Directors' Report

Message from the **Chairman**

Message from the Chairman

Dr. Arifur Rahman
Chairman

Dear Valued Shareholders,
Assalamualaikum

It's my privilege to present the Annual Report 2025 of The Premier Bank PLC. to distinguished shareholders, respected members of the Board, valued customers, and the entire team of the Bank.

The year 2025 was marked by a complex and evolving economic landscape, both globally and domestically. Despite ongoing challenges such as inflationary pressures, market volatility, and regulatory adjustments, our bank demonstrated resilience, stability, and a clear commitment to sustainable growth. I am pleased to report that our overall qualitative performance remained strong, reflecting the effectiveness of our strategic direction and disciplined execution. Moreover we are committed to position the Bank as a "Three C Bank" — Consumer, Corporate, and Conservative — with a renewed focus on service, sustainability, and growth.

Global Economic Outlook 2025

The global economic environment in 2025 remained characterized by moderate growth amid ongoing structural and geopolitical challenges. According to the latest World Economic Outlook of the International Monetary Fund (IMF), global economic activity continued to show resilience, albeit below historical averages.

Global GDP growth stood at 3.2% in 2025, compared to 3.3% in 2024, reflecting the impact of tight monetary conditions and subdued demand. Inflation moderated to around 4.1%, though it remained elevated in emerging economies (5.4%) relative to advanced economies (2.5%). Global trade growth remained weak at approximately 1.7%, constrained by geopolitical tensions and trade fragmentation. Looking ahead, inflation is expected to ease further to around 3.8% in 2026, indicating a gradual disinflation process.

Despite stable growth, downside risks persist, including geopolitical uncertainties, high public debt, financial market volatility, and commodity price fluctuations. Overall, the global outlook reflects resilient yet constrained growth.

Bangladesh economy in 2025: A year of survival

The year 2025 was characterized more by economic stabilization than recovery. The primary policy focus remained on maintaining macroeconomic stability and preventing further deterioration amid a challenging domestic and global environment.

According to the Bangladesh Bureau of Statistics (BBS) and the International Monetary Fund (IMF), real GDP growth moderated to 3.49% in FY2025, compared to 4.2% in FY2024 and 5.8% in FY2023, reflecting subdued investment, tight monetary conditions, and external pressures. Inflation remained elevated at 8.49%, though it showed signs of easing toward the latter part of the year. The external sector demonstrated resilience, supported by steady export performance—particularly in the RMG sector—and strong remittance inflows, contributing to improved foreign exchange stability, as noted by the World Bank.

The banking sector remained broadly stable but continued to face structural challenges, with moderated credit growth and steady deposit mobilization. However, challenges persisted, including elevated non-performing loans (NPLs), liquidity pressures, and exchange rate volatility. Ongoing regulatory reforms and increasing digital adoption supported improved governance and operational efficiency.

Fiscal pressures remained evident, with a widening deficit driven by lower revenue mobilization and higher expenditure commitments. Nonetheless, key macroeconomic indicators—including nominal GDP of approximately USD 450 billion, per capita income of around USD 2,593, and relatively low unemployment—reflect underlying economic resilience.

Looking ahead, both the IMF and the World Bank project a gradual recovery, with GDP growth expected to improve to around 4.7%–4.8% in FY2026, subject to continued policy discipline and structural reforms. Overall, the economy in 2025 reflects a phase of stabilization under pressure, laying the groundwork for a gradual recovery in the coming years.

Our Performance Overview

During the year, the bank recorded steady growth in its core financial indicators. Our total assets, deposits, and loan portfolio expanded in a balanced manner, supported by prudent credit risk management and a diversified business approach. We remained focused on maintaining asset quality, strengthening our capital position, and ensuring adequate liquidity to support future growth.

The Premier Bank PLC. has embarked on a new chapter under the leadership of its newly constituted Board of Directors. Since its formation on August 19, 2025, the Board has prioritized formulating banking policies with a strong focus on corporate governance and compliance to preserve depositor trust and institutional reputation. It has also initiated recovery of non-performing loans (NPLs) and undertaken effective corrective measures.
The Board's key areas of focus include audit matters, divisional strategy, service quality, account segregation, corporate culture, and governance. Special emphasis is being placed on remittance, retail, corporate, SME, cards, digital, and Islamic banking.

Safeguarding depositor funds remains the board's foremost priority. Rigorous analysis is underway on bad loans and audit issues, with maximum measures being taken to protect customers' money. To ensure essential services are delivered with the highest priority, the board has introduced the "Service First" principle.

At a time when many financial institutions are grappling with dollar shortages and liquidity crises, the Bank continues to stand strong. Letters of Credit (LCs) are being opened seamlessly across all branches, demonstrating the bank's stability and resilience. Customers are also benefiting from renewed focus on efficiency, care, and trust. Besides these we have already emphasized & allocated substantial fund for Women Entrepreneur Financing.

Prioritize Digital Banking

Digital transformation continued to be a cornerstone of our strategy in 2025. We enhanced our digital banking platforms to provide faster, safer, and more convenient services to our customers. Our investments in technology have not only improved customer experience but also increased operational efficiency and strengthened cybersecurity measures.

The Bank proudly launched its revamped website (thepremierbankplc.com), aimed at enhancing customer experience and meeting the evolving needs of our clients. This website represents our dedication to innovation and customer service excellence. We are committed to providing our clients with superior banking solutions that are both efficient and secure. The combination of advanced security and a streamlined, user-friendly interface ensures that digital banking with Premier Bank is easier and safer than ever before.

Care and Share Alike for The Society

We care for the feelings, needs and experience of the society and share our interests equally. We try hard to provide for the less privileged and have-nots to ensure a better society and a more prosperous Bangladesh. It is an honor, our duty and privilege, to be able to serve the nation in more ways than just providing banking services.

We also reaffirmed our commitment to responsible and sustainable banking. Through our corporate social responsibility initiatives, we supported programs in education, healthcare, environmental sustainability, and financial inclusion. We believe that long-term success is closely linked with the well-being of the communities we serve.

Acknowledgement

I would like to express my sincere appreciation to our valued customers for their trust and confidence in our bank. My heartfelt thanks go to our employees for their dedication, professionalism, and relentless efforts throughout the year. I also extend my gratitude to our Board of Directors for their strategic guidance, and to the regulators and stakeholders for their continued support.

As we look ahead to 2026, we remain cautiously optimistic. While uncertainties persist, we are confident in our ability to adapt and grow. Our focus will remain on innovation, customer-centric services, strong governance, and sustainable value creation for all stakeholders.

In closing, I reaffirm our commitment to building a stronger, more resilient bank that continues to contribute positively to the economy and society.

Dr. Arifur Rahman
Chairman

চেয়ারম্যানের বার্তা

সম্মানিত শেয়ারহোল্ডারবৃন্দ,
আসসালামু আলাইকুম

দি প্রিমিয়ার ব্যাংক পিএলসি. এর ২০২৫ সালের বার্ষিক প্রতিবেদন সম্মানিত শেয়ারহোল্ডারবৃন্দ, পরিচালনা পর্ষদের সম্মানিত সদস্যবৃন্দ, সম্মানিত গ্রাহকবৃন্দ এবং ব্যাংকের সমগ্র টিম, আপনাদের সকলের নিকট উপস্থাপন করতে পেরে আমি সম্মানিত বোধ করছি।

বৈশ্বিক ও দেশীয় অর্থনীতির জন্য ২০২৫ সাল ছিল চ্যালেঞ্জ ও পরিবর্তনের এক গুরুত্বপূর্ণ বছর। মুদ্রাস্ফীতি জনিত চাপ, বাজারের অস্থিরতা এবং নীতিগত পরিবর্তন সহ বিভিন্ন প্রতিকূলতা সত্ত্বেও আমাদের ব্যাংক দৃঢ়তা, স্থিতিশীলতা এবং টেকসই প্রবৃদ্ধির প্রতি অবিচল অঙ্গীকারের পরিচয় দিয়েছে। আমি আনন্দের সাথে জানাচ্ছি যে বৈশ্বিক ও জাতীয় কঠিন অর্থনৈতিক অবস্থার মধ্যেও আমরা আমাদের গুণগত কর্মদক্ষতার মান অক্ষুণ্ণ রাখতে পেরেছি যা আমাদের সুদূরপ্রসারী কৌশলগত পরিকল্পনা এবং সুশৃংখল বাস্তবায়নের সফল প্রতিফলন। গ্রাহক কেন্দ্রিকতা, সেবার উৎকর্ষতা, টেকসই উন্নয়ন ও ভবিষ্যৎ প্রবৃদ্ধিকে সর্বোচ্চ অগ্রাধিকার দিয়ে আমরা ব্যাংকটিকে একটি আদর্শিক “থ্রি সি ব্যাংক” কনজিউমার (ভোক্তা), কর্পোরেট এবং কনজারভেটিভ (রক্ষণশীল) হিসেবে প্রতিষ্ঠিত করতে প্রতিশ্রুতিবদ্ধ।

বৈশ্বিক অর্থনৈতিক পরিস্থিতি

চলমান কাঠামোগত সীমাবদ্ধতা ও ভূ-রাজনৈতিক প্রতিকূলতার মাঝেও ২০২৫ সালে বিশ্ব অর্থনৈতিক পরিমন্ডল মাঝারি প্রবৃদ্ধি দ্বারা চিহ্নিত করা হয়েছে । আন্তর্জাতিক মুদ্রা তহবিলের (আইএমএফ) সর্বশেষ বিশ্ব অর্থনৈতিক পূর্বাভাস অনুযায়ী, বিশ্ব অর্থনৈতিক পরিস্থিতি স্থিতিশীলতা প্রদর্শন অব্যাহত রেখেছে, যদিও তা ঐতিহাসিক গড়ের নিচে ছিল।

২০২৫ সালে বিশ্ব জিডিপি প্রবৃদ্ধি ছিল ৩.২%, যা ২০২৪ সালের ৩.৩% এর তুলনায় কম। এটি কঠোর মুদ্রানীতি এবং দুর্বল চাহিদার প্রভাবকে প্রতিফলিত করে। মুদ্রাস্ফীতি কমে প্রায় ৪.১%-এ দাঁড়িয়েছে, যদিও উন্নত অর্থনীতির (২.৫%) তুলনায় উদীয়মান অর্থনীতিতে (৫.৪%) তা বেশি ছিল। ভূ-রাজনৈতিক উত্তেজনা এবং বাণিজ্য বিভাজনের কারণে বিশ্ব বাণিজ্য প্রবৃদ্ধিও দুর্বল ছিল যা প্রায় ১.৭%। ভবিষ্যতে, ২০২৬ সালে মুদ্রাস্ফীতি আরও হ্রাস পেয়ে প্রায় ৩.৮ %-এ দাঁড়াবে বলে ধারনা করা হচ্ছে, যা একটি ক্রমান্বয়িক মুদ্রাস্ফীতি হ্রাসের প্রক্রিয়াকে নির্দেশ করে।

