

## **National Bank Limited**

### **Independent Auditors' Report to the Shareholders For the year ended 31 December 2014**

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We have audited the accompanying consolidated financial statements of National Bank Limited and its subsidiaries (the Group) as well as the separate financial statements of National Bank Limited (the Bank) which comprise the consolidated and separate balance sheets as at 31 December 2014 and the consolidated and separate profit and loss statements, consolidated and separate statements of changes in equity, consolidated and separate cash flow statements, liquidity statement for the year ended on 31 December 2014 and a summary of significant accounting policies and other explanatory notes and annexures thereto.

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

Management is responsible for the preparation and fair presentation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards, as explained in the relevant notes and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Banking Companies Act 1991 (amended in 2013) and Bangladesh Bank Regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

#### **Auditors' responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and the separate financial statements of the Bank. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the separate financial statements of the Bank, whether due to fraud and error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements of the Group and the separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the consolidated financial statements of the Group and also the separate financial statements of the Bank.

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

#### **Opinion**

In our opinion, the consolidated financial statements of the Group and also the separate financial statements of the Bank referred to above which have been prepared in the format prescribed by Bangladesh Bank vide circular no. 14 dated 25 June 2003 and in accordance with Bangladesh Financial Reporting Standards and Bangladesh Accounting Standards, read in conjunction with notes, give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2014 and financial performance of the Group and the Bank and their cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in the relevant notes.

**National Bank Limited**

**Independent Auditors' Report to the Shareholders  
For the year ended 31 December 2014**

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**Report on other legal and regulatory requirements**

In accordance with the Companies Act 1994, Bangladesh Securities and Exchange Rules 1987, the Banking Companies Act 1991 (amended in 2013) and the rules and regulations issued by Bangladesh Bank, we also report the following:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) to the extent noted during the course of our audit work performed on the basis stated under the auditors' responsibility section in forming the above opinion on the consolidated financial statement of the Group and the financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the management's responsibility for the financial statements and internal control:
  - (i) internal audit, internal control and risk management arrangements of the Group and the Bank appeared to be materially adequate;
  - (ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities;
- (c) financial statements of all subsidiaries of the Bank which have been audited by other auditors and have properly reflected in the consolidated financial statements;
- (d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (e) the consolidated balance sheet and consolidated profit and loss statement of the Group and the separate balance sheet and separate profit and loss statement of the Bank dealt with by the report are in agreement with the books of account;
- (f) the expenditures incurred during the year were for the purposes of the business;
- (g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- (h) adequate provisions have been made to the extent in concurrences with Bangladesh Bank for advances which are, in our opinion, doubtful of recovery;
- (i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (j) the information and explanations required by us have been received and found to be satisfactory; and
- (k) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 4,000 person hours for the audit of the books and accounts of the bank.

Dhaka, Bangladesh  
Dated, 14 May 2015



S. F. AHMED & CO  
Chartered Accountants

National Bank Limited and Its Subsidiaries

Consolidated Balance Sheet  
As at 31 December 2014

	Notes	2014 BDT	2013 BDT
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>		<b>17,878,886,161</b>	<b>14,903,989,800</b>
In hand (including foreign currencies)	3	2,246,921,914	2,395,006,619
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	4	15,631,964,247	12,508,983,181
<b>Balance with other banks and financial institutions</b>	5	<b>3,724,625,338</b>	<b>5,817,835,792</b>
In Bangladesh		1,098,452,208	1,966,445,610
Outside Bangladesh		2,626,173,130	3,851,390,182
<b>Money at call and on short notice</b>	6	<b>98,300,000</b>	<b>98,900,000</b>
<b>Investments</b>	7	<b>54,390,596,745</b>	<b>56,370,016,547</b>
Government		46,318,501,027	47,513,285,781
Others		8,072,095,718	8,856,730,766
<b>Loans and advances</b>	8	<b>173,968,771,356</b>	<b>152,287,801,952</b>
Loans, cash credits, overdrafts etc		168,329,551,223	147,459,396,138
Bills purchased and discounted		5,639,220,133	4,828,405,814
<b>Fixed assets including premises, furniture and fixtures</b>	9	<b>2,804,804,431</b>	<b>2,675,280,341</b>
<b>Other assets</b>	10	<b>4,178,288,531</b>	<b>2,436,388,267</b>
<b>Non - banking assets</b>	2.6.5	<b>335,820,241</b>	<b>336,660,241</b>
<b>Total assets</b>		<b>257,380,092,803</b>	<b>234,926,872,940</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	11	<b>9,176,323,404</b>	<b>3,322,119,629</b>
<b>Deposits and other accounts</b>	12	<b>202,771,974,764</b>	<b>192,299,194,928</b>
Current deposits and other accounts		19,949,019,076	19,115,368,844
Bills payable		2,624,680,314	2,225,679,010
Savings bank deposits		28,714,088,244	24,921,946,124
Fixed deposits		105,576,214,173	92,814,097,206
Term deposit		45,907,972,957	53,222,103,744
<b>Subordinated bonds</b>		<b>1,600,000,000</b>	<b>2,000,000,000</b>
<b>Other liabilities</b>	13	<b>16,972,564,468</b>	<b>13,488,695,117</b>
<b>Total liabilities</b>		<b>230,520,862,636</b>	<b>211,110,009,674</b>
<b>Shareholders' equity</b>			
<b>Total shareholders' equity</b>		<b>26,859,230,167</b>	<b>23,816,863,266</b>
Paid-up capital	14.2	15,615,635,680	14,196,032,440
Statutory reserve	15	8,439,142,029	7,411,663,610
General reserve	16	65,396,935	17,800,819
Other reserve	17	1,274,947,661	900,929,703
Retained earnings	18	1,464,019,449	1,290,340,814
Non-controlling (minority) interest		88,413	95,880
<b>Total liabilities and shareholders' equity</b>		<b>257,380,092,803</b>	<b>234,926,872,940</b>

**National Bank Limited and Its Subsidiaries**

**Consolidated Balance Sheet  
As at 31 December 2014**

	Note	2014 BDT	2013 BDT
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>			
		<b>63,525,835,160</b>	<b>73,504,560,576</b>
Acceptances and endorsements		26,589,876,531	26,767,247,428
Letters of guarantee	19	13,175,262,833	14,877,841,680
Irrevocable letters of credit		16,031,139,941	23,722,707,953
Bills for collection		7,729,555,855	8,136,763,515
Other contingent liabilities		-	-
<b>Other commitments</b>		-	<b>894,738,450</b>
Lease rental commitments		-	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Spot and forward foreign exchange rate contracts		-	894,738,450
Other exchange contracts		-	-
<b>Total off-balance sheet items including contingent liabilities</b>		<b>63,525,835,160</b>	<b>74,399,299,026</b>

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

for National Bank Limited



Managing Director



Director



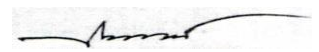
Director



Chairman

See annexed report of the date

Dhaka, Bangladesh  
Dated, 14 May 2015



S. F. AHMED & CO  
Chartered Accountants

**National Bank Limited and Its Subsidiaries**

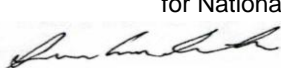
**Consolidated Profit and Loss Statement  
For the year ended 31 December 2014**

	Notes	2014 BDT	2013 BDT
Interest income	20	20,628,448,078	19,045,731,986
Less: Interest paid on deposits and borrowings etc	21	16,511,700,268	16,166,093,671
<b>Net interest income</b>		<b>4,116,747,810</b>	<b>2,879,638,315</b>
Investment income	22	5,979,263,131	5,227,329,680
Commission, exchange and brokerage	23	2,003,135,191	2,044,109,325
Other operating income	24	761,411,373	968,874,499
		<b>8,743,809,695</b>	<b>8,240,313,504</b>
<b>Total operating income</b>		<b>12,860,557,505</b>	<b>11,119,951,819</b>
Salaries and allowances	25	3,032,212,539	2,770,951,342
Rent, taxes, insurance, electricity etc	26	597,580,631	525,934,345
Legal expenses	27	25,878,389	34,511,773
Postage, stamp, telecommunication etc	28	81,292,776	81,917,177
Stationery, printing, advertisements etc	29	114,146,222	123,898,434
Managing Director's salary and allowances	30	6,678,709	10,331,291
Directors' fees and other benefits	31	3,669,404	3,795,772
Auditors' fees	32	1,445,882	1,391,721
Repairs, maintenance and depreciation	33	391,469,991	386,561,421
Charges on loan losses		1,345,510,729	3,017,758,560
Other expenses	34	431,312,461	517,639,109
<b>Total operating expenses</b>		<b>6,031,197,733</b>	<b>7,474,690,945</b>
		<b>6,829,359,772</b>	<b>3,645,260,874</b>
<b>Effect of changes of exchange rates</b>		<b>239,618</b>	<b>(4,527,241)</b>
<b>Profit before provision</b>		<b>6,829,599,390</b>	<b>3,640,733,633</b>
Provision for loans and advances			
Specific provision	13.2(a)	365,000,000	-
General provision (including off - balance sheet items)	13.2(b)	440,000,000	-
		<b>805,000,000</b>	<b>-</b>
Provisions for other classified assets	13.4	810,514,480	171,958,850
<b>Total provision</b>		<b>1,615,514,480</b>	<b>171,958,850</b>
<b>Profit before tax</b>		<b>5,214,084,910</b>	<b>3,468,774,783</b>
Provision for taxation			
Current tax	13.1	2,504,059,923	1,372,757,028
Deferred tax		27,098,612	9,644,453
		<b>2,531,158,535</b>	<b>1,382,401,481</b>
<b>Net profit after tax</b>		<b>2,682,926,375</b>	<b>2,086,373,302</b>
<b>Net profit after tax attributable to:</b>			
<b>Non-Controlling interests</b>		<b>(7,467)</b>	<b>(7,759)</b>
<b>Equity holders of parent company</b>		<b>2,682,933,842</b>	<b>2,086,381,061</b>
<b>Net profit after taxation without non-controlling interests</b>		<b>2,682,933,842</b>	<b>2,086,381,061</b>
Retained earnings brought forward from previous year		1,290,340,814	770,633,905
		<b>3,973,274,656</b>	<b>2,857,014,966</b>
<b>Appropriations</b>			
Statutory reserve	15	(1,027,478,419)	(697,982,702)
Transfer to general reserve (overseas operations)		(47,596,116)	(11,662,500)
Dividend paid by overseas subsidiaries		(14,577,432)	(5,267,004)
<b>Dividend:</b>			
6% cash for 2012		-	(851,761,946)
10% bonus shares for 2013		(1,419,603,240)	-
		<b>(2,509,255,207)</b>	<b>(1,566,674,152)</b>
<b>Retained earnings carried forward</b>		<b>1,464,019,449</b>	<b>1,290,340,814</b>
<b>Earnings per share (EPS)</b>	35	<b>1.72</b>	<b>1.34</b>

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

for National Bank Limited

  
Managing Director


  
Director

  
Director

  
Chairman

See annexed report of the date

Dhaka, Bangladesh  
Dated, 14 May 2015

  
S. F. AHMED & CO  
Chartered Accountants

National Bank Limited and Its Subsidiaries

Consolidated Statement of Changes in Equity  
For the year ended 31 December 2014

Particulars	Paid up capital	Statutory reserve	General reserve	Other reserve	Retained earnings	Total	Non-controlling interest	Total equity
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
<b>Balance at 01 January 2014</b>	14,196,032,440	7,411,663,610	17,800,819	900,929,703	1,290,340,814	23,816,767,386	95,880	23,816,863,266
Net profit for the year	-	-	-	-	2,682,933,842	2,682,933,842	(7,467)	2,682,926,375
Bonus shares for 2013 issued during the year	1,419,603,240	-	-	-	(1,419,603,240)	-	-	-
Cash dividend paid by overseas subsidiaries	-	-	-	-	(14,577,432)	(14,577,432)	-	(14,577,432)
Transferred to statutory reserve	-	1,027,478,419	-	-	(1,027,478,419)	-	-	-
Revaluation of Govt. treasury bills, bonds and other investment	-	-	-	374,017,958	-	374,017,958	-	374,017,958
Transferred to general reserve	-	-	47,596,116	-	(47,596,116)	-	-	-
<b>Balance at 31 December 2014</b>	<b>15,615,635,680</b>	<b>8,439,142,029</b>	<b>65,396,935</b>	<b>1,274,947,661</b>	<b>1,464,019,449</b>	<b>26,859,141,754</b>	<b>88,413</b>	<b>26,859,230,167</b>
<b>Balance at 31 December 2013</b>	<b>14,196,032,440</b>	<b>7,411,663,610</b>	<b>17,800,819</b>	<b>900,929,703</b>	<b>1,290,340,814</b>	<b>23,816,767,386</b>	<b>95,880</b>	<b>23,816,863,266</b>

for National Bank Limited



Managing Director



Director



Director



Chairman

See annexed report of the date

Dhaka, Bangladesh  
Dated, 14 May 2015



S. F. AHMED & CO  
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National Bank Limited and Its Subsidiaries

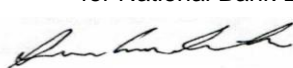
Consolidated Cash Flow Statement  
For the year ended 31 December 2014

	2014 BDT	2013 BDT
<b>A) Cash flows from operating activities</b>		
Interest received	21,047,592,457	19,288,449,204
Interest paid	(16,615,758,584)	(15,579,626,278)
Income from investments	4,913,897,738	4,798,691,386
Fees, commission, exchange and brokerage	2,003,135,191	2,044,109,325
Paid to employees	(3,042,560,652)	(2,785,078,405)
Paid to suppliers	(920,270,819)	(885,619,569)
Income taxes paid	(1,442,616,790)	(2,012,846,969)
Received from other operating activities	757,376,801	824,163,453
Paid for other operating activities	(431,309,290)	(968,803,943)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>6,269,486,052</b>	<b>4,723,438,204</b>
<b>Increase/(decrease) in operating assets and liabilities</b>		
Sale of trading securities-quoted shares	646,380,260	943,892,362
Purchase of trading securities-quoted shares	(87,476,213)	(874,345,976)
Loans and advances to other banks	-	-
Loans and advances to customers	(21,494,645,612)	(27,946,957,344)
Other assets	(1,962,796,817)	548,940,154
Deposits from other banks	(4,548,616,552)	5,806,589,493
Deposits from customers	14,201,830,151	31,186,773,702
Other liabilities	1,555,163,854	1,468,428,198
	<b>(11,690,160,929)</b>	<b>11,133,320,589</b>
<b>Net cash from / (used in) operating activities</b>	<b>(5,420,674,877)</b>	<b>15,856,758,793</b>
<b>B) Cash flows from investing activities</b>		
Proceeds from sale of securities	45,703,238,368	34,704,173,770
Payments for purchase of securities	(44,429,018,237)	(36,711,564,950)
Purchase of property, plant and equipment	(431,680,828)	(960,061,485)
Sale proceeds of fixed assets	4,451,699	184,965,653
<b>Net cash from / ( used in) investing activities</b>	<b>846,991,002</b>	<b>(2,782,487,012)</b>
<b>C) Cash flows from financing activities</b>		
Borrowings from other banks, financial institutions and agents	5,854,203,775	(9,063,736,387)
Redemption of subordinated bonds	(400,000,000)	(500,000,000)
Cash dividend paid	-	(875,594,641)
<b>Net cash from / (used in) financing activities</b>	<b>5,454,203,775</b>	<b>(10,439,331,028)</b>
<b>D) Net increase /(decrease) in cash and cash-equivalents (A+B+C)</b>	<b>880,519,900</b>	<b>2,634,940,753</b>
<b>E) Effects of exchange rate changes on cash and cash equivalents</b>	<b>3,924,407</b>	<b>(69,937,026)</b>
<b>F) Cash and cash-equivalents at beginning of the year</b>	<b>20,826,572,892</b>	<b>18,261,569,165</b>
<b>G) Cash and cash-equivalents at end of the year (D+E+F)</b>	<b>21,711,017,199</b>	<b>20,826,572,892</b>
<b>Cash and cash-equivalents at end of the year</b>		
Cash in hand (including foreign currencies)	2,246,921,914	2,395,006,619
Balances with Bangladesh Bank and its agent bank (s)	15,631,964,247	12,508,983,181
Balances with other banks and financial institutions	3,724,625,338	5,817,835,792
Money at call and on short notice	98,300,000	98,900,000
Reverse repo	-	-
Prize bonds	9,205,700	5,847,300
	<b>21,711,017,199</b>	<b>20,826,572,892</b>


for National Bank Limited



Managing Director



Director



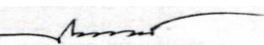
Director



Chairman

See annexed report of the date

Dhaka, Bangladesh  
Dated, 14 May 2015



S. F. AHMED & CO  
Chartered Accountants

**National Bank Limited**

**Balance Sheet**

**As at 31 December 2014**

	Notes	2014 BDT	2013 BDT
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>		<b>17,813,280,687</b>	<b>14,859,504,681</b>
In hand (including foreign currencies)	3	2,181,316,440	2,350,521,500
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	4	15,631,964,247	12,508,983,181
<b>Balance with other banks and financial institutions</b>	5	<b>3,535,896,025</b>	<b>5,624,337,221</b>
In Bangladesh		940,498,680	1,896,062,848
Outside Bangladesh		2,595,397,345	3,728,274,373
<b>Money at call and on short notice</b>	6	<b>98,300,000</b>	<b>98,900,000</b>
<b>Investments</b>	7	<b>54,885,523,925</b>	<b>56,827,520,761</b>
Government		46,318,501,027	47,513,285,781
Others		8,567,022,898	9,314,234,980
<b>Loans and advances</b>	8	<b>172,964,721,444</b>	<b>151,098,985,890</b>
Loans, cash credits, overdrafts etc		167,325,501,311	146,270,580,076
Bills purchased and discounted		5,639,220,133	4,828,405,814
<b>Fixed assets including premises, furniture and fixtures</b>	9	<b>2,763,519,975</b>	<b>2,636,589,375</b>
<b>Other assets</b>	10	<b>4,140,400,140</b>	<b>3,691,299,372</b>
<b>Non - banking assets</b>	2.6.5	<b>335,820,241</b>	<b>336,660,241</b>
<b>Total assets</b>		<b><u>256,537,462,437</u></b>	<b><u>235,173,797,541</u></b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	11	9,176,323,404	3,322,119,629
<b>Deposits and other accounts</b>	12	<b>203,296,182,435</b>	<b>193,642,968,836</b>
Current deposits and other accounts		19,967,086,570	19,121,953,740
Bills payable		2,624,680,314	2,225,679,010
Savings bank deposits		28,714,088,244	24,921,946,124
Fixed deposits		105,576,214,173	92,814,097,206
Term deposit		46,414,113,134	54,559,292,756
<b>Subordinated bonds</b>		<b>1,600,000,000</b>	<b>2,000,000,000</b>
Other liabilities	13	15,501,008,024	12,279,071,943
<b>Total liabilities</b>		<b><u>229,573,513,863</u></b>	<b><u>211,244,160,408</u></b>
<b>Shareholders' equity</b>			
<b>Total shareholders' equity</b>		<b>26,963,948,574</b>	<b>23,929,637,133</b>
Paid-up capital	14.2	15,615,635,680	14,196,032,440
Statutory reserve	15	8,439,142,029	7,411,663,610
Other reserve	17	1,274,947,661	900,929,703
Retained earnings	18	1,634,223,204	1,421,011,380
<b>Total liabilities and shareholders' equity</b>		<b><u>256,537,462,437</u></b>	<b><u>235,173,797,541</u></b>



**National Bank Limited**

**Balance Sheet**

**As at 31 December 2014**

	Note	2014 BDT	2013 BDT
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>			
		<b>63,525,835,160</b>	<b>73,504,560,576</b>
Acceptances and endorsements		26,589,876,531	26,767,247,428
Letters of guarantee	19	13,175,262,833	14,877,841,680
Irrevocable letters of credit		16,031,139,941	23,722,707,953
Bills for collection		7,729,555,855	8,136,763,515
Other contingent liabilities		-	-
<b>Other commitments</b>			
		-	<b>894,738,450</b>
Lease rental commitments		-	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Spot and forward foreign exchange rate contracts		-	894,738,450
Other exchange contracts		-	-
<b>Total off-balance sheet items including contingent liabilities</b>		<b>63,525,835,160</b>	<b>74,399,299,026</b>

These financial statements should be read in conjunction with annexed notes

for National Bank Limited



Managing Director



Director



Director



Chairman

See annexed report of the date

Dhaka, Bangladesh  
Dated, 14 May 2015



S. F. AHMED & CO  
Chartered Accountants

National Bank Limited

**Profit and Loss Statement**  
**For the year ended 31 December 2014**

	Notes	2014 BDT	2013 BDT
Interest income	20	20,621,010,559	18,981,405,720
<u>Less: Interest paid on deposits and borrowings etc</u>	21	16,511,700,458	16,166,135,843
<b>Net interest income</b>		<b>4,109,310,101</b>	<b>2,815,269,877</b>
Investment income	22	5,952,423,959	5,213,021,470
Commission, exchange and brokerage	23	1,699,384,658	1,806,869,913
Other operating income	24	754,480,472	956,484,125
		<b>8,406,289,089</b>	<b>7,976,375,508</b>
<b>Total operating income</b>		<b>12,515,599,190</b>	<b>10,791,645,385</b>
Salaries and allowances	25	2,956,860,843	2,700,063,918
Rent, taxes, insurance, electricity etc	26	556,559,345	491,965,428
Legal expenses	27	24,708,834	33,950,173
Postage, stamp, telecommunication etc	28	76,737,432	79,124,089
Stationery, printing, advertisements etc	29	109,608,669	119,796,813
Managing Director's salary and allowances	30	6,678,709	10,331,291
Directors' fees and other benefits	31	2,445,639	2,249,035
Auditors' fees	32	450,000	425,000
Repairs, maintenance and depreciation	33	369,859,989	369,007,774
Charges on loan losses		1,345,510,729	3,017,758,260
Other expenses	34	343,786,906	427,060,096
<b>Total operating expenses</b>		<b>5,793,207,095</b>	<b>7,251,731,877</b>
<b>Profit before provision</b>		<b>6,722,392,095</b>	<b>3,539,913,508</b>
Provision for loans and advances			
Specific provision	13.2(a)	365,000,000	-
General provision (including off - balance sheet items)	13.2(b)	440,000,000	-
		<b>805,000,000</b>	<b>-</b>
Provision for other classified assets	13.4	780,000,000	50,000,000
<b>Total provision</b>		<b>1,585,000,000</b>	<b>50,000,000</b>
<b>Profit before tax</b>		<b>5,137,392,095</b>	<b>3,489,913,508</b>
Provision for taxation			
Current tax	13.1	2,450,000,000	1,365,000,000
Deferred tax		27,098,612	8,322,900
		<b>2,477,098,612</b>	<b>1,373,322,900</b>
<b>Net profit after tax</b>		<b>2,660,293,483</b>	<b>2,116,590,608</b>
Retained earnings brought forward from previous year		1,421,011,380	854,165,420
		<b>4,081,304,863</b>	<b>2,970,756,028</b>
<b>Appropriations</b>			
Statutory reserve	15	(1,027,478,419)	(697,982,702)
<b>Dividend</b>			
6% cash for 2012		-	(851,761,946)
10% bonus shares for 2013		(1,419,603,240)	-
		<b>(2,447,081,659)</b>	<b>(1,549,744,648)</b>
<b>Retained earnings carried forward</b>		<b>1,634,223,204</b>	<b>1,421,011,380</b>
<b>Earnings per share (EPS)</b>	35	<b>1.70</b>	<b>1.36</b>

