

NRB Bank Limited

**Independent Auditors' Report and Audited Financial Statements
for the year ended 31 December 2020**

Hoda Vasi Chowdhury & Co

Chartered Accountants

Independent Auditors' 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 (the "Bank"), which comprise the balance sheet as at 31 December 2020, and 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 balance sheet as at 31 December 2020, and of its profit and loss accounts and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and 3.

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), requirements of Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 3.16 of the financial statements, which describes matters related to implementation of 'IFRS 16 Leases' including preliminary assessment of its impact as assessed by management. Our opinion is not modified in respect of this matter.

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 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 that we obtained prior to the date of this auditor's 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 and 3 and comply with the Banking Company Act, 1991 (as amended up to date), the Companies Act, 1994 and other applicable Laws and Regulations 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 Bangladesh Bank guidelines 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 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement 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 Bank's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, 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 Banking Companies 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 purposes 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 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;
- iii. in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- 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 and payments made were for the purpose of the Bank's business for the year;
- vii. the financial statements 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 records and statements submitted by the branches have been properly maintained in the financial statements;
- x. the information and explanations required by us have been received and found satisfactory;
- xi. we have reviewed over 80% of the risk weighted assets of the Bank and spent over 2,150 person hours; and
- xii. capital to risk-weighted asset ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka, 03 June 2021
DVC No: 2106210770A9289510


Sabbir Ahmed, FCA, Partner
Enrolment no: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants



**NRB Bank Limited
Balance Sheet
as at 31 December 2020**

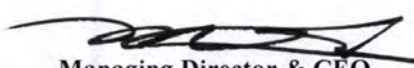
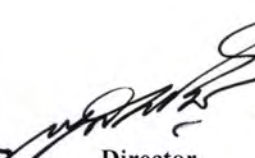
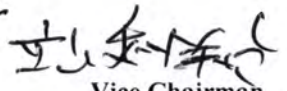

PROPERTY AND ASSETS	Notes	31-Dec-2020	31-Dec-2019
		Taka	Taka
Cash	4	3,140,113,528	3,170,883,607
Cash in hand (including foreign currencies)	4.1	739,719,284	777,432,737
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	4.2	2,400,394,244	2,393,450,870
Balance with other banks and financial institutions	5	3,167,659,594	2,018,295,669
In Bangladesh	5.1	3,068,091,239	1,859,573,354
Outside Bangladesh	5.2	99,568,355	158,722,315
Money at call on short notice		535,500,000	345,320,000
Investments	6	7,665,384,722	8,256,770,228
Government	6.1	6,079,258,097	6,703,274,548
Others	6.2	1,586,126,625	1,553,495,680
Loans and advances	7	38,848,570,390	38,932,317,978
Loans, cash credit, overdrafts etc.	7.1	38,792,949,133	38,813,955,679
Bills purchased and discounted	7.2	55,621,257	118,362,299
Fixed assets including premises, furniture and fixtures	8	384,938,747	448,917,068
Other assets	9	1,621,318,738	1,550,469,807
Non - banking assets		-	-
Total assets		55,363,485,719	54,722,974,357
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	3,642,983,144	3,733,884,914
Deposits and other accounts		41,830,983,438	41,809,853,016
Current deposits and other accounts	11.1	9,887,349,818	8,835,535,861
Bills payable	11.2	316,811,897	200,730,379
Savings bank deposits	11.3	3,831,217,604	3,315,135,398
Fixed deposits	11.4	27,795,604,119	29,458,451,378
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	12	4,085,752,364	4,051,536,334
Total liabilities		49,559,718,946	49,595,274,264
Capital/shareholders' equity			
Paid up capital	13.2	4,665,600,000	4,665,600,000
Statutory reserve	14	660,507,569	470,693,317
Other reserve	15	6,707,198	1,708,959
Retained earnings	16	470,952,006	(10,302,183)
Total shareholders' equity		5,803,766,773	5,127,700,093
Total liabilities and shareholders' equity		55,363,485,719	54,722,974,357



OFF-BALANCE SHEET ITEMS


	Notes	31-Dec-2020 Taka	31-Dec-2019 Taka
Contingent liabilities	17	10,880,863,570	14,417,316,055
Acceptances and endorsements	17.1	1,565,237,575	2,604,112,785
Letters of guarantee	17.2	7,366,294,585	8,840,474,904
Irrevocable letters of credit	17.3	1,325,590,543	2,182,851,200
Bills for collection	17.4	623,740,867	789,877,166
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		-	-
Total off-Balance Sheet items including contingent liabilities		10,880,863,570	14,417,316,055

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

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

As per our report of same date.

Dhaka, 03 June 2021
DVC No: **2106210770AS289510**



Sabbir Ahmed, FCA, Partner
 Enrollment No: 770
 Hoda Vasi Chowdhury & Co
 Chartered Accountants

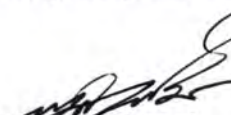


**NRB Bank Limited
Profit and Loss Account
for the year ended 31 December 2020**

	Notes	Amount in Taka 2020	Amount in Taka 2019
Interest income	19	4,065,018,938	4,603,332,997
Interest paid on deposits and borrowings etc.	20	(3,070,333,638)	(3,088,835,347)
Net interest income		994,685,300	1,514,497,650
Income from investments	21	994,960,846	447,119,076
Commission, exchange and brokerage	22	388,086,630	445,817,916
Other operating income	23	61,478,441	20,858,079
		1,444,525,917	913,795,071
Total operating income (A)		2,439,211,217	2,428,292,720
Salaries and allowances	24	739,815,945	710,291,621
Rent, taxes, insurance, electricity etc.	25	312,600,607	316,448,163
Legal and professional expenses	26	5,558,070	4,137,894
Postage, stamp, telecommunication etc.	27	33,130,666	34,885,572
Stationery, printing, advertisements etc.	28	19,632,693	30,935,848
Managing Director's salary and fees	29	13,600,000	16,738,000
Directors' fees and other expenses	30	742,421	5,148,511
Auditors' fees	31	400,000	400,000
Depreciation and repair of bank's assets	32	146,623,100	154,999,478
Other expenses	33	217,380,687	229,195,654
		1,489,484,188	1,503,180,741
Total operating expenses (B)		949,727,028	925,111,979
Profit before provision (C=A-B)		949,727,028	925,111,979
Provision for start-up fund		9,497,270	-
Provision for loans and advances			
General provision		93,948,404	75,087,071
Specific provision		(129,777,502)	814,076,927
		(35,829,098)	889,163,998
Provision for off-balance sheet items		(33,703,162)	28,601,862
Provision for diminution in value of investments		(65,959,197)	100,854,567
Other provisions		126,649,955	197,000
Total provision (D)	34	655,769	1,018,817,427
Total profit before tax (E=C-D)		949,071,259	(93,705,448)
Provision for tax			
Provision for current tax	12.6	195,195,492	340,045,431
Deferred tax expense/(Income)		82,807,326	(308,394,666)
Total provision for tax (F)		278,002,818	31,650,765
Net profit after tax (G=E-F)		671,068,441	(125,356,213)
Appropriations			
Statutory reserve	14	189,814,252	-
General reserve		-	-
		189,814,252	-
Retained surplus for the year		481,254,189	(125,356,213)
Earnings per share (EPS)	37	1.44	-0.27

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

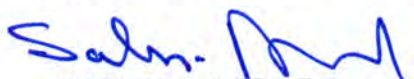

Managing Director & CEO


Director


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As per our report of same date.


