

NRB Bank Limited

**Independent Auditor's Report and
Audited Financial Statements
For the year ended 31 December 2018**

**Independent Auditor's Report
To the Shareholders of NRB Bank Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NRB Bank Limited, which comprise the balance sheet as at 31 December 2018, the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the financial position of NRB Bank Limited as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2.1.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for professional Accountants (IESBA Code) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

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

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with IFRSs as explained in note # 2.1, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the 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:
 - (a) internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities (other than matters disclosed in these financial statements);
- (iii) in our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appeared from our examination of those books;



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Chartered Accountants

- (iv) the records and statements submitted by the branches have been properly maintained in the financial statements;
- (v) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vi) the expenditures incurred were for the purpose of the Bank's business for the year;
- (vii) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 1,750 person hours; and
- (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka,
28 April 2019

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NRB Bank Limited
Balance Sheet
As at 31 December 2018





PROPERTY AND ASSETS	Notes	31.12.2018 Taka	31.12.2017 Taka
Cash	4	2,477,068,239	2,593,192,121
Cash in hand (including foreign currencies)	4.1	619,425,293	545,916,638
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4.2	1,857,642,946	2,047,275,483
Balance with other banks and financial institutions	5	2,101,864,793	3,208,154,343
In Bangladesh	5.1	1,917,446,008	3,185,780,844
Outside Bangladesh	5.2	184,418,785	22,373,499
Money at call and short notice		-	-
Investments	6	5,644,173,511	4,953,018,727
Government	6.1	4,143,947,816	3,374,533,063
Others	6.2	1,500,225,695	1,578,485,664
Loans and advances	7	32,473,459,905	22,920,907,531
Loans, cash credit, overdrafts etc.	7.1	32,358,230,291	22,903,735,905
Bills purchased and discounted	7.2	115,229,614	17,171,626
Fixed assets including premises, furniture and fixtures	8	440,714,062	438,873,065
Other assets	9	1,010,537,129	825,941,133
Non - banking assets		-	-
Total assets		44,147,817,639	34,940,086,920
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	3,003,095,329	4,614,037,715
Deposits and other accounts		33,518,594,580	23,933,484,680
Current deposits and other accounts	11.1	6,931,742,405	4,649,946,451
Bills payable	11.2	267,142,987	162,292,400
Savings bank deposits	11.3	2,862,283,877	2,662,962,119
Fixed deposits	11.4	23,457,425,311	16,458,283,710
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	12	2,374,736,163	1,723,194,298
Total liabilities		38,896,426,073	30,270,716,693
Capital/shareholders' equity		5,251,391,566	4,669,370,227
Paid up capital	13.2	4,320,000,000	4,000,000,000
Statutory reserve	14	470,693,317	339,382,846
Other reserve	15	44,219	177,951
Retained earnings	16	460,654,030	329,809,430
Total liabilities and shareholders' equity		44,147,817,639	34,940,086,920



OFF-BALANCE SHEET ITEMS

	Notes	31.12.2018 Taka	31.12.2017 Taka
Contingent liabilities	17	11,241,688,588	8,581,567,216
Acceptances and endorsements	17.1	1,594,059,219	1,440,562,683
Letters of guarantee	17.2	7,297,256,241	4,754,760,624
Irrevocable letters of credit	17.3	1,875,937,279	2,231,154,287
Bills for collection	17.4	474,435,849	155,089,622
Other contingent liabilities		-	-
Other commitments		-	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total Off-Balance Sheet Items including contingent liabilities		11,241,688,588	8,581,567,216

The annexed notes form an integral part of these financial statements.

 **Managing Director & CEO**
 **Director**
 **Director**
 **Chairman**

This is the balance sheet referred to in our separate report of even date.

Dhaka,
28 April 2019


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Chartered Accountants



NRB Bank Limited
Profit and Loss Account
For the year ended 31 December 2018

	Notes	2018 Taka	2017 Taka
OPERATING INCOME			
Interest income	19	3,549,330,885	2,139,473,152
Interest paid on deposits and borrowings etc.	20	(2,296,120,534)	(1,388,549,734)
Net interest income		1,253,210,351	750,923,418
Investment income	21	707,440,314	1,045,989,346
Commission, exchange and brokerage	22	335,680,404	215,899,361
Other operating income	23	14,080,992	12,358,893
		1,057,201,710	1,274,247,600
Total operating income (a)		2,310,412,061	2,025,171,018
OPERATING EXPENSE			
Salaries and allowances	24	626,866,221	477,805,053
Rent, taxes, insurance, electricity etc.	25	296,643,186	256,128,167
Legal and professional expenses	26	4,364,997	3,174,208
Postage, stamp, telecommunication etc.	27	27,159,894	24,735,774
Stationery, printing, advertisements etc.	28	44,136,427	38,354,662
Managing Director's salary and fees	29	16,760,000	16,760,000
Directors' fees and other expenses	30	3,127,689	4,474,789
Auditors' fees	31	400,000	402,500
Depreciation and repair of bank's assets	32	155,162,807	149,329,008
Other expenses	33	226,322,826	200,342,574
		1,400,944,047	1,171,506,735
Total operating expenses (b)		1,400,944,047	1,171,506,735
Profit before provision (c = (a-b))		909,468,014	853,664,283
Provision against loans and advances			
General provision		90,585,221	80,280,969
Specific provision		111,623,623	99,011,926
Provision for off-balance sheet items		21,856,855	67,426,048
Provision for diminution in value of investments		28,607,958	603,776
Other provisions		242,000	-
Total provision (d)	34	252,915,658	247,322,718
Profit before taxation e=(c-d)		656,552,356	606,341,565
Provision for taxation (f)		74,397,285	163,418,470
Current tax expense	12.6	181,906,525	173,858,261
Deferred tax income	9.3.3	(107,509,240)	(10,439,791)
		582,155,071	442,923,095
Net profit after taxation (g=e-f)		582,155,071	442,923,095
Appropriations:			
Statutory reserve	14	131,310,471	121,268,313
General reserve		-	-
		131,310,471	121,268,313
Retained earnings		450,844,600	321,654,782
Earnings per share (EPS)- restated	37	1.35	1.03

The annexed notes form an integral part of these financial statements.


Managing Director & CEO


Director


Director


Chairman

This is the profit and loss account referred to in our separate report of even date.


ACNABIN
Chartered Accountants

Dhaka,
28 April 2019

NRB Bank Limited
Statement of Changes in Equity
For the year ended 31 December 2018

(Amount in Taka)

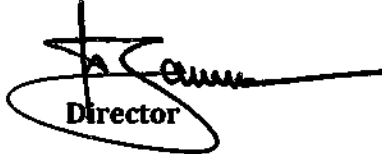
Particulars	Paid up capital	Statutory reserve	Other Reserve	Retained earnings	Total
Balance as at 1 January 2018	4,000,000,000	339,382,846	177,951	329,809,430	4,669,370,227
Bonus share issued for 2017	320,000,000	-	-	(320,000,000)	-
Net profit after tax for the year	-	-	-	582,155,071	582,155,071
Transfer to statutory reserve	-	131,310,471	-	(131,310,471)	-
Addition/ (adjustment) made during the year	-	-	(133,732)	-	(133,732)
Balance as at 31 December 2018	4,320,000,000	470,693,317	44,219	460,654,030	5,251,391,566
Balance as at 1 January 2017	4,000,000,000	218,114,533	352,820,290	488,154,648	5,059,089,471
Cash Dividend Paid for 2016	-	-	-	(480,000,000)	(480,000,000)
Net profit after tax for the year	-	-	-	442,923,095	442,923,095
Transfer to statutory reserve	-	121,268,313	-	(121,268,313)	-
Addition/ (adjustment) made during the year	-	-	(352,642,339)	-	(352,642,339)
Balance as at 31 December 2017	4,000,000,000	339,382,846	177,951	329,809,430	4,669,370,227

The annexed notes form an integral part of these financial statements.

Dhaka,
28 April 2019


Managing Director & CEO


Director


Director


Chairman

NRB Bank Limited
Cash Flow Statement
For the year ended 31 December 2018

	Notes	2018 Taka	2017 Taka
Cash flows from operating activities			
Interest receipts in cash		3,780,069,091	2,508,490,541
Interest payments		(2,028,957,846)	(1,321,348,349)
Dividend receipts		80,479,778	94,102,550
Fees and commission receipts		335,680,404	215,458,048
Cash payments to employees		(643,626,221)	(494,565,053)
Cash payment to suppliers		(14,434,029)	(12,728,382)
Income tax paid		(84,034,321)	(131,196,316)
Receipts from other operating activities	35	14,080,992	12,800,206
Payments for other operating activities	36	(629,264,155)	(568,793,635)
Operating profit before changes in operating assets and liabilities (i)		809,993,694	302,219,610
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers		(9,552,552,374)	(10,331,540,430)
Other assets		(282,901,806)	(63,546,349)
Deposits from customers		9,585,109,901	6,467,849,895
Other liabilities		390,684,499	642,653,230
Cash generated from operating assets and liabilities (ii)		140,340,220	(3,284,583,654)
Net cash flow/(used in) from operating activities (a)=(i)+(ii)		950,333,914	(2,982,364,044)
Cash flows from investing activities			
(Purchase)/sale of trading securities		(769,548,484)	1,552,010,225
Proceeds from sale of trading securities, shares, bonds, etc.		269,088,155	462,448,709
Purchase of shares and bonds		78,259,969	86,205,805
Purchase of property, plant and equipment		(115,460,640)	(142,133,691)
Net cash (used in)/flow from investing activities (b)		(537,661,000)	1,958,531,048
Cash flows from financing activities			
(Repayment)/Borrowings from other banks, financial institutions and agents		(1,610,942,386)	3,413,824,889
Dividend paid (cash dividend)		(24,358,560)	(455,641,440)
Net cash (used in)/ flow from financing activities (c)		(1,635,300,946)	2,958,183,449
Net (decrease)/increase in cash and cash equivalents (a+ b +c)		(1,222,628,032)	1,934,350,452
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the year		5,801,881,864	3,867,531,412
Cash and cash equivalents at end of the year (*)		4,579,253,832	5,801,881,864
(*) Cash and cash equivalents			
Cash in hand (including foreign currencies)		619,425,293	545,916,638
Balance with Bangladesh Bank and its agent bank (s)		1,857,642,946	2,047,275,483
Balance with other banks and financial institutions		2,101,864,793	3,208,154,343
Money at call and short notice		-	-
Prize bond		320,800	535,400
		4,579,253,832	5,801,881,864

The annexed notes form an integral part of these financial statements.

Dhaka,
28 April 2019

Managing Director & CEO

Director

Director

Chairman

NRB Bank Limited
Liquidity Statement
(Analysis of maturity of assets and liabilities)
As at 31 December 2018

(Amount in Taka)

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Assets:						
Cash in hand (including balance with Bangladesh Bank and its agent Bank)	2,477,068,239	-	-	-	-	2,477,068,239
Balance with other banks and financial institutions	1,568,014,793	533,850,000	-	-	-	2,101,864,793
Money at call and on short notice	-	-	-	-	-	-
Investments	-	-	1,147,346,905	607,549,671	3,889,276,935	5,644,173,511
Loans and advances	6,225,085,701	5,477,429,811	8,488,461,482	9,522,653,206	2,759,829,706	32,473,459,905
Fixed assets including premises, furniture and fixtures	-	-	-	-	440,714,062	440,714,062
Other assets	-	101,800,232	179,745,684	728,991,213	-	1,010,537,129
Non banking assets	-	-	-	-	-	-
Total assets (A)	10,270,168,733	6,113,080,042	9,815,554,071	10,859,194,090	7,089,820,703	44,147,817,639
Liabilities:						
Borrowings from other banks, financial institutions and agents	1,686,332,442	967,377,290	237,899,169	28,629,286	82,857,142.00	3,003,095,329
Deposits	5,291,061,933	9,298,310,139	16,133,143,776	1,301,081,016	1,494,997,716	33,518,594,580
Provision and other liabilities	250,379,447	716,751,594	53,773,163	10,515,636	1,343,316,322	2,374,736,163
Total liabilities (B)	7,227,773,822	10,982,439,023	16,424,816,108	1,340,225,938	2,921,171,180	38,896,426,073
Net liquidity gap (A - B)	3,042,394,910	(4,869,358,981)	(6,609,262,038)	9,518,968,152	4,168,649,523	5,251,391,566



NRB Bank Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2018

1.0 The Bank and its activities**1.1 Reporting entity**

The NRB Bank Limited ("the Bank") is a private commercial bank (PCB), incorporated as a public limited company in Bangladesh on 19 March 2013 under the Companies Act, 1994. It started its banking businesses from 04 August 2013 under the license issued by Bangladesh Bank. The Bank has currently 40 branches, 39 ATM booths and 2,270 shared ATM booths all over Bangladesh. The Bank had no overseas branches as at 31 December 2018.

The registered office of the Bank is located at SimpleTree - Anarkali, 89 Gulshan Avenue, Gulshan - 1, Dhaka, Bangladesh.

1.2 Principal activities

The principal activities of the Bank are to provide a comprehensive range of financial products and services, personal and commercial banking, trade services, and cash management, treasury, securities and custodial services to its customers.

2.0 Basis of preparation and significant accounting policies**2.1 Statement of compliance**

The financial statements of the Bank as at and for the year ended 31 December 2018 have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Bank Company Act 1991 (amended upto 2018), the rules and regulations issued by Bangladesh Bank and the Companies Act 1994.

In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the requirements of the Bank Company Act 1991 (amended upto 2018), and provisions and circulars issued by Bangladesh Bank shall prevail.

Bank has departed from certain contradictory requirements of IFRSs in order to comply with the rules and regulations of Bangladesh Bank.

i) Presentation of financial statements

IFRS: As per IAS 1 financial statements shall comprise statement of financial position, comprehensive income statement, changes in equity, cash flow statement, adequate notes comprising summary of accounting policies and other explanatory information. As per para 60 of IAS 1, the entity shall also present current and non-current assets and liabilities as separate classifications in its statement of financial position.

Bangladesh Bank: The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by the First Schedule (section 38) of the Bank Company Act 1991 (amendment up to 2013) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of BB. In the prescribed format there is no option to present assets and liabilities under current and noncurrent classifications.

ii) Investments in shares, mutual funds and other securities

IFRS: As per requirements of IAS 39, investments in shares and securities generally fall either under 'at fair value through Profit and Loss Account' or under 'available for sale' account where any change in the fair value at the year-end is taken to profit and loss account or revaluation reserve account respectively.



Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted and unquoted shares are revalued on the bases of year-end market price and Net Assets Value (NAV) of last audited balance sheet respectively. As per instruction of another DOS circular letter no. 3 dated 12 March 2015, investment in mutual fund (closed-end) is revalued at lower of cost and (higher of market value and 85% of NAV). As such, provision is made for any loss arising from diminution in value of investments (portfolio basis); otherwise investments are recognised at costs.

iii) Revaluation gains/losses on Government securities

IFRS: As per requirement of IAS 39, T-bills and T-bonds are to be categorised as 'Held For Trading (HFT)' and 'Held To Maturity (HTM)' where any change in the fair value of HFT securities is recognised in profit and loss account, and amortised cost method is applied for HTM securities using an effective interest rate.

