

**National Bank Limited**

**Independent Auditors' Report to the Shareholders**  
**For the year ended 31 December 2016**

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**Report on the financial statements**

We have audited the accompanying consolidated financial statements of National Bank Limited and its subsidiaries (the Group) as well as the separate financial statements of National Bank Limited (the Bank) which comprise the consolidated and separate balance sheet as at 31 December 2016, 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 and annexures thereto.

**Management's responsibility for the financial statements and internal controls**

Management is responsible for the preparation and fair presentation of the 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 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 Bank 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. 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 the auditors' 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, the auditors 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 referred to above both of which have been prepared in the format prescribed by Bangladesh Bank vide circular no. 14 dated 25 June 2003 and in accordance with Bangladesh Financial Reporting Standards and Bangladesh Accounting Standards, read in conjunction with note 2.1, give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2016 and financial performance of the Group and the Bank and their cash flows for the year then ended.



**National Bank Limited**

**Independent Auditors' Report to the Shareholders**  
**For the year ended 31 December 2016**

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**Report on other legal and regulatory requirements**

In accordance with the Companies Act 1994, Bangladesh Securities and Exchange Rules 1987, the Bank 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 explained 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 the 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 dealt with by the report are in agreement with the books of account;
- (f) the expenditures incurred during the period were for the purposes of the 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 with related guidance issued by Bangladesh Bank;
- (h) adequate provisions have been made to the extent in concurrence with Bangladesh Bank for advances 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;
- (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 3,950 person hours for the audit of the books and account of the Bank.

Dhaka, Bangladesh  
Dated, 30 April 2017



  
S. F. AHMED & CO  
Chartered Accountants

**National Bank Limited and Its Subsidiaries**

**Consolidated Balance Sheet**  
**As at 31 December 2016**

	Notes	2016 BDT	2015 BDT
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>		<b>21,075,416,567</b>	<b>18,813,328,899</b>
In hand (including foreign currencies)	3	2,620,733,655	2,348,299,493
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4	18,454,682,912	16,465,029,406
<b>Balance with other banks and financial institutions</b>	5	<b>3,317,476,214</b>	<b>8,546,503,406</b>
In Bangladesh		1,214,892,984	6,228,783,098
Outside Bangladesh		2,102,583,230	2,317,720,308
<b>Money at call and on short notice</b>	6	<b>3,091,300,000</b>	<b>1,495,300,000</b>
<b>Investments</b>	7	<b>57,297,627,568</b>	<b>59,278,445,764</b>
Government		49,553,106,806	51,345,240,061
Others		7,744,520,762	7,933,205,703
<b>Loans and advances</b>	8	<b>213,915,345,195</b>	<b>187,448,375,121</b>
Loans, cash credits, overdrafts, etc		209,925,328,534	182,992,015,805
Bills purchased and discounted		3,990,016,661	4,456,359,316
<b>Fixed assets including premises, furniture and fixtures</b>	9	<b>3,199,858,007</b>	<b>2,788,266,228</b>
<b>Other assets</b>	10	<b>4,322,003,722</b>	<b>4,009,953,007</b>
<b>Non-banking assets</b>	11	<b>335,820,241</b>	<b>335,820,241</b>
<b>Total assets</b>		<b>306,554,847,514</b>	<b>282,715,992,666</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	12	<b>3,115,330,473</b>	<b>4,161,760,014</b>
<b>Deposits and other accounts</b>	13	<b>240,719,966,698</b>	<b>221,629,963,400</b>
Current deposit and other accounts		21,659,650,401	20,693,115,937
Bills payable		5,611,244,593	2,501,292,434
Savings bank deposits		39,622,907,587	32,942,064,340
Fixed deposits		104,278,221,622	110,315,043,225
Term deposit		69,547,942,495	55,178,447,464
<b>Subordinated bonds</b>	14	<b>1,024,000,000</b>	<b>1,280,000,000</b>
<b>Other liabilities</b>	15	<b>25,581,266,446</b>	<b>22,202,555,979</b>
<b>Total liabilities</b>		<b>270,440,563,617</b>	<b>249,274,279,393</b>
<b>Shareholders' equity</b>			
<b>Total shareholders' equity</b>		<b>36,114,283,897</b>	<b>33,441,713,273</b>
Paid-up capital	16.2	19,753,779,120	17,177,199,240
Statutory reserve	17	11,392,420,005	9,707,793,205
General reserve	18	52,527,544	53,192,892
Other reserve	19	1,091,968,708	4,014,930,622
Retained earnings	20	3,823,506,459	2,488,521,769
		<b>36,114,201,836</b>	<b>33,441,637,728</b>
Non-controlling (minority) interest		82,061	75,545
<b>Total liabilities and shareholders' equity</b>		<b>306,554,847,514</b>	<b>282,715,992,666</b>




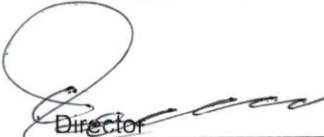
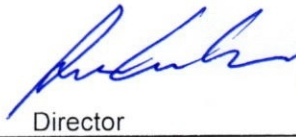
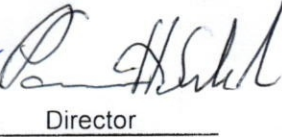
**National Bank Limited and Its Subsidiaries**

**Consolidated Balance Sheet**  
**As at 31 December 2016**

	Notes	2016 BDT	2015 BDT
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>		<b>46,987,503,918</b>	<b>51,470,564,416</b>
Acceptances and endorsements		15,019,255,460	17,821,424,110
Letters of guarantee	21	10,113,772,243	12,228,496,864
Irrevocable letters of credit		17,255,783,485	14,617,995,824
Bills for collection		4,598,692,730	6,802,647,618
Other contingent liabilities		-	-
<b>Other commitments</b>		-	-
Lease rental commitments		-	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Spot and forward foreign exchange rate contracts		-	-
Other exchange contracts		-	-
<b>Total off-balance sheet items including contingent liabilities</b>		<b><u>46,987,503,918</u></b>	<b><u>51,470,564,416</u></b>

These financial statements should be read in conjunction with annexed notes.

for National Bank Limited

 Managing Director (CC)	 Director	 Director	 Director
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Dhaka, Bangladesh  
Dated, 30 April 2017

See annexed report of the date

  
**S. F. AHMED & CO**  
 Chartered Accountants

**National Bank Limited and Its Subsidiaries**  
**Consolidated Profit and Loss Statement**  
**For the year ended 31 December 2016**

	Notes	2016 BDT	2015 BDT
Interest income	22	18,964,101,306	19,526,151,534
<u>Less: Interest paid on deposits and borrowings, etc</u>	23	14,868,513,346	16,551,212,187
<b>Net interest income</b>		<b>4,095,587,960</b>	<b>2,974,939,347</b>
Investment income	24	10,415,188,620	7,941,834,565
Commission, exchange and brokerage	25	1,541,232,004	1,762,877,701
Other operating income	26	554,409,851	736,485,820
		<b>12,510,830,475</b>	<b>10,441,198,086</b>
<b>Total operating income</b>		<b>16,606,418,435</b>	<b>13,416,137,433</b>
Salaries and allowances	27	3,740,555,641	3,185,500,653
Rent, taxes, insurance, electricity, etc	28	717,160,353	624,967,648
Legal expenses	29	26,611,944	25,156,404
Postage, stamp, telecommunication, etc	30	81,848,950	83,737,708
Stationery, printing, advertisement, etc	31	111,796,937	156,859,032
Managing Director's salary and allowances	32	10,148,295	7,496,452
Directors' fees and other benefits	33	7,413,095	5,102,293
Auditors' fees	34	1,944,750	1,686,713
Charges on loan losses		31,872,356	8,792,391
Repairs, maintenance and depreciation	35	669,349,641	488,204,917
Other expenses	36	393,791,781	478,411,560
<b>Total operating expenses</b>		<b>5,792,493,743</b>	<b>5,065,915,771</b>
		<b>10,813,924,692</b>	<b>8,350,221,662</b>
<b>Effect of changes of exchange rates</b>		<b>1,458,398</b>	<b>(485,397)</b>
<b>Profit before provision</b>		<b>10,815,383,090</b>	<b>8,349,736,265</b>
Provision for loans and advances			
Specific provision	15.2(a)	1,112,000,000	1,560,000,000
General provision (Including off-balance sheet items)	15.2(b)	1,218,000,000	-
Provision for good borrowers	15.2(d)	-	10,000,000
		<b>2,330,000,000</b>	<b>1,570,000,000</b>
Provisions for other classified assets	15.4	-	376,083,630
<b>Total provision</b>		<b>2,330,000,000</b>	<b>1,946,083,630</b>
<b>Total profit before taxes</b>		<b>8,485,383,090</b>	<b>6,403,652,635</b>
Provision for taxation			
Current tax	15.1	2,871,561,618	2,532,994,856
Deferred tax	15.6	5,262,147	(10,777,503)
		<b>2,876,823,765</b>	<b>2,522,217,353</b>
<b>Net profit after tax</b>		<b>5,608,559,325</b>	<b>3,881,435,282</b>
<b>Net profit after tax attributable to:</b>			
<b>Non-controlling interest</b>		<b>6,516</b>	<b>(12,868)</b>
<b>Equity holders of parent company</b>		<b>5,608,552,809</b>	<b>3,881,448,150</b>
<b>Net profit after taxation without non-controlling interests</b>		<b>5,608,552,809</b>	<b>3,881,448,150</b>
Retained earnings brought forward from previous year		2,488,521,769	1,464,019,449
		<b>8,097,074,578</b>	<b>5,345,467,599</b>
<b>Appropriations</b>			
Statutory reserve	17	(1,684,626,800)	(1,268,651,176)
Transferred to general reserve (overseas operation)		-	(16,524,000)
Dividend paid by overseas subsidiaries		(12,361,439)	(10,207,094)
<b>Dividend</b>		<b>(2,576,579,880)</b>	<b>(1,561,563,560)</b>
Bonus shares 15% for 2015 and 10% for 2014		<b>(4,273,568,119)</b>	<b>(2,856,945,830)</b>
<b>Retained earnings carried forward</b>		<b>3,823,506,459</b>	<b>2,488,521,769</b>
<b>Earnings per share (EPS) restated</b>	39	<b>2.84</b>	<b>1.96</b>

These financial statements should be read in conjunction with annexed notes for National Bank Limited

Managing Director (CC)

Director

Director

Director

See annexed report of the date



National Bank Limited and Its Subsidiaries  
Consolidated Statement of Changes in Equity  
For the year ended 31 December 2016


Particulars	Paid-up capital		Statutory reserve		General reserve		Other reserve		Retained earnings		Total		Non-controlling interest		Total equity		
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	
<b>Balance on 01 January 2016</b>	17,177,199,240	9,707,793,205	53,192,892	4,014,930,622	2,488,521,769	33,441,637,728	75,545	33,441,713,273									
Net profit for the year	-	-	-	-	5,608,552,809	5,608,552,809	6,516	5,608,559,325									
Bonus shares for 2015 issued during the year	2,576,579,880	-	-	-	(2,576,579,880)	-	-	-									
Cash dividend paid by overseas subsidiaries	-	-	-	-	(12,361,439)	(12,361,439)	-	(12,361,439)									
Transferred to statutory reserve	-	1,684,626,800	-	-	(1,684,626,800)	-	-	-									
Revaluation of Government treasury bills, bonds and other investment	-	-	-	(2,922,961,914)	-	(2,922,961,914)	-	(2,922,961,914)									
Adjustment during the year	-	-	(665,348)	-	-	(665,348)	-	(665,348)									
Bonus shares issued by overseas subsidiaries	-	-	-	-	-	-	-	-									
<b>Balance at 31 December 2016</b>	<b>19,753,779,120</b>	<b>11,392,420,005</b>	<b>52,527,544</b>	<b>1,091,968,708</b>	<b>3,823,506,459</b>	<b>36,114,201,836</b>	<b>82,061</b>	<b>36,114,283,897</b>									
<b>Balance at 31 December 2015</b>	<b>17,177,199,240</b>	<b>9,707,793,205</b>	<b>53,192,892</b>	<b>4,014,930,622</b>	<b>2,488,521,769</b>	<b>33,441,637,728</b>	<b>75,545</b>	<b>33,441,713,273</b>									

  
Managing Director (CC)



Dhaka, Bangladesh  
Dated, 30 April 2017

for National Bank Limited

  
Director

  
Director

  
Director

**National Bank Limited and Its Subsidiaries**

**Consolidated Cash Flow Statement**  
**For the year ended 31 December 2016**

	Note	2016 BDT	2015 BDT
<b>A) Cash flows from operating activities</b>			
Interest received		18,947,443,529	19,071,862,379
Interest paid		(13,794,562,689)	(16,864,384,221)
Income from Investment		5,239,350,547	5,348,564,368
Fees, commission, exchange and brokerage		1,541,232,004	1,762,877,701
Cash paid to employees		(3,558,117,031)	(3,198,099,398)
Cash paid to suppliers		(1,168,820,062)	(1,085,869,514)
Income taxes paid	15.1	(2,367,642,260)	(2,337,375,599)
Received from other operating activities		554,308,088	735,312,031
Paid for other operating activities		(393,786,174)	(475,262,477)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>4,999,405,952</b>	<b>2,957,625,270</b>
<b>Increase/(decrease) in operating assets and liabilities</b>			
Sale of trading securities		79,177,010	47,324,474
Purchase of trading securities		(38,714,801)	(107,259,145)
Loans and advances to other banks		-	-
Loans and advances to customers		(20,898,609,318)	(6,923,350,697)
Other assets		(587,483,952)	(92,027,239)
Deposits from other banks		7,065,014,688	519,422,858
Deposits from customers		12,024,988,610	18,338,565,778
Other liabilities		(981,705,233)	1,678,402,939
		<b>(3,337,332,996)</b>	<b>13,461,078,968</b>
<b>Net cash from operating activities</b>		<b>1,662,072,956</b>	<b>16,418,704,238</b>
<b>B) Cash flows from investing activities</b>			
Proceeds from sale of Government and unquoted securities		126,663,601,594	67,974,447,277
Investment made during the year (Govt. and unquoted securities)		(127,541,944,025)	(71,369,464,003)
Purchase of property, plant and equipment		(857,349,988)	(296,920,073)
Sale proceeds of fixed assets		114,818	10,003,383
<b>Net cash used in investing activities</b>		<b>(1,735,577,601)</b>	<b>(3,681,933,416)</b>
<b>C) Cash flows from financing activities</b>			
Borrowings from other banks, financial institutions and agents		(1,046,429,541)	(5,278,529,527)
Redemption of sub-ordinated bonds		(256,000,000)	(320,000,000)
<b>Net cash used in financing activities</b>		<b>(1,302,429,541)</b>	<b>(5,598,529,527)</b>
<b>D) Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>(1,375,934,186)</b>	<b>7,138,241,295</b>
<b>E) Effects of exchange rate changes on cash and cash equivalents</b>		<b>3,718,362</b>	<b>13,478,511</b>
		<b>(1,372,215,824)</b>	<b>7,151,719,806</b>
<b>F) Cash and cash equivalents at beginning of the year</b>		<b>28,862,737,005</b>	<b>21,711,017,199</b>
<b>G) Cash and cash equivalents at end of the year (D+E+F)</b>		<b>27,490,521,181</b>	<b>28,862,737,005</b>
<b>Cash and cash equivalents at end of the year</b>			
Cash in hand (including foreign currencies)		2,620,733,655	2,348,299,493
Balances with Bangladesh Bank and its agent bank (s)		18,454,682,912	16,465,029,406
Balances with other banks and financial institutions		3,317,476,214	8,546,503,406
Money at call and on short notice		3,091,300,000	1,495,300,000
Prize bonds		6,328,400	7,604,700
		<b>27,490,521,181</b>	<b>28,862,737,005</b>

  
Managing Director (CC)

for National Bank Limited  
  
Director

  
Director

Dhaka, Bangladesh  
Dated, 30 April 2017



**National Bank Limited**

**Balance Sheet**  
**As at 31 December 2016**

	Notes	2016 BDT	2015 BDT
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>		<b>21,020,835,955</b>	<b>18,766,874,352</b>
In hand (including foreign currencies)	3	2,566,153,043	2,301,844,946
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4	18,454,682,912	16,465,029,406
<b>Balance with other banks and financial institutions</b>	5	<b>3,059,969,383</b>	<b>8,318,634,416</b>
In Bangladesh		1,133,106,050	6,054,058,454
Outside Bangladesh		1,926,863,333	2,264,575,962
<b>Money at call and on short notice</b>	6	<b>3,091,300,000</b>	<b>1,495,300,000</b>
<b>Investments</b>	7	<b>60,665,879,535</b>	<b>59,658,523,102</b>
Government		49,553,106,806	51,345,240,061
Others		11,112,772,729	8,313,283,041
<b>Loans and advances</b>	8	<b>209,929,074,511</b>	<b>186,179,451,869</b>
Loans, cash credits, overdrafts, etc		205,939,057,850	181,723,092,553
Bills purchased and discounted		3,990,016,661	4,456,359,316
<b>Fixed assets including premises, furniture and fixtures</b>	9	<b>3,165,699,513</b>	<b>2,748,260,700</b>
<b>Other assets</b>	10	<b>4,348,184,857</b>	<b>4,066,341,209</b>
<b>Non-banking assets</b>	11	<b>335,820,241</b>	<b>335,820,241</b>
<b>Total assets</b>		<b><u>305,616,763,995</u></b>	<b><u>281,569,205,889</u></b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	12	<b>3,060,342,586</b>	<b>3,897,793,877</b>
<b>Deposits and other accounts</b>	13	<b>241,329,876,862</b>	<b>222,112,905,248</b>
Current deposit and other accounts		21,659,650,401	20,728,154,666
Bills payable		5,611,244,593	2,501,292,434
Savings bank deposits		39,622,907,587	32,942,064,340
Fixed deposits		104,278,221,622	110,601,621,855
Term deposit		70,157,852,659	55,339,771,953
<b>Subordinated bonds</b>	14	<b>1,024,000,000</b>	<b>1,280,000,000</b>
<b>Other liabilities</b>	15	<b>23,999,669,691</b>	<b>20,720,541,848</b>
<b>Total liabilities</b>		<b><u>269,413,889,139</u></b>	<b><u>248,011,240,973</u></b>
<b>Shareholders' equity</b>			
<b>Total shareholders' equity</b>		<b>36,202,874,856</b>	<b>33,557,964,916</b>
Paid-up capital	16.2	19,753,779,120	17,177,199,240
Statutory reserve	17	11,392,420,005	9,707,793,205
Other reserve	19	1,091,968,708	4,014,930,622
Retained earnings	20	3,964,707,023	2,658,041,849
<b>Total liabilities and shareholders' equity</b>		<b><u>305,616,763,995</u></b>	<b><u>281,569,205,889</u></b>






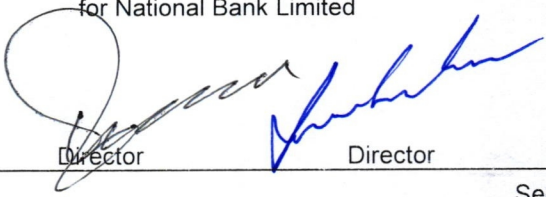
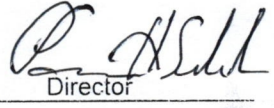
**National Bank Limited**

**Balance Sheet**  
**As at 31 December 2016**

	Notes	2016 BDT	2015 BDT
<b>OFF-BALANCE SHEET</b>			
<b>Contingent liabilities</b>			
		<b>46,987,503,918</b>	<b>51,470,564,416</b>
Acceptances and endorsements		15,019,255,460	17,821,424,110
Letters of guarantee	21	10,113,772,243	12,228,496,864
Irrevocable letters of credit		17,255,783,485	14,617,995,824
Bills for collection		4,598,692,730	6,802,647,618
Other contingent liabilities		-	-
<b>Other commitments</b>			
Lease rental commitments		-	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Spot and forward foreign exchange rate contracts		-	-
Other exchange contracts		-	-
<b>Total off-balance sheet items including contingent liabilities</b>		<b>46,987,503,918</b>	<b>51,470,564,416</b>

These financial statements should be read in conjunction with annexed notes.


for National Bank Limited






Managing Director (CC)      Director      Director      Director

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See annexed report of the date

  
 S. F. AHMED & CO  
 Chartered Accountants

  
 Dhaka, Bangladesh  
 Dated, 30 April 2017

National Bank Limited

Profit and Loss Statement  
For the year ended 31 December 2016

	Notes	2016 BDT	2015 BDT
Interest income	22	18,947,931,710	19,504,685,819
Less: Interest paid on deposits and borrowings, etc	23	14,872,877,573	16,571,691,845
<b>Net interest income</b>		<b>4,075,054,137</b>	<b>2,932,993,974</b>
Investment income	24	10,381,246,307	7,929,142,837
Commission, exchange and brokerage	25	1,327,775,031	1,501,224,230
Other operating income	26	534,926,231	713,295,389
		<b>12,243,947,569</b>	<b>10,143,662,456</b>
<b>Total operating income</b>		<b>16,319,001,706</b>	<b>13,076,656,430</b>
Salaries and allowances	27	3,646,683,620	3,092,249,182
Rent, taxes, insurance, electricity, etc	28	677,391,440	591,908,548
Legal expenses	29	26,524,444	25,148,904
Postage, stamp, telecommunication, etc	30	77,754,500	79,549,115
Stationery, printing, advertisement, etc	31	108,881,842	153,586,398
Managing Director's salary and allowances	32	10,148,295	7,496,452
Directors' fees and other benefits	33	6,046,513	3,336,004
Auditors' fees	34	500,000	450,000
Charges on loan losses		31,872,356	8,792,391
Repairs, maintenance and depreciation	35	657,454,086	466,477,221
Other expenses	36	322,610,609	387,519,131
<b>Total operating expenses</b>		<b>5,565,867,705</b>	<b>4,816,513,346</b>
<b>Profit before provision</b>		<b>10,753,134,001</b>	<b>8,260,143,084</b>
Provision for loans and advances			
Specific provision	15.2(a)	1,112,000,000	1,560,000,000
General provision (including off-balance sheet items)	15.2(b)	1,218,000,000	-
Provision for good borrowers	15.2(d)	-	10,000,000
		<b>2,330,000,000</b>	<b>1,570,000,000</b>
Provision for other classified assets	15.4	-	346,887,206
<b>Total provision</b>		<b>2,330,000,000</b>	<b>1,916,887,206</b>
<b>Total profit before tax</b>		<b>8,423,134,001</b>	<b>6,343,255,878</b>
Provision for taxation			
Current tax	15.1	2,850,000,000	2,500,000,000
Deferred tax	15.6	5,262,147	(10,777,503)
		<b>2,855,262,147</b>	<b>2,489,222,497</b>
<b>Net profit after tax</b>		<b>5,567,871,854</b>	<b>3,854,033,381</b>
Retained earnings brought forward from previous year		2,658,041,849	1,634,223,204
		<b>8,225,913,703</b>	<b>5,488,256,585</b>
<b>Appropriations</b>			
Statutory reserve	17	(1,684,626,800)	(1,268,651,176)
<b>Dividend</b>			
Bonus shares 15% for 2015 and 10% for 2014		(2,576,579,880)	(1,561,563,560)
		(4,261,206,680)	(2,830,214,736)
<b>Retained earnings carried forward</b>		<b>3,964,707,023</b>	<b>2,658,041,849</b>
<b>Earnings per share (EPS) restated</b>	39	<b>2.82</b>	<b>1.95</b>

These financial statements should be read in conjunction with annexed notes.

