

National Bank Limited
18, Dilkusha Commercial Area
Dhaka 1000

National Bank Limited

Auditors' report and consolidated financial statements
for the year ended December 31, 2017

Rahman Mostafa Alam & Co.
Chartered Accountants



Solution....Begins

Rahman Mostafa Alam & Co.

Chartered Accountants



National Bank Limited

Independent Auditors' Report to the Shareholders For the year ended December 31, 2017

Report on the financial statements

We have audited the accompanying consolidated financial statements of National Bank Limited and its subsidiaries (together referred to as 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, 2017, consolidated and separate profit and loss statements, consolidated and separate statements of changes in equity, consolidated and separate cash flow statements, separate liquidity statement for the year then ended, and a summary of significant accounting policies and other explanatory notes 01 to 43 and annexures A to E thereto.

Management's responsibility for the financial statements and internal controls

Management is responsible for the preparation and fair presentation of these consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in the note 2.1 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Banking Companies Act 1991 and the Bangladesh Bank Regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. 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.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain a reasonable assurance about whether the consolidated financial statements of the Group and the separate financial statements of the Bank are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and the separate financial statements of the Bank. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the separate financial statements of the Bank, whether due to fraud and error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements of the Group and the separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the consolidated financial statements of the Group and also the separate financial statements of the Bank.

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

Opinion

In our opinion, the consolidated financial statements of the Group and also the 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, 2017, and of its consolidated and separate financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in note 2.1.



Solution....Begins

Rahman Mostafa Alam & Co.

Chartered Accountants



Report on other legal and regulatory requirements

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

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility section for the financial statements and internal control:
 - (i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 2.12 of the financial statements appeared to be materially adequate;
 - (ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities;
- (c) financial statements of all subsidiaries of the Bank which have been audited by other auditors have been properly reflected in the consolidated financial statements;
- (d) 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 and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- (e) the consolidated balance sheet and consolidated profit and loss statement of the Group and the separate balance sheet and separate profit and loss statement of the Bank together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (f) the expenditures incurred during the period were for the purposes of the Bank's business;
- (g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (h) adequate provisions have been made for investments and other assets of the Bank which are in our opinion, doubtful of recovery;
- (i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements of the Bank;
- (j) the information and explanations required by us have been received and found to be satisfactory; and
- (k) Capital to risk-weighted assets ratio as required by the Bangladesh Bank has been maintained adequately during the year;
- (l) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 4,340 person hours for the audit of the books and account of the Bank.

Dated: Dhaka
April 30, 2018

Rahman Mostafa Alam & Co.
Chartered Accountants



National Bank Limited and Its Subsidiaries
Consolidated Balance Sheet
As at December 31, 2017

Particulars	Notes	Amount in BDT	
		2017	2016
PROPERTY AND ASSETS			
Cash		22,772,012,358	21,075,416,567
In hand (including foreign currencies)	3	3,432,689,173	2,620,733,655
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4	19,339,323,185	18,454,682,912
Balance with other banks and financial institutions	5	7,986,190,345	3,317,476,214
In Bangladesh		7,263,894,546	1,214,892,984
Outside Bangladesh		722,295,799	2,102,583,230
Money at call and on short notice	6	3,601,300,000	3,091,300,000
Investments	7	57,425,482,643	57,297,627,568
Government		49,125,479,645	49,553,106,806
Others		8,300,002,998	7,744,520,762
Loans and advances	8	252,402,955,944	213,915,345,195
Loans, cash credits, overdrafts, etc.		245,654,534,937	209,925,328,534
Bills purchased and discounted		6,748,421,007	3,990,016,661
Fixed assets including premises, furniture and fixtures	9	2,916,642,139	3,199,858,007
Other assets	10	4,693,683,468	4,322,003,722
Non-banking assets	11	335,820,241	335,820,241
Total assets		352,134,087,138	306,554,847,514
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12	5,212,267,540	3,115,330,473
Deposits and other accounts	13	272,602,092,316	240,719,966,698
Current deposit and other accounts		23,882,039,031	21,659,650,401
Bills payable		3,563,740,137	5,611,244,593
Savings bank deposits		44,672,378,291	39,622,907,587
Fixed deposits		123,752,106,294	104,278,221,622
Term deposit		76,731,828,563	69,547,942,495
Subordinated bonds	14	2,750,000,000	1,024,000,000
Other liabilities	15	31,232,769,831	25,581,266,446
Total liabilities		311,797,129,687	270,440,563,617
Shareholders' equity			
Total shareholders' equity		40,336,957,451	36,114,283,897
Paid-up capital	16.2	23,704,534,940	19,753,779,120
Statutory reserve	17	12,944,994,585	11,392,420,005
General reserve	18	38,683,490	52,527,544
Other reserve	19	563,904,806	1,091,968,708
Retained earnings	20	3,084,723,413	3,823,506,459
		40,336,841,234	36,114,201,836
Non-controlling (minority) interest		116,217	82,061
Total liabilities and shareholders' equity		352,134,087,138	306,554,847,514





National Bank Limited and Its Subsidiaries
Consolidated Balance Sheet
As at December 31, 2017

Particulars	Notes	Amount in BDT	
		2017	2016
OFF-BALANCE SHEET ITEMS			
Contingent liabilities		56,558,702,285	46,987,503,918
Acceptances and endorsements		20,940,105,122	15,019,255,460
Letters of guarantee	21	10,893,558,984	10,113,772,243
Irrevocable letters of credit		18,987,834,721	17,255,783,485
Bills for collection		5,737,203,458	4,598,692,730
Other contingent liabilities		-	-
Other commitments		82,870,600	-
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		82,870,600	-
Other exchange contracts		-	-
Total off-balance sheet items including contingent liabilities		56,641,572,885	46,987,503,918

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

Managing Director (CC)

Director

Director

Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka
April 30, 2018

Rahman Mostafa Alam & Co.
Chartered Accountants





National Bank Limited and Its Subsidiaries
Consolidated Profit and Loss Statement
For the year ended December 31, 2017

Particulars	Notes	Amount in BDT	
		2017	2016
Interest income	22	22,517,073,480	18,964,101,306
Less: Interest paid on deposits and borrowings, etc.	23	16,106,469,182	14,868,513,346
Net interest income		6,410,604,298	4,095,587,960
Investment income	24	7,594,737,512	10,415,188,620
Commission, exchange and brokerage	25	1,817,425,090	1,542,690,402
Other operating income	26	601,751,674	546,384,979
		10,013,914,276	12,504,264,001
Total operating income		16,424,518,574	16,599,851,961
Salaries and allowances	27	3,874,881,338	3,740,555,641
Rent, taxes, insurance, electricity, etc.	28	722,270,878	717,160,353
Legal expenses	29	19,348,996	26,611,944
Postage, stamp, telecommunication, etc.	30	77,822,812	73,824,078
Stationery, printing, advertisement, etc.	31	92,685,612	111,796,937
Managing Director's salary and allowances	32	845,000	10,148,295
Directors' fees and other benefits	33	3,912,494	7,413,095
Auditors' fees	34	1,547,588	1,944,750
Charges on loan losses		9,647,081	31,872,356
Repairs, maintenance and depreciation	35	649,672,064	651,597,608
Other expenses	36	574,205,482	411,543,814
Total operating expenses		6,026,839,345	5,784,468,871
Profit before provision		10,397,679,229	10,815,383,090
Provision for loans and advances			
Specific provision	15.2(a)	1,457,000,000	1,112,000,000
General provision (Including off-balance sheet items)	15.2(b)	1,046,000,000	1,218,000,000
Provision for good borrowers	15.2(d)	-	-
		2,503,000,000	2,330,000,000
Provisions for other classified assets	15.4	-	-
Total provision		2,503,000,000	2,330,000,000
Total profit before taxes		7,894,679,229	8,485,383,090
Provision for taxation			
Current tax	15.1	3,228,571,806	2,871,561,618
Deferred tax	15.6	(132,175,307)	5,262,147
		3,096,396,499	2,876,823,765
Net profit after tax		4,798,282,730	5,608,559,325
Net profit after tax attributable to:			
Non-controlling interest		34,156	6,516
Equity holders of parent company		4,798,248,574	5,608,552,809
Net profit after taxation without non-controlling interests		4,798,248,574	5,608,552,809
Retained earnings brought forward from previous year		3,823,506,459	2,488,521,769
		8,621,755,033	8,097,074,578
Appropriations			
Statutory reserve	17	(1,552,574,580)	(1,684,626,800)
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)	(12,361,439)
Dividend			
Bonus shares 20% for 2016 and 15% for 2015		(3,950,755,820)	(2,576,579,880)
		(5,537,031,620)	(4,273,568,119)
Retained earnings carried forward		3,084,723,413	3,823,506,459
Earnings per share (EPS) restated	39	2.02	2.37

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

Managing Director (CC)

Director

Director

Chairman

Dated: Dhaka
April 30, 2018

Rahman Mostafa Alam & Co.
Chartered Accountants





National Bank Limited and Its Subsidiaries
Consolidated Statement of Changes in Equity
For the year ended December 31, 2017

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Other Reserve	Retained Earnings	Total	Non-controlling interest	Total equity
	Amount in BDT							
Balance on January 01, 2017	19,753,779,120	11,392,420,005	52,527,544	1,091,968,708	3,823,506,459	36,114,201,836	82,061	36,114,283,897
Net profit for the year	-	-	-	-	4,798,248,574	4,798,248,574	34,156	4,798,282,730
Bonus shares for 2016 issued during the year	3,950,755,820	-	-	-	(3,950,755,820)	-	-	-
Cash dividend paid by overseas subsidiaries	-	-	-	-	(37,868,992)	(37,868,992)	-	(37,868,992)
Transferred to statutory reserve	-	1,552,574,580	-	-	(1,552,574,580)	-	-	-
Revaluation of Government treasury bills, bonds and other investment	-	-	-	(528,063,902)	-	(528,063,902)	-	(528,063,902)
Addition during the year	-	-	4,560,946	-	-	4,560,946	-	4,560,946
Adjustment for prior year (overseas operation)	-	-	-	-	(14,237,228)	(14,237,228)	-	(14,237,228)
Transferred from general reserve (overseas oper.)	-	-	(18,405,000)	-	18,405,000	-	-	-
Balance at December 31, 2017	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
Balance at December 31, 2016	19,753,779,120	11,392,420,005	52,527,544	1,091,968,708	3,823,506,459	36,114,201,836	82,061	36,114,283,897

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

Managing Director (CC)

Director

Director

Chairman





National Bank Limited and Its Subsidiaries

Consolidated Cash Flow Statement
For the year ended December 31, 2017

Particulars	Note	Amount in BDT	
		2017	2016
A) Cash flows from operating activities			
Interest received		21,655,618,942	18,947,443,529
Interest paid		(15,348,261,622)	(13,794,562,689)
Income from Investment		7,190,676,779	5,239,350,547
Fees, commission, exchange and brokerage		1,819,572,790	1,541,232,004
Cash paid to employees		(3,879,638,832)	(3,558,117,031)
Cash paid to suppliers		(1,071,486,085)	(1,168,820,062)
Income taxes paid	15.1	(1,826,042,439)	(2,367,642,260)
Received from other operating activities		600,522,929	554,308,088
Paid for other operating activities		(574,205,122)	(393,786,174)
Operating profit before changes in operating assets and liabilities		8,566,757,340	4,999,405,952
Increase/(decrease) in operating assets and liabilities			
Sale of trading securities		6,524,050,272	79,177,010
Purchase of trading securities		(6,556,128,256)	(38,714,801)
Loans and advances to other banks		-	-
Loans and advances to customers		(37,252,599,311)	(20,898,609,318)
Other assets		(58,903,350)	(587,483,952)
Deposits from other banks		(395,775,712)	7,065,014,688
Deposits from customers		32,277,901,330	12,024,988,610
Other liabilities		121,755,518	(981,705,233)
		(5,339,699,509)	(3,337,332,996)
Net cash from operating activities		3,227,057,831	1,662,072,956
B) Cash flows from investing activities			
Proceeds from sale of Government and unquoted securities		529,982,115,084	126,663,601,594
Investment made during the year (Govt. and unquoted securities)		(529,978,104,773)	(127,541,944,025)
Purchase of property, plant and equipment		(209,061,471)	(857,349,988)
Sale proceeds of fixed assets		1,811,246	114,818
Net cash used in investing activities		(203,239,914)	(1,735,577,601)
C) Cash flows from financing activities			
Borrowings from other banks, financial institutions and agents		2,096,937,067	(1,046,429,541)
Issued / (Redemption) of sub-ordinated bonds		1,726,000,000	(256,000,000)
Net cash used in financing activities		3,822,937,067	(1,302,429,541)
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)		6,846,754,984	(1,375,934,186)
E) Effects of exchange rate changes on cash and cash equivalents		27,542,038	3,718,362
		6,874,297,022	(1,372,215,824)
F) Cash and cash equivalents at beginning of the year		27,490,521,181	28,862,737,005
G) Cash and cash equivalents at end of the year (D+E+F)		34,364,818,203	27,490,521,181
Cash and cash equivalents at end of the year			
Cash in hand (including foreign currencies)		3,432,689,173	2,620,733,655
Balances with Bangladesh Bank and its agent bank (s)		19,339,323,185	18,454,682,912
Balances with other banks and financial institutions		7,986,190,345	3,317,476,214
Money at call and on short notice		3,601,300,000	3,091,300,000
Prize bonds		5,315,500	6,328,400
		34,364,818,203	27,490,521,181

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

Managing Director (CC)

Director

Director

Chairman





National Bank Limited
Balance Sheet
As at December 31, 2017

Particulars	Notes	Amount in BDT	
		2017	2016
PROPERTY AND ASSETS			
Cash		22,628,888,704	21,020,835,955
In hand (including foreign currencies)	3	3,289,565,519	2,566,153,043
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4	19,339,323,185	18,454,682,912
Balance with other banks and financial institutions	5	7,446,025,979	3,059,969,383
In Bangladesh		6,944,956,722	1,133,106,050
Outside Bangladesh		501,069,257	1,926,863,333
Money at call and on short notice	6	3,601,300,000	3,091,300,000
Investments	7	60,338,451,526	60,665,879,535
Government		49,125,479,645	49,553,106,806
Others		11,212,971,881	11,112,772,729
Loans and advances	8	248,467,148,359	209,929,074,511
Loans, cash credits, overdrafts, etc.		241,718,727,352	205,939,057,850
Bills purchased and discounted		6,748,421,007	3,990,016,661
Fixed assets including premises, furniture and fixtures	9	2,882,032,808	3,165,699,513
Other assets	10	4,992,750,075	4,348,184,857
Non-banking assets	11	335,820,241	335,820,241
Total assets		350,692,417,692	305,616,763,995
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12	5,212,267,540	3,060,342,586
Deposits and other accounts	13	272,771,315,415	241,329,876,862
Current deposit and other accounts		23,883,154,407	21,659,650,401
Bills payable		3,563,740,137	5,611,244,593
Savings bank deposits		44,672,378,291	39,622,907,587
Fixed deposits		123,752,106,294	104,278,221,622
Term deposit		76,899,936,286	70,157,852,659
Subordinated bonds	14	2,750,000,000	1,024,000,000
Other liabilities	15	29,588,011,799	23,999,669,691
Total liabilities		310,321,594,754	269,413,889,139
Shareholders' equity			
Total shareholders' equity		40,370,822,938	36,202,874,856
Paid-up capital	16.2	23,704,534,940	19,753,779,120
Statutory reserve	17	12,944,994,585	11,392,420,005
Other reserve	19	563,904,806	1,091,968,708
Retained earnings	20	3,157,388,607	3,964,707,023
Total liabilities and shareholders' equity		350,692,417,692	305,616,763,995





National Bank Limited
Balance Sheet
As at December 31, 2017

Particulars	Notes	Amount in BDT	
		2017	2016
OFF-BALANCE SHEET ITEMS			
Contingent liabilities		56,558,702,285	46,987,503,918
Acceptances and endorsements		20,940,105,122	15,019,255,460
Letters of guarantee	21	10,893,558,984	10,113,772,243
Irrevocable letters of credit		18,987,834,721	17,255,783,485
Bills for collection		5,737,203,458	4,598,692,730
Other contingent liabilities		-	-
Other commitments		82,870,600	-
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		82,870,600	-
Other exchange contracts		-	-
Total off-balance sheet items including contingent liabilities		56,641,572,885	46,987,503,918

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

Managing Director (CC)

Director

Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka
April 30, 2018

Rahman Mostafa Alam & Co.
Chartered Accountants





National Bank Limited
Profit and Loss Statement
For the year ended December 31, 2017

Particulars	Notes	Amount in BDT	
		2017	2016
Interest income	22	22,546,172,578	18,947,931,710
Less: Interest paid on deposits and borrowings, etc.	23	16,107,005,511	14,872,877,573
Net interest income		6,439,167,067	4,075,054,137
Investment income	24	7,469,850,778	10,381,246,307
Commission, exchange and brokerage	25	1,543,832,515	1,327,775,031
Other operating income	26	592,730,768	526,901,359
		9,606,414,061	12,235,922,697
Total operating income		16,045,581,128	16,310,976,834
Salaries and allowances	27	3,771,415,051	3,646,683,620
Rent, taxes, insurance, electricity, etc.	28	681,283,233	677,391,440
Legal expenses	29	19,348,996	26,524,444
Postage, stamp, telecommunication, etc.	30	73,006,561	69,729,628
Stationery, printing, advertisement, etc.	31	89,797,472	108,881,842
Managing Director's salary and allowances	32	845,000	10,148,295
Directors' fees and other benefits	33	3,824,294	6,046,513
Auditors' fees	34	500,000	500,000
Charges on loan losses		9,647,081	31,872,356
Repairs, maintenance and depreciation	35	631,587,587	639,702,053
Other expenses	36	498,452,951	340,362,642
Total operating expenses		5,779,708,226	5,557,842,833
Profit before provision		10,265,872,902	10,753,134,001
Provision for loans and advances			
Specific provision	15.2(a)	1,457,000,000	1,112,000,000
General provision (including off-balance sheet items)	15.2(b)	1,046,000,000	1,218,000,000
Provision for good borrowers	15.2(d)	-	-
		2,503,000,000	2,330,000,000
Provision for other classified assets	15.4	-	-
Total provision		2,503,000,000	2,330,000,000
Total profit before tax		7,762,872,902	8,423,134,001
Provision for taxation			
Current tax	15.1	3,199,036,225	2,850,000,000
Deferred tax	15.6	(132,175,307)	5,262,147
		3,066,860,918	2,855,262,147
Net profit after tax		4,696,011,984	5,567,871,854
Retained earnings brought forward from previous year		3,964,707,023	2,658,041,849
		8,660,719,007	8,225,913,703
Appropriations			
Statutory reserve	17	(1,552,574,580)	(1,684,626,800)
Dividend			
Bonus shares 20% for 2016 and 15% for 2015		(3,950,755,820)	(2,576,579,880)
		(5,503,330,400)	(4,261,206,680)
Retained earnings carried forward		3,157,388,607	3,964,707,023
Earnings per share (EPS) restated	39	1.98	2.35