Sabbir Ahmed, FCA, Partner
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Dhaka, 03 June 2021
DVC No: 2106210770AS289510



**NRB Bank Limited
Cash Flow Statement
for the year ended 31 December 2020**

	Notes	2020 Taka	2019 Taka
Cash flows from operating activities			
Interest receipts in cash		4,673,761,847	5,059,688,924
Interest payments		(3,344,603,866)	(3,352,626,662)
Dividend receipts		55,826,174	66,553,877
Fees and commission receipts		388,086,630	445,817,916
Cash payments to employees		(753,415,945)	(727,029,621)
Cash payment to suppliers		(8,645,144)	(12,671,920)
Income tax paid		(342,943,056)	(208,769,203)
Receipts from other operating activities	35	21,924,833	20,858,079
Payments for other operating activities	36	(602,010,939)	(662,270,325)
Cash generated from operating activities before changes in operating assets and liabilities		87,980,535	629,551,065
Increase/(decrease) in operating assets and liabilities:			
Loans and advances to customers		83,747,588	(6,458,858,073)
Other assets		(70,848,931)	(544,886,179)
Deposits from customers		21,130,422	8,291,258,436
Other liabilities		233,874,420	1,151,752,504
Cash generated from operating assets and liabilities		267,903,500	2,439,266,689
Net cash generated from operating activities		355,884,034	3,068,817,754
Cash flows from investing activities			
(Purchase)/sale of trading securities		624,016,451	(2,559,326,732)
Gain/loss from sale of trading securities, shares, bonds, etc.		294,143,771	(109,030,116)
(Purchase)/sale of shares and bonds		(32,630,945)	(53,269,985)
(Purchase) of property and equipment		(31,917,695)	(122,118,864)
Net cash used in investing activities		853,611,582	(2,843,745,697)
Cash flows from financing activities			
Borrowings from other banks, financial institutions and agents		(90,901,771)	385,174,185
Cash dividend paid		-	-
Net Cash flows/(used in) from financing activities		(90,901,771)	385,174,185
Net increase in cash and cash equivalents (A+ B + C)		1,118,593,846	610,246,243
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the year		5,189,179,276	4,578,933,033
Cash and cash equivalents at end of the year (D+E+F)		6,307,773,122	5,189,179,276
Cash and cash equivalents at end of the year represents			
Cash in hand (including foreign currencies)		739,719,284	777,432,737
Balance with Bangladesh Bank and its agent bank (s)		2,400,394,244	2,393,450,870
Balance with other banks and financial institutions		3,167,659,594	2,018,295,669
		6,307,773,122	5,189,179,276

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


Managing Director & CEO


Director


Vice Chairman


Chairman




NRB Bank Limited
Statement of Changes in Equity
for the year ended 31 December 2020

(Amount in Taka)

Particulars	Paid up capital	Statutory reserve	Other reserve	Retained earnings	Total
Balance as at 1 January 2020	4,665,600,000	470,693,317	1,708,959	(10,302,183)	5,127,700,093
Bonus share issued for 2019	-	-	-	-	-
Net profit/(loss) after tax for the year	-	-	-	671,068,441	671,068,441
Transfer to statutory reserve	-	189,814,252	-	(189,814,252)	-
Addition/(adjustment) made during the year	-	-	4,998,239	-	4,998,239
Balance as at 31 December 2020	4,665,600,000	660,507,569	6,707,198	470,952,006	5,803,766,773
Balance as at 1 January 2019	4,320,000,000	470,693,317	44,219	460,654,030	5,251,391,566
Bonus share issued for 2018	345,600,000	-	-	(345,600,000)	-
Net profit/(loss) after tax for the year	-	-	-	(125,356,213)	(125,356,213)
Transfer to statutory reserve	-	-	-	-	-
Addition/(adjustment) made during the year	-	-	1,664,740	-	1,664,740
Balance as at 31 December 2019	4,665,600,000	470,693,317	1,708,959	(10,302,183)	5,127,700,093

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


Managing Director & CEO


Director


Vice Chairman


Chairman



**Hoda Vasi
Chowdhury & Co**

NRB Bank Limited
Liquidity Statement
(Analysis of maturity of assets and liabilities)
as at 31 December 2020

(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)	3,140,113,528	-	-	-	-	3,140,113,528
Balance with other banks and financial institutions	2,467,659,594	700,000,000	-	-	-	3,167,659,594
Money at call and on short notice	535,500,000	-	-	-	-	535,500,000
Investments	110,579,990	582,947,549	1,686,923,554	1,382,212,893	3,902,720,736	7,665,384,722
Loans and advances	10,980,436,339	2,731,148,893	9,441,179,878	11,464,814,091	4,230,991,189	38,848,570,390
Fixed assets including premises, furniture and fixtures	-	-	-	-	384,938,747	384,938,747
Other assets	-	138,099,572	421,481,766	1,061,737,401	-	1,621,318,738
Non banking assets	-	-	-	-	-	-
Total assets (A)	17,234,289,451	4,152,196,014	11,549,585,198	13,908,764,384	8,518,650,672	55,363,485,719
Liabilities:						
Borrowings from other banks, financial institutions and agents	1,441,128,163	1,308,931,161	817,297,890	75,625,930	-	3,642,983,144
Deposits	4,766,798,642	6,449,822,756	24,386,199,436	3,344,934,303	2,883,228,301	41,830,983,438
Provision and other liabilities	275,984,125	986,617,186	114,200,007	5,305,905	2,703,645,140	4,085,752,364
Total liabilities (B)	6,483,910,930	7,436,439,942	25,317,697,334	3,425,866,138	5,586,873,441	49,559,718,946
Net liquidity gap (A - B)	10,750,378,522	(3,284,243,928)	(13,768,112,136)	10,482,898,246	2,931,777,231	5,803,766,773



NRB Bank Limited
Notes to the Financial Statements
as at and for the year ended 31 December 2020

1. 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 46 branches, 46 ATM booths and NPSB shared ATM booths all over Bangladesh. The Bank had no overseas branches as at 31 December 2020.

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, cash management, treasury, securities and custodial services to its customers.

2. Basis of preparation and significant accounting policies

2.1 Statement of compliance

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is formed and it is yet to issue financial reporting standards for public interest entities such as banks. The Bank Company Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as approved by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable.

Accordingly, the financial statements of the Bank continue to be prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Bank Company Act 1991, the rules and regulations issued by Bangladesh Bank (BB), the Companies Act 1994. In case any requirement of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the requirements of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material deviations from the requirements of IFRS are as follows:

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 flows 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 upto 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 non-current classifications.

ii) Investments in shares, mutual funds and other securities

IFRS: As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

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

iii) Revaluation gains/losses on Government securities

IFRS: As per requirement of IFRS 9 where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognised through the profit and loss account. Securities designated as amortised cost are measured at effective interest rate method and interest income is recognised through the profit and loss account.

Bangladesh Bank: According to DOS circular no. 05 dated 26 May 2008 and subsequent clarification in DOS circular no. 05 dated 28 January 2009, amortisation loss is charged to profit and loss account, mark-to-market loss on revaluation of Government treasury 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 amortized cost method but interest income/gain is recognized through equity.

iv) Provision on loans and advances

IFRS: As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

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 as per BRPD Circular no 56, dated 10 December 2020, special general provision @ 1% on unclassified (standard/SMA) loans that are availing extended time to pay installment/adjustment should be maintained. 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 except bills for collection. Such provision policies are not specifically in line with those prescribed by IFRS 9.

v) Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

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 recognised 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

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.



viii) Repo and reverse repo transactions

IFRS: As per IFRS 9 when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan and the underlying asset continues to be recognised at amortised cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).

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 derecognised in the seller's book and recognised in the buyer's book.

ix) Financial guarantees

IFRS: As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 14, financial guarantees such as letter of credit and letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin. As per BRPD Circular No.01 dated 03 January 2018 and BRPD Circular No.14 dated 23 September 2012, the Bank is required to maintain provision at 1% against gross off-balance sheet exposures (which includes undrawn loan commitments).

x) Cash and cash equivalent

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

Bangladesh Bank: Some cash and cash equivalent items such as money at call on short notice, treasury bills with maturity of more than three months and prize bond are not shown as cash and cash equivalents. Money at call on short notice is shown separately in the balance sheet. Treasury bills with maturity of more than three months and prize bond are shown under investment in the balance sheet.

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 14 dated 25 June 2003, provision on loans and advances should be presented separately as liability and can not 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. The Bank 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 recognized in the period in which the estimate is revised and in any future period affected.

2.6 Foreign currency transactions

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 sport 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 sport 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 period

These financial statements of the bank cover one calendar year from 1 January to 31 December 2020.

