REPORT ON

The Effect of High Inflation on Deposit Sector: A Study on Pubali Bank PLC GB (General Banking) Sector

By

TAZRIAN MALIK
21304059

An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of Bachelors of Business Administration.

BRAC Business School
Brac University

SEPTEMBER, 2025

Declaration

It is hereby declared that

1. The internship report submitted is my own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

Tazrian Malik

Tazrian Malik

Student ID: 21304059

Supervisor's Full Name & Signature:

Safarath Ahmed

Lecturer

BRAC Business School

Brac University

Letter of Transmittal

Safarath Ahmed
Lecturer
BRAC Business School
BRAC University
Kha 224, Bir Uttam Rafiqul Islam Ave, Dhaka 1212

Subject: Internship report on "The effect of high inflation on deposit sector: A study on Pubali Bank GB (General Banking) sector"

Dear Sir,
I have the pleasure to pass on my experience during my internship in a report entitled "The high inflation effect on the deposit sector: A case study on Pubali Bank GB (General Banking) sector" reflecting my summary of the things I have learned and accomplished during the internship. This report was prepared under your kind guidance and it embodies practical experience and analytical skill as obtained during my internship in the General Banking (GB) department.

I have endeavored to draw up this report based on facts and in a concise, structured but yet complete form. I hope the report confirms your academic expectations as it details the standards.

Sincerely yours,

Tazrian Malik

Tazrian Malik
Student ID: 21304059
BRAC Business School
BRAC University
Date: September 1, 2025

Non-Disclosure Agreement

This report is compiled based on the information available to the public regarding Pubali Bank PLC, including its annual reports and published material. No sensitive or new data from the company was used, hence no NDA was required.

Name of the Company: Pubali Bank PLC
Supervisor Name: Sk. Md. Maruf Hassan
Position: Assistant General Manager
Address: Sonargaon Janapath Branch, Plot-8, Sonargaon Janapath Road, Sector-11, Uttara, Dhaka-1230

Name of the Student: Tazrian Malik
Student ID: 21304059

Description of the Report: "The effect of high inflation on deposit sector: A study on Pubali Bank GB (General Banking) sector"

Acknowledgement

Acknowledgment praise be to Allah, for he bestows the strength, patience and ability needed to complete this intern report.

I am also grateful to Pubali Bank PLC for providing me the chance to do my internship in their prestigious General Banking Division. I'm particularly indebted to the management and my organization supervisor, Sk. Md. Maruf Hassan, Assistant General Manager, and Pubali Bank PLC for his constant support, any pertinent suggestions, proper guidance during my period of internship. His guidance was pivotal in framing this report.

Secondly, my sincere thanks and gratitude to my colleagues of Pubali Bank PLC who extended their endow when I required any kind of information or explanation. Their help contributed to making my learning comfortable and easy.

I would also like to thank my academic supervisor Mr. Safarath Ahmed, Lecturer, BRAC Business School, BRAC University. For his constant words of encouragement, constructive criticisms, and timely suggestion that kept me writing purposefully and clearly.

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Executive Summary

This paper examines the effect of high inflation on the deposit sector of Pubali Bank PLC in Bangladesh by using secondary data of 2020-2024. The study examines the impact of inflation, deposit growth and depositor behavior using descriptive statistics, correlation, regression and t-test. The nominal value of deposits and the inflation rate both rose from 11% to 20%. However, real growth rate of deposits was limited because of the disappearance of value for the depositor. Depositors started rolling their funds in term deposits structured, with time-bound returns but reduced the proportion of current deposits and savings deposits held their shares but both in real and structural terms. Comparative study between low and high inflation is supported by statistical test ($p = 0.0228$) and finds that inflation significantly changes the depositors' behaviour. The research underscores the need for inflation-sensitive banking policies and the creation of instruments that preserve real returns, preserving depositor confidence and financial stability.

Keywords: High Inflation, Deposit Sector, Deposit Mobilization, Real Deposit Growth, Pubali Bank PLC, Banking Behavior, Bangladesh, Term Deposits, Savings Deposits, Banking Strategy

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List of Acronyms

GB	General Banking
KYC	Know Your Customer
TBS	Target-Based Scheme Deposits
MPBS	Monthly Profit-Based Scheme Deposits
FDR	Fixed Deposit Receipts
RTGS	Real-Time Gross Settlement
IRC	Interest Rate Corridor
BBS	Bangladesh Bureau of Statistics
DBMS	Database Management System
EPS	Earnings per share
DMDs	Deputy Managing Directors
CAGR	Compound Annual Growth Rate
BB	Bangladesh Bank
ERP	Enterprise Resource Planning
CSE	Chittagong Stock Exchange
DSE	Dhaka Stock Exchange
CDBL	Central Depository Bangladesh Limited
PBTI	Pubali Bank Training Institute
GMs	General Managers
HRM	Human Resource Management
ACR	Annual Confidential Report
AML	Anti-Money Laundering
NPSB	National Payment Switch Bangladesh
NRB	Non-Resident Bangladeshi
CSR	Corporate Social Responsibilities

SMEs	Small and Medium Enterprises
PR	Public Relations
CRM	Customer Relationship Management
IMC	Lack of Integrated Marketing Communication
IFRS	International Financial Reporting Standards
DBMS	Database Management System
PBTI	Pubali Bank Training Institute
CDBL	Central Depository Bangladesh Limited

Chapter 1: Overview of Internship

1.1: Student Information

Name: Tazrian Malik

ID: 21304059

Program: Bachelor of Business Administration

Major/Specialization: Major was Finance, and minor Computer Information Management (CIM)

1.2: Internship Information

1.2.1: Internship Details

Period: 3 Months

Company Name: Pubali Bank PLC

Department/Division: General Banking (GB)

Address: Sonargaon Janapath Branch, Uttara

1.2.2: Internship Company Supervisor's Information:

Name: Sk. Md. Maruf Hassan

Position: Assistant Genaral Manager

1.2.3: Job Scope – Job Description or duties or responsibilities

Organized various customer accounts and performed banking services in the General Banking (GB) section of Pubali Bank PLC during 3 months of internship. The key duties included:

Account Management:

- Opening and maintaining checkable accounts (joint and single).
- Savings accounts being maintained (individual and joint).
- Handling current accounts (no interest).

Deposit Schemes:

- Facilitating Target-Based Scheme Deposits (TBS).

- Controlling Monthly Profit Base Scheme Deposit (MPBSD).
- Helping with FD Receipts (FDR).

Partnership and Business Accounts:

- Handling Partnership Accounts (ERC/IRC).
- Helping with Private Limited Company Accounts (Memorandum).

Payment and Remittance Services:

- Settlement of Real-Time Gross Settlement (RTGS) transactions.
- Issuing Pay Orders for clients.
- Supervising remittance for domestic and foreign transfers.

Account Opening & File Maintenance:

- Open new accounts for clients and collaborate with customers to ensure the accurate completion of all necessary documentation.
- Maintaining updated client files in conformity with bank procedures and GU regulations.

1.3: Internship Outcomes

1.3.1: Student's contribution to the company

During my 3-month internship at Pubali Bank, I had the privilege of working in various sections of General Banking (GB). My work helped the bank better serve customers and maintain operational flow. Here's how I contributed:

1. **Account Maintenance:** Helped in the opening of new accounts for customers, for example, single and joint checkable accounts, and savings accounts. I verified that all supporting papers were obtained and completed correctly. I assisted customers with their questions and concerns regarding their accounts, ensuring they were satisfied with the services we provided and that their transactions were processed promptly.
2. **Deposit Products Support:** I supported bank deposit products like Target-Based Scheme Deposits (TBS) and Monthly Profit-Based Scheme Deposits (MPBS). I described all the details of the product to the customer and assisted them in case they had any queries. I

was also involved in FDR (Fixed Deposit Receipts) processing and ensured that the records were accurate and up-to-date.

3. **Assisting Business Accounts:** I helped with partnership accounts and private limited company accounts. I double-checked that the documents were correct and that the protocols were followed. I facilitated the opening of new business accounts, which enabled the bank to expand its customer base.
4. **Payments/Transaction Processing:** I assisted in processing RTGS (Real-Time Gross Settlement) payments and paying orders. I ensured such transactions were both prompt and correct. I provided remittance services, transferring money from one location to another, both within and outside the country.
5. **Document and File Management:** I assisted in maintaining customer files, ensuring they were sorted and up-to-date, so the bank remained in good standing with regulatory agencies and provided accurate services. My role in file updating ensured that the team could easily find important information and that every record was correct.
6. **Customer Interaction:** I wrote to customers answering their questions about the way their bank works. Took part in such activities as opening accounts and learning about deposit products. I also took care that we were PCI compliant and supported the Know Your Customer (KYC) laws, to make sure users' information is well stored and can't be used as a mean for fraud.
7. **Solving Problems and Becoming More Efficient:** I contributed to identifying and resolving minor issues with bank processes, such as account opening delays and transaction errors, as reported by bankers. I offered some ideas to fix these, which ultimately made the job faster and easier. I assisted the team in resolving client issues promptly to ensure a better client experience and in addressing complaints in a timely manner.

Through my efforts in these various areas, I helped streamline the bank's daily operations, ensured customer satisfaction, and ensured the bank's compliance with all relevant regulations. I enhanced my knowledge of banking services, including account services, deposit products, payments, and customer service, during my stint in General Banking.

1.3.2: Benefits to the student

My three-month internship at Pubali Bank has provided me with a wealth of valuable experiences and skills, which have positively contributed to my career advancement. These are the major takeaways for me based on this experiment:

1. **Knowing the Banking sector works:** I only knew a bank in theory before my internship but now, I understood how far banking is in reality behavior but only gratter the GB section, do not know the other section. I learned about different banking processes in GB sectors, including account construction, deposit and money transfer processes.
2. **Learning to Handle Customer interactions:** The most rewarding customer of all my internships was in business development in management. I participated in all types of customers, for the usual man and woman who wanted to open a savings account, for companies that kept the company's accounts with us. From there, I learned about what they were worried about them, answering any question they can have and can provide the best service. This has made sure that I cultivated the clear understanding of strong communication skills and the value of satisfied customers in banking.
3. **KYC:** I learned the importance of keeping intermediary verification, privacy, and accuracy while filling up KYC forms to be very important for litigation and risk assessment.
4. **Time Management & Efficiency:** During the time of working in the General Banking section, I have learned how to handle the job of the account’s opening, transactions and files update as a priority and never miss the target dates.
5. **Preventive Measures for Money:** During the process of RTGS, pay order and refund transactions, effecting remittances, Guarantees etc and while handling such transactions i have found that any wrong entry in account may lead to financial loss.
6. **Professional Skills Developed:**

- Meticulous on the completion of customer forms and account details.
- Resolution of Costumer Claims; Disputes.
- Work effectively as a team player in a department.

Placement was a massive theory to practice gap for me, gave me better understanding of compliance, customer services and finance. It shaped my career outlook and enabled me to have a positive effect on the world of banking.

1.3.3: Problems/Difficulties (faced during the internship period)

I faced many of these problems during my year working as an intern and my senior helped me to learn new things and grow up. I've learned a lot, during the struggles, and it is going to work out great for me when I finished. Some of the largest problems were these:

Taking care of high maintenance clients at the Start of the Month. The first of every month, the bank handled a rush of customers for all kinds of reasons. It was a high-pressure environment and I was unable to keep up with the pace as a fresh-out-of-the-box intern. I had to pick up fast how to deal with lots of customers at once and not allow them to fluster me. 1 of the most toughest thing I have handled is RTGS transactions. What did I put here for the routing number of the transaction needed below? It's what caused a customer to be so fed up they had to have the manager come, and I had to deal with it right there with a cup in my hand. I basically learnt through this exercise that those little details are the ones that mattered and you need to know how the other technical side of the business operates.

Then there was juggling the customers and it was difficult, especially during peak hours. Customers rushed in, and some were not terribly patient as their orders were held up. I had customer complaints and concerns that I tackled in a way that kept me sane, and professional. Another big skill I picked up was how to maintain complex user interaction, without making it too much to handle. Another challenge I faced was the incomplete documentation passed on to me from some clients and actually some bankers as well.

Also the small print was at times confusing and or not recorded correctly ie on RTGS Remittance, voucher processing etc. which was a final nail in the coffin and it also delayed my time frame. If things had been able to function smoothly, this would have been well. When I insisted on properly reading the paperwork before signing it, a certain number of the police officers were so rude as to make themselves quite unpleasant.

Finally, it was a long process and our experience made it worth the price. It was a way for me to learn to deal with customers, make a transaction, and trouble shoot an issue. These challenges have taught me to run complex operations, to remain productive under pressure and to be professional when products don't work as expected.

1.3.4: Recommendations to the company on future internships

Practical Recommendations for Future Internships:

- **Transparent Internship Outline:** Provide clear tasks and objectives for each intern since day one.
- **Intern Mentor:** You will pair a highly experienced mentor with the intern to guide and support them.
- **Solid Onboarding:** Provide hands-on training in bank systems and daily tasks.
- **Regular Feedback:** Schedule check-ins to review the program and address any challenges that arise.
- **Professional Work Experience:** Engage in on-the-job work experience at real banks, including account opening and transactions.
- **Department Rotation:** Enable the intern to work in various departments for the intern's broad-based exposure.

These measures will ensure the internship experience is seamless and beneficial for both interns and the bank.

Chapter 2: Organization Part

Pubali Bank PLC

2.1: Introduction

From its humble beginning back in 1959, Pubali Bank has worked its way up and has not left its mark in the economic sector of Bangladesh. The fact that it has endured and increased operations for over 50 years now, and has developed a network of over 500 branches, 230 sub-branches and a sizeable number of Islamic banking windows speaks volumes of its contribution towards the overall progress of the country.

“It’s in a very, very mature business and scalable, but it’s one of those kind of businesses that without knowing any details, there must have been things that they did to keep it growing, a never-ending modernization,” he said referring to Oliver. The reported profit increase of 46.94% of the bank in 2024 and its launch of a real-time, online banking system could have been documented in the literature, while the nitty-gritty of the diffusion of technology, market-market penetration strategies, and the impact of its corporate social responsibility on its brand identity and customer patronage have remained sparsely researched by scholars. This gap of knowledge demands a proper scrutiny of the variables which participate in order to ensure the success of Pubali Bank in a competitive market.

Such a gap cannot meet the requirement of an in-depth understanding on how Pubali Bank has succeed in these financial performance, technological innovation and CSR initiatives. Here would be the vast literature review on all these trails. Through detail analysis of these areas, this will lead the findings to readers that what are such strategies where Phbalibank utilizes, and this could be a guideline for the other banking organizations inside of Bangladesh and in the entire world.

2.1.1: Objectives

Broad Objective: To analyze the management, financial performance, marketing mix and operation systems of Pubali Bank PLC and examine its impacts on the banking industry in Bangladesh.

Specific Objectives

- To understand the origin and structure of Pubali Bank PLC.
- To analyse the leadership style, human resource practices, and employee development programmes of the bank.
- To examine the financial performance and accounting practices of Pubali Bank PLC for the last few years.
- To analyse the bank marketing policies, followed STP framework and the brand building activities.
- To understand how technology, operations management and information systems are helping to lead the efficiency and digital transformation.
- Firstly, it will conduct an industry and competitive Porter’s Five Forces & SWOT analysis to place Pubali Bank in Bangladesh’s banking sector.

2.1.2: Scope of Study

General Objective of the study This paper explores some of the broader organizational, financial and strategic concerns of Pubali Bank PLC - the biggest private sector commercial bank in Bangladesh. Historical background of the bank will be investigated to support the growth of the bank, governance, organizational leadership, HRM, and marketing policy. In the work, special attention is paid to the financial performance of the bank (2020–2024), taking into account its profitability, efficiency, liquidity, and accounting quality.

The wider issue of governance, including how well the bank builds and motivates its management in recruitment, training, compensation and performance monitoring is also assessed. In addition to that, the researchers` investigate the 7Ps, STP positioning, branding strategies and promotionalactivities of Pubali Bank for analyzing its market position and customer intimacy in Bangladesh.

It also discusses a perspective on operations management and information system practices such as digital transformation, quality management, resource management and task management. The study, spreads and extends to comparative study also industrial study that based on Porters Five

Force’n counting and SWOT analysis to determine the strengths, weaknesses, opportunities and threat of the Bangladesh banking arena’s unstable region.

Yet, the research is just based on information obtained from the annual reports, sustainability reports, traineeships and labor market and the secondary literature until 2024. However there does not exist primary field-data, such as large customer or employee surveys, which could constrict the knowledge of perspectives.

2.1.3: Methodology

Data source and methodology of research Descriptive and analytical research methodology have been adopted in this study of Pubali Bank PLC which primarily relies on secondary source of information. The approach aims to systematically evaluate the bank's organizational operations, credit administration, risk management, financial and franchise performance and strategic initiatives.

The paper is based on a mixed qualitative–quantitative methodology, and proposes a macro-analysis over the management, marketing and operational view o companies, associated with a quantitative financial and accounting assessment over period of recent years (2020–2024).

Data Sources

- **Secondary Data:** The study is based on Annual Reports of Pubali Bank PLC (2023, 2024), Sustainability Reporting 2023 and the official publications are used from bank’s website. Also Code of Conduct, Credit Risk Management Manual and organisation chart are there 4. Reports from internship academic, other scholarly sources and reference books (Rahman, 2015; Hossain, Abdullah, & Farhana 2012; Coronel, Morris, 2022; Laudon & Laudon, 2023) have also been used for analysis and comparison.

- **Tertiary Data:** Recent activities of Pubali Bank PLC, Awards and ICT activities to prepare the ICT Scenario in Pubali Bank Recent activities of Pubali Bank have been considered in a similar way Read newspaper articles and press release on Pubali Bank, and on financial news agencies of The Financial Express, The Business Standard, The

Daily Star, Banking Frontiers etc to get the updates of Pubali Bank's recent activities, awards and digital transformation initiatives.

Data Collection Technique: Secondary data was collected from reputable and authentic data sources like Pubali Bank official website, published annual report, guidelines of Bangladesh Bank and different online research database. As a way of assuring validity, we used only peer-reviewed journals, institutional reposity, and established financial news sources.

Data Analysis Technique

- **Qualitative Analysis:** Thematic analysis was used to carry out the descriptive appraisal of leadership practice, HR management, marketing strategy, and operational system.

- **Quantitative Analysis:** Financial data of company from annual report was examined through ratio analysis, CAGR trends, sensitivity analysis, DuPont analysis and Economic value added (EVA) to identify profitability, efficiency and shareholder value creation.

- **Comparison and Feedback:** The results were compared to previous research, benchmarking data such as the industry, and sustainability initiatives overall in order to assess the bank's performance.

Another limitation of the study is that it is based on secondary data, which increases the risk that the data do not represent the perceptions of employees, nor the opinions of customers. The time and non-availability of certain internal papers also bound the extent of original data collection.

2.1.4: Significance of Study

There is substantial academic, institutional and practical implications in Bangladeshi banking system in this study.

Academic value: the paper contributes to the growing literature on commercial banking sector in Bangladesh by providing a comprehensive analysis of the largest private commercial bank in Bangladesh in terms of branch network, the Pubali Bank PLC. It adds value to the academia by demonstrating how in a constellation, management practice, financial performance and marketing strategy jointly influence bank growth and survival. It also adds to the recently emerged management literature to the extend it anaLysed DuPont Analysis, EVA, SWOT, Porters Five Forces and SOAR for a real case.

Institutional Implications: The study indicates several strengths, weakness, opportunities, and threats (SWOT) for Pubali bank PLC, and the management of the bank has utilized SWOT for making a superior move in the prospectus of digitalization, risk management, customer services, and advertisement. The evaluation of the financial performance and accounting practices even serves book keeping and financial management as pivots in the bank's internal reporting and strategy development as well as in fulfilling international bank regulations.

