রধান কার্যালয়, ঢাকা।



Mohammad Shahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



be, to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax from the funds held by the Trustee upon the trusts of the Trust Deed;

**8.1.8. Liability**

The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to the Trust Deed or the Bonds save in relation to its own gross negligence, willful default or fraud. This Clause 7.1.8 shall survive the termination or expiry of the Trust Deed or the removal or termination of the Trustee;

**8.1.9. Force Majeure**

The Trustee shall not be liable for any failure or delay in the performance of its obligations under the Trust Deed or any other Bond Document because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labor disputes, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by the Trust Deed or any other Bond Document, inability to obtain or the failure of equipment, or interruption of communications or computer facilities, and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above;


**8.1.10. Immunities**

The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under the Trust Deed shall extend to the Trustee's officers, directors and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of the Trust Deed and final payment of the Bonds. The Issuer acknowledges that in any proceedings taken in relation to the Trust Deed, it will not be entitled to claim for itself or any of its assets, immunity from suit, execution, attachment or other legal process;

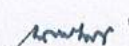
**8.1.11. Professional Charges**

Any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of the Trust Deed and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with the Trust Deed, in each case as agreed pursuant to the Fee Letter (including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person);

**8.1.12. Expenditures by the Trustee**

  
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Md. Harunur Rashid  
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Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



Nothing contained in the Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it;

**8.1.13. Trustee May Enter into Financial Transactions with the Issuer**

No Trustee and no director or officer of any corporation being a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, or from accepting the trusteeship of any other debenture stock, debentures or securities of the Issuer or any Subsidiary or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, and neither the Trustee nor any such director or officer shall be accountable to the Bondholders or the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, for any profit, fees, commissions, coupon, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty to retain the same for its or his own benefit;

**8.1.14. Liability**

The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to the Trust Deed or the Bonds save in relation to its own gross negligence, willful default or fraud; and

**8.1.15. Right to Sue**

The Trustee may sue and may be sued on behalf of the Bondholders.

**8.2 Trustee's Power and Duties**

**8.2.1 Applicable Law**

Notwithstanding anything contained in the Trust Deed the Trustee shall have all such responsibility as set out in the applicable law including but is not limited to the Rules;

**8.2.2 Act for Bondholders**

Subject to applicable law and terms and conditions of the Trust Deed, the Trustee shall act on behalf and for the exclusive interest of the Bondholders;

**8.2.3 Monitoring**


The Trustee shall ensure that Issuer is observing the applicable law for the Bonds and the terms and conditions of the Bond Documents. As soon as the Trustee is aware of any breach by the Issuer it shall immediately inform the Bondholders and the Issuer of such breach;



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BRAC EPL Investments Limited



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General Manager  
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Head Office, Dhaka



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Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



#### 8.2.4 Report to BSEC

The Trustee shall submit an annual compliance report to the BSEC on the activities of the Issuer including repayment of dues to the Bondholders. When Trustee shall submit such report to the BSEC it shall provide copy to the Issuer and the Bondholders;

#### 8.2.5 Grievances of Bondholders

Upon receipt of a complaint from the Bondholders Trustee shall take necessary steps for redress of grievances of the Bondholders within one month of the date of receipt of the complaints and he shall keep the BSEC and the Issuer informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed;

#### 8.2.6 Trustee's Determination

The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of this Trust Deed or contained in the Bonds is capable of remedy and if the Trustee shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer and the Bondholders;

#### 8.2.7 Determination of Questions

The Trustee as between itself and the Bondholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of the Trust Deed and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders;

#### 8.2.8 Trustee's Discretion

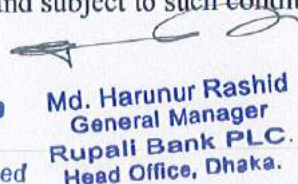
The Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by the Trust Deed or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof (save as otherwise provided by applicable law) but whenever the Trustee is under the provisions of the Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing;

#### 8.2.9 Trustee's Consent

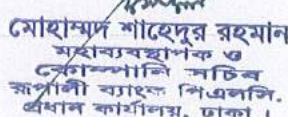
Any consent given by the Trustee for the purposes of the Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require;



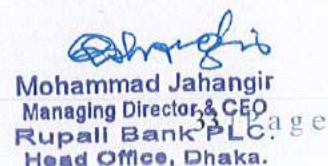
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Chief Executive Officer  
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Md. Harunur Rashid  
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Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



#### 8.2.10 *Application of Proceeds*

The Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds;

#### 8.2.11 *Error of Judgement*

The Trustee shall not be liable for any error of judgment made in good faith applying due diligence and without negligence by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters, save in relation to its own gross negligence, willful default or fraud;

#### 8.2.12 *Agents*

Subject to the provisions of the Trust Act 1882 and the Rules, the Trustee may, in the conduct of the trusts of the Trust Deed instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money) with the consent of Issuer and the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person provided that the Trustee had exercised reasonable care in the appointment of such person;

#### 8.2.13 *Confidential Information*

The Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder confidential information or other information made available to the Trustee by the Issuer in connection with the Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information.

#### 8.2.14 *Determination of Coupon Rate*


The Trustee shall determine Applicable Coupon Rate in accordance with Condition of the Bond;

#### 8.2.15 *Rating Trigger*

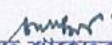
In case a downgrade of credit rating (i.e. below the rating trigger) of the Issue under surveillance rating, the Trustee shall ensure the collection of Risk Premium from the Issuer or originator for the Bondholders/beneficiaries as per declaration in the Trust deed or IM, aimed at securing the lender claims from the borrower's higher risk level.

### 8.3 Exercise of Discretion

8.3.1 Notwithstanding anything in the Trust Deed to the contrary, the Trustee shall not be obliged to exercise or consider exercising any discretion or consider making or make any determination (including, without limitation, any determination as to whether any

  
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Mohammad Jahangir  
Managing Director & CEO  
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fact or circumstance or activity or thing is material or substantial or complies with some such similar quantitative standard) or to consider taking or take any action whatsoever in connection with or under or pursuant to the Bonds unless directed to do so by the holders of not less than 66 2/3 percent in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution of Bondholders (subject in all cases to the Trustee having been indemnified or provided with security to its satisfaction and otherwise being satisfied that it is lawful for it to so exercise discretion, make a determination or otherwise take any action). Such direction shall specify the way in which the Trustee shall exercise such discretion or, as the case may be, make the determination or take the action to be taken by the Trustee.

- 8.3.2 The Trustee will be responsible for any loss, expense, damage, claim, cost, charge or liability which may be suffered as a result of any exercise or non-exercise of a discretion or the making or failure to make any determination or the taking or failure to take any action by the Trustee, acting on the directions of the Bondholders as aforesaid or pending the provision of such a direction.

## Section 9: Rights and Obligations of Other Contractual Parties

### 9.1 Credit Rating Agency


For the purpose of conducting the Bond Rating Service for the Rupali Bank Non-Convertible, Unsecured, Fully-Redeemable 2nd Subordinated Bond having issue size of BDT 12,000,000,000 (BDT Twelve Billion) only (which shall be referred to as "Rated Subject") the Issuer has appointed Emerging Credit Rating Limited the ("Credit Rating Agency" or "CRA") under the terms and covenants as detailed under Credit Rating Agency Agreement by and between the Issuer and the CRA to be conducted as per the Bangladesh Securities and Exchange Commission (Credit Rating Companies) Rules, 2022, issued by the BSEC and the Standard Methodology and Ethical Code of the CRA etc.

Moreover, for providing the requested rating services for the Rated Subject, the Issuer agrees to make payment to the CRA as per the payment schedule mentioned under Credit Rating Agency Agreement up to end of bond maturity for any debt instrument as per requirements of the Bangladesh Securities and Exchange Commission (Credit Rating Companies) Rules, 2022.

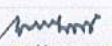
### 9.2 Legal Counsel

Pursuant to the Letter issued under Ref: Ho/Treasury/2023/148 dated April 25, 2023, the Issuer agrees to appoint Lex Juris as the Legal Counsel of the Rupali Bank Non-Convertible, Unsecured, Fully-Redeemable 2<sup>nd</sup> Subordinated Bond in order to provide legal advice and legal assistance or any other legal services deliverables to the Issuer in relation to the issuance as per the following scope:

- 9.3.1 Draft, negotiate and finalize Trust Deed, Subscription Agreements and other ancillary documents in relation to the issuance of Bonds;
- 9.3.2 Review of applications to be made by the Issuer to relevant Regulators;

  
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সহকারী ব্যবস্থাপক ও  
কেন্দ্রীয় সচিব  
রূপালী ব্যাংক পিএলসি.  
প্রধান কার্যালয়, ঢাকা।

  
Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



- 9.3.3 Provide necessary legal opinion on various issues as required upon execution of the Bond Documents;
- 9.3.4 Assist with registering the required agreements, documents and related forms with the respective authorities and entities and
- 9.3.5 Attend meetings, telephone calls, discussions, correspondences, perusals and any other services incidental to the completion of the transaction in various stages for the issuance of Bond.

**9.3 Any Other Contractual Party**

The rights and obligations of any other contractual party should be governed by the respective contract or agreement entered into by the parties therein.

**Section 10: Rights of the Investors/Bondholders**

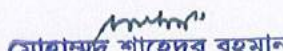
- 10.1 Each Bondholder has the right to demand information from the Issuer as set out in the Trust Deed and the Condition attached in Schedule 1 (Terms and Conditions of the Bonds).
- 10.2 Each Bondholder has the right to receive payment of principal amount of the Bonds on the Redemption Date as set out in the Condition attached in Schedule 1 (Terms and Conditions of the Bonds).
- 10.3 Each Bondholder has the right to receive coupon payments on the Bonds on the Coupon Payment Date as set out in the Condition attached in Schedule 1 (Terms and Conditions of the Bonds).
- 10.4 Each Bondholder has the right to attend meeting of the Bondholders and vote therein in accordance with Condition 12 (Meetings of Bondholders, Modification, Waiver and Substitution).



Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited



Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.



মোহাম্মদ শাহেদুর রহমান  
মুহাব্বতস্বাক্ষরক ও  
কোম্পানি সচিব  
রূপালী ব্যাংক পিএলসি.  
প্রধান কার্যালয়, ঢাকা।



Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



## Section 11: Description of Rupali Bank Limited

Rupali Bank is one of the oldest and most trusted state-owned commercial banks of Bangladesh. It was incorporated on December 14, 1986 under the Companies Act of 1913 after taking over and acquiring as a going concern. With an established presence across the country, the bank provides a full suite of banking products and solutions that meet the requirements of a diverse customer base.

Rupali Bank Limited was constituted with the merger of 3 (three) erstwhile commercial banks i.e. Muslim Commercial Bank Limited, Australasia Bank Limited, and Standard Bank Limited operated in the then Pakistan on March 26, 1972 under the Bangladesh Banks (Nationalization) Order 1972 (President's Order No. 26 of 1972), with all their assets, benefits, rights, powers, authorities, privileges, liabilities, borrowings, and obligations. Rupali Bank worked as a nationalized commercial bank till December 13, 1986. Rupali Bank Limited emerged as the largest public limited banking company in the country on December 14, 1986 and has now become a state-owned commercial bank (SCB) through a vendor's agreement dated November 15, 2007.

Rupali Bank currently operates through 586 branches with a total number of 7,052 employees. It is linked to its foreign correspondents all over the world.

### VISION

To expand our loyal customer base by being known as the financial partner of choice that constantly exceeds customer expectations.

### MISSION

- To develop a long-term relationship that helps out customers to achieve financial success
- To offer rewarding career opportunities and cultivate staff commitments
- To uphold ethical values and meet its customers' financial needs in the fastest and most appropriate way and continue innovative works in order to achieve human resource with superior qualities, technological infrastructure, and service packages

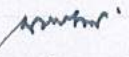
### VALUES

- Social Responsibility
- Performance
- Integrity
- Respect
- Innovation
- Teamwork

### STRATEGIC OBJECTIVES

  
Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

  
Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

  
মোহাম্মদ শাহিদুল কবির  
মহান্যায়নায়ক ও  
কেন্দ্রীয় পরিচালক  
রূপালী ব্যাংক লিমিটেড  
প্রধান কার্যালয়, ঢাকা।

  
Mohammad Zahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



- To develop a customer-oriented service culture with special emphasis on customer care and convenience
- To increase market share by following a disciplined growth strategy
- To achieve a significant share of deposits and credit from existing and niche markets
- Leverage our technology platform and structure scalable systems to achieve cost-effective operations, efficient MIS, improved delivery capability, and high service standards
- Develop innovative products and services that attract our targeted customers and market segments
- Maintain a high-quality asset portfolio to achieve strong and sustainable returns and continuously build shareholder value
- Explore new avenues for growth and profitability, particularly by diversifying loan portfolio through structured finance and expansion of retail and SME financing
- Strengthen the bank's brand recognition

## ETHICAL PRINCIPLES

- Customer focus and fairness
- Belief in people
- Honesty and integrity
- Quality
- Teamwork
- Good corporate governance
- Corporate social responsibility

## SUBSIDIARIES

### 1. Rupali Investment Limited

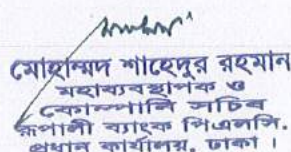
Rupali investment Limited (RIL) is a wholly owned subsidiary of Rupali Bank limited. RIL obtained its license from the Bangladesh Securities and Exchange Commission (BSEC) to act as a full-fledged Merchant Bank and to carry out all Merchant Banking operations under the BSEC (Merchant Banker and Portfolio Manager) regulations, 1996. RIL started its journey on August 9, 2010. The Company has a separate Board of Directors consisting of 11 (Eleven) members. Other than Chief Executive Officer (CEO), all the Directors are non-executive and independent, 6 (six) of whom are nominated by RBL and the other six nominated from the private sector by the holding company, Rupali Bank limited.



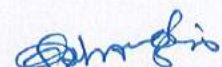
Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited



Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.



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সহকার্য ব্যবস্থাপক ও  
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রূপালী ব্যাংক পিএলসি.  
প্রধান কার্যালয়, ঢাকা।



Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



**Date of incorporation:** October 27, 2010  
**Functions Started:** February 29, 2012  
**Authorized Capital:** BDT 5,000,000,000  
**Paid up Capital:** BDT 1,000,000,000  
**Ownership Interest in Capital:** 100%

## 2. Rupali Bank Securities Limited

Rupali Bank Securities Limited (RBSL) is a fully owned subsidiary of Rupali Bank Limited (RBL). Incorporated as a Public Limited Company on August 29, 2013 vide registrar of Joint Stock Companies and Firms, Dhaka certificate of incorporation No. C-110969/13 under Companies Act 1994. RBSL obtained license from the Bangladesh Securities and Exchange Commission (BSEC) and Central Depository Bangladesh Limited (CDBL) to act as a Stock Broker and Stock Dealer as well as a Full-Service Depository Participant to CDBL. The company has a separate Board of Directors consisting of 9 (Nine) members.

**Date of incorporation:** August 29, 2013  
**DSE Dealer + Broker License:** September 4, 2014  
**Authorized Capital:** BDT 5,000,000,000  
**Paid up Capital:** BDT 1,030,000,000  
**Ownership Interest in Capital:** 100%

### 11.1 Capital Structure

Rupali Bank Limited is a state-owned commercial bank and its capital structure comprises of shareholders' equity, deposits, and other liabilities.

Liabilities	30-Sep-23		31-Dec-22	
	BDT	% of Total Assets	BDT	% of Total Assets
Borrowings from other banks, financial institutions, and agents	7,702,497,044	1.02%	15,416,647,652	2.24%
Deposits and Other Accounts	657,224,869,979	86.62%	588,675,793,965	85.56%
Other Liabilities	76,648,728,076	10.10%	67,141,279,364	9.76%
<b>Total Liabilities</b>	<b>741,576,095,099</b>	<b>97.74%</b>	<b>671,233,720,981</b>	<b>97.56%</b>
Paid Up Capital	4,646,972,050	0.61%	4,646,972,050	0.68%
Share Money Deposit	6,799,953,800	0.90%	6,799,953,800	0.99%
Statutory Reserve	4,004,741,799	0.53%	3,816,198,385	0.55%
General Reserve	15,000,000	0.00%	10,000,000	0.00%
Assets Revaluation Reserve	593,760,060	0.08%	593,760,060	0.09%
Revaluation Reserve for Securities	324,405,270	0.04%	368,661,113	0.05%
Retained Earnings	778,489,497	0.10%	540,801,607	0.08%
<b>Total Shareholders' Equity</b>	<b>17,163,322,476</b>	<b>2.26%</b>	<b>16,776,347,015</b>	<b>2.44%</b>
<b>Total Liabilities and Equity</b>	<b>758,739,417,575</b>	<b>100.00%</b>	<b>688,010,067,996</b>	<b>100.00%</b>

Syed Rashed Hussain  
Chief Executive Officer  
EPL Investments Limited

Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

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মহাব্যবস্থাপক ও  
নেতৃত্বাধীন প্রতিষ্ঠান  
রূপালী ব্যাংক পিএলসি.  
প্রধান কার্যালয়, ঢাকা।

Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



Table 4: Capital Structure

As of Sep 30, 2023, Capital to Risk Weighted Asset Ratio (CRAR) of the bank is calculated as follows:

Particulars	September 2023
	BDT
Tier 1 (Core Capital)	15,667,846,288
Tier 2 (Supplementary Capital)	78,386,917,237
Total Eligible Capital	24,054,763,525
Total Risk-Weighted Assets (RWA)	454,199,051,000
Capital to Risk-Weighted Asset Ratio (CRAR)	5.33%
Minimum Capital Requirement (MCR)	45,103,902,700
Capital Excess/(Shortfall)	(21,049,139,175)

Table 5: Description of Issuer's Total Capital

Rupali Bank's total paid-up capital stood at BDT 4,646,972,050 at the end of September 30, 2023. This was divided into 414,168,632 shares among 5,734 shareholders. A majority of its shares are held by the government (373,527,150 shares), bringing its shareholding to 90.19%. The rest of its shares are held by the general public and other institutions (40,641,482 shares) bringing its shareholding to 9.81%. RBL's shareholding structure is illustrated below.

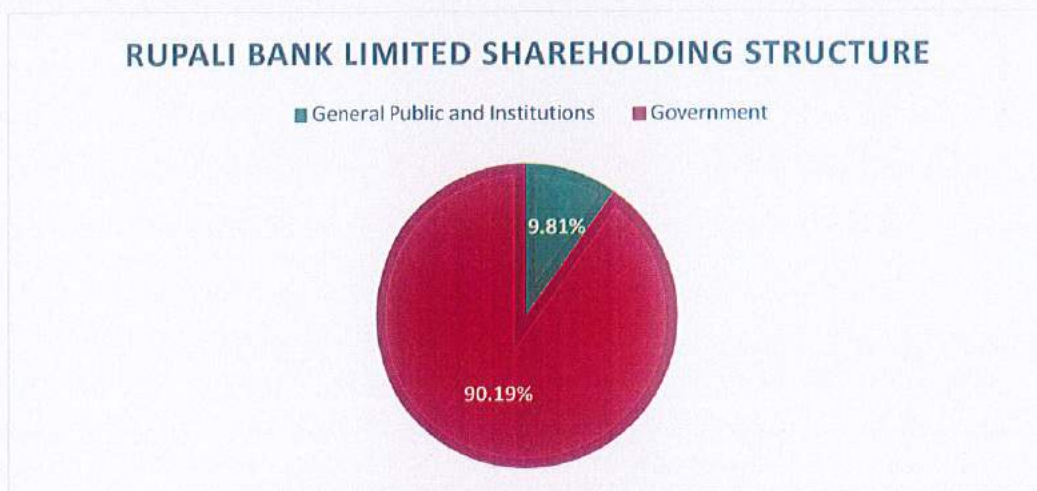

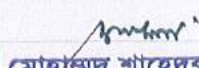


Figure 1: Shareholding Structure of the Issuer

  
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 Chief Executive Officer  
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**Md. Harunur Rashid**  
 General Manager  
 Rupali Bank PLC  
 Head Office, Dhaka

  
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 কোম্পানি সচিব  
 রূপালী ব্যাংক লিমিটেড  
 প্রধান কার্যালয়, ঢাকা।

  
**Mohammad Ahangir**  
 Managing Director & CEO  
 Rupali Bank PLC  
 Head Office, Dhaka



## 11.2 Business

The principal business activities of Rupali Bank Limited are to provide a value-driven range of financial services including commercial and consumer banking, retail, securities and custody services, treasury functions, cash management, and trade services to its customers using a multi-stakeholder framework.

- Commercial Banking
- Consumer Banking
- Custody Services
- Retail
- Treasury Functions
- Cash Management
- Trade Services
- Mobile Banking
- Investment Banking
- Issue Management
- Underwriting
- Portfolio Management
- Account Management
- Securities Services
  - Brokerage
  - Telephone Trading Facility
  - Online Trading Facility

## 11.3 Management

Rupali Bank's top management consists of the following officials:

	Name	Designation
1	Mohammad Jahangir	Managing Director and CEO
2	Tahmina Akhter	Deputy Managing Director
3	Kazi Abdur Rahman	Deputy Managing Director
4	Hasan Tanvir	Deputy Managing Director
5	Yasmin Begum	General Manager
6	Md. Harunur Rashid	General Manager
7	Md. Fayaz Alam	General Manager
8	Md. Iqbal Hossain Kha	General Manager
9	Mohammed Shahedur Rahman	General Manager
10	Sikder Faruk A Azam	General Manager
11	Mohammad Shajahan Chowdhury	General Manager
12	Md. Ismail Hossain Sheikh	General Manager
13	Mohammad Safayet Hossain	General Manager
14	Kamal Bhattacharjee	General Manager
15	Md. Moin Uddin (Masud)	General Manager
16	Tajuddin Ahmed	General Manager
17	Mohammad Ameer Hossain	General Manager
18	Abdullah Al Mahmud	General Manager
19	Md. Noman Mia	General Manager
20	Salamun Nessa	General Manager
21	Tanvir Hasnain Moin	General Manager
22	Abu Naser Mohammed Masud	General Manager
23	Kokonuzzaman	General Manager
24	Md. Abul Hasan	General Manager
25	S.M. Didarul Islam	General Manager

Table 6: Management of RBL

Syed Rashed Hussain  
Chief Executive Officer  
AC EPL Investments Limited

Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

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Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



#### 11.4 Description of Encumbered and Unencumbered Assets with Value Thereof

There are no encumbered or unencumbered assets of Rupali Bank Limited.

#### 11.5 Profile of Directors of the Issuer

RBL's board of directors is a group of highly reputable professionals with extensive experience in banking and other related industries. The board of directors consists of the following individuals:

	Name	Designation
1	Kazi Sanaul Hoq	Director & Chairman
2	Mohammad Delwar Hossain	Director
3	Md. Shafiqul Islam Laskar	Director
4	Md. Ashraf Hossain, Bir Muktijoddha	Director
5	Rukhsana Hasin, NDC	Director
6	Md. Ahsan Kibria Siddiqui	Director
7	Shoaeb Ahmed	Director
8	Md. Fardous Alom	Director
9	Md. Ali Akkas	Independent Director
10	Md. Rafiqul Alam	Independent Director
11	Mohammad Jahangir	Managing Director & CEO

Table 7: Rupali Bank's Board of Directors

#### Kazi Sanaul Hoq Director and Chairman



Mr. Kazi Sanaul Hoq joined as Director & Chairman to the Board of Directors of Rupali Bank Limited on June 13, 2021. Prior to joining Rupali Bank, he was the MD of Karmasangsthan Bank, Investment Corporation of Bangladesh (ICB) and Rajshahi Krishi Unnoyan Bank. He was also the MD of Dhaka Stock Exchange Limited from February 9, 2020 to January 7, 2021. Mr. Hoq is renowned in the banking industry of Bangladesh. He began his career as a senior officer in the Investment Corporation of Bangladesh (ICB) in 1984 and served in various positions in the organization. During his service tenure he has also worked for various banks and financial institutions such as Bangladesh Development Bank (BDBL), Rajshahi Krishi Unnoyan Bank, Agrani Bank Ltd., and Karmasangsthan Bank. He served as CEO at ICB Securities Trading Company Limited. He has also served as Chairman of ICB Capital Management Ltd. and Director of British American Tobacco co. Ltd. (BATBC), Linde Bangladesh Ltd., GlaxoSmithKline Bangladesh Ltd., Renata Limited, United Power Generation & Distribution Company Ltd., Bangladesh Krishi Gobeshona Endowment Trust (BKGET), Credit Rating Information and Services Ltd. (CRISL), Standard Bank Ltd., SBL Capital Management Ltd., Standard Bank Securities Ltd., National Tea Company Ltd., Apex Footwear Ltd., Apex Tannery Ltd., Peninsula Hotel Ltd., Ratanpur Steel Re-Rolling Mills Ltd., Aramit Ltd., Aramit Thai Aluminum Ltd., Central Depository Bangladesh Ltd., Industrial and Infrastructure Development Finance Company Ltd., Bangladesh Institute of Capital Market (BICM), among others. Mr. Hoq completed his Bachelor of Commerce (Honors) and Masters in Commerce in Accounting from the University of Dhaka.

#### Mohammad Delwar Hossain Director

Syed Rashed Hussain  
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General Manager  
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ফিন্যান্সিাল অফিসার  
রূপালী ব্যাংক পিএলসি.  
প্রধান কার্যালয়, ঢাকা।

Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.





A successful businessman, Mohammad Delwar Hossain is the Chairman of Transonic Communication Ltd. He joined as a member of the Board of Directors of the bank on July 23, 2019. He is the Chairman of the Risk Management Committee and member of the Executive Committee of the Board of RBL. He served as a Representative Director of Prime Finance & Investment Limited and Prime Bank Limited. He was also a member of the Banking Reforms Committee and General Body member of Federation of Bangladesh Chamber of Commerce and Industries (FBCCI). He has been engaged in the aviation business for more than 33 years. Mr. Hossain completed his post-graduation degree (M.S.S.) from the University of Dhaka.

**Md. Shafiqul Islam Laskar**  
Director



Mr. Md. Shafiqul Islam Laskar was an Additional Secretary to the Government of Bangladesh. He joined as a member of the Board of Directors of the bank on May 3, 2021. He is also a member of the Audit Committee and Risk Management Committee of the bank. During his long administrative career, he served in different capacities in the field level and Bangladesh Secretariat. He served as a Director General of Directorate of National Consumers Right Protection (DNCRP), Chairman of Bangladesh Jute Corporation (BJC), Additional Secretary and Joint Secretary of the Ministry of Health & Family Welfare, Deputy Secretary of the Ministry of Defense, and the Ministry of Finance (Economic Relations Division). Mr. Islam completed his BSC (Honors) M.Sc. in Economics from Jahangirnagar University.

**Md. Ashraf Hossain, Bir Muktiyoddha**  
Director



Mr. Md. Ashraf Hossain, Bir Muktiyoddha was a Senior District Judge to the Government of Bangladesh. He joined as a member of the Board of Directors of the bank on May 2, 2021. He is also a member of the Executive Committee of the bank. He was a member of Bangladesh Judicial Service, appointed in 1983 as Assistant Judge and was also promoted to the higher post of the subordinate Judiciary in 2001 and since then, before his retirement, he served in different capacities like Chairman, 2<sup>nd</sup> Labor Court of Chottogram, District Judge of Rajbari, Chudanga, and Noakhali, Special Judge, 5<sup>th</sup> Court, Dhaka, Metropolitan Session Judge of Rajshahi, Bicharok (District Judge) of Jananirapotta Bighnakari Approach Daman Tribunal, Dhaka. He was a trainer in Judicial Administration Training Institute (JATI). He was a researcher of the Law Commission, Bangladesh from November 2016 to May, 2020. He also contributed to the research work for preparing the "Ain Sabda Kos" (2<sup>nd</sup> Edition, March 2020), a legal lexicon published by the Law Commission. Many of his articles on legal aspects have been published in the illustrious JATI journal. Mr. Hossain completed his Masters of Arts (M.A.) from Jagannath College under the University of Dhaka.

**Rukhsana Hasin, NDC**  
Director



Mrs. Rukhsana Hasin is serving as a Joint Secretary at financial Institutions Division, Ministry of Finance. She joined as a director of the Board of Directors of Rupali Bank Ltd. on 12 September 2021. She is also a member of the Executive Committee and Risk Management Committee of the Bank. Rukhsana Hasin, a Bangladeshi career civil servant, has been serving the nation for 29 years. She entered the civil service as an Assistant Commissioner in the BCS (Administration) Cadre in 1993. At present, as a Joint Secretary of Financial Institutions Division, she is involved in implementing the government's incentive packages against COVID-19, coordinating activities of other banks and financial institutions including central bank and commercial banks, budgeting and training with great sincerity. Moreover, she is directly involved in

Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

Md. Harunur Rashid  
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প্রধান কার্যালয়, ঢাকা।

Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
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enacting/amending 13 laws of this division. She completed her Bachelor of arts (Honors) and Master of Arts in Sociology from University of Rajshahi. She was also awarded Ausaid Scholarship and completed her Master's in Public Administration from University of Canberra, Australia in 2002. Afterwards, she attended National Defense Course, 2018 in National Defense College, Dhaka, Bangladesh.

### Mohd. Ahsan Kibria Siddiqui

Director



Mr. Mohd. Ahsan Kibria Siddiqui is a Joint Secretary to the Government of Bangladesh; presently working as Director General, Prime Minister's Office. Being graduated in Archeology from Jahangirnagar University, he joined Bangladesh Civil Service in January 1999 and has worked in different tiers of public service both in the field and policy level of administration. He has served in the diplomatic mission of Bangladesh in Tripoli during the most critical time of turbulence and war in Libya from 2009-2015. Mr. Ahsan is a skilled civil servant having a good track record of working with professionalism. He started acting as member of the Board of Directors of this bank from February 6, 2022. He is also a member of the Executive Management Committee of Rupali Bank Limited.

### Shoaeb Ahmed

Director



Mr. Shoaeb Ahmed was a member (International Taxes), National Board of Revenue, Government of Bangladesh. He was appointed as a member of the Board of Directors of the Bank on 23 February 2022. He is also a member of Audit Committee and Risk Management Committee of the bank. Mr. Ahmed joined as an Assistant Commissioner of Taxes, National Board of Revenue in January 1991. Prior to joining an Assistant Commissioner of Taxes, he was working at Janata Bank Limited as a Probationary Officer from January 1988 to December 1989 and Assistant Post Master General, BCS Postal cadre of 8th BCS from December 1989 to January 1991. He was an officer of BCS Taxation cadre of 9th Batch. During his long span of Taxation career, he served in different capacities in the Taxation arena such as Assistant Commissioner of Taxes, Deputy Commissioner of Taxes, Joint Commissioner of Taxes, Additional Commissioner of Taxes and Commissioner of Taxes. After completing this glorious tenure in field level, he worked as a Member in the International Taxation with the National Board of Revenue in policy level, Government of Bangladesh. He made substantial contributions in policy formulation relating to internal resource mobilization to raise tax revenue for the country. He performed important duties in drafting, negotiating and signing double taxation avoidance agreements with other contracting states. He rendered important opinions on tax matters arising out of cross-border business transactions by multinational corporations and other international taxpayers. He monitored assigned tax zone works regarding imposition and collection of tax revenue. He managed revenue personnel and supervised officers working in the concerned desk of the National Board of Revenue. In all position, he worked as a drawing and disbursing officer. During his career as a tax officer, he attended numerous trainings, seminars, and workshops at home and abroad. He was trained by prestigious institutions like Harvard Kennedy School of economics. The training covered the magnificent issues in computer training, revenue audit, public financial management, international tax avoidance, SARRC seminar on Taxpayers Service etc. Mr. Ahmed completed his B. Com (Hon's), M. Com in Finance from University of Dhaka.

### Md. Fardous Alom

Director



Mr. Md. Fardous Alom was appointed by the government to act as Director of Rupali Bank Limited on August 28, 2022. Prior to that, he acted as Joint Secretary in the Finance division under the Ministry of Finance. He plans to retire on September 21, 2025.

Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

Md. Harunur Rashid  
General Manager  
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মোহাম্মদ শাহেদুর রহমান  
সহকারী ব্যবস্থাপক ও  
সেবাশাসিত্রি  
রূপালী ব্যাংক লিমিটেড  
প্রধান কার্যালয়, ঢাকা।

Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



**Md. Ali Akkas**  
Independent Director



Professor Md. Ali Akkas has been working as a faculty member in the Department of Management at the University of Dhaka since 1985. He held different administrative positions such as Chairman of the Department of Management, Provost of Mohsin Hall, Chairman and Director of Bureau of Business Research and Senate member of the University of Dhaka. He is the author of five books and his many articles were published in reputed local and international journals. His area of specialization is in human resource/career Management. He participated in many international seminars and conferences held in the USA, UK, Sweden, Switzerland, France, Turkey, Japan, Australia, Singapore, South Korea, Thailand, Nepal, Dubai, Malaysia, India and Sri Lanka. Mr. Md. Ali Akkas was appointed as an Independent Director of the Board of Directors of the Bank on 13 September 2021. He is also a Chairman of the Audit Committee of Rupali Bank Limited. Mr. Akkas completed B. Com Hon's and M. Com in management at the University of Dhaka and he also did an MBA degree from the Asian Institute of Technology, Bangkok in 1990 and received the prestigious Dean award. He maintained uniformly outstanding academic results (first division/first classes) in all the public and University examinations.

**Md. Rafiqul Alam**  
Director



Mr. Md. Rafiqul Alam was appointed as Director of Rupali Bank Limited on August 25, 2022 by the Government of the Peoples' Republic of Bangladesh. Prior to that, he served as the former Managing Director at Basic Bank Limited.

**Mohammad Jahangir**  
Managing Director & CEO



Mohammad Jahangir joined Rupali Bank Ltd as the Managing Director and CEO on August 28, 2022. Before his elevation to his current position, he served Rupali Bank Limited as its Deputy Managing Director (DMD) from October 4, 2020 till August 25, 2022. Mr. Jahangir has an illustrious career in banking. He started his career as an officer in 1990 in the bank. He is a home-grown Managing Director and CEO of the Bank. By the strength of his dedication to his profession, sharp vision, unquestionable integrity, amiable disposition and good leadership qualities, Mr. Jahangir rose steadily through the echelon of the management hierarchy to the position of Managing Director and CEO of Rupali Bank Limited. In his long career spanning over 32 years, Mr. Jahangir worked successfully in a wide range of executive roles. His field expertise in banking services was mainly in general banking, industrial credit, foreign exchange and foreign trade, micro-credit, business development, human resources (HR), planning & forecasting, and marketing. Mr. Jahangir has won laurels and recognitions for his extraordinary performance in whatever capacity and location he worked.

## 11.6 Business Analysis Based on Consolidated Financials

### i. Asset Size & Growth

Rupali Bank has experienced fluctuations in its consolidated assets during the years of COVID-19 but is set for a gradual incline for the coming years. As of September 2023, Rupali's total consolidated assets stood at BDT 758 billion. The growth trend for its assets is illustrated in the figure below.

**Syed Rashed Hussain**  
Chief Executive Officer  
AC EPL Investment Limited

**Md. Harunur Rashid**  
General Manager  
Rupali Bank PLC.  
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কোম্পানি সচিব  
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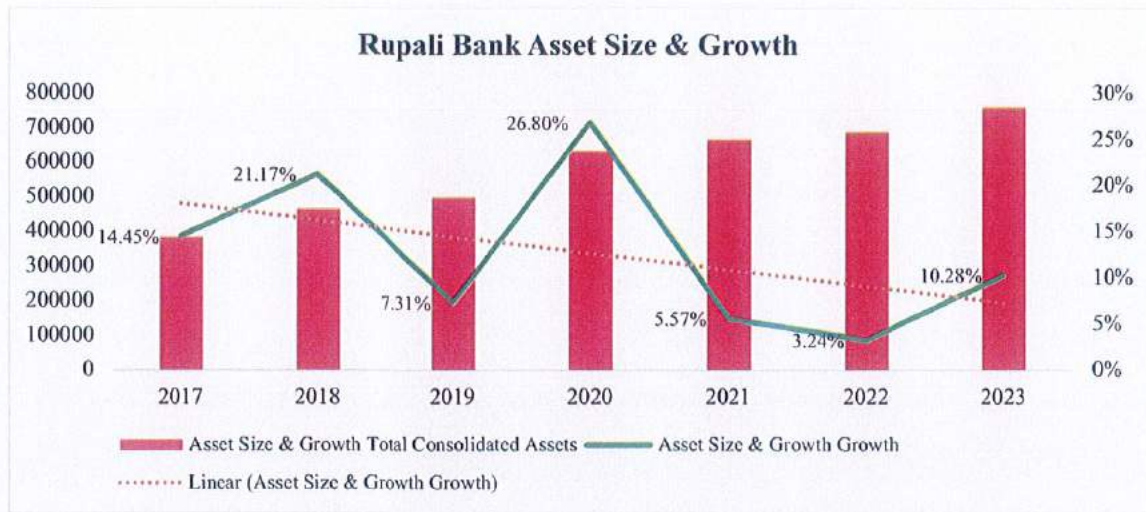


Figure 2: Asset Size and Growth

## ii. Loans & Advances

As of September 2023, Rupali Bank's total loans and advances stood at BDT 458 Billion. During the last five years, loans and advances have grown with a CAGR of 16.66%. The growth trend for loans and advances is illustrated below.

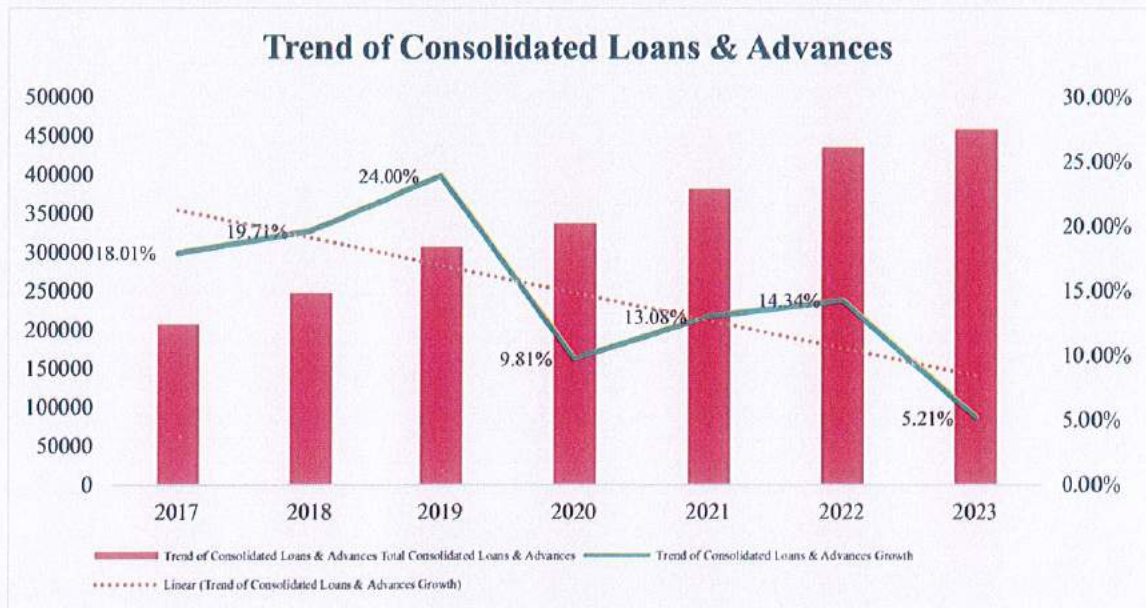



Figure 3: Consolidated Loans & Advances

## iii. Deposit Trend

As of September 2023, total deposits stood at BDT 657 Billion. Deposits have grown with a CAGR of 13.97% over the last 5 years from FY 2018 to FY 2022. The illustration is shown as follows.