Bangladesh Bank: According to DOS circular no. 5 dated 26 May 2008 and subsequent clarification in DOS circular no. 5 dated 28 January 2009, amortisation loss is charged to profit and loss account, mark-to-market loss on revaluation of government securities (T-bills/T-bonds) categorised as HFT is charged to profit and loss account, but any unrealised gain on such revaluation is recognised to revaluation reserve account. T-bills/T-bonds designated as HTM are measured at amortised cost method but interest income/gain is recognised through equity.

iv) Provision on loans and advances

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

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 16 dated 18 November 2014 and BRPD circular no. 8 dated 2 August 2015, a general provision @ 0.25% to 5% under different categories of unclassified loans (standard/SMA loans) should be maintained regardless of objective evidence of impairment. And specific provision for sub-standard/doubtful/bad-loss loans should be made at 20%, 50% and 100% respectively on loans net off eligible securities (if any). Also, a general provision @ 1% should be provided for off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IAS 39.

v) Recognition of interest in suspense

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

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

vi) Other comprehensive income and appropriation of profit

IFRS: As per IAS 1 other comprehensive income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income (OCI) statement. IFRSs do not require appropriation of profit to be shown on the face of the statement of comprehensive income.

Bangladesh Bank: The templates of financial statements issued by BB do not include other comprehensive income nor are the elements of other comprehensive income allowed to be included in a single other comprehensive income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity. Furthermore, the above templates require disclosure of appropriation of profit on the face of profit and loss account.

**vii) Financial instruments – presentation and disclosure**

As per BB guidelines, in certain cases financial instruments are categorized, recognized, measured and presented differently from those prescribed in IAS 39. As such some disclosures and presentation requirements of IFRS 7 and IAS 32 cannot be made in these financial statements.

viii) Repo transactions

IFRS: When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a collateralized borrowing and the underlying asset continues to be recognized in the entity's financial statements. This transaction will be treated as borrowing and the difference between selling price and repurchase price will be treated as interest expense.

Bangladesh Bank: As per BB circulars/guidelines, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a normal sale transaction and the financial assets should be derecognized in the seller's book and recognized in the buyer's book.

ix) Financial guarantees

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

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

x) Cash and cash equivalent

IFRS: IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

Bangladesh Bank: Some highly liquid assets such as money at call and short notice, T-bills / T-bonds, prize bonds are not prescribed to be shown as cash and cash equivalents rather shown as face item in the balance sheet. However, in the cash flow statement, money at call and short notice and prize bonds are shown as cash and cash equivalents beside cash in hand, balance with BB and other banks.

xi) Non-banking assets

IFRS: No indication of non-banking assets is found in any IFRSs

Bangladesh Bank: As per BRPD circular no 14, dated 25 June 2003, there exists a face item named non-banking assets.

xii) Cash flow statement

IFRS: Cash flow statement can be prepared either in direct method or indirect method. The presentation method is selected to present cash flow information in a manner that is most suitable for the business or industry. Whichever method selected should be applied consistently.

Bangladesh Bank: As per BRPD circular no 14, dated 25 June 2003, cash flow statement is to be prepared following a mixture of direct and indirect method.

**xiii) Balance with Bangladesh Bank: (Cash Reserve Requirement)**

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

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

xiv) Presentation of intangible asset

IFRS: Intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.

Bangladesh Bank: There is no requirement for regulation of intangible assets in BRPD circular no. 14 dated 25 June 2003.

xv) Off-balance sheet items

IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD circular no 14, dated 25 June 2003, off balance sheet items e. g. L/C, L/G, acceptance should be disclosed separately on the face of the balance sheet.

xvi) Loans and advances net of provision

IFRS: Loans and advances should be presented net of provision.

Bangladesh Bank: As per BRPD circular 14 dated 25 June 2003, provision on loans and advances should be presented separately as liability and cannot be netted off against loans and advances.

2.2 Basis of measurement

The financial statements of the Bank have been prepared on the historical cost basis except for the following material items:

- Government treasury securities (T-bills/T-bonds) designated as 'Held for Trading (HFT)' are marked-to-market weekly with resulting gain credited to revaluation reserve account but loss charged to profit and loss account
- Government treasury securities (T-bills/T-bonds) designated as 'Held to Maturity (HTM)' are amortized yearly with resulting gain credited to amortization reserve account but loss charged to profit and loss account.

2.3 Going concern basis of accounting

The financial statements has been prepared on the assessment of the Bank's ability to continue as a going concern. NRBBL has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the Bank continued to exhibit a healthy trend for couple of years. The rating outlook of the Bank as denoted by the rating agency (ECRL) is 'stable'. Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

2.4 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (BDT), which is the Bank's functional and presentation currency. All financial information presented in Taka has been rounded off to the nearest Taka except when otherwise indicated.

**2.5 Use of estimates and judgments**

The preparation of the financial statements of the Bank in conformity with IFRSs require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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.

2.6 Foreign currency transactions and translations

Transactions in foreign currencies are translated into the respective functional currency of the operation the spot exchange rate at the date of the transactions. Monetary assets and liabilities denominated into the functional currency at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognized in the profit and loss account

2.7 Cash flow statement

Cash Flow Statement is prepared principally in accordance with IAS 7 "Statement of Cash Flows" under direct method as per the guidelines of BRPD circular no. 14 dated 25 June 2003. The Cash Flow Statement shows the structure of and changes in cash and cash equivalents during the year. It cash flows during the year have been classified as operating activities, investing activities and financing activities.

2.8 Reporting year

These financial statements of the bank cover one calendar year from 1 January to 31 December 2018.

2.9 Liquidity statement

The liquidity statement has been prepared in accordance with remaining maturity grouping of Assets and Liabilities as at the close of the year as per following basis:

- i) Balance with other banks and financial institutions, money at call and short notice etc. on the basis of their maturity term.
- ii) Investments on the basis of their residual maturity term.
- iii) Loans and advances on the basis of their repayment/maturity schedule.
- iv) Fixed assets on the basis of their useful lives.
- v) Other assets on the basis of their adjustment.
- vi) Borrowings from other banks and financial institutions, as per their maturity/repayment term.
- vii) Deposits and other accounts on the basis of their maturity and behavioral trend.
- viii) Other long term liability on the basis of their maturity term.
- ix) Provisions and other liabilities are on the basis of their payment / adjustments schedule.

2.10 Statement of changes in equity

Statement of Changes in Equity has been prepared in accordance with IAS 1 "Presentation of Financial Statements" and following the guidelines of Bangladesh Bank BRPD circular no.14 dated 25 June 2003.

Particulars	Basis used
Balance with Other Banks and Financial Institutions	Maturity Term
Investments	Respective Maturity Terms
Loans and Advances	Repayment schedule basis
Fixed Assets	Useful life
Other Assets	Realization/Amortization basis



Particulars	Basis used
Borrowing from Other Banks, Financial Institutions and Agents	Maturity/Repayment terms
Deposits and Other Accounts	Maturity term
Other Liabilities	Payments/Adjustments schedule basis

3.0 Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements, and have been applied consistently by group entities except otherwise instructed by Bangladesh Bank as the prime regulator.

3.1 Assets and basis of their valuation

3.1.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand and at ATM, unrestricted balances held with BB and its agent bank, balance with other banks and financial institutions, money at call and on short notice and prize bonds which are not ordinarily susceptible to change in value.

3.1.2 Investments

All investments (other than government treasury securities) are initially recognized at cost, including acquisition charges associated with the investment. Accounting treatment of government treasury securities (categorized as HFT or/and HTM) is given following DOS Circular no. 05 dated 26 May 2008 and subsequent clarifications on 28 January 2009. All investment securities are initially recognized at cost, being fair value of the consideration given, including acquisition charges associated with the investment. The valuation method of investments used is:

Held to Maturity (HTM)

Investments which are intended to be held till maturity are classified as 'Held to Maturity' (HTM). These are measured at amortized cost at each year end by taking into account any discount or premium on acquisition. Premiums are amortized and discounts are accredited, using the effective or historical yield. Any increase or decrease in value of such investments is booked to equity but decrease to profit and loss account.

Held for Trading (HFT)

These are investments primarily held for selling or trading. After initial recognition, investments are marked to market weekly and any decrease in the present value is recognized in the Profit and Loss Account and any increase is booked to Revaluation Reserve Account through Profit and Loss Account.

REPO and Reverse REPO

The Bank has been recording transactions of REPO and reverses REPO following DOS circular no. 6 dated 15 July 2010 of BB. In case of REPO of both coupon and non-coupon bearing (T-bills) securities, the Bank adjusts the revaluation reserve account for HFT securities and stops the weekly revaluation (if the revaluation date falls within the REPO year) of the same security. For interest bearing security, the Bank does not accrue interest during REPO year.

Investment in listed securities

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income which is reported at cost.

**Investment in unquoted securities**

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

Provision for shares against unrealized loss (gain net off) has been made according to DOS circular no. 4 dated 24 November 2011 and for mutual funds (closed-end) as per DOS circular letter no. 3 dated 12 March 2015 of Bangladesh Bank.

Besides, bank complied with Bangladesh Bank BRPD Circular 14 dated June 25, 2003 as follows, "All investments in shares and securities (both dealing and investment) should be revalued at the year-end. The quoted shares should be valued as per market price in the stock exchange(s) and unquoted shares as per book value of last audited balance sheet. Provision should be made for any loss arising from diminution in value of investments".

Investments are stated as per following bases:

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Govt. treasury securities - Held for Trading (HFT)	Cost	Fair Value	Loss to Profit and Loss Account, gain to Revaluation.
Govt. treasury securities - Held to Maturity (HTM)	Cost	Amortized cost	Increase in value of such investments is booked to equity, decrease to profit and loss account.
Debenture/Bond	Face value	None	None
Shares (Quoted)	Cost	Lower of cost or market value	Loss (net off gain) to profit and loss account but no unrealized gain booking.
Shares (Unquoted)	Cost	Lower of cost or Net Asset Value (NAV)	Loss to profit and loss account but no unrealized gain booking.
Mutual fund (Closed-end)	Cost	Lower of cost and (higher of market value and 85% of (NAV)	Loss (net) to profit and loss account but no unrealized gain booking.
Prize bond	Cost	Cost	None

3.1.3 Loans, advances and provisions

Loans and advances are stated in the balance sheet on gross basis.

Interest is calculated on daily product basis, but charged and accounted for quarterly on accrual basis. Interest on classified loans and advances is kept in interest suspense account as per BRPD circulars no. 14 dated September 23, 2012 on Master Circular: Loan Classification and Provisioning. Interest is not charged on bad and loss loans and advances as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

Commission and discounts on bills purchased and discounted are recognized at the time of realization.

General provisions @ 0.25% to 5% under different categories on unclassified loans (standard/SMA) and @ 1% on off balance-sheet exposures, and specific provisions @ 20%, 50% & 100% on classified (substandard/doubtful/bad loss) loans are made on the basis of quarter end review by the management and instructions contained in BRPD Circular no 14, dated 23 September 2012, BRPD Circular no 19, dated 27 December 2012, BRPD Circular no 16, dated 18 November 2014 and BRPD Circular no 8, dated 2 August 2015. Provisions and interest suspense are separately shown under other liabilities as per First Schedule of Bank Company Act 1991 (amended upto 2018), instead of netting off with loans.



Heads	Rates
General provision on:	
Unclassified (including SMA) general loans and advances	1%
Unclassified (including SMA) small and medium enterprise	0.25%
Unclassified (including SMA) Loans to BHs/MBs/SDs against Shares etc.	2%
Unclassified (including SMA) loans for housing finance	1%
Unclassified (including SMA) loans for professionals and Credit Cards	2%
Unclassified (including SMA) consumer financing other than housing financing and loans for professionals	5%
Short term agri credit and micro credit	1%
Off balance sheet exposures	1%
Specific provision on:	
Substandard loans and advances other than short term agri credit and micro credit	20%
Doubtful loans and advances other than short term agri credit and micro credit	50%
Bad/loss loans and advances	100%
Substandard short term agri credit and micro credit	5%
Doubtful short term agri credit and micro credit	5%

The Bangladesh Bank under its inspection based on 31 December 2018 suggested to keep extra provision against loans and advances amounting Tk. 803.50 Lac, out of which Tk. 62.42 Lac has been kept in the year 2018. The rest of the amount Tk. 741.08 lac will be kept in two consecutive years by Tk. 370.54 lac in 2019 and Tk. 370.54 lac in 2020.

3.1.4 Property, plant and equipment

3.1.4.1 Recognition and measurement

All fixed assets are stated at cost less accumulated depreciation as per IAS 16 "Property, Plant and Equipment". Land is measured at cost. The cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognized in accordance with the specific requirements of the IFRS. The cost of an item of property, plant and equipment is recognized as an asset if, it is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably.

3.1.4.2 Subsequent costs

Subsequent costs are capitalized only when it is probable that the future economic benefits associated with the costs will flow to the entity and cost can be measured reliably. The carrying amount of the replaced portion is derecognized. The costs of day to day servicing of fixed assets, i.e. repairs and maintenance is charged to profit and loss account as expense when incurred.

3.1.4.3 Depreciation

Depreciation is charged at the following rates on all fixed assets on the basis of estimated useful lives as determined by fixed asset policy of the Bank. In all cases depreciation is calculated on the straight line method. Depreciation of the assets is charged from the date of acquisition and intended to use and no depreciation is charged from the date when the assets are disposed.

Category of fixed assets	Rate of depreciation
Furniture and fixture	10%
Machinery and Equipment	20%
Computer and Network Equipment	20%
Vehicle	20%
Software	12.5%
Mobile Phone	50%



3.1.5 Other assets

As per BRPD circular No. 14 dated 25 June 2003, other assets/item(s) have been shown separately as 'income generating' and 'non income generating' in the relevant notes to the financial statements. Other assets include advance rent, advance for revenue and capital expenditure, stocks of stationary and stamps, security deposits to government agencies and unrealized income receivables etc.

3.1.6 Non-banking assets

Non-banking assets will be acquired due to failure of borrowers to repay the loan in time taken against mortgaged property. The value of the properties will be recognised in the financial statements as non-earning assets on the basis of third party valuation report. Value of the assets received in addition to the loan outstanding will be kept as reserve against non-banking assets.

3.2 Liabilities and provisions

3.2.1 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents include interest-bearing borrowings redeemable at call and Bangladesh Bank refinance. These items are brought to financial statements at the gross value of the outstanding balance.

3.2.2 Deposits and other accounts

Deposits and other accounts include non-interest-bearing current deposit redeemable at call, bills payable, interest bearing on demand and special notice deposits, savings deposit and fixed deposit. These items are brought to financial statements at the gross value of the outstanding balance.