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

3 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

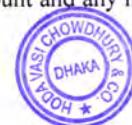
All investments (other than government treasury securities) are initially recognized at cost, including acquisition charges associated with the investment. Accounting treatment of government treasury securities (categorized as HFT or/and HTM) is given following DOS Circular no. 05 dated 26 May 2008 and 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 methods of investments used are:

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 accreted, 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 reverse 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 period) of the same security. For interest bearing security, the Bank does not accrue interest during REPO period.

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 are 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 Reserve.
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), special

general provision @ 1% on unclassified loans (standard/SMA) loans that are availing extended time to pay installment/adjustment and @ 1% on off balance-sheet exposures excluding bills for collection, 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, BRPD Circular no 8, dated 2 August 2015 and BRPD Circular no 56, dated 10 December 2020. Provisions and interest suspense are separately shown under other liabilities as per First Schedule of Bank Company Act 1991 (amendment upto 2013), instead of netting off with loans.

Rates of provision on loans and advances are given below:

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, loans for professionals and credit cards	5%
Short term agri credit and micro credit	1%
Off balance sheet exposures	1%
Special General provision (COVID-19) on:	
Unclassified (including SMA) loans that are availing extended time to pay installment/adjustment	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%

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 an 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 recognized in the financial statements as non-earning assets on the basis of third party valuation report. Value of the assets receive 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 (IFRS).

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. 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, BRPD circular no. 16 dated 18 November 2014 and related subsequent amendment circulars. 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. 04 dated 24 November 2011 and DOS circular letter no. 03 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 Annexure-C 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 subsequent amendment circulars, the Bank has been maintaining provision @ 1% against off-balance sheet exposures (mainly contingent assets/liabilities) except bills for collection.

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 authorized capital of the Bank is the maximum amount of share capital that the Bank is authorized 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 to "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 IFRS 9.

Foreign exchange gain/ loss

Exchange income includes all gains 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.

Superannuation fund

The Banks' introduced "NRB Bank Limited Employees' Superannuation Fund" commencing from August 12, 2019 is subscribed by the contribution of the bank. The fund has been established to provide medical support like; hospitalization, maternity etc. and coverage in the event of accidental death or permanent disabilities of the employees.

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 tax payable in respect of previous years.

Provision for current income tax of the Bank has been made on taxable income @ 40% 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 recognized 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 recognized 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 realized 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

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 Reconciliation of books and account

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'.

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 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 2020.

IAS No.	IAS Title	Compliance Status
1	Presentation of Financial Statements	Complied*
2	Inventories	Not Applicable
7	Statements of cash flows	Complied*
8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
10	Events after the Balance Sheet Date	Complied
11	Construction Contracts	Not Applicable
12	Income Taxes	Complied
16	Property, Plant and Equipment	Complied
17	Leases	Complied
18	Revenue	Not Applicable
19	Employee Benefits	Complied
20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
21	The Effects of Changes in Foreign Exchange Rates	Complied
23	Borrowing Costs	Complied
24	Related Party Disclosures	Complied
26	Accounting and reporting by retirement benefit plans	Complied
27	Consolidated and Separate Financial Statements	Not Applicable
28	Investments in Associates	Not Applicable
31	Interests in Joint Ventures	Not Applicable
32	Financial Instruments: Presentation	Complied*
33	Earnings Per Share	Complied
34	Interim Financial Reporting	Complied

IAS No.	IAS Title	Compliance Status
36	Impairments of Assets	Complied
37	Provisions, Contingent Liabilities and Contingent Assets	Complied
38	Intangible Assets	Complied
39	Financial Instruments: Recognition and Measurement	Not Applicable
40	Investment property	Not Applicable
41	Agriculture	Not Applicable

IFRS No.	IFRS Title	Compliance Status
1	First-time adoption of International Financial Reporting Standards	Not applicable
2	Share based Payment	Not applicable
3	Business Combinations	Not applicable
4	Insurance Contracts	Not applicable
5	Non-current Assets Held for Sale and Discontinued Operations	Not applicable
6	Exploration for and Evaluation of Mineral Resources	Not applicable
7	Financial Instruments: Disclosures	Complied*
8	Operating Segments	Not applicable
10	Consolidated Financial Statements	Not applicable
11	Joint Arrangements	Not applicable
12	Disclosure of interests in other entities	Not applicable
13	Fair Value Measurement	Complied
15	Revenue from contracts with customers	Complied
16	Leases	Not 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 IFRSs, some of the requirements specified in these IASs /IFRSs are not applied.

3.15 New accounting standards not yet adopted

The Bank has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2019 have been considered. However, these amendments have no material impact on the financial statements of the Bank.

In December 2017, ICAB vide letter 1/1/ICAB-2017 decided to adopt IFRS replacing BFRS effective for annual periods beginning on or after 1 January 2018. However, since issued BFRS have been adopted from IFRS without any major modification, such changes would not have any material impact on these financial statements.

A number of standards and amendments to standards are effective for annual periods beginning on or after 1 January 2020 and earlier application is permitted. However, the Bank has not early applied the following new standards in preparing these financial statements.

(a) IFRS 17 Insurance contract

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed in potential impact of IFRS 17 on its financial statements.



3.16 IFRS 16 Leases

IFRS 16 Leases is effective for the annual reporting periods beginning on or after 1 January 2019. IFRS 16 defines that a contract is (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 significantly changes how a lessee accounts for operating leases. Under previous IAS 17, an entity would rent an office building or a branch premises for several years with such a rental agreement being classified as operating lease would have been considered as an off balance sheet item. However, IFRS 16 does not require a lease classification test and hence all leases shall be accounted for as on balance sheet item (except some limited exception i.e. short-term lease, leases for low value items).

Under IFRS 16, an entity shall be recognizing a right-of-use (ROU) asset (i.e. the right to use the office building, branches, service center, call center, warehouse, etc.) and a corresponding lease liability. The asset and the liability are initially measured at the present value of unavoidable lease payments. The depreciation of the lease asset (ROU) and the interest on the lease liability is recognized in the profit or loss account over the lease term replacing the previous heading 'lease rent expenses'.

As per the preliminary assessment of leases for 'office premises', the Bank has concluded that the potential impact of these lease items in the Balance Sheet and Profit and Loss Account of the Bank for the year 2020 is not considered to be material. Therefore, considering the above implementation issues the Bank has not taken IFRS 16 adjustments on the basis of overall materiality as specified in the materiality guidance in the 'Conceptual Framework for Financial Reporting' and in 'International Accounting Standard 1 'Presentation of Financial Statements'. However, the Bank would continue to liaison with regulators and related stakeholders and observe the market practice for uniformity and comparability, and take necessary actions in line with regulatory guidelines and market practice.

3.17 Approval of financial statements

The financial statements were reviewed by the Audit Committee of the Board of the Bank in its 41st meeting held on 26th April, 2021 and was subsequently approved by the Board in its 119th meeting held on 3rd June, 2021.