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

Managing Director (CC)

Director

Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka
April 30, 2018

Rahman Mostafa Alam & Co.
Chartered Accountants





National Bank Limited
Statement of Changes in Equity
For the year ended December 31, 2017

Particulars	Paid-up Capital	Statutory Reserve	Other Reserve	Retained Earnings	Total
	Amount in BDT				
Balance at on January 01, 2017	19,753,779,120	11,392,420,005	1,091,968,708	3,964,707,023	36,202,874,856
Net profit for the year	-	-	-	4,696,011,984	4,696,011,984
Bonus shares for 2016 issued during the year	3,950,755,820	-	-	(3,950,755,820)	-
Transferred to statutory reserve	-	1,552,574,580	-	(1,552,574,580)	-
Revaluation of Govt. Treasury bills, bonds and other investment	-	-	(528,063,902)	-	(528,063,902)
Balance at December 31, 2017	<u>23,704,534,940</u>	<u>12,944,994,585</u>	<u>563,904,806</u>	<u>3,157,388,607</u>	<u>40,370,822,938</u>
Balance at December 31, 2016	<u>19,753,779,120</u>	<u>11,392,420,005</u>	<u>1,091,968,708</u>	<u>3,964,707,023</u>	<u>36,202,874,856</u>

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


Managing Director (CC)


Director


Director


Chairman





National Bank Limited
Cash Flow Statement
For the year ended December 31, 2017

Particulars	Notes	Amount in BDT	
		2017	2016
A) Cash flows from operating activities			
Interest received		21,684,718,040	18,931,273,933
Interest paid		(15,348,797,951)	(13,798,926,916)
Income from investment		7,167,596,208	5,274,124,548
Fees, commission, exchange and brokerage		1,543,832,515	1,327,775,031
Cash paid to employees		(3,776,084,345)	(3,462,878,428)
Cash paid to suppliers		(1,003,154,356)	(1,108,613,799)
Income taxes paid	15.1	(1,826,042,439)	(2,367,642,260)
Received from other operating activities		591,502,023	534,824,468
Paid for other operating activities		(498,452,591)	(322,605,002)
Operating profit before changes in operating assets and liabilities		8,535,117,104	5,007,331,575
Increase/(decrease) in operating assets and liabilities			
Sale of trading securities-quoted shares		5,167,677,861	79,177,010
Purchase of trading securities-quoted shares		(4,801,850,190)	(38,714,801)
Loans and advances to other banks		-	-
Loans and advances to customers		(37,303,062,410)	(21,181,261,886)
Other assets	37	(331,788,822)	(545,062,420)
Deposits from other banks		(395,775,712)	7,065,014,688
Deposits from customers		31,837,214,265	12,151,956,926
Other liabilities	38	93,053,821	(1,123,110,292)
		(5,734,531,187)	(3,592,000,775)
Net cash from operating activities		2,800,585,917	1,415,330,800
B) Cash flows from investing activities			
Proceeds from sale of Government and unquoted securities		529,982,115,084	126,663,601,594
Investment made during the year (Govt. and un-quoted securities)		(529,978,104,773)	(127,541,944,025)
Purchase of property, plant and equipment		(208,778,021)	(857,349,988)
Sale proceeds of fixed assets		1,811,246	114,818
Net cash used in investing activities		(202,956,464)	(1,735,577,601)
C) Cash flows from financing activities			
Borrowings from other banks, financial institutions and agents		2,151,924,954	(837,451,291)
Issued / (Redemption) of sub-ordinated bond		1,726,000,000	(256,000,000)
Net cash from/(used in) financing activities		3,877,924,954	(1,093,451,291)
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)		6,475,554,407	(1,413,698,092)
E) Effects of exchange rate changes on cash and cash equivalents		27,542,038	3,718,362
		6,503,096,445	(1,409,979,730)
F) Cash and cash equivalents at beginning of the year		27,178,433,738	28,588,413,468
G) Cash and cash equivalents at end of the year (D+E+F)		33,681,530,183	27,178,433,738
Cash and cash equivalents at end of the year			
Cash in hand (including foreign currencies)		3,289,565,519	2,566,153,043
Balances with Bangladesh Bank and its agent bank (s)		19,339,323,185	18,454,682,912
Balances with other banks and financial institutions		7,446,025,979	3,059,969,383
Money at call and on short notice		3,601,300,000	3,091,300,000
Prize bonds		5,315,500	6,328,400
		33,681,530,183	27,178,433,738

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

Managing Director (CC)

Director

Director

Chairman

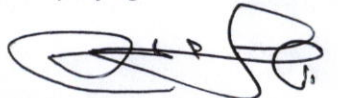



National Bank Limited
Liquidity Statement (Analysis of Maturity of Assets and Liabilities)
As at December 31, 2017

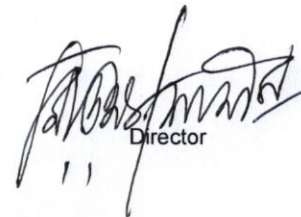
Particulars	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	Above 5-years term	Total
	Amount in BDT					
Assets						
Cash in hand	3,289,565,519	-	-	-	-	3,289,565,519
Balance with Bangladesh Bank and its agent bank	19,339,323,185	-	-	-	-	19,339,323,185
Balances with other banks and financial institutions	2,980,767,527	3,074,482,637	1,324,575,300	66,200,515	-	7,446,025,979
Money at call and short notice	3,601,300,000	-	-	-	-	3,601,300,000
Investments	108,533,922	714,605,760	4,652,955,578	22,162,793,778	32,699,562,488	60,338,451,526
Loans and advances	40,997,079,479	3,478,540,077	59,632,115,606	75,008,158,479	69,351,254,718	248,467,148,359
Fixed assets including land, building, furniture and fixtures	19,603,190	39,206,380	176,472,925	691,771,003	1,954,979,310	2,882,032,808
Other assets	688,078,858	744,566,808	1,737,520,583	1,822,583,826	-	4,992,750,075
Non-banking assets	-	-	-	335,820,241	-	335,820,241
Total assets	71,024,251,680	8,051,401,662	67,523,639,992	100,087,327,842	104,005,796,516	350,692,417,692
Liabilities						
Borrowings from other banks, financial institutions and agents	757,471,374	2,035,219,020	2,419,577,146	-	-	5,212,267,540
Deposits and other accounts	43,161,403,953	41,216,305,538	93,037,435,306	67,787,329,042	27,568,841,577	272,771,315,415
Subordinated bond	-	-	-	1,650,000,000	1,100,000,000	2,750,000,000
Other liabilities	536,997,181	2,091,158,003	9,460,698,097	17,499,158,518	-	29,588,011,799
Total liabilities	44,455,872,508	45,342,682,561	104,917,710,548	86,936,487,560	28,668,841,577	310,321,594,754
Net liquidity gap	26,568,379,172	(37,291,280,899)	(37,394,070,556)	13,150,840,282	75,336,954,939	40,370,822,938

*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 (CC)


Director


Director


Chairman





National Bank Limited
Notes to the financial statements
For the year ended December 31, 2017

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 (200) 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.





NBL Money Transfer (Maldives) Private Ltd

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

NBL Money Transfer Payment Foundation SA (Greece)

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

NBL Money Transfer Inc. (USA)

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

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

2.1 Statement of compliance

The consolidated financial statements of the Group and the financial statements of the bank have been prepared for the year ended 31 December 2017 in compliance with the Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BAS), 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 BFRS, the requirements of the Bank Companies Act 1991, provisions and circulars issued by BB shall prevail. Material departure from the requirements of BFRS are as follows:

i) Presentation of financial statement

BFRS: As per BAS 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 BAS 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

BFRS: As per requirements of BAS 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 BFRS 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

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

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





HTM

Investments classified as HTM are non-derivative financial instruments with fixed or determinable future receipt on maturity that the Bank's management has the intention and ability to hold till maturity. These particular investments have been revalued as marked to market as at 31 December 2017, 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

BFRS: As per BAS 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 BAS 39.

v) Recognition of interest in suspense

BFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 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):

BFRS: As per BAS 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 BAS 39. As such full disclosure and presentation requirements of BFRS 7: "Financial Instruments: Disclosures" and BAS 32 "Financial Instruments: Presentation" cannot be made in the financial statements.

viii) Financial guarantees

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

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





ix) **Cash and cash equivalents**

BFRS: Cash and cash equivalent items should be reported as cash item as per BAS 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**

BFRS: No indication of non-banking asset is found in any BFRS.

Bangladesh Bank: As per BRPD 14, there must exist a face item named Non-banking asset.

xi) **Cash flow statement**

BFRS: 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)**

BFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per BAS 7.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

xiii) **Presentation of intangible asset**

BFRS: An intangible asset must be identified and recognised, and the disclosure must be given as per BAS 38: "Intangible Assets".

Bangladesh Bank: There is no regulation for intangible assets in circular no. BRPD 14.

xiv) **Off-balance sheet items**

BFRS: There is no concept of off-balance sheet items in any BFRS; 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**

BFRS: Loans and advances/Investments should be presented net of provision.

Bangladesh Bank: As per BRPD 14, provision on loans and advances/investments are presented separately as liability and can not be netted off against loans and advances.

2.2 **Basis of preparation of financial statements**

The financial statements of the Bank as at 31 December 2017 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, BFRS, BASS, 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 BAS-27: 'Separate Financial Statements' and BFRS-10: 'Consolidated Financial Statements.' The consolidated as well as separate financial statements are prepared for a common financial year ended on 31 December 2017.

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.





2.4 Use of estimates and judgment

Preparation of the financial statements in conformity with BFRS/BAS 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 BAS-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 BAS-39: 'Financial Instruments: Recognition and Measurement'.

c) Sale and repurchase agreement

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

d) Revaluation

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

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



2.6.4 Fixed assets and depreciation

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

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

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

On additions to fixed assets depreciation is charged from the date of acquisition and no depreciation is charged in the year of disposal of the same. Gain or loss on sale of fixed assets is recognised in profit and loss statement as per provision of BAS 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 BAS-19: 'Employee Benefits.'

Superannuation fund

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

c) Other benefits

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



2.7.2 Provision for liabilities

A provision is 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 BAS-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 and BRPD circular no. 08 dated 02 August 2015. 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	2%	2%	20%	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	2.5%	-	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 @ 40% as prescribed in the Financial Act 2017 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 BAS-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.

2.9 Revenue recognition

The revenues during the year are recognised complying all conditions of revenue recognition as prescribed in BAS-18: '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 BAS-21: 'The Effects of Changes in Foreign Exchange Rates.' As per this standard monetary items not denominated in BDT and cash transactions not completed at the reporting date are translated into BDT using current market rates. Non-monetary items carried at fair value are translated into BDT using current market price at the reporting date and non-monetary items carried at cost are translated using the rate applicable at the time of acquisition. Transaction rates are used to translate the items related to income and expenses.

2.12 Risk management

2.12.1 Asset liability management

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





2.12.2 Money laundering risk management

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

2.12.3 Credit risk management

Credit Risk is defined as potential loss arising from the failure of a counter party to meet financial obligations as per contractual agreement with the Bank. For maintaining steady growth of the Bank and for economic development of the country, NBL manages credit risk meticulously. NBL extends credit facilities to different 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 BAS-33: 'Earnings per Share,' which is shown on the face of the Profit and Loss Statement. This has been calculated by dividing the net profit after tax by the weighted average number of ordinary shares outstanding as on 31 December 2017.

2.14 Cash flow statement

Cash flow statement has been prepared in accordance with BAS-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 BAS-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 275 crore during the period in 1st tannsche . This is eligible for Tier-II capital as per Basel III Guidelines of Bangladesh Bank. Details of terms and conditions are as follows:

Issue size : BDT400 crore
First tranche issue : BDT 275 crore

Issue objectives : Raising of Tier -II capital to meet the requirement under Basel-III
Issue arranger : RSA Capital Limited
Nature of instrument : Un-secured, non-convertible, subordinated bond
Mode of placement : Private placement
Listing : Unlisted
Security : Unsecured
Rating status of the issue : A2
Redemption : Paid annually on prorata basis to bond holders in installment of 20% per year commencing at the third anniversary of the bonds from the date of issue.

Redemption value : At par
Tenure : 7 years
Coupon rate : Base rate +2.50 % margin

2.20 General

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



National Bank Ltd
Notes to the financial statements
For the year ended December 31, 2017

	Amount in BDT			
	Group		Bank	
	2017	2016	2017	2016
3. Cash				
3.1 In hand (including foreign currencies)				
Local currency	3,238,482,309	2,554,934,948	3,238,445,755	2,554,872,593
Foreign currencies	194,206,864	65,798,707	51,119,764	11,280,450
	3,432,689,173	2,620,733,655	3,289,565,519	2,566,153,043
4. Balance with Bangladesh Bank and its agent bank (including foreign currencies)				
Balance with Bangladesh Bank				
Local currency	18,474,656,534	16,830,044,789	18,474,656,534	16,830,044,789
Foreign currencies	66,413,268	708,270,094	66,413,268	708,270,094
	18,541,069,802	17,538,314,883	18,541,069,802	17,538,314,883
Balance with agent bank (Sonali Bank Ltd)	798,253,383	916,368,029	798,253,383	916,368,029
	19,339,323,185	18,454,682,912	19,339,323,185	18,454,682,912

An amount of BDT 4,000,000 has been marked as lien with Bangladesh Bank upto 30 June 2018 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, BRPD circular nos. 11 and 12, dated 25 August 2005 and DOS circular no. 6 dated 05 October 2005, MPD circular no. 116/2010-1712 & 04 dated 01 December 2010 and MPD circular no. 01 dated 23 June 2014.

The Cash Reserve Requirement on the Bank's time and demand liabilities @ 6.50% 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)	260,165,317,000	223,011,579,250	260,165,317,000	223,011,579,250
Required reserve (6.50% on average time and demand liabilities)	16,910,745,605	14,495,752,651	16,910,745,605	14,495,752,651
Actual reserve maintained	17,178,337,490	15,187,825,568	17,178,337,490	15,187,825,568
Surplus	267,591,885	692,072,917	267,591,885	692,072,917
4.1.2 Statutory Liquidity Ratio (SLR)				
Average time and demand liabilities (excluding inter-bank deposits)	260,165,317,000	223,011,579,250	260,165,317,000	223,011,579,250
Required reserve (13% on average time and demand liabilities)	33,821,491,210	28,991,505,302	33,821,491,210	28,991,505,302
Actual reserve maintained (excluding CRR)	54,719,226,432	55,272,321,416	54,719,226,432	55,272,321,416
Surplus	20,897,735,222	26,280,816,114	20,897,735,222	26,280,816,114
4.1.3 Composition of CRR and SLR maintained*				
Cash in hand	3,289,565,519	2,566,153,043	3,289,565,519	2,566,153,043
Balance with agent bank (Sonali Bank Ltd)	798,253,383	916,368,029	798,253,383	916,368,029
Unencumbered approved securities (HTM, HFT and reverse REPO)	50,631,407,530	51,789,800,344	50,631,407,530	51,789,800,344
	54,719,226,432	55,272,321,416	54,719,226,432	55,272,321,416

* As per statement submitted to Bangladesh Bank

5. Balance with other banks and financial institutions

In Bangladesh - in local currencies (note 5.1)	7,263,894,546	1,214,892,984	6,944,956,722	1,133,106,050
Outside Bangladesh (note 5.2) (Annex - B)	722,295,799	2,102,583,230	501,069,257	1,926,863,333
	7,986,190,345	3,317,476,214	7,446,025,979	3,059,969,383

5.1 Inside Bangladesh

5.1.1 Current accounts

Agrani Bank Ltd	55,623,556	44,071,458	55,623,556	44,071,458
Janata Bank Ltd	141,888,764	99,888,474	141,888,764	99,888,474
Rupali Bank Ltd	62,967	63,542	62,967	63,542
Standard Chartered Bank	6,139,502	23,570,912	6,139,502	23,570,912
Sonali Bank Ltd	20,558,781	41,370,901	20,558,781	41,370,901
	224,273,570	208,965,287	224,273,570	208,965,287

5.1.2 Short-notice deposit accounts

Eastern Bank Ltd	156,381	156,623	156,381	156,623
Janata Bank Ltd	594,105	572,827	594,105	572,827
National Credit and Commercial Bank Ltd	103,746	102,508	103,746	102,508
First Security Islami Bank Ltd	81,778	80,139	81,778	80,139
Dhaka Bank Ltd	191,138	186,086	191,138	186,086
Standard Chartered Bank	1,007,064	1,007,064	1,007,064	1,007,064
Trust Bank Ltd	22,348,425	55,819,311	22,348,425	55,819,311
	24,482,637	57,924,558	24,482,637	57,924,558

Amount in BDT			
Group		Bank	
2017	2016	2017	2016

5.1.3 Fixed deposit accounts (in local currency)

ICB Islamic Bank Ltd	66,200,515	66,216,205	66,200,515	66,216,205
NRB Global Bank Ltd	1,500,000,000	-	1,500,000,000	-
Union Bank Ltd	1,280,000,000	-	1,280,000,000	-
	2,846,200,515	66,216,205	2,846,200,515	66,216,205
Other financial institutions	3,850,000,000	800,000,000	3,850,000,000	800,000,000
	6,944,956,722	1,133,106,050	6,944,956,722	1,133,106,050
Bank balance of subsidiaries	318,937,824	81,786,934	-	-
	7,263,894,546	1,214,892,984	6,944,956,722	1,133,106,050

5.2 Outside Bangladesh

5.2.1 Fixed deposits accounts (interest bearing) :

JP Morgan Chase Bank, Singapore	44,575,300	42,420,486	44,575,300	42,420,486
Social Islami Bank Ltd, OBU	-	275,457,700	-	275,457,700
Eastern Bank Ltd, OBU	-	236,106,600	-	236,106,600
BRAC Bank Ltd, OBU	-	393,511,000	-	393,511,000
Mercantile Bank Ltd OBU	82,700,000	-	82,700,000	-
	127,275,300	947,495,786	127,275,300	947,495,786

In demand deposit accounts (non-interest bearing):

Standard Chartered Bank, Mumbai	6,515,040	52,061,165	6,515,040	52,061,165
Standard Chartered Bank, Frankfurt	1,348,606	350,601	1,348,606	350,601
Mashreq Bank, New York	30,957,597	133,223,773	30,957,597	133,223,773
JP Morgan Chase Bank, New York	169,455,524	226,758,552	169,455,524	226,758,552
Standard Chartered Bank, New York	20,477,719	183,133,568	20,477,719	183,133,568
Sonali Bank Ltd, Kolkata	18,170,672	32,848,664	18,170,672	32,848,664
Sonali Bank Ltd, London	3,476,707	1,297,026	3,476,707	1,297,026
Mashreq Bank, Mumbai	17,991,572	30,928,362	17,991,572	30,928,362
State Bank of India, Kolkata	506,295	481,820	506,295	481,820
United Bank, Karachi	2,581,516	2,456,723	2,581,516	2,456,723
NABIL Bank, Nepal	9,076,604	8,815,352	9,076,604	8,815,352
Standard Chartered Bank, Colombo	762,917	2,281,629	762,917	2,281,629
Myanmar Foreign Trade, Myanmar	11,400	52,168	11,400	52,168
AB Bank Ltd, Mumbai	11,653,646	58,984,813	11,653,646	58,984,813
Bank of Bhutan, Thimpu	888,176	8,241,304	888,176	8,241,304
ICICI Bank Ltd, Mumbai	3,163,959	3,011,010	3,163,959	3,011,010
HDFC Bank Ltd, India	10,701,224	40,520,762	10,701,224	40,520,762
Commerz Bank, Frankfurt	3,763,342	2,206,761	3,763,342	2,206,761
Uni Credito Italiano SPA, Italy	44,319	2,229,591	44,319	2,229,591
Alpha Bank AE, Athens	19,801,269	16,555,283	19,801,269	16,555,283
BOT, Tokyo	68,879	2,834,686	68,879	2,834,686
Union Bank of Switzerland, Switzerland	373,010	276,373	373,010	276,373
Habib Bank AG, Zurich	190,382	77,587	190,382	77,587
Habib Bank, Karachi	-	39,258,185	-	39,258,185
Habib American Bank, New York	17,322,904	85,872,428	17,322,904	85,872,428
Standard Chartered Bank, Singapore	973,182	957,311	973,182	957,311
Wachovia Bank, New York	-	29,826,399	-	29,826,399
Citibank N.A, New York	23,517,496	13,825,651	23,517,496	13,825,651
	373,793,957	979,367,547	373,793,957	979,367,547
Bank Balance of subsidiaries	221,226,542	175,719,897	-	-
	595,020,499	1,155,087,444	373,793,957	979,367,547
	722,295,799	2,102,583,230	501,069,257	1,926,863,333

Details are shown in **Annex B**.