  
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 RAC EPL Investments Limited

  
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 General Manager  
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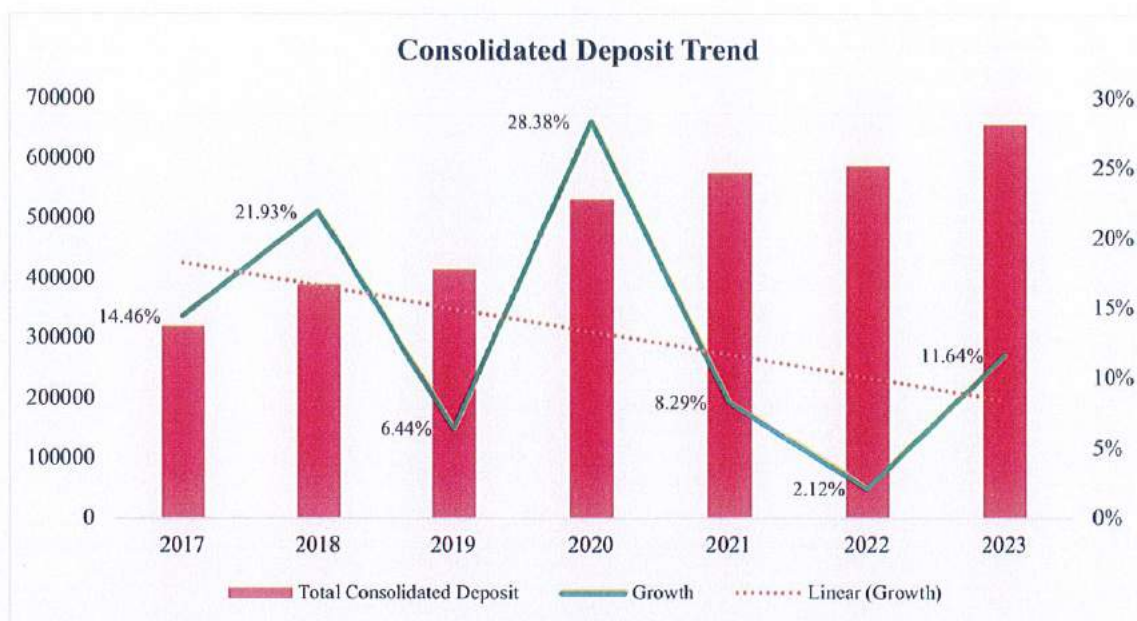


Figure 4: Consolidated Deposit Trend

#### iv. Liability Mix

Rupali Bank's total liabilities stood at BDT 741 Billion as of September 2023. The breakdown of RBL's liability mix is shown below.

Liabilities	30-Sep-23		31-Dec-22	
	BDT	% of Total Assets	BDT	% of Total Assets
Borrowings from other banks, financial institutions, and agents	7,702,497,044	1.02%	15,416,647,652	2.24%
Deposits and Other Accounts	657,224,869,979	86.62%	588,675,793,965	85.56%
Other Liabilities	76,648,728,076	10.10%	67,141,279,364	9.76%
<b>Total Liabilities</b>	<b>741,576,095,099</b>	<b>97.74%</b>	<b>671,233,720,981</b>	<b>97.56%</b>

Table 7: Liability Mix

#### v. Capital Adequacy

Particulars	30-Sep-23	31-Dec-22
Paid Up Capital	4,646,972,050	4,646,972,050
Share Money Deposit	6,799,953,800	6,799,953,800
Statutory Reserve	3,982,741,799	3,816,198,385
General Reserve	15,000,000	10,000,000
Retained Earnings	306,733,483	540,801,607
<b>Sub Total</b>	<b>15,751,401,132</b>	<b>15,813,925,842</b>
Regulatory Adjustment	(469,976,927)	(397,135,977)
Intangible Assets (Software)	(107,333,932)	(173,078,022)
<b>Common Equity Tier 1 Capital</b>	<b>15,159,090,273</b>	<b>15,243,711,844</b>
Additional Tier 1 Capital	-	-
<b>Total Tier 1 Capital</b>	<b>15,159,090,273</b>	<b>15,243,711,844</b>
General Provision (1% to 5% of UCL & OBI)	7,186,917,237	5,061,917,237
Subordinated Bond	1,200,000,000	2,400,000,000
<b>Total Tier 2 Capital</b>	<b>8,386,917,237</b>	<b>7,461,917,237</b>
<b>Total Regulatory Capital</b>	<b>23,546,007,510</b>	<b>22,705,629,081</b>
Required Capital @ 10%	44,765,145,700	45,419,905,100
<b>Capital Excess/(Short)</b>	<b>(21,219,138,190)</b>	<b>(22,714,276,019)</b>
<b>Capital to Risk-Weighted Asset Ratio (CRAR)</b>	<b>5.33%</b>	<b>4.99%</b>

Table 8: Capital Adequacy

**Syed Rashed Hussain**  
Chief Executive Officer  
BRAC EPL Investments Limited

**Md. Harunur Rashid**  
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## vi. Source of Earnings

Earnings determine the ability of a bank to increase capital (through retained earnings), absorb loan losses, support future growth of assets, and provide significant returns to investors. RBL generates revenue from diversified sources, as reflected in the table below. The bank generates revenue from interest income on loans and advances, income from investments, interest on balance with other banks and financial institutions, income from commission, brokerage, etc.

Particulars	30-Sep-23		31-Dec-22	
	BDT	% of Total	BDT	% of Total
Net Interest Income	(1,545,499,778)	-13%	(2,983,781,571)	-20%
Income from Investments	10,934,264,922	95%	15,368,143,833	101%
Commission, Exchange, and Brokerage	1,673,192,934	15%	1,988,429,855	13%
Other Operating Income	442,135,864	4%	798,247,512	5%
<b>Total Operating Income</b>	<b>11,504,093,942</b>	<b>100%</b>	<b>15,171,039,629</b>	<b>100%</b>

Table 9: Source of Earnings

## vii. Operational Performance

The operational performance of RBL is illustrated below.

Particulars	30-Sep-23	31-Dec-22
	BDT	BDT
Net Interest Income	(1,545,499,778)	(2,983,781,571)
Total Operating Income	11,504,093,942	15,171,039,629
Total Operating Expenses	7,548,532,370	13,906,866,247
Profit Before Provision	3,955,561,572	1,264,173,382
Total Provision	2,942,000,000	515,159,412
Profit Before Tax	1,013,561,572	749,013,970
<b>Net Profit After Tax</b>	<b>431,231,303</b>	<b>284,671,031</b>

Table 10: Operational Performance

## viii. Asset Quality

About 75% of Rupali Bank's total loans and advances is categorized as "unclassified" as of September 2023.

Classification of Loans & Advances	31-Dec-22	
	BDT	% of Total
Standard (Including Staff Loan)	325,906,355,844	74.85%
Special Mention Account (SMA)	17,246,769,643	3.96%
<b>Total Unclassified</b>	<b>343,153,125,487</b>	<b>78.81%</b>
Substandard	8,973,228,445	2.06%
Doubtful	2,409,151,103	0.55%
Bad/Loss	80,865,268,680	18.57%
<b>Total Classified</b>	<b>92,247,648,228</b>	<b>21.19%</b>
<b>Total</b>	<b>435,400,773,715</b>	<b>100.00%</b>

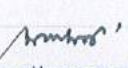
Table 11: Asset Quality

## 11.7 Brief Description of Assets and Liabilities

### i. Description of Assets

  
**Syed Rashed Hussain**  
 Chief Executive Officer  
 BRAC EPL Investments Limited

  
**Md. Harunur Rashid**  
 General Manager  
 Rupali Bank PLC.  
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 Managing Director & CEO  
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Since Rupali Bank is a commercial bank, most of its assets are financial assets like loans and advances, bills discounted, government treasury securities, debt and equity securities issued by corporations, etc. while loans and advances comprise the lion-share of the bank's total assets. As of September 2023, RBL's total assets still at BDT 751 billion. The breakdown of RBL's total assets are provided below.

Types of Assets	30-Sep-23		31-Dec-22	
	BDT	% of Total	BDT	% of Total
Cash	35,926,811,323	4.78%	34,564,477,836	5.03%
Balance with Other Banks and Financial Institutions	21,188,917,629	2.82%	9,257,061,476	2.80%
Investments	196,756,655,446	26.19%	160,661,559,082	23.36%
Loans and Advances	458,911,236,220	61.08%	436,166,774,191	63.41%
Fixed Assets Including Premises, Furniture, and Fixtures	14,730,072,052	1.96%	14,524,012,681	2.11%
Other Assets	23,825,724,905	3.17%	22,629,588,730	3.29%
Non-Banking Assets	-	0.00%	-	0.00%
<b>Total Assets</b>	<b>751,339,417,575</b>	<b>100.00%</b>	<b>687,803,473,996</b>	<b>100.00%</b>

Table 12: Description of Assets

#### a. Cash and Bank Balance

Cash	30-Sep-23	31-Dec-22
	BDT	BDT
<b>Cash (Including Foreign Currency)</b>		
Local Currency in Hand	5,740,330,621	5,834,970,523
Foreign Currency in Hand	5,412,242	4,150,537
Rupali Investment Limited	25,000	25,000
Rupali Securities Limited	14,041	19,823
<b>Total Cash</b>	<b>5,745,742,863</b>	<b>5,839,121,060</b>
<b>Balance with Bangladesh Bank and Its Agent Banks</b>		
Local Currency	29,262,727,756	25,957,600,860
Foreign Currency	-	176,615,586
<b>Total Balance</b>	<b>29,262,727,756</b>	<b>26,134,216,446</b>
Sonali Bank as Agent of Bangladesh Bank	719,685,591	2,379,654,926
<b>Total</b>	<b>29,982,413,347</b>	<b>28,513,871,372</b>

Table 13: Cash and Bank Balance

#### b. Investments

Investments comprise of government securities and other investments. Rupali Bank's total investments as of September 2023 amounted to BDT 40 Billion. A majority of these investments have been made in government securities. See details below.

Investments	30-Sep-23	31-Dec-22
	BDT	BDT
<b>Government Securities</b>		
Treasury Bills	41,474,216,700	17,139,676,100
Treasury Bonds	112,940,074,595	100,499,668,470
Prize Bonds	15,868,700	15,423,400
<b>Total</b>	<b>154,430,159,995</b>	<b>117,654,767,970</b>
<b>Other Investments</b>		
Ordinary Shares	6,964,884,424	3,686,726,785
Preference Shares	1,982,800,000	4,987,800,000
Debentures	2,583,200	2,583,200



Subordinated Bond	18,890,000,000	19,460,000,000
Mutual Fund	1,660,261,211	1,660,000,000
Commercial Paper	22,702,743	22,702,743
Corporate Bond	6,112,500,000	6,550,000,000
Bridge Finance	4,556,754,275	4,556,754,275
<b>Total</b>	<b>40,192,485,853</b>	<b>40,926,567,003</b>

Table 14: Investments

### c. Loans and Advances

Loans and Advances	30-Sep-23	31-Dec-22
	BDT	BDT
General Loans	203,377,764,809	200,633,508,383
Cash Credit	68,226,806,573	87,738,538,927
Overdrafts	16,687,860,682	16,656,878,753
Loan Payment Against Documents (PAD)	670,820,932	5,321,712,998
Loan Payment Against Imported Merchandise (LIM)	1,494,772,470	1,366,398,598
Packing Credit	553,125,020	597,762,338
Loans Against Trust Receipt (LTR)	15,565,868,075	14,841,890,500
SME Loan	44,784,049,401	47,661,341,748
Staff Loan	36,597,191,937	35,136,499,075
Rural Credit	8,821,801,263	6,797,320,520
Bridge Finance	4,512,257,357	-
Government Employee Loans	12,409,482,144	3,778,154,896
Forced Loan	41,848,005,972	11,400,596,910
<b>Total</b>	<b>455,549,806,635</b>	<b>431,930,603,646</b>

Table 15: Loans and Advances


### d. Fixed Assets

Fixed Assets	30-Sep-23	31-Dec-22
	BDT	BDT
Land	10,011,039,466	10,011,039,466
Buildings	3,082,915,021	4,287,942,553
Furniture & Fixtures	478,161,368	1,040,786,812
Mechanical Equipment	204,324,136	1,411,415,765
Motor Vehicles	38,873,565	558,994,207
Computers	500,784,053	922,329,450
Interior Decoration & Renovation	119,319,564	129,264,127
Software	107,333,932	173,078,022
Right-of-Use Assets	166,572,824	295,631,838
Rupali Investment Limited	8,107,489	8,604,347
Rupali Bank Securities Limited	12,640,634	15,969,947
Accumulated Depreciation & Amortization	-	-4,331,025,853
<b>Total</b>	<b>14,730,072,052</b>	<b>14,524,030,681</b>

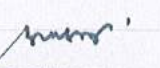
Table 16: Fixed Assets

### e. Other Assets

Other Assets	30-Sep-23	31-Dec-22
	BDT	BDT
Investment in Shares of Subsidiary Companies	2,000,000,000	2,000,000,000
Advance Rent and Advertisement	156,036,074	164,644,271
Interest Accrued on Investment	7,818,591,630	6,984,189,773
Interest Receivable for COVID-19	137,453,507	368,700,442
Interest Receivable (Block Interest)	77,492,731	91,699,688

  
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Interest Receivable on Rural Credit (RC)	294,101,377	-
Interest Receivable (Others)	117,852,240	115,912,955
Accrued Income on Property	4,907,003	4,907,003
Prepaid Expenses	25,933,182	28,671,031
Stationery, Stores, Stock, Stamps, and Forms	108,528,649	81,980,188
Branch Adjustment Account	330,867,986	963,561,986
Security Deposits	807,235	885,110
Advance Payment for Airport	36,794,108	35,150,958
Suspense Accounts	3,132,126,399	2,627,948,308
Others	11,344,660,778	11,001,774,183
<b>Total</b>	<b>25,586,152,899</b>	<b>24,470,025,896</b>

Table 17: Other Assets

## ii. Description of Liabilities

Rupali Bank's liabilities comprise of borrowing from other banks, financial institutions, and agents, subordinated debt, deposits, and other liabilities. Details are provided below.

Liabilities	30-Sep-23		31-Dec-22	
	BDT	% of Total Assets	BDT	% of Total Assets
Borrowings from other banks, financial institutions, and agents	7,702,497,044	1.02%	15,416,647,652	2.24%
Deposits and Other Accounts	657,224,869,979	86.62%	588,675,793,965	85.56%
Other Liabilities	76,648,728,076	10.10%	67,141,279,364	9.76%
<b>Total Liabilities</b>	<b>741,576,095,099</b>	<b>97.74%</b>	<b>671,233,720,981</b>	<b>97.56%</b>

Table 18: Description of Liabilities

## a. Borrowing from Other Banks, Financial Institutions, and Agents

Borrowing from Other Banks & Financial Institutions	30-Sep-23 BDT	31-Dec-22 BDT
<i>In Bangladesh</i>		
Refinance Against Jute Scheme	236,625,000	268,175,000
<b>RBL Subordinated Bond</b>	<b>2,400,000,000</b>	<b>3,600,000,000</b>
Sonali Bank Ltd.	800,000,000	1,200,000,000
Agrani Bank Ltd.	800,000,000	1,200,000,000
Janata Bank Ltd.	800,000,000	1,200,000,000
0% Incentive Against Active Export (COVID-19)	-	70,511,208
Refinance Against Brick	55,535,718	83,303,575
Refinance Against BB (ALS)	2,125,000,000	10,200,000,000
Refinance Against Low Income Professionals (COVID-19)	710,580,250	72,245,715
Refinance Against Home People (COVID-19)	13,628,500	-
Refinance for LIPS School FS Business	4,470,286	790,000
Refinance Against Green Transformation Fund (GTF)	1,405,260,000	
Refinance Against Export Development Fund (EDF)	284,266,581	
CMSME Pre-Finance Scheme	350,000,000	
Refinance Against Rural Credit (COVID-19)	-	13,399,750
Balance with Bangladesh Bank (EURO)	6,075,154	11,118,365
<b>Total in Bangladesh</b>	<b>7,591,441,489</b>	<b>14,319,543,613</b>
<i>Outside of Bangladesh (NOSTRO Accounts)</i>		
USD	-	556,958,178
JPY	-	14,556,811
DKK	-	-
ACU	-	-

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সহকারী পরিচালক ও  
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রূপালী ব্যাংক পিএলসি.  
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AED	-	67,888,426
EURO	-	315,964,203
VOSTRO Accounts	-	21,736,421
Rupali Bank Limited	2,073,799,804	-
<b>Total Outside of Bangladesh</b>	<b>2,073,799,804</b>	<b>977,104,039</b>
<b>Total</b>	<b>21,188,917,629</b>	<b>15,296,647,652</b>

Table 19: Borrowing from Other Banks, Financial Institutions, and Agents

## b. Deposits and Other Accounts

As of September 2023, total deposits and other accounts of Rupali Bank stood at BDT 657 Billion. A majority of deposits and other accounts are comprised of fixed deposits.

Deposits and Other Accounts	30-Sep-23	31-Dec-22
	BDT	BDT
Current and Other Accounts	42,962,220,115	40,516,229,409
Bills Payable	3,290,418,128	3,165,208,967
Savings Deposits	123,682,331,497	119,692,407,494
Term/Fixed Deposits	487,289,900,239	425,301,948,095
Other Deposits	-	-
<b>Total</b>	<b>657,224,869,979</b>	<b>588,675,793,965</b>

Table 20: Deposits and Other Accounts

## c. Other Liabilities

Other liabilities as of December 2022 stood at BDT 67.14 Billion. A breakdown is provided below.

Other Liabilities	30-Sep-23	31-Dec-22
	BDT	BDT
Guarantee Cover Banking Reserve	33,034,636	33,034,636
Net Foreign Currency Adjustment	86,416,929	86,416,929
Unpaid Dividend	50,992	50,992
Reserve for Other Liabilities	7,646	7,646
Interest Payable	11,120,049,935	6,660,658,015
Other Accounts	715,940,810	1,799,571,403
Provision for Other Assets	2,669,482,058	2,619,482,058
Provision for Current Tax	1,870,377,717	1,318,351,544
Deferred Tax Liabilities	713,225,658	636,864,901
Provision for Off-Balance Sheet Exposure	1,128,458,150	438,458,150
Provision for Loans and Advances	18,879,746,085	16,835,230,071
Interest Suspense Accounts	35,299,650,843	32,435,463,005
Other Provision	3,062,598,350	3,242,808,853
Lease Liabilities	140,386,265	174,453,943
1% Startup Fund	7,275,583	7,275,583
Rupali Investment Limited	560,516,920	542,820,343
Rupali Bank Securities Limited	470,674,057	441,654,953
Less: Intercompany Loan	(109,164,558)	(131,323,661)
<b>Total</b>	<b>76,648,728,076</b>	<b>67,141,279,364</b>


Table 21: Other Liabilities

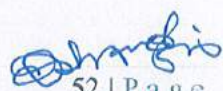
## 11.8 Brief Description of Previously Issued Debt or Equity Securities or Such Other Securities

Rupali Bank's previously issued debt and equity securities are as follows:

  
**Syed Rashed Hussain**  
 Chief Executive Officer  
 BRAC EPL Investments Limited

  
**Md. Harunur Rashid**  
 General Manager  
 Rupali Bank PLC.  
 Head Office, Dhaka.

  
**মোহাম্মদ শাহেদুর রহমান**  
 সিনিয়র ব্যবস্থাপক ও  
 কোম্পানি অফিসার  
 রূপালী ব্যাংক লিমিটেড.  
 কলকাতা, জা.

  
**Mohammad Jahangir**  
 Managing Director & CEO  
 Rupali Bank PLC.  
 Head Office, Dhaka.



## Debt Securities

	Name of the Issuer	Name of the Issue	Maturity Period	IM Issue Date	Date of Completion of Subscription	Value of Debt	Repayment Amount as of Dec 2022	Outstanding as of Dec 2022	Defaults (if any)
1	Rupali Bank Limited	Subordinated Bond	7 Years	June 24, 2018	June 12, 2018	600 Crore	240 Crore	240 Crore	N/A

Table 22: Previously Issued Debt Securities

## Equity Securities

	Name of the Issuer	Name of the Issue	Maturity Period	Offer Document Issue Date	Date of Completion of Subscription	Value of Equity (BDT Mn)	Repayment Amount as of Sep 2023	Outstanding	Defaults (if any)
1	Rupali Bank Limited	IPO	-	1989	-	60.8	N/A	N/A	N/A

Table 23: Previously Issued Equity Securities



Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited



Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

মোহাম্মদ শাহেদুর রহমান  
সহকারী ব্যবস্থাপক ও  
কোম্পানি সচিব  
রূপালী ব্যাংক লিমিটেড  
প্রধান কার্যালয়, ঢাকা।




Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.




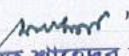
## Section 12: Auditor's Report and Audited Financial Statements of the Issuer

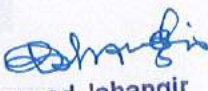
### 12.1 Consolidated Balance Sheet

Rupali Bank Limited			
Consolidated Balance Sheet			
As at 30 September, 2023			
Particulars	Notes	Amount in Taka	
		30 September, 2023	31 December, 2022
<b>PROPERTY AND ASSETS</b>			
Cash	3(a)		
Cash in Hand (Including Foreign Currencies)		5,745,781,903	5,839,165,888
Balance with Bangladesh Bank & Sonali Bank (Including Foreign Currencies)		30,181,029,420	28,725,311,953
		35,926,811,323	34,564,477,836
Balance with Other Banks and Financial Institutions	4(a)		
In Bangladesh		19,115,117,825	18,395,015,927
Outside Bangladesh		2,073,799,804	862,045,549
		21,188,917,629	19,257,061,476
Money at Call on Short Notice	5(a)	7,400,000,000	206,594,000
Investments	6(a)		
Government		154,430,159,995	117,654,767,970
Others		42,326,495,451	43,006,791,112
		196,756,655,446	160,661,559,082
Loans and Advances	7(a)		
Loans, Cash Credit, Overdrafts etc.		456,281,407,570	432,696,601,122
Bills Purchased and Discounted		2,629,828,650	3,470,170,069
		458,911,236,220	436,166,774,191
Fixed Assets including Land, Building, Furniture and Fixtures.	8(a)	14,730,072,052	14,524,012,681
Other Assets	9(a)	23,825,724,905	22,629,588,730
Non-Banking Assets	10(a)	-	-
<b>TOTAL PROPERTY AND ASSETS</b>		<b>758,739,417,575</b>	<b>688,010,067,996</b>
<b>LIABILITIES AND CAPITAL</b>			
Liabilities			
Borrowing from Other Banks, Financial Institutions & Agents	11(a)	7,702,497,044	15,416,647,652
Deposits and Other Accounts	12(a)		
Current and Other Accounts, etc.		42,962,220,115	40,516,229,409
Bills Payable		3,290,418,128	3,165,208,967
Savings Deposits		123,682,331,497	119,692,407,494
Fixed Deposits		487,289,900,239	425,301,948,095
Other Deposits		-	-
		657,224,869,979	588,675,793,965
Other Liabilities	13(a)	76,648,728,076	67,141,279,364
<b>Total Liabilities</b>		<b>741,576,095,099</b>	<b>671,233,720,981</b>
Capital and Shareholders' Equity			
Paid-up Capital	14	4,616,972,050	4,616,972,050
Share Money Deposit	15	6,799,953,800	6,799,953,800
Statutory Reserve	16	4,004,741,799	3,816,198,385
General Reserve	17	15,000,000	10,000,000
Assets Revaluation Reserve	18	593,760,060	593,760,060
Revaluation Reserve for Securities	19	324,405,270	368,661,113
Retained Earnings	20(a)	778,489,497	540,801,607
<b>Total Shareholders' Equity</b>		<b>17,163,322,476</b>	<b>16,776,347,015</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>758,739,417,575</b>	<b>688,010,067,996</b>

  
Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

  
Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

  
মোহাম্মদ শাহেদুর রহমান  
ব্যবস্থাপনা ও  
কোম্পানি সচিব  
রূপালী ব্যাংক লিমিটেড  
প্রধান কার্যালয়, ঢাকা।


  
Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.




**Rupali Bank Limited**  
Consolidated Balance Sheet  
As at 30 September, 2023

Particulars	Notes	Amount In Taka	
		30 September, 2023	31 December, 2022
<b>OFF - BALANCE SHEET EXPOSURE</b>			
21(a)			
<b>Contingent Liabilities</b>			
Acceptance and Endorsements		5,283,668,255	6,349,749,984
Letter of Guarantee		16,784,858,193	17,505,423,087
Irrevocable Letters of Credit		131,356,532,938	132,705,547,827
Bills For Collection		6,318,252,193	6,421,846,088
Other Contingent Liability (DC Notes)		1,006,550	1,006,550
<b>Total Contingent Liabilities</b>		<b>159,744,318,129</b>	<b>162,983,573,536</b>
<b>Other Commitments</b>			
Documentary Credits and Short Term Trade-Related Transaction		-	-
Forward Assets Purchased and Forward Deposit Placed		-	-
Undrawn Note Issuance and Revolving Underwriting Facilities		-	-
Undrawn Formal Standby Facilities, Credit Lines and Other Commitments		-	-
Liabilities Against Forward Purchase and Sale		-	-
<b>Total Off Balance Sheet Exposure Including Contingent Liabilities</b>		<b>159,744,318,129</b>	<b>162,983,573,536</b>
<b>Net Asset Value Per Share (NAVPS) (Restated)</b>		<b>36.93</b>	<b>36.10</b>
<b>Diluted Net Asset Value Per Share (NAVPS) (Considering Share Money Deposit)</b>		<b>14.99</b>	<b>14.66</b>

The annexed accounting policies and other notes form an integral part of these financial statements.

  
Md. Harunur Rashid  
General Manager  
(Acting CFO)

  
Mohammed Shahedur Rahman  
General Manager & Company Secretary

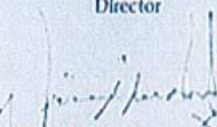
  
Mohammad Jahangir  
Managing Director & CEO

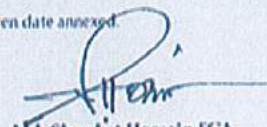
  
Md. Aslam Hossain  
Bir Mukti Joddha  
Director

  
Md. Ali Akkas  
Independent Director


  
Kazi Samaul Haq  
Chairman

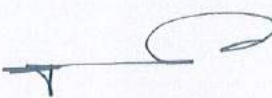
As per our separate report of even date annexed.

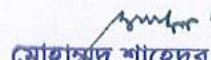
  
Nasir U Ahmed  
FCA, FLS, CGMA (AICPA), ACMA (UK), FCA (England & Wales)  
Deputy Managing Partner  
MABS & J Partners, Chartered Accountants  
Enrollment Number: 535

  
Md. Showkat Hossain FCA  
Partner  
A. Wahab & Co, Chartered Accountants  
Enrollment Number: 196

Dhaka.  
Date: 28 November, 2023

  
Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

  
Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

  
মোহাম্মদ শাহেদুর রহমান  
সহকার্য ব্যবস্থাপক ও  
কোম্পানির সচিব  
রূপালী ব্যাংক পিএলসি.  
প্রধান কার্যালয়, ঢাকা।

  
Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



## 12.2 Consolidated Income Statement

### Rupali Bank Limited Consolidated Profit and Loss Accounts For the period from 01 January to 30 September, 2023

Particulars	Notes	Amount in Taka			
		1st January to 30 Sept., 2023	1st January to 30 Sept., 2022	1st July to 30 Sept., 2023	1st July to 30 Sept., 2022
Interest Income	23(a)	21,749,066,743	17,873,427,192	7,216,397,115	6,255,573,139
Less: Interest Paid on Deposits, Borrowings etc.	24(a)	23,294,566,521	20,265,024,468	8,410,562,861	6,976,100,862
Net Interest Income		(1,545,499,778)	(2,391,597,276)	(1,194,165,746)	(720,527,722)
Investment Income	25(a)	10,934,261,922	11,407,638,196	3,550,575,007	2,659,461,714
Commission, Exchange, Brokerage etc.	26(a)	1,673,192,934	1,065,728,521	424,204,321	422,164,389
Other Operating Income	27(a)	442,135,864	393,741,786	101,732,544	72,026,531
Total Operating Income		11,504,093,942	10,475,511,228	2,882,346,125	2,443,124,912
Salary and Allowances	28(a)	4,752,717,844	4,385,917,669	1,592,623,410	1,351,842,986
Rent, Taxes, Insurance, Electricity etc.	29(a)	489,495,222	510,786,286	127,686,850	143,533,365
Legal and Professional Expenses		24,411,762	15,275,142	5,414,585	4,991,044
Postage, Stamp, Telecommunication etc.	30(a)	90,524,920	115,652,392	11,079,422	30,825,220
Stationery, Printing, Advertisement etc.	31(a)	94,096,265	112,687,360	25,002,202	29,435,316
Managing Director's Salary and Fees	28.01(a)	3,600,000	3,600,000	1,200,000	1,200,000
Directors' Fees and Expenses	28.02(a)	3,360,246	2,842,400	1,101,886	941,600
Audit Fees	32(a)	2,000,000	500,000	-	-
Depreciation and Repairs of Bank's Assets	33(a)	243,402,424	254,684,018	25,891,190	21,125,479
Other Expenses	34(a)	1,844,923,687	4,840,103,314	431,909,674	1,310,762,322
Total Operating Expenses		7,548,532,369	10,242,048,580	2,221,909,219	2,894,657,332
Profit/(Loss) before Provision		3,955,561,573	233,462,648	660,436,906	(451,532,420)
Provision for Loans and Advances	35(a)	2,016,500,000	5,000,000	495,500,000	(298,000,000)
Provision for Off-balance Sheet Exposures	36(a)	690,000,000	-	10,000,000	-
Provision for Diminution in Value of Investments	37(a)	151,500,000	37,845,389	30,500,000	5,503,956
Other Provisions	38(a)	54,000,000	4,500,000	21,500,000	(28,000,000)
Total Provisions		2,912,000,000	47,345,389	557,500,000	(320,496,044)
Total Profit/(Loss) before Tax		1,013,561,573	186,117,259	102,936,906	(131,036,376)
Provision for Taxation	39(a)	582,330,269	95,004,140	40,988,567	(91,720,672)
Current tax	39.01(a)	579,163,543	88,323,897	60,329,924	(61,753,350)
Deferred tax	39.02(a)	3,166,726	6,680,244	(19,341,357)	(29,967,321)
Net Profit/(Loss) after Tax for the year		431,231,304	91,113,119	61,948,339	(39,315,704)
Retained Earnings brought forward from previous year (restated)	20(a)	540,801,607	511,297,690	540,801,607	511,297,690
		972,032,911	602,410,809	602,749,916	471,981,986
Appropriations					
Statutory Reserve	16	181,543,413	14,017,186	8,033,500	-
1% Start-up Fund		181,543,413	14,017,186	8,033,500	-
Retained Surplus to Retained Earnings		790,489,497	588,393,623	594,716,445	471,981,986
Basic Earnings Per Share (EPS) (restated)	40(a)	0.93	0.20	0.13	(0.08)
Diluted Earnings Per Share (EPS) (Considering Share Money Deposit)	40(a)	0.38	0.08	0.05	(0.03)

The annexed accounting policies and other notes form an integral part of these financial statements.



Md. Harunur Rashid  
General Manager  
(Acting CFO)

Mohammed Shahedur Rahman  
General Manager & Company Secretary


  
Mohammad Jahangir  
Managing Director & CEO

  
Md. Asaduzzaman  
Bir Mukti Joddha  
Director

Md. Ali Akkas  
Independent Director


  
Kazi Saiful Haq  
Chairman

As per our separate report of even date annexed.

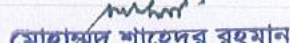
  
Nasir U Ahmed  
FCA/ICCGMA (AKPA), ACMA (UK), FCA (England & Wales)  
Deputy Managing Partner  
MABS & J Partners, Chartered Accountants  
Enrollment Number: 535

  
Md. Showkat Hossain FCA  
Partner  
A. Wahab & Co, Chartered Accountants  
Enrollment Number: 196

Dhaka.  
Date: 28 November, 2023

  
Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

  
Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

  
মোহাম্মদ শাহেদুর রহমান  
মহাব্যবস্থাপক ও  
কোম্পানির সচিব  
রূপালী ব্যাংক লিমিটেড  
প্রধান কার্যালয়, ঢাকা।

  
Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



## 12.3 Consolidated Statement of Cash Flows

**Rupali Bank Limited.**  
**Consolidated Cash Flows Statement**  
For the period from 01 January to 30 September, 2023

Particulars	Notes	Amount in Taka	
		1st January to 30 Sept., 2023	1st January to 30 Sept., 2022
<b>Cash Flows from Operating Activities</b>			
Interest Receipts in Cash	41(a)	30,764,314,272	26,148,993,466
Interest Payments	42(a)	(18,833,749,638)	(17,176,433,659)
Dividend Receipts		89,930,428	133,702,279
Fees, Commissions, Brokerage etc.		512,885,801	2,656,319,163
Recoveries of Loans Previously Written off		61,500,000	74,200,000
Cash Payments to Employees		(4,768,165,475)	(4,408,078,422)
Cash Payments to Suppliers		(932,601,886)	(1,220,731,340)
Income Taxes Paid		(34,545,603)	(379,590,946)
Receipts from Other Operating Activities		1,220,686,098	1,195,950,544
Payments for Other Operating Activities		(1,285,036,015)	(1,303,387,558)
<b>Cash Generated from Operating Activities before changes in Operating Assets and Liabilities</b>		<b>6,798,217,982</b>	<b>5,720,943,528</b>
<b>Increase/(Decrease) in Operating Assets and Liabilities</b>			
Loans and Advances to Customers		(22,814,885,241)	(29,772,750,217)
Other Assets	44(a)	(158,297,426)	(2,983,261,926)
Deposits from Customers		68,549,076,014	(3,657,477,053)
Other Liabilities	45(a)	1,780,557,244	(1,639,406,546)
		<b>47,356,450,591</b>	<b>(38,052,895,745)</b>
<b>Net Cash Flows from Operating Activities</b>		<b>54,154,668,573</b>	<b>(32,331,952,217)</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from Sale of Securities		1,187,420,359,837	1,026,875,118,228
Payments for Purchases of Securities		(1,224,369,619,346)	(1,011,088,070,915)
Purchase of Property, Plant and Equipment		(156,698,184)	(271,920,622)
Proceeds from Sale of Property, Plant and Equipment		88,031	71,166
Investment in Subsidiary		-	-
<b>Net Cash used in Investing Activities</b>		<b>(37,105,869,662)</b>	<b>15,515,197,856</b>



4



Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

মোহাম্মদ শাহেদুর রহমান  
মহাব্যবস্থাপক ও  
কোম্পানি সচিব  
রূপালী ব্যাংক লিমিটেড,  
প্রধান কার্যালয়, ঢাকা।

Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



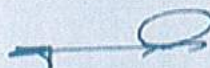
**Rupali Bank Limited.**  
**Consolidated Cash Flows Statement**  
**For the period from 01 January to 30 September, 2023**

Particulars	Notes	Amount in Taka	
		1st January to 30 Sept., 2023	1st January to 30 Sept., 2022

**Cash Flows from Financing Activities**

Borrowing from Other Banks and Financial Institutions and Agents		(7,714,150,609)	668,354,549
Special Loan from Rupali Bank Ltd.		-	17,538,611
<b>Cash Flows from Financing Activities</b>		<b>(7,714,150,609)</b>	<b>685,893,160</b>
<b>Net Increase/(Decrease) in Cash</b>		<b>9,334,648,302</b>	<b>(16,130,861,201)</b>
Effect on Cash & Cash Equivalent Due to Changes in exch. Rate		1,141,372,246	482,260,709
Cash and Cash Equivalent at the Beginning of the Year	46(a)	54,028,133,312	62,584,209,210
Cash and Cash Equivalent at the End of the Year	46(a)	64,504,153,860	46,935,608,718
<b>Net Operating Cash flow Per Share (Restated)</b>		<b>116.54</b>	<b>(69.58)</b>
<b>Diluted Net Operating Cash flow Per Share (Considering Share Money Deposit)</b>		<b>47.31</b>	<b>(28.25)</b>

The annexed accounting policies and other notes form an integral part of these financial statements.



Md. Harunur Rashid  
General Manager  
(Acting CFO)



Mohammed Shahedur Rahman  
General Manager & Company Secretary



Mohammad Jahangir  
Managing Director & CEO



Md. Asad Hossain  
Bir Mukti Joddha  
Director



Md. Ali Akkas  
Independent




Kazi Sahaul Haq  
Chairman


As per our separate report of even date annexed.

Dhaka.  
Date: 28 November, 2023



  
**Syed Rashed Hussain**  
 Chief Executive Officer  
 BRAC EPL Investments Limited

  
**Md. Harunur Rashid**  
 General Manager  
 Rupali Bank PLC.  
 Head Office, Dhaka.

  
 মোহাম্মদ শাহেদুর রহমান  
 সহকারী ব্যবস্থাপক ও  
 কোম্পানি সচিব  
 রূপালী ব্যাংক লিমিটেড  
 প্রধান কার্যালয়, ঢাকা।

  
**Mohammad Jahangir**  
 Managing Director & CEO  
 Rupali Bank PLC.  
 Head Office, Dhaka.



## 12.4 Consolidated Statement of Changes in Equity

### Rupali Bank Limited Consolidated Statement of Changes in Equity For the period from 01 January to 30 September, 2023

Particulars	Paid Up Capital	Share Money Deposit	Statutory Reserve	General Reserves	Revaluation Reserve/gain/loss		Retained Earnings	Total
					Properties	Investments		
Balance as at 01 January 2023	4,646,972,050	6,799,953,800	3,816,198,385	10,000,000	593,760,060	368,661,113	540,801,607	16,776,347,015
Dividends (Bonus share)	-	-	-	-	-	-	-	-
Restated Balance as at 01 January 2023	4,646,972,050	6,799,953,800	3,816,198,385	10,000,000	593,760,060	368,661,113	540,801,607	16,776,347,015
1% Start-up Fund	-	-	-	-	-	-	-	-
Surplus / (deficit) on revaluation of Investments (HTM/LoFT)	-	-	-	-	-	(44,255,843)	-	(44,255,843)
Net profit during the year	-	-	-	-	-	-	431,231,304	431,231,304
Previous Year's Income Adjustment	-	-	-	-	-	-	-	-
BILL General Reserve	-	-	-	5,000,000	-	-	(5,000,000)	-
Assets Revaluation Reserve	-	-	188,543,413	-	-	-	-	-
Transferred to statutory reserve	-	-	4,004,781,799	-	-	-	(188,543,413)	-
Balance as at 30 September- 2023	4,646,972,050	6,799,953,800	4,004,781,799	15,000,000	593,760,060	324,405,270	778,489,497	17,163,322,476
Balance as at 31 December-2022	4,646,972,050	6,799,953,800	3,816,198,385	10,000,000	593,760,060	368,661,113	540,801,607	16,776,347,015

The annexed accounting policies and other notes form an integral part of these financial statements.

Md. Harunur Rashid  
General Manager  
(Acting CFO)

Md. Asad Hossain  
Btr Mukhopadhyay

Mohammad Shahedur Rahman  
General Manager & Company Secretary

Md. Ali Akbar  
Independent Director

Mohammad Jahangir  
Managing Director & CEO

Kazi Sanjid Haq  
Chairman

As per our separate report of even date annexed.