3.2.3 Other liabilities

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxes, interest payable on borrowing, interest suspense and accrued expenses etc. Individual item-wise liabilities are recognized as per the guidelines of Bangladesh Bank and International Financial Reporting Standards (IFRSs).

3.2.4 Dividend payments

Interim dividend is recognized only when the shareholders' right to receive payment is established. Final dividend is recognized when it is approved by the shareholders in AGM. However, the proposed dividend for the year 2018 has not been recognized as a liability in the balance sheet in accordance with IAS 10 Events after the Reporting Year. Dividend payable to the Bank's shareholders is recognized as a liability and deducted from the shareholders' equity in the year in which the shareholders' right to receive payment is established.

3.2.5 Provision for loans and advances

Provision for classified loans and advances is made on the basis of quarter-end review by the management and instructions contained in BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012 and BRPD circular no. 16 dated 18 November 2014. Details are stated in Note 12.3 of these financial statements.

3.2.6 Provision against investment in capital market

Provision for diminution of value of quoted shares and mutual funds (closed-end), placed under other liability, has been made on portfolio basis (gain net off) following DOS circular No. 4 dated 24 November 2011 and DOS circular letter no. 3 dated 12 March 2015 respectively. For unquoted shares, provision has been made based on available NAV of respective nos of units. As on the reporting date, the Bank does not hold any open-end mutual fund. Details are stated in note 13.8 of these financial statements.



3.2.7 Provision for off-balance sheet exposures

In compliance with BRPD circular no. 14 dated 23 September 2012 and related earlier circulars, the Bank have been maintaining provision @ 1% against off-balance sheet exposures (mainly contingent assets/liabilities).

3.2.8 Provision for other assets

Provision for other assets is made as per the instructions made in the BRPD circular No. 14 dated 25 June 2001 i.e. 100% provision is required on other assets which are outstanding for one year or more or classified as bad/loss.

3.2.9 Provision for nostro accounts

Provision for unsettled transactions in nostro accounts is made as per FEPD circular no. FEPD (FEMO) / 01/2005-677 dated 13 September 2005 of Foreign Exchange Policy Department (FEPD) of Bangladesh Bank. On the reporting date, the Bank has no unsettled transactions outstanding for more than 3 months and no provision has been made in this regard.

3.2.10 Provision for liabilities and accrued expenses

In compliance with IAS 37, provisions for other liabilities and accrued expenses are recognized in the financial statements when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.2.11 Contingent liabilities

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank.

Any present obligation that arises from past events but is not recognized because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognized in the financial statements as this may result in the recognition of income which may never be realized.

3.3 Share capital and reserves

Authorized capital

The authorised capital of the Bank is the maximum amount of share capital that the Bank is authorised by its Memorandum and Articles of Association to issue among shareholders. This amount can be changed by shareholders' approval upon fulfilment of relevant provisions of the Companies Act 1994.

Paid-up capital

The paid-up capital represents the amount of bank's capital that has been contributed by ordinary shareholders. The holders of ordinary shares are entitled to receive dividend as recommended by the Board and subsequently approved by the shareholders from time to time in the Annual General Meeting (AGM).



Statutory reserve

In compliance with the provision of Section 24 of Bank Company Act 1991, the Bank transfers at least 20% of its profit before tax "Statutory Reserve Fund" each year until the sum of statutory reserve and share premium equal to the paid up capital of the Bank.

Revaluation reserve

When the value of a government treasury security categorized as HTM increases as a result of amortization, the amount thus increased is recognized directly to equity as 'reserve for amortization'. However, any increase in the value of such securities categorized as HFT as a result of 'mark to market' is booked under equity as 'revaluation reserve' but any decrease is directly charged to profit and loss account as per DOS circular letter no. 05 dated 26 May 2008 & DOS Circular letter no 05, dated 28 January 2009.

3.4 Revenue recognition

Interest income

Interest on unclassified loans and advances is recognized as income on accrual basis, interest on classified loans and advances is credited to interest suspense account with actual receipt of interest there from credited to income as and when received as per instruction contained in BRPD circular no 14 dated 23 September 2012, BRPD circular no 19 dated 27 December 2012 and BRPD circular no 16 dated 18 November 2014.

Fees and commission income

Fees and commission income arises on services provided by the Bank and recognized as and when received basis. Commission charged to customers on letters of credit, letters of guarantee and acceptance are credited to income at the time of effecting the transactions except those which are received in advance.

Investment income

Income on investments is recognized on accrual basis. Investment income includes discount on treasury bills and zero coupon bonds, interest on treasury bonds, debentures and fixed deposits with other banks. Capital gain on investments in shares and dividend on investment in shares are also included in investment income.

Dividend income

Dividend income from investments is recognized at the time when it is declared, ascertained and right to receive the payment is established as per IAS 18 'Revenue'.

Foreign exchange gain/ loss

Exchange income includes all gain and losses from foreign currency day to day transactions, conversions and revaluation of non monetary items.

Interest paid on borrowings and deposits

Interest paid on borrowings and deposits are calculated on 360 days basis (except for some treasury instruments which are calculated on 364 days basis) in a year and recognized on accrual basis.

Other operating expenses

All other operating expenses are provided for in the books of the account on accrual basis according to the IAS 1 "Presentation of Financial Statements".



3.5 Employee benefits

Provident fund

The Bank operates a contributory provident fund for its permanent employees funded by both the employees and the Bank equally; employees contribute 10% basic salary and the Bank contributes an equal amount. The Bank's contribution is made each month and recorded under salary and allowances. This fund is managed by a separate trustee board i.e. "NRB Bank Employees' Provident Fund" and any investment decision out of this fund is made separately from that of the Bank's funds. The Commissioner of taxes, LTU, Dhaka has approved the provident fund as a recognized provident fund within the meaning of section 2 (52), read with the provisions of part – B of the first Schedule of Income Tax Ordinance, 1984. The recognition took effect from 30 April 2015.

Gratuity fund

The Bank operates a Gratuity Fund scheme on "Continuing Fund Basis", in respect of which provision is made annually which is covering all its permanent eligible employees in accordance with Bank Service Rules. The Gratuity Fund is managed separately by 'NRB Employees Gratuity Fund Trust' and any investment decision out of this fund is also made by this Trust. The Second Secretary (Tax Exemption), National Board of Revenue, Dhaka has approved the NRB Bank Limited Employees' Gratuity Fund as a recognized Gratuity Fund within the meaning of Para 2,3 & 4, read with the provisions of Part - C of the First Schedule of Income Tax Ordinance 1984. The recognition took effect from August 09, 2015.

Hospitalization insurance

The Bank operates a health insurance scheme to its confirmed employees, their respective spouses and two children at rates provided in health insurance coverage policy.

Group life insurance

The Bank operates a group life insurance scheme to its confirmed employees at rates provided in group life insurance coverage policy.

3.6 Taxation

The expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date and any adjustment to the tax payable in respect of previous years.

Provision for current income tax of the Bank has been made on taxable income @ 37.5% considering major disallowances of expenses and concessional rates on certain incomes (0% on gain on trading of govt. securities, 10% on capital gain of shares & MFs and 20% on dividend income) as per Income Tax Ordinance (ITO) 1984.

Deferred tax

Deferred tax assets or liabilities are recognised by the Bank on deductible or taxable temporary differences between the carrying amount of assets and liabilities used for financial reporting and the amount used for taxation purpose as required by IAS 12 'Income Taxes' and BRPD circular no.11 dated 12 December 2011. Deferred tax assets is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which they can be used. Deferred tax assets and liabilities are reviewed at each reporting period and are measured at the applicable tax rate as per tax laws that are expected to be applied when the assets is realised and liability is settled.

**3.7 Offsetting**

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

3.8 Comparative Information

Comparative information including narrative and descriptive one is disclosed in respect of the preceding period where it is relevant to enhance the understanding of the current period's financial statements. Certain comparative amounts in the financial statements are reclassified and rearranged where relevant, to conform to the current year's presentation.

3.9 Earnings per Share

As per IAS 33 'Earnings per Share' the Bank has been reporting 'Basic EPS' as there has been no dilution possibilities during the year. Basic EPS is computed by dividing the profit or loss attributable to ordinary shareholders of the Bank by the number of ordinary shares outstanding during the period. Bonus shares issued in current period are considered for number of ordinary shares outstanding for preceding period to present comparative EPS with retrospective adjustment (restated).

3.10 Reconciliation of books and account

Books of account in regard to inter-bank (in Bangladesh and outside Bangladesh) as well as inter-branches are reconciled at regular intervals to keep the unreconciled balances within non-material level.

3.11 Risk management and other related matters

Financial Institutions are in the business of taking calculative risk and it is important how a bank decides on its risk appetite. The bank firmly believes that robust risk management is the core function that makes its business sustainable. The risk management systems in place at the Bank are discussed below:

Credit Risk

Credit risk is the risk of loss that may occur from the default of any counterparty to repay in accordance with agreed terms and conditions and/or deterioration of creditworthiness. Board of Directors is the apex body for credit approval of the Bank. However, they delegate authority to the Managing Director & CEO or other officers of the Credit Risk Management (CRM) Division. The Board also sets credit policies to the management for setting procedures, which together has structured the CRM framework in the bank. The Credit Policy Manual (CPM) contains the core principles for identifying, measuring, approving, and managing credit risk in the bank. The policy covers Corporate, Retail, Small and Medium Enterprise (SME) exposures. Policies and procedures together have structured and standardized CRM process both in obligor and portfolio level. There is a comprehensive credit appraisal procedure that covers Industry/Business risk, management risk, financial risk, facility structure risk, security risk, environmental risk, reputational risk, and account performance risk.

The bank follows the criteria for loan classification and provisioning requirement as stipulated in the BRPD circular no 14 dated September 23, 2012 and BRPD circular no 05 dated May 29, 2013.

Liquidity Risk

Responsibility of managing and controlling liquidity of the bank lies with Asset Liability Committee (ALCO) that meets at least once in a month. Asset Liability Management (ALM) desk being primarily responsible for management of liquidity risk closely monitors and controls liquidity requirements on a daily basis by appropriate coordination of funding activities. A monthly projection of fund flows is reviewed in ALCO meeting regularly. On monthly basis, ALCO monitors liquidity management by examining key ratios, maximum cumulative outflow, upcoming funding requirement from all business units, asset-liability mismatch etc.



ALCO also monitors concentration of deposits on large institutional depositors which is volatile in nature. In addition to these ratios, Bank prepares structural liquidity profile, maturity profile of term deposit, cash flow modeling, and contingency funding plan on monthly basis, which are analyzed in ALCO meeting to ensure liquidity at the level acceptable to the bank and regulators.

Market Risk

Risk Management Unit (RMU) is responsible for overall monitoring, control, and reporting of market risk while Treasury Mid Office is an integral part of market risk management which independently evaluates and monitors treasury department's transaction from risk perspective. Overall risk parameters and exposures of the bank are monitored by RMU and yearically reported to Bank Risk Management Committee (BRMC). Market risk can be subdivided into three categories depending on risk factors: Interest Rate Risk, Foreign Exchange Risk, and Equity Price Risk.

Interest rate risk is the risk to earnings or capital of the bank arising from movement of interest rates. The movement of interest rates affects bank's reported earnings and capital by changing:

- Net interest income
- The market value of trading accounts (and other instruments accounted for by market value), and
- Other interest sensitive income and expenses

To manage interest rate risk, ALCO regularly monitors various ratios and parameters. Bank deploys several analysis techniques (e.g. Rate Sensitive Gap Analysis, Duration Gap Analysis) to measure interest rate risk, its impact on Net Interest Income and takes insight about course of actions.

Foreign Exchange Risk

Foreign exchange risk is the risk that a Bank's financial performance or position will be affected by fluctuations in the exchange rates between currencies and implied volatility on foreign exchange options. Bank makes import payment and outward remittance as its outflow, whereas it gets foreign currency inflow as export receipts and inward remittance. Exchange rate risk arises, if, on a particular day, these inflow-outflows don't match and bank runs its position long/short from these customer driven activities. Bank also faces foreign exchange risk if it sources its funding in one currency by converting fund from another currency. Currently, the Bank is facing such transaction exposure in foreign currency for its off-shore banking unit. But these transactions exposure is always hedged.

The bank computes VaR (Value at Risk) on its foreign exchange position arising from customer driven foreign exchange transactions on daily basis. The bank maintains various nostro accounts in order to conduct operations in different currencies. The position maintained by the bank at the end of the day is within the stipulated limit prescribed by the Bangladesh Bank.

Operational Risk

Operational Risk Unit under Internal Control & Compliance Division (ICCD) is primarily responsible for risk identification, measurement, monitoring, control, and reporting of operational risk. Internal Control (audit) Unit of ICCD also conducts risk-based audit at departmental and branch level throughout the year. Besides, 'Bank Risk Management Committee' (BRMC) which reports to MD & CEO also plays a supervisory role.

Operational risks are analyzed through review of Departmental Control Function Check List (DCFCL). This is a self-assessment process for detecting high risk areas and finding mitigates of those risks. These DCFCLs are then discussed in monthly meeting of BRMC.

Information and communication technology risk

The bank has a comprehensive IT security policy and procedures which are formally documented and endorsed by competent authority. To prevent attack from cyber criminals/fraudsters IT division (hereinafter IT) has established standard physical & environmental security measures to all sensitive



areas e.g. data center, Disaster Recovery (DR) site, power rooms, server rooms etc. IT has standard logical security measures e.g. access card, password protected Server, access log, measuring device logs, yearic testing results, etc. to all core devices i.e. server, PC etc., connecting devices i.e. switch, router etc., security devices i.e. firewall, IDS etc., all applications i.e. core banking system, antivirus, firewall, VPN, utilities etc., databases, networks and others. IT has standard design and practice in network connectivity, access, build-up, configuration, monitoring, maintenance and security. IT has Business Continuity Management (BCM) to support and handle any human made or natural incident/disaster; moreover regular backup schedule and retention avoids the risk of data loss based on the criticality of the system.

Internal audit

The Bank has established an independent internal audit function with the head of Internal Control & Compliance (ICC). The internal audit team performs risk based audit on various business and operational areas of the Bank on continuous basis. The audit committee and the Board regularly reviews the internal audit reports as well as monitor progress of previous findings. However, the Head of Audit being part of internal control & compliance, report to audit committee of the Board and is responsible to audit committee of the Board.

Prevention of fraud

Like any other banks and financial institutions, the bank is also exposed to the inherent risk of fraud and hence implemented a number of anti-fraud controls and procedures specifically designed to prevent and detect any material instances of fraud or irregularities. As per the requirement of Bangladesh Bank regular reporting's are made on self-assessment of various anti-fraud controls as well as any incident of fraud and forgeries that have been identified by the Bank. Regular staff training and awareness programs are taken to ensure that all officers and staff of the Bank are fully aware of various fraud risks in their work area and prepared to deal with it.

