



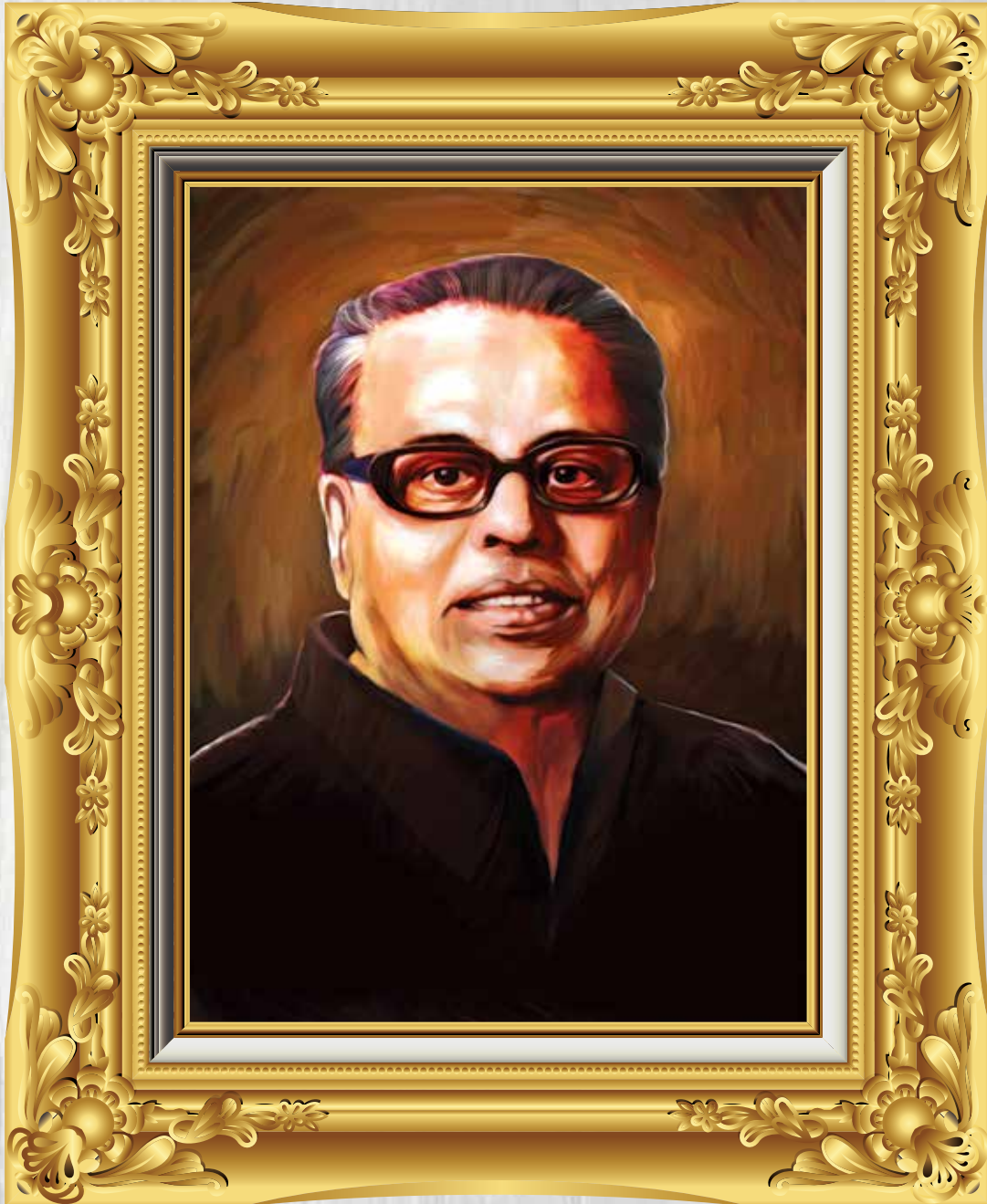
National Bank Limited
A Bank for Performance with Potential



ANNUAL REPORT

2020

Dedication



Zainul Haque Sikder
(1930-2021)
Former Chairman
National Bank Limited

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Zainul Haque Sikder (1930-2021)



Zainul Haque Sikder

An Exceptional Personality

Very few people become immortal through their noble deeds after the end of their lives. Recognition of their deeds usually comes after death. However, Zainul Haque Sikder was a man who gained immortality in his lifetime through his great deeds.

Zainul Haque Sikder, a valiant freedom fighter, is one of the few personalities who earned a great reputation as a prominent businessman, industrialist, social worker and educationist not only in Shariatpur district, but also in the whole of Bangladesh. Zainul Haque Sikder was born in Assam, India on 12 August, 1930 to Mokfar Uddin Sikder and Zarina Sikder. His father was first a forester and later a well-known contractor. Zainul, in his teens, embarked on timber business without informing anyone with only 100 rupees he took from his father when he was a seventh-grader. He used to buy wood and retail them on the river bank. One of the most successful entrepreneurs later, Zainul Haque Sikder commenced his own business from scratch this way. After the partition in 1947, he moved to then East Pakistan with his family. Though he was born in Assam, his ancestors were living in South Bengal. Because of the roots, he later developed Kartikpur, a remote village in Bhedarganj in Shariatpur district, into a city-like area on his own efforts. What does the village lack? He established schools, colleges, madrasas, mosques, a medical college and a university in that village by dint of his own efforts.

Zainul Haque Sikder was of dashing type since childhood. Despite having an extraordinary talent, he did not have a flair for formal studies. His father sent him to Faridpur because of his daring nature. He passed matriculation examination in 1948 from Barisal center. After the result, he sought Tk 50,000 from his father to buy a house at Gandaria in then East Pakistan. Zainul Haque Sikder fled the house with two gold coins, his own camera and four rings on his hand as his father refused to pay the money. After coming to Dhaka, he first went to an uncle named Amir Hossain Khan, who was the inspector general of police, for a job. When he was offered a job as a sub-inspector, he refused and decided to try his luck in the army. But meanwhile, the time for recruitment of commissioned officers was over. Frustrated, he was coming back. However, finally, he got a chance to join the army showing his skills in football to a major named Mohammad Ahmed. While in the army, he suddenly thought of going to London and got his passport and secured a visa. There he got a job for 14 pounds a week. However, he again faced his father's disapproval and in 1956, his father forcibly married him off. His mother too did not want him to go to London. Zainul Haque Sikder served the Army for 12 years. In 1957, he met a strange fakir (Sufi saint). Though he did not believe in Sufi saint,

he went to him at the insistence of a colleague. He did not believe in the words of the Sufi saint at first, but he found the saint's predictions started to be true later in his life. He started car business on the advice of the Sufi saint and did not have to look back though there were some obstacles in his way. During the Pakistan period, he started truck business besides contracting. Zainul Haque Sikder became the owner of four houses and a car as well before the Liberation War. Despite having so much wealth, he actively participated in the Liberation War. He went to his village Kartikpur in April 1971. Earlier, when Sector-2 Commander Khaled Mosharraf asked him to go to Dhaka and fight, Zainul Haque Sikder did not agree. He formed daring Akkas Bahini comprising retired members of the law enforcement agencies and people from different walks of life. The Akkas Bahini played a vital role in freeing several police stations in Shariatpur from the Pakistan troops at the time.

After the independence, he started the same business again on the advice of his well-wishers though he was initially unwilling to do it. He, however, could no longer concentrate on the country after the death of Bangabandhu Sheikh Mujibur Rahman, the architect of independence, in 1975. Going back to the United States, he dedicated himself to business there and within a few years, he achieved tremendous success. Meanwhile, Zainul Haque Sikder and his wife Monowara Sikder (now the honorable chairman of National Bank) were blessed with five sons and three daughters, who are now established in their respective fields.

Zainul Haque Sikder became a Director of National Bank in 1983. He launched various businesses in Bangladesh in sectors like banking, real estate, medical, education, aviation, residential hotel, power generation and garment. At present, Sikder Group operates various businesses in Bangladesh, Thailand, Singapore, the UAE, Poland, France and the USA.

The life of Zainul Haque Sikder, an enterprising man, a social entrepreneur, industrialist and banker, was flecked with sun and shower and a long struggle.

This unyielding man is still alive among us as a symbol of a successful man. A brave, outspoken and self-made man, Zainul Haque Sikder was not only an education entrepreneur, but also a patriotic valiant freedom fighter. With his own funds, he has set up a modern full-fledged private university in a remote area of Shariatpur, two medical colleges -- the country's first women's medical college in the capital and the other at Madhupur in Shariatpur -- for human development and welfare. He has also established 10 schools and colleges and over 50 mosques and madrasas in his area and in Dhaka.

End



CONTRIBUTIONS



Freedom Fighters of Naria, 1971 Zainul Haque Sikder is standing top right

Freedom Fighters of Naria, 1971 Zainul Haque Sikder on extreme left



Freedom Fighters of Naria, 1971 Zainul Haque Sikder on extreme Right

CONTRIBUTIONS



Z.H Sikder Womens
Medical College &
Hospital, Dhaka

Z.H. Sikder University of
Science & Technology,
Shariatpur



Monowara Sikder
Medical College &
Hospital, Shariatpur



CONTRIBUTIONS



Dream of former Honorable Chairman is getting it's shape gradually

Project of Daridra Mukti for poor and under privileged People



NBL Public School & College, Dhaka in New Premises with Modern Facilities

NBL Hazi Lutfar Rahman High School

CONTRIBUTIONS



Medical Team for Nepal Earth Quake Victims 2015



Scholarship Program by Mokfor Uddin Foundation run by the Valliant freedom Fighter Zainul Haque Sikder at Sariatpur



CELEBRATION OF MUJIB BORSHO

Bangabandhu Sheikh Mujibur Rahman



Zainul Haque Sikder loved and admired Father of the Nation Bangabandhu Sheikh Mujibur Rahman the way he respected his parents. A few days after the brutal killing of Bangabandhu along with most of his family members on August 15, 1975, Zainul Haque Sikder organized a Kulkhani at his residence at Dhanmondi, Dhaka, He had several cows sacrificed and distributed food to attendants and prayed for eternal peace and salvation of all the departed souls following the holy tradition of Islam. Protesting against these barbarous killings, Zainul Haque Sikder continued to sleep on the floor instead of a bed for long twelve years.

মুজিব
শতবর্ষ
MUJIB
100



Celebrating Mujib Centennial across the country at Different Branches of National Bank Limited.

MUJIB CORNER



Inauguration of Mujib Corner by the former Chairman and Valiant Freedom Fighter Zainul Haque Sikder.

NBL & its Offshore Unit at a Glance in 2020

(Taka in million)

Operating income +6.03% 42,309 m 2019: 39,904 m	Operating profit +4.80% 9,206 m 2019: 8,784 m	Total assets +14.12% 529,053 m 2019: 463,575 m
Earnings per share -16.18% 1.14 Taka 2019: 1.36 Taka	Market value per share -13.58% 7.00 Taka 2019: 8.10 Taka	Return on assets -27.08% 0.70% 2019: 0.96%
Employees +1.56% 4,814 nos 2019: 4,740 nos	Branches & SME centers +1.91% 213 nos 2019: 209 nos	Price earnings ratio +3.36% 6.16 times 2019: 5.96 times
Import +4.10% 103,578 m 2019: 99,501 m	Export -17.22% 45,154 m 2019: 54,545 m	Remittance -11.72% 33,504 m 2019: 37,954 m

Promoting Agriculture through Agri- Finance




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

Encouraging Women Entrepreneurship through SME & Nari - Jagorani Finance

OUR INITIATIVES IN 2020

Promoting Industrialization through Finance in priority Sectors

TO MAKE BANGLADESH PROSPER

Contributing to CSR for Sustainable Development




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

Agri-Loan disbursed Tk. 150.26 crore among 10,062 nos of farmers

Provide Tk. 15.00 crore under Daridra Mukti Finance among 2020 nos of poor farmers including 933 women

Disbursed Tk. 4,023.70 crore under SME finance among 7,514 nos of Entrepreneurs

Contribute Tk. 51.93 crore under CSR

Contribute Tk. 275.73 crore as Direct Tax



VISION

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



MISSION



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

COMMITMENTS

Carrying Ourselves at Work

- Discipline
- Integrity
- Sincerity
- Caring
- Creativity

In Serving the Bank

- Loyalty
- Total commitment & dedication
- Excellence through teamwork

In Serving Customers

- Customer-first
- Quality-focus
- Credibility & secrecy



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

Forward looking statements

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

Examples of such forward looking statements include, but are not limited to, projections or expectations of the Bank's future financial position including profit attributable to shareholders, provisions, economic profit, dividends, capital structure, expenditures or any other financial items or ratios; statements of plans, objectives or goals of NBL or its management including in respect of the integration and the achievement of certain synergy targets; statements about the future business and economic environments in Bangladesh and elsewhere including future trends in

interest rates, foreign exchange rates, credit and equity market levels and demographic developments and any impact on the Bank; statements about strategic goals, competition, regulation, disposals and consolidation or technological developments in the financial services industry; and statements of assumptions underlying such statements.

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

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



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

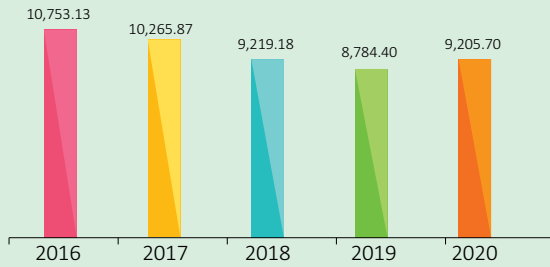
Core Values

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

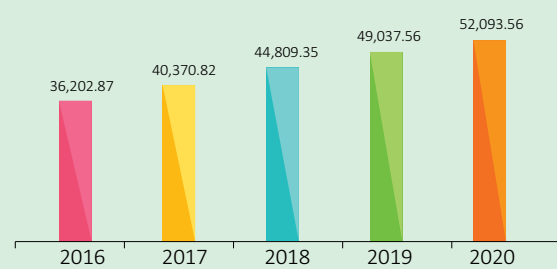


Core Indicators

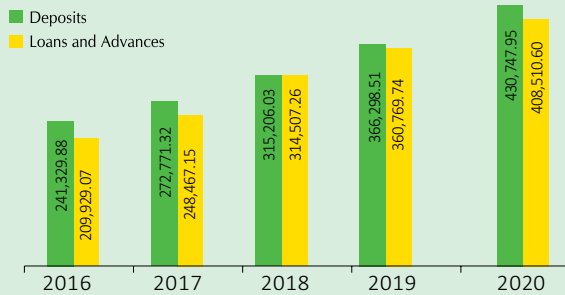
Profit before tax & provision (Taka in million)



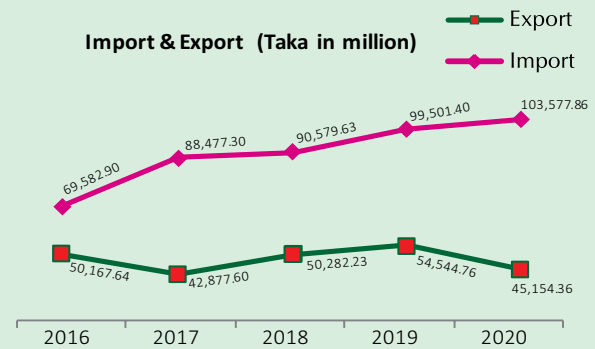
Total Shareholders' equity (Taka in million)



Deposits & Loans and Advances (Taka in million)



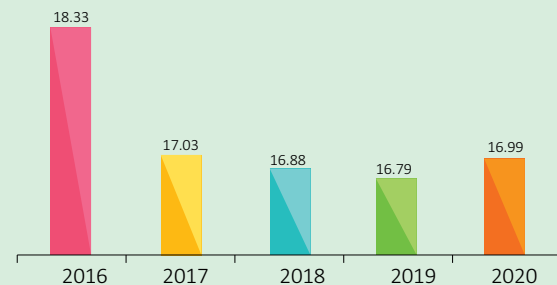
Import & Export (Taka in million)



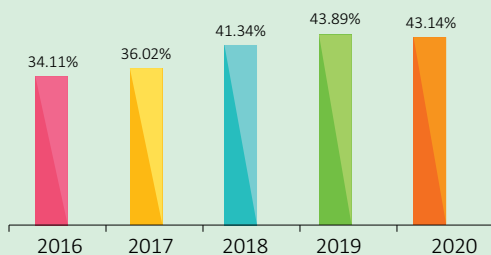
Price earning ratio (Times)



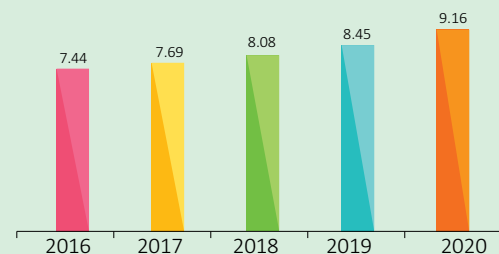
Net assets value per share (Taka)



Cost to income ratio

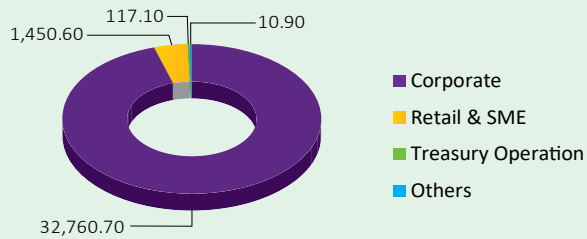


Debt equity ratio (Times)

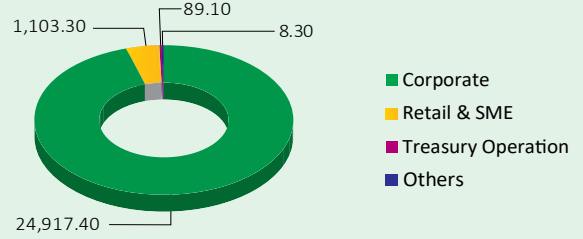


SEGMENTAL INFORMATION

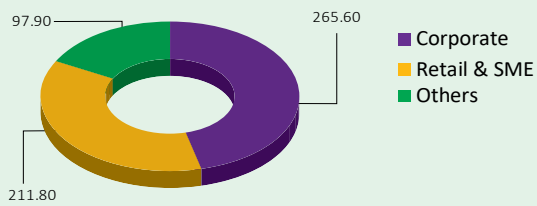
Interest income (Taka in million)



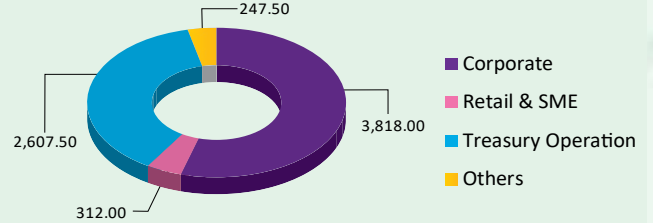
Interest expenses (Taka in million)



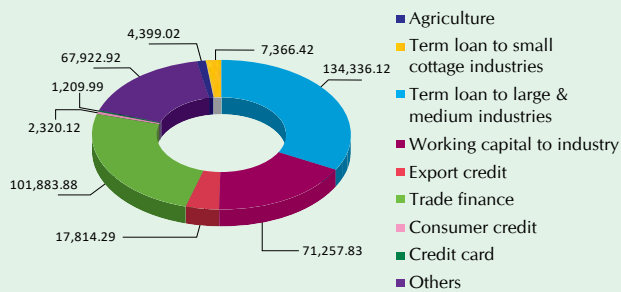
Other operating income (Taka in million)



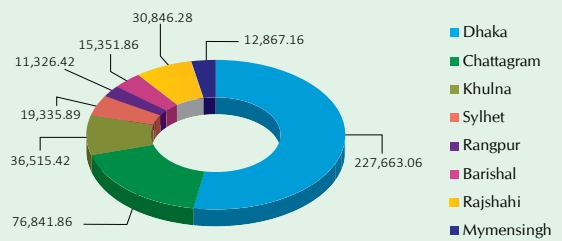
Operating Expenses (Taka in million)



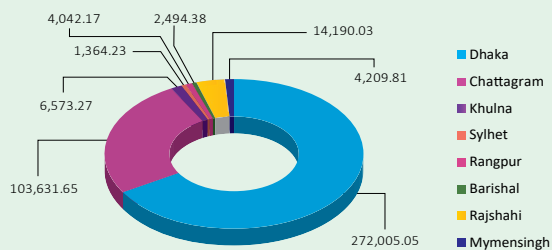
Industrywise Loans & Advances (Taka in million)



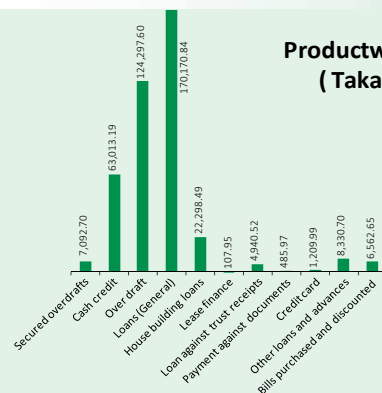
Divisionwise Deposits (Taka in million)



Divisionwise Loans & Advances (Taka in million)



Productwise Exposure (Taka in Million)

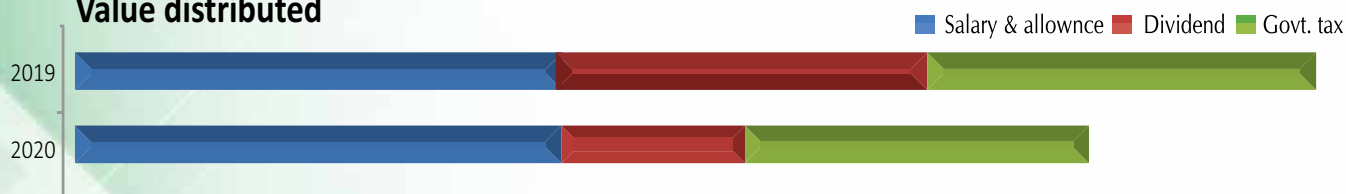


Value added statement For the year ended 31st December

Value added is the wealth created by National Bank Ltd. through the banking services. Value created from the income from banking services is the excess of cost of service rendered. The value added statement shows the total wealth created, how it was distributed to meet certain obligations and reward those responsible for its creation, and the portion retained for the continued operation and expansion of the Bank. The comparative value added statement of the bank for the year 2020 and 2019 is given below:

	2020 Taka	%	2019 Taka	%
Value created				
Income from banking service	41,400,705,458		39,040,217,257	
Cost of service rendered	(28,596,642,036)		(26,831,770,720)	
	12,804,063,422		12,208,446,537	
Non banking income	908,031,227		863,882,941	
Provisions	(2,839,800,000)		(1,510,000,000)	
	10,872,294,649	100	11,562,329,478	100
Value distributed				
To Employees as salary & allowances	4,137,190,753	38.05	3,898,051,628	33.71
To Shareholders as dividend	1,533,209,320	14.10	2,920,398,704	25.26
To Govt. as income tax	2,880,353,964	26.49	3,110,044,745	26.90
	8,550,754,037	78.64	9,928,495,077	85.88
Value retained (to maintain and develop operations)				
Statutory reserve	1,273,179,333	11.71	1,454,879,757	12.58
Satrtup fund	34,855,427	0.32	-	-
Depreciation	369,207,230	3.40	389,879,067	3.37
Retained earnings	644,298,623	5.93	(210,924,423)	(1.82)
	2,321,540,613	21.36	1,633,834,401	14.12
	10,872,294,649	100.00	11,562,329,478	100.00

Value distributed



Value retained



Value created per share (Taka)



2019



2020

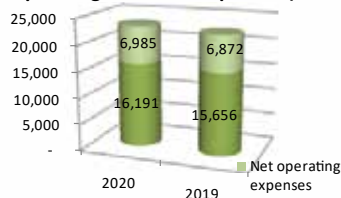
Economic value added statement (EVA)

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

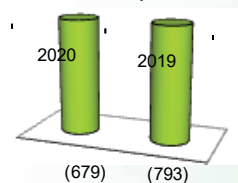
	2020 Taka	2019 Taka
Net operating income	16,190,660,686	15,656,390,313
Net operating expenses	(6,984,964,020)	(6,871,991,530)
Operating profit (EBIT)	9,205,696,666	8,784,398,783
Income tax	(2,880,353,964)	(3,110,044,745)
Net operating profit after tax (NOPAT)	6,325,342,702	5,674,354,038
Shareholders' equity	52,093,557,421	49,037,558,323
Provision for loans and others	2,839,800,000	1,510,000,000
Economic bases for capital charges	54,933,357,421	50,547,558,323
Average Economic Bases	52,740,457,872	48,698,455,695
Cost of capital*	13.28%	13.28%
Capital charges	7,003,932,805	6,467,154,916
Economic value added (NOPAT- Capital charges)	(678,590,103)	(792,800,878)
Growth over last year	-14.41%	-533.95%

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

Operating income & expenses (Taka in million)



Economic value added (Taka in million)

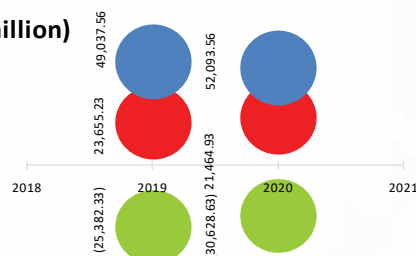


Market value added statement

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

	2020 Taka	2019 Taka
Market value of share outstanding	21,464,930,473	23,655,229,502
Book value of share outstanding	52,093,557,421	49,037,558,323
Market value added	(30,628,626,948)	(25,382,328,821)

Market value added (Taka in million)



- Market value of share outstanding
- Book value of share outstanding
- Market value added

OUR CORPORATE STRATEGIES

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

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

Developing strong customer franchises that are based on deep customer relationships

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

STRATEGIC FOCUS

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

Building a high performance organization

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



Managing our most valuable resource, our people

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

Delivering Growth

Focusing on what really matters

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

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



Equality and Diversity

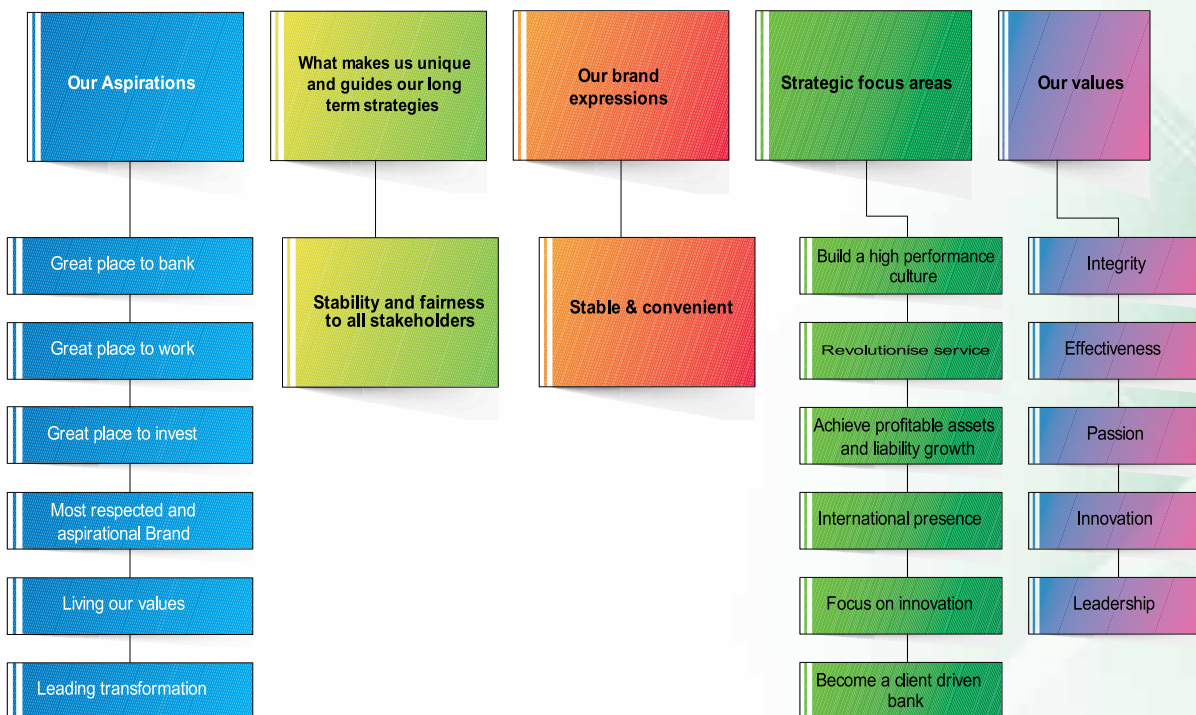
Diversity and inclusion is fundamental to our business success. Our customer base is very diverse and we need to ensure that we understand and can meet their needs if we are to be successful. Reflecting the diversity of the country in our own workforce helps us to achieve that goal. We are creating an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

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

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

Business focus and accountability

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



Wide Branch network creates wide customer base

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

NBL

at a glance in last

5 years



Asset Quality



Capital Adequacy



Profitability



Digital Banking Service



Overseas Operation

Five Years Financial Summary

(NBL and Its Offshore Banking Unit)

(Taka in million)

	2016	2017	2018	2019	2020
Income Statement					
Interest Income	18,947.93	22,546.17	27,911.30	34,703.59	34,339.27
Interest Expenses	14,872.88	16,107.01	19,407.09	24,247.71	26,118.08
Non-Interest Income	12,235.92	9,606.41	7,213.33	5,200.51	7,969.47
Non-Interest Expenses	5,557.84	5,779.71	6,498.37	6,871.99	6,984.96
Profit before Tax and Provision	10,753.13	10,265.87	9,219.18	8,784.40	9,205.70
Profit after Tax	5,567.87	4,696.01	4,100.31	4,164.35	3,485.54
Balance Sheet					
Authorized Capital	30,000.00	30,000.00	30,000.00	30,000.00	50,000.00
Paid-up Capital	19,753.78	23,704.53	26,549.08	29,203.99	30,664.19
Reserve Fund & Surplus	16,449.09	16,666.29	18,260.27	19,833.57	21,429.37
Total Shareholders' Equity	36,202.87	40,370.82	44,809.35	49,037.56	52,093.56
Deposits	241,329.88	272,771.32	315,206.03	366,298.51	430,747.95
Loans and Advances	209,929.07	248,467.15	314,507.26	360,769.74	408,510.60
Investments	60,665.88	60,338.45	57,869.85	62,877.82	73,737.30
Fixed Assets (incl non banking assets)	3,501.52	3,217.85	2,780.98	3,009.46	3,942.48
Total Assets	305,616.76	350,760.83	407,227.40	463,574.78	529,052.55
Off Balance Sheet Exposure	46,987.50	56,641.57	52,836.83	50,404.97	59,027.04
Foreign Exchange Business					
Import	69,582.90	88,477.30	90,579.63	99,501.40	103,577.86
Export	50,167.64	42,877.60	50,282.23	54,544.76	45,154.36
Remittance	45,437.58	38,262.10	40,743.36	37,953.98	33,504.22
Regulatory Capital Measures					
Total Risk Weighted Assets	283,628.77	345,751.00	364,254.80	408,851.70	430,292.81
Core Capital (Tier I)	32,240.56	39,127.19	41,982.08	45,681.33	46,748.59
Supplementary Capital (Tier II)	5,181.77	8,567.57	9,162.29	9,041.90	9,201.56
Total Capital	37,422.33	47,694.76	51,144.37	54,723.24	55,950.15
Tier I Capital Ratio	11.37%	11.32%	11.52%	11.17%	10.86%
Tier II Capital Ratio	1.82%	2.47%	2.52%	2.21%	2.14%
Total Capital Adequacy Ratio(CRAR)	13.19%	13.79%	14.04%	13.38%	13.00%
Credit Quality					
% of NPLs to Total Loans and Advances	10.35%	10.64%	9.50%	10.98%	9.38%
Share Information					
No of Shareholders (In actual number)	85,519	89,483	84,202	78,344	77,768
No of Shares Outstanding (million)	1,975.38	2,370.45	2,654.91	2,920.40	3,066.42
Earnings Per Share					
Basic (Re-stated)	2.35	1.77	1.40	1.36	1.14
Dividend Per Share					
Cash	-	-	-	5%	-
Stock	20%	12%	10%	5%	5%
Market Price Per Share (Taka)	10.20	13.00	9.50	8.10	7.00
Market Capitalization					
Price Earning Ratio (Times)	3.62	7.34	6.78	5.96	6.16
Net Assets Value Per Share (Taka)	18.33	17.03	16.88	16.79	16.99
Operating Performance Ratio					
Advance Deposit Ratio	84.66%	89.03%	97.49%	95.27%	92.96%
Cost of Funds	5.58%	5.64%	6.53%	6.91%	6.92%
Cost of Fund with Administrative Costs	7.78%	7.63%	8.52%	8.98%	8.69%
Yield on Loans and Advances	10.00%	10.80%	11.39%	10.48%	9.37%
Return on Assets	1.90%	1.43%	1.08%	0.96%	0.70%
Return on Equity	15.96%	12.27%	9.63%	8.87%	6.90%
Debt/ Equity Ratio (Times)	7.44	7.69	8.08	8.45	9.16
Cost/Income Ratio	34.11%	36.02%	41.34%	43.89%	43.14%
Other Information					
Number of Branches and SME Centres	191	200	203	209	213
Number of OBU Branches	2	2	2	2	2
Number of Employees	4,617	4,602	4,657	4,740	4,814
Number of Foreign Correspondents	587	567	527	503	486
Number of Subsidiaries	7	7	7	7	7
Number of associates-Gulf overseas	1	1	1	1	1
Number of exchange company					
Wholly or Partly Owned	5	5	5	5	5
Under Agreement	49	40	39	39	38
Ratings:					
Long Term	AA	AA	AA	AA	AA
Short Term	ST-2	ST-2	ST-2	ST-2	ST-2

*BOARD
OF
DIRECTORS*



Mrs. Monowara Sikder
Chairman



Ms. Parveen Haque Sikder, MP
Director



Alhaj Khalilur Rahman
Director



Mr. Moazzam Hossain
Director



Mr. Ron Haque Sikder
Director



Mr. Zakaria Taher
Director



Mr. Mabroor Hossain
Director



Mr. Md. Naimuzzaman Bhuiyan Mukta
Independent Director



Mr. Murshid Kuli Khan
Independent Director



Lt. Gen. Md. Shafiqur Rahman
OSP(BAR), SPP, afwc, psc (Retd)
Director
(Nominated by Sikder Insurance Company Ltd.)



Md. Mehmood Husain
Managing Director & CEO

Executive Committee

Ms. Parveen Haque Sikder, MP	Chairperson
Mrs. Monowara Sikder	Member
Alhaj Khalilur Rahman	Member
Mr. Moazzam Hossain	Member
Mr. Ron Haque Sikder	Member
Mr. Murshid Kuli Khan	Member
Lt. Gen. (Retd) Md. Shafiqur Rahman	Member
Managing Director	Ex. Officio Member

Audit Committee

Mr. Md. Naimuzzaman Bhuiyan Mukta	Chairman
Mr. Mabroor Hossain	Member

Risk Management Committee

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

37th Annual General Meeting, Held on October 12, 2020



37th Annual General Meeting of National Bank Limited Held through Digital Platform

Board Meeting Through Digital Platform





National Bank Limited
A Bank for Performance with Potential



Honorable Managing Director & CEO with the Core Management Team

Sitting from left :

- Mr. Sheikh Akhter Uddin Ahmed , SEVP
- Mr. Md. Moniruzzaman, SEVP
- Mr. Syed Rois Uddin, DMD
- Mr. Md. Mehmood Husain, MD & CEO
- Mr. Md Azizur Rahman, DMD
- Mr. Hossain Akhtar Chowdhury, SEVP
- Mr. Kazi Kamal Uddin Ahmed, SEVP
- Mr. Nizam Ahmed, SEVP

Standing from left :

- Mrs. Kamrun Naheer, AVP
- Mr. Md Sohel Faisal, SVP
- Mr. Manna Shome, VP
- Mr. A K M Salah Uddin Khan, SVP
- Mr. Arun Kumar Halder, EVP
- Mr. Krishna Kamal Ghose, SVP
- Mr. Pradip Kumar Sarker, SAVP
- Mr. Sharif Uddin Ahmed Khan, SAVP
- Mr. Md. Kaiser Rashid, VP

- Mr. Col Shammi Firoz, psc, G+ (Retd), EVP
- Mr. Md Mahfuzur Rahman, EVP
- Shah Syed Rafiq Bari, VP
- Mr. Md Abdur Rahim, EVP
- Mr. Mohammad Abu Rashed Nowab, VP
- Mr. Md Zahirul Islam, SVP
- Mr. Mohammad Kamrul Hasan Mithu, SVP
- Mr. Ashish Kumar Lasker, SVP

- Mr. Tapash Chandra Chakraborty, VP
- Mrs. Salima Akhter, VP
- Mr. Md. Murshed Kamal, VP
- Mr. Md Rafiqul Alam, VP

Award and Recognition



NOTICE OF THE 38TH ANNUAL GENERAL MEETING

Notice is hereby given to all honourable shareholders that the 38th Annual General Meeting of National Bank Limited (NBL) will be held on Tuesday, 28th December, 2021 at 10.30 a.m. by using digital platform to transact the following business:

AGENDA

1. To receive, consider and adopt the Profit and Loss Accounts of the Bank for the year ended 31st December, 2020 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To declare Dividend for the year ended 31st December, 2020 as recommended by the Board of Directors.
3. To elect/re-elect Directors in accordance with the provisions of the Articles of Association of the Bank.
4. To appoint/reappoint Statutory Auditors of the Bank and to fix their remuneration.
5. To appoint/reappoint Compliance Auditors and to fix their remuneration.

By order of the Board of Directors



Md. Kaiser Rashid

Company Secretary

Dated: Dhaka
14th December, 2021

Notes:

- i.) The Board of Directors has recommended 5% stock dividend for the year ended 31st December, 2020.
- ii.) The Record Date in lieu of Book Closure was 17th August, 2021. Members whose names appeared in the Register of Members of the Bank or in the Central Depository Bangladesh Limited (CDBL) on the Record Date will be eligible to attend & vote at the AGM and qualified for Dividend for the year 2020
- iii.) Pursuant to the Bangladesh Securities and Exchange Commission's Order No.SEC/SRMIC/94-231/91 dated March 31, 2021, the AGM will be held virtually using digital platform, which will be conducted via live webcast
- iv.) The Shareholders will join the virtual AGM through the link: <https://nbl.bdvirtualagm.com>. The Shareholders will be able to submit their questions/comments before commencement of the AGM and during the AGM. For login to the system, the Shareholders need to click on the link and provide their 16 digit Beneficial Owner (BO) ID number/Folio number and other credential as proof of their identity by visiting the Link: <https://nbl.bdvirtualagm.com>. The detailed participation process for the Digital Platform Meeting will also be available in the Bank's website: www.nblbd.com.bd
- v.) A member, eligible to attend the AGM, may appoint a Proxy to attend and vote on his/her behalf. The instrument appointing Proxy to be duly signed and affixed by the members with a revenue stamp of Tk.20 must be submitted to the Head Office of the Bank at least 48 hours before AGM. Members may download Proxy Form from the Bank's website (i.e. www.nblbd.com).
- vi.) In Compliance with BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018, Annual Report, Attendance Slip and Proxy Form along with the Notice will be sent in soft Form to the Members' registered e-mail address linked with their respective BO ID as on record date. The Annual Report will also be available in the Bank's website www.nblbd.com
- vii.) Valued Members are requested to update their Bank Account Number, email address, Cell Number and other related information through their respective Depository Participants (DP).
- viii.) In compliance with the restriction imposed by Bangladesh Securities and Exchange Commission vide their Circular No. SEC/CMRRCD/2009-193/154 dated 24 October 2013 "no benefit in cash or kind, other than in the form of cash dividend or stock dividend, shall be paid to the holders of equity securities" for attending the ensuing AGM of the Bank.

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চেয়ারম্যানের বাণী

সম্মানিত শেয়ারহোল্ডারগণ

ন্যাশনাল ব্যাংক লিমিটেড এর ৩৮তম বার্ষিক সাধারণ সভায় আপনাদের সবাইকে স্বাগতম। গত ২৪ ফেব্রুয়ারি পরিচালনা পর্ষদের চেয়ারম্যান হিসেবে দায়িত্ব গ্রহণের পর ব্যাংকের নিরীক্ষিত হিসাব এবং অর্থনৈতিক চিত্র আপনাদের সামনে তুলে ধরতে পেরে আমি আনন্দিত।

সর্বপ্রথমে আমি গভীর শ্রদ্ধাভরে বীর মুক্তিযোদ্ধা, প্রখ্যাত শিল্পপতি এবং ব্যাংকের প্রয়াত চেয়ারম্যান জয়নুল হক সিকদারের কথা স্মরণ করতে চাই। যিনি এই ব্যাংক তথা ব্যাংকের সাথে সংশ্লিষ্ট সকলকে তার পরিবারের মতো ভালোবাসতেন। জীবদ্দশায় তাঁর চিন্তা-চেতনার পুরোটা জুড়েই ছিল ন্যাশনাল ব্যাংক। ন্যাশনাল ব্যাংকের উত্থান ও দৃষ্ট পদচারণার পেছনে তাঁর সাহসিকতা এবং অবিস্মরণীয় অবদানের জন্য ব্যাংকের সাথে জড়িত সকলেই তাঁকে যুগে যুগে গভীর শ্রদ্ধা ভরে

Chairman's Message

Dear Shareholders,

It's a great honor and privilege for me to welcome you all at the 38th Annual General Meeting of National Bank Ltd. After assuming the responsibilities as Chairman of Board of Directors of National Bank Limited on 24th February, 2021 it is my pleasure to present the audited accounts and performance of the Bank for the year 2020.

At the very outset, I would like to recall the memory of the valiant freedom fighter, renowned industrialist and Ex-Chairman of the Bank Mr. Zainul Haque Sikder who used to love this bank and its stakeholders as his family. National Bank Limited was always in his thoughts and aspiration during his lifetime. He will be remembered with great honor and respect by all the stakeholders of National Bank Limited for ages due to his courage and indelible contribution towards emergence of National Bank Limited and its successful

স্মরণ করবে। আমরা তাঁর বিদেহী আত্মার মাগফিরাত কামনা করছি।

আপনারা অবগত আছেন যে, কোভিড-১৯ মহামারীর ফলে উদ্ভূত বহুমুখী প্রতিকূলতার কারণে ২০২০ সাল আমাদের দেশের ব্যাংকিং খাত বেশ কঠিন পরিস্থিতির মধ্য দিয়ে গিয়েছে। যেহেতু আমরা বেশ অনিশ্চয়তার মধ্য দিয়ে দিনগুলো পার করেছি, অর্থনৈতিক কর্মকান্ড তাই অনেকটাই স্থবির ছিল। এই মহামারীর প্রভাব সমাজের প্রায় প্রতিটি স্তর এবং অর্থনৈতিক কর্মকান্ডকে প্রভাবিত করেছে। আমরা এখনও সবচেয়ে খারাপ দিনগুলো পার করছি, কারণ মহামারী এখনও এর ভয়াল ধ্বংসযজ্ঞ চালিয়ে যাচ্ছে এবং আমরা সবাই এর সাথে প্রতিনিয়ত লড়াই করে যাচ্ছি। অন্যদিকে এই চরম অনিশ্চয়তার মাঝেও ১লা এপ্রিল ২০২০ থেকে ঋণ ও অগ্রিমের উপর এক অংকের সুদের হার বাস্তবায়ন এই খাতের জন্য আরও প্রতিকূলতার সৃষ্টি করেছে।

সকল বাধা-বিপত্তি সত্ত্বেও সংকট মোকাবিলায় ব্যাংক উল্লেখযোগ্য প্রচেষ্টা দেখিয়েছে। এই সংকট মোকাবিলায় অগ্রণী ভূমিকা পালনের জন্য আমরা স্বাস্থ্যকর্মী, ব্যাংকার, আইনপ্রয়োগকারী সংস্থা এবং অন্যান্য সম্মুখ যোদ্ধাদের সাধুবাদ জানাই। এই প্রয়োজনের মুহূর্তে ব্যাংক তার গ্রাহকবৃন্দ এবং বৃহত্তর সম্প্রদায়ের পাশে দাঁড়াতে বদ্ধ পরিকর। আমাদের কর্মী ও গ্রাহকদের স্বাস্থ্য, কল্যাণ এবং ব্যবসায়ের ধারাবাহিকতা সর্বাধিক গুরুত্ব বহন করে। এমনকি, লকডাউনের সময়ও সম্মানিত গ্রাহকদের নিরবচ্ছিন্ন অর্থনৈতিক সেবা প্রদানের জন্য সীমিত কর্মচারী দিয়ে সীমিত কর্মঘণ্টার মাঝেও আমরা সেবা প্রদান নিশ্চিত করেছি। আমাদের কর্মীবৃন্দ তাদের সহনশীলতা ও পরিবর্তিত পরিস্থিতির সাথে খাপ খাওয়ানোর সক্ষমতা দেখিয়েছে। আমি ব্যাংকের প্রত্যেক কর্মকর্তা-কর্মচারীকে তাদের প্রশংসনীয় প্রচেষ্টা এবং প্রতিকূলতার মাঝেও দায়িত্বশীলতার সাথে প্রতিষ্ঠানের সুনাম সমুন্নত রাখার জন্য ধন্যবাদ জানাতে চাই।

কোভিড-১৯ মহামারীর ফলে উদ্ভূত অস্বাভাবিকতার কারণে অসংখ্য অপ্রত্যাশিত পরিস্থিতির মাধ্যমে ২০২০ সালের সমাপ্তি ঘটেছে। এতদসত্ত্বেও, আমি আপনাদের এটা জানাতে পেরে খুশি যে, প্রচলিত ব্যাংকিং ব্যবসার শীর্ষস্থানীয় অবস্থান নিশ্চিত করে আমরা ২০২০ সালে ৯,২০৫.৭০ মিলিয়ন টাকা মুনাফার মাইলফলক অতিক্রম করেছি, যা কিনা বিগত বছরের চেয়ে ৪.৮০ শতাংশ বেশি। পাশাপাশি ২০২০ সালে ব্যাংকের সম্পদের প্রবৃদ্ধি হয়েছে ১৪.১২%। ক্রমহ্রাসমান সুদের হার ও খেলাপি ঋণের চাপের মুখে এই অর্জন নিঃসন্দেহে প্রশংসার দাবিদার। দৃঢ় গ্রাহকভিত্তির পাশাপাশি সতত বর্ধনশীল ঋণ ও আমানতের দ্বারা আমরা আমাদের মূলধন কাঠামোকে আরও মজবুত করার চেষ্টা করেছি। ব্যাংকের গড় ঋণ ১৩.২৩% এবং আমানত গড়ে ১৭.৫৯% বৃদ্ধি পেয়েছে। এই ক্রান্তিলগ্নে ব্যবসায়ী সম্প্রদায়কে বিভিন্নভাবে সহযোগিতা করার লক্ষ্যে গৃহীত সরকারি বিভিন্ন কৌশলগত উদ্যোগকে

foothold. Let us all pray for the salvation of his departed soul.

You are aware that the year 2020 was really a tough year for the Banking Industry of our country due to multifaceted and unprecedented challenges resulted from COVID-19 pandemic. Economic activity was almost standstill as we lived through a period of severe uncertainties. The impact of this deadly pandemic is sweeping across every segment of society and every economic activity. We are still going through the most turbulent time as the pandemic is relentless, violent and aggressive and all are striving to fight the Covid-19 pandemic. On the other hand, implementation of single digit interest rate on loans and advances from 1st April, 2020 during this turbulence has created a haphazard situation in the industry.

Despite all odds and pitfalls, the Bank made significant efforts in dealing with this crisis. We convey our sincere appreciation to the health workers, bankers, law enforcing agencies and others in the forefront in the fight against the crisis. The Bank is committed to stand by its customers and the larger community in this hour of need. Of utmost importance is the health, well-being of our employees and customers and business community. We were functional with reduced working hours and limited work forces even during the lockdown to ensure smooth financial services for our valuable customers. Our employees have shown strong resilience and ability to adapt to changing circumstances. I would like to thank every employee of the Bank for the commendable efforts and character displayed during this challenging period, and for responsibly upholding the reputation of the institution.

The year 2020 has ended with lots of unexpected outcomes caused by swelling effect of the Covid-19 pandemic. Nevertheless, I am happy to announce a commendable financial performance by NBL during the year 2020 under review, recording a profit crossing BDT Tk. 9,205.70 million landmark, which is 4.80 percent higher than the previous year along with asset growth of 14.12% during 2020, sustaining its position as leading profitable conventional Bank in Bangladesh. No doubt it is a plausible performance in a challenging business environment with difficulties of decreasing interest rate and continued pressure of default loan. We keep trying to place our strong capital position to work by increasing loans and deposits along with a good customer base. Average loan increased by 13.23% and average deposit by 17.59%. We have also launched different schemes for loans and deposits in line with the initiatives of the Government to

সহযোগিতা করার জন্য আমরাও বিভিন্ন ঋণ এবং আমানত প্রকল্প হাতে নিয়েছি। এই অর্থনৈতিক অস্থিতিশীলতার মাঝেও ন্যাশনাল ব্যাংক দৃঢ় মূলধন ভিত্তি ধরে রেখেছে এবং নির্ধারিত অনুপাতের তুলনায় অতিরিক্ত ক্যাপিটাল টু রিস্ক ওয়েটেড এসেট রেসিও (সিআরএআর) বজায় রেখেছে।

প্রতিকূল ব্যবসায়িক পরিস্থিতি সত্ত্বেও ন্যাশনাল ব্যাংক লিমিটেড উল্লেখযোগ্য অর্জন ও কর্মদক্ষতা দেখিয়েছে। ব্যাংকের আমানত, ঋণ ও মোট সম্পদের প্রবৃদ্ধি পর্যায়ক্রমে ১৭.৫৯%, ১৩.২৩% এবং ১৪.১২%। আমাদের ব্যাংকের পরিচালন মুনাফা ৯,২০৫.৭০ মিলিয়ন টাকা এবং কর বাদ মুনাফা ৩,৪৮৫.৫৪ মিলিয়ন টাকা। ন্যাশনাল ব্যাংক লিমিটেড এর এই অবস্থানে পৌঁছানোর পেছনে এর স্থিতিশীল ব্যবসায়িক প্রবৃদ্ধি, ব্যয় যৌক্তিককরণ, দক্ষ সেবা প্রদান, দক্ষ মানবসম্পদ, নিয়মনীতির যথাযথ পরিপালন, পেশাগত আচরণ এবং ঝুঁকি ব্যবস্থাপনার অবদান রয়েছে।

একটি দূরদর্শী এবং নিয়মিত করদাতা হিসেবে ব্যাংক সরকারি রাজস্ব ভান্ডারে ২,৭৫৭.২৭ মিলিয়ন টাকা প্রদানের মাধ্যমে সরাসরি অবদান রেখেছে।

কর্পোরেট জগতের সদস্য হিসেবে আমরা আমাদের সমাজ ও পরিবেশের প্রতি সবসময় দায়িত্বশীল। আমি অত্যন্ত গর্বের সাথে বলতে চাই যে, যেকোন প্রতিকূলতার মাঝেও ন্যাশনাল ব্যাংক লিমিটেড আপনাদের সাথে বা আমাদের শেয়ারহোল্ডারদের সাথে, তদুপরি আমাদের কর্মীবাহিনী যারা কিনা ব্যাংকের চালিকাশক্তি তাদের সাথে প্রদত্ত প্রতিশ্রুতির ব্যত্যয় করেনি।

যাহোক, সকল বাধাবিপত্তিকে কাটিয়ে উঠে এবং সকল সমসাময়িক অবস্থাকে বিবেচনায় রেখে পরিচালনা পর্ষদের ৩৮তম বার্ষিক সাধারণ সভায় সর্বসম্মতিক্রমে ৫% স্টক লভ্যাংশ ঘোষণা করার প্রস্তাবনা করছি। মূলধনের ভিত্তিকে আরও মজবুত ও কোভিড- ১৯ মহামারির কারণে উদ্ভূত সকল ধরনের অনিশ্চয়তাকে শক্ত হাতে মোকাবেলার জন্য এ সিদ্ধান্ত গৃহীত হয়েছে।

আমরা ভবিষ্যতেও নিজেদের পুনর্গঠন ও পুনরায় নিজেদের আবিষ্কারের ধারাবাহিতা বজায় রাখবো। জাতির জনক বঙ্গবন্ধুর জন্মশতবার্ষিকীকে আরও গৌরবোজ্জ্বল করে তুলতে এবং বঙ্গবন্ধুর স্বপ্নের 'সোনার বাংলা' বিনির্মাণে সরকারের গৃহীত বহুবিধ পদক্ষেপের সাথী হিসেবে আমরা বরাবরের মতো আগামী দিনগুলোতেও সহযোগিতা বজায় রাখবো। গ্রাহকদের সন্তুষ্টি অর্জন এবং প্রযুক্তির আধুনিকায়নের মাধ্যমে সরকারের ডিজিটাল বাংলাদেশ গড়ার লক্ষ্য অর্জনে আমরা আমাদের প্রচেষ্টার সম্প্রসারণ ঘটাবো। সারাদেশে আমাদের কার্যপরিধির বিস্তার ঘটাতে ভৌত সম্প্রসারণের পাশাপাশি ডিজিটাল সম্প্রসারণের ব্যাপ্তি বাড়ানোর মাধ্যমে এই খাতে আমাদের অবস্থানকে আরও দৃঢ় অবস্থানে নিয়ে যাবো। আমাদের লক্ষ্য হলো গ্রাহকের চাহিদা পূরণে অর্থনৈতিক সমাধান, প্রযুক্তিগত উন্নয়ন এবং সেবার

support the business and community during this hard time that have lead to steady development in our sustainability. Within this period of market inconsistency, National Bank Ltd remained relatively stable having stronger capital base with higher level of Capital to Risk Weighted Asset Ratio (CRAR) than the regulatory requirement.

Despite the surges of difficult business challenges National Bank Ltd maintained a steady and growing financial performance with remarkable achievement. The Bank's deposit, loans and advances and total assets registered a growth of 17.59%, 13.23% and 14.12% respectively. Our Bank has earned operating profit of Tk. 9,205.70 million and profit after Tax Tk. 3,485.54 million. NBL could reach at this position due to focusing on steady business growth, cost rationalization, skilled delivery service, competent human resources, due diligence, professionalism and risk management ability.

As a prudent & regular tax payer the Bank made a direct contribution of Tk. 2,757.27 million in advance to Government Exchequer in 2020.

As a corporate steward we have always deemed it our responsibility to continue our social and environmental obligations. Any turbulence can't hinder us from keeping our promise to you, our shareholder and it is with a sense of pride I assert that NBL did not forego any obligations to any stakeholder, least of all, our valued customers and the employee, who are the lifeblood of the Bank.

However, overcoming all the odds and pitfalls and taking into consideration various contingencies, the Board of Directors proposes 5% stock dividend to the shareholder for the year 2020 to be approved by the honorable shareholders in 38th Annual General Meeting. It is for strengthening the capital base of the bank as well as to deal with all the contingencies to be aroused from the bumpy effect of Covid-19 Pandemic.

We will continue our journey of reorganizing and rediscovering the Bank in future. We will continue our strive and ahead to support the Government in building Bangabandhu's Dream of "Sonar Bangla" as the year has marked the country's 50 years as an independent nation as well as the birth centenary of the father of the nation Bangabandhu Sheikh Mujibur Rahman. We will continue to enhance our customer experience and offerings through new innovations on modern technology and communications to contribute towards the government's Digital Bangladesh mission. We will expand our operational network throughout the country physically as well as through digital means in order to strengthening our market leadership to every possible place. We aim to deliver financial solution, technology, products and services that exceed our clients

মানের উৎকর্ষ সাধন। আমরা আগামী বছরগুলোতে বাংলাদেশের সবচেয়ে সম্মানিত আর্থিক সেবা প্রদানকারী প্রতিষ্ঠানের সম্মাননা অর্জন করতে চাই।

পরিশেষে, আমাদের লক্ষ্য অর্জনের সহযোগী জনসাধারণ ও ব্যবসায়ী প্রতিষ্ঠানসমূহের আস্থা ও সহযোগিতার জন্য ধন্যবাদ জানাতে চাই। সকল পৃষ্ঠপোষক ও শুভানুধ্যায়ীদের জানাচ্ছি আন্তরিক কৃতজ্ঞতা। বিগত বছরে সহযোগিতার হাত বাড়িয়ে দেওয়ার জন্য পরিচালনা পর্ষদের সদস্যদের প্রতি রইল উষ্ণ অভিবাদন। নিয়ন্ত্রণকারী সংস্থাসমূহ বিশেষ করে বাংলাদেশ ব্যাংক, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, আরজেএসসিএফ, ডিএসই এবং সিএসই সবাইকে তাঁদের সহযোগিতা, পরামর্শ এবং অমূল্য দিক নির্দেশনার জন্য বিশেষ ধন্যবাদ জ্ঞাপন করছি। অবিরাম প্রচেষ্টা এবং কর্মস্পৃহার মাধ্যমে ব্যাংককে সামনের দিকে এগিয়ে নিয়ে যাওয়ার জন্য পুরো ন্যাশনাল ব্যাংক পরিবারকে বিশেষভাবে ধন্যবাদ জানাই এবং অদূর ভবিষ্যতে ন্যাশনাল ব্যাংককে আরও শক্তিশালী, যুগোপযোগী এবং সফল ব্যাংক হিসেবে দেখার আশাবাদ ব্যক্ত করছি।

আলাহ হাফেজ।



চেয়ারম্যান

need and demand. We want to be the most respected financial service provider in Bangladesh in the coming years.

Finally, I want to acknowledge further the trust and cooperation of all the people and the businesses that enable us to reach our desired milestone. I would like to express our heartfelt gratitude to all the patrons for their incredible contribution & guidance. I take this opportunity to extend a warm note of appreciation to the Board of Directors for their commitment during the year. The support, advice and guidance provided by regulatory authorities have been invaluable in strengthening the Bank, and I thank all of them especially Bangladesh Bank, Bangladesh Securities and Exchange Commission, RJSCF, DSE & CSE. I also endorse the relentless efforts and dedication of our team for the excellent and praiseworthy performance during this critical time and I am looking forward to work together to build NBL a stronger, smarter & very successful Bank near future.

Allah Hafez



Chairman



From the Desk of the Managing Director & CEO

Dear Shareholders,

This is a remarkable year in the history since we are celebrating Birth centenary of our father of the nation Bangabandhu Sheikh Mujibur Rahman. We along with our whole nation are proud to be a part of this auspicious celebration.

NBL faced the challenges of Pandemic in the economy with downward credit movement, poor foreign exchange business due to continuous lockdown in different parts of the world. Our balanced growth has generated positive return for the stakeholders. I take this opportunity to express my gratitude for your continuous trust, co-operation and relentless support to the Bank. It gives me immense pleasure to share with you that your Bank crossed yet another milestone during the year 2020 with total operating profit of Tk. 9,205.70 million, one of the highest amongst the private sector Commercial Banks doing conventional banking business in Bangladesh.

Despite several odds & pitfalls, the major focus of the Bank remained on consolidation of the balance sheet to make it stronger and healthier in upcoming days. Our Bank allocated a large amount of operating profit towards floating provisions, so as to have a stronger cushion against future uncertainties. Bank's risk culture promotes rational decision-making by integrating enhanced understanding of risk appetite across the Bank and effective technology driven communication including prompt escalation of important risk issues. During the year 2020, with a view to ensure sustainable growth of the Bank we have initiated several action plans. We have diversified our

portfolio in different sectors to have a holistic and focused approach towards accelerating the growth; result of this change has been very encouraging towards broad based growth in all business lines of the segment.

The outbreak of COVID-19 pandemic and its massive adverse effects have pushed the global economic growth into negative zone in 2020. Governments worldwide have imposed widespread closures, lock-down, isolation and restrictions of movement of domestic and international transports in order to contain the spread of the virus. As a result, the COVID-19 pandemic has triggered the deepest global recession since World War-II and global economic activity was projected to contract sharply by 4.4% in 2020. The year 2020 began with a cloud of uncertainty which remained throughout the year, the outbreak of COVID-19 pandemic during the last year 2020 affected national economy adversely which caused for a lower growth in all major sectors. Although country did not suffer from any severe setback during the year but some of the areas especially export and import were slowed-down due to shrinking of global economic activity. Even though the Gross Domestic Product (GDP) of Bangladesh grew by an impressive 5.2 percent in FY20 which was the highest in south Asian region.

Liquidity in the banking sector was in positive move due to low credit demand in the pandemic year. NBL has maintained the positive phase of deposit growth during the period. Besides continuous endeavor

with vigorous efforts for mobilizing fresh deposits to retain existing customers, we have managed to achieve 17.59% growth of deposit in 2020 thus total deposit reaching at Tk.430,747.95 million.

In line with our Bank's strategy of maintaining satisfactory asset quality, advances of our Bank grew by Tk.47,740.86 million to reach Tk.408,510.60 million; whereas average advances grew by 13.23%. Major growth was witnessed in long-term loans, commodity operations and working capital loans.

Bank's total assets base has increased by 14.12% to reach Tk.529,052.55 million as at December 31, 2020. Equity position of our Bank also witnessed sound growth of 6.23% to close at Tk.52,093.56 million as at December 31, 2020 reflecting strong financial strength and growth prospects. The Capital to Risk Weighted Asset Ratio of the Bank stood at 13.00% as at December 31, 2020, remaining well above the regulatory requirement and industry average. With strong capital adequacy and risk management parameters in place the Bank remains poised to capitalize on any uptick in credit appetite.

Expanding footprint to assist financial inclusion of unbanked population remained a key area of focus of our Bank. During 2020, the Bank expanded its branch network by 04 new branches including 02 rural and 02 urban branches. With the addition of these branches in urban and rural areas, the overall network of the Bank reached 213. Concurrent focus was also made in enhancing Alternate Delivery Channels (ADC) with the addition of 07 new ATMs to reach the total number of ATMs at 47 across Bangladesh. We have also connected with National Payment Switch of Bangladesh Bank for interbank ATM Fund Transfer through NPSB network under ITCL platform.

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

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

Future outlook

The world is passing through one of the gravest pandemic of human civilization, the menace of COVID-19. With the sudden emergence of this pandemic, our economy along with that of whole world is facing a severe blow in its path of progress & development. With a view to redress the damages of COVID19 pandemic on the overall economy, the Government has declared several bailout packages to boost up economic activities of the country and maintain the pace of growth that has been witnessing during last few years. We are committed

to work together with the government for implementing different damage control strategies to face the ensuing challenges and also stand aside our bonafide customers by means of various financial and policy supports during this hard time. It's time to think bigger, act faster and drive higher with greater strength, swiftness and enthusiasm towards escalating the Bank to newer heights. Our strong financial and business position, supported by wide branch network with good teamwork, has taken us to a strong position to address the needs of our customers and move towards our vision of ensuring highest standard of services through the best application of latest information technology. Making due contribution to the national economy and establishing ourselves firmly at home and abroad as a front-ranking bank of the country are our cherished vision.

Acknowledgment

I would like to acknowledge the hard work and dedication of all employees of National Bank Limited, who are undoubtedly the core asset of our Bank. It is my utmost belief that committed and professional team is the main asset of National Bank Limited over its peers. I would like to express my appreciation and gratitude to our regulatory authorities including Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), Registrar of the Joint Stock Companies and Firms (RJSC&F), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), Government Agencies and all stakeholders for providing support in our endeavors. I am also greatly indebted to the guidance of our honorable Chairman, Board of Directors & our business partners who helped us in making 2020 another profitable year for the Bank. I feel honoured for getting this opportunity to not only represent one of the leading banks of Bangladesh but also to be the member of this team having a glorious past, meaningful present and promising future.



Managing Director & CEO

Focus on our work for expansion of Financial Network

পরিচালকমণ্ডলীর প্রতিবেদন

বিসমিল্লাহির রাহমানির রাহিম

সম্মানিত শেয়ারহোল্ডারগণ,

আসসালামু আলায়কুম

ন্যাশনাল ব্যাংকের পরিচালকমণ্ডলী এবং ব্যবস্থাপনা কর্তৃপক্ষের পক্ষ থেকে আমার সবিনয় শ্রদ্ধা ও মোবারকবাদ জানিয়ে আপনাদের সকলকে ব্যাংকের ৩৮তম বার্ষিক সাধারণ সভায় (AGM) স্বাগত জানাচ্ছি। পরম করুণাময় আল্লাহ তায়ালার অশেষ মেহেরবাণীতে আমি ব্যাংকের ২০২০ সালের বার্ষিক প্রতিবেদন আপনাদের সামনে উপস্থাপন করতে পেরে আমি অত্যন্ত আনন্দিত। সকলের অক্লান্ত পরিশ্রমের ফলে ব্যাংক আরও একটি সফলতম বছর পার করতে পেরেছে।

চলমান সময়ের পরিপ্রেক্ষিতে ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষ প্রতিটি পদক্ষেপে সাবধানতা অবলম্বন করেছেন। বিগত বছরের ন্যায় আলোচ্য বছরে যথোপযুক্ত পদক্ষেপ গ্রহণের মাধ্যমে ব্যাংক উল্লেখযোগ্য প্রবৃদ্ধি অর্জন করেছে যার কারণে পূর্ববর্তী বছরের তুলনায় ব্যাংকের ভিত্তি অধিকতর শক্তিশালী হয়েছে।

প্রগতিশীল ব্যাংক হিসেবে ব্যাংকিং কার্যক্রমের বিভিন্ন দিকগুলোকে ভিন্নভাবে বিবেচনা করা হয়েছে। সার্বিক বিবেচনায় প্রতীয়মান হয় যে প্রতিবেদনটি আইন ও বিধিবিধানের আলোকে উপস্থাপন করা হয়েছে। ব্যাংক কোম্পানী অ্যাক্টের বিধি-বিধান ও সংশ্লিষ্ট ধারা, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের বিধি-বিধান, আন্তর্জাতিক হিসাব মান (International Accounting Standards-IAS), আন্তর্জাতিক আর্থিক প্রতিবেদন মান (International Financial Reporting Standards-IFRS), বাংলাদেশ ব্যাংকের সার্কুলার ও গাইডলাইনস এবং অন্যান্য রেগুলেটরি শর্তাবলী পরিপালনপূর্বক এই প্রতিবেদন প্রস্তুত করা হয়েছে।

বিশ্ব অর্থনীতি :

বিশ্বব্যাপী কোভিড-১৯ অতিমারীর দ্রুততম প্রাদুর্ভাব অগণিত মানুষের জীবন ও জীবিকায় ছন্দপতনের মাধ্যমে বিশ্ব অর্থনৈতিক দৃশ্যপট পাল্টে দিয়েছে। ২০২০ সালের শুরুতে কোভিড-১৯ এর কারণে উদ্ভূত লকডাউন বিশ্ব অর্থনৈতিক কার্যক্রম ও চাহিদায় নিম্নগতি সঞ্চার করেছে। বিগত ১৫০ বছরের মধ্যে চতুর্থ অর্থনৈতিক মন্দার কথা বিবেচনায় রেখে কোভিড - ১৯ অতিমারীর বছরে বিশ্ব অর্থনৈতিক কার্যক্রম সংকুচিত করে ৪.৩% অর্জনের লক্ষ্যমাত্রা নির্ধারণ করা হয়েছিল, যা প্রথম বিশ্বযুদ্ধ ও দ্বিতীয় বিশ্বযুদ্ধের মহামন্দাকেও অতিক্রম করে গিয়েছিল। অতিমারীর অদৃষ্টপূর্ব প্রকৃতির প্রেক্ষাপটে বিশ্ব অর্থনীতির ভবিষ্যত অনিশ্চিত হয়ে পড়ে। তা সত্ত্বেও বিভিন্ন খাতে প্রবৃদ্ধি অর্জন করা সম্ভব হয়।

বিগত বছরের কোভিড-১৯ অতিমারীর কারণে উদ্ভূত এই অর্থনৈতিক স্থবিরতাকে বিবেচনায় নিয়ে ২০২১ সালের বৈশ্বিক অর্থনৈতিক প্রবৃদ্ধি ৪% বৃদ্ধি পাবে বলে ধারণা করা হয়েছিল, কিন্তু অদ্যাবধি সেটা অতিমারীপূর্ব সময়ের প্রত্যাশা থেকে ৫% নিচে রয়েছে। অতিমারীর কারণে বিদ্যমান ক্ষতিগুলোকে কমিয়ে ২০২২ সালের সম্ভাব্য বিশ্ব প্রবৃদ্ধি ৩.৮% এ পরিমিত করার পরিকল্পনা নেয়া হয়েছে। বিশেষ করে বিনিয়োগ ও মানব পুঁজির উপর অতিমারীর প্রভাব উদীয়মান বাজার ও উন্নয়নশীল অর্থনীতির প্রবৃদ্ধির সম্ভবনাকে দূরীভূত করবে এবং উন্নয়নের মূল লক্ষ্যগুলোকে পুনঃরুজ্জীবিত

Directors' Report

Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamu A'laikum.

Please take my utmost gratitude on behalf of all the directors and management team of the Bank and I welcome you all to the 38th Annual General Meeting (AGM) of National Bank Limited. By the grace of Almighty Allah, I am blessed to be able to present 2020 Annual Report of the Bank before you. Our relentless hard work achieved another successful year for the Bank.

During the year, our bank management was very careful and took extra precautions on every step they made. Our experienced management team was prudent in giving loans and their dynamic marketing strategies helped us to procure more deposit from the market. During the year, bank made a notable growth through a sustainable process so that bank's foundation remains even stronger than before.

As a forward-looking bank, we considered different aspects of performance of the bank. Our report depicts that we have been compliant throughout. We prepared our report in line with Company Act, Bank Company Act, Bangladesh Securities and Exchange Commission Rules, International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS), Bangladesh Bank circulars & guidelines and other applicable rules & regulations of the concerned Regulatory Authorities.

Global Economy

The rapid transmission of the COVID-19 pandemic across the world has changed the global economic scenario along with losses of human lives and livelihoods. The surge of the COVID-19 at the beginning of 2020 led lockdown across the globe and contracted the world economic activities, weakening demand condition. Global activity is estimated to have contracted 4.3 percent in 2020 as a result of COVID-19, making it the fourth most severe global recession of the past 150 years, exceeded only by the first World War, the Great Depression, and the Second World War. Given the unprecedented nature of the pandemic, prospects for the global economy are uncertain, and several growth outcomes are possible.