  
Managing Director (CC)

for National Bank Limited

  
Director

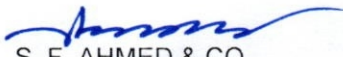
  
Director

  
Director

See annexed report of the date

Dhaka, Bangladesh  
Dated, 30 April 2017



  
S. F. AHMED & CO  
Chartered Accountants

National Bank Limited


Statement of Changes in Equity  
For the year ended 31 December 2016

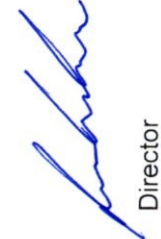
Particulars	Paid-up capital	Statutory reserve	Other reserve	Retained earnings	Total
	BDT	BDT	BDT	BDT	BDT
<b>Balance at on 01 January 2016</b>	<b>17,177,199,240</b>	<b>9,707,793,205</b>	<b>4,014,930,622</b>	<b>2,658,041,849</b>	<b>33,557,964,916</b>
Net profit for the year	-	-	-	5,567,871,854	5,567,871,854
Bonus shares for 2015 issued during the year	2,576,579,880	-	-	(2,576,579,880)	-
Transferred to statutory reserve	-	1,684,626,800	-	(1,684,626,800)	-
Revaluation of Govt. Treasury bills, bonds and other investment	-	-	(2,922,961,914)	-	(2,922,961,914)
<b>Balance at 31 December 2016</b>	<b>19,753,779,120</b>	<b>11,392,420,005</b>	<b>1,091,968,708</b>	<b>3,964,707,023</b>	<b>36,202,874,856</b>
<b>Balance at 31 December 2015</b>	<b>17,177,199,240</b>	<b>9,707,793,205</b>	<b>4,014,930,622</b>	<b>2,658,041,849</b>	<b>33,557,964,916</b>

  
Managing Director (CC)



for National Bank Limited

  
Director

  
Director

  
Director


Dhaka, Bangladesh  
Dated, 30 April 2017

National Bank Limited

**Cash Flow Statement**  
For the year ended 31 December 2016

	Notes	2016 BDT	2015 BDT
<b>A) Cash flows from operating activities</b>			
Interest received		18,931,273,933	19,050,396,664
Interest paid		(13,798,926,916)	(16,258,519,811)
Income from investment		5,274,124,548	5,339,512,655
Fees, commission, exchange and brokerage		1,327,775,031	1,501,224,230
Cash paid to employees		(3,462,878,428)	(3,103,081,638)
Cash paid to suppliers		(1,108,613,799)	(1,022,377,278)
Income taxes paid	15.1	(2,367,642,260)	(2,337,375,599)
Received from other operating activities		534,824,468	712,121,600
Paid for other operating activities		(322,605,002)	(384,370,048)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>5,007,331,575</b>	<b>3,497,530,775</b>
<b>Increase/(decrease) in operating assets and liabilities</b>			
Sale of trading securities-quoted shares		79,177,010	47,324,474
Purchase of trading securities-Quoted shares		(38,714,801)	-
Loans and advances to other banks		-	-
Loans and advances to customers		(21,181,261,886)	(6,658,477,357)
Other assets	37	(545,062,420)	66,382,432
Deposits from other banks		7,065,014,688	519,422,858
Deposits from customers		12,151,956,926	18,297,299,955
Other liabilities	38	(1,123,110,292)	623,774,588
		<b>(3,592,000,775)</b>	<b>12,895,726,950</b>
<b>Net cash from operating activities</b>		<b>1,415,330,800</b>	<b>16,393,257,725</b>
<b>B) Cash flows from investing activities</b>			
Proceeds from sale of Government and unquoted securities		126,663,601,594	67,974,447,277
Investment made during the year (Govt. and un-quoted securities)		(127,541,944,025)	(71,369,464,003)
Purchase of property, plant and equipment		(857,349,988)	(291,462,310)
Sale proceeds of fixed assets		114,818	10,003,383
<b>Net cash used in investing activities</b>		<b>(1,735,577,601)</b>	<b>(3,676,475,653)</b>
<b>C) Cash flows from financing activities</b>			
Borrowings from other banks, financial institutions and agents		(837,451,291)	(5,278,529,527)
Redemption of sub-ordinated bond		(256,000,000)	(320,000,000)
Cash dividend paid		-	-
<b>Net cash used in financing activities</b>		<b>(1,093,451,291)</b>	<b>(5,598,529,527)</b>
<b>D) Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>(1,413,698,092)</b>	<b>7,118,252,545</b>
<b>E) Effects of exchange rate changes on cash and cash equivalents</b>		<b>3,718,362</b>	<b>13,478,511</b>
		<b>(1,409,979,730)</b>	<b>7,131,731,056</b>
<b>F) Cash and cash equivalents at beginning of the year</b>		<b>28,588,413,468</b>	<b>21,456,682,412</b>
<b>G) Cash and cash equivalents at end of the year (D+E+F)</b>		<b>27,178,433,738</b>	<b>28,588,413,468</b>
<b>Cash and cash equivalents at end of the year</b>			
Cash in hand (including foreign currencies)		2,566,153,043	2,301,844,946
Balances with Bangladesh Bank and its agent bank (s)		18,454,682,912	16,465,029,406
Balances with other banks and financial institutions		3,059,969,383	8,318,634,416
Money at call and on short notice		3,091,300,000	1,495,300,000
Prize bonds		6,328,400	7,604,700
		<b>27,178,433,738</b>	<b>28,588,413,468</b>

  
Managing Director (CC)

for National Bank Limited  
  
Director

  
Director

Dhaka, Bangladesh  
Dated, 30 April 2017



National Bank Limited

Liquidity Statement (Analysis of Maturity of Assets and Liabilities)  
As at 31 December 2016

Particulars	Not more than 1 month term		1-3 months term		3-12 months term		1-5 years term		Above 5-years term		Total	
	BDT		BDT		BDT		BDT		BDT		BDT	
<b>Assets</b>												
Cash in hand	2,566,153,043		-		-		-		-		-	2,566,153,043
Balance with Bangladesh Bank and its agent bank	18,454,682,912		-		-		-		-		-	18,454,682,912
Balances with other banks and financial institutions	1,246,157,392		1,747,495,786		100,000		66,216,205		-		-	3,059,969,383
Money at call and short notice	3,091,300,000		-		-		-		-		-	3,091,300,000
Investments	6,166,410,461		327,832,121		4,148,335,749		22,693,631,644		27,329,669,560		-	60,665,879,535
Loans and advances	24,402,605,767		42,657,876,611		53,741,143,950		71,720,147,817		17,407,300,366		-	209,929,074,511
Fixed assets including land, building, furniture and fixtures	25,131,841		50,263,682		226,186,569		852,413,229		2,011,704,192		-	3,165,699,513
Other assets	819,891,951		1,234,779,969		1,272,638,937		1,020,874,000		-		-	4,348,184,857
Non-banking assets	-		-		-		335,820,241		-		-	335,820,241
<b>Total assets</b>	<b>56,772,333,366</b>		<b>46,018,248,170</b>		<b>59,388,405,206</b>		<b>96,689,103,136</b>		<b>46,748,674,118</b>			<b>305,616,763,995</b>
<b>Liabilities</b>												
Borrowings from other banks, financial institutions and agents	900,000		2,399,193,994		660,248,592		-		-		-	3,060,342,586
Deposits and other accounts	33,603,756,428		42,441,782,259		36,654,498,936		104,616,636,525		24,013,202,714		-	241,329,876,862
Subordinated bond	-		-		1,024,000,000		-		-		-	1,024,000,000
Other liabilities	1,585,449,341		2,993,130,099		10,076,665,933		9,344,424,318		-		-	23,999,669,691
<b>Total liabilities</b>	<b>35,190,105,768</b>		<b>47,834,106,352</b>		<b>48,415,413,461</b>		<b>113,961,060,843</b>		<b>24,013,202,714</b>			<b>269,413,889,139</b>
<b>Net liquidity gap</b>	<b>21,582,227,598</b>		<b>(1,815,858,182)</b>		<b>10,972,991,745</b>		<b>(17,271,957,708)</b>		<b>22,735,471,403</b>			<b>36,202,874,856</b>

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

for National Bank Limited



Managing Director (CC)



Director



Director



Dhaka, Bangladesh  
Dated, 30 April 2017

**National Bank Limited**

**Notes to the financial statements**  
**For the year ended December 31, 2016**

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**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 one hundred ninety one (191) branches including sixteen (16) SME/Agri-branches throughout the country. The Bank is listed with both Dhaka Stock Exchange Ltd and Chittagonga 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.



**National Bank Limited**

**Notes to the financial statements**  
**For the year ended December 31, 2016**

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**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 2016 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.



National Bank Limited

Notes to the financial statements  
For the year ended December 31, 2016

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 2016, 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.





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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 2016 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.



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**Notes to the financial statements**  
**For the year ended December 31, 2016**

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**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 2016.

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.



**National Bank Limited**

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**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.



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**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	0.25%	0.25%	20%	50%	100%
	BHs/MBs/ SDs against	2%	2%	20%	50%	100%
	Short term agri-credit	2.5%	-	5%	5%	100%
	All others	1%	1%	20%	50%	100%



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**Notes to the financial statements**  
**For the year ended December 31, 2016**

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**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 2016 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.



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**Notes to the financial statements**  
**For the year ended December 31, 2016**

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**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 clients in different sectors after doing due diligence and mitigating risk factors properly as per guidelines set by Bangladesh Bank, Executive Committee of the Board of Directors and Management Credit Committee of the Bank.

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



**National Bank Limited**

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**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 2016.

**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.



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**2.19 Subordinated bonds**

Considering the regulatory, legal, present market condition and future capital requirement the of the Bank, the NBL issued subordinated bonds valuing BDT 250 crore in 2010. This is eligible for Tier-II capital as per Basel III Guidelines of Bangladesh Bank. Details of terms and conditions are as follows:

Issue size	: BDT 250 crore
Issue objectives	: Raising of Tier -II capital to meet the requirement under Basel-III
Issue arranger	: Standard Chartered Bank
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	: 11.50%





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	Group		Bank	
	2016 BDT	2015 BDT	2016 BDT	2015 BDT
<b>3. Cash</b>				
<b>3.1 In hand (including foreign currencies)</b>				
Local currency	2,554,934,948	2,283,815,292	2,554,872,593	2,283,795,119
Foreign currencies	65,798,707	64,484,201	11,280,450	18,049,827
	<b>2,620,733,655</b>	<b>2,348,299,493</b>	<b>2,566,153,043</b>	<b>2,301,844,946</b>
<b>4. Balance with Bangladesh Bank and its agent bank (including foreign currencies)</b>				
<b>Balance with Bangladesh Bank</b>				
Local currency	16,830,044,789	14,621,858,205	16,830,044,789	14,621,858,205
Foreign currencies	708,270,094	895,845,769	708,270,094	895,845,769
	<b>17,538,314,883</b>	<b>15,517,703,974</b>	<b>17,538,314,883</b>	<b>15,517,703,974</b>
<b>Balance with agent bank (Sonali Bank Ltd)</b>				
	916,368,029	947,325,432	916,368,029	947,325,432
	<b>18,454,682,912</b>	<b>16,465,029,406</b>	<b>18,454,682,912</b>	<b>16,465,029,406</b>

An amount of BDT 4,000,000 has been marked as lien with Bangladesh Bank upto 30 June 2017 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)**

	2016	2015	2016	2015
<b>Average time and demand liabilities (excluding inter-bank deposits)</b>	<b>223,011,579,250</b>	<b>216,937,938,462</b>	<b>223,011,579,250</b>	<b>216,937,938,462</b>
Required reserve (6.50% on average time and demand liabilities)	14,495,752,651	14,100,966,000	14,495,752,651	14,100,966,000
Actual reserve maintained	15,187,825,568	14,333,954,941	15,187,825,568	14,333,954,941
<b>Surplus</b>	<b>692,072,917</b>	<b>232,988,941</b>	<b>692,072,917</b>	<b>232,988,941</b>

**4.1.2 Statutory Liquidity Ratio (SLR)**

	2016	2015	2016	2015
<b>Average time and demand liabilities (excluding inter-bank deposits)</b>	<b>223,011,579,250</b>	<b>216,937,938,462</b>	<b>223,011,579,250</b>	<b>216,937,938,462</b>
Required reserve (13% on average time and demand liabilities)	28,991,505,303	28,201,932,000	28,991,505,303	28,201,932,000
Actual reserve maintained (excluding CRR)	55,272,321,416	55,070,520,946	55,272,321,416	55,070,520,946
<b>Surplus</b>	<b>26,280,816,114</b>	<b>26,868,588,946</b>	<b>26,280,816,114</b>	<b>26,868,588,946</b>

**4.1.3 Composition of CRR and SLR maintained\***

	2016	2015	2016	2015
Cash in hand	2,566,153,043	2,301,844,946	2,566,153,043	2,301,844,946
Balance with agent bank (Sonali Bank Ltd)	916,368,029	947,325,000	916,368,029	947,325,000
Unencumbered approved securities (HTM, HFT and reverse REPO)	51,789,800,344	51,821,351,000	51,789,800,344	51,821,351,000
	<b>55,272,321,416</b>	<b>55,070,520,946</b>	<b>55,272,321,416</b>	<b>55,070,520,946</b>

\* As per statement submitted to Bangladesh Bank

**5. Balance with other banks and financial institutions**

In Bangladesh - in local currencies (note 5.1)	1,214,892,984	6,228,783,098	1,133,106,050	6,054,058,454
Outside Bangladesh (note 5.2) (Annex - B)	2,102,583,230	2,317,720,308	1,926,863,333	2,264,575,962
	<b>3,317,476,214</b>	<b>8,546,503,406</b>	<b>3,059,969,383</b>	<b>8,318,634,416</b>

**5.1 Inside Bangladesh**

**5.1.1 Current accounts**

Agrani Bank Ltd	44,071,458	43,319,835	44,071,458	43,319,835
Janata Bank Ltd	99,888,474	118,292,271	99,888,474	118,292,271
Rupali Bank Ltd	63,542	222,191	63,542	222,191
Standard Chartered Bank	23,570,912	-	23,570,912	-
Sonali Bank Ltd	41,370,901	36,208,122	41,370,901	36,208,122
	<b>208,965,287</b>	<b>198,042,419</b>	<b>208,965,287</b>	<b>198,042,419</b>

**5.1.2 Short-notice deposit accounts**

Eastern Bank Ltd	156,623	155,679	156,623	155,679
Janata Bank Ltd	572,827	552,786	572,827	552,786
National Credit and Commercial Bank Ltd	102,508	100,636	102,508	100,636
First Security Islami Bank Ltd	80,139	78,551	80,139	78,551
Dhaka Bank Ltd	186,086	182,017	186,086	182,017
Sonali Bank Ltd	-	-	-	-
Standard Chartered Bank	1,007,064	28,358,957	1,007,064	28,358,957
Trust Bank Ltd	55,819,311	6,355,514	55,819,311	6,355,514
	<b>57,924,558</b>	<b>35,784,140</b>	<b>57,924,558</b>	<b>35,784,140</b>



**National Bank Ltd**

**Notes to the financial statements**  
**For the year ended 31 December 2016**

	Group		Bank	
	2016 BDT	2015 BDT	2016 BDT	2015 BDT
<b>5.1.3 Fixed deposit accounts (in local currency)</b>				
ICB Islamic Bank Ltd	66,216,205	70,231,895	66,216,205	70,231,895
AB Bank Ltd	-	500,000,000	-	500,000,000
Standard Bank Ltd	-	1,500,000,000	-	1,500,000,000
BRAC Bank Ltd	-	2,500,000,000	-	2,500,000,000
IFIC Bank Ltd	-	700,000,000	-	700,000,000
	<b>66,216,205</b>	<b>5,270,231,895</b>	<b>66,216,205</b>	<b>5,270,231,895</b>
Other financial institutions	800,000,000	550,000,000	800,000,000	550,000,000
	<b>1,133,106,050</b>	<b>6,054,058,454</b>	<b>1,133,106,050</b>	<b>6,054,058,454</b>
Bank balance of subsidiaries	81,786,934	174,724,644	-	-
	<b>1,214,892,984</b>	<b>6,228,783,098</b>	<b>1,133,106,050</b>	<b>6,054,058,454</b>

**5.2 Outside Bangladesh**

**5.2.1 Fixed deposits accounts (interest bearing) :**

JP Morgan Chase Bank, Singapore	42,420,486	61,936,737	42,420,486	61,936,737
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	-
AB Bank Ltd, OBU	-	392,501,500	-	392,501,500
Standard Chartered Bank, New York	-	39,250,150	-	39,250,150
	<b>947,495,786</b>	<b>493,688,387</b>	<b>947,495,786</b>	<b>493,688,387</b>

**In demand deposit accounts (non-interest bearing):**

Standard Chartered Bank, Mumbai	52,061,165	28,540,536	52,061,165	28,540,536
Standard Chartered Bank, Frankfurt	350,601	1,373,318	350,601	1,373,318
Mashreq Bank, New York	133,223,773	106,790,212	133,223,773	106,790,212
JP Morgan Chase Bank, New York	226,758,552	76,082,454	226,758,552	76,082,454
Standard Chartered Bank, New York	183,133,568	1,078,809,133	183,133,568	1,078,809,133
Sonali Bank Ltd, Kolkata	32,848,664	8,169,488	32,848,664	8,169,488
Sonali Bank Ltd, London	1,297,026	5,350,844	1,297,026	5,350,844
Mashreq Bank, Mumbai	30,928,362	34,532,645	30,928,362	34,532,645
State Bank of India, Kolkata	481,820	480,584	481,820	480,584
United Bank, Karachi	2,456,723	2,450,421	2,456,723	2,450,421
NABIL Bank, Nepal	8,815,352	5,999,697	8,815,352	5,999,697
Standard Chartered Bank, Colombo	2,281,629	322,793	2,281,629	322,793
Myanmar Foreign Trade, Myanmar	52,168	52,034	52,168	52,034
AB Bank Ltd, Mumbai	58,984,813	92,727,170	58,984,813	92,727,170
Bank of Bhutan, Thimpu	8,241,304	18,231,988	8,241,304	18,231,988
ICICI Bank Ltd, Mumbai	3,011,010	3,000,481	3,011,010	3,000,481
HDFC Bank Ltd, India	40,520,762	4,143,007	40,520,762	4,143,007
Commerz Bank, Frankfurt	2,206,761	86,855	2,206,761	86,855
Uni Credito Italino SPA, Italy	2,229,591	2,981,241	2,229,591	2,981,241
Alpha Bank AE, Athens	16,555,283	12,989,564	16,555,283	12,989,564
BOT, Tokyo	2,834,686	870,488	2,834,686	870,488
Union Bank of Switzerland, Switzerland	276,373	182,465	276,373	182,465
Habib Bank AG, Zurich	77,587	1,097,066	77,587	1,097,066
Habib Bank, Karachi	39,258,185	24,143,679	39,258,185	24,143,679
Habib American Bank, New York	85,872,428	94,746,239	85,872,428	94,746,239
National Australia Bank, Melbourne	-	1,266,178	-	1,266,178
Standard Chartered Bank, Singapore	957,311	1,635,195	957,311	1,635,195
Wachovia Bank, New York	29,826,399	85,834,230	29,826,399	85,834,230
Citibank N.A, New York	13,825,651	77,997,570	13,825,651	77,997,570
	<b>979,367,547</b>	<b>1,770,887,575</b>	<b>979,367,547</b>	<b>1,770,887,575</b>
Bank Balance of subsidiaries	175,719,897	53,144,346	-	-
	<b>1,155,087,444</b>	<b>1,824,031,921</b>	<b>979,367,547</b>	<b>1,770,887,575</b>
	<b>2,102,583,230</b>	<b>2,317,720,308</b>	<b>1,926,863,333</b>	<b>2,264,575,962</b>

Details are shown in **Annex B**.

