

DIRECTORS' REPORT

Dear Shareholders,

The Directors of Prime Bank PLC. ("Bank") have the pleasure of presenting to the Members (registered shareholders on the Record Date 28 April 2026) the Directors' Report together with the Auditors' Report & Audited Financial Statements of the Bank for the year ended on 31 December 2025.

This report has been prepared in compliance with section 184 of the Companies Act 1994, condition 1(5) of the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006158/207/Admin/80 dated 03 June 2018 & subsequent amendments titled "Corporate Governance Code" and applicable regulations of Bangladesh Bank.

This Report should be read in conjunction with the Performance Analysis, Corporate Governance Report, Risk Management Report, Environmental & Social Initiatives and the Notes to the Financial Statements, which collectively provides an integrated view of the Bank's strategy, performance, achievements, operations, risks, compliance, transparency and good corporate governance practices for the year ended 31 December 2025 along with the future prospects.

The Board has prioritized:

- Strengthening asset quality through sectoral rebalancing.
- Maintaining CAR at 18.07% which is above the regulatory requirement of 12.50%
- Expanding low-cost deposits.
- Disciplined growth in SME and Islamic Banking

Global Economic Outlook

The global economy in 2025 experienced a period of resilient but subdued growth, with projections hovering around 2.5% to 3.0%, defying earlier, gloomier predictions. While inflation continued to moderate globally, the economic landscape was marked by persistent geopolitical tensions, increased trade protectionism, and structural shifts that constrained robust expansion. The key economic indicators were GDP growth, inflation and trade.

Most major organizations estimated growth between 2.5% and 3.0%. The United States and several emerging markets, particularly in Asia, were the primary drivers of this resilience. Inflation eased to an average of 3.4% to 4.2% globally. While many advanced economies saw rates approach central bank targets, "sticky" services inflation and rising food prices remained persistent pressures. Trade volumes performed better than expected, expanding by approximately 4.8% through September 2025. This was largely attributed to "front-loading" firms rushing shipments to avoid newly announced U.S. tariffs and a surge in AI-related technology investments.

The risk factors on the global scale were trade fragmentation and debt and policy limits. The rising tariffs and geopolitical

uncertainty created a challenging environment for international trade. High debt levels and limited fiscal space in Emerging Market and Developing Economies (EMDE) constrained growth. While AI offers long-term productivity potential, immediate growth was supported by targeted policy measures.

The global economic outlook for 2026 is characterized by steady but fragile growth, with projections generally ranging between 2.6% and 3.1%. While the economy has shown resilience, particularly through an ongoing AI investment boom, it faces significant headwinds from geopolitical tensions in the Middle East, high public debt, and the lingering effects of trade fragmentation.

Bangladesh Economic Review

Bangladesh economy experienced a fragile recovery with GDP growth slowing to 3.97% in 2025, driven by political transition impacts, tight monetary policy, and reduced investment. While inflation remained high, the year marked a significant turnaround in foreign exchange reserves, which exceeded USD 33 billion by December. In 2025 and early 2026, the Bangladesh economy is undergoing a brittle upturn following the 2024 political transition. While the immediate "free fall" has ended, the nation faces significant structural hurdles like growth & inflation, banking crisis, external stability and fiscal weakness.

The GDP growth slowed to 3.97% in FY2025, with a modest recovery to 5.4% projected for FY2026. Inflation is easing but remains high at 8.29%, with stagnant real wages eroding household purchasing power. The financial sector is under extreme stress, with Non-Performing Loans (NPLs) hitting 35.73% as of September 2025. Private investment has hit a five-year low (22.48% of GDP) due to uncertainty and high public sector borrowing. Remittances surged by 17.1% (USD 13.04 billion), providing a vital cushion. However, export growth is sluggish (0.62%), creating a challenging backdrop for the upcoming LDC Graduation in November 2026. A very low tax-to-GDP ratio (6.8%) forces the government to rely on domestic banks, potentially crowding out private.

In the short run, ensuring stability in the macroeconomic environment should be the foremost concern. Managing inflation will necessitate a delicate equilibrium between monetary tightening and supportive fiscal policies aimed at safeguarding vulnerable populations. Tackling non-performing loans (NPLs) and enhancing bank governance are vital for rebuilding trust in the financial system and stimulating private investment. Consistency in policy, transparency in regulation, and political stability will be crucial for enhancing the investment climate.

In the medium to long term, it is essential to implement deeper structural reforms. Enhancing the institutional independence and capacity of the central bank is vital for effective monetary management. The focus of industrial policy should be on

productivity, skills development, and technological advancement to diversify exports beyond the garment sector. It is necessary to expand and better target social safety nets to safeguard those adversely affected by structural changes. Skills development programs must be tailored to meet market demands, especially for youth and women. Expanding the tax base and decreasing dependence on indirect taxation are critical for ensuring fiscal sustainability. Investment in climate resilience and disaster preparedness is becoming increasingly urgent in an economy vulnerable to climate change. Most importantly, restoring transparent and accountable governance is crucial to rebuild trust and unlock the potential for long-term growth.