Practical Implications: In broad perspective, the study will have its practical implications in the sense that the policy makers, regulators and other financial institutions will be benefitted through comprehending the personal banking operational system of a leading Bangladeshi Bank. It highlights best practices in governance, human development and technology for other banks to emultate in order to improve their efficiency and customer satisfaction. The research on digital banking and financial inclusion is also in the line of the national priority, aspiring to bring Bangladesh into a more modern, technology-based financial system.

Researchers' Originality: The research is initiated by academic researchers in the sense that it is an attempt to connect the theoretical research wit the banking, wherein the gap between the knowledge and the academic profession is narrowed. It enables students to master analytic skill, know the financial techniques of evaluation and the research capability that is essential for their undergraduate studies and career development.

2.1.5: Limitations

This is not the first time that our attention is called in literature to the deficiencies and limitations of the subject under review even if we engage it here by a systematic way and we take into account the great effort that had been made in the planning and the systematic analysis:

Limitation Reliance on Secondary Data: The study is largely relied on data of annual report, sustainability report, internship report and published articles. The absence of survey information employees surveys, in addition to customers' surveys and field visits limits the possibility of introspecting what happen inside and how the customer experiences.

Time Limitation: The time limit does not allow to visit few areas as PBL activities were very large. Others including international activities, micro risk management and differences in branch performance were outside its remit.

Confidential Information Unavailable: Internally, the bank's documents, including strategic plans, Compliance reports, internal audit findings, are not publicly available and only available to internal departments. This narrowed the research to what was available in publicly released reports.

Dynamics in the Banking Industry: Banking is a very dynamic industry where regulation, technology and competition change fast. Some of the findings and conclusions of the study may be affected by developments after 2024, the latest year data are available.

Potential Reporting Bias: Material available directly from the bank may be subject to institutional bias, as institutions are naturally more likely to report on their successes than on their failures.

2.2: Overview of the Company

The Bank first started as Eastern Mercantile Bank Limited in 1959 at the then East Pakistan for the convenience of the Bangalees, with 100% equity owned by Bangalee Esteemed entrepreneurs, initiated by Bangalee entrepreneurs who had a vision for robust economic growth of the country & showed their patronage in the financial sector of the country as a sign of moving business activities at support to the detriment of the then West Pakistan as it used to supply 90% of the collected revenue to West Pakistan on account of their administrative power when the country had been part away from India but from inception of the country they had refused to award any facilities on proportionate to the income they used to receive from this region accepting the much satisfaction for receiving 90% of revenue and hence they kept all sources of earning (Trade & Commercial) open for doing business and whatever business were done they used to take all profit by export & import from Bangladesh & had granted no facilities in the form of loan, advances & other forms of facilities even they did not won a bank in that territory East Pakistan. With the emergence of Bangladesh as an independent nation in 1972 this bank was initially nationalized and then a new bank, Pubali Bank,was formed immediately are that. The Bank was then denationalized in 1983 as a private bank and was given the name Pubali Bank PLC. The Bank has been making significant contributions towards mobilization of saving funds and investment of said funds on socio-economic, industrial and agricultural development and overall economic development of the country from thedate of its establishment.

Currently Pubali Bank is the leading private commercial bank with 500 branches, 230 Sub Branches 31 Islamic Banking branches and 34 extension counters and it has the largest real time centralized online banking network. PI App is the mobile app of Pubali Bank PLC also.

The profit growth of Pubali Bank PLC was dynamic during the period. It has seen earnings increase 46.94% in the last year and its Compound Annual Growth Rate (CAGR) is 11.89%. Deposit and advances have also grown steadily over the last 10 years by 12.73% and 13.77% respectively. The performance of the major financial indicators of the Bank is given in the following table.

Year	Deposit	Advances	Import	Export	Profit	Classified Advances	Remittance	NPL
2015	22,480.86	17,312.54	11,256.43	8,574.04	733.41	921.84	4,380.70	5.32%
2016	24,727.85	20,301.12	12,185.20	8,676.41	655.65	1,092.15	3,775.70	5.38%
2017	27,160.58	23,953.96	14,167.02	9,612.75	818.49	2,078.69	3,659.30	8.68%
2018	30,889.98	27,090.95	15,571.37	10,486.16	885.77	1,477.83	4,056.50	5.46%
2019	35,941.89	28,703.46	15,698.01	10,038.19	945.78	1,256.06	5,265.69	4.38%
2020	42,934.30	31,557.89	16,424.04	8,734.01	837.96	862.20	5,211.34	2.73%
2021	46,240.02	37,665.64	27,978.00	12,979.94	944.35	1,148.01	6,050.00	3.05%
2022	51,083.65	46,188.41	27,438.30	18,317.49	1,133.75	1,212.12	8,681.34	2.62%
2023	60,180.42	55,449.55	29,544.60	19,674.70	1,535.31	1,586.20	13,024.72	2.86%
2024	74,523.18	62,925.43	44,067.37	31,847.44	2,255.98	2,740.78	5,311.90	4.36%

Figure 1: Business Growth

2.2.1: Historical Background and Achieved Award

According to Pubali Bank PLC, 2024 annual report says that

1959	The Eastern Mercantile Bank Limited opened for business at Chittagong
1961	Was sanctioned to a Semi-Government Banking transaction

1966	Opened "Karachi Branch" in West Pakistan
1971	CUSTODIAN OF GOVT.Tariff & TaxShifting of Head Office from Chittagong to 26 Dilkusha C/A Dhaka
1977	Takeover of United Bank of India as Bank of Baroda Establishment of Pubali Bank Training Institute (PBTI)
1983	Denationalisation, certificate of incorporation obtained, certificate of commencement obtained, Bangladesh Bank permission obtained.
1984	IPO and Listing in Dhaka Stock Exchange (DSE)
1995	CSE Listing of the company
2000	Authorised and Paid-up capital are TK 5000 million and TK 160 million respectively 1997 The Africon awarded 1st position ‘Equity Return’ from “The Asiaweek” magazine
2001	Paid-up capital Tk 200m
2002	350 branches became computerized
2003	Implementation of basic bank software (PIBS)
2004	Approved to undertake Semi-Government Banking
2005	Registered as a Depository Participant with Central Depository Bangladesh Limited (CDBL)
2006	Launch of brokerage business
2007	Recipient of the Banker’s Forum “Corporate Social Responsibility” award
2008	Beginning of Islamic Banking Wing
2009	Initiate Real-time Online Banking Operation Celebration of 50 fabulous years Received “Bangladesh Business Award 2009” from DHL
2010	Opening of 1st SME Branch, Opening of 1st Islamic Banking Window Launched of 400th branch, Introduction of Pubali Bank Securities Limited 2011
2012	Inauguration of 24/7 call centre; Increase in authorised share capital and now We are members of ATM Card
2013	We got our principal membership of Master Card and Visa Card

2014	Achieved ICMAB's 'Certificate of Merit' award, Achieved NBR's 'Financial Branding Award', Launched first kind of SMS-based banking services
2015	Starting Off -shore Banking Operatio n Laun ching o f Credit Card Starting RTGS
2016	Recognised with “Top Ten Remittance Award”
2017	Launch of Centralized Trade Processing Centre -Issuance of Subordinated Bond-1
2018	Agreement with IFC, introduction of cash deposit machine (CDM) received 19th ICAB national awards for best presented annual reports
2018	IFC Agreement and CDM Introduction, award from ICAB 19th national award for best presented annual report
2019	60 years of anniversary issuance of subordinated bond-2
2020	1st sub-branch opened inuguration of “Mujib Corner”
2021	ICMAB Award 2022 Top 10 sustainable banks
2022	Named in sustainable bank Top-10
2023	Introduced POS Terminals and QR code launched e-KYC account ppening of 500th branch
2024	ISO: 27001 Certification, ‘AAA” credit rating from CRISL, ‘22nd Bangladesh Business Awards as the Best Financial Institution’ also Received Mastercard Excellence Awards.

2.2.2: Mission & Vision

Mission: Pubali Bank's mission is to not only be the most reliable bank in Bangladesh but also the bank of choice in the region. It aims to meet their financial needs and do so in a timely and proper way, delivering first-rate finance, capital and risk management. Being a customer-focused initiative along-with technology driven, the Pubali Bank offers value-based knowledge and services and products including reliable and relevant distribution channels of the bank, in addition of a sound and strong organizational structure offering personalized career development plan and local near job location.

Vision: Pubali Bank Limited wants to be the best private commercial bank in Bangladesh in terms of efficiency, capital adequacy, asset quality, sound management and profitability having strong liquidity. The bank practices good governance, the management, and employees are the motivators of a new future generation business with future values driven by a mission and core values (Pubali Bank PLC, 2024).

2.2.3: Organisational Structure of Pubali Bank PLC

According to Pubali Bank PLC, 2024

1. Top–Level Government: The top of the organization Pubali Bank is the "Board" of Director, whose primary responsibility is to take strategic decision and oversee the policy imposed. Key committees that support the board are: Risk management committee, executive committee, audit committee.

Such, committees serve as effective mechanisms for corporate governance, risk evaluation, operational efficiency and regulatory compliance. The managing director & CEO is the executive head of the bank who is responsible for implementing board decisions, managing all the divisions of the bank and for the day to day functions of the bank.

2. Functional Structure and Chain of Command: The bank has a functional structure of chain of command where they have The Managing Director under who we have group of Deputy Managing Directors (DMDs), General Managers (GMs), and Chief Officers which controls the primary operation areas. This sectors are design to maximize specialization, accountability and coordination throughout the bank's comprehensive offering.

3. Breakdown of Major Divisions

Risk Oversight and Governance (GM&CRO)

- Risk of management division to the group that manages credit and market risk and operational risk.
- Board division to responsible for the organisation of board meetings and recording board minutes.

- Personnel division are recruitment, training, and staff welfare.
- Public relations cell, pill corporate image, media liaison and commuIlication.

Leases and Corporate Services (DMD)

- Corporate credit division to micro Finance Industry and its linkages as our Line of business.
- Estt. & general services division to looks after infrastructure and logistics.
- Leasing units provides assets financing solutions.
- Islam banking wing, offers Islamic Banking products.

International & AML (DMD & CAMLCO)

- International division are manages foreign exchange and global trade.
- Offshore division to deals with offshore accounts and transactions.
- Treasury are Liquidity, and Investment management.
- AML division to comply with AML laws.

DMD & Head of ICC Internal Control & Compliance

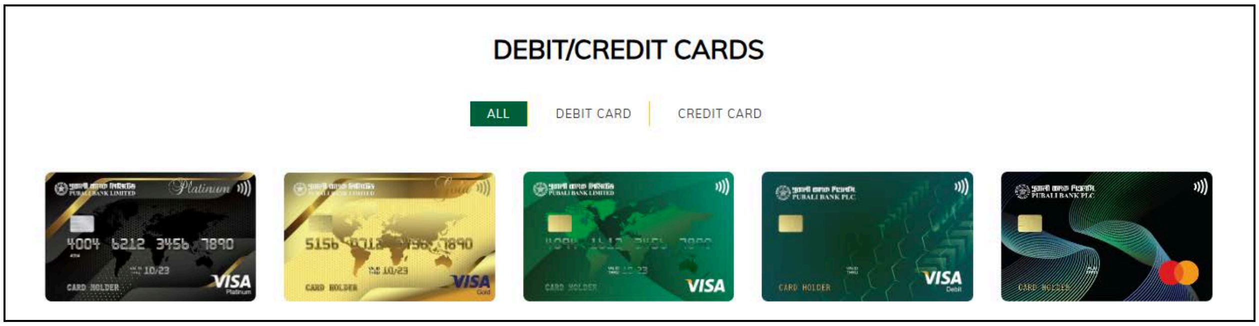
- Audit & Inspection Division to interior checks.
- CC wing regulatory control of the Regulation and Compliance Division.
- Monitoring division to monitoring of risk and control.

General Operation and Research (DMD)

- General Banking & Operations Division are basic banking services.
- Corporate credit division (non-garments) are all other than garments.
- Adjunctive Division to acts as a henchman for drugs and services.
- Other delivery channel division to through ATM, through internet banking, through mobile banking.
- Rework & development unit to innovation and developement.

CMSME & Recovery (DMD)

- CMSME Division are Cottage, Micro, Small and Medium Enterprises Services of the Corporation.
- Credit Administration, Monitoring & Recovery Division. This division monitors and recovers loans.
- The Consumers Credit Division. Which provides personal and retail loan products.
- Law division are legal matters and litigation.
- Card business division are credit or debit or prepaid card service business.



Figur 2 : Card Division

ICT and E-Banking (DMD ICT Affairs)

Supervised by (GM & CTO):

- The Division of ICT Operation, it Operation in core banking.
- Software division in the company software products.
- Card operation division are support back-end for card transactions.

Finance and Accounts (GM & CFO)

- **Central Accounts Division:** Reporting systems, GenLed management.
- **Treasury Division:** Support work in the back office for treasury operations.

Organizational structure: The Organization structure of Pubali Bank is centralized and functionally divided where all Deputy Managing Director or GM are associated with a separate functional area.

This is allows to clear reporting lines and efficient division of the labor.

Strategic fit with national and international banking benchmarks

Dedicated wings for Islamic Banking, AML or CFT Compliance, digital services and CMSME lending were introduced to underscoring the bank's dedication to innovation, compliance and inclusiveness this area.

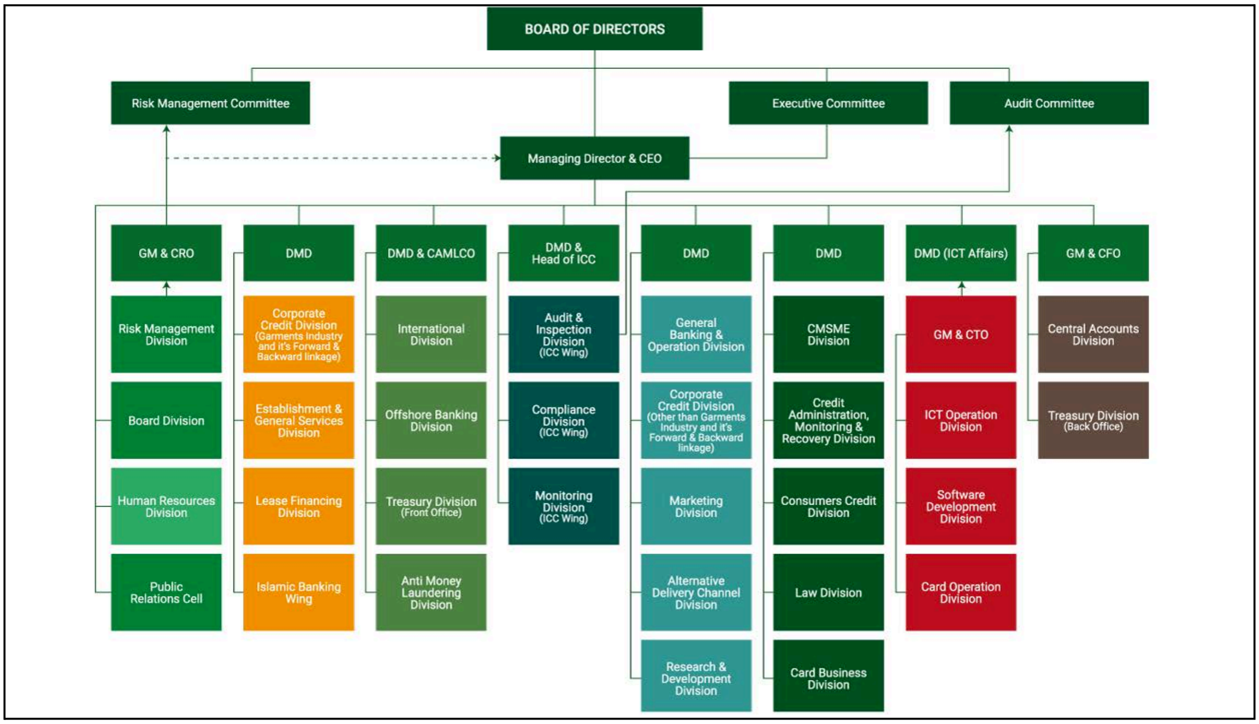


Figure 3: Bank Organogram

2.3: Management Practices

2.3.1: Leadership Style at Pubali Bank PLC

The style of leadership at Pubali Bank PLC is strategic, performance driven, ethical, and participative. C-suite executives map business growth in line with compliance regimens and national economic priorities around areas such as remittances, customer service and digital.

Performance based recognition is an essential element where good performing managers would be awarded annually for staff's motivation and more sense of responsibility **(FE Online Desk, 2024)**. "The bank also holds its strict ethical policy through well implemented induction for staff and official code of conduct . As a holder of ISO/IEC 27001 certification, it underlines its dedication to contemporary approaches and strong risk management.

Inclusive leadership will be seen when Sultana Sarifun Nahar becomes the first female Deputy Managing Director in 2025, for promoting diversity of gender and merit based promotion. Conclusion The overall leadership styles of Pubali Bank have demonstrated that this comprise a vision-oriented strategy, ethical based governance, performance focused and inclusion approach which have contributed to a sustainable growth in the highly competitive and volatile banking industry **(Pubali Bank PLC, n.d.)**."

2.3.1.1: Leadership & Governance Structure (Board of Directors & Executive Management):

- "The Board, headed by Monzurur Rahman at present, gives strategic direction and participates in supervision **(FE Online Desk, 2024)**."
- "The executive handler PBL's daily activities, performance indicators and long-term objectives are MD & CEO Mohammad Ali as well as several Deputy Managing Directors Mohmmad Esha, Shahadat Hossain **(Pubali Bank PLC, n.d.)**."

2.3.1.2: Leadership Style: Strategic, Performance-Oriented, & Ethical

1. **Strategic Vision with Operational Rigor**

- Top executives stress balancing business growth with compliance to regulations and national economic expansion
- They promote critically, the establishment of clear goals, such as increasing remittance services and building customer service, and regular tracking of performance praise of best manager.

2. **Performance Recognition & Motivation:** At the bank's annual managers' conferences, top-performing branches are recognized just in 2024, 50 top managers have received awards to remind them of past achievements and drive them to greater heights.

3. **Compliance & Continuous Learning:** "Fresh-employees receive controlled orientation regarding b anking norms, compliances and ethical codes. The college is operating under a Code of Conduct which encourages sound and proper business practices throughout the organization **(Pubali Bank PLC, n.d.).**"
4. **Best Practice & Risk Management:** "New ISO27001 certification (2022) which has been obtained in the best interest of the company as a whole, underpins the commitment to information security and governance. The bank is well covered with high prudential standards including CRAR, leverage, and liquidity etc. and is monitored on various risks and there is nothing to worry about the safety of bank **(Pubali Bank PLC, n.d.)**."
5. **Inclusive & Progressive Leadership: "**Appointment of First Ever Female Deputy MD in January 2025 is a step on the road of meritocracy and gender inclusivity (Pubali Bank PLC, n.d.) ."

2.3.1.3: Organizational & Cultural Impact

- **"Arranged according to hierarchy but independent:** Management with a view from the top, with each branch managing itself but still all together under a central planning.
- **Empowerment and Accountability Culture:** Through performance recognition and career opportunities, they still run accountability, but also support you for future development in your career.
- **Risk-Awareness Culture:** Values on code of ethics, rigorous induction, along with the adherence to ISO standard brings in a culture of security and compliance.
- **Customer & Growth-Originating** Analytics Focus: Leadership always highlights how insights can enhance customer services, allow new business verticals like remittance, and make use of digital banking capabilities **(FE Online Desk, 2024)**."