Dhaka.  
Date: 28 November, 2023



Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

মোহাম্মদ শাহেদুর রহমান  
মহাপরিচালক ও  
কোম্পানির সচিব  
রূপালী ব্যাংক লিমিটেড  
প্রধান কার্যালয়, ঢাকা।

Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



## 12.5 Balance Sheet


**Rupali Bank Limited**  
**Balance Sheet**  
**As at 30 September, 2023**

Particulars	Notes	Amount in Taka	
		30 September, 2023	31 December, 2022
<b>PROPERTY AND ASSETS</b>			
Cash	3		
Cash In Hand (Including Foreign Currencies)		5,745,742,862	5,839,121,060
Balance with Bangladesh Bank & Sonali Bank (Including Foreign Currencies)		29,982,413,348	28,513,871,372
		35,728,156,210	34,352,992,432
Balance with Other Banks and Financial Institutions	4		
In Bangladesh		19,008,921,169	18,354,015,614
Outside Bangladesh		2,073,799,804	862,045,549
		21,082,720,973	19,216,061,163
Money at Call on Short Notice	5	7,400,000,000	206,594,000
Investments	6		
Government		154,430,159,995	117,654,767,970
Others		40,192,485,853	40,926,567,003
		194,622,645,848	158,581,334,973
Loans and Advances	7		
Loans, Cash Credit, Overdrafts etc.		455,549,806,634	431,930,603,646
Bills Purchased and Discounted		2,629,828,650	3,470,170,069
		458,179,635,284	435,400,773,715
Fixed Assets including Land, Building, Furniture and Fixtures	8	14,709,323,929	14,499,438,386
Other Assets	9	25,586,152,893	24,470,025,896
Non-Banking Assets	10	-	-
<b>TOTAL PROPERTY AND ASSETS</b>		<b>757,308,635,142</b>	<b>686,727,220,565</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowing from Other Banks, Financial Institutions & Agents	11	7,702,497,044	15,416,647,653
Deposits and Other Accounts	12		
Current and Other Accounts, etc.		42,962,220,115	40,516,229,409
Bills Payable		3,290,418,128	3,165,208,967
Savings Deposits		123,682,331,497	119,692,407,494
Fixed Deposits		487,289,900,239	425,301,948,095
Other Deposits		-	-
		657,224,869,979	588,675,793,965
Other Liabilities	13	75,726,701,657	66,288,127,729
<b>Total Liabilities</b>		<b>740,654,068,680</b>	<b>670,380,569,347</b>
Capital and Shareholders' Equity			
Paid-up Capital	14	4,646,972,050	4,646,972,050
Share Money Deposit	15	6,799,953,800	6,799,953,800
Statutory Reserve	16	3,982,741,799	3,801,198,385
General Reserve	17	-	-
Assets Revaluation Reserve	18	593,760,060	593,760,060
Revaluation Reserve for Securities	19	324,405,270	368,661,113
Retained Earnings	20	306,733,483	136,105,810
		16,654,566,462	16,346,651,218
<b>Total Shareholders' Equity</b>		<b>757,308,635,142</b>	<b>686,727,220,565</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			

7

  
**Syed Rashed Hussain**  
 Chief Executive Officer  
 BRAC EPL Investments Limited

  
**Md. Harunur Rashid**  
 General Manager  
 Rupali Bank PLC.  
 Head Office, Dhaka.

  
 মোহাম্মদ শাহেদুল রহমান  
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 কোম্পানি সচিব  
 রূপালী ব্যাংক লিমিটেড  
 প্রধান কার্যালয়, ঢাকা।

  
**Mohammed Jahangir**  
 Managing Director & CEO  
 Rupali Bank PLC.  
 Head Office, Dhaka.



**Rupali Bank Limited**  
Balance Sheet  
As at 30 September, 2023

Particulars	Notes	Amount in Taka	
		30 September, 2023	31 December, 2022

**OFF - BALANCE SHEET EXPOSURE**

21

**Contingent Liabilities**

Acceptance and Endorsements

Letter of Guarantee

Irrevocable Letters of Credit

Bills For Collection

Other Contingent Liability (DC Notes)

**Total Contingent Liabilities**

5,283,668,255	6,349,749,984
16,784,858,193	17,505,423,087
131,356,532,938	132,705,547,827
6,318,252,193	6,421,846,088
1,006,550	1,006,550
<b>159,744,318,129</b>	<b>162,983,573,536</b>

**Other commitments**

Documentary credits and short term trade-related transaction

Forward assets purchased and forward deposit placed

Undrawn note issuance and revolving underwriting facilities

Undrawn formal standby facilities, credit lines and other commitments

Liabilities against forward purchase and sale

**Total off balance sheet exposure including contingent liabilities**

-	-
-	-
-	-
-	-
-	-
<b>159,744,318,129</b>	<b>162,983,573,536</b>

**Net Asset Value Per Share (NAVPS) (restated)**

35.84 35.18

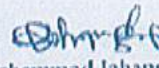
**Diluted Net Asset Value Per Share (NAVPS) (Considering Share Money Deposit)**

14.55 14.28

The annexed accounting policies and other notes form an integral part of these financial statements.


  
Md. Harunur Rashid  
General Manager  
(Acting CFO)

  
Mohammed Shahedur Rahman  
General Manager & Company Secretary

  
Mohammad Jahangir  
Managing Director & CEO

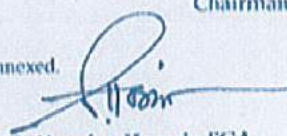
  
Md. Ashraf Hossain  
Bir Mukti Joddha  
Director

  
Md. Ali Akkas  
Independent Director

  
Kazi Sanaul Hoq  
Chairman

As per our separate report of even date annexed.

  
Nasir U Ahmed  
FCA, FCS, CGMA (AICPA), ACMA (UK), FCA (England & Wales)  
Deputy Managing Partner  
MABS & J Partners, Chartered Accountants  
Enrollment Number: 535

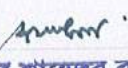
  
Md. Showkat Hossain FCA  
Partner  
A. Wahab & Co, Chartered Accountants  
Enrollment Number: 196


Dhaka.

Date: 28 November, 2023

  
Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

  
Md. Harunur Rashid  
General Manager  
Rupali Bank PLC  
Head Office, Dhaka.

  
মোহাম্মদ শাহেদুর রহমান  
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প্রধান কার্যালয়, ঢাকা।

  
Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC  
Head Office, Dhaka.



## 12.6 Income Statement

**Rupali Bank PLC.**  
**Profit and Loss Accounts**  
For the period from 01 January to 30 September, 2023

Particulars	Notes	Amount in Taka			
		1st January to 30 Sept., 2023	1st January to 30 Sept., 2022	1st July to 30 Sept., 2023	1st July to 30 Sept., 2022
Interest Income	23	21,684,813,441	17,810,452,392	7,195,018,807	6,234,380,739
Less: Interest Paid on Deposits, Borrowings etc.	24	23,292,922,476	20,261,818,595	8,410,165,374	6,973,885,979
<b>Net Interest Income</b>		<b>(1,608,109,035)</b>	<b>(2,451,366,603)</b>	<b>(1,215,146,567)</b>	<b>(739,505,239)</b>
Investment Income	25	10,865,603,582	11,308,313,445	3,535,063,876	2,640,944,311
Commission, Exchange, Brokerage etc.	26	1,654,258,047	1,026,759,675	416,933,885	407,521,271
Other Operating Income	27	440,206,176	391,124,416	101,483,190	71,738,428
<b>Total Operating Income</b>		<b>11,351,958,771</b>	<b>10,274,830,934</b>	<b>2,838,334,383</b>	<b>2,380,698,772</b>
Salary and Allowances	28	4,232,075,901	4,366,463,409	1,586,295,168	1,345,779,169
Rent, Taxes, Insurance, Electricity etc.	29	485,335,532	506,717,202	126,280,470	142,165,348
Legal and Professional Expenses		24,017,217	15,211,492	5,412,540	4,954,444
Postage, Stamp, Telecommunication etc.	30	89,851,811	115,000,640	10,842,362	30,629,516
Stationery, Printing, Advertisement etc.	31	93,721,372	112,380,714	24,779,487	29,411,903
Managing Director's Salary and Fees	28.01	3,600,000	3,600,000	1,200,000	1,200,000
Directors' Fees and Expenses	28.02	2,833,600	2,332,000	915,200	756,800
Audit Fees	32	2,000,000	500,000	-	-
Depreciation and Repairs of Bank's Assets	33	239,290,799	251,521,723	24,514,307	20,036,106
Other Expenses	34	1,836,485,472	4,829,517,827	427,927,347	1,307,269,920
<b>Total Operating Expenses</b>		<b>7,509,241,703</b>	<b>10,203,245,006</b>	<b>2,208,166,881</b>	<b>2,882,203,206</b>
<b>Profit/(Loss) before Provision</b>		<b>3,842,717,067</b>	<b>71,585,928</b>	<b>630,167,502</b>	<b>(501,504,435)</b>
Provision for Loans and Advances	35	2,045,000,000	1,000,000	495,000,000	(299,000,000)
Provision for Off-balance Sheet Exposures	36	690,000,000	-	10,000,000	-
Provision for Diminution in Value of Investments	37	150,000,000	-	30,000,000	-
Other Provisions	38	50,000,000	500,000	20,000,000	(29,500,000)
<b>Total Provisions</b>		<b>2,935,000,000</b>	<b>1,500,000</b>	<b>555,000,000</b>	<b>(328,500,000)</b>
<b>Total Profit/(Loss) before Tax</b>		<b>907,717,067</b>	<b>70,085,928</b>	<b>75,167,502</b>	<b>(173,004,435)</b>
Provision for Taxation	39	555,545,981	64,401,212	32,503,664	(100,000,543)
Current tax		552,026,173	57,673,089	51,727,327	(70,049,269)
Deferred tax		3,519,808	6,728,124	(19,223,663)	(29,951,273)
<b>Net Profit/(Loss) after Tax for the year</b>		<b>352,171,086</b>	<b>5,684,716</b>	<b>42,663,837</b>	<b>(73,003,892)</b>
Retained Earnings brought forward from previous year (net)	20	136,105,810	167,012,411	136,105,810	167,012,411
		<b>488,276,896</b>	<b>172,697,127</b>	<b>178,769,647</b>	<b>94,008,519</b>
<b>Appropriations</b>					
Statutory Reserve	16	181,543,413	14,017,186	15,033,500	-
1% Start-up Fund		181,543,413	14,017,186	15,033,500	-
<b>Retained Surplus to Retained Earnings</b>		<b>306,733,483</b>	<b>158,679,941</b>	<b>163,736,147</b>	<b>94,008,519</b>
Basic Earnings per Share (EPS) (restated)	40	0.76	0.012	0.09	(0.16)
Diluted Earnings per Share (EPS) (Considering Share Money Deposit)	40	0.31	0.005	0.04	(0.06)

The annexed accounting policies and other notes form an integral part of these financial statements.

Md. Harunur Rashid  
General Manager  
(Acting CFO)

Mohammad Shahedur Rahman  
General Manager & Company Secretary

Mohammad Jahangir  
Managing Director & CEO

Md. Ashraf Hossain  
Bij Mukti Uddha

Md. Ali Akkas  
Independent Director

Kazi Sanaul Haq  
Chairman

Nasir U Ahmed  
FCA, FCS, CGMA (ACPA), ACMA (UK), FCA (England & Wales)  
Deputy Managing Partner  
MABS & J Partners, Chartered Accountants

As per our separate report of even date annexed.

Md. Showkat Hossain FCA  
Partner  
A. Wahab & Co, Chartered Accountants  
Enrollment Number: 196

Dhaka.  
Date: 28 November, 2023

Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

মোহাম্মদ শাহেদুর রহমান  
মহাব্যবস্থাপক ও  
কোম্পানি সচিব  
রূপালী ব্যাংক লিমিটেড,  
প্রধান কার্যালয়, ঢাকা।

Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



## 12.7 Statement of Cash Flows

**Rupali Bank Limited.**  
**Cash Flows Statement**  
For the period from 01 January to 30 September, 2023

Particulars	Notes	Amount in Taka	
		1st January to 30 Sept., 2023	1st January to 30 Sept., 2022
<b>Cash flows from operating activities</b>			
Interest receipts in cash	41	30,757,520,281	26,143,852,990
Interest payments	42	(18,833,530,555)	(17,178,924,227)
Dividend receipts		45,851,983	81,793,706
Fees, commissions, brokerage etc.		512,885,801	2,559,832,593
Recovery of loans previously written off		64,500,000	74,200,000
Cash payments to employees		(4,735,675,901)	(4,370,063,409)
Cash payments to suppliers		(668,908,714)	(734,098,555)
Income taxes paid		-	(360,601,735)
Receipts from other operating activities		440,206,176	391,124,416
Payments for other operating activities	43	(945,845,709)	(1,133,312,236)
Cash generated from operating activities before changes in operating assets and liabilities		6,637,003,362	5,473,803,541
<b>Increase / (decrease) in operating assets and liabilities</b>			
Loans and advances to customers		(22,778,861,569)	(29,735,710,217)
Other assets	44	(158,297,426)	(2,983,261,926)
Deposits from customers		68,549,076,014	(3,657,477,055)
Other liabilities	45	1,780,557,244	(1,639,406,516)
		47,392,474,263	(38,015,855,745)
Net Cash flows from operating activities		54,029,477,625	(32,542,052,204)
<b>Cash flows from investing activities</b>			
Proceeds from sale of securities		1,187,379,643,911	1,026,821,274,400
Payments for purchases of securities		(1,224,244,591,131)	(1,010,881,458,095)
Purchase of property, plant and equipment		(156,610,484)	(271,832,090)
Proceeds from sale of property, plant and equipment		88,031	71,166
Net cash used in investing activities		(37,021,469,673)	15,668,055,380



**Syed Rashed Hussain**  
Chief Executive Officer  
BRAC EPL Investments Limited

**Md. Harunur Rashid**  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

মোহাম্মদ শাহেদুর রহমান  
মহাব্যবস্থাপক ও  
কেন্দ্রীয় পরিচালক  
রূপালী ব্যাংক লিমিটেড  
প্রধান কার্যালয়, ঢাকা।

**Mohammad Jahangir**  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.




**Rupali Bank Limited.**  
**Cash Flows Statement**  
For the period from 01 January to 30 September, 2023

Particulars	Notes	Amount in Taka	
		1st January to 30 Sept., 2023	1st January to 30 Sept., 2022
<b>Cash flows from financing activities</b>			
Borrowing from other banks and financial institutions and agents		(7,714,150,609)	668,354,549
Capital Injection		-	-
<b>Cash flows from financing activities</b>		<b>(7,714,150,609)</b>	<b>668,354,549</b>
<b>Net increase / (decrease) in cash</b>		<b>9,293,857,343</b>	<b>(16,205,642,275)</b>
Effect on cash & cash equivalent due to changes in exch. rate		1,141,372,246	482,260,709
Cash and cash equivalent at the beginning of the year	46	53,775,647,595	62,136,993,271
Cash and Cash Equivalent at the End of the Year	46	64,210,877,183	46,413,611,703
<b>Net operating Cash Flow per share (restated)</b>		<b>116.27</b>	<b>(70.03)</b>
<b>Diluted Net Operating Cash Flow Per Share (Considering Share Money Deposit)</b>		<b>47.20</b>	<b>(28.43)</b>

The annexed accounting policies and other notes form an integral part of these financial statements.

  
Md. Harunur Rashid  
General Manager  
(Acting CFO)

  
Mohammed Shahedur Rahman  
General Manager & Company Secretary

  
Mohammad Jahangir  
Managing Director & CEO

  
Md. Ashraf Ussain  
Bir Mukti Joddha  
Director

  
Md. Ali Akkas  
Independent Director

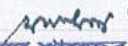
  
Kazi Sanaul Haq  
Chairman

As per our separate report of even date annexed.

Dhaka.  
Date: 28 November, 2023

  
Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

  
Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

  
মোহাম্মদ শাহেদুর রহমান  
মহাব্যবস্থাপক ও  
কোম্পানি সচিব  
রূপালী ব্যাংক পিএলসি.  
প্রধান কার্যালয়, ঢাকা।

  
Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.





## 12.8 Statement of Changes of Equity

**Rupali Bank Limited**  
**Statement of Changes in Equity**  
**For the period from 01 January to 30 September, 2023**


Particulars	Paid Up Capital	Share Money Deposit	Statutory Reserve	General Reserves	Revaluation Reserve/gain/loss		Retained Earnings	Total
					Properties	Investments		
Balance as at 1st January-2023	4,646,972,050	6,799,953,800	3,801,198,385	-	593,760,060	368,661,113	136,105,810	16,346,651,218
Dividends (Bonus share)	-	-	-	-	-	-	-	-
Restated Balance as at 1st January-2023	4,646,972,050	6,799,953,800	3,801,198,385	-	593,760,060	368,661,113	136,105,810	16,346,651,218
1% Start-up Fund	-	-	-	-	-	-	-	-
Surplus / (deficit) on revaluation of investments (HINM&P)	-	-	-	-	-	(44,255,843)	-	(44,255,843)
Net profit during the year	-	-	-	-	-	-	352,171,086	352,171,086
Transferred to statutory reserve	-	-	181,543,413	-	-	-	(181,543,413)	-
Balance as at 30 September- 2023	4,646,972,050	6,799,953,800	3,982,741,799	-	593,760,060	324,405,270	306,733,483	16,654,566,462
Balance as at 31 December -2022	4,646,972,050	6,799,953,800	3,801,198,385	-	593,760,060	368,661,113	136,105,810	16,346,651,218


The annexed accounting policies and other notes form an integral part of these financial statements.


  
Mohammad Jahangir  
Managing Director & CEO

  
Kazi Samad Haq  
Chairman

  
Mohammad Shahedur Rahman  
General Manager & Company Secretary

  
Md. Ali Akkas  
Independent Director

  
Md. Harunur Rashid  
General Manager  
(Acting CFO)

  
Md. Ashraf Hossain  
Bir Mukti Jodha  
Director

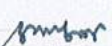
As per our separate report of even date annexed.

Chk'd.  
Date: 28 November, 2023



  
Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPF Investments Limited

  
Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

  
মোহাম্মদ শাহেদুর রহমান  
মহাকাব্যবস্থাপক ও  
কোম্পানীর সচিব  
রূপালী ব্যাংক লিমিটেড  
প্রধান কার্যালয়, ঢাকা।

  
Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



## Section 13: Comparative Financial Statements of Rupali Bank Limited

### 13.1 Consolidated Balance Sheet

Rupali Bank Limited Consolidated Balance Sheet					
Particulars	Sep 30 2023	December 31 2022	December 31 2021	December 31 2020	December 31 2019
<b>PROPERTY AND ASSETS</b>					
Cash	35,926,811,323	34,564,477,836	29,903,695,469	38,928,706,829	24,539,366,624
Cash in Hand (including foreign currency)	5,745,781,903	5,839,165,883	4,229,762,850	3,758,145,644	3,171,685,375
Balance with Bangladesh Bank and Agent Bank(s) (including foreign currency)	30,181,029,420	28,725,311,953	25,673,932,619	35,170,561,185	21,367,681,249
Balance with Other Banks and Financial Institutions	21,188,917,629	19,257,061,476	32,028,628,541	26,770,127,383	23,497,413,944
In Bangladesh	19,115,117,825	18,395,015,927	30,762,817,930	25,197,500,000	20,860,500,000
Outside of Bangladesh	2,073,799,804	862,045,549	1,265,810,611	1,572,627,383	2,636,913,944
Money at Call End on Short Notice	7,400,000,000	206,594,000	651,885,200	10,177,631,250	-
Investments	196,756,655,446	160,661,559,082	184,323,903,582	159,678,094,320	105,264,853,104
Government Securities	154,430,159,995	117,654,767,970	137,994,137,340	114,873,647,011	63,352,839,496
Other Investments	42,326,495,451	43,006,791,112	46,329,766,242	44,804,447,309	41,912,013,608
Loans and Advances	458,911,236,220	436,166,774,191	381,473,831,139	337,335,157,308	307,201,254,043
Loans, Cash, Credit, Overdrafts, etc.	456,281,407,570	432,696,604,122	378,610,174,513	336,191,291,509	305,732,273,604
Bills Purchased and Discounted	2,629,828,650	3,470,170,069	2,863,656,626	1,143,865,799	1,468,980,439
Fixed Assets Including Premises, Furniture, and Fixtures	14,730,072,052	14,524,012,681	14,461,577,525	14,474,768,917	14,341,856,609
Other Assets	23,825,724,905	22,629,588,730	23,606,495,120	43,948,662,094	23,049,716,142
Non-Banking Assets	-	-	-	-	-
<b>Total Assets</b>	<b>758,739,417,575</b>	<b>688,010,067,996</b>	<b>666,450,016,576</b>	<b>631,313,148,101</b>	<b>497,894,460,466</b>
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
Borrowing from other banks, financial institutions, and agents	7,702,497,044	15,416,647,652	7,205,800,573	8,421,439,694	12,065,813,268
Bonds	-	-	-	-	-
Deposits and Other Accounts	657,224,869,979	588,675,793,965	576,430,602,308	532,299,901,188	414,624,250,170
Current deposit and other accounts	42,962,220,115	40,516,229,409	32,640,579,151	32,718,868,619	29,091,344,645
Bills Payable	3,290,418,128	3,165,208,967	4,016,224,871	4,375,750,658	6,382,692,663
Savings Bank Deposits	123,682,331,497	119,692,407,494	114,593,814,780	100,393,991,962	87,112,204,653
Fixed Deposits	487,289,900,239	425,301,948,095	425,179,983,506	394,811,289,949	292,038,008,209
Other Deposits	-	-	-	-	-
Other Liabilities	76,648,728,076	67,141,279,364	65,557,815,842	72,327,286,753	54,164,918,137
<b>Total Liabilities</b>	<b>741,576,095,099</b>	<b>671,233,720,981</b>	<b>649,194,218,723</b>	<b>613,048,627,635</b>	<b>480,854,981,575</b>
<b>Capital/Shareholders' Equity</b>					
Paid-up Capital	4,646,972,050	4,646,972,050	4,555,854,950	4,141,686,320	4,141,686,320
Share Money Deposit	6,799,953,800	6,799,953,800	6,799,953,800	6,799,953,800	6,799,953,800
Statutory Reserve	4,004,741,799	3,816,198,385	3,680,911,565	3,532,406,522	3,443,026,585
General Reserve	15,000,000	10,000,000	5,000,000	1,603,197	-
Assets Revaluation Reserve	593,760,060	593,760,060	612,809,471	631,858,882	631,858,882
Revaluation Reserve for Securities	324,405,270	368,661,113	1,089,978,023	2,478,422,129	1,462,948,609
Retained Earnings	778,489,497	540,801,607	511,290,044	678,589,616	560,004,695
<b>Total Shareholders' Equity</b>	<b>17,163,322,476</b>	<b>16,776,347,015</b>	<b>17,255,797,853</b>	<b>18,264,520,466</b>	<b>17,039,478,891</b>
Non-controlling Interest	-	-	-	-	-
<b>Total Equity</b>	<b>17,163,322,476</b>	<b>16,776,347,015</b>	<b>17,255,797,853</b>	<b>18,264,520,466</b>	<b>17,039,478,891</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>758,739,417,575</b>	<b>688,010,067,996</b>	<b>666,450,016,576</b>	<b>631,313,148,101</b>	<b>497,894,460,466</b>
<b>NAV Per Share</b>	<b>36.93</b>	<b>36.10</b>	<b>37.88</b>	<b>44.1</b>	<b>41.14</b>
Diluted NAV Per Share (considering share money deposit)	14.99	14.66	15.20	16.69	15.57
<b>OFF-BALANCE SHEET ITEMS</b>					

Syed Rashed Hussain  
Chief Executive Officer  
RAC EPL Investments Limited

Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.


মোহাম্মদ শাহেদুর রহমান  
মহাব্যবস্থাপক ও  
খণ্ডম্যানেজিং অফিসার  
রূপালী ব্যাংক লিমিটেড  
প্রধান কার্যালয়, ঢাকা।

Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.

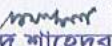


<b>Contingent Liabilities</b>					
Acceptances and Endorsements	4,283,668,255	6,349,749,984	3,915,861,959	2,639,809,300	4,172,947,036
Letters of Guarantee	16,784,858,193	17,505,423,087	17,748,633,083	12,417,509,729	4,680,448,348
Irrevocable Letters of Credit	131,356,532,938	132,705,547,827	125,416,829,518	119,882,350,329	138,650,313,283
Bills for Collection	6,318,252,193	6,421,846,088	4,088,594,915	3,606,117,877	2,784,328,736
Other Contingent Liabilities	1,006,550	1,006,550	1,007,250	1,007,250	9,707,250
<b>Total</b>	<b>158,744,318,129</b>	<b>162,983,573,536</b>	<b>151,170,926,725</b>	<b>138,546,794,485</b>	<b>150,297,744,653</b>
<b>Other Commitments</b>	-	-	-	-	-
Documentary Credit and Short-Term Trade Related Transactions	-	-	-	-	-
Forward Assets Purchased and Forward Deposit Placed	-	-	-	-	-
Undrawn Note Issuance and Revolving Underwriting Facilities	-	-	-	-	-
Undrawn Formal Standby Facilities, Credit Lines, and Other Commitments	-	-	-	-	-
Liabilities Against Forward Purchase and Sale	-	-	-	-	-
<b>Total Off-Balance Sheet Exposures Including Contingent Liabilities</b>	<b>158,744,318,129</b>	<b>162,983,573,536</b>	<b>151,170,926,725</b>	<b>138,546,794,485</b>	<b>150,297,744,653</b>

Table 24: Consolidated Balance Sheet of Rupali Bank Limited

  
**Syed Rashed Hussain**  
 Chief Executive Officer  
 BRAC EPL Investments Limited

  
**Md. Harunur Rashid**  
 General Manager  
 Rupali Bank PLC.  
 Head Office, Dhaka.

  
**মোহাম্মদ শাহিদুল রহমান**  
 সহকারী ব্যবস্থাপক ও  
 বেসামান্য পরিচালক  
 রূপালী ব্যাংক লিমিটেড  
 প্রধান কার্যালয়, ঢাকা

  
**Mohammad Jahangir**  
 Managing Director & CEO  
 Rupali Bank PLC.  
 Head Office, Dhaka.



## 13.2 Consolidated Income Statement

Rupali Bank Limited Consolidated Income Statement					
Particulars	Sep 30 2023	December 31 2022	December 31 2021	December 31 2020	December 31 2019
Interest Income/Profit on Investment	21,749,066,743	24,329,458,911	22,429,986,788	19,534,225,103	18,776,330,423
Interest Paid on Deposits, Borrowings, etc.	23,294,566,521	27,313,240,482	25,704,995,459	22,995,087,319	18,704,562,076
<b>Net Interest Income</b>	<b>(1,545,499,778)</b>	<b>(2,983,781,571)</b>	<b>(3,275,008,671)</b>	<b>(3,460,862,216)</b>	<b>71,768,347</b>
Investment Income	10,934,264,922	15,368,143,833	14,331,204,401	12,006,721,335	8,775,083,090
Commission, Exchange, and Brokerage	1,673,192,934	1,988,429,855	2,498,832,878	1,534,144,738	1,573,863,390
Other Operating Income	442,135,864	798,247,512	574,679,915	952,358,764	1,006,224,636
	<b>13,049,593,720</b>	<b>18,154,821,200</b>	<b>17,404,717,194</b>	<b>14,493,224,837</b>	<b>11,355,171,116</b>
<b>Total Operating Income (A)</b>	<b>11,504,093,942</b>	<b>15,171,039,629</b>	<b>14,129,708,523</b>	<b>11,032,362,621</b>	<b>11,426,939,463</b>
Salary and Allowances	4,752,717,844	6,599,197,809	5,755,025,022	4,961,998,089	4,817,508,765
Rent, Taxes, Insurance, Electricity, etc.	489,495,222	719,072,560	615,161,984	609,472,835	591,357,654
Legal Expenses	24,411,762	20,431,916	21,079,380	11,818,235	22,472,460
Postage, Stamp, Telecommunications, etc.	90,524,920	125,657,577	61,590,238	29,751,096	33,395,135
Stationery, Printing, Advertisements, etc.	94,096,265	170,944,854	115,250,600	163,791,987	131,770,913
Managing Director's Salary & Fees	3,600,000	4,800,000	4,800,000	4,800,000	4,800,000
Directors' Fees	3,360,246	4,092,000	2,649,156	2,182,200	3,898,200
Audit Fees	2,000,000	4,808,375	2,614,000	3,292,125	4,364,750
Depreciation and Repair of Bank's Assets	243,402,424	504,592,401	469,419,424	556,636,857	661,354,414
Other Expenses	1,844,923,687	5,753,268,755	5,584,906,368	2,985,080,578	3,151,784,053
<b>Total Operating Expenses (B)</b>	<b>7,548,532,370</b>	<b>13,906,866,247</b>	<b>12,632,496,172</b>	<b>9,328,824,002</b>	<b>9,422,706,344</b>
<b>Profit/(Loss) Before Provision (C=A-B)</b>	<b>3,955,561,572</b>	<b>1,264,173,382</b>	<b>1,497,212,351</b>	<b>1,703,538,619</b>	<b>2,004,233,119</b>
Provision for Loans and Advances	2,046,500,000	155,000,000	215,788,792	931,900,000	838,780,939
Provision for Off-Balance Sheet Exposures	690,000,000	-	-	60,300,000	105,000,000
Provision for Diminution in Value of Investments	151,500,000	66,659,361	83,283,521	64,119,907	21,200,000
Other Provisions	54,000,000	293,500,051	275,925,415	131,500,000	39,732,687
<b>Total Provisions (D)</b>	<b>2,942,000,000</b>	<b>515,159,412</b>	<b>574,997,728</b>	<b>1,187,819,907</b>	<b>1,004,713,626</b>
<b>Total Profit Before Taxes (E=C-D)</b>	<b>1,013,561,572</b>	<b>749,013,970</b>	<b>922,214,623</b>	<b>515,718,712</b>	<b>999,519,493</b>
Provision for Taxes					
Current Tax Expense	579,163,543	286,308,188	299,467,734	229,605,460	349,337,142
Deferred Tax Income/(Expense)	3,166,726	178,034,751	122,626,240	83,171,052	80,600,982
<b>Total Provision for Tax (F)</b>	<b>582,330,269</b>	<b>464,342,939</b>	<b>422,093,974</b>	<b>312,776,512</b>	<b>429,938,124</b>
<b>Net Profit After Taxes (G=E-F)</b>	<b>431,231,303</b>	<b>284,671,031</b>	<b>500,120,649</b>	<b>202,942,200</b>	<b>569,581,369</b>
Retained Earnings from Previous Year	540,801,607	379,460,590	149,204,808	566,630,550	180,978,594
	<b>972,032,910</b>	<b>664,131,621</b>	<b>649,325,457</b>	<b>769,572,750</b>	<b>750,559,963</b>
Appropriations					
Statutory Reserve	181,543,413	125,286,820	143,505,043	89,379,938	191,362,588
1% Start-up Fund	-	2,092,605	3,579,781	1,603,196	-
<b>Total</b>	<b>181,543,413</b>	<b>127,379,425</b>	<b>147,084,824</b>	<b>90,983,134</b>	<b>191,362,588</b>
<b>Retained Surplus/(Deficit)</b>	<b>790,489,497</b>	<b>536,752,196</b>	<b>502,240,633</b>	<b>678,589,616</b>	<b>559,197,375</b>
Earnings Per Share (EPS)	0.93	0.61	1.1	0.49	1.38
Diluted EPS (considering share money deposit)	0.38	0.25	0.44	0.19	0.52

Table 25: Consolidated Income Statement of Rupali Bank Limited

Syed Rashed Hussain  
Chief Executive Officer  
AC EPL Investments Limited

Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

মোহাম্মদ শাহেদুর রহমান  
সহকারী পরিচালক ও  
কোম্পানি সচিব  
রূপালী ব্যাংক লিমিটেড  
প্রধান কার্যালয়, ঢাকা।

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Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.




### 13.3 Consolidated Statement of Cash Flows

Rupali Bank Limited Consolidated Statement of Cash Flows					
Particulars	Sep 30 2023	December 31 2022	December 31 2021	December 31 2020	December 31 2019
<b>Cash Flows from Operating Activities</b>					
Interest Receipts in Cash	30,764,314,272	39,688,633,179	38,336,604,326	27,268,327,996	26,720,195,778
Interest Payments	(18,833,749,638)	(26,428,410,573)	(25,654,335,880)	(21,651,391,703)	(17,657,482,035)
Dividend Receipts	89,930,428	211,835,228	158,743,393	131,037,072	188,788,404
Fees, Commissions, Brokerage, etc.	512,885,801	807,356,462	1,273,841,676	979,361,518	1,010,440,163
Recoveries of Loans Previously Written Off	64,500,000	112,200,000	69,500,000	27,800,000	55,100,000
Cash Payments to Employees	(4,768,165,475)	(6,624,185,726)	(5,778,883,025)	(4,974,635,439)	(4,829,141,844)
Cash Payments to Suppliers	(932,601,886)	(1,168,130,397)	(790,683,311)	(831,377,024)	(740,057,878)
Income Taxes Paid	(34,545,603)	(1,440,891,621)	(518,410,293)	(18,893,731)	(113,123,697)
Receipts from Other Operating Activities	1,220,686,098	1,815,822,952	2,379,617,400	2,218,563,820	1,419,289,002
Payments for Other Operating Activities	(1,285,036,015)	(2,184,331,750)	(7,606,709,258)	(4,387,306,950)	(3,686,330,250)
<b>Operating Cash Flows Before Changes in Operating Assets and Liabilities</b>	<b>6,798,217,982</b>	<b>4,789,897,754</b>	<b>1,869,285,028</b>	<b>(1,238,514,441)</b>	<b>2,367,677,643</b>
<b>Increase/(Decrease) in Operating Assets and Liabilities</b>					
Loans and Advances to Customers	(22,814,885,241)	(52,959,481,603)	(42,895,427,965)	(23,254,932,852)	(59,262,332,789)
Other Assets	(158,297,426)	(7,163,108,178)	21,270,445,321	(19,824,411,735)	316,519,496
Deposits from Other Banks/Borrowings	-	-	-	-	-
Deposits from Customers	68,549,076,014	12,245,191,657	44,130,701,120	117,675,651,018	25,074,770,769
Other Liabilities	1,780,557,244	30,776,399,904	(15,521,382,825)	12,182,040,709	314,744,694
<b>Cash Generated from Operating Activities</b>	<b>47,356,450,591</b>	<b>(17,100,998,220)</b>	<b>6,984,335,651</b>	<b>86,778,347,140</b>	<b>(33,556,297,830)</b>
<b>Net Cash Flow from Operating Activities</b>	<b>54,154,668,573</b>	<b>(12,311,100,466)</b>	<b>8,853,620,679</b>	<b>85,539,832,699</b>	<b>(31,188,620,187)</b>
<b>Cash Flows from Investing Activities</b>					
Proceeds from Sale of Securities	1,187,420,359,837	1,188,033,677,197	648,061,301,842	52,181,245,806	794,189,174,674
Payments for Purchase of Securities	(1,224,369,619,346)	(1,193,261,061,476)	(670,120,311,622)	(106,541,732,820)	(814,376,097,956)
Purchase of Property, Plant, and Equipment	(156,698,184)	(383,894,319)	(330,785,190)	(230,814,188)	(592,815,429)
Payments Against Lease Obligation/FDR	-	-	-	-	-
Proceeds from Sale of Property, Plant, and Equipment	88,031	330,331	4,782	4,014	3,244
Investment in Subsidiaries	-	-	-	-	-
<b>Net Cash Flows from Investing Activities</b>	<b>(37,105,869,662)</b>	<b>(5,610,948,267)</b>	<b>(22,389,790,188)</b>	<b>(54,591,297,188)</b>	<b>(20,779,735,467)</b>
<b>Cash Flows from Financing Activities</b>					
Payment of Long-Term Borrowings	-	-	-	-	-
Borrowing from Other Banks and Financial Institutions and Agents	(7,714,150,609)	8,210,847,080	(1,215,639,120)	(3,644,373,574)	5,058,109,845
Receipts from Issue of Loan Capital and Debt Securities	-	-	-	-	-
Special Loan from Rupali Bank Ltd.	-	19,533,096	212,740,212	-	-
Capital Injection	-	-	-	-	-
<b>Net Cash Flows from Financing Activities</b>	<b>(7,714,150,609)</b>	<b>8,230,380,176</b>	<b>(1,002,898,908)</b>	<b>(3,644,373,574)</b>	<b>5,058,109,845</b>
<b>Net Increase/Decrease in Cash</b>	<b>9,334,648,302</b>	<b>(9,691,668,557)</b>	<b>(14,539,068,417)</b>	<b>27,304,161,937</b>	<b>(46,910,245,809)</b>
Effects of Exchange Rate Changes on Cash/Cash Equivalents	1,141,372,246	1,135,592,659	1,164,551,212	535,522,958	552,486,805

  
Ayed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

  
Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

  
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সহকারী পরিচালক ও  
কেন্দ্রীয় অফিসার  
রূপালী ব্যাংক লিমিটেড  
প্রধান কার্যালয়, ঢাকা।

  
Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.




