

**Independent Auditors' Report
To the Shareholders of National Bank Limited
Report on the Audit of the Consolidated and Separate Financial Statements**

Opinion

We have audited the consolidated financial statements of National Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of National Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2020 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated balance sheet of the Group and the separate balance sheet of the Bank as at 31 December 2020 and of its consolidated and separate profit and loss accounts and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

Basis for Opinion


We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	Our response to key audit matters
Measurement of provision for Loans and Advances	
<p>The process for estimating the provision for loans & advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>At the year end the Bank reported total gross loan and advances of BDT 408,510.60 Million (2019: BDT 360,769.74 Million) and total provision for Loan and Advances BDT 18,616.16 Million (2019: BDT 16,320.14 Million). We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> • Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no. 14, dated 23 September 2012, BRPD circular no.03 dated 21 April 2019, BRPD circular no.17 dated 28 September 2020 & BRPD circular no. 56 dated 10 December 2020. • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; 	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of Loans (CL); • Follow Bangladesh Bank's circular and guidelines; <p>Our substantive procedures in relation to the provision for loan and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the Banks general and specific provisions; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. <div style="text-align: center;">  </div>

Description of key audit matters	Our response to key audit matters
<p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p>	
<p>Refer note no. 8 and 15.2 to the financial statements</p>	
<p>Valuation of treasury bill and treasury bond</p>	
<p>The classification and measurement of treasury bill and treasury bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of treasury bill and treasury bond is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Group to identify and confirm the existence of financial instruments.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the financial instrument valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<p>Refer note no. 7.1.1 to the financial statements</p>	
<p>Measurement of deferred tax assets</p>	
<p>At year end of 2020 the Bank reported total net deferred tax assets of BDT 89,146,684 (2019: BDT 129,500,648) and deferred tax expense of BDT 40,353,964 (2019: Expense BDT 10,044,745).</p> <p>Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Bank's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. The Bank has sufficient taxable profit to recover the deferred tax assets in foreseeable future.</p>



Description of key audit matters	Our response to key audit matters
	<p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>
Refer note no 10.1.3 to the financial statements	
Legal and regulatory matters	
<p>We focused on this area because the Bank and its subsidiary (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Group's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>
IT Systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were</p>

Description of key audit matters	Our response to key audit matters
<p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.</p>	<p>appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>
Carrying value of investments in subsidiary (s) by the Bank	
<p>The Bank has invested in equity shares of its subsidiaries as at 31 December 2020 the carrying value of this investment is BDT 4,426.41 million.</p> <p>The Bank is required to perform impairment test of Investment in subsidiary when impairment indication exists. The impairment testing is considered to be a key audit matter due to the complexity and judgments required in determining the assumptions to be used to estimate the recoverable amount.</p> <p>Management has conducted impairment assessment and calculated value of its subsidiary.</p>	<p>We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36: Impairment of Assets.</p> <p>We have analyzed the appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p>
Refer note no. 7.2.1 to the financial statements	
Impact of COVID-19 on Business	
<p>On 11 March 2020, World Health Organization (WHO) declared a global pandemic due to corona Virus related respiratory disease commonly called as COVID-19. It has a big impact on imports, other procurement, production, export, and other activities of the Global business. The government of Bangladesh has declared general holidays from 26.03.2020 to 30.05.2020 and majority of entity of our</p>	<p>Regarding COVID-19 pandemic effect on the business activities of National Bank Limited, we have discussed with the management of National Bank Limited on the potential impact of pandemic on the Bank. We also compared the Financial Statements figures of previous year with the current year to find out the impact of COVID-19 Pandemic on the Business. Moreover, we have checked the deposit, disbursement and recovery pattern</p>



Description of key audit matters	Our response to key audit matters
<p>country was compelled to reduce their operation at that period. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures all business and economic activities are affected which would also impact the Bank as well. Although the business operation of the Bank and profitability of the bank are slightly impacted due to COVID-19, but as the situation is constantly changing and there is no certainty at present as to how long the situation will prevail, the potential impact of COVID-19 related matters on the Bank's operation and financial results cannot be reasonably assessed.</p>	<p>during the pandemic period and compared the same with pre-pandemic period. We have also analyzed the expenditure management policy and other health and safety regulations on test basis.</p>
<p>Refer note no. 43.00 to the financial statements</p>	

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with the Banking Companies Act, 1991 (as amended up to date), the Companies Act, 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable Laws and Regulations as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Bank Company Act, 1991 as amended and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on antifraud internal controls and instances of fraud and forgeries as stated under the Responsibility of Management and those charged with governance for the consolidated & Separate financial statements and internal control for the financial statements and internal control:
 - a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities;
- (iii) financial statements of all subsidiaries of the Bank which have been audited by other auditors have been properly reflected in the consolidated financial statements;
- (iv) in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;



- (ix) adequate provisions have been made for advance and other as per tripartite meeting held on 20.05.2021 and Bangladesh Bank approval given vide letter no.DBI-5/82/2021-9 dated:23.06.2021 disclosed at note 15 of financial statements and deferred benefit on loan and advance and other has been given by Bangladesh Bank vide letter no. DOS(RMMCMS)1154/161/2021-2786 dated: 29.06.2021;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 4,250 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Place: Dhaka
Date: June 30, 2021


Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Enrolment No.: 1591
DVC: 2106301591AS473491



National Bank Limited and Its Subsidiaries

Consolidated Balance Sheet

As at December 31, 2020

Particulars	Notes	Amount in BDT	
		31.12.2020	31.12.2019
PROPERTY AND ASSETS			
Cash		22,244,348,716	24,361,375,116
In hand (including foreign currencies)	3	4,514,052,264	4,155,331,793
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4	17,730,296,452	20,206,043,323
Balance with other banks and financial institutions	5	5,917,304,173	4,733,424,814
In Bangladesh		3,882,874,929	3,473,839,676
Outside Bangladesh		2,034,429,244	1,259,585,138
Money at call and on short notice	6	91,300,000	91,300,000
Investments	7	70,933,444,060	59,958,541,121
Government		60,692,726,720	50,231,204,874
Others		10,240,717,340	9,727,336,247
Loans and advances	8	410,938,158,561	363,715,005,682
Loans, cash credits, overdrafts, etc.		404,375,504,874	358,432,032,668
Bills purchased and discounted		6,562,653,687	5,282,973,014
Fixed assets including premises, furniture and fixtures	9	3,705,534,844	2,769,590,163
Other assets	10	15,183,685,662	7,783,212,752
Non-banking assets	11	299,479,400	299,479,400
Total assets		529,313,255,416	463,711,929,048
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12	8,419,144,804	8,337,718,474
Deposits and other accounts	13	430,331,619,909	366,079,335,612
Current deposit and other accounts		34,562,375,594	26,804,331,592
Bills payable		4,285,058,100	3,337,258,268
Savings bank deposits		58,326,974,057	51,550,288,418
Fixed deposits		132,589,373,496	140,421,645,700
Term deposit		200,567,838,662	143,965,811,634
Subordinated bonds	14	3,450,000,000	4,000,000,000
Other liabilities	15	35,226,051,299	36,590,371,576
Total liabilities		477,426,816,012	415,007,425,662
Shareholders' equity			
Total shareholders' equity		51,886,439,404	48,704,503,386
Paid-up capital	16.2	30,664,186,390	29,203,987,040
Statutory reserve	17	17,108,889,287	15,835,709,954
Startup fund		34,855,427	-
General reserve	18	29,835,154	29,809,840
Other reserve	19	1,996,630,956	965,975,208
Retained earnings	20	2,051,906,653	2,668,896,278
		51,886,303,867	48,704,378,320
Non-controlling (minority) interest		135,537	125,066
Total liabilities and shareholders' equity		529,313,255,416	463,711,929,048



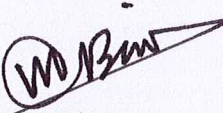
National Bank Limited and Its Subsidiaries

Consolidated Balance Sheet

As at December 31, 2020

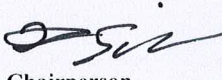
Particulars	Notes	Amount in BDT	
		31.12.2020	31.12.2019
OFF-BALANCE SHEET ITEMS			
Contingent liabilities		57,373,290,429	49,810,608,861
Acceptances and endorsements		19,031,475,008	14,367,515,122
Letters of guarantee	21	11,384,775,292	10,638,586,888
Irrevocable letters of credit		21,318,149,175	18,349,715,772
Bills for collection		5,638,890,954	6,454,791,079
Other contingent liabilities		-	-
		1,653,751,800	594,359,000
Other commitments			
Lease rental commitments		-	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Spot and forward foreign exchange rate contracts		1,653,751,800	594,359,000
Other exchange contracts		-	-
Total off-balance sheet items including contingent liabilities		59,027,042,229	50,404,967,861

Accompanying notes 01 to 43 form an integral part of these financial statements.


Managing Director


Director


Director


Chairperson

Signed in terms of our separate report of even date.

Place: Dhaka
Date: June 30, 2021


Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Enrolment No.: 1591
DVC: 2106301591AS473491



National Bank Limited and Its Subsidiaries
Consolidated Profit and Loss Account
For the year ended December 31, 2020

Particulars	Notes	Amount in BDT	
		2020	2019
Interest income	22	34,389,125,367	34,670,034,614
Less: Interest paid on deposits and borrowings, etc.	23	26,117,772,915	24,247,709,885
Net interest income		8,271,352,452	10,422,324,729
Investment income	24	6,074,075,353	3,133,069,095
Commission, exchange and brokerage	25	1,687,152,869	1,684,156,185
Other operating income	26	586,609,646	689,626,779
		8,347,837,868	5,506,852,059
Total operating income		16,619,190,320	15,929,176,788
Salaries and allowances	27	4,243,738,528	3,995,902,062
Rent, taxes, insurance, electricity, etc.	28	934,648,187	822,607,456
Legal expenses	29	18,648,607	24,064,367
Postage, stamp, telecommunication, etc.	30	84,201,637	82,383,407
Stationery, printing, advertisement, etc.	31	154,266,011	191,456,345
Managing Director's salary and allowances	32	10,440,000	10,440,000
Directors' fees and other benefits	33	8,555,088	4,323,459
Auditors' fees	34	2,090,811	1,971,414
Charges on loan losses		-	465,571,851
Repairs, maintenance and depreciation	35	742,100,605	712,675,065
Other expenses	36	1,031,674,807	804,497,651
Total operating expenses		7,230,364,281	7,115,893,077
Profit before provision		9,388,826,039	8,813,283,711
Provision for loans and advances			
Specific provision	15.2(a)	2,165,000,000	1,500,000,000
General provision (Including off-balance sheet items)	15.2(c)	85,000,000	-
Special general provision (Covid-19)	15.2(d)	589,800,000	-
Provision for good borrowers	15.2(e)	-	10,000,000
		2,839,800,000	1,510,000,000
Provisions for other classified assets	15.4	-	45,655,340
Total provision		2,839,800,000	1,555,655,340
Total profit before taxes		6,549,026,039	7,257,628,371
Provision for taxation			
Current tax	15.1	2,897,217,767	3,124,375,595
Deferred tax	10.1.3	40,353,964	10,044,745
		2,937,571,731	3,134,420,340
Net profit after tax		3,611,454,308	4,123,208,031
Net profit after tax attributable to:			
Non-controlling interest		10,471	5,714
Equity holders of parent company		3,611,443,837	4,123,202,317
Net profit after taxation without non-controlling interests		3,611,443,837	4,123,202,317
Retained earnings brought forward from previous year		2,668,896,278	2,661,018,720
		6,280,340,115	6,784,221,037




Particulars	Notes	Amount in BDT	
		2020	2019
Appropriations			
Statutory reserve	17	(1,273,179,333)	(1,454,879,757)
Startup fund @1% of net profit		(34,855,427)	-
Dividend paid by overseas subsidiaries		-	(5,537,092)
Dividend			
Cash dividend @ 5% for 2019		(1,460,199,352)	-
Bonus shares 5% for 2019 and 10% for 2018		(1,460,199,350)	(2,654,907,910)
		(4,228,433,462)	(4,115,324,759)
Retained earnings carried forward		2,051,906,653	2,668,896,278
Earnings per share (EPS) restated	39.02	1.18	1.34

Accompanying notes 01 to 43 form an integral part of these financial statements.



Managing Director

 
Director Director


Chairperson

Signed in terms of our separate report of even date.

Place: Dhaka
Date: June 30, 2021

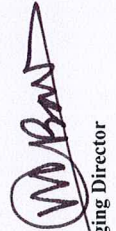

Khan Wahab Shafique Rahman & Co.
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Signed by: Faruk Ahmed FCA
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National Bank Limited and Its Subsidiaries
Consolidated Statement of Changes in Equity
For the year ended December 31, 2020


Particulars	Amount in BDT									
	Paid-up Capital	Statutory Reserve	General Reserve	Start up Fund	Other Reserve	Retained Earnings	Total	Non-controlling interest	Total equity	
Balance on January 01, 2020	29,203,987,040	15,835,709,954	29,809,840	-	965,975,208	2,668,896,278	48,704,378,320	125,066	48,704,503,386	
Net profit for the year	-	-	-	-	-	3,611,443,837	3,611,443,837	10,471	3,611,454,308	
Bonus shares for 2019 issued during the year	1,460,199,350	-	-	-	-	(1,460,199,350)	-	-	-	
Cash dividend paid @ 5% for the year 2019	-	-	-	-	-	(1,460,199,352)	(1,460,199,352)	-	(1,460,199,352)	
Transferred to statutory reserve	-	1,273,179,333	-	-	-	(1,273,179,333)	-	-	-	
Transferred to startup fund	-	-	-	34,855,427	-	(34,855,427)	-	-	-	
Revaluation of Government treasury bills, bonds and other investment	-	-	-	-	1,030,655,748	-	1,030,655,748	-	1,030,655,748	
Addition during the year	-	-	25,314	-	-	-	25,314	-	25,314	
Balance at December 31, 2020	30,664,186,390	17,108,889,287	29,835,154	34,855,427	1,996,630,956	2,051,906,653	51,886,303,867	135,537	51,886,439,404	
Balance at December 31, 2019	29,203,987,040	15,835,709,954	29,809,840	-	965,975,208	2,668,896,278	48,704,378,320	125,066	48,704,503,386	

Accompanying notes 01 to 43 form an integral part of these financial statements.


Managing Director


Director


Director


Chairperson



National Bank Limited and Its Subsidiaries

Consolidated Cash Flow Statement
For the year ended December 31, 2020


Particulars	Note	Amount in BDT	
		2020	2019
A) Cash flows from operating activities			
Interest received		30,692,081,773	34,645,855,927
Interest paid		(26,781,294,462)	(23,406,065,181)
Income from Investment		4,231,163,197	2,742,437,999
Fees, commission, exchange and brokerage		1,687,152,869	1,684,156,185
Cash paid to employees		(4,262,733,616)	(3,960,665,521)
Cash paid to suppliers		(1,564,657,817)	(1,443,307,573)
Income taxes paid	15.1	(2,757,266,383)	(3,016,316,145)
Received from other operating activities		585,815,639	683,240,098
Paid for other operating activities		(1,031,674,807)	(804,407,310)
Operating profit before changes in operating assets and liabilities		798,586,393	7,124,928,479
Increase/(decrease) in operating assets and liabilities			
Sale of trading securities		753,706,299	331,936,244
Purchase of trading securities		(1,155,009,234)	(729,848,313)
Loans and advances to other banks		-	-
Loans and advances to customers		(50,236,059,063)	(47,695,277,036)
Other assets		(3,617,400,365)	(1,073,487,911)
Deposits from other banks		(205,420,307)	(1,939,031,864)
Deposits from customers		64,457,704,604	53,331,909,617
Other liabilities		(68,091,902)	(46,690,321)
		9,929,430,032	2,179,510,416
Net cash from /(used in) operating activities		10,728,016,425	9,304,438,895
B) Cash flows from investing activities			
Proceeds from sale of Government and unquoted securities		13,284,433,024	9,266,228,237
Investment made during the year (Govt. and unquoted securities)		(21,705,333,820)	(13,811,140,084)
Purchase of property, plant and equipment		(1,396,095,418)	(659,951,205)
Sale proceeds of fixed assets		90,000,488	6,889,306
Net cash from/(used in) investing activities		(9,726,995,726)	(5,197,973,746)
C) Cash flows from financing activities			
Borrowings from other banks, financial institutions and agents		81,426,330	(531,418,300)
Cash dividend paid for the year 2019		(1,460,199,352)	-
Redemption of sub-ordinated bonds		(550,000,000)	-
Net cash from/ (used in) financing activities		(1,928,773,022)	(531,418,300)
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)		(927,752,323)	3,575,046,849
E) Effects of exchange rate changes on cash and cash equivalents		(343,618)	11,007,914
		(928,095,941)	3,586,054,763
F) Cash and cash equivalents at beginning of the year		29,192,783,030	25,606,728,267
G) Cash and cash equivalents at end of the year (D+E+F)		28,264,687,089	29,192,783,030
Cash and cash equivalents at end of the year			
Cash in hand (including foreign currencies)		4,514,052,264	4,155,331,793
Balances with Bangladesh Bank and its agent bank (s)		17,730,296,452	20,206,043,323
Balances with other banks and financial institutions		5,917,304,173	4,733,424,814
Money at call and on short notice		91,300,000	91,300,000
Prize bonds		11,734,200	6,683,100
		28,264,687,089	29,192,783,030

Accompanying notes 01 to 43 form an integral part of these financial statements.


Managing Director


Director


Director


Chairperson



National Bank Limited
Balance Sheet
As at December 31, 2020


Particulars	Notes	Amount in BDT	
		31.12.2020	31.12.2019
PROPERTY AND ASSETS			
Cash		22,135,861,179	24,258,474,172
In hand (including foreign currencies)	3	4,405,564,727	4,052,430,849
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4	17,730,296,452	20,206,043,323
Balance with other banks and financial institutions	5	5,066,417,576	4,184,674,936
In Bangladesh		3,237,562,866	3,246,661,798
Outside Bangladesh		1,828,854,710	938,013,138
Money at call and on short notice	6	91,300,000	91,300,000
Investments	7	73,737,299,252	62,877,817,458
Government		60,692,726,720	50,231,204,874
Others		13,044,572,532	12,646,612,584
Loans and advances	8	408,510,601,258	360,769,737,295
Loans, cash credits, overdrafts, etc.		401,947,947,571	355,486,764,281
Bills purchased and discounted		6,562,653,687	5,282,973,014
Fixed assets including premises, furniture and fixtures	9	3,643,002,833	2,709,978,117
Other assets	10	15,568,587,953	8,383,317,066
Non-banking assets	11	299,479,400	299,479,400
Total assets		529,052,549,451	463,574,778,444
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12	8,419,144,804	8,337,718,474
Deposits and other accounts	13	430,747,950,818	366,298,512,993
Current deposit and other accounts		34,563,517,722	26,805,405,622
Bills payable		4,285,058,100	3,337,258,268
Savings bank deposits		58,326,974,057	51,550,288,418
Fixed deposits		132,589,373,496	140,421,645,700
Term deposit		200,983,027,443	144,183,914,985
Subordinated bonds	14	3,450,000,000	4,000,000,000
Other liabilities	15	34,341,896,408	35,900,988,654
Total liabilities		476,958,992,030	414,537,220,121
Shareholders' equity			
Total shareholders' equity		52,093,557,421	49,037,558,323
Paid-up capital	16.2	30,664,186,390	29,203,987,040
Statutory reserve	17	17,108,889,287	15,835,709,954
Startup fund		34,855,427	-
Other reserve	19	1,996,630,956	965,975,208
Retained earnings	20	2,288,995,361	3,031,886,121
Total liabilities and shareholders' equity		529,052,549,451	463,574,778,444



National Bank Limited
Balance Sheet
As at December 31, 2020

Particulars	Notes	Amount in BDT	
		31.12.2020	31.12.2019
OFF-BALANCE SHEET ITEMS			
Contingent liabilities		57,373,290,429	49,810,608,861
Acceptances and endorsements		19,031,475,008	14,367,515,122
Letters of guarantee	21	11,384,775,292	10,638,586,888
Irrevocable letters of credit		21,318,149,175	18,349,715,772
Bills for collection		5,638,890,954	6,454,791,079
Other contingent liabilities		-	-
		1,653,751,800	594,359,000
Other commitments			
Lease rental commitments		-	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Spot and forward foreign exchange rate contracts		1,653,751,800	594,359,000
Other exchange contracts		-	-
Total off-balance sheet items including contingent liabilities		59,027,042,229	50,404,967,861

Accompanying notes 01 to 43 form an integral part of these financial statements.


Managing Director

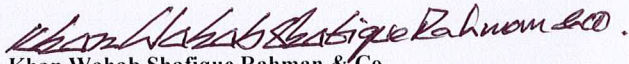

Director


Director


Chairperson

Signed in terms of our separate report of even date.

Place: Dhaka
Date: June 30, 2021


Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Enrolment No.: 1591
DVC: 2106301591A5473491



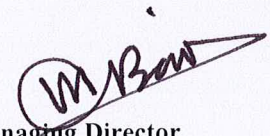
National Bank Limited
Profit and Loss Account
For the year ended December 31, 2020

Particulars	Notes	Amount in BDT	
		2020	2019
Interest income	22	34,339,265,681	34,703,590,148
Less: Interest paid on deposits and borrowings, etc.	23	26,118,075,999	24,247,709,885
Net interest income		8,221,189,682	10,455,880,263
Investment income	24	6,025,431,088	3,097,038,216
Commission, exchange and brokerage	25	1,368,754,744	1,425,106,973
Other operating income	26	575,285,172	678,364,861
		7,969,471,004	5,200,510,050
Total operating income		16,190,660,686	15,656,390,313
Salaries and allowances	27	4,126,750,753	3,887,611,628
Rent, taxes, insurance, electricity, etc.	28	910,079,340	795,650,537
Legal expenses	29	18,648,607	24,064,367
Postage, stamp, telecommunication, etc.	30	80,670,760	78,540,082
Stationery, printing, advertisement, etc.	31	151,156,347	175,380,834
Managing Director's salary and allowances	32	10,440,000	10,440,000
Directors' fees and other benefits	33	7,706,380	2,225,248
Auditors' fees	34	575,000	575,000
Charges on loan losses		-	465,571,851
Repairs, maintenance and depreciation	35	711,597,590	679,663,220
Other expenses	36	967,339,243	752,268,763
Total operating expenses		6,984,964,020	6,871,991,530
Profit before provision		9,205,696,666	8,784,398,783
Provision for loans and advances			
Specific provision	15.2(a)	2,165,000,000	1,500,000,000
General provision (including off-balance sheet items)	15.2(c)	85,000,000	-
Special general provision (Covid-19)	15.2(d)	589,800,000	-
Provision for good borrowers	15.2(e)	-	10,000,000
		2,839,800,000	1,510,000,000
Provision for other classified assets	15.4	-	-
Total provision		2,839,800,000	1,510,000,000
Total profit before tax		6,365,896,666	7,274,398,783
Provision for taxation			
Current tax	15.1	2,840,000,000	3,100,000,000
Deferred tax	10.1.3	40,353,964	10,044,745
		2,880,353,964	3,110,044,745
Net profit after tax		3,485,542,702	4,164,354,038
Retained earnings brought forward from previous year		3,031,886,121	2,977,319,750
		6,517,428,823	7,141,673,788




Particulars	Notes	Amount in BDT	
		2020	2019
Appropriations			
Statutory reserve	17	(1,273,179,333)	(1,454,879,757)
Startup fund @1% of net profit		(34,855,427)	-
Dividend			
Cash dividend @ 5% for 2019		(1,460,199,352)	-
Bonus share @ 5% for 2019 & 10% in 2018		(1,460,199,350)	(2,654,907,910)
		(4,228,433,462)	(4,109,787,667)
Retained earnings carried forward		2,288,995,361	3,031,886,121
Earnings per share (EPS) restated	39.02	1.14	1.36

Accompanying notes 01 to 43 form an integral part of these financial statements.


Managing Director



Director


Director


Chairperson

Signed in terms of our separate report of even date.