3.12 Event after the reporting year

All the material events after the reporting year have been considered and appropriate adjustments/disclosures have been made in the financial statements as per IAS 10 'Events after the Reporting Year'. Board's recommendation for dividend distribution is a common item presented in the note 42.

3.13 Related party disclosures

A party is related to the company if:

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;
- (ii) the party is an associate;
- (iii) the party is a joint venture;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

**3.14 Compliance of International Accounting standards (IASs) and International Financial Reporting Standards (IFRSs)**

The Bank has complied the following IASs & IFRSs as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) during the preparation of financial statements as at and for the year ended 31 December 2018.

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied *
2	2	Inventories	Not Applicable
3	7	Statement of Cash Flows	Complied *
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Balance Sheet Date	Complied
6	11	Construction Contracts	Not Applicable
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	17	Leases	Complied
11	19	Employee Benefits	Complied
12	20	Accounting for Government Grants and Discloser of Government Assistance	Not Applicable
13	21	The Effects of Changes in Foreign Exchanges Rates	Complied
14	23	Borrowing Costs	Complied
15	24	Related Party Disclosures	Complied
16	26	Accounting and Reporting by Retirement Benefit Plans	Complied
17	27	Consolidated and Separate Financial Statements	Not Applicable
18	28	Investment in Associates	Not Applicable
19	31	Interest in Joint Venture	Not Applicable
20	32	Financial Instruments: Presentation	Complied *
21	33	Earnings per Share	Complied
22	34	Interim Financial Reporting	Complied
23	36	Impairment of Assets	Complied
24	37	Provisions, Contingent liabilities and Contingent Assets	Complied
25	38	Intangible Assets	Complied
26	39	Financial Instruments: Recognition and Measurement	Complied *
27	40	Investment Property	Not Applicable
28	41	Agriculture	Not Applicable

Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time Adoption of International Financial Reporting Standards	Not Applicable
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Not Applicable
4	4	Insurance contracts	Not Applicable
5	5	Non-Current Assets Held for Sale and Discontinued Operations	Not Applicable
6	6	Exploration for and Evaluation of Mineral	Not Applicable
7	7	Financial Instruments: Disclosures	Complied *



Sl. No.	IFRS No.	IFRS Title	Compliance Status
8	8	Operating Segments	Not Applicable
9	10	Consolidated Financial Statements	Not Applicable
10	11	Joint Arrangements	Not Applicable
11	12	Disclosure of Interest in other Entities	Not Applicable
12	13	Fair Value Measurement	Complied
13	15	Revenue from Contracts with Customers	Complied

* Subject to departure disclosed in note no. 2.1

* In order to comply with certain specific rules and regulations of the Central Bank (Bangladesh Bank) which are different from IASs /IFRSs, some of the requirements specified in these IASs /IFRSs are not applied.

3.15 Approval of financial statements

The financial statements were reviewed by the Audit Committee of the Board of the Bank in its 28th meeting held on 27 April 2019 and was subsequently approved by the Board in its 76th meeting held on 28 April 2019.



		31.12.2018 Taka	31.12.2017 Taka
4 Cash			
Cash in hand (including foreign currencies)	(Note-4.1)	619,425,293	545,916,638
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)	(Note-4.2)	1,857,642,946	2,047,275,483
		2,477,068,239	2,593,192,121
4.1 Cash in hand (including foreign currencies)			
Local currency		583,965,775	519,547,452
Foreign currencies		35,459,518	26,369,186
		619,425,293	545,916,638
4.2 Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)			
Local currency		1,815,918,805	1,920,172,212
Foreign currencies		41,724,141	127,103,271
		1,857,642,946	2,047,275,483
4.a Cash Reserve Ratio (CRR)			
As per section 33 of Bank Company Act, 1991 (amended upto 2013) & MPD circular no. 01 dated 3 April 2018 issued by Bangladesh bank with effect from 15 April June 2018, the Bank has maintained CRR of minimum 5.0% on daily basis and 5.5% on bi-weekly basis on weekly average total demand and time liabilities (ATDTL) of the base month which is two months back of reporting month (i.e. CRR of December 2018 is based on weekly average balance of October 2018). Reserve maintained by the bank as at 31 December are as follows:			
Average total demand and time liabilities of October 2018		29,496,780,226	24,046,320,715
Daily basis			
Required reserve (5% of ATDTL)		1,474,839,011	1,442,779,243
Actual reserve held (6.09% of ATDTL)		1,797,183,517	1,823,336,145
Surplus		322,344,506	380,556,902
Bi-weekly basis:			
The bank maintained excess cash reserve of Tk. 1,421,011,267/- (Tk. 1,688,466,848.1 was in 2017) against minimum requirement of 5.5% (of ATDTL) on bi-weekly basis which is the summation of excess cash reserve maintained over required in the last fortnight (bi-week) of 2018.			
4.b Statutory Liquidity Ratio (SLR)			
As per section 33 of the Bank Company Act, 1991 (amended upto 2013) & MPD circular no. 02 dated 10 December 2013 issued by Bangladesh bank with effect from 01 February 2014, the bank has maintained SLR of minimum 13% based on weekly average total demand and time liabilities (ATDTL) of the base month which is two months back of the reporting month (i.e. SLR of December 2018 is based on weekly average balance of October 2018). Reserve maintained by the bank as at 31 December are as follows:			
Required reserve (13% of ATDTL)		3,834,581,430	3,126,021,693
Actual reserve held (16.85% of ATDTL)	(Note-4.c)	4,970,228,470	4,187,876,956
Surplus		1,135,647,040	1,061,855,263
4.c Actual reserve held			
Cash in hand		619,425,293	545,916,638
Excess reserve on CRR		174,860,605	260,325,299
Balance with Sonali Bank (local Currency)		31,994,756	7,101,956
Unencumbered approved securities (HFT)		505,846,538	560,334,419
Unencumbered approved securities (HTM)		3,637,780,479	2,813,663,244
Unencumbered approved securities (other eligible)		320,800	535,400
		4,970,228,470	4,187,876,956

**4.d Maturity grouping of cash**

On demand
 More than 1 month but not more than 3 months
 More than 3 months but not more than 1 year
 More than 1 year but not more than 5 years
 More than 5 years

31.12.2018 Taka	31.12.2017 Taka
2,477,068,239	2,593,192,121
-	-
-	-
-	-
-	-
2,477,068,239	2,593,192,121

5 Balance with other banks and financial institutions

In Bangladesh
 Outside Bangladesh

1,917,446,008	3,185,780,844
184,418,785	22,373,499
2,101,864,793	3,208,154,343

5.1 In Bangladesh***In current accounts with***

Trust Bank Limited
 Brac Bank Limited
 Pubali Bank Limited
 Agrani Bank Ltd, Zajira Branch
 Eastern Bank Limited

7,471,374	4,971,019
2,248,719	2,443,667
12,075	4,880
9,007,178	5,471,810
25,056,662	42,889,467
43,796,008	55,780,844

In fixed deposit accounts with Bank and NBFIs***With Banks:***

Modhumoti Bank Ltd

83,850,000	-
------------	---

With Financial Institutions:

Prime Finance & Investment Ltd.
 Bay Leasing and Investment Ltd
 National Finance Limited
 GSP Finance Company (Bangladesh) Ltd
 IPDC Finance Limited
 Reliance Finance Limited
 Lanka Bangla Finance Ltd
 Hajj Finance Ltd
 Bangladesh Finance & Investment Co Limited
 Premier Leasing & Finance Limited
 Fareast Finance & Investment Limited
 Union Capital Limited
 International Leasing and Finance Ltd

175,500,000	200,000,000
100,000,000	300,000,000
100,000,000	150,000,000
250,000,000	170,000,000
100,000,000	100,000,000
200,000,000	200,000,000
100,000,000	450,000,000
-	240,000,000
250,000,000	290,000,000
122,400,000	200,000,000
243,900,000	330,000,000
-	300,000,000
148,000,000	200,000,000
1,789,800,000	3,130,000,000
1,917,446,008	3,185,780,844

5.2 Outside Bangladesh (NOSTRO Accounts)***Current accounts***

Habib American Bank, New York
 United Bank of India
 United Bank of India
 Mizhuo Bank Ltd, Japan
 Mashreq Bank PSC, New York
 Mashreq Bank PSC, UK
 Mashreq Bank PSC, UK
 AB Bank Limited, Mumbai
 National Commercial Bank

28,873,378	1,185,927
28,780,661	9,674,545
447,063	415,701
87,672	146,188
95,645,315	132,805
7,213,003	7,966,159
4,510,253	134,219
16,524,550	413,500
2,336,892	2,304,455
184,418,785	22,373,499

(Details are given in Annexure- B)

**5.a Maturity grouping of balance with other banks and financial institutions**

On demand

More than 1 month but not more than 3 months

More than 3 months but not more than 1 year

More than 1 year but not more than 5 years

More than 5 years

31.12.2018**Taka****31.12.2017****Taka**

1,568,014,793

533,850,000

1,128,154,343

1,550,000,000

530,000,000

-

-

-

2,101,864,793**3,208,154,343****6 Investments**

Government

(Note-6.1)

4,143,947,816

3,374,533,063

Others

(Note-6.2)

1,500,225,695

1,578,485,664

5,644,173,511**4,953,018,727****6.1 Government (Investment in govt. securities)**

Treasury bills

(Note-6.1.1)

-

-

Treasury bonds

(Note-6.1.2)

4,143,627,016

3,124,058,881

Prize Bonds

320,800

535,400

Bangladesh Bank Bill

-

249,938,782

4,143,947,816**3,374,533,063****6.1.1 Treasury bills***Unencumbered*

91 days treasury bills

182 days treasury bills

364 days treasury bills

-

-

-

-

-

-

6.1.2 Treasury bonds*Unencumbered*

2 years treasury bond

5 years treasury bond

10 years treasury bond

15 years treasury bond

20 years treasury bond

-

-

210,231

103,532,737

801,842,971

332,117,256

1,228,653,275

724,134,073

2,112,920,540

1,964,274,815

4,143,627,016**3,124,058,881****6.1.3 (i) Disclosure regarding outstanding repo as on 31 December 2018**

There is no outstanding reverse repo as at 31 December 2018 with the Bank.

(ii) Disclosure regarding outstanding reverse repo as at 31 December 2018

There is no outstanding reverse repo as at 31 December 2018 with the Bank.

(iii) Disclosure regarding overall transaction of Repo and Reverse repo

Counter party name	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under repo:			
With Bangladesh Bank	-	-	-
With other Banks & Financial Institutions	64,554,469	1,525,938,000	95,582,405
Securities purchased under reverse repo:			
With Bangladesh Bank	-	-	-
With other Banks & Financial Institutions	-	-	-



6.a Investments classified as per Bangladesh Bank Circular:

Held for Trading (HFT)

HFT T-Bills 91 Days
HFT T-Bills 182 Days
HFT T-Bills 364 Days
2 Years BGTB – HFT
5 Years BGTB – HFT
10 Years BGTB – HFT
15 Years BGTB – HFT
20 Years BGTB – HFT

31.12.2018 Taka	31.12.2017 Taka
-	-
-	-
-	-
-	-
210,231	-
477,348,090	244,222,010
28,288,217	66,173,627
-	-
505,846,538	310,395,637

Held to Maturity (HTM)

HTM T-Bills 91 Days
HTM T-Bills 182 Days
HTM T-Bills 364 Days
2 Years BGTB – HTM
5 Years BGTB – HTM
10 Years BGTB – HTM
15 Years BGTB – HTM
20 Years BGTB – HTM

-	-
-	-
-	-
-	-
-	103,532,737
324,494,881	87,895,246
1,200,365,058	657,960,446
2,112,920,540	1,964,274,815
3,637,780,479	2,813,663,244
4,143,627,016	3,124,058,881

As per DOS Circular NO. 01 dated 19 January 2014, the maximum limit of holding approved Securities under Held to Maturity (HTM) is 125% of SLR for all primary dealer banks and NRB Bank Limited has invested in Treasury bonds under HTM category as per said circular.

6.2 Others

Corporate bonds
Ordinary Shares and Mutual Funds
Preference Share
Commercial Paper

(Note-6.2.1)
(Note-6.2.2)
(Note-6.2.3)
(Note-6.2.4)

120,000,000	394,750,000
772,346,905	766,462,934
257,878,790	267,272,730
350,000,000	150,000,000
1,500,225,695	1,578,485,664

6.2.1 Corporate bonds

Mercantile Bank Limited
City Bank Limited

120,000,000	160,000,000
-	234,750,000
120,000,000	394,750,000

6.2.2 Ordinary Shares and Mutual Funds

Quoted Shares

Active Fine Chemicals Limited
BRAC Bank Limited
Square Pharmaceuticals Limited
Kattali Textiles Limited
Heidelberg Cement Bangladesh Limited
MJL Bangladesh Limited
Advent Pharma Limited
Intraco Refueling Station Limited
SK Trims & Industries Limited
ACI Limited
Grameenphone Limited
VFS Thread Dyeing Limited

62,152,415	80,535,135
14,517,787	-
178,650	-
101,491	-
43,459,370	42,371,902
97,181,052	92,078,913
36,365	-
57,459	-
77,720	-
12,349,511	-
27,051,630	-
70,173	-



M L Dyeing Limited
Silva Pharma Limited
Indo-Bangla Pharmaceuticals Limited
Aman Cotton Fibrous Limited
Bashundhara Paper Mills Limited
Summit Power Limited
IBBL Mudaraba Perpetual Bond
Aamra Networks Limited
Jamuna Oil Company Limited
Khulna Power Company Limited
Nahee Aluminum Composite Panel Limited
Oimex Electrode Limited
United Power Generation & Distribution Company Limited

Mutual Funds

ICB AMCL First Agrani Bank Mutual Fund
AIBL 1st Islamic Mutual Fund
Grameen One : Scheme Two Mutual Fund
ICB AMCL 2nd NRB Mutual Fund
LR Global Bangladesh Mutual Fund One
MBL 1st Mutual Fund
Reliance One: The 1st Scheme of Reliance Insurance Mutual Fund
Southeast Bank 1st Mutual Fund

IPO Application

Bashundhara Paper Mills Limited
Aman Cotton Febrics Limited
Esquire Knit Composite Limited
Runner Automobiles Limited
ADN Telecom Limited
SS Steels Limited
Genex Infosys Limited

Free fund available

(Details are given in Annexure- C)

6.2.3 Preference Share

Union Capital Limited
Ace Alliance Power Limited
Doreen Power House & Technologies limited
Raj Lanka Power Company Limited
Star Ceramics Limited

6.2.4 Commercial Paper

Rangpur Metal Industries Ltd.
Energypac Engineering Ltd.
Partex Laminates Ltd
Baraka Power Ltd.