Banking Industry Analysis

The Bangladesh banking industry in 2025 and early 2026 is undergoing a "hard reset," transitioning from a period of concealed financial damage to a phase of aggressive, transparent reform. While major stability risks persist, the sector is seeing the first signs of restored depositor confidence in stronger institutions.

The asset quality landscape was the revelation of the true scale of bad debt. The system-wide Non-Performing Loan (NPL) ratio climbed to an alarming 35.73% as of September 2025. This spike was largely due to stricter scrutiny and the removal of "window-dressing" practices that previously hid underlying insolvency. Trade and commerce (45.6% NPL) and industrial sectors (37.5% NPL) are the most distressed. The Bangladesh Bank has set an ambitious target to reduce NPLs to 25% by March 2026 through aggressive loan rescheduling and legal recovery measures.

The central bank maintains a "tight money" stance to combat inflation while managing a critical liquidity divide between weak and strong banks. The repo rate remains at 10% as of February 2026 to contain inflation, which is targeted to drop to 6-7% by the end of FY26. Despite the crisis, bank deposit growth rose to 11.10% in December 2025, the highest in over four years, driven by higher interest rates and strong remittances. While total liquid assets improved globally in late 2025, several weak banks remain reliant on central bank support against demand promissory notes, as they struggle to return customer deposits.

The regulatory framework has seen unprecedented changes, under the interim government and in alignment with IMF conditions. The Bank Resolution Ordinance 2025 empowers the government to take control of failing banks, form "bridge banks," and liquidate non-viable entities. In late 2025, five weak Islamic banks were merged into a single entity, to stabilize their combined BDT 14.20 billion deposit base. The central bank has approved the liquidation of nine ailing non-bank financial institutions (NBFIs) whose loan portfolios had collapsed. The central bank established governance shift, hence Risk-based supervision (RBS) was officially rolled out in January 2026 to improve qualitative monitoring.

Overview of Financial Performance of Prime Bank PLC.

The year 2025 was a year of disciplined growth, resilience, and strategic execution for Prime Bank. Operating in a challenging macroeconomic environment marked by inflationary pressures, exchange rate volatility, and regulatory tightening, the Bank focused on balance sheet strength, prudent risk management, and sustainable value creation.

The Bank delivered stable financial performance supported by diversified revenue streams, improved asset quality and cost

discipline. Emphasis on relationship banking, digital enablement, and customer-centric solutions continued to strengthen the franchise across corporate, SME, retail and agricultural segments.

The key indicators are summarized below:

- Net Profit after Tax: BDT 8,904 million
- Return on Equity (ROE): 20.85%
- Return on Assets (ROA): 1.49%
- Earnings per Share (EPS): BDT 7.67

Looking ahead, the Directors remain cautiously optimistic. The Bank is well-positioned to capitalize on emerging opportunities through enhanced digital capabilities, stronger analytics-driven credit decisions and deeper customer engagement, while remaining vigilant to external risks.

Business Model, Strategy, and Value Creation

Prime Bank PLC. operates a diversified commercial banking model focused on corporate, SME, retail, agricultural and treasury businesses. The Bank's strategy is centered on sustainable value creation through prudent risk-taking, balance sheet resilience, customer centric innovation and disciplined capital allocation.

During 2025, strategic priorities were clearly aligned with the prevailing operating environment. The Bank emphasized on the followings:

- Asset quality over volume-driven growth
- Stable and diversified funding sources
- Optimization of cost of fund and operational efficiency
- Responsible and inclusive financing

These priorities directly model the management decisions, resource allocation and performance evaluation.

Business Objectives

Prime Bank's primary business objective is to be a market-driven, customer-centric and technologically driven financial institution, focusing on maximizing shareholder value while maintaining a distinct identity as a "bank with a difference." Its core strategy integrates cutting-edge technology at all operational levels to enhance efficiency and reduce costs, paired with a commitment to high-quality service and product innovation. Beyond profitability, the bank prioritizes social responsibility by investing in community development—specifically within the education and healthcare sectors—and promotes financial inclusion by expanding services to underserved and rural populations.

Areas of Business Focus

Prime Bank maintains a diversified business focus that bridges high-end corporate solutions with broad-based financial inclusion, leveraging its expertise in wholesale banking to pioneer innovations like Bangladesh's first blockchain-based Letter of Credit. By prioritizing digital transformation through platforms like MyPrime and AI-driven chatbots, the bank enhances accessibility while simultaneously advancing a sustainable agenda that targets green finance, renewable energy, and climate-resilient CMSME projects. This multifaceted approach is rounded out by a dedicated focus on inclusive banking for women-led enterprises and agricultural growth, alongside specialized Islamic and offshore services, ensuring the bank remains a versatile leader in both traditional and modern financial markets.