Place: Dhaka
Date: June 30, 2021


Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Enrolment No.: 1591
DVC: 2106301591AS473491




National Bank Limited

Statement of Changes in Equity

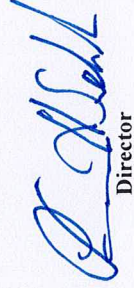
For the year ended December 31, 2020

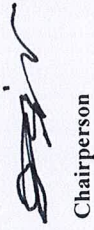
Particulars	Paid-up Capital	Statutory Reserve	Start up Fund	Amount in BDT		Retained Earnings	Total
				Other Reserve	BDT		
Balance at on January 01, 2020	29,203,987,040	15,835,709,954	-	965,975,208	-	3,031,886,121	49,037,558,323
Net profit for the year	-	-	-	-	-	3,485,542,702	3,485,542,702
Bonus shares for 2019 issued during the year	1,460,199,350	-	-	-	-	(1,460,199,350)	-
Cash dividend for 2019 paid during the year	-	-	-	-	-	(1,460,199,352)	(1,460,199,352)
Transferred to statutory reserve	-	1,273,179,333	-	-	-	(1,273,179,333)	-
Transferred to startup fund	-	-	34,855,427	-	-	(34,855,427)	-
Revaluation of Govt. Treasury bills, bonds and other investments	-	-	-	1,030,655,748	-	-	1,030,655,748
Balance at December 31, 2020	30,664,186,390	17,108,889,287	34,855,427	1,996,630,956	2,288,995,361	52,093,557,421	52,093,557,421
Balance at December 31, 2019	29,203,987,040	15,835,709,954	-	965,975,208	3,031,886,121	49,037,558,323	49,037,558,323

Accompanying notes 01 to 43 form an integral part of these financial statements


Managing Director


Director


Director


Chairperson



National Bank Limited
Liquidity Statement (Analysis of Maturity of Assets and Liabilities)
As at December 31, 2020

Particulars	Not more than 1 month term	1-3 months term	3-12 months term	Amount in BDT				Total
				1-5 years term	Above 5-years term			
Assets								
Cash in hand	4,405,564,727	-	-	-	-	-	4,405,564,727	
Balance with Bangladesh Bank and its agent bank	17,730,296,452	-	-	-	-	-	17,730,296,452	
Balances with other banks and financial institutions	3,534,715,414	185,577,567	1,280,000,000	66,124,595	-	-	5,066,417,576	
Money at call and short notice	91,300,000	-	-	-	-	-	91,300,000	
Investments	130,730,218	508,605,924	5,738,754,742	24,365,045,525	42,994,162,843	-	73,737,299,252	
Loans and advances	28,595,742,088	32,680,848,101	114,382,968,352	123,322,653,002	109,528,389,715	-	408,510,601,258	
Fixed assets including premises, furniture and fixtures	39,226,713	78,453,426	353,430,045	1,139,563,999	2,032,328,650	-	3,643,002,833	
Other assets	2,658,134,820	4,137,545,107	6,174,925,475	2,597,982,551	-	-	15,568,587,953	
Non-banking assets	-	-	-	299,479,400	-	-	299,479,400	
Total assets	57,185,710,432	37,591,030,125	127,930,078,614	151,790,849,072	154,554,881,208	-	529,052,549,451	
Liabilities								
Borrowings from other banks, financial institutions and agents	2,601,487,717	2,998,466,618	2,819,190,469	-	-	-	8,419,144,804	
Deposits and other accounts	49,083,592,228	43,920,853,863	116,153,852,475	121,999,040,903	99,590,611,349	-	430,747,950,818	
Subordinated bond	-	-	250,000,000	3,200,000,000	-	-	3,450,000,000	
Other liabilities	923,013,759	2,151,155,524	8,214,179,911	23,053,547,214	-	-	34,341,896,408	
Total liabilities	52,608,093,704	49,070,476,005	127,437,222,856	148,252,588,117	99,590,611,349	-	476,958,992,030	
Net liquidity gap	4,577,616,729	(11,479,445,879)	492,855,758	3,538,260,955	54,964,269,859	-	52,093,557,421	

*Structured liquidity profile as per Bangladesh Bank DOS Circular No.02 dated 29 March, 2011 has been shown in separate annexure.

Accompanying notes 01 to 43 form an integral part of these financial statements.


Managing Director


Director


Director

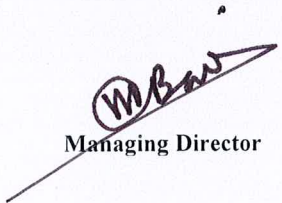

Chairperson



National Bank Limited
Cash Flow Statement
For the year ended December 31, 2020

Particulars	Notes	Amount in BDT	
		2020	2019
A) Cash flows from operating activities			
Interest received		30,642,222,087	34,679,411,461
Interest paid		(26,781,597,546)	(23,406,065,181)
Income from investment		4,205,202,129	2,718,404,850
Fees, commission, exchange and brokerage		1,368,754,744	1,425,106,973
Cash paid to employees		(4,144,897,133)	(3,850,276,876)
Cash paid to suppliers		(1,502,945,414)	(1,363,419,973)
Income taxes paid	15.1	(2,757,266,383)	(3,016,316,145)
Received from other operating activities		574,491,165	671,978,180
Paid for other operating activities		(967,339,243)	(752,178,422)
Operating profit before changes in operating assets and liabilities		636,624,406	7,106,644,867
Increase/(decrease) in operating assets and liabilities			
Sale of trading securities-quoted shares		741,708,569	319,938,514
Purchase of trading securities-quoted shares		(1,035,690,885)	(412,913,321)
Loans and advances to other banks		-	-
Loans and advances to customers		(50,729,064,197)	(47,606,398,122)
Other assets	37	(3,403,989,315)	(1,514,998,002)
Deposits from other banks		(205,420,307)	(1,939,031,864)
Deposits from customers		64,654,858,132	53,031,510,890
Other liabilities	38	(243,390,281)	(11,606,790)
		9,779,011,716	1,866,501,305
Net cash from/(used in) operating activities		10,415,636,122	8,973,146,172
B) Cash flows from investing activities			
Proceeds from sale of Government and unquoted securities		13,284,433,024	9,266,228,237
Investment made during the year (Govt. and un-quoted securities)		(21,705,333,820)	(13,811,140,084)
Purchase of property, plant and equipment		(1,391,438,427)	(655,294,214)
Sale proceeds of fixed assets		90,000,488	6,889,306
Net cash from/(used in) investing activities		(9,722,338,735)	(5,193,316,755)
C) Cash flows from financing activities			
Borrowings from other banks, financial institutions and agents		81,426,330	(531,418,300)
Cash dividend paid for the year 2019		(1,460,199,352)	-
Redemption of sub-ordinated bond		(550,000,000)	-
Net cash from/(used in) financing activities		(1,928,773,022)	(531,418,300)
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)		(1,235,475,635)	3,248,411,117
E) Effects of exchange rate changes on cash and cash equivalents		(343,618)	11,007,914
		(1,235,819,253)	3,259,419,031
F) Cash and cash equivalents at beginning of the year		28,541,132,208	25,281,713,177
G) Cash and cash equivalents at end of the year (D+E+F)		27,305,312,955	28,541,132,208
Cash and cash equivalents at end of the year			
Cash in hand (including foreign currencies)		4,405,564,727	4,052,430,849
Balances with Bangladesh Bank and its agent bank (s)		17,730,296,452	20,206,043,323
Balances with other banks and financial institutions		5,066,417,576	4,184,674,936
Money at call and on short notice		91,300,000	91,300,000
Prize bonds		11,734,200	6,683,100
		27,305,312,955	28,541,132,208

Accompanying notes 01 to 43 form an integral part of these financial statements.


Managing Director


Director


Director


Chairperson



National Bank Limited
Notes to the financial statements
For the year ended December 31, 2020

1. General information

1.1 Status of the Bank

National Bank Ltd (NBL / the Bank) is incorporated in Bangladesh as a public limited company on 15 March 1983 under the Companies Act 1913. It obtained license from Bangladesh Bank to carry out banking business on 22 March 1983. The Bank has been engaged in banking activities through its two hundred thirteen (213) branches including sixteen (16) SME/Agri-branches throughout the country. The Bank has also 14 sub -branches providing banking service at root level. The Bank is listed with both Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd.

1.2 Principal activities

The principal activities of NBL are to provide a comprehensive range of financial services, personal and commercial banking, trade service, cash management, treasury, security and custodian services.

1.3 Offshore Banking Unit (OBU)

The Offshore Banking unit, a separate business unit of NBL, governed under the Rules and guidelines of Bangladesh Bank. This Unit provides loans and advances (on and off-balance sheet exposures) and takes deposits only in freely convertible foreign currencies to and from non-resident persons or institutions, fully foreigner owned EPZ companies, etc. The Bank obtained the Offshore Banking permission from Bangladesh Bank vide letter no. BRPD/(P-3)744(97)/2008-2005 dated 01 June 2008. The unit commenced its operation from September 2008 and its office is located at 9, Mohakhali, Dhaka 1212. The second unit of Offshore Banking started operation from November 2016 and its office is located at 48, Dilkusha, Dhaka.

1.4 Subsidiaries of the Bank

The Bank has seven (7) subsidiaries as presented below. All the subsidiaries of NBL have been in operations on the same reporting date of 31 December.

NBL Securities Ltd

NBL Securities Ltd is a majority owned subsidiary company of NBL, incorporated as a Public Limited Company with the Registrar of Joint Stock Companies and Firms in Dhaka, Bangladesh bearing registration no. C-82154/10 dated 01 February 2010 under the Companies Act 1994 having registered office at 18, Dilkusha C/A (4th floor), Dhaka. The main objectives of the company are to carry on the business as a Stock Broker/ Stock Dealer of Stock Exchanges and other related business in connection with dealing of listed securities. Other objectives of the Company are to buy, sell, hold or otherwise acquire or invest the capital of the Company in shares and fixed income securities, etc. It has Corporate Trading Right Entitlement Certificate of Dhaka Stock Exchange and Chittagong Stock Exchange and the license of depository participants of Central Depository Bangladesh Limited.

NBL Capital and Equity Management Ltd

NBL Capital and Equity Management Ltd is a majority owned subsidiary company of NBL, incorporated as a private limited company with the Registrar of Joint Stock Companies and Firms in Dhaka, Bangladesh vide registration no. C-82157/10 dated 01 February 2010 under the Companies Act 1994. The functions of Merchant Banker were separated from NBL by forming a subsidiary company namely, NBL Capital and Equity Management Ltd as per Bangladesh Bank's BRPD Circular no. 12 dated 14 October 2009. Bangladesh Securities and Exchange Commission (BSEC) thereafter issued a full-fledged Merchant Banker certificate bearing no. MB - 66/2011 dated 09 June, 2011 in favour of NBL Capital and Equity Management Ltd with effect from the same. Meanwhile the company registered as a custody depository participant by the BSEC bearing registration no. SEC/Registration/CDBL-DP-357 on 15 September, 2011. The main objectives of the company are to carry out the activities as a full-fledged Merchant Banker like, Issue Management, Portfolio Management, Underwriting, Corporate Advisory Service, etc. as per BSEC (Merchant Banker and Portfolio Manager) Regulations 1996.

NBL Money Transfer Pte Ltd (Singapore)

NBL Money Transfer Pte Ltd (Singapore) is a fully owned subsidiary company of NBL and incorporated as a private limited Company and domiciled in Singapore. The registered office and main place of business is located at 10A Roberts Lane, Singapore 218289. The Company has a branch at Blk 134 Jurong Gateway Road, #01-311, Singapore 600134. The principal activity of the Company is that of money remittance agency.

NBL Money Transfer Sdn Bhd (Malaysia)

NBL Money Transfer Sdn Bhd (Malaysia) is a fully owned subsidiary company of NBL. This company is a limited liability private company, incorporated and domiciled in Malaysia. The registered office of the company is located at Suite 4.33A, Level 4, Pertama Complex, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur. The principal place of business of the company is located at nos. 12 & 14, Ground Floor, Jalan Lebu Pudu, 50050 Kuala Lumpur. The company is principally engaged in business of currency remittance services.



NBL Money Transfer (Maldives) Private Ltd

NBL Money Transfer (Maldives) Private Ltd is a fully owned subsidiary of NBL. It incorporated under the Act no. 10/96 in the Republic of Maldives on 29 August 2011. It commenced its commercial operations on 23 December 2011. The company is a private limited company incorporated and domiciled in Maldives. The address of its registered office is situated at Gadhamoo Building (Ground floor), Boduthakurufaanu Magu, Henveiru, Male. The objective of the company is to operate in the area of money remittance and money exchange businesses.

NBL Money Transfer Payment Foundation SA (Greece)

NBL Money Transfer Payment Foundation SA (Greece) is a fully owned subsidiary company of NBL. This company was incorporated as a private limited company and domiciled in the Greece. The registered office and main place of business is located at 6, Theatrou Street 105 52, Athens, Greece. The principal activity of the company is that of money remittance agency.

NBL Money Transfer Inc. (USA)

NBL Money Transfer Inc. (USA) is a fully owned subsidiary company of NBL. This Company was incorporated on 9 March 2011 under the laws of the State of New York. On 11 June 2013 the company received license as an international money transmitter from the State of New York Department of Financial Services. NBL Money Transfer INC maintains its offices in New York. NBL Money Transfer signed a paying agent agreement with NBL. NBL distributes all funds to beneficiaries in Bangladesh.

2. Basis of preparation of financial statements and significant accounting policies

2.1 Statement of compliance

The consolidated financial statements of the Group and the financial statements of the bank have been prepared for the year ended 31 December 2020 in compliance with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Bangladesh Bank circulars, the Bank Companies Act 1991, the Companies Act 1994, Bangladesh Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Rules 1987, Listing Regulations of Dhaka and Chittagong Stock Exchanges and International Financial Reporting Interpretations (IFRI) as adopted by the Institute of Chartered Accountants of Bangladesh, and other applicable laws and regulations. In case any requirement of the Bank Companies Act 1991 and provisions and circulars issued by Bangladesh Bank (BB) differ those of IFRS, the requirements of the Bank Companies Act 1991, provisions and circulars issued by BB shall prevail. Material departure from the requirements of IFRS are as follows:

i) Presentation of financial statement

IFRS: As per IAS 1, a complete set of financial statements comprises of statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flow, adequate notes comprising summary of accounting policies and other explanatory information is required to be presented. As per para 60 of IAS 1, the entity shall also present current and non-current assets and current and non-current liabilities as separate classifications in its statement of financial position.

Bangladesh Bank: The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, changes in equity, liquidity statement) and certain disclosures therein are guided by the First Schedule (section 38) of the Bank Companies Act 1991 and BRPD Circular no. 14 dated 25 June 2003 and subsequent guidelines of BB. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications.

ii) Investment in shares, mutual funds and other securities

IFRS: As per requirements of IAS 39 "Financial Instruments: Recognition and Measurement" investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with IFRS 13 "Fair Value Measurement") at the year-end is taken to profit and loss account or revaluation reserve respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per net assets value (NAV) of last audited balance sheet respectively. As per instruction of DOS circular letter 03 dated 12 March 2015, investment in mutual fund (closed-end) is revalued at lower of cost and higher of market value and 85% of NAV. As such, provision is made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

iii) Revaluation gains/losses on Government securities

IFRS: As per requirement of IAS 39 where securities will fall under the category of Held for Trading (HFT), any change in the fair value of HFT assets is recognised through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method and interest income is recognised through the profit and loss account.

Bangladesh Bank: HFT securities are revalued on the basis of marked to market and at year end. Any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as part of equity.



HTM

Investments classified as HTM are non-derivative financial instruments with fixed or determinable future receipt on maturity that the Bank's management has the intention and ability to hold till maturity. These particular investments have been revalued as marked to market as at 31 December 2020, the revaluation gains on such securities have been shown in the financial statements as part of equity.

HFT

Investments classified as HFT are acquired mainly for the purpose of selling and repurchasing. Such investments are measured at marked to market method and any changes in the marked to market method are recognised in every week during the reporting year as per DOS circular letter no. 05 dated 28 January 2009.

iv) Provision on loans and advances/investments

IFRS: As per IAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD circular No.14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012 and BRPD circular No. 05 dated 29 May 2013 a general provision @ 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided @ 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision @ 1% is required to be provided for all off-balance sheet exposures. 1% Special provision for covid 19 has been maintained as per BRPD circular letter No. 56 dated December 10, 2020. Such provision policies are not specifically in-line with those prescribed by IAS 39.

v) Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per IAS 39 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in statement of profit or loss and other comprehensive income on the same basis based on revised carrying amount.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified (other than bad loss), interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest suspense account, which is presented as liability in the balance sheet.

vi) Other comprehensive income (OCI):

IFRS: As per IAS 1: OCI is a component of financial statements or the elements of OCI are to be included in a single OCI.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single OCI statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

vii) Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in IAS 39. As such full disclosure and presentation requirements of IFRS 7: "Financial Instruments: Disclosures" and IAS 32 "Financial Instruments: Presentation" cannot be made in the financial statements.

viii) Financial guarantees

IFRS: As per IAS 39, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of the debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 14, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin.

ix) Cash and cash equivalents

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7 "Statement of Cash Flows"

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bonds are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.



- x) **Non-banking asset**
IFRS: No indication of non-banking asset is found in any IFRS.
Bangladesh Bank: As per BRPD 14, there must exist a face item named Non-banking asset.
- xi) **Cash flow statement**
IFRS: The cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.
Bangladesh Bank: As per BRPD circular no. 14, cash flow is the combination of direct and indirect methods.
- xii) **Balance with Bangladesh Bank: (Cash Reserve Requirement)**
IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.
Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.
- xiii) **Presentation of intangible asset**
IFRS: An intangible asset must be identified and recognised, and the disclosure must be given as per IAS 38: "Intangible Assets".
Bangladesh Bank: There is no regulation for intangible assets in circular no. BRPD 14.
- xiv) **Off-balance sheet items**
IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.
Bangladesh Bank: As per BRPD circular no. 14, off-balance sheet items (e.g. Letter of credit, Letter of guarantee, etc) must be disclosed separately on the face of the balance sheet.
- xv) **Loans and advances/Investments net of provision**
IFRS: Loans and advances/Investments should be presented net of provision.
Bangladesh Bank: As per BRPD 14, provision on loans and advances/investments are presented separately as liability and can not be netted off against loans and advances.

2.2 Basis of preparation of financial statements

The financial statements of the Bank as at 31 December 2020 have been prepared on a going concern basis under the historical cost convention and in accordance with the "First Schedule" of the Bank Companies Act 1991 (amended in 2013) and as per BRPD circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, IFRS, IASs, the Companies Act 1994, Bangladesh Securities and Exchange Rules 1987, the listing Regulations of the Stock Exchanges and other laws and rules applicable in Bangladesh.

2.3 Basis of consolidation

The financial statements of the Bank include the financial statements of main operation of NBL and its two business unit namely, "Offshore Banking Units" operating in Bangladesh.

The consolidated financial statements include the financial statements of the Bank and seven subsidiary companies namely, NBL Securities Ltd, NBL Capital and Equity Management Ltd, NBL Money Transfer Pte Ltd (Singapore), NBL Money Transfer Sdn Bhd (Malaysia), NBL Money Transfer (Maldives) Private Ltd, NBL Money Transfer Payment Foundation SA (Greece), and NBL Money Transfer Inc. (USA) operating in Bangladesh and in others countries.

The consolidated financial statements have been prepared in accordance with IAS-27: 'Separate Financial Statements' and IFRS-10: 'Consolidated Financial Statements.' The consolidated as well as separate financial statements are prepared for a common financial year ended on 31 December 2020.

Consolidated financial statements of the group and separate financial statements of the Bank comprise of Balance Sheet, Profit and Loss Account, Statement of Changes in Equity, Cash Flow Statement, Liquidity Statement and relevant notes and disclosures.

2.4 Use of estimates and judgment

Preparation of the financial statements in conformity with IFRS/IAS requires management to make judgments, estimates and assumptions. These judgments, estimates and assumptions affect the application of accounting policies and the reported amount of assets and liabilities as well as income and expenses in the financial statements presented. Actual result may differ from the estimates and assumption made.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

2.5 Functional and presentation currency

The financial statements have been prepared and presented using Bangladeshi Taka (BDT) which is the functional currency of NBL.



2.6 Assets and basis of their valuation

2.6.1 Loans and advances

Loans and advances are stated in the Balance Sheet on a gross basis. General provisions on unclassified and contingent assets, specific provisions for classified loans and interest suspense account thereon are shown under other liabilities.

Loans and advances are written-off to the extent that (i) there is no realistic prospect of recovery and (ii) against which legal cases are pending as per guidelines of Bangladesh Bank. However, the write-off will not reduce the claim against the borrower. Detailed memorandum records for all of such written off accounts are maintained.

2.6.2 Investments

Investments are classified broadly in three categories and accounted for as under.

a) Held to maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank management has the intention and ability to hold to maturity. If the Bank were to sell other than an insignificant amount of held-to-maturity assets, the entire category would be reclassified as available for sale.

b) Held for trading

Investments classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or if designed as such by the management. After initial recognition, investments are measured at fair value and changes are recognised in the profit and loss account or revaluation reserve account as expense/income for the period as per provision of Bangladesh Bank circulars and IAS-39: 'Financial Instruments: Recognition and Measurement'.

c) Sale and repurchase agreement

Securities sold under re-purchase agreement (REPO) at a fixed price on future date, the arrangement is accounted for as normal sale (out right sale) and the securities should be derecognised from the books.

d) Revaluation

As per Bangladesh Bank DOS circular letter no. 5 dated 28 January 2009, HFT securities are revalued each week using 'Marked to Market' concept and HTM securities are amortised once a year according to Bangladesh Bank guidelines. The HTM securities are also revalued if these are reclassified to HFT category with the Board approval. Value of investment has been determined as follows :

Items	Applicable accounting value
Government treasury bills (HTM)	At present value
Government treasury bills (HFT)	At market value
Bangladesh Government treasury bonds	At present value
Prize bond	At cost
Investments in shares	Book value
Foreign investment in share and FDR	At rolling exchange rate on Balance Sheet date

2.6.3 Fixed assets and depreciation

- a) All fixed assets are stated at cost less accumulated depreciation as per IAS-16: 'Property, Plant and Equipment.' Land is measured at cost.

Depreciation is charged for the year using straight line method on all fixed assets other than land at the following rates :

Category of fixed assets	Rate of depreciation
Land	Nil
Building	2.50%
Furniture, fixtures	10.00%
General equipment	20.00%
Computer equipment	33.33%
Vehicles	20.00%
Books	20.00%



On additions to fixed assets depreciation is charged from the date of acquisition and no depreciation is charged in the year of disposal of the same. Gain or loss on sale of fixed assets is recognised in profit and loss account as per provision of IAS 16 "Property, Plant and Equipment".

b) Leases

NBL has applied IFRS 16 Leases for the first time with the date of initial application of 01 January 2019. As IFRS 16 supersedes IAS 17 Lease, the bank has made recognition, measurement and disclosure in the financial statements-2020 both as Lessee and Lessor as per IFRS 16.

Bank as lessee:

The bank assesses at initiation of a contract whether the contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration, then the bank consider the contract. The bank as a lessee applies a single recognition and measurement approach for all leases, except for short-term leases, or, and lease of low value of assets. The bank recognises lease liabilities to make lease payment and right-of-use assets representing the right to use the underlying assets.

If tenor of a lease contract does not exceed twelve months from the date of initiation/application, the bank considers the lease period as short term in line with the recognition threshold of ROU assets as per FA policy of the bank. In case of low value of lease assets, the bank has set a materiality threshold which is 0.10 % of Total capital of the Bank. However, since adoption, the bank has been used a flat threshold of BDT 20 million and above' which is 0.033 % of total capital of the bank as of 31-12-2020. The reason behind considering the materiality threshold of BDT 20 million and above is that the bank operates many ATM booths, sub-branches with short and single contracts; recording of which as ROU assets would inflate the balance sheet both in assets and liabilities. Moreover, frequent changes of those establishments would create misreporting as well as complexity in recording.

Right-of -use assets (ROU)

The bank recognises the right-of-use assets (RoU) at the commencement date of the lease (i.e. the date the underlying asset is available for use). RoU assets are measured at cost less any accumulated depreciation and impairment of losses and adjusted cost incurred, and lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the lease term, or remaining period of the lease term. The bank assessed all lease contracts live in 2020 and recognised as RoU of assets of all leases, except short term and low value of assets as per the Banks' own policy set as per IAS 16 and IFRS 16.