31.12.2018 Taka	31.12.2017 Taka
60,400	-
91,940	-
45,864	-
640,000	-
1,760,000	-
12,017,847	20,597,784
15,344,767	19,539,000
-	2,340,000
-	2,900,156
-	44,926,922
-	64,919
-	64,810
-	22,626,419
287,194,440	328,045,958

9,573,509	6,965,823
86,991,170	86,991,170
197,362,733	174,038,988
10,997,267	1,328,652
50,093,521	39,228,171
53,153,879	51,738,888
59,263,505	58,256,229
13,373,408	15,126,992
480,808,992	433,674,913

-	3,458,080
-	1,255,400
1,880,100	-
1,080,900	-
568,770	-
134,910	-
104,660	-
3,769,340	4,713,480
771,772,772	766,434,351
574,133	28,582
772,346,905	766,462,934

20,000,000	30,000,000
55,000,000	-
90,000,000	100,000,000
67,878,790	87,272,730
25,000,000	50,000,000
257,878,790	267,272,730

50,000,000	-
200,000,000	-
-	150,000,000
100,000,000	-
350,000,000	150,000,000

**6.b Remaining maturity grouping of investments**

On demand

More than 1 month but not more than 3 months

More than 3 months but not more than 1 year

More than 1 year but not more than 5 years

More than 5 years

31.12.2018
Taka**31.12.2017**
Taka

-

249,938,782

-

150,000,000

1,147,346,905

766,462,934

607,549,671

765,555,467

3,889,276,935

3,021,061,544

5,644,173,511**4,953,018,727****7 Loans and advances**

Loans, cash credit, overdrafts etc.

(Note-7.1)

32,358,230,291

22,903,735,905

Bills purchased and discounted

(Note-7.2)

115,229,614

17,171,626

32,473,459,905**22,920,907,531****7.1 Loans, cash credits, overdrafts etc.****Inside Bangladesh**

Loans - General

24,147,560,873

17,435,401,131

Cash credit

-

-

Overdraft

7,908,571,044

5,180,865,371

Staff Loan

302,098,374

287,469,403

32,358,230,291**22,903,735,905****Outside Bangladesh**

-

-

32,358,230,291**22,903,735,905****7.2 Bills purchased and discounted****Inside Bangladesh**

Local bills /documents

108,622,595

15,371,626

Foreign bills /documents

6,607,019

1,800,000

115,229,614**17,171,626****7.2.a Residual maturity grouping of Bills purchased & discounted**

On demand

30,919,311

6,209,053

More than 1 month but not more than 3 months

66,057,927

10,559,516

More than 3 months but not more than 1 year

18,252,376

403,057

More than 1 year but not more than 5 years

-

-

More than 5 years

-

-

115,229,614**17,171,626****7.2.b Residual maturity grouping of Loans & Advances including Bills purchased & discounted**

On demand

6,225,085,701

4,352,577,780

More than 1 month but not more than 3 months

5,477,429,811

3,481,757,792

More than 3 months but not more than 1 year

8,488,461,482

8,256,441,915

More than 1 year but not more than 5 years

9,522,653,206

5,412,607,201

More than 5 years

2,759,829,706

1,417,522,843

32,473,459,905**22,920,907,531****7.3 Loans and advances on the basis of significant concentration****7.3.1 Loans and advances to Directors, executives and others**

Advance to Directors and their allied concerns

28,407,336

21,717,672

Advances to CEO & Managing Director

26,921,293

30,725,865

Advances to Other executives and staffs

275,177,081

256,743,538

Advances to Customers

11,343,440,122

8,728,485,931

Industrial loans and advances

20,799,514,072

13,883,234,526

32,473,459,905**22,920,907,531**

**7.3.2 Details of Large loan**

Number of clients with amount of outstanding and classified loans and advances exceeding 10% of total capital of the Bank. Total capital of the Bank was Taka 5,524 million as at 31 December 2018.

	31.12.2018 Taka	31.12.2017 Taka
Number of the clients	36	31
Amount of outstanding loans and advances	12,832,719,055	8,648,463,399
Amount of classified loans and advances	115,983,722	-
	12,832,719,055	8,648,463,399

7.3.3 Industry-wise concentration of loans and advances

Agriculture	436,862,381	642,959,391
Food & allied industries	1,243,550,600	1,037,253,133
Tobacco	-	101,926,164
Readymade garments	951,670,326	398,700,121
Textiles	3,009,807,957	2,734,163,332
Ship breaking & ship building	257,983,412	28,861,176
Basic metal & steel engineering	1,202,772,354	1,385,430,203
Non-metallic mineral products	396,304,863	258,923,017
Pharmaceuticals industry	150,260,455	-
Chemical & chemical products	443,622,250	363,675,160
Rubber & plastic industries	942,175,735	1,000,666,600
Leather & leather products	513,710,734	464,838,550
Wood, furniture & fixtures	205,818,517	230,364,578
Paper & paper products	147,486,626	28,443,593
Electronic goods & machineries	1,582,207,021	1,005,222,165
Power & gas	469,807,457	74,423,648
Other manufacturing industries	2,147,258,235	1,489,455,104
Construction & commercial real estate	5,194,657,997	2,116,050,913
Transport & communication	100,028,699	102,599,485
IT & telecommunication	1,060,034,709	337,481,410
Medical services	15,163,231	16,505,382
Hotel & restaurant services	30,415,223	21,892,517
Printing & publishing industries	43,581,767	44,513,437
Other service industries	719,603,241	663,562,510
NBFIs	554,087,856	545,189,796
Trade & commerce	4,718,700,676	4,527,925,928
Consumer credit	3,310,051,275	922,503,029
Credit card	1,240,561,835	603,797,631
Staff loan	302,098,374	287,469,403
Others	1,083,176,099	1,486,110,155
	32,473,459,905	22,920,907,531

7.3.4 Sector-wise concentration of loans and advances

Government sector	48,139,732	-
Public sector	1,476,748,140	1,423,502,580
Private sector	30,948,572,033	21,497,404,951
	32,473,459,905	22,920,907,531

7.3.5 Business segment - wise concentration of loans and advances

Corporate	16,428,008,077	9,030,404,110
SME	12,842,669,835	12,076,733,358
Consumer	2,900,683,618	1,526,300,660
Executives and staff	302,098,374	287,469,403
	32,473,459,905	22,920,907,531



7.3.6 Geographical location-wise concentration of loans and advances

Inside Bangladesh

Dhaka Division
Chittagong Division
Sylhet Division
Rajshahi Division
Khulna Division
Barisal Division
Rangpur Division
Mymensingh Division

Outside Bangladesh

31.12.2018 Taka	31.12.2017 Taka
22,471,960,205	18,226,703,670
5,687,751,205	4,003,869,534
1,113,189,044	254,479,867
930,801,749	393,221,571
1,090,119,603	42,632,888
-	-
17,520,569	-
1,162,117,531	-
32,473,459,905	22,920,907,531
-	-
32,473,459,905	22,920,907,531

7.3.7 Security/Collateral-wise concentration of loans and advances

Collateral of movable/immovable assets
Local Banks and financial institutions guarantee
Government guarantee
Foreign bank guarantee
Export documents
Fixed deposit receipts
FDR of other banks
Government bonds
Personal guarantee
Other securities

15,511,597,221	12,251,175,994
-	-
-	-
-	-
-	-
5,877,859,087	3,542,761,556
291,170,721	135,859,015
-	-
7,484,306,408	6,354,797,658
3,308,526,467	636,313,308
32,473,459,905	22,920,907,531

7.3.8 Classified and unclassified bad loans & advances

Unclassified

Standard (Including Staff Loan)
Special Mention Accounts (SMA)

Classified

Sub-standard
Doubtful
Bad/Loss

29,461,062,477	21,540,234,529
1,806,615,856	817,341,909
31,267,678,333	22,357,576,439
331,935,696	53,786,015
29,097,237	88,835,159
844,748,639	420,709,918
1,205,781,572	563,331,092
32,473,459,905	22,920,907,531

7.3.9 Particulars of required provision for loans and advances

General Provision on unclassified loans and advances

Loans (excluding SMA)
Special Mention Accounts (SMA)
Required provision on unclassified loans and advances
Total provision maintained for unclassified loans and advances
Excess of provision

256,254,973	176,095,376
16,708,774	6,210,164
272,963,747	182,305,540
272,963,747	182,305,540
-	-

Specific provision on classified loans and advances

Sub-standard
Doubtful
Bad/Loss
Required provision on classified loans and advances
Total provision maintained for unclassified loans and advances
Excess/(shortage) of provision

15,781,642	5,328,011
9,647,415	14,924,917
270,007,272	163,632,764
295,436,328	183,885,691
295,436,328	183,885,691
-	-
568,400,075	366,191,231
568,400,075	366,191,231
-	-

Total Required provision for loans and advances
Total provision maintained for loans and advances
Total Excess/(shortage) of provision

**7.3.10 Particulars of loans and advances**

	31.12.2018 Taka	31.12.2017 Taka
i) Loans considered good in respect of which the bank is fully secured	2,402,675,967	1,003,583,788
ii) Loans considered good against which the bank holds no security other than the debtors' personal guarantee	1,201,532,379	578,668,598
iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor	1,029,485,269	620,056,566
iv) Loans adversely classified; provision not maintained there against	-	-
v) Loans due by directors or officers of the bank or any of them either separately or jointly with any other persons	330,505,711	309,187,074
vi) Loans due from companies or firms in which the directors or officers of the bank have interest as directors, partners or managing agents or in case of private companies, as members	28,407,336	21,717,672
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.	304,909,512	309,187,074
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.	28,817,285	21,717,672
ix) Due from banking companies	-	-
x) Amount of classified loans on which interest has not been charged mentioned as follows:		
a) (Decrease)/increase of provision (specific)	106,374,508	98,877,536
Amount of loan written off	-	-
Amount realised against the loans previously written off	-	-
b) Provision kept against loans classified as bad debts	270,007,272	163,632,764
c) Interest credited to interest suspense account	143,016,636	70,601,987
xi) Cumulative amount of written off loans	-	-
Opening Balance	-	-
Amount written off during the year	-	-
Closing Balance	-	-
The amount of written off loans for which law suit has been filed	-	-

8 Fixed assets including premises, furniture and fixtures**Cost:**

Computer and Network Equipment	148,837,745	120,393,724
Furniture and fixtures	303,761,217	256,841,565
Vehicle	47,376,226	47,376,226
Machinery and Equipment	151,475,686	126,246,882
Mobile Phone	1,392,905	1,040,605
Software	173,475,328	160,717,919
	826,319,107	712,616,922
Less: Accumulated depreciation	385,605,044	273,743,857
	440,714,062	438,873,065

(Details are given in **Annexure- A**)

**9 Other assets****Income generating**

Income receivable

(Note-9.1)

31.12.2018
Taka**31.12.2017**
Taka

107,967,946

204,042,501

Non-income generating

Stationery, stamps, printing materials, etc.

Prepaid expenses

Advance rent

Security deposits with other entities

Advance income tax

(Note-9.2)

Deferred tax assets (Net off liability)

(Note- 9.3)

Advances to vendors

Advances to staff for expenses

Dividend Receivable

Q-Cash and ATM receivable

Receivable against Sanchaypatra

Sundry receivables

827,180

1,296,930

8,652,829

7,693,973

225,142,682

243,735,920

6,841,252

6,378,892

355,575,880

271,541,559

105,277,985

-

31,417,612

23,140,974

4,735,802

6,767,238

12,637,202

21,029,111

3,065,287

335,786

148,239,073

39,828,959

156,400

149,290

902,569,184

621,898,633

1,010,537,129**825,941,133****9.1 Income receivable**

Interest receivables on Placements

Interest receivables on Government Securities

Interest receivables on Non-government Securities

Interest receivables on Loans & Advances

Interest Receivables on Other Bank Balance

33,911,046

79,418,187

60,264,186

105,099,703

13,672,569

7,004,306

-

12,347,294

120,144

173,012

107,967,946**204,042,501****9.2 Advance income tax**

Opening balance

Add: Addition during the year

Less: Adjusted against provision for current tax

271,541,559

140,345,243

94,482,098

131,196,316

366,023,657

271,541,559

10,447,777

355,575,880**271,541,559****9.3 Deferred tax assets (net off liability)**

Deferred tax asset

(Note-9.3.1)

Deferred tax liability

(Note-9.3.2)

110,788,623

-

(5,510,638)

(2,231,255)

105,277,985**(2,231,255)****9.3.1 Deferred tax asset**

Temporary timing difference between charging specific provision and writing off Bad/Loss loans

Cumulative provision made against Bad/Loss loans

Adjustment of corresponding provision on write off

Deductible temporary difference

Tax rate

Deferred tax asset

Opening deferred tax asset

Deferred tax income (A)

295,436,328

-

-

-

295,436,328

-

37.5%

-

110,788,623

-

-

-

(110,788,623)

-



9.3.2 Deferred tax liability

Temporary timing difference in written down value of fixed assets

Carrying amount of fixed assets

Tax base

Taxable temporary difference

Tax rate

Deferred tax liability

Opening deferred tax liability

Deferred tax expense/(income) (B)

31.12.2018 Taka	31.12.2017 Taka
440,714,061	438,873,065
(426,019,027)	(433,294,928)
14,695,034	5,578,137
37.50%	40.00%
5,510,638	2,231,255
2,231,255	12,671,046
3,279,383	(10,439,791)
(107,509,240)	(10,439,791)

9.3.3 Deferred tax income (C=A+B)

10 Borrowings from other banks, financial institutions and agents

In Bangladesh

(Note-10.a)

Outside Bangladesh

3,003,095,329	4,614,037,715
-	-
3,003,095,329	4,614,037,715

10.a In Bangladesh

Demand Borrowing

Janata Bank Ltd.

Sonali Bank Ltd.

Rupali Bank Ltd.

NCC Bank Ltd.

IFIC Bank Ltd.

Eastern Bank Ltd.

Uttara Bank Ltd.

UCBL

Bangladesh Bank

190,000,000	450,000,000
150,000,000	750,000,000
400,000,000	750,000,000
200,000,000	100,000,000
70,000,000	-
335,600,000	-
-	241,350,000
-	350,000,000
340,732,442	113,327,073
1,686,332,442	2,754,677,073

Term Borrowing

Agrani Bank Ltd.

Modhumoti Bank Ltd.

Bank Asia Ltd.

SME Foundation

Bangladesh Bank

500,000,000	800,000,000
83,900,000	-
-	250,000,000
4,215,000	6,400,000
728,647,887	802,960,642
1,316,762,887	1,859,360,642
3,003,095,329	4,614,037,715

10.b Residual maturity grouping of borrowings from other banks, financial institutions and agents

On demand

More than 1 month but not more than 3 months

More than 3 months but not more than 1 year

More than 1 year but not more than 5 years

More than 5 years

1,686,332,442	2,754,677,073
967,377,290	1,393,725,707
237,899,169	458,213,506
28,629,286	7,421,429
82,857,142	-
3,003,095,329	4,614,037,715

11 Deposits and other accounts

Current deposits and other accounts, etc.