স্থিতিশীল প্রবৃদ্ধি সত্ত্বেও, ভূ-রাজনৈতিক অনিশ্চয়তা, উচ্চ সরকারি ঋণ, অস্থিতিশীল অর্থনৈতিক বাজার এবং পণ্যের মূল্যের তারতম্যসহ বিভিন্ন ঝুঁকি বিদ্যমান রয়েছে। সামগ্রিকভাবে বৈশ্বিক অর্থনৈতিক প্রেক্ষাপট স্থিতিস্থাপকতা প্রদর্শন করলেও সীমাবদ্ধ প্রবৃদ্ধির ধারাকেই নির্দেশ করছে।

২০২৫ সালে বাংলাদেশের অর্থনীতি: টিকে থাকার বছর

২০২৫ সালটি অর্থনৈতিক পুনরুদ্ধারের চেয়ে অর্থনৈতিক স্থিতিশীলতার বছর হিসেবে বেশি চিহ্নিত ছিল। প্রতিকূল অভ্যন্তরীণ ও বৈশ্বিক পরিস্থিতির মধ্যে সামষ্টিক অর্থনৈতিক স্থিতিশীলতা বজায় রাখা এবং আরও অবনতি রোধ করাই ছিল প্রধান নীতিগত লক্ষ্য।

বাংলাদেশ পরিসংখ্যান ব্যুরো (বিবিএস) এবং আন্তর্জাতিক মুদ্রা তহবিল (আইএমএফ) অনুসারে, মন্থর বিনিয়োগ, কঠোর মুদ্রানীতি এবং বাহ্যিক চাপের কারণে ২০২৫ অর্থবছরে প্রকৃত জিডিপি প্রবৃদ্ধি কমে ৩.৪৯%-এ দাঁড়িয়েছে, যা ২০২৪ অর্থবছরের ৪.২% এবং ২০২৩ অর্থবছরের ৫.৮%-এর তুলনায় কম। মুদ্রাস্ফীতি ৮.৪৯%-এ উন্নীত ছিল, যদিও বছরের শেষার্ধে তা কিছুটা কমার লক্ষণ দেখা যায়। বিশ্বব্যাংকের মতে, বিশেষত তৈরি পোশাক খাতে স্থিতিশীল রপ্তানি কর্মক্ষমতা এবং শক্তিশালী রেমিটেন্স প্রবাহের দ্বারা সমর্থিত হয়ে বৈদেশিক মুদ্রার স্থিতিশীলতা কিছুটা উন্নত করতে অবদান রাখায় বাহ্যিক খাত স্থিতিস্থাপকতা প্রদর্শন করেছে।

ব্যাংকিং খাত সামগ্রিকভাবে স্থিতিশীল থাকলেও কাঠামোগত চ্যালেঞ্জের সম্মুখীন হতে থাকে, যেখানে ঋণ প্রবৃদ্ধি ছিল মন্থর এবং আমানত সংগ্রহ ছিল স্থিতিশীল। তবে, উচ্চ খেলাপি ঋণ, তারল্য সংকট এবং বিনিময় হারের অস্থিরতাসহ বিভিন্ন চ্যালেঞ্জ অব্যাহত ছিল। চলমান নিয়ন্ত্রক সংস্কার এবং ক্রমবর্ধমান ডিজিটাল প্রযুক্তি গ্রহণ উন্নত সুশাসন ও পরিচালনগত দক্ষতাকে সহায়তা করেছে।

রাজস্ব আদায় হ্রাস এবং ব্যয়ভার বৃদ্ধির কারণে ঘাটতি বাড়তে থাকায় আর্থিক চাপ সুস্পষ্ট ছিল। তা সত্ত্বেও, প্রধান সমষ্টিক অর্থনৈতিক সূচকগুলো যার মধ্যে রয়েছে প্রায় ৪৫০ বিলিয়ন মার্কিন ডলারের নোমিনাল জিডিপি, মাথাপিছু আয় প্রায় ২,৫৯৩ মার্কিন ডলার এবং তুলনামূলকভাবে কম বেকারত্ব-অন্তর্নিহিত অর্থনৈতিক স্থিতিস্থাপকতাকে প্রতিফলিত করে।

ভবিষ্যতের দিকে তাকালে, আইএমএফ এবং বিশ্বব্যাংক উভয়ই একটি ধীরগতির পুনরুদ্ধারের পূর্বাভাস দিয়েছে, যেখানে অব্যাহত নীতিগত শৃঙ্খলা এবং কাঠামোগত সংস্কার সাপেক্ষে ২০২৬ অর্থবছরে জিডিপি প্রবৃদ্ধি প্রায় ৪.৭% - ৪.৮%-এ উন্নীত হবে বলে আশা করা হচ্ছে। সামগ্রিকভাবে, ২০২৫ সালের অর্থনীতি চাপের মধ্যে স্থিতিশীলতার একটি পর্যায়কে প্রতিফলিত করে, যা আগামী বছরগুলোতে একটি ধীরগতির পুনরুদ্ধারের ভিত্তি স্থাপন করছে।

আমাদের কর্মক্ষমতার পর্যালোচনা

এই বছরে, ব্যাংক তার মূল আর্থিক সূচকগুলিতে স্থিতিশীল প্রবৃদ্ধি অর্জন করেছে। বিচক্ষণ ঋণ ঝুঁকি ব্যবস্থাপনা এবং একটি বৈচিত্রময় ব্যবসায়িক পদ্ধতির সহায়তায় আমাদের মোট সম্পদ, আমানত এবং ঋণ পোর্টফোলিও সুষমভাবে প্রসারিত হয়েছে। আমরা সম্পদের গুণমান বজায় রাখা, আমাদের মূলধনের অবস্থান শক্তিশালী করা এবং ভবিষ্যৎ প্রবৃদ্ধিকে সমর্থন করার জন্য পর্যাপ্ত তারল্য নিশ্চিত করার উপর মনোনিবেশ করেছি।

দি প্রিমিয়ার ব্যাংক পিএলসি. তার নবগঠিত পরিচালনা পর্ষদের নেতৃত্বে একটি নতুন অধ্যায় শুরু করেছে। ১৯ আগস্ট, ২০২৫-এ গঠিত হওয়ার পর থেকে, পর্ষদ আমানতকারীদের আস্থা এবং প্রাতিষ্ঠানিক সুনাম রক্ষার জন্য কর্পোরেট সুশাসন এবং নিয়মকানুন প্রতিপালনের উপর দৃঢ় মনোযোগ দিয়ে ব্যাংকিং নীতি প্রণয়নকে অগ্রাধিকার দিয়েছে। ব্যাংক খেলাপি ঋণ আদায়ের উদ্যোগ নিয়েছে এবং কার্যকর সংশোধনমূলক ব্যবস্থা গ্রহণ করেছে।

পর্ষদের প্রধান মনোযোগের ক্ষেত্রগুলির মধ্যে রয়েছে নিরীক্ষা সংক্রান্ত বিষয়, বিভাগীয় কৌশল, পরিষেবার মান, অ্যাকাউন্ট পৃথকীকরণ, কর্পোরেট সংস্কৃতি এবং সুশাসন। রেমিটেন্স, রিটেইল, কর্পোরেট, এসএমই, কার্ড, ডিজিটাল এবং ইসলামিক ব্যাংকিং-এর উপর বিশেষ জোর দেওয়া হচ্ছে।

আমানতকারীদের তহবিল সুরক্ষিত রাখা পর্ষদের সর্বোচ্চ অগ্রাধিকার। খেলাপী ঋণ এবং নিরীক্ষা সংক্রান্ত বিষয়গুলির উপর কঠোর নিরিক্ষণ চলছে এবং গ্রাহকদের অর্থ সুরক্ষার জন্য সর্বোচ্চ ব্যবস্থা গ্রহণ করা হচ্ছে। অত্যাবশ্যকীয় পরিষেবাগুলিকে সর্বোচ্চ অগ্রাধিকার দিয়ে, বোর্ড "সেবাই প্রথম" নীতি চালু করেছে।

এখন এমন এক সময়, যখন অনেক আর্থিক প্রতিষ্ঠান ডলারের ঘাটতি এবং তারল্য সংকটে জর্জরিত, আমাদের ব্যাংক দৃঢ়ভাবে টিকে আছে। সমস্ত শাখায় নির্বিঘ্নে এলসি খোলা হচ্ছে, যা ব্যাংকের স্থিতিশীলতা এবং দৃঢ়তার প্রমাণ দেয়। দক্ষতা, যত্ন এবং আস্থার উপর নতুন করে মনোযোগ দেওয়ার ফলে গ্রাহকরাও উপকৃত হচ্ছেন। এগুলি ছাড়াও আমরা নারী উদ্যোক্তাদের অর্থায়নের উপর জোর দিয়েছি এবং এর জন্য উল্লেখযোগ্য পরিমাণ তহবিল বরাদ্দ করেছি।

ডিজিটাল ব্যাংকিংকে অগ্রাধিকার

২০২৫ সালেও ডিজিটাল রূপান্তর আমাদের কৌশলের একটি মূল ভিত্তি হিসেবে অব্যাহত রয়েছে। আমরা আমাদের গ্রাহকদের দ্রুততর, নিরাপদ এবং আরও সুবিধাজনক সেবা প্রদানের জন্য ডিজিটাল ব্যাংকিং প্লাটফর্মগুলোকে উন্নত করেছি। প্রযুক্তিতে আমাদের বিনিয়োগ শুধুমাত্র গ্রাহক অভিজ্ঞতাকেই উন্নত করেনি, বরং পরিচালনগত দক্ষতা বৃদ্ধি করেছে এবং সাইবার নিরাপত্তা ব্যবস্থাকে আরও শক্তিশালী করেছে।

