

ANNUAL  
REPORT | **2018**



**National Bank Limited**  
A Bank for Performance with Potential

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REPORT | 2018



 **National Bank Limited**  
A Bank for Performance with Potential

## *Theme*

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- On the Highway of Digital Banking
- Not Much Papers
- Socio-environmental protection
- More on Green

## NBL & its Offshore Unit at a Glance in 2018

(Taka in million)

<b>Operating income</b> +14.36% <b>36,769 m</b> 2017: 32,153 m	<b>Operating profit</b> -10.20% <b>9,219 m</b> 2017: 10,266 m	<b>Total assets</b> +16.12% <b>407,227 m</b> 2017: 350,692 m
<b>Earnings per share</b> -12.99% <b>1.54 Taka</b> 2017: 1.77	<b>Market value per share</b> -26.92% <b>9.50 Taka</b> 2017: 13.00	<b>Return on assets</b> -24.48% <b>1.08%</b> 2017: 1.43%
<b>Employees</b> +1.20% <b>4,657 nos</b> 2017: 4,602 nos	<b>Branches &amp; SME centers</b> +1.50% <b>203 nos</b> 2017: 200 nos	<b>Price earnings ratio</b> -15.94% <b>6.17 times</b> 2017: 7.34 times
<b>Import</b> +2.38% <b>90,580 m</b> 2017: 88,477 m	<b>Export</b> 17.27% <b>50,282 m</b> 2017: 42,878 m	<b>Remittance</b> +6.48% <b>40,743 m</b> 2017: 38,262 m


**OUR INITIATIVES IN 2018**

**TO MAKE BANGLADESH PROSPER**


Promoting Agriculture through Agri- Finance




Providing "Daridra Mukti Loan" to build up self Decadency of poor farmers




Encouraging Women Entrepreneurship through SME & Nari - Jagorani Finance




Promoting Industrialization though Finance in priority Sectors



Contributing to CSR for Sustainable Development



Working as collector of Govt. Tax in addition to Direct Contributor as Tax payer



Agri- Loan disbursed Tk. 444.99 crore among 30,325 nos of farmers

Provide Tk. 5.62 crore as under Daridra Mukti Finance among 717 nos of poor farmers

Disbursed Tk. 3,475.06 crore under SME finance among 7,481 nos of Entreprtners

Contribute Tk. 44.32 crore under CSR

Contribute Tk. 382.72 crore as Direct Tax

# CONTENT

PARTICULARS	PAGE NO.
Vision	4
Mission & Commitments	5
Forward Looking Statements	6
Core Values	7
Core Indicators	8
Segmental Information	9
Value Added Statement	10
Economic & Market Value Added Statement	11
Our Corporate Strategies	12
Delivering Growth	13
Five Years' Financial Summary	14
Board of Directors	16
Executive Committee, Audit Committee & Risk Management Committee	19
Notice of the 36 <sup>th</sup> Annual General Meeting	26
Standard Disclosure Index	27
Corporate Governance Disclosure Checklist	30
Chairman's Message	32
From the Desk of the Managing Director & CEO	36
Directors' Report	38
Risk Management	63
Sustainable Finance	87
Green Banking	92
Our People	96
Corporate Governance	99
Compliance Report under Condition No. 7.00 of BSEC	104
Report of the Audit Committee of the Board	121
Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements	122
Auditors' Report and Financial Statements	123
Offshore Banking Unit	181
NBL Money Transfer Pte. Ltd. Singapore	191
NBL Money Transfer Sdn Bhd. Malaysia	209
NBL Money Transfer (Maldives) Private Limited	225
NBL Money Transfer Payment Foundation S.A., Greece	237
NBL Money Transfer INC., USA	241
NBL Securities Ltd.	247
NBL Capital and Equity Management Ltd.	261
Corporate Information	271
Regional Office & Branch Network	272
Pictorial Views	278



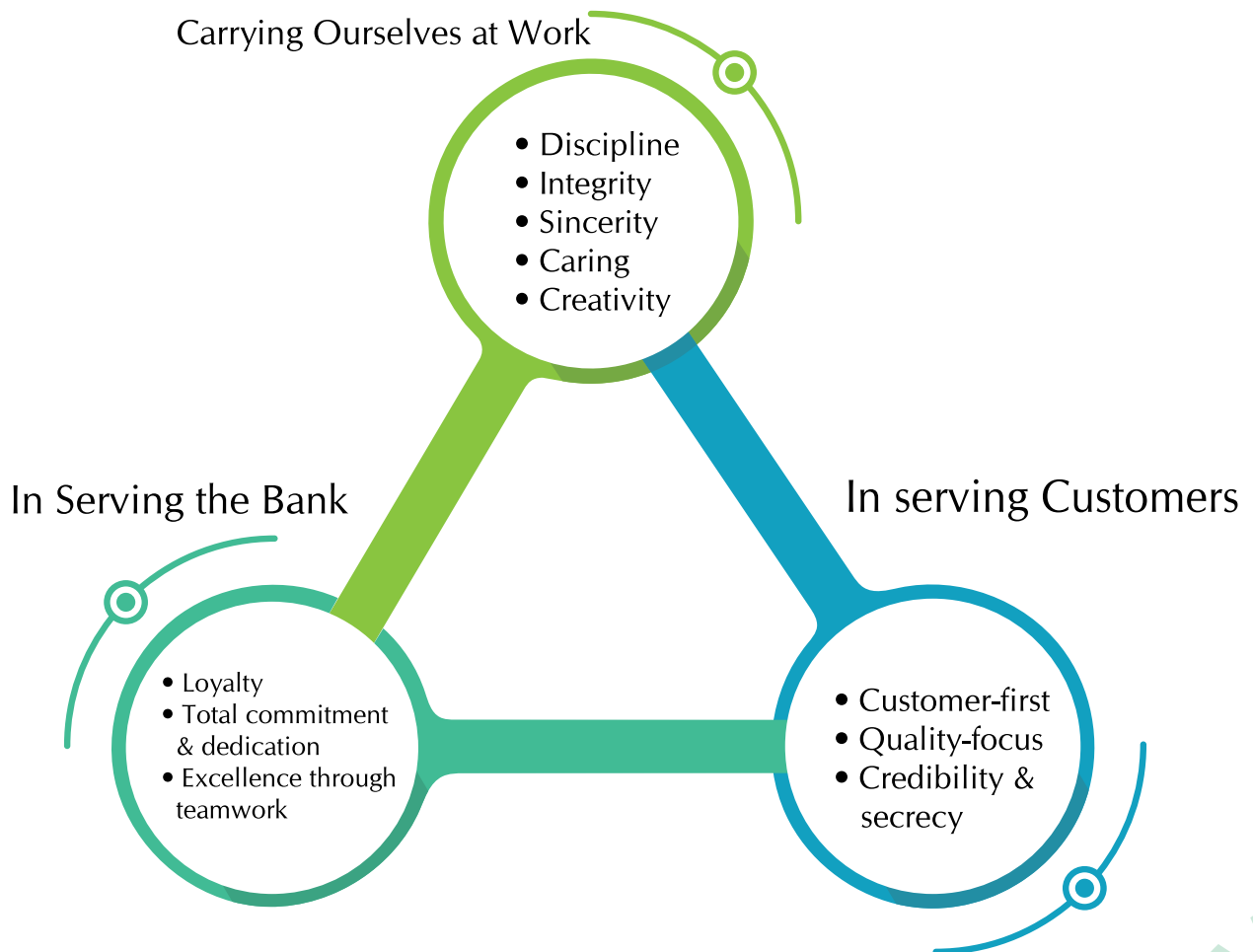
# VISION

Ensuring highest standard of clientele services through best application of latest information technology, making due contribution to the national economy and establishing ourselves firmly at home and abroad as a front ranking bank.

# MISSION

Efforts for expansion of our activities by adding new dimensions to our banking services are being continued unabated. Alongside, we are also putting highest priority in ensuring transparency, accountability, and improved clientele service as well as to our commitment to serve the society, through which we want to get closer and closer to the people of all strata. Winning an everlasting place in the hearts of the people as a caring companion in uplifting the national economic standard through continuous up gradation and diversification of our clientele services in line with national and international requirements is the desired goal we want to reach.

## Commitments



## WE HAVE ESTABLISHED POSITIVE TRENDS IN MARGIN, COST AND IMPAIRMENTS AND ARE WELL POSITIONED

### Forward looking statements

This annual report includes certain forward looking statements with respect to the business, strategy and plans of National Bank and its current goals and expectations relating to its future financial condition and performance. Statements that are not historical facts, including statements about National Bank or its directors and/or management's beliefs and expectations, are forward looking statements. Words such as 'believes', 'anticipates', 'estimates', 'expects', 'intends', 'aims', 'potential', 'will', 'would', 'could', 'considered', 'likely', 'estimate' and variations of these words and similar future or conditional expressions are intended to identify forward looking statements but are not the exclusive means of identifying such statements. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future.

Examples of such forward looking statements include, but are not limited to, projections or expectations of the Bank's future financial position including profit attributable to shareholders, provisions, economic profit, dividends, capital structure, expenditures or any other financial items or ratios; statements of plans, objectives or goals of NBL or its management including in respect of the integration and the achievement of certain synergy targets; statements about the future business and economic environments in Bangladesh and elsewhere including future trends in interest rates, foreign exchange rates, credit and equity market levels and demographic developments and any impact on the Bank; statements about strategic goals, competition, regulation, disposals and consolidation or technological developments in the financial services industry; and statements of assumptions underlying such statements.



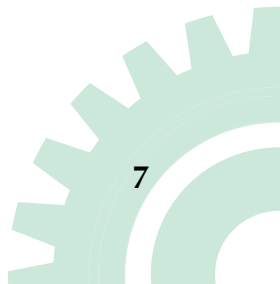
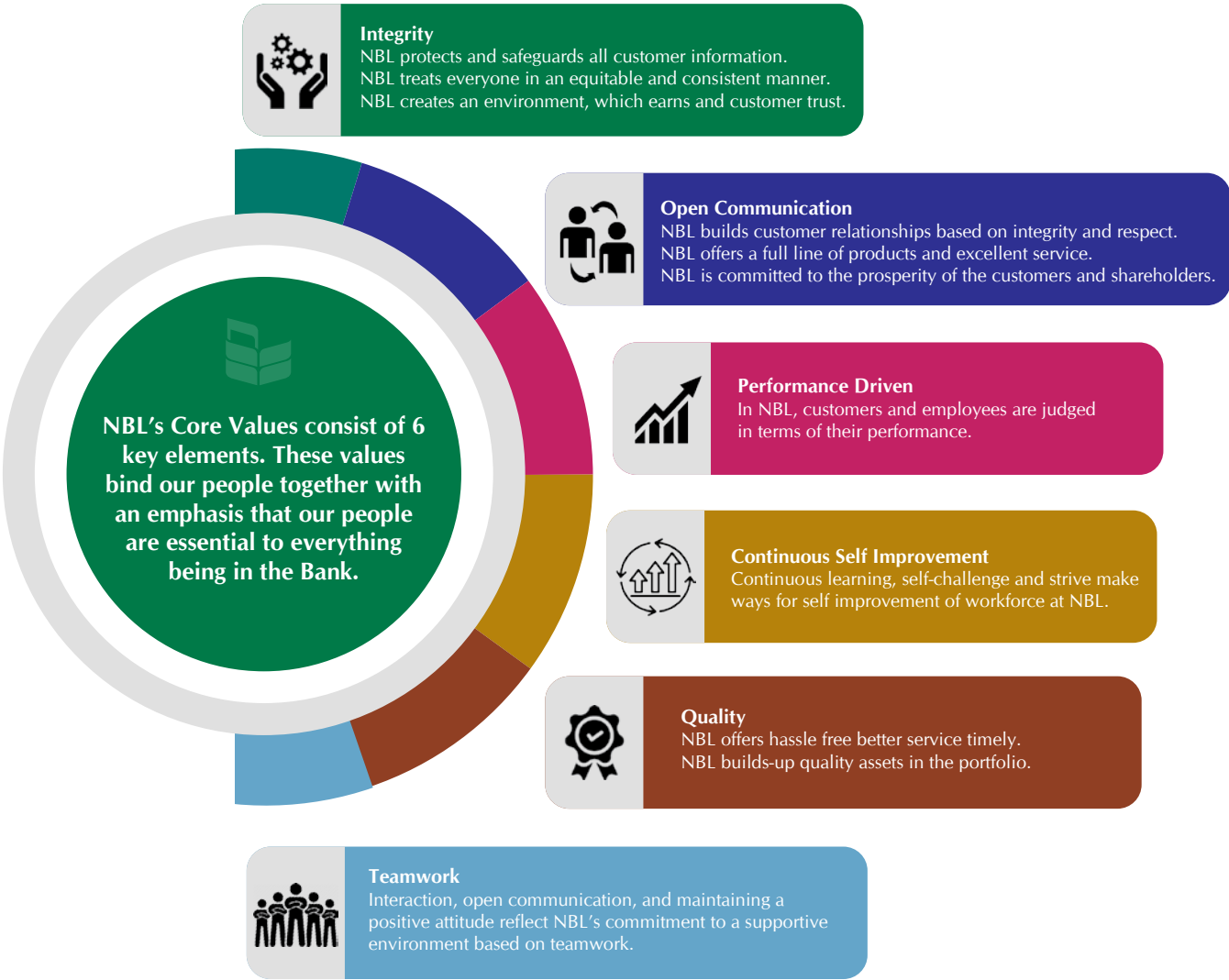
Except as required by any applicable law or regulation, the forward looking statements contained in this annual report are made as of the date hereof, and National Bank expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained in this annual report to reflect any change in NBL's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

The future strength of the Bank remains where it has always been - with its people. This Annual Report makes clear, that the Bank was founded on principles of openness, transparency and sound governance. That these values continue to earn trust and confidence is evidenced by the steadfast support of all stakeholders.

# ENSURING ACCOUNTABILITY AND LOYALTY THROUGH QUALITY SERVICE IN EVERY ASPECT IS OUR PRIME STRATEGY

## Core Values

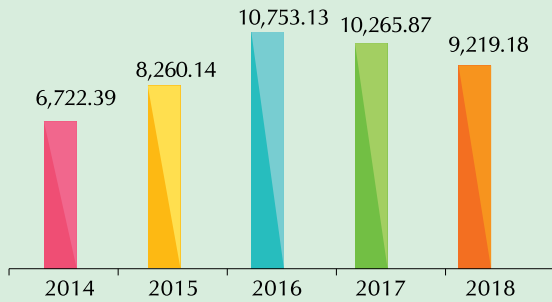
NBL's Core Values consist of 6 key elements. These values bind our people together with an emphasis that our people are essential to everything being in the Bank.



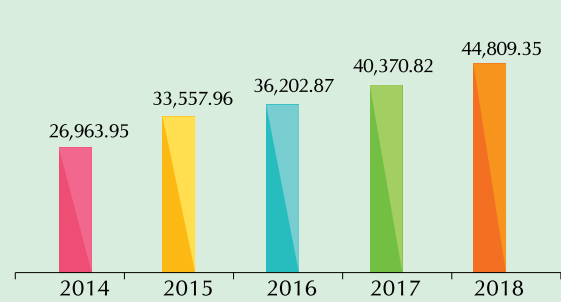


## Core Indicators

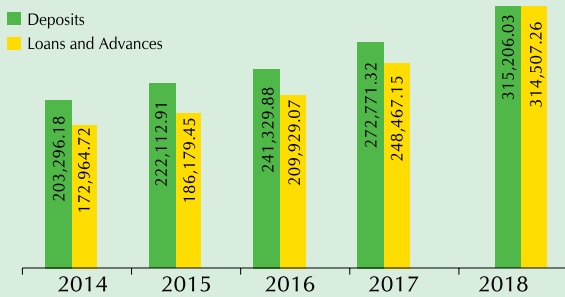
**Profit before tax & provision (Taka in million)**



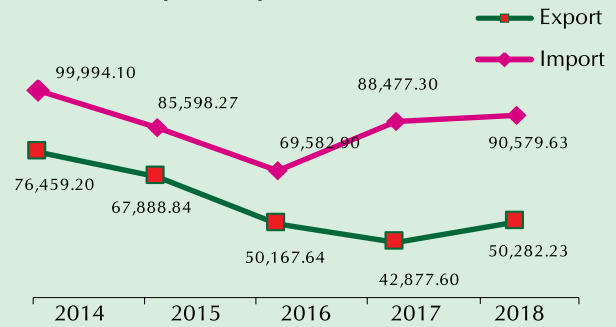
**Total Shareholders equity (Taka in million)**



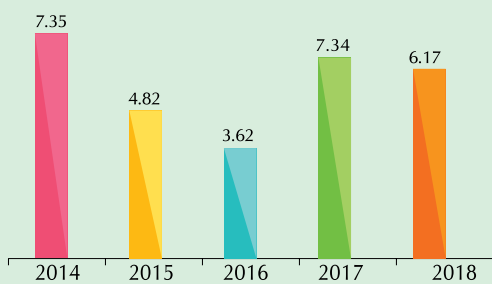
**Deposits & Loans and Advances (Taka in million)**



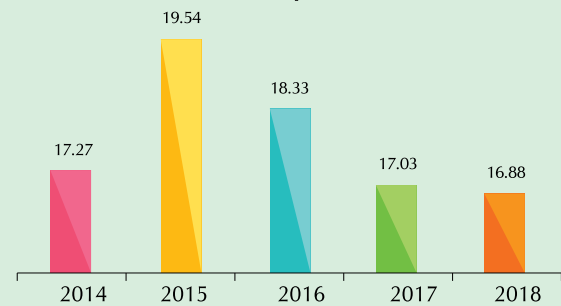
**Import & Export (Taka in million)**



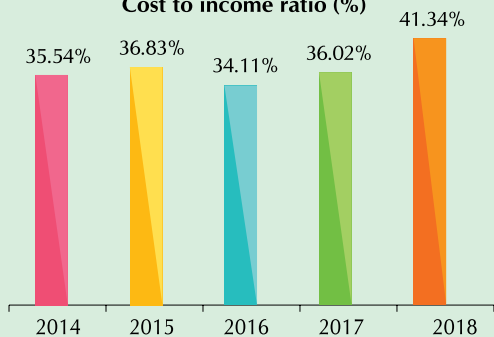
**Price earning ratio (Times)**



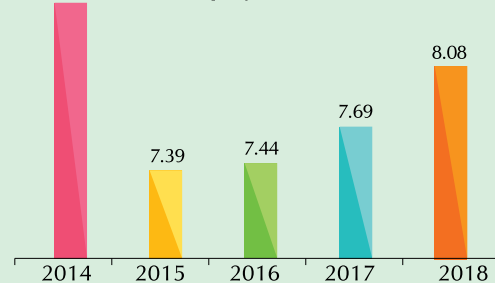
**Net assets value per share (Taka)**



**Cost to income ratio (%)**

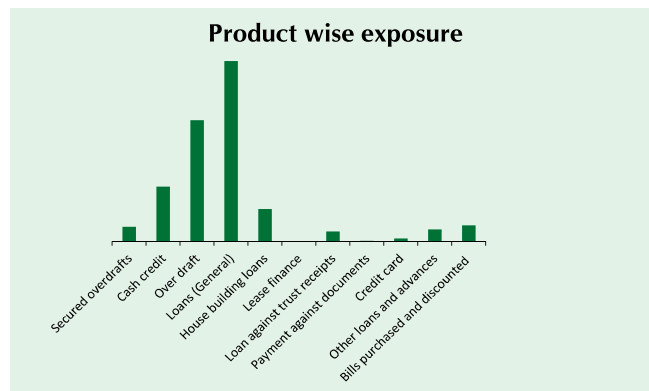
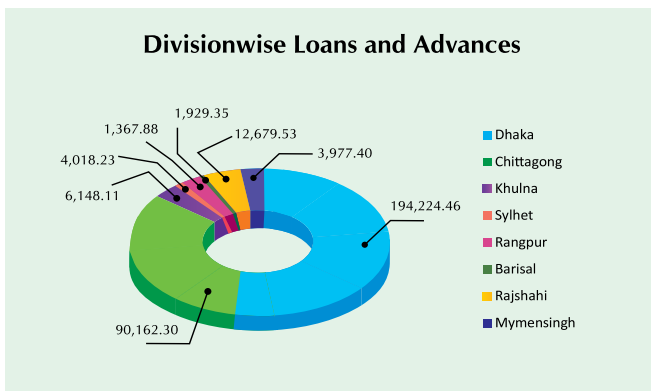
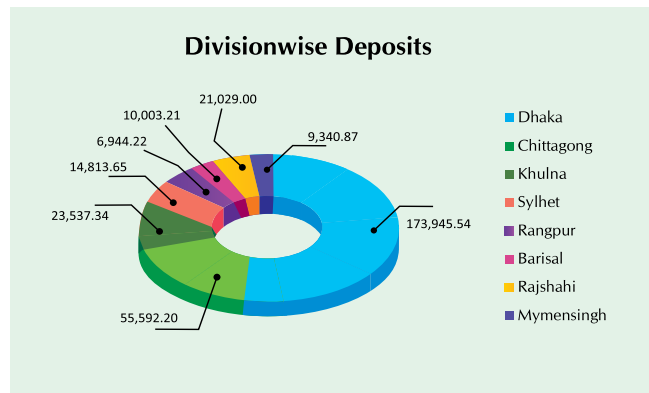
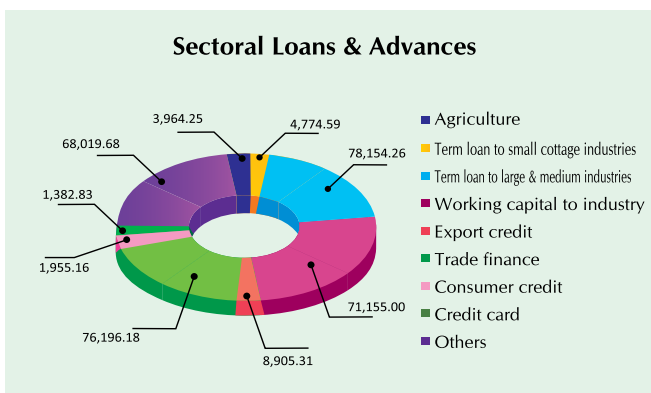
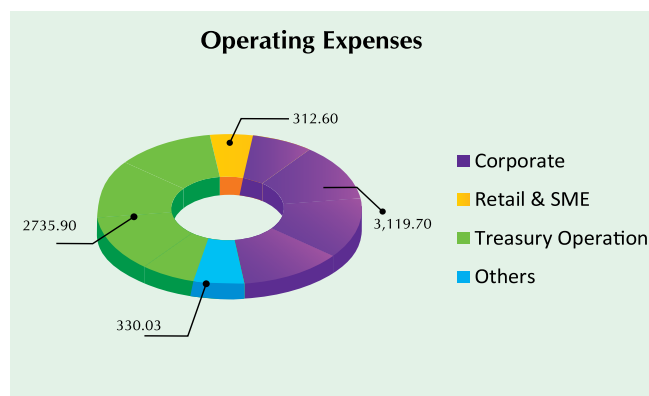
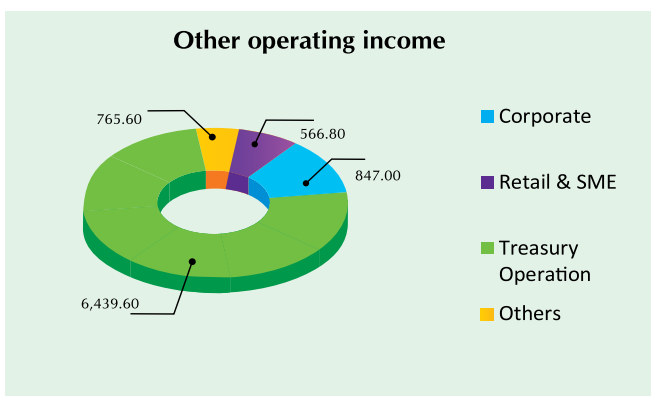
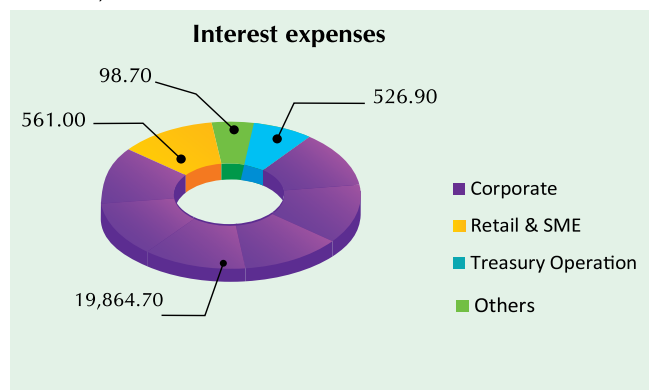
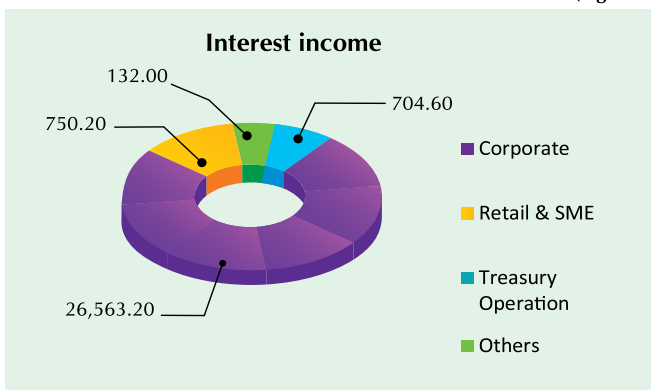


**Debt equity ratio(Times)**



## SEGMENTAL INFORMATION

(Figures in Million Taka)

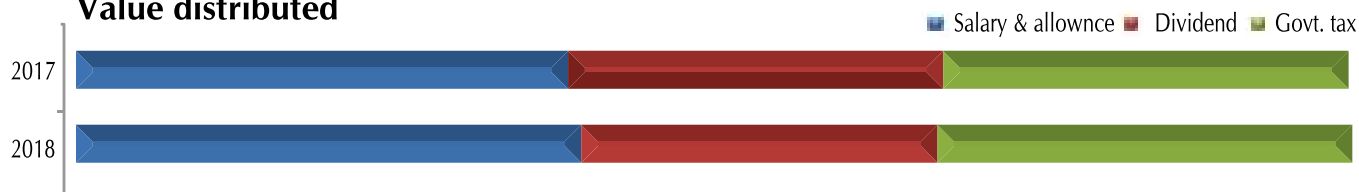


## Value added statement

Value added is the wealth created by National Bank Ltd. through the banking services. Value created from the income from banking services is the excess of cost of service rendered. The value added statement shows the total wealth created, how it was distributed to meet certain obligations and reward those responsible for its creation, and the portion retained for the continued operation and expansion of the Bank. The comparative value added statement of the bank for the year 2018 and 2017 is given below:

	2018 Taka	%	2017 Taka	%
<b>Value created</b>				
Income from banking service	35,459,453,438		30,520,705,354	
Cost of service rendered	(23,104,477,969)		(17,622,591,821)	
	<b>12,354,975,469</b>		<b>12,898,113,533</b>	
Non banking income	1,309,516,316		1,631,881,285	
Provisions	(2,040,000,000)		(2,503,000,000)	
	<b>11,624,491,785</b>	<b>100</b>	<b>12,026,994,818</b>	<b>100</b>
<b>Value distributed</b>				
To Employees as salary & allowances	3,962,719,214	34.09	3,772,260,051	31.36
To Shareholders as dividend	2,654,907,913	22.84	2,844,544,193	23.65
To Govt. as income tax	3,078,867,113	26.49	3,066,860,918	25.50
	<b>9,696,494,240</b>	<b>83.42</b>	<b>9,683,665,162</b>	<b>80.53</b>
<b>Value retained</b> (to maintain and develop operations)				
Statutory reserve	1,435,835,612	12.35	1,552,574,580	12.91
Depreciation	482,594,513	4.15	491,861,865	4.09
Retained earnings	9,567,420	0.08	298,893,211	2.49
	<b>1,927,997,545</b>	<b>16.58</b>	<b>2,343,329,656</b>	<b>19.47</b>
	<b>11,624,491,785</b>	<b>100.00</b>	<b>12,026,994,818</b>	<b>100.00</b>

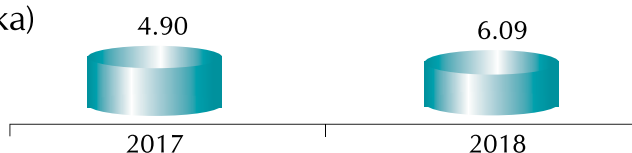
### Value distributed



### Value retained



### Value created per share (Taka)



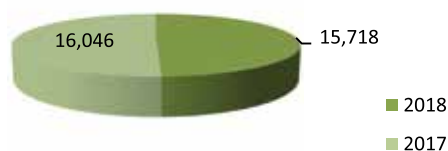
## Economic value added statement (EVA)

Economic value added (EVA) is a financial performance method to calculate the true economic profit of the bank. It provides a measurement of a company's economic success or failure over a period of time. Such a yardstick is useful to investors who wish to confidant with the company to retain their fund for better earnings as compared to other industry.

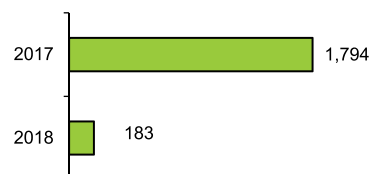
	2018 Taka	2017 Taka
Net operating income	15,717,548,033	16,045,581,128
Net operating expenses	(6,498,369,975)	(5,779,708,226)
<b>Operating profit (EBIT)</b>	<b>9,219,178,058</b>	<b>10,265,872,902</b>
Income tax	(3,078,867,113)	(3,066,860,918)
<b>Net operating profit after tax (NOPAT)</b>	<b>6,140,310,945</b>	<b>7,199,011,984</b>
Shareholders' equity	44,809,353,067	40,370,822,938
Provision for loans and others	2,040,000,000	2,503,000,000
<b>Economic bases for capital charges</b>	<b>46,849,353,067</b>	<b>42,873,822,938</b>
<b>Average Economic Bases</b>	<b>44,861,588,003</b>	<b>38,532,874,856</b>
Cost of capital*	13.28%	13.28%
Capital charges	5,957,618,887	5,405,404,734
<b>Economic value added</b> (NOPAT- Capital charges)	<b>182,692,058</b>	<b>1,793,607,250</b>
<b>Growth over last year</b>	<b>-89.81%</b>	<b>-39.89%</b>

\* Based on weighted average rate of Sanchay Patra issued by the Bangladesh Government plus 2% risk factor

Operating income & expenses (Taka in million)



Economic value added (Taka in million)

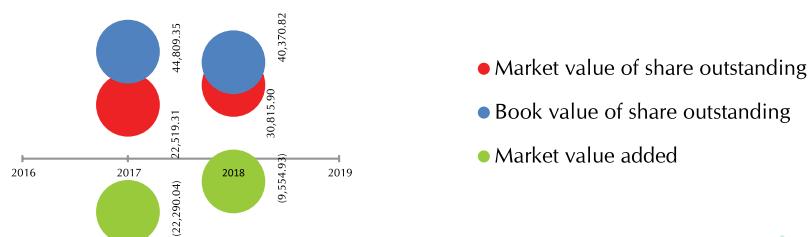


## Market value added statement

Unlike EVA, which measures internal performance, market value added (MVA) is a measure of external performance that indicates how the market has evaluated the company's performance in terms of market value of shares compared to book value of shares. The following statement indicates the MVA at the year endon 31st December.

	2018 Taka	2017 Taka
Market value of share outstanding	22,519,308,193	30,815,895,422
Book value of share outstanding	44,809,353,067	40,370,822,938
<b>Market value added</b>	<b>(22,290,044,874)</b>	<b>(9,554,927,516)</b>

Market value added ( Taka in million)



## OUR CORPORATE STRATEGIES

“Customer relationships are key to our strategy and important for all our businesses. The significant differences across the divisions/businesses means financial and non-financial strategic indicators for the development of customer relationships are tracked at a divisional level and commentary is included in the specific divisional commentaries.”

Our corporate strategy supports the Bank’s vision of being making due contribution to the national economy and establishing ourselves firmly at home and abroad as front ranking bank through providing best financial services. The strategy is focused on being a more conservative, ‘through the cycle’ relationship based business. We are a well diversified financial services company and have largest branch network and to provide Banking services among the corporate, retail & SME sectors. We have leading positions in many of the markets in which we participate specially SME and Agri Sector, a market leading distribution capability, well recognized brands and a large customer base are the main drivers. The scale of the organization provides us with the opportunity to further invest in products and services, systems and training that combined will offer unparalleled choice and service to our customers. Our corporate strategy is focused on:

### Developing strong customer franchises that are based on deep customer relationships

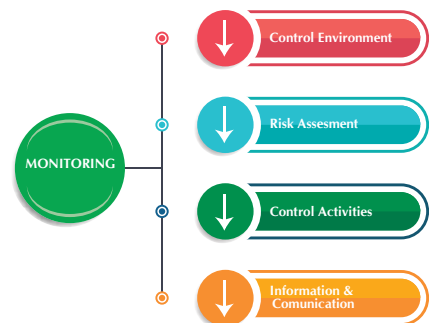
All our businesses are focused on extending the reach and depth of our customer relationships, whilst enhancing product capabilities to build competitive advantage. Ensuring we understand and effectively meet the needs of our customers from core banking products to the more specialist services such as brokerage, issue manager or corporate banking is at the heart of our business and is fundamental to ensuring we are developing long lasting customer relationships.

### STRATEGIC FOCUS

OUR BUSINESS FOCUS	LOW COST, LOW RISK, CUSTOMER FOCUSED, CORPORATE, SME, AGRI & RETAIL AND COMMERCIAL BANKING SERVICE		
OUR AIM	BEST BANK FOR CUSTOMERS	STRONG AND SUSTAINABLE SHARE HOLDER RETURNS	COMFORTABLE WORKING PLACE FOR THE EMPLOYEES
OUR STRATEGIC PRIORITIES	CREATING THE BEST CUSTOMER EXPERIENCE	BECOMING SIMPLER AND MORE EFFICIENT	DELIVERING SUSTAINABLE GROWTH

### Building a high performance organization

- In delivering a high performance organization the Bank is focused on improving our cost efficiency and utilizing our capital more effectively whilst maintaining a prudent approach to risk.
- The Bank aspires to have one of the lowest cost to income ratios amongst the banking financial institutions and further improving our processing efficiency and effectiveness will remain a priority. The anticipated synergies arising from the acquisition will be the key to further improving our efficiency.
- Utilizing capital more effectively is increasingly important in the current environment and capital will be rigorously allocated across our portfolio of businesses to support business growth.
- Our conservative and prudent approach to risk is core to the business model and the ‘through the cycle’ approach means we will continue to support our customers throughout the economic cycle. The risk structures and frameworks that have been implemented are the foundation for good business management.



### Managing our most valuable resource, our people

Executing our strategy effectively will only be possible if we ensure deliverables are effectively aligned with our corporate strategy and we manage our most valuable resource, our people, well. Our people have the skills and capabilities to deliver the strategy but in driving performance it is important to ensure we encourage, manage and develop our staff whilst creating a great place to work. The effective integration of the two businesses will be a significant challenge over the next few years, but comprehensive plans are in place and excellent progress is already being made. National Bank believes that the successful execution of its strategy to focus on core markets, customer and cost leadership, capital efficiency and a prudent risk appetite will enable the Bank to achieve its vision of being recognized as the best financial services company.

# Delivering Growth

Focusing on what really matters

Our aim is to be the best Bank for customers while providing strong and sustainable returns for shareholders. Customers are at the heart of everything we do, whether that be through our distribution network, our brands or our people. This commitment is supported by our stakeholders values of putting customers first, Keeping it simple and making a difference together.

We create value for our customers through our distinctive strengths, in particular our range of iconic and distinct brands, our superior customer insight, high quality, committed colleagues and relationship focus.



## Equality and Diversity

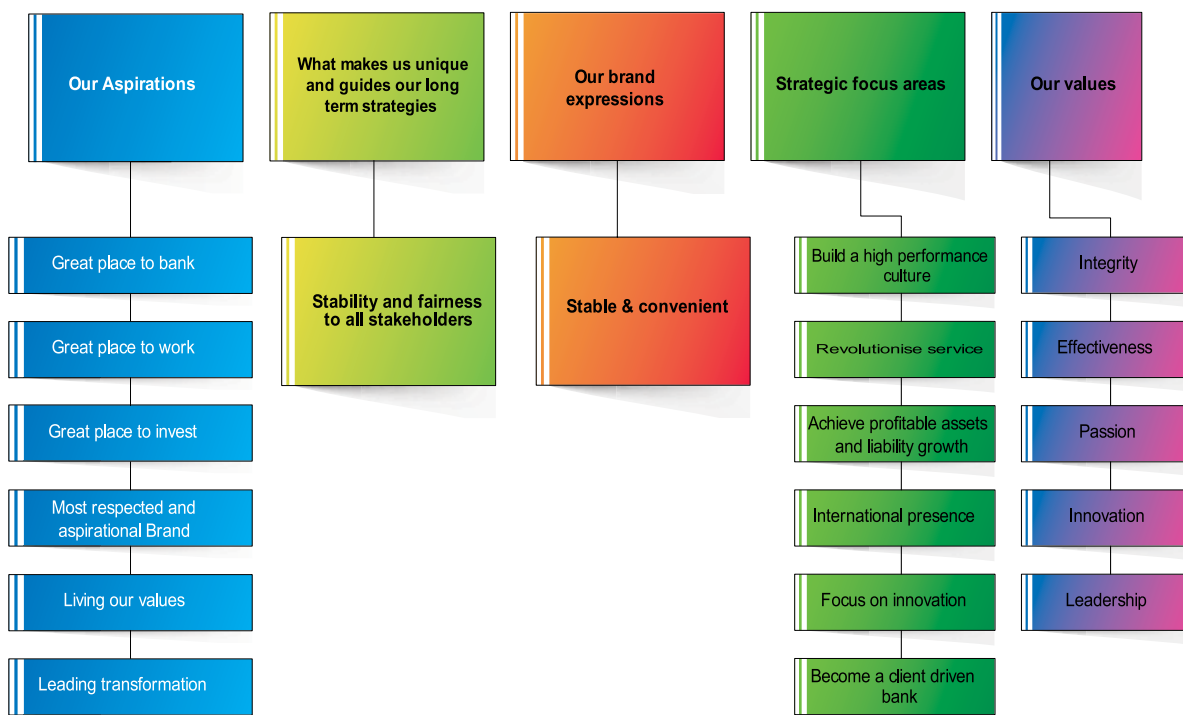
Diversity and inclusion is fundamental to our business success. Our customer base is very diverse and we need to ensure that we understand and can meet their needs if we are to be successful. Reflecting the diversity of the country in our own workforce helps us to achieve that goal. We are creating an environment where everyone can provide excellent service to our diverse customers and develop their individual careers, whatever their background.

Our commitment starts at the top of the organization taking the lead on initiatives that improve both the quality of our customer service and the working environment for our colleagues.

Through a range of initiatives and strategies we work hard to ensure NBL is inclusive for all colleagues and customers.

## Business focus and accountability

Managing risk effectively is a key focus and is one of the five criteria within the Group Balanced Scorecard on which business areas and individual performance are judged. Our approach to risk means that businesses remain accountable for risk but a strong and independent risk function also helps ensure adherence to the Group's risk and control frameworks. Continued investment in risk systems and processes help differentiate our risk management approach.



## Wide Branch network creates wide customer base

NBL is committed to provide modern Banking facilities among the mass people of the country. Expanding branch network NBL continuously bringing new people under the Banking net NBL is working as pathfinder in various segments of Banking business specially in Agri & SME loan. Through various innovative and attractive products/services we are trying to help the people in the rural area and women entrepreneurs to become self dependent based on wide branch network, modern Banking facilities, brand image, customer trust, commitment, team work making our growth more concrete.

2015

2017

2013

2013

2014

2016

2014

2017



at a glance in last

5 years



2

2

2014

2016

2014

2017

2017

2015

2013

2015

## Five Years Financial Summary

(NBL and Its Offshore Banking Unit)

(Taka in million)

	2014	2015	2016	2017	2018
<b>Income Statement</b>					
Interest Income	20,621.01	19,504.69	18,947.93	22,546.17	28,150.08
Interest Expenses	16,511.70	16,571.69	14,872.88	16,107.01	21,051.42
Non-Interest Income	8,406.29	10,143.66	12,235.92	9,606.41	8,618.89
Non-Interest Expenses	5,793.21	4,816.51	5,557.84	5,779.71	6,498.37
Profit before Tax and Provision	6,722.39	8,260.14	10,753.13	10,265.87	9,219.18
Profit after Tax	2,660.29	3,854.03	5,567.87	4,696.01	4,100.31
<b>Balance Sheet</b>					
Authorized Capital	17,500.00	17,500.00	30,000.00	30,000.00	30,000.00
Paid-up Capital	15,615.64	17,177.20	19,753.78	23,704.53	26,549.08
Reserve Fund & Surplus	11,348.31	16,380.76	16,449.09	16,666.29	18,260.27
Total Shareholders' Equity	26,963.95	33,557.96	36,202.87	40,370.82	44,809.35
Deposits	203,296.18	222,112.91	241,329.88	272,771.32	315,206.03
Loans and Advances	172,964.72	186,179.45	209,929.07	248,467.15	314,507.26
Investments	54,885.52	59,658.52	60,665.88	60,338.45	57,869.85
Fixed Assets (including non banking assets)	3,099.34	3,084.08	3,501.52	3,217.85	2,780.98
Total Assets	256,537.46	281,569.21	305,616.76	350,760.83	407,227.40
Off Balance Sheet Exposure	63,525.84	51,470.56	46,987.50	56,641.57	52,836.83
<b>Foreign Exchange Business</b>					
Import	99,994.10	85,598.27	69,582.90	88,477.30	90,579.63
Export	76,459.20	67,888.84	50,167.64	42,877.60	50,282.23
Remittance	58,351.40	56,321.08	45,437.58	38,262.10	40,743.36
<b>Regulatory Capital Measures</b>					
Total Risk Weighted Assets	249,560.60	259,355.90	283,628.77	345,751.00	364,254.80
Core Capital (Tier I)	24,320.29	27,223.26	32,240.56	39,127.19	41,982.08
Supplementary Capital (Tier II)	4,897.27	4,041.07	5,181.77	8,567.57	9,162.29
Total Capital	29,217.56	31,264.33	37,422.33	47,694.76	51,144.37
Tier I Capital Ratio	9.75%	10.50%	11.37%	11.32%	11.52%
Tier II Capital Ratio	1.96%	1.55%	1.82%	2.47%	2.52%
Total Capital Adequacy Ratio	11.71%	12.05%	13.19%	13.79%	14.04%
<b>Credit Quality</b>					
% of NPLs to Total Loans and Advances	5.26%	7.01%	10.35%	10.64%	9.50%
<b>Share Information</b>					
No of Shareholders (In actual number)	111,363	91,585	85,519	89,483	84,202
No of Shares Outstanding (million)	1,561.56	1,717.72	1,975.38	2,370.45	2,654.91
Earnings Per Share (Re-stated)	1.55	1.95	2.35	1.77	1.54
<b>Dividend Per Share</b>					
Stock	10%	15%	20%	12%	10%
<b>Market Capitalization</b>					
Market Price Per Share (Taka)	11.40	9.40	10.20	13.00	9.50
Price Earning Ratio (Times)	7.35	4.82	3.62	7.34	6.17
Net Assets Value Per Share (Taka)	17.27	19.54	18.33	17.03	16.88
<b>Operating Performance Ratio</b>					
Advance Deposit Ratio	85.08%	83.82%	84.66%	89.03%	97.49%
Cost of Funds	7.84%	6.92%	5.58%	5.64%	6.53%
Cost of Fund with Administrative Costs	10.28%	8.80%	7.78%	7.63%	8.52%
Yield on Loans and Advances	12.75%	11.17%	10.00%	10.80%	11.39%
Return on Assets	1.08%	1.43%	1.90%	1.43%	1.08%
Return on Equity	10.45%	12.74%	15.96%	12.27%	9.63%
Debt/ Equity Ratio (Times)	8.51	7.39	7.44	7.69	8.08
Cost/Income Ratio	35.54%	36.83%	34.11%	36.02%	41.34%
<b>Other Information</b>					
Number of Branches and SME Centres	179	191	191	200	203
Number of OBU Branches	1	1	2	2	2
Number of Employees	4,236	4,266	4,617	4,602	4,657
Number of Foreign Correspondents	493	493	587	567	527
Number of Subsidiaries	7	7	7	7	7
Number of associates -Gulf overseas	1	1	1	1	1
<b>Number of exchange company</b>					
Wholly or partly owned	5	5	5	5	5
Under agreement	52	52	49	40	39
<b>Ratings:</b>					
Long Term	AA-	AA	AA	AA	AA
Short Term	ST-2	ST-2	ST-2	ST-2	ST-2



# BOARD OF DIRECTORS



**Mr. Zainul Haque Sikder**  
Chairman



**Ms. Monowara Sikder**  
Director



**Ms. Parveen Haque Sikder MP**  
Director



**Mr. Alhaj Khalilur Rahman**  
Director



**Mr. Moazzam Hossain**  
Director



**Mr. Rick Haque Sikder**  
Director



**Mr. Ron Haque Sikder**  
Director



**Mr. Zakaria Taher**  
Director



**Mr. Mabroor Hossain**  
Director



**Mr. Jonas Sikder Khan**  
Director



**Mr. Md. Mahbubur Rahman Khan**  
Independent Director



**Mr. A K M Enamul Hoque Shameem, MP**  
Independent Director



**Sikder Insurance Company Ltd.**  
Corporate Director



**Mr. Choudhury Moshtaq Ahmed**  
Managing Director & CEO

## Executive Committee

Ms. Parveen Haque Sikder, MP	Chairperson
Ms. Monowara Sikder	Member
Mr. Alhaj Khalilur Rahman	Member
Mr. Moazzam Hossain	Member
Mr. Rick Haque Sikder	Member
Mr. Ron Haque Sikder	Member
Mr. A K M Enamul Hoque Shameem, MP	Member
Managing Director	Ex. Officio Member

## Audit Committee

Mr. Md. Mahbubur Rahman Khan	Chairman
Mr. Mabroor Hossain	Member

## Risk Management Committee

Ms. Parveen Haque Sikder, MP	Chairperson
Mr. Ron Haque Sikder	Member



35<sup>th</sup> Annual General Meeting of National Bank Limited



Shareholders attending the 35<sup>th</sup> Annual General Meeting of the Bank.

## Meeting



Meeting of the Board of Directors of the Bank.



Meeting of the Executive Committee of the Bank.

## Managers' Conference 2019



The Management Team of the Bank is seen in a single frame

## Branch Managers, Regional Managers & Divisional Heads



A glimpse of the Participants at Annual Business Conference 2019





**Sitting from left :**

- Mr. Syed Rois Uddin, DMD
- Mr. M. A. Wadud, AMD
- Mr. Choudhury Moshtaq Ahmed, MD & CEO
- Mr. A. S. M. Bulbul, AMD
- Mr. Shah Syed Abdul Bari, DMD
- Mr. Arif Md. Shahedul Haque, DMD



### Standing from left :

Mr. A.K.M. Salah Uddin Khan, SVP  
Mr. Krishna Kamal Ghose, SVP  
Mr. Major Sk Md Yousuf Reza, (Rtd), SVP  
Mr. Md. Sohel Faisal, SVP  
Mr. Md. Mahfuzur Rahman, EVP  
Mr. Hossain Akhtar Chowdhury, SEVP

Mr. Md. Ekramul Haque, SEVP  
Mr. Kazi Kamal Uddin Ahmed, SEVP  
Mr. Arun Kumar Halder, EVP  
Mr. Md. Moniruzzaman, EVP  
Mr. Md. Zahirul Islam, SVP  
Mr. Munshi Abu Zakaria, SVP

## NOTICE OF THE 36<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 36<sup>th</sup> Annual General Meeting of National Bank Limited will be held on Tuesday, the 20<sup>th</sup> August 2019 at 11.00 a.m. at Utshab, Radisson Blu Dhaka Water Garden Hotel, Airport Road, Dhaka to transact the following business:

### AGENDA

1. To receive, consider and adopt the Profit and Loss Accounts of the Company for the year ended 31<sup>st</sup> December, 2018 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To declare Dividend for the year ended 31<sup>st</sup> December, 2018 as recommended by the Board of Directors.
3. To elect/re-elect Directors in accordance with the provisions of the Articles of Association of the Company.
4. To appoint Auditors of the Company for the term until the conclusion of the next Annual General Meeting and to fix their remuneration.
5. To appoint the Compliance Auditors as per Corporate Governance Code for the year 2019 and to fix their remuneration..

**By order of the Board of Directors**



**A S M Bulbul**

AMD & Company Secretary

Dated: Dhaka  
30 April 2019

#### Notes:

- a) The Record Date is fixed on 16<sup>th</sup> June 2019. Trading of the Company's shares in the Stock Exchanges will remain suspended on the Record Date.
- b) The Board of Directors has recommended 10% Stock Dividend for the year ended 31<sup>st</sup> December 2018. The Members whose name will appear in the Register of Members of the Company or in the Depository (CDBL) on the Record Date (16<sup>th</sup> June 2019) will be eligible to attend the AGM and receive the Dividend.
- c) Any member of the Company entitled to attend and vote at the general meeting may appoint a proxy to attend and vote on his/ her behalf.
- d) The instrument appointing a proxy duly signed by the Member and stamped (Tk20/-) must be submitted at the Registered Office of the Company at least 48 (Forty eight) hours before the meeting.
- e) As per provision of the Articles of Association of the Company, the Directors who shall retire at the meeting, being eligible, offered themselves for re-election.
- f) M/s Rahman Mostafa Alam & Co., Chartered Accountants, the current Auditors will retire from office in the 36<sup>th</sup> Annual General Meeting. Since they have audited the accounts of the Bank for 2<sup>nd</sup> year and as such as per Bangladesh Bank's BRPD circular letter No. 12 dated 11.07.2001, they are eligible for re-appointment.
- g) For Registration in the meeting, production of Attendance Slip/Proxy/Attorney is required. The signature must agree with the recorded signature. The Registration Counter shall remain open from 8.00 a.m. to 11.00 a.m.
- h) In compliance with the restriction imposed by Bangladesh Securities and Exchange Commission vide their Circular No. SEC/ CMRRCD/2009-193/154 dated 24 October 2013, Gift/Gift Coupon/ Food Box etc. shall not be distributed at the 36<sup>th</sup> AGM of the Bank.

## Standard Disclosure Index

Particulars	Page No.
<b>Corporate Objectives, Values &amp; Structure</b>	
Vision and Mission	4-5
Overall strategic objectives	6,12-13
Core values and code of conduct/ethical principles	7
Profile of the Company	99-101,115-116, 271
Directors' profiles and their representation on Board of other companies & Organization Chart	16-18, 170-174
<b>Management Report/ Commentary and analysis including Director's Report/Chairman's Review/CEO's Review etc.</b>	
A general review of the performance of the Company	32-37, 47-62
Description of the performance of the various activities / products / segments of the Company and its group companies during the period under review. (Weightage to be given for pictorial / graphical / tabular presentations used for this purpose)	
A brief summary of the Business and other Risks facing the organization and steps taken to effectively manage such risks	63-86
A general review of the future prospects/outlook.	6, 13, 94-98
Information on how the Company contributed to its responsibilities towards the staff (including health & safety)	88-91
Information on Company's contribution to the national exchequer & to the economy	34, 51-61
<b>Sustainability Reporting</b>	
Corporate Social Responsibility Initiatives (CSR)	88-91
Environment related Initiatives	92-95
Environmental & Social Obligations	92-95
Integrated Reporting	N/A
<b>Appropriateness of Disclosure of Accounting policies and General Disclosure</b>	
Disclosure of adequate and properly worded accounting policies relevant to assets, liabilities, income and expenditure in line with best reporting standards.	140-149
Any Specific accounting policies	
Impairment of Assets	
Changes in accounting policies/Changes in accounting estimates	
<b>Segment Information</b>	
Comprehensive segment related information bifurcating Segment revenue, segment results and segment capital employed Availability of information regarding different segments and units of the entity as well as nonsegmental entities/units Segment analysis of - Segment Revenue - Segment Results - Turnover - Operating profit - Carrying amount of Net Segment assets	8-9
<b>Financial Statements (Including Formats)</b>	
Disclosures of all contingencies and commitments	129, 135
Comprehensive related party disclosures	170-174
Disclosures of Remuneration & Facilities provided to Directors & CEO	167

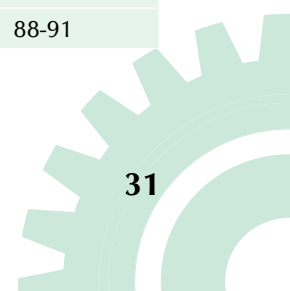
Particulars	Page No.
Statement of Financial Position / Balance Sheet and relevant schedules Income Statement / Profit and Loss Account and relevant schedules Statement of Changes in Equity / Reserves & Surplus Schedule Disclosure of Types of Share Capital Statement of Cash Flow Consolidated Financial Statement (CFS) Extent of compliance with the core IAS/IFRS or equivalent National Standards Disclosures / Contents of Notes to Accounts	123-180
<b>Information about Corporate Governance</b>	
Board Of Directors, Chairman and CEO Audit Committee (Composition, role, meetings, attendance, etc) Internal Control & Risk Management Ethics and Compliance Remuneration and other Committees of Board Human Capital Communication to Shareholders & Stakeholders Information available on website Other information Management Review and Responsibility Disclosure by Board of Directors or Audit Committee on evaluation of quarterly reports Any other investor friendly information	99-122
<b>Risk Management &amp; Control Environment</b>	
Description of the Risk Management Framework Risk Mitigation Methodology Disclosure of Risk Reporting	63-86
<b>Stakeholders Information</b>	
Distribution of shareholding (Number of shares as well as category wise, e.g Promoter group, FII etc)	115-116
Shares held by Directors/Executives and relatives of Directors/Executives Redressal of investors' complaints	163-165
<b>Graphical/ Pictorial Data:</b>	
Earnings per Share Net Assets Stock Performance Shareholders' Funds Return on Shareholders' Fund	2, 8-9
<b>Horizontal/Vertical Analysis including following</b>	
Operating Performance (Income Statement) - Total Revenue - Operating Profit - Profit Before Tax - Profit after Tax - EPS	2, 15
<b>Statement of Financial Position (Balance Sheet)</b>	
Shareholders' Fund Property, Plant & Equipment Net Current Assets Long Term Liabilities/Current Liabilities	128, 134, 175
<b>Profitability/Dividends/ Performance and Liquidity Ratios</b>	
Gross Profit Ratio Earning before Interest, Depreciation and Tax Price Earning Ratio Current Ratios Return on Capital Employed Debt Equity Ratio	15

Particulars	Page No.
<b>Statement of Value Added and Its Distribution</b>	
Government as Taxes Shareholders as dividend Employees as bonus/remuneration Retained by the entity Market share information of the Company's product/services Economic value added	10
<b>Additional Disclosures</b>	
For Example Human Resource Accounting Any other good additional disclosures ( Independence certification e. g. GNV / GRI )	N/A
<b>Specific Disclosures</b>	
Disclosure of Ratings given by various rating agencies for Instruments issued by /of Bank. For eg. FD, CD, Tier I perpetual Bonds	148
Details of Advances portfolio Classification wise as per the direction issued by the central Bank of the respective countries	154-156
Disclosure for Non Performing assets - Movements in NPA - Sector-wise breakup of NPA - Movement of Provisions made against NPA - Details of accounts restructured as per regulatory guidelines	155, 162
Maturity Pattern of Key Assets and Liabilities (ALM)	139
Classification and valuation of investments as per regulatory guidelines/Accounting Standards	144
Business Ratio/Information - Statutory Liquidity Reserve (Ratio) - Net interest income as a percentage of working funds / Operating cost Efficiency ratio - Return on Average Asset - Cost / Income Ratio - Net Asset Value Per Share - Profit per employee - Capital Adequacy Ratio - Operating profit as a percentage of working funds - Cash Reserve Ratio / Liquid Asset Ratio - Dividend Cover Ratio - Gross Non-Performing assets to gross advances/Non-Performing Loans (Assets) to Total Loans (Assets)	15, 150
Details of credit concentration / Sector wise exposures	154-155
The break-up of 'Provisions and contingencies' included in the Profit and Loss Account	146, 162
Disclosure under regulatory guidelines Details of Non-Statutory investment portfolio Disclosure in respect of assets given on operating & finance lease Disclosures for derivative investments Bank's Network : List of Centers or Branches	63-95

## Corporate Governance Disclosure Checklist

PARTICULARS	PAGE NO.
<b>1. BOARD OF DIRECTORS, CHAIRMAN AND CEO</b>	
1.1 Company's policy on appointment of directors disclosed.	61
1.2 Adequate representation of non executive directors i.e. one third of the board, subject to a minimum of two	N/A
1.3 At least one independent director on the board and disclosure/affirmation of the board on such director's independence.	104-106
1.4 Chairman to be independent of CEO	106
1.5 Responsibilities of the Chairman of the Board appropriately defined and disclosed. Disclosure of independence of Non Executive Directors	122
1.6 Existence of a scheme for annual appraisal of the board's performance and disclosure of the same.	38-62
1.7 Disclosure of policy on annual evaluation of the CEO by the Board.	15, 36-37
1.8 Disclosure of policy on training (including details of the continuing training program) of directors and type and nature of training courses organized for directors during the year. Existence of a scheme for annual appraisal of the boards performance	N/A
1.9 At least one director having thorough knowledge and expertise in finance and accounting to provide guidance in the matters applicable to accounting and auditing standards to ensure reliable financial reporting.	104
1.10 Disclosure of number of meetings of the board and participation of each director (at least 4 meetings are required to be held)	116
1.11 Directors issue a report on compliance with best practices on Corporate Governance that is reviewed by the external auditors	103
<b>2. VISION / MISSION AND STRATEGY</b>	
2.1 Company's vision / mission statements are approved by the board and disclosed in the annual report.	4-5
2.2 Identification of business objectives and areas of business focus disclosed	7
2.3 General description of strategies to achieve the Company's business objectives	12
<b>3. AUDIT COMMITTEES</b>	
<b>3.1 Appointment and Composition</b>	
3.1.1 Whether the Audit Committee Chairman is an independent Non – Executive Director and Professionally Qualified	108-109
3.1.2 Whether it has specific terms of reference and whether it is empowered to investigate /question employees and retain external counsel	121
3.1.3 More than two thirds of the members are to be Non Executive Directors	N/A
3.1.4 All members of the audit committee to be suitably qualified and at least one member to have expert knowledge of finance and accounting.	169
3.1.5 Head of internal audit to have direct access to audit committee	
3.1.6 The committee to meet at least four times a year and the number of meetings and attendance by individual members disclosed in the annual report.	116
<b>3.2 Objectives &amp; Activities</b>	
3.2.1 Statement on Audit Committee's review to ensure that internal controls are well conceived properly administered and satisfactorily monitored	
3.2.2 Statement to indicate audit committees role in ensuring compliance with Laws, Regulations and timely settlements of Statutory dues	169

PARTICULARS	PAGE NO.
3.2.3 Statement of Audit committee involvement in the review of the external audit function: <ul style="list-style-type: none"> <li>• Ensure effective coordination of external audit function</li> <li>• Ensure independence of external auditors</li> <li>• To review the external auditors’ findings in order to be satisfied that appropriate action is being taken</li> <li>• Review and approve any non audit work assigned to the external auditor and ensure that such work does not compromise the independence of the external auditors.</li> <li>• Recommend external auditor for appointment/ reappointment 133</li> </ul> 3.2.4 Statement on Audit Committee involvement in selection of appropriate accounting policies that are in line will applicable accounting standards and annual review. 3.2.5 Statement of Audit Committee involvement in the review and recommend to the board of directors, annual and interim financial releases 3.2.6 Reliability of the management information used for such computation	121
<b>4. INTERNAL CONTROL &amp; RISK MANAGEMENT</b>	
4.1 Statement of Directors’ responsibility to establish appropriate system of internal control 4.2 Narrative description of key features of the internal control system and the manner in which the system is monitored by the Board, Audit Committee or Senior Management.	45-46
4.3 Statement that the Directors’ have reviewed the adequacy of the system of internal controls 4.4 Disclosure of the identification of risks the Company is exposed to both internally & externally 4.5 Disclosure of the strategies adopted to manage and mitigate the risks 156	148
<b>5. Ethics and Compliance</b>	
5.1 Disclosure of statement of ethics and values, covering basic principles such as integrity, conflict of interest, compliance with laws and regulations etc.. 5.2 Dissemination / communication of the statement of ethics & business practices to all directors and employees and their acknowledgment of the same 5.3 Board’s statement on its commitment to establishing high level of ethics and compliance within the organization 5.4 Establishing effective anti-fraud programs and controls, including effective protection of whistle blowers, establishing a hot line reporting of irregularities etc.	122
<b>6. REMUNERATION COMMITTEE</b>	
6.1 Disclosure of the charter (role and responsibilities) of the committee 6.2 Disclosure of the composition of the committee (majority of the committee should be non-executive directors, but should also include some executive directors) 6.3 Disclosure of key policies with regard to remuneration of directors, senior management and employees 6.4 Disclosure of number of meetings and work performed 6.5 Disclosure of Remuneration of directors, chairman, chief executive and senior executives.	N/A
<b>7. HUMAN CAPITAL</b>	
7.1 Disclosure of general description of the policies and practices codified and adopted by the Company with respect to Human Resource Development and Management, including succession planning, merit based recruitment, performance appraisal system, promotion and reward and motivation, training and development, grievance management and counseling. 7.2 Organizational Chart	96-98
<b>8. Communication to Shareholders &amp; Stakeholders</b>	
8.1 Disclosure of the Company’s policy / strategy to facilitate effective communication with shareholders and other stake holders 8.2 Disclosure of Company’s policy on ensuring participation of shareholders in the Annual General Meeting and providing reasonable opportunity for the shareholder participation in the AGM.	103-114
<b>9. Environmental and Social Obligations</b>	
9.1 Disclosure of general description of the Company’s policies and practices relating to social and environmental responsibility of the entity	92-95
9.2 Disclosure of specific activities undertaken by the entity in pursuance of these policies and practices	88-91







## চেয়ারম্যানের বাণী

ন্যাশনাল ব্যাংক লিমিটেড এর ৩৬তম বার্ষিক সাধারণ সভায় আপনাদেরকে স্বাগত জানাতে পেরে আমি আনন্দিত। ব্যাংকিং খাতে পরিবর্তনশীল ও ক্রমবর্ধমান ব্যবসায়িক প্রতিযোগিতা সত্ত্বেও ন্যাশনাল ব্যাংক তার কার্যক্রমকে বিগত বছরের তুলনায় অধিকতর সুসংহত রাখার জন্য সর্বাঙ্গিক প্রচেষ্টা অব্যাহত রেখেছে।

ন্যাশনাল ব্যাংক লিমিটেড বিগত ৩৬ বছরে বহুবিধ প্রতিকূলতাকে অতিক্রম করে সময়ের সন্ধ্যবহারে মাধ্যমে সমৃদ্ধি অর্জন করেছে। কার্যকরভাবে দেশের ব্যাংকিং খাতে শক্তিশালী ভিত্তি প্রতিষ্ঠা করা সম্ভব হয়েছে।

আমরা অতি দ্রুত অর্জিত স্বল্পস্থায়ী ও অকার্যকর সমৃদ্ধির তুলনায় দৃঢ় ও কৌশলগত সমৃদ্ধিতে বিশ্বাসী। যে কোনো অনুকূল পরিস্থিতিতে ভাল ফলাফল অর্জন করা সম্ভব, কিন্তু অনিশ্চিত পরিস্থিতিকে মোকাবেলা করে এই ফলাফল অর্জন করা সম্পূর্ণরূপে কঠিন এবং এ অবস্থায় সফলতা অর্জন করা হলে তা ব্যাংকের সফল ব্যবসায়িক নীতি ও একটি সুদক্ষ পরিচালনা কমিটির পরিচয় বহন করে। ব্যাংকের সকল স্টেকহোল্ডারদের প্রতি বিশেষ গুরুত্ব

## Chairman's Message

It gives me immense pleasure to welcome you all at the 36<sup>th</sup> Annual General Meeting of National Bank Ltd. With the changing environment and competition in the accelerated business environment in the banking industry during the year 2018, National Bank Ltd strive hard with full efforts to transform into an even better bank than before.

National Bank Limited has been thriving through many challenges and opportunities for last 36 years. We have effectively established a strong foothold in the country's banking arena.

We believe in well-built and strategic growth than a rapid futile growth that may disappear quickly. It may be easy to make good result under favorable conditions, however it is quite difficult to make good result in case of uncertainty and achieving success in that condition shows clear evidence of successful business policy and efficient management. A good focus on value creation

প্রদান করে সম্পদ বৃদ্ধি আমাদের লক্ষ্য, যা ব্যাংকের সমৃদ্ধিকে গতিশীল করে এবং দীর্ঘমেয়াদী উন্নতিকে ত্বরান্বিত করে। ব্যাংকের আর্থিক সক্ষমতা এবং সম্পদ এটা নির্দেশ করে যে, আমাদের চারপাশের পরিবেশ-পরিস্থিতির সাথে আমরা সম্পূর্ণরূপে মানানসই। আমি অত্যন্ত আনন্দের সাথে জানাচ্ছি যে, ন্যাশনাল ব্যাংক লিমিটেড ২০১৮ সালে ৯,২১৯.১৮ মিলিয়ন টাকা মুনাফা অর্জন করার মাইলফলক স্থাপন করেছে, একইসাথে ১৬.০৯% সম্পদ প্রবৃদ্ধি অর্জিত হয়েছে, এর মাধ্যমে ন্যাশনাল ব্যাংক লিমিটেড ২০১৮ সালে প্রচলিত ব্যাংকিং ব্যবস্থায় বাংলাদেশে সর্বোচ্চ মুনাফা অর্জনকারী ব্যাংকের অবস্থান ধরে রেখেছে। সুদের হার-হ্রাসের অসুবিধাসমূহ এবং মার্জিনের উপর অব্যাহত চাপ মোকাবেলা করা চ্যালেঞ্জিং ব্যবসায়িক পরিস্থিতিতে এই সাফল্য অর্জন করা নিঃসন্দেহ প্রশংসার দাবীদার। ঋণ ও আমানত বৃদ্ধি এবং গ্রাহক ভিত্তির উপর নির্ভর করে আমরা মূলধনের শক্ত ভিত ধরে রাখার চেষ্টা অব্যাহত রেখেছি। আলোচ্য বছরে গড় ঋণের প্রবৃদ্ধি ২৬.৫৭% এবং গড় আমানতের প্রবৃদ্ধি ১৫.৫৫%। ঋণ ও অগ্রিম ক্ষেত্রে আমরা বেশ কিছু আকর্ষণীয় স্কিম চালু করেছি, যা আমাদের মুনাফাকে ক্রমান্বয়ে উন্নতির দিকে নিয়ে গেছে।

২০১৮ সালের শেষদিকে অর্থনৈতিক বাজার ছিল সম্পূর্ণরূপে অস্থিতিশীল, যা বাংলাদেশের ব্যাংকিং খাতকে প্রভাবিত করেছে। বাজার ব্যবস্থার ওই অসামঞ্জস্যতার সময়ও ন্যাশনাল ব্যাংক লিমিটেড তার দৃঢ় অবস্থান ধরে রেখেছিল। কেননা আমাদের মূলধনের ভিত্তি ছিল অত্যন্ত শক্তিশালী, Capital to Risk Weighted Asset Ratio (CRAR) নির্ধারিত মাত্রার চেয়ে বেশি ছিল।

আলোচ্য বছরে আমরা কিছু সমন্বিত ঘটনাপ্রবাহ লক্ষ্য করছিলাম যেগুলো প্রতিযোগী ক্ষেত্রগুলোর মৌলিক পরিবর্তন ঘটাইছিল। বিশেষতঃ গ্রাহকদের প্রত্যাশার দ্রুত পরিবর্তন, উদ্ভাবনী যান্ত্রিক কৌশল এবং সেবার নতুন আঙ্গিকসমূহ আমাদের মনোযোগ আকর্ষণ করেছে। সম্মিলিতভাবে এই উপাদানগুলো গ্রাহককে সেবা প্রদানের ক্ষেত্রে পরিবর্তন এনেছে।

উপরন্তু আমাদের শিল্পে প্রতিযোগিতামূলক পরিবর্তন আনার জন্য আমরা এটাও আশা করি যে, অসম অর্থনৈতিক উপাদানসমূহ ২০১৯ সালেও অব্যাহত থাকতে পারে। এ দুটোই এক সময় আমাদের জন্য চ্যালেঞ্জ নিয়ে আসবে। কিন্তু ২০১৯ সালে এ দুটোই আমাদেরকে আগের চেয়ে ভালো ব্যাংকিং ক্ষেত্র তৈরির সুযোগ করে দিবে। আমাদের গ্রাহকগণ, তারা অতি সমৃদ্ধ পটভূমি থেকেই আসুক কিংবা অর্থনৈতিক চ্যালেঞ্জসমূহ মোকাবেলা করে প্রান্তিক অবস্থান থেকেই আসুক, আমরা সকলের সাথে আমাদের অংশীদারিত্ব বজায় রাখব।

বর্তমানে আমরা একটি ভিন্নতর ব্যবসায়িক প্রেক্ষাপটে অবস্থান করছি, যা মাত্র কয়েক বছর আগের তুলনায় অত্যন্ত অস্থিতিশীল। এর অনিবার্য পরিণতি হিসাবে আর্থিক সেবা খাতসমূহ দ্রুত পরিবর্তিত হচ্ছে এবং ন্যাশনাল ব্যাংক লিমিটেড ধীরে ধীরে স্থিতিশীলভাবে এই পরিবর্তনকে স্বাগত জানাচ্ছে।

আমাদের গ্রাহকদের জীবন যাপন প্রণালী এবং তাদের কর্মকাণ্ডসমূহ অনবরত পরিবর্তিত হচ্ছে। কারণ, তারা ডিজিটাল চ্যানেলসমূহের মাধ্যমে লেনদেন করে অধিকতর স্বস্তি ভোগ করছে। তাদের ব্যবসা ও অর্থনৈতিক কর্মকাণ্ডসমূহ নিয়ন্ত্রণের উপর তাদের পছন্দ ক্রমাগত পরিবর্তিত হচ্ছে। আমরা এই পরিবর্তনশীল দিকগুলোকে আমাদের ব্যবসায়িক কৌশলের অন্তর্ভুক্ত করে

for all our stakeholders drives our target and achievement along with long term sustainability. Financial strength and asset quality are the key indicators of performance and ensure that we stay relevant to the communities we belong to. Accordingly it is my pleasure to report that National Bank Ltd has recorded a profit amounting to BDT. 9,219.18 million along with asset growth of 16.09% during 2018, sustaining its position as the most profitable conventional Bank in Bangladesh. No doubt it is a plausible performance in a challenging business environment with difficulties of decreasing interest rate and continued pressure on margin. We keep trying to place our strong capital position to work by increasing loans and deposits along with a good customer base. Average loan increased by 26.57% and average deposit by 15.55%. We also generate many different schemes for loans and advances to attractive areas that have lead to steady developments in our profitability.

During 2018, especially in the 4<sup>th</sup> quarter, the financial market was tremendously unstable that affected the Banking sector in Bangladesh. Within this period of market inconsistency, National Bank Limited remained very stable. Our capital base was strong; our Capital to Risk Weighted Asset Ratio (CRAR) was above the level of regulatory requirement

We observe a confluence of events that are creating some fundamental shifts in the competitive landscape. Of particular note, we see rapidly changing customer expectations, innovative digital technologies and new service models – all of which are changing the need of how customers' are served.

In addition to shifting competitive dynamics in our industry, we also expect that uneven economic conditions will likely persist in 2019. Both of these will present challenges for us at times, but the year 2019 will also be filled with opportunities for us to culminate into an even better bank. We will culminate into partner with our customers- whether they are in our higher growth markets, or those who are facing challenging economic conditions in a marginalized state.

At present we are in a different business environment operation which is very unstable than just a few years back. Consequently, the financial services industries are changing rapidly and NBL is embracing the change slowly but steadily.

The way our customers lead their lives and view their financial partners is constantly evolving because they gain more and more comfort with transacting via digital channels. We are slotting in these phase into our strategy and we are investing across the banking system to meet customers expectation and position ourselves for long term value creation. Our business platform

নির্দিষ্ট এবং গ্রাহকদের প্রত্যাশা পূরণ ও নিজেদের জন্য একটি দীর্ঘমেয়াদী সম্পদ বৃদ্ধির অবস্থান তৈরির লক্ষ্যে অবিচল আছি। আমাদের ব্যবসায়িক কাঠামোর প্রযুক্তি উত্তরোত্তর বিস্তৃত হচ্ছে। গ্রাহকের সাথে নিবিড় সম্পর্ক সৃষ্টির মাধ্যমে আমাদের ব্যবসার খাতকে প্রসারিত এবং পুণ্যসজ্জিত করেছি।

ব্যবসায়ে ক্রমবর্ধমান প্রতিকূলতা থাকা সত্ত্বেও ন্যাশনাল ব্যাংক লিমিটেড এর আর্থিক প্রবৃদ্ধি ও অসাধারণ অর্জন ধরে রেখেছে। ব্যাংক এর ডিপোজিট, লোন এবং অ্যাসেট এর প্রবৃদ্ধি যথাক্রমে ১৫.৫৫%, ২৬.৫৭% এবং ১৬.০৯% অর্জিত হয়েছে। আমাদের ব্যাংক কর পূর্ববর্তী মুনাফা ৭,১৭৯.১৮ মিলিয়ন এবং কর পরবর্তী মুনাফা ৪,১০০.৩১ মিলিয়ন টাকা অর্জন করেছে। ন্যাশনাল ব্যাংক মুনাফার দিকেও এর আস্থা ধরে রেখেছে। ন্যাশনাল ব্যাংক লিমিটেড এ অবস্থা ধরে রাখতে পেরেছে তার ক্রমবর্ধমান ব্যবসায়িক বিকাশ, খরচ যৌক্তিককরণ, দক্ষ গ্রাহক সেবা এবং দক্ষ জনবল, অধ্যবসায়, পেশাদারী মনোভাব এবং ঝুঁকি ব্যবস্থাপনার মাধ্যমে।

নিয়মিত করদাতা হিসেবে ন্যাশনাল ব্যাংক লিমিটেড ২০১৮ সালে ৩,৮২৭.১৮ মিলিয়ন টাকা অগ্রিম কর প্রদান করেছে।

২০১৯ সালে ব্যাংকে সঠিক বিনিয়োগ ও পূর্ণবিন্যাসের মাধ্যমে আমাদের এই পথচলা অব্যাহত রাখব। আমরা গ্রাহক বান্ধব আধুনিক প্রযুক্তি ও যোগাযোগ মাধ্যমে বিনিয়োগের উপর আরো গুরুত্ব আরোপ করব। বাজারে প্রচলিত আমাদের সেবাসমূহকে যৌক্তিকীকরণ করব এবং দেশের সর্বত্র গ্রাহকদের কাছে পৌঁছে দিব। ২০১৯ সালের শেষ নাগাদ দেশের সর্বত্র সম্ভাব্য স্থানে আমাদের কার্যক্রমসমূহকে শক্তিশালী করে ন্যাশনাল ব্যাংকের শাখা সংখ্যা ২১০ এ পৌঁছানোর মাধ্যমে আমরা সমগ্র বাংলাদেশে আমাদের নেটওয়ার্ক বিস্তৃত করব। আমরা কিছু প্রত্যন্ত অঞ্চলে ব্যাংকিং বুথ স্থাপনের মাধ্যমে উক্ত এলাকা সমূহকে ব্যাংকিং নেটওয়ার্কের আওতায় যুক্ত করব। আমাদের লক্ষ্য গ্রাহকদেরকে তাদের প্রয়োজন ও চাহিদার অতিরিক্ত আর্থিক সুবিধা, প্রযুক্তি, পণ্য ও সেবা প্রদান করা। আসছে বছরগুলোতে আমরা বাংলাদেশে সর্বোচ্চ মানের আর্থিক সেবা প্রদানকারী প্রতিষ্ঠান হিসাবে স্বীকৃতি অর্জন করতে চাই।

পরিশেষে, আমি উল্লেখ করতে চাই যে, আমরা ২০১৯ সালের মার্চ মাসে ব্যাংকের ৩৬তম প্রতিষ্ঠা বার্ষিকী পালন করেছি। এটা ন্যাশনাল ব্যাংক লিমিটেড এর জন্য একটি গুরুত্বপূর্ণ মাইলফলক এবং এটা সম্ভব হয়েছে জনগণ ও ব্যবসা প্রতিষ্ঠান দ্বারা, যারা তাদের প্রয়োজন মেটাতে সর্বপ্রথম আমাদেরকে আস্থায় নিয়েছে। সম্মানিত গ্রাহকগণ, আপনাদেরকে অশেষ ধন্যবাদ। আপনারা আমাদেরকে বিগত ৩৬ বছর যাবৎ আপনাদেরকে সেবা প্রদানের সুযোগ দিয়েছেন এবং আমরা অনাগত শতবর্ষের দিকে তাকিয়ে আছি। আমার সহকর্মীবৃন্দ, আপনাদের প্রত্যেককে আমি ব্যক্তিগতভাবে আন্তরিক ধন্যবাদ জানাতে চাই। এটা সম্ভব হয়েছে আপনাদের কঠোর পরিশ্রম ও আমাদের নীতির প্রতি আপনাদের শ্রদ্ধাবোধ থাকার কারণে, যার ফলশ্রুতিতে আমি এখানে ২০১৮ সালের সফলতার বিস্তারিত তুলে ধরতে পেরেছি। ২০১৮ সালে আমরা যা অর্জন করেছি তা চমৎকার ও প্রশংসার যোগ্য এবং আমি উজ্জ্বলতর ২০১৯ এর দিকে আশা নিয়ে তাকিয়ে আছি।

আমরা আমাদের সাফল্যনির্ভর গল্প ও চ্যালেঞ্জসমূহ আপনাদের সামনে উপস্থাপন করেছি এবং আমরা গর্বিত যে, সম্মিলিত প্রচেষ্টায় আমাদের ব্যাংকটিকে আমরা পরিচালনা করছি। এ কথা বিবেচনায় রেখে পরিচালনা

is becoming day by day more and more demanding and technologically varied. We are re-arranging our business mix to line up with prospect where we have never been before by creating and maintaining close relationship with our customers.

Despite, the surge of difficult business challenges National Bank Ltd maintained a steady and growing financial performance with remarkable achievement. The Bank's deposits, loans and advances and total assets registered a growth of 15.55%, 26.57% and 16.09% respectively. Our Bank has earned a pre-tax profit of Tk. 7,179.18 million and profit after Tax Tk. 4,100.31 million. NBL is maintaining its constancy in respect to business profitability. NBL could reach at this position due to focusing on steady business growth, cost rationalization, skilled delivery service, and competent human resources, due diligence, professionalism and risk management ability.

As a regular tax payer, the Bank made a direct contribution of Tk 3,827.18 million as advance to Government Exchequer in 2018.

We will continue on our journey of reorganizing and rediscovering the Bank in 2019. We will emphasize on investing to further customer friendly modern technology and communications. We will rationalize our product offering in market and make available those to our client vividly. We will expand our branch network throughout the country touching 210 branches by the end of 2019 in order to strengthening our market leadership to every possible place of the country. We will also go forward with launching some banking booths in some remote areas in order to incorporate those areas into banking network. We aim to deliver financial solution, technology, products and services that exceed our clients need and demand. We want to be the most respected financial service provider in Bangladesh in the next year.

Finally, I want to concede that we celebrated our 36<sup>th</sup> anniversary in March 2019, which shows a key milestone of our National Bank Ltd, and it was possible by the people and business enterprises that trust us to put their needs first. We once again reiterate thanks to our clients for giving us the opportunity to serve you over the last 36 years. To our team members, I would like to personally thank from my heart to each and every one of you-it is because of dedication at work and adherence to our purpose that I am here to tell you about our success in 2018. What we achieved in 2018 was excellent and praiseworthy and I am looking forward towards a brighter 2019.

We share our success oriented strive and stories amid severe challenges and we feel proud in propelling our Bank collectively. Keeping this in view, the Board of Directors proposes 10% stock

পর্যদ শেয়ারহোল্ডারদের জন্য ১০% স্টক ডিভিডেন্ট ঘোষণা করেছে, যা ৩৬তম বার্ষিক সাধারণ সভায় অনুমোদন লাভ করবে।

আমি বোর্ডের সহকর্মীদের সাথে আমার অনুভূতি ভাগ করে নিতে চাই এবং তাদেরকে ধন্যবাদ জ্ঞাপন করতে চাই, যাদের বাস্তবধর্মী পরামর্শ ও দূরদৃষ্টিসম্পন্ন দিকনির্দেশনা ব্যবস্থাপনা কর্তৃপক্ষকে আশাবাদী করেছে এবং আস্থার সাথে সম্মুখপানে অগ্রসর হতে সাহায্য করেছে। আমি আমাদের ব্যবস্থাপনা কর্তৃপক্ষ এবং দক্ষ ও বিশ্বস্ত মাঠ পর্যায়ের কর্মকর্তাদের সাধুবাদ জানাচ্ছি, যারা কঠোর পরিশ্রমের মাধ্যমে সকল প্রতিকূলতাকে অতিক্রম করেছেন। বাংলাদেশ ব্যাংক, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এবং অন্যান্য সকল রেগুলেটরী কর্তৃপক্ষকে কৃতজ্ঞতা জানিয়ে আমার বক্তব্য শেষ করছি এবং আসছে দিনগুলোতেও তাদের অব্যাহত সমর্থন, দিকনির্দেশনা ও সহযোগিতা পাব বলে আশা করছি।

আল্লাহ হাফেজ



চেয়ারম্যান

dividend to the shareholder to be approved in the 36<sup>th</sup> Annual General Meeting.

I would like to express my thanks to my colleagues in the Board whose practical propositions and farsighted co-operation made our Management positive and pro-active to step forward confidently. My appreciation goes to the Management Team and the trustworthy field level skilled officials for their hard effort for overcoming all the shortcomings and hurdles. I conclude by expressing my heartfelt gratitude to Bangladesh Bank, Bangladesh Securities and Exchange Commission and all other regulatory bodies. We look forward to their relentless support, guidance and cooperation in the coming days too.

Allah Hafez



Chairman



## From the Desk of the Managing Director & CEO

### Dear Shareholders,

I take this opportunity to express my gratitude for your continuous trust, co-operation and relentless support to the Bank. It gives me immense pleasure to share with you that your Bank crossed yet another milestone during the year 2018 with total operating profit of Tk.9,219.18 million, highest amongst the private sectors Commercial Banks currently doing conventional banking business in Bangladesh.

You are aware that the Banking sector of Bangladesh is passing through a difficult phase. The asset quality of most of the banks has been under increasing pressure for the last few years. The problem turned even more crucial during 2018 as most of the banks faced unprecedented deterioration in asset quality. Profitability of the sector also witnessed a steep decline on account of increased provisioning for non-performing assets.

Despite several odds & pitfalls, the major focus of the Bank remained on consolidation of the balance sheet to make it stronger and healthier on upcoming days. The Bank allocated a large amount of operating profits towards floating provisions, so as to have a strong cushion against future uncertainties. The Bank risk culture promotes rational decision-making by integrating enhanced understanding of risk appetite across the Bank and effective technology driven communication including prompt escalation of important risk issues.

During the year 2018, with a view to ensure sustainable growth of the Bank we have initiated several action plans. We have diversified our portfolio in different sectors to have a holistic and focused approach towards accelerating the growth; result of this change has been very encouraging towards broad based growth in all business lines of the segment.

Few key indicators are furnished hereunder for your kind information:

Particulars	BDT in Million		
	2018	2017	Change (%)
Deposits	315,206.03	272,771.32	15.55%
Loans & Advances	314,507.26	248,467.15	26.57%
Export	50,282.23	42,877.60	17.27%
Import	90,579.63	88,477.80	2.37%
Inward Foreign Remittance	40,743.36	38,262.10	6.48%
Total Assets	407,227.40	350,760.83	16.09%
Profit after Tax	4,100.31	4,696.01	-12.68%
Return on Equity	9.63%	12.27%	-21.52%
Net Assets Value per share (Taka)	16.88	17.03	-0.88%
<b>Total Capital</b>	<b>51,144.37</b>	<b>47,694.76</b>	<b>7.23%</b>
Capital to Risk Weighted Asset Ratio	14.04%	13.79%	1.81%

Liquidity crunch in the banking sector prevailed over the year due to slow growth of deposits and sluggish recovery of loans. Many actors and factors working together have created this undesirable situation. Funding for infrastructural development, high rate of savings certificate aggravated the deposit crisis further. For getting higher return offered by different banks and financial institutions, many of our existing customers have also shifted their fund. Despite the fact, we have maintained the positive phase of deposit growth during the period. With prudent fund management along with vigorous efforts for hunting fresh deposit along with retaining existing customers, we have managed to achieve 15.55% growth of deposit in 2018 compare to the position of last year to reach Tk.315,206.03 million; with continued focus towards improving low cost/core deposits mix of the Bank.

In line with our Bank's strategy of maintaining high asset quality, advances of our Bank grew by Tk.66,040.11 million to reach Tk.314,507.26 million; whereas average advances grew by 26.57%. Major growth was witnessed in long-term loans, commodity operations and working capital loans.

Bank's total assets base has increased by 16.09% to reach Tk.407,227.40 million as at December 31, 2018. Equity position of our Bank also witnessed sound growth of 10.99% to close at Tk.44,809.35 million as at December 31, 2018; reflecting strong financial strength and growth prospects. The Capital to Risk Weighted Asset Ratio of the Bank stood at 14.04% as at December 31, 2018, remaining well above the regulatory requirement and industry average. With strong capital adequacy and risk management parameters in place the Bank remains poised to capitalize on any uptick in credit appetite.

The Bank has been working vigorously to continue its footprints as the leading brand in the banking industry of Bangladesh. With added focus on Agriculture and SME portfolio, International Trade, tie-ups with Multilateral Agencies for various business initiatives including Trade Finance, Micro Finance. Diversification in Risk Asset, strengthening its productive sector portfolio, expansion of its footprints in strategic locations and continuous focus on understanding customer needs and creating solutions around them shall be the key priorities of the Bank.

Expanding footprint to assist financial inclusion of unbanked population remained key area of focus of our Bank. During 2018, the Bank expanded its branch network by 04 new branches including 02 rural and 02 urban branches. With the addition of these branches in urban and rural areas, the overall network of the Bank reached 203. Concurrent focus was also made in enhancing Alternate Delivery Channels (ADC) with the addition of 09 new ATMs to reach 40 ATMs in total deployed across Bangladesh. We have also connected with National Payment Switch of Bangladesh Bank for interbank ATM Fund Transfer through NPSB network under ITCL platform that has been mandatory by Bangladesh Bank.

In view of supporting progressive development of the nation by extending diversified Corporate Social Responsibility (CSR) activities, NBL has been constantly contributing to various aid programs and events, encompassing art, heritage, education, health, security and sports sectors to its range of CSR initiatives.

In line with strategic objectives of the Bank, focused induction of efficient workforce to support ever expanding branch network, development of existing and new capabilities through useful learning platform and provision of rewarding career growth for consistent performers through enabling work environment remained a key strategic objective. The Bank has been actively providing trainings to its human resources in order to not just gain short term increase in efficiency and effectiveness but to attain overall development as an individual that will help them excel to their potential and capabilities.

### Future outlook

Bangladesh economy is witnessing an exciting commendable phase of growth and National Bank Limited is fully geared to accelerate into the next trajectory of growth with confidence and sincerity. We are committed to execute our strategic plans by achieving sustainable growth with our relentless efforts and praiseworthy professionalism. It's time to think bigger, act faster and drive higher with greater strength, swiftness and enthusiasm towards escalate the Bank to newer heights. Our strong financial and business position, supported by wide branch network with good teamwork, has taken us to a strong position to address the needs of our customers and move towards our vision of ensuring highest standard of services through the best application of latest information technology. Making due contribution to the national economy and establishing ourselves firmly at home and abroad as a front-ranking bank of the country are our cherished vision.

### Acknowledgment

At the end, I would like to acknowledge the hard work and dedication of all employees of National Bank Limited, who are undoubtedly the core asset of our bank. It is my utmost belief that committed and professional team is the main assets of National Bank Limited over its peers. I would like to express my appreciation and gratitude to our regulatory authorities including Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), Registrar of the Joint Stock Companies and Firms (RJSC&F), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), Government Agencies and all Stakeholders for providing support in our endeavors. I am also greatly indebted to the guidance of our Honorable Chairman, Board of Directors & our business partners who helped us in making 2018 another profitable year for the Bank. I feel humbled for getting the opportunity to not only represent one of the leading banks of Bangladesh but also to be the member of this team having a glorious past, meaningful present and promising future.

**Choudhury Moshtaq Ahmed**



Managing Director & CEO

# Focus on our work for expansion of Financial Network

## পরিচালকমন্ডলীর প্রতিবেদন

বিসমিল্লাহির রাহমানির রাহিম

সম্মানিত শেয়ারহোল্ডারগণ,

আসসালামু আলায়কুম

ন্যাশনাল ব্যাংক লিমিটেডের পরিচালকমন্ডলীর পক্ষ থেকে আমি আপনাদের সকলকে ব্যাংকের ৩৬তম বার্ষিক সাধারণ সভায় স্বাগত জানাচ্ছি। একইসাথে আমি আনন্দের সাথে ব্যাংকের ৩১ ডিসেম্বর, ২০১৮ সনের সার্বিক দক্ষতা, অর্থনৈতিক পরিবেশ, নিয়ন্ত্রক বিধি-বিধানসমূহের পরিপালন, সামাজিক কর্মকাণ্ড এবং আগত বছরে ব্যাংক পরিচালনার কৌশল সম্বলিত বার্ষিক প্রতিবেদন, নিরীক্ষকের প্রতিবেদন, নিরীক্ষিত আর্থিক বিবরণী আপনাদের সামনে উপস্থাপন করছি।

এই প্রতিবেদনটিতে ব্যাংকিং ব্যবসার আর্ন্তজাতিক এবং জাতীয় উভয় প্রেক্ষাপট মূল্যায়নের ভিত্তিতে ব্যাংকের গুণগত ও পরিমাণগত সাফল্যকে আর্ন্তভুক্ত করা হয়েছে। ব্যাংকের এই বার্ষিক প্রতিবেদন এবং আর্থিক বিবরণীটি ব্যাংক কোম্পানী এ্যাক্টের বিধি-বিধান ও সংশ্লিষ্ট ধারা, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের বিধি-বিধান, আর্ন্তজাতিক হিসাব মান (IAS), আর্ন্তজাতিক আর্থিক প্রতিবেদন মান (IFRS), বাংলাদেশ ব্যাংকের সার্কুলার ও গাইডলাইনস এবং অন্যান্য রেগুলেটরী শর্তাবলীর ভিত্তিতে তৈরি করা হয়েছে।

বিভিন্ন চ্যালেঞ্জ সত্ত্বেও মহান আল্লাহ তায়ালার অশেষ মেহেরবাণীতে আমরা ২০১৮ সালে আরেকটি সফল বছর অতিক্রম করতে সক্ষম হয়েছি। বছরের শেষ প্রান্তে জাতীয় নির্বাচন অনুষ্ঠানের কারণে বিনিয়োগকারীগণ নির্বাচনের ফলাফলের জন্য অপেক্ষা করছিলেন। কিন্তু ন্যাশনাল ব্যাংক সরকারের জাতীয় অর্থনীতি গঠন প্রক্রিয়ায় অবদান রাখার মনোবাঞ্ছনায় নিশ্চিত ছিল এবং চ্যালেঞ্জ মোকাবেলায় সর্বাঙ্গিক চেষ্টা অব্যাহত রেখেছিল।

## বিশ্ব অর্থনীতি

সুদৃঢ় এবং সমন্বিত প্রবৃদ্ধির মাধ্যমে ২০১৮ সালের বিশ্ব অর্থনীতি যাত্রা শুরু করেছিল। কিন্তু সময়ের অগ্রগতির সাথে সাথে এই প্রবৃদ্ধির গতি মন্থর হয়ে আসে এবং উন্নয়ন প্রবণতা ভিন্নমুখে ধাবিত হয়। বছরের শুরুতে আর্থিক প্রদাননার কল্যাণে মার্কিন অর্থনীতির সম্প্রসারণ ঘটে, যেখানে ইউরো অঞ্চলের অর্থনীতি এবং যুক্তরাজ্য, জাপান এবং চীনা অর্থনীতি দুর্বল হতে থাকে। এই পরিবর্তনের প্রবণতা ২০১৯ সালেও অব্যাহত থাকবে। IHS এর বাজার মূল্যায়ন অনুযায়ী এই পরিবর্তনের গতি ২০১৮ সালের ৩.২% থেকে ২০১৯ সালে ৩.১% এ নেমে আসবে এবং পরবর্তী কয়েক বছর এই নিম্নগতি বজায় থাকবে।

আগত বছরের জন্য একটি বড় ঝুঁকি হচ্ছে বিশ্ব বাণিজ্য প্রবৃদ্ধির দ্রুত অবনতি, যেটা ২০১৮ সনের শুরুর দিকে ৫%এ আসলেও বছরের শেষের দিকে শূন্যের কাছাকাছি নেমে এসেছে। বাণিজ্য প্রবৃদ্ধির সম্ভাব্য অসামঞ্জস্যতা ও বিশ্ব বাণিজ্যের ক্রমাবনতি বিশ্ব অর্থনীতির গতিকে মন্থর করতে পারে। একই সময়ে সুদের হার বৃদ্ধি, শেয়ার বাজারের ওঠানামা এবং পণ্য বাজারের ভারসাম্যহীনতার সমন্বিত প্রভাব অর্থনৈতিক অবস্থাকে সংকুচিত করেছে। এই ঝুঁকিসমূহ বিশ্ব অর্থনীতির দুর্বলতাকে আরো ঘনীভূত করেছে এবং পরবর্তী কয়েক বছরের মন্দার সম্ভাবনাকে বৃদ্ধি করেছে।

## Directors' Report

Bismillahir Rahmanir Rahim.

Dear Shareholders,

Assalamu A'laikum.

On behalf of the Board of Directors, I take this opportunity to welcome you all to the 36<sup>th</sup> Annual General Meeting (AGM) of National Bank Limited. It is also my pleasure to present before you the 2018 Annual Report and Audited Financial Statements depicting Bank's overall performance, economic environment, regulatory compliance, social activity and strategic move for years to come.

This report encompasses both qualitative and quantitative performance of the bank reflecting an evaluation of the industry both from national and international perspectives. The Annual Report and Financial Statements of the Bank have been prepared in accordance with the regulations, standards & relevant sections mentioned in the Company Act, Bank Company Act, Bangladesh Securities and Exchange Commission Rules, International Accounting Standards (IAS) / International Financial Reporting Standards (IFRS), Bangladesh Bank circulars & guidelines and other applicable rules & regulations of the concerned Regulatory Authorities.

Despite various challenges, by the grace of Almighty Allah, we have completed another successful year 2018. It was full of enigma as the National Election came in the year end. Investors were waiting for the outcome of the National Election. But National Bank was affirmative with a view to contribute to the nation building efforts of the government, trying its best to embrace challenges.

## Global Economy

The global economy started 2018 with strong, synchronized growth. But as the year progressed, momentum faded and growth trends diverged. The US economy accelerated, thanks to fiscal stimulus enacted early in the year, while the economies of the Eurozone, the UK, Japan and China began to weaken. These divergent trends will persist in 2019. IHS Markit predicts global growth will edge down from 3.2% in 2018 to 3.1% in 2019, and keep decelerating over the next few years.

One major risk in the coming year is the sharp drop-off in world trade growth, which fell from over 5% at the beginning of 2018 to nearly zero at the end. With anticipated escalation in trade conflicts, a contraction in world trade could drag down the global economy even more. At the same time, the combined effects of rising interest rates and surging equity and commodity market volatility are tightening the financial condition. These risks point to the increasing vulnerability of the global economy to further shocks, and the rising probability of a recession in the next couple of years.