Lease liability

At the commencement of the lease, the bank recognises lease liabilities measured at the present value of lease payments initial payment), and amount is expected to be paid under residual value of guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the bank and payment of penalties for terminating the lease. to be made over the lease term. The lease payments include fixed and variable lease payment (less any adjustment for terminating the lease term.

The lease liabilities are presented in the note 15 of these financial statements.

Bank as a lessor

Leases where the bank does not transfer substantially all of the risk and benefit of ownership of any asset are classified as operating assets. Rental income is recorded as earned based on the contractual term of the lease. However, the Bank did not hold any such assets in 2020.

As per IFRS 16, when consideration is made by the bank under contract in exchange of use of rental premises or assets for a period not exceeding a period of twelve months, and or, the present value of the obligation plus initial payment under contract does not exceed the threshold limit of the bank, and substantially all the risk and benefit of ownership of those rental premises/assets does not transfer to the bank, then the bank considers the payment (other than advance payment) as rental expense under IFRS 15 Revenue from contracts with customers.

Therefore, in 2020, NBL recognised those payment against contracts that do not qualify as lease item under IFRS 16 as rental expense which is presented in note 28 of the financial statements for the year ended 31 December 2020. These are short term and low value contracts for ATM booths, godown and small /sub-branch premises that donot meet the materiality threshold for recognition of lease assets.

c) Intangible assets

Intangible assets are recognized initially at cost and amortized on straight line basis over its useful life.

2.6.4 Non-banking assets

The Bank has shown non-banking assets acquired by virtue of decree from Artha-Rin-Adalat at its market value as required by BRPD circular no. 14 dated 25 June 2003. Out of total non-banking assets, possession of some is required to be obtained by the Bank.

2.6.5 Other assets

Other assets include all other financial assets, fees and other unrealized income receivable, advance for operating and capital expenditure and stocks of stationery and stamps.



2.7 Liabilities and provisions

2.7.1 Employees benefits

a) Short term benefits

Short-term benefits are employee benefits which fall due wholly within twelve month after the end of the period in which the employees render the related service. The Bank provides various short term benefits to its employees like incentive bonus, medical services, leave fare assistance etc.

b) Post-employment benefits

i) Defined contribution plan

Defined contribution plan is post employment benefit plan under which an entity pays a fixed contributions into a separate entity (Fund) and will have no legal or constructive obligations to pay further. Obligation for contributions to defined contribution plan is recognized as an expense in the profit and loss statement when it is due.

Provident fund

The benefits of provident fund are given to the employees of the Bank in accordance with the recognized Provident Fund, Rules as per section 2(52) of Income Tax Ordinance 1984. The Provident Fund was recognized with effect from 31 March 1987. The Fund is operated by a Board of Trustees consisting of 6 (six) members of the Bank. All confirmed employees of the Bank contribute 10% of their basic salary as subscription to the Fund. The Bank also contributes equal amount to the Fund. Interest earned from the investments of fund is credited to the members account on yearly basis.

ii) Defined benefit plans

Defined benefit plans are post employment benefit plans other than defined contribution plans. The defined benefit plans of the Bank to its employees include:

Gratuity

The Bank operates a funded gratuity scheme with effect from 01 July 2005, which is administered by a Board of Trustees consisting of 4 (four) members. Provision has been made for liabilities under gratuity scheme in compliance with IAS-19: 'Employee Benefits.'

Superannuation fund

The Bank operates a Superannuation Fund govern by a Board of Trustees consisting of 5 (five) members. The death-cum-survival benefits are given to the employees as per the eligibility narrated in the Trust Rules. The fund got recognition from the National Board of Revenue with effect from 01 July 2005, as per Part-A of First Schedule of Income Tax Ordinance 1984. The Bank contributes to the fund annually as per superannuation fund rules.

c) Other benefits

Other benefits include leave encashment, house building loan, computer and car loan at a concessional rate.

2.7.2 Provision for liabilities

A provision is recognized in the Balance Sheet when the Bank has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with IAS-37: 'Provisions, Contingent Liabilities and Contingent Assets.'

2.7.3 Provision for loans and advances

Provision against classified loans and advances is made on the basis of periodical review by the management and instruction contained in BCD circular no. 12 dated 04 September 1995, BRPD circular no. 16 dated 06 December 1998, BRPD circular no. 09 dated 14 May 2001, BRPD circular no. 02 dated 15 February 2005, BRPD circular no. 05 dated 27 April 2005 and BRPD circular no. 32 dated 27 October 2010, BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 05 dated 29 May 2013, BRPD circular no. 08 dated 02 August 2015, BRPD Circular No. 15 dated 27 September 2017 and BRPD circular No.01 dated 20, February 2018. BRPD circular No.16 dated July 21, 2020, BRPD circular No. 17 dated September 28, 2020 and BRPD circular letter No. 56 dated December 10, 2020. The provisioning rate as per Bangladesh Bank circulars are as follows:

Business unit		Rates of provisions				
		Standard	SMA	SS	DF	BL
Consumer	House building and professional	1%	1%	20%	50%	100%
	Loans to professionals	2%	2%	20%	50%	100%
	Other than house building and professional to setup business	2%	2%	20%	50%	100%



Small and medium enterprise	0.25%	0.25%	5%	20%	100%
BHs/MBs/ SDs against shares	2%	2%	20%	50%	100%
Short term agri-credit	1%	1%	5%	5%	100%
Special general provision COVID -19	1%	-	-	-	-
All others	1%	1%	20%	50%	100%

2.7.4 Provision against Off-balance sheet items

Provision against Off Balance Sheet items have been kept @ 1.00% as per BRPD circular no. 08 dated 07 August 2007, BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012.

2.7.5 Provision for taxation

a) Current tax

Current tax is expected tax payable on taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment payable in respect of previous years. Provision for current income tax has been made @ 37.50% as prescribed in the Financial Act 2020 of the profit made by the Bank after considering major taxable allowances and disallowances.

b) Deferred tax

Deferred tax is calculated on the taxable/ deductible temporary differences between tax base amount and carrying amount of assets and liabilities as required by IAS-12: 'Income Tax'.

Taxable temporary differences are temporary differences that will result in taxable amounts in determining taxable profit/ (loss) for future periods when the carrying amount of the asset or liability is recovered or settled.

Deductible temporary differences are differences that will result in amounts that are deductible in determining taxable profit/ (loss) of future periods when the carrying amount of asset or liability is recovered or settled.

2.7.6 Lease liabilities (present value of lease payments)

The bank recognized the lease liabilities which is present value of lease payments to be made over the lease term from the date of commencement. The lease payment include fixed and variable lease payment and the amount expected to be paid under residual value of guarantee. The lease liabilities has been discounted using bank rate.

2.8 Off-balance sheet items

Off-balance sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank guidelines.

2.9 Revenue recognition

The revenues during the year are recognized complying all conditions of revenue recognition as prescribed in IFRS-15: 'Revenue Recognition.'

2.9.1 Interest income

The interest receivable is recognized on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified. It is then kept in interest suspense account and in memorandum account. Interest on classified advances is accounted for on a cash receipt basis.

2.9.2 Investment income

Income on investment is recognized on realization and accrual basis where applicable.

2.9.3 Fees and commission income

Fees and commission income arise on services provided by the Bank are recognized on a cash receipt basis. Commission charged to customers on letters of credit and letters of guarantee is credited to income at the time of effecting the transactions.

2.9.4 Dividend income on shares

Dividend income from shares is recognized during the period in which they are actually received. Stock dividend is recognized as income in the year in which it is sold.

2.9.5 Interest paid on borrowings and deposits

Interest paid on borrowings and deposits is calculated on a day basis and recognized on accrual basis.

2.9.6 Management and other expenses

Expenses incurred by the Bank are recognized on actual or accrual basis whenever necessary.



2.10 Shareholders' equity

Authorized capital

Authorized capital is the maximum amount of share capital that the Bank is authorised by its Memorandum and Articles of Association.

Paid-up capital

Paid up capital represents total amount of share capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of winding-up of the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to receive any residual proceeds of liquidation.

Statutory reserve

Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of the Bank Companies Act 1991 until such reserve equal to its paid-up capital together with the share premium. Statutory reserve transferred in yearly basis.

Non-controlling (minority) interest

Minority interest (non-controlling interest) in business is an accounting concept that refers to the portion of a subsidiary company's stock that is not owned by the parent company. NBL holds 99.99% of equity of NBL Securities Ltd, 99.95% of equity of NBL Capital and Equity Management Ltd, 100% of equity of NBL Money Transfer Pte Ltd (Singapore), 100% of equity of NBL Money Transfer Sdn Bhd (Malaysia), 100% of equity of NBL Money Transfer (Maldives) Private Ltd, 100% of equity of NBL Money Transfer Payment Foundation SA (Greece) and 100% of equity of NBL Money Transfer Inc. (USA). Minority interest belongs to a sponsor Director of the Bank and is reported on the consolidated balance sheet to reflect the claim on assets belonging to the other non-controlling shareholder. Also, minority interest is reported on the consolidated income statement reflects as a share of profit belonging to the minority shareholder.

2.11 Foreign currencies translation and balance with other banks

Amount in foreign currency are translated in accordance with the principles set forth in IAS-21: 'The Effects of Changes in Foreign Exchange Rates.' As per this standard monetary items not denominated in BDT and cash transactions not completed at the reporting date are translated into BDT using current market rates. Non-monetary items carried at fair value are translated into BDT using current market price at the reporting date and non-monetary items carried at cost are translated using the rate applicable at the time of acquisition. Transaction rates are used to translate the items related to income and expenses.

2.12 Risk management

2.12.1 Asset liability management

The Asset Liability Committee (ALCO) of the Bank monitors market risk and liquidity risk of the Bank. The market risk is defined as potential change in earnings due to change in rate of interest, foreign exchange rates which are not of trading nature. ALCO reviews liquidity requirement of the Bank, the maturity of assets and liabilities, deposit and lending, pricing strategy and the liquidity contingency plan. The primary objective of the ALCO is to monitor and avert significant volatility in Net Interest Income (NII), return on assets, investment value and exchange earnings. The ALCO also monitors the Capital Adequacy Ratio on monthly/quarterly basis.

2.12.2 Money laundering risk management

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has a designated Chief Compliance Officer at Head Office and Compliance Officer at branches, who independently review the transactions of the accounts to verify suspicious transactions. Manuals for prevention of money laundering have been established and transaction profile has been introduced. Training has been continuously given to all categories of officers and executives for developing awareness and skill for identifying suspicious activities.

2.12.3 Credit risk management

Credit Risk is defined as potential loss arising from the failure of a counter party to meet financial obligations as per contractual agreement with the Bank. For maintaining steady growth of the Bank and for economic development of the country, NBL manages credit risk meticulously. NBL extends credit facilities to different clients in different sectors after doing due diligence and mitigating risk factors properly as per guidelines set by Bangladesh Bank, Executive Committee of the Board of Directors and Management Credit Committee of the Bank.

The Bank has segregated duties of the executives/officers involved in credit related activities. A separate marketing division has been formed at Head Office which is entrusted with the duties of maintaining effective relationship with the customer, marketing of credit products, exploring new business opportunities etc. Moreover, credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, three separate units have been formed namely Credit Risk Management Division, Credit Administration Division and Law and Recovery Division. Credit Risk Management Division is entrusted with the duties of maintaining asset quality, assessing risk involved in lending, sanctioning credit, formulating policy/strategy for lending operation. Credit Risk Grading (CRG) is also made for individual borrowers. Credit Administration Division monitor the overall administration of advances after sanction and disbursement. A separate desk has been created in Law and Recovery Division to handle top 20 defaulters.



2.12.4 Foreign exchange risk management

Foreign exchange risk is defined as the potential change in earnings arising due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements.

Treasury Department independently conducts the transactions and the back office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at mark-to-market rate at the month-end. All Nostro accounts are reconciled on monthly basis and outstanding entries are reviewed by the management for its settlement on regular basis.

2.12.5 Internal control and compliance management

Operational loss may arise from error and fraud due to lack of internal control and compliance. Management, through Internal Control and Compliance Division controls operational procedure of the Bank. Internal Control and Compliance Division undertakes periodical and special audit of the branches and departments at Head Office for review of the operation and compliance of statutory requirement. The Audit Committee of the Board subsequently reviews the reports of the Internal Control and Compliance Division. Internal Control and Compliance Division (ICCD) assesses and evaluates the effectiveness of Bank's antifraud internal control measures, recommends for further improvement in implementation of strategies and reports to the Bangladesh Bank on effectiveness of controls at the end of each quarter following their prescribed format.

2.12.6 ICT Risk Management

Transformation of business processes in response to technology driven customer's needs and services has brought in tremendous change in information technology platform in the bank. NBL has adopted measures to protect the information and communication platform from unauthorized access, modification, virus, disclosure and destruction in order to ensure business continuity, data safety and security thereby protecting customer's interest at large.

2.13 Earnings per share (EPS)

EPS have been calculated in accordance with IAS-33: 'Earnings per Share,' which is shown on the face of the Profit and Loss Statement. This has been calculated by dividing the net profit after tax by the weighted average number of ordinary shares outstanding as on 31 December 2020.

2.14 Cash flow statement

Cash flow statement has been prepared in accordance with IAS-7: 'Statement of Cash Flows' and under the guidelines of Bangladesh Bank BRPD circular no.14 dated 25 June 2003. The cash flow statement shows the structure of changes in cash and cash equivalent during the financial year. It is segregated into operating activities, investing activities and financial activities.

2.15 Statement of changes in equity

Statement of changes in equity has been prepared in accordance with IAS-1: 'Presentation of Financial Statements' and under the guidelines of Bangladesh Bank BRPD circular no.14 dated 25 June 2003.

2.16 Statement of liquidity

The liquidity statement has been prepared in accordance with the remaining maturity grouping of the value of the assets and liabilities as on the reporting date.

2.17 Reconciliation of inter-bank/books of accounts

Books of account in regard to inter bank (in Bangladesh and outside Bangladesh) as well as inter-branches are reconciled at a regular interval.

2.18 Off-setting financial assets and financial liabilities

Financial assets and financial liabilities are set off and the net amount reported in the Balance Sheet when, and only when the Bank has a legal right to offset the recognised amount and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards or for gains or losses arising from a group of similar transaction.



2.19 Subordinated bonds

Considering the regulatory, legal, present market condition and future capital requirement of the Bank, the NBL issued subordinated bonds valuing BDT 400 crore. This is eligible for Tier-II capital as per Basel III Guidelines of Bangladesh Bank. Details of terms and conditions are as follows:

Issue size	BDT 400 crore
First tranche issue	BDT 275 crore
2nd tranche issue	BDT 125 crore
Issue objectives	Raising of Tier -II capital to meet the requirement under Basel-III
Issue arranger	RSA Capital Limited
Nature of instrument	Un-secured, non-convertible, subordinated bond
Mode of placement	Private placement
Listing	Unlisted
Security	Unsecured
Rating status of the issue	A2
Redemption	Paid annually on prorata basis to bond holders in installment of 20% per year commencing at the third anniversary of the bonds from the date of issue.
Redemption value	At par
Tenure	7 years
Coupon rate	Base rate +2.50 % margin

2.20 General

- i) Figures appearing in these financial statements have been rounded to the nearest BDT.
- ii) Figures of previous year have been rearranged wherever necessary to conform to current year's presentation



	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
3. Cash				
3.1 In hand (including foreign currencies)				
Local currency	4,344,896,556	4,017,264,850	4,344,803,043	4,017,210,763
Foreign currencies	169,155,708	138,066,943	60,761,684	35,220,086
	4,514,052,264	4,155,331,793	4,405,564,727	4,052,430,849
4. Balance with Bangladesh Bank and its agent bank (including foreign currencies)				
Balance with Bangladesh Bank				
Local currency	15,492,937,939	18,496,962,021	15,492,937,939	18,496,962,021
Foreign currencies	996,265,292	543,139,327	996,265,292	543,139,327
	16,489,203,231	19,040,101,348	16,489,203,231	19,040,101,348
Balance with agent bank (Sonali Bank Ltd)				
	1,241,093,221	1,165,941,975	1,241,093,221	1,165,941,975
	17,730,296,452	20,206,043,323	17,730,296,452	20,206,043,323

An amount of BDT 4,000,000 has been marked as lien with Bangladesh Bank upto 30 June 2021 against TT discounting facilities by various branches of NBL.

4.1 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with Section 33 of Banking Companies Act 1991 (amended upto 2013) and MPD circular no. 01 dated April 03, 2018, MPD circular No. 02 dated December 10, 2013 and MPD circular No. 03 dated April 09, 2020 issued by Bangladesh Bank.

The Cash Reserve Requirement on the Bank's time and demand liabilities @ 4.00% (5.50% in 2019) has been calculated and maintained with Bangladesh Bank in local currency and 13% Statutory Liquidity Ratio on the same liabilities has also been maintained in the form of cash in hand, balance with Bangladesh Bank and its agent bank (Sonali Bank Ltd), TT in transit and unencumbered approved securities. CRR and SLR maintained by the Bank are shown below:

4.1.1 Cash Reserve Requirement (CRR)

Average time and demand liabilities (excluding inter-bank deposits)	401,183,076,923	339,820,961,538	401,183,076,923	339,820,961,538
Required reserve (4.00% during the year and 5.50% in 2019 on average time and demand liabilities)	16,047,323,077	18,690,152,885	16,047,323,077	18,690,152,885
Actual reserve maintained	16,626,182,370	19,383,660,000	16,626,182,370	19,383,660,000
Surplus	578,859,293	693,507,115	578,859,293	693,507,115

4.1.2 Statutory Liquidity Ratio (SLR)

Average time and demand liabilities (excluding inter-bank deposits)	401,183,076,923	339,820,961,538	401,183,076,923	339,820,961,538
Required reserve (13% on average time and demand liabilities)	52,153,800,000	44,176,725,000	52,153,800,000	44,176,725,000
Actual reserve maintained (excluding CRR)	66,339,384,668	55,449,577,694	66,339,384,668	55,449,577,694
Surplus	14,185,584,668	11,272,852,694	14,185,584,668	11,272,852,694

4.1.3 Composition of SLR maintained*

Cash in hand	4,405,564,727	4,052,430,849	4,405,564,727	4,052,430,849
Balance with agent bank (Sonali Bank Ltd)	1,241,093,221	1,165,941,975	1,241,093,221	1,165,941,975
Unencumbered approved securities (HTM, HFT and reverse REPO)	60,692,726,720	50,231,204,870	60,692,726,720	50,231,204,870
	66,339,384,668	55,449,577,694	66,339,384,668	55,449,577,694

* As per statement submitted to Bangladesh Bank

5. Balance with other banks and financial institutions

In Bangladesh - in local currencies (note 5.1)	3,882,874,929	3,473,839,676	3,237,562,866	3,246,661,798
Outside Bangladesh (note 5.2) (Annex - B)	2,034,429,244	1,259,585,138	1,828,854,710	938,013,138
	5,917,304,173	4,733,424,814	5,066,417,576	4,184,674,936

5.1 Inside Bangladesh

5.1.1 Current accounts

Agrani Bank Ltd.	16,815,866	53,353,132	16,815,866	53,353,132
Janata Bank Ltd.	88,909,162	81,813,505	88,909,162	81,813,505
Rupali Bank Ltd.	48,498,344	2,299	48,498,344	2,299
Standard Chartered Bank	17,637,743	6,779,859	17,637,743	6,779,859
Sonali Bank Ltd.	33,999,589	55,085,009	33,999,589	55,085,009
	205,860,704	197,033,804	205,860,704	197,033,804



		Amount in BDT			
		Group		Bank	
		2020	2019	2020	2019
5.1.2	Short-notice deposit accounts				
	Eastern Bank Ltd.	156,714	156,597	156,714	156,597
	Janata Bank Ltd.	650,808	631,001	650,808	631,001
	National Credit and Commercial Bank Ltd.	106,394	105,334	106,394	105,334
	First Security Islami Bank Ltd.	85,840	84,660	85,840	84,660
	Dhaka Bank Ltd.	206,851	201,518	206,851	201,518
	Standard Chartered Bank.	-	1,005,564	-	1,005,564
	Trust Bank Ltd.	34,370,960	51,293,495	34,370,960	51,293,495
		35,577,567	53,478,169	35,577,567	53,478,169
5.1.3	Fixed deposit accounts (in local currency)				
	ICB Islamic Bank Ltd.	66,124,595	66,149,825	66,124,595	66,149,825
	Global Islami Bank Ltd.	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
	Union Bank Ltd.	1,280,000,000	1,280,000,000	1,280,000,000	1,280,000,000
		2,846,124,595	2,846,149,825	2,846,124,595	2,846,149,825
	Other financial institutions	150,000,000	150,000,000	150,000,000	150,000,000
		2,996,124,595	2,996,149,825	2,996,124,595	2,996,149,825
		3,237,562,866	3,246,661,798	3,237,562,866	3,246,661,798
	Bank balance of subsidiaries	645,312,063	227,177,878	-	-
		3,882,874,929	3,473,839,676	3,237,562,866	3,246,661,798
5.2	Outside Bangladesh				
5.2.1	Fixed deposits accounts (interest bearing) :				
	JP Morgan Chase Bank, Singapore	61,565,599	61,637,400	61,565,599	61,637,400
	NCC Bank Ltd, OBU	84,801,100	-	84,801,100	-
	AB Bank Ltd., OBU	296,803,850	254,700,000	296,803,850	254,700,000
		443,170,549	316,337,400	443,170,549	316,337,400
	In demand deposit accounts (non-interest bearing):				
	Standard Chartered Bank, Mumbai	70,215,279	54,036,485	70,215,279	54,036,485
	Standard Chartered Bank, Frankfurt	16,124,383	853,524	16,124,383	853,524
	Mashreq Bank, New York	341,004,475	33,116,914	341,004,475	33,116,914
	JP Morgan Chase Bank, New York	61,064,238	8,411,527	61,064,238	8,411,527
	Standard Chartered Bank, New York	468,373,471	223,105,765	468,373,471	223,105,765
	Sonali Bank Ltd, Kolkata	17,545,136	30,786,529	17,545,136	30,786,529
	Mashreq Bank, Mumbai	38,990,944	33,041,394	38,990,944	33,041,394
	State Bank of India, Kolkata	519,158	519,764	519,158	519,764
	United Bank, Karachi	2,647,103	2,650,190	2,647,103	2,650,190
	NABIL Bank, Nepal	11,121,187	14,901,085	11,121,187	14,901,085
	Standard Chartered Bank, Colombo	4,729,943	3,728,666	4,729,943	3,728,666
	Myanmar Foreign Trade Bank, Myanmar	11,690	11,703	11,690	11,703
	AB Bank Ltd, Mumbai	37,318,823	38,826,147	37,318,823	38,826,147
	Bank of Bhutan, Thimpu	21,597,756	34,446,675	21,597,756	34,446,675
	ICICI Bank Ltd. Mumbai	3,244,343	3,248,127	3,244,343	3,248,127
	HDFC Bank Ltd. India	28,612,271	21,891,329	28,612,271	21,891,329
	Meezan Bank Ltd., Karchi	30,469,248	17,984,855	30,469,248	17,984,855
	Commerz Bank AG, Frankfurt	547,568	4,219,089	547,568	4,219,089
	Alpha Bank AE, Athens	611,002	746,811	611,002	746,811
	BOT, Tokyo	1,900,248	1,016,067	1,900,248	1,016,067
	Union Bank of Switzerland, Switzerland	1,326,381	624,682	1,326,381	624,682
	Habib Bank AG, Zurich	46,968	361,857	46,968	361,857
	Habib American Bank, New York	136,718,030	85,139,518	136,718,030	85,139,518
	Standard Chartered Bank, Singapore	1,596,800	1,046,725	1,596,800	1,046,725
	Citibank N.A, New York	89,347,716	6,960,310	89,347,716	6,960,310
		1,385,684,161	621,675,738	1,385,684,161	621,675,738
	Bank Balance of subsidiaries	205,574,534	321,572,000	-	-
		1,591,258,695	943,247,738	1,385,684,161	621,675,738
		2,034,429,244	1,259,585,138	1,828,854,710	938,013,138
Details are shown in <u>Annex B</u> .					
5.3	Maturity grouping of balance with other banks and financial institutions				
	On demand	2,442,431,462	1,367,459,420	1,591,544,865	818,709,542
	Up to 1 month	1,943,170,549	1,816,337,400	1,943,170,549	1,816,337,400
	More than 1 month but not more than 3 months	185,577,567	203,478,169	185,577,567	203,478,169
	More than 3 months but not more than 1 year	1,280,000,000	1,280,000,000	1,280,000,000	1,280,000,000
	More than 1 year but not more than 5 years	66,124,595	66,149,825	66,124,595	66,149,825
	More than 5 years	-	-	-	-
		5,917,304,173	4,733,424,814	5,066,417,576	4,184,674,936