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

On demand	1,424,943,136	7,226,271,511	1,167,436,305	6,998,402,521
Up to 1 month	78,721,087	-	78,721,087	-
More than 1 month but not more than 3 months	1,747,495,786	900,000,000	1,747,495,786	900,000,000
More than 3 months but not more than 1 year	100,000	350,000,000	100,000	350,000,000
More than 1 year but not more than 5 years	66,216,205	70,231,895	66,216,205	70,231,895
More than 5 years	-	-	-	-
	<b>3,317,476,214</b>	<b>8,546,503,406</b>	<b>3,059,969,383</b>	<b>8,318,634,416</b>

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

**Call money**

With banking companies (note 6.1)	3,091,300,000	1,495,300,000	3,091,300,000	1,495,300,000
With non-banking financial institutions	-	-	-	-
	<b>3,091,300,000</b>	<b>1,495,300,000</b>	<b>3,091,300,000</b>	<b>1,495,300,000</b>



National Bank Ltd

Notes to the financial statements  
For the year ended 31 December 2016

	Group		Bank	
	2016 BDT	2015 BDT	2016 BDT	2015 BDT
<b>6.1 Call Money - with banking companies</b>				
ICB Islamic Bank Ltd	91,300,000	95,300,000	91,300,000	95,300,000
AB Bank Ltd	900,000,000	-	900,000,000	-
Mercantile Bank Ltd	900,000,000	-	900,000,000	-
The City Bank Ltd	800,000,000	-	800,000,000	-
Dhaka Bank Ltd		900,000,000		900,000,000
BRAC Bank Ltd	400,000,000	500,000,000	400,000,000	500,000,000
	<b>3,091,300,000</b>	<b>1,495,300,000</b>	<b>3,091,300,000</b>	<b>1,495,300,000</b>
<b>7. Investments</b>				
Government (note 7.1)	49,553,106,806	51,345,240,061	49,553,106,806	51,345,240,061
Others (note 7.2)	7,744,520,762	7,933,205,703	11,112,772,729	8,313,283,041
	<b>57,297,627,568</b>	<b>59,278,445,764</b>	<b>60,665,879,535</b>	<b>59,658,523,102</b>
<b>7.1 Government</b>				
Bangladesh Bank bills	5,996,166,000	1,197,264,400	5,996,166,000	1,197,264,400
Treasury bills (note 7.1.1)	2,473,091,203	1,903,989,567	2,473,091,203	1,903,989,567
Treasury bonds (note 7.1.2)	41,077,521,203	48,236,381,394	41,077,521,203	48,236,381,394
Prize bonds	6,328,400	7,604,700	6,328,400	7,604,700
	<b>49,553,106,806</b>	<b>51,345,240,061</b>	<b>49,553,106,806</b>	<b>51,345,240,061</b>
<b>7.1.1 Treasury bills</b>				
182 days treasury bills	990,677,600	-	990,677,600	-
364 days treasury bills	1,482,413,603	1,903,989,567	1,482,413,603	1,903,989,567
	<b>2,473,091,203</b>	<b>1,903,989,567</b>	<b>2,473,091,203</b>	<b>1,903,989,567</b>
<b>7.1.2 Treasury bonds</b>				
2 years Bangladesh Government treasury bonds	27,725,802	502,085,500	27,725,802	502,085,500
5 years Bangladesh Government treasury bonds	5,859,834,849	9,536,761,238	5,859,834,849	9,536,761,238
10 years Bangladesh Government treasury bonds	21,063,666,535	24,699,125,940	21,063,666,535	24,699,125,940
15 years Bangladesh Government treasury bonds	8,472,047,215	9,113,212,142	8,472,047,215	9,113,212,142
20 years Bangladesh Government treasury bonds	5,654,246,802	4,385,195,574	5,654,246,802	4,385,195,574
	<b>41,077,521,203</b>	<b>48,236,381,394</b>	<b>41,077,521,203</b>	<b>48,236,381,394</b>
<b>7.2 Others</b>				
Share (quoted and unquoted) (note 7.2.1)	7,140,585,652	7,129,280,688	10,508,837,619	7,509,358,026
Subordinated bond	600,000,000	800,000,000	600,000,000	800,000,000
Fixed capital investment in Myanmar (note 7.2.2)	3,935,110	3,925,015	3,935,110	3,925,015
	<b>7,744,520,762</b>	<b>7,933,205,703</b>	<b>11,112,772,729</b>	<b>8,313,283,041</b>
<b>7.2.1 In ordinary shares (quoted and unquoted)</b>				
<b>Quoted</b>				
Prime Bank Ltd	2,317,830,273	2,317,830,273	2,317,830,273	2,317,830,273
Southeast Bank Ltd	1,506,544,606	1,506,544,606	1,506,544,606	1,506,544,606
Dhaka Bank Ltd	1,208,528,497	1,208,528,497	1,208,528,497	1,208,528,497
The City Bank Ltd	10,640,076	15,565,232	10,640,076	15,565,232
EXIM Bank Ltd	48,087,593	48,087,593	48,087,593	48,087,593
Eastern Bank Ltd	2,273,252	1,203,680	2,273,252	1,203,680
ONE Bank Ltd	28,979,584	28,979,584	28,979,584	28,979,584
Trust Bank Ltd	6,740,997	6,740,997	6,740,997	6,740,997
Uttara Bank Ltd	9,203,644	9,203,644	9,203,644	9,203,644
Pragati Insurance Company Ltd	84,937,421	84,937,421	84,937,421	84,937,421
Jamuna Bank Ltd	32,622,169	32,622,169	32,622,169	32,622,169
BRAC Bank Ltd	2,479,251	-	2,479,251	-
AB Bank Ltd	8,592,662	8,592,662	8,592,662	8,592,662
AB First Mutual Fund	1,078,102	1,078,102	1,078,102	1,078,102
IFIC Bank Ltd	-	250,848	-	250,848
Mutual Trust Bank Ltd	897,219	2,297,111	897,219	2,297,111
Bank Asia Ltd	104,442,703	104,442,703	104,442,703	104,442,703
Shahjalal Islami Bank Ltd	2,516,893	2,516,893	2,516,893	2,516,893
Power Grid Company of Bangladesh Ltd	79,784,154	82,753,567	79,784,154	82,753,567
Summit Power	54,917,680	64,620,649	54,917,680	64,620,649
Bay Leasing	49,985,894	49,985,894	49,985,894	49,985,894
Premier Leasing Ltd	660,413	-	660,413	-
National Housing Finance and Investments Ltd	41,148,560	41,148,560	41,148,560	41,148,560
Lafarge Surma Cement Mills Ltd	2,156,757	4,117,573	2,156,757	4,117,573
BSRM Steel Mills Ltd	123,128,016	123,128,016	123,128,016	123,128,016
BEACON Pharma Ltd	-	520,517	-	520,517
City General Insurance Ltd	9,292,759	9,292,759	9,292,759	9,292,759
Continantal Insurance Ltd	3,436,509	3,436,509	3,436,509	3,436,509
Delta BracFirst Mutual Fund	1,067,130	1,067,130	1,067,130	1,067,130
DESHBANDHU Polymar Ltd	7,168,057	7,168,057	7,168,057	7,168,057



**National Bank Ltd**

**Notes to the financial statements**  
**For the year ended 31 December 2016**

	Group		Bank	
	2016 BDT	2015 BDT	2016 BDT	2015 BDT
Dhaka Insurance Ltd	1,802,097	1,802,097	1,802,097	1,802,097
Eastland Insurance Ltd	3,386,159	3,386,159	3,386,159	3,386,159
Federal Insurance Ltd	-	-	-	-
GPH Ispat	8,469,134	6,334,695	8,469,134	6,334,695
MI Cement	15,311,529	15,311,529	15,311,529	15,311,529
BARKPOWER	310,620	-	310,620	-
Mobile Jamuna BD Ltd.	4,005,186	-	4,005,186	-
National Life Insurance First Mutual Fund	13,662,120	13,662,120	13,662,120	13,662,120
ICB First Mutual Fund	1,629,352	1,629,352	1,629,352	1,629,352
AIMS First Mutual Fund	-	11,082,749	-	11,082,749
Northern Insurance	-	13,378	-	13,378
Prime Insurance	555,503	555,503	555,503	555,503
Rupali Insurance	3,039,046	3,039,046	3,039,046	3,039,046
Rupali Life Insurance	1,174,506	-	1,174,506	-
Saiham Cotton Mills Ltd	6,576,777	6,576,777	6,576,777	6,576,777
Saiham Textile Mills Ltd	5,110,120	5,110,120	5,110,120	5,110,120
Standard Insurance	3,254,041	3,254,041	3,254,041	3,254,041
GHAIL	-	85,548	-	85,548
Unique Hotel & Resorts	31,325,533	31,325,533	31,325,533	31,325,533
United Air	8,422,066	8,422,066	8,422,066	8,422,066
Beximco Pharma Ltd	4,080,192	-	4,080,192	-
Grameen Phone	3,144,274	-	3,144,274	-
Fortune	100,630	-	100,630	-
IDLC	3,174,983	-	3,174,983	-
Information Technology Consultants Ltd	21,950,300	24,500,000	21,950,300	24,500,000
Zahin Tex	11,353,146	11,353,147	11,353,146	11,353,147
	<b>5,900,978,185</b>	<b>5,914,105,106</b>	<b>5,900,978,185</b>	<b>5,914,105,106</b>
Investment made by subsidiary	381,934,220	372,321,193	-	-
	<b>6,282,912,405</b>	<b>6,286,426,299</b>	<b>5,900,978,185</b>	<b>5,914,105,106</b>
<b>Un-quoted</b>				
Karma Sangsthan Bank Ltd	90,000,000	90,000,000	90,000,000	90,000,000
Gulf Overseas Exchange LLC, Oman	25,546,025	25,452,075	25,546,025	25,452,075
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)	6,201,683	6,476,775	6,201,683	6,476,775
NBL Securities Ltd	-	-	3999940000	999,940,000
NBL Capital & Equity Management Ltd	-	-	2498650000	249,865,000
NBL Money TRN SDN BHD Malaysia	-	-	17,543,900	18,281,400
NBL Money Transfer Pte. Ltd	-	-	16,283,220	16,650,240
NBL Money Transfer (Maldives) PVT. Ltd	-	-	15,740,440	15,700,060
NBL Money Transfer Inc., USA	-	-	70,831,980	70,650,270
NBL Money Transfer Payment Foundation SA Gree	-	-	29,981,647	31,311,561
Dun & Broadstreet Rating Agency BD. Ltd	4,165,900	4,165,900	4,165,900	4,165,900
Lanka Bangla Securities Ltd	4,998,049	4,998,049	4,998,049	4,998,049
BD Venture Ltd	20,000,000	20,000,000	20,000,000	20,000,000
Membership with DSE & CSE	650,000,000	650,000,000	-	-
MSF Asset Management	2,000,000	2,000,000	2,000,000	2,000,000
Placement to Pacific Denims Ltd.	15,000,000	-	15,000,000	-
	857,673,247	842,854,389	4,607,859,434	1,595,252,920
	<b>7,140,585,652</b>	<b>7,129,280,688</b>	<b>10,508,837,619</b>	<b>7,509,358,026</b>
<b>Sectorwise investment</b>				
	31 Dec 2016		31 Dec 2015	
	Cost/ Book value BDT	Market value BDT	Cost/ Book value BDT	Market value BDT
Banking companies	5,290,379,421	4,175,449,418	5,293,406,492	4,081,814,215
Non-Banking financial Institutions	94,969,850	313,432,750	91,134,454	205,100,064
Insurance companies	110,878,042	50,172,428	109,716,913	44,978,907
Fuel and power	139,017,640	146,306,263	147,374,216	145,500,501
Manufacturing and other companies	265,733,232	350,163,184	272,473,031	235,324,213
	<b>5,900,978,185</b>	<b>5,035,524,043</b>	<b>5,914,105,106</b>	<b>4,712,717,900</b>
<b>7.2.2 Fixed capital investment in Myanmar</b>				
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				
<b>7.3 Maturity wise grouping on investments</b>				
On demand	-	-	-	-
Up to 1 month	6,166,410,461	1,368,469,242	6,166,410,461	1,368,469,242
Over 1 month but not more than 3 months	327,832,121	3,029,496,845	327,832,121	3,029,496,845
Over 3 months but not more than 1 year	4,148,335,749	5,895,974,418	4,148,335,749	5,895,974,418
Over 1 year but not more than 5 years	22,693,631,644	20,775,066,902	22,693,631,644	20,775,066,902
Over 5 years	23,961,417,593	28,209,438,357	27,329,669,560	28,589,515,695
	<b>57,297,627,568</b>	<b>59,278,445,764</b>	<b>60,665,879,535</b>	<b>59,658,523,102</b>



**National Bank Ltd**

**Notes to the financial statements**  
**For the year ended 31 December 2016**

	Group		Bank	
	2016 BDT	2015 BDT	2016 BDT	2015 BDT
<b>8. Loans and advances</b>				
Loans, cash credits, overdrafts, etc (note 8.1)	209,925,328,534	182,992,015,805	205,939,057,850	181,723,092,553
Bills purchased and discounted (note 8.2)	3,990,016,661	4,456,359,316	3,990,016,661	4,456,359,316
	<b>213,915,345,195</b>	<b>187,448,375,121</b>	<b>209,929,074,511</b>	<b>186,179,451,869</b>
<b>8.1 Loans, cash credits, overdrafts, etc</b>				
<b>In Bangladesh</b>				
Secured overdrafts	46,600,571,017	36,059,475,881	46,600,571,017	36,059,475,881
Cash credit	49,175,543,175	44,027,582,754	49,175,543,175	44,027,582,754
Loans (general)	83,695,596,459	72,022,499,258	85,445,596,459	76,832,510,408
House building loans	12,677,045,053	11,995,393,862	12,677,045,053	11,995,393,862
Lease finance	119,255,119	40,938,800	119,255,119	40,938,800
Loan against trust receipts	5,067,191,003	4,980,192,218	5,067,191,003	4,980,192,218
Payment against documents	631,329,770	803,575,501	631,329,770	803,575,501
Consumer credit scheme	-	322,136	-	322,136
Credit card	1,178,089,529	1,034,386,399	1,178,089,529	1,034,386,399
Margin loan	5,736,270,684	6,078,934,402	-	-
other loans and advances	5,044,436,725	5,948,714,594	5,044,436,725	5,948,714,594
	<b>209,925,328,534</b>	<b>182,992,015,805</b>	<b>205,939,057,850</b>	<b>181,723,092,553</b>
<b>Outside Bangladesh</b>	-	-	-	-
	<b>209,925,328,534</b>	<b>182,992,015,805</b>	<b>205,939,057,850</b>	<b>181,723,092,553</b>
<b>8.2 Bills purchased and discounted</b>				
<b>In Bangladesh</b>				
Local bills purchased and discounted	1,449,751,186	1,708,712,833	1,449,751,186	1,708,712,833
Foreign bills/documents purchased and discounted	2,540,265,475	2,747,646,483	2,540,265,475	2,747,646,483
	<b>3,990,016,661</b>	<b>4,456,359,316</b>	<b>3,990,016,661</b>	<b>4,456,359,316</b>
<b>Outside Bangladesh</b>	-	-	-	-
	<b>3,990,016,661</b>	<b>4,456,359,316</b>	<b>3,990,016,661</b>	<b>4,456,359,316</b>
	<b>213,915,345,195</b>	<b>187,448,375,121</b>	<b>209,929,074,511</b>	<b>186,179,451,869</b>
<b>8.3 Maturity wise grouping of loans and advances including bills purchased and discounted repayable</b>				
On demand	3,073,667,461	2,725,846,388	3,073,667,461	2,725,846,388
Up to 1 month	21,328,938,306	18,915,035,808	21,328,938,306	18,915,035,808
More than 1 month but not more than 3 months	42,657,876,611	37,830,071,616	42,657,876,611	37,830,071,616
More than 3 months but not more than 1 year	53,741,143,950	47,658,952,796	53,741,143,950	47,658,952,796
More than 1 year but not more than 5 years	71,720,147,817	63,603,082,394	71,720,147,817	63,603,082,394
More than 5 years	21,393,571,050	16,715,386,119	17,407,300,366	15,446,462,867
	<b>213,915,345,195</b>	<b>187,448,375,121</b>	<b>209,929,074,511</b>	<b>186,179,451,869</b>
<b>8.4 Loans and advances including bills purchased and discounted classified into</b>				
<b>In Bangladesh:</b>				
Loans	114,149,214,342	102,904,957,170	110,162,943,658	101,636,033,918
Cash credits	49,175,543,175	44,027,582,754	49,175,543,175	44,027,582,754
Overdrafts	46,600,571,017	36,059,475,881	46,600,571,017	36,059,475,881
Bills purchased and discounted	3,990,016,661	4,456,359,316	3,990,016,661	4,456,359,316
	<b>213,915,345,195</b>	<b>187,448,375,121</b>	<b>209,929,074,511</b>	<b>186,179,451,869</b>
<b>Outside Bangladesh</b>	-	-	-	-
	<b>213,915,345,195</b>	<b>187,448,375,121</b>	<b>209,929,074,511</b>	<b>186,179,451,869</b>
<b>8.5 Loans and advances on the basis of significant concentration</b>				
<b>8.5.1 Loans and advances to directors, executives and others</b>				
Advances to directors and their allied concerns	381,822,703	406,964,680	381,822,703	406,964,680
Advances to CEO, senior executives and other staffs	1,253,789,000	1,053,054,000	1,253,789,000	1,053,054,000
Advances to customers (groupwise)	74,411,720,035	61,917,328,276	74,411,720,035	61,917,328,276
Industrial advances	55,745,815,828	65,094,466,086	55,745,815,828	65,094,466,086
Other customers	82,122,197,629	58,976,562,079	78,135,926,945	57,707,638,827
	<b>213,915,345,195</b>	<b>187,448,375,121</b>	<b>209,929,074,511</b>	<b>186,179,451,869</b>
<b>8.5.2 Loans and advances allowed to each customer exceeding 10% of Bank's total capital</b>				
Total loans and advances (funded and non-funded)*			10,520,680,000	92,939,800,000
No. of customers			22	24
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 374.22 crore being 10% of total capital of BDT 3,742.23 crore) as at 31 December 2016.

Details are shown in **Annex C**.