### মুদ্রাস্ফীতি

২০১৩-১৪ অর্থ বছরের একেবারে শুরু থেকে বছরভিত্তিক মুদ্রাস্ফীতিতে নিম্নগতি লক্ষ্য করা গিয়েছিল। ২০১৩-১৪ অর্থ বছরে বছরভিত্তিক মুদ্রাস্ফীতি ৭.৩৫% থেকে শুরু করে ২০১৬-১৭ অর্থ বছরে তা ৫.৪৪% এ নেমে আসে কিন্তু অর্থ বছরে কিঞ্চিৎ বৃদ্ধি পেয়ে ৫.৭৮% এ উন্নীত হয়। সন্তোষজনক অভ্যন্তরীণ উৎপাদন, অনুকূল অভ্যন্তরীণ পরিবেশ, স্বল্প বাজেট ঘাটতি এবং সুসংহত মুদ্রা নীতির সাথে আন্তর্জাতিক বাজারে জ্বালানি তেল ও পণ্যদ্রব্যের নিম্ন মূল্য সার্বিকভাবে মুদ্রাস্ফীতি নিয়ন্ত্রণে রাখতে ভূমিকা রেখেছে।

এই নিম্ন গতির কারণে খাদ্য মুদ্রাস্ফীতি ২০১৩-১৪ অর্থ বছর থেকে হ্রাস পেতে শুরু করে। কিন্তু ২০১৬-১৭ অর্থ বছরে এটা বেড়ে যথাক্রমে ৬.০২% এবং ৭.১৩% এ দাঁড়ায়। অন্যদিকে ২০১৩-১৪ অর্থ বছর থেকে এই উর্ধ্বগতির কারণে খাদ্যপণ্য ব্যতীত অন্যান্য খাতে মুদ্রাস্ফীতি বেড়ে যায় এবং এরপরে এটা ২০১৬-১৭ অর্থ বছরে ৪.৬১% এ নেমে আসে এবং ২০১৭-১৮ অর্থ বছরে ৩.৭৪% এ নেমে আসে।

### বাংলাদেশের অর্থনীতি

২০১৮ অর্থবছরে শক্তিশালী ৭+% GDP প্রবৃদ্ধি অভ্যন্তরীণ ও রপ্তানি বিবিধ চাহিদার আনুকূল্য পেয়ে তেমনি বলিষ্ঠ ছিল। চালের নিম্ন মূল্য থেকে খাদ্য মুদ্রাস্ফীতির নিয়ন্ত্রণ, তদুপরি ২০১৮ সাল থেকে খাদ্যপণ্য ব্যতীত অন্যান্য খাতে মুদ্রাস্ফীতি বৃদ্ধির কারণে মুদ্রাস্ফীতির সামগ্রিক চাপ সহনীয় পর্যায়ে ছিল, যা ডিসেম্বর ২০১৮ সময়ে ৪.৫১% এ পৌঁছেছিল।

### বিশ্ব প্রবৃদ্ধি ও সাফল্য

আন্তর্জাতিক মুদ্রা তহবিলের World Economic Outlook (জানুয়ারী ২০১৯) অনুসারে ২০১৯ ও ২০২০ সময়ের জন্য বিশ্ব প্রবৃদ্ধি যথাক্রমে ০.২ এবং ০.১ পয়েন্ট কমেছে। এই নিম্নগতি চলমান বাণিজ্য চাপ, সংকুচিত বিশ্ব আর্থিক অবস্থা ও উচ্চ দ্রব্যমূল্য এবং একইসাথে উদীয়মান বাজার ও উন্নয়নশীল অর্থনীতির জন্য দুর্বলতর বৈশিষ্ট্যের নির্দেশক।

পশ্চিমবিশ্ব শক্তিশালী রাজস্ব নীতির দ্বারা চালিত হয়ে মার্কিন প্রবৃদ্ধি ২০১৭ ও ২০১৮ সালে অটল গতিতে বৃদ্ধি পেয়েছে। ধারণা করা হয়েছিল যে, বাণিজ্য চক্রের মন্দাভাবের বিরুদ্ধে সংরক্ষিত বাণিজ্য নীতির কারণে ২০১৯ সালে এই গতিতে আংশিক পরিবর্তন আসবে। ইউরো অঞ্চলে ২০১৮ সালের প্রবৃদ্ধির সাফল্য এবং ২০১৯ সনের জন্য প্রস্তাবনাগুলো ব্রেক্সিট পরিকল্পনা

### Inflation

From the beginning of FY2013-14 a downward trend has been observed in year-on-year inflation. Starting from 7.35 percent in FY2013-14 year-on-year inflation declined to 5.44 percent in FY2016-17 but slightly increased to 5.78 percent in FY2017-18. Satisfactory domestic production, favorable domestic environment, low budget deficit and prudent monetary policy coupled with low fuel and commodity prices in the international markets contributed to such sliding of overall inflation.

Following downward trend food inflation declined from FY2013-14, but in FY2016-17 and FY2017-18 it upturned to 6.02 percent and 7.13 percent respectively. On the other hand, with an upward inclination since FY2013-14, non-food inflation shot up but after that it came down to 4.61 percent in FY2016-17 and 3.74 percent in FY2017-18.

### Bangladesh Economy

The robust seven plus percent FY18 GDP growth momentum remained strong, well supported by both domestic and export demand. Inflationary pressures remained well contained aided by moderating food inflation from lower rice prices although non-food inflation rising since 2018, reached 4.51 percent in December 2018.

### Global Growth Performance

According to the IMF World Economic Outlook (January 2019), global growth has been revised down by 0.2 and 0.1 percentage points for 2019 and 2020 respectively. The downward revision reflected continued trade tension, tighter global financial condition and higher commodity prices, as well as a weaker outlook for some key emerging markets and developing economies.

In the west, USA growth steadily increased during 2017 and 2018, driven by the strong fiscal stimulus and is anticipated to moderate in 2019 partly due to the protective trade measures against the back drop of a maturing business cycle. Growth performance of 2018 and the outlook for 2019 in the Euro Area



ও মার্কিন প্রশাসন কর্তৃক সম্প্রতি গৃহীত বাণিজ্য নীতির কারণে ২০১৯ সালে পতিত হতে পারে বলে ধারণা করা হচ্ছে। উদীয়মান ও উন্নয়নশীল অর্থনীতির মধ্যে চীন এবং নির্দিষ্ট সংখ্যক এশিয়ান অর্থনীতি ২০১৯ সালে কিছুটা হলেও উচ্চ প্রবৃদ্ধি অর্জন করবে বলে আশা করা হচ্ছে। তেলের দামের ক্রমাগত বৃদ্ধির কারণে মধ্যপ্রাচ্য এবং দক্ষিণ এশিয়ায় ভারত দ্রুততর প্রবৃদ্ধি অর্জন করবে বলে আশা করা যাচ্ছে।

### অভ্যন্তরীণ প্রবৃদ্ধি ও মুদ্রাস্ফীতি

BBS এর হিসাব অনুযায়ী ২০১৭-১৮ অর্থ বছরে মোট অভ্যন্তরীণ প্রবৃদ্ধি (জিডিপি) ৭.৮৬% এ পৌঁছেছে, যা আগের রাজস্ব বছরের ৭.২৮% এর চেয়ে লক্ষ্যণীয়ভাবে উচ্চতর। জিডিপির বৃহত্তর খাতসমূহের মধ্যে কৃষি এবং সেবা খাতের অবদান যথাক্রমে ০.৫১% কমে ১৪.২৩% এবং ০.৭৪% কমে ৫২.১১% এ পৌঁছেছে। পক্ষান্তরে শিল্পখাতের প্রবৃদ্ধি ১.২৪% বৃদ্ধি পেয়ে ৩৩.৬৬%-এ উন্নীত হওয়ায় সামগ্রিক উন্নয়ন ও প্রবৃদ্ধির ভারসাম্য থেকেছে।

এই সময়ে বৃহত্তর কৃষি খাতে পূর্ববর্তী বছরের তুলনায় প্রবৃদ্ধি ১.২২% বৃদ্ধি পেয়ে ৪.১৯%-এ উন্নীত হয়। এর কারণ ছিল কৃষি খাত এবং উপখাতগুলোর অধিকতর ভালো ফলাফল অর্জন। শস্য এবং হার্টিকালচার পূর্ববর্তী বছরের তুলনায় ২.১০% বৃদ্ধি পেয়ে ৩.০৬% পৌঁছেছে। পশুপালনের উপ-খাতসমূহ পূর্ববর্তী বছরের তুলনায় উন্নতি করেছে, কিন্তু বন এবং এর সংশ্লিষ্ট অঙ্গসংস্থানগুলোতে অবনতি ঘটেছে। মৎস্য খাতের অবদান একইভাবে পূর্ববর্তী বছরের তুলনায় ০.১৪% বৃদ্ধি পেয়ে ৬.৩৭% এ পৌঁছেছে।

২০১৭-১৮ অর্থ বছরে বৃহত্তর শিল্প খাত ১২.০৬% প্রবৃদ্ধি অর্জন করেছে, পূর্ববর্তী বছরে এই প্রবৃদ্ধির হার ছিল ১০.২২%। কিন্তু খনি এবং আহরন খাতের প্রবৃদ্ধি ২০১৭-১৮ অর্থ বছরে হ্রাস পেয়ে ৭.০০% এ দাঁড়িয়েছে, যা ২০১৬-১৭ অর্থ বছরে ছিল ৮.৮৯%। এর বিপরীতে নির্মাণ খাতে বিদ্যুৎ, গ্যাস এবং পানি সরবরাহ খাতসমূহ যথাক্রমে ১৩.৪০%, ৯.৯১% ও ৯.৯২% প্রবৃদ্ধি অর্জন করেছে।

নির্মাণ খাতের মধ্যে বৃহৎ ও মাঝারি মানের খাতসমূহ পূর্ববর্তী বছরের ১১.২০% তুলনায় চলতি বছরে ১৪.২৬% প্রবৃদ্ধি অর্জন করেছে। কিন্তু ক্ষুদ্র পরিসরের নির্মাণ খাত ৯.২৫% প্রবৃদ্ধি অর্জন করেছে যা ২০১৬-১৭ অর্থবছরের তুলনায় কিছুটা কম। 'বিদ্যুৎ, গ্যাস ও পানি সরবরাহ' খাতের মধ্যে বিদ্যুৎ এবং গ্যাস উপখাত পূর্ববর্তী বছরের তুলনায় দ্রুততর প্রবৃদ্ধি রেকর্ড করেছে।

২০১৭-১৮ অর্থ বছরে বৃহৎ সেবা খাতসমূহ ৬.৩৯% প্রবৃদ্ধি অর্জন করেছে, যা পূর্ববর্তী বছরের তুলনায় ০.৩০% কম। বৃহৎ সেবা খাতের মধ্যে পাইকারি এবং খুচরা ব্যবসা, হোটেল এবং রেস্টুরেন্ট, গৃহ নির্মাণ, ভাড়া ব্যবসায় কার্যক্রম এবং কমিউনিটি, সামাজিক ও ব্যক্তিগত সেবা খাতসমূহ পূর্ববর্তী বছরের তুলনায় অধিকতর ভালো সাফল্য দেখিয়েছে। কিন্তু অন্যান্য খাতসমূহ যেমন, পরিবহন, স্টরেজ এবং যোগাযোগ ব্যবস্থা, আর্থিক মধ্যস্থতা, জন প্রশাসন এবং প্রতিরক্ষা, শিক্ষা, স্বাস্থ্য এবং সমাজ উন্নয়নমূলক কার্যাবলী খাতে কিছুটা কম অগ্রগতি হয়েছে।

BBS এর চূড়ান্ত রিপোর্ট অনুযায়ী বিভিন্ন খাতে প্রবৃদ্ধির চলমান উর্ধ্বগতির জন্য ২০১৭-১৮ অর্থ বছরে মাথাপিছু আয় বৃদ্ধি পেয়ে মার্কিন ডলার ১,৭৫১.০০ এ দাঁড়িয়েছে, পূর্ববর্তী বছরের তুলনায় যা ১৪১.০০ মার্কিন ডলার বেশি।

are also anticipated to decline in 2019 due to the Brexit and the recently adopted trade measures by the US administration. Among the emerging and developing economies, China and a number of Asian economies are also expected to experience somewhat a weaker growth in 2019. In the south Asia, India is expected to grow faster so do Middle East as Oil prices are increasing.

### Domestic Growth and Inflation Outlook

According to the final estimate of BBS, GDP growth for FY2017-18 reached 7.86 percent, significantly higher than the growth of 7.28 percent in the preceding fiscal year. Among the broad sectors of GDP, the contribution of agriculture and service sector to GDP slid down by 0.51 percentage point to 14.23 percent and by 0.74 percentage point to 52.11 percent, which was offset by an increased share of industry by 1.24 percentage point to 33.66 percent in relation to the preceding year.

During the period, broad agriculture sector registered a growth of 4.19 percent, up by 1.22 percentage point compared to the previous year due to the better performance of most of its sectors and sub-sectors. Crop and horticulture grew to 3.06 percent, 2.10 percentage point higher than the previous year. Animal farmings sub-sector progressed than the year before, but 'forest and related services' sub-sector declined. Fishing sector similarly grew at a rate of 6.37 percent, 0.14 percentage point higher than the previous year.

In FY2017-18, broad industry sector grew by 12.06 percent, higher than the growth of 10.22 percent in the previous year. In broad industry sector, the growth of mining and quarrying sector declined to 7.00 percent in FY2017-18 from 8.89 percent in FY2016-17. In contrast, manufacturing sector, 'electricity, gas and water supply' sector and construction sector experienced a growth of 13.40 percent, 9.19 percent and 9.92 percent respectively.

Of the manufacturing sector, large and medium-scale manufacturing sector grew at a pace of 14.26 percent compared to the growth of 11.20 percent in the preceding year but small scale manufacturing sector exhibited a growth of 9.25 percent, slightly lower than FY2016-17. Of the 'electricity, gas and water supply' sector, electricity and gas sub-sector registered a faster growth in relation to the previous year.

In FY2017-18, broad service sector grew by 6.39 percent, down by 0.30 percentage point a year earlier. Among the broad service sector, wholesale and retail trade, hotel and restaurants, real estate, renting and business activities and community, social and personal services performed better than the year before, but some other sectors such as transport, storage and communication, financial intermediation, public administration and defense, education, health and social works exhibited slightly lower pace of progress.

Continuing the upward trend per capita national income increased to US\$1,751 in FY2017-18, US\$141 higher than the previous year as per the final estimates of BBS.

## সামষ্টিক অর্থনৈতিক স্থিতি

২০১৮-১৯ সালে বিশ্বে প্রবৃদ্ধির হার ২০১৭ সালের ৩.৭% এ স্থির থাকবে বলে প্রাক্কলন করা হয়েছে। বিশ্ব প্রবৃদ্ধিতে ঝুঁকির নিম্নমুখী প্রবণতা বিগত ছয় মাসে বৃদ্ধি পেয়েছে এবং উর্ধ্বমুখী চমকের প্রবণতাও হ্রাস পেয়েছে।

বাংলাদেশের অর্থনীতি অগ্রসরমান প্রবৃদ্ধির হার বজায় রাখতে সক্ষম হয়েছে। ২০১৭-১৮ অর্থ বছরে অর্থনৈতিক প্রবৃদ্ধির হার ৭.৮৬%, ২০১৬-১৭ অর্থ বছরের ৭.২৮% এর তুলনায় এটা ছিল সন্তোষজনক। মাথাপিছু আয় পূর্ববর্তী বছরের তুলনায় ১৪১.০০ মার্কিন ডলার বৃদ্ধি পেয়ে ২০১৭-১৮ অর্থ বছরে মার্কিন ডলার ১,৭৫১.০০ এ দাঁড়িয়েছে। ২০১৩-১৪ অর্থ বছর থেকে বছরভিত্তিক মুদ্রাস্ফীতির ক্রমাবনতির গতি ২০১৭-১৮ অর্থ বছরে ৫.৭৮% এ নেমে আসে। ২০১৭-১৮ অর্থ বছরে রাজস্ব আহরণের ১৪.৭৮% প্রবৃদ্ধি সন্তোষজনক পর্যায়ে ছিল। ২০১৭-১৮ অর্থ বছরে রপ্তানি ৫.৮১% এবং আমদানি ২৫.২৩% বৃদ্ধির রেকর্ড করা হয়েছে। রেমিট্যান্সের আন্তঃপ্রবাহে স্বাভাবিকতা ফিরে এসে ১৭.৩৩% হয়েছে। চলতি হিসেবে ঘাটতির কারণে মূলধন ও রাজস্ব হিসাবে উদ্বৃত্ত বিওপি (BOP-Balance of Payment) হিসাবের ভারসাম্যে ঘাটতি সৃষ্টি করেছে। বিওপি হিসাবে ঘাটতি সত্ত্বেও বৈদেশিক মুদ্রার রিজার্ভ স্থির রয়েছে। ৩০ জুন, ২০১৮ সমাপনী সময়ে বৈদেশিক মুদ্রার রিজার্ভ দাঁড়িয়েছে ৩২,৯১৬.০০ মিলিয়ন মার্কিন ডলারে, যা ছয় মাসের আমদানি মূল্য পরিশোধের জন্য পর্যাপ্ত। এই সময়ে বিনিময় হার মোটামুটি স্থির ছিল। প্রাইভেট সেক্টর ১৬.৯৫% প্রবৃদ্ধি অর্জন করেছে। মধ্যম মেয়াদী সামষ্টিক অর্থনৈতিক কাঠামোতে (MTMF-Medium-Term Macroeconomic Framework) ২০১৮-১৯ অর্থ বছরে ৭.৮% প্রবৃদ্ধি হবে বলে প্রাক্কলিত হয়েছে।

## বাংলাদেশের ব্যাংকিং খাত

অনেক উত্থান পতন সত্ত্বেও ২০১৮ সালে বাংলাদেশের ব্যাংকিং খাতে স্থিরতা ছিল। কেন্দ্রীয় ব্যাংক হিসাবে বাংলাদেশ ব্যাংক, ব্যাংকিং খাতের সার্বিক সাফল্য ধরে রাখার লক্ষ্যে তার সর্বাঙ্গিক প্রচেষ্টা অব্যাহত রেখেছে এবং ঝুঁকি ব্যবস্থাপনা ও কর্পোরেট সুশাসন বজায় রাখার জন্য বেশ কিছু নীতি গ্রহণ করেছে।

বাংলাদেশের ব্যাংকিং খাত মূলত চার ধরনের তফসিলী ব্যাংকের সমন্বয়ে গঠিত। এগুলো হচ্ছে ঃ রাষ্ট্রায়ত্ত্ব বাণিজ্যিক ব্যাংক, রাষ্ট্রায়ত্ত্ব অর্থনৈতিক উন্নয়ন সংস্থা, বেসরকারী বাণিজ্যিক ব্যাংক এবং বিদেশী বাণিজ্যিক ব্যাংক। সব মিলিয়ে বাংলাদেশে মোট ৫৮টি ব্যাংক তাদের ব্যাংকিং কার্যক্রম পরিচালনা করছে। একটি সুষ্ঠু, দক্ষ এবং স্থিতিশীল অর্থনৈতিক কার্যক্রম পরিচালনার জন্য কেন্দ্রীয় ব্যাংক হিসেবে বাংলাদেশ ব্যাংক বাণিজ্যিক ব্যাংকসমূহের জন্য প্রতিনিয়ত প্রয়োজনীয় নীতিমালা তৈরি করছে এবং ঝুঁকি হ্রাসের উপর গুরুত্ব দিচ্ছে। ব্যাংকগুলোর জন্য একটি সম্পূর্ণ সংশোধিত ঝুঁকি ব্যবস্থাপনা গাইডলাইন কার্যকরী করা হয়েছে, যার মূল উদ্দেশ্য ভবিষ্যতে ব্যাংকগুলোর কার্যকরী দক্ষতা বৃদ্ধি করা। ব্যাংকিং খাতের মোট সম্পদের মধ্যে বেসরকারি বাণিজ্যিক ব্যাংকসমূহের অবদান বিগত ১২ বছর ধরে ক্রমান্বয়ে বেড়ে চলেছে।

## বাসেল বাস্তবায়ন

১৯৮৮ সালে ব্যাংকিং কার্যক্রম তদারকির উপর সুইজারল্যান্ডভিত্তিক বাসেল কমিটি (BCBS) Basel Accord এর প্রথম সংস্করণ চালু করে। এতে বেশ কিছু ব্যাংক তদারকির নির্দেশিকা রয়েছে যেগুলো সাধারণত কর্তৃপক্ষ ব্যাংক ও আর্থিক সমূহের উপর আরোপ করা হয়েছে।

## Macroeconomic stability

Global growth for 2018-19 is projected to remain steady at its 2017 level of 3.7 percent. Downside risks to global growth have risen in the past six months and the potential for upside surprises has receded.

The Bangladesh economy has been able to maintain sustained economic growth. The economy grew at a rate of 7.86 percent in FY2017-18, satisfactorily up from 7.28 percent growth in FY2016-17. The per capita national income reached US\$1,751 in FY2017-18, up by US\$141 a year earlier. Continuing the declining trend since FY2013-14 year-on-year inflation in FY2017-18 slid down to 5.78 percent. With a growth rate of 14.78 percent revenue receipt in FY2017-18 also remained at satisfactory level. Exports registered an increase of 5.81 percent and import increased by 25.23 percent in FY2017-18. Remittances inflow rebounded by 17.33 percent. Due to deficits in the current account, the surplus in capital and financial account left the overall balance of the Balance of Payment (BOP) account in deficits. Despite deficit in BOP foreign exchange reserve still remained steady. At the end of 30 June 2018 foreign exchange reserve stood at US\$32,916 million which is sufficient for maintaining 6 month import payment. During the period, exchange rate broadly remained stable. Private sector credit grew at 16.95 percent. The GDP under the Medium-Term Macroeconomic Framework (MTMF) has been projected to grow at the rate of 7.8 percent in FY2018-19.

## Banking Sector in Bangladesh

Banking sector in Bangladesh experienced moderate level of resilience in 2018 though there have been lots of ups and down. Bangladesh Bank (BB) as the central Bank has continued its constant efforts to improve the overall performance of the banking industry and has adopted a number of policy measures giving emphasis on risk management and corporate governance.

Banking sector of Bangladesh comprises of four categories of scheduled banks such as State-owned Commercial Banks (SCBs), State-owned Development Financial Institutions (DFIs), Private Commercial Banks (PCBs) & Foreign Commercial Banks (FCBs) and a total 58 numbers of banks are functioning in the country. With a view to maintaining a sound, efficient and stable financial system Bangladesh Bank as the central bank has been playing pivotal role in initiating a number of policy measures, giving augmented emphasis on risk management in the banks. A revised risk management guideline has already been put into effect for Banks, aiming at developing more shock resilient capacity of banks in future. The Private Sector Schedule Banks' share in total assets of Banking Sector is increasing continuously over the past twelve years.

## Basel Implementation

Switzerland-based Basel Committee on Bank Supervision (BCBS) introduced the first edition of Basel Accord in 1988 which indicates supervisory guidelines that regulator authorities impose on banks and financial institutions.

বাংলাদেশ ২০১৯ সালের জানুয়ারি মাস হতে ব্যাসেল -৩ পরিপূর্ণভাবে বাস্তবায়নের প্রক্রিয়াধীন রয়েছে। বাংলাদেশ ব্যাংকের ব্যবস্থাপনা অনুযায়ী ২০১৫ এবং ২০১৯ মধ্যবর্তীকালীন সময়ে ২০১৮ সালে ব্যাংকসমূহকে ১১.৮৭৫% Capital Adequacy Ratio (CAR) বজায় রাখতে হবে। এতে নিম্নতম ১০% মোট মূলধন অনুপাত এবং ১.৮৭৫% মূলধন সংরক্ষণ করতে হবে।

### এক নজরে এনবিএল

ন্যাশনাল ব্যাংকের রয়েছে একটি গৌরবোজ্জ্বল অতীত, সমৃদ্ধ বর্তমান, সম্ভাবনাময় ভবিষ্যৎ এবং বাস্তবায়নাধীন কিছু প্রকল্প ও কার্যাবলী। সম্পূর্ণ বাংলাদেশী মালিকানাধীন প্রথম প্রাইভেট ব্যাংক হিসাবে প্রতিষ্ঠা লাভের পর থেকে বহু বাঁধা-বিপত্তি এবং প্রতিকূলতা অতিক্রম করে সময়ের অগ্রগতির সাথে সাথে সর্ববৃহৎ ব্যক্তি মালিকানাধীন ব্যাংক হিসেবে ন্যাশনাল ব্যাংক তার সুনাম ও ক্রমান্বয়ে সম্প্রসারিত করে চলেছে। ব্যাংকের বোর্ড অব ডিরেক্টরস এর সম্মানিত পরিচালকগণ প্রত্যেকে বাংলাদেশের বিখ্যাত ব্যবসায়ী এবং নেতৃস্থানীয় শিল্পপতি। সময়ের সাথে সামঞ্জস্য রক্ষা করার জন্য এবং জাতীয় ও আন্তর্জাতিক অর্থনীতির সাথে সংশ্লিষ্টতা বজায় রাখার জন্য একটি আর্থিক প্রতিষ্ঠান হিসাবে ন্যাশনাল ব্যাংক গ্রাহকদের চাহিদাকে গুরুত্ব দিয়ে সব শাখাকে কম্পিউটার নেটওয়ার্কিংয়ের মাধ্যমে স্বয়ংক্রিয় পদ্ধতির আওতায় নিয়ে এসেছে। আমরা সকল শ্রেণির ব্যবসায়ী, উদ্যোক্তা এবং সাধারণ জনগণের প্রত্যাশার প্রতি যত্নশীল থাকতে চাই। বর্তমানে আমাদের ২০৩টি শাখা রয়েছে। অধিকন্তু গ্রামীণ এলাকা, স্বল্প ও মাঝারি উদ্যোক্তাদের মাঝে ঋণ বিতরণ এবং অফশোর ব্যাংকিং ইউনিটের সুবিধা বাস্তবায়ন ও সম্প্রসারণ করার মাধ্যমে গ্রাহকদের আকর্ষণের জন্য আমাদের কার্যকরী ও বৈচিত্রমুখী প্রচেষ্টা অব্যাহত রয়েছে।

বাংলাদেশের ব্যাংকিং জগতে বেসরকারি খাতে ন্যাশনাল ব্যাংকের অভ্যুদয় ছিল একটি গুরুত্বপূর্ণ ঘটনা। যখন জাতি নানামুখী অর্থনৈতিক মন্দায় ডুবে ছিল তখন অর্থনৈতিক খাতকে পুনরুদ্ধার করার জন্য সরকার বেসরকারি ব্যাংক স্থাপনের দূরদর্শী সিদ্ধান্ত গ্রহণ করেছিল। তাৎক্ষণিকভাবে এই সুযোগ গ্রহণ করে দেশের অর্থনীতিতে গতি ফিরিয়ে আনার লক্ষ্যে তখন বেশ কিছু উদ্যোক্তা এগিয়ে আসেন।

শতভাগ দেশীয় মালিকানায প্রাইভেট সেক্টরের প্রথম ব্যাংক হিসাবে যাত্রা শুরু করেছিল ন্যাশনাল ব্যাংক। শুরু থেকেই ন্যাশনাল ব্যাংক জাতীয় অর্থনীতিতে গুরুত্বপূর্ণ অবদান রাখার জন্য দৃঢ় প্রতীজ্ঞ থেকেছে। আমাদের লক্ষ্য ছিলো ত্যাগ ও মর্যাদার মনোভাব নিয়ে প্রতিটি গ্রাহককে সর্বোচ্চ মানের সেবা প্রদান করা।

গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের তৎকালীন রাষ্ট্রপতি বিচারপতি আহসানউদ্দিন চৌধুরি ১৯৮৩ সালের ২৮ মার্চ তারিখে ৪৮, দিলকুশা বাণিজ্যিক এলাকায় ব্যাংকটির উদ্বোধন করেছিলেন এবং ব্যাংকটির বাণিজ্যিক কার্যক্রম শুরু হয়েছিল ১৯৮৩ সালের ২৩ মার্চ তারিখে। ন্যাশনাল ব্যাংকের দ্বিতীয় শাখাটির যাত্রা শুরু হয়েছিল ১১ মে, ১৯৮৩ তারিখে চট্টগ্রামের খাতুনগঞ্জে।

বর্তমানে সারাদেশে ২০৩টি শাখার মাধ্যমে ন্যাশনাল ব্যাংক তার কার্যক্রম পরিচালনা করছে। প্রথম থেকে ন্যাশনাল ব্যাংক বর্হিবিধে ব্যাংকিং সেবা বিস্তারের উপর গুরুত্ব দিয়ে এসেছে এবং এর মাধ্যমে উল্লেখযোগ্য পরিমাণ বিদেশী রেমিট্যান্স দেশে এনেছে। বর্তমানে বিশ্বজুড়ে ৭৫টি দেশের ৪১৫টি করেসপন্ডেন্টের সাথে ন্যাশনাল ব্যাংকের ড্রয়িং এরঞ্জেমেন্ট রয়েছে। একইসাথে ১৩টি দেশের ৩৭টি মুদ্রা বিনিময় কোম্পানীর সাথেও ন্যাশনাল ব্যাংকের ড্রয়িং এরঞ্জেমেন্ট রয়েছে। বিদেশে বসবাসরত প্রবাসী বাংলাদেশীদের কষ্টার্জিত মূল্যবান বৈদেশিক মুদ্রা দ্রুত ও নিরাপদে দেশে

Bangladesh is in the process of full implementation of Basel III from January 2019. In the transitional arrangement of Bangladesh Bank, between 2015 and 2019, the banking system had to maintain 11.875 per cent capital adequacy ratio (CRAR) in 2018. This includes 10 per cent minimum total capital ratio and 1.875 per cent capital conservation buffer.

### Overview of NBL

National Bank Limited has its prosperous past, glorious present, prospective future and under processing projects and activities. Established as the first private sector bank fully owned by Bangladeshi entrepreneurs, NBL has been flourishing as the largest private sector Bank with the passage of time after facing many stress and strain. The members of the board of directors are reputed businessmen and leading industrialists of the country. To keep pace with time and in harmony with national and international economic activities, NBL, as a financial institution, automated all its branches with computer networks in accordance with the demand of customers. We want to cater the expectation of all class businessmen, entrepreneurs, and the general public. At present, we have 203 branches. In addition, our effective and diversified approach to seize the market opportunities is going on a continuous process to accommodate new customers by developing and expanding rural, SME financing and offshore banking facilities.

The emergence of National Bank Limited in the private sector was an important event in the Banking arena of Bangladesh. When the nation was in the grip of severe recession, the government took the farsighted decision to allow the private sector to revive the economy of the country. Several dynamic entrepreneurs came forward for establishing a bank with a motto to revitalize the economy of the country.

National Bank Limited was born as the first hundred percent Bangladeshi owned Bank in the private sector. From the very inception, it was the firm determination of National Bank Limited playing a vital role in the national economy. Our motto is to serve each customer promptly and with a sense of dedication and dignity.

The then President of the People's Republic of Bangladesh Justice Ahsanuddin Chowdhury inaugurated the bank formally on March 28, 1983, but the first branch at 48, Dilkusha Commercial Area, Dhaka started commercial operation on March 23, 1983. The 2nd Branch was opened on 11th May 1983 at Khatungonj, Chittagong.

At present, NBL has been carrying on business through its 203 branches spread all over the country. Since the very beginning, the bank has exerted much emphasis on overseas operations and handled a sizable quantum of homebound foreign remittance. It has drawing arrangements with 415 correspondents in 75 countries of the world, as well as with 37 overseas Exchange Companies located in 13 countries. NBL was the first domestic bank to establish agency arrangements with the world famous

আনার সুযোগ সৃষ্টি করার লক্ষ্যে দেশীয় ব্যাংক হিসাবে ন্যাশনাল ব্যাংকই সর্বপ্রথম বিশ্বখ্যাত ওয়েস্টার্ন ইউনিয়ন মানি ট্রান্সফার কোম্পানীর সাথে এজেন্সী চুক্তি সই করে এবং প্রবাসীরা যাতে তাদের কষ্টার্জিত অর্থ অধিকতর সহজে, নিরাপদে, দ্রুত এবং বিশ্বস্ততার সাথে দেশে পাঠাতে পারে শুরু থেকে সেদিকে গুরুত্ব দিয়ে এসেছে।

দেশীয় ব্যাংক এনবিএলই প্রথম বাংলাদেশে আন্তর্জাতিক মাস্টার-কার্ড চালু করেছিল। পরবর্তীতে ভিসা কার্ডও চালু করেছে ন্যাশনাল ব্যাংক। তাছাড়া এনবিএল তার কার্যক্রমে বিশ্বের সর্বাধুনিক তথ্য-প্রযুক্তি সেবা সুইফট (SWIFT) ও রয়টার ব্যবহার করছে। রাজশাহী জেলার বরেন্দ্র এলাকার দরিদ্র মানুষদের জীবন মানের উন্নতির জন্য জামানতবিহীন ক্ষুদ্র ঋণ বিতরণ প্রকল্প অব্যাহত রেখেছে।

### তথ্য প্রযুক্তি

তথ্য প্রযুক্তি হচ্ছে ব্যাংক ব্যবসায়ের মূল ভিত্তি। পরিবর্তিত প্রযুক্তি এবং নতুন উদ্ভাবনীকে গ্রহণ করা ব্যাংক ও গ্রাহক উভয়ের জন্য সুবিধাজনক। তথ্য প্রযুক্তি ব্যাংকিং শিল্পের জন্য নতুন বাজার, নতুন পণ্য, নতুন সেবা ও দক্ষ সেবা প্রদান চ্যানেলের দ্বার উন্মোচন করে দিয়েছে।

আধুনিক, নির্ভরযোগ্য ও পরিষ্কীত প্রযুক্তির মাধ্যমে অধিকতর সেবা প্রদান ও মুনাফা নিশ্চিত করে ন্যাশনাল ব্যাংককে একটি দক্ষ ব্যাংক হিসেবে গড়ে তোলার জন্য আমাদের তথ্য-প্রযুক্তি বিভাগ গুরুত্বপূর্ণ ভূমিকা পালন করে যাচ্ছে। পরিবর্তিত প্রযুক্তির সাথে তাল মিলিয়ে চলার জন্য এবং আধুনিক সেবা প্রদানের জন্য ন্যাশনাল ব্যাংক লিমিটেড তার দৈনন্দিন কার্যক্রমে একটি আর্থিক প্রতিষ্ঠান হিসাবে বিশ্ব মানের কোর ব্যাংকিং সলিউশন 'TemenosT-24' সফটওয়্যার প্রচলন করেছে।

ন্যাশনাল ব্যাংক তার তথ্যসমূহ সুরক্ষার জন্য সাইবার নিরাপত্তাকে শক্তিশালী করেছে। অতি আধুনিক প্রযুক্তির সাথে সমন্বয় করে ন্যাশনাল ব্যাংক তার নেটওয়ার্ক কাঠামোকে নিয়ন্ত্রণ করার জন্য কঠোর নীতি গ্রহণ করেছে। ব্যাংক তার কার্যক্রমে তথ্য প্রযুক্তির মানসম্মত নিরাপত্তা রক্ষার স্বীকৃতিস্বরূপ ISO/IEC 27001 সনদপত্র লাভ করেছে। আমরা "এনবিএল কুইক পে" এর মতো নিজস্ব উদ্ভাবিত সফটওয়্যার আমাদের সাবসিডিয়ারি প্রতিষ্ঠানগুলোতে ব্যবহারের মাধ্যমে প্রেরিত অর্থ সহজ ও দ্রুততম উপায়ে গ্রাহকের হাতে পৌঁছে দেয়ার ব্যবস্থা করেছি।

### নেটওয়ার্ক

বর্তমানে এনবিএল সমগ্র দেশজুড়ে ২০৩টি শাখার মাধ্যমে তার কার্যক্রম চালিয়ে যাচ্ছে। এমনকি সামাজিক দায়বদ্ধতা পূরণে অবহেলিত প্রত্যন্ত গ্রাম অঞ্চলেও ব্যাংকিং সেবা দিয়ে আসছে।

### পুরস্কার ও স্বীকৃতি

ব্যাংকিং সেবা প্রদানের ক্ষেত্রে স্বচ্ছতা ও দায়বদ্ধতার জন্য এনবিএল বিভিন্ন সময় পুরস্কৃত হয়েছে। আর্থিক তথ্যের কাঠামোগত স্বীকৃতি, সূচী ঝুঁকি ব্যবস্থাপনা, বাৎসরিক রিপোর্ট পর্যালোচনা, কর্পোরেট সুশাসন, মানব সম্পদ ব্যবস্থাপনা এবং সামাজিক দায়বদ্ধতার কারণে ন্যাশনাল ব্যাংক ICMAB (Institute of Cost and Management Accountants of Bangladesh) এর কাছ থেকে শ্রেষ্ঠ কর্পোরেট পুরস্কার এবং বিভিন্ন বছরে শ্রেষ্ঠ প্রকাশিত হিসাব বিবরণীর জন্য ICAB (Institute of Chartered Accountants of Bangladesh) এর কাছ থেকে শ্রেষ্ঠত্ব সনদ অর্জন করেছে। এসব কিছু এই সাক্ষ্য দেয় যে, আমরা বিনিয়োগকারী ও শেয়ার মালিকদের সকল প্রাসঙ্গিক তথ্য প্রকাশের ক্ষেত্রে সচেতন, যার ফলে বিজ্ঞোচিত সিদ্ধান্ত নেওয়া সম্ভব হয়।

Western Union in order to facilitate quick and safe remittance of the valuable foreign exchanges earned by the expatriate Bangladeshi nationals. Emphasis was given so that the expatriates can remit their hard-earned money to the country with much ease, confidence, safety and speed.

NBL was also the first among domestic banks to introduce international MasterCard in Bangladesh. Later, NBL has also introduced the Visa Card. The Bank has in its use the latest information technology services of SWIFT and REUTERS. NBL has been continuing its small credit program for disbursement of collateral free agricultural loans among the poor farmers of Barindra area in Rajshahi district for improving their livelihood.

### Information Technology (IT)

Fintech is an enabler of Bank business. Adaptation of Technological changes and innovation in banking benefits both Bank and Customers. Information Technology has opened up new markets, new products, new services and efficient delivery channels for the banking industry.

National Bank IT Division is playing an integral role with a vision to make the Bank more efficient Bank in terms of service, quality and compliance with the application of modern, reliable and customer friendly technology. To keep pace with fast changing technology and rendering modern services, NBL has launched global leading Core Banking solution 'Temenos Core Banking'.

National Bank has strengthened its cyber security to protect Bank's data effectively. Strict policies are in place to manage network infrastructure with cutting-edge technologies. Bank has achieved ISO/IEC 27001 certification as recognition of maintaining IT security standard in its operation. As part of green banking, we are using "NBL Quick Pay" patented in-house developed software for its all fully owned overseas subsidiaries in different countries for remittance channeling with faster delivery of services.

### Network

At present, NBL has been carrying on business through 203 branches across the country. Including save backward remote rural areas, keeping in mind our responsibilities to the society.

### Awards & Recognitions

NBL has been rewarded on several occasions for its transparency and accountability in providing banking services. In recognition of framework of financial Information, Core Risk Management, Annual Report Review, Corporate Governance, Human Resource Management and Corporate Social Responsibility, NBL won the Best Corporate Award from the Institute of Cost & Management Accountants of Bangladesh (ICMAB) and Certificate of Merit from The Institute of Chartered Accountants of Bangladesh (ICAB) for best published accounts and reports in different years. All these testify that we always care about disclosing all relevant information to investors and shareholders with clarity to make prudent decisions.

## ঝুঁকি ব্যবস্থাপনা

সাধারণতার সাথে ঝুঁকি গ্রহণ ব্যাংকিং ব্যবসায়ের একটি সুসম দিক। একটি ব্যাংকের স্থায়ী সমৃদ্ধির জন্য কার্যকরী ব্যবস্থাপনা অপরিহার্য। ব্যবসায় বৃদ্ধির সাথে সাথে ঝুঁকির নতুন নতুন দিক উন্মোচিত হয়। অনিশ্চয়তাকে গ্রহণ করার ও মোকাবেলা করার ক্ষমতা ঝুঁকি ব্যবস্থাপনা প্রক্রিয়ার গুরুত্বপূর্ণ অংশ। ব্যাংকিং কার্যক্রম পরিচালনায় ব্যাংক সর্বদা বিভিন্ন প্রকার ঝুঁকির সম্মুখীন হয়ে থাকে, যেগুলো তার ব্যবসায়ে অবশ্যজ্ঞাবীরূপে নেতিবাচক প্রভাব ফেলে থাকে। ব্যাংকিং কার্যক্রমে ঝুঁকি ব্যবস্থাপনায় ঝুঁকি চিহ্নিতকরণ, ঝুঁকির পরিমাপ ও মূল্যায়ন অন্তর্ভুক্ত করে থাকে যার উদ্দেশ্য হচ্ছে নেতিবাচক প্রভাব যথাসম্ভব কমিয়ে আনা। তাই এনবিল প্রধান কার্যালয়ে প্রয়োজনীয় ঝুঁকি ব্যবস্থাপনার জন্য একটি বিশেষ প্রাতিষ্ঠানিক ইউনিট গঠন করেছে।

ন্যাশনাল ব্যাংক লিমিটেডের মূলধন ব্যবস্থাপনার মূল লক্ষ্য হচ্ছে ব্যবসায়িক উন্নতিতে সহায়তা করার জন্য, সব সময় নির্ধারিত মূলধনের প্রয়োজনীয়তা মিটানোর জন্য এবং মানসম্মত ক্রেডিট রেটিং বজায় রাখার জন্য একটি শক্ত মূলধন ভিত্তি তৈরি করা। আট বছরের পরিকল্পনাকে সামনে রেখে ব্যাংকের কৌশলভিত্তিক ব্যবসা এবং মূলধন পরিকল্পনা করা হয় এবং পরিচালনা পর্ষদ থেকে অনুমোদন নেয়া হয়। এই পরিকল্পনা বাস্তবায়নের জন্য মূলধনের পর্যাপ্ত স্তর এবং নিজের কৌশলকে সমর্থনকারী মূলধনের বিভিন্ন উপাদানের সর্বোচ্চ সংশ্লেষ নিশ্চিত করে।

ন্যাশনাল ব্যাংক লিমিটেড বস্তগত ঝুঁকির জন্য প্রয়োজনীয় মূলধনের পরিমাণ নির্ণয় করার লক্ষ্যে একটি নমুনা মূলধন ব্যবহার করে থাকে এবং এর অভ্যন্তরীণ মূলধনের প্রাচুর্যতাকে সমর্থন দিয়ে থাকে। প্রতিটি বস্তগত ঝুঁকি পরিমাপ করা হয়, কমানো হয় এবং মূলধনের যথোপযুক্ত স্তর নির্ধারণ করা হয়। মূলধন মডেল হচ্ছে ব্যাংক ব্যবস্থাপনায় শৃংখলার মূল চাবিকাঠি।

বাসেল কমিটি (BCBS) ব্যাংকিং তদারকির উপর বাসেল -তিন চালু করেছে, এটা International Convergence of Capital Measurement and Capital Standard এর একটি ফ্রেমওয়ার্ক(যেটাকে সাধারণভাবে বাসেল - টু নামে অভিহিত করা হয়), যা বাসেল - দুইকে প্রতিস্থাপিত করেছে। তিনটি মূল স্তর নিয়ে বাসেল-৩ গঠিত : মূলধনের প্রাচুর্যতা ব্যবস্থাপনার জন্য বাংলাদেশ ব্যাংক বাসেল-৩ এর গাইডলাইনস এর আলোকে একটি নিয়ন্ত্রণকারী কাঠামো দিয়েছে।

বাংলাদেশ ব্যাংকের প্রয়োজনের সাথে সামঞ্জস্য বিধানের জন্য ন্যাশনাল ব্যাংকের পরিচালনা পর্ষদ ২০০৯ সালে ঝুঁকিভিত্তিক মূলধন প্রাচুর্যতার একটি গাইডলাইনস অনুমোদন করেছে। এটি জানুয়ারি ২০১০ থেকে কার্যকর হয়েছে। ন্যূনতম মূলধনের প্রয়োজনীয়তা অনুসারে ঝুঁকিভিত্তিক সম্পদে(CRAR) মূলধনের পরিমাণ হিসাব করার জন্য ব্যাংক পদক্ষেপ গ্রহণ করেছে।

## গ্রীণ ব্যাংকিং

ন্যাশনাল ব্যাংক বাংলাদেশ ব্যাংকের গাইডলাইনস অনুসারে গ্রীণ ব্যাংকিং কার্যক্রম পরিচালনার উদ্দেশ্যে একটি গ্রীণ ব্যাংকিং ইউনিট, একটি গ্রীণ ব্যাংকিং নীতিমালা এবং পরিকল্পনা প্রণয়ন করেছে। এ উদ্দেশ্যে ব্যাংক

## Risk Management

Accepting calculative risk is a beauty of the banking business. Effective management of risks is therefore critical for sustainable performance of a Bank. The ability to anticipate threats, respond and continually adapt is as critical a part of the risk management process. In the course of banking operations, banks are invariably faced with different types of risks that may have a potentially negative effect on their business. Risk management in bank operations includes risk identification, measurement and assessment, and its objective is to minimize negative effects risks can have on the financial result and capital of a bank. NBL therefore established a special organizational unit for risk management.

National Bank Ltd's capital management approach is driven by its desire to maintain a strong capital base to support the development of its business, to meet regulatory capital requirements at all times and to maintain good credit ratings. Strategic business and capital plans are drawn up to cover an eight years horizon and approved by the board.

The plan ensures that adequate levels of capital and an optimum mix of the different components of capital are maintained by the Bank to support the strategy.

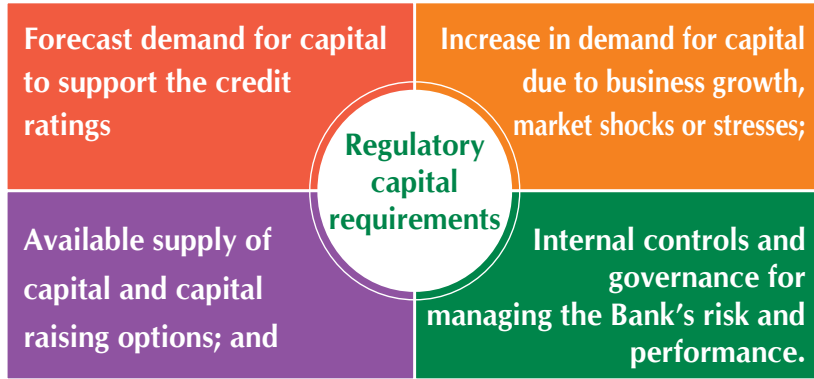
National Bank Ltd. uses a capital model to assess the capital demand for material risks, and support its internal capital adequacy assessment. Each material risk is assessed, relevant mitigates are considered and appropriate levels of capital are determined.

The Basel Committee on Banking Supervision published Basel III, a framework for the International Convergence of Capital Measurement and Capital Standards (commonly referred to as 'Basel II'), which replaced Basel II Accord. Basel III is structured around three 'pillars': Bangladesh Bank has given a regulatory framework for capital adequacy management and has formulated a guideline under Basel-III framework.

In order to comply with the Bangladesh Bank's requirement, NBL's Board of Directors approved a policy on Risk Based Capital Adequacy for National Bank Limited in December, 2009, which become effective since January, 2010. The Bank adopted the following approaches to calculate Capital to Risk Weighted Assets Ratio(CRAR) as per requirement of Minimum Capital Requirement [MCR] (Pillar-I).

## Green Banking

NBL has adopted comprehensive Green Banking policy in accordance with Bangladesh Bank guidelines. Green Banking Unit has already been formed with the responsibility of



অভ্যন্তরীণ পরিবেশগত উন্নয়ন ও গ্রীন ব্যাংকিং কার্যক্রম ত্বরান্বিত করার উদ্দেশ্যে কর্মচারীদের প্রয়োজনীয় প্রশিক্ষণে ইতিমধ্যে অর্থ বিনিয়োগ করেছে। গ্রীন ব্যাংকিং এর সার্বিক পরিকল্পনার অংশ হিসেবে ন্যাশনাল ব্যাংক পরিবেশবান্ধব প্রকল্পসমূহকে অর্থায়নের মাধ্যমে গ্রীন ফাইন্যান্সের সুযোগ সৃষ্টি করেছে। সবুজ অর্থায়ন, অনলাইন ব্যাংকিং, এসএমএস ব্যাংকিং এবং ডেবিট কার্ডের মাধ্যমে কার্যক্রম শুরু করেছে। গ্রাহক বৃন্দের Payment option কে বিস্তৃত করেছে। গ্রীন ব্যাংকিং এর প্রধান উদ্দেশ্য হচ্ছে বায়ু দূষণ কমানো এবং পরিবেশ ও সমাজের উপর গুরুত্ব আরোপ করা।

### ঋণ প্রশাসন

ঋণ প্রশাসন ব্যাংকের ঝুঁকিপূর্ণ সম্পত্তির সঠিক ও ব্যাপকভাবে এবং সময়োচিত নজরদারি নিশ্চিত করে। এই বিভাগ সিকিউরিটি ডকুমেন্টস চেকলিস্ট (SDC) ও অন্যান্য গুরুত্বপূর্ণ নথিসমূহ, যা ঋণ দানের ঝুঁকি ও শর্তের মধ্যে থাকে, শাখাসমূহের নিকট থেকে সেগুলো পরিপালনে নিশ্চয়তা পাওয়া স্বাপেক্ষে মঞ্জুরিকৃত বা বর্ধিত ঋণ যথাযথ ও সঠিকভাবে উত্তোলনের অনুমোদন প্রদান করে থাকে। ঋণ প্রশাসন বিভাগ বিভিন্ন তদারকি ব্যবস্থা করে থাকে। যেমন অগ্রীম সতর্কতা, যথাসময়ে ঋণ নবায়ন, ঋণসীমা নিয়ন্ত্রণ, বিভিন্ন ধরনের যেমন মাসিক/ত্রৈমাসিক/ষান্মাসিক/বার্ষিক রিটার্ন প্রধান কার্যালয় তথা বাংলাদেশ ব্যাংকে সময়মতো পাঠানো হয়েছে কিনা ইত্যাদি এবং সম্ভাব্য সব উপায়ে SMA ও SS ঋণ হ্রাসকরণে কার্যকর ভূমিকা পালন করে থাকে। তাছাড়া সার্বক্ষণিক নজরদারির মাধ্যমে ঋণ গ্রহীতাদের খেলাপি হওয়ার প্রবণতা রোধ করে ঋণের গুণগত মান বজায় রাখে। ফলে ঋণ প্রদানের স্বাভাবিক লক্ষ্যমাত্রা অর্জন অব্যাহত থাকে যা ব্যাংকের মুনাফা বৃদ্ধিতে সহায়তা করে থাকে। এছাড়াও, ব্যাংকে সমন্বিত ঋণ নিয়ন্ত্রণ (Integrated Supervision System-ISS) নামে একটি নতুন সেল গঠন করা হয়েছে এবং এটাকে ঋণ প্রশাসন বিভাগের সাথে সমন্বয় করা হয়েছে। এই বিভাগের কাজ হচ্ছে শাখার কাছ থেকে বাংলাদেশ ব্যাংক কর্তৃক প্রদত্ত নির্ধারিত ফরমেটে সুনির্দিষ্ট তথ্য সংগ্রহ করা এবং মাসিক ও ত্রৈমাসিক ভিত্তিতে সেগুলো বাংলাদেশ ব্যাংকে প্রেরণ করা। এই সমস্ত তথ্য ব্যবস্থাপনা কর্তৃপক্ষকে যথাযথ সিদ্ধান্ত নিতে সহায়তা করে থাকে। এছাড়া ঋণ প্রশাসন বিভাগে রয়েছে সিআইবি (Credit Information Bureau-CIB) ইউনিট, যা ঋণ গ্রহীতাদের সমস্ত তথ্য সংগ্রহ করে শাখাসমূহকে সরবরাহ করে থাকে। ঋণ শ্রেণীবিন্যাস ও প্রভিশনিং (CL) বিভাগ শাখা থেকে নির্ধারিত ফরমেটে মাসিক ভিত্তিতে বিবরণী সংগ্রহ করে এগুলো বাংলাদেশ ব্যাংকে প্রেরণ করে এবং ম্যানেজমেন্টের প্রয়োজন অনুসারে শ্রেণীবিন্যাসিত ঋণের এমআইএস (MIS) রিপোর্ট তৈরি করে।

### অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা

একটি সুষ্ঠু ও কার্যকর নিয়ন্ত্রণ ব্যবস্থা ঝুঁকিসমূহ চিহ্নিতকরণ, পরিমাপ, পরিবীক্ষণ করার মাধ্যমে অভ্যন্তরীণ ও বাহ্যিক ঝুঁকি ব্যবস্থাপনা নিশ্চিত করে ব্যাংকের লক্ষ্য অর্জনে সহায়তা করে থাকে। এ লক্ষ্যে ন্যাশনাল ব্যাংক যথাযথ নিয়ন্ত্রণ কাঠামো ও প্রক্রিয়ার উন্নয়নে বাংলাদেশ ব্যাংক ও অন্যান্য নিয়ন্ত্রক সংস্থার প্রদত্ত নীতি-নির্দেশনা যথাযথভাবে পরিপালন করেছে। এ সকল প্রক্রিয়ার কার্যকারিতা ও বাস্তবায়নের পর্যায়ে পরিচালনা পর্ষদ, নিরীক্ষা কমিটি ও ঝুঁকি ব্যবস্থাপনা কমিটি তা নিয়মিতভাবে পর্যালোচনা করে থাকে।

২০১৮ সালে অভ্যন্তরীণ নিয়ন্ত্রণ ও পরিপালন বিভাগ ২০৩টি শাখা ও প্রধান কার্যালয়ের ২৫টি বিভাগের বিশেষ রুটিন পরিদর্শন সম্পন্ন করেছে। এছাড়াও ৩৫টি শাখা উপর ঝুঁকিভিত্তিক নিরীক্ষা ১৬টি শাখার উপর বিশেষ নিরীক্ষা এবং ১৬টি শাখায় অনুসন্ধান কার্যক্রম পরিচালনা করেছে। তাছাড়া তারা ৪৪টি

designing, evaluating and administering Green Banking issues. The bank invests in in-house environmental management, provides training to employees continuously as part of accelerating bank's green initiatives. National Bank Limited has also introduced green finance to support environmental friendly projects. Online banking, SMS banking and the debit card are already in place to broaden the payment options for customers. The main objective of green banking is to minimize filth and giving due importance to environment and society.

### Credit Administration

Credit administration Division (CAD) ensures proper, extensive and timely monitoring of risk assets of the Bank and on time disbursement of sanctioned/enhanced loans and advances on receipt of confirmation of documentation completion as per sanction terms and conditions from branches stipulated by Credit Risk Management Divisions through Security Documentation Checklist (SDC) and copies of important documents. Credit Administration Division constantly monitors loan portfolio performance and supervises the early alert signals of the risk asset, timely renewal of limits, prepare and submission of various kinds of returns i.e., monthly/quarterly/half yearly/yearly statements to Bangladesh Bank as well as our Top Management. CAD ensures every possible means to reduce SMA & SS portfolio of loans & advances and due to constant vigilance default culture of borrowers has substantially reduced resulting of which asset retains its potential yield and ultimately enhances profit of the Bank. Besides, Integrated Supervision System (ISS) cell has been incorporated with CAD as per Bangladesh Bank guide line. The main function of ISS is to collect some specific data from all the Branches in prescribed structure (software) provided by Bangladesh Bank and after preparation of data upload the same to the Bangladesh Bank through web portal. These data ensures overall financial and other information activities of the Bank which also helps in taking prudent decision. The Credit Information Bureau (CIB) has been included with CAD which provides all relevant information about the borrowers to the Branches. Loan Classification and Provisioning (CL) department has also been included with Credit Administration Division. The prime function of the CL department is to collect monthly and Quarterly CL statements in a prescribed format from Branches and submit the same to the Bangladesh Bank and also to prepare MIS report on non performing loans for Management.

### Internal Control System

Effective control system results in better internal and external risk management in terms of identification, measurement, monitoring and mitigation of risks that could adversely affect the achievement of Bank's goal. Keeping this in mind, an appropriate control structure and process has been developed and adopted since long in line with the policy guidelines of Bangladesh Bank and other regulatory bodies. In order to safeguard basics assets and shareholders interest, the effectiveness and implementation status of the process are reviewed by the Risk Management Committee, Audit Committee and Board.

In 2018, the Internal Control & Compliance Division (ICCD) conducted Comprehensive Routine Inspection at 203 Branches and 25 Divisions at Head Office. They accomplished Risk Based Inspection at 35 Branches and Special Inspection at 16 Branches

অথরাইজড ডিলার শাখায় (অফশোর ইউনিট সহ) Online Foreign Exchange Transaction Monitoring System তদন্ত পরিচালনা করেছে এবং AML ও CFT (Anti Money Laundering & Combating Finance for Terrorism) এর জন্য ২৩টি শাখায় নিরীক্ষা পরিচালনা করা হয়েছে। এছাড়া বাংলাদেশ ব্যাংক ৪৩টি শাখায় বিশেষ তদন্ত ও ০৩ টি শাখার উপর বৈদেশিক বাণিজ্য পরিদর্শন পরিচালনা করেছে।

এছাড়া নিয়ন্ত্রণ কাঠামোর আনুসঙ্গিক বিষয়ে নির্বাহী স্তরের বিভিন্ন কমিটিসমূহ যেমন ঝুঁকি ব্যবস্থাপনা বিভাগ(RMD), সম্পদ-দায় কমিটি(ALCO), ব্যবস্থাপনা কমিটি(MANCOM) এবং সিনিয়র ম্যানেজমেন্ট টীম (SMT) ঝুঁকি নিয়ন্ত্রণ ব্যবস্থার দুর্বলতাসমূহ চিহ্নিত করে শক্তিশালী করার সুপারিশ করে থাকে। বহিঃনিরীক্ষকগণও বাৎসরিক ভিত্তিতে অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা (ICS) পর্যালোচনা করে থাকে।

এসকল কাঠামোগত প্রক্রিয়ার ফলাফল ও সুপারিশসমূহ নিয়ন্ত্রণ কর্তৃপক্ষের নির্দেশনা অনুযায়ী পরিচালনা পর্ষদ, নিরীক্ষা কমিটি, ঝুঁকি ব্যবস্থাপনা কমিটি ও উর্ধ্বতন ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক যথাযথভাবে মূল্যায়ন ও পরিবেক্ষণ করা হয়। এ সকল ব্যবস্থা ও তার কার্যক্রম প্রক্রিয়া পরিচালনা পর্ষদ ও ব্যবস্থাপনা কর্তৃপক্ষের মাঝে সেতুবন্ধন হিসেবে কাজ করে এবং নিরাপদ, সুষ্ঠু ও কমপ্লায়েন্ট ব্যাংকিং কার্যক্রম নিশ্চিত করতে প্রহরির ভূমিকা পালন করে থাকে।

### মানি লন্ডারিং এবং সন্ত্রাসী অর্থায়নে ঝুঁকি ব্যবস্থাপনা

মানি লন্ডারিং ও সন্ত্রাসী অর্থায়ন হচ্ছে গুরুতর অপরাধ যেগুলো বিশ্বব্যাপী সামাজিক, অর্থনৈতিক, রাজনৈতিক ও সাংস্কৃতিক উন্নয়নকে বাধাগ্রস্ত করে সমগ্র অর্থনীতিকে ক্ষতিগ্রস্ত করেছে। তাই ব্যাংক ব্যবস্থাপনায় মানিলন্ডারিং/ সন্ত্রাসী অর্থায়ন প্রতিরোধকল্পে শক্তিশালী বিধি-বিধান থাকা আবশ্যিক। শুধুমাত্র ব্যাংকিং কার্যক্রমের স্বচ্ছতা ও জবাবদিহিতা বজায় রাখার জন্য নয়, বরং অর্থনৈতিক দুর্যোগে মোকাবেলা করার জন্য জনগণের সম্পদের অপব্যবহার এবং অপ্রয়োজনীয় ব্যবহার রোধ করার জন্যও এর প্রয়োজন রয়েছে। মানিলন্ডারিং সম্পর্কে জনসচেতনতা বৃদ্ধি, মানিলন্ডারিং/সন্ত্রাসী অর্থায়নের ঝুঁকি কমানো, বেআইনীভাবে বিদেশে অর্থ পাঠানো এবং মানি লন্ডারিং প্রতিরোধ আইন, ২০১২(২০১৫ এর সংশোধনীসহ), সন্ত্রাসবিরোধী আইন ২০০৯ (২০১২ ও ২০১৩ এর সংশোধনীসহ) বাস্তবায়নের লক্ষ্যে ন্যাশনাল ব্যাংক লিমিটেড ইতোমধ্যে বিভিন্ন পদক্ষেপ গ্রহণ করেছে। মানিলন্ডারিং/সন্ত্রাসী অর্থায়ন প্রতিরোধের গুরুত্ব এবং কর্মকর্তাদের দায়-দায়িত্ব তুলে ধরে প্রতি বছর ব্যবস্থাপনা পরিচালকের কার্যালয় থেকে একটি বার্তা শাখা পর্যায়ে সকল কর্মকর্তাদের বরাবরে প্রেরণ করা হয়। এনবিএল এর প্রধান কার্যালয়ে প্রধান মানিলন্ডারিং প্রতিরোধে পরিপালন কর্মকর্তা এবং শাখা পর্যায়ে শাখা মানিলন্ডারিং প্রতিরোধে পরিপালন কর্মকর্তা আছেন, যারা সন্দেহজনক লেনদেনগুলো যাচাই বাছাই করেন এবং বাংলাদেশ ব্যাংকের বিএফআইইউ (BFIU) বরাবরে রিপোর্ট প্রদান করেন। দ্রুত এবং সঠিকভাবে মানিলন্ডারিং প্রতিরোধে পরিপালন নিশ্চিত করার জন্য প্রত্যেক শাখায় ৩ জন কর্মকর্তার সমন্বয়ে শাখা পরিপালন ইউনিট গঠন করা হয়েছে। ন্যাশনাল ব্যাংক আন্তর্জাতিকভাবে তালিকাভুক্ত সন্ত্রাসী, ব্যক্তি, গোষ্ঠী বা প্রতিষ্ঠান এর নামে বা অনুকূলে যে কোন ব্যাংকিং লেনদেন প্রতিরোধ করার জন্য ইতোমধ্যে Sanction Screening Software চালু করেছে। প্রাথমিকভাবে এসব যাচাই-বাছাই শাখা কর্তৃক সম্পন্ন হয়ে থাকে এবং ঘান্নাষিক ভিত্তিতে শাখা সিসিইউ এবং আইসিসিডি বরাবরে এগুলোর রিপোর্ট

& Investigation at 16 Branches. They also accomplished Comprehensive Audit for reporting in “Online Foreign Exchange Transactions Monitoring System” at 44 Authorized Dealer (AD) Branches (including Offshore Banking Units) and Anti Money Laundering & Combating Finance for Terrorism (AML & CFT) inspection at 23 Branches. Bangladesh Bank carried out Comprehensive Inspection at 43 Branches and Foreign Exchange Inspection at 03 Branches.

Besides the above, other key components of control structures like Risk Management Committee, Asset Liability Committee (ALCO), Management Committee (MANCOM) and Senior Management Team (SMT) are also contributing in strengthening the risk based control system identifying the weaknesses and recommending solutions. External Auditors also review the functions of internal control system (ICS) on yearly basis.

Outcome of these structured processes with suggestion there against are properly addressed, evaluated and monitored by the Higher Management, Risk Management Committee, Audit committee and Board as per directives of regulatory authorities. It acts as bridge between Management and Board; and also works as watchdog to ensure safe, sound and compliant operations in the Bank.

### Money Laundering and Terrorist Financing Risk Management

Money laundering and terrorist financing are serious crimes that affect the economy as a whole by impeding the social, economic, political, and cultural development of societies worldwide. It is therefore critically important to have in place strong anti money laundering/combating the financing of terrorism (AML/CFT) oversight mechanisms, not only to protect the integrity of the banking system, but also to ensure that public funds mobilized to address the financial crisis will not be misused or misappropriated. National Bank Limited has taken various steps in order to create consciousness about prevention of Money Laundering, mitigate the risks of ML/TF, prevent the un-authorized transfer of money and to implement Money Laundering Prevention Act, 2012 (with amendment in 2015) and Anti Terrorism Act, 2009 (with amendment in 2012 & 2013). Every year a message from the Managing Director’s office is given to all employees of the bank reiterating the importance of AML, CFT & responsibilities of bank officials. Central Compliance Committee (CCC) has been formed to formulate organizational strategy and program to prevent money laundering & terrorist financing activities. CCC arranges meetings at least four (4) times in a year to take decision and provide instructions by reviewing the overall condition of bank regarding AML/CFT compliance. A designated Chief Anti Money Laundering Compliance Officer and a Deputy Chief Anti Money Laundering Compliance Officer at Head Office and Branch Anti Money Laundering Compliance Officers at branch level ensure AML/CFT compliance. Besides, Branch compliance unit (BCU) has been created in each branch consisting of three (3) members for ensuring prompt and accurate compliance related to AML/CFT. AML Sanction Screening Software is being used for preventing any sort of financial relation establishment or transitions with or in favor of the international sanctioned terrorist individual, group or entities. Self assessment is done by the branches and submitted

প্রেরণ করে। শাখা থেকে পাওয়া এসব রিপোর্টের ভিত্তিতে একটি মূল রিপোর্ট তৈরি করা হয় এবং যথাযথ ব্যবস্থা গ্রহণ করা হয়। ব্যাংকের সকল নির্বাহী ও কর্মকর্তাদের মধ্যে সচেতনতা বৃদ্ধি ও সন্দেহজনক লেনদেন চিহ্নিত করতে দক্ষতা বৃদ্ধির লক্ষ্যে নিয়মিতভাবে প্রশিক্ষণ ও কর্মশালার আয়োজন করা হয়। মানিলন্ডারিং/সন্ত্রাসী অর্থায়ন প্রতিরোধের প্রশিক্ষণ ছাড়াও ব্যাংক বিভিন্ন বিশেষায়িত প্রশিক্ষণ যেমন ঃ বৈদেশিক বাণিজ্য ভিত্তিক মানি লন্ডারিং প্রশিক্ষণ, UNSCR Screening সম্পর্কিত প্রশিক্ষণ এবং ঋণ ও আদায় সম্পর্কিত প্রশিক্ষণ দিয়ে থাকে।

### সাব অর্ডিনেট বন্ড

২০১০ সালে বিশ্ব অর্থনীতিতে বিরূপ অবস্থার পর থেকে বিশ্ব অর্থনীতির নিয়ন্ত্রকগণ ব্যাংকের ঝুঁকি গ্রহণ ক্ষমতাকে শক্তিশালী করার ব্যাপারে অত্যন্ত সতর্ক হয়ে ওঠে এবং ব্যাসেল-৩ নামে অত্যন্ত কার্যকর Capital to Risk Weighted Asset Ratio (CRAR) কাঠামো চালু করে। ব্যাংকের মূলধন ভিত্তিকে শক্তিশালী করা এবং ব্যাসেল-৩ এর সাথে সমন্বয় করে বাংলাদেশ ব্যাংকের নির্দেশনা অনুসারে এবং টিয়ার টু (Tier-II) কে সমর্থন দেয়ার জন্য ন্যাশনাল ব্যাংক ৪,০০০.০০ মিলিয়ন টাকার সাব অর্ডিনেট বন্ড ইস্যু করেছে।

### শেয়ারহোল্ডার ইকুইটি

দূরদর্শী মূলধন কাঠামো অনুযায়ী ব্যাংকের একটি সামঞ্জস্যপূর্ণ লভ্যাংশ নীতিমালা আছে। এই নীতিমালা অনুযায়ী যখন মূলধনের ভিত্তি শক্তিশালী করা সম্ভব হয়েছে তখন এনবিএল তার শেয়ার মালিকদের জন্য উচ্চ লভ্যাংশ ঘোষণা করেছিল। ডিসেম্বর ৩১, ২০১৮ সালে ব্যাংকের শেয়ার হোল্ডারদের তহবিল এর পরিমাণ ছিল ৪৪,৮০৯.৩৫ মিলিয়ন টাকা, যা স্থানীয় বেসরকারি ব্যাংকগুলোর মধ্যে সর্বোচ্চ বলে বিবেচনা করা হয়।

মিলিয়ন টাকা

বিবরণ	২০১৮	২০১৭	প্রবৃদ্ধি
পরিশোধিত মূলধন	২৬,৫৪৯.০৮	২৩,৭০৪.৫৩	১২.০০%
বিধিবদ্ধ সঞ্চিতি	১৪,৩৮০.৮৩	১২,৯৪৪.৯৯	১১.০৯%
অন্যান্য সঞ্চিতি	৯০২.১২	৫৬৩.৯১	৫৯.৯৭%
সংরক্ষিত মুনাফা	২,৯৭৭.৩২	৩,১৫৭.৩৯	-০৫.৭০%
মোট	৪৪,৮০৯.৩৫	৪০,৩৭০.৮২	১০.৯৯%

### ব্যবসায়ের আয়তন

ডিসেম্বর, ২০১৮ সালে ব্যাংক আমানতের পরিমাণ ৪২,৪৩৪.৭১ মিলিয়ন টাকা অর্থাৎ ১৫.৫৫% বৃদ্ধি পেয়ে ৩১৫,২০৬.০৩ মিলিয়ন টাকায় দাঁড়িয়েছে। একটি সুবিধাজনক আমানতের ভিত্তি তৈরি করার জন্য ব্যাংক ব্যবস্থাপনা সুদবিহীন ও নিম্ন সুদের আমানত সংগ্রহের উপর গুরুত্ব প্রদান করেছে। যার কারণে পূর্ববর্তী বছরের তুলনায় ২০১৮ সালে চলতি ও সঞ্চয়ী হিসাবের অনুপাত (CASA Ratio) ব্যাংকের অনুকূলে ছিল। বৎসরের শেষে চলতি হিসাব ১৫,৩১৮.৯২ মিলিয়ন টাকা এবং সঞ্চয়ী হিসাব ৪৭,০৩৬.৩৭ মিলিয়ন টাকায় পৌঁছেছে।

২০১৮ সালে ঋণ ও অগ্রিম ৬৬,০৪০.১১ মিলিয়ন টাকা বা ২৬.৫৭% বৃদ্ধি পেয়ে ৩১৪,৫০৭.২৬ মিলিয়নে পৌঁছেছে, যা ২০১৭ সালে ছিল ২৪৮,৪৬৭.১৫ মিলিয়ন টাকা।

to Anti Money Laundering Department (AML) and Internal Control and Compliance Division (ICCD) on half yearly basis. A summary report is prepared and necessary actions are taken on the basis of self assessment. Training programs and daylong workshops are being arranged for all categories of officers and executives to create awareness for preventing money laundering & terrorist financing and develop skills to identify suspicious transaction/activities. Besides basic AML & CFT training, bank arrange job specific training or focused training i.e., Trade based money laundering training, UNSCR screening related training, credit fraud and ML related training.

### Subordinated Bond

After global economic turmoil in 2010, the global financial regulators are more concerned to enhance risk resilience capacity of the banks and introduced more risk sensitive capital adequacy framework namely Basel III. With the view to strengthen capital base of the bank and subsequently to meet up the capital adequacy ratio as per Bangladesh Bank's instruction in line with BASEL-III Accord, and to support the Tier-II capital NBL has issued Subordinated Bond of BDT 4,000 million.

### Shareholders' equity

In accordance with the prudent capital structure plan, the Bank has a consistent dividend policy. In this direction NBL declared high stock dividend as and when possible to strengthen the capital base. The Bank was able to build up shareholders' funds of BDT 44,809.35 million as at 31 December 2018, which is considered the highest among local private Banks.

Taka in million

Particulars	Year-2018	Year-2017	Growth
Paid-up Capital	26,549.08	23,704.53	12.00%
Statutory Reserve	14,380.83	12,944.99	11.09%
Other Reserve	902.12	563.91	59.97%
Retained Earnings	2,977.32	3,157.39	-05.70%
<b>Total</b>	<b>44,809.35</b>	<b>40,370.82</b>	<b>10.99%</b>

### Business Volume

The Bank's deposit volume increased by Tk. 42,434.71 million or 15.55%, reaching Tk.315,206.03 million as of December 31, 2018. To build a favorable deposit mix Management of NBL emphasized on increase of low and no cost deposit consequently CASA ratio of the Bank became more favorable in 2018 as compared to previous year. In the year end, Bank's Current Account stood at Tk. 15,318.92 million and Saving Account at Tk. 47,036.37 million.

Loans and advances were increased by Tk. 66,040.11 million or 26.57%, reaching Tk. 314,507.26 million by the end of 2018 while it was Tk. 248,467.15 million in 2017.



২০১৮ সালে ব্যাংক মোট ৯,২১৯.১৮ মিলিয়ন টাকা মুনাফা অর্জন করেছে, যা ২০১৭ সালে ছিল ১০,২৬৫.৮৭ মিলিয়ন টাকা। ২০১৮ সালে ব্যাংকের নীট মুনাফা ৪,১০০.৩১ মিলিয়ন টাকায় দাঁড়িয়েছে, যা চলতি বাজারে সর্বোচ্চ।

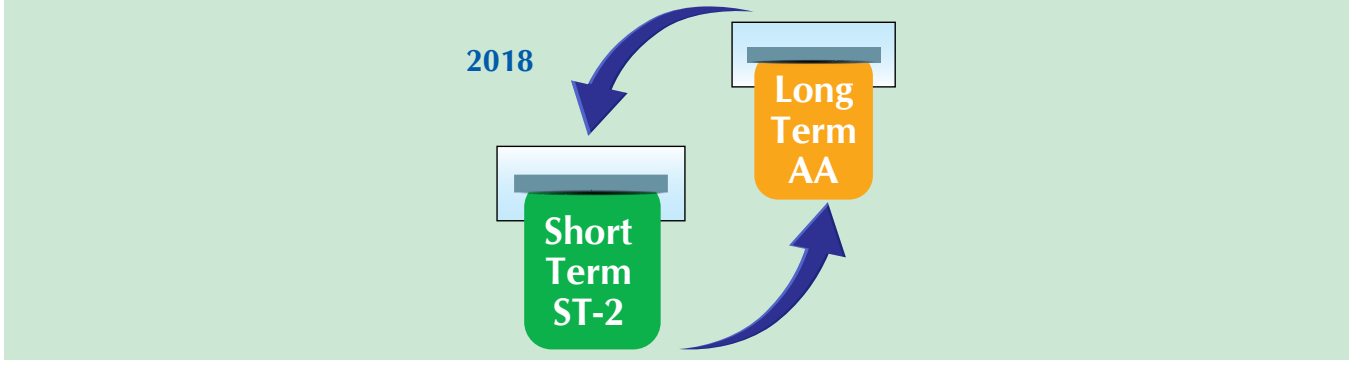
### ক্রেডিট রেটিং

ইমার্জিং ক্রেডিট রেটিং লিমিটেড (Emerging Credit Rating Limited -ECRL) ২০১৮ সালের জন্য দীর্ঘমেয়াদী ভিত্তিতে ন্যাশনাল

The Bank made an operating profit of Tk. 9,219.18 million in 2018, which was Tk. 10,265.87 million in 2017. The Net profit in 2018 stood at Tk. 4,100.31 million which is one of top in the banking industry of Bangladesh.

### Credit Rating

Emerging Credit Rating Limited (ECRL) has rated the Bank based on December 31, 2018 with "AA"(pronounced as Double A) in



ব্যাংকের ক্রেডিট রেটিং করেছে AA (উচ্চারণ হবে ডাবল এ) এবং স্বল্পমেয়াদী ভিত্তিতে ক্রেডিট রেটিং করেছে ST-2। এই রেটিংয়ের মাধ্যমে ব্যাংকের শক্তি প্রতিফলিত হয়েছে যাহা শক্তিশালী ব্যবস্থাপনা টিম, সুদবিহীন আয়ের প্রবৃদ্ধি, আমানত এবং বিনিয়োগ, উচ্চতর টিয়ার-১ দ্বারা মূলধন গঠন, সম্পদের মান উন্নয়ন এবং সুনিয়ন্ত্রিত তারল্যের অবস্থান দ্বারা নির্ণয় করা হয়েছে।

the Long Term and ST-2 for the Short Term. The rating reflects the strengths of the bank which is backed by a strong team of management, growth in the non-interest income, deposits and investments, adequate capital coverage with high Tier-1 capital, improved asset quality and well controlled liquidity position.

### অর্থনৈতিক কর্মকান্ড পর্যালোচনা - ২০১৮

ব্যাংকিং শিল্পে এনবিএল এর অবস্থান তিন দশক ধরে। এই সময়ে ব্যাংকটি তার অর্থনৈতিক শক্তি, মূলধনের শক্ত ভিত, শক্তিশালী শাখা নেটওয়ার্কিং তথা গ্রাহকদের বিশ্বাস ও আস্থা অর্জনের মাধ্যমে একটি প্রতিযোগিতামূলক অবস্থান তৈরি করে নিয়েছে। এইজন্য অসংখ্য বাহ্যিক চ্যালেঞ্জ মোকাবেলা সত্ত্বেও ব্যাংকটি তারল্য এবং স্বনির্ভরতার ভিত্তিতে ২০১৮ সাল সফলভাবে সমাপ্ত করেছে। আমাদের প্রধান মনযোগ ছিল সম্পদের গুণগত মান উন্নয়ন, শ্রেণিবিন্যাসিত ও রাইট অফ ঋণ পুনরুদ্ধার, সেবার উপর গুরুত্ব প্রদান এবং খরচ কমানোর উপর। এনবিএল এর ব্যবস্থাপনা কর্তৃপক্ষ ব্যাংকের চলমান প্রবৃদ্ধিকে আরো বৃদ্ধি করতে এবং এর সম্পদের যথাযথ প্রয়োগের ব্যাপারে সর্বদা সচেতন ছিল।

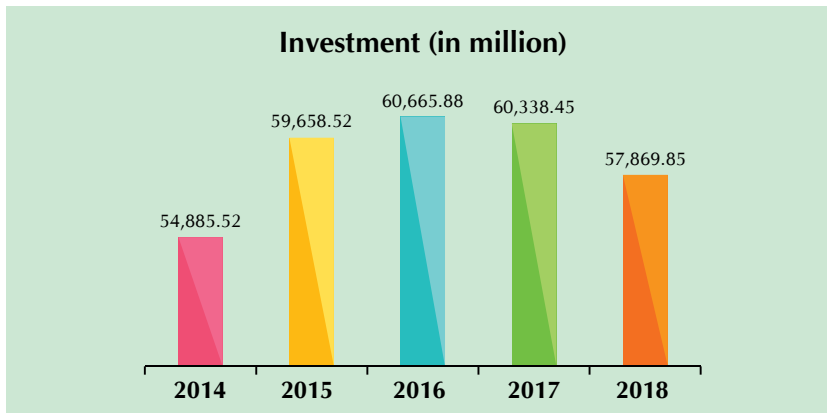
### Review of Financial Performance – 2018

NBL has been in the banking industry for three decades and privileged to have competitive advantage through its financial strength, strong capital base, strong branch network as well as the customers' trust and loyalty. Therefore despite facing numerous external challenges, the bank still managed to finish 2018 in good standing in terms of liquidity and solvency. Our focus has been on improving asset quality, recovering classified and written off loans, enhancing service excellence, and rationalizing costs. NBL's management has always been careful in upholding for continuous growth and looking for utmost utilization of its assets.

### সম্পদ

ব্যবসায় সম্প্রসারণের সাথে সাথে ব্যাংকের সম্পত্তি বৃদ্ধি পেয়েছে। ৩১ ডিসেম্বর ২০১৮ তে ব্যাংকের মোট সম্পদ ১৬.০৯% বৃদ্ধি পেয়ে ৪০৭,২২৭.৪০ মিলিয়ন টাকায় দাঁড়িয়েছে। ডিসেম্বর ২০১৭ তে এই সম্পদের পরিমাণ ছিল ৩৫০,৭৬০.৮৩ মিলিয়ন টাকা। প্রধানতঃ ঋণ ও অগ্রিম, বিনিয়োগ, নগদ অর্থ লেনদেন এবং অন্যান্য

### Assets

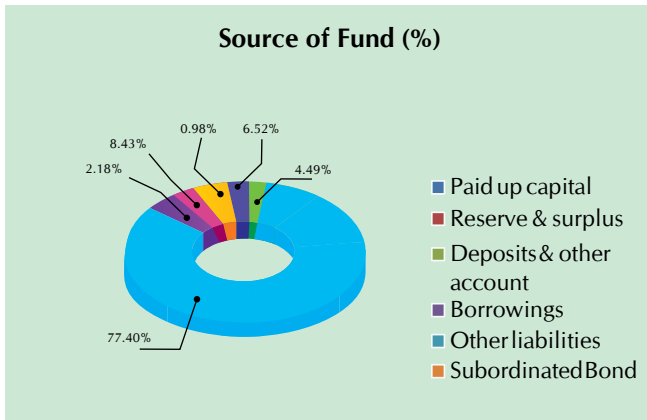


With the expansion of business, asset profile of the Bank has also increased. Total assets of the Bank grew up by 16.09% to BDT 407,227.40 million as at December 31, 2018 as against BDT 350,760.83 million of December 31, 2017. The significant increase in assets was mainly achieved due to rise in loans and

আর্থিক প্রতিষ্ঠানের সাথে লেনদেনের মাত্রা বৃদ্ধি পাওয়ার ফলশ্রুতিতে সম্পদের এই উল্লেখযোগ্য প্রবৃদ্ধি অর্জিত হয়েছে।

২০১০ সাল হতে অন্যতম প্রাইমারী ডিলার হিসাবে কেন্দ্রীয় ব্যাংক কর্তৃক আহৃত সরকারী ট্রেজারি বিল ও বন্ডের নিলামে অংশগ্রহণ করে নির্ধারিত পরিমাণ বিল ও বন্ড ক্রয়ের বাধ্যবাধকতা পালন করে এসেছে। ডিসেম্বর ২০১৮ এ সরকারী সিকিউরিটিজ এ বিনিয়োগের পরিমাণ দাড়ায় ৪৫,১৮২.৪৮ মিলিয়ন টাকা। ৩১ ডিসেম্বর ২০১৮ পর্যন্ত এনবিএল এর মোট বিনিয়োগের পরিমাণ দাঁড়িয়েছে ৫৭,৮৬৯.৮৫ মিলিয়ন টাকায় যার মধ্যে সরকারি সিকিউরিটিজ বিনিয়োগ রয়েছে ৭৮.০৮%।

আলোচ্য সময়ে ব্যাংকের ঋণ ও অগ্রিম অর্থ প্রদানের পরিমাণ বৃদ্ধি পেয়েছে ২৬.৫৭%। দেশের সামগ্রিক শিল্পের অবস্থা বিবেচনা করে ব্যাংক ব্যবস্থাপনা কর্তৃপক্ষ গ্রাহকদেরকে সহায়তা করার জন্য তাদের কর্মতৎপরতার উপর ভিত্তি করে বিচক্ষতার সাথে অর্থ বরাদ্দ করেছে। আনুষ্ঠানিক ঝুঁকিসমূহের যথার্থ বিশ্লেষণপূর্বক পর্যাপ্ত সহযোগী জামানত গ্রহণের বিপরীতে নতুন গ্রাহকদেরকেও ঋণ সুবিধা প্রদান করা হচ্ছে।



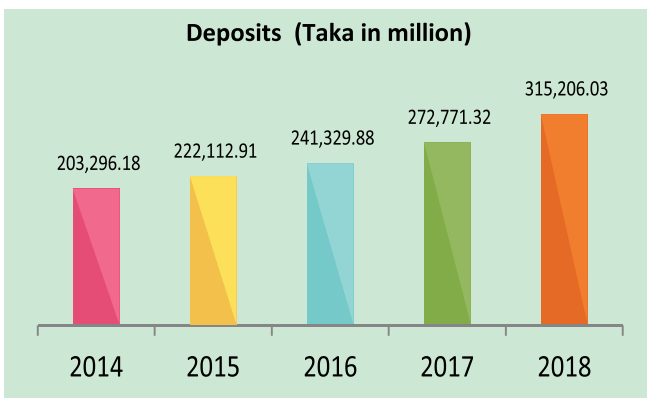
### দায়সমূহ

৩১ ডিসেম্বর ২০১৮ তে ব্যাংকের মোট দায় ১৬.৭৬% বৃদ্ধি পেয়ে ৩৬২.৪১৮.০৫ মিলিয়ন টাকায় দাঁড়িয়েছে, যা ৩১ ডিসেম্বর, ২০১৭ পর্যন্ত ছিল ৩১০,৩৯০.০১ মিলিয়ন টাকা। মূলত: আমানত বৃদ্ধিসহ আয়কর ও ঋণের সংস্থান বৃদ্ধির কারণে দায়ের এই পরিমাণ বৃদ্ধি ঘটেছে।

পূর্ববর্তী বছরের তুলনায় ২০১৮ সালে অন্যান্য ব্যাংক, আর্থিক প্রতিষ্ঠান ও প্রতিনিধিদের নিকট থেকে গৃহীত কর্তৃক পরিমাণ ৭০.১৬% বেড়েছে।

### আমানতসমূহ

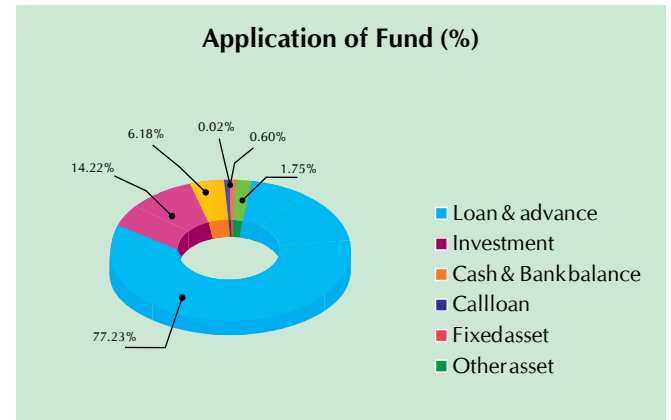
দেশের মধ্যে গ্রাম ও শহর উভয় এলাকায় ব্যাংক শাখার সংখ্যা বৃদ্ধি, বহিঃবিদেশে কার্যক্রম বিস্তৃতির মাধ্যমে বৈদেশিক মুদ্রা অর্জনকারীদের সুবিধা



advances, investments, cash and balances with other banks and financial institutions.

As a Primary Dealer since 2010 the Bank has to acquire a certain portion of Government Treasury Bills & Bonds by participating in bids offered by the central bank. As of December 2018 investment in Government Securities was Tk. 45,182.48 million. Investment portfolio of NBL as on December 31, 2018 stood at Tk. 57,869.85 million out of which 78.08% is Government Securities.

The growth of Loans and advances of the Bank during the period under review was 26.57 %. Considering the overall industry condition of the country the management of the bank disbursed the advances in prudent manner to support the existing customers based on their performances. New customers were also accommodated with proper scrutiny of associated risks.



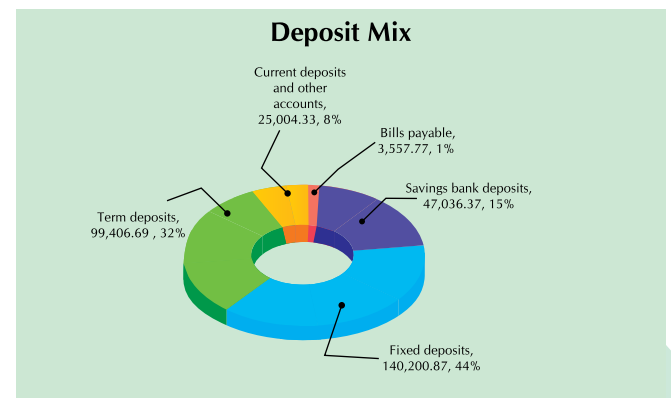
### Liabilities

Total liabilities of the Bank increased to Tk. 362,418.05 million as of 31 December 2018 from BDT 310,390.01 million in 2017 registering a growth of 16.76%. This was mainly due to increase of deposits and making of provision for taxation, loans, advances etc.

Borrowings from other banks, financial institutions and agents have increased by 70.16% in 2018 in comparison to the previous year.

### Deposits

Deposit grew steadily still continued through expansion of branch network in urban and rural areas within the country and



প্রদান, প্রতিযোগিতামূলকভাবে বাণিজ্যিকীকরণ এবং নতুন ডিপোজিট প্রডাক্টস ও গুণসম্পন্ন সেবা প্রদান প্রভৃতি কারণে ২০১৮ সমাপনী বছরে আমানতের প্রবৃদ্ধি পূর্ববর্তী বছরের তুলনায় ১৫.৫৫% বৃদ্ধি পেয়ে ৩১৫,২০৬.০৩ মিলিয়ন টাকায় দাঁড়িয়েছে।

### পরিচালন ও নীট মুনাফা

নিয়ন্ত্রণবিহীন বিভিন্ন ধরনের অভ্যন্তরীণ ও বৈদেশিক সমস্যার কারণে ২০১৮ সালটি ব্যাংকিং খাতের জন্য ছিল একটা বড় চ্যালেঞ্জস্বরূপ। এ বছর গড় সুদের হার ছিল ১১.৩৯%, যা বাজারে বিদ্যমান সুদের হারের সাথে ছিল প্রতিযোগিতামূলক। বিচক্ষণতার সহিত ঝুঁকি ও প্রতিদ্বন্দ্বিতা মোকাবেলা করে গড় তহবিল ব্যয় হার নিম্নপর্যায়ে রাখার ফলে অর্থনৈতিক খাতে আমাদের সামগ্রিক কার্যক্রম সন্তোষজনক ছিল।

২০১৮ সালে এনবিএল ৯,২১৯.১৮ মিলিয়ন টাকার পরিচালন মুনাফা অর্জন করে। ২০১৭ সালে এই মুনাফার পরিমাণ ছিল ১০,২৬৫.৮৭ মিলিয়ন টাকা। ২০১৮ সালে কর পরবর্তী নীট মুনাফার পরিমাণ ৪,১০০.৩১ মিলিয়ন টাকায় দাঁড়িয়েছে, ২০১৭ সালে যার পরিমাণ ছিল ৪,৬৯৬.০১ মিলিয়ন টাকা।

আমানত খরচ কম হওয়া, ঋণের প্রবৃদ্ধি অব্যাহত থাকা, যৌক্তিক পুণঃতফসিল করনের মাধ্যমে এনপিএলসমূহ নিয়মিতকরণ এবং সামগ্রিকভাবে পরিচালকমণ্ডলী ও ব্যাংক ব্যবস্থাপনা কর্তৃপক্ষের দূরদর্শী সিদ্ধান্তের ফলে ২০১৮ সালে এ অর্জন সম্ভব হয়েছে।

### আয়

মুনাফা অর্জনের পথ প্রশস্ত করার লক্ষ্যে ব্যবসায়ের বহুমুখীকরণ এবং ঝুঁকিসমূহের নিরসন নিশ্চিত করাই ঋণ প্রদান নীতির প্রতিপাদ্য বিষয় হিসেবে বিবেচিত। ন্যাশনাল ব্যাংক লিমিটেড সময়োচিত দূরদর্শী সিদ্ধান্ত গ্রহণের দ্বারা ২০১৮ সালে এই চ্যালেঞ্জ মোকাবেলা করতে সক্ষম হয়েছে। ২০১৮ সালে ব্যবসায়ের প্রতিটি শাখার সুসম অবদান এবং তৃণমূল ব্যাংকিং কার্যক্রম থেকে আয় উল্লেখযোগ্যভাবে বৃদ্ধি পেয়েছে। আয়ের প্রধান ক্ষেত্রগুলো ছিল অগ্রিমের বিপরীতে পাওয়া সুদ, ট্রেজারি ও অন্যান্য বিনিয়োগ থেকে আয় এবং সেবা খাতের ফি ও কমিশন ভিত্তিক আয়। ২০১৮ সালে ব্যাংকের মোট পরিচালন আয় ১৪.৩৬% বৃদ্ধি পেয়ে ৩৬,৭৬৮.৯৭ মিলিয়ন টাকায় দাঁড়িয়েছে, ২০১৭ সালে যার পরিমাণ ছিল ৩২,১৫২.৫৮ মিলিয়ন টাকা।

### ব্যয়সমূহ

কর ও লোন-লস প্রভিশনের পাশাপাশি কর্মচারীদের বেতন-ভাতাদি, ভবন ও যন্ত্রপাতি রক্ষণাবেক্ষণ ব্যয়, সংস্থাপন ব্যয়, মুদ্রণ ব্যয়, প্রযুক্তিগত ব্যয়, সামাজিক দায়বদ্ধতা খাতে ব্যয় ও শাখা সম্প্রসারণ জনিত কারণে ব্যয় প্রভৃতি ব্যাংকের মোট পরিচালন ব্যয়ের প্রধান অনুষঙ্গ।

ব্যাংক ব্যবস্থাপনা কর্তৃপক্ষ বছরের শুরু থেকেই সুদ বহির্ভূত ব্যয় হ্রাসের উপর গুরুত্ব দিয়ে আসছিল। একইসাথে মুনাফার প্রবৃদ্ধির লক্ষ্যে শ্রেণীকৃত ঋণ ও অবলোপনকৃত ঋণ আদায়েও তৎপর থেকেছে।

আলোচ্য বছরে ব্যাংকের মোট পরিচালন খরচ পূর্ববর্তী বছর অপেক্ষা ১২.৪৩% বৃদ্ধি পেয়ে ৬,৪৯৮.৩৭ মিলিয়ন টাকায় দাঁড়িয়েছে, যা ২০১৭ সালে ছিল ৫,৭৭৯.৭১ মিলিয়ন টাকা।

expansion of overseas operations to facilitate the wage earners, vigorous marketing of innovative and competitive deposit products, quality counter services. The deposit registered a growth of 15.55 % in 2018 year over the last year and stood at BDT 315,206.03 million.

### Operating & Net Profit

The year 2018 was another challenging year for the banking sector due to various domestic and external factors beyond the control. During the year average yield was 11.39% which was competitive in the prevailing market yield percentage. Enduring challenges with prudence our overall operating result was satisfactory due to proper balance of deposit mix to minimize the average cost of fund and maintained a stable margin.

NBL generated operating profit of Tk. 9,219.18 million in 2018 which was Tk. 10,265.87 million in 2017. Net Profit after tax stood at Tk. 4,100.31 million in 2018 after making provision for loan loss and taxation, which was Tk. 4,696.01 million in 2017.

Achievement of 2018 was due to low cost of fund, steady credit growth, regularization of NPL through rescheduling arrangement and overall prudent decision of Board of Directors and Bank Management.

### Income

Diversification of business to augment profitability mitigating risks is the main focal point of our lending policy. Timely prudent decisions contributed to overcome the challenges of 2018. Consistent contribution from each segment of business, earning capability from the core banking operation has increased significantly during 2018. Major contributory segments were interest on advances, Treasury and other Investment income, fee and commission based income. Total operating income of the bank registered a growth of 14.36% and stood at Tk. 36,768.97 million in 2018 which was Tk. 32,152.58 million in 2017.

### Expenses

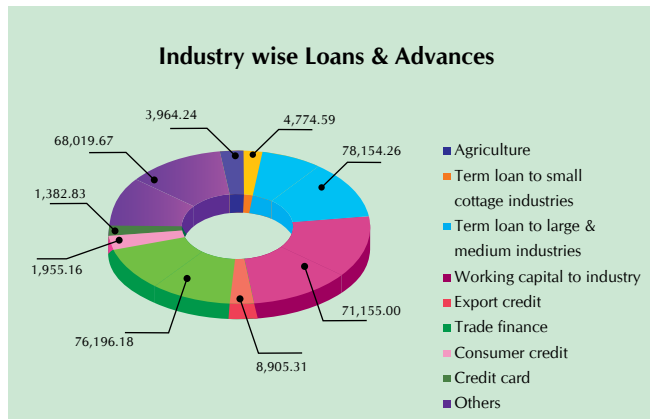
Employee costs, maintenance of premises & equipments, establishment expenses, printing, ITC expenses, CSR activities etc. and expansion of branch network are the main components of operating expenses besides the provisions for Tax & Loan Loss.

The management of the Bank gave emphasis to keep the non-interest expenses at minimum level since beginning of the year and also strengthened the recovery drives of classified and written-off loans to augment the profitability.

Total operating expense of the bank has increased by 12.43% and stood at BDT 6,498.37 million in 2018 which was BDT 5,779.71 million in 2017.