Bills payable

Savings bank deposits

Fixed deposits

Bearer certificates of deposit

Other Deposits

(Note-11.1)

(Note-11.2)

(Note-11.3)

(Note-11.4)

6,931,742,405	4,649,946,451
267,142,987	162,292,400
2,862,283,877	2,662,962,119
23,457,425,311	16,458,283,710
-	-
-	-
33,518,594,580	23,933,484,680



		31.12.2018 Taka	31.12.2017 Taka
11.1 Current deposits and other accounts, etc.			
Current deposits		6,213,825,478	3,851,702,371
Foreign currency deposits		252,046,083	130,629,188
Deposit margin on facilities		465,870,844	667,614,893
		6,931,742,405	4,649,946,451
11.2 Bills payable			
Local currency		267,142,987	162,292,400
Foreign currencies		-	-
		267,142,987	162,292,400
11.3 Savings bank deposits			
NRB savers		834,445,313	743,582,662
NRB power savers		1,195,463,248	1,148,421,057
NRB staff		29,845,804	27,992,783
NRB my savings		261,126,222	362,484,499
NRB my study		6,016,800	10,594,555
NRB my salary		67,334,045	47,481,395
NRB my early		30,328,904	38,016,381
NRB pearl		413,009,903	283,436,212
NRB amar shopno		1,274,285	745,002
NRB isavings		2,256	207,573
Bondhu Shasroy Account		22,040,285	-
Bondhu Sonchita Account		1,396,811	-
		2,862,283,877	2,662,962,119
11.4 Fixed deposits			
Fixed deposits		20,803,637,430	15,158,617,805
Short term deposits		2,653,787,881	1,299,665,905
		23,457,425,311	16,458,283,710
11.5 Sector-wise break-up of deposits and other accounts			
Government		419,963,071	100,071,498
Other public sector		4,421,448,071	4,725,850,650
Private sector		28,677,183,440	19,107,562,531
		33,518,594,582	23,933,484,680
11.6 Maturity-wise grouping of deposits and other accounts			
On demand		5,291,061,933	3,472,779,189
More than 1 month but not more than 3 months		9,298,310,139	8,818,193,477
More than 3 months but not more than 1 year		16,133,143,777	9,831,784,365
More than 1 year but not more than 5 years		1,301,081,016	1,065,559,592
More than 5 years		1,494,997,716	745,168,057
		33,518,594,582	23,933,484,680
12 Other liabilities			
Privileged creditors	(Note-12.1)	77,710,996	115,213,783
Interest payable		543,030,256	275,867,568
Interest suspense account	(Note-12.2)	141,902,993	81,661,994
Provision for loans and advances	(Note-12.3)	568,400,076	366,191,231
Provision on off-balance sheet exposures	(Note-12.4)	107,672,527	85,815,672
Provision for diminution of quoted shares	(Note-12.5)	38,650,420	10,042,462
Provision for other assets		242,000	-



		31.12.2018 Taka	31.12.2017 Taka
Provision for expenses		91,646,165	98,626,811
Provision for current tax	(Note-12.6)	667,001,719	495,542,971
Deferred tax liability	(Note-9.3.2)	-	2,231,255
Q-Cash & ATM payable		19,313,633	5,611,575
Security deposits held		10,515,636	7,571,309
Sanchayapatra payable		33,000,000	152,825,000
Payable against BEFTN		2,959,699	15,915,815
Advance lease rental payable		15,122,743	2,817,861
Deposit Awaiting Disposal		27,535,857	-
Suspense account - Trade		10,920,303	2,734,347
Miscellaneous payable		19,111,140	4,524,644
		2,374,736,163	1,723,194,298

12.1 Privileged creditors

Three major categories of government dues are reported. Tax deduction at source, VAT and Excise duty payable to govt. exchequer.

Tax deduction at source	42,216,139	79,621,800
VAT deduction at source	8,293,374	8,554,973
Excise duty	27,201,483	27,037,010
	77,710,996	115,213,783

12.2 Interest suspense account

Opening balance	81,661,994	23,844,651
Add: Amount transferred to "Interest Suspense" A/c during the year	68,016,546	62,649,575
	149,678,539	86,494,226
Less: Amount recovered from "Interest Suspense" A/c during the year	7,775,546	4,832,232
Amount written off during the year	-	-
	141,902,993	81,661,994

12.3 Provision for loans and advances**A. General**

Balance at the beginning of the year	182,378,526	102,097,557
Add: Provision made during the year		
On general loans and advances	76,282,141	79,581,523
On Special Mention Account (SMA)	14,303,081	699,446
	90,585,221	80,280,969
Balance at the end of the year	272,963,747	182,378,526

B. Specific

Balance at the beginning of the year	183,812,706	84,800,780
Add: Provision made during the year	111,623,623	99,011,926
Less: Interest waiver during the year	-	-
Write off during the year	-	-
Add: Recoveries of amounts previously written off	-	-
Specific provision made during the year for other accounts	-	-
Balance at the end of the year	295,436,329	183,812,706

C. Total provision on loans and advances (A+B)

	568,400,076	366,191,231
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**12.4 Provision on off-balance sheet exposures**

Opening balance

Add: Provision made during the year

31.12.2018 Taka	31.12.2017 Taka
85,815,672	18,389,624
21,856,855	67,426,048
107,672,527	85,815,672

12.5 Provision for diminution of quoted shares

Opening balance

Add: Provision made during the year

10,042,462	9,438,686
28,607,958	603,776
38,650,420	10,042,462

12.6 Provision for current tax

Opening balance

Add: Provision for current year

Shortfall of tax liability

Less: Adjusted against advance income tax

495,542,971	321,684,710
181,483,479	173,858,261
423,046	-
677,449,496	495,542,971
10,447,777	-
667,001,719	495,542,971

12.a Nostro Reconciliation

	As Per Our Book		As per Their Book	
	Debit (USD)	Credit (USD)	Debit (USD)	Credit (USD)
Up to three months	710,073	2,153,573	484,304	1,097,744
More than three months but less than six months	-	-	-	11,206
More than six months but less than nine months	-	-	-	77,990
More than nine months but less than twelve months	-	-	-	-
More than twelve months	-	-	-	-
	710,073	2,153,573	484,304	1,186,940

The Bank is not required to make provision regarding the unreconciled debit balance as at balance sheet date since there was no debit entry aging more than three months.

13 Share capital**13.1 Authorized capital**

1,000,000,000 ordinary shares of Taka 10 each

10,000,000,000	10,000,000,000
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13.2 Issued, subscribed and fully paid up capital

432,000,000 ordinary shares of Taka 10 each issued for cash

4,320,000,000	4,000,000,000
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13.3 Percentage of shareholdings

Particulars	2018		2017	
	Value of Share	% of Holding	Value of Share	% of Holding
Shareholders' Group				
Directors	2,049,460,000	47.44	2,084,500,000	52.11
Sponsor Shareholders	1,503,400,000	34.80	1,410,000,000	35.25
General Shareholders	767,140,000	17.76	505,500,000	12.64
	4,320,000,000	100.00	4,000,000,000	100.00

**13.4 Name of the Directors and their shareholdings as at 31 December 2018**

SL #	Name of the directors	2018		2017	
		% of Shareholding	Number of Shares	% of Shareholding	Number of Shares
1	Mr. Mohammed Mahtabur Rahman	5.00%	21,600,000	5.00%	20,000,000
2	Mr. Tateyama Kabir	2.50%	10,800,000	2.50%	10,000,000
3	Mr. Kamal Ahmed	2.50%	10,800,000	2.50%	10,000,000
4	Mr. M Badiuzzaman	4.74%	20,466,000	4.74%	18,950,000
5	Mr. Imtiaz Ahmed	0.50%	2,160,000	0.50%	2,000,000
6	Mr. Mohammed Idrish Farazy	0.58%	2,500,000	2.50%	10,000,000
7	Mr. Iqbal Ahmed OBE DBA	5.00%	21,600,000	5.00%	20,000,000
8	Mr. Khandakar R. Amin	2.00%	8,640,000	2.00%	8,000,000
9	Mr. Naveed Rashid Khan	5.00%	21,600,000	5.00%	20,000,000
10	Mr. Mohammed Jamil Iqbal	4.63%	19,980,000	4.63%	18,500,000
11	Mr. Nafih Rashid Khan	4.63%	19,980,000	4.63%	18,500,000
12	Dr. Nesar Ahmed Choudhury	0.63%	2,700,000	0.63%	2,500,000
13	Mr. Mohammed Rafique Miah	0.25%	1,080,000	0.75%	3,000,000
14	Mr. Abdul Karim	5.00%	21,600,000	5.00%	20,000,000
15	Mr. Mohammed Jahed Iqbal	2.63%	11,340,000	0.38%	1,500,000
16	Mr. Humayen Kabir Khan*	0.50%	2,160,000	-	-
17	Mr. Ali Ahmed*	1.38%	5,940,000	-	-
18	Mr. Md. Abdul Jalil Chowdhury*	N/A	N/A	N/A	N/A
19	Mr. Fazlur Rashid Khan	0.00%	-	4.50%	18,000,000
20	Mr. Rabin Paul**	0.00%	-	1.88%	7,500,000
Total		47.44%	204,946,000	52.11%	208,450,000

* Newly appointed as Director during the year 2018

** No longer Director as on 31 December 2018

13.5 Capital to Risk Weighted Assets Ratio (CRAR) - as per BASEL III

The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated December 21, 2014.

	31.12.2018 Taka	31.12.2017 Taka
Tier- I Capital:		
Common Equity Tier I Capital		
Paid up capital	4,320,000,000	4,000,000,000
Statutory reserve	470,693,317	339,382,846
Retained earnings	460,654,030	329,809,430
	5,251,347,346	4,669,192,276
Less: Regulatory adjustments	110,788,623	-
Total Common Equity Tier I Capital	5,140,558,723	4,669,192,276
Additional Tier I Capital:		
Add: Additional Tier I Capital	-	-
Less: Regulatory adjustments	-	-
Total Tier- I Capital	5,140,558,723	4,669,192,276
Tier II Capital (Gone -Concern Capital)		
Subordinated Bond	-	-
General provision maintained against unclassified loan	272,963,747	182,378,526
General provision on off-balance sheet items	107,672,527	85,815,672
Asset revaluation reserve	-	-
Revaluation reserve of Government securities	12,331,383	12,331,383
	392,967,657	280,525,581
Less: Regulatory adjustments	9,865,106	7,398,830
Total Tier II Capital	383,102,551	273,126,751
A. Total eligible capital	5,523,661,274	4,942,319,027



		31.12.2018 Taka	31.12.2017 Taka
B. Total risk weighted assets (RWA)			
Credit risk			
Balance Sheet Business		25,499,173,880	20,046,698,938
Off- Balance Sheet Business		3,566,629,310	2,688,765,987
		29,065,803,190	22,735,464,925
Market Risk		1,793,880,434	1,732,979,073
Operational Risk		3,083,899,311	2,455,551,821
		33,943,582,935	26,923,995,819
C) Required capital		4,000,000,000	4,000,000,000
D) Capital surplus		1,843,661,274	942,319,027
Capital to Risk-Weighted Assets Ratio/Capital adequacy ratio:			
Common Equity Tier- 1 / core capital to RWA against minimum requirement 4.5%		16.09%	17.34%
Tier- 1 / core capital to RWA minimum requirement 6%		16.09%	17.34%
Capital to Risk Weighted Assets against minimum requirement 11.25%		17.22%	18.36%
14 Statutory reserve			
Opening balance		339,382,846	218,114,533
Add: Addition during the year (20% of pre-tax profit)		131,310,471	121,268,313
		470,693,317	339,382,846
15 Other reserve			
General Reserve		-	-
Revaluation reserve	(Note-15.1)	44,219	177,951
		44,219	177,951
15.1 Revaluation reserve			
Held to maturity (HTM)	(Note-15.1.1)	-	36,156
Held for trading (HTF)	(Note-15.1.2)	44,219	141,795
		44,219	177,951
15.1.1 Reserve for amortization of treasury securities (HTM)			
Opening balance		36,156	60,091
Add: Addition during the year		49,050	13,380
		85,206	73,471
Less: Adjustment made during the year		85,206	37,315
		-	36,156
15.1.2 Reserve for revaluation of treasury securities (HTF)			
Opening balance		141,795	352,760,199
Add: Addition during the year		93,759,227	138,400,317
		93,901,022	491,160,516
Less: Adjustment made during the year		93,856,803	491,018,721
		44,219	141,795



		31.12.2018 Taka	31.12.2017 Taka
16 Retained earnings			
Opening balance		329,809,430	488,154,648
Add: Net profit for the year		582,155,071	442,923,095
		911,964,501	931,077,743
Less: Transfer to statutory reserve		131,310,471	121,268,313
Bonus Share issued		320,000,000	-
Cash dividend paid		-	480,000,000
		451,310,471	601,268,313
		460,654,030	329,809,430
17 Contingent liabilities			
Acceptances and Endorsements	(Note-17.1)	1,594,059,219	1,440,562,683
Letters of Guarantee	(Note-17.2)	7,297,256,241	4,754,760,624
Irrevocable letters of credit	(Note-17.3)	1,875,937,279	2,231,154,287
Bills for Collection	(Note-17.4)	474,435,849	155,089,622
		11,241,688,588	8,581,567,216
17.1 Acceptances and Endorsements			
Acceptances (ULC Cash)		780,536,952	721,139,305
Acceptances BTB Usance Local		646,144,821	496,307,556
Import Bills (Sight Contract)		6,813,532	-
Shipping Guarantee		160,563,915	223,115,822
		1,594,059,219	1,440,562,683
17.2 Letters of Guarantee			
Directors		-	-
Government		-	-
Banks and Other Financial Institution		-	-
Others (Customers etc.)		7,297,256,241	4,754,760,624
		7,297,256,241	4,754,760,624
17.3 Irrevocable letters of credit			
Letter of Credit Cash Sight		1,019,478,191	1,378,901,620
Letter of Credit Cash Usance		492,663,502	549,042,545
Letter of Credit Back to Back Sight		89,526,451	99,476,371
Letter of Credit Back to Back Usance		274,269,134	203,733,752
		1,875,937,279	2,231,154,287
17.4 Bills for Collection			
Foreign Documentary Bills Collection		379,604,774	52,546,273
Local Documentary Bills Collection		94,831,075	102,543,349
		474,435,849	155,089,622

**18 Income statement****Income:**

		2018 Taka	2017 Taka
Interest, discount and similar income	(Note-18.1)	3,780,069,091	2,508,490,541
Dividend income		72,087,868	76,591,582
Fees, commission and brokerage	(Note-18.2)	245,486,846	147,027,736
Gains <i>less</i> losses arising from dealing in securities		365,919,957	503,897,048
Gains <i>less</i> losses arising from investment securities		38,694,282	96,483,328
Gains <i>less</i> losses arising from dealing in foreign currencies		90,193,558	68,871,626
Income from non-banking assets		-	-
Other operating income	(Note-23)	14,080,992	12,358,893
Profit less losses on interest rate changes		-	-
		4,606,532,596	3,413,720,753