Following this collapse of last year caused by the COVID-19 pandemic, global economic output is expected to expand 4 percent in 2021 but still remain more than 5 percent below pre-pandemic projections. Global growth is projected to moderate to 3.8 percent in 2022, weighed down by the pandemic's lasting damage to potential growth. In particular, the impact of the pandemic on investment and human capital is expected to erode growth prospects in emerging market and developing economies (EMDEs) and set back the key

করবে। কোভিড-১৯ পুনরায় আবির্ভাবের কারণে নিকট ভবিষ্যতে বিশ্ব অর্থনীতির পুনরুত্থান যে বাধাগ্রস্ত হয়েছে, আশা করা হচ্ছে সেটা আমাদের দৃঢ় মনোবল, ভোগ প্রবণতা এবং চলমান টীকাদান কর্মসূচীর দ্বারা আন্তর্জাতিক বাণিজ্য ক্রমান্বয়ে গতিশীল হবার মাধ্যমে শক্তিশালী হবে।

বিশ্ব প্রবৃদ্ধি ও সাফল্য :

স্থায়ী বাহ্যিক ভোগের চাহিদা এবং প্রধান প্রধান উদীয়মান বাজার ও উন্নয়নশীল অর্থনীতিতে ব্যাপকহারে টীকাদান কর্মসূচীর দ্বারা অতিমারীর অবস্থা উন্নত করার মাধ্যমে ২০২১ সালে উদীয়মান বাজার ও উন্নয়নশীল অর্থনীতিসমূহের (EMDE) উৎপাদন ৫% এ উন্নীত হবে বলে আশা করা হচ্ছে। চীন ব্যতীত অনেক উদীয়মান বাজার ও উন্নয়নশীল অর্থনীতিতে প্রতিবন্ধকতা থাকা সত্ত্বেও প্রবৃদ্ধি ৩.৪% হবে। ২০২১ সালে প্রস্তাবিত গড় পুনরুত্থান সত্ত্বেও দুই-তৃতীয়াংশ উদীয়মান বাজার ও উন্নয়নশীল অর্থনীতিতে এর নিম্নগতি পরিলক্ষিত হচ্ছে, বিশেষ করে ইউরোপ এবং মধ্য এশিয়া, যেখানে উল্লেখযোগ্য সংখ্যক অর্থনীতি এই ভাইরাসের প্রাদুর্ভাব থেকে দ্রুত বেরিয়ে আসার চেষ্টা চালিয়ে যাচ্ছে। ২০২২ সালে উদীয়মান বাজার ও উন্নয়নশীল অর্থনীতিতে প্রবৃদ্ধি ৪.২% হারে উন্নীত করার পরিকল্পনা নেয়া হয়েছে। অর্থনীতির পুনরুত্থান সত্ত্বেও পরবর্তী বছরে গড় অর্থনৈতিক কার্যক্রম অতিমারীপূর্ব সময়ের নিচে ৬% হবে বলে আশা করা হচ্ছে।

বিনিয়োগ, শ্রমের যোগান এবং মানব পুঁজির বিরূপ প্রভাব বিস্তারের মাধ্যমে অতিমারী উৎপাদন এবং সম্ভাব্য ফলাফলকে নিম্নমুখী করে তুলবে বলে অনুমান করা হচ্ছে। কোভিড-১৯ মানব পুঁজি উন্নয়নের উপরও বিরূপ প্রভাব ফেলতে পারে। দীর্ঘ দিনের বেকারত্ব শ্রমিকদেরকে শ্রমনির্ভর কাজ থেকে নিরুৎসাহিত করতে পারে, যা তাদের দক্ষতাকে ক্ষতিগ্রস্ত করে কাজ হারানোর কারণ হতে পারে। পূর্বের বিভিন্ন অর্থনৈতিক সংকটকালে সুবিধাবঞ্চিত মানুষের মধ্যে স্কুল থেকে ড্রপ আউট বা বারে পড়ার হার বেশি পরিলক্ষিত হয়েছে এবং তখন দক্ষতা উন্নয়ন হ্রাস পেয়েছে, যা প্রকারান্তরে আয়বৈষম্য বৃদ্ধি করেছে। সর্বোপরি, পরবর্তী শতাব্দীতে দীর্ঘমেয়াদী প্রবৃদ্ধিতে কোনো সংস্কার না হবার কারণে কোভিড-১৯ উদীয়মান বাজার ও উন্নয়নশীল অর্থনীতির সম্ভাব্য সমৃদ্ধি ০.৬% পয়েন্ট কমিয়ে ৩.৪% করতে পারে।

বাংলাদেশের প্রবৃদ্ধি প্রবণতা :

এশিয়া প্যাসিফিক দেশসমূহের মধ্যে বাংলাদেশের অর্থনীতি দ্রুত গতিতে সমৃদ্ধি অর্জন করেছে। সামাজিক, অর্থনৈতিক ও কৌশলগত উত্তরণের ক্ষেত্রে দেশটি ইতোমধ্যে বৃহৎ পদক্ষেপ গ্রহণ করেছে এবং খুব শীঘ্রই মধ্য অর্থনীতির দেশের মর্যাদা লাভ করবে। ২০২০ আর্থিক বছরের ফেব্রুয়ারি পর্যন্ত বহুমুখী অর্থনৈতিক কার্যক্রমের মাধ্যমে বাংলাদেশের অভ্যন্তরীণ অর্থনীতি সঠিক পথে এগিয়েছিল এবং প্রকৃত জিডিপি প্রবৃদ্ধি শক্তিশালী হয়েছে। মার্চ ২০২০ সময়ে স্থানীয় অর্থনীতির স্থবিরতার সাথে সাথে বিশ্ব অর্থনীতিও স্থবির হয়ে পড়েছিল, যার কারণে ২০২০ অর্থবছরের লক্ষ্য অর্জনের পথে প্রতিবন্ধকতা সৃষ্টি হয়েছিল।

বাংলাদেশ পরিসংখ্যান ব্যুরোর তথ্য অনুসারে ২০২০ অর্থবছরে বাংলাদেশে বাস্তব প্রবৃদ্ধির হার ৫.২% বৃদ্ধি পেয়ে ১১,৬৩৭.৪০ বিলিয়ন টাকায় দাঁড়িয়েছে। দক্ষিণ এশিয়া অঞ্চলে এটা ছিল সর্বোচ্চ প্রবৃদ্ধি। অতিমারীর পূর্বে কয়েক বছর ধরে বাংলাদেশে একটা উচ্চতর প্রবৃদ্ধির গতি বজায় ছিল এবং ২০১৯ অর্থবছরে ৮.২% প্রবৃদ্ধি অর্জিত হয়েছিল, যা এশিয়া-প্যাসিফিক অঞ্চলের সকল দেশের মধ্যে ছিল সর্বোচ্চ। ২০২০ অর্থবছরে অপেক্ষাকৃত দুর্বলতর অর্থনৈতিক কার্যক্রম সত্ত্বেও বাংলাদেশ সরকার ২০২১ অর্থবছরের জন্য প্রবৃদ্ধির বাস্তব লক্ষ্যমাত্রা ৮.২% নির্ধারণ করেছে। এই লক্ষ্যমাত্রা

development goals. The global recovery, which has been dampened in the near term by a resurgence of COVID-19 cases, is expected to strengthen over the forecast horizon as confidence, consumption, and trade gradually improve, supported by ongoing vaccination.

Global Growth Performance

Emerging market and developing economies (EMDE) output is projected to expand 5 percent in 2021, predicated on firming external demand and improved pandemic management, aided by vaccine rollouts in major EMDEs. Excluding China, however, growth for EMDEs this year will be more subdued, at only 3.4 percent, reflecting lingering disruptions from outbreaks in many EMDEs. Despite the projected aggregate recovery in 2021, forecasts in roughly two-thirds of EMDEs were downgraded—especially in Europe and Central Asia (ECA), where a number of economies are experiencing a sharp resurgence of the virus. EMDE growth is envisioned to moderate in 2022, to 4.2 percent, near its potential pace. Despite the recovery, aggregate activity next year is expected to remain 6 percent below pre-pandemic forecasts.

The pandemic is expected to exacerbate the slowdown in productivity and potential output through its scarring effects on investment, labor supply, and human capital. COVID-19 is also likely to set back human capital development. Longer unemployment spells may discourage workers from remaining in the labor force, which could appreciably erode skills given steep job losses. In previous economic crises, vulnerable groups faced higher rates of school dropout and reduced skills development, which increased income disparities. Overall, COVID-19 could reduce EMDE potential growth by a further 0.6 percentage point, to 3.4 percent, over the next decade absent reforms to boost underlying drivers of long-term growth.

Growth Outlook of Bangladesh:

Bangladesh is one of the fastest growing economies in Asia-Pacific. The country is aspiring to gain the status of a middle income country very soon and has been making great strides in terms of social, economic and technological transformation. The domestic economy of Bangladesh upheld its precise path and accelerate real GDP growth supported by broad-based economic activities until February of FY20. The global economic halt due to COVID-19 outbreak along with the confirmation of the outbreak locally in March 2020 have created some serious impediments to the achievement of targeted GDP growth in FY20.

Real GDP of Bangladesh stood at BDT 11637.40 billion, recording 5.2 percent growth in FY20, according to provisional estimates of Bangladesh Bureau of Statistics (BBS). However, this growth is the highest in the South Asian region. Before the pandemic, the country was enjoying a higher growth path for the last few years and achieved a higher growth ever 8.2 percent in FY19, which topped all the countries in the Asia-pacific region. In spite of weaker growth performance in FY20, the government of Bangladesh has set the real

নির্ধারণ করা হয়েছে অভ্যন্তরীণ এবং বাহ্যিক চাহিদা পূর্ণগঠনের দিকগুলোর উপর ভিত্তি করে। আশা করা হচ্ছে যে, অতিমারীপূর্ব সময়ে বিশ্ব অর্থনীতির পূর্ণরূপস্থান এবং বিশ্বজুড়ে প্রবাসী বাংলাদেশীদের পাঠানো শক্তিশালী রেমিটেন্স প্রবাহের মাধ্যমে ব্যক্তিগত ভোগের চাহিদা বৃদ্ধির বিষয়টি ২০২১ সালে প্রবৃদ্ধি অর্জনের মূল চালিকাশক্তি হবে।

বাংলাদেশ সরকার খুব দ্রুত বিস্তৃত আকারে উদ্দীপণামূলক প্যাকেজ গ্রহণ করেছে, যা অর্থনৈতিক ক্ষতির বিরুদ্ধে সুরক্ষা হিসেবে কাজ করেছে। এই প্যাকেজের প্রধান দিক ছিল যে, অতিমারী দ্বারা ক্ষতিগ্রস্ত শিল্প ও সেবাখাতসমূহে নামমাত্র সুদে নতুন কার্যকর মূলধনের ব্যবস্থা করা। শ্রমিকদের বেতনও এই প্যাকেজের অন্তর্ভুক্ত ছিল, যা শ্রমিক ও কর্মচারীদের ভোগের চাহিদা বৃদ্ধি করেছে। কৃষি খাতের জন্য বিশেষ ঋণের ব্যবস্থা করা হয়েছিল। নিম্ন আয়ের লোকদের জন্য খাদ্য সরবরাহ নিশ্চিত করার লক্ষ্যে সরকার ভর্তুকি প্রদান করেছে। অর্থনৈতিক পূর্ণরূপস্থান বেশির ভাগ ক্ষেত্রে এই প্যাকেজের সঠিক বাস্তবায়নের উপর নির্ভর করে। অর্থনীতিকে প্রবৃদ্ধির ধারায় ফিরিয়ে আনার জন্য সরকারের সুচিন্তিত পদক্ষেপ আশা করা হচ্ছে।

বাংলাদেশ অর্থনীতি :

বিশ্বের অন্যান্য দেশের মতো বাংলাদেশও অর্থনৈতিক সকল খাতে চ্যালেঞ্জসহ কোভিড-১৯ অতিমারী মোকাবিলা করে চলেছে। তা সত্ত্বেও ২০২০ অর্থবছরে ৫.২৪% বাস্তব জিডিপি প্রবৃদ্ধি অর্জন করেছে, যদিও এটা ২০১৯ অর্থবছরের ৮.১৫% প্রবৃদ্ধির তুলনায় উল্লেখযোগ্য পরিমাণে কম। বাংলাদেশের অর্থনীতিতে বিগত দশকে একটি প্রণিধানযোগ্য প্রবৃদ্ধির হার বজায় রেখেছিল যা ২০১৬-২০১৭ থেকে ২০১৮-২০১৯ পর্যন্ত ৭% এর অধিক প্রবৃদ্ধি অর্জন করেছিল।

সেবাখাতসমূহও অতিমারীর দ্বারা প্রভাবিত ছিল, কিন্তু শিল্পখাতের চেয়ে কম ক্ষতিগ্রস্ত ছিল। পাইকারী ও খুচরো ব্যবসায়িক কার্যক্রম, পরিবহন, যোগাযোগ ব্যবস্থা, মধ্যস্থতাকারী প্রতিষ্ঠান, শিক্ষা, গৃহ নির্মাণ, বাড়ি ভাড়া এবং ব্যবসায়িক কার্যক্রম লকডাউনের কারণে বাধাগ্রস্ত হওয়ায় ২০১৯ অর্থ বছরের ৬.৭৮% অগ্রগতির বিপরীতে ২০২০ অর্থবছরে এ খাতে ৫.৩২% অগ্রগতি হয়েছে। অন্যদিকে, কোভিড অতিমারী সময়েও খাদ্য শস্য সহ অন্যান্য ফসল চাষে সফলতার কারণে কৃষি খাত তার স্থায়ী প্রবৃদ্ধি বজায় রেখেছে। অনুকূল আবহাওয়া সময়মত কৃষি উপকরণের প্রাপ্যতা ও সঠিক সময়ে ফসল আহরণ ইত্যাদি এ সফলতার প্রধান কারণ।

কোভিড - ১৯ অতিমারীর প্রেক্ষাপটে বাংলাদেশ সরকার এবং বাংলাদেশ ব্যাংক কিছু সময়োচিত ও যথোপযুক্ত কার্যকরী পদক্ষেপ গ্রহণ করেছে। দুর্বল অর্থনৈতিক খাতগুলোকে সহযোগিতা করা এবং ব্যাংকিং খাতে পর্যাপ্ত তরল্য নিশ্চিত করার লক্ষ্যে গৃহীত এই পদক্ষেপগুলোর মধ্যে অন্যতম হলো ১.২১ ট্রিলিয়ন টাকারও বেশি উদ্দীপণামূলক প্যাকেজ ঘোষণা, নীতিমালা সহজীকরণ, স্বল্প সুদে পুনঃঅর্থায়নের আওতায় ঋণ প্রদান ইত্যাদি। গৃহীত এসব উদ্দীপণামূলক পদক্ষেপের ফলে বাংলাদেশের অর্থনৈতিক পূর্ণরূপস্থান দক্ষিণ এশিয়ার প্রতিবেশী দেশসমূহের মধ্যে অগ্রগামী ছিল এবং ২০২০ অর্থবছরে ৫.২% হারে প্রবৃদ্ধি অর্জন করেছিল যেখানে ২০২০ সালে ভারত, পাকিস্তান এবং শ্রীলংকায় নেতিবাচক প্রবৃদ্ধি আশা করা হয়েছিল।

অতিমারীর বিভিন্ন চ্যালেঞ্জ মোকাবিলা করা সত্ত্বেও বাংলাদেশ ২০২১ অর্থবছরে অর্থনৈতিক প্রবৃদ্ধিতে ফিরে আসবে। একইসাথে আশা করা হচ্ছে যে, বিপুল পরিমাণ রেমিটেন্সের আন্তঃপ্রবাহ বজায় থাকবে এবং বেসরকারি খাতে ঋণের প্রবৃদ্ধি বজায় থাকবে। অতিমারীর দ্বিতীয় ঢেউ অর্থনীতিতে বিরূপ প্রভাব ফেলবে না এবং অর্থনীতি নির্ধারিত লক্ষ্যমাত্রা অর্জনের পথে এগিয়ে যেতে পারবে। এছাড়া অগ্রীম ভ্যাকসিন ব্যবস্থাপনায় অভ্যন্তরীণ অর্থনীতি তথা বিশ্ব অর্থনীতিতে ইতিবাচক প্রভাব ফেলবে।

GDP growth target for FY21 at 8.2 percent. This growth outlook is underpinned by both the domestic and external demand recovery prospects. The post-pandemic global economic recovery and the private consumption boosted by strong remittance flows from the Bangladeshi diaspora around the world are expected to be the key drivers of growth in 2021.

However, the government immediately undertook massive stimulus packages which acted as a buffer against economic losses. The main component of the stimulus packages was to channel fresh working capital at a subsidized rate to the industry and service sectors severely hit by the pandemic. The packages also included funds for workers' salary, which aimed to uphold consumption demand of the workers and employees. Special credit allocation was made for the agriculture sector. In order to ensure food grains availability to the low-income population the government provided funds as subsidy. Economic recovery largely depends on the strict implementation of the packages. Prudent government measures are expected to put the economy back on the growth track.

Bangladesh Economy

Like elsewhere in the world, Bangladesh economy also faced COVID-19 pandemic-induced challenges in all economic sectors, but managed a 5.24 percent real GDP growth rate in FY20, though significantly lower than a record high of 8.15 percent growth rate in FY19. The economy of Bangladesh witnessed an impressive GDP growth trend in last decade, maintaining more than 7.0 percent yearly growth during FY16-FY19, breaking the phase of yearly 7.0 percent growth mark in FY16.

The service sector, which also impacted by the pandemic but less severe than the industry sector, grew by 5.32 percent in FY20 against 6.78 percent in FY19 as most of the leading sub-sector activities such as wholesale and retail trade activities, transport, storage and communication, financial intermediations, education, real estate, renting and business activities waned due to lockdown measures. On the other hand, the agriculture sector maintained solid growth even amid the COVID period on the back of the healthy production of most of the cereal and non-cereal crops aided by the timely availability of inputs, favorable weather conditions at the time of cultivation and harvesting.

In the backdrop of the COVID-19 pandemic, the government of Bangladesh and BB took a series of timely and appropriate initiatives such as stimulus packages of more than BDT 1.21 trillion, policy relaxations, low cost refinance schemes, etc., among others, to support weaker segments of the economy and to ensure sufficient liquidity in the banking system. Aided by those prompt policy initiatives, the economic recovery of Bangladesh remained at the forefront among the neighboring South Asian economies and attained a 5.2 percent growth rate in FY20 while growth rates of India, Pakistan, and Sri-Lanka are expected to be negative in 2020.

Though facing pandemic induced challenges, Bangladesh will come back to its economic growth path in FY21, expecting continued huge remittance inflows and recovery in private sector credit growth. The economy is likely to maintain the targeted growth path with an expectation that a second wave of the pandemic would not harm the economy seriously. Besides, an advanced stage of vaccine development would have a positive impact on the global as well as domestic economy.

বাংলাদেশের ব্যাংকিং খাত :

মালিকানার ভিত্তিতে বাংলাদেশে চার ধরনের তফসিলী ব্যাংক রয়েছে : রাষ্ট্রীয় মালিকানায বাণিজ্যিক ব্যাংক, রাষ্ট্রীয় মালিকানায় আর্থিক উন্নয়ন প্রতিষ্ঠান, বেসরকারি মালিকানাধীন বাণিজ্যিক ব্যাংক এবং বিদেশী মালিকানাধীন বাণিজ্যিক ব্যাংক। ২০২০ সালে বাংলাদেশে মোট ৬১টি তফসিলী বাণিজ্যিক ব্যাংক কার্যরত ছিল। বেঙ্গল কমার্শিয়াল ব্যাংক নামে একটি নতুন ব্যাংক অনুমোদন পেয়েছে এবং এর কার্যক্রম শুরু করেছে।

বাংলাদেশ অর্থনৈতিক প্রবৃদ্ধিতে বাণিজ্যিক ব্যাংকসমূহ গুরুত্বপূর্ণ অবদান রেখে চলেছে। এই ব্যাংকগুলো বেসরকারি খাতে বিশেষ করে ব্যক্তিগত খাতে বিনিয়োগযোগ্য অর্থ সরবরাহ করে থাকে। বাংলাদেশ একটি আমদানি নির্ভর দেশ। তৈরি পোশাকসহ সকল শিল্প খাতের উন্নতির জন্য কাঁচামাল, খুচরা যন্ত্রাংশ এবং যন্ত্রপাতি আমদানি করা প্রয়োজন। এসবখাতে ব্যাংক বিল পরিশোধ, অর্থায়ন ও ঝুঁকি ব্যবস্থাপনার সুবিধা প্রদান করে থাকে। তবে ২০২০ সালের মার্চ মাস থেকে কোভিড - ১৯ অতিমারীর প্রভাবে বাংলাদেশে ব্যাংকিং সেক্টরের কার্যক্রম ব্যাপকভাবে প্রভাবিত হয়েছে। বিশ্বজুড়ে কম-বেশি প্রত্যেকটি আর্থিক বাজার লকডাউনের কারণে ক্ষতির সম্মুখীন হয়েছে, যাদের লক্ষ্য শীঘ্রই এই অবস্থার উত্তরণ ঘটানো। বাংলাদেশও ইতোমধ্যে অনেক রপ্তানি আয় থেকে বঞ্চিত হয়েছে এবং দেশব্যাপী ৬৬ দিনের দীর্ঘ লকডাউনের কারণে অভ্যন্তরীণ উৎপাদন উল্লেখযোগ্য পরিমাণে হ্রাস পেয়েছে। আর্থিক খাতের অভ্যন্তরীণ এবং বাহ্যিক অবস্থা ব্যাংকিং খাতের উপর গুরুতর চাপ সৃষ্টি করেছে। তা সত্ত্বেও দেশের সমস্ত তফসিলী ব্যাংক তাদের গ্রাহকদেরকে নিয়মিত ব্যাংকিং সেবা প্রদানের লক্ষ্যে প্রত্যেক কর্মদিবসে নির্ধারিত সময়ে ব্যাংকিং কার্যক্রম চলমান রেখেছে।

অধিকন্তু, এই সংকটপূর্ণ সময়ে তফসিলী ব্যাংক ও অ-ব্যাংকিং আর্থিক প্রতিষ্ঠানসমূহকে টিকিয়ে রাখার নিমিত্তে এবং দেশের অর্থনীতির পূর্নজাগরণে তাদের অবদানকে ধরে রাখার জন্য বাংলাদেশ ব্যাংক অতিমারীর শুরু থেকেই বেশ কিছু নীতিমালা এবং যথাযথ নীতি ঘোষণা করেছেন।

বাসেল বাস্তবায়ন :

বাসেলের লক্ষ্য হলো ঋণের উপর থেকে ঝুঁকি কমানো এবং মূলধন কাঠামোকে শক্তিশালী করা। ১৯৮৮ সালে ব্যাংকিং কার্যক্রম তদারকির উপর সুইজারল্যান্ডভিত্তিক বাসেল কমিটি (BCBS) Basel Accord এর প্রথম সংস্করণ চালু করে। এতে বেশ কিছু তদারকি নির্দেশনা রয়েছে যেগুলো সাধারণত কর্তৃপক্ষ বৃহৎ এবং খুচরা ব্যাংকিংয়ের উপর আরোপ করে থাকে।

বাংলাদেশে ২০২০ সালের জানুয়ারি মাস থেকে ১২.৫০% Capital to Risk Weighted Asset Ratio (CRAR) বজায় রেখে বাসেল - ৩ পরিপূর্ণভাবে বাস্তবায়ন করেছে। এর মধ্যে রয়েছে ন্যূনতম মূলধন অনুপাত ১০% এবং ২.৫০% বাফার মূলধন সংরক্ষণ করা।

এক নজরে এনবিএল :

সমাজের প্রতি তার দায়িত্ববোধের কথা মনে রেখে ন্যাশনাল ব্যাংক লিমিটেড বাংলাদেশের প্রত্যন্ত অঞ্চলসহ সর্বত্র বিদ্যমান শাখাসমূহের মাধ্যমে দক্ষতার সাথে ব্যাংকিং সেবা প্রদান করে আসছে। বর্তমানে ২১৩টি শাখাসহ ব্যাংকটির রয়েছে মজবুত বাজার ভিত্তি। প্রত্যন্ত অঞ্চলে ব্যাংকিং সেবা পৌঁছে দেয়ার লক্ষ্যে ন্যাশনাল ব্যাংক ১৪টি উপ-শাখা খুলেছে। পাশাপাশি, ন্যাশনাল ব্যাংক স্থানীয় উদ্যোক্তা এবং বিদেশী বিনিয়োগকারীদের জন্য অফশোর ব্যাংকিং সেবা (Offshore Banking Unit - OBU) চালু করেছে। বিদেশে কর্মরত বাংলাদেশী

Banking Sector in Bangladesh

Depending on the ownership structure, there are four categories of scheduled banks in Bangladesh: state-owned commercial banks (SCBs), state-owned development financial institutions (SBs), private commercial banks (PCBs) and foreign commercial banks (FCBs). Total number of scheduled banks operated in 2020 was 61. One new bank (Bengal Commercial Bank) has received license and started its operation.

Commercial banks have been playing a significant role in the economic growth of Bangladesh. They provide investable funds to both the public sector, and specially the private sector. Bangladesh is an import-dependent country. It needs to import raw materials, accessories and machineries to foster development of the industrial sector, including the RMG sector. Banks have been facilitating payment, finance and risk management services to the sector. However, the performance of the banking sector of Bangladesh has been largely affected by the COVID-19 pandemic situation since March 2020. Almost all the large financial markets around the world have been extremely impaired due to the lockdown aiming at hindering the escalation of pandemic. Bangladesh has also lost huge export earnings and its pace of internal production has been reduced significantly due to 66 (sixty six) days long countrywide lockdown. Both the internal and external situations of the financial market have created enormous pressure on the banking sector. Despite these, all scheduled banks of the country remained operational for specified time in every working day during the lockdown period to provide regular banking services to their customers.

Moreover, to help the scheduled banks and non-bank financial institutions (NBFIs) to survive in this critical situation and to continue their contribution in revamp the country's economy, Bangladesh Bank (BB) has announced a series of policies and prudential measures from the very beginning of the pandemic situation.

Basel Implementation:

The goal of Basel implementation was to minimize the risk from loans and strengthen bank's capital framework. Switzerland-based Basel Committee on Bank Supervision (BCBS) introduced the first edition of Basel Accord in 1988 which indicates supervisory guidelines that regulator authorities impose on both wholesale and retail banks.

Bangladesh has fully implemented Basel III from January 2020 with maintaining capital to risk weighted asset ratio (CRAR) 12.50 per cent. This includes 10 per cent minimum total capital ratio and 2.50 per cent capital conservation buffer.

Overview of NBL

NBL is providing banking services with excellence through its branch network located all over the country, covering even the neglected remote rural areas, keeping in mind its responsibilities to the society. Presently the Bank has a strong market-base with total 213 branches. The Bank has opened 14 sub-branches during the period for extending banking services to root level. Alongside, NBL is extending banking services through Off-shore Banking Unit (OBU) to foreign investors and local entrepreneurs. The Bank has

এবং দেশে বসবাসরত তাদের সুবিধাভোগীদের কথা বিবেচনা করে এবং বিভিন্ন ব্যাংকিং চাহিদা সহজ করার লক্ষ্যে ব্যাংকটি ক্রমান্বয়ে বিশ্বব্যাপী তার সম্পৃক্ততা সম্প্রসারণ করেছে। বিশ্বব্যাপী ব্যাংকিং কার্যক্রম পরিচালনার উদ্দেশ্যে ন্যাশনাল ব্যাংক ৬০টি দেশের ৪৮৩টি ব্যাংক ও বিদেশী কারেসপন্ডেন্টের সাথে Relationship Management Application (RMA) স্থাপন করেছে। অধিকন্তু, প্রবাসী বাংলাদেশীদের জন্য দেশে অর্থ পাঠানোর প্রক্রিয়াকে আরো সহজতর করার জন্য ওয়েস্টার্ন ইউনিয়ন ও মানিগ্রামসহ বিশ্বের ৪২টি মুদ্রা বিনিময় কোম্পানীর সাথে ড্রয়িং এরেঞ্জমেন্ট স্থাপন করেছে।

তথ্য প্রযুক্তি :

বর্তমান সময়ে তথ্য প্রযুক্তি ব্যাংক ব্যবসায়ের মেরুদণ্ড বলে প্রতীয়মান হচ্ছে। প্রযুক্তি ও নতুন ব্যাংকিং সেবা উদ্ভাবনকে গ্রহণ করা ব্যাংক ও গ্রাহক উভয়ের জন্য লাভজনক। তথ্য প্রযুক্তি ব্যাংকিং শিল্পের জন্য নতুন বাজার, নতুন পণ্য, নতুন সেবা ও দক্ষ সেবা প্রদানকারী চ্যানেলের দ্বার উন্মুক্ত করে দিয়েছে।

ব্যাংকিং সেবা, পরিপালনের বিচারে আধুনিক, নির্ভরযোগ্য ও পরিক্ষীত প্রযুক্তির মাধ্যমে ন্যাশনাল ব্যাংককে একটি দক্ষ ব্যাংক হিসেবে গড়ে তোলার জন্য আমাদের তথ্য প্রযুক্তি বিভাগ গুরুত্বপূর্ণ ভূমিকা পালন করে যাচ্ছে। পরিবর্তিত প্রযুক্তির সাথে তাল মিলিয়ে চলা ও গ্রাহকদেরকে আধুনিক ব্যাংকিং সেবা প্রদানের লক্ষ্যে ন্যাশনাল ব্যাংক তার দৈনন্দিন কার্যক্রমে বিশ্বব্যাপী প্রশংসিত 'Temenos Transact' সফটওয়্যার চালু করেছে।

তথ্যের সুরক্ষার জন্য ন্যাশনাল ব্যাংক সাইবার নিরাপত্তাকে শক্তিশালী করেছে। অত্যাধুনিক প্রযুক্তির সাথে সমন্বয় করে ব্যাংকিং নেটওয়ার্ক কাঠামোকে নিয়ন্ত্রণ করার জন্য কঠোর নীতি গ্রহণ করা হয়েছে। ব্যাংকিং কার্যক্রমে তথ্য প্রযুক্তির সাহায্যে মানসম্মত নিরাপত্তা রক্ষার স্বীকৃতিস্বরূপ ISO/IEC ২৭০০১ সনদপত্র অর্জন করেছে।

উন্নয়নশীল অর্থনীতিতে রেমিটেন্স ক্রমবর্ধমানভাবে গুরুত্বপূর্ণ ভূমিকা পালন করে আসছে। ব্যাংকের নিজস্ব উদ্ভাবিত সফটওয়্যার 'এনবিএল কুইক পে' মারফত বিশ্বের বিভিন্ন দেশে অবস্থিত শতভাগ মালিকানাধীন সাবসিডিয়ারি প্রতিষ্ঠানগুলো থেকে প্রেরিত অর্থ সহজ ও দ্রুততম উপায়ে গ্রাহকের হাতে পৌঁছে দেয়ার ব্যবস্থা করা হচ্ছে।

যেহেতু করোনাভাইরাসের গোষ্ঠীগত সম্প্রসারণ (Community Spread) ঘটছে সেহেতু ব্যাংকিং সেবাকর্মীদের বিকল্প ব্যবস্থা আকর্ষণীয় হয়ে ওঠেছে। কোভিড - ১৯ এর প্রতিক্রিয়ার কথা বিবেচনা করে ব্যাংক তার প্রযুক্তিগত সেবা প্রদান চ্যানেলকে শক্তিশালী করেছে, যাতে গ্রাহকরা নিরবচ্ছিন্নভাবে মোবাইল/ইন্টারনেট/এটিএম এর মাধ্যমে সহজে ব্যাংকিং সেবা গ্রহণ করতে পারে।

পুরস্কার এবং স্বীকৃতি :

জাতীয় অর্থনীতিতে সক্রিয় অবদানকারী হিসেবে ন্যাশনাল ব্যাংক লিমিটেড তার কার্যক্রম চালিয়ে যাচ্ছে। এর পুরস্কারস্বরূপ ন্যাশনাল ব্যাংক জাতীয় রাজস্ব বোর্ড কর্তৃক ব্যাংকিং খাতে সর্বোচ্চ কর প্রদানকারী হিসেবে স্বীকৃতি লাভ করেছে। এছাড়াও ন্যাশনাল ব্যাংক ব্যাংকিং সেবা প্রদানের ক্ষেত্রে স্বচ্ছতা ও জবাবদিহিতার জন্য বিভিন্ন অনুষ্ঠানে পুরস্কৃত হয়েছে। আর্থিক তথ্যের কাঠামোগত স্বীকৃতি, সূষ্ঠা ঝুঁকি ব্যবস্থাপনা, বাৎসরিক রিপোর্ট পর্যালোচনা, কর্পোরেট সুশাসন, মানব সম্পদ ব্যবস্থাপনা এবং সামাজিক দায়বদ্ধতার কারণে ন্যাশনাল ব্যাংক ICMAB (Institute of Cost and Management Accounts of Bangladesh) এর কাছ থেকে শ্রেষ্ঠ কর্পোরেট পুরস্কার এবং বিভিন্ন বছর শ্রেষ্ঠ প্রকাশিত হিসাব বিবরণীর জন্য ICAB (Institute of Chartered Accounts of Bangladesh) এর কাছ থেকে শ্রেষ্ঠত্ব সনদ

been gradually building up extensive global connections to ease different commercial banking needs and also to facilitate the wage-earners and beneficiaries of homebound foreign remittances. In making global banking transactions the Bank established Relationship Management Application (RMA) with 483 banks and foreign correspondents in 60 countries. Furthermore, to facilitate the expatriate Bangladeshis to ease their home-bound remittances, the Bank has made drawing arrangements with 42 money transfer agencies included global giants Western Union & Money Gram.

Information Technology (IT)

Fintech is now the back bone of banking business. Adaptation of Technological changes and innovation in banking benefits both bank and customers. Information Technology has opened up new markets, new products, new services and efficient delivery channels for the banking industry.

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

National Bank has strengthened its cyber security to protect Bank's data effectively. Strict policies are in place to manage network infrastructure with cutting edge technologies. Bank is its second anniversary of achieving ISO/IEC 27001 certification as recognition of maintaining IT security standard in its operation.

Remittances play an increasingly large role in the economies of developing countries. "NBL Quick Pay" patented in-house developed software provides high quality features and functionalities for its all fully owned overseas subsidiaries in different countries for remittance channeling with faster delivery of services.

As community spread of the corona virus (COVID-19) proliferates, alternatives to in-person banking and physical exchanges are looking more and more attractive. Considering COVID-19 impact, Bank is strengthening its digital delivery channels to encourage customers to use Mobile Banking/Internet Banking/ATM network frequently and easily.

Awards & Recognitions

National Bank is performing in society as an active contributor to National Economy. In recognition to that National Bank has been awarded by National Board of Revenue (NBR) as one of the highest tax payers under Banking Industry. NBL has also been rewarded on several occasions for its transparency and accountability in providing banking services. In recognition of framework of financial Information, Core Risk Management, Annual Report Review, Corporate Governance, Human Resource Management and Corporate Social Responsibility, NBL won the Best Corporate Award from the Institute of Cost & Management Accountants of Bangladesh (ICMAB) and Certificate of Merit from The Institute of Chartered

অর্জন করেছে। এসব কিছু এই সাক্ষ্য দেয় যে, আমরা বিনিয়োগকারী ও শেয়ার মালিকদের সকল তথ্য প্রকাশের ক্ষেত্রে সচেতন, যার ফলে বিজ্ঞোচিত সিদ্ধান্ত নেয়া সহজ হয়।

ঝুঁকি ব্যবস্থাপনা :

ঝুঁকি গ্রহণ অর্থনৈতিক পদ্ধতি এবং ব্যাংকিং ব্যবসায়ের একটি অবিচ্ছেদ্য অংশ। ঝুঁকি পরিমাপ এবং নিয়ন্ত্রণে ব্যর্থতা যে কোনো আর্থিক প্রতিষ্ঠানকে বিপদের সম্মুখীন করতে পারে এবং সর্বোপরি সমগ্র আর্থিক ব্যবস্থার স্থিতিস্থাপকতাকে প্রভাবিত করতে পারে।

যথোপযুক্ত কৌশল এবং ঝুঁকি সহনীয় স্তর নির্ধারণ, দক্ষ ঝুঁকি ব্যবস্থাপনা এবং যথোপযুক্ত কর্তৃপক্ষের নিকট রিপোর্ট প্রদান ব্যাংক ব্যবস্থাপনাকে বুঝে শুনে ঝুঁকি গ্রহণ এবং এটাকে যথাস্থানে প্রয়োগে সক্ষম করে। ব্যাংকের সকল ক্ষেত্রে ঝুঁকি ব্যবস্থাপনা অভ্যন্তরীণ সুশাসনের একটি অংশ। কর্পোরেট সুশাসন এবং সুস্থ ঝুঁকি ব্যবস্থাপনার মধ্যে দৃঢ় যোগাযোগ রয়েছে। উপযুক্ত ঝুঁকি ব্যবস্থাপনা ছাড়া ব্যাংকিং প্রতিষ্ঠানের লক্ষ্য পূরণে বিভিন্ন দিকগুলো সমবেতভাবে কাজ করতে পারে না। ব্যাংকের উন্নতির ধারাবাহিকতা ও স্থিতিশীলতা নিশ্চিত করার এটি একটি প্রয়োজনীয় অঙ্গ।

ব্যাংকিং কার্যক্রম পরিচালনায় ব্যাংক সর্বদা বিভিন্ন প্রকার ঝুঁকির সম্মুখীন হয়ে থাকে, যেগুলো তার ব্যবসায়ের অবশ্যম্ভাবীরূপে নেতিবাচক প্রভাব ফেলে থাকে। ব্যাংকিং কার্যক্রমে ঝুঁকি ব্যবস্থাপনায় ঝুঁকি চিহ্নিতকরণ, ঝুঁকির পরিমাপ এবং মূল্যায়ন অর্ন্তভুক্ত করে থাকে, যার উদ্দেশ্য হচ্ছে নেতিবাচক প্রভাব যথাসম্ভব কমিয়ে আনা। তাই এনবিএল তার প্রধান কার্যালয়ে প্রয়োজনীয় ঝুঁকি ব্যবস্থাপনার জন্য একটি বিশেষ প্রাতিষ্ঠানিক ইউনিট গঠন করা হয়েছে।

ন্যাশনাল ব্যাংক লিমিটেডের মূলধন ব্যবস্থাপনার মূল লক্ষ্য হচ্ছে ব্যবসায়িক উন্নতিকে সহায়তা করার জন্য, সার্বক্ষণিক মূলধনের প্রয়োজনীয়তা মিটানোর জন্য এবং মানসম্মত ক্রেডিট রেটিং বজায় রাখার জন্য একটি মজবুত মূলধনের ভিত্তি তৈরি করা। আট বছরের পরিকল্পনাকে সামনে রেখে ব্যাংকের কৌশলভিত্তিক ব্যবসা এবং মূলধনের পরিকল্পনা করা হয় এবং পরিচালনা পর্ষদ থেকে অনুমোদন নেয়া হয়। এই পরিকল্পনা বাস্তবায়নের জন্য মূলধনের পর্যাপ্ত স্তর এবং নিজের কৌশলকে সমর্থনকারী মূলধনের বিভিন্ন উপাদানের সর্বোচ্চ সংশ্লেষ নিশ্চিত করে। মূলধন পরিকল্পনার জন্য নিম্নোক্ত বিষয়গুলোকে বিবেচনায় আনা হয় :

ন্যাশনাল ব্যাংক লিমিটেড বস্তুগত ঝুঁকির জন্য প্রয়োজনীয় মূলধনের পরিমাণ নির্ধারণ করার লক্ষ্যে একটি 'Capital Model' ব্যবহার করে থাকে যা এর অভ্যন্তরীণ মূলধনের প্রাচুর্যতাকে সমর্থন করে। প্রতিটি বস্তুগত ঝুঁকি পরিমাপ করা হয়, কমানো হয় এবং মূলধনের যথোপযুক্ত স্তর নির্ধারণ করা হয়। মূলধন মডেল হচ্ছে ব্যাংক ব্যবস্থাপনায় শৃঙ্খলার মূল চাবিকাঠি।

Accountants of Bangladesh (ICAB) for best published accounts and reports in different years. All these testify that we always care about disclosing all relevant information to investors and shareholders with clarity for making prudent decisions.

Risk Management

Taking risk is an integral part of financial intermediation and banking business. Failure to assess and manage risks adequately may lead to losses endangering the soundness of individual financial institutions and affecting the stability of the overall financial system.

The setting of an appropriate strategy and risk tolerance/appetite levels, a wholistic risk management approach and effective reporting lines to the competent authority in its management and supervisory functions, enables management of bank to take risks knowingly and treat risks where appropriate. Risk management is a part of internal governance involving all areas of banks. There is a strong link between good corporate governance and sound risk management. Without proper risk management, the various functions in a banking institution cannot work together to achieve the bank's objectives. It is an essential part of helping the bank to grow and promote sustainability and resilience.

Risk management in bank operations includes risk identification, measurement and assessment, and its objective is to minimize negative effects risks can have on the financial result and capital of a bank. NBL is therefore has formed a special organizational unit for risk management. Also, NBL needs to prescribe procedures for risk identification, measurement and assessment, as well as procedures for risk management.

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

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

Forecast demand for capital to support the credit ratings

Available supply of capital and capital raising options; and

Regulatory capital requirements

Increase in demand for capital due to business growth, market shocks or stresses;

Internal controls and governance for managing the Bank's risk and performance.

ব্যাংক কমিটি ব্যাংকিং তদারকির উপর ব্যাসেল - ৩ চালু করেছে, এটা International Convergence of Capital Measurement and Capital Standard এর ফ্রেমওয়ার্ক (যেটাকে সাধারণভাবে ব্যাসেল - ২ নামে অভিহিত করা হয়), যা ব্যাসেল - ২ এর উপর প্রতিস্থাপিত হয়েছে। তিনটি মূল স্তর নিয়ে ব্যাসেল - ৩ গঠিত : মূলধনের প্রাচুর্যতা ব্যবস্থাপনার জন্য বাংলাদেশ ব্যাংক ব্যাসেল - ৩ এর গাইডলাইনসের আলোকে একটি নিয়ন্ত্রণকারী কাঠামো দিয়েছে।

বাংলাদেশ ব্যাংকের চাহিদার সাথে সামঞ্জস্যতা বিধানের জন্য ন্যাশনাল ব্যাংকের পরিচালনা পর্ষদ ২০০৯ সালে ঝুঁকিভিত্তিক মূলধনের প্রাচুর্যতার একটি গাইডলাইনস অনুমোদন করেছে। এটা জানুয়ারি ২০১০ সাল থেকে কার্যকর হয়েছে। ন্যূনতম মূলধনের প্রয়োজনীয়তা অনুসারে (MCR) (Pillar-II) ঝুঁকিভিত্তিক সম্পদে (CRAR) মূলধনের পরিমাণ হিসাব করার জন্য ব্যাংক পদক্ষেপ গ্রহণ করেছে।

গ্রীণ ব্যাংকিং :

আমরা জানি যে বৈশ্বিক উষ্ণতা এমন একটি বিষয় যা বৈশ্বিক মনযোগ ও সমবেত কার্যক্রমের প্রয়োজন রয়েছে। জলবায়ুর দ্রুত পরিবর্তন অনেক অর্থনৈতিক নীতিমালাকে যথোপযুক্তভাবে গ্রহণ করার বড় কারণ, যেহেতু জীববৈচিত্র্য, কৃষি, বনায়ন, শুল্ক ভূমি, পানির উৎস এবং জনস্বাস্থ্যের উপর এই পরিবর্তনের সরাসরি প্রভাব রয়েছে। অনিয়মিত আবহাওয়া, গ্রীণ হাউজ গ্যাস বৃদ্ধি, বাতাসের গুণাগুণ হ্রাস পাওয়া ইত্যাদি কারণে সমাজ দাবী করে যে, এই পৃথিবীকে বাসযোগ্য ও নিরাপদ রাখার জন্য ব্যবসায় খাতও দায়িত্ব গ্রহণ করবে। গ্রীণ ব্যাংকিংয়ের অংশ হিসেবে সবুজে অর্থায়ন সম্পদ-দক্ষতা এবং ক্ষুদ্র শিল্প যেমন সাধারণভাবে সবুজ শিল্প ও সবুজ অর্থনীতি পরিবর্তনে গুরুত্বপূর্ণ ভূমিকা রাখতে পারে। গ্রীণ ব্যাংকিং হচ্ছে পরিবেশ রক্ষার লক্ষ্যে একদল বৈশ্বিক ঝুঁকিবহনকারীর গৃহীত উদ্যোগের একটি উপাদান। বাংলাদেশের পরিবেশ খুব দ্রুত নষ্ট হচ্ছে। এখানে পরিবেশ দূষণের মূল কারণগুলো হচ্ছে বায়ু দূষণ, পানি দূষণ ও পানির স্বল্পতা, নদী ভরাট, শিল্প-কারখানা এবং গৃহস্থালীর আবর্জনা সঠিকভাবে ধ্বংস না করা, বন নিধন, খোলা জায়গা এবং জীব বৈচিত্র্য নষ্ট হওয়া ইত্যাদি। বাংলাদেশ জলবায়ু পরিবর্তনে সবচেয়ে ঝুঁকিপূর্ণ দেশগুলোর মধ্যে অন্যতম। বৈশ্বিক উন্নতি এবং পরিবেশগত অবনতির মোকাবেলা করতে বাংলাদেশের আর্থিক খাত একটি অন্যতম চাবিকাঠি হিসেবে গুরুত্বপূর্ণ ভূমিকা পালন করবে।

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

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

Green Banking

We are aware that global warming is an issue that calls for a concerted global response. The rapid change in climate will be too great to allow many eco-systems to suitably adapt, since the change have direct impact on biodiversity, agriculture, forestry, dry land, water resources and human health. Due to unusual weather pattern, rising greenhouse gas, declining air quality etc. society demands that business also take responsibility in safeguarding the planet. Green finance as a part of Green Banking makes great contribution to the transition to resource-efficient and low carbon industries i.e. green industry and green economy in general. Green banking is a component of the global initiative by a group of stakeholders to save environment. The state of environment in Bangladesh is rapidly deteriorating. The key areas of environmental degradation cover air pollution, water pollution and scarcity, encroachment of rivers, improper disposal of industrial medical and house-hold waste, deforestation, loss of open space and loss of biodiversity. Bangladesh is one of the most vulnerable countries to climate change. In line with global development and response to the environmental degradation, financial sector in Bangladesh should play important roles as one of the key stake holders.



ন্যাশনাল ব্যাংক বাংলাদেশ ব্যাংকের গাইডলাইনস অনুসারে গ্রীণ ব্যাংকিং কার্যক্রম পরিচালনার উদ্দেশ্যে একটি গ্রীণ ব্যাংকিং ইউনিট, গ্রীণ ব্যাংকিং নীতিমালা ও পরিকল্পনা প্রণয়ন করেছে। ব্যাংকের একটি সুনির্দিষ্ট নীতিমালা এবং একটি সবুজ কৌশল পরিকল্পনা শীঘ্রই কার্যকর হচ্ছে। এ উদ্দেশ্যে ব্যাংক অভ্যন্তরীণ পরিবেশগত উন্নয়ন ও গ্রীণ ব্যাংকিং কার্যক্রম ত্বরান্বিত করার উদ্দেশ্যে কর্মচারীদের প্রয়োজনীয় প্রশিক্ষণের জন্য ইতোমধ্যে অর্থ বিনিয়োগ করেছে। গ্রীণ ব্যাংকিংয়ের সার্বিক পরিকল্পনার অংশ হিসেবে ন্যাশনাল ব্যাংক পরিবেশবান্ধব প্রকল্পসমূহে অর্থায়নের মাধ্যমে গ্রীণ ফাইন্যান্স এর সুযোগ সৃষ্টি করেছে। গ্রাহকদের জন্য প্রচলিত পেমেণ্টের বিভিন্ন পদ্ধতিগুলোকে আরো বিস্তৃত করার লক্ষ্যে সবুজে অর্থায়ন, অনলাইন ব্যাংকিং, এসএমএস ব্যাংকিং এবং ডেবিট কার্ডের মাধ্যমে কার্যক্রম শুরু করেছে।

ঋণ প্রশাসন :

ঋণ প্রশাসন ব্যাংকের ঝুঁকিপূর্ণ সম্পত্তির সঠিক, ব্যাপকতর এবং সময়োচিত তত্ত্বাবধান নিশ্চিত করে। এই বিভাগ সিকিউরিটি ডকুমেন্টস চেক লিস্ট (SDC) ও অন্যান্য গুরুত্বপূর্ণ নথিসমূহ, যেগুলো ঋণ প্রদানের ঝুঁকি ও শর্তের মধ্যে থাকে, শাখাসমূহের নিকট থেকে সেগুলো পরিপালনে নিশ্চয়তা পাওয়া স্বাপেক্ষে মঞ্জুরিকৃত বা মেয়াদ বর্ধিত ঋণ যথাযথ ও সঠিকভাবে উত্তোলনের অনুমোদন প্রদান করে থাকে। এগুলো বিভিন্নভাবে তদারকির ব্যবস্থা গ্রহণ করে থাকে। যেমন : অগ্রিম সতর্কতা, যথাসময়ে ঋণ নবায়ন, ঋণসীমা নিয়ন্ত্রণ, বিভিন্ন মেয়াদী যেমন : মাসিক/ত্রৈমাসিক/ষান্মাসিক/বার্ষিক ঋণ প্রধান কার্যালয় তথা বাংলাদেশ ব্যাংকে সময়মতো পাঠানো হয়েছে কিনা ইত্যাদি এবং সম্ভাব্য সব উপায়ে SMA ও SS ঋণ হ্রাসকরণে কার্যকর ভূমিকা পালন করে থাকে। তাছাড়া সার্বক্ষণিক নজরদারির মাধ্যমে ঋণ গ্রহীতাদের খেলাপী হবার প্রবণতা রোধ করে ঋণের গুণগত মান বজায় রাখে। ফলে ঋণ প্রদানের স্বাভাবিক লক্ষ্যমাত্রা অর্জন অব্যাহত থাকে, যা ব্যাংকের মুনাফা বৃদ্ধিতে সহায়তা করে থাকে। এছাড়াও ব্যাংকে সমন্বিত ঋণ নিয়ন্ত্রণ পদ্ধতি (Integrated Supervision System - ISS) নামে একটি নতুন সেল গঠন করা হয়েছে এবং এটাকে ঋণ প্রশাসন বিভাগের সাথে সমন্বয় করা হয়েছে। এই বিভাগের কাজ হচ্ছে বাংলাদেশ ব্যাংক কর্তৃক প্রদত্ত সুনির্দিষ্ট ফরম্যাট অনুযায়ী শাখাসমূহের নিকট থেকে তথ্য সংগ্রহ করা এবং মাসিক ও ত্রৈমাসিক ভিত্তিতে সেগুলো বাংলাদেশ ব্যাংকে প্রেরণ করা। এই সমস্ত তথ্য ব্যবস্থাপনা কর্তৃপক্ষকে ঋণ সংক্রান্ত যে কোনো বিষয়ে যথাযথ সিদ্ধান্ত নিতে সহায়তা করে থাকে। এছাড়া ঋণ প্রশাসন বিভাগে সিআইবি (Credit Administration Bureau - CIB) ইউনিট রয়েছে, যা ঋণ গ্রহীতাদের সমস্ত তথ্য সংগ্রহ করে শাখাসমূহকে সরবরাহ করে থাকে। ঋণ শ্রেণীবিন্যাস (Classified) ও প্রতিশনিং (CL) বিভাগ শাখা থেকে নির্ধারিত ফরম্যাটে মাসিক ভিত্তিতে বিবরণী সংগ্রহ করে এগুলো বাংলাদেশ ব্যাংকে প্রেরণ করে এবং ব্যবস্থাপনা কর্তৃপক্ষের প্রয়োজন অনুসারে শ্রেণীবিন্যাসিত ঋণের এমআইএস (MIS) রিপোর্ট তৈরি করে। এসব কার্যাবলী ছাড়াও গত বছর থেকে সার্ভেয়ার কোম্পানি তালিকাভুক্ত করা/মেয়াদ বৃদ্ধিকরণ কিংবা মেয়াদশেষে তালিকা থেকে অব্যাহতি দেয়ার কাজও ঋণ প্রশাসন বিভাগ করছে।

অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা :

ব্যাংকের লক্ষ্য অর্জনের জন্য একটি সুসংহত নিয়ন্ত্রণ ব্যবস্থা পরিচালনা, আর্থিক প্রতিবেদনের বিশ্বস্ততা ও যথার্থতা, প্রচলিত আইনের সাথে

NBL has adopted comprehensive Green Banking policy in accordance with Bangladesh Bank guidelines. Green Banking Unit has already been formed with the responsibility of designing, evaluating and administering Green Banking issues. A bank specific green banking policy and a green strategic plan are in place. The bank invests in in-house environmental management, provides training to employees continuously as part of accelerating bank's green initiatives. National Bank Limited has also introduced green finance to support environmental friendly projects. Online banking, SMS banking and the debit card are already in place to broaden the payment options for customers.

Credit Administration

Credit Administration Division (CAD) ensures proper, extensive and timely monitoring of risk assets of the Bank and on time disbursement of sanctioned/enhanced loans and advances on receipt of confirmation of documentation completion as per sanction terms and conditions from branches stipulated by Credit Risk Management Divisions through Security Documentation Checklist (SDC) and copies of important documents. Credit Administration Division constantly monitors loan portfolio performance and supervises the early alert signals of the risk assets, timely renewal of limits, control of credit limits, sample basis surprise verification of credit documentations, prepare and submission of various kinds of returns i.e., monthly quarterly/half yearly/yearly statements to Bangladesh Bank as well as our Top Management. CAD ensures every possible means to reduce SMA & SS portfolio of loans & advances. Due to constant vigilance of CAD default culture of borrowers has substantially reduced resulting of which asset retains its potential yield and ultimately enhances profit of the Bank. Besides, as per Bangladesh Bank's issued circular Integrated Supervision System (ISS) cell has been formed & incorporated with CAD. The main function of ISS is to collect some specific data from all the Branches in prescribed structure (software) provided by Bangladesh Bank and after preparation of data upload the same to the Bangladesh Bank by monthly basis through web portal. These data ensures overall financial and other information activities of the Bank which also helps in taking prudent decision. The Credit Information Bureau (CIB) unit has been included with CAD which collects all data/information of the borrowers and provides on demand CIB report to the Branches. Loan Classification and Provisioning (CL) department has also been included with Credit Administration Division. The prime function of the CL department is to collect monthly and Quarterly CL statements from Branches in a prescribed format and submit the same to the Bangladesh Bank in quarterly basis and also to prepare MIS report on non performing loans for Management. Without above noted functions, in the last year the enlistment of Surveyor Company & its renewal/de-enlistment after fixed expiry date through evaluation is also vested to CAD and that activities are running well.

Internal Control System

The Board duly acknowledges its overall responsibility to maintain a sound control system with a view to achieving Bank's objectives in an

সামঞ্জস্যতা, বিধি-বিধান ও অভ্যন্তরীণ নীতিসমূহ এবং ব্যাংকের সম্পদ তথা গ্রাহকদের বিনিয়োগের সুরক্ষার ব্যাপারে ব্যাংক পরিচালনা পরিষদ তার সার্বিক দায়িত্ব সম্পর্কে ওয়াকিবহাল আছে।

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

২০২০ সালে অভ্যন্তরীণ নিয়ন্ত্রণ ও পরিপালন বিভাগ ২১৩টি শাখা ও প্রধান কার্যালয়ের ২৫টি বিভাগের বিশেষ রুটিন পরিদর্শন সম্পন্ন করেছে। এছাড়াও ২৮টি শাখার উপর ঝুঁকিভিত্তিক নিরীক্ষা, ১৪টি শাখা ও প্রধান কার্যালয়ের ১টি বিভাগের উপর বিশেষ নিরীক্ষা এবং ১৫টি শাখা ও প্রধান কার্যালয়ের ২টি বিভাগের উপর অনুসন্ধানী নিরীক্ষা পরিচালনা করেছে। তাছাড়া অফশোর ইউনিটসহ ৪৪টি অথোরাইজড ডিলার শাখার উপর Online Foreign Exchange Transaction Monitoring System তদন্ত পরিচালনা করেছে এবং ২১টি শাখায় AML ও CFT (Anti Money Laundering & Combating Finance for Terrorism) নিরীক্ষা পরিচালনা করেছে। এছাড়া বাংলাদেশ ব্যাংক ২১টি শাখায় বিশেষ তদন্ত, ৪টি শাখায় আকস্মিক পরিদর্শন এবং ৯টি শাখার উপর বৈদেশিক বাণিজ্য পরিদর্শন কার্যক্রম পরিচালনা করেছে। অধিকন্তু তারা বাৎসরিক হিসাব ও পাঁচটি মূল ঝুঁকির উপর নিরীক্ষা সম্পন্ন করেছে।

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

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

মানি লন্ডারিং এবং সন্ত্রাসী অর্থায়নে ঝুঁকি ব্যবস্থাপনা :

ব্যাংকিং জগতের ছয়টি মূল ঝুঁকি উপাদানের একটি হলো অর্থের দুর্বৃত্তায়ন বা মানি লন্ডারিং। মানি লন্ডারিং ও সন্ত্রাসী অর্থায়ন হচ্ছে শান্তিযোগ্য অপরাধ যেগুলো বিশ্বব্যাপী সামাজিক, রাজনৈতিক ও সাংস্কৃতিক উন্নয়নকে বাধাগ্রস্ত করে সমগ্র অর্থনীতিকে ক্ষতিগ্রস্ত করেছে। বর্তমানে ব্যাংকিং পদ্ধতিতে স্বচ্ছতা বৃদ্ধিকরণ ও আর্থিক সততা বজায় রাখা এযাবৎকালের মধ্যে সবচেয়ে বেশি প্রয়োজন হয়ে পড়েছে। তাই ব্যাংক ব্যবস্থাপনায় মানি লন্ডারিং ও সন্ত্রাসী অর্থায়ন প্রতিরোধকল্পে শক্তিশালী বিধি-বিধান থাকা আবশ্যিক। শুধুমাত্র

effective and efficient manner, reliability and timeliness of financial reporting, compliance with applicable laws, regulations & internal policies and safe-guarding the Bank's assets as well as stakeholders investments.

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

In 2020, the Internal Control & Compliance Division (ICCD) conducted Comprehensive Routine Inspection at 213 Branches and 25 Divisions at Head Office. They conducted Risk Based Inspection at 28 Branches, Special Inspection at 14 Branches and 01 Division at Head office, Investigation at 15 Branches & 02 Divisions at Head Office, Comprehensive Audit on reporting in "Online Foreign Exchange Transactions Monitoring System" at 44 Authorized Dealer (AD) Branches including Offshore Banking Units and Separate Inspection on Anti Money Laundering & Combating the Financing of Terrorism (AML & CFT) at 21 Branches in addition to regular Inspection. Bangladesh Bank carried out Comprehensive Inspection at 21 Branches, Surprise Inspection at 04 Branches and Foreign Exchange Inspection at 09 Branches. They also conducted audit on yearly accounts and Special Inspection on 05 Core Risks.

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

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

Money Laundering and Terrorist Financing Risk Management

Money Laundering Risk is one of the six core risk factors in banking arena. Money laundering and terrorist financing are serious crimes that affect the economy as a whole by impeding the social, economic, political, and cultural development of societies worldwide. Nowadays, the need for enhanced transparency and financial integrity in banking systems is more important than ever. It is therefore critically important to have in place strong anti money laundering/combating the financing of terrorism (AML/

ব্যাংকিং কার্যক্রমে স্বচ্ছতা ও জবাবদিহিতা বজায় রাখার জন্য নয়, বরং যে কোনো অর্থনৈতিক দুর্যোগ মোকাবেলা করার জন্য জনগণের সম্পদের অপব্যবহার ও অপ্রয়োজনীয় ব্যবহার রোধ করার জন্যও এর প্রয়োজন রয়েছে।

মানি লন্ডারিং সম্পর্কে জনসচেতনতা বৃদ্ধি, মানি লন্ডারিং ও সন্ত্রাসী অর্থায়নের ঝুঁকি কমানো, বেআইনীভাবে বিদেশে অর্থ পাঠানো এবং মানি লন্ডারিং প্রতিরোধ আইন, ২০১২ (২০১৫ এর সংশোধনীসহ), সন্ত্রাসবিরোধী আইন, ২০০৯ (২০১২ ও ২০১৩ এর সংশোধনীসহ) বাস্তবায়নের লক্ষ্যে ন্যাশনাল ব্যাংক লিমিটেড ইতোমধ্যে বিভিন্ন পদক্ষেপ গ্রহণ করেছে। মানি লন্ডারিং ও সন্ত্রাসী অর্থায়ন প্রতিরোধের গুরুত্ব ও কর্মকর্তাদের দায়-দায়িত্ব তুলে ধরে প্রতি বছর ব্যবস্থাপনা পরিচালকের কার্যালয় থেকে একটি বার্তা শাখা পর্যায়ের সকল কর্মকর্তাদের বরাবরে প্রেরণ করা হয়। মানি লন্ডারিং ও সন্ত্রাসী অর্থায়ন প্রতিরোধের লক্ষ্যে এনবিএল এর প্রধান কার্যালয়ে প্রধান মানি লন্ডারিং প্রতিরোধ পরিপালন কর্মকর্তার পদ সৃষ্টি করা হয়েছে। প্রধান মানি লন্ডারিং প্রতিরোধ পরিপালন কর্মকর্তা যে কোনো সিদ্ধান্ত নেয়ার জন্য এবং মানি লন্ডারিং প্রতিরোধ পরিপালন সম্পর্কিত দিকগুলো বিশ্লেষণ করার জন্য প্রতি বছর কমপক্ষে চার বার মিটিংএ বসেন। এনবিএল প্রধান কার্যালয়ে প্রধান মানি লন্ডারিং প্রতিরোধ পরিপালন এবং শাখা পর্যায়ে শাখা মানি লন্ডারিং প্রতিরোধ পরিপালন কর্মকর্তা মানি লন্ডারিং প্রতিরোধ পরিপালন নিশ্চিত করেন। বছর ভিত্তিক মানি লন্ডারিং ও সন্ত্রাসী অর্থায়ন প্রতিরোধ কার্যক্রম গুলোর বাস্তব প্রয়োগ নিশ্চিত করার জন্য প্রধান মানি লন্ডারিং প্রতিরোধ পরিপালন কর্মকর্তার তত্ত্বাবধানে মানি লন্ডারিং প্রতিরোধ বিভাগ গঠন করা হয়েছে। দ্রুত এবং সঠিকভাবে মানি লন্ডারিং প্রতিরোধ পরিপালন নিশ্চিত করার জন্য প্রত্যেক শাখায় পাঁচ জন কর্মকর্তার সমন্বয়ে শাখা পরিপালন ইউনিট গঠন করা হয়েছে। ন্যাশনাল ব্যাংক আন্তর্জাতিকভাবে তালিকাভুক্ত সন্ত্রাসী ব্যক্তি, গোষ্ঠী বা প্রতিষ্ঠানের নামে অথবা অনুকূলে সংঘটিত যে কোনো অর্থনৈতিক লেনদেন প্রতিরোধ করার জন্য ইতোমধ্যে AML Sanction Screening Software ব্যবহার করেছে। প্রাথমিকভাবে এসব যাচাই-বাছাই শাখা কর্তৃক সম্পন্ন হয়ে থাকে এবং যাদাসায়ে ভিত্তিতে শাখা সিসিইউ ও আইসিডি বরাবরে এসব রিপোর্ট প্রেরণ করে থাকে। শাখা থেকে পাওয়া এসব রিপোর্টের ভিত্তিতে একটি মূল রিপোর্ট তৈরি করা হয় এবং সে অনুসারে যথাযথ ব্যবস্থা গ্রহণ করা হয়। ব্যাংকের সকল নির্বাহী ও কর্মকর্তাদের মধ্যে সচেতনতা বৃদ্ধি ও সন্দেহজনক লেনদেন চিহ্নিত করতে দক্ষতা বৃদ্ধির লক্ষ্যে নিয়মিতভাবে প্রশিক্ষণ ও কর্মশালার আয়োজন করা হয়। BFIU এর নির্দেশনা অনুসারে ব্যাংকের মানি লন্ডারিং প্রতিরোধ পরিপালন কর্মকর্তার মানি লন্ডারিং ও সন্ত্রাসী অর্থায়ন প্রতিরোধে দক্ষতা বৃদ্ধির লক্ষ্যে বিশেষ প্রশিক্ষণ প্রদান করা হয়েছে।

সাব অর্ডিনেট বন্ড :

২০১০ সালে বিশ্ব অর্থনীতিতে বিরূপ অবস্থার পর থেকে বিশ্ব অর্থনীতির নিয়ন্ত্রকগণ ব্যাংকের ঝুঁকি গ্রহণ ক্ষমতাকে শক্তিশালী করার ব্যাপারে অত্যন্ত সতর্ক হয়ে উঠেছে এবং ব্যাসেল - ৩ নামে অত্যন্ত কার্যকর Capital to Risk Weighted Asset Ratio (CRAR) কাঠামো চালু করেছে। ব্যাংকের মূলধন ভিত্তিকে শক্তিশালী করা এবং ব্যাসেল - ৩ এর সাথে সমন্বয় করে বাংলাদেশ ব্যাংকের নির্দেশনা অনুসারে এবং টিয়ার (Tier-II) কে সমর্থন দেয়ার জন্য ন্যাশনাল ব্যাংক ইতোমধ্যে ৪,০০০.০০ মিলিয়ন টাকার সাব অর্ডিনেট বন্ড ইস্যু করেছে। ৫৫০.০০ মিলিয়ন টাকার বন্ড রিলিজ করার পর ২০২০ সালের ডিসেম্বর মাসে ন্যাশনাল ব্যাংকের সাব অর্ডিনেট বন্ডের পরিমাণ ছিল ৩,৪৫০.০০ মিলিয়ন টাকা।

CFT) oversight mechanisms, not only to protect the integrity of the banking system, but also to ensure that public funds mobilized to address the financial crisis will not be misused or misappropriated.

National Bank Limited has taken various steps in order to create consciousness about prevention of Money Laundering, mitigate the risks of ML/TF, prevent the un-authorized transfer of money abroad and to implement Money Laundering Prevention Act, 2012 (with amendment in 2015) and Anti Terrorism Act, 2009 (with amendment in 2012 & 2013). Every year a message from the Managing Director's office is given to all employees of the bank reiterating the importance of AML, CFT & responsibilities of bank officials. Central Compliance Committee (CCC) has been formed to formulate organizational strategy and program to prevent money laundering & terrorist financing activities. CCC arranges meetings for at least 4 (four) times in a year to take decision and provide instructions by reviewing the overall condition of bank regarding AML/CFT compliance. A designated Chief Anti Money Laundering Compliance Officer and a Deputy Chief Anti Money Laundering Compliance Officer at Head Office and Branch Anti Money Laundering Compliance Officers at branch level ensure the AML/CFT compliance. Anti Money Laundering Department has been established to ensure the implementation of the yearly AML/CFT programs under supervision of CCC. Branch compliance unit has been created in each branch consist of five (5) members for ensuring prompt and accurate compliance related to AML/CFT. AML Sanction Screening Software is being used for preventing any sort of financial relation establishment or transitions with or in favor of the sanctioned terrorist individual, group or entities. Self assessment is done by the branches and submitted to Anti Money Laundering Department (AML/D) and Internal Control and Compliance Division (ICCD) on half yearly basis. A summary report is prepared and necessary actions are taken on the basis of self assessment. Training programs are being arranged through virtual platform for all categories of officers and executives to create awareness for preventing money laundering & terrorist financing and develop skills to identify suspicious activities. Special training has been given to BAMLCO for improving knowledge about AML/CFT and learning the way of compliance according to the guidelines of BFIU.

Subordinated Bond

After global economic turmoil in 2010, the global financial regulators are more concerned to enhance risk resilience capacity of the banks and introduced more risk sensitive capital adequacy framework namely Basel III. With the view to strengthen capital base of the bank and subsequently to meet up the capital adequacy ratio as per Bangladesh Bank's instruction in line with BASEL-III Accord, and to support the Tier-II capital NBL has issued Subordinated Bond of BDT 4,000.00 million. After redemption of BDT 550.00 million, outstanding amount of Subordinated Bond stood at BDT 3,450.00 million as on December 2020.

শেয়ারহোল্ডার ইকুইটি :

দূরদর্শী মূলধন কাঠামো অনুযায়ী ব্যাংকের একটি সুসংহত লভ্যাংশ নীতিমালা আছে। এই নীতিমালা অনুযায়ী যখন মূলধনের ভিত্তি শক্তিশালী করা সম্ভব হয়েছে তখন এনবিএল তার শেয়ার মালিকদের জন্য উচ্চ লভ্যাংশ ঘোষণা করেছিল। ডিসেম্বর ৩১, ২০২০ সালে ব্যাংকের শেয়ারহোল্ডারদের তহবিলের পরিমাণ ছিল ৫২,০৯৩.৫৬ মিলিয়ন টাকা, যা স্থানীয় বেসরকারী ব্যাংকগুলোর মধ্যে সর্বোচ্চ বলে বিবেচনা করা হয়।

মিলিয়ন টাকা

বিবরণ	২০২০	২০১৯	প্রবৃদ্ধি
পরিশোধিত মূলধন	৩০,৬৬৪.১৯	২৯,২০৩.৯৯	৫.০০%
বিধিবদ্ধ সঞ্চিতি	১৭,১০৮.৮৯	১৫,৮৩৫.৭১	৮.০৪%
অন্যান্য সঞ্চিতি	১,৯৯৬.৬৩	৯৬৫.৯৮	১০৬.৬৯%
স্টার্ট আপ ফান্ড	৩৪.৮৬	-	প্রযোজ্য নয়
সংরক্ষিত মুনাফা	২,২৮৮.৯৯	৩,০৩১.৮৮	(২৪.৫০%)
মোট	৫২,০৯৩.৫৬	৪৯,০৩৭.৫৬	৬.২৩%

ক্রেডিট রেটিং :

ইমার্জিং ক্রেডিট রেটিং লিমিটেড (Emerging Credit Rating Limited -ECRL) ২০২০ সালের জন্য দীর্ঘমেয়াদী ভিত্তিতে ন্যাশনাল ব্যাংকের ক্রেডিট রেটিং করেছে AA (উচ্চারণ হবে ডাবল এ) এবং স্বল্পমেয়াদী ভিত্তিতে ক্রেডিট রেটিং করেছে ST-2। এই রেটিং স্থিতিস্থাপক। এই রেটিংয়ের মাধ্যমে ব্যাংকের মজবুত অবস্থান প্রতিফলিত হয়েছে যাহা শক্তিশালী ব্যবস্থাপনা টিম, সুদবিহীন আয়ের প্রবৃদ্ধি, আমানত এবং বিনিয়োগ, উচ্চতর টিয়ার-১ দ্বারা মূলধন গঠন, সম্পদের মান উন্নয়ন এবং সুনিয়ন্ত্রিত তারল্যের অবস্থান দ্বারা নির্ণয় করা হয়েছে।



ব্যবসায়ের আয়তন :

ডিসেম্বর ৩১, ২০২০ পর্যন্ত সময়ে ব্যাংক আমানতের পরিমাণ ৬৪,৪৪৯.৪৪ মিলিয়ন টাকা অর্থাৎ ১৭.৫৯% বৃদ্ধি পেয়ে ৪৩০,৭৪৭.৯৫ মিলিয়ন টাকায় উন্নীত হয়েছে। একটি সুবিধাজনক আমানতের ভিত্তি তৈরি করার জন্য ব্যাংক ব্যবস্থাপনা সুদবিহীন ও নিম্ন সুদের আমানত সংগ্রহের উপর গুরুত্ব প্রদান করেছে। যার কারণে পূর্ববর্তী বছরের তুলনায় ২০২০ সালে চলতি ও সঞ্চয়ী হিসাবের অনুপাত (CASA Ratio) ব্যাংকের অনুকূলে ছিল। বৎসরের শেষে ব্যাংকের চলতি হিসাব ৩৪,৫৬৩.৫২ মিলিয়ন টাকা এবং সঞ্চয়ী হিসাব ৫৮,৩২৬.৯৭ মিলিয়ন টাকায় পৌঁছেছে।

২০২০ সনে ঋণ ও অগ্রিম ৪৭,৭৪০.৮৬ মিলিয়ন টাকা বা ১৩.২৩% বৃদ্ধি পেয়ে ৪০৮,৫১০.৬০ মিলিয়নে পৌঁছেছে, যা ২০১৯ সালে ছিল ৩৬০,৭৬৯.৭৪ মিলিয়ন টাকা।

২০২০ সালে ব্যাংক মোট ৯,২০৫.৭০ মিলিয়ন টাকা মুনাফা অর্জন করেছে, যা ২০১৯ সালে ছিল ৮,৭৮৪.৪০ মিলিয়ন টাকা। ২০২০ সালে ব্যাংকের নীট মুনাফা ৩,৪৮৫.৫৪ মিলিয়ন টাকায় দাঁড়িয়েছে, যা চলতি বাজারে সর্বোচ্চ।

Shareholders' equity

In accordance with the prudent capital structure plan, the Bank has a consistent dividend policy. In this direction NBL declared high stock dividend as and when possible to strengthen the capital base. The Bank was able to build up shareholders' funds of BDT 52,093.56 million as at 31 December 2020, which is considered to be the highest among local private Banks.

Taka in million

Particulars	2020	2019	Growth
Paid-up Capital	30,664.19	29,203.99	5.00%
Statutory Reserve	17,108.89	15,835.71	8.04%
Other Reserve	1,996.63	965.98	106.69%
Startup fund	34.86	-	N/A
Retained Earnings	2,288.99	3,031.88	(24.50%)
Total	52,093.56	49,037.56	6.23%

Credit Rating

Emerging Credit Rating Limited (ECRL) has rated the Bank based on December 31, 2020 with "AA"(pronounced as Double A) in the Long Term and ST-2 for the Short Term. The outlook of the rating is Stable. The rating reflects the strengths of the bank which is backed by a strong team of management, growth in the non-interest income, deposits and investments, adequate capital coverage with high Tier-1 capital, improved asset quality and well controlled liquidity position.

Business Volume

The Bank's deposit volume increased by Tk. 64,449.44 million or 17.59% reaching Tk. 430,747.95 million as of December 31, 2020. To build a favorable deposit mix Management of NBL emphasized on increase of low and no cost deposit consequently CASA ratio of the Bank became more favorable in 2020 as compared to previous year. In the year end, Bank's Current Account stood at Tk. 34,563.52 million and Saving Account at Tk. 58,326.97 million.

Loans and advances were increased by Tk. 47,740.86 million or 13.23% reaching Tk. 408,510.60 million by the end of 2020 while it was Tk. 360,769.74 million in 2019.

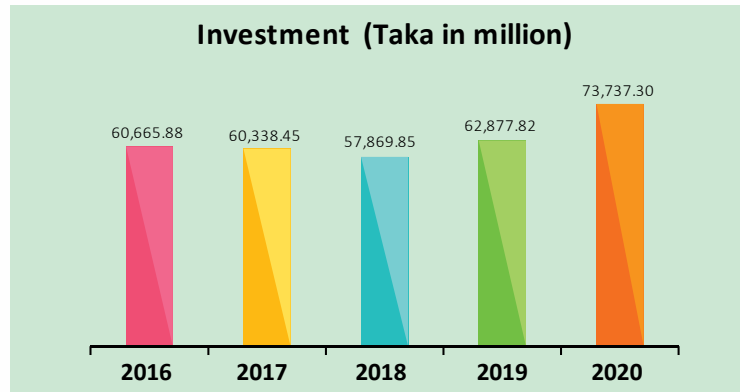
The Bank made an operating profit of Tk. 9,205.70 million in 2020, which was Tk. 8,784.40 million in 2019. The Net profit in 2020 stood at Tk. 3,485.54 million which is one of top in the banking industry of Bangladesh.