## ঋণ ও অগ্রিম

২০১৮ সালে আমরা আরেকটি চ্যালেঞ্জিং বছর অতিবাহিত করেছি, যার মূলে ছিল বেসরকারি খাতে ঋণে চাহিদার কমতি, উদ্বৃত্ত তরল্য এবং প্রথম প্রান্তিকে রাজনৈতিক আন্দোলন। একটি প্রতিষ্ঠানের মূল শক্তি তখনই পরিক্ষিত হয় যখন সেই প্রতিষ্ঠান প্রতিকূল পরিবেশের চ্যালেঞ্জকে মোকাবেলা করতে সক্ষম হয় এবং সেখান থেকে নিজের জন্য সুবিধা আদায় করে নিতে পারে। সুদের হারে নিম্নমুখী প্রবণতা এবং বেসরকারী খাতে ঋণের চাহিদা অব্যাহতভাবে কমে যাওয়া সত্ত্বেও আমরা আলোচ্য বছরে সফলতা অর্জনের ক্ষেত্রে ইতিবাচক গতিতে এগিয়েছি। ২০১৮ সালে আমাদের কৌশলগত লক্ষ্য ছিল মুনাফা ও প্রবৃদ্ধি অর্জন এবং সম্পদের গুণাগুণ রক্ষণাবেক্ষণ ও মন্দ ঋণ পুনঃরুদ্ধার এর মাধ্যমে ব্যাংকের ভবিষ্যত প্রবৃদ্ধির জন্য একটি শক্তিশালী ভিত্তি গড়ে তোলা। বৃহৎ ও বিভিন্ন শ্রেণীর গ্রাহকদের চাহিদার উপর ভিত্তি করে বিভিন্ন ধরনের ঋণ সুবিধা প্রদান করা হয়েছে। এই ঋণ সুবিধাগুলো হচ্ছে কৃষি, এসএমই, শিল্প, গৃহ নির্মাণ, ক্রেডিট কার্ড, বাণিজ্য সেবা প্রভৃতি। ব্যাংক সর্বদা তার ঋণ ব্যবস্থাপনাকে যৌক্তিক করার জন্য ঋণের গুণগত মানের প্রতি যত্নবান ছিল। ৩১-১২-২০১৮ পর্যন্ত মোট ঋণের পোর্টফোলিও পূর্ববর্তী বছরের তুলনায় ২৬.৫৭% বৃদ্ধি পেয়ে ৩১৪,৫০৭.২৬ মিলিয়ন টাকায় পৌঁছেছে।



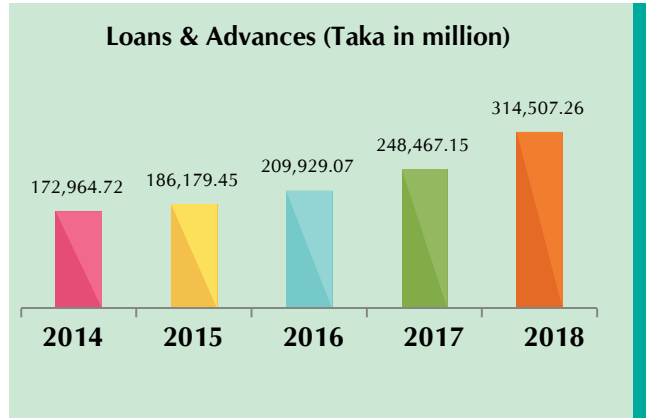
## তৈরি পোশাক শিল্পে ঋণ

তৈরি পোশাক শিল্প বর্তমানে বাংলাদেশের সবচেয়ে গুরুত্বপূর্ণ খাত যা দেশের অর্থনৈতিক উন্নয়নে গুরুত্বপূর্ণ ভূমিকা রেখে আসছে। এই শিল্প বাংলাদেশে ব্যাপক কর্মসংস্থান সৃষ্টি, নারীর ক্ষমতায়ন, রপ্তানি আয় বৃদ্ধি, সমৃদ্ধ বৃদ্ধি এবং দারিদ্রতা হ্রাসকরণে ইতিবাচক ভূমিকা রাখছে। বাংলাদেশের অর্থনীতিতে পোশাক শিল্পের গুরুত্বের কথা বিবেচনা করে ন্যাশনাল ব্যাংক প্রথম থেকে এই শিল্পের অর্থায়নে পৃষ্ঠপোষকতা প্রদান করে এসেছে। আন্তর্জাতিক মানের সাথে সঙ্গতি রেখে আমরা এই শিল্পের কারখানা সমূহের আধুনিকায়নের ও কাজের পরিবেশ উন্নয়নে ঋণ প্রদান কার্যক্রম অব্যাহত রেখেছি। তৈরি পোশাক শিল্পের উদ্যোক্তাদের টিকিয়ে রাখার জন্য ও তাদের

## Loans and Advances

We have passed another challenging year in 2018 with moderate growth due to continued low demand for credit by the private sector, surplus liquidity and political agitation in the first quarter. The real strength of an organization is tested when it is able to respond to the challenges the environment throws up and turn them into an advantage. Despite the declining trend of interest rate, demand for private sector credit has remained largely low even though we have succeeded to continue the positive pace. Our strategic priorities were growth and profitability whilst maintaining asset quality and recovery of NPL to attain sturdiness during the year of 2018 and strengthening the foundations for future growth.

To cater the credit requirements of our large and diversified clientele base, we have wide range of loan products including agriculture, SME, industries, housing, consumer durables, credit card and trade services etc. The bank has always focused on the quality aspect of credit while augmenting its credit portfolio. As on 31.12.2018 the total credit portfolio reached to Tk. 314,507.26 million showing a growth of 26.57% over previous year.



Particulars	Year-2018	Year-2017	Growth
Agriculture	3,964.24	3,494.22	13.45%
Term loan to small cottage industries	4,774.59	3,463.13	37.87%
Term loan to large and medium industries	78,154.26	71,897.49	8.70%
Working capital to industries	71,155.00	39,506.51	80.11%
Export credit	8,905.31	8,343.17	6.74%
Trade finance	76,196.18	49,420.31	54.18%
Consumer credit	1,955.16	1,500.35	30.31%
Credit cards	1,382.83	1,287.01	7.45%
Others	68,019.67	69,554.95	-2.21%
<b>Total</b>	<b>314,507.26</b>	<b>248,467.15</b>	<b>26.58%</b>

## Financing RMG

The Ready Made Garments (RMG) industry is currently the most important sector for Bangladesh economy contributing significantly in the stride of economic development of Bangladesh. It has become the most important sector contributing in employment generation, women empowerment, export earnings, savings & poverty reduction. Considering its significance in the national economy, NBL has been allocating substantial amount to finance different RMG projects since inception to patronize this most lucrative sector of the economy. We have continued to disburse loans to the entrepreneurs for factory up gradation and improvement of working atmosphere as per international standards. During the year of 2018, NBL has

মধ্যে প্রতিযোগিতা বাড়ানোর জন্য এবং একই সাথে বাংলাদেশে লক্ষ লক্ষ বেকার মানুষ বিশেষ করে নারীদের জন্য কর্মসংস্থানের ব্যবস্থা করে দেশের অর্থনীতির জন্য একটি শক্তিশালী ভিত তৈরি করার কথা মনে রেখে এই শিল্পখাতে ২০১৮ সালে ন্যাশনাল ব্যাংক ৩৮,৬২৪.২০ মিলিয়ন টাকা ঋণ প্রদান করেছে।

### গোষ্ঠীগত অর্থসংস্থান

দারিদ্র দূরীকরণ, জীবন যাত্রার মান উন্নয়ন, শিক্ষা ও মাথাপিছু আয় বৃদ্ধি প্রভৃতি ক্ষেত্রে বাংলাদেশের অর্থনীতি দ্রুত গতিতে উন্নয়ন সাধন করেছে। পাশাপাশি ভোগ্যপণ্যের চাহিদা, বিদ্যুৎ, পরিবহন, টেলিযোগাযোগ এবং অবকাঠামোগত উন্নয়নও বৃদ্ধি পেয়েছে। দেশের এই উন্নয়ন ধারাকে অব্যাহত রাখার জন্য এনবিএল বিভিন্ন খাতে অগ্রাধিকার ভিত্তিতে ঋণ সুবিধা প্রদান করেছে।

গুরু থেকে আমরা বিভিন্ন ব্যক্তিগত খাতের উদ্যোক্তাদের উন্নয়নের অংশীদার হিসেবে বিভিন্ন নতুন ও বড় প্রকল্পে বিশেষ করে উৎপাদনশীল ও অর্থনীতি-বান্ধব প্রকল্পে ঋণ দিয়ে আসছি। ২০১৮ সালে আমার বিভিন্ন প্রকল্পে ১৯,৩৫৭.৭০ মিলিয়ন টাকা ঋণ প্রদান করেছি।

এছাড়া আমরা বিভিন্ন ব্যাংকের সাথে প্রাতিষ্ঠানিক চুক্তির মাধ্যমে বড় বড় প্রকল্পে অর্থায়ন করছি, যাতে করে উৎপাদনশীল ক্ষেত্রে উদ্যোক্তারা তাদের বৃহৎ তহবিলের প্রয়োজন মেটাতে পারে। এসব প্রকল্পের মধ্যে আছে বস্ত্র শিল্প, বুনন শিল্প, তৈরি পোশাক শিল্প, আবাসন খাতের উন্নয়ন, ঔষধ শিল্প, বিদ্যুৎ উৎপাদন ও খাদ্য প্রক্রিয়াজাত করণ প্রকল্প প্রভৃতি।

### কৃষি ও পল্লী ঋণ

কৃষি বাংলাদেশের অর্থনীতিতে গুরুত্বপূর্ণ ভূমিকা পালন করেছে এবং বাংলাদেশের উন্নয়ন প্রধানত পল্লী অঞ্চলের উৎপাদনশীলতার উপর নির্ভরশীল। দেশের আর্থ-সামাজিক উন্নয়ন এবং আত্মকর্মসংস্থানে কৃষি খাতের গুরুত্বের কথা বিবেচনা করে ন্যাশনাল ব্যাংক লিমিটেড জন্মলগ্ন থেকে দেশজুড়ে কৃষি ঋণ প্রদান করে আসছে। সমাজের সুবিধাবঞ্চিত শ্রেণীকে সহায়তা করার লক্ষ্যে ন্যাশনাল ব্যাংক ভূমিহীন ও প্রান্তিক চাষীদের সরাসরি আর্থিক সুবিধা প্রদান করেছে যাতে তারা বীজ, সার, কৃষি ও সেচের যন্ত্রপাতি সংগ্রহ করে কৃষিতে উন্নত মানের পণ্য উৎপাদন করতে পারে, যা প্রকারান্তরে তাদের জীবন যাত্রার মান উন্নয়নে সহায়ক হবে। এছাড়াও এনবিএল একই উদ্দেশ্যে তার নিজস্ব নেটওয়ার্ক এর মাধ্যমে শস্য উৎপাদন, মৎস্য চাষ, হাঁস, মুরগী ও গরুর খামারে সরাসরি আর্থিক সহায়তা দিচ্ছে। ২০১৭-১৮ অর্থ বছরে ন্যাশনাল ব্যাংক লিমিটেড কৃষি খাতে ৩,৭৯৭ জন নারীসহ মোট ২৯,৭৭০ জন কৃষকের মধ্যে ৪৩২.৬৭ কোটি টাকার ঋণ বিতরণ করেছে। এরমধ্যে ১.৫২ কোটি টাকা বিতরণ করা হয়েছে ২৭৬ জন কৃষকের মধ্যে নামমাত্র ৪% সুদে তৈলবীজ, মরিচ এবং ভূট্টা চাষের জন্য। চলমান ২০১৮-১৯ রাজস্ব বছরের এর ডিসেম্বর ২০১৮ পর্যন্ত ন্যাশনাল ব্যাংক ৪,১৪৯ জন নারীসহ ১৬,৩৬৭ জন কৃষকের মধ্যে ২১২.৮৫ কোটি টাকা ঋণ বিতরণ করেছে। এরমধ্যে ০.৯৪ কোটি টাকা বিতরণ করা হয়েছে ১৪৬ জন কৃষকের মধ্যে নামমাত্র ৪% সুদে তৈলবীজ, মরিচ এবং ভূট্টা চাষের জন্য। বাংলাদেশকে দুগ্ধ উৎপাদনে স্বয়ংসম্পূর্ণ করার লক্ষ্যে ন্যাশনাল ব্যাংক ২০১৮ সালে ৭১৪ জন নারীসহ ৭৫৯ জন দুগ্ধ খামারীর মধ্যে ৫.০০ কোটি টাকা বিতরণ করেছে, যা বাংলাদেশ ব্যাংক ২০১৬ সালে সংস্থান করেছিল। তাছাড়া ন্যাশনাল ব্যাংক একই বছরে ২২১ জন নারীসহ ২৫৯ জন দুগ্ধ খামারীর মধ্যে ২.০০ কোটি

extended financing for total Tk. 38,624.20 million to support the entrepreneurs of RMG sectors to achieve sustainable growth and competitive edge of the industry as well as to provide perfect working place for the readymade garments sector of Bangladesh which has given our economy a strong footing, create jobs for millions of people, especially for women.

### Project & Syndication Financing

The economy of Bangladesh has grown rapidly in recent years with impressive track record in many areas including poverty alleviation, increased life expectancy, literacy and per capita income. Consequently, the demands for consumption, energy, transport, telecommunications & infrastructural development have increased substantially. In order to support the growth prospects of our country, NBL is always vigilant and extending credit facilities to different priority sectors.

From the very beginning, we are active partner of private sector entrepreneurs to set up new as well as BMRE of long-term infrastructure and industrial projects with special focus on productive, eco-friendly and energy efficient industries. In 2018, we have financed total Tk. 19,357.70 million in different projects.

Besides, we have continued our footprint in financing different large-scale project under syndication arrangement with different banks to meet huge funding need of entrepreneurs engaged in productive sectors including Textile, Spinning, RMG, and Real estate development, Pharmaceuticals, Power Plant and Food Processing etc.

### Agriculture & Rural Credit

Agriculture plays a vital role in Bangladesh economy and the development of our country significantly depends upon the productivity of rural areas. Realizing the importance of agricultural finance in creating self-employment opportunities and socio-economic development of the country, National Bank Limited has been providing Agriculture credit facilities through its own branches across the country since inception. To support the unprivileged section of the society, the Bank has undertaken direct lending facilities to landless and marginalized farmers to help them acquire seeds, fertilizer, irrigation tools & agri materials etc. for cultivation with a view to improving quantitative and qualitative agri production thereby playing a positive impact of improving their lifestyle. Besides, the Bank has been financing directly by its own network in crops, fishery, poultry and livestock farming sector with the same motto. In the Fiscal year 2017-2018, National Bank Limited disbursed Agriculture loan of Tk. 432.67 crore among 29,770 farmers including 3,797 women. Of which, Tk.1.52 crore has been disbursed among 276 farmers for cultivation of Pulse, Oil Seeds, Spices & Maize under concessional rate @4%. Up to December-2018 of the present financial year 2018-2019, National Bank Limited disbursed Agriculture loan of Tk.212.85 crore among 16,367 farmers including 4,149 women. Of which, Tk.0.94 crore has been disbursed among 146 farmers for cultivation of Pulse, Oil Seeds, Spices & Maize under concessional rate @4%. With a view to make Bangladesh self-dependent in milk production, the Bank has disbursed Tk.5.00 crore among 759 dairy farmers including 714 women as allocated by Bangladesh Bank in 2016 and Tk.2.00 crore among 259 dairy farmers including 221

টাকার ঋণ বিতরণ করেছে, যা বাংলাদেশ ব্যাংক তাদের পুণঃঅর্থায়ন স্কীমের আওতায় ২০১৭ সালে সংস্থান করেছিল।

### দারিদ্র মুক্তি

ন্যাশনাল ব্যাংক সর্বদা অপেক্ষাকৃত পশ্চাৎপদ জনগোষ্ঠিকে আর্থিক সুবিধা প্রদানে আগ্রহী। বিশেষ করে ব্যাংকিং সুবিধা থেকে বঞ্চিত মানুষদের দরজায় আমরা এই সুবিধা পৌঁছে দিতে চাই। জন্মলগ্ন থেকে ন্যাশনাল ব্যাংক লিমিটেড দেশের আপামর জনগণের ভাগ্য পরিবর্তনের লক্ষ্যে কাজ করে আসছে। ন্যাশনাল ব্যাংক লিমিটেড সব সময় প্রান্তিক, সুবিধাবঞ্চিত ও নিম্ন আয়ের জনগণ এবং প্রাকৃতিক ও মনুষ্যসৃষ্ট দুর্যোগের শিকার মানুষদের দিকে সাহায্যের হাত বাড়িয়ে দেয়। বাংলাদেশের গ্রামাঞ্চলের সংস্কৃতি ও জীবনযাত্রা প্রণালী থেকে উদ্ভূত অনেক প্রাচীন জীবন ব্যবস্থা বর্তমানে যান্ত্রিক সভ্যতার কারণে হুমকির মুখে পড়ছে।

নিম্ন আয়ের ঐসব শ্রেণী-পেশার লোকজনকে জীবনের মূল শ্রোতে ফিরিয়ে আনার জন্য ন্যাশনাল ব্যাংক লিমিটেড বীর মুক্তিযোদ্ধা এবং অত্র ব্যাংকের সম্মানিত চেয়ারম্যান জনাব জয়নুল হক সিকদারের নির্দেশে কোন জামানত ছাড়া সহজ শর্তে ও স্বল্প সুদ হারে ‘দারিদ্র মুক্তি’ নামে একটি নতুন স্কীম চালু করেছে।

এই স্কীম প্রধানত ক্ষুদ্র উদ্যোক্তা ও পেশাজীবী শ্রেণী, হস্ত ও কুটির শিল্প এবং প্রান্তিক ও ভূমিহীনদের আর্থিক সহায়তা প্রদান করে থাকে। এই সমস্ত উদ্যোক্তা, পেশাজীবী ও কৃষকরা ১০ টাকা প্রাথমিকভাবে জমা দিয়ে ব্যাংকে সঞ্চয়ী হিসাব খুলতে পারে। কুমার, মৎস্যজীবী, দর্জি, ফুল বিক্রেতা, হকার, ফল বিক্রেতা, সবজি বিক্রেতা, রিকশা/ভ্যান চালক, ক্ষুদ্র ও কুটির শিল্প, বেকারী পণ্য প্রস্তুতকারী, সুবিধা বঞ্চিত এলাকার প্রান্তিক শ্রেণীর ব্যবসায়ী এবং কৃষক, মুক্তিযোদ্ধা এবং তাদের সন্তান - এরা সবাই জামানতমুক্ত ও সহজলভ্য এই ঋণ সুবিধা লাভের যোগ্য। ডিসেম্বর ২০১৮ এর মধ্যে ৯২৫ জন নারীসহ ১,৯৬০ জন প্রান্তিক ও সুবিধা বঞ্চিত কৃষকের মধ্যে এই স্কীমের আওতায় ১৪.৫৩ কোটি টাকা ঋণ বিতরণ করা হয়েছে। মূলত ৬৮টি কলের লাপল, ১,১৯৫ টি খামারের গরু, শস্য চাষ, ক্ষুদ্র মৎস্য ব্যবসা ও অন্যান্য আয় উপার্জনকারী খাতে এই ঋণ বিতরণ করা হয়েছে।

### এসএমই খাত ও নারী উদ্যোক্তাদের অর্থায়ন

কুটির শিল্প, ব্যষ্টিক, ক্ষুদ্র ও মাঝারি উদ্যোগ(CMSME) দেশের অর্থনৈতিক উন্নয়নের চালিকাশক্তি। শ্রমনিবিড় ও স্বল্প সময়স্বাপেক্ষ হওয়ায় এসএমই খাত বৃহদাকারে কর্মসংস্থানের সুযোগ সৃষ্টি করে অর্থনৈতিক প্রবৃদ্ধিতে অবদান রাখছে। ন্যাশনাল ব্যাংক লিমিটেড তার ২০৩টি শাখার মাধ্যমে এসএমই খাতে অর্থায়নের সুযোগ সম্প্রসারিত করায় দেশের বাণিজ্য, শিল্প ও সেবা খাতের অনেক উদ্যোক্তাদের আকর্ষণ করতে সক্ষম হয়েছে। এই খাতের জন্য এনবিএল বিভিন্ন ধরনের আকর্ষণীয় প্রডাক্টস চালু করেছে। বাংলাদেশ ব্যাংকের পুণঃতফসিলী করন স্কীমের আওতায় আমরা নূন্যতম ৯% সুদে মহিলা উদ্যোক্তাদের মধ্যে ঋণ বিতরণ করছি। ক্লাস্টার ভিত্তিক ও গ্রামীণ পর্যায়ে উৎপাদিত হস্তশিল্পজাত পণ্য ইন্টারনেটের মাধ্যমে স্থানীয় এবং আন্তর্জাতিক পর্যায়ে বাজারজাতকরণ নিশ্চিত করতে আমরা ব্যাংকের নিজস্ব অর্থায়নে একটি ই-শপ প্রতিষ্ঠা করেছি। গ্রাম পর্যায়ে স্বাস্থ্যসেবা, ইন্টারনেট, কম্পিউটার শিক্ষা এবং মোবাইল ফোন সেবা প্রদান করার জন্য ‘তথ্যকল্যাণী (infolady)’ নামে স্বল্প সুদে একটি এসএমই প্রডাক্ট চালু করা হয়েছে। ২০১৮ সালে এই খাতে ৩৪,৭৫০.৬০ মিলিয়ন টাকা বরাদ্দ দেয়া হয়েছে।

women as allocated by Bangladesh Bank in 2017 for purchase of Heifer under Refinance Scheme of Bangladesh Bank.

### Daridra Mukti

National Bank Limited has always been eager to streamline credit facilities to the impoverish people. Particularly, the Bank strives to provide banking facilities at the doorsteps of people who have been deprived of such facilities. Since inception, National Bank Limited has been working towards transformation of fortune of the country's mass people. The Bank has been extending its helping hand to the marginal, underprivileged and low income generating people, and the people of areas of natural and man-made disasters.

In order to resurrect those occupations of people with low income and make their lives more vibrant, National Bank Limited has introduced a loan scheme named ‘Daridra Mukti’ with low interest rate, at easy terms & conditions and without any collateral security under the direction of Mr. Zainul Haque Sikder, valiant freedom fighter and the Honorable Chairman of the Bank.

‘Daridra Mukti’ is mainly aimed to small entrepreneurs and professionals, cottage and handicraft industries, and marginal & landless farmers. These entrepreneurs, professionals and farmers can open their Bank Account by depositing only Tk.10.00. Potter, blacksmith, fisherman, tailors, flower-seller, fruit-seller, vegetable-seller, hawker, rickshaw / van puller, small & cottage industries, weavers, bakery item manufactures, marginal businessmen & farmers of the under-privileged areas and freedom fighters & their children are eligible to enjoy this low interest rate based (simple), collateral security-free and easily available loan facility. By December, 2018 Tk.14.53 crore was disbursed among 1,960 marginal & underprivileged farmers, small entrepreneurs & professionals including 925 women. The loan has been disbursed for purchasing of 68 Power Tillers, cows for 1195 Farms, cultivation of crops, fish and small business & income generating sectors.

### SME & Women Entrepreneurs Financing

The role of Cottage, Micro, Small and Medium Enterprise (CMSME) acts as the engine for the growth of the country's economy. Due to labor intensiveness and shorter lead time of production, the CMSME sector can create huge employment opportunities and its' contribution is immense for the economic growth. NBL expanded its CMSME financing activities through its large network of 203 Branches and attracting entrepreneurs in various fields of trade, industry and service. NBL launched different new attractive CMSME products for this sector. We are disbursing loan among women entrepreneur at minimum 9% interest under Bangladesh Bank refinance scheme. To develop cluster based financing and ensure local and international market access of locally produced handicraft items, we have established an E-shop by our own fund at Jamalpur. We have launched a specialized woman entrepreneur oriented CMSME product at reasonable interest rate named Infolady for providing health care, internet, computer study and mobile phone services in the rural areas. Total disbursement in the CMSME sector was BDT 34,750.60 million in 2018.

## খুচরা ও ভোক্তা ঋণ

নির্দিষ্ট আয় শ্রেণীর লোক বিশেষ করে চাকুরিজীবী, পেশাজীবী ও অন্যান্যদের ব্যক্তিগত ও পারিবারিক প্রয়োজন মেটানোর লক্ষ্যে ন্যাশনাল ব্যাংক লিমিটেড ভোগ্য পণ্য ক্রয়ের জন্য ভোক্তা ঋণ স্কীম চালু করেছে। এই স্কীমের অধীনে আমরা যে কোন প্রয়োজনে ঋণ ( NBL Any Purpose Loan), ভোক্তা টেকসই ঋণ (NBL Consumer Durable Loan), শিক্ষা ঋণ(NBL Education Loan) এবং পেশাজীবী ঋণ (NBL Professional Loan) চালু করেছি। ২০১৮ সালে এই খাতে ঋণ বরাদ্দের পরিমাণ ছিল ৪০০.০০ মিলিয়ন টাকা।

## লিজ ফিনান্স

লিজ ফিনান্স হচ্ছে ঋণ প্রদানের ভিন্ন উপায় যার মাধ্যমে কাজেই এর মাধ্যমে ব্যবসায়িক ও ব্যক্তিগতভাবে অর্থায়নের বিকল্প সুযোগ পাওয়া যায়। ইদানীং সময়ে লিজ ফিনান্স অধিকতর প্রয়োজনীয় হয়ে পড়েছে ইজারার সাহায্যে সম্পত্তি ও যানবাহন কেনার ক্ষেত্রে। স্থিতিশীল উৎপাদন নিশ্চিত করার কৌশল হিসেবে এবং শেয়ার মালিকদের শেয়ারমূল্য যোগ করার জন্য ন্যাশনাল ব্যাংক লিজ ফিনান্স এর দিকে তার ব্যবসায়কে সম্প্রসারণ করেছে। জনগণের বৃহৎ অংশ বিশেষ করে শিল্পপতি, ব্যবসায়ী সংগঠন বা ব্যক্তি বিশেষকে সাহায্য করার জন্য এই প্রকল্পটিকে কন্টকমুক্ত ও সহজ রাখা হয়েছে। এই প্রকল্পটি মূলধন যন্ত্রপাতি, কলকজা, ডাক্তারী যন্ত্রপাতি, অটোমোবাইল, সিএনজি ভর্তি করার যন্ত্রপাতি পাওয়াকে সহজতর করেছে। তাছাড়া ব্যক্তি ও শিল্প সংগঠকদের ভোক্তা টেকসই চাহিদার উৎপাদন বাড়ানোর লক্ষ্যে বিএমআরই এর মাধ্যমে পুণঃগঠনের জন্য ইজারা অর্থায়নে প্রতি অধিকতর মনযোগ দেয়া হয়েছে। সম্ভাবনাময় শিল্প সংগঠকদের উৎসাহ দেয়ার জন্য এই প্রকল্পের শর্তসমূহ প্রতিযোগিতামূলক ও সহজতর করা হয়েছে।

এনবিএল ডিসেম্বর ৩১, ২০১৮ পর্যন্ত এই প্রকল্পে ১,৫৩৮.০৬ মিলিয়ন টাকা বরাদ্দ দিয়েছে, যেখানে মেশিন ও যন্ত্রপাতির জন্য ৪৩২.২৪ মিলিয়ন টাকা এবং যানবাহনের জন্য ১,১০৫.৮২ মিলিয়ন টাকা বরাদ্দ ছিল।

## গৃহনির্মাণ ঋণ

বাড়ি ভাড়া উর্ধ্বমুখী প্রবণতার কারণে বাংলাদেশের বড় বড় শহরগুলোতে গৃহ ঋণের চাহিদা দেখা দিয়েছে। গৃহ ঋণ হলো দীর্ঘ মেয়াদী অর্থায়ন, যা কোন ব্যক্তি এপার্টমেন্ট কেনার জন্য অথবা আবাসিক ভবন নির্মাণের জন্য কিংবা বিদ্যমান আবাসনের মেরামত ও সংস্কারের জন্য কোন ব্যাংক বা কোন আর্থিক প্রতিষ্ঠান থেকে নিয়ে থাকে।

বাংলাদেশে স্থাবর সম্পত্তির উচ্চ মূল্যের প্রধান কারণ হলো উন্নত মানের আবাসনের চাহিদা ও সরবরাহের মধ্যে বৈষম্য। আমাদের দেশে গৃহ ঋণ বাজারের মূল লক্ষ্য হলো মধ্যম আয় শ্রেণীর লোকজন। স্থাবর সম্পত্তির আকাশচুম্বী মূল্য এই শ্রেণীর লোকদেরকে একটি বাড়ির মালিক হতে অসমর্থ করেছে। তাদের এই স্বপ্ন পূরণের জন্য তাই সহজে বহনযোগ্য একটি দীর্ঘমেয়াদী ঋণের প্রয়োজন। এই দিকটিকে গুরুত্ব দিয়ে এনবিএল ২০০৭ সালে ব্যক্তিশ্রেণির জন্য দুই ধরনের গৃহ ঋণ চালু করেছে।

- ক) আবাসিক ভবন নির্মাণ অথবা ক্রয় করার জন্য ‘এনবিএল হাউজিং লোন’ এবং
- খ) বিদ্যমান আবাসনের মেরামত, নতুন রূপ দেওয়া কিংবা বর্ধিত করার জন্য ‘স্মল হাউজিং লোন’।

‘এনবিএল হাউজিং লোন’ এবং ‘স্মল হাউজিং লোন’ এর বাইরে ন্যাশনাল ব্যাংক ডেভেলপার কিংবা কোন ব্যক্তিকে বাণিজ্যিক ভবন নির্মাণ বা উন্নয়নের জন্য এবং এপার্টমেন্ট ক্রয় করার জন্য আরও দুই ধরনের গৃহ ঋণ প্রদান

## Retail & Consumer Loan

National Bank Limited introduced Retail loans for the fixed income group specially service holders, professionals and others for meeting their personal and family needs. In this regard, we launched NBL Any Purpose Loan, NBL Consumer Durable Loan, NBL Education Loan and NBL Professional Loan products under Retail Loan Scheme. Total disbursement target in this sector was BDT 400.00 million in 2018.

## Lease Financing

Lease Financing is a substitute for debt financing and hence expands the range of financing alternatives available to businesses. It has become progressively more usual nowadays to lease purchase equipment, assets and vehicles. The scheme facilitates to acquire capital machinery, equipment, medical instrument, automobile, CNG refueling machinery and consumer durable etc. Besides the demand of consumer durables by the individuals, industrial entrepreneurs are showing much interest in Lease Financing to increase production, restructuring through BMRE etc. To encourage potential entrepreneurs, terms and conditions of the scheme have been made competitive and easier.

The Bank has already sanctioned lease finance of Tk.1,538.06 million upto December 31, 2018 comprising machinery & equipment Tk. 432.24 million and vehicle Tk.1,105.82 million under lease financing scheme.

## House Building Finance

The rising cost of residential accommodation has pushed up the demand for Home Loans in Bangladesh especially in major cities. Home loan is the long term finance that the individuals borrow from Banks or financial institutions to buy apartments or to construct residential buildings or renovate existing residential houses.

The steep rises in the real estate prices in Bangladesh are mainly due to the disparity in supply and demand of quality residential accommodation. In our country, people belongs to the middle income group are mainly the target market for the housing loans. Sky rocketing cost of real estate makes owning a house unaffordable to this group of people. They require affordable long term finance to own a shelter of their dream. Keeping this reality in mind, National Bank Limited (NBL) in 2007 introduced 02(two) Housing Loan schemes for individuals.

- a) Long Term “NBL Housing Loan” to construct or purchase residential building or apartment and
- b) Medium Term “Small House Loan” for repair, renovation, extension etc of existing building or apartment.

NBL also provides House Building Loan (Commercial) and House Building Loan (General) to Developers/ Individuals for development/construction/purchase of apartment/commercial

করে থাকে। এগুলো হলো গৃহ ঋন (বাণিজ্যিক) ও গৃহ ঋন (সাধারণ)। প্রকৃত অর্থে গৃহ ঋন খাতে এনবিএল এর অংশগ্রহণ ব্যাপক ও বিস্তৃত, যা এর সকল শাখার মাধ্যমে শহর ও গ্রামাঞ্চল উভয় ধরনের গ্রাহকদের চাহিদা মিটিয়ে থাকে।

ডিসেম্বর ২০১৮ পর্যন্ত ন্যাশনাল ব্যাংক গৃহ ঋনের বিভিন্ন খাতে মোট ২২,৪২২.৫০ মিলিয়ন টাকা বরাদ্দ দিয়েছে।

### শ্রেণী বিন্যাসিত ঋন ও অগ্রিম

শ্রেণী বিন্যাসিত ঋনের কারণে সূচ্য ব্যাংক ব্যবস্থাপনা ক্রমান্বয়ে কঠিন হয়ে পড়ছে। বিশেষত সাম্প্রতিক বছরগুলিতে বাংলাদেশকে অনেক উত্থান-পতনের মধ্য দিয়ে এগিয়ে যেতে হয়েছে। এর মধ্যে দেশে আগের বছরের রাজনৈতিক অস্থিরতা, অর্থনৈতিক মন্দা, উৎপাদন প্রক্রিয়ায় নানামুখী প্রতিবন্ধকতা ব্যাংকিং জগতের জন্য একটি অশনি সংকেত নিয়ে এসেছে। পাশাপাশি বিভিন্ন অর্থনৈতিক ঘটনার কারণে এই সময়ে ব্যাংকিং খাত ছিল অস্থির এবং দেশজুড়ে উত্তপ্ত আলোচনার প্রধান বিষয়। অধিকন্তু প্রতিযোগিতামূলক পরিবেশে বিনিয়োগকৃত সম্পদ সুসংহত রাখা এবং নতুনভাবে বিনিয়োগ করা ছিল রীতিমতো চ্যালেঞ্জের বিষয়। এই পরিস্থিতিতে ঋন ও অগ্রিমের সূচ্য ব্যবস্থাপনা ছিল অত্যন্ত কঠিন একটি কাজ। ডিসেম্বর ২০১৮ পর্যন্ত এনবিলের কুঋন ছিল ৯.৫%। শ্রেণী বিন্যাসিত ঋন এবং অবলোপনকৃত (Written off) হিসাব থেকে এনবিএল যথাক্রমে গত বছর যথাক্রমে ২,৫৪৬.৩০ মিলিয়ন এবং ২,২৪৪.৮০ মিলিয়ন টাকা আদায় করতে সক্ষম হয়েছে। শ্রেণীকৃত ঋন আদায়ে কঠোর পদক্ষেপ এবং প্রয়োজনানুসারে আইনী প্রক্রিয়া গ্রহণে পরিচালনা পর্ষদের নির্দেশনা এবং কর্তৃপক্ষের যথোপযুক্ত এবং দূরদর্শী পদক্ষেপ ভবিষ্যতে শ্রেণীকৃত ঋন আদায় কার্যক্রমকে আরও কার্যকরী ও সাফল্যমণ্ডিত করার ভিত্তি তৈরি করেছে। আমরা যদি শ্রেণীকৃত ঋন আদায়ে এই সাফল্য ধরে রাখতে পারি তাহলে ন্যাশনাল ব্যাংক একদিন ব্যাংকিং জগতের শীর্ষ স্থানে পৌঁছতে সক্ষম হবে।

### বৈদেশিক বাণিজ্য

আমদানি ও রপ্তানী বাণিজ্যে সমতা বিধান করে একটি সুসংহত সমৃদ্ধি অর্জনের লক্ষ্যে ব্যাংক বিচক্ষণতার সাথে বৈদেশিক বাণিজ্যে অংশ গ্রহণ করেছিল। ২০১৮ সালে এনবিএল ঋনপত্র খোলা, রফতানি বিল ক্রয়-বিক্রয়, রফতানি আয় দেশে আনা, বিদেশী রেমিট্যান্স আহরণের মাধ্যমে বৈদেশিক বাণিজ্য বিস্তৃত করার লক্ষ্যে ব্যাংক সম্ভাব্য সকল প্রচেষ্টা প্রয়োগ করেছিল।

### আমদানী

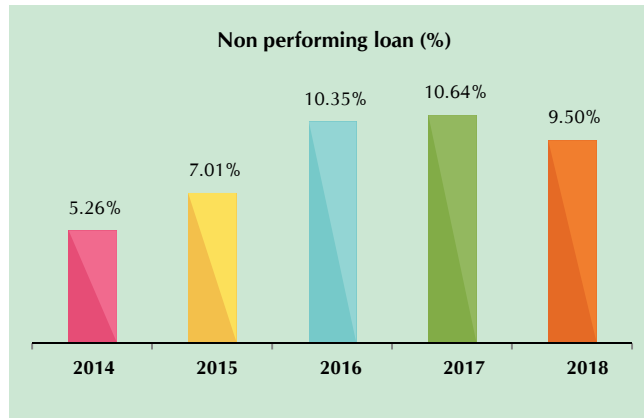
২০১৮ সালে দেশের আমদানি বাণিজ্যকে সহযোগিতা করার লক্ষ্যে ব্যাংক এনবিএল ১,০৮৩.০০ মিলিয়ন মার্কিন ডলার মূল্যের মোট ২৩,৩০৯টি

complexes which does not fall within in the purview of NBL Housing Loan or Small House Loan. In fact NBL's participation in housing sector is more wide and broad as it provides wide range of products to meet the need of the customers both in city and urban areas through its all Branches.

NBL exposure in housing sector is Tk.22,422.50 million up to December 31, 2018 under its different house building loan Products.

### Classifieds Loans & Advances

NPL management has become increasingly difficult in recent years for the banks. Especially in recent years, banks in Bangladesh went through many ups and downs. Political instability, economic recession, production interruption etc. of previous years have brought in a bad signal in the banking arena. On the other hand, banking sector is regarded as unstable and become the hot item of table talk across the country and criticism due to various financial turmoil. Moreover, in this competitive environment, it has become a challenging task to retain previous investment sound and to invest in new ventures. Under these circumstances, managing Loan & Advances is considered to be a tough task. NPL as on December 2018 is 9.50%. Recovery of Tk. 2,546.30 million and Tk. 2,244.80 million from classified and written-off accounts respectively. Following the direction of Board of Directors along with competent and strategic steps of the authority, stepping to hard line recovery policy and taking legal procedures as per requirement has created a ground of possibility for making the recovery more active and successful in the forthcoming years. If we can retain the growth of recovery success, NBL will be able to reach a height of zeal in banking sector.



### Foreign Trade

The Bank was engaged in foreign trade business in a prudent manner by balancing the import and export business to attain a consistent growth. The Bank put forth every possible attempt to expand its external business by establishing LC, negotiation of export bill, realization of export proceeds, counter guarantee foreign remittance etc in 2018.

### Import

The Bank opened a total 23,309 LCs amounting to USD 1,083.00 million for facilitating import trade in 2018. The main



আমদানি ঋনপত্র খুলেছে। প্রধান আমদানি পণ্যগুলো ছিল মূলধনী যন্ত্রপাতি, কাঁচা তুলা, চাল, গম, ভোজ্য তেল, পেট্রোলিয়ামজাত সামগ্রি, সূতা, কাপড়, পোশাক কারখানার যন্ত্রপাতি ও অন্যান্য অনুমোদিত পণ্য।

## রপ্তানী

ন্যাশনাল ব্যাংক জন্মলগ্ন থেকে গুরুত্বের সাথে রপ্তানী বাণিজ্য পরিচালনা করে আসছে। ২০১৮ সালে ব্যাংকটি মার্কিন ডলার ৬০৮.০০ মিলিয়ন

মূল্যের ১৮,৫৭৮টি রপ্তানী ডকুমেন্টস আদান-প্রদান করেছে। ব্যাংকের রপ্তানী অর্থায়ন প্রধানতঃ তৈরি পোশাক, বুনন শিল্প, হিমায়িত খাদ্য ও মাছ, প্রক্রিয়াজাত চামড়া, হস্তশিল্প, চা এবং পাটজাত দ্রব্য থেকে এসেছে।

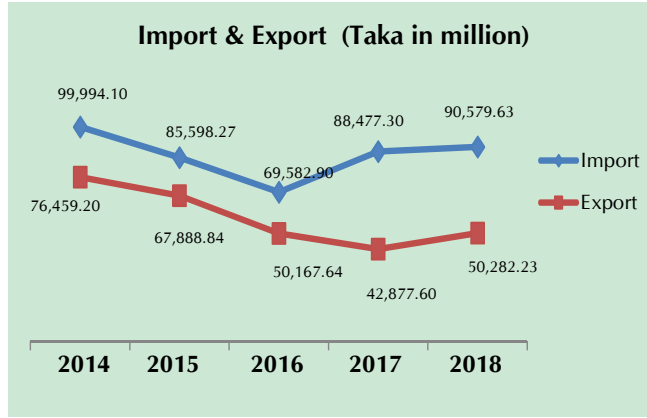
## অফশোর ব্যাংকিং ইউনিট

(“OBU” or “the Unit”) ব্যাংকের একটি আলাদা ব্যবসা ইউনিট, বাংলাদেশ ব্যাংকের ২৫-০১-২০০৪ তারিখের পত্র নং BRPD(P)744/(89)/2004-303 মারফত দেয়া বিধি-বিধান অনুযায়ী একটি আলাদা প্রান্তে তার কার্যক্রম পরিচালনা করে। এটি বিশ্ব জুড়ে আন্তর্জাতিক ব্যাংকিং ব্যবস্থায় একটি অদ্বিতীয় ব্যবসায়ের সুযোগ, যেখানে অনিবাসী বৈদেশিক মুদ্রার সম্পদ ও দায়কে ব্যবহার করে নিলু অথবা শূন্য শুল্ক সুবিধা গ্রহণের মাধ্যমে বিনিয়োগের উপর অধিকতর মুনাফা অর্জন করা যায়। ন্যাশনাল ব্যাংক ২০০৮ সালে প্রথম ঢাকাস্থ মহাখালি শাখায় অফশোর ব্যাংকিং ইউনিট খোলে। সৃজনশীল ও গ্রাহক বান্ধব এ উদ্যোগে বিদেশী বিনিয়োগকারী ও দেশীয় উদ্যোক্তাদের শতভাগ রপ্তানী নির্ভর শিল্পের প্রয়োজনে এই পদ্ধতি ব্যাংকিং কার্যক্রমে এক নতুন মাত্রা সংযোজন করেছে। সম্পতি এনবিএল দিলকুশা শাখায় এর দ্বিতীয় অফশোর ব্যাংকিং ইউনিট খুলেছে, যা ২ নভেম্বর, ২০১৬ থেকে কার্যক্রম শুরু করেছে।

ডিসেম্বর ৩১, ২০১৮ পর্যন্ত অফশোর ব্যাংকিং ইউনিট ৬,২৩৫.৪৭ মিলিয়ন টাকা ঋণ প্রদান করেছে। ২০১৭ সালে এই ঋণের পরিমাণ ছিল ৫,৩৭০.৩৫ মিলিয়ন টাকা। ২০১৮ সালে অফশোর ব্যাংকিং ইউনিট রফতানি ও আমদানি ক্ষেত্রে যথাক্রমে ১,২৪৪.০০ মিলিয়ন ও ১,২০৫.০০ মিলিয়ন টাকার বাণিজ্য সম্পাদন করেছে। ২০১৭ সালে এর পরিমাণ ছিল যথাক্রমে ৯১৫.০০ ও ৭০৫.০০ মিলিয়ন টাকা। অন্যদিকে ডিসেম্বর ৩১, ২০১৮ পর্যন্ত সময়ে অফশোর ব্যাংকিং ইউনিট পরিচালন মুনাফা করেছে ১১৪.০০ মিলিয়ন টাকা, যা ডিসেম্বর ৩১, ২০১৭ তে ছিল ৯০.০০ মিলিয়ন টাকা।

## অন্তর্মুখী বৈদেশিক রেমিট্যান্স

রপ্তানির ক্ষেত্রে তৈরি পোশাক শিল্পের পরে রেমিট্যান্স হচ্ছে বাংলাদেশের বৈদেশিক মুদ্রা অর্জনের দ্বিতীয় প্রধান উৎস। বিদেশে কর্মরত বাংলাদেশি শ্রমিকরা তাদের অর্জিত অর্থ দেশে পাঠিয়ে বাংলাদেশের অর্থনীতিতে গুরুত্বপূর্ণ অবদান রাখছে। এর ফলে দেশের প্রবৃদ্ধি, কর্মসংস্থান, বৈদেশিক



commodities were LPG gas, capital machinery, raw cotton, rice, wheat, lentils edible oil, petroleum products, yarn, fabrics, garment accessories and other permissible consumer items.

## Export

The Bank has been handling the export business giving due importance since its

inception. In 2018 it handled 18,578 export documents valuing USD 608.00 million. Export finances were extended mainly to readymade garments, knitwear, frozen food and fish, tanned leather, handicraft, tea and jute goods.

## Offshore Banking Unit

Offshore Banking Unit (“OBU” or “the Unit”) is a separate business unit of the Bank, operates its business through a separate counter as governed under the rules and guidelines vide Bangladesh Bank’s letter ref. BRPD(P)744/(89)/2004-303 dated 25 January 2004. It is a unique solution for banks across the globe to carry out international banking business involving non-resident foreign currency denominated assets and liabilities taking the advantages of low or non-existent taxes/levies and higher return on investment. In 2008 NBL opened its Offshore Banking Unit (OBU) at Mohakhali Branch, Dhaka. This venture added a new dimension in its innovative and customer friendly business activities to the foreign investors and local entrepreneurs invested in 100 % export based industries. Recently NBL has opened its second OBU at Dilkusha branch operating from November 02, 2016.

Total loans and advances made by the OBU is BDT 6,235.47 million as on December 31, 2018 compared to BDT 5,370.35 million in 2017. In 2018 the OBU made export and import for BDT 1,244 million and BDT 1,205 million respectively as against BDT 915million and BDT 705 million in 2017. The operating profit of OBU is BDT 114 million as on 31 December 2018 which was BDT 90 million in 2017.

## Homebound Foreign Remittance

Remittance is the second highest source of foreign currency earning in Bangladesh next to exports of readymade garments (RMG). The expatriate workers’ remittances contribute immensely to the economy of Bangladesh with strong positive impact on growth,

মুদ্রার রিজার্ভ এবং আর্থজাতিক লেনদেন ভারসাম্যের উপর গুরুত্বপূর্ণ ইতিবাচক প্রভাব পড়ছে।

ন্যাশনাল ব্যাংক লিমিটেড প্রথম থেকেই প্রবাসী উপার্জনকারীদের অর্থ দেশে পাঠানোর প্রক্রিয়াকে সহজতর করার লক্ষ্যে কিছু পদক্ষেপ নেয়ার প্রয়োজনীয়তা অনুভব করে। এই উদ্দেশ্যে বিভিন্ন দেশের মুদ্রা বিনিময় সংস্থার সাথে দেশে টাকা প্রেরণের ব্যবস্থা গ্রহণ করা হয়েছে এবং যে সমস্ত দেশে অধিক সংখ্যক বাংলাদেশী বাস করছে সে সব দেশে ন্যাশনাল ব্যাংকের নিজস্ব সাবসিডিয়ারী খোলা হয়েছে।

১৯৯৩ সালে ব্যাংক ওয়েস্টার্ন ইউনিয়ন মানি ট্রান্সফার তথা পৃথিবীর নেতৃস্থানীয় অর্থ হস্তান্তর সেবার এজেন্ট হিসেবে নিয়োগপ্রাপ্ত হয় এবং ২০০২ সন পর্যন্ত একমাত্র এজেন্ট হিসেবে কাজ করে। অধিকন্তু, এনবিএল এর পক্ষে বিদেশ হতে প্রেরিত অর্থ দ্রুত গ্রাহকদের হাতে পৌঁছে দেয়ার লক্ষ্যে ব্যাংক আশা (একটি নেতৃস্থানীয় এনজিও), সোস্যাল ইসলামী ব্যাংক লিমিটেড এবং ইস্টার্ন ব্যাংক লিমিটেডের সাথে চুক্তিবদ্ধ হয়েছে।

মানি ট্রান্সফার সেবাকে সহজতর করার লক্ষ্যে এনবিএল অক্লান্তভাবে বিভিন্ন প্রযুক্তির উন্নয়ন সাধনে কাজ করা যাচ্ছে। যেমন - এনবিএল কুইক পে, ইন্টারনেট ব্যাংকিং, ইলেকট্রনিক ফান্ড ট্রান্সফার এবং অন্যান্য স্বয়ংক্রিয় পদ্ধতির মাধ্যমে নির্বিঘ্নে দ্রুত টাকা প্রদান। এগুলো হচ্ছে মূল উপাদান যা বৈদেশিক মুদ্রা উপার্জনকারীদের দেশে টাকা পাঠাতে ন্যাশনাল ব্যাংকের চ্যানেল ব্যবহার করতে উৎসাহী করেছে এবং তাদেরকে আমাদের উপর আস্থাশীল করেছে।

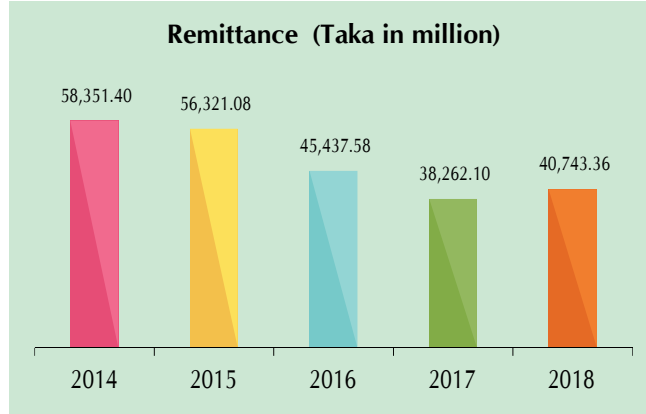
এ মুহূর্তে এনবিএল ১৭টি দেশের ৩৯টি মুদ্রা বিনিময় কোম্পানির সাথে ড্রয়িং এরঞ্জমেন্ট চালু রেখেছে। দেশগুলো হচ্ছে কুয়েত, কাতার, বাহরাইন, সৌদি আরব, সংযুক্ত আরব আমিরাত, সুইজারল্যান্ড, যুক্তরাজ্য, ইতালি, কানাডা, মার্কিন যুক্তরাষ্ট্র, গ্রীস, স্পেন, জর্ডান প্রভৃতি। তাছাড়া ব্যাংকের সম্পূর্ণ মালিকানায় এনবিএল মানি ট্রান্সফার নামে ৫টি সাবসিডিয়ারী খোলা হয়েছে সিঙ্গাপুর, মালয়েশিয়া, মালদ্বীপ, মার্কিন যুক্তরাষ্ট্র ও গ্রীসে। ন্যাশনাল ব্যাংকের ২৫% মালিকানায় ওমানেও একটি মুদ্রা বিনিময় কোম্পানী রয়েছে।

২০১৮ সালে ন্যাশনাল ব্যাংকের এ সমস্ত চ্যানেলের মাধ্যমে বাংলাদেশে ৪৮৫.০৪ মিলিয়ন মার্কিন ডলার বৈদেশিক রেমিট্যান্স এসেছে।

### এনবিএল সিকিউরিটিজ লিমিটেড

গ্রাহকদের ব্রোকারেজ সেবা প্রদানের লক্ষ্যে মার্চ ২০১১ হতে ন্যাশনাল ব্যাংকের একটি পৃথক সাবসিডিয়ারী কোম্পানি হিসেবে এনবিএল সিকিউরিটিজ লিমিটেড যাত্রা শুরু করে। এনবিএল সিকিউরিটিজ ঢাকা স্টক এক্সচেঞ্জ ও চট্টগ্রাম স্টক এক্সচেঞ্জ এর সদস্য। অভিজ্ঞ ও দক্ষ কর্মীবৃন্দ, আধুনিক তথ্য-প্রযুক্তি সম্বলিত অবকাঠামোগত সুবিধা নিয়ে কোম্পানীটি বিও (Beneficial Owners) হিসাব

employment, foreign reserve and balance of payments. Currently around 10 million Bangladeshi expatriates across the world.



National Bank Limited since inception emphasized on the necessity to take measure to facilitate the wage-earners. With this notion arrangements have been made with exchange houses in different countries and established subsidiaries abroad in places with high concentration of Bangladeshi expatriates.

In 1993 the Bank became the agent of Western Union Money Transfer, a global leader in money transfer services and remained lone agent till 2002. Furthermore, NBL entered into a deal with ASA, a leading NGO, Social Islamic Bank Limited (SIBL) and Eastern Bank Limited (EBL) for making payments of inward remittances on behalf of NBL.

To ease the system for the remitter in abroad and the beneficiary at home, NBL has been working relentlessly upgrading different products and technology including 'NBL QuickPay', Online Banking, EFT and other automated devices for uninterrupted speedy payments of inward foreign remittance ensuring safety. All these made a breakthrough which encouraged the wage-earners and made them confident to use our channel.

By now, the bank made drawing arrangements with 39 exchanges companies located in 17 countries including Kuwait, Qatar, Bahrain, Saudi Arabia, the UAE, Switzerland, the UK, Italy, Canada, the USA, Greece, Spain, Jordan etc and established fully owned 5 subsidiaries in Singapore, Malaysia, Maldives, USA, Greece and one partially (25% equity) owned Exchange Company in Oman.

In 2018, foreign remittance brought through the channels of National Bank Ltd was USD 485.04 million.

### NBL Securities Ltd.

NBL Securities Ltd. started the operation as separate subsidiary company of NBL to provide the service of brokerage house since March 2011. NBL Securities Ltd. is a member of both Dhaka Stock Exchange and Chittagong Stock Exchange. With the efficient and experienced personnel, having latest information technology, infrastructure facilities, the services offered by the NBL Securities

খোলা, শেয়ার ক্রয়-বিক্রয় করা, মার্জিন ঋণ সুবিধা প্রদান এবং বিনিয়োগকারীদের শেয়ার বাজারে বিনিয়োগ সংক্রান্ত পরামর্শ প্রদান করে আসছে।

### এনবিএল ক্যাপিটাল অ্যান্ড ইকুইটি ম্যানেজমেন্ট লিমিটেড

এনবিএল ক্যাপিটাল অ্যান্ড ইকুইটি ম্যানেজমেন্ট লিমিটেড ন্যাশনাল ব্যাংকের আরেকটি সাবসিডিয়ারি ফেব্রুয়ারী ২০১০ এ স্থাপিত হয়ে জুন ২০১১ হতে মার্চেন্ট ব্যাংক হিসেবে তালিকাভুক্ত হয়। পরবর্তীতে সেপ্টেম্বর ২০১১-তে এসে CDBL- এ Custody Depository Participant হিসেবে কাজ শুরু করে। বর্তমানে এই সাবসিডিয়ারি কোম্পানিটি আইপিও কার্যক্রম, পোর্টফোলিও ব্যবস্থাপনা, শেয়ার ইস্যু ব্যবস্থাপনা, আন্ডার রাইটিং, কর্পোরেট পরামর্শ সেবা প্রদান, প্রি-আইপিও প্রেসমেন্ট এবং পুঁজি বাজার সংক্রান্ত অন্যান্য সেবা প্রদান করে আসছে।

### ক্যাপিটাল মার্কেট ও নিজস্ব পোর্টফোলিও ম্যানেজমেন্ট

ন্যাশনাল ব্যাংক লিমিটেড বাংলাদেশের পুঁজি বাজারের একটি সক্রিয় অংশগ্রহণকারী। প্রাতিষ্ঠানিক বিনিয়োগকারী হিসেবে ব্যাংকটি ২০০৩ সন থেকে পুঁজি বাজারে গুরুত্বপূর্ণ ভূমিকা পালন করে আসছে। ব্যাংকটি তালিকাভুক্ত কোম্পানীগুলোর মধ্যে নিজস্ব পোর্টফোলিওর মাধ্যমে পুঁজি বাজার কার্যক্রমে সক্রিয়ভাবে জড়িত রয়েছে। এছাড়াও তালিকার বাইরের কিছু কিছু কোম্পানীতে এনবিএলের বিনিয়োগ রয়েছে। প্রতি বছর পুঁজি বাজারের বিভিন্ন তালিকাভুক্ত ও তালিকাভিহীন কোম্পানীতে বিনিয়োগের মাধ্যমে এনবিএল উল্লেখযোগ্য পরিমাণ অর্থ আয় করে থাকে।

### কার্ড ব্যবসায়

কেনাকাটার মূল্যপরিমোচনের নতুন পদ্ধতি হিসেবে ক্রেডিট কার্ড ইতোমধ্যে দেশের আপামর জনগণের মধ্যে ব্যাপক জনপ্রিয়তা অর্জন করেছে। খরচবহুল কোন কেনাকাটা কিংবা জরুরী প্রয়োজনে এটা অত্যন্ত প্রয়োজনীয় হয়ে উঠতে পারে। মূল্য পরিমোচনের এই নিরাপদ পদ্ধতিটি আমাদের আধুনিক কেনাকাটার অভ্যাস ও পদ্ধতি বদলে দিয়ে দৈনন্দিন জীবনে গুরুত্বপূর্ণ প্রভাব ফেলেছে। বলা যায় ক্রেডিট কার্ড নিয়মতান্ত্রিক উপায়ে অর্থের সহজলভ্যতা দিয়ে মানুষকে খরচে উৎসাহিত করে যা প্রকারণে অর্থনৈতিক উন্নয়নে সহায়ক ভূমিকা পালন করে থাকে।

এদেশের ব্যাংকসমূহের মধ্যে ন্যাশনাল ব্যাংক প্রথম ১৯৯৭ সালে ক্রেডিট কার্ডের প্রচলন করে। পরবর্তীতে অন্যান্য সরকারি ও বেসরকারি ব্যাংকসমূহ স্থানীয় ও আন্তর্জাতিকভাবে ব্যবহারযোগ্য মাস্টার কার্ড ও ভিসা কার্ড চালু করেছে। স্থানীয়ভাবে এবং বিশ্বের যে কোন স্থানে ব্যবহারযোগ্য এই কার্ড দুটোর প্রতিনিধিত্ব ন্যাশনাল ব্যাংক গ্রহণ করেছে। যদিও বর্তমান সময়ে ক্রেডিট কার্ড গুরুত্বপূর্ণ হয়ে উঠেছে, তথাপি এখন পর্যন্ত জনসংখ্যার একটা বিরাট অংশ এর সুবিধা গ্রহণ থেকে বঞ্চিত রয়েছে। তা সত্ত্বেও ক্রেডিট কার্ড ব্যবসায়ের সাফল্য অধিকাংশ দিক থেকে প্রযুক্তি, সুযোগ-সুবিধা, সহায়ক ভূমিকা এবং কার্ডকে অধিকতর সহজ ও নিরাপদ উপায়ে ব্যবহারের উপর নির্ভর করছে। এই উপলক্ষে এনবিএল ২০১৫ সালে প্লাটিনাম মাস্টার কার্ডও চালু করেছে।

Limited includes, opening of BO Accounts, trading in the share market, providing margin facilities, counseling the investors in connection with investment in share market etc.

### NBL Capital & Equity Management Ltd.

NBL Capital and Equity Management Ltd. (NBL CEM), is a wholly owned subsidiary of National Bank Limited and is a full-fledged Merchant Banker. NBL CEM was incorporated in February 2010 and received Merchant Banking license from Bangladesh Securities and Exchange Commission (BSEC) in June 2011. NBL CEM is also registered with CDBL as Custody Depository Participant since September 2011. Currently NBL CEM offers a variety of investment banking services including Issue Management, Underwriting, Portfolio Management and Corporate Advisory.

### Capital Market-Own Portfolio Management

National Bank Limited is an active participant in the capital market of Bangladesh. As an institutional investor the Bank is playing a vital role in development of the capital market since 2003. The Bank is actively engaged with capital market operation through its own portfolio management in listed companies. Besides, NBL has equity investment in some non-listed companies. Every year NBL earn a significant amount of income from its own investment in different listed securities in the capital market and also from the equity investment in non-listed companies.

### Card Business

Credit cards, as new method of payment, have become socially acceptable to the masses. This could be useful for emergencies or something apparently expensive. Credit Cards are a safe way to pay with a great impact on our modern lives, changing our shopping habits and modes. Easy access to money means that people spend, and this benefits the economy.

National Bank Limited as the pioneer to introduce Credit Card in 1997 among the local banks has been issuing Master Card & Visa credit cards to be used both, locally internationally. The bank also accepts two branded cards through its local outlets, issued elsewhere in the globe. Though this product has gained momentum by this time but still is lot of populations to be included under the facility of such a global product. However, the prospects of card business are highly depended on technology, accessories supplementary activities and making the card use more convenient ensuring security. To this end NBL launched the premier product, Platinum Master Card in 2015.

বর্তমানে কার্ডের ক্ষেত্রে বিশ্বব্যাপী সর্বাধিক আলোচিত বিষয় হচ্ছে স্টেকহোল্ডারদের নিরাপত্তা। ন্যাশনাল ব্যাংক তার গ্রাহক তথা কার্ডের সাথে সংশ্লিষ্ট সকল পক্ষের কার্ড সম্পর্কিত লেনদেনের নিরাপত্তা বিধানের লক্ষ্যে ইতোমধ্যে ২০১৬ সালে বিশ্বব্যাপী সমাদৃত EMV/Chip সুবিধা সম্বলিত কার্ডের প্রচলন করেছে। গ্রাহক সেবার দৃঢ় প্রত্যয় নিয়ে ন্যাশনাল ব্যাংক ২০৩টি শাখার মাধ্যমে দেশের গুরুত্বপূর্ণ স্থানসমূহে পর্যায়ক্রমে এটিএম সেবাও সম্প্রসারণে কাজ করে যাচ্ছে।

### মানব সম্পদ

স্বল্প এবং মধ্যম মেয়াদী - উভয়ক্ষেত্রে ব্যাংকের সাংগঠনিক লক্ষ্য অর্জনের জন্য মানব সম্পদ উন্নয়নের দিকটাকে সর্বাধিক গুরুত্বের সাথে গ্রহণ করেছিল। ২০১৮ সালের ডিসেম্বর পর্যন্ত ন্যাশনাল ব্যাংকের শাখা ও প্রধান কার্যালয়ে ৪,৬৫৭ জন নিবেদিতপ্রাণ কর্মকর্তা ও কর্মচারী থাকায় ব্যাংক সত্যিকারভাবে একটি অনন্য প্রতিষ্ঠান হিসেবে গর্ব করতে পারে। কেননা ব্যাংক সত্যিকার অর্থে নতুন প্রতিভা ও অভিজ্ঞ জনশক্তির সমন্বয়ে একটি অপ্রতিদ্বন্দী প্রতিষ্ঠানে পরিণত হয়েছে।

সত্যিকার অর্থে একটি কার্যকর ও দক্ষ কর্ম-পরিবেশ সৃষ্টির জন্য ব্যাংকের রয়েছে পরিপূর্ণ মানব সম্পদ নীতিমালা ও নির্দেশিকা। তাছাড়া ব্যাংকের মানব সম্পদ বিভাগ সর্বদা দেশজুড়ে সর্বোচ্চ মেধাসম্পন্ন কর্মীর খোঁজ করে। নবীন গ্রাজুয়েটদের আইবিএ(IBA), ঢাকা বিশ্ববিদ্যালয় ও বিআইবিএম (BIBM) এর মাধ্যমে শিক্ষানবিশ কর্মকর্তা (Probationary Officer), জুনিয়র অফিসার (General & cash) হিসেবে নিয়োগ দেয়া হয়। এনবিএল অন্য প্রতিষ্ঠানের অভিজ্ঞদেরও কর্তার বিচার-বিশ্লেষণের মাধ্যমে নিয়োগ দিয়ে থাকে। কর্মকর্তাদের দক্ষতা বৃদ্ধির জন্য বিভিন্ন সময়ে মানব সম্পদ বিভাগ বিভিন্ন মৌলিক ও পেশাগত প্রশিক্ষণ প্রদান করে থাকে।

কর্মকর্তাদের দক্ষতাকে গতিশীল করার জন্য এবং আগত চ্যালেঞ্জ মোকাবেলায় তাদেরকে আত্মবিশ্বাসী করে তোলার জন্য এবং চাকুরিরত কর্মকর্তারা তাদের দক্ষতা, জ্ঞান ও উৎপাদন ক্ষমতার উন্নয়ন ঘটাবে - এটা নিশ্চিত করার জন্য ব্যাংক ১৯৮৭ সালে ন্যাশনাল ব্যাংক ট্রেনিং ইনস্টিটিউশন প্রতিষ্ঠা করে, যেটা বাংলাদেশের ব্যাংকিং খাতে প্রথম ট্রেনিং ইনস্টিটিউট। ২০১০ সালে এটি নিউ ইস্কাটনে আধুনিক সুবিধা সম্বলিত ব্যাংকের নিজস্ব জায়গায় স্থানান্তরিত হয়েছে। কর্মকর্তাদের জ্ঞান ও পেশাভিত্তিক দক্ষতা বৃদ্ধি করার জন্য এটি প্রতিনিয়ত ট্রেনিং, ওয়ার্কশপ, সেমিনারের আয়োজন করে থাকে। অধিকন্তু, ব্যাংক তার কর্মকর্তাদের পেশাগত দক্ষতা বৃদ্ধির লক্ষ্যে স্থানীয় পর্যায়ে এবং বিদেশেও প্রশিক্ষণের ব্যবস্থা করে থাকে।

### সামাজিক দায়বদ্ধতা

দেশের একটি দায়িত্বশীল কর্পোরেট প্রতিষ্ঠান হিসেবে এনবিএল সর্বদা বিভিন্ন সামাজিক ও দাতব্য কাজে ভূমিকা রেখে থাকে। প্রতিষ্ঠানের পর কল্যাণমূলক কাজে এনবিএলের দেয়া অনুদানের পরিমাণ প্রতি বছর বৃদ্ধি পাচ্ছে।

Globally, immense importance has been given on the security aspects of card use. National Bank has also been working as to ensure security by applying the global practices (issuing EMV/Chip Cards). Besides, National Bank has launched Debit Card with EMV/Chip facility 2016. This facility will also be introduced for Credit Card very soon. Meanwhile, National Bank has launched internet banking by which the customers can avail 24 hours banking facility. With the firm conviction of serving the customers and the nation as well, National Bank is also working to establish ATM network at the strategically important places through its existing 203 branches across the country.

### Human Resources

National Bank Limited has taken Human Resource development with utmost importance as it is the most vital element for achieving organizational goals, both short and long term. By the end of 2018 NBL has a group of 4,657 committed employees, serving at the Branches and Head Office, the Bank prides itself on being a truly peerless organization, combining the expertise and endeavor of experienced and fresh talents.

NBL has pragmatic HR policy and guideline in order to create efficient and effective work environment. Also NBL HRD always hunts for the best talent of the country. Fresh graduates are hired as Probationary Officer, Junior Officer (General & cash) through test conducted by IBA (DU) or BIBM. NBL HRD also recruited other professionals through strict scrutiny. HRD also arranged different basic and professional training programs to improve employee productivity.

With a view to speeding-up employee's zeal and to make them confident to face the up-coming challenges, and also to ensure that the existing employees are developing their skills, knowledge and productivity, the Bank established National Bank Training Institute (NBTI) in the year 1987, the first ever training institute among the private banks in Bangladesh. In 2010 it was housed in its own premises at New Eskaton, Dhaka with modern facilities. NBTI organizes Trainings, Workshops, Seminars and Symposiums for officials to enhance and update their professional knowledge. In addition to this, both local and foreign trainings are also provided to on regular basis to improve employee's efficiency and productivity.

### Corporate Social Responsibility

NBL being a responsible corporate entity of the country has been playing an important role in implementing various social and charitable works. The amount of its donation towards charitable work has always been increasing since inception.

আলোচ্য বছরে এনবিএল সামাজিক সুশাসন প্রতিষ্ঠার অংশ হিসেবে কল্যাণমূলক কাজে তাদের সমষ্টিগত মনযোগের স্বাক্ষর রেখেছে। ব্যাংক সরাসরি বা অন্য কোনো প্রতিষ্ঠানের সাথে যৌথভাবে ও বিস্তৃত পরিসরে দুর্ভোগ ব্যবস্থাপনা, স্বাস্থ্য, শিক্ষা, খেলাধুলা ও সংস্কৃতিসহ সামাজিক উন্নয়ন খাতে আর্থিক সহায়তা দিয়েছে।

### কর্পোরেট সুশাসন

এনবিএল সর্বদা তার দৈনন্দিন কার্যক্রমের অংশ হিসেবে কর্পোরেট সুশাসন প্রতিষ্ঠা এবং এর সর্বোচ্চ মান বজায় রাখার প্রতি মনযোগী। কর্পোরেট সুশাসন নিয়ন্ত্রণের বিধি-বিধানের প্রতি ব্যাংক কঠোরভাবে যত্নশীল। প্রকৃতপক্ষে ন্যাশনাল ব্যাংক হচ্ছে আর্থিক প্রতিষ্ঠানে কর্পোরেট সুশাসন প্রতিষ্ঠার একটি অন্যতম ভালো উদাহরণ।

### বিনিয়োগকারী সম্পর্ক

বোর্ড বিনিয়োগকারীর কার্যকলাপ সম্পর্কে, একইসাথে ক্ষুদ্র শেয়ার মালিকদের মালিকানা পরিবর্তনের বিষয়ে এবং শেয়ারের মূল্য উঠা-নামার খবর পেয়ে থাকে। বিনিয়োগকারীদের সাথে খোলামেলা আলোচনার পথ উন্মুক্ত রাখতে ব্যাংক সারা বছর ধরে বিভিন্ন অনুষ্ঠানের আয়োজন করে থাকে। এসবের মধ্যে সবচেয়ে গুরুত্বপূর্ণ হচ্ছে বার্ষিক সাধারণ সভা। এছাড়াও রয়েছে প্রয়োজন অনুসারে বিনিয়োগকারীদের সাথে খোলাখুলি মত বিনিময়ের ব্যবস্থা।

তাছাড়া ব্যাংকের ওয়েবসাইট [www.nblbd.com](http://www.nblbd.com) এর মাধ্যমে ব্যাংকের তথ্য ভান্ডারে সহজেই প্রবেশ করা যায়। যেখানে শেয়ারহোল্ডার, বিনিয়োগকারী, বাজারে অংশগ্রহণকারী, বিশ্লেষক ও অন্যান্য স্টেকহোল্ডারদের জন্য সম্পদের তথ্য, প্রেস রিলিজ, নিয়ন্ত্রক সংস্থাসমূহের ঘোষণা, ত্রৈমাসিক, অর্ধ-বার্ষিক ও বার্ষিক প্রতিবেদন, ঘটনাপঞ্জি ও তথ্য অনুসন্ধান ভূমিকাসহ আর্কাইভ ও অন্যান্য তথ্য থাকে।

### এনবিএল শেয়ার

৩১ ডিসেম্বর, ২০১৮ পর্যন্ত সময়ে ব্যাংকের অনুমোদিত মূলধন ৩০,০০০.০০ মিলিয়ন টাকা, যেখানে পরিশোধিত মূলধন ২৬,৫৪৯.০৮ মিলিয়ন টাকা। ২০০৪ সাল থেকে এনবিএল এর শেয়ার সিডিএস (Central Depository System) পদ্ধতিতে রেকর্ড করা হচ্ছে। এই পদ্ধতিতে ৩১-১২-২০১৮ পর্যন্ত ২,৬২২.৭২ মিলিয়ন শেয়ার রেকর্ড করা হয়েছে, যেখানে ৩২.১৯ মিলিয়ন শেয়ার এখন পর্যন্ত ক্লীপেট রয়ে গেছে।

২০১৮ সালে প্রতি শেয়ারের নেট মূল্য (NAV-net asset value) ছিল ১৬.৮৮ টাকা, যা ২০১৭ সালে ছিল ১৭.০৩ টাকা। ২০১৮ সালে শেয়ারপ্রতি আয় ছিল ১.৫৪ টাকা, যা ২০১৭ সালে ছিল ১.৭৭ টাকা। পুঁজি বাজারের উত্থান-পতন সত্ত্বেও এনবিএলের শেয়ার ব্যাংকের অভ্যন্তরীণ শক্তি হিসেবে বিনিয়োগকারীদের নিকট যথেষ্ট প্রশংসিত হয়েছে।

During the year under review, NBL retained its collective concentration on activities for community welfare through CSR initiatives. The Bank has provided financial support directly or in partnership with others in wider area of social life including disaster management, health Education, Sports & culture, community development etc. at home & abroad.

### Corporate governance

NBL has always strive to have good corporate governance practices put in place and to ensure that the highest standards of business integrity are regular part of its activities. The bank adheres strictly to the regulatory guidelines on corporate governance. National Bank Limited portrays a good example of an excellent corporate governance practice.

### Investors' Relation

The Board receives feedback on investor relations activity, along with regular reports of changes in holdings of substantial shareholders and reports on share price movements. A number of events were held throughout the year to maintain an open dialogue with investors, of which the AGM is the most important. In addition to regular dialogue with investors are made as and when necessary.

Also Bank's website [www.nblbd.com](http://www.nblbd.com) provides easy access to information, press release, regulatory announcements, new products, quarterly and half yearly financials, annual reports, event calendar and an archive with detailed search interface as well as other information for shareholders, investors, market participants, analyst and others.

### Shares of NBL

The Authorized Capital of the Bank stood at BDT 30,000.00 million while the paid-up capital is BDT 26,549.08 million as of December 31, 2018. NBL's shares are being maintained with Central Depository System since 2004. A total number of 2,622.72 million shares have been recorded with the CDS (Central Depository System) while 32.19 million shares remained in script till 31.12.2018.

The net asset value (NAV) per share was Tk. 16.88 in 2018, which was Tk.17.03 in 2017. The earnings per share (EPS) reached to Tk. 1.54 in 2018 which was Tk.1.77 in 2017. Though capital market showed ups and downs, NBL shares are still admired by the investors due to the inner financial strength of the Bank.

## লভ্যাংশ

৩১ ডিসেম্বর, ২০১৮ এর হিসাবের উপর ভিত্তি করে ব্যাংকের আর্থিক সক্ষমতা, মূলধনের ভিত্তি ও নীট সম্পদ বিবেচনা করে ন্যাশনাল ব্যাংকের পরিচালনা পর্ষদ আনন্দের সাথে শেয়ার মালিকদের জন্য ১০% স্টক লভ্যাংশ ঘোষণা করেছে। ব্যাংকের বার্ষিক সাধারণ সভায় সম্মানিত শেয়ার মালিকদের দ্বারা তা অনুমোদিত হবে বলে আশা করা হচ্ছে।

## বোর্ড এবং তার কমিটিসমূহ

২০১৮ সালে ব্যাংকের পরিচালকমন্ডলী ১৬টি সভায় মিলিত হয়েছিলেন এবং ব্যাংক পরিচালনার জন্য প্রয়োজনীয় নির্দেশনা দিয়েছেন। অন্যদিকে, পরিচালনা পর্ষদের নির্বাহী কমিটি, নিরীক্ষা কমিটি এবং রিস্ক ম্যানেজমেন্ট কমিটি যথাক্রমে ৮টি, ৫টি ও ৫টি সভায় মিলিত হয়েছেন এবং বিভিন্ন বিষয়ে মূল্যবান দিক নির্দেশনা দিয়েছেন।

## পরিচালক নির্বাচন

ব্যাংকের আর্টিকেল অব এসোসিয়েশন এর ১০৩ ও ১০৪ ধারা অনুসারে নিম্নবর্ণিত পরিচালকগণ বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন।

১. জনাব মোয়াজ্জেম হোসেন
২. জনাব রন হক সিকদার
৩. জনাব মাবরুর হোসেন

আর্টিকেল অব এসোসিয়েশন এর ১০৫ নং ধারা এবং কোম্পানি আইন, ১৯৯৪ মোতাবেক অবসরপ্রাপ্ত পরিচালকগণ পুনর্নির্বাচন করার যোগ্য বলে বিবেচিত হবেন।

## বহিঃনিরীক্ষক নিয়োগ

আমাদের বর্তমান বহিঃনিরীক্ষক মের্সাস রহমান মোস্তফা আলম এ্যান্ড কোঃ বাংলাদেশ ব্যাংকের বিআরপিডি সার্কুলার নম্বর ১২, তারিখ ১১-০৭-২০০১ অনুসারে দ্বিতীয় বারের মতো ব্যাংকের ৩১ ডিসেম্বর, ২০১৮ এর নিরীক্ষা সম্পন্ন করেছে এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের ০৮-০৭-২০১৫ তারিখের আদেশ মোতাবেক তারা ২০১৯ সালের জন্য পুনঃনিয়োগ লাভের যোগ্য।

## উপসংহার

এনবিএল বাংলাদেশের বেসরকারি খাতের প্রথম সারির ব্যাংকগুলোর একটি এবং প্রতিষ্ঠার শুরু থেকে এটি দেশে বিদ্যমান ব্যাংকগুলোর অন্যতম প্রধান হিসেবে বিবেচিত হয়ে এসেছে। অনেক চ্যালেঞ্জ মোকাবেলা সত্ত্বেও এনবিএল তার সম্মানিত শেয়ারহোল্ডারদের জন্য সর্বোচ্চ লভ্যাংশ প্রদানের রেকর্ড তৈরি করেছে।

## Dividend

Board of Directors of National Bank Limited has been pleased to recommend 10% stock dividend to the shareholders based on the accounts for the year ended December 31, 2018 upon considering bank's financial strength, capital base and net worth. The approval of the honorable shareholders regarding dividend is expected to receive at the Annual General Meeting.

## Board and its Committees

The Board of Directors of the Bank met in 16 (Sixteen) meetings during 2018 and issued specific directions in conducting affairs of the Bank. On the other hand, the Executive Committee, Audit Committee and Risk Management Committee of the Board of Directors met in 8(Eight), 05(Five) and 05(Five) meetings respectively and gave valuable decisions on various issues during the Period under review.

## Election of Directors

In accordance with clauses 103 and 104 of the Articles of Association of the Company, the following Directors will retire at this Annual General Meeting.

1. Mr. Moazzam Hossain
2. Mr. Ron Haque Sikder
3. Mr. Mabroor Hossain

As per Article 105 of the Articles of Association of the company and as per companies act, 1994 the retiring Directors are eligible for re-election.

## Appointment of Auditors

Our existing external Auditor Rahman Mostafa Alam & Co., Chartered Accountants has completed audit for the year ended December 31, 2018 as second year of their audit and as per Bangladesh Bank's BRPD Circular Letter No. 12 dated 11 July 2001 and order of Bangladesh Securities and Exchange Commission dated 08 July 2015, they are eligible for re-appointment for 2019.

## Conclusion

NBL is one of first generation private commercial bank of Bangladesh and since inception it has been amongst the top banks in the country. Despite encountering many challenges, NBL has managed to record considerable amount of profit for its valuable shareholders.

এনবিএলের এই সাফল্যের মূলে রয়েছে তার শুভাকাজীদের ভালোবাসা ও বিরামহীন সমর্থন এবং এর দূরদর্শী ব্যবস্থাপনা কমিটি কর্তৃক সময়োচিত পদক্ষেপ গ্রহণ।

পরিচালনা পর্ষদের পক্ষ থেকে আমি বোর্ডে আমার সকল সহকর্মী, নিরলসভাবে এর সাফল্যের জন্য কাজ করে যাওয়া সকল কর্মকর্তা-কর্মচারি, আমানতকারী, গ্রাহক, শুভাকাজী, নিরীক্ষক এবং ষ্টেকহোল্ডারদেরকে তাদের নিরবচ্ছিন্ন সমর্থন ও সহযোগিতার জন্য আন্তরিক ধন্যবাদ জানাচ্ছি যা না পেলে ব্যাংক এতদূর পৌঁছাতে সমর্থ হতো না। আমরা মন্ত্রণালয়ের অর্থ বিভাগ ও আর্থিক প্রতিষ্ঠান বিভাগ, বাংলাদেশ ব্যাংক, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, জয়েন্ট স্টক কোম্পানী, ঢাকা স্টক এক্সচেঞ্জ লিঃ, চট্টগ্রাম স্টক এক্সচেঞ্জ লিঃ এবং অন্যান্য সংশ্লিষ্ট সরকারি এজেন্টদের কাছে তাদের সহযোগিতা ও দিক নির্দেশনার জন্য ঋণী।

আল্লাহ হাফেজ

বোর্ড ডিরেক্টরস এর পক্ষ থেকে



চেয়ারম্যান

The main reasons for this success are the continuous love and relentless support of its well-wishers and the pragmatic steps taken by its prudent management.

On behalf of the Board of Directors, I take this opportunity to give my heartfelt thanks to all my colleagues in the Board, to its all employees who have been working tirelessly for its success, to the depositors, customers, patrons, well-wishers, auditors and other stakeholders for their continued support and cooperation, without which the Bank would not have been able to reach so far. We are also indebted to Finance Division and the Financial Institutions Division of the Ministry of Finance, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Office of the Registrar of Joint Stock Companies and Firms, Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited and other relevant government agencies for their cooperation and guidance.

Allah Hafez

On behalf of the Board of Directors



Chairman



**NOT JUST FOR COMPLIANCE  
BUT FOR IMPROVED PROFITABILITY**



**National Bank Limited**

A Bank for performance with potential

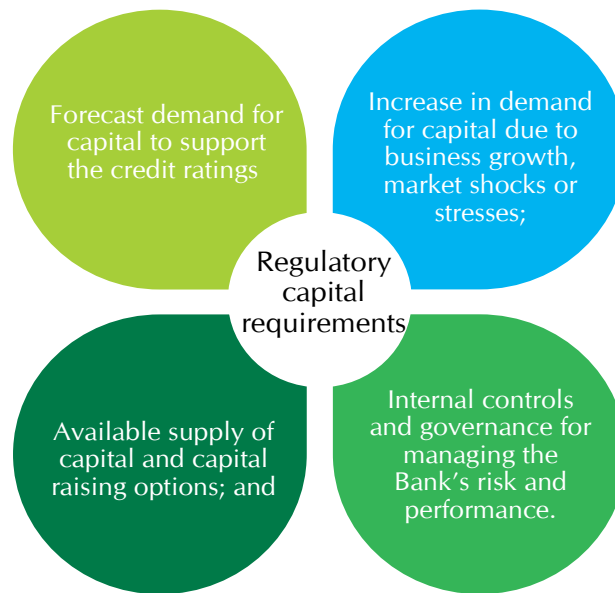


### Effective risk management for NBL

Accepting calculative risk is a beauty of the banking business. Effective management of risks is therefore critical for sustainable performance of a Bank. As businesses are changing, which brings new risk horizons, NBL is coping with the changes brought about by an ever evolving economy at the same time. The ability to anticipate threats, respond and continually adapt is as critical a part of the risk management process as it ever has been. In the course of banking operations, banks are invariably faced with different types of risks that may have a potentially negative effect on their business. When banks deal with risks in banking, banks are primarily concerned with the possibilities of loss or decline in asset values from events like economic slowdowns, unfavorable fiscal and trade policy changes, adverse movement in interest rates or exchange rates, or falling equity prices. Risk management in bank operations includes risk identification, measurement and assessment, and its objective is to minimize negative effects risks can have on the financial result and capital of a bank. NBL is therefore required to form a special organizational unit for risk management. Also, NBL needs to prescribe procedures for risk identification, measurement and assessment, as well as procedures for risk management.

### Focusing Capital on the long term

National Bank Ltd's capital management approach is driven by its desire to maintain a strong capital base to support the development of its business, to meet regulatory capital requirements at all times and to maintain good credit ratings. Strategic business and capital plans are drawn up to cover an eight years horizon and approved by the board. The plan ensures that adequate levels of capital and an optimum mix of the different components of capital are maintained by the Bank to support the strategy. The capital plan takes the following into account:



National Bank Ltd uses a capital model to assess the capital demand for material risks, and support its internal capital adequacy assessment. Each material risk is assessed, relevant mitigates are considered and appropriate levels of capital are determined. The capital model is a key part of the Bank's management disciplines.

Basel III, The Basel Committee on Banking Supervision published Basel III, a framework for the International Convergence of Capital Measurement and Capital Standards (commonly referred to as 'Basel II'), which replaced Basel II Accord. Basel III is structured around three 'pillars': Bangladesh Bank has given a regulatory framework for capital adequacy management and has formulated a guideline under Basel-III framework.

In order to comply with the Bangladesh Bank's requirement, NBL's Board of Directors approved a policy on Risk Based Capital Adequacy for National Bank Limited in December, 2009, which become effective since January, 2010. The Bank adopted the following approaches to calculate Capital to Risk Weighted Assets Ratio (CRAR) as per requirement of Minimum Capital Requirement [MCR] (Pillar-I)

NBL has taken necessary steps to put in Internal Capital Adequacy Assessment Process (ICAAP) to identify measure, monitor and control risks not captured under Pillar 1 of the Basel-III regime. The ICAAP lays down the principal process for risk management of risks other than Credit, Market and Operational risks recognized under pillar one and regulatory capital.

The Bank meanwhile underscored the need for corporate and financial transparency and accordingly approved a Discloser Policy for NBL by the Board of Directors which enabled the bank to comply with the Pillar-III requirement of Basel-III implementation.



## Risk Management

To monitor, manage, and measure various risks, banks are actively engaged in risk management. In NBL, the risk management function contributes to the management of the risks it faces continuously the risk of its current portfolio of assets and other exposures. The degree and types of risk that a bank faces depend upon a number of factors such as its size, complexity business activities, volume technology operations etc. Risks are normally classified within 3 categories:



Every single risk may lead to direct and/or indirect damage to the organization, and business with financial implications that may also be considerable in the short, medium and long term.

## Risk Management Framework

In National Bank Ltd, risk management is a dynamic process interrelated with the philosophy, culture and functionalities of the bank. Risk is clearly identified, measured, mitigated or minimized to shield capital and to maximize value for shareholders. NBL affixes utmost priority to establish, maintain and upgrade risk management infrastructure, systems and procedures. Required resources are allocated in this regard to improve capacity, skills and expertise of relevant resources to enhance their risk management. Different policies and procedures are approved by Board of Directors of NBL. These guidelines are regularly assessed time to time to update them. Recognizing the impacts of internal and potential risk domains, the bank has laid down different risk managements processes consisting of definition, identification, analysis, measurement, acceptance and proper management of risk profile.

## Risk Management Process

The overall risk management process aims to reduce the bank's overall risk level to one that is acceptable to both the bank's senior management and its regulatory supervisor. Following are the components of the Risk Management Process.



Steps	Activity
Identify	-Establish the process for identifying and understanding business-level risks
Assess	-Agree and implement measurement and reporting standards and methodologies.
Control	-Establish key control processes and practices, including limit structures, impairment allowance criteria and reporting requirements
Monitoring	-Monitor the operation of the controls and adherence to risk direction and limits. -Provide early warning of control or appetite breaches -Ensure that risk management practices and conditions are appropriate for the business environment.
Report	-Interpret and report on risk exposures, concentrations and risk-taking outcomes. -Interpret and report on sensitivities and Key Risk Indicators. -Communicate with external parties
Manage Challenge	-Review and challenge all aspects of the risk profile -Assess new risk-return opportunities -Review and challenge risk management practices.

## Capital Adequacy as per Basel -III

As on December 31, 2018

(Figure in crore)

Particulars	Year 2018	
	Solo	Consolidated
<b>A. Eligible Capital</b>		
<b>1. Tier-1 (Core Capital )</b>	<b>4,198.21</b>	<b>4,166.93</b>
2. Common Equity Tier-1 capital (CET-1)	4,198.21	4,166.93
3. Additional Tier - 1 Capital (AT-1)	-	-
<b>4. Tier-2 Capital</b>	<b>916.23</b>	<b>916.23</b>
<b>5. Total Regulatory Capital (1 + 4)</b>	<b>5,114.44</b>	<b>5,083.16</b>
<b>B. Total Risk Weighted Assets (RWA)</b>	<b>36,425.48</b>	<b>36,439.05</b>
C. Capital to Risk Weighted Assets Ratio (CRAR) (A5 / B)*100	14.04%	13.95%
D. Common Equity Tier-1 to RWA (A2/ B)*100	11.53%	11.44%
E. Tier -1 Capital to RWA (A1/ B)*100	11.53%	11.44%
F. Tier -2 Capital to RWA (A4/B)*100	2.52%	2.51%
<b>G. Minimum Capital Requirement (MCR)</b>	<b>3,642.55</b>	<b>3,643.90</b>
<b>A2. Common Equity Tier-1 (Going Concern Capital)</b>		
1.1 Fully Paid-up Capital	2,654.91	2,654.91
1.2 Non-repayable Share premium account	-	-
1.3 Statutory Reserve	1,438.08	1,438.08
1.4 General Reserve	-	2.95
1.5 Retained Earnings	297.73	266.10
1.6 Dividend Equalization Account	-	-
1.7 Minority interest in Subsidiaries	-	0.01
1.8 Other (if any item approved by Bangladesh Bank))	-	-
<b>1.9 Sub-Total: (1.1 to 1.8)</b>	<b>4,390.72</b>	<b>4,362.05</b>
<b>Regulatory Adjustments:</b>		
1.10 Shortfall in provisions required against Non Performing Loans (NPLs)	-	-
1.11 Shortfall in provisions required against investment in shares	139.54	142.11
1.12 Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.	-	-
1.13 Goodwill and all other intangible assets	7.95	7.95
1.14 Deffered Tax Assets (DTA)	34.28	34.31
1.15 Defined benefit pension fund assets	-	-
1.16 Gain on sale related to securitization transactions	-	-
1.17 Investment in own CET-1 investments/ shares	-	-
1.18 Reciprocal crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	10.74	10.74
1.19 Any investment exceeding the approved limit under section 26 ka (1) of Bank Company Act 1991 (50% of investment)	-	-
1.20 Investments in subsidiaries which are not consolidated (50% of investment)	-	-
1.21 Other (if any)	-	-
<b>1.22 Sub Total (1.10-1.21)</b>	<b>192.52</b>	<b>195.12</b>
<b>Total Common Equity Tier-1 Capital (1.9-1.22)</b>	<b>4,198.21</b>	<b>4,166.93</b>
<b>A3 Additional Tier-1 Capital</b>		
2.1 Non - cumulative irredeemable preference share	-	-
2.2 Instruments issued by the banks that meet the qualifying criteria for AT1	-	-
2.3 Minority interest	-	-
2.4 Others (if any item approved by Bangladesh Bank)	-	-

## Capital Adequacy as per Basel -III

As on December 31, 2018

(Figure in crore)

Particulars	Year 2018	
	Solo	Consolidated
<b>Regulatory Adjustments:</b>		
2.5 Investment in own AT-1 instrument/ share	-	-
2.6 Reciprocal crossholdings in the AT-1 Capital of Banking, Financial and Insurance Entities	-	-
2.7 Others (If any)	-	-
<b>Total Additional Tier-1 Capital Available</b>	-	-
<b>A4 .Tier-2 Capital(Gone Concern Capital)</b>		
3.1 General Provision	503.61	503.61
3.2 All other preference shares	-	-
3.3 Subordinated debt/ instruments issued by the Bank that meet the qualifying criteria for Tier-2 Capital	400.00	400.00
3.4 Minority interest i.e. Tier-2 issued by consolidated subsidiaries to third parties	-	-
3.5 Revaluation Reserve on 31 December 2014 (50% of Fixed Assets & Securities and 10% of Equities)	63.10	63.10
3.6 Other (if any item approved by Bangladesh Bank)	-	-
<b>Regulatory Adjustments:</b>		
3.7 Revaluation Reserve for Fixed Assets, Securities and Equities	50.48	50.48
3.8 Investment in own T-2 instruments/ Shares	-	-
3.9 Reciprocal crossholdings in the Tier-2 Capital of Banking, Financial and Insurance Entities	-	-
3.10 Any investment exceeding the approved limit u/s 26 ka(1) of Bank Company Act 1991	-	-
3.11 Others (if any)	-	-
<b>Total Tier-2 Capital</b>	<b>916.23</b>	<b>916.23</b>
<b>Risk Weighted Assets (RWA) for</b>		
<b>A. Credit Risk</b>	<b>32,773.54</b>	<b>32,639.93</b>
On- Balance sheet	31,064.32	30,930.71
Off-Balance sheet	1,709.22	1,709.22
<b>B. Market Risk</b>	<b>1,270.85</b>	<b>1,362.08</b>
<b>C. Operational Risk</b>	<b>2,381.09</b>	<b>2,437.03</b>
<b>Total RWA (A + B + C)</b>	<b>36,425.48</b>	<b>36,439.05</b>
<b>Credit Risk on Banking Book</b>		
<b>Total Exposures of Credit Risk</b>		
<b>1. Funded</b>		
a) Domestic	39,505.92	39,424.45
b) Overseas	-	-
<b>2. Non Funded</b>		
a) Domestic	2,679.10	2,679.10
b) Overseas	-	-
<b>Distribution of risk exposure by claims</b>		
A. Claims on other Sovereigns & Central Banks	5,711.35	5,711.35
B. Claims on public sector entities	-	-
C. Claims on Banks and NBFIs	1,219.66	1,247.80
D. Claims on Corporate	16,357.74	16,387.23
E. Claims on SME	3,365.09	3,365.09
F. Claims categorized as retail portfolio	312.47	312.47
G. Claims on Consumer Finance	631.14	631.14
H. Claims fully secured by residential property	255.58	255.58

## Capital Adequacy as per Basel -III

As on December 31, 2018

(Figure in crore)

Particulars	Year 2018	
	Solo	Consolidated
I. Claims fully secured by commercial real estate	2,918.27	2,918.27
J. Others Categories:		
Past Due Claims	6,377.82	6,377.82
Other Assets	2,356.82	2,217.72
Off-balance sheet items	2,679.10	2,679.10
<b>Market Risk on Trading Book</b>		
<b>The capital requirement for :</b>		
Interest Rate Related instruments	16.13	16.13
Equities	103.46	112.58
Foreign Exchange Position	7.50	7.50
Commodities	-	-
<b>Operational Risk</b>		
The capital requirement for operational risk	238.11	243.70
<b>Maintenance of specific provision</b>		
Gross non performing assets (NPAs) (SS, DF, BL)	2,988.15	2,988.15
Non performing assets to outstanding loans and advances.	9.50%	9.50%
<b>Movement of non performing assets</b>		
Opening balance	2,644.83	2,644.83
Addition	1,446.29	1,446.29
Reductions	(1,102.97)	(1,102.97)
<b>Closing balance</b>	<b>2,988.15</b>	<b>2,988.15</b>
<b>Movement of specific provision</b>		
Opening balance	689.24	689.24
Release of Provision	19.71	19.71
Transfer from general provision - Unclassified Loan	42.30	42.30
Transfer from general provision - Off Balance Sheet	11.30	11.30
Recovery of write-off	-	-
Adjustment	-	-
Provision made during the period	204.00	204.00
<b>Closing balance</b>	<b>966.55</b>	<b>966.55</b>
<b>Maintenance of regulatory capital</b>		
<b>Amount of Tier-1 Capital</b>		
Fully Paid-up Capital	2,654.91	2,654.91
Statutory Reserve	1,438.08	1,438.08
General Reserve	-	2.95
Retained Earnings	297.73	266.10
Minority interest	-	0.01
<b>Total</b>	<b>4,390.72</b>	<b>4,362.05</b>
<b>Regulatory adjustments from Tier - 1 Capital</b>		
Shortfall in provision	139.54	142.11
Goodwill and all intangible assets	7.95	7.95
Deffered Tax Asset (DTA)	34.28	34.31
Reciprocal Crossholding	10.74	10.74
	<b>192.52</b>	<b>195.12</b>

## Capital Adequacy as per Basel -III

As on December 31, 2018

(Figure in crore)

Particulars	Year 2018	
	Solo	Consolidated
<b>Total amount of Tier -2 capital (Net off deduction from Tier -2 Capital)</b>	<b>916.23</b>	<b>916.23</b>
<b>Total eligible capital</b>	<b>5,114.44</b>	<b>5,083.16</b>
<b>Capital Adequacy</b>	<b>14.04%</b>	<b>13.95%</b>
<b>Amount of regulatory capital to meet unforeseen loss</b>		
Amount to meet credit risk	3,277.35	3,263.99
Amount to meet market risk	127.09	136.21
Amount to meet operational risk	238.11	243.70
Some additional capital over MCR maintained by the Bank	1,471.89	1,439.26
<b>A. Banking Book Assets</b>		
<b>1. Cash in hand and balance with BB (excluding FC)</b>	<b>1,986.46</b>	<b>1,986.47</b>
Balance with other banks (excluding FC)	377.57	387.97
<b>2. Money at Call</b>	<b>9.13</b>	<b>9.13</b>
<b>3. Investment (HTM)</b>		
a. Government	3,969.93	3,969.93
b. Qualifying (banks, etc.)	606.85	217.19
c. Others	-	-
<b>4. Loans and advances</b>		
<b>a. Classified (SS, DF &amp; BL to be shown separately):</b>	<b>2,988.15</b>	<b>2,988.15</b>
Substandard (SS)	100.58	100.58
Doubtful (DF)	101.10	101.10
Bad & Loss (BL)	2,786.46	2,786.46
<b>b. Unclassified</b>	<b>28,462.58</b>	<b>28,751.16</b>
<b>Total loans and advances</b>	<b>31,450.73</b>	<b>31,739.30</b>
<b>5. Risk weighted assets</b>		
a. Below 100% RW	5,338.51	5,344.14
b. 100% RW	14,165.92	14,153.04
c. Above 100% RW	13,269.11	13,142.75
<b>6. Rated status</b>		
a. Rated assets	14,642.44	14,642.44
b. Unrated assets	26,080.30	26,065.11
<b>7. Other assets including Fixed Assets</b>	<b>957.69</b>	<b>944.81</b>
<b>Total Banking Book Assets</b>	<b>39,358.36</b>	<b>39,254.80</b>
<b>B. Trading Book Assets</b>		
1. FC held in hand	6.99	11.34
2. FC held in BB & Nostro account	147.18	164.93
<b>3. Investment (Trading)</b>		
a. Govt. (part of govt. HTM if held above the required SLR amount)	-	-
b. HFT	548.32	548.32
c. AFS (if any)	661.88	728.16
<b>Total Trading Book Assets (1 + 2 + 3)</b>	<b>1,364.38</b>	<b>1,452.75</b>
<b>Total Assets (A + B)</b>	<b>40,722.74</b>	<b>40,707.56</b>

### Risk Management Policy & Procedure

NBL has formulated a risk management policy, keeping in view the resources, expertise, strengths, and weaknesses. The policy document reveals the risk management philosophy and guides the personnel in conducting the bank's operations in conformity with the risk-taking capability. NBL fixes risk limits for different operational areas and activities and defines the boundary of potential loss within which the managers should operate. NBL also frequently revises delegation limits in accordance with changing market conditions.