5.3 Maturity grouping of balance with other banks and financial institutions

On demand	1,138,231,893	1,424,943,136	598,067,527	1,167,436,305
Up to 1 month	2,382,700,000	78,721,087	2,382,700,000	78,721,087
More than 1 month but not more than 3 months	3,074,482,637	1,747,495,786	3,074,482,637	1,747,495,786
More than 3 months but not more than 1 year	1,324,575,300	100,000	1,324,575,300	100,000
More than 1 year but not more than 5 years	66,200,515	66,216,205	66,200,515	66,216,205
More than 5 years	-	-	-	-
	7,986,190,345	3,317,476,214	7,446,025,979	3,059,969,383

6. Money at call and on short notice

Call money

With banking companies (note 6.1)	3,601,300,000	3,091,300,000	3,601,300,000	3,091,300,000
With non-banking financial institutions	-	-	-	-
	3,601,300,000	3,091,300,000	3,601,300,000	3,091,300,000





	Amount in BDT			
	Group		Bank	
	2017	2016	2017	2016
6.1 Call Money - with banking companies				
ICB Islamic Bank Ltd	91,300,000	91,300,000	91,300,000	91,300,000
AB Bank Ltd	-	900,000,000	-	900,000,000
Mercantile Bank Ltd	-	900,000,000	-	900,000,000
Pubali Bank Ltd	610,000,000	-	610,000,000	-
The City Bank Ltd	-	800,000,000	-	800,000,000
National Credit & Commerce Bank Ltd	200,000,000	-	200,000,000	-
BRAC Bank Ltd	1,200,000,000	400,000,000	1,200,000,000	400,000,000
	2,101,300,000	3,091,300,000	2,101,300,000	3,091,300,000
With Financial Institutions	1,500,000,000	-	1,500,000,000	-
	3,601,300,000	3,091,300,000	3,601,300,000	3,091,300,000
7. Investments				
Government (note 7.1)	49,125,479,645	49,553,106,806	49,125,479,645	49,553,106,806
Others (note 7.2)	8,300,002,998	7,744,520,762	11,212,971,881	11,112,772,729
	57,425,482,643	57,297,627,568	60,338,451,526	60,665,879,535
7.1 Government				
Bangladesh Bank bills	-	5,996,166,000	-	5,996,166,000
Treasury bills (note 7.1.1)	-	2,473,091,203	-	2,473,091,203
Treasury bonds (note 7.1.2)	49,120,164,145	41,077,521,203	49,120,164,145	41,077,521,203
Prize bonds	5,315,500	6,328,400	5,315,500	6,328,400
	49,125,479,645	49,553,106,806	49,125,479,645	49,553,106,806
7.1.1 Treasury bills				
182 days treasury bills	-	990,677,600	-	990,677,600
364 days treasury bills	-	1,482,413,603	-	1,482,413,603
	-	2,473,091,203	-	2,473,091,203
7.1.2 Treasury bonds				
2 years Bangladesh Government treasury bonds	600,176,400	27,725,802	600,176,400	27,725,802
5 years Bangladesh Government treasury bonds	3,895,438,278	5,859,834,849	3,895,438,278	5,859,834,849
10 years Bangladesh Government treasury bonds	26,667,371,284	21,063,666,535	26,667,371,284	21,063,666,535
15 years Bangladesh Government treasury bonds	10,133,389,281	8,472,047,215	10,133,389,281	8,472,047,215
20 years Bangladesh Government treasury bonds	7,823,788,902	5,654,246,802	7,823,788,902	5,654,246,802
	49,120,164,145	41,077,521,203	49,120,164,145	41,077,521,203
7.2 Others				
Share (quoted and unquoted) (note 7.2.1)	7,895,867,998	7,140,585,652	10,808,836,881	10,508,837,619
Subordinated bond	400,000,000	600,000,000	400,000,000	600,000,000
Fixed capital investment in Myanmar (note 7.2.2)	4,135,000	3,935,110	4,135,000	3,935,110
	8,300,002,998	7,744,520,762	11,212,971,881	11,112,772,729
7.2.1 In ordinary shares (quoted and unquoted)				
Quoted				
Banking Companies	5,136,994,434	5,290,379,421	5,136,994,434	5,290,379,421
Non-Bank Financial Institutions	355,200,882	94,969,850	355,200,882	94,969,850
Insurance companies	115,437,485	110,878,042	115,437,485	110,878,042
Fuel & Power	327,059,835	139,017,640	327,059,835	139,017,640
Mutual Fund	39,726,692	17,436,704	39,726,692	17,436,704
Telecommunication companies	16,218,412	3,144,274	16,218,412	3,144,274
Textiles	12,942,297	23,040,043	12,942,297	23,040,043
Cement Industry	9,537,862	17,468,286	9,537,862	17,468,286
Engineering Companies	22,916,223	138,765,207	22,916,223	138,765,207
Paper & Printing	3,458,080	-	3,458,080	-
Pharmaceuticals & Chemicals	39,139,611	4,080,192	39,139,611	4,080,192
Travel & Leisure	39,747,599	39,747,599	39,747,599	39,747,599
Information Technology	27,711,617	21,950,297	27,711,617	21,950,297
Tannery Industry	14,652,786	100,630	14,652,786	100,630
Miscellaneous	32,361,527	-	32,361,527	-
	6,193,105,342	5,900,978,185	6,193,105,342	5,900,978,185
Investment made by subsidiary	857,536,718	381,934,220	-	-
	7,050,642,060	6,282,912,405	6,193,105,342	5,900,978,185
Un-quoted				
Karma Sangsthan Bank Ltd	90,000,000	90,000,000	90,000,000	90,000,000
Gulf Overseas Exchange LLC, Oman	26,864,600	25,546,025	26,864,600	25,546,025
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)	7,435,799	6,201,683	7,435,799	6,201,683
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	-	-	20,304,400	17,543,900
NBL Money Transfer Pte. Ltd	-	-	18,516,300	16,283,220



Amount in BDT			
Group		Bank	
2017	2016	2017	2016
NBL Money Transfer (Maldives) PVT. Ltd	-	16,540,000	15,740,440
NBL Money Transfer Inc., USA	-	79,392,000	70,831,980
NBL Money Trans. Payment Foundation SA Greece	-	35,947,901	29,981,647
Bangladesh Rating Agency Ltd	4,165,900	4,165,900	4,165,900
Lanka Bangla Securities Ltd	4,998,049	4,998,049	4,998,049
BD Venture Ltd	20,000,000	20,000,000	20,000,000
Membership with DSE & CSE	650,000,000	650,000,000	-
MSF Asset Management	2,000,000	2,000,000	2,000,000
Placement to Pacific Denims Ltd.	-	-	15,000,000
	15,000,000	-	15,000,000
	<u>845,225,938</u>	<u>857,673,247</u>	<u>4,615,731,539</u>
	<u>7,895,867,998</u>	<u>7,140,585,652</u>	<u>10,808,836,881</u>

Market value of the investments in quoted shares

6,207,037,298 5,035,524,043

7.2.2 Fixed capital investment in Myanmar

Fixed capital investment represents FDR for USD 50,000 bearing interest @ 1 % p.a. maintained with Myanmar Foreign Trade Bank for Representative Office of National Bank Ltd in Myanmar, translated into BDT using the rate prevailing at 31 December of the corresponding year.

7.3 Maturity wise grouping on investments

On demand	-	-	-	-
Up to 1 month	108,533,922	6,166,410,461	108,533,922	6,166,410,461
Over 1 month but not more than 3 months	714,605,760	327,832,121	714,605,760	327,832,121
Over 3 months but not more than 1 year	4,652,955,578	4,148,335,749	4,652,955,578	4,148,335,749
Over 1 year but not more than 5 years	22,162,793,778	22,693,631,644	22,162,793,778	22,693,631,644
Over 5 years	29,786,593,605	23,961,417,593	32,699,562,488	27,329,669,560
	<u>57,425,482,643</u>	<u>57,297,627,568</u>	<u>60,338,451,526</u>	<u>60,665,879,535</u>

8. Loans and advances

Loans, cash credits, overdrafts, etc (note 8.1)
Bills purchased and discounted (note 8.2)

	245,654,534,937	209,925,328,534	241,718,727,352	205,939,057,850
	6,748,421,007	3,990,016,661	6,748,421,007	3,990,016,661
	<u>252,402,955,944</u>	<u>213,915,345,195</u>	<u>248,467,148,359</u>	<u>209,929,074,511</u>

8.1 Loans, cash credits, overdrafts, etc

In Bangladesh

Secured overdrafts	59,915,815,685	46,600,571,017	59,915,815,685	46,600,571,017
Cash credit	56,974,636,224	49,175,543,175	56,974,636,224	49,175,543,175
Loans (general)	94,951,485,118	83,695,596,459	97,164,647,189	85,445,596,459
House building loans	14,432,736,207	12,677,045,053	14,432,736,207	12,677,045,053
Lease finance	161,813,980	119,255,119	161,813,980	119,255,119
Loan against trust receipts	5,467,587,305	5,067,191,003	5,467,587,305	5,067,191,003
Payment against documents	901,735,247	631,329,770	901,735,247	631,329,770
Credit card	1,287,012,872	1,178,089,529	1,287,012,872	1,178,089,529
Margin loan	6,148,969,656	5,736,270,684	-	-
other loans and advances	5,412,742,643	5,044,436,725	5,412,742,643	5,044,436,725
	<u>245,654,534,937</u>	<u>209,925,328,534</u>	<u>241,718,727,352</u>	<u>205,939,057,850</u>

Outside Bangladesh

	-	-	-	-
	<u>245,654,534,937</u>	<u>209,925,328,534</u>	<u>241,718,727,352</u>	<u>205,939,057,850</u>

8.2 Bills purchased and discounted

In Bangladesh

Local bills purchased and discounted	1,264,532,300	1,449,751,186	1,264,532,300	1,449,751,186
Foreign bills/documents purchased and discounted	5,483,888,707	2,540,265,475	5,483,888,707	2,540,265,475
	<u>6,748,421,007</u>	<u>3,990,016,661</u>	<u>6,748,421,007</u>	<u>3,990,016,661</u>

Outside Bangladesh

	-	-	-	-
	<u>6,748,421,007</u>	<u>3,990,016,661</u>	<u>6,748,421,007</u>	<u>3,990,016,661</u>
	<u>252,402,955,944</u>	<u>213,915,345,195</u>	<u>248,467,148,359</u>	<u>209,929,074,511</u>

8.3 Maturity wise grouping of loans and advances including bills purchased and discounted repayable

On demand	11,181,021,676	3,073,667,461	11,181,021,676	3,073,667,461
Up to 1 month	24,846,714,836	21,328,938,306	29,816,057,803	21,328,938,306
More than 1 month but not more than 3 months	42,239,415,221	42,657,876,611	3,478,540,077	42,657,876,611
More than 3 months but not more than 1 year	59,632,115,606	53,741,143,950	59,632,115,606	53,741,143,950
More than 1 year but not more than 5 years	75,008,158,479	71,720,147,817	75,008,158,479	71,720,147,817
More than 5 years	39,495,530,126	21,393,571,050	69,351,254,718	17,407,300,366
	<u>252,402,955,944</u>	<u>213,915,345,195</u>	<u>248,467,148,359</u>	<u>209,929,074,511</u>

8.4 Loans and advances including bills purchased and discounted classified into

In Bangladesh:

Loans	128,764,083,028	114,149,214,342	124,828,275,443	110,162,943,658
Cash credits	56,974,636,224	49,175,543,175	56,974,636,224	49,175,543,175
Overdrafts	59,915,815,685	46,600,571,017	59,915,815,685	46,600,571,017
Bills purchased and discounted	6,748,421,007	3,990,016,661	6,748,421,007	3,990,016,661
	<u>252,402,955,944</u>	<u>213,915,345,195</u>	<u>248,467,148,359</u>	<u>209,929,074,511</u>

Outside Bangladesh

	-	-	-	-
	<u>252,402,955,944</u>	<u>213,915,345,195</u>	<u>248,467,148,359</u>	<u>209,929,074,511</u>

Amount in BDT			
Group		Bank	
2017	2016	2017	2016

8.5 Loans and advances on the basis of significant concentration

8.5.1 Loans and advances to directors, executives and others

Advances to directors and their allied concerns	207,348,352	381,822,703	207,348,352	381,822,703
Advances to CEO, senior executives and other staffs	1,543,044,000	1,253,789,000	1,543,044,000	1,253,789,000
Advances to customers (groupwise)	79,144,393,162	74,411,720,035	79,144,393,162	74,411,720,035
Industrial advances	75,646,144,307	55,745,815,828	75,646,144,307	55,745,815,828
Other customers	95,862,026,123	82,122,197,629	91,926,218,538	78,135,926,945
	252,402,955,944	213,915,345,195	248,467,148,359	209,929,074,511

8.5.2 Loans and advances allowed to each customer exceeding 10% of Bank's total capital

Total loans and advances (funded and non-funded)*		12,068,060,000	10,520,680,000
No. of customers		20	22
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 421.74 crore being 10% of total capital of BDT 4,217.39 crore) as at December 31, 2017.

Details are shown in **Annex C**.

8.5.3 Industry wise concentration of loans and advances (Including bills purchased and discounted)

Agriculture	3,494,220,959	2,287,159,737	3,494,220,959	2,287,159,737
Term loan to small cottage industries	3,463,132,295	1,866,806,765	3,463,132,295	1,866,806,765
Term loan to large and medium industries	71,897,493,766	61,729,686,796	71,897,493,766	61,729,686,796
Working capital to industries	39,506,513,429	43,549,400,257	39,506,513,429	43,549,400,257
Export credit	8,343,174,949	4,137,587,953	8,343,174,949	4,137,587,953
Trade finance	49,420,306,068	48,830,073,526	49,420,306,068	48,830,073,526
Consumer credit	1,500,348,563	903,088,617	1,500,348,563	903,088,617
Credit cards	1,287,012,872	1,178,089,529	1,287,012,872	1,178,089,529
Others	73,490,753,043	49,433,452,015	69,554,945,458	45,447,181,331
	252,402,955,944	213,915,345,195	248,467,148,359	209,929,074,511

8.5.4 Geographical location-wise grouping

In Bangladesh				
Dhaka Division	155,245,967,667	132,965,158,313	151,310,160,082	128,978,887,629
Chittagong Division	72,421,088,240	62,498,236,257	72,421,088,240	62,498,236,257
Khulna Division	5,779,190,449	4,640,553,985	5,779,190,449	4,640,553,985
Sylhet Division	1,271,929,773	1,135,700,958	1,271,929,773	1,135,700,958
Rangpur Division	3,609,228,480	2,884,017,794	3,609,228,480	2,884,017,794
Barisal Division	2,024,392,957	1,542,021,190	2,024,392,957	1,542,021,190
Rajshahi Division	12,051,158,378	8,249,656,698	12,051,158,378	8,249,656,698
	252,402,955,944	213,915,345,195	248,467,148,359	209,929,074,511
Outside Bangladesh				
	252,402,955,944	213,915,345,195	248,467,148,359	209,929,074,511

8.6 Grouping as per classification rules

Unclassified:

Standard	203,163,601,944	181,592,954,195	199,227,794,359	177,606,683,511
Special mentioned account	22,791,028,000	10,595,273,000	22,791,028,000	10,595,273,000
	225,954,629,944	192,188,227,195	222,018,822,359	188,201,956,511

Classified:

Sub-standard	213,651,000	1,122,964,000	213,651,000	1,122,964,000
Doubtful	4,482,503,000	1,536,550,000	4,482,503,000	1,536,550,000
Bad/loss	21,752,172,000	19,067,604,000	21,752,172,000	19,067,604,000
	26,448,326,000	21,727,118,000	26,448,326,000	21,727,118,000
Total	252,402,955,944	213,915,345,195	248,467,148,359	209,929,074,511

8.7 Particulars of loans and advances

i) Loans considered good in respect of which the Bank is fully secured	201,415,552,075	192,206,412,648	197,479,744,490	188,220,141,964
ii) Loans considered good against which the Bank holds no security other than the debtors' personal guarantee	20,066,815,986	9,303,152,521	20,066,815,986	9,303,152,521
iii) Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	30,920,587,883	12,405,780,026	30,920,587,883	12,405,780,026
iv) Loans adversely classified; provision not maintained there	-	-	-	-
	252,402,955,944	213,915,345,195	248,467,148,359	209,929,074,511