অর্থনৈতিক কর্মকান্ড পর্যালোচনা - ২০২০

এ বছর বাংলাদেশ জাতির পিতা বঙ্গবন্ধু শেখ মুজিবুর রহমানের জন্ম শতবর্ষ উদযাপন করেছে এবং ন্যাশনাল ব্যাংক তার ব্যাংকিং কার্যক্রমে ৩৮ বছরে পা রেখেছে। ব্যাংকিং শিল্পে এনবিএল এর অবস্থান তিন দশক ধরে। এই সময়ে ব্যাংকটি তার অর্থনৈতিক শক্তি, মূলধনের শক্তি ভিত, শক্তিশালী শাখা নেটওয়ার্কিং তথা গ্রাহকদের বিশ্বাস ও আস্থা অর্জনের মাধ্যমে নিজের জন্য একটি প্রতিযোগিতামূলক অবস্থান তৈরি করে নিয়েছে। অসংখ্য বাহ্যিক চ্যালেঞ্জ বিশেষ করে কোভিড - ১৯ অতিমারী মোকাবিলা করেও ব্যাংকটি তারল্য এবং স্বনির্ভরতার ভিত্তিতে ২০২০ সাল সফলভাবে সমাপ্ত করেছে। আমাদের প্রধান মনযোগ ছিল সম্পদের গুণগত মান উন্নয়ন, শ্রেণিবিন্যাসিত ও অবলোপকৃত (written off) ঋণ পূরণরুদ্ধার, সেবার উপর গুরুত্ব প্রদান এবং খরচ কমানোর উপর। এনবিএল এর ব্যবস্থাপনা কমিটি ব্যাংকের চলমান প্রবৃদ্ধিকে আরো বৃদ্ধি করতে এবং এর সম্পদের যথাযথ প্রয়োগের ব্যাপারে সর্বদা সচেতন ছিল।

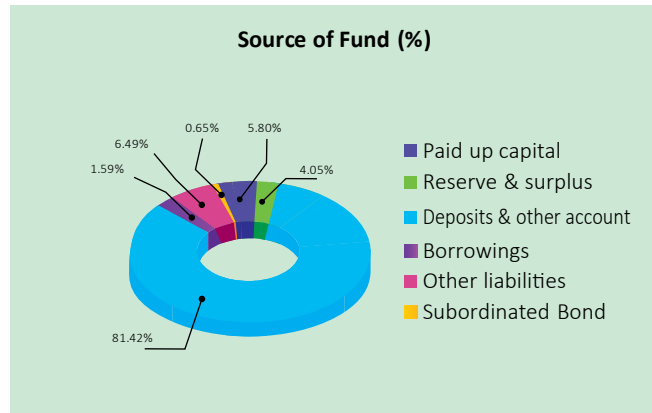
সম্পদ :

ব্যবসায় সম্প্রসারণের সাথে সাথে ব্যাংকের সম্পত্তিও বৃদ্ধি পেয়েছে। ৩১ ডিসেম্বর ২০২০ পর্যন্ত সময়ে ব্যাংকের মোট সম্পদ ১৪.১২% বৃদ্ধি পেয়ে ৫২৯,০৫২.৫৫ মিলিয়ন টাকায় উন্নীত হয়েছে। ৩১ ডিসেম্বর ২০১৯ সময়ে এই সম্পদের পরিমাণ ছিল ৪৬৩,৫৭৪.৭৮ মিলিয়ন টাকা। প্রধানতঃ ঋণ ও অগ্রিম, বিনিয়োগ, নগদ অর্থ লেনদেন এবং অন্যান্য আর্থিক প্রতিষ্ঠানের সাথে লেনদেনের মাত্রা বৃদ্ধি পাওয়ার ফলশ্রুতিতে সম্পদের এই উল্লেখযোগ্য প্রবৃদ্ধি অর্জিত হয়েছে।



২০১০ সাল হতে অন্যতম প্রাইমারী ডিলার হিসাবে কেন্দ্রীয় ব্যাংক কর্তৃক আহৃত সরকারী ট্রেজারি বিল ও বন্ডের নিলামে অংশগ্রহণ করে নির্ধারিত পরিমাণ বিল ও বন্ড ক্রয়ের বাধ্যবাদকতা রয়েছে ন্যাশনাল ব্যাংকের। আলোচ্য বছরে ২১,৭০৫.৩৩ মিলিয়ন টাকার সরকারি সিকিউরিটিজ ক্রয় করা হয়েছে। এর বিপরীতে ৩১ ডিসেম্বর ২০২০ পর্যন্ত এনবিএল এর বিনিয়োগের পরিমাণ দাঁড়িয়েছে ৭৩,৭৩৭.৩০ মিলিয়ন টাকায় যার মধ্যে সরকারি সিকিউরিটিজে বিনিয়োগ রয়েছে ৮২.৩১%।

আলোচ্য সময়ে ব্যাংকের ঋণ ও অগ্রিম অর্থ প্রদানের পরিমাণ বৃদ্ধি পেয়েছে ১৩.২৩%। দেশের সামগ্রিক শিল্পের অবস্থা বিবেচনা করে ব্যাংক ব্যবস্থাপনা কর্তৃপক্ষ গ্রাহকদেরকে সহায়তা করার জন্য তাদের কর্মতৎপরতার উপর ভিত্তি



Review of Financial Performance – 2020

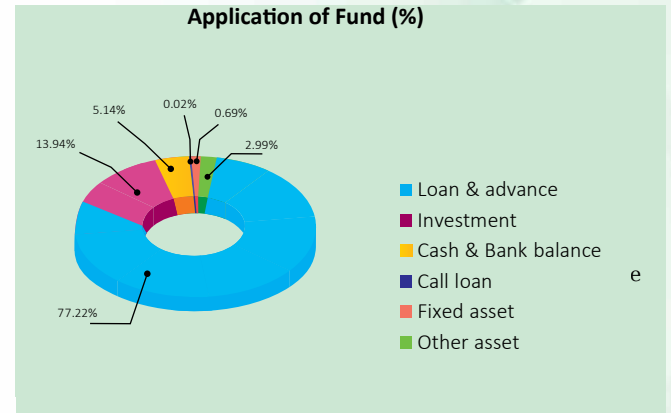
During the year Bangladesh celebrated birth centenary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman and NBL stepped into 38th years of banking service. NBL privileged to have competitive advantage through its financial strength, strong capital base, strong branch network as well as the customers' trust and loyalty. Despite of facing numerous external challenges specially COVID-19 pandemic, the bank still managed to finish 2020 in good standing in terms of liquidity and solvency. Our focus has been on improving asset quality, recovering classified and written off loans, enhancing service excellence, and rationalizing costs. NBL's management has always been careful in upholding for continuous growth and looking for utmost utilization of its assets.

Assets

With the expansion of business, asset profile of the Bank has also increased. Total assets of the Bank grew up by 14.12% to BDT 529,052.55 million as at December 31, 2020 as against BDT 463,574.78 million of December 31, 2019. The significant increase in assets was mainly achieved due to rise in loans and advances, investments, cash and balances with other banks and financial institutions.

As a Primary Dealer since 2010 the Bank has to acquire a certain portion of Government Treasury Bills & Bonds by participating in bids offered by the central bank. During the year Government Securities of Tk. 21,705.33 million are acquired. Investment portfolio of NBL as on December 31, 2020 stood at 73,737.30 million out of which 82.31% is Government Securities.

The growth of Loans and advances of the Bank during the period under review was 13.23%. Considering the overall industry condition of the country the management of the bank disbursed the advances



করে বিচক্ষণতার সাথে অর্থ বরাদ্দ দিয়েছে। আনুযায়িক ঝুঁকিসমূহের যথার্থ বিশ্লেষণপূর্বক পর্যাপ্ত সহযোগী জামানত গ্রহণের বিপরীতে নতুন গ্রাহকদের ঋণ সুবিধা প্রদান করা হচ্ছে।

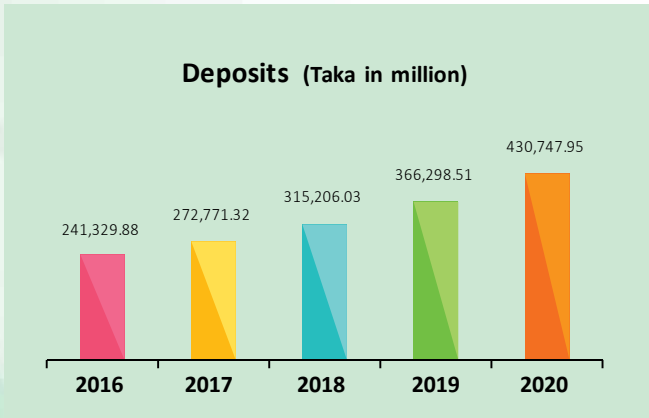
দায়সমূহ :

৩১ ডিসেম্বর ২০২০ এ ব্যাংকের মোট দায় ১৫.০৬% বৃদ্ধি পেয়ে ৪৭৬,৯৫৮.৯৯ মিলিয়ন টাকায় দাঁড়িয়েছে, যা ৩১ ডিসেম্বর, ২০১৯ পর্যন্ত ছিল ৪১৪,৫৩৭.২২ মিলিয়ন টাকা। মূলত আমানত বৃদ্ধিসহ আয়কর ও ঋণের সংস্থান বৃদ্ধির কারণে দায়ের এই পরিমাণ বৃদ্ধি ঘটেছে।

পূর্ববর্তী বছরের তুলনায় ২০২০ সালে অন্যান্য ব্যাংক, আর্থিক প্রতিষ্ঠান ও প্রতিনিধিদের নিকট থেকে গৃহীত কর্তৃক পরিমাণ ০.৯৮% বৃদ্ধি পেয়েছে।

আমানতসমূহ :

দেশের মধ্যে গ্রাম ও শহর এলাকায় ব্যাংক শাখার সংখ্যা বৃদ্ধি, বৈদেশিক মুদ্রা অর্জনকারীদের সুবিধা প্রদান, প্রতিযোগিতামূলকভাবে বাণিজ্যিকীকরণ



এবং নতুন ডিপোজিট প্রডাক্টস ও গুণসম্পন্ন সেবা প্রদান প্রভৃতি কারণে ২০২০ সমাপনী বছরে ব্যাংকের আমানতের প্রবৃদ্ধি পূর্ববর্তী বছরের তুলনায় ১৭.৫৯% বৃদ্ধি পেয়ে ৪৩০,৭৪৭.৯৫ মিলিয়ন টাকায় দাঁড়িয়েছে।

পরিচালন ও নীট মুনাফা :

নিয়ন্ত্রণের বাইরে কিছু কিছু অভ্যন্তরীণ ও বাহ্যিক প্রতিবন্ধকতাসহ অতিমারীর কারণে বিরাট বাণিজ্য ঝুঁকি নিয়ে ২০২০ সালটি শুরু হয়েছিল। এ বছর ঋণ ও অগ্রিমের সুদ হার একক সংখ্যায় নামিয়ে আনার জন্য বাংলাদেশ ব্যাংকের নির্দেশনা ছিল। স্বাভাবিকভাবে ঋণ ও অগ্রিম থেকে আয় উল্লেখযোগ্য পরিমাণে কমে যায়। যাহা হোক, ব্যাংক ব্যবস্থাপনা কর্তৃপক্ষের কিছু বাস্তবমুখী পদক্ষেপের ফলে নন-ফান্ডেড আয় বৃদ্ধি পায় এবং একইসাথে পরিচালনা খরচ বাজেট বরাদ্দ থেকে ১০% কমে আসে। একটা যৌক্তিক মার্জিন নিশ্চিত করার জন্য ব্যবস্থাপনা কর্তৃপক্ষ সুষ্ঠু CASA ratio এর উপর জোর দেয়, যা আমানত খরচ কমাতে সাহায্য করে। অধিকন্তু, অতিমারী সত্ত্বেও কর্তৃপক্ষ ঋণ আদায়ের উপর অধিকতর গুরুত্ব আরোপ করেছিল।

এনবিএল ২০২০ সালে ৯,২০৫.৭০ মিলিয়ন টাকার নীট মুনাফা অর্জন করেছে। ২০১৯ সালে এর পরিমাণ ছিল ৮,৭৮৪.৪০ মিলিয়ন টাকা। ২০২০ সালে কর পরবর্তী নীট মুনাফার পরিমাণ দাঁড়িয়েছে ৩,৪৮৫.৫৪ মিলিয়ন টাকা, ২০১৯ সালে যার পরিমাণ ছিল ৪,১৬৪.৩৫ মিলিয়ন টাকা।

আমানত খরচ কম হওয়া, ঋণের প্রবৃদ্ধি অব্যাহত থাকা, যৌক্তিক পুণঃতফসিল করণের মাধ্যমে অলস ঋণগুলোকে (NPLs) নিয়মিতকরণ এবং সামগ্রিকভাবে

in prudent manner to support the existing customers based on their performances. New customers were also accommodated with proper scrutiny of associated risks.

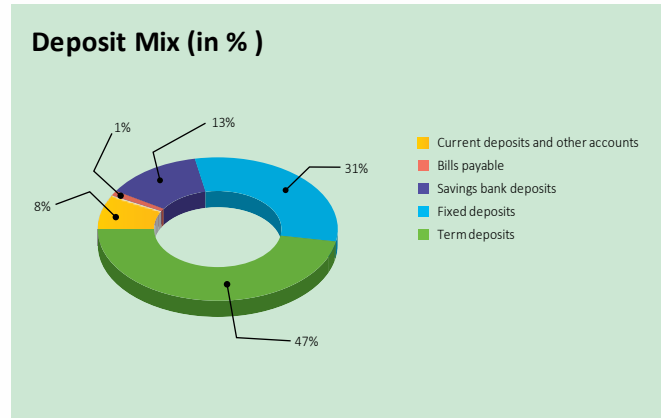
Liabilities

Total liabilities of the Bank increased to Tk. 476,958.99 million as of 31 December 2020 from BDT 414,537.22 million in 2019 registering a growth of 15.06%. This was mainly due to increase of deposits and making of provision for taxation, loans, advances etc.

Borrowings from other banks, financial institutions and agents have increased by 0.98% in 2020 in comparison to the previous year.

Deposits

Deposit grew steadily through expansion of branch network in urban and rural areas within the country and expansion of overseas operations to facilitate the wage-earners. Vigorous marketing of



innovative and competitive deposit products and ensuring quality counter services have culminated into continued deposit growth. The deposit registered a growth of 17.59 % in 2020 year over the last year and stood at BDT 430,747.95 million.

Operating & Net Profit

The year 2020 was started with business challenge for pandemic in the world economy especially in the banking sector in addition to various domestic and external factors beyond the control. In the year Bangladesh Bank instructed to implement single digit rate on advance. Consequently earnings against advance fall significantly. However, with pragmatic decision by the Management, non-funded income increased and side by side overhead cost was saved by 10% from its budgeted allocation. To ensure reasonable margin, management emphasized on healthy CASA ratio which helped to reduce cost of fund. Additionally, despite the pandemic management emphasized heavily on recovery.

NBL generated operating profit of Tk. 9,205.70 million in 2020 which was Tk. 8,784.40 million in 2019. Net Profit after tax stood at Tk. 3,485.54 million in 2020 after making provision for loan loss and taxation, which was Tk. 4,164.35 million in 2019.

Increase of operating profit is due to decrease in cost of fund, steady credit growth, regularization of NPL through rescheduling

পরিচালকমন্ডলী ও ব্যাংক ব্যবস্থাপনা কর্তৃপক্ষের দূরদর্শী সিদ্ধান্তের ফলে ব্যাংকের পরিচালন মুনাফা বৃদ্ধি পেয়েছে।

আয় :

মুনাফা অর্জনের পথ প্রশস্ত করার লক্ষ্যে ব্যবসায়ের বহুমুখীকরণ এবং ঝুঁকিসমূহের নিরসন নিশ্চিত করাই ঋণ প্রদান নীতির প্রতিপাদ্য বিষয় হিসেবে বিবেচিত। ন্যাশনাল ব্যাংক লিমিটেড সময়োচিত দূরদর্শী সিদ্ধান্ত গ্রহণের দ্বারা ২০২০ সালে এই চ্যালেঞ্জ মোকাবিলা করতে সক্ষম হয়েছে। ২০২০ সালে ব্যবসায়ের প্রতিটি শাখার সুখম অবদান এবং তৃণমূল ব্যাংকিং কার্যক্রম থেকে আয় উল্লেখযোগ্যভাবে বৃদ্ধি পেয়েছে। আয়ের প্রধান অনুষ্ণ হলো অগ্রিমের বিপরীতে পাওয়া সুদ, ট্রেজারি ও অন্যান্য বিনিয়োগ থেকে আয় এবং সেবা খাতের ফি ও কমিশন ভিত্তিক আয়। ২০২০ সালে ব্যাংকের মোট পরিচালন আয় ৬.০৩% বৃদ্ধি পেয়ে ৪২,৩০৮.৭৩ মিলিয়ন টাকায় দাঁড়িয়েছে, ২০১৯ সালে যার পরিমাণ ছিল ৩৯,৯০৪.১০ মিলিয়ন টাকা।

ব্যয়সমূহ :

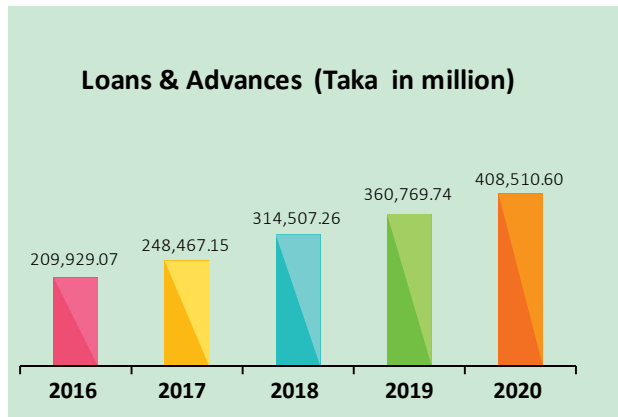
কর ও ঋণ ক্ষতির (Loan Loss) প্রভিশনের পাশাপাশি কর্মচারীদের বেতন-ভাতাদি, ভবন ও যন্ত্রপাতি রক্ষণাবেক্ষণ ব্যয়, সংস্থাপন ব্যয়, মুদ্রণ ব্যয়, প্রযুক্তিগত ব্যয়, সামাজিক দায়বদ্ধতা খাতে ব্যয় ও শাখা সম্প্রসারণ জনিত কারণে ব্যয় প্রভৃতি ব্যাংকের মোট পরিচালন ব্যয়ের প্রধান অনুষ্ণ।

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

ঋণ ও অগ্রিম :

কোভিড - ১৯ অতিমারীর কারণে অর্থনীতির সার্বিক প্রবৃদ্ধি সংগত কারণেই স্বাভাবিক অবস্থানে ছিল না। অনবরত লকডাউন সার্বিক ব্যবসায়িক প্রবৃদ্ধি ও নগদ প্রবাহকে ক্ষতিগ্রস্ত করেছে এবং বিনিয়োগকারীরা নতুন বিনিয়োগের ব্যাপারে শঙ্কিত ছিলেন। ফলে বেসরকারি খাতের সার্বিক প্রবৃদ্ধি ছিল মাত্র ৮%। অর্থনীতির একটি অংশ হিসেবে ন্যাশনাল ব্যাংক অতিমারীর কারণে উদ্ভূত চ্যালেঞ্জ মোকাবিলা করেছে।

২০২০ সালে আমাদের কৌশলগত লক্ষ্য ছিল মুনাফা ও প্রবৃদ্ধি অর্জন এবং সম্পদের গুণাগুণ রক্ষণাবেক্ষণ ও মন্দ ঋণ পুনঃরুদ্ধারের মাধ্যমে ব্যাংকের ভবিষ্যত প্রবৃদ্ধির জন্য একটি শক্তিশালী ভিত্তি গড়ে তোলা। বৃহৎ ও বিভিন্ন শ্রেণির গ্রাহকদের চাহিদার উপর ভিত্তি করে বিভিন্ন ধরনের ঋণ সুবিধা প্রদান করা হয়েছে। এই ঋণ সুবিধাগুলো হচ্ছে কৃষি, এসএমই, শিল্প, গৃহ নির্মাণ,



arrangement and overall prudent decision of Board of Directors and Bank Management and gain and interest earned on govt. securities.

Income

Diversification of business to augment profitability mitigating risks is the main focal point of our lending policy. Timely prudent decisions contributed to overcome the challenges of 2020. Consistent contribution from each segment of business, earning capability from the core banking operation has increased significantly during 2020. Major contributory segments were interest on advances, Treasury and other Investment income, fee and commission based income. Total operating income of the bank registered a growth of 6.03% and stood at Tk. 42,308.73 million in 2020 which was Tk. 39,904.10 million in 2019.

Expenses

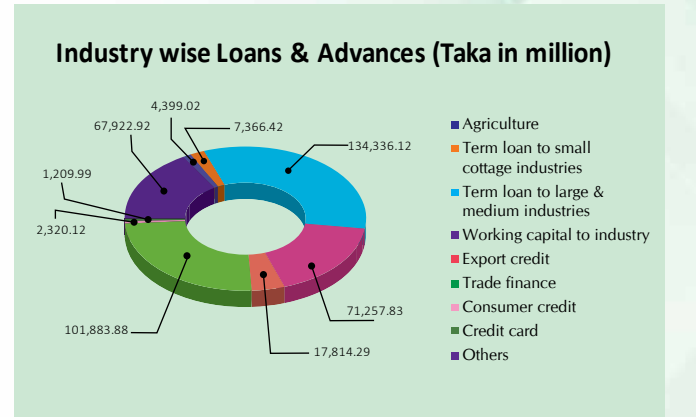
Employee salary & other remunerations, maintenance of premises & equipments, establishment expenses, printing, ITC expenses, CSR activities etc. and expansion of branch network are the main components of operating expenses besides the provisions for Tax & Loan Loss.

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

Loans and Advances

Due to COVID-19 pandemic, growth of overall economy was not in normal shape. Continuous lockdown hampered the overall business growth & cash flow and investors remained cagey in making fresh investment. Overall private sector credit growth was only 8%. NBL as a part of the economy faced the challenges as arise due to pandemic.

Our strategic priorities were growth and profitability whilst maintaining asset quality and recovery of NPL to attain sturdiness during the year of 2020 and strengthening the foundations for future growth. To cater the credit requirements of our large and diversified clientele base, we have wide range of loan products covering the



ক্রেডিট কার্ড, বাণিজ্য সেবা প্রভৃতি। ব্যাংক সর্বদা তার ঋণ ব্যবস্থাপনাকে যৌক্তিক করার জন্য ঋণের গুণগত মানের প্রতি যত্নবান ছিল। ৩১-১২-২০২০ পর্যন্ত মোট ঋণের পোর্টফোলিও পূর্ববর্তী বছরের তুলনায় ১৩.২৩% বৃদ্ধি পেয়ে ৪০৮,৫১০.৬০ মিলিয়ন টাকায় পৌঁছেছে।

তৈরি পোশাক শিল্পে ঋণ :

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

তৈরি পোশাক শিল্পের উদ্যোক্তাদের টিকিয়ে রাখার জন্য ও তাদের মধ্যে প্রতিযোগিতা বাড়ানোর জন্য এবং একই সাথে বাংলাদেশে লক্ষ লক্ষ বেকার মানুষ বিশেষ করে নারীদের জন্য কর্মসংস্থানের ব্যবস্থা করে দেশের অর্থনীতির জন্য একটি শক্তিশালী ভিত তৈরি করার কথা মনে রেখে এই খাতে ২০২০ সালে ন্যাশনাল ব্যাংক ৬,৭৪৭.৫৮ কোটি টাকা ঋণ প্রদান করেছে।

প্রজেক্ট ও সিন্ডিকেশন ফাইন্যান্সিং :

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

গুরু থেকে আমরা বিভিন্ন ব্যক্তিগত খাতের উদ্যোক্তাদের উন্নয়নের অংশীদার হিসেবে বিভিন্ন নতুন ও বড় প্রকল্পে বিশেষ করে উৎপাদনশীল ও অর্থনীতি-বান্ধব প্রকল্পে ঋণ দিয়ে আসছি। ২০২০ সালে আমরা বিভিন্ন প্রকল্পে ২,১৪০.৮৯ কোটি টাকা অর্থলগ্নি করা হয়েছে।

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

কৃষি ও পল্লী ঋণ :

কৃষি বাংলাদেশের অর্থনীতিতে গুরুত্বপূর্ণ ভূমিকা পালন করছে এবং বাংলাদেশের উন্নয়ন প্রধানত পল্লী অঞ্চলের উৎপাদনশীলতার উপর নির্ভরশীল। দেশের আর্থ-সামাজিক উন্নয়ন এবং আত্মকর্মসংস্থানে কৃষি খাতের গুরুত্বের কথা বিবেচনা করে ন্যাশনাল ব্যাংক লিমিটেড দেশজুড়ে তার শাখাসমূহের মাধ্যমে জন্মলগ্ন থেকে কৃষি ঋণ প্রদান করে আসছে। সমাজের সুবিধাবঞ্চিত শ্রেণিকে সহায়তা করার লক্ষ্যে ন্যাশনাল ব্যাংক ভূমিহীন ও প্রান্তিক চাষীদের সরাসরি আর্থিক সুবিধা দিচ্ছে যাতে তারা বীজ, সার, কৃষি ও সেচের যন্ত্রপাতি সংগ্রহ করে কৃষিতে উন্নত মানের পণ্য উৎপাদন করতে পারে, যা প্রকারান্তরে তাদের জীবন যাত্রার মান উন্নয়নে সহায়ক হবে।

areas of agriculture, SME, industries, housing, consumer durables, credit card and trade services etc. The bank has always focused on the quality aspect of credit while augmenting its credit portfolio. As on 31.12.2020 the total credit portfolio reached to Tk. 408,510.60 million showing a growth of 13.23% over previous year.

Financing RMG

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

During the year of 2020, NBL has extended financing for total Tk. 6,747.58 crore to support the entrepreneurs of RMG sectors to achieve sustainable growth and competitive edge of the industry as well as to provide perfect working place for the readymade garments sector of Bangladesh which has given our economy a strong footing, create jobs for millions of people, especially for women.

Project & Syndication Financing

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

From the very beginning, we are active partner of private sector entrepreneurs to set up new as well as BMRE of long-term infrastructure and industrial projects with special focus on productive, eco-friendly and energy efficient industries. In 2020, we have financed total Tk. 2,140.89 crore in different projects.

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

Agriculture & Rural Credit

Agriculture plays a vital role in Bangladesh economy and the development of our country significantly depends on the productivity of rural areas. Realizing the importance of agricultural finance in creating self-employment opportunities and socio-economic development of the country, National Bank Limited has been providing Agriculture credit facilities through its own branches across the country since inception. To support the unprivileged section of the society, the Bank has undertaken direct lending facilities to landless and marginalized farmers to help them acquire seeds, fertilizer, irrigation tools & agri materials etc. for cultivation thereby

এছাড়াও এনবিএল একই উদ্দেশ্যে তার নিজস্ব নেটওয়ার্কের মাধ্যমে শস্য উৎপাদন, মৎস্য চাষ, হাঁস, মুরগী ও গরুর খামারে সরাসরি আর্থিক যোগান দিচ্ছে। ২০১৯-২০২০ অর্থ বছরে ন্যাশনাল ব্যাংক লিমিটেড কৃষি খাতে ২,১৪৫ জন নারীসহ মোট ২০,৪৭১ জন কৃষকের মধ্যে ৩১৫.২২ কোটি টাকার ঋণ বিতরণ করেছে। এরমধ্যে ১.৩১ কোটি টাকা বিতরণ করা হয়েছে ১৯০ জন কৃষকের মধ্যে নামমাত্র ৪% সুদে তৈলবীজ, মরিচ এবং ভুট্টা চাষের জন্য। চলমান ২০২০-২০২১ রাজস্ব বছরে ডিসেম্বর ২০২০ পর্যন্ত ন্যাশনাল ব্যাংক ৯১৫ জন নারীসহ ১০,০৬২ জন কৃষকের মধ্যে ১৫০.২৬ কোটি টাকা ঋণ বিতরণ করেছে। এরমধ্যে ০.৮৮ কোটি টাকা বিতরণ করা হয়েছে ১৩৩ জন কৃষকের মধ্যে নামমাত্র ৪% সুদে ডাল, তৈলবীজ, মরিচ এবং ভুট্টা চাষের জন্য। বাংলাদেশকে দুগ্ধ উৎপাদনে স্বয়ংসম্পূর্ণ করার লক্ষ্যে ন্যাশনাল ব্যাংক ২০১৬ সালে ৭১৪ জন নারীসহ ৭৫৯ জন দুগ্ধ খামারির মধ্যে ৫.০০ কোটি টাকা বিতরণ করেছে, যা বাংলাদেশ ব্যাংক বরাদ্দ দিয়েছিল এবং ২০১৭ সালে বাংলাদেশ ব্যাংকের পুণঃঅর্থায়ন স্কিমের আওতায় ২২১ জন নারীসহ ২৫৯ জন দুগ্ধ খামারির মধ্যে ২.০০ কোটি টাকার ঋণ বিতরণ করেছে।

দারিদ্র মুক্তি (Daridro Mukti) :

ন্যাশনাল ব্যাংক সর্বদা অপেক্ষাকৃত পশ্চাত্পদ খাতে আর্থিক সুবিধা প্রদানে আগ্রহী। বিশেষ করে ব্যাংকিং সুবিধা থেকে বঞ্চিত মানুষদের দরজায় আমরা এই সুবিধা পৌঁছে দিতে চাই। জন্মলগ্ন থেকে ন্যাশনাল ব্যাংক লিমিটেড দেশের আপামর জনগণের ভাগ্য পরিবর্তনের লক্ষ্যে কাজ করে এসেছে। ন্যাশনাল ব্যাংক লিমিটেড সব সময় প্রান্তিক, সুবিধাবঞ্চিত ও নিম্ন আয়ের জনগণ এবং প্রাকৃতিক ও মনুষ্যসৃষ্ট দুর্যোগের শিকার মানুষদের দিকে সাহায্যের হাত বাড়িয়ে দেয়।

বাংলাদেশের গ্রামাঞ্চলের সংস্কৃতি ও জীবনযাত্রা প্রণালী থেকে উদ্ভূত অনেক প্রাচীন জীবনযাত্রা ব্যবস্থা বর্তমানে যান্ত্রিক সভ্যতার কারণে হুমকির মুখে পড়েছে। নিম্ন আয়ের ঐসব শ্রেণি-পেশার লোকজনকে জীবনের মূল স্রোতে ফিরিয়ে আনার জন্য ন্যাশনাল ব্যাংক লিমিটেড এর প্রয়াত চেয়ারম্যান, বীর মুক্তিযোদ্ধা জনাব জয়নুল হক সিকদারের নির্দেশে ২০১৬ সালে কোনো জামানত ছাড়া সহজ শর্তে ও স্বল্প সুদ হারে ‘দারিদ্র মুক্তি’ নামে একটি নতুন স্কিম চালু করেছে।



‘দারিদ্র মুক্তি’ আওতায় প্রধানত ক্ষুদ্র উদ্যোক্তা ও পেশাজীবী শ্রেণি, হস্ত ও কুটির শিল্প এবং প্রান্তিক ও ভূমিহীনদের আর্থিক যোগান প্রদান করা হয়ে থাকে। ২০১৯ সালে এই খাতে প্রথম কিস্তি হিসেবে বরাদ্দ ১৫.০০ কোটি টাকা ইতোমধ্যে সফলভাবে বিতরণ করা হয়েছে।

এই কার্যক্রমের অধীনে ৯৩৩ জন মহিলাসহ ২০২০ জন প্রান্তিক ও সুবিধাবঞ্চিত কৃষক, ক্ষুদ্র উদ্যোক্তা ও পেশাজীবীর মাঝে ১৫.০০ কোটি টাকা বিতরণ করা হয়েছে। ৭০টি পাওয়ার টিলার, ১৯৫০টি খামারের জন্য গরু, ফসল চাষ এবং মৎস্যসহ অন্যান্য ক্ষুদ্র আয় উপার্জনকারী খাতে এই ঋণ বিতরণ করা হয়েছে। এভাবে ব্যাংক প্রান্তিক ও সুবিধাবঞ্চিত মানুষের জন্য আয় উপার্জনকারী খাতে বিনিয়োগের মাধ্যমে দেশের অর্থনৈতিক উন্নয়নে

playing a positive impact of improving their lifestyle. Besides, the Bank has been financing directly by its own network in crops, fishery, poultry and livestock farming sector with the same motto. In the Fiscal year 2019-2020, National Bank Limited disbursed Agriculture loan of Tk.315.22 crore among 20,471 farmers 2,145 women. Of which, Tk.1.31crore has been disbursed among 190 farmers for cultivation of Pulse, Oil Seeds, Spices & Maize under concessional rate @4%. Up to December-2020 of the present financial year 2020-2021, National Bank Limited disbursed Agriculture loan of Tk.150.26 crore among 10,062 farmers including 915 women. Of which, Tk.0.88 crore has been disbursed among 133 farmers for cultivation of Pulse, Oil Seeds, Spices & Maize under concessional rate @4%. With a view to make Bangladesh self-dependent in milk production, the Bank has disbursed Tk.5.00 crore among 759 dairy farmers including 714 women as allocated by Bangladesh Bank in 2016 and Tk.2.00 crore among 259 dairy farmers including 221 women as allocated by Bangladesh Bank in 2017 for purchase of Heifer under Refinance Scheme of Bangladesh Bank.

Daridro Mukti

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

Many traditional livelihoods that evolve around the culture and lives of rural people of Bangladesh are facing threat of extinction due to the aggressive nature of technology-oriented civilization. To resurrect those occupations of people with low income and make their lives more vibrant, National Bank Limited in 2016 has introduced a loan scheme named ‘Daridro Mukti’ with low interest rate, with easy terms & conditions and without any collateral security under the direction of former Chairman Zainul Haque Sikder, a valiant freedom fighter and the Honorable Ex-Chairman of the Bank.

Under ‘Daridro Mukti’ program, loan is disbursed to small entrepreneurs and professionals, cottage and handicraft industries, and marginal & landless farmers. The first phase of allocation of Tk. 15.00 core has been successfully distributed by 2019.

Under the program Tk.15.00 crore was disbursed among 2020 marginal & underprivileged farmers, small entrepreneurs & professionals including 933 women. The loan has been disbursed for purchasing of 70 Power Tillers, cows for 1950 Farms, cultivation of crops, fish and small business & income generating sectors. Thus, Bank plays a vital role in economic development of the country by way of financing to the marginal and underprivileged people for

গুরুত্বপূর্ণ ভূমিকা রাখছে। ২০২০-২০২১ অর্থ বছরের ডিসেম্বর মাস পর্যন্ত ব্যাংক তার দেয়া টাকার ৬৮.৫৩% তুলে এনেছে।

সফলভাবে ১৫.০০ কোটি টাকা বিতরণের পর ব্যাংক কর্তৃপক্ষ 'দারিদ্র মুক্তি'কে অব্যাহত রাখার জন্য আরো ২০.০০ কোটি টাকার ঋণ কর্মসূচি ঘোষণা করেছে। কর্তৃপক্ষের সিদ্ধান্ত অনুযায়ী দ্বিতীয় কিস্তিতে বরাদ্দ টাকা দিয়ে দরিদ্র, ক্ষুদ্র ও প্রান্তিক চাষীদের জন্য ট্রাক্টর এবং রোটোরি টিলার ক্রয়ের অনুমোদন নেয়া হয়েছে। যাহা হোক, শরিয়তপুর ও খুলনা অঞ্চলে কিছু সংখ্যক ট্রাক্টর কেনার জন্য ঋণের অনুমোদন দেয়া হয়েছে।

বাংলাদেশের বর্তমান প্রেক্ষাপটে অধিকাংশ কৃষক দারিদ্রতার কারণে আধুনিক কৃষি যন্ত্রপাতি ব্যবহারে সমর্থ নয়। এর ফলশ্রুতিতে কৃষকদের অধিক ফসল উৎপাদনের সামর্থ্য থাকা সত্ত্বেও তারা তা করতে পারছে না। সুতরাং কৃষিতে সমৃদ্ধি আনয়নের জন্য ন্যাশনাল ব্যাংকের গৃহীত পদক্ষেপ অন্যদের কাছে উদাহরণ হয়ে থাকবে।

এসএমই খাত ও নারী উদ্যোক্তাদের অর্থায়ন :

কুটির শিল্প, ব্যস্তিক, ক্ষুদ্র ও মাঝারি উদ্যোগ (CMSME) দেশের অর্থনৈতিক উন্নয়নের চালিকাশক্তি। শ্রমনিবিড় ও স্বল্প সময়স্বাপেক্ষ হওয়ায় এসএমই খাত বৃহদাকারে কর্মসংস্থানের সুযোগ সৃষ্টি করে অর্থনৈতিক প্রবৃদ্ধিতে অবদান রাখতে পারে।

ন্যাশনাল ব্যাংক লিমিটেড এসএমই খাতে অর্থায়নের সুযোগ সম্প্রসারিত করায় দেশের বাণিজ্য, শিল্প ও সেবা খাতের অনেক উদ্যোক্তাদের আকর্ষণ করতে সক্ষম হয়েছে। ক্ষুদ্র উদ্যোক্তাদের আর্থিক সহায়তার জন্য ন্যাশনাল ব্যাংক বস্তগত জামানতবিহীন ঋণ সুবিধা চালু করেছে। অধিকন্তু দেশের প্রান্তিক জনগণের জীবন যাত্রার মান উন্নয়নের লক্ষ্যে ন্যাশনাল ব্যাংক লিমিটেড 'ত্রিমূলউদ্যোগ (TrinamulUddog)' ঋণ চালু করেছে, যা শাখাসমূহের মাধ্যমে দূরবর্তী এলাকায় বিতরণ করা হয়েছে। এই খাতের জন্য এনবিএল বিভিন্ন ধরনের আকর্ষণীয় প্রডাক্টস চালু করেছে। বাংলাদেশ ব্যাংকের পুণর্গঠন স্কীমের আওতায় আমরা নূন্যতম সুদে সিরাজগঞ্জ, জামালপুর, রাজশাহী এবং শ্রীমঙ্গল জেলার মহিলা উদ্যোক্তাদের মধ্যে ঋণ বিতরণ করেছি। তাছাড়া ক্রেডিট গ্যারান্টি স্কীমের আওতায় বাংলাদেশ ব্যাংক ও United Nations Capital Development (UNCDF) এর পাইলট প্রকল্পের মাধ্যমে আমরা রাজশাহী ও যশোর জেলায় ঋণ বিতরণ করেছি। এসব ঋণ পুণর্গঠনের হার সন্তোষজনক। ২০২০ সালে এসএমই খাতে মোট ৪০,২৩৭.০০ মিলিয়ন টাকা বিতরণ করা হয়েছে। ন্যাশনাল ব্যাংক প্রতিটি ক্ষেত্রে ঋণের গুণগত মান নিশ্চিত করার ব্যাপারে সর্বদা সতর্ক।

খুচরা ও ভোক্তা ঋণ :

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

লিজ ফিনান্স :

লিজ ফিনান্স হচ্ছে ঋণ প্রদানের বিকল্প উপায়। কাজেই এর মাধ্যমে ব্যবসায়িক ও ব্যক্তিগতভাবে অর্থায়নের বিকল্প সুযোগ পাওয়া যায়। ইদানীং সময়ে লিজ

income generating activities. Up to December 2020 of the present financial year 2020-2021 bank has recovered 68.53% of the total outstanding.

After successful disbursement of Tk 15.00 core, the bank authorities have allocated Tk 20.00 core to continue the "Daridro Mukti" loan program with rate of interest 3.50%. According to the decision of the authorities, the amount allocated for the second phase has been taken up by the loan approval for the purchase of Tractors and Rotary Tillers of the poor / small/marginal farmers/people. Meanwhile a number of tractor loan have been sanctioned.

In the present condition of Bangladesh, most of the farmers are not able to use of advanced agricultural machinery due to poverty. As a result, farmers have the opportunity to produce more crops but they are not able. Therefore, Initiative taken by National Bank Limited may be an example to the others for the prosperity of agricultural sector.

CMSME & Women Entrepreneurs Financing

The role of Cottage, Micro, Small and Medium Enterprise (CMSME) in a developing economy is a vital acts as the engine for the growth of the country's economy. Due to labor intensiveness and shorter lead time of production, the CMSME sector can create huge employment opportunities and its' contribution is immense for the economic growth.

NBL expanded its CMSME financing activities through its large network and attracted entrepreneurs in various fields of trade, industry and service. In order to finance small entrepreneurs NBL introduced collateral security free loan. Moreover to develop living standard of marginal people of the country NBL introduced "TrinamulUddog Loan" which is disbursed by the branches in the remote areas. NBL launched different types of new attractive CMSME products for this sector. We are disbursing loan among women entrepreneur at lowest interest under Bangladesh Bank refinance scheme at Sirajgonj, Jamalpur, Rajshahi and Sreemongal districts. We have disbursed loan through pilot project of Bangladesh Bank and United Nations Capital Development Fund (UNCDF) under Credit Guarantee Scheme at Rajshahi and Jessore District. Recovery of these loans are also satisfactory. In 2020 total disbursement in the CMSME sector was BDT 40,237.00 million. National Bank Limited always aware to ensure quality loan in every step.

Retail & Consumer Loan

National Bank Limited introduced Retail loans for the fixed income group especially for service holders, professionals and others for meeting their personal and day to day family needs. In this regard, we launched Any Purpose Loan, Consumer Durable Loan, Education Loan and Professional Loan products under Retail Loan Scheme

Lease Financing

Lease Financing is a substitute for debt financing and hence expands the range of financing alternatives available to businesses and

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

এনবিএল ডিসেম্বর ৩১, ২০২০ পর্যন্ত এই প্রকল্পে ১,৫৬২.৬০ মিলিয়ন টাকা বরাদ্দ দিয়েছে, যেখানে মেশিন ও যন্ত্রপাতির জন্য ৪৩২.৩৬ মিলিয়ন টাকা এবং যানবাহনের জন্য ১,১৩০.২৪ মিলিয়ন টাকা বরাদ্দ ছিল।

গৃহনির্মাণ ঋণ :

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

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

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

‘এনবিএল হাউজিং লোন’ এবং ‘স্মল হাউজিং লোন’ এর বাইরে ন্যাশনাল ব্যাংক ডেভেলপার কিংবা কোনো ব্যক্তিকে বাণিজ্যিক ভবন নির্মাণ বা উন্নয়নের জন্য এবং এপার্টমেন্ট ক্রয় করার জন্য আরও দুই ধরনের গৃহ ঋণ প্রদান করে থাকে। এগুলো হলো গৃহ ঋণ (বাণিজ্যিক) ও গৃহঋণ (সাধারণ)। প্রকৃত অর্থে গৃহঋণ খাতে এনবিএল এর অংশগ্রহণ ব্যাপক ও বিস্তৃত, যা এর সকল শাখার মাধ্যমে শহর ও গ্রামাঞ্চল উভয় ধরনের গ্রাহকদের চাহিদা মিটিয়ে থাকে।

ডিসেম্বর ৩১, ২০২০ পর্যন্ত ন্যাশনাল ব্যাংক বিভিন্ন গৃহঋণ খাতে মোট ২৯,৬৬৬.৩৭ মিলিয়ন টাকা বরাদ্দ দিয়েছে।

শ্রেণী বিন্যাসিত ঋণ ও অগ্রিম :

সাম্প্রতিক সময়ে শ্রেণী বিন্যাসিত ঋণের কারণে সূচী ব্যাংক ব্যবস্থাপনা ক্রমান্বয়ে কঠিন ও চ্যালেঞ্জিং হয়ে পড়ছে। নিকট অতীতে বাংলাদেশের

individuals. It is becoming progressively popular nowadays to lease purchase equipment, assets and vehicles. The scheme facilitates to acquire capital machinery, equipment, medical instrument, automobile, CNG refueling machinery and consumer durable etc. Besides the demand of consumer durables by the individuals, industrial entrepreneurs are showing much interest in Lease Financing to increase production, restructuring through BMRE etc. To encourage potential entrepreneurs, terms and conditions of the scheme have been made competitive and easier.

The Bank has already sanctioned lease finance of Tk.1,562.60 million up-to December 31, 2020 comprising machinery & equipment Tk.432.36 million and vehicle Tk.1,130.24 million under lease financing scheme.

House Building Finance

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

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

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

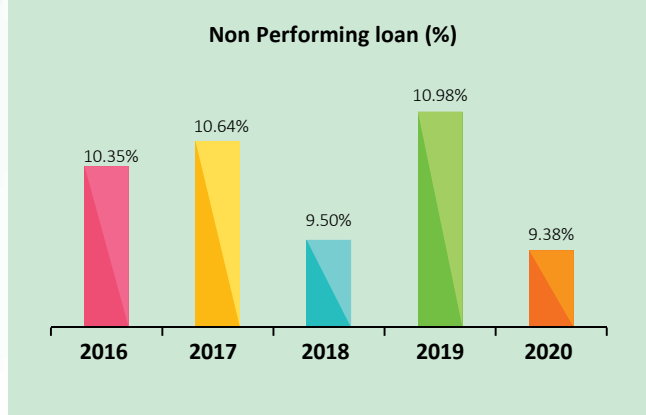
NBL also provides House Building Loan (Commercial) and House Building Loan (General) to Developers/ Individuals for development/ construction/purchase of residential and commercial establishments which do not fall within the purview of NBL Housing Loan or Small House Loan. In fact NBL’s participation in housing sector is more wide and broad as it provides wide range of products to meet the need of the customers both in city and urban areas through its all Branches.

NBL exposure in housing sector is Tk.29,666.37 million up-to December 31, 2020 under its different house building loan Products.

Classified Loans & Advances

NPL management has become increasingly difficult and challenging in recent years for the banks. In recent past, banks in Bangladesh

ব্যাংকিং খাতকে অনেক উত্থান-পতনের মধ্য দিয়ে এগিয়ে যেতে হয়েছে। এর মধ্যে দেশে আগের বছরের রাজনৈতিক অস্থিরতা, অর্থনৈতিক মন্দা, উৎপাদন প্রক্রিয়ায় নানামুখী প্রতিবন্ধকতা ব্যাংকিং জগতের জন্য একটি অশনি সংকেত নিয়ে এসেছে। অধিকন্তু এই প্রতিযোগিতামূলক পরিবেশে বিনিয়োগকৃত সম্পদ সুসংহত রাখা এবং নতুনভাবে বিনিয়োগ করা ছিল রীতিমতো চ্যালেঞ্জের বিষয়। এই পরিস্থিতিতে ঋণ ও অগ্রিমের সুষ্ঠু ব্যবস্থাপনা ছিল অত্যন্ত কঠিন একটি কাজ। ডিসেম্বর ২০২০ পর্যন্ত এনবিএলের শ্রেণীকৃত ঋণ বা এনপিএল ছিল ৯.৩৮%। শ্রেণীকৃত ঋণ এবং অবলোপনকৃত (Written off) হিসাব থেকে এনবিএল গত বছর যথাক্রমে ১,০৪৩.১০ মিলিয়ন এবং ১২.৬০ মিলিয়ন টাকা আদায় করতে সক্ষম হয়েছে। শ্রেণীকৃত ঋণ আদায়ে কঠোর পদক্ষেপ এবং প্রয়োজনানুসারে আইনী প্রক্রিয়া গ্রহণে পরিচালনা পর্ষদের নির্দেশনা এবং কর্তৃপক্ষের যথেষ্ট পয়সে এবং দূরদর্শী পদক্ষেপ ভবিষ্যতে শ্রেণীকৃত ঋণ আদায় কার্যক্রমকে আরো কার্যকরী ও সাফল্যমণ্ডিত করার ভিত্তি তৈরি করেছে। আমরা যদি শ্রেণীকৃত ঋণ আদায়ে এই সাফল্য ধরে রাখতে পারি তাহলে ন্যাশনাল ব্যাংক একদিন ব্যাংকিং জগতের শীর্ষ স্থানে পৌঁছতে সক্ষম হবে।



went through many ups and downs. Political instability, economic recession, production interruption etc. of previous years have brought in a bad signal in the banking arena. Moreover, in this competitive environment, it has become a challenging task to retain previous investment sound and to invest in new ventures. Under these circumstances, managing Loan & Advances is considered to be a tough task. NPL as on December 2020 is 9.38%. Recovery of Tk. 1,043.10 million and Tk. 12.60 million from classified and written-off accounts respectively. Following the direction of Board of Directors along with competent and strategic steps of the authority, stepping to hard line recovery policy and taking legal procedures as per requirement has created a ground of possibility for making the recovery more active and successful in the forthcoming years. If we can retain our recovery drive at a successful state, NBL will be able to reach a height of zeal in banking sector.

বৈদেশিক বাণিজ্য :

আমদানি ও রপ্তানী বাণিজ্যে সমতা বিধান করে একটি সুসংহত সমৃদ্ধি অর্জনের লক্ষ্যে ব্যাংক বিচক্ষণতার সাথে বৈদেশিক বাণিজ্যে অংশ গ্রহণ করে চলেছে। ২০২০ সালে এনবিএল ঋণপত্র খোলা, রপ্তানী বিল ক্রয়-বিক্রয়, রপ্তানী আয় দেশে আনা, বিদেশী রেমিট্যান্স আহরণের মাধ্যমে বৈদেশিক বাণিজ্য বিস্তৃত করার লক্ষ্যে ব্যাংক সম্ভাব্য সকল প্রচেষ্টা অব্যাহত রেখেছে।

আমদানী :

২০২০ সালে দেশের আমদানি বাণিজ্যকে সহযোগিতা করার লক্ষ্যে ব্যাংক ১,২২০.৭৭ মিলিয়ন মার্কিন ডলার মূল্যের মোট ২৩,১৩৩টি আমদানি ঋণপত্র খুলেছে; ২০১৯ সালে যা ছিল ১,১৮৩.৬০ মিলিয়ন মার্কিন ডলার। প্রধান আমদানি পণ্যগুলো হচ্ছে মূলধনী যন্ত্রপাতি, কাঁচা তুলা, রাসায়নিক দ্রব্য, চাল, গম, ভোজ্য তেল, পেট্রোলিয়ামজাত সামগ্রি, সূতা, কাপড়, পোশাক কারখানার খুচরা যন্ত্রাংশ ও অন্যান্য অনুমোদিত পণ্য।

রপ্তানী:

ন্যাশনাল ব্যাংক জন্মলগ্ন থেকে গুরুত্বের সাথে রপ্তানী বাণিজ্য পরিচালনা করে আসছে। ২০২০ সালে ব্যাংকটি ৫৩৮.০৬ মিলিয়ন মার্কিন ডলার মূল্যের ১৫,৬৪৪টি রপ্তানী ডকুমেন্টস আদান-প্রদান করেছে; ২০১৯ সালে এর পরিমাণ ছিল ৬৫২.৫২ মিলিয়ন মার্কিন ডলার। ব্যাংকের রপ্তানী অর্থায়ন প্রধানতঃ তৈরি পোশাক, বুনন শিল্প, হিমায়িত খাদ্য ও মাছ, প্রক্রিয়াজাত চামড়া, হস্তশিল্প, চা এবং পাটজাত দ্রব্য থেকে এসেছে।

Foreign Trade

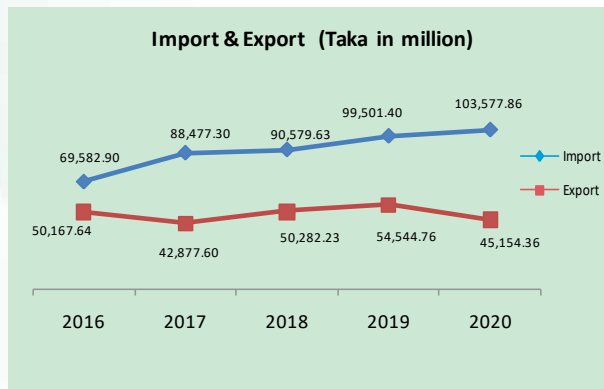
The Bank participated in foreign trade business in a prudent manner by balancing the import and export business which enabled a consistent growth. The bank put forth every possible attempt to expand its external business by establishing L/C, negotiation of export bills, realization of export proceeds, foreign remittance etc.

Import

The Bank opened a total number of 23,133 LCs amounting to USD 1,220.77 million for facilitating import trade in 2020 which was USD 1,183.60 million in 2019. The main commodities were capital machinery, raw cotton, scrap vessels, rice, wheat, edible oil, petroleum products, yarn, fabrics, garments accessories and other permissible consumer items.

Export

The Bank has been handling the export business giving due importance since its inception. In 2020 it handled 15,644 export documents valuing USD 538.06 million which was USD 652.52 million in 2019. Export finances were extended mainly to readymade garments, knitwear, frozen food and fish, tanned leather, handicraft, tea, jute goods etc.



অফশোর ব্যাংকিং ইউনিট :

অফশোর ব্যাংকিং বিশ্ব জুড়ে আন্তর্জাতিক ব্যাংকিং ব্যবস্থায় একটি অদ্বিতীয় ব্যবসায়ের সুযোগ, যেখানে অনিবাসী বৈদেশিক মুদ্রার সম্পদ ও দায়কে ব্যবহার করে নিম্ন অথবা শূন্য শুল্ক সুবিধা গ্রহণের মাধ্যমে বিনিয়োগের উপর অধিকতর মুনাফা অর্জন করা যায়। ন্যাশনাল ব্যাংক ২০০৮ সালে প্রথম ঢাকা মহাখালি শাখায় অফশোর ব্যাংকিং ইউনিট চালু করেছে এবং দিলকুশা শাখায় ২০১৬ সালের ২ নভেম্বর থেকে অফশোর ব্যাংকিং দ্বিতীয় ইউনিট কার্যক্রম শুরু করে। সৃজনশীল ও গ্রাহক বান্ধব এই উদ্যোগে বিদেশী বিনিয়োগকারী ও দেশীয় উদ্যোক্তাদের শতভাগ রপ্তানী নির্ভর শিল্পের প্রয়োজনে এই পদ্ধতি ব্যাংকিং কার্যক্রমে এক নতুন মাত্রা সংযোজন করেছে।

ডিসেম্বর ৩১, ২০২০ পর্যন্ত অফশোর ব্যাংকিং ইউনিট ৬৭.২৯ মিলিয়ন মার্কিন ডলার (৫,৭০৬.২৫ মিলিয়ন টাকা) ঋণ প্রদান করেছে; ২০১৯ সালে এই পরিমাণ ছিল ৪৫.২৭ মিলিয়ন মার্কিন ডলার (৩,৮৪৩.১৪ মিলিয়ন টাকা)। ২০২০ সালে অফশোর ব্যাংকিং ইউনিট রপ্তানী ও আমদানি ক্ষেত্রে যথাক্রমে ১৪.০০ মিলিয়ন মার্কিন ডলার (১,১৮৭.৫৫ মিলিয়ন টাকা) ও ৯.৯৩ মিলিয়ন মার্কিন ডলার (৮৪১.৭৭ মিলিয়ন টাকা) বৈদেশিক বাণিজ্য সম্পাদন করেছে। ২০১৯ সালে এর পরিমাণ ছিল যথাক্রমে ১,২৮৩.০০ মিলিয়ন এবং ৫৮৩.২৬ মিলিয়ন টাকা। ডিসেম্বর ৩১, ২০২০ পর্যন্ত সময়ে অফশোর ব্যাংকিং ইউনিট পরিচালন মুনাফা করেছে ১.৪৫ মিলিয়ন মার্কিন ডলার (১২৩.০৮ মিলিয়ন টাকা), যা ডিসেম্বর ৩১, ২০১৯ পর্যন্ত ছিল ১.৫৫ মিলিয়ন মার্কিন ডলার (১৩১.৫২ মিলিয়ন টাকা)।

অন্তর্মুখী বৈদেশিক রেমিট্যান্স :

প্রবাসী বাংলাদেশীদের কষ্টার্জিত অর্থ দেশে পাঠাতে নানারকম অসুবিধার সম্মুখীন হচ্ছে - এটা উপলব্ধি করে এনবিএল প্রথম থেকেই প্রবাসী উপার্জনকারীদের অর্থ দেশে পাঠানোর প্রক্রিয়াকে সহজতর করার লক্ষ্যে কিছু পদক্ষেপ নেয়ার প্রয়োজনীয়তা অনুভব করে। এই উদ্দেশ্যে বিভিন্ন দেশের মুদ্রা বিনিময় কেন্দ্রের সাথে টাকা পাঠানোর ব্যবস্থা গ্রহণ করা হয়েছে এবং যে সমস্ত দেশে অধিক সংখ্যক বাংলাদেশী বাস করছে সে সব দেশে ন্যাশনাল ব্যাংকের নিজস্ব সাবসিডিয়ারী খোলা হয়েছে।

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

Offshore Banking Unit

Offshore Banking is a unique solution for banks across the globe to carry out international banking business involving non-resident foreign currency denominated assets and liabilities taking the advantages of low or nonexistent taxes/levies and higher return on investment. In 2008 NBL opened its Offshore Banking Unit (OBU) at Mohakhali Branch, Dhaka and Dilkusha Branch started Offshore Banking Unit (OBU) November 02, 2016. This venture added a new dimension in its innovative and customer friendly business activities to the foreign investors and local entrepreneurs invested in 100 percent export based industries.

Total loans and advances made by the OBU is USD 67.29 million (BDT 5,706.25 million) as on 31 December 2020 whereas USD 45.27 million (BDT 3,843.14 million) in 2019. In 2020 the OBU made export and import for USD 14.00 million (BDT 1,187.55 million) and USD 9.93 million (BDT 841.77 million) respectively as against (BDT 1,283 million) and (BDT 583.26 million) in 2019. The operating profit of OBU is USD 1.45 million (BDT 123.08 million) as on 31 December 2020 whereas USD 1.55 million (BDT 131.52 million) in 2019.

Homebound Foreign Remittance

Realizing the hurdles that the expatriate Bangladeshis were facing in sending their hard-earned money to their home, NBL, since inception emphasized on the necessity to take measure to facilitate the wage-earners. With this notion arrangements have been made with exchange houses in different countries and established subsidiaries abroad in places with high concentration of Bangladeshi expatriates.

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

Company & Country	Operating Since	No. of Branches	Inward Remittance Received (in million)		Growth in USD
			31-12-2020	31-12-2019	
Gulf Overseas Exchange Company LLC, Oman	Nov, 1985	14 (Fourteen)	USD 13.07 BDT 1108.35	USD 20.05 BDT 1,702.25	-34.81%
NBL Money Transfer Pte Ltd, Singapore	July, 2007	03 (Three)	USD 44.69 BDT 3789.76	USD 38.41 BDT 3,261.01	16.35%
NBL Money Transfer Sdn Bhd, Malaysia	Oct, 2009	09 (Nine)	USD 27.31 BDT 2315.92	USD 35.91 BDT 3,048.76	-23.95%
NBL Money Transfer (Maldives) Pvt. Ltd.	Dec, 2011	01 (One)	USD 27.76 BDT 2354.08	USD 10.28 BDT 872.77	170.04%
NBL Money Transfer Payment Foundation SA, Greece	June, 2012	02 (Two)	USD 24.71 BDT 2095.44	USD 16.06 BDT 1,363.49	53.86%
NBL Money Transfer Inc, USA	July, 2014	01 (One)	USD 4.34 BDT 368.04	USD 4.02 BDT 341.30	7.96%
Total			USD 141.88 BDT 12,031.58	USD 124.73 BDT 10,319.31	13.75%

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

এ মুহূর্তে এনবিএল ১৩টি দেশের ৩৬টি মুদ্রা বিনিময় কোম্পানির সাথে ড্রয়িং এরঞ্জেমেন্ট চালু রেখেছে। দেশগুলো হচ্ছে কুয়েত, কাতার, সৌদি আরব, সংযুক্ত আরব আমিরাত, সুইজারল্যান্ড, যুক্তরাজ্য, ইতালি, মার্কিন যুক্তরাষ্ট্র এবং ব্যাংকের সম্পূর্ণ মালিকানাধীন সিঙ্গাপুর, মালয়েশিয়া, মালদ্বীপ, যুক্তরাষ্ট্র, গ্রীসে এনবিএল মানি ট্রান্সফার নামে ৫টি সাবসিডিয়ারী খোলা হয়েছে এবং ২৫% মালিকানাধীন ও ব্যবস্থাপনায় ওমানে একটি মুদ্রা প্রেরণ কোম্পানী কাজ করছে।

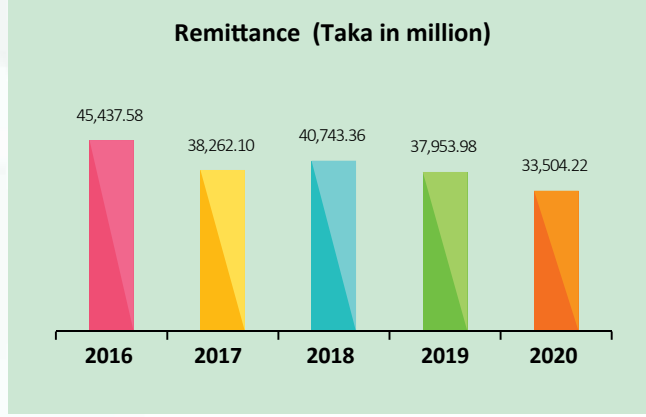
২০২০ সালে ন্যাশনাল ব্যাংকের এ সমস্ত চ্যানেলের মাধ্যমে বাংলাদেশে ৩৯২.১১ মিলিয়ন মার্কিন ডলার বৈদেশিক রেমিট্যান্স এসেছে, যার ৩৬.১৮% এসেছে ন্যাশনাল ব্যাংকের সাবসিডিয়ারীসমূহের মাধ্যমে।

এনবিএল সিকিউরিটিজ লিমিটেডঃ

গ্রাহকদের ব্রোকারেজ সেবা প্রদানের লক্ষ্যে মার্চ ২০১১ হতে ন্যাশনাল ব্যাংকের একটি পৃথক সাবসিডিয়ারী কোম্পানি হিসেবে এনবিএল সিকিউরিটিজ লিমিটেড যাত্রা শুরু করে। এনবিএল সিকিউরিটিজ ঢাকা স্টক এক্সচেঞ্জ ও চট্টগ্রাম স্টক এক্সচেঞ্জ এর সদস্য। অভিজ্ঞ ও দক্ষ কর্মীবৃন্দ, আধুনিক তথ্য-প্রযুক্তি সম্বলিত অবকাঠামোগত সুবিধা নিয়ে কোম্পানীটি বিও (Beneficial Owners) হিসাব খোলা, শেয়ার ক্রয়-বিক্রয় করা, মার্জিন ঋণ সুবিধা প্রদান এবং বিনিয়োগকারীদের শেয়ার বাজারে বিনিয়োগ সংক্রান্ত পরামর্শ প্রদান করে আসছে।

এনবিএল ক্যাপিটাল অ্যান্ড ইকুইটি ম্যানেজমেন্ট লিমিটেড :

এনবিএল ক্যাপিটাল অ্যান্ড ইকুইটি ম্যানেজমেন্ট লিমিটেড (NBL CEML) ন্যাশনাল ব্যাংকের সম্পূর্ণ মালিকানাধীন একটি সাবসিডিয়ারী এবং বাংলাদেশ ব্যাংক থেকে লাইসেন্স প্রাপ্ত হয়ে এবং সিকিউরিটি ও এক্সচেঞ্জ কমিশনে তালিকাভুক্ত হয়ে ০৯ জুন, ২০১১ থেকে পূর্ণ উদ্যমে কার্যক্রম শুরু করেছে। শুরু থেকে কোম্পানীটি আইপিও কার্যক্রম, পোর্টফোলিও ব্যবস্থাপনা, শেয়ার ইস্যু ব্যবস্থাপনা, আন্ডার রাইটিং, কর্পোরেট পরামর্শ সেবা প্রদান, প্রি-আইপিও প্লেসমেন্ট এবং পুঁজি বাজার সংক্রান্ত অন্যান্য সেবা প্রদান করে আসছে। এনবিএল ক্যাপিটাল অ্যান্ড ইকুইটি ম্যানেজমেন্ট লিমিটেড এর ২০২০ সালের আর্থিক বিবরণী এই রিপোর্টের সাথে দেয়া হয়েছে।



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

By now, the bank made drawing arrangements with 36 exchanges companies located in 13 countries including Kuwait, Qatar, Saudi Arabia, UAE, Switzerland, UK, Italy, USA and established fully owned 5 subsidiaries in Singapore, Malaysia, Maldives, USA, Greece and one partially (25% equity) owned Exchange Company in Oman.

In 2020, foreign remittance brought through the channels of National Bank Ltd was USD 392.11 million of which 36.18% is made through 6 NBL's subsidiaries.

NBL Securities Ltd.

NBL Securities Ltd. started its operation as separate subsidiary company of NBL to provide the service of brokerage house since 2011. NBL Securities Ltd. is a member of both Dhaka Stock Exchange and Chittagong Stock Exchange. With the efficient and experienced personnel, having latest information technology, infrastructure facilities, the services offered by the NBL Securities Limited includes, opening of BO Accounts, trading in the share market, providing margin facilities, counseling the investors in connection with investment in share market, etc.

NBL Capital & Equity Management Ltd.

NBL Capital and Equity Management Ltd. (NBL CEML), is a fully owned subsidiary of National Bank Limited and is a full-fledged Merchant Banker licensed by the Bangladesh Securities and Exchange Commission (BSEC) on June 09, 2011. Since the inception NBL CEML provides services of Issue Management, Underwriting, Portfolio Management, Corporate Advisory and other capital market activities. The financial statement of NBL CEML for the year 2020 has furnished in this report.

ক্যাপিটাল মার্কেট ও নিজস্ব পোর্টফোলিও ম্যানেজমেন্ট :

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

কার্ড ব্যবসায় :

ইতোমধ্যে ক্রেডিট কার্ড নগদ টাকার বিকল্প হিসেবে অত্যন্ত জনপ্রিয় ও প্রতিষ্ঠিত পদ্ধতি হিসেবে স্বীকৃতি লাভ করেছে। এটা নগদ টাকা পরিবহনের ঝুঁকি কমায় এবং প্রতিদিনের প্রয়োজন মিটানোর জন্য সহজে ব্যবহার করা যায়।

এদেশে ব্যাংকসমূহের মধ্যে ন্যাশনাল ব্যাংক সর্বপ্রথম ১৯৯৭ সালে মাস্টার কার্ড এবং ২০০৩ সালে ভিসা কার্ড চালু করে। যদিও বর্তমানে ক্রেডিট কার্ড অত্যন্ত জনপ্রিয়, তথাপি উল্লেখযোগ্য সংখ্যক মানুষ এই সুবিধার বাইরে রয়েছে। এই সমস্ত মানুষকে ক্রেডিট কার্ডের সুবিধায় আনা ব্যাংকের জন্য একটা বড় চ্যালেঞ্জ। যেহেতু ক্রেডিট কার্ড একটি প্রযুক্তিনির্ভর মাধ্যম সেহেতু কার্ড ব্যবসায়ের সাফল্য নির্ভর করে এর নিরাপত্তা এবং ব্যবহার বান্ধবতার উপর।

ন্যাশনাল ব্যাংক লিমিটেড গ্রাহকদের বিভিন্ন শ্রেণি-পেশার ভিত্তিতে প্রাটিনাম, গোল্ড ও সিলভার (ডেবিট ও ক্রেডিট) কার্ড ইস্যু করেছে। সর্বশেষ ন্যাশনাল ব্যাংক ইএমভি চিপ (EMV Chip) নির্ভর ডেবিট ও ক্রেডিট কার্ডের প্রচলন করেছে, যেগুলো NFC তেও ব্যবহার করা যায়। ইন্টারনেট ব্যাংকিং সেবার মাধ্যমে গ্রাহকগণ ২৪ ঘন্টা একাউন্টের স্থিতি অনুসন্ধান, টাকা ট্রান্সফার, মোবাইল বিল পরিশোধনহ অন্যান্য সুবিধা ভোগ করছে।

মানব সম্পদ :

ব্যবসায়িক পরিবেশের দ্রুত ক্রমবর্ধমানতার কথা বিবেচনা করে ন্যাশনাল ব্যাংকের জনশক্তির প্রাত্যাহিক কাজকে সেভাবে শ্রেণীবিন্যাস করা হয়েছে। উদীয়মান আর্থিক নীতির সমর্থনে সাংগঠনিক কাঠামোকে সুবিন্যস্ত করা, পূর্ণবিবেচনার পদ্ধতি, দক্ষতা নির্মাণ এবং উদ্ভাবন হচ্ছে ব্যাংকের জনশক্তির মূল কৌশল। নিশ্চিত করা হচ্ছে যে, প্রত্যেক কর্মকর্তা/কর্মচারি ব্যাংকের দর্শন/সংস্কৃতিকে শক্তিশালি করতে 'গ্রাহকের প্রতি স্বচ্ছতা', 'ব্যাংকের প্রতি স্বচ্ছতা' প্রদর্শনে নিজেদের নৈতিকতাকে তুলে ধরছে।

স্বল্প এবং মধ্যম মেয়াদী - উভয়ক্ষেত্রে ব্যাংকের সাংগঠনিক লক্ষ্য অর্জনের জন্য মানব সম্পদ উন্নয়নের দিকটাকে সর্বাধিক গুরুত্বের সাথে গ্রহণ করা হয়েছে। ২০২০ সালের ডিসেম্বর পর্যন্ত ন্যাশনাল ব্যাংকের শাখা ও প্রধান কার্যালয়ে ৪,৮১৪ জন নিবেদিতপ্রাণ কর্মকর্তা ও কর্মচারী থাকায় ব্যাংক সত্যিকারভাবে একটি অনন্য প্রতিষ্ঠান হিসেবে গর্ব করতে পারে। কেননা ব্যাংক সত্যিকার অর্থে নিখাদ প্রতিভা, বিশেষ জ্ঞান ও প্রচেষ্টার সমন্বয় সাধন করতে পেরেছে।

কার্যকর ও দক্ষ কর্ম-পরিবেশ সৃষ্টির জন্য ব্যাংকের রয়েছে বাস্তবসম্মত মানব

Capital Market-Own Portfolio Management

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

Card Business

Credit Cards have already been well established and very popular as a substitute of Cash. It reduces risk to carry cash and can be used in a safe way to meet everyday needs.



National Bank Ltd. is the pioneer among Bangladeshi Banks to introduce Master card in 1997 and Visa Credit Cards in 2003. Though Credit Cards are very popular now days, but till now a large number of population are out of this facility. Inclusion of these people is a big challenge for the Banks. As Credit Card is a medium depended on technology, the success of card business depends on security and convenience.

On the basis of customers National Bank Ltd. issues Platinum, Gold and Silver (Debit and

Credit) Cards. Recently National Bank has launched latest EMV Chip based Debit and Credit Cards which is also NFC enabled. A customer avails 24 hour Banking facility like account balance enquiry, fund transfer, payment of mobile bills etc. with the service of Internet Banking.

Human Resources

National Bank's people practices are designed to cater to the rapidly evolving business environment. Aligning organization structure to emerging ecosystems, re-imagining processes, building capabilities and innovation are at the centre of the Bank's people strategy. Ensuring that every employee upholds the principles of being 'Fair to Customer, Fair to Bank' underpins the ethos of the Bank.

National Bank Limited has taken Human Resource development with utmost importance as it is the most vital element for achieving organizational goals, both short and long term. By the end of 2020 NBL has a group of 4,814 committed employees, serving at the Branches and Head Office, the Bank prides itself on being a truly peerless organization, combining the expertise and endeavor of experienced and fresh talents.

সম্পদ নীতিমালা ও নির্দেশিকা। তাছাড়া ব্যাংকের মানব সম্পদ বিভাগ সর্বদা দেশজুড়ে সর্বোচ্চ মেধাসম্পন্ন কর্মীর খুঁজ করে থাকে। নবীন গ্রাজুয়েটদের আইবিএ (IBA), ঢাকা বিশ্ববিদ্যালয় ও বিআইবিএম (BIBM) এর মাধ্যমে শিক্ষানবিশ কর্মকর্তা (Probationary Officer), জুনিয়র অফিসার (General & cash) হিসেবে নিয়োগ দেয়া হয়। এনবিএল অন্য প্রতিষ্ঠানের অভিজ্ঞদেরও কঠোর বিচার-বিশ্লেষণের মাধ্যমে নিয়োগ দিয়ে থাকে। পরবর্তীতে কর্মকর্তাদের দক্ষতা বৃদ্ধির জন্য বিভিন্ন সময়ে মানব সম্পদ বিভাগ বিভিন্ন মৌলিক ও পেশাগত প্রশিক্ষণ দিয়ে থাকে।

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

সামাজিক দায়বদ্ধতা :

সামাজিক দায়বদ্ধতার আওতায় বাংলাদেশ ব্যাংকের গাইডলাইন অনুসারে ব্যাংক তার নীট মুনাফার একটি অংশ মানবহিতৈষী কাজে ব্যয় করতে পারে এবং এই খাতের ব্যয়ের কোনো সীমাবদ্ধতা নেই। যা হবে ইচ্ছে প্রণোদিত এবং এতে কোনো বাধ্যবাধকতা নেই।

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

আলোচ্য বছরে এনবিএল সামাজিক দায়বদ্ধতার অংশ

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

কর্পোরেট সুশাসন :

এনবিএল সর্বদা নিয়ম-নীতি, বিধি-বিধান, গাইডলাইনস ও আদেশ-নিষেধ কঠোরভাবে মেনে আসছে। ব্যাংকটি তার দৈনন্দিন কার্যক্রমের অংশ হিসেবে কর্পোরেট সুশাসন প্রতিষ্ঠা এবং এর সর্বোচ্চ মান বজায় রাখার প্রতি মনযোগী।

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

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

Corporate Social Responsibility

As per the CSR expenditure guideline of the BB, banks can spend for



philanthropic purposes from their net profits and there is no limit on expenditure. The expenditure will be participatory and not mandatory.