Policies and procedures covering all the risk areas are essential for ensuring that risks are properly addressed and protected for sustainable development of the bank. National Bank has approved policies and procedures in line with the Bangladesh Bank's Guidelines on managing Core Risks on Credit Risk Management, Foreign Exchange Risk Management, Internal Control and Compliance, Asset and Liability Management, Information Risk Management and Money Laundering Risk Management. At the same time NBL takes into account the challenges in the business environment in which NBL operates, specific needs for particular type of operations or transactions and global best practices. These policies are periodically reviewed and updated to keep pace with the changing operating and business environment, technology and regulatory implications

### Risk Management Organization

Risk management performs at various levels in NBL. At the highest level, the Board of Directors determines the risk strategy, policy principles and limits, as per recommendation and suggestion by the Assets and Liabilities Committee (ALCO), Management Committee as well as the Credit Committee. The MANCOM, ALCO regularly review the risk exposure of NBL's activities and portfolio. The MD, who is also a member of the Board, is responsible for the implementation of NBL's risk policy. NBL Risk Management is responsible for the policy regarding interest rate, market, liquidity, currency and operational risk, as well as for the credit risk policy at portfolio level.

In addition, implementation policy for risk management is embedded within the Bank entities, with independent risk control departments monitoring the risks that are relevant for the entity in question.

In NBL, risk is managed in three stages namely: Strategic level; Macro level and Micro Level. Strategic Level consists of Audit Committee and Board of Directors and Supervisory Review Team (SRP); Macro level consists of Risk Management Committee of the Bank.

Risk Management Division collects information from branch and head office level; collects different secondary data from Bangladesh Bank, BIBM, BIDS, BBS, WB, IFC, ADB websites etc, print sources and prepare different risk reports. RMD submits these reports regularly to CEO and periodically to SRP team. Also Risk Report is periodically submitted to Risk Management Committee of the Board of Directors of NBL

**STRATEGIC**  
**[BOD/AC/SRP]**

**MACRO**  
**[RMD]**

**MACRO**  
**BUSINESS/OPS**

## Principles of Risk Management

The main objective of risk management is the protection of NBL's financial strength. Risk management is based on the following principles:

### Protecting the Bank's financial strength

- NBL controls risks in order to limit the impact of potential adverse events, both on its capital and on its financial results. The risk appetite to be proportional to the available capital.

### Protecting NBL's reputation

- Reputation is essential for the proper performance of a banker's profession and needs to be diligently preserved.

### Risk transparency

- For a good insight into NBL's positions, it is vital to identify all risks. Risks must always be considered as accurately as possible and documented in order to be able to make sound business decisions.

### Management responsibility

- NBL's business entities are individually responsible for their results as well as for their risks associated with their operations. A balance is made between risk and return, while of course duly observing the relevant risk limits.

### Independent risk control

- This is the structured process of identifying, measuring, controlling, monitoring and reporting risks. In order to ensure integrity, the risk control divisions operate independently of the business activities.

To manage different risks, an extensive system, limits, process and controls based on the above principle is in operation at NBL.

## Risk Management Division

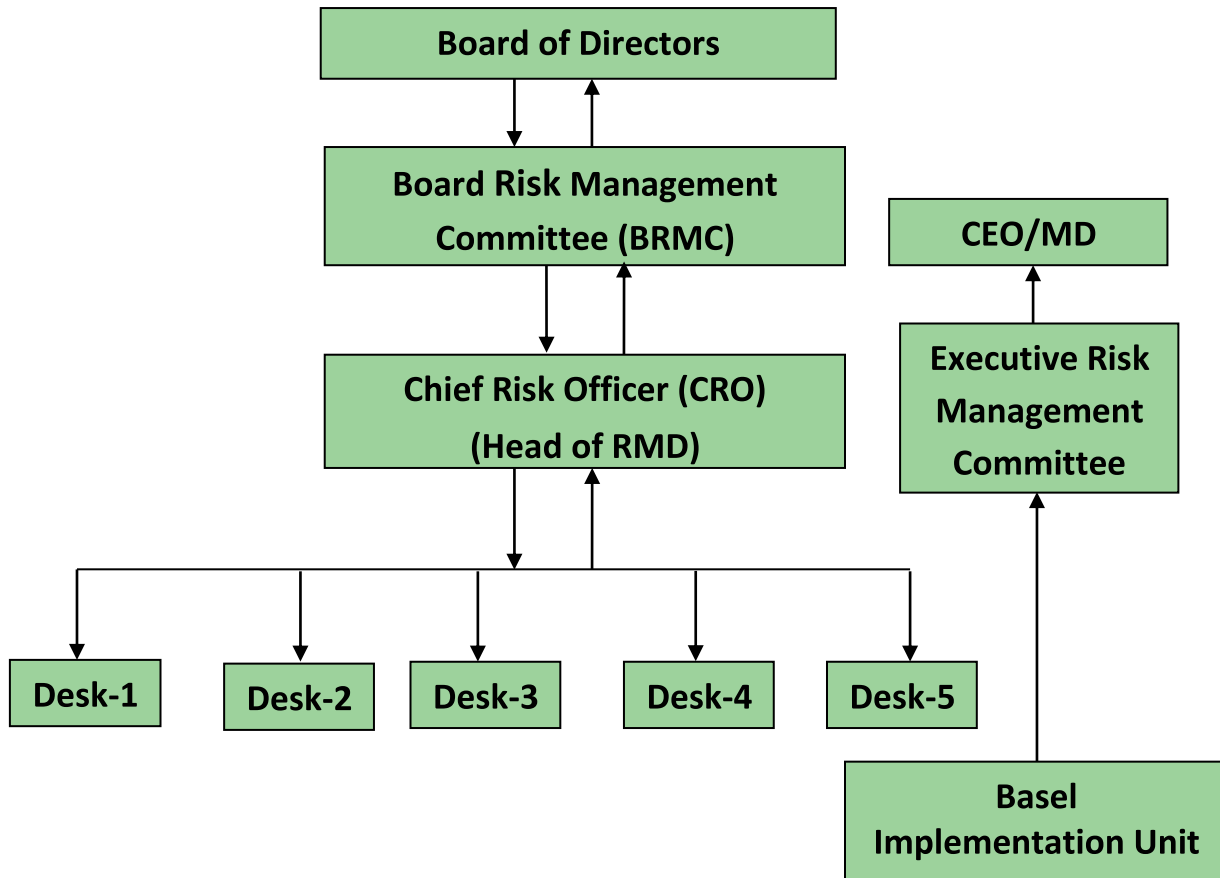
NBL's Organogram has been re-structured with inclusion of a separate Risk Management Division in line with the regulatory requirement to address and supervise the existing and potential business and capital risks. Risk Management Unit (RMU) of NBL has been re-named as Risk Management Division (RMD) duly approved in 338th meeting of the Board of Directors.

The Risk Management Division has direct reporting line to the Managing Director & CEO of the Bank with dotted line reporting to the Risk Management Committee of the Board of Directors of the Bank. The Risk Management Division is headed by Additional Managing Director, Chief Risk Officer (CRO) of the Bank. The Organogram of the RMD is given below which emphasizes on management of different risk profiles of the Bank:

## Organization Structure of Risk Management Division:

The Organogram of NBL has been re-structured. The Board approved re-structuring Organogram of Risk Management Division in its 425<sup>th</sup> Meeting.





This specialized Division cautions the bank against any financial and operational risk at macro level impacting the micro functionalities. It oversees the management of various core risk management guidelines prescribed by Bangladesh Bank and approved by the bank in different functional areas: credit, foreign exchange, asset and liability management, internal control and compliance, money-laundering and information communication technology risks etc. apart from capital adequacy risk.

### Risk Management Division has been established for the following purposes:

- Ensure quality assets as well as sustainable profit
- Improve compliance culture
- Reduce cost of inefficiency
- Strong risk management due-diligence reduces risk weighted assets under Basel-II framework.
- Strong risk focused risk management means comfortable reputation level.
- Highlight deficiency to the top management in time, and
- Potential problem areas are quickly identified.

The RMD periodically reviews the risk status of the bank based on qualitative and quantitative Key Risk Indicators (KRI) on different risk area; prepare a Monthly Risk Management Report (MRMR) as well as Comprehensive Risk Management Report (CRMR).

***“Risk analysis and reporting capabilities support the identification of opportunities as well as risks and it provides an aggregate view of the overall risk portfolio. Risk mitigation strategies clearly aligned”***

### Risk Report

To ensure compliance, National Bank Limited prepares Risk Assessment Report in new format to inform the standing of the bank to Bangladesh Bank in terms of credit risk, market risk, liquidity risk, operational risk, reputation risk, compliance risk, core risk management, capital adequacy, bank’s resilience capacity, money laundering risk etc. The Risk Management Division also supports the operational management decisions by providing relevant risk analysis. Monthly Risk Management Report (MRMR) are prepared in time and duly submitted to competent authority and Bangladesh Bank. In the year 2018, Monthly Risk Management Report (MRMR) were prepared and duly submitted to Bangladesh Bank.

Risk Management Report is placed in the monthly meeting of the Risk Management Committee of the Management of the Bank, analyzed and discussed. It is placed to the Chief Executive Officer and senior Management team. The Risk Report is also placed and

discussed in the periodical meeting of the Supervisory Review Process Team of the bank where directional inputs are given for the Bank.

Detailed update on risk management is also placed to the Risk Management Committee of the Board of Directors / Board of Directors on periodic basis for their information, guidance and direction.

### Risk Management Committee (RMC) of the Board

In accordance with Bank Company (Amendment) Act, 2013 and related BRPD Circular No: 11 dated October 27, 2013, a Risk Management Committee has been formed by the Board of Directors to play an effective role in reducing ensued and potential risks in the process of implementation of bank's strategy and work-plan as devised by the board of directors as well as efficient execution of related responsibilities of the board. Risk Management Committee will oversee whether proper risk mitigation processes/methods are being applied and required capital and provisions are maintained by management after they have duly identified and measured credit risk, foreign exchange risk, internal control & compliance risk, money laundering risk, ICT risk, operating risk, interest risk, liquidity risk and other risks.

Following are the members of Risk Management Committee of Board of the Directors at present.

Sl.	Name	Position in the Committee
1.	Ms. Parveen Haque Sikder, MP	Chairperson
2.	Mr. Ron Haque Sikder	Member

Duties and responsibilities of the committee are as follows:

**Risk identification & control policy:** Risk Management Committee will formulate and implement the appropriate strategies for risk assessment and its control, monitor risk management policies & methods and amend it if necessary, review the risk management process to ensure effective prevention and control measures, scrutinize whether appropriate risk management measures are being put in place.

**Construction of organizational structure:** The committee is to ensure adequate organizational structure for managing risk within the bank. The committee will supervise formation of separate management level committees and monitor their activities for the compliance of instructions of lending risk, foreign exchange transaction risk, internal control & compliance risk, money laundering risk, information & communication risk including other risk related guidelines.

**Analysis and approval of Risk Management policy:** Risk management policies & guidelines of the bank should be reviewed annually by the committee. The committee will propose amendments if necessary and send it to the Board of Directors for their approval. Besides, other limits including lending limit should be reviewed at least once annually and should be amended, if necessary.

**Storage of data & Reporting system:** Adequate record keeping & reporting system developed by the bank management will be approved by the risk management committee. The committee will ensure proper use of the system. The committee will minute its proposal, suggestions & summary in a specific format & inform the Board of Directors.

**Monitoring the implementation of overall Risk Management Policy:** Risk Management Committee will monitor proper implementation of overall risk management policies. They will monitor whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk.

**Other responsibilities:** Committee's decision and suggestions should be submitted to the Board of Directors quarterly in short form. Comply instructions issued time to time by the controlling body. Internal & external auditor will submit respective evaluation report whenever required by the committee.

### All Risk Committee

As per Bangladesh Bank's instructions (DOS circular letter no. 13 dated September 09, 2015), all commercial banks has to establish a separate Risk Management Committee at management level or All Risk Committee consisting of the heads of all core risk management of the bank for stronger and timely/ updated risk management activities. NBL has formulated this Committee with the approval of BOD of NBL. CRO is the Chairman & Head of RMD. Mr. Arun Kumar Halder, EVP & Head of CRM-III is the member secretary of the committee. The functions of All Risk Committee are set by the members of Board of Directors. All Risk Committee is responsible for managing the all risks across the bank. All Risk Committee is also responsible for ensuring proper application of sound risk management in banks i.e. for building the necessary infrastructure and taking various steps for identification, assessment, monitoring and mitigating various risks involved with the banks as well as maintaining adequate capital through reducing provisioning requirement their against. Present All risk Committee consists of following Chairman and Members:-

SL	Name	Designation	Position in the Committee
1.	Mr. M.A.Wadud	AMD, CRO & Head of RMD	Chairman
2.	Mr. A. S. M. Bulbul	AMD & Company Secretary	Member
3.	Mr. Sayed Rois Uddin	DMD & Head of HRD	Member
4.	Mr. Hossain Akhtar Chowdhury	SEVP & Head of ID	Member
5.	Mr. Kazi Kamal Uddin Ahmed	SEVP & Head of ITD	Member
6.	Mr. Arun Kumar Halder	EVP & Head of CRM-III	Secretary
7.	Mr. Md. Moniruzzaman	EVP & Head of IC & CD	Member
8.	Mr. Md. Zahirul Islam	SVP & Head of CAD	Member
9.	Mr. Md. Sohel Faisal	SVP & Head of L&RD	Member
10.	Mr. Munshi Abu Zakaria	SVP & Head of GBD & AMLD	Member
11.	Mr. Krishna Kamal Ghose	SVP & Head of FAD & Treasury Division (CC)	Member
12.	Ms. Salima Akhter	VP & Head of CRM-V	Member
13.	Mr. Mohammad Abu Rashed Nowab	VP & Head of CRM-I	Member

### Risk Management Committee at Management Level

Risk Management Committee of RMD holds monthly meeting where risk management initiatives, capital management and risks sensitivities issues are discussed in details on the basis of information and data on the risk profile of the bank. A copy of the Minutes of the Meeting is placed to the regulatory body along with the Monthly Risk Management Report (MRMR). MRMR is also submitted to senior management for information and guidance. During 2018, 12 (twelve) meetings were held in time and reports submitted to all concerned. RMD'S Risk Management Committee suggests indicative risk mitigation measures to ensure minimum risk with qualified capital adequacy.

NBL has taken necessary steps to put in Internal Capital Adequacy Assessment Process (ICAAP) to identify measure, monitor and control risks not captured under Pillar-I of the Basel-III regime.

Bank is equipped with SRP Team with necessary input/data and action plan to enter into a dialog with representatives of Bangladesh Bank in order to justify risk management procedure of NBL & maintenance of adequate capital.

### Internal Capital Adequacy Assessment Process (ICAAP)

Internal Capital Adequacy Assessment Process [ICAAP] guideline of NBL has been approved by the Board of Directors in its 335<sup>th</sup> meeting held on 14.03.2013. ICAAP Manual-2018 has been Approved by the Board of Directors in its 416<sup>th</sup> meeting held on July 25, 2018. ICAAP includes regulations of NBL'S own supervisory review of capital positions aiming to reveal whether it has prudent risk management and sufficient capital to cover its risk profile.

Besides this, as per instructions of Bangladesh Bank, Risk Management Division of NBL duly submitted the ICAAP statements [Pillar II of Basel-III] of December 2011, 2012, 2013, 2014, 2015, 2016, 2017 & 2018.

### Risk Appetite

Risk appetite is the quantum of risk the bank is willing to accept in the normal course of business in pursuit of its strategic and financial objectives. The capital level, the liquidity profile, the liability structure, the cost of funds, and the targeted return on funds largely influence the risk tolerance capacity of the bank. The market competition and the employee skills and work culture also influence the risk appetite, because inadequate skills and bad ethics will generate higher risks, other things remaining equal. Risk taken within "appetite" may rise to expected losses, but these should be covered by expected earnings. The effectiveness of risk appetite can be mentioned as follows:

- Risk appetite improves management confidence and debate regarding the risk profile;
- It re-balance the risk profile where breaches are indicated, thereby achieving a superior risk-return profile;
- Identifies unused risk capacity, and thus highlight the need to identify further profitable opportunities; and
- Improves executive management control and co-ordination of risk-taking across businesses.
- The risk appetite for NBL for the year 2019 has been approved by the Board of Directors in its 426<sup>th</sup> meeting held on April 21, 2019.

### Capacity Building

The implementation of risk-based regulation i.e. Basel III means that employees, as well as bank's top management, will need to be educated and trained to recognize risks and how to implement risk management approaches. As part of NBL's Capacity building initiative on risk management issues are being held regularly for executives/officers of NBL in different regions and at National Bank

Training Institute (NBTI), Dhaka for strengthening risk management across the bank. RMD plays a pivotal role in liaison with NBTI to enhance risk understanding of all levels of the bank for sustainable banking growth.



In the past years, Risk Management Division had undertaken the following training programs:

- Risk based capital adequacy for banks according to Basel-III, internal capital adequacy assessment process (ICAAP), Stress testing and credit rating
- Risk Management & Related Reporting and capital management
- Risk management in NBL and Credit rating in banking for risk weighted asset management
- Implementation of Basel-III & Risk Management in banks and Environmental Risk Management
- Implementation of Basel III & Risk Management in banks
- Risk Management in NBL & Credit Rating in Banking for Risk Weighted Asset Management
- Basel-III Practical Approach and Internal Capital Adequacy Assessment process(ICAAP) in line with Basel-III & Reporting
- Risk Based Capital Adequacy for Banks According to Basel-III and Credit Rating for Risk Weighted Asset Management
- 347 executives/officers of the bank have undergone training in these programs.
- On “Loan sector code & Economic purpose code”

### Capital Planning

Bank’s capital management approach is driven by its desire to maintain a strong capital base to support the development of its business, to meet regulatory capital requirement at all times and to maintain good credit ratings. The purpose of capital planning is to enable the institution to ensure capital adequacy under changing economic conditions, even at times of economic recession. A capital plan of the Bank for eight years from January 01, 2010 to December 31, 2017 has been prepared and approved by the Board of Directors in its 314<sup>th</sup> meeting held on June 02, 2010. Financial Administration Division of NBL has prepared seven years capital growth plan from January, 2014 to December, 2020 which was approved by the Board of Directors of NBL in its 350<sup>th</sup> meeting held on October 01, 2014. FAD Revised existing capital growth plan, which was approved by the Board of Directors in its 418<sup>th</sup> meeting held on October 01, 2018.

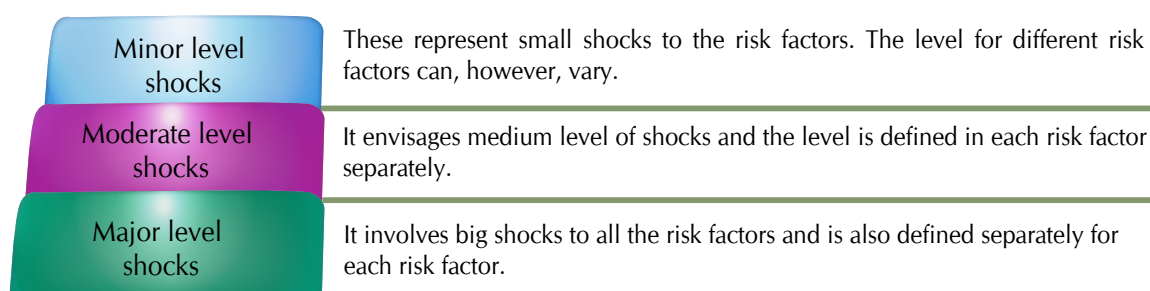
### Stress Testing

The Stress Testing is a technique applied to ascertain the reaction of the bank under a set of exceptional, but plausible assumptions through a series of battery tests.

NBL has undertaken Stress Testing to quantify the impact of change in number of risk factors on the assets and liabilities, economic and financial systems and management. The following different areas are considered to ascertain the magnitude of shock.

- The interest rate
- The categories of Non-Performing Loan (NPL)
- The movement of exchange rate
- The force-sale value of collateral securities mortgaged
- The concentration of large borrowers
- The liquidity position, and
- The capital etc.

Stress testing involves several shock levels.



Stress testing for credit risk assesses the impact of increase in the level of nonperforming loans (NPLs) of the Banks. RMD has conducted stress testing quarterly as per directives of Bangladesh Bank and has presented the status of regulatory capital under different shock level SRP meeting or all risk committee meeting. NBL has been submitting quarterly reports on Stress testing to senior management / SRP Team/Risk Management Committee of the Board of Directors and to Bangladesh Bank. Furthermore, RMD has replied the observation on the Stress Testing Report submitted quarterly and has presented the same in the SRP meeting or all risk committee meeting.

### Risks in Banking Sector

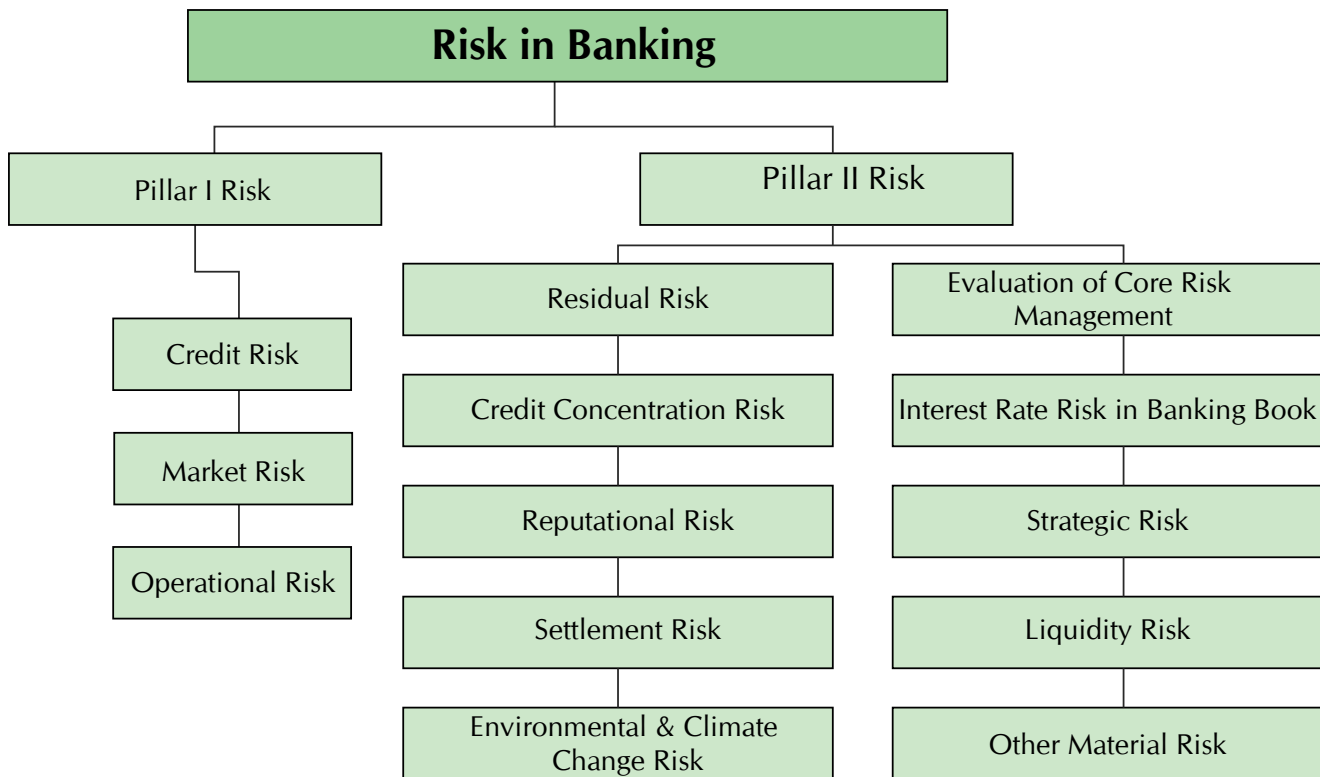
NBL is subject to various types of risk which are mentioned under the following chart:

#### Pillar I Risk

The first pillar deals with maintenance of regulatory capital calculated for three major components of risk that a bank faces: credit risk, operational risk, and market risk. Other risks are not considered fully quantifiable at this stage. Capital to Risk Weighted Assets Ratio (CRAR) is maintained as per pillar I risks in line with Risk Based Capital Adequacy Guidelines of NBL.

#### Pillar II Risk

The second pillar deals with the regulatory response to the first pillar. It also provides a framework for dealing with all the other risks a bank may face and gives bank a power to review their risk management system. This includes Residual Risk, Credit Concentration Risk, Reputational Risk, Settlement Risk, Evaluation of Core Risk Management, Interest Rate Risk in Banking Book, Strategic Risk, Liquidity Risk, Environmental & Climate Change Risk, Resilience Risk and other material risks which are not covered under Pillar I risks, but related to NBL's business, operations and environment.



#### Pillar III

This pillar of Basel III regime aims to complement the minimum capital requirements and supervisory review process by developing a set of disclosure requirements which allows the market participants to gauge the capital adequacy of an institution.

Market discipline supplements regulation as sharing of information facilitates assessment of the bank by others, including investors, analysts, customers, other banks, and rating agencies, which leads to good corporate governance. The aim of Pillar-III is to allow market discipline to operate by requiring institutions disclose the financial information including capital, risk exposures, risk assessment processes, and the capital adequacy of the institution. It must be consistent with the way the senior management, including the board, assesses and manages the risks of the institution.

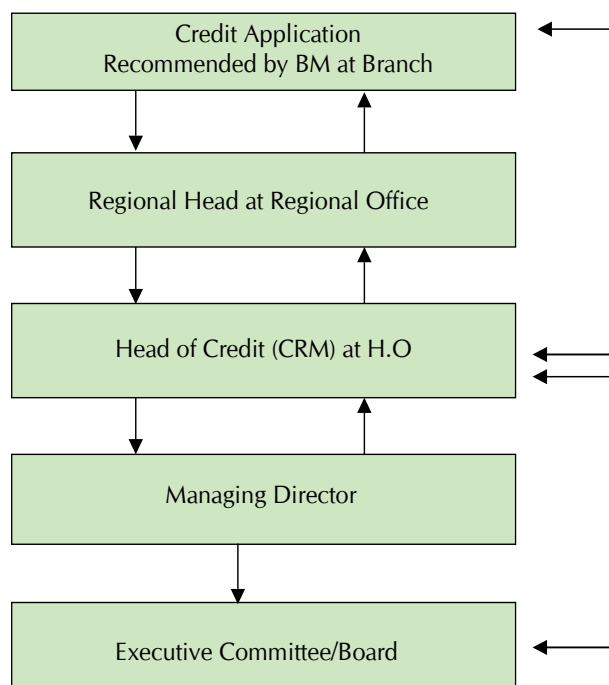
### Credit risk

Credit risk is one of the major risks faced by the Bank. This can be described as potential loss arising from the failure of a counter party to perform according to contractual arrangement with the Bank. The failure may arise due to unwillingness of the counter party or decline in economic condition etc. Bank's risk management has been designed to address all these issues.

The favorable risk profile of NBL's loan portfolio is partly due to the bank's prudent policy for accepting new clients. Approval for any credit applications is decided by committees at different layers of management

The Board itself decides on the largest financing applications. For any loan, a key concept in NBL's policy for accepting new clients is the 'know your customer' (KYC) principle, meaning that loans are granted only to clients known to NBL compliant to regulatory due diligence.

A detailed credit risk assessment is done before extending loan. The Credit Risk assessment includes borrower risk analysis, industry risk analysis, historical financial analysis, and projected financial performance, the conduct of the account, purpose of loan and security of the proposed loan. The assessment originates from relationship manager/account officer and approved by Credit Committee at different layers of management. Bank's business delegation determines the approval level of any credit proposal. Executive Committee of the Board/ Board of Directors approves the proposals beyond the authority limit of the Management.



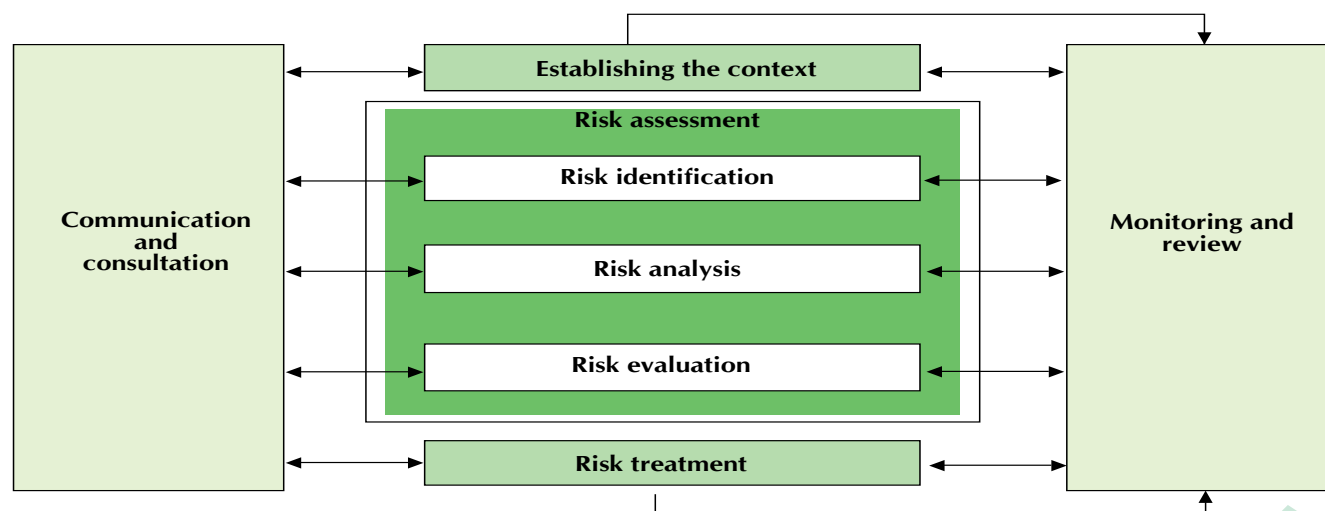
In determining Single borrower/Large Loan limit, the instructions of Bangladesh Bank are strictly followed. Segregation of duties has been established for Credit Approval, Relationship Management and Credit Administration. Internal audit is conducted on periodical interval to ensure compliance of Bank's internal and regulatory policies. Asset qualities of loans are determined as per Bangladesh Bank's guidelines.

Mortgage documents are properly vetted by the Bank's Legal Counsel. He/she certifies that documentation, borrower's legal standing and enforcement of securities are in proper place. Finally, Lawyer's Satisfaction Certificate is obtained regarding documentation of mortgaged properties.

The Bank has segregated duties of the officers/executives involved in credit related activities such as credit approval, administration and monitoring and recovery.

Credit Risk Management Division is entrusted with the duties of maintaining asset quality, assessing risk in lending to a particular customer, sanctioning credit, formulating policy/strategy for lending operations.

Risk grading of the accounts are done as per Bangladesh Bank's guidelines. Any credit approval/ sanction is subject to the banking regulations in force or to be imposed by the regulatory body from time to time and to the changes in the Bank's policy. This is specifically mentioned in the sanction letter issued to the customer. Data collection check list and limit utilization format have been prepared for regular assessment. Internal Control and Compliance Division (ICCD) independently reviews the risk grading at the time of auditing the branches.



## Credit Risk Management in NBL

Once a credit is approved, its disbursement and monitoring is done by the Credit Administration Division (independent from Credit Risk Management). CAD looks into the compliance of the sanction of terms based on documentation checklist and other processes and finally issues disbursement authority to the branches for disbursement of facilities. It monitors the asset qualities of different levels of credit performances till they are classified as nonperforming.

All non-performing loans are duly monitored by Law and Recovery Division of the Bank. They follow CRM policy and regulatory guidelines to guard the assets from further quality deterioration. In extreme cases, legal measures are undertaken to protect the interest of the bank.



## Market Risk

Market Risk may occur from the possibility of loss to a bank caused by changes in the market variables. Treasury Division manages the market risk and Asset Liability Committee [ALCO] monitors the activities of Treasury division in managing the risk.

Market Risk occurs due to changes:

- in the market level of interest rates
- prices of securities,
- foreign exchange and equities,
- the volatilities of those changes.

Market risk is analyzed and categorized under three subheadings namely interest rate risk; foreign exchange risk and equity risk.

## Interest Rate Risk

Interest rate risk means that the bank's financial result and/or economic value – given its balance sheet structure – may decline as a result of unfavorable movements in the money and capital markets.

This interest rate risk results mainly from mismatches between maturities of loans and funds available. If interest rates increase, the rate for the liabilities, such as deposits, will be adjusted immediately, whereas the interest rate for the greater part of the assets cannot be adjusted until later. Many assets, such as mortgages, have longer fixed-interest periods and the interest rates for these loans cannot be adjusted until the next interest rate reset date.

Sometimes, client behavior affects the interest rate exposure; clients may repay their loans before contracted maturity or withdraw their deposits earlier than expected/scheduled.

## Foreign Exchange Risk

Foreign exchange risk is defined as the potential 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 Division independently conducts the transactions and the back office of Treasury is responsible for verification of the deals and entries in the book of account. When assets in one currency exceed the liabilities in the same currency then the currency mismatch may add value or erode value depending on the currency movement. Foreign currency positions are recorded and managed on a daily basis by Treasury Division.

NBL is committed to comply with the open position limit on foreign exchange prescribed by the regulatory authority. All foreign exchange transactions are revalued at Mark-to-Market rate as determined by Bangladesh Bank at the month end. Mid Office has been working as per instruction of Head Office. The Treasury Policy & Procedure Guideline has been reviewed and updated in 2017. All nostro accounts are reconciled on monthly basis and outstanding entry beyond 30 days is reviewed by the Management for its settlement. The nostro accounts are verified by the external auditors and reports are submitted to Bangladesh Bank. These positions are placed to ALCO and managed on a daily basis by Treasury Division.

## Equity Risk

Equity risk is defined as loss due to change in market price of equity held. Mark to market valuations of the share investment portfolios are done to measure and identify the risk. Mark to market valuations is done against a predetermined loss limit. Investment account (Margin Account) where margin loan is allowed is monitored very closely against predetermined margin requirement and

margin ratio. Diversification is enforced as per Bank's policy. At the time of providing margin loan following factors are taken into consideration for proper equity risk management.

- Security of investment
- Fundamentals of the securities
- Liquidity of the securities
- Reliability of earnings
- Capital appreciation
- Risk factors
- Implication of taxes

NBL has significant equity participation in exchange houses and subsidiaries abroad.

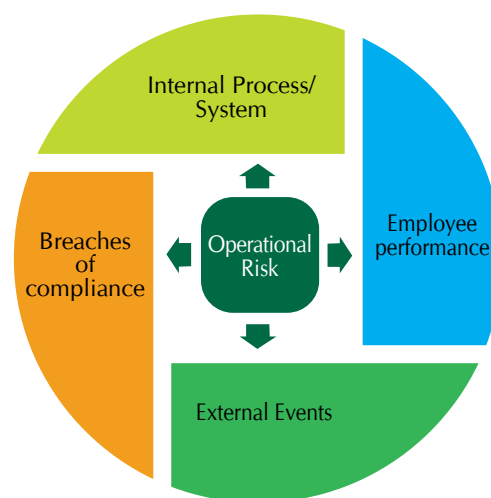
### Operational Risk

Operational risk is NBL's exposure to potential losses that may be caused from inadequate internal processes or systems, inadequate employee performance, external events and may also cause from the breach of compliance, contracts or internal regulation.

### Sources of Operational Risk

**Operational Risk includes:**

- IT (back up), interface, information and other system failures and deficiencies, including viruses.
- confidentiality or security breaches
- human error
- fraud and theft
- weakness in internal controls/supervision
- physical disasters involving people, premises or equipment
- delivery failures
- regulatory/compliance failure



### Residual Risk

Generally, collaterals are held against loans and advances to mitigate risks, but collaterals can pose additional risks (legal, documentation and liquidity risks) which may deteriorate the impact of risk mitigation. For example [1] the liquidation of the collateral is either problematic or time consuming due to error of documentation or delay in legal proceeding [2] collaterals were valued inappropriately [e.g. overvaluation]. These will require the bank to keep aside cushion for capital buffer under Pillar II.

As such, bank takes extra pre-caution through process strengthening, CRM application, fair valuation and legal vetting.

### Credit Concentration Risks

Credit concentration risk arises from distribution of exposures to customers. This risk may arise due to concentration of exposures [assets] due to economic factors [sectoral], size of accounts on account of a single borrower, size of accounts in the name of legally connected group of borrowers, assets distribution by regions [Dhaka, Chittagong, Khulna, Sylhet, Rajshahi, Rangpur and Barisal etc.] assets by type of exposures [business lines: Government, PSE, Corporate, SME, Capital Market, Consumer, Real Estates etc.]. Adverse impact of the concentration in credit may hamper asset quality and seizure of income. Concentration in credit will require higher amount of capital buffer due to risks in these categories. NBL has strategy to re-distribute credit concentration and borrowers' exposures to reduce capital requirement for these risks.

### Reputation Risk

Reputation risk is the current or prospective risk arising from negative perception of the image/brand of the bank on the part of customers, counter-parties, shareholders, investors or regulators. This restricts the bank's ability to establish new relationships or services or continue servicing existing relationships. This risk may expose the institution to litigation, financial loss, or a decline in its customer base and business exposures.

Bank's poor CAMELS rating, regulatory non-compliance, non-payment of bank's commitment, customer complaints and poor service quality, regulatory penalties etc. are factors that cause this risk. Pre-emptive management of these issues is one of the vital responsibilities of the Bank.

Reputation risks are very difficult to measure and thus are difficult to manage. NBL is conscious about any symptomatic indicator.



### Settlement Risk

Settlement risk arises from non-realization of receivables against bills and counterparty's commitments [both local and foreign]. These are NBL's receivables and bank has to ensure strong supervision, monitoring and tracking for realization of receivable in time. This often requires review of counterparty's limit and exposures. The Bank's monitoring and follow-up tracking system address the cause of this risk.

### Environmental and Climate Change Risk

Environmental risk is the uncertainty or probable losses that originate from any adverse environmental or climate change events (natural or manmade) and the non-compliance of the country's environmental regulations. Environment and climate change risk can hamper the business stability of the borrowers in respect of both- i) profitability and ii) reputation. This brings a focus on planning and implementing policies and procedures to mitigate environmental risks. NBL has formulated guideline to address risk arising from environment. Environment risk is assessed before sanctioning and disbursing any credit facility to manufacturing concern. NBL encourages financing to alleviate negative environmental impact on business thereby mitigating / avoiding environmental risk.



### Evaluation of Core Risks Management

Bangladesh Bank has introduced various guidelines on core risk areas: Credit Risk Management, Asset & Liability Risk Management, Foreign Exchange Risk Management, Anti-Money Laundering, Internal Control & Compliance and Information Communication & Technology etc. NBL has adopted these best practices and has introduced bank specific core risk guidelines duly approved by the Board of Directors. The bank checks the potential deficiencies of the methods and level of implementation of core risks management models.

These policy and procedural guidelines are followed vigorously by the bank. Any deviation is taken note of as non-compliance. Accordingly, bank makes assessment about due diligence compliance and relevant applications on these core risks guidelines.

### Interest Rate Risk in Banking Book

Interest rate risk is taken to be the current or prospective risk to banking book assets [not readily tradable assets] of the balance sheet of bank arising from adverse movements in interest rates. A significant portion of NBL's balance sheet comprised of banking book assets which is subject to changes in interest rates, differences in maturities within products or markets. Appropriate duration analysis, asset liability management and relevant MIS assist the Bank for addressing this risk.

### Strategic Risk



Strategic risks may result from changes in the business environment and from adverse business decisions, or from the ignorance of changes in the business environment. Indicators of strategic risks include evidence of intervention of Board of Directors in management and administration of the bank, evaluation of credit-deposit ratio, percentage of total operating expenses to total operating income, percentage of classified loan to total outstanding loans/investment, percentage of recovery of classified loan to total classified loan, percentage of written off loan to total classified loans, percentage of interest waiver to total classified loans, weighted average cost of fund, percentage of borrowing from call money market to total deposit, nos. of cases rescheduling [1 time, 2 times, 3 times] etc. as prescribed by the regulatory authority. Strong

monitoring and management of classified loans, emphasized application of CRM guidelines, re-visit for strategy of re-scheduling of loans, customer exit policy, realistic business plans, technological development and improvement of information flow proper financial and business analysis assist NBL to manage adverse impact of this risk.

### Liquidity Risk

Liquidity risk is the current or prospective threat to bank's earnings and capital as a result of the possibility that it will face difficulties to honor bank's short-term payment obligations at any point in time.

Such a situation means that the Bank will not be able to meet its obligations as they fall due. It is the risk where both the volume and timing of (potential) cash inflows and outflows are not adequately matched. In such situation, a shortfall arises at any point in time that cannot be made up by selling assets or by obtaining refinancing because:

- the market for the asset in question has inadequate liquidity;
- the Bank has insufficient (liquid) assets to sell or to pledge in order to obtain refinancing;
- the Bank is insufficiently solvent and as a result has insufficient borrowing capacity;
- The Bank has insufficient funding relationships.
- The demand for assets to be sold is absent or declining
- Adverse reputation risks



The mechanism for controlling liquidity risks reflects the nature, size and complexity of the activities that the Bank carries out.

NBL manages its liquidity in such a way that it avoids running into liquidity constraints. That is asset means, that asset and liability positions, both on- and off- the balance sheet are matched in such a way that the Bank is able to meet its obligations immediately and continuously without adversely affecting its solvency. Mismatches are assumed exclusively in an orderly manner and assets that are held, inter alia, for the purposes of liquidity management must be able to be sold quickly and without significant losses. The Bank continues to diversify its funding sources and maintain balance sheet in such ratios that enable it to raise the necessary funding on an ongoing basis.

To address the liquidity risk the Bank is regularly monitoring the following

- the overall liquidity of the bank
- payment obligations
- the salability of assets and the liquidity of the various financial markets;
- off-balance sheet commitment and exposures
- the borrowing capacity of the bank;
- concentrations of risk in the funding,
- correlations with other risks, for example credit risks and market risks;
- simulations of earnings and capital under various scenarios.

NBL has an approved Liquidity Contingency Plan(LCP) to address any adverse impact of liquidity risk.

### Information and Communication Technology Risk

Risk in information and communication technology is a threat to business operation.

Transformation of business processes in response to technology driven customer's needs and services brings changes in information technology platform of NBL. Any technology up gradation is a costly value added proposition in the bank to meet the challenge of business competency and service level excellence. NBL has been making sizeable investment in the technological development of the bank and Bank's Board of Directors lends support to management in this direction. NBL has taken steps to automate its business processes, data management, accounts to reflect real time on line banking through Straight Through Processing (STP) and has implemented Temenous-24, a world class banking solution has been implemented.

The bank recognizes that ICT risks may relate to business continuity, system redundancy, outsourcing and exposure to critical images, operational risks etc. Adequate protection



and maintenance of the ICT assets are critical to bank's sustainability. 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. NBL's ICT Policy and Procedure Guidelines has been updated in these direction to manage the relevant risks pro-actively.

### Resilience capacity of NBL

Bank's own resilience capacity indicates the capacity of a bank's financially strained body to recover its size and shape after deformation caused especially by compressive stress. In short it indicates the total flexibility of the Bank to adapt to any internal or external shock.

Adverse impact on different indicators such as: Capital to Risk Weighted Asset Ratio (CRAR), Non-performing Loan (NPL), Return on Assets (ROA) (Monthly); Return on Equity (ROE) (Monthly), Net Interest Margin (NIM) (Monthly); Advance Deposit Ratio (ADR), Statutory Liquidity Requirement (SLR), Cash Reserve Ratio (CRR) etc. are regarded as imperative indicators of Resilience risk management.

### Asset Liability Management

The Asset Liability Committee (ALCO), a high-level committee of the Bank and chaired by the Managing Director including top management of Senior Executives of the bank, risk faced by a bank due to a mismatch between assets and liabilities either due to liquidity or changes in interest rates. Liquidity is an institution's ability to meet its liabilities either by borrowing or converting assets. It provides standing and exception reports on limit adherence, forecasts capital ratios, proposes respective measures to be taken and implements those according to board decisions. ALCO reviews liquidity requirement of the Bank, the maturity of assets and liabilities, deposit and lending, pricing strategy and the liquidity contingency plan. The primary objective of Bank's ALCO is to monitor and avert significant volatility in Net Interest Income (NII), return on assets, investment value and exchange earnings. The ALCO also monitors the Capital Adequacy Ratio on monthly basis. The Board approves all risk management policies, set limits and reviews compliance on a regular basis in view to provide cost effective funding to finance the asset growth and trade related transactions, optimize the funding cost, increase spread with the lowest possible liquidity.

### Supervisory Review Process Team [SRP Team] of NBL

SRP (Supervisory Review Process) is the senior level of Risk Management in NBL. The team consists of Managing Director and CEO as the head of SRP team, the Additional Managing Directors; all the Deputy Managing Directors; Head of Risk Management; Head of Financial Administration Division; Head of Treasury, Head of IC&CD, and Chief Risk Officer (CRO).

NBL's Supervisory Review Process (SRP) team has been duly approved by the Board of Directors of the Bank.

Following are the members of SRP Team at present.

SL.	Name	Designation	Position in the Committee
1.	Mr. C. M. Ahmed	Managing Director	Chairman
2.	Mr. M.A. Wadud	AMD, CRO & Head of RMD	Secretary
3.	Mr. A S M Bulbul	AMD & Company Secretary	Member
4.	Mr. Sayed Rois Uddin	DMD & Head of HRD	Member
5.	Mr. Hossain Akhtar Chowdhury	SEVP & Head of ID	Member
6.	Mr. Arun Kumar Halder	EVP & Head of CRM-III	Member
7.	Mr. Md. Moniruzzaman	EVP & Head of IC & CD	Member
8.	Mr. Md Zahirul Islam	SVP & Head of CAD	Member
9.	Mr. Md. Sohel Faisal	SVP & Head of L&RD	Member
10.	Mr. Krishna Kamal Ghose	SVP & Head of FAD & Treasury Division (CC)	Member
11.	Ms. Salima Akhter	VP & Head of CRM-V	Member
12.	Mr. Md. Abu Rashed Nowab	VP & Head of CRM-I	Member

The SRP team is primarily responsible for:

- Board and senior management oversight capital and risk management
- Sound capital assessment through identification of risks
- Comprehensive assessment of risks
- Monitoring and reporting risk exposure and risk profile

- Review of internal control process for risk management and capital assessment.

The SRP team takes up any dialogue on compliance issue with the Bangladesh Bank, as and when called by of Supervisory Review Evaluation Process (SREP) directive of the Bangladesh Bank. The Bank emphasized proper understanding of the risk management process to ensure governance and due diligence in overall risk compliance.

Meetings of SRP Team were held regularly. In the year 2018, six (6) SRP meetings were held. Those SRP meetings discussed the Risk Status of NBL, Capital Adequacy, Risk Management Report in line with Bangladesh Bank, Stress Testing, Basel- III implementation, Credit Rating, ICAAP Statement, Capacity Building of NBL and relevant risks and MIS.

All members who attended the SRP Team meetings discussed and reviewed the risk status of NBL in relation to the capital adequacy, Risk Management Report, Stress Testing and Bangladesh Bank compliance issues etc.

Rating of Clients/Obligors of National Bank Ltd.

NBL is consistently pursuing its clients for credit rating as capital requirement increases for the Bank if it holds risky assets. National Bank has nominated eight recognized External Credit Assessment Institutions' (ECAIs) namely (i) Credit Rating Information & Services Ltd. (CRISL) (ii) Credit Rating Agency of Bangladesh (CRAB) (iii) National Credit Rating Ltd (NCRL) (iv) Emerging Credit Rating Ltd (v) ARGUS Credit Rating Services Limited (ACRSL) (vi) ACRL and (vii)WASO Credit Rating Company (BD) Ltd (viii) BDRL ( for SME clients) .

### The significance of Credit Rating can be understood from the following reasons

- Credit rating gives an insight on the credit worthiness/ financial status of a business concern.
- It helps to compare a company's credit worthiness against other companies in similar markets or industries nationwide.
- Credit rating is an important tool to rationalize Risk Weighted Assets of the bank.
- Credit rating is a tool to reduce Credit Risk.
- Rating allows constant monitoring of business of the concern and the industry.

For safeguarding the capital of the Bank, credit rating is very crucial. National Bank is placing more emphasis on credit rating for this purpose. All the branches are always recommended to encourage customers for completing credit rating. In credit assessment of the borrower, credit rating has been taken as an important consideration.

### Risk Measurements, Monitoring and Control Functions

NBL has different risk measurement systems that capture all material sources of risks and assess the effect of the relevant risk changes consistent with scope of the activities. The assumptions underlying the system are clearly understood by senior management, risk managers and all others at decision making and operations levels.

The Bank has established and enforced operating limits and other practices that maintain exposures within levels consistent with the internal policies and measures. NBL has Early Alerts Accounts tracking system which calls for monitoring supervision and timely action of all accounts indicating potential material risks. The Policies and Limits are reviewed from time to time.

The bank has information systems for measuring, monitoring, controlling and reporting exposures. Reports are provided periodically to the Bank's Board of Directors, Risk Management Committee of the Board of Directors, SRP team, and senior management.

Internal control system involves regular independent reviews and evaluations of the effectiveness of the system and, where necessary, ensuring that appropriate revisions or enhancements of internal controls are made. The results of such reviews are available to the relevant supervisory authorities.

### Risk Monitoring and Control Measures taken by NBL are as under:

- Policy and Procedural Guidelines have been updated in 2016 and implementation is regularly monitored.
- Regular review of system and network by Management Committee (MANCOM) and Asset & Liability Committee (ALCO), Supervisory Review Process (SRP) Team
- Management through Internal Control and Compliance Division controls operational procedure of the Bank
- Internal Control and Compliance Division also undertakes periodical and special audit of the branches and departments at Head Office for reviewing the operation and compliance of statutory/ internal policy requirement.



- Risk based audit by internal audit division;
- Segregation of duties and multi-tier approval procedure;
- IT Audit is conducted on a regular basis;
- Establishment of a Data Center for backup of data and information
- Regular testing of system's back-up procedure and contingency plan.
- Presence of Liquidity Contingency Plan
- Monthly meeting of the Risk Management Committee
- Periodic Meeting of the Supervisory Review Process Team
- Monthly Risk Management Paper (RMP) prepared by the Risk Management Division of the bank highlighting different risks in business and operations as risk mitigating suggestion.
- Periodic review meeting on operational and other risks by Audit Committee of the Board of Directors
- Disaster recovery site for ICT operation
- Stress Testing results presented to Higher Management, SRP Team, Audit Committee and the Board of Directors
- Compliance to regulatory standards and reporting
- Inter- active communication and meeting by Risk Management Division with concerned divisions/hierarchy for risk management compliance.
- Review of capital plan
- Diversification of assets and liabilities portfolio as well as addressing concentration risks.
- Review of all credit and portfolio in lending on regular interval.

### Basel III

The banking regulatory and supervisory authorities are focusing attention on two key issues: implementation of the new capital adequacy framework in banking institutions and transition to a foolproof risk-based bank supervision system. The New Basel Capital Accord i.e. Basel III is more risk sensitive than the previous Capital Accord. Basel III (or the Third Basel Accord) is the global regulatory standard on bank capital adequacy, stress testing and market liquidity risk agreed upon by the members of the Basel Committee on Banking Supervision in 2010–11. The third installment of the Basel Accords (after Basel I, Basel II) was developed in response to the deficiencies in financial regulation revealed by the late-2000s financial crisis. Basel III strengthens bank capital requirements and introduces new regulatory requirements on bank liquidity and bank leverage.

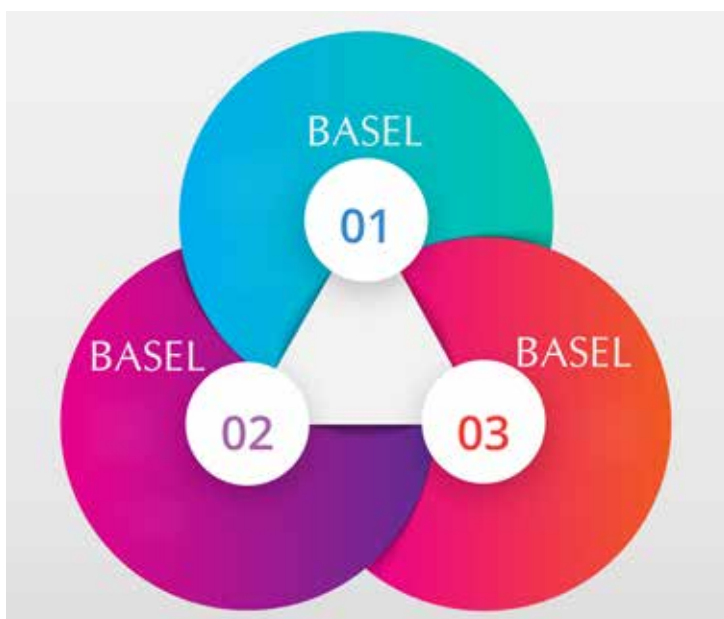
Basel III will require banks to hold 4.5% of common equity (up from 2% in Basel II) and 6% of Tier I capital (up from 4% in Basel II) of risk-weighted assets (RWA). Basel III also introduces additional capital buffers, (i) a mandatory capital conservation buffer of 2.5% and (ii) a discretionary countercyclical buffer, which allows national regulators to require up to another 2.5% of capital during periods of high credit growth.

In addition, Basel III introduces a minimum leverage ratio and two required liquidity ratios. The leverage ratio is calculated by dividing Tier 1 capital by the bank's average total consolidated assets; the banks are expected to maintain the leverage ratio in excess of 3%. The Liquidity Coverage Ratio requires a bank to hold sufficient high-quality liquid assets to cover its total net cash outflows over 30 days; the Net Stable Funding Ratio requires the available amount of stable funding to exceed the required amount of stable funding over a one-year period of extended stress.

Bangladesh Bank has undertaken initiative to implement Basel III in Bangladesh. In this regard, Bangladesh Bank has issued a circular (No:7) from BRPD dated March 31, 2014 and subsequently it was amended by another circular (No:18) from BRPD dated December 21, 2014 where Bangladesh Bank has given an action plan or roadmap with detail instructions to implement the Basel III from January 2015 to December 2019 in Bangladesh. Capital Adequacy Ratio requirement will increase phase by phase from 10.00% to 12.50% from the 2015 to 2019.

Bangladesh Bank also issued another circular (No: 01) from DOS dated January 01, 2015 regarding implementation of Basel III Liquidity Ratios. Two new ratios introduced namely (I) Liquidity Coverage Ratio and (II) Net Stable Funding Ratio for the implementation of Basel III.

Bangladesh Bank has given following road map related to Basel III implementation to the entire banking industries operating in Bangladesh which will implement within 2019 phase by phase.



Particulars	2015	2016	2017	2018	2019
Minimum Common Equity Tier-1 (CET-1) Capital Ratio	4.50%	4.50%	4.50%	4.50%	4.50%
Capital Conservation Buffer	-	0.625%	1.25%	1.875%	2.50%
Minimum CET-1 plus Capital Conservation Buffer	4.50%	5.125%	5.75%	6.375%	7.00%
Minimum T-1 Capital Ratio	5.50%	5.50%	6.00%	6.00%	6.00%
Minimum Total Capital Ratio	10.00%	10.00%	10.00%	10.00%	10.00%
Minimum Total Capital plus Capital Conservation Buffer	10.00%	10.625%	11.25%	11.875%	12.50%
<b>Phase-in of deductions from CET1</b>					
Excess Investment over 10% of a bank's equity in the equity of banking, financial and insurance entities.	20%	40%	60%	80%	100%
<b>Phase-in of deductions from Tier 2 Revaluation Reserve (RR)</b>					
RR for Fixed Assets, Securities and Equity Securities	20%	40%	60%	80%	100%
Leverage Ratio	3.00%	3.00%	3% Readjustment	Migration to Pillar1	
Liquidity Coverage Ratio	$\geq 100\%$ (From Sep)	$\geq 100\%$	$\geq 100\%$	$\geq 100\%$	$\geq 100\%$
Net Stable Funding Ratio	$\geq 100\%$ (From Sep)	$\geq 100\%$	$\geq 100\%$	$\geq 100\%$	$\geq 100\%$

### Basel Unit

Basel unit has been formed in NBL as per Bangladesh Bank instructions (letter no. DOS (CAMS) 1157/01(II)-A-2015-9344 dated 25/06/2015) to implement the regulatory requirement of Basel III as per Basel III road map given by BB in the Basel III guidelines. In addition to scheduled risk management activities, Executives and officers of Risk Management Division are also acting in Basel Unit with the members of FAD and Treasury Division combined.

### Members of Basel Unit

SL	Name	Designation	Position in the Committee
1.	Mr. M.A.Wadud	Additional Managing Director, CRO & Head of RMD	Chairman
2.	Mr. Kazi Kamal Uddin Ahmed	SEVP & Head of ITD	Member
3.	Mr. Md. Moniruzzaman	EVP & Head of IC&CD	Member
4.	Mr. Md. Sohel Faisal	SVP & Head of L&RD	Member
5.	Mr. Krishna Kamal Ghose	SVP & Head of FAD & Treasury Division (CC)	Member
6.	Mr. Md. Abu Rashed Nowab	VP & Head of CRM-I	Member
<b>Working Team</b>			
1.	Mr. Mohammed Enamul Kaiser	AVP, Financial Administration Division	Member
2.	Mr. Proshanto Kumar Kundu Shaha	PO, Financial Administration Division	Member
3.	Mr. Abu Shamim Al Mamun	PO, Treasury Division	Member
4.	Mr. Md. Raju Ahamed	SEO, Risk Management Division	Member
5.	Mr. Md. HasanTaraq	FEO, Risk Management Division	Member

### As member of Basel Unit, Basel Unit Performed following jobs -

- Prepared action plan for implementation of Basel III in the bank and reviewed the implementation status according to the requirement;
- Prepared and reviewed capital plan of NBL;
- Communicated the issues related to Basel implementation to the Bank;
- Prepared quantitative impact studies and accountability for the compliance of Basel accords; and
- Arranged customized training program according to the Training Need Assessment

### Basel-III implementation

The transition of Basel III regulatory standards is monitored on a continuous basis by NBL. The monitoring operation cover the adoption of Basel III standards relating to leverage, liquidity, and higher loss absorbency requirement through quality capital enhancement. Risk Management Division of NBL has undertaken the following necessary initiatives for the compliance of Bangladesh Bank initiatives.

- Several workshops were conducted by RMD in NBTI on Risk Based Capital Adequacy for Banks according to Basel III, credit rating for RWA management, Basel III: Practical Approach and ICAAP in line with Basel III and reporting, implementation of Basel III & Risk management in banks, Risk Management & Related Reporting and capital management and etc.
- NBL had an extensive plan for arranging similar types of workshop and training program in Dhaka and different regional areas like Chittagong, Sylhet, and Khulna etc.
- Communicated Basel III and related circulars to all Branches, regional offices, Head office level and subsidiaries.
- NBL analyzed the different capital raising options to strengthen capital to cope up with Basel III regulatory requirement in a planned way.
- NBL is also working to review the Risk Based Capital Adequacy Guideline in line with newly issued Basel III Guideline of Bangladesh Bank.
- MIS in the bank had been strengthening to cope up the need of Basel-III.
- Policy and procedural guidelines were being amended, aligned and re-adopted for smooth transaction to Basel-III in due course.
- NBL formulated different strategies & techniques related to Basel III guideline of Bangladesh Bank.
- IT platform is being developed and positioned to take up the challenges ahead.

### Conclusion

The role of risk management has been becoming more important for the banks around the world. Good risk management practices are vital not only for the success of individual banks, but also for the safety and soundness of the banking system. Banks in the process of financial intermediation are confronted with various kinds of financial and non-financial risks. These risks are highly interdependent and one area of risk may affect the other risk categories. This emphasizes the importance of considerable attachment of top management in the process of Risk Management. Risk management in NBL is a prime focus and has been given a priority for strategic development.

# SUSTAINABLE FINANCE



**National Bank Limited**

A Bank for performance with potential



## Sustainable Finance

In order to help the environment and the people of the society as a whole, Bangladesh Bank introduced the concept of Sustainable Finance. Banks have formulated the Sustainable Finance Unit by abolishing CSR Unit & Green Banking Unit. For a sustainable growth of the society and environment, bank's Corporate Social Responsibility & Green Banking activities have a lot to do. Eventually we also have formulated our Sustainable Finance Unit. We also have initiated Sustainable Finance Guidelines and have approval from the Board of Directors. The activities of our CSR Unit & Green Banking Unit fall into this Sustainable Finance Unit.

### Corporate social responsibility

Being a corporate citizen, NBL understands its responsibility towards the society. NBL always strives to act as a partner in the progress of the society as well as the country. The bank has lent a supporting hand in every walk of life of the community in which it operates with special focus on the weaker and the underprivileged sections of the society.

During the year 2018, NBL retained its collective concentration on activities for community welfare through CSR initiatives. The Bank has provided financial support directly or in partnership with others in wider area of social life including disaster management, health Education, Sports & culture, community development etc. at home & abroad.

NBL undertakes CSR not just as charity and compliance issue rather an attempt to respond to all the stake holders' expectations more efficiently and in a responsible manner. NBL conducts its business with the multifaceted approach of creating value for the clients, shareholders and communities responsibly. We strengthened our commitment to the communities where we live and operate by establishing understandable and measurable links between bank's operations and their positive impact upon stakeholders' expectations. Our corporate social responsibility endeavors are rooted into our overall business strategy



NBL is committed to fulfill its role as a responsible Corporate Citizen and to achieve the goals; the Bank established a foundation in 1989 devoted to the cause of charity, social welfare and other benevolent activities towards the advancement and betterment of the society. The Foundation encourages the active engagement of key stakeholders to facilitate developing and building community ownership by ensuring the sustainability.

### Customer servicing and loyalty

We exist to serve our customers and want to stay at the forefront of banking excellence. Customer satisfaction is the top priority of NBL and cornerstone of the bank's overall business performance. We have widened our product range and operational area for reaching out to the doorstep of masses and achieving their satisfaction. Our aim is to meet up the demand of our customers and earn their loyalty for sustainable growth.

### Employee satisfaction

NBL believes in employee development and career progression. NBL considers empowering the people, invest in their development and reward people according to their contribution to overall corporate performance.

NBL is regularly investing for training and development of its employees. It has training center where various training programs, designed to meet the changing requirements of its employees & organization are conducted. These training programs include orientation sessions for new employees; programs conducted by various skill-enhancing, role specific functional academies, leadership mentoring programs and other management development programs for mid-level and senior executives.

In 2018, 292 personnel were newly recruited along with investment of total sum of Tk.35.53 million on training and development of 1466 officials amid 23 training and workshop program conducted by NBTI. NBL also provides medical benefits to the employees and their family members regularly.

## Environmental stewardship

Environmental protection has got priority around the globe during recent years and we are moving towards responsible lending and integrating social & environmental impact into risk assessment. Recognizing the ecological importance, NBL is introducing internal



environment management phase by phase. We are conscious of our usage of resources and working for saving electricity, water & paper consumptions. Besides, the bank introduces environment friendly financing to address the environmental challenges of the country in line with social & regulatory requirements. We have established green banking unit to address the banks' environmental. While financing any project, we check the supporting documents regarding environmental clearance from concerned Authorities. To ensure environmental protection, we also encourages establishing Effluent Treatment Plants (ETP) of industrial set up to protect the earth from pollution.

## Community Development:

NBL has significant community investments by way of donations to initiatives of Civil Society Organizations (CSOs), NGOs and institutions involved in health, education and culture; for social and environmental improvement including nutrition, health and education in the disadvantaged population segments. NBL has been working consistently to promote Socio Economic development of the country with special focus on following core areas:

### Education:

Education, being one of the building blocks of the nation has got an integral focus in our CSR strategy. Our extensive support towards Community Investment Programs in education and poverty alleviation continued during the year. The Bank has established "National Bank Public School & College" at Moghbazar, Dhaka in 1989 with the purpose of expanding total education and serving the nation with dedication. The bank awards crest and monthly scholarship among the children of the bank's officials every year for excellent academic result in SSC, HSC examinations. The Bank has also been accommodating prospective graduates of recognized universities for completing their internship regularly.

### Establishment of schools at newly abolished enclaves (Chitmahal)

Honorable Governor of Bangladesh Bank inspected to the abolished enclaves (Chitmahal) area on 25th October 2015 with a view to initiate various development programs offered by the scheduled banks through CSR & other Banking service activities for the economic emancipation of the non-privileged people of that area. National Bank Limited had participated in that occasion with a very good grace by offering different CSR activities. NBL has established 2(two) schools namely 1) NBL Okrabari Haji Lutfor Rahman High School 2) NBL Kot Bhajoni Lal High School and the foundation stone of both the schools were unveiled by the honorable Governor of Bangladesh Bank for the betterment of the non privileged children of the recently abolished Chitmahal area. We have distributed school dress, bags, books & other educational items among the poor students of that area along with the salary of the teachers of those two schools. Beside the above a fund has been allocated to set up a technical institution named as 'NBL Politechnic Institution' in Chitmahal area.

## Health

Health is the greatest wealth in this world and key to success of the individual, organizations and the society. Our efforts enable employees and others to live healthier through education and medical services.

The Bank endeavored to enhance employee benefits and rolled out Vaccination Camps in coordination with its healthcare partner. In order to encourage a healthy lifestyle, the Bank continues its efforts.

## Art, Culture & Sports

NBL exclusively recognizes the significance of art, culture and sports in the social life of the peoples of Bangladesh having rich cultural history. In view of that, Bank generously supports the activities towards promoting the Art, culture, sports and heritage in the country. NBL has a long tradition of being associated with the sports. Besides sponsoring different sports events across the country, the Bank also extends financial support to the cultural events at the different areas around the country. In 2018, we have spent about Tk. 126.52 million for promoting and arranging different sports and cultural activities around the country.

## Disaster relief

In response to disasters where healthcare emerges as one of the critical areas of intervention we have responded to the needs of the affected communities to create sustainable solutions. Traditionally, NBL helps peoples and the society during the times of needs. We are regularly contributing to the Prime Ministers Relief Fund for the sake of helping the poor and helpless people at the time of necessity. In 2018, an amount of Tk.99.98 million has been spent for disaster and relief functions along with Tk.150.00 million to Prime Ministers Relief Fund for the help of the victims on different disasters.

In 2018, an amount of Tk.14.00 million only has been spent for the people of Naria Upazila who have become homeless due to the erosion on the Padma river within the purview of CSR activity of our Bank.

## Training project namely 'Industrial Sewing Operation' for underprivileged "Shaontal" tribal people of Rajshahi

The project was undertaken for 1(one) year w. e. f. January to December-2015 with the aim of providing support to the underprivileged people of the society particularly the poor indigenous tribal people under CSR activity of our Bank, we initiated the aforesaid training/employment program by co-operation and 50:50 cost sharing with 'UCEP-Bangladesh' for proving employment of the distressed tribal people particularly the Shaontal ethnic group inhabiting in Rajshahi district. As the program proved to be a grand success, we continued this for the fourth consecutive year.

## Financial Inclusion:

NBL is striving to promote Financial Inclusion across of the population having limited or no access to the formal banking system by expanding operational and service area. The aim is to improve the quality of life of people at rural or deeper geography by participating in the socio-economic development of those areas. We have expanded our business around the country by opening new branches including SME & Agri Branches to include the mass people in the economy and improve their quality of life.

## Branch expansion at newly abolished enclaves:

With the aim to catering the needs of the unbanked masses of recently abolished enclaves, NBL has opened its 191st branch at Bhawlagonj under Chilahati Union of Debigonj Thana of Panchagarh district to bring the people there into the financial mainstream and to participate in the socio-economic development of the area in consonance with the govt. policy.

## Promoting Financial Awareness

Besides providing various products and services to the unbanked people, NBL believes that imparting education and training to these target segments is equally essential to ensure transparency and create awareness. We have participated in various banking fair, SME fairs etc. organized by Bangladesh Bank to educate mass people and entrepreneurs about different aspects of banking. Through these programs NBL provides credit counseling and information on savings products, better utilization of savings, credit utilization, income generation program etc.

## Contribution to National exchequer

NBL, being one of the leading private commercial banks and leading profit making banks has been continuously contributing significant amount to the National Exchequer of our country. During the year 2018 we have paid off Tk.3827.18 million as corporate tax on its earnings. Besides, the bank ensures meticulous compliance with statutory body's directives for realization of taxes at sources/excise duties from different types of constituent of its banking business portfolio.

### Contribution to martyred Army officers killed in BDR carnage

National Bank Limited has contributed significantly and continuously to the Government for the martyred Army Officers killed in BDR carnage. In 2009 NBL has contributed over Tk.5.52 million for the BDR carnage, martyred Army Officers. Additionally we have paid Tk.2.40 million each year till 2018 to the family members of martyred army officers.

### Corporate Social Responsibilities (Sector wise)

(fig. in Lakh)

Sector	2017	2018
Education	9.04	152.45
Disaster/Relief	616.89	999.80
Prime Minster Relief Fund	600.00	1500.00
Health	463.79	11.50
Welfare of Freedom fighter	-	-
Development of religious institution	34.95	26.29
Sports & Culture	330.90	1265.28
Others	67.62	298.68

### Future Plan

NBL remains focused on long term sustainability and strengthening the foundations of future growth. It will continue to advocate and influence positive and affirmative sustainability actions in future. We are planning to envisage the future, looking at economic, regulatory and stakeholder scenarios in order to develop our next vision and action plans.

## Green Banking

The world has seen much focus on economic progress and mankind has made giant steps in its journey through time. The side effects of the development process have, however, also been equally enormous – loss of biodiversity, climatic change, environmental damage, etc. Social issues such as, poverty alleviation have also become more important as the world has progressed economically.

Green Banking is promoting environmental friendly practices through banking activities. A Green bank considers all the social and environmental/ecological factors with an aim to protect the environment and conserve natural resources. It is also called as an ethical bank or a sustainable bank. The promotion of environmental friendly practices comes in many forms; using online banking, paying bills online instead of mailing them, using energy efficient equipments in banking operation and so on.



Banks play an important role in development of the economy. Green Banking is a new initiative throughout the world. The banks should go green and play a pro-active role to take environmental and ecological aspects as part of their lending principle, which would force industries to go for mandated investment for environmental management, use of appropriate technologies and management systems.

### Governance of NBL’s Green initiatives

The implementation of Green banking initiatives as per Bangladesh Bank guidelines is continuing. The implementation of process of National Bank Limited is guided by a formal arrangement of the bank as follows:-



### Green Banking Unit to oversee the Green Banking activities of National Bank Limited

As an environmentally cautious bank, NBL has to play due role in mitigating environmental hazards through green banking. As per the guidelines of Bangladesh Bank, a Sustainable Finance Unit (SFU) has been formed, approved by the Board of Directors of the Bank. National Bank’s Sustainable Finance Committee consists of the following members:-

SL No.	Name/Position	Designation/Division	Position in the Committee
1	Mr. Wasif Ali Khan	Additional Managing Director	President
2	Mr. Shah Syed Abdul Bari	Deputy Managing Director	Vice President
3	Head of International Division	International Division	Member
4	Head of Law & Recovery Division	Law & Recovery Division	Member
5	Head of Credit Administration Division	Credit Administration Division	Member
6	Head of Internal Control & Compliance Division	Internal Control & Compliance Division	Member
7	Head of Card Division	Card Division	Member
8	Head of Information Technology Division	Information Technology Division	Member
9	Head of Head of Risk Management Division & Sustainable Finance Unit.	Head of Risk Management Division & Sustainable Finance Unit.	Member Secretary
10	Head of Financial Administration Division	Financial Administration Division	Member
11	Head of Agriculture Credit Division	Agriculture Credit Division	Member
12	Head of CRM-V	CRM-V	Member
13	Head of Marketing Division	Marketing Division	Member
14	Head of System & Operations Division	System & Operations Division	Member

### A Green Banking Policy to systematize NBL's green initiatives

The Green Banking Policy of National Bank Limited has been formulated and approved by the Board of Directors in September 2012. The Green Banking Policy of the bank highlights the NBL's structure as well as the yearly implementation requirement of green banking in the bank. National Bank's Green Banking Policy has been reviewed in September 2014. The revised Green Banking Policy reflected the new changes of economy wide green banking implementation plan.

### Green Strategic Plan to attain green banking objectives

As per BRPD Circular No.02 dated February 27, 2011, Banks are required to formulate strategic plan for the implementation of green banking. On the basis of this circular, National Bank Limited adopted strategic plan for the implementation of green banking and got approval from the Board of Directors in 2014.

The strategic plan of the bank specified detailed goals setting, delegations of responsibility, fixation of start date and completion date as well as midpoint review time. In addition to these, appropriate steps to attain the goals are specified in the plan.



### Green Banking initiatives by National Bank Limited

As per policy guidelines for Green Banking from Bangladesh Bank, National Bank's environmental activities and performance are outlined.

#### Introduction of alternative energy in branches

We invested for improving the energy efficiency of our operations. As part of this, National Bank Limited introduced solar energy in branches. A number of NBL branches introduced solar power as alternative source of energy. The process is continuing.



#### Green Finance to facilitate environmental friendly projects

Banks are the facilitating party of business establishment and expansion. Banks support businesses by providing funds and green finance aims to support environmentally supported projects and initiatives. National Bank Limited expands credit for establishing Effluent Treatment Plant in textiles, RMG, tannery, ship breaking etc and jig-jag/HHK/Tunnel in brick field projects to save environment from probable pollution from the projects' operations. In addition to these financing facilities, National Bank Limited also provides working capital to support projects having Effluent Treatment Plant and other environmental friendly technology.



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BDT 9329.40 million has been disbursed to the projects having environmental friendly technology and production process in 2018.

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BDT 10,911.30 million has been disbursed for installation of environmental friendly technology in 2017.

BDT 1,599.08 million has been disbursed to the projects having environmental friendly technology and production process in 2017.

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#### Implementation of core banking software as a platform for online banking

National Bank Limited has implemented Temenos 24, a globally reputed core banking solution as a core banking software. National Bank Limited is committed to integrate banking products, initiatives and operations towards achievement of green banking initiatives gradually.

#### Any branch Banking

The Bank is currently providing any branch banking facilities to all its branches. The Bank provides customers the facility to operate different accounts from any branch of the Bank across Bangladesh. Any branch banking facilities brings convenience and ease of banking transactions. As customers can bank from anywhere across the country, energy and resources saved by some extent.

### SMS banking

In addition to any branch banking facilities, National Bank Limited already introduced SMS banking consisting of facilities including account balance enquiry, last transaction enquiry, mini statement, instant transaction notification and cheque clearance as one of the prime initiatives of providing online banking and paperless banking.

### Introduction of debit card & Internet banking

National Bank is going to introduce debit card and internet banking services as part of entering new era in providing financial services. Internet banking services is going to be started within a very short span of time. NBL's internet banking will be a major development toward green banking for the bank.

### Fast and reliable remittance services through NBL Quick Pay

Through NBL Quick Pay National Bank Limited inward remittance and outward transfer becomes much easier. National Bank Limited provides the services with a vast network of NBL's exchange houses around the world.

### Green Office Guide to uphold environment by efficient use of resources

To ensure efficient use of resources in the office and to minimize bank's direct operational impact to the environment, a Green Office Guide has been introduced by the bank. The Green office Guide highlights the efficient use of resources in the office as well as guidelines to train and aware employees and customers. The Green Office Guide has been circulated to branches, regional offices and Head Office Divisions.

### Sustainable Practices

We have the practices of using resources in the responsible ways.

To reduce the usage of paper:	To reduce energy consumption:
<ul style="list-style-type: none"> <li>We practice double side printing.</li> <li>We send soft copies of statements through email whenever possible rather than sending hard copies.</li> <li>We process documents electronically using scan option on a copier when appropriate rather than printing hard copies.</li> </ul>	<ul style="list-style-type: none"> <li>National Bank Limited uses energy efficient bulbs in its offices.</li> <li>NBL ensures sharing of printers and copy machines.</li> <li>NBL uses electronic communication between/ among branches/Head Office by minimizing manual communication.</li> </ul>

### Programs to aware employees and customers

National Bank Limited regularly arranges programs to aware employees and customers regarding environmental degradation and responsibilities of the people working in banking arena. The Bank arranged 16 training programs for employees covering 1122 employees in 2018. It is expected that those employees would contribute in the attainment of bank's Green Banking objectives. This is also a continuous initiative.

- The bank has taken initiatives for green branches. NBL's Green Banking Policy indicates the essential requirement and features of a green branch. NBL has been reporting all the initiatives and status of green banking to the regulatory authority periodically. Bank's strategic level including Board of Directors/ Audit Committee / Risk Management Committee of the Board of Directors is also being informed about the development in green banking.

Green banking has continued to evolve in the recent years and is expected to become an even greater driving force behind banks competitive strategies. As environmental issues gain greater attention, pressure is being placed on all industries, including financial services, to implement "green" initiatives. Banks conduct numerous business processes that can be considered green practices.



# EXTENSIVE KNOW-HOW, TAILOR-MADE SERVICES AND FINANCIAL SOUNDNESS— MAKES NBL A HIGH PERFORMANCE BANK IN THE FINANCIAL SECTOR

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## OUR PEOPLE

The human capital policy of National Bank is based on the recognition that its people are its most valuable asset. Prudent development, deployment and management of its human resources have been a key contributor to the Bank's record of success. We have found that sensitivity to the needs and aspirations of individual employees is as conducive to successful human resources management as an accurate assessment of employee Capabilities, potentials and attitudes. Recruitment policy of the Bank is at the initial level and experienced officers or executives. Employees join either as Probationary Officer or as Management Trainees. Midcareer recruitment takes place only in relation to specialized job positions

Our employees are the bedrock of our success. They bring our products to life, give a face to National Bank and enable our customers to experience our vision and value proposition. That is why NBL's responsibility as an employer is to create the best possible working conditions for its employees. We ensure an atmosphere of respect and appreciation in which our employees can achieve their best possible performance. The Board of Directors firmly believes that actively nurturing corporate culture and common values has a decisive impact on long-term economic success. The values we share and stand for create a sense of identity, while also providing orientation and reliability – which in turn are the prerequisites for activating existing potential and mobilizing inner strengths. An extra boost during periods of growth is one result, but the main outcome is stability and reliability.



## Giving Priority to People

The Bank's Human Capital policy places people at the centre. The Bank's recruitment and career development policies provide equal opportunities for all citizens in the country, irrespective of their race, religion, caste or gender. The Bank's people are its most valuable asset and the manner in which the Bank has managed its people has been a crucial contributor to the Bank's success. The Bank has focused on nurturing and building the skills and competencies of staff at various levels and grades to meet current needs and to create a wealth of knowledge for the future needs of the Bank. The Bank's goal is to aspire at all times to be 'the employer of first choice'. Through the compassionate management of its human capital the Bank would like to create a dedicated team who are passionate about what they do and who on their own initiate, direct and synergies their common creativity towards achieving continuous excellence and greater levels of customer convenience.

## Knowledge Acquisition

Structured knowledge acquisition is a key aspect of the Bank's knowledge management strategy. The Bank's knowledge acquisition plan for 2018 was formulated keeping in mind the rapid growth of the Bank, the branch expansion, other initiatives and the challenging political context. An exhaustive skills inventory was done early in the year in order to assess skill gaps that exist and to determine concretely the training and developmental interventions that need to be made. The HRM Division interacted closely with the line managers and specifically with the Operations Division to review the Bank's skills inventory. The inventory also included a detailed assessment of knowledge gaps at the branch level and the identification of appropriate.

## Knowledge Enhancement

The Bank has sought to develop skills and competencies at all levels. At the managerial level it has sought to develop a pool of managerial talent that is equipped with the skills to respond to strategic needs, succession challenges, challenging political environments, and to be ready to power organizational changes for the future. The Bank's front-line staff interacts with millions of customers and the Bank has focused on giving them the technical and product knowledge skills so that they are well placed to push the bar of customer convenience higher and higher. The National Bank Training Institute (NBTI) of the Bank provided training in several areas that included technical skills, soft skills, branch manager orientation, IT, back office, structured training for banking trainees, training for management trainees, Junior Executive Officer development programmes.

## Training and Education

All newly recruited employees are inducted through a comprehensive orientation programme prior to their placement. Further, they are provided with on the job training based on standard training modules in addition to customized training programmes as needed.



## 'One Bank One Family'

The Bank consolidated the 'One-Bank One- Family' concept since its inception and sought to create a work culture that excites and motivates staff . The Bank's goal is to make it 'the best place' to work in by creating an exciting, healthy, caring and productive environment for all levels of staff . Feedback was obtained from line managers with a view to enhancing the work environment and to providing prompt and appropriate welfare services. NBL recurrently arranges cultural programs, annual picnics etc for their staff s.

## **Nurturing Our Potential**

The Bank is committed at all times to ensuring that its people develop to their utmost potential and to equip them to face the challenges of the new millennium effectively and with dignity. The Bank constantly seeks to create an environment fully conducive to learning and development and to provide the opportunity for the staff to add value at all times, to each of them individually and to the Bank, collectively. Transparency is practiced in all our activities and regular dialogue is promoted amongst all levels of staff .



## **Diversity and equal opportunity**

The Bank's Goal is to aspire at all times to be the employer of first choice. Through the compassionate management of its human capital the Bank creates a dedicated team who is passionate about what they do. The Bank Management provides diversification in their responsibility and equal opportunity for all level of human capital.

## **Leadership and management capability**

Leaders throughout the organization play a critical role in bringing our values to life for colleagues. NBL has continued its focus on developing and strengthening leadership and management skills with the launch of new Group wide Executive Development and Leadership and Management programmes. Using a shared Leadership language these have placed a particular emphasis on Performance Management and leading during a period of sustained rapid change.

## **Wages Policy and Labour Management Relations**

The policy and regime adopted by the Bank with regard to wages is based on collective bargaining agreements covering specific categories of employees, and on market surveys carried out from time to time.

## **Health Plan**

The physical and mental well-being of our staff is important to us, especially considering the stressful effects of the performance driven culture. Effective counselling for employees plays pivotal role in this respect. Towards achieving the objective of a healthy workforce, the Bank has in place a comprehensive medical scheme for all permanent employees for treatment of severe injury of the staff and his/her family members medical bills at the Bank's expense.

## **Benefits Policy and Regime**

The Bank has short medium and long term benefits policy for the employees in addition to the regular salary and other benefits. The Bank provides various short term benefits to its employees like incentive bonus, medical services, leave fare assistance etc. Long term benefits include Provident Fund, Gratuity, superannuation fund, loan on various schemes at a concessional rate etc.

## **Future Outlook**

HR plans to further improve the Bank's high quality of staff intake by strengthening recruitment processes in the job market generally. The division will also continue addressing the issue of employee and executive retirements, which are expected to spike in the next few years. If not properly monitored and creatively managed, the approaching demographic shift could lead to excessive vacancies in important staff and management positions - and even a possible leadership vacuum in some divisions. HR will continue launching initiatives that enhance managerial skills and fast-track high-potential employees. Having considered the feedback received through the Employee Engagement Survey, another key strategy is to address on a planned way. With expansion of branch network and business experience and fresh officer will be recruited on continuous basis.

## Corporate Governance

**Corporate Governance of National Bank is defined as the framework by which the Bank is directed and controlled and the relationships between the management, the Board of Directors, shareholders and other stakeholders, such as employees, clients and lenders.**

The aim of the Corporate Governance framework is to ensure disclosure and transparency, to define the responsibilities of the Board and the management, to define the rights and role of shareholders and stakeholders, to ensure the equitable treatment of shareholders and to avoid conflicts of interests.

It is the objective of the management and the Board to have transparent and effective internal controls within the organization.

The Bank has a special section on its website for Corporate Governance. Information provided in this section includes the composition of the Board of Directors.

### Statutory bodies

#### Shareholders' meetings

The supreme authority in the Bank's affairs, within the limits established by the Articles of Association and statutory law, rests with legitimate shareholders' meetings. Shareholders' meetings may be attended by shareholders, their proxies and advisors. The Managing Director has full rights to speak and submit motions at shareholders' meetings. Shareholders' meetings are open to representatives of the press and the stock exchanges. The Bank also gives shareholders the opportunity to vote electronically on issues being discussed at a shareholders' meeting.

#### The Board of Directors

The Board of Directors is the supreme authority in the Bank's affairs between shareholders' meetings. It handles the Bank's affairs and ensures that its organisation and operation are at all times in correct and appropriate order. The Board ensures adequate supervision of the accounts and disposal of the Bank's property. The Board is, among other things, responsible for setting business objectives, strategy and business plans, formulating risk policies, confirming key aspects of the Bank's internal organisation and making decisions on the establishment or closure of branches and foreign subsidiaries.

The Board of Directors has established working procedures, setting out in further detail the performance of its duties. These procedures set forth, e.g., the area of responsibility of the Board of Directors and Chairman, Board meetings procedures, Board sub-committees, confidentiality rules, the authorisation of the Board to make decisions on individual transactions, the eligibility criteria for Board members, the handling of information on individual customers by the Board and the participation of Board members in the boards of directors of subsidiaries and associated companies.

The Board has established a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of the Executive Chairman and the Managing Director. No director is involved in deciding his or her own remuneration.

#### Board Committees

##### Executive Committee

The Managing Director consults with the Executive Committee on matters of special importance to the Bank.

The Board's Executive Committee makes decisions on credits and exposure to related parties. Seven Board members are members of the Executive Committee. The Managing Director is the Ex-officio and attends meetings of the Executive Committee.

##### Audit Committee

The Audit Committee maintains regular contact with both external and internal auditors and ensures that complaints and observations from the auditors are acted upon.

Furthermore, the Audit Committee discusses accounting principles and changes thereto. The Audit Committee consults and advises the Board on the scope of internal audits. The Committee keeps under review the scope and results of the audit and its cost-effectiveness and the independence and objectivity of the auditors. In the event that the auditors also provide a substantial amount of non-audit services to the Bank, the committee must keep the nature and extent of such services under review.

## **Risk Management Committee**

As per BRPD circular No.11 dated October 10, 2013 a Risk Management Committee has been formed consisting of the three members of the Board. The committee is responsible for analysis of Risk Management process of the Bank and monitoring of implementation of overall risk management policy and report to the Board. The committee also provides necessary suggestions and guidelines to the Management.

## **Management**

The Managing Director and Board of Directors are jointly responsible for the management of the Bank. The Managing Director is responsible for day-to-day operations and in this respect observes the policy and directions of the Board of Directors. The day-to-day operations do not include measures which are unusual or extraordinary. Such measures are only taken by the Managing Director pursuant to special authorization from the Board of Directors unless waiting for a decision from the Board of Directors would seriously disadvantage the operation of the Bank. In such cases the Board of Directors is promptly notified of the measures.

## **Accounts, auditing and internal auditor**

A Chartered Accountant firm enlisted by Bangladesh Bank and BSEC and member of the Institute of Chartered Accountants of Bangladesh (ICAB) is elected as auditor at each Annual General Meeting (AGM) for a term of one year. The auditor examines the books of account and other documents as much as required for providing an independent opinion on Financial Statements. The auditors do not engaged in any other service of the Bank except audit of financial statements.

## **Management Information System(MIS) Committee**

The Management Information System (MIS) Committee is harmonizing all the divisions under the same umbrella. The Sr. Executive Vice President of International Division, Executive Vice President of Credit Administration, Executive Vice President of Information Technology Division and Executive Vice President of Internal Control and Compliance Division and Senior Vice President of Financial Administration Division, are the members of MIS Committee.

## **Management Committee**

The Management Committee is the Bank's permanent collegiate executive body. The members of the Management Committee are the divisional heads. Under the authority of the members, it oversees the day-to-day running of the NBL, prepares decisions for Directors and ensures that these are implemented. The members of the Management Committee are responsible solely to the Bank.

## **Assets and Liabilities Management Committee (ALCO)**

The ALCO maintains an overview of the Bank's Balance Sheet, proposes policies concerning the structure of assets and liabilities and the coordination of risk, capital, funding and liquidity matters.

## **Anti-money laundering Committee**

Money laundering poses a significant risk to the financial sector globally and to society as a whole. The Bank is firmly committed to participating in international efforts to combat money laundering, fraud, or other financial crimes, including the financing of terrorists or terrorist operations. Accordingly, the Bank has implemented a comprehensive anti-money laundering programme to take all reasonable and appropriate steps, which includes, among other things, written policies and procedures, designated anti-money laundering personnel, staff training and special monitoring software.

## Procurement Committee

The Additional Managing Director is acting as convener of the committee. The Deputy Managing Director, EVP of Credit Administration Division, SVP of Financial Administration Division and Vice President of Agriculture Division are the members of the Committee. The head of System and Operation Division is working as member Secretary.

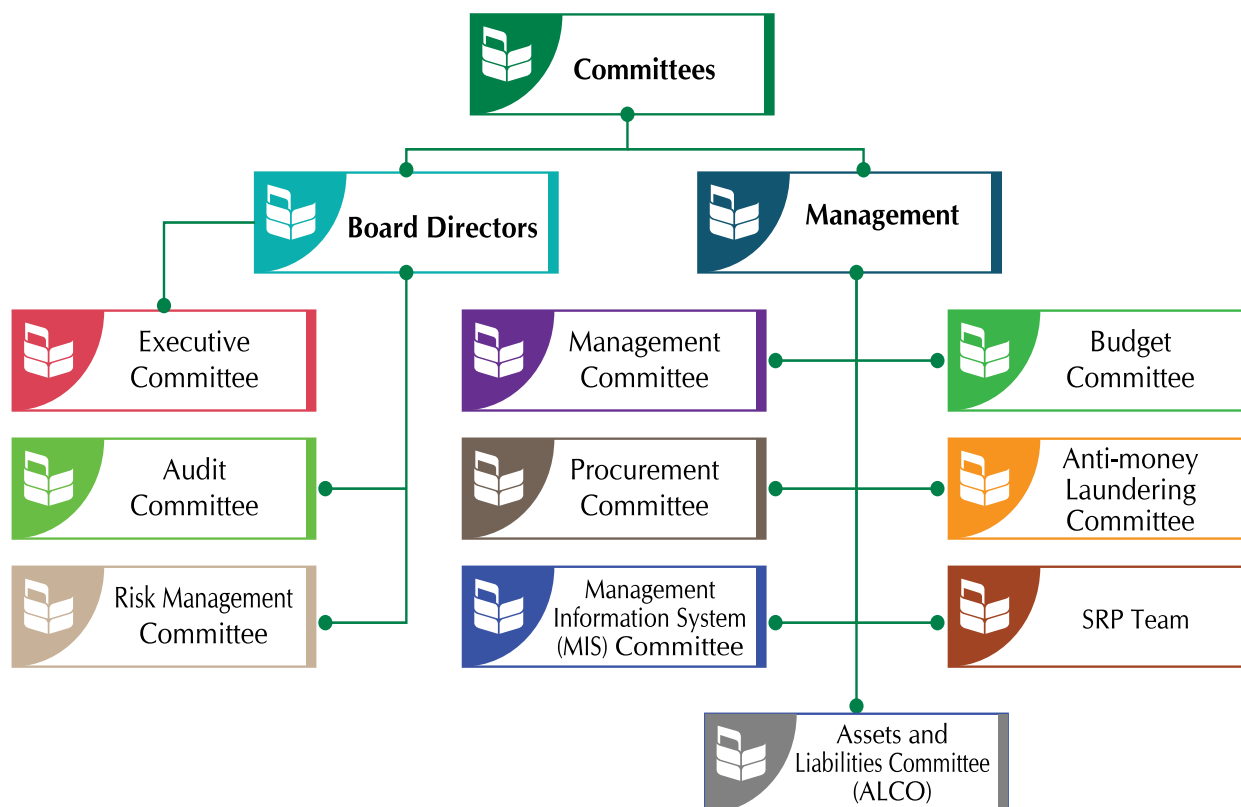
## Budget Committee

The responsibilities of the Budget Committee include, but are not limited to:

- Coordinating the preparation of the capital and operating estimates while the annual capital and operating budgets are being developed;
- Making recommendations on the capital and operating budgets;
- Reviewing other matters that may have a significant impact on a future budget, upon request from the Executive Committee.

## Supervisory Review Team

NBL has a Supervisory Review process team under Basel regime headed by Managing Directors and Senior executives are the members of the team.



## STATEMENT OF INTEGRITY OF FINANCIAL STATEMENTS

We hereby certify that the Financial Statements of National Bank Limited (the Bank) as at and for the year ended December 31, 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS), the “First Schedule” (Sec 38) of the Bank Companies Act 1991 (amended in 2013) and as per BRPD circular No. 14 dated June 25, 2003, other Bangladesh Bank circulars, the Company Act 1994, the Securities & Exchange Rule 1987 other laws and rules applicable in Bangladesh. The accounting policies used in preparation of these Financial Statements are appropriate and consistently applied by the Bank. In the case the provisions and circulars issued by Bangladesh Bank differ with those of other regulatory authorities and accounting standards, the provisions and circulars issued by Bangladesh Bank shall prevail with adequate disclosures. Comparative information has been rearranged wherever necessary to conform to the current year presentation.

The estimate and judgments were made on a prudent and reasonable basis in order that the Financial Statements reflect in a true and fair manner, the form and substance of transactions and present the state of affairs reasonably. To ensure this the Bank has taken proper and sufficient care to introduce a system of internal control and accounting records for safeguarding assets and detecting and preventing frauds as well as irregularities through ongoing review. Operations of all branches and head office are continuously reviewed through on site inspection to ensure compliance of internal and other regulatory issues. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls and accounting.

### We certify to the Board that:

- i. We have reviewed the Financial Statements of the Bank for the year 2018 and to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards and applicable laws;
- ii. There are, to the best of knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violation of the Company’s code of conduct.



Head of Finance/CFO



Managing Director

**Certificate on Compliance on the Corporate Governance Code**  
**[Issued under condition # 1(5) (xxvii) of Corporate Governance Code of BSEC vide**  
**Notification No. BSEC/CMRRCD/2006-158/ 207/Admin/80 dated 03 June 2018]**

We have examined the compliance status to the Corporate Governance Code by **National Bank Limited** for the year ended on 31 December, 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the Procedures and implementation thereof as adopted by the Management in Ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the Provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted By Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except for inclusion of one independent director of holding company on the Board of Subsidiary company which is under process and formation of nomination and remuneration committee as restricted by Bangladesh Bank ;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as Required under the Companies Act, 1994, the securities laws and Other relevant; And
- (d) The Governance of the company is Satisfactory.