		31-Dec-2020	31-Dec-2019
		Taka	Taka
4 Cash			
Cash in hand (including foreign currencies)	(Note-4.1)	739,719,284	777,432,737
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)	(Note-4.2)	2,400,394,244	2,393,450,870
		3,140,113,528	3,170,883,607
4.1 Cash in hand (including foreign currencies)			
Local currency		698,891,811	744,246,275
Foreign currencies		40,827,473	33,186,462
		739,719,284	777,432,737
4.2 Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)			
Local currency		2,360,511,959	2,362,368,800
Foreign currencies		39,882,285	31,082,070
		2,400,394,244	2,393,450,870
4.a Cash Reserve Ratio (CRR)			
As per section 33 of Bank Company Act, 1991 (amended upto 2018) & MPD circular no. 03 dated 09 April 2020, issued by Bangladesh bank with effect from 15 April 2020, the Bank has maintained CRR of minimum 3.50% on daily basis and 4.0% 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 2020 is based on weekly average balance of October 2020). Reserve maintained by the bank as at 31 December are as follows:			
Average total demand and time liabilities of October 2020		42,900,321,669	40,593,654,504
Daily basis			
Required reserve (3.5% of ATDTL)		1,501,511,258	2,029,682,725
Actual reserve held (5.70% of ATDTL)		2,443,864,862	2,301,533,596
Surplus / (deficit)		942,353,604	271,850,871
Bi-weekly basis:			
The bank maintained excess cash reserve of Tk.2,679,987,782.32 /- (Tk. 399,726,355.92/- was in 2019) against 4% (of ATDTL) on bi-weekly basis which is the summation of excess cash reserve maintained over required in the last fortnight (bi-week) of 2020.			
4.b Statutory Liquidity Ratio (SLR)			
As per section 33 of the Bank Company Act, 1991 (amended upto 2018) & 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 2020 is based on weekly average balance of October 2020). Reserve maintained by the bank as at 31 December are as follows:			
Required reserve (13% of ATDTL)		5,577,041,817	5,277,175,086
Actual reserve held (17.97% of ATDTL)	(Note-4.c)	7,631,611,390	7,608,515,169
Surplus / (deficit)		2,054,569,573	2,331,340,083
4.c Actual reserve held			
Cash in hand		739,719,284	777,432,737
Excess reserve on CRR		727,851,996	68,882,599
Balance with Sonali Bank (local Currency)		84,782,013	58,925,285
Unencumbered approved securities (HFT)		1,949,720,992	1,936,474,943
Unencumbered approved securities (HTM)		4,129,151,606	4,766,183,405
Unencumbered approved securities (other eligible)		385,500	616,200
		7,631,611,390	7,608,515,169



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4.d Maturity grouping of Cash

On demand
In more than one month but not more than three months
In more than three months but not more than one year
In more than one year but not more than five years
More than 5 years

31-Dec-2020	31-Dec-2019
Taka	Taka
3,140,113,528	3,170,883,607
-	-
-	-
-	-
-	-
3,140,113,528	3,170,883,607

5 Balance with other banks and financial institutions

In Bangladesh
Outside Bangladesh

3,068,091,239	1,859,573,354
99,568,355	158,722,315
3,167,659,594	2,018,295,669

5.1 In Bangladesh

In Current Accounts with

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

8,228	21,493
1,902,221	1,793,264
-	7,965
1,777,155	4,599,040
849,959,310	-
51,758,524	48,851,591
905,405,438	55,273,354

In Mobile Banking Accounts with

bKash Limited

1,285,801	-
1,285,801	

In Fixed Deposit Accounts with banks and NBFIs

With banks

Modhumoti Bank Limited
Meghna Bank Limited

-	339,600,000
200,000,000	-
200,000,000	339,600,000

With financial institutions:

International Leasing & Financial Services Limited
Prime Finance & Investment Limited
National Finance Limited
GSP Finance Company (Bangladesh) Limited
IPDC Finance Limited
Reliance Finance Limited
Lanka Bangla Finance Limited
Bangladesh Finance & Investment Co Limited
Fareast Finance & Investment Limited
Uttara Finance and Investments Limited

148,800,000	151,300,000
42,500,000	51,500,000
50,000,000	80,000,000
285,000,000	290,800,000
650,000,000	-
130,000,000	197,000,000
430,000,000	350,000,000
103,000,000	122,500,000
122,100,000	121,600,000
-	100,000,000
1,961,400,000	1,464,700,000
3,068,091,239	1,859,573,354

5.2 Outside Bangladesh (NOSTRO Accounts)

Current accounts

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

11,870,028	37,974,646
6,425,395	6,983,292
3,948,012	742,992
38,975	608,876
67,775,051	87,374,069
-	5,540,563
2,844,560	10,346,634
4,186,150	6,680,617
2,480,183	2,470,626
99,568,355	158,722,315

(Details are given in Annexure- B)



		31-Dec-2020	31-Dec-2019
		Taka	Taka
5.a Maturity grouping of balance with other banks and financial institutions			
On demand		2,467,659,594	1,859,573,354
In more than one month but not more than three months		700,000,000	158,722,315
In more than three months but not more than one year		-	-
In more than one year but not more than five years		-	-
More than 5 years		-	-
		3,167,659,594	2,018,295,669
6 Investments			
Government	(Note-6.1)	6,079,258,097	6,703,274,548
Others	(Note-6.2)	1,586,126,625	1,553,495,680
		7,665,384,722	8,256,770,228
6.a Investments classified as per Bangladesh Bank Circular			
Held for trading (HFT)		1,949,720,992	1,936,474,943
Held to maturity (HTM)		4,129,151,606	4,766,183,405
Other securities		1,586,512,125	1,554,111,880
		7,665,384,722	8,256,770,228
6.1 Government (Investment in govt. securities)			
Treasury bills	(Note-6.1.1)	733,697,874	1,911,066,705
Treasury bonds	(Note-6.1.2)	5,345,174,723	4,791,591,643
Prize Bonds		385,500	616,200
		6,079,258,097	6,703,274,548
6.1.1 Treasury bills			
<i>Unencumbered</i>			
14 days treasury bills		-	249,288,450
91 days treasury bills		-	248,574,744
182 days treasury bills		269,935,812	1,136,742,301
364 days treasury bills		463,762,062	276,461,210
		733,697,874	1,911,066,705
6.1.2 Treasury bonds			
<i>Unencumbered</i>			
2 years treasury bond		698,019,810	251,979,376
5 years treasury bond		685,623,791	523,334,325
10 years treasury bond		1,148,431,911	748,109,832
15 years treasury bond		1,282,122,922	1,194,855,651
20 years treasury bond		1,530,976,290	2,073,312,459
		5,345,174,723	4,791,591,643

6.1.3 (i) Disclosure regarding outstanding repo as on 31 December 2020

Counter party name	Agreement Date	Reversal Date	Amount in Taka
Janata Bank Limited	30/12/2020	03/01/2021	1,179,904,096
Agrani Bank Limited	30/12/2020	04/01/2021	351,334,348

(ii) Disclosure regarding outstanding reverse repo as on 31 December 2020

Counter party name	Agreement Date	Reversal Date	Amount in Taka
Lankabangla Finance Limited	30/12/2020	06/01/2021	33,867,932



31-Dec-2020	31-Dec-2019
Taka	Taka

(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	85,000,000	2,708,410,907	382,556,780
With other Banks & Financial Institutions	148,445,400	1,531,238,444	126,656,773
Securities purchased under reverse repo:			
With Bangladesh Bank	-	-	-
With other Banks & Financial Institutions	33,465,121	1,867,339,150	131,849,795

6.b Investments classified as per Bangladesh Bank Circular:

Held for Trading (HFT)

HFT T-Bills 14 Days	-	249,288,450
HFT T-Bills 91 Days	-	248,574,744
HFT T-Bills 182 Days	269,935,812	1,136,742,301
HFT T-Bills 364 Days	463,762,062	276,461,210
2 Years BGTB – HFT	206,448,420	-
5 Years BGTB – HFT	286,008,282	198,886
10 Years BGTB – HFT	585,433,402	-
15 Years BGTB – HFT	138,133,014	25,209,352
20 Years BGTB – HFT	-	-
	1,949,720,992	1,936,474,943

Held to Maturity (HTM)

HTM T-Bills 91 Days	-	-
HTM T-Bills 182 Days	-	-
HTM T-Bills 364 Days	-	-
2 Years BGTB – HTM	491,571,390	251,979,376
5 Years BGTB – HTM	399,615,509	523,135,440
10 Years BGTB – HTM	562,998,509	748,109,832
15 Years BGTB – HTM	1,143,989,908	1,169,646,299
20 Years BGTB – HTM	1,530,976,290	2,073,312,459
	4,129,151,606	4,766,183,405
	6,078,872,597	6,702,658,348

As per DOS Circular N0. 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	(Note-6.2.1)	340,000,000	80,000,000
Ordinary Shares and Mutual Funds	(Note-6.2.2)	898,602,382	849,010,830
Preference Share	(Note-6.2.3)	277,924,243	333,484,850
Commercial Paper	(Note-6.2.4)	69,600,000	291,000,000
		1,586,126,625	1,553,495,680

6.2.1 Corporate bonds

Mercantile Bank Limited	40,000,000	80,000,000
United Commercial Bank Limited	300,000,000	-
	340,000,000	80,000,000