	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
6. Money at call and on short notice				
Call money				
With banking companies (note 6.1)	91,300,000	91,300,000	91,300,000	91,300,000
With non-banking financial institutions	-	-	-	-
	91,300,000	91,300,000	91,300,000	91,300,000
6.1 Call Money - with banking companies				
ICB Islamic Bank Ltd.	91,300,000	91,300,000	91,300,000	91,300,000
With Financial Institutions	-	-	-	-
	91,300,000	91,300,000	91,300,000	91,300,000
7. Investments				
Government (note 7.1)	60,692,726,720	50,231,204,874	60,692,726,720	50,231,204,874
Others (note 7.2)	10,240,717,340	9,727,336,247	13,044,572,532	12,646,612,584
	70,933,444,060	59,958,541,121	73,737,299,252	62,877,817,458
7.1 Government				
Treasury bonds (note 7.1.1)	58,540,465,448	49,499,124,924	58,540,465,448	49,499,124,924
Bangladesh Govt. Treasury bills	2,140,527,072	725,396,850	2,140,527,072	725,396,850
Prize bonds	11,734,200	6,683,100	11,734,200	6,683,100
	60,692,726,720	50,231,204,874	60,692,726,720	50,231,204,874
7.1.1 Treasury bonds				
2 years Bangladesh Government treasury bonds	3,831,050,284	2,047,085,214	3,831,050,284	2,047,085,214
5 years Bangladesh Government treasury bonds	7,495,593,066	3,556,176,698	7,495,593,066	3,556,176,698
10 years Bangladesh Government treasury bonds	21,004,188,243	21,014,994,899	21,004,188,243	21,014,994,899
15 years Bangladesh Government treasury bonds	10,996,587,174	10,710,879,323	10,996,587,174	10,710,879,323
20 years Bangladesh Government treasury bonds	15,213,046,681	12,169,988,790	15,213,046,681	12,169,988,790
	58,540,465,448	49,499,124,924	58,540,465,448	49,499,124,924
7.2 Others				
Share (quoted and unquoted) (note 7.2.1)	8,986,477,285	8,473,091,247	11,790,332,477	11,392,367,584
Subordinated bond	1,250,000,000	1,250,000,000	1,250,000,000	1,250,000,000
Fixed capital investment in Myanmar (note 7.2.2)	4,240,055	4,245,000	4,240,055	4,245,000
	10,240,717,340	9,727,336,247	13,044,572,532	12,646,612,584
7.2.1 In ordinary shares (quoted and unquoted)				
Quoted				
Banking Companies	5,716,421,803	5,443,950,667	5,716,421,803	5,443,950,667
Non-Bank Financial Institutions	574,431,160	553,264,682	574,431,160	553,264,682
Insurance companies	120,485,721	115,402,713	120,485,721	115,402,713
Fuel & Power	240,751,803	220,331,166	240,751,803	220,331,166
Mutual Fund	48,868,437	39,739,141	48,868,437	39,739,141
Telecommunication companies	2,712,530	-	2,712,530	-
Textiles	36,145,810	32,376,638	36,145,810	32,376,638
Cement Industry	25,908,221	16,880,356	25,908,221	16,880,356
Engineering Companies	84,901,174	73,088,942	84,901,174	73,088,942
Paper & Printing	2,896,516	2,896,516	2,896,516	2,896,516
Pharmaceuticals & Chemicals	182,272,318	143,493,409	182,272,318	143,493,409
Travel & Leisure	39,765,363	39,784,899	39,765,363	39,784,899
Information Technology	8,580,372	19,831,685	8,580,372	19,831,685
Tannery Industry	283,463	1,302,803	283,463	1,302,803
Food and Allied	13,459,162	5,720,185	13,459,162	5,720,185
Service & Real Estate	5,923,162	5,895,165	5,923,162	5,895,165
Miscellaneous	35,954,044	32,361,527	35,954,044	32,361,527
	7,139,761,059	6,746,320,494	7,139,761,059	6,746,320,494
Investment made by subsidiary	1,098,805,274	979,486,925	-	-
	8,238,566,333	7,725,807,419	7,139,761,059	6,746,320,494
Un-quoted				
Karma Sangsthan Bank Ltd.	90,000,000	90,000,000	90,000,000	90,000,000
Gulf Overseas Exchange LLC, Oman	27,566,625	27,506,250	27,566,625	27,506,250
Central Depository (Bangladesh) Ltd.	6,277,770	6,277,770	6,277,770	6,277,770
Industrial & Infrastructure Development Fin. Co. Ltd	62,800,260	62,800,260	62,800,260	62,800,260
Society for Worldwide Inter Bank Financial				
Telecommunication (SWIFT)	6,352,348	5,785,599	6,352,348	5,785,599
NBL Securities Ltd.	-	-	3,999,940,000	3,999,940,000
NBL Capital & Equity Management Ltd.	-	-	249,865,000	249,865,000
NBL Money TRN SDN BHD Malaysia	-	-	21,011,100	20,650,000
NBL Money Transfer Pte. Ltd.	-	-	19,203,150	18,876,450
NBL Money Transfer (Maldives) PVT. Ltd.	-	-	16,960,220	16,980,000



	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
NBL Money Transfer Inc., USA	-	-	81,409,056	81,504,000
NBL Money Trans. Payment Foundation SA Greece	-	-	38,021,940	34,697,812
Bangladesh Rating Agency Ltd.	4,165,900	4,165,900	4,165,900	4,165,900
Lanka Bangla Securities Ltd.	4,998,049	4,998,049	4,998,049	4,998,049
BD Venture Ltd.	20,000,000	20,000,000	20,000,000	20,000,000
Membership with DSE & CSE	523,750,000	523,750,000	-	-
MSF Asset Management	2,000,000	2,000,000	2,000,000	2,000,000
	<u>747,910,952</u>	<u>747,283,828</u>	<u>4,650,571,418</u>	<u>4,646,047,090</u>
	<u>8,986,477,285</u>	<u>8,473,091,247</u>	<u>11,790,332,477</u>	<u>11,392,367,584</u>
Market value of the investments in quoted shares			<u>5,530,234,281</u>	<u>4,798,286,835</u>
7.2.2 Fixed capital investment in Myanmar				
Fixed capital investment represents FDR for USD 50,000 bearing interest @ 1 % p.a. maintained with Myanmar Foreign Trade Bank for Representative Office of National Bank Ltd in Myanmar, translated into BDT using the rate prevailing at 31 December of the corresponding year.				
7.3 Maturity wise grouping on investments				
On demand	-	-	-	-
Up to 1 month	130,730,218	119,121,775	130,730,218	119,121,775
Over 1 month but not more than 3 months	508,605,924	495,491,238	508,605,924	495,491,238
Over 3 months but not more than 1 year	5,738,754,742	4,264,613,380	5,738,754,742	4,264,613,380
Over 1 year but not more than 5 years	24,365,045,525	24,050,293,073	24,365,045,525	24,050,293,073
Over 5 years	40,190,307,651	31,029,021,655	42,994,162,843	33,948,297,992
	<u>70,933,444,060</u>	<u>59,958,541,121</u>	<u>73,737,299,252</u>	<u>62,877,817,458</u>
8. Loans and advances				
Loans, cash credits, overdrafts, etc (note 8.1)	404,375,504,874	358,432,032,668	401,947,947,571	355,486,764,281
Bills purchased and discounted (note 8.2)	6,562,653,687	5,282,973,014	6,562,653,687	5,282,973,014
	<u>410,938,158,561</u>	<u>363,715,005,682</u>	<u>408,510,601,258</u>	<u>360,769,737,295</u>
8.1 Loans, cash credits, overdrafts, etc				
In Bangladesh				
Secured overdrafts	7,092,701,174	6,913,004,899	7,092,701,174	6,913,004,899
Cash credit	63,013,194,951	65,441,263,137	63,013,194,951	65,441,263,137
Over draft	124,297,598,188	110,916,465,758	124,297,598,188	110,916,465,758
Loans (general)	167,786,787,649	137,065,558,192	170,170,842,635	139,449,613,178
House building loans	22,298,485,640	17,695,271,809	22,298,485,640	17,695,271,809
Lease finance	107,949,610	106,379,558	107,949,610	106,379,558
Loan against trust receipts	4,940,522,433	5,248,431,116	4,940,522,433	5,248,431,116
Payment against documents	485,970,612	251,969,685	485,970,612	251,969,685
Credit card	1,209,987,186	1,158,950,923	1,209,987,186	1,158,950,923
Margin loan	4,811,612,289	5,329,323,373	-	-
Other loans and advances	8,330,695,142	8,305,414,218	8,330,695,142	8,305,414,218
	<u>404,375,504,874</u>	<u>358,432,032,668</u>	<u>401,947,947,571</u>	<u>355,486,764,281</u>
Outside Bangladesh	-	-	-	-
	<u>404,375,504,874</u>	<u>358,432,032,668</u>	<u>401,947,947,571</u>	<u>355,486,764,281</u>
8.2 Bills purchased and discounted				
In Bangladesh				
Local bills purchased and discounted	1,093,483,399	1,698,788,542	1,093,483,399	1,698,788,542
Foreign bills/documents purchased and discounted	5,469,170,288	3,584,184,472	5,469,170,288	3,584,184,472
	<u>6,562,653,687</u>	<u>5,282,973,014</u>	<u>6,562,653,687</u>	<u>5,282,973,014</u>
Outside Bangladesh	-	-	-	-
	<u>6,562,653,687</u>	<u>5,282,973,014</u>	<u>6,562,653,687</u>	<u>5,282,973,014</u>
	<u>410,938,158,561</u>	<u>363,715,005,682</u>	<u>408,510,601,258</u>	<u>360,769,737,295</u>
8.3 Maturity wise grouping of loans and advances including bills purchased and discounted repayable				
On demand	8,170,212,025	10,823,092,119	8,170,212,025	10,823,092,119
Up to 1 month	20,425,530,063	25,253,881,611	20,425,530,063	25,253,881,611
More than 1 month but not more than 3 months	32,680,848,101	28,861,578,984	32,680,848,101	28,861,578,984
More than 3 months but not more than 1 year	114,382,968,352	101,015,526,443	114,382,968,352	101,015,526,443
More than 1 year but not more than 5 years	123,322,653,002	108,910,468,882	123,322,653,002	108,910,468,882
More than 5 years	111,955,947,018	88,850,457,643	109,528,389,715	85,905,189,256
	<u>410,938,158,561</u>	<u>363,715,005,682</u>	<u>408,510,601,258</u>	<u>360,769,737,295</u>



					Amount in BDT					
					Group		Bank			
					2020	2019	2020	2019		
8.4	Loans and advances including bills purchased and discounted classified into									
	In Bangladesh:									
	Loans	217,064,711,735	182,074,303,773	214,637,154,432	179,129,035,386					
	Cash credits	63,013,194,951	65,441,263,137	63,013,194,951	65,441,263,137					
	Overdrafts	124,297,598,188	110,916,465,758	124,297,598,188	110,916,465,758					
	Bills purchased and discounted	6,562,653,687	5,282,973,014	6,562,653,687	5,282,973,014					
		410,938,158,561	363,715,005,682	408,510,601,258	360,769,737,295					
	Outside Bangladesh	-	-	-	-					
		410,938,158,561	363,715,005,682	408,510,601,258	360,769,737,295					
8.5	Loans and advances on the basis of significant concentration									
8.5.1	Loans and advances to directors, executives and others									
	Advances to directors and their allied concerns	238,018,270	230,086,580	238,018,270	230,086,580					
	Advances to CEO, senior executives and other staffs	2,490,167,086	2,408,364,008	2,490,167,086	2,408,364,008					
	Advances to customers (groupwise)	175,478,148,911	164,771,993,607	175,478,148,911	164,771,993,607					
	Industrial advances	100,590,317,898	67,423,416,634	100,590,317,898	67,423,416,634					
	Other customers	132,141,506,396	128,881,144,853	129,713,949,093	125,935,876,466					
		410,938,158,561	363,715,005,682	408,510,601,258	360,769,737,295					
8.5.2	Loans and advances allowed to each customer exceeding 10% of Bank's total capital									
	Total loans and advances (funded and non-funded)*			213,029,100,000	176,591,200,000					
	No. of customers			25	25					
	Classified amount thereon			15,716,000,000	-					
	Measures taken for recovery of classified loans			N/A	N/A					
	*The amount represents the sum of total loans and advances to each customer exceeding 10% of total capital of the Bank (i.e. BDT 559.50 crore being 10% of total capital of BDT 5,595.02 crore) as at December 31, 2020.									
	Details are shown in Annex C.									
8.5.3	Industry wise concentration of loans and advances (Including bills purchased and discounted)									
	Agriculture	4,399,021,072	4,302,216,000	4,399,021,072	4,302,216,000					
	Term loan to small cottage industries	7,366,419,716	6,960,901,009	7,366,419,716	6,960,901,009					
	Term loan to large and medium industries	134,336,123,568	94,487,306,108	134,336,123,568	94,487,306,108					
	Working capital to industries	71,257,832,773	56,386,282,142	71,257,832,773	56,386,282,142					
	Export credit	17,814,293,562	15,188,138,122	17,814,293,562	15,188,138,122					
	Trade finance	101,883,883,293	114,756,826,347	101,883,883,293	114,756,826,347					
	Consumer credit	2,320,124,157	1,990,028,213	2,320,124,157	1,990,028,213					
	Credit cards	1,209,987,185	1,158,950,923	1,209,987,185	1,158,950,923					
	Others	70,350,473,235	68,484,356,818	67,922,915,932	65,539,088,431					
		410,938,158,561	363,715,005,682	408,510,601,258	360,769,737,295					
8.5.4	Geographical location-wise grouping									
	In Bangladesh									
	Dhaka Division	274,432,607,008	234,682,564,746	272,005,049,705	231,737,296,359					
	Chattagram Division	103,631,649,596	97,739,243,263	103,631,649,596	97,739,243,263					
	Khulna Division	6,573,265,971	6,042,355,061	6,573,265,971	6,042,355,061					
	Sylhet Division	1,364,233,548	1,368,471,441	1,364,233,548	1,368,471,441					
	Rangpur Division	4,042,174,565	3,826,679,976	4,042,174,565	3,826,679,976					
	Barisal Division	2,494,383,822	2,409,902,276	2,494,383,822	2,409,902,276					
	Rajshahi Division	14,190,029,694	13,759,979,346	14,190,029,694	13,759,979,346					
	Mymensingh Division	4,209,814,357	3,885,809,573	4,209,814,357	3,885,809,573					
		410,938,158,561	363,715,005,682	408,510,601,258	360,769,737,295					
	Outside Bangladesh	-	-	-	-					
		410,938,158,561	363,715,005,682	408,510,601,258	360,769,737,295					
8.6	Grouping as per classification rules									
	Unclassified:									
	Standard	358,658,757,561	303,355,867,668	356,231,200,258	300,410,599,281					
	Special mentioned account	13,951,399,000	20,722,000,000	13,951,399,000	20,722,000,000					
		372,610,156,561	324,077,867,668	370,182,599,258	321,132,599,281					
	Classified:									
	Sub-standard	974,407,000	7,501,557,250	974,407,000	7,501,557,250					
	Doubtful	1,854,441,000	3,383,231,271	1,854,441,000	3,383,231,271					
	Bad/loss	35,499,154,000	28,752,349,493	35,499,154,000	28,752,349,493					
		38,328,002,000	39,637,138,014	38,328,002,000	39,637,138,014					
	Total	410,938,158,561	363,715,005,682	408,510,601,258	360,769,737,295					



	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
8.7 Particulars of loans and advances				
i) Loans considered good in respect of which the Bank is fully secured	342,361,992,897	315,211,308,616	339,934,435,594	312,266,040,229
ii) Loans considered good against which the Bank holds no security other than the debtors' personal guarantee	31,386,534,127	27,111,999,236	31,386,534,127	27,111,999,236
iii) Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	37,189,631,537	21,391,697,830	37,189,631,537	21,391,697,830
iv) Loans adversely classified; provision not maintained there	-	-	-	-
	410,938,158,561	363,715,005,682	408,510,601,258	360,769,737,295
v) Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons.	2,728,185,356	2,638,450,588	2,728,185,356	2,638,450,588
vi) Loans due from companies or firms in which the directors of the bank have interest as directors, partners or managing agents or in case of private companies, as members.	238,018,270	230,086,580	238,018,270	230,086,580
	2,728,185,356	2,638,450,588	2,728,185,356	2,638,450,588
vii) Maximum total amount of advances				
viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies, as members.	238,018,270	230,086,580	238,018,270	230,086,580
ix) Due from banking companies	-	-	-	-
x) Information in respect of classified loans advances				
a) Classified loans for which interest is not credited to income	38,328,002,000	39,637,138,014	38,328,002,000	39,637,138,014
b) Provision kept against classified loans and	13,443,962,202	11,278,239,751	13,443,962,202	11,278,239,751
c) Interest credited to interest suspense account (note 15.3)	7,048,031,146	10,573,467,632	7,048,031,146	10,573,467,632
xi) Cumulative amount of written-off loans:				
Opening balance	17,114,974,000	17,261,474,000	16,946,938,000	17,093,438,000
Amount written-off during the year	-	-	-	-
Amount recovered / provision released during the year against written-off loans	(12,600,000)	(146,500,000)	(12,600,000)	(146,500,000)
Waiver for final settlement	-	-	-	-
Balance of written-off loans and advances	17,102,374,000	17,114,974,000	16,934,338,000	16,946,938,000
The amount of classified and written-off loans for which law suits have been filed	75,772,585,000	72,792,759,000	75,772,585,000	72,792,759,000
8.8 Bills purchased and discounted				
(Maturity wise grouping of bills purchased and discounted)				
Payable within 1 month	1,093,775,615	880,495,502	1,093,775,615	880,495,502
More than 1 month but less than 3 months	2,187,551,230	1,760,991,004	2,187,551,230	1,760,991,004
More than 3 months but less than 6 months	3,281,326,842	2,641,486,508	3,281,326,842	2,641,486,508
More than 6 months	-	-	-	-
	6,562,653,687	5,282,973,014	6,562,653,687	5,282,973,014



	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
9. Fixed assets including premises, furniture and fixtures				
Cost / Revaluation:				
Land	693,216,752	693,216,752	693,216,752	693,216,752
Building	1,276,289,796	1,276,289,796	1,276,289,796	1,276,289,796
Furniture and fixtures	1,195,597,696	1,132,983,963	1,195,597,696	1,132,983,963
General equipments	1,178,596,776	1,132,270,824	1,178,596,776	1,132,270,824
Computer equipments	2,659,072,002	1,606,240,668	2,659,072,002	1,606,240,668
Vehicles	307,806,354	307,169,293	307,806,354	307,169,293
Right of use assets (leased assets)	378,629,137	280,322,323	378,629,137	280,322,323
Books	2,467,674	2,442,514	2,467,674	2,442,514
	7,691,676,187	6,430,936,133	7,691,676,187	6,430,936,133
Less: Accumulated depreciation	4,048,673,354	3,720,958,016	4,048,673,354	3,720,958,016
Written down value at the end of the year	3,643,002,833	2,709,978,117	3,643,002,833	2,709,978,117
Subsidiary companies balance	62,532,011	59,612,046	-	-
	3,705,534,844	2,769,590,163	3,643,002,833	2,709,978,117

Details are shown in Annex A.

10. Other assets

Income generating	-	-	-	-
Non-income generating (note 10.1)	15,183,685,662	7,783,212,752	15,568,587,953	8,383,317,066
	15,183,685,662	7,783,212,752	15,568,587,953	8,383,317,066

10.1 Non-income generating other assets

Stock of stationery	54,966,569	54,284,588	54,966,569	54,284,588
Stamps in hand	5,653,896	5,421,602	5,653,896	5,421,602
Suspense account (note 10.1.1)	2,769,596,665	507,622,823	2,769,596,665	507,622,823
Advance and deposits	5,712,726	5,694,631	5,712,726	5,694,631
Interest and other receivables	5,394,786,405	1,573,150,869	5,394,786,405	1,573,150,869
Sundry assets (note 10.1.2)	618,989,247	338,222,313	618,989,247	338,222,313
Demand draft paid without advice	733,250	5,303,404	733,250	5,303,404
Bill purchased account - credit card	371,995,099	356,585,312	371,995,099	356,585,312
Deferred tax asset/liabilities(note 10.1.3)	88,142,805	128,496,769	89,146,684	129,500,648
Inter-branch adjustment account (net) (note 10.1.4)	3,057,563,146	1,205,581,490	3,057,563,146	1,205,581,490
Advance against cash assistance	-	2,819,368	-	2,819,368
Advance against branches*	8,066,299	13,122,623	8,066,299	13,122,623
Advance against NBL Towers	1,941,287,000	1,941,287,000	1,941,287,000	1,941,287,000
Advance against fixed assets	656,695,551	1,634,223,477	656,695,551	1,634,223,477
Others	209,497,004	11,396,483	593,395,416	610,496,918
	15,183,685,662	7,783,212,752	15,568,587,953	8,383,317,066

* The amount represents advance against new branches and for existing branches repair, renovation and maintenance.

10.1.1 Suspense account

Sundry debtors	2,203,977,483	150,550,055	2,203,977,483	150,550,055
Advance against TA/DA	85,500	137,000	85,500	137,000
Advance against postage	10,003	4,983	10,003	4,983
Encashment of PSP/ BSP	248,082,735	159,087,367	248,082,735	159,087,367
Encashment of wage earners development bond	317,440,944	197,843,418	317,440,944	197,843,418
	2,769,596,665	507,622,823	2,769,596,665	507,622,823

10.1.2 Sundry assets

Cash remittance	148,300,000	97,789,937	148,300,000	97,789,937
Advance rent	444,449,623	213,432,995	444,449,623	213,432,995
Clearing adjustment account	61,761	62,411	61,761	62,411
Protested bill	23,117,340	23,300,940	23,117,340	23,300,940
Unexpired insurance premium	3,060,523	3,636,030	3,060,523	3,636,030
	618,989,247	338,222,313	618,989,247	338,222,313

10.1.3 Deferred tax assets/(liabilities)

Deferred tax assets:

Opening balance	341,669,005	343,087,021	341,351,331	342,769,347
Add: Addition/(Adjusted) during the year	(37,448,225)	(1,418,016)	(37,448,225)	(1,418,016)
Closing balance	304,220,780	341,669,005	303,903,106	341,351,331

Deferred tax liabilities:

Opening balance	213,172,236	204,545,507	211,850,683	203,223,954
Add: Addition/adjustment during the year	2,905,739	8,626,729	2,905,739	8,626,729
Closing balance	216,077,975	213,172,236	214,756,422	211,850,683
Net deferred tax (assets)/liabilities	88,142,805	128,496,769	89,146,684	129,500,648
Deferred tax charge/(credit)	40,353,964	10,044,745	40,353,964	10,044,745

10.1.4 Inter-branch adjustment account

Inter-branch adjustment account represents outstanding Inter-branch and Head Office transactions (net) originated but yet to be responded at the balance sheet date. However, most of the same has been adjusted subsequently.