Figure 4: Pubali Bank PLC holds Annual Managers' Conference-2024

2.3.2: Human Resource Management and Recruitment Process

According to Pubali Bank PLC (n.d.) states, operates a formal Human Resource Management (HRM) system to hire, train and manage its extensive workforce nationwide in Bangladesh. Recruitment process of Rupali bank ltd consists of job circular in Rupali bank's website (www.rupalibank.org), daily newspaper & in other online job portal-bdjobs.com. com. Prospective candidates will need to apply online by providing their academic details and other information. Candidates with a reasonable score in the written examination are called for an interview, from which a final merit list is prepared on the basis of which candidates are invited. The students who clear the written test are called for a viva- voice test; in viva, they are judged on the basis of their communication skills, confidence and banking awareness. Selected finalists undergo a medical examination and background check. If you successfully complete the process you would be provided with appointment letter and you should join according to the mentioned date.

"After being hired, new employees are put through a five-day orientation training at the bank's training institute in Dhaka. This training familiarizes them with banking laws, customer relations, internal procedures including the software Flora Banking and the fundamentals of the bank including its corporate culture and policies. The HR Department of Pubali Bank handles the whole 53 process of recruitment, training, staff benefits, leave management and performance evaluation. The government employees are assessed every year through the ACR (Annual Confidential Report), which is vital for promotions, postings and merit-based incentives. The HRM system is intended to develop employees as well as to attain the bank's operational objectives effectively **(Rahman, 2015).**"

2.3.3: Compensation and Benefits

A professional and competitive salary and benefit package is available at Pubali Bank PLC, working as part of a highly motivated, culture friendly team. According to the bank's official **Sustainability Reporting 2023** and **Annual Report 2022**, In 2022 Pubali Bank has extended BDT 9,273.6 million against the salaries and allowances of different groups of staff signifying deep financial engagement which ensure the well being of the employees. The staff is provided with various allowances, house rent, conveyance, utilities, medical, leave-fare etc that depend upon their rank and level of service. The bank also offers two annual festival bonuses and performance related incentive bonuses to recognize and motivate the contributors. Pubali Bank Ltd also operates two contributory retirement plans a Provident Fund and a Gratuity Fund, which are jointly funded by employees and the bank. Employees are covered by life insurance and are eligible to apply for low-interest loans on the security of their provident fund balances and already have separate housing loan schemes. Additionally, bank has Staff Welfare Fund for helping their staff at the time of mishap and after retirement. Employees are entitled to various types of leave including casual leave, privileged leave, medical leave, maternity leave, study leave, and post-retirement leave. Taken together, these policies signify' Pubali Bank's commitment to following best HR practices in the banking industry of Bangladesh and invest in its human capital.

2.3.4: Training and Development Initiatives

Training and Development Pubali Bank PLC believes in progressive instruction and skill development for employees to ensure competent workforce and sustainable growth. According to its **2023 Sustainability Report**, it offers regular in-house training on environmental and social risk management, corporate governance and ethical compliance keeping its employees informed on all relevant regulatory and sustainability developments. Newly recruited junior officers have just undergone a five-day orientation program organized by the Human Resources Division on various aspect of banking ie basic banking, laws, rules, procedures, operational activities. The bank's CMSME Division also organized customized training programs on sustainable finance and green financing in an apparent strategic effort to enable its staff to learn niche skills consistent with global sustainability trends. In partnerships such as the MoU with Bangladesh Bank for the Skills for Industry Competitiveness and Innovation Programme (SICIP), Pubali Bank will provide entrepreneurship development training from 2025 to 2027 in different districts"**(Pubali Bank PLC, 2023)**. These focused and sustained measures are all evidences of Pubali Bank's creed of life-long learning, regulatory readiness and a sector focused capacity development.

Figure 5: Pubali Bank PLC signs MoU with Bangladesh Bank 06-05-2025

2.3.5: Performance Appraisal System

"Pubali Bank PLC employs a formal Annual Confidential Report system to evaluate employee performance and inform promotion decisions. Research indicates that the serves a dual purpose of assessing both qualitative attributes such as work ethics, interpersonal skills, communication, and integrity and quantitative outcomes including target achievement, task completion, and customer service standards. Managers complete the ACR annually, and these results directly impact promotions: employees deemed "fit for promotion" through their ACR scores form a panel from which successful candidates are selected within the year . Scholars have highlighted that while the ACR system is well-structured, relying solely on supervisor ratings can introduce bias and subjectivity, and there is limited formal feedback provided to employees. To address these challenges, the bank is exploring enhancements such as clearer evaluation criteria, structured KPI integration, and more transparent feedback mechanisms to bolster fairness and employee development within its appraisal framework **(Hossain, Abdullah, & Farhana, 2012)**."

2.3.6: Organizational Divisions and Departmental Overview

"Pubali Bank PLC functions as a 3-tier organisation that is closely pressed to control its huge business operations throughout the Bangladesh. The network, consisting of 707 branches; 9 corporate and 17 zonal offices, is under central surveillance from the Dhaka Head Office **Anunal Report 2024** ." At Head Office level, significant function units Audit & Inspection, Credit, International Banking, ADC, IT & Automation, AML, Card Business, Treasury HR, Legal, Marketing and General Services, are responsible for strategic planning, policy and procedure formulation management of Compliance risk, information security and digital innovation. At the field level, the branches run core functional departments pertaining to Accounts, Cash, Credit, Clearing and Bank Remittances under the direct monitoring of Branch Managers for smooth transaction of day-to-day banking business. This hybrid model enables Pubali Bank to maintain standardization at the operational layer, as well as quality at the local execution end which is aligned with it's overall mission, definition and regulatory compliance.

2.4: Marketing Practices

2.4.1: Marketing Strategy

Pubali bank PLC adopts the 7P concept of service marketing Product, Price, Place, Promotion, People, Process and Physical Evidence. "Historically, the bank has been product-centric centered around product development, focusing more on standard products and less on "customer solutioning"; however, product approaches are moving towards segmentation and the "customer call base". The Bank divides clients into students, salaried persons, small entrepreneurs, and users of rural remittance **(Zahid, 2008; Sharma, 2015),"** and "is established as a trusted, community-based actor in Bangladesh. The product strategy not only encompass loans but also various deposit products (FDR, pension plans, school banking), financing SMEs and digital service capabilities. It offers competitive pricing with no customer-specific rates and 435 branches, 101+ ATMs and online banking to distribute the loans. Promotion is 'old style' dominated by newspapers, ATM posters, agent promotions little digital activity. Staff training is based on efficiency, customer service offers no 24/7 help or CRM system in place. Even in the modern days opening of account, cheque clearance and loan approval are in the hands of human beings, evidence of which are branches, ATM, and the paper and printing and have not yet been standardized for uniformity of access to facilitate an equally uniform customer experience **(Sharma, 2015)."**

2.4.2: STP Strategy

In the competitive scenario of banking industry of Bangladesh, 'Pubali Bank PLC' has planned a strategy known as STP (Segmentation, Targeting, and Positioning) in a seamless and effective manner to cater a huge and diversified customer base. Being the largest private commercial bank in the country in terms of branch network spread over the country and range of products, Pubali bank cater the need of customers across different market segments. Benefits The STP model allows the bank to allocate resources effectively, improve service quality and position itself in the marketplace **(Dash, 2021, p. 12).**

Segmentation Strategy: Market segmentation is a central element of Pubali Bank's marketing strategy. The bank segments its customer base by using demographic, geographic and behavioral criteria, and then proceeds to design its services to cater for their needs.

- **Demographic Segmentation:** Banking Concept of Pubali Bank by Age, Income, Gender, Profession The Pubali Bank has different types of offers each type of customer like different income group, different age group, different profession and gender. The bank provides school banking services to children, consumer loans to salaried professionals, pension schemes for the retired and SME fund for entrepreneurs. Besides, dicated loan products have also been developed for women entrepreneurs under "Pubali Karma Uddog".

- **Geographic Segmentation:** Pubali Bank is one of the largest commercial banks operating in Bangladesh. It has the largest real time online banking network. Branches in urban areas offer comprehensive financial services including digital banking, while those in rural areas provide inclusive banking through remittance and deposit products suited for rural customers.

- **Behavioral Segmentation:** Customers are categorized according to their banking behavior as well. Legacy customers who have a personal preference for in-branch services are catered for via a personal service, while digital native clients are assisted via internet banking, apps and ATMs. Another behavioral segment that we believe the bank is actively catering to is the remittance recipients with the facility of fast pace foreign exchanges and fastest money transfers.

Targeting Strategy: They apply differentiated targeting strategy because they serve of them are very carefully several market segments with difference services. Te segment is served with personalized products, communication and service approaches.

- **Retail Banking Clients:** This category contains household savers, employees bearing salaries, deposits mobilised in terms of saving deposits, fixed deposits, consumer loans, etc.

- **Small and Medium Enterprises (SMEs):** "Small and Medium Enterprises (SMEs) are identified as one of the priority segments and are served with tailor made loan products, working capital finance and other advisory services.

- **Corporate Clients:** Trade finance, treasury operations, and letter of credit services are provided to large business customers.

- **Women Entrepreneurs:** The bank works to ensure women have access to finance through flexible non-collateral credit options and location-based services.

- **Youth and Students:** Young members are recruited through school banking programs and digital savings products to encourage early financial literacy.
- **Remittance Recipients:** Recipients can get easy access to funds through Western Union and other established remittance providers that Traveleverywhere partners with.

Positioning Strategy: Pubali Bank positions its bank as reliable, friendly, and community taste bank. It highlights its history, wide spread of geography and focus on banking for all.

- **Trust and Legacy:** The bank came into existence in 1959 and have developed a niche in the hearts of members and non-members of their community owing to their quality service delivery, and high ethical standards.
- **Accessibility:** With the largest network of 426 branches, PUBALI Bank Limited has been able to create a good image in the banking sector and achieved good customer confidence.
- **Inclusivity and Community Engagement:** The bank fosters diversity and inclusion with high ratio of female employees and running bank services to communities who are marginalized. Aside from that, Pubali Bank is participating in CSR (Corporate Social Responsibilities) in order to build a strong relationship and trust on the people of the country.
- **Service Range and Innovation:** The lender has a full menu of conventional and Islamic banking services. While the digitalisation journey is ongoing, the bank is incrementally enhancing its e-banking offerings to cater to a more technologically adept customer base.

2.4.3: Marketing Channels

Marketing channels of Pubali Bank PLC, as per the secondary sources internship report of **Dash (2021)** and public data published by Pubali Bank PLC are:

In service marketing, marketing channels are the networks through which a company provides its services to its customers. Marketing channels For a financial services firm like Pubali Bank PLC, marketing channels are all physical such as bank branches and digital solicitation for products and services that enter a consumer market place. As the largest private commercial bank in Bangladesh by branch network, Pubali Bank relies on a mix of traditional, direct and digital channels to effectively communicate with their customers.

1. Branch Network (Direct Channel)

- The branch-banking channel continues to be the core of the service delivery model of Pubali Bank.
- As of 2021, the bank had about 482 branches from urban to rural areas of the country.
- In-branch services include account opening, clearing of cheques, cash, processing of loans, and providing of customer service from the branch.
- The vast geographical reach promotes financial inclusion, particularly in under-banked rural areas.
- "The biggest asset of Pubali Bank is its large branch network, so that it can reach out to a large number of clients directly and develops personal relationship with the clients **(Dash, 2021, p. 13)**."

2. ATM Network

- In order to enable 24/7 accessibility to basic banking facilities, Pubali Bank has widened its network of ATMs.
- There are over 100 strategically located ATMs managed by the bank.
- Clients can withdraw money, check balances and make transfers.
- Inter-bank transactions can be carried out from ATM using NPSB (National Payment Switch Bangladesh).

3. Digital Channels (Mobile Banking and Internet Banking)

Acknowledging the significance of digital transformation, Pubali Bank PLC ventured into e-banking services.

- **Pubali e-Banking:** Offers real time place for the account position and online account inquiry, transfer of funds, pay of bill etc.
- **App:** Both an Android and iOS application, enabling customers to bank from anywhere.

- **SMS Banking:** Enables balance inquiries and mini-statements using basic text commands.

The digital banking system is not yet mature as compared to the competitors are BRAC Bank or Dutch-Bangla Bank etc. "Pubali Bank provides internet and mobile banking, but it needs to further develop digital infrastructure for the smooth and secure transaction **(Dash, 2021, p. 15)**.

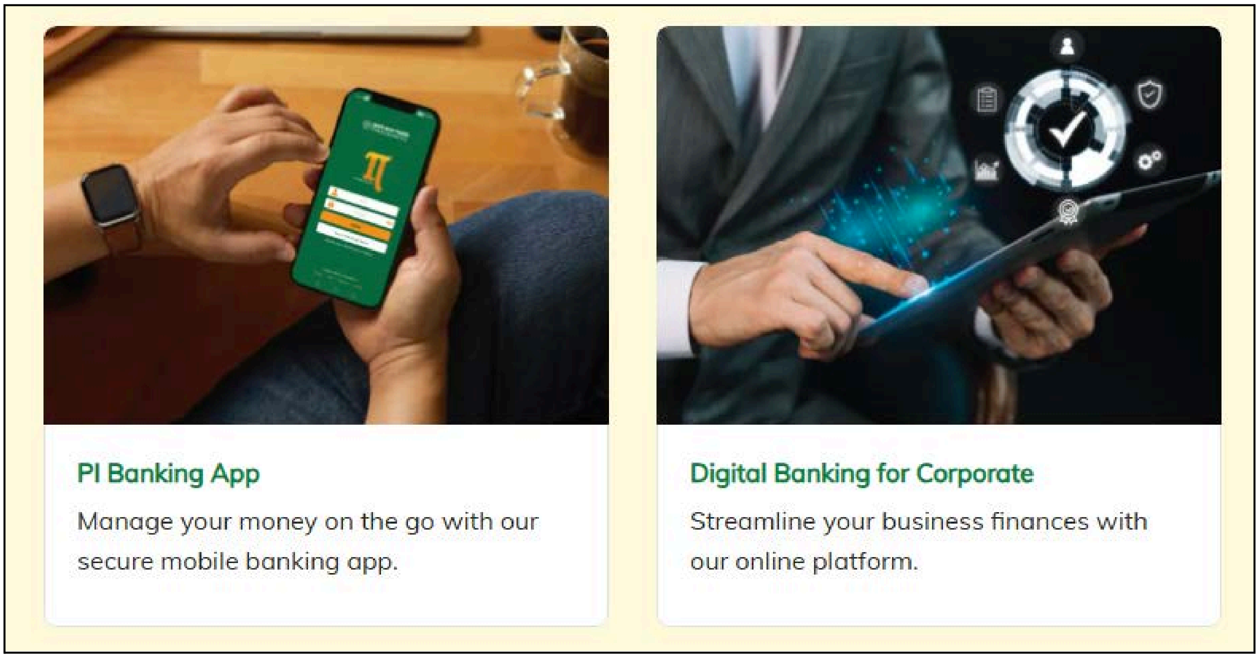


Figure 6: Digital Banking

4. Remittance & Exchange Partners (Third-Party Channels)

The bank collaborates with global remittance services for cross-border transactions.

- They key partners are Western Union, MoneyGram and local exchange houses.
- Pubali bank account holders could receive remittances directly or through pick up points as a result of these arrangements with the the non-resident groups.

5. Agent Banking (Emerging Channel)

Though in early phases, agent banking is being explored as a way to reach even deeper into the rural hinterland.

- This model also allows third party entities to provide simple banking services such as deposits, withdrawals, and bill payments.
- It enables efficient growth in areas where full branch operations are not feasible.

6. SITE & SOCIAL MEDIA (channels of Communication)

Although Pubali Bank has an official website for public relations, the use of social media and digital content for marketing purpose is low.

- **Website:** www.pubalibangla.com provides banking forms, service descriptions, branch locations, and news.
- **Social Media:** Low posting activity on sites such as Facebook or LinkedIn.
- **Integrated Digital Advertisements and Content Marketing:** No evidence of integrated digital advertisements and content marketing for the different segments of customers.

2.4.4: Product Development and Competitive Practices

Over the years Pubali Bank PLC has provided a vast array of services enabling it to boast strong and growing corporate and retail customer bases which have proved to be equally loyal and service sought after. The bank focuses on customized financial services, digitization, and nation-wide service coverage in a changing banking environment.

Product Development: Pubali Bank PLC management had embraced the customer focus of product development, responding quickly to a wide range of customer requirements:

- "Pubali Bank PLC offers retail banking products, such as savings accounts, fixed deposits and monthly savings schemes. These are products for people that vary in terms of their appetite for risk and the objectives they want to meet **(Dash, 2021, p. 15)** ."

- "The bank provides various types of loan products including SME finance, personal loan, lease finance, and home loan. They must be adjusted at intervals to reflect the current economic conditions and customer needs **(Sharma, 2015)**."

- “Trade finance & working capital services for the corporate customers, bank has also introduced full-fledged trade finance and working capital facilities like L/Cs, guarantees, export-import mana ging and others (Chakma, 2022).”

- “To address the increasing demand for digital services, PBL launched Pi Banking, a real-time online and mobile banking platform which allows for safe, secure transaction, account management and bill payments application (Dash, 2021, p. 15).”

- “The bank also provides Islamic banking services through dedicated windows to cater the services to the demands of Islamic Shariah such as Mudarabah deposits, Bai-Muajjal loans (Sharma, 2015).”

Competitive Practices: Pubali Bank PLC maintains its competitive lead through strategic competition:

- **Large Branch Network:** “Bank has the highest number of branches (490) as well as sub-branches (40) among the private banks, which suggests penetration even in the rural areas for service availability (Chakma, 2022).”
- **Digital Systems: “**The bank replaced its core banking software and centralized systems to enable faster and secure transactions (Dash, 2021) .”
- **Strategic Alliances:** “Partnerships with Visa, Western Union, and other financial networks expands its services offering, from remittance, card services (Sharma, 2015).”
- **Human Resource: “**Bank focuses on transparent hiring, organized training; and internal career opportunity, creating benefits in efficiency and customer service (Dash, 2021, p. 15).”
- **Corporate Social Responsibility:** “CSR and inclusivity to gender additionally contribute to PBL’s brand equity. TThe bank is also famous for recruiting and promoting female staff besides participating in the education, health and community development programs on a regular basis(Sharma, 2015).”

2.4.5: Branding Activities

Branding Award 2025: Pubali Bank PLC has received the ‘Branding Award 2025’ from the Centre for Non-Resident Bangladeshi (NRB) in recognition of its special contribution to the

Branding Bangladesh campaign. Centre for NRB organizedthe opening ceremony of the World Conference Series 2025 “Branding Bangladesh” and the award was given at the event. The award was handed over by Md. Touhid Hossain, Foreign Affairs Adviser & Chief Guest of the programme to Mohammad Ali, Managing Director & CEO of Pubali Bank PLC. Dr. Ahsan H. Mansur, Governor of Bangladesh Bank; Barrister Saif Uddin Khaled, speaker of Tower Hamlets, UK and others guests were also present as Special Guests. The program was chaired by MS Shekil Chowdhury, Chairperson of the Centre for NRB.

Figure 7: Pubali Bank PLC gets 'Branding Award 2025' by the Centre for NRB12-01-2025

Co-Branded Card Launch with BADAS (Diabetic Association of Bangladesh): Pubali Bank PLC. BADAS issues Co-Branded Card with Interswitch, Bangladesh. The launch program took place at the Diabetic Association of Bangladesh. A K Azad Khan, National Professor & President of Diabetic Association of Bangladesh and Mohammad Anisuzzaman, Deputy Managing Director of Pubali Bank Limited. were present in this event. Md. Sayef Uddin, Secretary General of Diabetic Association of Bangladesh; Abu Laich Md. Samsujjaman, General Manager and Regional Head, Dhaka Central Region; N M Firoz Kamal, Deputy General Manager and Head of Card Business and Mst. Masuma Khatun, DGM & Head of Shahbag Avenue Branch of Pubali Bank also attended the program. Under this programme, the all officials employees of Diabetic Association of Bangladesh and its concern will be provided Debit and Credit Card embossed with the logo of the Bank and BADAS.