Financial Performance Linked to Strategic Focus

The Bank's financial performance in 2025 reflects the disciplined execution of its strategy. The core earnings were supported by:

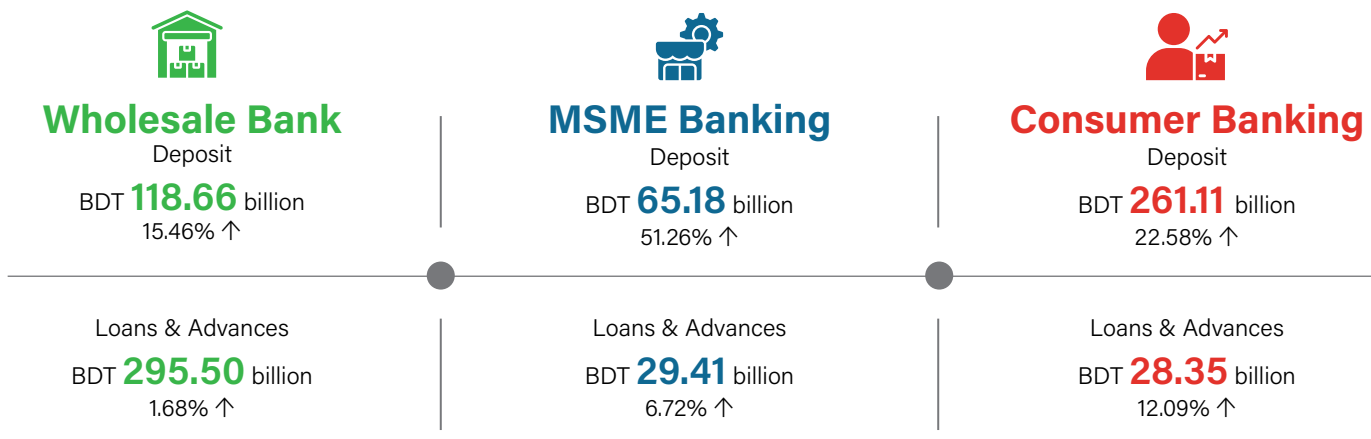
- Improved asset mix and disciplined pricing
- Stable net interest margins despite market volatility
- Growth in transaction-based and fee income
- Controlled operating expenses through process efficiencies

Particulars	2025	2024
Return on Equity (ROE)	20.85%	20.56%
Return on Assets (ROA)	1.49%	1.46%
Cost-to-Income Ratio	44.23%	40.15%
Capital Adequacy Ratio (CAR)	18.07%	17.37
Non-Performing Loan (NPL) ratios	2.73%	4.22%
Earnings Per Share (EPS) BDT	7.67	6.58

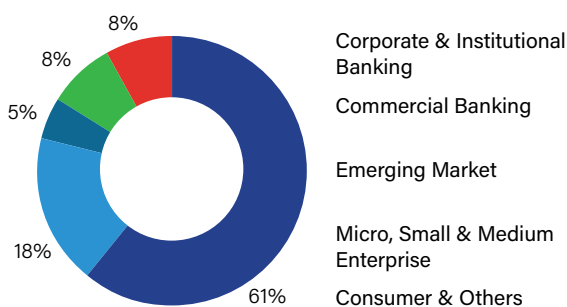
Detailed key performance indicators such as Return on Assets (ROA), Cost-to-Income Ratio, Non-Performing Loan (NPL) ratios and capital adequacy ratio are presented and analyzed in the Performance Analysis and Notes to the Financial Statements. These indicators are directly linked to strategic objectives around profitability, efficiency and balance sheet strength.

Segment-wise & Product-wise Performance of the Bank

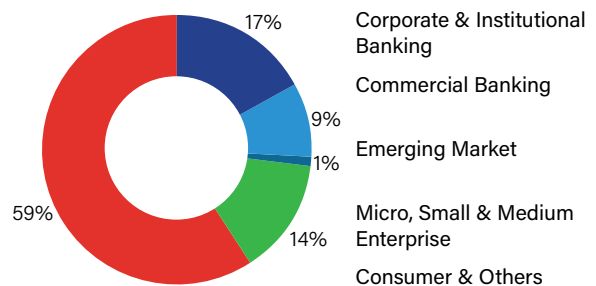
The aggregate deposit of the Bank grew 23.98% over the previous year and stood at BDT 444.94 billion at the end of 2025. At the same time, the aggregate loans & advances of the Bank also grew 2.85% over the previous year and stood at BDT 353.26 billion.