These financial statements should be read in conjunction with annexed notes

for National Bank Limited



Managing Director



Director



Director

Chairman

See annexed report of the date

Dhaka, Bangladesh  
Dated, 14 May 2015



S. F. AHMED & CO  
Chartered Accountants

National Bank Limited

Statement of Changes in Equity  
For the year ended 31 December 2014

Particulars	Paid up capital BDT	Statutory reserve BDT	Other reserve BDT	Retained earnings BDT	Total equity BDT
Balance at 01 January 2014	14,196,032,440	7,411,663,610	900,929,703	1,421,011,380	23,929,637,133
Net profit for the year	-	-	-	2,660,293,483	2,660,293,483
Bonus shares for 2013 issued during the year	1,419,603,240	-	-	(1,419,603,240)	-
Transferred to statutory reserve	-	1,027,478,419	-	(1,027,478,419)	-
Revaluation of Govt. treasury bills, bonds and other investment	-	-	374,017,958	-	374,017,958
<b>Balance at 31 December 2014</b>	<b>15,615,635,680</b>	<b>8,439,142,029</b>	<b>1,274,947,661</b>	<b>1,634,223,204</b>	<b>26,963,948,574</b>
<b>Balance at 31 December 2013</b>	<b>14,196,032,440</b>	<b>7,411,663,610</b>	<b>900,929,703</b>	<b>1,421,011,380</b>	<b>23,929,637,133</b>

for National Bank Limited



Managing Director



Director



Director



Chairman

See annexed report of the date

Dhaka, Bangladesh  
Dated, 14 May 2015



S. F. AHMED & CO  
Chartered Accountants

National Bank Limited

Cash Flow Statement

For the year ended 31 December 2014

	2014 BDT	2013 BDT
<b>A) Cash flows from operating activities</b>		
Interest received	20,991,016,888	18,843,746,506
Interest paid	(16,539,015,330)	(15,278,856,150)
Income from investments	4,889,892,619	4,787,697,219
Fees, commission, exchange and brokerage	1,699,384,658	1,806,869,913
Paid to employees	(2,965,985,191)	(2,712,644,244)
Paid to suppliers	(846,381,197)	(820,123,100)
Income taxes paid	(1,442,616,790)	(2,012,846,969)
Received from other operating activities	750,445,900	811,773,079
Paid for other operating activities	(343,783,735)	(426,989,540)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>6,192,957,822</b>	<b>4,998,626,714</b>
<b>Increase/(decrease) in operating assets and liabilities</b>		
Sale of trading securities-quoted shares	646,380,260	943,892,362
Purchase of trading securities-quoted shares	(65,942,780)	(827,787,249)
Loans and advances to other banks	-	-
Loans and advances to customers	(21,494,645,612)	(27,946,957,344)
Other assets	(1,656,828,813)	548,940,154
Deposits from other banks	(4,548,616,552)	5,124,462,940
Deposits from customers	14,201,830,151	31,186,773,702
Other liabilities	1,275,052,692	1,550,057,372
	<b>(11,642,770,654)</b>	<b>10,579,381,937</b>
<b>Net cash from /(used in) operating activities</b>	<b>(5,449,812,832)</b>	<b>15,578,008,651</b>
<b>B) Cash flows from investing activities</b>		
Proceeds from sale of securities	45,703,238,368	34,704,173,770
Payments for purchase of securities	(44,429,018,237)	(36,711,564,950)
Purchase of property, plant and equipment	(418,893,970)	(943,127,728)
Sale proceeds of fixed assets	4,451,699	184,965,653
<b>Net cash from /(used in) investing activities</b>	<b>859,777,860</b>	<b>(2,765,553,255)</b>
<b>C) Cash flows from financing activities</b>		
Borrowings from other banks, financial institutions and agents	5,854,203,775	(9,063,736,387)
Redemption of subordinated bonds	(400,000,000)	(500,000,000)
Cash dividend paid	-	(851,761,946)
<b>Net cash from /(used in) financing activities</b>	<b>5,454,203,775</b>	<b>(10,415,498,333)</b>
<b>D) Net increase /(decrease) in cash and cash-equivalents (A+B+C)</b>	<b>864,168,803</b>	<b>2,396,957,063</b>
<b>E) Effects of exchange rate changes on cash and cash equivalents</b>	<b>3,924,407</b>	<b>(69,937,026)</b>
<b>F) Cash and cash-equivalents at beginning of the year</b>	<b>20,588,589,202</b>	<b>18,261,569,165</b>
<b>G) Cash and cash-equivalents at end of the year (D+E+F)</b>	<b>21,456,682,412</b>	<b>20,588,589,202</b>
<b>Cash and cash-equivalents at end of the year</b>		
Cash in hand (including foreign currencies)	2,181,316,440	2,350,521,500
Balances with Bangladesh Bank and its agent bank(s)	15,631,964,247	12,508,983,181
Balances with other banks and financial institutions	3,535,896,025	5,624,337,221
Money at call and on short notice	98,300,000	98,900,000
Reverse repo	-	-
Prize bonds	9,205,700	5,847,300
	<b>21,456,682,412</b>	<b>20,588,589,202</b>



Managing Director

for National Bank Limited



Director



Director



Chairman

See annexed report of the date

Dhaka, Bangladesh  
Dated, 14 May 2015

S. F. AHMED & CO  
Chartered Accountants

**National Bank Limited**

**Liquidity Statement (Analysis of Maturity of Assets and Liabilities)  
As at 31 December 2014**

Particulars	Not more than 1	1-3 months	3-12 months	1-5 years	Above 5-years	Total
	month term	term	term	term	term	
	BDT	BDT	BDT	BDT	BDT	BDT
<b>Assets</b>						
Cash in hand	2,181,316,440	-	-	-	-	2,181,316,440
Balance with Bangladesh Bank and its agent bank	15,631,964,247	-	-	-	-	15,631,964,247
Balances with other banks and financial institutions	3,062,610,905	400,000,000	-	73,285,120	-	3,535,896,025
Money at call and on short notice	98,300,000	-	-	-	-	98,300,000
Investments	1,901,037,173	1,160,710,066	7,548,431,947	21,539,552,324	22,735,792,415	54,885,523,925
Loans and advances	20,182,302,673	35,344,840,307	44,650,985,394	58,563,925,459	14,222,667,611	172,964,721,444
Fixed assets including land, building, furniture and fixtures	13,335,809	26,671,618	120,022,282	596,961,864	2,006,528,402	2,763,519,975
Other assets	1,173,748,906	991,058,437	1,108,706,572	866,886,225	-	4,140,400,140
Non-banking assets	-	-	-	335,820,241	-	335,820,241
<b>Total Assets</b>	<b>44,244,616,153</b>	<b>37,923,280,428</b>	<b>53,428,146,195</b>	<b>81,976,431,233</b>	<b>38,964,988,428</b>	<b>256,537,462,437</b>
<b>Liabilities</b>						
Borrowings from other banks, financial institutions and agents	7,028,179,404	2,148,144,000	-	-	-	9,176,323,404
Deposits and other accounts	32,563,192,099	50,710,403,901	38,154,353,257	71,573,806,396	10,294,426,782	203,296,182,435
Subordinated bonds	-	-	320,000,000	1,280,000,000	-	1,600,000,000
Other liabilities	612,614,161	1,045,422,723	5,187,083,164	8,655,887,976	-	15,501,008,024
<b>Total Liabilities</b>	<b>40,203,985,664</b>	<b>53,903,970,624</b>	<b>43,661,436,421</b>	<b>81,509,694,372</b>	<b>10,294,426,782</b>	<b>229,573,513,863</b>
<b>Net Liquidity Gap</b>	<b>4,040,630,490</b>	<b>(15,980,690,197)</b>	<b>9,766,709,774</b>	<b>466,736,861</b>	<b>28,670,561,646</b>	<b>26,963,948,574</b>

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

for National Bank Limited

  
Managing Director

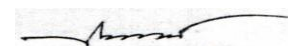
  
Director

  
Director

  
Chairman

See annexed report of the date

Dhaka, Bangladesh  
Dated, 14 May 2015

  
S. F. AHMED & CO  
Chartered Accountants

**1. General information**

**1.1 Status of the Bank**

National Bank Limited (NBL the bank) was incorporated in Bangladesh as a public limited company with limited liability as on 15 March 1983 under Companies Act 1913 (Companies Act. 1994) to carry out banking business. It obtained license from Bangladesh Bank to carrying out banking business on 22 March 1983. The Bank has been engaged in banking activities through its one hundred seventy nine (179) branches including sixteen (16) SME/Agri- branches throughout the country. The Bank is listed with both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

**1.2 Principal activities**

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

Offshore Bank is a bank located outside the country of residence of depositors, typically in the low tax (or no tax) jurisdiction that provides financial and legal advantage. Offshore Banking Unit (the Unit), a separate business unit of National Bank Limited, governed under the Rules and guidelines of Bangladesh Bank. 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.

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

**2.1 Statement of compliance**

The Financial Statements have been prepared in compliance with the Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BASs), Bangladesh Bank circulars, Banking Companies Act 1991 (amended in 2013), the Companies Act 1994, Bangladesh Securities and Exchange Rules 1987 and other rules and regulations as applicable in Bangladesh.

**2.2 Basis of preparation of financial statements**

The Financial statements of the Bank as at 31 December 2014 have been prepared on a going concern basis under the historical cost convention and in accordance with the "First Schedule" of the Banking Companies Act, 1991 as amended in 2013 and as per BRPD Circular No. 14 dated 25 June 2003, other Bangladesh Bank Circulars, Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BASs), the Companies Act 1994, Bangladesh Securities and Exchange Rules 1987, the listing Regulations of the Stock Exchanges and other laws and rules applicable in Bangladesh.

**2.3 Basis of consolidation**

The financial statements of the Bank's include the financial statements of main operation of National Bank Limited and its one business unit namely, Off-shore Banking Unit operating in Bangladesh.

The consolidated financial statements include the financial statements of the Bank and seven subsidiary companies namely, NBL Securities Limited, NBL Capital and Equity Management Ltd, NBL Money Transfer and 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 Bangladesh Accounting Standard 27: Separate Financial Statements and Bangladesh Financial Reporting Standard 10: Consolidated Financial Statements. The consolidated as well as separate financial statements are prepared for a common financial period ended on 31 December 2014.

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

**2.4 Use of estimates and judgment**

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

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

**2.5 Functional and presentation currency**

The Financial Statements have been prepared and presented using BDT, the functional currency of NBL.

**2.6 Assets and basis of their valuation**

**2.6.1 Loans and advances**

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

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

**2.6.2 Lease finance**

To comply with **Bangladesh Accounting Standard (BAS) No. 17 "Leases"**, the books of account for leasing operation has been prepared under finance method of accounting since assets leased to customers under agreements transfer substantially all the risks and rewards associated with ownership, other than legal title, to the customers and all leases are full payout

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

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

**2.6.3 Investments**

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

**a) Held to maturity**

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

**b) Held for trading**

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

**c) Sale and repurchase agreement**

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

**d) Revaluation**

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

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

**2.6.4 Fixed assets and depreciation**

All fixed assets are stated at cost less accumulated depreciation as per BAS 16 "Property, Plant and Equipment". Land is measurement at cost.

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

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

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

**2.6.5 Non- banking assets**

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

**2.6.6 Other assets**

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

**2.7 Liabilities and provisions**

**2.7.1 Employees benefits**

**a) Short term benefits**

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

**b) Post-employment benefits**

**i) Defined contribution plan**

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



**Provident fund**

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

**ii) Defined benefit plans**

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

**Gratuity**

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

**Superannuation fund**

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

**C) Other benefits**

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

**2.7.2 Provision for liabilities**

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

**2.7.3 Provision for loans and advances**

Provision against classified loans and advances is made on the basis of periodical review by the management and instruction contained in BCD circular no. 12 dated 04 September 1995, BRPD circular no. 16 dated 06 December 1998, BRPD circular no. 09 dated 14 May 2001, BRPD circular no. 02 dated 15 February 2005, BRPD circular no. 05 dated 27 April 2005 and BRPD circular no. 32 dated 27 October 2010, BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 05 dated 29 May 2013. The provisioning rate as per Bangladesh Bank circulars are as follows:

Business unit		Rates of provisions				
		Standard	SMA	SS	DF	BL
Consumer	House building and professional	2%	2%	20%	50%	100%
	Other than house building and professional to setup business	5%	5%	20%	50%	100%
	Small and medium enterprise	0%	0%	20%	50%	100%
	BHs/MBs/ SDs against shares	2%	2%	20%	50%	100%
	Short term agri credit	5%	-	5%	5%	100%
	All others	1%	1%	20%	50%	100%

#### **2.7.4 Provision against Off Balance Sheet items**

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

#### **2.7.5 Provision for Taxation**

##### **a) Current Tax**

Current tax is expected tax payable on taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment payable in respect of previous years. Provision for current income tax has been made @ 42.50% as prescribed in the Finance Act, 2014 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 Bangladesh Accounting Standard (BAS)-12 "Income Taxes".

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

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

#### **2.8 Off balance sheet items**

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

#### **2.9 Revenue recognition**

The revenues during the year are recognised complying all conditions of revenue recognition as prescribed in Bangladesh Accounting Standard (BAS)-18, "Revenue Recognition".

##### **2.9.1 Interest income**

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

##### **2.9.2 Investment income**

Income on investment is recognised on realisation and accrual basis where applicable.

##### **2.9.3 Fees and commission income**

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

##### **2.9.4 Dividend income on shares**

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

##### **2.9.5 Interest paid on borrowings and deposits**

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

##### **2.9.6 Management and other expenses**

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

## 2.10 Shareholders' equity

### Authorised capital

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

### Paid-up capital

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

### Statutory reserve

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

### Non-controlling (minority) interest

Minority interest (non-controlling interest) in business is an accounting concept that refers to the portion of a subsidiary company's stock that is not owned by the parent company. National Bank Limited holds 99.99% of equity of NBL Securities Ltd and 99.95% of equity of NBL Capital and Equity Management Ltd. 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 Bangladesh Accounting Standard-21 (BAS) "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. Asset Liability Committee (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, National Bank Limited manages credit risk meticulously. National Bank extends credit facilities to different clients in different sectors after doing due diligence and mitigating risk factors properly as per guidelines set by Bangladesh Bank, Executive Committee of the Board of Directors and Management Credit Committee of the Bank.

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

### **2.12.4 Foreign exchange risk management**

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

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

### **2.12.5 Internal control and compliance management**

Operational loss may arise from error and fraud due to lack of internal control and compliance. Management, through Internal Control and Compliance Division controls operational procedure of the Bank. Internal Control and Compliance Division undertakes periodical and special audit of the branches and departments at Head Office for review of the operation and compliance of statutory requirement. The Audit Committee of the Board subsequently reviews the reports of the Internal Control and Compliance Division.

### **2.12.6 ICT Risk Management**

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

**2.13 Earnings per share (EPS)**

Earnings per share (EPS) have been calculated in accordance with BAS-33, "Earnings per Share", which is shown on the face of the Profit and Loss Statement. This has been calculated by dividing the net profit after tax by the weighted average number of ordinary shares outstanding as on 31 December 2014.

**2.14 Cash flow statement**

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

**2.15 Statement of changes in equity**

Statement of changes in equity has been prepared in accordance with BAS-1, "Presentation of Financial Statements" and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated 25 June 2003.

**2.16 Statement of liquidity**

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

**2.17 Reconciliation of inter-bank/books of accounts**

Books of accounts 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 the Management of NBL issued subordinated bonds valuing BDT 250 crore in 2010. This is eligible for Tier-II capital as per revised Basel II Guidelines of Bangladesh. Details of Terms and conditions are as follows:

Issue size	: BDT 250 crore
Issue objectives	: Raising of Tier -II capital to meet the requirement under Basel-II
Issue arranger	: Standard Chartered Bank
Nature of instrument	: Un-secured, non-convertible, subordinated bond
Mode of placement	: Private placement
Listing	: Unlisted
Security	: Unsecured
Rating status of the issue	: A2
Redemption	: Paid annually on prorata basis to bond holders in installment of 20% per year commencing at the third anniversary of the bonds from the date of issue.
Redemption value	: At par
Tenure	: 7 years
Coupon rate	: 11.50%

	Group		Bank	
	2014 BDT	2013 BDT	2014 BDT	2013 BDT
<b>3. Cash</b>				
<b>3.1 In hand (including foreign currencies)</b>				
Local currency	2,132,245,973	2,312,103,346	2,132,184,770	2,311,923,316
Foreign currencies	114,675,941	82,903,273	49,131,670	38,598,184
	<b>2,246,921,914</b>	<b>2,395,006,619</b>	<b>2,181,316,440</b>	<b>2,350,521,500</b>
<b>4. Balance with Bangladesh Bank and its agent bank (including foreign currencies)</b>				
<b>Balance with Bangladesh Bank</b>				
Local currency	14,015,755,064	10,852,198,007	14,015,755,064	10,852,198,007
Foreign currencies	608,639,116	364,087,457	608,639,116	364,087,457
	14,624,394,180	11,216,285,464	14,624,394,180	11,216,285,464
<b>Balance with agent bank (Sonali Bank Limited)</b>	1,007,570,067	1,292,697,717	1,007,570,067	1,292,697,717
	<b>15,631,964,247</b>	<b>12,508,983,181</b>	<b>15,631,964,247</b>	<b>12,508,983,181</b>

An amount of Tk. 800,000.00 has been marked as lien with Bangladesh Bank up to 30 June 2015 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 Bank Company Act 1991, BRPD circular nos. 11 and 12, dated 25 August 2005 and MPD circular no. 116/2010-1712, dated 01 December 2010 and MPD circular nos. 4 and 5 dated 01 December 2010 and MPD circular no. 01 dated 23 June 2014.

The Cash Reserve Requirement on the Bank's time and demand liabilities at the rate 6.50% has been calculated and maintained with Bangladesh Bank in local currency and 13% Statutory Liquidity Ratio on the same liabilities has also been maintained in the form of cash in hand, balance with Bangladesh Bank and its agent bank (Sonali Bank Limited), 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)	206,428,315,385	178,591,089,000	206,428,315,385	178,591,089,000
Required reserve (6.50 % on average demand and time liabilities)	13,417,840,500	10,715,465,340	13,417,840,500	10,715,465,340
Actual reserve maintained	13,558,577,180	10,747,330,765	13,558,577,180	10,747,330,765
<b>Surplus</b>	<b>140,736,680</b>	<b>31,865,425</b>	<b>140,736,680</b>	<b>31,865,425</b>

##### 4.1.2 Statutory Liquidity Ratio (SLR)

Average time and demand liabilities (excluding inter bank deposits)	206,428,315,385	178,591,089,000	206,428,315,385	178,591,089,000
Required reserve (13% on average demand and time liabilities)	26,835,681,000	23,216,841,570	26,835,681,000	23,216,841,570
Actual reserve maintained (excluding CRR)	49,587,055,797	47,398,283,750	49,587,055,797	47,398,283,750
<b>Surplus</b>	<b>22,751,374,797</b>	<b>24,181,442,180</b>	<b>22,751,374,797</b>	<b>24,181,442,180</b>

##### 4.1.3 Composition of SLR maintained\*

Cash in hand	2,132,184,770	2,350,521,500	2,132,184,770	2,350,521,500
Balance with agent bank (Sonali Bank Limited)	1,126,370,000	1,514,426,000	1,126,370,000	1,514,426,000
Unencumbered approved securities (HTM and HFT)	46,328,501,027	43,533,336,250	46,328,501,027	43,533,336,250
	<b>49,587,055,797</b>	<b>47,398,283,750</b>	<b>49,587,055,797</b>	<b>47,398,283,750</b>

\* As per statement submitted to Bangladesh Bank

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

Inside Bangladesh - In local currencies (note 5.1)  
Outside Bangladesh (note 5.2) (Annex B)

1,098,452,208	1,966,445,610	940,498,680	1,896,062,848
2,626,173,130	3,851,390,182	2,595,397,345	3,728,274,373
<b>3,724,625,338</b>	<b>5,817,835,792</b>	<b>3,535,896,025</b>	<b>5,624,337,221</b>

##### 5.1 Inside Bangladesh

###### 5.1.1 Current accounts

Agrani Bank Limited	75,663,068	78,227,496	75,663,068	78,227,496
Janata Bank Limited	159,646,169	122,937,009	159,646,169	122,937,009
Rupali Bank Limited	98,484	1,044,925	98,484	1,044,925
Standard Chartered Bank	169,397,325	87,139,053	169,397,325	87,139,053
Sonali Bank Limited	32,906,680	41,446,398	32,906,680	41,446,398
	<b>437,711,726</b>	<b>330,794,881</b>	<b>437,711,726</b>	<b>330,794,881</b>