Amount in BDT			
Group		Bank	
2020	2019	2020	2019
299,479,400	299,479,400	299,479,400	299,479,400
299,479,400	299,479,400	299,479,400	299,479,400

11. Non- banking Assets

The Bank was awarded absolute ownership on few mortgaged properties through the verdict of Honourable High Court under section 33(7) of The Artha Rin Adalat Ain 2003 (Artha-rin Act). These were recorded as a non-banking assets. The value of assets received in addition to the loan outstanding or written off loans was kept as reserve against non-banking assets. The details are as follows in branches wise:

Sl no.	Branches		
1	Bangshal	1,100,000	1,100,000
2	Dilkusha	219,747,500	219,747,500
3	Elephant road	450,000	450,000
4	Foreign exchange	8,660,000	8,660,000
5	Jessore	75,900	75,900
6	Malibagh	2,627,000	2,627,000
7	Kawran bazar	15,019,000	15,019,000
8	Rajshahi	1,305,000	1,305,000
9	Rangpur	43,775,000	43,775,000
10	Narayanganj	6,720,000	6,720,000
	Total	299,479,400	299,479,400

12. Borrowings from other banks, financial institutions and agents

In Bangladesh (note 12.1.1)	8,419,144,804	8,244,328,474	8,419,144,804	8,244,328,474
Outside Bangladesh (note 12.1.2)	-	93,390,000	-	93,390,000
	8,419,144,804	8,337,718,474	8,419,144,804	8,337,718,474

12.1.1 In Bangladesh

Export Development Fund (EDF)	4,892,485,308	3,944,293,545	4,892,485,308	3,944,293,545
Agricultural credit on special program	377,852,600	279,622,429	377,852,600	279,622,429
Bangladesh Bank	962,500	612,500	962,500	612,500
Stimulates package	577,844,396	-	577,844,396	-
IFIC Bank Ltd.	200,000,000	-	200,000,000	-
AB Bank Ltd.	300,000,000	700,000,000	300,000,000	700,000,000
Bangladesh Development Bank Ltd.	-	200,000,000	-	200,000,000
Agrani Bank Ltd.	410,000,000	-	410,000,000	-
BASIC Bank Ltd.	-	1,400,000,000	-	1,400,000,000
Bank Asia Ltd.	-	900,000,000	-	900,000,000
Rupali Bank Ltd.	600,000,000	-	600,000,000	-
Sonali Bank Ltd.	510,000,000	500,000,000	510,000,000	500,000,000
State Bank of India	400,000,000	150,000,000	400,000,000	150,000,000
Janata Bank Ltd.	150,000,000	-	150,000,000	-
Social Islami Bank Ltd.	-	169,800,000	-	169,800,000
	8,419,144,804	8,244,328,474	8,419,144,804	8,244,328,474

12.1.2 Outside Bangladesh

Emirates Islami Bank	-	93,390,000	-	93,390,000
	-	93,390,000	-	93,390,000
	8,419,144,804	8,337,718,474	8,419,144,804	8,337,718,474

12.2 Security wise breakup of borrowing from other banks, financial institutions and agents

Secured borrowings	-	-	-	-
Unsecured borrowings	8,419,144,804	8,337,718,474	8,419,144,804	8,337,718,474
	8,419,144,804	8,337,718,474	8,419,144,804	8,337,718,474

12.3 Maturity-wise grouping of borrowings

Repayable				
On demand	2,570,000,000	650,000,000	2,570,000,000	650,000,000
Up to 1 month	31,487,717	23,301,869	31,487,717	23,301,869
More than 1 month but within 3 months	2,998,466,618	2,413,179,865	2,998,466,618	2,413,179,865
More than 3 months but within 1 year	2,819,190,469	5,251,236,740	2,819,190,469	5,251,236,740
More than 1 year but within 5 years	-	-	-	-
More than 5 years	-	-	-	-
	8,419,144,804	8,337,718,474	8,419,144,804	8,337,718,474

13. Deposits and other accounts (note 13.1)

Current deposit and other accounts (note 13.2)	34,562,375,594	26,804,331,592	34,563,517,722	26,805,405,622
Bills payable (note 13.3)	4,285,058,100	3,337,258,268	4,285,058,100	3,337,258,268
Savings deposit	58,326,974,057	51,550,288,418	58,326,974,057	51,550,288,418
Fixed deposit	132,589,373,496	140,421,645,700	132,589,373,496	140,421,645,700
Term deposit (note 13.4)	200,567,838,662	143,965,811,634	200,983,027,443	144,183,914,985
	430,331,619,909	366,079,335,612	430,747,950,818	366,298,512,993

The Bank Management advised to various branches to take necessary steps for depositing the amount of unclaimed deposits through head office following the Bangladesh Bank guidelines.

13.1 Deposit and other account

Deposit from banks (in Bangladesh) (note 13.1.1)	17,794,588,555	18,000,008,862	17,794,588,555	18,000,008,862
Other than bank	412,537,031,354	348,079,326,750	412,953,362,263	348,298,504,131
	430,331,619,909	366,079,335,612	430,747,950,818	366,298,512,993



Amount in BDT				
Group		Bank		
2020	2019	2020	2019	
13.1.1 Deposit from banks (in Bangladesh)				
A. In current account				
AB Bank Ltd.	1,168	2,087	1,168	2,087
Al-Arafah Islami Bank Ltd.	3,426,275	9,252,195	3,426,275	9,252,195
BRAC Bank Ltd.	1,100,413	5,013,423	1,100,413	5,013,423
Bangladesh Krishi Bank Ltd.	56,517	1,377,116	56,517	1,377,116
Dutch Bangla Bank Ltd.	14,550	15,469	14,550	15,469
Islami Bank Bangladesh Ltd.	99,988,096	25,891,738	99,988,096	25,891,738
Jamuna Bank Ltd.	3,574,501	1,605,372	3,574,501	1,605,372
Mercantile Bank Ltd.	9,110	28,487	9,110	28,487
Prime Bank Ltd.	40,685	41,605	40,685	41,605
Bangladesh Development Bank Ltd.	538,778	743,642	538,778	743,642
Rajshahi Krishi Unnayan Bank	2,502,587	9,999,827	2,502,587	9,999,827
Shahjalal Islami Bank Ltd.	3,869	4,559	3,869	4,559
Southeast Bank Ltd.	9,011,345	16,880	9,011,345	16,880
EXIM Bank Ltd.	1,187	130,106	1,187	130,106
	120,269,081	54,122,506	120,269,081	54,122,506
B. In short notice deposit accounts				
BRAC Bank Ltd.	147,621	4,425,739	147,621	4,425,739
Dhaka Bank Ltd.	5,154,000	149,434	5,154,000	149,434
Dutch-Bangla Bank Ltd.	2,789,699	6,690,873	2,789,699	6,690,873
EXIM Bank Ltd.	2,527,000	4,991,706	2,527,000	4,991,706
Jamuna Bank Ltd.	611,959	884,769	611,959	884,769
Janata Bank Ltd.	36,000	35,756	36,000	35,756
Mercantile Bank Ltd.	1,120,468	1,289,425	1,120,468	1,289,425
Pubali Bank Ltd.	693,000	673,244	693,000	673,244
Rajshahi Krishi Unnayan Bank	661,637,987	396,547,224	661,637,987	396,547,224
The Premier Bank Ltd.	201,740	198,186	201,740	198,186
	674,919,474	415,886,356	674,919,474	415,886,356
C. Term deposit accounts				
Rajshahi Krishi Unnayan Bank	299,920,000	600,000,000	299,920,000	600,000,000
Agrani Bank Ltd.	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Bank Alfalah Ltd.	-	200,000,000	-	200,000,000
Bank Asia Ltd.	-	1,000,000,000	-	1,000,000,000
Dhaka Bank Ltd.	999,920,000	-	999,920,000	-
Shimanta Bank Ltd.	599,920,000	-	599,920,000	-
Eastern Bank Ltd.	-	1,430,000,000	-	1,430,000,000
Bangladesh Development Bank Ltd.	199,960,000	-	199,960,000	-
National Credit & Commerce Bank Ltd.	1,599,960,000	1,500,000,000	1,599,960,000	1,500,000,000
Janata Bank Ltd.	1,000,000,000	500,000,000	1,000,000,000	500,000,000
Jamuna Bank Ltd.	1,000,000,000	-	1,000,000,000	-
Uttara Bank Ltd.	2,699,800,000	3,000,000,000	2,699,800,000	3,000,000,000
Rupali Bank Ltd.	2,099,920,000	100,000,000	2,099,920,000	100,000,000
Sonali Bank Ltd.	3,500,000,000	6,200,000,000	3,500,000,000	6,200,000,000
	16,999,400,000	17,530,000,000	16,999,400,000	17,530,000,000
Total (A+B+C)	17,794,588,555	18,000,008,862	17,794,588,555	18,000,008,862
13.1.2 Maturity-wise grouping				
Deposits from banks				
Repayable				
On demand	120,269,080	54,122,507	120,269,080	54,122,507
Up to 1 month	4,584,983,895	4,533,177,271	4,584,983,895	4,533,177,271
Over 1 month but within 6 months	8,169,967,790	8,066,354,542	8,169,967,790	8,066,354,542
Over 6 months but within 1 year	4,919,367,790	5,346,354,542	4,919,367,790	5,346,354,542
Over 1 year but within 5 years	-	-	-	-
Over 5 years but within 10 years	-	-	-	-
	17,794,588,555	18,000,008,862	17,794,588,555	18,000,008,862
From others payable				
Repayable				
On demand	25,041,838,248	20,581,834,832	25,041,838,248	20,581,834,832
Up to 1 month	19,336,501,005	16,105,468,658	19,336,501,005	16,105,468,658
Over 1 month but within 6 months	59,584,810,121	55,995,578,172	59,584,810,121	55,995,578,172
Over 6 months but within 1 year	87,400,560,637	83,111,488,746	87,400,560,637	83,111,488,746
Over 1 year but within 5 years	121,999,040,903	103,139,734,242	121,999,040,903	103,139,734,242
Over 5 years but within 10 years	99,174,280,440	69,145,222,100	99,590,611,349	69,364,399,481
	412,537,031,354	348,079,326,750	412,953,362,263	348,298,504,131
	430,331,619,909	366,079,335,612	430,747,950,818	366,298,512,993



	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
13.2 Current deposit and other accounts				
Current deposit	20,208,609,591	15,374,769,381	20,208,609,591	15,375,843,411
Foreign currency deposit	357,311,193	290,713,076	357,311,193	290,713,076
Exchange company Taka account	129,738,145	551,191,705	130,880,273	551,191,705
Exporters' foreign currencies account	248,715,168	296,514,068	248,715,168	296,514,068
Sundry deposits	13,618,001,497	10,291,143,362	13,618,001,497	10,291,143,362
	34,562,375,594	26,804,331,592	34,563,517,722	26,805,405,622
13.3 Bills payable				
Payment order	4,269,034,683	3,316,249,640	4,269,034,683	3,316,249,640
Demand draft	16,023,417	21,008,628	16,023,417	21,008,628
	4,285,058,100	3,337,258,268	4,285,058,100	3,337,258,268
13.4 Term deposit				
Short notice deposit	29,840,708,483	24,054,099,933	30,255,897,264	24,272,203,284
Non-resident foreign currency deposit	461,533,964	437,584,073	461,533,964	437,584,073
Resident foreign currency deposit	545,714,916	551,390,771	545,714,916	551,390,771
Non-resident investment Taka account	2,387,596	311,912	2,387,596	311,912
Monthly saving scheme	44,797,697,457	39,781,109,723	44,797,697,457	39,781,109,723
Special deposit scheme	124,919,796,246	79,141,315,222	124,919,796,246	79,141,315,222
	200,567,838,662	143,965,811,634	200,983,027,443	144,183,914,985
14. Subordinated bonds	3,450,000,000	4,000,000,000	3,450,000,000	4,000,000,000
	3,450,000,000	4,000,000,000	3,450,000,000	4,000,000,000

Bank issued subordinated bonds valuing BDT 400 crore. The process of redemption is paid annually on prorata basis to bond holders in installment of 20% per year commencing at the 3rd year from the issued date. Coupon rate of the bond is base rate plus 2.50 % margin and redeemed at par at 7 years.

Sl. No. Bond Holders

1	Agrani Bank Ltd.	200,000,000	250,000,000	200,000,000	250,000,000
2	AB Bank Ltd.	1,250,000,000	1,250,000,000	1,250,000,000	1,250,000,000
3	One Bank Ltd.	200,000,000	250,000,000	200,000,000	250,000,000
4	Rupali Bank Ltd.	720,000,000	900,000,000	720,000,000	900,000,000
5	Sadharan Bima Corporation	80,000,000	100,000,000	80,000,000	100,000,000
6	Sonali Bank Ltd.	400,000,000	500,000,000	400,000,000	500,000,000
7	Mutual Trust Bank Ltd.	200,000,000	250,000,000	200,000,000	250,000,000
8	Uttara Bank Ltd.	400,000,000	500,000,000	400,000,000	500,000,000
	Totals	3,450,000,000	4,000,000,000	3,450,000,000	4,000,000,000

15 Other liabilities

Un-paid dividend	10,009,092	10,009,092	10,009,092	10,009,092
Provision for bonus	157,939,352	293,523,189	157,939,352	293,523,189
Tax liability (note 15.1)	3,753,777,396	3,613,826,012	3,473,177,851	3,390,444,234
Provision for loans & advances (including off-B/S items) (note 15.2)	19,160,666,146	16,320,143,695	19,160,666,146	16,320,143,695
Interest suspense account (note 15.3)	7,048,031,146	10,573,467,632	7,048,031,146	10,573,467,632
Provision for other assets (note 15.4)	621,371,795	621,371,795	102,120,772	102,120,772
Provision for gratuity (note 15.5)	-	50,000,000	-	50,000,000
ATM card holders' accounts	40,178,397	28,628,452	40,178,397	28,628,452
Foreign currencies adjustment account	58,910,920	219,489,113	58,910,920	219,489,113
Bills payable account MPS (CCD)	13,440,629	13,248,429	13,440,629	13,248,429
Adjusting account credit	3,762,190,683	4,425,712,230	3,762,190,683	4,425,712,230
Provision for LFA	96,655,097	96,474,860	96,655,097	96,474,860
Clearing adjusting account	151,104,449	4,737,608	151,104,449	4,737,608
Lease liabilities	256,735,631	221,682,960	256,735,631	221,682,960
Others	95,040,566	98,056,509	10,736,243	151,306,388
	35,226,051,299	36,590,371,576	34,341,896,408	35,900,988,654

15.1 Tax liability

Provision for current tax

Opening balance	18,729,722,246	15,605,346,651	18,475,498,946	15,375,498,946
Add: Provision made during the year	2,897,217,767	3,124,375,595	2,840,000,000	3,100,000,000
	21,626,940,013	18,729,722,246	21,315,498,946	18,475,498,946

Less: Adjustment made during the year
Closing balance

	8,543,010,781	-	8,543,010,781	-
	13,083,929,232	18,729,722,246	12,772,488,165	18,475,498,946

Advance income tax

Opening balance	15,115,896,234	12,099,580,089	15,085,054,712	12,068,738,567
Add: Paid during the year	2,757,266,383	3,016,316,145	2,757,266,383	3,016,316,145
	17,873,162,617	15,115,896,234	17,842,321,095	15,085,054,712

Less: Adjustment made during the year
Closing balance

	8,543,010,781	-	8,543,010,781	-
	9,330,151,836	15,115,896,234	9,299,310,314	15,085,054,712
	3,753,777,396	3,613,826,012	3,473,177,851	3,390,444,234



Amount in BDT			
Group		Bank	
2020	2019	2020	2019

Status of pending assessments

All the assessments of the Bank have been completed and necessary provisions have been made in the books of account except the assessment for the assessment years 1991-92, 1992-93 pending in Honorable High Court Division due to appeal filed by the Deputy Commissioner of Taxes. Adequate provisions for those assessment years have been made in the books of account. If any further provision is required it will be made upon receipt of final assessment order.

15.1a Reconciliation of effective tax rate	%	Amount (BDT)
Profit before income tax as per profit and loss account		6,365,896,666
Income tax as per applicable tax rate	37.50%	2,387,211,250
Factors affecting the tax charged in the current year		
On non deductible expense	17.70%	1,126,814,998
Tax exempted income	-9.55%	(607,639,421)
Tax savings from reduced tax rate	-0.43%	(27,095,013)
Tax savings from reduced tax rate	-0.74%	(47,380,426)
Prior year adjustment (release of provision for excess amount)	0.00%	-
Total income tax expenses	44.49%	2,831,911,387

15.2 Provision for loans and advances (including off - balance sheet items)

(a) Specific provision against loans and advances

Opening balance	11,278,239,751	9,665,484,795	11,278,239,751	9,665,484,795
Fully provided debt written-off	-	-	-	-
Release of provision	722,451	112,754,956	722,451	112,754,956
Transfer to/from general provision unclassified loans	-	-	-	-
Transfer to/ from general provision off-B/S items	-	-	-	-
Provision made during the year	2,165,000,000	1,500,000,000	2,165,000,000	1,500,000,000
Closing balance	13,443,962,202	11,278,239,751	13,443,962,202	11,278,239,751

As per Bangladesh Bank letter no. DBI-5/82/2021-9 dated June 23, 2021 required provision against classified loans and advances is BDT 2,243.37 crore against which Bank maintained an amount of BDT 1,344.40 crore and the balance amount will be provided within December 31, 2024 equally as per Bangladesh Bank letter no. DOS(RMMCMS)1154/161/2021-2786 dated June 29,2021.

(b) General provision against unclassified loans and advances (including provision for OBU)

Opening balance	4,569,669,347	4,569,669,347	4,569,669,347	4,569,669,347
Transferred from/to other provision	-	-	-	-
Provision made during the year	-	-	-	-
Closing balance	4,569,669,347	4,569,669,347	4,569,669,347	4,569,669,347

(c) General provision against Off Balance Sheet items (including provision for OBU)

Opening balance	459,510,048	459,510,048	459,510,048	459,510,048
Provision made during the year	85,000,000	-	85,000,000	-
Transferred to/from other provision	-	-	-	-
Closing balance	544,510,048	459,510,048	544,510,048	459,510,048
Total	18,558,141,597	16,307,419,146	18,558,141,597	16,307,419,146

(d) Special general provision for Covid -19

Opening balance	-	-	-	-
Provision made during the year	589,800,000	-	589,800,000	-
Closing balance	589,800,000	-	589,800,000	-

Sub total (a)+ (b)+(c)+(d)

	19,147,941,597	16,307,419,146	19,147,941,597	16,307,419,146
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As per Bangladesh Bank letter no. DBI-5/82/2021-9 dated June 23, 2021 required provision against UC Loans is BDT 1,832.14 crore against which Bank maintained an amount of BDT 456.97 crore and the balance amount will be provided within December 31, 2024 equally as per Bangladesh Bank letter no. DOS(RMMCMS)1154/161/2021-2786 dated June 29,2021.

(e) Provision for good borrowers

Opening balance	12,724,549	6,918,590	12,724,549	6,918,590
Provision made during the year	-	10,000,000	-	10,000,000
Less: Incentive paid to borrowers for the period	-	4,194,041	-	4,194,041
Closing balance	12,724,549	12,724,549	12,724,549	12,724,549
Total	19,160,666,146	16,320,143,695	19,160,666,146	16,320,143,695

Particulars of required provision for loans and advances and Off Balance Sheet items as on 31 December 2020.

Particulars	Outstanding	Base for provision	Rate	Provision required
General provision				
On Unclassified loans	356,231,200,258	356,231,200,258	Various	18,207,002,050
On SMA loans	13,951,399,000	13,829,130,910	Various	114,397,950
	370,182,599,258	370,060,331,168		18,321,400,000
Specific provision				
On Substandard loans	974,407,000	369,390,478	Various	73,878,000
On Doubtful loans	1,854,441,000	473,724,027	Various	236,862,000
On Bad/loss loans	35,499,154,000	22,122,996,951	100%	22,122,996,951
	38,328,002,000	22,966,111,456		22,433,736,951
Special general provision for Covid -19				589,800,000
Off Balance sheet items			1%	541,468,000
Total				41,886,404,951



Amount in BDT			
Group		Bank	
2020	2019	2020	2019

15.3 Interest suspense account

Opening balance	10,573,467,632	11,493,141,527	10,573,467,632	11,493,141,527
<u>Add:</u> Amount transferred to "interest suspense" account during the year	1,640,080,426	2,135,618,909	1,640,080,426	2,135,618,909
	12,213,548,058	13,628,760,436	12,213,548,058	13,628,760,436
<u>Less:</u> Amount credited to income	3,104,348,503	2,896,472,652	3,104,348,503	2,896,472,652
Interest waived during the year	2,061,168,409	158,820,152	2,061,168,409	158,820,152
Amount written-off during the year	-	-	-	-
	5,165,516,912	3,055,292,804	5,165,516,912	3,055,292,804
Closing balance	7,048,031,146	10,573,467,632	7,048,031,146	10,573,467,632

15.4 Provision for other assets

Provision for fall in market price of shares

Opening balance	563,605,345	517,950,005	44,354,322	44,354,322
Transferred (to)/from other provision	-	-	-	-
<u>Less:</u> Adjusted during the year	-	-	-	-
<u>Add:</u> Addition during the year	-	45,655,340	-	-
Closing balance	563,605,345	563,605,345	44,354,322	44,354,322

Bangladesh Bank vide letter no. DBI-5/82/2021-9 dated June 23, 2021 also advised to maintained provision of BDT 156.52 crore against Provision for fall in market price of shares.