Cash/Cash Equivalents at the Beginning of the Year	54,028,133,312	62,584,209,210	75,958,726,415	48,036,780,568	94,394,539,572
Cash/Cash Equivalents at the End of the Year	64,504,153,860	54,028,133,312	62,584,209,210	75,876,465,463	48,036,780,568
<b>Net Operating Cash Flow Per Share</b>	<b>116.54</b>	<b>(26.49)</b>	<b>19.05</b>	<b>206.53</b>	<b>75.30</b>
Diluted Net Operating Cash Flow Per Share (considering share money deposit)	47.31	(10.75)	7.73	78.18	

Table 26: Consolidated Statement of Cash Flows of Rupali Bank Limited

  
**Syed Rashed Hussain**  
 Chief Executive Officer  
 BAC EPL Investments Limited

  
**Md. Harunur Rashid**  
 General Manager  
 Rupali Bank PLC.  
 Head Office, Dhaka.

  
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 প্রধান কার্যালয়, ঢাকা।

  
**Mohammad Jahangir**  
 Managing Director & CEO  
 Rupali Bank PLC.  
 Head Office, Dhaka.

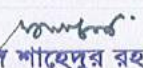


### 13.4 Consolidated Statement of Changes in Equity

Rupali Bank Limited Consolidated Statement of Changes in Equity								
Particulars	Paid Up Capital	Share Money Deposit	Statutory Reserve	General Reserve	Revaluation Reserve Gain/Loss		Retained Earnings	Total
					Property	Investment		
2023								
Balance as of Jan 01, 2023	4,646,972,050	6,799,953,800	3,816,198,385	10,000,000	593,760,060	368,661,113	540,801,607	16,776,347,015
Dividends (Bonus Share)	-	-	-	-	-	-	-	-
Restated Balance as of Jan 01, 2023	4,646,972,050	6,799,953,800	3,816,198,385	10,000,000	593,760,060	368,661,113	540,801,607	16,776,347,015
1% Startup Fund	-	-	-	-	-	-	-	-
Surplus/(Deficit) on revaluation of Investments (HTM&HFT)	-	-	-	-		(44,255,843)	-	(44,255,843)
Net Profit During the Year	-	-	-	-	-	-	431,231,304	431,231,304
Previous Year's Income Adjustment	-	-	-	-	-	-	-	-
RIL General Reserve				5,000,000			(5,000,000)	-
Assets Revaluation Reserve					-		-	-
Transferred to Statutory Reserve	-	-	188,543,413	-	-	-	(188,543,413)	-
Balance as of Sep 30, 2023	4,646,972,050	6,799,953,800	4,004,741,799	15,000,000	593,760,060	324,405,270	778,489,497	17,163,322,476
Balance as of Dec 31, 2022	4,646,972,050	6,799,953,800	3,816,198,385	10,000,000	593,760,060	368,661,113	540,801,607	16,776,347,015
2022								
Balance as of Jan 01, 2022	4,555,854,950	6,799,953,800	3,680,911,565	5,000,000	612,809,471	1,089,978,023	511,290,045	17,255,797,854
Dividends (Bonus Share)	91,117,100	-	-	-	-	-	(91,117,100)	-
Restated Balance as of Jan 01, 2022	4,646,972,050	6,799,953,800	3,680,911,565	5,000,000	612,809,471	1,089,978,023	420,172,945	17,255,797,854
1% Startup Fund	-	-	-	-	-	-	(2,092,605)	(2,092,605)
Surplus/(Deficit) on revaluation of Investments (HTM&HFT)	-	-	-	-		(721,316,910)	-	(721,316,910)
Net Profit During the Year	-	-	-	-	-	-	284,671,031	284,671,031
Previous Year's Income Adjustment	-	-	-	-	-	-	(40,712,355)	(40,712,355)
RIL General Reserve				5,000,000			(5,000,000)	-
Assets Revaluation Reserve					(19,049,411)		19,049,411	-
Transferred to Statutory Reserve	-	-	135,286,820	-	-	-	(135,286,820)	-
Balance as of Dec 31, 2022	4,646,972,050	6,799,953,800	3,816,198,385	10,000,000	593,760,060	368,661,113	540,801,607	16,776,347,015
Balance as of Dec 31, 2021	4,555,854,950	6,799,953,800	3,680,911,565	5,000,000	612,809,471	1,089,978,023	511,290,045	17,255,797,854
2021								
Balance as of Jan 01, 2021	4,141,686,320	6,799,953,800	3,532,406,522	-	631,858,882	2,478,422,129	678,589,616	18,262,917,269
Dividends (Bonus Share)	414,168,630	-	-	-	-	-	(414,168,630)	-
Restated Balance as of Jan 01, 2021	4,555,854,950	6,799,953,800	3,532,406,522	-	631,858,882	2,478,422,129	264,420,986	18,262,917,269
1% Startup Fund	-	-	-	-	-	-	(3,579,781)	(3,579,781)
Surplus/(Deficit) on revaluation of Investments (HTM&HFT)	-	-	-	-		(1,388,444,106)	-	(1,388,444,106)
Net Profit During the Year	-	-	-	-	-	-	500,120,649	500,120,649
Previous Year's Income Adjustment	-	-	-	-	-	-	(115,216,177)	(115,216,177)
RIL General Reserve				5,000,000			(5,000,000)	-
Assets Revaluation Reserve					(19,049,411)		19,049,411	-
Transferred to Statutory Reserve	-	-	148,505,043	-	-	-	(148,505,043)	-
Balance as of Dec 31, 2021	4,555,854,950	6,799,953,800	3,680,911,565	5,000,000	612,809,471	1,089,978,023	511,290,045	17,255,797,854
Balance as of Dec 31, 2020	4,141,686,320	6,799,953,800	3,532,406,523	1,603,197	631,858,882	2,478,422,129	678,589,615	18,264,520,466
2020								
Balance as of Jan 01, 2020	4,141,686,320	6,799,953,800	3,443,026,585		631,858,882	1,462,948,609	560,004,695	17,039,478,891
Dividends (Bonus Share)								-
Restated Balance as of Jan 01, 2020	4,141,686,320	6,799,953,800	3,443,026,585	-	631,858,882	1,462,948,609	560,004,695	17,039,478,891
1% Startup Fund				1,603,197			(1,603,197)	

  
Md. Harunur Rashid  
Chief Executive Officer  
BRAC EPL Investments Limited

  
Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

  
মোহাম্মদ শাহেদুর রহমান  
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প্রধান কার্যালয়, ঢাকা।

  
Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



Surplus/(Deficit) on revaluation of Investments (HTM&HFT)						1,015,473,520		1,015,473,520
Net Profit During the Year							202,942,200	202,942,200
Wrongly Posted Now Rectified							572,723	572,723
Excess Provision Transferred to Retained Earnings								-
RIL Previous Year Income							6,053,132	6,053,132
Transferred to Statutory Reserve			89,379,938				(89,379,938)	-
Balance as of Dec 31, 2020	4,141,686,320	6,799,953,800	3,532,406,523	1,603,197	631,858,882	2,478,422,129	678,589,615	18,264,520,466
Balance as of Dec 31, 2019	4,141,686,320	6,799,953,800	3,443,026,585	-	631,858,882	1,462,948,609	560,004,695	17,039,478,891
<b>2019</b>								
Balance as of Jan 01, 2019	3,765,169,390	6,799,953,800	3,251,663,997		631,858,882	2,218,057,944	549,694,839	17,216,398,852
Dividends (Bonus Share)	376,516,930						(376,516,930)	-
Restated Balance as of Jan 01, 2019	4,141,686,320	6,799,953,800	3,251,663,997	-	631,858,882	2,218,057,944	173,177,909	17,216,398,852
Excess Provision of DDP Transferred to Retained Earnings							5,000,000	5,000,000
Surplus/(Deficit) on Revaluation of Investments (HTM&HFT)						(755,109,335)		(755,109,335)
Net Profit During the Year							569,581,369	569,581,369
Wrongly Posted Now Rectified							8,095,141	8,095,141
Excess Provision Transferred to Retained Earnings							807,320	807,320
Excess Profit Charged Now Rectified							(5,294,456)	(5,294,456)
Transferred to Statutory Reserve			191,362,588				(191,362,588)	-
Balance as of Dec 31, 2019	4,141,686,320	6,799,953,800	3,443,026,585	-	631,858,882	1,462,948,609	560,004,695	17,039,478,891

Table 27: Consolidated Statement of Changes in Equity of Rupali Bank Limited

Syed Rashed Hussain  
Chief Executive Officer  
FAS EPL Investments Limited

Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

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প্রধান কার্যালয়, ঢাকা।

Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



### 13.5 Balance Sheet

Rupali Bank Limited Balance Sheet					
Particulars	Sep 30 2023	December 31 2022	December 31 2021	December 31 2020	December 31 2019
<b>PROPERTY AND ASSETS</b>					
<b>Cash</b>	<b>35,728,156,210</b>	<b>34,352,992,432</b>	<b>29,491,797,460</b>	<b>38,741,837,054</b>	<b>24,397,492,606</b>
Cash in Hand (Including Foreign Currencies)	5,745,742,862	5,839,121,060	4,229,707,074	3,758,108,227	3,171,643,770
Balance with Bangladesh Banks & Sonali Bank (Including Foreign Currencies)	29,982,413,348	28,513,871,372	25,262,090,386	34,983,728,827	21,225,848,836
<b>Balance with Other Banks and Financial Institutions</b>	<b>21,082,720,973</b>	<b>19,216,061,163</b>	<b>31,993,310,611</b>	<b>26,770,127,384</b>	<b>23,497,413,944</b>
In Bangladesh	19,008,921,169	18,354,015,614	30,727,500,000	25,197,500,000	20,860,500,000
Outside of Bangladesh	2,073,799,804	862,045,549	1,265,810,611	1,572,627,384	2,636,913,944
<b>Money at Call and Short Notice</b>	<b>7,400,000,000</b>	<b>206,594,000</b>	<b>651,885,200</b>	<b>10,177,631,250</b>	-
<b>Investments</b>	<b>194,622,645,848</b>	<b>158,581,334,973</b>	<b>182,653,471,852</b>	<b>158,054,434,790</b>	<b>103,646,167,040</b>
Government	154,430,159,995	117,654,767,970	137,994,137,340	114,873,647,011	63,352,839,496
Others	40,192,485,853	40,926,567,003	44,659,334,512	43,180,787,779	40,293,327,544
<b>Loans and Advances</b>	<b>458,179,635,284</b>	<b>435,400,773,715</b>	<b>380,833,704,514</b>	<b>336,835,214,789</b>	<b>306,724,039,949</b>
Loans, Cash, Credit, Overdrafts, etc.	455,549,806,634	431,930,603,646	377,970,047,888	335,691,348,991	305,255,059,510
Bills Purchased and Discounted	2,629,828,650	3,470,170,069	2,863,656,626	1,143,865,798	1,468,980,439
<b>Fixed Assets Including Land, Buildings, Furniture, and Fixtures</b>	<b>14,709,323,929</b>	<b>14,499,438,386</b>	<b>14,429,570,452</b>	<b>14,446,300,436</b>	<b>14,327,442,295</b>
<b>Other Assets</b>	<b>25,586,152,898</b>	<b>24,470,025,896</b>	<b>25,194,302,706</b>	<b>45,522,157,232</b>	<b>24,656,764,342</b>
<b>Non-Banking Assets</b>	-	-	-	-	-
<b>Total Assets</b>	<b>757,308,635,142</b>	<b>686,727,220,565</b>	<b>665,248,042,795</b>	<b>630,547,702,935</b>	<b>497,249,320,176</b>
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
<b>Borrowing from Other Banks, Financial Institutions, and Agents</b>	<b>7,702,497,044</b>	<b>15,416,647,653</b>	<b>7,205,800,573</b>	<b>8,421,439,694</b>	<b>12,065,813,268</b>
<b>Deposits from Other Accounts</b>	<b>657,224,869,979</b>	<b>588,675,793,965</b>	<b>576,430,602,308</b>	<b>532,299,901,188</b>	<b>414,624,250,170</b>
Current and Other Accounts, etc.	42,962,220,115	40,516,229,409	32,640,579,151	32,718,868,619	29,091,344,645
Bills Payable	3,290,418,128	3,165,208,967	4,016,224,871	4,375,750,658	6,382,692,663
Savings Deposits	123,682,331,497	119,692,407,494	114,593,814,780	100,393,991,962	87,112,204,653
Fixed Deposits	487,289,900,239	425,301,948,095	425,179,983,506	394,811,289,949	292,038,008,209
Other Deposits	-	-	-	-	-
<b>Other Liabilities</b>	<b>75,726,701,657</b>	<b>66,288,127,729</b>	<b>64,710,127,340</b>	<b>71,773,984,359</b>	<b>53,683,244,953</b>
<b>Total Liabilities</b>	<b>740,654,068,680</b>	<b>670,380,569,347</b>	<b>648,346,530,221</b>	<b>612,495,325,241</b>	<b>480,373,308,391</b>
<b>Capital and Shareholders' Equity</b>					
<b>Paid Up Capital</b>	<b>4,646,972,050</b>	<b>4,646,972,050</b>	<b>4,555,854,950</b>	<b>4,141,686,320</b>	<b>4,141,686,320</b>
Share Money Deposit	6,799,953,800	6,799,953,800	6,799,953,800	6,799,953,800	6,799,953,800
Statutory Reserve	3,982,741,799	3,801,198,385	3,675,911,565	3,532,406,522	3,443,026,585
General Reserve	-	-	-	1,603,197	-
Assets Revaluation Reserve	593,760,060	593,760,060	612,809,471	631,858,882	631,858,882
Revaluation Reserve for Securities	324,405,270	368,661,113	1,089,978,023	2,478,422,129	1,462,948,609
Retained Earnings	306,733,483	136,105,810	167,004,765	466,446,844	396,537,589
<b>Total Shareholders' Equity</b>	<b>16,654,566,462</b>	<b>16,346,651,218</b>	<b>16,901,512,574</b>	<b>18,052,377,694</b>	<b>16,876,011,785</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>757,308,635,142</b>	<b>686,727,220,565</b>	<b>665,248,042,795</b>	<b>630,547,702,935</b>	<b>497,249,320,176</b>
<b>OFF-BALANCE SHEET ITEMS</b>					
<b>Contingent Liabilities</b>					
Acceptances and Endorsements	5,283,668,255	6,349,749,984	3,915,861,959	2,639,809,300	4,172,947,036
Letters of Guarantee	16,784,858,193	17,505,423,087	17,748,633,083	12,417,509,729	4,680,448,348
Irrevocable Letters of Credit	131,356,532,938	132,705,547,827	125,416,829,518	119,882,350,329	138,650,313,283
Bills for Collection	6,318,252,193	6,421,846,088	4,088,594,915	3,606,117,877	2,784,328,736
Other Contingent Liabilities (DC Notes)	1,006,550	1,006,550	1,007,250	1,007,250	9,707,250
<b>Total Contingent Liabilities</b>	<b>159,744,318,129</b>	<b>162,983,573,536</b>	<b>151,170,926,725</b>	<b>138,546,794,485</b>	<b>150,297,744,653</b>
<b>Other Commitments</b>	-	-	-	-	-

Syed Rashed Hussain  
Chief Executive Officer  
BR & EPL Investments Ltd.

Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

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Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



Documentary Credit and Short-Term Trade-Related Transactions	-	-	-	-	-
Forward Assets Purchased and Forward Deposits Placed	-	-	-	-	-
Undrawn Note Issuance and Revolving Underwriting Facilities	-	-	-	-	-
Undrawn Formal Standby Facilities, Credit Lines, and Other Commitments	-	-	-	-	-
Liabilities Against Forward Purchase and Sale	-	-	-	-	-
<b>Total Off-Balance Sheet Exposure Including Contingent Liabilities</b>	<b>159,744,318,129</b>	<b>162,983,573,536</b>	<b>151,170,926,725</b>	<b>138,546,794,485</b>	<b>150,297,744,653</b>
<b>Net Asset Value Per Share (NAVPS) (restated)</b>	<b>35.84</b>	<b>35.18</b>	<b>36.37</b>	<b>43.59</b>	<b>40.75</b>
Diluted Net Asset Value Per Share (NAVPS) (considering share money deposit)	14.55	14.28	14.77	16.50	

Table 28: Balance Sheet of Rupali Bank Limited (Stand-alone)

Syed Rashed Hussain  
Chief Executive Officer  
RAC EPL Investments Limited

Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

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প্রধান কার্যালয়, ঢাকা।

Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.




## 13.6 Income Statement

Rupali Bank Limited Income Statement					
Particulars	Sep 30 2023	December 31 2022	December 31 2021	December 31 2020	December 31 2019
Interest Income	21,684,813,441	24,243,953,019	22,367,593,268	19,484,208,260	18,723,411,116
Interest Paid on Deposits, Borrowings, etc.	23,292,922,476	27,309,198,733	25,710,911,147	22,995,087,319	18,704,562,076
<b>Net Interest Income</b>	<b>(1,608,109,035)</b>	<b>(3,065,245,714)</b>	<b>(3,343,317,879)</b>	<b>(3,510,879,059)</b>	<b>18,849,040</b>
Investment Income	10,865,603,582	15,251,319,295	14,088,143,682	11,920,794,156	8,723,510,304
Commission, Exchange, and Brokerage	1,654,258,047	1,942,949,122	1,929,180,351	1,514,884,477	1,562,926,968
Other Operating Income	440,206,176	792,152,288	571,100,699	950,148,992	1,001,166,193
	12,960,067,805	17,986,420,705	16,588,424,732	14,385,827,625	11,287,603,465
<b>Total Operating Income (A)</b>	<b>11,351,958,770</b>	<b>14,921,174,991</b>	<b>13,245,106,853</b>	<b>10,874,948,566</b>	<b>11,306,452,505</b>
Salary and Allowances	4,732,075,901	6,571,059,178	5,961,789,929	4,935,712,500	4,792,976,683
Rent, Taxes, Insurance, Electricity, etc.	485,335,532	717,733,579	613,807,552	608,233,241	581,871,586
Legal Expenses	24,047,217	20,351,016	20,822,010	11,799,975	22,435,796
Postage, Stamp, Telecommunications, etc.	89,851,811	124,805,847	60,717,234	29,017,026	32,516,546
Stationery, Printing, Advertisements, etc.	93,721,372	170,533,271	114,984,980	163,542,397	131,596,945
Managing Director's Salary & Fees	3,600,000	4,800,000	4,800,000	4,800,000	4,800,000
Directors' Fees	2,833,600	3,396,800	1,962,400	1,566,400	2,576,000
Audit Fees	2,000,000	4,693,375	2,499,000	3,177,125	4,226,750
Depreciation and Repair of Bank's Assets	239,290,799	496,830,203	461,410,243	547,740,766	658,182,776
Other Expenses	1,836,485,472	5,739,553,818	4,815,710,943	2,972,659,448	3,142,994,292
<b>Total Operating Expenses (B)</b>	<b>7,509,241,704</b>	<b>13,853,757,087</b>	<b>12,058,504,291</b>	<b>9,278,248,878</b>	<b>9,374,177,374</b>
<b>Profit/(Loss) Before Provision (C=A-B)</b>	<b>3,842,717,066</b>	<b>1,067,417,904</b>	<b>1,186,602,562</b>	<b>1,596,699,688</b>	<b>1,932,275,131</b>
Provision for Loans and Advances	2,045,000,000	150,000,000	200,000,000	918,000,000	830,729,505
Provision for Off-Balance Sheet Exposures	690,000,000	-	-	60,300,000	105,000,000
Provision for Diminution in Value of Investments	150,000,000	-	-	40,000,000	-
Other Provisions	50,000,000	290,983,804	269,068,347	131,500,000	39,732,687
<b>Total Provisions (D)</b>	<b>2,935,000,000</b>	<b>440,983,804</b>	<b>469,068,347</b>	<b>1,149,800,000</b>	<b>975,462,192</b>
<b>Total Profit Before Taxes (E=C-D)</b>	<b>907,717,066</b>	<b>626,434,100</b>	<b>717,534,215</b>	<b>446,899,688</b>	<b>956,812,939</b>
Provision for Taxes					
Current Tax Expense	552,026,173	239,039,019	236,791,383	203,220,215	329,705,077
Deferred Tax Income/(Expense)	3,519,808	178,134,567	122,755,690	83,359,807	80,730,329
<b>Total Provision for Tax (F)</b>	<b>555,545,981</b>	<b>417,173,586</b>	<b>359,547,073</b>	<b>286,580,022</b>	<b>410,435,406</b>
<b>Net Profit After Taxes (G=E-F)</b>	<b>352,171,085</b>	<b>209,260,514</b>	<b>357,987,142</b>	<b>160,319,666</b>	<b>546,377,533</b>
Retained Earnings from Previous Year	136,105,810	35,175,310	(62,937,964)	397,110,312	41,522,644
	<b>488,276,895</b>	<b>244,435,824</b>	<b>295,049,178</b>	<b>557,429,978</b>	<b>587,900,177</b>
Appropriations					
Statutory Reserve	181,543,413	125,286,820	143,505,043	89,379,938	191,362,588
1% Start-up Fund	-	2,092,605	3,579,781	1,603,196	-
<b>Total</b>	<b>181,543,413</b>	<b>127,379,425</b>	<b>147,084,824</b>	<b>90,983,134</b>	<b>191,362,588</b>
<b>Retained Surplus/(Deficit)</b>	<b>306,733,482</b>	<b>117,056,399</b>	<b>147,964,354</b>	<b>466,446,844</b>	<b>396,537,589</b>
Earnings Per Share (EPS)	0.76	0.45	0.79	0.39	1.32
Diluted EPS (considering share money deposit)	0.31	0.18	0.32	0.15	

Table 29: Income Statement of Rupali Bank Limited (Stand-alone)

  
Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

  
Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.


  
মোহাম্মদ শাহেদুর রহমান  
মহাব্যবস্থাপক ও  
কোম্পানি সচিব  
রূপালী ব্যাংক লিমিটেড,  
প্রধান কার্যালয়, ঢাকা।

  
Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.

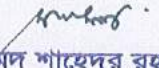


### 13.7 Statement of Cash Flows

Rupali Bank Limited Statement of Cash Flows					
Particulars	Sep 30 2023	December 31 2022	December 31 2021	December 31 2020	December 31 2019
<b>Cash Flows from Operating Activities</b>					
Interest Receipts in Cash	30,757,520,281	39,677,993,580	38,325,971,045	27,258,666,236	26,707,898,973
Interest Payments	(18,833,530,555)	(26,432,147,736)	(25,658,105,631)	(21,651,391,703)	(17,657,482,035)
Dividend Receipts	45,851,983	154,208,189	119,447,084	92,816,762	158,981,654
Fees, Commissions, Brokerage, etc.	512,885,801	807,356,462	1,273,841,676	979,361,518	1,010,440,163
Recoveries of Loans Previously Written Off	64,500,000	112,200,000	69,500,000	27,800,000	55,100,000
Cash Payments to Employees	(4,735,675,901)	(6,575,859,178)	(5,733,089,783)	(4,940,512,500)	(4,797,776,683)
Cash Payments to Suppliers	(668,908,714)	(1,013,072,698)	(789,509,766)	(800,792,664)	(745,985,077)
Income Taxes Paid	-	(1,413,100,777)	(491,416,863)	-	(100,000,000)
Receipts from Other Operating Activities	440,206,176	792,152,288	571,100,699	950,148,992	1,001,166,193
Payments for Other Operating Activities	(945,845,709)	(1,320,818,653)	(5,731,120,849)	(3,187,688,921)	(3,385,544,708)
<b>Operating Cash Flows Before Changes in Operating Assets and Liabilities</b>	<b>6,637,003,362</b>	<b>4,788,911,477</b>	<b>1,956,617,612</b>	<b>(1,271,592,280)</b>	<b>2,246,798,480</b>
<b>Increase/(Decrease) in Operating Assets and Liabilities</b>					
Loans and Advances to Customers	(22,778,861,569)	(52,912,441,603)	(42,864,627,965)	(23,232,432,852)	(59,233,432,789)
Other Assets	(158,297,246)	(7,169,690,318)	21,270,925,360	(19,816,156,845)	340,407,962
Deposits from Other Banks/Borrowings	-	-	-	-	-
Deposits from Customers	68,549,076,014	12,245,191,656	44,130,701,120	117,675,651,018	25,074,770,769
Other Liabilities	1,780,557,244	30,776,793,548	(15,519,161,470)	12,186,731,101	316,367,468
<b>Cash Generated from Operating Activities</b>	<b>47,392,474,443</b>	<b>(17,060,146,717)</b>	<b>7,017,837,045</b>	<b>86,813,792,422</b>	<b>(33,501,886,590)</b>
<b>Net Cash Flow from Operating Activities</b>	<b>54,029,477,805</b>	<b>(12,271,235,240)</b>	<b>8,974,454,657</b>	<b>85,542,200,142</b>	<b>(31,255,088,110)</b>
<b>Cash Flows from Investing Activities</b>					
Proceeds from Sale of Securities	1,187,379,643,911	1,187,969,261,130	647,831,407,510	52,078,624,371	-
Payments for Purchase of Securities	(1,244,244,591,131)	(1,193,022,381,220)	(669,976,646,043)	(106,486,892,120)	-
Purchase of Property, Plant, and Equipment	(156,610,484)	(383,760,417)	(330,735,413)	(230,396,653)	-
Payments Against Lease Obligation/FDR	-	-	-	-	-
Proceeds from Sale of Property, Plant, and Equipment	88,031	330,331	4,782	4,014	-
Investment in Subsidiaries	-	-	-	-	-
<b>Net Cash Flows from Investing Activities</b>	<b>(57,021,469,673)</b>	<b>(5,436,550,176)</b>	<b>(22,475,969,164)</b>	<b>(54,638,660,388)</b>	
<b>Cash Flows from Financing Activities</b>					
Payment of Long-Term Borrowings	-	-	-	-	-
Borrowing from Other Banks and Financial Institutions and Agents	(7,714,150,609)	8,210,847,080	(1,215,639,120)	(3,644,373,574)	5,058,109,845
Receipts from Issue of Loan Capital and Debt Securities	-	-	-	-	-
Special Loan from Rupali Bank Ltd.	-	-	-	-	-
Capital Injection	-	-	-	-	-
<b>Net Cash Flows from Financing Activities</b>	<b>(7,714,150,609)</b>	<b>8,210,847,080</b>	<b>(1,215,639,120)</b>	<b>(3,644,373,574)</b>	<b>5,058,109,845</b>
<b>Net Increase/Decrease in Cash</b>	<b>(10,706,142,477)</b>	<b>(9,496,938,336)</b>	<b>(14,717,153,627)</b>	<b>27,259,166,180</b>	<b>(46,775,445,559)</b>
Effects of Exchange Rate Changes on Cash/Cash Equivalents	1,141,372,246	1,135,592,660	1,164,551,211	535,522,958	552,486,805
Cash/Cash Equivalents at the Beginning of the Year	53,775,647,595	62,136,993,271	75,689,595,687	47,894,906,551	94,117,865,305
Cash/Cash Equivalents at the End of the Year	44,210,877,364	53,775,647,595	62,136,993,271	75,689,595,689	47,894,906,551

  
Syed Rashed Hussain  
Chief Executive Officer  
BRIC EPL Investments Limited

  
Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

  
মোহাম্মদ শাহেদুর রহমান  
সহকারী প্রধান ও  
কোম্পানি সচিব  
রূপালী ব্যাংক পিএলসি.  
প্রধান কার্যালয়, ঢাকা।

  
Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



Net Operating Cash Flow Per Share	116.27	(26.41)	19.31	206.54	-75.46
Diluted Net Operating Cash Flow Per Share (considering share money deposit)	47.20	(10.72)	7.84	75.33	

Table 30: Statement of Cash Flows of Rupali Bank Limited (Stand-alone)



Syed Rashed Hussain  
Chief Executive Officer  
BRAC IPL Investments Limited



Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

মোহাম্মদ শাহেদুল রহমান  
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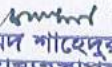


### 13.8 Statement of Changes in Equity

Rupali Bank Limited Statement of Changes in Equity								
Particulars	Paid Up Capital	Share Money Deposit	Statutory Reserve	General Reserve	Revaluation Reserve Gain/Loss		Retained Earnings	Total
					Property	Investments		
2023								
Balance as of Jan 01, 2023	4,646,972,050	6,799,953,800	3,801,198,385	-	593,760,060	368,661,113	136,105,810	16,346,651,218
Dividends (Bonus Share)	-	-	-	-	-	-	-	-
Restated Balance as of Jan 01, 2023	4,646,972,050	6,799,953,800	3,801,198,385	-	593,760,060	368,661,113	136,105,810	16,346,651,218
1% Startup Fund	-	-	-	-	-	-	-	-
Surplus/(Deficit) on revaluation of Investments (HTM&HFT)	-	-	-	-	-	(44,255,843)	-	(44,255,843)
Net Profit During the Year	-	-	-	-	-	-	352,171,086	352,171,086
Transferred to Statutory Reserve	-	-	181,543,413	-	-	-	(181,543,413)	-
Balance as of Sep 30, 2023	4,646,972,050	6,799,953,800	3,982,741,799	-	593,760,060	324,405,270	306,733,483	16,654,566,462
Balance as of Dec 31, 2022	4,646,972,050	6,799,953,800	3,801,198,385	-	593,760,060	368,661,113	136,105,809	16,346,651,217
2022								
Balance as of Jan 01, 2022	4,555,854,950	6,799,953,800	3,675,911,565	-	612,809,471	1,089,978,023	167,004,765	16,901,512,574
Dividends (Bonus Share)	91,117,100	-	-	-	-	-	(91,117,100)	-
Restated Balance as of Jan 01, 2022	4,646,972,050	6,799,953,800	3,675,911,565	-	612,809,471	1,089,978,023	75,887,665	16,901,512,574
1% Startup Fund	-	-	-	-	-	-	(2,092,605)	(2,092,605)
Surplus/(Deficit) on revaluation of Investments (HTM&HFT)	-	-	-	-	-	(721,316,910)	-	(721,316,910)
Net Profit During the Year	-	-	-	-	-	-	209,260,513	209,260,513
Previous Year's Income Adjustment	-	-	-	-	-	-	(40,712,355)	(40,712,355)
RIL General Reserve	-	-	-	-	-	-	-	-
Assets Revaluation Reserve	-	-	-	-	(19,049,411)	-	19,049,411	-
Transferred to Statutory Reserve	-	-	125,286,820	-	-	-	(125,286,820)	-
Balance as of Dec 31, 2022	4,646,972,050	6,799,953,800	3,801,198,385	-	593,760,060	368,661,113	136,105,809	16,346,651,217
Balance as of Dec 31, 2021	4,555,854,950	6,799,953,800	3,675,911,565	-	612,809,471	1,089,978,023	167,004,765	16,901,512,574
2021								
Balance as of Jan 01, 2021	4,141,686,320	6,799,953,800	3,532,406,522	-	631,858,882	2,478,422,129	466,446,843	18,050,774,496
Dividends (Bonus Share)	414,168,630	-	-	-	-	-	(414,168,630)	-
Restated Balance as of Jan 01, 2021	4,555,854,950	6,799,953,800	3,532,406,522	-	631,858,882	2,478,422,129	52,278,213	18,050,774,496
1% Startup Fund	-	-	-	-	-	-	(3,579,781)	(3,579,781)
Surplus/(Deficit) on revaluation of Investments (HTM&HFT)	-	-	-	-	-	(1,388,444,106)	-	(1,388,444,106)
Net Profit During the Year	-	-	-	-	-	-	357,978,142	357,978,142
Previous Year's Income Adjustment	-	-	-	-	-	-	(115,216,177)	(115,216,177)
RIL General Reserve	-	-	-	-	-	-	-	-
Assets Revaluation Reserve	-	-	-	-	(19,049,411)	-	19,049,411	-
Transferred to Statutory Reserve	-	-	143,505,043	-	-	-	(143,505,043)	-
Balance as of Dec 31, 2021	4,555,854,950	6,799,953,800	3,675,911,565	-	612,809,471	1,089,978,023	167,004,765	16,901,512,574
Balance as of Dec 31, 2020	4,141,686,320	6,799,953,800	3,532,406,523	-	631,858,882	2,478,422,129	466,446,843	18,050,774,497
2020								
Balance as of Jan 01, 2020	4,141,686,320	6,799,953,800	3,443,026,585	-	631,858,882	1,462,948,609	396,537,589	16,876,011,785
Dividends (Bonus Share)	-	-	-	-	-	-	-	-
Restated Balance as of Jan 01, 2020	4,141,686,320	6,799,953,800	3,443,026,585	-	631,858,882	1,462,948,609	396,537,589	16,876,011,785
1% Startup Fund	-	-	-	-	-	-	(1,603,197)	(1,603,197)
Surplus/(Deficit) on revaluation of Investments (HTM&HFT)	-	-	-	-	-	1,015,473,520	-	1,015,473,520
Net Profit During the Year	-	-	-	-	-	-	160,319,666	160,319,666

  
Syed Rashed Hussain  
Chief Executive Officer  
EPL Investments Limited

  
Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

  
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Mohammad Jahangir  
Managing Director & CEO  
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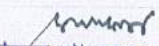


Wrongly Posted Now Rectified							572,723	572,723
RIL Previous Year Income								-
Transferred to Statutory Reserve			89,379,938		-		(89,379,938)	-
Capital Injection					-	-		
<b>Balance as of Dec 31, 2020</b>	<b>4,141,686,320</b>	<b>6,799,953,800</b>	<b>3,532,406,523</b>	<b>-</b>	<b>631,858,882</b>	<b>2,478,422,129</b>	<b>466,446,843</b>	<b>18,050,774,497</b>
<b>Balance as of Dec 31, 2019</b>	<b>4,141,686,320</b>	<b>6,799,953,800</b>	<b>3,443,026,585</b>	<b>-</b>	<b>631,858,882</b>	<b>1,462,948,609</b>	<b>396,537,589</b>	<b>16,876,011,785</b>
<b>2019</b>								
<b>Balance as of Jan 01, 2019</b>	<b>3,765,169,390</b>	<b>6,799,953,800</b>	<b>3,251,663,997</b>	<b>-</b>	<b>631,858,882</b>	<b>2,218,057,944</b>	<b>410,238,889</b>	<b>17,076,942,902</b>
Dividends (Bonus Share)	376,516,930		-	-	-	-	(376,516,930)	-
<b>Restated Balance as of Jan 01, 2019</b>	<b>4,141,686,320</b>	<b>6,799,953,800</b>	<b>3,251,663,997</b>	<b>-</b>	<b>631,858,882</b>	<b>2,218,057,944</b>	<b>33,721,959</b>	<b>17,076,942,902</b>
Excess Provision of DDP Transferred to Retained Earnings	-	-	-	-	-	-	5,000,000	5,000,000
Surplus/(Deficit) on Revaluation of Investments (HTM&HFT)	-	-	-	-		(755,109,335)		(755,109,335)
Net Profit During the Year	-	-	-	-	-	-	546,377,533	546,377,533
Wrongly Posted Now Rectified							8,095,141	8,095,141
Excess Profit Charged Now Rectified							(5,294,456)	(5,294,456)
Transferred to Statutory Reserve			191,362,588		-	-	(191,362,588)	-
<b>Balance as of Dec 31, 2019</b>	<b>4,141,686,320</b>	<b>6,799,953,800</b>	<b>3,443,026,585</b>	<b>-</b>	<b>631,858,882</b>	<b>1,462,948,609</b>	<b>396,537,589</b>	<b>16,876,011,785</b>

Table 31: Statement of Changes in Equity of Rupali Bank Limited (Stand-alone)

  
**Syed Rashed Hussain**  
 Chief Executive Officer  
 BRAC EPL Investments Limited

  
**Md. Harunur Rashid**  
 General Manager  
 Rupali Bank PLC.  
 Head Office, Dhaka.

  
**মোহাম্মদ শাহেদুল রহমান**  
 মহাব্যবস্থাপক ও  
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 রূপালী ব্যাংক পিএলসি.  
 প্রধান কার্যালয়, ঢাকা।

  
**Mohammad Jahangir**  
 Managing Director & CEO  
 Rupali Bank PLC.  
 Head Office, Dhaka.



## Section 14: Ratio Analysis of Rupali Bank Limited (Consolidated)

Particulars	September 30 2023	December 31 2022	December 31 2021	December 31 2020	December 31 2019	December 31 2018
Current Ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Quick Ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Break-Even Point	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Debt-to-Equity	38.74	36.01	33.82	29.61	25.04	23.03
Debt-to-Assets	0.88	0.88	0.88	0.86	0.86	0.85
Account Receivable Turnover	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Gross Margin	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Operating Income	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Net Income	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Return on Assets	0.060%	0.042%	0.077%	0.036%	0.118%	0.097%
Return on Equity	2.54%	1.67%	2.82%	1.15%	3.33%	2.68%
EPS, Considering Share Money, BDT	0.38	0.25	0.44	0.19	0.52	0.39
NAV Per Share, BDT	14.99	14.66	15.20	16.08	15.01	15.16
Net Operating Cashflow to Net Income	124.50	-43.23	17.55	421.51	0.00	0.00
Total Debt-to-Tangible Assets	45.68	42.09	40.79	37.36	29.75	27.84
Advance Deposit Ratio	69.83%	74.09%	66.18%	63.37%	74.09%	63.60%
Non-Performing Loans	21.19%	21.19%	17.50%	12.70%	16.15%	19.21%
Capital to Risk-Weighted Assets	5.33%	4.99%	5.64%	7.94%	10.25%	10.06%
Net Interest Margin	-3.00%	-5.79%	-6.26%	-7.16%	0.19%	7.29%
CASA	25.36%	27.22%	25.54%	25.01%	28.03%	31.58%
Cost to Income Ratio	65.62%	91.67%	89.40%	84.56%	82.46%	72.16%

Table 32: Ratio Analysis of Rupali Bank Limited (Solo)

**Syed Rashed Hussain**  
Chief Executive Officer  
IAC EPL Investments Limited

**Md. Harunur Rashid**  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

মোহাম্মদ শাহেদুর রহমান  
মহাব্যবস্থাপক ও  
কোম্পানি সচিব  
রূপালী ব্যাংক পিএলসি.  
প্রধান কার্যালয়, ঢাকা।

**Mohammad Jahangir**  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



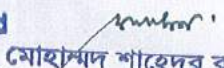
## Section 15: Credit Rating Reports

### 15.1 Credit Rating Report of the Issue

**CREDIT RATING REPORT  
ON  
BDT 12,000.00 MILLION NON-CONVERTIBLE UNSECURED  
SUBORDINATED BOND OF RUPALI BANK LIMITED**

  
Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

  
Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

  
মোহাম্মদ শাহেদুর রহমান  
মহাব্যবস্থাপক ও  
কোম্পানি সচিব  
রূপালী ব্যাংক পিএলসি.  
প্রধান কার্যালয়, ঢাকা।

  
Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.





## RATING REPORT CONTENTS

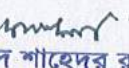
### Detailed Report:

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**Syed Rashed Hussain**  
Chief Executive Officer  
RRAC EPL Investments Limited

  
**Md. Harunur Rashid**  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

  
**মোহাম্মদ শাহেদুর রহমান**  
মহান্যয়নিক ও  
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**Mohammad Jahangir**  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.




[FORM-IX]  
[Rule 10(8) A(g)]

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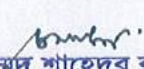
প্রতিবেদনে উল্লেখিত তথ্যাদি বিশ্বাসযোগ্য সূত্রে প্রাপ্ত ও তা সঠিক ও নির্ভরযোগ্য। তবে ক্রেডিট রেটিং কোম্পানি এ সকল তথ্যাদির সঠিকতা, পর্যাপ্ততা অথবা পূর্ণাঙ্গতার বিষয়ে কোনো নিশ্চয়তা প্রদান করে না এবং কোনো ধরনের ভুল অথবা বিচ্যুতি তথ্যাদি ব্যবহারের পর প্রাপ্ত ফলাফল এর দায়িত্ব বহন করে না। রেটিং একটি মতামত যা দ্বারা শুধুমাত্র ক্রেডিটম্যান নির্দেশ করে এবং এটা দ্বারা কোনো সিকিউরিটিজ ক্রয় বিক্রয় অথবা কোনো প্রকল্পে বিনিয়োগের সুপারিশ করে না। উক্ত প্রতিবেদনের সর্বস্বত্ব ক্রেডিট রেটিং কোম্পানি দ্বারা সংরক্ষিত। প্রতিবেদনের অংশবিশেষ কোনো সংবাদ মাধ্যম এবং গবেষণা কাজে ব্যবহার করতে হলে অবহিতকরণ সাপেক্ষে তা ব্যবহার করা যাবে।

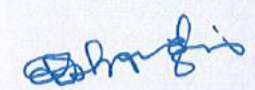
*Information used herein was obtained from sources believed to be accurate and reliable. However, Credit Rating Company does not guarantee the accuracy, adequacy or completeness of any information and is not responsible from any errors or omissions or for the results obtained from the use of such information. The rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities or to finance in a project. All rights of this report are observed by Credit Rating Company. The contents may be used by the news media and researchers with due acknowledgement.*

  
Md. Nurul Hoque  
Deputy Managing Director and COO  
National Credit Ratings Ltd.

  
Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

  
Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

  
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সহকার্য ব্যবস্থাপক ও  
কোম্পানির সচিব  
রূপালী ব্যাংক পিএলসি,  
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Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



Reference: Agreement dated April 25, 2023  
with Rupali Bank Limited

**ncr**  
National Credit Ratings Ltd.

Initial Instrument Rating	
Non-Convertible, Unsecured Subordinated Bond	
Rating Grade	BBB+ (Triple B Plus) Indicative
Date of Declaration	17.05.2023
Validity	16.05.2024
Issuer- Rupali Bank Limited	
Issuer Rating (Without Government Support)	A- (Single A Minus)
Date of Declaration	11.09.2022

**Rating Basis:**

Rating is based on the features of the issue, Audited Financial Statements up to 31<sup>st</sup> December, 2022 of the issuer along with the other relevant Quantitative as well as Qualitative information provided by the Client up to the Date of Rating Declaration. NCR has followed Structured Finance Rating Methodology published in its website: [www.ncrbd.com](http://www.ncrbd.com).

**Rating Definition:**

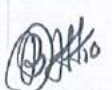
**A- (Single A minus)** rating indicates **Moderately Good Credit Quality**.


**BBB+ (Triple B Plus)** rating indicates **Moderate Credit Quality**.

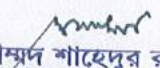
  
Md. Nurul Hoque  
Deputy Managing Director and COO  
National Credit Ratings Ltd.

RUPALI BANK LIMITED 2<sup>nd</sup> SUBORDINATED BOND OF BDT-12,000.00 MILLION  
MAY 2023

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Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

  
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Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



**Rating Rationale:**

NCR has assigned 'BBB+' (Triple B Plus) rating to BDT 12,000.00 million Non-Convertible, Unsecured Subordinated Bond of Rupali Bank Limited after duly considering bond characteristics, issuer's repayment ability and past repayment history for the other issue since its subscription and current market situation.

NCR has positioned the issue rating one notch below the counterparty (the issuer) rating that has been assigned 'A-' (Single A-) for long term on the basis of Audited Financial Statements up to December 31, 2022 along with the other relevant quantitative as well as qualitative information provided by the client up to the date of rating declaration. 'A-' rating carries Moderately Good Credit Quality.

The issue of non-convertible subordinated bond will help the issuer improve Tier-2 capital. The issue of bond will be permanently redeemed to zero at the end of seven years and principal repayment started from the 36<sup>th</sup> month from the date of drawdown and thereby no contractual loss absorption to the bondholders upon the regulatory override of Bangladesh Bank. Besides, the top most reliable investors with high exposure in the market and impact on financial performance due to issuance of subordinated bond also considered on ratings.

The instrument will be non-convertible to shares, subordinated and unsecured. Thus, the issue has higher risk as the senior creditors has priority to the payment of principal and interest. The issue holders will face higher risk of loss during issuer's liquidation as the issue is unsecured (no asset is backed against the issue). The issue would help to boost up Capital to Risk Weighted Asset Ratio (CRAR) which is now clocked in at 4.99% (December 22) besides to meet its ongoing financing requirements. The Capital to Risk Weighted Asset Ratio (CRAR) of the issuer as per BASEL-III capital conservation buffer would clock at 12.50% and on the back will witness a hefty amount of capital shortfall, which can only be raised through the issue. Further, the concern's capitalization and, hence, risk absorption capacity which has been witnessed a sizeable uptick also supports the rating.

NCR, with its utmost judgment, believes that the rating is confined to some extent by the issue features that contain non-convertible and unsecured in nature. Further, hefty percentile of (87.66%) bad & loss lease and advances besides negative net interest income and decreasing trend in NIM, ROA, ROE in recent year that largely driven by low interest earned compare to average total assets also effects on rating. The presiding low interest rate in Banking sectors along with economic expansionary policies have further factored the rating negatively.

In the view of NCR the term "Indicative" reflects the awarded rating based on the draft documents as well as term sheet. The final rating is predicated to get approval from respective authorities, receive final documents & issue the bond confirming all the information received in the time of awarding the rating.