National Bank Limited

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	Group		Bank	
	2014 BDT	2013 BDT	2014 BDT	2013 BDT
<b>5.1.2 Short- notice deposit accounts</b>				
Eastern Bank Limited	152,580	147,199	152,580	147,199
Janata Bank Limited	528,738	500,861,606	528,738	500,861,606
National Credit and Commercial Bank Limited	97,342	94,783	97,342	94,783
First Security Islami Bank Limited	76,968	74,612	76,968	74,612
Dhaka Bank Limited	175,024	167,969	175,024	167,969
Sonali Bank Limited	3,019,323	5,106	3,019,323	5,106
Trust Bank Limited	25,451,859	15,031,572	25,451,859	15,031,572
	<b>29,501,834</b>	<b>516,382,847</b>	<b>29,501,834</b>	<b>516,382,847</b>
<b>5.1.3 Fixed deposit accounts (in local currency)</b>				
ICB Islamic Bank Limited	73,285,120	73,885,120	73,285,120	73,885,120
AB Bank Limited	-	200,000,000	-	200,000,000
	<b>73,285,120</b>	<b>273,885,120</b>	<b>73,285,120</b>	<b>273,885,120</b>
Other Financial Institutions	400,000,000	775,000,000	400,000,000	775,000,000
	<b>940,498,680</b>	<b>1,896,062,848</b>	<b>940,498,680</b>	<b>1,896,062,848</b>
Bank balance of subsidiaries	157,953,528	70,382,762	-	-
<b>Total</b>	<b>1,098,452,208</b>	<b>1,966,445,610</b>	<b>940,498,680</b>	<b>1,896,062,848</b>
<b>5.2 Outside Bangladesh</b>				
<b>5.2.1 Fixed deposits accounts (interest bearing):</b>				
JP Morgan Chase Bank ,Singapore	47,549,134	47,427,500	47,549,134	47,427,500
AB Bank Limited (OBU)	-	699,750,000	-	699,750,000
Standard Chartered Bank, New York	38,974,700	38,875,000	38,974,700	38,875,000
	<b>86,523,834</b>	<b>786,052,500</b>	<b>86,523,834</b>	<b>786,052,500</b>
<b>In demand deposit accounts (non-interest bearing) :</b>				
Standard Chartered Bank, Mumbai	63,639,194	57,762,116	63,639,194	57,762,116
Standard Chartered Bank, Frankfurt	4,722,692	999,270	4,722,692	999,270
Mashreq Bank, New York	161,309,403	157,692,090	161,309,403	157,692,090
JP Morgan Chase Bank, New York	67,341,651	194,920,698	67,341,651	194,920,698
Bank of America Int'l, New York	-	38,593,278	-	38,593,278
Standard Chartered Bank, New York	1,400,673,448	1,536,137,378	1,400,673,448	1,536,137,378
HSBC, New York	96,527,678	80,308,067	96,527,678	80,308,067
Sonali Bank Limited, Kolkata	28,649,417	30,265,134	28,649,417	30,265,134
Sonali Bank Limited, London	1,430,261	187,193	1,430,261	187,193
Mashreq Bank, Mumbai	42,031,566	49,379,545	42,031,566	49,379,545
State Bank of India, Kolkata	477,212	475,991	477,212	475,991
United Bank, Karachi	2,433,224	2,427,000	2,433,224	2,427,000
NABIL Bank, Nepal	20,504,120	17,918,962	20,504,120	17,918,962
Standard Chartered Bank, Colombo	10,644,433	6,697,081	10,644,433	6,697,081
Myanmar Foreign Trade, Myanmar	51,669	51,537	51,669	51,537
AB Bank Limited, Mumbai	102,522,084	89,629,190	102,522,084	89,629,190
Bank of Bhutan, Thimbu	33,477,376	6,777,511	33,477,376	6,777,511
HSBC, Karachi	-	2,009,066	-	2,009,066
ICICI Bank Ltd, Mumbai	2,979,425	2,956,703	2,979,425	2,956,703
HDFC Bank Ltd, India	6,417,996	7,807,325	6,417,996	7,807,325
Commerz Bank, Frankfurt	2,252,159	17,573,055	2,252,159	17,573,055
Uni Credito Italino SPA, Italy	8,357,536	765,974	8,357,536	765,974
Alpha Bank AE, Athens	680,960	634,124	680,960	634,124
HSBC, London	-	24,704,505	-	24,704,505
BOT, Tokyo	597,941	2,255,620	597,941	2,255,620
UBAF, Tokyo	18,919	21,595	18,919	21,595
Union Bank of Switzerland, Switzerland	1,868,318	885,510	1,868,318	885,510
Habib Bank AG, Zurich	676,491	734,056	676,491	734,056
Habib Bank, Karachi	86,512,915	39,897,187	86,512,915	39,897,187
Habib American Bank, New York	76,214,401	83,061,200	76,214,401	83,061,200
Bank of Nova Scotia, Toronto	5,871	892,937	5,871	892,937
National Australia Bank, Melbourne	667,945	385,788	667,945	385,788
Standard Chartered Bank, Singapore	2,001,064	6,320,592	2,001,064	6,320,592
Wachovia Bank, New York	147,199,198	172,650,261	147,199,198	172,650,261
Citibank N.A, New York	135,986,944	308,444,334	135,986,944	308,444,334
	<b>2,508,873,511</b>	<b>2,942,221,873</b>	<b>2,508,873,511</b>	<b>2,942,221,873</b>
Bank Balance of subsidiaries	30,775,785	123,115,809	-	-
	<b>2,539,649,296</b>	<b>3,065,337,682</b>	<b>2,508,873,511</b>	<b>2,942,221,873</b>
	<b>2,626,173,130</b>	<b>3,851,390,182</b>	<b>2,595,397,345</b>	<b>3,728,274,373</b>

Details are shown in Annex B.

	Group		Bank	
	2014 BDT	2013 BDT	2014 BDT	2013 BDT
<b>5.3 Maturity grouping of balance with other banks and financial institutions</b>				
On demand	3,251,340,218	4,219,488,337	3,062,610,905	4,025,989,766
Up to 1 month	-	799,462,335	-	799,462,335
More than 1 month but not more than 3 months	400,000,000	85,000,000	400,000,000	85,000,000
More than 3 months but not more than 1 year	-	640,000,000	-	640,000,000
More than 1 year but not more than 5 years	73,285,120	73,885,120	73,285,120	73,885,120
More than 5 years	-	-	-	-
	<b>3,724,625,338</b>	<b>5,817,835,792</b>	<b>3,535,896,025</b>	<b>5,624,337,221</b>
<b>6 Money at call and on short notice</b>				
<b>Call money</b>				
With Banking companies (note 6.1)	98,300,000	98,900,000	98,300,000	98,900,000
With Non-banking financial institutions	-	-	-	-
	<b>98,300,000</b>	<b>98,900,000</b>	<b>98,300,000</b>	<b>98,900,000</b>
<b>6.1 Call Money- with Banking companies</b>				
ICB Islamic Bank Limited	98,300,000	98,900,000	98,300,000	98,900,000
	<b>98,300,000</b>	<b>98,900,000</b>	<b>98,300,000</b>	<b>98,900,000</b>
<b>7 Investments</b>				
Government (note 7.1)	46,318,501,027	47,513,285,781	46,318,501,027	47,513,285,781
Others (note 7.2)	8,072,095,718	8,856,730,766	8,567,022,898	9,314,234,980
	<b>54,390,596,745</b>	<b>56,370,016,547</b>	<b>54,885,523,925</b>	<b>56,827,520,761</b>
<b>7.1 Government</b>				
Reverse REPO	-	2,000,000,000	-	2,000,000,000
Bangladesh Bank bills	-	1,043,865,900	-	1,043,865,900
Treasury bills (note 7.1.1)	6,809,381,807	8,354,524,700	6,809,381,807	8,354,524,700
Treasury bonds (note 7.1.2)	39,499,913,520	36,109,047,881	39,499,913,520	36,109,047,881
Prize bonds	9,205,700	5,847,300	9,205,700	5,847,300
	<b>46,318,501,027</b>	<b>47,513,285,781</b>	<b>46,318,501,027</b>	<b>47,513,285,781</b>
<b>7.1.1 Treasury bills</b>				
91 days treasury bills	2,131,810,849	5,302,467,726	2,131,810,849	5,302,467,726
182 days treasury bills	2,410,803,414	1,864,368,307	2,410,803,414	1,864,368,307
364 days treasury bills	2,266,767,544	1,187,688,667	2,266,767,544	1,187,688,667
	<b>6,809,381,807</b>	<b>8,354,524,700</b>	<b>6,809,381,807</b>	<b>8,354,524,700</b>
<b>7.1.2 Treasury bonds</b>				
2 years Bangladesh Government treasury bonds	137,857,682	-	137,857,682	-
5 years Bangladesh Government treasury bonds	11,183,123,935	10,448,517,870	11,183,123,935	10,448,517,870
10 years Bangladesh Government treasury bonds	19,968,805,373	18,942,765,686	19,968,805,373	18,942,765,686
15 years Bangladesh Government treasury bonds	5,146,256,240	4,338,563,135	5,146,256,240	4,338,563,135
20 years Bangladesh Government treasury bonds	3,063,870,290	2,379,201,190	3,063,870,290	2,379,201,190
	<b>39,499,913,520</b>	<b>36,109,047,881</b>	<b>39,499,913,520</b>	<b>36,109,047,881</b>
<b>7.2 Others</b>				
Debentures (note 7.2.1)	10,000,000	20,000,000	10,000,000	20,000,000
Shares (Quoted and Unquoted) (note 7.2.2)	7,058,198,248	7,552,843,266	7,553,125,428	8,010,347,480
Subordinated bonds	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Orascom bonds	-	280,000,000	-	280,000,000
Fixed capital investment in Myanmar (note 7.2.3)	3,897,470	3,887,500	3,897,470	3,887,500
	<b>8,072,095,718</b>	<b>8,856,730,766</b>	<b>8,567,022,898</b>	<b>9,314,234,980</b>
<b>7.2.1 Debentures</b>				
Bangladesh House Building Finance Corporation	10,000,000	20,000,000	10,000,000	20,000,000
	<b>10,000,000</b>	<b>20,000,000</b>	<b>10,000,000</b>	<b>20,000,000</b>



National Bank Limited

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	Group		Bank	
	2014 BDT	2013 BDT	2014 BDT	2013 BDT
<b>7.2.2 Shares (Quoted and Unquoted)</b>				
<b>Quoted</b>				
Prime Bank Limited	2,317,830,273	2,317,830,273	2,317,830,273	2,317,830,273
Southeast Bank Limited	1,506,544,606	1,539,239,254	1,506,544,606	1,539,239,254
Dhaka Bank Limited	1,208,528,497	1,208,528,497	1,208,528,497	1,208,528,497
The City Bank Limited	15,565,232	15,565,232	15,565,232	15,565,232
EXIM Bank Limited	48,087,593	48,087,593	48,087,593	48,087,593
Eastern Bank Limited	1,203,680	1,203,680	1,203,680	1,203,680
ONE Bank Limited	28,979,584	28,979,584	28,979,584	28,979,584
Trust Bank Limited	6,740,997	6,740,997	6,740,997	6,740,997
Uttara Bank Limited	9,203,644	9,203,644	9,203,644	9,203,644
Pragati Insurance Company Limited	84,937,421	84,937,421	84,937,421	84,937,421
Jamuna Bank Limited	32,622,169	32,622,169	32,622,169	32,622,169
BRAC Bank Limited	23,345,409	232,692,855	23,345,409	232,692,855
AB Bank Limited	8,592,662	23,454,013	8,592,662	23,454,013
AB First Mutual Fund	1,078,102	1,078,102	1,078,102	1,078,102
IFIC Bank Limited	250,848	250,848	250,848	250,848
First Security Islami Bank Limited	-	2,077	-	2,077
Mutual Trust Bank Limited	2,297,111	2,297,111	2,297,111	2,297,111
Bank Asia Limited	104,442,703	104,442,703	104,442,703	104,442,703
Shahjalal Islami Bank Limited	2,516,893	2,516,893	2,516,893	2,516,893
United Commercial Bank Limited	-	1,838,758	-	1,838,758
Power Grid Company of Bangladesh Limited	82,753,567	82,753,567	82,753,567	82,753,567
Summit Power	78,280,020	89,092,647	78,280,020	89,092,647
Titas Gas	-	68,971,936	-	68,971,936
ACI	-	15,270,292	-	15,270,292
DESCO	1,109,818	27,811,969	1,109,818	27,811,969
MJLBD	-	4,622,080	-	4,622,080
Bay Leasing	50,245,227	69,819,227	50,245,227	69,819,227
National Housing Finance And Investments Ltd	41,148,560	41,148,560	41,148,560	41,148,560
Lafarge Surma Cement Mills Limited	4,643,880	6,191,840	4,643,880	6,191,840
BSRM Steel Mills Ltd	123,128,016	123,128,016	123,128,016	123,128,016
Al-Arafa Islami Bank Limited	-	1,262,709	-	1,262,709
BD Thai Aluminium	-	35,117,491	-	35,117,491
BEACON Pharma	520,517	3,778,842	520,517	3,778,842
BEXIMCO Ltd.	-	5,724,810	-	5,724,810
City General Insurance Limited	9,292,759	18,759,383	9,292,759	18,759,383
Continental Insurance Limited	3,436,509	3,436,509	3,436,509	3,436,509
Delta Brac Housing Limited	-	4,598,971	-	4,598,971
Delta Brac First Mutual Fund	1,067,130	1,067,130	1,067,130	1,067,130
DESHBANDHU Polymer	7,168,057	7,168,057	7,168,057	7,168,057
Dhaka Insurance Limited	1,802,097	1,802,097	1,802,097	1,802,097
EASTLAND Insurance Limited	3,386,159	3,386,159	3,386,159	3,386,159
Federal Insurance Limited	-	955,908	-	955,908
GPH Ispat	6,334,695	6,334,694	6,334,695	6,334,694
KPCL	-	8,557,190	-	8,557,190
MI Cement	15,311,529	15,311,529	15,311,529	15,311,529
National Life Insurance First Mutual Fund	13,662,120	13,662,120	13,662,120	13,662,120
ICB	-	2,343,427	-	2,343,427
ICB First Mutual Fund	1,629,352	1,629,352	1,629,352	1,629,352
AIMS First Mutual Fund	11,082,749	11,082,749	11,082,749	11,082,749
Northern Insurance	13,378	634,495	13,378	634,495
Prime Insurance	555,503	1,669,307	555,503	1,669,307
Rupali Insurance	3,039,046	3,039,046	3,039,046	3,039,046
Saiham Cotton Mills Limited	6,576,777	6,576,777	6,576,777	6,576,777
Saiham Textile Mills Limited	5,110,120	7,300,171	5,110,120	7,300,171
Sandhani Insurance Limited	-	7,506,899	-	7,506,899
Standard Insurance	3,254,041	3,619,778	3,254,041	3,619,778
GHAIL	85,548	85,548	85,548	85,548
Bengal WTL	-	11,016,001	-	11,016,001
Unique Hotel & Resorts	31,325,533	31,325,533	31,325,533	31,325,533
United Air	8,422,066	8,422,066	8,422,066	8,422,066
Zahin Tex	11,353,147	11,353,147	11,353,147	11,353,147
	<b>5,928,505,344</b>	<b>6,428,849,733</b>	<b>5,928,505,344</b>	<b>6,428,849,733</b>
Investment made by subsidiary	265,062,048	188,908,748	-	-
	<b>6,193,567,392</b>	<b>6,617,758,481</b>	<b>5,928,505,344</b>	<b>6,428,849,733</b>

Notes to the financial statements  
For the year ended 31 December 2014

	Group		Bank	
	2014 BDT	2013 BDT	2014 BDT	2013 BDT
<b>Un-quoted</b>				
Karma Sangsthan Bank	90,000,000	90,000,000	90,000,000	90,000,000
Gulf Overseas Exchange LLC, Oman	25,307,500	25,282,912	25,307,500	25,282,912
Central Depository (Bangladesh) Ltd	6,277,770	6,277,770	6,277,770	6,277,770
Industrial & Infrastructure Development Fin. Co. Ltd	33,483,820	33,483,820	33,483,820	33,483,820
Society for Worldwide Inter Bank Financial Telecommunication (SWIFT)	3,897,817	4,401,334	3,897,817	4,401,334
NBL Securities Ltd	-	-	999,940,000	999,940,000
NBL Capital & Equity Management Ltd	-	-	249,865,000	199,940,000
NBL Money TRN SDN BHD Malaysia	-	-	22,270,000	23,614,300
NBL Money Transfer Pte. Ltd	-	-	17,638,260	18,376,260
NBL Money Transfer (Maldives) PVT. Ltd	-	-	15,589,880	15,550,000
NBL Money Transfer Inc., USA	-	69,975,000	70,154,460	69,975,000
NBL Money Transfer Payment Foundation	-	-	34,531,628	38,992,402
Dun & Broadstreet Rating Agency BD. Ltd	4,165,900	4,165,900	4,165,900	4,165,900
Lanka Bangla Securities	4,998,049	4,998,049	4,998,049	4,998,049
MSF Asset Management	2,000,000	2,000,000	2,000,000	2,000,000
BD Venture Ltd	20,000,000	20,000,000	20,000,000	20,000,000
Membership with DSE and CSE	650,000,000	650,000,000	-	-
Information Technology Consultants Ltd	24,500,000	24,500,000	24,500,000	24,500,000
	864,630,856	935,084,785	1,624,620,084	1,581,497,747
	<b>7,058,198,248</b>	<b>7,552,843,266</b>	<b>7,553,125,428</b>	<b>8,010,347,480</b>

Sectorwise investment	2014		2013	
	Cost/ Book value	Market value	Cost/ Book value	Market value
Banking companies	5,316,751,901	4,155,335,150	5,576,758,890	4,696,079,787
Non-Banking financial Institutions	91,393,787	186,013,971	117,910,186	222,892,576
Insurance companies	109,716,913	67,411,335	129,747,001	103,156,518
Fuel and power	162,143,405	144,074,791	281,809,389	255,824,133
Manufacturing and other companies	248,499,338	234,644,868	322,624,267	279,052,501
	<b>5,928,505,344</b>	<b>4,787,480,115</b>	<b>6,428,849,733</b>	<b>5,557,005,515</b>

There was loss on revaluation of secondary portfolio of Tk. 114.10 crore as on December 2014 against we have maintained Tk. 83.00 crore as provision upto December 2014. Bangladesh Bank vide letter No. DOS(SR)1153/161/08/2015-442 dated 27.01.2015 has approved for deferral of provision of Tk. 31.10 crore will be kept in 2015 on quarterly basis.

## 7.2.3 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 Limited in Myanmar, translated into BDT using the prevailing rate.

## 7.3 Maturity-wise grouping on investment

On demand	-	-	-	-
Up to 1 month	1,901,037,173	3,585,450,678	1,901,037,173	3,585,450,678
More than 1 month but not more than 3 months	1,160,710,066	1,081,474,956	1,160,710,066	1,081,474,956
More than 3 months but not more than 1 years	7,548,431,947	13,576,162,000	7,548,431,947	13,576,162,000
More than 1year but not more than 5 years	21,539,552,324	17,233,554,724	21,539,552,324	17,233,554,724
More than 5 years	22,240,865,235	20,893,374,189	22,735,792,415	21,350,878,403
	<b>54,390,596,745</b>	<b>56,370,016,547</b>	<b>54,885,523,925</b>	<b>56,827,520,761</b>

## 8. Loans and advances

Loans, cash credits, overdrafts, etc (note 8.1)	168,329,551,223	147,459,396,138	167,325,501,311	146,270,580,076
Bills purchased and discounted (note 8.2)	5,639,220,133	4,828,405,814	5,639,220,133	4,828,405,814
	<b>173,968,771,356</b>	<b>152,287,801,952</b>	<b>172,964,721,444</b>	<b>151,098,985,890</b>

## 8.1 Loans, cash credits, overdrafts etc

## Inside Bangladesh

Secured overdrafts	40,419,527,393	30,062,146,852	40,419,527,393	30,062,146,852
Cash credit	44,833,749,356	39,065,337,338	44,833,749,356	39,065,337,338
Loans (general)	51,435,939,689	46,074,119,418	56,575,129,006	50,734,119,418
House building loans	10,658,994,569	9,439,663,857	10,658,994,569	9,439,663,857
Lease finance	223,994,014	233,975,747	223,994,014	233,975,747
Loan against trust receipts	7,305,065,353	9,454,746,640	7,305,065,353	9,454,746,640
Payment against documents	496,033,431	723,789,454	496,033,431	723,789,454
Consumer credit scheme	1,833,712	2,395,370	1,833,712	2,395,370
Credit card	1,028,314,997	1,114,650,298	1,028,314,997	1,114,650,298
Margin loan	6,143,239,229	5,848,816,062	-	-
other loans and advances	5,782,859,480	5,439,755,102	5,782,859,480	5,439,755,102
	<b>168,329,551,223</b>	<b>147,459,396,138</b>	<b>167,325,501,311</b>	<b>146,270,580,076</b>

## Outside Bangladesh

	-	-	-	-
	<b>168,329,551,223</b>	<b>147,459,396,138</b>	<b>167,325,501,311</b>	<b>146,270,580,076</b>