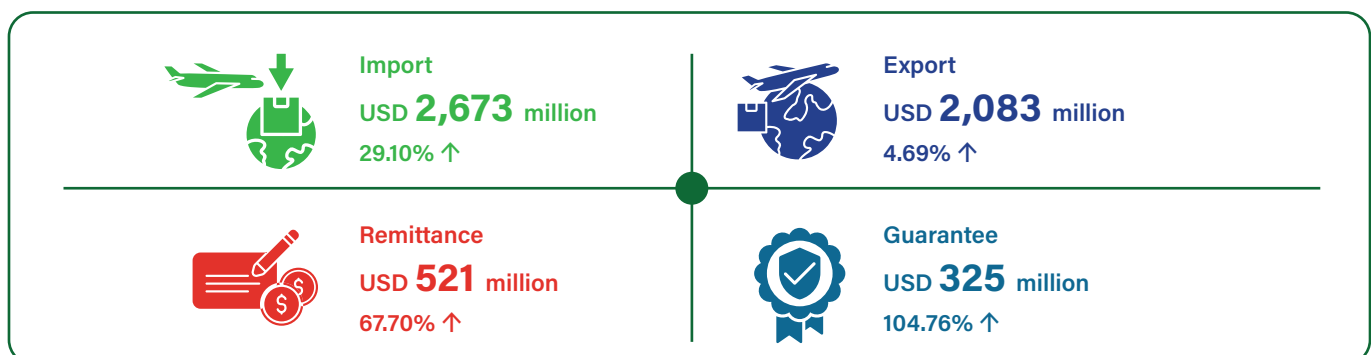
LOANS AND ADVANCES (BY SEGMENTS)



DEPOSITS (BY SEGMENTS)



The import, export, remittance and guarantee business of the Bank observed a positive growth and stood at USD 2,673 million, USD 2,083 million, USD 521 million and USD 325 million respectively in 2025.



Cost of Goods Sold, Gross Profit Margin, and Net Profit Margin

Particulars (%)	2025	2024
Net Interest Margin (NIM)	1.07	2.78
Gross Profit ratio	46.63	52.12
Cost of Deposit (Daily average)	5.67	4.73
Cost of Fund	8.35	7.67
Earning asset to total assets (average)	85.31	85.08
Return on average assets (ROAA)	1.49	1.46
Return on average equity (ROAE)	20.85	20.56

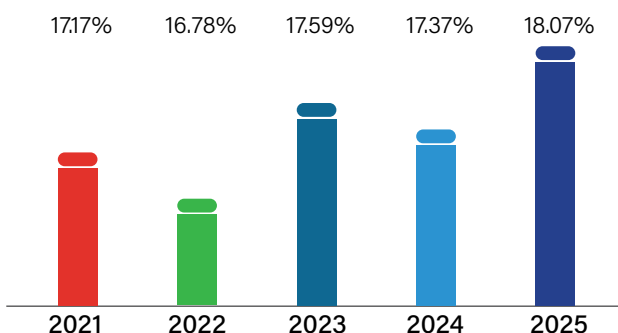
Extra-Ordinary Activities & their Implications (Gain or Loss)

No events of extraordinary gain or loss, which would require adjustment or disclosure in the financial statements, occurred during the reporting period.

Capital Adequacy and Liquidity

The Capital to Risk Weighted Assets Ratio (CRAR) stands at 18.07% as on 31 December 2025 against the regulatory requirement of 12.50% (minimum total capital ratio plus capital conservation buffer). The Capital Adequacy report is presented on page no. 90. Liquidity management remained robust, with adequate high-quality liquid assets to meet both regulatory requirements and business needs. Stress testing and scenario analysis were regularly performed to ensure resilience under adverse conditions.

CAPITAL ADEQUACY AND LIQUIDITY (%)



Credit Rating

Credit Rating Agency of Bangladesh Limited (CRAB) has upgraded the Bank's long term credit rating to AAA (pronounced Triple A) and reaffirms the short term rating to ST-1 with a stable outlook having validity up to 30 June 2026. This significant upgrade is a strongest testament to Prime Bank's three-decade long commitment to financial strength, responsible banking and enduring trust. This recognition from CRAB reinforces Prime Bank's standing as a trusted and stable financial partner for individuals and businesses across Bangladesh.

Related Party Transaction

Transactions with related parties are made on a commercial basis on the principle of arm's length and in the ordinary course of business. This transactions were reviewed by the Audit Committee to ensure compliance with regulatory requirements and absence of conflict of interest. Disclosure of all related party transactions, including the basis for such transactions, is presented in Notes 49 of the notes to the audited financial statements on page no. 315 in compliance with the applicable rules & regulations.

Utilization of proceeds from Public or Rights Issues & other instruments and its impact on Financial Performance

The Initial Public Offering (IPO) and Rights Issuance were made in 1999 and 2010 respectively. Later, 4 (four) subordinated bonds were issued in 2010, 2015, 2018, & 2023 for managing capital as per BASEL compliance requirements. All funds raised under IPO, right issue, and bonds have already been utilized and duly reported to the regulators. No deterioration of financial results was observed after utilizing proceeds from the above instruments.