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

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

Corporate governance

NBL has always been adhering to rules, regulations, guidelines, directions in a strict manner. It has always strived to have good corporate governance practices put in place and to ensure that

বলা যায় ন্যাশনাল ব্যাংক হচ্ছে কর্পোরেট সুশাসন প্রতিষ্ঠার একটি অন্যতম উদাহরণ। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নোটিফিকেশন নং বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/এডমিন/৮০ তারিখ ০৩ জুন, ২০১৮ এর ১.৫ নং ব্যাখ্যা বার্ষিক প্রতিবেদনের ১২৮ থেকে ১২৯ নম্বর পৃষ্ঠায় বর্ণিত হয়েছে।

বিনিয়োগকারী সম্পর্ক :

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

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

এনবিএল শেয়ার :

৩১ ডিসেম্বর, ২০২০ পর্যন্ত সময়ে ব্যাংকের অনুমোদিত মূলধন ৫০,০০০.০০ মিলিয়ন টাকা, যেখানে পরিশোধিত মূলধন ৩০,৬৬৪.১৯ মিলিয়ন টাকা। ২০০৪ সাল থেকে এনবিএল এর শেয়ার সিডিএস (Central Depository System) পদ্ধতিতে রেকর্ড করা হচ্ছে। এই পদ্ধতিতে ৩১-১২-২০২০ পর্যন্ত ৩,০৩৪.৬৮ মিলিয়ন শেয়ার রেকর্ড করা হয়েছে, যেখানে ৩১.৭৪ মিলিয়ন শেয়ার এখন পর্যন্ত স্ক্রিপ্টে রয়ে গেছে।

২০২০ সালে শেয়ার প্রতি নীট সম্পদ মূল্য (NAV-net asset value) ছিল ১৬.৯৯ টাকা, যা ২০১৯ সালে ছিল ১৬.৭৯ টাকা। ২০২০ সালে শেয়ারপ্রতি আয় পৌঁছেছে ১.১৪ টাকায়, যা ২০১৯ সালে ছিল ১.৩৬ টাকা। পুঁজি বাজারের উত্থান-পতন সত্ত্বেও এনবিএলের শেয়ার ব্যাংকের অভ্যন্তরীণ শক্তি হিসেবে বিনিয়োগকারীদের নিকট যথেষ্ট প্রশংসিত হয়েছে।

লভ্যাংশ :

৩১ ডিসেম্বর, ২০২০ এর হিসাবের উপর ভিত্তি করে ব্যাংকের আর্থিক সক্ষমতা, মূলধনের ভিত্তি ও নীট সম্পদ বিবেচনা করে ন্যাশনাল ব্যাংকের পরিচালনা পর্ষদ আনন্দের সাথে শেয়ার মালিকদের জন্য ৫% স্টক লভ্যাংশ ঘোষণা করেছে। ব্যাংকের বার্ষিক সাধারণ সভায় সম্মানিত শেয়ার মালিকদের দ্বারা তা অনুমোদিত হবে বলে আশা করা হচ্ছে।

বোর্ড এবং তার কমিটিসমূহ :

২০২০ সালে ব্যাংকের পরিচালকমণ্ডলী ৭টি সভায় মিলিত হয়েছিলেন এবং ব্যাংক পরিচালনার জন্য প্রয়োজনীয় নির্দেশনা দিয়েছেন। অন্যদিকে, পরিচালনা পর্ষদের নিরীক্ষা কমিটি এবং রিস্ক ম্যানেজমেন্ট কমিটি যথাক্রমে ৩টি ও ৪টি সভায় মিলিত হয়েছেন এবং বিভিন্ন বিষয়ে মূল্যবান দিক নির্দেশনা দিয়েছেন।

the highest standards of business integrity are regular part of its activities. National Bank Limited portrays a good example of an excellent corporate governance practice. Compliance of Bangladesh Securities & Exchange Commission notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 clause no.1.5 has been disclosed in the page no.128 to 129 of the Annual Report 2020.

Investors' Relation

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

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

Shares of NBL

The Authorized Capital of the Bank stood at BDT 50,000.00 million while the paid-up capital is BDT 30,664.19 million as of December 31, 2020. NBL's shares are being maintained with Central Depository System since 2004. A total number of 3,034.68 million shares have been recorded with the CDS (Central Depository System) while 31.74 million shares remained in script till 31.12.2020.

The net asset value (NAV) per share was Tk. 16.99 in 2020 which was Tk. 16.79 in 2019. The earnings per share (EPS) was Tk. 1.14 in 2020 which was Tk.1.36 in 2019. Though capital market showed ups and downs, NBL shares are still admired by the investors due to the inner financial strength of the Bank.

Dividend

Board of Directors of National Bank Limited has been pleased to recommend 5.00% Stock dividend to the shareholders based on the accounts for the year ended December 31, 2020 upon considering bank's financial strength, capital base and net worth. The approval of the honorable shareholders regarding dividend is expected to receive at the Annual General Meeting.

Board and its Committees

The Board of Directors of the Bank met in 7 (Seven) meetings during 2020 and issued specific directions in conducting affairs of the Bank. On the other hand, Audit Committee and Risk Management Committee of the Board of Directors met in 03(Three) and 04(Four) meetings respectively and gave valuable decisions on various issues during the Period under review.

পরিচালক নির্বাচন :

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

১. মিসেস মনোয়ারা সিকদার
২. আলহাজ খলিলুর রহমান
৩. মি. জাকারিয়া তাহের

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

বহিঃনিরীক্ষক নিয়োগ :

বাংলাদেশ ব্যাংকের ১১-০৭-২০০১ তারিখের বিআরপিডি সার্কুলার নম্বর ১২ অনুসারে এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের ০৮-০৭-২০১৫ তারিখের আদেশ মোতাবেক নিযুক্ত বহিঃনিরীক্ষক মেসার্স খান ওহাব শফিক রহমান এ্যান্ড কোঃ, চার্টার্ড একাউন্টেন্ট, ব্যাংকের ৩১ ডিসেম্বর, ২০২০ আর্থিক বিবরণীর নিরীক্ষা সম্পন্ন করেছে।

উপসংহার :


বিগত বছরে ন্যাশনাল ব্যাংকের কর্মী বাহিনী ব্যাংক এবং এর সাবসিডিয়ারী প্রতিষ্ঠানগুলোর আর্থিক প্রতিবেদনকে শক্তিশালী করার জন্য এবং লাভজনক ব্যবসায় ব্যাংকের অংশগ্রহণ বৃদ্ধির লক্ষ্যে নিরলসভাবে কাজ করেছে। আমরা বিশ্বাস করি যে, এগুলো পরিচালন মুনাফা প্রবৃদ্ধি, প্রতিশনের উল্লেখযোগ্য বৃদ্ধি এবং NPA বা অলস সম্পদ হ্রাসকে প্রভাবিত করেছে। ভবিষ্যতে অর্থনৈতিকভাবে উন্নত একটি দেশের মর্যাদা লাভের জন্য যেকোনো বাংলাদেশ তার যাত্রা অব্যাহত রেখেছে, আমরা এই সুযোগের সর্বোচ্চ ব্যবহারের জন্য সচেষ্ট থাকব। আমাদের উদ্দেশ্য পরিচালন মুনাফার ভিত্তিকে শক্তিশালী করা এবং ঋণখরচ কমিয়ে সহনীয় পর্যায়ে নিয়ে আসা এবং এর মাধ্যমে শেয়ারহোল্ডারদেরকে ভালো লভ্যাংশ প্রদান করা।

আমরা জানি যে, কোভিড - ১৯ অর্থনীতির জন্য যথেষ্ট ক্ষতি বয়ে এনেছে; আমাদের সরকার শক্তিশালী এবং যোগ্য নেতৃত্বের মাধ্যমে অর্থনীতিকে সার্বিকভাবে পুনরুদ্ধারের চেষ্টা করে চলেছে। এখন আমরা সকলে চেষ্টা করছি নিজের বীহীন প্রভাব সৃষ্টিকারী এই অতিমারীর সাথে নিজেদের মানিয়ে নিতে। সরকারি ও বেসরকারি দৃঢ় অংশীদারিত্ব আমাদের অর্থনীতিকে দৌলুমান পরিস্থিতি হতে মুক্তি পেতে এবং কাঙ্ক্ষিত প্রবৃদ্ধি অর্জনে সহায়তা করবে।

বক্তব্য শেষ করার আগে, আমি এই কোম্পানীকে সঠিকভাবে পরিচালনার ক্ষেত্রে অবদান রাখার জন্য এবং বিরতিহীন সমর্থনের জন্য পরিচালনা পর্ষদের আমার সহকর্মীদের আন্তরিক ধন্যবাদ দিতে চাই। আমি আমার সকল কর্মকর্তা ও কর্মচারীদেরও ধন্যবাদ দিতে চাই, যাদের কঠোর পরিশ্রম ছাড়া এই সাফল্য অর্জন কখনো সম্ভব হতো না। আমি বিশেষভাবে কৃতজ্ঞতা জানাতে চাই বাংলাদেশ ব্যাংক, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা ও চট্টগ্রাম স্টক এক্সচেঞ্জ লিঃ, সেন্ট্রাল ডিপোজিটরি বাংলাদেশ লিমিটেড, ঋণগ্রহীতা, আমানতকারী এবং অন্যান্য সংস্থাকে, যারা প্রত্যক্ষ এবং পরোক্ষভাবে আমাদের ব্যাংকের সাথে যুক্ত এবং সব সময় ব্যাংকের প্রয়োজনে তাদের মূল্যবান উপদেশ, দিক নির্দেশনা ও সহযোগিতা দিয়ে থাকেন। সবশেষে আমাদের সম্মানিত শেয়ারহোল্ডারদেরকে আন্তরিক ধন্যবাদ জানাচ্ছি, সব সময় যারা আমাদের উপর বিশ্বাস ও আস্থা স্থাপন করে এই পথচলাকে সমৃদ্ধ করেছেন।

আল্লাহ হাফেজ

বোর্ড অফ ডিরেক্টরস এর পক্ষ থেকে



চেয়ারম্যান

Election of Directors

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

1. Mrs. Monowara Sikder
2. Alhaj Khalilur Rahman.
3. Mr. Zakaria Taher

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

Appointment of Auditors

As per Bangladesh Bank's BRPD Circular Letter No. 12 dated 11 July 2001 and order of Bangladesh Securities and Exchange Commission dated 08 July 2015, the Financial Statements for the year ended 31 December 2020 has been audited by external auditor M/s Khan Wahab Shafique Rahman & Co., Chartered Accountants.

Conclusion


Over the past year, NBL team has worked relentlessly towards strengthening the Bank's and its subsidiaries financial statements, and increasing the Bank's share of profitable business opportunities. We believe these efforts are reflected in the core operating profit growth, the substantial increase in provisioning coverage and the reduction in net NPAs. As Bangladesh continues its journey to become an economically developed country in the future, we will work towards maximizing our share of the opportunity. Our objective is to grow our core operating profit and to reduce the credit costs to a normalized level, thereby delivering sustainable returns to our shareholders.

We are aware that COVID19 has brought a ravage in our economy; our government is trying to salvage the overall economy with strong and prudent leadership. We all are now trying to cope with the pandemic which has created an unprecedented scenario. Strong rapport of the public and private will help us to get rid of the tottering economy, springing back into our desired growth trajectory.

Nevertheless, I take this opportunity to thank my colleagues in the board for their continued support and contributions in moving the Bank to the right direction. I also convey my thanks to all employees, without their hard work, this success would not have been possible. My special gratitude to Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka and Chittagong Stock Exchanges, Central Depository Bangladesh Limited, borrowers, depositors and other stakeholders who always give us their valuable advice, guidance and cooperation as & when needed. And let us not forget to thank our shareholders whose trust placed on us at all time in our pursuit for excellencies of immense value.

Allah Hafez

On behalf of the Board of Directors



Chairman



RISK MANAGEMENT

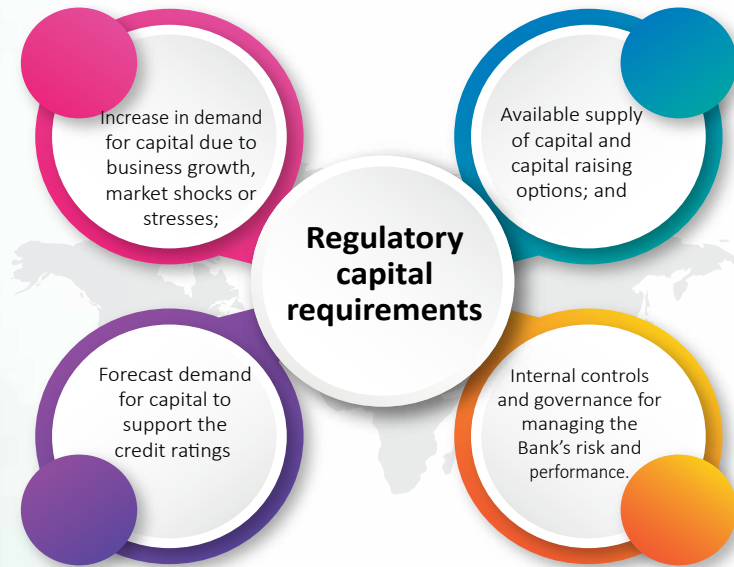
NOT JUST FOR COMPLIANCE BUT FOR IMPROVED PROFITABILITY

Effective risk management for NBL

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

Focusing Capital on the long term

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



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

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

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

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

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



Risk Management

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



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

Risk Management Framework

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

Risk Management Process

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



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

Capital Adequacy as per Basel -III
As on December 31, 2020
(Figure in crore)

Particulars	Year 2020	
	Solo	Consolidated
A. Eligible Capital		
1. Tier-1 (Core Capital)	4,674.86	4,675.00
2. Common Equity Tier-1 capital (CET-1)	4,674.86	4,675.00
3. Additional Tier- 1 Capital (AT-1)	-	-
4. Tier-2 Capital	920.16	920.16
5. Total Regulatory Capital (1+4)	5,595.02	5,595.16
B. Total Risk Weighted Assets (RWA)	43,029.28	43,040.16
C. Capital to Risk Weighted Assets Ratio (CRAR) (A5 / B)*100	13.00%	13.00%
D. Common Equity Tier-1 to RWA (A2/ B)*100	10.86%	10.86%
E. Tier-1 Capital to RWA (A1/ B)*100	10.86%	10.86%
F. Tier-2 Capital to RWA (A4/B)*100	2.14%	2.14%
G. Minimum Capital Requirement (MCR)	4,302.93	4,304.02
A2. Common Equity Tier-1 (Going Concern Capital)		
1.1 Fully Paid-up Capital	3,066.42	3,066.42
1.2 Non-repayable Share premium account	-	-
1.3 Statutory Reserve	1,710.89	1,710.89
1.4 General Reserve	-	2.98
1.5 Retained Earnings	228.90	205.19
1.6 Dividend Equalization Account	-	-
1.7 Minority interest in Subsidiaries	-	0.01
1.8 Other (if any item approved by Bangladesh Bank))		
1.9 Sub-Total: (1.1 to 1.8)	5,006.21	4,985.50
Regulatory Adjustments:		
1.10 Shortfall in provisions required against Non Performing Loans (NPLs)	-	-
1.11 Shortfall in provisions required against investment in shares	156.52	135.63
1.12 Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.	-	-
1.13 Goodwill and all other intangible assets	100.14	100.14
1.14 Deferred Tax Assets (DTA)	30.39	30.42
1.15 Defined benefit pension fund assets	-	-
1.16 Gain on sale related to securitization transactions	-	-
1.17 Investment in own CET-1 investments/ shares	-	-
1.18 Reciprocal crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	44.30	44.30
1.19 Any investment exceeding the approved limit under section 26 ka (1) of Bank Company Act 1991 (50% of investment)	-	-
1.20 Investments in subsidiaries which are not consolidated (50% of investment)	-	-
1.21 Other (if any)	-	-
1.22 Sub Total (1.10-1.21)	331.35	310.49
Total Common Equity Tier-1 Capital (1.9-1.22)	4,674.86	4,675.00
A3 Additional Tier-1 Capital		
2.1 Non- cumulative irredeemable preference share	-	-
2.2 Instruments issued by the banks that meet the qualifying criteria for AT1	-	-
2.3 Minority interest	-	-
2.4 Others (if any item approved by Bangladesh Bank)	-	-

Capital Adequacy as per Basel -III

As on December 31, 2020

(Figure in crore)

Particulars	Year 2020	
	Solo	Consolidated
Regulatory Adjustments:		
2.5 Investment in own AT-1 instrument/ share	-	-
2.6 Reciprocal crossholdings in the AT-1 Capital of Banking, Financial and Insurance Entities	-	-
2.7 Others (if any)	-	-
Total Additional Tier-1 Capital Available	-	-
A4 .Tier-2 Capital(Gone Concern Capital)		
3.1 General Provision	575.16	575.16
3.2 All other preference shares	-	-
3.3 Subordinated debt/ instruments issued by the Bank that meet the qualifying criteria for Tier-2 Capital	345.00	345.00
3.4 Minority interest i.e. Tier-2 issued by consolidated subsidiaries to third parties	-	-
3.5 Other (if any item approved by Bangladesh Bank)	-	-
Regulatory Adjustments:		
3.6 Investment in own T-2 instruments/ Shares	-	-
3.7 Reciprocal crossholdings in the Tier-2 Capital of Banking, Financial and Insurance Entities	-	-
3.8 Any investment exceeding the approved limit u/s 26 ka(1) of Bank Company Act 1991	-	-
3.9 Others (if any)	-	-
Total Tier-2 Capital	920.16	920.16
Risk Weighted Assets (RWA) for		
A. Credit Risk	39,007.53	38,839.30
On- Balance sheet	37,047.12	36,878.89
Off-Balance sheet	1,960.41	1,960.41
B. Market Risk	1,666.43	1,824.11
C. Operational Risk	2,355.32	2,376.75
Total RWA (A+B+C)	43,029.28	43,040.16
Credit Risk on Banking Book		
Total Exposures of Credit Risk		
1. Funded		
a) Domestic	50,177.39	50,093.58
b) Overseas	-	-
2. Non Funded		
a) Domestic	2,900.40	2,900.40
b) Overseas	-	-
Distribution of risk exposure by claims		
A. Claims on other Sovereigns & Central Banks	6,051.04	6,051.04
B. Claims on public sector entities	-	-
C. Claims on Banks and NBFIs	1,172.04	1,257.13
D. Claims on Corporate	26,623.55	26,866.31
E. Claims on SME	4,406.37	4,406.37
F. Claims categorized as retail portfolio	239.70	239.70
G. Claims on Consumer Finance	754.09	754.09
H. Claims fully secured by residential property	279.67	279.67
I. Claims fully secured by commercial real estate	2,140.32	2,140.32
J. Others Categories:		
Past Due Claims	5,227.94	5,227.94
Other Assets	3,282.66	2,871.01
Off-balance sheet items	2,900.40	2,900.40

Capital Adequacy as per Basel -III
As on December 31, 2020
(Figure in crore)

Particulars	Year 2020	
	Solo	Consolidated
Market Risk on Trading Book		
The capital requirement for :		
Interest Rate Related instruments	37.75	37.75
Equities	110.60	126.37
Foreign Exchange Position	18.29	18.29
Commodities	-	-
Operational Risk		
The capital requirement for operational risk	235.53	237.67
Maintenance of specific provision		
Gross non performing assets (NPAs) (SS, DF, BL)	3,832.80	3,832.80
Non performing assets to outstanding loans and advances.	9.38%	9.33%
Movement of non performing assets		
Opening balance	3,963.71	3,963.71
Addition	1,795.29	1,795.29
Reductions	(1,926.20)	(1,926.20)
Closing balance	3,832.80	3,832.80
Movement of specific provision		
Opening balance	1,127.82	966.55
Release of Provision	0.07	11.27
Transfer from general provision- Unclassified Loan	-	-
Transfer from general provision- Off Balance Sheet	-	-
Recovery of write-off	-	-
Adjustment	-	-
Provision made during the period	216.51	150.00
Closing balance	1,344.40	1,127.82
Maintenance of regulatory capital		
Amount of Tier-1 Capital		
Fully Paid-up Capital	3,066.42	3,066.42
Statutory Reserve	1,710.89	1,710.89
General Reserve	-	2.98
Retained Earnings	228.90	205.19
Minority interest	-	0.01
Total	5,006.21	4,985.50
Regulatory adjustments from Tier - 1 Capital		
Shortfall in provision	156.52	135.63
Goodwill and all intangible assets	100.14	100.14
Deferred Tax Asset (DTA)	30.39	30.42
Reciprocal Crossholding	44.30	44.30
Total amount of Tier -2 capital (Net off deduction from Tier -2 Capital)	920.16	920.16
Total eligible capital	5,595.02	5,595.16
Capital Adequacy	13.00%	13.00%

Capital Adequacy as per Basel -III

As on December 31, 2020

(Figure in crore)

Particulars	Year 2020	
	Solo	Consolidated
Amount of regulatory capital to meet unforeseen loss		
Amount to meet credit risk	3,900.75	3,883.93
Amount to meet market risk	166.64	182.41
Amount to meet operational risk	235.53	237.67
Some additional capital over MCR maintained by the Bank	1,292.09	1,291.14
A. Banking Book Assets		
1. Cash in hand and balance with BB (excluding FC)	1,983.77	1,983.78
Balance with other banks (excluding FC)	124.11	124.11
2. Money at Call	9.13	9.13
3. Investment (HTM)		
a. Government	4,277.59	4,277.59
b. Qualifying (banks, etc.)	590.48	200.22
c. Others	-	-
4. Loans and advances		
a. Classified (SS, DF & BL to be shown separately):	3,832.80	3,832.80
Substandard (SS)	97.44	97.44
Doubtful (DF)	185.44	185.44
Bad & Loss (BL)	3,549.92	3,549.92
b. Unclassified	37,018.26	37,261.02
Total loans and advances	40,851.06	41,093.82
5. Risk weighted assets		
a. Below 100% RW	25,771.85	19,890.40
b. 100% RW	18,353.53	15,965.21
c. Above 100% RW	7,542.30	10,834.06
6. Rated status		
a. Rated assets	25,977.43	25,977.43
b. Unrated assets	26,927.83	26,953.90
7. Other assets including Fixed Assets	2,274.86	2,307.16
Total Banking Book Assets	50,111.01	49,995.80
B. Trading Book Assets		
1. FC held in hand	6.08	16.92
2. FC held in BB & Nostro account	282.51	303.07
3. Investment (Trading)		
a. Govt. (part of govt. HTM if held above the required SLR amount)	-	-
b. HFT	1,791.69	1,791.69
c. AFS (if any)	713.98	823.86
Total Trading Book Assets (1+2+3)	2,794.25	2,935.53
Total Assets (A+B)	52,905.25	52,931.33

Risk Management Policy & Procedure

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

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

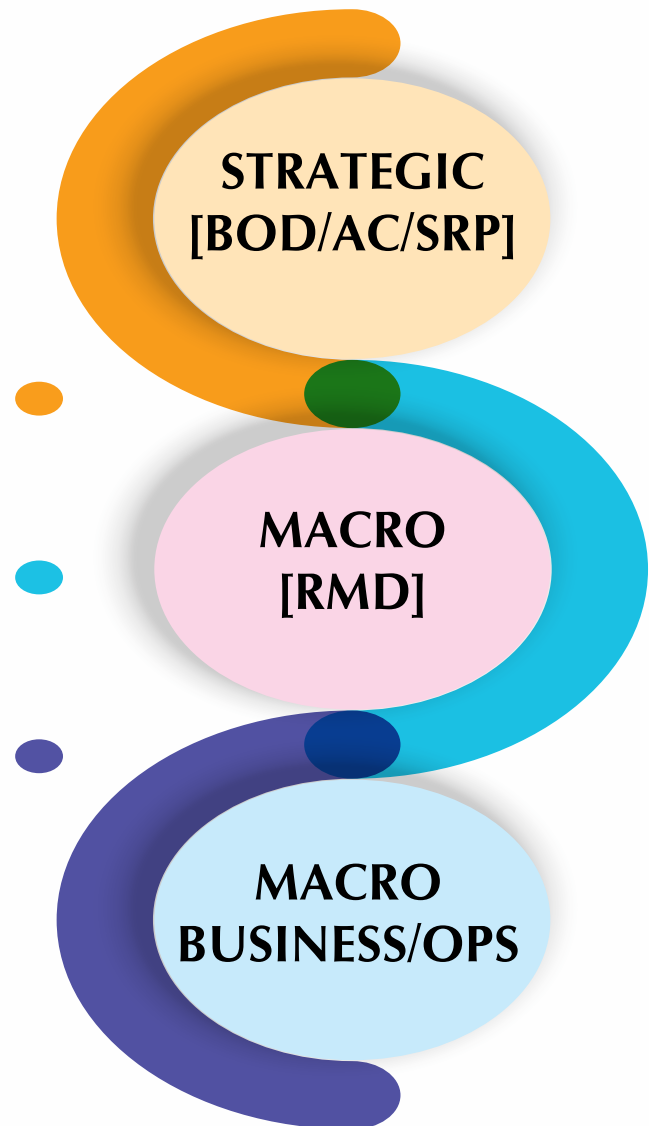
Risk Management Organization

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

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

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

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



Principles of Risk Management

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

Protecting the Bank's financial strength

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

Protecting NBL's reputation

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

Risk transparency

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

Management responsibility

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

Independent risk control

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

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

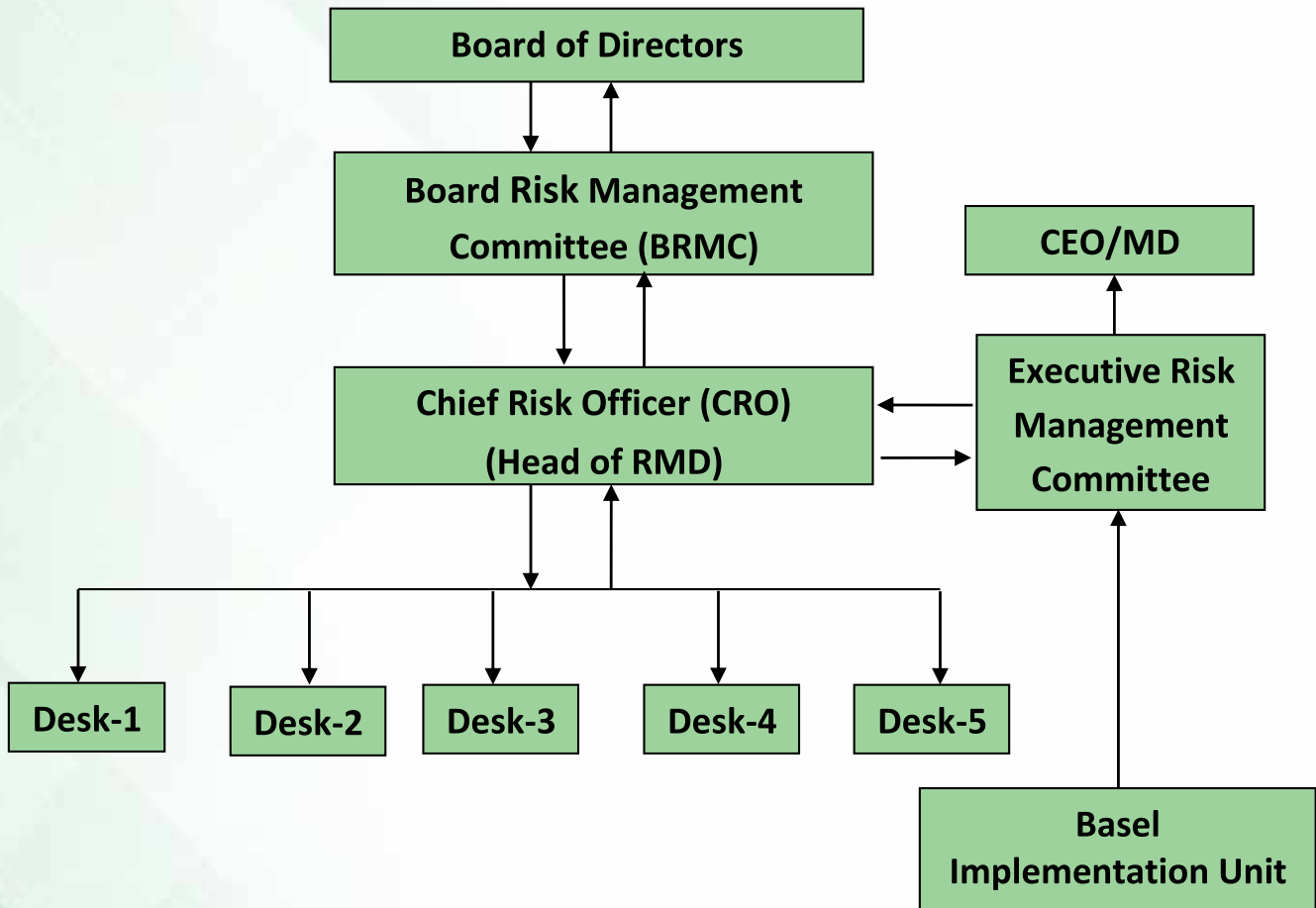
Risk Management Division

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

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

Organization Structure of Risk Management Division

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



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

Risk Management Division has been established for the following purposes:

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

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

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

Risk Report

To ensure compliance, National Bank Limited prepares Risk Management Report in new format to inform the standing of the bank to Bangladesh Bank in terms of credit risk, market risk, liquidity risk, operational risk, reputation risk, compliance risk, core risk management, capital adequacy, bank’s resilience capacity, money laundering risk etc. The Risk Management Division also supports the operational management decisions

by providing relevant risk analysis. Monthly Risk Management Report are prepared in time and duly submitted to competent authority and Bangladesh Bank. In the year 2020, Monthly Risk Management Reports were prepared and duly submitted to Bangladesh Bank.

Risk Management Report is placed in the monthly meeting of the Risk Management Committee of the Management of the Bank, analyzed and discussed. It is placed to the Chief Executive Officer and senior Management team. The Risk Report is also placed and discussed in the periodical meeting of the Supervisory Review Process Team of the bank where directional inputs are given for the bank.

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

Risk Management Committee (RMC) of the Board

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

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

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

Duties and responsibilities of the committee are as follows:

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

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

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

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

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

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

All Risk Committee

As per Bangladesh Bank's instructions (DOS circular letter no. 13 dated September 09, 2015), all commercial banks has to establish a separate Risk Management Committee at management level or All Risk Committee consisting of the heads of all core risk management of the bank for stronger and timely/ updated risk management activities. NBL has formulated this Committee with the approval of BOD of NBL. CRO is the Chairman and 2nd man of RMD in the member secretary of the committee. The functions of All Risk Committee are set by the members of Board of Directors. All Risk Committee is responsible for managing the all risks across the bank. All Risk Committee is also responsible for ensuring proper application of sound risk management in banks i.e. for building the necessary infrastructure and taking various steps for identification, assessment, monitoring and mitigating various risks involved with the banks as well as maintaining adequate capital through reducing provisioning requirement their against. Present All risk Committee consists of following Chairman and Members:-

SL	Designation	Position in the Committee
1.	CRO, Head of RMD	Chairman
2.	Head of ID, NBL	Member
3.	Head of Treasury Division, NBL	Member
4.	Head of ITD, NBL	Member
5.	Head of IC & CD, NBL	Member
6.	Head of CRM-III, NBL	Member
7.	Head of CAD, NBL	Member
8.	Head of L&RD, NBL	Member
9.	Head of FAD, NBL	Member
10.	Head of GBD & AMLD, NBL	Member
11.	Head of CRM-I, NBL	Member
12.	2 nd Man of RMD, NBL	Member Secretary

Risk Management Committee at Management Level

Risk Management Committee of RMD holds monthly meeting where risk management initiatives, capital management and risks sensitivities issues are discussed in details on the basis of information and data on the risk profile of the bank. A copy of the Minutes of the Meeting is placed to the regulatory body along with the Monthly Risk Management Report (MRMR). MRMR is also submitted to senior management for information and guidance. During 2020, 5 (five) meetings were held and reports submitted to all concerned. RMD's Risk Management Committee suggests indicative risk mitigation measures to ensure minimum risk with qualified capital adequacy.

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

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

Internal Capital Adequacy Assessment Process (ICAAP)

Internal Capital Adequacy Assessment Process [ICAAP] guideline of NBL was approved by the Board of Directors in its 335th meeting held on 14.03.2013. ICAAP Manual-2018 was approved by the Board of Directors in its 416th meeting held on 01.08.2018. ICAAP includes regulations of NBL's own supervisory review of capital positions aiming to reveal whether it has prudent risk management and sufficient capital to cover its risk profile.

Besides this, as per instructions of Bangladesh Bank, Risk Management Division of NBL duly submitted the ICAAP statements [Pillar II of Basel-III] of December 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019 & 2020.

Risk Appetite

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

- Risk appetite improves management confidence and debate regarding the risk profile;
- It re-balance the risk profile where breaches are indicated, thereby achieving a superior risk-return profile;
- Identifies unused risk capacity, and thus highlight the need to identify further profitable opportunities; and
- Improves executive management control and co-ordination of risk-taking across businesses.
- The risk appetite for NBL for the year 2020 has been approved by the Board of Directors in its 440th meeting held on September 14, 2020 and the risk appetite for NBL for the year 2021 has been duly submitted to Bangladesh Bank.

Capacity Building

The implementation of risk-based regulation i.e. Basel-III means that employees, as well as bank's top management, will need to be educated and trained to recognize risks and how to implement risk management approaches. As part of NBL's Capacity building initiative on risk management issues are being held regularly for executives/officers of NBL in different regions and at National Bank Training Institute (NBTI), Dhaka for strengthening risk management across the bank. RMD plays a pivotal role in liaise with NBTI to enhance risk understanding of all levels of the bank for sustainable banking growth.



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

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

Capital Planning

Bank’s capital management approach is driven by its desire to maintain a strong capital base to support the development of its business, to meet regulatory capital requirement at all times and to maintain good credit ratings. The purpose of capital planning is to enable the institution to ensure capital adequacy under changing economic conditions, even at times of economic recession. A capital plan of the Bank for eight years from 01 January 2010 to 31 December 2017 has been prepared and approved by the Board of Directors in its 314th meeting held on 2.06.2010. Financial Administration Division of NBL prepared seven years capital growth plan from January, 2014 to December, 2020 which was approved by the board of Directors of NBL in it’s 350th meeting held on 01.10.2014. Financial Administration Division of NBL has reviewed the seven years capital growth plan which was approved by the board of Directors of NBL in it’s 418th meeting held on 01.10.2018.

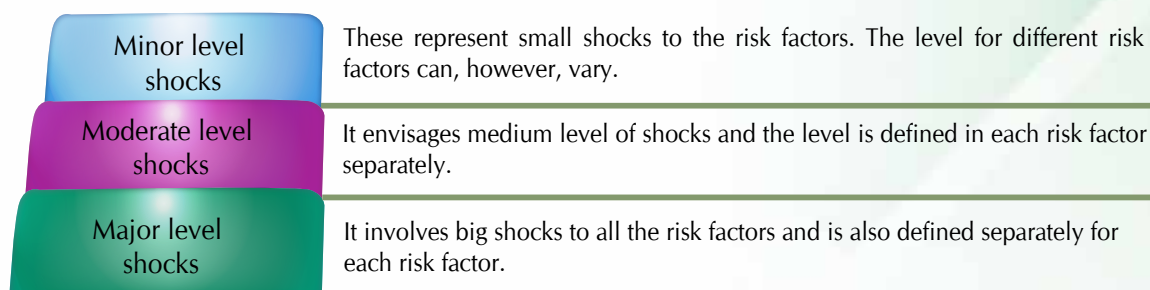
Stress Testing

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

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

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

Stress testing involves several shock levels.



Stress testing for credit risk assesses the impact of increase in the level of nonperforming loans (NPLs) of the Banks. RMD has conducted stress testing quarterly as per directives of Bangladesh Bank and has presented the status of regulatory capital under different shock level

SRP meeting or all risk committee meeting. NBL has been submitting quarterly reports on Stress testing to senior management / SRP Team/ Risk Management Committee of the Board of Directors and to Bangladesh Bank. Furthermore, RMD has replied the observation on the Stress Testing Report submitted quarterly and has presented the same in the SRP meeting or all risk committee meeting.

Risks in Banking Sector

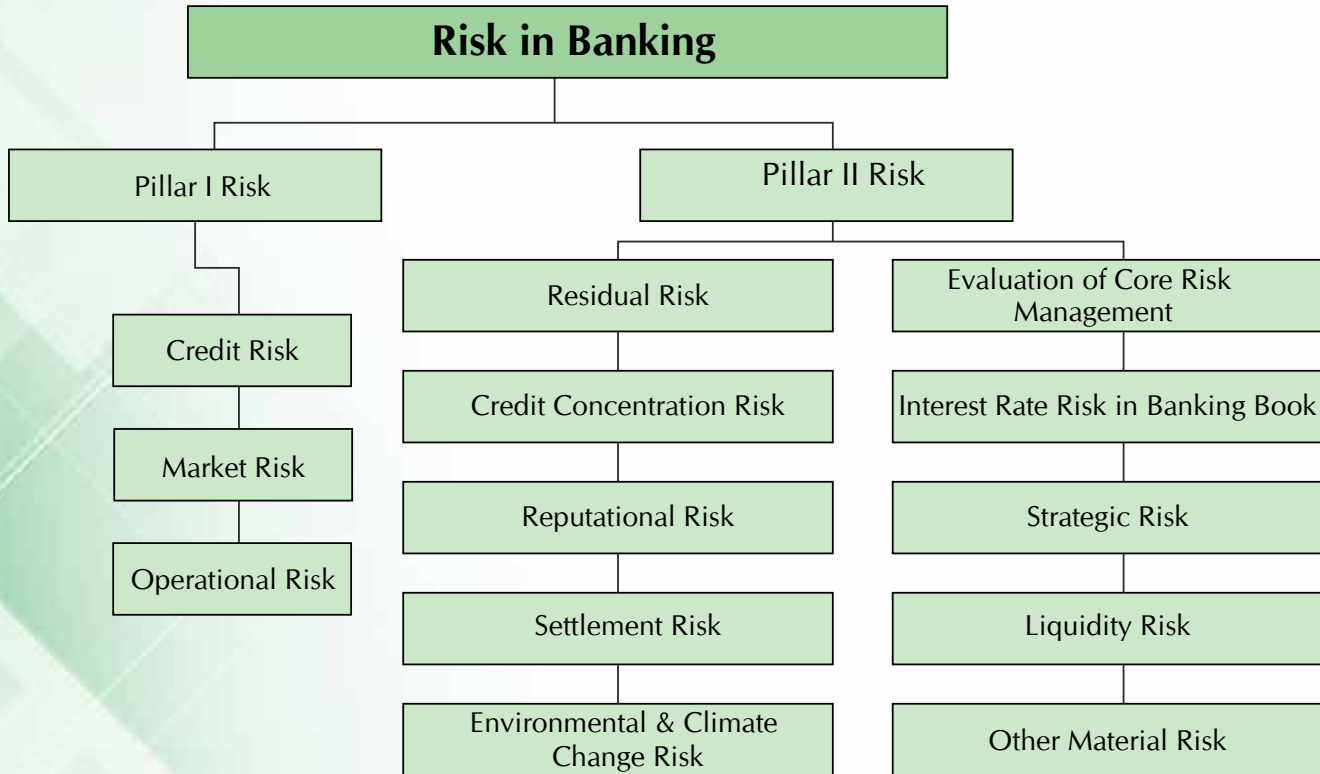
NBL is subject to various types of risk which are mentioned under the following chart:

Pillar I Risk

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

Pillar II Risk

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



Pillar III Risk

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

Market discipline supplements regulation as sharing of information facilitates assessment of the bank by others, including investors, analysts, customers, other banks, and rating agencies, which leads to good corporate governance. The aim of Pillar 3 is to allow market discipline to operate by requiring institutions disclose the financial information including capital, risk exposures, risk assessment processes, and the capital adequacy of the institution. It must be consistent with the way the senior management, including the board, assesses and manages the risks of the institution.

Credit risk

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

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

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

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

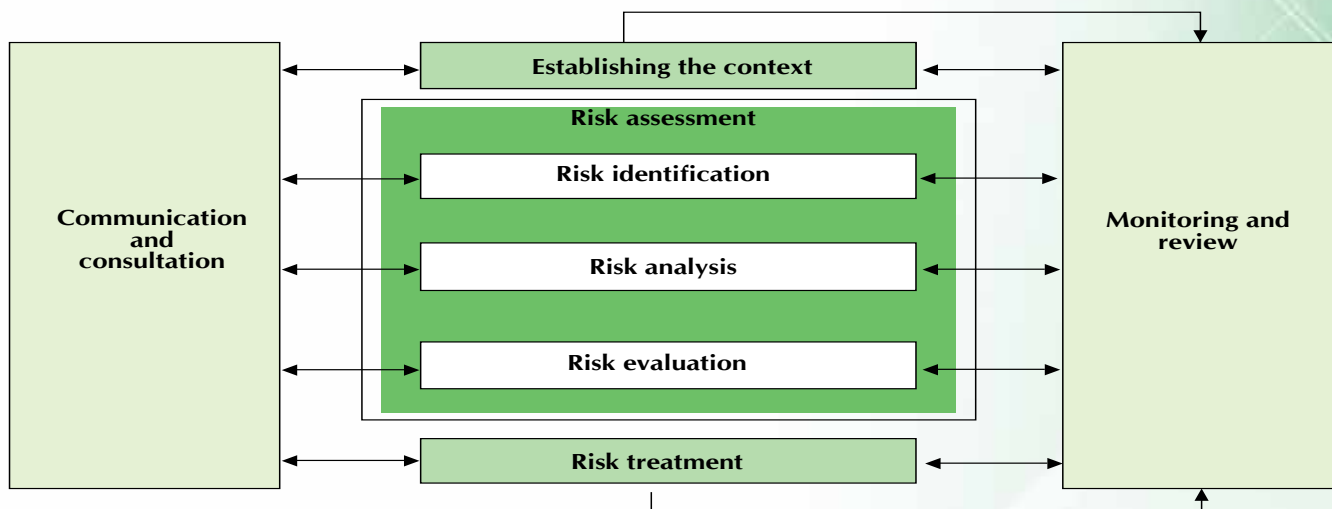
In determining Single borrower/Large Loan limit, the instructions of Bangladesh Bank are strictly followed. Segregation of duties has been established for Credit Approval, Relationship Management and Credit Administration. Internal audit is conducted on periodical interval to ensure compliance of Bank's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

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

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

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

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



Credit Risk Management in NBL

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

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



Market Risk

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

Market Risk occurs due to changes:

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

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

Interest Rate Risk

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

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

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

Foreign Exchange Risk

Foreign exchange risk is defined as the potential change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements. Treasury Division independently conducts the transactions and the back office of Treasury is responsible for verification of the deals and entries in the book of account. When assets in one currency exceed the liabilities in the same currency then the currency miss-match may add value or erode value depending on the currency movement. Foreign currency positions are recorded and managed on a daily basis by Treasury Division.

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

Equity Risk

Equity risk is defined as loss due to change in market price of equity held. Mark to market valuations of the share investment portfolios are done to measure and identify the risk. Mark to market valuations is done against a predetermined loss limit. Investment account (Margin

Account) where margin loan is allowed is monitored very closely against predetermined margin requirement and margin ratio. Diversification is enforced as per Bank's policy. At the time of providing margin loan following factors are taken into consideration for proper equity risk management.

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

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

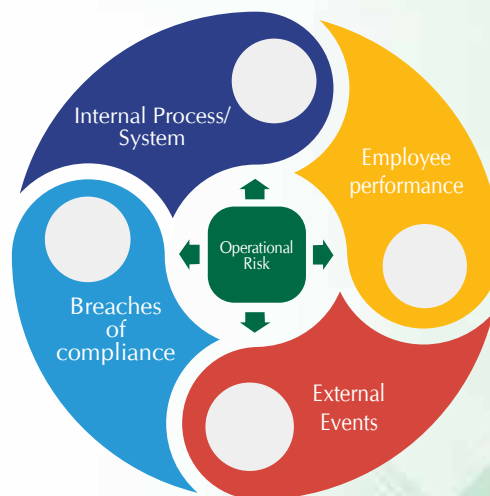
Operational Risk

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

Sources of Operational Risk

Operational Risk includes:

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



Residual Risk

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

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

Credit Concentration Risks

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

Reputation Risk

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

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

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

Settlement Risk

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

Environmental and Climate Change Risk

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



Evaluation of Core Risks Management

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

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

Interest Rate Risk in Banking Book

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

Strategic Risk

Strategic risks may result from changes in the business environment and from adverse business decisions, or from the ignorance of changes in the business environment. Indicators of strategic risks include evidence of intervention of Board of Directors in management and administration of the bank, evaluation of credit-deposit ratio, percentage of total operating expenses to total operating income, percentage of classified loan to total outstanding loans/investment, percentage of recovery of classified loan to total classified loan, percentage of written off loan to total classified loans, percentage of interest waiver to total classified loans, weighted average cost of fund, percentage of borrowing from call money market to total deposit, nos. of cases rescheduling [1 time, 2 times, 3 times] etc. as prescribed by the regulatory authority. Strong monitoring and management of classified loans, emphasized application of CRM guidelines, re-visit for strategy of re-scheduling of loans, customer exit policy, realistic business plans, technological development and improvement of information flow proper financial and business analysis assist NBL to manage adverse impact of this risk.



Liquidity Risk

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

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

made up by selling assets or by obtaining refinancing because:

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

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

NBL manages its liquidity in such a way that it avoids running into liquidity constraints.

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

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

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

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

Information and Communication Technology Risk

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

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

The bank recognizes that ICT risks may relate to business continuity, system redundancy, outsourcing and exposure to critical images, operational risks etc. Adequate protection and maintenance of the ICT assets are critical to bank’s sustainability. NBL has adopted measures to protect the information and communication platform from unauthorized access, modification, virus, disclosure and destruction in order to ensure business continuity, data safety and security thereby protecting customer’s interest at large. NBL’s ICT Policy and Procedure Guidelines has been updated in these direction to manage the relevant risks pro-actively.

Resilience capacity of NBL

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



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

Asset Liability Management

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

Supervisory Review Process Team [SRP Team] of NBL

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

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

Following are the members of SRP Team at present.

SL.	Designation	Position in the Committee
1.	Managing Director & CEO	Chairman
2.	All Additional Managing Director, at Head Office.	Secretary
3.	Chief Risk Officer & Head of RMD	Member
4.	All Deputy Managing Director, at Head Office.	Member
5.	Head of Treasury, NBL	Member
6.	Head of ID, NBL	Member
7.	Head of IC&CD, NBL	Member
8.	Head of ITD, NBL	Member
9.	Head of FAD, NBL	Member
10.	Head of GBD & AMLD, NBL	Member
11.	Head of L&RD, NBL	Member
12.	Head of CAD, NBL	Member
13.	Head of CRM-I, NBL	
14.	2 nd Man of RMD	

The SRP team is primarily responsible for:

- Board and senior management oversight capital and risk management
- Sound capital assessment through identification of risks
- Comprehensive assessment of risks
- Monitoring and reporting risk exposure and risk profile
- Review of internal control process for risk management and capital assessment.

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

Meetings of SRP Team were held regularly. In the year 2020, three (3) SRP meetings were held. Those SRP meetings discussed the Risk Status of NBL, Capital Adequacy, Risk Management report in line with Bangladesh Bank, Stress Testing, Basel- III implementation, Credit Rating, ICAAP Statement, Capacity Building of NBL and relevant risks and MIS.

All members who attended the SRP Team meetings discussed and reviewed the risk status of NBL in relation to the capital adequacy, risk management paper, stress testing and Bangladesh Bank compliance issues etc.

Rating of Clients/Obligors of National Bank Ltd.

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

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

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

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

Risk Measurements, Monitoring and Control Functions

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

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

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



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

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

- Policy and Procedural Guidelines have been updated in 2018 and implementation is regularly monitored.
- Regular review of system and network by Management Committee (MANCOM) and Asset & Liability Committee (ALCO), Supervisory Review Process (SRP) Team
- Management through Internal Control and Compliance Division controls operational procedure of the Bank
- Internal Control and Compliance Division also undertakes periodical and special audit of the branches and departments at Head Office for reviewing the operation and compliance of statutory/ internal policy requirement.
- Risk based audit by internal audit division;
- Segregation of duties and multi-tier approval procedure;
- IT Audit is conducted on a regular basis;
- Establishment of a Data Center for backup of data and information
- Regular testing of system's back-up procedure and contingency plan.
- Presence of Liquidity Contingency Plan
- Monthly meeting of the Risk Management Committee
- Periodic Meeting of the Supervisory Review Process Team
- Monthly Risk Management Report (MRMR) and Comprehensive Risk Management Report (CRMR) prepared by the Risk Management Division of the bank highlighting different risks in business and operations as risk mitigating suggestion.

- Periodic review meeting on operational and other risks by Audit Committee of the Board of Directors
- Disaster recovery site for ICT operation
- Stress Testing results presented to Higher Management, SRP Team, Audit Committee and the Board of Directors
- Compliance to regulatory standards and reporting
- Inter- active communication and meeting by Risk Management Division with concerned divisions/hierarchy for risk management compliance.
- Review of capital plan
- Diversification of assets and liabilities portfolio as well as addressing concentration risks.
- Review of all credit and portfolio in lending on regular interval.

Basel III

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

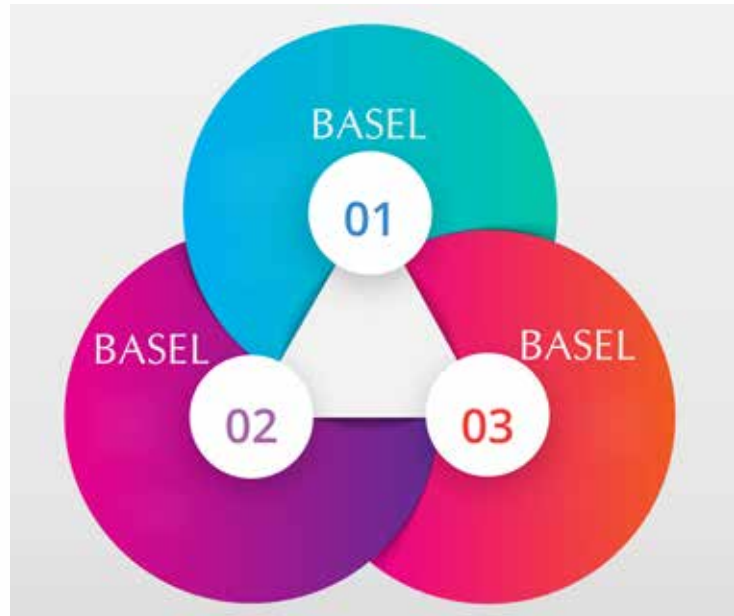
Basel-III will require banks to hold 4.5% of common equity (up from 2% in Basel II) and 6% of Tier I capital (up from 4% in Basel II) of risk-weighted assets (RWA). Basel-III also introduces additional capital buffers, (i) a mandatory capital conservation buffer of 2.5% and (ii) a discretionary countercyclical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

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

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

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

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



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

Basel Unit

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

Members of Basel Unit

SL	Name	Designation	Position in the Committee
1.	Mr. Md. Azizur Rahman	DMD, CRO & Head of RMD	Chairman
2.	Mr. Kazi Kamal Uddin Ahmed	SEVP & Head of ITD	Member
3.	Mr. Md. Sohel Faisal	SVP & Head of L & RD	Member
4.	Mr. Munshi Abu Zakaria	SVP, RMD	Member
5.	Mr. Krishna Kamal Ghose	SVP & Head of FAD	Member
6.	Mr. Tapash Chandra Chakraborty	VP, Head of IC & CD	Member
7.	Mr. Mohammad Abu Rashed Nowab	VP & Head of CRM-I	Member

Working Team

1.	Mr. Mohammed Enamul Kaiser	AVP, Financial Administration Division	Member
2.	Mr. Proshanto Kumar Kundu Shaha	PO, Financial Administration Division	Member
3.	Mr. Abu Shamim Al Mamun	PO, Treasury Division	Member
4.	Mr. Md. Hasan Taraq	FEO, Risk Management Division	Member

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

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

Basel-III implementation

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

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

Conclusion

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



SUSTAINABLE FINANCE

Sustainable Finance

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

Corporate social responsibility

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

During the year 2020, NBL retained its collective concentration on activities for community welfare through CSR initiatives. The Bank has provided financial support directly or in partnership with others in wider area of social life including disaster management, health Education, Sports & culture, community development etc. at home & abroad.

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



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

Customer servicing and loyalty

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

Employee satisfaction

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

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

Environmental stewardship

Environmental protection has got priority around the globe during recent years and we are moving towards responsible lending and integrating social & environmental impact into risk assessment. Recognizing the ecological importance, NBL is introducing internal environment management phase by phase. We are conscious of our usage of resources and working for saving electricity, water & paper consumptions. Besides, the bank introduces environment friendly financing to address the environmental challenges of the country in line with social & regulatory requirements. We have established green banking unit to address the banks' environmental policies, strategies and other related issues as per requirement.

While financing any project, we check the supporting documents regarding environmental clearance from concerned Authorities. To ensure environmental protection, we also encourages establishing Effluent Treatment Plants (ETP) of industrial set up to protect the earth from pollution.

Community Development:

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

Education:

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



Establishment of schools at newly abolished enclaves (Chitmahal)

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

Health

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

In National Bank Limited, we have lost our 6 colleagues and 776 reported infected cases are there. Our bank has already taken numerous preventive measures to fight against the recent COVID-19 pandemic situation. As we have already started providing fully operational banking support to our valued customers around the country to keep the wheel of economy functional, the competent authority of the bank has

decided to arrange COVID-19 test for the employees posted in the Dhaka Division and the relevant expenditures will be borne by the Sustainable Finance Unit (SFU) as a part of CSR activities of the bank.

Art, Culture & Sports

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

Disaster relief

In response to disasters where healthcare emerges as one of the critical areas of intervention we have responded to the needs of the affected communities to create sustainable solutions. Traditionally, NBL helps peoples and the society during the times of needs. We are regularly contributing to the Prime Ministers Relief Fund for the sake of helping the poor and helpless people at the time of necessity. In 2020, an amount of Tk.72 million has been spent for disaster and relief functions.



Training project namely ‘Industrial Sewing Operation’ for underprivileged “Shaontal” tribal people of Rajshahi

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

Financial Inclusion

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

Branch expansion at newly abolished enclaves

With the aim to catering the needs of the unbanked masses of recently abolished enclaves, NBL has opened its 211th to 213th branches at Rangamati, Takerhat and Hatia to bring the people there into the financial mainstream and to participate in the socio-economic development of the area in consonance with the govt. policy.

Promoting Financial Awareness

Besides providing various products and services to the unbanked people, NBL believes that imparting education and training to these target segments is equally essential to ensure transparency and create awareness. We have participated in various banking fair, SME fairs etc.

organized by Bangladesh Bank to educate mass people and entrepreneurs about different aspects of banking. Through these programs NBL provides credit counseling and information on savings products, better utilization of savings, credit utilization, income generation program etc.

Corporate Social Responsibilities (Sector wise)

(BDT in Lakh)

Sector	2019	2020
Education	237.30	928.18
Disaster/Relief	672.06	1635.97
Prime Minister Relief Fund	987.16	2500.00
Health	49.37	107.92
Development of religious institution	2.64	5.75
Environment	60.00	-
Sports & Culture	201.45	1.00
Others	8.55	14.05

Future Plan

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

Green Banking

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

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



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

Governance of NBL's Green initiatives

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



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

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

A Green Banking Policy to systematize NBL's green initiatives

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

Green Strategic Plan to attain green banking objectives

The Green Strategic Plan for the year 2014 and 2015 has been approved by the Board of Directors of NBL in 2014. As per BRPD Circular No.02 dated February 27, 2011, Banks are required to formulate strategic plan for the implementation of green banking. On the basis of this circular, National Bank Limited adopted strategic plan for the year 2014 and 2015 for the implementation of green banking.

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



Green Banking initiatives by National Bank Limited

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

Introduction of alternative energy in branches

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

Green Finance to facilitate environmental friendly projects

Banks are the facilitating party of business establishment and expansion. Banks support businesses by providing funds and green finance aims to support environmentally supported projects and initiatives. National Bank Limited expands credit for establishing Effluent Treatment Plant



in textiles, RMG, tannery, ship breaking etc and jig-jag/HHK/Tunnel in brickfield projects to save environment from probable pollution from the projects' operations. In addition to these financing facilities, National Bank Limited also provides working capital to support projects having Effluent Treatment Plant and other environmental friendly technology.



BDT 337.06 million has been disbursed to the projects having environmental friendly technology and production process in 2019

BDT 152 million has been disbursed to the projects having environmental friendly technology and production process in 2020.

Implementation of core banking software as a platform for online banking

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

Any branch Banking

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

SMS banking

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

Introduction of debit card & Internet banking

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

Fast and reliable remittance services through NBL Quick Pay







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

Green Office Guide to uphold environment by efficient use of resources

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

Sustainable Practices

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

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

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

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

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

EXTENSIVE **KNOW-HOW, TAILOR-MADE SERVICES** AND **FINANCIAL SOUNDNESS---**

MAKES NBL A **HIGH PERFORMANCE BANK** IN THE FINANCIAL SECTOR

OUR PEOPLE

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

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



Giving Priority to People

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

Knowledge Acquisition

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

Knowledge Enhancement

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

Training and Education

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

- A Responsibilities**
 - Understand what your responsibilities are to be a supervisory/team leader position
 - Qualities of a supervisor
 - Expectations of management and fellow colleagues
- B Teamwork**
 - Understand the team dynamics
 - Team formation, Competencies
 - Performance, Delegation methods
- C Communication**
 - Make effective decisions
 - Manage resources correctly
 - Understand the commercial implications as a result of poor team actions
- D Development**
 - Understand the needs and support your strategic partner-Human Resources
 - Role Plays in an open forum to give you confidence within the workplace and deal with them successfully
 - Develop SMART plans and implementation of improvements within the workplace.

'One Bank One Family'

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

Nurturing Our Potential

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

Diversity and equal opportunity

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



Leadership and management capability

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

Wages Policy and Labour Management Relations

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

Health Plan

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

Benefits Policy and Regime

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

Future Outlook

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

Corporate Governance

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

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

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

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

Statutory bodies

Shareholders' meetings

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

The Board of Directors

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

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

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

Board Committees

Executive Committee

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

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

Audit Committee

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

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

Risk Management Committee

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

Management

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

Accounts, auditing and internal auditor

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

Management Information System(MIS) Committee

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

Management Committee

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

Assets and Liabilities Management Committee (ALCO)

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

Anti-money laundering Committee

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

Senior Management Team

The Senior Management Team (SMT) of the bank reviews the banks overall activities & provides necessary guidelines for implementation.

Procurement Committee

The Deputy Managing Director is acting as convener of the committee. The Sr. Executive Vice President of International Division, Senior Vice President of Financial Administration Division and Vice President of Agriculture Division are the members of the Committee. The head of System and Operation Division is working as member Secretary.

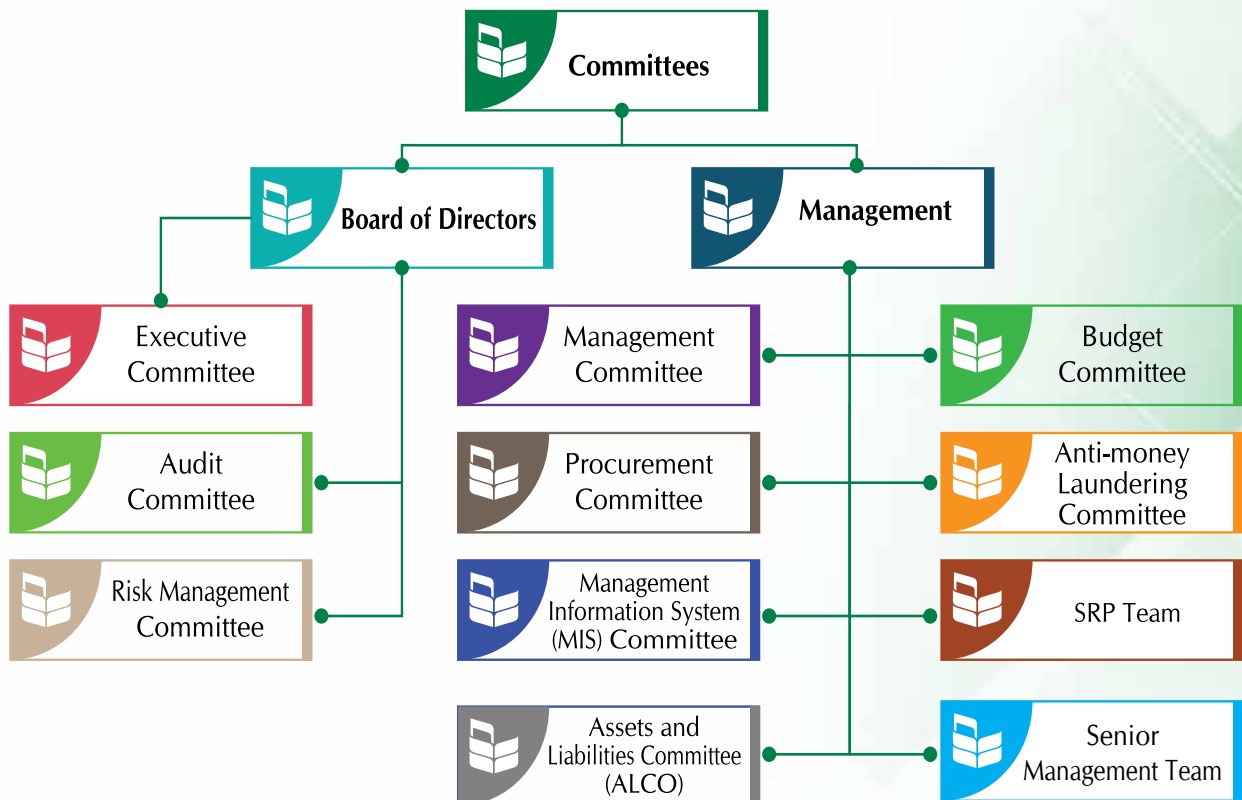
Budget Committee

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

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

Supervisory Review Team

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



STATEMENT OF INTEGRITY OF FINANCIAL STATEMENTS

We hereby certify that the Financial Statements of National Bank Limited (the Bank) as at and for the year ended December 31, 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS), the “First Schedule” (Sec 38) of the Bank Companies Act 1991 (amended in 2013) and as per BRPD circular No. 14 dated June 25, 2003, other Bangladesh Bank circulars, the Company Act 1994, the Securities & Exchange Rule 1987 other laws and rules applicable in Bangladesh. The accounting policies used in preparation of these Financial Statements are appropriate and consistently applied by the Bank. In the case the provisions and circulars issued by Bangladesh Bank differ with those of other regulatory authorities and accounting standards, the provisions and circulars issued by Bangladesh Bank shall prevail with adequate disclosures. Comparative information has been rearranged wherever necessary to conform to the current year presentation.

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

We certify to the Board that:

- i. We have reviewed the Financial Statements of the Bank for the year 2020 and to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards and applicable laws;
- ii. There are, to the best of knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violation of the Company’s code of conduct.



Head of Finance/CFO



Managing Director

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

We have examined the compliance status to the Corporate Governance Code by **National Bank Limited** for the year ended on 31 December, 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

Place: Dhaka
Dated: 05 December, 2021



Md. Mostain Billah
Partner

Mak & Co. Chartered Accountants
Membership No: 1028

Compliance report under condition No. 9.00 of BSEC

Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 03.06.2018

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

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
1.	Board of Directors			
1(1)	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		-
1(2)	Independent Directors			
1(2) (a)	At least one fifth (1/5) of the total number of directors in the Company's board of director shall be independent directors.		✓	The Board of Directors consists of 11 (Eleven) members including 1 (One) Independent Director. Appointment of another Independent Director is under process which has been delayed due to covid-19 pandemic.
1(2) (b)	'Independent director' means a director-			
1(2) (b) (i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		-
1(2) (b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓		-
1(2) (b) (iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		-
1(2) (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		-
1(2) (b) (v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange.	✓		-
1(2) (b) (vi)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		-
1(2) (b) (vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		-
1(2) (b) (viii)	who is not independent director in more than 5 (five) listed companies.	✓		-
1(2) (b) (ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFi); and	✓		-
1(2) (b) (x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		-
1(2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		-
1(2) (d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days and		✓	-
1(2) (e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years which may be extended for 1 (one) tenure only.	✓		-

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
1(3)	Qualification of Independent Director :-			
1(3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		-
1(3) (b)	Independent Director shall have following Qualifications:			-
1(3) (b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	✓		-
1(3) (b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	N/A		-
1(3) (b) (iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	N/A		-
1(3) (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law or not;	N/A		
1(3) (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	N/A		
1(3) (c)	The Independent Director(s) shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3) (d)	In special cases, the above qualification or experiences may be relaxed subject to prior approval of the commission.	-		No such deviation occurred
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-			
1(4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		Follow Bangladesh Bank Code of conduct
1(4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
1(5)	The Directors' Report to Shareholders:-			
1(5) (i)	An industry outlook and possible future developments in the industry;	✓		-
1(5) (ii)	The segment-wise or product-wise performance;	✓		-
1(5) (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		-
1(5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	N/A		-

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
1(5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		
1(5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		-
1(5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	N/A		-
1(5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	N/A		-
1(5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		No such event
1(5) (x)	A statement of remuneration paid to the directors including independent directors;	✓		-
1(5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		-
1(5) (xii)	A statement that proper books of account of the issuer company have been maintained;	✓		-
1(5) (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		-
1(5) (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		-
1(5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	✓		-
1(5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		-
1(5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1(5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		-
1(5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		Separately shown
1(5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year	-		N/A
1(5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	-		N/A
1(5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1(5) (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
1(5) (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name wise details);	✓		-

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
1(5) (xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		-
1(5) (xxiii)(c)	Executives; and	✓		-
1(5) (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		-
1(5) (xxiv)	In case of appointment/re-appointment of a Director the Company shall disclose the following information to the Shareholders:			
1(5) (xxiv) (a)	a brief resume of the Director;	✓		-
1(5) (xxiv)(b)	Nature of his/her expertise in specific functional areas.	✓		-
1(5) (xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		-
1(5) (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5) (xxv) (a)	accounting policies and estimation for preparation of financial statements;	✓		
1(5) (xxv) (b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;			N/A
1(5) (xxv) (c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5) (xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5) (xxv) (e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5) (xxv) (f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1(5) (xxv) (g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5) (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1(5) (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1(6)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant angladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	N/A		As per BRPD Circular No. 11, dated 27 October 2013 (Instruction no. 5) Bank is restricted (by Central Bank) to have more than 3 sub committee of the Board.
1(7) (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	N/A		-

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
2	Governance of Board of Directors of Subsidiary Company:			
2 (a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.		✓	Under process
2 (b)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.		✓	Under process
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓		-
2 (d)	The Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the Subsidiary Company also.	✓		-
2 (e)	The Audit Committee of the holding company shall also review the Financial Statements, in particular the investments made by the Subsidiary Company.	✓		-
3.0	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):			
3 (1)	Appointment			
3 (1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		-
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		-
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		-
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		-
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		-
3(2)	Requirement to attend Board of Directors' Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board.	✓		-
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3) (a) (i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		-
3(3) (a) (ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		-
3(3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		-
3 (3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		-

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
4	Board of Directors' Committee:-			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4 (i)	Audit Committee	✓		
4 (ii)	Nomination and Remuneration Committee.			As the Bank is restricted (by Central Bank) to have more than 3 sub committee of the Board. But The Board oversees the remuneration process
5	Audit Committee:-			
5 (i)	Responsibility to the Board of Directors.			
5(i) (a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(i) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(i) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5 (2)	Constitution of the Audit Committee			
5 (2)(a)	The Audit Committee shall be composed of at least 3 (three) members;		✓	Due to death of 1 Independent Director, the committee now consists of 2 members.
5 (2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5 (2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;		✓	Appointment of Independent Director having financial management background is under process.
5 (2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	✓		
5 (2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5 (2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)	Chairperson of the Audit Committee			
5(3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		-
5(3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
5(3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓		-
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.		✓	3 meetings conducted instead of 4 meetings due to covid-19 pandemic.
5(4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		-
5(5)	Role of Audit Committee			
	The audit committee shall:-			
5(5) (a)	Oversee the financial reporting process;	✓		-
5(5) (b)	Monitor choice of accounting policies and principles.	✓		-
5(5) (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		-
5(5) (d)	Oversee hiring and performance of external auditors.	✓		-
5(5) (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		-
5(5) (f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		-
5(5) (g)	Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval.	✓		-
5(5) (h)	Review the adequacy of internal audit function.	✓		-
5(5) (i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		-
5(5) (j)	review statement of all related party transactions submitted by the management;	✓		-
5(5) (k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		-
5(5) (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and results.	✓		-
5(5) (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	-		N/A
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a) (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		-
5(6)(a) (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
5(6)(a)(ii)(a)	Report on conflicts of Interests.	-		No such event occurred
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-		No such event occurred
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-		No such event occurred

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
5(6)(a)(ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-		No such event occurred
5(6)(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	✓		
5.(7)	Reporting to the Shareholders and General Investors:- Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6	Nomination and Remuneration Committee (NRC).			
6(1)	Responsibility to the Board of Directors			
6 (1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;			As per BRPD Circular No. 11, dated 27 October 2013 (Instruction no. 5) Bank is restricted by (Central Bank) to have more than 3 sub committee of the Board.
6 (1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			-Do-
6 (1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).			-Do-
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	N/A		-Do-
6(2)(b)	All members of the Committee shall be non-executive directors;	N/A		-Do-
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	N/A		-Do-
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	N/A		-Do-
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	N/A		-Do-
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	N/A		-Do-
6(2)(g)	The company secretary shall act as the secretary of the Committee;	N/A		-Do-

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	N/A		-Do-
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	N/A		-Do-
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	N/A		-Do-
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes	N/A		-Do-
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	N/A		-Do-
6(4)	Meeting of the NRC			
6(4) (a)	The NRC shall conduct at least one meeting in a financial year;	N/A		-Do-
6(4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	N/A		-Do-
6(4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	N/A		-Do-
6(4) (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	N/A		-Do-
6(5)	Role of the NRC			
6(5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	N/A		-Do-
6(5) (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	N/A		-Do-
6(5) (b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	N/A		-Do-
6(5) (b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	N/A		-Do-
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	N/A		-Do-
6(5) (b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	N/A		-Do-
6(5) (b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	N/A		-Do-
6(5) (b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	N/A		-Do-
6(5) (b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	N/A		-Do-

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
6(5) (b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	N/A		-Do-
6(5) (b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	N/A		-Do-
6(5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	N/A		-Do-
7	External or Statutory Auditors.			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	financial information systems design and implementation;	✓		
7(1)(iii)	(iii) book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	(iv) broker-dealer services;	✓		
7(1)(v)	(v) actuarial services;	✓		
7(1)(vi)	(vi) internal audit services or special audit services;	✓		
7(1)(vii)	(vii) any service that the Audit Committee determines;	✓		
7(1)(viii)	(viii) audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	(ix) any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	Maintaining a website by the Company.			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The Company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		-
9	Reporting and Compliance of Corporate Governance.			-
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		-
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		-
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not	✓		-

Compliance of Section 1.5 (xxii):

Board Meeting held during the year 2020 and attended by each Director:

Sl. No.	Composition of the Board	No. of meetings in 2020		Remarks
		Held	Attended	
01	Mr. Zainul Haque Sikder	7	7	
02	Mrs. Monowara Sikder	7	7	
03	Ms. Parveen Haque Sikder, MP	7	5	
04	Alhaj Khalilur Rahman	7	5	
05	Mr. Moazzam Hossain	7	6	
06	Mr. Rick Haque Sikder	7	6	
07	Mr. Ron Haque Sikder	7	1	
08	Mr. Zakaria Taher	7	4	
09	Mr. Mabroor Hossain	7	6	
10	Mr. Md. Mahbubur Rahman Khan	7	2	
11	Sikder Insurance Company Ltd.	7	-	
12	Mr. Md. Naimuzzaman Bhuiyan Mukta	7	5	

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

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

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

01. Directors	Shares held	Name of the Spouses	Shares held
Mrs. Monowara Sikder	61,328,503	Late Zainul Haque Sikder	61,328,601
Ms. Parveen Haque Sikder, MP	61,328,610	Mr. Salahuddin Khan	3,184,036
Alhaj Khalilur Rahman	155,047,645	Late Delowara Begum	NIL
Mr. Moazzam Hossain	107,829,897	Mrs. Ilya R. Hossain	13,939,976
Mr. Rick Haque Sikder	61,328,577	-	NIL
Mr. Ron Haque Sikder	61,328,577	-	NIL
Mr. Zakaria Taher	65,790,451	Mrs. Nazneen Ahmed	105,000
Mr. Mabroor Hossain	61,347,335	Mrs. Nadia Munawar Siddique	NIL
Sikder Insurance Company Ltd.	151,360,545		
Mr. Md. Naimuzzaman Bhuiyan Mukta	NIL		
02. Managing Director		Mr. Md. Mehmood Husain	NIL
03. Company Secretary		Mr. Md. Kaiser Rashid	16,676
04. Head of Financial Administration		Mr. Krishna Kamal Ghose	2,451
05. Head of Internal Control & Compliance		Mr. Tapash Chandra Chakraborty	NIL

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

01. Deputy Managing Director	- Mr. Syed Rois Uddin	2,092
02. Senior Executive Vice President	- Mr. Nizam Ahmed	NIL
03. Senior Executive Vice President	- Mr. Hossain Akhter Chowdhury	NIL
04. Senior Executive Vice President	- Mr. Kazi Kamal Uddin Ahmed	NIL
05. Senior Executive Vice President	- Mr. Sheikh Akhter Uddin Ahmed	NIL

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

Executive Committee Meeting : Nil

Audit Committee Meeting

Sl No.	Composition of the Committee	No. of Meetings held in 2020		Remarks
		Held	Attended	
01.	Mr. Md. Naimuzzaman Bhuiyan Mukta	03	02	
02.	Mr. Mabroor Hossain	03	03	
03.	Mr. Md. Mahbubur Rahman	03	01	

Risk Management Committee Meeting

Sl No.	Composition of the Committee	No. of Meetings held in 2020		Remarks
		Held	Attended	
01.	Ms. Parveen Haque Sikder, MP	04	04	
02.	Mr. Rick Haque Sikder	04	04	
03.	Mr. Ron Haque Sikder	-	-	

Status of Compliance of Bangladesh Bank Guideline for Corporate Governance

(BRPD circular no. 16 dated 24.07.2003)

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

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

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

Status of Compliance of Bangladesh Bank Guideline for Corporate Governance

(BRPD circular no. 16 dated 24.07.2003)

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

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

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

*Subject to some departure to comply with local law.