	Group		Bank	
	2014 BDT	2013 BDT	2014 BDT	2013 BDT
<b>8.2 Bills purchased and discounted</b>				
<b>Inside Bangladesh</b>				
Local bills purchased and discounted	2,684,473,941	3,544,753,268	2,684,473,941	3,544,753,268
Foreign bills/documents purchased and discounted	2,954,746,192	1,283,652,546	2,954,746,192	1,283,652,546
	<b>5,639,220,133</b>	<b>4,828,405,814</b>	<b>5,639,220,133</b>	<b>4,828,405,814</b>
<b>Outside Bangladesh</b>	-	-	-	-
	<b>5,639,220,133</b>	<b>4,828,405,814</b>	<b>5,639,220,133</b>	<b>4,828,405,814</b>
<b>8.3 Maturity-wise grouping of loans and advances including bills purchased and discounted repayable</b>				
On demand	2,509,882,520	3,007,231,441	2,509,882,520	3,007,231,441
Up to 1 month	17,672,420,153	13,682,903,058	17,672,420,153	13,682,903,058
More than 1 month but not more than 3 months	35,344,840,307	30,072,314,415	35,344,840,307	30,072,314,415
More than 3 months but not more than 1 year	44,650,985,394	37,590,393,020	44,650,985,394	37,590,393,020
More than 1 year but not more than 5 years	58,563,925,459	45,108,471,624	58,563,925,459	45,108,471,624
More than 5 years	15,226,717,523	22,826,488,394	14,222,667,611	21,637,672,332
	<b>173,968,771,356</b>	<b>152,287,801,952</b>	<b>172,964,721,444</b>	<b>151,098,985,890</b>
<b>8.4 Loans and advances including bills purchased and discounted classified into</b>				
<b>In Bangladesh</b>				
Loans	83,076,274,474	78,331,911,948	82,072,224,562	77,143,095,886
Cash credits	44,833,749,356	39,065,337,338	44,833,749,356	39,065,337,338
Overdrafts	40,419,527,393	30,062,146,852	40,419,527,393	30,062,146,852
Bills purchased and discounted	5,639,220,133	4,828,405,814	5,639,220,133	4,828,405,814
	173,968,771,356	152,287,801,952	172,964,721,444	151,098,985,890
<b>Outside Bangladesh</b>	-	-	-	-
	<b>173,968,771,356</b>	<b>152,287,801,952</b>	<b>172,964,721,444</b>	<b>151,098,985,890</b>
<b>8.5 Loans and advances on the basis of significant concentration</b>				
<b>8.5.1 Loans and advances to directors, executives and others</b>				
Advances to directors and their allied concerns	394,721,366	366,414,740	394,721,366	366,414,740
Advances to CEO , senior executives and other staffs	1,373,018,717	1,029,628,000	1,373,018,717	1,029,628,000
Advances to customers (Group wise)	62,268,235,719	30,656,528,439	62,268,235,719	30,656,528,439
Industrial advances	48,160,508,371	44,495,031,320	48,160,508,371	44,495,031,320
Other customers	61,772,287,183	75,740,199,453	60,768,237,271	74,551,383,391
	<b>173,968,771,356</b>	<b>152,287,801,952</b>	<b>172,964,721,444</b>	<b>151,098,985,890</b>
<b>8.5.2 Loans and advances allowed to each customer exceeding 10% of Bank's total capital</b>				
Total loans and advances (Funded & non- funded)*			75,544,800,000	74,378,800,000
No. of customers			16	16
Classified amount thereon			-	-
Measures taken for recovery of classified loans			N/A	N/A
* The amount represents the sum of total loans and advances to each customers exceeding 10% of total capital of the Bank (i.e. BDT.292.17 crore being 10% of total capital of BDT. 2921.75 crore) as at 31 December 2014.				
Details are shown in Annex C.				
<b>8.5.3 Industry-wise concentration of loans and advances (Including bills purchased and discounted)</b>				
Agriculture	1,811,281,066	1,638,554,101	1,811,281,066	1,638,554,101
Term Loan to Small Cottage Industries	507,367,783	664,713,115	507,367,783	664,713,115
Term Loan to Large & Medium Industries	32,219,058,286	33,068,436,889	32,219,058,286	33,068,436,889
Working capital to industries	36,217,103,234	30,263,323,198	36,217,103,234	30,263,323,198
Export Credit	10,406,221,252	6,757,696,376	10,406,221,252	6,757,696,376
Trade Finance	43,751,885,061	42,347,138,443	43,751,885,061	42,347,138,443
Consumer Credit	1,833,712	2,395,370	1,833,712	2,395,370
Credit Cards	1,028,314,997	1,114,650,298	1,028,314,997	1,114,650,298
Others	48,025,705,965	36,430,894,162	47,021,656,053	35,242,078,100
	<b>173,968,771,356</b>	<b>152,287,801,952</b>	<b>172,964,721,444</b>	<b>151,098,985,890</b>

	Group		Bank	
	2014 BDT	2013 BDT	2014 BDT	2013 BDT
<b>8.5.4 Geographical location-wise grouping</b>				
<b>Inside Bangladesh</b>				
Dhaka Division	107,206,125,877	94,670,255,585	106,202,075,965	93,481,439,523
Chittagong Division	48,229,155,683	41,440,140,382	48,229,155,683	41,440,140,382
Khulna Division	4,626,326,231	4,659,752,794	4,626,326,231	4,659,752,794
Sylhet Division	1,048,309,092	1,213,198,733	1,048,309,092	1,213,198,733
Rangpur Division	2,392,815,491	1,833,385,641	2,392,815,491	1,833,385,641
Barisal Division	1,507,270,530	1,588,943,344	1,507,270,530	1,588,943,344
Rajshahi Division	8,958,768,452	6,882,125,473	8,958,768,452	6,882,125,473
	<u>173,968,771,356</u>	<u>152,287,801,952</u>	<u>172,964,721,444</u>	<u>151,098,985,890</u>
<b>Outside Bangladesh</b>	-	-	-	-
	<u>173,968,771,356</u>	<u>152,287,801,952</u>	<u>172,964,721,444</u>	<u>151,098,985,890</u>
<b>8.6 Grouping as per classification rules</b>				
<b>Unclassified:</b>				
Standard	161,242,480,356	146,058,925,878	160,238,430,444	144,870,109,816
Special mentioned account	3,623,830,000	1,330,047,000	3,623,830,000	1,330,047,000
	<u>164,866,310,356</u>	<u>147,388,972,878</u>	<u>163,862,260,444</u>	<u>146,200,156,816</u>
<b>Classified:</b>				
Sub-standard	1,577,622,000	1,105,598,335	1,577,622,000	1,105,598,335
Doubtful	855,842,000	339,671,000	855,842,000	339,671,000
Bad/loss	6,668,997,000	3,453,559,739	6,668,997,000	3,453,559,739
	<u>9,102,461,000</u>	<u>4,898,829,074</u>	<u>9,102,461,000</u>	<u>4,898,829,074</u>
	<u>173,968,771,356</u>	<u>152,287,801,952</u>	<u>172,964,721,444</u>	<u>151,098,985,890</u>
<b>8.7 Particulars of loans and advances</b>				
i) Loans considered good in respect of which the bank is fully secured	153,186,886,205	113,856,974,339	152,182,836,293	112,668,158,277
ii) Loans considered good against which the Bank holds no security other than the debtors' personal guarantee	13,754,314,034	10,569,833,548	13,754,314,034	10,569,833,548
iii) Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	7,027,571,117	27,860,994,065	7,027,571,117	27,860,994,065
iv) Loans adversely classified; provision not maintained there against	-	-	-	-
	<u>173,968,771,356</u>	<u>152,287,801,952</u>	<u>172,964,721,444</u>	<u>151,098,985,890</u>
v) Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons	1,767,740,083	1,396,042,740	1,767,740,083	1,396,042,740
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	394,721,366	366,414,740	394,721,366	366,414,740
vii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the bank or any of them either separately or jointly with any other person.	1,767,740,083	1,396,042,740	1,767,740,083	1,396,042,740
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.	394,721,366	366,414,740	394,721,366	366,414,740
ix) Due from banking companies	-	-	-	-
x) Information in respect of classified loans advances:				
a) Classified loans for which interest not credited to income	9,102,461,000	4,898,829,074	9,102,461,000	4,898,829,074
b) Provision kept against classified loans and advances (note 13.2a)	1,970,639,774	1,461,481,180	1,970,639,774	1,461,481,180
c) Interest credited to interest suspense account (note 13.3)	3,226,821,883	2,203,179,890	3,226,821,883	2,203,179,890

	Group		Bank	
	2014 BDT	2013 BDT	2014 BDT	2013 BDT
xi) Cumulative amount of written off loans				
Opening balance	17,187,728,000	14,458,741,000	17,187,728,000	14,458,741,000
Amount written off during the year	1,503,750,000	3,419,974,000	1,503,750,000	3,419,974,000
Amount recovered / provision released during the year against written off loans	(246,993,000)	(421,161,000)	(246,993,000)	(421,161,000)
Waiver for final settlement	(116,364,000)	(269,826,000)	(116,364,000)	(269,826,000)
Balance of written off loans and advances yet to be recovered	<b>18,328,121,000</b>	<b>17,187,728,000</b>	<b>18,328,121,000</b>	<b>17,187,728,000</b>
The amount of classified and written off loans for which law suits have been filed	<b>23,522,984,000</b>	<b>27,082,859,000</b>	<b>23,522,984,000</b>	<b>27,082,859,000</b>
<b>8.8 Bills purchased and discounted (Maturity-wise grouping of bills purchased and discounted )</b>				
Payable within 1 month	939,870,022	804,734,302	939,870,022	804,734,302
More than 1 month but less than 3 months	1,879,740,044	1,609,468,605	1,879,740,044	1,609,468,605
More than 3 months but less than 6 months	2,819,610,067	2,414,202,907	2,819,610,067	2,414,202,907
More than 6 months	-	-	-	-
	<b>5,639,220,133</b>	<b>4,828,405,814</b>	<b>5,639,220,133</b>	<b>4,828,405,814</b>
<b>9. Fixed assets including premises, furniture and fixtures</b>				
<b>Cost / Revaluation:</b>				
Land	667,336,292	664,709,050	667,336,292	664,709,050
Building	1,359,401,634	1,115,956,860	1,359,401,634	1,115,956,860
Furniture and fixtures	842,136,601	799,148,540	842,136,601	799,148,540
General equipment	817,656,401	754,877,280	817,656,401	754,877,280
Computer and accessories	593,643,040	567,228,922	593,643,040	567,228,922
Vehicles	220,925,519	207,649,460	220,925,519	207,649,460
Vehicles (Leased)	33,059,000	33,059,000	33,059,000	33,059,000
Books	1,397,607	1,394,734	1,397,607	1,394,734
	<b>4,535,556,094</b>	<b>4,144,023,846</b>	<b>4,535,556,094</b>	<b>4,144,023,846</b>
Less: Accumulated depreciation	1,772,036,119	1,507,434,471	1,772,036,119	1,507,434,471
<b>Written down value at the end of the year</b>	<b>2,763,519,975</b>	<b>2,636,589,375</b>	<b>2,763,519,975</b>	<b>2,636,589,375</b>
Subsidiary companies balance	41,284,456	38,690,966	-	-
	<b>2,804,804,431</b>	<b>2,675,280,341</b>	<b>2,763,519,975</b>	<b>2,636,589,375</b>
<b>Details are shown in Annex A.</b>				
<b>10. Other assets</b>				
Income generating	-	-	-	-
Non-income generating ( note 10.1)	4,178,288,531	2,436,388,267	4,140,400,140	3,691,299,372
	<b>4,178,288,531</b>	<b>2,436,388,267</b>	<b>4,140,400,140</b>	<b>3,691,299,372</b>
<b>10.1 Non-income generating other assets</b>				
Stock of stationery	27,229,816	33,920,423	27,229,816	33,920,423
Stamps on hand	2,600,564	2,375,148	2,600,564	2,375,148
Suspense account (note 10.1.1)	336,940,462	189,443,607	336,940,462	189,443,607
Advance deposits	5,171,624	5,202,204	5,171,624	5,202,204
Interest and other receivables	1,462,275,764	1,257,168,728	1,462,275,764	2,653,940,388
Sundry assets (note 10.1.2)	262,546,104	397,278,840	262,546,104	397,278,840
Demand draft paid without advice	12,837,177	16,716,154	12,837,177	16,716,154
Bill purchased account - credit card	252,497,338	417,643,714	252,497,338	417,643,714
Inter branch adjustment account (net)(note 10.1.3)	652,570,528	(634,022,440)	652,570,528	(634,022,440)
Payment made against claim made by EBL for guarantee issued by BCCI	13,683,225	13,683,225	13,683,225	13,683,225
Advance against cash assistance	2,322,729	9,510,000	2,322,729	9,510,000
Advance against branches ( *)	5,725,000	4,133,860	5,725,000	4,133,860
Advance against NBL Towers	853,203,000	319,674,273	853,203,000	319,674,273
Advance against fixed assets	243,709,826	233,717,826	243,709,826	233,717,826
Others	44,975,374	169,942,705	7,086,983	28,082,150
	<b>4,178,288,531</b>	<b>2,436,388,267</b>	<b>4,140,400,140</b>	<b>3,691,299,372</b>
<b>* Amount represents advance against new branches and for repair, renovation and maintenance of existing branches.</b>				
<b>10.1.1 Suspense account</b>				
Sundry debtors	105,299,125	87,243,233	105,299,125	87,243,233
Advance against TA/DA	1,340,493	279,000	1,340,493	279,000
Advance against postage	20,022	6,651	20,022	6,651
Encashment of PSP/ BSP	32,227,372	45,360,449	32,227,372	45,360,449
Encashment of Wage Earners Development Bonds	125,357,690	56,553,024	125,357,690	56,553,024
Receivable from stock dealer	72,695,760	-	72,695,760	-
Demand draft cancelled	-	1,250	-	1,250
	<b>336,940,462</b>	<b>189,443,607</b>	<b>336,940,462</b>	<b>189,443,607</b>

	Group		Bank	
	2014 BDT	2013 BDT	2014 BDT	2013 BDT
<b>10.1.2 Sundry assets</b>				
Cash remittance	40,500,000	82,000,100	40,500,000	82,000,100
Advance rent	207,045,002	282,645,845	207,045,002	282,645,845
Clearing adjustment account	294,350	294,350	294,350	294,350
Protested bill	12,900,000	12,900,000	12,900,000	12,900,000
Fractional stock dividend	-	940	-	940
Unexpired insurance premium	1,806,752	19,437,605	1,806,752	19,437,605
	<b>262,546,104</b>	<b>397,278,840</b>	<b>262,546,104</b>	<b>397,278,840</b>
<b>10.1.3 Inter branch adjustment account</b>				
Inter branch adjustment account represents outstanding Inter-branch and Head Office transactions (Net) originated but yet to be responded at the Balance Sheet date. However, the same has been adjusted subsequently.				
<b>11. Borrowings from other banks, financial institutions and agents</b>				
In Bangladesh (note 11.1.)	9,176,323,404	3,322,119,629	9,176,323,404	3,322,119,629
Outside Bangladesh	-	-	-	-
	<b>9,176,323,404</b>	<b>3,322,119,629</b>	<b>9,176,323,404</b>	<b>3,322,119,629</b>
<b>11.1 In Bangladesh</b>				
Export Development Fund (EDF)	3,728,608,807	2,948,122,059	3,728,608,807	2,948,122,059
Agricultural credit on special program	181,617,375	258,997,570	181,617,375	258,997,570
Bangladesh Bank	5,163,875,000	-	5,163,875,000	-
ADB Loan	102,222,222	115,000,000	102,222,222	115,000,000
	<b>9,176,323,404</b>	<b>3,322,119,629</b>	<b>9,176,323,404</b>	<b>3,322,119,629</b>
<b>11.2 Security wise breakup of borrowing from other banks, financial Institutions and agents</b>				
Secured borrowings	-	-	-	-
Unsecured borrowings	9,176,323,404	3,322,119,629	9,176,323,404	3,322,119,629
	<b>9,176,323,404</b>	<b>3,322,119,629</b>	<b>9,176,323,404</b>	<b>3,322,119,629</b>
<b>11.3 Maturity-wise grouping of borrowings</b>				
<b>Repayable</b>				
On demand	5,163,875,000	-	5,163,875,000	-
Up to 1 month	1,864,304,404	1,474,061,029	1,864,304,404	1,474,061,029
More than 1 month but within 3 months	2,148,144,000	1,848,058,600	2,148,144,000	1,848,058,600
More than 3 months but within 1 year	-	-	-	-
More than 1 year but within 5 years	-	-	-	-
More than 5 years	-	-	-	-
	<b>9,176,323,404</b>	<b>3,322,119,629</b>	<b>9,176,323,404</b>	<b>3,322,119,629</b>
<b>12. Deposits and other accounts (note 12.1)</b>				
Current deposits and other accounts (note 12.2)	19,949,019,076	19,115,368,844	19,967,086,570	19,121,953,740
Bills payable (note 12.3)	2,624,680,314	2,225,679,010	2,624,680,314	2,225,679,010
Saving deposits	28,714,088,244	24,921,946,124	28,714,088,244	24,921,946,124
Fixed deposits	105,576,214,173	92,814,097,206	105,576,214,173	92,814,097,206
Term deposits (note 12.4)	45,907,972,957	53,222,103,744	46,414,113,134	54,559,292,756
	<b>202,771,974,764</b>	<b>192,299,194,928</b>	<b>203,296,182,435</b>	<b>193,642,968,836</b>
The Bank Management advised to the branches to take necessary steps for depositing the amount of unclaimed deposits through head office after following the Bangladesh Bank guideline. During the year we have deposited amounting BDT.3,958,441.46 to Bangladesh Bank.				
<b>12.1 Deposit and other account</b>				
Deposit from banks (Inside Bangladesh) (note 12.1.1)	4,409,136,555	8,957,753,107	4,409,136,555	8,957,753,107
Other than bank	198,362,838,209	183,341,441,821	198,887,045,880	184,685,215,729
	<b>202,771,974,764</b>	<b>192,299,194,928</b>	<b>203,296,182,435</b>	<b>193,642,968,836</b>
<b>12.1.1 Deposit from banks (Inside Bangladesh)</b>				
<b>In current account</b>				
Al-Arafah Islami Bank Limited	8,573,320	48,729,000	8,573,320	48,729,000
Bangladesh Commerce Bank Limited	-	44,818	-	44,818
Bangladesh Krishi Bank Limited	4,401,862	1,103,116	4,401,862	1,103,116
Dutch Bangla Bank Limited	20,069	20,875	20,069	20,875
EXIM Bank Limited	186,579	7,501,117	186,579	7,501,117
HSBC	9,025,062	5,338,790	9,025,062	5,338,790
Islami Bank Bangladesh Limited	55,489,182	174,689,674	55,489,182	174,689,674
Jamuna Bank Limited	4,961,321	12,383,086	4,961,321	12,383,086
Mercantile Bank Limited	665,858	17,091,230	665,858	17,091,230
Prime Bank Limited	45,665	45,665	45,665	45,665
Rajshahi Krishi Unnayan Bank	1,254,577	1,029,917	1,254,577	1,029,917

National Bank Limited

Notes to the financial statements  
For the year ended 31 December 2014

	Group		Bank	
	2014	2013	2014	2013
Shahjalal Islami Bank Limited	20,429	22,414	20,429	22,414
Southeast Bank Limited	78,077	1,611,000	78,077	1,611,000
	<b>84,722,001</b>	<b>269,610,702</b>	<b>84,722,001</b>	<b>269,610,702</b>
<b>In short notice deposits accounts</b>				
Bank Asia Limited	757,774	774,000	757,774	774,000
BRAC Bank Limited	7,526,278	16,138,823	7,526,278	16,138,823
Dhaka Bank Limited	668,085	104,000	668,085	104,000
Dutch-Bangla Bank Limited	11,722,162	22,149,759	11,722,162	22,149,759
Eastern Bank Limited	519,036	498,000	519,036	498,000
EXIM Bank Limited	10,631,408	5,845,727	10,631,408	5,845,727
Jamuna Bank Limited	1,522,034	967,759	1,522,034	967,759
Janata Bank Limited	35,287	34,987	35,287	34,987
Mercantile Bank Limited	2,979,359	28,537,901	2,979,359	28,537,901
Prime Bank Limited	85,446	15,467,000	85,446	15,467,000
Pubali Bank Limited	568,401	349,000	568,401	349,000
Standard Bank Limited	1,556	2,601	1,556	2,601
Rajshahi Krishi Unnayan Bank	189,314,997	2,164,015,053	189,314,997	2,164,015,053
Standard Chartered Bank	2,999,000	3,257,000	2,999,000	3,257,000
The Premier Bank Limited	2,728,556	3,712,795	2,728,556	3,712,795
	<b>232,059,379</b>	<b>2,261,854,405</b>	<b>232,059,379</b>	<b>2,261,854,405</b>
<b>Term deposits accounts</b>				
Rajshahi Krishi Unnayan Bank	4,092,355,175	616,288,000	4,092,355,175	616,288,000
Agrani Bank Limited	-	2,000,000,000	-	2,000,000,000
The Farmers Bank Limited	-	1,000,000,000	-	1,000,000,000
Dutch Bangla Bank Limited	-	2,500,000,000	-	2,500,000,000
Bangladesh Development Bank Limited	-	10,000,000	-	10,000,000
Meghna Commercial Bank Limited	-	300,000,000	-	300,000,000
	<b>4,092,355,175</b>	<b>6,426,288,000</b>	<b>4,092,355,175</b>	<b>6,426,288,000</b>
	<b>4,409,136,555</b>	<b>8,957,753,107</b>	<b>4,409,136,555</b>	<b>8,957,753,107</b>
<b>12.1.2 Maturity-wise grouping</b>				
<b>Deposits from banks</b>				
<b>Repayable</b>				
On demand	84,722,001	269,610,702	84,722,001	269,610,702
Up to 1 month	139,235,627	1,024,242,000	139,235,627	1,024,242,000
Over 1 month but within 6 months	4,085,188,927	7,615,900,405	4,085,188,927	7,615,900,405
Over 6 months but within 1 year	99,990,000	48,000,000	99,990,000	48,000,000
Over 1 year but within 5 years	-	-	-	-
Over 5 years but within 10 years	-	-	-	-
	<b>4,409,136,555</b>	<b>8,957,753,107</b>	<b>4,409,136,555</b>	<b>8,957,753,107</b>
<b>From others</b>				
<b>Repayable</b>				
On demand	12,400,057,612	10,603,132,997	12,400,057,612	10,603,132,997
Up to 1 month	19,939,176,859	20,982,547,606	19,939,176,859	20,982,547,606
Over 1 month but within 6 months	46,625,214,974	24,487,772,013	46,625,214,974	24,487,772,013
Over 6 months but within 1 year	38,054,363,257	38,537,212,729	38,054,363,257	38,537,212,729
Over 1 year but within 5 years	71,573,806,396	62,020,310,063	71,573,806,396	62,020,310,063
Over 5 years but within 10 years	9,770,219,111	26,710,466,413	10,294,426,782	28,054,240,321
	<b>198,362,838,209</b>	<b>183,341,441,821</b>	<b>198,887,045,880</b>	<b>184,685,215,729</b>
	<b>202,771,974,764</b>	<b>192,299,194,928</b>	<b>203,296,182,435</b>	<b>193,642,968,836</b>
<b>12.2 Current deposits and other accounts</b>				
Current deposits	10,394,794,094	9,878,764,148	10,394,794,094	9,878,764,148
Foreign currency deposits	436,615,269	407,162,888	436,615,269	407,162,888
Exchange company BDT account	529,612,839	543,114,753	547,680,333	549,699,649
Exporters' foreign currencies account	259,857,465	206,362,936	259,857,465	206,362,936
Sundry deposits	8,328,139,409	8,079,964,119	8,328,139,409	8,079,964,119
	<b>19,949,019,076</b>	<b>19,115,368,844</b>	<b>19,967,086,570</b>	<b>19,121,953,740</b>
<b>12.3 Bills Payable</b>				
Payment order	2,492,870,802	1,989,676,662	2,492,870,802	1,989,676,662
Demand draft	131,809,512	236,002,348	131,809,512	236,002,348
	<b>2,624,680,314</b>	<b>2,225,679,010</b>	<b>2,624,680,314</b>	<b>2,225,679,010</b>
<b>12.4 Term deposits</b>				
Short notice deposits	8,937,746,356	12,296,743,876	9,443,886,533	13,633,932,888
Non Resident foreign currency deposits	54,175,850	58,968,662	54,175,850	58,968,662
Resident foreign currency deposits	198,758,709	172,479,846	198,758,709	172,479,846
Non Resident Investment BDT account	188,099	185,599	188,099	185,599
Monthly saving scheme	20,588,853,564	20,925,288,403	20,588,853,564	20,925,288,403
Special deposit scheme	16,128,250,379	19,768,437,358	16,128,250,379	19,768,437,358
	<b>45,907,972,957</b>	<b>53,222,103,744</b>	<b>46,414,113,134</b>	<b>54,559,292,756</b>