গ্রাহক অভিজ্ঞতা বৃদ্ধি এবং আমাদের গ্রাহকদের ক্রমবর্ধমান চাহিদা পূরণের লক্ষ্যে প্রিমিয়ার ব্যাংক উন্নত এবং নতুন করে সাজানো ওয়েবসাইট চালু করেছে। এই ওয়েবসাইটটি উদ্ভাবন এবং গ্রাহক সেবার উৎকর্ষতার প্রতি আমাদের অঙ্গীকারের প্রতীক। আমরা আমাদের গ্রাহকদের দক্ষ ও নিরাপদ উভয় ধরনের উন্নত ব্যাংকিং সমাধান প্রদানে প্রতিশ্রুতিবদ্ধ। উন্নত নিরাপত্তা এবং একটি সুবিন্যস্ত, ব্যবহারকারী-বান্ধব ইন্টারফেসের সমন্বয় নিশ্চিত করে ব্যাংকের ডিজিটাল ব্যাংকিং আগের চেয়ে সহজ এবং নিরাপদ।

কর্পোরেট সামাজিক দায়বদ্ধতা ও অংশীদারিত্ব

আমরা সমাজের অনুভূতি, চাহিদা এবং অভিজ্ঞতার প্রতি যত্নশীল এবং আমাদের স্বার্থ সমানভাবে ভাগ করে নিই। একটি উন্নত সমাজ এবং আরও সমৃদ্ধ বাংলাদেশ নিশ্চিত করার জন্য আমরা সুবিধাবঞ্চিত ও অভাবীদের পাশে দাঁড়ানোর সর্বাত্মক চেষ্টা করি। শুধুমাত্র ব্যাংকিং পরিষেবা প্রদানের বাইরেও বিভিন্ন উপায়ে জাতির সেবা করতে পারাটা আমাদের জন্য এক সম্মান, কর্তব্য এবং বিশেষ সৌভাগ্যের বিষয়।

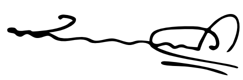
আমরা দায়িত্বশীল ও টেকসই ব্যাংকিংয়ের প্রতি আমাদের অঙ্গীকার পুনর্ব্যক্ত করেছি। কর্পোরেট সামাজিক দায়বদ্ধতা উদ্যোগের মাধ্যমে আমরা শিক্ষা, স্বাস্থ্যসেবা, পরিবেশগত স্থিতিশীলতা এবং আর্থিক অন্তর্ভুক্তি বিষয়ক কর্মসূচিগুলোকে সমর্থন করেছি। আমরা বিশ্বাস করি যে, দীর্ঘমেয়াদী সাফল্য আমরা যে সম্প্রদায়গুলোকে সেবা প্রদান করি তাদের কল্যাণের সাথে ঘনিষ্ঠভাবে জড়িত।

কৃতজ্ঞতা জ্ঞাপন

আমাদের ব্যাংকের প্রতি আস্থা ও বিশ্বাস রাখার জন্য আমি আমাদের সম্মানিত গ্রাহকদের প্রতি আমার আন্তরিক কৃতজ্ঞতা প্রকাশ করতে চাই। সারা বছর ধরে আমাদের কর্মীদের নিষ্ঠা, পেশাদারিত্ব এবং অক্লান্ত প্রচেষ্টার জন্য আমার আন্তরিক ধন্যবাদ। আমি আমাদের পরিচালনা পর্ষদকে তাদের কৌশলগত দিকনির্দেশনার জন্য এবং নিয়ন্ত্রক সংস্থা ও অংশীদারগণকে তাদের অব্যাহত সমর্থনের জন্য কৃতজ্ঞতা জানাই।

২০২৬ সালের জন্য আমরা সতর্কভাবে আশাবাদী যদিও অনিশ্চয়তা বিদ্যমান, আমরা নিজেদেরকে মানিয়ে নিতে এবং বিকশিত হতে পারার ব্যাপারে আত্মবিশ্বাসী। আমাদের লক্ষ্য থাকবে উদ্ভাবন, গ্রাহক-কেন্দ্রিক পরিষেবা, শক্তিশালী সুশাসন এবং সকল অংশীদারগণকে টেকসই ব্যাংক সৃষ্টি করা।

পরিশেষে, আমি একটি শক্তিশালী ও অধিক স্থিতিস্থাপক ব্যাংক গড়ে তোলার প্রতি আমাদের অঙ্গীকার পুনর্ব্যক্ত করছি, যা অর্থনীতি ও সমাজে ইতিবাচক অবদান অব্যাহত রাখবে।



ডাঃ আরিফুর রহমান
চেয়ারম্যান

Message from the
Managing Director

Message from the Managing Director

Md. Monzur Mofiz
Managing Director

The year 2025 marked a period of heightened stress for Bangladesh's banking sector, as long-standing structural weaknesses—particularly in asset quality—became increasingly evident. Non-performing loans (NPLs) rose sharply to approximately Tk 5.57 lakh crore, representing nearly 31% of total outstanding credit, underscoring the urgency for strengthened risk management and governance practices.

The prevailing economic conditions remained challenging, characterized by persistent inflation of around 8% and subdued private sector credit growth. Elevated borrowing costs, with the policy rate at 10%, further constrained investment activity and business expansion. Throughout the year, new investment remained stalled, as borrowing costs climbed with the central bank holding the policy rate at 10% - the highest among neighboring economies. Regulatory developments during the year were significant. The introduction of revised loan classification standards, along with comprehensive asset quality reviews, has enhanced transparency across the sector. The transition toward a risk-based supervisory framework, scheduled for implementation in 2026, represents a critical step in aligning the financial system with international best practices. The external sector provided some stability, with foreign exchange reserves rising to USD 32.57 billion by the end of the year, supported by strong remittance inflows.

At the same time, the gradual adoption of digital technologies, including early-stage AI-driven solutions, signals a transformative shift within the industry. Bangladesh's banking sector will need to committed to advancing its digital capabilities, enhancing cybersecurity, and delivering improved customer experience through innovation.

Major Economic Outlook Amid Geopolitical Tensions

The global economic landscape in 2026–2027 continues to reflect a fragile balance between resilience and uncertainty, shaped largely by persistent geopolitical tensions and energy market disruptions.

According to the International Monetary Fund (IMF), global growth projections have been modestly adjusted, with divergent trends across major economies. The United States economy is expected to maintain moderate growth momentum, supported by fiscal measures, the lagged impact of earlier monetary easing, and sustained investment in technology-driven infrastructure. Growth is projected at 2.3 percent in 2026, easing slightly to 2.1 percent in 2027, as higher energy costs partially offset these gains. In contrast, the euro area remains more vulnerable to external shocks, particularly due to its exposure to energy supply disruptions linked to the Russia–Ukraine conflict, compounded by instability in the Middle East. As a result, growth is projected to moderate to 1.1 percent in 2026 and 1.2 percent in 2027, reflecting a more subdued recovery trajectory.

Emerging market and developing economies are expected to face relatively stronger headwinds, given their greater dependence on energy imports and sensitivity to commodity price volatility. Growth in these economies is projected to soften to 3.9 percent in 2026. The impact is most pronounced in the Middle East and Central Asia region, where ongoing conflict and infrastructure disruptions are likely to significantly constrain economic activity, with growth declining to 1.9 percent.

Amid these developments, policymakers may face increasing pressure to adopt expansionary fiscal measures to mitigate the impact of rising energy prices. However, the IMF has cautioned against broad-based interventions, such as subsidies and tax reductions, in light of elevated fiscal deficits and rising public debt levels, emphasizing the need for targeted and prudent policy responses.

Bangladesh Financial Sector Overview 2025

At the conclusion of 2025, the Bangladeshi financial landscape finds itself at a pivotal crossroads. While there are early signs of stabilization supported by policy discipline and cautious macroeconomic management, longstanding structural challenges continue to weigh heavily on the system. Rebuilding confidence, revitalizing private sector investment and strengthening financial sector resilience remain critical priorities going forward. From a macroeconomic perspective, 2025 was characterized more by consolidation than expansion. Persistent inflationary pressures throughout much of the year necessitated a tight monetary policy stance. Although inflation showed some moderation towards the latter part of the year, this came alongside a deceleration in overall economic activity. According to the Bangladesh Bureau of Statistics (BBS), inflation stood at 8.49% in 2025, slightly higher than 8.17% recorded in October. The banking sector continued to represent the most significant area of vulnerability within the financial system. Elevated levels of non-performing loans (NPLs) remained a major concern, reflecting deep-rooted issues such as weak credit governance, inadequate risk assessment practices and limited recovery effectiveness. Despite ongoing reform initiatives, defaulted loans continued to strain bank balance sheets and constrain their capacity to support new lending. At the end of 2025, defaulted loans accounted for approximately 30.60% of total disbursed credit—the highest level recorded since 2000—highlighting the fragility of the banking system. The total volume of classified loans surged to BDT 5.57 lakh crore, with state-owned banks bearing a disproportionately high share of defaults at 44.6%. These trends underscore the urgent need for stronger governance, enhanced regulatory oversight and more effective resolution mechanisms.

Against this backdrop, banks remained cautious in their lending approach, prioritizing liquidity preservation over expansion. As a result, private sector credit growth slowed significantly, reaching a four-year low of around 6.23% by October 2025—well below the central bank's target. Elevated borrowing costs, political uncertainty, energy supply constraints and subdued business confidence collectively dampened demand for credit and investment. Private investment indicators further reflected this cautious sentiment. Investment by the private sector declined to 22.48% of GDP in FY2024–25, marking its lowest level in five years. This downward trend signals weakening investor confidence at a crucial juncture, particularly as Bangladesh prepares for its transition from Least Developed Country (LDC) status.

Investor sentiment during the year was influenced not only by financial conditions but also by broader institutional and governance challenges. Concerns over policy predictability, administrative inefficiencies and contract enforcement continued to affect business decisions. While reform initiatives were announced across several areas, inconsistent implementation led many domestic investors to adopt a cautious, wait-and-see approach, while foreign investors remained measured despite recognizing Bangladesh's long-term growth potential and strategic advantages.

On a more positive note, the external sector provided some degree of stability. Strong remittance inflows contributed to easing pressure on foreign exchange reserves, while export performance remained resilient in the face of global economic uncertainty. As 2025 ends, there is cautious recognition that stabilization has been achieved, but there is broad agreement that the hardest work lies ahead. Restoring trust in financial institutions, curbing loan defaults and ensuring predictable policy implementation are essential to unlocking private investment.

Review of Financial Performance

The year 2025 was a particularly challenging period for the banking sector in Bangladesh, and The Premier Bank PLC was not immune to these adverse conditions. The prevailing economic pressures, coupled with heightened sectoral vulnerabilities, significantly impacted the Bank's overall financial performance. As a result, the Bank was unable to achieve its targeted profitability during the year. Despite these constraints, the Bank maintained a prudent and cautious approach, prioritizing asset quality, liquidity management, and risk containment to safeguard its long-term stability. Encouragingly, the strategic measures undertaken during the year have laid a solid foundation for recovery. The Bank remains optimistic that, with improving economic conditions and continued internal strengthening, it will be well-positioned to overcome these challenges and return to a sustainable growth and profitability trajectory in the coming year. At the end of 2025, our deposit position Stood at BDT 329,402 million and Lending Portfolio BDT 335,008 Inward remittance was BDT 94,661 million. Besides the backdrops, in 2025 we have seen a significant positive growth in export and import sector where import stood at BDT 342,814 million. On the other hand, export stood at BDT 278,304 million. In 2025, the total assets of the Bank stood at BDT 442,551 million.