6.2.2 Ordinary Shares and Mutual Funds

Quoted Shares

General Portfolio (A)

Active Fine Chemicals Limited
BRAC Bank Limited
Heidelberg Cement Bangladesh Limited
MJL Bangladesh Limited
ACI Limited
Grameenphone Limited
Premier Bank Limited
Prime Bank Limited
Olympic industries Limited
Singer Bangladesh Limited
BBS Cables Limited
Esquire Knit Composite Limited
Runner Automobiles Limited
Sea Pearl Beach Resort & Spa Limited
Coppertech Industries Limited
Mutual Trust Bank Limited
Ring Shine Textiles Limited
Meghna Petroleum Limited
Robi Axiata Limited
Crystal Insurance Company Limited
Dominage Steel Building Systems Limited
Square Pharmaceuticals Limited
Aman Cotton Fibrous Limited
Barka Power Limited
SS Steels Limited
Genex Infosys Limited
Newline Clothings Limited
Silco Pharmaceuticals Limited
IDLC Finance Limited

Mutual Funds (B)

AIBL 1st Islamic Mutual Fund
Grameen One : Scheme Two Mutual Fund
Peninsula Balanced Fund
LR Global Bangladesh Mutual Fund One
MBL 1st Mutual Fund
Southeast Bank 1st Mutual Fund
Ashuganj Power Station Company Limited Bond
IBBL Mudaraba Perpetual Bond
Reliance One: The 1st Scheme of Reliance Insurance Mutual Fund

Sub-Total (A+B)

(Details are given in Annexure- C)

Special Purpose Fund Portfolio

Bank Asia Limited
Golden Harvest Agro Industries Limited
Linde Bangladesh Limited
National Polymer Industries Limited
Paramount Textile Limited
Renata Limited
Summit Power Limited

IPO Application

APSCLBOND
ADN Telecom Limited

31-Dec-2020	31-Dec-2019
Taka	Taka

9,735,840	9,735,840
4,950,882	2,958,155
43,459,370	43,459,370
97,181,052	97,181,052
9,308,251	11,921,697
50,313,173	50,313,173
4,579,140	4,579,140
7,434,880	7,434,880
25,436,724	18,283,517
39,358,131	34,159,688
14,762,927	10,737,883
940,050	940,050
1,156,998	540,450
37,300	37,300
47,410	47,410
336,805	336,805
2,010,600	2,010,600
20,194,338	12,985,348
2,712,530	-
108,790	-
248,130	-
-	178,650
-	313,840
-	3,218,930
-	33,730
-	26,170
-	75,130
-	72,930
-	11,394,848
334,313,321	322,976,587

86,904,179	86,991,170
129,418,186	197,362,733
10,000,000	-
66,965,638	50,093,521
53,153,879	53,153,879
30,418,658	13,373,408
10,000,000	-
17,188,447	17,188,447
-	59,263,505
404,048,988	477,426,664
738,362,309	800,403,251

9,248,460	-
16,739,429	-
12,548,422	-
9,232,685	-
5,451,475	-
7,288,285	-
39,665,560	-
100,174,316	-

-	10,000,000
-	569,070
-	10,569,070



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		31-Dec-2020	31-Dec-2019
		Taka	Taka
Equity Investment			
Central Counterparty Bangladesh Limited		37,500,000	37,500,000
		37,500,000	37,500,000
Free fund available		22,565,758	538,509
		898,602,382	849,010,830
6.2.3 Preference Share			
Union Capital Limited		8,000,000	10,000,000
Ace Alliance Power Limited		45,833,333	55,000,000
Doreen Power House & Technologies limited		70,000,000	70,000,000
Raj Lanka Power Company Limited		29,090,910	48,484,850
Summit Gazipur II Power Limited		40,000,000	50,000,000
Kushiara Power Company Limited		85,000,000	100,000,000
		277,924,243	333,484,850
6.2.4 Commercial Paper			
Energypac Engineering Limited		-	200,000,000
Hashem Food Limited		69,600,000	91,000,000
		69,600,000	291,000,000
6.b Remaining maturity grouping of investments			
On demand		110,579,990	448,636,778
In more than one month but not more than three months		582,947,549	322,226,416
In more than three months but not more than one year		1,686,923,554	2,338,898,076
In more than one year but not more than five years		1,382,212,893	1,576,065,414
In more than five years		3,902,720,736	3,570,943,544
		7,665,384,722	8,256,770,228
7 Loans and advances			
Loans, cash credit, overdrafts etc.	(Note-7.1)	38,792,949,133	38,813,955,679
Bills purchased and discounted	(Note-7.2)	55,621,257	118,362,299
		38,848,570,390	38,932,317,978
7.1 Loans, cash credits, overdrafts etc.			
<i>Inside Bangladesh</i>			
Loans - General		29,659,062,265	29,502,086,850
Cash credit		-	-
Overdraft		8,859,874,903	8,956,086,336
Staff Loan		274,011,965	355,782,493
		38,792,949,133	38,813,955,679
<i>Outside Bangladesh</i>		-	-
		38,792,949,133	38,813,955,679
7.2 Bills purchased and discounted			
<i>Inside Bangladesh</i>			
Local bills /documents		41,911,590	113,398,018
Foreign bills /documents		13,709,667	4,964,281
		55,621,257	118,362,299
7.2.a Residual maturity grouping of Bills Purchased & Discounted			
On demand		25,139,012	52,001,252
In more than one month but not more than three months		13,141,363	46,444,770
In more than three months but not more than one year		3,631,215	19,916,276
In more than one year but not more than five years		-	-
In more than five years		-	-
		41,911,590	118,362,299



7.2.b Residual maturity grouping of loans and advances including Bills Purchased & Discounted

	31-Dec-2020 Taka	31-Dec-2019 Taka
On demand	10,980,436,339	6,830,268,197
In more than one month but not more than three months	2,731,148,893	5,238,272,131
In more than three months but not more than one year	9,441,179,878	11,781,825,420
In more than one year but not more than five years	11,464,814,091	11,669,740,681
In more than five years	4,230,991,189	3,412,211,548
	38,848,570,390	38,932,317,978

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	-	-
Advances to CEO & Managing Director	-	22,855,091
Advances to Other executives and staffs	274,011,965	332,927,402
Advances to Customers	22,752,855,070	14,382,014,869
Industrial loans and advances	15,821,703,355	24,194,520,616
	38,848,570,390	38,932,317,978

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 6,013.17 million as at 31 December 2020.

Number of the clients	36	41
Amount of outstanding loans and advances	14,528,855,098	14,779,265,184
Amount of classified loans and advances	-	-
	14,528,855,098	14,779,265,184

7.3.3 Industry-wise concentration of loans and advances

Agriculture	481,157,447	366,193,181
Food & allied industries	1,338,990,102	1,425,975,052
Tobacco	-	-
Readymade garments	2,006,095,214	1,728,599,628
Textiles	2,232,790,160	2,884,571,281
Ship breaking & ship building	813,632,347	811,692,837
Basic metal & steel engineering	858,075,130	1,209,610,191
Non-metallic mineral products	837,689,134	386,285,833
Pharmaceuticals industry	179,267,292	410,386,222
Chemical & chemical products	48,275,699	52,059,226
Rubber & plastic industries	720,659,342	930,935,122
Leather & leather products	645,078,995	500,999,090
Wood, furniture & fixtures	212,376,508	247,671,234
Paper & paper products	177,870,155	183,750,598
Electronic goods & machineries	1,965,906,644	1,863,257,734
Power & gas	1,192,318,080	869,979,407
Other manufacturing industries	2,592,678,553	2,422,407,973
Construction & commercial real estate	6,238,515,403	5,971,350,695
Transport & communication	119,975,227	94,573,854
IT & telecommunication	948,106,001	957,324,888
Medical services	14,888,032	15,076,224
Hotel & restaurant services	408,986	3,968,209
Printing & publishing industries	44,262,005	74,984,797
Other service industries	1,128,133,241	1,149,060,520
NBFIs	567,541,404	530,832,852
Trade & commerce	6,137,527,439	6,455,141,630
Consumer credit	3,202,652,826	3,612,776,789



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Credit card
Staff loan
Others