Place: Dhaka  
Dated: 8 July, 2019



**Md. Mostain Billah**  
Partner  
Mak & Co. Chartered Accountants



## Compliance report under condition No. 9.00 of BSEC Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 03.06.2018

The Bangladesh Securities and Exchange Commission (BSEC) issued a Corporate Governance (CG) Code in 2018 which is being followed by banks on 'Comply' basis. Status of compliance by National Bank Limited With the said CG code issued by BSEC through Notification no. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is as follows:

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
<b>1.</b>	<b>Board of Directors</b>			
1(1)	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		-
<b>1(2)</b>	<b>Independent Directors</b>			
1(2) (a)	At least one fifth (1/5) of the total number of directors in the Company's board of director shall be independent directors.	✓		The Board of Directors consists of 12 (Twelve) members including 2 (Two) independent Directors which is in compliance with Section-15(9) of Bank Company Act, 1991 (Amended upto 2013)
1(2) (b)	'Independent director' means a director-			
1(2) (b) (i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		-
1(2) (b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓		-
1(2) (b) (iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		-
1(2) (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		-
1(2) (b) (v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange.	✓		-
1(2) (b) (vi)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		-
1(2) (b) (vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		-
1(2) (b) (viii)	Who is not independent director in more than 5 (five) listed companies.	✓		-
1(2) (b) (ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBF); and	✓		-

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
1(2) (b) (x)	Who has not been convicted for a criminal offence involving moral turpitude.	✓		-
1(2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		-
1(2) (d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days and	✓		-
1(2) (e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years which may be extended for 1 (one) terure only.	✓		-
<b>1(3)</b>	<b>Qualification of Independent Director :-</b>			
1(3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		-
1(3) (b)	Independent Director shall have following Qualification.			-
1(3) (b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	✓		-
1(3) (b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	N/A		-
1(3) (b) (iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	N/A		-
1(3) (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law or not;	N/A		
1(3) (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	N/A		
1(3) (c)	The Independent Director(s) shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3) (d)	In special cases, the above qualification or experiences may be relaxed subject to prior approval of the commission.	-		No such deviation occurred
<b>1(4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-</b>			
1(4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
1(4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
<b>1(5)</b>	<b>Directors' Report to Shareholders:-</b>			
1(5) (i)	An industry outlook and possible future developments in the industry;	✓		-
1(5) (ii)	The segment-wise or product-wise performance;	✓		-
1(5) (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		-
1(5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		-
1(5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		
1(5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		-
1(5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	N/A		-
1(5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	N/A		-
1(5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1(5) (x)	A statement of remuneration paid to the directors including independent directors;	✓		-
1(5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		-
1(5) (xii)	A statement that proper books of account of the issuer company have been maintained;	✓		-
1(5) (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		-
1(5) (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		-
1(5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	✓		-
1(5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		-

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put $\checkmark$ in the appropriate column)		
		Complied	Not complied	
1(5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	$\checkmark$		
1(5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	$\checkmark$		-
1(5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	$\checkmark$		-
1(5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year	-		N/A
1(5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	-		N/A
1(5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	$\checkmark$		
<b>1(5) (xxiii)</b>	<b>A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:</b>			
1(5) (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name wise details);	$\checkmark$		-
1(5) (xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	$\checkmark$		-
1(5) (xxiii) (c)	Executives; and	$\checkmark$		-
1(5) (xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	$\checkmark$		-
<b>1(5) (xxiv)</b>	<b>In case of appointment/re-appointment of a Director the Company shall disclose the following information to the Shareholders:</b>			
1(5) (xxiv) (a)	a brief resume of the Director;	$\checkmark$		-
1(5) (xxiv) (b)	Nature of his/her expertise in specific functional areas.	$\checkmark$		-
1(5) (xxiv) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	$\checkmark$		-
<b>1(5) (xxv)</b>	<b>A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:</b>			
1(5) (xxv) (a)	accounting policies and estimation for preparation of financial statements;	$\checkmark$		
1(5) (xxv) (b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	$\checkmark$		
1(5) (xxv) (c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	$\checkmark$		
1(5) (xxv) (d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	$\checkmark$		
1(5) (xxv) (e)	briefly explain the financial and economic scenario of the country and the globe;	$\checkmark$		
1(5) (xxv) (f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	$\checkmark$		
1(5) (xxv) (g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	$\checkmark$		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
1(5) (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1(5) (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
<b>1(6)</b>	<b>Meetings of the Board of Directors</b>			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	N/A		As per BRPD Circular No. 11, dated 27 October 2013 (Instruction no. 5) Bank is restricted (by Central Bank) to have more than 3 sub committee of the Board.
1.7. (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	N/A		-
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company</b>			
2 (a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	✓		-
2 (b)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			Under process
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓		-
2 (d)	The Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the Subsidiary Company also.	✓		-
2 (e)	The Audit Committee of the holding company shall also review the Financial Statements, in particular the investments made by the Subsidiary Company.	✓		-
<b>3.0</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)</b>			
<b>3 (1)</b>	<b>Appointment</b>			
3 (1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		-
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		-

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		-
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
<b>3(2)</b>	<b>Requirement to attend Board of Directors' Meetings:-</b>			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board.	✓		-
<b>3(3)</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
3(3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3) (a) (i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		-
3(3) (a) (ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		-
3(3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3 (3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
<b>4</b>	<b>Board of Directors' Committee:-</b>			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4 (i)	Audit Committee	✓		
4 (ii)	Nomination and Remuneration Committee.	N/A		As the Bank is restricted (by Central Bank) to have more than 3 sub committee of the Board. But The Board oversees the remuneration process
<b>5</b>	<b>Audit Committee:-</b>			
<b>5 (i)</b>	<b>Responsibility to the Board of Directors.</b>			
5(i) (a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(i) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(i) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
<b>5 (2)</b>	<b>Constitution of the Audit Committee</b>			
5 (2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
5 (2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5 (2)(c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5 (2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	✓		
5 (2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5 (2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
<b>5(3)</b>	<b>Chairperson of the Audit Committee</b>			
5(3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		-
5(3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5(3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓		-
<b>5(4)</b>	<b>Meeting of the Audit Committee</b>			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	✓		
5(4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
<b>5(5)</b>	<b>Role of Audit Committee</b>			
	The audit committee shall:-			
5(5) (a)	Oversee the financial reporting process;	✓		-
5(5) (b)	Monitor choice of accounting policies and principles.	✓		-
5(5) (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		-
5(5) (d)	Oversee hiring and performance of external auditors.	✓		-
5(5) (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		-

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
5(5) (f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5) (g)	Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval.	✓		-
5(5) (h)	Review the adequacy of internal audit function.	✓		-
5(5) (i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5) (j)	Review statement of all related party transactions submitted by the management;	✓		-
5(5) (k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		-
5(5) (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and results.	✓		-
5(5) (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	-		N/A
<b>5(6)</b>	<b>Reporting of the Audit Committee</b>			
<b>5(6)(a)</b>	<b>Reporting to the Board of Directors</b>			
5(6)(a) (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		-
<b>5(6)(a) (ii)</b>	<b>The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-</b>			
5(6)(a)(ii)(a)	Report on conflicts of Interests.	-		No such event occurred
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-		No such event occurred
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-		No such event occurred
5(6)(a)(ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-		No such event occurred
5(6)(b)	<b>Reporting to the Authorities:</b> If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-		No such event occurred
5.(7)	Reporting to the Shareholders and General Investors:- Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		-



Condition No.	Title	Compliance Status		Remarks (if any)
		(Put $\checkmark$ in the appropriate column)		
		Complied	Not complied	
<b>6</b>	<b>Nomination and Remuneration Committee (NRC).</b>			
<b>6(1)</b>	<b>Responsibility to the Board of Directors</b>			
6 (1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	N/A		As per BRPD Circular No. 11, dated 27 October 2013 (Instruction no. 5) Bank is restricted by (Central Bank) to have more than 3 sub committee of the Board.
6 (1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	N/A		-Do-
6 (1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	N/A		-Do-
<b>6(2)</b>	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	N/A		-Do-
6(2)(b)	All members of the Committee shall be non-executive directors;	N/A		-Do-
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	N/A		-Do-
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	N/A		-Do-
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	N/A		-Do-
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	N/A		-Do-
6(2)(g)	The company secretary shall act as the secretary of the Committee;	N/A		-Do-
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	N/A		-Do-
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	N/A		-Do-
<b>6(3)</b>	<b>Chairperson of the NRC</b>			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	N/A		-Do-
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes	N/A		-Do-

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	N/A		-Do-
<b>6(4)</b>	<b>Meeting of the NRC</b>			
6(4) (a)	The NRC shall conduct at least one meeting in a financial year;	N/A		-Do-
6(4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	N/A		-Do-
6(4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	N/A		-Do-
6(4) (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	N/A		-Do-
<b>6(5)</b>	<b>Role of the NRC</b>			
6(5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	N/A		-Do-
6(5) (b)	<b>NRC shall oversee, among others, the following matters and make report with recommendation to the Board:</b>	N/A		-Do-
6(5) (b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	N/A		-Do-
6(5) (b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	N/A		-Do-
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	N/A		-Do-
6(5) (b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	N/A		-Do-
6(5) (b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	N/A		-Do-
6(5) (b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	N/A		-Do-
6(5) (b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	N/A		-Do-
6(5) (b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	N/A		-Do-
6(5) (b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	N/A		-Do-
6(5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	N/A		-Do-

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
<b>7</b>	<b>External or Statutory Auditors.</b>			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	financial information systems design and implementation;	✓		
7(1)(iii)	(iii) book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	(iv) broker-dealer services;	✓		
7(1)(v)	(v) actuarial services;	✓		
7(1)(vi)	(vi) internal audit services or special audit services;	✓		
7(1)(vii)	(vii) any service that the Audit Committee determines;	✓		
7(1)(viii)	(viii) audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	(ix) any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
<b>8</b>	<b>Maintaining a website by the Company.</b>			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The Company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		-
<b>9</b>	<b>9. Reporting and Compliance of Corporate Governance.</b>			-
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		-
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		-
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not	✓		-

## Compliance of Section 1.5 (xxii):

Board Meeting held during the year 2018 and attended by each Director:

Sl. No.	Composition of the Board	No. of meetings in 2018		Remarks
		Held	Attended	
01	Mr. Zainul Haque Sikder	16	13	
02	Ms. Monowara Sikder	16	9	
03	Ms. Parveen Haque Sikder, MP	16	13	
04	Alhaj Khalilur Rahman	16	07	
05	Mr. Moazzam Hossain	16	10	
06	Mr. Rick Haque Sikder	16	08	
07	Mr. Ron Haque Sikder	16	15	
08	Mr. Zakaria Taher	16	04	
09	Mr. Mabroor Hossain	16	06	
10	Mr. Md. Anwar Hussain	16	10	
11	Mr. Md. Mahbubur Rahman Khan	16	14	
12	Mr. A K M Enamul Hoque Shameem	16	05	
13	Sikder Insurance Company Ltd.	16	-	

**Note:** Directors who could not attend the meetings were granted leave of absence by the Board.

## Compliance of Section 1.5 (xxiii): The Pattern of Shareholding:

- (i) Parent/ Subsidiary/ Associated companies and other related parties: Yes
- (ii) Directors, Managing Director, Company Secretary, Chief of Financial Administration, Head of Internal Control & Compliance and their Spouses:

01. Directors	Shares held	Name of the Spouses	Shares held
Mr. Zainul Haque Sikder	53,098,357	Mrs. Monowara Sikder	53,098,273
Mrs. Monowara Sikder	53,098,273	Mr. Zainul Haque Sikder	53,098,357
Ms. Parveen Haque Sikder, MP	53,098,366	Mr. Salahuiddin Khan	2,756,743
Alhaj Khalilur Rahman	134,240,386	Late Delowara Begum	-
Mr. Moazzam Hossain	93,359,222	Mrs. Ilya R. Hossain	11,982,667
Mr. Rick Haque Sikder	53,098,336	-	-
Mr. Ron Haque Sikder	53,098,336	-	-
Mr. Zakaria Taher	56,961,430	Mrs. Nazneen Ahmed	100,000
Mr. Mabroor Hossain	53,114,579	Mrs. Nadia Munawar Siddique	-
Sikder Insurance Company Ltd.	131,048,095	-	-
Mr. Md. Mahbubur Rahman Khan	-	Mrs. Salina Mahbub	-
Mr. A K M Enamul Hoque Shameem	-	Mrs. Tahmina Khatoon	304,594
02. Managing Director - Mr. Choudhury Moshtaq Ahmed			-
03. Company Secretary - Mr. A S M Bulbul			52
04. Head of Financial Administration - Mr. Krishna Kamal Ghose			305
05. Head of Internal Control & Compliance - Mr. Md. Moniruzzaman			-

(iii) Executives (Top five salaried employees of the company other than Directors, Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Control and Compliance):

01. Additional Managing Director	- Mr. M A Wadud	Nil
02. Deputy Managing Director	- Mr. Shah Syed Abdul Bari	Nil
03. Deputy Managing Director	- Mr. Syed Rois Uddin	1,869
04. Deputy Managing Director	- Mr. Arif Md. Shahedul Haque	Nil
05. Senior Executive Vice President	- Mr. Nizam Ahmed	Nil

(iv) Shareholders holding ten percent (10%) or more voting interest in the company: Nil.

## Executive Committee Meeting

SI No.	Composition of the Committee	No. of Meetings held in 2018		Remarks
		Held	Attended	
01.	Ms Parveen Haque Sikder, MP	08	07	
02.	Mrs Monowara Sikder	08	04	
03.	Alhaj Khalilur Rahman	08	03	
04.	Mr Moazzam Hossain	08	07	
05.	Mr Rick Haque Sikder	08	02	
06.	Mr Ron Haque Sikder	08	08	

## Audit Committee Meeting

SI No.	Composition of the Committee	No. of Meetings held in 2018		Remarks
		Held	Attended	
01.	Mr. Md. Anwar Hussain	05	04	
02.	Mr Md. Mahbubur Rahman Khan	05	04	
03.	Mr. Mabroor Hossain	05	02	

## Risk Management Committee Meeting

SI No.	Composition of the Committee	No. of Meetings held in 2018		Remarks
		Held	Attended	
01.	Ms Parveen Haque Sikder, MP	04	04	
02.	Mr Ron Haque Sikder	04	04	
03.	Mr. Md. Anwar Hussain	04	02	

## Status of Compliance of Bangladesh Bank Guideline for Corporate Governance (BRPD circular no. 16 dated 24.07.2003)

SL. No.	Particulars	Compliance status
1	<b>Responsibilities and authorities of the Board of Directors</b>	Complied
	<b>(a) Work planning and strategic management</b>	
	i) The Board shall determine the objectives and goals and to this end shall chalk out strategies and work plan on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and re-organization for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor at quarterly rest the development of implementation of work plan.	Complied
	ii) The Board shall have its analytical review incorporated in the Annual Report as regard the success/failure in achieving the business and other targets as set out in its annual work plan and shall apprise the shareholders of its opinions/recommendations on future plan and strategies. It shall set the Key Performance Indicator (KPI) for the CEO and other senior executives and have it evaluated at times.	Complied
	<b>(b) Loan and Risk Management</b>	Complied
	i) The policies, procedures, strategies etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, re-schedulement and write-off thereof shall be made with the Board's approval under the purview of the existing laws, rules and regulations. The Board shall specifically distribute the power of sanction of loan/investment and such distribution should desirably be made among the CEO and his subordinate executives as much as possible. No director, however, shall interface, directly or indirectly, into the process of loan approval.	Complied
	ii) The Board shall frame policies for risk management and get them complied with and shall at quarterly rest the compliance thereof.	Complied
<b>(c) Internal Control Management</b>	Complied	
i) The Board shall be vigilant on internal control system of the Bank in order to attain and maintain satisfactory qualitative standards of its loans /investments portfolio. It shall review at quarterly rest the report submitted by its audit committee regarding the compliance of recommendations made in internal and external audit report and Bangladesh Bank inspection reports.	Complied	
<b>(d) Human Resources Management and Development</b>	Complied	
i) Policies relating recruitment, promotion, transfer, disciplinary and punitive measures human resources development etc. and service rules shall be framed and approved by the Board. The Chairman and the Directors shall in no way involve themselves and interfere into or influence over any administrative affairs including recruitment promotion transfer and disciplinary measures as executed under the set service rules. No member of the Board of Director shall be included in the selection committees for recruitment and promotion to different levels. Recruitment and promotion to the immediate two tiers below the CEO shall, however rest upon the Board. Such recruitment and promotion shall have to be carried out complying with the service rules i.e. policies for recruitment and promotion.	Complied	

## Status of Compliance of Bangladesh Bank Guideline for Corporate Governance (BRPD circular no. 16 dated 24.07.2003)

SL. No.	Particulars	Compliance status
	ii) The Board shall focus its special attention to the development of skills of the Bank's staff in different fields of its business activities including prudent appraisal of loan / investment proposals and to the adoption of modern electronic and information technologies and introduction of effective Management Information System (MIS). The Board shall get this programs incorporated in its annual work plan.	Complied
	<b>(e) Financial Management</b>	Complied
	i) The Annual Budget and the statutory Financial Statements shall finally be prepared with the approval of the Board. It shall at quarterly rest review /monitor the positions in respect of the Bank's income, expenditures, liquidity, non-performing assets, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures.	
	ii) The Board shall frame the policies and procedures for Bank's purchase and procurement activities and shall accordingly approve the distribution of power for making such expenditures. The Maximum possible delegation of such power rest on the CEO and his sub-ordinates. The decision on matter relating to infrastructure development and purchase of land, building, vehicle etc. for the purpose of Banking business shall however be adopted with the approval of the Board.	Complied
	<b>(f) Formation of supporting committees</b> For decision on urgent matters an executive committee whatever name called, may be formed with the directors. There shall be no committee of the board other than the Executive Committee and the Audit Committee. No alternate director shall be included in these committees.	Complied
	<b>(g) Appointment of CEO</b> The Board shall appoint a competent CEO for the Bank with the approval of Bangladesh Bank.	Complied
<b>2</b>	<b>Responsibilities of the Chairman of the Board</b>	Complied
	(a) As the chairman of the board of directors (or chairman of any committee formed by the board or any director) does not personally possess the jurisdiction to apply policymaking or executive authority, he/she shall not participate in or interfere into the administrative or operational and routine affairs of the Bank	
	(b) The chairman may conduct on-site inspection of any Bank branch or financing activities under the purview of the oversight responsibilities of the board. He may call for any information relating to Bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the board or the executive committee and if deemed necessary, with the approval of the board, he shall effect necessary action thereon in accordance with the set rules through the CEO. However any complaint against the CEO shall have to be apprised to Bangladesh through the board along with the statement of the CEO.	Complied
	(c) The chairman may be offered an office-room, a personal secretary/assistant, a telephone at the office and a vehicle in the business-interest of the Bank subject to the approval of the board.	Complied
<b>3</b>	<b>Responsibilities of Adviser</b>	Complied

## Status of Compliance of Bangladesh Bank Guideline for Corporate Governance (BRPD circular no. 16 dated 24.07.2003)

SL. No.	Particulars	Compliance status
	The adviser whatever name called, shall advise the Board of Directors or the CEO on such issue only for which he is engaged in terms of conditions of his appointment. He shall neither have to access to the process of decision-making nor shall have the scope of effecting executive authority in any matters of the Bank including financial, administrative or operational affairs.	
<b>4</b>	<b>Responsibilities and Authorities of CEO</b>	Complied
	The CEO of the Bank whatever named called, shall discharge the responsibilities and effect the authorities as follows:	
	(a) In terms of financial business and administrative authorities vested upon him by the Board, the CEO shall discharge his own responsibilities. He/She shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.	Complied
	(b) The CEO shall ensure compliance of Bank Companies Act, 1991 or other laws/ regulations and if in discharge of routine function of the Bank.	Complied
	(c) The CEO shall report to the Bangladesh Bank of issues in violation of Bank Companies Act, 1991 or other laws /regulations and if required, may apprise the Board post facto.	Complied
	(d) The recruitment and promotion of all staff of the Bank except those in the two tiers below him/her shall rest on the CEO. He /She shall act in such cases in accordance with the approved service rules on the basis of human resources policies and approved delegation of employees as approved by the Board. The Board or Chairman of any committee of the Board or any Director shall not get approved of interfere into such affairs. The authorities relating transfer of and disciplinary measures against the staff, except those at one tier below the CEO shall rest on him, which he shall apply in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the Board, he/she shall nominate officers for training etc.	Complied



## Compliance of International Accounting Standard (IAS) and International Financial Reporting Standard (IFRS)

Name of the standards	Ref.	Status
First-time Adoption of International Financial Reporting Standards	IFRS-1	Not applicable
Share-IASed Payment	IFRS-2	Not applicable
Business Combinations	IFRS-3	Applied
Insurance Contracts	IFRS-4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS-5	Not applicable
Exploration for and Evaluation of Mineral Resources	IFRS-6	Not applicable
Financial Instruments: Disclosures	IFRS-7	Applied*
Operating Segments	IFRS-8	Applied*
Consolidated Financial Statements	IFRS-10	Applied
Joint Arrangements	IFRS-11	Not applicable
Disclosure of Interests in other Entities	IFRS-12	Applied
Fair Value Measurement	IFRS-13	Applied
Presentation of Financial Statements	IAS-1	Applied*
Inventories	IAS-2	Not applicable
Statement of Cash Flows	IAS-7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS-8	Applied
Events after the Reporting Period	IAS-10	Applied
Construction Contracts	IAS-11	Not applicable
Income Taxes	IAS-12	Applied
Property, Plant and Equipment	IAS-16	Applied
Leases	IAS-17	Applied
Revenue	IAS-18	Applied
Employee Benefits	IAS-19	Applied
Accounting for Government Grants and Disclosure of Government	IAS-20	Not applicable
The Effects of Changes in Foreign Exchange Rates	IAS-21	Applied
Borrowing Costs	IAS-23	Applied
Related Party Disclosures	IAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	Not applicable
Consolidated and Separate Financial Statements	IAS-27	Applied
Investments in Associates	IAS-28	Not applicable
Interests in Joint Ventures	IAS-31	Not applicable
Financial Instruments: Presentation	IAS-32	Applied*
Earnings per Share	IAS-33	Applied
Interim Financial Reporting	IAS-34	Applied
Impairment of Assets	IAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Applied
Intangible Assets	IAS-38	Applied*
Financial Instruments: Recognition and Measurement	IAS-39	Applied*
Investment Property	IAS-40	Not applicable
Agriculture	IAS-41	Not applicable

\*Subject to some departure to comply with local law.

## Report of the Audit Committee of the Board

For the year ended December 31, 2018

(As per Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 on Corporate Governance Code, dated June 03, 2018)

The Audit Committee of the Board was duly constituted by the Board of Directors of the Bank in accordance with the BRPD Circular Number 11 dated October 27, 2013 of Bangladesh Bank.

The objectives of the Audit Committee are to assist the Board of Directors mainly in the following areas:

- Establishing a culture of adequate internal control system to ensure that sufficient risk management system is in place to manage core risk of the Bank and that financial reports disclosed by the Bank are reliable for its users.
- Developing an adequate Information Technology (IT) and MIS System and establishing sufficient control system in IT operation to protect against any inherent risk.
- Ensuring true and fair presentation of financial statements in compliance with Bangladesh Accounting Standards/Bangladesh Financial Reporting Standards and applicable regulatory requirements.
- To review the internal audit procedure of the Bank and to ensure that the internal audit can continue their activities without any limitations. To review the efficiency and effectiveness of internal audit and to review whether management is complying with recommendations made by the internal audit.
- To recommend appointment of external and special auditors, review audit work and reports submitted by external and special auditors and to ensure compliance and regularization of recommendations made by the external and special auditors.
- Reporting to the Board of Directors on mistakes, fraud and forgeries and other irregularities to ensure compliance and regularization.
- Ensure compliance with all applicable legal and regulatory rules and regulations and the directives made by the Board of Directors of the Bank.

In pursuance of its objectives, the Audit Committee of the Board held 5 meetings during the year 2018. The Committee reviewed compliance of policies issues, regulations and applicable laws in general and interim reports submitted by Bank's Internal Control & Compliance Division as well as reports submitted by external and special auditors.

Upon review of reports of Bank's Internal Control & Compliance Division, the Audit Committee issued a number of instructions and provided suggestions/guidelines to improve the state of operation, documentation and loan portfolio/risk management.

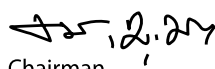
The Committee instructed for immediate compliance of all issues pointed out in the reports and to submit compliance reports by all branches stressing the need on the part of Head of branches to hold periodic reviews to the end. The Committee reviewed:

Loan portfolio/risk management issues.

Policy issues on information technology (IT) and system audit, Anti Money Laundering and internal control.

### The Committee instructed all operational/monitoring units to:

- Follow regulations meticulously in respect of Know Your Customer (KYC) in account opening.
- Intensify recovery of past due loans and initiate early warning reports for loans which show deteriorating conditions.
- The Committee also reviewed the financial statements as of December 31, 2018 audited by Rahman Mostafa Alam & Co., Chartered Accountants.



Chairman

Audit Committee of the Board

## Statement of Directors' responsibilities in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to present the report along with the financial statements for each financial year in accordance with IFRSs and IASs as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable laws and regulations.

The financial statements are required by law to present fairly the financial position and the performance of the Company and to comply with Bank Companies Act 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgment and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IAS and IFRSs as adopted by the ICAB; and
- prepared the financial statements on going concern basis unless it is in appropriate to presume that the Company will continue in business.

Disclosure of information with reasonable accuracy at any time the financial position of the Company and enables them to ensure that its financial statements comply with the Companies Act 1994 and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors confirm that the Annual Reports together with Directors' Report and financial statements have been prepared in compliance with the law, rules and regulatory guidelines and compliance of BSEC notification no.: BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

on behalf of the Board of Directors,



**Chairman**



# Auditor's Report and Financial Statements

For the year ended December 31, 2018

## Independent Auditor's 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 subsidiary (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 December 31, 2018 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 financial position of the Group and the separate financial position of the Bank as at December 31, 2018, and of its consolidated and separate financial performance 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 judgement, 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.

Key audit matter	How our audit addressed the key audit matters
<b>Measurement of provision for loans and advances</b>	
Refer note no 8 and 15.2 to the financial statements	
<p>The process for estimating the provision for customer loans and advances 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 calculation for the provision estimates of complex design and implementation.</p> <p>At year end the group and the bank reported total gross loans and advances of BDT 317,393,034,581 (2017: BDT 251,521,969,849) and BDT 314,507,263,171 (2017: BDT 248,467,148,359) respectively and the Bank reported provision for loans and advances of BDT 14,701,582,780 (2017: BDT 12,467,485,849).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>● Tested credit appraisal, loan disbursement and monitoring procedures, and provisioning process;</li> <li>● Identification of loss events, including early warning and default warning indicators;</li> <li>● Reviewed quarterly Classification of Loans (CL) submitted to Bangladesh Bank;</li> </ul> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>● Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines and;</li> <li>● Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</li> <li>● Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li> <li>● Finally, compared the amount of provision requirement as determined by Bangladesh Bank Department of Banking Inspection (DBI) team to the actual amount of provision maintained.</li> </ul>

<b>Valuation of treasury bill and treasury bond</b>	
Refer note no 7.1.1 to the financial statements	
<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds 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 treasury bills and bonds.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over financial instruments 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 assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<b>Measurement of deferred tax assets</b>	
Refer note no 10.1.3 to the financial statements	
<p>At year end of 2018 the Bank reported total deferred tax assets of BDT 139,545,393 (2017: BDT 68,412,506) and deferred tax income of BDT 71,132,887 (2017: BDT 132,175,307).</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> <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>
<b>IT systems and controls</b>	
<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>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>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 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>
<b>Legal and regulatory matters</b>	
<p>We focused on this area because the Bank and its subsidiaries (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 and the Bank'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>

**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 consolidated and separate 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 IFRSs 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 judgement and maintain professional scepticism 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 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 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 and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility 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 Group 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 account 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 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 assets which are in our opinion, doubtful of recovery;
- 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 3,208 person hours; and
- xii. Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

**Dated: Dhaka**  
April 30, 2019

  
**Rahman Mostafa Alam & Co.**  
Chartered Accountants



## Consolidated Balance Sheet

As at December 31, 2018

	Notes	Amount in BDT	
		2018	2017
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>		<b>20,700,260,203</b>	<b>22,772,012,358</b>
In hand (including foreign currencies)	3	3,290,281,287	3,432,689,173
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4	17,409,978,916	19,339,323,185
<b>Balance with other banks and financial institutions</b>	5	<b>4,806,844,364</b>	<b>7,986,190,345</b>
In Bangladesh		3,879,714,515	7,263,894,546
Outside Bangladesh		927,129,849	722,295,799
<b>Money at call and on short notice</b>	6	<b>91,300,000</b>	<b>3,601,300,000</b>
<b>Investments</b>	7	<b>54,635,972,783</b>	<b>57,425,482,643</b>
Government		45,182,483,694	49,125,479,645
Others		9,453,489,089	8,300,002,998
<b>Loans and advances</b>	8	<b>317,393,034,581</b>	<b>251,521,969,849</b>
Loans, cash credits, overdrafts, etc		309,746,999,284	244,773,548,842
Bills purchased and discounted		7,646,035,297	6,748,421,007
<b>Fixed assets including premises, furniture and fixtures</b>	9	<b>2,473,199,881</b>	<b>2,916,642,139</b>
<b>Other assets</b>	10	<b>6,639,118,130</b>	<b>4,761,092,095</b>
<b>Non-banking assets</b>	11	<b>335,820,241</b>	<b>335,820,241</b>
<b>Total assets</b>		<b>407,075,550,183</b>	<b>351,320,509,670</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	12	<b>8,869,136,774</b>	<b>5,212,267,540</b>
<b>Deposits and other accounts</b>	13	<b>314,686,457,859</b>	<b>272,602,092,316</b>
Current deposit and other accounts		25,003,225,512	23,882,039,031
Bills payable		3,557,774,516	3,563,740,137
Savings bank deposits		47,036,369,863	44,672,378,291
Fixed deposits		140,200,871,603	123,752,106,294
Term deposit		98,888,216,365	76,731,828,563
<b>Subordinated bonds</b>	14	<b>4,000,000,000</b>	<b>2,750,000,000</b>
<b>Other liabilities</b>	15	<b>34,997,315,383</b>	<b>30,419,192,363</b>
<b>Total liabilities</b>		<b>362,552,910,016</b>	<b>310,983,552,219</b>
<b>Shareholders' equity</b>			
<b>Total shareholders' equity</b>		<b>44,522,640,167</b>	<b>40,336,957,451</b>
Paid-up capital	16.2	26,549,079,130	23,704,534,940
Statutory reserve	17	14,380,830,197	12,944,994,585
General reserve	18	29,468,778	38,683,490
Other reserve	19	902,123,990	563,904,806
Retained earnings	20	2,661,018,720	3,084,723,413
		<b>44,522,520,815</b>	<b>40,336,841,234</b>
Non-controlling (minority) interest		119,352	116,217
<b>Total liabilities and shareholders' equity</b>		<b>407,075,550,183</b>	<b>351,320,509,670</b>

## Consolidated Balance Sheet

As at December 31, 2018

	Notes	Amount in BDT	
		2018	2017
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>			
		<b>51,869,443,826</b>	<b>56,558,702,285</b>
Acceptances and endorsements	21	18,547,717,728	20,940,105,122
Letters of guarantee		9,369,024,272	10,893,558,984
Irrevocable letters of credit		17,745,352,737	18,987,834,721
Bills for collection		6,207,349,089	5,737,203,458
Other contingent liabilities		-	-
			<b>967,382,900</b>
<b>Other commitments</b>			
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		967,382,900	82,870,600
Other exchange contracts		-	-
		<b>967,382,900</b>	<b>82,870,600</b>
		<b>52,836,826,726</b>	<b>56,641,572,885</b>
<b>Total off-balance sheet items including contingent liabilities</b>		<b>52,836,826,726</b>	<b>56,641,572,885</b>

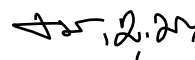
Accompanying notes 01 to 43 form an integral part of these financial statements.



Managing Director



Director



Director



Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka  
April 30, 2019



Rahman Mostafa Alam & Co.  
Chartered Accountants

## Consolidated Profit and Loss Statement

### For the year ended December 31, 2018

	Notes	Amount in BDT	
		2018	2017
Interest income	22	27,959,667,457	22,517,073,480
<u>Less: Interest paid on deposits and borrowings, etc.</u>	23	21,051,421,721	16,106,469,182
<b>Net interest income</b>		<b>6,908,245,736</b>	<b>6,410,604,298</b>
Investment income	24	6,137,753,777	7,594,737,512
Commission, exchange and brokerage	25	1,590,896,866	1,817,425,090
Other operating income	26	1,174,148,775	601,751,674
		<b>8,902,799,418</b>	<b>10,013,914,276</b>
<b>Total operating income</b>		<b>15,811,045,154</b>	<b>16,424,518,574</b>
Salaries and allowances	27	4,060,874,943	3,874,881,338
Rent, taxes, insurance, electricity, etc.	28	858,615,663	722,270,878
Legal expenses	29	50,232,808	19,348,996
Postage, stamp, telecommunication, etc.	30	91,322,698	77,822,812
Stationery, printing, advertisement, etc.	31	120,401,969	92,685,612
Managing Director's salary and allowances	32	9,990,387	845,000
Directors' fees and other benefits	33	5,269,663	3,912,494
Auditors' fees	34	1,588,656	1,547,588
Charges on loan losses		30,332,050	9,647,081
Repairs, maintenance and depreciation	35	687,148,809	649,672,064
Other expenses	36	905,857,547	574,205,482
		<b>6,821,635,193</b>	<b>6,026,839,345</b>
<b>Total operating expenses</b>		<b>6,821,635,193</b>	<b>6,026,839,345</b>
<b>Profit before provision</b>		<b>8,989,409,961</b>	<b>10,397,679,229</b>
<b>Provision for loans and advances</b>			
Specific provision	15.2(a)	2,040,000,000	1,457,000,000
General provision (Including off-balance sheet items)	15.2(b)	-	1,046,000,000
Provision for good borrowers	15.2(d)	-	-
		<b>2,040,000,000</b>	<b>2,503,000,000</b>
Provisions for other classified assets	15.4	-	-
<b>Total provision</b>		<b>2,040,000,000</b>	<b>2,503,000,000</b>
<b>Total profit before taxes</b>		<b>6,949,409,961</b>	<b>7,894,679,229</b>
<b>Provision for taxation</b>			
Current tax	15.1	3,163,864,604	3,228,571,806
Deferred tax	10.1.3	(71,132,887)	(132,175,307)
		<b>3,092,731,717</b>	<b>3,096,396,499</b>
<b>Net profit after tax</b>		<b>3,856,678,244</b>	<b>4,798,282,730</b>
<b>Net profit after tax attributable to:</b>			
<b>Non-controlling interest</b>		<b>3,135</b>	<b>34,156</b>
<b>Equity holders of parent company</b>		<b>3,856,675,109</b>	<b>4,798,248,574</b>
<b>Net profit after taxation without non-controlling interests</b>		<b>3,856,675,109</b>	<b>4,798,248,574</b>
Retained earnings brought forward from previous year		<b>3,084,723,413</b>	<b>3,823,506,459</b>
		<b>6,941,398,522</b>	<b>8,621,755,033</b>

## Consolidated Profit and Loss Statement For the year ended December 31, 2018

	Notes	Amount in BDT	
		2018	2017
<b>Appropriations</b>			
Statutory reserve	17	(1,435,835,612)	(1,552,574,580)
Transferred from general reserve (overseas operation)		-	18,405,000
Adjustment for prior year (overseas operation)		-	(14,237,228)
Dividend paid by overseas subsidiaries		-	(37,868,992)
<b>Dividend</b>			
Bonus shares 12% for 2017 and 20% for 2016		(2,844,544,190)	(3,950,755,820)
		<b>(4,280,379,802)</b>	<b>(5,537,031,620)</b>
<b>Retained earnings carried forward</b>		<b>2,661,018,720</b>	<b>3,084,723,413</b>
<b>Earnings per share (EPS) restated</b>	39	<b>1.45</b>	<b>1.81</b>

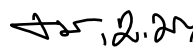
Accompanying notes 01 to 43 form an integral part of these financial statements.



Managing Director



Director



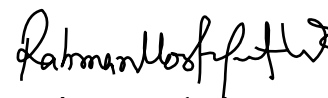
Director



Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka  
April 30, 2019



Rahman Mostafa Alam & Co.  
Chartered Accountants

## Consolidated Statement of Changes in Equity

For the year ended December 31, 2018

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Other Reserve	Retained Earnings	Total	Non-Controlling interest	Total Equity
Balance on January 01, 2018	23,704,534,940	12,944,994,585	38,683,490	563,904,806	3,084,723,413	40,336,841,234	116,217	40,336,957,451
Net profit for the year	-	-	-	-	3,856,675,109	3,856,675,109	3,135	3,856,678,244
Bonus shares for 2017 issued during the year	2,844,544,190	-	-	-	(2,844,544,190)	-	-	-
Cash dividend paid by overseas subsidiaries	-	-	-	-	-	-	-	-
Transferred to statutory reserve	-	1,435,835,612	-	-	(1,435,835,612)	-	-	-
Revaluation of Government treasury bills, bonds and other investment	-	-	-	338,219,184	-	338,219,184	-	338,219,184
Adjustment for prior year (overseas operation)	-	-	-	-	-	-	-	-
Transferred from general reserve (overseas oper.)	-	-	(9,214,712)	-	-	(9,214,712)	-	(9,214,712)
<b>Balance at December 31, 2018</b>	<b>26,549,079,130</b>	<b>14,380,830,197</b>	<b>29,468,778</b>	<b>902,123,990</b>	<b>2,661,018,720</b>	<b>44,522,520,815</b>	<b>119,352</b>	<b>44,522,640,167</b>
<b>Balance at December 31, 2017</b>	<b>23,704,534,940</b>	<b>12,944,994,585</b>	<b>38,683,490</b>	<b>563,904,806</b>	<b>3,084,723,413</b>	<b>40,336,841,234</b>	<b>116,217</b>	<b>40,336,957,451</b>


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




Managing Director



Director



Director



Chairman

## Consolidated Cash Flow Statement

### For the year ended December 31, 2018

	Note	Amount in BDT	
		2018	2017
<b>A) Cash flows from operating activities</b>			
Interest received		27,957,131,021	21,655,618,942
Interest paid		(19,868,682,961)	(15,348,261,622)
Income from Investment		5,221,959,629	7,190,676,779
Fees, commission, exchange and brokerage		1,590,896,866	1,819,572,790
Cash paid to employees		(3,841,134,993)	(3,879,638,832)
Cash paid to suppliers		(1,325,122,434)	(1,071,486,085)
Income taxes paid	15.1	(3,827,182,164)	(1,826,042,439)
Received from other operating activities		723,119,356	600,522,929
Paid for other operating activities		(905,851,204)	(574,205,122)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>5,725,133,116</b>	<b>8,566,757,340</b>
<b>Increase/(decrease) in operating assets and liabilities</b>			
Sale of trading securities		836,870,663	6,524,050,272
Purchase of trading securities		(985,746,553)	(6,556,128,256)
Loans and advances to other banks		-	-
Loans and advances to customers		(64,084,003,129)	(37,252,599,311)
Other assets		(1,804,278,176)	(58,903,350)
Deposits from other banks		8,341,242,337	(395,775,712)
Deposits from customers		33,743,123,206	32,277,901,330
Other liabilities		161,237,864	121,755,518
		<b>(23,791,553,788)</b>	<b>(5,339,699,509)</b>
<b>Net cash from/(used in) operating activities</b>		<b>(18,066,420,672)</b>	<b>3,227,057,831</b>
<b>B) Cash flows from investing activities</b>			
Proceeds from sale of Government and unquoted securities		13,076,696,385	529,982,115,084
Investment made during the year (Govt. and unquoted securities)		(9,092,476,155)	(529,978,104,773)
Purchase of property, plant and equipment		(237,714,390)	(209,061,471)
Sale proceeds of fixed assets		642,428,925	1,811,246
<b>Net cash from/(used in) investing activities</b>		<b>4,388,934,765</b>	<b>(203,239,914)</b>
<b>C) Cash flows from financing activities</b>			
Borrowings from other banks, financial institutions and agents		3,656,869,234	2,096,937,067
Issued / (Redemption) of sub-ordinated bonds		1,250,000,000	1,726,000,000
<b>Net cash from financing activities</b>		<b>4,906,869,234</b>	<b>3,822,937,067</b>
<b>D) Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>		<b>(8,770,616,673)</b>	<b>6,846,754,984</b>
<b>E) Effects of exchange rate changes on cash and cash equivalents</b>		<b>12,526,737</b>	<b>27,542,038</b>
		<b>(8,758,089,936)</b>	<b>6,874,297,022</b>
<b>F) Cash and cash equivalents at beginning of the year</b>		<b>34,364,818,203</b>	<b>27,490,521,181</b>
<b>G) Cash and cash equivalents at end of the year (D + E + F)</b>		<b>25,606,728,267</b>	<b>34,364,818,203</b>
<b>Cash and cash equivalents at end of the year</b>			
Cash in hand (including foreign currencies)		3,290,281,287	3,432,689,173
Balances with Bangladesh Bank and its agent bank (s)		17,409,978,916	19,339,323,185
Balances with other banks and financial institutions		4,806,844,364	7,986,190,345
Money at call and on short notice		91,300,000	3,601,300,000
Prize bonds		8,323,700	5,315,500
		<b>25,606,728,267</b>	<b>34,364,818,203</b>

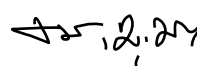
Accompanying notes 01 to 43 form an integral part of these financial statements.



Managing Director



Director



Director



Chairman

## Balance Sheet

As at December 31, 2018

	Notes	Amount in BDT	
		2018	2017
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>		<b>20,656,674,512</b>	<b>22,628,888,704</b>
In hand (including foreign currencies)	3	3,246,695,596	3,289,565,519
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4	17,409,978,916	19,339,323,185
<b>Balance with other banks and financial institutions</b>	5	<b>4,525,414,965</b>	<b>7,446,025,979</b>
In Bangladesh		3,775,745,848	6,944,956,722
Outside Bangladesh		749,669,117	501,069,257
<b>Money at call and on short notice</b>	6	<b>91,300,000</b>	<b>3,601,300,000</b>
<b>Investments</b>	7	<b>57,869,853,468</b>	<b>60,338,451,526</b>
Government		45,182,483,694	49,125,479,645
Others		12,687,369,774	11,212,971,881
<b>Loans and advances</b>	8	<b>314,507,263,171</b>	<b>248,467,148,359</b>
Loans, cash credits, overdrafts, etc.		306,861,227,874	241,718,727,352
Bills purchased and discounted		7,646,035,297	6,748,421,007
<b>Fixed assets including premises, furniture and fixtures</b>	9	<b>2,445,155,936</b>	<b>2,882,032,808</b>
<b>Other assets</b>	10	<b>6,795,921,380</b>	<b>5,061,162,581</b>
<b>Non-banking assets</b>	11	<b>335,820,241</b>	<b>335,820,241</b>
<b>Total assets</b>		<b>407,227,403,673</b>	<b>350,760,830,198</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	12	<b>8,869,136,774</b>	<b>5,212,267,540</b>
<b>Deposits and other accounts</b>	13	<b>315,206,033,967</b>	<b>272,771,315,415</b>
Current deposit and other accounts		25,004,329,794	23,883,154,407
Bills payable		3,557,774,516	3,563,740,137
Savings bank deposits		47,036,369,863	44,672,378,291
Fixed deposits		140,200,871,603	123,752,106,294
Term deposit		99,406,688,191	76,899,936,286
<b>Subordinated bonds</b>	14	<b>4,000,000,000</b>	<b>2,750,000,000</b>
<b>Other liabilities</b>	15	<b>34,342,879,865</b>	<b>29,656,424,305</b>
<b>Total liabilities</b>		<b>362,418,050,606</b>	<b>310,390,007,260</b>
<b>Shareholders' equity</b>			
<b>Total shareholders' equity</b>		<b>44,809,353,067</b>	<b>40,370,822,938</b>
Paid-up capital	16.2	26,549,079,130	23,704,534,940
Statutory reserve	17	14,380,830,197	12,944,994,585
Other reserve	19	902,123,990	563,904,806
Retained earnings	20	2,977,319,750	3,157,388,607
<b>Total liabilities and shareholders' equity</b>		<b>407,227,403,673</b>	<b>350,760,830,198</b>

## Balance Sheet

As at December 31, 2018

	Notes	Amount in BDT	
		2018	2017
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>			
		<b>51,869,443,826</b>	<b>56,558,702,285</b>
Acceptances and endorsements	21	18,547,717,728	20,940,105,122
Letters of guarantee		9,369,024,272	10,893,558,984
Irrevocable letters of credit		17,745,352,737	18,987,834,721
Bills for collection		6,207,349,089	5,737,203,458
Other contingent liabilities		-	-
		<b>967,382,900</b>	<b>82,870,600</b>
<b>Other commitments</b>			
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		967,382,900	82,870,600
Other exchange contracts		-	-
<b>Total off-balance sheet items including contingent liabilities</b>		<b>52,836,826,726</b>	<b>56,641,572,885</b>

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

  
Managing Director

  
Director

  
Director

  
Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka  
April 30, 2019

  
Rahman Mostafa Alam & Co.  
Chartered Accountants



## Profit and Loss Statement

For the year ended December 31, 2018

	Notes	Amount in BDT	
		2018	2017
Interest income	22	28,150,076,525	22,546,172,578
<b>Less:</b> Interest paid on deposits and borrowings, etc.	23	21,051,421,721	16,107,005,511
<b>Net interest income</b>		<b>7,098,654,804</b>	<b>6,439,167,067</b>
Investment income	24	6,074,561,857	7,469,850,778
Commission, exchange and brokerage	25	1,379,704,687	1,543,832,515
Other operating income	26	1,164,626,685	592,730,768
		<b>8,618,893,229</b>	<b>9,606,414,061</b>
<b>Total operating income</b>		<b>15,717,548,033</b>	<b>16,045,581,128</b>
Salaries and allowances	27	3,952,728,827	3,771,415,051
Rent, taxes, insurance, electricity, etc.	28	818,779,512	681,283,233
Legal expenses	29	50,207,993	19,348,996
Postage, stamp, telecommunication, etc.	30	86,440,317	73,006,561
Stationery, printing, advertisement, etc.	31	117,449,940	89,797,472
Managing Director's salary and allowances	32	9,990,387	845,000
Directors' fees and other benefits	33	3,205,073	3,824,294
Auditors' fees	34	575,000	500,000
Charges on loan losses		30,332,050	9,647,081
Repairs, maintenance and depreciation	35	664,179,793	631,587,587
Other expenses	36	764,481,083	498,452,951
<b>Total operating expenses</b>		<b>6,498,369,975</b>	<b>5,779,708,226</b>
<b>Profit before provision</b>		<b>9,219,178,058</b>	<b>10,265,872,902</b>
<b>Provision for loans and advances</b>			
Specific provision	15.2(a)	2,040,000,000	1,457,000,000
General provision (including off-balance sheet items)	15.2(b)	-	1,046,000,000
Provision for good borrowers	15.2(d)	-	-
		<b>2,040,000,000</b>	<b>2,503,000,000</b>
Provision for other classified assets	15.4	-	-
<b>Total provision</b>		<b>2,040,000,000</b>	<b>2,503,000,000</b>
<b>Total profit before tax</b>		<b>7,179,178,058</b>	<b>7,762,872,902</b>
<b>Provision for taxation</b>			
Current tax	15.1	3,150,000,000	3,199,036,225
Deferred tax	10.1.3	(71,132,887)	(132,175,307)
		<b>3,078,867,113</b>	<b>3,066,860,918</b>
<b>Net profit after tax</b>		<b>4,100,310,945</b>	<b>4,696,011,984</b>
Retained earnings brought forward from previous year		3,157,388,607	3,964,707,023
		<b>7,257,699,552</b>	<b>8,660,719,007</b>
<b>Appropriations</b>			
Statutory reserve	17	(1,435,835,612)	(1,552,574,580)
<b>Dividend</b>			
Bonus shares 12% for 2017 and 20% for 2016		(2,844,544,190)	(3,950,755,820)
		<b>(4,280,379,802)</b>	<b>(5,503,330,400)</b>
<b>Retained earnings carried forward</b>		<b>2,977,319,750</b>	<b>3,157,388,607</b>
<b>Earnings per share (EPS) restated</b>	39	<b>1.54</b>	<b>1.77</b>

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



Managing Director



Director



Director



Chairman

Signed in terms of our separate report of even date.



Rahman Mostafa Alam & Co.  
Chartered Accountants

Dated: Dhaka  
April 30, 2019


## Statement of Changes in Equity For the year ended December 31, 2018

Particulars	Amount in BDT						Total
	Paid-up Capital	Statutory Reserve	Other Reserve	Retained Earnings			
Balance at on January 01, 2018	23,704,534,940	12,944,994,585	563,904,806	3,157,388,607			40,370,822,938
Net profit for the year	-	-	-	4,100,310,945			4,100,310,945
Bonus shares for 2017 issued during the year	2,844,544,190	-	-	(2,844,544,190)			-
Transferred to statutory reserve	-	1,435,835,612	-	(1,435,835,612)			-
Revaluation of Govt. Treasury bills, bonds and other investment	-	-	338,219,184	-			338,219,184
<b>Balance at December 31, 2018</b>	<b>26,549,079,130</b>	<b>14,380,830,197</b>	<b>902,123,990</b>	<b>2,977,319,750</b>			<b>44,809,353,067</b>
<b>Balance at December 31, 2017</b>	<b>23,704,534,940</b>	<b>12,944,994,585</b>	<b>563,904,806</b>	<b>3,157,388,607</b>			<b>40,370,822,938</b>

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

  
Managing Director

  
Director

  
Director

  
Chairman

## Cash Flow Statement

For the year ended December 31, 2018

	Notes	Amount in BDT	
		2018	2017
<b>A) Cash flows from operating activities</b>			
Interest received		28,147,540,089	21,684,718,040
Interest paid		(19,868,682,961)	(15,348,797,951)
Income from investment		5,193,918,707	7,167,596,208
Fees, commission, exchange and brokerage		1,379,704,687	1,543,832,515
Cash paid to employees		(3,730,924,287)	(3,776,084,345)
Cash paid to suppliers		(1,254,463,042)	(1,003,154,356)
Income taxes paid	15.1	(3,827,182,164)	(1,826,042,439)
Received from other operating activities		713,597,266	591,502,023
Paid for other operating activities		(764,474,740)	(498,452,591)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>5,989,033,555</b>	<b>8,535,117,104</b>
<b>Increase/(decrease) in operating assets and liabilities</b>			
Sale of trading securities-quoted shares		425,346,664	5,167,677,861
Purchase of trading securities-quoted shares		(813,615,638)	(4,801,850,190)
Loans and advances to other banks		-	-
Loans and advances to customers		(64,366,956,953)	(37,303,062,410)
Other assets	37	(1,661,010,940)	(331,788,822)
Deposits from other banks		8,341,242,337	(395,775,712)
Deposits from customers		34,093,476,215	31,837,214,265
Other liabilities	38	283,746,118	93,053,821
		<b>(23,697,772,197)</b>	<b>(5,734,531,187)</b>
<b>Net cash from/(used in) operating activities</b>		<b>(17,708,738,642)</b>	<b>2,800,585,917</b>
<b>B) Cash flows from investing activities</b>			
Proceeds from sale of Government and unquoted securities		13,076,696,385	529,982,115,084
Investment made during the year (Govt. and un-quoted securities)		(9,092,476,155)	(529,978,104,773)
Purchase of property, plant and equipment		(237,123,490)	(208,778,021)
Sale proceeds of fixed assets		642,428,925	1,811,246
<b>Net cash from/(used in) investing activities</b>		<b>4,389,525,665</b>	<b>(202,956,464)</b>
<b>C) Cash flows from financing activities</b>			
Borrowings from other banks, financial institutions and agents		3,656,869,234	2,151,924,954
Proceed from issue of sub-ordinated bond		1,250,000,000	1,726,000,000
<b>Net cash from financing activities</b>		<b>4,906,869,234</b>	<b>3,877,924,954</b>
<b>D) Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>		<b>(8,412,343,743)</b>	<b>6,475,554,407</b>
<b>E) Effects of exchange rate changes on cash and cash equivalents</b>		<b>12,526,737</b>	<b>27,542,038</b>
		<b>(8,399,817,006)</b>	<b>6,503,096,445</b>
<b>F) Cash and cash equivalents at beginning of the year</b>		<b>33,681,530,183</b>	<b>27,178,433,738</b>
<b>G) Cash and cash equivalents at end of the year (D + E + F)</b>		<b>25,281,713,177</b>	<b>33,681,530,183</b>
<b>Cash and cash equivalents at end of the year</b>			
Cash in hand (including foreign currencies)		3,246,695,596	3,289,565,519
Balances with Bangladesh Bank and its agent bank (s)		17,409,978,916	19,339,323,185
Balances with other banks and financial institutions		4,525,414,965	7,446,025,979
Money at call and on short notice		91,300,000	3,601,300,000
Prize bonds		8,323,700	5,315,500
		<b>25,281,713,177</b>	<b>33,681,530,183</b>

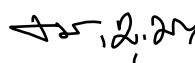
Accompanying notes 01 to 43 form an integral part of these financial statements.



Managing Director



Director



Director



Chairman

## Liquidity Statement (Analysis of Maturity of Assets and Liabilities)

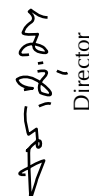
As at December 31, 2018

Particulars	Amount in BDT						Total
	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	Above 5-years term		
<b>Assets</b>							
Cash in hand	3,246,695,596	-	-	-	-	-	3,246,695,596
Balance with Bangladesh Bank and its agent bank	17,409,978,916	-	-	-	-	-	17,409,978,916
Balances with other banks and financial institutions	2,990,926,645	188,313,265	1,280,000,000	66,175,055	-	-	4,525,414,965
Money at call and short notice	91,300,000	-	-	-	-	-	91,300,000
Investments	118,637,710	2,616,952,679	1,367,143,463	22,381,055,935	31,386,063,681	-	57,869,853,468
Loans and advances	31,450,726,317	22,015,508,422	75,481,743,161	94,944,586,416	90,614,698,855	-	314,507,263,171
Fixed assets including premises, furniture and fixtures	12,666,016	25,332,031	114,291,573	504,616,953	1,788,249,363	-	2,445,155,936
Other assets	1,096,569,417	1,579,011,627	1,888,003,510	2,232,336,826	-	-	6,795,921,380
Non-banking assets	-	-	-	335,820,241	-	-	335,820,241
<b>Total assets</b>	<b>56,417,500,617</b>	<b>26,425,118,024</b>	<b>80,131,181,707</b>	<b>120,464,591,426</b>	<b>123,789,011,899</b>	<b>407,227,403,673</b>	
<b>Liabilities</b>							
Borrowings from other banks, financial institutions and agents	4,584,387,975	1,682,647,552	2,602,101,247	-	-	-	8,869,136,774
Deposits and other accounts	43,950,529,907	44,666,140,329	100,485,263,349	96,041,585,276	30,062,515,106	-	315,206,033,967
Subordinated bond	-	-	-	2,400,000,000	1,600,000,000	-	4,000,000,000
Other liabilities	756,285,315	2,715,851,134	10,305,960,008	20,564,783,408	-	-	34,342,879,865
<b>Total liabilities</b>	<b>49,291,203,197</b>	<b>49,064,639,015</b>	<b>113,393,324,605</b>	<b>119,006,368,684</b>	<b>31,662,515,106</b>	<b>362,418,050,606</b>	
<b>Net liquidity gap</b>	<b>7,126,297,420</b>	<b>(22,639,520,990)</b>	<b>(33,262,142,898)</b>	<b>1,458,222,742</b>	<b>92,126,496,793</b>	<b>44,809,353,067</b>	

\*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

  
Chairman

## Notes to the financial statements

For the year ended December 31, 2018

### 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 three (203) branches including sixteen (16) SME/Agri-branches throughout the country. 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 gives 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 has 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.

## Notes to the financial statements

For the year ended December 31, 2018

### **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, Heneveiru, 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 December 31, 2018 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 Bangladesh Financial Reporting Interpretations (BFRI) 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, comprehensive income statement, changes in equity, cash flows statement, 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.

## Notes to the financial statements

For the year ended December 31, 2018

**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 December 31, 2018, 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. 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 profit and loss account 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.

## Notes to the financial statements

For the year ended December 31, 2018

- 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 December 31, 2018 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 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 December 31, 2018.

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



## Notes to the financial statements

For the year ended December 31, 2018

### 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 Lease finance

To comply with IAS-17: 'Leases', the books of account for leasing operation has been prepared under finance method of accounting since assets leased to customers under agreements transfer substantially all the risks and rewards associated with ownership, other than legal title, to the customers and all leases are full payout leases.

In accordance with the said standard, the aggregate lease receivables are recorded as gross lease receivables while the excess of gross lease receivables over the total acquisition cost including interest during the period of acquiring the lease equipment constitutes the unearned lease income.

At the execution of each lease, a portion of the unearned lease is recognised as revenue income in the period in which it is matured. The balance of the unearned lease income is amortised to revenue on a monthly basis over the primary lease term yielding a constant rate of return over the period.

#### 2.6.3 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 statement 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 :

<u>Items</u>	<u>Applicable accounting value</u>
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
BHBFC-debenture	Face value
Investments in shares	Book value
Foreign investment in share and FDR	At rolling exchange rate on Balance Sheet date

## Notes to the financial statements

For the year ended December 31, 2018

### 2.6.4 Fixed assets and depreciation

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 :

<u>Category of fixed assets</u>	<u>Rate of depreciation</u>
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 statement as per provision of IAS 16 "Property, Plant and Equipment".

### 2.6.5 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.

### 2.6.6 Other assets

Other assets include all other financial assets, fees and other unrealised 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 recognised 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 recognised Provident Fund, Rules as per section 2(52) of Income Tax Ordinance 1984. The Provident Fund was recognised 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.'

## Notes to the financial statements

For the year ended December 31, 2018

### 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 recognised 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, and BRPD Circular No. 15 dated 27 September 2017, BRPD circular No.01 dated 20 February 2018. 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%	50%	50%	100%
	Other than house building and professional to setup business	5%	5%	20%	50%	100%
	Small and medium enterprise	0.25%	0.25%	20%	50%	100%
	BHs/MBs/ SDs against shares	2%	2%	20%	50%	100%
	Short term agri-credit	1%	1%	5%	5%	100%
	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 2018 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.

### 2.8 Off-balance sheet items

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

## Notes to the financial statements

For the year ended December 31, 2018

### 2.9 Revenue recognition

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

#### 2.9.1 Interest income

The interest receivable is recognised 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 recognised on realisation and accrual basis where applicable.

#### 2.9.3 Fees and commission income

Fees and commission income arise on services provided by the Bank are recognised 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 recognised during the period in which they are actually received. Stock dividend is recognised 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 recognised on accrual basis.

#### 2.9.6 Management and other expenses

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

### 2.10 Shareholders' equity

#### Authorised capital

Authorised 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.

## Notes to the financial statements

For the year ended December 31, 2018

### 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.

#### 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 December 31, 2018.

## Notes to the financial statements

For the year ended December 31, 2018

### 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 of which BDT 275 crore issued in 1st tranche and BDT 125 crore have been issued in 2nd tranche. This is eligible for Tier-II capital as per Basel III Guidelines of Bangladesh Bank. Details of terms conditions are as follows:

Issue size	: BDT 400 crore
1st 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

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

## Notes to the financial statements

For the year ended December 31, 2018

	Amount in BDT			
	Group		Bank	
	2018	2017	2018	2017
<b>3. Cash</b>				
<b>3.1 In hand (including foreign currencies)</b>				
Local currency	3,176,862,317	3,238,482,309	3,176,779,882	3,238,445,755
Foreign currencies	113,418,970	194,206,864	69,915,714	51,119,764
	<b>3,290,281,287</b>	<b>3,432,689,173</b>	<b>3,246,695,596</b>	<b>3,289,565,519</b>
<b>4. Balance with Bangladesh Bank and its agent bank (including foreign currencies)</b>				
<b>Balance with Bangladesh Bank</b>				
Local currency	15,557,644,864	18,474,656,534	15,557,644,864	18,474,656,534
Foreign currencies	722,153,139	66,413,268	722,153,139	66,413,268
	16,279,798,003	18,541,069,802	16,279,798,003	18,541,069,802
<b>Balance with agent bank (Sonali Bank Ltd.)</b>	1,130,180,913	798,253,383	1,130,180,913	798,253,383
	<b>17,409,978,916</b>	<b>19,339,323,185</b>	<b>17,409,978,916</b>	<b>19,339,323,185</b>

An amount of BDT 4,000,000 has been marked as lien with Bangladesh Bank upto 30 June 2019 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 and MPD circular No. 02 dated December 10, 2013 issued by Bangladesh Bank.

The Cash Reserve Requirement on the Bank's time and demand liabilities @ 5.50% 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)	2018	2017	2018	2017
Required reserve (5.50% on average time and demand liabilities 6.50% in 2017)	16,028,544,231	16,910,745,605	16,028,544,231	16,910,745,605
Actual reserve maintained	16,199,250,207	17,178,337,490	16,199,250,207	17,178,337,490
<b>Surplus</b>	<b>170,705,976</b>	<b>267,591,885</b>	<b>170,705,976</b>	<b>267,591,885</b>

#### 4.1.2 Statutory Liquidity Ratio (SLR)

Average time and demand liabilities (excluding inter-bank deposits)	2018	2017	2018	2017
Required reserve (13% on average time and demand liabilities)	37,885,650,000	33,821,491,210	37,885,650,000	33,821,491,210
Actual reserve maintained (excluding CRR)	49,559,360,509	54,719,226,432	49,559,360,509	54,719,226,432
<b>Surplus</b>	<b>11,673,710,509</b>	<b>20,897,735,223</b>	<b>11,673,710,509</b>	<b>20,897,735,223</b>

#### 4.1.3 Composition of SLR maintained\*

Cash in hand	3,246,695,596	3,289,565,519	3,246,695,596	3,289,565,519
Balance with agent bank (Sonali Bank Ltd.)	1,130,180,913	798,253,383	1,130,180,913	798,253,383
Unencumbered approved securities (HTM, HFT and reverse REPO)	45,182,484,000	50,631,407,530	45,182,484,000	50,631,407,530
	<b>49,559,360,509</b>	<b>54,719,226,432</b>	<b>49,559,360,509</b>	<b>54,719,226,432</b>

\* As per statement submitted to Bangladesh Bank

## Notes to the financial statements

For the year ended December 31, 2018

	Amount in BDT			
	Group		Bank	
	2018	2017	2018	2017
<b>5. Balance with other banks and financial institutions</b>				
In Bangladesh - in local currencies (note 5.1)	3,879,714,515	7,263,894,546	3,775,745,848	6,944,956,722
Outside Bangladesh (note 5.2) (Annex - B)	927,129,849	722,295,799	749,669,117	501,069,257
	<b>4,806,844,364</b>	<b>7,986,190,345</b>	<b>4,525,414,965</b>	<b>7,446,025,979</b>
<b>5.1 Inside Bangladesh</b>				
<b>5.1.1 Current accounts</b>				
Agrani Bank Ltd.	72,920,587	55,623,556	72,920,587	55,623,556
Janata Bank Ltd.	90,632,617	141,888,764	90,632,617	141,888,764
Rupali Bank Ltd.	49,529	62,967	49,529	62,967
Standard Chartered Bank	3,340,846	6,139,502	3,340,846	6,139,502
Sonali Bank Ltd.	74,313,949	20,558,781	74,313,949	20,558,781
	<b>241,257,528</b>	<b>224,273,570</b>	<b>241,257,528</b>	<b>224,273,570</b>
<b>5.1.2 Short-notice deposit accounts</b>				
Eastern Bank Ltd.	156,488	156,381	156,488	156,381
Janata Bank Ltd.	611,847	594,105	611,847	594,105
National Credit and Commercial Bank Ltd.	104,630	103,746	104,630	103,746
First Security Islami Bank Ltd.	83,504	81,778	83,504	81,778
Dhaka Bank Ltd.	196,333	191,138	196,333	191,138
Standard Chartered Bank	1,005,564	1,007,064	1,005,564	1,007,064
Trust Bank Ltd.	36,154,899	22,348,425	36,154,899	22,348,425
	<b>38,313,265</b>	<b>24,482,637</b>	<b>38,313,265</b>	<b>24,482,637</b>
<b>5.1.3 Fixed deposit accounts (in local currency)</b>				
ICB Islamic Bank Ltd.	66,175,055	66,200,515	66,175,055	66,200,515
NRB Global 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
	<b>2,846,175,055</b>	<b>2,846,200,515</b>	<b>2,846,175,055</b>	<b>2,846,200,515</b>
Other financial institutions	650,000,000	3,850,000,000	650,000,000	3,850,000,000
	<b>3,775,745,848</b>	<b>6,944,956,722</b>	<b>3,775,745,848</b>	<b>6,944,956,722</b>
Bank balance of subsidiaries	103,968,667	318,937,824	-	-
	<b>3,879,714,515</b>	<b>7,263,894,546</b>	<b>3,775,745,848</b>	<b>6,944,956,722</b>
<b>5.2 Outside Bangladesh</b>				
<b>5.2.1 Fixed deposits accounts (interest bearing) :</b>				
JP Morgan Chase Bank, Singapore	45,222,100	44,575,300	45,222,100	44,575,300
Eastern Bank Ltd, OBU	83,900,000	-	83,900,000	-
Mercantile Bank Ltd, OBU	-	82,700,000	-	82,700,000
	<b>129,122,100</b>	<b>127,275,300</b>	<b>129,122,100</b>	<b>127,275,300</b>
<b>In demand deposit accounts (non-interest bearing):</b>				
Standard Chartered Bank, Mumbai	84,909,107	6,515,040	84,909,107	6,515,040
Standard Chartered Bank, Frankfurt	1,790,891	1,348,606	1,790,891	1,348,606
Mashreq Bank, New York	32,980,217	30,957,597	32,980,217	30,957,597
JP Morgan Chase Bank, New York	18,680,724	169,455,524	18,680,724	169,455,524
Standard Chartered Bank, New York	72,583,151	20,477,719	72,583,151	20,477,719
Sonali Bank Ltd, Kolkata	36,457,468	18,170,672	36,457,468	18,170,672
Sonali Bank Ltd, London	-	3,476,707	-	3,476,707
Mashreq Bank, Mumbai	36,709,089	17,991,572	36,709,089	17,991,572
State Bank of India, Kolkata	513,642	506,295	513,642	506,295
United Bank, Karachi	2,618,975	2,581,516	2,618,975	2,581,516
NABIL Bank, Nepal	17,761,913	9,076,604	17,761,913	9,076,604
Standard Chartered Bank, Colombo	4,809,652	762,917	4,809,652	762,917
Myanmar Foreign Trade, Myanmar	11,566	11,400	11,566	11,400
AB Bank Ltd, Mumbai	99,262,230	11,653,646	99,262,230	11,653,646
Bank of Bhutan, Thimpu	24,299,548	888,176	24,299,548	888,176



## Notes to the financial statements

For the year ended December 31, 2018

	Amount in BDT			
	Group		Bank	
	2018	2017	2018	2017
ICICI Bank Ltd. Mumbai	3,209,869	3,163,959	3,209,869	3,163,959
HDFC Bank Ltd. India	43,063,214	10,701,224	43,063,214	10,701,224
Meezan Bank, Karchi	2,842,223	-	2,842,223	-
Commerz Bank, Frankfurt	744,795	3,763,342	744,795	3,763,342
Uni Credito Italino SPA, Italy	-	44,319	-	44,319
Alpha Bank AE, Athens	19,115,102	19,801,269	19,115,102	19,801,269
BOT, Tokyo	73,160	68,879	73,160	68,879
Union Bank of Switzerland, Switzerland	558,957	373,010	558,957	373,010
Habib Bank AG, Zurich	194,068	190,382	194,068	190,382
Habib American Bank, New York	66,444,461	17,322,904	66,444,461	17,322,904
Standard Chartered Bank, Singapore	110,703	973,182	110,703	973,182
Citibank N.A, New York	50,802,292	23,517,496	50,802,292	23,517,496
	<b>620,547,017</b>	<b>373,793,957</b>	<b>620,547,017</b>	<b>373,793,957</b>
Bank Balance of subsidiaries	177,460,732	221,226,542	-	-
	<b>798,007,749</b>	<b>595,020,499</b>	<b>620,547,017</b>	<b>373,793,957</b>
<b>Details are shown in Annex B.</b>	<b>927,129,849</b>	<b>722,295,799</b>	<b>749,669,117</b>	<b>501,069,257</b>

### 5.3 Maturity grouping of balance with other banks and financial institutions

On demand	1,143,233,944	1,138,231,893	861,804,545	598,067,527
Up to 1 month	2,129,122,100	2,382,700,000	2,129,122,100	2,382,700,000
More than 1 month but not more than 3 months	188,313,265	3,074,482,637	188,313,265	3,074,482,637
More than 3 months but not more than 1 year	1,280,000,000	1,324,575,300	1,280,000,000	1,324,575,300
More than 1 year but not more than 5 years	66,175,055	66,200,515	66,175,055	66,200,515
More than 5 years	-	-	-	-
	<b>4,806,844,364</b>	<b>7,986,190,345</b>	<b>4,525,414,965</b>	<b>7,446,025,979</b>

### 6. Money at call and on short notice

#### Call money

With banking companies (note 6.1)	91,300,000	3,601,300,000	91,300,000	3,601,300,000
With non-banking financial institutions	-	-	-	-
	<b>91,300,000</b>	<b>3,601,300,000</b>	<b>91,300,000</b>	<b>3,601,300,000</b>

#### 6.1 Call Money - with banking companies

ICB Islamic Bank Ltd.	91,300,000	91,300,000	91,300,000	91,300,000
Pubali Bank Ltd.	-	610,000,000	-	610,000,000
National Credit & Commerce Bank Ltd.	-	200,000,000	-	200,000,000
BRAC Bank Ltd.	-	1,200,000,000	-	1,200,000,000
	<b>91,300,000</b>	<b>2,101,300,000</b>	<b>91,300,000</b>	<b>2,101,300,000</b>

With Financial Institutions	-	1,500,000,000	-	1,500,000,000
	<b>91,300,000</b>	<b>3,601,300,000</b>	<b>91,300,000</b>	<b>3,601,300,000</b>

### 7. Investments

Government (note 7.1)	45,182,483,694	49,125,479,645	45,182,483,694	49,125,479,645
Others (note 7.2)	9,453,489,089	8,300,002,998	12,687,369,774	11,212,971,881
	<b>54,635,972,783</b>	<b>57,425,482,643</b>	<b>57,869,853,468</b>	<b>60,338,451,526</b>

#### 7.1 Government

Treasury bonds (note 7.1.1)	45,174,159,994	49,120,164,145	45,174,159,994	49,120,164,145
Prize bonds	8,323,700	5,315,500	8,323,700	5,315,500
	<b>45,182,483,694</b>	<b>49,125,479,645</b>	<b>45,182,483,694</b>	<b>49,125,479,645</b>

#### 7.1.1 Treasury bonds

2 years Bangladesh Government treasury bonds	-	600,176,400	-	600,176,400
5 years Bangladesh Government treasury bonds	367,517,083	3,895,438,278	367,517,083	3,895,438,278
10 years Bangladesh Government treasury bonds	22,149,068,037	26,667,371,284	22,149,068,037	26,667,371,284
15 years Bangladesh Government treasury bonds	10,203,513,041	10,133,389,281	10,203,513,041	10,133,389,281
20 years Bangladesh Government treasury bonds	12,454,061,833	7,823,788,902	12,454,061,833	7,823,788,902
	<b>45,174,159,994</b>	<b>49,120,164,145</b>	<b>45,174,159,994</b>	<b>49,120,164,145</b>

## Notes to the financial statements

For the year ended December 31, 2018

	Amount in BDT			
	Group		Bank	
	2018	2017	2018	2017
<b>7.2 Others</b>				
Share (quoted and unquoted) (note 7.2.1)	7,999,294,089	7,895,867,998	11,233,174,774	10,808,836,881
Subordinated bond	1,450,000,000	400,000,000	1,450,000,000	400,000,000
Fixed capital investment in Myanmar (note 7.2.2)	4,195,000	4,135,000	4,195,000	4,135,000
	<b>9,453,489,089</b>	<b>8,300,002,998</b>	<b>12,687,369,774</b>	<b>11,212,971,881</b>
<b>7.2.1 In ordinary shares (quoted and unquoted)</b>				
<b>Quoted</b>				
Banking Companies	5,277,612,616	5,136,994,434	5,277,612,616	5,136,994,434
Non-Bank Financial Institutions	562,218,383	355,200,882	562,218,383	355,200,882
Insurance companies	124,165,598	115,437,485	124,165,598	115,437,485
Fuel & Power	251,534,197	327,059,835	251,534,197	327,059,835
Mutual Fund	38,731,654	39,726,692	38,731,654	39,726,692
Telecommunication companies	1,438,301	16,218,412	1,438,301	16,218,412
Textiles	23,636,583	12,942,297	23,636,583	12,942,297
Cement Industry	16,074,372	9,537,862	16,074,372	9,537,862
Engineering Companies	66,761,894	22,916,223	66,761,894	22,916,223
Paper & Printing	2,896,516	3,458,080	2,896,516	3,458,080
Pharmaceuticals & Chemicals	135,953,578	39,139,611	135,953,578	39,139,611
Travel & Leisure	39,747,599	39,747,599	39,747,599	39,747,599
Information Technology	21,524,469	27,711,617	21,524,469	27,711,617
Tannery Industry	24,132,893	14,652,786	24,132,893	14,652,786
Miscellaneous	32,411,947	32,361,527	32,411,947	32,361,527
	<b>6,618,840,600</b>	<b>6,193,105,342</b>	<b>6,618,840,600</b>	<b>6,193,105,342</b>
Investment made by subsidiary	662,778,854	857,536,718	-	-
	<b>7,281,619,454</b>	<b>7,050,642,060</b>	<b>6,618,840,600</b>	<b>6,193,105,342</b>
<b>Un-quoted</b>				
Karma Sangsthan Bank Ltd.	90,000,000	90,000,000	90,000,000	90,000,000
Gulf Overseas Exchange LLC, Oman	27,176,250	26,864,600	27,176,250	26,864,600
Central Depository (Bangladesh) Ltd.	6,277,770	6,277,770	6,277,770	6,277,770
Industrial & Infrastructure Development Fin. Co. Ltd.	33,483,820	33,483,820	33,483,820	33,483,820
Society for Worldwide Inter Bank Financial Telecommunication (SWIFT)	5,822,846	7,435,799	5,822,846	7,435,799
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	-	-	20,095,800	20,304,400
NBL Money Transfer Pte. Ltd.	-	-	18,332,130	18,516,300
NBL Money Transfer (Maldives) PVT. Ltd.	-	-	16,780,000	16,540,000
NBL Money Transfer Inc., USA	-	-	80,544,000	79,392,000
NBL Money Trans. Payment Foundation SA Greece	-	-	34,852,609	35,947,901
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	650,000,000	-	-
MSF Asset Management	2,000,000	2,000,000	2,000,000	2,000,000
	<b>717,674,635</b>	<b>845,225,938</b>	<b>4,614,334,174</b>	<b>4,615,731,539</b>
	<b>7,999,294,089</b>	<b>7,895,867,998</b>	<b>11,233,174,774</b>	<b>10,808,836,881</b>
Market value of the investments in quoted shares			<b>5,172,973,677</b>	<b>6,207,037,298</b>

### 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.

## Notes to the financial statements

For the year ended December 31, 2018

	Amount in BDT			
	Group		Bank	
	2018	2017	2018	2017
<b>7.3 Maturity wise grouping on investments</b>				
On demand	-	-	-	-
Up to 1 month	118,637,710	108,533,922	118,637,710	108,533,922
Over 1 month but not more than 3 months	2,616,952,679	714,605,760	2,616,952,679	714,605,760
Over 3 months but not more than 1 year	1,367,143,463	4,652,955,578	1,367,143,463	4,652,955,578
Over 1 year but not more than 5 years	22,381,055,935	22,162,793,778	22,381,055,935	22,162,793,778
Over 5 years	28,152,182,996	29,786,593,605	31,386,063,681	32,699,562,488
	<b>54,635,972,783</b>	<b>57,425,482,643</b>	<b>57,869,853,468</b>	<b>60,338,451,526</b>
<b>8. Loans and advances</b>				
Loans, cash credits, overdrafts, etc (note 8.1)	309,746,999,284	244,773,548,842	306,861,227,874	241,718,727,352
Bills purchased and discounted (note 8.2)	7,646,035,297	6,748,421,007	7,646,035,297	6,748,421,007
	<b>317,393,034,581</b>	<b>251,521,969,849</b>	<b>314,507,263,171</b>	<b>248,467,148,359</b>
<b>8.1 Loans, cash credits, overdrafts, etc In Bangladesh</b>				
Secured overdrafts	6,921,239,432	5,637,632,781	6,921,239,432	5,637,632,781
Cash credit	60,579,985,928	56,974,636,224	60,579,985,928	56,974,636,224
Over draft	91,933,497,194	54,278,182,904	91,933,497,194	54,278,182,904
Loans (general)	117,561,960,979	94,951,485,118	119,868,062,637	97,164,647,189
House building loans	15,376,663,289	14,432,736,207	15,376,663,289	14,432,736,207
Lease finance	140,862,665	161,813,980	140,862,665	161,813,980
Loan against trust receipts	4,690,864,193	5,467,587,305	4,690,864,193	5,467,587,305
Payment against documents	335,363,582	901,735,247	335,363,582	901,735,247
Credit card	1,382,833,867	1,287,012,872	1,382,833,867	1,287,012,872
Margin loan	5,191,873,068	5,267,983,561	-	-
other loans and advances	5,631,855,087	5,412,742,643	5,631,855,087	5,412,742,643
	<b>309,746,999,284</b>	<b>244,773,548,842</b>	<b>306,861,227,874</b>	<b>241,718,727,352</b>
<b>Outside Bangladesh</b>	-	-	-	-
	<b>309,746,999,284</b>	<b>244,773,548,842</b>	<b>306,861,227,874</b>	<b>241,718,727,352</b>
<b>8.2 Bills purchased and discounted In Bangladesh:</b>				
Local bills purchased and discounted	1,513,089,073	1,264,532,300	1,513,089,073	1,264,532,300
Foreign bills/documents purchased and discounted	6,132,946,224	5,483,888,707	6,132,946,224	5,483,888,707
	<b>7,646,035,297</b>	<b>6,748,421,007</b>	<b>7,646,035,297</b>	<b>6,748,421,007</b>
<b>Outside Bangladesh</b>	-	-	-	-
	<b>7,646,035,297</b>	<b>6,748,421,007</b>	<b>7,646,035,297</b>	<b>6,748,421,007</b>
	<b>317,393,034,581</b>	<b>251,521,969,849</b>	<b>314,507,263,171</b>	<b>248,467,148,359</b>
<b>8.3 Maturity wise grouping of loans and advances including bills purchased and discounted repayable</b>				
On demand	11,007,754,211	11,181,021,676	11,007,754,211	11,181,021,676
Up to 1 month	20,442,972,106	24,846,714,836	20,442,972,106	29,816,057,803
More than 1 month but not more than 3 months	22,015,508,422	42,239,415,221	22,015,508,422	3,478,540,077
More than 3 months but not more than 1 year	75,481,743,161	59,632,115,606	75,481,743,161	59,632,115,606
More than 1 year but not more than 5 years	94,944,586,416	75,008,158,479	94,944,586,416	75,008,158,479
More than 5 years	93,500,470,265	38,614,544,031	90,614,698,855	69,351,254,718
	<b>317,393,034,581</b>	<b>251,521,969,849</b>	<b>314,507,263,171</b>	<b>248,467,148,359</b>
<b>8.4 Loans and advances including bills purchased and discounted classified into In Bangladesh:</b>				
Loans	157,233,516,162	133,520,729,714	154,347,744,752	124,828,275,443
Cash credits	60,579,985,928	56,974,636,224	60,579,985,928	56,974,636,224
Overdrafts	91,933,497,194	54,278,182,904	91,933,497,194	54,278,182,904
Bills purchased and discounted	7,646,035,297	6,748,421,007	7,646,035,297	6,748,421,007
	<b>317,393,034,581</b>	<b>251,521,969,849</b>	<b>314,507,263,171</b>	<b>242,829,515,578</b>
<b>Outside Bangladesh</b>	-	-	-	-
	<b>317,393,034,581</b>	<b>251,521,969,849</b>	<b>314,507,263,171</b>	<b>242,829,515,578</b>

## Notes to the financial statements

For the year ended December 31, 2018

	Amount in BDT			
	Group		Bank	
	2018	2017	2018	2017
<b>8.5 Loans and advances on the basis of significant concentration</b>				
<b>8.5.1 Loans and advances to directors, executives and others</b>				
Advances to directors and their allied concerns	124,924,624	207,348,352	124,924,624	207,348,352
Advances to CEO, senior executives and other staffs	2,079,282,137	1,543,044,000	2,079,282,137	1,543,044,000
Advances to customers (groupwise)	124,825,291,154	79,144,393,162	124,825,291,154	79,144,393,162
Industrial advances	51,018,222,003	75,646,144,307	51,018,222,003	75,646,144,307
Other customers	139,345,314,663	94,981,040,028	136,459,543,253	91,926,218,538
	<b>317,393,034,581</b>	<b>251,521,969,849</b>	<b>314,507,263,171</b>	<b>248,467,148,359</b>
<b>8.5.2 Loans and advances allowed to each customer exceeding 10% of Bank's total capital</b>				
Total loans and advances (funded and non-funded)*			14,888,860,000	12,068,060,000
No. of customers			23	20
Classified amount thereon			-	-
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 511.44 crore being 10% of total capital of BDT 5,114.44 crore) as at December 31, 2018.				
<b>Details are shown in Annex C.</b>				
<b>8.5.3 Industry wise concentration of loans and advances (Including bills purchased and discounted)</b>				
Agriculture	3,964,241,256	3,494,220,959	3,964,241,256	3,494,220,959
Term loan to small cottage industries	4,774,588,800	3,463,132,295	4,774,588,800	3,463,132,295
Term loan to large and medium industries	78,154,264,424	71,897,493,766	78,154,264,424	71,897,493,766
Working capital to industries	71,155,000,988	39,506,513,429	71,155,000,988	39,506,513,429
Export credit	8,905,314,277	8,343,174,949	8,905,314,277	8,343,174,949
Trade finance	76,196,182,444	49,420,306,068	76,196,182,444	49,420,306,068
Consumer credit	1,955,164,326	1,500,348,563	1,955,164,326	1,500,348,563
Credit cards	1,382,833,866	1,287,012,872	1,382,833,866	1,287,012,872
Others	70,905,444,200	72,609,766,948	68,019,672,790	69,554,945,458
	<b>317,393,034,581</b>	<b>251,521,969,849</b>	<b>314,507,263,171</b>	<b>248,467,148,359</b>
<b>8.5.4 Geographical location-wise grouping</b>				
<b>In Bangladesh</b>				
Dhaka Division	197,110,229,214	150,533,282,699	194,224,457,804	147,478,461,209
Chattagram Division	90,162,304,297	72,421,088,240	90,162,304,297	72,421,088,240
Khulna Division	6,148,108,195	5,779,190,449	6,148,108,195	5,779,190,449
Sylhet Division	1,367,881,268	1,271,929,773	1,367,881,268	1,271,929,773
Rangpur Division	4,018,230,545	3,609,228,480	4,018,230,545	3,609,228,480
Barisal Division	1,929,351,278	2,024,392,957	1,929,351,278	2,024,392,957
Rajshahi Division	12,679,528,668	12,051,158,378	12,679,528,668	12,051,158,378
Mymensingh Division	3,977,401,116	3,831,698,873	3,977,401,116	3,831,698,873
	<b>317,393,034,581</b>	<b>251,521,969,849</b>	<b>314,507,263,171</b>	<b>248,467,148,359</b>
<b>Outside Bangladesh</b>	-	-	-	-
	<b>317,393,034,581</b>	<b>251,521,969,849</b>	<b>314,507,263,171</b>	<b>248,467,148,359</b>
<b>8.6 Grouping as per classification rules</b>				
<b>Unclassified:</b>				
Standard	253,614,868,581	202,282,615,849	250,729,097,171	199,227,794,359
Special mentioned account	33,896,704,000	22,791,028,000	33,896,704,000	22,791,028,000
	<b>287,511,572,581</b>	<b>225,073,643,849</b>	<b>284,625,801,171</b>	<b>222,018,822,359</b>
<b>Classified:</b>				
Sub-standard	1,005,912,000	213,651,000	1,005,912,000	213,651,000
Doubtful	1,010,971,000	4,482,503,000	1,010,971,000	4,482,503,000
Bad/loss	27,864,579,000	21,752,172,000	27,864,579,000	21,752,172,000
	<b>29,881,462,000</b>	<b>26,448,326,000</b>	<b>29,881,462,000</b>	<b>26,448,326,000</b>
<b>Total</b>	<b>317,393,034,581</b>	<b>251,521,969,849</b>	<b>314,507,263,171</b>	<b>248,467,148,359</b>

## Notes to the financial statements

For the year ended December 31, 2018

	Amount in BDT			
	Group		Bank	
	2018	2017	2018	2017
<b>8.7 Particulars of loans and advances</b>				
i) Loans considered good in respect of which the Bank is fully secured	267,409,353,835	200,534,565,980	264,523,582,425	197,479,744,490
ii) Loans considered good against which the Bank holds no security other than the debtors' personal guarantee	28,225,403,441	20,066,815,986	28,225,403,441	20,066,815,986
iii) Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	21,758,277,305	30,920,587,883	21,758,277,305	30,920,587,883
iv) Loans adversely classified; provision not maintained there	-	-	-	-
	<b>317,393,034,581</b>	<b>251,521,969,849</b>	<b>314,507,263,171</b>	<b>248,467,148,359</b>
v) Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons.	2,204,206,761	1,750,392,352	2,204,206,761	1,750,392,352
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.	124,924,624	207,348,352	124,924,624	207,348,352
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.	124,924,624	207,348,352	124,924,624	207,348,352
ix) Due from banking companies	-	-	-	-
x) Information in respect of classified loans advances				
a) Classified loans for which interest is not credited to income	29,881,462,000	26,448,326,000	29,881,462,000	26,448,326,000
b) Provision kept against classified loans and advances (note 15.2a)	9,665,484,795	6,892,351,864	9,665,484,795	6,892,351,864
c) Interest credited to interest suspense account (note 15.3)	11,493,141,527	9,830,085,612	11,493,141,527	9,830,085,612
xi) Cumulative amount of written-off loans:				
Opening balance	17,664,772,000	18,030,987,000	17,664,772,000	18,030,987,000
Amount written-off during the year	-	-	-	-
Amount recovered / provision released during the year against written-off loans	(371,168,000)	(321,753,000)	(371,168,000)	(321,753,000)
Waiver for final settlement	(32,130,000)	(44,462,000)	(32,130,000)	(44,462,000)
Balance of written-off loans and advances yet to be recovered	<b>17,261,474,000</b>	<b>17,664,772,000</b>	<b>17,261,474,000</b>	<b>17,664,772,000</b>
The amount of classified and written-off loans for which law suits have been filed	<b>66,569,049,000</b>	<b>46,434,140,000</b>	<b>66,569,049,000</b>	<b>46,434,140,000</b>
<b>8.8 Bills purchased and discounted (Maturity wise grouping of bills purchased and discounted)</b>				
Payable within 1 month	1,274,339,216	1,124,736,835	1,274,339,216	1,124,736,835
More than 1 month but less than 3 months	2,548,678,432	2,249,473,670	2,548,678,432	2,249,473,670
More than 3 months but less than 6 months	3,823,017,649	3,374,210,502	3,823,017,649	3,374,210,502
More than 6 months	-	-	-	-
	<b>7,646,035,297</b>	<b>6,748,421,007</b>	<b>7,646,035,297</b>	<b>6,748,421,007</b>

## Notes to the financial statements

For the year ended December 31, 2018

	Amount in BDT			
	Group		Bank	
	2018	2017	2018	2017
<b>9. Fixed assets including premises, furniture and fixtures</b>				
<b>Cost / Revaluation:</b>				
Land	693,216,752	669,006,896	693,216,752	669,006,896
Building	1,276,289,796	1,463,692,042	1,276,289,796	1,463,692,042
Furniture and fixtures	1,058,061,009	999,397,726	1,058,061,009	999,397,726
General equipments	1,069,991,620	1,027,183,538	1,069,991,620	1,027,183,538
Computer and accessories	1,438,513,270	1,399,041,778	1,438,513,270	1,399,041,778
Vehicles	276,527,284	267,823,419	276,527,284	267,823,419
Books	1,939,204	1,482,691	1,939,204	1,482,691
	<b>5,814,538,935</b>	<b>5,827,628,090</b>	<b>5,814,538,935</b>	<b>5,827,628,090</b>
Less: Accumulated depreciation	3,369,382,999	2,945,595,282	3,369,382,999	2,945,595,282
<b>Written down value at the end of the year</b>	<b>2,445,155,936</b>	<b>2,882,032,808</b>	<b>2,445,155,936</b>	<b>2,882,032,808</b>
Subsidiary companies balance	28,043,945	34,609,331	-	-
	<b>2,473,199,881</b>	<b>2,916,642,139</b>	<b>2,445,155,936</b>	<b>2,882,032,808</b>
<b>Details are shown in Annex A.</b>				
<b>10. Other assets</b>				
Income generating	-	-	-	-
Non-income generating (note 10.1)	6,639,118,130	4,761,092,095	6,795,921,380	5,061,162,581
	<b>6,639,118,130</b>	<b>4,761,092,095</b>	<b>6,795,921,380</b>	<b>5,061,162,581</b>
<b>10.1 Non-income generating other assets</b>				
Stock of stationery	30,407,234	32,690,257	30,407,234	32,690,257
Stamps in hand	4,538,408	3,948,690	4,538,408	3,948,690
Suspense account (note 10.1.1)	553,130,266	499,333,255	553,130,266	499,333,255
Advance and deposits	5,496,704	5,354,197	5,496,704	5,354,197
Interest and other receivables	1,490,708,440	1,488,093,468	1,490,708,440	1,488,093,468
Sundry assets (note 10.1.2)	221,425,658	253,478,248	221,425,658	253,478,248
Demand draft paid without advice	5,317,404	5,310,433	5,317,404	5,310,433
Bill purchased account - credit card	351,856,062	318,846,560	351,856,062	318,846,560
Deferred tax asset/liabilities (note 10.1.3)	138,541,514	67,408,627	139,545,393	68,412,506
Inter-branch adjustment account (net) (note 10.1.4)	1,419,068,487	206,802,382	1,419,068,487	206,802,382
Payment made against claim made by EBL for guarantee issued by BCCI	-	13,683,225	-	13,683,225
Advance against cash assistance	10,166,298	3,795,598	10,166,298	3,795,598
Advance against branches*	16,573,731	15,356,321	16,573,731	15,356,321
Advance against NBL Towers	1,690,624,000	1,280,874,000	1,690,624,000	1,280,874,000
Advance against fixed assets	541,712,826	541,709,826	541,712,826	541,709,826
Others	159,551,098	24,407,008	315,350,469	323,473,615
	<b>6,639,118,130</b>	<b>4,761,092,095</b>	<b>6,795,921,380</b>	<b>5,061,162,581</b>
* The amount represents advance against new branches and for existing branches repair, renovation and maintenance.				
<b>10.1.1 Suspense account</b>				
Sundry debtors	171,008,490	185,090,468	171,008,490	185,090,468
Advance against TA/DA	424,283	292,010	424,283	292,010
Advance against postage	7,866	16,379	7,866	16,379
Encashment of PSP/ BSP	148,217,568	126,079,703	148,217,568	126,079,703
Encashment of wage earners development bond	233,472,059	187,854,695	233,472,059	187,854,695
	<b>553,130,266</b>	<b>499,333,255</b>	<b>553,130,266</b>	<b>499,333,255</b>
<b>10.1.2 Sundry assets</b>				
Cash remittance	20,000,000	18,500,000	20,000,000	18,500,000
Advance rent	178,183,241	203,313,999	178,183,241	203,313,999
Clearing adjustment account	127,066	2,077,036	127,066	2,077,036
Protested bill	18,922,887	15,398,887	18,922,887	15,398,887
Unexpired insurance premium	4,192,464	14,188,326	4,192,464	14,188,326
	<b>221,425,658</b>	<b>253,478,248</b>	<b>221,425,658</b>	<b>253,478,248</b>

## Notes to the financial statements

For the year ended December 31, 2018

	Amount in BDT			
	Group		Bank	
	2018	2017	2018	2017
<b>10.1.3 Deferred tax assets/(liabilities)</b>				
<b>Deferred tax assets:</b>				
Opening balance	276,129,636	126,334,359	275,811,962	126,016,685
Add: Addition during the year	66,957,385	149,795,277	66,957,385	149,795,277
Closing balance	<b>343,087,021</b>	<b>276,129,636</b>	<b>342,769,347</b>	<b>275,811,962</b>
<b>Deferred tax liabilities:</b>				
Opening balance	208,721,009	191,101,039	207,399,456	189,779,486
Add: Addition/adjustment during the year	(4,175,502)	17,619,970	(4,175,502)	17,619,970
Closing balance	<b>204,545,507</b>	<b>208,721,009</b>	<b>203,223,954</b>	<b>207,399,456</b>
<b>Net deferred tax (assets)/liabilities</b>	<b>138,541,514</b>	<b>67,408,627</b>	<b>139,545,393</b>	<b>68,412,506</b>
Deferred tax charge/(credit)	<b>(71,132,887)</b>	<b>(132,175,307)</b>	<b>(71,132,887)</b>	<b>(132,175,307)</b>

### 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.

### 11. Non- banking Assets

	335,820,241	335,820,241	335,820,241	335,820,241
	<b>335,820,241</b>	<b>335,820,241</b>	<b>335,820,241</b>	<b>335,820,241</b>

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 (Money Loan Court 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		
2	Bangshal	1,400,000	1,400,000
3	Dilkusha	231,074,500	231,074,500
4	Dinajpur	2,566,000	2,566,000
5	Elephant road	450,000	450,000
6	Foreign exchange	8,660,000	8,660,000
7	Jessore	75,900	75,900
8	Jhalakathi	500,000	500,000
9	Saidpur	382,841	382,841
10	Malibagh	2,627,000	2,627,000
11	Mohakhali	21,265,000	21,265,000
12	Kawran bazar	15,019,000	15,019,000
13	Rajshahi	1,305,000	1,305,000
14	Rangpur	43,775,000	43,775,000
	Narayangonj	6,720,000	6,720,000
	<b>Total</b>	<b>335,820,241</b>	<b>335,820,241</b>

### 12. Borrowings from other banks, financial institutions and agents

In Bangladesh (note 12.1.1)	8,649,906,493	3,894,935,105	8,649,906,493	3,894,935,105
Outside Bangladesh (note 12.1.2)	219,230,281	1,317,332,435	219,230,281	1,317,332,435
	<b>8,869,136,774</b>	<b>5,212,267,540</b>	<b>8,869,136,774</b>	<b>5,212,267,540</b>

#### 12.1.1 In Bangladesh

Export Development Fund (EDF)	2,256,452,671	2,479,723,062	2,256,452,671	2,479,723,062
Agricultural credit on special program	1,972,655,697	689,656,489	1,972,655,697	689,656,489
Bangladesh Bank	798,125	-	798,125	-
IFIC Bank Limited	600,000,000	-	600,000,000	-
Mutual Trust Bank Ltd.	120,000,000	-	120,000,000	-
Rupali Bank Ltd.	490,000,000	-	490,000,000	-
Sonali Bank Ltd.	1,990,000,000	-	1,990,000,000	-
Southeast Bank Ltd.	700,000,000	-	700,000,000	-
State Bank of India	120,000,000	-	120,000,000	-
Janata Bank Ltd.	400,000,000	700,000,000	400,000,000	700,000,000
ADB loan	-	25,555,554	-	25,555,554
	<b>8,649,906,493</b>	<b>3,894,935,105</b>	<b>8,649,906,493</b>	<b>3,894,935,105</b>