Figure 8: Pubali Bank PLC. Launches Co-Branded Card with Diabetic Association of Bangladesh (BADAS)02-02-2025

Remittance Awards & NRB-Focused Branding: According to **Pubali Bank PLC (2022–2024)** recognized as an institution devoted towards ensuring the welfare of the overseas Bangladeshis, as reflected by its consecutive win the highly prestigious ‘Remittance Award’ from Centre for NRB. The bank has been recognized at the Branding Bangladesh award for its exceptional collection of remittance for three consecutive years 2022,2023 and 2024, added more feathers to its cap and demonstrated why as a brand it is regarded as a top-class financial organization for the expatriate community all across the globe.

“Pubali Bank won the Remittance Award for the year 2023 in 2024. Dr Mashiur Rahman, Economic Affairs Adviser to the Prime MiniSter handed over the award to Managing Director & CEO Mohammad Ali at a programme in Dhaka. Other prominent participants were Shafiqur Rahman Chowdhury MP, State Minister for Expatriates' Welfare and Overseas Employment and Dr. A. K. Abdul Momen, former Foreign Minister. The programme was chaired by Chairperson of the Centre for NRB MS Shekil Chowdhury **(Pubali Bank PLC, 2022–2024)**.”

In 2023 the bank had previously won the same category for its performance in 2022. There were a wide variety of high-level dignitaries at the award ceremony, which included UK-based mayors Henna Chowdhury and Faruk Choudhury, former chiefs of Bangladesh’s Navy, Air Force and Police, and leading national figures. These presences underscored the bank’s increasing global exposure and ambitions of bolstering financial relations with the diaspora.

In 2022, Pubali Bank received the Top Ten Remittance Award as one of the largest recipients of remittances. The then Foreign Minister Dr. A. K. Abdul Momen handed over the award to the then Managing Director Safiul Alam Khan Chowdhury. The CHIEF OF ARMY STAFF, Economic Affairs Adviser to the Honorable Prime Minister and the State Minister for Planning were present at the program as honorable guests, which is an indication that the role of the bank is very significant in the national economy in the aspect of the remittance.

These successive awards not only boost Pubali Bank’s image as the No.1 remittance handling institution, but also add more value to its brand image especially among NRB clients. The award also highlights the perception of the bank as a reliable, customer-focused and friendly financial institution to the diaspora, with an indispensable role in the development of the nation especially in facilitating remittances.

Figure 9: Remittance Awards and Branding Recognition of Pubali Bank PLC (2022–2024)

Growth of Digital Banking: The development of digital banking has led to extensive advancement of Pubali Bank to add an extra modern look. The bank has also released the ‘PI Banking’ mobile app & internet banking service which allows its customers to make funds transfers, utility payments, credit card payments, get their account statements on a real-time basis, QR scanning, and KYC-based account opening, among other facilities. A **2022 report by The Daily Star** stated that the bank is focusing on rolling out QR payment systems, creating enquiry based digital awareness in branches and providing fee-free intra-bank digital transactions to attract tech-savvy customers.

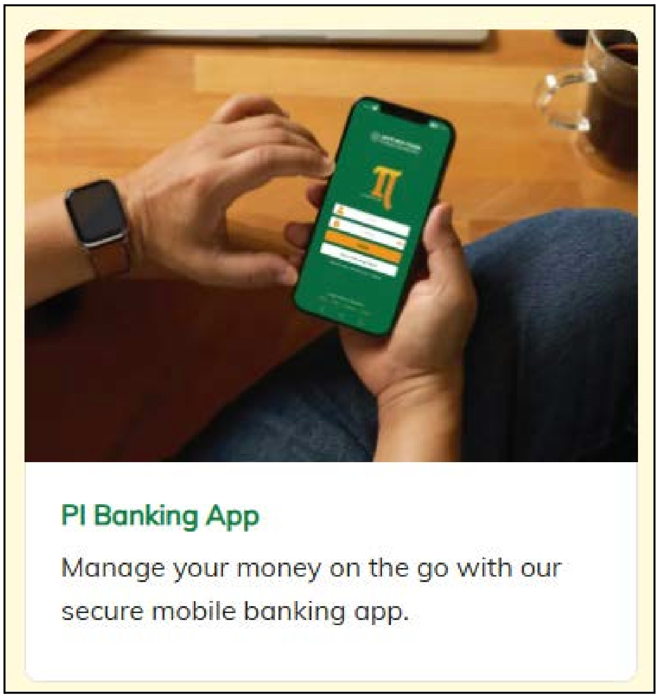


Figure 10: PI Banking

BUET Co-Branded Card Launch Pubali Bank PLC: Pubali Bank PLC. 76-inch phone Co-Branded Card with Bangladesh University of Engineering and Technology (BUET). BUET Council Bhaban auditorium held the service exclusively. prevalentcardChief Guest Bangladesh University of Engineering and Technology (BUET) Vice Chancellor Professor Dr Abu Borhan Mohammad Badruzzaman. Managing Director and CEO of Pubali Bank Mohammed Ali was present as the chair of the programme and Professor Dr. Abdul Hasib Chowdhury, Pro-VC of Bangladesh University of Engineering and Technology (BUET) was attended among others as Special Guest. Abu Laich Md. Samsujjaman, General Manager & Regional Head, Dhaka Central Region; N M Firoz Kamal, Deputy General Manager & Head of Card Business and Mst. Masuma Khatun, DGM & Head of Shahbag Avenue Branch of Pubali Bank were also attended the occasion.

Figure 11: Pubali Bank PLC. Launches Co-Branded Card with BUET18-05-2025

Credit Rating Report AAA ST-1 Credit Ratings: **“**Pubali Bank has been assigned an AAA (long-term) and ST-1 (short-term) CRISL rating according to the official credit rating reports on financial statements up to December 31, 2023. The ratings, which are on a read-across basis, are in line with the current ratings on the notes and reflect extreme and strong ability fulfiinancialcommitmen liquidity. This joint rating is frequently referenced in the bank's annual reports and press releases as evidence of the bank's financial soundness and corporate authority **(Hoque, 2024) .”**

Figure 12: AAA Rating from CRISL

Impact on Branding: Publi Bank created a technically strong and economically sound unit by incorporating modern characteristics into brand ideology. With sophisticated mobile bank features, Silavya credit cards and Prime Credit Score, it wins the trust of traditional and technical conscious customers. Along with focusing the focus on security services, such as "Come Now", "Pin Safe: and" Safe Mode ", Bank fights on fraud and increases the availability of services, all of which support their management status in the market.

2.4.6: Advertising and Promotion Strategies

From the internship report of titled **"The Critical Evaluation of Marketing Mix Strategy in Pubali Bank Limited"** by the Lisa Sharma (BRAC University), one of the advertising and promotional mix of Pubali Bank PLC seems to be compiled as following like the:

1. Limited Advertising Strategy

- Low media advertising: Pubali Bank usually does not involves heavily in advertising via media like TV, newspapers, radio. It has less of a presence in the mass-media space than other private banks.
- Word-of-mouth and reputation: The bank significantly depends on its brand reputation, branch network that enables face-to-face interactions, and customer endorsements for its branding.

2. Social Activities and Sponsoring

- BANK PROMOTION The bank uses sponsored sports events, cultural programs and social development activities as indirect promotional tools. These include:
- Sponsoring boating competitions, golf tournaments and art competitions.
- Donation to institutions like Bangabandhu Sheikh Mujib Medical University, Sylhet Diabetic Hospital and Police Welfare Trust sponsored from CSR, thus contribute towards public image of the bank.

3. Public Relations (PR) Approach

- Clients have good PR with them via Relationship Officers and community participation.
- Branch managers and executives are being asked to establish personal networks with local business owners and clients to sell the services.

4. Corporate Branding

- Standardises on uniform branding elements (signboards, banners, cutouts) across all outlets to help increase brand saliency.
- Participates infrequently in financial fairs or banking expos to sell its products.

2.4.7: Critical Marketing Issues and Gaps

Although Pubali Bank PLC is the largest private commercial bank in Bangladesh, it has some marketing problems to remain competitive in a dynamic financial services environment. This section discusses the identified and evaluated issues and gaps in the marketing practices of the organisation through the actual internship reports and organisational reviews.

1.Poor Promotion and Media Coverage **(Sharma 2015, p. 37)** ,

Problem: PBL spends very little in the mainstream advertisement efforts like other peer banks like BRAC Bank or Dutch-Bangla Bank in TV, Radio and News paper.
Gap: Low brand awareness, particularly with younger consumers, and in urban areas as a result of ineffective advertising.

2.Antiquated Tools in Marketing and a Presence On-Line **(Dash 2021, p.14)**

Problem: Bank's website and mobile application (PI Banking) totally out of user friendly, do not follow latest trends, do not have responsiveness & do not provide efficient service too.
Gap: This result in low digital customer engagement and reach upto tech savvy customers and customers in remote banking zones.

3. Non-IMC (Marketing Communication Integration) **(Sharma, 2015, p. 37–38)**

Problem: No central marketing plan between Digital, Print, CSR and Customer touchpoints. Promotions are being unevenly run from staff post staff posts.
Gap: You end up with brand in-congruency and no cross channel synergies being lent to enhance the impact.

4.Weakness CRM Systems **(Dash, 2021p. 21)**

Problem: Pubali Bank PLC currently does standard CRM, it has no advanced CRM tools to base campaigns on customer preferences or target specific segments.
Gap: Customer retention and loyalty Especially high value and digital customers.

5.Undefined Brand Image (Sharma, 2015,p. 42)

Problem: They look conservative and traditional not only in their services, but also in branding; there is very little that separates PBL from a thousand of other banks.
Gap: This worldview shackles attempts to capitalize new-world clients, startups and digital-first entrepreneurs who have access to similar if not better financial services.

6. Ignorance of the Market and Customers ((Dash, 2021, p. 22)

Problem: Pubali Bank PLC does not have continuous institutional process for marketing research or customer satisfaction information.
Gap: And that's decision making in marketing and service design reactive not proactive.

The important promotional gaps of Pubali Bank in terms of marketing are not updating promotional campaign, digital facilities and no knowledge of customers. The bank whose brand and national footprint are some of the valuable assets it has is required to bridge these gaps in order to remain competitive in a digital, customer centric banking environment.

2.4.8: The 7Ps of Pubali Bank's Marketing Mix

The 7Ps model based on a 1960's American Marketing Association presidential address by Ed Boisso of services marketing (Product, Price, Place, Promotion, People, Process and Physical evidence) provide a holistic framework for an examination of the services strategies followed by these players. Pubali Bank PLC is one of the largest private Commercial Bank in Bangladesh. There are, however, still operational and strategic shortfalls that must be addressed. This article discusses how Pubali Bank is situated in the 7Ps of marketing mix.

1. **Product: "**Pubali Bank PLC provides a wide range of financial services such as deposits, loans (SME & retail), bills and remittances, trade and investments, cards etc. and is also engaged in Islamic banking. The bank has also launched electronic delivery channels like the PI Banking App, internet banking and SMS alerts for tech savvy customers. Its

product mix is diversified, but its digital capabilities—specifically mobile and online interfaces are suboptimal relative to peers, establishing opportunity to improve stickiness with digitally native customers [(Sharma, 2015; Dash, 2021)](#)."

2. **Price: "**Pricing Pubali Bank's pricing policy is in compliance with the Bangladesh Bank rule and it provides the most competitive interest rates on loans and deposits, which are associated with minimal service fees with regard to remittances, ATM use and trade finance. Although the bank's pricing system is both available and compliant, it does not offer value-based or differentiation-based pricing for loyal or high-value customers. Creative pricing structures, such as tiered pricing or new lending models, may lead to higher levels of customer engagement and loyalty **(Sharma, 2015)**."

3. **Place: "**Pubali Bank has developed the biggest real-time online network in private sector in Bangladesh which has 459 online branches including 49 Authorized Dealer (AD) branches & also 1,156 ATMs. It also provides banking through the internet banking, mobile applications and correspondent agent networks. But for all this expanded coverage, ATM and agent banking infrastructure is being underutilised, for the most part by residents in rural and semi-urban locations. It is important for digital and self-service banking touchpoints to be strengthened to provide uniform service delivery to all segments of customers **(Chakma, 2022; Dash, 2021)**."

4. **Promotion: "**Pubali Bank's advertising depends largely on conventional mediums like fliers, banners and local sponsorships. While the bank is involved in CSR activities, such as contributions to educational and medical institutions, its campaigns are not cohesive. It has low digital marketing image and has limited presence on social networking sites for better visibility to younger computer influenced generation **(Sharma, 2015)**."

5. **People: "**Pubali Bank PLC, with its 8,400 employees in 465 branches has always maintained one of the most credible and competitive recruitment policy features. The staff are generally competent and professional, but there are inconsistencies between branches and the budget for customer service training is not copious. A more rigorous training would mitigate these service disparities **(Dash 2021).**"

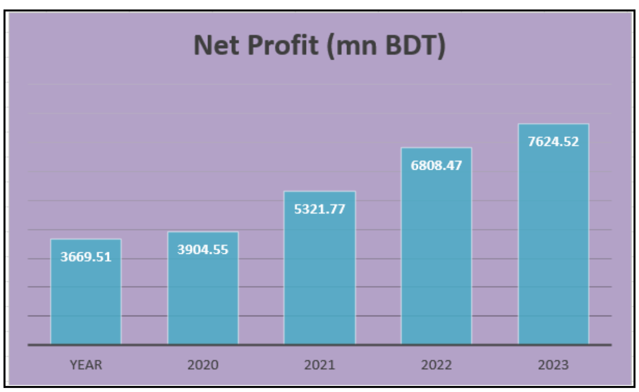
6. **Process:** **"**The important business processes of the Pubali Bank, such as account opening, loan approval, check clearing etc., are sufficiently documented and secure for compliance and risk. But these are still largely manual and paper-based in urban branches. Key to operational efficiencies using digital platforms, AI-based chatbots and service auto-mation can enhance efficiencies **(Sharma, 2015)**."

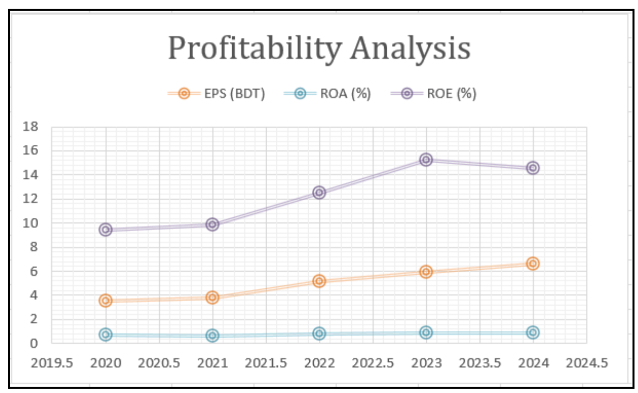
7. **Physical Evidence:** **"**Pubali Bank offers a professional physical look, such as polished trucks, branded cheques and uniforms for staffs. But the digital platforms like the website and the mobile app are still the dinosaurs. A refurbished user interface with mobile-compatible and multilingual support services will increase the value proposition of the bank in the online space **(Dash, 2021)**."

2.5: Financial Performance and Accounting Practices

2.5.1: Financial Performance (2020–2024)

2.5.1.1: Profitability Analysis





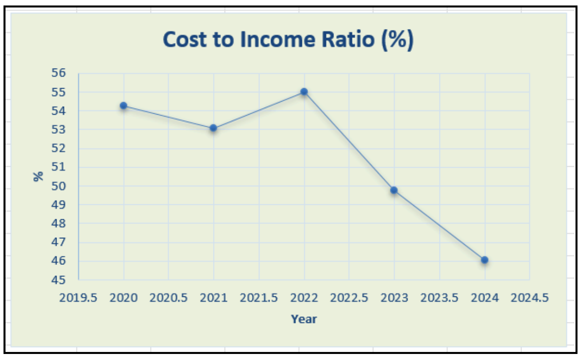
Graph 1: Profitability Indicators & Net Profit (2020–2024)

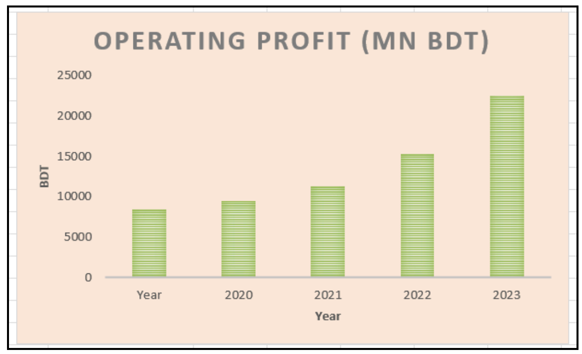
Earnings Per Share (EPS): The Pubali Bank is observed to be related to EPS as it is rising at the average growth of 84.6% from BDT 3.57 to 2020 to AED 6.59 to 2024. This shows improved profitability and effective use of capital.

Return on Equity (ROE): ROE rose to 15.26% in 2023 and NFX continued to show sturdy performance in 2024 with 14.57%. This consistent performance underlines the bank's ability to deliver big dividends for its investors.

Return on Assets (ROA): The ROA of Pubali Bank is still above industry average so we believe Pubali Bank manage its assets well and this, in turn, reflects in higher ROA compared to its industry.

2.5.1.2: Operational Efficiency



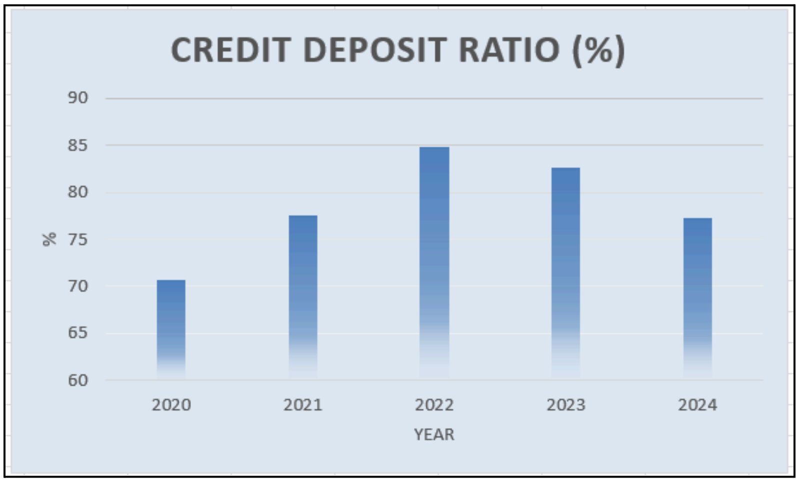


Graph 2: Efficiency Metrics (2020–2024)

Cost-to-in ratio: Pabli Bank has made great steps in the cost control effort by reducing the cost-to-income rate from 54.27% in 2020 in 2020 in 2020. This means that the bank control and high-income costs are better.

Operating revenues: Operating revenues increased a significant increase in 2024 in 2024 compared to BDT 22,559.77 million in 2024, expanding a significant increase near the amount of double 22,559.77 million, indicating that the bank is able to improve and increase revenues.

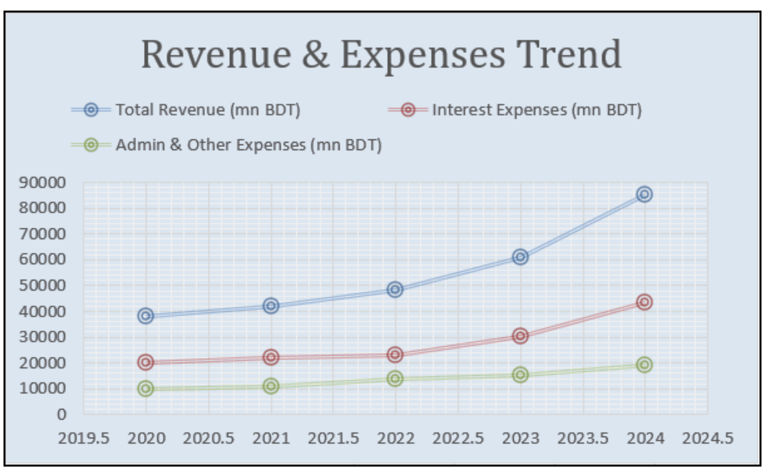
2.5.1.3: Liquidity and Credit Deployment



Graph 3: Credit Deployment Ratio

Credit Deployment Ratio (CDR): Pabli Banks PLC CDR indicates strong growth in debt by increasing 70.71% in 2020 in 2022 in 2022. But the bank changed the course on the debt strategy and reduced the relationship by 2024 to 77.32%. This reflects changes in strategy in response to economic or regulatory changes in the calibration business, weighs risk management against hunting for returns.