	Group		Bank	
	2014	2013	2014	2013
<b>13. Other liabilities</b>				
Un-paid dividend	10,009,092	10,009,092	10,009,092	10,009,092
Provision for bonus	204,265,485	191,234,393	204,265,485	191,234,393
Tax liability (note 13.1)	2,067,016,140	1,005,573,007	1,965,966,616	958,583,406
Provision for loans and advances (Including Off-B/S items) (note 13.2)	4,636,931,963	3,687,773,369	4,636,931,963	3,687,773,369
Interest suspense account (note 13.3)	3,226,821,883	2,203,179,890	3,226,821,883	2,203,179,890
Provision for other classified assets (note 13.4)	1,314,665,709	504,151,229	870,266,450	90,266,450
Provision for gratuity (note 13.5)	50,000,000	50,000,000	50,000,000	50,000,000
Deferred tax liabilities/(assets) (note 13.6)	70,282,036	43,183,424	69,278,157	42,179,545
ATM card holders' accounts	35,500	35,500	35,500	35,500
Foreign currencies adjustment account	811,843,016	1,353,272,709	811,843,016	1,353,272,709
Bills payable account MPS (CCD)	12,003,024	9,583,346	12,003,024	9,583,346
Adjusting account credit	3,502,523,543	3,529,838,415	3,502,523,543	3,529,838,415
Provision for LFA	89,833,143	88,492,288	89,833,143	88,492,288
Obligation under finance lease	5,976,766	15,418,921	5,976,766	15,418,921
Clearing adjusting account	34,156	128,327	34,156	128,327
Others	970,323,012	796,821,207	45,219,230	49,076,292
	<b>16,972,564,468</b>	<b>13,488,695,117</b>	<b>15,501,008,024</b>	<b>12,279,071,943</b>
<b>13.1 Tax liability</b>				
<b>Provision for tax</b>				
Opening balance	10,970,920,447	9,598,163,419	10,893,089,324	9,528,089,324
Add: Provision made during the year	2,504,059,923	1,372,757,028	2,450,000,000	1,365,000,000
	13,474,980,370	10,970,920,447	13,343,089,324	10,893,089,324
Less: Adjustment made during the year	3,964,022,729	-	3,964,022,729	-
Closing balance	9,510,957,641	10,970,920,447	9,379,066,595	10,893,089,324
<b>Advance income tax</b>				
Opening balance	9,965,347,440	7,952,500,471	9,934,505,918	7,921,658,949
Add: Paid during the year	1,442,616,790	2,012,846,969	1,442,616,790	2,012,846,969
	11,407,964,230	9,965,347,440	11,377,122,708	9,934,505,918
Less: Adjustment made during the year	3,964,022,729	-	3,964,022,729	-
Closing balance	7,443,941,501	9,965,347,440	7,413,099,979	9,934,505,918
	<b>2,067,016,140</b>	<b>1,005,573,007</b>	<b>1,965,966,616</b>	<b>958,583,406</b>
<b>Status of pending assessments</b>				
All the assessments of the Bank have been completed and necessary provisions have been made in the books of account except the assessment for the assessment year 1991-92, 1992-93 pending with Honourable Highcourt Division due to appeal filed by the DCT. The Bank has made an appeal to the Honorable High Court for the year 2011 against charges of excess profit tax. Persuasion is continued by the management to get such order in favour of the Bank. Adequate provisions for those assessment years have been made in the books of account. If any further provision is required it will be made upon receipt of final assessment order.				
<b>13.2 Provision for loans and advances (Including off - balance sheet items)</b>				
<b>(a) Specific provision against loans and advances</b>				
Opening balance	1,461,481,180	1,422,642,153	1,461,481,180	1,422,642,153
Fully provided debt written off	-	-	-	-
Waiver during the year	(47,975,682)	(81,552,503)	(47,975,682)	(81,552,503)
Release of provision	192,974,276	456,534,530	192,974,276	456,534,530
Adjustment/recovery in kinds on account of properties	(840,000)	(1,143,000)	(840,000)	(1,143,000)
Transferred to general provision unclassified loans	-	(113,000,000)	-	(113,000,000)
Transferred to /from general provision off-balance sheet items	-	(222,000,000)	-	(222,000,000)
Provision made during the year	365,000,000	-	365,000,000	-
Closing balance	<b>1,970,639,774</b>	<b>1,461,481,180</b>	<b>1,970,639,774</b>	<b>1,461,481,180</b>
As per CL statement total provision required against classified advances was BDT 302.83 crore against which Bank maintained BDT 197.06 crore and the rest of the amount will be kept in 2015 gradually as per approval of Bangladesh Bank approval letter No. BRPD(P-1)/661/13/2015-1427 dated 22 February 2015.				
<b>(b) General provision against unclassified loans &amp; advances (Including provision for OBU)</b>				
Opening balance	1,563,782,141	1,450,782,141	1,563,782,141	1,450,782,141
Transferred from specific provision	-	113,000,000	-	113,000,000
Transferred from provision against Off Balance Sheet items	21,000,000	-	21,000,000	-
Provision made during the year	440,000,000	-	440,000,000	-
Closing balance	<b>2,024,782,141</b>	<b>1,563,782,141</b>	<b>2,024,782,141</b>	<b>1,563,782,141</b>
<b>(c) General provision against Off Balance Sheet items (Including provision for OBU)</b>				
Opening balance	662,510,048	440,510,048	662,510,048	440,510,048
Transferred to other provisions	(21,000,000)	222,000,000	(21,000,000)	222,000,000
Closing balance	<b>641,510,048</b>	<b>662,510,048</b>	<b>641,510,048</b>	<b>662,510,048</b>
<b>Total (a)+ (b)+ (c)</b>	<b>4,636,931,963</b>	<b>3,687,773,369</b>	<b>4,636,931,963</b>	<b>3,687,773,369</b>



	Group		Bank	
	2014	2013	2014	2013
<b>13.3 Interest suspense account</b>				
Opening balance	2,203,179,890	621,024,141	2,203,179,890	621,024,141
<u>Add:</u> Amount transferred to "interest suspense" account during the year	1,468,268,256	2,526,135,039	1,468,268,256	2,526,135,039
	3,671,448,146	3,147,159,180	3,671,448,146	3,147,159,180
<u>Less:</u> Amount recovered and credited to income	282,822,900	519,264,700	282,822,900	519,264,700
Interest waived during the year	-	3,223,280	-	3,223,280
Amount written off during the year	161,803,363	421,491,310	161,803,363	421,491,310
	444,626,263	943,979,290	444,626,263	943,979,290
Closing balance	<b>3,226,821,883</b>	<b>2,203,179,890</b>	<b>3,226,821,883</b>	<b>2,203,179,890</b>

**13.4 Provision for other classified assets****Provision for fall in market price of shares**

Opening balance	463,884,779	291,925,929	50,000,000	-
<u>Add:</u> Addition during the year	810,514,480	171,958,850	780,000,000	50,000,000
Closing balance	<b>1,274,399,259</b>	<b>463,884,779</b>	<b>830,000,000</b>	<b>50,000,000</b>

**Provision for other classified assets**

Opening balance	40,266,450	40,266,450	40,266,450	40,266,450
<u>Add:</u> Addition during the year	-	-	-	-
Closing balance	<b>40,266,450</b>	<b>40,266,450</b>	<b>40,266,450</b>	<b>40,266,450</b>
	<b>1,314,665,709</b>	<b>504,151,229</b>	<b>870,266,450</b>	<b>90,266,450</b>

**13.5 Provision for gratuity**

The gratuity fund is administered by a Board of Trustee consisting of four (4) members. Total Fund balance as on December 2014 stood BDT. 72.06 crore considering contribution for the year 2014 against which Fund liability stood BDT. 86.22 crore i.e. there is a shortfall of BDT. 14.16 crore. The Bank has applied to Bangladesh Bank vide letter No.NBL/FAD/2014 dated 20 February 2014 to continue to the current practice i.e. payment to the outgoing members by debiting the Bank account and buildup the shortfall amount gradually. Bangladesh Bank vide letter DBI-1(DGM-4)/82/2014-689 dated 18.03.2014 approved for keeping shortfall of provision by 2016 equally. The movement is as under:

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

**13.6 Deferred tax (assets)/ liabilities****Deferred tax assets:**

Opening balance	71,011,077	57,917,640	70,693,403	57,599,966
<u>Add:</u> Addition during the year	18,728,027	13,093,437	18,728,027	13,093,437
Closing balance	<b>89,739,104</b>	<b>71,011,077</b>	<b>89,421,430</b>	<b>70,693,403</b>

**Deferred tax liabilities:**

Opening balance	114,194,501	91,456,611	112,872,948	91,456,611
<u>Add:</u> Addition during the year	45,826,639	22,737,890	45,826,639	21,416,337
Closing balance	<b>160,021,140</b>	<b>114,194,501</b>	<b>158,699,587</b>	<b>112,872,948</b>
Net deferred tax (assets)/liabilities	<b>70,282,036</b>	<b>43,183,424</b>	<b>69,278,157</b>	<b>42,179,545</b>

**14. Share capital****14.1 Authorised capital**

1,750,000,000 ordinary shares of BDT 10 each		17,500,000,000	17,500,000,000
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**14.2 Issued, subscribed and fully paid up capital**

	No of Shares		2014 BDT	2013 BDT
	2014	2013		
Issued for cash	23,730,000	23,730,000	237,300,000	237,300,000
Issued for other than cash (Bonus Share)	1,537,833,568	1,395,873,244	15,378,335,680	13,958,732,440
<b>Total</b>	<b>1,561,563,568</b>	<b>1,419,603,244</b>	<b>15,615,635,680</b>	<b>14,196,032,440</b>

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

Category	2014		2013	
	No. of shares	%	No. of shares	%
Sponsors and Directors	469,196,989	30.05	426,509,877	30.04
Financial institutions	249,181,327	15.96	198,255,933	13.97
Foreign investors	36,216,391	2.32	38,549,899	2.72
Non-resident Bangladeshi	7,508,167	0.48	7,376,751	0.52
General public	799,460,694	51.19	748,910,784	52.75
	<b>1,561,563,568</b>	<b>100.00</b>	<b>1,419,603,244</b>	<b>100.00</b>

## 14.4 Statement of slab list as on 31 December 2014

Group/ type	No. of shareholders	No. of shares	(%) of shareholding
De- materialisation	106,861	1,507,713,713	96.55
Materialisation	4,502	53,849,855	3.45
	<b>111,363</b>	<b>1,561,563,568</b>	<b>100.00</b>

## De- materialisation

Range	No. of shareholders	No. of shares	(%) of shareholding
Less than 500	40,469	6,660,709	0.43
500 to 5,000	49,400	89,252,590	5.72
5,001 to 10,000	8,182	58,006,511	3.71
10,001 to 20,000	4,597	64,110,670	4.11
20,001 to 30,000	1,549	37,811,054	2.42
30,001 to 40,000	709	24,596,887	1.58
40,001 to 50,000	459	20,764,495	1.33
50,001 to 100,000	763	53,004,354	3.39
100,001 to 1,000,000	597	149,070,560	9.55
Over 1,000,000	136	1,004,435,883	64.31
	<b>106,861</b>	<b>1,507,713,713</b>	<b>96.55</b>

## Materialisation

Range	No. of shareholders	No. of shares	(%) of shareholding
Less than 500	2,574	373,596	0.02
500 to 5,000	1,482	2,744,560	0.18
5,001 to 10,000	190	1,333,332	0.09
10,001 to 20,000	114	1,667,547	0.11
20,001 to 30,000	51	1,214,404	0.08
30,001 to 40,000	23	803,852	0.05
40,001 to 50,000	13	573,926	0.04
50,001 to 100,000	21	1,433,774	0.09
100,001 to 1,000,000	26	8,013,093	0.51
Over 1,000,000	8	35,691,771	2.28
	<b>4,502</b>	<b>53,849,855</b>	<b>3.45</b>

## Group

## Bank

## 14.5 Capital adequacy ratio

## Core capital (Tier-I)

	2014 BDT	2013 BDT	2014 BDT	2013 BDT
Paid up capital	15,615,635,680	14,196,032,440	15,615,635,680	14,196,032,440
Statutory reserve (Note 15)	8,439,142,029	7,411,663,610	8,439,142,029	7,411,663,610
General reserve (note 16)	65,396,935	17,800,819	-	-
Non -controlling interest	88,413	95,880	-	-
Retained earnings (Note 18)	1,464,019,449	1,290,340,814	1,634,223,204	1,421,011,380
	<b>25,584,282,506</b>	<b>22,915,933,563</b>	<b>25,689,000,913</b>	<b>23,028,707,430</b>
Less: For short provision against quoted shares	311,025,229	-	311,025,229	-
For short provision against Loans and advance	1,057,688,926	-	1,057,688,926	-
	<b>24,215,568,351</b>	<b>22,915,933,563</b>	<b>24,320,286,758</b>	<b>23,028,707,430</b>

## Supplementary capital (Tier-II)

General provision maintained against unclassified loan	2,024,782,141	1,563,782,141	2,024,782,141	1,563,782,141
General provision off-balance sheet exposure	641,510,048	662,510,048	641,510,048	662,510,048
Subordinated bonds	1,600,000,000	2,000,000,000	1,600,000,000	2,000,000,000
Other reserve (10% of equity reserve and 50% of other reserve)	630,977,076	450,464,852	630,977,076	450,464,852
	<b>4,897,269,265</b>	<b>4,676,757,041</b>	<b>4,897,269,265</b>	<b>4,676,757,041</b>

## Additional supplementary capital (Tier-III)

A) Total capital	<b>29,112,837,616</b>	<b>27,592,690,604</b>	<b>29,217,556,023</b>	<b>27,705,464,471</b>
B) Total risk weighted assets	249,982,600,000	237,194,000,000	249,560,600,000	236,911,200,000
C) Required capital	24,998,260,000	23,719,400,000	24,956,060,000	23,691,120,000
D) (Deficit)/Surplus (A-C)	<b>4,114,577,616</b>	<b>3,873,290,604</b>	<b>4,261,496,023</b>	<b>4,014,344,471</b>

## Capital adequacy ratio:

	Actual			
On core capital - against standard of minimum 5%	9.69%	9.66%	9.75%	9.72%
On supplementary capital - minimum 5%	1.96%	1.97%	1.96%	1.97%
On total capital - against standard of minimum 10%	<b>11.65%</b>	<b>11.63%</b>	<b>11.71%</b>	<b>11.69%</b>

Risk weighted assets of the Bank has calculated as per BRPD circular no. 09 dated 31 December 2008 and BRPD circular no. 20 dated 29 December 2009. As per the circular full implementation of Basel-II has started with effect from January 2010 and calculated on solo and consolidated basis.

National Bank Limited

Notes to the financial statements  
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	Group		Bank	
	2014 BDT	2013 BDT	2014 BDT	2013 BDT
<b>15. Statutory reserve</b>				
Opening balance	7,411,663,610	6,713,680,908	7,411,663,610	6,713,680,908
Add: Addition during the year (20% of pre-tax profit)	1,027,478,419	697,982,702	1,027,478,419	697,982,702
Closing balance	<b>8,439,142,029</b>	<b>7,411,663,610</b>	<b>8,439,142,029</b>	<b>7,411,663,610</b>
<b>16. General reserve</b>				
Opening balance	17,800,819	50,132,892	-	-
Add: Addition during the year (overseas subsidiaries)	47,596,116	11,662,500	-	-
	<b>65,396,935</b>	<b>61,795,392</b>	-	-
Less: Adjustment during the year	-	-	-	-
Bonus shares issued by overseas subsidiaries	-	43,994,573	-	-
	-	<b>43,994,573</b>	-	-
Closing balance	<b>65,396,935</b>	<b>17,800,819</b>	-	-
<b>17. Other reserve</b>				
Revaluation reserve (Govt treasury bills and bonds)(note 17.1)	888,350,848	507,540,196	888,350,848	507,540,196
Revaluation reserve (foreign investment) (note 17.2)	16,241,887	23,034,581	16,241,887	23,034,581
Revaluation reserve (property) (note 17.3)	370,354,926	370,354,926	370,354,926	370,354,926
	<b>1,274,947,661</b>	<b>900,929,703</b>	<b>1,274,947,661</b>	<b>900,929,703</b>
<b>17.1 Revaluation reserve (Govt treasury bills and bonds)</b>				
Opening balance	507,540,196	213,122,124	507,540,196	213,122,124
Add: Addition during the year	1,129,468,377	327,262,290	1,129,468,377	327,262,290
	<b>1,637,008,573</b>	<b>540,384,414</b>	<b>1,637,008,573</b>	<b>540,384,414</b>
Less: Adjustment during the year	748,657,725	32,844,218	748,657,725	32,844,218
Closing balance	<b>888,350,848</b>	<b>507,540,196</b>	<b>888,350,848</b>	<b>507,540,196</b>
<b>17.2 Revaluation reserve (foreign investment)</b>				
Opening balance	23,034,581	26,910,230	23,034,581	26,910,230
Less: Adjustment during the year	6,792,694	3,875,649	6,792,694	3,875,649
Closing balance	<b>16,241,887</b>	<b>23,034,581</b>	<b>16,241,887</b>	<b>23,034,581</b>
<b>17.3 Revaluation reserve (property)</b>				
Opening balance	370,354,926	370,354,926	370,354,926	370,354,926
Less: Adjustment during the year	-	-	-	-
Closing balance	<b>370,354,926</b>	<b>370,354,926</b>	<b>370,354,926</b>	<b>370,354,926</b>
Revaluation of foreign investments has been made in 2014 as per BAS -21 " Effect of changes in Foreign Exchange Rates". On the other hand, Govt. treasury bill and bonds have been valued at market price as per Bangladesh Bank BRPD circular no. 05 dated 31 October 2005.				
<b>18. Retained earnings</b>				
Opening balance	1,290,340,814	770,633,905	1,421,011,380	854,165,420
Add: Post - tax profit for the year	2,682,933,842	2,086,381,061	2,660,293,483	2,116,590,608
	<b>3,973,274,656</b>	<b>2,857,014,966</b>	<b>4,081,304,863</b>	<b>2,970,756,028</b>
Less: Dividend (10% bonus in 2013 and 6% cash in 2012)	1,419,603,240	851,761,946	1,419,603,240	851,761,946
Transfer to statutory reserve	1,027,478,419	697,982,702	1,027,478,419	697,982,702
Transfer to general reserve (overseas operation)	47,596,116	11,662,500	-	-
Cash dividend paid by overseas subsidiaries	14,577,432	5,267,004	-	-
	<b>2,509,255,207</b>	<b>1,566,674,152</b>	<b>2,447,081,659</b>	<b>1,549,744,648</b>
Closing balance	<b>1,464,019,449</b>	<b>1,290,340,814</b>	<b>1,634,223,204</b>	<b>1,421,011,380</b>
<b>19. Letters of guarantee</b>				
Directors	-	-	-	-
Government	5,240,406,708	4,776,411,612	5,240,406,708	4,776,411,612
Banks and other financial institutions	2,552,569,807	2,096,385,800	2,552,569,807	2,096,385,800
Others	5,979,187,712	8,604,971,352	5,979,187,712	8,604,971,352
	<b>13,772,164,227</b>	<b>15,477,768,764</b>	<b>13,772,164,227</b>	<b>15,477,768,764</b>
Less: Margin	596,901,394	599,927,084	596,901,394	599,927,084
	<b>13,175,262,833</b>	<b>14,877,841,680</b>	<b>13,175,262,833</b>	<b>14,877,841,680</b>

**19.1** A case was filed by Eastern Bank Limited, successor of BCCI, against National Bank Limited (NBL) with Artha Rin Adalat - 3, Dhaka for guarantee issued by NBL in favour of EBL, which has been decreed against NBL on 04 January 2004 for BDT 27,366,450 plus interest @ 18% p.a. from 01 October 1994 to the date of payment. Against the decreed amount, NBL has made an appeal which is pending in the Honourable High Court, Dhaka. Before filing the appeal, the Bank has paid BDT 13,683,225 being 50% of the principal decreed amount which is included under other assets in these Financial Statements. Provision for BDT 13,683,225 was made in 2006 and the balance of BDT 13,683,225 was made in 2007.