Expenses:

Interest paid on deposits and borrowings, etc.	(Note-20)	2,296,120,534	1,388,549,734
Losses on loans and advances		-	-
Administrative expenses	(Note-18.3)	1,061,001,579	875,744,495
Other expenses	(Note-33)	226,322,826	200,342,574
Depreciation on banks assets	(Note-32)	113,619,642	95,419,666
		3,697,064,581	2,560,056,469
		909,468,014	853,664,284

18.1 Interest, discount and similar income

Interest income	(Note-19)	3,549,330,885	2,139,473,152
Interest on treasury bills & bonds		230,738,207	369,017,388
		3,780,069,091	2,508,490,541

18.2 Fees, commission and brokerage

Commission		245,486,846	147,027,736
Brokerage		-	-
		245,486,846	147,027,736

18.3 Administrative expenses

Salaries and allowances	(Note-24)	626,866,221	477,805,053
Rent, taxes, insurance, electricity, etc.	(Note-25)	296,643,186	256,128,167
Legal and professional expenses	(Note-26)	4,364,997	3,174,208
Postage, stamp, telecommunication, etc.	(Note-27)	27,159,894	24,735,774
Stationery, printing, advertisement, etc.	(Note-28)	44,136,427	38,354,662
Managing Director's salary and fees	(Note-29)	16,760,000	16,760,000
Directors' fees & others expenses	(Note-30)	3,127,689	4,474,789
Auditors' fees	(Note-31)	400,000	402,500
Repair of Bank's assets	(Note-32)	41,543,165	53,909,342
		1,061,001,579	875,744,495

19 Interest income

Interest on advances		3,313,273,529	1,892,463,809
Interest on money at call and short notice		4,349,056	1,096,579
Interest on balance with other banks		1,763,658	1,346,686
Interest on placement with other banks and Financial Institutions		229,944,641	244,566,079
		3,549,330,885	2,139,473,152

**20 Interest paid on deposits and borrowings etc.**

Interest on deposits
Interest on borrowings

2018 Taka	2017 Taka
2,022,047,932	1,237,992,737
274,072,602	150,556,997
2,296,120,534	1,388,549,734

21 Investment income

Interest on Treasury Bill
Interest on Treasury Bond
Interest on bonds-Corporate
Interest on Commercial Paper
Capital Gain from trading in Govt. Securities
Loss on sale of Govt. Securities
Loss on revaluation of Treasury Securities
Capital Gain from sale of quoted Securities
Dividend on shares

447,542	195,773
307,717,903	433,104,383
43,764,471	58,782,083
14,334,375	14,866,816
365,919,957	503,897,048
(48,953,770)	(32,142,886)
(86,572,314)	(105,788,781)
38,694,282	96,483,328
72,087,868	76,591,582
707,440,314	1,045,989,346

22 Commission, exchange and brokerage

Fees and commission
Exchange gain (net off exchange loss)
Brokerage

245,486,846	147,027,736
90,193,558	68,871,626
-	-
335,680,404	215,899,361

23 Other operating income

Rebate on nostro account
Swift charge recovered
Postage/telex charge recovered
Non operating income

5,303,533	4,278,040
3,359,366	1,966,376
946,175	286,177
4,471,919	5,828,300
14,080,992	12,358,893

24 Salaries and allowances

Basic salary
Allowances
Performance bonus
Festival bonus
Bank's Contribution to provident fund
Contribution to gratuity fund

253,017,854	195,675,588
246,607,082	193,721,071
48,368,724	21,000,000
42,008,558	32,666,683
22,377,105	16,741,710
14,486,899	18,000,000
626,866,221	477,805,053

25 Rent, taxes, insurance, electricity etc.

Rent, rate and taxes
Insurance premium
Utilities

233,789,474	208,471,249
28,565,316	18,249,617
34,288,395	29,407,301
296,643,186	256,128,167

26 Legal expenses and professional expenses

Legal expenses
Other professional expenses

1,381,847	-
2,983,150	3,174,208
4,364,997	3,174,208

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Chartered Accountants

27 Postage, stamps, telecommunication etc.

Postage & Courier charges
Telephone
Swift and Bloomberg charges
Network link, internet, DC and DR

2018 Taka	2017 Taka
2,791,443	1,692,150
3,522,004	2,573,735
6,779,335	6,095,885
14,067,112	14,374,004
27,159,894	24,735,774

28 Stationery, printing, advertisements etc.

Printing and stationery
Publicity and advertisement
Promotional expense

14,434,029	12,728,382
19,612,531	15,475,757
10,089,867	10,150,523
44,136,427	38,354,662

29 Managing Director's salary and allowances

Basic salary
Allowances
Performance bonus
Festival bonus
Bank's Contribution to provident fund

9,600,000	9,600,000
3,600,000	3,600,000
1,000,000	1,000,000
1,600,000	1,600,000
960,000	960,000
16,760,000	16,760,000

30 Directors' fees and other expenses

Meeting attendance fees
Other expenses

2,020,464	2,848,000
1,107,225	1,626,789
3,127,689	4,474,789

31 Auditors' fees

Statutory audit fees

400,000	402,500
400,000	402,500

32 Depreciation and repair of bank's assets**Depreciation: (Annexure 'A')**

Furniture and fixtures
Machinery and equipment
Computer and network equipment
Mobile Phone
Vehicles
Software

29,140,272	23,037,112
28,053,175	21,702,056
26,907,125	21,141,821
622,844	209,656
8,244,349	9,475,246
20,651,877	19,853,775
113,619,642	95,419,666

Repair of bank's assets

Rented premises
Machinery and equipment
Computer and accessories
Software maintenance

3,568,490	4,446,891
6,810,529	5,404,956
106,236	236,675
31,057,910	43,820,821
41,543,165	53,909,342
155,162,807	149,329,008

33 Other expenses

Car expenses
Security Guard and Support Staff Salary
Books, periodicals and publications

39,476,308	37,372,599
58,623,502	50,785,564
1,170,070	2,023,945



	2018 Taka	2017 Taka
Donation and subscription	19,122,737	35,327,995
Staff recruitment and training expenses	2,332,431	1,668,136
Travelling expenses	6,682,488	4,191,278
Directors' travel and accommodation expenses	23,463,320	21,303,099
Entertainment	8,896,700	7,245,195
Business development expenses	10,667,597	7,172,788
Bank and other regulatory charges	1,644,324	1,406,073
Cash carrying expense	7,701,526	7,646,334
VISA expenses	9,463,125	5,570,753
AGM expenses	2,156,775	-
Contract point verification expenses	5,484,467	2,145,752
Sales and collection commission	9,610,566	4,034,320
Miscellaneous expenses	19,826,890	12,448,743
	226,322,826	200,342,574

34 Provision for loans, investments & off balance sheet items

Provision for bad and doubtful loans and advances	111,623,623	99,011,926
Provision for unclassified loans and advances	90,585,221	80,280,969
Provision for off-balance sheet items	21,856,855	67,426,048
Provision for diminution in value of investments	28,607,958	603,776
Provision for other assets	242,000	-
	252,915,658	247,322,718

35 Receipts from other operating activities

Rebate on nostro account	5,303,533	4,278,040
Swift charge recovered	3,359,366	1,966,376
Postage/telex charge recovered	946,175	286,177
Non operating income	4,471,919	5,828,300
	14,080,992	12,358,893

36 Payments for other operating activities

Rent, rates and taxes	296,643,186	256,128,167
Legal expenses and professional expenses	4,364,997	3,174,208
Postage and communication charges, etc.	27,159,894	24,735,774
Stationery, printing, advertisements etc.	29,702,398	25,626,280
Directors' fees & other expenses	3,127,689	4,474,789
Miscellaneous expenses	268,265,992	254,654,416
	629,264,155	568,793,634

37 Earnings per share (EPS)- Restated

Net profit after tax	582,155,071	442,923,095
Number of ordinary shares outstanding	432,000,000	432,000,000
Earnings per share (EPS)	1.35	1.03

Earnings per share has been calculated in accordance with IAS 33: "Earnings Per Share (EPS)".

**A. Particulars of audit committee**

In pursuance of the directives of the Bangladesh Bank vide BRPD Circular no.11 dated 27 October 2013, the Board of Directors in its 67th meeting held on 29 August 2018 re-constituted an Audit Committee. Presently, the Audit Committee members are:

Sl. No.	Name	Status with the Board	Status with the Audit Committee	Educational Qualification
1	Mr. Imtiaz Ahmed	Director	Chairman	Post Graduate
2	Mr. Naveed Rashid Khan	Director	Vice Chairman	Bachelor of Science
3	Mr. Kamal Ahmed	Vice Chairman	Member	Graduate of Business Management
4	Mr. Ali Ahmed	Director	Member	Business Diploma
5	Mr. Md. Motior Rahman*	Independent Director	Member	M.Com.(Accounting), Dhaka University

* Newly appointed as independent director on 23 January 2019

B. Meetings held by audit committee with senior management to consider and review the Bank's Financial Statements:

During the year under review the committee held several meetings to oversee / review various functions including reviewing the Annual Financial Statements in compliance with the Bangladesh Bank circular.

Meetings held by the committee during the year by date:

- 21st Audit Committee Meeting held on 25.01.2018
- 22nd Audit Committee Meeting held on 25.03.2018
- 23rd Audit Committee Meeting held on 27.05.2018
- 24th Audit Committee Meeting held on 04.09.2018
- 25th Audit Committee Meeting held on 22.12.2018

C. Steps taken for implementation of an effective internal control procedure of the Bank :

Through circular the committee placed its report regularly to the Board of Directors of the Bank mentioning its review results and recommendations on internal control system, compliance of rules and regulations and establishment of good governance within stipulated time.

39 Related party disclosures

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial and operating decisions that fall within the definition of 'Related Party' as contained in International Accounting Standards (IAS) - 24 (related party disclosures) and as defined in the BRPD Circular no. 14 dated 25 June 2003. Related party information are given below:

i) Directors' interest in different entities

Name of Directors	Status with the Bank	Name of the firms/companies in which interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Status	Percentage of holding/ interest in the concern
Mr. Mohammed Mahtabur Rahman	Chairman	Al Haramain Perfumes Manufacturing	Managing Director	49%
		Al Halal Perfumes Industry L.L.C, Ajman, UAE	Managing Director	25%
		Al Halal Perfumes L.L.C., Dubai, UAE	Managing Director	49%
		Al Haramain Trading L.L.C. Dubai, UAE	Managing Director	25%
		Noor Al Haramain L.L.C. , Dubai, UAE	Managing Director	25%
		Oudh Al Haramain (BR), Dubai, UAE	Manager	100%
		Al Haramain Perfumes Int'l W.L.L., Kuwait	Managing Director	49%
		Noor Al Haramain Perfumes Company W.L.L., Kuwait	Managing Director	49%
		Al Haramain Perfumes L.L.C. , Muscat, Oman	Managing Director	70%
		Al Haramain Perfumes, W.L.L., Doha, Qatar	Managing Director	49%
		Al Haramain Perfumes S.P.C, Bahrain	Managing Director	50%
		Al Haramain Perfumes PTE Ltd. Singapore	Managing Director	99%
		Al Haramain Perfumes SDN, Malaysia	Managing Director	50%
		Al Haramain Perfumes Pvt. Ltd., Dhaka,	Managing Director	1000 Shares
		AL Arafah Islami Bank Limited	Shareholder	9,334,181
		AIBL Capital Market Service Limited	Director	6,000,000
		Al Haramain Hospital Pvt Ltd., Sylhet,	Chairman	1000 Shares
		Rich & Ruitz, France		
		Al Haramain Perfumes, London		
		4 Corners Distribution Ltd., London		
		Al Haramain Perfumes Inc, New York, USA		
Mr. Tateyama Kabir	Vice Chairman	Emad Distribution Inc, Texas, USA		
		Shaikh Khalifa Bin Zayed Bangladesh Islamia (Pvt.) School, Abu Dhabi, UAE	Sponsor	
		Al Haramain Tea Co. Ltd., Bangladesh	Chairman	
Mr. Kamal Ahmed	Vice Chairman	Kabir Auto Export Co. Ltd. Japan	President	100%
		Ocean Auto Limited, Dhaka, Bangladesh	Proprietor	100%
		K M Global Limited, Dhaka, Bangladesh	Proprietor	100%
		Sumday Development Company Ltd., Bangladesh	Managing Director	25%
		Seamark PLC, United Kingdom	Deputy Managing Director	27%
		IBCO Limited, United Kingdom	Deputy Managing Director	30%
		IBCO Enterprise, United Kingdom	Deputy Managing Director	33%
		Seamark (BD) Limited, Bangladesh	Deputy Managing Director	20%
		IBCO Food Industries Limited, Bangladesh	Deputy Managing Director	23%
		Seamark (Holdings) Limited, Bangladesh	Deputy Managing Director	



Name of Directors	Status with the Bank	Name of the firms/companies in which interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Status	Percentage of holding/ interest in the concern
Mr. Kamal Ahmed	Vice Chairman	Seamark (USA) Inc, USA	Deputy Managing Director	33%
		ManRu Shopping City, Bangladesh	Deputy Managing Director	35%
Mr. M Badiuzzaman	Director	Tania International PTE. Ltd., Singapore	Managing Director	65%
		Tania Development PTE. Ltd., Singapore	Managing Director	70%
		Advance Homes Pvt. Ltd., Bangladesh	Chairman	60%
		Advance Corporation, Bangladesh	Managing Partner	70%
		Bangladesh Singapore Investment & Technologies Ltd., Bangladesh	Chairman	40%
		Bangladesh Singapore Development Limited	Chairman	40%
		Strategic Enterprises Pvt. Ltd., Bangladesh	Chairman	30%
		Pay Union BD limited, Bangladesh	Director	30%
Mr. Imtiaz Ahmed	Director	IMACULUS Ltd., UK	Director	
		Forest View College, UK	Director/Secretary	
		Easy Let Early Sale, UK	Director	-
Mr. Mohammed Idrish Farazy	Director	National Exchange Company S.R.L. Italy	Chairman	51%
		Popular Travels & Tours, Rome, Italy	Chairman	25%
		Farazy Hospital and Diagnostics Ltd.	Director	
Mr. Iqbal Ahmed OBE	Director	Seamark PLC, United Kingdom	Chairman & Chief Executive	27%
		IBCO Limited, United Kingdom	Chairman & Chief Executive	40%
		IBCO Enterprise, United Kingdom	Senior Partner	33%
		Seamark (BD) Limited, Bangladesh	Chairman & Chief Executive	30%
		IBCO Food Industries Limited, Bangladesh	Chairman & Chief Executive	31%
		Seamark (Holdings) Limited, Bangladesh	Chairman & Chief Executive	
		Seamark (USA) Inc., USA	Managing Director	33%
		ManRu Shopping City, Bangladesh	Senior Partner	31%
Mr. Khandakar R. Amin	Director	Father Realty Corporation (Commercial Building), USA	Proprietor	100%
		Amin Realty Corporation (Commercial Building), USA	Proprietor	100%
		Hirapur Realty Corporation (Commercial Building), USA	Proprietor	100%
		Surma Realty Corporation (Commercial Building), USA	Proprietor	100%
		Indian Spice (Indian Restaurant), USA	Proprietor	100%
		India Place (Indian Restaurant), USA	Proprietor	100%
		Chile's Chocolate, (Mexican Restaurant), USA	Proprietor	100%
		Gallitos Expreess (Mexican Restaurant), USA	Proprietor	100%
		Gallitos Mexicans (Restaurant), USA	Proprietor	100%
		Hotel New York (Residential), DHAKA	Proprietor	100%
		KH Carbon Factory, Faridpur	Proprietor	100%
		Khandakar Aquaculture Ltd, Noakhali	Proprietor	100%
		Amin CNG Filling Station, Noakhali	Proprietor	100%
		Amin Gas Station, Noakhali	Proprietor	100%
		Cafe New York, Noakhali	Proprietor	100%
		Dhaka New York Agro Fishers. Ltd., Noakhali	Proprietor	100%