2.5.1.4: Revenue and Expense Trends



Graph 4: Revenue and Expense

Income Growth: Pubali Bank s total revenue witnessed a significant growth during 2020 to 2024, increasing from BDT 38,175.87 million 2020 to BDT 85,130.95 million in 2024, almost doubling in value. This reflects is strong revenue growth.

Cost Analysis: Revenues increased, but also received interest and administrative costs. However, the cost increase was less than an increase in activity, which is reflected in our cost/income ratio, where we well control our costs against an increase in turnover ratio.

2.5.1.5: DuPont Analysis

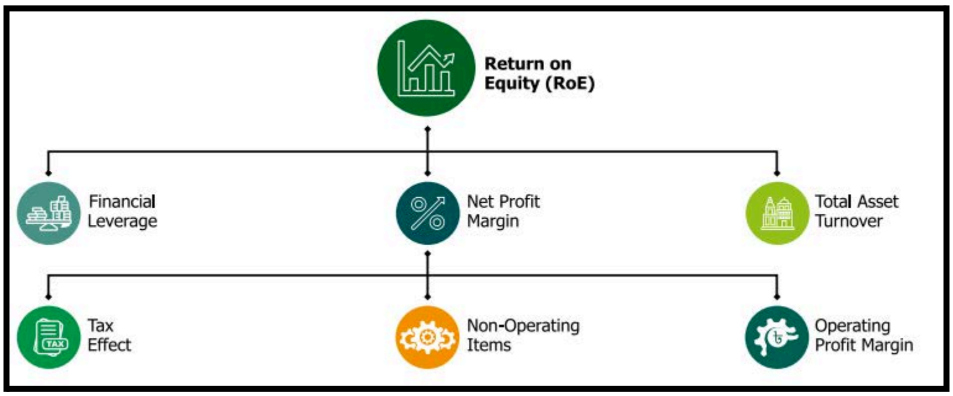


Figure 13: DuPont Analysis 5-Factor Breakdown (2020–2024)

Year by Year Explanation (2020–2024)

Weak Base Year in 2020: RoE is9.46%, the operating profit margin is 21.95%. Nonoperating losses on the provisions for doubtful credits and taxes. Also the asset turnover is a little bit low at 0.07, suggesting inefficiency in using assets and the leverage moderate at 14.59%.

The business made money, but non-operating losses and taxes offset the overall result.

Mixed Signals in 2021: RoE increase to 9.82%, OPM increase slightly to 22.47%, losses on non-operating trimmed, but still negative at -10.10%. The tax effect –3.08% and leverage increased to 15.84.

Although core operations strengthened, non-operating losses and taxes capped overall growth.

Big Recovery in 2022: RoE upword to 12.53%, OPM also increased to 23.41% but on the other hand, non-operating losses-5.83%. Also the tax effect –6.59%, still too low to make growth take a break and leverage rised to 16.78.

Strong core but down on non-operating losses.

Peak Performance in 2023: RoE 15.26%, OPM 25.22%, non-operating losses –5.53%, tax effect: +8.51% and it is the the huges profits also leverage is 18.21.

Over all good performance, but high taxes that are a problem.

Rewritten IPP Affected in the RoE in 2024: RoE 14.57%, OPM 26.50%, non-operating losses is increased to –11.11%, tax effect are -6.44%. The Property turnover is the profit rate for the tax rate for the company has increased from 0.08 to 0.09. In the first period of the year, which is reflects the increase in the value of the management of the property also the leverage are highest. It was 18.75.

Consistent operating performance was reduced to 0 with high non-operating losses and taxes, which caused profitability and marginal decline in calm.

Year	RoE (%)	Net Profit Margin	Operating Profit	Non-Op Items	Tax Effect	Asset Turnover	Leverage
2020	9.46	9.61%	21.95%	-6.88%	-5.46%	0.07	14.59
2021	9.82	9.29%	22.47%	-10.10%	-3.08%	0.07	15.84
2022	12.53	10.99%	23.41%	-5.83%	-6.59%	0.07	16.78
2023	15.26	11.18%	25.22%	-5.53%	-8.51%	0.07	18.21
2024	14.57	8.96%	26.50%	-11.11%	-6.44%	0.09	18.75

Table 1: DuPont Analysis 5-Factor Breakdown (2020–2024)

2.5.1.6 Economic Value Added (EVA) Analysis

Eva is a derivation from other financial assessment: economic value added surplus (Eva) which is the difference between the market value of a company (the weighted average capital after tax) and the net operating benefits after tax. Spreading it over accounting is not enough, the cost of capital the left side of the equation needs to be compared to the return, which would give us intuition if the bank has been doing more than covering its costs and hence creating value for its owner the equity holders.

In case of Pubali Bank Limited, EVA has been determined with the help of the following model: Formula:

EVA = Net Profit After Tax (NPAT) − (Cost of Equity × Average Equity)

Where:

- NPAT is the net profit after tax and provision for doubtful loans.
- Average equity is the sum of year-end shareholders' equity and the balance of provisions.
- The cost of equity is risk-free returns plus 1% risk premium.

Year	Net Profit (After Tax)	Average Equity	Cost of Equity (%)	Equity Cost	EVA	EVA/Op. Income (%)	EVA/Avg. Equity (%)
2021	3,904.55	59,586.29	12.28%	7,317.60	-3,413.05	-	-5.73
2022	5,321.77	63,827.13	12.28%	7,837.97	-2,516.20	1.22	-3.94
2023	6,808.47	68,918.59	12.28%	8,463.20	-1,710.37	5.6	-2.48
2024	7,624.52	79,324.68	13.40%	10,629.51	**6,449.80**	**15.42**	**8.13**

Table 2: Economic Value Added Analysis (2021–2024)

Interpretation and Insights

Economic Value Added (EVA) Analysis (2021–2024) What will be the share of EVA market in the Indian Mining Rubber industry Situation?

- **2021 EVA =** –BDT 3.41 bn (value erosion, returns < cost of capital).
- **2022 EVA =** –BDT 2.52 bn (smdh only a smaller one yet negative).
- **2023 EVA =** –BDT 1.71 billion (further eroding in erosion).
- **2024 EVA =** +DBT 6.45 Mrd (good increased value added, 15.42% NOI, 8.13% equity).

Insight After three years into negative economic value added, the Pubali Bank managed to confer real shareholder value added in 2024, thus attaining a strategic turnaround.

Strategic Implications:

- DuPont operates with poor operating performance with high non-operating risks and taxes.

- EVA confirms that permanently earning value was destroyed until 2023 but 2024 speaks about long term wealth creation.

DuPont & EVA Analysis: Pubali Bank has to make their provisions stable, mitigate tax loads and also having something to enhance their operations efficiency, then they can find some path of better RoE, as well as the elevation of EVA is attuned with ROE.

2.5.1.7: Market Value Added (MVA) Analysis

MVA represents the gap between the market value of the capital and the book value.

Year	Shares Outstanding (mn)	Book Value of Equity (mn BDT)	Market Cap (mn BDT)	MVA (mn BDT)
2020	1,028.29	38,746.98	24,810	**−13,936.98**
2021	1,028.29	41,249.91	26,036	**−15,213.91**
2022	1,028.29	44,882.75	27,680	**−17,202.75**
2023	1,028.29	46,606.43	30,835	**−15,771.43**
2024	1,156.83	52,409.64	33,896	**−18,513.64**

Table 3: Market Value Added Analysis (2021–2024)

Insight: MVA is found to be negative in all the period, which suggests that the Pubali Bank is being valued outside of the stock price and below the book equity of the bank by the market investors, and one possible reason is due to the asset quality problem, NPL problem and long run viability despite competent accounting profits.

Comparative Evaluation

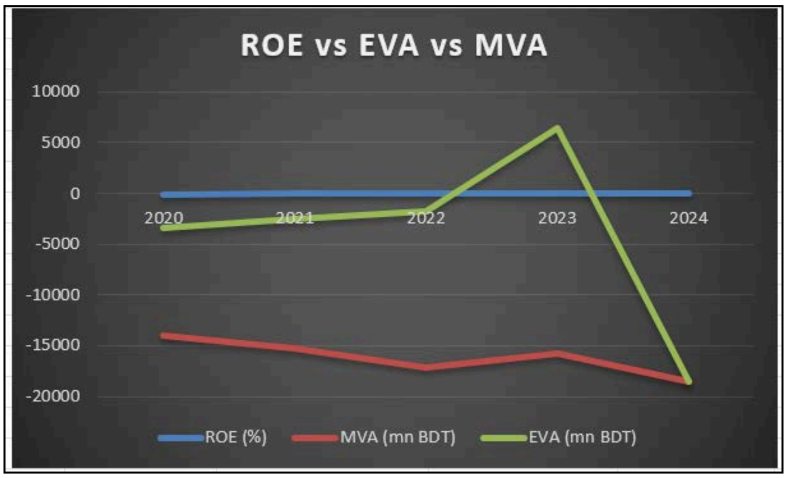
- **DuPont:** Demonstrates RoE increased on the back of operational efficiency and leverage, while volatility in provisions and tax effects limited consistency.
- **EVA:** Emphasizes that actual shareholder value was created only in 2024.
- **MVA:** The market continues to be nonplussed and suffers from chronic discount, relative to book equity.

Strategic Implications

- Performance gaps Pubali Bank will need to continue to take down NPAs and stabilise provisions if it is to protect RoE.

- More importance should be attached to the governance and the risk adjusted returns, in order to keep EVA positive.
- To close the negative MVA gap which no company could ever survive today and restore market confidence, we need better investor communication, transparency and dividend consistency.

2.5.1.8: ROE vs EVA vs MVA Analysis



Graph 5: ROE vs EVA vs MVA Analysis

RoE: Kept increasing from 9.46% in 2020 to 15.26% in 2023 and decreased slightly to 14.57% in 2024. That's positive uplift from ops and lever, but also a lot of risk in prov and tax.

EVA: Negative out to 2021–2023 due to destruction of shareholder value even at positive earnings. Turned positive in 2024 (BDT 6.45 bn) showing an economic value addition for the first time in fact!

MVA: Negative (–BDT 13.9 bn– – BDT 18.5 bn) in all three years, indicating that the stock market has created the bank negatively to book equity by investor’s fear of long-term soundness and risk control.

RoE represents operating financial impact EVA shows a transition in shareholder value creation pathway in 2024 and MVA illustrates to the public poor investor confidence on one precondition.

For Pubali Bank loging of the gap in between their in house and market place valuation is recent strategy.

2.5.2: Accounting Practices

1. **Basic Accounting Principle:** The company maintains its book according to International Financial Reporting Standards (IFRS) and Bangladesh Bank instruction. Reportings policies are consistent. Going Concern is also observed in total assets which rose from BDT 565,467 mn in 2020 to BDT 981,203 mn in 2024. Revenues and expenses are recognized on accrual basis in the statement of income when earned and incurred, respectively, and in their appropriate period under the matching concept. Accounting basis the company's financial transactions are recorded on accrual basis. Similarly, interest income surged to BDT 58,394 m in 2024 from BDT 22,717 m in 2020, being earned. The provisions of BDT 2,626 mn as on 2020 to BDT 9,454 mn as on 2024 are measured on the basis that it will be probable that an outflow of resources will be required. Without future economic benefits, not on payment.

2. **Accounting Cycle:** The company applies the full accounting cycle, including

    - Recording and posting of transactions (loans, deposits, investment)
    - Trial balance and adjustments (depreciation, provisions)
    - The preparation of financial statements (Income Statement, Balance Sheet, Cash Flow, Notes) and
    - Closing entries (profits transferred to retained earnings). The retained earnings increased from BDT 11,807 mn in 2020 to BDT 26,426 mn in 2024.

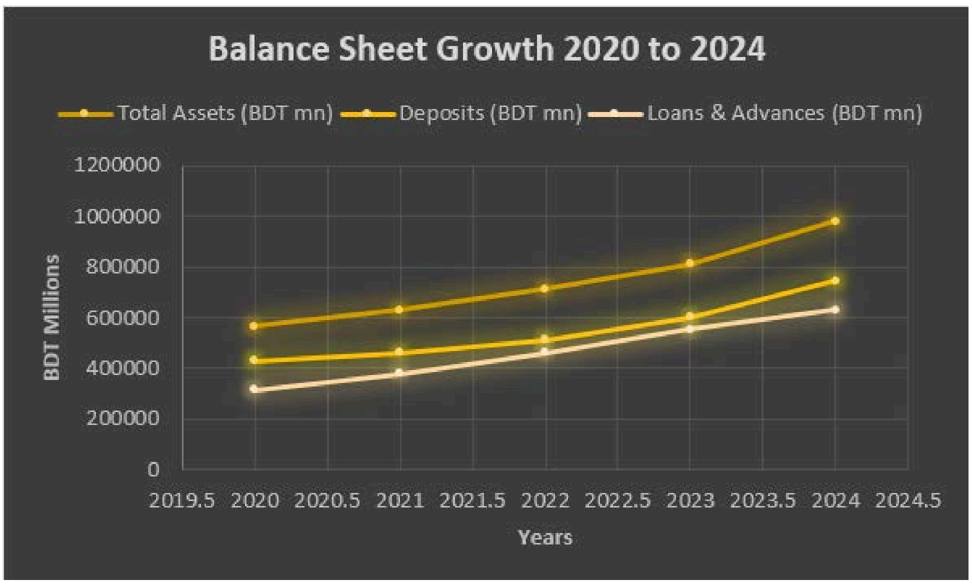
3. **Depreciation Method:** The fixed assets land and building, furniture and equipments are depreciated on straight-line method (SLM). In 2020, BDT 5,088 MN to 2024 was bded 6,838 MN indicated in 2024 and indicated stable policies for devaluation.

4. **Accounting Disclosures:** RRNH accounting for

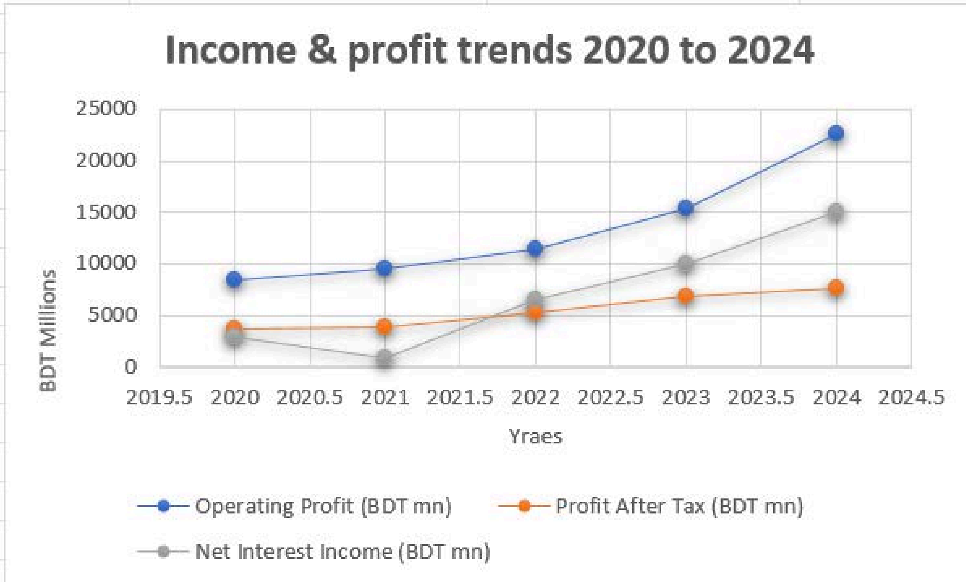
    - Revenue recognition;
    - Provisioning for loans NPL ratio at 2.73% in 2020 to 4.36% in 2024;

- Capital adequacy CRAR ~13.7–13.9%;
- Shareholder metrics EPS 3.57 to 6.59; NAVPS 37.74 to 45.23.

5. **Analytical Comments:** Profitability enhanced with operating profit increasing to BDT 22,560 mn 2024 from BDT 8,380 mn 2020. Efficiency also improved OpEx or OpInc 54% to 46. Loans quality continued to deteriorate into 2024 (NPLs: BDT 27,408 mn). Balance sheet strength remained healthy at ~13.8%. Transparency is good though and ESG disclosures can always be included in future reports.