National Bank Ltd

Notes to the financial statements  
For the year ended 31 December 2016

	Group		Bank	
	2016 BDT	2015 BDT	2016 BDT	2015 BDT
<b>8.5.3 Industry wise concentration of loans and advances (Including bills purchased and discounted)</b>				
Agriculture	2,287,159,737	1,651,845,941	2,287,159,737	1,651,845,941
Term loan to small cottage industries	1,866,806,765	1,760,018,858	1,866,806,765	1,760,018,858
Term loan to large and medium industries	61,729,686,796	39,712,746,286	61,729,686,796	39,712,746,286
Working capital to industries	43,549,400,257	41,970,752,218	43,549,400,257	41,970,752,218
Export credit	4,137,587,953	7,829,034,574	4,137,587,953	7,829,034,574
Trade finance	48,830,073,526	44,316,827,600	48,830,073,526	44,316,827,600
Consumer credit	903,088,617	322,136	903,088,617	322,136
Credit cards	1,178,089,529	1,034,386,399	1,178,089,529	1,034,386,399
Others	49,433,452,015	49,172,441,109	45,447,181,331	47,903,517,857
	<b>213,915,345,195</b>	<b>187,448,375,121</b>	<b>209,929,074,511</b>	<b>186,179,451,869</b>
<b>8.5.4 Geographical location-wise grouping</b>				
<b>In Bangladesh</b>				
Dhaka Division	132,965,158,313	116,122,601,073	128,978,887,629	114,853,677,821
Chittagong Division	62,498,236,257	53,439,875,600	62,498,236,257	53,439,875,600
Khulna Division	4,640,553,985	4,489,216,055	4,640,553,985	4,489,216,055
Sylhet Division	1,135,700,958	975,546,045	1,135,700,958	975,546,045
Rangpur Division	2,884,017,794	2,189,603,970	2,884,017,794	2,189,603,970
Barisal Division	1,542,021,190	1,394,171,902	1,542,021,190	1,394,171,902
Rajshahi Division	8,249,656,698	8,837,360,476	8,249,656,698	8,837,360,476
	<b>213,915,345,195</b>	<b>187,448,375,121</b>	<b>209,929,074,511</b>	<b>186,179,451,869</b>
<b>Outside Bangladesh</b>				
	<b>213,915,345,195</b>	<b>187,448,375,121</b>	<b>209,929,074,511</b>	<b>186,179,451,869</b>
<b>8.6 Grouping as per classification rules</b>				
<b>Unclassified:</b>				
Standard	181,592,954,195	163,929,775,121	177,606,683,511	162,660,851,869
Special mentioned account	10,595,273,000	10,472,600,000	10,595,273,000	10,472,600,000
	<b>192,188,227,195</b>	<b>174,402,375,121</b>	<b>188,201,956,511</b>	<b>173,133,451,869</b>
<b>Classified:</b>				
Sub-standard	1,122,964,000	1,022,600,000	1,122,964,000	1,022,600,000
Doubtful	1,536,550,000	899,900,000	1,536,550,000	899,900,000
Bad/loss	19,067,604,000	11,123,500,000	19,067,604,000	11,123,500,000
	<b>21,727,118,000</b>	<b>13,046,000,000</b>	<b>21,727,118,000</b>	<b>13,046,000,000</b>
	<b>213,915,345,195</b>	<b>187,448,375,121</b>	<b>209,929,074,511</b>	<b>186,179,451,869</b>
<b>8.7 Particulars of loans and advances</b>				
i) Loans considered good in respect of which the Bank is fully secured	192,206,412,648	165,011,377,814	188,220,141,964	163,742,454,562
ii) Loans considered good against which the Bank holds no security other than the debtors' personal guarantee	9,303,152,521	14,172,926,537	9,303,152,521	14,172,926,537
iii) Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	12,405,780,026	8,264,070,770	12,405,780,026	8,264,070,770
iv) Loans adversely classified; provision not maintained	-	-	-	-
	<b>213,915,345,195</b>	<b>187,448,375,121</b>	<b>209,929,074,511</b>	<b>186,179,451,869</b>
v) Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons.	1,635,611,703	1,460,018,680	1,635,611,703	1,460,018,680
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.	381,822,703	406,964,680	381,822,703	406,964,680
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.	1,635,611,703	1,460,018,680	1,635,611,703	1,460,018,680
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.	381,822,703	406,964,680	381,822,703	406,964,680
ix) Due from banking companies	-	-	-	-



**National Bank Ltd**

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	Group		Bank	
	2016 BDT	2015 BDT	2016 BDT	2015 BDT
x) Information in respect of classified loans advances				
a) Classified loans for which interest is not credited to income	21,727,118,000	13,046,000,000	21,727,118,000	13,046,000,000
b) Provision kept against classified loans and advances (note 15.2a)	5,133,220,377	3,976,166,022	5,133,220,377	3,976,166,022
c) Interest credited to interest suspense account (note 15.3)	9,073,309,173	6,504,948,417	9,073,309,173	6,504,948,417
xi) Cumulative amount of written-off loans:				
Opening balance	18,227,872,000	18,328,121,000	18,227,872,000	18,328,121,000
Amount written-off during the year	-	-	-	-
Amount recovered / provision released	-	-	-	-
During the year against written-off loans	(105,150,000)	(75,302,000)	(105,150,000)	(75,302,000)
Waiver for final settlement	(91,735,000)	(24,947,000)	(91,735,000)	(24,947,000)
Balance of written-off loans and advances yet to be recovered	<b>18,030,987,000</b>	<b>18,227,872,000</b>	<b>18,030,987,000</b>	<b>18,227,872,000</b>
The amount of classified and written-off loans for which law suits have been filed	<b>46,434,140,000</b>	<b>31,962,290,000</b>	<b>46,434,140,000</b>	<b>31,962,290,000</b>
<b>8.8 Bills purchased and discounted</b> (Maturity wise grouping of bills purchased and discounted)				
Payable within 1 month	665,002,777	742,726,553	665,002,777	742,726,553
More than 1 month but less than 3 months	1,330,005,554	1,485,453,105	1,330,005,554	1,485,453,105
More than 3 months but less than 6 months	1,995,008,330	2,228,179,658	1,995,008,330	2,228,179,658
More than 6 months	-	-	-	-
	<b>3,990,016,661</b>	<b>4,456,359,316</b>	<b>3,990,016,661</b>	<b>4,456,359,316</b>
<b>9. Fixed assets including premises, furniture and fixtures</b>				
<b>Cost / Revaluation:</b>				
Land	669,006,896	667,456,896	669,006,896	667,456,896
Building	1,463,692,042	1,371,329,354	1,463,692,042	1,371,329,354
Furniture and fixtures	967,348,193	899,118,480	967,348,193	899,118,480
General equipments	976,240,129	918,091,354	976,240,129	918,091,354
Computer and accessories	1,307,360,452	685,950,831	1,307,360,452	685,950,831
Vehicles	261,926,326	252,739,847	261,926,326	252,739,847
Books	1,465,611	1,406,866	1,465,611	1,406,866
	<b>5,647,039,649</b>	<b>4,796,093,628</b>	<b>5,647,039,649</b>	<b>4,796,093,628</b>
Less: Accumulated depreciation	2,481,340,136	2,047,832,928	2,481,340,136	2,047,832,928
<b>Written down value at the end of the year</b>	<b>3,165,699,513</b>	<b>2,748,260,700</b>	<b>3,165,699,513</b>	<b>2,748,260,700</b>
Subsidiary companies balance	34,158,494	40,005,528	-	-
	<b>3,199,858,007</b>	<b>2,788,266,228</b>	<b>3,165,699,513</b>	<b>2,748,260,700</b>
<b>Details are shown in Annex A.</b>				
<b>10. Other assets</b>				
Income generating	-	-	-	-
Non-income generating (note 10.1)	4,322,003,722	4,009,953,007	4,348,184,857	4,066,341,209
	<b>4,322,003,722</b>	<b>4,009,953,007</b>	<b>4,348,184,857</b>	<b>4,066,341,209</b>
<b>10.1 Non-income generating other assets</b>				
Stock of stationery	36,612,104	33,669,893	36,612,104	33,669,893
Stamps in hand	3,731,688	2,995,814	3,731,688	2,995,814
Suspense account (note 10.1.1)	396,470,897	318,620,741	396,470,897	318,620,741
Advance and deposits	5,379,354	5,167,189	5,379,354	5,167,189
Interest and other receivables	1,175,317,072	1,438,535,844	1,175,317,072	1,438,535,844
Sundry assets (note 10.1.2)	273,795,346	251,145,697	273,795,346	251,145,697
Demand draft paid without advice	6,940,506	14,145,177	6,940,506	14,145,177
Bill purchased account - credit card	244,692,915	390,395,666	244,692,915	390,395,666
Inter-branch adjustment account (net) (note 10.1.3)	431,900,458	85,232,463	431,900,458	85,232,463
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	4,575,500	3,871,781	4,575,500	3,871,781
Advance against branches*	2,445,707	27,580,522	2,445,707	27,580,522
Advance against NBL Towers	1,020,874,000	1,030,482,000	1,020,874,000	1,030,482,000
Advance against fixed assets	531,709,826	352,765,232	531,709,826	352,765,232
Others	173,875,124	41,661,763	200,056,259	98,049,965
	<b>4,322,003,722</b>	<b>4,009,953,007</b>	<b>4,348,184,857</b>	<b>4,066,341,209</b>

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



**National Bank Ltd**

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	Group		Bank	
	2016 BDT	2015 BDT	2016 BDT	2015 BDT
<b>10.1.1 Suspense account</b>				
Sundry debtors	161,012,982	79,328,408	161,012,982	79,328,408
Advance against TA/DA	789,551	314,090	789,551	314,090
Advance against postage	18,288	19,869	18,288	19,869
Encashment of PSP/ BSP	133,852,610	100,413,472	133,852,610	100,413,472
Encashment of wage earners development bond	100,797,466	137,367,172	100,797,466	137,367,172
Receivable from stock dealer	-	1,152,730	-	1,152,730
Demand draft cancelled	-	25,000	-	25,000
	<b>396,470,897</b>	<b>318,620,741</b>	<b>396,470,897</b>	<b>318,620,741</b>
<b>10.1.2 Sundry assets</b>				
Cash remittance	23,000,185	59,900,010	23,000,185	59,900,010
Advance rent	231,057,717	172,855,266	231,057,717	172,855,266
Clearing adjustment account	310,986	384,350	310,986	384,350
Protested bill	14,900,000	14,900,000	14,900,000	14,900,000
Unexpired insurance premium	4,526,458	3,106,071	4,526,458	3,106,071
	<b>273,795,346</b>	<b>251,145,697</b>	<b>273,795,346</b>	<b>251,145,697</b>
<b>10.1.3 Inter-branch adjustment account</b>				
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.				
<b>11. Non- banking Assets</b>	<b>335,820,241</b>	<b>335,820,241</b>	<b>335,820,241</b>	<b>335,820,241</b>
	<b>335,820,241</b>	<b>335,820,241</b>	<b>335,820,241</b>	<b>335,820,241</b>
The Bank was awarded absolute ownership on few mortgaged properties through the verdict of Honourable High Court under section 33(7) of The Artha Rin Adalat Ain 2003 (Money Loan Court Act). These were recorded as a non-banking assets. The value of assets received in addition to the loan outstanding or written off loans was kept as reserve against non-banking assets. The details are as follows in branches				
<b>Sl no. Branches</b>				
1 Bangshal	1,400,000	1,400,000	1,400,000	1,400,000
2 Diikusha	231,074,500	231,074,500	231,074,500	231,074,500
3 Dinajpur	2,566,000	2,566,000	2,566,000	2,566,000
4 Elephant road	450,000	450,000	450,000	450,000
5 Foreign exchange	8,660,000	8,660,000	8,660,000	8,660,000
6 Jessore	75,900	75,900	75,900	75,900
7 Jhalakathi	500,000	500,000	500,000	500,000
8 Saidpur	382,841	382,841	382,841	382,841
9 Malibagh	2,627,000	2,627,000	2,627,000	2,627,000
10 Mohakhali	21,265,000	21,265,000	21,265,000	21,265,000
11 Kawran bazar	15,019,000	15,019,000	15,019,000	15,019,000
12 Rajshahi	1,305,000	1,305,000	1,305,000	1,305,000
13 Rangpur	43,775,000	43,775,000	43,775,000	43,775,000
14 Narayanganj	6,720,000	6,720,000	6,720,000	6,720,000
<b>Total</b>	<b>335,820,241</b>	<b>335,820,241</b>	<b>335,820,241</b>	<b>335,820,241</b>
<b>12. Borrowings from other banks, financial institutions and agents</b>				
In Bangladesh (note 12.1)	3,115,330,473	4,161,760,014	3,060,342,586	3,897,793,877
Outside Bangladesh	-	-	-	-
	<b>3,115,330,473</b>	<b>4,161,760,014</b>	<b>3,060,342,586</b>	<b>3,897,793,877</b>
<b>12.1 In Bangladesh</b>				
Export Development Fund (EDF)	2,399,193,994	3,427,188,356	2,399,193,994	3,427,188,356
Agricultural credit on special program	609,137,482	388,638,855	609,137,482	388,638,855
Investment Corporation of Bangladesh	54,987,887	263,966,137	-	-
Bangladesh Bank	900,000	300,000	900,000	300,000
ADB loan	51,111,110	81,666,666	51,111,110	81,666,666
	<b>3,115,330,473</b>	<b>4,161,760,014</b>	<b>3,060,342,586</b>	<b>3,897,793,877</b>
<b>12.2 Security wise breakup of borrowing from other banks, financial Institutions and agents</b>				
Secured borrowings	-	-	-	-
Unsecured borrowings	3,115,330,473	4,161,760,014	3,060,342,586	3,897,793,877
	<b>3,115,330,473</b>	<b>4,161,760,014</b>	<b>3,060,342,586</b>	<b>3,897,793,877</b>
<b>12.3 Maturity-wise grouping of borrowings</b>				
<b>Repayable</b>				
On demand	900,000	300,000	900,000	300,000
Up to 1 month	-	1,713,594,178	-	1,713,594,178
More than 1 month but within 3 months	2,399,193,994	2,447,865,836	2,399,193,994	2,183,899,699
More than 3 months but within 1 year	715,236,479	-	660,248,592	-
More than 1 year but within 5 years	-	-	-	-
More than 5 years	-	-	-	-
	<b>3,115,330,473</b>	<b>4,161,760,014</b>	<b>3,060,342,586</b>	<b>3,897,793,877</b>





**National Bank Ltd**

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	Group		Bank	
	2016 BDT	2015 BDT	2016 BDT	2015 BDT
<b>13. Deposits and other accounts (note 13.1)</b>				
Current deposit and other accounts (note 13.2)	21,659,650,401	20,693,115,937	21,659,650,401	20,728,154,666
Bills payable (note 13.3)	5,611,244,593	2,501,292,434	5,611,244,593	2,501,292,434
Savings deposit	39,622,907,587	32,942,064,340	39,622,907,587	32,942,064,340
Fixed deposit	104,278,221,622	110,315,043,225	104,278,221,622	110,601,621,855
Term deposit (note 13.4)	69,547,942,495	55,178,447,464	70,157,852,659	55,339,771,953
	<b>240,719,966,698</b>	<b>221,629,963,400</b>	<b>241,329,876,862</b>	<b>222,112,905,248</b>

The Bank Management advised to various branches to take necessary steps for depositing the amount of unclaimed deposits through head office following the Bangladesh Bank guidelines. During the year the Bank has deposited BDT 286,989.66 to Bangladesh Bank.

**13.1 Deposit and other account**

Deposit from banks (in Bangladesh) (note 13.1.1)	11,993,574,101	4,928,559,413	11,993,574,101	4,928,559,413
Other than bank	228,726,392,597	216,701,403,987	229,336,302,761	217,184,345,835
	<b>240,719,966,698</b>	<b>221,629,963,400</b>	<b>241,329,876,862</b>	<b>222,112,905,248</b>

**13.1.1 Deposit from banks (in Bangladesh)**

**A. In current account**

Al-Arafah Islami Bank Ltd	2,970,317	33,124,006	2,970,317	33,124,006
BRAC Bank Ltd	1,331,988	1,201,195	1,331,988	1,201,195
Bangladesh Krishi Bank Ltd	1,468,667	641,312	1,468,667	641,312
Dutch Bangla Bank Ltd	18,690	19,379	18,690	19,379
EXIM Bank Ltd	-	1,230	-	1,230
The Hongkong and Shanghai Banking Corporation Ltd	34,860	9,025,062	34,860	9,025,062
Islami Bank Bangladesh Ltd	90,524,516	75,186,837	90,524,516	75,186,837
Jamuna Bank Ltd	3,007,585	9,230,701	3,007,585	9,230,701
Mercantile Bank Ltd	1,033,655	112,729	1,033,655	112,729
Prime Bank Ltd	44,825	45,665	44,825	45,665
Rajshahi Krishi Unnayan Bank	557,111	1,035,463	557,111	1,035,463
Shahjalal Islami Bank Ltd	10,049	18,239	10,049	18,239
Southeast Bank Ltd	10,000	3,850	10,000	3,850
	<b>101,012,263</b>	<b>129,645,668</b>	<b>101,012,263</b>	<b>129,645,668</b>

**B. In short notice deposit accounts**

Bank Asia Ltd	803,938	782,499	803,938	782,499
BRAC Bank Ltd	4,323,786	4,605,406	4,323,786	4,605,406
Dhaka Bank Ltd	637,854	1,039,845	637,854	1,039,845
Dutch-Bangla Bank Ltd	4,482,290	2,055,980	4,482,290	2,055,980
Eastern Bank Ltd	-	540,860	-	540,860
EXIM Bank Ltd	22,849,193	19,681,394	22,849,193	19,681,394
Jamuna Bank Ltd	3,530,254	1,028,854	3,530,254	1,028,854
Janata Bank Ltd	35,312	35,570	35,312	35,570
Mercantile Bank Ltd	4,960,849	2,043,402	4,960,849	2,043,402
Prime Bank Ltd	339	10,825	339	10,825
Pubali Bank Ltd	608,288	592,458	608,288	592,458
Standard Bank Ltd	-	462	-	462
Rajshahi Krishi Unnayan Bank	841,208,708	256,341,968	841,208,708	256,341,968
Standard Chartered Bank	3,084,050	3,198,739	3,084,050	3,198,739
Bangladesh Development Bank Ltd	665,630	-	665,630	-
Southeast Bank Ltd	8,290	-	8,290	-
The Premier Bank Ltd	265,838	180,067	265,838	180,067
	<b>887,464,619</b>	<b>292,138,329</b>	<b>887,464,619</b>	<b>292,138,329</b>

**C. Term deposit accounts**

Rajshahi Krishi Unnayan Bank	815,202,219	3,806,775,416	815,202,219	3,806,775,416
Agrani Bank Ltd	1,000,000,000	-	1,000,000,000	-
Mutual Trust Bank Ltd	999,985,000	-	999,985,000	-
United Commercial Bank Ltd	999,985,000	-	999,985,000	-
Bank Asia Ltd	999,985,000	-	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	-
Uttara Bank Ltd	999,985,000	-	999,985,000	-
Rupali Bank Ltd	2,000,000,000	-	2,000,000,000	-
Bangladesh Development Bank Ltd	-	700,000,000	-	700,000,000
	<b>11,005,097,219</b>	<b>4,506,775,416</b>	<b>11,005,097,219</b>	<b>4,506,775,416</b>
<b>Total (A+B+C)</b>	<b>11,993,574,101</b>	<b>4,928,559,413</b>	<b>11,993,574,101</b>	<b>4,928,559,413</b>



**National Bank Ltd**

**Notes to the financial statements**  
**For the year ended 31 December 2016**

	Group		Bank	
	2016 BDT	2015 BDT	2016 BDT	2015 BDT
<b>13.1.2 Maturity-wise grouping</b>				
<b>Deposits from banks</b>				
<b>Repayable</b>				
On demand	101,677,893	129,645,668	101,012,263	129,645,668
Up to 1 month	886,798,989	992,138,329	887,464,619	992,138,329
Over 1 month but within 6 months	10,189,895,000	3,806,775,416	10,189,895,000	3,806,775,416
Over 6 months but within 1 year	815,202,219	-	815,202,219	-
Over 1 year but within 5 years	-	-	-	-
Over 5 years but within 10 years	-	-	-	-
	<b>11,993,574,101</b>	<b>4,928,559,413</b>	<b>11,993,574,101</b>	<b>4,928,559,413</b>
<b>From others payable</b>				
<b>Repayable</b>				
On demand	17,609,344,857	13,342,098,514	17,609,344,857	13,342,098,514
Up to 1 month	15,006,600,319	20,793,952,384	15,005,934,689	20,793,952,384
Over 1 month but within 6 months	32,251,887,259	51,544,979,968	32,251,887,259	51,544,979,968
Over 6 months but within 1 year	35,839,296,717	41,744,057,920	35,839,296,717	41,744,057,920
Over 1 year but within 5 years	104,616,636,525	66,392,176,479	104,616,636,525	66,392,176,479
Over 5 years but within 10 years	23,402,626,920	22,884,138,722	24,013,202,714	23,367,080,570
	<b>228,726,392,597</b>	<b>216,701,403,987</b>	<b>229,336,302,761</b>	<b>217,184,345,835</b>
	<b>240,719,966,698</b>	<b>221,629,963,400</b>	<b>241,329,876,862</b>	<b>222,112,905,248</b>
<b>13.2 Current deposit and other accounts</b>				
Current deposit	12,598,301,905	11,622,783,571	12,598,301,905	11,622,783,571
Foreign currency deposit	489,086,841	295,199,845	489,086,841	330,238,574
Exchange company Taka account	393,610,747	371,766,672	393,610,747	371,766,672
Exporters' foreign currencies account	235,636,595	251,369,328	235,636,595	251,369,328
Sundry deposits	7,943,014,313	8,151,996,521	7,943,014,313	8,151,996,521
	<b>21,659,650,401</b>	<b>20,693,115,937</b>	<b>21,659,650,401</b>	<b>20,728,154,666</b>
<b>13.3 Bills payable</b>				
Payment order	5,558,185,669	2,377,199,033	5,558,185,669	2,377,199,033
Demand draft	53,058,924	124,093,401	53,058,924	124,093,401
	<b>5,611,244,593</b>	<b>2,501,292,434</b>	<b>5,611,244,593</b>	<b>2,501,292,434</b>
<b>13.4 Term deposit</b>				
Short notice deposit	19,564,466,978	11,743,565,936	20,174,377,142	11,904,890,425
Non-resident foreign currency deposit	704,471,454	267,309,872	704,471,454	267,309,872
Resident foreign currency deposit	234,867,665	215,002,161	234,867,665	215,002,161
Non-resident investment Taka account	890,092	7,598,050	890,092	7,598,050
Monthly saving scheme	28,185,414,958	23,999,022,980	28,185,414,958	23,999,022,980
Special deposit scheme	20,857,831,348	18,945,948,465	20,857,831,348	18,945,948,465
	<b>69,547,942,495</b>	<b>55,178,447,464</b>	<b>70,157,852,659</b>	<b>55,339,771,953</b>
<b>14. Subordinated bonds</b>				
	1,024,000,000	1,280,000,000	1,024,000,000	1,280,000,000
	<b>1,024,000,000</b>	<b>1,280,000,000</b>	<b>1,024,000,000</b>	<b>1,280,000,000</b>

Bank issued subordinated bonds valuing BDT 250 crore in 2010. 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 11.50% and redeemed at par at 7 years. Outstanding amount of the bond are shown in below:

Sl. no.	Bond no.	Holder	2016	2015	2016	2015
1	NPO 6286121	A. K. Khan & Company Ltd	20,480,000	25,600,000	20,480,000	25,600,000
2	GHA 0013724	Agrani Bank Ltd	81,920,000	102,400,000	81,920,000	102,400,000
3	GHA 0013725	Bangladesh Commerce Bank Ltd	20,480,000	25,600,000	20,480,000	25,600,000
4	GHA 0013726	Bangladesh Development Bank Ltd	40,960,000	51,200,000	40,960,000	51,200,000
5	NPO 6286122	Central Depository Bangladesh Ltd	122,880,000	153,600,000	122,880,000	153,600,000
6	NPO 6286123	Delta Life Insurance Company Ltd	20,480,000	25,600,000	20,480,000	25,600,000
7	GHA 0013727	Dutch-Bangla Bank Ltd	40,960,000	51,200,000	40,960,000	51,200,000
8	NPO 6286124	Eastland Insurance Company Ltd	20,480,000	25,600,000	20,480,000	25,600,000
9	GHA 0013728	Janata Bank Ltd	81,920,000	102,400,000	81,920,000	102,400,000
10	GHA 0013729	Mercantile Bank Ltd	20,480,000	25,600,000	20,480,000	25,600,000
11	GHA 0013730	National Credit and Commerce Bank	20,480,000	25,600,000	20,480,000	25,600,000
12	NPO 6286125	National Life Insurance Company Ltd	20,480,000	25,600,000	20,480,000	25,600,000
13	GHA 0013731	One Bank Ltd	40,960,000	51,200,000	40,960,000	51,200,000
14	GHA 0013732	Prime Bank Ltd	81,920,000	102,400,000	81,920,000	102,400,000
15	GHA 0013733	Pubali Bank Ltd	40,960,000	51,200,000	40,960,000	51,200,000
16	GHA 0013734	Rupali Bank Ltd	102,400,000	128,000,000	102,400,000	128,000,000
		Saudi-Bangladesh Industrial &				
17	NPO 6286126	Agricultural Investment Company	81,920,000	102,400,000	81,920,000	102,400,000
18	NPO 6286127	Sadharan Bima Corporation	40,960,000	51,200,000	40,960,000	51,200,000
19	GHA 0013735	Sonali Bank Ltd	81,920,000	102,400,000	81,920,000	102,400,000
20	GHA 0013736	Standard Bank Ltd	20,480,000	25,600,000	20,480,000	25,600,000
21	GHA 0013737	Trust Bank Ltd	20,480,000	25,600,000	20,480,000	25,600,000
	<b>Totals</b>		<b>1,024,000,000</b>	<b>1,280,000,000</b>	<b>1,024,000,000</b>	<b>1,280,000,000</b>

National Bank Ltd

Notes to the financial statements  
For the year ended 31 December 2016

	Group		Bank	
	2016 BDT	2015 BDT	2016 BDT	2015 BDT
<b>15 Other liabilities</b>				
Un-paid dividend	10,009,092	10,009,092	10,009,092	10,009,092
Provision for bonus	304,395,477	323,640,835	304,395,477	323,640,835
Tax liability (note 15.1)	2,766,554,755	2,262,635,397	2,610,948,757	2,128,591,017
Provision for loans and advances (including off-B/S items) (	8,922,354,362	6,242,458,211	8,922,354,362	6,242,458,211
Interest suspense account (note 15.3)	9,073,309,173	6,504,948,417	9,073,309,173	6,504,948,417
Provision for other assets (note 15.4)	1,385,862,133	1,690,749,339	912,266,450	1,217,153,656
Provision for gratuity (note 15.5)	100,000,000	80,000,000	100,000,000	80,000,000
Deferred tax liabilities/(assets) (note 15.6)	64,766,680	59,504,533	63,762,801	58,500,654
ATM card holders' accounts	3,555,609	35,500	3,555,609	35,500
Foreign currencies adjustment account	190,931,612	1,292,978,086	190,931,612	1,292,978,086
Bills payable account MPS (CCD)	11,916,026	4,931,883	11,916,026	4,931,883
Adjusting account credit	1,643,121,206	2,691,872,659	1,643,121,206	2,691,872,659
Provision for LFA	90,294,562	89,055,351	90,294,562	89,055,351
Clearing adjusting account	38,666	34,149	38,666	34,149
Others	1,014,157,093	949,702,527	62,765,898	76,332,338
	<b>25,581,266,446</b>	<b>22,202,555,979</b>	<b>23,999,669,691</b>	<b>20,720,541,848</b>
<b>15.1 Tax liability</b>				
<b>Provision for current tax</b>				
Opening balance	12,043,952,497	9,510,957,641	11,879,066,595	9,379,066,595
Add: Provision made during the year	2,871,561,618	2,532,994,856	2,850,000,000	2,500,000,000
	<b>14,915,514,115</b>	<b>12,043,952,497</b>	<b>14,729,066,595</b>	<b>11,879,066,595</b>
Less: Adjustment made during the year	-	-	-	-
Closing balance	<b>14,915,514,115</b>	<b>12,043,952,497</b>	<b>14,729,066,595</b>	<b>11,879,066,595</b>
<b>Advance income tax</b>				
Opening balance	9,781,317,100	7,443,941,501	9,750,475,578	7,413,099,979
Add: Paid during the year	2,367,642,260	2,337,375,599	2,367,642,260	2,337,375,599
	<b>12,148,959,360</b>	<b>9,781,317,100</b>	<b>12,118,117,838</b>	<b>9,750,475,578</b>
Less: Adjustment made during the year	-	-	-	-
Closing balance	<b>12,148,959,360</b>	<b>9,781,317,100</b>	<b>12,118,117,838</b>	<b>9,750,475,578</b>
	<b>2,766,554,755</b>	<b>2,262,635,397</b>	<b>2,610,948,757</b>	<b>2,128,591,017</b>
<b>Status of pending assessments</b>				
All the assessments of the Bank have been completed and necessary provisions have been made in the books of account except the assessment for the assessment years 1991-92, 1992-93 pending in Honorable High Court Division due to appeal filed by the Deputy Commissioner of Taxes. Adequate provisions for those assessment years have been made in the books of account. If any further provision is required it will be made upon receipt of final assessment order.				
<b>15.2 Provision for loans and advances (including off - balance sheet items)</b>				
<b>(a) Specific provision against loans and advances</b>				
Opening balance	3,976,166,022	1,970,639,774	3,976,166,022	1,970,639,774
Fully provided debt written-off	-	-	-	-
Release of provision	45,054,355	35,526,248	45,054,355	35,526,248
Transfer other provision	-	-	-	-
Transfer from general provision unclassified loans	-	300,000,000	-	300,000,000
Transfer from general provision off-balance sheet	-	110,000,000	-	110,000,000
Provision made during the year	1,112,000,000	1,560,000,000	1,112,000,000	1,560,000,000
	<b>5,133,220,377</b>	<b>3,976,166,022</b>	<b>5,133,220,377</b>	<b>3,976,166,022</b>
As per requirement of Bangladesh Bank in respect to loan provisioning total required provision against classified advances is BDT 742.61 crore against which Bank maintained an amount of BDT 513.32 crore and the balance amount of BDT 229.29 crore will be provided within December 2019 i.e, at 25% in 2017, at 30% in 2018 and at 30% 2019 as per Bangladesh Bank approval letter reference no. BRPD(P-1)/661/13/2017-2597 dated 27 April 2017. However, the Bank can not pay any cash dividend until making such provision in full in terms of the said Bangladesh Bank approval letter.				
<b>(b) General provision against unclassified loans and advances (including provision for OBU)</b>				
Opening balance	1,724,782,141	2,024,782,141	1,724,782,141	2,024,782,141
Transferred from/to other provision	360,887,206	(300,000,000)	360,887,206	(300,000,000)
Transferred from provision against off B/S items	-	-	-	-
Provision made during the year	1,218,000,000	-	1,218,000,000	-
Closing balance	<b>3,303,669,347</b>	<b>1,724,782,141</b>	<b>3,303,669,347</b>	<b>1,724,782,141</b>
<b>(c) General provision against Off Balance Sheet items (including provision for OBU)</b>				
Opening balance	531,510,048	641,510,048	531,510,048	641,510,048
Transferred to general / specific provision	(56,000,000)	(110,000,000)	(56,000,000)	(110,000,000)
Closing balance	<b>475,510,048</b>	<b>531,510,048</b>	<b>475,510,048</b>	<b>531,510,048</b>
<b>Sub total (a)+ (b)+ (c)</b>	<b>8,912,399,772</b>	<b>6,232,458,211</b>	<b>8,912,399,772</b>	<b>6,232,458,211</b>

Bangladesh Bank vide its letter no. DBI-1/82/2017-1405 dated 23 April 2017 also instructed to keep provision of BDT 535.23 crore against the loans which are unclassified due to Honorable High Court' stay order for which the Bank has made provision of BDT 35.71 crore and rest BDT 500.00 crore representing provision requirement for unclassified loans, writ petition, off-shore Banking unit and others will be provided within 2019 as per Bangladesh Bank approval letter reference no. BRPD(P-1)/661/13/2017-2597 dated 27 April 2017.



National Bank Ltd

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	Group		Bank	
	2016 BDT	2015 BDT	2016 BDT	2015 BDT
<b>(d) Provision for good borrowers</b>				
Opening balance	10,000,000	-	10,000,000	-
Provision made during the year	-	10,000,000	-	10,000,000
Paid during the year	45,410	-	45,410	-
Closing balance	<u>9,954,590</u>	<u>10,000,000</u>	<u>9,954,590</u>	<u>10,000,000</u>
<b>Total</b>	<b>8,922,354,362</b>	<b>6,242,458,211</b>	<b>8,922,354,362</b>	<b>6,242,458,211</b>

Particulars of required provision for loans and advances as on 31 December 2016 are as under:

Particulars	Outstanding	Base for provision	Rate	(BDT in crore)
				Provision
<b>General provision</b>				
On unclassified loans	17,760.67	17,760.67	Various	820.30
On SMA loans	1,059.53	1,059.53	Various	10.60
	<u>18,820.20</u>			<u>830.90</u>
<b>Specific provision</b>				
On substandard loans	112.30	12.22	20%	2.44
On doubtful loans	153.66	108.51	50%	54.25
On bad and loss loans	1,906.76	685.91	100%	685.91
	<u>2,172.71</u>			<u>742.60</u>
<b>Total</b>	<b>20,992.91</b>			<b>1,573.50</b>

**15.3 Interest suspense account**

Opening balance	6,504,948,417	3,226,821,883	6,504,948,417	3,226,821,883
Add: Amount transferred to "interest suspense" account during the year	4,927,627,028	4,463,307,112	4,927,627,028	4,463,307,112
	<u>11,432,575,445</u>	<u>7,690,128,995</u>	<u>11,432,575,445</u>	<u>7,690,128,995</u>
Less: Amount recovered and credited to income	2,325,421,561	1,183,662,502	2,325,421,561	1,183,662,502
Interest waived during the year	33,844,711	1,518,076	33,844,711	1,518,076
Amount written-off during the year	-	-	-	-
	<u>2,359,266,272</u>	<u>1,185,180,578</u>	<u>2,359,266,272</u>	<u>1,185,180,578</u>
Closing balance	<u>9,073,309,173</u>	<u>6,504,948,417</u>	<u>9,073,309,173</u>	<u>6,504,948,417</u>

**15.4 Provision for other assets**

<b>Provision for fall in market price of shares</b>				
Opening balance	1,650,482,889	1,274,399,259	1,176,887,206	830,000,000
Transferred to other provision	(306,887,206)	-	(306,887,206)	-
Add: Addition during the year	-	376,083,630	-	346,887,206
Closing balance	<u>1,343,595,683</u>	<u>1,650,482,889</u>	<u>870,000,000</u>	<u>1,176,887,206</u>
<b>Provision for other classified assets</b>				
Opening balance	40,266,450	40,266,450	40,266,450	40,266,450
Add: Addition during the year	2,000,000	-	2,000,000	-
Closing balance	<u>42,266,450</u>	<u>40,266,450</u>	<u>42,266,450</u>	<u>40,266,450</u>
	<u>1,385,862,133</u>	<u>1,690,749,339</u>	<u>912,266,450</u>	<u>1,217,153,656</u>

**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 2016 stood at BDT 106.02 crore considering contribution for the year 2016 against which fund liability for eligible employees stood at BDT 105.94 crore. The movement is as under:

Opening balance	80,000,000	50,000,000	80,000,000	50,000,000
Add: Provision during the year	100,000,000	80,000,000	100,000,000	80,000,000
	<u>180,000,000</u>	<u>130,000,000</u>	<u>180,000,000</u>	<u>130,000,000</u>
Less: Transferred to fund account	80,000,000	50,000,000	80,000,000	50,000,000
Closing balance	<u>100,000,000</u>	<u>80,000,000</u>	<u>100,000,000</u>	<u>80,000,000</u>

**15.6 Deferred tax (assets)/liabilities**

<b>Deferred tax assets:</b>				
Opening balance	109,688,206	89,739,104	109,370,532	89,421,430
Add: Addition during the year	16,646,153	19,949,102	16,646,153	19,949,102
Closing balance	<u>126,334,359</u>	<u>109,688,206</u>	<u>126,016,685</u>	<u>109,370,532</u>
<b>Deferred tax liabilities:</b>				
Opening balance	169,192,739	160,021,140	167,871,186	158,699,587
Add: Addition during the year	21,908,300	9,171,599	21,908,300	9,171,599
Closing balance	<u>191,101,039</u>	<u>169,192,739</u>	<u>189,779,486</u>	<u>167,871,186</u>
<b>Net deferred tax (assets)/liabilities</b>	<b>64,766,680</b>	<b>59,504,533</b>	<b>63,762,801</b>	<b>58,500,654</b>
Deferred tax charge/(credit)	<u>(5,262,147)</u>	<u>(10,777,503)</u>	<u>(5,262,147)</u>	<u>(10,777,503)</u>

**National Bank Ltd**

**Notes to the financial statements**  
**For the year ended 31 December 2016**

	Group		Bank	
	2016 BDT	2015 BDT	2016 BDT	2015 BDT

**16. Share capital**

**16.1 Authorised capital**

3,000,000,000 ordinary shares of BDT 10 each 30,000,000,000 17,500,000,000  
 Authorised capital of the Bank increased by BDT 1,250 crore i.e. 125 crore shares @ of BDT 10 per share as approved in the 21st EGM held on 29 June 2016.

**16.2 Issued, subscribed and fully paid-up capital**

	No. of shares		2016 BDT	2015 BDT
	2016	2015		
Issued for cash	23,730,000	23,730,000	237,300,000	237,300,000
Issued for other than cash (bonus share)	1,951,647,912	1,693,989,924	19,516,479,120	16,939,899,240
<b>Total</b>	<b>1,975,377,912</b>	<b>1,717,719,924</b>	<b>19,753,779,120</b>	<b>17,177,199,240</b>

**16.3 Percentage of shareholdings at the closing date**

Category	2016		2015	
	No. of shares	%	No. of shares	%
Sponsors and Directors	552,135,620	27.95	515,966,929	30.04
Financial institutions	413,722,113	20.95	388,273,458	22.60
Foreign investors	57,331,737	2.90	39,929,237	2.32
Non-resident Bangladeshi	8,179,935	0.41	7,824,290	0.46
General public	944,008,507	47.79	765,726,010	44.58
	<b>1,975,377,912</b>	<b>100.00</b>	<b>1,717,719,924</b>	<b>100.00</b>

**16.4 Statement of slab list as on 31 December 2016**

Group/ type	2016		2015	
	No. of share holders	No. of shares	No. of share holders	% of share holding
De-materialization	81,179	1,926,117,593		97.51
Materialization	4,340	49,260,319		2.49
	<b>85,519</b>	<b>1,975,377,912</b>		<b>100</b>
De-materialization				
Range	No. of share holders	No. of shares	No. of share holders	% of share holding
Less than 500	26,393	4,979,369		0.25
500 to 5,000	37,539	73,167,893		3.70
5,001 to 10,000	7,368	53,731,089		2.72
10,001 to 20,000	4,635	65,670,997		3.32
20,001 to 30,000	1,781	43,907,847		2.22
30,001 to 40,000	828	29,004,680		1.47
40,001 to 50,000	596	27,240,342		1.38
50,001 to 100,000	1,081	77,457,511		3.92
100,001 to 1,000,000	781	206,643,901		10.46
Over 1,000,000	177	1,344,313,964		68.05
	<b>81,179</b>	<b>1,926,117,593</b>		<b>97.51</b>
Materialization				
Range	No. of share holders	No. of shares	No. of share holders	% of share holding
Less than 500	2,503	363,712		0.02
500 to 5,000	1,424	2,626,558		0.13
5,001 to 10,000	183	1,283,712		0.06
10,001 to 20,000	101	1,459,606		0.07
20,001 to 30,000	49	1,166,865		0.06
30,001 to 40,000	21	731,913		0.04
40,001 to 50,000	13	573,926		0.03
50,001 to 100,000	20	1,372,249		0.07
100,001 to 1,000,000	19	6,644,797		0.34
Over 1,000,000	7	33,036,981		1.67
	<b>4,340</b>	<b>49,260,319</b>		<b>2.49</b>



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	Group		Bank	
	2016 BDT	2015 BDT	2016 BDT	2015 BDT
<b>16.5 Capital adequacy ratio</b>				
<b>Core capital (Tier - I)</b>				
Paid up capital (note 16.2)	19,753,779,120	17,177,199,240	19,753,779,120	17,177,199,240
Statutory reserve (note 17)	11,392,420,005	9,707,793,205	11,392,420,005	9,707,793,205
General reserve (note 18)	52,527,544	53,192,892	-	-
Non-controlling (minority) interest	82,061	75,545	-	-
Retained earnings (note 20)	3,823,506,459	2,488,521,769	3,964,707,023	2,658,041,849
	<b>35,022,315,189</b>	<b>29,426,782,651</b>	<b>35,110,906,148</b>	<b>29,543,034,294</b>
<b>Less:</b>				
For short provision against quoted shares	-	-	-	-
For short provision against loans and advances	2,292,900,000	2,044,900,000	2,292,900,000	2,044,900,000
Intangible assets	366,299,885	24,500,000	366,299,885	24,500,000
Deferred tax assets	126,334,359	109,688,206	126,016,685	109,370,532
Reciprocal cross holding of banking and NBFI shares	85,127,865	141,000,000	85,127,865	141,000,000
	<b>2,870,662,109</b>	<b>2,320,088,206</b>	<b>2,870,344,435</b>	<b>2,319,770,532</b>
	<b>32,151,653,080</b>	<b>27,106,694,445</b>	<b>32,240,561,713</b>	<b>27,223,263,762</b>
General provision maintained against unclassified loan	3,303,669,347	1,724,782,141	3,303,669,347	1,724,782,141
General provision on off-balance sheet exposure	475,510,048	531,510,048	475,510,048	531,510,048
Subordinated bonds	1,024,000,000	1,280,000,000	1,024,000,000	1,280,000,000
Other reserve (10% of equity reserve and 50% of other reserve)	630,977,076	630,977,076	630,977,076	630,977,076
	(252,390,830)	(126,200,000)	(252,390,830)	(126,200,000)
<b>Less: Regulatory adjustment for revaluation reserve (20%)</b>	<b>5,181,765,641</b>	<b>4,041,069,265</b>	<b>5,181,765,641</b>	<b>4,041,069,265</b>
<b>A) Total capital</b>	<b>37,333,418,721</b>	<b>31,147,763,710</b>	<b>37,422,327,354</b>	<b>31,264,333,027</b>
B) Total risk weighted assets	285,035,358,961	261,038,900,000	283,628,774,988	259,355,900,000
C) Required capital	30,285,006,890	26,103,890,000	30,135,557,342	25,935,590,000
<b>D) (Deficit)/Surplus (A-C)</b>	<b>7,048,411,831</b>	<b>5,043,873,710</b>	<b>7,286,770,012</b>	<b>5,328,743,027</b>
<b>Capital adequacy ratio:</b>				
		<b>Actual</b>		
On core capital - against standard of minimum 5.50%	11.28%	10.38%	11.37%	10.50%
On supplementary capital	1.82%	1.55%	1.82%	1.56%
On total capital - including capital conservation buffer 10.625%	<b>13.10%</b>	<b>11.93%</b>	<b>13.19%</b>	<b>12.05%</b>
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.				
<b>17. Statutory reserve</b>				
Opening balance	9,707,793,205	8,439,142,029	9,707,793,205	8,439,142,029
Add: Addition during the year (20% of pre-tax profit)	1,684,626,800	1,268,651,176	1,684,626,800	1,268,651,176
Closing balance	<b>11,392,420,005</b>	<b>9,707,793,205</b>	<b>11,392,420,005</b>	<b>9,707,793,205</b>
<b>18. General reserve</b>				
Opening balance	53,192,892	65,396,935	-	-
Add: Addition during the year (overseas subsidiaries)	-	16,524,000	-	-
	<b>53,192,892</b>	<b>81,920,935</b>	-	-
<b>Less: Adjustment during the year</b>	(665,348)	-	-	-
Bonus shares issued by overseas subsidiaries	-	(28,728,043)	-	-
	<b>(665,348)</b>	<b>(28,728,043)</b>	-	-
Closing balance	<b>52,527,544</b>	<b>53,192,892</b>	-	-
<b>19. Other reserve</b>				
Revaluation reserve (Govt. treasury bills and bonds) (note 19.1)	715,620,880	3,636,199,404	715,620,880	3,636,199,404
Revaluation reserve (foreign investment) (note 19.2)	5,992,902	8,376,292	5,992,902	8,376,292
Revaluation reserve (property) (note 19.3)	370,354,926	370,354,926	370,354,926	370,354,926
	<b>1,091,968,708</b>	<b>4,014,930,622</b>	<b>1,091,968,708</b>	<b>4,014,930,622</b>
<b>19.1 Revaluation reserve (Govt treasury bills and bonds)</b>				
Opening balance	3,636,199,404	888,350,848	3,636,199,404	888,350,848
Add: Addition during the year	-	5,481,068,190	1,995,215,346	5,481,068,190
	<b>3,636,199,404</b>	<b>6,369,419,038</b>	<b>5,631,414,750</b>	<b>6,369,419,038</b>
<b>Less: Adjustment during the year</b>	2,920,578,524	2,733,219,634	4,915,793,870	2,733,219,634
Closing balance	<b>715,620,880</b>	<b>3,636,199,404</b>	<b>715,620,880</b>	<b>3,636,199,404</b>
<b>19.2 Revaluation reserve (foreign investment)</b>				
Opening balance	8,376,292	16,241,887	8,376,292	16,241,887
Less: Adjustment during the year	2,383,390	7,865,595	2,383,390	7,865,595
Closing balance	<b>5,992,902</b>	<b>8,376,292</b>	<b>5,992,902</b>	<b>8,376,292</b>