Report of the Audit Committee of the Board

For the year ended December 31, 2020

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

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

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

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

In pursuance of its objectives, the Audit Committee of the Board held 3 meetings during the year 2020. The Committee reviewed compliance of policies issues, regulations and applicable laws in general and interim reports submitted by Bank's Internal Control & Compliance Division as well as reports submitted by external and special auditors.

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

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

Loan portfolio/risk management issues.

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

The Committee instructed all operational/monitoring units to:

- Follow regulations meticulously in respect of Know Your Customer (KYC) in account opening.
- Intensify recovery of past due loans and initiate early warning reports for loans which show deteriorating conditions.
- The Committee also reviewed the financial statements as of December 31, 2020 audited by Khan Wahab Shafique Rahman & Co. Chartered Accountants.



Chairman
Audit Committee of the Board

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

Among other oversight responsibilities, Board of Directors (BoD) has to ensure that the Financial Statements of the Bank and its subsidiaries are prepared in accordance with applicable International Financial Reporting Standards (including International Accounting Standards), relevant provisions of the Companies Act 1994, Bank Company Act 1991, rules and regulations of Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC), listing rules of relevant stock exchanges and other applicable laws, rules and regulations.

In compliance with section 184 of Companies Act 1994, the Annual Report which is presented in the Annual General Meeting (AGM) has a separate section as 'Directors' Report 2020' that contains, among others, a review of the following issues:.

- **State of the Bank's affairs:** A review of financial performance and position has been presented in the Directors' Report 2020 and Management Discussion and Analysis (MD & A) section with relevant analytics.
- **Any recommended reserve is the balance sheet:** An amount of BDT 1,273 million has been transferred to 'Statutory Reserve' to equalize with the paid up capital as per section 24 of Bank Company Act 1991.
- **Recommended dividend:** The Board has recommended 5% Stock dividend for the completed year 2020.
- Any event after balance sheet date which may affect company's financial condition: None.
- **Any change in Bank's activities, subsidiaries' activities etc.:** No major change in strategy and actions in the Bank and Subsidiaries experienced in 2020.

In compliance with BSEC Corporate Governance Code dated 03 June 2018 the Directors of the Bank hereby highlights following issues, among others, in their report as prescribed:

- **Industry outlook and possible future developments in the industry:** A brief review in this regard has been presented in the Directors' Report 2020.
- **Segment wise or Product-wise Performance:** Business-wise performance has been presented in the segmental information.
- **Risks and Concerns:** A detailed discussion regarding risks and management of the same has been presented in "Risk Management" section of this Report.
- **Discussion on Operating Performance:** A brief description has been presented in "Financial Performance Highlights of NBL" part of the Directors' Report 2020.
- **Discussion on continuity of any Extra-Ordinary gain or loss:** In last five years NBL has not experienced any extra-ordinary gain or loss. NBL's Five Years Progression presented in the "Stakeholders information" section with provide detailed information to support this.

- **Basis for related party transactions and a statement of all related party transactions:** The basis for related party transactions has been stated in the Corporate Governance Report and a statement of related party transactions has been presented in the note no. 43 of the Financial Statements 2020.
- **Utilization of proceeds from public issues, rights issues and/or through any other instruments:** The Bank issued subordinated bonds valuing BDT 400 crore in 2018. This is eligible for Tier-II capital as per Basel III Guidelines of Bangladesh Bank.
- **Explanation of variances between Quarterly and Annual Financial performance:** No major variances have been occurred between quarterly and annual performance. The changes made as normal business Expansion.
- **Remuneration to directors including independent directors:** Remuneration provided to directors has been presented in the Corporate Governance Report and Note 32 and Note 33 to the Financial Statements.
- **The financial statements prepared by the management present fairly its state of affairs, the result of its operations, cash flows and changes in equity:** The financial statements prepared by the management as at and for the year ended 31 December 2020 present fairly, in all material respects, its state of affairs, the results of its operations, cash flows and changes in equity. The external auditors i.e. Khan Wahab Shafique Rahman & Co. Chartered Accountants also provided their opinion on the same by issuing an unqualified audit report.
- **Maintenance of proper books of account:** Proper books of account as required by law have been kept by NBL. The external auditors i.e. Khan Wahab Shafique Rahman & Co., Chartered Accountants also provided their opinion on the same in point (IV) of 'Report on other Legal and Regulatory Requirements' of their audit report.
- **Consistent application of appropriate accounting policies and estimates in preparation of financial statements:** Appropriate accounting policies have been consistently applied in preparation of the financial statements of the Bank and the accounting estimates are based on reasonable and prudent judgment. Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to these are recognized in the period in which the estimate is revised and in any future period affected.
- **Following international Accounting Standards (IAS)/ international Financial Reporting Standards [FRS], as applicable in Bangladesh, in preparation of financial statements and any departure there from has been adequately disclosed:** Details description including disclosure of departures has been presented in Note 2.1 to the Financial Statements 2020.

- **The system of internal control is sound in design and has been effectively implemented and monitored:** A brief description in this regard has been presented in the internal control system' paragraph under Directors' Report 2020.
- **Protection of interest of minority shareholders and elective means of redress:** The Bank is operated in accordance with the Articles of Association and all applicable Laws and regulations of the land to ensure the greater interest of all the shareholders of the Bank. The Bank is committed to sound governance practices based on integrity, openness, fairness, professionalism and accountability in building confidence among stakeholders. However, any complaint, received at AGM or throughout the year, from any shareholders, is resolved lawfully in time.
- **Significant doubts upon the Bank's ability to continue as a going concern:** Nothing as yet.
- **Explanations to significant deviations from the last year's operating results:** Significant deviations of operating results in 2020 have been adequately discussed in the Directors' Report 2020.
- **Summarization of last five year's key operating and financial data:** Please see 'Five-Years Summary of NBL's Stakeholders' Information.
- **Declaration of dividend or not:** Declared 5% Stock dividend for the year 2020.
- **Declaration of bonus share or stock dividend as interim dividend:** No bonus share or stock dividend was declared as interim dividend in 2020.
- **No. of Board meetings and directors' attendance in 2020:** Please see 'Board meeting and attendance' section under Corporate Governance Report.
- **The patterns of shareholdings:** Please see Corporate Governance Report and note 16.3 of the Notes to the Financial Statements 2020.
- **Brief resume of the directors and nature of their expertise in specific functional areas:** Brief profile of directors and their representation in other companies have been presented in the related party disclosure of the Financial Statements 2020.
- **Management's discussion and analysis signed by CEO/ MD:** Please see 'Managing Director & CEO's Review from the desk of the Managing Director & CEO of this annual report.
- **Certification by the CEO and CFO:** The certification of MD & CEO and CFO has been presented at the beginning of Financial Reports section of this annual report.
- **Certificate of compliance of corporate governance code:** The certificate issued by Mak & Co., Chartered Accountants, has been presented at the end of Corporate Governance Report.

To adhere to good corporate governance practices, the Bank has been complying with the corporate governance code issued by BSEC (Notification No. BSEC/CMRRCDI2006-158/207/Admin/80 dated 03 June 2018). NBL's compliance status to the said prescribed practices is presented in Corporate Governance Report.

The Directors, to the best of their knowledge and information, hereby confirm that the Annual Report 2020 together with the Directors' Report and the Financial Statements have been prepared in compliance with applicable governing Acts, rules, regulations, guidelines and Laws of various regulatory bodies including Bangladesh Bank and BSEC.

On behalf of the Board of Directors



Chairman of the Board of Directors

Management's Discussion and Analysis Relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018

- **Accounting policies and estimation for preparation of financial statements:** Accounting policies and estimation for preparation of financial statements has detailed discussion in the policy note of the audited financial statements page no. 153
- **Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes:** Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes has been detailed discussion in the policy note of the audited financial statements.
- **Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof:** A comparative position has been presented in page no. 23.
- **Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario:** Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario has been presented in the respective page.
- **Briefly explain the financial and economic scenario of the country and the globe:** Briefly explain the financial and economic scenario of the country and the globe has been presented in page no. 45.
- **Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company and:** Detailed has been disclosed in the Risk management report in page no. from 71 to 94.



Auditor's Report and

Financial Statements

For the year ended December 31, 2020

Independent Auditors' Report

to the Shareholders of National Bank Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

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

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

Basis for Opinion

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

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

Key Audit Matters

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

Description of key audit matters	Our response to key audit matters
Measurement of provision for Loans and Advances	
<p>The process for estimating the provision for loans & advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>At the year end the Bank reported total gross loan and advances of BDT 408,510.60 Million (2020: BDT 360,769.74 Million) and total provision for Loan and Advances BDT 18,616.16 Million (2020: BDT 16,320.14 Million). We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no. 14, dated 23 September 2012, BRPD circular no.03 dated 21 April 2020, BRPD circular no.17 dated 28 September 2020 & BRPD circular no. 56 dated 10 December 2020. For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; Identification of loss events, including early warning and default warning indicators; Reviewed quarterly Classification of Loans (CL); Follow Bangladesh Bank's circular and guidelines; <p>Our substantive procedures in relation to the provision for loan and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> Reviewed the adequacy of the Banks general and specific provisions; Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
Refer note no. 8 and 15.2 to the financial statements	
Valuation of treasury bill and treasury bond	
The classification and measurement of treasury bill and treasury bond require judgment and complex estimates.	We assessed the processes and controls put in place by the Group to identify and confirm the existence of financial instruments.

Description of key audit matters	Our response to key audit matters
<p>In the absence of a quoted price in an active market, the fair value of treasury bill and treasury bond is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the financial instrument valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments. We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data. Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
Refer note no. 7.1.1 to the financial statements	
Measurement of deferred tax assets	
<p>At year end of 2020 the Bank reported total net deferred tax assets of BDT 89,146,684 (2020: BDT 129,500,648) and deferred tax expense of BDT 40,353,964 (2020: Expense BDT 10,044,745). Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Bank's future taxable income. We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. The Bank has sufficient taxable profit to recover the deferred tax assets in foreseeable future. We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's. Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>
Refer note no 10.1.3 to the financial statements	
Legal and regulatory matters	
<p>We focused on this area because the Bank and its subsidiary (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities. Overall, the legal provision represents the Group's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. We also assessed the Bank's provisions and contingent liabilities disclosure.</p>
IT Systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>
Carrying value of investments in subsidiary (s) by the Bank	
<p>The Bank has invested in equity shares of its subsidiaries as at 31 December 2020 the carrying value of this investment is BDT 4,426.41 million. The Bank is required to perform impairment test of Investment in subsidiary when impairment indication exists. The impairment testing is considered to be a key audit matter due to the complexity and judgments required in determining the assumptions to be used to estimate the recoverable amount. Management has conducted impairment assessment and calculated value of its subsidiary.</p>	<p>We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36: Impairment of Assets. We have analyzed the appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p>

Description of key audit matters	Our response to key audit matters
Refer note no. 7.2.1 to the financial statements	
Impact of COVID-19 on Business	
<p>On 11 March 2020, World Health Organization (WHO) declared a global pandemic due to corona Virus related respiratory disease commonly called as COVID-19. It has a big impact on imports, other procurement, production, export, and other activities of the Global business. The government of Bangladesh has declared general holidays from 26.03.2020 to 30.05.2020 and majority of entity of our country was compelled to reduce their operation at that period. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures all business and economic activities are affected which would also impact the Bank as well. Although the business operation of the Bank and profitability of the bank are slightly impacted due to COVID-19, but as the situation is constantly changing and there is no certainty at present as to how long the situation will prevail, the potential impact of COVID-19 related matters on the Bank's operation and financial results cannot be reasonably assessed.</p>	<p>Regarding COVID-19 pandemic effect on the business activities of National Bank Limited, we have discussed with the management of National Bank Limited on the potential impact of pandemic on the Bank. We also compared the Financial Statements figures of previous year with the current year to find out the impact of COVID-19 Pandemic on the Business. Moreover, we have checked the deposit, disbursement and recovery pattern during the pandemic period and compared the same with pre-pandemic period. We have also analyzed the expenditure management policy and other health and safety regulations on test basis.</p>
Refer note no. 43.00 to the financial statements	

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on other Legal and Regulatory Requirements

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

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on antifraud internal controls and instances of fraud and forgeries as stated under the Responsibility of Management and those charged with governance for the consolidated & Separate financial statements and internal control for the financial statements and internal control:
 - a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities;
- iii) financial statements of all subsidiaries of the Bank which have been audited by other auditors have been properly reflected in the consolidated financial statements;
- iv) in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- ix) adequate provisions have been made for advance and other as per tripartite meeting held on 20.05.2021 and Bangladesh Bank approval given vide letter no. DBI-5/82/2021-9 dated: 23.06.2021 disclosed at note 15 of financial statements and deferred benefit on loan and advance and other has been given by Bangladesh Bank vide letter no. DOS(RMMCMS)1154/161/2021-2786 dated: 29.06.2021;
- x) the information and explanations required by us have been received and found satisfactory;
- xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 4,250 person hours; and
- xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Place: Dhaka
Date: June 30, 2021

Khan Wahab Shafique Rahman & Co.

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

Consolidated Balance Sheet

As at December 31, 2020

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

Consolidated Balance Sheet

As at December 31, 2020

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

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


Managing Director


Director

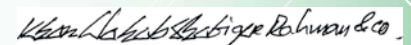

Director


Chairperson

Signed in terms of our separate report of even date.

Place: Dhaka

Date: June 30, 2021



Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: Faruk Ahmed FCA

Partner

Enrolment No.: 1591

DVC:2106301591AS473491

Consolidated Profit and Loss Statement

For the year ended December 31, 2020

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

Consolidated Profit and Loss Statement

For the year ended December 31, 2020

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

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


Managing Director

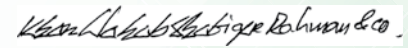

Director


Director


Chairperson

Signed in terms of our separate report of even date.

Place: Dhaka
Date: June 30, 2021


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



Consolidated Statement of Changes in Equity

For the year ended December 31, 2020

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

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


Managing Director


Director


Director


Chairperson

Consolidated Cash Flow Statement

For the year ended December 31, 2020

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

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


Managing Director


Director


Director


Chairperson

Balance Sheet

As at December 31, 2020

Particulars	Notes	Amount in BDT	
		31.12.2020	31.12. 2019
PROPERTY AND ASSETS			
Cash		22,135,861,179	24,258,474,172
In hand (including foreign currencies)	3	4,405,564,727	4,052,430,849
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4	17,730,296,452	20,206,043,323
Balance with other banks and financial institutions	5	5,066,417,576	4,184,674,936
In Bangladesh		3,237,562,866	3,246,661,798
Outside Bangladesh		1,828,854,710	938,013,138
Money at call and on short notice	6	91,300,000	91,300,000
Investments	7	73,737,299,252	62,877,817,458
Government		60,692,726,720	50,231,204,874
Others		13,044,572,532	12,646,612,584
Loans and advances	8	408,510,601,258	360,769,737,295
Loans, cash credits, overdrafts, etc.		401,947,947,571	355,486,764,281
Bills purchased and discounted		6,562,653,687	5,282,973,014
Fixed assets including premises, furniture and fixtures	9	3,643,002,833	2,709,978,117
Other assets	10	15,568,587,953	8,383,317,066
Non-banking assets	11	299,479,400	299,479,400
Total assets		529,052,549,451	463,574,778,444
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12	8,419,144,804	8,337,718,474
Deposits and other accounts	13	430,747,950,818	366,298,512,993
Current deposit and other accounts		34,563,517,722	26,805,405,622
Bills payable		4,285,058,100	3,337,258,268
Savings bank deposits		58,326,974,057	51,550,288,418
Fixed deposits		132,589,373,496	140,421,645,700
Term deposit		200,983,027,443	144,183,914,985
Subordinated bonds	14	3,450,000,000	4,000,000,000
Other liabilities	15	34,341,896,408	35,900,988,654
Total liabilities		476,958,992,030	414,537,220,121
Shareholders' equity			
Total shareholders' equity		52,093,557,421	49,037,558,323
Paid-up capital	16.2	30,664,186,390	29,203,987,040
Statutory reserve	17	17,108,889,287	15,835,709,954
Startup fund		34,855,427	-
Other reserve	19	1,996,630,956	965,975,208
Retained earnings	20	2,288,995,361	3,031,886,121
Total liabilities and shareholders' equity		529,052,549,451	463,574,778,444

Balance Sheet

As at December 31, 2020

Particulars	Notes	Amount in BDT	
		31.12.2020	31.12. 2019
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements	21	19,031,475,008	14,367,515,122
Letters of guarantee		11,384,775,292	10,638,586,888
Irrevocable letters of credit		21,318,149,175	18,349,715,772
Bills for collection		5,638,890,954	6,454,791,079
Other contingent liabilities		-	-
		57,373,290,429	49,810,608,861
Other commitments			
Lease rental commitments		-	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Spot and forward foreign exchange rate contracts		1,653,751,800	594,359,000
Other exchange contracts		-	-
	1,653,751,800	594,359,000	
Total off-balance sheet items including contingent liabilities		59,027,042,229	50,404,967,861

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


Managing Director


Director


Director


Chairperson

Signed in terms of our separate report of even date.

Place: Dhaka

Date: June 30, 2021



Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: Faruk Ahmed FCA

Partner

Enrolment No.: 1591

DVC:2106301591AS473491

Profit and Loss Statement

For the year ended December 31, 2020

Particulars	Notes	Amount in BDT	
		2020	2019
Interest income	22	34,339,265,681	34,703,590,148
Less: Interest paid on deposits and borrowings, etc.	23	26,118,075,999	24,247,709,885
Net interest income		8,221,189,682	10,455,880,263
Investment income	24	6,025,431,088	3,097,038,216
Commission, exchange and brokerage	25	1,368,754,744	1,425,106,973
Other operating income	26	575,285,172	678,364,861
Total operating income		7,969,471,004	5,200,510,050
		16,190,660,686	15,656,390,313
Salaries and allowances	27	4,126,750,753	3,887,611,628
Rent, taxes, insurance, electricity, etc.	28	910,079,340	795,650,537
Legal expenses	29	18,648,607	24,064,367
Postage, stamp, telecommunication, etc.	30	80,670,760	78,540,082
Stationery, printing, advertisement, etc.	31	151,156,347	175,380,834
Managing Director's salary and allowances	32	10,440,000	10,440,000
Directors' fees and other benefits	33	7,706,380	2,225,248
Auditors' fees	34	575,000	575,000
Charges on loan losses		-	465,571,851
Repairs, maintenance and depreciation	35	711,597,590	679,663,220
Other expenses	36	967,339,243	752,268,763
Total operating expenses		6,984,964,020	6,871,991,530
Profit before provision		9,205,696,666	8,784,398,783
Provision for loans and advances			
Specific provision	15.2(a)	2,165,000,000	1,500,000,000
General provision (including off-balance sheet items)	15.2(c)	85,000,000	-
Special general provision (Covid-19)	15.2(d)	589,800,000	-
Provision for good borrowers	15.2(e)	-	10,000,000
		2,839,800,000	1,510,000,000
Provision for other classified assets	15.4	-	-
Total provision		2,839,800,000	1,510,000,000
Total profit before tax		6,365,896,666	7,274,398,783
Provision for taxation			
Current tax	15.1	2,840,000,000	3,100,000,000
Deferred tax	10.1.3	40,353,964	10,044,745
		2,880,353,964	3,110,044,745
Net profit after tax		3,485,542,702	4,164,354,038
Retained earnings brought forward from previous year		3,031,886,121	2,977,319,750
		6,517,428,823	7,141,673,788
Appropriations			
Statutory reserve	17	(1,273,179,333)	(1,454,879,757)
Startup fund @1% of net profit		(34,855,427)	-
Dividend			
Cash dividend @ 5% for 2019		(1,460,199,352)	-
Bonus share @ 5% for 2019 & 10% in 2018		(1,460,199,350)	(2,654,907,910)
		(4,228,433,462)	(4,109,787,667)
Retained earnings carried forward		2,288,995,361	3,031,886,121
Earnings per share (EPS) restated	39.02	1.14	1.36

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



Managing Director



Director




Director



Chairperson

Signed in terms of our separate report of even date.

Place: Dhaka
Date: June 30, 2021



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

Statement of Changes in Equity

For the year ended December 31, 2020

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

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


Managing Director


Director


Director


Chairperson

Liquidity Statement (Analysis of Maturity of Assets and Liabilities)

As at December 31, 2020

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

*Structured liquidity profile as per Bangladesh Bank DOS Circular No.02 dated 29 March, 2011 has been shown in separate annexure. Accompanying notes 01 to 43 form an integral part of these financial statements.



Managing Director



Director



Director



Chairperson

Cash Flow Statement

For the year ended December 31, 2020

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

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


Managing Director


Director


Director


Chairperson

Notes to the financial statements

For the year ended December 31, 2020

1. General information

1.1 Status of the Bank

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

1.2 Principal activities

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

1.3 Offshore Banking Unit (OBU)

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

1.4 Subsidiaries of the Bank

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

NBL Securities Ltd.

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

NBL Capital and Equity Management Ltd.

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

NBL Money Transfer Pte Ltd. (Singapore)

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

NBL Money Transfer Sdn Bhd (Malaysia)

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

NBL Money Transfer (Maldives) Private Ltd.

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

Notes to the financial statements

For the year ended December 31, 2020

NBL Money Transfer Payment Foundation SA (Greece)

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

NBL Money Transfer Inc. (USA)

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

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

2.1 Statement of compliance

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

i) Presentation of financial statement

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

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

ii) Investment in shares, mutual funds and other securities

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

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

iii) Revaluation gains/losses on Government securities

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

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

HTM

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

Notes to the financial statements

For the year ended December 31, 2020

HFT

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

iv) Provision on loans and advances/investments

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

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

v) Recognition of interest in suspense

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

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

vi) Other comprehensive income (OCI):

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

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

vii) Financial instruments – presentation and disclosure

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

viii) Financial guarantees

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

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

ix) Cash and cash equivalents

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

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

x) Non-banking asset

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

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

Notes to the financial statements

For the year ended December 31, 2020

- xi) Cash flow statement**
IFRS: The cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.
Bangladesh Bank: As per BRPD circular no. 14, cash flow is the combination of direct and indirect methods.
- xii) Balance with Bangladesh Bank: (Cash Reserve Requirement)**
IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.
Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.
- xiii) Presentation of intangible asset**
IFRS: An intangible asset must be identified and recognised, and the disclosure must be given as per IAS 38: "Intangible Assets".
Bangladesh Bank: There is no regulation for intangible assets in circular no. BRPD 14.
- xiv) Off-balance sheet items**
IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.
Bangladesh Bank: As per BRPD circular no. 14, off-balance sheet items (e.g. Letter of credit, Letter of guarantee, etc) must be disclosed separately on the face of the balance sheet.
- xv) Loans and advances/Investments net of provision**
IFRS: Loans and advances/Investments should be presented net of provision.
Bangladesh Bank: As per BRPD 14, provision on loans and advances/investments are presented separately as liability and can not be netted off against loans and advances.
- 2.2 Basis of preparation of financial statements**
The financial statements of the Bank as at 31 December 2020 have been prepared on a going concern basis under the historical cost convention and in accordance with the "First Schedule" of the Bank Companies Act 1991 (amended in 2013) and as per BRPD circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, IFRS, IASs, the Companies Act 1994, Bangladesh Securities and Exchange Rules 1987, the listing Regulations of the Stock Exchanges and other laws and rules applicable in Bangladesh.
- 2.3 Basis of consolidation**
The financial statements of the Bank include the financial statements of main operation of NBL and its two business unit namely, "Offshore Banking Units" operating in Bangladesh.

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

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

Consolidated financial statements of the group and separate financial statements of the Bank comprise of Balance Sheet, Profit and Loss Account, Statement of Changes in Equity, Cash Flow Statement, Liquidity Statement and relevant notes and disclosures.
- 2.4 Use of estimates and judgment**
Preparation of the financial statements in conformity with IFRS/IAS requires management to make judgments, estimates and assumptions. These judgments, estimates and assumptions affect the application of accounting policies and the reported amount of assets and liabilities as well as income and expenses in the financial statements presented. Actual result may differ from the estimates and assumption made.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.
- 2.5 Functional and presentation currency**
The financial statements have been prepared and presented using Bangladeshi Taka (BDT) which is the functional currency of NBL.

Notes to the financial statements

For the year ended December 31, 2020

2.6 Assets and basis of their valuation

2.6.1 Loans and advances

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

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

2.6.2 Investments

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

a) Held to maturity

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

b) Held for trading

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

c) Sale and repurchase agreement

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

d) Revaluation

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

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

2.6.3 Fixed assets and depreciation

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

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

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

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

b) Leases

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

Notes to the financial statements

For the year ended December 31, 2020

Bank as lessee:

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

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

Right-of -use assets (ROU)

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

Lease liability

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

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

Bank as a lessor

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

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

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

c) Intangible assets

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

2.6.4 Non-banking assets

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

2.6.5 Other assets

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

2.7 Liabilities and provisions

2.7.1 Employees benefits

a) Short term benefits

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

Notes to the financial statements

For the year ended December 31, 2020

b) Post-employment benefits

i) Defined contribution plan

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

Provident fund

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

ii) Defined benefit plans

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

Gratuity

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

Superannuation fund

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

c) Other benefits

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

2.7.2 Provision for liabilities

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

2.7.3 Provision for loans and advances

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

Business unit		Rates of provisions				
		Standard	SMA	SS	DF	BL
Consumer	House building and professional	1%	1%	20%	50%	100%
	Loans to professionals	2%	2%	20%	50%	100%
	Other than house building and professional to setup business	2%	2%	20%	50%	100%
Small and medium enterprise		0.25%	0.25%	5%	20%	100%
BHs/MBs/ SDs against shares		2%	2%	20%	50%	100%
Short term agri-credit		1%	1%	5%	5%	100%
Special general provision COVID-19		1%	-	-	-	-
All others		1%	1%	20%	50%	100%

2.7.4 Provision against Off-balance sheet items

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

Notes to the financial statements

For the year ended December 31, 2020

2.7.5 Provision for taxation

a) Current tax

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

b) Deferred tax

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

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

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

2.7.6 Lease liabilities (present value of lease payments)

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

2.8 Off-balance sheet items

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

2.9 Revenue recognition

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

2.9.1 Interest income

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

2.9.2 Investment income

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

2.9.3 Fees and commission income

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

2.9.4 Dividend income on shares

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

2.9.5 Interest paid on borrowings and deposits

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

2.9.6 Management and other expenses

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

2.10 Shareholders' equity

Authorised capital

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

Paid-up capital

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

Statutory reserve

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

Notes to the financial statements

For the year ended December 31, 2020

Non-controlling (minority) interest

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

2.11 Foreign currencies translation and balance with other banks

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

2.12 Risk management

2.12.1 Asset liability management

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

2.12.2 Money laundering risk management

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

2.12.3 Credit risk management

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

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

2.12.4 Foreign exchange risk management

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

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

2.12.5 Internal control and compliance management

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

Notes to the financial statements

For the year ended December 31, 2020

2.12.6 ICT Risk Management

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

2.13 Earnings per share (EPS)

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

2.14 Cash flow statement

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

2.15 Statement of changes in equity

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

2.16 Statement of liquidity

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

2.17 Reconciliation of inter-bank/books of accounts

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

2.18 Off-setting financial assets and financial liabilities

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

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

2.19 Subordinated bonds

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

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

2.20 General

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

Notes to the financial statements

For the year ended December 31, 2020

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

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

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

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

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

4.1.1 Cash Reserve Requirement (CRR)

Average time and demand liabilities (excluding inter-bank deposits)

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

4.1.2 Statutory Liquidity Ratio (SLR)

Average time and demand liabilities (excluding inter-bank deposits)

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

4.1.3 Composition of SLR maintained*

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

* As per statement submitted to Bangladesh Bank

Notes to the financial statements

For the year ended December 31, 2020

Particulars	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
5. Balance with other banks and financial institutions				
In Bangladesh- in local currencies (note 5.1)	3,882,874,929	3,473,839,676	3,237,562,866	3,246,661,798
Outside Bangladesh (note 5.2) (Annex- B)	2,034,429,244	1,259,585,138	1,828,854,710	938,013,138
	5,917,304,173	4,733,424,814	5,066,417,576	4,184,674,936
5.1 Inside Bangladesh				
5.1.1 Current accounts				
Agrani Bank Ltd.	16,815,866	53,353,132	16,815,866	53,353,132
Janata Bank Ltd.	88,909,162	81,813,505	88,909,162	81,813,505
Rupali Bank Ltd.	48,498,344	2,299	48,498,344	2,299
Standard Chartered Bank	17,637,743	6,779,859	17,637,743	6,779,859
Sonali Bank Ltd.	33,999,589	55,085,009	33,999,589	55,085,009
	205,860,704	197,033,804	205,860,704	197,033,804
5.1.2 Short-notice deposit accounts				
Eastern Bank Ltd.	156,714	156,597	156,714	156,597
Janata Bank Ltd.	650,808	631,001	650,808	631,001
National Credit and Commercial Bank Ltd.	106,394	105,334	106,394	105,334
First Security Islami Bank Ltd.	85,840	84,660	85,840	84,660
Dhaka Bank Ltd.	206,851	201,518	206,851	201,518
Standard Chartered Bank	-	1,005,564	-	1,005,564
Trust Bank Ltd.	34,370,960	51,293,495	34,370,960	51,293,495
	35,577,567	53,478,169	35,577,567	53,478,169
5.1.3 Fixed deposit accounts (in local currency)				
ICB Islamic Bank Ltd.	66,124,595	66,149,825	66,124,595	66,149,825
Global Islami Bank Ltd.	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
Union Bank Ltd.	1,280,000,000	1,280,000,000	1,280,000,000	1,280,000,000
	2,846,124,595	2,846,149,825	2,846,124,595	2,846,149,825
Other financial institutions	150,000,000	150,000,000	150,000,000	150,000,000
	2,996,124,595	2,996,149,825	2,996,124,595	2,996,149,825
	3,237,562,866	3,246,661,798	3,237,562,866	3,246,661,798
Bank balance of subsidiaries	645,312,063	227,177,878	-	-
	3,882,874,929	3,473,839,676	3,237,562,866	3,246,661,798
5.2 Outside Bangladesh				
5.2.1 Fixed deposits accounts (interest bearing) :				
JP Morgan Chase Bank, Singapore	61,565,599	61,637,400	61,565,599	61,637,400
Eastern Bank Ltd., OBU	84,801,100	-	84,801,100	-
AB Bank Ltd., OBU	296,803,850	254,700,000	296,803,850	254,700,000
	443,170,549	316,337,400	443,170,549	316,337,400
In demand deposit accounts (non-interest bearing):				
Standard Chartered Bank, Mumbai	70,215,279	54,036,485	70,215,279	54,036,485
Standard Chartered Bank, Frankfurt	16,124,383	853,524	16,124,383	853,524
Mashreq Bank, New York	341,004,475	33,116,914	341,004,475	33,116,914
JP Morgan Chase Bank, New York	61,064,238	8,411,527	61,064,238	8,411,527
Standard Chartered Bank, New York	468,373,471	223,105,765	468,373,471	223,105,765
Sonali Bank Ltd., Kolkata	17,545,136	30,786,529	17,545,136	30,786,529
Mashreq Bank, Mumbai	38,990,944	33,041,394	38,990,944	33,041,394
State Bank of India, Kolkata	519,158	519,764	519,158	519,764
United Bank, Karachi	2,647,103	2,650,190	2,647,103	2,650,190
NABIL Bank, Nepal	11,121,187	14,901,085	11,121,187	14,901,085
Standard Chartered Bank, Colombo	4,729,943	3,728,666	4,729,943	3,728,666
Myanmar Foreign Trade Bank, Myanmar	11,690	11,703	11,690	11,703
AB Bank Ltd., Mumbai	37,318,823	38,826,147	37,318,823	38,826,147
Bank of Bhutan, Thimpu	21,597,756	34,446,675	21,597,756	34,446,675
ICICI Bank Ltd. Mumbai	3,244,343	3,248,127	3,244,343	3,248,127
HDFC Bank Ltd. India	28,612,271	21,891,329	28,612,271	21,891,329

Notes to the financial statements

For the year ended December 31, 2020

Particulars	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
Meezan Bank Ltd., Karchi	30,469,248	17,984,855	30,469,248	17,984,855
Commerz Bank AG, Frankfurt	547,568	4,219,089	547,568	4,219,089
Alpha Bank AE, Athens	611,002	746,811	611,002	746,811
BOT, Tokyo	1,900,248	1,016,067	1,900,248	1,016,067
Union Bank of Switzerland, Switzerland	1,326,381	624,682	1,326,381	624,682
Habib Bank AG, Zurich	46,968	361,857	46,968	361,857
Habib American Bank, New York	136,718,030	85,139,518	136,718,030	85,139,518
Standard Chartered Bank, Singapore	1,596,800	1,046,725	1,596,800	1,046,725
Citibank N.A, New York	89,347,716	6,960,310	89,347,716	6,960,310
	1,385,684,161	621,675,738	1,385,684,161	621,675,738
Bank Balance of subsidiaries	205,574,534	321,572,000	-	-
	1,591,258,695	943,247,738	1,385,684,161	621,675,738
Details are shown in Annex B.	2,034,429,244	1,259,585,138	1,828,854,710	938,013,138

5.3 Maturity grouping of balance with other banks and financial institutions

On demand	2,442,431,462	1,367,459,420	1,591,544,865	818,709,542
Up to 1 month	1,943,170,549	1,816,337,400	1,943,170,549	1,816,337,400
More than 1 month but not more than 3 months	185,577,567	203,478,169	185,577,567	203,478,169
More than 3 months but not more than 1 year	1,280,000,000	1,280,000,000	1,280,000,000	1,280,000,000
More than 1 year but not more than 5 years	66,124,595	66,149,825	66,124,595	66,149,825
More than 5 years	-	-	-	-
	5,917,304,173	4,733,424,814	5,066,417,576	4,184,674,936

6. Money at call and on short notice

Call money

With banking companies (note 6.1)	91,300,000	91,300,000	91,300,000	91,300,000
With non-banking financial institutions	-	-	-	-
	91,300,000	91,300,000	91,300,000	91,300,000

6.1 Call Money - with banking companies

ICB Islamic Bank Ltd.	91,300,000	91,300,000	91,300,000	91,300,000
	91,300,000	91,300,000	91,300,000	91,300,000
With Financial Institutions	-	-	-	-
	91,300,000	91,300,000	91,300,000	91,300,000

7. Investments

Government (note 7.1)	60,692,726,720	50,231,204,874	60,692,726,720	50,231,204,874
Others (note 7.2)	10,240,717,340	9,727,336,247	13,044,572,532	12,646,612,584
	70,933,444,060	59,958,541,121	73,737,299,252	62,877,817,458

7.1 Government

Treasury bonds (note 7.1.1)	58,540,465,448	49,499,124,924	58,540,465,448	49,499,124,924
Bangladesh Govt. Treasury bills	2,140,527,072	725,396,850	2,140,527,072	725,396,850
Prize bonds	11,734,200	6,683,100	11,734,200	6,683,100
	60,692,726,720	50,231,204,874	60,692,726,720	50,231,204,874

7.1.1 Treasury bonds

2 years Bangladesh Government treasury bonds	3,831,050,284	2,047,085,214	3,831,050,284	2,047,085,214
5 years Bangladesh Government treasury bonds	7,495,593,066	3,556,176,698	7,495,593,066	3,556,176,698
10 years Bangladesh Government treasury bonds	21,004,188,243	21,014,994,899	21,004,188,243	21,014,994,899
15 years Bangladesh Government treasury bonds	10,996,587,174	10,710,879,323	10,996,587,174	10,710,879,323
20 years Bangladesh Government treasury bonds	15,213,046,681	12,169,988,790	15,213,046,681	12,169,988,790
	58,540,465,448	49,499,124,924	58,540,465,448	49,499,124,924

7.2 Others

Share (quoted and unquoted) (note 7.2.1)	8,986,477,285	8,473,091,247	11,790,332,477	11,392,367,584
Subordinated bond	1,250,000,000	1,250,000,000	1,250,000,000	1,250,000,000
Fixed capital investment in Myanmar (note 7.2.2)	4,240,055	4,245,000	4,240,055	4,245,000
	10,240,717,340	9,727,336,247	13,044,572,532	12,646,612,584

Notes to the financial statements

For the year ended December 31, 2020

Particulars	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
7.2.1 In ordinary shares (quoted and unquoted)				
Quoted				
Banking Companies	5,716,421,803	5,443,950,667	5,716,421,803	5,443,950,667
Non-Bank Financial Institutions	574,431,160	553,264,682	574,431,160	553,264,682
Insurance companies	120,485,721	115,402,713	120,485,721	115,402,713
Fuel & Power	240,751,803	220,331,166	240,751,803	220,331,166
Mutual Fund	48,868,437	39,739,141	48,868,437	39,739,141
Telecommunication companies	2,712,530	-	2,712,530	-
Textiles	36,145,810	32,376,638	36,145,810	32,376,638
Cement Industry	25,908,221	16,880,356	25,908,221	16,880,356
Engineering Companies	84,901,174	73,088,942	84,901,174	73,088,942
Paper & Printing	2,896,516	2,896,516	2,896,516	2,896,516
Pharmaceuticals & Chemicals	182,272,318	143,493,409	182,272,318	143,493,409
Travel & Leisure	39,765,363	39,784,899	39,765,363	39,784,899
Information Technology	8,580,372	19,831,685	8,580,372	19,831,685
Tannery Industry	283,463	1,302,803	283,463	1,302,803
Food and Allied	13,459,162	5,720,185	13,459,162	5,720,185
Service & Real Estate	5,923,162	5,895,165	5,923,162	5,895,165
Miscellaneous	35,954,044	32,361,527	35,954,044	32,361,527
	7,139,761,059	6,746,320,494	7,139,761,059	6,746,320,494
Investment made by subsidiary	1,098,805,274	979,486,925	-	-
	8,238,566,333	7,725,807,419	7,139,761,059	6,746,320,494
Un-quoted				
Karma Sangsthan Bank Ltd.	90,000,000	90,000,000	90,000,000	90,000,000
Gulf Overseas Exchange LLC, Oman	27,566,625	27,506,250	27,566,625	27,506,250
Central Depository (Bangladesh) Ltd.	6,277,770	6,277,770	6,277,770	6,277,770
Industrial & Infrastructure Development Fin. Co. Ltd.	62,800,260	62,800,260	62,800,260	62,800,260
Society for Worldwide Inter Bank Financial Telecommunication (SWIFT)	6,352,348	5,785,599	6,352,348	5,785,599
NBL Securities Ltd.	-	-	3,999,940,000	3,999,940,000
NBL Capital & Equity Management Ltd.	-	-	249,865,000	249,865,000
NBL Money TRN SDN BHD Malaysia	-	-	21,011,100	20,650,000
NBL Money Transfer Pte. Ltd.	-	-	19,203,150	18,876,450
NBL Money Transfer (Maldives) PVT. Ltd.	-	-	16,960,220	16,980,000
NBL Money Transfer Inc., USA	-	-	81,409,056	81,504,000
NBL Money Trans. Payment Foundation SA Greece	-	-	38,021,940	34,697,812
Bangladesh Rating Agency Ltd.	4,165,900	4,165,900	4,165,900	4,165,900
Lanka Bangla Securities Ltd.	4,998,049	4,998,049	4,998,049	4,998,049
BD Venture Ltd.	20,000,000	20,000,000	20,000,000	20,000,000
Membership with DSE & CSE	523,750,000	523,750,000	-	-
MSF Asset Management	2,000,000	2,000,000	2,000,000	2,000,000
	747,910,952	747,283,828	4,650,571,418	4,646,047,090
	8,986,477,285	8,473,091,247	11,790,332,477	11,392,367,584
Market value of the investments in quoted shares			5,530,234,281	4,798,286,835

7.2.2 Fixed capital investment in Myanmar

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

Notes to the financial statements

For the year ended December 31, 2020

Particulars	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
7.3 Maturity wise grouping on investments				
On demand	-	-	-	-
Up to 1 month	130,730,218	119,121,775	130,730,218	119,121,775
Over 1 month but not more than 3 months	508,605,924	495,491,238	508,605,924	495,491,238
Over 3 months but not more than 1 year	5,738,754,742	4,264,613,380	5,738,754,742	4,264,613,380
Over 1 year but not more than 5 years	24,365,045,525	24,050,293,073	24,365,045,525	24,050,293,073
Over 5 years	40,190,307,651	31,029,021,655	42,994,162,843	33,948,297,992
	70,933,444,060	59,958,541,121	73,737,299,252	62,877,817,458
8. Loans and advances				
Loans, cash credits, overdrafts, etc (note 8.1)	404,375,504,874	358,432,032,668	401,947,947,571	355,486,764,281
Bills purchased and discounted (note 8.2)	6,562,653,687	5,282,973,014	6,562,653,687	5,282,973,014
	410,938,158,561	363,715,005,682	408,510,601,258	360,769,737,295
8.1 Loans, cash credits, overdrafts, etc In Bangladesh				
Secured overdrafts	7,092,701,174	6,913,004,899	7,092,701,174	6,913,004,899
Cash credit	63,013,194,951	65,441,263,137	63,013,194,951	65,441,263,137
Over draft	124,297,598,188	110,916,465,758	124,297,598,188	110,916,465,758
Loans (general)	167,786,787,649	137,065,558,192	170,170,842,635	139,449,613,178
House building loans	22,298,485,640	17,695,271,809	22,298,485,640	17,695,271,809
Lease finance	107,949,610	106,379,558	107,949,610	106,379,558
Loan against trust receipts	4,940,522,433	5,248,431,116	4,940,522,433	5,248,431,116
Payment against documents	485,970,612	251,969,685	485,970,612	251,969,685
Credit card	1,209,987,186	1,158,950,923	1,209,987,186	1,158,950,923
Margin loan	4,811,612,289	5,329,323,373	-	-
Other loans and advances	8,330,695,142	8,305,414,218	8,330,695,142	8,305,414,218
	404,375,504,874	358,432,032,668	401,947,947,571	355,486,764,281
Outside Bangladesh	-	-	-	-
	404,375,504,874	358,432,032,668	401,947,947,571	355,486,764,281
8.2 Bills purchased and discounted In Bangladesh				
Local bills purchased and discounted	1,093,483,399	1,698,788,542	1,093,483,399	1,698,788,542
Foreign bills/documents purchased and discounted	5,469,170,288	3,584,184,472	5,469,170,288	3,584,184,472
	6,562,653,687	5,282,973,014	6,562,653,687	5,282,973,014
Outside Bangladesh	-	-	-	-
	6,562,653,687	5,282,973,014	6,562,653,687	5,282,973,014
	410,938,158,561	363,715,005,682	408,510,601,258	360,769,737,295
8.3 Maturity wise grouping of loans and advances including bills purchased and discounted repayable				
On demand	8,170,212,025	10,823,092,119	8,170,212,025	10,823,092,119
Up to 1 month	20,425,530,063	25,253,881,611	20,425,530,063	25,253,881,611
More than 1 month but not more than 3 months	32,680,848,101	28,861,578,984	32,680,848,101	28,861,578,984
More than 3 months but not more than 1 year	114,382,968,352	101,015,526,443	114,382,968,352	101,015,526,443
More than 1 year but not more than 5 years	123,322,653,002	108,910,468,882	123,322,653,002	108,910,468,882
More than 5 years	111,955,947,018	88,850,457,643	109,528,389,715	85,905,189,256
	410,938,158,561	363,715,005,682	408,510,601,258	360,769,737,295
8.4 Loans and advances including bills purchased and discounted classified into In Bangladesh:				
Loans	217,064,711,735	182,074,303,773	214,637,154,432	179,129,035,386
Cash credits	63,013,194,951	65,441,263,137	63,013,194,951	65,441,263,137
Overdrafts	124,297,598,188	110,916,465,758	124,297,598,188	110,916,465,758
Bills purchased and discounted	6,562,653,687	5,282,973,014	6,562,653,687	5,282,973,014
	410,938,158,561	363,715,005,682	408,510,601,258	360,769,737,295
Outside Bangladesh	-	-	-	-
	410,938,158,561	363,715,005,682	408,510,601,258	360,769,737,295

Notes to the financial statements

For the year ended December 31, 2020

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

Notes to the financial statements

For the year ended December 31, 2020

Particulars	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
8.7 Particulars of loans and advances				
i) Loans considered good in respect of which the Bank is fully secured.	342,361,992,897	315,211,308,616	339,934,435,594	312,266,040,229
ii) Loans considered good against which the Bank holds no security other than the debtors' personal guarantee.	31,386,534,127	27,111,999,236	31,386,534,127	27,111,999,236
iii) Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors.	37,189,631,537	21,391,697,830	37,189,631,537	21,391,697,830
iv) Loans adversely classified; provision not maintained there.	-	-	-	-
	410,938,158,561	363,715,005,682	408,510,601,258	360,769,737,295
v) Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons.	2,728,185,356	2,638,450,588	2,728,185,356	2,638,450,588
vi) Loans due from companies or firms in which the directors of the bank have interest as directors, partners or managing agents or in case of private companies, as members.	238,018,270	230,086,580	238,018,270	230,086,580
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.	2,728,185,356	2,638,450,588	2,728,185,356	2,638,450,588
viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies, as members.	238,018,270	230,086,580	238,018,270	230,086,580
ix) Due from banking companies	-	-	-	-
x) Information in respect of classified loans advances				
a) Classified loans for which interest is not credited to income	38,328,002,000	39,637,138,014	38,328,002,000	39,637,138,014
b) Provision kept against classified loans and advances (note 15.2(a))	13,443,962,202	11,278,239,751	13,443,962,202	11,278,239,751
c) Interest credited to interest suspense account (note 15.3)	7,048,031,146	10,573,467,632	7,048,031,146	10,573,467,632
xi) Cumulative amount of written-off loans:				
Opening balance	17,114,974,000	17,261,474,000	16,946,938,000	17,093,438,000
Amount written-off during the year	-	-	-	-
Amount recovered / provision released during the year against written-off loans	(12,600,000)	(146,500,000)	(12,600,000)	(146,500,000)
Waiver for final settlement	-	-	-	-
Balance of written-off loans and advances yet to be recovered	17,102,374,000	17,114,974,000	16,934,338,000	16,946,938,000
The amount of classified and written-off loans for which law suits have been filed	75,772,585,000	72,792,759,000	75,772,585,000	72,792,759,000
8.8 Bills purchased and discounted (Maturity wise grouping of bills purchased and discounted)				
Payable within 1 month	1,093,775,615	880,495,502	1,093,775,615	880,495,502
More than 1 month but less than 3 months	2,187,551,230	1,760,991,004	2,187,551,230	1,760,991,004
More than 3 months but less than 6 months	3,281,326,842	2,641,486,508	3,281,326,842	2,641,486,508
More than 6 months	-	-	-	-
	6,562,653,687	5,282,973,014	6,562,653,687	5,282,973,014

Notes to the financial statements

For the year ended December 31, 2020

Particulars	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
9. Fixed assets including premises, furniture and fixtures				
Cost / Revaluation:				
Land	693,216,752	693,216,752	693,216,752	693,216,752
Building	1,276,289,796	1,276,289,796	1,276,289,796	1,276,289,796
Furniture and fixtures	1,195,597,696	1,132,983,963	1,195,597,696	1,132,983,963
General equipments	1,178,596,776	1,132,270,824	1,178,596,776	1,132,270,824
Computer equipments	2,659,072,002	1,606,240,668	2,659,072,002	1,606,240,668
Vehicles	307,806,354	307,169,293	307,806,354	307,169,293
Right of use assets (leased assets)	378,629,137	280,322,323	378,629,137	280,322,323
Books	2,467,674	2,442,514	2,467,674	2,442,514
	7,691,676,187	6,430,936,133	7,691,676,187	6,430,936,133
<u>Less:</u> Accumulated depreciation	4,048,673,354	3,720,958,016	4,048,673,354	3,720,958,016
Written down value at the end of the year	3,643,002,833	2,709,978,117	3,643,002,833	2,709,978,117
Subsidiary companies balance	62,532,011	59,612,046	-	-
	3,705,534,844	2,769,590,163	3,643,002,833	2,709,978,117
Details are shown in Annex A.				
10. Other assets				
Income generating	-	-	-	-
Non-income generating (note 10.1)	15,183,685,662	7,783,212,752	15,568,587,953	8,383,317,066
	15,183,685,662	7,783,212,752	15,568,587,953	8,383,317,066
10.1 Non-income generating other assets				
Stock of stationery	54,966,569	54,284,588	54,966,569	54,284,588
Stamps in hand	5,653,896	5,421,602	5,653,896	5,421,602
Suspense account (note 10.1.1)	2,769,596,665	507,622,823	2,769,596,665	507,622,823
Advance and deposits	5,712,726	5,694,631	5,712,726	5,694,631
Interest and other receivables	5,394,786,405	1,573,150,869	5,394,786,405	1,573,150,869
Sundry assets (note 10.1.2)	618,989,247	338,222,313	618,989,247	338,222,313
Demand draft paid without advice	733,250	5,303,404	733,250	5,303,404
Bill purchased account- credit card	371,995,099	356,585,312	371,995,099	356,585,312
Deferred tax asset/liabilities(note 10.1.3)	88,142,805	128,496,769	89,146,684	129,500,648
Inter-branch adjustment account (net) (note 10.1.4)	3,057,563,146	1,205,581,490	3,057,563,146	1,205,581,490
Advance against cash assistance	-	2,819,368	-	2,819,368
Advance against branches*	8,066,299	13,122,623	8,066,299	13,122,623
Advance against NBL Towers	1,941,287,000	1,941,287,000	1,941,287,000	1,941,287,000
Advance against fixed assets	656,695,551	1,634,223,477	656,695,551	1,634,223,477
Others	209,497,004	11,396,483	593,395,416	610,496,918
	15,183,685,662	7,783,212,752	15,568,587,953	8,383,317,066
* The amount represents advance against new branches and for existing branches repair, renovation and maintenance.				
10.1.1 Suspense account				
Sundry debtors	2,203,977,483	150,550,055	2,203,977,483	150,550,055
Advance against TA/DA	85,500	137,000	85,500	137,000
Advance against postage	10,003	4,983	10,003	4,983
Encashment of PSP/ BSP	248,082,735	159,087,367	248,082,735	159,087,367
Encashment of wage earners development bond	317,440,944	197,843,418	317,440,944	197,843,418
	2,769,596,665	507,622,823	2,769,596,665	507,622,823
10.1.2 Sundry assets				
Cash remittance	148,300,000	97,789,937	148,300,000	97,789,937
Advance rent	444,449,623	213,432,995	444,449,623	213,432,995
Clearing adjustment account	61,761	62,411	61,761	62,411
Protested bill	23,117,340	23,300,940	23,117,340	23,300,940
Unexpired insurance premium	3,060,523	3,636,030	3,060,523	3,636,030
	618,989,247	338,222,313	618,989,247	338,222,313

Notes to the financial statements

For the year ended December 31, 2020

Particulars	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
10.1.3 Deferred tax assets/(liabilities)				
Deferred tax assets:				
Opening balance	341,669,005	343,087,021	341,351,331	342,769,347
Add: Addition/(Adjusted) during the year	(37,448,225)	(1,418,016)	(37,448,225)	(1,418,016)
Closing balance	304,220,780	341,669,005	303,903,106	341,351,331
Deferred tax liabilities:				
Opening balance	213,172,236	204,545,507	211,850,683	203,223,954
Add: Addition/adjustment during the year	2,905,739	8,626,729	2,905,739	8,626,729
Closing balance	216,077,975	213,172,236	214,756,422	211,850,683
Net deferred tax (assets)/liabilities	88,142,805	128,496,769	89,146,684	129,500,648
Deferred tax charge/(credit)	40,353,964	10,044,745	40,353,964	10,044,745

10.1.4 Inter-branch adjustment account

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

11. Non-banking Assets

299,479,400	299,479,400	299,479,400	299,479,400
299,479,400	299,479,400	299,479,400	299,479,400

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

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

12. Borrowings from other banks, financial institutions and agents

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

12.1.1 In Bangladesh

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

12.1.2 Outside Bangladesh

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

Notes to the financial statements

For the year ended December 31, 2020

Particulars	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
12.2 Security wise breakup of borrowing from other banks, financial Institutions and agents				
Secured borrowings	-	-	-	-
Unsecured borrowings	8,419,144,804	8,337,718,474	8,419,144,804	8,337,718,474
	8,419,144,804	8,337,718,474	8,419,144,804	8,337,718,474
12.3 Maturity-wise grouping of borrowings				
Repayable				
On demand	2,570,000,000	650,000,000	2,570,000,000	650,000,000
Up to 1 month	31,487,717	23,301,869	31,487,717	23,301,869
More than 1 month but within 3 months	2,998,466,618	2,413,179,865	2,998,466,618	2,413,179,865
More than 3 months but within 1 year	2,819,190,469	5,251,236,740	2,819,190,469	5,251,236,740
More than 1 year but within 5 years	-	-	-	-
More than 5 years	-	-	-	-
	8,419,144,804	8,337,718,474	8,419,144,804	8,337,718,474
13. Deposits and other accounts (note 13.1)				
Current deposit and other accounts (note 13.2)	34,562,375,594	26,804,331,592	34,563,517,722	26,805,405,622
Bills payable (note 13.3)	4,285,058,100	3,337,258,268	4,285,058,100	3,337,258,268
Savings deposit	58,326,974,057	51,550,288,418	58,326,974,057	51,550,288,418
Fixed deposit	132,589,373,496	140,421,645,700	132,589,373,496	140,421,645,700
Term deposit (note 13.4)	200,567,838,662	143,965,811,634	200,983,027,443	144,183,914,985
	430,331,619,909	366,079,335,612	430,747,950,818	366,298,512,993

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

13.1 Deposit and other account				
Deposit from banks (in Bangladesh) (note 13.1.1)	17,794,588,555	18,000,008,862	17,794,588,555	18,000,008,862
Other than bank	412,537,031,354	348,079,326,750	412,953,362,263	348,298,504,131
	430,331,619,909	366,079,335,612	430,747,950,818	366,298,512,993
13.1.1 Deposit from banks (in Bangladesh)				
A. In current account				
AB Bank Ltd.	1,168	2,087	1,168	2,087
Al-Arafah Islami Bank Ltd.	3,426,275	9,252,195	3,426,275	9,252,195
BRAC Bank Ltd.	1,100,413	5,013,423	1,100,413	5,013,423
Bangladesh Krishi Bank Ltd.	56,517	1,377,116	56,517	1,377,116
Dutch Bangla Bank Ltd.	14,550	15,469	14,550	15,469
Islami Bank Bangladesh Ltd.	99,988,096	25,891,738	99,988,096	25,891,738
Jamuna Bank Ltd.	3,574,501	1,605,372	3,574,501	1,605,372
Mercantile Bank Ltd.	9,110	28,487	9,110	28,487
Prime Bank Ltd.	40,685	41,605	40,685	41,605
Bangladesh Development Bank Ltd.	538,778	743,642	538,778	743,642
Rajshahi Krishi Unnayan Bank	2,502,587	9,999,827	2,502,587	9,999,827
Shahjalal Islami Bank Ltd.	3,869	4,559	3,869	4,559
Southeast Bank Ltd.	9,011,345	16,880	9,011,345	16,880
EXIM Bank Ltd.	1,187	130,106	1,187	130,106
	120,269,081	54,122,506	120,269,081	54,122,506

Notes to the financial statements

For the year ended December 31, 2020

Particulars	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
B. In short notice deposit accounts				
BRAC Bank Ltd.	147,621	4,425,739	147,621	4,425,739
Dhaka Bank Ltd.	5,154,000	149,434	5,154,000	149,434
Dutch-Bangla Bank Ltd.	2,789,699	6,690,873	2,789,699	6,690,873
EXIM Bank Ltd.	2,527,000	4,991,706	2,527,000	4,991,706
Jamuna Bank Ltd.	611,959	884,769	611,959	884,769
Janata Bank Ltd.	36,000	35,756	36,000	35,756
Mercantile Bank Ltd.	1,120,468	1,289,425	1,120,468	1,289,425
Pubali Bank Ltd.	693,000	673,244	693,000	673,244
Rajshahi Krishi Unnayan Bank	661,637,987	396,547,224	661,637,987	396,547,224
The Premier Bank Ltd.	201,740	198,186	201,740	198,186
	674,919,474	415,886,356	674,919,474	415,886,356
C. Term deposit accounts				
Rajshahi Krishi Unnayan Bank	299,920,000	600,000,000	299,920,000	600,000,000
Agrani Bank Ltd.	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Bank Alfalah Ltd.	-	200,000,000	-	200,000,000
Bank Asia Ltd.	-	1,000,000,000	-	1,000,000,000
Dhaka Bank Ltd.	999,920,000	-	999,920,000	-
Shimanta Bank Ltd.	599,920,000	-	599,920,000	-
Eastern Bank Ltd.	-	1,430,000,000	-	1,430,000,000
Bangladesh Development Bank Ltd.	199,960,000	-	199,960,000	-
National Credit & Commerce Bank Ltd.	1,599,960,000	1,500,000,000	1,599,960,000	1,500,000,000
Janata Bank Ltd.	1,000,000,000	500,000,000	1,000,000,000	500,000,000
Jamuna Bank Ltd.	1,000,000,000	-	1,000,000,000	-
Uttara Bank Ltd.	2,699,800,000	3,000,000,000	2,699,800,000	3,000,000,000
Rupali Bank Ltd.	2,099,920,000	100,000,000	2,099,920,000	100,000,000
Sonali Bank Ltd.	3,500,000,000	6,200,000,000	3,500,000,000	6,200,000,000
	16,999,400,000	17,530,000,000	16,999,400,000	17,530,000,000
Total (A+B+C)	17,794,588,555	18,000,008,862	17,794,588,555	18,000,008,862
13.1.2 Maturity-wise grouping				
Deposits from banks				
Repayable				
On demand	120,269,080	54,122,507	120,269,080	54,122,507
Up to 1 month	4,584,983,895	4,533,177,271	4,584,983,895	4,533,177,271
Over 1 month but within 6 months	8,169,967,790	8,066,354,542	8,169,967,790	8,066,354,542
Over 6 months but within 1 year	4,919,367,790	5,346,354,542	4,919,367,790	5,346,354,542
Over 1 year but within 5 years	-	-	-	-
Over 5 years but within 10 years	-	-	-	-
	17,794,588,555	18,000,008,862	17,794,588,555	18,000,008,862
From others payable				
Repayable				
On demand	25,041,838,248	20,581,834,832	25,041,838,248	20,581,834,832
Up to 1 month	19,336,501,005	16,105,468,658	19,336,501,005	16,105,468,658
Over 1 month but within 6 months	59,584,810,121	55,995,578,172	59,584,810,121	55,995,578,172
Over 6 months but within 1 year	87,400,560,637	83,111,488,746	87,400,560,637	83,111,488,746
Over 1 year but within 5 years	121,999,040,903	103,139,734,242	121,999,040,903	103,139,734,242
Over 5 years but within 10 years	99,174,280,440	69,145,222,100	99,590,611,349	69,364,399,481
	412,537,031,354	348,079,326,750	412,953,362,263	348,298,504,131
	430,331,619,909	366,079,335,612	430,747,950,818	366,298,512,993
13.2 Current deposit and other accounts				
Current deposit	20,208,609,591	15,374,769,381	20,208,609,591	15,375,843,411
Foreign currency deposit	357,311,193	290,713,076	357,311,193	290,713,076
Exchange company Taka account	129,738,145	551,191,705	130,880,273	551,191,705
Exporters' foreign currencies account	248,715,168	296,514,068	248,715,168	296,514,068
Sundry deposits	13,618,001,497	10,291,143,362	13,618,001,497	10,291,143,362
	34,562,375,594	26,804,331,592	34,563,517,722	26,805,405,622

Notes to the financial statements

For the year ended December 31, 2020

Particulars	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
13.3 Bills payable				
Payment order	4,269,034,683	3,316,249,640	4,269,034,683	3,316,249,640
Demand draft	16,023,417	21,008,628	16,023,417	21,008,628
	4,285,058,100	3,337,258,268	4,285,058,100	3,337,258,268
13.4 Term deposit				
Short notice deposit	29,840,708,483	24,054,099,933	30,255,897,264	24,272,203,284
Non-resident foreign currency deposit	461,533,964	437,584,073	461,533,964	437,584,073
Resident foreign currency deposit	545,714,916	551,390,771	545,714,916	551,390,771
Non-resident investment Taka account	2,387,596	311,912	2,387,596	311,912
Monthly saving scheme	44,797,697,457	39,781,109,723	44,797,697,457	39,781,109,723
Special deposit scheme	124,919,796,246	79,141,315,222	124,919,796,246	79,141,315,222
	200,567,838,662	143,965,811,634	200,983,027,443	144,183,914,985
14. Subordinated bonds				
	3,450,000,000	4,000,000,000	3,450,000,000	4,000,000,000
	3,450,000,000	4,000,000,000	3,450,000,000	4,000,000,000

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

Sl. No. Bond Holders

1	Agrani Bank Ltd.	200,000,000	250,000,000	200,000,000	250,000,000
2	AB Bank Ltd.	1,250,000,000	1,250,000,000	1,250,000,000	1,250,000,000
3	One Bank Ltd.	200,000,000	250,000,000	200,000,000	250,000,000
4	Rupali Bank Ltd.	720,000,000	900,000,000	720,000,000	900,000,000
5	Sadharan Bima Corporation	80,000,000	100,000,000	80,000,000	100,000,000
6	Sonali Bank Ltd.	400,000,000	500,000,000	400,000,000	500,000,000
7	Mutual Trust Bank Ltd.	200,000,000	250,000,000	200,000,000	250,000,000
8	Uttara Bank Ltd.	400,000,000	500,000,000	400,000,000	500,000,000
	Totals	3,450,000,000	4,000,000,000	3,450,000,000	4,000,000,000
15 Other liabilities					
Un-paid dividend	10,009,092	10,009,092	10,009,092	10,009,092	
Provision for bonus	157,939,352	293,523,189	157,939,352	293,523,189	
Tax liability (note 15.1)	3,753,777,396	3,613,826,012	3,473,177,851	3,390,444,234	
Provision for loans & advances (including off-B/S items) (note 15.2)	19,160,666,146	16,320,143,695	19,160,666,146	16,320,143,695	
Interest suspense account (note 15.3)	7,048,031,146	10,573,467,632	7,048,031,146	10,573,467,632	
Provision for other assets (note 15.4)	621,371,795	621,371,795	102,120,772	102,120,772	
Provision for gratuity (note 15.5)	-	50,000,000	-	50,000,000	
ATM card holders' accounts	40,178,397	28,628,452	40,178,397	28,628,452	
Foreign currencies adjustment account	58,910,920	219,489,113	58,910,920	219,489,113	
Bills payable account MPS (CCD)	13,440,629	13,248,429	13,440,629	13,248,429	
Adjusting account credit	3,762,190,683	4,425,712,230	3,762,190,683	4,425,712,230	
Provision for LFA	96,655,097	96,474,860	96,655,097	96,474,860	
Clearing adjusting account	151,104,449	4,737,608	151,104,449	4,737,608	
Lease liabilities	256,735,631	221,682,960	256,735,631	221,682,960	
Others	95,040,566	98,056,509	10,736,243	151,306,388	
	35,226,051,299	36,590,371,576	34,341,896,408	35,900,988,654	

Notes to the financial statements

For the year ended December 31, 2020

Particulars	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
15.1 Tax liability				
Provision for current tax				
Opening balance	18,729,722,246	15,605,346,651	18,475,498,946	15,375,498,946
Add: Provision made during the year	2,897,217,767	3,124,375,595	2,840,000,000	3,100,000,000
	21,626,940,013	18,729,722,246	21,315,498,946	18,475,498,946
Less: Adjustment made during the year	8,543,010,781	-	8,543,010,781	-
Closing balance	13,083,929,232	18,729,722,246	12,772,488,165	18,475,498,946
Advance income tax				
Opening balance	15,115,896,234	12,099,580,089	15,085,054,712	12,068,738,567
Add: Paid during the year	2,757,266,383	3,016,316,145	2,757,266,383	3,016,316,145
	17,873,162,617	15,115,896,234	17,842,321,095	15,085,054,712
Less: Adjustment made during the year	8,543,010,781	-	8,543,010,781	-
Closing balance	9,330,151,836	15,115,896,234	9,299,310,314	15,085,054,712
	3,753,777,396	3,613,826,012	3,473,177,851	3,390,444,234

Status of pending assessments

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

15.1a Reconciliation of effective tax rate

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

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

(a) Specific provision against loans and advances

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

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

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

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

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

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

Notes to the financial statements

For the year ended December 31, 2020

Particulars	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
(d) Special general provision for Covid -19				
Opening balance	-	-	-	-
Provision made during the year	589,800,000	-	589,800,000	-
Closing balance	589,800,000	-	589,800,000	-
Sub total (a)+ (b)+(c)+(d)	19,147,941,597	16,307,419,146	19,147,941,597	16,307,419,146

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

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

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

Particulars	Outstanding	Base for provision	Rate	Provision required
General provision				
On Unclassified loans	356,231,200,258	356,231,200,258	Various	18,207,002,050
On SMA loans	13,951,399,000	13,829,130,910	Various	114,397,950
	370,182,599,258	370,060,331,168		18,321,400,000
Specific provision				
On Substandard loans	974,407,000	369,390,478	Various	73,878,000
On Doubtful loans	1,854,441,000	473,724,027	Various	236,862,000
On Bad/loss loans	35,499,154,000	22,122,996,951	100%	22,122,996,951
	38,328,002,000	22,966,111,456		22,433,736,951
Special general provision for Covid-19				589,800,000
Off Balance sheet items			1%	541,468,000
Total				41,886,404,951
15.3 Interest suspense account				
Opening balance	10,573,467,632	11,493,141,527	10,573,467,632	11,493,141,527
Add: Amount transferred to "interest suspense" account during the year	1,640,080,426	2,135,618,909	1,640,080,426	2,135,618,909
	12,213,548,058	13,628,760,436	12,213,548,058	13,628,760,436
Less: Amount credited to income	3,104,348,503	2,896,472,652	3,104,348,503	2,896,472,652
Interest waived during the year	2,061,168,409	158,820,152	2,061,168,409	158,820,152
Amount written-off during the year	-	-	-	-
	5,165,516,912	3,055,292,804	5,165,516,912	3,055,292,804
Closing balance	7,048,031,146	10,573,467,632	7,048,031,146	10,573,467,632
15.4 Provision for other assets				
Provision for fall in market price of shares				
Opening balance	563,605,345	517,950,005	44,354,322	44,354,322
Transferred (to)/from other provision	-	-	-	-
Less: Adjusted during the year	-	-	-	-
Add: Addition during the year	-	45,655,340	-	-
Closing balance	563,605,345	563,605,345	44,354,322	44,354,322
Provision for other classified assets				
Opening balance	57,766,450	62,266,450	57,766,450	62,266,450
Transferred from/(to) other provision	-	(4,500,000)	-	(4,500,000)
Closing balance	57,766,450	57,766,450	57,766,450	57,766,450
	621,371,795	621,371,795	102,120,772	102,120,772

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

Notes to the financial statements

For the year ended December 31, 2020

Particulars	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019

15.5 Provision for gratuity

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

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

16. Share capital

16.1 Authorised capital

5,000,000,000 ordinary shares of BDT 10 each

50,000,000,000 30,000,000,000

16.2 Issued, subscribed and fully paid-up capital

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

16.3 Percentage of shareholdings at the closing date

Category	2020		2019	
	No. of shares	%	No. of shares	%
Sponsors and Directors	950,206,388	30.99%	911,689,809	31.22%
Financial institutions	643,459,462	20.98%	607,288,344	20.79%
Foreign investors	31,161,475	1.02%	55,142,886	1.89%
Non-resident Bangladeshi	715,910	0.02%	11,073,905	0.38%
General public	1,440,875,404	46.99%	1,335,203,760	45.72%
	3,066,418,639	100.00%	2,920,398,704	100.00%

16.4 Statement of slab list as on December 31, 2020

Group/ type	No. of share holders	No. of shares	% of share holding
De-materialization	73,566	3,034,680,677	98.96%
Materialization	4,202	31,737,962	1.04%
	77,768	3,066,418,639	100%
De-materialization	No. of share holders	No. of shares	% of share holding
Range			
Less than 500	18,409	3,170,511	0.10%
500 to 5,000	31,357	64,089,425	2.09%
5,001 to 10,000	8,746	62,762,996	2.05%
10,001 to 20,000	6,577	92,853,479	3.03%
20,001 to 30,000	2,602	63,559,381	2.07%
30,001 to 40,000	1,419	49,184,675	1.60%
40,001 to 50,000	848	38,400,945	1.25%
50,001 to 100,000	1,880	132,083,774	4.31%
100,001 to 1,000,000	1,503	351,533,748	11.46%
Over 1,000,000	225	2,177,041,743	71.00%
	73,566	3,034,680,677	98.96%

Notes to the financial statements

For the year ended December 31, 2020

Particulars	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
Materialization				
Range		No. of share holders	No. of shares	% of share holding
Less than 500		2,467	357,365	0.01%
500 to 5,000		1,356	2,496,197	0.08%
5,001 to 10,000		175	1,229,799	0.04%
10,001 to 20,000		94	1,369,107	0.04%
20,001 to 30,000		46	1,099,156	0.04%
30,001 to 40,000		15	519,903	0.02%
40,001 to 50,000		12	527,789	0.02%
50,001 to 100,000		20	1,358,847	0.04%
100,001 to 1,000,000		11	3,331,776	0.11%
Over 1,000,000		6	19,448,023	0.63%
		4,202	31,737,962	1.04%
16.5 Capital adequacy ratio				
Core capital (Tier - I)				
Paid up capital (note 16.2)	30,664,186,390	29,203,987,040	30,664,186,390	29,203,987,040
Statutory reserve (note 17)	17,108,889,287	15,835,709,954	17,108,889,287	15,835,709,954
General reserve (note 18)	29,835,154	29,809,840	-	-
Non-controlling (minority) interest	135,537	125,066	-	-
Retained earnings (note 20)	2,051,906,653	2,668,896,278	2,288,995,361	3,031,886,121
	49,854,953,021	47,738,528,178	50,062,071,038	48,071,583,115
<u>Less:</u>				
For short provision against quoted shares	1,356,308,386	1,760,700,000	1,565,172,456	1,898,300,000
For short provision against loans and advances	-	-	-	-
Intangible assets	1,001,401,675	46,000,000	1,001,401,675	46,000,000
Deferred tax assets	304,220,780	341,669,005	303,903,106	341,351,331
Reciprocal cross holding of banking and NBFI shares	442,999,563	104,600,000	442,999,563	104,600,000
	3,104,930,404	2,252,969,005	3,313,476,800	2,390,251,331
	46,750,022,617	45,485,559,173	46,748,594,238	45,681,331,784
Supplementary capital (Tier-II)				
General provision maintained against unclassified loan	5,172,193,896	4,582,393,896	5,172,193,896	4,582,393,896
General provision on off-balance sheet exposure	544,510,048	459,510,048	544,510,048	459,510,048
Subordinated bonds	3,450,000,000	4,000,000,000	3,450,000,000	4,000,000,000
Startup fund	34,855,427	-	34,855,427	-
Other reserve	630,977,076	630,977,076	630,977,076	630,977,076
<u>Less:</u> Regulatory adjustment for revaluation	(630,977,076)	(630,977,076)	(630,977,076)	(630,977,076)
	9,201,559,371	9,041,903,944	9,201,559,371	9,041,903,944
A) Total capital	55,951,581,988	54,527,463,117	55,950,153,609	54,723,235,728
B) Total risk weighted assets	430,401,594,033	408,767,800,000	430,292,811,931	408,851,700,000
C) Required capital	53,800,199,254	51,095,975,000	53,786,601,491	51,106,462,500
D) (Deficit)/Surplus (A-C)	2,151,382,733	3,431,488,117	2,163,552,117	3,616,773,228
Capital adequacy ratio:				
		Actual		
On core capital- against standard of minimum 6.00%	10.86%	11.13%	10.86%	11.17%
On supplementary capital	2.14%	2.21%	2.14%	2.21%
On total capital-including capital conservation buffer	13.00%	13.34%	13.00%	13.38%

Notes to the financial statements

For the year ended December 31, 2020

Particulars	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
17. Statutory reserve				
Opening balance	15,835,709,954	14,380,830,197	15,835,709,954	14,380,830,197
Add: Addition during the year (20% of pre-tax profit)	1,273,179,333	1,454,879,757	1,273,179,333	1,454,879,757
Closing balance	17,108,889,287	15,835,709,954	17,108,889,287	15,835,709,954
18. General reserve				
Opening balance	29,809,840	29,468,778	-	-
Add: Addition during the year (overseas subsidiaries)	25,314	341,062	-	-
	29,835,154	29,809,840	-	-
Less: Adjustment during the year	-	-	-	-
Transferred from general reserve (overseas oper.)	-	-	-	-
	-	-	-	-
Closing balance	29,835,154	29,809,840	-	-
19. Other reserve				
Revaluation reserve (Govt. treasury bills and bonds) (note 19.1)	1,611,287,589	585,151,224	1,611,287,589	585,151,224
Revaluation reserve (foreign investment) (note 19.2)	31,338,352	26,818,969	31,338,352	26,818,969
Revaluation reserve (property) (note 19.3)	354,005,015	354,005,015	354,005,015	354,005,015
	1,996,630,956	965,975,208	1,996,630,956	965,975,208
19.1 Revaluation reserve (Govt treasury bills and bonds)				
Opening balance	585,151,224	523,746,483	585,151,224	523,746,483
Add: Addition during the year	1,587,737,369	124,890,634	1,587,737,369	124,890,634
	2,172,888,593	648,637,117	2,172,888,593	648,637,117
Less: Adjustment during the year	561,601,004	63,485,893	561,601,004	63,485,893
Closing balance	1,611,287,589	585,151,224	1,611,287,589	585,151,224
19.2 Revaluation reserve (foreign investment)				
Opening balance	26,818,969	24,372,492	26,818,969	24,372,492
Addition/(Adjustment) during the year	4,519,383	2,446,477	4,519,383	2,446,477
Closing balance	31,338,352	26,818,969	31,338,352	26,818,969
19.3 Revaluation reserve (property)				
Opening balance	354,005,015	354,005,015	354,005,015	354,005,015
Less: Adjustment during the year	-	-	-	-
Closing balance	354,005,015	354,005,015	354,005,015	354,005,015
<p>Revaluation of foreign investments has been made in 2020 as per IAS-21 "Effect of changes in Foreign Exchange Rates". On the other hand, Govt. treasury bill and bonds have been valued at market price as per Bangladesh Bank BRPD Circular No. 05 dated October 31, 2005.</p>				
20. Retained earnings				
Opening balance	2,668,896,278	2,661,018,720	3,031,886,121	2,977,319,750
Add: Post-tax profit for the year	3,611,443,837	4,123,202,317	3,485,542,702	4,164,354,038
	6,280,340,115	6,784,221,037	6,517,428,823	7,141,673,788
Less: Dividend				
Cash dividend @5% for 2019	1,460,199,352	-	1,460,199,352	-
Bonus dividend @5% for 2019 & 10% for 2018	1,460,199,350	2,654,907,910	1,460,199,350	2,654,907,910
Transfer to statutory reserve	1,273,179,333	1,454,879,757	1,273,179,333	1,454,879,757
Transfer to startup fund	34,855,427	-	34,855,427	-
Dividend paid by overseas subsidiaries	-	5,537,092	-	-
	4,228,433,462	4,115,324,759	4,228,433,462	4,109,787,667
Closing balance	2,051,906,653	2,668,896,278	2,288,995,361	3,031,886,121

Notes to the financial statements

For the year ended December 31, 2020

Particulars	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
21. Letters of guarantee				
Directors	-	-	-	-
Government	7,382,004,635	6,795,794,741	7,382,004,635	6,795,794,741
Banks and other financial institutions	602,909,800	604,847,491	602,909,800	604,847,491
Others	4,424,938,549	3,977,919,443	4,424,938,549	3,977,919,443
	12,409,852,984	11,378,561,675	12,409,852,984	11,378,561,675
Less: Margin	1,025,077,692	739,974,787	1,025,077,692	739,974,787
	11,384,775,292	10,638,586,888	11,384,775,292	10,638,586,888
22. Interest income				
Interest on advances	34,271,992,172	34,532,363,914	34,222,132,486	34,565,919,448
Interest on money at call and short notice	-	1,083,010	-	1,083,010
Interest on placement with other banks	102,571,002	105,535,666	102,571,002	105,535,666
Interest on foreign currency balances	14,562,193	31,052,024	14,562,193	31,052,024
	34,389,125,367	34,670,034,614	34,339,265,681	34,703,590,148
23. Interest paid on deposits and borrowings, etc				
Interest on deposits	25,071,386,043	23,395,346,568	25,071,689,127	23,395,346,568
Interest on borrowings	1,016,731,205	826,351,479	1,016,731,205	826,351,479
Interest on lease liability	7,192,189	8,256,050	7,192,189	8,256,050
Discount	22,463,478	17,755,788	22,463,478	17,755,788
	26,117,772,915	24,247,709,885	26,118,075,999	24,247,709,885
24. Investment income				
Dividend on shares				
Local	293,562,063	200,489,076	263,574,748	176,455,927
Overseas	7,170,545	12,251,190	7,170,545	12,251,190
	300,732,608	212,740,266	270,745,293	188,707,117
Interest on treasury bills and bonds	3,919,848,807	2,409,540,702	3,919,848,807	2,409,540,702
Interest on debenture and bonds	115,937,877	124,157,778	115,937,877	124,157,778
Gain on Government securities	1,620,371,790	336,904,273	1,620,371,790	336,904,273
Profit from sale of share of listed company	117,184,271	49,700,576	98,527,321	37,702,846
Prize bonds	-	25,500	-	25,500
	6,074,075,353	3,133,069,095	6,025,431,088	3,097,038,216
25. Commission, exchange and brokerage				
Commission	1,244,758,498	1,122,270,638	925,461,517	862,601,280
Exchange gain net off exchange losses	442,394,371	561,885,547	443,293,227	562,505,693
Brokerage	-	-	-	-
	1,687,152,869	1,684,156,185	1,368,754,744	1,425,106,973
26. Other operating income				
Locker rent	9,948,901	5,812,386	9,948,901	5,812,386
Credit card and ATM	2,578,942	24,256	2,578,942	24,256
Confirmation charges	3,215,860	748,064	3,215,860	748,064
Gain from sales of assets	794,007	6,386,681	794,007	6,386,681
Remittance income	19,988,849	27,920,496	19,988,849	27,920,496
Other receipts	550,083,087	648,734,896	538,758,613	637,472,978
	586,609,646	689,626,779	575,285,172	678,364,861
27. Salaries and allowances				
Basic salary	1,982,711,182	1,891,479,176	1,865,723,407	1,783,188,742
Allowances	1,647,293,303	1,441,534,877	1,647,293,303	1,441,534,877
Bonus	285,166,019	269,277,254	285,166,019	269,277,254
Bank's contribution to provident fund	162,433,399	153,049,266	162,433,399	153,049,266
Gratuity	166,134,625	240,561,489	166,134,625	240,561,489
Provision for the year	-	50,000,000	-	50,000,000
Paid during the year	166,134,625	190,561,489	166,134,625	190,561,489
	4,243,738,528	3,995,902,062	4,126,750,753	3,887,611,628

Notes to the financial statements

For the year ended December 31, 2020

Particulars	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
28. Rent, taxes, insurance, electricity, etc.				
Rent, rates and taxes	531,992,201	455,730,058	507,423,354	428,773,139
Insurance	287,276,715	243,238,999	287,276,715	243,238,999
Electricity	115,379,271	123,638,399	115,379,271	123,638,399
	934,648,187	822,607,456	910,079,340	795,650,537

While implementing IFRS 16 (Leases) the Bank recorded interest expenses on lease liabilities (Note no.-23) and depreciations on RoU assets (Note no.-35) instead of charging rental expenses of BDT . 82,787,850 in 2020 against those rental premises that have been treated as leased assets (RoU) and shown in the balance sheet under IFRS-16.