**Syed Rashed Hussain**  
Chief Executive Officer  
BRAC EPL Investments Limited

**Md. Harunur Rashid**  
General Manager  
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কোম্পানি সচিব  
রূপালী ব্যাংক লিমিটেড,  
প্রধান কার্যালয়, ঢাকা।

**Mohammad Jahangir**  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



#### 1. BUSINESS OVERVIEW

1.1 Rupali Bank Limited (hereinafter called as 'RBL' or 'The Bank') is one of the six state owned commercial banks in Bangladesh. The Bank has been in the forefront of introducing various innovative services and systems since it is committed and promised to respect public faith and confidence for the security of customer's savings. The business has been being conducted with the successful blend of traditional values, ethics and the most modern infrastructure. The branches are now being operated under Core Banking Solutions (CBS), giving its customers a true experience of real time online banking. Moreover, Rupali Bank Limited is the pioneer among the state-owned commercial banks to inaugurate mobile financial services through SureCash since April 2017.

1.2 Rupali Bank Limited (hereinafter called as 'RBL' or 'The Bank'), a Financial Institution, is going to augment Tier 2 capital backing future capital adequacy by issuing a 07years non-convertible, unsecured floating rate subordinated bond (The Issue) through private placement and thus deemed as debt for financial leverage calculations. The issuer has forwarded its eagerness to appoint City Bank Capital Resources Limited and Rupali Investment Limited to act as a lead arranger and issue manager and Brac EPL Limited as a trustee. The issue will have a total value of BDT 12,000.00 million with face value of BDT 10.00 million, only after the approval of Bangladesh Securities and Exchange Commission (BSEC). The issue amount will be used to boost up Capital to Risk Weighted Asset Ratio (CRAR) which is now clocked in at 4.99% (December'22) besides to meet its ongoing financing requirements. The principal amount of the bond will be redeemed in ten strips at 20.00% at the end of 3<sup>rd</sup> year to 7<sup>th</sup> year.

1.3 The salient features of the issue are provided as follows:

Details of the Issue	
Borrower	Rupali Bank Limited
Arranger and Issue Manager	City Bank Capital Resources Limited and Rupali Investment Limited
Trustee	Brac EPL Limited
Legal Counsel	Lex Juries
Instrument Type	Tier 2 Eligible Subordinated Bond
Offering Style	Private Placement
Purpose	To boost up Tier 2 capital base
Issue Size (Face Value)	BDT 12,000,000,000
Fund to be raised	BDT 12,000,000,000
Convertibility	Non-Convertible
Tenure	7 Year or 84 Months from the date of issue
Coupon Rate	Reference Rate + Coupon Margin
Reference Rate	Latest average of 6 Month's published FDR rates of private commercial banks (excluding Islamic & Foreign Banks)
Coupon Margin	2.00% (Subject to Bangladesh Bank Consent)
Coupon Payment	Semi-annually beginning at the end of 6 months from drawdown date
Repayment Schedule	The principal redemptions will be in five tranches, each tranche being 20% of the principal amount



	commencing at the end of 3 <sup>rd</sup> year from the date of the drawdown. The redemption schedule is as below:	
	Year	Redemption
	1	Nil
	2	Nil
	3	20.0%
	4	20.0%
	5	20.0%
	6	20.0%
	7	20.0%
Transferability	Freely transferable in accordance with the provisions of the deed of trustee	
Non-Convertible	Rupali Bank 2 <sup>nd</sup> Subordinated Bond is not convertible into Ordinary Share	
Non-Callable	Rupali Bank 2 <sup>nd</sup> Subordinated Bond is not callable	
Tax Feature	According to the laws of Bangladesh	
Governing Laws	Laws of Bangladesh	

## 2. RATIONALE FOR ISSUE

2.1 The issue of non-convertible subordinated bond is therefore to beef up Tier-2 capital. The issue can be rationalized by the concern's capitalization and, hence, risk absorption capacity which has been witnessed a sizeable uptick. The issue would surely help to enhance the regulatory. The Capital to Risk Weighted Asset Ratio (CRAR) of the issuer as per BASEL-III capital conservation buffer would clock at 12.50% and on the back will witness a hefty amount of capital shortfall (Tk. 23,188.97 million in 2022 and Tk. 18,950.64 million in 2021), which can only be raised through the issue. Further, the issue will ultimately help to boost up bottom line profitability which is predicated to efficient utilization of the fund to have expected yield on advances. On contrary, the investors will be facilitated by investing on subordinated bond as the issue is offering appreciable yield greater than the deposit rate (Which is much below the inflation rate). Further, the major growth of RBL's funding and investments compare to NPL also specify to boost up the bottom-line profitability besides the return of the sponsors in near future. Moreover, the issue will be treated as capital due to the regulatory overrule and thus protect concern with high leverage ratios next to withhold tax on interest payments.

## 3. ISSUE CONCERN

3.1 The issuer (Rupali Bank Limited), one of the leading private commercial banks, has been contributing toward increasing both the quality and quantity of financial services and thus mitigating the lapses of existing financial intermediation to meet the growing needs of different types of investment in the country. However, the financial performance of the issuer has been dilapidated over the two years period dotted by the concern's declining profitability, NIM, Spread as well as high growth in impaired lending. Therefore, revitalizing RBL needs to play down to be more cautious to avoid impaired lending and to turn RBL as a of high economic growth. Presently RBL showing lackluster performance as total bad & loss loan and advances increased to 27.52% in FY 2022 comparing to the previous year.

3.2 The issuer (Rupali Bank Limited), one of the leading state-owned commercial bank, has been contributing toward increasing both the quality and quantity of financial services and thus mitigating the lapses of existing

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রূপালী ব্যাংক লিমিটেড  
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financial intermediation to meet the growing needs of different types of investment in the country. However, some financial performance of the issuer has been deteriorated compare to the previous year marked by the decrease in bottom line profitability parameter, ROE & ROA. Besides, Rupali Bank Limited did not meet its Capital Adequacy ratio which is now clocked in at 4.99%. Therefore, RBL needs to play down to be more cautious to avoid impaired lending and to turn RBL as a reagent of high economic growth. During 2021 RBL NPL increased to from TK 92,247.65 million in 2022 to TK 66,664.90 million in 2021 which recorded 21.19% of impaired lending to gross finance in 2022 compare to TK 17.50% in 2021. RBL was not able to maintain full provision against non-performing loan during 2021 though Bangladesh Bank has given deferral advantage/ regulatory forbearance to the Rupali Bank Limited for the shortfall amount of TK 60469.10 million against the required provision up to finalization of the financial statement for the year 2023. Also, the Company has also reported Consolidated EPS of Tk. 0.61, Consolidated NAV per share of Tk. 36.10 and Consolidated NOCFPS of Tk. (26.49) for the year ended December 31, 2022 as against Tk. 1.08 (restated), Tk. 37.13 (restated) and Tk. 19.05 (restated) respectively for the year ended December 31, 2021. The following graph reveals the trading history of RBL's stock closing price over a period of last twelve months at DSE:



#### 4. ISSUE STIMULUS

4.1 Capital market of Bangladesh is a frontier market and equity products highly dominate the market. Fixed income securities market is yet to be developed. Moreover, that little portion is dominated by government securities particularly by Treasury Bonds. Following tables show the number of listed companies in Dhaka Stock Exchange (DSE) in the last five years and total issued capital by those companies in both absolute and relative amount:

Number of Listed Securities at DSE					
Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Companies	305	317	321	341	350
Mutual Funds	37	37	37	37	36
Debentures	8	8	8	8	8
Corporate Bonds	1	1	2	2	9
Treasury Bonds	221	221	221	221	222
<b>Total No. of Listed Securities</b>	<b>572</b>	<b>584</b>	<b>589</b>	<b>609</b>	<b>625</b>

Source: Bangladesh Securities and Exchange Commission (BSEC)

Total Issued Capital of All Listed Securities at DSE					
Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Issued Capital of Companies	560,346.80	613,696.20	661,281.80	691,521.10	789,050.00
Issued Capital of Mutual Funds	50,367.90	54,022.90	55,347.00	55,347.00	55,347.00
Issued Capital of Debentures	353.70	353.70	353.70	353.70	353.70

(BDT in Million)

RUPALI BANK LIMITED 2<sup>ND</sup> SUBORDINATED BOND OF BDT 12,000.00 MILLION  
MAY 2023

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Managing Director & CEO  
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Issued Capital of Corporate Bonds	5,850.10	3,000.00	3,000.00	4,000.00	4,000.00
Issued Capital of Treasury Bonds	548,592.20	548,592.20	548,592.20	548,592.20	548,592.20
<b>Total Issued Capital of Securities</b>	<b>1,165,510.80</b>	<b>1,219,665.10</b>	<b>1,268,574.80</b>	<b>1,299,814.00</b>	<b>1,397,340.00</b>

Source: Bangladesh Securities and Exchange Commission (BSEC)

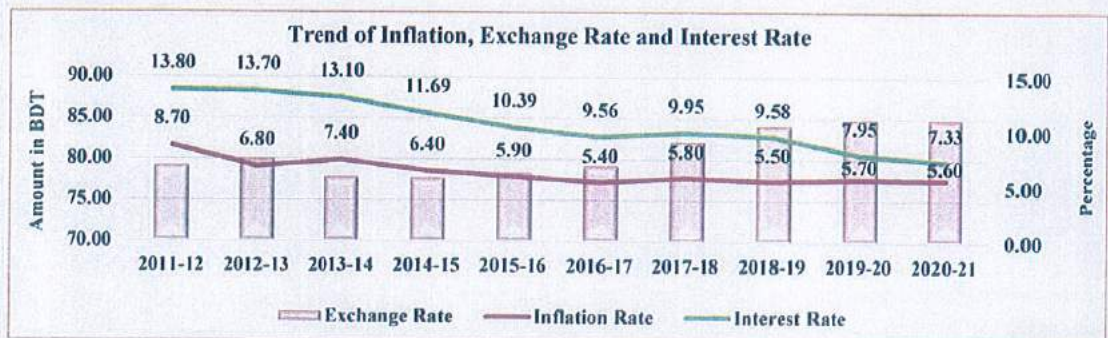
(Figures in Percentage)

Total Issued Capital of All Listed Securities at DSE					
Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Issued Capital of Companies	48.08	50.32	52.13	53.20	56.47
Issued Capital of Mutual Funds	4.32	4.43	4.36	4.26	3.96
Issued Capital of Debentures	0.03	0.03	0.03	0.03	0.03
Issued Capital of Corporate Bonds	0.50	0.25	0.24	0.31	0.29
Issued Capital of Treasury Bonds	47.07	44.98	43.24	42.21	39.26
<b>Total Issued Capital of Securities</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: Bangladesh Securities and Exchange Commission (BSEC)

4.2 Above information proves the lag in corporate bond market development in Bangladesh. So, the country needs to develop the corporate bond market. Flourished bond market help develop the capital market as well as the economy. Development of bond market ensures availability of alternative sources of funding for the domestic firms and help reduce funding cost. However, in absence of a developed bond market, banks take up the lending function. Largest portion of banks' deposit consists of short-term deposits. With such short-term liabilities and long-term assets, a pressure on liquidity management arises which leads to asset liability mismatch. Sometimes, corporates are compelled to commit short-term loans which creates a heavy burden in the short term. As a result, non-performing loans increase. So, development of bond market is also necessary for the development of banking industry.

4.3 Undoubtedly, bond market of a country is heavily influenced by the macroeconomic factors of that country. So, macroeconomic environment plays a very important role in the development of bond market. Low inflation encourages investors as well as fixed income securities in the market. Again, increasing interest rates reduces the profitability of holding bonds by increasing the opportunity cost. There is a significant relationship between inflation and exchange rate. So, exchange rate also has its impact. Increased fiscal deficit compels governments to borrow through bond which in turn increases the bond yield. Following graphs depicts the historical macroeconomic environment of Bangladesh:



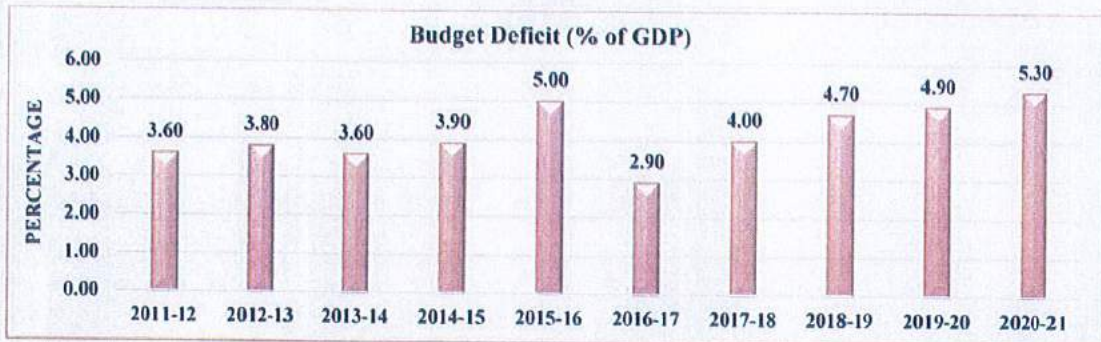
**Syed Rashed Hussain**  
Chief Executive Officer  
BRAC EPL Investments Limited

**Md. Harunur Rashid**  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

মোহাম্মদ শাহেদুর রহমান  
সহকারী ব্যবস্থাপক ও  
কোম্পানি সচিব  
রূপালী ব্যাংক লিমিটেড  
প্রধান কার্যালয়, ঢাকা।

**Mohammad Jahangir**  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.





4.4 Capital market of Bangladesh is still a frontier market and is expected to be an emerging market within a few years. Development of bond market will increase the transaction volume in the market which in turn will help to achieve economies of scale and reduce funding cost. Prolonged approval period, absence of debt instruments issued by different government bodies, overreliance on bank financing, absence of instructions on mandatory issuance of bonds after reaching a debt-ceiling, shortage of Special Purpose Vehicle/Entity (SPV/E), tax disincentives to issuers and investors are some major challenges for developing the bond market. Overcoming these challenges as soon as possible is necessary for the development of bond market.

#### 5. PORTRAYAL OF THE TRUSTEE

5.1 BRAC EPL Investments Limited (BEIL) is a public limited company, formally commenced operation under a new management team on October 01, 2009 following obtaining merchant bank license from the Securities and Exchange Commission.

- BRAC Bank holds majority of the equity of BRAC EPL Investments Ltd.
- Highly visionary and achievement-oriented board consisting of dynamic and renowned professionals.
- Positioning itself as a leading merchant bank to provide full range of investment banking solutions.

5.2 BEIL delivers a whole range of investment banking services including traditional merchant banking activities. It has already established itself as one of the top portfolio managers, serving more than 4600 clients country-wide from seven locations. In discharging professional services, BEIL makes concerted efforts to show ZERO tolerance towards non-compliance and emphasizes strict adherence to regulatory guidelines.

5.3 In its brief history, BEIL has already earned considerable respect and reputation in managing public offerings efficiently. All public issues, initial and rights, managed by BEIL have received encouraging market response. BEIL takes pride in jointly bringing the first public issue to the Bangladesh capital market under newly introduced Book Building Method. The corporate team at BEIL provides a full array of solutions across debt, hybrid, derivative and equity-linked products. BEIL team focuses on originating, structuring, underwriting and executing debt financing including syndications of both foreign and local, corporate bonds, bridge financing, mezzanine debt and other debt linked products. BEIL also has a strong foothold in Mergers & Acquisitions and private equity, aligning the goals of those who seek to funding for joint venture opportunities in Bangladesh.


#### 6. REDEMPTION OF BOND

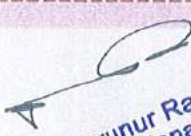
The principal redemptions will be in five tranches, each tranche being 20.00% of the principal amount commencing at the end of the third year from the date of the issuance.

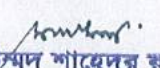
RUPALI BANK LIMITED 2<sup>ND</sup> SUBORDINATED BOND OF BDT 12,000.00 MILLION  
MAY 2023

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www.ncrbd.com

  
Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

  
Md. Harunur Rashid  
General Manager  
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Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



Year	Redemption (%)	Redemption Entire Issue (BDT)
1	Nil	Nil
2	Nil	Nil
3	20.00%	2,400,000,000
4	20.00%	2,400,000,000
5	20.00%	2,400,000,000
6	20.00%	2,400,000,000
7	20.00%	2,400,000,000

## 7. POTENTIALITY OF THE ISSUER'S INDUSTRY

7.1 Non-Bank Financial Institutions (NBFIs) have been playing a crucial role by providing additional financial services that is not usually provided by the banks. The NBFIs, with more multifaceted products and services have taken their place in the competitive financial market to satisfy the changing demands of the customers. NBFIs also play an important role in the capital market as well as in real estate sector of the country. Like the banks, most of the NBFIs have separate subsidiaries to operate merchant banking activities. NBFIs are supervised by the Bangladesh Bank under a risk-based supervisory system. NBFIs showed strong performance in terms of growth in assets and deposits during FY19.

7.2 The financial sector of Bangladesh is comprised of money market, capital market, bank, non-bank financial institutions, insurance, and microfinance institutions. The banking subsector dominates the financial sector of Bangladesh, while NBFIs and the capital market play a relatively limited role. The whole scenario of the economy of the country can be ascertained by examining the condition of the banking sector and macroeconomic management largely depends on the performance of the banking industry.

7.3 Banking sector grew primarily in the public sector with main emphasis on restructuring of the financial system and development needs of the war-torn economy with gradual liberalization in subsequent years. It was increasingly felt that banks should be allowed in the private sector for giving a fillip to development process on the basis of private initiative. In the 80's for the first time a number of banks in the private sector were allowed, which are called the 1st generation banks. Subsequently in the mid 90's some more banks in the private sector also commenced operations, which are called the 2nd generation banks. In 1999, 3rd generation private sector banks came into operation. In 2012, Bangladesh Bank allowed operation of 9 more Bank. There are 61 scheduled banks in Bangladesh who operate under full control and supervision of Bangladesh Bank which is empowered to do so through Bangladesh Bank Order, 1972 and Bank Company Act, 1991.

7.4 Presently, there are 06 State-owned Commercial Banks (SCBs), 03 Specialized Banks, 43 (33 conventional and 10 Islamic) Private Commercial Banks (PCBs) and 9 Foreign Commercial Banks (FCBs). The commercial banks are at the core of the financial system and account for more than 80% of the assets of the financial system.

(BDT in Billion)

Banking Sector Structure (June, 2021)						
Bank Type	Number of Banks	Number of Branches	Total Assets	Share of Industry Assets (%)	Deposits	Share of Deposits (%)
SCBs	06	3,801	5,083.90	26.04	3,903.90	27.06
SBs	03	1,504	428.00	2.19	382.40	2.65
PCBs	43	5,421	12,945.40	66.32	9,533.20	66.09
FCBs	09	67	1,062.40	5.44	605.00	4.19
<b>Total</b>	<b>61</b>	<b>10,793</b>	<b>19,519.70</b>	<b>100.00</b>	<b>14,424.50</b>	<b>100.00</b>

Source: Bangladesh Bank (BB)

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Rupali Bank PLC.  
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2.1 Bangladesh Bank, as the central bank, has legal authority to supervise and regulate all the banks and non-bank financial institutions of the country. It performs the traditional role as central bank. The prudential regulations of Bangladesh Bank include: minimum capital requirements, limits on loan concentration and insider borrowing and guidelines for asset classification and income recognition. BB has the power to impose penalties for non-compliance and also to intervene in the management of a bank if serious problems arise. It also has the delegated authority of issuing policy directives regarding the foreign exchange regime. BB monitors the performance of the banking sector using CAMELS framework (CAMELS: Capital Adequacy, Asset Quality, Management Quality, Earnings, Liquidity and Sensitivity to Market Risk). Banks are subjected to periodic comprehensive inspections and ad-hoc special inspections by Bangladesh Bank.

7.5 50 banks out of 61 maintained CRAR of at least 10.00 percent or higher at the end of March, 2022. SCBs and SBs failed to maintain the minimum CRAR. However, the aggregate CRAR of the industry stood at 11.41 percent, which is 26 basis points lower than that of March, 2021. Among the four banking clusters, FCBs maintained highest CRAR (26.00 percent) while SBs maintained the lowest CRAR (-33.58 percent) at the end of March, 2022.

7.6 The overall NPL of the banking industry was 8.53 percent at the end of March, 2022. Of the total NPL, bad and loss loans accounted for 88.50 percent while sub-standard and doubtful loans constituted 7.50 percent and 4.00 percent respectively. The provision maintenance ratio, declined to 82.67 percent in March, 2022 from 92.10 percent in June, 2021. Comparative Position of Classified Loan, Required Provision, Provision Maintained and Ratio of Provision Maintenance are depicted in the table below:


(BDT in Billion)					
All Banks	2017	2018	2019	2020	June, 2021
Amount of NPL	743.00	939.10	943.30	887.30	992.10
NPL Percentage (%)	9.30	10.30	9.30	7.70	8.20
Required Provision	443.00	570.40	613.20	648.00	709.50
Provision Maintained	375.30	504.30	646.60	646.80	653.70
Excess (+) / Shortfall (-)	-67.70	-66.10	-66.60	-1.20	-55.80
Provision Maintained Ratio (%)	84.70	88.40	89.20	99.80	92.10

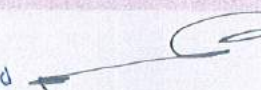
Source: Bangladesh Bank

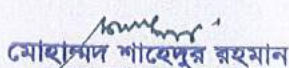
7.7 Return on Asset (ROA) and Return on Equity (ROE) in the banking sector stood at 0.29 percent and 5.03 percent respectively at the end of March, 2022. Both ROA and ROE declined from June, 2021. Cluster-wise ROA and ROE of last five years are shown in the table below:

(Percentage)										
Particulars	ROA					ROE				
Types	2017	2018	2019	2020	June, 2021	2017	2018	2019	2020	June, 2021
SCBs	0.20	-1.30	-0.60	-1.10	0.10	3.50	-29.60	-13.70	-29.60	2.90
SBs	-0.60	-2.80	-3.30	-3.00	-3.20	-3.10	-13.50	-17.00	-13.90	-14.40
PCBs	0.90	0.80	0.80	0.70	0.70	12.00	11.00	11.20	10.20	10.10
FCBs	2.20	2.20	2.30	2.10	1.50	11.30	12.40	13.40	13.10	9.30
Total	0.70	0.30	0.40	0.30	0.50	10.60	3.90	6.80	4.30	8.30

Source: Bangladesh Bank

  
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প্রধান কার্যালয়, ঢাকা।

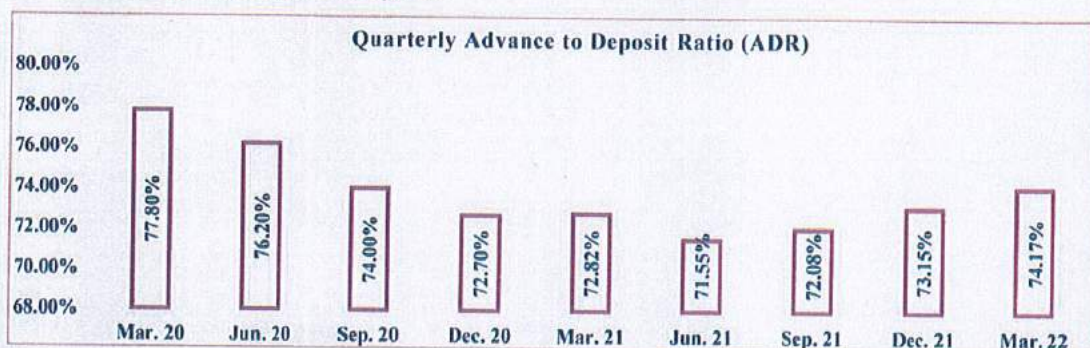
  
Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



Particulars	Expenditure-Income Ratio					Net Interest Margin (NIM)				
Types	2017	2018	2019	2020	June, 2021	2017	2018	2019	2020	June, 2021
SCBs	81.30	80.50	84.90	83.20	87.10	1.98	2.35	1.94	1.75	1.38
SBs	124.00	144.60	159.80	158.10	176.30	2.05	0.62	0.01	-0.21	-0.73
PCBs	73.80	76.70	77.60	79.60	76.20	3.52	3.55	3.52	2.97	2.92
FCBs	46.60	47.50	48.80	46.20	44.90	4.35	4.30	4.21	4.05	3.36
Total	74.70	76.60	78.00	79.20	80.20	3.13	3.22	3.12	2.67	2.48
Source: Bangladesh Bank										

Source: Bangladesh Bank

7.8 Quarterly Advance to Deposit Ratios (ADR) experienced a declining trend from March 2020 to June 2021 but started rebounding from the next quarter.




In all the parameters, FCBs are doing well compared to the other clusters whereas SCBs and SBs are performing very poorly. Poor performance of SCBs and SBs are affecting the industry as a whole. Improvement of performance of these banks will significantly improve the overall performance of the banking industry.

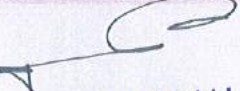
## 8. ISSUER'S BUSINESS OVERVIEW

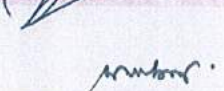
8.1 Rupali Bank Limited (hereinafter called as 'RBL' or 'The Bank') is one of the six state owned commercial banks in Bangladesh. The Bank has been in the forefront of introducing various innovative services and systems since it is committed and promised to respect public faith and confidence for the security of customer's savings. The business has been being conducted with the successful blend of traditional values, ethics and the most modern infrastructure. The branches are now being operated under Core Banking Solutions (CBS), giving its customers a true experience of real time online banking. Moreover, Rupali Bank Limited is the pioneer among the state owned commercial banks to inaugurate mobile financial services through SureCash since April 2017. The shares of the company are listed with both bourses of the country and are traded under 'B' category.

8.2 RBL has two subsidiaries named Rupali Investment Limited (RIL) and Rupali Bank Securities Limited (RBSL). Rupali Investment Limited engaged in merchant banking activities since 2010 through obtaining license from The Securities & Exchange Commission to act as issue manager as well as maintaining investment account on behalf of investors. The other subsidiary of RBL namely Rupali Bank Securities Limited (RBSL) was incorporated as a public Limited Company on 29<sup>th</sup> August, 2013 and acts & carries on the business of a stock broker and stock dealer besides engaging itself in all types of stock brokerage business, including BO account opening, buying and selling of securities with the permission of competent authorities

8.3 The bank is conducting its operation through 586 branches countrywide, 17 own branded ATM Booth, 63 foreign correspondence and 7,084 staffs and employees.

  
Syed Rashed Hussain  
Chief Executive Officer  
RRAC FPL Investments Limited

  
Md. Harunur Rashid  
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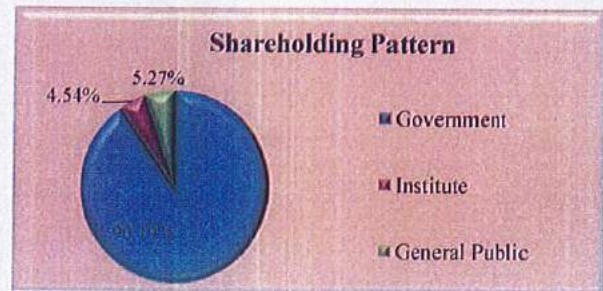
8.4 The principal activities of the RBL is rendering all types of commercial banking services as per the Banking Companies Act 1991 and the directives from Bangladesh Bank, through the operational network of 586 branches all over the country as well as it is linked to its foreign correspondents all over the world. The Registered Office of RBL is located at 34, Dilkusha Commercial Area, Dhaka-1000 whereas the corporate office is located at Motijheel Road, Dhaka, Bangladesh.

8.5 The details of the product lines are given below:

Products & Services of RBL		
1. Deposits	<ul style="list-style-type: none"> <li>▪ Rural and Agro Credit</li> <li>▪ Other Loans</li> </ul>	17. Modern Banking Services
<ul style="list-style-type: none"> <li>▪ Current Deposit</li> <li>▪ Call Deposit</li> <li>▪ Special Notice Deposit</li> <li>▪ Savings Deposit</li> <li>▪ Fixed Deposit</li> </ul>	7. Foreign Exchange Business	18. Mobile Financial Services
2. Schemes	8. Foreign Currency Accounts	19. Value Added Services
3. School Banking Account	9. Import Finance	20. New Products and services
4. No Frill Accounts (NFAs)	10. Export Finance	<ul style="list-style-type: none"> <li>▪ Merchant Banking Services</li> <li>▪ Capital Market Services</li> </ul>
5. Street & Working Children Account	<ul style="list-style-type: none"> <li>▪ Pre-shipment credit</li> <li>▪ Post-shipment credit</li> </ul>	21. Foreign Remittance
6. Loans & Advances	11. Bond	22. Services paid to the common people as a state-owned bank
<ul style="list-style-type: none"> <li>▪ General Products</li> <li>▪ Cottage, Micro, Small &amp; Medium Enterprise Loan (CMSME)</li> <li>▪ Small Enterprise Financing</li> </ul>	12. Guarantee	<ul style="list-style-type: none"> <li>▪ Utility Bills Collection</li> <li>▪ Service to Education Sector</li> <li>▪ Common Services to the customers/stakeholders</li> <li>▪ Special Services</li> </ul>
	13. Ancillaries	
	14. Treasury	
	15. Forex & Fund Management	
	16. Fund Transfer	

8.6 The Board of Directors has recommended No Dividend for the year ended on December 31, 2022. The Annual General Meeting will held on July 26, 2023. The Company has also reported Consolidated EPS of Tk. 0.61, Consolidated NAV per share of Tk. 36.10 and Consolidated NOCFPS of Tk. (26.49) for the year ended December 31, 2022 as against Tk. 1.08 (restated), Tk. 37.13 (restated) and Tk. 19.05 (restated) respectively for the year ended December 31, 2021.

8.7 As per disclosure as on April 30, 2023 total number of shareholders is 7,149 and number of outstanding shares is 4,646.97 million. The shareholding pattern was found diversified among Govt. (90.19%), Institutions (4.54%) and the General Public (5.27%) as on 30<sup>th</sup> April, 2023. The shareholding pattern is presented in the following chart:



## 9. GOVERNANCE

The BoD of RBL comprises of experienced persons from different backgrounds. There are three committees under this BoD namely, (i) Executive Committee (ii) Audit Committee, (iii) and Risk Management Committee. The Management of the Bank comprises of 11 committees namely:

- Management Committee (MANCOM)
- Asset Liability Committee (ALCO)
- Supervisory Review Process (SRP) Team
- Management Advisory Committee (MAC)
- Management Credit Committee (MCC)
- Disciplinary Cases Action Committee (DCAC)

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- (vii) Human Resource Policy-2011 Review Committee
- (viii) Apex Committee Online Activities Establishment
- (ix) Loan Review & Monitoring Committee
- (x) Head Office Interest Remission Committee
- (xi) Risk Management Committee at management level

The brief profile of the BoD members as on 31<sup>st</sup> December, 2021 is given below:


SL	Name of BoD Members	Designation
1	Mr. Kazi Sanaul Hoq	Chairman
2	Mr. Mohammad Jahangir	Managing Director & CEO
3	Mr. Arijit Chowdhury	Director
4	Mr. Md. Khalilur Rahman	Director
5	Mr. Mohammad Abdul Baset Khan	Independent Director
6	Mr. Mohammad Delwar Hossain	Director
7	Mr. Md. Shafiqul Islam Laskar	Director
8	Mr. Md. Ashraf Hossain	Director
9	Mr. Mohammed Enus Ali	Director
10	Mr. Ruksana Hasin, NDC	Director
11	Mr. Md. Ali Akkas	Independent Director
12	Mr. Shoaeb Ahmed	Director
13	Mr. Mohd. Ahsan Kibria Siddiqui	Director
14	Dr. Md. Ferdous Alom	Director
15	Mr. Md. Rafiqul Alam	Independent Director

#### 10. MANAGEMENT


The management team has been organized with a good blend of qualified and experienced professionals. The management team is headed by the Managing Director & CEO, Mr. Mohammad Jahangir having intense experience in banking industry. There are 22 departments for operational convenient of the bank both in home and abroad. A brief profile of the management is given as follows:

SL	Name	Designation
1.	Mr. Mohammad Jahangir	Managing Director & CEO
2.	Mrs. Tahmina Akhter	Deputy Managing Director
3.	Mr. Hasan Tanvir	Deputy Managing Director
4.	Mrs. Yasmin Begum	General Manager
5.	Mr. Md. Harunur Rashid	General Manager
6.	Mr. Md. Fayaz Alam	General Manager
7.	Mr. Md. Iqbal Hossain Kha	General Manager
8.	Mr. Mohammed Shahedur Rahman	General Manager
9.	Mr. Sikder Faruk A Azam	General Manager
10.	Mr. Mohammed Shajahan Choudhury	General Manager
11.	Mr. Md. Ismail Hossain Sheikh	General Manager

10.1 RBL has well defined HR policy. The total number of employees (Regular and Contractual) of the company stood at 7,084 as on December 31, 2021. The Bank offers regular basis training programs through Rupali Bank Training Academy (RBTA), Bangladesh Institute of Bank Management (BIBM), BBTA, BIM, NAPD, FinExcel, East West University, etc. A mandatory session kept in every foundation course/training. Besides, two workshops arranged with resource persons from Bangladesh Bank, BIBM and Rupali Bank's Executives/Officers. RBL conducted various training programs on subject matter that includes Asset liability risk management, Credit Risk

  
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Managing Director & CEO  
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Management, FX Risk Management, Internal Control & Compliance Risk Management, Anti-money Laundering Risk Management, ICT Risk Management etc.

## 11. RISK MANAGEMENT FRAMEWORK

11.1 The management has satisfactorily implemented the Risk Management Framework. The Bank formed a Risk Management Committee at Management Level following the guideline of Bangladesh Bank. The Deputy Managing Director is given the responsibility of the Chief Risk Officer (CRO) of RBL. The CRO is accountable for the overall risk management function. The prime objective of the risk management by RBL is taking calculative business risks while safeguarding the bank's capital, its financial resources and profitability from various risks.

11.2 Risk management in RBL is conducted by high officials who are able to analyze and manage banking risk efficiently and create positive business environment. A number of techniques are applied to efficiently manage the operational risk in RBL's Business. The following chart provides a schematic overview of the risk management governance structure of Rupali Bank Ltd.



## 12. CREDIT RISK

12.1 RBL emphasizes to manage credit risk in the entire range as well as the risk in individual credits or transactions. The effective management of credit risk is a critical component of a comprehensive approach to risk management and essential to the long-term success of RBL. On the basis of Bangladesh Bank's credit risk management policies, a manual of Credit Risk Management (CRM) has been formulated and approved by RBL's Board of Directors. The organizational structure of RBL's Head Office level has been designed in line with CRM Guidelines.

Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

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কোম্পানি সচিব  
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Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



Financial Risk	Business/Industry Risk	Management Risk	Security Risk	Relationship Risk
<ul style="list-style-type: none"> <li>•Leverage</li> <li>•Liquidity</li> <li>•Profitability</li> <li>•Coverage</li> </ul>	<ul style="list-style-type: none"> <li>•Size of Business</li> <li>•Age of Business</li> <li>•Business Outlook</li> <li>•Industry Growth</li> <li>•Market Competition</li> </ul>	<ul style="list-style-type: none"> <li>•Experience</li> <li>•Succession</li> <li>•Team Work</li> </ul>	<ul style="list-style-type: none"> <li>•Security Coverage</li> <li>•Collateral</li> <li>•Support</li> </ul>	<ul style="list-style-type: none"> <li>•Account Conduct</li> <li>•Utilization of Limit</li> <li>•Compliance of Covenants</li> <li>•Personal Deposits</li> </ul>

**12.2** To mitigate the credit risk, RBL follows guideline. As per credit risk management guideline of RBL, Credit division is divided as credit approval, Credit Administration and Recovery Division. Approval authority approves the loan then credit administration division confirms proper documentation. If loans become classified the recovery division monitors and takes initiatives to recover the loan.

### 13. OPERATIONAL RISK

**13.1** RBL has successfully migrated all of its 586 branches to the core banking system in 2022. To ensure a seamless integration of information flowing through the extending customer services, RBL is using in-house developed core banking software, Intellect Ver. 10 and always updating it by their own team.

**13.2** RBL has launched its own branded ATM booths in 2017. Till December, 2021 17 (seventeen) ATM booths have been inaugurated throughout the country.

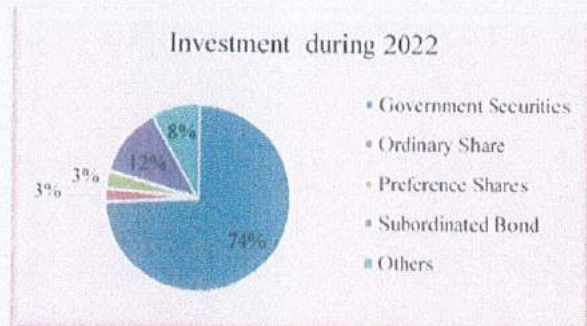
**13.3** For security awareness of database of the bank, ICT Policy & Business Continuity Plan has been approved by the competent authority. The online branches banking data are stored & controlled centrally at the Data Center (DC) at IT Division. To ensure the security of data, the Bank has already established the Disaster Recovery (DR) Center at Narayanganj. Moreover, the Bank has achieved the success of implementation of Bangladesh Automated Clearing House (BACH) to its 586 branches.

**13.4** The Bank has formed an organogram of Internal Control & Compliance Department (ICCD) under the guideline of Bangladesh Bank. Under this organogram three divisions i.e. Audit Division, Monitoring Division and Compliance Division are working separately and independently. Audit Division conducts audit as per yearly risk-based audit plan approved by the Board. Monitoring Division is engaged with on site and off-site monitoring function. Compliance Division deals with regularly compliance and also acts as the contact point of Bank.

### 14. MARKET RISK

#### INVESTMENT WINGS OF THE ISSUER

**14.1** RBL has an exposure of TK 3,686.83 million in the ordinary share (with TK 1,880.68 million in the quoted shares, TK 1,806.04 million in the unquoted shares, TK 4,987.80 million in the preference shares and TK 19,460.00 million in the subordinated bond). The bank maintained a provision of TK 945.00 million on investment during 2022.



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## 15. EARNINGS QUALITY

### TREND/STABILITY OF REVENUE

15.1 The net interest-based income was negative and stood at TK (3,065.25) million in 2022 against TK (3,343.32) million in 2021. The net fee-based income was recorded TK 1,942.95 million in 2022 against TK. 1,929.18 million in 2021. The total net revenue increased to TK 14,129.02 million in 2022 from TK. 12,674.01 million in 2021, registering a growth of 11.48%.



### ISSUER'S EFFICIENCY & PROFITABILITY

15.2 The bank's efficiency ratio (cost to total net revenue) stood 98.05% in 2022 from 95.14% in 2021. The ratio of provision expenses to pre-provision profit increased to 41.31% in 2022 from 39.53% in 2021. The net income was recorded TK 209.30 million in 2022 against TK 357.98 million in 2021.

15.3 The bank's intermediation efficiency ratio, Net Interest Margin (NIM) was negative and stood at (0.56%) in 2022 and (0.64%) in 2021. The cost of fund increased to 4.60% in 2022 from 4.57% in 2021. ROA decreased to 0.03% in 2022 from 0.06% in 2021. The ROE was also decreased and stood at 1.26% in 2022 against 2.05% in 2021.

## 16. LIQUIDITY MANAGEMENT

### LIQUIDITY GAP AT DISSIMILAR MATURITY BUCKETS

16.1 RBL has maintained positive gap for less than one year & above five year maturity Bucket except one to three months, three to twelve months & more than five years maturity in 2022 that are presented in the following table:

Figure in BDT Million

Particulars	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 years maturity	More than 5 years maturity	Total
Assets	71,295.63	83,594.77	160,109.00	188,497.06	183,230.72	686,727.22
Liabilities	84,921.27	156,719.90	228,350.64	141,022.93	59,365.83	670,380.57
Net Liquidity Gap	(13,625.64)	(73,125.13)	(68,241.65)	47,474.14	123,864.89	16,346.65

16.2 RBL has maintained the liquidity requirement in accordance with section 33 of Bank Companies Act, 1991 MPD Circular No. 1, 2 dated 03 April 2018 & DOS Circular no 01 dated 19 January 2014 and MPD circular 01 dated 09 April 2020 respectively. The bank held 4.00% Cash Reserve Requirement (CRR) and 13.00% Statutory Liquidity Ratio (SLR) with surplus/deficit amount as follows:

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Particulars	Figure in BDT Million	
	2022	2021
<b>Cash Reserve Ratio (CRR)</b>		
Required Reserve (4.00%)	22,851.71	20,142.42
Actual Reserve maintained	23,349.22	24,183.06
<b>Surplus/Deficit</b>	<b>497.81</b>	<b>4,040.64</b>
<b>Statutory Liquidity Ratio (SLR)</b>		
Required Reserves (13%)	74,267.07	74,814.71
Actual Reserve maintained	122,524.98	149,543.18
<b>Surplus/Deficit</b>	<b>48,257.90</b>	<b>74,728.47</b>

#### ISSUER'S SOURCE OF FUNDING & DEPOSIT MIX

**16.3** The deposit was recorded TK 588,675.79 million in 2022 against 576,430.60 million in 2021, showing a growth of 2.12% in 2022. The deposit mix was historically dominated by the term deposit. However, the main source of funding was 87.81% deposits followed by 2.30% borrowing, 9.89% non-interest bearing liabilities during 2022. The borrowing was recorded TK 15,416.65 million in 2022 against TK 7,205.80 million in 2021.