Provision for other classified assets

Opening balance	57,766,450	62,266,450	57,766,450	62,266,450
Transferred from/(to) other provision	-	(4,500,000)	-	(4,500,000)
Closing balance	57,766,450	57,766,450	57,766,450	57,766,450
	621,371,795	621,371,795	102,120,772	102,120,772

15.5 Provision for gratuity

The gratuity fund is administered by a Board of Trustee consisting of four (4) members. Total fund balance as on December 2020 stood at BDT 180.05 crore considering contribution for the year 2020 against which fund liability for eligible employees stood at BDT 145.38 crore The movement of bank's contribution is as under:

Opening balance	50,000,000	100,000,000	50,000,000	100,000,000
<u>Add:</u> Provision during the year	-	50,000,000	-	50,000,000
	50,000,000	150,000,000	50,000,000	150,000,000
<u>Less:</u> Transferred to fund account	50,000,000	100,000,000	50,000,000	100,000,000
	50,000,000	100,000,000	50,000,000	100,000,000
Closing balance	-	50,000,000	-	50,000,000

16. Share capital

16.1 Authorised capital

5,000,000,000 ordinary shares of BDT 10 each		50,000,000,000	30,000,000,000
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16.2 Issued, subscribed and fully paid-up capital

	No. of shares		Amount in BDT	
	2020	2019	2020	2019
Issued for cash	23,730,000	23,730,000	237,300,000	237,300,000
Issued for other than cash (bonus share)	3,042,688,639	2,896,668,704	30,426,886,390	28,966,687,040
Total	3,066,418,639	2,920,398,704	30,664,186,390	29,203,987,040

16.3 Percentage of shareholdings at the closing date

Category	2020		2019	
	No. of shares	%	No. of shares	%
Sponsors and Directors	950,206,388	30.99%	911,689,809	31.22%
Financial institutions	643,459,462	20.98%	607,288,344	20.79%
Foreign investors	31,161,475	1.02%	55,142,886	1.89%
Non-resident Bangladeshi	715,910	0.02%	11,073,905	0.38%
General public	1,440,875,404	46.99%	1,335,203,760	45.72%
	3,066,418,639		2,920,398,704	

16.4 Statement of slab list as on December 31, 2020

Group/ type	No. of share holders	No. of shares	% of share holding
De-materialization	73,566	3,034,680,677	98.96%
Materialization	4,202	31,737,962	1.04%
	77,768	3,066,418,639	100%



Amount in BDT			
Group		Bank	
2020	2019	2020	2019

De-materialization

Range	No. of share holders	No. of shares	% of share holding
Less than 500	18,409	3,170,511	0.10%
500 to 5,000	31,357	64,089,425	2.09%
5,001 to 10,000	8,746	62,762,996	2.05%
10,001 to 20,000	6,577	92,853,479	3.03%
20,001 to 30,000	2,602	63,559,381	2.07%
30,001 to 40,000	1,419	49,184,675	1.60%
40,001 to 50,000	848	38,400,945	1.25%
50,001 to 100,000	1,880	132,083,774	4.31%
100,001 to 1,000,000	1,503	351,533,748	11.46%
Over 1,000,000	225	2,177,041,743	71.00%
	73,566	3,034,680,677	98.96%

Materialization

Range	No. of share holders	No. of shares	% of share holding
Less than 500	2,467	357,365	0.01%
500 to 5,000	1,356	2,496,197	0.08%
5,001 to 10,000	175	1,229,799	0.04%
10,001 to 20,000	94	1,369,107	0.04%
20,001 to 30,000	46	1,099,156	0.04%
30,001 to 40,000	15	519,903	0.02%
40,001 to 50,000	12	527,789	0.02%
50,001 to 100,000	20	1,358,847	0.04%
100,001 to 1,000,000	11	3,331,776	0.11%
Over 1,000,000	6	19,448,023	0.63%
	4,202	31,737,962	1.04%

16.5 Capital adequacy ratio

Core capital (Tier - I)

Paid up capital (note 16.2)	30,664,186,390	29,203,987,040	30,664,186,390	29,203,987,040
Statutory reserve (note 17)	17,108,889,287	15,835,709,954	17,108,889,287	15,835,709,954
General reserve (note 18)	29,835,154	29,809,840	-	-
Non-controlling (minority) interest	135,537	125,066	-	-
Retained earnings (note 20)	2,051,906,653	2,668,896,278	2,288,995,361	3,031,886,121
	49,854,953,021	47,738,528,178	50,062,071,038	48,071,583,115

Less:

For short provision against quoted shares	1,356,308,386	1,760,700,000	1,565,172,456	1,898,300,000
For short provision against loans and advances	-	-	-	-
Intangible assets	1,001,401,675	46,000,000	1,001,401,675	46,000,000
Deferred tax assets	304,220,780	341,669,005	303,903,106	341,351,331
Reciprocal cross holding of banking and NBFIs shares	442,999,563	104,600,000	442,999,563	104,600,000
	3,104,930,404	2,252,969,005	3,313,476,800	2,390,251,331
	46,750,022,617	45,485,559,173	46,748,594,238	45,681,331,784

Supplementary Capital (Tier II)

General provision maintained against unclassified loan	5,172,193,896	4,582,393,896	5,172,193,896	4,582,393,896
General provision on off-balance sheet exposure	544,510,048	459,510,048	544,510,048	459,510,048
Subordinated bonds	3,450,000,000	4,000,000,000	3,450,000,000	4,000,000,000
Startup fund	34,855,427	-	34,855,427	-
Other reserve	630,977,076	630,977,076	630,977,076	630,977,076
Less: Regulatory adjustment for revaluation	(630,977,076)	(630,977,076)	(630,977,076)	(630,977,076)
	9,201,559,371	9,041,903,944	9,201,559,371	9,041,903,944

A) Total capital

B) Total risk weighted assets

C) Required capital

D) (Deficit)/Surplus (A-C)

	55,951,581,988	54,527,463,117	55,950,153,609	54,723,235,728
	430,401,594,033	408,767,800,000	430,292,811,931	408,851,700,000
	53,800,199,254	51,095,975,000	53,786,601,491	51,106,462,500
	2,151,382,733	3,431,488,117	2,163,552,117	3,616,773,228

Capital adequacy ratio:

	Actual			
On core capital - against standard of minimum 6.00%	10.86%	11.13%	10.86%	11.17%
On supplementary capital	2.14%	2.21%	2.14%	2.20%
On total capital - including capital conservation buffer	13.00%	13.34%	13.00%	13.38%

17. Statutory reserve

Opening balance	15,835,709,954	14,380,830,197	15,835,709,954	14,380,830,197
Add: Addition during the year (20% of pre-tax profit)	1,273,179,333	1,454,879,757	1,273,179,333	1,454,879,757
Closing balance	17,108,889,287	15,835,709,954	17,108,889,287	15,835,709,954



	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
18. General reserve				
Opening balance	29,809,840	29,468,778	-	-
Add: Addition during the year (overseas subsidiaries)	25,314	341,062	-	-
	29,835,154	29,809,840	-	-
Less: Adjustment during the year	-	-	-	-
Transferred from general reserve (overseas oper.)	-	-	-	-
Closing balance	29,835,154	29,809,840	-	-
19. Other reserve				
Revaluation reserve (Govt. treasury bills and bonds) (note 19.1)	1,611,287,589	585,151,224	1,611,287,589	585,151,224
Revaluation reserve (foreign investment) (note 19.2)	31,338,352	26,818,969	31,338,352	26,818,969
Revaluation reserve (property) (note 19.3)	354,005,015	354,005,015	354,005,015	354,005,015
	1,996,630,956	965,975,208	1,996,630,956	965,975,208
19.1 Revaluation reserve (Govt treasury bills and bonds)				
Opening balance	585,151,224	523,746,483	585,151,224	523,746,483
Add: Addition during the year	1,587,737,369	124,890,634	1,587,737,369	124,890,634
	2,172,888,593	648,637,117	2,172,888,593	648,637,117
Less: Adjustment during the year	561,601,004	63,485,893	561,601,004	63,485,893
Closing balance	1,611,287,589	585,151,224	1,611,287,589	585,151,224
19.2 Revaluation reserve (foreign investment)				
Opening balance	26,818,969	24,372,492	26,818,969	24,372,492
Addition/(Adjustment) during the year	4,519,383	2,446,477	4,519,383	2,446,477
Closing balance	31,338,352	26,818,969	31,338,352	26,818,969
19.3 Revaluation reserve (property)				
Opening balance	354,005,015	354,005,015	354,005,015	354,005,015
Less: Adjustment during the year	-	-	-	-
Closing balance	354,005,015	354,005,015	354,005,015	354,005,015
Revaluation of foreign investments has been made in 2020 as per IAS -21 " Effect of changes in Foreign Exchange Rates". On the other hand, Govt. treasury bill and bonds have been valued at market price as per Bangladesh Bank BRPD Circular No. 05 dated October 31, 2005.				
20. Retained earnings				
Opening balance	2,668,896,278	2,661,018,720	3,031,886,121	2,977,319,750
Add: Post-tax profit for the year	3,611,443,837	4,123,202,317	3,485,542,702	4,164,354,038
	6,280,340,115	6,784,221,037	6,517,428,823	7,141,673,788
Less: Dividend				
Cash dividend @5% for 2019	1,460,199,352	-	1,460,199,352	-
Bonus dividend @5% for 2019 & 10% for 2018	1,460,199,350	2,654,907,910	1,460,199,350	2,654,907,910
Transfer to statutory reserve	1,273,179,333	1,454,879,757	1,273,179,333	1,454,879,757
Transfer to startup fund	34,855,427	-	34,855,427	-
Dividend paid by overseas subsidiaries	-	5,537,092	-	-
	4,228,433,462	4,115,324,759	4,228,433,462	4,109,787,667
Closing balance	2,051,906,653	2,668,896,278	2,288,995,361	3,031,886,121
21. Letters of guarantee				
Directors	-	-	-	-
Government	7,382,004,635	6,795,794,741	7,382,004,635	6,795,794,741
Banks and other financial institutions	602,909,800	604,847,491	602,909,800	604,847,491
Others	4,424,938,549	3,977,919,443	4,424,938,549	3,977,919,443
	12,409,852,984	11,378,561,675	12,409,852,984	11,378,561,675
Less: Margin	1,025,077,692	739,974,787	1,025,077,692	739,974,787
	11,384,775,292	10,638,586,888	11,384,775,292	10,638,586,888
22. Interest income				
Interest on advances	34,271,992,172	34,532,363,914	34,222,132,486	34,565,919,448
Interest on money at call and short notice	-	1,083,010	-	1,083,010
Interest on placement with other banks	102,571,002	105,535,666	102,571,002	105,535,666
Interest on foreign currency balances	14,562,193	31,052,024	14,562,193	31,052,024
	34,389,125,367	34,670,034,614	34,339,265,681	34,703,590,148
23. Interest paid on deposits and borrowings, etc				
Interest on deposits	25,071,386,043	23,395,346,568	25,071,689,127	23,395,346,568
Interest on borrowings	1,016,731,205	826,351,479	1,016,731,205	826,351,479
Interest on lease liability	7,192,189	8,256,050	7,192,189	8,256,050
Discount	22,463,478	17,755,788	22,463,478	17,755,788
	26,117,772,915	24,247,709,885	26,118,075,999	24,247,709,885



	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
24. Investment income				
Dividend on shares				
Local	293,562,063	200,489,076	263,574,748	176,455,927
Overseas	7,170,545	12,251,190	7,170,545	12,251,190
	300,732,608	212,740,266	270,745,293	188,707,117
Interest on treasury bills and bonds	3,919,848,807	2,409,540,702	3,919,848,807	2,409,540,702
Interest on debenture and bonds	115,937,877	124,157,778	115,937,877	124,157,778
Gain on Government securities	1,620,371,790	336,904,273	1,620,371,790	336,904,273
Profit from sale of share of listed company	117,184,271	49,700,576	98,527,321	37,702,846
Prize bonds	-	25,500	-	25,500
	6,074,075,353	3,133,069,095	6,025,431,088	3,097,038,216
25. Commission, exchange and brokerage				
Commission	1,244,758,498	1,122,270,638	925,461,517	862,601,280
Exchange gain net off exchange losses	442,394,371	561,885,547	443,293,227	562,505,693
Brokerage	-	-	-	-
	1,687,152,869	1,684,156,185	1,368,754,744	1,425,106,973
26. Other operating income				
Locker rent	9,948,901	5,812,386	9,948,901	5,812,386
Credit card and ATM	2,578,942	24,256	2,578,942	24,256
Confirmation charges	3,215,860	748,064	3,215,860	748,064
Gain from sales of assets	794,007	6,386,681	794,007	6,386,681
Remittance income	19,988,849	27,920,496	19,988,849	27,920,496
Other receipts	550,083,087	648,734,896	538,758,613	637,472,978
	586,609,646	689,626,779	575,285,172	678,364,861
27. Salaries and allowances				
Basic salary	1,982,711,182	1,891,479,176	1,865,723,407	1,783,188,742
Allowances	1,647,293,303	1,441,534,877	1,647,293,303	1,441,534,877
Bonus	285,166,019	269,277,254	285,166,019	269,277,254
Bank's contribution to provident fund	162,433,399	153,049,266	162,433,399	153,049,266
Gratuity	166,134,625	240,561,489	166,134,625	240,561,489
Provision for the year	-	50,000,000	-	50,000,000
Paid during the year	166,134,625	190,561,489	166,134,625	190,561,489
	4,243,738,528	3,995,902,062	4,126,750,753	3,887,611,628
28. Rent, taxes, insurance, electricity, etc.				
Rent, rates and taxes	531,992,201	455,730,058	507,423,354	428,773,139
Insurance	287,276,715	243,238,999	287,276,715	243,238,999
Electricity	115,379,271	123,638,399	115,379,271	123,638,399
	934,648,187	822,607,456	910,079,340	795,650,537
While implementing IFRS 16 (Leases) the Bank recorded interest expenses on lease liabilities (Note no.-23) and depreciations on RoU assets (Note no.-35) instead of charging rental expenses of BDT . 82,787,850 in 2020 against those rental premises that have been treated as leased assets (RoU) and shown in the balance sheet under IFRS -16.				
29. Legal expenses				
Law charges	16,526,552	19,095,652	16,526,552	19,095,652
Other professional charges	2,122,055	4,968,715	2,122,055	4,968,715
	18,648,607	24,064,367	18,648,607	24,064,367
30. Postage, stamp, telecommunication, etc				
Telephone - office	11,249,671	11,810,564	11,249,671	11,810,564
Telephone - residence	283,270	459,236	283,270	459,236
Telegram, telex, fax and e-mail	60,131,151	54,041,747	60,131,151	54,041,747
Postage	12,537,545	16,071,860	9,006,668	12,228,535
	84,201,637	82,383,407	80,670,760	78,540,082
31. Stationery, printing, advertisement, etc				
Printing and stationery	81,801,724	93,491,240	81,801,724	77,415,729
Publicity and advertisement	72,464,287	97,965,105	69,354,623	97,965,105
	154,266,011	191,456,345	151,156,347	175,380,834
32. Managing Director's salary and allowances				
Basic salary	5,400,000	5,400,000	5,400,000	5,400,000
Allowance	3,600,000	3,600,000	3,600,000	3,600,000
Bonus	900,000	900,000	900,000	900,000
Bank's contribution to provident fund	540,000	540,000	540,000	540,000
	10,440,000	10,440,000	10,440,000	10,440,000
33. Directors' fees and other benefits				
Fees	1,496,708	2,818,211	648,000	720,000
Other benefits				
Haltage, traveling and other	6,732,611	825,739	6,732,611	825,739
Refreshment	325,769	679,509	325,769	679,509
	7,058,380	1,505,248	7,058,380	1,505,248
	8,555,088	4,323,459	7,706,380	2,225,248

Each Director is paid an amount of BDT 8,000 per board meeting and per committee meeting attended as per BRPD circular letter no. 11 dated 04 October 2015.



	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
34. Auditors' fees	2,090,811	1,971,414	575,000	575,000
35. Repair, maintenance and depreciation				
A. Depreciation				
Buildings	32,121,740	32,121,740	32,121,740	32,121,740
Furniture and fixture	81,908,931	83,695,217	81,908,931	83,695,217
General equipments	63,416,791	67,416,485	63,416,791	67,416,485
Computer equipments	130,260,749	141,827,103	130,260,749	141,827,103
Vehicles	18,418,961	14,399,176	18,418,961	14,399,176
Books	119,346	316,928	119,346	316,928
Right of use assets (Leased assets)	42,960,712	50,102,418	42,960,712	50,102,418
	369,207,230	389,879,067	369,207,230	389,879,067
B. Repairs and maintenance				
Office premises	17,468,631	21,102,998	17,468,631	21,102,998
Furniture and fixtures	3,620,453	4,145,086	3,620,453	4,145,086
Vehicles	8,202,339	8,500,110	8,202,339	8,500,110
Equipments	343,601,952	289,047,804	313,098,937	256,035,959
	372,893,375	322,795,998	342,390,360	289,784,153
Totals (A+B)	742,100,605	712,675,065	711,597,590	679,663,220
36. Other expenses				
Car expenses	145,961,143	135,907,961	145,961,143	135,907,961
Credit card expenses	56,127	55,687	56,127	55,687
Entertainment	72,342,965	87,741,462	72,342,965	87,741,462
Traveling expenses	12,203,538	27,498,430	12,203,538	27,498,430
Donations	519,287,938	330,638,389	519,287,938	330,638,389
Subscriptions	6,522,711	4,318,864	6,522,711	4,318,864
Periodicals	1,355,934	2,373,421	1,355,934	2,373,421
Cartage/freight	28,959,995	31,496,388	28,959,995	31,496,388
Medical expense	24,187,217	13,810,260	24,187,217	13,810,260
Uniform and liveries	10,142,720	11,408,803	10,142,720	11,408,803
Training expenses	4,167,995	9,392,328	4,167,995	9,392,328
Loss on sale of share/ property/ asset	-	90,341	-	90,341
Miscellaneous	206,486,524	149,765,317	142,150,960	97,536,429
	1,031,674,807	804,497,651	967,339,243	752,268,763
37. Changes in other assets				
A. Balance at the beginning of the year				
Stock of stationery			54,284,588	30,407,234
Stamps in hand			5,421,602	4,538,408
Suspense account			507,622,823	553,130,266
Advance deposits			5,694,631	5,496,704
Sundry assets			338,222,313	221,425,658
Demand draft paid without advice			5,303,404	5,317,404
Bill purchase account - credit card			356,585,312	351,856,062
Inter-branch adjustment account (Net)			1,205,581,490	1,419,068,487
Advance against cash assistance			2,819,368	10,166,298
Advance against branches			13,122,623	16,573,731
Advance against NBL Tower			1,941,287,000	1,690,624,000
Advance against fixed assets			1,634,223,477	541,712,826
Others			610,496,918	315,350,469
			6,680,665,549	5,165,667,547
B. Balance at the end of the year				
Stock of stationery			54,966,569	54,284,588
Stamps in hand			5,653,896	5,421,602
Suspense account			2,769,596,665	507,622,823
Advance deposits			5,712,726	5,694,631
Sundry assets			618,989,247	338,222,313
Demand draft paid without advice			733,250	5,303,404
Bill purchase account - credit card			371,995,099	356,585,312
Inter-branch adjustment account			3,057,563,146	1,205,581,490
Advance against cash assistance			-	2,819,368
Advance against branches			8,066,299	13,122,623
Advance against NBL Tower			1,941,287,000	1,941,287,000
Advance against fixed assets			656,695,551	1,634,223,477
Others			593,395,416	610,496,918
			10,084,654,864	6,680,665,549
Net changes (A-B)			(3,403,989,315)	(1,514,998,002)



Amount in BDT			
Group		Bank	
2020	2019	2020	2019

38. Changes in other liabilities

A. Balance at the beginning of the year

Un-paid dividend			10,009,092	10,009,092
Provision for bonus			293,523,189	419,861,758
ATM card holders' accounts			28,628,452	25,274,888
Foreign currencies adjustment account			219,489,113	307,076,296
Bills payable account MPS (CCD)			13,248,429	2,960,668
Provision for LFA			96,474,860	91,404,583
Clearing adjusting account			4,737,608	1,623
Lease liabilities			221,682,960	-
Others			151,306,388	194,117,973
			1,039,100,091	1,050,706,881

B. Balance at the end of the year

Un-paid dividend			10,009,092	10,009,092
Provision for bonus			157,939,352	293,523,189
ATM card holders' accounts			40,178,397	28,628,452
Foreign currencies adjustment account			58,910,920	219,489,113
Bills payable account MPS (CCD)			13,440,629	13,248,429
Provision for LFA			96,655,097	96,474,860
Clearing adjusting account			151,104,449	4,737,608
Lease liabilities			256,735,631	221,682,960
Others			10,736,243	151,306,388
			795,709,810	1,039,100,091
			(243,390,281)	(11,606,790)

Net Changes (A-B)

39. Calculation of NAV, EPS, NOCF per shares

39.01 Calculation of Net Asset Value (NAV) per Share

Total Net Asset Value (A)	51,886,439,404	48,704,503,386	52,093,557,421	49,037,558,323
Number of ordinary share outstanding (B)	3,066,418,639	2,920,398,704	3,066,418,639	2,920,398,704
Net Asset Value (NAV) per Share (A/B)	16.92	16.68	16.99	16.79

39.02 Earnings per share (EPS) Restated

(a) Net profit after tax	3,611,454,308	4,123,208,031	3,485,542,702	4,164,354,038
(b) Number of ordinary shares outstanding	2,920,398,704	2,920,398,704	2,920,398,704	2,920,398,704
(c) Issue of bonus shares during the year 5% of (b)	146,019,935	146,019,935	146,019,935	146,019,935
(d) Number of ordinary shares outstanding (d=b+c)	3,066,418,639	3,066,418,639	3,066,418,639	3,066,418,639
Earnings per share (EPS) (a/d)	1.18	1.34	1.14	1.36

Earnings per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of December 31, 2020 in terms of IAS 33: "Earnings Per Share (EPS)". EPS for the year ended December 31, 2019 was re-stated for the issues of bonus share in 2020 for the year 2019.

39.03 Calculation of Net Operating Cash Flow Per Share (NOCFPS)

Net Operating Cash Flow (A)	10,728,016,425	9,304,438,895	10,415,636,122	8,973,146,172
Number of ordinary share outstanding (B)	3,066,418,639	2,920,398,704	3,066,418,639	2,920,398,704
Net Operating Cash Flow Per Share (NOCFPS) (A/B)	3.50	3.19	3.40	3.07

39.04 Reconciliation of operating cash flow:

Operating profit	9,388,826,039	8,813,283,711	9,205,696,666	8,784,398,783
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Adjustment for :

Income Tax paid	(2,757,266,383)	(3,016,316,145)	(2,757,266,383)	(3,016,316,145)
Gain on sale of Govt. Securities	(1,620,371,790)	(336,904,273)	(1,620,371,790)	(336,904,273)
Gain on sale of quoted securities	(117,184,271)	(49,700,576)	(98,527,321)	(37,702,846)
Gain on sale of fixed assets	(794,007)	(6,296,340)	(794,007)	(6,296,340)
Audit fee	2,090,811	1,971,414	575,000	575,000
Provision for gratuity and bonus	-	50,000,000	-	50,000,000
Charges on loan loss	-	465,571,851	-	465,571,851
Depreciation	369,207,230	389,879,067	369,207,230	389,879,067
	(4,124,318,410)	(2,501,795,002)	(4,107,177,271)	(2,491,193,686)

Adjustment for changes in other assets and liabilities

Changes in interest receivables on loans and advances	(3,697,043,594)	(24,178,687)	(3,697,043,594)	(24,178,687)
Changes in interest receivables on securities	(101,329,848)	(4,026,247)	(101,329,848)	(4,026,247)
Changes in interest payables	(663,521,547)	841,644,704	(663,521,547)	841,644,704
	(4,461,894,989)	813,439,770	(4,461,894,989)	813,439,770

Operating profit before changes in operating assets and liabilities	802,612,640	7,124,928,479	636,624,406	7,106,644,867
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40. Number of employees

The number of employees engaged for the whole year or part thereof who received a total remuneration of BDT 36,000 per annum or above were 4,801.



41. Audit committee

An audit committee of the Board has been constituted by the Board of Directors of the Bank so that the committee can play an effective role in formulating an efficient and secured banking system. The audit committee consist of the following members:

Sl. no.	Name	Status with NBL	Status with the committee	Educational qualification
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- | | | | |
|--------------------------------------|----------------------|----------|---------------|
| i) Mr. Md. Naimuzzaman Bhuiyan Mukta | Independent Director | Chairman | Post Graduate |
| ii) Mr. Mabroor Hossain | Director | Member | Graduate |

During the year under review, the audit committee of the Board conducted 03 (Three) meetings in which, among others, the following issues were discussed:

- i) Review of Bank's financial statements and recommended for consideration of the Board.
- ii) Review of draft audited financial statements of subsidiary companies of the Bank.
- iii) Review of internal control and compliance system of the Bank.
- iv) Review of internal audit reports of different branches. Identification of minor/major lapses and compliances there against.
- v) Guidelines for audit program during the year 2021.
- vi) Review of working of the credit administration division of the Bank.
- vii) Review of Green Banking and stress Testing of the Bank.

42. Event after the Balance Sheet date

No material event had occurred after the balance sheet date except declaration of 05% Stock dividend.

43. Related party disclosures

i) Name of the Directors and the entities in which they have interest as on December 31, 2020:

Name of Directors	Status with the Bank	Name of the firms / companies in which Directors are associated as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) of holding/ interest in the concern
Late Mr. Zainul Haque Sikder	Ex-Chairman	Chairman	
		Z H Sikder Women's Medical College & Hospital (Pvt) Ltd.	9.40%
		Sikder Real Estate Ltd.	10.00%
		Sikder Pharmaceuticals Ltd.	15.00%
		Z H Sikder University of Science & Technology	
		Monowara Sikder Medical College and Hospital.	
		Alhaj Mokforuddin Sikder Foundation Zarina Sikder Trust	
Mrs. Monowara Sikder	Chairperson	Managing Director	
		Z H Sikder Women's Medical College & Hospital (Pvt) Ltd.	9.40%
		Sikder Real Estate Ltd.	20.00%
		Sikder Pharmaceuticals Ltd.	15.00%
		Monowara Sikder Medical College and Hospital.	
		Sikder Organic Market (Pvt) Ltd.	
		Vice Chairperson	
		Z H Sikder University of Science & Technology	
		Member	
		Alhaj Mokforuddin Sikder Foundation Zarina Sikder Trust	



Ms. Parveen Haque
Sikder, MP

Director

Chairperson

Millennium International School	34.80%
Mandy Dental College & Hospital	
J & M Builders (Pvt) Ltd.	50.00%
Western Bowling & Fitness Centre	100.00%
Jeffrey Institute of Health Science &	100.00%
Powertech Holdings Ltd.	50.00%
Golden Barn Kingdom (Pvt) Ltd.	
ISO Tech Group	

Vice Chairperson

Z H Sikder Women's Medical College & Hospital (Pvt.) Ltd.	9.40%
Sikder Real Estate Ltd.	10.00%

Director

Sikder Pharmaceuticals Ltd.	10.00%
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Treasurer

Z H Sikder University of Science &
Technology

Proprietor

Z M Real Estate

Member

Monowara Sikder Medical College and
Hospital.