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	Group		Bank	
	2016 BDT	2015 BDT	2016 BDT	2015 BDT
<b>19.3 Revaluation reserve (property)</b>				
Opening balance	370,354,926	370,354,926	370,354,926	370,354,926
Less: Adjustment during the year	-	-	-	-
Closing balance	<b>370,354,926</b>	<b>370,354,926</b>	<b>370,354,926</b>	<b>370,354,926</b>
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 31 October 2005.				
<b>20. Retained earnings</b>				
Opening balance	2,488,521,769	1,464,019,449	2,658,041,849	1,634,223,204
Add: Post-tax profit for the year	5,608,552,809	3,881,448,150	5,567,871,854	3,854,033,381
	<b>8,097,074,578</b>	<b>5,345,467,599</b>	<b>8,225,913,703</b>	<b>5,488,256,585</b>
Less: Dividend (Bonus share 15% for 2015 and 10% for the year 2014)	2,576,579,880	1,561,563,560	2,576,579,880	1,561,563,560
Transfer to statutory reserve	1,684,626,800	1,268,651,176	1,684,626,800	1,268,651,176
Transfer to general reserve (overseas operation)	-	16,524,000	-	-
Dividend paid by overseas subsidiaries	12,361,439	10,207,094	-	-
	<b>4,273,568,119</b>	<b>2,856,945,830</b>	<b>4,261,206,680</b>	<b>2,830,214,736</b>
Closing balance	<b>3,823,506,459</b>	<b>2,488,521,769</b>	<b>3,964,707,023</b>	<b>2,658,041,849</b>
<b>21. Letters of guarantee</b>				
Directors	-	-	-	-
Government	2,487,869,023	3,254,715,812	2,487,869,023	3,254,715,812
Banks and other financial institutions	565,902,300	1,000,438,500	565,902,300	1,000,438,500
Others	7,565,137,873	8,516,431,778	7,565,137,873	8,516,431,778
	<b>10,618,909,196</b>	<b>12,771,586,090</b>	<b>10,618,909,196</b>	<b>12,771,586,090</b>
Less: Margin	505,136,953	543,089,226	505,136,953	543,089,226
	<b>10,113,772,243</b>	<b>12,228,496,864</b>	<b>10,113,772,243</b>	<b>12,228,496,864</b>
<b>21.1</b>	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.			
<b>22. Interest income</b>				
Interest on advances	18,738,512,331	19,429,070,138	18,722,342,735	19,407,604,423
Interest on money at call and short notice	21,401,125	7,896,791	21,401,125	7,896,791
Interest on placement with other banks	168,701,480	75,373,869	168,701,480	75,373,869
Interest on foreign currency balances	35,486,370	13,810,736	35,486,370	13,810,736
	<b>18,964,101,306</b>	<b>19,526,151,534</b>	<b>18,947,931,710</b>	<b>19,504,685,819</b>
<b>23. Interest paid on deposits and borrowings, etc</b>				
Interest on deposits	12,303,747,906	15,051,144,027	12,321,522,914	15,071,623,685
Interest on borrowings	430,942,420	383,496,066	417,531,639	383,496,066
Discount	2,133,823,020	1,116,572,094	2,133,823,020	1,116,572,094
	<b>14,868,513,346</b>	<b>16,551,212,187</b>	<b>14,872,877,573</b>	<b>16,571,691,845</b>
<b>24. Investment income</b>				
<b>Dividend on shares</b>				
Local	337,822,010	341,550,601	317,925,437	335,697,979
Overseas	5,370,829	11,064,799	5,370,829	11,064,799
	<b>343,192,839</b>	<b>352,615,400</b>	<b>323,296,266</b>	<b>346,762,778</b>
Interest on treasury bills and bonds	4,513,966,981	4,914,986,593	4,513,966,981	4,914,986,593
Interest on debenture and bonds	42,919,441	80,829,075	42,919,441	80,829,075
Gain on Government securities	5,473,634,932	2,578,006,855	5,473,634,932	2,578,006,855
Profit from sale of share of listed company	41,381,027	15,263,342	27,335,287	8,424,236
Prize bonds	93,400	133,300	93,400	133,300
	<b>10,415,188,620</b>	<b>7,941,834,565</b>	<b>10,381,246,307</b>	<b>7,929,142,837</b>
<b>25. Commission, exchange and brokerage</b>				
Commission	1,026,132,800	1,103,042,029	812,675,827	841,388,558
Exchange gain net off exchange losses	512,841,184	657,566,556	512,841,184	657,566,556
Brokerage	2,258,020	2,269,116	2,258,020	2,269,116
	<b>1,541,232,004</b>	<b>1,762,877,701</b>	<b>1,327,775,031</b>	<b>1,501,224,230</b>
<b>26. Other operating income</b>				
Locker rent	5,424,425	5,847,282	5,424,425	5,847,282
Credit card and ATM	14,650,682	14,677,359	14,650,682	14,677,359
Confirmation charges	2,906,421	122,939,412	2,906,421	122,939,412
Gain from sales of assets	101,763	1,173,789	101,763	1,173,789
Remittance income	34,092,010	34,058,856	34,092,010	34,058,856
Other receipts	497,234,550	557,789,122	477,750,930	534,598,691
	<b>554,409,851</b>	<b>736,485,820</b>	<b>534,926,231</b>	<b>713,295,389</b>



**National Bank Ltd**

**Notes to the financial statements**  
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	Group		Bank	
	2016 BDT	2015 BDT	2016 BDT	2015 BDT
<b>27. Salaries and allowances</b>				
Basic salary	1,664,639,847	1,346,225,094	1,570,767,826	1,252,973,623
Allowances	1,336,082,412	1,192,797,846	1,336,082,412	1,192,797,846
Bonus	351,652,556	314,352,257	351,652,556	314,352,257
Bank's contribution to provident fund	128,046,200	107,996,577	128,046,200	107,996,577
Gratuity	260,134,626	224,128,879	260,134,626	224,128,879
Provision for the year	100,000,000	80,000,000	100,000,000	80,000,000
Paid during the year	160,134,626	144,128,879	160,134,626	144,128,879
	<b>3,740,555,641</b>	<b>3,185,500,653</b>	<b>3,646,683,620</b>	<b>3,092,249,182</b>
<b>28. Rent, taxes, insurance, electricity, etc.</b>				
Rent, rates and taxes	432,915,075	346,904,780	393,146,162	313,845,680
Insurance	178,265,231	177,736,014	178,265,231	177,736,014
Electricity	105,980,047	100,326,854	105,980,047	100,326,854
	<b>717,160,353</b>	<b>624,967,648</b>	<b>677,391,440</b>	<b>591,908,548</b>
<b>29. Legal expenses</b>				
Law charges	25,026,940	23,514,997	25,026,940	23,514,997
Other professional charges	1,585,004	1,641,407	1,497,504	1,633,907
	<b>26,611,944</b>	<b>25,156,404</b>	<b>26,524,444</b>	<b>25,148,904</b>
<b>30. Postage, stamp, telecommunication, etc</b>				
Telephone - office	16,157,417	21,129,280	16,157,417	16,940,687
Telephone - residence	551,418	652,495	551,418	652,495
Telegram, telex, fax and e-mail	42,963,071	42,789,182	42,963,071	42,789,182
Postage	22,177,044	19,166,751	18,082,594	19,166,751
	<b>81,848,950</b>	<b>83,737,708</b>	<b>77,754,500</b>	<b>79,549,115</b>
<b>31. Stationery, printing, advertisement, etc</b>				
Printing and stationery	90,924,849	125,658,806	88,009,754	122,386,172
Publicity and advertisement	20,872,088	31,200,226	20,872,088	31,200,226
	<b>111,796,937</b>	<b>156,859,032</b>	<b>108,881,842</b>	<b>153,586,398</b>
<b>32. Managing Director's salary and allowances</b>				
Basic salary	4,831,523	3,512,903	4,831,523	3,512,903
Allowance	3,843,620	2,732,259	3,843,620	2,732,259
Bonus	990,000	900,000	990,000	900,000
Bank's contribution to provident fund	483,152	351,290	483,152	351,290
	<b>10,148,295</b>	<b>7,496,452</b>	<b>10,148,295</b>	<b>7,496,452</b>
<b>33. Directors' fees and other benefits</b>				
Fees	4,345,582	2,971,289	2,979,000	1,205,000
<b>Other benefits</b>				
Haltage, traveling and other	1,766,486	788,087	1,766,486	788,087
Refreshment	1,301,027	1,342,917	1,301,027	1,342,917
	<b>3,067,513</b>	<b>2,131,004</b>	<b>3,067,513</b>	<b>2,131,004</b>
	<b>7,413,095</b>	<b>5,102,293</b>	<b>6,046,513</b>	<b>3,336,004</b>
Each Director is paid an amount of BDT 8,000 per board meeting and per committee meeting attended as per BRPD circular letter no. 11 dated 04 October 2015.				
<b>34. Auditors' fees</b>	<b>1,944,750</b>	<b>1,686,713</b>	<b>500,000</b>	<b>450,000</b>
<b>35. Repair, maintenance and depreciation</b>				
<b>A. Depreciation</b>				
Buildings	35,070,053	34,423,816	35,070,053	34,423,816
Furniture and fixture	83,538,583	79,289,436	83,538,583	79,289,436
General equipments	98,428,888	102,118,497	98,428,888	102,118,497
Computer equipments	200,012,276	52,669,221	200,012,276	52,669,221
Vehicles	22,779,222	26,164,183	22,779,222	26,164,183
Books	63,491	77,755	63,491	77,755
	<b>439,892,513</b>	<b>294,742,908</b>	<b>439,892,513</b>	<b>294,742,908</b>
<b>B. Repairs and maintenance</b>				
Office premises	9,111,882	11,992,376	9,111,882	11,992,376
Furniture and fixtures	4,064,737	4,540,554	4,064,737	4,540,554
Vehicles	24,832,973	17,333,096	24,832,973	17,333,096
Equipments	191,447,536	159,595,983	179,551,981	137,868,287
	<b>229,457,128</b>	<b>193,462,009</b>	<b>217,561,573</b>	<b>171,734,313</b>
<b>Totals (A+B)</b>	<b>669,349,641</b>	<b>488,204,917</b>	<b>657,454,086</b>	<b>466,477,221</b>





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	Group		Bank	
	2016 BDT	2015 BDT	2016 BDT	2015 BDT
<b>36. Other expenses</b>				
Car expenses	63,748,127	75,745,753	63,748,127	75,745,753
Credit card expenses	694,023	1,702,348	694,023	1,702,348
Entertainment	54,689,208	58,521,930	54,689,208	58,521,930
Traveling expenses	21,517,605	27,286,183	21,517,605	27,286,183
Donations	96,419,118	128,032,506	96,419,118	128,032,506
Subscriptions	3,245,636	3,174,091	3,245,636	3,174,091
Periodicals	1,701,172	2,200,433	1,701,172	2,200,433
Cartage/freight	25,073,182	27,123,620	25,073,182	27,123,620
Medical expense	6,782,729	11,169,634	6,782,729	11,169,634
Overseas expenses	4,083,986	5,560,190	4,083,986	5,560,190
Uniform and liveries	8,930,091	6,172,624	8,930,091	6,172,624
Training expenses	7,495,026	11,260,184	7,495,026	11,260,184
Loss on sale of share/ property/ asset	5,607	3,149,083	5,607	3,149,033
Miscellaneous	99,406,271	117,312,981	28,225,099	26,420,552
	<b>393,791,781</b>	<b>478,411,560</b>	<b>322,610,609</b>	<b>387,519,131</b>
<b>37. Changes in other assets</b>				
<b>A. Balance at the beginning of the year</b>				
Stock of stationery			33,669,893	27,229,816
Stamps in hand			2,995,814	2,600,564
Suspense account			318,620,741	336,940,462
Advance deposits			5,167,189	5,171,624
Sundry assets			251,145,697	262,546,104
Demand draft paid without advice			14,145,177	12,837,177
Bill purchase account - credit card			390,395,666	252,497,338
Inter-branch adjustment account (Net)			85,232,463	652,570,528
Payment made against claim made by EBL for guarantee issued by BCCI			13,683,225	13,683,225
Advance against cash assistance			3,871,781	2,322,729
Receivables			-	16,063,421
Advance against branches			27,580,522	5,725,000
Advance against NBL Tower			1,030,482,000	853,203,000
Advance against fixed assets			352,765,232	243,709,826
Others			98,049,965	7,086,983
			<b>2,627,805,365</b>	<b>2,694,137,797</b>
<b>B. Balance at the end of the year</b>				
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
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
			<b>3,172,867,785</b>	<b>2,627,805,365</b>
<b>Net changes (A-B)</b>			<b>(545,062,420)</b>	<b>66,382,432</b>
<b>38. Changes in other liabilities</b>				
<b>A. Balance at the beginning of the year</b>				
Un-paid dividend			10,009,092	10,009,092
Provision for bonus			323,640,835	204,265,485
ATM card holders' accounts			35,500	35,500
Foreign currencies adjustment account			1,292,978,086	811,843,016
Bills payable account MPS (CCD)			4,931,883	12,003,024
Provision for LFA			89,055,351	89,833,143
Clearing adjusting account			34,149	34,156
Others			76,332,338	45,219,230
			<b>1,797,017,234</b>	<b>1,173,242,646</b>



National Bank Ltd

Notes to the financial statements  
For the year ended 31 December 2016

	Group		Bank	
	2016 BDT	2015 BDT	2016 BDT	2015 BDT
<b>B. Balance at the end of the year</b>				
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
			<b>673,906,942</b>	<b>1,797,017,234</b>
<b>Net Changes (A-B)</b>			<b>(1,123,110,292)</b>	<b>623,774,588</b>
<b>39. Earnings per share (EPS) Restated</b>				
(a) Net profit after tax	5,608,559,325	3,881,435,282	5,567,871,854	3,854,033,381
(b) Number of ordinary shares outstanding	1,717,719,924	1,717,719,924	1,717,719,924	1,717,719,924
(c) Issue of bonus shares during the year 15% of (b)	257,657,988	257,657,988	257,657,988	257,657,988
(d) Number of ordinary shares outstanding (d=b+c)	1,975,377,912	1,975,377,912	1,975,377,912	1,975,377,912
Earnings per share (EPS) (a/d)	<b>2.84</b>	<b>1.96</b>	<b>2.82</b>	<b>1.95</b>

Earnings per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2016 in terms of BAS 33: "Earnings Per Share (EPS)". EPS for the year ended 31 December 2015 was restated for the issues of bonus share in 2016 for the year 2015.

**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 4,617.

**National Bank Limited**

**Notes to the financial statements**  
**For the year ended 31 December 2016**

**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 5 (five) meetings in which, among others, the following issues were discussed:

- i) Review of Bank's financial statements and recommended for consideration of the Board.
- ii) Review of draft audited financial statements of subsidiary companies of the Bank.
- iii) Review of internal control and compliance system of the Bank.
- iv) Review of internal audit reports of different branches. Identification of minor/major lapses and compliances there against.
- v) Guidelines for audit program during the year 2017.
- vi) Review of working of the credit administration division of the Bank.
- vii) Review of the classified portfolio and recovery position of the Bank.
- viii) Review the training program of the Bank.
- ix) Review of Green Banking and stress Testing of the Bank.
- x) Review of the activities of management committee (MANCOM) of the Bank.

**42. Event after the Balance Sheet date**

No material event had occurred after the balance sheet date except declaration of 20% stock dividend.

**43. Related party disclosures**

- i) **Name of the Directors and the entities in which they have interest as on 31 December 2016:**

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



**National Bank Limited**

**Notes to the financial statements**  
**For the year ended 31 December 2016**

Ms. Parveen Haque Sikder	Director	<b>Chairperson</b> Millennium International School Mandy Dental College & Hospital J & M Builders (Pvt) Ltd. Western Bowling & Fitness Centre Jeffrey Institute of Health Science & Technology Powertech Holdings Ltd. Golden Barn Kingdom (Pvt) Ltd. ISO Tech Group	34.80% 50.00% 100.00% 100.00% 50.00%
		<b>Vice Chairperson</b> Z H Sikder Women's Medical College & Hospital (Pvt.) Ltd. Sikder Real Estate Ltd.	9.40% 10.00%
		<b>Director</b> Sikder Pharmaceuticals Ltd.	10.00%
		<b>Treasurer</b> Z H Sikder University of Science & Technology	
		<b>Proprietor</b> Z M Real Estate	
		<b>Member</b> Monowara Sikder Medical College and Hospital. Alhaj Mokforuddin Sikder Foundation Zarina Sikder Trust	
Alhaj Khalilur Rahman	Director	<b>Chairman</b> KDS Garments Ind. Ltd. KDS Apparels Ltd. KIY Steel Ind. Ltd. KDS Fashion Ltd. Steel Accessories Ltd. KDS Logistics Ltd. KDS IDR Ltd. KDS Cotton Poly Thread Ltd. KDS Accessories Ltd. KDS Poly Ind. Ltd.	50.15% 49.88% 95.00% 0.86% 50.00% 43.24% 45.00% 14.67% 46.92% 74.00%
		<b>Managing Director</b> KDS Textile Mills Ltd. KYCR Coil Ind. Ltd. KY Steel Mills Ltd. Sky Securities Ltd.	20.27% 9.21% 98.00% 42.46%
		<b>Shareholder</b> Al-Arafah Islami Bank Ltd. Pragati Insurance Ltd. Pragati Life Insurance Ltd.	69,77,450 shares 2,811,796 shares 2,07,446 shares



**National Bank Limited**

**Notes to the financial statements**  
**For the year ended 31 December 2016**

Mr. Moazzam Hossain	Director	<b>Chairman</b>	
		Hosaf International Ltd.	22.93%
		Shandong Ludi Xinwen & Hosaf Mining (BD) Ltd.	20.00%
		Hosaf Gene Cure Pharma Co. Ltd.	36.67%
		Hosaf Proficient Energy Ltd.	50.00%
		Shahjibazar Electric Generation Ltd.	32.00%
		<b>Managing Director</b>	
		EnergyPrima Ltd.	30.43%
		Hosaf Meter Industry Ltd.	97.89%
		Citi Link Apartment Ltd.	99.98%
		<b>Director</b>	
		Euro Knitting & Dyeing Inds. Ltd.	11.46%
		<b>Proprietor</b>	
		Hosaf Consultancy	100.00%
		<b>Shareholder</b>	
		United Hospital Ltd.	0.42%
		Pragati Life Insurance Ltd.	0.01%
Pragati Insurance Ltd. (Sponsor)	1.57%		
Mr. Rick Haque Sikder	Director	<b>Chairman</b>	
		Power Pac Holdings Ltd.	50.00%
		R & R Holdings Ltd.	50.00%
		PowerPac Mutiara Keraniganj Power Plant Ltd. (100 MW)	50.00%
		PowerPac Keraniganj-II Power Plant Ltd. (161 MW)	50.00%
		PowerPac Mutiara Khulna Power Plant Ltd. (100 MW)	50.00%
		PowerPac Mutiara Jamalpur Power Plant Ltd.(100 MW)	50.00%
		<b>Director</b>	
		Z H Sikder Women's Medical College & Hospital (pvt) Ltd.	9.40%
		Sikder Pharmaceuticals Ltd.	10.00%
		Sikder Real Estate Ltd.	10.00%
		<b>Managing Director</b>	
		R & R Aviation Ltd.	81.90%
		BEL Construction SDN BHD Ltd.	80.00%
		<b>Managing Partner</b>	
		PowerPac	50.00%
		A1 Trade Center	50.00%
		<b>Proprietor</b>	
		The River	100.00%
		<b>Member</b>	
		Z H Sikder University of Science & Technology	
		Monowara Sikder Medical College and Hospital.	
		Alhaj Mokforuddin Sikder Foundation	
Zarina Sikder Trust			
Mr. Ron Haque Sikder	Director	<b>Managing Director</b>	
		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%