	Amount in BDT			
	Group		Bank	
	2017	2016	2017	2016
v) Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons.	1,750,392,352	1,635,611,703	1,750,392,352	1,635,611,703
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.	207,348,352	381,822,703	207,348,352	381,822,703
vii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the bank or any of them either separately or jointly with any other person.	1,750,392,352	1,635,611,703	1,750,392,352	1,635,611,703
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.	207,348,352	381,822,703	207,348,352	381,822,703
ix) Due from banking companies	-	-	-	-
x) Information in respect of classified loans advances				
a) Classified loans for which interest is not credited to income	26,448,326,000	21,727,118,000	26,448,326,000	21,727,118,000
b) Provision kept against classified loans and	6,892,351,864	5,133,220,377	6,892,351,864	5,133,220,377
c) Interest credited to interest suspense account (note 15.3)	9,830,085,612	9,073,309,173	9,830,085,612	9,073,309,173
xi) Cumulative amount of written-off loans:				
Opening balance	18,030,987,000	18,227,872,000	18,030,987,000	18,227,872,000
Amount written-off during the year	-	-	-	-
Amount recovered / provision released	-	-	-	-
During the year against written-off loans	(321,753,000)	(105,150,000)	(321,753,000)	(105,150,000)
Waiver for final settlement	(44,462,000)	(91,735,000)	(44,462,000)	(91,735,000)
Balance of written-off loans and advances	17,664,772,000	18,030,987,000	17,664,772,000	18,030,987,000
The amount of classified and written-off loans for which law suits have been filed	46,434,140,000	46,434,140,000	46,434,140,000	46,434,140,000
8.8 Bills purchased and discounted (Maturity wise grouping of bills purchased and discounted)				
Payable within 1 month	1,124,736,835	665,002,777	1,124,736,835	665,002,777
More than 1 month but less than 3 months	2,249,473,670	1,330,005,554	2,249,473,670	1,330,005,554
More than 3 months but less than 6 months	3,374,210,502	1,995,008,330	3,374,210,502	1,995,008,330
More than 6 months	-	-	-	-
	6,748,421,007	3,990,016,661	6,748,421,007	3,990,016,661
9. Fixed assets including premises, furniture and fixtures				
Cost / Revaluation:				
Land	669,006,896	669,006,896	669,006,896	669,006,896
Building	1,463,692,042	1,463,692,042	1,463,692,042	1,463,692,042
Furniture and fixtures	999,397,726	967,348,193	999,397,726	967,348,193
General equipments	1,027,183,538	976,240,129	1,027,183,538	976,240,129
Computer and accessories	1,399,041,778	1,307,360,452	1,399,041,778	1,307,360,452
Vehicles	267,823,419	261,926,326	267,823,419	261,926,326
Books	1,482,691	1,465,611	1,482,691	1,465,611
	5,827,628,090	5,647,039,649	5,827,628,090	5,647,039,649
Less: Accumulated depreciation	2,945,595,282	2,481,340,136	2,945,595,282	2,481,340,136
Written down value at the end of the year	2,882,032,808	3,165,699,513	2,882,032,808	3,165,699,513
Subsidiary companies balance	34,609,331	34,158,494	-	-
	2,916,642,139	3,199,858,007	2,882,032,808	3,165,699,513
Details are shown in Annex A.				
10. Other assets				
Income generating	-	-	-	-
Non-income generating (note 10.1)	4,693,683,468	4,322,003,722	4,992,750,075	4,348,184,857
	4,693,683,468	4,322,003,722	4,992,750,075	4,348,184,857
10.1 Non-income generating other assets				
Stock of stationery	32,690,257	36,612,104	32,690,257	36,612,104
Stamps in hand	3,948,690	3,731,688	3,948,690	3,731,688
Suspense account (note 10.1.1)	499,333,255	396,470,897	499,333,255	396,470,897
Advance and deposits	5,354,197	5,379,354	5,354,197	5,379,354
Interest and other receivables	1,488,093,468	1,175,317,072	1,488,093,468	1,175,317,072
Sundry assets (note 10.1.2)	253,478,248	273,795,346	253,478,248	273,795,346



	Amount in BDT			
	Group		Bank	
	2017	2016	2017	2016
Demand draft paid without advice	5,310,433	6,940,506	5,310,433	6,940,506
Bill purchased account - credit card	318,846,560	244,692,915	318,846,560	244,692,915
Inter-branch adjustment account (net) (note 10.1.3)	206,802,382	431,900,458	206,802,382	431,900,458
Payment made against claim made by EBL for guarantee issued by BCCI	13,683,225	13,683,225	13,683,225	13,683,225
Advance against cash assistance	3,795,598	4,575,500	3,795,598	4,575,500
Advance against branches*	15,356,321	2,445,707	15,356,321	2,445,707
Advance against NBL Towers	1,280,874,000	1,020,874,000	1,280,874,000	1,020,874,000
Advance against fixed assets	541,709,826	531,709,826	541,709,826	531,709,826
Others	24,407,008	173,875,124	323,473,615	200,056,259
	4,693,683,468	4,322,003,722	4,992,750,075	4,348,184,857

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

10.1.1 Suspense account

Sundry debtors	185,090,468	161,012,982	185,090,468	161,012,982
Advance against TA/DA	292,010	789,551	292,010	789,551
Advance against postage	16,379	18,288	16,379	18,288
Encashment of PSP/ BSP	126,079,703	133,852,610	126,079,703	133,852,610
Encashment of wage earners development bond	187,854,695	100,797,466	187,854,695	100,797,466
	499,333,255	396,470,897	499,333,255	396,470,897

10.1.2 Sundry assets

Cash remittance	18,500,000	23,000,185	18,500,000	23,000,185
Advance rent	203,313,999	231,057,717	203,313,999	231,057,717
Clearing adjustment account	2,077,036	310,986	2,077,036	310,986
Protested bill	15,398,887	14,900,000	15,398,887	14,900,000
Unexpired insurance premium	14,188,326	4,526,458	14,188,326	4,526,458
	253,478,248	273,795,346	253,478,248	273,795,346

10.1.3 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, the same has been adjusted subsequently.

11. Non-banking Assets	335,820,241	335,820,241	335,820,241	335,820,241
	335,820,241	335,820,241	335,820,241	335,820,241

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

12. Borrowings from other banks, financial institutions and agents

In Bangladesh (note 12.1.1)	3,894,935,105	3,115,330,473	3,894,935,105	3,060,342,586
Outside Bangladesh (note 12.1.2)	1,317,332,435	-	1,317,332,435	-
	5,212,267,540	3,115,330,473	5,212,267,540	3,060,342,586

12.1.1 In Bangladesh

Export Development Fund (EDF)	2,479,723,062	2,399,193,994	2,479,723,062	2,399,193,994
Agricultural credit on special program	689,656,489	609,137,482	689,656,489	609,137,482
Investment Corporation of Bangladesh	-	54,987,887	-	-
Bangladesh Bank	-	900,000	-	900,000
Janata Bank	700,000,000	-	700,000,000	-
ADB loan	25,555,554	51,111,110	25,555,554	51,111,110
	3,894,935,105	3,115,330,473	3,894,935,105	3,060,342,586

12.1.2 Outside Bangladesh

Emirates NBD	432,442,435	-	432,442,435	-
Emirates Islami Bank	884,890,000	-	884,890,000	-
	1,317,332,435	-	1,317,332,435	-
	5,212,267,540	3,115,330,473	5,212,267,540	3,060,342,586

Amount in BDT			
Group		Bank	
2017	2016	2017	2016

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

Secured borrowings	-	-	-	-
Unsecured borrowings	5,212,267,540	3,115,330,473	5,212,267,540	3,060,342,586
	5,212,267,540	3,115,330,473	5,212,267,540	3,060,342,586

12.3 Maturity-wise grouping of borrowings

Repayable				
On demand	700,000,000	900,000	700,000,000	900,000
Up to 1 month	57,471,374	-	57,471,374	-
More than 1 month but within 3 months	547,385,183	2,399,193,994	2,035,219,020	2,399,193,994
More than 3 months but within 1 year	3,907,410,983	715,236,479	2,419,577,146	660,248,592
More than 1 year but within 5 years	-	-	-	-
More than 5 years	-	-	-	-
	5,212,267,540	3,115,330,473	5,212,267,540	3,060,342,586

13. Deposits and other accounts (note 13.1)

Current deposit and other accounts (note 13.2)	23,882,039,031	21,659,650,401	23,883,154,407	21,659,650,401
Bills payable (note 13.3)	3,563,740,137	5,611,244,593	3,563,740,137	5,611,244,593
Savings deposit	44,672,378,291	39,622,907,587	44,672,378,291	39,622,907,587
Fixed deposit	123,752,106,294	104,278,221,622	123,752,106,294	104,278,221,622
Term deposit (note 13.4)	76,731,828,563	69,547,942,495	76,899,936,286	70,157,852,659
	272,602,092,316	240,719,966,698	272,771,315,415	241,329,876,862

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

13.1 Deposit and other account

Deposit from banks (in Bangladesh) (note 13.1.1)	11,597,798,389	11,993,574,101	11,597,798,389	11,993,574,101
Other than bank	261,004,293,927	228,726,392,597	261,173,517,026	229,336,302,761
	272,602,092,316	240,719,966,698	272,771,315,415	241,329,876,862

13.1.1 Deposit from banks (in Bangladesh)

A. In current account

AB Bank Limited	4,388	-	4,388	-
Al-Arafah Islami Bank Ltd	1,302,420	2,970,317	1,302,420	2,970,317
BRAC Bank Ltd	7,294,278	1,331,988	7,294,278	1,331,988
Bangladesh Krishi Bank Ltd	808,317	1,468,667	808,317	1,468,667
Dutch Bangla Bank Ltd	17,769	18,690	17,769	18,690
The Hongkong and Shanghai Banking Corporation Ltd	-	34,860	-	34,860
Islami Bank Bangladesh Ltd	2,140,181	90,524,516	2,140,181	90,524,516
Jamuna Bank Ltd	8,297,537	3,007,585	8,297,537	3,007,585
Mercantile Bank Ltd	35,242,507	1,033,655	35,242,507	1,033,655
Prime Bank Ltd	43,905	44,825	43,905	44,825
Bangladesh Development Bank Ltd	802,030	-	802,030	-
Rajshahi Krishi Unnayan Bank	9,231	557,111	9,231	557,111
Shahjalal Islami Bank Ltd	6,629	10,049	6,629	10,049
Southeast Bank Ltd	11,513,263	10,000	11,513,263	10,000
EXIM Bank Ltd	6,349	-	6,349	-
	67,488,804	101,012,263	67,488,804	101,012,263

B. In short notice deposit accounts

Bank Asia Ltd	827,800	803,938	827,800	803,938
BRAC Bank Ltd	8,755,961	4,323,786	8,755,961	4,323,786
Dhaka Bank Ltd	3,643,371	637,854	3,643,371	637,854
Dutch-Bangla Bank Ltd	5,974,483	4,482,290	5,974,483	4,482,290
EXIM Bank Ltd	709,656	22,849,193	709,656	22,849,193
Jamuna Bank Ltd	2,017,251	3,530,254	2,017,251	3,530,254
Janata Bank Ltd	35,273	35,312	35,273	35,312
Mercantile Bank Ltd	3,028,899	4,960,849	3,028,899	4,960,849
Prime Bank Ltd	-	339	-	339
Pubali Bank Ltd	625,939	608,288	625,939	608,288
Rajshahi Krishi Unnayan Bank	276,733,333	841,208,708	276,733,333	841,208,708
Standard Chartered Bank	3,036,296	3,084,050	3,036,296	3,084,050
Bangladesh Development Bank Ltd	-	665,630	-	665,630
Southeast Bank Ltd	6,422	8,290	6,422	8,290
The Premier Bank Ltd	1,436,986	265,838	1,436,986	265,838
	306,831,670	887,464,619	306,831,670	887,464,619

C. Term deposit accounts

Rajshahi Krishi Unnayan Bank	1,723,477,915	815,202,219	1,723,477,915	815,202,219
Agrani Bank Ltd	2,000,000,000	1,000,000,000	2,000,000,000	1,000,000,000
Mutual Trust Bank Ltd	-	999,985,000	-	999,985,000



	Amount in BDT			
	Group		Bank	
	2017	2016	2017	2016
United Commercial Bank Ltd	-	999,985,000	-	999,985,000
Bank Asia Ltd	1,000,000,000	999,985,000	1,000,000,000	999,985,000
Commercial Bank of Ceylon Plc	-	189,985,000	-	189,985,000
Trust Bank Ltd	-	999,985,000	-	999,985,000
AB Bank Ltd	-	999,985,000	-	999,985,000
IFIC Bank Ltd	-	500,000,000	-	500,000,000
National Credit & Commerce Bank Ltd	-	500,000,000	-	500,000,000
Janata Bank Ltd	500,000,000	-	500,000,000	-
Uttara Bank Ltd	1,000,000,000	999,985,000	1,000,000,000	999,985,000
Pubali Bank Ltd	1,000,000,000	-	1,000,000,000	-
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	-
	11,223,477,915	11,005,097,219	11,223,477,915	11,005,097,219
Total (A+B+C)	11,597,798,389	11,993,574,101	11,597,798,389	11,993,574,101
13.1.2 Maturity-wise grouping				
Deposits from banks				
Repayable				
On demand	67,488,804	101,012,263	67,488,804	101,012,263
Up to 1 month	7,761,366,334	887,464,619	7,761,366,334	887,464,619
Over 1 month but within 6 months	3,646,210,583	10,189,895,000	3,646,210,583	10,189,895,000
Over 6 months but within 1 year	122,732,668	815,202,219	122,732,668	815,202,219
Over 1 year but within 5 years	-	-	-	-
Over 5 years but within 10 years	-	-	-	-
	11,597,798,389	11,993,574,101	11,597,798,389	11,993,574,101
From others payable				
Repayable				
On demand	19,711,339,775	17,609,344,857	19,892,361,141	17,609,344,857
Up to 1 month	15,459,950,720	15,006,600,319	15,440,187,674	15,005,934,689
Over 1 month but within 6 months	62,656,318,463	32,251,887,259	62,616,824,925	32,251,887,259
Over 6 months but within 1 year	67,844,444,037	35,839,296,717	67,867,972,668	35,839,296,717
Over 1 year but within 5 years	67,763,399,356	104,616,636,525	67,787,329,042	104,616,636,525
Over 5 years but within 10 years	27,568,841,577	23,402,626,920	27,568,841,577	24,013,202,714
	261,004,293,927	228,726,392,597	261,173,517,026	229,336,302,761
	272,602,092,316	240,719,966,698	272,771,315,415	241,329,876,862
13.2 Current deposit and other accounts				
Current deposit	14,483,572,393	12,598,301,905	14,483,572,393	12,598,301,905
Foreign currency deposit	296,316,037	489,086,841	297,431,413	489,086,841
Exchange company Taka account	472,941,491	393,610,747	472,941,491	393,610,747
Exporters' foreign currencies account	221,099,244	235,636,595	221,099,244	235,636,595
Sundry deposits	8,408,109,866	7,943,014,313	8,408,109,866	7,943,014,313
	23,882,039,031	21,659,650,401	23,883,154,407	21,659,650,401
13.3 Bills payable				
Payment order	3,535,046,225	5,558,185,669	3,535,046,225	5,558,185,669
Demand draft	28,693,912	53,058,924	28,693,912	53,058,924
	3,563,740,137	5,611,244,593	3,563,740,137	5,611,244,593
13.4 Term deposit				
Short notice deposit	27,989,175,700	19,564,466,978	28,157,283,423	20,174,377,142
Non-resident foreign currency deposit	345,590,452	704,471,454	345,590,452	704,471,454
Resident foreign currency deposit	267,160,313	234,867,665	267,160,313	234,867,665
Non-resident investment Taka account	311,912	890,092	311,912	890,092
Monthly saving scheme	32,368,519,502	28,185,414,958	32,368,519,502	28,185,414,958
Special deposit scheme	15,761,070,684	20,857,831,348	15,761,070,684	20,857,831,348
	76,731,828,563	69,547,942,495	76,899,936,286	70,157,852,659
14. Subordinated bonds				
	2,750,000,000	1,024,000,000	2,750,000,000	1,024,000,000
	2,750,000,000	1,024,000,000	2,750,000,000	1,024,000,000

Bank issued subordinated bonds valuing BDT 275 crore during the year in 1st tranche out of total approved amount of Tk. 400.00 crore. The process of redemption is paid annually on prorata basis to bond holders in installment of 20% per year commencing at the 3rd year from the issued date. Coupon rate of the bond is base rate plus 2.50 % margin and redeemed at par at 7 years.