Alhaj Mokforuddin Sikder Foundation

Zarina Sikder Trust

Alhaj Khalilur Rahman

Director

Chairman

KDS Garments Ind. Ltd.	50.15%
KDS Apparels Ltd.	49.88%
KIY Steel Ind. Ltd.	95.00%
KDS Fashion Ltd.	12.50%
Steel Accessories Ltd.	50.00%
KDS Logistics Ltd.	43.24%
KDS IDR Ltd.	45.00%
KDS Thread Ltd.	20.00%
KDS Accessories Ltd.	51.89%
KDS Poly Ind. Ltd.	74.00%

Managing Director

KDS Textile Mills Ltd.	20.27%
KYCR Coil Ind. Ltd.	9.21%
KY Steel Mills Ltd.	98.00%
Sky Securities Ltd.	42.46%

Shareholder

Al-Arafah Islami Bank Ltd.	86,78,444 shares
Pragati Insurance Ltd.	33,17,004 shares
Pragati Life Insurance Ltd.	3,07,209 shares



Mr. Moazzam Hossain	Director	Chairman	
		Hosaf International Ltd.	22.93%
		Hosaf Gene Cure Pharma Co. Ltd.	36.67%
		Hosaf Proficient Energy Ltd.	50.00%
		Shahjibazar Electric Generation Ltd.	32.00%
		Managing Director	
		EnergyPrima Ltd.	30.43%
		Hosaf Meter Industry Ltd.	97.89%
		Citi Link Apartment Ltd.	99.98%
		H F Power Limited	0.06%
		Proprietor	
		Hosaf Consultancy	100.00%
		Shareholder	
		United Hospital Ltd.	0.42%
Pragati Life Insurance Ltd.	0.01%		
Pragati Insurance Ltd. (Sponsor)	1.57%		
Mr. Rick Haque Sikder	Director	Chairman	
		Power Pac Holdings Ltd.	50.00%
		PowerPac Mutiara Keraniganj Power Plant Ltd. (100 MW)	50.00%
		PowerPac Keraniganj-II Power Plant Ltd. (161 MW)	50.00%
		PowerPac Mutiara Khulna Power Plant Ltd. (100 MW)	50.00%
		Multiplex Holdings Limited	50.00%
		PowerPac Ports Ltd.	10.00%
		A1 Trade Centre (PVT) Ltd.	50.00%
		R & R Restaurant Group Ltd.	50.00%
		R & R Helicopter Training School Ltd.	50.00%
		Keraniganj Developers Ltd.	50.00%
		Power Pac Energy Ltd.	50.00%
		PowerPac Plant Ltd.	50.00%
		R & R eco Solution Ltd.	50.00%
		R & R Energy Ltd.	50.00%
		Sikder Holdings Ltd.	50.00%
		The River Holdings Ltd.	50.00%
		R & R Media Ltd.	40.00%
		PowerPac Petroleum Ltd.	50.00%
		JR Architects International Ltd.	33.00%
		PowerPac Steel Mills Ltd.	50.00%
		Sikder Cement Ltd.	50.00%
		Sikder Boulder & Stones Ltd.	50.00%
		PowerPac Infrastructure Ltd.	50.00%
		PowerPac Mutiara Jamalpur Power Plant Ltd.(100 MW)	50.00%



Mr. Ron Haque Sikder Director

Director	
Z H Sikder Women's Medical College & Hospital (pvt) Ltd.	9.40%
Sikder Pharmaceuticals Ltd.	10.00%
Sikder Television Ltd.	25.00%
Sikder Fuwang Tiles Industry Ltd.	26.00%
Vice-Chairman	
Sikder Real Estate Ltd.	10.00%
Managing Director	
R & R Aviation Ltd.	81.90%
BEL Construction SDN BHD Ltd.	80.00%
Managing Partner	
Power Pac	50.00%
The Privilege Club	50.00%
O2 Renewable Energy	50.00%
ABC Global.TV	37.50%
R & R Cruise Line	50.00%
Interrealty	50.00%
A1 Trade Center	50.00%
Proprietor	
The River	100.00%
Bangladesh Post	100.00%
Member	
Z H Sikder University of Science & Technology	
Monowara Sikder Medical College and Alhaj Mokforuddin Sikder Foundation	
Zarina Sikder Trust	
Managing Director	
Power Pac Holdings Ltd.	50.00%
PowerPac Mutiara Keraniganj Power Plant Ltd. (100 MW)	50.00%
PowerPac Keraniganj-II Power Plant Ltd. (161 MW)	50.00%
PowerPac Mutiara Khulna Power Plant Ltd. (100 MW)	50.00%
Multiplex Holdings Limited	50.00%
A1 Trade Centre (PVT) Ltd.	50.00%
R & R Restaurant Group Ltd.	50.00%
R & R Helicopter Training School Ltd.	50.00%
Keraniganj Developers Ltd.	50.00%
Power Pac Energy Ltd.	50.00%
Powerpac Power Plant Ltd.	50.00%
R & R eco Solution Ltd.	50.00%
R & R Energy Ltd.	50.00%
Sikder Holdings Ltd.	50.00%
The River Holdings Ltd.	50.00%
R & R Media Ltd.	40.00%



PowerPac Petroleum Ltd.	50.00%
JR Architects International Ltd.	33.00%
PowerPac Steel Mills Ltd.	50.00%
Sikder Cement Ltd.	50.00%
Sikder Boulder & Stones Ltd.	50.00%
PowerPac Infrastructure Ltd.	50.00%
PowerPac Mutiara Jamalpur Power Plant Ltd.(100 MW)	50.00%
Director	
Z H Sikder Women's Medical College & Hospital (pvt) Ltd.	9.40%
Sikder Pharmaceuticals Ltd.	10.00%
Sikder Television Ltd.	25.00%
Sikder Fuwang Tiles Industry Ltd.	26.00%
Vice-Chairman	
Sikder Real Estate Ltd.	10.00%
Managing Partner	
Power Pac	50.00%
The Privilege Club	50.00%
O2 Renewable Energy	50.00%
ABC Global.TV	37.50%
R & R Cruise Line	50.00%
Interrealty	50.00%
A1 Trade Center	50.00%
Proprietor	
R & R Holdings	100.00%
Member	
Z H Sikder University of Science & Technology	
Monowara Sikder Medical College and Alhaj Mokforuddin Sikder Foundation	
Zarina Sikder Trust	
Shareholder	
R & R Aviation Ltd.	18.00%
Chairman	
Purbachal Drillers Ltd.	50.00%
T S Holdings Ltd.	60.00%
Zyta Garments Ltd.	59.97%
T S Packaging Ltd	40.00%
Director	
Jeans Culture Ltd.	35.00%
Trimco (BD) Company Ltd.	14.00%
Managing Director	
Armana Fashions Ltd.	50.50%
Armana Ltd.	40.00%

Mr. Zakaria Taher Director



		Armana Apparels Ltd.	50.00%
		Zyta Apparels Ltd.	51.00%
		Denimach Ltd.	15.00%
		Denimach Washing Ltd.	10.00%
		Denitex Ltd.	20.00%
		Armach Logistics Ltd.	60.00%
		Sponsor shareholder	
		Pragati Life Insurance Ltd. (Sponsor)	698,270 shares
		Pragati Insurance Ltd. (Sponsor)	217,038 shares
Mr. Mabroor Hossain	Director	Director	
		Hosaf Meter Industry Ltd.	0.49%
		Hosaf International Ltd.	1.42%
		Hosaf Gene Cure Pharma Co. Ltd.	18.00%
		Euro Knitting & Dyeing Inds. Ltd.	25.00%
		Hosaf Proficient Energy Ltd.	40.00%
		EnergyPrima Ltd.	0.04%
		Shahjibazar Electric Generation Ltd.	10.00%
		Infozillion Teletech BD Ltd.	22.00%
		H F Power Limited	0.02%
		Shareholder	
		Pragati Life Insurance Ltd	3.25%
		Pragati Insurance Ltd.	0.01%
		Proprietor	
		M H Holdings	100.00%

Mr. Md. Naimuzzaman
Bhuiyan Mukta

Independent Director

Mr. Md. Badiul Alam

Representative
Director (Sikder
Insurance Company
Limited)

Mr. Shah Syed Abdul Bari

Managing Director

Nil

Nil

Nil

ii) Significant contracts where bank is a party and wherein Directors have interest: Nil

iii) Shares issued to Directors and executives without consideration or exercisable at discount: Nil

iv) **Related party transactions**

Name of the party	Nature of relation	Nature of transaction	2020 BDT (000)
KDS Garments Ltd	Alhaj Khalilur Rahman, Chairman and Mr. Salim Rahman, Managing Director of KDS Garments Limited and Director of the Bank.	BG	2,500.00
Z H Sikder Women's Medical College and Hospital (Pvt) Ltd.	Common Director	Loan (Gen) & Term	81,636.00
Rick Haque Sikder and others	Director	SOD	156,382.00
NBL Securities Ltd.	Subsidiary	Loan	2,384,054.98
Total			<u>2,624,572.98</u>



v) **Lending policies to related parties**

Related parties are allowed loans and advances as per general loan policy of the bank.

vi) Business other than banking business with any related concern of the Directors as per section 8(2) of the Banking Companies Act 1991: Nil

vii) Investments in the securities of Directors and their related concern : Nil

Impact of COVID 19

In the early March 2020, like many other governments, the Governments of Bangladesh introduced restrictive measures including nationwide holidays (from 26 March 2020 to 30 May 2020) to contain further spread of the virus, affecting free movement of people

Management has assessed the overall impact on COVID 19 and has not identified any indications that may cast doubt on going concern of the group and the bank. Bank's primary business has not impacted expressively as it has a significant growth even the pandemic declared by WHO except trade business. Moreover, The Management continue to monitor the spread of the virus and its impact. It may have on the bank's operations.



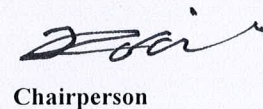
Managing Director



Director



Director



Chairperson



National Bank Limited
Schedule of fixed assets
As at December 31, 2020

Annex - A

Particulars	Cost / Revaluation			Rate (%)	Depreciation/Amortization			Written down value at December 31, 2020
	As at January 01, 2020	Addition During the year	Disposal/ adjustment		Total at December 31, 2020	Charge During the year	Disposal/ adjustment	
Land	693,216,752	-	-	-	-	-	-	693,216,752
Building	1,276,289,796	-	-	2.50%	1,276,289,796	32,121,740	298,619,941	977,669,855
Furniture and fixtures	1,132,983,963	63,389,671	775,938	10.00%	1,193,597,696	81,908,931	850,892,151	344,705,545
General equipment	1,132,270,824	50,768,952	4,443,000	20.00%	1,178,596,776	63,416,791	1,030,200,917	148,395,859
Computer equipment (*)	1,606,240,668	1,059,440,237	6,608,903	33.33%	2,659,072,002	130,260,749	1,541,300,236	1,117,771,766
Vehicles	307,169,293	4,607,761	3,970,700	20.00%	307,806,354	18,418,961	258,250,928	49,555,426
Right of use assets	280,322,323	213,206,646	114,899,832	**	378,629,137	42,960,712	67,331,135	311,298,002
Books	2,442,514	25,160	-	20.00%	2,467,674	119,346	2,078,046	389,628
As at December 31, 2020	6,430,936,133	1,391,438,427	130,698,373		7,691,676,187	369,207,230	4,048,673,354	3,643,002,833
As at December 31, 2019	5,814,538,935	655,294,214	38,897,016		6,430,936,133	389,879,067	3,720,958,016	2,709,978,117

** Amortized over the lease term (See note no. 2.6.4(b))

(*) Core Banking Software for Tk. 1,002,881,250 included in computer equipment, which is amortized using the straight line method over the estimated useful life of 10 (ten) years.



National Bank Limited
Balance with other Banks and Financial Institutions (Outside Bangladesh)
As at December 31, 2020

Annex- B

Particulars	Currency Name	2020			2019		
		Amount in Foreign Currency	Conversion Rate Per Unit F.C	Amount in BDT	Amount in Foreign Currency	Conversion Rate Per Unit F.C	Amount in BDT
In fixed deposit accounts (interest bearing)							
JP Morgan Chase Bank, Singapore	USD	726000	84.8011	61,565,599	726000	84.9000	61,637,400
NCC Bank Ltd., OBU	USD	1000000	84.8011	84,801,100	-	84.9000	-
AB Bank Ltd., OBU	USD	3500000	84.8011	296,803,850	3000000	84.9000	254,700,000
Sub-total				443170549			316337400
In demand deposit accounts (non interest bearing) with:							
Mashreq Bank, New York	USD	4,021,227.03	84.8011	341,004,475	390069.66	84.9000	33,116,914
JP Morgan Chase Bank New York	USD	720,087.80	84.8011	61,064,238	99075.7	84.9000	8,411,527
Standard Chartered Bank, New York	USD	5,523,200.42	84.8011	468,373,471	2627865.31	84.9000	223,105,765
Standard Chartered Bank, Mumbai	ACU	827,999.62	84.8011	70,215,279	636472.14	84.9000	54,036,485
Sonali Bank, Kolkata	ACU	206,897.50	84.8011	17,545,136	362621.07	84.9000	30,786,529
Mashreq Bank, Mumbai	ACU	459,792.90	84.8011	38,990,944	389180.14	84.9000	33,041,394
State Bank of India, Kolkata	ACU	6,122.07	84.8011	519,158	6122.07	84.9000	519,764
United Bank, Karachi	ACU	31,215.43	84.8011	2,647,103	31215.43	84.9000	2,650,190
NABIL Bank, Nepal	ACU	131,144.37	84.8011	11,121,187	175513.37	84.9000	14,901,085
Standard Chartered Bank, Colombo	ACU	55,776.91	84.8011	4,729,943	43918.33	84.9000	3,728,666
Myanmar Foreign Trade Bank Yangon	ACU	137.85	84.8011	11,690	137.85	84.9000	11,703
AB Bank Ltd., Mumbai	ACU	440,074.75	84.8011	37,318,823	457316.22	84.9000	38,826,147
Bank of Bhutan, Thimpu	ACU	254,687.21	84.8011	21,597,756	405732.33	84.9000	34,446,675
ICICI Bank Ltd., Mumbai	ACU	38,258.27	84.8011	3,244,343	38258.27	84.9000	3,248,127
HDFC Bank, India	ACU	337,404.48	84.8011	28,612,271	257848.4	84.9000	21,891,329
Meezan Bank, Karchi	ACU	359,302.51	84.8011	30,469,248	211835.75	84.9000	17,984,855
Commerz Bank, Frankfurt	EURO	5,256.50	104.1697	547,568	44382.26	95.0625	4,219,089
Standard Chartered Bank, Frankfurt	EURO	154,789.57	104.1697	16,124,383	8978.56	95.0625	853,524
Alpha Bank AE Athens	EURO	5,865.45	104.1697	611,002	7856	95.0625	746,811
BOT Tokyo	JPY	2,315,681.00	0.8206	1,900,248	1306335	0.7778	1,016,067
Union Bank of Switzerland	CHF	13,798.56	96.1246	1,326,381	7156.25	87.2918	624,682
Habib Bank Zurich	CHF	488.62	96.1246	46,968	4145.37	87.2918	361,857
Habib American Bank	USD	1,612,220.01	84.8011	136,718,030	1002821.18	84.9000	85,139,518
Standard Chartered Bank, Singapore	SGD	24,945.90	64.0105	1,596,800	16635.41	62.9215	1,046,725
Citibank N.A New York	USD	1,053,615.06	84.8011	89,347,716	81982.45	84.9000	6,960,310
Sub-total				1,385,684,161			621,675,738
Grand total				1,828,854,710			938,013,138



National Bank Limited

Status of large loan
As at December 31, 2020

Annex- C

(BDT in crore)

SL no.	Name of the borrower	Funded	Non-funded	Total outstanding	Remarks
1	Adil Corporation	621.11	-	621.11	
2	Basundhara Group	732.58	400.61	1,133.19	
3	Basundhara Inport Export	644.47	-	644.47	
4	Basundhara Multi Food Product Ltd.	600.99	-	600.99	
5	Basundhara Oil & Gas Co Ltd.	517.38	5.78	523.16	
6	Beximco Group	785.04	-	785.04	
7	Beximco LPG Unit	894.78	224.95	1,119.73	
8	Bloom Success International Ltd.	663.70	-	663.70	
9	Broadway Real Estate Ltd & Prokriti Associates	615.25	-	615.25	
10	BSM Group	375.55	149.04	524.59	
11	Dekko Group	455.51	156.56	612.07	
12	Ehsan Group	627.31	-	627.31	
13	FMC Group	1,141.42	75.81	1,217.23	
14	Maisha Group	2,317.29	121.20	2,438.49	
15	Manha Precast Technology	556.54	-	556.54	
16	NAF Trading	757.95	-	757.95	
17	NASSA Group	1,404.14	57.00	1,461.14	
18	Pran RFL Group	539.46	44.29	583.75	
19	Opex Group	427.57	33.98	461.55	
20	Radium Composite Mills Ltd.	579.70	65.23	644.93	
21	S Alam Group	855.48	14.42	869.90	
22	S Alam Super Edible Oil Ltd.	892.16	-	892.16	
23	S Alam Vegetable Oil & Allied Concern-Fairy Trade Int.	899.38	360.57	1,259.95	
24	Saad Musa Group	951.15	-	951.15	
25	Western Marine Shipyards Ltd.	737.56	-	737.56	
	Total	19,593.47	1,709.44	21,302.91	



National Bank Limited
 Status on REPO and Reverse REPO
 As at December 31, 2020

Annex-D

- A. **i) Disclosure regarding outstanding REPO**
 As per DOS Circular No. 06 dated July 15, 2010.

(BDT in crore)

Counter party	Agreement date	Reversal date	Amount BDT
Total			-

- ii) Disclosure regarding outstanding Reverse REPO**

Counter party	Agreement date	Reversal date	Amount BDT
Total	-	-	-

- B. **Disclosure regarding overall Transaction of REPO and Reverse REPO**

Counter party	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year
REPO/ALS			
Standard Chartered Bank	4.89	-	257.43
Bangladesh Bank	47.5	840.12	
Reverse REPO			



National Bank Limited
Structural Liquidity Profile
As at December 31, 2020

*As per Bangladesh Bank circular no. 02 dated 29 March 2011.

Annex-E
(BDT in crore)

Particulars	Call	2-7 Days	8 Days - 1 Month	1-3 Months	3-12 Months	1-5 Years	More than 5 years	Total
Assets (Inflow)								
Cash in hand (LCY+FCY)	440.56	-	-	-	-	-	1,549.29	1,989.85
Balance with Bangladesh Bank (LCY)	-	-	-	-	-	-	-	-
Balance with Bangladesh Bank (FCY)	-	-	-	-	-	-	-	-
Balance with other banks and financial institutions	148.25	150.00	-	15.00	128.00	-	15.75	457.00
Money at call and on short notice	-	-	-	-	-	-	-	-
Investment in G-SEC	-	17.00	-	165.80	564.21	2,351.27	2,969.82	6,068.10
Other Investment (Share, Debenture and bond, MFU and others)	1.17	-	155.25	362.24	741.68	100.00	462.78	1,823.12
Loans and advances	1,007.40	10.15	4,449.66	7,586.33	9,998.20	10,532.16	5,724.92	39,308.82
Bills purchased and discounted	5.93	17.78	23.70	65.19	5.93	-	-	118.53
Reverse REPO with Bangladesh Bank	-	-	-	-	-	-	-	-
Reverse REPO with Others	-	-	-	-	-	-	-	-
Fixed assets including premises, furniture and fixtures	-	-	-	-	-	-	356.19	356.19
Other assets	-	-	-	-	-	-	2,199.79	2,199.79
Non-banking assets	-	-	-	-	-	-	29.95	29.95
Other receivables	-	-	-	-	-	-	-	-
Total Inflows	1,603.31	194.93	4,628.61	8,194.56	11,438.02	12,983.43	13,308.49	52,351.35
Liabilities (Outflows)								
Borrowing from Bangladesh Bank (Refinances etc)	2.82	19.75	62.07	227.17	273.09	-	-	584.90
REPO/LS with Bangladesh Bank	-	-	-	-	-	-	-	-
REPO with other banks and fis.	-	-	-	-	-	-	-	-
Borrowing from other banks and fis.	-	-	-	-	-	-	-	-
Money at call and on short notice	-	257.00	-	-	-	-	-	257.00
Demand Deposits	679.44	99.38	102.59	147.48	2,564.67	3,401.39	-	6,994.95
Savings bank deposit	67.72	71.39	70.87	78.74	78.74	4,881.97	-	5,249.43
Fixed Deposit	389.64	422.91	3,216.89	6,720.78	8,376.61	6,280.56	4,925.08	30,332.47
Bills Payable	42.93	214.54	43.00	42.68	85.36	-	-	428.51
Provision and other liabilities	-	-	1.34	115.11	1,300.04	32.38	162.40	1,611.27
Capital and Reserve	-	-	-	-	25.00	320.27	6,229.72	6,574.99
Total Outflows	1,182.55	1,084.97	3,496.76	7,331.96	12,703.51	14,916.57	11,317.20	52,033.52
Letter of Credit/Guarantees (Net of margin)	8.20	57.40	180.39	750.91	1,816.74	-	-	2,813.64
Other OBS Items (Net of margin)	57.98	405.83	683.13	1,422.15	-	-	-	2,569.09
Available Balance with BB (FCY)	-	99.63	-	-	-	-	-	99.63
Net Nostro a/c balance	66.17	116.71	-	-	-	-	-	182.88
Net Mismatch	420.75	(1,136.93)	268.33	(1,310.46)	(3,082.23)	(1,933.14)	1,991.29	(4,782.39)
Cumulative Net Mismatch	420.75	(716.18)	(447.85)	(1,758.31)	(4,840.54)	(6,773.68)	(4,782.39)	

Medium Term Funding Ratio (MTF):
Maximum Cumulative Outflow (MCO):

0.997788
0.136



National Bank Limited
Highlights on the activities of the Bank
As at December 31, 2020

(BDT in Million)

Sl. No.	Particulars	2020	2019
1	Paid-up Capital	30,664.19	29,203.99
2	Total Capital (Tier-I+II)	55,950.15	54,723.24
3	Capital Surplus/ (Deficit)	2,163.55	3,616.77
4	Total Assets	529,052.55	463,574.78
5	Total Deposits	430,747.95	366,298.51
6	Total Loans and Advances	408,510.60	360,769.74
7	Total Contingent Liabilities and Commitments	59,027.04	50,404.97
8	Advance / Deposit Ratio (%)	92.96%	95.27%
9	Percentage of Classified Loans against total Loans and Advances	9.38%	10.98%
10	Profit after Provision & Tax	3,485.54	4,164.35
11	Amount of Classified Loans	38,328.00	39,637.14
12	Provision kept against Classified Loans	13,443.96	11,278.24
13	Provision Surplus / (Deficit) against classified loans	-	-
14	Cost of Fund (including operating cost)	8.69%	8.98%
15	Interest Earning Assets	475,008.27	416,870.59
16	Non-interest Earning Assets	54,044.28	46,704.19
17	Return on Investment (ROI)	8.82%	5.13%
18	Return on Assets (ROA)	0.70%	0.96%
19	Income from Investment	6,025.43	3,097.04
20	Earnings per Share (Taka)	1.14	1.36
21	Net income per Share (Taka)	1.14	1.36
22	Price Earning Ratio (Times)	6.16	5.66
23	Net Assets Value per shares (Taka)	16.99	16.79



National Bank Limited
Offshore Banking Unit, Bangladesh

Balance Sheet
As at December 31, 2020

Notes	31.12.2020		31.12.2019	
	USD	BDT	USD	BDT
PROPERTY AND ASSETS				
CASH				
In hand (including foreign currencies)	-	-	-	-
With Bangladesh Bank (Including foreign currencies)	-	-	-	-
BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS (ON CURRENT AND OTHER ACCOU				
3				
In Bangladesh	911,178.18	77,268,912	3,142,023.64	266,757,807
Outside Bangladesh	-	-	-	-
	911,178.18	77,268,912	3,142,023.64	266,757,807
MONEY AT CALL AND SHORT NOTICE	-	-	-	-
INVESTMENT	-	-	-	-
LOANS AND ADVANCES				
4				
i) Loans, cash credits, overdrafts, etc.				
In Bangladesh	3,877,093.67	328,781,808	3,885,375.40	329,868,371
Outside Bangladesh	-	-	-	-
	3,877,093.67	328,781,808	3,885,375.40	329,868,371
ii) Bills purchased and discounted				
Payable in Bangladesh	63,412,690.30	5,377,465,891	41,381,280.01	3,513,270,673
Payable outside Bangladesh	-	-	-	-
	63,412,690.30	5,377,465,891	41,381,280.01	3,513,270,673
	67,289,783.97	5,706,247,699	45,266,655.41	3,843,139,044
FIXED ASSETS	5	20.00	1,696	20.00
OTHER ASSETS	6	919,305.90	77,958,152	630,594.75
NON-BANKING ASSETS		-	-	-
TOTAL ASSETS		69,120,288.05	5,861,476,459	49,039,293.80
			4,163,436,043	