National Bank Limited

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	Group		Bank	
	2014 BDT	2013 BDT	2014 BDT	2013 BDT
<b>20. Interest income</b>				
Interest on advances	20,402,374,999	18,917,286,701	20,394,937,480	18,852,960,435
Interest on money at call and on short notice	44,166,264	11,206,772	44,166,264	11,206,772
Interest on placement with other banks	155,502,046	107,202,834	155,502,046	107,202,834
Interest on foreign currency balances	26,404,769	10,035,679	26,404,769	10,035,679
	<b>20,628,448,078</b>	<b>19,045,731,986</b>	<b>20,621,010,559</b>	<b>18,981,405,720</b>
<b>21. Interest paid on deposits and borrowings etc</b>				
Interest on deposits	15,803,287,229	15,361,132,988	15,803,287,419	15,361,175,160
Interest on borrowings	420,844,429	576,673,101	420,844,429	576,673,101
Discount	287,568,610	228,287,582	287,568,610	228,287,582
	<b>16,511,700,268</b>	<b>16,166,093,671</b>	<b>16,511,700,458</b>	<b>16,166,135,843</b>
<b>22. Investment income</b>				
<b>Dividend on shares</b>				
Local	338,713,429	205,599,227	335,332,572	202,285,184
Overseas	16,093,779	24,871,410	16,093,779	24,871,410
	<b>354,807,208</b>	<b>230,470,637</b>	<b>351,426,351</b>	<b>227,156,594</b>
Interest on treasury bills and bonds	4,581,863,771	4,514,979,992	4,581,863,771	4,514,979,992
Interest on debenture and bonds	153,582,873	144,070,085	153,582,873	144,070,085
Gain on Govt. securities	785,352,973	249,930,643	785,352,973	249,930,643
Profit from sale of share of listed company	103,551,406	87,770,323	80,093,091	76,776,156
Income from prize bonds	104,900	108,000	104,900	108,000
	<b>5,979,263,131</b>	<b>5,227,329,680</b>	<b>5,952,423,959</b>	<b>5,213,021,470</b>
<b>23. Commission, exchange and brokerage</b>				
Commission	1,359,282,352	1,415,283,528	1,055,531,819	1,178,044,116
Exchange gain net off exchange losses	630,793,443	621,008,149	630,793,443	621,008,149
Brokerage	13,059,396	7,817,648	13,059,396	7,817,648
	<b>2,003,135,191</b>	<b>2,044,109,325</b>	<b>1,699,384,658</b>	<b>1,806,869,913</b>
<b>24. Other operating income</b>				
Locker rent	5,544,255	5,606,673	5,544,255	5,606,673
Credit card and ATM	12,590,264	14,665,098	12,590,264	14,665,098
Confirmation charges	119,587,616	60,233,193	119,587,616	60,233,193
Gain from sales of assets	4,034,572	144,711,046	4,034,572	144,711,046
Remittance income	38,039,170	53,444,242	38,039,170	53,444,242
Other receipts	581,615,496	690,214,247	574,684,595	677,823,873
	<b>761,411,373</b>	<b>968,874,499</b>	<b>754,480,472</b>	<b>956,484,125</b>
<b>25. Salaries and allowances</b>				
Basic salary	1,299,155,318	1,203,320,742	1,223,803,622	1,132,433,318
Allowances	1,169,479,392	1,105,510,774	1,169,479,392	1,105,510,774
Bonus	290,235,094	242,421,263	290,235,094	242,421,263
Bank's contribution to provident fund	103,869,135	95,696,563	103,869,135	95,696,563
Gratuity	169,473,600	124,002,000	169,473,600	124,002,000
Provision for the year	50,000,000	50,000,000	50,000,000	50,000,000
Paid during the year	119,473,600	74,002,000	119,473,600	74,002,000
	<b>3,032,212,539</b>	<b>2,770,951,342</b>	<b>2,956,860,843</b>	<b>2,700,063,918</b>
<b>26. Rent, taxes, insurance, electricity etc</b>				
Rent, rates and taxes	313,797,108	303,972,154	272,775,822	270,003,237
Insurance	181,963,027	138,538,571	181,963,027	138,538,571
Electricity	101,820,496	83,423,620	101,820,496	83,423,620
	<b>597,580,631</b>	<b>525,934,345</b>	<b>556,559,345</b>	<b>491,965,428</b>
<b>27. Legal expenses</b>				
Law charges	24,830,466	33,679,073	23,660,911	33,679,073
Other professional charges	1,047,923	832,700	1,047,923	271,100
	<b>25,878,389</b>	<b>34,511,773</b>	<b>24,708,834</b>	<b>33,950,173</b>
<b>28. Postages, stamp and telecommunication</b>				
Telephone -office	22,249,803	20,448,608	17,694,459	17,655,520
Telegram, telex, fax and e-mail	38,005,977	39,420,255	38,005,977	39,420,255
Postage	20,398,951	21,199,378	20,398,951	21,199,378
Telephone - residence	638,045	848,936	638,045	848,936
	<b>81,292,776</b>	<b>81,917,177</b>	<b>76,737,432</b>	<b>79,124,089</b>
<b>29. Stationery, printing and advertisement</b>				
Printing and stationery	96,626,937	105,298,873	92,089,384	101,197,252
Publicity and advertisement	17,519,285	18,599,561	17,519,285	18,599,561
	<b>114,146,222</b>	<b>123,898,434</b>	<b>109,608,669</b>	<b>119,796,813</b>

National Bank Limited

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	Group		Bank	
	2014 BDT	2013 BDT	2014 BDT	2013 BDT
<b>30. Managing Director's salary and allowances</b>				
Basic salary	3,077,419	5,022,581	3,077,419	5,022,581
Allowance	2,393,548	3,906,452	2,393,548	3,906,452
Bonus	900,000	900,000	900,000	900,000
Bank's contribution to provident fund	307,742	502,258	307,742	502,258
	<b>6,678,709</b>	<b>10,331,291</b>	<b>6,678,709</b>	<b>10,331,291</b>
<b>31. Directors' fees and other benefits</b>				
Fees	2,388,765	2,006,737	1,165,000	460,000
<b>Other benefits</b>				
Haltage, traveling and other	694,329	1,301,860	694,329	1,301,860
Refreshment	586,310	487,175	586,310	487,175
	1,280,639	1,789,035	1,280,639	1,789,035
	<b>3,669,404</b>	<b>3,795,772</b>	<b>2,445,639</b>	<b>2,249,035</b>
	<b>1,445,882</b>	<b>1,391,721</b>	<b>450,000</b>	425,000
<b>32. Auditors' fees</b>				
<b>33. Repairs, maintenance and depreciation</b>				
<b>Depreciation (Annex A)</b>				
Buildings	32,241,797	20,789,285	32,241,797	20,789,285
Furniture and fixtures	75,304,532	59,705,019	75,304,532	59,705,019
General equipment	100,373,842	92,628,183	100,373,842	92,628,183
Computer equipment	54,090,526	67,730,374	54,090,526	67,730,374
Vehicles	22,836,925	21,038,474	22,836,925	21,038,474
Vehicles (Under Lease)	6,611,800	6,611,800	6,611,800	6,611,800
Books	83,650	92,167	83,650	92,167
	<b>291,543,072</b>	<b>268,595,302</b>	<b>291,543,072</b>	<b>268,595,302</b>
<b>Repairs and maintenance</b>				
Office premises	32,270,280	22,202,295	10,660,278	22,202,295
Furniture and fixtures	4,703,895	3,628,180	4,703,895	6,836,852
Vehicles	8,989,763	6,836,852	8,989,763	3,628,180
Equipment	53,962,981	85,298,792	53,962,981	67,745,145
	<b>99,926,919</b>	<b>117,966,119</b>	<b>78,316,917</b>	<b>100,412,472</b>
	<b>391,469,991</b>	<b>386,561,421</b>	<b>369,859,989</b>	<b>369,007,774</b>
<b>34. Other expenses</b>				
Car expenses	79,735,492	80,618,840	79,735,492	80,618,840
Credit card expenses	31,919,052	29,496,297	31,919,052	29,496,297
Entertainment	58,260,126	66,173,573	58,260,126	66,173,573
Travelling expenses	26,422,478	24,894,160	26,422,478	24,894,160
Donations	61,788,272	137,868,288	61,788,272	137,868,288
Subscriptions	3,167,080	4,055,971	3,167,080	4,055,971
Periodicals	2,294,747	2,026,138	2,294,747	2,026,138
Cartage/freight	24,343,240	23,156,379	24,343,240	23,156,379
Medical expense	12,884,983	15,196,783	12,884,983	15,196,783
Overseas expenses	3,429,850	1,288,162	3,429,850	1,288,162
Uniform and liveries	7,864,495	8,369,518	7,864,495	8,369,518
Training expenses	7,970,947	6,837,361	7,970,947	6,837,361
Loss on sale of share/ property/ asset	3,171	70,556	3,171	70,556
Miscellaneous	111,228,528	117,587,083	23,702,973	27,008,070
	<b>431,312,461</b>	<b>517,639,109</b>	<b>343,786,906</b>	<b>427,060,096</b>
<b>35. Earnings per share (EPS)</b>				
Net profit after tax (Numerator)	2,682,926,375	2,086,373,302	2,660,293,483	2,116,590,608
Number of ordinary shares outstanding (Denominator)	1,419,603,244	1,419,603,244	1,419,603,244	1,419,603,244
Issue of bonus shares 10%	141,960,324	141,960,324	141,960,324	141,960,324
Number of ordinary shares outstanding (Denominator)	1,561,563,568	1,561,563,568	1,561,563,568	1,561,563,568
Earnings per share (EPS)	<b>1.72</b>	<b>1.34</b>	<b>1.70</b>	<b>1.36</b>

Earnings per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2014 in terms of BAS 33: "Earnings Per Share (EPS)". EPS for the year ended 31 December 2013 was restated for the issues of bonus share in 2013.

**36. 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 4,236.

National Bank Limited

Notes to the financial statements  
For the year ended 31 December 2014

	Bank	
	2014 BDT	2013 BDT
<b>37. Changes in Other liabilities</b>		
<b>Balance at the beginning of the year</b>		
Un-paid dividend	10,009,092	10,009,092
Provision for bonus	191,234,393	284,224,044
Interest suspense account	2,203,179,890	621,024,141
Provision for other classified assets	90,266,450	40,266,450
ATM card holders' accounts	35,500	35,500
Foreign currencies adjustment account	1,353,272,709	1,309,534,358
Bills payable account MPS (CCD)	9,583,346	25,153,296
Provision for LFA	88,492,288	87,494,882
Clearing adjusting account	128,327	138,357
Others	49,076,292	67,340,795
	<b>3,995,278,287</b>	<b>2,445,220,915</b>
<b>Balance at the end of the year</b>		
Un-paid dividend	10,009,092	10,009,092
Provision for bonus	204,265,485	191,234,393
Interest suspense account	3,226,821,883	2,203,179,890
Provision for other classified assets	870,266,450	90,266,450
ATM card holders' accounts	35,500	35,500
Foreign currencies adjustment account	811,843,016	1,353,272,709
Bills payable account MPS (CCD)	12,003,024	9,583,346
Provision for LFA	89,833,143	88,492,288
Clearing adjusting account	34,156	128,327
Others	45,219,230	49,076,292
	<b>5,270,330,979</b>	<b>3,995,278,287</b>
<b>Net Changes</b>	<b>1,275,052,692</b>	<b>1,550,057,372</b>

## National Bank Limited

### Notes to the financial statements For the year ended 31 December 2014

#### 38. Audit committee

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

SL No.	Name	Status with NBL	Status with the Committee	Educational Qualification
i)	Mr. Md. Anwar Hussain	Independent Director	Chairman	BSc ENG. (Civil)
ii)	Mr. Mabroor Hossain	Director	Member	Graduate
iii)	Mr. Md. Mahbubur Rahman Khan	Independent Director	Member	SSC

During the period under review, the audit committee of the Board conducted 4 (four) 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 internal control & compliance system of the Bank.
- iii) Review of internal audit reports of different branches. Identification of minor/major lapses and compliances there against.
- iv) Guidelines for audit program during the year 2015.
- v) Review of working of the credit administration division of the Bank.
- vi) Review of the classified portfolio and recovery position of the Bank.
- vii) Review the training program of the Bank.
- viii) Review of the large classified / stuck up (Top- 20) accounts of the Bank.
- ix) Review of the activities of management committee (MANCOM) of the Bank.
- x) Review of the disposal of the law suits of the Bank.

#### 39. Event after the Balance Sheet date

No material event had occurred after the Balance Sheet date except declaration of 10% Stock dividend.

#### 40. Related party disclosures

- i) **Name of the Directors and the entities in which they have interest as on 31 December 2014:**

Name of Directors	Status with the Bank	Name of the firms / companies in which Directors are associated as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) of Holding/ Interest in the concern
Mr. Zainul Haque Sikder	Chairman	<b>Chairman</b>	
		Z H Sikder Women's Medical College & Hospital (Pvt) Ltd.	9.40%
		Sikder Real Estate Limited	20.00%
Mrs. Monowara Sikder	Director	Z H Sikder University of Science & Technology	
		<b>Managing Director</b>	
		Z H Sikder Women's Medical College & Hospital (Pvt) Ltd.	9.40%
Ms. Parveen Haque Sikder	Director	Sikder Real Estate Limited	20.00%
		<b>Vice Chairperson</b>	
		Z H Sikder University of Science & Technology	
Ms. Parveen Haque Sikder	Director	<b>Chairperson</b>	
		Millennium International School	34.80%
		Mandy Dental College & Hospital	
		J & M Builders (Pvt) Ltd.	50.00%

**National Bank Limited**

**Notes to the financial statements  
For the year ended 31 December 2014**

		Western Bowling & Fitness Centre Jeffrey Institute of Health Science & Technology Powertech Holdings Ltd. 50.00% ISO Tech Group
		<b><u>Vice Chairperson</u></b>
		Z H Sikder Women's Medical College & Hospital (Pvt.) Ltd. 9.40% Sikder Real Estate Limited 10.00%
		<b><u>Treasurer</u></b>
		Z H Sikder University of Science & Technology
		<b><u>Proprietor</u></b>
		Z M Real Estate
Alhaj Khalilur Rahman	Director	<b><u>Chairman</u></b>
		KDS Garments Ind. Ltd. 50.15% KDS Apparels Ltd. 49.88% KY Steel Mills Ltd. 98.00% KIY Steel Ind. Ltd. 95.00% KDS High Tech Garments (BD) Ltd 50.00% KDS Information Tech. Ltd. 55.00% KDS Fashion Ltd. 0.86% Steel Accessories Ltd. 50.00% KDS Logistics Ltd. 0.13% Pragati Life Insurance Ltd. 197,568 shares
		<b><u>Managing Director</u></b>
		KDS Textile Mills Ltd. 20.27% KDS Cotton Poly Thread Ind. Ltd. 6.67% KYCR Coil Ind. Ltd. 9.21%
		<b><u>Shareholder</u></b>
		Al-Arafah Islami Bank Ltd. 5,184,145 shares Pragati Insurance Ltd. 2,811,796 shares KDS Accessories Ltd. 61.00% KDS Poly Ind. Ltd. 61.00%
		<b><u>Director</u></b>
		KDS IDR Ltd. 45.00% Sky Securities Ltd. 42.46%
Mr. Moazzam Hossain	Director	<b><u>Chairman</u></b>
		Hosaf International Ltd. 22.93% Shandong Ludi Xinwen & Hosaf Mining (BD) Limited. 20.00% Hosaf Gene Cure Pharma Co. Ltd. 36.67% Hosaf Proficient Energy Ltd. 50.00%
		<b><u>Managing Director</u></b>
		EnergyPrima Ltd. 30.43% Hosaf Meter Industry Ltd. 97.89% Citi Link Apartment Ltd. 99.98%
		<b><u>Director</u></b>
		Euro Knitting & Dyeing Inds. Ltd. 11.46%
		<b><u>Proprietor</u></b>
		Hosaf Consultancy 100.00%
		<b><u>Shareholder</u></b>
		United Hospital Ltd. 0.42% Pragati Insurance Ltd. (Sponsor) 1.57%



**National Bank Limited**

**Notes to the financial statements**

**For the year ended 31 December 2014**

Mr. Zakaria Taher	Director	<b><u>Chairman</u></b>	
		Purbachal Drillers Ltd.	50.00%
		T S Holdings Ltd.	60.00%
		Microgenix BD Ltd.	25.00%
		Zyta Garments Ltd.	60.00%
		<b><u>Director</u></b>	
		Jeans Culture Ltd.	40.00%
		<b><u>Managing Director</u></b>	
		Armana Fashions Limited	34.00%
		Armana Apparels Ltd.	50.00%
		Zyta Apparels Ltd.	51.00%
		Denimach Ltd.	15.00%
		Denimach Washing Ltd.	10.00%
		Denitex Ltd.	20.00%
		<b><u>Sponsor shareholder</u></b>	
		Pragati Life Insurance Ltd.	224,662 shares
Pragati Insurance Ltd.	89,008 shares		
TSCO Power Ltd.	49.50%		
T S Transformer Ltd.	34.50%		
Mr. Rick Haque Sikder	Director	<b><u>Chairman</u></b>	
		Power Pac Holdings Ltd.	50.00%
		R & R Holdings Ltd.	50.00%
		PowerPac Mutiara Keraniganj Power Plant Ltd.	50.00%
		PowerPac Keraniganj-II Power Plant Ltd.	50.00%
		PowerPac Mutiara Khulna Power Plant Ltd.	50.00%
		PowerPac Mutiara Jamalpur Power Plant Ltd.	50.00%
		<b><u>Director</u></b>	
		Z H Sikder Women's Medical College & Hospital (pvt) Ltd.	9.40%
		Sikder Pharmaceuticals Ltd.	10.00%
		Sikder Real Estate Ltd.	10.00%
		<b><u>Managing Director</u></b>	
		R & R Aviation Ltd.	81.90%
		BEL Construction SDN BHD Ltd.	80.00%
		<b><u>Managing Partner</u></b>	
		PowerPac	50.00%
A1 Trade Center	50.00%		
<b><u>Proprietor</u></b>			
The River	100.00%		
<b><u>Member</u></b>			
Z H Sikder University of Science & Technology			
Mr. Ron Haque Sikder	Director	<b><u>Managing Director</u></b>	
		R & R Holdings Ltd.	50.00%
		PowerPac Holdings Ltd.	50.00%
		PowerPac Mutiara Keraniganj Power Plant Ltd.	50.00%
		PowerPac Keraniganj-II Power Plant Ltd.	50.00%
		PowerPac Mutiara Khulna Power Plant Ltd.	50.00%
		PowerPac Mutiara Jamalpur Power Plant Ltd.	50.00%
		PowerPac Mutiara Jamalpur Power Plant Ltd.	50.00%

**National Bank Limited**

**Notes to the financial statements**

**For the year ended 31 December 2014**

		<b>Director</b>	
		Z H Sikder Women's Medical College & Hospital (pvt) Ltd.	9.40%
		Sikder Pharmaceuticals Ltd.	10.00%
		<b>Vice Chairman</b>	
		Sikder Real Estate Ltd.	10.00%
		<b>Managing Partner</b>	
		Power Pac	50.00%
		A1 Trade Center	50.00%
		<b>Member</b>	
		Z H Sikder University of Science & Technology	
		<b>Shareholder</b>	
		R & R Aviation Ltd.	18.00%
Mr. Mabroor Hossain	Director	<b>Director</b>	
		Hosaf Meter Industry Ltd.	0.49%
		Hosaf International Ltd.	1.42%
		Hosaf Gene Cure Pharma Co. Ltd.	18.00%
		Euro Knitting & Dyeing Inds. Ltd.	25.00%
		Shandong Ludi Xinwen & Hosaf Mining (BD) Ltd.	5.00%
		Hosaf Proficient Energy Ltd.	40.00%
		EnergyPrima Ltd.	0.04%
		<b>Shareholder</b>	
		Pragati Life Insurance Ltd	3.25%
		Pragati Insurance Ltd.	0.01%
		<b>Proprietor</b>	
		M H Holdings	100.00%
Mr. Salim Rahman	Director	<b>Chairman</b>	
		KDS Accessories Ltd.	21.00%
		KDS Poly Ind. Ltd.	21.00%
		Sky Securities Ltd.	3.61%
		KYCR Coil Ind. Ltd.	13.82%
		<b>Director</b>	
		KDS Garments Ind. Ltd.	49.85%
		KDS Textile Mills Ltd.	0.67%
		KDS Cotton Poly Thread Ind. Ltd.	7.98%
		KDS Information Tech Ltd.	25.00%
		<b>Managing Director</b>	
		KDS Hi-Tech. Garments (BD) Ltd.	50.00%
		KDS Apparels Ltd.	50.12%
		Steel Accessories Ltd.	50.00%
		KDS Fashions Ltd.	1.71%
		KDS IDR Ltd.	45.00%
		KDS Logistic Ltd.	0.13%
		<b>Shareholder</b>	
		Al-Arafah Islami Bank Ltd.	14,576,005 shares
		Pragati Insurance Ltd.	621,147 shares
		Pragati Life Insurance Ltd.	210,832 shares
		International Leasing & Financial Services Ltd.	260,400 shares
Mr. Md. Anwar Hussain	Independent Director	<b>Proprietor</b>	
		ANA Group	
Mr. Md. Mahbubur Rahman Khan	Independent Director	<b>Managing Director</b>	Nil
		Himalaya Trading Co. Ltd.	
		Hotel Raffles Inn	
		<b>Proprietor</b>	
		M/s. Mahbubur Rahman Khan	

**National Bank Limited**

**Notes to the financial statements  
For the year ended 31 December 2014**

Mr. A K M Enamul Hoque Shameem	Independent Director	<b>Member</b> Trustee board, Stamford University, Bangladesh Founder & President, Port City International University, Chittagong	Nil
Mr. Shamsul Huda Khan	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** (Amount in lac BDT)

<b>Name of the party</b>	<b>Nature of Relation</b>	<b>Nature of Transaction</b>	<b>2014</b>
KDS Garments Ltd.	Alhaj Khalilur Rahman, Chairman and Mr. Salim Rahman, Managing Director of KDS Garments Limited and Director of the Bank.	LG	25.00
Z H Sikder Women's Medical College & Hospital (Pvt) Ltd.	Common Director	Loan (Gen) & LC	1,237.33
Rick Haque Sikder & others	Director	SOD	2,603.17
NBL Securities Ltd.	Subsidiary	Loan	<u>51,154.00</u> <u><b>55,019.49</b></u>

**v) Lending policies to related parties**

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

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

**41. General**

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

for National Bank Limited



Managing Director



Director



Director



Chairman

Dhaka, Bangladesh  
14 May 2015

Schedule of fixed assets including premises, furniture and fixtures  
As at 31 December 2014