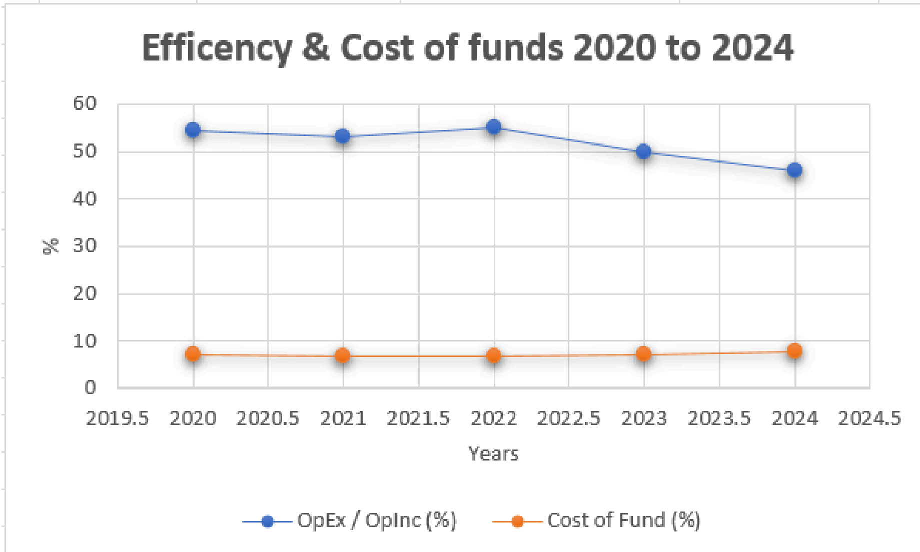


Graph 6: Balance Sheet Growth (2020–2024)

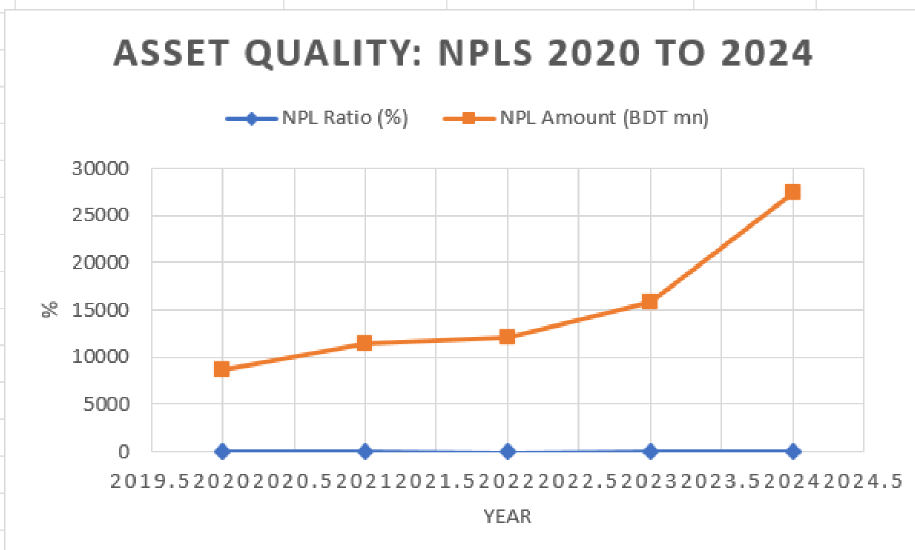


Graph 7: Icome & Profit Trends (2020–2024)

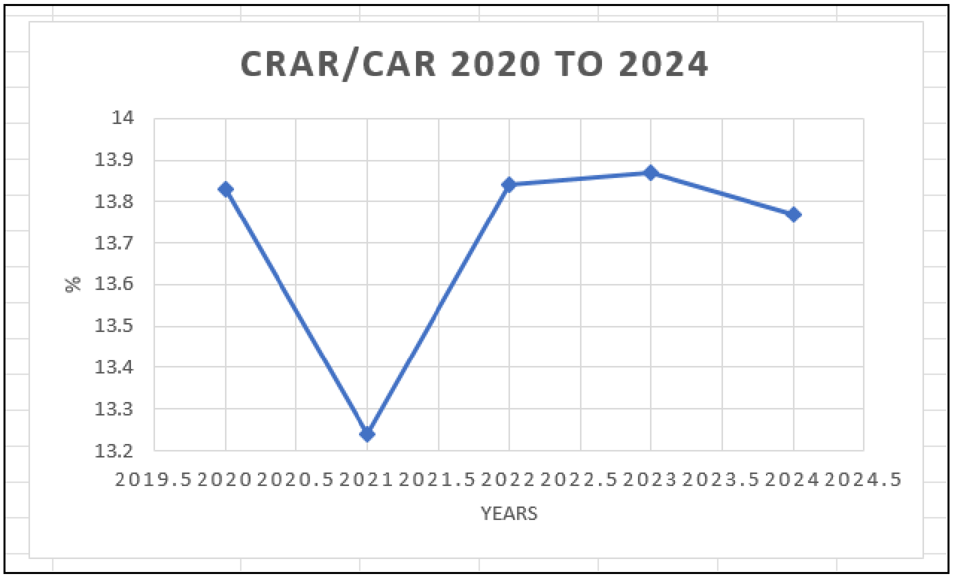
Graph 8: Profitability Ratios: ROA & ROE (2020–2024)



Graph 9: Efficiency & Cost of Funds (2020–2024)



Graph 10: Asset Quality – NPLs (2020–2024)



Graph 11: Capital Adequacy Ratio (2020–2024)

2.6: Operations Management and Information System Practices

2.6.1: Information Systems and Technology Infrastructure

1. **Core Banking & Centralized Infrastructure:** Largest Online Banking Network : Pubali Bank has the largest real - time centralize d on line banking network in the private sector in Bangladesh which has p roved to be the biggest support to the bank's customer., branches **(Pubali Bank PLC, n.d.)**. They have renewed their infrastructure by replacing the branch-level servers with a centralized core banking system that integrates virtualization technologies to cut the complexity of maintenance and improve energy efficiency **Banking Frontiers**.

2. **According to Banking Frontiers Green & Sustainable IT Practices:**

- In line with eco-friendly banking operations, Pubali has initiatated some green IT solutions which include:
- Virtual servers and IP telephony to minimise both physical infrastructure and energy consumption.

- Sensor based systems in data center and disaster recovery center to minimize power consumption.
- Digital enablers such as e circulars, e statements, e tendering platforms, digital credit applications, and e KYC processes to reduce paper usage and facilitate work from home

Figure 14: Pubali Bank in Deep Commitment to Green IT

3. Security & Cybersecurity Infrastructure

Security is a top priority. This bank has also set up a Security Operation and Control Centre (SOCC) to monitor mobile applications, web service and email system and database and ensure data security and forgery (The Daily Star) and, they've hosted cybersecurity awareness workshops for employees, helping to raise the profile of a proactive security practices.

4. Digital Transformation & 4IR Integration:

Pubali Bank is by now in progress to move onwars for Fourth Industrial Revolution (4IR) holding the orders to deploy: AI, Mining & Big Data for better decisions. Going paperless, digital currencies, and blockchain-readiness to elevate service for tech-savvy Gen-Z clients (Hasan, 2025). Services and solutions based on 4IR such as e-KYC, mobile app wallet accounts ("PI Banking") with fund transfer, merchant payment, loan application processing and digital LC handling to shift toward a branchless, customer-centric environment **(Hasan, 2023)** .

5. Strategic Partnerships & Ecosystem Expansion

Pubali Bank partners with top tech vendors to strengthen tech stack:

- Been working with Oracle for core banking systems and 4IR framework for years **(Pubali Bank organised "Celebrating Partnership for Core Banking Infrastructure", 2022).**
- With ACI PLC integrated POS systems and Bangla QR payments have been installed at 600+ Shwapno stores, enabling hassle free, cashless transactions **(Pubali Bank PLC signs agreement with ACI to enhance digital banking services, 2025)**.
- Direct income tax filing through PI Mobile app in connect with BD Tax Technology **(Pubali Bank PLC, n.d.)**.

Pubali Bank with centralized core systems, virtualization, and green IT enhancements have established a strong, secure, and environmentally friendly technology backbone. Their successful digital transformation, rooted in AI technologies and strategic tech partnerships, will soon emerge as a fast evolving, branchless and convenient banking experience. Moving forward, Pubali Bank seems relatively well positioned to provide next generation secure and green digital banking services throughout Bangladesh.

2.6.2: Use of Databases and Office Management Software

Databases are significant for organizing information in an organization, by storing, retrieving and processing large amounts of data in a structured form which is achieved by means of a Database Management System (DBMS). In the banking industry, centralized databases are used for processing transactions in real time, managing information about customers, monitoring compliance with regulations, and detecting frauds **(Hasan, 2023).** For instance, Pubali Bank PLC in Bangladesh uses an Oracle-based core banking solution to unify all customer- and transaction-level data on a centralized platform to drive operational efficiency, security **(Banking Frontiers, 2024).** Office management software refers to the digital technology that is used to support the management of office activities, including support for a business's staff. Such software comprises document management systems, cross-communication applications, calendars, and enterprise resource planning (ERP) systems.) In banks, office manipulation tools facilitate e-circular sharing, workflow automation, convocation, and customer interaction. For example, Pubali Bank includes its collaborative platform with its core banking database, supporting the paperless transaction and timely decision **(The Daily Star, n.d.).** The integration of databases with office management software creates a synergistic environment where real-time data from the core banking system feeds into productivity tools for reporting, analytics, and decision-making. When databases are integrated with office management system a perfect storm situation is created where real-time data from the core-banking system justify reporting, analytics and decision-making in productivity tools **(Hasan, 2025).** This "one stop" approach makes for faster operations, less likelihood of error, and secure data storage, things that are not just nice to have, but critical to maintaining a competitive advantage in the highly competitive financial services industry.

2.6.3 Quality Management

The management of Pubali Bank is sound and has accepted the following international standard as its operations and also has a strong internal control system. "The Bank received ISO/IEC 27001:2022 certification in December 2024 which reflects the Bank's strong commitment towards information management best practice to further augment the Quranic world class customer service and data protection. Furthermore, Pubali Bank introduced a Credit Risk Management Manual in 2006 and it is being updated regularly for introducing new risk in the sector and How to keep the standard of proper risk mitigations and control **(FE Online Desk, 2024)**." **"**The Bank maintains policies, guidelines, and monitoring, in terms of policies and procedures, staff training, and service quality monitoring as well as compliance among those related to business ethics and risk management**.** Together these two steps reinforce training so it's obvious what good operational performance is but also in customers trust and regulators compliance 3 Masters Dispatch No:NP 112/13 building blocks to a robust Quality Management System Control in the financial services industry **(Pubali Bank, n.d.-a)**."

2.6.4: Scheduling and Workflow Optimization

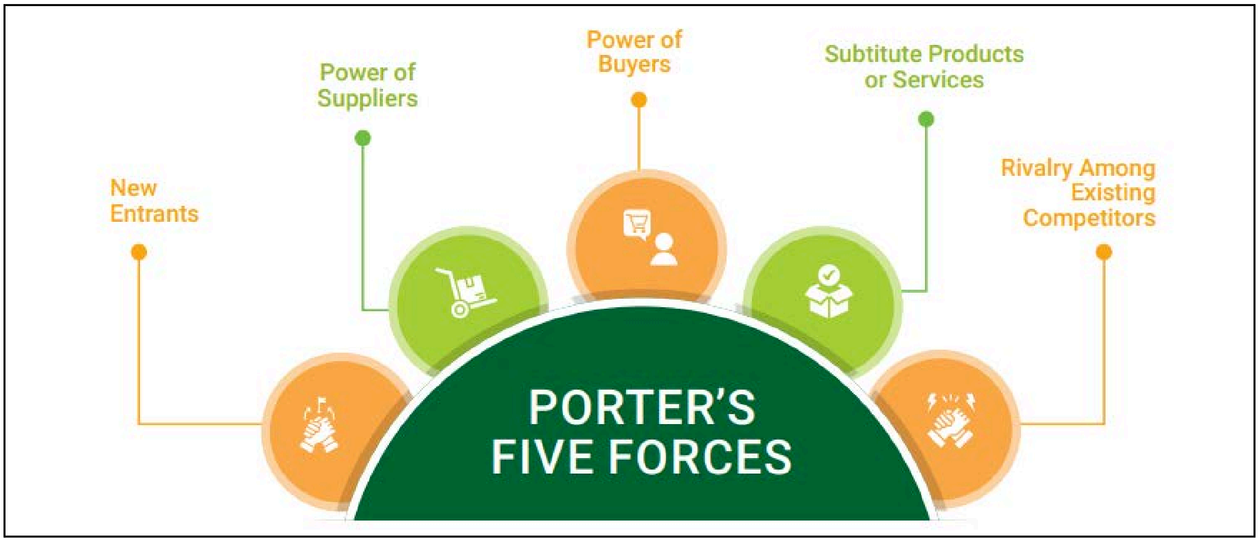
Workflow and scheduling optimisation is the key to achieving operational excellence in today's banking landscape. Even though there does not exist a public source that specifically explains the inner functioning and its schedule of Pubali Bank, there is no shortage of evidence to suggest that such operations center on automation, digitalization and the centralised and automatic operations of the bank. The number of sub-branches has been regulated for a while, and this focus on outlets has led attention away from potential gains from the web and automation more generally. Pubali Bank, which has long had strong automation and web-based services, has an ultimate goal of providing “customer service in the fastest and most efficient way” and expanding services like sub-branches and ATMs to all areas, even the remotest ones with real-time digital network nodes, he added **(Hasan, 2022)**. In order to realize this vision, the bank had deployed infrastructure consolidation-moving from branch level servers to centre located core banking system with less maintenance and improved system reliability **(Pubali Bank PLC, n.d.)**. These measures most likely don't flow optimally into the bank’s workflow orchestration and scheduling, centrally and locally, on how the bank runs.

2.6.5: Resource Allocation

Pubali Bank has positioned its resources to leverage an extensive network of strategically located over 500 branches, 230 sub-branches, 31 Islami banking branches and 614 ATMs, to effectively reach urban and rural Bangladesh **(Pubali Bank PLC, n.d.-a)**. This motorik infrastructure is the measure of the bank’s concentration on the interface between accessibility and operation-imposition. In the meantime their Core banking Solution (CBS) also helps to facilitate operations by reducing duplicity of IT resource and centrally allocates these resources **(Pubali Bank PLC, n.d.-a)**. Another internal governance mechanism applied by Pubali Bank is its organisational structure including the Credit Division, Branch Operation Division, IT Division and Audit Division.Pubali Bank has implemented an efficient organisational structure in order to assign resources, ensure that tasks align with strategic choices and contributes to controlling of performance **(Lawyers & Jurists, n.d.)**. These efficiencies reduce the resource allocation in credit origination, operations, IT and risk monitoring.

2.7: Industry and Competitive Analysis

2.7.1: Porter's Five Forces Analysis



Figuer 15: Porter's Five Forces

Competitive analysis of Pabli Bank PLC: It is a challenging and competitive banking environment for Pabli Bank in Bangladesh. A review of industry growth, competitive strategy and implication of profits with five forces in Porter says how its strategic attitude is shaped in response to external pressure and how the above performance is maintained. "According to the **(Pubali Bank, n.d.-b)**

Threat of New Entrants

- **Industry analysis:** The barriers to entry as a start-up bank is generally low but the danger of new entrants are likely due to the significant amount of capital it would take to run a bank and the fact that the industry is highly regulated. The 100 year-old market is under attack from 12 new banking "licences" `all sat dormant since 2009 but now honing in on the small business consumer and small minority consumer spaces.
- **Response tactics:** The long time of period stay with customer saturation and market leader, PWMF can use it. It's centered on the digital evolution, continuous investment in products and the client relationship to stay ahead.

Threat of Substitutes

- **Market dynamics:** Other financial institutions like NBFIs, MFI and digital solution providers the offers to easy and faster to loan with limited downloads could motivation underserved tech the customers.
- **Recommended Strategic Response:** In order to serve to the customers more effectively, Pubali Bank PLC needs to tap on to mobile application, AI and block chain scaffolding. It's aiming to work with rather than against fintech firms and using customized services to regulatory adherence, and quality to differentiate on the service.

Bargaining Power of Buyers

- **Market is Study based:** Growth in market of banks and other financial institutions give more bargaining power to customer. There is low switching costs and customers, especially enterprise customers, have high options making them extremely price sensitive.
- **Strategic Response:** Pubali Bank limits the buyer power by striving for operational automation, relationship banking, customer loyalty through personalized services and cross-selling of low-cost deposits like CASA. Doorstep banking is also used to increase customer retention by the bank.

Bargaining Power of Suppliers

- **Industry Dynamics:** The banking industry is affected by the depositors, the institutional investors and technology providers. Sophisticated depositors, especially business ones, can have a powerful effect on bank behavior.
- **Strategic Response:** Pubali Bank reduce the power of supplier by: focus on non-substitutable capital, strong relationship with suppliers and investment less/dependency on technology with using in-house core banking software. User curation and governance provide credibility and durability with investment in staff training.

Industry Rivalry

- **Industry dynamics:** Banking industry is highly competitive in Bangladesh with total 61 schedule banks and 30NBFIs. There is cut-throat competition, especially in the SME and retail banking sectors, because the costs of customers switching are relatively low and the customer base effectively is the same.

- **Strategic Response:** HRI implementation challenges: After the recent implementation news of the bank, Pubali Bank is still struggling to stay competitive with their non-banking hospitality services: digital-services, a level-2 CRM system, pricing issues including the profitability of digital services, and excessive sub-branch. Its emphasis on financial inclusion, such as by having Islamic banking corners, underpins its competitive stance.

Competitive Advantage & Long-term Sustainability: First Security Islami Bank Limited to the focus of First Security Islami Bank Limited is to pursue digitalization, relationship-based banking and governance excellence to first security islami bank annual report, 2017, thus fending off the competition. Through continuous creativity and customer-based focus, the aim of the bank cross the long run as well as build a trust and confidence among all stakeholders."

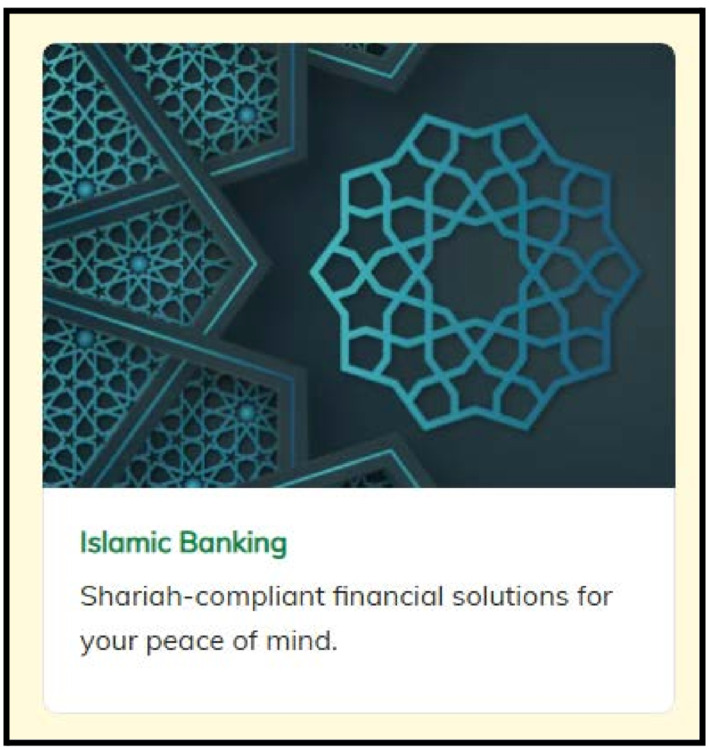


Figure 16: Islami Banking

2.7.2: SWOT Analysis

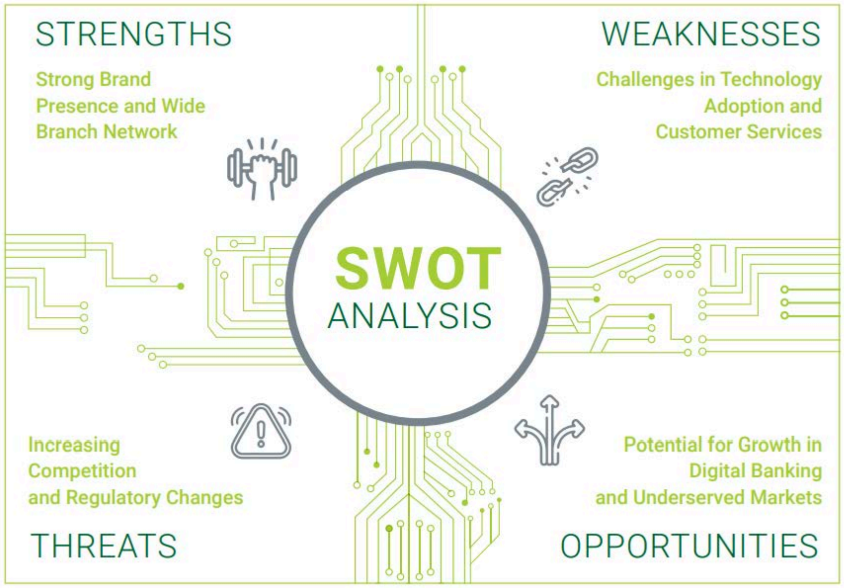


Figure 17: SWOT Analysis

SWOT Analysis of [(Pubali Bank, n.d.-b)].

Strengths:

- **Distribution network:** Pubali Bank has country wide branch network of urban and rural branches, a thousand ATMs and over hundreds POS terminals across Bangladesh.
- **Good financial:** Banks growth was steady in the last 5 years, where EPS is 11.99 growth in 2024 and 5 years net profits Cagr is around 15.75%. Deposits and advances also grew with higher CAGR of 13.41% and 10.86% respectively.
- **Low NPLS:** The bank has NPL well under the industry average, which is under 10% as at 2024, which is attributed to aggressive management and very good credit practicum.
- **Digital Initiative:** Pabli Bank is already providing selfish services like Pie Band Banking, E-KYC and QR code payment, but a company is digitalising in Bangladesh to be made a modern and leading bank of the country.
- **Sharia-Anupalan Prasad:** The bank has a strong Islamic bank franchise and leading on shutting down traditional branches and converting them into Sharia-anupal husbandry

branches, which is to be a response to rising demand of Sharia-anupal husbandry and services.

Weaknesses:

- The bank is strong financially, but its brand needs more visibility and improved public perception.
- Although Pubali Bank's NPLs are below the average of the industry, it has been creeping up this past year. However, these are considered collectable by management with a lower NPL ratio anticipated in the future.