Notes	31.12.2020		31.12.2019	
	USD	BDT	USD	BDT
CAPITAL AND LIABILITIES				
BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AG				
7				
In Bangladesh	61,084,488.00	5,180,031,775	41,523,518.00	3,525,346,678
Outside Bangladesh	-	-	1,100,000.00	93,390,000
	61,084,488.00	5,180,031,775	42,623,518.00	3,618,736,678
	61,084,488.00	5,180,031,775	42,623,518.00	3,618,736,678
DEPOSITS AND OTHER ACCOUNTS				
8				
Current deposits and other account	5,050,489.57	428,287,071	3,701,951.73	314,295,702
Term deposits	2,138,094.51	181,312,766	1,815,229.76	154,113,007
	7,188,584.08	609,599,837	5,517,181.49	468,408,709
OTHER LIABILITIES				
9	847,215.97	71,844,847	898,594.31	76,290,656
TOTAL LIABILITIES				
	69,120,288.05	5,861,476,459	49,039,293.80	4,163,436,043
CAPITAL/SHAREHOLDERS' EQUITY				
Retained earnings brought forward from profit & loss account	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				
	69,120,288.05	5,861,476,459	49,039,293.80	4,163,436,043
Off balance sheet items				
Contingent liabilities				
Acceptance and endorsements	681,900.00	57,825,870	1,719,800.00	146,011,020
Letter of guarantee - Banks	-	-	-	-
Letter of guarantee - Others	106,200.00	9,005,877	106,200.00	9,016,380
Bills for collection	3,141,400.00	266,394,176	4,358,700.00	370,053,630
Irrevocable letters of credit	460,300.00	39,033,946	432,000.00	36,676,800
Other commitments	-	-	-	-
	4,389,800.00	372,259,869	6,616,700.00	561,757,830



National Bank Limited
Offshore Banking Unit, Bangladesh

Profit and Loss Account
For the year ended December 31, 2020

Notes	2020		2019		
	USD	BDT	USD	BDT	
Interest income	10	3,190,893.83	270,591,307	4,474,848.33	379,914,623
Interest paid on deposits and borrowings	11	1,868,608.80	158,460,081	3,034,008.04	257,587,283
Net interest income		1,322,285.03	112,131,226	1,440,840.29	122,327,340
Commission, exchange and brokerage	12	29,786.38	2,525,918	53,205.25	4,517,126
Other Operating Income	13	154,360.24	13,089,919	100,211.09	8,507,921
Total operating income		1,506,431.65	127,747,063	1,594,256.63	135,352,387
Salary and allowances	14	38,502.84	3,265,084	29,767.61	2,527,270
Rent, taxes, Insurance, electricity etc.	15	12,922.08	1,095,806	13,382.10	1,136,140
Postage, stamps, telecommunication etc.	16	3,060.91	259,569	1,229.37	104,373
Repair, maintenance and depreciation	17	513.69	43,561	575.88	48,892
Other operating expenses	18	-	-	177.55	15,074
		54,999.52	4,664,020	45,132.51	3,831,749
Profit before provision		1,451,432.13	123,083,043	1,549,124.12	131,520,638
Less: General Provision against UC Loan	2.3	-	-	-	-
Profit before income tax		1,451,432.13	123,083,043	1,549,124.12	131,520,638
Less: Provision for income tax	2.3	-	-	-	-
Net Profit after taxation		1,451,432.13	123,083,043	1,549,124.12	131,520,638
Balance of Profit brought forward		-	-	-	-
Effect of changes in exchange rate		-	-	-	-
Retained Earnings carried forward		1,451,432.13	123,083,043	1,549,124.12	131,520,638
Less: Retained earnings transferred to central operation		1,451,432.13	123,083,043	1,549,124.12	131,520,638
		-	-	-	-



National Bank Limited
Offshore Banking Unit, Bangladesh
Cash Flow Statement
For the year ended December 31, 2020

	2020		2019	
	USD	BDT	USD	BDT
A) Cash flows from operating activities				
Interest Income	3,190,893.83	270,591,307	4,474,848.33	379,914,623
Interest paid	(1,868,608.80)	(158,460,081)	(3,034,008.04)	(257,587,283)
Commission, exchange and brokerage	29,786.38	2,525,918	53,205.25	4,517,126
Received from other operating activities	154,360.24	13,089,919	100,211.09	8,507,921
Paid to employees	(38,502.84)	(3,265,084)	(29,767.61)	(2,527,270)
Paid to supplier	(16,496.68)	(1,398,936)	(15,127.31)	(1,284,308)
Paid for operating expenses	-	-	(177.55)	(15,074)
<i>Operating profit before changes in operating assets and liabilities</i>	<u>1,451,432.13</u>	<u>123,083,043</u>	<u>1,549,184.16</u>	<u>131,525,735</u>
(Increase)/decrease in operating assets:				
Loan and advances to customer	(22,023,128.56)	(1,863,108,655)	29,053,643.10	2,392,334,001
Other Assets	(288,711.15)	(24,420,658)	583,607.46	48,334,071
Increase/(decrease) in operating liabilities:				
Effect of Changes in exchange rate	-	3	-	(79)
Deposits from Banks	-	-	-	-
Customers' deposits and other accounts	1,671,402.59	141,191,128	1,706,411.08	148,685,072
Borrowing from other banks and financial institutions	18,460,970.00	1,561,295,097	(31,663,462.53)	(2,613,940,989)
Other liabilities	(51,378.34)	(4,445,809)	(206,185.56)	(16,400,376)
<i>Net cash provided from/(used in) operating activities</i>	<u>(779,413.33)</u>	<u>(66,405,851)</u>	<u>1,023,197.71</u>	<u>90,537,435</u>
B) Cash flows from investing activities				
Changes in fixed assets	-	-	-	-
Fund placement	-	-	-	-
C) Cash flows from financing activities				
Profit remitted to Head Office	(1,451,432.13)	(123,083,043)	(1,549,124.12)	(131,520,638)
D) Net increase in cash and cash equivalents (A+B+C)	(2,230,845.46)	(189,488,895)	(525,926)	(40,983,203)
E) Opening cash and cash equivalents	3,142,023.64	266,757,807	3,667,950.05	307,741,010
F) Closing cash and cash equivalent (D+E)	911,178.18	77,268,912	3,142,023.64	266,757,807
G) Closing cash and cash equivalents				
Cash In hand (including foreign currencies)	-	-	-	-
Balances with Bangladesh Bank and its agent bank (s)	-	-	-	-
Balances with other Banks and Financial Institutions	911,178.18	77,268,912	3,142,023.64	266,757,807
Money at call and short notice	-	-	-	-
Prize bonds	-	-	-	-
	<u>911,178.18</u>	<u>77,268,912</u>	<u>3,142,023.64</u>	<u>266,757,807</u>



National Bank Limited
Offshore Banking Unit
Notes to the Financial Statements
For the year ended December 31, 2020

1 Status

Offshore Bank is a Bank located outside the country of residence of depositors, typically in the low tax jurisdiction (or tax haven) that provides financial and legal advantage. Offshore Banking Unit (the Unit), a separate business unit of National Bank Limited, is governed under the Rules and guideline of Bangladesh Bank. The Bank obtained the Offshore Banking permission vide letter No. BRPD/(P-3)744(97)/2008-2005 dated 01 June 2008. The unit commenced its operation from September, 2008 and its office is located at 9 Mohakhali, Dhaka. The second unit of the Offshore Bank has started its operation in November 2016 and its office is located at 48, Dilkusha, Dhaka.

2 Significant Accounting policy

2.1 Basis of accounting

The Unit maintains its accounting records in USD from which accounts are prepared according to the Bank Companies Act 1991, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and other applicable directives issued by Bangladesh Bank.

2.2 Loans and advances

- a) These are stated in the Balance Sheet on gross basis and accumulated specific and general provisions for bad and doubtful debts being shown under other liabilities.
- b) Interest income is recognised on accrual basis to comply with the IAS-18 "Revenue", but cease to be taken into income in case of classified loans & advances. Interest on classified loans will be kept in interest suspense account and accounted for as income on cash
- c) Provision for Loans and Advances is made on the basis of period end review by the management and instructions contained in Bangladesh Bank BRPD circular 19 & 20 dated December 2005, BRPD circular No. 14 dated September 23, 2012, BRPD Circular No. 05 dated May 29, 2013.

2.3 Common expenses

- a. Expenditure for audit fees has not been separately accounted for in the Financial Statements.
- b. Provision for taxation, loans & advances and against off-Balance Sheet items have not been separately accounted for in these Financial Statements.
These are accounted for in the central accounts of NBL.

3 Balance with other Banks and Financial Institutions

Inside Bangladesh

NBL Mohakhali Branch

Placement with NBL

Head Office ID

2020		2019	
USD	BDT	USD	BDT
-	-	97,812.38	8,304,271
-	-	2,761,715.00	234,469,604
911,178.18	77,268,912	282,496.26	23,983,932
911,178.18	77,268,912	3,142,023.64	266,757,807

3.1 Balance with other Banks and Financial Institutions (according to remaining maturity grouping)

Payable

On demand

Within one month

More than one month but not more than three months

More than three months but not more than one year

More than one year but not more than five years

More than five years

911,178.18	77,268,912	3,142,023.64	266,757,807
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
911,178.18	77,268,912	3,142,023.64	266,757,807

4 Loans and advances

4.1 Loans, Cash Credit, Overdraft etc.

4.1.1 Inside Bangladesh

Loans

Cash Credit

Loan against TR

Secured Overdraft

3,877,093.67	328,781,808	3,885,375.40	329,868,371
-	-	-	-
-	-	-	-
-	-	-	-
3,877,093.67	328,781,808	3,885,375.40	329,868,371
3,877,093.67	328,781,808	3,885,375.40	329,868,371

4.1.2 Outside Bangladesh

4.2 Bills purchased and discounted

4.2.1 Inside Bangladesh

Local Bill Purchased

Foreign Bill Purchased

67,200.00	5,698,634	-	-
63,345,490.30	5,371,767,257	41,381,280.01	3,513,270,673
63,412,690.30	5,377,465,891	41,381,280.01	3,513,270,673
-	-	-	-
63,412,690.30	5,377,465,891	41,381,280.01	3,513,270,673
67,289,783.97	5,706,247,699	45,266,655.41	3,843,139,044

4.2.2 Outside Bangladesh



	2020		2019	
	USD	BDT	USD	BDT
4.3 Maturity grouping of loans and advances including bills discounted and purchased				
Payable on demand	-	-	-	-
Less than three months	19,210,775.81	1,629,094,920	15,539,334.19	1,319,289,473
More than three months but less than one year	44,901,945.29	3,807,734,353	26,543,471.93	2,253,540,767
More than one year but less than five years	3,177,062.87	269,418,426	3,183,849.29	270,308,804
	<u>67,289,783.97</u>	<u>5,706,247,699</u>	<u>45,266,655.41</u>	<u>3,843,139,044</u>
4.4 Maturity analysis of bills purchased and discounted				
Within one month	-	-	-	-
More than one month but less than three months	18,995,381.72	1,610,829,264	15,323,480.00	1,300,963,452
More than three months but less than six months	44,417,308.58	3,766,636,627	26,057,800.01	2,212,307,221
	<u>63,412,690.30</u>	<u>5,377,465,891</u>	<u>41,381,280.01</u>	<u>3,513,270,673</u>
4.5 Loans and Advances on the basis of Significant Concentration				
4.5.1 Loans and Advances to Directors, Executive and Others				
Advance to Directors and their allied concerns(including Ex-Direct	-	-	-	-
Advances to CEO & Managing Director	-	-	-	-
Advances to Other executives and staffs	-	-	-	-
Advances to Customers (Group wise)	-	-	-	-
Industrial Advances	67,289,783.97	5,706,247,699	45,266,655.41	3,843,139,044
	<u>67,289,783.97</u>	<u>5,706,247,699</u>	<u>45,266,655.41</u>	<u>3,843,139,044</u>
4.6 Industry-wise Concentration of loans and advances				
Air way sector (BBAW)	-	-	-	-
Pharmaceuticals Industries	-	-	-	-
Textile & Garments Industry	36,637,481.05	3,106,898,694	36,637,481.05	3,110,522,141
Cement Industry	-	-	-	-
Others	30,652,302.92	2,599,349,005	8,629,174.36	732,616,903
	<u>67,289,783.97</u>	<u>5,706,247,699</u>	<u>45,266,655.41</u>	<u>3,843,139,044</u>
4.7 Geographical location-wise concentration of Loans and advances				
<i>Inside Bangladesh</i>				
Dhaka Division	67,289,783.97	5,706,247,699	45,266,655.41	3,843,139,044
Chittagong Division	-	-	-	-
Khulna Division	-	-	-	-
Rajshahi Division	-	-	-	-
Barishal Division	-	-	-	-
Sylhet Division	-	-	-	-
<i>Outside Bangladesh</i>	-	-	-	-
	<u>67,289,783.97</u>	<u>5,706,247,699</u>	<u>45,266,655.41</u>	<u>3,843,139,044</u>
4.8 Classified, unclassified, doubtful and bad loans & advances				
Unclassified				
Standard	67,289,783.97	5,706,247,699	45,266,655.41	3,843,139,044
Special Mention Account	-	-	-	-
Classified				
Sub-standard	-	-	-	-
Doubtful	-	-	-	-
Bad/Loss	-	-	-	-
	<u>67,289,783.97</u>	<u>5,706,247,699</u>	<u>45,266,655.41</u>	<u>3,843,139,044</u>
4.9 Particulars of loans and advances				
i) Debt considered good in respect of which the bank is fully secur	67,289,783.97	5,706,247,699	45,266,655.41	3,843,139,044
ii) Debt considered good for which the bank holds no other security than the debtor's personal security	-	-	-	-
iii) Debts considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors	-	-	-	-
iv) Debts considered doubtful or bad, not provided for	-	-	-	-
	<u>67,289,783.97</u>	<u>5,706,247,699</u>	<u>45,266,655.41</u>	<u>3,843,139,044</u>
v) Debts taken by directors or executives or any of them taken jointly or separately with other persons	-	-	-	-



	2020		2019	
	USD	BDT	USD	BDT
vi) Debts due by directors or officers of the bank or any of them either severally or jointly with any other person and debts due by companies or firms in which the directors, partners or managing agent or in the case of private companies as	-	-	-	-
vii) Maximum total amount of advances, including temporary advances made at any time during the period to directors or managers or officers of the bank or any of them either severally or jointly with any other persons	-	-	-	-
viii) Maximum total amount of advances, including temporary advance granted during the period to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or, in case of private companies as	-	-	-	-
ix) Due from other banking companies	-	-	-	-
x) Classified loans and advances on which no interest is credited to income	-	-	-	-
5 Fixed Assets				
Furnitures, fixtures and fittings	1,807.35	153,265	1,807.35	153,444
Office Equipments	8,291.02	703,088	8,291.02	703,908
	10,098.37	856,353	10,098.37	857,352
Accumulated Depreciation	10,078.37	854,657	10,078.37	855,654
	20.00	1,696	20.00	1,698
6 Other assets				
Stationery in hand	-	-	-	-
Adjusting account debit	919,305.90	77,958,152	630,594.75	53,537,494
	919,305.90	77,958,152	630,594.75	53,537,494
7 Borrowings from other Banks, Financial Institutions and Agents				
In Bangladesh				
Head office, ID Bangladesh Bank	61,084,488.00	5,180,031,775	41,523,518.00	3,525,346,678
	-	-	-	-
	61,084,488.00	5,180,031,775	41,523,518.00	3,525,346,678
Outside Bangladesh	-	-	1,100,000.00	93,390,000
	61,084,488.00	5,180,031,775	42,623,518.00	3,618,736,678
7.1 Classification based on types of security				
Secured	-	-	-	-
Unsecured	61,084,488.00	5,180,031,775	42,623,518.00	3,618,736,678
	61,084,488.00	5,180,031,775	42,623,518.00	3,618,736,678
7.2 Maturity grouping of borrowings from other Banks, Financial Institutions and Agents				
Payable on demand	-	-	-	-
Payable within one month	1,337,000.00	113,379,071	1,337,000.00	113,511,300
More than one month but less than three months	3,217,500.00	272,847,539	3,217,500.00	273,165,750
More than three months but less than 1 year	20,691,200.00	1,754,636,520	21,791,200.00	1,850,072,880
More than 1 year but less than 5 years	35,838,788.00	3,039,168,645	16,277,818.00	1,381,986,748
	61,084,488.00	5,180,031,775	42,623,518.00	3,618,736,678
8 Deposits and other accounts				
Current and other accounts				
Current account	2,848,735.32	241,575,889	2,009,887.54	170,639,452
Sundry deposits	2,201,754.25	186,711,182	1,692,064.19	143,656,250
	5,050,489.57	428,287,071	3,701,951.73	314,295,702
Term deposits	2,138,094.51	181,312,766	1,815,229.76	154,113,007
	7,188,584.08	609,599,837	5,517,181.49	468,408,709
8.1 Maturity grouping of deposits and other accounts				
Payable on demand	5,050,489.57	428,287,071	3,701,951.73	314,295,702
Payable within one month	-	-	-	-
More than one month but less than three months	2,138,094.51	181,312,766	1,815,229.76	154,113,007
More than three months but less than one year	-	-	-	-
More than one year but less than five years	-	-	-	-
	7,188,584.08	609,599,837	5,517,181.49	468,408,709



	2020		2019	
	USD	BDT	USD	BDT
9 Other liabilities				
Adjusting Account Credit	847,215.97	71,844,847	898,594.31	76,290,656
	847,215.97	71,844,847	898,594.31	76,290,656
10 Interest income				
Interest on Advances	3,055,494.73	259,109,314	4,406,934.64	374,148,751
Interest on Money at Call and Short Notice	-	-	-	-
Interest on fund placement with HO, ID	135,399.10	11,481,993	67,913.69	5,765,872
Interest on Foreign Currency Balances	-	-	-	-
	3,190,893.83	270,591,307	4,474,848.33	379,914,623
11 Interest paid on deposits and borrowings				
Interest on Deposits	32,374.96	2,745,432	33,962.73	2,883,436
Interest on Borrowings	1,836,233.84	155,714,649	3,000,045.31	254,703,847
Discount	-	-	-	-
Interest on REPO	-	-	-	-
	1,868,608.80	158,460,081	3,034,008.04	257,587,283
12 Commission, exchange and brokerage				
Commission	29,785.30	2,525,826	53,205.02	4,517,106
Exchange gain net off exchange losses	1.08	92	0.23	20
Brokerage	-	-	-	-
	29,786.38	2,525,918	53,205.25	4,517,126
13 Other Operating Income				
Shipping Guarantee, Handling charges, service charges etc.	139,749.24	11,850,889	86,418.16	7,336,902
Courier	2,853.00	241,938	3,759.77	319,204
SWIFT	6,598.00	559,518	5,317.00	451,413
Remittance Income	660.00	55,969	500.00	42,450
Miscellaneous	4,500.00	381,605	4,216.16	357,952
	154,360.24	13,089,919	100,211.09	8,507,921
14 Salaries and allowances				
Basic Salary	21,608.16	1,832,396	16,537.35	1,404,021
Allowances	14,733.84	1,249,446	11,576.51	982,846
Bank's contribution to PF	2,160.84	183,242	1,653.75	140,403
Others	-	-	-	-
	38,502.84	3,265,084	29,767.61	2,527,270
15 Rent, taxes, Insurance, electricity etc.				
Rent Office	12,350.16	1,047,307	12,907.09	1,095,812
Electricity	571.92	48,499	475.01	40,328
	12,922.08	1,095,806	13,382.10	1,136,140
16 Postage, stamps, telecommunication etc.				
Telephone Office	-	-	-	-
Courier	191.16	16,211	141.53	12,016
Internet	-	-	133.82	11,361
SWIFT charges	2,869.75	243,358	954.02	80,996
	3,060.91	259,569	1,229.37	104,373
17 Repair, maintenance and depreciation				
Depreciation				
Furnitures, fixtures, fittings etc.	-	-	60.04	5,097
Computer Equipment	-	-	-	-
Office Equipments	-	-	-	-
	-	-	60.04	5,097
Repair & maintainance				
Office Premises	-	-	-	-
Office Equipments	513.69	43,561	515.84	43,795
Furnitures and fixtures	-	-	-	-
Others	-	-	-	-
	513.69	43,561	515.84	43,795
	513.69	43,561	575.88	48,892



18 Other operating expenses

Registration and renewal fees
Stationary
Others

2020		2019	
USD	BDT	USD	BDT
-	-	-	-
-	-	-	-
-	-	177.55	15,074
-	-	177.55	15,074

19 General

19.1 Fixed assets of this unit are appearing in the books net off depreciation.

19.2 Assets and liabilities have been converted into Taka currency @ US\$ 1 = Tk. 84.8011 which represents the year-end mid rate of exchange as at December 31, 2020.

19.3 Previous year's figures have been rearranged, where considered necessary, to conform to current year's presentation.



National Bank Limited
Offshore Banking Unit, Bangladesh
Statement of Liquidity in US Dollar
(Maturity analysis of assets and liabilities)
As at December 31, 2020

Particulars	Maturity within 1 month	Maturity within 1 to 3 months	Maturity within 3 to 12 months	Maturity within 1 to 5 years	Maturity over 5 years	Total Amount
	USD					
<u>ASSETS</u>						
Cash in hand	-	-	-	-	-	-
Balance with other banks and financial institutions	911,178.18	-	-	-	-	911,178.18
Money at call and short notice	-	-	-	-	-	-
Investment	-	-	-	-	-	-
Loans & advances to customers	-	19,210,775.81	44,901,945.29	3,177,062.87	-	67,289,783.97
Fixed assets	-	-	20.00	-	-	20.00
Other assets	-	919,305.90	-	-	-	919,305.90
Non-banking assets	-	-	-	-	-	-
Total Assets	911,178.18	20,130,081.71	44,901,965.29	3,177,062.87	-	69,120,288.05
<u>LIABILITIES</u>						
Borrowings from other banks & financial institutions	1,337,000.00	3,217,500.00	20,691,200.00	35,838,788.00	-	61,084,488.00
Deposits & other accounts	5,050,489.57	2,138,094.51	-	-	-	7,188,584.08
Other liabilities	-	847,215.97	-	-	-	847,215.97
Total Liabilities	6,387,489.57	6,202,810.48	20,691,200.00	35,838,788.00	-	69,120,288.05
Net Liquidity Difference	(5,476,311.39)	13,927,271.23	24,210,765.29	(32,661,725.13)	-	-



National Bank Limited
Offshore Banking Unit, Bangladesh
Statement of Liquidity in BDT
(Maturity analysis of assets and liabilities)
As at December 31, 2020

Particulars	Maturity within 1 month	Maturity within 1 to 3 months	Maturity within 3 to 12 months	Maturity within 1 to 5 years	Maturity over 5 years	Total Amount
	BDT					
<u>ASSETS</u>						
Cash in hand	-	-	-	-	-	-
Balance with other banks and financial institutions	77,268,912	-	-	-	-	77,268,912
Money at call and short notice	-	-	-	-	-	-
Investment	-	-	-	-	-	-
Loans & advances to customers	-	1,629,094,920	3,807,734,353	269,418,426	-	5,706,247,699
Fixed assets	-	-	1,696	-	-	1,696
Other assets	-	77,958,152	-	-	-	77,958,152
Non-banking assets	-	-	-	-	-	-
Total Assets	77,268,912	1,707,053,072	3,807,736,049	269,418,426	-	5,861,476,459
<u>LIABILITIES</u>						
Borrowings from other banks & financial institutions	113,379,071	272,847,539	1,754,636,520	3,039,168,645	-	5,180,031,775
Deposits & other accounts	428,287,071	-	181,312,766	-	-	609,599,837
Other liabilities	-	71,844,847	-	-	-	71,844,847
Total Liabilities	541,666,142	344,692,386	1,935,949,286	3,039,168,645	-	5,861,476,459
Net Liquidity Difference	-464,397,230	1,362,360,686	1,871,786,763	(2,769,750,219)	-	-