**National Bank Limited**

**Notes to the financial statements**  
**For the year ended 31 December 2016**

		<b>Director</b>	
		Z H Sikder Women's Medical College & Hospital (bvt) Ltd.	9.40%
		Sikder Pharmaceuticals Ltd.	10.00%
		<b>Vice Chairman</b>	
		Sikder Real Estate Ltd.	10.00%
		<b>Managing Partner</b>	
		Power Pac	50.00%
		A1 Trade Center	50.00%
		<b>Member</b>	
		Z H Sikder University of Science & Technology	
		Monowara Sikder Medical College and Hospital.	
		Alhaj Mokforuddin Sikder Foundation	
		Zarina Sikder Trust	
		<b>Shareholder</b>	
		R & R Aviation Ltd.	18.00%
		<b>Chairman</b>	
		Purbachal Drillers Ltd.	50.00%
		T S Holdings Ltd.	60.00%
		Microgenix BD Ltd.	25.00%
		Zyta Garments Ltd.	60.00%
		<b>Director</b>	
		Jeans Culture Ltd.	40.00%
		<b>Managing Director</b>	
		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%
		<b>Sponsor shareholder</b>	
		Pragati Life Insurance Ltd.	235,895 shares
		Pragati Insurance Ltd.	260,491 shares
		TSCO Power Ltd.	49.50%
		T S Transformer Ltd.	34.50%
		<b>Director</b>	
		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%
		Shandong Ludi Xinwen & Hosaf	5.00%
		Mining (BD) Ltd.	
		Hosaf Proficient Energy Ltd.	40.00%
		EnergyPrima Ltd.	0.04%
		Shahjibazar Electric Generation Ltd.	10.00%
		<b>Shareholder</b>	
		Pragati Life Insurance Ltd	3.25%
		Pragati Insurance Ltd.	0.01%
		<b>Proprietor</b>	
		M H Holdings	100.00%
		<b>Chairman</b>	
		Western Agro Products Ltd.	
Mr. Zakaria Taher	Director		
Mr. Mabroor Hossain	Director		
Mr. Md. Anwar Hussain	Independent Director		



**National Bank Limited**

**Notes to the financial statements**  
**For the year ended 31 December 2016**

Mr. Md. Mahbubur Rahman Khan	Independent Director	<b>Managing Director</b> Himalaya Trading Co. Ltd. Hotel Raffles Inn <b>Proprietor</b> M/s. Mahbubur Rahman Khan			
Mr. A K M Enamul Hoque Shameem	Independent Director	<b>Member</b> Trustee board, Stamford University, Bangladesh Founder & President, Port City International University,			
Mr. Choudhury Moshtaq Ahmed	Managing Director (CC)		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**

<b>Name of the party</b>	<b>Nature of relation</b>	<b>Nature of transaction</b>	<b>2016 BDT (000)</b>
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) & LC	110,179.45
Rick Haque Sikder and others	Director	SOD	271,643.25
NBL Securities Ltd	Subsidiary	Loan	1,750,000.00
<b>Total</b>			<b><u>2,134,322.70</u></b>

v) **Lending policies to related parties**

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

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

**44. 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.

  
Managing Director (CC)

for National Bank Limited  
  
Director

  
Director



Dhaka, Bangladesh  
Dated, 30 April 2017

National Bank Limited  
Off-shore Banking Unit, Bangladesh

Balance Sheet  
As at 31 December 2016

	Notes	2016		2015	
		USD	BDT	USD	BDT
<b>PROPERTY AND ASSETS</b>					
<b>Cash</b>					
In hand (including foreign currencies)		-		-	
With Bangladesh Bank (Including foreign currencies)		-		-	
<b>Balance with other banks and financial institutions (On current and other accounts):</b>	<b>3</b>				
In Bangladesh		3,180,818.12	250,337,384	6,271,254.56	492,295,364
Outside Bangladesh		-	-	-	-
		<b>3,180,818.12</b>	<b>250,337,384</b>	<b>6,271,254.56</b>	<b>492,295,364</b>
<b>Money at call and short notice</b>		-	-	-	-
<b>Investment</b>		-	-	-	-
<b>Loans and advances</b>					
<b>4</b>					
i) Loans, cash credits, overdrafts, etc.					
In Bangladesh		3,697,104.55	290,970,261	5,660,653.56	444,363,003
Outside Bangladesh		-	-	-	-
		<b>3,697,104.55</b>	<b>290,970,261</b>	<b>5,660,653.56</b>	<b>444,363,003</b>
ii) Bills purchased and discounted					
Payable in Bangladesh		30,968,137.98	2,437,260,589	30,777,168.95	2,416,016,996
Payable outside Bangladesh		-	-	-	-
		<b>30,968,137.98</b>	<b>2,437,260,589</b>	<b>30,777,168.95</b>	<b>2,416,016,996</b>
		<b>34,665,242.53</b>	<b>2,728,230,850</b>	<b>36,437,822.51</b>	<b>2,860,379,999</b>
<b>Fixed assets</b>	<b>5</b>	<b>356.76</b>	<b>28,078</b>	<b>541.24</b>	<b>42,488</b>
<b>Other assets</b>	<b>6</b>	<b>500,461.32</b>	<b>39,387,407</b>	<b>566,166.38</b>	<b>44,444,231</b>
<b>Non-Banking assets</b>		-	-	-	-
<b>Total assets</b>		<b>38,346,878.73</b>	<b>3,017,983,719</b>	<b>43,275,784.69</b>	<b>3,397,162,082</b>





**National Bank Limited**  
**Off-shore Banking Unit, Bangladesh**

**Balance Sheet**  
**As at 31 December 2016**

	Notes	2016		2015	
		USD	BDT	USD	BDT
<b>CAPITAL AND LIABILITIES</b>					
<b>Borrowings from other banks, financial institutions and agents</b>					
	7				
In Bangladesh		33,781,466.00	2,658,675,693	38,563,516.00	3,027,247,575
Outside Bangladesh		-	-	-	-
		<b>33,781,466.00</b>	<b>2,658,675,693</b>	<b>38,563,516.00</b>	<b>3,027,247,575</b>
		<b>33,781,466.00</b>	<b>2,658,675,693</b>	<b>38,563,516.00</b>	<b>3,027,247,575</b>
<b>Deposits and other accounts</b>					
	8				
Current deposits and other accounts		3,548,116.49	279,244,574	3,976,311.69	312,141,661
Term deposits		857,004.00	67,448,100	304,189.00	23,878,928
		<b>4,405,120.49</b>	<b>346,692,674</b>	<b>4,280,500.69</b>	<b>336,020,589</b>
<b>Other liabilities</b>	9	<b>160,292.24</b>	<b>12,615,352</b>	<b>431,768.00</b>	<b>33,893,918</b>
<b>Total liabilities</b>		<b>38,346,878.73</b>	<b>3,017,983,719</b>	<b>43,275,784.69</b>	<b>3,397,162,082</b>
<b>Shareholders' equity</b>					
Retained earnings brought forward from profit and loss account		-	-	-	-
<b>Total liabilities and shareholders'</b>		<b>38,346,878.73</b>	<b>3,017,983,719</b>	<b>43,275,784.69</b>	<b>3,397,162,082</b>
<b>Off - balance sheet items</b>					
<b>Contingent liabilities</b>					
Acceptance and endorsements		3,135,400.00	246,762,878	4,611,100.00	361,972,733
Letter of guarantee - Banks		-	-	-	-
Letter of guarantee - Others		80,500.00	6,335,527	93,400.00	7,331,928
Bills for collection		3,899,800.00	306,922,840	5,587,900.00	438,651,826
Irrevocable letters of credit		1,073,600.00	84,494,682	5,062,500.00	397,407,769
Other commitments		-	-	-	-
		<b>8,189,300.00</b>	<b>644,515,927</b>	<b>15,354,900.00</b>	<b>1,205,364,256</b>



National Bank Limited  
Off-shore Banking Unit, Bangladesh

Profit and Loss Account  
For the year ended 31 December 2016

	Notes	2016		2015	
		USD	BDT	USD	BDT
Interest income	10	2,138,419.33	168,298,306	2,070,294.42	162,518,733
Interest paid on deposits and borrowings	11	1,084,697.05	85,368,044	987,492.27	77,518,440
<b>Net interest income</b>		<b>1,053,722.28</b>	<b>82,930,262</b>	<b>1,082,802.15</b>	<b>85,000,293</b>
Commission, exchange and brokerage	12	153,926.93	12,114,388	267,943.59	21,033,652
Other Operating Income	13	183,168.04	14,415,731	216,550.55	16,999,284
<b>Total operating income</b>		<b>1,390,817.25</b>	<b>109,460,381</b>	<b>1,567,296.29</b>	<b>123,033,229</b>
Salary and allowances	14	38,346.24	3,017,933	42,031.74	3,299,504
Rent, taxes, Insurance, electricity etc.	15	12,719.86	1,001,081	14,029.94	1,101,354
Postage, stamps, telecommunication etc	16	15,866.60	1,248,736	18,390.81	1,443,684
Repair, maintenance and depreciation	17	765.60	60,254	734.86	57,687
Other operating expenses	18	424.59	33,416	1,188.72	93,315
<b>Total operating expenses</b>		<b>68,122.89</b>	<b>5,361,420</b>	<b>76,376.07</b>	<b>5,995,544</b>
<b>Profit before provision</b>		<b>1,322,694.36</b>	<b>104,098,961</b>	<b>1,490,920.22</b>	<b>117,037,685</b>
Less: General Provision against UC Loan	2.3	-	-	-	-
<b>Profit before income tax</b>		<b>1,322,694.36</b>	<b>104,098,961</b>	<b>1,490,920.22</b>	<b>117,037,685</b>
Less. Provision for income tax	2.3	-	-	-	-
<b>Net Profit after taxation</b>		<b>1,322,694.36</b>	<b>104,098,961</b>	<b>1,490,920.22</b>	<b>117,037,685</b>
Balance of Profit brought forward		-	-	-	-
Effect of changes in exchange rate		-	-	-	-
<b>Retained Earnings carried forward</b>		<b>1,322,694.36</b>	<b>104,098,961</b>	<b>1,490,920.22</b>	<b>117,037,685</b>
Less: Retained earnings transferred to central operation		1,322,694.36	104,098,961	1,490,920.22	117,037,685
		-	-	-	-



**National Bank Limited**  
Off-shore Banking Unit, Bangladesh

**Cash Flow Statement**  
For the year ended 31 December 2016

	2016		2015	
	USD	BDT	USD	BDT
<b>A) Cash flows from operating activities</b>				
Interest Income	2,138,419.33	168,298,306	2,070,294.42	162,518,733
Interest paid	(1,084,697.05)	(85,368,044)	(987,492.27)	(77,518,439)
Commission, exchange and brokerage	153,926.93	12,114,388	267,943.59	21,033,652
Received from other operating activities	183,168.04	14,415,731	216,550.55	16,999,283
Paid to employees	(38,346.24)	(3,017,933)	(42,031.74)	(3,299,504)
Paid to supplier	(29,167.58)	(2,295,552)	(32,971.13)	(2,588,244)
Paid for operating expenses	(424.59)	(33,416)	(1,188.72)	(93,314)
Operating profit before changes in operating assets and liabilities	1,322,878.84	104,113,480	1,491,104.70	117,052,167
<b>(Increase)/decrease in operating assets:</b>				
Loan and advances to customers	1,772,579.98	132,149,149	282,128.36	1,918,139
Other Assets	65,704.95	5,056,824	53,833.51	3,884,396
<b>Increase/(decrease) in operating liabilities:</b>				
Effect of Changes in exchange rate	-	(109)	-	-
Deposits from Banks	-	-	-	-
Customers' deposits and other accounts	124,619.80	10,672,085	1,564,348.60	124,298,163
Borrowing from other banks and financial institutions	(4,782,050.00)	(368,571,882)	(9,042,384.00)	(683,603,766)
Other liabilities	(271,475.65)	(21,278,566)	99,267.11	7,975,265
	<b>(3,090,620.92)</b>	<b>(241,972,499)</b>	<b>(7,042,806.42)</b>	<b>(545,527,803)</b>
<b>Net cash provided from operating activities</b>	<b>(1,767,742.08)</b>	<b>(137,859,019)</b>	<b>(5,551,701.72)</b>	<b>(428,475,636)</b>
<b>B) Cash flows from investing activities</b>				
Changes in fixed assets	-	-	-	-
Fund placement	-	-	-	-
<b>C) Cash flows from financing activities</b>				
Profit remitted to Head Office	(1,322,694.36)	(104,098,961)	(1,490,920.22)	(117,037,685)
<b>D) Net increase in cash and cash equivalents (A+B+C)</b>	<b>(3,090,436.44)</b>	<b>(241,957,980)</b>	<b>(7,042,621.94)</b>	<b>(545,513,321)</b>
<b>E) Opening cash and cash equivalents</b>	<b>6,271,254.56</b>	<b>492,295,364</b>	<b>13,313,876.50</b>	<b>1,037,808,685</b>
<b>F) Closing cash and cash equivalent (D+E)</b>	<b>3,180,818.12</b>	<b>250,337,384</b>	<b>6,271,254.56</b>	<b>492,295,364</b>
<b>G) Closing cash and cash equivalents</b>				
Cash In hand (including foreign currencies)	-	-	-	-
Balances with Bangladesh Bank and its agent bank (s)	-	-	-	-
Balances with other Banks and Financial Institutions	3,180,818.12	250,337,384	6,271,254.56	492,295,364
Money at call and short notice	-	-	-	-
Prize bonds	-	-	-	-
	<b>3,180,818.12</b>	<b>250,337,384</b>	<b>6,271,254.56</b>	<b>492,295,364</b>



## 1. Status

Off-shore 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. Off-shore 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 Off-shore 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 Off-shore 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

- These are stated in the Balance Sheet on gross basis and accumulated specific and general provisions for bad and doubtful debts being shown under other liabilities.
- Interest income is recognised on accrual basis to comply with the 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 receipt basis.
- Provision for Loans and Advances is made on the basis of period end review by the management and instructions contained in Bangladesh Bank BRPD circular 19 & 20 dated December 2005, BRPD circular No. 14 dated 23 September 2012, BRPD Circular No. 05 dated 29 May 2013.

### 2.3 Common expenses

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

These are accounted for in the central accounts of NBL.

## 3. Balance with other Banks and Financial Institutions

	2016		2015	
	USD	BDT	USD	BDT
Inside Bangladesh				
NBL Mohakhali Branch	2,132,718.45	167,849,634	1,038,048.42	81,487,112
Placement with NBL	298,000.00	23,453,256	5,105,000.00	400,744,032
Head Office ID	750,099.67	59,034,494	128,206.14	10,064,220
	<b>3,180,818.12</b>	<b>250,337,384</b>	<b>6,271,254.56</b>	<b>492,295,364</b>

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

	USD	BDT	USD	BDT
<b>Payable</b>				
On demand	3,180,818.12	250,337,384	6,271,254.56	492,295,364
Within one month	-	-	-	-
More than one month but not more than three months	-	-	-	-
More than three months but not more than one year	-	-	-	-
More than one year but not more than five years	-	-	-	-
More than five years	-	-	-	-
	<b>3,180,818.12</b>	<b>250,337,384</b>	<b>6,271,254.56</b>	<b>492,295,364</b>

## 4. Loans and advances

### 4.1 Loans, Cash Credit, Overdraft etc.

#### 4.1.1 Inside Bangladesh

	USD	BDT	USD	BDT
Loans	3,635,594.55	286,129,289	4,906,795.91	385,184,951
Cash Credit	-	-	-	-
Loan against TR	61,510.00	4,840,972	191,643.71	15,044,089
Secured Overdraft	-	-	562,213.94	44,133,963
	<b>3,697,104.55</b>	<b>290,970,261</b>	<b>5,660,653.56</b>	<b>444,363,003</b>

#### 4.1.2 Outside Bangladesh

	<b>3,697,104.55</b>	<b>290,970,261</b>	<b>5,660,653.56</b>	<b>444,363,003</b>
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### 4.2 Bills purchased and discounted

#### 4.2.1 Inside Bangladesh

	USD	BDT	USD	BDT
Local Bill Purchased	-	-	163,700.00	12,850,499
Foreign Bill Purchased	30,968,137.98	2,437,260,589	30,613,468.95	2,403,166,497
	-	-	-	-
	-	-	-	-

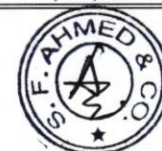
#### 4.2.2 Outside Bangladesh

	<b>30,968,137.98</b>	<b>2,437,260,589</b>	<b>30,777,168.95</b>	<b>2,416,016,996</b>
	<b>34,665,242.53</b>	<b>2,728,230,850</b>	<b>36,437,822.51</b>	<b>2,860,379,999</b>

	2016		2015	
	USD	BDT	USD	BDT
<b>4.3 Maturity grouping of loans and advances including bills discounted and purchased</b>				
Payable on demand	-	-	-	-
Less than three months	3,230,513.79	254,248,542	889,000.00	69,786,767
More than three months but less than one year	28,229,786.24	2,221,746,283	30,785,822.51	2,416,696,303
More than one year but less than five years	3,204,942.50	252,236,025	4,763,000.00	373,896,929
	<b>34,665,242.53</b>	<b>2,728,230,850</b>	<b>36,437,822.51</b>	<b>2,860,379,999</b>
<b>4.4 Maturity analysis of bills purchased and discounted</b>				
Within one month	3,230,513.79	254,248,542	889,000.00	69,786,767
More than one month but less than three months	27,737,624.19	2,183,012,047	29,888,168.95	2,346,230,229
More than three months but less than six months	-	-	-	-
	<b>30,968,137.98</b>	<b>2,437,260,589</b>	<b>30,777,168.95</b>	<b>2,416,016,996</b>
<b>4.5 Loans and Advances on the basis of Significant Concentration</b>				
<b>4.5.1 Loans and Advances to Directors, Executive and Others</b>				
Advance to Directors and their allied concerns(including	-	-	-	-
Advances to CEO & Managing Director	-	-	-	-
Advances to Other executives and staffs	-	-	-	-
Advances to Customers (Group wise)	-	-	-	-
Industrial Advances	34,665,242.53	2,728,230,850	36,437,822.51	2,860,379,999
	<b>34,665,242.53</b>	<b>2,728,230,850</b>	<b>36,437,822.51</b>	<b>2,860,379,999</b>
<b>4.6 Industry-wise Concentration of loans and advances</b>				
Air way sector (BBAW)	320,000.00	25,184,704	640,000.00	50,240,192
Power sector	-	-	-	-
Pharmaceuticals Industries	888,486.67	69,925,856	-	-
Textile & Garments Industry	3,873,838.78	304,879,634	4,825,000.00	378,763,948
Ship Breaking Industries	-	-	-	-
Industries for Steel products	-	-	-	-
Cement Industry	2,884,942.50	227,051,322	745,000.00	58,482,724
Others	26,697,974.58	2,101,189,334	30,227,822.51	2,372,893,135
	<b>34,665,242.53</b>	<b>2,728,230,850</b>	<b>36,437,822.51</b>	<b>2,860,379,999</b>
<b>4.7 Geographical location-wise concentration of Loans and advances</b>				
Inside Bangladesh				
Dhaka Division	34,665,242.53	2,728,230,850	36,437,822.51	2,860,379,999
Chittagong Division	-	-	-	-
Khulna Division	-	-	-	-
Rajshahi Division	-	-	-	-
Barishal Division	-	-	-	-
Sylhet Division	-	-	-	-
Outside Bangladesh	-	-	-	-
	<b>34,665,242.53</b>	<b>2,728,230,850</b>	<b>36,437,822.51</b>	<b>2,860,379,999</b>
<b>4.8 Classified, unclassified, doubtful and bad loans &amp; advances</b>				
<b>Unclassified</b>				
Standard	34,665,242.53	2,728,230,850	36,437,822.51	2,860,379,999
Special Mention Account	-	-	-	-
<b>Classified</b>				
Sub-standard	-	-	-	-
Doubtful	-	-	-	-
Bad/Loss	-	-	-	-
	<b>34,665,242.53</b>	<b>2,728,230,850</b>	<b>36,437,822.51</b>	<b>2,860,379,999</b>