Significant Variance between Quarterly Financial Performance and Annual Financial Statements

BDT (in crore)

Particulars	Quarterly Performance - Prime Bank PLC.				2025	2024	Growth (%)
	Q1	Q2	Q3	Q4			
Net Interest Income	158	91	89	38	377	922	-59%
Other Operating Income	467	515	564	630	2,177	1,462	49%
Total Operating Income	625	607	653	668	2,553	2,384	7%
Total Operating Expense	278	285	262	304	1,129	957	18%
Profit Before Provisions	347	321	391	365	1,424	1,427	-0.2%
Provision For Loans/Investment	50	64	31	11	156	219	-29%
Profit Before Taxes	297	257	361	354	1,268	1,208	5%
Provision For Taxes	94	59	147	77	377	464	-19%
Net Profit After Taxes	203	198	213	276	890	745	20%

No significant variance was found between the quarterly & annual financial performances of the Bank for the year 2025. The Net Profit after Tax (NPAT) increased by 20% compared to the same period of last year due to the growth in net interest income, investment income and commission, exchange & brokerage earnings.

Significant Deviations from the Last Year's Result

Due to increase the investment income and commission, exchange & brokerage income, the Net Profit after Tax (NPAT) increased by 20% compared to the same period of last year.

Meetings and Attendance of the Board & its Assistive Committees

The Board of Directors has 3 (three) functional Assistive Committees at present, namely Executive Committee, Audit Committee, and Risk Management Committee. As per BRPD circular letter no. 21 dated 12 May 2024, the role of Nomination & Remuneration Committee (NRC) is carried out by the Audit Committee.

During the year 2025, the Board of Directors met 18 times, the Executive Committee met 5 times, the Audit Committee met 7 times, and the Risk Management Committee met 5 times. Leave of Absence were granted to the Directors, who communicated their inability to attend the meetings due to preoccupation.

Name of Director	Position	Board	EC	AC	RMC
Tanjil Chowdhury	Chairman	8/9	-	-	-
Md. Shahadat Hossain	Vice-Chairman	18/18	-	-	-
Quazi Sirazul Islam	Do	15/18	-	-	-
Azam J Chowdhury	Director	14/18	-	-	-
Mafiz Ahmed Bhuiyan	Do	13/18	-	-	4/5
Nasim Anwar Hossain	Do	17/18	-	-	-
Nazma Haque	Do	11/18	-	1/1	-
Nafis Sikder	Do	5/18	0/2	-	-
Mohammad Mushtaque Ahmed Tanvir	Do	8/18	5/5	-	-
S.M Tamjid	Do	9/18	3/5	-	-
Tanveer A. Chowdhury	Do	13/18	5/5	-	-
Md. Mukul Hossain	Do	18/18	4/5	-	-
C. Q. K Mustaq Ahmed	Independent Director	18/18	5/5	-	5/5
Barrister Nazia Kabir	Do	10/18	-	7/7	-
Dr. Mosttafa Shazzad Hasan FCA, CPA	Do	16/18	-	6/7	4/5
Mohammed Nader Khan	Former Director	5/6	-	3/3	-
Salma Huq	Do	2/6	-	2/3	-
Imran Khan	Do	2/6	-	-	2/2
Khan Ahmed Sayeed Murshid, PhD	Former Independent Director	1/6	-	0/3	1/2

Statement of Honorarium & Remuneration Paid to the Directors including Independent Directors

A total of BDT 2,600,000 (exclusive of VAT) has been paid as an honorarium for attending meetings to the Directors during 2025, while a total of BDT 2,050,000 (exclusive of VAT) has been paid as monthly remuneration only to the Independent Directors during the same period.

Name of Director	Board	EC	AC	RMC	Total
Tanjil Chowdhury	80,000	-	-	-	80,000
Md. Shahadat Hossain	180,000	-	-	-	180,000
Quazi Sirazul Islam	150,000	-	-	-	150,000
Azam J Chowdhury	140,000	-	-	-	140,000
Mafiz Ahmed Bhuiyan	130,000	-	-	40,000	170,000
Nasim Anwar Hossain	170,000	-	-	-	170,000
Nazma Haque	110,000	-	10,000	-	120,000
Nafis Sikder	50,000	-	-	-	50,000
Mohammad Mushtaque Ahmed Tanvir	80,000	50,000	-	-	130,000
S.M Tamjid	90,000	30,000	-	-	120,000
Tanveer A. Chowdhury	130,000	50,000	-	-	180,000
Md. Mukul Hossain	180,000	40,000	-	-	220,000
C. Q. K Mustaq Ahmed	180,000	50,000	-	50,000	280,000
Barrister Nazia Kabir	100,000	-	70,000	-	170,000
Dr. Mosttafa Shazzad Hasan FCA, CPA	160,000	-	60,000	40,000	260,000
Salma Huq	50,000	-	30,000	-	80,000
Mohammed Nader Khan	20,000	-	20,000	-	40,000
Imran Khan	20,000	-	-	20,000	40,000
Khan Ahmed Sayeed Murshid, PhD	10,000	-	-	10,000	20,000
Total Honorarium Paid	2,030,000	220,000	190,000	160,000	2,600,000

Name of Independent Director	Total Remuneration
C. Q. K Mustaq Ahmed	600,000
Barrister Nazia Kabir	600,000
Dr. Mosttafa Shazzad Hasan FCA, CPA	600,000
Khan Ahmed Sayeed Murshid, PhD	250,000
Total Remuneration Paid	2,050,000

Preparation of Financial Statements & its Fairness

The financial statements of the Bank were duly scrutinized by the statutory/external auditors and presented fairly its state of affairs. Also, the financial statements together with the notes thereon have been drawn up in conformity with the Companies Act 1994, relevant IAS and IFRS, relevant securities laws and directives, and Dhaka/Chittagong Stock Exchange (Listing) Regulations, 2015. The Financial Statements, prepared by the Management of the Bank, present its state of affairs, the result of its operations, cash flows and changes in equity fairly.