29. Legal expenses				
Law charges	16,526,552	19,095,652	16,526,552	19,095,652
Other professional charges	2,122,055	4,968,715	2,122,055	4,968,715
	18,648,607	24,064,367	18,648,607	24,064,367
30. Postage, stamp, telecommunication, etc				
Telephone- office	11,249,671	11,810,564	11,249,671	11,810,564
Telephone- residence	283,270	459,236	283,270	459,236
Telegram, telex, fax and e-mail	60,131,151	54,041,747	60,131,151	54,041,747
Postage	12,537,545	16,071,860	9,006,668	12,228,535
	84,201,637	82,383,407	80,670,760	78,540,082
31. Stationery, printing, advertisement, etc				
Printing and stationery	81,801,724	93,491,240	81,801,724	77,415,729
Publicity and advertisement	72,464,287	97,965,105	69,354,623	97,965,105
	154,266,011	191,456,345	151,156,347	175,380,834
32. Managing Director's salary and allowances				
Basic salary	5,400,000	5,400,000	5,400,000	5,400,000
Allowance	3,600,000	3,600,000	3,600,000	3,600,000
Bonus	900,000	900,000	900,000	900,000
Bank's contribution to provident fund	540,000	540,000	540,000	540,000
	10,440,000	10,440,000	10,440,000	10,440,000
33. Directors' fees and other benefits				
Fees	1,496,708	2,818,211	648,000	720,000
Other benefits				
Haltage, traveling and other	6,732,611	825,739	6,732,611	825,739
Refreshment	325,769	679,509	325,769	679,509
	7,058,380	1,505,248	7,058,380	1,505,248
	8,555,088	4,323,459	7,706,380	2,225,248

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

34. Auditors' fees	2,090,811	1,971,414	575,000	575,000
35. Repair, maintenance and depreciation				
A. Depreciation				
Buildings	32,121,740	32,121,740	32,121,740	32,121,740
Furniture and fixture	81,908,931	83,695,217	81,908,931	83,695,217
General equipments	63,416,791	67,416,485	63,416,791	67,416,485
Computer equipments	130,260,749	141,827,103	130,260,749	141,827,103
Vehicles	18,418,961	14,399,176	18,418,961	14,399,176
Books	119,346	316,928	119,346	316,928
Right of use assets (Leased assets)	42,960,712	50,102,418	42,960,712	50,102,418
	369,207,230	389,879,067	369,207,230	389,879,067
B. Repairs and maintenance				
Office premises	17,468,631	21,102,998	17,468,631	21,102,998
Furniture and fixtures	3,620,453	4,145,086	3,620,453	4,145,086
Vehicles	8,202,339	8,500,110	8,202,339	8,500,110
Equipments	343,601,952	289,047,804	313,098,937	256,035,959
	372,893,375	322,795,998	342,390,360	289,784,153
Totals (A+B)	742,100,605	712,675,065	711,597,590	679,663,220

Notes to the financial statements

For the year ended December 31, 2020

Particulars	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
36. Other expenses				
Car expenses	145,961,143	135,907,961	145,961,143	135,907,961
Credit card expenses	56,127	55,687	56,127	55,687
Entertainment	72,342,965	87,741,462	72,342,965	87,741,462
Traveling expenses	12,203,538	27,498,430	12,203,538	27,498,430
Donations	519,287,938	330,638,389	519,287,938	330,638,389
Subscriptions	6,522,711	4,318,864	6,522,711	4,318,864
Periodicals	1,355,934	2,373,421	1,355,934	2,373,421
Cartage/freight	28,959,995	31,496,388	28,959,995	31,496,388
Medical expense	24,187,217	13,810,260	24,187,217	13,810,260
Uniform and liveries	10,142,720	11,408,803	10,142,720	11,408,803
Training expenses	4,167,995	9,392,328	4,167,995	9,392,328
Loss on sale of share/ property/ asset	-	90,341	-	90,341
Miscellaneous	206,486,524	149,765,317	142,150,960	97,536,429
	1,031,674,807	804,497,651	967,339,243	752,268,763
37. Changes in other assets				
A. Balance at the beginning of the year				
Stock of stationery			54,284,588	30,407,234
Stamps in hand			5,421,602	4,538,408
Suspense account			507,622,823	553,130,266
Advance deposits			5,694,631	5,496,704
Sundry assets			338,222,313	221,425,658
Demand draft paid without advice			5,303,404	5,317,404
Bill purchase account- credit card			356,585,312	351,856,062
Inter-branch adjustment account (Net)			1,205,581,490	1,419,068,487
Advance against cash assistance			2,819,368	10,166,298
Advance against branches			13,122,623	16,573,731
Advance against NBL Tower			1,941,287,000	1,690,624,000
Advance against fixed assets			1,634,223,477	541,712,826
Others			610,496,918	315,350,469
			6,680,665,549	5,165,667,547
B. Balance at the end of the year				
Stock of stationery			54,966,569	54,284,588
Stamps in hand			5,653,896	5,421,602
Suspense account			2,769,596,665	507,622,823
Advance deposits			5,712,726	5,694,631
Sundry assets			618,989,247	338,222,313
Demand draft paid without advice			733,250	5,303,404
Bill purchase account- credit card			371,995,099	356,585,312
Inter-branch adjustment account (Net)			3,057,563,146	1,205,581,490
Advance against cash assistance			-	2,819,368
Advance against branches			8,066,299	13,122,623
Advance against NBL Tower			1,941,287,000	1,941,287,000
Advance against fixed assets			656,695,551	1,634,223,477
Others			593,395,416	610,496,918
			10,084,654,864	6,680,665,549
Net changes (A-B)			(3,403,989,315)	(1,514,998,002)

Notes to the financial statements

For the year ended December 31, 2020

Particulars	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
38. Changes in other liabilities				
A. Balance at the beginning of the year				
Un-paid dividend			10,009,092	10,009,092
Provision for bonus			293,523,189	419,861,758
ATM card holders' accounts			28,628,452	25,274,888
Foreign currencies adjustment account			219,489,113	307,076,296
Bills payable account MPS (CCD)			13,248,429	2,960,668
Provision for LFA			96,474,860	91,404,583
Clearing adjusting account			4,737,608	1,623
Lease liabilities			221,682,960	-
Others			151,306,388	194,117,973
			1,039,100,091	1,050,706,881
B. Balance at the end of the year				
Un-paid dividend			10,009,092	10,009,092
Provision for bonus			157,939,352	293,523,189
ATM card holders' accounts			40,178,397	28,628,452
Foreign currencies adjustment account			58,910,920	219,489,113
Bills payable account MPS (CCD)			13,440,629	13,248,429
Provision for LFA			96,655,097	96,474,860
Clearing adjusting account			151,104,449	4,737,608
Lease liabilities			256,735,631	221,682,960
Others			10,736,243	151,306,388
			795,709,810	1,039,100,091
Net Changes (A-B)			(243,390,281)	(11,606,790)
39. Calculation of NAV, EPS, NOCF per shares				
39.01 Calculation of Net Asset Value (NAV) per Share				
Total Net Asset Value (A)	51,886,439,404	48,704,503,386	52,093,557,421	49,037,558,323
Number of ordinary share outstanding (B)	3,066,418,639	2,920,398,704	3,066,418,639	2,920,398,704
Net Asset Value (NAV) per Share (A/B)	16.92	16.68	16.99	16.79
39.02 Earnings per share (EPS) Restated				
(a) Net profit after tax	3,611,454,308	4,123,208,031	3,485,542,702	4,164,354,038
(b) Number of ordinary shares outstanding	2,920,398,704	2,920,398,704	2,920,398,704	2,920,398,704
(c) Issue of bonus shares during the year 5% of (b)	146,019,935	146,019,935	146,019,935	146,019,935
(d) Number of ordinary shares outstanding (d=b+c)	3,066,418,639	3,066,418,639	3,066,418,639	3,066,418,639
Earnings per share (EPS) (a/d)	1.18	1.34	1.14	1.36
39.03 Calculation of Net Operating Cash Flow Per Share (NOCFPS)				
Net Operating Cash Flow (A)	10,728,016,425	9,304,438,895	10,415,636,122	8,973,146,172
Number of ordinary share outstanding (B)	3,066,418,639	2,920,398,704	3,066,418,639	2,920,398,704
Net Operating Cash Flow Per Share (NOCFPS) (A/B)	3.50	3.19	3.40	3.07

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

Notes to the financial statements

For the year ended December 31, 2020

Particulars	Amount in BDT			
	Group		Bank	
	2020	2019	2020	2019
39.04 Reconciliation of operating cash flow:				
Operating profit	9,388,826,039	8,813,283,711	9,205,696,666	8,784,398,783
Adjustment for :				
Income Tax paid	(2,757,266,383)	(3,016,316,145)	(2,757,266,383)	(3,016,316,145)
Gain on sale of Govt. Securities	(1,620,371,790)	(336,904,273)	(1,620,371,790)	(336,904,273)
Gain on sale of quoted securities	(117,184,271)	(49,700,576)	(98,527,321)	(37,702,846)
Gain on sale of fixed assets	(794,007)	(6,296,340)	(794,007)	(6,296,340)
Audit fee	2,090,811	1,971,414	575,000	575,000
Provision for gratuity and bonus	-	50,000,000	-	50,000,000
Charges on loan loss	-	465,571,851	-	465,571,851
Depreciation	369,207,230	389,879,067	369,207,230	389,879,067
	(4,124,318,410)	(2,501,795,002)	(4,107,177,271)	(2,491,193,686)
Adjustment for changes in other assets and liabilities				
Changes in interest receivables on loans and advances	(3,697,043,594)	(24,178,687)	(3,697,043,594)	(24,178,687)
Changes in interest receivables on securities	(105,356,095)	(4,026,247)	(101,329,848)	(4,026,247)
Changes in interest payables	(663,521,547)	841,644,704	(663,521,547)	841,644,704
	(4,465,921,236)	813,439,770	(4,461,894,989)	813,439,770
Operating profit before changes in operating assets and liabilities	798,586,393	7,124,928,479	636,624,406	7,106,644,867

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 4,814.

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. Naimuzzaman Bhuiyan Mukta	Independent Director	Chairman	Post Graduate
ii)	Mr. Mabroor Hossain	Director	Member	Graduate

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

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

42. Event after the Balance Sheet date

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

Notes to the financial statements

For the year ended December 31, 2020

43. Related party disclosures

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

Name of Directors	Status with the Bank	Name of the firms / companies in which Directors are associated as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) of holding/ interest in the concern
Late Mr. Zainul Haque Sikder	Ex-Chairman	Ex-Chairman Z H Sikder Women's Medical College & Hospital (Pvt) Ltd. Sikder Real Estate Ltd. Sikder Pharmaceuticals Ltd. Z H Sikder University of Science & Technology Monowara Sikder Medical College and Hospital. Alhaj Mokforuddin Sikder Foundation Zarina Sikder Trust	9.40% 10.00% 15.00%
Mrs. Monowara Sikder	Chairperson	Managing Director Z H Sikder Women's Medical College & Hospital (Pvt) Ltd. Sikder Real Estate Ltd. Sikder Pharmaceuticals Ltd. Monowara Sikder Medical College and Hospital. Sikder Organic Market (Pvt) Ltd. Vice Chairperson Z H Sikder University of Science & Technology Member Alhaj Mokforuddin Sikder Foundation Zarina Sikder Trust	9.40% 20.00% 15.00%
Ms. Parveen Haque Sikder, MP	Director	Chairperson 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 Vice Chairperson Z H Sikder Women's Medical College & Hospital (Pvt.) Ltd. Sikder Real Estate Ltd. Director Sikder Pharmaceuticals Ltd. Treasurer Z H Sikder University of Science & Technology Proprietor Z M Real Estate Member Monowara Sikder Medical College and Hospital. Alhaj Mokforuddin Sikder Foundation Zarina Sikder Trust	34.80% 50.00% 100.00% 100.00% 50.00%
Alhaj Khalilur Rahman	Director	Chairman KDS Garments Ind. Ltd. KDS Apparels Ltd. KIY Steel Ind. Ltd. KDS Fashion Ltd. Steel Accessories Ltd. KDS Logistics Ltd. KDS IDR Ltd.	50.15% 49.88% 95.00% 12.50% 50.00% 43.24% 45.00%

Notes to the financial statements

For the year ended December 31, 2020

Name of Directors	Status with the Bank	Name of the firms / companies in which Directors are associated as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) of holding/ interest in the concern
		KDS Thread Ltd. KDS Accessories Ltd. KDS Poly Ind. Ltd. Managing Director KDS Textile Mills Ltd. KYCR Coil Ind. Ltd. KY Steel Mills Ltd. Sky Securities Ltd. Shareholder Al-Arafah Islami Bank Ltd. Pragati Insurance Ltd. Pragati Life Insurance Ltd.	20.00% 51.89% 74.00% 20.27% 9.21% 98.00% 42.46% 86,78,444 shares 33,17,004 shares 3,07,209 shares
Mr. Moazzam Hossain	Director	Chairman Hosaf International Ltd. Hosaf Gene Cure Pharma Co. Ltd. Hosaf Proficient Energy Ltd. Shahjibazar Electric Generation Ltd. Managing Director EnergyPrima Ltd. Hosaf Meter Industry Ltd. Citi Link Apartment Ltd. H F Power Limited Proprietor Hosaf Consultancy Shareholder United Hospital Ltd. Pragati Life Insurance Ltd. Pragati Insurance Ltd. (Sponsor)	22.93% 36.67% 50.00% 32.00% 30.43% 97.89% 99.98% 0.06% 100.00% 0.42% 0.01% 1.57%
Mr. Rick Haque Sikder	Director	Chairman Power Pac Holdings Ltd. PowerPac Mutiara Keraniganj Power Plant Ltd. (100 MW) PowerPac Keraniganj-II Power Plant Ltd. (161 MW) PowerPac Mutiara Khulna Power Plant Ltd. (100 MW) Multiplex Holdings Limited PowerPac Ports Ltd. A1 Trade Centre (PVT) Ltd. R & R Restaurant Group Ltd. R & R Helicopter Training School Ltd. Keraniganj Developers Ltd. Power Pac Energy Ltd. PowerPac Plant Ltd. R & R eco Solution Ltd. R & R Energy Ltd. Sikder Holdings Ltd. The River Holdings Ltd. R & R Media Ltd. PowerPac Petroleum Ltd. JR Architects International Ltd. PowerPac Steel Mills Ltd. Sikder Cement Ltd. Sikder Boulder & Stones Ltd.	50.00% 50.00% 50.00% 50.00% 50.00% 10.00% 50.00%

Notes to the financial statements

For the year ended December 31, 2020

Name of Directors	Status with the Bank	Name of the firms / companies in which Directors are associated as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) of holding/ interest in the concern
		PowerPac Infrastructure Ltd. PowerPac Mutiara Jamalpur Power Plant Ltd.(100 MW) Director Z H Sikder Women's Medical College & Hospital (pvt) Ltd. Sikder Pharmaceuticals Ltd. Sikder Television Ltd. Sikder Fuwang Tiles Industry Ltd. Vice-Chairman Sikder Real Estate Ltd. Managing Director R & R Aviation Ltd. BEL Construction SDN BHD Ltd. Managing Partner Power Pac The Privilege Club O2 Renewable Energy ABC Global.TV R & R Cruise Line Interrealty A1 Trade Center Proprietor The River Bangladesh Post Member Z H Sikder University of Science & Technology Monowara Sikder Medical College and Hospital. Alhaj Mokforuddin Sikder Foundation Zarina Sikder Trust	50.00% 50.00% 9.40% 10.00% 25.00% 26.00% 10% 81.90% 80.00% 50.00% 50.00% 50.00% 37.50% 50.00% 50.00% 50.00% 100.00% 100.00%
Mr. Ron Haque Sikder	Director	Managing Director Power Pac Holdings Ltd. PowerPac Mutiara Keraniganj Power Plant Ltd. (100 MW) PowerPac Keraniganj-II Power Plant Ltd. (161 MW) PowerPac Mutiara Khulna Power Plant Ltd. (100 MW) Multiplex Holdings Limited A1 Trade Centre (PVT) Ltd. R & R Restaurant Group Ltd. R & R Helicopter Training School Ltd. Keraniganj Developers Ltd. Power Pac Energy Ltd. Powerpac Power Plant Ltd. R & R eco Solution Ltd. R & R Energy Ltd. Sikder Holdings Ltd. The River Holdings Ltd. R & R Media Ltd. PowerPac Petroleum Ltd. JR Architects International Ltd. PowerPac Steel Mills Ltd. Sikder Cement Ltd. Sikder Boulder & Stones Ltd. PowerPac Infrastructure Ltd. PowerPac Mutiara Jamalpur Power Plant Ltd.(100 MW) Director	50.00% 50.00%

Notes to the financial statements

For the year ended December 31, 2020

Name of Directors	Status with the Bank	Name of the firms / companies in which Directors are associated as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) of holding/ interest in the concern
		Z H Sikder Women's Medical College & Hospital (pvt) Ltd. Sikder Pharmaceuticals Ltd. Sikder Television Ltd. Sikder Fuwang Tiles Industry Ltd. Vice Chairman Sikder Real Estate Ltd. Managing Partner Power Pac The Privilege Club O2 Renewable Energy ABC Global.TV R & R Cruise Line Interrealty A1 Trade Center Proprietor R & R Holdings Member Z H Sikder University of Science & Technology Monowara Sikder Medical College and Hospital. Alhaj Mokforuddin Sikder Foundation Zarina Sikder Trust Shareholder R & R Aviation Ltd.	9.40% 10.00% 25.00% 26.00% 10.00% 50.00% 50.00% 50.00% 37.50% 50.00% 50.00% 50.00% 100.00% 18.00%
Mr. Zakaria Taher	Director	Chairman Purbachal Drillers Ltd. T S Holdings Ltd. Zyta Garments Ltd. T S Packaging Ltd. Director Jeans Culture Ltd. Trimco (BD) Company Ltd. Managing Director Armana Fashions Ltd. Armana Ltd. Armana Apparels Ltd. Zyta Apparels Ltd. Denimach Ltd. Denimach Washing Ltd. Denitex Ltd. Armach Logistics Ltd. Sponsor shareholder Pragati Life Insurance Ltd. (Sponsor) Pragati Insurance Ltd. (Sponsor)	50.00% 60.00% 59.97% 40.00% 35.00% 14.00% 50.50% 40.00% 50.00% 51.00% 15.00% 10.00% 20.00% 60.00% 698,270 shares 217,038 shares
Mr. Mabroor Hossain	Director	Director Hosaf Meter Industry Ltd. Hosaf International Ltd. Hosaf Gene Cure Pharma Co. Ltd. Euro Knitting & Dyeing Inds. Ltd. Hosaf Proficient Energy Ltd. EnergyPrima Ltd. Shahjibazar Electric Generation Ltd. Infozillion Teletech BD Ltd.	0.49% 1.42% 18.00% 25.00% 40.00% 0.04% 10.00% 22.00%

Notes to the financial statements

For the year ended December 31, 2020

Name of Directors	Status with the Bank	Name of the firms / companies in which Directors are associated as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) of holding/ interest in the concern
		H F Power Limited Shareholder Pragati Life Insurance Ltd. Pragati Insurance Ltd. Proprietor M H Holdings	0.02% 3.25% 0.01% 100.00%
Mr. Md. Naimuzzaman Bhuiyan Mukta	Independent Director		
Mr. Md. Badiul Alam	Representative Director (Sikder Insurance Company Limited)		
Mr. Shah Syed Abdul Bari	Managing Director	Nil	Nil

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

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

iv) **Related party transactions**

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

v) **Lending policies to related parties**

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

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

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

Impact of COVID 19

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

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



Managing Director



Director



Director



Chairperson

Schedule of Fixed Assets

As at December 31, 2020

Particulars	Cost / Revaluation			Rate (%)	Depreciation/Amortization			Written down value at December 31, 2020
	As at January 01, 2020	Addition During the year	Disposal/ adjustment		Total at December 31, 2020	Charge During the year	Disposal/ adjustment	
Amount in BDT								
Land	693,216,752	-	-	-	-	-	-	693,216,752
Building	1,276,289,796	-	-	2.50%	32,121,740	-	298,619,941	977,669,855
Furniture and fixtures	1,132,983,963	63,389,671	775,938	10.00%	81,908,931	737,578	850,892,151	344,705,545
General equipment	1,132,270,824	50,768,952	4,443,000	20.00%	63,416,791	4,442,965	1,030,200,917	148,395,859
Computer equipment (*)	1,606,240,668	1,059,440,237	6,608,903	33.33%	130,260,749	6,608,656	1,541,300,236	1,117,771,766
Vehicles	307,169,293	4,607,761	3,970,700	20.00%	18,418,961	3,970,698	258,250,928	49,555,426
Right of use assets	280,322,323	213,206,646	114,899,832	**	42,960,712	25,731,995	67,331,135	311,298,002
Books	2,442,514	25,160	-	20.00%	119,346	-	2,078,046	389,628
As at December 31, 2020	6,430,936,133	1,391,438,427	130,698,373		369,207,230	41,491,892	4,048,673,354	3,643,002,833
As at December 31, 2019	5,814,538,935	655,294,214	38,897,016		389,879,067	38,304,050	3,720,958,016	2,709,978,117

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

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

Balance with other Banks and Financial Institutions (Outside Bangladesh)

As at December 31, 2020

Particulars	Currency Name	2020			2019		
		Amount in Foreign Currency	Conversion Rate Per Unit F.C	Amount in BDT	Amount in Foreign Currency	Conversion Rate Per Unit F.C	Amount in BDT
<i>In fixed deposit accounts (interest bearing) with:</i>							
JP Morgan Chase Bank, Singapore	USD	726,000.00	84.8011	61,565,599	726,000.00	84.9000	61,637,400
Eastern Bank Ltd., OBU	USD	1,000,000.00	84.8011	84,801,100	-	84.9000	-
AB Bank Ltd., OBU	USD	3,500,000.00	84.8011	296,803,850	3,000,000.00	84.9000	254,700,000
Sub-total				443,170,549			316,337,400
<i>In demand deposit accounts (non interest bearing) with:</i>							
Mashreq Bank, New York	USD	4,021,227.03	84.8011	341,004,475	390,069.66	84.9000	33,116,914
JP Morgan Chase Bank New York	USD	720,087.80	84.8011	61,064,238	99,075.70	84.9000	8,411,527
Standard Chartered Bank, New York	USD	5,523,200.42	84.8011	468,373,471	2,627,865.31	84.9000	223,105,765
Standard Chartered Bank, Mumbai	ACU	827,999.62	84.8011	70,215,279	636,472.14	84.9000	54,036,485
Sonali Bank, Kolkata	ACU	206,897.50	84.8011	17,545,136	362,621.07	84.9000	30,786,529
Mashreq Bank, Mumbai	ACU	459,792.90	84.8011	38,990,944	389,180.14	84.9000	33,041,394
State Bank of India, Kolkata	ACU	6,122.07	84.8011	519,158	6,122.07	84.9000	519,764
United Bank, Karachi	ACU	31,215.43	84.8011	2,647,103	31,215.43	84.9000	2,650,190
NABIL Bank, Nepal	ACU	131,144.37	84.8011	11,121,187	175,513.37	84.9000	14,901,085
Standard Chartered Bank, Colombo	ACU	55,776.91	84.8011	4,729,943	43,918.33	84.9000	3,728,666
Myanmar Foreign Trade Bank Yangon	ACU	137.85	84.8011	11,690	137.85	84.9000	11,703
AB Bank Ltd., Mumbai	ACU	440,074.75	84.8011	37,318,823	457,316.22	84.9000	38,826,147
Bank of Bhutan, Thimpu	ACU	254,687.21	84.8011	21,597,756	405,732.33	84.9000	34,446,675
ICICI Bank Ltd., Mumbai	ACU	38,258.27	84.8011	3,244,343	38,258.27	84.9000	3,248,127
HDFC Bank, India	ACU	337,404.48	84.8011	28,612,271	257,848.40	84.9000	21,891,329
Meezan Bank, Karchi	ACU	359,302.51	84.8011	30,469,248	211,835.75	84.9000	17,984,855
Commerz Bank, Frankfurt	EURO	5,256.50	104.1697	547,568	44,382.26	95.0625	4,219,089
Standard Chartered Bank, Frankfurt	EURO	154,789.57	104.1697	16,124,383	8,978.56	95.0625	853,524
Alpha Bank AE Athens	EURO	5,865.45	104.1697	611,002	7,856.00	95.0625	746,811
BOT Tokyo	JPY	2,315,681.00	0.8206	1,900,248	1,306,335.00	0.7778	1,016,067
Union Bank of Switzerland	CHF	13,798.56	96.1246	1,326,381	7,156.25	87.2918	624,682
Habib Bank Zurich	CHF	488.62	96.1246	46,968	4,145.37	87.2918	361,857
Habib American Bank	USD	1,612,220.01	84.8011	136,718,030	1,002,821.18	84.9000	85,139,518
Standard Chartered Bank, Singapore	SGD	24,945.90	64.0105	1,596,800	16,635.41	62.9215	1,046,725
Citibank N.A New York	USD	1,053,615.06	84.8011	89,347,716	81,982.45	84.9000	6,960,310
Sub-total				1,385,684,161			621,675,738
Grand total				1,828,854,710			938,013,138

Status of large loan

As at December 31, 2020

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

Status on REPO and Reverse REPO

As at December 31, 2020

A. i) Disclosure regarding outstanding REPO

As per DOS Circular No. 06 dated July 15, 2010.

(BDT in crore)

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

ii) Disclosure regarding outstanding Reverse REPO

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

B. Disclosure regarding overall Transaction of REPO and Reverse REPO

Counter party	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year
REPO/ALS			
Standard Chartered Bank	4.89	-	257.43
Bangladesh Bank	47.50	840.12	
Reverse REPO			

Structural Liquidity Profile

As at December 31, 2020

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

(BDT in crore)

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

Medium Term Funding Ratio (MTF):	0.997788
Maximum Cumulative Outflow (MCO):	0.136

Highlights on the activities of the Bank

As at December 31, 2020

(BDT in Million)

Sl. No.	Particulars	2020	2019
1	Paid-up Capital	30,664.19	29,203.99
2	Total Capital (Tier-I+II)	55,950.15	54,723.24
3	Capital Surplus/ (Deficit)	2,163.55	3,616.77
4	Total Assets	529,052.55	463,574.78
5	Total Deposits	430,747.95	366,298.51
6	Total Loans and Advances	408,510.60	360,769.74
7	Total Contingent Liabilities and Commitments	59,027.04	50,404.97
8	Advance / Deposit Ratio (%)	92.96%	95.27%
9	Percentage of Classified Loans against total Loans and Advances	9.38%	10.98%
10	Profit after Provision & Tax	3,485.54	4,164.35
11	Amount of Classified Loans	38,328.00	39,637.14
12	Provision kept against Classified Loans	13,443.96	11,278.24
13	Provision Surplus / (Deficit) against classified loans	-	-
14	Cost of Fund (including operating cost)	8.69%	8.98%
15	Interest Earning Assets	475,008.27	416,870.59
16	Non-interest Earning Assets	54,044.28	46,704.19
17	Return on Investment (ROI)	8.82%	5.13%
18	Return on Assets (ROA)	0.70%	0.96%
19	Income from Investment	6,025.43	3,097.04
20	Earnings per Share (Taka)	1.14	1.36
21	Net income per Share (Taka)	1.14	1.36
22	Price Earning Ratio (Times)	6.16	5.96
23	Net Assets Value per shares (Taka)	16.99	16.79



Offshore Banking Unit, Bangladesh

Financial Statements

For the year ended December 31, 2020

Offshore Banking Unit, Bangladesh

Balance Sheet

As at December 31, 2020

Particulars	Notes	2020		2019	
		USD	BDT	USD	BDT
PROPERTY AND ASSETS					
Cash					
In hand (including foreign currencies)		-	-	-	-
With Bangladesh Bank (Including foreign currencies)		-	-	-	-
Balance with other banks and financial institutions (On current and other accounts) :	3				
In Bangladesh		911,178.18	77,268,912	3,142,023.64	266,757,807
Outside Bangladesh		-	-	-	-
		911,178.18	77,268,912	3,142,023.64	266,757,807
Money at call and on short notice		-	-	-	-
Investments		-	-	-	-
Loans and advances	4				
i) Loans, cash credits, overdrafts, etc.					
In Bangladesh		3,877,093.67	328,781,808	3,885,375.40	329,868,371
Outside Bangladesh		-	-	-	-
		3,877,093.67	328,781,808	3,885,375.40	329,868,371
ii) Bills purchased and discounted					
Payable in Bangladesh		63,412,690.30	5,377,465,891	41,381,280.01	3,513,270,673
Payable outside Bangladesh		-	-	-	-
		63,412,690.30	5,377,465,891	41,381,280.01	3,513,270,673
		67,289,783.97	5,706,247,699	45,266,655.41	3,843,139,044
Fixed assets including premises, furniture and fixtures	5	20.00	1,696	20.00	1,698
Other assets	6	919,305.90	77,958,152	630,594.75	53,537,494
Non-banking assets		-	-	-	-
TOTAL ASSETS		69,120,288.05	5,861,476,459	49,039,293.80	4,163,436,043
CAPITAL AND LIABILITIES					
Borrowings from other banks, financial institutions and agents	7				
In Bangladesh		61,084,488.00	5,180,031,775	41,523,518.00	3,525,346,678
Outside Bangladesh		-	-	1,100,000.00	93,390,000
		61,084,488.00	5,180,031,775	42,623,518.00	3,618,736,678
		61,084,488.00	5,180,031,775	42,623,518.00	3,618,736,678
Deposits and other accounts	8				
Current deposits and other accounts		5,050,489.57	428,287,071	3,701,951.73	314,295,702
Term deposits		2,138,094.51	181,312,766	1,815,229.76	154,113,007
		7,188,584.08	609,599,837	5,517,181.49	468,408,709
Other liabilities	9	847,215.97	71,844,847	898,594.31	76,290,656
Total liabilities		69,120,288.05	5,861,476,459	49,039,293.80	4,163,436,043
Capital / Shareholders' equity					
Retained earnings brought forward from profit & loss account		-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		69,120,288.05	5,861,476,459	49,039,293.80	4,163,436,043
Off balance sheet items					
Contingent liabilities					
Acceptance and endorsements		681,900.00	57,825,870	1,719,800.00	146,011,020
Letter of guarantee- Banks		-	-	-	-
Letter of guarantee- Others		106,200.00	9,005,877	106,200.00	9,016,380
Bills for collection		3,141,400.00	266,394,176	4,358,700.00	370,053,630
Irrevocable letters of credit		460,300.00	39,033,946	432,000.00	36,676,800
Other commitments		-	-	-	-
		4,389,800.00	372,259,869	6,616,700.00	561,757,830

Offshore Banking Unit, Bangladesh

Profit and Loss Statement

For the year ended December 31, 2020

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

Offshore Banking Unit, Bangladesh

Cash Flow Statement

For the year ended December 31, 2020

Particulars	2020		2019	
	USD	BDT	USD	BDT
A) Cash flows from operating activities				
Interest Income	3,190,893.83	270,591,307	4,474,848.33	379,914,623
Interest paid	(1,868,608.80)	(158,460,081)	(3,034,008.04)	(257,587,283)
Commission, exchange and brokerage	29,786.38	2,525,918	53,205.25	4,517,126
Received from other operating activities	154,360.24	13,089,919	100,211.09	8,507,921
Paid to employees	(38,502.84)	(3,265,084)	(29,767.61)	(2,527,270)
Paid to supplier	(16,496.68)	(1,398,936)	(15,127.31)	(1,284,308)
Paid for operating expenses	-	-	(177.55)	(15,074)
Operating profit before changes in operating assets and liabilities	1,451,432.13	123,083,043	1,549,184.16	131,525,735
(Increase)/decrease in operating assets:				
Loan and advances to customers	(22,023,128.56)	(1,863,108,655)	29,053,643.10	2,392,334,001
Other Assets	(288,711.15)	(24,420,658)	583,607.46	48,334,071
Increase/(decrease) in operating liabilities:				
Effect of Changes in exchange rate	-	3	-	(79)
Deposits from Banks	-	-	-	-
Customers' deposits and other accounts	1,671,402.59	141,191,128	1,706,411.08	148,685,072
Borrowing from other banks and financial institutions	18,460,970.00	1,561,295,097	(31,663,462.53)	(2,613,940,989)
Other liabilities	(51,378.34)	(4,445,809)	(206,185.56)	(16,400,376)
	(2,230,845.46)	(189,488,894)	(525,986.45)	(40,988,300)
Net cash provided from/(used in) operating activities	(779,413.33)	(66,405,851)	1,023,197.71	90,537,435
B) Cash flows from investing activities				
Changes in fixed assets	-	-	-	-
Fund placement	-	-	-	-
	-	-	-	-
C) Cash flows from financing activities				
Profit remitted to Head Office	(1,451,432.13)	(123,083,043)	(1,549,124.12)	(131,520,638)
D) Net increase in cash and cash equivalents (A+B+C)	(2,230,845.46)	(189,488,895)	(525,926)	(40,983,203)
E) Opening cash and cash equivalents	3,142,023.64	266,757,807	3,667,950.05	307,741,010
F) Closing cash and cash equivalent (D+E)	911,178.18	77,268,912	3,142,023.64	266,757,807
G) Closing cash and cash equivalents				
Cash In hand (including foreign currencies)	-	-	-	-
Balances with Bangladesh Bank and its agent bank (s)	-	-	-	-
Balances with other Banks and Financial Institutions	911,178.18	77,268,912	3,142,023.64	266,757,807
Money at call and short notice	-	-	-	-
Prize bonds	-	-	-	-
	911,178.18	77,268,912	3,142,023.64	266,757,807

Offshore Banking Unit, Bangladesh

Notes to the Financial Statements

For the year ended December 31, 2020

1 Status

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

2 Significant Accounting policy

2.1 Basis of accounting

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

2.2 Loans and advances

- 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 IAS-18 "Revenue", but cease to be taken into income in case of classified loans & advances. Interest on classified loans will be kept in interest suspense account and accounted for as income on cash receipt basis.
- Provision for Loans and Advances is made on the basis of period end review by the management and instructions contained in Bangladesh Bank BRPD circular 19 & 20 dated December 2005, BRPD circular No. 14 dated September 23, 2012, BRPD Circular No. 05 dated May 29, 2013.

2.3 Common expenses

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

These are accounted for in the central accounts of NBL.

Particulars	2020		2019	
	USD	BDT	USD	BDT
3 Balance with other Banks and Financial Institutions				
Inside Bangladesh				
NBL Mohakhali Branch	-	-	97,812.38	8,304,271
Placement with NBL	-	-	2,761,715.00	234,469,604
Head Office ID	911,178.18	77,268,912	282,496.26	23,983,932
	911,178.18	77,268,912	3,142,023.64	266,757,807
3.1 Balance with other Banks and Financial Institutions (according to remaining maturity grouping)				
Payable				
On demand	911,178.18	77,268,912	3,142,023.64	266,757,807
Within one month	-	-	-	-
More than one month but not more than three months	-	-	-	-
More than three months but not more than one year	-	-	-	-
More than one year but not more than five years	-	-	-	-
More than five years	-	-	-	-
	911,178.18	77,268,912	3,142,023.64	266,757,807
4 Loans and advances				
4.1 Loans, Cash Credit, Overdraft etc.				
4.1.1 Inside Bangladesh				
Loans	3,877,093.67	328,781,808	3,885,375.40	329,868,371
Cash Credit	-	-	-	-
Loan against TR	-	-	-	-
Secured Overdraft	-	-	-	-
	3,877,093.67	328,781,808	3,885,375.40	329,868,371
4.1.2 Outside Bangladesh	-	-	-	-
	3,877,093.67	328,781,808	3,885,375.40	329,868,371

Offshore Banking Unit, Bangladesh

Notes to the Financial Statements

For the year ended December 31, 2020

Particulars	2020		2019	
	USD	BDT	USD	BDT
4.2 Bills purchased and discounted				
4.2.1 Inside Bangladesh				
Local Bill Purchased	67,200.00	5,698,634	-	-
Foreign Bill Purchased	63,345,490.30	5,371,767,257	41,381,280.01	3,513,270,673
	63,412,690.30	5,377,465,891	41,381,280.01	3,513,270,673
4.2.2 Outside Bangladesh	-	-	-	-
	63,412,690.30	5,377,465,891	41,381,280.01	3,513,270,673
	67,289,783.97	5,706,247,699	45,266,655.41	3,843,139,044
4.3 Maturity grouping of loans and advances including bills discounted and purchased				
Payable on demand	-	-	-	-
Less than three months	19,210,775.81	1,629,094,920	15,539,334.19	1,319,289,473
More than three months but less than one year	44,901,945.29	3,807,734,353	26,543,471.93	2,253,540,767
More than one year but less than five years	3,177,062.87	269,418,426	3,183,849.29	270,308,804
	67,289,783.97	5,706,247,699	45,266,655.41	3,843,139,044
4.4 Maturity analysis of bills purchased and discounted				
Within one month	-	-	-	-
More than one month but less than three months	18,995,381.72	1,610,829,264	15,323,480.00	1,300,963,452
More than three months but less than six months	44,417,308.58	3,766,636,627	26,057,800.01	2,212,307,221
	63,412,690.30	5,377,465,891	41,381,280.01	3,513,270,673
4.5 Loans and Advances on the basis of Significant Concentration				
4.5.1 Loans and Advances to Directors, Executive and Others				
Advance to Directors and their allied concerns(including Ex-Directors)	-	-	-	-
Advances to CEO & Managing Director	-	-	-	-
Advances to Other executives and staffs	-	-	-	-
Advances to Customers (Group wise)	-	-	-	-
Industrial Advances	67,289,783.97	5,706,247,699	45,266,655.41	3,843,139,044
	67,289,783.97	5,706,247,699	45,266,655.41	3,843,139,044
4.6 Industry-wise Concentration of loans and advances				
Air way sector (BBAW)	-	-	-	-
Pharmaceuticals Industries	-	-	-	-
Textile & Garments Industry	36,637,481.05	3,106,898,694	36,637,481.05	3,110,522,141
Cement Industry	-	-	-	-
Others	30,652,302.92	2,599,349,005	8,629,174.36	732,616,903
	67,289,783.97	5,706,247,699	45,266,655.41	3,843,139,044
4.7 Geographical location-wise concentration of Loans and advances				
Inside Bangladesh				
Dhaka Division	67,289,783.97	5,706,247,699	45,266,655.41	3,843,139,044
Chittagong Division	-	-	-	-
Khulna Division	-	-	-	-
Rajshahi Division	-	-	-	-
Barishal Division	-	-	-	-
Sylhet Division	-	-	-	-
	67,289,783.97	5,706,247,699	45,266,655.41	3,843,139,044
Outside Bangladesh	-	-	-	-
	67,289,783.97	5,706,247,699	45,266,655.41	3,843,139,044

Offshore Banking Unit, Bangladesh

Notes to the Financial Statements

For the year ended December 31, 2020

Particulars	2020		2019	
	USD	BDT	USD	BDT
4.8 Classified, unclassified, doubtful and bad loans & advances				
Unclassified				
Standard	67,289,783.97	5,706,247,699	45,266,655.41	3,843,139,044
Special Mention Account	-	-	-	-
Classified				
Sub-standard	-	-	-	-
Doubtful	-	-	-	-
Bad/Loss	-	-	-	-
	67,289,783.97	5,706,247,699	45,266,655.41	3,843,139,044
4.9 Particulars of loans and advances				
i) Debt considered good in respect of which the bank is fully secured	67,289,783.97	5,706,247,699	45,266,655.41	3,843,139,044
ii) Debt considered good for which the bank holds no other security than the debtor's personal security	-	-	-	-
iii) Debts considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors	-	-	-	-
iv) Debts considered doubtful or bad, not provided for	-	-	-	-
	67,289,783.97	5,706,247,699	45,266,655.41	3,843,139,044
v) Debts taken by directors or executives or any of them taken jointly or separately with other persons	-	-	-	-
vi) Debts due by directors or officers of the bank or any of them either severally or jointly with any other person and debts due by companies or firms in which the directors, partners or managing agent or in the case of private companies as members	-	-	-	-
vii) Maximum total amount of advances, including temporary advances made at any time during the period to directors or managers or officers of the bank or any of them either severally or jointly with any other persons	-	-	-	-
viii) Maximum total amount of advances, including temporary advance granted during the period to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or, in case of private companies as members	-	-	-	-
ix) Due from other banking companies	-	-	-	-
x) Classified loans and advances on which no interest is credited to income	-	-	-	-
5 Fixed Assets				
Furnitures, fixtures and fittings	1,807.35	153,265	1,807.35	153,444
Office equipments	8,291.02	703,088	8,291.02	703,908
	10,098.37	856,353	10,098.37	857,352
Accumulated depreciation	10,078.37	854,657	10,078.37	855,654
	20.00	1,696	20.00	1,698
6 Other assets				
Stationery in hand	-	-	-	-
Adjusting account debit	919,305.90	77,958,152	630,594.75	53,537,494
	919,305.90	77,958,152	630,594.75	53,537,494

Offshore Banking Unit, Bangladesh

Notes to the Financial Statements

For the year ended December 31, 2020

Particulars	2020		2019	
	USD	BDT	USD	BDT
7 Borrowings from other Banks, Financial Institutions and Agents				
In Bangladesh				
Head office, ID	61,084,488.00	5,180,031,775	41,523,518.00	3,525,346,678
Bangladesh Bank	-	-	-	-
	61,084,488.00	5,180,031,775	41,523,518.00	3,525,346,678
Outside Bangladesh	-	-	1,100,000.00	93,390,000
	61,084,488.00	5,180,031,775	42,623,518.00	3,618,736,678
7.1 Classification based on types of security				
Secured	-	-	-	-
Unsecured	61,084,488.00	5,180,031,775	42,623,518.00	3,618,736,678
	61,084,488.00	5,180,031,775	42,623,518.00	3,618,736,678
7.2 Maturity grouping of borrowings from other Banks, Financial Institutions and Agents				
Payable on demand	-	-	-	-
Payable within one month	1,337,000.00	113,379,071	1,337,000.00	113,511,300
More than one month but less than three months	3,217,500.00	272,847,539	3,217,500.00	273,165,750
More than three months but less than 1 year	20,691,200.00	1,754,636,520	21,791,200.00	1,850,072,880
More than 1 year but less than 5 years	35,838,788.00	3,039,168,645	16,277,818.00	1,381,986,748
	61,084,488.00	5,180,031,775	42,623,518.00	3,618,736,678
8 Deposits and other accounts				
Current and other accounts				
Current account	2,848,735.32	241,575,889	2,009,887.54	170,639,452
Sundry deposits	2,201,754.25	186,711,182	1,692,064.19	143,656,250
	5,050,489.57	428,287,071	3,701,951.73	314,295,702
Term deposits	2,138,094.51	181,312,766	1,815,229.76	154,113,007
	7,188,584.08	609,599,837	5,517,181.49	468,408,709
8.1 Maturity grouping of deposits and other accounts				
Payable on demand	5,050,489.57	428,287,071	3,701,951.73	314,295,702
Payable within one month	-	-	-	-
More than one month but less than three months	2,138,094.51	181,312,766	1,815,229.76	154,113,007
More than three months but less than one year	-	-	-	-
More than one year but less than five years	-	-	-	-
	7,188,584.08	609,599,837	5,517,181.49	468,408,709
9 Other liabilities				
Adjusting Account Credit	847,215.97	71,844,847	898,594.31	76,290,656
	847,215.97	71,844,847	898,594.31	76,290,656
10 Interest income				
Interest on Advances	3,055,494.73	259,109,314	4,406,934.64	374,148,751
Interest on Money at Call and Short Notice	-	-	-	-
Interest on fund placement with HO, ID	135,399.10	11,481,993	67,913.69	5,765,872
Interest on Foreign Currency Balances	-	-	-	-
	3,190,893.83	270,591,307	4,474,848.33	379,914,623
11 Interest paid on deposits and borrowings				
Interest on Deposits	32,374.96	2,745,432	33,962.73	2,883,436
Interest on Borrowings	1,836,233.84	155,714,649	3,000,045.31	254,703,847
Discount	-	-	-	-
Interest on REPO	-	-	-	-
	1,868,608.80	158,460,081	3,034,008.04	257,587,283
12 Commission, exchange and brokerage				
Commission	29,785.30	2,525,826	53,205.02	4,517,106
Exchange gain net off exchange losses	1.08	92	0.23	20
Brokerage	-	-	-	-
	29,786.38	2,525,918	53,205.25	4,517,126

Offshore Banking Unit, Bangladesh

Notes to the Financial Statements

For the year ended December 31, 2020

Particulars	2020		2019	
	USD	BDT	USD	BDT
13 Other Operating Income				
Shipping Guarantee, Handling charges, service charges etc.	139,749.24	11,850,889	86,418.16	7,336,902
Courier	2,853.00	241,938	3,759.77	319,204
SWIFT	6,598.00	559,518	5,317.00	451,413
Remittance Income	660.00	55,969	500.00	42,450
Miscellaneous	4,500.00	381,605	4,216.16	357,952
	154,360.24	13,089,919	100,211.09	8,507,921
14 Salaries and allowances				
Basic Salary	21,608.16	1,832,396	16,537.35	1,404,021
Allowances	14,733.84	1,249,446	11,576.51	982,846
Bank's contribution to PF	2,160.84	183,242	1,653.75	140,403
Others	-	-	-	-
	38,502.84	3,265,084	29,767.61	2,527,270
15 Rent, taxes, Insurance, electricity etc.				
Rent Office	12,350.16	1,047,307	12,907.09	1,095,812
Electricity	571.92	48,499	475.01	40,328
	12,922.08	1,095,806	13,382.10	1,136,140
16 Postage, stamps, telecommunication etc.				
Telephone Office	-	-	-	-
Courier	191.16	16,211	141.53	12,016
Internet	-	-	133.82	11,361
SWIFT charges	2,869.75	243,358	954.02	80,996
	3,060.91	259,569	1,229.37	104,373
17 Repair, maintenance and depreciation				
Depreciation				
Furnitures, fixtures, fittings etc.	-	-	60.04	5,097
Computer Equipment	-	-	-	-
Office Equipments	-	-	-	-
	-	-	60.04	5,097
Repair & maintainance				
Office Premises	-	-	-	-
Office Equipments	513.69	43,561	515.84	43,795
Furnitures and fixtures	-	-	-	-
Others	-	-	-	-
	513.69	43,561	515.84	43,795
	513.69	43,561	575.88	48,892
18 Other operating expenses				
Registration and renewal fees	-	-	-	-
Stationary	-	-	-	-
Others	-	-	177.55	15,074
	-	-	177.55	15,074

19 General

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

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

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

Offshore Banking Unit, Bangladesh

Statement of Liquidity in US Dollar (Maturity analysis of assets and liabilities)

As at December 31, 2020

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

Offshore Banking Unit, Bangladesh

Statement of Liquidity in BDT (Maturity analysis of assets and liabilities)

As at December 31, 2020

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



NBL Money Transfer Pte. Ltd. Singapore

Financial Statements

For the year ended December 31, 2020

NBL Money Transfer Pte. Ltd., Singapore.

(Incorporated in the Republic of Singapore under the Companies Act, Chapter 50)

Company Registration Number 199607868Z

Date of Incorporation: 1 November 1996

Directors	Directors Date of appointment
Parveen Haque Sikder	19 June 2007
Sohail Hasan	19 June 2007
Choudhury Moshtaq Ahmed	6 August 2018
Shareholder	Number of shares held
National Bank Limited	1,000,000
Company Secretary	Date of appointment
M Sambasivam	1 December 2008
Registered office	Place of business
10A Roberts Lane Singapore 218289	<i>Main place of business</i> 10A Roberts Lane Singapore 218289
	<i>Branch</i> Blk 135 Jurong Gateway Road #01-323 Singapore 600135 70 Tuas South Avenue 1 Singapore 637285
Auditors	
Asensia Assurance Chartered Accountants 8 Burn Road #07-07 Trivex Singapore 369977	
Bankers	
Bangladesh Krishi Bank	NMB Bank Limited
Bank Asia Limited	PT Bank Syariah Mandiri
DBS Bank Ltd .	Pubali Bank Limited
Dutch-Bangla Bank Limited	Rupali Bank Limited
ICICI Bank Limited	Seylan Bank PLC
Islami Bank Bangladesh Limited	Shahjalal Islami Bank Limited
Janata Bank Limited	Sonali Bank Limited
Metropolitan Bank & Trust Company	Transcash International Pty. Ltd.
Mutual Trust Bank Ltd.	Uttara Bank Limited
National Bank Limited	Xpress Money Services Limited

NBL Money Transfer Pte. Ltd., Singapore.

Directors' Statement

For the year ended December 31, 2020

The directors are pleased to present their statement to the member together with the audited financial statements of **NBL Money Transfer Pte. Ltd.** (the "Company") for the financial year ended **31 December 2020**.

OPINION OF THE DIRECTORS

In the opinion of the directors;

- a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at **31 December 2020**, and the financial performance, changes in equity and cash flows for the Company for the year then ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statements are:

Parveen Haque Sikder

Sohail Hasan

Choudhury Moshtaq Ahmed

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below::

In the Company: - None

In the Holding Company: - National Bank Limited

Parveen Haque Sikder

Ordinary shares of Tk.10 each fully paid	
At 1 Jan 2020	At 31 Dec 2020
58,408,201	61,328,610

SHARE OPTIONS

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year,

AUDITOR

Asensia Assurance has expressed its willingness to accept re-appointment as auditor.

On behalf of The Board of Directors



Parveen Haque Sikder

Director



Choudhury Moshtaq Ahmed

Director

Date: 30 March 2021

Singapore

NBL Money Transfer Pte. Ltd., Singapore

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF NBL MONEY TRANSFER PTE. LTD.

(Incorporated in the Republic of Singapore)

Company Registration Number 199607868Z

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NBL Money Transfer Pte. Ltd. (the Company), which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 December 2020 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the Directors' Statement, which are set out on pages 1 to 2.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Company have been properly kept in accordance with the provision of the Companies Act and Payment Services Act 2019 (Act 2 of 2019) and we did not note any exceptions under Payment Services Act 2019 (Act 2 of 2019).

Date: 30 March 2021
Singapore



AENSIA ASSURANCE
Public Accountants and
Chartered Accountants

NBL Money Transfer Pte. Ltd., Singapore

Statement of Financial Position

As at December 31, 2020

Particulars	Note	2020	2019
		S\$	S\$
ASSETS			
Non-current asset			
Plant and equipment	4	252,738	112,629
Current Assets			
Other receivables	5	35,902	352,617
Fixed deposit	6	327,218	327,218
Cash and bank balances	7	1,469,650	1,527,418
		1,832,770	2,207,253
Total assets		2,085,508	2,319,882
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	8	1,000,000	1,000,000
Retained earning		562,906	327,820
		1,562,906	1,327,820
Non-current liability			
Deferred tax liability	9	1,529	1,529
Lease liabilities	10	48,227	-
		49,756	1,529
Current liabilities			
Other payables		211,329	242,212
Amount payable to holding company	11	25,888	625,308
Accrued operating expenses		20,345	10,257
Lease liabilities	10	184,450	78,947
Provision for taxation	12	30,834	33,809
		472,846	990,533
Total equity and liabilities		2,085,508	2,319,882

NBL Money Transfer Pte. Ltd., Singapore.

Statement of Comprehensive Income

For the year ended December 31, 2020

Particulars	Note	2020	2019
		S\$	S\$
Revenue	13	822,914	899,179
Less: expenses			
Security charges		80,291	80,179
Employee benefit expenses		331,222	293,638
Depreciation	4	194,271	192,507
Other operating expenses		(57,376)	(27,349)
Finance cost		8,586	6,477
		556,994	545,452
Profit before tax	14	265,834	354,279
Income taxes			
Current year	12	(30,834)	(33,809)
Deferred tax		-	6,437
		(30,834)	(27,372)
Net profit for the year - which represent total comprehensive income for the year		(235,086)	326,907

The notes form an integral part of and should be read in conjunction with this statement.

NBL Money Transfer Pte. Ltd., Singapore

Statement of Changes in Equity

For the year ended December 31, 2020

Particulars	Share capital	Retained earnings	Total
	S\$	S\$	S\$
Balance as at 1 January 2019	1,000,000	88,913	1,088,913
Total comprehensive Income for the year	-	326,907	326,907
Dividend paid	-	(88,000)	(88,000)
Balance as at 31 December 2019	1,000,000	327,820	1,327,820
Total comprehensive income for the year	-	235,086	235,086
Balance as at 31 December 2020	1,000,000	562,906	1,562,906

NBL Money Transfer Pte. Ltd., Singapore.

Statement of Cash Flows

For the year ended December 31, 2020

Particulars	Note	2020	2019
		S\$	S\$
Operating activities			
Profit before tax		265,920	354,279
Adjustments for:			
Depreciation	4	194,271	192,507
Variable lease payment		(82,774)	-
Lease liabilities interest expense		8,586	6,477
Operating cash flows before changes in working capital		386,003	553,263
Decrease / (increase) in operating receivables		316,715	(7,064)
Decrease in operating payables		(620,215)	(702,059)
Cash generated from operations		82,503	(155,860)
Income tax paid		(33,809)	-
Net cash generated from / (used in) operating activities		48,694	(155,860)
Investing activity			
Purchase of plant and equipment	4	(6,350)	(300)
Net cash used in investing activity		(6,350)	(300)
Financing activities			
Repayment of lease liabilities		(100,112)	(177,343)
Dividend paid		-	(88,000)
Net cash used in financing activities		(100,112)	(265,343)
Net decrease in cash and bank balances		(57,768)	(421,503)
Cash and bank balances at beginning of year		1,527,418	1,948,921
Cash and bank balances at end of year	7	1,469,650	1,527,418

The notes form an integral part of and should be read in conjunction with this statement.

NBL Money Transfer Pte. Ltd., Singapore

Notes to the Financial Statements

For the year ended December 31, 2020

These notes form an integral part and should be read in conjunction with the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows..

1. PREPARATION OF FINANCIAL STATEMENTS

The financial statement of the Company have been drawn up in accordance with applicable Financial Reporting Standards in Singapore (“FRS”) and each applicable of a FRS, effective for the financial year in the preparation of the financial statements.

Adoption of new and revised standards effective in 2020

In the current financial year, the Company has adopted all the new and revised FRS and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual periods *beginning on or after 1 January 2020*, as follows.

Amendments to

- FRS 1 Presentation of financial statements and FRS 8 Accounting policies, changes in accounting estimates and errors; Definition of Material
- FRS 109 Financial Instruments, FRS 39 Financial instruments: recognition and measurement and FRS 107 Financial instruments: recognition and measurement: Disclosures: Interest Rate Benchmark Reforms

The adoption of these standards did not result in changes to the company’s accounting policies and had no material effect on the amounts reported for the current or prior years.

FRS and INT FRS issued but not yet effective

At the date of authorisation of these statements, the following FRS and INT FRS that are relevant to the Company were issued but not effective:

Description	Effective date (annual periods beginning on or after)
Amendment to FRS 116 Leases: Covid 19 related rent concessions	1 June 2020
Amendment to FRS 16 Property, Plant and Equipment	1 January 2022
Amendment to FRS 37 Provision, Contingent and Contingent assets	1 January 2022
Annual improvement to FRS’s 2018-2020	1 January 2022
Amendments to FRS 1 Presentation of financial statements: Classification of liabilities as current or Non-current	1 January 2023

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application

2. CORPORATE INFORMATION AND PRINCIPAL ACTIVITY

The Company is domiciled and incorporated in Singapore, as a private limited company (Company Registration Number 199607868Z).

The registered office and main place of business is located at 10A Roberts Lane, Singapore 218289. The Company has two branches which are operated at Blk 135 Jurong Gateway Road, #01-323, Singapore 600135 and 70 Tuas South Avenue 1, Singapore 637285.

The principal activity of the Company is that of money remittance agency. There have been no significant changes in the principal activity of the Company.

Holding Corporation

The immediate and the ultimate holding company is National Bank Limited, a company incorporated in Bangladesh, which has 100 percent equity interest in the Company.

The directors have authorised the financial statements for issue in accordance with a resolution of the directors on the date of the Directors’ Statement.

3. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Financial Statements preparation

The financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (FRS) including related Interpretations of FRS (NT FRS).

NBL Money Transfer Pte. Ltd., Singapore

Notes to the Financial Statements

For the year ended December 31, 2020

Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency.

b. Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies.

It also requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and area involving a high degree of judgements are described as below:

Depreciation of plant and equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of plant and equipment to be within 5 years. The carrying amount of the Company's plant and equipment are disclosed in Note 3.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

c. Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is provided on a straight-line basis so as to write-off the cost or valuation of the assets over their estimated useful lives. The annual rates of depreciation used are:

Furniture and fittings	5 years
Office renovations	5 years
Office equipment	5 years
Computer	5 years
Air conditioners	5 years

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these plant and equipment.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The useful lives and depreciation method are reviewed at each financial year end to ensure that the method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit and loss account in the year the asset is derecognised.

d. Financial assets

Initial recognition and measurement

Financial assets are recognised when, only when the entity becomes party to the contractual provisions of the instruments. At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

NBL Money Transfer Pte. Ltd., Singapore

Notes to the Financial Statements

For the year ended December 31, 2020

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Classification

Financial assets are classified into the following specified categories:

- Amortised cost;
- Fair value through other comprehensive income (“FVOCI”); and
- Fair value through profit or loss (“FVTPL”).

The classification of debt instruments depends on the Company’s business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

The Company does not hold financial assets at FVOCI or FVTPL for the current financial year.

At subsequent measurement

The Company classifies the following financial assets at amortised cost:

- Other receivables;
- Fixed deposits; and
- Cash and bank balances

Other receivables

Receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the receivables do not contain a significant financing component at initial recognition.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

The Company assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. For trade receivable, the Company applied the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Cash and bank balances

Cash and bank balances consist of cash in hand, cash at banks and fixed deposits, which are short-term, highly liquid assets that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (“ECL”) on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets, as well as on loan commitments and financial guarantee contracts. Lifetime ECL represents the expected credit losses that will result from a possible default events over the expected life of a financial instrument.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

NBL Money Transfer Pte. Ltd., Singapore

Notes to the Financial Statements

For the year ended December 31, 2020

Write - off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or are transferred and substantially all of the risks and rewards of ownership have been transferred.

e. Share capital

Ordinary shares of the company are classified as equity.

Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

f. Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders.

g. Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Subsequent measurement

The Company measures all financial liabilities subsequently at amortised cost, except for those financial liabilities at fair value through profit or loss. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Other payables (consist of amount payable to holding company)

Other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

Leases

The accounting policy for leases are as follows:

When the Company is the lessee:

At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Right-of-use assets

The Company recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use.

Right-of use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company's right-of-use assets are presented within property, plant and equipment.

Under FRS 116, the cost of a right-of-use asset also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

NBL Money Transfer Pte. Ltd., Singapore

Notes to the Financial Statements

For the year ended December 31, 2020

The Company's lease arrangements do not contain an obligation to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to a specified condition.

Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Company shall use its incremental borrowing rate.

Lease liability is measured at amortised cost using the effective interest method.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term and low value leases

The Company has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

h. Revenue recognition

The Company earns commission from its remittance service provided to customers. Services rendered are considered complete when all agreed funds from customers are collected and the transfer is affected according to customer's instruction or has been accepted by the customer.

Commission fee income is recognised upon the completion of a service transaction.

Other income (cable charges)- Cable charges are recognised when the transaction is performed and completed.

i. Income tax

The charge for current tax is based on the results for the year as adjusted for items, which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred income tax is provided in full, using the liability method and is provided at the current taxation rate on all temporary differences existing at reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting or taxable profit or loss, it is not accounted for.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

j. Employee benefit costs

Pension obligations

The Company contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to majority of the employees. The contributions are recognised as an expense in the period in which the related service is performed.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made, if material, for the unconsumed leave as a result of services rendered by employees up to the statement of financial position date, if any.

k. Foreign currency

Items included in the financial statements of the Company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Company ("the functional currency"). The financial statements of the Company are presented in Singapore dollars, which is also the functional currency of the Company.

NBL Money Transfer Pte. Ltd., Singapore

Notes to the Financial Statements

For the year ended December 31, 2020

Foreign currency transactions

Transactions in foreign currencies are recorded in Singapore dollars by applying to the foreign currency amount the exchange rate between the Singapore dollars and the foreign currency at the date of transaction. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

Exchange differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as profit or loss in the financial year in which they arise.

I. Impairment of assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is defined as the higher of value in use and net-selling price.

Impairment losses are charged to the profit or loss

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

m. Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions apply:

- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) both entities are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third party and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Related companies in these financial statements refer to companies within the **National Bank Limited** group.

NBL Money Transfer Pte. Ltd., Singapore

Notes to the Financial Statements

For the year ended December 31, 2020

4. PLANT AND EQUIPMENT

Particulars	Computer	Office equipment	Furniture and fittings	Office renovation	Air conditioner	Right of use asset Lease of premises	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Cost							
As at 1 Jan 19	70,084	33,107	39,700	290,074	19,726	-	452,691
Effect of adopting FRS 116	-	-	-	-	-	204,206	204,206
Additions	300	-	-	-	-	45,607	45,907
As at 31 Dec 19	70,384	33,107	39,700	290,074	19,726	249,813	702,804
Effect of adopting FRS 116	-	-	-	-	-	328,030	328,030
Additions	-	-	6,350	-	-	-	6,350
Written off	-	-	-	-	-	(249,813)	(249,813)
As at 31 Dec 20	70,384	33,107	46,050	290,074	19,726	328,030	787,371
Accumulated depreciation							
As at 1 Jan 19	65,415	27,574	38,260	250,353	16,066	-	397,668
Effect of adopting FRS 116	-	-	-	-	-	172,357	172,357
Charge for the year	1,873	2,276	798	13,543	1,660	-	20,150
As at 31 Dec 19	67,288	29,850	39,058	263,896	17,726	172,357	590,175
Charge for the year	1,873	1,966	1,714	12,518	800	175,400	194,271
Written off	-	-	-	-	-	(249,813)	(249,813)
As at 31 Dec 20	69,161	31,816	40,772	276,414	18,526	97,944	534,633
Carrying amount							
As at 31 Dec 20	1,223	1,291	5,278	13,660	1,200	230,086	252,738
As at 31 Dec 19	3,096	3,257	642	26,178	2,000	77,456	112,629

Cash payment to right to use assets:-

- Lease of premises

2020 S\$	2019 S\$
100,112	170,866

5. OTHER RECEIVABLES

Refundable rental deposits

Interest receivables

Security deposit for bankers guarantee (refundable)*

2020 S\$	2019 S\$
30,870	29,742
5,032	5,032
-	317,843
35,902	352,617

*Company has placed a security deposit for banker's guarantees issued to Monetary Authority of Singapore for remittance license.

Other receivables are denominated in the following currencies:

Denominated in

Singapore dollars

US dollar

Total

2020 S\$	2019 S\$
35,902	334,774
-	17,843
35,902	352,617

6. FIXED DEPOSITS

Fixed deposit bear interest at an interest rate of 1.00% to 1.20% per annum and for tenure of approximately 24 months and is pledged to secure bank guarantee issued by its bank to Monetary Authority of Singapore for remittance license.

7. CASH AND BANK BALANCES

Cash and bank balances comprises of:

Cash in hand*

Cash at bank

331,420	376,122
1,138,230	1,151,296
1,469,650	1,527,418

NBL Money Transfer Pte. Ltd., Singapore

Notes to the Financial Statements

For the year ended December 31, 2020

Cash and bank balances are denominated in the following currencies:

	2020 S\$	2019 S\$
Amount in Singapore Dollars	1,111,508	838,682
Amount in United States Dollars	44,934	40,683
Amount in Taka	279,537	455,130
Amount in Indonesian Rupiah	10,152	27,818
Amount in Indian Rupee	18,003	162,421
Amount in Sri Lanka Rupees	2,683	2,684
Amount in Philippine Peso	2,833	-
	1,469,650	1,527,418

*Cash in hand represents remittance monies collected from Bangladeshi workers which are subsequently banked into the Company's bank account.

8. SHARE CAPITAL

Ordinary shares with no par value
Issued and fully paid up shares
1,000,000 ordinary shares

1,000,000	1,000,000
------------------	------------------

The holders of ordinary shares are entitled to receive dividend, as and when declared and are entitled to one vote per share at meetings of the Company. The ordinary shares have no par value.

9. DEFERRED TAX

Particulars	At 1 January 2019	Recognised in profit or loss (Note 12)	At 31 December 2019	Recognised in profit or loss (Note 12)	At 31 December 2020
	S\$	S\$	S\$	S\$	S\$
Deferred tax liabilities					
Difference in depreciation for tax purposes	(7,966)	6,437	(1,529)	-	(1,529)

10. LEASE LIABILITIES

The Company has lease contracts for premises. The Company's obligation under these leases are secured by the lessor's title to the leased assets.

After adoption of FRS 116

Lease liabilities comprise of:-

- Lease of premises

Present value of minimum lease payments

Within one year

Between two and five years

Amount recognised in profit or loss

Depreciation of right-of-use assets

Interest expense on lease liabilities

	2020 S\$	2019 S\$
	232,677	78,947
	184,450	78,947
	48,227	-
	232,677	78,947
	175,400	172,357
	8,586	6,477
	183,986	178,834

11. AMOUNT PAYABLE TO HOLDING COMPANY

Amount payable to Holding Company
Amount in Taka equivalent

25,888	625,308
---------------	----------------

The Company collects remittances from customers in Singapore to remit funds to destinations instructed by these customers. The Company will then pass instructions to the holding company to remit funds on its behalf to the beneficiaries of the Company's customers once it confirms the receipt of funds.

NBL Money Transfer Pte. Ltd., Singapore

Notes to the Financial Statements

For the year ended December 31, 2020

This is done to avoid any delay in funds remitted through the normal banking channels and the Company remits the funds within 7 days to its holding company for these payments made on its behalf.

The amount payable to holding company is denominated in Bangladeshi Taka, and is trade in nature, non-interest bearing and repayable within 7 days or on demand.

The carrying amounts of trade and other payables approximate their fair value. The fluctuation in foreign currency exchange rates are mitigated by maintaining foreign currency bank accounts and remitting the funds to holding company when the rates are favorable to the Company.

12. INCOME TAXES

(a) Major components of income tax expenses

Profit and loss account
Current income tax:
Provision for current year

Deferred income tax:
Current year

Income tax expense recognised in the profit or loss

(b) Relationship between tax expenses and accounting profit

Profit before tax

Tax at the statutory rate of 17%
Tax effect of expenses not deductible
Tax effect of exempt income
CIT rebate
Utilisation of capital and tax allowance

Tax expenses for the year

The tax computation for the current year is yet to be agreed by the Comptroller of Income Tax.