31-Dec-2020	31-Dec-2019
Taka	Taka
1,923,310,921	1,690,257,979
274,011,965	355,782,493
1,946,376,139	1,726,812,439
38,848,570,390	38,932,317,978

7.3.4 Sector - wise concentration of loans and advances

Government sector
Public sector
Private sector

-	-
-	-
38,848,570,390	38,932,317,978
38,848,570,390	38,932,317,978

7.3.5 Business segment - wise concentration of loans and advances

Corporate
SME
Consumer
Executives and staff

21,269,540,616	21,680,914,417
13,437,278,281	13,094,515,397
3,867,739,527	3,801,105,670
274,011,965	355,782,493
38,848,570,390	38,932,317,978

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

28,092,312,325	27,321,304,674
6,492,682,502	6,663,159,313
1,223,515,997	1,256,512,885
1,041,391,232	906,694,394
1,459,355,371	1,651,946,936
-	-
-	13,388,600
539,312,963	1,119,311,176
38,848,570,390	38,932,317,978

Outside Bangladesh

-	-
38,848,570,390	38,932,317,978

7.3.7 Security/Collateral-wise concentration of loans and advances

Collateral of movable/immovable assets
Fixed deposit receipts
FDR of other banks
Personal guarantee
Other securities

23,030,598,230	21,529,164,585
3,077,501,997	8,006,468,885
271,497,159	260,435,289
10,565,885,995	7,010,658,042
1,903,087,009	2,125,591,177
38,848,570,390	38,932,317,978

7.3.8 Classified and unclassified bad loans & advances

Unclassified

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

37,136,010,530	36,383,680,217
269,534,952	937,608,490
37,405,545,482	37,321,288,707

Classified

Sub-standard
Doubtful
Bad/Loss

313,817,620	361,103,854
103,064,641	21,549,640
1,026,142,646	1,228,375,777
1,443,024,908	1,611,029,271
38,848,570,390	38,932,317,978



7.3.9 Particulars of required provision for loans and advances

General Provision on unclassified loans and advances

Loans (excluding SMA)

Special mansion account (SMA)

Special general provision (COVID-19)

Required provision on unclassified loans and advances

Total provision maintained for unclassified loans and advances

Excess/(shortage) of provision

Specific provision on classified loans and advances

Sub-standard

Doubtful

Bad/Loss

Required provision on classified loans and advances

Total provision maintained for classified loans and advances

Excess/(shortage) of provision

Total Required provision for loans and advances

Total provision maintained for loans and advances

Total Excess/(shortage) of provision

31-Dec-2020	31-Dec-2019
Taka	Taka
305,797,251	338,753,886
2,258,398	9,296,932
133,699,364	-
441,755,014	348,050,818
441,755,014	348,050,818
-	-
24,894,948	43,749,022
20,975,220	8,398,922
774,669,819	935,223,543
820,539,986	987,371,488
820,539,986	1,109,513,256
-	122,141,768
1,262,295,000	1,335,422,307
1,262,295,000	1,457,564,075
-	122,141,768

7.3.10 Particulars of loans and advances

i) Loans considered good in respect of which the bank is fully secured	2,187,956,305	2,617,204,155
ii) Loans considered good against which the bank holds no security other than the debtors' personal guarantee	10,859,204,125	1,603,817,999
iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor	1,195,968,025	1,297,397,837
iv) Loans adversely classified; provision not maintained there against	-	-
	14,243,128,454	5,518,419,990
v) Loans due by directors or officers of the bank or any of them either separately or jointly with any other persons	274,011,965	355,782,493
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	-	-
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.	337,278,006	363,401,525
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.	-	28,287,087
ix) Due from banking companies	-	-



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	31-Dec-2020	31-Dec-2019
	Taka	Taka
x) Amount of classified loans on which interest has not been charged mentioned as follows:		
a. (Decrease)/increase of provision (specific)	(282,695,493)	787,358,040
Amount of loan written off	-	-
Amount realized against the loans previously written off		
b. Provision kept against loans classified as bad debts	774,669,819	1,057,365,311
c. Interest credited to interest suspense account	341,760,721	186,423,673
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	175,544,556	166,201,856
Furniture and fixtures	384,500,794	366,309,649
Vehicle	52,358,282	62,127,511
Machinery and Equipment	185,172,505	173,540,589
Mobile Phone	2,314,322	2,088,159
Software	180,285,856	177,990,856
Patents	-	-
	980,176,316	948,258,621
Less: Accumulated depreciation	595,237,568	499,341,553
Written down value at the end of the year	384,938,747	448,917,068

Details are given in 'Annexure-A'.

9 Other assets

Income generating

Income receivable	(Note-9.1)	139,327,086	103,014,445
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Non-income generating

Stationery, stamps, printing materials, etc.		1,613,825	1,166,910
Prepaid expenses		5,453,844	10,889,785
Advance rent		147,832,462	173,501,875
Security deposits with other entities		2,165,212	965,212
Advance income tax	(Note-9.2)	907,288,139	564,345,083
Deferred Tax Assets (net of liabilities)		330,865,325	413,672,651
Advances to vendors		3,311,124	10,517,948
Advances to staff for expenses		1,140,464	1,724,518
Dividend Receivable		17,922,576	17,987,226
Q-Cash and ATM receivable		3,477,163	2,777,663
Receivable against Sanchaypatra & Bond Encashment		57,711,063	249,418,633
Sundry receivables		3,210,457	487,858
		1,621,318,738	1,550,469,807

9.1 Income receivable

Interest receivables on Placements	36,339,675	16,013,786
Interest receivables on Government Securities	93,756,240	81,193,380
Interest receivables on Non-government Securities	6,165,333	5,629,795
Interest receivables on Loans & Advances	-	-
Interest Receivables on Other Bank Balance	3,065,837	177,484
	139,327,086	103,014,445



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9.2 Advance income tax

	31-Dec-2020 Taka	31-Dec-2019 Taka
Opening balance	564,345,083	355,575,880
Add: Addition during the year	342,943,056	208,769,203
	907,288,139	564,345,083
Less: Adjustment against provision	-	-
Closing balance	907,288,139	564,345,083

10 Borrowings from other banks, financial institutions and agents

Inside Bangladesh	(Note-10.a)	3,642,983,144	3,733,884,914
Outside Bangladesh		-	-
		3,642,983,144	3,733,884,914

10.a In Bangladesh

Demand Borrowing

Janata Bank Limited	-	150,000,000
Sonali Bank Limited	100,000,000	500,000,000
Uttara Bank Limited	-	450,000,000
UCBL	-	354,900,000
Eastern Bank Limited	-	169,800,000
Bank Asia Limited	-	300,000,000
Meghna Bank Limited	-	150,000,000
Bangladesh Bank	41,128,163	186,443,372
	141,128,163	2,261,143,372

Term Borrowing

Agrani Bank Limited	500,000,000	-
Bank asia Limited	300,000,000	-
Uttara Bank Limited	800,000,000	500,000,000
Mutual Trust Bank Limited	200,000,000	-
Rupali Bank Limited	600,000,000	-
Eastern Bank Limited	-	200,000,000
SME Foundation	-	1,965,000
Bangladesh Bank	1,101,854,981	770,776,542
	3,501,854,981	1,472,741,542
	3,642,983,144	3,733,884,914

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

On demand	1,441,128,163	2,961,143,372
In more than one month but not more than three months	1,308,931,161	368,294,392
In more than three months but not more than one year	817,297,890	235,343,016
In more than one year but not more than five years	75,625,930	92,165,359
In more than five years	-	76,938,775
	3,642,983,144	3,733,884,914

11 Deposits and other accounts

Current deposits and other accounts, etc.	(Note-11.1)	9,887,349,818	8,835,535,861
Bills payable	(Note-11.2)	316,811,897	200,730,379
Savings bank deposits	(Note-11.3)	3,831,217,604	3,315,135,398
Fixed deposits	(Note-11.4)	27,795,604,119	29,458,451,378
Bearer certificates of deposit		-	-
Other Deposits		-	-
		41,830,983,438	41,809,853,016