Books of Accounts

Proper books of accounts of the Bank are maintained.

Accounting Policies

Appropriate accounting policies have been consistently applied for preparing the financial statements and the accounting estimates are based on reasonable and prudent judgment.

Application of IAS and IFRS

International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as applicable for the Bank, were followed in preparing the financial statements, and any departure therefrom has adequately been disclosed.

Principal and Emerging Risks

The Board of Directors of Prime Bank has assessed the company's prospects as resilient and growth-oriented, anchored by a strong capital position and proactive risk mitigation despite significant macroeconomic headwinds.

The Board actively monitors primary categories of risk that could impact future stability:

Internal Risks: Poor governance, non-performing loans (NPLs), liquidity mismatches, and cybersecurity vulnerabilities.

External Risks: Macroeconomic volatility including inflation, interest rate fluctuations and geopolitical tensions.

Emerging Risks: Climate-related physical and transition risks are being integrated into the bank's core Risk Management framework.

Future Prospects & Strategic Outlook

Risk governance remained a cornerstone of the Bank's operations in 2025. The Board, through its various committees, oversaw a comprehensive risk management framework covering credit, market, liquidity, operational and compliance risks.

The Bank continued to strengthen its internal control environment, aligning policies and processes with regulatory guidelines and international best practices. Internal audit functions operated independently, providing assurance on governance, risk management and control effectiveness.

ISO Certification

Prime Bank PLC. is recognized for its strict compliance standards, highlighted by its ISO 27001:2022 and ISO 9001:2015 certifications. These international benchmarks confirm that the bank maintains elite Information Security (ISMS) and Quality Management Systems (QMS).

Internal Control, Compliance & Transparency

The Board, together with its Audit Committee, has established an effective internal control system that operates independently from the management. They remain vigilant in monitoring the performance of this internal control system to ensure a satisfactory qualitative standard for the bank's loan & investment portfolio. Additionally, the Board reviews the reports forwarded by the Audit Committee concerning compliance with the recommendations made in both internal & external audit reports, as well as various inspection reports from Bangladesh Bank.

The internal audit function operates independently and reports to the Audit Committee. Observations and recommendations are regularly reviewed and corrective actions are monitored.

Risk Management

Effective risk management continues to be central to the Bank's governance framework. The Board ensures the risk oversight primarily through its Risk Management Committee and approves the risk appetite, risk tolerance, risk limit, & risk strategies proposed by the Management.

During the year, the Bank further strengthened its risk management framework, covering credit, market, liquidity, operational, and compliance risks. Stress testing, scenario analysis, and early warning mechanisms were enhanced to support proactive decision-making.

Going Concern

There are no significant doubts about the Bank's ability to continue as a going concern.

Key Operating and Financial Data of the Last Six Years

The key operating and financial data for the last six years with graphical presentation are given on page no. from 86 to 87.

Protection of Minority Shareholders

The Board of Directors is committed to ensuring the highest standards of governance designed to protect the interests of all stakeholders, including the rights of its minority shareholders while promoting integrity, transparency, and accountability. The Board of Directors shall always act in a manner that will be in the best interest of the Company.

Insider Trading

The members of the Board, its assistive committees, its Senior Management & their family members were not involved in any insider trading and did not violate the provision concerning insider trading as per available records.

Dividend

The Board of Directors of the Bank recommended a 25.00% Cash & 5.00% Stock dividend for the year 2025, which is subject to the approval of Members in the ensuing 31st AGM scheduled on 21 May 2026. No cash or stock dividend was declared as an interim dividend during 2025.

The proposed stock dividend has been declared to strengthen the capital base of the Bank in order to support business growth and has been declared out of the current year's profit, capital reserve or revaluation reserve or any unrealized gain or out of profit earned prior to incorporation of the Bank or through reducing paid up capital or through doing anything so that the post-dividend retained earnings become negative or a debit balance.

The dividend distribution policy as adopted by the Board, and year-wise dividend declaration are shown on page no. 123, and page no. 121 to 122 respectively.

Changes in the Board of Directors

During 2025, three shareholder Directors namely Mr. Mohammed Nader Khan & Mr. Imran Khan resigned from the Board and Director Mrs. Salma Huq retired from the Board at the 30th AGM of the Bank. Also another Independent Director Mr. Khan Ahmed Sayeed Murshid retired from the Board after serving for one tenure.