**16.4** The management of liquidity and funding is carried out by the Treasury Division under approved Policy guidelines. The formulation of risk management policy, setting liquidity and examine how liquidity requirements are likely to evolve under different assumptions, interest rate, exchange rate and equity pricing are the responsibilities of the ALCO.

**16.5** The ALCO monitors the market risk and liquidity risk regarding the potential change in the earnings due to change in the rate of interest and foreign exchange rates. RBL has its own guideline for asset liability management which is approved by RBL's Board of Directors.

#### 17. CAPITAL ADEQUACY

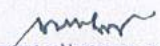
##### RESERVE & SURPLUS OF THE ISSUER

**17.1** The shareholders' equity was recorded TK 16,346.65 million in 2022 against TK 16,901.52 million in 2021, registering a negative growth of 3.28%. The equity capital composed of share capital of TK 4,646.97 million, statutory reserve of TK 3,801.20 million, share money deposit of TK 6,799.95 million and retained earnings of TK 136.10 million during 2022. The shareholder's equity to total assets slightly decreased to 2.38% in 2022 from to 2.54% in 2021.

Particulars	(TK in million)	
	2022	2021
Actual Capital Held	22,660.63	24,019.93
Going- concern capital (Tier-1)	15,243.71	15,553.01
Going Concern – Additional Tier I Capital	-	-
Gone- concern Capital (Tier-2)	7,416.92	8,466.92
Total regulatory capital surplus/ (deficit)	(23,188.97)	(18,950.64)
Tier -1 (Minimum CET-1 @ 6.00%)	3.28%	3.57%
Tier-2 (Maximum up to 4% of total RWA or 88.89% of CET-1 whichever is higher)	1.64%	1.99%
CRAR Based on Basel III Framework	4.92%	5.56%

  
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17.2 According to Basel-III capital requirement the CRAR based on Basel III was recorded 4.92% in 2022 and 5.56% in 2021.

17.3 The Risk Weighted Asset (RWA) was TK 454,199.05 million in 2022 against TK 426,162.85 million in 2021. Required Capital as 10% of Risk Weighted Asset (RWA) was TK 45,419.91 million in 2022 against TK 42,616.29 million in 2021.

17.4 Finally, the CRAR on Core Capital (Tier-I) stood at 3.28% (against minimum requirement of 6.00%) and on Supplementary Capital (Tier-II) stood at 1.64% (Maximum up to 4% of total RWA or 88.89% of CET-I whichever is higher) in 2022.

## 18. ASSET QUALITY

### LOAN PORTFOLIO OF ISSUER

18.1 The gross loans, advances & lease was recorded TK 435,400.77 million in 2022 against TK 380,833.70 million in 2021, registering a growth of 14.33%. The loans, advances & lease are available for public sector, private sector and Co-operative Sector. The volume of finance to total assets stood at 63.40% of total assets in 2022 against 57.25% in 2021. Finance to deposit ratio recorded to 64.12% in 2022 from 54.85% in 2021.

18.2 The Non-Performing Loans (NPL) was recorded TK 92,247.65 million in 2022 against TK 66,664.90 million in 2021. The NPL under bad & loss categories increased to TK 80,865.27 million in 2022 from TK 58,607.20 million in 2021. The NPL mix was posted 9.73% substandard (against 10.47% in 2021), 2.61% doubtful (against 1.62% in 2021) and 87.66% Bad & loss (against 87.91% in 2021) during 2022. The impaired loan to gross finance ratio was posted at 21.19% in 2022 against 17.50% in 2021.

Particulars	(TK in million)	
	2022	2021
Gross Finance	435,400.77	380,833.70
Impaired Lending	92,247.65	66,664.90
Impaired Lending / Gross Finances (%)	21.19	17.50
Loan Loss Provision/ Impaired Lending (%)	18.25	25.03

18.3 RBL has maintained total provision of 17,273.69 million in 2022 against required provision of TK 71,661.34 million. The gross NPL coverage was recorded 18.25% in 2022 against 25.03% in 2021. The cash recovery of RBL against classified loans and advances up to 2022 stood TK 1,027.30 million and rescheduled of loan during 2022 stood 10,057.29 million. The cash recovery of RBL against classified loans and advances in 2021 was TK 599.40 million and rescheduled of loan in 2021 was 3,662.73 million.

18.4 Total amount of large loan exposures was recorded TK 125,496.00 million (against 20 accounts) in 2022 which was TK 106,759.40 million (against 20 accounts) in 2021 which accounts for 28.82% of gross finance in 2022 and 28.03% in 2021. There was three classified loan under the large loan category during 2022 which was TK 17,371.10 Million.

18.5 The off-balance sheet exposure was recorded TK 162,983.57 million in 2022 against TK 151,170.93 million in 2021. The composition of the off-balance sheet exposure was 3.90% Acceptance & endorsements, 81.42% Letter of Credit, 10.74% Letter of Guarantee, 3.94% Bills for Collection and other Contingent Liabilities during 2022.

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#### 19. RECOVERY PROSPECTS

19.1 The issuer has undertaken a plan to reduce the non-performing loan as well as to keep NPL ratio within or below the limit. A succinct profile of the summary of the collection process of NPL under recovery plan of the issuer are as follows:

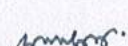
- Task force committee headed by head office executives held in regional offices & corporate branches with the defaulter borrowers
- Meaningful dialogue with the defaulted borrowers from head office over phone
- Introducing digital notification of borrower's loan information through SMS relating overdue installment(s) on term loan accounts
- To boost up recovery activities through non-legal measures, all regional offices & corporate branches have been advised
- All regional offices & corporate branches have been advised to file suits for recovery of bank's money in case of suborn borrowers
- Engaged recovery agents for recovery against NPLs.

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National Credit Ratings Ltd.

  
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Chief Executive Officer  
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Md. Harunur Rashid  
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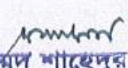
**APPENDIX-I: RATING SCALE:**

Long Term Rating Scale and Definitions	
Rating Notches	Definition
AAA	Strongest Credit Quality
AA+	Below Strongest Credit Quality
AA	Very Strong Credit Quality
AA-	Below Very Strong Credit Quality
A+	Very Good Credit Quality
A	Above Average Credit Quality
A-	Moderately Good Credit Quality
BBB+	Moderate Credit Quality
BBB	Average Credit Quality
BBB-	Below Average Credit Quality
BB+	Moderately Below Average Credit Quality
BB	Slightly Below Average Credit Quality
BB-	Less Than Average Credit Quality
B+	Significantly Below Average Credit Quality
B	Weak Credit Quality
B-	Very Weak Credit Quality
C	Poor Credit Quality
D	Default (Failed to meet their rated financial commitment on time or when due)

Short Term Rating Scale and Definitions	
Rating Notches	Definition
ST-1	Strongest Ability to Meet Short Term Financial Commitments
ST-2	Above Average Ability to Meet Short Term Financial Commitments
ST-3	Average Ability to Meet Short Term Financial Commitments
ST-4	Below Average Ability to Meet Short Term Financial Commitments
ST-5	Well Below Average Ability to Meet Short Term Financial Commitments
ST-6	Default (Failed to meet their short-term financial commitments)

  
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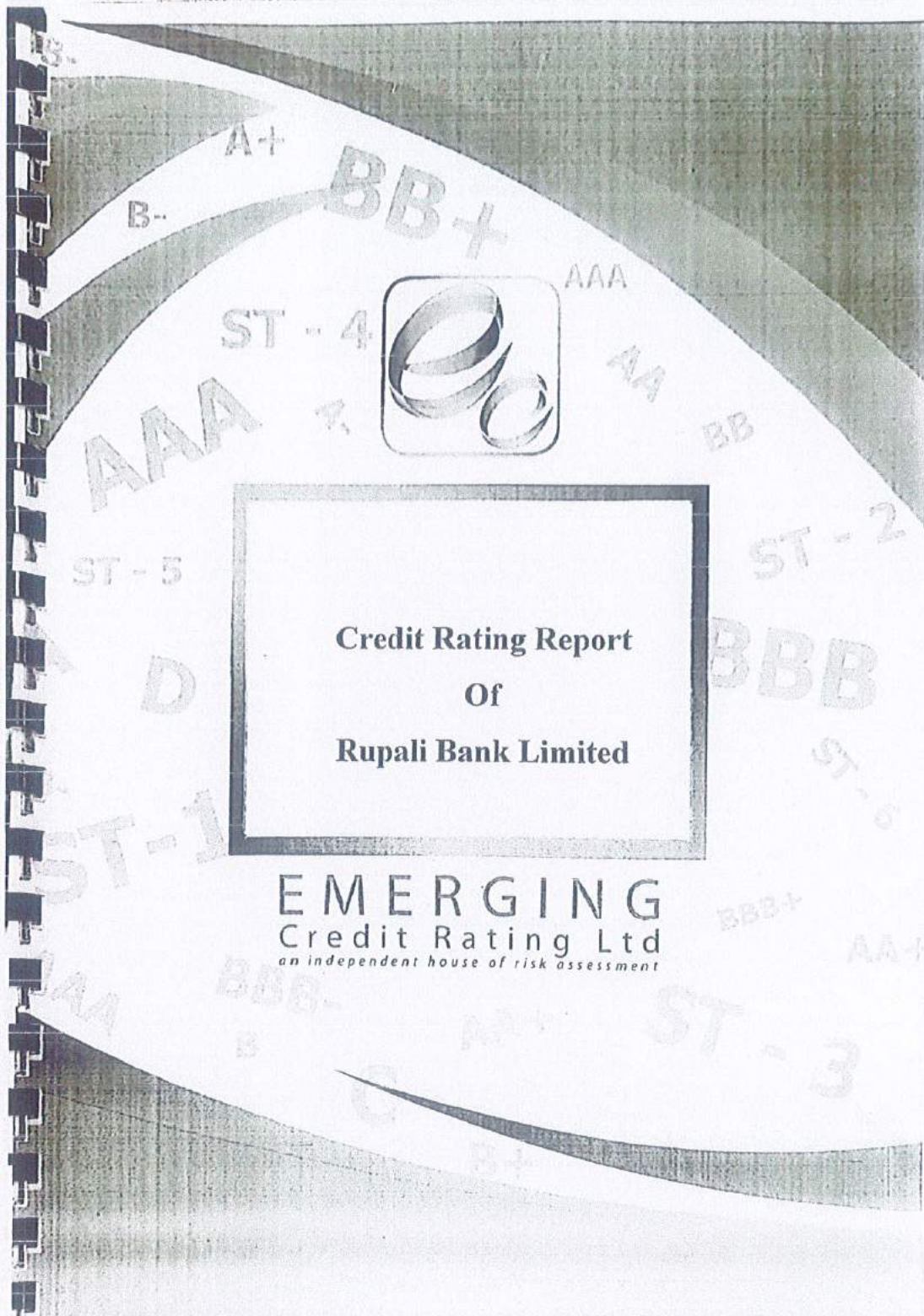
  
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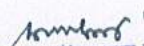
## 15.2 Credit Rating Report of the Issuer






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Head Office, Dhaka.





# EMERGING Credit Rating Ltd

## Rupali Bank Limited

### Credit Rating Report (Agreement No: 2020-08-19-39349)

#### With Government Support

Valid From	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
September 21, 2023	September 20, 2024	Surveillance-3	AA+	ST-1	Stable
September 21, 2022	September 20, 2023	Surveillance-2	AAA	ST-1	Stable
September 21, 2021	September 20, 2022	Surveillance-1	AAA	ST-1	Stable

#### Without Government Support

Valid From	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
September 21, 2023	September 20, 2024	Surveillance-3	A-	ST-3	Developing
September 21, 2022	September 20, 2023	Surveillance-2	A-	ST-3	Developing
September 21, 2021	September 20, 2022	Surveillance-1	A-	ST-3	Developing

Date of Incorporation : December 14, 1986  
 CEO & Managing Director : Mr. Mohammad Jahangir  
 Authorized Capital : BDT 7,000.00 Million (As on December 31, 2022)  
 Paid up Capital : BDT 4,646.97 Million (As on December 31, 2022)  
 Total Assets : BDT 686,727.22 Million (As on December 31, 2022)  
 Total Liabilities : BDT 670,380.57 Million (As on December 31, 2022)  
 Contact Analysts : Prosenjit Datta Kanongo [prosenjit@emergingrating.com](mailto:prosenjit@emergingrating.com)  
 Md. Rajur Rahman [rajur@emergingrating.com](mailto:rajur@emergingrating.com)

## Credit Analysis

Arifur Rahman FCCA, FCA, CMAA  
 Chief Executive Officer  
 Emerging Credit Rating Limited

## Entity Rating

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 Chief Executive Officer  
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 Rupali Bank PLC.  
 Head Office, Dhaka.



# Emerging Credit Rating Ltd

## CREDIT ANALYSIS

Entity Rating

### 2023 Surveillance Review

#### Rupali Bank Limited

##### Major Rating Factors

- Strengths**
- Support from the Government.
  - Country-wide network of branches.
  - Contribution on socio-economic development of the country.
- Challenge/ Risks**
- Increasing NPL ratio over the years exhibiting the weak quality of assets
  - A persistent drop in CRAR ratio over the years raises alarms to meet the regulatory requirement
  - Significant increase in rescheduled loans
  - Witnessed a consistent net interest loss over the past few years
  - Massive shortfall in provision over the years
  - High exposure to large loans with a number accounts exceeded the regulatory ceiling cap for single/group exposure
  - High cost to income ratio.

**Rationale** Emerging Credit Rating Limited (ECRL) has downgraded long term credit rating to AA+ (Pronounced as 'Double A Plus') and affirmed ST-1 short term credit rating with a Stable outlook to Rupali Bank Limited (hereinafter referred to as 'RBL' or 'The Bank') as a government supported entity. However, as a commercial bank without government support, ECRL has affirmed A- (Pronounced as 'Single A Minus') long term credit rating and ST-3 short term credit rating with a Developing outlook to Rupali Bank Limited. The ratings are based on audited financial statements of FY2019-2022, unaudited financial statements as at June 30, 2023, and other available quantitative and qualitative information up to the date of rating declaration. The ratings are consistent with ECRL's rating methodology for this type of company. ECRL considered government support, financial performance, capital base, asset quality, liquidity position, management experience and prospect of the industry while assigning the rating.

ECRL is concerned about the increasing trend of NPL ratio over the years thus exhibiting the weaker quality of assets, persistent drop in CRAR ratio over the years raises alarms to meet the regulatory requirement, high level of rescheduled loans, net interest loss, shortfall in provision against loans and advances, high concentration on large loans with a number of accounts exceeded the regulatory ceiling cap for single/group exposure and high cost to income ratio. Besides, the ratings reflects the strengths of the bank which is backed by its support from the government being a state-owned commercial bank, country wide network of branches and contribution on social-economic development of the country.

The most crucial factor to determine the asset quality is the concentration of gross non-performing loans (NPLs) to total loans of a bank. Correspondingly, RBL has witnessed a substantial increase in non-performing loans (NPL) during FY2022; rising by 38.38% to BDT 92,247.65 million compared to BDT 66,664.90 million in FY2021. Due to economic slowdown and withdrawal of relaxation of classification policy by Bangladesh Bank have caused such growth in NPL in the year of 2022. Consequently, the NPL ratio worsened, rising from 17.50% in FY2021 to 21.19% in FY2022. As per

Rupali Bank Limited

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Chief Executive Officer  
Emerging Credit Rating Limited

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কোম্পানি সচিব  
রূপালী ব্যাংক পিএলসি,  
প্রধান কার্যালয়, ঢাকা।

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the half yearly unaudited financial statement, the NPL has slightly reduced to 17.53% as on June 30, 2023. It is indeed concerning that in FY2022, 87.66% of the NPLs held a bad/loss status while 9.73% and 2.61% of NPLs held sub-standard and doubtful status for the same year respectively. Additionally, about 44.97% of the bank's total NPL were attributed to the top 20 default borrowers in FY2022. As on December 31, 2022, the bank's fresh NPLs of the year had an outstanding of BDT 40,436.37 million. This amount accounts for 43.83% of the total classified loans from FY2022, indicating a significant deterioration in the bank's asset quality during FY2022.

In FY2022, RBL has rescheduled BDT 45,288.50 million loans and advances as opposed to BDT 5,733.39 million during FY2021 indicating a significant increase in rescheduling during the year. Additionally, the bank's written off loans and advances were BDT 5,794.60 million in FY2022 whereas the bank did not write off any loans from its credit portfolio since FY2012. By the close of FY2022, a combination of NPLs, written-off loans, and rescheduled loans accounted for a substantial 32.92% of the bank's total loan book. This was a considerable increase from the 19.01% recorded in FY2021 exhibiting weaker quality of assets in FY2022.

As of December 31, 2022, the top 20 funded loans accounted for 25.70% of the bank's total loan book, indicating significant fund concentration in a select group of borrowers even though it is slightly lower than the previous year's 28.02%. Another concerning issue for the bank is that the exposure to the top eighteen (18) funded loans and advances exceeded the general ceiling for funded loan exposure limit.

In FY2022, Rupali Bank Limited (RBL) experienced a provision shortfall of BDT 54,387.65 million for its loan and advances portfolio and off-balance sheet exposure. This amount marks a significant increase from the provision shortfall of BDT 30,783.45 million recorded in FY2021. The total provision made by the bank covers only 18.25% of the total Non-Performing Loans, indicating a relatively a lower coverage.

The total eligible capital (Tier-I and Tier-II) of the bank reached BDT 22,230.93 million in FY2022, reflecting a 6.06% decline from BDT 23,665.64 million in FY2021. At the same time, the bank observed a growth of 6.26% in risk-weighted assets, reaching BDT 451,904.58 million in FY2022. The CRAR ratio of the bank is gradually declining over the years and stood at 4.92% in FY2022 is significantly below the regulatory requirement of a minimum capital requirement raising a severe concern. However, Bangladesh Bank has given deferral advantage as per the letter no DOS (CAMS) 1157/41 (Dividend)/2023-2159 dated April 27, 2023. As per the half yearly unaudited financial statement ended in June 30, 2023, the CRAR stood at 5.12% slightly increasing from 4.92% in FY2022.

The deposit base of the bank ended at BDT 588,675.79 million in FY2022, exhibiting an increase of 2.12 % compared to the preceding year mainly due to a rise of Current Account and Savings Account (CASA) deposits and fixed deposits. The loan to deposit ratio of the bank increased from 66.07% in FY2021 to 73.96% in FY2022 which is however below the regulatory ceiling of 87% for General Banks. The bank faced challenges with high deposit costs in relation to the interest rates on loans and advances, primarily due to the interest rate cap imposed by the Bangladesh Bank and higher reliance on relatively more expensive sources of funds. The bank also incurred sizeable interest losses from its loan portfolio due to high NPLs and provisions. Consequently, the bank incurred net interest losses of BDT 3,065.25 million in FY2022. Conversely, the non-interest income soared by 8.43% to BDT 17,986.42 million in FY2022. This growth contributed to a 12.65% increase in the bank's operating income, reaching BDT 14,921.17 million in FY2022.

In FY2022, RBL experienced a 14.89% increase in operating expenses, which reached to BDT 13,653.75 million due to higher salary and allowances as well as other expenses incurred by the bank. Consequently, the bank's cost-to-income ratio stood at 92.85% in FY2022 compared to 91.37% in FY2021. The bank allocated BDT 440.98 million as provision expenses for classified loans and advances in FY2022, reflecting

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the impact of the growth in non-performing loans (NPLs) whereas it was BDT 469.07 million in FY2021. After accounting for tax expenses, the bank recorded a profit after tax of BDT 209.26 million in FY2022. Without the deferral facility for provision shortfall from the central bank of Bangladesh, the bank would have been unable to generate any profits in recent periods, given the requirement to maintain adequate provisions.

The bank has experienced BDT 392.96 million of net interest loss in the first half of 2023 compared to the BDT 1,711.86 million net interest loss in the same quarter of previous year (Q2 2022). However, at the same time the non-interest income of the bank slightly decreased from BDT 8,996.67 million in Q2 2022 to BDT 8,906.59 million in Q2 2023. The post-tax profit is much higher at BDT 309.51 million in Q2 2023 from BDT 78.69 million of same time period last year.

ECRL views RBL's outlook as **Developing** due to massive shortfall in provision, net interest loss, non-compliance in minimum regulatory capital requirement along with capital conservation buffer, high Non-Performing Loans and NPL ratio.

Exhibit 1: Financial Highlights: Rupali Bank Limited

FY 31 December	*2023	2022	2021	2020	2019
Total Assets (BDT million)	760,514.35	686,727.22	665,248.04	630,547.70	497,249.32
Total Assets Growth (%)	10.74	3.23	5.50	26.81	7.33
Gross Loans (BDT Million)	458,607.83	435,400.77	380,833.70	336,835.21	306,724.04
Gross Loans Growth (%)	5.33	14.33	13.06	9.82	23.93
Deposits (BDT Million)	665,937.35	588,675.79	576,430.60	532,299.90	414,624.25
Deposit Growth (%)	13.12	2.12	8.29	28.38	6.44
Gross NPL Ratio (%)	17.53	21.19	17.50	11.79	15.04
Loan/Deposit Ratio (%)	68.87	73.96	66.07	63.28	73.98
Net Interest Income/ (Loss) (BDT million)	(392.96)	(3,065.25)	(3,343.32)	(3,510.88)	18.85
Non-Interest Income (BDT million)	8,906.59	17,986.42	17,097.64	14,385.83	11,287.60
Non-Interest Income Growth (%)	** (0.25)	8.43	15.31	27.45	29.30
Pre-Tax Profit (BDT million)	832.55	626.43	717.53	446.90	956.81
Post-Tax Profit/ (BDT Million)	309.51	209.26	357.98	160.32	546.38
Post-Tax Profit Growth (%)	** 23.95%	(41.54)	123.13	(70.66)	44.08
Post-Tax ROAE (%)	1.88	1.26	2.05	0.92	3.22
CRAR (%)	5.12	4.92	5.56	8.00	10.34

FY2019- FY2022 Data Extracted from Audited Financial Statements

\*FY2023 Data Extracted from first six months Unaudited Financial Statements

\*\* Annualized Figure

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## A. BUSINESS DESCRIPTION

### A.1. Company Background

Rupali Bank Limited (RBL) is one of the largest state-owned commercial bank with a widespread branch network including online facilities throughout the country. Rupali Bank Ltd. was constituted with the merger of 3 (three) erstwhile commercial banks i.e. Muslim Commercial Bank Ltd., Australasia Bank Ltd. and Standard Bank Ltd. operated in the then Pakistan on March 26, 1972 under the Bangladesh Banks (Nationalization) Order 1972 (P.O. No. 26 of 1972), with all their assets, benefits, rights, powers, authorities, privileges, liabilities, borrowings and obligations. Rupali Bank worked as a nationalized commercial bank till December 13, 1986. RBL was incorporated as a Public Limited Company on December 14, 1986 under the Companies Act, 1913 and has taken over the business of Rupali Bank (emerged as a Nationalized Commercial Bank in 1972, pursuant to Bangladesh Bank Nationalization Order 1972 (P.O. No. 26 of 1972) as a going concern. The bank got listed with Dhaka Stock Exchange Limited on 19<sup>th</sup> August, 1987 and Chittagong Stock Exchange Limited on 10<sup>th</sup> October, 1995. It started its journey with an initial paid up capital of BDT 10.00 million in which subsequently rose to BDT 4,646.97 million at the end of 2022. Its vision is to expand banks loyal customer base by being known as the financial partner of choice that constantly exceeds customer expectations by developing long term relationships that help the customers to achieve financial success, by uplifting ethical values and meet customer's financial needs in the fastest and most appropriate way and continue to innovate in order to achieve human resources with superior qualities, technological infrastructure and service packages. The bank offers services for all commercial banking needs of the customers, which include deposit banking, loans & advances, export & import financing, inland & international remittance facility etc.

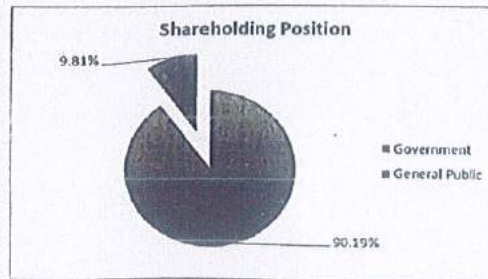
The bank has two subsidiary companies- Rupali Investment Limited (RIL) and Rupali Bank Securities Limited (RBSL).

**Rupali Investment Limited (RIL)** commenced its merchant banking activities in 2010. The company obtained license from the Securities and Exchange Commission to act as issue manager, maintaining investment accounts on behalf of investors, underwriters, portfolio managers and also carry out other merchant banking operations under the Securities and Exchange Commission (Merchant Banker & Portfolio Manager) Regulations, 1996. Rupali Investment Ltd. started business operations at Sadharan Bima Tower (7th floor), 37/A, Dilkusha Commercial Area, Dhaka. The company has authorized capital and paid-up capital to the tune of BDT 5,000.00 million and BDT 1,000.00 million respectively.

**Rupali Bank Securities Limited (RBSL)** purchased membership from Dhaka Stock Exchange Limited (DSE) on 22<sup>nd</sup> November, 2012 (membership no. 246). Subsequently, the company was incorporated as a Public Limited Company on 29<sup>th</sup> August, 2013 with the Registrar of Joint Stock Companies, vide certificate of incorporation of business on the same date with an authorized capital of BDT 5,000.00 million and paid-up capital of BDT 1,000 million.

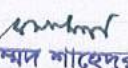
### A.2. Shareholding Structure

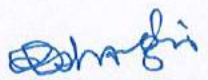
RBL started its journey with paid-up capital of BDT 10.00 million in FY 1972. In order to strengthen its capital base, the bank raised its capital many times since the inception. At the end of FY2022, the bank's authorized capital and paid-up capital stood at BDT 7,000.00 million and BDT 4,646.97 million respectively. The Government of the People's Republic of Bangladesh holds 90.19% ownership of the shares of the bank and the rest of 9.81% shares of the bank owned by the general public.



  
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### A.3. Operational Network

Rupali Bank Limited has a country-wide network of 586 retail branches. With a view to reinforce RBL's geographic footprint and advance its vision of financial inclusion. Among the all branches, there are 295 urban branches and 291 rural branches, 18 sub-branch and 10 collection booths are established up to 2022. Moreover, the bank has 01 local office, 10 divisional offices, 35 Zonal Offices, 30 AD Branches, and 102 Corporate Branches. Apart from this, the NOC for 17 new branches is pending for MoF decision, which are primarily approved by Bangladesh Bank. In the face of increasingly fierce competition, the bank has been continuously striving towards bringing latest technology to ensure transparency in its operations and to standardize quality, raise internal productivity and improve customer service. All of its branches have already been computerized and brought under online transaction facility (ABB), Core Banking Solution (CBS), BEFTN, and RTGS operation.

### A.4. Market Share

RBL's loan and deposit position was BDT 435,400.77 million and BDT 588,675.79 million respectively at the end of FY2022. RBL had 3.06% of market share in terms of loans & advances and 3.71% of market share in terms of deposit by the end of 2022.

Figure 1: RBL's market share by loans & advances

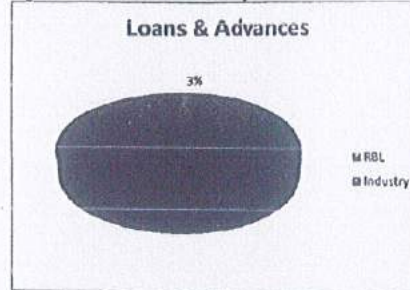
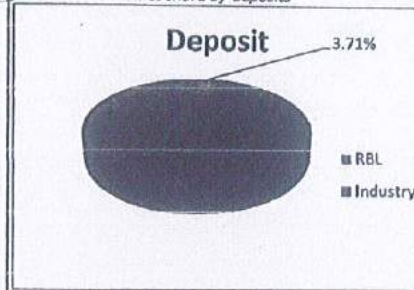


Figure 2: RBL's market share by deposits



### A.5. Products and Services

Rupali Bank Limited has continued to improve its activities in the delivery of products and services. In order to fulfill its commitment towards the people, RBL has been offering a number of services ranging from conventional deposits to various lending schemes to efficient fund management schemes. In addition to these, a number of supplementary services have been introduced by the bank during the course of its operation in order to make the whole banking experience swift and convenient for its clients.

The Bank has launched a number of financial products and services since its inception. Among these Current Deposit (CD), Call Deposit (CDR), Special Notice Deposit (SND), Savings Deposit (SD), Fixed Deposit (FDR), Rupali Millionaire Deposit Scheme (RMDS), Rupali Monthly Benefit for Senior Citizens (RMBSC), Rupali Senior Citizens Savings Scheme (RSCSS), Rupali Monthly Savings Scheme (RMSS)-SHOPNO, Rupali Kotipoti Deposit Scheme (RKDS), Rupali Lakhopoti Deposit Scheme (RLDS), Rupali Quarterly Profit Scheme (RQPS), Rupali School Banking Account (RSBA), Streen Urchin and Working Children Account, Rupali Double Benefits Scheme (RDBS) etc. are for deposit mobilization. On the other hand, there are credit facilities such as Industrial Project Loan/Term Loan, Cash Credit (Hypothecation), Cash Credit (Pledge), Overdraft (OD), Bank Guarantee, Pre and Post Import & Export non-funded facilities, Loan under Equity Entrepreneurship Fund (EEF), Green Project Loan, Syndication/Consortium Loan, PPP Loan, Loan against deposit schemes, Loan against FDR and Executive Car Loan, Student Loan etc. Besides, the Bank has also some No Frill Accounts banking products for farmers, garments workers and Physically Challenged People such as Farmers Savings Accounts, Freedom Fighter Savings Accounts, Garments Workers Savings Accounts, National Service Holder Accounts and Physically Challenged People Accounts and POTHFUL (Special Savings Account) for Street and Working Children.

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With a view to delivering the hard-earned foreign remittances sent by Bangladeshi expatriates to the payees at home and enabling them to utilize the same in their chosen sectors, Rupali Bank Limited has remittance transfer arrangements with 50 world's top exchange companies. Despite world-wide Covid-19 pandemic situation, the bank has managed to finalize establishment of remittance drawing arrangement with 5 new Exchange houses under a comprehensive remittance drawing arrangement forged during the year. In the year 2022, bank received Inward foreign remittance of BDT 56,325.30 million (equivalent to USD 512.45 million) which was 15.14 percent more than that of the previous year.

At present, RBL is providing 24/7 services through 47 ATM booths located across the country and also expanding its ATM network by joining other co-branded networks in 01 August, 2011 and owned branded ATM services on 04 December, 2016. The Bank installed 47 own-branded ATM machines with NPSB facility at different branches.

Rupali Bank is the first state-owned commercial bank to offer mobile financial services (MFS). The Bank offers MFS through its brand 'Surecash'. Rupali Bank launched its mobile financial services under 'Surecash' in April 2016. The total number of registered customers of Surecash up to December, 2022 stood at 6,958,199. The bank has 0.14 million agents and 211 distributors across the country under Surecash.

## B. INDUSTRY ANALYSIS

### B.1. Banking Industry

The role of banking sector in domestic resource mobilization and investment is very crucial for the overall economic growth of a country. In Bangladesh, there are a total of 61 scheduled banks that operate under the regulation and supervision of Bangladesh Bank. These scheduled banks are authorized to function under the Bank Company Act of 1991 and the Bangladesh Bank Order of 1972. The scheduled banks are categorized into four groups, which include six state-owned commercial banks (SCBs), three specialized banks (SDBs), 43 private commercial banks (PCBs), and nine foreign commercial banks (FCBs). The private commercial banks (PCBs) can be further divided into two categories, including conventional PCBs (33) and PCBs based on Islamic Shariah (10). Additionally, there are five non-scheduled banks that function under specific legislation and are established for specific purposes but are not considered scheduled banks. These banks may not be able to carry out all the duties of scheduled banks. Overall, the banking sector in Bangladesh is highly regulated, with Bangladesh Bank playing a significant role in overseeing the operations of scheduled banks to maintain financial stability in the country.

However, overall banking sector demonstrated a mixed performances September 2022 (which shall be referred to as "Q3, 2022") by a mounting ratio of non-performing loans (NPLs) to total loans, a moderation in capital to risk-weighted asset ratio (CRAR), an ascending trend in the growth of bank's advances, a decline in the growth of bank's deposits, worsening provision shortfall, an enhancement in profitability, and a deterioration of excess liquidity condition in the banking industry.

#### B.1.1. Asset Quality

The rising trend of NPLs is a significant concern for the banking sector in Bangladesh as it can have a detrimental impact on the financial stability of banks and the economy as a whole. The percentage of gross non-performing loans (NPLs) to total loans is one of the most vital metrics to gauge the asset quality of banks. The gross NPLs ratio of overall banking system grew to 9.36 percent by the end of the third quarter of 2022 as opposed to 8.12 percent during the same quarter of the previous year. In the past ten years, the total amount of gross non-performing loans (NPLs) has increased by more than three times, primarily owing to lax internal control, loans approved for political reasons, loan rescheduling despite bad repayment history, and loan write-offs to lower taxes.

Exhibit 2: Gross NPL Ratio of Banking Industry

Particulars	2021				(In percentage)		
	Mar	Jun	Sep	Dec	Mar	Jun	Sep
State Owned Commercial Banks	20.91	20.62	20.07	19.28	20.01	21.93	23.04
Specialized Banks (DFI)	13.36	11.44	11.44	12.02	12.01	11.74	11.80

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Private Commercial Banks	5.13	5.44	5.47	5.31	5.84	6.01	6.20
Foreign Commercial Banks	4.13	3.91	4.12	4.29	4.53	4.40	4.77
<b>Total</b>	<b>8.07</b>	<b>8.18</b>	<b>8.12</b>	<b>7.93</b>	<b>8.53</b>	<b>8.96</b>	<b>9.36</b>

Source: Banking Regulation and Policy Department (BRPD), Bangladesh Bank  
Data of this table are taken from Bangladesh Bank Quarterly Report (Jul-Sep 2022)

Based on the information provided in the above table, it has been observed that the gross NPLs ratio for state-owned commercial banks (SCBs) in Bangladesh has enflamed from 20.07 percent at the end of Q3 2021 to 23.04 percent at the end of Q3 2022. This represents a significant increase in NPLs for SCBs over the course of a year. In contrast, the gross NPLs ratios for private commercial banks (PCBs) and foreign commercial banks (FCBs) slightly uplifted from 6.01 percent to 6.20 percent and from 4.40 percent to 4.77 percent, respectively, between the end of Q3 2021 and Q3 2022. These trends suggest that non-performing loans continue to be a challenge for the banking sector in Bangladesh. Banks, particularly SCBs, may need to implement more stringent risk management practices and internal controls to reduce their exposure to bad loans. Furthermore, regulatory reforms aimed at promoting better governance and accountability in the banking sector may also be necessary to address the issue of NPLs.

**Exhibit 3: Required Provision and Provision Maintained by Banks** (BDT in Billion)

Particulars	Q3, 2021	Q4, 2021	Q1, 2022	Q2, 2022	Q3, 2022
Amount of NPLs	950.9	992.1	1011.5	1032.7	1134.4
Required Provision	680.6	709.5	723.5	806.5	850.7
Provision Maintained	628.1	653.7	661.4	666.5	703.2
Excess(+)/Shortfall(-)	(52.6)	(55.8)	(62.0)	(140.1)	(147.5)

Source: Banking Regulation and Policy Department (BRPD), Bangladesh Bank  
Data of this table are taken from Bangladesh Bank Quarterly Report (Jul-Sep 2022)

Based on the information provided in the table, it appears that there has been a shortfall in provisions maintained against non-performing loans in the banking sector of Bangladesh from Q3 2021 to Q3 2022. This shortfall can be seen in the table as the difference between the necessary provision and the actual provision kept by the banks. Moreover, the table indicates that the provisions maintained against classified loans have declined over the past five quarters, leading to a growing provisioning shortfall at the end of Q3 2022. This trend is concerning as it suggests that banks may not be adequately reserving funds to cover potential losses from non-performing loans. To address this issue, banks may need to adopt more conservative provisioning policies and strengthen their risk management practices.

#### B.1.2. Capital Adequacy

Capital adequacy is a significant measure of a bank's ability to absorb potential losses and protect its depositors and other creditors. The minimum capital requirement (MCR) and capital adequacy ratio (CAR) are regulatory guidelines designed to ensure that banks maintain adequate capital to absorb potential losses from credit, market, and operational risks. In Bangladesh, the implementation of Basel-III requires banks to maintain a minimum capital requirement (MCR) of 10% of risk-weighted assets (RWA) and a capital adequacy ratio (CAR) of 12.50% with a capital conservation buffer. By maintaining an adequate level of capital, banks can demonstrate their ability to withstand potential losses and protect their depositors and other creditors. It also helps to enhance the stability of the banking sector and mitigate the risks associated with non-performing loans and other potential sources of losses.

**Exhibit 4: Capital to Risk Weighted Ratios by Type of Banks** (in percentage)

Particulars	2021				2022		
	Mar	Jun	Sep	Dec	Mar	Jun	Sep
State Owned Commercial Banks	6.49	6.82	6.25	3.71	6.76	6.43	6.76
Specialized Banks (DFIs)	(31.86)	(32.16)	(34.31)	(33.62)	(33.58)	(32.16)	(37.27)
Private Commercial Banks	13.44	13.26	13.09	13.72	13.22	12.97	12.72

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Foreign Commercial Banks	28.04	28.46	27.10	25.45	26.00	28.46	30.36
All Banks	11.67	11.57	11.22	11.08	11.41	11.15	11.01

Source: Department of Off-site Supervision, Bangladesh Bank  
Data of this table are taken from Bangladesh Bank Quarterly Report (Jul-Sep 2022)

Despite a decline in the capital to risk-weighted assets ratio (CRAR) to 11.01 percent at the end of Q3, 2022 from 11.15 percent at the end of Q2, 2022, the banking system's overall capitalization remained above the Basel-III standard. CRAR of SCBs and PCBs decelerated to 6.76 percent and 12.72 percent, respectively, at the end of Q3, 2022, from 6.43 percent and 12.97 percent at the end of Q2, 2022. CRAR of FCBs, on the other hand, increased and ended at 30.36 percent at the end of Q3, 2022, compared to 27.10 percent in the same quarter the previous year.

#### B.1.3. Credit and Deposit Scenario

The growth of bank advances increased slightly, reaching 14.6 percent (y-o-y) in Q3, 2022, a rise from 14.4 percent in Q2, 2022, reflecting the gradual increase in credit demand due to the resumption of economic activities. With the resumption of economic activity and economic recovery, it is expected that credit demand will gain momentum in the coming quarters as businesses and individuals seek financing for new projects and investments. However, it is also important for banks to carefully manage credit risk and maintain appropriate levels of capital to ensure the stability and soundness of the banking system.

Exhibit 5: Credit and Deposit growth of Scheduled Banks

(In percent)

Particulars	Year-on-year growth of deposit (excluding interbank)*		Year-on-year growth of advances (excluding interbank)		Advance Deposit Ratio (ADR)	
	Sep. 22	Jun. 22	Sep. 22	Jun. 22	Sep. 22	Jun. 22
SCBs	0.3	3.9	17.7	17.7	64.81	61.6
PCBs	10.5	11.4	14.6	13.7	82.18	80.7
FCBs	11.4	6.4	0.4	11.4	48.3	55.0
SBs	9.6	16.4	10.0	11.0	73.43	76.6
All	7.8	9.3	14.6	14.4	76.23	74.8

Source: Bangladesh Bank

\*Adjusted deposit growth of ADR

Data of this table are taken from Bangladesh Bank Quarterly Report (Jul-Sep 2022)

On the other hand, growth of bank deposits slowed further to 7.8 percent in Q3, 2022 from 9.3 percent in Q2, 2022 which was partly owing to higher cost of living due to a surge in commodity prices, low-interest rates on deposits offered by banks, elevated inflation rate etc. (Dec 14 2022, the daily star). Moreover, the advance-deposit ratio (ADR) of overall banking system took a spike from 74.8 percent at the end of Q2, 2022 to 76.23 percent at the end of Q3, 2022. The surge in the advance-deposit ratio (ADR) indicates that banks are lending out a larger portion of their deposits, which may be due to the increased demand for credit from borrowers. However, ADR of the banking system at the end of Q3, 2022 remained well below the allowable limit set by Bangladesh Bank.