Opportunities:

- **Digital Growth:** The bank is aiming to secure 50,000+ POS machines by 2025 by harnessing increasing digital payments market.
- **Financial Inclusion:** Pubali Bank can target untapped and rural areas for deposit services, MFI lending or remittances, and thus contribute to national goals for financial inclusion.
- **Rise in Remittance:** The bank will be able to grow the remittance by offering remittance services more attractive to raise the deposit of foreign currencies which would be sent by the Bangladeshi expatriates.
- **Branch Network:** ATMs, and Branch Network, the Bank's wide network of branches and the touch points of the customer provide significant opportunities for the acquisition of customers and for expansion of business.

Threats:

- The New Generation and Foreign Banks, offering better services to clients, is matter of concern for all.
- Geopolitical risk of inflation, FX pressure and international import duties may challenge growth and affect future performance.
- Cyber risk like digital services increase, Pubali Bank will need to continue investing in cyber security to guard against growing cyber threats, when digital transformation evolve quickly.

2.8 Summary and Conclusions

Summary:

This article focused on the managers of efficacy, financial soundness, marketing management and working profit of Pubali Bank PLC. Sound management control, HR practices and wide network are converting into the continuous enhancement of profit and operational efficiency at the bank. But digitalization, customer intimacy and competition remain challenges. According to them, in spite of these challenges, PBL is the leading contributor to the nation’s economy and loyal to tradition and values of being up a date bank as mining and trendy bank.

Conclusion:

With the sound Corporate Governance and HR policies, Pubali Bank is the top class private commercial bank of the country operating with 449 plus branches nationwide.Credit Rating is ‘AAA’ for its long-term credit and “ST-1” for its short-term credit considering on the basis of audited financial statements of Pubali Bank Limited. The bank is facing high level of NPLs, weak digital marketing drive and increasing competition, but overall the bank is financially and socially sound. To keep up with the increasingly competitive long haul, the bank must enhance its digital capability to a higher level, give more focus to customer-centered services, and launch new operations that are in line with international waves as well as domestic specific banking needs.

2.9: Recommendations

Pabli Bank PLC would now have to invest much in technology with competition, they may be asked, and complied with, no sooner as digital banking services were safe and convenient to be replaced in a way from demanding customers. It might be time to upgrade your CRM system to integrate more modern marketing methods, social media, computer-driven marketing and attract the attention and loyalty of more customers. Advertisement Priority areas include: NPL resolution with intense credit discipline;

Chapter 3: Project Part

The effect of high inflation on deposit sector: A study on Pubali Bank GB (General Banking) sector

3.1: Introduction

Inflation has been an issue that has plagued the economies and also the same for Bangladesh during these years. Some of the rise in inflation has been spurred by the higher global commodity prices and some currency volatility, as well as supply disruptions. It also shows shifting attitudes about saving, investing and planning within institutions and among individuals. Especially, the inflationary effect over the deposits at the bank level as the main source for liquidity provision to the banking system is also taken into account.

But works along these lines have typically been short, and have focused on consumption and investment or interest rates and inflation. Secondly, there is a scarcity of works analyzing the behavior of depositors as well -especially in emerging economies. However, little is known about the relation between inflation persistence and the interaction effect on deposit growth to real savings value and bank stability in the Bangladesh, specifically, where banks had the large portion of the domestic saving and the major fraction of their deposit was kept as deposit from the commercial banks. This ignorance has become a major headache for policymakers, banks and academics.

And so this study is relevent with area of banla like : is there any strong link exist inflation and deposit behavior after covid-19 more people come towards banking sector than smuther everything up. I have selected Pubali Bank- one of the leading private sector commercial bank of Bangladesh for this study from year 2020-2024 The paper tries to analyze the movement of deposit interest rate between low inflation period and high inflation period based on empirical evidence. The findings of this written work will fill the gap of the existing literature and even guide the central bank authorities in the policy and commercial banks to act to when responding to offering deposit saving products to enhance the consumers hedging behavior towards inflationary pressures.

3.1.1: Background and Problem Statement

Bangladesh experienced significant inflation in 2019, both according to the world and national economy. Inflation changes how people save, spend and invest their money, wearing down the value of money in saving accounts as prices rise. Which poses a problem for both the bank and depositors, who are now discussing the funds of more than one depositor – that may eventually directly hurt banking system sustainability.

Though there are various studies on overall treatment of inflation on economy, there has not been much of such treatment on the behavior of deposit of consumers vis-à-vis individual banks or bank accounts as the case may be in developing countries like Bangladesh. The disconnection is important because to maintain the financial health of banks, the deposits themselves must be healthy.

Taking a case study of the Chilean banking system Pubali Bank PLC, that is the largest of the commercial banks in Bangladesh, this study wants to examine if the potential saver decides more to hold the amount of savings inflow to protect his savings or to withdraw the same that would secure against inflation situation and financial stress. And that's a conundrum for banks and policy makers who want to contain rates, retirement plans and financial strategies.

This column examines deposit behaviour in 2020-24 to show how inflation impacts deposit behaviour, and how that in turn affects banks and the economy.

3.1.2: Objectives

Broad Objective: The general objective of this study is to examine the effect of high inflation on the deposit sector of a commercial banking sector- A study on Pubali Bank PLC in Bangladesh and to assess whether performance of bank is influenced by inflationary pressure over deposit mobilization and growth of deposit.

Specific Objectives:

To dissect the overall aim into measurable and feasible parts, the study will:

- Study inflation influence on total (aggregate) deposit growth of Pubali Bank Limited and its ST & LT implications.
- Examine the impact of inflation on aggregate deposits, i.e. time, saving and current deposits, under high and low level of soflation.
- When inflation and interest rates change, explore the relationship between inflation and real deposit growth to see how the deposits input is affected.
- Compare the deposit growth of Pubali Bank with other bank of the industry (BRAC Bank, Eastern Bank, Dutch-Bangla Bank) to see whether there is any impact of inflation on the deposit of Pubali Bank which are different from the bank in general.
- Find out the policy suggestions and recommendations for Pubali Bank to overcome the adverse impact of inflation on the mobilization of deposits derived from the study.

3.1.3: Significance

This paper on the Policy effects of high inflation on the deposit sector of Pubali Bank PLC is valuable in several ways: Practical implication to banking industry, political implications, contributions and the depositors in policy.

3.1.4: Scope of the Study

The effect of high inflation on deposit sector the case study on Pubali Bank GB (General Banking) sector in Bangladesh. The year 2020-2024 so the scope includes:

- **Inflation update:** What inflation summons up is trends in both the the macroeconomic effects and the deposits, and the depositors' behavior that it spawns.
- **Pabli Bank PLC:** Financial performance of Pubali Bank PLC in the inflationary environment. A reflection of the deposit recording is showed driven performance in this sectors.
- **Industry comparison:** Compare Pubali Bank PLC the results with the Brac Bank Limited, and Eastern Bank Limited, with KPI and see if it is inflated by benchmark.
- **Method:** The study is based on secondary data source and inferential statistics correlation and regression are used in order to find out relationship between inflation and deposit growth.

The research does not factor in those of other financial companies, or the broader economic impact outside the banking sector.

3.2: Literature Review

Theoretical and analytical framework: the paper is grounded on the empirical evidence derived and the underlying theories on inflation costs in the deposit sector in Bangladesh. As a result of commercial bank of funding source used for my bank deposits, "views of macroeconomic situation anthe analysis " respectively, and the bank business problems of deposits to mobilize and stabilize the funds.

Obligations The Bank's Blood-line: "The temperament of the law or theory places deposits as the bedrock of banking with a trust that the major source of working capital, prospective credit advance and investment constitute the deposit and as such should be assured of 24/7 using the banks' resources". Finds that local deposit is determined by bank-specific as well as macroeconomic factors, such as bank size, bank portfolio density, monetary policy, and the whole economy. Empirical findings of 29 private commercial banks in Bangladesh suggest that investment supportive monetary policy and sound bank performance can contribute for proper mobilisation of deposits. Consequently, the results highlight the significant role played by structural as well as macroeconomic factors in deposit flows (Nasrin, 2023)."

Macroeconomic Concerns and Inflationary Challenges

According to Nasrin, 2024 mentions that "In the era of modern banking, commercial banks in Bangladesh are plagued by the issue of deposit management boils down to the problems of management deposits where tip commanding stables to the macro economy. In the banking system, regulatory obstacles and lack of depositor protection are the existing hurdles." However, crucially, the analysis shows that as global commodity prices continue to rise and inflationary pressures mount, many low- and fixed-income groups have been experiencing downward pressure on their ability to save rather than depositing funds - they have been saving by borrowing from their own saving account. So this should lessen the appetite for deposits when inflation is high, because obviously that would erode the value of people's deposits and also people's confidence in the banking system (Nasrin, 2024). This reinforces the main thesis of the thesis proposed here: that of the inconvenience that inflationary situations represent for the mobilization of deposits.

Inflation and Broader Bank Performance

The studies above primarily concentrate on challenges related to deposits; however, (Ashad, 2024) reaches further by studying the impact of inflation on the banking sector profitability. By means of financial market performance indicators such as ROA and ROI, the research concludes that moderate inflation could however have an expansionary effect via interest rates in the credit market which in some stage in time would result in higher profitability, but high inflation over long periods would lead to the decreasing of the real value of money, higher rates of loan defaults and lower profit margins. “High profit maximum deposit of bank” is only one in the chain reaction that leads to the idling of deposit: The deposit, which is the main source of lending funds, was actually distracted if reduced due to inflation is a reflection towards the asset quality and financial stability compromised (Ashad, 2024). So deposit dwindling in times of high inflation is not merely dataset dependent, but rather reflects a general weakness in banking operation.

Research Gaps and Synthesis

Combine these analyses with the earlier the investigated studies point to a strong association between inflation and deposit behaviour in Bangladesh. According to **(Nasrin 2023)** and **(Nasrin, 2024)** finds that macroeconomic indicators have influenced the mobilization of deposits, while specifically inflation and soaring prices are indicated as one of the hardest challenge that has reversed deposit growth for . According to **Ashad (2024)** offers corroborative evidence that inflation through its negative effect on profitability and enhancement of systemic risk affect deposits. Nevertheless, although shedding some light, a gap still exists in the literature in emphasizing high inflation as the only cause of deposit sector performance. The majority of research takes into account inflation as a variable among others, but it does not explore this effect separately.

This paper bridges that gap by exploring how high inflation affects the deposit markets to begin with special emphasis on depositor's reaction, the mechanism of disinvestment, and the ability of commercial banks to keep up the inflow of deposits in an inflationary setting.

H_0: The effects of high inflation are not significant on deposit sector in Bangladesh.

H_1: High level of inflation has a remarkable negative impact on the deposit sector of Bangladesh.

3.3: Methodology

Research Design: The research takes a quantitative research model to explore the role of high inflation on the deposit sector of Pubali Bank PLC of Bangladesh. The design is explanatory because it seeks to determine a cause effect relationship between inflation and deposit growth through the appeal to the statistical techniques.

Data Collection: This research uses secondary data and analyses that are based on the following:

- **Databases Macro- level:** The official databases of these countries, such as BBS, World Bank, CEIC Data, and Bangladesh Bank for inflation rates, CPI, and monetary policy indices etc.
- **Bank-specific Information:** Financials annual reports and audited reports from pubali bank PLC. The years of 2020–2024 and performance evaluation from The Daily Star and The Business Standard.
- **Industry Comparison:** Our deposit growth on benchmarks of BRAC Bank, Eastern Bank and Dutch-Bangla Bank.
- **CPI:** Consumer Price Index (CPI) inflation rate as the primary inflation indicator because it reflected the general rise in consumer prices in Bangladesh to capturing the real impact of inflation on households' purchasing power and savings behaviour

The study period is 2020–2024 and includes both low and high inflationary periods in Bangladesh.

Variables

- **Independent Variable:** Inflation Rate (%)

- **Dependent Variable:** Deposits Growth (%) of Pubali Bank PLC

Control Variables: Real increase in deposit sectors, also interest rate and industry mean deposit growth.

Analytical Methods

The statistics used only of Microsoft Excel follows:

1. **Descriptive Statistics**

- Descriptive statistics for inflation and deposit flow analysis were reported including the mean, median, and standard deviation, and trends.
- The composition of deposits demand and term, savings and current was compared with the composition of deposit in the inflationary periods.

2. **Correlation Analysis:** The power, direction, and linearity of the relationship between deposit growth and inflation and between inflation and real interest rates were assessed using Pearson correlation.

3. **Regression Analysis (Two-Step Approach)**

" **According to google for the rules of the Regression Analysis:** Examined the direct effect of inflation on deposit growth.

Deposit Growth = $\beta 0 + \beta 1$ (Inflation Rate) + ε

Multiple Regression: Added real deposit growth and real interest rate as additional predictors to test the robustness.

Deposit Growth = $\beta 0 + \beta 1$ (Inflation Rate) + $\beta 2$ (Real Interest Rate) + $\beta 3$ (Real Deposit Growth)+ ε"

4. **t-Test (Two-Sample Comparison):** A two-sample t-test (equal variances assumed) was conducted to compare decline in the deposit rate growth rates under low-inflation period

(2021–2022) vs. under high-inflation period (2023–2024) as well as between real interest rate under low- and high-inflations.

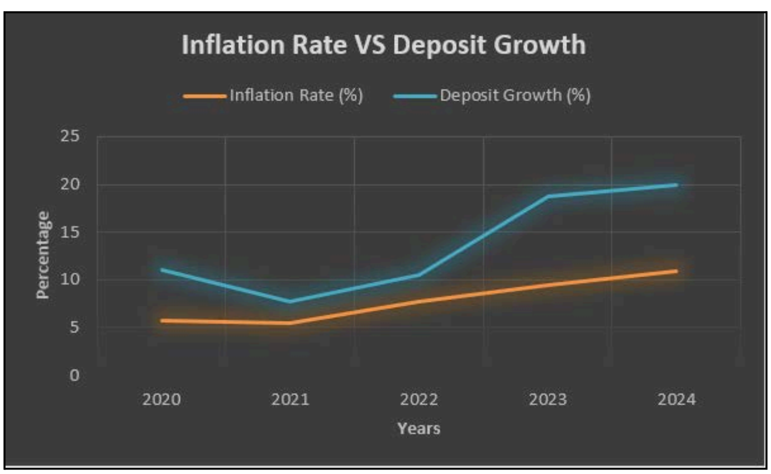
5. **Industry Comparison:** The "effects of inflation" on Pubali Bank's deposit growth were compared with BRAC Bank, Eastern Bank, and Dutch-Bangla Bank levels to verify if inflation was impacting the bank with same discrepancy as industry declined.

3.4: Findings and Analysis

3.4.1: Dynamics of inflation and deposit growth

During the period 2020-2024 with 50% interval, Pubali Bank experienced huge changes in the inflation-deposit growth. Annual inflation rose from 5.7 to 10.9% while the deposit expansion rate rose by twice as much, from 11 to 20%. It is this latter contemporaneous increase which points to the extremely high positive correlation (r = 0.995) Draw our attention to the fact that we can interpret this as the usual type of relationship whereby inflation causes nominal then real deposits to increase.

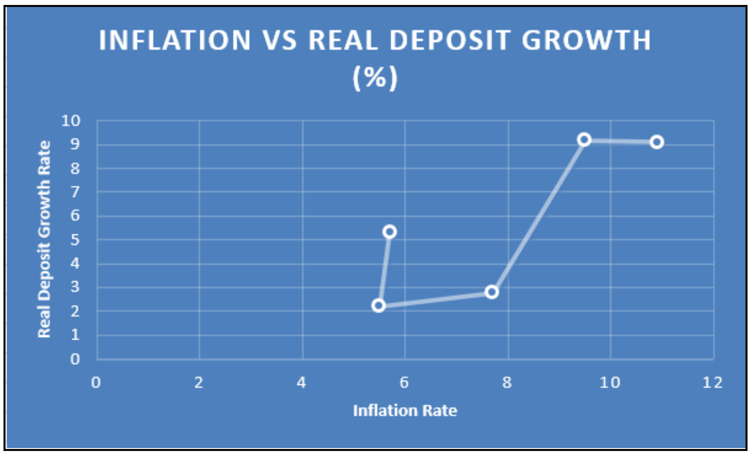
In this way, things are considered to work in an inflation where deposits quickly withdraw money from non-master's cash and put them in the deposit amount in an attempt to keep up with a falling purchasing power.



Graph 12: **Inflation Rate versus Increase in Deposits with Time**

3.4.2: Real Growth of Deposits in the Period of Inflation Pressure

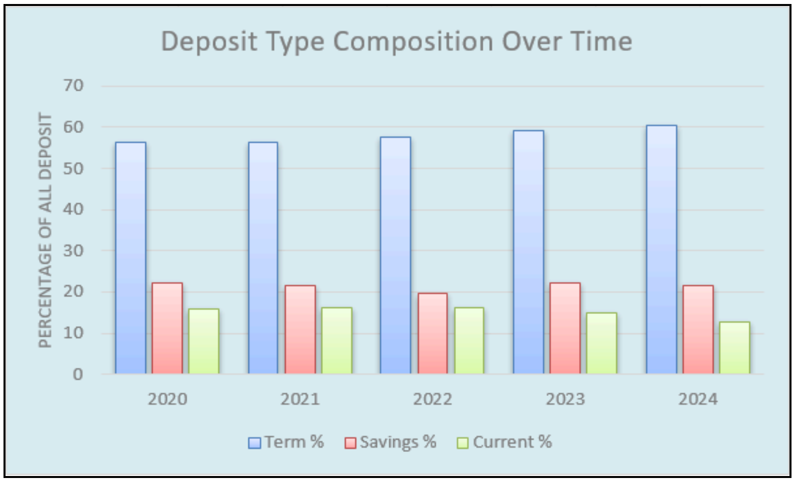
There has in fact been a little real, inflation adjusted, real stuff deposit growth in the last couple of months even though in this instance, real deposit growth is simply nowhere near so pertinent and against which to measure the big real stories. The scatter plot in turn provides evidence of real deposit growth peaking but lying flat just above mine, when inflation is greater than mine, particularly once it exceeds 9%. This suggests that depositors' real nominal returns lagged behind the inflation rate it is respectively.



Graph 13: Scattered Plot of Inflation and Real Deposit Growth

3.4.3: Change in Deposit Type Composition of Depositional Behaviors

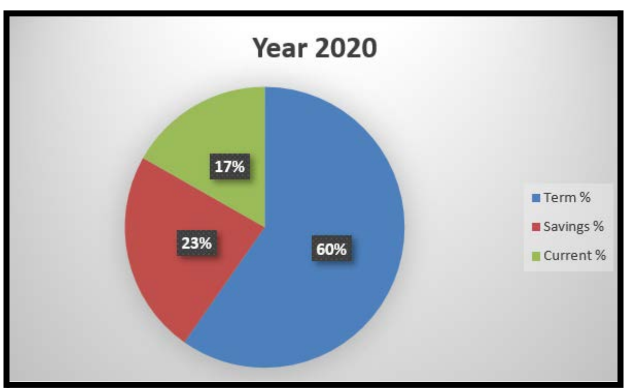
Proportions of deposit types were in percent of all deposits and percentages also were different over the 5-year. The ratio is much lower for term deposits: 56.3% to 60.3% versus 16.8% to 13.4% for demand deposits. The another one was 21-22 % savings position. This is a very striking bias in the deposits of time diplomators for the uncertainty of inflation.