Appointment, Retirement, & Re-appointment/ Re-election of Directors

At the forthcoming 31st Annual General Meeting (AGM), one-third (1/3rd) of the Directors holding longest in office shall retire as per clause 107, 108 & 103.2 of Article of Association (AOA) of the Bank, applicable laws, and regulatory directives/ notifications/circulars.

Accordingly, Mr. Azam J Chowdhury, Mrs. Nasim Anwar Hossain, Mr. Mafiz Ahmed Bhuiyan, Mrs. Nazma Haque & Mr. Tanveer A. Chowdhury shall retire at the forthcoming 31st AGM. Being eligible, all retiring Directors are proposed by the Board of Directors for re-appointment/re-election at the 31st AGM. Also, the appointment of one new Independent Director Dr. Bazlul Haque Khondker would be ratified in the same meeting.

Pattern of Shareholdings

Detailed shareholdings, including patterns, are presented at the Statement of Shareholding on page no. from 118 to 120.

Notice of the Annual General Meeting

The notice of the 31st Annual General Meeting, duly served on 29 April 2026, is shown on page no. 130.

Shareholders Rights

The Board upholds the principle of equal shareholders' rights regardless of their shareholdings. It believes that good Corporate Governance involves open and trusting cooperation between all stakeholders involved in the Company, including the owners of the Company - the Shareholders.

Director's Profile / Brief Resume of the Directors

The profiles of the Board of Directors, including retiring Directors (who are eligible for re-appointment/re-election at the 31st AGM) and proposed new Independent Director (whose appointment would be ratified in the same meeting) are presented on the page no. from 38 to 53.

Management Discussion & Analysis

Detailed discussion and analysis of the Bank's operation & position, amongst others, a brief discussion on changes in the financial statements is presented on page no. 75 to 76.

Declaration or Certification of CEO & CFO on Financial Statements for the year 2025

The certificate is presented at Certification on Financial Statements on page no. 131.

Corporate Governance and Board Oversight

Prime Bank is committed to maintaining high standards of corporate governance. The Board plays an active role in overseeing strategy execution, risk governance, and performance monitoring. Board and committee deliberations during the year focused on:

- Strategic alignment with risk appetite
- Asset quality and provisioning adequacy
- Capital and liquidity planning
- Digital transformation and cybersecurity risk
- Regulatory compliance and governance effectiveness

The Directors confirm that the Bank complied with the applicable provisions of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission and practices are described in detail in the Corporate Governance Report on page no. from 104 to 113.

Governance of the Board of Directors of Subsidiary Companies

The Bank's representation in the subsidiary company's Board was ensured in line with condition 2 of the Corporate Governance Code 2018. Minutes of the Board meetings of the subsidiary companies were placed before the Board of

the holding company, duly reviewed, and then recorded. The Audit Committee of the Board of the Bank also reviewed the periodical & annual financial statements of the subsidiaries.

The Certification on Compliance of the Corporate Governance Code

The certificate issued by M/S Jasmin & Associates, Chartered Secretaries is shown on page no. 136.

Statutory and Regulatory Compliance/Compliance with Laws and Regulations

The Directors confirm compliance with all applicable laws, regulations, and supervisory requirements issued by Bangladesh Bank, BSEC, and other authorities.

Unqualified Audit Opinion

The external auditors completed the audit of Prime Bank's financial statements for the year ended December 31, 2025. The auditors have issued an unqualified audit opinion, commonly referred to as a "clean report." This unqualified audit opinion signifies that our financial statements present a true and fair view of the bank's financial position and performance, in accordance with the applicable financial reporting framework. It reflects our commitment to maintaining the highest standards of financial integrity and transparency.

External Auditors (Statutory Auditor and Corporate Governance Compliance Auditor)

Pursuant to section 210 of the Companies Act 1994, Bangladesh Securities and Exchange Commission (BSEC) order no SEC/CMRRCD/2009-193/104/Admin dated 27 July 2011, ACNABIN Chartered Accountants and Hussain Farhad & Co., Chartered Accountants has offered their willingness to be appointed and the Board of Directors recommended their appointment for the year 2026 & continuation till the end of the next AGM at a VAT exclusive remuneration of BDT 50 Lac (Taka Fifty Lac) only (i.e., BDT 25 Lac for each auditor) subject to the required approval of the Members. The Board also confirmed that the Statutory Auditors are independent and their appointment complies with the provisions of auditor rotation guidelines.

Also, the Corporate Governance Compliance Auditor M/S Jasmin & Associates (Chartered Secretaries) has offered their willingness to be reappointed and the Board of Directors recommended their appointment for the year 2026 at a VAT exclusive remuneration of BDT 70,000.00 (Taka Seventy Thousand).

Sustainability, ESG and Responsible Banking

Sustainability considerations are increasingly embedded in the Bank's strategy and operations. During the year, Prime Bank PLC. expanded its focus on environmentally responsible financing, financial inclusion, and social impact initiatives.

The Bank continued to support green finance, SME development, and women entrepreneurship, while strengthening environmental and social risk assessment practices in relevant credit operations. These initiatives reflect the Bank's commitment to responsible banking and long-term value creation.