Particulars	Cost / Revaluation					Depreciation				Written down value at 31 December 2014
	At 01 January 2014	Addition during the year	Disposal/ adjustment during the year	Total at 31 December 2014	Rate (%)	To 01 January 2014	Charge for the year	Disposal/ adjustment during the year	Total to 31 December 2014	
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	
Land	664,709,050	2,627,242	-	667,336,292	-	-	-	-	-	667,336,292
Building	1,115,956,860	243,444,774	-	1,359,401,634	2.50%	78,940,456	32,241,797	-	111,182,253	1,248,219,381
Furniture and fixtures	799,148,540	45,331,412	2,343,351	842,136,601	10.00%	295,930,077	75,304,532	2,157,925	369,076,684	473,059,917
General equipment	754,877,280	69,356,443	6,577,322	817,656,401	20.00%	476,615,828	100,373,842	6,452,456	570,537,214	247,119,187
Computer equipment	567,228,922	38,393,167	11,979,049	593,643,040	33.33%	486,714,540	54,090,526	11,897,488	528,907,578	64,735,462
Vehicles	207,649,460	19,738,059	6,462,000	220,925,519	20.00%	152,061,537	22,836,925	6,433,555	168,464,907	52,460,612
Vehicles (leased)	33,059,000	-	-	33,059,000	20.00%	15,977,007	6,611,800	-	22,588,807	10,470,193
Books	1,394,734	2,873	-	1,397,607	20.00%	1,195,026	83,650	-	1,278,676	118,931
<b>At 31 December 2014</b>	<b>4,144,023,846</b>	<b>418,893,970</b>	<b>27,361,722</b>	<b>4,535,556,094</b>		<b>1,507,434,471</b>	<b>291,543,072</b>	<b>26,941,424</b>	<b>1,772,036,119</b>	<b>2,763,519,975</b>
<b>At 31 December 2013</b>	<b>3,273,640,344</b>	<b>943,127,728</b>	<b>72,744,226</b>	<b>4,144,023,846</b>		<b>1,271,258,232</b>	<b>268,595,302</b>	<b>32,419,063</b>	<b>1,507,434,471</b>	<b>2,636,589,375</b>

**Balance with other Banks and Financial Institutions (Outside Bangladesh)  
As at 31 December 2014**

Particulars	Currency Name	2014			2013		
		Amount in Foreign Currency	Conversion Rate Per Unit F.C	Amount in BDT.	Amount in Foreign Currency	Conversion Rate Per Unit F.C	Amount in BDT
<b>In fixed deposit accounts</b>							
<b>(interest bearing) with</b>							
JP Morgan Chase Bank, Singapore	USD	610,000.00	77.9494	47,549,134	610,000.00	77.7500	47,427,500
AB Bank Ltd -OBU	USD			-	9,000,000.00	77.7500	699,750,000
Standard Chartered Bank, NY	USD	500,000.00	77.9494	38,974,700	500,000.00	77.7500	38,875,000
<b>Sub-total</b>				<b>86,523,834</b>			<b>786,052,500</b>
<b>In demand deposit accounts</b>							
<b>(non interest bearing) with</b>							
Mashreq Bank, New York	USD	2,069,411.73	77.9494	161,309,403	2,028,194.08	77.7500	157,692,090
JP Morgan Chase Bank - New York	USD	863,914.94	77.9494	67,341,651	2,507,018.62	77.7500	194,920,698
Bank of America Int'l, New York	USD	-	77.9494	-	496,376.56	77.7500	38,593,278
Standard Chartered Bank, New York	USD	17,969,008.71	77.9494	1,400,673,448	19,757,393.93	77.7500	1,536,137,378
HSBC, New York	USD	1,238,337.66	77.9494	96,527,678	1,032,901.18	77.7500	80,308,067
Standard Chartered Bank, Mumbai	ACU	816,416.73	77.9494	63,639,194	742,921.10	77.7500	57,762,116
Sonali Bank, Kolkata	ACU	367,538.65	77.9494	28,649,417	389,262.17	77.7500	30,265,134
Mashreq Bank, Mumbai	ACU	539,216.02	77.9494	42,031,566	635,106.69	77.7500	49,379,545
State Bank of India, Kolkata	ACU	6,122.07	77.9494	477,212	6,122.07	77.7500	475,991
United Bank, Karachi	ACU	31,215.43	77.9494	2,433,224	31,215.43	77.7500	2,427,000
NABIL Bank, Nepal	ACU	263,043.97	77.9494	20,504,120	230,468.97	77.7500	17,918,962
Standard Chartered Bank, Colombo	ACU	136,555.68	77.9494	10,644,433	86,136.09	77.7500	6,697,081
Myanmar Foreign Trade Bank- Yangon	ACU	662.85	77.9494	51,669	662.85	77.7500	51,537
AB Bank Ltd, Mumbai	ACU	1,315,238.90	77.9494	102,522,084	1,152,787.01	77.7500	89,629,190
Bank of Bhutan, Thimpu	ACU	429,475.72	77.9494	33,477,376	87,170.56	77.7500	6,777,511
HSBC, Karachi	ACU	-	77.9494	-	25,840.08	77.7500	2,009,066
ICICI Bank Ltd, Mumbai	ACU	38,222.54	77.9494	2,979,425	38,028.34	77.7500	2,956,703
HDFC Bank Ltd, India	ACU	82,335.41	77.9494	6,417,996	100,415.76	77.7500	7,807,325
Commerz Bank, Frankfurt	EURO	23,805.37	94.6072	2,252,159	164,497.82	106.8285	17,573,055
Standard Chartered Bank, Frankfurt	EURO	49,918.94	94.6072	4,722,692	9,353.96	106.8285	999,270
Uni Credito Italiano SPA, Italy	EURO	88,339.32	94.6072	8,357,536	7,170.13	106.8285	765,974
Alpha Bank AE Athens	EURO	7,197.76	94.6072	680,960	5,935.91	106.8285	634,124
HSBC, London	GBP	-	120.9619	-	192,887.01	128.0776	24,704,505
Sonali Bank, London	GBP	11,824.06	120.9619	1,430,261	1,461.56	128.0776	187,193
BOT - Tokyo	JPY	924,317.00	0.6469	597,941	3,054,740.00	0.7384	2,255,620
UBAF- Tokyo	JPY	29,245.00	0.6469	18,919	29,245.00	0.7384	21,595
Union Bank of Switzerland	CHF	23,752.63	78.6573	1,868,318	10,166.00	87.1051	885,510
Habib Bank Zurich	CHF	8,600.48	78.6573	676,491	8,427.25	87.1051	734,056
Habib Bank, Karachi	ACU	1,109,859.92	77.9494	86,512,915	513,147.10	77.7500	39,897,187
Habib American Bank, NY	USD	977,741.98	77.9494	76,214,401	1,068,311.25	77.7500	83,061,200
Bank of Nova Scotia, Toronto	CAD	87.72	66.9266	5,871	12,303.57	72.5754	892,937
National Australia Bank, Melbourne	AUD	10,545.10	63.3417	667,945	5,606.04	68.8165	385,788
Standard Chartered Bank, Singapore	SGD	34,035.05	58.7942	2,001,064	103,186.26	61.2542	6,320,592
Wachovia Bank, New York	USD	1,888,394.23	77.9494	147,199,198	2,220,582.13	77.7500	172,650,261
Citibank N.A - New York	USD	1,744,554.08	77.9494	135,986,944	3,967,129.70	77.7500	308,444,334
<b>Sub-total</b>				<b>2,508,873,511</b>			<b>2,942,221,873</b>
<b>Grand total</b>				<b>2,595,397,345</b>			<b>3,728,274,373</b>

## Status of large loan

As at 31 December 2014

(Figure in crore)

SL No	Name of the borrower	Funded	Non-funded	Total outstanding	Remarks
		BDT	BDT	BDT	
1	Pacific BD Telecom Limited	175.41	145.00	320.41	
2	NASSA Group	351.17	117.10	468.27	
3	S Alam Group	599.65	639.39	1,239.04	
4	S Alam Super Edible Oils Ltd	468.25	205.28	673.53	
5	Saad Musa Group	226.96	107.64	334.60	
6	S A Group	294.02	8.42	302.44	
7	FMC	469.88	47.38	517.26	
8	Ehsan Group	336.47	-	336.47	
9	Navana Group	394.26	2.13	396.39	
10	Afsar Real Estate Ltd	377.62	-	377.62	
11	Nurjahan Super Edible Oils Ltd and Khelque and Sons	308.18	-	308.18	
12	Marrine Vegetables & Ahmed Traders	293.19	-	293.19	
13	NBL Securities Ltd	511.54	-	511.54	
14	Maisha Groups	587.75	-	587.75	
15	West Marine Shipyard Limited	338.10	-	338.10	
16	Beximco Group	534.69	15.00	549.69	
	<b>Total</b>	<b>6,267.14</b>	<b>1,287.34</b>	<b>7,554.48</b>	

## Status on REPO and Reverse REPO

As at 31 December 2014

## A. i) Disclosure regarding outstanding REPO

As per DOS circular no. 06 dated 15 July 2010.

(Fig. in crore)

Counter party	Agreement date	Reversal date	BDT
Sonali Bank Limited	30.12.2014	01.01.2015	180.54
Rupali Bank Limited	30.12.2014	01.01.2015	100.54
Agrani Bank Limited	30.12.2014	01.01.2015	100.21
United Commercial Bank Ltd.	30.12.2014	01.01.2015	139.32
Basic Bank Limited	30.12.2014	01.01.2015	200.23
<b>Total</b>			<b>720.84</b>

## ii) Disclosure regarding outstanding Reverse REPO

Counter party	Agreement date	Reversal date	Amount
Nil	-	-	-

## B. Disclosure regarding overall transaction of REPO and reverse REPO

Counter party	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year
<b>REPO/ALS</b>			
With Bangladesh Bank	19.96	716.74	358.91
Other Banks and FIS	34.00	891.66	139.51
<b>Reverse REPO</b>			
With Bangladesh Bank	20.00	190.00	70.00
Other Banks and FIS	51.51	126.60	75.43

**Structural Liquidity Profile  
As at 31 December 2014**

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

(BDT in crore)

Particulars	Call	2-7 Days	8 Days-1 Month	1-3 Months	3-12 Months	1-5 Years	more than 5 years	Total
<b>Assets (Inflow)</b>								
Cash in hand (LCY+FCY)	218.13	-	-	-	-	-	-	218.13
Balance with Bangladesh Bank (LCY)	59.70	-	-	-	-	-	1,341.88	1,401.58
Balance with Bangladesh Bank (FCY)	-	-	-	-	-	-	-	-
Balance with other banks and financial institutions	147.48	2.79	-	10.00	30.00	-	7.33	197.60
Money at call and on short notice	9.83	-	-	-	-	-	-	9.83
Investment in G-SEC	-	-	22.67	266.73	553.55	1,516.32	2,996.69	5,355.96
Other Investment (Share, Debenture and bond, MFU and others)	0.92	20.00	371.08	1.00	594.69	80.00	161.80	1,229.49
Loans and advances	216.66	29.84	3,560.33	4,528.31	7,253.90	8,274.35	2,618.48	26,481.87
Bills purchased and discounted	14.89	44.68	59.57	163.83	14.89	-	-	297.86
Reverse REPO with Bangladesh Bank	-	-	-	-	-	-	-	-
Reverse REPO with Others	-	-	-	-	-	-	-	-
Fixed assets including premises, furniture and fixtures	-	-	-	-	-	-	276.35	276.35
Other assets	-	-	1.05	34.32	9.47	900.60	0.08	945.52
Non-banking assets	-	-	-	-	-	-	35.56	35.56
Other receivables	-	-	-	-	-	-	-	-
<b>Total Inflows</b>	<b>667.61</b>	<b>97.31</b>	<b>4,014.70</b>	<b>5,004.19</b>	<b>8,456.50</b>	<b>10,771.27</b>	<b>7,438.17</b>	<b>36,449.75</b>
<b>Liabilities (Outflows)</b>								
Borrowing from Bangladesh Bank (Refinances etc)	3.04	21.27	66.86	182.34	103.36	-	-	376.87
REPO/LS with Bangladesh Bank	516.39	-	-	-	-	-	-	516.39
REPO with other banks and fis.	720.83	-	-	-	-	-	-	720.83
Borrowing from other banks and fis.	-	61.28	3.64	334.32	10.00	-	-	409.24
Money at call and on short notice	-	-	-	-	-	-	-	-
Demand Deposits	332.95	332.71	322.59	347.50	312.88	1,325.95	-	2,974.58
Savings bank deposit	37.04	39.05	38.76	43.07	43.07	2,670.41	-	2,871.40
Fixed Deposit	150.53	412.63	1,432.88	4,504.15	3,247.79	2,736.79	267.81	12,752.58
Bills Payable	26.54	133.74	27.52	24.89	49.77	-	-	262.46
Provision and other liabilities	-	8.98	1.21	-	-	184.58	781.99	976.76
Capital and Reserve	-	-	-	-	-	160.00	2,525.50	2,685.50
<b>Total Outflows</b>	<b>1,787.32</b>	<b>1,009.66</b>	<b>1,893.46</b>	<b>5,436.27</b>	<b>3,766.87</b>	<b>7,077.73</b>	<b>3,575.30</b>	<b>24,546.61</b>
Letter of Credit/Guarantees (Net of margin)	22.49	157.41	555.82	1,762.73	2,034.32	-	-	4,532.77
Other OBS Items (Net of margin)	-	-	-	-	-	-	-	-
Available Balance with BB (FCY)	60.86	-	-	-	-	-	-	60.86
Net Nostro a/c balance	250.89	8.65	23.31	-	-	-	-	282.85
Net Mismatch	(830.45)	(1,061.11)	1,588.73	(2,194.81)	2,655.31	3,693.54	3,862.87	7,714.08
Cumulative Net Mismatch	(830.45)	(1,891.56)	(302.83)	(2,497.64)	157.67	3,851.21	7,714.08	
Medium Term Funding Ratio (MTF):			0.585028					
Maximum Cumulative Outflow (MCO):			14.75%					



**National Bank Limited****Highlights on the activities of the Bank  
As at 31 December 2014****(BDT in Million)**

<b>Sl. No.</b>	<b>Particulars</b>	<b>2014</b>	<b>2013</b>
1	Paid-up Capital	15,615.64	14,196.03
2	Total Capital (Tier I+II)	29,217.56	27,705.46
3	Capital Surplus/ (Deficit)	4,261.50	4,014.34
4	Total Assets	256,537.46	235,173.80
5	Total Deposits	203,296.18	193,642.97
6	Total Loans and Advances	172,964.72	151,098.99
7	Total Contingent Liabilities and Commitments	63,525.84	74,399.30
8	Advance / Deposit Ratio (%)	85.08%	78.03%
9	Percentage of Classified Loans against total Loans and Advances	5.26%	3.24%
10	Profit after Provision & Tax	2,660.29	2,116.59
11	Amount of Classified Loans	9,102.46	4,898.83
12	Provision kept against Classified Loans	1,970.64	1,461.48
13	Provision Surplus / (Deficit)	(1,057.69)	(151.10)
14	Cost of Fund (including operating cost)	10.51%	11.52%
15	Interest Earning Assets	221,584.16	202,724.62
16	Non-interest Earning Assets	34,953.30	32,449.19
17	Return on Investment (ROI)	10.66%	9.38%
18	Return on Assets (ROA)	1.08%	0.96%
19	Income from Investment	5,952.42	5,213.02
20	Earnings per Share (Taka)	1.70	1.36
21	Net income per Share (Taka)	1.70	1.36
22	Price Earning Ratio (Times)	6.71	8.71
23	Net Assets Value per shares (Taka)	17.27	16.86
24	Net operating cash flow per share (Taka)	(3.49)	10.97

National Bank Limited (Offshore Banking Unit)

Balance Sheet

As at 31 December 2014

	Notes	2014		2013	
		USD	BDT	USD	BDT
<b>PROPERTY AND ASSETS</b>					
<b>Cash</b>					
In hand (including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent bank (Including foreign currencies)		-	-	-	-
<b>Balance with other banks and financial institutions</b>					
In Bangladesh	3	13,313,876.50	1,037,808,685	6,594,188.82	512,698,181
Outside Bangladesh		-	-	-	-
		<b>13,313,876.50</b>	<b>1,037,808,685</b>	<b>6,594,188.82</b>	<b>512,698,181</b>
<b>Money at call and on short notice</b>					
		-	-	-	-
<b>Investments</b>					
	4	-	-	-	-
<b>Loans and advances</b>					
i) Loans, cash credits, overdrafts, etc					
In Bangladesh		2,604,885.88	203,049,291	2,102,176.37	163,444,213
Outside Bangladesh		-	-	-	-
		<b>2,604,885.88</b>	<b>203,049,291</b>	<b>2,102,176.37</b>	<b>163,444,213</b>
ii) Bills purchased and discounted					
Payable in Bangladesh		34,115,064.99	2,659,248,847	15,451,285.99	1,201,337,486
Payable outside Bangladesh		-	-	-	-
		<b>34,115,064.99</b>	<b>2,659,248,847</b>	<b>15,451,285.99</b>	<b>1,201,337,486</b>
		<b>36,719,950.87</b>	<b>2,862,298,138</b>	<b>17,553,462.36</b>	<b>1,364,781,699</b>
<b>Fixed assets</b>					
	5	725.72	56,570	910.09	70,759
<b>Other assets</b>					
	6	620,000.00	48,328,627	175,956.89	13,680,649
<b>Non - banking assets</b>					
		-	-	-	-
<b>Total assets</b>					
		<b>50,654,553.09</b>	<b>3,948,492,020</b>	<b>24,324,518.16</b>	<b>1,891,231,288</b>
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
Borrowings from other banks, financial institutions and agents					
In Bangladesh	7	47,605,900.00	3,710,851,341	21,165,750.00	1,645,637,063
Outside Bangladesh		-	-	-	-
		<b>47,605,900.00</b>	<b>3,710,851,341</b>	<b>21,165,750.00</b>	<b>1,645,637,063</b>
<b>Deposits and other accounts</b>					
8					
Current deposits and other accounts		2,413,714.09	188,147,565	2,879,629.16	223,891,167
Term deposits		302,438.00	23,574,861	260,115.00	20,223,941
		<b>2,716,152.09</b>	<b>211,722,426</b>	<b>3,139,744.16</b>	<b>244,115,108</b>
<b>Other liabilities</b>					
	9	332,501.00	25,918,253	19,024.00	1,479,117
<b>Total liabilities</b>					
		<b>50,654,553.09</b>	<b>3,948,492,020</b>	<b>24,324,518.16</b>	<b>1,891,231,288</b>
<b>Shareholders' equity</b>					
Retained earnings brought forward from profit & loss account					
		-	-	-	-
<b>Total liabilities and shareholders' equity</b>					
		<b>50,654,553.09</b>	<b>3,948,492,020</b>	<b>24,324,518.16</b>	<b>1,891,231,288</b>
<b>OFF-BALANCE SHEET ITEMS</b>					
<b>Contingent liabilities</b>					
Acceptance and endorsements		4,357,300.00	339,648,921	12,402,500.00	964,294,375
Letter of guarantee - Banks		-	-	-	-
Letter of guarantee - Others		207,200.00	16,151,116	207,200.00	16,109,800
Bills for collection		7,646,800.00	596,063,472	8,485,200.00	659,724,300
Irrevocable letters of credit		5,656,600.00	440,928,576	5,258,000.00	408,809,500
Other commitments		-	-	-	-
		<b>17,867,900.00</b>	<b>1,392,792,085</b>	<b>26,352,900.00</b>	<b>2,048,937,975</b>

**National Bank Limited (Offshore Banking Unit)**

**Profit and Loss Statement**

**For the year ended 31 December 2014**

	Notes	2014		2013	
		USD	BDT	USD	BDT
Interest income	10	1,826,573.30	142,380,293	706,095.59	54,898,932
Less: Interest paid on deposits and borrowings	11	868,961.84	67,735,054	180,439.74	14,029,190
<b>Net interest income</b>		<b>957,611.46</b>	<b>74,645,239</b>	<b>525,655.85</b>	<b>40,869,742</b>
Commission, exchange and brokerage	12	366,130.92	28,539,685	373,320.44	29,025,664
Other operating income	13	237,697.88	18,528,408	180,491.88	14,033,243
<b>Total operating income</b>		<b>1,561,440.26</b>	<b>121,713,332</b>	<b>1,079,468.17</b>	<b>83,928,649</b>
Salary and allowances	14	42,933.87	3,346,670	50,967.57	3,962,729
Rent, taxes, Insurance, electricity etc.	15	14,101.10	1,099,172	14,030.88	1,090,901
Postage, stamps, telecommunication etc.	16	22,525.37	1,755,839	16,682.57	1,297,070
Repair, maintenance and depreciation	17	229.95	17,924	471.65	36,670
Other operating expenses	18	356.89	27,819	254.31	19,773
<b>Total operating expenses</b>		<b>80,147.18</b>	<b>6,247,424</b>	<b>82,406.98</b>	<b>6,407,143</b>
<b>Profit before provision</b>		<b>1,481,293.08</b>	<b>115,465,908</b>	<b>997,061.19</b>	<b>77,521,506</b>
Less: General provision against UC loan	2.3	-	-	-	-
<b>Profit before income tax</b>		<b>1,481,293.08</b>	<b>115,465,908</b>	<b>997,061.19</b>	<b>77,521,506</b>
Less: Provision for income tax	2.3	-	-	-	-
<b>Net profit after taxation</b>		<b>1,481,293.08</b>	<b>115,465,908</b>	<b>997,061.19</b>	<b>77,521,506</b>
Balance of profit brought forward		-	-	-	-
Effect of changes in exchange rate		-	-	-	(747,794)
<b>Retained earnings carried forward</b>		<b>1,481,293.08</b>	<b>115,465,908</b>	<b>997,061.19</b>	<b>76,773,712</b>
Less: Retained earnings transferred to central operation		1,481,293.08	115,465,908	997,061.19	76,773,712
		-	-	-	-

**National Bank Limited (Offshore Banking Unit)**

**Cash Flow Statement**

**For the year ended 31 December 2014**

	2014		2013	
	USD	BDT	USD	BDT
<b>A) Cash flows from operating activities</b>				
Interest Income	1,826,573.30	142,380,293	706,095.59	54,898,932
Interest paid	(868,961.84)	(67,735,054)	(180,439.74)	(14,029,190)
Commission, exchange and brokerage	366,130.92	28,539,685	373,320.44	29,025,664
Received from other operating activities	237,697.88	18,528,408	180,491.88	14,033,244
Paid to employees	(42,933.87)	(3,346,670)	(50,967.57)	(3,962,729)
Paid to supplier	(36,671.94)	(2,858,555)	(30,947.95)	(2,406,203)
Paid for operating expenses	(356.89)	(27,819)	(254.31)	(19,773)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>1,481,477.56</b>	<b>115,480,288</b>	<b>997,298.34</b>	<b>77,539,945</b>
<b>(Increase)/decrease in operating assets &amp; liabilities</b>				
Loan and advances to customers	(19,166,488.51)	(1,497,516,439)	(9,842,107.13)	(749,030,755)
Other Assets	(444,043.22)	(34,647,978)	(112,956.89)	(8,650,105)
Effect of Changes in exchange rate	-	(191)	-	(746,375)
Deposits from Banks	-	-	-	-
Customers' deposits and other accounts	(423,592.07)	(32,392,682)	(414,995.06)	(39,730,472)
Borrowing from other banks and financial institutions	26,440,150.00	2,065,214,278	16,920,750.00	1,306,675,237
Other liabilities	313,477.00	24,439,136	14,548.00	1,121,708
	<b>6,719,503.20</b>	<b>525,096,124</b>	<b>6,565,238.92</b>	<b>509,639,238</b>
<b>Net cash from operating activities</b>	<b>8,200,980.76</b>	<b>640,576,412</b>	<b>7,562,537.26</b>	<b>587,179,183</b>
<b>B) Cash flows from investing activities</b>				
Changes in fixed assets	-	-	-	-
Fund placement	-	-	-	-
	-	-	-	-
<b>C) Cash flows from financing activities</b>				
Profit remitted to Head Office	(1,481,293.08)	(115,465,908)	(997,061.19)	(76,773,712)
<b>Net cash used in financing activities</b>	<b>(1,481,293.08)</b>	<b>(115,465,908)</b>	<b>(997,061.19)</b>	<b>(76,773,712)</b>
<b>D) Net increase in cash and cash equivalents (A+B+C)</b>	<b>6,719,687.68</b>	<b>525,110,504</b>	<b>6,565,476.07</b>	<b>510,405,471</b>
<b>E) Opening cash and cash equivalents</b>	<b>6,594,188.82</b>	<b>512,698,181</b>	<b>28,712.75</b>	<b>2,292,710</b>
<b>F) Closing cash and cash equivalent (D+E)</b>	<b>13,313,876.50</b>	<b>1,037,808,685</b>	<b>6,594,188.82</b>	<b>512,698,181</b>
<b>G) Closing cash and cash equivalents</b>				
Cash In hand (including foreign currencies)	-	-	-	-
Balances with Bangladesh Bank and its agent bank (s)	-	-	-	-
Balances with other banks and financial institutions	13,313,875.50	1,037,808,685	6,594,188.82	512,698,181
Money at call and on short notice	-	-	-	-
Prize bonds	-	-	-	-
	<b>13,313,875.50</b>	<b>1,037,808,685</b>	<b>6,594,188.82</b>	<b>512,698,181</b>

## National Bank Limited (Offshore Banking Unit)

### Notes to the financial statements

For the year ended 31 December 2014

#### 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.

#### 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 Banking Companies Act 1991, Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BAS) and other applicable directives issued by Bangladesh Bank.