Global Crisis and Foreign Exchange Volatility

The year was significantly influenced by global economic uncertainties and foreign exchange market volatility. Fluctuations in major currencies, coupled with pressures on the balance of payments, created a challenging environment for trade and cross-border transactions. Despite these adversities, The Premier Bank PLC. maintained a resilient and well-managed foreign exchange position throughout the year. Through prudent treasury management, strengthened monitoring mechanisms, and a cautious approach to foreign currency exposures, the Bank was able to navigate market volatility effectively. This stability not only supported the Bank's operational continuity but also reinforced its capacity to serve clients engaged in international trade and remittance activities.

Non-Performing Loan (NPL) Management

Asset quality remained a key focus area. The Premier Bank PLC. intensified its efforts in credit risk assessment, monitoring, and recovery processes. Strategic initiatives were undertaken to reduce non-performing loans, improve recovery rates, and strengthen the overall credit portfolio. Continuous improvements in governance and internal controls further reinforced risk management practices. Non-performing loans (NPLs) remained a systemic challenge across Bangladesh's banking industry in 2025, and our Bank was not immune to these pressures. However, we remain firmly committed to strengthening our asset quality and are confident that our ongoing corrective measures will position us more favorably by the end of 2026.

Digital Transformation

While 57% of banking executives claim digital transformation is among their top priorities, implementation failures have become impossible to hide. Half admit legacy systems actively block progress, while 48% acknowledge departmental silos prevent effective data use. Like others, Digital transformation remained at the forefront of our strategic priorities. The Premier Bank PLC. continued to enhance its digital banking platforms, offering customers secure, seamless, and efficient services. Investments in technology enabled process automation, improved service delivery, and expanded financial inclusion, positioning the Bank competitively in an increasingly digital financial landscape.

Security and Trust

Security has become the dominant concern for bank leaders in 2025, with 53% now identifying cyber-attacks as their greatest operational risk. This isn't paranoia—it's a response to a wave of sophisticated attacks targeting financial infrastructure. Maintaining the highest standards of security and customer trust is integral to our operations. During the year, we further strengthened our cybersecurity infrastructure and data protection measures. Robust compliance frameworks and risk mitigation strategies ensured the safety and integrity of our systems and customer information.

Ensuring Cost Effectiveness

Ensuring cost effectiveness remained a key strategic priority for the Bank throughout 2025, particularly in a challenging operating environment marked by margin pressures and heightened risk considerations. The Bank adopted a disciplined approach to expense management, focusing on optimizing operational processes, reducing inefficiencies, and enhancing resource allocation. Greater emphasis was placed on digitalization and process automation to streamline service delivery and lower administrative costs, while maintaining high standards of customer service. At the same time, prudent balance sheet management and selective business expansion enabled the Bank to protect profitability without compromising on risk controls. Going forward, the Bank will continue to strengthen its cost optimization framework, leveraging technology and operational excellence to improve efficiency and sustain long-term value creation.

Enhancing Customer Value

Enhancing customer value remained central to the Bank's strategic focus in 2025, as evolving customer expectations and increasing competition continued to reshape the banking landscape. The Bank prioritized delivering a seamless, secure, and personalized banking experience through continuous improvement in service quality, product innovation, and digital capabilities. Efforts were directed toward expanding customer-centric solutions, strengthening relationship management, and improving turnaround times across all service channels. In parallel, investments in technology and data-driven insights enabled the Bank to better understand customer needs and tailor its offerings accordingly. Going forward, the Bank remains committed to deepening customer engagement, fostering trust, and delivering sustainable value through innovation, reliability, and service excellence.

Human Resources Development

Human Resources Development remained a cornerstone of the Bank's long-term strategy, recognizing that a skilled, motivated, and ethical workforce is fundamental to sustainable growth. During 2025, the Bank continued to invest in talent development through structured training programs, leadership development initiatives, and continuous learning opportunities aligned with evolving industry requirements. Emphasis was placed on enhancing employee competencies in areas such as risk management, digital banking, and customer service excellence. The Bank also fostered a performance-driven culture supported by transparent evaluation systems, employee engagement initiatives, and a strong focus on diversity, inclusion, and workplace well-being. Going forward, the Bank remains committed to nurturing its human capital, strengthening institutional capabilities, and building a future-ready workforce equipped to navigate an increasingly dynamic banking environment.

Focused Priorities for a Transformative Year

As we step into the new year, The Premier Bank PLC. renews its commitment to strengthening its operational foundation and achieving sustainable growth. Our strategic priorities are firmly aligned toward enhancing operational efficiency, improving profitability, and maintaining robust governance standards across all levels of the organization. We remain dedicated to ensuring full compliance with regulatory requirements while reinforcing a culture of transparency and accountability.

In the year ahead, The Premier Bank PLC. is committed to achieving the following strategic priorities:

- Strengthening operational capacity through improved efficiency and process optimization
- Enhancing profitability by focusing on sustainable and quality-driven business growth Ensuring sound corporate governance with greater transparency and accountability
- Maintaining strict compliance with all regulatory requirements and industry standards
- Delivering best-in-class customer service through innovation and improved service delivery channels
- Improving asset quality with disciplined credit assessment and monitoring
- Reducing non-performing loans (NPLs) through focused recovery and risk management initiatives
- Strengthening risk mitigation frameworks to safeguard financial stability
- Promoting sustainable growth by balancing business expansion with prudent risk management
- These commitments will guide the Bank's strategic direction as it aims to build resilience, restore performance, and create long-term value for all stakeholders.

Acknowledgement

I would like to extend my sincere gratitude to our valued customers for their continued trust and confidence in The Premier Bank PLC. I also express my deep appreciation to our employees for their dedication and professionalism. My thanks go to the Board of Directors for their strategic guidance and to the regulators and stakeholders for their continued support and cooperation. As we move forward, we remain cautiously optimistic about the future. While challenges persist, we are confident in our strategic direction, operational strength, and ability to adapt to evolving market conditions. The Premier Bank PLC. remains committed to delivering sustainable growth, strengthening governance, and creating enduring value for all stakeholders.

Thank you.

Md. Monzur Mofiz
Managing Director

Report of the Board of Directors

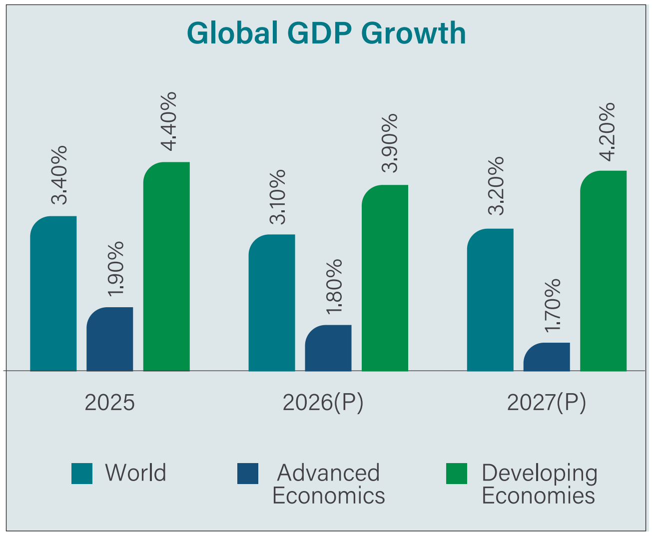
Global Economy

Over the last year, headwinds from higher trade barriers and elevated uncertainty have been offset by tailwinds from technology-related investment; accommodative financial conditions, including a weaker US dollar; and fiscal and monetary policy support. But, once again, the global economy is threatened with being thrown off course—this time by the outbreak of war in the Middle East at early of this year.

The Middle East conflict presents a significant counterforce to these tailwinds through its impact on commodity markets, inflation expectations, and financial conditions. According to IMF, global growth is projected to be 3.1 percent in 2026 and 3.2 percent in 2027, slower than its recent pace of about 3.4 percent in 2025, and to settle at about that rate in the medium term. The forecast for 2026 is revised downward by 0.2 percentage point and that for 2027 is unchanged. Last year global headline inflation was 4.1% is expected to increase to 4.4 percent in this year and decline to 3.7 percent in next year, marking upward revisions for both years compared to last year. This scenario reflects the disruptions from the conflict in the Middle East, partly offset by carryover from reduced tariff rates.

Particulars	2025	2026(P)	2027(P)
World	3.40%	3.10%	3.20%
Advanced Economies	1.90%	1.80%	1.70%
Developoing Economies	4.40%	3.90%	4.20%

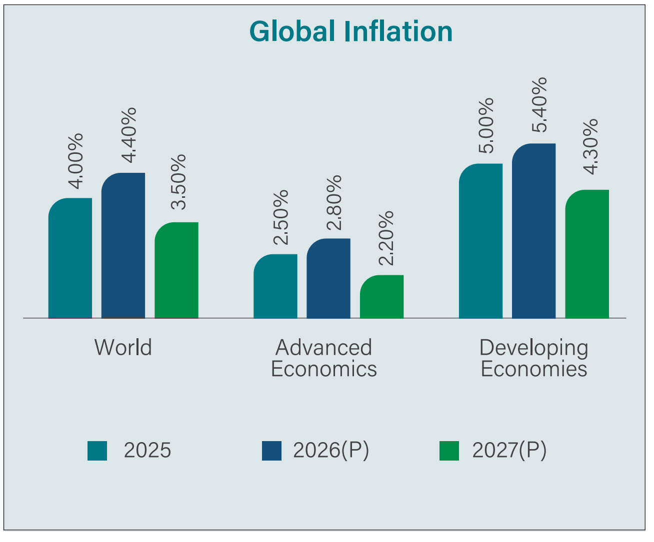
GDP Growth: Continued Resilience and Rising Fragility



Source: IMF Economic Outlook, April 2026.