2020 S\$	2019 S\$
(30,834)	(33,809)
-	6,437
(30,834)	(27,372)
265,920	354,279
45,206	60,227
3,413	3,709
(17,425)	(17,425)
-	(11,270)
(360)	(1,432)
30,834	33,809

13. REVENUE

The amount of each significant category of revenue recognised during the year is as follows:

Commission and fees
Foreign exchange margin gain
Other income (cable charges)
Others

660,904	649,716
109,955	181,336
46,469	60,053
5,586	8,626
822,914	899,731

14. PROFIT BEFORE TAX

This is stated after charging/(crediting)

Depreciation of plant and equipment
Depreciation of right-of-use assets
Operating lease rental- office

Employee benefits expense

Salary, allowance and related costs
CPF and SDF

Finance cost

Lease liabilities interest expense and crediting
Exchange gain

18,871	20,150
175,400	172,357
4,150	3,611
191,788	160,030
4,234	2,803
8,586	6,477
(174,594)	(228,017)

NBL Money Transfer Pte. Ltd., Singapore

Notes to the Financial Statements

For the year ended December 31, 2020

15. TRANSACTIONS WITH HOLDING COMPANY

During the financial year, significant transactions between the Company and Holding Company at terms agreed between both parties were as follows:

	2020 S\$	2019 S\$
Transaction with related party		
Cover fund remitted	165,839,956	131,817,217
Key management personnel compensation		
Directors' remuneration		
Directors' fees	6,000	9,000
Other key management personnel		
Salary, allowance and related cost	129,200	121,805
Honorarium	-	1,000

The Company's transactions are made in the ordinary course of business and are reflected in these financial statements.

16. FINANCIAL RISK MANAGEMENT AND INSTRUMENTS

The Company is exposed to financial risks arising from its operations and the use of financial instruments and has adopted risk management policies that seek to mitigate these risks in a cost-effective manner.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, fair value and market risk (interest rate risk and foreign currency risk) and they are summarised below:

Categories of financial instruments

Financial instruments at year end are as follows:

Financial assets

Other receivables

Fixed deposits

Cash and bank balances

Financial assets at amortised cost

Financial liabilities

Other payables

Accrued operating expenses

Amount payable to holding company

Lease liabilities

Financial liabilities at amortised cost

	2020 S\$	2019 S\$
Other receivables	35,902	352,617
Fixed deposits	327,218	327,218
Cash and bank balances	1,469,650	1,527,418
Financial assets at amortised cost	1,832,770	2,207,253
Financial liabilities		
Other payables	211,329	242,212
Accrued operating expenses	20,345	10,257
Amount payable to holding company	25,888	625,308
Lease liabilities	232,677	78,947
Financial liabilities at amortised cost	490,239	956,724

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, fair value and market risk (interest rate risk and currency risk) and they are summarised below:

a. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company has no significant concentrations of credit risk as the cash is held with reputable financial institutions of good standing.

b. Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may also arise from an inability of the Company to sell a financial asset quickly at close to its fair value.

NBL Money Transfer Pte. Ltd., Singapore

Notes to the Financial Statements

For the year ended December 31, 2020

The following table details the expected maturity for non—derivative assets and liabilities which are based on undiscounted outflows figures that requires settlement;

31 Dec 2020	On demand/ within 1 year	1 to 5 years	More than 5 yrs	Total
	S\$	S\$	S\$	S\$
Other payables	211,329	-	-	211,329
Amount payable to holding company	25,888	-	-	25,888
Accrued operating expenses	20,345	-	-	20,345
Lease liabilities	190,896	49,134	-	240,030
	448,458	49,134	-	497,592

31 Dec 2019	On demand/ within 1 year	1 to 5 years	More than 5 yrs	Total
	S\$	S\$	S\$	S\$
Other payables	242,212	-	-	242,212
Amount payable to holding company	625,308	-	-	625,308
Accrued operating expenses	10,257	-	-	10,257
Lease liabilities	80,432	-	-	80,432
	958,209	-	-	958,209

The Company ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

c. Fair values

The carrying amount of cash and bank balances, other current receivables and payables approximate their respective fair values due to the relative short term maturity of these financial instruments.

In view of the above, the company do not anticipate that the carrying amounts recorded at financial position date would be significantly different from the values that would eventual be received or settled.

Fair value hierarchy

The Group does not hold financial assets nor liabilities carried at fair value or at valuation. Accordingly, the disclosure requirements of the fair value hierarchy (Level 1, 2 and 3) under FRS 107 Financial Instruments. Disclosure does not apply.

d. Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Company has no significant exposure to market risk for changes in interest rates because it has no borrowings from any external sources and the loan from holding company is interest free.

The Company's exposure to movements in market interest rates relate primarily to its fixed deposits placed with financial institution. However, the interest rate is fixed over the tenure of the fixed deposits.

e. Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

In order to manage the risks arising from fluctuations in currency exchange rates, by quoting a favourable exchange (in favour of the company) and remit the funds within a short period of time, usually within 7 days, through its holding company any future variations in exchange rates will not have a material impact on the results of the Company. In this way, it mitigates the foreign exchange currency risk.

The carrying amounts of major monetary assets and monetary liabilities denominated in currencies other than the functional currency at the reporting date are as follows:

NBL Money Transfer Pte. Ltd., Singapore

Notes to the Financial Statements

For the year ended December 31, 2020

	2020		2019	
	US\$	Taka\$	US\$	Taka\$
Stated in S\$ equivalent				
Monetary assets				
Cash and bank balances	44,934	279,537	40,683	455,130
Monetary liability				
Amount payable to holding company	-	(25,888)	-	(625,308)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rate against the functional currency (SGD) of the Company, with all other variables held constant, on the Company's profit net of tax.

	US\$ impact		US\$ impact	
	2020	2020	2019	2019
Reasonably possible change	+5%	-5%	+5%	-5%
Effect on net profit or loss	2,247	(2,247)	2,926	(2,926)

	Taka\$ impact		Taka\$ impact	
	2020	2020	2019	2019
Reasonably possible change	+5%	-5%	+5%	-5%
Effect on net profit or loss	12,682	(12,682)	(8,509)	8,509

17. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital are to safeguard the Company's ability to continue as going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, issue new shares, obtain new borrowings, sell assets to reduce borrowings or exploring for new business.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as total borrowings divided by total capital and net debts. Net debts is calculated as total borrowings (other payables, amount payable to holding company and accruals excluding income tax payable as shown in the statement of financial position) less cash and bank balances. Total capital is calculated as equity as shown at the end of each reporting period, plus net debts.

	2020	2019
	S\$	S\$
Other payables	211,329	242,212
Amount payable to holding company	25,888	625,308
Accrued operating expenses	20,345	10,257
Lease liabilities	232,677	78,947
Total borrowings	490,239	956,724
Less: Cash and bank balances	1,451,807	1,527,418
Net debts	(961,568)	(570,694)
Total equity	1,562,906	1,327,820
Total capital and net debts	601,338	757,126
Gearing ratio	0.82	1.26

The Company has no requirements to meet with externally imposed capital requirements for the financial year ended 31 December 2020 and 2019.

There is no change in capital risk management during the financial year.

NBL Money Transfer Pte. Ltd., Singapore

Detailed Profit and Loss Statement

For the year ended December 31, 2020

	2020 S\$	2019 S\$
Income		
Commission and fees	660,904	649,716
Foreign exchange margin gain	109,955	181,336
Add: Other income		
Cable charges received	46,469	60,053
Wages credit scheme	5,586	350
Government paid maternity leave	-	2,210
Interest Income	-	6,066
	822,914	899,731
Less: expenses		
Security charges	80,291	80,179
Employee benefits expense		
Director fees	6,000	9,000
Salaries and allowances	314,263	266,014
Casual salary	6,725	15,200
CPF and SDF	4,234	3,424
Depreciation	194,271	192,507
Other operating expenses (Schedule 1)	(57,376)	(27,349)
Finance cost:		
Lease liabilities interest expense	8,586	6,477
Total operating expenses	556,994	545,452
	265,920	354,279
Net profit for the year		
Schedule 1		
Other operating expenses		
Audit fee	7,800	8,356
Advertisement and business promotions	2,941	8,639
Bank charges	20,298	12,839
Commission	34,522	36,371
Data entry service charges	11,660	22,130
Entertainment and gifts	104	176
Exchange gain	(174,594)	(228,017)
General expenses	3,323	2,256
Honorarium	-	1,000
Insurance	9,996	10,008
Nets charges	27,463	18,686
Postage	761	357
Printing and stationery	14,758	17,729
Professional charges	17,058	5,827
Refreshment	4,145	5,815
Repair and maintenance	8,641	5,826
Rental of office premises	4,150	3,611
Secretarial fee	1,418	900
Security alarm system	963	1,926
Tax fee	800	800
Telephone	11,440	13,522
Transportation charges	4,846	7,494
Travelling	1,860	1,575
Utilities	11,045	14,825
Variable lease payment	(82,774)	-
Total other operating expenses	(57,376)	(27,349)

The above statement does not form part of the audited statutory financial statements of the Company and is prepared solely for management purposes.



NBL Money Transfer Sdn. Bhd., Malaysia

Financial Statements

For the year ended December 31, 2020

NBL Money Transfer Sdn. Bhd., Malaysia

DIRECTORS' REPORT

For the financial year ended December 31, 2020

The directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITY

The Company is principally engaged in business of currency remittance services. There has been no significant change in the nature of this activity during the financial year.

RESULT

Profit for the financial year

RM

1,958,957

DIVIDENDS

No dividends have been paid or declared since the end of the previous financial year. The directors do not recommend that a dividend to be paid in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

SHARES AND DEBENTURES

The Company did not issue any new shares and debentures during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and have satisfied themselves that there were no known bad debts and that no provision for doubtful debts is required.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Company.

CURRENT ASSETS

Before the financial statements of the Company were prepared, the directors took reasonable steps to ascertain whether any current assets which were unlikely to be realised in the ordinary course of business, their value as shown in the accounting records of the Company and to the extent so ascertained were written down to an amount that they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Company misleading.

CONTINGENT AND OTHER LIABILITIES

As of the date of this report, there does not exist:

- (a) any charge on the assets of the Company which has arisen since the end of the financial year and secures the liability of any other person;
or
- (b) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

NBL Money Transfer Sdn. Bhd., Malaysia

DIRECTORS' REPORT

For the financial year ended December 31, 2020

ITEM OF MATERIAL AND UNUSUAL NATURE

The results of the operations of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the current financial year in which this report is made.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Parveen Haque Sikder

Lisa Fatema Haque

Rabain Bin Hassan

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

There were no arrangements during and at the end of the financial year, which had the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate'.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, none of the directors in office at the end of the financial year ended 31 December 2020 held any shares in or debentures of the Company.

DIRECTORS' REMUNERATIONS

The amounts of the remunerations of the directors of the Company comprising remunerations received/receivable from the Company during the financial year are as follows:

Fees

None of the directors of the Company have received any other benefits otherwise than in cash from the Company during the financial year.

No payment has been paid to or payable to any third party in respect of the services provided to the Company by the directors of the Company during the financial year.

2020 RM
48,000

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

ULTIMATE HOLDING COMPANY

The directors regard National Bank Limited, a company incorporated in Bangladesh, as the immediate and ultimate holding company.

AUDITORS' REMUNERATIONS

Total amounts paid to or receivable by the auditors as remunerations for their services as auditors are as follows:

Statutory audit

2020 RM
8,800

NBL Money Transfer Sdn. Bhd., Malaysia

DIRECTORS' REPORT

For the financial year ended December 31, 2020

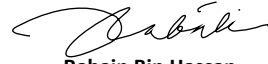
AUDITORS

The retiring auditors, Messrs. Azrnan Wong & Co Plt (201906003581 (LLP0022393-LCA)), have indicated their willingness to be re-appointed.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,



Parveen Haque Sikder
Director



Rabain Bin Hassan
Director

Date: 27 JAN 2021

STATEMENT BY DIRECTORS

Pursuant to Section 251 (2) of the Companies Act, 2016

The directors of NBL Money Transfer Sdn. Bhd. state that, in their opinion, the financial statements set out on pages 10 to 25 are drawn up in accordance with Malaysian Private Entities Reporting Standard and the requirements of Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2020 and of its financial performance and the cash flows of the Company for the financial year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,



Parveen Haque Sikder
Director



Rabain Bin Hassan
Director

Date: 27 JAN 2021

STATUTORY DECLARATION

Pursuant to Section 251 (1)(b) of the Companies Act, 2016

I, Rabain Bin Hassan, the director primarily responsible for the financial management of NBL Money Transfer Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 10 to 25 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on **27 JAN 2021**



Rabain Bin Hassan
Before me:

NBL Money Transfer Sdn. Bhd., Malaysia

Independent Auditors' Report to the members of

NBL MONEY TRANSFER SDN. BHD. (Comp any No. : 200801022633 (823952-T))
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of NBL Money Transfer Sdn. Bhd., which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 25.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Comp any that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

NBL Money Transfer Sdn. Bhd., Malaysia

Independent Auditors' Report to the members of

NBL MONEY TRANSFER SDN. BHD. (Comp any No.: 200801022633 (823952-T))
(Incorporated in Malaysia)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

OTHER MATTERS

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report


AZMAN WONG & CO PLT

201906003581 (LLP0022393-LCA) & AF 1953
Chartered Accountants



ENGYUHYUN

03305/05/2021 J
Chartered Accountant

Kuala Lumpur

27 JAN 2021

NBL Money Transfer Sdn. Bhd., Malaysia

Statement of Financial Position

As at December 31, 2020

Particulars	Note	2020 RM	2019 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	501,570	653,271
Intangible asset	6	15,000	20,000
		516,570	673,271
Current Assets			
Deposits and prepayment	7	303,759	263,820
Cash and bank balances		6,822,945	9,694,048
		7,126,704	9,957,868
TOTAL ASSETS		7,643,274	10,631,139
EQUITY AND LIABILITIES			
Equity			
Share capital	8	2,500,000	2,500,000
Retained profits		2,604,546	645,589
Shareholders' equity		5,104,546	3,145,589
Non-Current Liabilities			
Finance lease payable	9	3,769	26,251
Deferred tax liabilities	10	21,259	21,259
		25,028	47,510
Current Liabilities			
Other payables and accruals	11	2,129,998	7,326,750
Finance lease payable	9	22,482	21,508
Tax liabilities		361,220	89,782
		2,513,700	7,438,040
TOTAL LIABILITIES		2,538,728	7,485,550
TOTAL EQUITY AND LIABILITIES		7,643,274	10,631,139

NBL Money Transfer Sdn. Bhd., Malaysia

Statement of Comprehensive Income

For the financial year ended December 31, 2020

Particulars	Note	2020 RM	2019 RM
Revenue	12	2,943,696	3,457,556
Other income		3,240,299	1,195,057
		6,183,995	4,652,613
Administrative expenses		(3,398,351)	(3,819,213)
Other operating expenses		(168,803)	(248,214)
Profits from operations		2,616,841	585,186
Finance expenses		(1,664)	(2,638)
Profit before taxation	13	2,615,177	582,548
Taxation	14	(656,220)	(188,817)
Profit for the financial year		1,958,957	393,731
Other comprehensive income, net of tax		-	-
Total comprehensive income for the financial year		1,958,957	393,731

The notes form an integral part of these financial statements.

NBL Money Transfer Sdn. Bhd., Malaysia

Statement of Changes In Equity

For the financial year ended December 31, 2020

Particulars	Share Capital RM	Retained Profits RM	Total RM
As at 1 January 2019	2,500,000	251,858	2,751,858
Total comprehensive income for the financial year	-	393,731	393,731
As at 31 December 2019	2,500,000	645,589	3,145,589
Total comprehensive income for the financial year	-	1,958,957	1,958,957
As at 31 December 2020	2,500,000	2,604,546	5,104,546

NBL Money Transfer Sdn. Bhd., Malaysia

Statement of Cash Flows

For the financial year ended December 31, 2020

Particulars	2020 RM	2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,615,177	582,548
Adjustments for:-		
Depreciation of property, plant and equipment	163,803	243,214
Amortisation of intangible asset	5,000	5,000
Interest expenses	1,664	2,638
Operating profit before working capital changes	2,785,644	833,400
Increase in deposits and prepayment	(39,939)	(705)
(Decrease)/Increase in other payables and accruals	(5,196,752)	2,831,826
Cash (used in)/generated from operations	(2,451,047)	3,664,521
Tax paid	(384,782)	(112,500)
Net cash (used in)/from operating activities	(2,835,829)	3,552,021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(12,102)	(52,919)
Purchase of intangible asset	-	(25,000)
Net cash used in investing activities	(12,102)	(77,919)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease payable	(21,508)	(20,534)
Interest paid	(1,664)	(2,638)
Net cash used in financing activities	(23,172)	(23,172)
Net (decrease)/increase in cash and cash equivalents	(2,871,103)	3,450,930
Cash and cash equivalents at beginning of financial year	9,694,048	6,243,118
Cash and cash equivalents at end of financial year	6,822,945	9,694,048
Cash and cash equivalents comprise:-		
Cash and bank balances	6,822,945	9,694,048

NBL Money Transfer Sdn. Bhd., Malaysia

Notes to the Financial Statements

For the financial year ended December 31, 2020

1. GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at Suite 4.33A, Level 4, Pertama Office Tower, Pertama Complex, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur.

The principal place of business is located at No. 50G & 50-2, Jalan Tun Tan Siew Sin, 50050 Kuala Lumpur.

The Company is principally engaged in business of currency remittance services. There has been no significant change in the nature of this activity during the financial year.

The directors regard National Bank Limited, a company incorporated in Bangladesh, as the immediate and ultimate holding company.

The financial statements of the Company are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Malaysian Private Entities Reporting Standard ("MPERS") issued by the Malaysian Accounting Standards Board ("MASB") and the requirements of the Companies Act, 2016 in Malaysia.

2.2 Basis of Measurement

The financial statements have been prepared based on the historical cost basis, except as otherwise disclosed in Note 3.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are set out below:

3.1 Property, Plant and Equipment

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. After recognition as an asset, an item of property, plant and equipment are measured at cost.

Depreciation is provided on a straight-line method so as to write off the depreciable amount of the following assets over their estimated useful lives, as follows:

Particulars	Rate
Furnitures and fittings	10%
Computers equipment	20%
Office equipment	10%
Motor Vehicles	20%
Renovation	10%

Depreciation of an asset begins when it is ready for its intended use.

The carrying amounts of items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is recognised in profit or loss. Neither the sale proceeds nor any gain on disposal is classified as revenue.

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted prospectively over the remaining useful life.

3.2 Intangible asset

Intangible asset is initially measured at cost, which is the fair value of the consideration paid. After initial recognition, the intangible asset is measured at cost less accumulated amortisation and accumulated impairment loss, if any.

Application development cost is amortised at straight-line method over the term of 5 years.

NBL Money Transfer Sdn. Bhd., Malaysia

Notes to the Financial Statements

For the financial year ended December 31, 2020

3.3 Impairment of Assets

(a) Impairment of Financial Assets

All financial assets (except for financial assets measured at fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment. If there is objective evidence of impairment, impairment loss is recognised in profit or loss immediately.

An impairment loss is measured as follows:

- for a financial asset measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If such a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.
- for a financial asset measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the Company shall reverse the previously recognised impairment loss either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The Company shall recognise the amount of the reversal in profit or loss immediately.

(b) Impairment of Non-Financial Assets

The carrying amounts of non-financial assets (except for deferred tax assets, amount due from customers for contract work, assets arising from employee benefits, investment properties measured at fair value and biological assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Company makes an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs").

The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss.

3.4 Financial Instruments

Financial instruments are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

Financial instruments are recognised initially at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at present value of the future payments discounted at a market rate of interest for a similar debt instrument.

(a) Subsequent Measurement

The Company categorises the financial instruments as follows:

(i) Financial assets

For the purpose of subsequent measurement, the Company classifies financial assets into two categories, namely financial assets at fair value through profit or loss and financial assets at amortised costs.

After initial recognition, the Company measures investments in quoted preference shares, quoted ordinary shares and derivatives that are assets at their fair values by reference to the active market prices, if observable, or otherwise by a valuation technique, without any deduction for transaction costs it may incur on sale or other disposal.

NBL Money Transfer Sdn. Bhd., Malaysia

Notes to the Financial Statements

For the financial year ended December 31, 2020

Investments in debt instruments, whether quoted or unquoted, are subsequently measured at amortised cost using the effective interest method. Investment in unquoted equity instruments and whose fair value cannot be reliably measured are measured at cost.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 3.3.

(ii) Financial liabilities

After initial recognition, the Company measures all financial liabilities at amortised cost using the effective interest method, except for derivatives instruments that are liabilities, which are measured at fair value.

(b) Derecognition

A financial asset, whether as a single item or as a part, is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or are settled; or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset derecognised and the consideration received, including any newly created rights and obligations, is recognised in profit or loss.

A financial liability is derecognised when, and only when, it is extinguished, which is either when the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, any difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.5 Cash and Cash Equivalents

Cash and cash equivalents in the statement of cash flows comprise cash and bank balances, short-term bank deposits and other short-term, highly liquid investments that have a short maturity of three months or less from the date of acquisition, net of bank overdrafts.

3.6 Liabilities and Equity

(a) Classification of Liabilities and Equity

Financial liabilities and equity instruments are classified in accordance with the substance of the contractual arrangement, not merely its legal form, and in accordance with the definitions of a financial liability and an equity instrument.

(b) Equity Instruments

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.7 Leases

(a) Finance Leases

Leases of property, plant and equipment are classified as finance lease where substantially all the risks and benefits incidental to the ownership of the assets, but not the legal ownership, are transferred to the Company.

The Company initially recognises its rights of use and obligations under finance leases as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments, determined at the inception of the leases. Any initial direct costs are added to the amount recognised as an asset.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method. A finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as an expense in the period in which they are incurred.

The depreciation policy for depreciable leased assets is consistent with that of depreciable assets that are owned. If there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the leased assets are fully depreciated over the shorter of the lease terms and their useful life. At each reporting date, the Company assesses whether the assets leased under the finance lease are impaired.

(b) Operating Leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

NBL Money Transfer Sdn. Bhd., Malaysia

Notes to the Financial Statements

For the financial year ended December 31, 2020

3.8 Revenue

Commissions are recognised upon services rendered and customers' acceptance.

3.9 Employment Benefits

(a) Short-Term Employment Benefits

Short-term employment benefits, such as wages, salaries and other benefits, are recognised at the undiscounted amount as a liability and an expense when the employees have rendered services to the Company.

(b) Defined Contribution Plan

Contributions payable to the defined contribution plan are recognised as a liability and an expense when the employees have rendered services to the Company.

3.10 Taxation

Taxation is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised in other comprehensive income.

Tax payable on taxable profit for current and past periods is recognised as a current tax liability to the extent unpaid. If the amount paid in respect of the current and past periods exceeds the amount payable for those periods, the excess is recognised as a current tax asset.

Current tax assets and liabilities are measured at the amounts expected to be paid or recovered, using the tax rates and laws that have been enacted or substantially enacted by the reporting date.

Current tax liabilities and assets are offset if, and only if the Company has a legally enforceable right to set off the amounts and plan either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is provided in full on temporary differences which are the differences between the carrying amounts in the financial statements and the corresponding tax base of an asset or liability at the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all deductible temporary differences that are expected to reduce taxable profit in the future and the carry forward of unused tax losses and unused tax credits.

Deferred tax liabilities and assets are not recognised in respect of the temporary differences associated with the initial recognition of an asset or a liability in a transaction that is not a business combination and at the time of the transactions, affects neither accounting profit nor taxable profit. Deferred tax liabilities are also not recognised for temporary difference associated with the initial recognition of goodwill.

Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amounts of their assets and liabilities and are measured at the tax rates and laws that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the reporting date.

3.11 Translation of Foreign Currency

Foreign currency transactions are translated to the Company's functional currency at the exchange rates prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are translated using the closing rate.

Non-monetary items carried at revalued amounts or at fair values that are denominated in foreign currencies are translated using the exchange rates at the date when the fair value was determined. Non-monetary items measured at historical cost that are denominated in foreign currencies are translated using the exchange rate at the date of the transaction.

All exchange differences arising on settled transactions and on unsettled monetary items are recognised in profit or loss in the period.

NBL Money Transfer Sdn. Bhd., Malaysia

Notes to the Financial Statements

For the financial year ended December 31, 2020

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial statements include the following:

(a) Depreciation and useful lives of property, plant and equipment and intangible asset

As disclosed in Notes 3.1 and 3.2, the Company reviews the residual values, useful lives and depreciation methods at the end of each reporting period. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of property, plant and equipment and intangible asset may differ from the estimates applied and therefore, future depreciation charges could be revised.

(b) Taxation

Judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the period in which the outcome is known.

Particulars	As at 1 January 2020 RM	Additions RM	As at 31 December 2020 RM
5. PROPERTY, PLANT AND EQUIPMENT			
Cost:			
Computer equipment	170,800	2,797	173,597
Furniture and fittings	114,889	-	114,889
Office equipment	645,883	9,305	655,188
Motor vehicle	186,873	-	186,873
Renovation	1,294,347		1,294,347
	2,412,792	12,102	2,424,894

Particulars	As at 1 January 2020 RM	Charge for the financial year RM	As at 31 December 2020 RM
Accumulated depreciation			
Computer equipment	162,084	5,533	167,617
Furniture and fittings	81,218	9,820	91,038
Office equipment	379,164	58,545	437,709
Motor vehicle	186,873	-	186,873
Renovation	950,182	89,905	1,040,087
	1,759,521	163,803	1,923,324

Particulars	2020 RM	2019 RM
Carrying Amount		
Computer equipment	5,980	8,716
Furniture and fittings	23,851	33,671
Office equipment	217,479	266,719
Motor vehicle	-	-
Renovation	254,260	344,165
	501,570	653,271

NBL Money Transfer Sdn. Bhd., Malaysia

Notes to the Financial Statements

For the financial year ended December 31, 2020

Particulars	As at 1 January 2020 RM	Additions RM	As at 31 December 2020 RM	
6. INTANGIBLE ASSET				
Cost				
Mobile application	25,000	-	25,000	
Accumulated amortisation				
Mobile application	5,000	5,000	10,000	
Carrying amount			2020 RM	2019 RM
Mobile application			15,000	20,000
7. DEPOSITS AND PREPAYMENT				
Deposits		303,759	263,115	
Prepayment		-	705	
		303,759	263,820	
8. SHARE CAPITAL	Number of ordinary shares		Amount	
	2020 Units	2019 Units	2020 RM	2019 RM
Issued and fully paid:				
At beginning/end of the financial year	2,500,000	2,500,000	2,500,000	2,500,000
9. FINANCE LEASE PAYABLE			2020 RM	2019 RM
Minimum lease payments				
-Not later than one year			23,172	23,172
-Later than one year but not later than five years			3,790	26,962
			26,962	50,134
Less: Future interest charges			(711)	(2,375)
Present value of finance lease			26,251	47,759
Repayable as follows:-				
Present value of finance lease is analysed as follows:				
-Not later than one year			22,482	21,508
-Later than one year but not later than five years			3,769	26,251
			26,251	47,759
10. DEFERRED TAX LIABILITY			2020 RM	2019 RM
The following are the movements of deferred tax liabilities:-				
Deferred Tax Liabilities				
As at 1 January 2019			21,259	21,259
Charged to profit or loss			-	-
As at 31 December 2019			21,259	21,259
Charged to profit or loss			-	-
As at 31 December 2020			21,259	21,259

The Company obtains finance lease facilities to finance the acquisition of certain plant and machinery and motor vehicles. The remaining lease term is 1 year as at 31 December 2020. The contractual interest rate of the finance lease of 2.50% per annum is fixed at the date of the agreements, and the amount of lease payments are fixed throughout the lease period. The Company has the option to purchase the assets at the end of the agreements with minimum purchase considerations. There is no significant restriction clauses imposed on the finance lease arrangements.

NBL Money Transfer Sdn. Bhd., Malaysia

Notes to the Financial Statements

For the financial year ended December 31, 2020

Particulars	2020 RM	2019 RM
11. OTHER PAYABLES AND ACCRUALS		
Other payables		
Liabilities against remittance transactions:-		
- National Bank Limited	290,041	5,160,376
- Bank Syariah Mandiri	906,543	572,934
- Any Bank account	538,281	965,148
- Bangladesh Krishi Bank	-	63,714
- TML Remittance Center Sdn. Bhd.	138,271	449,034
- Mobile Money International Sdn. Bhd.	236,314	46,073
- Onetransfer Money Sdn. Bhd.	1,476	56,577
- Akbar Money Sdn Bhd	5,507	-
Others	3,265	4,594
	2,119,698	7,318,450
Accruals	10,300	8,300
	2,129,998	7,326,750
12. REVENUE		
Commission received	2,943,696	3,457,556
13. PROFIT BEFORE TAXATION		
This is stated after charging/(crediting):		
Auditors' remuneration	8,800	6,800
Depreciation of property, plant and equipment	163,803	243,214
Amortisation of intangible asset	5,000	5,000
Employees' benefits expenses (Note 13.1)	1,561,720	1,802,889
Key management personnel compensation	48,000	48,000
Finance lease interest	1,664	2,638
Rental of premises	614,628	667,238
Realised gain on foreign exchange	(3,207,996)	(1,162,079)
13.1 EMPLOYEES' BENEFITS EXPENSES		
The employees' benefits expenses, excluding those for executive directors, are as follows:-		
Salaries and wages	1,359,099	1,574,964
Defined contribution plan	86,608	81,709
Other employee benefits	116,013	146,216
	1,561,720	1,802,889
14. TAXATION		
Income tax expenses		
-Current year	656,220	202,282
-Over provision in prior year	-	(13,465)
Total taxation	656,220	188,817
The taxation is reconciled to the accounting profit at the applicable tax rate as follows:		
Profit before taxation	2,615,177	582,548
Tax at Malaysian statutory tax rate of 24% (2019:24%)	627,642	139,812
Tax effect of non-deductible expenses	28,578	62,470
Over provision of income tax in prior year	-	(13,465)
Tax expenses	656,220	188,817
15 FINANCIAL INSTRUMENTS CLASSIFICATION		
Financial assets measured at cost less impairment:-		
-Deposits	303,759	263,115
-Cash and bank balances	6,822,945	9,694,048
	7,126,704	9,957,163
Financial liabilities measured at amortised costs:-		
-Other payables and accruals	2,129,998	7,326,750
-Finance lease payable	26,251	47,759
	2,156,249	7,374,509
16. AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS		
The financial statements of the Company were authorised for issue by the Board of Directors on 27 Jan 2021		

NBL Money Transfer Sdn. Bhd., Malaysia

Detailed statement of Comprehensive Income

For the financial year ended December 31, 2020

Particulars	2020 RM	2019 RM
REVENUE	2,943,696	3,457,556
Add:		
OTHER INCOME		
Service charges	32,333	32,978
Realised gain on foreign exchange	3,207,966	1,162,079
	3,240,299	1,195,057
Less:		
ADMINISTRATIVE EXPENSES		
Auditors' remuneration	8,800	6,800
Allowances	24,026	47,424
Bank charges	382,828	423,812
Bonus	8,700	24,737
Business promotion	14,998	6,838
Casual labour	411,650	523,794
Consultation fee	7,942	7,346
Cash carrying charges	320,795	325,204
Key management personnel compensation	48,000	48,000
EPF	86,608	81,709
Insurance and road tax	2,828	10,990
Internal audit fee	29,334	20,875
License fee	549	9,110
Membership fee	500	500
Medical fee	1,550	781
Overtime	11,114	23,756
Petrol, toll and parking	10,120	12,983
Postage and courier	1,768	1,307
Printing and stationery	31,519	60,766
Rental of premises	614,628	667,238
Refreshment	24,621	34,147
Risk allowance	59,212	39,051
Salaries	947,449	1,051,170
socso	12,961	11,248
Secretarial fee	1,247	2,538
Service tax	-	408
Telephone and internet charges ,	99,079	110,658
Travelling & transportation	14,360	35,802
Training	10,302	17,096
Tax fee	1,500	1,500
Upkeep of office	95,631	85,544
Upkeep of motor vehicle	4,097	2,746
Visa charges	14,268	10,453
Water and electricity	95,367	112,882
Total Administrative Expenses	(3,398,351)	(3,819,213)
OTHER OPERATING EXPENSES		
Amortisation of intangible asset	5,000	5,000
Depreciation of property, plant and equipment	163,803	243,214
	(168,803)	(248,214)
FINANCE EXPENSES		
Finance lease interest	(1,664)	(2,638)
PROFIT BEFORE TAXATION	2,615,177	582,548



NBL Money Transfer (Maldives) Private Limited

Financial Statements

For the year ended December 31, 2020

NBL Money Transfer (Maldives) Private Limited

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of NBL Money Transfer (Maldives) Private Limited

Our opinion

In our opinion, NBL Money Transfer (Maldives) Private Limited's financial statements give true and fair view of the financial position of the Company as at 31 December 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited

NBL Money Transfer (Maldives) Private Limited's financial statements comprise:

- the statement of financial position as at 31 December 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements that give true and fair view in accordance with the International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

NBL Money Transfer (Maldives) Private Limited

Statement of comprehensive income

(all amounts in United States Dollars unless otherwise stated)

For the year ended December 31, 2020

Particulars	Note	Year ended 31 December	
		2020	2019
Commission income		161,268	91,690
Net foreign exchange income	5	83,484	18,808
Other income	6	13,440	2,865
		258,192	113,363
Operating expenses	7	(178,217)	(166,122)
Finance cost	8	(26,825)	(29,650)
Profit/(loss) before tax		53,150	(82,409)
Income tax expenses	9	-	(2,117)
Net profit/(loss) for the year: attributable to equity holders of the Company		53,150	(84,526)
Earnings / (losses) per share attributable to the equity holders of the Company during the year (expressed in US\$ per share) - basic	10	8.62	(13.70)

NBL Money Transfer (Maldives) Private Limited

Statement of financial position

(all amounts in United States Dollars unless otherwise stated)

As at December 31, 2020

Particulars	Note	As at 31 December	
		2020	2019
ASSETS			
Non-current assets			
Property, plant and equipment	11	3,869	3,802
Right of use asset	13	240,219	280,630
Deferred tax asset	14	-	-
		244,088	284,432
Current assets			
Receivables	15	59,094	58,907
Cash and cash equivalents	16	666,091	901,465
		725,185	960,372
Total assets		969,273	1,244,804
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	17	400,000	400,000
General reserve		343,824	343,824
Accumulated losses		(174,469)	(227,619)
		569,355	516,205
LIABILITIES			
Non current liabilities			
Lease liabilities	13	226,671	261,854
		226,671	261,854
Current liabilities			
Payables	18	138,064	434,770
Lease liabilities	13	35,183	31,975
Total liabilities		173,247	466,745
Total equity and liabilities		969,273	1,244,804

These financial statements were approved by the Board of Directors on 28 April 2021.


Md Hannan Khan Kabir
Director


Parveen Haque Sikder
Director

The notes are an integral part of these financial statements.

NBL Money Transfer (Maldives) Private Limited

Statement of changes in equity

(all amounts in United States Dollars unless otherwise stated)

For the year ended December 31, 2020

Particulars	Share capital	Accumulated losses	General reserve	Total
Balance at 1 January 2019	400,000	(143,093)	343,824	600,731
Loss for the year	-	(84,526)	-	(84,526)
Balance at 31 December 2019	400,000	(227,619)	343,824	516,205
Balance at 1 January 2020	400,000	(227,619)	343,824	516,205
Profit for the year	-	53,150	-	53,150
Balance at 31 December 2020	400,000	(174,469)	343,824	569,355

NBL Money Transfer (Maldives) Private Limited

Cash Flow statement

(all amounts in United States Dollars unless otherwise stated)

For the year ended December 31, 2020

Particulars	Note	Year ended 31 December	
		2020	2019
Cash Flows from operating activities			
Cash (used in)/generated from operations	20	(184,669)	133,553
Interest paid	13	(26,825)	(29,650)
Net cash (used in)/generated from operating activities		(211,494)	103,903
Cash Flows from investing activities			
Purchases of property, plant and equipment	11	(2,188)	(161)
Net cash used in investing activities		(2,188)	(161)
Cash Flows from financing activities			
Principal elements of lease payment	13	(21,692)	(27,212)
Net cash used in financing activities		(21,692)	(27,212)
Net (decrease)/increase in cash and cash equivalents		(235,374)	76,530
Cash and cash equivalents at beginning of the year		901,465	824,935
Cash and cash equivalents at end of the year	16	666,091	901,465

The notes are an integral part of these financial statements.

NBL Money Transfer (Maldives) Private Limited

Notes to the financial statements

(all amounts in United States Dollars unless otherwise stated)

For the year ended December 31, 2020

1. General information

NBL Money Transfer (Maldives) Private Limited was incorporated under the Act No. 10/96 in the Republic of Maldives on 29 August 2011. The objective of the Company is to operate money remittance and money exchange businesses. The Company commenced its commercial operations on 23 December 2011.

The Company is a private limited liability company incorporated and domiciled in Maldives. The address of its registered office is situated at Gadhamoo Building (Ground floor), Boduthakurufaanu Magu, Henveiru, Male'.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below:

2.1 Basis of preparation

The financial statements of NBL Money Transfer (Maldives) Private Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC). The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a historical cost basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgements made in relation to lease accounting are described in note 13. There are no other areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's financial statements.

(a) New accounting standards, amendments and interpretations adopted in 2020

The following amendments to the International Accounting Standards that are relevant for the preparation of the financial statements have been adopted by the Company for the first time with effect from financial year beginning on 1 January 2020.

- (i) Definition of Material-Amendments to IAS-1 to IAS-8
- (ii) Revised Conceptual Framework for Financial Reporting
- (iii) Covid-19 related Rent concession-Amendments to IFRS-16

Most of the amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(i) Definition of Material — Amendments to IAS 1 and IAS 8

The amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.

In particular, the amendments clarify:

- a) that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- b) the meaning of 'primary users of general-purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

This amendment is effective for the annual periods beginning on or after 1 January 2020.

(ii) Revised Conceptual Framework for Financial Reporting

The revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key change include:

- a) Increasing the prominence of stewardship in the objective of financial reporting
- b) Reinstating prudence as a component of neutrality
- c) Defining a reporting entity, which may be a legal entity, or a portion of an entity
- d) Revising the definitions of an asset and a liability
- e) Removing the probability threshold for recognition and adding guidance on derecognition
- f) Adding guidance on different measurement basis, and
- g) Stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statement.

No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised Framework..

NBL Money Transfer (Maldives) Private Limited

Notes to the financial statements

(all amounts in United States Dollars unless otherwise stated)

For the year ended December 31, 2020

(iii) Covid-19-related Rent Concessions — Amendments to IFRS 16

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. According to the amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted. Association did not apply the practical expedient for rent concession received from lessor.

(b) New standards, amendments and interpretations issued but not yet adopted

The following standards and interpretations has been issued by IASB but not mandatory for annual reporting periods entity 31 December 2020.

(i) Classification of Liabilities as Current or Non-current — Amendments to IAS 1

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the association or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023.

(ii) Annual Improvements to IFRS Standards 2018-2020

The following improvements were finalised in May 2020:

- IFRS 9 Financial Instruments — clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases — amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

2.2 Financial assets

(i) Classification

The Company classifies its financial assets in the following measurement category:

- those to be measured at amortised cost
The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Recognition and derecognition

Financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument. The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to acquisition of the financial asset.

The Company holds only the debt instruments. Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classify all its debt instruments to those to be measured at amortised cost.

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(iv) Impairment

Deposits and receivables consist of deposits kept with lessor of building and department of immigration. There has not been any default in the past when calming the balances. Accordingly, no provision has been made in the financial statements for expected credit losses under IFRS 9.

While cash and cash equivalents are also subject to impairment requirements of IFRS 9, the identified impairment loss was immaterial.

NBL Money Transfer (Maldives) Private Limited

Notes to the financial statements

(all amounts in United States Dollars unless otherwise stated)

For the year ended December 31, 2020

2.3 Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

(a) Functional and presentation currency

The financial statements are presented in United States Dollars, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

2.4 Property, plant and equipment

All property, plant and equipment, which are initially recorded at historical cost, is stated at cost less depreciation. Cost includes the transfer value of the assets, or their purchase cost, or the cost of construction, together with any incidental expenses of acquisition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The provision for depreciation is calculated on straight line method to write off the cost of each asset using the following rates:

Particulars	Rates
Furniture, fixtures and fittings	20%
Office equipment	20%
Computer equipment	20%

The charge for depreciation commences from the date from which the asset is available for use.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

2.5 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

2.6 Share capital

Ordinary shares are classified as equity.

2.7 Leases

The Company's leasing policy is described in note 13.

2.8 Other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost.

2.9 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.10 Revenue recognition

Commission income- The income mainly comprise commission income on money remittance and foreign exchange trading income. Commission income is recognized as revenue as the services are provided. Foreign exchange gain/loss is recognized as mentioned in Note 2.3.

NBL Money Transfer (Maldives) Private Limited

Notes to the financial statements

(all amounts in United States Dollars unless otherwise stated)

For the year ended December 31, 2020

2.11 Current and deferred tax

The tax expenses for the period comprises current and deferred tax. Tax is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax computation with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The provisions for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Income Tax Act.

Company is liable to income tax at the rate of 15% in Maldives, if the taxable profit of the year exceeds MVR 500,000 (US\$ 32,425).

Deferred tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.12 Fair value estimation

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

2.13 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3 Financial risk management

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and price risk) and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Board of Directors on specific areas such as market risk, credit risk and the liquidity risk.

(a) Market risk - Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities. The sales and purchases of foreign currency is matched on a daily basis to avoid exposure to foreign exchange risk.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Management of the Company aims to maintain liquidity by retaining the profit earned and obtaining funds from the shareholders.

At 31 December 2019	Less than 3 months	Between 3 months and 1 year	1 year and 2 years	2 and 5 years	Over 5 years	Carrying Amount
Trade and other payables	434,770	-	-	-	-	434,770
Lease liability	7,709	24,266	35,183	128,184	98,487	293,829
	442,479	24,266	35,183	128,184	98,487	728,599

At 31 December 2020	Less than 3 months	Between 3 months and 1 year	1 year and 2 years	2 and 5 years	Over 5 years	Carrying Amount
Trade and other payables	138,064	-	-	-	-	138,064
Lease liability	8,483	26,700	38,714	141,046	46,911	261,854
	146,547	26,700	38,714	141,046	46,911	399,918

NBL Money Transfer (Maldives) Private Limited

Notes to the financial statements

(all amounts in United States Dollars unless otherwise stated)

For the year ended December 31, 2020

(c) Credit risk

Credit risk arises from other receivables and bank balances. The Company has no significant concentrations on credit risk. Other receivables which includes deposits and receivables consist of deposits kept with lessor of building and department of immigration. There has not been any default in the past when claiming the balances.

The deposits and bank balances have been measured at amortised cost. While bank balances also subject to impairment requirements of IFRS 09, the identified impairment loss was immaterial.

4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to shareholders or issue new shares to reduce debt.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (trade and other payables, as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debt.

Particulars	2020	2019
Trade and other payables	138,064	434,770
Less: Cash and cash equivalents (Note 16)	(666,091)	(901,465)
Net debt	(528,027)	(466,695)
Total equity	569,355	516,205
Total capital	41,328	49,510
The Company does not have net debt as of 31 December 2019 and 31 December 2020.		
5 Net foreign exchange income		
Foreign exchange gain	83,484	18,808
	83,484	18,808
6 Other income		
Postage income	2,655	2,865
Other income	10,785	-
	13,440	2,865
7 Operating expenses		
Salary	77,094	66,586
Utility charges	3,364	3,479
Insurance	3,873	2,554
Postage and telephone	2,996	2,568
Professional fees	240	1,007
Audit fee	5,000	4,000
Repair and maintenance	1,659	4,628
Printing and stationary	5,453	1,689
Entertainment and refreshment	2,126	2,141
Traveling and transportation	3,750	2,824
Director's remuneration	4,800	4,800
Depreciation (Note 11)	2,121	2,588
Rates and taxes	-	300
Depreciation of right of use asset (Note 13)	40,411	40,411
TT and bank charges	23,469	23,367
Other operating expenses	1,861	3,180
Total	178,217	166,122
Classified as:		
Operating expenses	178,217	166,122
	178,217	166,122

NBL Money Transfer (Maldives) Private Limited

Notes to the financial statements

(all amounts in United States Dollars unless otherwise stated)

For the year ended December 31, 2020

Particulars	2020	2019
8 Finance cost		
Interest and finance charges paid/payable for lease liabilities (Note 13)	26,825	29,650
	26,825	29,650
9 Income tax expenses		
Current tax	-	-
Deferred tax (Note 14)	-	-
Write-off of deferred tax asset (Note 14)	-	2,117
Income tax	-	2,117
Reconciliation between taxable profit and accounting profit.		
Accounting profit for the year	53,150	(82,409)
Add: Non deductible expenses	9,361	79,590
Less: Allowable expenses	(25,711)	(64,601)
Less: Brought forward tax losses	(205,000)	(137,580)
Tax loss carried forward for future years	(168,200)	(205,000)
Income tax charge (15%)	-	-
Deferred tax (Note 14)	-	-
Write-off of deferred tax asset (Note 14)	-	2,117
Income tax expenses	-	2,117
Current income tax assets		
As at 1 January	34,136	34,136
As at 31 December	34,136	34,136
10 Earnings / (losses) per share		
Earnings/(losses) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.		
Profit / (loss) attributable to equity holders of the Company	53,150	(84,526)
Weighted average number of ordinary shares in issue	6,168	6,168
Earnings / (losses) per share (US\$ per share)	8.62	(13.70)

11 Property, plant and equipment

Particulars	Furniture, fixture and fittings	Office equipment	Computer equipment	Total
Year ended 31 December 2019				
Opening net book amount	4,275	1,954	-	6,229
Addition	-	161	-	161
Depreciation charge (Note 7)	(1,757)	(831)	-	(2,588)
Closing net book amount	2,518	1,284	-	3,802
At 31 December 2019				
Cost	47,757	23,885	13,201	84,843
Accumulated depreciation	(45,239)	(22,601)	(13,201)	(81,041)
Net book amount	2,518	1,284	-	3,802
Year ended 31 December 2020				
Opening net book amount	2,518	1,284	-	3,802
Addition	460	1,157	571	2,188
Depreciation charge (Note 7)	(1,485)	(587)	(49)	(2,121)
Closing net book amount	1,493	1,854	522	3,869
At 31 December 2020				
Cost	48,217	25,042	13,772	87,031
Accumulated depreciation	(46,724)	(23,188)	(13,250)	(83,162)
Net book amount	1,493	1,854	522	3,869

(i) Depreciation expenses of US\$ 2,121 (2019: US\$ 2,588) has been included under operating expenses.

(ii) The value of fully depreciated assets as at the reporting date amounted US\$ 81,129 (2019: US\$ 77,372).

NBL Money Transfer (Maldives) Private Limited

Notes to the financial statements

(all amounts in United States Dollars unless otherwise stated)

For the year ended December 31, 2020

Particulars	At amortized cost	
	2020	2019
12 Financial instruments		
(a) Financial instrument by category		
Financial assets per statement of financial position		
Cash and cash equivalents	666,091	901,465
Deposits and other receivables	24,958	24,771
Total	691,049	926,236
Financial liabilities per statement of financial position		
Other payables	138,064	434,770
Total	138,064	434,770
(b) Credit quality of financial assets		
The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:		
Financial instruments by category		
Cash at bank and short- term bank deposits		
Name of the bank		
Bank of Maldives (US\$)	10,851	541,943
State bank of India	388,260	171,655
	399,111	713,598
The banks in Maldives have not been rated.		
13 Leases		
(i) Amounts recognised in the balance sheet		
The balance sheet shows the following amounts relating to leases:		
Right-of-use assets		
Buildings		
	240,219	280,630
	240,219	280,630
Movement in right-of-use asset as follows:		
Year ended 31 December		
Initial application of IFRS 16		321,041
Depreciation charged		(40,411)
Closing net book amount		280,630
Year ended 31 December		
Opening net book amount	280,630	
Depreciation charged	(40,411)	
Closing net book amount	240,219	
Additions to the right-of-use assets during the financial year 2020 were Nil.		
Lease liabilities		
At beginning of year	293,829	-
Initial application of IFRS 16- as at 1	-	321,041
Interest expense of lease liabilities (Note 8)	26,825	29,650
Rent concession	(10,283)	-
Payment of interest portion of lease liabilities	(26,825)	(29,650)
Principal element of lease payments	(21,692)	(27,212)
	261,854	293,829
Current	35,183	31,975
Non-current	226,671	261,854
	261,854	293,829

NBL Money Transfer (Maldives) Private Limited

Notes to the financial statements

(all amounts in United States Dollars unless otherwise stated)

For the year ended December 31, 2020

Particulars	2020	2019
The Company does not face a significant liquidity risk with regard to its lease liabilities.		
Maturity analysis of non current lease liabilities is as follows:		
Later than 1 year and not later than 2 years	38,714	35,183
Later than 2 year and not later than 5 years	141,046	128,184
Later than 5 years	46,911	98,487
	226,671	261,854
(ii) Amounts recognised in the statement of profit or loss.		
The statement of profit or loss shows the following amounts relating to leases:		
Rent concession	10,283	-
Depreciation charge of right-of-use assets	(40,411)	(40,411)
Interest expense on lease liabilities	(26,825)	(29,650)
	(56,953)	(70,061)

The total cash outflow for leases in year ended 31 December 2020 was USD 48,517 (2019:USD 56,862).

Lease concession represents rent reduction of US\$ 1,469, from May 2020 to July 2020 and September 2020 to December 2020. The Company applied the practical expedient for COVID-19-related rent concession to above rent concession which is relating to its business office.

(iii) NBL Money Transfer (Maldives) Pvt Ltd leasing activities and how these are accounted for.

NBL Money Transfer (Maldives) Pvt Ltd has taken the office premises on leases. Rental contracts are typically made for fixed period of 5 years.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets will not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by NBL Money Transfer (Maldives) Pvt Ltd.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payment:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 9.60%.

To determine the incremental borrowing rate, NBL Money Transfer (Maldives) Pvt Ltd: where possible, uses recent third-party financing received by NBL Money Transfer (Maldives) Pvt Ltd as a starting point.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are generally amortised over the shorter of the asset's useful life and the lease term on a straight-line basis.

(iv) Extension and termination options

Extension and termination options are included leases. These are used to maximise operational flexibility in terms of managing the assets used in the NBL Money Transfer (Maldives) Pvt Ltd's operations. The majority of extension and termination options held are exercisable only by NBL Money Transfer (Maldives) Pvt Ltd and not by the respective lessor.

14 Deferred tax assets

At 1 January

Write-off of deferred tax asset (Note 9)

At 31 December

	2020	2019
At 1 January	-	2,117
Write-off of deferred tax asset (Note 9)	-	(2,117)
At 31 December	-	-

In wake of losses in past three years (2017, 2018 and 2019), deferred tax asset is not recognised in the financial statements for the year ended 31 December 2020.

NBL Money Transfer (Maldives) Private Limited

Notes to the financial statements

(all amounts in United States Dollars unless otherwise stated)

For the year ended December 31, 2020

Particulars	2020	2019
15 Receivables		
Deposits and other receivables	24,958	24,771
Tax receivables	34,136	34,136
	59,094	58,907
16 Cash and cash equivalents		
Cash in hand	266,980	187,867
Cash at bank	399,111	713,598
	666,091	901,465
17 Share capital	Number of shares	Ordinary shares US\$
Balance as at 1 January 2019	6,168	400,000
Balance as at 1 January 2020	6,168	400,000
Balance as at 31 December 2020	6,168	400,000
<p>The total authorized number of ordinary shares is 6,168 equity shares with a par value of Maldivian Rufiyaa 1,000 per share translated to United States Dollars at 1 US\$ =MVR 15.42. All of the shares have been issued and fully paid.</p>		
18 Payables		
Other payables	11,205	38,557
Related party payables (Note 21)	126,859	396,213
	138,064	434,770
19 Dividends per share		
No dividend has been declared in the year 2019 and 2020.		
20 Cash generated from operations		
Profit/(loss) before tax	53,150	(82,409)
Adjustments for:		
Depreciation (Note 11)	2,121	2,588
Depreciation on right of use asset (Note 13)	40,411	40,411
Rent concession (Note 13)	(10,283)	-
Interest and finance charges on lease liabilities	26,825	29,650
Operating profit before working capital	59,074	72,649
Working capital changes		
(Increase)/decrease in receivables	(187)	638
(Decrease)/increase in payables	(296,706)	142,675
Cash (used in)/generated from operations	(184,669)	133,553
21 Related party transactions		
National Bank Limited holds 99.99% of the paid up share capital of the Company and therefore is the holding company.		
Outstanding balances arising from transfer of funds :		
Payable to National Bank Limited (Note 18)	126,859	396,213

NBL Money Transfer (Maldives) Private Limited

Notes to the financial statements

(all amounts in United States Dollars unless otherwise stated)

For the year ended December 31, 2020

The amount due to the holding company is unsecured, interest free and has no fixed repayment period. Accordingly, the entire amount has been shown as falling due within one year.

Key managerial remuneration

In 2020, a total remuneration of US\$ 4,800 (2019: US\$ 4,800) was paid to directors.

22 Contingencies

Contingent liabilities

There were no material contingent liabilities outstanding at the reporting date.

Contingent assets

There were no material contingent assets recognized at the reporting date.

23 Commitments

Capital commitments

There were no material capital commitments at the reporting date, which were not recognized in the financial statements.

Financial commitments

There were no material financial commitments outstanding at the reporting date.

24 Events after the reporting date

No events have occurred since the reporting date, which would require adjustments to, or disclosure in the financial statements.



NBL Money Transfer Payment Foundation S.A., (Greece)

Financial Statements

For the year ended December 31, 2020

NBL Money Transfer Payment Foundation S.A., (Greece)

Independent Auditor's Report

To The Shareholders Of "NBL Money Transfer Payment Foundation S.A."
(Translation Of The Greek Report)

Report on the Financial Statements

We have audited the accompanying Financial Statements of "NBL. MONEY TRANSFER PAYMENT FOUNDATION S.A." (the "Company"), which comprise the Balance Sheet at December 31, 2020, the Profit and Loss Account and the Distribution of the Profits, for the year then ended and the Notes to the Accounts.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Accounting Standards prescribed by the Greek legislation, as well as for the internal valves that the Management declares as necessary, in order to prepare financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards of Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit in order to obtain a reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal valves relevant to the Company's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal valves. An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Reservations

1. Four of the balances included in the position "Cash & Cash Equivalent", are not confirmed. The book balances are higher than those confirmed by 26.404,11 Euro. The position "Cash & Cash Equivalent" and the position "Net Equity" are shown higher by 26.404,11 Euro.
2. One of the balances included in the position "Liabilities", is not confirmed. The book balance is higher than those confirmed by 1.355,50 Euro. The position "Liabilities" is shown higher and the position "Net Equity" is shown lower by 1.355,50 Euro.

Opinion

In our opinion, the above Financial Statements present under the reservation of the previous paragraph fairly, in all material aspects, the financial position of the Company at December 31, 2020 and of its financial performance, for the year then ended, in accordance with the Greek Accounting Standards, as they are prescribed by the Greek law.

Remarks

Without making any reservation as to the conclusions of our audit, it is remarked that the company has not been audited by the tax authorities for the business years 2015 – 2020. Consequently the tax obligations are not final. At this stage, it is not possible to make estimation for the final taxation and consequently the company has not made any provision.

Report on other legal and regulatory requirements

Taking into account that the administration is responsible for the preparation of the Report of the Board of Directors, pursuant to the provisions of paragraph 5 of Article 2 (Part B) of Law. 4336/2015, we note that:

- a) In our opinion, the Board of Directors' Report has been prepared in accordance with the requirements of Article 150 of the Law 4548/2018 and the content of this corresponds to the accompanying financial statements for the year ended 31.12.2020.
- b) Based on our audit of the Company NBL MONEY TRANSFER PAYMENT FOUNDATION SA, we have not identified any material misstatements in the Report of the Board of Directors.

Athens, 23.07.2021
Athanasius A. Gkatzionis
Certified Public Accountant
SOEL Reg. No. 52181



SMG AUDITING S.A.
Certified Public Accountants
El. Venizelou 12A, 151 27 Melissia
SOEL Reg. No 179

NBL Money Transfer Payment Foundation S.A., (Greece)

Balance sheet

At December 31, 2020

Particulars	Amount in Euro	
	2020	2019
ASSETS		
Intangible Assets		
Formation expenses	3,753.26	3,753.26
Less: Accumulated Depreciation	(3,155.92)	(2,890.45)
	597.34	862.81
Fixed Assets		
Tangible assets		
Buildings strictures	84,772.00	77,972.00
Furniture and Fixtures & other equipments	52,217.47	50,412.94
	136,989.47	128,384.94
Less: Accumulated Depreciation	(89,081.05)	(85,405.66)
	47,908.42	42,979.28
Financial Assets		
Guarantees	4,530.25	4,530.25
	4,530.25	4,530.25
Accounting Receivable		
Trade debtors	-	-
Sundry debtors	-	84.44
	-	84.44
Cash and Equivalents	1,438,453.17	2,160,063.18
	1,438,453.17	2,160,063.18
TOTAL ASSETS	1,491,489.18	2,208,519.96
LIABILITIES & SHAREHOLDERS EQUITY		
Shareholders Equity		
Share Capital	365,000.00	365,000.00
Reserves	6,513.42	6,513.42
Retained Earnings	(22,264.12)	(168,525.74)
	349,249.30	202,987.68
Provision for SLI	2,558.00	2,558.00
Liabilities		
Short - term liabilities		
Banks	-	-
Suppliers	1,057.10	3,822.46
Taxes payable	35,205.10	4,036.81
Social Security payable	6,477.02	7,673.50
Amount due to the shareholders	-	-
Dividends payable	-	-
Sundry creditors	1,096,942.66	1,987,441.51
	1,139,681.88	2,002,974.28
TOTAL LIABILITIES	1,139,681.88	2,002,974.28
TOTAL LIABILITIES & SHAREHOLDERS EQUITY	1,491,489.18	2,208,519.96

NBL Money Transfer Payment Foundation S.A., (Greece)

Profit and Loss Statement

For the period ended December 31, 2020

Particulars	Amount in Euro	
	2020	2019
Revenues	421,047.43	312,400.44
Personnel expenses	(151,443.03)	(154,275.61)
Third Party fees	(22,363.83)	(13,669.80)
Rent and other services	(10,368.00)	(9,994.82)
Taxes and other duties	(9,438.66)	(11,455.66)
Other expenses	(29,159.78)	(25,656.85)
	(222,773.30)	(215,052.74)
Ebitda	198,274.13	97,347.70
Depreciations	(3,940.86)	(3,752.17)
Financial revenues	355.56	562.88
Financial expenses	(15,837.10)	(22,186.94)
Extraordinary revenues	-	-
Extraordinary expenses	(12.60)	(401.79)
	(19,435.00)	(25,778.02)
Result of the year	178,839.13	71,569.68
Current Year Income Tax	32,577.51	-
Profit After Tax	146,261.62	71,569.68
Retained Earnings brought forward	(168,525.74)	(240,095.42)
Retained Earnings	(22,264.12)	(168,525.74)

President of the Board



Shawkat Noor Abedi
PASS. No. BW 0539426

Athens 15 May 2021

Member of the Board



Lisa Fatema Haque
PASS. No. P USA 452126389

Accountant



Angeliki Stamouli
Lic. No. 0060228



NBL Money Transfer INC., USA

Financial Statements

For the year ended December 31, 2020

NBL Money Transfer INC., USA

UNITED FINANCIAL CPA P.C.

Certified Public Accountants

122 East 42nd Street, Suite 2100

New York, NY 10168

Tel. (212) 661 2315; Fax (212) 983 5276

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders of NBL MONEY TRANSFER INC

We have audited the accompanying financial statements of NBL Money Transfer Inc., a State of NY corporation, which comprise the balance sheet as of December 31, 2020 and the related statements of income, retained earnings and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NBL Money Transfer Inc., as of December 31, 2020 and the results of its operations and its cash flows for years then ended in accordance with accounting principles generally accepted in the United States of America.



Anowar Hossain, CPA

March 11, 2021

NBL Money Transfer INC., USA

(a wholly owned subsidiary of National Bank Ltd.)

Balance sheet

For the year ended December 31, 2020

(See accompanying auditor's report)

Assets:

Current Assets:

Cash in Bank (note D)
Employee Advance
Withholding Taxes
Prepaid Expenses

Total Current Assets

Fixed assets, net (note F)
Organizational, net (note F)
Security deposits

Total Fixed Assets

Total assets

Liabilities and Stockholder's Equity

Current Liabilities:

Remittance payable to National Bank and Beneficiary
Direct Deposit Payable

Total Current Liabilities

Long Term Liability:

SBA PPP Loans:
Loan from Shareholder

Total Long Term Liability:

Total Liabilities

Total stockholder's equity

Total Liabilities & Stockholder's Equity

2020
USD
667,044
-
-
-
667,044
5,497
40,330
7,500
53,327
720,371
737,820
23,159
760,979
17,087
75,000
92,087
853,066
(132,695)
720,371

NBL Money Transfer INC., USA

Stockholder's Equity

For the year ended December 31, 2020

(See accompanying auditor's report)

Stockholder's Equity:

Paid in Capital
Retained Earnings beginning of the year
Net Income / (Loss) for the year ended December 31, 2020
Retained Earnings at the end of Dec. 31, 2020
Adjustments

Total Stockholder's Equity

2020
USD
960,000
(913,761)
(178,935)
(1,092,696)
1
(132,695)

The accompanying notes are an integral part of these financial statements


Anowar Hossain, CPA


Ganesh Biswas, CRO

NBL Money Transfer INC., USA

(a wholly owned subsidiary of National Bank Ltd.)

Statements of Income and Retained Earnings

For the year ended December 31, 2020

(See accompanying auditor's report)

Revenue:

Commission / Fees Income
Refunds-Allowances
Other Income
Interest Income
FX Commission / Gain

Total Revenue

Expenses:

General and Administrative expenses:

New York, office expenses
Depreciation and Amortization

Total Expenses

Operating income before taxes

Income Taxes:

NYS and NYC

Net Income (loss)

Retained Earnings at the beginning of the period

Adjustments

Retained Earnings at the end of the year

2020
USD
18,419
-
-
11,657
42,590
72,666
240,609
10,992
251,601
(178,935)
-
(178,935)
(913,761)
1
1,092,695

NBL Money Transfer INC., USA

Statements of Cash Flow

For the year ended December 31, 2020

(See accompanying auditor's report)

Cash flow from operating activities:

Net Income

Adjustments to reconcile net income to net cash Provided by (used in) operating activities:

Depreciation
Amortization
Withholding Taxes Liabilities
Remittance payable to NBL
Due to Beneficiary
Employee advance
Employee Salary / Direct Deposit
Prepaid expenses

Net cash provided by operating activities

Cash flow from investing activities:

Organizational Costs
Fixed Assets

Net cash provided by investing activities

Cash flow from Financing Activities:

SBA Loan
Shareholders Loans

Net cash provided by financing activities

Net increase (decrease) in cash

Cash at beginning of the period

Cash at the end of the year

2020
USD
(178,935)
8,701
2,221
-
151,047
(680)
9,570
-
10,312
2,236
-
-
17,087
-
17,087
19,323
647,721
667,044

The accompanying notes are an integral part of these financial statements.



Anowar Hossain, CPA



Ganesh Biswas, CRO

NBL Money Transfer INC., USA

Notes to Financial Statements

For the year ended December 31, 2020

Note A: Nature of the Organization and reports:

These financial statements are prepared to the best of management's knowledge, belief and actual transactions as of December 31, 2020.

NBL Money Transfer Inc. is 100 % owned by National Bank Ltd, commercial Bank in Bangladesh.

Company was incorporated on March 9, 2011 under the laws of the State of New York. On June 11, 2013 the company received license as an international money transmitter from the State of New York Department of Financial Services.

NBL Money Transfer INC "NBL" maintains its offices in New York. NBL Money Transfer signed paying agent agreement with National Bank Ltd. National Bank distributes all funds to Beneficiaries in Bangladesh.

Related Party Transactions and Shareholders:

The Company has been operating from 37-14 73rd Street Suite 201 Jackson Heights, NEW YORK. 11372.

The Company's principal Shareholder is:

Particulars	Owner	Related Party	Correspondent
National Bank Ltd.	100%	Yes	Yes

Note B: Surety Bond / Collateral:

The Company has signed agreement with NYS Department of Financial Services and provided \$500,000 as collateral, as pledge to Superintendent. This \$500,000 is held at HAB Bank in NY.

Note C: Summary of significant Accounting Policies

Revenue Recognition:

The majority of the company's revenues are comprised of the transaction-based fees, which typically constitute a percentage of dollar volume processed, per transaction processed, or some combination thereof.

Revenue is primarily derived from two sources:

1. Transaction fees charged to money transfer consumer.
2. The company generates revenue by acquiring currency at higher rate (wholesale) and sell the currency to the consumer at retail exchange rates (lower).

Fees from typical money transfers are generally based on the principal amount of the transaction and the location where the funds are to be transferred. This transaction is sent by the Company and is recorded as revenue at the time of sale.

Agent Commissions:

There are generally two agent locations involved in a money transfer transaction, the agent initiating the transaction (receiving agent) and the correspondent disbursing funds. The receiving agent earns a commission generally based on a percentage of the fee charged to the customer. Receiving Agent commissions are recorded as Expenses.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value of Financial Instruments & Concentration of Credit Risk:

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, due to correspondents, customers transfer payable and debt. The carrying value of such items approximates their fair value at December 31, 2020.

Concentration of credit risk consist of credit and fraud risks of agents, renewal of material agents contracts, loss of business from significant agents, changes in laws and political stability in countries in which the Company has material agent relationship and demand for consumer money transfer transactions. Concentration of credit risk is limited due to the high volume of individuals comprising the Company's customer base.

Accounting Method:

The financial statements of the Company are prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

NBL Money Transfer INC., USA

Notes to Financial Statements

For the year ended December 31, 2020

Note D: Cash Balance:

For the purpose of the statement of cash flows, the company considers all highly liquid investments with maturities 6 months or less when purchased to be cash equivalents. Cash includes cash at bank, cash in check amounts, the money market account and Cash held at Company Branch Locations and Restricted Funds.

	2020
	USD
Cash at Bank	136,690
Branch Funds	30,354
Restricted CD	500,000
Total	667,044

Note E: Accounts Receivable:

The Company has receivables due from agents for money transfer transactions. These receivables are outstanding from the day of the transfer of the payment instrument until the agent remits the funds to the Company

Account Receivable	-
Total	-

Note F: Property, Furniture and Equipment'

Property and Equipment are stated at cost and depreciated using straight line method over their estimated useful lives ranging 5 to 7 years and Amortization for 15 Years basis.

Leasehold Improvements	60,914
Total	60,914
Less Accumulated Depreciation	(55,417)
Net Book Value	53,497

Company Organizational Costs:

Amortization	(26,360)
Net Book Value	40,330

Note I: Security Deposits

Company made rent security deposits to Landlord for Store front office Branch location in the NYC Metro area

Rent Security Deposits	7,500
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Anowar Hossain, CPA



Ganesh Biswas, CRO



NBL Securities Limited

Financial Statements

For the year ended December 31, 2020

NBL Securities Limited

Independent Auditor's Report to the Shareholders

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NBL Securities Limited which comprise the Statement of Financial Position as at December 31, 2020 and the Statement of Profit or Loss and Other Comprehensive Income, and Statement of Cash Flows, Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Information Other than the Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with the Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.
- d) the expenditures incurred and payments were made for the purposes of the Company's business.

Dated, Dhaka
June 30, 2021
DVC : 2106300576AS864764



Haider Ahmed Khan FCA
Partner
Ahmed Khan & Co.
Chartered Accountants
Modhumita Building (1st Floor)
160 Motijheel C/A, Dhaka-1000, Bangladesh

NBL Securities Limited

Statement of Financial Position

As at December 31, 2020

Particulars	Notes	Amount in BDT	
		At Dec 31, 2020	At Dec 31, 2019
I. ASSETS			
A. Non-Current Assets:		529,120,071	529,044,036
Fixed Assets	05.00	5,370,071	5,294,036
Investment in Stock Exchanges Membership	06.00	523,750,000	523,750,000
B. Current Assets:		6,438,908,714	6,219,893,954
Cash & Cash Equivalents	07.00	879,267,340	231,376,483
Investment in Shares	08.00	687,213,368	607,859,988
Receivable from Clients	09.00	4,811,612,289	5,329,323,373
Receivable from Stock Exchanges	10.00	438,192	3,773,779
Other Receivable	11.00	20,954	3,529
Advance against Rent	12.00	3,077,104	3,940,912
Advance Tax	13.00	57,279,469	43,615,891
Total Assets (A+B)		6,968,028,785	6,748,937,990
II. EQUITY AND LIABILITIES			
A. Capital and Reserves:		3,633,587,847	3,584,682,775
Share Capital	14.00	4,000,000,000	4,000,000,000
Retained Earnings	15.00	(366,412,153)	(415,317,225)
B. Non-Current Liabilities:		1,750,000,000	1,750,000,000
Loan from National Bank Ltd.	16.00	1,750,000,000	1,750,000,000
C. Current Liabilities:		1,584,440,938	1,414,255,215
Payable to National Bank Ltd.	17.00	869,425,350	837,410,878
Payable to Clients	18.00	135,380,246	107,898,200
Payable to Stock Exchanges	19.00	80,977,202	97,671
Liability for Expenses	20.00	991,165	1,055,041
Provision for Tax	21.00	73,377,025	43,503,475
Provision for Margin Loan & Investment	22.00	424,289,950	424,289,950
Total Equity and Liabilities (A+B+C)		6,968,028,785	6,748,937,990

The annexed notes form an integral part of these Financial Statements.


Chief Executive Officer


Director


Director

Signed in terms of our annexed report of even date.

Dhaka,
Date : June 30, 2021


Ahmed Khan & Co.
Chartered Accountants
DVC: 2106300576AS864764

NBL Securities Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2020

Particulars	Notes	Amount in BDT	
		Year Ended Dec 31, 2020	Year Ended Dec 31, 2019
Income:		114,358,935	104,683,459
Brokerage Commission	23.00	59,742,377	55,427,618
CDBL & Other Operating Income	24.00	4,453,788	4,858,046
Interest Income	25.00	50,162,770	44,397,794
Expenses:		55,835,045	127,147,941
Direct Expenses	26.00	4,375,322	3,662,441
Operating Expenses	27.00	51,459,723	123,485,500
Operating Profit before Tax		58,523,890	(22,464,483)
Add: Income from Investment in Marketable Securities	28.00	23,891,450	17,672,748
Profit before Tax		82,415,340	(4,791,735)
Less: Loss on Sale of Shares (DSE Membership)		-	-
		82,415,340	(4,791,735)
Less: Provision for Diminution in Value of Investment		-	47,057,514
		82,415,340	(51,849,249)
Less: Provision for Tax		29,873,550	11,691,644
Net Profit/(Loss) after Tax		52,541,790	(63,540,893)

The annexed notes form an integral part of these Financial Statements.


Chief Executive Officer


Director


Director

Signed in terms of our annexed report of even date.

Dhaka,
Date : June 30, 2021


Ahmed Khan & Co.
Chartered Accountants
DVC: 2106300576AS864764

NBL Securities Limited

Statement of Cash Flows

For the year ended December 31, 2020

Particulars	Amount in BDT	
	Year Ended Dec 31, 2020	Year Ended Dec 31, 2019
A. Cash Flows from Operating Activities:	728,662,789	(58,846,565)
Brokerage Commission Received	59,742,377	55,427,618
Interest Income Received	50,162,770	44,397,794
CDBL and Other Income Received	4,453,788	4,858,046
Income Received from Investment in Marketable Securities	23,891,450	17,672,748
Direct Expenses	(4,375,322)	(3,662,441)
Other Operating Expenses	(50,181,081)	(44,056,847)
Received from Clients Receivable	517,711,084	(137,450,305)
Received from DSE and CSE Receivable	3,335,588	(960,443)
Other Receipts/Payments	(17,425)	20,451
Advance Payment against Rent	863,808	(3,760,192)
Received from NBL	32,014,472	29,250,117
Payment to Clients	27,482,046	(3,216,766)
Payment to DSE & CSE	80,879,531	51,347
Advance Income Tax	(13,663,579)	1,341,183
Tax Paid	(3,636,718)	(18,758,877)
B. Cash Flows from Investing Activities:	(80,771,932)	(321,591,983)
Investment in Marketable Securities	(79,353,380)	(316,934,992)
Property, Plant & Equipment Purchase	(1,418,552)	(4,656,991)
C. Cash Flows from Financing Activities:		
Share Money Deposit	-	-
Long-Term Loan Payment	-	-
D. Net Cash Flows for the Period (A+B+C)	647,890,857	(380,438,548)
E. Cash and Cash Equivalents at the Beginning of the Period	231,376,483	611,815,031
F. Cash and Cash Equivalents at the End of the Period (D+E)	879,267,340	231,376,483
Cash and Cash Equivalents		
Cash in Hand	21,412	29,436
Cash at Bank	879,245,928	231,347,047
	879,267,340	231,376,483

This is the cash flow statement referred to in our report of even date.


Chief Executive Officer


Director


Director

Signed in terms of our annexed report of even date.