SI. no. Bond Holders

1	A. K. Khan & Company Ltd	-	20,480,000	-	20,480,000
2	Agrani Bank Ltd	250,000,000	81,920,000	250,000,000	81,920,000
3	Bangladesh Commerce Bank Ltd	-	20,480,000	-	20,480,000
4	Bangladesh Development Bank Ltd	-	40,960,000	-	40,960,000
5	Central Depository Bangladesh Ltd	-	122,880,000	-	122,880,000
6	Delta Life Insurance Company Ltd	-	20,480,000	-	20,480,000
7	Dutch-Bangla Bank Ltd	-	40,960,000	-	40,960,000
8	Eastland Insurance Company Ltd	-	20,480,000	-	20,480,000
9	Janata Bank Ltd	-	81,920,000	-	81,920,000
10	Mercantile Bank Ltd	-	20,480,000	-	20,480,000
11	National Credit and Commerce Bank Ltd	-	20,480,000	-	20,480,000

	Amount in BDT			
	Group		Bank	
	2017	2016	2017	2016
12 National Life Insurance Company Ltd	-	20,480,000	-	20,480,000
13 One Bank Ltd	250,000,000	40,960,000	250,000,000	40,960,000
14 Prime Bank Ltd	-	81,920,000	-	81,920,000
15 Pubali Bank Ltd	-	40,960,000	-	40,960,000
16 Rupali Bank Ltd	900,000,000	102,400,000	900,000,000	102,400,000
17 SABINCO Ltd	-	81,920,000	-	81,920,000
18 Sadharan Bima Corporation	100,000,000	40,960,000	100,000,000	40,960,000
19 Sonali Bank Ltd	500,000,000	81,920,000	500,000,000	81,920,000
20 Standard Bank Ltd	-	20,480,000	-	20,480,000
21 Trust Bank Ltd	-	20,480,000	-	20,480,000
22 Mutual Trust Bank Ltd	250,000,000	-	250,000,000	-
23 Uttara Bank Ltd.	500,000,000	-	500,000,000	-
Totals	2,750,000,000	1,024,000,000	2,750,000,000	1,024,000,000

15 Other liabilities

Un-paid dividend	10,009,092	10,009,092	10,009,092	10,009,092
Provision for bonus	284,898,598	304,395,477	284,898,598	304,395,477
Tax liability (note 15.1)	4,169,084,122	2,766,554,755	3,983,942,543	2,610,948,757
Provision for loans & advances (including off-B/S items) (note 15.2)	12,467,485,849	8,922,354,362	12,467,485,849	8,922,354,362
Interest suspense account (note 15.3)	9,830,085,612	9,073,309,173	9,830,085,612	9,073,309,173
Provision for other assets (note 15.4)	580,216,455	1,385,862,133	106,620,772	912,266,450
Provision for gratuity (note 15.5)	100,000,000	100,000,000	100,000,000	100,000,000
Deferred tax liabilities/(assets) (note 15.6)	(67,408,627)	64,766,680	(68,412,506)	63,762,801
ATM card holders' accounts	12,108,148	3,555,609	12,108,148	3,555,609
Foreign currencies adjustment account	292,904,553	190,931,612	292,904,553	190,931,612
Bills payable account MPS (CCD)	5,471,733	11,916,026	5,471,733	11,916,026
Adjusting account credit	2,401,328,766	1,643,121,206	2,401,328,766	1,643,121,206
Provision for LFA	93,655,125	90,294,562	93,655,125	90,294,562
Clearing adjusting account	35,257	38,666	35,257	38,666
Others	1,052,895,148	1,014,157,093	67,878,257	62,765,898
	31,232,769,831	25,581,266,446	29,588,011,799	23,999,669,691

15.1 Tax liability

Provision for current tax

Opening balance	14,915,514,115	12,043,952,497	14,729,066,595	11,879,066,595
Add: Provision made during the year	3,228,571,806	2,871,561,618	3,199,036,225	2,850,000,000
	18,144,085,921	14,915,514,115	17,928,102,820	14,729,066,595
Less: Adjustment made during the year	5,702,603,874	-	5,702,603,874	-
Closing balance	12,441,482,047	14,915,514,115	12,225,498,946	14,729,066,595

Advance income tax

Opening balance	12,148,959,360	9,781,317,100	12,118,117,838	9,750,475,578
Add: Paid during the year	1,826,042,439	2,367,642,260	1,826,042,439	2,367,642,260
	13,975,001,799	12,148,959,360	13,944,160,277	12,118,117,838
Less: Adjustment made during the year	5,702,603,874	-	5,702,603,874	-
Closing balance	8,272,397,925	12,148,959,360	8,241,556,403	12,118,117,838
	4,169,084,122	2,766,554,755	3,983,942,543	2,610,948,757

Status of pending assessments

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

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

(a) Specific provision against loans and advances

Opening balance	5,133,220,377	3,976,166,022	5,133,220,377	3,976,166,022
Fully provided debt written-off	-	-	-	-
Release of provision	302,131,487	45,054,355	302,131,487	45,054,355
Transfer from general provision unclassified loans	-	-	-	-
Transfer from general provision off-balance sheet items	-	-	-	-
Provision made during the year	1,457,000,000	1,112,000,000	1,457,000,000	1,112,000,000
	6,892,351,864	5,133,220,377	6,892,351,864	5,133,220,377

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

Opening balance	3,303,669,347	1,724,782,141	3,303,669,347	1,724,782,141
Transferred from/to other provision	643,000,000	360,887,206	643,000,000	360,887,206
Transferred from provision against off B/S items	-	-	-	-
Provision made during the year	1,046,000,000	1,218,000,000	1,046,000,000	1,218,000,000
Closing balance	4,992,669,347	3,303,669,347	4,992,669,347	3,303,669,347

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

Opening balance	475,510,048	531,510,048	475,510,048	531,510,048
Provision made during the year	-	-	-	-
Transferred to/from other provision	97,000,000	(56,000,000)	97,000,000	(56,000,000)
Closing balance	572,510,048	475,510,048	572,510,048	475,510,048

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

	12,457,531,259	8,912,399,772	12,457,531,259	8,912,399,772
--	-----------------------	----------------------	-----------------------	----------------------



Amount in BDT			
Group		Bank	
2017	2016	2017	2016
9,954,590	10,000,000	9,954,590	10,000,000
-	-	-	-
-	45,410	-	45,410
9,954,590	9,954,590	9,954,590	9,954,590
12,467,485,849	8,922,354,362	12,467,485,849	8,922,354,362

(d) Provision for good borrowers

Opening balance	9,954,590	10,000,000	9,954,590	10,000,000
Provision made during the year	-	-	-	-
Paid during the year	-	45,410	-	45,410
Closing balance	9,954,590	9,954,590	9,954,590	9,954,590
Total	12,467,485,849	8,922,354,362	12,467,485,849	8,922,354,362

Particulars of required provision for loans and advances as on December 31, 2017 are as under:

Particulars	(BDT in crore)			
	Outstanding	Base for provision	Rate	Provision
General provision				
On unclassified loans (including SMA)	222,018,822,359		Various	5,973,746,000
	222,018,822,359			5,973,746,000
Specific provision				
On substandard loans	213,651,000	66,678,000	20%	13,335,600
On doubtful loans	4,482,503,000	2,141,049,000	50%	1,070,524,500
On bad and loss loans	21,752,172,000	11,329,394,000	100%	11,329,394,000
	26,448,326,000			12,413,254,100
Total	248,467,148,359			18,387,000,100

As per Bangladesh Bank total required provision against loans and advances is BDT. 1,838.70 crore against which Bank maintained an amount of BDT. 1,188.50 crore and the balance amount will be provided within December 31, 2020 @ 30% in 2018 & 2019 and 40% in 2020 as per Bangladesh Bank approval letter reference no. DBI-1/82/2018-1337 dated April 30, 2018.

15.3 Interest suspense account

Opening balance	9,073,309,173	6,504,948,417	9,073,309,173	6,504,948,417
Add: Amount transferred to "interest suspense" account during the year	4,676,149,715	4,927,627,028	4,676,149,715	4,927,627,028
	13,749,458,888	11,432,575,445	13,749,458,888	11,432,575,445
Less: Amount credited to income	3,916,935,026	2,325,421,561	3,916,935,026	2,325,421,561
Interest waived during the year	2,438,250	33,844,711	2,438,250	33,844,711
Amount written-off during the year	-	-	-	-
	3,919,373,276	2,359,266,272	3,919,373,276	2,359,266,272
Closing balance	9,830,085,612	9,073,309,173	9,830,085,612	9,073,309,173

15.4 Provision for other assets

Provision for fall in market price of shares				
Opening balance	1,343,595,683	1,650,482,889	870,000,000	1,176,887,206
Less: Transferred to other provision	(800,000,000)	(306,887,206)	(800,000,000)	(306,887,206)
Less: Adjusted during the year	(65,645,678)	-	(65,645,678)	-
Add: Addition during the year	-	-	-	-
Closing balance	477,950,005	1,343,595,683	4,354,322	870,000,000
Provision for other classified assets				
Opening balance	42,266,450	40,266,450	42,266,450	40,266,450
Add: Transferred from other provision	60,000,000	2,000,000	60,000,000	2,000,000
Closing balance	102,266,450	42,266,450	102,266,450	42,266,450
	580,216,455	1,385,862,133	106,620,772	912,266,450

15.5 Provision for gratuity

The gratuity fund is administered by a Board of Trustee consisting of four (4) members. Total fund balance as on December 2017 stood at BDT. 125.92 crore considering contribution for the year 2017 against which fund liability for eligible employees stood at BDT. 120.03 crore The movement is as under:

Opening balance	100,000,000	80,000,000	100,000,000	80,000,000
Add: Provision during the year	100,000,000	100,000,000	100,000,000	100,000,000
	200,000,000	180,000,000	200,000,000	180,000,000
Less: Transferred to fund account	100,000,000	80,000,000	100,000,000	80,000,000
Closing balance	100,000,000	100,000,000	100,000,000	100,000,000

15.6 Deferred tax (assets)/liabilities

Deferred tax assets:				
Opening balance	126,334,359	109,688,206	126,016,685	109,370,532
Add: Addition during the year	149,795,277	16,646,153	149,795,277	16,646,153
Closing balance	276,129,636	126,334,359	275,811,962	126,016,685
Deferred tax liabilities:				
Opening balance	191,101,039	169,192,739	189,779,486	167,871,186
Add: Addition during the year	17,619,970	21,908,300	17,619,970	21,908,300
Closing balance	208,721,009	191,101,039	207,399,456	189,779,486
Net deferred tax (assets)/liabilities	(67,408,627)	64,766,680	(68,412,506)	63,762,801
Deferred tax charge/(credit)	(132,175,307)	5,262,147	(132,175,307)	5,262,147



Amount in BDT			
Group		Bank	
2017	2016	2017	2016

16. Share capital

16.1 Authorised capital

3,000,000,000 ordinary shares of BDT 10 each	30,000,000,000	30,000,000,000
--	----------------	----------------

16.2 Issued, subscribed and fully paid-up capital

	No. of shares		Amount in Taka	
	2017	2016	2017	2016
Issued for cash	23,730,000	23,730,000	237,300,000	237,300,000
Issued for other than cash (bonus share)	2,346,723,494	1,951,647,912	23,467,234,940	19,516,479,120
Total	2,370,453,494	1,975,377,912	23,704,534,940	19,753,779,120

16.3 Percentage of shareholdings at the closing date

Category	2017		2016	
	No. of shares	%	No. of shares	%
Sponsors and Directors	662,562,734	28.0%	552,135,620	28.0%
Financial institutions	462,244,540	19.5%	413,722,113	21.0%
Foreign investors	74,515,934	3.1%	57,331,737	2.9%
Non-resident Bangladeshi	9,537,711	0.4%	8,179,935	0.4%
General public	1,161,592,575	49.0%	944,008,507	47.8%
	2,370,453,494	100.0%	1,975,377,912	100.0%

16.4 Statement of slab list as on December 31, 2017

Group/ type	No. of share holders	No. of shares	% of share holding
De-materialization	85,211	2,336,903,584	98.58%
Materialization	4,272	33,549,910	1.42%
	89,483	2,370,453,494	100%

Range	No. of share holders	No. of shares	% of share holding
Less than 500	21,396	3,831,179	0.16%
500 to 5,000	41,244	80,619,300	3.40%
5,001 to 10,000	9,504	69,392,989	2.93%
10,001 to 20,000	6,273	90,383,963	3.81%
20,001 to 30,000	2,199	55,019,018	2.32%
30,001 to 40,000	1,081	37,851,797	1.60%
40,001 to 50,000	793	36,439,505	1.54%
50,001 to 100,000	1,480	106,492,849	4.49%
100,001 to 1,000,000	1,042	258,531,538	9.91%
Over 1,000,000	199	1,598,341,446	67.43%
	85,211	2,336,903,584	98.58%

Range	No. of share holders	No. of shares	% of share holding
Less than 500	2,484	360,530	0.02%
500 to 5,000	1,391	2,578,082	0.11%
5,001 to 10,000	179	1,258,285	0.05%
10,001 to 20,000	98	1,417,467	0.06%
20,001 to 30,000	49	1,166,865	0.05%
30,001 to 40,000	18	632,054	0.03%
40,001 to 50,000	12	527,789	0.02%
50,001 to 100,000	20	1,372,249	0.06%
100,001 to 1,000,000	15	4,789,626	0.20%
Over 1,000,000	6	19,446,963	0.82%
	4,272	33,549,910	1.42%

16.5 Capital adequacy ratio

Core capital (Tier - I)

Paid up capital (note 16.2)	23,704,534,940	19,753,779,120	23,704,534,940	19,753,779,120
Statutory reserve (note 17)	12,944,994,585	11,392,420,005	12,944,994,585	11,392,420,005
General reserve (note 18)	38,683,490	52,527,544	-	-
Non-controlling (minority) interest	116,217	82,061	-	-
Retained earnings (note 20)	3,084,723,413	3,823,506,459	3,157,388,607	3,964,707,023
	39,773,052,645	35,022,315,189	39,806,918,132	35,110,906,148

Less:

For short provision against quoted shares	-	-	-	-
For short provision against loans and advances	5,520,902,236	2,292,900,000	5,520,902,236	2,292,900,000
Intangible assets	261,373,612	366,299,885	261,373,612	366,299,885
Deferred tax assets	276,129,636	126,334,359	275,811,962	126,016,685
Reciprocal cross holding of banking and NBFIs shares	142,540,516	85,127,865	142,540,516	85,127,865
	6,200,946,000	2,870,662,109	6,200,628,326	2,870,344,435
	33,572,106,645	32,151,653,080	33,606,289,806	32,240,561,713

Amount in BDT			
Group		Bank	
2017	2016	2017	2016

General provision maintained against unclassified loan
General provision on off-balance sheet exposure
Subordinated bonds
Other reserve
Less: Regulatory adjustment for revaluation reserve (60%)

4,992,669,347	3,303,669,347	4,992,669,347	3,303,669,347
572,510,048	475,510,048	572,510,048	475,510,048
2,750,000,000	1,024,000,000	2,750,000,000	1,024,000,000
630,977,076	630,977,076	630,977,076	630,977,076
<u>(378,586,246)</u>	<u>(252,390,830)</u>	<u>(378,586,246)</u>	<u>(252,390,830)</u>
8,567,570,225	5,181,765,641	8,567,570,225	5,181,765,641

A) Total capital
B) Total risk weighted assets
C) Required capital
D) (Deficit)/Surplus (A-C)

42,139,676,870	37,333,418,721	42,173,860,031	37,422,327,354
347,649,400,000	285,035,358,961	345,751,000,000	283,628,774,988
39,110,557,500	30,285,006,890	38,896,987,500	30,135,557,342
3,029,119,370	7,048,411,831	3,276,872,531	7,286,770,012

Capital adequacy ratio:

	Actual			
On core capital - against standard of minimum 6.00%	9.66%	11.28%	9.72%	11.37%
On supplementary capital	2.46%	1.82%	2.48%	1.82%
On total capital - including capital conservation buffer 11.25% and 10.625%	12.12%	13.10%	12.20%	13.19%

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.

17. Statutory reserve

Opening balance	11,392,420,005	9,707,793,205	11,392,420,005	9,707,793,205
Add: Addition during the year (20% of pre-tax profit)	1,552,574,580	1,684,626,800	1,552,574,580	1,684,626,800
Closing balance	12,944,994,585	11,392,420,005	12,944,994,585	11,392,420,005

18. General reserve

Opening balance	52,527,544	53,192,892	-	-
Add: Addition during the year (overseas subsidiaries)	4,560,946	-	-	-
	57,088,490	53,192,892	-	-
Less: Adjustment during the year	-	(665,348)	-	-
Transferred from general reserve (overseas oper.)	(18,405,000)	-	-	-
	(18,405,000)	(665,348)	-	-
Closing balance	38,683,490	52,527,544	-	-

19. Other reserve

Revaluation reserve (Govt. treasury bills and bonds) (note 19.1)	169,269,984	715,620,880	169,269,984	715,620,880
Revaluation reserve (foreign investment) (note 19.2)	24,279,896	5,992,902	24,279,896	5,992,902
Revaluation reserve (property) (note 19.3)	370,354,926	370,354,926	370,354,926	370,354,926
	563,904,806	1,091,968,708	563,904,806	1,091,968,708

19.1 Revaluation reserve (Govt treasury bills and bonds)

Opening balance	715,620,880	3,636,199,404	715,620,880	3,636,199,404
Add: Addition during the year	671,590,631	1,995,215,346	671,590,631	1,995,215,346
	1,387,211,511	5,631,414,750	1,387,211,511	5,631,414,750
Less: Adjustment during the year	1,217,941,527	4,915,793,870	1,217,941,527	4,915,793,870
Closing balance	169,269,984	715,620,880	169,269,984	715,620,880

19.2 Revaluation reserve (foreign investment)

Opening balance	5,992,902	8,376,292	5,992,902	8,376,292
Addition/(Adjustment) during the year	18,286,994	(2,383,390)	18,286,994	(2,383,390)
Closing balance	24,279,896	5,992,902	24,279,896	5,992,902

19.3 Revaluation reserve (property)

Opening balance	370,354,926	370,354,926	370,354,926	370,354,926
Less: Adjustment during the year	-	-	-	-
Closing balance	370,354,926	370,354,926	370,354,926	370,354,926

Revaluation of foreign investments has been made in 2015 as per BAS -21 " Effect of changes in Foreign Exchange Rates". On the other hand, Govt. treasury bill and bonds have been valued at market price as per Bangladesh Bank BRPD Circular No. 05 dated October 31, 2005.