The global economy was performing better than expected before middle east conflict. In aggregate, global growth in 2025 increased to 3.4% which was 3.3% in its previous year. In China, sequential growth accelerated (per IMF staff seasonal adjustment) to 6.1 percent as strong exports offset weak domestic demand. An increase in fiscal spending fueled stronger activity in Germany, helping growth in the euro area, excluding Ireland, accelerate to 1.5 percent. Growth in the United States slowed to 0.5 percent, lower than expected rate, as the government shutdown temporarily led to a sharp contraction in public expenditure. Expansion in US technology-related spending remained strong in the fourth quarter, but its effect on GDP was offset by its high import share. Growth in Japan rebounded to 1.3 percent owing to stronger consumption and investment. Global trade remained robust. Brisk expansion in technology-related exports offset slowing momentum in exports in other product categories. This benefited Asian economies in particular, as the main exporters of semiconductors and other equipment sought after by firms raced to invest in digital and AI-related technologies. The rewiring of global supply chains and trading relations continued. US imports from China dropped sharply; those from Canada also declined. These dips were offset by increases in imports from Taiwan Province of China, Vietnam, and, to a lesser extent, Mexico. On the other side of the equation, Chinese exports were reoriented from the United States to other Asian economies and, temporarily, to Europe. China's merchandise goods trade surplus hit a record $1.2 trillion (6 percent of GDP) in 2025.

Global Inflation: Navigating the Energy Surge

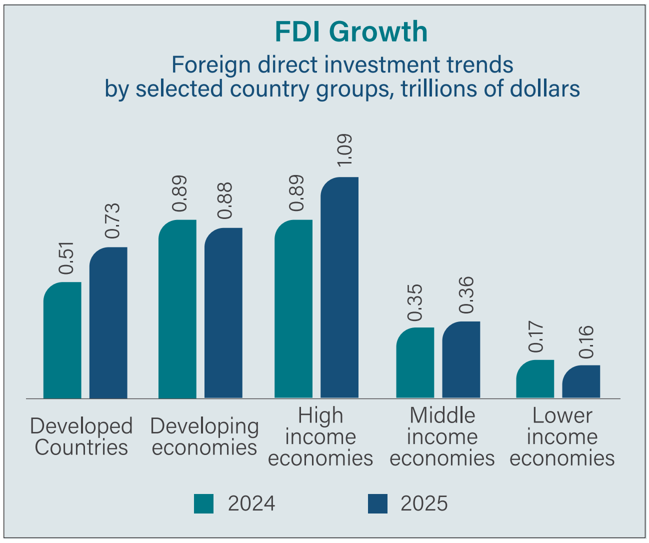


Source: IMF Economic Outlook, April 2026.

The global inflationary landscape is currently defined by a “conflict-driven resurgence” that has interrupted the steady progress seen last year. While headline inflation had stabilized across many advanced and emerging markets by late 2025, the escalation of conflict in the Middle East has triggered a sharp spike in energy costs—with oil and natural gas prices surging by roughly 40% and 60% respectively. Consequently, headline inflation is now projected to rise from 4.1% in 2025 to 4.4% in 2026, a significant upward trend that reflects the immediate pass-through of energy and fertilizer costs.

In major economies like the United States, the impact is even more pronounced, with projections leaping to 4.2% this year, even as labor markets remain historically tight and nominal wage growth holds solid. Looking ahead to 2027, the outlook remains cautiously optimistic; provided inflation expectations stay well-anchored and the energy price surge unwinds, global inflation is forecast to decline to 3.7%.

Foreign Direct Investment: Growing in Developed Economies



Source: UN Trade and Development (UNCTAD)

According to UN Trade and Development (UNCTAD), Foreign Direct Investment (FDI) flows to developed economies jumped 43% to $728 billion in 2025, driven by Europe and financial hubs. The European Union saw a 56% increase, supported by large cross-border acquisitions and a rebound in major economies including Germany, France and Italy. By contrast, flows to developing economies declined by 2% to $877 billion. Lower-income countries were hit hardest, with three quarters of least developed countries seeing stagnant or declining flows. By contrast, project numbers fell sharply by 25% in tariff-exposed, global value chain-intensive sectors.

In 2025, there was a growing concentration of FDI in projects that are capital intensive and technology driven. Data centers attracted more than one fifth of global greenfield project values in 2025, with announced investment exceeding $270 billion. Demand was driven by AI infrastructure and digital networks. Looking ahead, downside risks are mounting. FDI flows could increase modestly in 2026 if financing conditions continue to ease and cross-border mergers and acquisitions pick up. But, real investment activity is likely to remain subdued, weighed down by geopolitical tensions, policy uncertainty and economic fragmentation.

Global Commodity Market: Threatened by Middle East Conflict

According to recent World Bank (WB) and IMF outlooks, overall commodity prices are expected to drop by approximately 7% this year, driven by sluggish global growth and an oversupplied oil market. However, this downward trajectory is being severely tested by the escalation of the USA-Israel conflict with Iran. The UNCTAD highlights that any sustained disruption in the Strait of Hormuz—a vital artery for 20% of the world’s liquefied natural gas and oil—risks a massive “volatility spike” that could erase the current disinflationary trend. While agricultural and metal prices are projected to remain relatively stable due to strong supply conditions, precious metals continue to rally as investors seek “safe-haven” assets amidst Middle Eastern instability. Consequently, while the baseline projection remains bearish, the risk of energy-driven price shocks remains a significant threat to global economic stability.

Global Economic and Trade Growth Review

Global trade enters 2026 under mounting pressure from slower growth, geopolitical fragmentation, accelerating digital and green transitions and tighter national regulations, according to UN Trade and Development (UNCTAD). Together, these forces are reshaping trade flows, investment decisions and global value chains, with the greatest risks and opportunities concentrated in developing economies. Global growth is projected to remain subdued at about 2.6% in 2026, while growth in developing economies excluding China slows to around 4.2%. Major trading partners, including the United States, China and Europe, are also losing momentum, weakening demand and tightening financial conditions. For developing countries, slower growth limits investment in infrastructure and industrialization. Stronger regional trade and diversification will be critical to build resilience. Global tariffs rose in 2025, driven largely by measures introduced by the US, with manufacturing most affected. Governments are expected to continue using tariffs in 2026 to pursue industrial and strategic objectives. Frequent policy shifts increase uncertainty, discourage investment and disrupt supply chains. Smaller and less diversified economies are most exposed to rising costs and trade volatility.

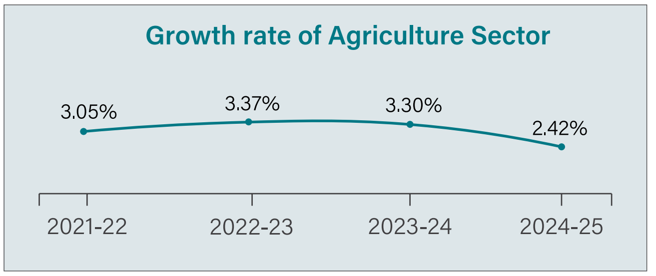
Bangladesh Economic Overview

Bangladesh has inspiring story of growth and development. From being poorest nation at birth, today Bangladesh is one of the world's fastest growing economies. It has reduced poverty in record time and achieved lower middle-income status within four decades. According to World Bank, Bangladesh's success comprises many moving parts—from investing in human capital to establishing macroeconomic stability. Building on this success, the country is now setting the stage for further economic growth and job creation by ramping up investments in energy, inland connectivity, urban projects, and transport infrastructure, as well as prioritizing climate change adaptation and disaster preparedness on its path toward sustainable growth. Now, Bangladesh is preparing for transition out of the Least Developed Country (LDC) category at the end of 2026. This would be a historic milestone as this is the culmination of decades of steady progress in income levels, human development, and structural changes. But in recent time ongoing US-Iran war is triggering severe economic strain and social instability in Bangladesh, pushing up energy prices, putting pressure on foreign exchange reserves, and weakening the overall economy. At the same time, it is disrupting export activities and threatening remittance inflows, further undermining the country's economic stability. At the end of FY2024-25 GDP growth rate finalized at 3.49%, reflecting cautious investment activity, tight monetary conditions, and persistent external vulnerabilities. Inflation remained relatively high at around 8.0%–9.0% throughout much of the year, though a gradual easing trend emerged toward the end, in early of 2026 it reached at 8.24%. Despite these headwinds, the external sector demonstrated resilience. Steady export earnings—particularly from the ready-made garments (RMG) industry—alongside strong remittance inflows, helped stabilize foreign exchange reserves and mitigate balance of payment pressures. This external support played a crucial role in maintaining overall macroeconomic stability.

Agriculture Sector

The agriculture sector remains a cornerstone of the economy, playing a vital role in ensuring food security, supporting rural livelihoods, and contributing to overall economic growth. The growth rate of the agriculture sector in the fiscal year 2024–25 stands at 2.84%, while the provisional rate was 1.97%. In contrast, the final estimate for FY 2023–24 recorded agricultural growth at 3.30%. Compared to that, the growth rate in FY 2024–25 has decreased by 0.88 percentage points.

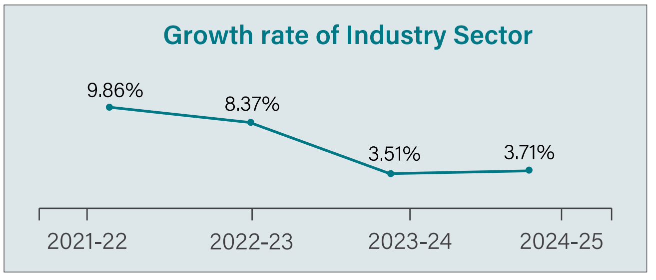
Year	2021-22	2022-23	2023-24	2024-25
Growth rate of Agriculture Sector	3.05%	3.37%	3.30%	2.42%



Industry Sector

Industry sector is a key driver of economic growth, encompassing manufacturing, construction, mining, and utilities, and contributing significantly to production, employment, and overall development of an economy. According to provisional estimates, the growth rate in the industry sector in FY 2024–25 stood at 3.91%, while the overall estimate was 4.08%. It is noteworthy that, based on provisional estimates, the growth rate of the industry sector in FY 2023–24 was 3.81%. Compared to FY 2023–24, the growth rate in the industry sector increased by 0.30 percentage points in FY 2024–25.