Dhaka,
Date : June 30, 2021


Ahmed Khan & Co.
Chartered Accountants
DVC: 2106300576AS864764

NBL Securities Limited
Statement of Changes in Equity
 For the year ended December 31, 2020

Amount in BDT

Particulars	Paid-Up Capital	Retained Earnings	Total
Balance at January 01, 2020	4,000,000,000	(415,317,225)	3,584,682,775
During the Year:			
Add: Net Profit /(Loss) after Tax	-	52,541,790	52,541,790
Less: Adj.of Assessment Year 2016-2017	-	(3,636,718)	-
Balance at December 31, 2020	4,000,000,000	(366,412,153)	3,633,587,847
Balance at December 31, 2019	4,000,000,000	(415,317,225)	3,584,682,775


 Chief Executive Officer


 Director


 Director

Signed in terms of our annexed report of even date.

Dhaka,
 Date : June 30, 2021


Ahmed Khan & Co.
 Chartered Accountants
 DVC: 2106300576AS864764

NBL Securities Limited

Notes to the Financial Statements

For the year ended December 31, 2020

1.00 Status of the Company:

NBL Securities Limited (NBL SL), a subsidiary company of National Bank Limited, was incorporated as a Public Limited Company with the Registrar of Joint Stock Companies and Firms in Dhaka, Bangladesh bearing Registration No-C-82154/10 dated February 01, 2010 under the Companies Act, 1994 having registered office at 18 Dilkusha C/A (4th floor), Dhaka.

The main objectives of the company are to carry on the business as a Stock Broker/ Stock Dealer of Stock Exchanges, and other related business in connection with dealing of listed securities. Other objectives of the Company are to buy, sell, hold or otherwise acquire or invest the capital of the Company in shares & fixed income securities etc. It has Corporate TREC of Dhaka Stock Exchange (DSE) & Chittagong Stock Exchange (CSE) and the license of Depository participants of Central Depository Bangladesh Limited (CDBL).

2.00 Basis of Presenting Financial Statements and Significant Accounting Policies:

2.01 Basis of Presenting Financial Statements:

The Financial Statements, namely Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and relevant notes thereto, of NBL Securities Limited are prepared on a going concern basis under historical cost convention, International Accounting Standard (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and other laws and rules applicable thereto. Wherever appropriate, such principles are explained in succeeding notes.

2.02 Accounting Period:

The financial period of the company under review covers 12 (Twelve) months from January 01, 2020 to December 31, 2020.

2.03 Date of Authorization:

The Board of Directors has authorized these financial statements for issue on June 30, 2021.

Components of the Financial Statements:

- a) Statement of Financial Position;
- b) Statement of Profit or Loss & Other Comprehensive Income;
- c) Statement of Cash Flows;
- d) Statement of Changes in Equity; and
- e) Notes to the Financial Statements.

2.04 Statement of Compliance:

The financial statements have been prepared on going concern basis following accrual basis of accounting except cash flows in accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Listing Rules of Dhaka and Chittagong Stock Exchange, International Accounting Standard (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh.

2.05 Presentation and Functional Currency and Level of Precision:

The functional currency of the company is BDT. All financial information are presented in BDT and rounded off to the nearest integer.

2.06 Use of Estimates and Adjustments:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

Provisions and expenses are recognized in the financial statements in line with the **International Accounting standard (IAS) 37 "Provision, Contingent Liabilities and Contingent Assets"** when – The company has legal or constructive obligation as a result of past event. It is probable that an outflow of economic benefit will be required to settle the obligation. A reliable estimate can be made of the amount of the obligation.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other source. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

2.07 Going Concern:

The company has adequate resources to continue its operation for the foreseeable future. For this reason, the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the company provide sufficient funds to meet the present requirements of its existing business and operations.

2.08 Materiality and Aggregation:

Each material item as considered significant by management has been presented separately in financial statements. No amount has been set off unless the company has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

NBL Securities Limited

Notes to the Financial Statements

For the year ended December 31, 2020

2.09 Fixed Asset:

Except the items as mentioned in **Annexure A - Schedule of Fixed Assets**, NBL Securities Limited has been using the Fixed assets like furniture, fixtures & fittings, general equipment, computer equipment, inherited from National Bank Limited since its incorporation without making payment to National Bank Limited.

2.10 Investment in Stock Exchanges for Membership:

Investment for membership is initially recognized at cost (which includes transaction costs) and is subsequently re-measured at fair value based on quoted bid price. Surplus arising from changes in the fair value of investment for membership is transferred to fair value measurement reserve.

2.11 Investment in Securities:

Investment in marketable ordinary shares has been shown at cost on an aggregate portfolio basis. Investment in non-marketable shares has been valued at cost.

2.12 Loans to Customers:

Loans to customers have been shown/stated in the Statement of Financial Position net off Interest Suspense A/C.

2.13 Cash and Cash Equivalents:

Cash and cash equivalents consist of cash in hand, bank balances and deposits held with banks and financial institutions and short term liquid investments that are readily convertible to known amount of cash and that are subject to an insignificant risk of change in value.

Statement of Cash flows has been prepared using Direct Method in accordance with the **International Accounting Standards (IAS) 7, "Cash Flow Statements"**.

2.14 Provision for Taxation:

Income tax represents the sum of the Current Tax and Deferred Tax.

a) Current Tax:

The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

Provision for current income tax has been made as per Income Tax Laws after considering taxable allowances and disallowances.

b) Deferred Tax:

Deferred tax is calculated in accordance with the provision of **International Accounting Standards (IAS)-12 "Income Tax"** based on taxable temporary difference arising due to difference in the carrying amount of the assets and liabilities in the Statement of Financial Position and its tax base.

2.15 Revenue Recognition:

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise as required by **International Accounting Standards (IAS)- 18 "Revenue Recognition"**.

a. Brokerage Commission:

Brokerage commission is recognized as income when selling or buying order executed.

b. Interest Income from Margin Loan:

Interest income from margin loan is recognized on accrual basis. Such income is calculated on daily margin loan balance of the respective parties. Income is recognized on quarterly basis.

c. Dividend Income and Profit/(Loss) on Sale of Marketable Securities:

Dividend income is recognized when right to receive payment is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized or loss is incurred.

NBL Securities Limited

Notes to the Financial Statements

For the year ended December 31, 2020

2.16 Related Party Disclosure:

As per **International Accounting Standard (IAS) 24 "Related Party Disclosure"**, parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions during the year under audit. In this company, the related party transactions are the "Loan taken from National Bank Limited (NBL)" (detail is shown in Note: 16.00) and "Payable to National Bank Limited (NBL)" (detail is shown in Note: 17.00).

2.17 Reclassification:

To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged/restated/reclassified wherever considered necessary to conform to current year's presentation.

2.18 Events after the Balance Sheet Date:

Events after the balance sheet date that provide additional information about the company's position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are non-adjusting events are disclosed in notes. There are no as such events during the year under audit.

2.19 Branch Accounting:

The company has 06 (six) branch offices (excluding head office) with no overseas branch as on December 31, 2020. Accounts of the branches are maintained at the head office which are included in the accompanying financial statements.

3.00 Directors' Responsibility Statement:

The board of directors takes the responsibility for the preparation and presentation of these financial statements.

4.00 General

Figures appearing in these Financial Statements have been rounded off to the nearest BDT.

Particulars	Amount in BDT	
	At Dec 31, 2020	At Dec 31, 2019
05.00 Fixed Assets:		
At Cost	10,700,722	9,282,170
Less: Accumulated Depreciation	5,330,651	3,988,134
Written Down Value	5,370,071	5,294,036
A Schedule of Fixed Asset is given in Annexure- A.		
06.00 Investment in Stock Exchanges Membership:		
Dhaka Stock Exchange Ltd. (DSE)	378,750,000	378,750,000
Chittagong Stock Exchange Ltd. (CSE)	145,000,000	145,000,000
	523,750,000	523,750,000
7.00 Cash & Cash Equivalents:		
Cash in Hand	21,412	29,436
Cash at Bank (Note 07.01)	879,245,928	231,347,047
	879,267,340	231,376,483
7.01 Cash at Bank:	Account Type	
I. National Bank Limited (A/C: 1999001781143)	Consolidated A/C	342,995,446
II. National Bank Limited (A/C: 1999001781138)	Paid up A/C	2,766,474
III. National Bank Limited (A/C: 1999001781123)	Margin Fund A/C	87,724
IV. National Bank Limited (A/C: 1999001781144)	Revenue A/C	31,053,240
V. National Bank Limited (A/C: 1999001781146)	Stock Dealer A/C	16,959,043
VI. National Bank Limited (A/C: 1999001781168)	PIA A/C	2,912,513
VII. National Bank Limited (A/C: 1206003585768)	Revenue A/C	4,870,705
VIII. One Bank Limited (A/C: 0010025366018)	Stock Dealer A/C	13,752,798
IX. One Bank Limited (A/C: 0010025366026)	Consolidated A/C	441,390,109
X. Dutch Bangla Bank Limited (A/C:1711200002074)	Consolidated A/C	22,457,876
		879,245,928
		231,347,047

NBL Securities Limited
Notes to the Financial Statements
For the year ended December 31, 2020

Particulars	Amount in BDT	
	At Dec 31, 2020	At Dec 31, 2019
8.00 Investment in Shares:		
<u>Name of Company</u>		
AFTABAUTO-A	3,855,597	3,855,597
AL-HAJTEX-Z	11,600,290	11,600,290
ACIFORMULA-A	2,263,742	2,263,742
APOLOISPAT-B	15,390,436	15,390,436
BANKASIA-A	69,134,502	69,134,502
BATASHOE-A	380,478	380,478
BATBC-A	1,779,842	3,649,670
BDCOM-A	7,681,405	7,681,405
BENGALWTL-B	5,816,759	5,816,759
COPPERTECH-N	-	47,410
CITYBANK-A	9,951,465	9,951,465
CRYSTALINS-N	108,780	-
DESCO-A	7,553,158	7,553,158
EHL-A	3,230,442	3,230,442
EXIMBANK-A	6,001,504	6,001,504
ESQUIRENIT-N	938,700	938,700
FAMILYTEX-Z	5,865,623	5,865,623
FUWANGFOOD-B	5,410,858	5,410,858
GENEXIL-N	-	3,409
HEIDELBCEM-A	2,974,425	2,974,425
IBP-A	1,377,127	1,377,127
ICBAMCL2ND-A	19,872,581	-
INTECH-Z	14,218,863	14,218,863
KOHINOOR-A	55,738,640	-
KTL-A	2,920,711	2,920,711
LHBL-A	30,082,877	30,082,877
MERCINS-B	33,346,167	49,448,810
MHSML-B	1,628,308	1,628,308
NEWLINE-N	-	40,023
OAL-B	7,758,104	7,758,104
ONEBANKLTD-A	7,013,737	7,013,737
PROVATIINS-A	-	946,793
PRIMEBANK-A	142,807,002	142,807,002
QUASEMIND-A	-	11,517,034
RUNNERAUTO-N	540,450	540,450
RAKCERAMIC-A	3,598,582	3,598,582
RINGSHINE-A	1,172,850	1,096,688
ROBI-N	2,712,520	-
SAPORTL-A	4,114,356	4,114,356
SILCOPHL-A	185,236,793	154,916,362
SSSTEEL-N	-	3,064
SEAPEARL-B	17,764	37,300
SQURPHARMA-A	1,074,005	-
TITASGAS-A	8,613,665	8,613,665
UNIONCAP-B	3,430,260	3,430,260
	687,213,368	607,859,988

The cost of investment is Tk. 687,213,368 & market value of which is Tk. 501,024,206 as at December 31, 2020. The Unrealized loss stood at Tk.186,189,162 on that date against which provision has been kept in previous year, but this year BSEC gave flexibility against unrealized loss. So, management has decided not to made provision.If the market price of shares goes up in future, the above equity erosion will be reduced. It may be mentioned here that the Bangladesh Securities and Exchange Commission vide its Directives no. SEC/CMRRCD/220-193/196 dated December 28, 2016 allowed the Stock Dealers to create provision against the loss on investment in securities beginning from December 2015 to December 2016. BSEC has further extended this time period upto December 31, 2023 vide BSEC/SRI/Policy/5/2019/196 dated July 16, 2020.

NBL Securities Limited

Notes to the Financial Statements

For the year ended December 31, 2020

Particulars	Amount in BDT	
	At Dec 31, 2020	At Dec 31, 2019
09.00 Receivable from Clients:		
Receivable from Clients	4,811,612,289	5,329,323,373
	4,811,612,289	5,329,323,373
10.00 Receivable from Stock Exchanges:		
Receivable from Dhaka Stock Exchange (DSE)	438,192	3,358,170
Receivable from Chittagong Stock Exchange (CSE)	-	415,609
	438,192	3,773,779
11.00 Other Receivable:		
CDBL Charges Receivable from Clients	20,954	3,529
	20,954	3,529
12.00 Advance against Rent:		
Mirpur Branch	85,104	132,912
Dhanmondi Branch	2,992,000	3,808,000
	3,077,104	3,940,912
13.00 Advance Tax:		
Opening Balance	43,615,891	44,957,074
Add: Tax Deducted at Source on Turnover		
Tax Deducted at Source on Cash Dividend	9,208,999	8,330,564
Tax Deducted at Source on Bank Interest	4,000,356	2,936,300
	454,223	125,655
	57,279,469	56,349,594
Less: Adjustment for the Assessment Year 2017-2018		
	-	12,733,703
	57,279,469	43,615,891
14.00 Share Capital:		
Authorized Capital		
400,000,000 Ordinary Shares of Taka 10.00 each	4,000,000,000	4,000,000,000
Issued, Subscribed and Paid-Up Capital		

This represents amount received from National Bank Limited as well as sponsor-directors which were subsequently transferred to the Company's Bank Account.

	No. of Shares	Percentage (%)	Amount	Amount
National Bank Limited	399,994,000	99.9984%	3,999,940,000	3,999,940,000
Individuals (Note: 14.01)	6,000	0.0016%	60,000	60,000
400,000,000 Ordinary Shares of Taka 10.00 each	400,000,000	100.00%	4,000,000,000	4,000,000,000

14.01 Individuals:	No. of Shares	Amount	Amount
Mrs. Parveen Haque Sikder	1,000	10,000	10,000
Ms. Lisa Fatema Haque	1,000	10,000	10,000
Mrs. Nazneen Ahmed	1,000	10,000	10,000
Mrs. Nadia Munawar	1,000	10,000	10,000
Mr. Dipu Haque	1,000	10,000	10,000
Mr. Salahuddin Khan	1,000	10,000	10,000
Total	6,000	60,000	60,000

15.00 Retained Earnings:		
Opening Balance	(415,317,225)	(351,013,039)
Add: Addition During the Year	52,541,790	(63,540,893)
	(362,775,435)	(414,553,932)
Add: Adjustment of Assessment Year (2017-2018)	-	(2,165,467)
	(362,775,435)	(416,719,399)
Add: Adjustment of Previous Year Expense	-	1,402,174
	(362,775,435)	(415,317,225)
Add: Adjustment of Assessment Year (2016-2017)	(3,636,718)	-
	(366,412,153)	(415,317,225)

NBL Securities Limited
Notes to the Financial Statements
For the year ended December 31, 2020

Particulars	Amount in BDT	
	At Dec 31, 2020	At Dec 31, 2019
16.00 Loan from National Bank Ltd. (NBL):		
National Bank Ltd.	1,750,000,000	1,750,000,000
	1,750,000,000	1,750,000,000
*As per Ref. no. NBL/DIL/ADV-NBLSL/106/2020 dated September 14, 2020, charging of interest has blocked.		
17.00 Payable to National Bank Ltd. (NBL):		
Interest on Loan from National Bank Ltd. (Parent Company)	634,054,986	634,054,986
Salaries & Allowances	235,370,364	203,355,892
	869,425,350	837,410,878
18.00 Payable to Clients:		
Payable to Clients	130,300,646	107,848,200
IPO A/C- Block (Customer)	5,079,600	50,000
	135,380,246	107,898,200
19.00 Payable to Stock Exchanges:		
Payable to Dhaka Stock Exchange (DSE)	48,488,188	97,671
Payable to Chittagong Stock Exchange (CSE)	32,489,015	-
	80,977,202	97,671
20.00 Liability for Expenses:		
Audit Fee	63,889	66,667
Electricity Bill	18,399	14,559
Review & Other Charges (DSE & CSE)	6,500	4,000
Network Bill	100,575	96,575
Office Rent	43,672	532,245
Settlement & CDS Bill	373,833	172,728
Software & Maintenance Charges	50,000	50,000
Repair & Maintenance	3,775	3,575
VAT & Tax	329,622	111,372
Water Bill	900	3,320
	991,165	1,055,041
21.00 Provision for Tax:		
Opening Balance	43,503,475	48,405,241
Add: Provision for Tax During the Year (Note: 21.01)	29,873,550	11,691,644
	73,377,025	60,096,885
Less: Adjustment for the Assessment Year 2017-2018	-	16,593,410
	73,377,025	43,503,475
21.01 Provision for Tax During the Year:		
Provision for Turnover	9,208,999	8,330,564
Provision for Capital Gain	361,295	299,125
Provision for Dividend Income	4,000,356	2,936,300
Provision for Interest Income	16,302,900	125,655
	29,873,550	11,691,644

NBL Securities Limited

Notes to the Financial Statements

For the year ended December 31, 2020

Particulars	Amount in BDT	
	At Dec 31, 2020	At Dec 31, 2019
22.00 Provision for Margin Loan & Investment:		
Opening Balance	424,289,950	377,232,436
Add: Provision for diminution in value of investment	-	47,057,514
	424,289,950	424,289,950
As per BSEC Circular no. BSEC/SRI/Policy/5/2019/196 dated July 16, 2020, no provision has been made during the year for unrealized loss arising out against diminution in value of investment because BSEC gave flexibility against unrealized loss due to Covid-19 pandemic. So, management has decided not to keep provision.		
23.00 Brokerage Commission:		
Brokerage Commission (against DSE & CSE operation)	59,742,377	55,427,618
	59,742,377	55,427,618
24.00 CDBL & Other Operating Income:		
Service Charge from Clients against CDBL	2,515,296	2,908,096
IPO Income	54,092	30,800
BO Account, Annual Maintenance Fee	1,884,400	1,919,150
	4,453,788	4,858,046
25.00 Interest Income:		
Interest Received from Bank	3,305,150	1,256,549
Interest Income from Customers against Margin Loan	46,857,620	43,141,245
	50,162,770	44,397,794
26.00 Direct Expenses:		
Howla Charge	10,522	6,802
Laga Charge	4,364,800	3,655,639
	4,375,322	3,662,441
27.00 Operating Expenses:		
Salaries and Allowances	32,014,472	29,250,117
Directors' Fee	-	69,333
Advertisement	-	17,250
AR License Fee	2,100	4,000
Audit Fee	63,889	66,667
Bank Charge	106,925	94,573
Consultancy Fee	811,388	250,000
CSE Charge	-	263,536
Conveyance	186,606	154,164
Entertainment	386,657	471,615
Interest Expenses on Loan	-	77,953,328
IPO Application Charge	17,000	15,000
Monthly Review & Other Charges (DSE & CSE)	18,663	14,258
Network Expenses	1,202,900	1,163,900
Postage & Courier	6,464	4,783
Office Rent	7,987,321	5,494,565
Renewal Fee	370,540	402,000
Repair & Maintenance	624,725	338,151
Satellite Charge	40,550	31,350

NBL Securities Limited

Notes to the Financial Statements

For the year ended December 31, 2020

Particulars	Amount in BDT	
	At Dec 31, 2020	At Dec 31, 2019
Settlement & CDS Fee	3,847,898	3,965,279
Software Maintenance Fee	600,000	600,000
Water Bill	44,348	73,169
Cleaning Expense/ Wages	703,700	774,020
Electricity Bill	268,753	241,952
Mobile Bill	18,700	-
Newspaper Bill	16,280	19,255
Stationery Bill	562,969	218,788
Telephone Bill	58,071	79,423
Training & Other Expenses	6,000	14,400
Staff Uniform	10,700	10,700
Misc. Expenses	32,400	633
Depreciation	1,342,517	1,323,509
Insurance Premium	107,188	105,783
	51,459,723	123,485,500
28.00 Income from Investment in Marketable Securities:		
Capital Gain	3,612,947	2,991,246
Dividend from DSE & CSE	4,664,612	4,849,330
Dividend from Marketable Securities	15,337,166	9,832,172
DSE Share Sale Rate Fluctuation	276,725	-
	23,891,450	17,672,748

NBLSecurities Limited

Schedule of Fixed Assets

As at December 31, 2020

Sl. NO.	Particulars	Cost			Rate of Depreciation	Depreciation			Written Down Value
		Balance as at 01.01.2020	Addition During the Year	Balance as at 31.12.2020		Balance as at 01.01.2020	Charged During the Year	Balance as at 31.12.2020	
1	Computer Equipment	1,423,998	872,598	2,296,596	20%	694,996	320,320	1,015,316	1,281,280
2	General Equipment	7,858,172	545,954	8,404,126	20%	3,293,138	1,022,198	4,315,335	4,088,791
	Total	9,282,170	1,418,552	10,700,722		3,988,134	1,342,517	5,330,651	5,370,071

Amount in BDT

- Depreciation has been Charged on Diminishing Balance Method. Full Depreciation has been charged on Addition During the Year.



NBL Capital and Equity Management Ltd.

Financial Statements

For the year ended December 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of NBL Capital and Equity Management Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **NBL Capital and Equity Management Ltd.** which comprise the Statement of Financial Position as at December 31, 2020 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flow and Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Information Other than the Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with the Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with the governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dated, Dhaka
June 30, 2021
DVC: 2106300576AS768324



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Haider Ahmed Khan FCA
Proprietor
Ahmed Khan & Co.
Chartered Accountants
Modhumita Building (1st Floor)
160 Motijheel C/A, Dhaka-1000, Bangladesh.

NBL Capital and Equity Management Ltd.

Statement of Financial Position

As at December 31, 2020

Particulars	Notes	As at	As at
		Dec 31, 2020	Dec 31, 2019
		BDT	BDT
I. ASSETS:			
A. Non-Current Assets:		83,281	123,123
Property, Plant & Equipment	06.00	83,281	123,123
B. Current Assets:		429,226,849	408,885,136
Investment in Shares	07.00	411,595,220	371,626,937
Receivable from NBL Securities Ltd.	08.00	1,166,153	13,697,093
Advance, Deposit & Prepayments	09.00	2,849,738	4,468,432
Cash and Cash Equivalents	10.00	13,615,737	19,092,674
Total Assets (A+B)		429,310,130	409,008,259
II. EQUITY AND LIABILITIES:			
C. Share holders' Equity:		300,199,798	282,167,966
Share Capital	11.00	250,000,000	250,000,000
Retained Earnings	12.00	50,199,798	32,167,966
D. Current Liabilities:		129,110,332	126,840,293
Accounts Payable		26,817,443	23,782,575
Liability for Expenses	13.00	205,230	153,217
Provision for Tax	14.00	5,724,410	6,541,252
Provision for Diminution in Value of Investments	15.00	96,363,249	96,363,249
Total Equity and Liabilities (C+D)		429,310,130	409,008,259

The annexed notes form an integral part of the Financial Statements.



Chief Executive Officer




Director



Director

Signed in terms of our separate report of even date.

Dhaka
Date: June 30, 2021



Ahmed Khan & Co.
Chartered Accountants
DVC: 2106300576AS768324

NBL Capital and Equity Management Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended December 31, 2020

Particulars	Notes	Year Ended Dec 31, 2020	Year Ended Dec 31, 2019
		BDT	BDT
A. Income:		25,052,815	18,589,381
Gain on Sale of Shares		14,767,278	9,006,484
Dividend on Investment in Shares		9,985,537	9,351,647
Underwriting Commission	16.00	300,000	231,250
B. Administrative & Other Expenses:		3,760,491	3,500,154
Administrative Expenses	17.00	3,314,736	3,182,936
Other Expenses	18.00	445,755	317,218
C. Operating Profit before Financial Expenses (A-B)		21,292,324	15,089,227
Less: Financial Expenses	19.00	2,914	-
D. Profit before non operating income		21,289,410	15,089,227
Add: Non Operating Income	20.00	394,011	75,959
E. Profit/(Loss) before Provision for Tax		21,683,421	15,165,186
Less: Provision for Tax		3,651,589	2,797,564
Net Profit/(Loss) after Tax		18,031,832	12,367,622
Earning Per Share (EPS)	21.00	7.21	4.95

NBL Capital and Equity Management Ltd.
Statement of Changes in Equity
For the year ended December 31, 2020

Particulars	Amount in BDT		
	Paid-Up Capital	Retained Earnings	Total
Balance as at January 01, 2020	250,000,000	32,167,966	282,167,966
During the Year:			
Net Profit/(Loss) after Tax	-	18,031,832	18,031,832
Balance as at December 31, 2020	250,000,000	50,199,798	300,199,798
Balance as at December 31, 2019	250,000,000	32,167,966	282,167,966

The annexed notes form an integral part of the Financial Statements.


Chief Executive Officer


Director


Director

Signed in terms of our separate report of even date.

Dhaka
Date: June 30, 2021


Ahmed Khan & Co.
Chartered Accountants
DVC: 2106300576AS768324

NBL Capital and Equity Management Ltd.

Statement of Cash Flows

For the year ended December 31, 2020

Particulars	Year Ended	Year Ended
	Dec 31, 2020	Dec 31, 2019
	BDT	BDT
A. NET CASH FLOW FROM OPERATING ACTIVITIES	34,491,346	1,600,189
Net Profit/(Loss) before Tax	17,254,832	14,718,612
Adjustments for :		
Tax Paid During the Year	21,683,421	15,165,186
Depreciation	(4,468,432)	(505,886)
	39,842	59,312
	17,236,514	(13,118,424)
Changes in Working Capital:		
(Increase)/Decrease in Receivable from NBL Securities Ltd.	12,530,940	(13,290,733)
(Increase)/Decrease in Advance, Deposit & Pre-Payment	1,618,694	(2,634,145)
Increase/(Decrease) in Accounts Payable	3,034,868	2,862,029
Increase/(Decrease) in Liabilities for Expense	52,013	(55,575)
	(39,968,283)	226,921
B. NET CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Shares	(39,968,283)	226,921
	-	-
C. NET CASH FLOW FROM FINANCING ACTIVITIES		
	-	-
D. Net Cash Flow During the Year (A+B+C)	(5,476,937)	1,827,110
E. Opening Balance of Cash & Cash Equivalents	19,092,674	17,265,564
Closing Balance of Cash & Cash Equivalents (D+E)	13,615,737	19,092,674
Cash & Cash Equivalents:		
Cash in Hand	72,101	24,651
Cash at Bank	13,543,636	19,068,023
	13,615,737	19,092,674



Chief Executive Officer



Director



Director

Signed in terms of our separate report of even date.

Dhaka
Date: June 30, 2021



Ahmed Khan & Co.
Chartered Accountants
DVC: 2106300576AS768324

NBL Capital and Equity Management Ltd.

Notes to the Financial Statements

For the year ended December 31, 2020

01.00 Reporting Entity:

01.01 NBL Capital & Equity Management Ltd. is a fully owned subsidiary company of National Bank Limited incorporated as a private limited company with the Registrar of Joint Stock Companies, Dhaka, Bangladesh vide Certificate of Incorporation No-C-82157/10 Dated February 01, 2010 under the Companies Act, 1994. The functions of Merchant Bank were separated from National Bank Limited by forming a subsidiary company namely NBL Capital & Equity Management Ltd. as per Bangladesh Bank's BRPD Circular no. 12 dated 14.10.2009. Bangladesh Securities and Exchange Commission (BSEC) thereafter issued a full-fledged Merchant Banker Certificate bearing No. MB-66/2011 dated June 09, 2011 in favor of NBL Capital & Equity Management Ltd. with effect from the same. Meanwhile the company is registered as a Custody Depository Participant by the Bangladesh Securities and Exchange Commission (BSEC) bearing Registration Certificate No. SEC/Registration/CDBL-DP-357 dated on September 15, 2011.

01.02 Principal Activities:

The main objectives of the company are to carry out the activities of a full-fledged Merchant Banker like Issue Management, Portfolio Management, Underwriting, Corporate Advisory Service etc. as per Bangladesh Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Regulation, 1996.

02.00 Basis of Preparation:

02.01 Statement of Compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS)/International Accounting Standards (IAS), The Companies Act 1994, BSEC Rules 1987 and other applicable laws in Bangladesh.

02.02 Basis of Presentation of Financial Statements:

The financial statements are prepared on a going concern basis under historical cost convention.

02.03 Components of the Financial Statement:

- (i) Statement of Financial Position
- (ii) Statement of Profit or Loss and Other Comprehensive Income
- (iii) Statement of Cash Flows
- (iv) Statement of Changes in Equity
- (v) Accounting Policies and Explanatory Notes to the Financial Statements
- (vi) Comparative information prescribed by the standard.

02.04 Reporting Period:

The financial period of the company under review covers 12 (Twelve) months from January 01, 2020 to December 31, 2020.

03.00 Property, Plant & Equipment:

Except the items as mentioned in Annexure A- Schedule of Fixed Assets, NBL Capital and Equity Management Ltd. has been using the Fixed assets like furniture, fixtures & fittings, general equipment, computer equipment, inherited from National Bank Limited since its incorporation without making payment to National Bank Limited.

03.01 Depreciation:

Depreciation is recognized in the Statement of Profit or Loss and Other Comprehensive Income on monthly basis at Diminishing Balance Method over the estimated useful lives of each item of Property, Plant & Equipment. Items of Property, Plant & Equipment are depreciated when these are acquired or are capitalized. In case of disposal, no depreciation is charged in the year of disposal.

Rate of depreciation on various items of Property, Plant and Equipment considering the useful lives of assets are as follows:

Asset Category	Rate of Depreciation (%)
Electric Equipment	20%
Computer & Accessories	33.33%

03.02 Advance, Deposit & Prepayments:

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions adjustments or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to Statements of Profit or Loss and Other Comprehensive Income.

NBL Capital and Equity Management Ltd.

Notes to the Financial Statements

For the year ended December 31, 2020

03.03 Cash and Cash Equivalents:

Cash & Cash Equivalent comprises Cash in Hand and Cash at Bank balances, which were held and available for use of the Company without any restriction.

03.04 Statement of Cash Flows:

Statement of Cash Flows has been prepared in accordance with the International Accounting Standard (IAS) 07 "Statement of Cash Flows" under indirect method.

03.05 Investments:

Recognition and Measurement:

In accordance with IFRS-39 "Financial Instruments Recognition and Measurement" all investment in securities are initially recognized at cost, being fair value of the consideration given, including acquisition charges associated with the investments.

Investment in Listed Securities:

These are acquired and held primarily for the purpose of selling them in future or held for dividend income and are reported at cost. Unrealized gains are not recognized in the Statement of Profit or Loss and Comprehensive Income. Provision for Diminution in Value of Investment is provided in the financial statements on those securities whose market price is below than the cost of investment.

03.06 Receivables:

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity.

03.07 Share Capital:

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

03.08 Borrowing Funds:

Borrowing funds include borrowings from National Bank Limited, which is stated in the Statement of Financial Position as Accounts Payable.

03.09 Provision for Liabilities:

A provision is recognized in the Statement of Financial Position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the International Accounting Standard (IAS)-37 "Provisions, Contingent Liabilities and Contingent Assets".

04.00 Revenue Recognition:

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise during the year and in accordance with the International Accounting Standard (IAS)-18 "Revenue Recognition".

04.01 Earnings Per Share (EPS):

The company calculates Earning Per Share (EPS) in accordance with International Accounting Standard (IAS) 33 "Earnings Per Share" which has been shown in the face of the Statement of Profit or Loss and Other Comprehensive Income. This has been calculated by dividing the Net Profit after Tax by the Weighted Average number of Ordinary Shares outstanding during the year.

04.02 Events after the Reporting Period:

Events after the Financial Position date that provide additional information about the company's position at the Financial Position date are reflected in the financial statements. There are no such events.

04.03 Directors' Responsibility on Financial Statements:

The Management of the company is responsible for the preparation and presentation of these financial statements.

04.04 Related Party Disclosures:

As per International Accounting Standard (IAS) 24 "Related Party Disclosure," parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. In this company, the related parties are, National Bank Limited with which have a transaction as accounts payable & NBL Securities Ltd with which have a transaction of Accounts Receivables. The Registered Office of NBL CEML is situated at 5,Rajuk Avenue , Printers Building, 8th Floor, Dhaka-1000 which floor is owned by National Bank Limited. As a subsidiary of NBL, this space is currently used by NBL Capital & Equity Management Limited against which NBL do not charge any rent and utility bills.

05.00 General:

Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka. These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith. Previous year's figures have been rearranged to conform to the presentation adopted in these financial statements.

NBL Capital and Equity Management Ltd.

Notes to the Financial Statements

For the year ended December 31, 2020

Particulars	As at Dec 31, 2020	As at Dec 31, 2019
	BDT	BDT
06.00 Property, Plant & Equipment:		
At Cost	2,132,739	2,132,739
Less: Accumulated Depreciation	2,049,458	2,009,616
Written Down Value	83,281	123,123
A Schedule of Property, Plant & Equipment is given in Annexure-A		
07.00 Investment in Shares:		
Quoted (Publicly Traded)	401,596,220	370,824,247
Primary Share	9,999,000	802,690
	411,595,220	371,626,937
<p>The cost of investment is Tk. 401,596,220 & market value of which is Tk. 287,246,955 as at December 31, 2020. The Unrealized loss stood at Tk. 114,349,264 on that date against which provision has been kept in previous year, but this year BSEC gave flexibility against unrealized loss. So, management has decided not to made provision. If the market price of shares goes up in future, the above equity erosion will be reduced. It may be mentioned here that the Bangladesh Securities and Exchange Commission vide its Directives no. SEC/CMRRCD/220-193/196 dated December 28, 2016 allowed the Stock Dealers to create provision against the loss on investment in securities beginning from December 2015 to December 2016. BSEC has further extended this time period upto December 31, 2023 vide BSEC/SRI/Policy/5/2019/196 dated July 16, 2020.</p>		
08.00 Receivable from NBL Securities Ltd:		
Receivable from NBL Securities Ltd.	2,000,412,017	1,826,911,731
Less: Payable to NBL Securities Ltd.	1,999,245,863	1,813,214,638
	1,166,153	13,697,093
09.00 Advance, Deposit & Prepayments:		
Advance Income Tax (Note: 09.01)	2,849,738	4,468,432
	2,849,738	4,468,432
09.01 Advance Income Tax:		
Opening Balance	4,468,432	1,834,287
Add: During the Year	2,849,738	2,634,145
	7,318,170	4,468,432
Less: Adjustment During the Year	4,468,432	-
	2,849,738	4,468,432
10.00 Cash and Cash Equivalents:		
Cash in Hand	72,101	24,651
Cash at Bank (Note: 10.01)	13,543,636	19,068,023
	13,615,737	19,092,674
10.01 Cash at Bank:		
National Bank Limited (A/C No. 1999001781139)	13,543,636	19,068,023
	13,543,636	19,068,023
11.00 Share Capital:		
Authorized Capital:		
	250,000,000	250,000,000
	250,000,000	250,000,000

Issued, Subscribed and Paid-up Capital:

This represents amount received from National Bank Ltd. as well as sponsor-directors which were subsequently transferred to the Company's Bank Account.

	No. of Shares	Percentage (%)	Amount	Amount
National Bank Limited	2,498,650	99.94%	249,865,000	249,865,000
Individuals (Note: 11.01)	1,350	0.06%	135,000	135,000
2,500,000 Ordinary Shares of Taka 100.00 each	2,500,000	100.00%	250,000,000	250,000,000

NBL Capital and Equity Management Ltd.

Notes to the Financial Statements

For the year ended December 31, 2020

Particulars			As at Dec 31, 2020 BDT	As at Dec 31, 2019 BDT
11.01	Individuals:	No. of Shares		
	Ms. Parveen Haque Sikder	250	25,000	25,000
	Mr. Nick Haque	250	25,000	25,000
	Mrs. Nasim Sikder	250	25,000	25,000
	Mr. Mohtasim Billah Khan	250	25,000	25,000
	Mr. Salahuddin Khan	100	10,000	10,000
	Mr. Mamtazul Haque	250	25,000	25,000
	Total	1,350	135,000	135,000
12.00	Retained Earnings:			
	Opening Balance		32,167,966	19,800,344
	Add: Net Profit /(Loss) During the Year		18,031,832	12,367,622
			50,199,798	32,167,966
13.00	Liability for Expenses:			
	MB License Fee		50,000	50,000
	Connectivity Charge		17,230	17,230
	CDBL Charge		2,000	2,000
	Audit Fee		36,000	36,000
	AIT (Note: 13.01)		4,000	4,500
	VAT (Note: 13.02)		6,000	6,750
	Directors' Attendance Fee		48,000	-
	Trade License		-	16,300
	RJSC Expenses		42,000	20,000
	Water Bill		-	437
			205,230	153,217
13.01	AIT:			
	AIT on Audit Fee		4,000	4,000
	AIT on Directors' Attendance Fee (Note : 13.01.01)		-	-
	AIT on Consultancy Fee (Note : 13.01.02)		-	500
			4,000	4,500
13.01.01	AIT on Director's Attendance Fee:			
	Opening Balance		-	2,000
	Add: During the Year		4,800	4,800
			4,800	6,800
	Less: Paid During the Year		4,800	6,800
			-	-
13.01.02	AIT on Consultancy Fee:			
	Opening Balance		500	-
	Add: During the Year		22,222	500
			22,722	500
	Less: Paid During the Year		22,722	-
			-	500
13.02	VAT:			
	VAT on Audit Fee		6,000	6,000
	VAT on Directors' Attendance Fee (Note : 13.02.01)		-	-
	VAT on Consultancy Fee (Note : 13.02.02)		-	750
			6,000	6,750
13.02.01	VAT on Directors' Attendance Fee:			
	Opening Balance		-	10,000
	Add: During the Year		4,800	6,000
			4,800	16,000
	Less: Paid During the Year		4,800	16,000
			-	-

NBL Capital and Equity Management Ltd.

Notes to the Financial Statements

For the year ended December 31, 2020

Particulars	As at	As at
	Dec 31, 2020	Dec 31, 2019
	BDT	BDT
13.02.02 VAT on Consultancy Fee:		
Opening Balance	750	-
Add: During the Year	33,333	750
	34,083	750
Less: Paid During the Year	34,083	-
	-	750
14.00 Provision for Tax:		
Opening Balance	6,541,252	4,249,574
Add: Provision for Tax (Note : 14.01)	3,651,589	2,797,564
	10,192,842	7,047,138
Less: Paid During the Year	4,468,432	505,886
	5,724,410	6,541,252
14.01 Provision for Tax on Operating Income:		
Gain on Sale of Shares	1,476,728	900,648
Dividend on Investment in Shares	1,997,107	1,870,330
Non-Operating Income	147,754	26,586
Underwriting Commission	30,000	-
	3,651,589	2,797,564
15.00 Provision for Diminution in Value of Investment:		
Opening Balance	96,363,249	96,363,249
Add: During the Year	-	-
	96,363,249	96,363,249
As per BSEC Circular no. BSEC/SRI/Policy/5/2019/196 dated July 16, 2020, no provision has been made during the year, for unrealized loss arising out against diminution in value of investment, because BSEC gave flexibility against unrealized loss due to Covid-19 pandemic. So, management has decided not to keep any provision.		
16.00 Underwriting Commission:	Year ended 31 December	
	2020	2019
Ring Shine Textiles Ltd.	-	131,250
Esquire Knit LTD.	-	100,000
APSCL	300,000	-
	300,000	231,250
17.00 Administrative Expenses:		
Salary & Allowance (Note : 17.01)	3,034,868	2,862,029
Settlement and Others Fees (Note : 17.02)	7,800	6,450
Legal Fees & Renewals (Note : 17.03)	88,000	86,300
Directors' Attendance Fee	57,600	58,800
Office Stationery	27,126	28,375
Web Development Fee	5,000	5,000
Audit Fee	46,000	46,000
Repair & Maintenance	8,500	3,100
Water Bill	-	27,570
Depreciation	39,842	59,312
	3,314,736	3,182,936
17.01 Salary & Allowance:		
Salary	2,680,483	2,536,893
Festival Bonus	242,952	222,866
Incentive Bonus	111,433	102,270
	3,034,868	2,862,029
17.02 Settlement and Others Fees:		
CDBL Charge	6,000	6,000
BO Charge	450	450
Corporate Charge	1,350	-
	7,800	6,450

NBL Capital and Equity Management Ltd.

Notes to the Financial Statements

For the year ended December 31, 2020

Particulars	Year ended 31 December	
	2020	2019
17.03 Registration and License Fees:		
MB License Fee	50,000	50,000
RJSC Exp.	22,000	20,000
Trade License	16,000	16,300
	88,000	86,300
18.00 Other Expenses:		
BMBA Annual Fee	100,000	100,000
Consultancy Fee	255,555	127,778
Miscellaneous	-	6,240
IPO Application Fee	32,000	15,000
Training and Internship	-	10,000
Connectivity Charges	58,200	58,200
	445,755	317,218
19.00 Financial Expenses:		
Interest Expense	2,564	-
Bank Charges	350	-
	2,914	-
20.00 Non Operating Income:		
Bank Interest	394,011	75,459
Old News paper Sold	-	500
	394,011	75,959
21.00 Earning Per Share (EPS):		
Net Profit after Tax	18,031,832	12,367,622
Weighted Average Number of Shares	2,500,000	2,500,000
EPS	7.21	4.95

Earning per share (EPS) have been computed by dividing the basic earnings by the number of ordinary shares outstanding as on December 31, 2020 in accordance with International Accounting Standard (IAS) 33 "Earnings Per Share".

NBL Capital and Equity Management Ltd.

Annexure - A

Schedule of Property, Plant & Equipment

As at December 31, 2020

SL. NO.	Particulars	Amount in BDT							
		Cost			Rate of Depreciation	Depreciation			Written Down Value as at 31.12.2020
		Balance as at 01.01.2020	Addition During the Year	Balance as at 31.12.2020		Balance as at 01.01.2020	Charged During the Year	Balance as at 31.12.2020	
1	Electric Equipment	51,600	-	51,600	20%	42,637	1,793	44,430	7,170
2	Computer & Accessories	2,081,139	-	2,081,139	33.33%	1,966,978	38,050	2,005,028	76,111
	Total	2,132,739	-	2,132,739		2,009,616	39,842	2,049,458	83,281

Notes: Depreciation has been Charged under Diminishing Balance Method.

Corporate Information

1983	Incorporation of the Bank	15.03.1983
	Certificate of Commencement of Business	20.03.1983
	Licensed issued by Bangladesh Bank	22.02.1983
	Licensed issued for opening the first branch, Dilkusha Branch	22.03.1983
	Formal launching of the Bank	23.03.1983
	Commencement of Business of Dilkusha Branch	23.03.1983
1984	Listed with Dhaka Stock Exchange Ltd.	20.12.1984
	Publication of Prospectus	30.12.1984
1985	Initial Public Offering (IPO) of shares	14.01.1985
	Trading of shares in DSE	21.04.1985
	Association with Gulf Overseas Exchange Co Pte Ltd	26.11.1985
1993	Signing of agreement with Western Union Money Transfer	16.05.1993
1995	Listed with Chittagong Stock Exchange Ltd.	06.11.1995
	Trading of shares in CSE	06.11.1995
2004	Listed with CDBL	29.09.2004
2007	Inauguration of NBL Money Transfer Pte Ltd, Singapore	08.07.2007
	Registration as DSE Stock Broker	24.10.2007
2008	Registration as DSE Stock Dealer	13.03.2008
2009	Inauguration of NBL Money Transfer Sdn Bhd, Malaysia	04.10.2009
2010	Primary Dealer for trading of Government Securities	01.01.2010
	Incorporation of NBL Securities Limited	01.02.2010
	Incorporation of NBL Capital & Equity Management Limited	01.02.2010
2011	Inauguration of NBL Money Transfer (Maldives) Pvt. Ltd.	23.12.2011
2012	Inauguration of NBL Money Transfer Payment Foundation S.A., Greece	15.06.2012
2014	Inauguration of NBL Money Transfer INC., USA	02.07.2014

Company Secretary	Legal Advisers	Auditors
Md. Kaiser Rashid, Vice President	Barrister Ziaur Rahman Khan	Khan Wahab Shafiq Rahman & Co.
	Advocate Rafiuddin Ahmed	Chartered Accountants
	Advocate Rais Uddin Ahmed	



REGIONAL OFFICES & BRANCH NETWORK

Regional Offices

Chittagong 13/A (New), Sk. Mujib Road, Agrabad, Chittagong Fax: 88-031-2853885 Tel : 031-2853884 E-mail: ro.chittagong@nblbd.com	Rajshahi Regional Office 106-109, Shaheb Bazar (2nd Floor), Rajshahi, Fax: 880-721-776360 Tel : 0721-770416, 771701 E-mail: ro.rajshahi@nblbd.com	Khulna National Bank Bhaban 4-b Khan-a-sabur Road, Khulna Fax: 88-041-725046 Regional Head Tel : 041-720046 E-mail: ro.khulna@nblbd.com
Shariatpur Z.H. Sikder University of Science & Technology, Modhupur, Kartikpur, Bhedergonj, Shariatpur, Tel: 01755551387 E-mail : ro.shariatpur@nblbd.com	Sylhet Sikder Tower, 847, Mirabazar, Tamabil Road, Mirabazar, Sylhet, Fax: 880-821-760110 Tel : 0821-760624, 760943 E-mail: ro.sylhet@nblbd.com	

Branches Under Dhaka Region

Abdullahpur Branch Minnat Plaza (1st Floor) Abdullahpur Bazar, Dhaka Maowa Road, P.O. : Abdullahpur Bazar P.S. : Keranigonj, Dist: Dhaka Manager Tel : 01730 329689 E-mail : abduallahpur@nblbd.com	Baluchar Branch Moyuree Mollah Shopping Centre Baluchar, Sirajdikhan, Munshigonj, Tel: 01713190853 E-mail: baluchar@nblbd.com	Dhanmondi Branch Safura Green (1st Floor) 761 Satmasjid Road Dhanmondi R/A, Dhaka-1205 Fax : 880-2-9123596 Manager Tel : 9123596, 9139638, 01713438576 E-mail : dhanmondi@nblbd.com	Gazaria Branch Mohammad Ali Proddhan Plaza Bhabarchar Bus Station, Gazaria, Munshiganj Manager, Mob: 01713-378967, 01713-190868 E-mail : gazaria@nblbd.com
Aganagar Branch Sadhin Tower, AC Masjid Road Union :Aganagar, P.S. South Keraniganj, Dist. Dhaka. Tel :+8801713-106682 E-mail : aganagar@nblbd.com	Banani Branch Sikder Center Holding # 67/B, Road # 13/B, Block # E, Banani, Dhaka Fax : 88-02-8837176, Manager Tel : 8831962, 01713370652 E-mail : banani@nblbd.com	Dhanmondi Extension Branch Rood#15 (Old), New #8/A, P.S. Hazaribagh, Dist. Dhaka Tel :+8801701-215243 E-mail : dhanmondiextn@nblbd.com	Gazipur Branch Tanvir Plaza (1st Floor) Bus Stand Road, Gazipur Fax : 88-02-9261066, Tel : 9256548, 9261066, 9262559 E-mail: gazipur@nblbd.com Manager : 01713388917
Asad Gate Branch Plot No. 2/2, Block-A Mohammadpur Housing Estate, Mirpur Road, Mohammadpur, Dhaka, Manager Tel : 01755538437 E-mail : asadgate@nblbd.com	Bandura Branch Saimon Super Market Bandura Bazar, P.O.: Hasnabad, P.S: Nawabgonj, Dhaka-1321 Tel: 01819 412042, 01730-007347 Email: bandura@nblbd.com	Dilkusha Branch 48 Dilkusha Commercial Area, Dhaka-1000, Fax: 88-02-9564356, SWIFT: NBLBDDH001 Ext. 351 Tel : 9552610, 9558307, 01713186989 E-mail : dilkusha@nblbd.com	Gopalpur SME/Krishi Branch Konabari Bazar P.S. : Gopalpur, Dist : Tangail Tel: 01730318850 09226-75188 E-mail : gopalpur@nblbd.com
Ati Bazar Branch Upazilla Parishad Market, Union: Shakta, Mouza: Ati, P.S. Keranigonj Dist. Dhaka, Tel : 01713-335858 E-mail : atibazar@nblbd.com	Bangshal Road Branch 22 Bangshal Road, Dhaka-1100 Fax : 880-2-9565877 SWIFT: NBLBDDH012 Manager Tel : 9565878, 01713388871 Email : bangshal@nblbd.com	Elenga Branch Holding No. 1374 Pourashava-Elenga P.S. & Upazilla-Kalihati Dis. Tangail, Ph: 01730339964 Email: elenga@nblbd.com	Gulshan Branch 97/1 Gulshan Avenue, Gulshan, Dhaka, Fax : 88-02- 8855813, SWIFT : NBLBDDH067 Tel : 9889913-14, 9840590 E-mail : gulshan@nblbd.com Manager : 01713388878
Ashulia Branch Sandwip Plaza, 1st floor, DEPZ Ashulia Road, Modha Gazir Chot, Ashulia, Upzilla: Savar, Mouza: Baipail, P.S: Ashulai, Dhaka Manager: 01701215202 Email: ashulia@nblbd.com	Bhagyakul Branch Alam Plaza (1st Floor) Balashur Chowrasta, Bhagyakul, Sreenagar, Munshigonj Manager Tel : 01755546440-1 E-mail : bhagyakul@nblbd.com	Elephant Road Branch 3 Elephant Road , Dhaka-1205, Fax : 88-02-9669218, SWIFT: NBLBDDH015 Tel : 9669218, 8621867, 8620846 Email: elephantroad@nblbd.com Manager : 01713388873	Gulshan Corporate Branch Cityscape Tower (1st Floor), 53, Gulshan Avenue, P.S: Gulshan, Dist: Dhaka Tel: 8802-55068955-7, Manager: 01708803310, 01635112233 Email: gulshancorporate@nblbd.com
Babu Bazar Branch 4 Azizullah Road, Babu Bazar, Dhaka-1100, Fax: 88-02- 7313298, SWIFT: NBLBDDH031, Manager Tel : 7318975, 01755538437 E-mail : babubazar@nblbd.com	Bhairab Bazar Branch 81, East Bhairab Bazar (1st Floor) Pourashava : Bhairab Mouza: Bhairabpur P.S. Bhairab, Dist. Kishoregonj Tel: 01716437367, 01730339955 E-mail : Bhairab@nblbd.com	Foreign Exchange Branch Taranga Complex,19, Rajuk, Avenue, Dhaka-1000 Fax : 88-02-9563225 SWIFT: NBLBDDH021 Tel : 7162665, 9558484, Ext.12 E-mail : f.exchange@nblbd.com	Imamganj Branch 1 Moulvi Bazar, Dhaka-1100 Fax : 88-02-7319766 SWIFT: NBLBDDH003 Tel : 7314853, 7317649, 01713170705 E-mail : imamganj@nblbd.com
Baghrabazar SME/Krishi Branch Nahar Plaza(1st Floor), P. O : Baghrabazar, P.S. : Sreenagar, Dist : Munshigonj Tel : 01730 318851 E-mail : baghrabazar@nblbd.com	Bhaluka Branch 214/8 Asad Market, Bazar Road, Bhaluka, Mymensingh Fax : 09022-56077 Tel : 09022-56077, 56244, 01713425942 E-mail : bhaluka@nblbd.com	Gachihata SME/Krishi Branch Gachihata Bazar, P.O. Gachihata, P.S. Katiadi Dist. Kishoregonj Tel: 01730700080 E-mail: gachihata@nblbd.com	Isapura SME/Krishi Branch Abul Kashem Super Market (1st Floor), Po: Isapura, Ps: Sirajdikhan Dist: Munshigonj, Tel: 01730-738364, 06924-63366, 63360, Fax: 88-06924-63350 E-mail : isapura@nblbd.com

Branches Under Dhaka Region

<p>Islampur Branch 15-16 Islampur Road, (1st Floor), Dhaka, Tel : 7390609, 7395246, 7391017 Fax : 88-02-7390609, SWIFT: NBLBDDH054 E-mail : islampur@nblbd.com Manager : 01713388877</p>	<p>Kawran Bazar Branch BTMC Bhaban, 7-9 Kawran Bazar, Dhaka-1215, Fax : 88-02-8127223 SWIFT: NBLBDDH048 Manager Tel : 8127223 E-mail : kawranbazar@nblbd.com</p>	<p>Meghula Branch Meghula Bazar, P.S. : Dohar Dhaka, Tel : 01730-303587, 03894-681044 E-mail : meghula@nblbd.com</p>	<p>Mukttagacha Branch 593, Mukttagacha, Mymensingh Tel : 01755542428-9 E-mail : mukttagacha@nblbd.com</p>
<p>Jamalpur Branch Mokaddes Mansion, House # 161, Road # 1, Doyamoyee Road, Jamalpur, Manager Tel : 0981-62718-9 Fax : 88-0981-62718/ Tel: 01713330622 E-mail : jamalpur@nblbd.com</p>	<p>Kholamora Branch Shughanda Shopping Mal Kholamora Bazar, Karanigonj, Dhaka, Fax : 88-02-7766652 Tel : 02-776651, 01755-547992-3 E-mail : kholamora@nblbd.com</p>	<p>Mirhazirbagh Branch 285 Mirhazirbagh, Jatrabari, Dhaka-1204, Manager : 7445463, 7445456, Mobile : 01713 190840 E-mail: mirhazirbagh@nblbd.com</p>	<p>Mymensingh Branch 29/1 Nishikantha Ghosh Road Mymensingh, Fax : 88-091-66013 Manager Tel : 091-65759, 65803 E-mail : mymensingh@nblbd.com</p>
<p>Jatrabari Branch Samiullah Plaza (2nd Floor), 40/2, Shaheed Faruk Road, Jatrabari, Dhaka-1204, Fax : 88-02-7554761 Tel : 7554761-62, 01714166174 E-mail : jatrabari@nblbd.com</p>	<p>Kishoregonj Branch 1158 Hajee Akkas Market, Barabazar, Kishoregonj Manager Tel : 0941-62509, 62060 Fax : 88-0941-61389 E-mail : kishoregonj@nblbd.com</p>	<p>Mirpur Branch, Dhaka Plot # 4, Block # Ka, Section # 6, Mirpur Main Road No.1, Dhaka. Fax : 88-02-9013216 Manager Tel : 9013216, 9014480 E-mail : mirpur@nblbd.com</p>	<p>Mawa Branch Vill. West Kumarovog, P.O. Kumarovog Union: Kumarovog, P.S. Lauhajong Disi. Munshigonj. Tel :+8801701-215256 E-mail : mawa@nblbd.com</p>
<p>Joina Bazar Branch Noich Towar, Sreepur, Gazipur. Tel: 01713190881 E-mail: joinabazar@nblbd.com</p>	<p>Lauhajong Branch Dawlat Khan Complex P.S. Lauhajong, Munshigonj Manager Tel : 01755546442-3 E-mail : lauhajong@nblbd.com</p>	<p>Mirzapur SME/Krishi Branch Holding No. 188, Word No. 3, Main Road, Mirzapur, Tangail Manager Tel : 0229-56595 Tel :+8801730-727774 E-mail : mirzapur@nblbd.com</p>	<p>Mohila Branch Sikder Tower, Holding No. 209 Hazaribagh, Dhaka. Phone: +8802-9181120-21 Tel :+8801701-215244 E-mail : mohila@nblbd.com</p>
<p>Jurain Branch Amir Tower (1st & 2nd Floor) 169 /1/a/2, Dholairpar, Jurain Shyampur, Dhaka, Tel : 7443056, 01713190724 E-mail : jurain@nblbd.com</p>	<p>Lake Circus Branch 156 Mirpur Road, Lake Circus Kalabagan, Dhaka-1205 Tel : 9133275, 9111524 Tel : 01713335828 E-mail : lakecircus@nblbd.com</p>	<p>Mazar Road Branch Plot No # 8-B/A, 1st Colony, Mazar Road, Mirpur-1, P.S: Darussalam, Mirpur Housing Estate, Dhaka-1216 Tel : + 8801701215229 E-mail : mazar_road@nblbd.com</p>	<p>Narayangonj Branch Rahat Plaza, 53/3 S M Maleh Road, Tanbazar, Narayangonj Fax: 88-02-7630441 SWIFT: NBLBDDH010 Manager Tel: 7646211, 01713388884 E-mail : narayangonj@nblbd.com</p>
<p>Kadamtoli Branch, Dhaka 1024, Mohammadbag, Meraj Nagar, Kadamtoli, Dahak-1362. Te: 7553860, 7553830 Tel : 01730330476 E-mail: kadamtoli@nblbd.com</p>	<p>Madhabdi Branch Hajee Mobarak Plaza 335 Madhadi, Narshingdi Manager Tel : 01755547990 E-mail : madhabdi@nblbd.com</p>	<p>Mohakhali Branch 9 Bir Uttam Ak Khandaker Sarak, Mohakhali C/A, Dhaka-1212 Fax : 88-02-8821390 SWIFT : NBLBDDH043 Manager Tel : 8821059, ext. 102 E-mail : mohakhali@nblbd.com</p>	<p>Narsingdi Branch Gausia Plaza, Holding # 232, Jewellery Patty, Narsingdi-1600 Fax : 88-02-9462378 Tel : 9462378, 01713388918 E-mail : narsingdi@nblbd.com</p>
<p>Kaliakoir Branch Plot # 39, Kaliakoir Bazar, Kaliakoir, Gazipur, Tel : 06822-52131-2 Fax : 88-06822-52132 Tel : 01713425865 E-mail : kaliakoir@nblbd.com</p>	<p>Madhupur Branch Tara Complex, 354-Mymensingh Road, Madhupur, Tangail Tel : 09228-56124, 01713336382 E-mail : madhupur@nblbd.com</p>	<p>Mohammadpur Branch Industrial Plot # 9, Block # C Tajmohal Road, Mohammadpur Dhaka-1207 Manager Tel : 9139409, 9114015 Tel :01713335824 E-mail : mohammadpur@nblbd.com</p>	<p>Netaigonj Branch 2 Banga Bandhu Road Netaigonj, Narayangonj Tel : 01730 318561, 7633665 E-mail : netaigonj@nblbd.com</p>
<p>Kalihati Branch Boga Super Market P.O. : Kalihati, P.S. : Kalihati, Tangail, Fax : 88-09227-74212 Tel : 09227-74303, 01730326246 E-mail : kalihati@nblbd.com</p>	<p>Malibagh Branch 68/69/B, DIT Road, Malibagh Chowdhury Para, Dhaka Fax : 88-02-9330159 SWIFT : NBLBDDH032 Manager Tel : 9330159, 9357075 Tel :+01713388875 E-mail : malibagh@nblbd.com</p>	<p>Motijheel Branch 3 Rajuk Avenue, Motijheel C/A, Dhaka-1000, Fax : 88-02-9567559, SWIFT : NBLBDDH058 Manager Tel : 9553569, 9567559 Tel :+01713388876 E-mail : motijheel@nblbd.com</p>	<p>Netrokona Branch 212, Chotobazar, East Netrokona, Netrokona, Tel : 01755542426-7 E-mail : netrokona@nblbd.com</p>
<p>Kapasia Branch Ekata Plaza, Kapasia Bazar Kapasia, Gazipur. Tel: Tel :01713378962 E-mail: kapasia@nblbd.com</p>	<p>Manikgonj Branch Pourashava- Manikgonj Ward No.06, Holding No.53, Mouza- Dashra, P.S. Manikgonj, Dist. Manikgonj, Tel: 01730-339088 E-mail : manikgonj@nblbd.com</p>	<p>Munshigonj Branch Shamsuddin Plaza, 179/C, Jubilee Road, Pourashava- Munshigonj, Ward No.02, Mouza: Munshigonj, Dist. Munshigonj, Tel: 01730-339944 E-mail : munshigonj@nblbd.com</p>	<p>Nimtola Branch Sikder Shopping Complex Nimtola Bazar, Dhaka-Maowa Road, Sirajdikhan, Munsiganj Manager Moible : 01730-339077 E-mail : nimtola@nblbd.com</p>



Branches Under Dhaka Region

New Eskaton Branch Queen's Garden Point 208 (15) New Eskaton Road Ramna, Dhaka Tel: 9355957, 8321814-5 Tel: 01730313008 E-mail : eskaton@nblbd.com	Principal Branch Md. Zahidul Haque 1st Floor, 116/1, Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka Tel: 01701215274 E-mail : principal@nblbd.com	Sirajdikhan Branch Z H Sikder Shopping Complex-2 (1st Floor), Union: Rashunia, Ward:07, P.S-Sirajdikhan, Dist. Munshigonj, Tel: 01730-339009 E-mail : sirajdikhan@nblbd.com	Tangail Branch 209 Victoria Road, Tangail Tel : 0921-55014, 54222, 53608 Tel: 01713330625 E-mail : tangail@nblbd.com
North Brook Hall Road Branch 20/21 North Brook Hall Road Bangla Bazar, Dhaka-1100 Fax: 88-02-7113829, SWIFT: NBLBDDH049 Tel: 7113829, 7116806, 01713388879 E-mail: nbhr@nblbd.com	Rokeya Sarani Branch 218/3/A West Kafirul, Taltola Shere-bangla Nagar, Dhaka. Tel : 01730 318563, 9129649 E-mail: rokeyasarani@nblbd.com	Sreenagar Branch Chawkbazar, Sreenagar, Munshigonj Manage Tel : 038942-88290-1 Tel: 01713336380 E-mail : sreenagar@nblbd.com	Tongi Branch Haque Asha Complex, Anarkali Road, Tongi Bazar, Tongi, Gazipur Tel : 01730 706758, 02-9817381-2 E-mail : tongi@nblbd.com
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Birampur Branch Mizan Market (1st floor) Birampur, Dinajpur. Tel: 05322-56507, 56407 Fax: 88-05322-56507 E-mail: birampur@nblbd.com	Chapainawabganj Branch Kabir Bhaban, Thana Road, Chapainawabganj , Fax : 88-0781-55054 SWIFT: NBLBDDH053 Manager Tel : 0781-61470, 56417 E-mail : chapai@nblbd.com	Godagari Branch 366 Dying Para (Bus Stand), Chapainawabganj Road,Rajshahi Fax : 88-07225-56287 Manager Tel : 07225-56286, 56287 E-mail : godagari@nblbd.com	Kazirhat Branch Rajshahi City Corporation, Ward no: 8, House No: 634, P.S: Rajpara, Dis: Rajshahi Manager: 01721-773011, 01701215201 Email- kazirhat@nblbd.com



Branches Under Rajshahi Region

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Branches Under Khulna Region

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Branches Under Shariatpur Region

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Ganganagar Branch Matin Super Market, Ganganagar Bazar, Village: Goyghar, P.O: Goyghar, Union: Shoulpara, Word No: 01, P.S: Palong Sadar, District: Shariatpur. Tel :+8801701215228 E-mail : ganganagar@nblbd.com	Kartikpur Branch P.O. : Kartikpur, P.S. : Bhedergonj, Dist : Shariatpur, Manager Tel : 01730 329007 E-mail : kartikpur@nblbd.com	Shariatpur Branch S R Plaza (1st Floor), Main Road, P.S. Palong, Shariatpur Fax : 88-0601-51235 Tel : 0601-51236, 01730-738362 E-mail : shariatpur@nblbd.com	

Branches Under Sylhet Region

Beanibazar Branch Shohrab Mansion, Beanibazar, Sylhet Tel : 08223- 56010-11, 03799-288343 Tel: 01713388916 E-mail : beanibazar@nblbd.com	Habiganj Branch Ashraf Jahan Complex Kalibari Road, Habiganj Manager Tel : 0831-61411, 53191 E-mail : habiganj@nblbd.com	Mirpur Bazar Branch Chand Ali Shopping Center (1st Flr), Jagannathpur, Sunamganj Tel : 0821-4443325, 01711923075 E-mail : mirpurbazar@nblbd.com	Sylhet Branch Laldighir Par, Sylhet Fax : 88-0821-724908 SWIFT: NBLBDDH008 Manager Tel : 0821-715982, E-mail : sylhet@nblbd.com
Biswanath Branch Al-hera Shopping City (1st Floor), Biswanath, Sylhet Manager Tel : 08224-56024 Tel: 01711923074 E-mail : biswanath@nblbd.com	Kadamtoli Branch Al Ferdous Shopping Complex (1st Floor), Kadamtoli, Sylhet Manager Tel : 0821-841818-19 Tel: 01713431475 E-mail : kadamtoli@nblbd.com	Moulvibazar Branch 95 Court Road, Moulvibazar Fax : 88-0861-52454 Manager Tel : 0861-61371, 52681 Tel: 01711922952 E-mail : moulvibazar@nblbd.com	Sunamgonj Branch Khalekabad Bhaban Station Road, Sunamgonj Fax : 88-0871-61550 Manager Tel : 0871-61550, 61551 Tel: 01713335823 E-mail : sunamgonj@nblbd.com
Chattak Branch Taher Center, Chattak Bazar P.O. & P.S. Chattak Dist. Sunamgonj. Tel : 01730-341388, 08723-56240, 56243	Kulaura Branch Haji Cherag Ali Shopping Centre 190 Moulvibazar Road P.O. & P.S. : Kulaura Dist : Moulvibazar Manager Tel : 0173 0326248 E-mail : kulaura@nblbd.com	Shibganj Branch Bonorupa, (1st Floor) House # 42, Road # 15, Bolck-b, Main Road, Shahjalal Upasahar, Sylhet Manager Tel : 0821-760575 Tel: 01711923073 E-mail : shibganj@nblbd.com	Tajpur Branch Po : Tajpur, P.S. : Osmaninagar, Sylhet, Tel : 08242-56024, 56655 Tel: 01711922951 E-mail: tajpur@nblbd.com
Fenchugonj Branch Fenchugonj Bazar, P.O. : & P. S. : Fenchugonj, Dist: Sylhet Manager Tel : 0173 0326247, 08226-56299, 56303 E-mail : fenchugonj@nblbd.com	Kanaighat Branch Soudia Market, Pourashava- Kanaighat, Ward No.03, Mouza: Dalaichar, P.S. Kanaighat, Dist. Sylhet, Tel : 01713-335859 E-mail : kanaighat@nblbd.com	Sree Mongal Branch SK. Roy Shopping Complex 162, Moulvibazar Road, Sreemongal, Moulvibazar Fax : 88-08626-71778 Tel : 08626-71778, 71367, 88135 Tel: 01711922605 E-mail : sreemongal@nblbd.com	Zindabazar Branch West World Shopping City Jallarpar Road West Zindabazar, Sylhet Fax : 88-0821-711566 Manager Tel : 0821-717157, 712227 Tel: 01711922538 E-mail : zindabazar@nblbd.com
Golapgonj Branch 78/1 Ranoping Square Golapgonj, Chowmuhani, Sylhet Manager Tel : 08227-56220, 56221 Tel: 01713336381 E-mail : golapgonj@nblbd.com	Sikder Tower Branch Sikder Tower, 847, Mirabazar Tamabil Road, Mirabazar, Sylhet 0821-728867, 728868 Tel: 01730 339992 E-mail : mirabazar@nblbd.com	Subidbazar Branch Sylhet-Sunamganj Road Subidbazar, Sylhet, Manager Tel : 88-0821-712955 Tel: 01711923062 E-mail : subidbazar@nblbd.com	



NBL SUB BRANCHES

Paglapir Bazar

Controlling Branch : **Rangpur**
Saidpur Road Paglapir Bazar
Union : 02 No. Horidebpur
(Ward No.08) P.S. Sadar
Dist. Rangpur,
Tel : 01701-215247
E-mail : paglapir@nbl.com.bd

Chakdha Bazar

Controlling Branch : **Naria**
Showkat Plaza, Union-Bhumkhara
(Ward No. 02), Vill: Chakdha,
P.S. Naria, Dist. Shariatpur.
Tel : 01701-215249
E-mail : chakdha@nbl.com.bd

Kaharole Bazar

Controlling Branch : **Dinajpur**
T & T Road, Union : 03 No. Mukundapur
(Ward No.01) P.S. Kaharol, Dist.Dinajpur
Tel : 01701- 215251
E-mail : kaharole@nbl.com.bd

Mohasthanarh

Controlling Branch : **Bogura**
Raninagar Bazar, Vill: Bodla, Union
Raynagar (Ward No.08),
P.S. Shibgonj, Dist. Bogura
Tel : 01701- 215252
E-mail : mohasthanarh@nbl.com.bd

Puran Bazar

Controlling Branch : **Patuakhali Branch**
Ambia Bhaban, Holding No. 208
Pourashava-Patuakhali (Ward No. 01)
P.S. Patuakhali, Dist.Patuakhali
Tel : 01701-215254
E-mail : puranbazar@nbl.com.bd

Rupatali

Controlling Branch : **Barisal**
Road No.7, Barisal City Corporation
(Ward No.24) P.S. Barisal Sadar, Dist. Barisal
Tel : 01701-215257
E-mail : rupatali@nbl.com.bd

Boyra Bazar

Controlling Branch : **Khulna**
Abdur Rouf Market, Boyra Main Road,
Holding No.4812, Khulna City Corporation,
(Ward No.16) P.S Sonadanga, Dist.Khulna
Tel : 01701- 215262
E-mail : boyra@nbl.com.bd

Pachchar Bazar

Controlling Branch : **Shibchar**
Saidpur Road Paglapir Bazar
Kundu Market,Pachchar Bazar
Union: Pachchar (Ward No.04),
P.S. Shibchar, Dist. Madaripur
Tel : 01701-215250
E-mail : pachchar@nbl.com.bd

Dogri Bazar

Controlling Branch : **Bhojeshwar SME/Krishi**
Dogri, Madbor Mansion, Vill: Dogri Madbor Kandi
Union: Nasahon- 8020, (Ward No.02)
P.S. Naria Dist. Shariatpur
Tel : 01701- 215248
E-mail : dogri@nbl.com.bd

Raninagar Bazar

Controlling Branch : **Naogaon**
Raninagar Bazar, Vill: Bodla, Union
Raninagar,(Ward No.02),
P.O. & P.S. Raninagar, Dist. Naogaon
Tel : 01701- 215253
E-mail : raninagar@nbl.com.bd

Gorai Bazar

Controlling Branch : **Kaliakoir**
Rowshan Monzil, Nazirpara
Union: Gorai, P.S. Mirzapur, Dist. Tangail.
Tel : 01701215259
E-mail : gori@nbl.com.bd

Lalmohan

Controlling Branch : **Charfassion**
Shopna Plaza (1st Floor), Pourashava-Lalmohan
(Ward No.08), Najirpur Road, Western Para,
P.S. Lalmohan, District-Bhola
Tel : 01701-215258
E-mail : lalmohan@nbl.com.bd

Katakhali Bazar

Controlling Branch : **Rajshahi**
Holding No.2732, Pourashava- Katakhali (Ward
No.03) P.S. Katakhali, Dist. Rajshahi.
Tel : 01701- 215261
E-mail : katakhali@nbl.com.bd

Katiadi

Controlling Branch : **Kishoregonj**
Engr. A B Siddique Plaza,
Katiadi BazarHolding No#2730/1, Katiadi
PourashavaWard No#03,P.S. Katiadi
District-Kishoregonj
Tel : 01701-215263
E-mail : katiadi@nbl.com.bd



Opening Ceremony of Dhanmondi Extension Branch



Inauguration of Mohila Branch at West Dhanmondi



Opening of Principal Branch at Banglamotor



Relief Distribution by the Director & EC Chairperson Ms.Parveen Haque Sikder MP



Opening of Relocated Sreemangal Branch over Digital platform by Mr. Rick Haque Sikder, Director, National Bank Limited.



National Bank Limited in the industrial Development of the country



Contribution of National Bank Limited in the RMG sector.



National Bank Limited featuring "Daridra Mukti" special Loan project for the Underdevelopment segment of the society.

National Bank Limited

Head Office: 116/1, Kazi Nazrul Islam Avenue, Banglamotor, Dhaka

PROXY FORM

I/We.....of.....

..... being a member of National Bank Ltd.

hereby appoint Mr./Ms.....as my proxy to attend and vote for me on my behalf at the 38th Annual General Meeting of the Company to be held on Tuesday, the 28th December, 2021 at 10.30 A.M. through digital platform and at any adjournment thereof.

As witness my/our hand this day of 2021.

.....
Signature of Member(s)

.....
Signature of Proxy

No. of Shares held.....

Folio No.																				
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Or

BO ID No.																				
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Revenue Stamp Tk. 20.00

Note: A member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/ her behalf. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Company at least 48 hours before the time fixed for the meeting.

Signature Verified

.....
Authorised Signatory

National Bank Limited

Head Office: 116/1, Kazi Nazrul Islam Avenue, Banglamotor, Dhaka

MEMBER'S ATTENDANCE SLIP

I hereby record my attendance at the 38th Annual General Meeting on Tuesday, the 28th December, 2021 through Digital Platform.

Name of the Member(s)																				
No. of Shares																				
Register Folio No.																				
BO ID No.																				
Name of the Proxy (if any)																				

.....
Signature of Member / Proxy

.....
Signature verified by



NBL Twin Tower (Under Construction) at Kawran Bazar



Head Office: 116/1, Kazi Nazrul Islam Avenue, Banglamotor, Dhaka, Bangladesh. GPO Box No. 3424, Dhaka
Cable : National Bank, Dhaka, Tel : PABX : 9563081-5, 9587464-5, Fax : 88-02-9563953, 9569404,
SWIFT : NBLBDDH