20. Retained earnings

Opening balance	3,823,506,459	2,488,521,769	3,964,707,023	2,658,041,849
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	4,798,248,574	5,608,552,809	4,696,011,984	5,567,871,854
	8,625,922,805	8,097,074,578	8,660,719,007	8,225,913,703
Less: Dividend (Bonus share 20% for 2016 and 15% for the year 2015)	3,950,755,820	2,576,579,880	3,950,755,820	2,576,579,880
Transfer to statutory reserve	1,552,574,580	1,684,626,800	1,552,574,580	1,684,626,800
Transfer from general reserve (overseas operation)	-	-	-	-
Dividend paid by overseas subsidiaries	37,868,992	12,361,439	-	-
	5,541,199,392	4,273,568,119	5,503,330,400	4,261,206,680
Closing balance	3,084,723,413	3,823,506,459	3,157,388,607	3,964,707,023



	Amount in BDT			
	Group		Bank	
	2017	2016	2017	2016
21. Letters of guarantee				
Directors	-	-	-	-
Government	3,562,730,332	2,487,869,023	3,562,730,332	2,487,869,023
Banks and other financial institutions	55,787,500	565,902,300	55,787,500	565,902,300
Others	7,868,247,632	7,565,137,873	7,868,247,632	7,565,137,873
	11,486,765,464	10,618,909,196	11,486,765,464	10,618,909,196
Less: Margin	593,206,480	505,136,953	593,206,480	505,136,953
	10,893,558,984	10,113,772,243	10,893,558,984	10,113,772,243
21.1	A case was filed by Eastern Bank Ltd, successor of BCCI, against National Bank Ltd (NBL) at Artha Rin Adalat - 3, Dhaka for guarantee issued by NBL in favour of EBL, which has been decreed against NBL on 04 January 2004 for BDT 27,366,450 plus interest @ 18% p.a. from 01 October 1994 to the date of payment. Against the decreed amount, NBL has made an appeal which is pending with the Honorable High Court, Dhaka. Before filing the appeal, the Bank has paid BDT 13,683,225 being 50% of the principal decreed amount which is included under other assets in these financial statements. Provision for BDT 13,683,225 was made in 2006 and the balance of BDT 13,683,225 was made in 2007.			
22. Interest income				
Interest on advances	22,165,216,968	18,738,512,331	22,194,316,066	18,722,342,735
Interest on money at call and short notice	116,877,972	21,401,125	116,877,972	21,401,125
Interest on placement with other banks	207,832,521	168,701,480	207,832,521	168,701,480
Interest on foreign currency balances	27,146,019	35,486,370	27,146,019	35,486,370
	22,517,073,480	18,964,101,306	22,546,172,578	18,947,931,710
23. Interest paid on deposits and borrowings, etc				
Interest on deposits	14,512,172,273	12,303,747,906	14,512,708,602	12,321,522,914
Interest on borrowings	281,988,913	430,942,420	281,988,913	417,531,639
Discount	1,312,307,996	2,133,823,020	1,312,307,996	2,133,823,020
	16,106,469,182	14,868,513,346	16,107,005,511	14,872,877,573
24. Investment income				
Dividend on shares				
Local	370,338,298	337,822,010	347,257,727	317,925,437
Overseas	38,641,336	5,370,829	38,641,336	5,370,829
	408,979,634	343,192,839	385,899,063	323,296,266
Interest on treasury bills and bonds	5,053,435,403	4,513,966,981	5,053,435,403	4,513,966,981
Interest on debenture and bonds	45,501,989	42,919,441	45,501,989	42,919,441
Gain on Government securities	1,279,457,293	5,473,634,932	1,279,457,293	5,473,634,932
Profit from sale of share of listed company	807,341,093	41,381,027	705,534,930	27,335,287
Prize bonds	22,100	93,400	22,100	93,400
	7,594,737,512	10,415,188,620	7,469,850,778	10,381,246,307
25. Commission, exchange and brokerage				
Commission	1,095,796,501	1,026,132,800	820,056,226	812,675,827
Exchange gain net off exchange losses	718,748,089	514,299,582	720,895,789	512,841,184
Brokerage	2,880,500	2,258,020	2,880,500	2,258,020
	1,817,425,090	1,542,690,402	1,543,832,515	1,327,775,031
26. Other operating income				
Locker rent	6,206,325	5,424,425	6,206,325	5,424,425
Credit card and ATM	15,459,610	14,650,682	15,459,610	14,650,682
Confirmation charges	3,911,339	2,906,421	3,911,339	2,906,421
Gain from sales of assets	1,228,745	101,763	1,228,745	101,763
Remittance income	26,706,202	34,092,010	26,706,202	34,092,010
Other receipts	548,239,453	489,209,678	539,218,547	469,726,058
	601,751,674	546,384,979	592,730,768	526,901,359
27. Salaries and allowances				
Basic salary	1,750,932,173	1,664,639,847	1,647,465,886	1,570,767,826
Allowances	1,386,720,618	1,336,082,412	1,386,720,618	1,336,082,412
Bonus	348,705,175	351,652,556	348,705,175	351,652,556
Bank's contribution to provident fund	138,097,098	128,046,200	138,097,098	128,046,200
Gratuity	250,426,274	260,134,626	250,426,274	260,134,626
Provision for the year	100,000,000	100,000,000	100,000,000	100,000,000
Paid during the year	150,426,274	160,134,626	150,426,274	160,134,626
	3,874,881,338	3,740,555,641	3,771,415,051	3,646,683,620
28. Rent, taxes, insurance, electricity, etc.				
Rent, rates and taxes	430,253,375	432,915,075	389,265,730	393,146,162
Insurance	188,829,384	178,265,231	188,829,384	178,265,231
Electricity	103,188,119	105,980,047	103,188,119	105,980,047
	722,270,878	717,160,353	681,283,233	677,391,440
29. Legal expenses				
Law charges	17,511,620	25,026,940	17,511,620	25,026,940
Other professional charges	1,837,376	1,585,004	1,837,376	1,497,504
	19,348,996	26,611,944	19,348,996	26,524,444
30. Postage, stamp, telecommunication, etc				
Telephone - office	19,744,209	16,157,417	14,927,958	16,157,417
Telephone - residence	488,509	551,418	488,509	551,418
Telegram, telex, fax and e-mail	51,138,903	42,963,071	51,138,903	42,963,071
Postage	6,451,191	14,152,172	6,451,191	10,057,722
	77,822,812	73,824,078	73,006,561	69,729,628



Amount in BDT			
Group		Bank	
2017	2016	2017	2016

31. Stationery, printing, advertisement, etc

Printing and stationery	76,491,394	90,924,849	73,603,254	88,009,754
Publicity and advertisement	16,194,218	20,872,088	16,194,218	20,872,088
	92,685,612	111,796,937	89,797,472	108,881,842

32. Managing Director's salary and allowances

Basic salary	450,000	4,831,523	450,000	4,831,523
Allowance	350,000	3,843,620	350,000	3,843,620
Bonus	-	990,000	-	990,000
Bank's contribution to provident fund	45,000	483,152	45,000	483,152
	845,000	10,148,295	845,000	10,148,295

33. Directors' fees and other benefits

Fees	1,632,200	4,345,582	1,544,000	2,979,000
Other benefits				
Haltage, traveling and other	1,506,462	1,766,486	1,506,462	1,766,486
Refreshment	773,832	1,301,027	773,832	1,301,027
	2,280,294	3,067,513	2,280,294	3,067,513
	3,912,494	7,413,095	3,824,294	6,046,513

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.

34. Auditors' fees

	1,547,588	1,944,750	500,000	500,000
--	------------------	------------------	----------------	----------------

35. Repair, maintenance and depreciation

A. Depreciation

Buildings	36,806,796	35,070,053	36,806,796	35,070,053
Furniture and fixture	83,755,953	83,538,583	83,755,953	83,538,583
General equipments	89,011,725	98,428,888	89,011,725	98,428,888
Computer equipments	266,775,523	200,012,276	266,775,523	200,012,276
Vehicles	15,493,313	22,779,222	15,493,313	22,779,222
Books	18,555	63,491	18,555	63,491
	491,861,865	439,892,513	491,861,865	439,892,513

B. Repairs and maintenance

Office premises	12,993,317	9,111,882	12,993,317	9,111,882
Furniture and fixtures	4,732,382	4,064,737	4,732,382	4,064,737
Vehicles	6,635,304	7,080,940	6,635,304	7,080,940
Equipments	133,449,196	191,447,536	115,364,719	179,551,981
	157,810,199	211,705,095	139,725,722	199,809,540

Totals (A+B)

	649,672,064	651,597,608	631,587,587	639,702,053
--	--------------------	--------------------	--------------------	--------------------

36. Other expenses

Car expenses	126,252,600	81,500,160	126,252,600	81,500,160
Credit card expenses	598,630	694,023	598,630	694,023
Entertainment	59,522,842	54,689,208	59,522,842	54,689,208
Traveling expenses	19,816,660	21,517,605	19,816,660	21,517,605
Donations	196,483,317	96,419,118	196,483,317	96,419,118
Subscriptions	3,816,379	3,245,636	3,816,379	3,245,636
Periodicals	1,516,126	1,701,172	1,516,126	1,701,172
Cartage/freight	26,424,297	25,073,182	26,424,297	25,073,182
Medical expense	15,878,827	6,782,729	15,878,827	6,782,729
Overseas expenses	5,090,701	4,083,986	5,090,701	4,083,986
Uniform and liveries	10,591,633	8,930,091	10,591,633	8,930,091
Training expenses	6,430,658	7,495,026	6,430,658	7,495,026
Loss on sale of share/ property/ asset	360	5,607	360	5,607
Miscellaneous	101,782,452	99,406,271	26,029,921	28,225,099
	574,205,482	411,543,814	498,452,951	340,362,642

37. Changes in other assets

A. Balance at the beginning of the year

Stock of stationery			36,612,104	33,669,893
Stamps in hand			3,731,688	2,995,814
Suspense account			396,470,897	318,620,741
Advance deposits			5,379,354	5,167,189
Sundry assets			273,795,346	251,145,697
Demand draft paid without advice			6,940,506	14,145,177
Bill purchase account - credit card			244,692,915	390,395,666
Inter-branch adjustment account (Net)			431,900,458	85,232,463
Payment made against claim made by EBL for guarantee issued by BCCI			13,683,225	13,683,225
Advance against cash assistance			4,575,500	3,871,781
Receivables			-	-
Advance against branches			2,445,707	27,580,522
Advance against NBL Tower			1,020,874,000	1,030,482,000
Advance against fixed assets			531,709,826	352,765,232
Others			200,056,259	98,049,965
			3,172,867,785	2,627,805,365





Amount in BDT			
Group		Bank	
2017	2016	2017	2016

B. Balance at the end of the year

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		13,683,225	13,683,225
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
		3,504,656,607	3,172,867,785
		(331,788,822)	(545,062,420)

Net changes (A-B)

38. Changes in other liabilities

A. Balance at the beginning of the year

Un-paid dividend		10,009,092	10,009,092
Provision for bonus		304,395,477	323,640,835
ATM card holders' accounts		3,555,609	35,500
Foreign currencies adjustment account		190,931,612	1,292,978,086
Bills payable account MPS (CCD)		11,916,026	4,931,883
Provision for LFA		90,294,562	89,055,351
Clearing adjusting account		38,666	34,149
Others		62,765,898	76,332,338
		673,906,942	1,797,017,234

B. Balance at the end of the year

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
		766,960,763	673,906,942
		93,053,821	(1,123,110,292)

Net Changes (A-B)

39. Earnings per share (EPS) Restated

(a) Net profit after tax	4,798,282,730	5,608,559,325	4,696,011,984	5,567,871,854
(b) Number of ordinary shares outstanding	1,975,377,912	1,975,377,912	1,975,377,912	1,975,377,912
(c) Issue of bonus shares during the year 20% of (b)	395,075,582	395,075,582	395,075,582	395,075,582
(d) Number of ordinary shares outstanding (d=b+c)	2,370,453,494	2,370,453,494	2,370,453,494	2,370,453,494
Earnings per share (EPS) (a/d)	2.02	2.37	1.98	2.35

Earnings per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of December 31, 2017 in terms of BAS 33: "Earnings Per Share (EPS)". EPS for the year ended December 31, 2016 was restated for the issues of bonus share in 2017 for the year 2016.

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 4,602.





National Bank Limited
Notes to the financial statements
For the year ended December 31, 2017

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. Anwar Hussain	Independent Director	Chairman	B.Sc Engr. (Civil)
ii)	Mr. Mabroor Hossain	Director	Member	Graduate
iii)	Mr. Md. Mahbubur Rahman Khan	Independent Director	Member	SSC

During the year under review, the audit committee of the Board conducted 7 (seven) meetings in which, among others, the following issues were discussed:

- i) Review of Bank's financial statements and recommended for consideration of the Board.
- ii) Review of draft audited financial statements of subsidiary companies of the Bank.
- iii) Review of internal control and compliance system of the Bank.
- iv) Review of internal audit reports of different branches. Identification of minor/major lapses and compliances there
- v) Guidelines for audit program during the year 2018.
- vi) Review of working of the credit administration division of the Bank.
- vii) Review of Green Banking and stress Testing of the Bank.

42. Event after the Balance Sheet date

No material event had occurred after the balance sheet date except declaration of 12% stock dividend.

43. Related party disclosures

- i) Name of the Directors and the entities in which they have interest as on December 31, 2017:

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	Chairman	
		Z H Sikder Women's Medical College & Hospital (Pvt) Ltd.	9.40%
		Sikder Real Estate Ltd.	10.00%
		Sikder Pharmaceuticals Ltd.	15.00%
		Z H Sikder University of Science & Technology	
		Monowara Sikder Medical College and Hospital.	
Mrs. Monowara Sikder	Director	Alhaj Mokforuddin Sikder Foundation	
		Zarina Sikder Trust	
		Managing Director	
		Z H Sikder Women's Medical College & Hospital (Pvt) Ltd.	9.40%
		Sikder Real Estate Ltd.	20.00%
		Sikder Pharmaceuticals Ltd.	15.00%
		Monowara Sikder Medical College and Hospital.	
		Sikder Organic Market (Pvt) Ltd.	
		Vice Chairperson	
		Z H Sikder University of Science & Technology	
Member			
Alhaj Mokforuddin Sikder Foundation			
Zarina Sikder Trust			





Ms. Parveen Haque Sikder	Director	Chairperson	
		Millennium International School	34.80%
		Mandy Dental College & Hospital	
		J & M Builders (Pvt) Ltd.	50.00%
		Western Bowling & Fitness Centre	100.00%
		Jeffrey Institute of Health Science & Technology	100.00%
		Powertech Holdings Ltd.	50.00%
		Golden Barn Kingdom (Pvt) Ltd.	
		ISO Tech Group	
		Vice Chairperson	
		Z H Sikder Women's Medical College & Hospital (Pvt.) Ltd.	9.40%
		Sikder Real Estate Ltd.	10.00%
		Director	
		Sikder Pharmaceuticals Ltd.	10.00%
Treasurer			
Z H Sikder University of Science & Technology			
Proprietor			
Z M Real Estate			
Member			
Monowara Sikder Medical College and Hospital.			
Alhaj Mokforuddin Sikder Foundation			
Zarina Sikder Trust			
Alhaj Khalilur Rahman	Director	Chairman	
		KDS Garments Ind. Ltd.	50.15%
		KDS Apparels Ltd.	49.88%
		KIY Steel Ind. Ltd.	95.00%
		KDS Fashion Ltd.	0.86%
		Steel Accessories Ltd.	50.00%
		KDS Logistics Ltd.	43.24%
		KDS IDR Ltd.	45.00%
		KDS Cotton Poly Thread Ltd.	14.67%
		KDS Accessories Ltd.	46.92%
		KDS Poly Ind. Ltd.	74.00%
		Managing Director	
		KDS Textile Mills Ltd.	20.27%
		KYCR Coil Ind. Ltd.	9.21%
		KY Steel Mills Ltd.	98.00%
		Sky Securities Ltd.	42.46%
		Shareholder	
		Al-Arafah Islami Bank Ltd.	8,103,123 shares
		Pragati Insurance Ltd.	2,952,385 shares
		Pragati Life Insurance Ltd.	242,711 shares





Mr. Moazzam Hossain	Director	Chairman	
		Hosaf International Ltd.	22.93%
		Hosaf Gene Cure Pharma Co. Ltd.	36.67%
		Hosaf Proficient Energy Ltd.	50.00%
		Shahjibazar Electric Generation Ltd.	32.00%
		Managing Director	
		EnergyPrima Ltd.	30.43%
		Hosaf Meter Industry Ltd.	97.89%
		Citi Link Apartment Ltd.	99.98%
		H F Power Limited	0.60%
		Director	
		Euro Knitting & Dyeing Inds. Ltd.	11.46%
		Proprietor	
		Hosaf Consultancy	100.00%
Mr. Rick Haque Sikder	Director	Shareholder	
		United Hospital Ltd.	0.42%
		Pragati Life Insurance Ltd.	0.01%
		Pragati Insurance Ltd. (Sponsor)	1.57%
		Chairman	
		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%
		Director	
		Z H Sikder Women's Medical College & Hospital (pvt) Ltd.	9.40%
		Sikder Pharmaceuticals Ltd.	10.00%
		Sikder Real Estate Ltd.	10.00%
		Managing Director	
		R & R Aviation Ltd.	81.90%
		BEL Construction SDN BHD Ltd.	80.00%
		Managing Partner	
		Power Pac	50.00%
		A1 Trade Center	50.00%
		Proprietor	
		The River	100.00%
Member			
Z H Sikder University of Science & Technology			
Monowara Sikder Medical College and Alhaj Mokforuddin Sikder Foundation			
Zarina Sikder Trust			





Mr. Ron Haque Sikder Director

Managing Director

R & R Holdings Ltd.	50.00%
PowerPac 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%

Director

Z H Sikder Women's Medical College & Hospital (ovt) Ltd.	9.40%
Sikder Pharmaceuticals Ltd.	10.00%

Vice Chairman

Sikder Real Estate Ltd.	10.00%
-------------------------	--------

Managing Partner

Power Pac	50.00%
A1 Trade Center	50.00%

Member

Z H Sikder University of Science & Technology
Monowara Sikder Medical College and Hospital.
Alhaj Mokforuddin Sikder Foundation
Zarina Sikder Trust

Shareholder

R & R Aviation Ltd.	18.00%
---------------------	--------

Mr. Zakaria Taher Director

Chairman

Purbachal Drillers Ltd.	50.00%
T S Holdings Ltd.	60.00%
Microgenix BD Ltd.	25.00%
Zyta Garments Ltd.	60.00%
T S Packaging Ltd	40.00%

Director

Jeans Culture Ltd.	40.00%
Enam Labels Ltd.	12.00%

Managing Director

Armana Fashions Ltd.	50.50%
Armana Ltd.	40.00%
Armana Apparels Ltd.	50.00%
Zyta Apparels Ltd.	51.00%
Denimach Ltd.	15.00%
Denimach Washing Ltd.	10.00%
Denitex Ltd.	20.00%
Officina (BD) Ltd.	33.00%

Sponsor shareholder

Pragati Life Insurance Ltd.	275,997 shares
Pragati Insurance Ltd.	272,890 shares
TSCO Power Ltd.	49.50%
T S Transformer Ltd.	34.50%





Mr. Mabroor Hossain	Director	Director Hosaf Meter Industry Ltd. 0.49% Hosaf International Ltd. 1.42% Hosaf Gene Cure Pharma Co. Ltd. 18.00% Euro Knitting & Dyeing Inds. Ltd. 25.00% Hosaf Proficient Energy Ltd. 40.00% EnergyPrima Ltd. 0.04% Shahjibazar Electric Generation Ltd. 10.00% Infozillion Teletech BD Ltd. 22.00% H F Power Limited 0.60%		
		Shareholder Pragati Life Insurance Ltd 3.25% Pragati Insurance Ltd. 0.01%		
		Proprietor M H Holdings 100.00%		
Mr. Md. Anwar Hussain	Independent Director	Chairman Western Agro Products Ltd.		
Mr. Md. Mahbubur Rahman Khan	Independent Director	Managing Director Himalaya Trading Co. Ltd. Hotel Raffles Inn Proprietor M/s. Mahbubur Rahman Khan		
Mr. A K M Enamul Hoque Shameem	Independent Director	Member Trustee Board, Stamford University, Bangladesh Founder & President, Port City International University,		
Mr. Choudhury Moshtaq Ahmed	Managing Director	Nil	Nil	Nil

- ii) Significant contracts where bank is a party and wherein Directors have interest: Nil
- iii) Shares issued to Directors and executives without consideration or exercisable at discount: Nil

iv) **Related party transactions**

Name of the party	Nature of relation	Nature of transaction	2017 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	89,093.79
Rick Haque Sikder and others	Director	SOD	118,264.56
NBL Securities Ltd	Subsidiary	Loan	2,213,100.00
Total			<u>2,422,958.35</u>

v) **Lending policies to related parties**

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

- vi) Business other than banking business with any related concern of the Directors as per section 8(2) of the Banking Companies Act 1991: Nil
- vii) Investments in the securities of Directors and their related concern : Nil