## Notes to the financial statements

For the year ended December 31, 2018

	Amount in BDT			
	Group		Bank	
	2018	2017	2018	2017
<b>12.1.2 Outside Bangladesh</b>				
Emirates NBD	-	432,442,435	-	432,442,435
Emirates Islami Bank	219,230,281	884,890,000	219,230,281	884,890,000
	<b>219,230,281</b>	<b>1,317,332,435</b>	<b>219,230,281</b>	<b>1,317,332,435</b>
	<b>8,869,136,774</b>	<b>5,212,267,540</b>	<b>8,869,136,774</b>	<b>5,212,267,540</b>
<b>12.2 Security wise breakup of borrowing from other banks, financial Institutions and agents</b>				
Secured borrowings	-	-	-	-
Unsecured borrowings	8,869,136,774	5,212,267,540	8,869,136,774	5,212,267,540
	<b>8,869,136,774</b>	<b>5,212,267,540</b>	<b>8,869,136,774</b>	<b>5,212,267,540</b>
<b>12.3 Maturity-wise grouping of borrowings</b>				
<b>Repayable</b>				
On demand	4,420,000,000	700,000,000	4,420,000,000	700,000,000
Up to 1 month	164,387,975	57,471,374	164,387,975	57,471,374
More than 1 month but within 3 months	1,682,647,552	547,385,183	1,682,647,552	2,035,219,020
More than 3 months but within 1 year	2,602,101,247	3,907,410,983	2,602,101,247	2,419,577,146
More than 1 year but within 5 years	-	-	-	-
More than 5 years	-	-	-	-
	<b>8,869,136,774</b>	<b>5,212,267,540</b>	<b>8,869,136,774</b>	<b>5,212,267,540</b>
<b>13. Deposits and other accounts (note 13.1)</b>				
Current deposit and other accounts (note 13.2)	25,003,225,512	23,882,039,031	25,004,329,794	23,883,154,407
Bills payable (note 13.3)	3,557,774,516	3,563,740,137	3,557,774,516	3,563,740,137
Savings deposit	47,036,369,863	44,672,378,291	47,036,369,863	44,672,378,291
Fixed deposit	140,200,871,603	123,752,106,294	140,200,871,603	123,752,106,294
Term deposit (note 13.4)	98,888,216,365	76,731,828,563	99,406,688,191	76,899,936,286
	<b>314,686,457,859</b>	<b>272,602,092,316</b>	<b>315,206,033,967</b>	<b>272,771,315,415</b>
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.				
<b>13.1 Deposit and other account</b>				
Deposit from banks (in Bangladesh) (note 13.1.1)	19,939,040,726	11,597,798,389	19,939,040,726	11,597,798,389
Other than bank	294,747,417,133	261,004,293,927	295,266,993,241	261,173,517,026
	<b>314,686,457,859</b>	<b>272,602,092,316</b>	<b>315,206,033,967</b>	<b>272,771,315,415</b>
<b>13.1.1 Deposit from banks (in Bangladesh)</b>				
<b>A. In current account</b>				
AB Bank Limited	3,237	4,388	3,237	4,388
Al-Arafah Islami Bank Ltd.	2,585,120	1,302,420	2,585,120	1,302,420
BRAC Bank Ltd.	5,780,324	7,294,278	5,780,324	7,294,278
Bangladesh Krishi Bank Ltd.	1,767,717	808,317	1,767,717	808,317
Dutch Bangla Bank Ltd.	-	17,769	-	17,769
Islami Bank Bangladesh Ltd.	5,699,176	2,140,181	5,699,176	2,140,181
Jamuna Bank Ltd.	11,416,986	8,297,537	11,416,986	8,297,537
Mercantile Bank Ltd.	227,516	35,242,507	227,516	35,242,507
Prime Bank Ltd.	42,755	43,905	42,755	43,905
Bangladesh Development Bank Ltd.	2,047,750	802,030	2,047,750	802,030
Rajshahi Krishi Unnayan Bank	1,265,829	9,231	1,265,829	9,231
Shahjalal Islami Bank Ltd.	5,479	6,629	5,479	6,629
Southeast Bank Ltd.	59,408	11,513,263	59,408	11,513,263
EXIM Bank Ltd.	3,212	6,349	3,212	6,349
	<b>30,904,509</b>	<b>67,488,804</b>	<b>30,904,509</b>	<b>67,488,804</b>



## Notes to the financial statements

For the year ended December 31, 2018

	Amount in BDT			
	Group		Bank	
	2018	2017	2018	2017
<b>B. In short notice deposit accounts</b>				
Bank Asia Ltd.	-	827,800	-	827,800
BRAC Bank Ltd.	8,005,615	8,755,961	8,005,615	8,755,961
Dhaka Bank Ltd.	5,862,584	3,643,371	5,862,584	3,643,371
Dutch-Bangla Bank Ltd.	10,884,200	5,974,483	10,884,200	5,974,483
EXIM Bank Ltd.	18,985,812	709,656	18,985,812	709,656
Jamuna Bank Ltd.	7,939,030	2,017,251	7,939,030	2,017,251
Janata Bank Ltd.	35,468	35,273	35,468	35,273
Mercantile Bank Ltd.	1,034,433	3,028,899	1,034,433	3,028,899
Pubali Bank Ltd.	648,382	625,939	648,382	625,939
Rajshahi Krishi Unnayan Bank	358,223,324	276,733,333	358,223,324	276,733,333
Standard Chartered Bank	-	3,036,296	-	3,036,296
Souteast Bank Ltd.	-	6,422	-	6,422
The Premier Bank Ltd.	261,476	1,436,986	261,476	1,436,986
	<b>411,880,324</b>	<b>306,831,670</b>	<b>411,880,324</b>	<b>306,831,670</b>
<b>C. Term deposit accounts</b>				
Rajshahi Krishi Unnayan Bank	2,416,255,893	1,723,477,915	2,416,255,893	1,723,477,915
Agrani Bank Ltd.	4,000,000,000	2,000,000,000	4,000,000,000	2,000,000,000
Bank Asia Ltd.	1,600,000,000	1,000,000,000	1,600,000,000	1,000,000,000
Commercial Bank of Ceylon Plc	280,000,000	-	280,000,000	-
National Credit & Commerce Bank Ltd.	200,000,000	-	200,000,000	-
Janata Bank Ltd.	1,500,000,000	500,000,000	1,500,000,000	500,000,000
Uttara Bank Ltd.	3,000,000,000	1,000,000,000	3,000,000,000	1,000,000,000
Pubali Bank Ltd.	-	1,000,000,000	-	1,000,000,000
Bangladesh Development Bank Ltd.	300,000,000	-	300,000,000	-
Southeast Bank Ltd.	-	500,000,000	-	500,000,000
Rupali Bank Ltd.	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Dutch Bangla Bank Ltd.	-	1,000,000,000	-	1,000,000,000
BASIC Bank Ltd.	-	500,000,000	-	500,000,000
Sonali Bank Ltd.	4,200,000,000	-	4,200,000,000	-
	<b>19,496,255,893</b>	<b>11,223,477,915</b>	<b>19,496,255,893</b>	<b>11,223,477,915</b>
<b>Total (A + B + C)</b>	<b>19,939,040,726</b>	<b>11,597,798,389</b>	<b>19,939,040,726</b>	<b>11,597,798,389</b>
<b>13.1.2 Maturity-wise grouping</b>				
<b>Deposits from banks</b>				
<b>Repayable</b>				
On demand	30,904,508	67,488,804	30,904,508	67,488,804
Up to 1 month	8,304,776,065	7,761,366,334	8,304,776,065	7,761,366,334
Over 1 month but within 6 months	6,938,752,130	3,646,210,583	6,938,752,130	3,646,210,583
Over 6 months but within 1 year	4,664,608,023	122,732,668	4,664,608,023	122,732,668
Over 1 year but within 5 years	-	-	-	-
Over 5 years but within 10 years	-	-	-	-
	<b>19,939,040,726</b>	<b>11,597,798,389</b>	<b>19,939,040,726</b>	<b>11,597,798,389</b>
<b>From others payable</b>				
<b>Repayable</b>				
On demand	20,316,186,948	19,711,339,775	20,316,186,948	19,892,361,141
Up to 1 month	15,298,662,386	15,459,950,720	15,298,662,386	15,440,187,674
Over 1 month but within 6 months	62,878,980,331	62,656,318,463	62,878,980,331	62,616,824,925
Over 6 months but within 1 year	70,669,063,194	67,844,444,037	70,669,063,194	67,867,972,668
Over 1 year but within 5 years	96,041,585,276	67,763,399,356	96,041,585,276	67,787,329,042
Over 5 years but within 10 years	29,542,938,998	27,568,841,577	30,062,515,106	27,568,841,577
	<b>294,747,417,133</b>	<b>261,004,293,927</b>	<b>295,266,993,241</b>	<b>261,173,517,026</b>
	<b>314,686,457,859</b>	<b>272,602,092,316</b>	<b>315,206,033,967</b>	<b>272,771,315,415</b>

## Notes to the financial statements

For the year ended December 31, 2018

	Amount in BDT			
	Group		Bank	
	2018	2017	2018	2017
<b>13.2 Current deposit and other accounts</b>				
Current deposit	15,317,811,125	14,483,572,393	15,318,915,407	14,483,572,393
Foreign currency deposit	285,663,907	296,316,037	285,663,907	297,431,413
Exchange company Taka account	486,567,048	472,941,491	486,567,048	472,941,491
Exporters' foreign currencies account	250,523,601	221,099,244	250,523,601	221,099,244
Sundry deposits	8,662,659,831	8,408,109,866	8,662,659,831	8,408,109,866
	<b>25,003,225,512</b>	<b>23,882,039,031</b>	<b>25,004,329,794</b>	<b>23,883,154,407</b>
<b>13.3 Bills payable</b>				
Payment order	3,536,440,241	3,535,046,225	3,536,440,241	3,535,046,225
Demand draft	21,334,275	28,693,912	21,334,275	28,693,912
	<b>3,557,774,516</b>	<b>3,563,740,137</b>	<b>3,557,774,516</b>	<b>3,563,740,137</b>
<b>13.4 Term deposit</b>				
Short notice deposit	24,757,514,169	27,989,175,700	25,275,985,995	28,157,283,423
Non-resident foreign currency deposit	449,660,694	345,590,452	449,660,694	345,590,452
Resident foreign currency deposit	541,323,299	267,160,313	541,323,299	267,160,313
Non-resident investment Taka account	311,912	311,912	311,912	311,912
Monthly saving scheme	35,302,253,066	32,368,519,502	35,302,253,066	32,368,519,502
Special deposit scheme	37,837,153,225	15,761,070,684	37,837,153,225	15,761,070,684
	<b>98,888,216,365</b>	<b>76,731,828,563</b>	<b>99,406,688,191</b>	<b>76,899,936,286</b>
<b>14. Subordinated bonds</b>	<b>4,000,000,000</b>	<b>2,750,000,000</b>	<b>4,000,000,000</b>	<b>2,750,000,000</b>
	<b>4,000,000,000</b>	<b>2,750,000,000</b>	<b>4,000,000,000</b>	<b>2,750,000,000</b>

Bank issued subordinated bonds valuing BDT 400 crore of which BDT 275 crore issued in 1st tranche and BDT 125 crore have been issued in 2nd tranche. 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.	250,000,000	250,000,000	250,000,000	250,000,000
2	AB Bank Ltd.	1,250,000,000	-	1,250,000,000	-
3	One Bank Ltd.	250,000,000	250,000,000	250,000,000	250,000,000
4	Rupali Bank Ltd.	900,000,000	900,000,000	900,000,000	900,000,000
5	Sadharan Bima Corporation	100,000,000	100,000,000	100,000,000	100,000,000
6	Sonali Bank Ltd.	500,000,000	500,000,000	500,000,000	500,000,000
7	Mutual Trust Bank Ltd.	250,000,000	250,000,000	250,000,000	250,000,000
8	Uttara Bank Ltd.	500,000,000	500,000,000	500,000,000	500,000,000
	<b>Total</b>	<b>4,000,000,000</b>	<b>2,750,000,000</b>	<b>4,000,000,000</b>	<b>2,750,000,000</b>
<b>15 Other liabilities</b>					
Un-paid dividend	10,009,092	10,009,092	10,009,092	10,009,092	
Provision for bonus	419,861,758	284,898,598	419,861,758	284,898,598	
Tax liability (note 15.1)	3,505,766,562	4,169,084,122	3,306,760,379	3,983,942,543	
Provision for loans & advances (including off-B/S items) (note 15.2)	14,701,582,780	12,467,485,849	14,701,582,780	12,467,485,849	
Interest suspense account (note 15.3)	11,493,141,527	9,830,085,612	11,493,141,527	9,830,085,612	
Provision for other assets (note 15.4)	580,216,455	580,216,455	106,620,772	106,620,772	
Provision for gratuity (note 15.5)	100,000,000	100,000,000	100,000,000	100,000,000	
ATM card holders' accounts	25,274,888	12,108,148	25,274,888	12,108,148	
Foreign currencies adjustment account	307,076,296	292,904,553	307,076,296	292,904,553	
Bills payable account MPS (CCD)	2,960,668	5,471,733	2,960,668	5,471,733	
Adjusting account credit	3,584,067,526	2,401,328,766	3,584,067,526	2,401,328,766	
Provision for LFA	91,404,583	93,655,125	91,404,583	93,655,125	
Clearing adjusting account	1,623	35,257	1,623	35,257	
Others	175,951,625	171,909,053	194,117,973	67,878,257	
	<b>34,997,315,383</b>	<b>30,419,192,363</b>	<b>34,342,879,865</b>	<b>29,656,424,305</b>	

## Notes to the financial statements

For the year ended December 31, 2018

	Amount in BDT			
	Group		Bank	
	2018	2017	2018	2017
<b>15.1 Tax liability</b>				
<b>Provision for current tax</b>				
Opening balance	12,441,482,047	14,915,514,115	12,225,498,946	14,729,066,595
Add: Provision made during the year	3,163,864,604	3,228,571,806	3,150,000,000	3,199,036,225
	<b>15,605,346,651</b>	<b>18,144,085,921</b>	<b>15,375,498,946</b>	<b>17,928,102,820</b>
Less: Adjustment made during the year	-	5,702,603,874	-	5,702,603,874
Closing balance	<b>15,605,346,651</b>	<b>12,441,482,047</b>	<b>15,375,498,946</b>	<b>12,225,498,946</b>
<b>Advance income tax</b>				
Opening balance	8,272,397,925	12,148,959,360	8,241,556,403	12,118,117,838
Add: Paid during the year	3,827,182,164	1,826,042,439	3,827,182,164	1,826,042,439
	<b>12,099,580,089</b>	<b>13,975,001,799</b>	<b>12,068,738,567</b>	<b>13,944,160,277</b>
Less: Adjustment made during the year	-	5,702,603,874	-	5,702,603,874
Closing balance	<b>12,099,580,089</b>	<b>8,272,397,925</b>	<b>12,068,738,567</b>	<b>8,241,556,403</b>
	<b>3,505,766,562</b>	<b>4,169,084,122</b>	<b>3,306,760,379</b>	<b>3,983,942,543</b>
<b>Status of pending assessments</b>				
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.				
<b>15.2 Provision for loans and advances (including off - balance sheet items)</b>				
<b>(a) Specific provision against loans and advances</b>				
Opening balance	6,892,351,864	5,133,220,377	6,892,351,864	5,133,220,377
Fully provided debt written-off	-	-	-	-
Release of provision	197,132,931	302,131,487	197,132,931	302,131,487
Transfer from general provision unclassified loans	423,000,000	-	423,000,000	-
Transfer from general provision off-balance sheet items	113,000,000	-	113,000,000	-
Provision made during the year	2,040,000,000	1,457,000,000	2,040,000,000	1,457,000,000
	<b>9,665,484,795</b>	<b>6,892,351,864</b>	<b>9,665,484,795</b>	<b>6,892,351,864</b>
<b>(b) General provision against unclassified loans and advances (including provision for OBU)</b>				
Opening balance	4,992,669,347	3,303,669,347	4,992,669,347	3,303,669,347
Transferred from/to other provision	(423,000,000)	643,000,000	(423,000,000)	643,000,000
Transferred from provision against off B/S items	-	-	-	-
Provision made during the year	-	1,046,000,000	-	1,046,000,000
Closing balance	<b>4,569,669,347</b>	<b>4,992,669,347</b>	<b>4,569,669,347</b>	<b>4,992,669,347</b>
<b>(c) General provision against Off Balance Sheet items (including provision for OBU)</b>				
Opening balance	572,510,048	475,510,048	572,510,048	475,510,048
Provision made during the year	-	-	-	-
Transferred to/from other provision	(113,000,000)	97,000,000	(113,000,000)	97,000,000
Adjusted during the year	-	-	-	-
Closing balance	<b>459,510,048</b>	<b>572,510,048</b>	<b>459,510,048</b>	<b>572,510,048</b>
<b>Sub total (a) + (b) + (c)</b>	<b>14,694,664,190</b>	<b>12,457,531,259</b>	<b>14,694,664,190</b>	<b>12,457,531,259</b>
<b>(d) Provision for good borrowers</b>				
Opening balance	9,954,590	9,954,590	9,954,590	9,954,590
Provision made during the year	-	-	-	-
Paid during the year	3,036,000	-	3,036,000	-
Closing balance	<b>6,918,590</b>	<b>9,954,590</b>	<b>6,918,590</b>	<b>9,954,590</b>
<b>Total</b>	<b>14,701,582,780</b>	<b>12,467,485,849</b>	<b>14,701,582,780</b>	<b>12,467,485,849</b>

As per Bangladesh Bank total required provision against loans and advances is BDT. 2,702.56 crore against which Bank maintained an amount of BDT. 1,424.21 crore and the balance amount will be provided within December 31, 2022 @ 20% in 2019 and 20% in 2020, 30% in 2021 and rest 30% in 2022 as per Bangladesh Bank approval letter reference no. DBI-1/82/2019-427 dated April 30, 2019.

## Notes to the financial statements

For the year ended December 31, 2018

		Amount in BDT			
		Group		Bank	
		2018	2017	2018	2017
<b>15.3 Interest suspense account</b>					
Opening balance		9,830,085,612	9,073,309,173	9,830,085,612	9,073,309,173
Add: Amount transferred to "interest suspense" account during the year		3,719,625,473	4,676,149,715	3,719,625,473	4,676,149,715
		<b>13,549,711,085</b>	<b>13,749,458,888</b>	<b>13,549,711,085</b>	<b>13,749,458,888</b>
Less: Amount credited to income		2,056,569,558	3,916,935,026	2,056,569,558	3,916,935,026
Interest waived during the year		-	2,438,250	-	2,438,250
Amount written-off during the year		-	-	-	-
		<b>2,056,569,558</b>	<b>3,919,373,276</b>	<b>2,056,569,558</b>	<b>3,919,373,276</b>
Closing balance		<b>11,493,141,527</b>	<b>9,830,085,612</b>	<b>11,493,141,527</b>	<b>9,830,085,612</b>
<b>15.4 Provision for other assets</b>					
<b>Provision for fall in market price of shares</b>					
Opening balance		477,950,005	1,343,595,683	4,354,322	870,000,000
Transferred (to)/from other provision		40,000,000	(800,000,000)	40,000,000	(800,000,000)
Less: Adjusted during the year		-	(65,645,678)	-	(65,645,678)
Add: Addition during the year		-	-	-	-
Closing balance		<b>517,950,005</b>	<b>477,950,005</b>	<b>44,354,322</b>	<b>4,354,322</b>
<b>Provision for other classified assets</b>					
Opening balance		102,266,450	42,266,450	102,266,450	42,266,450
Transferred from/(to) other provision		(40,000,000)	60,000,000	(40,000,000)	60,000,000
Closing balance		<b>62,266,450</b>	<b>102,266,450</b>	<b>62,266,450</b>	<b>102,266,450</b>
		<b>580,216,455</b>	<b>580,216,455</b>	<b>106,620,772</b>	<b>106,620,772</b>
<b>15.5 Provision for gratuity</b>					
The gratuity fund is administered by a Board of Trustee consisting of four (4) members. Total fund balance as on December 2018 stood at BDT.147.18 crore considering contribution for the year 2018 against which fund liability for eligible employees stood at BDT. 117.00 crore The movement is as under:					
Opening balance		100,000,000	100,000,000	100,000,000	100,000,000
Add: Provision during the year		100,000,000	100,000,000	100,000,000	100,000,000
		<b>200,000,000</b>	<b>200,000,000</b>	<b>200,000,000</b>	<b>200,000,000</b>
Less: Transferred to fund account		100,000,000	100,000,000	100,000,000	100,000,000
Closing balance		<b>100,000,000</b>	<b>100,000,000</b>	<b>100,000,000</b>	<b>100,000,000</b>
<b>16. Share capital</b>					
<b>16.1 Authorised capital</b>					
3,000,000,000 ordinary shares of BDT 10 each				30,000,000,000	30,000,000,000
<b>16.2 Issued, subscribed and fully paid-up capital</b>					
		No. of shares		Amount in Taka	
		2018	2017	2018	2017
Issued for cash		23,730,000	23,730,000	237,300,000	237,300,000
Issued for other than cash (bonus share)		2,631,177,913	2,346,723,494	26,311,779,130	23,467,234,940
<b>Total</b>		<b>2,654,907,913</b>	<b>2,370,453,494</b>	<b>26,549,079,130</b>	<b>23,704,534,940</b>
<b>16.3 Percentage of shareholdings at the closing date</b>		2018		2017	
<b>Category</b>		No. of shares	%	No. of shares	%
Sponsors and Directors		860,542,613	32.41%	662,562,734	27.96%
Financial institutions		455,556,558	17.16%	462,244,540	19.51%
Foreign investors		66,246,688	2.50%	74,515,934	3.15%
Non-resident Bangladeshi		9,557,909	0.36%	9,537,711	0.41%
General public		1,263,004,145	47.57%	1,161,592,575	48.97%
		<b>2,654,907,913</b>	<b>100.00%</b>	<b>2,370,453,494</b>	<b>100.00%</b>

## Notes to the financial statements

For the year ended December 31, 2018

### 16.4 Statement of slab list as on December 31, 2018

Group/ type	No. of share holders	No. of shares	% of share holding
De-materialization	79,974	2,622,722,595	98.79%
Materialization	4,228	32,185,318	1.21%
	<b>84,202</b>	<b>2,654,907,913</b>	<b>100%</b>
De-materialization			
Range	No. of share holders	No. of shares	% of share holding
Less than 500	19,150	3,452,291	0.13%
500 to 5,000	37,006	72,978,254	2.75%
5,001 to 10,000	9,565	68,367,568	2.58%
10,001 to 20,000	6,573	92,361,044	3.48%
20,001 to 30,000	2,542	62,300,644	2.35%
30,001 to 40,000	1,255	43,282,709	1.63%
40,001 to 50,000	787	35,681,767	1.34%
50,001 to 100,000	1,673	117,577,448	4.43%
100,001 to 1,000,000	1,216	280,648,489	9.57%
Over 1,000,000	207	1,846,072,381	69.53%
	<b>79,974</b>	<b>2,622,722,595</b>	<b>98.79%</b>
Materialization			
Range	No. of share holders	No. of shares	% of share holding
Less than 500	2,472	358,630	0.01%
500 to 5,000	1,370	2,521,511	0.09%
5,001 to 10,000	177	1,244,967	0.05%
10,001 to 20,000	95	1,381,333	0.05%
20,001 to 30,000	48	1,141,067	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	1,372,249	0.05%
100,001 to 1,000,000	13	3,670,906	0.14%
Over 1,000,000	6	19,446,963	0.73%
	<b>4,228</b>	<b>32,185,318</b>	<b>1.21%</b>

### 16.5 Capital adequacy ratio

#### Core capital (Tier - I)

	Amount in BDT			
	Group		Bank	
	2018	2017	2018	2017
Paid up capital (note 16.2)	26,549,079,130	23,704,534,940	26,549,079,130	23,704,534,940
Statutory reserve (note 17)	14,380,830,197	12,944,994,585	14,380,830,197	12,944,994,585
General reserve (note 18)	29,468,778	38,683,490	-	-
Non-controlling (minority) interest	119,352	116,217	-	-
Retained earnings (note 20)	2,661,018,720	3,084,723,413	2,977,319,750	3,157,388,607
	<b>43,620,516,177</b>	<b>39,773,052,645</b>	<b>43,907,229,077</b>	<b>39,806,918,132</b>

#### Less:

For short provision against quoted shares	1,421,144,232	-	1,395,404,548	-
Intangible assets	79,529,926	261,373,612	79,529,926	261,373,612
Deferred tax assets	343,087,021	276,129,636	342,769,347	275,811,962
Reciprocal cross holding of banking and NBFIs shares	107,446,680	142,540,516	107,446,680	142,540,516
	<b>1,951,207,859</b>	<b>680,043,764</b>	<b>1,925,150,501</b>	<b>679,726,090</b>
	<b>41,669,308,318</b>	<b>39,093,008,881</b>	<b>41,982,078,576</b>	<b>39,127,192,042</b>

#### Supplementary capital (Tier-II)

General provision maintained against unclassified loan	4,576,587,937	4,992,669,347	4,576,587,937	4,992,669,347
General provision on off-balance sheet exposure	459,510,048	572,510,048	459,510,048	572,510,048
Subordinated bonds	4,000,000,000	2,750,000,000	4,000,000,000	2,750,000,000
Other reserve	630,977,076	630,977,076	630,977,076	630,977,076
Less: Regulatory adjustment for revaluation reserve (60%)	(504,781,661)	(378,586,246)	(504,781,661)	(378,586,246)
	<b>9,162,293,400</b>	<b>8,567,570,225</b>	<b>9,162,293,400</b>	<b>8,567,570,225</b>

## Notes to the financial statements

For the year ended December 31, 2018

	Amount in BDT			
	Group		Bank	
	2018	2017	2018	2017
<b>A) Total capital</b>	<b>50,831,601,718</b>	<b>47,660,579,106</b>	<b>51,144,371,976</b>	<b>47,694,762,267</b>
B) Total risk weighted assets	364,390,500,000	347,649,400,000	364,254,800,000	345,751,000,000
C) Required capital	43,271,371,875	39,110,557,500	43,255,257,500	38,896,987,500
<b>D) (Deficit)/Surplus (A-C)</b>	<b>7,560,229,843</b>	<b>8,550,021,606</b>	<b>7,889,114,476</b>	<b>8,797,774,767</b>
<b>Capital adequacy ratio:</b>				
	Actual			
On core capital - against standard of minimum 6.00%	11.44%	11.24%	11.52%	11.32%
On supplementary capital	2.51%	2.46%	2.52%	2.47%
On total capital - including capital conservation buffer 11.875% and 11.250%	13.95%	13.71%	14.04%	13.79%

Risk weighted Assets of the Bank has calculated as per BRPD circular no. 18 dated 21 December 2014 . As per the circular implementation of Basel-III has been started with effect from January 2015 and calculated on solo and consolidated basis. Full implementation will be effective from 2019. As per above calculation of Basel III CRAR as on December 31, 2018 is 14.04%. However if considered the short provision against NPL the CRAR will be 11.13%.

### 17. Statutory reserve

Opening balance	12,944,994,585	11,392,420,005	12,944,994,585	11,392,420,005
Add: Addition during the year (20% of pre-tax profit)	1,435,835,612	1,552,574,580	1,435,835,612	1,552,574,580
Closing balance	<b>14,380,830,197</b>	<b>12,944,994,585</b>	<b>14,380,830,197</b>	<b>12,944,994,585</b>

### 18. General reserve

Opening balance	38,683,490	52,527,544	-	-
Add: Addition during the year (overseas subsidiaries)	-	4,560,946	-	-
	<b>38,683,490</b>	<b>57,088,490</b>	-	-
Less: Adjustment during the year	-	-	-	-
Transferred from general reserve (overseas oper.)	(9,214,712)	(18,405,000)	-	-
	<b>(9,214,712)</b>	<b>(18,405,000)</b>	-	-
Closing balance	<b>29,468,778</b>	<b>38,683,490</b>	-	-

### 19. Other reserve

Revaluation reserve (Govt. treasury bills and bonds) (note 19.1)	523,746,483	169,269,984	523,746,483	169,269,984
Revaluation reserve (foreign investment) (note 19.2)	24,372,492	24,279,896	24,372,492	24,279,896
Revaluation reserve (property) (note 19.3)	354,005,015	370,354,926	354,005,015	370,354,926
	<b>902,123,990</b>	<b>563,904,806</b>	<b>902,123,990</b>	<b>563,904,806</b>
<b>19.1 Revaluation reserve (Govt treasury bills and bonds)</b>				
Opening balance	169,269,984	715,620,880	169,269,984	715,620,880
Add: Addition during the year	1,005,133,928	671,590,631	1,005,133,928	671,590,631
	<b>1,174,403,912</b>	<b>1,387,211,511</b>	<b>1,174,403,912</b>	<b>1,387,211,511</b>
Less: Adjustment during the year	650,657,429	1,217,941,527	650,657,429	1,217,941,527
Closing balance	<b>523,746,483</b>	<b>169,269,984</b>	<b>523,746,483</b>	<b>169,269,984</b>
<b>19.2 Revaluation reserve (foreign investment)</b>				
Opening balance	24,279,896	5,992,902	24,279,896	5,992,902
Addition/(Adjustment) during the year	92,596	18,286,994	92,596	18,286,994
Closing balance	<b>24,372,492</b>	<b>24,279,896</b>	<b>24,372,492</b>	<b>24,279,896</b>
<b>19.3 Revaluation reserve (property)</b>				
Opening balance	370,354,926	370,354,926	370,354,926	370,354,926
Less: Adjustment during the year	16,349,911	-	16,349,911	-
Closing balance	<b>354,005,015</b>	<b>370,354,926</b>	<b>354,005,015</b>	<b>370,354,926</b>

Revaluation of foreign investments has been made in 2018 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.

## Notes to the financial statements

For the year ended December 31, 2018

	Amount in BDT			
	Group		Bank	
	2018	2017	2018	2017
<b>20. Retained earnings</b>				
Opening balance	3,084,723,413	3,823,506,459	3,157,388,607	3,964,707,023
Adjustment for prior year (overseas operation)	-	(14,237,228)	-	-
Transferred from general reserve (overseas operation)	-	18,405,000	-	-
Add: Post-tax profit for the year	3,856,675,109	4,798,248,574	4,100,310,945	4,696,011,984
	<b>6,941,398,522</b>	<b>8,625,922,805</b>	<b>7,257,699,552</b>	<b>8,660,719,007</b>
Less: Dividend	2,844,544,190	3,950,755,820	2,844,544,190	3,950,755,820
(Bonus share 12% for 2017 and 20% for the year 2016)				
Transfer to statutory reserve	1,435,835,612	1,552,574,580	1,435,835,612	1,552,574,580
Dividend paid by overseas subsidiaries	-	37,868,992	-	-
	<b>4,280,379,802</b>	<b>5,541,199,392</b>	<b>4,280,379,802</b>	<b>5,503,330,400</b>
Closing balance	<b>2,661,018,720</b>	<b>3,084,723,413</b>	<b>2,977,319,750</b>	<b>3,157,388,607</b>
<b>21. Letters of guarantee</b>				
Directors	-	-	-	-
Government	4,825,505,284	3,562,730,332	4,825,505,284	3,562,730,332
Banks and other financial institutions	77,253,500	55,787,500	77,253,500	55,787,500
Others	5,095,460,113	7,868,247,632	5,095,460,113	7,868,247,632
	<b>9,998,218,897</b>	<b>11,486,765,464</b>	<b>9,998,218,897</b>	<b>11,486,765,464</b>
Less: Margin	629,194,625	593,206,480	629,194,625	593,206,480
	<b>9,369,024,272</b>	<b>10,893,558,984</b>	<b>9,369,024,272</b>	<b>10,893,558,984</b>
<b>22. Interest income</b>				
Interest on advances	27,464,575,079	22,165,216,968	27,654,984,147	22,194,316,066
Interest on money at call and short notice	4,998,972	116,877,972	4,998,972	116,877,972
Interest on placement with other banks	466,942,674	207,832,521	466,942,674	207,832,521
Interest on foreign currency balances	23,150,732	27,146,019	23,150,732	27,146,019
	<b>27,959,667,457</b>	<b>22,517,073,480</b>	<b>28,150,076,525</b>	<b>22,546,172,578</b>
<b>23. Interest paid on deposits and borrowings, etc</b>				
Interest on deposits	18,670,478,168	14,512,172,273	18,670,478,168	14,512,708,602
Interest on borrowings	958,592,992	281,988,913	958,592,992	281,988,913
Discount	1,422,350,561	1,312,307,996	1,422,350,561	1,312,307,996
	<b>21,051,421,721</b>	<b>16,106,469,182</b>	<b>21,051,421,721</b>	<b>16,107,005,511</b>
<b>24. Investment income</b>				
<b>Dividend on shares</b>				
Local	163,308,409	370,338,298	135,267,487	347,257,727
Overseas	6,234,583	38,641,336	6,234,583	38,641,336
	<b>169,542,992</b>	<b>408,979,634</b>	<b>141,502,070</b>	<b>385,899,063</b>
Interest on treasury bills and bonds	4,947,739,579	5,053,435,403	4,947,739,579	5,053,435,403
Interest on debenture and bonds	102,249,091	45,501,989	102,249,091	45,501,989
Gain on Government securities	844,488,923	1,279,457,293	844,488,923	1,279,457,293
Profit from sale of share of listed company	73,693,542	807,341,093	38,542,544	705,534,930
Prize bonds	39,650	22,100	39,650	22,100
	<b>6,137,753,777</b>	<b>7,594,737,512</b>	<b>6,074,561,857</b>	<b>7,469,850,778</b>
<b>25. Commission, exchange and brokerage</b>				
Commission	1,036,573,712	1,095,796,501	834,876,050	820,056,226
Exchange gain net off exchange losses	554,323,154	718,748,089	544,828,637	720,895,789
Brokerage	-	2,880,500	-	2,880,500
	<b>1,590,896,866</b>	<b>1,817,425,090</b>	<b>1,379,704,687</b>	<b>1,543,832,515</b>
<b>26. Other operating income</b>				
Locker rent	5,599,954	6,206,325	5,599,954	6,206,325
Credit card and ATM	-	15,459,610	-	15,459,610
Confirmation charges	3,486,753	3,911,339	3,486,753	3,911,339
Gain from sales of assets	451,029,419	1,228,745	451,029,419	1,228,745
Remittance income	26,068,276	26,706,202	26,068,276	26,706,202
Other receipts	687,964,373	548,239,453	678,442,283	539,218,547
	<b>1,174,148,775</b>	<b>601,751,674</b>	<b>1,164,626,685</b>	<b>592,730,768</b>

## Notes to the financial statements

For the year ended December 31, 2018

	Amount in BDT			
	Group		Bank	
	2018	2017	2018	2017
<b>27. Salaries and allowances</b>				
Basic salary	1,805,018,383	1,750,932,173	1,696,872,267	1,647,465,886
Allowances	1,399,181,770	1,386,720,618	1,399,181,770	1,386,720,618
Bonus	390,499,632	348,705,175	390,499,632	348,705,175
Bank's contribution to provident fund	144,483,071	138,097,098	144,483,071	138,097,098
<b>Gratuity</b>	<b>321,692,087</b>	<b>250,426,274</b>	<b>321,692,087</b>	<b>250,426,274</b>
Provision for the year	100,000,000	100,000,000	100,000,000	100,000,000
Paid during the year	221,692,087	150,426,274	221,692,087	150,426,274
	<b>4,060,874,943</b>	<b>3,874,881,338</b>	<b>3,952,728,827</b>	<b>3,771,415,051</b>
<b>28. Rent, taxes, insurance, electricity, etc.</b>				
Rent, rates and taxes	507,431,886	430,253,375	467,595,735	389,265,730
Insurance	230,675,090	188,829,384	230,675,090	188,829,384
Electricity	120,508,687	103,188,119	120,508,687	103,188,119
	<b>858,615,663</b>	<b>722,270,878</b>	<b>818,779,512</b>	<b>681,283,233</b>
<b>29. Legal expenses</b>				
Law charges	48,143,788	17,511,620	48,143,788	17,511,620
Other professional charges	2,089,020	1,837,376	2,064,205	1,837,376
	<b>50,232,808</b>	<b>19,348,996</b>	<b>50,207,993</b>	<b>19,348,996</b>
<b>30. Postage, stamp, telecommunication, etc</b>				
Telephone - office	13,697,364	19,744,209	13,697,364	14,927,958
Telephone - residence	384,727	488,509	384,727	488,509
Telegram, telex, fax and e-mail	57,602,640	51,138,903	57,602,640	51,138,903
Postage	19,637,967	6,451,191	14,755,586	6,451,191
	<b>91,322,698</b>	<b>77,822,812</b>	<b>86,440,317</b>	<b>73,006,561</b>
<b>31. Stationery, printing, advertisement, etc</b>				
Printing and stationery	84,129,200	76,491,394	81,177,171	73,603,254
Publicity and advertisement	36,272,769	16,194,218	36,272,769	16,194,218
	<b>120,401,969</b>	<b>92,685,612</b>	<b>117,449,940</b>	<b>89,797,472</b>
<b>32. Managing Director's salary and allowances</b>				
Basic salary	4,973,129	450,000	4,973,129	450,000
Allowance	3,617,904	350,000	3,617,904	350,000
Bonus	900,000	-	900,000	-
Bank's contribution to provident fund	499,354	45,000	499,354	45,000
	<b>9,990,387</b>	<b>845,000</b>	<b>9,990,387</b>	<b>845,000</b>
<b>33. Directors' fees and other benefits</b>				
Fees	3,416,590	1,632,200	1,352,000	1,544,000
<b>Other benefits</b>				
Haltage, traveling and other	1,118,124	1,506,462	1,118,124	1,506,462
Refreshment	734,949	773,832	734,949	773,832
	<b>1,853,073</b>	<b>2,280,294</b>	<b>1,853,073</b>	<b>2,280,294</b>
	<b>5,269,663</b>	<b>3,912,494</b>	<b>3,205,073</b>	<b>3,824,294</b>

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.

<b>34. Auditors' fees</b>	<b>1,588,656</b>	<b>1,547,588</b>	<b>575,000</b>	<b>500,000</b>
<b>35. Repair, maintenance and depreciation</b>				
<b>A. Depreciation</b>				
Buildings	32,126,740	36,806,796	32,121,740	36,806,796
Furniture and fixture	84,638,511	83,755,953	84,638,511	83,755,953
General equipments	79,504,601	89,011,725	79,504,601	89,011,725
Computer equipments	274,311,457	266,775,523	274,311,457	266,775,523
Vehicles	11,814,909	15,493,313	11,814,909	15,493,313
Books	203,295	18,555	203,295	18,555
	<b>482,599,513</b>	<b>491,861,865</b>	<b>482,594,513</b>	<b>491,861,865</b>



## Notes to the financial statements

For the year ended December 31, 2018

	Amount in BDT			
	Group		Bank	
	2018	2017	2018	2017
<b>B. Repairs and maintenance</b>				
Office premises	18,975,541	12,993,317	18,975,541	12,993,317
Furniture and fixtures	4,088,746	4,732,382	4,088,746	4,732,382
Vehicles	6,442,022	6,635,304	6,442,022	6,635,304
Equipments	175,042,987	133,449,196	152,078,971	115,364,719
	<b>204,549,296</b>	<b>157,810,199</b>	<b>181,585,280</b>	<b>139,725,722</b>
<b>Totals (A + B)</b>	<b>687,148,809</b>	<b>649,672,064</b>	<b>664,179,793</b>	<b>631,587,587</b>
<b>36. Other expenses</b>				
Car expenses	130,449,746	126,252,600	130,449,746	126,252,600
Credit card expenses	105,191	598,630	105,191	598,630
Entertainment	76,912,364	59,522,842	76,912,364	59,522,842
Traveling expenses	19,032,590	19,816,660	19,032,590	19,816,660
Donations	426,981,125	196,483,317	426,981,125	196,483,317
Subscriptions	4,718,943	3,816,379	4,718,943	3,816,379
Periodicals	3,228,786	1,516,126	3,228,786	1,516,126
Cartage/freight	29,571,181	26,424,297	29,571,181	26,424,297
Medical expense	16,199,107	15,878,827	16,199,107	15,878,827
Overseas expenses	6,246,950	5,090,701	6,246,950	5,090,701
Uniform and liveries	8,513,777	10,591,633	8,513,777	10,591,633
Training expenses	6,870,290	6,430,658	6,870,290	6,430,658
Loss on sale of share/ property/ asset	6,343	360	6,343	360
Miscellaneous	177,021,154	101,782,452	35,644,690	26,029,921
	<b>905,857,547</b>	<b>574,205,482</b>	<b>764,481,083</b>	<b>498,452,951</b>
<b>37. Changes in other assets</b>				
<b>A. Balance at the beginning of the year</b>				
Stock of stationery			32,690,257	36,612,104
Stamps in hand			3,948,690	3,731,688
Suspense account			499,333,255	396,470,897
Advance deposits			5,354,197	5,379,354
Sundry assets			253,478,248	273,795,346
Demand draft paid without advice			5,310,433	6,940,506
Bill purchase account - credit card			318,846,560	244,692,915
Inter-branch adjustment account (Net)			206,802,382	431,900,458
Payment made against claim made by EBL for guarantee issued by BCCI				
Advance against cash assistance			3,795,598	4,575,500
Advance against branches			15,356,321	2,445,707
Advance against NBL Tower			1,280,874,000	1,020,874,000
Advance against fixed assets			541,709,826	531,709,826
Others			323,473,615	200,056,259
			<b>3,504,656,607</b>	<b>3,172,867,785</b>
<b>B. Balance at the end of the year</b>				
Stock of stationery			30,407,234	32,690,257
Stamps in hand			4,538,408	3,948,690
Suspense account			553,130,266	499,333,255
Advance deposits			5,496,704	5,354,197
Sundry assets			221,425,658	253,478,248
Demand draft paid without advice			5,317,404	5,310,433
Bill purchase account - credit card			351,856,062	318,846,560
Inter-branch adjustment account (Net)			1,419,068,487	206,802,382
Payment made against claim made by EBL for guarantee issued by BCCI			-	13,683,225
Advance against cash assistance			10,166,298	3,795,598
Advance against branches			16,573,731	15,356,321
Advance against NBL Tower			1,690,624,000	1,280,874,000
Advance against fixed assets			541,712,826	541,709,826
Others			315,350,469	323,473,615
			<b>5,165,667,547</b>	<b>3,504,656,607</b>
<b>Net changes (A-B)</b>			<b>(1,661,010,940)</b>	<b>(331,788,822)</b>

## Notes to the financial statements

For the year ended December 31, 2018

		Amount in BDT			
		Group		Bank	
		2018	2017	2018	2017
<b>38. Changes in other liabilities</b>					
<b>A. Balance at the beginning of the year</b>					
Un-paid dividend				10,009,092	10,009,092
Provision for bonus				284,898,598	304,395,477
ATM card holders' accounts				12,108,148	3,555,609
Foreign currencies adjustment account				292,904,553	190,931,612
Bills payable account MPS (CCD)				5,471,733	11,916,026
Provision for LFA				93,655,125	90,294,562
Clearing adjusting account				35,257	38,666
Others				67,878,257	62,765,898
				<b>766,960,763</b>	<b>673,906,942</b>
<b>B. Balance at the end of the year</b>					
Un-paid dividend				10,009,092	10,009,092
Provision for bonus				419,861,758	284,898,598
ATM card holders' accounts				25,274,888	12,108,148
Foreign currencies adjustment account				307,076,296	292,904,553
Bills payable account MPS (CCD)				2,960,668	5,471,733
Provision for LFA				91,404,583	93,655,125
Clearing adjusting account				1,623	35,257
Others				194,117,973	67,878,257
				<b>1,050,706,881</b>	<b>766,960,763</b>
<b>Net Changes (A-B)</b>				<b>283,746,118</b>	<b>93,053,821</b>
<b>39. Earnings per share (EPS) Restated</b>					
(a) Net profit after tax		3,856,678,244	4,798,282,730	4,100,310,945	4,696,011,984
(b) Number of ordinary shares outstanding		2,370,453,494	2,370,453,494	2,370,453,494	2,370,453,494
(c) Issue of bonus shares during the year 12% of (b)		284,454,419	284,454,419	284,454,419	284,454,419
(d) Number of ordinary shares outstanding (d = b + c)		2,654,907,913	2,654,907,913	2,654,907,913	2,654,907,913
<b>Earnings per share (EPS) (a/d)</b>		<b>1.45</b>	<b>1.81</b>	<b>1.54</b>	<b>1.77</b>

Earnings per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of December 31, 2018 in terms of IAS 33: "Earnings Per Share (EPS)". EPS for the year ended December 31, 2017 was restated for the issues of bonus share in 2018 for the year 2017.

### 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 4,657.

### 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
i)	Mr. Md. Mahbubur Rahman Khan	Independent Director	Chairman	
ii)	Mr. Mabroor Hossain	Director	Member	Graduate

During the year under review, the audit committee of the Board conducted 7 (seven) meetings in which, among others, the following issues were discussed:

- Review of Bank's financial statements and recommended for consideration of the Board.
- Review of draft audited financial statements of subsidiary companies of the Bank.
- Review of internal control and compliance system of the Bank.
- Review of internal audit reports of different branches. Identification of minor/major lapses and compliances there against.
- Guidelines for audit program during the year 2019.
- Review of working of the credit administration division of the Bank.
- 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 10% stock dividend.

## Notes to the financial statements

For the year ended December 31, 2018

### 43. Related party disclosures

#### i) Name of the Directors and the entities in which they have interest as on December 31, 2018:

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
Mr. Zainul Haque Sikder	Chairman	<b>Chairman</b> Z H Sikder Women's Medical College & Hospital (Pvt) Ltd. Sikder Real Estate Ltd. Sikder Pharmaceuticals Ltd. Z H Sikder University of Science & Technology Monowara Sikder Medical College and Hospital. Alhaj Mokforuddin Sikder Foundation Zarina Sikder Trust	9.40% 10.00% 15.00%
Mrs. Monowara Sikder	Director	<b>Managing Director</b> Z H Sikder Women's Medical College & Hospital (Pvt) Ltd. Sikder Real Estate Ltd. Sikder Pharmaceuticals Ltd. Monowara Sikder Medical College and Hospital. Sikder Organic Market (Pvt) Ltd.  <b>Vice Chairperson</b> Z H Sikder University of Science & Technology  <b>Member</b> Alhaj Mokforuddin Sikder Foundation Zarina Sikder Trust	9.40% 20.00% 15.00%
Ms. Parveen Haque Sikder, MP	Director	<b>Chairperson</b> Millennium International School Mandy Dental College & Hospital J & M Builders (Pvt) Ltd. Western Bowling & Fitness Centre Jeffrey Institute of Health Science & Technology Powertech Holdings Ltd. Golden Barn Kingdom (Pvt) Ltd. ISO Tech Group  <b>Vice Chairperson</b> Z H Sikder Women's Medical College & Hospital (Pvt.) Ltd. Sikder Real Estate Ltd.  <b>Director</b> Sikder Pharmaceuticals Ltd.  <b>Treasurer</b> Z H Sikder University of Science & Technology  <b>Proprietor</b> Z M Real Estate  <b>Member</b> Monowara Sikder Medical College and Hospital. Alhaj Mokforuddin Sikder Foundation Zarina Sikder Trust	34.80%  50.00% 100.00% 100.00% 50.00%  9.40% 10.00%  10.00%

## Notes to the financial statements

For the year ended December 31, 2018

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
Alhaj Khalilur Rahman	Director	<b>Chairman</b>	
		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.	55.17%
		KDS Poly Ind. Ltd.	74.00%
		<b>Managing Director</b>	
		KDS Textile Mills Ltd.	20.27%
		KYCR Coil Ind. Ltd.	9.21%
KY Steel Mills Ltd.	98.00%		
Sky Securities Ltd.	42.46%		
<b>Shareholder</b>			
Al-Arafah Islami Bank Ltd.	8,508,279 shares		
Pragati Insurance Ltd.	2,952,385 shares		
Pragati Life Insurance Ltd.	242,711 shares		
Mr. Moazzam Hossain	Director	<b>Chairman</b>	
		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%
		<b>Managing Director</b>	
		EnergyPrima Ltd.	30.43%
		Hosaf Meter Industry Ltd.	97.89%
		Citi Link Apartment Ltd.	99.98%
		H F Power Limited	0.60%
		<b>Proprietor</b>	
		Hosaf Consultancy	100.00%
		<b>Shareholder</b>	
United Hospital Ltd.	0.42%		
Pragati Life Insurance Ltd.	0.01%		
Pragati Insurance Ltd. (Sponsor)	1.57%		
Mr. Rick Haque Sikder	Director	<b>Chairman</b>	
		Power Pac Holdings Ltd.	50.00%
		R & R 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%
PowerPac Mutiara Jamalpur Power Plant Ltd.(100 MW)	50.00%		

## Notes to the financial statements

For the year ended December 31, 2018

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
		<p><b>Director</b> Z H Sikder Women’s Medical College &amp; Hospital (pvt) Ltd. Sikder Pharmaceuticals Ltd. Sikder Real Estate Ltd.</p> <p><b>Managing Director</b> R &amp; R Aviation Ltd. BEL Construction SDN BHD Ltd.</p> <p><b>Managing Partner</b> Power Pac A1 Trade Center</p> <p><b>Proprietor</b> The River</p> <p><b>Member</b> Z H Sikder University of Science &amp; Technology Monowara Sikder Medical College and Hospital. Alhaj Mokforuddin Sikder Foundation Zarina Sikder Trust</p>	<p>9.40%</p> <p>10.00%</p> <p>10.00%</p> <p>81.90%</p> <p>80.00%</p> <p>50.00%</p> <p>50.00%</p> <p>100.00%</p>
<b>Mr. Ron Haque Sikder</b>	<b>Director</b>	<p><b>Managing Director</b> R &amp; R Holdings Ltd. PowerPac Holdings Ltd. PowerPac Mutiara Keraniganj Power Plant Ltd. (100 MW) PowerPac Keraniganj-II Power Plant Ltd. (161 MW) PowerPac Mutiara Khulna Power Plant Ltd. (100 MW) PowerPac Mutiara Jamalpur Power Plant Ltd.(100 MW)</p> <p><b>Director</b> Z H Sikder Women’s Medical College &amp; Hospital (pvt) Ltd. Sikder Pharmaceuticals Ltd.</p> <p><b>Vice Chairman</b> Sikder Real Estate Ltd.</p> <p><b>Managing Partner</b> Power Pac A1 Trade Center</p> <p><b>Member</b> Z H Sikder University of Science &amp; Technology Monowara Sikder Medical College and Hospital. Alhaj Mokforuddin Sikder Foundation Zarina Sikder Trust</p> <p><b>Shareholder</b> R &amp; R Aviation Ltd.</p>	<p>50.00%</p> <p>50.00%</p> <p>50.00%</p> <p>50.00%</p> <p>50.00%</p> <p>50.00%</p> <p>9.40%</p> <p>10.00%</p> <p>10.00%</p> <p>50.00%</p> <p>50.00%</p> <p>18.00%</p>

## Notes to the financial statements

For the year ended December 31, 2018

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
Mr. Zakaria Taher	Director	<p><b>Chairman</b> Purbachal Drillers Ltd. T S Holdings Ltd. Zyta Garments Ltd. T S Packaging Ltd</p> <p><b>Director</b> Jeans Culture Ltd. Clotes Labelon (BD) Ltd.</p> <p><b>Managing Director</b> Armana Fashions Ltd. Armana Ltd. Armana Apparels Ltd. Zyta Apparels Ltd. Denimach Ltd. Denimach Washing Ltd. Denitex Ltd. Armach Logistics Ltd.</p> <p><b>Sponsor shareholder</b> Pragati Life Insurance Ltd. Pragati Insurance Ltd.</p>	<p>50.00% 60.00% 59.97% 40.00%</p> <p>40.00% 14.00%</p> <p>50.50% 40.00% 50.00% 51.00% 15.00% 10.00% 20.00% 60.00%</p> <p>303,596 shares 285,908 shares</p>
Mr. Mabroor Hossain	Director	<p><b>Director</b> Hosaf Meter Industry Ltd. Hosaf International Ltd. Hosaf Gene Cure Pharma Co. Ltd. Euro Knitting &amp; Dyeing Inds. Ltd. Hosaf Proficient Energy Ltd. EnergyPrima Ltd. Shahjibazar Electric Generation Ltd. Infozillion Teletech BD Ltd. H F Power Limited</p> <p><b>Shareholder</b> Pragati Life Insurance Ltd Pragati Insurance Ltd.</p> <p><b>Proprietor</b> M H Holdings</p>	<p>0.49% 1.42% 18.00% 25.00% 40.00% 0.04% 10.00% 22.00% 0.60%</p> <p>3.25% 0.01%</p> <p>100.00%</p>
Mr. Md. Mahbubur Rahman Khan	Independent Director	<p><b>Managing Director</b> Himalaya Trading Co. Ltd. Hotel Raffles Inn</p> <p><b>Proprietor</b> M/s. Mahbubur Rahman Khan</p>	

## Notes to the financial statements

For the year ended December 31, 2018

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
Mr. Md. Badiul Alam	Representative Director (Sikder Insurance)		
Mr. Choudhury Moshtaq Ahmed	Managing Director	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	2018 BDT (000)
KDS Garments Ltd.	Alhaj Khalilur Rahman, Chairman and Mr. Salim Rahman, Managing Director of KDS Garments Limited and Director of the Bank.	LG	2,500.00
Z H Sikder Women's Medical College and Hospital (Pvt) Ltd.	Common Director	Loan (Gen) & Term	96,543.00
Rick Haque Sikder and others	Director	SOD	28,382.00
NBL Securities Ltd.	Subsidiary	Loan	2,306,101.00
<b>Total</b>			<b>2,433,526.00</b>

**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

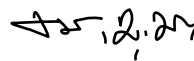
- vii) Investments in the securities of Directors and their related concern : Nil



Managing Director



Director



Director



Chairman

## Schedule of Fixed Assets As at December 31, 2018

Particulars	Cost / Revaluation				"Rate (%)"	Depreciation				Written down value at December 31, 2018
	As at January 01, 2018	Addition During the year	Disposal/ adjustment	Total at December 31, 2018		Upto January 01, 2018	Charge During the year	Disposal/ adjustment	Total to December 31, 2018	
Amount in BDT										
Land	669,006,896	42,664,000	18,454,144	693,216,752	0.00%	-	-	-	-	693,216,752
Building	1,463,692,042	-	187,402,246	1,276,289,796	2.50%	217,482,918	32,121,740	5,228,197	234,376,461	1,041,913,335
Furniture and fixtures	999,397,726	60,300,139	1,636,856	1,058,061,009	10.00%	608,318,865	84,638,511	1,613,255	691,344,121	366,716,888
General equipment	1,027,183,538	54,877,304	12,069,222	1,069,991,620	20.00%	851,078,139	79,504,601	12,039,886	918,542,854	151,448,766
Computer equipment	1,399,041,778	55,019,997	15,548,505	1,438,513,270	33.33%	1,024,331,819	274,311,457	15,546,242	1,283,097,034	155,416,236
Vehicles	267,823,419	23,805,537	15,101,672	276,527,284	20.00%	242,945,064	11,814,909	14,379,216	240,380,757	36,146,527
Books	1,482,691	456,513	-	1,939,204	20.00%	1,438,477	203,295	-	1,641,772	297,432
<b>As at December 31, 2018</b>	<b>5,827,628,090</b>	<b>237,123,490</b>	<b>250,212,645</b>	<b>5,814,538,935</b>		<b>2,945,595,282</b>	<b>482,594,513</b>	<b>58,806,796</b>	<b>3,369,382,999</b>	<b>2,445,155,936</b>
<b>As at December 31, 2017</b>	<b>5,647,039,649</b>	<b>208,778,021</b>	<b>28,189,580</b>	<b>5,827,628,090</b>		<b>2,481,340,136</b>	<b>491,861,865</b>	<b>27,606,719</b>	<b>2,945,595,282</b>	<b>2,882,032,808</b>



## Balance with other Banks and Financial Institutions (Outside Bangladesh)

As at December 31, 2018

Particulars	Currency Name	2018			2017		
		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
<b><i>In fixed deposit accounts (interest bearing) with:</i></b>							
JP Morgan Chase Bank, Singapore	USD	539,000.00	83.9000	45,222,100	539,000.00	82.7000	44,575,300
Eastern Bank Ltd., OBU	USD	1,000,000.00	83.9000	83,900,000	-	82.7000	-
Mercantile Bank Ltd., OBU	USD	0.00	83.9000	-	1,000,000.00	82.7000	82,700,000.00
<b>Sub-total</b>				<b>129,122,100</b>			<b>127,275,300</b>
<b><i>In demand deposit accounts (non interest bearing) with:</i></b>							
Mashreq Bank, New York	USD	393,089.60	83.9000	32,980,217	374,336.12	82.7000	30,957,597
JP Morgan Chase Bank New York	USD	222,654.64	83.9000	18,680,724	2,049,038.98	82.7000	169,455,524
Standard Chartered Bank, New York	USD	865,115.03	83.9000	72,583,151	247,614.50	82.7000	20,477,719
Standard Chartered Bank, Mumbai	ACU	1,012,027.50	83.9000	84,909,107	78,779.20	82.7000	6,515,040
Sonali Bank, Kolkata	ACU	434,534.78	83.9000	36,457,468	219,717.92	82.7000	18,170,672
Mashreq Bank, Mumbai	ACU	437,533.84	83.9000	36,709,089	217,552.26	82.7000	17,991,572
State Bank of India, Kolkata	ACU	6,122.07	83.9000	513,642	6,122.07	82.7000	506,295
United Bank, Karachi	ACU	31,215.43	83.9000	2,618,975	31,215.43	82.7000	2,581,516
NABIL Bank, Nepal	ACU	211,703.37	83.9000	17,761,913	109,753.37	82.7000	9,076,604
Standard Chartered Bank, Colombo	ACU	57,326.01	83.9000	4,809,652	9,225.11	82.7000	762,917
Myanmar Foreign Trade Bank Yangon	ACU	137.85	83.9000	11,566	137.85	82.7000	11,400
AB Bank Ltd., Mumbai	ACU	1,183,101.67	83.9000	99,262,230	140,914.70	82.7000	11,653,646
Bank of Bhutan, Thimpu	ACU	289,625.13	83.9000	24,299,548	10,739.74	82.7000	888,176
ICICI Bank Ltd., Mumbai	ACU	38,258.27	83.9000	3,209,869	38,258.27	82.7000	3,163,959
HDFC Bank, India	ACU	513,268.34	83.9000	43,063,214	129,398.11	82.7000	10,701,224
Meezan Bank, Karchi	ACU	33,876.32	83.9000	2,842,223	-	0.0000	-
Commerz Bank, Frankfurt	EURO	7,800.00	95.4866	744,795	38,211.41	98.4874	3,763,342
Standard Chartered Bank, Frankfurt	EURO	18,755.42	95.4866	1,790,891	13,693.18	98.4874	1,348,606
Uni Credito Italiano SPA, Italy	EURO	-	95.4866	-	450.00	98.4874	44,319
Alpha Bank AE Athens	EURO	200,186.23	95.4866	19,115,102	201,053.83	98.4874	19,801,269
Sonali Bank, London	GBP	-	-	-	31,331.03	110.9669	3,476,707
BOT Tokyo	JPY	96,760.00	0.7561	73,160	94,264.00	0.7307	68,879
Union Bank of Switzerland	CHF	6,613.55	84.5170	558,957	4,442.74	83.9594	373,010
Habib Bank Zurich	CHF	2,296.20	84.5170	194,068	2,267.55	83.9594	190,382
Habib Bank, Karachi	ACU	-	83.9000	-	-	82.7000	-
Habib American Bank	USD	791,948.28	83.9000	66,444,461	209,466.79	82.7000	17,322,904
Standard Chartered Bank, Singapore	SGD	1,811.62	61.1071	110,703	15,767.43	61.7210	973,182
Wachovia Bank, New York	USD	-	83.9000	-	-	82.7000	-
Citibank N.A New York	USD	605,510.04	83.9000	50,802,292	284,371.17	82.7000	23,517,496
<b>Sub-total</b>				<b>620,547,017</b>			<b>373,793,957</b>
<b>Grand total</b>				<b>749,669,117</b>			<b>501,069,257</b>

## Status of large loan

As at December 31, 2018

(Figures in crore)

SL no.	Name of the borrower	Funded	Non-funded	Total outstanding	Remarks
Amount in BDT					
1	Abul Khair Group	337.44	91.02	428.46	
2	Basundhara Group	461.08	504.13	965.21	
3	Beximco Group	813.07	4.50	817.57	
4	Beximco LPG Unit	665.83	107.08	772.91	
5	BSM Group	405.36	-	405.36	
6	BSRM Group	1.02	13.30	14.32	
7	Dekko Group	301.32	265.01	566.33	
8	Ehsan Group	539.99	-	539.99	
9	FMC Group	835.62	61.81	897.43	
10	M H Group	411.58	2.12	413.70	
11	Maisha Group	1,801.34	89.19	1,890.53	
12	Millennium Group	441.82	-	441.82	
13	NAF Trading	627.66	-	627.66	
14	NASSA Group	827.25	125.20	952.45	
15	Pacific Group	493.89	-	493.89	
16	Pran RFL Group	393.91	14.40	408.31	
17	S A Group	384.36	5.86	390.22	
18	S Alam Group	696.45	14.42	710.87	
19	S Alam Super Edible Oil Ltd.	688.55	-	688.55	
20	S Alam Vegetable Oil & Allied Concern-Fairy Trade Int.	871.39	300.98	1,172.37	
21	Saad Musa Group	639.42	9.66	649.08	
22	TK Group	18.61	27.87	46.48	
23	Western Marine Shipyard Ltd.	595.35	-	595.35	
	<b>Total</b>	<b>13,252.31</b>	<b>1,636.55</b>	<b>14,888.86</b>	

## Status on REPO and Reverse REPO

As at December 31, 2018

### A. i) Disclosure regarding outstanding REPO

As per DOS Circular No. 06 dated July 15, 2010.

(Figures in crore)

Counter party	Agreement date	Reversal date	Amount BDT
Commercial Bank of Ceylon PLC	27.12.2018	01.01.2019	15.99
Janata Bank Ltd.	27.12.2018	03.01.2019	59.49
National Credit and Commercial Bank Ltd.	27.12.2018	01.01.2019	31.77
Standard Chartered Bank	27.12.2018	01.01.2019	120.44
Southeast Bank Ltd.	27.12.2018	01.01.2019	70.19
The City Bank Ltd.	27.12.2018	03.01.2019	30.97
<b>Total</b>			<b>328.85</b>

### ii) Disclosure regarding outstanding Reverse REPO

Counter party	Agreement date	Reversal date	Amount BDT
NIL			-
<b>Total</b>			<b>-</b>

### 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
<b>REPO/ALS</b>			
Prime Bank Ltd.	2.08	-	47.31
Agrani Bank Ltd.	-	200.03	
<b>Reverse REPO</b>			
AB Bank Ltd.	27.84	-	1.59
Mutual Trust Bank Ltd.	-	101.31	

## Structural Liquidity Profile

As at December 31, 2018

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

(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
<b>Assets (Inflow)</b>								
Cash in hand (LCY + FCY)	324.67	-	-	-	-	-	1,457.14	1,781.81
Balance with Bangladesh Bank (LCY)	98.62	-	-	-	-	-	-	98.62
Balance with Bangladesh Bank (FCY)	-	-	-	-	-	-	-	-
Balance with other banks and financial institutions	140.97	150	50	15	128	-	15.75	499.72
Money at call and on short notice	-	-	-	189.59	302.68	1,548.96	2,770.77	4,812.00
Investment in G-SEC	-	30.04	-	-	-	-	-	30.04
Other Investment (Share, Debenture and bond, MFU and others)	0.83	20.00	180.37	420.86	664.59	75.00	509.15	1,870.80
Loans and advances	1,002.25	13.21	3,614.21	4,561.23	7,463.44	8,891.08	4,279.54	29,824.96
Bills purchased and discounted	8.17	24.50	32.67	89.83	8.16	-	-	163.33
Reverse REPO with Bangladesh Bank	-	-	-	-	-	-	-	-
Reverse REPO with Others	-	-	-	-	-	-	-	-
Fixed assets including premises, furniture and fixtures	-	-	-	-	-	-	244.51	244.51
Other assets	-	-	-	-	-	-	1,747.65	1,747.65
Non-banking assets	-	-	-	-	-	-	33.58	33.58
Other receivables	-	-	-	-	-	-	-	-
<b>Total Inflows</b>	<b>1,575.51</b>	<b>237.75</b>	<b>3,877.25</b>	<b>5,276.51</b>	<b>8,566.87</b>	<b>10,515.04</b>	<b>11,058.09</b>	<b>41,107.02</b>
<b>Liabilities (Outflows)</b>								
Borrowing from Bangladesh Bank (Refinances etc)	1.79	12.56	39.47	107.72	261.45	-	-	422.99
REPO/LS with Bangladesh Bank	-	-	-	-	-	-	-	-
REPO with other banks and fis.	238.39	90.46	-	-	-	-	-	328.85
Borrowing from other banks and fis.	-	-	-	-	-	-	-	-
Money at call and on short notice	442.00	-	-	-	-	-	-	442.00
Demand Deposits	547.01	79.20	81.76	117.52	2,043.90	2,710.73	-	-
Savings bank deposit	54.61	57.57	57.15	63.50	63.50	3,936.94	-	4,233.27
Fixed Deposit	363.02	709.59	2,620.37	6,468.09	6,497.06	2,814.31	1,854.17	21,326.61
Bills Payable	35.66	178.28	35.78	35.35	70.71	-	-	355.78
Provision and other liabilities	-	-	0.30	117.05	1,536.52	10.66	55.33	1,719.86
Capital and Reserve	-	-	-	-	-	240.18	4,735.47	4,975.65
<b>Total Outflows</b>	<b>1,682.48</b>	<b>1,127.66</b>	<b>2,834.83</b>	<b>6,909.23</b>	<b>10,473.14</b>	<b>9,712.82</b>	<b>6,644.97</b>	<b>39,385.13</b>
Letter of Credit/Guarantees (Net of margin)	10.34	72.36	227.42	843.28	1,320.10	-	-	2,473.50
Other OBS Items (Net of margin)	61.94	433.60	650.46	1,306.51	-	-	-	2,452.51
Available Balance with BB (FCY)	-	72.22	-	-	-	-	-	72.22
Net Nostro a/c balance	72.28	2.68	-	-	-	-	-	74.96
<b>Net Mismatch</b>	<b>(106.97)</b>	<b>(1,320.97)</b>	<b>164.54</b>	<b>(3,782.51)</b>	<b>(3,226.37)</b>	<b>802.22</b>	<b>4,413.12</b>	<b>(3,056.94)</b>
<b>Cumulative Net Mismatch</b>	<b>(106.97)</b>	<b>(1,427.94)</b>	<b>(1,263.40)</b>	<b>(5,045.91)</b>	<b>(8,272.28)</b>	<b>(7,470.06)</b>	<b>(3,056.94)</b>	

Medium Term Funding Ratio (MTF):	0.758
Maximum Cumulative Outflow (MCO):	17.21%

## Highlights on the activities of the Bank

As at December 31, 2018

(BDT in Million)

Sl. No.	Particulars	2018	2017
1	Paid-up Capital	26,549.08	23,704.53
2	Total Capital (Tier-I+II)	51,144.37	47,694.76
3	Capital Surplus/ (Deficit)	7,889.11	8,797.77
4	Total Assets	407,227.40	350,692.42
5	Total Deposits	315,206.03	272,771.32
6	Total Loans and Advances	314,507.26	248,467.15
7	Total Contingent Liabilities and Commitments	52,836.83	56,641.57
8	Advance / Deposit Ratio (%)	97.49%	89.03%
9	Percentage of Classified Loans against total Loans and Advances	9.50%	10.64%
10	Profit after Provision & Tax	4,100.31	4,696.01
11	Amount of Classified Loans	29,881.46	26,448.33
12	Provision kept against Classified Loans	9,665.48	6,892.35
13	Cost of Fund (including operating cost)	8.52%	7.63%
14	Interest Earning Assets	365,612.68	308,507.13
15	Non-interest Earning Assets	41,614.72	42,185.29
16	Return on Investment (ROI)	10.28%	12.35%
17	Return on Assets (ROA)	1.08%	1.43%
18	Income from Investment	6,074.56	7,469.85
19	Earnings per Share (Taka)	1.54	1.77
20	Net income per Share (Taka)	1.54	1.77
21	Price Earning Ratio (Times)	6.17	7.34
22	Net Assets Value per shares (Taka)	16.88	17.03

# OFFSHORE BANKING UNIT, BANGLADESH



Financial Statements  
For the year ended December 31, 2018

## Offshore Banking Unit, Bangladesh

### Balance Sheet

As at December 31, 2018

	Notes	2018		2017	
		USD	BDT	USD	BDT
<b>PROPERTY AND ASSETS</b>					
<b>Cash</b>					
In hand (including foreign currencies)		-	-	-	-
With Bangladesh Bank (Including foreign currencies)		-	-	-	-
<b>Balance with other banks and financial institutions (On current and other accounts) :</b>					
In Bangladesh	3	3,667,950.05	307,741,010	1,573,869.86	130,159,038
Outside Bangladesh		-	-	-	-
		<b>3,667,950.05</b>	<b>307,741,010</b>	<b>1,573,869.86</b>	<b>130,159,038</b>
<b>Money at call and on short notice</b>					
		-	-	-	-
<b>Investments</b>					
		-	-	-	-
<b>Loans and advances</b>					
i) Loans, cash credits, overdrafts, etc.					
In Bangladesh		2,654,348.02	222,699,799	-	-
Outside Bangladesh		-	-	-	-
		<b>2,654,348.02</b>	<b>222,699,799</b>	-	-
ii) Bills purchased and discounted					
Payable in Bangladesh		71,665,950.49	6,012,773,246	64,937,743.91	5,370,351,421
Payable outside Bangladesh		-	-	-	-
		<b>71,665,950.49</b>	<b>6,012,773,246</b>	<b>64,937,743.91</b>	<b>5,370,351,421</b>
		<b>74,320,298.51</b>	<b>6,235,473,045</b>	<b>64,937,743.91</b>	<b>5,370,351,421</b>
<b>Fixed assets including premises, furniture and fixtures</b>	5	80.04	6,716	264.52	21,876
<b>Other assets</b>	6	1,214,202.21	101,871,565	946,176.97	78,248,835
<b>Non-banking assets</b>		-	-	-	-
<b>TOTAL ASSETS</b>		<b>79,202,530.81</b>	<b>6,645,092,336</b>	<b>67,458,055.26</b>	<b>5,578,781,170</b>
<b>CAPITAL AND LIABILITIES</b>					
<b>Borrowings from other banks, financial institutions and agents</b>					
In Bangladesh	7	71,673,985.53	6,013,447,386	47,915,310.53	3,962,596,181
Outside Bangladesh		2,612,995.00	219,230,281	15,929,050.00	1,317,332,435
		<b>74,286,980.53</b>	<b>6,232,677,667</b>	<b>63,844,360.53</b>	<b>5,279,928,616</b>
		<b>74,286,980.53</b>	<b>6,232,677,667</b>	<b>63,844,360.53</b>	<b>5,279,928,616</b>
<b>Deposits and other accounts</b>					
8					
Current deposits and other accounts		2,926,223.41	245,510,144	2,136,077.70	176,653,626
Term deposits		884,547.00	74,213,493	868,066.00	71,789,058
		<b>3,810,770.41</b>	<b>319,723,637</b>	<b>3,004,143.70</b>	<b>248,442,684</b>
<b>Other liabilities</b>	9	1,104,779.87	92,691,032	609,551.03	50,409,870
<b>Total liabilities</b>		<b>79,202,530.81</b>	<b>6,645,092,336</b>	<b>67,458,055.26</b>	<b>5,578,781,170</b>
<b>Capital / Shareholders' equity</b>					
Retained earnings brought forward from profit and loss account		-	-	-	-
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>79,202,530.81</b>	<b>6,645,092,336</b>	<b>67,458,055.26</b>	<b>5,578,781,170</b>
<b>Off - balance sheet items</b>					
<b>Contingent liabilities</b>					
Acceptance and endorsements		3,258,900.00	273,421,710	1,997,600.00	165,201,520
Letter of guarantee - Banks		-	-	-	-
Letter of guarantee - Others		80,500.00	6,753,950	80,500.00	6,657,350
Bills for collection		5,403,800.00	453,378,820	2,909,500.00	240,615,650
Irrevocable letters of credit		892,100.00	74,847,190	811,900.00	67,144,130
Other commitments		-	-	-	-
		<b>9,635,300.00</b>	<b>808,401,670</b>	<b>5,799,500.00</b>	<b>479,618,650</b>

## Offshore Banking Unit, Bangladesh

### Profit and Loss Statement

For the year ended December 31, 2018

	Notes	2018		2017	
		USD	BDT	USD	BDT
Interest income	10	4,431,351.42	371,790,384	2,445,302.53	202,226,519
Interest paid on deposits and borrowings	11	3,219,996.15	270,157,677	1,516,622.14	125,424,651
<b>Net interest income</b>		<b>1,211,355.27</b>	<b>101,632,707</b>	<b>928,680.39</b>	<b>76,801,868</b>
Commission, exchange and brokerage	12	91,156.63	7,648,041	79,670.41	6,588,743
Other operating Income	13	116,521.15	9,776,124	133,781.39	11,063,721
<b>Total operating income</b>		<b>1,419,033.05</b>	<b>119,056,872</b>	<b>1,142,132.19</b>	<b>94,454,332</b>
Salary and allowances	14	38,618.26	3,240,073	28,417.89	2,350,159
Rent, taxes, Insurance, electricity etc.	15	13,170.15	1,104,975	10,082.83	833,850
Postage, stamps, telecommunication etc.	16	2,215.29	185,863	3,488.24	288,477
Repair, maintenance and depreciation	17	705.51	59,192	92.24	7,628
Other operating expenses	18	96.68	8,111	5,000.00	413,500
<b>Total operating expenses</b>		<b>54,805.89</b>	<b>4,598,214</b>	<b>47,081.20</b>	<b>3,893,614</b>
<b>Profit before provision</b>		<b>1,364,227.16</b>	<b>114,458,658</b>	<b>1,095,050.99</b>	<b>90,560,718</b>
Less: General Provision against UC Loan	2.3	-	-	-	-
<b>Profit before income tax</b>		<b>1,364,227.16</b>	<b>114,458,658</b>	<b>1,095,050.99</b>	<b>90,560,718</b>
Less: Provision for income tax	2.3	-	-	-	-
<b>Net Profit after taxation</b>		<b>1,364,227.16</b>	<b>114,458,658</b>	<b>1,095,050.99</b>	<b>90,560,718</b>
Balance of Profit brought forward		-	-	-	-
Effect of changes in exchange rate		-	-	-	-
<b>Retained Earnings carried forward</b>		<b>1,364,227.16</b>	<b>114,458,658</b>	<b>1,095,050.99</b>	<b>90,560,718</b>
Less: Retained earnings transferred to central operation		1,364,227.16	114,458,658	1,095,050.99	90,560,718
		-	-	-	-



## Offshore Banking Unit, Bangladesh

### Cash Flow Statement

For the year ended December 31, 2018

	2018		2017	
	USD	BDT	USD	BDT
<b>A) Cash flows from operating activities</b>				
Interest Income	4,431,351.42	371,790,384	2,445,302.53	202,226,519
Interest paid	(3,219,996.15)	(270,157,677)	(1,516,622.14)	(125,424,651)
Commission, exchange and brokerage	91,156.63	7,648,041.00	79,670.41	6,588,743
Received from other operating activities	116,521.15	9,776,124.00	133,781.39	11,063,721
Paid to employees	(38,618.26)	(3,240,073.00)	(28,417.89)	(2,350,159)
Paid to supplier	(15,906.47)	(1,334,552.00)	(13,571.07)	(1,122,327)
Paid for operating expenses	(96.68)	(8,111.00)	(5,000.00)	(413,500)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>1,364,411.64</b>	<b>114,474,136</b>	<b>1,095,143.23</b>	<b>90,568,346</b>
<b>(Increase)/decrease in operating assets:</b>				
Loan and advances to customers	(9,382,554.60)	(865,121,624)	(30,272,501.38)	(2,642,120,571)
Other Assets	(268,025.35)	(23,622,730)	(445,715.76)	(38,861,428)
<b>Increase/(decrease) in operating liabilities:</b>				
Effect of Changes in exchange rate	-	(318)	-	(1,426)
Deposits from Banks	-	-	-	-
Customers' deposits and other accounts	806,626.71	71,280,953	(1,400,976.79)	(98,249,990)
Borrowing from other banks and financial institutions	10,442,620.00	952,749,051	30,062,894.53	2,621,252,923
Other liabilities	495,228.95	42,281,162	449,258.90	37,794,518
	<b>2,093,895.71</b>	<b>177,566,494</b>	<b>(1,607,040.50)</b>	<b>(120,185,974)</b>
<b>Net cash provided from / (used in operating activities)</b>	<b>3,458,307.35</b>	<b>292,040,630</b>	<b>(511,897.27)</b>	<b>(29,617,628)</b>
<b>B) Cash flows from investing activities</b>				
Changes in fixed assets	-	-	-	-
Fund placement	-	-	-	-
	-	-	-	-
<b>C) Cash flows from financing activities</b>				
Profit remitted to Head Office	(1,364,227.16)	(114,458,658)	(1,059,050.99)	(90,560,718)
<b>D) Net increase in cash and cash equivalents (A + B + C)</b>	<b>2,094,080.19</b>	<b>177,581,972</b>	<b>(1,606,948.26)</b>	<b>(120,178,346)</b>
<b>E) Opening cash and cash equivalents</b>	<b>1,573,869.86</b>	<b>130,159,038</b>	<b>3,180,818.12</b>	<b>250,337,384</b>
<b>F) Closing cash and cash equivalent (D + E)</b>	<b>3,667,950.05</b>	<b>307,741,010</b>	<b>1,573,869.86</b>	<b>130,159,038</b>
<b>G) Closing cash and cash equivalents</b>				
Cash in hand (including foreign currencies)	-	-	-	-
Balances with Bangladesh Bank and its agent bank (s)	-	-	-	-
Balances with other Banks and Financial Institutions	3,667,950.05	307,741,010	1,573,869.86	130,159,038
Money at call and short notice	-	-	-	-
Prize bonds	-	-	-	-
	<b>3,667,950.05</b>	<b>307,741,010</b>	<b>1,573,869.86</b>	<b>130,159,038</b>

## Offshore Banking Unit, Bangladesh

### Notes to the Financial Statements

For the year ended December 31, 2018

#### 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

- 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.
- Interest income is recognised on accrual basis to comply with the IFRS-15 "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 receipt basis.
- 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

- Expenditure for audit fees has not been separately accounted for in the Financial Statements.
- 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.

	2018		2017	
	USD	BDT	USD	BDT
<b>3 Balance with other Banks and Financial Institutions</b>				
<b>Inside Bangladesh</b>				
NBL Mohakhali Branch	299,039.65	25,089,427	783,765.61	64,817,416
Placement with NBL	2,874,870.00	241,201,593	492,067.53	40,693,985
Head Office ID	494,040.40	41,449,990	298,036.72	24,647,637
	<b>3,667,950.05</b>	<b>307,741,010</b>	<b>1,573,869.86</b>	<b>130,159,038</b>
<b>3.1 Balance with other Banks and Financial Institutions (according to remaining maturity grouping)</b>				
Payable				
On demand	3,667,950.05	307,741,010	1,573,869.86	130,159,038
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	-	-	-	-
	<b>3,667,950.05</b>	<b>307,741,010</b>	<b>1,573,869.86</b>	<b>130,159,038</b>
<b>4 Loans and advances</b>				
<b>4.1 Loans, Cash Credit, Overdraft etc.</b>				
<b>4.1.1 Inside Bangladesh</b>				
Loans	2,654,348.02	222,699,799	-	-
Cash Credit	-	-	-	-
Loan against TR	-	-	-	-
Secured Overdraft	-	-	-	-
	<b>2,654,348.02</b>	<b>222,699,799</b>	-	-
<b>4.1.2 Outside Bangladesh</b>				
	<b>2,654,348.02</b>	<b>222,699,799</b>	-	-

## Offshore Banking Unit, Bangladesh

### Notes to the Financial Statements

For the year ended December 31, 2018

	2018		2017	
	USD	BDT	USD	BDT
<b>4.2 Bills purchased and discounted</b>				
<b>4.2.1 Inside Bangladesh</b>				
Local Bill Purchased	-	-	-	-
Foreign Bill Purchased	71,665,950.49	6,012,773,246	64,937,743.91	5,370,351,421
	<b>71,665,950.49</b>	<b>6,012,773,246</b>	<b>64,937,743.91</b>	<b>5,370,351,421</b>
<b>4.2.2 Outside Bangladesh</b>	-	-	-	-
	<b>71,665,950.49</b>	<b>6,012,773,246</b>	<b>64,937,743.91</b>	<b>5,370,351,421</b>
	<b>74,320,298.51</b>	<b>6,235,473,045</b>	<b>64,937,743.91</b>	<b>5,370,351,421</b>
<b>4.3 Maturity grouping of loans and advances including bills discounted and purchased</b>				
Payable on demand	860,000.00	72,154,000	-	-
Less than three months	9,923,863.78	832,612,171	59,526,265.25	4,922,822,136
More than three months but less than one year	61,361,343.99	5,148,216,761	5,411,478.66	447,529,285
More than one year but less than five years	2,175,090.74	182,490,113	-	-
	<b>74,320,298.51</b>	<b>6,235,473,045</b>	<b>64,937,743.91</b>	<b>5,370,351,421</b>
<b>4.4 Maturity analysis of bills purchased and discounted</b>				
Within one month	860,000.00	72,154,000	59,526,265.25	4,922,822,136
More than one month but less than three months	9,776,400.00	820,239,960	5,411,478.66	447,529,285
More than three months but less than six months	61,029,550.49	5,120,379,286	-	-
	<b>71,665,950.49</b>	<b>6,012,773,246</b>	<b>64,937,743.91</b>	<b>5,370,351,421</b>
<b>4.5 Loans and Advances on the basis of Significant Concentration</b>				
<b>4.5.1 Loans and Advances to Directors, Executive and Others</b>				
Advance to Directors and their allied concerns (including Ex-Directors)	-	-	-	-
Advances to CEO & Managing Director	-	-	-	-
Advances to Other executives and staffs	-	-	-	-
Advances to Customers (Group wise)	-	-	-	-
Industrial Advances	74,320,298.51	6,235,473,045	64,937,743.91	5,370,351,421
	<b>74,320,298.51</b>	<b>6,235,473,045</b>	<b>64,937,743.91</b>	<b>5,370,351,421</b>
<b>4.6 Industry-wise Concentration of loans and advances</b>				
Air way sector (BBAW)	-	-	320,000.00	26,464,000
Pharmaceuticals Industries	647,210.87	54,300,992	888,486.67	73,477,848
Textile & Garments Industry	9,715,077.60	815,095,011	3,873,838.78	320,366,467
Cement Industry	-	-	2,884,942.50	238,584,745
Others	63,958,010.04	5,366,077,042	56,970,475.96	4,711,458,361
	<b>74,320,298.51</b>	<b>6,235,473,045</b>	<b>64,937,743.91</b>	<b>5,370,351,421</b>
<b>4.7 Geographical location-wise concentration of Loans and advances</b>				
<b>Inside Bangladesh</b>				
Dhaka Division	74,320,298.51	6,235,473,045	64,937,743.91	5,370,351,421
Chittagong Division	-	-	-	-
Khulna Division	-	-	-	-
Rajshahi Division	-	-	-	-
Barishal Division	-	-	-	-
Sylhet Division	-	-	-	-
	<b>74,320,298.51</b>	<b>6,235,473,045</b>	<b>64,937,743.91</b>	<b>5,370,351,421</b>
<b>Outside Bangladesh</b>	-	-	-	-
	<b>74,320,298.51</b>	<b>6,235,473,045</b>	<b>64,937,743.91</b>	<b>5,370,351,421</b>
<b>4.8 Classified, unclassified, doubtful and bad loans &amp; advances</b>				
<b>Unclassified</b>				
Standard	74,320,298.51	6,235,473,045	64,937,743.91	5,370,351,421
Special Mention Account	-	-	-	-
<b>Classified</b>				
Sub-standard	-	-	-	-
Doubtful	-	-	-	-
Bad/Loss	-	-	-	-
	<b>74,320,298.51</b>	<b>6,235,473,045</b>	<b>64,937,743.91</b>	<b>5,370,351,421</b>
<b>4.9 Particulars of loans and advances</b>				
i) Debt considered good in respect of which the bank is fully secured	74,320,298.51	6,235,473,045	64,937,743.91	5,370,351,421
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	-	-	-	-

## Offshore Banking Unit, Bangladesh

### Notes to the Financial Statements

For the year ended December 31, 2018

	2018		2017	
	USD	BDT	USD	BDT
iv) Debts considered doubtful or bad, not provided for	-	-	-	-
	<b>74,320,298.51</b>	<b>6,235,473,045</b>	<b>64,937,743.91</b>	<b>5,370,351,421</b>
v) Debts taken by directors or executives or any of them taken jointly or separately with other persons	-	-	-	-
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 members	-	-	-	-
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 members	-	-	-	-
ix) Due from other banking companies	-	-	-	-
x) Classified loans and advances on which no interest is credited to income	-	-	-	-
<b>5 Fixed Assets</b>				
Furnitures, fixtures and fittings	1,807.35	151,637	1,807.35	149,468
Office equipments	8,291.02	695,617	8,291.02	685,667
	<b>10,098.37</b>	<b>847,254</b>	<b>10,098.37</b>	<b>835,135</b>
Accumulated depreciation	10,018.33	840,538	9,833.85	813,259
	<b>80.04</b>	<b>6,716</b>	<b>264.52</b>	<b>21,876</b>
<b>6 Other assets</b>				
Stationery in hand	-	-	-	-
Adjusting account debit	1,214,202.21	101,871,565	946,176.97	78,248,835
	<b>1,214,202.21</b>	<b>101,871,565</b>	<b>946,176.97</b>	<b>78,248,835</b>
<b>7 Borrowings from other Banks, Financial Institutions and Agents</b>				
<b>In Bangladesh</b>				
Head office, ID	71,673,985.53	6,013,447,386	47,915,310.53	3,962,596,181
Bangladesh Bank	-	-	-	-
	<b>71,673,985.53</b>	<b>6,013,447,386</b>	<b>47,915,310.53</b>	<b>3,962,596,181</b>
<b>Outside Bangladesh</b>				
	2,612,995.00	219,230,281	15,929,050.00	1,317,332,435
	<b>74,286,980.53</b>	<b>6,232,677,667</b>	<b>63,844,360.53</b>	<b>5,279,928,616</b>
<b>7.1 Classification based on types of security</b>				
Secured	-	-	-	-
Unsecured	74,286,980.53	6,232,677,667	63,844,360.53	5,279,928,616
	<b>74,286,980.53</b>	<b>6,232,677,667</b>	<b>63,844,360.53</b>	<b>5,279,928,616</b>
<b>7.2 Maturity grouping of borrowings from other Banks, Financial Institutions and Agents</b>				
Payable on demand	-	-	-	-
Payable within one month	1,337,000.00	112,174,300	47,915,310.53	3,962,596,181
More than one month but less than three months	3,217,500.00	269,948,250	5,229,050.00	432,442,435.00
More than three months but less than 1 year	23,304,195.00	1,955,221,961	10,700,000.00	884,890,000.00
More than 1 year but less than 5 years	46,428,285.53	3,895,333,156	-	-
	<b>74,286,980.53</b>	<b>6,232,677,667</b>	<b>63,844,360.53</b>	<b>5,279,928,616</b>

## Offshore Banking Unit, Bangladesh

### Notes to the Financial Statements

For the year ended December 31, 2018

	2018		2017	
	USD	BDT	USD	BDT
<b>8 Deposits and other accounts</b>				
<b>Current and other accounts</b>				
Current account	372,536.10	31,255,779	621,538.95	51,401,271
Sundry deposits	2,553,687.31	214,254,365	1,514,538.75	125,252,355
	<b>2,926,223.41</b>	<b>245,510,144</b>	<b>2,136,077.70</b>	<b>176,653,626</b>
Term deposits	884,547.00	74,213,493	868,066.00	71,789,058
	<b>3,810,770.41</b>	<b>319,723,637</b>	<b>3,004,143.70</b>	<b>248,442,684</b>
<b>8.1 Maturity grouping of deposits and other accounts</b>				
Payable on demand	2,926,223.41	245,510,144	621,538.95	51,401,271
Payable within one month	-	-	26,460.00	2,188,242
More than one month but less than three months	884,547.00	74,213,493	455,444.00	37,665,219
More than three months but less than one year	-	-	1,900,700.75	157,187,952
More than one year but less than five years	-	-	-	-
	<b>3,810,770.41</b>	<b>319,723,637</b>	<b>3,004,143.70</b>	<b>248,442,684</b>
<b>9 Other liabilities</b>				
Adjusting Account Credit	1,104,779.87	92,691,032	609,551.03	50,409,870
Provision for Off-Balance Sheet Items	-	-	-	-
Provision for unclassified Loans and advances	-	-	-	-
	<b>1,104,779.87</b>	<b>92,691,032</b>	<b>609,551.03</b>	<b>50,409,870</b>
<b>10 Interest income</b>				
Interest on Advances	4,257,009.05	357,163,059	2,437,411.90	201,573,964
Interest on Money at Call and Short Notice	-	-	-	-
Interest on fund placement with HO, ID	174,342.37	14,627,325	7,890.63	652,555
Interest on Foreign Currency Balances	-	-	-	-
	<b>4,431,351.42</b>	<b>371,790,384</b>	<b>2,445,302.53</b>	<b>202,226,519</b>
<b>11 Interest paid on deposits and borrowings</b>				
Interest on Deposits	20,781.00	1,743,526	14,662.00	1,212,547
Interest on Borrowings	3,199,215.15	268,414,151	1,501,960.14	124,212,104
Discount	-	-	-	-
Interest on REPO	-	-	-	-
	<b>3,219,996.15</b>	<b>270,157,677</b>	<b>1,516,622.14</b>	<b>125,424,651</b>
<b>12 Commission, exchange and brokerage</b>				
Commission	91,153.86	7,647,809	79,670.41	6,588,743
Exchange gain net off exchange losses	2.77	232	-	-
Brokerage	-	-	-	-
	<b>91,156.63</b>	<b>7,648,041</b>	<b>79,670.41</b>	<b>6,588,743</b>
<b>13 Other Operating Income</b>				
Shipping Guarantee, Handling charges, service charges etc.	103,712.15	8,701,449	120,499.84	9,965,337
Postage	-	-	9.00	744
Courier	2,808.00	235,591	3,403.00	281,428
SWIFT	5,456.00	457,758	4,216.00	348,663
Remittance Income	430.00	36,077	1,050.00	86,835
Miscellaneous	4,115.00	345,249	4,603.55	380,714
	<b>116,521.15</b>	<b>9,776,124</b>	<b>133,781.39</b>	<b>11,063,721</b>
<b>14 Salaries and allowances</b>				
Basic Salary	23,120.19	1,939,784	13,245.87	1,095,433
Allowances	13,658.54	1,145,952	13,709.96	1,133,814
Bank's contribution to PF	1,839.53	154,337	1,462.06	120,912
Bonus	-	-	-	-
Others	-	-	-	-
	<b>38,618.26</b>	<b>3,240,073</b>	<b>28,417.89</b>	<b>2,350,159</b>

## Offshore Banking Unit, Bangladesh

### Notes to the Financial Statements

For the year ended December 31, 2018

	2018		2017	
	USD	BDT	USD	BDT
<b>15 Rent, taxes, Insurance, electricity etc.</b>				
Rent Office	12,538.24	1,051,958	9,639.87	797,217
Electricity	631.91	53,017	442.96	36,633
	<b>13,170.15</b>	<b>1,104,975</b>	<b>10,082.83</b>	<b>833,850</b>
<b>16 Postage, stamps, telecommunication etc.</b>				
Telephone Office	-	-	13.33	1,102
Courier	89.20	7,484	171.55	14,187
Internet	386.00	32,385	875.55	72,408
SWIFT charges	1,740.09	145,994	2,427.81	200,780
	<b>2,215.29</b>	<b>185,863</b>	<b>3,488.24</b>	<b>288,477</b>
<b>17 Repair, maintenance and depreciation</b>				
<b>Depreciation</b>				
Furnitures, fixtures, fittings etc.	184.48	15,478	92.24	7,628
Computer Equipment	-	-	-	-
Office Equipments	-	-	-	-
	<b>184.48</b>	<b>15,478</b>	<b>92.24</b>	<b>7,628</b>
<b>Repair &amp; maintainance</b>				
Office Premises	-	-	-	-
Office Equipments	521.03	43,714	-	-
Furnitures and fixtures	-	-	-	-
Others	-	-	-	-
	<b>521.03</b>	<b>43,714</b>	<b>-</b>	<b>-</b>
	<b>705.51</b>	<b>59,192</b>	<b>92.24</b>	<b>7,628</b>
<b>18 Other operating expenses</b>				
Registration and renewal fees	-	-	5,000.00	413,500
Stationary	96.68	8,111	-	-
Others	-	-	-	-
	<b>96.68</b>	<b>8,111</b>	<b>5,000.00</b>	<b>413,500</b>

#### 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 83.90 which represents the year-end mid rate of exchange as at December 31, 2018.
- 19.3 Previous year's figures have been rearranged, where considered necessary, to conform to current year's presentation.

## Offshore Banking Unit, Bangladesh

### Statement of Liquidity in US Dollar

(Maturity analysis of assets and liabilities)

As at December 31, 2018

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
	Amount in USD					
<b>ASSETS</b>						
Cash in hand	-	-	-	-	-	-
Balance with other banks and financial institutions	3,667,950.05	-	-	-	-	3,667,950.05
Money at call and short notice	-	-	-	-	-	-
Investment	-	-	-	-	-	-
Loans & advances to customers	860,000.00	9,923,863.78	61,361,343.99	2,175,090.74	-	74,320,298.51
Fixed assets	-	-	80.04	-	-	80.04
Other assets	-	1,214,202.21	-	-	-	1,214,202.21
Non-banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>4,527,950.05</b>	<b>11,138,065.99</b>	<b>61,361,424.03</b>	<b>2,175,090.74</b>	<b>-</b>	<b>79,202,530.81</b>
<b>LIABILITIES</b>						
Borrowings from other banks & financial institutions	1,337,000.00	3,217,500.00	23,304,195	46,428,286	-	74,286,980.53
Deposits & other accounts	2,926,223.41	884,547.00	-	-	-	3,810,770.41
Other liabilities	-	1,104,779.87	-	-	-	1,104,779.87
<b>Total Liabilities</b>	<b>4,263,223.41</b>	<b>5,206,826.87</b>	<b>23,304,195.00</b>	<b>46,428,285.53</b>	<b>-</b>	<b>79,202,530.81</b>
<b>Net Liquidity Difference</b>	<b>264,726.64</b>	<b>5,931,239.12</b>	<b>38,057,229.03</b>	<b>(44,253,194.79)</b>	<b>-</b>	<b>-</b>

## Statement of Liquidity in BDT

(Maturity analysis of assets and liabilities)

As at December 31, 2018

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
	Amount in BDT					
<b>ASSETS</b>						
Cash in hand	-	-	-	-	-	-
Balance with other banks and financial institutions	307,741,010	-	-	-	-	307,741,010
Money at call and short notice	-	-	-	-	-	-
Investment	-	-	-	-	-	-
Loans & advances to customers	72,154,000	832,612,171	5,148,216,761	182,490,113	-	6,235,473,045
Fixed assets	-	-	6,716	-	-	6,716
Other assets	-	-	-	-	-	-
Non-banking assets	-	101,871,565	-	-	-	101,871,565
	-	-	-	-	-	-
<b>Total Assets</b>	<b>379,895,010</b>	<b>934,483,736</b>	<b>5,148,223,477</b>	<b>182,490,113</b>	<b>-</b>	<b>6,645,092,336</b>
<b>LIABILITIES</b>						
Borrowings from other banks & financial institutions	112,174,300	269,948,250	1,955,221,961	3,895,333,156	-	6,232,677,667
Deposits & other accounts	245,510,144	-	74,213,493	-	-	319,723,637
Other liabilities	-	92,691,032	-	-	-	92,691,032
<b>Total Liabilities</b>	<b>357,684,444</b>	<b>362,639,282</b>	<b>2,029,435,454</b>	<b>3,895,333,156</b>	<b>-</b>	<b>6,645,092,336</b>
<b>Net Liquidity Difference</b>	<b>22,210,566</b>	<b>571,844,454</b>	<b>3,118,788,023</b>	<b>(3,712,843,043)</b>	<b>-</b>	<b>-</b>

**NBL Money Transfer Pte. Ltd., Singapore**  
**Financial Statements**  
For the year ended December 31, 2018





## NBL Money Transfer Pte. Ltd., Singapore.

(Incorporated in the Republic of Singapore under the Companies Act, Chapter 50)

Company Registration Number 199607868Z

Date of Incorporation: 1 November 1996

Directors	Date of appointment
Parveen Haque Sikder	19 June 2007
Sohail Hasan	19 June 2007
Choudhury Moshtaq Ahmed	6 August 2018

Shareholder	Number of shares held
National Bank Limited	1,000,000

Company Secretary	Date of appointment
M Sambasivam	1 December 2008

Registered office	Place of business
10A Roberts Lane Singapore 218289	<b>Main place of business</b> 10A Roberts Lane Singapore 218289 <b>Branch</b> Blk 135 Jurong Gateway Road #01-323 Singapore 600135 70 Tuas South Avenue 1 Singapore 637285

Auditors
Asensia Assurance Chartered Accountants 8 Burn Road #07-07 Trivex Singapore 369977

Bankers	
DBS Bank Ltd National Bank Limited Uttara Bank Limited Islami Bank Bangladesh Limited Pubali Bank Limited Bangladesh Krishi Bank ICICI Bank Xpress Money Services Limited	Janata Bank Limited Sonali Bank Limited Seylan Bank PLC IPAY Dutch-Bangla Bank Limited PT Bank Syariah Mandiri NMB Bank Limited

## NBL Money Transfer Pte. Ltd., Singapore.

### Directors' Statement

Annual Report for the year ended December 31, 2018

The directors are pleased to present their statement to the member together with the audited financial statements of NBL Money Transfer Pte. Ltd. (the "Company") for the financial year ended December 31, 2018.