11.1 Current deposits and other accounts, etc.

Current accounts
Foreign currency deposits
Deposit margin on facilities

31-Dec-2020	31-Dec-2019
Taka	Taka
9,060,135,970	7,890,441,940
171,198,864	152,744,997
656,014,984	792,348,924
9,887,349,818	8,835,535,861

11.2 Bills payable

Local currency
Foreign currencies

316,811,897	200,730,379
-	-
316,811,897	200,730,379

11.3 Savings bank deposits

NRB savers
NRB power savers
NRB staff
NRB my savings
NRB my study
NRB my salary
NRB my early
NRB pearl
NRB amar shopno
NRB isavings
Bondhu Shasroy Account
Bondhu Sonchita Account
Bondhu Student Account

1,530,252,724	1,245,322,147
985,189,458	1,060,553,923
25,060,710	42,377,913
414,853,550	309,905,091
9,003,943	8,011,860
115,794,127	84,439,561
30,241,971	24,614,477
526,647,214	464,024,694
2,105,221	1,198,377
756	756
146,453,597	59,058,076
44,306,090	15,061,186
1,308,244	567,337
3,831,217,604	3,315,135,398

11.4 Fixed deposits

Fixed deposits
Short term deposits

23,300,319,411	26,021,420,382
4,495,284,708	3,437,030,997
27,795,604,119	29,458,451,378

11.5 Sector-wise break-up of deposits and other accounts

Government
Other public sector
Private sector

1,048,447,163	812,388,403
7,243,282,030	11,178,743,253
33,539,254,245	29,818,721,360
41,830,983,438	41,809,853,016

11.6 Segregation of deposits and other accounts

Other than inter-bank deposits
Inter-bank deposits

41,626,062,132	41,805,651,417
204,921,306	4,201,599
41,830,983,438	41,809,853,016

11.6.1 Details of inter-bank deposits

In Current Deposit Account

Trust Bank Limited
Southeast Bank Limited
Jamuna Bank Limited
Premier Bank Limited
Mercantile Bank Limited

2,478,042	317,290
235,611	-
468,674	183,971
510,974	672,918
1,228,005	3,027,420
4,921,306	4,201,599



In Fixed Deposit Account
NCC Bank Limited

31-Dec-2020	31-Dec-2019
Taka	Taka
200,000,000	-
200,000,000	-
204,921,306	4,201,599

11.7 Maturity-wise grouping of deposits and other accounts

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

4,766,798,642	5,985,554,032
6,449,822,756	9,570,629,762
24,386,199,436	21,271,164,731
3,344,934,303	2,348,873,977
2,883,228,301	2,633,630,514
41,830,983,438	41,809,853,016

12 Other liabilities

Privileged creditors	(Note-12.1)	131,273,997	106,250,350
Interest payable		532,551,343	806,821,571
Interest suspense account	(Note-12.2)	341,760,721	186,423,673
Provision for loans and advances	(Note-12.3)	1,262,295,000	1,457,564,075
Provision for off-balance sheet exposures	(Note-12.4)	102,571,227	136,274,389
Provision for diminution of quoted shares	(Note-12.5)	73,545,791	139,504,988
Provision for other assets		127,088,955	439,000
Provision for expenses		18,824,638	47,552,999
Provision for current tax	(Note-12.6)	1,202,242,642	1,007,047,150
Provision for start-up fund		9,497,270	-
Q-Cash & ATM payable		24,321,279	23,842,826
Security deposits held		5,305,905	8,466,650
Sanchayapatra payable		15,350,000	2,400,000
Payable against BEFTN		1,181,806	3,251,779
Advance Lease Rental Payable		40,558,134	18,322,584
Deposit Awaiting Disposal (DAD)		47,795,957	55,034,598
Suspense Account - Trade		32,029,700	25,279,185
Interest Subsidy-COVID-19		57,759,000	-
Miscellaneous payable		59,798,997	27,060,517
		4,085,752,364	4,051,536,334

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	45,843,656	55,394,817
VAT deduction at source	10,888,414	10,023,630
Excise duty	74,541,927	40,831,904
	131,273,997	106,250,350

12.2 Interest suspense account

Opening balance	186,423,673	141,902,993
Add: Amount transferred to "Interest Suspense" A/c during the year	162,471,773	91,820,591
	348,895,446	233,723,584
Less: Amount recovered from "Interest Suspense" A/c during the year	7,134,725	47,299,911
	341,760,721	186,423,673



12.3 Provision for loans and advances

	31-Dec-2020	31-Dec-2019
	Taka	Taka
A. General		
Balance at the beginning of the year	348,050,818	272,963,747
Add: Provision made/(released) during the year		
On general loans and advances	(32,712,426)	82,498,913
On Special Mention Account (SMA)	(7,038,534)	(7,411,842)
Special general provision (COVID-19)	133,699,364	-
	93,948,404	75,087,071
Less : Provision reversed due to loan settlement	(244,209)	-
	93,704,196	75,087,071
Balance at the end of the year	441,755,014	348,050,818
B. Specific		
Balance at the beginning of the year	1,109,513,256	295,436,329
Add: Provision made/(released) during the year	(129,777,502)	814,076,927
	979,735,754	1,109,513,256
Less : Provision reversed due to loan settlement	(159,195,768)	-
Balance at the end of the year	820,539,986	1,109,513,256
C. Total provision on loans and advances (A+B)	1,262,295,000	1,457,564,075

12.4 Provision on off-balance sheet exposures

Opening balance	136,274,389	107,672,527
Add: Provision made during the year	(33,703,162)	28,601,862
	102,571,227	136,274,389

12.5 Provision for diminution of quoted shares

Opening balance	139,504,988	38,650,420
Add: Provision made during the year	(65,959,197)	100,854,567
	73,545,791	139,504,988

12.6 Provision for current tax

Opening balance	1,007,047,150	667,001,719
Add: Provision made during the year	195,195,492	340,045,431
	1,202,242,642	1,007,047,150

12.a Nostro Reconciliation

	As per our book		As per their book	
	Debit (USD)	Credit (USD)	Debit (USD)	Credit (USD)
Up to three months	157,723	183,997	1,752,987	1,334,351
More than three months but less than six months	-	-	-	11,483
More than six months but less than nine months	-	-	-	35
More than nine months but less than twelve months	-	-	-	4,301
More than twelve months	-	-	-	-
	157,723	183,997	1,752,987	1,350,170

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.



31-Dec-2020	31-Dec-2019
Taka	Taka

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

466,560,000 ordinary shares of Taka 10 each issued for cash	4,665,600,000	4,665,600,000
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13.3 Percentage of shareholdings as at 31 December.

Particulars	2020		2019	
Shareholders' group	Value of shares	(%) of share holding	Value of shares	(%) of share holding
Directors	2,307,314,470	49.45	2,231,236,800	47.82
Sponsor Shareholders	1,380,446,000	29.59	1,510,382,000	32.37
General Shareholders	977,839,530	20.96	923,981,200	19.80
Total	4,665,600,000	100.00	4,665,600,000	100.00

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

SL No.	Name of the directors	Designation	2020		2019	
			(%) of share holding	Number of Shares	(%) of share holding	Number of Shares
1	Mr. Mohammed Mahtabur Rahman	Chairman	3.46%	16,160,000	5.00%	23,328,000
2	Mr. Tateyama Kabir	Vice Chairman	3.13%	14,580,000	3.13%	14,580,000
3	Mr. Mohammed Jamil Iqbal	Vice Chairman	4.63%	21,578,400	4.63%	21,578,400
4	Mr. Khandakar R. Amin	Director	2.00%	9,331,200	2.00%	9,331,200
5	Mr. Imtiaz Ahmed	Director	0.50%	2,332,800	0.50%	2,332,800
6	Mr. Ali Ahmed	Director	1.38%	6,415,200	1.38%	6,415,200
7	Mr. Mohammed Jahed Iqbal	Director	2.63%	12,247,200	2.63%	12,247,200
8	Mr. Iqbal Ahmed OBE DBA	Director	4.63%	21,600,000	5.00%	23,328,000
9	Mr. Abdul Karim	Director	5.00%	23,328,000	5.00%	23,328,000
10	Mr. Mohammed Idrish Farazy	Director	0.58%	2,700,000	0.58%	2,700,000
11	Dr. Nesar Ahmed Choudhury	Director	0.63%	2,916,000	0.63%	2,916,000
12	Mr. Nafih Rashid Khan	Director	4.63%	21,578,400	4.63%	21,578,400
13	Mr. Naveed Rashid Khan	Director	5.00%	23,328,000	5.00%	23,328,000
14	Mr. M Badiuzzaman	Director	4.49%	20,969,280	4.49%	20,969,280
15	Mr. Humayen Kabir Khan	Director	1.48%	6,925,500	0.50%	2,332,800
16	Mr. Mohammed Giash Uddin*	Director	0.50%	2,332,800	-	-
17	Mr. Mohammed Ehsanur Rahman*	Director	4.80%	22,408,667	-	-
18	Mr. Md. Abdul Jalil Chowdhury	Independent Director	-	-	-	-
19	Mr. Md. Motior Rahman	Independent Director	-	-	-	-
20	Mr. Kamal Ahmed**	-	-	-	2.50%	11,664,000
21	Mr. Mohammed Rafique Miah**	-	-	-	0.25%	1,166,400
Total			49.45%	230,731,447	47.82%	223,123,680