Digital Transformation and Operational Resilience

Digital transformation remained a strategic priority in 2025. Investments were made to enhance digital banking platforms, improve cybersecurity, and streamline internal processes through automation.

The Bank's digital banking platform, MyPrime, continued to demonstrate strong momentum during the year, reflecting both growing customer adoption and increased transactional engagement. The user base expanded to 452,122, registering an 82% growth, while total transactions reached 7,477,057, marking a 91% increase. More notably, transaction volume rose to BDT 18,985 crore, representing a substantial 116% growth. These trends indicate a clear shift in customer preference towards digital channels, supported by enhanced platform functionality, ease of use, and improved service accessibility. The sustained growth in both usage and transaction value underscores the Bank's strategic focus on digital transformation as a key driver of operational efficiency and customer convenience.

Human Capital and Organizational Culture

The Directors acknowledge that the employees are the fundamental to its success. During the year, Prime Bank continued to invest in talent development, leadership training, and performance-based culture.

Diversity, inclusion, and employee wellbeing remained key focus areas, contributing to a motivated workforce aligned with the Bank's values and strategic goals.

Contribution to the National Exchequer

The Bank contributed BDT 13,305 million to the national exchequer in the form of taxes and VAT in 2025.

Payment of taxes

Prime Bank values the open, transparent and supportive relationship we have with the government bodies. The Bank emphasize on timely payment of taxes and ensures no dispute or default in payment of taxes.

Payment to vendors

Prime Bank PLC. maintains a transparent vendor payment framework by strictly adhering to established policies and regulatory guidelines. Following the successful completion of comprehensive compliance verifications, invoices are scheduled for settlement on their respective due dates. The bank generates payment proposals, utilizing a systematic identification process to ensure all obligations are met accurately and punctually according to agreed-upon terms. This structured approach optimizes operational efficiency, fosters robust vendor partnerships, and reaffirms the bank's dedication to financial integrity.

Recognition

PRIMEBANK is being recognized by various entities as a reward for its relentless efforts to the best practices in its operation, financial reporting, and required disclosures. Notable awards/ recognition achieved in 2025 are:

- Global Business and Finance Magazine Awards 2025 - Best Private Bank In Bangladesh 2025, Fastest Growing Digital Bank In Bangladesh 2025, Best Corporate Banking Services Bangladesh 2025 & Best Bank For ESG Bangladesh 2025
- Global Excellence Chronical Magazine 2025 - Best Corporate Bank Bangladesh 2025, Best Sustainable Bank Bangladesh 2025, Best Bank for Corporate Governance Bangladesh 2025 & Emerging Retail Bank of the Year Bangladesh
- Global Banking & Finance Awards® 2025 - Best Corporate Bank Bangladesh 2025, Best Bank for Digital Banking Services Bangladesh 2025 & Best Bank for Digital Banking Services Bangladesh 2025
- World Business Outlook Awards 2025 - Best Islamic Banking Services Provider Bangladesh 2025 and Leading Digital Bank Bangladesh 2025
- Brands Review Magazine Award 2025 - Excellence in Digital Platform Initiatives Bangladesh 2025, Best Private Commercial Bank Bangladesh 2025 & Most Sustainable Bank Bangladesh 2025
- Bangladesh Retail Awards – Most Innovative Retail Brand of the Year 2025 – A new Language of Banking Service Inclusive Banking for All
- Gazet International Awards - Best Bank for ESG Excellence – Bangladesh 2025 & Best Bank for Digital Innovation – Bangladesh 2025
- World Economic Magazine's 7th Annual Awards 2025 - Best Corporate Bank Bangladesh 2025, Best Bank for ESG Bangladesh 2025 & Best Digital Bank Bangladesh 2025
- Euromoney Awards for Excellence 2025 - Bangladesh's Best Bank for ESG
- Bangladesh Brand Forum - SDG Brand Champions - Honorable Mention as The Most Sustainable Financial Institution
- South Asian Business Excellence Award 2025 - Best Bank in Private Sector & Best Investment Bank
- 3rd Bangladesh FinTech Awards - Financial Institution of the Year - Banks (for sign language video call service)
- Project of the Year - Honorable Mention - Project Management Institute Bangladesh
- Best Digital Bank - Pan Finance Business Awards
- Excellence in Mastercard Debit Business (Domestic) 2024-25 - Mastercard Excellence Awards 2025
- Global Business & Brand Awards - Best Banking Brand Bangladesh 2025

Acknowledgement

The Directors express their sincere appreciation to the shareholders for their continued confidence, to customers for their trust, to regulators for their guidance, and to employees for their dedication and professionalism during the last 31 years' journey of the Bank.

Lastly, the Board reassures all that the Bank will further strengthen its foothold in the banking industry by continuing its legacy of finding success in all adversities that may come our way.

On behalf of the Board of Directors



Tanjil Chowdhury

Chairman

Prime Bank PLC.