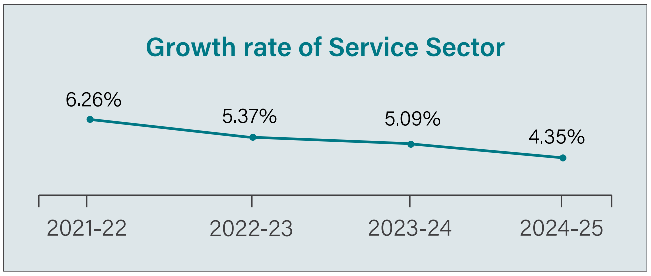
Year	2021-22	2022-23	2023-24	2024-25
Growth rate of Industry Sector	9.86%	8.37%	3.51%	3.71%



Service Sector

The service sector is a vital part of the economy, encompassing activities such as banking, education, healthcare, transport, and trade, and playing a major role in employment generation and overall economic growth. According to provisional estimates, the growth rate in the service sector in FY 2024–25 stood at 4.35%, while the overall estimate was 4.63%. It is noteworthy that, based on provisional estimates, the growth rate of the service sector in FY 2023–24 was 5.09%. Compared to FY 2023–24, the growth rate in the service sector decreased by 0.74 percentage points in FY 2024–25.

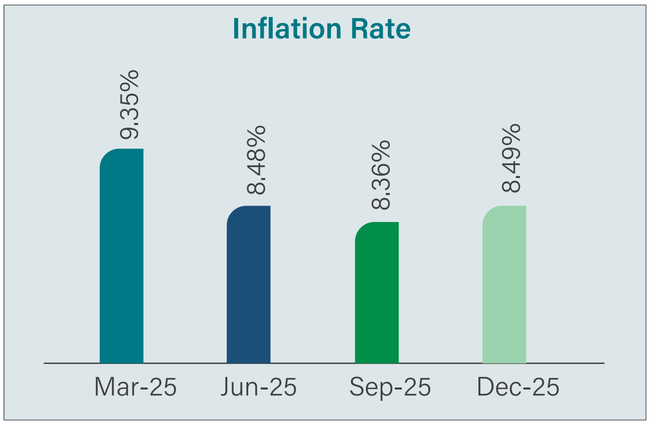
Year	2021-22	2022-23	2023-24	2024-25
Growth rate of Service Sector	6.26%	5.37%	5.09%	4.35%



Inflation

Inflation in Bangladesh remains a major macroeconomic concern, although recent data shows a slight easing trend. According to recent scenario, the country's headline inflation declined to 8.71% in March 2026, down from 9.13% in February which was 9.86% in early of 2025, mainly due to a reduction in food prices .Food inflation dropped to around 8.24%, supported by improved supply conditions, while non-food inflation remained relatively high at about 9.09%, driven by increased costs of housing, transport, and energy .Despite this modest relief, overall inflation continues to put pressure on household purchasing power, as price increases in essential goods and services remain significant. Experts also warn that external factors such as rising global energy prices and geopolitical tensions specially in middle east region could sustain inflationary pressures in the near future, making it a persistent challenge for Bangladesh's economic stability.

Year	Mar-25	Jun-25	Sep-25	Dec-25
Inflation Rate	9.35%	8.48%	8.36%	8.49%



Export

Total export receipts of goods in Bangladesh (including exports of EPZ) during the financial years 2024-25 amounted to US$ 43.56 billion respectively reflecting a 11.7 % increase in US$ portion compared to the previous year. Total export receipts of services in Bangladesh during the financial years 2024-25 amounted to US$ 6.91 billion, respectively.

The major commodities of export receipts during the year Readymade Garments sector continues to function as the primary engine of the national economy. With export receipts totaling US$ 37.21 million, this sector alone accounts for a staggering 85.4% of total export earnings. The 12.0% year-over-year growth in RMG suggests that the industry is successfully navigating global supply chain shifts and maintaining a competitive edge through scale and efficiency. However, this high level of dependency highlights a "monolithic" export structure, where national economic health is closely tied to the global demand for apparel. Beyond the RMG powerhouse, several other sectors such as Bicycles emerged as a standout performer with a 39.7% growth rate compared to previous year, the highest among all remaining categories. This suggests an increasing capacity for high-value manufacturing and successful entry into international eco-mobility markets.

USD Billion

Year	2021-22	2022-23	2023-24	2024-25
Export	$52.08	$50.97	$45.64	$45.47

Import

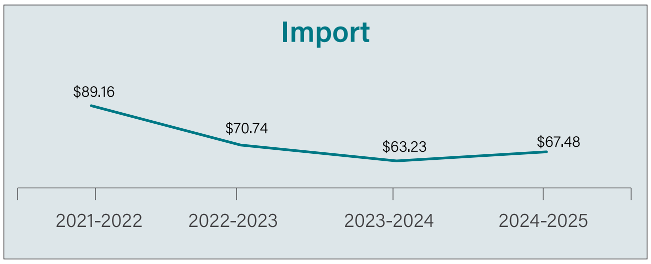
The total merchandise import payments of Bangladesh (including imports of EPZ) during the years 2023-2024 and 2024-2025 amounted to US$ 63.23 billion and US$ 67.48 billion respectively, reflecting 42.49 billion (6.7%) increase. The total import payments of services during the years 2023-2024 and 2024-2025 amounted to US$ 9693.5 million US$ 11.92 billion respectively, reflecting 2.22 billion (22.9%) increase.

The financial year 2024-25 witnessed an expansion in national import activities, with total expenditures rising to US$ 67.33 billion, up from US$ 63.11 billion in the previous year. This growth reflects a sustained demand for industrial raw materials, energy, and capital machinery.

As the single largest import category mineral fuels and oils accounted for US$ 12.02 billion (17.9%). This underscores the nation's high energy dependency for power generation and transportation. On the other hand, to support the dominant apparel export sector, the country remains a massive importer of raw materials and imports of cotton, yarn, and fabrics reached US$ 8.65 billion (12.9%). Instantly significant spending was also directed toward knitted/crocheted fabrics US$ 1.91 billion, man-made staple fibers US$ 1.83 billion, and man-made filaments US$ 1.78 billion.

USD Billion

Year	2021-22	2022-23	2023-24	2024-25
Import	$89.16	$70.74	$63.23	$67.48



Balance of Payment

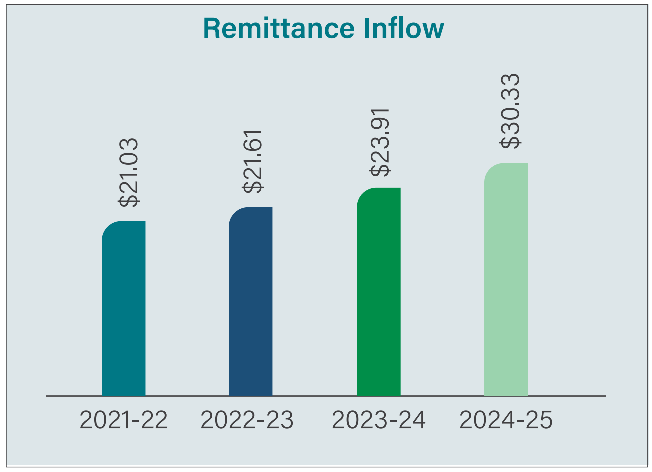
The Balance of Payments (BoP) of Bangladesh, as reported by Bangladesh Bank, has been reflecting a persistent pressure on the current account since last few years, primarily driven by a widening trade deficit and slower growth in remittance inflows. Despite moderate performance in the export sector, import payments— particularly for fuel, food, and capital machinery—have increased significantly, contributing to a negative current account balance. In 2024-25, the current account balance increased by 97.89% (US$ 6.46 billion) compared to 2023- 24 mainly due to the improvement of net workers' remittances (26.83%), a major component of secondary income. In comparison to the US$ 6.60 million deficit in 2023-24, the current account balance deficit recorded US$ 1.39 billion in 2024-25. Here trade deficit recorded US$ 20.40 billion in 2024-25 compared to 22.43 billion in 2023-24.

Remittance

In Bangladesh, as a most important economic variables remittance support in balance of payments, increasing foreign exchange reserves, enhancing national savings and increasing velocity of money. Remittance is the second largest sector of foreign currency earnings after the garment sector. If cost of imported raw materials is deducted from the foreign currency earning of the garments sector than it becomes the largest sector of foreign currency earnings. Remittance earning increasing day by day but at a lower rate than the increase in emigration from Bangladesh due to the increasing share of unskilled or semi-skilled labors than the professionals in international migration. The share of remittance in GNI (Gross National Income) is increasing day by day. In 2024-25 total inward workers remittance was US$ 30.33 billion compared to US$ 23.91 billion in 2023-24. On the other hand, total secondary income in 2024-25 was US$ 30.99 billion compared to US$ 24.31 billion in 2023-24 which indicates majority percent coverage of secondary income through inward remittance.

USD Billion

Year	2021-22	2022-23	2023-24	2024-25
Remittance Inflow	$21.03	$21.61	$23.91	$30.33

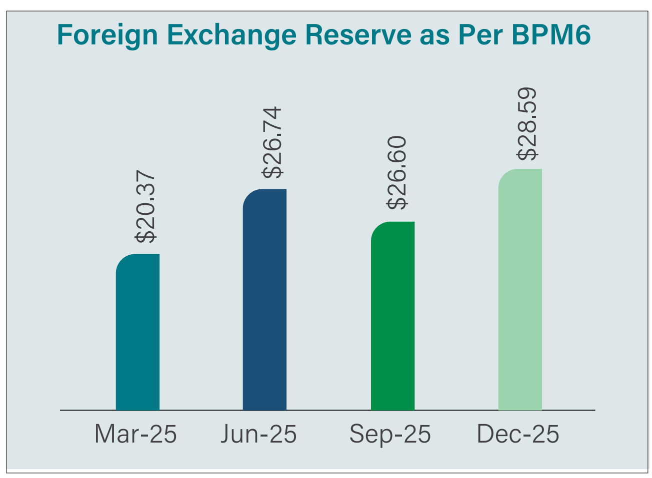


Foreign Exchange Reserve

Bangladesh's gross foreign exchange reserves have risen to $35.20 billion, providing a stable external buffer supported by robust remittance inflows. Under the more stringent IMF BPM6 methodology, the usable reserves currently stand at $30.51 billion, reflecting a steady recovery from last few years. In FY2024-25 foreign exchange reserve was US$ 31.77 billion and according to BPM6 which was 26.74 billion that is indicates a positive growth. But recently forex reserve in Bangladesh is threatened by US-Iran conflict. The ongoing conflict between the US and Iran has created a dual-pressure scenario for Bangladesh's foreign exchange reserves, primarily through escalating import costs and threats to remittance stability. While reserves showed a strengthening phase in early 2026 due to robust remittance inflows—the escalation of the conflict has introduced significant headwinds in recent times.