Managing Director (CC)

Director

Director

Chairman





National Bank Limited
Schedule of fixed assets
As at December 31, 2017

Annex - A

Particulars	Cost / Revaluation				Rate (%)	Depreciation				Written down value at December 31, 2017
	As at January 01, 2017	Addition During the year	Disposal/ adjustment	Total at December 31, 2017		Upto January 01, 2017	Charge During the year	Disposal/ adjustment	Total to December 31, 2017	
Land	669,006,896	-	-	669,006,896	0.00%	-	-	-	-	669,006,896
Building	1,463,692,042	-	-	1,463,692,042	2.50%	180,676,122	36,806,796	-	217,482,918	1,246,209,124
Furniture and fixtures	967,348,193	34,718,655	2,669,122	999,397,726	10.00%	527,231,462	83,755,953	2,668,550	608,318,865	391,078,861
General equipment	976,240,129	56,305,659	5,362,250	1,027,183,538	20.00%	767,428,552	89,011,725	5,362,138	851,078,139	176,105,399
Computer equipment	1,307,360,452	110,614,499	18,933,173	1,399,041,778	33.33%	776,487,740	266,775,523	18,931,444	1,024,331,819	374,709,959
Vehicles	261,926,326	7,122,128	1,225,035	267,823,419	20.00%	228,096,338	15,493,313	644,587	242,945,064	24,878,355
Books	1,465,611	17,080	-	1,482,691	20.00%	1,419,922	18,555	-	1,438,477	44,214
As at December 31, 2017	5,647,039,649	208,778,021	28,189,580	5,827,628,090		2,481,340,136	491,861,865	27,606,719	2,945,595,282	2,882,032,808
As at December 31, 2016	4,796,093,628	857,349,988	6,403,967	5,647,039,649		2,047,832,928	439,892,513	6,385,305	2,481,340,136	3,165,699,513





National Bank Limited
Balance with other Banks and Financial Institutions (Outside Bangladesh)
As at December 31, 2017

Annex- B

Particulars	Currency Name	2017			2016		
		Amount in Foreign Currency	Conversion Rate Per Unit F.C	Amount in BDT	Amount in Foreign Currency	Conversion Rate Per Unit F.C	Amount in BDT
In fixed deposit accounts (interest bearing) with:							
JP Morgan Chase Bank, Singapore	USD	539,000.00	82.7000	44,575,300	539,000.00	78.7022	42,420,486
Social Islami Bank Ltd OBU	USD	-	82.7000	-	3,500,000.00	78.7022	275,457,700
Eastern Bank Ltd OBU	USD	-	82.7000	-	3,000,000.00	78.7022	236,106,600
BRAC Bank Ltd OBU	USD	-	82.7000	-	5,000,000.00	78.7022	393,511,000
Mercantile Bank Ltd OBU	USD	1,000,000.00	82.7000	82,700,000	-	78.7022	-
Sub-total				127,275,300			947,495,786
In demand deposit accounts (non interest bearing) with:							
Mashreq Bank, New York	USD	374,336.12	82.7000	30,957,597	1,692,757.93	78.7022	133,223,773
JP Morgan Chase Bank New York	USD	2,049,038.98	82.7000	169,455,524	2,881,222.53	78.7022	226,758,552
Standard Chartered Bank, New York	USD	247,614.50	82.7000	20,477,719	2,326,918.03	78.7022	183,133,568
Standard Chartered Bank, Mumbai	ACU	78,779.20	82.7000	6,515,040	661,495.67	78.7022	52,061,165
Sonali Bank, Kolkata	ACU	219,717.92	82.7000	18,170,672	417,379.23	78.7022	32,848,664
Mashreq Bank, Mumbai	ACU	217,552.26	82.7000	17,991,572	392,979.64	78.7022	30,928,362
State Bank of India, Kolkata	ACU	6,122.07	82.7000	506,295	6,122.07	78.7022	481,820
United Bank, Karachi	ACU	31,215.43	82.7000	2,581,516	31,215.43	78.7022	2,456,723
NABIL Bank, Nepal	ACU	109,753.37	82.7000	9,076,604	112,008.97	78.7022	8,815,352
Standard Chartered Bank, Colombo	ACU	9,225.11	82.7000	762,917	28,990.66	78.7022	2,281,629
Myanmar Foreign Trade Bank Yangon	ACU	137.85	82.7000	11,400	662.85	78.7022	52,168
AB Bank Ltd., Mumbai	ACU	140,914.70	82.7000	11,653,646	749,468.42	78.7022	58,984,813
Bank of Bhutan, Thimpu	ACU	10,739.74	82.7000	888,176	104,715.04	78.7022	8,241,304
ICICI Bank Ltd., Mumbai	ACU	38,258.27	82.7000	3,163,959	38,258.27	78.7022	3,011,010
HDFC Bank, India	ACU	129,398.11	82.7000	10,701,224	514,861.87	78.7022	40,520,762
Commerz Bank, Frankfurt	EURO	38,211.41	98.4874	3,763,342	26,865.36	82.1415	2,206,761
Standard Chartered Bank, Frankfurt	EURO	13,693.18	98.4874	1,348,606	4,268.26	82.1415	350,601
Uni Credito Italino SPA, Italy	EURO	450.00	98.4874	44,319	27,143.30	82.1415	2,229,591
Alpha Bank AE Athens	EURO	201,053.83	98.4874	19,801,269	201,545.91	82.1415	16,555,283
Sonali Bank, London	GBP	31,331.03	110.9669	3,476,707	13,462.00	96.3472	1,297,026
BOT Tokyo	JPY	94,264.00	0.7307	68,879	4,205,140.93	0.6741	2,834,686
Union Bank of Switzerland	CHF	4,442.74	83.9594	373,010	3,605.74	76.6480	276,373
Habib Bank Zurich	CHF	2,267.55	83.9594	190,382	1,012.25	76.6480	77,587
Habib Bank, Karachi	ACU	-	82.7000	-	498,819.41	78.7022	39,258,185
Habib American Bank	USD	209,466.79	82.7000	17,322,904	1,091,105.81	78.7022	85,872,428
Standard Chartered Bank, Singapore	SGD	15,767.43	61.7210	973,182	17,637.38	54.2774	957,311
Wachovia Bank, New York	USD	-	82.7000	-	378,977.96	78.7022	29,826,399
Citibank N.A New York	USD	284,371.17	82.7000	23,517,496	175,670.45	78.7022	13,825,651
Sub-total				373,793,957			979,367,547
Grand total				501,069,257			1,926,863,333





National Bank Limited
Status of large loan
As at December 31, 2017

Annex- C
(Figures in crore)

SL no.	Name of the borrower	Funded	Non-funded	Total outstanding	Remarks
1	Maisha Group	1,551.77	89.22	1,640.99	
2	S Alam Group	696.69	444.51	1,141.20	
3	S Alam Super Edible Oils Ltd.	616.46	185.90	802.36	
4	Basundhara Group	222.76	562.48	785.24	
5	Saad Musa Group	707.18	65.08	772.26	
6	NASSA Group	652.37	107.43	759.80	
7	FMC	716.62	38.18	754.80	
8	Beximco Group	734.06	4.50	738.56	
9	West Marine Shipyard Ltd.	528.80	-	528.80	
10	Ehsan Group	478.44	-	478.44	
11	Index Power & Energy Unit	443.77	25.04	468.81	
12	Masud & Brothers	315.62	139.65	455.27	
13	Pacific Group	454.45	-	454.45	
14	Dekko Group	185.95	233.49	419.44	
15	Millenium Group	389.39	3.39	392.78	
16	Chittagong Syndicate	338.73	27.05	365.78	
17	S A Group	353.69	5.86	359.55	
18	Khaleque Group	327.52	-	327.52	
19	Abul Khair Group	248.56	39.13	287.69	
20	TK Group	46.16	88.16	134.32	
	Total	10,008.99	2,059.07	12,068.06	





National Bank Limited
Status on REPO and Reverse REPO
As at December 31, 2017

Annex-D

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
Agrani Bank Ltd.	28.12.2017	01.01.2018	100.01
Janata Bank Ltd.	28.12.2017	01.01.2018	50.16
Total			150.17

ii) Disclosure regarding outstanding Reverse REPO

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

B. Disclosure regarding overall Transaction of REPO and Reverse REPO

Counter party	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year
---------------	---	---	---

REPO/ALS

With Bangladesh Bank	0.00	0	0.00
Other Banks & FIS	18.57	330.99	9.84

Reverse REPO

With Bangladesh Bank	0.00	0.00	0.00
Other Banks & FIS	15.08	199.72	26.38





National Bank Limited
Structural Liquidity Profile
As at December 31, 2017

Annex-E
(BDT in crore)

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

Particulars	Call	2-7 Days	8 Days-1 Month	1-3 Months	3-12 Months	1-5 Years	More than 5 years	Total
Assets (Inflow)								
Cash in hand (LCY+FCY)	328.95	-	-	-	-	-	-	328.95
Balance with Bangladesh Bank (LCY)	156.32	-	-	-	-	-	1,691.15	1,847.47
Balance with Bangladesh Bank (FCY)	-	-	-	-	-	-	-	-
Balance with other banks and financial institutions	104.7	0	230	305	128	-	15.75	783.45
Money at call and on short notice	251.00	100.00	-	-	-	-	-	351.00
Investment in G-SEC	-	12.66	-	82.85	312.43	1,901.52	2,752.56	5,062.02
Other Investment (Share, Debenture and bond, MFU and others)	0.53	-	118.85	277.31	641.01	21.00	459.28	1,517.98
Loans and advances	1,086.12	19.75	2,851.55	3,478.79	6,210.85	7,148.12	2,883.56	23,678.74
Bills purchased and discounted	6.89	20.67	27.56	75.79	6.89	-	-	137.80
Reverse REPO with Bangladesh Bank	-	-	-	-	-	-	-	-
Reverse REPO with Others	-	-	-	-	-	-	-	-
Fixed assets including premises, furniture and fixtures	-	-	-	-	-	-	288.20	288.20
Other assets	-	-	-	-	-	-	1,286.29	1,286.29
Non-banking assets	-	-	-	-	-	-	33.58	33.58
Other receivables	-	-	-	-	-	-	-	-
Total Inflows	1,934.51	153.08	3,227.96	4,219.74	7,299.18	9,070.64	9,410.37	35,315.48
Liabilities (Outflows)								
Borrowing from Bangladesh Bank (Refinances etc)	1.57	10.96	34.46	96.65	175.85	-	-	319.49
REPO/LS with Bangladesh Bank	-	-	-	-	-	-	-	-
REPO with other banks and fis.	150.00	-	-	-	-	-	-	150.00
Borrowing from other banks and fis.	-	-	-	-	-	-	-	-
Money at call and on short notice	70.00	-	-	-	-	-	-	-
Demand Deposits	525.57	81.48	84.10	120.90	2,102.60	2,788.58	-	5,703.23
Savings bank deposit	51.86	54.68	54.28	60.31	60.31	3,739.07	-	4,020.51
Fixed Deposit	340.22	595.25	2,933.24	5,141.14	4,526.94	2,785.04	859.16	17,180.99
Bills Payable	35.72	178.72	35.91	35.34	70.68	-	-	356.37
Provision and other liabilities	-	-	0.55	73.91	1,108.01	-	20.39	1,202.86
Capital and Reserve	-	-	-	-	-	-	4,204.62	4,204.62
Total Outflows	1,174.94	921.09	3,142.54	5,528.25	8,044.39	9,312.69	5,084.17	33,208.07
Letter of Credit/Guarantees (Net of margin)	9.86	68.99	216.81	858.30	1,681.92	-	-	2,835.88
Other OBS Items (Net of margin)	54.52	381.62	691.55	1,474.53	-	-	-	2,602.22
Available Balance with BB (FCY)	6.64	-	-	-	-	-	-	6.64
Net Nostro a/c balance	50.11	-	-	-	-	-	-	50.11
Net Mismatch	751.94	(1,218.62)	(822.94)	(3,641.34)	(2,427.13)	(242.05)	4,326.20	(3,273.94)
Cumulative Net Mismatch	751.94	(466.68)	(1,289.62)	(4,930.96)	(7,358.09)	(7,600.14)	(3,273.94)	

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

0.779
18.83%





National Bank Limited

Highlights on the activities of the Bank
As at December 31, 2017

(BDT in Million)

Sl. No.	Particulars	2017	2016
1	Paid-up Capital	23,704.53	19,753.78
2	Total Capital (Tier-I+II)	42,173.86	37,422.33
3	Capital Surplus/ (Deficit)	3,276.87	7,286.77
4	Total Assets	350,692.42	305,616.76
5	Total Deposits	272,771.32	241,329.88
6	Total Loans and Advances	248,467.15	209,929.07
7	Total Contingent Liabilities and Commitments	56,641.57	46,987.50
8	Advance / Deposit Ratio (%)	89.03%	84.66%
9	Percentage of Classified Loans against total Loans and Advances	10.64%	10.35%
10	Profit after Provision & Tax	4,696.01	5,567.87
11	Amount of Classified Loans	26,448.33	21,727.12
12	Provision kept against Classified Loans	6,892.35	5,133.22
13	Provision Surplus / (Deficit) against classified loans	(5,520.90)	(2,292.90)
14	Cost of Fund (including operating cost)	7.63%	7.78%
15	Interest Earning Assets	308,507.13	265,750.99
16	Non-interest Earning Assets	42,185.29	39,865.77
17	Return on Investment (ROI)	12.35%	17.26%
18	Return on Assets (ROA)	1.43%	1.90%
19	Income from Investment	7,469.85	10,381.25
20	Earnings per Share (Taka)	1.98	2.35
21	Net income per Share (Taka)	1.98	2.35
22	Price Earning Ratio (Times)	6.57	3.62
23	Net Assets Value per shares (Taka)	17.03	18.33





National Bank Limited
Offshore Banking Unit, Bangladesh

Balance Sheet
As at December 31, 2017

Notes	2017		2016	
	USD	BDT	USD	BDT
PROPERTY AND ASSETS				
CASH				
In hand (including foreign currencies)	-	-	-	-
With Bangladesh Bank (Including foreign currencies)	-	-	-	-
BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS (ON CURRENT AND OTHER ACCOUNTS) 3				
In Bangladesh	1,573,869.86	130,159,038	3,180,818.12	250,337,384
Outside Bangladesh	-	-	-	-
	1,573,869.86	130,159,038	3,180,818.12	250,337,384
MONEY AT CALL AND SHORT NOTICE	-	-	-	-
INVESTMENT	-	-	-	-
LOANS AND ADVANCES 4				
i) Loans, cash credits, overdrafts, etc.				
In Bangladesh	-	-	3,697,104.55	290,970,261
Outside Bangladesh	-	-	-	-
	-	-	3,697,104.55	290,970,261
ii) Bills purchased and discounted				
Payable in Bangladesh	64,937,743.91	5,370,351,421	30,968,137.98	2,437,260,589
Payable outside Bangladesh	-	-	-	-
	64,937,743.91	5,370,351,421	30,968,137.98	2,437,260,589
	64,937,743.91	5,370,351,421	34,665,242.53	2,728,230,850
FIXED ASSETS 5	264.52	21,876	356.76	28,078
OTHER ASSETS 6	946,176.97	78,248,835	500,461.32	39,387,407
NON-BANKING ASSETS	-	-	-	-
TOTAL ASSETS	<u>67,458,055.26</u>	<u>5,578,781,170</u>	<u>38,346,878.73</u>	<u>3,017,983,719</u>





Notes	2017		2016	
	USD	BDT	USD	BDT
CAPITAL AND LIABILITIES				
BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AGENTS				
7				
In Bangladesh	47,915,310.53	3,962,596,181	33,781,466.00	2,658,675,693
Outside Bangladesh	15,929,050.00	1,317,332,435	-	-
	63,844,360.53	5,279,928,616	33,781,466.00	2,658,675,693
	63,844,360.53	5,279,928,616	33,781,466.00	2,658,675,693
DEPOSITS AND OTHER ACCOUNTS				
8				
Current deposits and other accounts	2,136,077.70	176,653,626	3,548,116.49	279,244,574
Term deposits	868,066.00	71,789,058	857,004.00	67,448,100
	3,004,143.70	248,442,684	4,405,120.49	346,692,674
	3,004,143.70	248,442,684	4,405,120.49	346,692,674
OTHER LIABILITIES				
9	609,551.03	50,409,870	160,292.24	12,615,352
	609,551.03	50,409,870	160,292.24	12,615,352
TOTAL LIABILITIES				
	67,458,055.26	5,578,781,170	38,346,878.73	3,017,983,719
	67,458,055.26	5,578,781,170	38,346,878.73	3,017,983,719
CAPITAL/SHAREHOLDERS' EQUITY				
Retained earnings brought forward from profit & loss account				
	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				
	67,458,055.26	5,578,781,170	38,346,878.73	3,017,983,719
	67,458,055.26	5,578,781,170	38,346,878.73	3,017,983,719
Off balance sheet items				
Contingent liabilities				
Acceptance and endorsements	1,997,600.00	165,201,520	3,135,400.00	246,762,878
Letter of guarantee - Banks	-	-	-	-
Letter of guarantee - Others	80,500.00	6,657,350	80,500.00	6,335,527
Bills for collection	2,909,500.00	240,615,650	3,899,800.00	306,922,840
Irrevocable letters of credit	811,900.00	67,144,130	1,073,600.00	84,494,682
Other commitments	-	-	-	-
	5,799,500.00	479,618,650	8,189,300.00	644,515,927
	5,799,500.00	479,618,650	8,189,300.00	644,515,927





National Bank Limited
Offshore Banking Unit, Bangladesh

Profit and Loss Account
For the year ended December 31, 2017

Notes	2017		2016		
	USD	BDT	USD	BDT	
Interest income	10	2,445,302.53	202,226,519	2,138,419.33	168,298,306
Interest paid on deposits and borrowings	11	1,516,622.14	125,424,651	1,084,697.05	85,368,044
Net interest income		928,680.39	76,801,868	1,053,722.28	82,930,262
Commission, exchange and brokerage	12	79,670.41	6,588,743	153,926.93	12,114,388
Other Operating Income	13	133,781.39	11,063,721	183,168.04	14,415,731
Total operating income		1,142,132.19	94,454,332	1,390,817.25	109,460,381
Salary and allowances	14	28,417.89	2,350,159	38,346.24	3,017,933
Rent, taxes, Insurance, electricity etc.	15	10,082.83	833,850	12,719.86	1,001,081
Postage, stamps, telecommunication etc.	16	3,488.24	288,477	15,866.60	1,248,736
Repair, maintenance and depreciation	17	92.24	7,628	765.60	60,254
Other operating expenses	18	5,000.00	413,500	424.59	33,416
		47,081.20	3,893,614	68,122.89	5,361,420
Profit before provision		1,095,050.99	90,560,718	1,322,694.36	104,098,961
Less: General Provision against UC Loan	2.3	-	-	-	-
Profit before income tax		1,095,050.99	90,560,718	1,322,694.36	104,098,961
Less. Provision for income tax	2.3	-	-	-	-
Net Profit after taxation		1,095,050.99	90,560,718	1,322,694.36	104,098,961
Balance of Profit brought forward		-	-	-	-
Effect of changes in exchange rate		-	-	-	-
Retained Earnings carried forward		1,095,050.99	90,560,718	1,322,694.36	104,098,961
Less: Retained earnings transferred to central operation		1,095,050.99	90,560,718	1,322,694.36	104,098,961
		-	-	-	-