	2016		2015	
	USD	BDT	USD	BDT
<b>4.9 Particulars of loans and advances</b>				
i) Debt considered good in respect of which the bank is fully secured	34,665,242.53	2,728,230,850	36,437,822.51	2,860,379,999
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	-	-	-	-
	<b>34,665,242.53</b>	<b>2,728,230,850</b>	<b>36,437,822.51</b>	<b>2,860,379,999</b>
v) Debts taken by directors or executives or any of them taken jointly or separately with other persons	-	-	-	-
vi) Debts due by directors or officers of the bank or any of them either severally or jointly with any other person and debts due by companies or firms in which the directors, partners or managing agent or in the case of private companies as members	-	-	-	-
vii) Maximum total amount of advances, including temporary advances made at any time during the period to directors or managers or officers of the bank or any of them either severally or jointly with any other	-	-	-	-
viii) Maximum total amount of advances, including temporary advance granted during the period to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or, in case of private companies as members	-	-	-	-
ix) Due from other banking companies	-	-	-	-
x) Classified loans and advances on which no interest is credited to income	-	-	-	-
<b>5. Fixed Assets</b>				
Furnitures, fixtures and fittings	1,807.35	142,242	1,807.35	141,878
Office Equipments	8,291.02	652,522	8,291.02	650,848
	<b>10,098.37</b>	<b>794,764</b>	<b>10,098.37</b>	<b>792,726</b>
Accumulated Depreciation	9,741.61	766,686	9,557.13	750,238
	<b>356.76</b>	<b>28,078</b>	<b>541.24</b>	<b>42,488</b>
<b>6. Other assets</b>				
Stationery in hand	-	-	-	-
Adjusting account debit	500,461.32	39,387,407	566,166.38	44,444,231
	<b>500,461.32</b>	<b>39,387,407</b>	<b>566,166.38</b>	<b>44,444,231</b>
<b>7. Borrowings from other Banks, Financial Institutions and Agents</b>				
<b>In Bangladesh</b>				
Head office, ID	33,781,466.00	2,658,675,693	38,563,516.00	3,027,247,575
Bangladesh Bank	-	-	-	-
	<b>33,781,466.00</b>	<b>2,658,675,693</b>	<b>38,563,516.00</b>	<b>3,027,247,575</b>
Outside Bangladesh	-	-	-	-
	<b>33,781,466.00</b>	<b>2,658,675,693</b>	<b>38,563,516.00</b>	<b>3,027,247,575</b>
<b>7.1 Classification based on types of security</b>				
Secured	-	-	-	-
Unsecured	33,781,466.00	2,658,675,693	38,563,516.00	3,027,247,575
	<b>33,781,466.00</b>	<b>2,658,675,693</b>	<b>38,563,516.00</b>	<b>3,027,247,575</b>
<b>7.2 Maturity grouping of borrowings from other Banks, Financial Institutions and Agents</b>				
Payable on demand	-	-	-	-
Payable within one month	33,781,466.00	2,658,675,693	38,563,516.00	3,027,247,575
More than one month but less than three months	-	-	-	-
More than three months but less than 1 year	-	-	-	-
More than 1 year but less than 5 years	-	-	-	-
	<b>33,781,466.00</b>	<b>2,658,675,693</b>	<b>38,563,516.00</b>	<b>3,027,247,575</b>
<b>8. Deposits and other accounts</b>				
<b>Current and other accounts</b>				
Current account	295,832.48	23,282,667	70,434.77	5,529,151
Sundry deposits	3,252,284.01	255,961,907	3,905,876.92	306,612,510
	<b>3,548,116.49</b>	<b>279,244,574</b>	<b>3,976,311.69</b>	<b>312,141,661</b>
Term deposits	857,004.00	67,448,100	304,189.00	23,878,928
	<b>4,405,120.49</b>	<b>346,692,674</b>	<b>4,280,500.69</b>	<b>336,020,589</b>



	2016		2015	
	USD	BDT	USD	BDT
<b>8.1 Maturity grouping of deposits and other accounts</b>				
Payable on demand	295,832.48	23,282,667	70,434.77	5,529,151
Payable within one month	26,460.00	2,082,460	-	-
More than one month but less than three months	455,444.00	35,844,445	3,905,876.92	306,612,510
More than three months but less than one year	3,627,384.01	285,483,102	304,189.00	23,878,928
More than one year but less than five years	-	-	-	-
	<b>4,405,120.49</b>	<b>346,692,674</b>	<b>4,280,500.69</b>	<b>336,020,589</b>
<b>9. Other liabilities</b>				
Adjusting Account Credit	160,292.24	12,615,352	431,768.00	33,893,918
FC Adjusting Account	-	-	-	-
Provision for Off-Balance Sheet Items	-	-	-	-
Provision for unclassified Loans and advances	-	-	-	-
	<b>160,292.24</b>	<b>12,615,352</b>	<b>431,768.00</b>	<b>33,893,918</b>
<b>10. Interest income</b>				
Interest on Advances	2,045,274.21	160,967,580	1,706,967.81	133,997,485
Interest on Money at Call and Short Notice	-	-	-	-
Interest on fund placement with HO, ID	93,145.12	7,330,726	363,326.61	28,521,248
Interest on Foreign Currency Balances	-	-	-	-
	<b>2,138,419.33</b>	<b>168,298,306</b>	<b>2,070,294.42</b>	<b>162,518,733</b>
<b>11. Interest paid on deposits and borrowings</b>				
Interest on Deposits	8,374.00	659,052	2,066.00	162,182
Interest on Borrowings	1,076,323.05	84,708,992	985,426.27	77,356,258
Discount	-	-	-	-
Interest on REPO	-	-	-	-
	<b>1,084,697.05</b>	<b>85,368,044</b>	<b>987,492.27</b>	<b>77,518,440</b>
<b>12. Commission, exchange and brokerage</b>				
Commission	153,907.90	12,112,890	267,867.97	21,027,716
Exchange gain net off exchange losses	19.03	1,498	75.62	5,936
Brokerage	-	-	-	-
	<b>153,926.93</b>	<b>12,114,388</b>	<b>267,943.59</b>	<b>21,033,652</b>
<b>13. Other Operating Income</b>				
Shipping Guarantee, Handling charges, service charges etc.	134,624.04	10,595,208	126,322.05	9,916,319
Postage	303.00	23,847	1,014.50	79,639
Courier	17,976.00	1,414,751	26,548.00	2,084,026
SWIFT	20,659.00	1,625,909	52,652.00	4,133,198
Remittance Income	3,280.00	258,143	4,060.00	318,711
Miscellaneous	6,326.00	497,873	5,954.00	467,391
	<b>183,168.04</b>	<b>14,415,731</b>	<b>216,550.55</b>	<b>16,999,284</b>
<b>14. Salaries and allowances</b>				
Basic Salary	17,442.16	1,372,736	18,990.53	1,490,762
Allowances	19,159.87	1,507,924	21,276.54	1,670,215
Bank's contribution to PF	1,744.21	137,273	1,764.67	138,527
Bonus	-	-	-	-
Others	-	-	-	-
	<b>38,346.24</b>	<b>3,017,933</b>	<b>42,031.74</b>	<b>3,299,504</b>
<b>15. Rent, taxes, Insurance, electricity etc.</b>				
Rent Office	12,206.19	960,654	13,413.94	1,052,998
Electricity	513.67	40,427	616.00	48,356
	<b>12,719.86</b>	<b>1,001,081</b>	<b>14,029.94</b>	<b>1,101,354</b>
<b>16. Postage, stamps, telecommunication etc.</b>				
Telephone Office	61.74	4,859	83.48	6,553
Postage	-	-	-	-
Courier	9,773.21	769,173	13,238.03	1,039,189
Internet	3,283.50	258,419	-	-
SWIFT charges	2,748.15	216,285	5,069.30	397,942
	<b>15,866.60</b>	<b>1,248,736</b>	<b>18,390.81</b>	<b>1,443,684</b>



	2016		2015	
	USD	BDT	USD	BDT
<b>17. Repair, maintenance and depreciation</b>				
<b>Depreciation</b>				
Furnitures, fixtures, fittings etc.	184.48	14,519	184.48	14,482
Computer Equipment	-	-	-	-
Office Equipments	-	-	-	-
	<b>184.48</b>	<b>14,519</b>	<b>184.48</b>	<b>14,482</b>
<b>Repair &amp; maintainance</b>				
Office Premises	-	-	-	-
Office Equipments	349.31	27,491	230.92	18,127
Furnitures and fixtures	231.81	18,244	319.46	25,078
Others	-	-	-	-
	<b>581.12</b>	<b>45,735</b>	<b>550.38</b>	<b>43,205</b>
	<b>765.60</b>	<b>60,254</b>	<b>734.86</b>	<b>57,687</b>
<b>18. Other operating expenses</b>				
Registration and renewal fees	-	-	-	-
Stationary	424.59	33,416	1,188.72	93,315
Others	-	-	-	-
	<b>424.59</b>	<b>33,416</b>	<b>1,188.72</b>	<b>93,315</b>
<b>19. General</b>				

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 78.7022 which represents the year-end mid rate of exchange as at 31 December 2016.

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





Statement of Liquidity in US Dollar  
(Maturity analysis of assets and liabilities)  
As at 31 December 2016

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	USD	USD	USD	USD	USD
<b>ASSETS</b>						
Cash in hand	-	-	-	-	-	-
Balance with other banks and financial institutions	3,180,818.12	-	-	-	-	3,180,818.12
Money at call and short notice	-	-	-	-	-	-
Investment	-	-	-	-	-	-
Loans & advances to customers	-	3,230,513.79	28,229,786.24	3,204,942.50	-	34,665,242.53
Fixed assets	15.37	30.74	310.65	-	-	356.76
Other assets	-	500,461.32	-	-	-	500,461.32
Non-banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>3,180,833.49</b>	<b>3,731,005.85</b>	<b>28,230,096.89</b>	<b>3,204,942.50</b>	<b>-</b>	<b>38,346,878.73</b>
<b>LIABILITIES</b>						
Borrowings from other banks & financial institutions	33,781,466.00	-	-	-	-	33,781,466.00
Deposits & other accounts	322,292.48	455,444.00	3,627,384.01	-	-	4,405,120.49
Other liabilities	-	160,292.24	-	-	-	160,292.24
<b>Total Liabilities</b>	<b>34,103,758.48</b>	<b>615,736.24</b>	<b>3,627,384.01</b>	<b>-</b>	<b>-</b>	<b>38,346,878.73</b>
<b>Net Liquidity Difference</b>	<b>(30,922,924.99)</b>	<b>3,115,269.61</b>	<b>24,602,712.88</b>	<b>3,204,942.50</b>	<b>-</b>	<b>-</b>



National Bank Limited  
Offshore Banking Unit, Bangladesh

**Statement of Liquidity in BDT**  
(Maturity analysis of assets and liabilities)  
As at 31 December 2016

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	BDT	BDT	BDT	BDT	BDT
<b>ASSETS</b>						
Cash in hand	-	-	-	-	-	-
Balance with other banks and financial institutions	250,337,384	-	-	-	-	250,337,384
Money at call and short notice	-	-	-	-	-	-
Investment	-	-	-	-	-	-
Loans & advances to customers	-	254,248,542	2,221,746,283	252,236,025	-	2,728,230,850
Fixed assets	1,210	2,419	24,449	-	-	28,078
Other assets	-	39,387,407	-	-	-	39,387,407
Non-banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>250,338,594</b>	<b>293,638,368</b>	<b>2,221,770,732</b>	<b>252,236,025</b>	<b>-</b>	<b>3,017,983,719</b>
<b>LIABILITIES</b>						
Borrowings from other banks & financial institutions	2,658,675,693	-	-	-	-	2,658,675,693
Deposits & other accounts	25,365,127	35,844,445	285,483,102	-	-	346,692,674
Other liabilities	-	12,615,352	-	-	-	12,615,352
<b>Total Liabilities</b>	<b>2,684,040,820</b>	<b>48,459,797</b>	<b>285,483,102</b>	<b>-</b>	<b>-</b>	<b>3,017,983,719</b>
<b>Net Liquidity Difference</b>	<b>(2,433,702,226)</b>	<b>245,178,571</b>	<b>1,936,287,630</b>	<b>252,236,025</b>	<b>-</b>	<b>-</b>



National Bank Limited

Schedule of fixed assets  
As at 31 December 2016

Annex - A

Particulars	Cost / Revaluation			Depreciation			Written down value at 31 December 2016		
	At 01 January 2016	Addition	Disposal/ adjustment	Total at 31 December 2016	Rate (%)	Upto 01 January 2016		charge	Disposal/ adjustment
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT
Land	667,456,896	-	(1,550,000)	669,006,896	0.00%	-	-	-	-
Building	1,371,329,354	93,912,688	1,550,000	1,463,692,042	2.50%	145,606,069	35,070,053	-	180,676,122
Furniture and fixtures	899,118,480	68,402,561	172,848	967,348,193	10.00%	443,859,630	83,538,583	166,751	527,231,462
General equipment	918,091,354	60,121,775	1,973,000	976,240,129	20.00%	670,960,100	98,428,888	1,960,436	767,428,552
Computer equipment	685,950,831	621,409,621	-	1,307,360,452	33.33%	576,475,464	200,012,276	-	776,487,740
Vehicles	252,739,847	13,444,598	4,258,119	261,926,326	20.00%	209,575,234	22,779,222	4,258,118	228,096,338
Books	1,406,866	58,745	-	1,465,611	20.00%	1,356,431	63,491	-	1,419,922
<b>At 31 December 2016</b>	<b>4,796,093,628</b>	<b>857,349,988</b>	<b>6,403,967</b>	<b>5,647,039,649</b>		<b>2,047,832,928</b>	<b>439,892,513</b>	<b>6,385,305</b>	<b>2,481,340,136</b>
<b>At 31 December 2015</b>	<b>4,535,556,094</b>	<b>291,462,310</b>	<b>30,924,776</b>	<b>4,796,093,628</b>		<b>1,772,036,119</b>	<b>294,742,908</b>	<b>18,946,099</b>	<b>2,047,832,928</b>



National Bank Limited  
Balance with other Banks and Financial Institutions (Outside Bangladesh)  
As at 31 December 2016

Annex B

Particulars	Currency Name	2016			2015		
		Amount in Foreign Currency	Conversion Rate Per Unit F.C	Amount in BDT	Amount in Foreign Currency	Conversion Rate Per Unit F.C	Amount in BDT
<b>In fixed deposit accounts (interest bearing) with:</b>							
JP Morgan Chase Bank, Singapore	USD	539,000.00	78.7022	42,420,486	789,000.00	78.5003	61,936,737
Social Islami Bank Ltd OBU	USD	3,500,000.00	78.7022	275,457,700	-	78.5003	-
Eastern Bank Ltd OBU	USD	3,000,000.00	78.7022	236,106,600	-	78.5003	-
BRAC Bank Ltd OBU	USD	5,000,000.00	78.7022	393,511,000	-	78.5003	-
AB Bank Ltd OBU	USD	-	78.7022	-	5,000,000.00	78.5003	392,501,500
Standard Chartered Bank , NY	USD	-	78.7022	-	500,000.00	78.5003	39,250,150
<b>Sub-total</b>				<b>947,495,786</b>			<b>493,688,387</b>
<b>In demand deposit accounts (non interest bearing) with:</b>							
Mashreq Bank, New York	USD	1,692,757.93	78.7022	133,223,773	1,360,379.67	78.5003	106,790,212
JP Morgan Chase Bank New York	USD	2,881,222.53	78.7022	226,758,552	969,199.53	78.5003	76,082,454
Bank of America Int'l, New York	USD	-	78.7022	-	-	78.5003	-
Standard Chartered Bank, New York	USD	2,326,918.03	78.7022	183,133,568	13,742,738.98	78.5003	1,078,809,133
Standard Chartered Bank, Mumbai	ACU	661495.67	78.7022	52,061,165	363,572.32	78.5003	28,540,536
Sonali Bank, Kolkata	ACU	417379.23	78.7022	32,848,664	104,069.51	78.5003	8,169,488
Mashreq Bank, Mumbai	ACU	392,979.64	78.7022	30,928,362	439,904.62	78.5003	34,532,645
State Bank of India, Kolkata	ACU	6122.07	78.7022	481,820	6,122.07	78.5003	480,584
United Bank, Karachi	ACU	31215.43	78.7022	2,456,723	31,215.43	78.5003	2,450,421
NABIL Bank , Nepal	ACU	112008.97	78.7022	8,815,352	76,428.97	78.5003	5,999,697
Standard Chartered Bank, Colombo	ACU	28990.66	78.7022	2,281,629	4,112.00	78.5003	322,793
Myanmar Foreign Trade Bank Yangon	ACU	662.85	78.7022	52,168	662.85	78.5003	52,034
AB Bank Ltd., Mumbai	ACU	749468.42	78.7022	58,984,813	1,181,233.32	78.5003	92,727,170
Bank of Bhutan, Thimpu	ACU	104715.04	78.7022	8,241,304	232,253.74	78.5003	18,231,988
ICICI Bank Ltd., Mumbai	ACU	38258.27	78.7022	3,011,010	38,222.54	78.5003	3,000,481
HDFC Bank, India	ACU	514861.87	78.7022	40,520,762	52,776.96	78.5003	4,143,007
Commerz Bank, Frankfurt	EURO	26,865.36	82.1415	2,206,761	1,012.47	85.7851	86,855
Standard Chartered Bank, Frankfurt	EURO	4,268.26	82.1415	350,601	16,008.82	85.7851	1,373,318
Uni Credito Italiano SPA, Italy	EURO	27,143.30	82.1415	2,229,591	34,752.43	85.7851	2,981,241
Alpha Bank AE Athens	EURO	201,545.91	82.1415	16,555,283	151,419.81	85.7851	12,989,564
Sonali Bank, London	GBP	13,462.00	96.3472	1,297,026	45,991.06	116.3453	5,350,844
BOT Tokyo	JPY	4,205,140.93	0.6741	2,834,686	1,335,514.00	0.6518	870,488
Union Bank of Switzerland	CHF	3,605.74	76.6480	276,373	2,300.44	79.3173	182,465
Habib Bank Zurich	CHF	1,012.25	76.6480	77,587	13,831.36	79.3173	1,097,066
Habib Bank, Karachi	ACU	498819.41	78.7022	39,258,185	307,561.62	78.5003	24,143,679
Habib American Bank	USD	1,091,105.81	78.7022	85,872,428	1,206,953.85	78.5003	94,746,239
National Australia Bank, Melbourne	AUD	-	-	-	22,101.40	57.2895	1,266,178
Standard Chartered Bank, Singapore	SGD	17,637.38	54.2774	957,311	29,462.54	55.5008	1,635,195
Wachovia Bank, New York	USD	378,977.96	78.7022	29,826,399	1,093,425.50	78.5003	85,834,230
Citibank N.A New York	USD	175,670.45	78.7022	13,825,651	993,595.82	78.5003	77,997,570
<b>Sub-total</b>				<b>979,367,547</b>			<b>1,770,887,575</b>
<b>Grand total</b>				<b>1,926,863,333</b>			<b>2,264,575,962</b>



**National Bank Limited**

**Annex C**

**Status of large loan  
As at 31 December 2016**

(Figures in crore)

SL no.	Name of the borrower	Funded	Non-funded	Total	Remarks
		BDT	BDT	outstanding BDT	
1	S Alam Group	624.69	618.00	1,242.69	
2	S Alam Super Edible Oils Ltd.	603.99	154.16	758.15	
3	Maisha Group	668.51	58.82	727.33	
4	Beximco Group	690.64	15.00	705.64	
5	Basundhara Group	213.14	472.12	685.26	
6	Saad Musa Group	599.37	76.20	675.57	
7	FMC	635.07	35.69	670.76	
8	NASSA Group	492.83		492.83	
9	West Marine Shipyard Ltd.	477.18	-	477.18	
10	Navana Group	443.89	-	443.89	
11	Pacific Bangladesh Telecom Limited	434.16	-	434.16	
12	Ehsan Group	432.84		432.84	
13	Dekko Group	155.64	209.43	365.07	
14	Millenium Group	350.57	-	350.57	
15	Shopin Trade	349.52	-	349.52	
16	S A Group	343.50	5.58	349.08	
17	Masud & Brothers	136.37	206.26	342.63	
18	Chittagong Syndicate	276.49	48.69	325.18	
19	Khaleque Group	252.06		252.06	
20	Abul Khair Group	216.38	-	216.38	
21	NBL Securities Ltd.	175.00	-	175.00	
22	TK Group	-	48.89	48.89	
	<b>Total</b>	<b>8,571.84</b>	<b>1,948.84</b>	<b>10,520.68</b>	



National Bank Limited

Annex D

**Status on REPO and Reverse REPO**

**As at 31 December 2016**

- 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
NIL	-	-	-
<b>Total</b>	-	-	-

- ii) Disclosure regarding outstanding Reverse REPO

Counter party	Agreement date	Reversal date	Amount BDT
AB Bank Limited	29-Dec-16	1-Jan-17	99.07
Commercial Bank of Ceylon Plc	29-Dec-16	1-Jan-17	71.98
BRAC Bank Ltd	29-Dec-16	4-Jan-17	97.99
BRAC Bank Ltd	29-Dec-16	5-Jan-17	99.90
<b>Total</b>	-	-	<b>368.94</b>

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

Counter party	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year
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REPO/ALS

With Bangladesh Bank			
Other Banks & FIS	30.96	775.8	152.57

Reverse REPO

With Bangladesh Bank			
Other Banks & FIS	13.72	385.21	51.36



**National Bank Limited**

**Highlights on the activities of the Bank**

**As at 31 December 2016**

(BDT in Million)

Sl. No.	Particulars	2016	2015
1	Paid-up Capital	19,753.78	17,177.20
2	Total Capital (Tier-I+II)	37,422.33	31,264.33
3	Capital Surplus/ (Deficit)	7,286.77	5,328.74
4	Total Assets	305,616.76	281,569.21
5	Total Deposits	241,329.88	222,112.91
6	Total Loans and Advances	209,929.07	186,179.45
7	Total Contingent Liabilities and Commitments	46,987.50	51,470.56
8	Advance / Deposit Ratio (%)	84.66%	83.82%
9	Percentage of Classified Loans against total Loans and Advances	10.35%	7.01%
10	Profit after Provision & Tax	5,567.87	3,854.03
11	Amount of Classified Loans	21,727.12	13,046.00
12	Provision kept against Classified Loans	5,133.22	3,976.17
13	Provision Surplus / (Deficit) against classified loans	(2,292.90)	(2,044.90)
14	Cost of Fund (including operating cost)	7.78%	8.80%
15	Interest Earning Assets	265,750.99	246,257.94
16	Non-interest Earning Assets	39,865.77	35,311.27
17	Return on Investment (ROI)	17.26%	13.84%
18	Return on Assets (ROA)	1.90%	1.43%
19	Income from Investment	10,381.25	7,929.14
20	Earnings per Share (Taka)	2.82	1.95
21	Net income per Share (Taka)	2.82	1.95
22	Price Earning Ratio (Times)	3.62	4.20
23	Net Assets Value per shares (Taka)	18.33	19.54