USD Billion

Particulars	Mar-25	Jun-25	Sep-25	Dec-25
FX Reserve as per BPM6	$20.37	$26.74	$26.60	$28.59



Exchange Rate

The Bangladesh Taka (BDT) has been declining significantly against foreign currencies- specially the

U.S. Dollar over the last few years due mostly to an increase in demand for the greenback to settle import-payment obligations, decline in forex reserves, domestic inflation etc. According to Bangladesh Bank, by the end of December 2025, exchange rate was BDT 122.32 per USD, compared to BDT 120.00 at the end of December 2024. In terms of Euro and GBP it was BDT144.01 per EUR and BDT165.33 per GBP by the end of December 2025 compared to BDT 124.89 per EUR and BDT 150.63 per GBP by the end of 2024.Bangladesh observes overall approx. 1.9% depreciation of BDT against US Dollar over the past year.

Interest rate Movement

The difference between lending and deposit interest rates as a measure of banks' intermediation effectiveness has also shrunk significantly. The monthly trends of the weighted average lending and deposit interest rates of all banks indicate that the increase of the deposit rate was more pronounced than that of the loan rate. According to available statistics, the weighted average interest rate on advance decreased from 11.14 percent in 2024 to 9.99 percent in 2025. While the rate of weighted average interest rate on deposit increased from 5.54 percent in 2024 to 9.99 percent in 2025.

Particulars	2022	2023	2024	2025
Weighted average interest on advances	8.05%	9.34%	11.14%	9.99%
Weighted average interest rate on deposit	4.60%	5.36%	5.54%	9.99%

Banking Sector Outlook

The banking sector in Bangladesh is operating under a strict reform paradigm characterized by heavy regulatory compliance, asset restructuring, and tight system liquidity. Historically plagued by structural vulnerabilities, the financial sector has seen its vulnerabilities unmasked by rigorous macroprudential policies implemented by Bangladesh Bank (BB). Following the activation of the highly stringent, international-standard NPL classification rules, the gross non-performing loan (NPL) ratio has risen to an unprecedented 30.6% of total outstanding loans. This asset quality deterioration has triggered significant provisioning requirements, causing severe capital deficits across distressed commercial and specialized financial institutions, while overall credit and deposit growth has plateaued under a contractionary monetary stance.

In response to these systemic strains, Bangladesh Bank's regulatory outlook is defined by a shift from emergency forbearance to formal structural intervention. The final implementation of the Bank Resolution Act equips the central bank with a modernized toolkit to execute forced consolidations, setup bridge institutions, and implement purchase-and-assumption frameworks to systematically absorb weak entities without triggering broader contagion risks. This consolidative approach is visible in the structural integration of five heavily stressed Shariah-based lenders into a single, unified corporate structure to salvage their failing Liquidity Coverage Ratios (LCR). Simultaneously, BB has carefully deployed targeted micro-regulatory relaxations to protect the industrial sector from a full-scale credit crunch; this includes widening large-loan exposure thresholds to 25% of a bank's capital base and reducing trade finance conversion factors to keep import lines open for essential capital goods. Despite these stabilization efforts, the sector's long-term trajectory faces governance friction, particularly surrounding newly introduced recovery provisions (such as Section 18A) that conditionally allow former stakeholders of resolved banks to inject capital and reclaim ownership. Navigating this fine line between stringent accountability and structural rehabilitation will dictate whether public trust, deposit stability, and international confidence can fully recover.

A General Performance Review of The Premier Bank PLC.

A General Performance Review of The Premier Bank PLC.

The Premier Bank PLC. was incorporated on 10 June 1999 with the objective of conducting all types of commercial banking activities and commenced its operations on 26 October 1999 with the motto "Service First". Since its inception, the Bank has been committed to delivering customer-centric banking services and innovative financial solutions tailored to the diverse needs of its clientele.

Over the years, the Bank has developed a comprehensive range of products and services, including deposit products, Loans and Advances, card services, trade finance, treasury operations, syndication services, internet banking, and other modern banking facilities. Its diversified product portfolio comprises various Savings and Current Accounts, Term and Continuous Loans, Personal Loans, Debit and Credit Cards, and digital banking services designed to cater to different customer segments.

The Bank presently operates through an extensive network of 136 branches, including 18 Authorized Dealer (AD) branches and 118 Non-AD branches, of which 12 are SME/Agriculture branches. In addition, the Bank has established 67 sub-branches and 130 ATM booths across the country to ensure wider financial inclusion and convenient banking services for customers. The Bank also operates a wholly owned subsidiary company, Premier Bank Securities Limited (PBSL), having 5 branches located in Dhaka and Chattogram.

Throughout its operational journey, the Bank has consistently focused on strengthening customer relationships by providing prompt, efficient, and quality services while offering suitable financial solutions based on customers' actual requirements. The Bank has earned the confidence of its customers as a trusted custodian of their deposits and a reliable financial partner.

A significant transformation in the governance structure of the Bank took place on 19 August 2025 through the reconstitution of the Board of Directors by Bangladesh Bank. The reconstituted Board remains firmly committed to restoring confidence, strengthening corporate governance, ensuring regulatory compliance, improving operational efficiency, and establishing a transparent and customer-friendly banking environment. The Board is also dedicated to taking necessary strategic initiatives for sustainable growth and long-term stability of the Bank.

Core Banking Activities

The Bank conducts a wide range of banking activities encompassing deposit mobilization, extension of credit facilities to corporate and retail clients, Small and Medium Enterprises (SMEs), foreign trade operations, trade finance, project finance, syndicated finance, commercial paper, lease finance, and hire purchase facilities. The Bank also provides local and international credit card services, remittance services, Offshore Banking operations, and various other modern banking solutions.

The Bank operates both Conventional and Islamic Banking services to cater to the diverse financial needs and preferences of its customers. Through a combination of traditional banking practices and modern technology-driven platforms, the Bank continues to provide efficient, secure, and customer-oriented financial services across the country.

Products and Services

The Premier Bank PLC. continuously strives to position itself distinctively in the competitive banking industry through the customization and diversification of its products and services. The Bank remains committed to understanding the evolving needs of its customers and delivering innovative, customer-focused financial solutions tailored to different market segments.

In the context of increasing customer expectations and changing market dynamics, the Bank recognizes that sophisticated pricing alone is not sufficient to achieve sustainable growth and greater market share. Accordingly, the Bank places significant emphasis on service quality, product innovation, technological advancement, convenience, and relationship-based banking to enhance customer satisfaction and loyalty.

The Bank offers a broad spectrum of financial products and services, including deposit schemes, retail and corporate lending, SME financing, Islamic banking products, card services, digital banking facilities, trade services, treasury solutions, remittance services, and investment-related products through its subsidiary company. Through continuous product development and service enhancement, the Bank aims to maintain its competitive edge and strengthen its position in the banking sector.

Review of Financial Performance 2025

The overall performance of The Premier Bank PLC. during the year 2025 reflects our continued commitment

to protecting the interests of all stakeholders, including shareholders, customers, regulators, and the wider community. During the year under review, the Bank undertook significant initiatives to strengthen corporate governance, enhance transparency, and ensure the fair presentation of its financial position and performance.
Following the reconstitution of the Board of Directors, a comprehensive review of the Bank's financial statements and profit and loss accounts was conducted with utmost diligence. In line with regulatory instructions and prudent banking practices, necessary adjustments and compliance measures were undertaken. As a result of these corrective initiatives and recognition of certain adjustments, the Bank reported an operating loss for the year 2025.

The variation in quarterly financial performance during the year was primarily attributable to these exceptional adjustments and compliance-related measures.

The Bank also experienced negative growth in deposits during the year, mainly due to adverse publicity and reputational challenges arising from issues associated with the previous governance structure. Despite these challenges, the Bank achieved commendable growth in key business areas, including loan disbursement, import and export business, remittance operations, and other core banking activities.

Throughout the year, the Bank remained focused on understanding customer expectations and responding effectively through suitable products, improved services, and stronger engagement with different customer segments. Management continued its efforts to restore confidence, reinforce operational discipline, and lay the foundation for sustainable future growth.
The Board firmly believes that the corrective measures undertaken during the year will strengthen the Bank's long-term stability, governance framework, and overall financial resilience.

Operating Income

The Bank generated Operating Income amounting to BDT 1,238.42 million in 2025, registering a decline of 92.30% compared to 2024, primarily due to challenges in the core banking business and the impact of various regulatory adjustments undertaken during the year.

The Net Interest Income (NII) of the Bank stood at BDT (6,005.77) million in 2025, reflecting significant pressure on interest earnings amid adverse market conditions. However, the Bank continued to generate income from diversified non-funded business activities, with income from fees, commissions, and other operating sources amounting to BDT 5,579.18 million during the year.

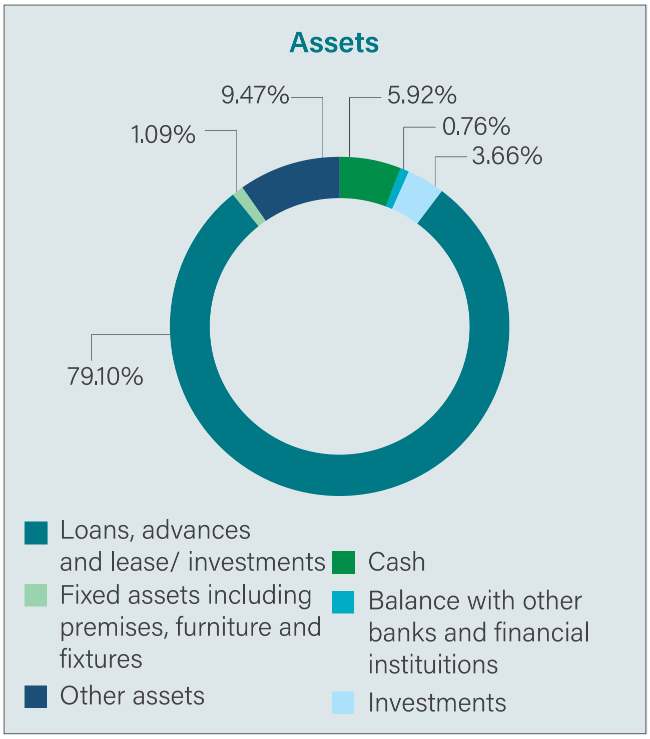
As a consequence of the reduced operating income, operating income per employee declined from BDT 5.91 million in 2024 to BDT 0.47 million in 2025. Despite the challenging environment, the Management and the reconstituted Board remain focused on strengthening operational efficiency, improving asset quality, and enhancing sustainable earnings capacity through strategic business initiatives and prudent risk management practices.