#### OPINION OF THE DIRECTORS

In the opinion of the directors;

- a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at December 31, 2018, and the financial performance, changes in equity and cash flows for the Company for the year then ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

#### DIRECTORS

The directors of the Company in office at the date of this statements are:

Parveen Haque Sikder

Sohail Hasan

Choudhury Moshtaq Ahmed (Appointed on 6 August 2018)

A F M Shariful Islam (Resigned on 6 August 2018)

#### ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

#### DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

**In the Company: - None**

**In the Holding Company: - National Bank Limited**

Ordinary shares of Tk.10 each fully paid	
At 1 Jan 18	At 31 Dec 18
47,409,256	53,098,366

Parveen Haque Sikder

#### SHARE OPTIONS

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

#### AUDITOR

Asensia Assurance has expressed its willingness to accept re-appointment as auditor.

The Board of Directors



Parveen Haque Sikder  
Director



Choudhury Moshtaq Ahmed  
Director

Date: 26 March 2019  
Singapor

## NBL Money Transfer Pte. Ltd., Singapore

### INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF NBL MONEY TRANSFER PTE. LTD.

(Incorporated in the Republic of Singapore)

Company Registration Number 199607868Z

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of NBL Money Transfer Pte. Ltd. (the Company), which comprise the statement of financial position as at December 31, 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at December 31, 2018 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

##### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets. In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so. The directors' responsibilities include overseeing the Company's financial reporting process.

##### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 SSAs 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 financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 Company'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 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 Company to cease to continue as a going concern.

## NBL Money Transfer Pte. Ltd., Singapore

### INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF NBL MONEY TRANSFER PTE. LTD.  
(Incorporated in the Republic of Singapore)  
Company Registration Number 199607868Z

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

### Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

We have examined the statement of transactions and profit/loss for remittance transactions of the Company, for the accounting period from 1 January 2018 to December 31, 2018.

Based on appropriate sample checks conducted, in our opinion and to the best of the information and according to the explanation given to us:

- (a) the statement of transactions and profit/loss submitted by the Company to the Monetary Authority of Singapore in respect of its operations was properly drawn up so as to give a true and fair view of the Company's operations;
- (b) accounting and records of transactions including relevant registers and copies of customer identification documents have been properly maintained by the Company; and
- (c) there has been no contravention by the Company of any conditions, restrictions, obligations or other requirements provided under any of the following:
  - (i) Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A);
  - (ii) Money-changing and Remittance Businesses Act (Cap. 187);
  - (iii) Terrorism (Suppression of Financing) Act (Cap. 325);
  - (iv) Money-changing and Remittance Businesses Regulations 2005;
  - (v) Monetary Authority of Singapore Notice to Money-changing and Remittance Licensees on Prevention of Money Laundering and Countering the Financing of Terrorism, and other Notices;
  - (vi) any other applicable laws; and
  - (vii) any conditions, restrictions or requirements which may be imposed on the Company by the Monetary Authority of Singapore.

We did not note any exceptions, which require us to inform the Monetary Authority of Singapore.

Date: 26 March 2019  
Singapore

  
**ASENSIA ASSURANCE**  
Public Accountants and  
Chartered Accountants

## NBL Money Transfer Pte. Ltd., Singapore

### Statement of Financial Position

As at December 31, 2018

	Note	2018 S\$	2017 S\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	4	55,023	96,931
Deferred tax asset	11	-	19,824
		55,023	116,755
<b>Current assets</b>			
Other receivables	5	352,393	354,723
Fixed deposit	6	320,378	321,380
Cash and bank balances	7	1,948,921	1,678,738
		<b>2,621,692</b>	<b>2,354,841</b>
<b>Total assets</b>		<b>2,676,715</b>	<b>2,471,596</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	8	1,000,000	1,000,000
Retained earning / (Accumulated loss)		88,913	(10,697)
		<b>1,088,913</b>	<b>989,303</b>
<b>Non-current liability</b>			
Deferred tax liability	11	7,966	6,416
<b>Current liabilities</b>			
Other payables		24,955	-
Amount payable to holding company	9	1,543,620	1,466,513
Accrued operating expenses		11,261	9,364
		<b>1,579,836</b>	<b>1,475,877</b>
<b>Total equity and liabilities</b>		<b>2,676,715</b>	<b>2,471,596</b>

## Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2018

	Note	2018 S\$	2017 S\$
<b>Revenue</b>	12	<b>899,479</b>	<b>802,708</b>
<b>Less: expenses</b>			
Security charges		78,939	97,982
Employee benefit expenses		278,711	281,114
Depreciation		41,908	38,621
Other operating expenses		378,937	384,873
		778,495	802,590
<b>Profit before tax</b>	13	<b>120,984</b>	<b>118</b>
<b>Income taxes</b>			
Deferred tax	10	(21,374)	-
		(21,374)	-
<b>Net profit for the year</b> - which represent total comprehensive income for the year		<b>99,610</b>	<b>118</b>

The notes form an integral part of and should be read in conjunction with this statement

## NBL Money Transfer Pte. Ltd., Singapore

### Statement of Changes in Equity

For the year ended December 31, 2018

	Share capital	Accumulated (loss)/ retained earnings	Total
	S\$	S\$	S\$
Balance as at 1 January 2017	1,000,000	(10,815)	989,185
Total comprehensive profit for the year	-	118	118
Balance as at 31 December 2017	1,000,000	(10,697)	989,303
Total comprehensive profit for the year	-	99,610	99,610
Balance as at December 31, 2018	1,000,000	88,913	1,088,913

### Statement of Cash flows

For the year ended December 31, 2018

	Note	2018 S\$	2017 S\$
<b>Operating activities</b>			
Profit before tax		120,984	118
<b>Adjustments for:</b>			
Depreciation	4	41,908	38,621
Operating cash flows before changes in working capital		162,892	38,739
Decrease in operating receivables		3,332	121,612
Increase in operating payables		103,959	272,321
Cash generated from operations		270,183	432,672
Income tax paid		-	-
Net cash generated from operating activities		270,183	432,672
<b>Investing activity</b>			
Purchase of plant and equipment	4	-	(26,690)
Net cash used in investing activity		-	(26,690)
<b>Financing activities</b>			
Pledge of fixed deposit	6	-	(3,309)
Net cash used in financing activities		-	(3,309)
Net increase in cash and bank balances		270,183	402,673
Cash and bank balances at beginning of year		1,678,738	1,276,065
Cash and bank balances at end of year	7	1,948,921	1,678,738

The notes form an integral part of and should be read in conjunction with this statement

## NBL Money Transfer Pte. Ltd., Singapore

### Notes to the Financial Statements

For the year ended December 31, 2018

These notes form an integral part and should be read in conjunction with the accompanying statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows.

#### 1. STATEMENT OF COMPLIANCE

The Company has complied in all material respects with applicable Financial Reporting Standards ("FRS") and each applicable Interpretation of a FRS, effective for the financial year in the preparation of the financial statements.

##### **Adoption of new and revised standards effective in 2018**

In the current financial year, the Company has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2018. The adoption of these new/revised FRS and INT FRS did not result in changes to the company's accounting policies and had no material effect on the amounts reported for the current or prior years, except the followings.

##### **Adoption of FRS 115 Revenue from Contracts**

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Company include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

The adoption of *FRS 115* did not result in any material changes to revenue recognition policies of the company nor adjustments required and there were no changes to disclosures made in the financial statements for the current and previous years.

##### **Adoption of FRS 109 Financial Instruments**

###### **Financial Assets**

FRS 109 (which replaces FRS 39) introduces a fair value through other comprehensive Income ('FVOCI') measurement category, while removing the held-to-maturity (HTM), loans and receivables, and Available for sales (AFS) categories under previous FRS 39. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held.

Company does not hold any financial assets at FVOCI or FVPL for the current or previous financial years

###### **Financial liabilities**

Under FRS 109, all financial liabilities are measured at amortised cost, except for certain financial liabilities that are measured or designated as at fair value through profit or loss ('FVTPL').

The classification and measurement of financial liabilities are largely similar to those under FRS 39, except for fair value changes attributable to the changes in the credit risk of a financial liability that is designated as at FVTPL.

All gains or losses (including related exchange differences) on a financial liability that is measured at FVTPL are recognised in the P&L, except for the amount of gain or loss that is attributable to the changes in the credit risk of that financial liability (which are presented in the OCI unless there is an accounting mismatch).

###### **Impairment methodology**

The key changes in impairment requirements under FRS 109 are as follows:

FRS 109 replaces the current 'incurred loss' model (under the FRS 39) with a forward-looking expected credit loss ('ECL') model. Previously, under the FRS 39 incurred loss model, impairment losses are only recognised in the Profit or Loss when there is objective evidence of impairment as a result of loss events.

The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and certain loan commitments and financial guarantee contracts.

###### **FRS109 introduces;**

*General approach*; a three-stage impairment model that will impair financial assets based on expected losses regardless of whether objective indicators of impairment have occurred;

*Simplified approach*; which is align more closely with companies' risk management strategies over the life time and reviews expected credit losses that result from all possible default events over the expected life of a financial instrument.

The Company has adopted the simplified approach

The adoption of FRS 109 did not result in any material changes to classification or measurement nor adjustments required and there were no changes to disclosures made in the financial statements for the current and previous years.

###### *FRS and INT FRS issued but not yet effective*

At the date of authorisation of these statements, the following FRS and INT FRS that are relevant to the Company were issued but not effective:

## NBL Money Transfer Pte. Ltd., Singapore

### Notes to the Financial Statements

For the year ended December 31, 2018

Description	Effective date (annual periods beginning on or after)
FRS 116 Leases	1 January 2019

FRS 116 sets out a revised framework for the recognition, measurement, presentation and disclosure of leases, and replaces FRS 17 Leases.

The standard provides a comprehensive model for the identification of leases arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The standard maintains substantially the lessor accounting approach under the existing framework.

Leases of "low-value" assets and qualifying short term leases entered into by lessees can be exempted from the new recognition criteria.

The Company is currently assessing the impact of FRS 116 and plans to adopt the new standard on the required effective date.

#### 2. CORPORATE INFORMATION AND PRINCIPAL ACTIVITY

The Company is domiciled and incorporated in Singapore, as a private limited company (Company Registration Number 199607868Z).

The registered office and main place of business is located at 10A Roberts Lane, Singapore 218289. The Company has two branches which are operated at Blk 135 Jurong Gateway Road, # 01-323, Singapore 600135 and 70 Tuas South Avenue 1, Singapore 637285.

The principal activity of the Company is that of money remittance agency. There have been no significant changes in the principal activity of the Company.

##### Holding Corporation

The immediate and the ultimate holding company is National Bank Limited, a company incorporated in Bangladesh, which has 100 percent equity interest in the Company.

The directors have authorised the financial statements for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

#### 3. SIGNIFICANT ACCOUNTING POLICIES

##### a. Basis of Financial Statements preparation

The financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (FRS) including related Interpretations of FRS (INT FRS).

##### Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

##### Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency.

##### b. Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies.

It also requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and area involving a high degree of judgements are described as below:

##### Depreciation of plant and equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of plant and equipment to be within 5 years. The carrying amount of the Company's plant and equipment are disclosed in Note 4.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

##### c. Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.



## NBL Money Transfer Pte. Ltd., Singapore

### Notes to the Financial Statements

For the year ended December 31, 2018

Depreciation is provided on a straight-line basis so as to write-off the cost or valuation of the assets over their estimated useful lives. The annual rates of depreciation used are:

Furniture and fittings	5 years
Office renovations	5 years
Office equipment	5 years
Computer	5 years
Air conditioners	5 years

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these plant and equipment.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The useful lives and depreciation method are reviewed at each financial year end to ensure that the method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit and loss account in the year the asset is derecognised.

#### d. Financial assets

Financial assets are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

##### Initial recognition

All financial assets are recognised on a trade date where the purchase of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

##### Effective interest method

The effective interest method calculates the amortised cost of a financial instrument and allocates the interest income or expense over the relevant period. The effective interest rate exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

##### Classification

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets.

The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Company does not have any assets classified under financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets.

##### Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest method less impairment losses. Gains and losses are recognised in profit and loss account when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

The Company classifies the following financial assets as loans and receivables:

- Other receivables;
- Fixed deposits; and
- Cash and bank balances

##### Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

## NBL Money Transfer Pte. Ltd., Singapore

### Notes to the Financial Statements

For the year ended December 31, 2018

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Receivables with a short duration are not discounted. The amount of the allowance is recognised in the profit or loss.

Bad debts are written off when known and specific provisions are made for those debts considered to be doubtful.

#### Cash and bank balances

Cash and bank balances include cash on hand, cash at banks and fixed deposits with financial institutions.

#### Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or are transferred and substantially all of the risks and rewards of ownership have been transferred.

#### e. Share capital

Ordinary shares of the company are classified as equity.

Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

#### f. Financial liabilities

Financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition.

#### Trade and other payables (consist of amount payable to holding company)

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest rate method, with interest expense recognised on an effective yield basis.

#### Operating Leases (rental)

Rental payable under operating leases are charged to the profit or loss.

#### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

#### g. Revenue recognition

The Company earns commission from its remittance service provided to customers. Services rendered are considered complete when all agreed funds from customers are collected and the transfer is affected according to customer's instruction or has been accepted by the customer.

Commission fee income is recognised upon the completion of a service transaction.

Gain from exchange differences - Income from exchange difference arises when the Company accepts local currency for foreign currency to be remitted at a favourable exchange rate. It is recognised on the completion of a transaction.

Other income (cable charges) - Cable charges are recognised when the transaction is performed and completed.

#### h. Income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements excepts when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

#### Deferred income tax is measured:

- at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and
- based on the tax consequence that will follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

## NBL Money Transfer Pte. Ltd., Singapore

### Notes to the Financial Statements

For the year ended December 31, 2018

**i. Employee benefit costs**

**Pension obligations**

The Company contributes to the Central Provident Fund (“CPF”), a defined contribution plan regulated and managed by the Government of Singapore, which applies to majority of the employees. The contributions are recognised as an expense in the period in which the related service is performed.

**Employee leave entitlements**

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made, if material, for the unconsumed leave as a result of services rendered by employees up to the statement of financial position date, if any.

**j. Foreign currency**

Items included in the financial statements of the Company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Company (“the functional currency”). The financial statements of the Company are presented in Singapore dollars, which is also the functional currency of the Company.

**Foreign currency transactions**

Transactions in foreign currencies are recorded in Singapore dollars by applying to the foreign currency amount the exchange rate between the Singapore dollars and the foreign currency at the date of transaction. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

Exchange differences arising on the settlement of monetary items or on reporting from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as profit or loss in the financial year in which they arise.

**k. Impairment of assets**

**Impairment of assets**

The carrying amounts of the Company’s assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is defined as the higher of value in use and net-selling price.

**Impairment losses are charged to the profit or loss**

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

**l. Related parties**

A related party is defined as follows:

**(a) A person or a close member of that person’s family is related to the Company if that person:**

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Company or of a parent of the Company.

**(b) An entity is related to the Company if any of the following conditions apply:**

- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) both entities are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third party and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

**Key management personnel** are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Related companies in these financial statements refer to companies within the **National Bank Limited** group.

## NBL Money Transfer Pte. Ltd., Singapore

### Notes to the Financial Statements

For the year ended December 31, 2018

#### 4. PLANT AND EQUIPMENT

	Computer	Office equipment	Furniture and fittings	Office renovation	conditioner Air	Total
	S\$	S\$	S\$	S\$	S\$	S\$
<b>Cost</b>						
As at 1 Jan 17	70,084	33,107	39,700	267,384	15,726	426,001
Additions	-	-	-	22,690	4,000	26,690
As at 31 Dec 17	70,084	33,107	39,700	290,074	19,726	452,691
Additions	-	-	-	-	-	-
<b>As at 31 Dec 18</b>	<b>70,084</b>	<b>33,107</b>	<b>39,700</b>	<b>290,074</b>	<b>19,726</b>	<b>452,691</b>
<b>Accumulated depreciation</b>						
As at 1 Jan 17	60,254	22,756	36,254	184,729	13,146	317,139
Charge for the year	2,905	2,542	1,003	30,911	1,260	38,621
As at 31 Dec 17	63,159	25,298	37,257	215,640	14,406	355,760
Charge for the year	2,256	2,276	1,003	34,713	1,660	41,908
<b>As at 31 Dec 18</b>	<b>65,415</b>	<b>27,574</b>	<b>38,260</b>	<b>250,353</b>	<b>16,066</b>	<b>397,668</b>
<b>Carrying amount</b>						
<b>As at 31 Dec 18</b>	<b>4,669</b>	<b>5,533</b>	<b>1,440</b>	<b>39,721</b>	<b>3,660</b>	<b>55,023</b>
<b>As at 31 Dec 17</b>	<b>6,925</b>	<b>7,809</b>	<b>2,443</b>	<b>74,434</b>	<b>5,320</b>	<b>96,931</b>

#### 5. OTHER RECEIVABLES

	2018 S\$	2017 S\$
Refundable rental deposits	30,292	31,620
Interest receivables	5,032	5,032
Security deposit for bankers guarantee (refundable)*	317,069	318,071
	<b>352,393</b>	<b>354,723</b>

Company has placed a security deposit for banker's guarantees issued to Monetary Authority of Singapore for remittance license. Other receivables are denominated in the following currencies:

##### Denominated in

	2018 S\$	2017 S\$
Singapore dollars	335,324	336,652
US dollar	17,069	18,071
<b>Total</b>	<b>352,393</b>	<b>354,723</b>

#### 6. FIXED DEPOSITS

Fixed deposit amounted to S\$303,309 bear interest at an effective interest rate of 1.00% per annum and for tenure of approximately 24 months and is pledged to secure bank guarantee issued by its bank to Monetary Authority of Singapore for remittance licence.

Fixed deposit amounted to US\$12,500 bear at an effective interest of 1.20% per annum and for tenure of approximately 12 months and is pledged to secure bank guarantee issued by its bank to Bangladesh bank for remittance purpose.

#### 7. CASH AND BANK BALANCES

##### Cash and bank balances comprises of:

Cash in hand*	106,599	597,119
Cash at bank	1,842,322	1,081,619
	<b>1,948,921</b>	<b>1,678,738</b>

##### Cash and bank balances are denominated in the following currencies:

Amount in Singapore Dollars	1,348,656	1,299,268
Amount in United States Dollars	80,761	40,362
Amount in Taka	468,702	322,437
Amount in Indonesian Rupiah	17,067	11,568
Amount in Indian Rupee	30,624	1,992
Amount in Sri Lanka Rupees	3,111	3,111
	<b>1,948,921</b>	<b>1,678,738</b>

\*Cash in hand represents remittance monies collected from Bangladeshi workers which are subsequently banked into the company's bank account.

## NBL Money Transfer Pte. Ltd., Singapore

### Notes to the Financial Statements

For the year ended December 31, 2018

#### 8. SHARE CAPITAL

Ordinary shares with no par value  
Issued and fully paid up shares  
1,000,000 ordinary shares

2018 S\$	2017 S\$
1,000,000	1,000,000

The holders of ordinary shares are entitled to receive dividend, as and when declared and are entitled to one vote per share at meetings of the Company. The ordinary shares have no par value.

#### 9. AMOUNT PAYABLE TO HOLDING COMPANY

Amount payable to Holding Company  
Amount in Taka equivalent  
Amount in Singapore dollars

1,543,620	566,513
-	900,000
1,543,620	1,466,513

The Company collects remittances from customers in Singapore to remit funds to destinations instructed by these customers. The Company will then pass instructions to the holding company to remit funds on its behalf to the beneficiaries of the Company's customers once it confirms the receipt of funds.

This is done to avoid any delay in funds remitted through the normal banking channels and the Company remits the funds within 7 days to its holding company for these payments made on its behalf.

The amount payable to holding company is denominated in Bangladeshi Taka, and is trade in nature, non-interest bearing and repayable within 7 days or on demand.

The carrying amounts of trade and other payables approximate their fair value. The fluctuation in foreign currency exchange rates are mitigated by maintaining foreign currency bank accounts and remitting the funds to holding company when the rates are favorable to the Company.

#### 10. INCOME TAXES

##### (a) Major components of income tax expenses

Profit and loss account

Current income tax:

Provision for current year

Over provision in previous year

Deferred income tax:

current year

Income tax expense recognised in the profit or loss

-	-
-	-
(21,374)	-
(21,374)	-

##### (b) Relationship between tax expenses and accounting profit

Profit before tax

Tax at the statutory rate of 17%

Tax effect of expenses not deductible

Tax effect of exempt income

Utilisation of capital allowance

Tax expenses for the year

120,984	118
20,567	20
7,262	6,566
-	-
(27,829)	(6,586)
-	-

The tax computation for the current year is yet to be agreed by the Comptroller of Income Tax.

#### 11. DEFERRED TAX

	At 31				
	At 1 January 2017	Recognised in profit or loss (Note 10)	December 2017/1 January 2018	Recognised in profit or loss (Note 10)	At December 31, 2018
	S\$	S\$	S\$	S\$	S\$
Deferred tax assets <b>(liabilities)</b>					
Difference in depreciation for					
tax purposes	(6,416)	-	(6,416)	(1,550)	(7,966)
Others	19,824	-	19,824	(19,824)	-
	13,408	-	13,408	(21,374)	(7,966)

## NBL Money Transfer Pte. Ltd., Singapore

### Notes to the Financial Statements

For the year ended December 31, 2018

#### 12. REVENUE

The amount of each significant category of revenue recognised during the year is as follows:

	2018 S\$	2017 S\$
Commission and fees	500,723	514,631
Deal exchange gain	212,241	76,240
Foreign exchange margin gain	131,441	162,551
Other income (cable charges)	54,359	42,611
Others	715	6,675
	899,479	802,708

The above commission and gain from exchange resulted from the remittance services provided during the year. The Company collected S\$87,935,325 (2017: S\$74,388,296) from foreign workers in Singapore during the year and remitted these amounts as per the workers' instructions to Bangladesh.

#### 13. PROFIT BEFORE TAX

This is stated after charging

Depreciation of plant and equipment	41,908	38,621
Operating lease rental - office	176,656	227,405
<b>Directors' remuneration</b>		
Directors' fees	9,000	6,000
Staff costs (excluding directors' remuneration)		
Salary, allowance and related costs	209,711	176,114
<b>Remuneration of other key management personnel</b>		
Salary, allowance and related cost	120,000	105,000
Honorarium	1,000	-

#### 14. OPERATING LEASE COMMITMENTS

At the reporting date, commitments in respect of non-cancellable operating leases for office premises are as follows:

Within 1 year	154,187	160,194
Between 1 and 5 years	45,000	100,187

Lease payments recognised as an expense in profit or loss for the financial year ended December 31, 2018 amounted to S\$176,656 (2017: S\$227,405).

#### 15. TRANSACTIONS WITH HOLDING COMPANY

During the financial year, significant transactions between the Company and Holding Company at terms agreed between both parties were as follows:

##### *Transaction with related parties*

<b>Cover fund remitted</b>	87,102,490	65,801,014
----------------------------	------------	------------

#### 16. FINANCIAL RISK MANAGEMENT AND INSTRUMENTS

The Company is exposed to financial risks arising from its operations and the use of financial instruments and has adopted risk management policies that seek to mitigate these risks in a cost-effective manner.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, fair value and market risk (interest rate risk and foreign currency risk) and they are summarised below:

##### **Categories of financial instruments**

Financial instruments at year end are as follows:

##### **Financial assets**

Other receivables	352,393	354,723
Fixed deposits	320,378	321,380
Cash and bank balances	1,948,921	1,678,738
Financial assets at amortised cost	2,621,692	2,354,841

##### **Financial liabilities**

Other payables	24,955	
Accrued operating expenses	11,261	9,364
Amount payable to holding company	1,543,620	1,466,513
Financial liabilities at amortised cost	1,579,836	1,475,877

## NBL Money Transfer Pte. Ltd., Singapore

### Notes to the Financial Statements

For the year ended December 31, 2018

**a. Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company has no significant concentrations of credit risk as the cash is held with reputable financial institutions of good standing.

**b. Liquidity risk**

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may also arise from an inability of the Company to sell a financial asset quickly at close to its fair value.

The following table details the expected maturity for non-derivative assets and liabilities which are based on undiscounted inflow and outflows figures that requires settlement;

31 Dec 2018	On demand/ within 1 year	1 to 5 years	More than 5 yrs	Total
	S\$	S\$	S\$	S\$
Other payables	24,955	-	-	24,955
Amount payable to holding company	1,543,620	-	-	1,543,620
Accrued operating expenses	11,261	-	-	11,261
	<b>1,579,836</b>	<b>-</b>	<b>-</b>	<b>1,579,836</b>

31 Dec 2017	On demand/ within 1 year	1 to 5 years	More than 5 yrs	Total
	S\$	S\$	S\$	S\$
Amount payable to holding company	1,179,704	-	-	1,179,704
Accrued operating expenses	23,852	-	-	23,852
	<b>1,203,556</b>	<b>-</b>	<b>-</b>	<b>1,203,556</b>

The Company ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

**c. Fair values**

The carrying amount of cash and bank balances, other current receivables and payables approximate their respective fair values due to the relative short term maturity of these financial instruments.

In view of the above, the company do not anticipate that the carrying amounts recorded at financial position date would be significantly different from the values that would eventual be received or settled.

Fair value hierarchy

The Group does not hold financial assets nor liabilities carried at fair value or at valuation. Accordingly, the disclosure requirements of the fair value hierarchy (Level 1, 2 and 3) under FRS 107 Financial Instruments. Disclosure does not apply.

**d. Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Company has no significant exposure to market risk for changes in interest rates because it has no borrowings from any external sources and the loan from holding company is interest free.

The Company's exposure to movements in market interest rates relate primarily to its fixed deposits placed with financial institution. However, the interest rate is fixed over the tenure of the fixed deposits.

**e. Foreign currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

In order to manage the risks arising from fluctuations in currency exchange rates, by quoting a favourable exchange (in favour of the company) and remit the funds within a short period of time, usually within 7 days, through its holding company any future variations in exchange rates will not have a material impact on the results of the Company. In this way, it mitigates the foreign exchange currency risk.

## NBL Money Transfer Pte. Ltd., Singapore

### Notes to the Financial Statements

For the year ended December 31, 2018

The carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the functional currency at the reporting date are as follows:

	2018		2017	
	US\$	Taka\$	US\$	Taka\$
Stated in S\$ equivalent				
<b>Monetary assets</b>				
Other receivables	17,069	-	18,071	-
Cash and cash equivalents	80,761	468,702	40,362	322,437
<b>Monetary liabilities</b>				
Amount payable to holding company	-	(1,543,620)		(566,513)

#### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rate against the functional currency (SGD) of the Company, with all other variables held constant, on the Company's profit net of tax.

	US\$ impact		US\$ impact	
	2018	2018	2017	2017
Reasonably possible change	+ 5%	-5%	+ 5%	-5%
Effect on net profit or loss	4,892	(4,892)	2,922	(2,922)

	Taka\$ impact		Taka\$ impact	
	2018	2018	2017	2017
Reasonably possible change	+ 5%	-5%	+ 5%	-5%
Effect on net profit or loss	(53,746)	53,746	(12,204)	12,204

## 17. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital are to safeguard the Company's ability to continue as going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, issue new shares, obtain new borrowings, sell assets to reduce borrowings or exploring for new business.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as total borrowings divided by total capital and net debts. Net debts is calculated as total borrowings (other payables, amount payable to holding company and accruals excluding income tax payable as shown in the statement of financial position) less cash and bank balances. Total capital is calculated as equity as shown at the end of each reporting period, plus net debts.

	2018 S\$	2017 S\$
Other payables	24,955	
Amount payable to holding company	1,543,620	1,466,513
Accrued operating expenses	11,261	9,364
Total borrowings	1,579,836	1,475,877
Less: Cash and bank balances	1,948,921	1,678,738
Net debts	1,110,287	(202,861)
Total equity	1,088,913	989,185
Total capital and net debts	2,199,200	786,324
<b>Gearing ratio</b>	<b>0.72</b>	<b>1.88</b>

The Company has no requirements to meet with externally imposed capital requirements for the financial year ended December 31, 2018 and 2017. There is no change in capital risk management during the financial year.



## NBL Money Transfer Pte. Ltd., Singapore

### Notes to the Financial Statements

For the year ended December 31, 2018

#### Detailed Profit & Loss Statements

	2018 S\$	2017 S\$
<b>Income</b>		
Commission and fees	500,723	514,631
Foreign exchange margin gain	131,441	162,551
<b>Add: Other income</b>		
Deal exchange gain	212,241	76,240
Cable charges received	54,359	42,611
Others	715	6,675
	<b>899,479</b>	<b>802,708</b>
<b>Less: expenses</b>		
Security charges	78,939	97,982
<b>Employee benefits expense</b>		
Director fees	9,000	6,000
Salaries and allowances	257,521	265,964
Casual salary	8,200	6,025
CPF and SDF	3,990	3,125
<b>Depreciation</b>	41,908	38,621
<b>Other operating expenses (Schedule 1)</b>	378,937	384,873
<b>Total operating expenses</b>	<b>778,495</b>	<b>802,590</b>
<b>Net profit for the year</b>	<b>120,984</b>	<b>118</b>

#### Schedule 1

<b>Other operating expenses</b>		
Audit fee	7,000	6,800
Advertisement and business promotions	4,775	3,581
Bank charges	11,857	8,276
Commission	39,706	36,243
Data entry service charges	16,745	9,635
Entertainment and gifts	447	161
Exchange loss	25,421	-
General expenses	2,756	2,592
Honorarium	3,000	-
Insurance	10,010	10,010
Licence fees	6,000	6,000
Nets charges	14,942	12,355
Office equipment	158	-
Postage	98	368
Professional charges	7,206	6,950
Printing and stationery	10,423	10,249
Refreshment	4,047	2,649
Repair and maintenance	3,753	2,105
Rental of office premises	176,656	227,405
Secretarial fee	900	1,400
Security alarm system	963	963
Tax fee	800	800
Telephone	12,507	14,635
Training fee	360	-
Transportation charges	4,179	3,584
Travelling	1,455	1,300
Utilities	12,773	16,312
XBRL fee	-	500
<b>Total other operating expenses</b>	<b>378,937</b>	<b>384,873</b>

The above statement does not form part of the audited statutory financial statements of the company and is prepared solely for management purposes



# **NBL Money Transfer Sdn. Bhd., Malaysia**

**Financial Statements**

**For the year ended December 31, 2018**

# NBL Money Transfer Sdn. Bhd., Malaysia

## Directors Report

For the financial year ended December 31, 2018

The directors hereby submit their report together with the audited financial statements of the Company for the financial year ended December 31, 2018.

### PRINCIPAL ACTIVITY

The Company is principally engaged in business of currency remittance services. There has been no significant change in the nature of this activity during the financial year.

### RESULT

Profit for the financial year

RM

1,047

### DIVIDENDS

No dividends have been paid or declared since the end of the previous year. The directors do not recommend that a dividend to be paid in respect of the current year.

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

### SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

### BAD AND DOUBTFUL DEBTS

Before the financial statements of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and have satisfied themselves that there were no known bad debts and that no provision for doubtful debts is required.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Company.

### CURRENT ASSETS

Before the financial statements of the Company were prepared, the directors took reasonable steps to ascertain whether any current assets which were unlikely to be realised in the ordinary course of business, their value as shown in the accounting records of the Company and to the extent so ascertained were written down to an amount that they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Company misleading.

### VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate.

### CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Company misleading.

### CONTINGENT AND OTHER LIABILITIES

As of the date of this report, there does not exist:

- (a) any charge on the assets of the Company which has arisen since the end of the financial year and secures the liability of any other person; or
- (b) any contingent liability of the Company which has arisen since the end of the financial year.

# NBL Money Transfer Sdn. Bhd., Malaysia

## Report Of The Directors

For the financial year ended December 31, 2018

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

### ITEM OF MATERIAL AND UNUSUAL NATURE

The results of the operations of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the financial statements.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the succeeding financial year.

### DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Parveen Haque Sikder

Lisa Fatema Haque

Rabain Bin Hassan

AFM Shariful Islam

(Resigned on 27 August 2018)

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

There were no arrangements during and at the end of the financial year, which had the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, none of the directors in office at the end of the financial year ended December 31, 2018 held any shares in or debentures of the Company.

### DIRECTORS' REMUNERATIONS

The amounts of the remunerations of the directors or past directors of the Company comprising remunerations received/receivable from the Company during the financial year are as follows:

	2018 RM
Fees	18,000
Remunerations other than fees	30,000
	<b>48,000</b>

None of the directors or past directors of the Company have received any other benefits otherwise than in cash from the Company during the financial year.

No payment has been paid to or payable to any third party in respect of the services provided to the Company by the directors or past directors of the Company during the financial year.

### INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

### ULTIMATE HOLDING COMPANY

The directors regard National Bank Limited, a company incorporated in Bangladesh, as the immediate and ultimate holding company.

### AUDITORS' REMUNERATIONS

Total amounts paid to or receivable by the auditors as remunerations for their services as auditors are as follows:

	2018 RM
Statutory audit	6,800

## NBL Money Transfer Sdn. Bhd., Malaysia

### Report Of The Directors

For the financial year ended December 31, 2018

### AUDITORS

The retiring auditors, Messrs. Azman Wong & Co., have indicated their willingness to be re-appointed.

Signed on behalf of the Board of Directors accordance with a resolution of the Directors,



**Parveen Haque Sikder**  
Director



**Rabain Bin Hassan**  
Director

### STATEMENT BY DIRECTORS

Pursuant to Section 251 (2) of the Companies Act, 2016

The directors of NBL Money Transfer Sdn. Bhd. state that, in their opinion, the financial statements set out on pages 10 to 26 are drawn up in accordance with Malaysian Private Entities Reporting Standard and the requirements of Companies Act, 2016 in Malaysia so as to give a true and fair view of the state of affairs of the Company as at December 31, 2018 and of its financial performance and the cash flows of the Company for the financial year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,



**Parveen Haque Sikder**  
Director




**Rabain Bin Hassan**  
Director

### STATUTORY DECLARATION

Pursuant to Section 251 (1)(b) of the Companies Act, 2016

I, Parveen Haque Sikder, the director primarily responsible for the financial management of NBL Money Transfer Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 10 to 26 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on. **18 March 2019**



**Parveen Haque Sikder**  
Before me:

# NBL Money Transfer Sdn. Bhd., Malaysia

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

NBL MONEY TRANSFER SDN. BHD. (823952-T)

(Incorporated in Malaysia)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of **NBL Money Transfer Sdn. Bhd.**, which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 26.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2018, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia.

#### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing the Company'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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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 financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

## NNBL Money Transfer Sdn. Bhd., Malaysia

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

NBL MONEY TRANSFER SDN. BHD. (823952-T)

(Incorporated in Malaysia)

#### Auditors' Responsibilities for the Audit of the Financial Statements ( Cont'd )

- Identify and assess the risks of material misstatement of the financial statements of the Company, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

#### OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



**AZMAN WONG & CO.**  
(AF: 1953)  
Chartered Accountants



**WONG MING SHYAN**  
2320/08/18 (J)  
Chartered Accountant

**Kajang, Selangor**  
18 March 2019

## NBL Money Transfer Sdn. Bhd., Malaysia

### STATEMENT OF FINANCIAL POSITION

As at December 31, 2018

	Note	2018 RM	2017 RM
<b>ASSETS</b>			
<b>Non-Current Asset</b>			
Property, plant and equipment	5	843,566	967,398
<b>Current Assets</b>			
Other receivables, deposits and prepayment	6	263,115	330,062
Tax recoverable		-	56,664
Cash and bank balances		6,243,118	4,892,277
		<b>6,506,233</b>	<b>5,279,003</b>
<b>TOTAL ASSETS</b>		<b>7,349,799</b>	<b>6,246,401</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	7	2,500,000	2,500,000
Retained profits		251,858	250,811
<b>Shareholders' equity</b>		<b>2,751,858</b>	<b>2,750,811</b>
<b>Non-Current Liabilities</b>			
Finance lease payable	8	47,759	68,294
Deferred tax liabilities	9	21,259	21,259
		<b>69,018</b>	<b>89,553</b>
<b>Current Liabilities</b>			
Other payables and accruals	10	4,494,924	3,386,478
Finance lease payable	8	20,534	19,559
Tax liability		13,465	-
		<b>4,528,923</b>	<b>3,406,037</b>
<b>TOTAL LIABILITIES</b>		<b>4,597,941</b>	<b>3,495,590</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,349,799</b>	<b>6,246,401</b>

### Statement of Comprehensive Income

For the financial year ended December 31, 2018

	Note	2018 RM	2017 RM
<b>Revenue</b>	<b>11</b>	<b>3,306,423</b>	<b>2,947,176</b>
Other income		830,316	615,365
Administrative expenses		(3,872,183)	(3,596,326)
Other operating expenses		(246,432)	(244,520)
Finance expenses		(3,612)	(4,586)
<b>Profit/(Loss) before taxation</b>	<b>12</b>	<b>14,512</b>	<b>(282,891)</b>
Taxation	13	(13,465)	33,702
<b>Profit/(loss) for the financial year</b>		<b>1,047</b>	<b>(249,189)</b>
Other comprehensive income, net of tax		-	-
<b>Total comprehensive income/(loss) for the financial year</b>		<b>1,047</b>	<b>(249,189)</b>

The notes form an integral part of these financial statements.



## NBL Money Transfer Sdn. Bhd., Malaysia

### Statement of Changes In Equity

For the financial year ended December 31, 2018

	Share Capital RM	General Reserve RM	Retained Profits RM	Total RM
As at 1 January 2017	2,500,000	900,000	440,782	3,840,782
Transferred from General Reserve	-	(900,000)	900,000	-
Total comprehensive loss for the financial year	-	-	(249,189)	(249,189)
Dividends (Note 14)	-	-	(840,782)	(840,782)
<b>As at 31 December 2017</b>	<b>2,500,000</b>	<b>-</b>	<b>250,811</b>	<b>2,750,811</b>
Total comprehensive income for the financial year	-	-	1,047	1,047
<b>As at December 31, 2018</b>	<b>2,500,000</b>	<b>-</b>	<b>251,858</b>	<b>2,751,858</b>

### Statement of Cash Flows

For the financial year ended December 31, 2018

	2018 RM	2017 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	14,512	(282,891)
Adjustments for:-		
Depreciation of property, plant and equipment	246,432	244,520
Interest expenses	3,612	4,586
Unrealised gain on foreign exchange	(142,130)	-
Operating profit/(loss) before working capital changes	122,426	(33,785)
Decrease/(Increase) in other receivables, deposits and prepayment	66,947	(156,592)
Increase in other payables and accruals	1,108,446	231,349
Cash generated from operations	1,297,819	40,972
Tax refund	56,664	16,944
Tax paid	-	(64,998)
Net cash from/(used in) operating activities	1,354,483	(7,082)
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment	(122,600)	(125,825)
Net cash used in investing activity	(122,600)	(125,825)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of finance lease payable	(19,560)	(18,586)
Interest paid	(3,612)	(4,586)
Dividends paid	-	(840,782)
Net cash used in financing activities	(23,172)	(863,954)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,208,711</b>	<b>(996,861)</b>
<b>Effect of foreign currency translation</b>	<b>142,130</b>	<b>-</b>
<b>Cash and cash equivalents at beginning of financial year</b>	<b>4,892,277</b>	<b>5,889,138</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>6,243,118</b>	<b>4,892,277</b>
<b>Cash and cash equivalents comprise:-</b>		
Cash and bank balances	6,243,118	4,892,277

The notes form an integral part of these financial statements.

# NBL Money Transfer Sdn. Bhd., Malaysia

## Notes to the Financial Statements

For the financial year ended December 31, 2018

### 1. GENERAL INFORMATION

The Company is a private limited liability company incorporated and domiciled in Malaysia.

The registered office of the Company is located at Suite 4.33A, Level 4, Pertama Office Tower, Pertama Complex, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur.

The principal place of business is located at No. 50G & 50-2, Jalan Tun Tan Liew Sin, 50050 Kuala Lumpur.

The Company is principally engaged in business of currency remittance services. There has been no significant change in the nature of this activity during the financial year.

The directors regard National Bank Limited, a company incorporated in Bangladesh, as the immediate and ultimate holding company.

The financial statements of the Company are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Malaysian Private Entities Reporting Standard ("MPERS") issued by the Malaysian Accounting Standards Board ("MASS") and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements have been prepared by the directors based on the historical basis unless otherwise indicated.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are set out below:

#### 3.1 Property, Plant and Equipment

Depreciation is provided on a straight-line method so as to write off the depreciable amount of the following assets over their estimated useful lives, as follows:

	<b>Rate</b>
Furnitures and fittings	10%
Computers equipment	20%
Office equipment	10%
Motor Vehicles	20%
Renovation	10%

Depreciation of an asset begins when it is ready for its intended use.

The carrying amounts of items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is recognised in profit or loss. Neither the sale proceeds nor any gain on disposal is classified as revenue.

#### 3.2 Impairment of Assets

##### (a) Impairment of Financial Assets

All financial assets (except for financial assets measured at fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment. If there is objective evidence of impairment, impairment loss is recognised in profit or loss immediately.

## NBL Money Transfer Sdn. Bhd., Malaysia

### Notes to the Financial Statements

For the financial year ended December 31, 2018

**An impairment loss is measured as follows:**

- for a financial asset measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If such a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.
- for a financial asset measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the Company shall reverse the previously recognised impairment loss either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The Company shall recognise the amount of the reversal in profit or loss immediately.

**(b) Impairment of Non-Financial Assets**

The carrying amounts of non-financial assets (except for deferred tax assets, amount due from customers for contract work, assets arising from employee benefits, investment properties measured at fair value and biological assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Company makes an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs").

The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount.

**Impairment losses are recognised in profit or loss.**

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss.

### 3.3 Financial Instruments

Financial instruments are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

Financial instruments are recognised initially the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitute a financing transaction, the financial asset or financial liability is measured at present value of the future payments discounted at a market rate of interest for a similar debt instrument.

**(a) Subsequent Measurement**

The Company categorises the financial instruments as follows:

**(i) Financial assets**

For the purpose of subsequent measurement, the Company classifies financial assets into two categories, namely financial assets at fair value through profit or loss and financial assets at amortised costs.

After initial recognition, the Company measures investments in quoted preference shares, quoted ordinary shares and derivatives that are assets at their fair values by reference to the active market prices, if observable, or otherwise by a valuation technique, without any deduction for transaction costs it may incur on sale or other disposal.

# NBL Money Transfer Sdn. Bhd., Malaysia

## Notes to the Financial Statements

For the financial year ended December 31, 2018

Investments in debt instruments, whether quoted or unquoted, are subsequently measured at amortised cost using the effective interest method. Investment in unquoted equity instruments and whose fair value cannot be reliably measured are measured at cost.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 3.2.

### (ii) Financial liabilities

After initial recognition, the Company measures all financial liabilities at amortised cost using the effective interest method, except for derivatives instruments that are liabilities, which are measured at fair value.

### (b) Derecognition

A financial asset, whether as a single item or as a part, is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or are settled; or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset derecognised and the consideration received, including any newly created rights and obligations, is recognised in profit or loss.

A financial liability is derecognised when, and only when, it is extinguished, which is either when the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, any difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

## 3.4 Cash and Cash Equivalents

Cash and cash equivalents in the statement of cash flows comprise cash and bank balances, short-term bank deposits and other short-term, highly liquid investments that have a short maturity of three months or less from the date of acquisition, net of bank overdrafts.

## 3.5 Liabilities and Equity

### (a) Classification of Liabilities and Equity

Financial liabilities and equity instruments are classified in accordance with the substance of the contractual arrangement, not merely its legal form, and in accordance with the definitions of a financial liability and an equity instrument.

### (0) Equity Instruments

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

## 3.6 Leases

### (a) Finance Leases

Leases of property, plant and equipment are classified as finance lease where substantially all the risks and benefits incidental to the ownership of the assets, but not the legal ownership, are transferred to the Company.

The Company initially recognises its rights of use and obligations under finance leases as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments, determined at the inception of the leases. Any initial direct costs are added to the amount recognised as an asset.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method. A finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as an expense in the period in which they are incurred.

The depreciation policy for depreciable leased assets is consistent with that of depreciable assets that are owned. If there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the leased assets are fully depreciated over the shorter of the lease terms and their useful life. At each reporting date, the Company assesses whether the assets leased under the finance lease are impaired.

## NBL Money Transfer Sdn. Bhd., Malaysia

### Notes to the Financial Statements

For the financial year ended December 31, 2018

#### (b) Operating Leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

#### 3.7 Revenue

Commissions received are recognised upon services rendered and customers' acceptance.

#### 3.8 Employment Benefits

##### (a) Short-Term Employment Benefits

Short-term employment benefits, such as wages, salaries and other benefits, are recognised at the undiscounted amount as a liability and an expense when the employees have rendered services to the Company.

##### (b) Defined Contribution Plan

Contributions payable to the defined contribution plan are recognised as a liability and an expense when the employees have rendered services to the Company.

#### 3.9 Taxation

Taxation is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised in other comprehensive income.

Tax payable on taxable profit for current and past periods is recognised as a current tax liability to the extent unpaid. If the amount paid in respect of the current and past periods exceeds the amount payable for those periods, the excess is recognised as a current tax asset.

Current tax assets and liabilities are measured at the amounts expected to be paid or recovered, using the tax rates and laws that have been enacted or substantially enacted by the reporting date.

Current tax liabilities and assets are offset if, and only if the Company has a legally enforceable right to set off the amounts and plan either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is provided in full on temporary differences which are the differences between the carrying amounts in the financial statements and the corresponding tax base of an asset or liability at the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all deductible temporary differences that are expected to reduce taxable profit in the future and the carry forward of unused tax losses and unused tax credits.

Deferred tax liabilities and assets are not recognised in respect of the temporary differences associated with the initial recognition of an asset or a liability in a transaction that is not a business combination and at the time of the transactions, affects neither accounting profit nor taxable profit. Deferred tax liabilities are also not recognised for temporary difference associated with the initial recognition of goodwill.

Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amounts of their assets and liabilities and are measured at the tax rates and laws that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the reporting date.

#### 3.10 Translation of Foreign Currency

Foreign currency transactions are translated to the Company's functional currency at the exchange rates prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are translated using the closing rate.

Non-monetary items carried at revalued amounts or at fair values that are denominated in foreign currencies are translated using the exchange rates at the date when the fair value was determined. Non-monetary items measured at historical cost that are denominated in foreign currencies are translated using the exchange rate at the date of the transaction.

All exchange differences arising on settled transactions and on unsettled monetary items are recognised in profit or loss in the period.

# NBL Money Transfer Sdn. Bhd., Malaysia

## Notes to the Financial Statements

For the financial year ended December 31, 2018

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial statements include the following:

#### (a) Depreciation and useful lives of property, plant and equipment

As disclosed in Note 3.1, the Company reviews the residual values, useful lives and depreciation methods at the end of each reporting period. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and therefore, future depreciation charges could be revised.

#### (b) Taxation

Judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the period in which the outcome is known.

### 5. PROPERTY, PLANT AND EQUIPMENT

#### Cost:

Computers  
Furniture and fittings  
Office equipment  
Motor vehicle  
Renovation

As at 1 January 2018 RM	Additions RM	As at 31 December 2018 RM
165,060		165,060
110,289	4,600	114,889
594,504	4,200	598,704
186,873		186,873
1,180,547	113,800	1,294,347
<b>2,237,273</b>	<b>122,600</b>	<b>2,359,873</b>

#### Accumulated depreciation:

Computers  
Furniture and fittings  
Office equipment  
Motor vehicle  
Renovation

As at 1 January 2018 RM	Charge for the financial year RM	As at 31 December 2018 RM
146,547	8,297	154,844
58,425	11,490	69,915
256,062	59,836	315,898
112,125	37,374	149,499
696,716	129,435	826,151
<b>1,269,875</b>	<b>246,432</b>	<b>1,516,307</b>

#### Carrying Amount:

Computer equipment  
Furniture and fittings  
Office equipment  
Motor vehicles

2018 RM	2017 RM
10,216	18,513
44,974	51,864
282,806	338,442
37,374	74,748
468,196	483,831
<b>843,566</b>	<b>967,398</b>
<b>37,374</b>	<b>74,748</b>

The carrying amount of the property, plant and equipment under finance lease of the Company are as follows:

Motor vehicle

## NBL Money Transfer Sdn. Bhd., Malaysia

### Notes to the Financial Statements

For the financial year ended December 31, 2018

	2018 RM		2017 RM	
<b>6. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT</b>				
Other receivables	-		60,061	
Deposits	263,115		269,026	
Prepayment	-		975	
	<b>263,115</b>		<b>330,062</b>	
	<b>Number of ordinary Shares</b>		<b>Amount</b>	
	<b>2018 Units</b>	<b>2017 Units</b>	<b>2018 RM</b>	<b>2017 RM</b>
<b>7. SHARE CAPITAL</b>				
Issued and fully paid:				
At beginning/end of the financial year	2,500,000	2,500,000	2,500,000	2,500,000
			<b>2018 RM</b>	<b>2017 RM</b>
<b>8. FINANCE LEASE PAYABLE</b>				
<b>Minimum lease payments</b>				
-Not later than one year			23,172	23,172
-Later than one year but not later than five years			50,134	73,306
			<b>73,306</b>	<b>96,478</b>
Less: Future interest charges			(5,013)	(8,625)
Present value of finance lease			68,293	87,853
Repayable as follows:-				
<b>Present value of finance lease is analysed as follows:</b>				
-Not later than one year			20,534	19,559
-Later than one year but not later than five years			47,759	68,294
			<b>68,293</b>	<b>87,853</b>
<p>The Company obtains finance lease facilities to finance the acquisition of certain plant and machinery and motor vehicles. The remaining lease term is 3 years as at December 31, 2018. The contractual interest rate of the finance lease of 2.50% per annum is fixed at the date of the agreements, and the amount of lease payments are fixed throughout the lease period. The Company has the option to purchase the assets at the end of the agreements with minimum purchase considerations. There is no significant restriction clauses imposed on the finance lease arrangements.</p>				
<b>9. DEFERRED TAX LIABILITY</b>				
As at 1 January			21,259	54,961
Recognised in the profit or loss (Note 13)			-	(33,702)
As at 31 December			<b>21,259</b>	<b>21,259</b>
<p>The deferred tax liability at the end of the financial year is in respect of tax effect on temporary differences between depreciation charges and capital allowances claimed on qualifying assets.</p>				
<b>10. OTHER PAYABLES AND ACCRUALS</b>				
Other payables			4,486,624	3,378,178
Accruals			8,300	8,300
			<b>4,494,924</b>	<b>3,386,478</b>

Included in other payables is RM3,662,951 (2017: RM3,346,611) owing to the holding company. The outstanding amount is unsecured, interest-free and repayable on demand.

# NBL Money Transfer Sdn. Bhd., Malaysia

## Notes to the Financial Statements

For the financial year ended December 31, 2018

	2018 RM	2017 RM
<b>11. REVENUE</b>		
Commission received	3,306,423	2,947,176
<b>12. PROFIT/(LOSS) BEFORE TAXATION</b>		
This is stated after charging/(crediting):		
Auditors' remuneration	6,800	6,800
Depreciation of property, plant and equipment	246,432	244,520
Employees' benefits expenses (Note 12.1)	1,750,369	1,584,946
Key management personnel compensation	48,000	40,500
Finance lease interest	3,612	4,586
Rental of premises	638,095	572,160
Realised gain on foreign exchange	(655,108)	(612,445)
Unrealised gain on foreign exchange	(142,130)	-
<b>12.1 EMPLOYEES' BENEFITS EXPENSES</b>		
The employees' benefits expenses, excluding those for executive directors, are as follows:-		
Salaries and wages	1,594,975	1,473,989
Defined contribution plan	69,493	70,976
Other employee benefits	85,901	39,981
	<b>1,750,369</b>	<b>1,584,946</b>
<b>13. TAXATION</b>		
<b>Current tax expenses</b>		
-Current year tax expense	13,465	-
<b>Deferred tax expenses (Note 10)</b>		
-Temporary differences	-	33,702
Total taxation	<b>13,465</b>	<b>33,702</b>
The taxation is reconciled to the accounting profit at the applicable tax rate as follows:		
Profit/(Loss) before tax	14,512	(282,891)
Tax at Malaysian statutory tax rate	3,483	(67,894)
Tax effect of non-deductible expenses	9,982	34,192
Tax expenses/(income)	<b>13,465</b>	<b>(33,702)</b>
<b>14. DIVIDENDS</b>		
Single tier interim dividend of RM0.1363 per share declared payable on 22 May 2017	-	340,782
Single tier interim dividend of RM0.20 per share declared payable on 20 December 2017	-	500,000
	<b>-</b>	<b>840,782</b>
<b>15. FINANCIAL INSTRUMENTS CLASSIFICATION</b>		
<b>Financial assets measured at cost less impairment:-</b>		
Other receivables and deposits	263,115	329,087
Cash and bank balances	6,243,118	4,892,277
	<b>6,506,233</b>	<b>5,221,364</b>
<b>Financial liabilities measured at amortised costs:-</b>		
Other payables and accruals	4,494,924	3,386,478
Finance lease payable	68,293	87,853
	<b>4,563,217</b>	<b>3,474,331</b>
<b>16. RECLASSIFICATIONS OF COMPARATIVE FIGURES</b>		
During the financial year, the Company changed the classification of certain items in its financial statements to conform with the current year's presentation:		
	As previously reported RM	As restated RM
Other payables and accruals	39,867	3,386,478
Amount due to holding company	<b>3,346,611</b>	-



## NBL Money Transfer Sdn. Bhd., Malaysia

### Detailed Statement of Comprehensive Income (Incorporated in Malaysia)

For the Financial year ended December 31, 2018

#### 17 AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements of the Company were authorised for issue by the Board of Directors on. 18 March 2019

	2018 RM	2017 RM
<b>REVENUE</b>	3,306,423	2,947,176
Add:		
<b>OTHER INCOME</b>		
Service charges	33,078	2,920
Realised gain on foreign exchange	655,108	612,445
Unrealised gain on foreign exchange	142,130	-
	<b>830,316</b>	<b>615,365</b>
Less:		
<b>ADMINISTRATIVE EXPENSES</b>		
Auditors' remuneration	6,800	6,800
Allowances	43,958	95,559
Bank charges	507,990	625,355
Bonus	-	4,175
Business promotion	8,706	6,000
Casual labour	608,856	499,581
Compound	-	800
Consultation fee	7,626	5,650
Cash carrying charges	281,124	234,330
Directors' fees	18,000	40,500
Directors' remuneration other than fees	30,000	-
EPF	69,493	70,976
Filing fee	-	5,190
Hotel and accommodation	480	585
Insurance and road tax	33,318	33,901
Internal audit fee	6,600	6,423
Legal fee	13,755	-
License fee	10,321	6,660
Membership fee	-	500
Overtime	54,604	-
Petrol, toll and parking	13,937	18,239
Postage and courier	1,098	683
Printing and stationery	47,581	44,306
Rental of premises	638,095	572,160
Refreshment	36,110	29,381
Salaries	942,161	878,849
SOCSO	9,418	8,923
Security services	-	26,837
Secretarial fee	1,271	600
Staff incentives	21,879	8,000
Staff income tax	-	18,883
Telephone and fax	119,122	114,585
Theft of cash	57,674	-
Travelling	11,104	34,167
Transportation	27,523	-
Training	17,761	7,807
Tax fee	1,500	1,500
Upkeep of office	106,647	54,954
Upkeep of motor vehicle	4,498	3,027
Visa charges	14,600	21,519
Water and electricity	98,573	108,921
	<b>(3,872,183)</b>	<b>(3,596,326)</b>
<b>OTHER OPERATING EXPENSES</b>		
Depreciation of property, plant and equipment	(246,432)	(244,520)
<b>FINANCE EXPENSES</b>		
Finance lease interest	(3,612)	(4,586)
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	<b>14,512</b>	<b>(282,891)</b>

This page contains additional information only.

**NBL Money Transfer (Maldives) Private Limited**  
Financial Statements  
For the year ended December 31, 2018



## NBL Money Transfer (Maldives) Private Limited

### Independent auditor's report

To the Shareholders of NBL Money Transfer (Maldives) Private Limited

#### Our opinion

In our opinion, NBL Money Transfer (Maldives) Private Ltd's financial statements give true and fair view of the financial position of the Company as at December 31, 2018 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS).

#### What we have audited

NBL Money Transfer (Maldives) Private Ltd's financial statements comprise:

- the statement of financial position as at December 31, 2018;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

#### 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 Auditor's responsibilities for the audit of the financial statements section of our report.

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

#### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

#### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Date : 12 June 2019  
MALE'

For PRICEWATERHOUSECOOPERS

Registration No: Foo05



Jatindra Bhattray  
Partner

## NBL Money Transfer (Maldives) Private Limited

### Statement of financial position (all amounts in United Dollars unless otherwise stated)

As at December 31, 2018

	Note	As at 31 December		
		2018		2017
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	11	6,229	-	8,850
Deferred tax asset	12	2,839	-	2,839
			9,068	11,689
<b>Current assets</b>				
Receivables	13	59,546	-	61,637
Cash and cash equivalents	14	824,936	-	705,895
		-	<b>884,481</b>	-
<b>Total assets</b>		-	<b>893,548</b>	-
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	15	400,000		400,000
General reserve		343,824		343,824
Accumulated losses		(141,471)	602,353	(42,626)
				701,198
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	16	291,195		78,023
				-
<b>Total liabilities</b>		-	<b>291,195</b>	-
<b>Total equity and liabilities</b>		-	<b>893,548</b>	-



Md Hannan Khan Kabir  
Director



Parveen Haque Sikder  
Director

### Statement of comprehensive income (all amounts in United Dollars unless otherwise stated)

For the year ended December 31, 2018

	Note	Year ended 31 December	
		2018	2017
Commission income		79,198	141,186
Net foreign exchange income	5	18,802	34,370
Other income	6	1,980	1,455
		99,980	177,011
Operating expenses	7	(198,825)	(219,636)
<b>Loss before tax</b>		(98,845)	(42,626)
Business profit tax	8	-	-
<b>Net loss for the year: attributable to equity holders of the Company</b>		(98,845)	(42,626)
<b>Loss per share attributable to the equity holders of the Company during the year (expressed in US\$ per share) - basic</b>	9	(16,03)	(6,91)

The notes are an integral part of these financial statements.

## NBL Money Transfer (Maldives) Private Limited

### Statement of changes in equity

For the year ended December 31, 2018

	Note	Share capital	Retained earnings/ (accumulated losses)	General reserve	Total
<b>Balance at 1 January 2017 - As previously reported</b>	17	400,000	314,724	460,000	1,174,724
Prior year adjustment		-	(180,900)	-	(180,900)
-As restated		-	133,824	460,000	993,823
Dividend relating to 2016		400,000	(133,824)	(116,176)	(250,000)
Loss for the year		-	(42,626)	-	(42,626)
<b>Balance at 31 December 2017</b>		400,000	(42,626)	343,824	701,198
<b>Balance at 1 January 2018</b>		<b>400,000</b>	<b>(42,626)</b>	<b>343,824</b>	<b>701,198</b>
Loss for the year		-	(98,845)	-	(98,845)
<b>Balance at December 31, 2018</b>		<b>400,000</b>	<b>(141,471)</b>	<b>343,824</b>	<b>602,353</b>

### Cash flow statement (all amounts in United Dollars unless otherwise stated)

For the year ended December 31, 2018

	Note	Year ended 31 December	
		2018	2017
<b>Cash flows from operating activities</b>			
Cash generated from operations	18	119,040	270,003
Net cash generated from operating activities		119,040	270,003
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	11	-	(7,119)
Net cash used in investing activities			(7,119)
<b>Cash flows from financing activities</b>			
Dividend paid to Company's shareholders			(250,000)
Net cash used in financing activities		-	(250,000)
<b>Net increase in cash and cash equivalents</b>		119,041	12,884
Cash and cash equivalents at beginning of the year		705,895	693,011
<b>Cash and cash equivalents at end of the year</b>	<b>14</b>	<b>824,936</b>	<b>705,895</b>

The notes are an integral part of these financial statements.

# NBL Money Transfer (Maldives) Private Limited

## Notes to the financial statements (all amounts in United Dollars unless otherwise stated)

For the year ended December 31, 2018

### 1 General information

NBL Money Transfer (Maldives) Private Limited was incorporated under the Act No. 10/96 in the Republic of Maldives on 29 August 2011. The objective of the Company is to operate money remittance and money exchange businesses. The Company commenced its commercial operations on 23 December 2011.

The Company is a private limited liability company incorporated and domiciled in Maldives. The address of its registered office is situated at Gadhamoo Building (Ground floor), Boduthakurufaanu Magu, Henvairu, Male

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below:

#### 2.1 Basis of preparation

The financial statements of NBL Money Transfer (Maldives) Private Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC). The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a historical cost basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. There are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's financial statements.

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2018: (a) new standards and amendments that are effective for the first time for periods commencing on or after 1 January 2018 (ie year ended December 31, 2018) and (b) forthcoming requirements, being standards and amendments that will become effective on or after 1 January 2019.

#### (a) Nets standards and amendments — applicable 1 January 2018

The following amendments to the International Accounting Standards that are relevant for the preparation of the financial statements have been adopted by the Company for the first time with effect from financial year beginning on 1 January 2018.

- IFRS 9- *Financial instruments*
- IFRS 15- *Revenue from contracts with customers*
- IFRIC 22- *Foreign currency transactions and advance consideration*

#### (b) New standards and amendments but not yet adopted in 2018

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the Company.

#### - IFRS 16 Leases

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the statement of financial position by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The Company will apply the standard from its mandatory adoption date of 1 January 2019. The Company intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

#### 2.2 Changes in accounting policies

The Company has adopted IFRS 9 as issued by the IASB in July 2014, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. In accordance with the transitional provision in IFRS 9 (7.2.15) and (7.2.26), comparative figures have not been restated.

The accounting policies were changed to comply with IFRS 9 as issued by the IASB in July 2014. IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and liabilities: derecognition of financial instruments; impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 Financial Instruments: Disclosures.

## NBL Money Transfer (Maldives) Private Limited

### Notes to the financial statements (all amounts in United Dollars unless otherwise stated)

For the year ended December 31, 2018

#### Classification and measurement of financial instruments

On 1 January 2018, the Company's management has assessed which business models apply to the financial assets held by the Company at the date of initial application of IFRS 9 (1 January 2018) and has classified its financial instruments into the appropriate IFRS 9 categories. The reclassifications have no impact to Company's retained earnings.

(a) *Reclassification fi-omloans and receivable to amortised cost*

Receivables and cash and cash equivalents that would have previously been classified as loans and receivables are now classified at amortised cost.

(b) *Reclassifications of mancial instruments on adoption of IFRS 9*

On the date of initial application, 1 January 2018, the financial instruments of the Company were as follows:

Measurement category		Carrying amount	
Original (IAS 39)	New (IFRS 9)	Original	New

#### Current financial assets

Other Receivables

Cash and cash equivalents

#### Current financial liabilities

Other Payables

There were no changes to the classification and measurement of financial liabilities.

(i) *Classification*

From 1 January 2018, the Company classifies its financial assets in the following measurement category:

- those to be measured at amortised cost  
The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) *Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to acquisition of the financial asset.

(iii) *Measurement (continued)*

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(iv) *Impairment*

(v) **2.3 IFRS 15 Revenue from contracts with customers**

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Revenue under IFRS 15 requires to be recognised as goods and services are transferred, to the extent that the transferor anticipates entitlement to goods and services. The standard also specifies a comprehensive set of disclosure requirements regarding the nature, extent and timing as well as any uncertainty of revenue and corresponding cash flows from customers.

An evaluation of relevant existing contracts, which fall mainly under commission based income, had been performed by NBL Money Transfer Maldives (Private) Limited (in relation to the adoption of IFRS 15). This assessment did not reveal any significant change to NBL Money Transfer Maldives (Private) Limited revenue recognition pattern. However, NBL Money Transfer Maldives (Private) Limited continues to evaluate and quantify the accounting impact and will modify its systems and processes if necessary.

#### 2.4 Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

(a) *Functional and presentation currency (continued)*

The financial statements are presented in United States Dollars, which is the Company's functional and presentation currency.

## NBL Money Transfer (Maldives) Private Limited

### Notes to the financial statements (all amounts in United Dollars unless otherwise stated)

For the year ended December 31, 2018

(b) *Transactions and balances*

Foreign currency transactions are translated into the Functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

#### 2.5 Property, plant and equipment

All property, plant and equipment, which are initially recorded at historical cost, is stated at cost less depreciation. Cost includes the transfer value of the assets, or their purchase cost, or the cost of construction, together with any incidental expenses of acquisition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The provision for depreciation is calculated on straight line method to write off the cost of each asset using the following rates:

Furniture, fixtures and fittings	20%
Office equipment	20%
Computer equipment	20%

The charge for depreciation commences from the date from which the asset is available for use.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

#### 2.6 Financial assets

*Receivables*

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss provision. A provision for impairment of other receivables is established based on the expected lifetime losses to be recognised from initial recognition of the receivables.

#### 2.7 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

#### 2.8 Share capital

Ordinary shares are classified as equity.

#### 2.9 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

#### 2.10 Revenue recognition

Commission income The income mainly comprise commission income on money remittance and foreign exchange trading income. Commission income is recognized as revenue as the services are provided. Foreign exchange gain/loss is recognized as mentioned in Note 2.4.



## NBL Money Transfer (Maldives) Private Limited

### Notes to the financial statements (all amounts in United Dollars unless otherwise stated)

For the year ended December 31, 2018

#### 2.11 Current and deferred business profit tax

The tax expenses for the period comprises current and deferred business profit tax. Tax is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized directly in equity.

The current business profit tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax computation with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The provisions for business profit tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Business Profit Tax Act.

Company is liable to business profit tax at the rate of 15% in Maldives. if the taxable profit of the year exceeds MVR 500.000 (US\$ 32,425).

Deferred business profit tax is recognized, using the liability method. on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However deferred business profit tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred business profit tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred business profit tax asset is realized or the deferred business profit tax liability is settled.

Deferred business profit tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized.

Deferred business profit tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred business profit taxes assets and liabilities relate to business profit taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### 2.12 Critical accounting estimates and judgments

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

##### (a) Provisions

The Company recognizes provisions when it has a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provisions requires the application of judgments about the ultimate resolution of these obligations. As a result, provisions are reviewed at each reporting date and adjusted to reflect the Company's current best estimate.

##### (b) Contingent liabilities

Determination of the treatment of contingent liabilities in the financial statements is based on the management's view of the expected outcome of the applicable contingency. The Company consults with legal counsel (lawyers) on matters related to litigation and other experts both within and outside the Company with respect to matters in the ordinary course of business.

#### 2.13 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

### 3 Financial risk management

#### 3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and price risk) and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Board of Directors on specific areas such as credit risk and the liquidity risk.

## NBL Money Transfer (Maldives) Private Limited

### Notes to the financial statements (all amounts in United Dollars unless otherwise stated)

For the year ended December 31, 2018

(a) Market risk - Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities. The sales and purchases of foreign currency is matched on a daily basis to avoid exposure to foreign exchange risk.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Management of the Company aims to maintain liquidity by retaining the profit earned and obtaining funds from the shareholders.

### 3.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to shareholders or issue new shares to reduce debt.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (trade and other payables, as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debt.

	Year ended 31 December	
	2018	2017
Trade and other payables	291,195	78,023
Less: Cash and cash equivalents (Note 14)	(824,936)	(705,895)
Net debt	(533,741)	(627,872)
<b>Total equity</b>	<b>602,353</b>	<b>701,198</b>
<b>Total capital</b>	<b>68,612</b>	<b>73,326</b>
	0.00%	0.00%

The Company does not have net debt as of 31 December 2017 and December 31, 2018.

### 3.3 Fair value estimation

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

### 4 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

### 5 Net foreign exchange income

Foreign exchange gain	18,802	39,636
Deal exchange gain		1,622
Deal exchange loss		(6,889)
	18,802	34,370

### 6 Other income

Postage income	1,980	1,455
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### 7 Operating expenses

Salary	80,504	85,759
Utility charges	4,120	7,722
Insurance	3,733	3,654
Postage and telephone	3,238	3,426
Professional fees	-	694
Audit fee	4,000	4,750
Repair and maintenance	4,976	2,204

## NBL Money Transfer (Maldives) Private Limited

Notes to the financial statements (all amounts in United Dollars unless otherwise stated)

For the year ended December 31, 2018

	Year ended 31 December	
	2018	2017
Printing and stationary	3,347	1,724
Entertainment and refreshment	1,978	2,755
Travelling and transportation	1,447	2,792
Rental expense	56,700	56,700
Director's remuneration	4,800	4,800
Depreciation	2,621	3,699
Rates and taxes	288	299
TT and bank charges	15,201	34,540
Other operating expenses	11,873	4,118
<b>Total</b>	<b>198,825</b>	<b>219,636</b>
Classified as:		
Operating expenses	198,825	219,636
	<b>198,825</b>	<b>219,636</b>
<b>8 Taxation</b>		
Current tax	-	-
Deferred tax (Note 12)	-	280
Business profit tax expense	-	280
Reconciliation between taxable profit and accounting profit.		
<b>Accounting profit for the year</b>	-	(42,626)
Add: Non deductible expenses	-	8,499
Less: Allowable expenses	-	(5,147)
Taxable profit	-	(39,274)
Basic exemption limit (MVR 500,000)	-	-
Taxable profit	-	(39,274)
Business profit tax charge (15%)	-	-
Add: Tax per original return filed for the year 2016 (since revised return not filed)	-	-
Deferred tax (Note 12)	-	-
Business profit tax charge (15%)	-	-
<b>9 Loss per share</b>		
Loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.		
Loss attributable to equity holders of the Company	(98,845)	(42,626)
Weighted average number of ordinary shares in issue	6,168	1,168
Loss per share (US\$ per share)	<b>(16.03)</b>	<b>(6.91)</b>
<b>10 Financial instruments</b>		
<b>(a) Financial instrument by category</b>		
Assets per statement of financial position		
Trade and other receivable excluding pre- payments	34,437	36,788
Cash and cash equivalents	824,936	705,89
Total	859,373	742,683
Liabilities per statement of financial position		
Trade and other payables excluding non financial liabilities	291,195	78,023
<b>Total</b>	<b>291,195</b>	<b>78,023</b>
<b>(b) credit quality of financial assets</b>		
The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:		
<b>Trade receivable</b>		
Counter parties without external credit rating		
Group ii	-	-
	-	-

## NBL Money Transfer (Maldives) Private Limited

### Notes to the financial statements (all amounts in United Dollars unless otherwise stated)

For the year ended December 31, 2018

		Year ended 31 December	
		2018	2017
Group ii - Holding Company			
<b>Financial instruments by category</b>			
<b>Cash at bank and short- term bank deposits</b>			
<b>Name of the bank</b>			
	Bank of Maldives (US\$)	480,826	311,208
	State bank of India	161,208	127,773
		<b>642,034</b>	<b>438,981</b>
The banks in Maldives have not been rated.			
12	<b>Deferred business profit tax assets</b>		
	At 1 January	2,559	2,839
	Decelerated tax depreciation (Note 8)	-	(280)
	At 31 December	<b>2,559</b>	<b>2,559</b>
13	<b>Receivables</b>		
	Prepayments and deposits	25,108	24,849
	Advances	34,188	36,788
	Sundry debtors	249	-
		<b>59,546</b>	<b>61,637</b>
Advances include tax receivable of US\$ 34,136 (2017: US\$ 34.136).			
14	<b>Cash and cash equivalents</b>		
	Cash in hand	182,902	266,979
	Cash at bank	642,034	438,916
		<b>824,936</b>	<b>705,895</b>
15	<b>Share capital</b>		
		<b>Number of Ordinary shares</b>	
		<b>shares</b>	<b>US\$</b>
<b>Balance as at 1 January 2017</b>		6,168	400,000
<b>Balance as at 1 January 2018</b>		6,168	400,000
<b>Balance as at December 31, 2018</b>		6,168	400,000
The total authorized number of ordinary shares is 6168 equity shares with a par value of Maldivian Rufiyaa 1.000 per share translated to United States Dollars at 1 US\$ = MVR 15.42. All of the shares have been issued and fully paid.			
		<b>Year ended 31 December</b>	
		<b>2018</b>	<b>2017</b>
16	<b>Payables</b>		
	Other payables	290,503	78,023
	Accrued Payables	692	-
		<b>291,195</b>	<b>78,023</b>
17	<b>Dividends per share</b>		
At the Annual General Meeting on 13 February 2017, a final dividend in respect of the financial year 2016 of USD 40.53 (2015: Nil) per share, amounting to a total of USD 250.000 (2015: Nil ) was declared. These financial statements reflects these dividends, which have been accounted for under statement of changes in equity as a appropriation of retained earnings during year ended 31 December 2017.			
18	<b>Cash generated from operations</b>		
	Loss before tax	(98,845)	(42,626)
	Adjustments for:		
	Depreciation (Note 11)	2,621	3,699
	Loss on disposal		
	Changes in working capital:		
	-Decrease in receivables	2,091	277,578
	-Increase in payables	213,172	31,352
	Cash generated from operations	<b>119,040</b>	<b>270,003</b>

## NBL Money Transfer (Maldives) Private Limited

Notes to the financial statements (all amounts in United Dollars unless otherwise stated)

For the year ended December 31, 2018

	Year ended 31 December	
	2018	2017
<b>19 Related party transactions</b>		
National Bank Limited holds 99.99% of the paid up share capital of the Company and therefore is the holding company.		
Outstanding balances arising from transfer of funds :		
Advances pending settlement with National Bank Limited	-	-
Payable to National Bank Limited	-	-

The amount due to the holding company is unsecured, interest free and has no fixed repayment period. Accordingly, the entire amount has been shown as falling due within one

### 20 Contingencies

Contingent liabilities

There were no material contingent liabilities outstanding at the reporting date.

*Contingent assets*

There were no material contingent assets recognized at the reporting date.

### 21 Capital Commitments

There were no material capital commitments at the reporting date. which were not recognized in the financial statements.

*Financial commitments*

There were no material financial commitments outstanding at the reporting date.

### 22 Events after the reporting date

No events have occurred since the reporting date, which would require adjustments to. or disclose in the financial statements.

### 23 Property, plant and equipment

	Furniture, fixture and fittings	Office equipment	Computer equipment	Total
<b>Year ended 31 December 2017</b>				
Opening net book amount	3,998	1,432		5,430
Additions	5,026	2,093		7,119
Depreciation charge (Note 7)	(2,918)	(781)		(3,699)
Closing net book amount	6,106	2,744	-	8,850
<b>At 31 December 2017</b>				
Cost	47,757	23,724	13,201	84,682
Accumulated depreciation	(41,651)	(20,980)	(13,201)	(75,832)
Net book amount	6,106	2,744		8,850
<b>Year ended December 31, 2018</b>				
Opening net book amount	6,106	2,744		8,850
Depreciation charge (Note 7)	(1,831)	(790)		(2,621)
Closing net book amount	4,275	1,954	-	6,229
<b>At December 31, 2018</b>				
Cost	47,757	23,724	13,201	84,682
Accumulated depreciation	(43,482)	(21,770)	(13,201)	(78,453)
Net book amount	4,275	1,954		6,229

i) Depreciation expenses of US\$ 2,621(2017: US\$ 3,699) has been included under operating expenses.

ii) The value of fully depreciated assets as at the reporting date amounted US\$ 75,784 (2017: US\$ 74,763) .

iii) The Company is operating from a rented building for which a sum of US\$ 56,700 (2017: US\$ 56,700) has been paid as annual rent.

**NBL Money Transfer (S.A.) Greece**  
Financial Statements  
For the year ended December 31, 2018



## NBL Money Transfer (S.A.) Greece

### Independent Auditor's Report

To The Shareholders Of "NBL Money Transfer Payment Foundation S.A."

(Translation Of The Greek Report)

### Report on the Financial Statements

We have audited the accompanying Financial Statements of "N.B.L. MONEY TRANSFER PAYMENT FOITNDATION S.A." (the "Company"), which comprise the Balance Sheet at December 31, 2018, the Profit and Loss Account and the Distribution of the Profits, for the year then ended and the Notes to the Accounts.

### Management's Responsibility for the Financial Statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Accounting Standards prescribed by the Greek legislation, as well as for the internal valves that the Management declares as necessary, in order to prepare financial statements that are free froth material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on out audit We inducted our audit in accordance with the International Standards of Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit in order to obtain a reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal valves relevant to the Company's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal valves. An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is Sufficient and appropriate to provide a basis for our audit opinion.

### Reservations

1. Four of the balances included in the position "Cash & Equivalent", are not confirmed. The book balances are higher than those confirmed by 16.142,45 Euro. We keep a reservation on the correctness of the book balance.
2. Ones of the balances included in the position "Liabilities", is not confirmed. The book balance is lower than those confirmed by 4.741,50 Euro. We keep reservation on the correctness of the book balance.
3. The position "Owner's Equity" is less than 1/2 of the Share Capital, especially after the reservations mentioned above. The Board of Directors should take appropriate and corrective measures in order to be pursuant to the provisions of article 47 of Law 2190.

### Opinion

In our opinion, the above Financial Statements present under the reservation of the previous paragraph fairly, in all material aspects, the financial position of the Company at December 31, 2018 and of its financial performance, for the year then ended, in accordance with the Greek Accounting Standards, as they are prescribed by the Greek law.

### Remarks

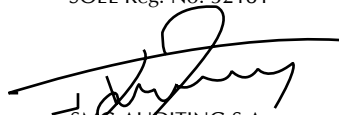
Without making any reservation as to the conclusions of our audit, it is remarked that the company has not been audited by the tax authorities for the business years 2013 — 2018. Consequently the tax obligations are not final. At this stage, it is not possible to make estimation for the final taxation and consequently the company has not made any provision.

### Report on other legal and regulatory requirements

Taking into account that the administration is responsible for the preparation of the Report of the Board of Directors, pursuant to the provisions of paragraph 5 of Article 2 (Part B) of Law. 4336/2015, we note that:

- a) In our opinion, the Board of Directors' Report has been prepared in accordance with the requirements of Article 43 of the Law 2190/1920 and the content of this corresponds to the accompanying financial statements for the year ended 31.12.2018.
- b) Based on our audit of the Company NBL, MONEY TRANSFER PAYMENT FOUNDATION SA, we have not identified any material misstatements in the Report of the Board of Directors.

Athens, 13.3.2019  
Athanasius A. Gkatzionis  
Certified Public Accountant  
SOEL Reg. No. 52181



SMG AUDITING S.A.  
Certified public Accountant  
El. Venizelos 12A, 151 27 Melissa  
SOEL Reg. No 179

## NBL Money Transfer (S.A.) Greece

### Balance sheet

At December 31, 2018

ASSETS	Amount in Euro	
	2018	2017
<b>Intangible Assets</b>		
Formation expenses	3,753.26	3,753.26
Less: Accumulated Depreciation	(2,624.98)	(2,359.51)
	<b>1,128.28</b>	<b>1,393.75</b>
<b>Fixed Assets</b>		
<b>Tangible assets</b>		
Buildings strictures	64,058.22	64,058.22
Furniture and Fixtures & other equipments	49,488.55	47,863.15
Less: Accumulated Depreciation	(81,918.96)	(77,731.27)
	<b>31,627.81</b>	<b>34,190.10</b>
<b>Financial Assets</b>		
Guarantees	5,006.61	5,006.61
	<b>5,006.61</b>	<b>5,006.61</b>
<b>Accounting Receivable</b>		
Trade debtors	-	-
Sundry debtors	50,118.58	146.53
	<b>50,118.58</b>	<b>146.53</b>
<b>Cash and Equivalents</b>	<b>1,191,160.81</b>	<b>990,380.71</b>
	<b>1,191,160.81</b>	<b>990,380.71</b>
<b>TOTAL ASSETS</b>	<b>1,279,042.09</b>	<b>1,031,117.70</b>
<b>LIABILITIES &amp; SHAREHOLDERS EQUITY</b>		
<b>Shareholders Equity</b>		
Share Capital	365,000.00	365,000.00
Reserves	6,513.42	6,513.42
Retained Earnings	(240,095.42)	(214,592.74)
	<b>131,418.00</b>	<b>156,920.68</b>
<b>Provision for SLI</b>	<b>2,558.00</b>	<b>2,558.00</b>
<b>Liabilities</b>		
<b>Short - term liabilities</b>		
Banks	-	-
Suppliers	477.40	75.64
Taxes payable	4,543.93	4,932.52
Social Security payable	6,826.95	6,441.54
Amount due to the shareholders	-	-
Dividends payable	-	-
Sundry creditors	1,133,217.81	860,189.32
	<b>1,145,066.09</b>	<b>871,639.02</b>
<b>TOTAL LIABILIT. &amp; SHAREHO. EQUITY</b>	<b>1,279,042.09</b>	<b>1,031,117.70</b>



## NBL Money Transfer (S.A.) Greece

### Profit and Loss Statement

For the period ended December 31, 2018

	Amount in Euro	
	2018	2017
<b>Revenues</b>	<b>207,317.96</b>	<b>136,762.43</b>
Personnel expenses	(147,078.15)	(139,486.20)
Third Party fees	(15,143.87)	(12,905.57)
Rent and other services	(12,960.00)	(12,960.00)
Taxes and other duties	(8,857.76)	(8,117.20)
Other expenses	(31,487.44)	(10,003.99)
	<b>(215,527.22)</b>	<b>(183,472.96)</b>
<b>Ebitda</b>	<b>(8,209.26)</b>	<b>(46,710.53)</b>
Depreciations	(4,453.16)	(2,827.80)
Financial revenues	790.60	976.89
Financial expenses	(13,630.86)	(11,927.70)
Extraordinary revenues	-	-
Extraordinary expenses	-	-
	<b>(17,293.42)</b>	<b>(13,778.61)</b>
<b>Result of the year</b>	<b>(25,502.68)</b>	<b>(60,489.14)</b>
<b>Retained Earnings brought forward</b>	<b>(214,592.74)</b>	<b>(154,103.60)</b>
<b>Retained Earnings</b>	<b>(240,095.42)</b>	<b>(214,592.74)</b>



**NBL Money Transfer INC., USA**  
Financial Statements  
For the year ended December 31, 2018

## **NBL Money Transfer INC., USA**

### **Independent Auditor's Report**

Report To the Board of Directors and NBL Money Transfer INC.

We have audited the accompanying balance sheet of NBL Money Transfer Inc. (a New York Corporation) as of December 31, 2018, and the related statements of income, retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used a significant estimate made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NBL Money Transfer Inc. as of December 31, 2018, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.



**United Financial CPA P.C**  
**Certified Public Accountants**  
**122 East 42nd Street, Suite 2100**  
**New York, NY 10168**  
**February 12, 2019**

## NBL Money Transfer INC., USA

### Balance sheet

As at December 31, 2018

	2018
	USD
<b>Assets:</b>	
<b>Current Assets:</b>	
Cash in Bank (note D)	593,952
Employee Advance	7,570
Withholding taxes	2,888
Prepaid Expenses	10,312
<b>Total Current Assets</b>	<b>614,722</b>
Fixed assets, net (note F)	22,900
Organizational, net (note F)	46,993
Security deposits	7,500
<b>Total Fixed Assets</b>	<b>77,393</b>
<b>Total assets</b>	<b>692,115</b>
<b>Liabilities and Stockholder's Equity</b>	
<b>Current Liabilities:</b>	
Remittance payable to National Bank and Beneficiary	377,367
Direct Deposit Payable	10,479
<b>Total Current Liabilities</b>	<b>390,698</b>
<b>Long Term Liability:</b>	
Loan from Shareholder	75,000
<b>Total Liabilities</b>	<b>465,698</b>
<b>Total stockholder's</b>	<b>226,417</b>
<b>Total Liabilities &amp; Stockholder's Equity</b>	<b>692,115</b>

## STOCKHOLDERS'S EQUITY:

For the year ended December 31, 2018

Paid in Capital	960,000
Retained Earnings beginning of the year Net	(545,771)
Income / (Loss) for the year ended December 31, 2018	(187,812)
Retained Earnings at the end of Dec. 31, 2018	(733,583)
<b>Total Stockholder's Equity</b>	<b>226,417</b>

The accompanying notes are an integral part of these financial statements

## NBL Money Transfer INC., USA

### Statements of Income and Retained Earnings

For the year ended December 31, 2018

	<b>2018</b>
	USD
<b>Revenue:</b>	
Commission / Fees Income	16,061
Refunds-Allowances	40
Other Income	1,587
Interest Income	6,601
FX Commission / Gain	11,055
<b>Total Revenue</b>	<b>35,344</b>
<b>Expenses:</b>	
General and Administrative expenses:	
New York, office expenses	209,865
Depreciation and Amortization	13,146
<b>Total Expenses</b>	<b>223,011</b>
<b>Operating income before taxes</b>	<b>(187,667)</b>
<b>Income Taxes:</b>	
NYS and NYC	(145)
<b>Net Income (loss)</b>	<b>(187,812)</b>
Retained Earnings at the beginning of the period	(545,771)
<b>Retained Earnings at the end of the year</b>	<b>(733,583)</b>

## Statements of Cash Flow

For the year ended December 31, 2018

<b>Cash flow from operating activities:</b>	
Net Income	(187,812)
Adjustments to reconcile net income to net cash	
Provided by (used in) operating activities:	
Depreciation	8,702
Amortization	4,445
Withholding Taxes Liabilities	(202)
Remittance payable to NBL	33,963
Due to Beneficiary	10,479
Employee <b>advance</b>	-
Employee Salary / Direct Deposit	2,852
Prepaid expenses	-
<b>Net cash provided by operating activities</b>	<b>(127,573)</b>
<b>Cash flow from investing activities:</b>	
<b>Organizational Costs</b>	-
<b>Fixed Assets</b>	-
<b>Net cash provided by investing activities</b>	-
<b>Cash flow from Financing Activities:</b>	
Shareholders Loans	60,000
<b>Net cash provided by Financing Activities</b>	<b>60,000</b>
<b>Net increase (decrease) in cash</b>	<b>(67,573)</b>
Cash at beginning of the period	661,525
<b>Cash at the end of the year</b>	<b>593,952</b>

The accompanying notes are an integral part of these financial statements.

# NBL Money Transfer INC., USA

## Notes to Financial Statements

For the year ended December 31, 2018

### Note A. Nature of the Organization and reports:

These financial statements are prepared to the best of management's knowledge, belief and actual transactions as of December 31, 2018.

NBL Money Transfer Inc. is 100 % owned by National Bank Ltd, commercial Bank in Bangladesh.

Company was incorporated on March 9, 2011 under the laws of the State of New York. On June 11, 2013 the company received license as an international money transmitter from the State of New York Department of Financial Services.

NBL Money Transfer INC "NBL" maintains its offices in New York. NBL Money Transfer signed paying agent agreement with National Bank Ltd. National Bank distributes all funds to Beneficiaries in Bangladesh.

### Related Party Transactions and Shareholders:

The Company has been operating from 37-14 73<sup>rd</sup> Street Suite 201 Jackson Heights, NEW YORK. 11372.

The Company's principal Shareholder is:

	Owner	Related Party	Correspondent
National Bank Ltd.	100%	Yes	Yes

**Note B. Surety Bond / Collateral:** The Company has signed agreement with NYS Department of Financial Services and provided \$500,000 as collateral, as pledge to Superintendent. This \$500:000 is held at HAB Bank in NY.

### Note C. Summary of significant Accounting Policies

**REVENUE RECOGNITION:** The majority of the company's revenues are comprised of the transaction-based fees, which typically constitute a percentage of dollar volume processed, per transaction processed, or some combination thereof.

Revenue is primarily derived from two sources'

1. Transaction fees charged to money transfer consumer.
2. The company generates revenue by acquiring currency at higher rate (wholesale) and sell the currency to the consumer at retail exchange rates (lower).

Fees from typical money transfers are generally based on the principal amount of the transaction and the location where the funds are to be transferred. This transaction is sent by the Company and is recorded as revenue at the time of sale.

**Agent Commissions:** There are generally two agent locations involved in a money transfer transaction, the agent initiating the transaction (receiving agent) and the correspondent disbursing funds. The receiving agent earns a commission generally based on a percentage of the fee charged to the customer, Receiving Agent commissions are recorded as Expenses.

**USE OF ESTIMATES:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**FAIR VALUE OF FINANCIAL INSTRUMENTS & CONCENTRATION OF CREDIT RISK:** Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, due to correspondents, customers transfer payable and debt. The carrying value of such items approximates their fair value at December 31, 2017.

Concentration of credit risk consist of credit and fraud risks of agents, renewal of material agents contracts, loss of business from significant agents, changes in laws and political stability in countries in which the Company has material agent relationship and demand for consumer money transfer transactions. Concentration of credit risk is limited due to the high volume of individuals comprising the Company's customer base.

**Accounting Method:** The financial statements of the Company are prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

## NBL Money Transfer INC., USA

### Notes to Financial Statements

For the year ended December 31, 2018

#### NOTE D: CASH BALANCE:

For the purpose of the statement of cash flows, the company considers all highly liquid investments with maturities 6 months or less when purchased to be cash equivalents. Cash includes cash at bank, cash in check amounts, the money market account and Cash held at Company Branch Locations and Restricted Funds.

	2018
	USD
Cash at Bank	74,030
Branch Funds	-
Restricted CD	519,922
<b>Total</b>	<b>593,922</b>

**NOTE E ACCOUNTS RECEIVABLE:** The Company has receivables due from agents for money transfer transactions. These receivables are outstanding from the day of the transfer of the payment instrument until the agent remits the funds to the Company.

Account Receivable	-
<b>Total</b>	<b>-</b>

#### NOTE F Property, Furniture and Equipment:

Property and Equipment are stated at cost and depreciated using straight line method over their estimated useful lives ranging 5 to 7 years and Amortization for 15 Years basis.

Leasehold Improvements	60,914
<b>Total</b>	<b>60,914</b>
Less Accumulated Depreciation	(38,014)
<b>Net Book Value</b>	<b>22,900</b>

Company Organizational Costs:	66,690
Amortization	(19,697)
<b>Net Book Value</b>	<b>46,993</b>

#### Note 1 Security Deposits:

Company made rent security deposits to Landlord for Store front office Branch location in the NYC Metro area.

<b>Rent Security Deposits</b>	<b>5,192</b>
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**NBL Securities Limited**  
**Financial Statements**  
**For the year ended December 31, 2018**



## NBL Securities Limited

### Independent Auditor's Report to the Shareholders

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of NBL Securities Limited which comprise the Statement of Financial Position as at December 31, 2018, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

**In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at December 31, 2018, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs).**

##### Basis for Opinion

We conducted our audit in accordance with Bangladesh Standards on Auditing (ISAs.) Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

**We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### Information Other than the Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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. If based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

##### Responsibilities of Management and Those Charged with the Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ISAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.**

**Those charged with Governance are responsible for overseeing the company's financial reporting process.**

##### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

Haider Ahmed Khan FCA



Ahmed Khan & Co.  
Chartered Accountants

Date: March 31, 2018

## NBL Securities Limited

### Statement of Financial Position

As at December 31, 2018

	Notes	Amount in BDT	
		At Dec 31, 2018	At Dec 31, 2017
<b>I. ASSETS</b>			
<b>A. Non-Current Assets:</b>		<b>525,710,554</b>	<b>651,859,792</b>
Fixed Assets	05.00	1,960,554	1,859,792
Investment in Stock Exchanges Membership	06.00	523,750,000	650,000,000
<b>B. Current Assets:</b>		<b>6,142,588,205</b>	<b>7,162,661,121</b>
Cash & Cash Equivalents	07.00	611,815,031	398,508,643
Investment in Shares	08.00	290,924,996	514,420,318
Receivable from Clients	09.00	5,191,873,068	6,148,969,656
Receivable from Stock Exchanges	10.00	2,813,336	56,277,732
Other Receivable	11.00	23,980	-
Advance against Rent	12.00	180,720	228,528
Advance Tax	13.00	44,957,074	44,256,244
<b>Total Assets (A + B)</b>		<b>6,668,298,759</b>	<b>7,814,520,913</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>A. Capital and Reserves:</b>		<b>3,648,986,961</b>	<b>3,894,348,545</b>
Share Capital	14.00	4,000,000,000	4,000,000,000
Retained Earnings	15.00	(351,013,039)	(105,651,455)
<b>B. Non-Current Liabilities:</b>		<b>1,750,000,000</b>	<b>1,750,000,000</b>
Loan from National Bank Ltd. (NBL)	16.00	1,750,000,000	1,750,000,000
<b>C. Current Liabilities:</b>		<b>1,269,311,798</b>	<b>2,170,172,368</b>
Payable to National Bank Ltd. (NBL)	17.00	730,207,433	611,284,633
Payable to Clients	18.00	111,114,966	203,574,157
Payable to Stock Exchanges	19.00	46,324	46,252,468
Liability for Expenses	20.00	2,305,398	883,442,374
Provision for Tax	21.00	48,405,241	48,386,300
Provision for Margin Loan & Investment	22.00	377,232,436	377,232,436
<b>Total Equity and Liabilities (A + B + C)</b>		<b>6,668,298,759</b>	<b>7,814,520,913</b>

The annexed notes form an integral part of these Financial Statements.



Chief Executive Officer (CC)



Director



Director

Signed in terms of our annexed report of even date.

Place : Dhaka

Date: March 31, 2019

  
Ahmed Khan & Co.  
Chartered Accountants

## NBL Securities Limited

### Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2018

	Notes	Amount in BDT	
		Year Ended Dec 31, 2018	Year Ended Dec 31, 2017
<b>Income:</b>		<b>73,799,560</b>	<b>728,636,254</b>
Brokerage Commission	23.00	35,829,479	119,931,446
CDBL & Other Operating Income	24.00	4,187,057	8,246,239
Interest Income	25.00	33,783,024	600,458,569
		<b>267,004,904</b>	<b>685,073,796</b>
<b>Expenses:</b>			
Direct Expenses	26.00	2,531,704	9,088,209
Operating Expenses	27.00	264,473,200	675,985,587
		<b>(193,205,344)</b>	<b>43,562,458</b>
<b>Operating Profit before Tax</b>		<b>(193,205,344)</b>	<b>43,562,458</b>
<b>Add:</b> Income from Investment in Marketable Securities	28.00	45,930,903	52,973,313
<b>Profit before Tax</b>		<b>(147,274,441)</b>	<b>96,535,771</b>
Less: Loss on Sale of Shares (DSE Membership)		(88,370,683)	-
		<b>(235,645,124)</b>	<b>96,535,771</b>
<b>Less:</b> Provision for Tax		9,716,460	22,095,370
<b>Net Profit/(Loss) after Tax</b>		<b>(245,361,584)</b>	<b>74,440,401</b>

The annexed notes form an integral part of these Financial Statements.



Chief Executive Officer (CC)



Director



Director

Signed in terms of our annexed report of even date.

Place : Dhaka

Date: March 31, 2019



Ahmed Khan & Co.  
Chartered Accountants

## NBL Securities Limited

### Statement of Cash Flows

For the year ended December 31, 2018

	Amount in BDT	
	Year Ended Dec 31, 2018	Year Ended Dec 31, 2017
<b>A. Cash Flows from Operating Activities:</b>	<b>(47,477,351)</b>	<b>91,611,444</b>
Brokerage Commission Received	35,829,479	119,931,446
Interest Income Received	33,783,024	600,458,569
Interest Paid	(131,279,804)	(165,859,267)
CDBL and Other Income Received	4,187,057	8,246,239
Income Received from Investment in Marketable Securities	45,930,903	52,973,313
Direct Expenses	(2,531,704)	(9,088,209)
Other Operating Expenses	(39,866,744)	(45,874,294)
Received from Clients Receivable	76,110,493	(393,698,972)
Received from DSE and CSE Receivable	53,464,397	(42,378,108)
Other Receipts/Payments	(23,980)	24,128
Loan paid to ICB	-	(54,987,887)
Received from NBL	25,983,213	27,623,963
Payment to Clients	(92,459,191)	(7,308,477)
Payment to DSE & CSE	(46,206,144)	23,756,949
Tax Paid	(10,398,349)	(22,207,947)
<b>B. Cash Flows from Investing Activities:</b>	<b>260,783,739</b>	<b>(395,845,626)</b>
Sale of 25% of DSE Membership	37,879,317	-
Investment in Marketable Securities	223,495,322	(395,614,976)
Property, Plant & Equipment Purchase	(590,900)	(230,650)
<b>C. Cash Flows from Financing Activities:</b>	<b>-</b>	<b>-</b>
Share Money Deposit	-	-
Long-Term Loan Payment	-	-
<b>D. Net Cash Flows for the Period (A + B + C)</b>	<b>213,306,388</b>	<b>(304,234,182)</b>
<b>E. Cash and Cash Equivalents at the Beginning of the Period</b>	<b>398,508,643</b>	<b>702,742,825</b>
<b>F. Cash and Cash Equivalents at the End of the Period (D + E)</b>	<b>611,815,031</b>	<b>398,508,643</b>
<b>Cash and Cash Equivalents</b>		
Cash in Hand	24,306	29,930
Cash at Bank	611,790,725	398,478,713
	<b>611,815,031</b>	<b>398,508,643</b>

This is the cash flow statement referred to in our report of even date.