#### B.1.4. Lending rate structure by type of bank and interest spread

Exhibit 6: Credit and Deposit Position of Scheduled Banks

(In percent)

Particulars	Lending Rate	Deposit Rate	Spread
	As on September 2022		
SCBs	6.24	4.12	2.12
SBs	6.65	5.45	1.20
FCBs	6.87	0.96	5.91
PCBs	7.39	4.09	3.30

Source: Bangladesh Bank

Data of this table are taken from Bangladesh Bank Quarterly Report (Jul-Sep 2022)

Weighted average rates of interest on deposits and advances stood at 4.14 percent and 7.14 percent respectively at the end of September, 2022 as compared to 4.09 percent and 7.38 percent respectively during the same period. The lending rates for SCBs, SBs, FCBs and PCBs registered at 6.24 percent, 6.65 percent, 6.87 percent and 7.39 percent, respectively in September 2022, reflecting that the rate was

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mostly driven by market forces and monetary policy. Similar to the trend of lending rates, the deposits rates for SCBs, SBs, FCBs and PCBs registered at 4.12 percent, 5.45 percent, 0.96 percent and 4.09 percent, respectively in September 2022. The spread of SCBs and FCBs increased from 2.04 percent and 5.00 percent in September 2021 to 2.12 percent and 5.91 percent respectively in September 2022. On the other hand, SBs and PCBs experienced a decline in the spread which stood at 1.20 percent and 3.30 percent respectively in September 2022 as opposed to 1.73 percent and 3.67 percent respectively during the same period of the previous year.

#### B.1.5. Liquidity Position of Banks

The overall banking sector's surplus liquidity declined to BDT 1,703.2 billion at the end of Q3, 2022, from BDT 2,034.3 billion during the corresponding quarter of the preceding year due to a host of reasons including high dollar sales by the Bangladesh Bank, reduced deposit rates, dollar appreciation, rising inflationary pressure and cash withdrawal in the wake of loan scams. The dollar instability on the financial market had forced the central bank to increase dollar sales significantly that eventually mopped up an equivalent amount of the local currency from banks that weighed heavily on liquidity in the banking sector. The BB injected more than USD 7.8 billion in the financial system from July to December in 2022 in order to stabilize the foreign currency market and facilitate banks in making import payments obligations. (Jan 24 2023, New Age). Currently adequate liquidity exists in the banking system, sufficient enough to absorb credit demand.

Exhibit 7: Liquidity Position of the Scheduled Banks

(In billion BDT)

Bank	CRR			SLR		
	As of end September, 2022					
	Required Reserves	Balance with BB in local currency	Excess (+)/Shortfall (-) in reserve	Required Liquidity	SLR eligible liquid assets of banks**	Excess (+)/Shortfall (-) of SLR
SCBs	161.4	169.7	8.3	520.0	1,143.5	623.3
SBs*	17.5	19.1	1.6	0.0	0.0	0.0
PCBs	285.7	301.2	15.5	940.9	1,575.6	634.7
PCBs (Islamic)	160.2	218.5	58.4	222.0	358.3	136.3
FCBs	31.6	68.3	36.8	115.5	424.4	308.9
All	656.3	776.8	120.5	1,798.6	3,501.8	1,703.2

Source: Bangladesh Bank

\* SLR does not apply to specialized banks as exempted by the Government

\*\*Includes cash in tills, balance with BB in foreign currency, balance with Sonali Bank as an agent of BB, unencumbered approved securities and excess reserve

Data of this table are taken from Bangladesh Bank Quarterly Report (Jul-Sep 2022), Page no-26

#### B.1.6. Profitability by the type of Banks

Exhibit 8: Profitability ratios by the type of banks

(In percentage)

Types of Bank	Return on Asset (ROA)*					Return on Equity (ROE)*				
	2021					2022				
	Sep.	Dec.	Mar.	Jun.	Sep.	Sep.	Dec.	Mar.	Jun.	Sep.
State Owned Commercial Banks	(0.01)	(0.69)	0.16	0.21	0.15	(0.14)	(21.61)	4.00	5.43	3.92
Specialized Banks (DFI)	(3.47)	(3.03)	(3.69)	(3.31)	(2.74)	(15.41)	(13.21)	(15.99)	(13.68)	(10.96)
Private Commercial Banks	0.66	0.62	0.54	0.59	0.59	10.01	9.34	8.23	9.38	9.45
Foreign Commercial	1.31	1.17	2.41	2.57	2.68	8.40	7.59	15.15	16.03	16.05

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Banks										
All Banks	0.44	0.25	0.45	0.52	0.53	7.42	4.44	7.89	9.37	9.48

Source: Department of Off-site supervision, Bangladesh Bank;

\*All are annualized except the quarter of December.

Data of this table are taken from Bangladesh Bank Quarterly Report (Jul-Sep 2022)

The overall banking sector's profitability increased in Q3, 2022 compared to Q3, 2021, as evidenced by an increase in return on equity (ROE). This increase in ROE was primarily due to a significant increase in non-interest income from exchange gains. Furthermore, the banking industry's net profit increased to BDT 92.91 billion in Q3, 2022 from BDT 72.29 billion in Q3, 2021. The overall banking sector's return on equity (ROE) elevated to 9.48 percent in Q3, 2022 from 7.42 percent in Q3, 2021, while return on assets (ROA) edged up slightly to 0.53 percent at the end of Q3, 2022 from 0.44 percent during the 3rd quarter of the previous year. However, the profitability of PCBs witnessed a marginal decline, with ROA and ROE falling from 0.66 percent and 10.01 percent in Q3, 2021 to 0.59 percent and 9.45 percent in Q3, 2022, respectively. In contrast, the ROA and ROE of FCBs accelerated to 2.68 percent and 16.05 percent, respectively, in Q3, 2022, from 1.31 percent and 8.40 percent in Q3, 2021. Furthermore, ROE of SCBs improved considerably and stood at 3.92 percent in Q3, 2022 from that of (0.14) percent during the same quarter of the previous year while ROA of SCBs inched up from (0.01) percent in Q3, 2021 to 0.15 percent during the 3rd quarter of 2022.

## B.2. Islamic Banks of Bangladesh

Globally, the Islamic financial sector stepped up with its diversified industry base such as Islamic banks, Islamic bonds, Islamic mutual funds, Islamic insurance, etc; translating this sector's tremendous growth journey in recent years, which originated from its key fundamentals such as risk sharing optimism, inclusiveness, and real asset-backed transaction features. In line with global developments in this sector, the Islamic banking industry of Bangladesh also showed its phenomenal journey over the decades, thanks to public demand and policy support from the central bank of the country.

### B.2.1. Total Number of Islamic Banks and its Branches

In Bangladesh, there were 10 fully operational Islamic shariah based banks functioning with 1,659 branches at the end of December 2022, while the entire banking industry had 11,153 branches. Furthermore, Islamic financial services are offered by 23 Islamic banking branches of 11 conventional commercial banks and 535 Islamic banking windows of 13 conventional commercial banks.

### B.2.2. Total Deposit

By the end of December 2022, total deposits in the Islamic banking sector reached at BDT 4,099.49 billion, a decline of BDT 114.26 billion or 2.71 percent from the end of September 2022. However, it was BDT 168.38 billion, or 4.28 percent higher as opposed to the same period of the previous year. Over the same time period, 25.81 percent of the shares in terms of total deposits were held by Islamic banks in the total banking industry.

### B.2.3. Total Investment

At the end of December 2022, the total investment (loans and advances) in the Islamic banking system ended at BDT 4052.02 billion, an upsurge of BDT 189.81 billion or 4.91 percent from the end of September 2022. On the other hand, the total investment experienced an uplift of BDT 517.54 billion or 14.64 percent at the end of December 2022 compared to the end of the same quarter of the previous year. Islamic shariah based banks made up 29.20 percent of the total loans and advances of the entire banking industry during the same period.

### B.2.4. Investment-Deposit Ratio

The investment-deposit ratio of Islamic bank ended at 0.92 at the end of December 2022, the same as it was at the end of September 2022 but higher than 0.90 at the end of December 2021.

### B.2.5. Excess liquidity

Islamic banks witnessed an excess liquidity of BDT 128.71 billion at the end of December 2022, a surge of 26.55% compared to the end of September 2022. Moreover, the excess liquidity was lower by BDT 207.54 billion or 61.72% during the same period of the previous year as opposed to December 2022. Taking a look at the composition of total excess liquidity of Islamic banking sector, full-fledged

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Islamic bank's surplus liquidity stood at BDT 82.34 billion, followed by Islamic banking branches and windows of conventional banks which stood at BDT 14.58 billion and BDT 31.80 billion respectively.

#### B.2.6. Total Exports

During the period October -December 2022, the total export revenue made by Islamic shariah based banks totaled BDT 340.98 billion. This figure was lower than that of the previous quarter of 2022 and the same period in the previous year by BDT 108.72 billion (or 24.18 percent) and BDT 157.59 billion (or 31.61 percent) respectively.

#### B.2.7. Total Remittances

During October to December 2022, Islamic banks mobilized a total of BDT 256.91 billion in remittances, a surge of BDT 54.68 billion (or 27.04 percent) and BDT 53.23 billion (or 26.13 percent) from the prior quarter and the corresponding quarter of 2021, respectively. At the end of December 2022, the contribution of Islamic shariah based banks was 54.53 percent in the total remittances mobilization by the banking sector as a whole.

### C. BUSINESS RISK ANALYSIS

Risk is an integral part of financing business and thus every financial institution is exposed to risk of different type and magnitude. So, the prime responsibility of every financial institution is to manage its risk such that its return from business can be maximized. Banks are exposed to five core risks through their operation, which are Credit Risk, Asset/Liability Risk, Foreign Exchange Risk, Internal Control & Compliance Risk, Money Laundering Risk, and Information & Communication Technology Security Risk. As a prudent and responsible financial institution, the Company attaches top priority to ensuring safety and security of the finances that are being extended.

#### C.1. Credit Risk

Credit risk is one of the most vital risks for any bank as like Rupali Bank Limited. Credit risk arises from non-performance by a borrower. It may arise from either an inability or an unwillingness to perform in the pre-commitment contracted manner. The real risk from credit is the deviation of portfolio performance from its expected value. The credit risk of a bank is also effect the book value of a bank. The more credit of a particular is in risk, the more probability of a bank to be insolvent. Therefore, the status of depositor in the bank is at risk and probability of incurring loss from their deposited value.

##### C.1.1. Credit Risk Management

For maintaining steady growth of the bank and for economic development of the country, Rupali Bank Limited manages credit risk meticulously. Rupali Bank Limited extends credit facilities to different clients in different sectors after executing due diligence properly and mitigating risk factors appropriately as per guidelines set by Bangladesh Bank, Risk Management Committee of the bank. Internal Credit Risk Rating System (ICRRS) has been adapted by RBL as Bangladesh Bank's Instruction. The system defines the risk profile of borrowers to ensure that account management, structure and pricing are commensurate with the risk involved. The Bank has segregated duties of the executives/officers involved in credit related activities.

A key concept in RBL's policy for accepting the new clients is the 'Know your Customer (KYC) principle. In banks' relentless quest for maximizing the stakeholders' value and minimizing of quantum of NPLs and thereby establishing the bank as a fundamentally sound and resilient as well as complaint financial institution, the bank strictly follows the various key issues such as borrowers capacity to borrow and to service the borrowing fund, to identify, quantify and to manage risks on all credit matters etc. In line with this, a detailed credit risk assessment is done before approving the loan. The credit risk assessment includes borrower risk analysis, industry risk analysis, historical financial analysis, and projected financial performance etc. Executive Committee of the Board/Board of Directors approves the proposals beyond the authorized limit of the management. RBL also follows Bangladesh Bank guidelines regarding CIB reporting, loan classification & provisioning, bad debts written-off and interest suspense. However, the bank is exposed to credit risk to some extent due to increasing non-performing loan.

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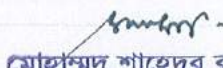
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## C.2. Asset Liability Management Risk

Asset Liability Risk Management (ALM) can be defined as a mechanism to address the risk faced by a bank due to a mismatch between assets and liabilities either as a result of liquidity or changes in interest rates. Liquidity is an institution's ability to meet its liabilities either by borrowing or converting assets. Apart from liquidity, a bank may also have a mismatch due to changes in interest rates as banks typically tend to borrow short term and lend long term. RBL has developed an "Assets Liability Management Committee" comprising of the senior management of the bank to make important decisions related to the Balance Sheet of the bank. It also developed a guideline in line with Bangladesh Bank guidelines to meet abovementioned purpose. ALCO reviews liquidity requirement of the bank, the maturity of assets and liabilities, deposit and lending, pricing strategy and the liquidity contingency plan. The primary objective of bank's ALCO is to monitor and avert significant volatility in net interest income, return on assets, investment value and exchange earnings. The ALCO also monitors the Capital to Risk Weighted Asset Ratio (CRAR) on monthly basis. The Board approves all risk management policies, set limits and reviews compliances on a regular basis with a view to providing cost effective funding to finance the asset growth and trend related transactions, optimize the funding cost, increase spread with the lowest possible liquidity.

### C.2.1. Liquidity Risk

Liquidity risk is the potential for loss to a bank arising from either its inability to meet its obligations as they fall due or to fund increases in assets without incurring unacceptable cost or losses. Liquidity risk arises when the cushion provided by the liquid assets are not sufficient enough to meet maturing obligations. Liquidity risk is often triggered by the consequences of other financial risks such as credit risk, interest rate risk, foreign exchange risk, etc. It generates from the failure or inability to meet current and future financial obligations by bank due to shortfall of cash or cash equivalent assets. Banks are exposed to liquidity risk where the more liquidity is generated, the greater are the possibility and severity of losses associated with having to dispose of illiquid assets to meet the liquidity demands of depositors. To this end, the bank is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional balance. Management of liquidity and funding is carried out by Treasury Department under approved policy guidelines. Treasury front office is supported by a very structured mid office and back office. The liquidity management is monitored by Asset Liability Committee (ALCO) on a regular basis. A written contingency plan is in place to manage extreme situation.

### C.2.2. Interest Rate Risk

Interest rate risk is the risk to income or capital arising from fluctuation in the interest rates. Changes in interest rates also affect the underlying value of the assets and liabilities of the bank because the present value of future cash flows changes when interest rates change. Interest rate risk, if assumed correctly, can be an important source of profit and share value. However, excess interest rate risk can significantly jeopardize the bank's income and capital base. The Asset Liability Committee (ALCO) of RBL is the main body which looks after and monitors investment profit rate structure. The committee also evaluate any market risk arises from the regulatory pressure thus reducing the profit rate.

### C.2.3. Foreign Exchange Risk

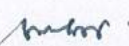
Foreign exchange risk is defined as the potential change in earnings due to change in market prices. The foreign exchange risk of the bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements. Treasury Department independently conducts the transactions and the back office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to-Market rate as determined by Bangladesh Bank at the month-end.

## C.3. Operational Risk

Bangladesh Bank defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk may arise from error and fraud due to lack of internal control and compliance. Operational risk is RBL's exposure to potential losses that may be caused from inadequate internal process or systems, inadequate employee

  
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performance, external events and may also cause from the breach of compliance, contracts or internal regulation.

#### C.3.1. Anti-Money Laundering Policy

Money laundering risk refers to acquired or earned properties directly or indirectly through illegal means. In boarder sense, illegal transfer, conversion, concealment of location or assistance in the above act of the properties acquired or earned directly or indirectly through legal or illegal means. So Anti Money Laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering activities. RBL has its own guideline, approved by the Board of Directors, for prevention of money laundering in line with Anti Money Laundering (AML) Law and Bangladesh Bank guidelines. Anti-Money Laundering Division of RBL is responsible for Money Laundering Risk Management of RBL.

#### C.3.2. Internal Control and Compliance (ICC)

Internal control structure and system are essential to the capital assessment process. Operational loss may arise from error and fraud due to lack of internal control and compliance. Management, through Internal Control and Compliance Division controls operational procedure of the Bank. Internal Control and Compliance Division undertakes periodical and special audit of the branches and departments at Head Office for review of the operation and compliance of statutory requirement. The process includes an independent review and, where appropriate, the involvement of internal or external audits. RBL has its own ICC manual. The functions of three divisions of ICC (Monitoring, Audit & Inspection and Compliance) are to manage the cross divisional and cross regional operational risk as well as risk concentrations at branch level. These divisions ensure a consistent application of the operational risk management strategy across the bank. Internal Control and Compliance (ICC) structure of RBL is shown below:

#### C.3.3. Information & Communication Technology (ICT) Security System

At present context, ICT becomes an integral for banking institution in order to provide banking facilities to both urban and rural populations. ICT risk management is the applications of risk management methods to information technology in order to manage ICT risk. Security of information for a Bank has gained much importance and it is vital for us to ensure that the risks are properly identified and managed. As a result, ICT is becoming the largest distribution platform of providing banking service to millions of people in urban and rural as well as remote areas also. Risks surrounding IT, such as network failure, lack of skills, hacking and viruses and poor system integration have the potential to have a negative impact on a Bank. Risk in information and communication technology is a threat to business operation. Transformation of business processes in response to technology driven customer's needs and services brings changes in information technology platform of RBL.

### D. FINANCIAL RISK ANALYSIS

Exhibit 9: Selected Indicators for RBL

FY 31 December	*2023	2022	2021	2020	2019
Total Asset (BDT Million)	760,514.35	686,727.22	665,248.04	630,547.70	497,249.32
Asset Growth (%)	10.74	3.23	5.50	26.81	7.33
Gross Loans (BDT Million)	458,607.83	435,400.77	380,833.70	336,835.21	306,724.04
Gross Loans Growth (%)	5.33	14.33	13.06	9.82	23.93
Investments (BDT Million)	185,707.71	158,581.33	182,653.47	158,054.43	103,646.17
Investments Growth (%)	8.55	(13.18)	15.56	52.49	25.88
NPLs (BDT Million)	80,387.20	92,247.65	66,664.90	39,724.26	46,145.67
NPLs Growth (%)	(12.86)	38.38	67.82	(13.92)	4.19
Gross Loans to Total Assets (%)	60.30	63.40	57.25	53.42	61.68
NPL Ratio (%)	17.53	21.19	17.50	11.79	15.04
Net NPL Ratio (%)	6.72	11.13	5.76	(2.20)	2.97
Loan Loss Reserve Coverage (%)	22.87	18.25	25.03	41.47	33.40

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NPLs to Equity & Loan Loss Reserve (%)	229.67	278.01	198.48	115.06	142.91
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FY2019- FY2022 Data Extracted from Audited Financial Statements

\*FY2023 Data Extracted from first six months Unaudited Financial Statements

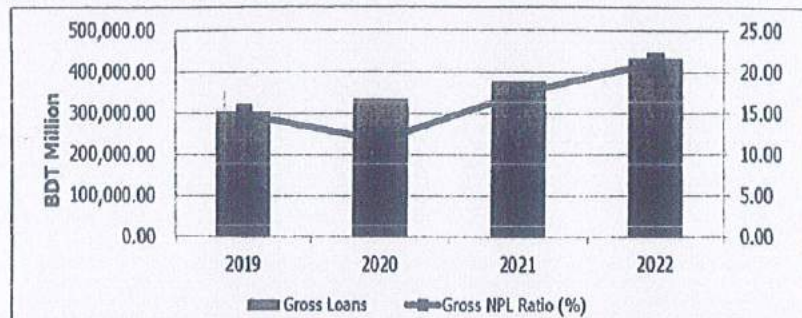
The total assets increased by a tiny 3.23% to reach BDT 686,727.22 million, compared to BDT 665,248.04 million in the previous year. This growth was primarily driven by a significant uplift of 14.33% in the loans and advances portfolio along with a 16.48% increase in cash. The concentration of loans & advances (63.40%) in total asset has considerably increased from previous year (57.25%) while the rest of the total assets portfolio of the bank composed by 23.09% Investments, 5.00% of cash, 3.56% of other assets, 0.03% of money at call and on short notice, 2.11% of fixed assets and 2.80% of balances with other banks and FIs.

#### D.1.1. Asset Quality

The bank has focused to offer tailored financial solutions and credit disbursement aiming to play significant role in the development of the country. In line with this, the loan portfolio of the bank witnessed a considerable growth of 14.33% reaching to BDT 435,400.77 million in FY2022 compared to 13.06% growth in previous year. The bank offers syndicated loan services with multinational banks and disbursed new loans during year which helped the bank to cater such growth in its loan portfolio amidst the ongoing economic slowdown and liquidity crisis in the banking sector. In FY2022, the bank experienced a modest growth in loan-general, overdraft, cash credit and other loans as growth benefactors in FY2022. As per the half yearly unaudited financial statement ended in June 30, 2023, the gross loans portfolio exhibited 5.33% increase from the end of FY2022 and the Investments portfolio was also increased by 8.55% from the end of FY2022.

To offset the impact of lower interest earnings due to the pandemic and interest rate caps implemented since April 2020, numerous banks in the country shifted their focus towards diversifying income sources and increasing non-interest income by emphasizing their investment portfolio. However, the Investment base of RBL decreased moderately by 13.18% year on year compared to preceding years under review period. In FY2022, the investment of the bank stood at BDT 158,581.33 million whereas investment in government securities accounted for 74.19% of total investment.

Figure 3: Selected Indicators of RBL



The bank witnessed a substantial increase in non-performing loans (NPL) during FY2022; rising by 38.38% to BDT 92,247.65 million compared to BDT 66,664.90 million in FY2021. Due to economic slowdown and withdrawal of relaxation of classification policy by Bangladesh Bank have caused such growth in NPL in the year of 2022. Consequently, the NPL ratio also saw an alarming increase, reaching 21.19% in FY2022 compared to 17.50% in FY2021. However, the NPL of the bank decreased moderately by 12.86% as of the half year financials ended on June 30, 2023 in comparison to the year ended of 2022. Therefore, the NPL ratio stood at 17.53% during the period. Significantly, during FY2022, the bank reported a notable amount of BDT 40,436.37 million as fresh non-performing loans (NPL). This amount represents 43.83% of the total classified loans for FY2022, indicating a substantial deterioration in the bank's asset quality during that period. It is indeed concerning that in FY2022, 87.66% of the Non-Performing Loans (NPL) held a bad/loss status while 9.73% and 2.61% of NPL

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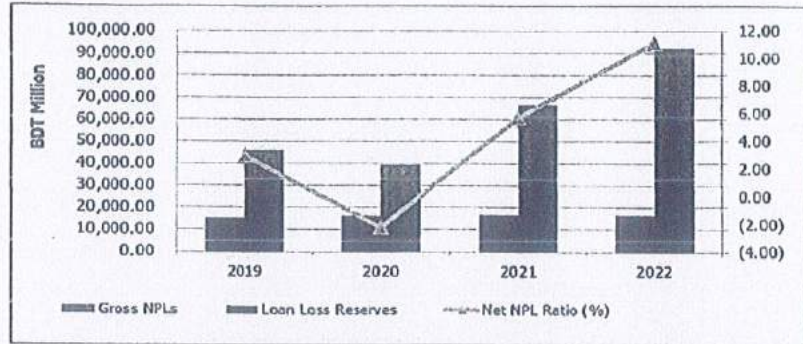


held sub-standard and doubtful status for the same year respectively. This indicates a further deterioration in the quality of NPLs.

In FY2022, about 44.97% of the bank's total non-performing loans (NPLs) were attributed to the top 20 default borrowers. This percentage was slightly lower at 47.85% in FY2021, but still posed a significant risk. Notably, upon analyzing the top 20 defaulters, it was found that 11 accounts had been on the defaulted lists for the past two years. This indicates that recovering the loan amounts from these defaulters might be challenging in the future.

In FY2022, Rupali Bank Limited (RBL) experienced a provision shortfall of BDT 54,387.65 million for its loan and advances portfolio and off-balance sheet exposure. This amount marks a significant increase from the provision shortfall of BDT 30,783.45 million recorded in FY2021. However, Bangladesh Bank approved forbearance facilities for shortfall provision against loan and advances & off-balance sheet exposure vide letter no. DOS(CAMS)1157/41(Dividend)/2023-2159, dated April 27, 2023. However, the total provision made by the bank covers only 18.25% of the total Non-Performing Loans (NPL), indicating a relatively lower coverage.

Figure 4: Selected Indicators of RBL



#### D.1.2. Loan Diversification and Concentration

Rupali Bank Limited has a diverse loan portfolio, with concentrations in various sectors of the economy. These sectors include trade & commerce, agriculture-based loans, textiles, RMG, food & allied industries, iron and steel, shipbuilding, power, gas, transport, pharmaceuticals, services, consumer finance and loans to the Government of Bangladesh, among others. This diversification is evident in RBL's sector-wise loans and advances.

In terms of industry-wise concentration, Rupali Bank Limited had its loans and advances portfolio led by the trade and commerce sector, accounting for 22.59% of the total loans and advances. This was followed by the textile industry at 20.75% and the ready-made garments (RMG) sector at 6.92%. Geographically, the highest concentration of loans was in the local office, representing 38.33% of the total loans, while the remaining 61.67% was concentrated in other divisions of the country. In terms of area, 89.37% of the total loans were disbursed in urban areas, with the remaining 10.63% disbursed in local areas.

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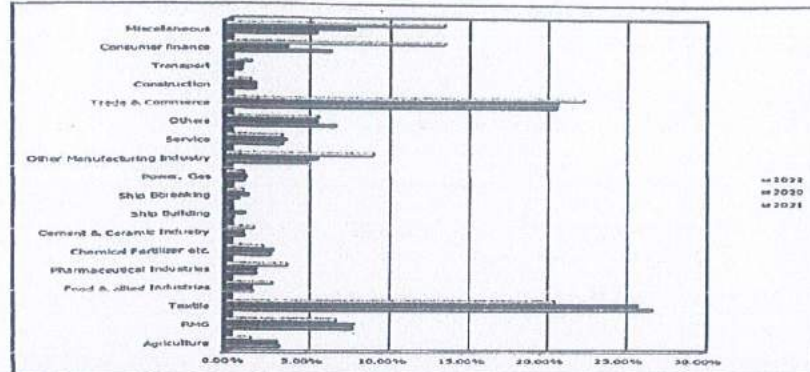
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Figure 5: Industry-wide distribution of loans & advances of RBL



#### D.1.3. Rescheduled and Written-Off Loans

In the year 2022, RBL experienced a substantial increase in the rescheduling of loans and advances, totaling BDT 45,288.50 million. This marked a substantial increase from the BDT 5,733.39 million rescheduled in 2021. Notably, in 2022, rescheduled loans constituted 10.40 % of the bank's total loan portfolio, a considerable rise from the 1.51% figure in the previous fiscal year, FY2021. Additionally, the bank's written off loans and advances were BDT 5,794.60 million in FY2022 whereas the bank did not write off any loans from its credit portfolio since FY2012. By the close of FY2022, a combination of non-performing loans (NPLs), written-off loans, and rescheduled loans accounted for a substantial 32.92% of the bank's total loan book. This was a considerable increase from the 19.01% recorded in FY2021. These statistics indicate that the bank is facing concerns about the quality of its assets, reflecting a weakened asset portfolio.

#### D.1.4. Large Loan Exposure

The bank experienced a moderate increase in its exposure to large loans (outstanding funded and non-funded loans exceeding 10% of the bank's capital) during FY2022 compared to the previous financial year. The number of these large loan accounts decreased to 20 groups/companies, with a total outstanding amount of BDT 125,496.00 million in FY2022, compared to BDT 115,660.20 million in FY2021 across 21 accounts. These large loans accounted for 28.82% of the bank's gross loans and advances, down from 30.37% in the preceding year. During FY2022, it was observed that BDT 17,371.10 million of the total funded loans outstanding in the large loan exposures was classified as non-performing loans (NPLs). This amount accounted for 18.83% of the total classified loans, representing a massive increase compared to 9.45% in FY2021.

As of year-end 2022, the top 20 funded loans of the bank accounted for 25.70% of the total gross loans. Additionally, the top 10 borrowers represented 16.90% of the bank's loans and advances portfolio. This indicates that the share of the top 20 loans in the total loan book decreased from 28.02% in FY2021.

At the end of FY2022, the largest exposure of the bank amounted to BDT 12,695.10 million, which represented 2.92% of the bank's total gross loan portfolio and 57.11% of the bank's total eligible capital. The second largest funded loan accounted for 44.75% of the total eligible capital. It was observed that the top 18 funded loans and advances exceeded the general ceiling for funded loan

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exposure limits, which is set at 15% of the bank's total capital (amounting to BDT 3,334.64 million). Additionally, eleven of the large loan exposures, both funded and non-funded, had outstanding amounts that exceeded 25% of the bank's capital, amounting to BDT 5,557.73 million, surpassing the regulatory ceiling in FY2022.

#### D.1.5. Treasury Assets

In FY2022, RBL allocated 23.09% of its total assets to investments in various instruments such as government securities, treasury bills, bonds, interbank repos, prize bonds, debentures, and mutual funds. As of the end of FY2022, RBL's total investment portfolio amounted to BDT 158,581.33 million, compared to BDT 182,653.47 million in FY2021, reflecting a decrease of 13.18% during the period. The bank has sold out government securities and lien under REPO which caused such decline in investment portfolio. Of the total investments, only 74.19% were allocated to government securities, while the remaining 25.81% were invested in other assets such as quoted and unquoted shares, debentures, and mutual funds.

#### D.1.6. Off-Balance Sheet Exposure

In FY2022, the bank's total off-balance sheet exposure reached to BDT 162,983.57 million, compared to BDT 151,170.93 million in FY2021. This represented an increase of 7.82% over the period. As a percentage of total assets, RBL's off-balance sheet contingent liability accounted for 23.73% in FY2022. The composition of RBL's off-balance sheet items consisted of 81.42% for irrevocable letters of credit, 10.74% for letters of guarantee, 3.94% for bills for collection, and 3.90% for acceptance and endorsements.

#### D.2. Capital Adequacy

Exhibit 10: Selected Indicators of RBL

FY 31 December	*2023	2022	2021	2020	2019
Tier-I Capital (BDT Million)	15,196.32	14,814.02	15,198.73	14,200.11	13,979.05
Total Capital (BDT Million)	23,443.23	22,230.93	23,665.64	26,990.73	25,651.37
Total Risk Weighted Assets (BDT Million)	457,462.70	451,904.58	425,284.52	337,173.87	248,176.40
Tier-I Ratio (%)	3.32	3.28	3.57	4.21	5.63
CRAR (%)	5.12	4.92	5.56	8.00	10.34

FY2019- FY2022 Data Extracted from Audited Financial Statements

\*FY2023 Data Extracted from first six months Unaudited Financial Statements

According to the regulatory requirements set by the Bangladesh Bank under Basel III, all banks are obligated to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 12.50%. Additionally, a minimum Tier-I capital ratio of 6.00% is required within the total CRAR. This means that banks must maintain a capital base that accounts for at least 6.00% of their risk-weighted assets as Tier-I capital, which consists of core capital elements such as common equity, statutory & general reserve and retained earnings.

In the most recent year under review, the bank experienced a marginal decrease of 2.53% in its Tier-I capital. This decline was primarily attributed to a significant decrease of 18.50% in retained earnings, which had a negative impact on the Tier-I capital in FY2022. Additionally, the Tier-II or supplementary capital witnessed a substantial decrease of 12.40% compared to the previous year.

The bank's total capital, which includes both Tier-I and Tier-II capital, amounted to BDT 22,230.93 million in FY2022, down from BDT 23,665.64 million in FY2021. This represents an overall decrease of 12.32%. In contrast, the Risk Weighted Assets (RWA) of RBL moderately increased by 6.26% in FY2022, reaching BDT 451,904.58 million compared to BDT 425,284.52 million in the previous year. As a result, the minimum capital requirement for the bank stood at BDT 45,190.46 million. The bank's total capital decreased due to decrease in operating income during the year while the risk profile of its assets increased in FY2022. Consequently, the capital to risk-weighted assets ratio (CRAR) slightly dropped to 4.92% in FY2022 from 5.56% in the previous year. This indicates that the bank's CRAR is

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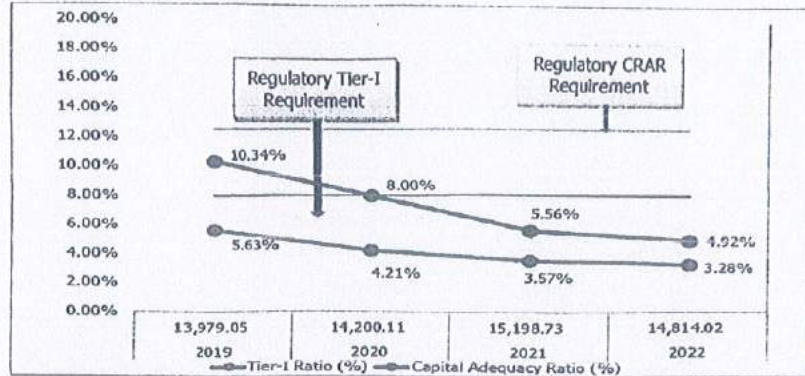




far below the minimum capital requirement of 10.00% and the minimum capital requirement with the capital conservation buffer of 12.50% that should be maintained over the years.

By the end of first half of 2023, the total capital of the bank reached to BDT 23,443.23 million showing a slight increase compared to its position at the end of the year of 2022. The Tier-I capital also increased moderately during the time. The CRAR stood at 5.12% slightly increasing from 4.92% in 2022 and the risk weighted assets in the first half of 2022 increased moderately compared to FY2022.

Figure 6: Capital Adequacy Position of RBL



### D.3. Funding and Liquidity

Exhibit 11: Selected Indicators of RBL

FY 31 December	*2023	2022	2021	2020	2019
Deposits (BDT Million)	665,937.35	588,675.79	576,430.60	532,299.90	414,624.25
Deposit Growth (%)	13.12	2.12	8.29	28.38	6.44
Loan to Deposit (%)	68.87	73.96	66.07	63.28	73.98
Net Loans to Stable Funding Base (%)	82.90	90.40	77.95	72.97	91.16
Net Loans to Customer Deposits (%)	60.89	65.59	57.83	54.62	64.77
Deposits to Total Funding (%)	87.56	85.72	86.65	84.42	83.38
Interbank Liabilities to Total Funding (%)	0.66	2.24	1.08	1.34	2.43

FY2019- FY2022 Data Extracted from Audited Financial Statements

\*FY2023 Data Extracted from first six months Unaudited Financial Statements

#### D.3.1. Fund Management

A significant portion of a bank's funding is sourced from its deposit base, along with capital, financial instruments, and credit facilities obtained from other banks and financial institutions. At the end of FY2022, the bank's total funding base amounted to BDT 686,727.22 million. Within this funding base, the deposit base emerged as the largest contributor, accounting for 85.72% of the total funding base, compared to 86.65% in the previous year. Deposits constitute 85.72% of RBL's total liabilities and equity base at the end of FY2022. The remaining portion of RBL's funding base is comprised of other liabilities (9.65%), followed by equity (2.38%) and interbank liabilities (2.24%).

Due to the bank's loan portfolio growing at a faster pace relative to the growth rate of its deposit base, the loan to deposit ratio witnessed an increase from 66.07% in FY2021 to 73.96% in FY2022. However, it is important to note that this ratio remains below the regulatory ceiling set by the Bangladesh Bank, which stipulates that the loan to deposit ratio should not exceed 87% for General Banks. This indicates that there is still room for the bank to extend additional credit facilities and suggests that the utilization of the deposit base is relatively low. In 2022, the net loans, which are obtained by subtracting provisions and interest suspense account from gross loans, accounted for

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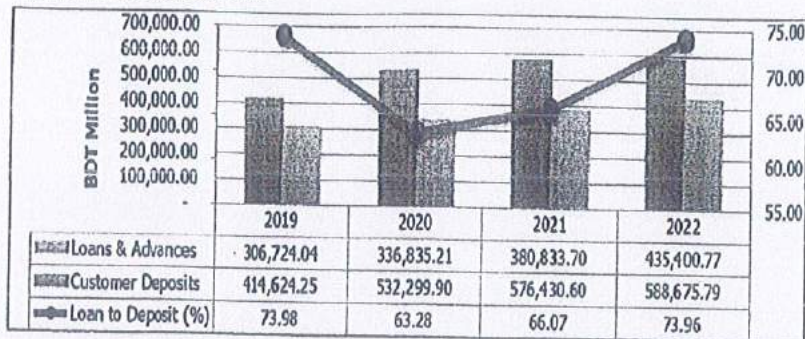




90.40% of the stable funding base. This figure reflects a considerable increase from 77.95% in the previous year. The stable funding base refers to the portion of a bank's funding that is considered stable and less susceptible to short-term volatility. The increase in net loans as a percentage of the stable funding base suggests that a larger proportion of the bank's stable funding was allocated towards lending activities in 2022 compared to the previous year.

The bank has shown a strong inclination towards increasing its deposit base by focusing on collecting fixed deposits, which generally carry higher costs compared to other types of deposit accounts such as CASA (Current Account and Savings Account). This strategy is accompanied by a commitment to providing optimal service to its customers. In FY2022, the fixed deposit segment accounted for 72.25% of the bank's total deposit book, a slight decrease from 73.76% in FY2021. Despite this, the overall deposit portfolio of RBL experienced a modest increase of 2.12% in FY2022, compared to a higher growth rate of 8.29% in FY2021. This indicates that the bank achieved a lower growth rate in FY2022 as compared to the previous year. In FY2022, interbank liabilities constituted 2.24% of the bank's total funding base, a rise from 1.08% in 2021. This suggests that the bank relied more on interbank borrowing to meet its funding needs in the recent year.

Figure 7: Selected Indicators of RBL



#### D.3.2. Liquidity Management

Conventional banks operating in Bangladesh are required by Bangladesh Bank to maintain a Statutory Liquidity Reserve (SLR) of 13.00% and a Cash Reserve Ratio (CRR) of 3.50% on a daily basis, along with a CRR of 4.00% on a weekly basis. RBL has consistently met the CRR and SLR requirements set by Bangladesh Bank. In FY2022, RBL satisfactorily maintained the CRR and SLR as per the regulatory requirements. As of December 31, 2022, RBL's CRR and SLR requirement was BDT 22,851.41 million and BDT 74,267.07 million respectively. During the year RBL maintained CRR and SLR of BDT 23,349.21 million and 122,524.98 million with a surplus of amount of BDT 497.81 million and 48,257.90 million respectively.

RBL's asset and liability maturity profile reveals that the bank has a net liquidity gap in upto to 1 months, 1-3 months and 3-12 months' brackets. However, in all other maturity brackets, RBL has shown a surplus net liquidity. Despite the net liquidity gaps in certain periods, the overall assessment of RBL's net liquidity for FY2022 indicates a cumulative surplus when considering all maturity periods. This suggests that, overall, RBL's liquidity position remained in a favorable state throughout the fiscal year.