Operating Expenses

The Bank's Operating Expenses stood at BDT 10,002.58 million in 2025. Operating cost per employee increased to BDT 3.87 million in 2025 from BDT 3.05 million in 2024, mainly due to higher operating expenses were incurred in connection with system upgradation initiatives, promotional and advertisement activities, and branch network expansion aimed at improving operational efficiency, strengthening technological capabilities, and enhancing customer service standards across the Bank's operations.

Despite the increase in operating expenses, the Bank remains committed to maintaining cost discipline while continuing strategic investments in technology, human capital, and service delivery infrastructure to support sustainable business growth and long-term operational resilience.

Assets



The total Assets of the Bank stood at BDT 423,551.38 million in 2025 as against BDT 449,626.03 million in 2024, registering a decline primarily due to a reduction in investment in Government Securities during the year. Loans and Advances continued to constitute the largest component of the Bank's asset portfolio. In

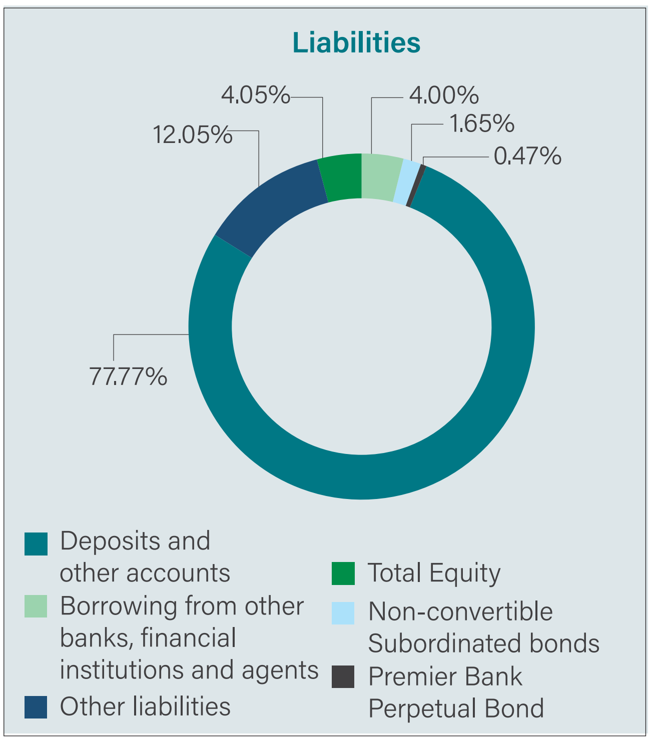
2025, Loans and Advances accounted for 79% of Total Assets compared to 73% in 2024, indicating a higher concentration of the Bank's assets in its core lending activities.

The Bank remains focused on maintaining a balanced asset portfolio through prudent asset-liability management, strengthening asset quality, and optimizing the utilization of funds to ensure sustainable growth and long-term financial stability.

Liabilities

Total Liabilities and Shareholders' Equity of the Bank stood at BDT 423,551.38 million in 2025 as against BDT 449,626.03 million in 2024, registering a decline of 5.80%. The decrease was mainly attributable to the reduction in customer deposits and Shareholders' Equity during the year.

Borrowings, including subordinated bonds, stood at BDT 23,952.15 million in 2025 compared to BDT 30,263.16 million in 2024, reflecting a decline in reliance on borrowed funds.
The Advance Deposit Ratio (ADR) of the Bank stood at 93.37% in 2025 compared to 87.38% at the end of the preceding year. The Bank continues to emphasize prudent liquidity management, strengthening of the deposit base, and maintaining a balanced funding structure to support sustainable business operations and regulatory compliance.

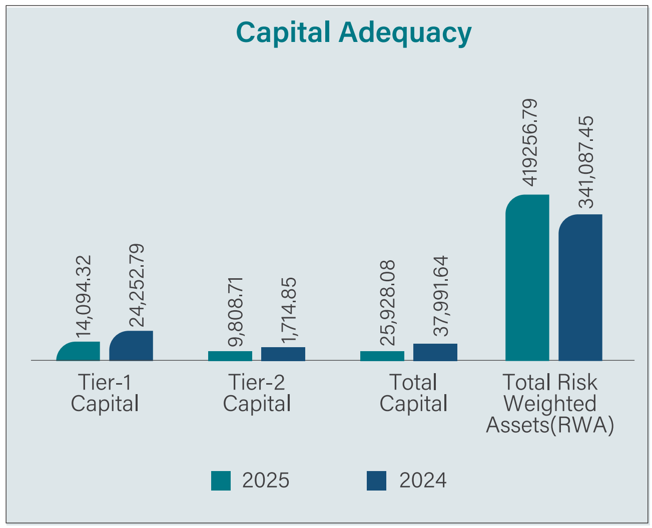


Capital Adequacy

Capital adequacy reflects the financial strength, stability, and sustainability of the Bank. The Bank actively manages its capital base to comply with regulatory requirements and to support its current and future business operations while addressing the inherent risks associated with banking activities.

At the end of 2025, the Bank's Common Equity Tier-I (CET-I) Capital and Total Tier-I Capital stood at BDT 12,094.31 million and BDT 14,094.31 million respectively. Tier-II Capital amounted to BDT 9,808.76 million, resulting in Total Regulatory Capital of BDT 23,903.08 million.

The Capital to Risk-Weighted Assets Ratio (CRAR) of the Bank stood at 5.70% at the end of 2025. The Bank remains committed to strengthening its capital base through strategic initiatives, improving asset quality, enhancing profitability, and ensuring compliance with the regulatory framework prescribed by Bangladesh Bank.



Deposits

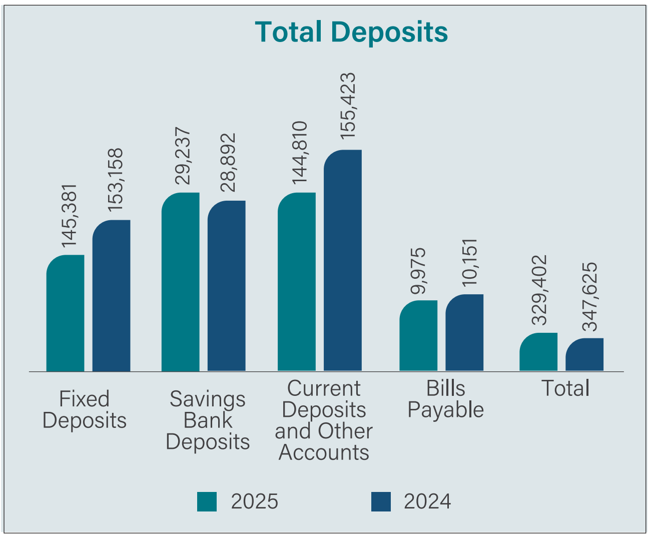
Deposits constitute the primary foundation of the Bank's operating assets and play a vital role in supporting its overall business activities. As the lifeblood of a financial institution, a strong deposit base enhances liquidity, operational capacity, and business sustainability.

In 2025, the Bank experienced a decline in deposits amounting to BDT 18,222.79 million, representing a decrease of 5.24% compared to the previous year. Despite the challenging operating environment, the Bank continued its efforts to strengthen customer relationships and enhance service quality through multiple delivery channels across the country.

The Bank's extensive branch network, including SME and Agriculture Service Centers with special focus on rural customers, has contributed to expanding access to modern banking services, online banking facilities, and prompt remittance services for the lower-income segment of the population.

The Bank offers a diversified portfolio of liability products designed to meet the varying financial needs of customers. These include Fixed Deposit Receipts (FDRs), multiple savings schemes, Current and Savings Accounts, Special Notice Deposits (SND), and other customized deposit products.

The Management remains committed to rebuilding depositor confidence, strengthening the deposit base, and introducing customer-centric products and services to ensure sustainable growth in deposits in the coming years.



Loans and Advances

The Bank maintains a well-diversified loan portfolio encompassing project finance, export finance, SME loans, commercial credit, continuous loans, agricultural credit, house building finance, and staff loans. The advances portfolio spans a wide range of sectors, including business, industry, services, and trade, thereby supporting inclusive economic development.

The credit portfolio is structured across Corporate, SME, and Retail segments under both Conventional and Shariah-based financing modes. Credit operations are centrally administered by the Credit Committee at Head Office, with clearly defined delegation of authority covering risk assessment, credit approval, and post-disbursement monitoring functions to ensure sound credit governance.

At the end of 2025, the Bank's credit portfolio increased by BDT 5,473.67 million, reaching BDT 335,008.32 million compared to BDT 329,534.65 million in 2024, reflecting a growth of 1.66% over the previous year. The Bank remains committed to maintaining a balanced credit portfolio through prudent risk management, diversification, and continued focus on quality lending.

Dividend

Considering the financial performance of the Bank for the year ended 31 December 2025, the Board of Directors has decided recommend no dividend for the year 2025.

It is important to note that the net loss reported for the year does not reflect the operational potential or underlying business performance of the Bank. The financial results were significantly impacted by necessary adjustments and provisioning measures undertaken to address certain previously unsettled matters in compliance with the instructions and guidelines of the regulators, as well as to ensure fair and transparent presentation of the Bank's financial position.

Consequently, the profit position for the year 2025 varied substantially compared to previous years. The Board believes that these prudent and corrective measures will contribute to strengthening the Bank's governance framework, financial discipline, and long-term sustainability, thereby creating a stronger foundation for future growth and stability.

Miscellaneous

The External Auditor of the Bank for the year 2025, M/s. Pinaki & Company, Chartered Accountants, has included an Emphasis of Matter paragraph in the audit report relating to provision shortfall against Loans & Advances and certain other issues. In this regard, it is mentionable that the reconstituted Board of Directors has expressed serious concern over these matters and has taken necessary initiatives to ensure transparency and regulatory compliance. The Bank voluntarily disclosed the issues to the regulators and finalized the Financial Statements based on Bangladesh Bank letter no. BSD-9/118/2026/484 dated April 27, 2026.

The Bank was also subjected to penalties due to non-compliance with the prescribed timeline for submission of the Audited Financial Statements for the year 2024 and the unaudited first and second quarter financial statements of 2025. The delay primarily arose from decisions and unresolved matters relating to the previous Board of Directors. Bangladesh Bank reconstituted the Board of Directors on August 19, 2025, and upon assuming responsibility, the reconstituted Board promptly undertook necessary actions and approved the aforesaid financial statements on August 27, 2025.

Subsequently, after receiving the penalty notification, the Bank communicated with the regulators explaining the circumstances and reasons behind the delay and non-compliance. However, as the applicable regulations do not provide scope for waiver of such penalties, the imposed penalties remained effective.

On behalf of the Board of Directors,

Dr. Arifur Rahman
Chairman