National Bank Limited
Offshore Banking Unit, Bangladesh
Cash Flow Statement
For the year ended December 31, 2017

	2017		2016	
	USD	BDT	USD	BDT
A) Cash flows from operating activities				
Interest Income	2,445,302.53	202,226,519	2,138,419.33	168,298,306
Interest paid	(1,516,622.14)	(125,424,651)	(1,084,697.05)	(85,368,044)
Commission, exchange and brokerage	79,670.41	6,588,743	153,926.93	12,114,388
Received from other operating activities	133,781.39	11,063,721	183,168.04	14,415,731
Paid to employees	(28,417.89)	(2,350,159)	(38,346.24)	(3,017,933)
Paid to supplier	(13,571.07)	(1,122,327)	(29,167.58)	(2,295,552)
Paid for operating expenses	(5,000.00)	(413,500)	(424.59)	(33,416)
<i>Operating profit before changes in operating assets and liabilities</i>	<u>1,095,143.23</u>	<u>90,568,346</u>	<u>1,322,878.84</u>	<u>104,113,480</u>
(Increase)/decrease in operating assets:				
Loan and advances to customers	(30,272,501.38)	(2,642,120,571)	1,772,579.98	132,149,149
Other Assets	(445,715.76)	(38,861,428)	65,704.95	5,056,824
Increase/(decrease) in operating liabilities:				
Effect of Changes in exchange rate	-	(1,426)	-	(109)
Deposits from Banks	-	-	-	-
Customers' deposits and other accounts	(1,400,976.79)	(98,249,990)	124,619.80	10,672,085
Borrowing from other banks and financial institutions	30,062,894.53	2,621,252,923	(4,782,050.00)	(368,571,882)
Other liabilities	449,258.90	37,794,518	(271,475.65)	(21,278,566)
	<u>(1,607,040.50)</u>	<u>(120,185,974)</u>	<u>(3,090,620.92)</u>	<u>(241,972,499)</u>
Net cash provided from operating activities	(511,897.27)	(29,617,628)	(1,767,742.08)	(137,859,019)
B) Cash flows from investing activities				
Changes in fixed assets	-	-	-	-
Fund placement	-	-	-	-
C) Cash flows from financing activities				
Profit remitted to Head Office	(1,095,050.99)	(90,560,718)	(1,322,694.36)	(104,098,961)
D) Net increase in cash and cash equivalents (A+B+C)	(1,606,948.26)	(120,178,346)	(3,090,436.44)	(241,957,980)
E) Opening cash and cash equivalents	3,180,818.12	250,337,384	6,271,254.56	492,295,364
F) Closing cash and cash equivalent (D+E)	<u>1,573,869.86</u>	<u>130,159,038</u>	<u>3,180,818.12</u>	<u>250,337,384</u>
G Closing cash and cash equivalents				
Cash In hand (including foreign currencies)	-	-	-	-
Balances with Bangladesh Bank and its agent bank (s)	-	-	-	-
Balances with other Banks and Financial Institutions	1,573,869.86	130,159,038	3,180,818.12	250,337,384
Money at call and short notice	-	-	-	-
Prize bonds	-	-	-	-
	<u>1,573,869.86</u>	<u>130,159,038</u>	<u>3,180,818.12</u>	<u>250,337,384</u>



National Bank Limited
Offshore Banking Unit
Notes to the Financial Statements
For the year ended December 31, 2017

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, Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BAS) and other applicable directives issued by Bangladesh Bank.

2.2 Loans and advances

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

2.3 Common expenses

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

These are accounted for in the central accounts of NBL.

3 Balance with other Banks and Financial Institutions

Inside Bangladesh

NBL Mohakhali Branch
Placement with NBL
Head Office ID

2017		2016	
USD	BDT	USD	BDT
783,765.61	64,817,416	2,132,718.45	167,849,634
492,067.53	40,693,985	298,000.00	23,453,256
298,036.72	24,647,637	750,099.67	59,034,494
1,573,869.86	130,159,038	3,180,818.12	250,337,384

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

Payable

On demand
Within one month
More than one month but not more than three months
More than three months but not more than one year
More than one year but not more than five years
More than five years

1,573,869.86	130,159,038	3,180,818.12	250,337,384
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,573,869.86	130,159,038	3,180,818.12	250,337,384

4 Loans and advances

4.1 Loans, Cash Credit, Overdraft etc.

4.1.1 Inside Bangladesh

Loans
Cash Credit
Loan against TR
Secured Overdraft

-	-	3,635,594.55	286,129,289
-	-	-	-
-	-	61,510.00	4,840,972
-	-	-	-
-	-	3,697,104.55	290,970,261
-	-	3,697,104.55	290,970,261

4.2 Bills purchased and discounted

4.2.1 Inside Bangladesh

Local Bill Purchased
Foreign Bill Purchased

-	-	-	-
64,937,743.91	5,370,351,421	30,968,137.98	2,437,260,589
64,937,743.91	5,370,351,421	30,968,137.98	2,437,260,589
-	-	-	-
64,937,743.91	5,370,351,421	30,968,137.98	2,437,260,589
64,937,743.91	5,370,351,421	34,665,242.53	2,728,230,850

4.2.2 Outside Bangladesh

	2017		2016	
	USD	BDT	USD	BDT
4.3 Maturity grouping of loans and advances including bills discounted and purchased				
Payable on demand	-	-	-	-
Less than three months	59,526,265.25	4,922,822,136	3,230,513.79	254,248,542
More than three months but less than one year	5,411,478.66	447,529,285	28,229,786.24	2,221,746,283
More than one year but less than five years	-	-	3,204,942.50	252,236,025
	64,937,743.91	5,370,351,421	34,665,242.53	2,728,230,850
4.4 Maturity analysis of bills purchased and discounted				
Within one month	59,526,265.25	4,922,822,136	3,230,513.79	254,248,542
More than one month but less than three months	5,411,478.66	447,529,285	27,737,624.19	2,183,012,047
More than three months but less than six months	-	-	-	-
	64,937,743.91	5,370,351,421	30,968,137.98	2,437,260,589
4.5 Loans and Advances on the basis of Significant Concentration				
4.5.1 Loans and Advances to Directors, Executive and Others				
Advance to Directors and their allied concerns(including Ex-Directors)	-	-	-	-
Advances to CEO & Managing Director	-	-	-	-
Advances to Other executives and staffs	-	-	-	-
Advances to Customers (Group wise)	-	-	-	-
Industrial Advances	64,937,743.91	5,370,351,421	34,665,242.53	2,728,230,850
	64,937,743.91	5,370,351,421	34,665,242.53	2,728,230,850
4.6 Industry-wise Concentration of loans and advances				
Air way sector (BBAW)	320,000.00	26,464,000	320,000.00	25,184,704
Pharmaceuticals Industries	888,486.67	73,477,848	888,486.67	69,925,856
Textile & Garments Industry	3,873,838.78	320,366,467	3,873,838.78	304,879,634
Cement Industry	2,884,942.50	238,584,745	2,884,942.50	227,051,322
Others	56,970,475.96	4,711,458,361	26,697,974.58	2,101,189,334
	64,937,743.91	5,370,351,421	34,665,242.53	2,728,230,850
4.7 Geographical location-wise concentration of Loans and advances				
Inside Bangladesh				
Dhaka Division	64,937,743.91	5,370,351,421	34,665,242.53	2,728,230,850
Chittagong Division	-	-	-	-
Khulna Division	-	-	-	-
Rajshahi Division	-	-	-	-
Barishal Division	-	-	-	-
Sylhet Division	-	-	-	-
Outside Bangladesh				
	64,937,743.91	5,370,351,421	34,665,242.53	2,728,230,850
4.8 Classified, unclassified, doubtful and bad loans & advances				
Unclassified				
Standard	64,937,743.91	5,370,351,421	34,665,242.53	2,728,230,850
Special Mention Account	-	-	-	-
Classified				
Sub-standard	-	-	-	-
Doubtful	-	-	-	-
Bad/Loss	-	-	-	-
	64,937,743.91	5,370,351,421	34,665,242.53	2,728,230,850





	2017		2016	
	USD	BDT	USD	BDT
4.9 Particulars of loans and advances				
i) Debt considered good in respect of which the bank is fully secured	64,937,743.91	5,370,351,421	34,665,242.53	2,728,230,850
ii) Debt considered good for which the bank holds no other security than the debtor's personal security	-	-	-	-
iii) Debts considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors	-	-	-	-
iv) Debts considered doubtful or bad, not provided for	-	-	-	-
	64,937,743.91	5,370,351,421	34,665,242.53	2,728,230,850
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	-	-	-	-
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	-	-	-	-
ix) Due from other banking companies	-	-	-	-
x) Classified loans and advances on which no interest is credited to income	-	-	-	-
5 Fixed Assets				
Furnitures, fixtures and fittings	1,807.35	149,468	1,807.35	142,242
Office Equipments	8,291.02	685,667	8,291.02	652,522
	10,098.37	835,135	10,098.37	794,764
Accumulated Depreciation	9,833.85	813,259	9,741.61	766,686
	264.52	21,876	356.76	28,078
6 Other assets				
Stationery in hand	-	-	-	-
Adjusting account debit	946,176.97	78,248,835	500,461.32	39,387,407
	946,176.97	78,248,835	500,461.32	39,387,407
7 Borrowings from other Banks, Financial Institutions and Agents				
In Bangladesh				
Head office, ID Bangladesh Bank	47,915,310.53	3,962,596,181	33,781,466.00	2,658,675,693
	47,915,310.53	3,962,596,181	33,781,466.00	2,658,675,693
Outside Bangladesh	15,929,050.00	1,317,332,435	-	-
	63,844,360.53	5,279,928,616	33,781,466.00	2,658,675,693
7.1 Classification based on types of security				
Secured	-	-	-	-
Unsecured	63,844,360.53	5,279,928,616	33,781,466.00	2,658,675,693
	63,844,360.53	5,279,928,616	33,781,466.00	2,658,675,693
7.2 Maturity grouping of borrowings from other Banks, Financial Institutions and Agents				
Payable on demand	-	-	-	-
Payable within one month	47,915,310.53	3,962,596,181	33,781,466.00	2,658,675,693
More than one month but less than three months	5,229,050.00	432,442,435	-	-
More than three months but less than 1 year	10,700,000.00	884,890,000	-	-
More than 1 year but less than 5 years	-	-	-	-
	63,844,360.53	5,279,928,616	33,781,466.00	2,658,675,693
8 Deposits and other accounts				
Current and other accounts				
Current account	621,538.95	51,401,271	295,832.48	23,282,667
Sundry deposits	1,514,538.75	125,252,355	3,252,284.01	255,961,907
	2,136,077.70	176,653,626	3,548,116.49	279,244,574
Term deposits	868,066.00	71,789,058	857,004.00	67,448,100
	3,004,143.70	248,442,684	4,405,120.49	346,692,674



	2017		2016	
	USD	BDT	USD	BDT
8.1 Maturity grouping of deposits and other accounts				
Payable on demand	621,538.95	51,401,271	295,832.48	23,282,667
Payable within one month	26,460.00	2,188,242	26,460.00	2,082,460
More than one month but less than three months	455,444.00	37,665,219	455,444.00	35,844,445
More than three months but less than one year	1,900,700.75	157,187,952	3,627,384.01	285,483,102
More than one year but less than five years	-	-	-	-
	3,004,143.70	248,442,684	4,405,120.49	346,692,674
9 Other liabilities				
Adjusting Account Credit	609,551.03	50,409,870	160,292.24	12,615,352
FC Adjusting Account	-	-	-	-
Provision for Off-Balance Sheet Items	-	-	-	-
Provision for unclassified Loans and advances	-	-	-	-
	609,551.03	50,409,870	160,292.24	12,615,352
10 Interest income				
Interest on Advances	2,437,411.90	201,573,964	2,045,274.21	160,967,580
Interest on Money at Call and Short Notice	-	-	-	-
Interest on fund placement with HO, ID	7,890.63	652,555	93,145.12	7,330,726
Interest on Foreign Currency Balances	-	-	-	-
	2,445,302.53	202,226,519	2,138,419.33	168,298,306
11 Interest paid on deposits and borrowings				
Interest on Deposits	14,662.00	1,212,547	8,374.00	659,052
Interest on Borrowings	1,501,960.14	124,212,104	1,076,323.05	84,708,992
Discount	-	-	-	-
Interest on REPO	-	-	-	-
	1,516,622.14	125,424,651	1,084,697.05	85,368,044
12 Commission, exchange and brokerage				
Commission	79,670.41	6,588,743	153,907.90	12,112,890
Exchange gain net off exchange losses	-	-	19.03	1,498
Brokerage	-	-	-	-
	79,670.41	6,588,743	153,926.93	12,114,388
13 Other Operating Income				
Shipping Guarantee, Handling charges, service charges etc.	120,499.84	9,965,337	134,624.04	10,595,208
Postage	9.00	744	303.00	23,847
Courier	3,403.00	281,428	17,976.00	1,414,751
SWIFT	4,216.00	348,663	20,659.00	1,625,909
Remittance Income	1,050.00	86,835	3,280.00	258,143
Miscellaneous	4,603.55	380,714	6,326.00	497,873
	133,781.39	11,063,721	183,168.04	14,415,731
14 Salaries and allowances				
Basic Salary	13,245.87	1,095,433	17,442.16	1,372,736
Allowances	13,709.96	1,133,814	19,159.87	1,507,924
Bank's contribution to PF	1,462.06	120,912	1,744.21	137,273
Bonus	-	-	-	-
Others	-	-	-	-
	28,417.89	2,350,159	38,346.24	3,017,933
15 Rent, taxes, insurance, electricity etc.				
Rent Office	9,639.87	797,217	12,206.19	960,654
Electricity	442.96	36,633	513.67	40,427
	10,082.83	833,850	12,719.86	1,001,081
16 Postage, stamps, telecommunication etc.				
Telephone Office	13.33	1,102	61.74	4,859
Courier	171.55	14,187	9,773.21	769,173
Internet	875.55	72,408	3,283.50	258,419
SWIFT charges	2,427.81	200,780	2,748.15	216,285
	3,488.24	288,477	15,866.60	1,248,736





	2017		2016	
	USD	BDT	USD	BDT
17 Repair, maintenance and depreciation				
Depreciation				
Furnitures, fixtures, fittings etc.	92.24	7,628	184.48	14,519
Computer Equipment	-	-	-	-
Office Equipments	-	-	-	-
	92.24	7,628	184.48	14,519
Repair & maintainance				
Office Premises	-	-	-	-
Office Equipments	-	-	349.31	27,491
Furnitures and fixtures	-	-	231.81	18,244
Others	-	-	-	-
	-	-	581.12	45,735
	92.24	7,628	765.60	60,254
18 Other operating expenses				
Registration and renewal fees	5,000.00	413,500	-	-
Stationary	-	-	424.59	33,416
Others	-	-	-	-
	5,000.00	413,500	424.59	33,416

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 82.70 which represents the year-end mid rate of exchange as at December 31, 2017.

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





National Bank Limited
Offshore Banking Unit, Bangladesh
Statement of Liquidity in US Dollar
(Maturity analysis of assets and liabilities)
As at December 31, 2017

Particulars	Maturity within 1 month	Maturity within 1 to 3 months	Maturity within 3 to 12 months	Maturity within 1 to 5 years	Maturity over 5 years	Total Amount
	USD					
ASSETS						
Cash in hand	-	-	-	-	-	-
Balance with other banks and financial institutions	1,573,869.86	-	-	-	-	1,573,869.86
Money at call and short notice	-	-	-	-	-	-
Investment	-	-	-	-	-	-
Loans & advances to customers	-	33,503,015.17	28,229,786.24	3,204,942.50	-	64,937,743.91
Fixed assets	7.69	15.38	241.45	-	-	264.52
Other assets	-	946,176.97	-	-	-	946,176.97
Non-banking assets	-	-	-	-	-	-
Total Assets	1,573,877.55	34,449,207.52	28,230,027.69	3,204,942.50	-	67,458,055.26
LIABILITIES						
Borrowings from other banks & financial institutions	47,915,310.53	5,229,050.00	10,700,000	-	-	63,844,360.53
Deposits & other accounts	647,998.95	455,444.00	1,900,700.75	-	-	3,004,143.70
Other liabilities	-	609,551.03	-	-	-	609,551.03
Total Liabilities	48,563,309.48	6,294,045.03	12,600,700.75	-	-	67,458,055.26
Net Liquidity Difference	(46,989,431.93)	28,155,162.49	15,629,326.94	3,204,942.50	-	-





National Bank Limited
Offshore Banking Unit, Bangladesh
Statement of Liquidity in BDT
(Maturity analysis of assets and liabilities)
As at December 31, 2017

Particulars	Maturity within 1 month	Maturity within 1 to 3 months	Maturity within 3 to 12 months	Maturity within 1 to 5 years	Maturity over 5 years	Total Amount
	BDT					
ASSETS						
Cash in hand	-	-	-	-	-	-
Balance with other banks and financial institutions	130,159,038	-	-	-	-	130,159,038
Money at call and short notice	-	-	-	-	-	-
Investment	-	-	-	-	-	-
Loans & advances to customers	-	2,770,699,355	2,334,603,322	265,048,744	-	5,370,351,421
Fixed assets	636	1,272	19,968	-	-	21,876
Other assets	-	78,248,835	-	-	-	78,248,835
Non-banking assets	-	-	-	-	-	-
Total Assets	130,159,674	2,848,949,462	2,334,623,290	265,048,744	-	5,578,781,170
LIABILITIES						
Borrowings from other banks & financial institutions	3,962,596,181	432,442,435	884,890,000	-	-	5,279,928,616
Deposits & other accounts	53,589,513	37,665,219	157,187,952	-	-	248,442,684
Other liabilities	-	50,409,870	-	-	-	50,409,870
Total Liabilities	4,016,185,694	520,517,524	1,042,077,952	-	-	5,578,781,170
Net Liquidity Difference	(3,886,026,020)	2,328,431,938	1,292,545,338	265,048,744	-	-