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#### D.4. Earning Trends and Profitability

Exhibit 12: Selected Indicators of RBL

FY 31 December	*2023	2022	2021	2020	2019
Net Interest Income (BDT Million)	(392.96)	(3,065.25)	(3,343.32)	(3,510.88)	18.85
Net Interest Income Growth (%)	**(-43.59)	(8.32)	(4.77)	(18,526.30)	(99.25)
Non-Interest Income (BDT Million)	8,906.59	17,986.42	17,097.64	14,385.83	11,287.60
Non-Interest Income Growth (%)	(0.25)	8.43	18.85	27.45	29.30
Pre-Provision Profit (BDT Million)	3,212.55	1,067.42	1,186.59	1,596.70	1,932.28
Pre-Tax Profit (BDT Million)	832.55	626.43	717.53	446.90	956.81
Post-Tax Profit (BDT Million)	309.51	209.26	357.98	160.32	546.38
Post-Tax Profit Growth (%)	**(-23.95)	(41.54)	123.29	(70.66)	44.08
Post - Tax ROAE (%)	1.88	1.26	2.05	0.92	3.22
Average Interest Spread (%)	0.79	1.18	1.32	0.96	1.57
Net Interest Margin (%)	(0.06)	(0.55)	(0.68)	(0.81)	0.01
Cost to Income Ratio (%)	62.27	92.85	91.37	85.32	82.91

FY2019- FY2022 Data Extracted from Audited Financial Statements

\*FY2023 Data Extracted from first six months Unaudited Financial Statements

\*\* Annualized Figure

The banking sector in Bangladesh faced several challenges in FY2022, primarily due to the imposition of an interest rate cap and the impact of the Russia-Ukraine war. These challenges had significant repercussions on the financial performance of banks in the country. Despite this, RBL experienced a moderate increase of 8.39% in interest income, reaching BDT 24,243.95 million in FY2022 compared to the previous financial year. However, the interest paid on deposits and borrowings also increased by 6.22% to BDT 27,309.19 million by the end of FY2022.

It has been observed that RBL's loan portfolio was relatively low compared to its deposit base. This coupled with the low interest spread between the interest rates and deposit base set by Bangladesh Bank, along with the low utilization of loans compared to the deposit base, resulted in high interest expenses. Additionally, the high cost of deposits compared to interest earnings further narrowed the interest spread for the bank. As a consequence, RBL incurred a significant net interest loss of BDT 3,065.25 million in FY2022. This indicates that the bank's interest expenses outweighed its interest earnings, resulting in a negative net interest income for the year. It highlights the challenges faced by the bank in managing its interest rate differentials and optimizing its loan-to-deposit ratio to achieve a sustainable net interest income.

In FY2022, RBL witnessed a moderate increase of 8.43% in non-interest income. This growth was primarily driven by an 8.26% increase in investment income, a 0.71% increase in commission, exchange, and brokerage income, and a significant 38.71% increase in other income categories. As a result of these positive developments, the bank's total operating income experienced a cumulative increase of 12.65% in FY2022, amounting to BDT 14,921.17 million. This represents growth in the bank's overall revenue generation compared to the preceding year. The increase in non-interest income, particularly through investment income and other income sources, contributed to the overall expansion of the bank's operating income during the period.

The bank has experienced BDT 392.96 million of net interest loss in the first half of 2023 compared to the BDT 1,711.86 million net interest loss in the same quarter of previous year (Q2 2022). However, at the same time the non-interest income of the bank slightly decreased from BDT 8,996.67 million in Q2 2022 to BDT 8,906.59 million in Q2 2023. The post-tax profit is much higher at BDT 309.51 million in Q2 2023 from BDT 78.69 million of same time period last year.

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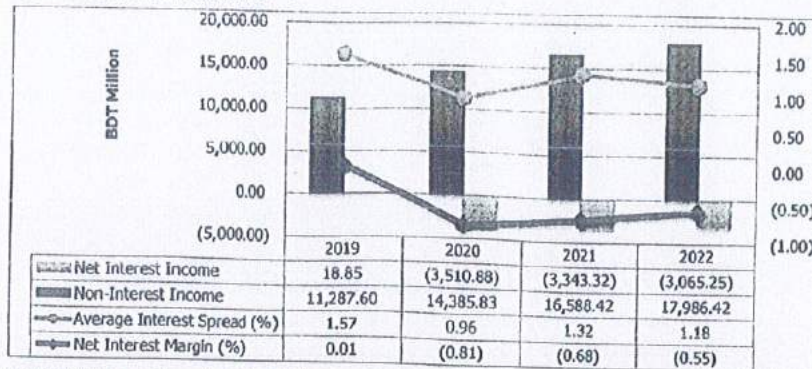
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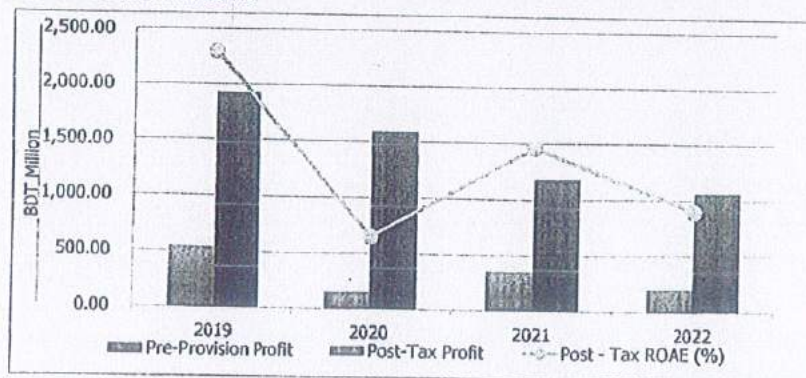


Figure 8: Selected indicators of RBL



In 2022, RBL experienced a 14.89% increase in operating expenses, which reached to BDT 13,853.75 million. This rise can be attributed primarily to higher salary and allowances as well as other expenses incurred by the bank. The financials reveal that RBL's operating expenses increased at a slightly faster rate than its operating income. Consequently, the bank's cost-to-income ratio, which reflects the proportion of income absorbed by expenses, stood at 92.85% in FY2022 compared to 91.37% in FY2021. In FY2022, RBL's profit before provision amounted to BDT 1,067.42 million, compared to BDT 1,186.59 million in FY2021. The bank allocated BDT 440.98 million as provision expenses for classified loans and advances in FY2022, reflecting the impact of the growth in non-performing loans (NPLs) whereas it was BDT 469.07 million. After accounting for tax expenses, the bank recorded a profit after tax of BDT 209.26 million in FY2022, representing a decline of 41.54% compared to the prior financial year when it was BDT 357.98 million. This decline indicates a decrease in the bank's profitability after considering tax obligations. To address its significant provision shortfall, the bank received a deferral facility from the central bank of Bangladesh. Without this support, the bank would have been unable to generate any profits in recent periods, given the requirement to maintain adequate provisions. The deferral facility provided temporary relief and allowed the bank to manage its provisions more effectively, ensuring its financial stability and enabling the possibility of profit generation.

Figure 9: Selected indicators RBL



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মহাব্যবস্থাপক ও  
কোম্পানি সচিব  
রূপালী ব্যাংক পিএলসি.  
প্রধান কার্যালয়, ঢাকা।

**Mohammad Jahangir**  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.





## E. MANAGEMENT AND OTHER QUALITATIVE FACTORS

### E.1. Corporate Governance

In compliance with the regulatory requirements and guidelines established by the Bangladesh Bank and the Bangladesh Securities & Exchange Commission (BSEC), the bank upholds high standards of corporate governance. The bank's Board of Directors (BoD) comprises thirteen (13) distinguished, well-qualified, and experienced members, including the Managing Director & CEO, with Mr. Kazi Sanaul Haq serving as the Chairman of the BoD. Throughout FY 2022, a total of 34 board meetings were held.

The corporate governance system of the bank ensures that duties and responsibilities are appropriately segregated between the BoD and management to provide sufficient checks, balance and flexibility for smooth business operation. The BoD approves the bank's budget and business plan and reviews them from time to time so as to give directions as per changing economic and market environment. The BoD reviews the policies and manuals of the various segments of the business in order to establish effective risk management in credit and other key areas of operations. The BoD also ensures that adequate internal control systems are in place and they are consistently complied with to provide reasonable assurance that financial records are reliable for preparation of financial statements. The BoD further ensures the quality of the financial reporting, assets safeguard against unauthorized use or disposition and accountability for assets and quality service of business transactions. With an objective to monitor and manage the bank's operations, performance and strategies in line with the Bangladesh Bank's guidelines, the BoD of RBL has sub-committees. Details of these committees are presented below.

#### E.1.1. Executive Committee

The Executive Committee of the RBL consists of 6 members of the BoD including the Chairman of the bank; Mr. Kazi Sanaul Haq. The committee takes decisions on emergency matters as and when required and assists the BoD to fulfill its responsibilities such as to set objectives, strategies and overall business plans for effective functioning of the bank. The committee reviews the policies and guidelines issued by the Bangladesh Bank regarding credit and other operations of the banking industry. The Executive Committee of the Board approves the credit proposals as per approved policies of the Board. The management ensures due diligence behind the credit policies and risk management at the time of submission of the credit proposals. During FY 2022, Executive Committee held 10 meetings.

#### E.1.2. Audit Committee

The Audit Committee of RBL is comprised of 7 members of the BoD and is governed by Mr. Md. Ali Akkas (Independent Director & Chairman). This Audit Committee acts as a bridge among the BoD, Executive Authority, Depositors, and Shareholders, etc. The committee reviews the financial statement of the bank at least once on a quarterly basis. The Committee conducts various special reviews through the Board Audit Cell, a highly empowered cell working under the committee. The Committee also meets with the external auditors to discuss the audit plans and risk management processes of the bank. In total of 13 Audit Committee meetings were held during FY 2022.

#### E.1.3. Risk Management Committee

Apart from the Executive committee and Audit Committee of the Bank, a Risk Management Committee has been formed. This committee consists of 5 members from BoD. These committee's prime responsibilities are to define the risk appetite, design organizational structures to manage risks within the bank, understand the inherent risks of the bank, then review and approve risk management policies. The committee is also involved in enforcing and using adequate recordkeeping and reporting systems, reviewing and approving limits and reviewing at least once annually and last but not least, monitoring compliance with overall risk management policies and limits. During FY 2022, Risk Management Committee held 05 meetings.

### E.2. Senior Management

The strategic management activities and overall business operations of RBL are supervised and directed by the Managing Director & CEO, Mr. Mohammad Jahangir. Before his elevation to his Current

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FPI Investments Limited

Md. Harunur Rashid  
General Manager  
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Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.





Position, he served Rupali Bank Limited as its Deputy Managing Director (DMD) from 04 October 2020 till 25 August 2022.

Mr. Jahangir has an illustrious Banking Career. He started his Banking career as an officer in 1990 in the bank. He is a home-grown Managing Director and CEO of the Bank. By the strength of his dedication to his profession, sharp vision, unquestionable integrity, amiable disposition and good leadership qualities, Mr. Jahangir rose steadily through the echelon of the management hierarchy to the position of Managing Director and CEO of the Rupali Bank Limited.

Apart from functional departments, several Management committees have been formed to handle banking operations while identifying and managing the risks associated with the business. The key committees are Management Committee (MANCOM), Asset Liability Committee (ALCO), Credit Committee, Bank Risk Management Committee (BRMC), Departmental Risk Management Committee and Banks Operational Risk Committee (BORC) for ensuring compliance with Bangladesh Bank's guidelines.

**Asset Liability Committee (ALCO):** The committee's prime roles and responsibilities are to manage liquidity & profit rate risk of deposit and lending, understanding the market dynamics and risk elements involved within the business, assuming money market activities and last but not least making sure that the bank's statutory obligations are complying with the local Central Bank regulations. During the year 2022, the Asset Liability Committee (ALCO) conducted 13 meetings on various agendas of the bank.

### E.3. Human Resource Management

RBL has consistently been feeding the development requirements of employees in various job grades with the requisite competencies enabling them to meet the changing business needs and also to replenish employees retiring from bank's services. At the end of 2022 bank's total numbers of employees are 7,164. During FY2022, RBL recruited 320 new employees and 630 employees were promoted.

### E.4. Information Technology

Rupali Bank Limited keeps itself abreast with the latest information to update ideas and approaches to ensure smooth banking operation as well as adopt new technology. The Bank has inaugurated Core Banking Solution (CBS) in view of the demand and expectation of various segments of the clients from September 24, 2013. In a major step forward in bank's automation and digital banking ambitions, all the branches of Rupali Bank came under live operations in 2019, thus placing us structurally well to compete and succeed in a challenging business environment. Further, all branches of the Bank are being operated under CBS. Moreover, a Rationalized Input Template (RIT) was installed at the branches concerned with the Head Office to upload all statements regularly on the fixed web portal of Bangladesh Bank. Besides, all branches are facilitated by RTGS and BEFTN as well.

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## CORPORATE INFORMATION

### Board of Directors

Mr. Kazi Sanaul Hoq	Chairman
Mr. Mohammad Delwar Hossain	Director
Mr. Md. Shafiqul Islam Laskar	Director
Mr. Md. Ashraf Hossain, Bir Muktiyoddha	Director
Mrs. Rukhsana Hasin, NDC	Director
Mr. Shoaeb Ahmed	Director
Mr. Mohd. Ahsan Kibria Siddiqui	Director
Dr. Md. Fardous Alam	Director
Mr. Md. Ali Akkas	Independent Director
Mr. Md. Rafiqul Alam	Independent Director

### Management Team

Mr. Mohammad Jahangir	Managing Director & CEO
Ms. Tahmina Akhter	Deputy Managing Director
Mr. Hasan Tanvir	Deputy Managing Director
Mr. Md. Shawkat Ali Khan	Deputy Managing Director
Ms. Yasmin Begum	General Manager
Mr. Md. Harunur Rashid	General Manager
Mr. Fayaz Alam	General Manager
Mr. Md. Iqbal Hossain Kha	General Manager
Mr. Mohammed Shahedur Rahman	General Manager
Mr. Sikder Faruk A Azam	General Manager
Mr. Mohammed Shajahan Chowdhury	General Manager
Mr. MD. Ismail Hossain Sheikh	General Manager

### Auditors

#### MABS & J Partners

Chartered Accountants  
SMC Tower (Level-7), 33 Banani C/A,  
Road 17,  
Dhaka-1213, Bangladesh

#### A. Wahab & CO.

Chartered Accountants  
House no. 19, Road: 13C, Block: E,  
Banani, Dhaka-1213

### Registered Office

Rupali Bank Limited  
Rupali Bhaban,  
34, Dilkusha C/A,  
Dhaka-1000

Rupali Bank Limited

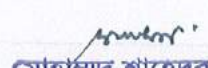
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## FINANCIAL INSTITUTIONS RATING SYMBOL

### LONG-TERM RATINGS

Financial Institutions ratings are applied to commercial and investment banks, finance companies and discount houses.

AAA	An institution rated AAA has an exceptionally strong capacity to meet its financial commitments and exhibits a high degree of resilience to adverse developments in the economy, and in business and other external conditions. These institutions typically possess a strong balance sheet and superior earnings record.
AA	An institution rated AA has a very strong capacity to meet its financial commitments, and is generally in a position to withstand adverse developments in the economy, and in business and other external conditions. These institutions typically possess a good track record and have no readily apparent weaknesses.
A	An institution rated A has a strong capacity to meet its financial commitments but is somewhat more susceptible to adverse developments in the economy, and to business and other external conditions than institutions in higher-rated categories. Some minor weaknesses may exist, but these are moderated by other positive factors.
BBB	An institution rated BBB has adequate capacity to meet its financial commitments. While some shortcomings are apparent, the institution is generally in a position to resolve these within an acceptable time frame. However, adverse developments in the economy and in business and other external conditions are likely to weaken its capacity to meet its financial commitments.
BB	An institution rated BB exhibits some obvious weaknesses in its operating practices and key financial indicators. The institution's financial performance has typically fallen below peer group standards. Although currently able to meet its financial commitments, the institution's financial capacity over the medium and longer terms is vulnerable to adverse developments in the economy, and in business and other external conditions.
B	An institution rated B exhibits fundamental weaknesses in its operating practices and key financial indicators. Although currently able to meet its financial commitments, the institution's future financial capacity is regarded as weak and more vulnerable to adverse developments in the economy, and in business and other external conditions than that of institutions rated BB.
C	An institution rated C has several immediate problems of a serious nature. The institution's ability to arrest further deterioration in its overall condition is doubtful and its capacity to meet its financial commitments is uncertain, without some form of strong external support.
D	An institution rated D requires sustained external support without which its continued viability is in doubt. The rating indicates that the institution is likely to default on its financial commitments or that a default may have already occurred.

Notes: Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories

### SHORT-TERM RATINGS

ECRL's Short-Term Ratings reflect the institution's capacity to meet its financial commitments due within one year.

ST-1	An institution rated ST-1 has a superior capacity to meet its financial commitments in a timely manner. Adverse developments in the economy and in business and other external conditions are likely to have a negligible impact on the institution's capacity to meet its financial obligations.
ST-2	An institution rated ST-2 has a strong capacity to meet its financial commitments in a timely manner; however, it is somewhat susceptible to adverse developments in the economy, and in business and other external conditions.
ST-3	An institution rated ST-3 has an adequate capacity to meet its financial commitments in a timely manner. However, the institution's capacity to meet its financial obligations is more likely to be weakened by adverse changes in the economy, and in business and other external conditions than higher-rated institutions.
ST-4	An institution rated ST-4 has an inadequate capacity to meet its financial commitments in a timely manner. The rating indicates that the institution is likely to default on its financial commitments, without some form of strong external support. A default may have already occurred.

### Rating Outlook

ECRL's Rating Outlook assesses the potential direction of the Financial Institutions Rating over the intermediate term (typically over a one to two-year period). The Rating Outlook may either be:

POSITIVE	Which indicates that a rating may be raised;
NEGATIVE	Which indicates that a rating may be lowered;
STABLE	Which indicates that a rating is likely to remain unchanged; or
DEVELOPING	Which indicates that a rating may be raised, lowered or remain unchanged.

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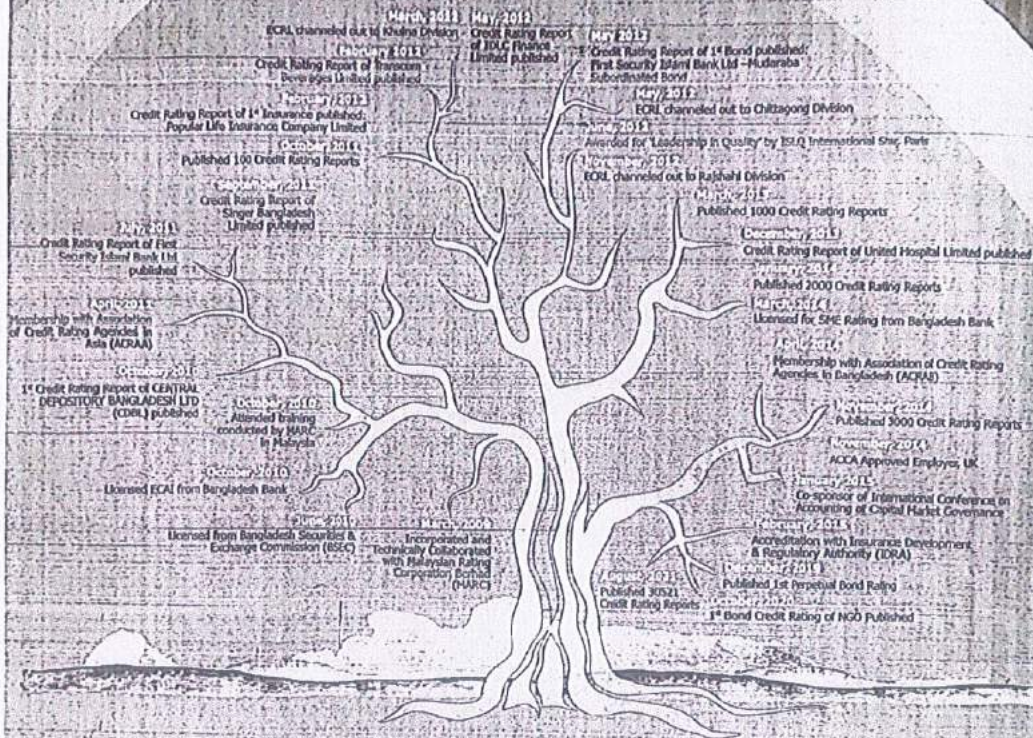
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## Section 16: Latest Default Matrix and Transition Statistics of the Credit Rating Company

### Default Matrix and Transaction Statistics of Emerging Credit Rating Limited:


#### ECRL Default Studies 2021

##### Default Summary by Rating Category

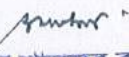
Year	Issuance as of 31st December	Default count (High Grade)	Default count (High Yield)	High grade default rate	High yield default rate	All corporate default rate
2011	223	0	0	0.0%	0.0%	0.0%
2012	634	0	0	0.0%	0.2%	0.2%
2013	1136	0	2	0.0%	0.0%	0.0%
2014	1128	0	0	0.0%	0.0%	0.0%
2015	875	0	0	0.0%	0.0%	0.0%
2016	916	0	1	0.0%	0.1%	0.1%
2017	780	1	0	0.4%	0.0%	0.1%
2018	878	0	0	0.0%	0.0%	0.0%
2019	993	0	1	0.0%	0.1%	0.1%
2020	1010	0	1	0.0%	0.1%	0.1%
2021	1058	0	0	0.0%	0.0%	0.0%
Arithmetic Mean	n.a.	n.a.	n.a.	0.0%	0.1%	0.1%

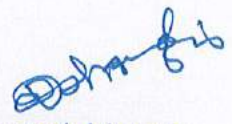
##### Cumulative Default Rate by Rating Band

Rating band	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
AAA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	0.1%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
BBB	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%
BB	0.4%	0.5%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
B	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	3.1%	3.1%	3.1%	3.1%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
B & Lower	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%
High Grade	0.0%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
High Yield	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%
All Corporate	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%

  
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## Default Matrix and Transaction Statistics of National Credit Ratings Limited:

### Default Study


NCR Ltd., has also conducted default study for the clients rated from the year 2015 to year 2020. Default study is carried out to see whether any issuer has defaulted i.e. has gone down to the level of 'D' category. While conducting the default study, NCR Ltd., has used Cohort method to calculate the performance of entities rated across various rating categories. Cumulative Default Rate (CDR) is calculated for each cohort within the period of study. The CDR is calculated over one-year, two-years and three-years time horizons to evaluate the performance of ratings over the varying periods. Then, the issuers' weighted average for one-year, two-year and three-year CDR is computed to arrive at long term CDR for each category. As rating is a measure of probability of default, a higher rating given to an entity implies a lower credit risk.

Rating Category	Year-1		Year-2		Year-3	
	Avg. No. of Issuer	CDR (%)	Avg. No. of Issuer	CDR (%)	Avg. No. of Issuer	CDR (%)
AAA	0	0.00	0	0.00	0.00	0.00
AA	41	0.00	40	0.00	39.67	0.00
A	336	0.29	322	0.31	321.67	0.31
BBB	720	0.55	729.25	1.23	736.00	0.12
BB	30	3.40	0	0.00	32.33	0.00
B	0	0.00	0.5	0.00	0.00	0.00
C	0	0.00	0.25	0.00	0.00	0.00
Total	1128		1092		1129.67	

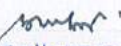
The categories of AA, A, BBB, BB, B and C include ratings with the suffix '+' or '-' within the respective rating categories. From the above table it can be stated that in 'A' category rating, NCR Ltd. has recorded CDR of 0.29% in Year-1, 0.31% in Year-2 and 0.31% in Year-3. In 'BBB' category rating it has been recorded CDR of 0.55% in Year-1, 1.23% in Year-2 and 0.12% in Year-3. Moreover, in 'BB' category CDR was 3.40% in Year-1.


**For further details please contact:  
National Credit Ratings Ltd.**

Zaman Tower (8<sup>th</sup> Floor)  
37/2, Box Culvert Road, Purana Paltan  
Dhaka-1000  
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e-mail: ncribd10@yahoo.com, info@ncrbd.com  
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## Transition Matrix

NCR Ltd. has conducted transition matrix analysis of the rated corporate clients from the year 2014 to year 2019. Transition matrix analysis is done to see the percentage of changes in credit rating of each rating category.

One Year's Weighted Average Rating Transition Rates from the Year 2014 to Year 2019

	Avg. Number of Issuers	AAA	AA	A	BBB	BB	B	C
AAA	0.6	100.00%	0.00%	0%	0%	0%	0%	0%
AA	41.8	1.10%	96.40%	2.50%	0.00%	0.00%	0.00%	0.00%
A	344.4	0%	1.63%	92.60%	5.77%	0.00%	0.00%	0.00%
BBB	749	0%	0.00%	5.04%	93.39%	1.57%	0.00%	0.00%
BB	29.4	0%	0.00%	0.00%	23.52%	72.56%	3.92%	0.00%
B	1.2	0%	0.00%	0.00%	0.00%	0.00%	16.67%	0.00%
C	0.4	0%	0%	0%	0%	0%	0%	0%


Rating transition study looks at how ratings have changed over a period of time. Based on NCR's weighted average one-year transition matrix, it can be inferred that out of all the 'AA' rated companies at the beginning of the year, 96.40% remained in the same category, 1.10% have been upgraded to 'AAA' and 2.50% have been downgraded to 'A' category. Similar inferences can be drawn for the other rating categories as well.

### Disclaimer:

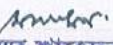
The Methodology is developed by National Credit Ratings Limited (NCRL) based on data/information from secondary reliable sources which is in compliance with the guidelines provided by Bangladesh Securities and Exchange Commission and Bangladesh Bank. NCRL puts best efforts to prepare this document. The methodology may inherit human error, technical and/or systematic error as its limitation. Therefore, NCRL does not provide warranty of any kind for this document. This is the property of NCRL and is only used for rating of corporate issues. None of the information in this document can be copied or otherwise reproduced, stored or disseminated in whole or in part in any form or by any means whatsoever by any person without written consent of NCRL.

For further details please contact:  
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website: www.ncrbd.com

  
**Syed Rashed Hussain**  
Chief Executive Officer  
BRAC EPL Investments Limited

  
**Md. Harunur Rashid**  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

  
**Mohammad Shahedur Rahman**  
মহাব্যবস্থাপক ও  
কোম্পানি সচিব  
রূপালী ব্যাংক পিএলসি.  
প্রধান কার্যালয়, ঢাকা।

  
**Mohammad Jahangir**  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



## Section 17: Description of the Trustee & Board of Trustees

Trustee Appointed: **BRAC EPL Investments Limited**



BRAC EPL Investments Limited (BEIL) is a public limited company that formally commenced operations under a new management team on October 01, 2009 after obtaining a merchant bank license from the Securities and Exchange Commission.

BRAC Bank holds majority of equity shares of BRAC EPL Investments Ltd. Its Board of Directors consists of dynamic and renowned professionals with considerable experience in some of the country's major financial industries. It has also positioned itself as a leading merchant bank to provide a wide range of investment banking solutions.

### Business Operations:

BEIL delivers a wide range of investment banking services including issue management, underwriting, and portfolio management. It has already established itself as one of the top portfolio managers, serving more than 4600 clients country-wide from seven locations. In discharging professional services, BEIL makes concerted efforts to show zero tolerance towards non-compliance and emphasizes strict adherence to regulatory guidelines.

In its brief history, BEIL has already earned considerable respect and a positive reputation in efficiently managing public offerings. All public issues, initial, and rights, managed by BEIL have received encouraging market response. BEIL takes pride in jointly bringing the first public issue to the Bangladesh capital market under a newly introduced Book Building Method. The corporate team at BEIL provides a full array of solutions across debt, hybrid, derivative and equity-linked products. The BEIL team focuses on originating, structuring, underwriting, and executing debt financing, including syndications of both foreign and local, corporate bonds, bridge financing, mezzanine debt, and other debt linked products. BEIL also has a strong foothold in Mergers & Acquisitions and private equity, aligning the goals of those who seek funding for joint venture opportunities in Bangladesh.

### Board of Directors:

#### **Fahima Choudhury Keya**

Ms. Fahima Choudhury was appointed as an Independent Director to the board of BRAC Bank Limited in April 2018. At present, she also serves as the Chair of the Board Risk Management Committee and as a member of the Board Audit Committee. Since 2018, Ms. Choudhury also serves as a BRAC Bank Nominated Director on the boards of BRAC EPL Investments Ltd. and BRAC EPL Stock Brokerage Ltd.; and is currently the

Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

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প্রধান কার্যালয়, ঢাকা।

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Managing Director & CEO  
Rupali Bank PLC.  
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Acting Chair of both these companies. In the end of 2021, she was nominated by BRAC Bank as a Director onto the board of Bkash Ltd.

Ms. Choudhury is a management consultant and a marketing communications & advertising specialist with over 25 years of experience in various entrepreneurial and leadership roles across multiple firms.

Ms. Choudhury started her career in Adcomm Limited (one of the oldest and most renowned advertising agencies in the country) rising to the position of Director, before moving on to establish her own integrated marketing communications agency called Marka. Later, Marka was acquired by Ogilvy & Mather Worldwide (part of the WPP Group), and Ms. Choudhury became the Managing Director (and shareholder) of Ogilvy & Mather Bangladesh. In the past she has also been a member of Ogilvy APAC regional council, as well as Assistant General Secretary in the Advertising Agencies Association of Bangladesh. Ms. Choudhury left the advertising industry in 2020 in order to focus on her consultancy business.

Aside from this, Ms. Choudhury is also a Director of Adcomm Holdings which has business involvements in various other industries (including hospitality, media, and IT).

Ms. Choudhury did her B.Sc. (Hons.) Management and M.Sc. Management from the London School of Economics & Political Science in the United Kingdom.

#### **Selim R. F. Hussain**

Mr. Selim R. F. Hussain is the Director of BRAC EPL Investments Ltd. and Managing Director & CEO of BRAC Bank Ltd. Mr. Hussain is a career banker and an immediate past CEO & Managing Director of IDLC Finance Limited who is widely recognized and highly acclaimed across the financial sector for being the architect of IDLC Finance's meteoric rise over the past six years. He was also the Chairman of the Board of Directors from 2010 to 2012 of IDLC Finance's two subsidiaries – IDLC Investments Limited and IDLC Securities Limited.

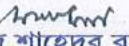
Mr. Hussain has an Honors degree in Accounting and an MBA (Finance) from the Institute of Business Administration, from Dhaka University. He worked in various roles with two of the largest multi-national banks in Bangladesh, ANZ Grindlays Bank and Standard Chartered Bank for 24 years before moving to the IDLC Group in 2010. He has worked in India and Australia for a significant period of his career. Prior to taking over the helm at IDLC Finance Limited, he was the Head of Finance & Strategy for Standard Chartered Bank's Consumer Banking Division in Mumbai, India. Mr. Hussain was also the CFO for Standard Chartered Bank, Bangladesh from 2002 to 2007. Mr. Hussain was also a Director at the Credit Rating Agency of Bangladesh (CRAB) and the Vice Chairman of the Bangladesh Leasing & Finance Co Association (BLFCA) since 2012.

#### **Tamara Hasan Abed**

Tamara Hasan Abed is the managing director of BRAC Enterprises. She has been heading BRAC's 13 social enterprises, including Aarong, BRAC Dairy, BRAC Seed and Agro Enterprise as a senior director since 2014. Ms. Abed has extensive experience in investment banking, entrepreneurship, and social enterprise with a career spanning over two decades, across diverse sectors. Leading by example, she has carved a respectful position as a senior leader in the traditionally male-dominated industries and has inspired more women to come forward and make a mark. She is passionate about driving value-based business models, operating at the intersection of social good, sustainable business and inclusive growth.

  
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**মোহাম্মদ শাহেদুর রহমান**  
মহাব্যবস্থাপক ও  
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রূপালী ব্যাংক লিমিটেড  
প্রধান কার্যালয়, ঢাকা।

  
**Mohammad Jahangir**  
13 Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



Ms. Abed began her career in the corporate finance sector in 1995, at Peregrine Capital Ltd, a Hong Kong-based investment bank in Dhaka. Later she moved to New York and worked for Goldman Sachs in Mergers and Strategic Advisory.

Ms. Abed has represented Bangladesh globally and was honored by the World Economic Forum as a 'Young Global Leader' in 2010. She also represented Bangladesh during the Presidential Summit on Entrepreneurship in Washington in 2010. Ms. Abed is an Asia 21 Young Leader. She received the Outstanding Women Leadership Award from the World Women Leadership Congress in 2014.

#### **Mohammad Masud Rana**

Mr. Mohammad Masud Rana joined as a member of the Board of BRAC EPL Investments Limited as a shareholder director. Mr. Mohammad Masud Rana is currently working at BRAC Bank Limited as Deputy Managing Director (DMD) and Chief Financial Officer (CFO).

He has more than 23 years of diversified experience of public accounting, textile, pharmaceutical and banking. He started his career with SF Ahmed & Co. before joining BEXIMCO Garments & Textile Division in 2001 as Finance Manager. In 2004, he moved to Sanofi-Aventis as Financial Controller. He started his stint with Standard Chartered Bangladesh (SCB) in 2006 as the Financial Controller. During his tenure with SCB, he eventually went on to assume the role of CFO in 2016. Prior to joining BRAC Bank, Mr. Masud was serving the role of CFO in Dhaka Bank Limited. He is a Fellow Chartered Accountant of ICAB and completed his Honors and Masters in Accounting from University of Dhaka.

#### **Dr. Zahid Hussain**

Dr. Zahid Hussain has been appointed as Nominated Director to the Board of BRAC EPL Investments Limited and he is an independent director to the Board of BRAC Bank Limited. Dr. Hussain served as a Consultant in the World Bank Dhaka Office from July 01, 2019, to June 30, 2020.

He has also served as a Lead Economist in the World Bank Dhaka Office from May 01, 1995, to June 30, 2019. During this time, he was a key member of the Bank's macro, trade, and investment global practice that provides budgetary support (development support credit) and technical assistance to the government, and prepares growth diagnostics, public expenditure reviews, annual macroeconomic updates, and policy notes on macroeconomic management and structural issues. Dr. Hussain was also engaged as a Lecturer at Boston University, the University of Massachusetts Boston and Framingham State College, Framingham, Massachusetts in the USA during 1987-1992.

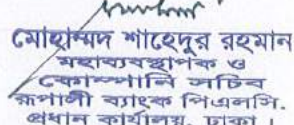
He got a Ph.D. in Economics from Boston University, USA, in 1992. He completed his Master of Arts in Political Economy from Boston University, USA, in 1987. He earned his MBA from the Institute of Business Administration, Dhaka University, Bangladesh, in 1979. Dr. Hussain has published numerous journals and articles in Management, Business, and Economics.



**Syed Rashed Hussain**  
Chief Executive Officer  
BRAC EPL Investments Limited



**Md. Harunur Rashid**  
General Manager  
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কোম্পানি সচিব  
রূপালী ব্যাংক পিএলসি.  
প্রধান কার্যালয়, ঢাকা।



**Mohammad Jahangir**  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



## Section 18: Modus Operandi of the Issue

### 18.1 Application of the Procedure

The Bonds shall be issued in dematerialized form as per the CDBL Bye Laws and distributed 100% through private placement. Each Investor (Bondholder) shall enter into a separate Subscription Agreement with respect to their investment with the Issuer and shall be bound by the terms and conditions contained in the Subscription Agreement and the Trust Deed containing in details the rights and obligations of the Investor(s).

### 18.2 Allotment

On the Closing Date, to be determined, the Issuer shall allot and issue the Bonds to the Investor(s). The Bonds will be allotted according to the Rules.

### 18.3 Refund

Not applicable at the time of Issuance. However, subject to receiving proper consent from the regulatory authorities Refund in relation to the subscription may be possible upon mutual agreement between the Issuer and each Bondholder.

### 18.4 Transfer

Bonds are transferable subject to the Terms and Conditions set out in the Trust Deed.

### 18.5 Trading or Listing with the Stock Exchange

The Issuer shall apply to the respective stock exchange(s) for listing in the Alternative Trading Board (ATB) immediately from the date of availing ATB facilities under the Bangladesh Securities and Exchange Commission (Alternative Trading System) Rules, 2019 and respective regulations of the stock exchange(s) in this regard.

### 18.6 Repayment and Redemption of the Bond

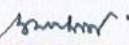
Coupon on the Bonds shall be paid on semi-annual basis on the Coupon Payment Dates. The Coupon Payment Dates shall be determined depending upon the Issue Date. Unless previously redeemed or purchased or cancelled, the principal of the Bonds will amortize, and paid annually on a pro rata basis to the Bondholders in instalments of 20% per year commencing at the third anniversary of the Bonds from the Issue Date. The final maturity of the Bonds will at the end of seventh year from the Issue Date of the Bonds.

### 18.7 Details of Conversion or Exchange Option Exercise Procedures

Not Applicable.

  
Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

  
Md. Harunur Rashid  
General Manager  
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মোহাম্মদ শাহেদুর রহমান  
মহাস্বত্বস্বত্বপূর্ণ ও  
কোম্পানি সচিব  
রূপালী ব্যাংক লিমিটেড  
প্রধান কার্যালয়, ঢাকা।

  
Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



## Section 19: Details of Fees Structure and Expenses

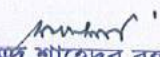
Particulars	Basis of Fees	Amount in BDT (approx.)
Offering amount		12,000,000,000
<b>Arranger to the Issue fees:</b>		<b>6,210,000</b>
Arranger to the Issue Fees	0.045% of the issue size	5,400,000
VAT against Issue Management Fee	15% of arrangement fee	810,000
<b>BSEC Fees:</b>		<b>12,010,000</b>
Application Fee	Non-refundable Fixed	10,000
Consent Fee	0.10% of issue size	12,000,000
<b>Trustee Fees:</b>		<b>487,500</b>
Annual Trustee Fee		250,000
VAT for Trustee Fee		37,500
Trustee Application Fee	Non-refundable Fixed	50,000
Trustee Registration Consent Fee	Non-refundable Fixed	100,000
Trustee Annual Fee (to BSEC)		50,000
Legal Advisor Fee (VAT Inclusive)	at actual	172,500
Credit Rating Fee (VAT Inclusive)	at actual	51,750
<b>Grand Total</b>		<b>18,932,750</b>

\*If the bond is listed in the alternative trading board, listing fees should incur as per relevant rules

Table 33: Details of Fees Structure & Expenses

  
Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

  
Md. Harunur Rashid  
General Manager  
Rupali Bank PLC.  
Head Office, Dhaka.

  
মোহাম্মদ শাহেদুর রহমান  
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কোম্পানি সচিব  
রূপালী ব্যাংক পিএলসি.  
প্রধান কার্যালয়, ঢাকা।

  
Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



## Annexure- I

### Declaration about the responsibility of the directors, including the CEO of the issuer in respect of the information memorandum

This information memorandum has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit. We also confirm that full and fair disclosures have been made in this information memorandum to enable the investors to make a well-informed decision for investment.

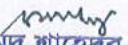
Yours Faithfully,

Sd/-

**Mohammad Jahangir**  
Managing Director & CEO  
Rupali Bank Limited

  
**Syed Rashed Hussain**  
Chief Executive Officer  
BRAC EPL Investments Limited

  
**Md. Harunur Rashid**  
General Manager  
Rupali Bank PLC.  
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**মোহাম্মদ শাহেদুর রহমান**  
মহাব্যবস্থাপক ও  
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রূপালী ব্যাংক লিমিটেড  
প্রধান কার্যালয়, ঢাকা।

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**Mohammad Jahangir**  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.



## Annexure- II



Head Office  
Medona Tower  
Level 04, 26 Mohakhali, C/A  
Dhaka-1213, Bangladesh  
Phone: +88 03222299253, 0222298038  
Fax: +88 0222299445  
Web: www.bracpl.com

### Due Diligence Certificate of the Trustee

08 June 2023

Chairman  
Securities and Exchange Commission  
Securities Commission Bhaban  
F-6/C, Agargaon  
Sher-e-Bangla Nagar Administrative Area  
Dhaka-1207, Bangladesh.

Sub: Issuance of Unsecured, Non-convertible and Fully-Redeemable Rupali Bank 2<sup>nd</sup> Subordinated Bond of BDT 12,000,000,000 (Twelve Billion Taka)

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while act as trustee to the above mentioned issue on behalf of the investors, have examined the draft Information Memorandum, Legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

#### WE CONFIRM THAT:

- (a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft Deed of Trust and draft Subscription Agreement forwarded to the Commission has been approved by us;
- (b) we have also examined all documents of the assets to be charged with the Trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- (c) while examining the above documents, we find that all the requirements of the Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- (d) we shall act as trustee to the issue as mentioned above as per provisions of the deed of trust to be executed with the issuer or the originator, as applicable and shall assume the duties and responsibilities as described in the deed of trust and in the IM;
- (e) we shall also abide by the Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and
- (f) the above declarations are unequivocal and irrevocable.

For Trustee

Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

Syed Rashed Hussain  
Chief Executive Officer  
BRAC EPL Investments Limited

Md. Harunur Rashid  
General Manager  
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মোহাম্মদ শাহেদুর রহমান  
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প্রধান কার্যালয়, ঢাকা।

Mohammad Jahangir  
Managing Director & CEO  
Rupali Bank PLC.  
Head Office, Dhaka.