Chief Executive Officer (CC)



Director



Director

Signed in terms of our annexed report of even date.

Place : Dhaka

Date: March 31, 2019

  
Ahmed Khan & Co.  
Chartered Accountants

## NBL Securities Limited

### Statement of Changes in Equity

For the year ended December 31, 2018

Amount in BDT

Particulars	Paid-Up Capital	Retained Earnings	Total
Balance at January 01, 2018	4,000,000,000	(105,651,455)	3,894,348,545
<b>During the Year:</b>			
Add: Net Profit /(Loss) after Tax	-	(245,361,584)	(245,361,584)
Balance at December 31, 2018	4,000,000,000	(351,013,039)	3,648,986,961
Balance at December 31, 2017	4,000,000,000	(105,651,455)	3,894,348,545

  
Chief Executive Officer (CC)

  
Director

  
Director

Signed in terms of our annexed report of even date.

Place : Dhaka  
Date: March 31, 2019

  
Ahmed Khan & Co.  
Chartered Accountants

# NBL Securities Limited

## Notes to the Financial Statements

For the year ended December 31, 2018

### 1.00 Status of the Company:

NBL Securities Limited (NBL SL), a subsidiary company of National Bank Limited, was 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 February 01, 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 & fixed income securities etc. It has Corporate TREC of Dhaka Stock Exchange (DSE) & Chittagong Stock Exchange (CSE) and the license of Depository participants of Central Depository Bangladesh Limited (CDBL).

### 2.00 Basis of Presenting Financial Statements and Significant Accounting Policies:

#### 2.01 Basis of Presenting Financial Statements:

The Financial Statements, namely Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and relevant notes thereto, of NBL Securities Limited are prepared on a going concern basis under historical cost convention, International Accounting Standard (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and other laws and rules applicable thereto. Wherever appropriate, such principles are explained in succeeding notes.

#### 2.02 Accounting Period:

The financial period of the company under review covers 12 (Twelve) months from January 01, 2018 to December 31, 2018.

#### 2.03 Date of Authorization:

The Board of Directors has authorized these financial statements for issue on March 31, 2019.

Components of the Financial Statements:

- a) Statement of Financial Position;
- b) Statement of Profit or Loss & Other Comprehensive Income;
- c) Statement of Cash Flows;
- d) Statement of Changes in Equity; and
- e) Notes to the Financial Statements.

#### 2.04 Statement of Compliance:

The financial statements have been prepared on going concern basis following accrual basis of accounting except cash flows in accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Listing Rules of Dhaka and Chittagong Stock Exchange, International Accounting Standard (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh.

#### 2.05 Presentation and Functional Currency and Level of Precision:

The functional currency of the company is BDT. All financial information are presented in BDT and rounded off to the nearest integer.

#### 2.06 Use of Estimates and Adjustments:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

Provisions and expenses are recognized in the financial statements in line with the International Accounting standard (IAS) 37 "Provision, Contingent Liabilities and Contingent Assets" when – The company has legal or constructive obligation as a result of past event. It is probable that an outflow of economic benefit will be required to settle the obligation. A reliable estimate can be made of the amount of the obligation.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other source. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

## NBL Securities Limited

### Notes to the Financial Statements

For the year ended December 31, 2018

#### 2.07 Going Concern:

The company has adequate resources to continue its operation for the foreseeable future. For this reason, the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the company provide sufficient funds to meet the present requirements of its existing business and operations.

#### 2.08 Materiality and Aggregation:

Each material item as considered significant by management has been presented separately in financial statements. No amount has been set off unless the company has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

#### 2.09 Fixed Asset:

Except the items as mentioned in **Annexure A - Schedule of Fixed Assets**, NBL Securities Limited has been using the Fixed assets like furniture, fixtures & fittings, general equipment, computer equipment, inherited from National Bank Limited since its incorporation without making payment to National Bank Limited.

#### 2.10 Investment in Stock Exchanges for Membership:

Investment for membership is initially recognized at cost (which includes transaction costs) and is subsequently re-measured at fair value based on quoted bid price. Surplus arising from changes in the fair value of investment for membership is transferred to fair value measurement reserve.

#### 2.11 Investment in Securities:

Investment in marketable ordinary shares has been shown at cost on an aggregate portfolio basis. Investment in non-marketable shares has been valued at cost.

#### 2.12 Loans to Customers:

Loans to customers have been shown/stated in the Statement of Financial Position net off Interest Suspense A/C.

#### 2.13 Cash and Cash Equivalents:

Cash and cash equivalents consist of cash in hand, bank balances and deposits held with banks and financial institutions and short term liquid investments that are readily convertible to known amount of cash and that are subject to an insignificant risk of change in value.

Statement of Cash flows has been prepared using Direct Method in accordance with the **International Accounting Standards (IAS) 7, "Cash Flow Statements"**.

#### 2.14 Provision for Taxation:

Income tax represents the sum of the Current Tax and Deferred Tax.

##### a) Current Tax:

The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

Provision for current income tax has been made as per Income Tax Laws after considering taxable allowances and disallowances.

##### b) Deferred Tax:

Deferred tax is calculated in accordance with the provision of International Accounting Standards (IAS)-12 "Income Tax" based on taxable temporary difference arising due to difference in the carrying amount of the assets and liabilities in the Statement of Financial Position and its tax base.

#### 2.15 Revenue Recognition:

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise as required by **International Accounting Standards (IAS)- 18 "Revenue Recognition"**.

##### a. Brokerage Commission:

Brokerage commission is recognized as income when selling or buying order executed.

## NBL Securities Limited

### Notes to the Financial Statements

For the year ended December 31, 2018

#### b. Interest Income from Margin Loan:

Interest income from margin loan is recognized on accrual basis. Such income is calculated on daily margin loan balance of the respective parties. Income is recognized on quarterly basis.

#### c. Dividend Income and Profit/(Loss) on Sale of Marketable Securities:

Dividend income is recognized when right to receive payment is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized or loss is incurred.

#### 2.16 Related Party Disclosure:

As per **International Accounting Standard (IAS) 24 "Related Party Disclosure"**, parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions during the year under audit. In this company, the related party transactions are the "Loan taken from National Bank Limited (NBL)" (detail is shown in Note: 15.00) and "Payable to National Bank Limited (NBL)" (detail is shown in Note: 16.00).

#### 2.17 Reclassification:

To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged/restated/reclassified wherever considered necessary to conform to current year's presentation.

#### 2.18 Events after the Balance Sheet Date:

Events after the balance sheet date that provide additional information about the company's position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are non-adjusting events are disclosed in notes. There are no as such events during the year under audit.

#### 2.19 Branch Accounting:

The company has 06 (six) branch offices (excluding head office) with no overseas branch as on December 31, 2018. Accounts of the branches are maintained at the head office which are included in the accompanying financial statements.

#### 3.00 Directors' Responsibility Statement:

The board of directors takes the responsibility for the preparation and presentation of these financial statements.

#### 4.00 General

Figures appearing in these Financial Statements have been rounded off to the nearest BDT.

		Amount in BDT	
		At Dec 31, 2018	At Dec 31, 2017
<b>05.00</b>	<b>Fixed Assets:</b>		
	At Cost	4,625,179	4,034,279
	Less: Accumulated Depreciation	2,664,625	2,174,487
	<b>Written Down Value</b>	<b>1,960,554</b>	<b>1,859,792</b>
	<b>A Schedule of Fixed Asset is given in Annexure- A.</b>		
<b>06.00</b>	<b>Investment in Stock Exchanges Membership:</b>		
	Dhaka Stock Exchange Ltd. (DSE) (Note 06.01)	378,750,000	505,000,000
	Chittagong Stock Exchange Ltd. (CSE)	145,000,000	145,000,000
	<b>Total</b>	<b>523,750,000</b>	<b>650,000,000</b>
<b>06.01</b>	<b>Investment in Dhaka Stock Exchange Ltd. (DSE) Membership:</b>		
	Opening Balance	505,000,000	505,000,000
	Less: Sale of 25% Shares (18,03,777 out of 72,15,106)	126,250,000	-
	<b>Total</b>	<b>378,750,000</b>	<b>505,000,000</b>
<b>7.00</b>	<b>Cash &amp; Cash Equivalents:</b>		
	Cash in Hand	24,306	29,930
	Cash at Bank (Note 07.01)	611,790,725	398,478,713
	<b>Total</b>	<b>611,815,031</b>	<b>398,508,643</b>



## NBL Securities Limited

### Notes to the Financial Statements

For the year ended December 31, 2018

		Amount in BDT	
		At Dec 31, 2018	At Dec 31, 2017
<b>7.01</b>	<b>Cash at Bank:</b>		
	National Bank Limited (A/c # 3404)	410,750,106	94,053,394
	National Bank Limited (A/c # 3354)	40,122,374	1,991,776
	National Bank Limited (A/c # 3197)	81,624	78,597
	National Bank Limited (A/c # 3412)	20,056,255	26,355,917
	National Bank Limited (A/c # 3437)	29,989,402	25,516,313
	National Bank Limited (A/c # 3668)	264,630	243,239
	Dutch Bangla Bank Limited (A/c # 2074)	815,436	32,957,279
	One Bank Limited (A/c # 6018)	47,981,965	1,493,411
	One Bank Limited (A/c # 6026)	61,728,933	215,788,788
	<b>Total</b>	<b>611,790,725</b>	<b>398,478,713</b>
<b>8.00</b>	<b>Investment in Shares:</b>		
	<b>Name of Company</b>		
	AFTABAUTO	3,855,597	3,604,438
	ALIF-A	4,837,548	-
	ACIFORMULA-A	2,263,742	-
	APOLOISPAT-B	7,053,346	-
	BSCCL-B	1,253,957	-
	BENGALWTL	5,816,759	5,779,548
	CITY BANK	5,505,925	3,799,150
	DESCO	7,553,158	7,553,158
	EXIMBANK	6,001,504	4,759,235
	FAMILYTEX-B	5,865,623	-
	FIRSTSBANK	6,222,946	3,219,630
	HEIDELBCEM	2,711,227	2,711,227
	IBP-N	2,673	-
	INTECH-A	13,377,869	-
	IPDC-A	4,902,532	4,902,532
	INTRACO-N	2,534	-
	KTL-N	109,785	-
	LHBL-A	30,082,877	-
	MHSML-B	1,628,308	-
	MLDYEING-N	2,344,151	1,224,435
	MHSML	-	1,628,308
	MTB	-	2,193,684
	NHFIL	-	161,628,916
	OAL	7,758,104	5,749,930
	ONEBANKLTD	7,013,737	3,836,985
	POPULARLIFE	-	1,287,399
	PRAGATILIF	-	271,966
	PRIMEBANK	142,807,002	142,807,002
	RAK CEREMIC	3,598,582	1,810,735
	SAPORTL-A	4,114,356	-
	SKTRIMS-N	258,540	-
	SILVAPHL-N	91,930	4,015,275
	SUMITPOWER	233,699	-
	QUASEMIND-A	2,046,752	1,648,784
	SOUTHEASTB	-	94,994,130
	TITASGAS	8,613,665	8,613,665
	VFSTDN-N	38,386	-
	ACIFORMULA	-	2,263,742
	APOLOISPAR	-	6,756,458
	BSCCL	-	1,253,957
	FAMILYTEX	-	5,865,623
	LAFSURCEML	-	30,082,877
	NAHEEACP	-	86,837
	OIMEX	-	70,691
	RUNNERAUTO	1,080,825	-
	ESQUIRE KNIT	1,877,355	-
	<b>Total</b>	<b>290,924,996</b>	<b>514,420,318</b>

## NBL Securities Limited

### Notes to the Financial Statements

For the year ended December 31, 2018

		Amount in BDT	
		At Dec 31, 2018	At Dec 31, 2017
<b>09.00</b>	<b>Receivable from Clients:</b>		
	Receivable from Clients	5,191,873,068	6,148,969,656
	<b>Total</b>	<b>5,191,873,068</b>	<b>6,148,969,656</b>
<b>10.00</b>	<b>Receivable from Stock Exchanges:</b>		
	Receivable from Dhaka Stock Exchange (DSE)	2,813,336	7,356,923
	Receivable from Chittagong Stock Exchange (CSE)	-	48,920,809
	<b>Total</b>	<b>2,813,336</b>	<b>56,277,732</b>
<b>11.00</b>	<b>Other Receivable:</b>		
	CDBL Charges Receivable from Clients	23,980	-
	<b>Total</b>	<b>23,980</b>	<b>-</b>
<b>12.00</b>	<b>Advance against Rent:</b>		
	Mirpur Branch	180,720	228,528
	<b>Total</b>	<b>180,720</b>	<b>228,528</b>
<b>13.00</b>	<b>Advance Tax:</b>		
	Opening Balance	44,256,244	22,048,295
	<b>Add:</b> Tax Deducted at Source on Turnover	5,423,169	19,020,982
	Tax Deducted at Source on Cash Dividend	4,201,980	3,102,356
	Tax Deducted at Source on Bank Interest	91,311	84,611
		<b>53,972,704</b>	<b>44,256,244</b>
	<b>Less:</b> Adjustment for the Assessment Year 2016-2017	9,015,630	-
	<b>Total</b>	<b>44,957,074</b>	<b>44,256,244</b>
<b>14.00</b>	<b>Share Capital:</b>		
	<b>Authorized Capital</b>		
	400,000,000 Ordinary Shares of Taka 10.00 each	<b>4,000,000,000</b>	<b>4,000,000,000</b>
	<b>Issued, Subscribed and Paid-Up Capital</b>		

This represents amount received from National Bank Limited as well as sponsor-directors which were subsequently transferred to the Company's Bank Account.

	No. of Shares	Percentage (%)	Amount	Amount
National Bank Limited	399,994,000	99.999%	3,999,940,000	3,999,940,000
Individuals ( <b>Note: 14.01</b> )	6,000	0.002%	60,000	60,000
400,000,000 Ordinary Shares of Taka 10.00 each	<b>400,000,000</b>		<b>4,000,000,000</b>	<b>4,000,000,000</b>
<b>14.01</b>	<b>Individuals:</b>			
	<b>No. of Shares</b>		<b>Amount</b>	<b>Amount</b>
	Mrs. Parveen Haque Sikder	1,000	10,000	10,000
	Ms. Lisa Fatema Haque	1,000	10,000	10,000
	Mrs. Nazneen Ahmed	1,000	10,000	10,000
	Mrs. Nadia Munawar	1,000	10,000	10,000
	Mr. Dipu Haque	1,000	10,000	10,000
	Mr. Salahuddin Khan	1,000	10,000	10,000
	<b>Total</b>	<b>6,000</b>	<b>60,000</b>	<b>60,000</b>
<b>15.00</b>	<b>Retained Earnings:</b>			
	Opening Balance		(105,651,455)	(180,091,856)
	Add: Addition During the Year		(245,361,584)	74,440,401
			<b>(351,013,039)</b>	<b>(105,651,455)</b>
<b>16.00</b>	<b>Loan from National Bank Ltd. (NBL):</b>			
	National Bank Ltd.		1,750,000,000	1,750,000,000
	<b>Total</b>		<b>1,750,000,000</b>	<b>1,750,000,000</b>

## NBL Securities Limited

### Notes to the Financial Statements

For the year ended December 31, 2018

		Amount in BDT	
		At Dec 31, 2018	At Dec 31, 2017
<b>17.00 Payable to National Bank Ltd. ( NBL):</b>			
	Interest on Loan from National Bank Ltd. (Parent Company)	556,101,658	463,162,071
	Salaries & Allowances	174,105,775	148,122,562
	<b>Total</b>	<b>730,207,433</b>	<b>611,284,633</b>
<b>18.00 Payable to Clients:</b>			
	Payable to Clients	111,114,966	203,574,157
	<b>Total</b>	<b>111,114,966</b>	<b>203,574,157</b>
<b>19.00 Payable to Stock Exchanges:</b>			
	Payable to Dhaka Stock Exchange (DSE)	46,324	31,039,807
	Payable to Chittagong Stock Exchange (CSE)	-	15,212,661
	<b>Total</b>	<b>46,324</b>	<b>46,252,468</b>
<b>20.00 Liability for Expenses:</b>			
	Audit Fee	66,667	50,000
	Electricity Bill	10,562	10,447
	Review & Other Charges (DSE & CSE)	8,000	11,000
	Network Bill	96,575	-
	Consultancy Fee	200,000	-
	Office Rent	1,608,611	1,649,195
	Settlement & CDS Bill	86,588	681,060
	Interest Suspense A/C	-	880,986,095
	Stationery	25,903	44,822
	Software & Maintenance Charges	50,000	-
	Repair & Maintenance	7,150	3,575
	VAT & Tax	139,602	-
	Water Bill	5,740	6,180
	<b>Total</b>	<b>2,305,398</b>	<b>883,442,374</b>
<b>21.00 Provision for Tax:</b>			
	Opening Balance	48,386,300	26,290,930
	<b>Add:</b> Provision for Tax During the Year ( <b>Note: 21.01</b> )	9,716,460	22,095,370
		<b>58,102,760</b>	<b>48,386,300</b>
	<b>Less:</b> Adjustment of Assessment Year 2016-2017	9,697,519	-
	<b>Total</b>	<b>48,405,241</b>	<b>48,386,300</b>
<b>21.01 Provision for Tax During the Year:</b>			
	Provision for Operating Income	-	15,246,860
	Provision for Turnover	5,423,169	-
	Provision for Capital Gain	-	3,746,154
	Provision for Dividend Income	4,201,980	3,102,356
	Provision for Bank Interest	91,311	-
	<b>Total</b>	<b>9,716,460</b>	<b>22,095,370</b>
<b>22.00 Provision for Margin Loan &amp; Investment:</b>			
	Opening Balance	377,232,436	377,232,436
	Add: Provision made During the Year	-	-
	<b>Total</b>	<b>377,232,436</b>	<b>377,232,436</b>
<b>23.00 Brokerage Commission:</b>			
	Brokerage Commission (against DSE & CSE operation)	35,829,479	119,931,446
	<b>Total</b>	<b>35,829,479</b>	<b>119,931,446</b>
<b>24.00 CDBL &amp; Other Operating Income:</b>			
	Service Charge from Clients against CDBL	2,143,797	6,227,269
	IPO Income	61,310	22,470
	Income from Sale of Scrap	-	3,000
	BO Account, Annual Maintenance Fee	1,981,950	1,993,500
	<b>Total</b>	<b>4,187,057</b>	<b>8,246,239</b>

## NBL Securities Limited

### Notes to the Financial Statements

For the year ended December 31, 2018

		Amount in BDT	
		At Dec 31, 2018	At Dec 31, 2017
<b>25.00 Interest Income:</b>			
	Interest Received from Bank	913,113	846,107
	Interest Income from Customers against Margin Loan	32,869,911	599,612,462
	<b>Total</b>	<b>33,783,024</b>	<b>600,458,569</b>
<b>26.00 Direct Expenses:</b>			
	Howla Charge	2,940	30,294
	Laga Charge	2,528,764	9,057,915
	<b>Total</b>	<b>2,531,704</b>	<b>9,088,209</b>
<b>27.00 Operating Expenses:</b>			
	Salaries and Allowances	25,983,213	27,623,963
	Directors' Fee	60,333	13,200
	Advertisement	11,500	8,680
	AR License Fee	9,000	1,000
	Audit Fee	66,667	50,000
	Bank Charge	96,180	131,178
	Consultancy Fee	511,110	625,000
	CSE Charge	115,978	267,664
	Conveyance	79,568	96,010
	Entertainment	467,232	522,305
	Interest Expenses on Loan	224,192,091	629,021,338
	IPO Application Charge	43,000	11,000
	Legal and Other Charge	24,815	-
	Monthly Review & Other Charges (DSE & CSE)	17,332	41,551
	Network Expenses	1198625	1557050
	Postage & Courier	4,880	4,500
	Office Rent	4,371,454	4,403,876
	Renewal Fee	371,622	558,310
	Repair & Maintenance	379,871	865,185
	Satellite Charge	35,250	33,200
	Settlement & CDS Fee	3,292,994	6,953,657
	Software Maintenance Fee	600,000	600,000
	Water Bill	88,106	86,016
	Cleaning Expense/ Wages	940,880	939,800
	Electricity Bill	196,383	208,276
	Mobile Bill	310,800	332,600
	Newspaper Bill	20,670	19,695
	Stationery Bill	378,480	393,255
	Telephone Bill	90,738	99,430
	Training & Other Expenses	-	28,620
	Staff Uniform	13,090	4,780
	Misc. Expenses	11,200	19,500
	Depreciation	490,138	464,948
	<b>Total</b>	<b>264,473,200</b>	<b>675,985,587</b>
<b>28.00 Income from Investment in Marketable Securities:</b>			
	Capital Gain	24,921,003	37,461,535
	Dividend from DSE & CSE	9,787,503	7,215,106
	Dividend from Marketable Securities	11,222,397	8,296,672
	<b>Total</b>	<b>45,930,903</b>	<b>52,973,313</b>

## NBLSecurities Limited

### Schedule of Fixed Assets

As at December 31, 2018

SL. NO.	Particulars	Cost		Rate of Depreciation	Depreciation			Written Down Value	
		Balance as at 01.01.18	Addition During the Year		Balance as at 31.12.18	Charged During the Year	Balance as at 31.12.18		
1	Computer Equipment	728,407	546,650	20%	322,169	1,275,057	190,578	512,746	762,311
2	General Equipment	3,305,872	44,250	20%	1,852,318	3,350,122	299,560	2,151,879	1,198,243
	<b>Total</b>	<b>4,034,279</b>	<b>590,900</b>		<b>2,174,487</b>	<b>4,625,179</b>	<b>490,138</b>	<b>2,664,625</b>	<b>1,960,554</b>

- Depreciation has been Charged on Diminishing Balance Method. Full Depreciation has been charged on Addition During the Year.

# NBL Capital and Equity Management Ltd.

Financial Statements

For the year ended December 31, 2018



## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of NBL Capital and Equity Management Ltd.

Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **NBL Capital and Equity Management Ltd.** which comprise the Statement of Financial Position as at December 31, 2018, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

**In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at December 31, 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).**

#### 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

**We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.** 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Information Other than the Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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. If based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with the Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.**

**Those charged with Governance are responsible for overseeing the company's financial reporting process.**

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

  
**Haider Ahmed Khan FCA**

Ahmed Khan & Co.

Chartered Accountants

Modhumita Building (1st Floor)

160 Motijheel C/A, Dhaka-1000, Bangladesh

Date: March 31, 2019

## NBL Capital and Equity Management Ltd.

### Statement of Financial Position

As at December 31, 2018

Particulars	Notes	As at	As at
		Dec 31, 2018	Dec 31, 2017
		BDT	BDT
<b>I. ASSETS:</b>			
<b>A. Non-Current Assets:</b>		<b>182,436</b>	<b>270,840</b>
Property, Plant & Equipment	06.00	182,436	270,840
<b>B. Current Assets:</b>		<b>391,360,069</b>	<b>378,219,682</b>
Investment in Shares	07.00	371,853,858	343,116,399
Receivable from NBL Securities Ltd.	08.00	406,360	15,228,172
Advance, Deposit & Prepayments	09.00	1,834,287	-
Cash and Cash Equivalents	10.00	17,265,564	19,875,111
<b>Total Assets (A + B)</b>		<b>391,542,505</b>	<b>378,490,522</b>
<b>II. EQUITY AND LIABILITIES:</b>			
<b>C. Share holders' Equity:</b>		<b>269,800,344</b>	<b>257,188,364</b>
Share Capital	11.00	250,000,000	250,000,000
Retained Earnings	12.00	19,800,344	7,188,364
<b>D. Current Liabilities:</b>		<b>121,742,161</b>	<b>121,302,158</b>
Accounts Payable		20,920,546	18,311,002
Liability for Expenses	13.00	208,792	171,230
Provision for Tax	14.00	4,249,574	6,456,677
Provision for Diminution in Value of Investments	15.00	96,363,249	96,363,249
<b>Total Equity and Liabilities (C + D)</b>		<b>391,542,505</b>	<b>378,490,522</b>

The annexed notes form an integral part of the Financial Statements.



Chief Executive Officer



Director



Director

Signed in terms of our separate report of even date.

Dhaka

Date: March 31, 2019



Ahmed Khan & Co.  
Chartered Accountants



## NBL Capital and Equity Management Ltd.

### Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2018

Particulars	Notes	As at	As at
		Dec 31, 2018	Dec 31, 2017
		BDT	BDT
<b>A. Income:</b>		<b>18,542,267</b>	<b>72,413,421</b>
Gain on Sale of Shares		10,229,994	64,344,628
Dividend on Investment in Shares		7,031,022	7,568,793
Issue Management Fee		1,000,000	100,000
Underwriting Commission	16.00	281,250	400,000
<b>B. Administrative &amp; Other Expenses:</b>		<b>3,369,735</b>	<b>3,270,715</b>
Administrative Expenses	17.00	2,981,650	2,951,735
Other Expenses	18.00	388,085	318,980
<b>C. Operating Profit before Financial Expenses (A-B)</b>		<b>15,172,531</b>	<b>69,142,706</b>
Less: Financial Expenses	19.00	3,222	11,029
<b>D. Profit /(Loss) before Provision for Tax</b>		<b>15,169,309</b>	<b>69,131,677</b>
Less: Provision for Tax		2,557,329	7,948,221
<b>Net Profit /(Loss) after Tax</b>		<b>12,611,980</b>	<b>61,183,455</b>
<b>Earning Per Share (EPS)</b>	<b>20.00</b>	<b>5.04</b>	<b>24.47</b>

## Statement of Changes in Equity

For the year ended December 31, 2018

Particulars	Amount in BDT		
	Paid-Up Capital	Retained Earnings	Total
Balance as at January 01, 2018	250,000,000	7,188,364	257,188,364
<b>During the Year:</b>			
Net Profit/(Loss) after Tax	-	12,611,980	12,611,980
<b>Balance as at December 31, 2018</b>	<b>250,000,000</b>	<b>19,800,344</b>	<b>269,800,344</b>
<b>Balance as at December 31, 2017</b>	<b>250,000,000</b>	<b>7,188,364</b>	<b>257,188,364</b>

The annexed notes form an integral part of the Financial Statements.



Chief Executive Officer



Director



Director

Signed in terms of our separate report of even date.

Dhaka  
Date: March 31, 2019



Ahmed Khan & Co.  
Chartered Accountants

# NBL Capital and Equity Management Ltd.

## Statement of Cash Flows

For the year ended December 31, 2018

Particulars	Year Ended Dec 31, 2018	Year Ended Dec 31, 2017
	BDT	BDT
<b>A. NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>26,127,912</b>	<b>79,597,946</b>
Net Profit/(Loss) before Tax	10,493,282	63,487,512
<b>Adjustments for :</b>		
Tax Paid During the Year	15,169,309	69,131,677
Depreciation	(4,764,432)	(5,776,064)
	88,404	131,900
	<b>15,634,631</b>	<b>16,110,434</b>
<b>Changes in Working Capital:</b>		
(Increase)/Decrease in Receivable from NBL Securities Ltd.	14,821,812	(4,380,723)
(Increase)/Decrease in Advance, Deposit & Pre-Payment	(1,834,287)	17,996,208
Increase/(Decrease) in Accounts Payable	2,609,544	2,506,704
Increase/(Decrease) in Liabilities for Expense	37,562	(11,755)
<b>B. NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(28,737,459)</b>	<b>(80,040,322)</b>
Investment in Shares	(28,737,459)	(79,987,522)
Addition in Fixed Assets	-	(52,800)
<b>C. NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>D. Net Cash Flow During the Year (A + B + C)</b>	<b>(2,609,547)</b>	<b>(442,375)</b>
<b>E. Opening Balance of Cash &amp; Cash Equivalents</b>	<b>19,875,111</b>	<b>20,317,486</b>
<b>Closing Balance of Cash &amp; Cash Equivalents (D + E)</b>	<b>17,265,564</b>	<b>19,875,111</b>
<b>Cash &amp; Cash Equivalents:</b>		
Cash in Hand	58,129	6,624
Cash at Bank	17,207,435	19,868,487
	<b>17,265,564</b>	<b>19,875,111</b>

  
Chief Executive Officer

  
Director

  
Director

Signed in terms of our separate report of even date.

Dhaka  
Date: March 31, 2019

  
Ahmed Khan & Co.  
Chartered Accountants

## NBL Capital and Equity Management Ltd.

### Notes to the Financial Statements

For the year ended December 31, 2018

#### 01.00 Reporting Entity:

**01.01** NBL Capital & Equity Management Ltd. is a fully owned subsidiary company of National Bank Limited incorporated as a private limited company with the Registrar of Joint Stock Companies, Dhaka, Bangladesh vide Certificate of Incorporation No-C-82157/10 Dated February 01, 2010 under the Companies Act, 1994. The functions of Merchant Bank were separated from National Bank Limited by forming a subsidiary company namely NBL Capital & Equity Management Ltd. as per Bangladesh Bank's BRPD Circular no. 12 dated 14.10.2009. Bangladesh Securities and Exchange Commission (BSEC) thereafter issued a full-fledged Merchant Banker Certificate bearing No. MB -66/2011 dated June 09, 2011 in favor of NBL Capital & Equity Management Ltd. with effect from the same. Meanwhile the company is registered as a custody Depository Participant by the Bangladesh Securities and Exchange Commission (BSEC) bearing Registration Certificate No. SEC/Registration/CDBL-DP-357 dated on September 15, 2011.

#### 01.02 Principal Activities:

The main objectives of the company are to carry out the activities of a full-fledged Merchant Banker like Issue Management, Portfolio Management, Underwriting, Corporate Advisory Service etc. as per Bangladesh Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Regulation, 1996.

#### 02.00 Basis of Preparation:

##### 02.01 Statement of Compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS)/International Accounting Standards (IAS), The Companies Act 1994, BSEC Rules 1987 and other applicable laws in Bangladesh.

##### 02.02 Basis of Presentation of Financial Statements:

The financial statements are prepared on a going concern basis under historical cost convention.

##### 02.03 Components of the Financial Statement:

- (i) Statement of Financial Position (Balance Sheet)
- (ii) Statement of Profit or Loss and Other Comprehensive Income (Statement of Financial Performance )
- (iii) Statement of Cash Flows
- (iv) Statement of Changes in Equity
- (v) Accounting Policies and Explanatory Notes to the Financial Statements

##### 02.04 Reporting Period:

The financial period of the company under review covers 12 (Twelve) months from January 01, 2018 to December 31, 2018.

#### 03.00 Property, Plant & Equipment:

Except the items as mentioned in **Annexure A - Schedule of Fixed Assets**, NBL Securities Limited has been using the Fixed assets like furniture, fixtures & fittings, general equipment, computer equipment, inherited from National Bank Limited since its incorporation without making payment to National Bank Limited.

##### 03.01 Depreciation:

Depreciation is recognized in the Statement of Profit or Loss and Other Comprehensive Income on monthly basis at Diminishing Balance Method over the estimated useful lives of each item of Property, Plant & Equipment. Items of Property, Plant & Equipment are depreciated when these are acquired or are capitalized. In case of disposal, no depreciation is charged in the year of disposal.

Rate of depreciation on various items of Property, Plant and Equipment considering the useful lives of assets are as follows:

Asset Category	Rate of Depreciation (%)
Electric Equipment	20%
Computer & Accessories	33.33%

##### 03.02 Advance, Deposit & Prepayments:

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions adjustments or charges to other account heads such as Property, Plant & Equipment etc. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to Statements of Profit or Loss and Other Comprehensive Income.

# NBL Capital and Equity Management Ltd.

## Notes to the Financial Statements

For the year ended December 31, 2018

### 03.03 Cash and Cash Equivalents:

Cash & Cash Equivalent comprises Cash in Hand and Cash at Bank balances, which were held and available for use of the Company without any restriction.

### 03.04 Statement of Cash Flows:

Statement of Cash Flows has been prepared in accordance with the International Accounting Standard (IAS) 07 "Statement of Cash Flows" under indirect method.

### 03.05 Investment:

In accordance with International Accounting Standard (IAS)-39 "Investments in shares are bought and hold primarily for the purpose of selling them in future or held for dividend income".

#### Recognition and Measurement:

All investment in securities are initially recognized at cost, being fair value of the consideration given, including acquisition charges associated with the investments.

#### Investment in Listed Securities:

These are acquired and held primarily for the purpose of selling them in future or held for dividend income and are reported at cost. Unrealized gains are not recognized in the Statement of Profit or Loss and Comprehensive Income. Provision for Diminution in Value of Investment is provided in the financial statements on those securities whose market price is below than the cost of investment.

### 03.06 Receivables:

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity.

### 03.07 Share Capital:

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

### 03.08 Borrowing Funds:

Borrowing funds include borrowings from National Bank Limited, which is stated in the Statement of Financial Position as Accounts Payable.

### 03.09 Provision for Liabilities:

A provision is recognized in the Statement of Financial Position when the Company 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 the International Accounting Standard (IAS)-37 "Provisions, Contingent Liabilities and Contingent Assets".

### 04.00 Revenue Recognition:

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise during the year and in accordance with the International Accounting Standard (IAS)-18 " Revenue Recognition".

### 04.01 Earnings Per Share (EPS):

The company calculates Earning Per Share (EPS) in accordance with International Accounting Standard (IAS) 33 "Earnings Per Share" which has been shown in the face of the Statement of Profit or Loss and Other Comprehensive Income. This has been calculated by dividing the Net Profit after Tax by the Weighted Average number of Ordinary Shares outstanding during the year.

### 04.02 Events after the Reporting Period:

Events after the Financial Position date that provide additional information about the company's position at the Financial Position date are reflected in the financial statements. There are no such events.

### 04.03 Directors' Responsibility on Financial Statements:

The Board of directors of the company is responsible for the preparation and presentation of these financial statements.

### 04.04 Related Party Disclosures:

As per International Accounting Standard (IAS) 24 "Related Party Disclosure," parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. In this company, the related party transaction is the loan taken from National Bank Limited within the Financial year.

### 05.00 General:

Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka. These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith. Previous year's figures have been rearranged to conform to the presentation adopted in these financial statements.

## NBL Capital and Equity Management Ltd.

### Notes to the Financial Statements

For the year ended December 31, 2018

		Dec 31, 2018	Dec 31, 2017		
		BDT	BDT		
<b>06.00</b>	<b>Property, Plant &amp; Equipment:</b>				
	At Cost	2,132,739	2,132,739		
	Less: Accumulated Depreciation	1,950,303	1,861,899		
	Written Down Value	<b>182,436</b>	<b>270,840</b>		
	A Schedule of Property, Plant & Equipment is given in Annexure-A				
<b>07.00</b>	<b>Investment in Shares:</b>				
	Quoted (Publicly Traded)	368,087,058	338,402,919		
	Primary Share	3,766,800	4,713,480		
	<b>Total</b>	<b>371,853,858</b>	<b>343,116,399</b>		
<b>08.00</b>	<b>Receivable from NBL Securities Ltd:</b>				
	Receivable from NBL Securities Ltd.	1,726,518,102	1,651,534,148		
	Less: Payable to NBL Securities Ltd.	1,726,111,741	1,636,305,976		
	<b>Total</b>	<b>406,360</b>	<b>15,228,172</b>		
<b>09.00</b>	<b>Advance, Deposit &amp; Prepayments:</b>				
	Advance Income Tax (Note: 09.01)	1,834,287	-		
	<b>Total</b>	<b>1,834,287</b>	<b>-</b>		
<b>09.01</b>	<b>Advance Income Tax:</b>				
	Opening Balance	-	2,996,208		
	Add: During the Year	1,834,287	1,548,736		
		<b>1,834,287</b>	<b>4,544,944</b>		
	Less: Adjustment During the Year	-	4,544,944		
	<b>Total</b>	<b>1,834,287</b>	<b>-</b>		
<b>10.00</b>	<b>Cash and Cash Equivalents:</b>				
	Cash in Hand	58,129	6,624		
	Cash at Bank (Note: 10.01)	17,207,435	19,868,487		
	<b>Total</b>	<b>17,265,564</b>	<b>19,875,111</b>		
<b>10.01</b>	<b>Cash at Bank:</b>				
	NBL Dilkusha BR (SND A/C No. 0999-36003362)	17,207,435	19,868,487		
	<b>Total</b>	<b>17,207,435</b>	<b>19,868,487</b>		
<b>11.00</b>	<b>Share Capital:</b>				
	<b>Authorized Capital:</b>				
		250,000,000	250,000,000		
	<b>Total</b>	<b>250,000,000</b>	<b>250,000,000</b>		
	<b>Issued, Subscribed and Paid-up Capital:</b>				
	This represents amount received from National Bank Ltd. as well as sponsor-directors which were subsequently transferred to the Company's Bank Account.				
		<b>No. of Shares</b>	<b>Percentage (%)</b>	<b>Amount</b>	<b>Amount</b>
	National Bank Limited	2,498,650	99.94%	249,865,000	249,865,000
	Individuals (Note: 11.01)	1,350	0.06%	135,000	135,000
	2,500,000 Ordinary Shares of Taka 100.00 each	<b>2,500,000</b>		<b>250,000,000</b>	<b>250,000,000</b>
<b>11.01</b>	<b>Individuals:</b>	<b>No. of Shares</b>		<b>Amount</b>	<b>Amount</b>
	Ms. Parveen Haque Sikder	250		25,000	25,000
	Mr. Nick Haque	250		25,000	25,000
	Mrs. Nasim Sikder	250		25,000	25,000
	Mr. Mohtasim Billah Khan	250		25,000	25,000
	Mr. Salahuddin Khan	100		10,000	10,000
	Mr. Mamtazul Haque	250		25,000	25,000
	<b>Total</b>	<b>1,350</b>		<b>135,000</b>	<b>135,000</b>
<b>12.00</b>	<b>Retained Earnings:</b>				
	Opening Balance			7,188,364	(53,995,091)
	Add: Net Profit/(Loss) During the Year			12,611,980	61,183,455
	<b>Total</b>			<b>19,800,344</b>	<b>7,188,364</b>
<b>13.00</b>	<b>Liability for Expenses:</b>				
	MB License Fee			50,000	50,000
	Connectivity Charge			31,780	17,230
	CDBL Charge			2,000	2,000
	Audit Fee			36,000	36,000
	AIT (Note: 13.01)			6,736	4,400
	VAT (Note: 13.02)			17,142	13,600
	Directors' Attendance Fee			56,000	48,000
	Office Stationary			7,211	-
	Water Bill			1,923	-
	<b>Total</b>			<b>208,792</b>	<b>171,230</b>

## NBL Capital and Equity Management Ltd.

### Notes to the Financial Statements

For the year ended December 31, 2018

		Dec 31, 2018	Dec 31, 2017
		BDT	BDT
<b>13.01</b>	<b>AIT:</b>		
	AIT on Audit Fee	4,000	4,000
	AIT on Directors' Attendance Fee (Note : 13.01.01)	2,000	400
	AIT on Consultancy Fee	500	-
	AIT on Office Stationary	236	-
	<b>Total</b>	<b>6,736</b>	<b>4,400</b>
<b>13.01.01</b>	<b>AIT on Director's Attendance Fee:</b>		
	Opening Balance	400	1,600
	Add: During the Year	6,400	6,000
		<b>6,800</b>	<b>7,600</b>
	Less: Paid During the Year	4,800	7,200
	<b>Total</b>	<b>2,000</b>	<b>400</b>
<b>13.02</b>	<b>VAT:</b>		
	VAT on Directors' Attendance Fee (Note : 13.02.01)	10,000	7,600
	VAT on Audit Fee	6,000	6,000
	VAT on Consultancy Fee	750	-
	VAT on Office Stationery	392	-
	<b>Total</b>	<b>17,142</b>	<b>13,600</b>
<b>13.02.01</b>	<b>VAT on Directors' Attendance Fee:</b>		
	Opening Balance	7,600	6,600
	Add: During the Year	9,600	9,000
		<b>17,200</b>	<b>15,600</b>
	Less: Paid During the Year	7,200	8,000
	<b>Total</b>	<b>10,000</b>	<b>7,600</b>
<b>14.00</b>	<b>Provision for Tax:</b>		
	Opening Balance	6,456,677	4,284,520
	Add: Provision for Tax (Note : 14.01)	2,557,329	7,948,221
		<b>9,014,006</b>	<b>12,232,741</b>
	Less: Paid During the Year	4,764,432	5,776,064
	<b>Total</b>	<b>4,249,574</b>	<b>6,456,677</b>
<b>14.01</b>	<b>Provision for Tax on Operating Income:</b>		
	Gain on Sale of Shares	1,022,999	6,434,463
	Dividend on Investment in Shares	1,406,204	1,513,759
	Issue Management Fee	100,000	-
	Underwriting Commission	28,125	-
	<b>Total</b>	<b>2,557,329</b>	<b>7,948,221</b>
<b>15.00</b>	<b>Provision for Diminution in Value of Investment:</b>		
	Opening Balance	96,363,249	96,363,249
	Add: During the Year	-	-
	<b>Total</b>	<b>96,363,249</b>	<b>96,363,249</b>
<b>16.00</b>	<b>Underwriting Commission:</b>		
	IFIC Bank Ltd.	-	300,000
	AAMRA Network Ltd.	-	100,000
	Oimex Electrode Limited	43,750	-
	Indo- Bangla Pharmaceuticals Ltd.	87,500	-
	M.L. Dyeing	150,000	-
	<b>Total</b>	<b>281,250</b>	<b>400,000</b>
<b>17.00</b>	<b>Administrative Expenses:</b>		
	Salary & Allowance (Note : 17.01)	2,609,544	2,506,706
	Settlement and Others Fees (Note : 17.02)	6,450	21,516
	Registration and License Fee (Note : 17.03)	65,500	88,700
	Directors' Attendance Fee	80,000	75,000
	Office Stationery	49,197	57,908
	Entertainment	-	4,006
	Bidding Fee	-	15,000
	Web Development Fee	5,000	5,000
	Audit Fee	46,000	46,000
	Repair & Maintenance	7,200	-
	Water Bill	24,355	-
	Depreciation	88,404	131,900
	<b>Total</b>	<b>2,981,650</b>	<b>2,951,735</b>

## NBL Capital and Equity Management Ltd.

### Notes to the Financial Statements

For the year ended December 31, 2018

		Dec 31, 2018	Dec 31, 2017
		BDT	BDT
<b>17.01</b>	<b>Salary &amp; Allowance:</b>		
	Salary	2,408,604	2,294,138
	Festival Bonus	200,940	212,568
	<b>Total</b>	<b>2,609,544</b>	<b>2,506,706</b>
<b>17.02</b>	<b>Settlement and Others Fees:</b>		
	Corporate Charge	-	15,066
	CDBL Charge	6,000	6,000
	BO Charge	450	450
	<b>Total</b>	<b>6,450</b>	<b>21,516</b>
<b>17.03</b>	<b>Registration and License Fees:</b>		
	BBS Registration Fees	-	25,000
	MB License Fee	50,000	50,000
	Trade License	15,500	13,700
	<b>Total</b>	<b>65,500</b>	<b>88,700</b>
<b>18.00</b>	<b>Other Expenses:</b>		
	BMBA Annual Fee	100,000	100,000
	Consultancy Fee	138,000	115,000
	Miscellaneous	7,600	33,780
	IPO Application Fee	48,000	6,000
	Training and Internship	-	6,000
	RJSC Exp.	36,285	-
	Connectivity Charges	58,200	58,200
	<b>Total</b>	<b>388,085</b>	<b>318,980</b>
<b>19.00</b>	<b>Financial Expenses:</b>		
	Interest Expense	2,747	10,759
	Bank Charges	475	270
	<b>Total</b>	<b>3,222</b>	<b>11,029</b>
<b>20.00</b>	<b>Earning Per Share (EPS):</b>		
	Net Profit after Tax	12,611,980	61,183,455
	Weighted Average Number of Shares	2,500,000	2,500,000
	<b>EPS</b>	<b>5.04</b>	<b>24.47</b>

Earning per share (EPS) have been computed by dividing the basic earnings by the number of ordinary shares outstanding as on December 31, 2018 in accordance with International Accounting Standard (IAS) 33 "Earnings Per Share".

Annexure - A

## Schedule of Property, Plant & Equipment

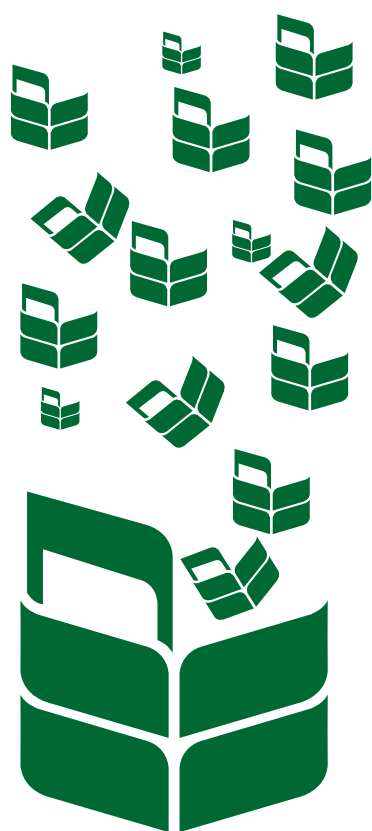
As at December 31, 2018

Amount in BDT

SL. NO.	Particulars	Cost			Rate of Depreciation	Depreciation			Written Down Value
		Balance as at 01.01.18	Addition During the Year	Balance as at 31.12.18		Balance as at 01.01.18	Charged During the Year	Balance as at 31.12.18	
1	Electric Equipment	51,600	-	51,600	20%	37,596	2,801	40,397	11,203
2	Computer & Accessories	2,081,139	-	2,081,139	33.33%	1,824,303	85,603	1,909,906	171,233
	<b>Total</b>	<b>2,132,739</b>	<b>-</b>	<b>2,132,739</b>		<b>1,861,899</b>	<b>88,404</b>	<b>1,950,303</b>	<b>182,436</b>

• Depreciation has been Charged under Diminishing Balance Method.

## Corporate Information



<b>1</b>	Incorporation of the Bank	15.03.1983
	Certificate of Commencement of Business	20.03.1983
<b>9</b>	Licensed issued by Bangladesh Bank	22.02.1983
<b>8</b>	Licensed issued for opening the first branch, Dilkusha Branch	22.03.1983
	Formal launching of the Bank	23.03.1983
<b>3</b>	Commencement of Business of Dilkusha Branch	23.03.1983
<b>1984</b>	Listed with Dhaka Stock Exchange Ltd.	20.12.1984
	Publication of Prospectus	30.12.1984
<b>1985</b>	Initial Public Offering (IPO) of shares	14.01.1985
	Trading of shares in DSE	21.04.1985
	Association with Gulf Overseas Exchange Co Pte Ltd	26.11.1985
<b>1993</b>	Signing of agreement with Western Union Money Transfer	16.05.1993
<b>1995</b>	Listed with Chittagong Stock Exchange Ltd.	06.11.1995
	Trading of shares in CSE	06.11.1995
<b>2004</b>	Listed with CDBL	29.09.2004
<b>2007</b>	Inauguration of NBL Money Transfer Pte Ltd, Singapore	08.07.2007
	Registration as DSE Stock Broker	24.10.2007
<b>2008</b>	Registration as DSE Stock Dealer	13.03.2008
<b>2009</b>	Inauguration of NBL Money Transfer Sdn Bhd, Malaysia	04.10.2009
<b>2010</b>	Primary Dealer for trading of Government Securities	01.01.2010
	Incorporation of NBL Securities Limited	01.02.2010
	Incorporation of NBL Capital & Equity Management Limited	01.02.2010
<b>2011</b>	Inauguration of NBL Money Transfer (Maldives) Pvt. Ltd.	23.12.2011
<b>2012</b>	Inauguration of NBL Money Transfer Payment Foundation S.A., Greece	15.06.2012
<b>2014</b>	Inauguration of NBL Money Transfer INC., USA	02.07.2014

Company Secretary	Legal Advisers	Auditors
ASM Bulbul, AMD	Barrister Ziaur Rahman Khan	Rahman Mostofa Alam & Co.
	Advocate Rafiuddin Ahmed	Chartered Accountants
	Advocate Rais Uddin Ahmed	



## REGIONAL OFFICES & BRANCH NETWORK

### Regional Offices

<b>Chittagong</b> 13/A (New), Sk. Mujib Road, Agrabad, Chittagong Fax: 88-031-2853885 Tel : 031-2853884 E-mail: ro.chittagong@nblbd.com	<b>Rajshahi</b> Regional Office 106-109, Shaheb Bazar (2nd Floor), Rajshahi, Fax: 880-721-776360 Tel : 0721-770416, 771701 E-mail: ro.rajshahi@nblbd.com	<b>Khulna</b> National Bank Bhaban 4-b Khan-a-sabur Road, Khulna Fax: 88-041-725046 Regional Head Tel : 041-720046 E-mail: ro.khulna@nblbd.com
<b>Shariatpur</b> Z.H. Sikder University of Science & Technology, Modhupur, Kartikpur, Bhedergonj, Shariatpur, Tel: 01755551387 E-mail : ro.shariatpur@nblbd.com	<b>Sylhet</b> Sikder Tower, 847, Mirabazar, Tamabil Road, Mirabazar, Sylhet, Fax: 880-821-760110 Tel : 0821-760624, 760943 E-mail: ro.sylhet@nblbd.com	

### Branches Under Dhaka Region

<b>Abdullahpur Branch</b> Minnat Plaza (1st Floor) Abdullahpur Bazar, Dhaka Maowa Road, P.O. : Abdullahpur Bazar P.S. : Keranigonj, Dist: Dhaka Manager Tel : 01730 329689 E-mail : abduallahpur@nblbd.com	<b>Banani Branch</b> House # Sw 71, Road # 11 Block # D, Banani, Dhaka Fax : 88-02-8837176, Manager Tel : 8831962, 8837104 E-mail : banani@nblbd.com	<b>Dilkusha Branch</b> 48 Dilkusha Commercial Area, Dhaka-1000, Fax: 88-02-9564356, SWIFT: NBLBDDH001 Tel : 9552610, 9558307, Ext. 351 E-mail : dilkusha@nblbd.com	<b>Gopalpur SME/Krishi Branch</b> Konabari Bazar P.S. : Gopalpur, Dist : Tangail Tel: 01711202266 09226-75188 E-mail : gopalpur@nblbd.com
<b>Asad Gate Branch</b> Plot No. 2/2, Block-a Mohammadpur Housing Estate, Mirpur Road, Mohammadpur, Dhaka, Manager Tel : 8154454 E-mail : asadgate@nblbd.com	<b>Bandura Branch</b> Saimon Super Market Bandura Bazar, P.O.: Hasnabad, P.S: Nawabgonj, Dhaka-1321 Tel: 01819 412042, 01730-007347 Email: bandura@nblbd.com	<b>Elenga Branch</b> Holding No. 1374 Pourashava-Elenga P.S. & Upazilla-Kalihati Dis. Tangail, Ph: 01730339964 Email: elenga@nblbd.com	<b>Gulshan Branch</b> 97/1 Gulshan Avenue, Gulshan, Dhaka, Fax : 88-02- 8855813, SWIFT : NBLBDDH067 Tel : 9889913-14, 9840590 E-mail : gulshan@nblbd.com
<b>Ati Bazar Branch</b> Upazilla Parishad Market, Union: Shakta, Mouza: Ati, P.S. Keranigonj Dist. Dhaka, Tel : 01713-335858 E-mail : atibazar@nblbd.com	<b>Bangshal Road Branch</b> 22 Bangshal Road, Dhaka-1100 Fax : 880-2-9565877 SWIFT: NBLBDDH012 Manager Tel : 9565878 Email : bangshal@nblbd.com	<b>Elephant Road Branch</b> 3 Elephant Road , Dhaka-1205, Fax : 88-02-9669218, SWIFT: NBLBDDH015 Tel : 9669218, 8621867, 8620846 Email: elephantroad@nblbd.com	<b>Gulshan Corporate Branch</b> Cityscape Tower (1st Floor), 53, Gulshan Avenue, P.S: Gulshan, Dist: Dhaka Tel: 8802-55068955-7, Manager: 01708803310, 01635112233 Email: gulshancorporate@nblbd.com
<b>Ashulia Branch</b> Sandwip Plaza, 1st floor, DEPZ Ashulia Road, Modha Gazir Chot, Ashulia, Upzilla: Savar, Mouza: Baipail, P.S: Ashulai, Dhaka Manager: 01701215202 Email: ashulia@nblbd.com	<b>Bhagyakul Branch</b> Alam Plaza (1st Floor) Balashur Chowrasta, Bhagyakul, Sreenagar, Munshigonj Manager Tel : 01755546440-1 E-mail : bhagyakul@nblbd.com	<b>Foreign Exchange Branch</b> Taranga Complex,19, Rajuk, Avenue, Dhaka-1000 Fax : 88-02-9563225 SWIFT: NBLBDDH021 Tel : 7162665, 9558484, Ext.12 E-mail : f.exchange@nblbd.com	<b>Imamganj Branch</b> 1 Moulvi Bazar, Dhaka-1100 Fax : 88-02-7319766 SWIFT: NBLBDDH003 Tel : 7314853, 7317649 E-mail : imamganj@nblbd.com
<b>Babu Bazar Branch</b> 4 Azizullah Road, Babu Bazar, Dhaka-1100, Fax: 88-02- 7313298, SWIFT: NBLBDDH031, Manager Tel : 7318975, 7312017 E-mail : babubazar@nblbd.com	<b>Bhairab Bazar Branch</b> 81, East Bhairab Bazar (1st Floor) Pourashava : Bhairab Mouza: Bhairabpur P.S. Bhairab, Dist. Kishoregonj Tel: 01716437367, 01730339955 E-mail : Bhairab@nblbd.com	<b>Gazaria Branch</b> Mohammad Ali Prophan Plaza Bhaberchar Bus Station, Gazaria, Munshiganj Manager, Mob: 01713-378967, 01713-190868 E-mail : gazaria@nblbd.com	<b>Isapura SME/Krishi Branch</b> Abul Kashem Super Market (1st Floor), Po: Isapura, Ps: Sirajdikhan Dist: Munshigonj, Tel: 01730-738364, 06924-63366, 63360, Fax: 88-06924-63350 E-mail : isapura@nblbd.com
<b>Baluchar Branch</b> Moyuree Mollah Shopping Centre Baluchar, Sirajdikhan, Munshigonj, Tel: 01713190853 E-mail: baluchar@nblbd.com	<b>Bhaluka Branch</b> 214/8 Asad Market, Bazar Road, Bhaluka, Mymensingh Fax : 09022-56077 Tel : 09022-56077, 56244 E-mail : bhaluka@nblbd.com	<b>Gachihata SME/Krishi Branch</b> Gachihata Bazar, P.O. Gachihata, P.S. Katiadi Dist. Kishoregonj Tel: 01730700080 E-mail: gachihata@nblbd.com	<b>Islampur Branch</b> 15-16 Islampur Road, (1st Floor), Dhaka, Tel : 7390609, 7395246, 7391017 Fax : 88-02-7390609, SWIFT: NBLBDDH054 E-mail : islampur@nblbd.com
<b>Baghrabazar SME/Krishi Branch</b> Nahar Plaza (1st Floor), P. O : Baghrabazar, P.S. : Sreenagar, Dist : Munshigonj Tel : 01730 318851 E-mail : baghrabazar@nblbd.com	<b>Dhanmondi Branch</b> Safura Green (1st Floor) 761 Satmasjid Road Dhanmondi R/A, Dhaka-1205 Fax : 880-2-9123596 Manager Tel : 9123596, 9139638 E-mail : dhanmondi@nblbd.com	<b>Gazipur Branch</b> Tanvir Plaza (1st Floor) Bus Stand Road, Gazipur Fax : 88-02-9261066, Tel : 9256548, 9261066, 9262559 E-mail: gazipur@nblbd.com	<b>Jamalpur Branch</b> Mokaddes Mansion, House # 161, Road # 1, Doyamoyee Road, Jamalpur, Manager Tel : 0981-62718-9 Fax : 88-0981-62718 E-mail : jamalpur@nblbd.com

## Branches Under Dhaka Region

<p><b>Jatrabari Branch</b> Samiullah Plaza (2nd Floor), 40/2, Shaheed Faruk Road, Jatrabari, Dhaka-1204, Fax : 88-02-7554761 Tel : 7554761-62 E-mail : jatrabari@nblbd.com</p>	<p><b>Kishoregonj Branch</b> 1158 Hajee Akkas Market, Barabazar, Kishoregonj Manager Tel : 0941-62509, 62060 Fax : 88-0941-61389 E-mail : kishoregonj@nblbd.com</p>	<p><b>Mirpur Branch, Dhaka</b> Plot # 4, Block # Ka, Section # 6, Mirpur Main Road No.1, Dhaka. Fax : 88-02-9013216 Manager Tel : 9013216, 9014480 E-mail : mirpur@nblbd.com</p>	<p><b>Narayangonj Branch</b> Rahat Plaza, 53/3 S M Maleh Road, Tanbazar, Narayangonj Fax: 88-02-7630441 SWIFT: NBLBDDH010 Manager Tel: 7646211 E-mail : narayangonj@nblbd.com</p>
<p><b>Joina Bazar Branch</b> Noich Towar, Dhanua Sreepur, Gazipur. Tel: 01731088199 E-mail: joinabazar@nblbd.com</p>	<p><b>Lauhajong Branch</b> Dawlat Khan Complex P.S. Lauhajong, Munshigonj Manager Tel : 01755546442-3 E-mail : lauhajong@nblbd.com</p>	<p><b>Mirzapur SME/Krishi Branch</b> Holding No. 188, Word No. 3, Main Road, Mirzapur, Tangail Manager Tel : 0229-56595 E-mail : mirzapur@nblbd.com</p>	<p><b>Narsingdi Branch</b> 155 Sutapatty Main Road, Narsingdi-1600 Fax : 88-02-9462378 Tel : 9462378, 01713388918 E-mail : narsingdi@nblbd.com</p>
<p><b>Jurain Branch</b> Amir Tower (1st &amp; 2nd Floor) 1691/1/a/2, Dholairpar, Jurain Shyampur, Dhaka, Tel : 7443056 E-mail : jurain@nblbd.com</p>	<p><b>Lake Circus Branch</b> 156 Mirpur Road, Lake Circus Kalabagan, Dhaka-1205 Tel : 9133275, 9111524 E-mail : lakecircus@nblbd.com</p>	<p><b>Mazar Road Branch</b> Plot No # 8-B/A, 1st Colony, Mazar Road, Mirpur-1, PS: Darussalam, Mirpur Housing Estate, Dhaka-1216 Tel : +8801701215229 E-mail : mazar_road@nblbd.com</p>	<p><b>Netaigonj Branch</b> 2 Banga Bandhu Road Netaigonj, Narayangonj Tel : 01730 318561, 7633665 E-mail : netaigonj@nblbd.com</p>
<p><b>Kadamtoli Branch, Dhaka</b> 1204, Mohammadbag, Meraj Nagar, Kadamtoli, Dahak-1362. Te: 7553860, 7553830 E-mail: kadamtoli@nblbd.com</p>	<p><b>Madhabdi Branch</b> Hajee Mobarak Plaza 335 Madhadi, Narshingdi Manager Tel : 01755547991 E-mail : madhabdi@nblbd.com</p>	<p><b>Mohakhali Branch</b> 9 Bir Uttam Ak Khandaker Sarak, Mohakhali C/A, Dhaka-1212 Fax : 88-02-8821390 SWIFT : NBLBDDH043 Manager Tel : 8821059, ext. 102 E-mail : mohakhali@nblbd.com</p>	<p><b>Netrokona Branch</b> 212, Chotobazar, East Netrokona, Netrokona, Tel : 01755542426-7 E-mail : netrokona@nblbd.com</p>
<p><b>Kaliakoir Branch</b> Plot # 39, Kaliakoir Bazar, Kaliakoir, Gazipur, Tel : 06822-52131-2 Fax : 88-06822-52132 E-mail : kaliakoir@nblbd.com</p>	<p><b>Madhupur Branch</b> Tara Complex, 354-mymensingh Road, Madhupur, Tangail Tel : 09228-56124, 01713336382 E-mail : madhupur@nblbd.com</p>	<p><b>Mohammadpur Branch</b> Industrial Plot # 9, Block # C Tajmohal Road, Mohammadpur Dhaka-1207 Manager Tel : 9139409, 9114015 E-mail : mohammadpur@nblbd.com</p>	<p><b>Nimtola Branch</b> Sikder Shopping Complex Nimtola Bazar, Dhaka-Maowa Road, Sirajdikhan, Munsiganj Manager Moible : 01730-339077 E-mail : nimtola @nblbd.com</p>
<p><b>Kalihati Branch</b> Boga Super Market P.O. : Kalihati, P.S. : Kalihati, Tangail, Fax : 88-09227-74212 Tel : 09227-74303, 01730326246 E-mail : kalihati@nblbd.com</p>	<p><b>Malibagh Branch</b> 68/69/B, DIT Road, Malibagh Chowdhury Para, Dhaka Fax : 88-02-9330159 SWIFT : NBLBDDH032 Manager Tel : 9330159, 9357075 E-mail : malibagh@nblbd.com</p>	<p><b>Motijheel Branch</b> 3 Rajuk Avenue, Motijheel C/A, Dhaka-1000, Fax : 88-02-9567559, SWIFT : NBLBDDH058 Manager Tel : 9553569, 9567559 E-mail : motijheel@nblbd.com</p>	<p><b>New Eskaton Branch</b> Queen's Garden Point 208 (15) New Eskaton Road Ramna, Dhaka Tel: 9355957, 8321814-5 E-mail : eskaton@nblbd.com</p>
<p><b>Kapasias Branch</b> Ekata Plaza, Kapasia Bazar Kapasias, Gazipur. Tel: 01743912524 E-mail: kapasia@nblbd.com</p>	<p><b>Manikgonj Branch</b> Pourashava- Manikgonj Ward No.06, Holding No.53, Mouza- Dashra, P.S. Manikgonj, Dist. Manikgonj, Tel: 01730-339088 E-mail : manikgonj@nblbd.com</p>	<p><b>Munshigonj Branch</b> Shamsuddin Plaza, 179/C, Jubilee Road, Pourashava- Munshigonj, Ward No.02, Mouza: Munshigonj, Dist. Munshigonj, Tel: 01730-339944 E-mail : munshigonj@nblbd.com</p>	<p><b>North Brook Hall Road Branch</b> 20/21 North Brook Hall Road Bangla Bazar, Dhaka-1100 Fax: 88-02-7113829, SWIFT: NBLBDDH049 Tel: 7113829, 7116806, E-mail: nbhr@nblbd.com</p>
<p><b>Kawran Bazar Branch</b> BTMC Bhaban, 7-9 Kawran Bazar, Dhaka-1215, Fax : 88-02-8127223 SWIFT: NBLBDDH048 Manager Tel : 8127223 E-mail : kawranbazar@nblbd.com</p>	<p><b>Meghula Branch</b> Meghula Bazar, P.S. : Dohar Dhaka, Tel : 01730-303587, 03894-681044 E-mail : meghula@nblbd.com</p>	<p><b>Muktagacha Branch</b> 593, Muktagacha, Mymensingh Tel : 01755542428-9 E-mail : muktagacha@nblbd.com</p>	<p><b>Pagla Bazar Branch</b> Al-haj Afsar Karim Bhaban D N Road, Pagla, Narayanganj Manager Tel : 7682631, 7682162 E-mail : paglabazar@nblbd.com</p>
<p><b>Kholamora Branch</b> Shughanda Shopping Mal Kholamora Bazar, Karanigonj, Dhaka, Fax : 88-02-7766652 Tel : 02-776651, 01755-547992-3 E-mail : kholamora@nblbd.com</p>	<p><b>Mirhazirbagh Branch</b> 285 Mirhazirbagh, Jatrabari, Dhaka-1204, Manager : 7445463, 7445456, Mobile : 01713 190840 E-mail: mirhazirbagh@nblbd.com</p>	<p><b>Mymensingh Branch</b> 29/1 Nishikantha Ghosh Road Mymensingh, Fax : 88-091-66013 Manager Tel : 091-65759, 65803 E-mail : mymensingh@nblbd.com</p>	<p><b>Pakundia SME/Krishi Branch</b> Hapania, Pakundia Pourosnova Pakundia, Kishoregonj Tel : 01730-729176, 09433-56190 E-mail : pakundia@nblbd.com</p>

## Branches Under Dhaka Region

<b>Phulpur Branch</b> Holding-28, Phulpur Bus Stand Phulpur, Mymensingh Tel: 01713-425996 E-mail: phulpur@nblbd.com	<b>Shafipur Branch</b> Mowchak Union Parishad P.S. Kaliakoir, Upa-Zilla: Kaliakoir, Dist. Gazipur Manager: 01701215213 Email- shafipur@nblbd.com	<b>Singair SME/Krishi Branch</b> Shahid Rafique Sarani Road, Singair Bazar, Manikgonj, Tel : 01730 318853, 0652-771261 E-mail : singair@nblbd.com	<b>Tongibari Branch</b> Kazi Market (1st Flr), Tongibari Musnshigonj, Tel : 06926-74048-9 E-mail : tongibari@nblbd.com
<b>Pragati Sarani Branch</b> Ka-216 Hakim Plaza, Kuril, Badda, Dhaka-1229, Fax : 88-02-8413798, Tel : 8413797 E-mail : pragatisarani@nblbd.com	<b>Shakhipur Branch</b> Holding No-658, 659, Shakipur Bazar, Shakipur, Tangail Manager Tel :01730-738366 E-mail : shakhipur@nblbd.com	<b>Sirajdikhan Branch</b> Z H Sikder Shopping Complex-2 (1st Floor), Union: Rashunia, Ward:07, P.S-Sirajdikhan, Dist. Munshigonj, Tel: 01730-339009 E-mail : sirajdikhan@nblbd.com	<b>Trishal Branch</b> Nazrul College Market, Holding No.15, Pourashava : Trishal, Ward No.07, P.S. Trishal, District. Mymensingh Tel : 01730339863 E-mail : trishal@nblbd.com
<b>Rokeya Sarani Branch</b> 218/3/a West Kafrul, Taltola Shere-bangla Nagar, Dhaka. Tel : 01730 318563, 9129649 E-mail: rokeyasarani@nblbd.com	<b>Sonargaon Janapath Branch</b> Sonargaon Janapath Road, House No.36, Sector-12, Ward No.07, Mouza: Uttara Model Town Union: Harirampur, P.S. Uttara West, Dist. Dhaka, Tel : 01730-339930 E-mail : sjanapath@nblbd.com	<b>Sreenagar Branch</b> Chawkbazar, Sreenagar, Munshigonj Manage Tel : 038942-88290-1 E-mail : sreenagar@nblbd.com	<b>Uttara Branch</b> Plot # 103, Sector # 7, Dhaka-mymensingh Road Uttara C/A, Dhaka-1230 Fax : 88-02-8918014 Manager Tel : 8958749, 8958444 E-mail : uttara@nblbd.com
<b>Saturia Branch</b> Anwara Plaza (2nd floor) Saturia Bus Stand, Dhamrai, Dhaka. Tel: 01730-330414 Fax: 88-02-7743920 E-mail: saver@nblbd.com	<b>Sherpur Branch</b> 87 College Road, Tinani Bazar, Sherpur, Fax: 88-0931-61028 Manager Tel :0931-61028, 61048 E-mail : sherpur@nblbd.com	<b>Tangail Branch</b> 209 Victoria Road, Tangail Tel : 0921-55014, 54222, 53608 E-mail : tangail@nblbd.com	<b>West Dhanmondi Branch</b> Z H Sikder Women's Medical College, Monica Estate, West Dhanmondi, Dhaka Manager Tel : 9111160, 8116005 E-mail : zhswmc@nblbd.com
<b>Savar Bazar Branch</b> Quraishi Super Market Savar Bazar Road, Savar, Dhaka Manager Tel : 7745661, 7745521 E-mail : savar@nblbd.com	<b>Shimanto Square Branch</b> Shimanto Square (4th Floor) Holding No. 80, Pilkhana P.S. Dhanmondi, Dist. Dhaka Tel : 01713-186986, 9614567-8 E-mail : shimantosquare@nblbd.com	<b>Tongi Branch</b> Haque Asha Complex, Anarkali Road, Tongi Bazar, Tongi, Gazipur Tel : 01730 706758, 02-9817381-2 E-mail : tongi@nblbd.com	

## Branches Under Chattogram Region

<b>Agrabad Branch</b> 13/A (New), Sk. Mujib Road, Agrabad, Chittagong, Fax : 88-031-710472 SWIFT: NBLBDDH004 Manager Tel : 031-716285, Ext. 111 E-mail : agrabad@nblbd.com	<b>Bashurhat Branch</b> City Plaza, Main Road Bashurhat, Companigonj, Nohakhali Manager Tel : 03223-56245, 56248 E-mail : bashurat@nblbd.com	<b>CDA Avenue Branch</b> 1002 CDA Avenue, East Nasirabad, P.S. : Panchlaish, Dist : Chittagong. Tel : 01730 318560, 031-654722 E-mail : cdaavenue@nblbd.com	<b>Chawkbazar Branch</b> Fortune Tower, 112/113, Karpashgola Road Chawkbazar, Chittagong Ph : 031-2857320, 01730-303589 E-mail : chawkbazar@nblbd.com
<b>Anderkilla Branch</b> K B Aman Ali Tower, 30 Anderkilla, Chittagong, Tel : 031-2854513, 2854514 E-mail : anderkilla@nblbd.com	<b>Bhatiary Branch</b> Bhatiary Dakshin Bazar, Bhatiary, P.S. : Sitakunda, Dist : Chittagong. Tel : 031-2780890-92, 01730 333628 E-mail : bhatiary@nblbd.com	<b>Chaktai Branch</b> 134 New Chaktai, Kotwali, Chittagong, Fax : 88-031-619035 Manager Tel : 031-619035, 619327 E-mail : chaktai@nblbd.com	<b>Chouddagram Branch</b> Hajee Sharafat Ali Mansion Chouddogram, Comilla. Manager Tel : 08020-56207-8 E-mail : chouddagram@nblbd.com
<b>Barura Branch</b> Barura Pourashava Patway Shopping Complex P.O. +P.S. : Barura, Dist : Comilla, Tel : 01730 318564, 08027-52592-1 E-mail : barura@nblbd.com	<b>Brahmanbaria Branch</b> 58-60 Kalasreepara, New Cinema Hall Road, Brahmanbaria. Fax : 880-851-58010 Manager Tel : 0851-58600, 58010 E-mail : brahmanbaria@nblbd.com	<b>Chandpur Natun Bazar Branch</b> 116/108 Sk Mansion, Comilla Road, Natun Bazar, Chandpur, Fax : 88-0841-63723 Tel : 0841-63309, 65527 E-mail : chandpur@nblbd.com	<b>Chhyafullah Kandi Bazar Branch</b> Banchrampur, Brahmanbaria Tel: 01730339962 E.mail: chhyafullahkandi@nblbd.com
<b>Chowmuhani Branch</b> Dalia Supper Market (2nd Floor) 1522 Karimpur Road Chowmuhani, Noakhali Tel : 0321-52353 , 51045,52409 E-mail : chowmuhani@nblbd.com	<b>Comilla Branch</b> Rajganj, Comilla, Fax : 88-081-76420 Tel : 081- 76420, 71101 E-mail : comilla@nblbd.com	<b>Cox's Bazar Branch</b> Main Road, Cox's Bazar Fax : 88-0341-51184 Manager Tel : 0341-64666, 63714 E-mail : coxsbazar@nblbd.com	<b>Daganbhuiyan Branch</b> Daganbhuiyan Bazar, Feni Manager Tel : 03323-79047, 79094 E-mail : daganbhuiyan@nblbd.com

## Branches Under Chattogram Region

<p><b>Feni Branch</b> Jahiriya Mosque Waqf, Estate Market (1st Floor), S S K Road, Feni, Fax : 88-0331-74344 Manager Tel : 0331-74344, 73188 E-mail : feni@nblbd.com</p>	<p><b>Jubilee Road Branch</b> Niaz Manjil, 922 Jubilee Road, Chittagong, Fax : 880-31-637969 SWIFT: NBLBDDH016 Manager Tel :031-637969, 630925 E-mail : jubileeroad@nblbd.com</p>	<p><b>Muradpur Branch</b> 95 Muradpur, P.S Panchlaish, Chittagong Fax : 88-031-2551448, Tel : 031-2551448-49, 01713 335826 E-mail : muradpur@nblbd.com</p>	<p><b>Sandwip Branch</b> Haramia Upazilla Complex Boktarhat, P.S: Sandwip District: Chittagong Tel : 01713 388909. 01713388885 E-mail : sandwip@nblbd.com</p>
<p><b>Gouripur Branch</b> Gouripur Bazar, Union : Gouripur, P.O. : Gouripur P.S.: Daudkandi, Dist : Comilla Manager Tel : 0173 0329691 E-mail : gouripur@nblbd.com</p>	<p><b>Khatungonj Branch</b> 34 Chand Meah Lane, Khatungonj, Chittagong, Fax : 88-031-610806 SWIFT : NBLBDDH002 Manager Tel : 031-611155 E-mail : khatungonj@nblbd.com</p>	<p><b>Pahartali Branch</b> 2153 DT Road, Pahartali, Chittagong Fax : 88-031-2770826, 031-2770826, 751120 Mobile : 01713 388908, Res: 031-2556402 E-mail : pahartali@nblbd.com</p>	<p><b>Sonagazi Branch</b> Manik Plaza (2nd Floor) P.O. Sonagazi, P.S. : Sonagazi Dist : Feni Tel : 01730 329687, 03325-76344 E-mail : sonagazi@nblbd.com</p>
<p><b>Hajigonj Branch</b> Mirza Complex (1st Floor), Amin Road, P.O. Hajigonj, P.S. : Hajigonj, Dist : Chandpur, Tel : 01730 329685 E-mail : hajigonj@nblbd.com</p>	<p><b>Maizdi Court Branch</b> 632/a/b/c Main Road, Maizdi Court, Suddaram, Noahkhali Manager Tel : 01713 425884 E-mail : Maizdicourt@nblbd.com</p>	<p><b>Patiya Branch</b> Samadia Super Market (1st Floor), Thanar More Patiya, Chittagong. 03035-56509 E-mail : patiya@nblbd.com</p>	
<p><b>Halishahar Branch</b> Plot # 12/a, Road # 2, Block # G, Ashian Highway Halishahar Housing Estate Halishahar, Chittagong, Manager Tel : 01730-727772 E-mail : hajigonj@nblbd.com</p>	<p><b>Mirersharai Branch</b> D.T. Road, Mirersharai, Chittagong. Manager Tel: 03024-56229-56230 E-mail: mirersharai@nblbd.com</p>	<p><b>Rangunia Branch</b> Roazarhat, Chittagong Manager: 03035-56036, 56035 Mobile : 01730-313900 E-mail: rangunia@nblbd.com</p>	
<p><b>Hathazari SME / Krishi Branch</b> Sattar Shopping Centre Kachari Road, Hathazari Bazar P.S. : Hathazari, Dist : Chittagong Manager Tel : 031-2601862-3 E-mail : hathazari@nblbd.com</p>	<p><b>Mudaffargonj Branch</b> Sazzad Super Market P.O. Mudaffargonj, P.S. Laksham, Comilla, Tel: 01730-303588, 01730373728 E-mail : mudaffargonj@nblbd.com</p>	<p><b>Sheikh Mujib Road Branch</b> 546 Sheikh Mujib Road, Chittagong Fax : 88-031-714648 SWIFT: NBLBDDH060 Tel : 031-714648, 714647 E-mail : sheikhmujib@nblbd.com</p>	

## Branches Under Rajshahi Region

<p><b>Belkuchi SME/Krishi Branch</b> Amin Razzak Plaza Union + P. O. + P. S. : Belkuchi, Dist : Sirajgonj, Fax : 88-0751-56377 Tel : 07522-5637, 0173 2358790 E-mail : belkuchi@nblbd.com</p>	<p><b>Burimari Branch</b> Union: Burimari, P.S. Patgram, Mouza: Islampur, Dist. Lalmonirhat Tel: 01730-330444 E-mail: burimari@nblbd.com</p>	<p><b>Dinajpur Branch</b> Goneshtola Road (West Of Modern Cinema Hall), Dinajpur. Fax : 88-0531-64744 Manager Tel :0531-64744, 51617 E-mail : dinajpur@nblbd.com</p>	<p><b>Ishwardi Branch</b> Station Road, Ishwardi, Pabna Fax : 88-07326-63835 Manager Tel : 07326-63835, 63695 E-mail : ishwardi@nblbd.com</p>
<p><b>Bogra Branch</b> Barogola Bazar, Bogura Fax : 88-051-51540, SWIFT: NBLBDDH014 Manager Tel : 051-51540, 67983 E-mail : bogra@nblbd.com</p>	<p><b>Bhawlaganj Branch</b> Union: No.1 Chilahati, P.S. Debigonj, Mouza: Bhawlaganj Dist. Panchagarh, Tel: 01730-339033 E-mail: burimari@nblbd.com</p>	<p><b>Gaibandha Branch</b> Pran Gobinda Plaza, (1st Floor) Park Road, Gaibandha Fax : 88-0541-62531 Manager Tel : 0541-62531, 62532 E-mail : gaibandha@nblbd.com</p>	<p><b>Joypurhat Branch</b> Golam Aftab Supper Market, Sadar Road, Joypurhat Fax : 88-0571-62647, SWIFT: NBL BBDDH062 Manager Tel : 0571-62251, 63555 E-mail : joypurhat@nblbd.com</p>
<p><b>Birampur Branch</b> Mizan Market (1st floor) Birampur, Dinajpur. Tel: 05322-56507, 56407 Fax: 88-05322-56507 E-mail: birampur@nblbd.com</p>	<p><b>Chapainawabganj Branch</b> Kabir Bhaban, Thana Road, Chapainawabganj , Fax : 88-0781-55054 SWIFT: NBLBDDH053 Manager Tel : 0781-61470, 56417 E-mail : chapai@nblbd.com</p>	<p><b>Godagari Branch</b> 366 Dying Para (Bus Stand), Chapainawabganj Road,Rajshahi Fax : 88-07225-56287 Manager Tel : 07225-56286, 56287 E-mail : godagari@nblbd.com</p>	<p><b>Kazirhat Branch</b> Rajshahi City Corporation, Ward no: 8, House No: 634, P.S: Rajpara, Dis: Rajshahi Manager: 01721-773011, 01701215201 Email- kazirhat@nblbd.com</p>

## Branches Under Rajshahi Region

<b>Hili Branch</b> Holding No# 0090-00, Charmatha, Bangla Hili, Pourashava- Hakimpur, Ward No# 02, P.O:Hakimpur, P.S:Hakimpur, District: Dinajpur. Tel : +8801701215231 E-mail : hili@nblbd.com	<b>Neamotpur SME/Krishi Branch</b> Balahoir, Neamotpur Naogaon Manager Tel : 01730-729174 E-mail : neamotpur@nblbd.com	<b>Rangpur Branch</b> Chamber Bhaban (1st Floor). Glory Road, Rangpur Fax : 88-0521-65749, SWIFT: NBLBDDH006 Tel : 0521-65312, 63583 E-mail : rangpur@nblbd.com	<b>Shajadpur Branch</b> 493 Solaiman Shopping Complex, Bscic Road, Dariapur Bazar, Shajadpur, Sirajganj Fax : 88-07527-64560 Manager Tel : 07527-64560, 64640 E-mail : shajadpur@nblbd.com
<b>Kurigram Branch</b> Holding No. 2313, College Road, Pourahova: Kurigram, (Ward No. 05) P.S: Kurigram Manager: 01701215211 Tel: 0741-61786, 62725, 62376 Email-kurigram@nblbd.com	<b>Pabna Branch</b> Haque Supper Market (1st Floor) Abdul Hamid Road, Pabna. Fax : 88-0731-51837, SWIFT : NBLBDDH036 Manager Tel :0731-64499, 51837 E-mail : pabna@nblbd.com	<b>Roumari Branch</b> Union-Roumari, Ward No.2 P.S. Roumari, Dist.Kurigram Tel: 01730339051 E-mail : roumari@nblbd.com	<b>Sathibary SME/Krishi Branch</b> Union : Durgapur, P. O. : Durgapur P.S. : Mithapukur, Dist : Rangpur Manager Tel : 0173 0326245 E-mail : sathibary@nblbd.com
<b>Naogaon Branch</b> 405 Sadar Road, Municipal Area, Naogaon Fax : 88-0741-61786 SWIFT: NBLBDDH039 Tel : 0741-61786, 62725, 62376 E-mail : naogaon@nblbd.com	<b>Panchagarh Branch</b> Holding No-51, Islambag Teltulia Road, Word No- 3, Panchagarh Sadar, Panchagarh Manager Tel : 01730-727770 E-mail : panchagarh@nblbd.com	<b>Saidpur Branch</b> 1/b Shaheed Dr. Zohrul Haque Road, Saidpur, Nilphamari Fax : 88-05526-72490 Manager Tel : 05526-72490 E-mail : saidpur@nblbd.com	<b>Thakurgaon Branch</b> Town Plaza, North Circular Road, Thakurgaon Fax : 88-0561-52217 Manager Tel : 0561-61999, 52687 E-mail : thakurgaon@nblbd.com
<b>Natore Branch</b> 288 Kanaikhal, Old Bus Stand, Natore, Fax : 88-0771-61108 Manager Tel : 0771-61108, 61109 E-mail : natore@nblbd.com	<b>Rajshahi Branch</b> 106-109 Shaheb Bazar, Rajshahi Fax : 88-0721-774870, SWIFT: NBLBDDH005 Manager Tel : 0721-772563 E-mail : rajshahi@nblbd.com	<b>Sirajganj Branch</b> S S Road (Darbesh Complex), Sirajganj, Fax : 88-0751-62428 Tel :0751-62372 E-mail : sirajganj@nblbd.com	

## Branches Under Khulna Region

<b>Alipur Branch</b> Karim Musulli Tower, Sadar Road, Alipur, Kuakata, Kolapara, Patuakhali, Fax : 88 04428 56228 Manager, Tel : 04428-56228, 56227 Mobile : 01730 701643, 01713- 378965 E-mail: alipur@nblbd.com	<b>Boalmari SME/Krishi Branch</b> Boalmari Bazar, P.S. : Boalmari, Dist : Faridpur Tel : 06324-56393, 01730-319994 E-mail : boalmari@nblbd.com	<b>Gopalganj Branch</b> Nafco Shopping Complex 37, D.C. Road, Gopalganj, Tel: 02-6681730, 6681728 E-mail: gopalganj@nblbd.com	<b>Kanaipur Bazar SME/Krishi Branch</b> K B Super Market, Kanaipur Bazar, Faridpur, Tel : 01730 326249 E-mail : kanaipur@nblbd.com
<b>Barisal Branch</b> 100 Sadar Road, Barisal-8200 Fax : 88-0431-64166 Tel : 0431-64166, 64588, 69392 E-mail : barisal@nblbd.com	<b>Chowgacha Branch</b> High School Road, Chowgacha Bazar, Jessore, Fax : 88-04224-56566, Manager Tel : 04224-56466,56566 E-mail : chowgacha@nblbd.com	<b>Jessore Branch</b> 11-12 Garikhana Main Road Jessore, Fax : 88-0421-63652 SWIFT: NBLBDDH029 Manager Tel :0421-68684, 68481 E-mail : jessore@nblbd.com	<b>KDA Branch, Khulna</b> KDA Commercial Area, BHBFC Bhaban (Ground Floor) 15-16 Khan A Sabur Road, Khulna Fax : 88-041-731866 Manager Tel : 041-731866, 731877 E-mail : kda@nblbd.com
<b>Benapole Branch</b> 2nd floor, 490, Rahman Chamber benapole Bazar, Jeshore. Tel : +8801701215229 E-mail : benapole@nblbd.com	<b>Charfassion Branch</b> Sadar Raod, Charfassion, Bhola Fax : 88-04923-74103 Manager Tel : 04923-74103-4 E-mail : charfassion@nblbd.com	<b>Jhenaidah Branch</b> Jafor Tower, 20, Sher-E-Bangla Road, Jhenaidah Manager: 01713-425981 Tel: 0451-63881, 0451-63882 Email-jhenaidah@nblbd.com	<b>Khulna Branch</b> 2 Sir Iqbal Road, Khulna Fax : 88-041-722051, SWIFT: NBLBDDH007 Manager Tel : 041-721757, 720607 E-mail : khulna@nblbd.com
<b>Bhanga Branch</b> Bhanga Bazar, Faridpur Manager Tel : 06323-56512, 56513 E-mail : bhanga@nblbd.com	<b>Faridpur Branch</b> Al-haj Abdul Hamid Building 83 Chawkbazar, Faridpur. Fax: 880-0631-63446 Manager Tel : 0631-62542, 62577 E-mail : faridpur@nblbd.com	<b>Jhalakathi Branch</b> 354 Fariapatty, Jhalakhati Fax : 88-0498-63147 Manager Tel : 0498- 62795, 63464 E-mail : jhalakathi@nblbd.com	<b>Kuakata Branch</b> Ward No.06, Nilanjana Road, Mouza-Lata Chapli Paurashava: Kuakata, PS & Upa Zilla-Kalapara, District. Patuakhali Tel : 01912217763, 01714161210 E-mail : kuakata@nblbd.com
<b>Bhola Branch</b> K. Jahan Shopping Complex 677 Sadar Road, Bhola. Fax : 88-0491-61667 Manager Tel : 0491- 61827 E-mail : bhola@nblbd.com	<b>Goalchamat Branch</b> 31/D, Hotel Raffles Inn (2nd Floor), Goalchamat, Faridpur Fax : 88 0631 67302 Tel: 0631-67302-3, 01714 161201 E-mail: goalchamat@nblbd.com	<b>Kaligonj SME/Krishi Branch</b> Kaligonj Bhushan High School Road Madhugonj Bazar, P.S. : Kaligonj, Dist : Jhenaidah Tel : 01730 318852, 04523-56668-9 E-mail : kaligonj@nblbd.com	<b>Kushtia Branch</b> 18 Nowab Sirajuddoula Road Razzak Super Market, Kushtia Fax : 88-071-61109 Manager Tel : 071-61844, 73614 E-mail : kushtia@nblbd.com

## Branches Under Khulna Region

<p><b>Madaripur Branch</b> Madaripur Main Road, Holding No.66 Madaripur Pourashava P.S. Madaripur, Tel : 01713-190808 E-mail : madaripur@nblbd.com</p>	<p><b>Pangsha Branch</b> Abdul Malaque Plaza, College Road, Pangsha, Rajbari Tel: 06424-75092-93, 01730-330356 Email: pangsha@nblbd.com</p>	<p><b>Rajbari Branch</b> Rajbari, Faridpur, Manager : 01730034912 E-mail: rajbari@nblbd.com</p>	<p><b>Shibchar Branch</b> Molla New Supper Market, 1216 Sadar Road, Shibchar, Madaripur Fax : 88-06624-56376 Manager Tel : 06624-56376-7 E-mail : shibchar@nblbd.com</p>
<p><b>Patuakhali Branch</b> 120 Natun Bazar, Sadar Road, Patuakhali, Tel : 01755 547994-5 E-mail : patuakhali@nblbd.com</p>	<p><b>Rahmatpur Bazar Branch</b> Union : Rahmatpur, P.S. Biman Bandar Upa-Zilla: Babugonj, Dist. Barisal. Manager : +8801701215216 Email-rahmatpur@nblbd.com</p>	<p><b>Satkhira Branch</b> 32-33 Old College Road, Sultanpur Bazar, Satkhira Fax : 88-0471- 64716. SWIFT: NBLBDDH024 Manager Tel : 0471-63427, 62107 E-mail : satkhira@nblbd.com</p>	<p><b>Torkibandar Branch</b> 445 Sadar Road, Torki Bandar Gournadi, Dist : Barisal Tel : 0432-256442, 01730 318562 E-mail : torkibandar@nblbd.com</p>

## Branches Under Shariatpur Region

<p><b>Angaria Branch</b> Dhali Plaza, Angaria Bazar, Union: Angaria, P.S Palong, Dist. Shariatpur, Tel : 01730-330300 E-mail : angaria@nblbd.com</p>	<p><b>Gharishar Branch</b> Baroipara, Gharishar, Naria, Shariatpur. Manager Tel : 01730729172 E-mail : gharishar@nblbd.com</p>	<p><b>Kazirhat Branch</b> P.O. : Dubisaibor, P.S. : Jajira, Dist : Shariatpur Manager Tel : 01555 38434-5 E-mail : kazirhat@nblbd.com</p>	<p><b>Z.H. Sikder University of Science &amp; Technology Branch</b> Modhupur, Kartikpur, Bhedergonj, Shariatpur Manager : Tel: 01730-339807, 01749-416862 E-mail : zhsust@nblbd.com</p>
<p><b>Bhedergonj Branch</b> Holding No. 801-802 Bhedergonj, Shariatpur Manager Tel : 01730-927192 E-mail : bhedergonj@nblbd.com</p>	<p><b>Golar Bazar Branch</b> Union: Dingamanik Upazilla: Naria, District: Shariatpur. Manager :01701215215 Email- golarbazar@nblbd.com</p>	<p><b>Naria Branch</b> New Market, Naria Bazar, Naria Shariatpur Fax : 88-0601-59182, Manager Tel : 0601-59182 E-mail : naria@nblbd.com</p>	
<p><b>Bhojeshwar SME/Krishi Branch</b> Bhojeshwar Bazar, Bhojeshwar, P.S. : Naria, Dist : Shariatpur, Tel : 01755-538434-5 E-mail : bhojeshwar@nblbd.com</p>	<p><b>Goshairhat Branch</b> Goshairhat, Shariatpur Phone : 06024 75051, 06024 75055, 01730014046 E-mail: goshairhat@nblbd.com</p>	<p><b>Shariatpur Branch</b> S R Plaza (1st Floor), Main Road, P.S. Palong, Shariatpur Fax : 88-0601-51235 Tel : 0601-51236, 01730-738362 E-mail : shariatpur@nblbd.com</p>	
<p><b>Ganganagar Branch</b> Matin Super Market, Ganganagar Bazar, Village: Goyghar, P.O: Goyghar, Union: Shoulpara, Word No: 01, P.S: Palong Sadar, District: Shariatpur. Tel : +8801701215228 E-mail : ganganagar@nblbd.com</p>	<p><b>Kartikpur Branch</b> P.O. : Kartikpur, P.S. : Bhedergonj, Dist : Shariatpur, Manager Tel : 01730 329007 E-mail : kartikpur@nblbd.com</p>	<p><b>Sakhhipur Branch</b> Solainman Plaza, Sakhhipur Bazar, P.S: Sakhhipur, Upazilla: Bhedergonj District: Shariatpur. Manager : 01701215212 Email - sakhhipur_shariatpur@nblbd.com</p>	

## Branches Under Sylhet Region

<p><b>Beanibazar Branch</b> Shohrab Mansion, Beanibazar, Sylhet Tel : 08223- 56010-11, 03799-288343 E-mail : beanibazar@nblbd.com</p>	<p><b>Habiganj Branch</b> Ashraf Jahan Complex Kalibari Road, Habiganj Manager Tel : 0831-61411, 53191 E-mail : habiganj@nblbd.com</p>	<p><b>Mirpur Bazar Branch</b> Chand Ali Shopping Center (1st Flr), Jagannathpur, Sunamganj Tel : 0821-4443325, 01711923075 E-mail : mirpurbazar@nblbd.com</p>	<p><b>Sylhet Branch</b> Laldighir Par, Sylhet Fax : 88-0821-724908 SWIFT: NBLBDDH008 Manager Tel : 0821-715982, E-mail : sylhet@nblbd.com</p>
<p><b>Biswanath Branch</b> Al-hera Shopping City (1st Floor), Biswanath, Sylhet Manager Tel : 08224-56024 E-mail : biswanath@nblbd.com</p>	<p><b>Kadamtoli Branch</b> Ai Ferdous Shopping Complex (1st Floor), Kadamtoli, Sylhet Manager Tel : 0821-841818-19 E-mail : kadamtoli@nblbd.com</p>	<p><b>Moulvibazar Branch</b> 95 Court Road, Moulvibazar Fax : 88-0861-52454 Manager Tel : 0861-61371, 52681 E-mail : moulvibazar@nblbd.com</p>	<p><b>Sunamgonj Branch</b> Khalekabad Bhaban Station Road, Sunamgonj Fax : 88-0871-61550 Manager Tel : 0871-61550, 61551 E-mail : sunamgonj@nblbd.com</p>
<p><b>Chattak Branch</b> Taher Center, Chattak Bazar P.O. &amp; P.S. Chattak Dist. Sunamgonj. Tel : 01730-341388, 08723-56240, 56243</p>	<p><b>Kulaura Branch</b> Haji Cherag Ali Shopping Centre 190 Moulvibazar Road P.O. &amp; P. S. : Kulaura, Dist : Moulvibazar Manager Tel : 0173 0326248 E-mail : kulaura@nblbd.com</p>	<p><b>Shibganj Branch</b> Bonorupa, (1st Floor) House # 42, Road # 15, Bolck-b, Main Road, Shahjalal Upasahar, Sylhet Manager Tel : 0821-760575 E-mail : shibganj@nblbd.com</p>	<p><b>Tajpur Branch</b> Po : Tajpur, P.S. : Osmaninagar, Sylhet, Tel : 08242-56024, 56655 E-mail: tajpur@nblbd.com</p>
<p><b>Fenchugonj Branch</b> Fenchugonj Bazar, P.O. : &amp; P. S. : Fenchugonj, Dist: Sylhet Manager Tel : 0173 0326247, 08226-56299, 56303 E-mail : fenchugonj@nblbd.com</p>	<p><b>Kanaighat Branch</b> Soudia Market, Pourashava- Kanaighat, Ward No.03, Mouza: Dalaichar, P.S. Kanaighat, Dist. Sylhet, Tel : 01713-335859 E-mail : kanaighat@nblbd.com</p>	<p><b>Sree Mongal Branch</b> 187 Moulvibazar Road, Sreemongal, Moulvibazar Fax : 88-08626-71778 Tel : 08626-71778, 71367, 88135 E-mail : sreemongal@nblbd.com</p>	<p><b>Zindabazar Branch</b> West World Shopping City Jollarpar Road West Zindabazar, Sylhet Fax : 88-0821-711566 Manager Tel : 0821-717157, 712227 E-mail : zindabazar@nblbd.com</p>
<p><b>Golapgonj Branch</b> 78/1 Ranaping Square Golapgonj, Chowmuhani, Sylhet Manager Tel : 08227-56220, 56221 E-mail : golapgonj@nblbd.com</p>	<p><b>Sikder Tower Branch</b> Sikder Tower, 847, Mirabazar Tamabil Road, Mirabazar, Sylhet 0821-728867, 728868 Tel: 01730 339992 E-mail : mirabazar@nblbd.com</p>	<p><b>Subidbazar Branch</b> Sylhet-sunamganj Road Subidbazar, Sylhet, Manager Tel : 88-0821-712955 E-mail : subidbazar@nblbd.com</p>	

## গ্রাহক লেনদেন সহজীকরণে ন্যাশনাল ব্যাংক-এর শাখা সম্প্রসারণ কার্যক্রম

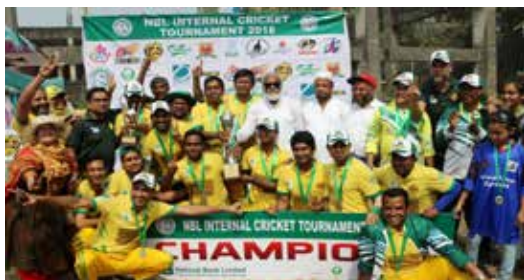




ন্যাশনাল ব্যাংক লিমিটেড-এর বিভিন্ন কার্যক্রম









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