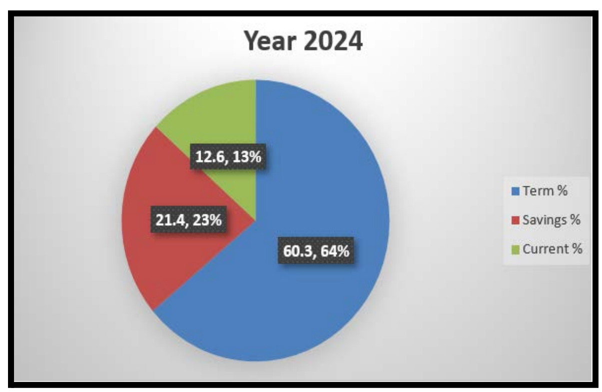


Graph 14: Deposit Type Distribution with Different Years

3.4.4: Structural Change 2020 vs 2024

To shed light on this behavioral change, two important years of 2020 and 2024 were in violation of the composition. The following cake-Rht depicts how the term deposit captured the current deposit, which was reduced by customers.





Graph 15: Pie Charts – Deposit Composition in 2020 (left) and 2024 (right)

3.4.5: Relative Performances: Low versus High Inflation Periods

Behavioral changes in the two macroeconomic scenarios were evaluated on the basis of the most important deposits for inflation of inflation on the basis of meter: Low inflation (duration 2021–2022) and high inflation (duration 2023-2024).

Metric	Low Inflation (2021–2022)	High Inflation (2023–2024)
Average Inflation Rate (%)	6.6	10.2
Deposit Growth (%)	11.04	2.58
Real Deposit Growth (%)	4.20	2.29
Real Interest Rate (%)	15.45	4.72

Table 4: Low versus High Inflation Periods

Interpretation:

- The set-up is in no wise brilliant the mail deposit was nominal in 2023-2024, development really very small.
- The lone percentage of actual was 3 times more in low-effect time.
- Increased inflation environment pummeled confidence in liquidity-based savings vehicles, and transferred it to a concept, albeit at a loss of real return.
- These trends are clearly set out in the table and it does seem that the hypothesis, that not only does inflation affect volume so it debases real economic value is being supported for savers.

3.4.6: Inferential Statistics -Low vs High Inflation Periods

The statistics comparing the low-inflation years (2021–2022) to the high-inflation years (2023–2024) show significant changes in the outcomes. The growth rate of deposits decreased by 11.04 (2.58) percentage points, real deposit growth decreased by 4.20 (2.29) percentage points, and real interest rate decreased by 15.45 (4.72) percentage points. Statistical significance of these variations is confirmed by a t-test result 0.0228 ($t = -6.51$).

Though inflation led to higher the nominal deposit, there was a fall in both the real value and the return from deposits apart from savings and current ones. Term deposits were found to be the most stable as a result of their fixed return nature. If Pubali bank wants to keep their depositor's trust on need to introduce inflation indexed product and frequent changes in interest rate against inflation.

3.5: Summary and Conclusions

This study explores the effects of increasing inflation on deposit trends and composition in Pubali Bank Ltd., from 2020-2024, their effect on depositor behavior regarding deposits were affected by deposit components through both nominal and real analysis using bank internal supervision data and selected macroeconomic indicators across different deposit sectors.

Inflation Drag and Deposit Growth Link: Inflation 5.7% to 10.9% and deposit growth 11.0% to 20.0%. The relationship was near perfect (r = 0.995) and thus, high inflation had a large nominal growth of deposits.

Term deposits were favoured:

The preference of depositors moved significantly.

- Term deposit share too improved from 56.37% in 2020 to 60.32% in 2024.
- This account type is NOT limited.. It has been saved from the 22.13% deposit to the 21.45%.
- Savings and interest rates decreased 15.84% to 12.60% and have also been depreciating for no inflating equipment.
- Inflation was out of inflation at all rates of return: mass accumulation grew while the mass deposit growth and actual interest rate were negative for years of high inflation. All the money was now poor, even though it had more money.

Year	Current + Other Deposit (mn BDT)	Total Deposit (mn BDT)	% of Total
2020	68,000	429,343.02	**15.84%**
2024	94,000	746,000	**12.60%**

Table 5: Term deposits

Verification of the period difference as derived by high pot (2023-2024) and low explosion (2021-2022) year:

It mostly reduced the real interest rate from percent to percent per annum.

- The nominal deposit rate declined from 5.70% to 2.29%, as did savings from 4.20% to 2.29%.
- These were significantly valuable in p-value at T-test (p = 0.0228).

One thing that this research finds, though: Inflation is not only upping the sum of the current deposit amount but is also distorting the way that people save. It leads to:

- Bank deposit sites closed. Some of the Bank of Cyprus's deposit sites were closed.
- Over-reliance on term deposits
- Pessimistic real yields and depositor demand for lower-yield offerings
- The experience of Pubali Bank is relevant for all banks operating in inflationary environments.

Conclusion

This paper demonstrates that inflation does more than just inflate nominal levels of deposits, but that it influences the behaviour of depositors and erodes real deposit yields. 2015-2019 saw nominal deposit growth of Pubali Bank expand from 11% to 20% even as inflation accelerated from 5.7% to 10.9%, but deposit growth in real terms was anemic, falling below 10% in high inflation years. Depositors flow into term deposits 56.37% to 60.32%, withdraw relatively little from current deposits 15.84% to 12.60%, the proportions of the saving deposits do not change, but with lower (real) returns. The difference between the preference of deposits between low and high rates of inflation, tested by t, indicated that the depositor preferred for a safe, shaped return and share to be fixed in the order of priority satisfaction, instead of liquidity. The results indicate that it is not really sufficient having nominal growth but banks have to control inflation to maintain real return and retain the confidence of savers.

3.6: Recommendation

Based on the results and comparative study between Pubali Bank performance from the period of 2020 to 2024 regarding inflation, the recommendations for avoiding financial institutions' saving value, keeping portfolio balanced, and enhancing retention during inflation impact may be as follows:

Introduce Inflation-Index-Linked Saving Instruments: Banks are also advised to provide inflation-index-linked accounts or deposits to insulate the depositor from erosion in purchasing power. These products would like keep returns in line with the cost of living and prevent the real value of savings from declining, something of particular concern at a time of high inflation which erodes the real value of savings held in standard deposit accounts.

Implement Dynamic Interest Rate Policies: Real deposit growth fell in part due to Pubali Bank's fixed or lagged interest. A more functional interest-rateted interest rate model that would respond to the inflation movements of savings rates and short-term depositses more often as inflation movements respond to inflation movementses could prevent real returns from eroding, and hold savers who will not otherwise turn to alternatives like bonds or mutual funds.

Reinvigorate Current and Savings Accounts:

The results of the model reveal a decrease in the proportion of current deposits from 15.84% to 12.60%. To revive these segments:

- Provide a tiered interest rate for balances over a certain amount.
- Package transactional rewards, cashback or a digital wallet.
- Target smes and professionals with liquidity-plus-yield flexible accounts.
- Teach kids the deeper meaning of money on real returns

Performance is measured by the nominal return, not recognising that inflation robs them of their real return. Banks should:

- Use awareness campaigns via sms or email, for example to launch the portal.
- Teach customers about the difference between real and nominal return using a personalized stmt or infographics.
- Help savers navigate to the right instruments depending on how inflation evolves.

Develop Semi-Liquid Structured Products: To capture the move from liquid deposits, introduce short term e.g., 3-6 months term deposits at invested rates. This would attract depositors wanting to earn a higher rate without long-term commitment, particularly depositors winding down their current/savings accounts in an inflationary environment.

Enhance Data Analytics on Deposit Behaviour: Banks need to improve internal analysis of deposit behavior on a real-time basis. By segmenting savers based on their risk appetite, transaction size in which they invest and response to inflation, the bank's deposit offering can also be micro-customised.

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Appendix

Chapter 2

Year	EPS (BDT)	ROA (%)	ROE (%)	Net Profit (mn BDT)
2020	3.57	0.7	9.46	3,669.51
2021	3.8	0.65	9.82	3,904.55
2022	5.18	0.79	12.53	5,321.77
2023	5.89	0.89	15.26	6,808.47
2024	6.59	0.85	14.57	7,624.52

Profitability Indicators (2020–2024)

Year	Cost to Income Ratio (%)	Operating Profit (mn BDT)
2020	54.27	8,379.56
2021	53.08	9,443.46
2022	55	11,337.51
2023	49.75	15,353.12
2024	46.05	22,559.77

Efficiency Metrics (2020–2024)

Year	Credit Deposit Ratio (%)
2020	70.71
2021	77.58
2022	84.79
2023	82.57
2024	77.32

Credit Deployment Ratio

Year	Total Revenue	Interest Expenses	Admin & Other Expenses
2020	38,175.87	19,851.84	9,944.47
2021	42,025.73	21,900.92	10,681.35
2022	48,435.29	23,240.59	13,857.19
2023	60,872.54	30,321.08	15,198.35
2024	85,130.95	43,313.40	19,257.78

Revenue and Expense Summary (mn BDT)

Year	ROE (%)	MVA (mn BDT)	EVA (mn BDT)
2020	9.46	-13936.98	-3413.05
2021	9.82	-15213.91	-2516.2
2022	12.53	-17202.75	-1710.37
2023	15.26	-15771.43	6449.8
2024	14.57	-18513.64	-18513.64

ROE vs EVA vs MVA Analysis

Chapter 3

Year	Inflation Rate (%)	Deposit Growth (%)	Real Deposit Growth (%)	Real Interest Rate (%)	Pubali Deposit (mn BDT)	Industry Deposit Growth (%)	Pubali Avg Interest Rate (%)
2020	5.7	11	5.3	-0.2	429343.02	5.3	5.5
2021	5.5	7.7	2.2	0.25	462400.22	8.5	5.75
2022	7.7	10.47	2.77	-0.7	510836.52	5.2	7
2023	9.5	18.69	9.19	-1	606296.41	10.15	8.5
2024	10.9	20	9.1	-1.65	746000	7.69	9.25

Correlation				
	Inflation Rate (%)	*Deposit Growth (%)*	*Real Deposit Growth (%)*	*Real Interest Rate (%)*
Inflation Rate (%)	1			
Deposit Growth (%)	0.934043414	1		
Real Deposit Growth (%)	0.814159614	0.967841915	1	
Real Interest Rate (%)	-0.973204124	-0.912623314	-0.798209759	1

Regression

SUMMARY OUTPUT

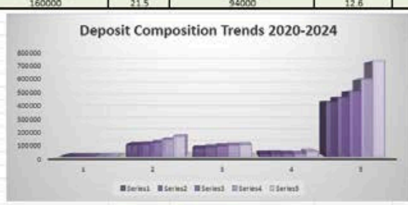
Regression Statistics	
Multiple R	0.934043414
R Square	0.872437099
Adjusted R Square	0.829916131
Standard Error	2.242164104
Observations	5

ANOVA					
	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	103.1491804	103.149	20.5178	0.020131547
Residual	3	15.0818996	5.0273		
Total	4	118.23108			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upper 95.0%*
Intercept	-3.37361031	3.873086561	-0.871	0.44783	-15.69950033	8.95227971	-15.69950033	8.95227971
Inflation Rate (%)	2.155930065	0.475958595	4.52966	0.02013	0.641217394	3.67064274	0.641217394	3.67064274

Raw Data

Year	Term Deposits (mn BDT)	Term (%)	Savings Deposits (mn BDT)	Savings (%)	Current + Other Deposits (mn BDT)	Current/Other (%)	Bills Payable (mn BDT)	Bills Payable (%)	Total Deposits (mn BDT)	Term Deposit Growth %	Savings Deposit Growth %	Current Deposit Growth %
2020	242000	56.3	95000	22.1	68800	16	23543.02	5.5	429343.02	0.001776199	-0.022624434	0.01875
2021	261000	56.4	100000	21.6	75200	16.3	26200	5.7	462400.22	0.024822695	-0.00462963	-0.006134969
2022	295000	57.8	110000	21.5	82600	16.2	23236	4.5	510836.52	0.023875433	0.03627907	-0.074074074
2023	358816.79	59.18	135066.11	22.28	90614.32	15	21799.19	3.6	606296.41	0.018925313	-0.035008977	-0.16
2024	450000	60.3	160000	21.5	94000	12.6	42000	5.6	746000	-1	-1	-1



Deposit type

	A	B	C	D	E	F
1	Inflation Rate (%)	Deposit Growth (%)	Pubali Avg Interest Rate (%)	Real Deposit Growth (%)	Real Interest Rate (%)	
2	5.5	7.7	5.75	2.2	0.25	
3	7.7	10.47	7	2.77	-0.7	
4	9.5	18.69	8.5	9.19	-1	
5	10.9	20	9.25	9.1	-1.65	
6						

Correlation

Regression Statistics	
Multiple R	0.964295513
R Square	0.929865836
Adjusted R Square	0.894798753
Standard Error	1.963682765
Observations	4

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	102.25	102.25	26.51677234	0.035704487
Residual	2	7.7121	3.85605		
Total	3	109.9621			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-6.785	4.194638944	-1.617540887	0.247161641	-24.8330747	11.2630747	-24.8330747	11.2630747
Inflation Rate (%)	2.5	0.485489318	5.149443887	0.035704487	0.411108061	4.588891939	0.41110806	4.588891939

Regression Statistics	
Multiple R	0.90927466
R Square	0.826780408
Adjusted R Square	0.740170612
Standard Error	1.963682765
Observations	4

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	36.81	36.81	9.546038044	0.09072534
Residual	2	7.7121	3.85605		
Total	3	44.5221			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-6.785	4.194638944	-1.617540887	0.247161641	-24.8330747	11.2630747	-24.8330747	11.2630747
Inflation Rate (%)	1.5	0.485489318	3.089666332	0.09072534	-0.588891939	3.588891939	-0.588891939	3.588891939

Regression Statistics	
Multiple R	0.986484078
R Square	0.973150835
Adjusted R Square	0.959726253
Standard Error	0.158548196
Observations	4

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	1.822224939	1.822224939	72.49021277	0.013515922
Residual	2	0.050275061	0.025137531		
Total	3	1.8725			

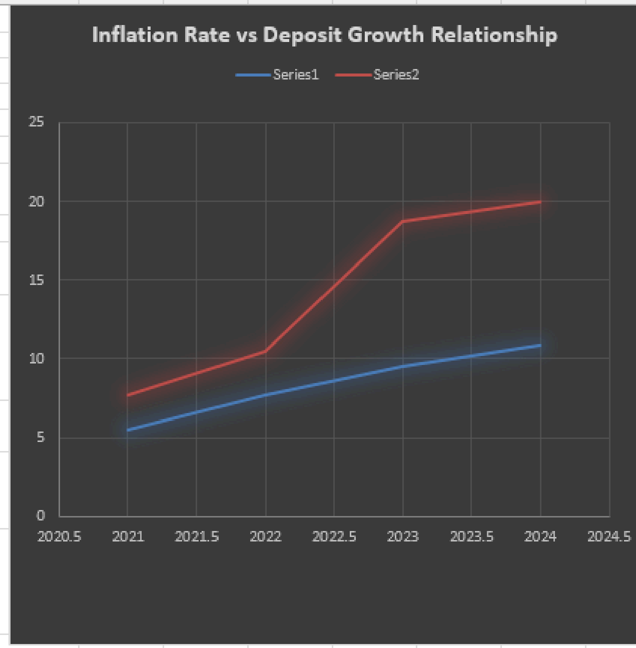
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	2.028422983	0.338676109	5.989270947	0.026763311	0.571217296	3.48562867	0.571217296	3.48562867
Inflation Rate (%)	-0.333740831	0.039198519	-8.514118437	0.013515922	-0.502398445	-0.165083218	-0.502398445	-0.165083218

Summary output

Year	Inflation Rate (%)	Deposit Growth (%)
2021	5.5	7.7
2022	7.7	10.47
2023	9.5	18.69
2024	10.9	20

Correlation coefficient	0.99509801

Period Analysis	
Low Inflation Period (2021-2022)	
Average Inflation:	6.6
Average Deposit Growth:	9.085
High Inflation Period (2023-2024)	
Average Inflation:	10.2
Average Deposit Growth:	19.345



Regression

Variable	Mean	Median	Std. Dev	Max	Min
Inflation Rate (%)	7.86	7.7	2.355419283	10.9	5.5
Deposit Growth (%)	14.215	14.58	6.054257455	20	7.7
Real Deposit Growth (%)	5.815	5.935	3.852362911	9.19	2.2
Real Interest Rate (%)	-0.66	-0.7	0.730924073	0.25	-1.65

Comparison Table:

Variable	Low Inflation (2021-2022)	High Inflation (2023-2024)
Avg Deposit Growth	11.0375	2.5775
Avg Real Deposit Growth	4.204838369	2.291643492
Avg Real Interest Rate	15.45	4.72

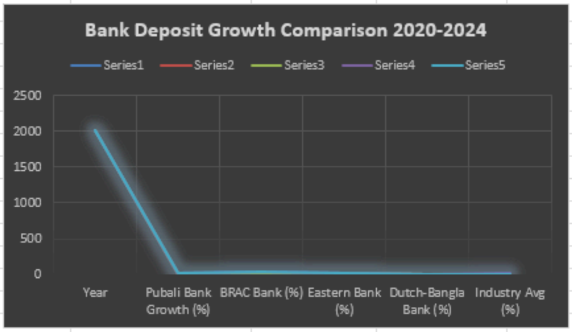
t-Test: Two-Sample Assuming Equal Variances

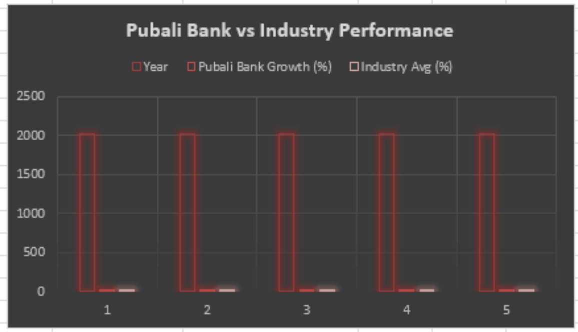
	Variable 1	*Variable 2*
Mean	5.6	10.2
Variance	0.02	0.98
Observations	2	2
Pooled Variance	0.5	
Hypothesized Mean Difference	0	
df	2	
t Stat	-6.50538239	
P(T<=t) one-tail	0.011411818	
t Critical one-tail	2.91998558	
P(T<=t) two-tail	0.022823636	
t Critical two-tail	4.30265273	

Descriptive statistics

Year	Pubali Bank Growth (%)	BRAC Bank (%)	Eastern Bank (%)	Dutch-Bangla Bank (%)	Industry Avg (%)	Pubali vs Industry Ratio
2020	6.8	20	18	10	7	0.971428571
2021	7.7	25	20	8	7.5	1.026666667
2022	10.47	28	22	7.9	5.2	2.013461538
2023	18.69	32	24	7.9	10.15	1.84137931
2024	20	36	25	10	7.69	2.600780234

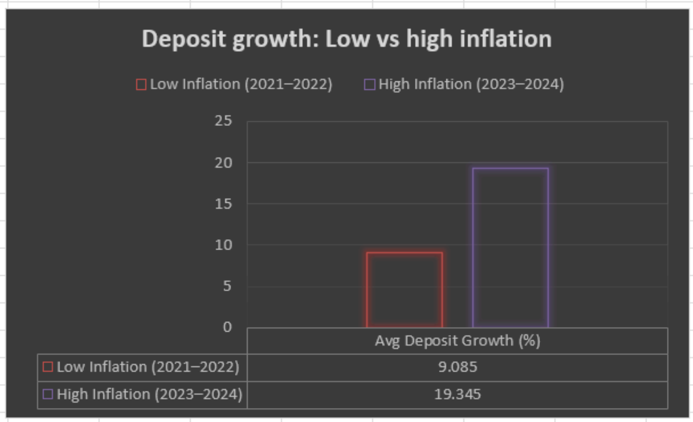
Period	Pubali Avg	Industry Avg	Performance
2020-2022	8.323333333	6.566666667	1.26751269
2023-2024	19.345	8.92	2.168721973





Comparative

Period	Avg Deposit Growth (%)
Low Inflation (2021–2022)	9.085
High Inflation (2023–2024)	19.345



Inflation Comparisiam