Name of Directors	Status with the Bank	Name of the firms/companies in which interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Status	Percentage of holding/ interest in the concern
Mr. Naveed Rashid Khan	Director	Jabbar Jute Mills Ltd. Bangladesh	Director	10%
		Gentrade FZE, UAE	Chairman & MD	100%
		Bangladesh Medical Science and Technology Ltd, Bangladesh	Director	10%
		Commodity First DMCC, Dubai, UAE	Managing Director	50%
		Comodity First Pte Ltd, Singapore	Director	50%
Mr. Mohammed Jamil Iqbal	Director	Al Anood Perfumes Co., Dubai, UAE	Partner	24%
		M/S. Md. Jamil Iqbal, Bangladesh	Proprietor	100%
		M/S. JI Stone Supplier, Bangladesh	Proprietor	100%
		M/S. New Maitri Stone Crushing, Bangladesh	Proprietor	100%
		Jamil Iqbal Ltd.	Chairman	50%
Mr. Nafih Rashid Khan	Director	Commodity First DMCC, Dubai, UAE	Managing Director	50%
		Loch Shipping Intermediary FZE, UAE	Chairman & MD	100%
		Jabbar Jute Mills Ltd. Bangladesh	Director	10%
		Bangladesh Medical Science and Technology Limited, Bangladesh	Director	10%
		Comodity First Pte Ltd, Singapore	Director	50%
Dr. Nesar Ahmed Choudhury	Director	N.A. Choudhury Limited, UK	Director	50%
Mr. Mohammed Rafique Miah	Director	Banglatown Group of Company	Chairman	
		Le China PLC	Managing Director	
		Klaspad PLC	Director	
		Greenline Wholesale Ltd.	Director	
Mr. Abdul Karim	Director	Hassan Shahin Ahmed Perfumes L.L.C. Dubai, UAE	Proprietor	100%
Mr. Mohammed Jahed Iqbal	Director	M/S. Md. Jahed Iqbal	Proprietor	100%
		Jahed Iqbal Ltd. UK	Director	100%
		Desert Star Trading LLC	Partner	24%
		Jamil Iqbal Ltd., Bangladesh	Managing Director	50%
		Sumday Development Company Ltd., Bangladesh	Director	
Mr. Humayen Kabir Khan	Director	36 Wireless One LLC, USA	Manager	
		Big Citi Management, USA	Manager	
		Khan and Son Property LLC, USA	Owner	
		Estate of Fazlur Khan, USA	President and Owner	
Mr. Ali Ahmed	Director	Mirravale Holding Ltd.	Director	55%
		BJ Browning Business Ltd.	Director	55%
		AAB Estates Ltd.	Director	100%
		AA Express Food Dist. Ltd.	Director	75%
Mr. Md. Abdul Jalil Chowdhury	Independent Director	Nil	Nil	Nil
Mr. Md. Mehmood Husain	MD & CEO	Nil	Nil	Nil

ii) Significant contracts where Bank is a party & wherein Directors have interest : Nil

iii) Shares issued to Directors and Executives without consideration or exercisable at discount : Nil

iv) Lending Policies to Related Parties : Related parties are allowed Loans and Advances as per General Loan Policy of the Bank

v) Business other than Banking business with any related concern of the Directors as per Section-18(2) of the Bank Companies Act 1991 : Nil

vi) Investments in the Securities of Directors and their related concern : Nil

Related party transactions

Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per IAS 24 'Related Party Disclosures'. The Bank in normal course of business had transactions with other entities that fall within the definition of 'Related Party' as contained in IAS 24 and as defined in BRPD circular no. 04 dated 23 February 2014. The significant related party transactions during the year were as follows:

A) Funded & Non-funded facilities:

i) Funded facilities:

Name of the Organisation	Representing Directors of NRBBL	Nature of Interest of the Director with the	Nature of Facility	Sanctioned Amount	Outstanding as at 31 December 2018
Shawrma King Proprietor: Mr. Monir H. Farazy	Mr. Mohammad Idrish Farazy Brother of Director	Guarantor	Term Loan, OD	30,000,000	28,407,336
N/A	Engr. Abu Taher Mohammed Amanullah	N/A	SOD (Secured OD)	426,562,500	419,930,293

B) Transactions relating to procurement, service & rent:

Name of the Company	Related Directors of NRBBL	Nature of Transactions	Amount of Transaction made in 2018
Manru Shopping City	Mr. Iqbal Ahmed OBE DBA	Rental payment for NRBBL Sylhet Main Br, Sylhet.	2,990,400
KRC Centre	Mr. Khalilur Rahman Chowdhury	Rental payment for NRBBL Hotapara Br, Gazipur.	355,572
Advance Zaman Centre	Mr. M. Badiuzzaman	Rental payment for NRBBL Ghonapar Br, Gopalgonj.	472,500
Ocean Auto	Mr. Tateyama kabir	Lease rental payment of vehicle	1,599,996

40 Auditors work hour

The external auditor of the Bank, M/s ACNABIN, Chartered Accountants worked about 1,750 man hours. They have reviewed more than 80% of the Bank's risk weighted assets as at the Balance Sheet date.

41 General

Highlights on the overall activities of the bank have been furnished in Annexure - D.

42 Events after the balance sheet date

The Board of Directors of NRB Bank Limited recommended 8% stock dividend in 76th Board Meeting held on 28th April 2019 for the income year 2018. Eligible shareholders will be entitled to get this dividend subject to shareholders' approval in the 6th AGM.

Annexure-A

NRB Bank Limited
Schedule of fixed assets
As at 31 December 2018

(Amount in Taka)

Particulars	Cost				Rate of Dep.	Depreciation				Written Down Value
	Balance as at 1 January 2018	Additions during the year	Disposal/ adjustment during the year	Balance as at 31 December 2018		Balance as at 1 January 2018	Charged during the year	Disposal/ adjustment during the year	Balance as at 31 December 2018	
At Cost										
Tangible Assets										
Furniture and fixture	256,841,565	46,919,652	-	303,761,217	10%	58,185,712	29,488,875	-	87,674,587	216,086,630
Machinery and equipment	126,246,882	28,425,199	(3,196,395)	151,475,686	20%	58,798,742	28,053,175	(1,758,455)	85,093,462	66,382,224
Computer and network equipment	120,393,724	28,444,020	-	148,837,745	20%	65,567,693	26,558,522	-	92,126,215	56,711,529
Mobile Phone	1,040,605	352,300	-	1,392,905	50%	209,656	622,844	-	832,500	560,405
Vehicle	47,376,226	-	-	47,376,226	20%	30,058,931	8,244,349	-	38,303,280	9,072,946
Intangible assets:										
Software	160,717,919	12,757,409	-	173,475,328	12.5%	60,923,123	20,651,877	-	81,575,000	91,900,328
As at 31 December 2018	712,616,921	116,898,580	(3,196,395)	826,319,107		273,743,857	113,619,642	(1,758,455)	385,605,044	440,714,062
As at 31 December 2017	570,483,231	143,523,691	(1,390,000)	712,616,922		178,324,191	95,973,630	(553,964)	273,743,857	438,873,065

Annexure-B

NRB Bank Limited
Balance with other banks-Outside Bangladesh (Nostro Account)
as at 31 December 2018

Name of the Bank	Account type	Currency type	2018			2017		
			FC amount	Exchange rate	Equivalent Taka	FC amount	Exchange rate	Equivalent Taka
Habib American Bank, New York	CD	USD	344,140.38	83.90	28,873,378	14,340.11	82.70	1,185,927.10
United Bank of India	CD	ACU	343,035.29	83.90	28,780,661	116,983.61	82.70	9,674,544.55
United Bank of India	CD	ACU EUR	4,693.49	95.25	447,063	4,228.49	98.31	415,701.16
Mizhuo Bank Ltd, Japan	CD	JPY	116,368.00	0.75	87,672	200,368.00	0.73	146,188.49
Mashreq Bank PSC, New York	CD	USD	1,139,991.83	83.90	95,645,315	1,605.87	82.70	132,805.45
Mashreq Bank PSC, UK	CD	GBP	68,047.65	106.00	7,213,003	71,885.06	110.82	7,966,158.58
Mashreq Bank PSC ,UK	CD	EUR	47,350.89	95.25	4,510,253	1,365.27	98.31	134,219.15
AB Bank Limited, Mumbai	CD	ACU	196,955.30	83.90	16,524,550	5,000.00	82.70	413,500.00
National Commercial Bank	CD	SAR	104,500.00	22.36	2,336,892	104,500.00	22.05	2,304,454.90
					184,418,785	22,373,499		

NRB Bank Limited
Investment in Quoted Shares and Mutual Funds
as at 31 December 2018

Annexure- C

Name of the Company	Face value per share	No. of shares	Cost of holding	Average Cost	Quoted rate per share as on 31.12.17	Total market value of share as at 31.12.17	Unrealized gain/(loss)
Quoted Shares							
Active Fine Chemicals Limited	10	2,220,000	62,152,415	28	28	62,604,000	451,585
BRAC Bank Limited	10	200,000	14,517,787	73	73	14,540,000	22,213
Square Pharmaceuticals Limited	10	700	178,650	255	254	177,940	(710)
Kattali Textiles Limited	10	11,164	101,491	9	25	282,449	180,958
Heidelberg Cement Bangladesh Limited	10	83,000	43,459,370	524	335	27,780,100	(15,679,270)
MJL Bangladesh Limited	10	840,000	97,181,052	116	99	83,328,000	(13,853,052)
Advent Pharma Limited	10	4,000	36,365	9	41	163,600	127,235
Intraco Refueling Station Limited	10	6,033	57,459	10	27	161,684	104,225
SK Trims & Industries Limited	10	8,549	77,720	9	46	395,819	318,099
ACI Limited	10	34,611	12,349,511	357	326	11,290,108	(1,059,403)
Grameenphone Limited	10	70,000	27,051,630	386	367	25,711,000	(1,340,630)
VPS Thread Dyeing Limited	10	7,719	70,173	9	58	446,158	375,985
M L Dyeing Limited	10	7,248	60,400	8	30	215,266	154,866
Silva Pharma Limited	10	9,194	91,940	10	30	276,739	184,799
Indo-Bangla Pharmaceuticals Limited	10	5,045	45,864	9	31	156,900	111,036
Aman Cotton Fibrous Limited	10	16,000	640,000	40	42	673,600	33,600
Bashundhara Paper Mills Limited	10	22,000	1,760,000	80	84	1,843,600	83,600
Summit Power Limited	10	300,000	12,017,847	40	39	11,820,000	(197,847)
Mutual Fund							
LR Global Bangladesh Mutual Fund One	10	6,514,899	50,093,521	8	7	44,952,803	(5,140,718)
AIBL 1st Islamic Mutual Fund	10	10,000,000	86,991,170	9	8	81,000,000	(5,991,170)
MBL 1st Mutual Fund	10	6,427,603	53,153,879	8	7	46,278,742	(6,875,138)
ICB AMCL 2nd NRB Mutual Fund	10	1,137,885	10,997,267	10	10	11,265,062	267,794
Reliance One: The 1st Scheme of Reliance	10	5,100,000	59,263,505	12	9	47,940,000	(11,323,505)
ICB AMCL First Agrani Bank Mutual Fund	10	1,183,423	9,573,509	8	7	8,165,619	(1,407,890)
Grameen One : Scheme Two Mutual Fund	10	12,200,000	197,362,733	16	12	145,180,000	(52,182,733)
Southeast Bank 1st Mutual Fund	10	1,025,528	13,373,408	13	12	12,511,442	(861,967)
IBBL Mudaraba Perpetual Bond	1,000	15,726	15,344,767	976	942	14,813,892	(530,875)
Sub-total			768,003,432			653,974,522	(114,028,910)
IPO Application			3,769,340			3,769,340	
Free fund available			574,133			574,133	
Total			772,346,905			658,317,995	



NRB Bank Limited
Highlights on the overall activities
as at 31 December 2018

Sl No.	Particulars		2018	2017
1	Paid-up capital	Taka	4,320,000,000	4,000,000,000
2	Total capital (Tier-1 & Tier-2)	Taka	5,523,661,274	4,942,319,027
3	Surplus\ (Shortage) Capital	Taka	1,523,661,274	942,319,027
4	Total assets	Taka	44,147,817,639	34,940,086,920
5	Total deposits	Taka	33,518,594,580	23,933,484,680
6	Total loans and advances	Taka	32,473,459,905	22,920,907,531
7	Total contingent liabilities and commitments	Taka	11,241,688,588	8,581,567,216
8	Loans to deposits ratio (total loans/total deposits)	%	87.60%	81.18%
9	Percentage of classified loans against total loans and advances	%	3.71%	2.46%
10	Profit after tax and provision	Taka	582,155,071	442,923,095
11	Classified loans during the year	Taka	1,205,781,572	563,331,092
12	Provisions kept against classified loans	Taka	295,436,328	183,885,691
13	Provision surplus/(deficit) against classified loans	Taka	-	-
14	Cost of fund (Interest expenses/Average deposits and borrowings)	%	7.06%	5.88%
15	Interest earning assets	Taka	42,804,534,393	33,879,315,222
16	Non-interest earning assets	Taka	1,343,283,246	1,060,771,697
17	Return on assets (ROA) [PAT/ Average assets]	%	1.47%	1.48%
18	Income from investment	Taka	707,440,314	1,045,989,346
19	Return on investment (ROI) (Investment income/Average investment)	%	13.35%	17.58%
20	Earnings per share- restated	Taka	1.35	1.03
21	Net income per share	Taka	1.35	1.03