##### 2.2 Loans and advances

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

##### 2.3 Common expenses

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

These are accounted for in the central accounts of NBL.

#### 3. Balance with other banks and financial institutions

##### Inside Bangladesh

	2014		2013	
	USD	BDT	USD	BDT
NBL Mohakhali Branch	182,419.20	14,219,467	81,448.19	6,332,597
Placement with NBL	8,828,500.00	688,176,278	6,183,000.00	480,728,250
Head Office ID	4,302,957.30	335,412,940	329,740.63	25,637,334
	<b>13,313,876.50</b>	<b>1,037,808,685</b>	<b>6,594,188.82</b>	<b>512,698,181</b>

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

##### Payable

On demand	13,313,876.50	1,037,808,685	6,594,188.82	512,698,181
Within one month	-	-	-	-
More than one month but not more than three months	-	-	-	-
More than three months but not more than one year	-	-	-	-
More than one year but not more than five years	-	-	-	-
More than five years	-	-	-	-
	<b>13,313,876.50</b>	<b>1,037,808,685</b>	<b>6,594,188.82</b>	<b>512,698,181</b>

National Bank Limited (Offshore Banking Unit)

Notes to the financial statements

For the year ended 31 December 2014

	2014		2013	
	USD	BDT	USD	BDT
<b>4. Loans and advances</b>				
<b>4.1 Loans, cash credit, overdraft etc</b>				
<b>4.1.1 Inside Bangladesh</b>				
Loans	1,445,749.84	112,695,333	1,280,000.00	99,520,000
Cash credit	-	-	-	-
Loan against TR	359,522.40	28,024,555	25,277.91	1,965,358
Secured overdraft	799,613.64	62,329,403	796,898.46	61,958,855
	<b>2,604,885.88</b>	<b>203,049,291</b>	<b>2,102,176.37</b>	<b>163,444,213</b>
<b>4.1.2 Outside Bangladesh</b>	-	-	-	-
	<b>2,604,885.88</b>	<b>203,049,291</b>	<b>2,102,176.37</b>	<b>163,444,213</b>
<b>4.2 Bills purchased and discounted</b>				
<b>4.2.1 Inside Bangladesh</b>				
Local bill purchased	154,900.00	12,074,362	416,800.00	32,406,200
Foreign bill purchased	33,960,164.99	2,647,174,485	15,034,485.99	1,168,931,286
	34,115,064.99	2,659,248,847	15,451,285.99	1,201,337,486
<b>4.2.2 Outside Bangladesh</b>	-	-	-	-
	<b>34,115,064.99</b>	<b>2,659,248,847</b>	<b>15,451,285.99</b>	<b>1,201,337,486</b>
	<b>36,719,950.87</b>	<b>2,862,298,138</b>	<b>17,553,462.36</b>	<b>1,364,781,699</b>
<b>4.3 Maturity grouping of loans and advances including bills discounted and purchased</b>				
Payable on demand	-	-	-	-
Less than three months	-	-	283,568.02	22,047,414
More than three months but less than one year	31,599,017.55	2,463,124,458	15,989,894.34	1,243,214,285
More than one year but less than five years	5,120,933.32	399,173,680	1,280,000.00	99,520,000
	<b>36,719,950.87</b>	<b>2,862,298,138</b>	<b>17,553,462.36</b>	<b>1,364,781,699</b>
<b>4.4 Maturity analysis of bills purchased and discounted</b>				
Within one month	-	-	283,568.02	22,047,414
More than one month but less than three months	34,115,064.99	2,659,248,847	15,167,717.97	1,179,290,072
More than three months but less than six months	-	-	-	-
	<b>34,115,064.99</b>	<b>2,659,248,847</b>	<b>15,451,285.99</b>	<b>1,201,337,486</b>
<b>4.5 Loans and advances on the basis of significant concentration</b>				
<b>4.5.1 Loans and advances to Directors, Executive and others</b>				
Advance to Directors and their allied concerns(including Ex-Directors)	-	-	-	-
Advances to Managing Director	-	-	-	-
Advances to Other executives and staffs	-	-	-	-
Advances to Customers (Group wise)	-	-	-	-
Industrial Advances	36,719,950.87	2,862,298,138	17,553,462.36	1,364,781,699
	<b>36,719,950.87</b>	<b>2,862,298,138</b>	<b>17,553,462.36</b>	<b>1,364,781,699</b>

**National Bank Limited (Offshore Banking Unit)**

**Notes to the financial statements**

**For the year ended 31 December 2014**

	2014		2013	
	USD	BDT	USD	BDT
<b>4.6 Industry-wise Concentration of loans and advances</b>				
Air way sector (BBAW)	960,000.00	74,831,424	1,280,000.00	99,520,000
Power sector	-	-	-	-
Pharmaceuticals Industries	-	-	283,568.02	22,047,414
Textile & Garments Industry	7,027,404.36	547,781,953	2,703,476.37	210,195,288
Ship Breaking Industries	-	-	-	-
Industries for Steel products	714,646.44	55,706,261	1,372,898.36	106,742,847
Cement Industry	1,653,000.00	128,850,358	1,798,305.00	139,818,214
Others	26,364,900.07	2,055,128,142	10,115,214.61	786,457,936
	<b><u>36,719,950.87</u></b>	<b><u>2,862,298,138</u></b>	<b><u>17,553,462.36</u></b>	<b><u>1,364,781,699</u></b>
<b>4.7 Geographical location-wise concentration of Loans and advances</b>				
Inside Bangladesh				
Dhaka Division	36,719,950.87	2,862,298,138	17,553,462.36	1,364,781,699
Chittagong Division	-	-	-	-
Khulna Division	-	-	-	-
Rajshahi Division	-	-	-	-
Barishal Division	-	-	-	-
Sylhet Division	-	-	-	-
Outside Bangladesh	-	-	-	-
	<b><u>36,719,950.87</u></b>	<b><u>2,862,298,138</u></b>	<b><u>17,553,462.36</u></b>	<b><u>1,364,781,699</u></b>
<b>4.8 Classified, unclassified, doubtful and bad loans and advances</b>				
<b>Unclassified</b>				
Standard	36,719,950.87	2,862,298,138	17,553,462.36	1,364,781,699
Special Mention Account	-	-	-	-
<b>Classified</b>				
Sub-standard	-	-	-	-
Doubtful	-	-	-	-
Bad/Loss	-	-	-	-
	<b><u>36,719,950.87</u></b>	<b><u>2,862,298,138</u></b>	<b><u>17,553,462.36</u></b>	<b><u>1,364,781,699</u></b>
<b>4.9 Particulars of loans and advances</b>				
i) Debt considered good in respect of which the bank is fully secured	36,719,950.87	2,862,298,138	17,553,462.36	1,364,781,699
ii) Debt considered good for which the bank holds no other security than the debtor's personal security	-	-	-	-
iii) Debts considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors	-	-	-	-
iv) Debts considered doubtful or bad, not provided for	-	-	-	-
	<b><u>36,719,950.87</u></b>	<b><u>2,862,298,138</u></b>	<b><u>17,553,462.36</u></b>	<b><u>1,364,781,699</u></b>

**National Bank Limited (Offshore Banking Unit)**

**Notes to the financial statements**

**For the year ended 31 December 2014**

	2014		2013	
	USD	BDT	USD	BDT
v) Debts taken by directors or executives or any of them taken jointly or separately with other persons	-	-	-	-
vi) Debts due by directors or officers of the bank or any of them either severally or jointly with any other person and debts due by companies or firms in which the directors, partners or managing agent or in the case of private companies as members	-	-	-	-
vii) Maximum total amount of advances, including temporary advances made at any time during the period to directors or managers or officers of the bank or any of them either severally or jointly with any other persons	-	-	-	-
viii) Maximum total amount of advances, including temporary advance granted during the period to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or, in case of private companies as members	-	-	-	-
ix) Due from other banking companies	-	-	-	-
x) Classified loans and advances on which no interest is credited to income	-	-	-	-
<b>5. Fixed assets</b>				
Furniture, fixtures and fittings	1,807.35	140,882	1,807.35	140,521
Office equipment	8,291.02	646,280	8,291.02	644,627
	<b>10,098.37</b>	<b>787,162</b>	<b>10,098.37</b>	<b>785,148</b>
Accumulated depreciation	9,372.65	730,592	9,188.28	714,389
	<b>725.72</b>	<b>56,570</b>	<b>910.09</b>	<b>70,759</b>
<b>6. Other assets</b>				
Stationery in hand	-	-	356.89	27,749
Adjusting account debit	620,000.00	48,328,627	175,600.00	13,652,900
	<b>620,000.00</b>	<b>48,328,627</b>	<b>175,956.89</b>	<b>13,680,649</b>



**National Bank Limited (Offshore Banking Unit)**

**Notes to the financial statements**

**For the year ended 31 December 2014**

	2014		2013	
	USD	BDT	USD	BDT
<b>7. Borrowings from other banks, financial institutions and agents</b>				
<b>In Bangladesh</b>				
Head office, ID	47,605,900.00	3,710,851,341	21,165,750.00	1,645,637,063
Bangladesh Bank	-	-	-	-
	<b>47,605,900.00</b>	<b>3,710,851,341</b>	<b>21,165,750.00</b>	<b>1,645,637,063</b>
Outside Bangladesh	-	-	-	-
	<b>47,605,900.00</b>	<b>3,710,851,341</b>	<b>21,165,750.00</b>	<b>1,645,637,063</b>
<b>7.1 Classification based on types of security</b>				
Secured	-	-	-	-
Unsecured	47,605,900.00	3,710,851,341	21,165,750.00	1,645,637,063
	<b>47,605,900.00</b>	<b>3,710,851,341</b>	<b>21,165,750.00</b>	<b>1,645,637,063</b>
<b>7.2 Maturity grouping of borrowings from other banks, financial institutions and agents:</b>				
Payable on demand	-	-	-	-
Payable within one month	47,605,900.00	3,710,851,341	21,165,750.00	1,645,637,063
More than one month but less than three months	-	-	-	-
More than three months but less than 1 year	-	-	-	-
More than 1 year but less than 5 years	-	-	-	-
	<b>47,605,900.00</b>	<b>3,710,851,341</b>	<b>21,165,750.00</b>	<b>1,645,637,063</b>
<b>8. Deposits and other accounts</b>				
<b>Current and other accounts</b>				
Current account	132,037.23	10,292,223	148,534.37	11,548,547
Sundry deposits	2,281,676.86	177,855,342	2,731,094.79	212,342,620
	<b>2,413,714.09</b>	<b>188,147,565</b>	<b>2,879,629.16</b>	<b>223,891,167</b>
Term deposits	302,438.00	23,574,861	260,115.00	20,223,941
	<b>2,716,152.09</b>	<b>211,722,426</b>	<b>3,139,744.16</b>	<b>244,115,108</b>
<b>8.1 Maturity grouping of deposits and other accounts</b>				
Payable on demand	132,037.23	10,292,223	148,534.37	11,548,547
Payable within one month	-	-	-	-
More than one month but less than three months	2,281,676.86	177,855,342	2,731,094.79	212,342,620
More than three months but less than one year	302,438.00	23,574,861	260,115.00	20,223,941
More than one year but less than five years	-	-	-	-
	<b>2,716,152.09</b>	<b>211,722,426</b>	<b>3,139,744.16</b>	<b>244,115,108</b>
<b>9. Other liabilities</b>				
Adjusting account credit	332,501	25,918,253	19,024	1,479,117
FC Adjusting Account	-	-	-	-
Provision for off-balance sheet items	-	-	-	-
Provision for unclassified loans and advances	-	-	-	-
	<b>332,501</b>	<b>25,918,253</b>	<b>19,024</b>	<b>1,479,117</b>

**National Bank Limited (Offshore Banking Unit)**

**Notes to the financial statements**

**For the year ended 31 December 2014**

	2014		2013	
	USD	BDT	USD	BDT
<b>10. Interest income</b>				
Interest on advances	1,361,334.27	106,115,190	624,557.58	48,559,352
Interest on money at call and on short notice	-	-	-	-
Interest on fund placement with HO, ID	465,239.03	36,265,103	81,538.01	6,339,580
Interest on foreign currency balances	-	-	-	-
	<b>1,826,573.30</b>	<b>142,380,293</b>	<b>706,095.59</b>	<b>54,898,932</b>
<b>11. Interest paid on deposits and borrowings</b>				
Interest on deposits	1,402.00	109,285	328.00	25,502
Interest on borrowings	867,559.84	67,625,769	180,111.74	14,003,688
Discount	-	-	-	-
Interest on REPO	-	-	-	-
	<b>868,961.84</b>	<b>67,735,054</b>	<b>180,439.74</b>	<b>14,029,190</b>
<b>12. Commission, exchange and brokerage</b>				
Commission	366,122.85	28,539,056	373,311.09	29,024,937
Exchange gain net off exchange losses	8.07	629	9.35	727
Brokerage	-	-	-	-
	<b>366,130.92</b>	<b>28,539,685</b>	<b>373,320.44</b>	<b>29,025,664</b>
<b>13. Other operating income</b>				
Shipping Guarantee, Handling charges, service charges etc.	124,887.78	9,734,928	79,756.18	6,201,043
Postage	1,203.00	93,773	1,252.00	97,343
Courier	37,159.00	2,896,522	29,159.00	2,267,112
SWIFT	59,886.00	4,668,078	59,732.00	4,644,163
Remittance income	5,450.00	424,824	1,740.00	135,285
Miscellaneous	9,112.10	710,283	8,852.70	688,297
	<b>237,697.88</b>	<b>18,528,408</b>	<b>180,491.88</b>	<b>14,033,243</b>
<b>14. Salaries and allowances</b>				
Basic salary	20,802.38	1,621,533	22,605.91	1,757,610
Allowances	20,207.27	1,575,145	24,306.29	1,889,814
Bank's contribution to PF	1,924.22	149,992	2,202.12	171,215
Bonus	-	-	1,853.25	144,090
Others	-	-	-	-
	<b>42,933.87</b>	<b>3,346,670</b>	<b>50,967.57</b>	<b>3,962,729</b>
<b>15. Rent, taxes, Insurance, electricity etc</b>				
Rent office	13,469.47	1,049,937	13,412.89	1,042,852
Electricity	631.63	49,235	617.99	48,049
	<b>14,101.10</b>	<b>1,099,172</b>	<b>14,030.88</b>	<b>1,090,901</b>
<b>16. Postage, stamps, telecommunication etc.</b>				
Telephone office	72.63	5,661	72.01	5,599
Postage	-	-	19.81	1,540
Courier	16,427.24	1,280,494	13,012.95	1,011,757
Internet	195.22	15,217	261.54	20,335
SWIFT charges	5,830.28	454,467	3,316.26	257,839
	<b>22,525.37</b>	<b>1,755,839</b>	<b>16,682.57</b>	<b>1,297,070</b>

**National Bank Limited (Offshore Banking Unit)**

**Notes to the financial statements**

**For the year ended 31 December 2014**

	2014		2013	
	USD	BDT	USD	BDT
<b>17. Repair, maintenance and depreciation</b>				
<b>Depreciation</b>				
Furniture, fixtures, fittings etc.	184.48	14,380	184.48	14,343
Computer equipment	-	-	-	-
Office equipment	-	-	52.67	4,095
	<b>184.48</b>	<b>14,380</b>	<b>237.15</b>	<b>18,438</b>
<b>Repair and maintenance</b>				
Office premises	-	-	-	-
Office equipment	45.47	3,544	-	-
Furniture and fixtures	-	-	-	-
Others	-	-	234.50	18,232
	<b>45.47</b>	<b>3,544</b>	<b>234.50</b>	<b>18,232</b>
	<b>229.95</b>	<b>17,924</b>	<b>471.65</b>	<b>36,670</b>
<b>18. Other operating expenses</b>				
Registration and renewal fees	-	-	-	-
Stationary	356.89	27,819	254.31	19,773
Others	-	-	-	-
	<b>356.89</b>	<b>27,819</b>	<b>254.31</b>	<b>19,773</b>

**19. General**

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

**19.2** Assets and liabilities have been converted into BDT currency @ US\$ 1 = BDT 77.9494 which represents the year-end mid rate of exchange as at 31 December 2014.

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

National Bank Limited (Offshore Banking Unit)

Statement of Liquidity in US Dollar (Maturity analysis of assets and liabilities)

As at 31 December 2014

Particulars	Maturity within 1 month	Maturity within 1 to 3 months	Maturity within 3 to 12 months	Maturity within 1 to 5 years	Maturity over 5 years	Total Amount
	USD	USD	USD	USD	USD	USD
<b>ASSETS</b>						
Cash in hand	-	-	-	-	-	-
Balance with other banks and financial institutions	13,313,876.50	-	-	-	-	13,313,876.50
Money at call and on short notice	-	-	-	-	-	-
Investment	-	-	-	-	-	-
Loans and advances to customers	-	-	31,599,017.55	5,120,933.32	-	36,719,950.87
Fixed assets	15.37	30.74	679.61	-	-	725.72
Other assets	-	620,000.00	-	-	-	620,000.00
Non-banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>13,313,891.87</b>	<b>620,030.74</b>	<b>31,599,697.16</b>	<b>5,120,933.32</b>	<b>-</b>	<b>50,654,553.09</b>
<b>LIABILITIES</b>						
Borrowings from other banks and financial institutions	47,605,900.00	-	-	-	-	47,605,900.00
Deposits and other accounts	132,037.23	2,281,676.86	302,438.00	-	-	2,716,152.09
Other liabilities	-	332,501.00	-	-	-	332,501.00
<b>Total Liabilities</b>	<b>47,737,937.23</b>	<b>2,614,177.86</b>	<b>302,438.00</b>	<b>-</b>	<b>-</b>	<b>50,654,553.09</b>
<b>Net Liquidity Difference</b>	<b>(34,424,045.36)</b>	<b>(1,994,147.12)</b>	<b>31,297,259.16</b>	<b>5,120,933.32</b>	<b>-</b>	<b>-</b>

National Bank Limited (Offshore Banking Unit)

Statement of Liquidity in BDT (Maturity analysis of assets and liabilities)

As at 31 December 2014

Particulars	Maturity within 1 month	Maturity within 1 to 3 months	Maturity within 3 to 12 months	Maturity within 1 to 5 years	Maturity over 5 years	Total Amount
	BDT	BDT	BDT	BDT	BDT	BDT
<b>ASSETS</b>						
Cash in hand	-	-	-	-	-	-
Balance with other banks and financial institutions	1,037,808,685	-	-	-	-	1,037,808,685
Money at call and on short notice	-	-	-	-	-	-
Investment	-	-	-	-	-	-
Loans and advances to customers	-	-	2,463,124,459	399,173,679	-	2,862,298,138
Fixed assets	1,198	2,396	52,976	-	-	56,570
Other assets	-	48,328,627	-	-	-	48,328,627
Non-banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>1,037,809,883</b>	<b>48,331,023</b>	<b>2,463,177,435</b>	<b>399,173,679</b>	<b>-</b>	<b>3,948,492,020</b>
<b>LIABILITIES</b>						
Borrowings from other banks and financial institutions	3,710,851,341	-	-	-	-	3,710,851,341
Deposits and other accounts	10,292,223	177,855,342	23,574,861	-	-	211,722,426
Other liabilities	-	25,918,253	-	-	-	25,918,253
<b>Total Liabilities</b>	<b>3,721,143,564</b>	<b>203,773,595</b>	<b>23,574,861</b>	<b>-</b>	<b>-</b>	<b>3,948,492,020</b>
<b>Net Liquidity Difference</b>	<b>(2,683,333,681)</b>	<b>(155,442,572)</b>	<b>2,439,602,574</b>	<b>399,173,679</b>	<b>-</b>	<b>-</b>