31-Dec-2020	31-Dec-2019
Taka	Taka

* Newly appointed Director during 2020

** No longer Director as on 31 December 2020

13.5 Capital to risk weighted assets ratio (CRAR)

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 21 December 2014.

Tier-1 Capital:

A) Total Common Equity Tier 1 Capital

Paid up capital	4,665,600,000	4,665,600,000
Statutory reserve	660,507,569	470,693,317
Retained earnings	470,952,006	(10,302,183)
	5,797,059,575	5,125,991,134
Less: Regulatory adjustments	328,215,994	413,672,651
A) Total Common Equity Tier 1 Capital	5,468,843,581	4,712,318,483

B) Additional Tier 1 Capital:

Add: Additional Tier 1 Capital	-	-
Less: Regulatory adjustments	-	-
C) Total Tier-1 Capital	5,468,843,581	4,712,318,483

Tier 2 Capital (Gone -Concern Capital)

Subordinated Bond	-	-
General provision maintained against unclassified loan	441,755,014	348,050,818
General provision on off-balance sheet items	102,571,227	136,274,389
Asset revaluation reserve	-	-
Revaluation reserve of Government securities	-	12,331,383
	544,326,241	496,656,590
Less: Regulatory adjustments	-	12,331,383
D) Total Tier 2 Capital	544,326,241	484,325,207

E) Total eligible capital(C+D)	6,013,169,821	5,196,643,690
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F) Total risk weighted assets (RWA)

Credit risk		
Balance Sheet Business	28,770,427,615	28,410,497,620
Off- Balance Sheet Business	3,047,181,446	5,154,217,688
	31,817,609,061	33,564,715,308
Market Risk	1,853,015,303	1,978,702,710
Operational Risk	3,740,140,679	3,469,398,622
	37,410,765,042	39,012,816,641

G) Required capital	4,000,000,000	4,000,000,000
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H) Capital surplus	2,013,169,821	1,196,643,690
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Capital to Risk-Weighted Assets Ratio/Capital adequacy ratio:

Common Equity Tier- 1 / core capital to RWA against minimum requirement 4.5%	14.62%	12.08%
Tier- 1 / core capital to RWA minimum requirement 6%	14.62%	12.08%
Capital to Risk Weighted Assets against minimum requirement 10%	16.07%	13.32%



14 Statutory reserve

Opening balance
Add: Addition during the year (20% of pre-tax profit)

31-Dec-2020	31-Dec-2019
Taka	Taka
470,693,317	470,693,317
189,814,252	-
660,507,569	470,693,317

15 Other reserve

General Reserve
Revaluation reserve

(Note-15.1)

-	-
6,707,198	1,708,959
6,707,198	1,708,959

15.1 Revaluation reserve

Held to maturity (HTM)
Held for trading (HTF)

(Note-15.1.1)

(Note-15.1.2)

796,959	1,078,288
5,910,239	630,671
6,707,198	1,708,959

15.1.1 Reserve for amortization of treasury securities (HTM)

Opening balance
Add Addition during the year

Less Adjustment made during the year

1,078,288	-
132,668	1,078,288
1,210,956	1,078,288
413,997	-
796,959	1,078,288

15.1.2 Reserve for revaluation of treasury securities (HFT)

Opening balance
Add Addition during the year

Less Adjustment made during the year

630,671	44,219
255,750,861	2,395,778
256,381,532	2,439,997
250,471,293	1,809,326
5,910,239	630,671

16 Retained earnings

Opening balance
Add Net profit/(loss) for the year

Less Transfer to statutory reserve
Bonus Share issued

(10,302,183)	460,654,030
671,068,441	(125,356,213)
660,766,258	335,297,817
189,814,252	-
-	345,600,000
470,952,006	(10,302,183)

17 Contingent liabilities

Acceptances and Endorsements
Letters of Guarantee
Irrevocable letters of credit
Bills for Collection
Other contingent liabilities

(Note-17.1)

(Note-17.2)

(Note-17.3)

(Note-17.4)

1,565,237,575	2,604,112,785
7,366,294,585	8,840,474,904
1,325,590,543	2,182,851,200
623,740,867	789,877,166
10,880,863,570	14,417,316,055

17.1 Acceptances and Endorsements

Acceptances (ULC Cash)
Acceptances BTB Usance Local
Import Bills (Sight Contract)
Shipping Guarantee

897,347,818	1,609,028,680
561,693,470	831,396,315
-	10,319,629
106,196,287	153,368,161
1,565,237,575	2,604,112,785

17.2 Letters of Guarantee

Directors
Government
Banks and Other Financial Institution
Others (Customers etc.)

31-Dec-2020	31-Dec-2019
Taka	Taka
-	-
-	-
-	-
7,366,294,585	8,840,474,904
7,366,294,585	8,840,474,904

17.3 Irrevocable letters of credit

Letter of Credit Cash Sight
Letter of Credit Cash Usance
Letter of Credit Back to Back Sight
Letter of Credit Back to Back Usance

458,945,408	1,191,693,637
406,334,283	618,858,440
37,064,752	67,917,137
423,246,100	304,381,987
1,325,590,543	2,182,851,200

17.4 Bills for Collection

Foreign Documentary Bills Collection
Local Documentary Bills Collection

289,712,462	764,949,461
334,028,405	24,927,705
623,740,867	789,877,166

18 Income statement

Income:

Interest, discount and similar income	(Note-18.1)
Dividend income	
Fees, commission and brokerage	(Note-18.2)
Gains <i>less</i> losses arising from dealing in securities	
Gains <i>less</i> losses arising from investment securities	
Gains <i>less</i> losses arising from dealing in foreign currencies	
Income from non-banking assets	
Other operating income	(Note-23)
Profit less losses on interest rate changes	

4,612,648,706	4,955,436,991
55,761,525	71,903,900
317,521,093	333,118,782
365,272,014	4,348,103
26,297,538	18,763,078
70,565,537	112,699,135
-	-
61,478,441	20,858,079
-	-
5,509,544,854	5,517,128,068

Expenses:

Interest paid on deposits and borrowings, etc.	(Note-20)
Losses on loans and advances	
Administrative expenses	(Note-18.3)
Other expenses	(Note-33)
Depreciation on banks assets	(Note-32)

3,070,333,638	3,088,835,347
-	-
1,163,260,143	1,160,104,291
217,380,687	229,195,654
108,843,358	113,880,796
4,559,817,826	4,592,016,088
949,727,028	925,111,979

18.1 Interest, discount and similar income

Interest income	(Note-19)
Interest on treasury bills & bonds	

4,065,018,938	4,603,332,997
547,629,768	352,103,994
4,612,648,706	4,955,436,991

18.2 Fees, commission and brokerage

Commission
Brokerage

317,521,093	333,118,782
-	-
317,521,093	333,118,782

18.3 Administrative expenses

Salaries and allowances	(Note-24)
Rent, taxes, insurance, electricity, etc.	(Note-25)
Legal and professional expenses	(Note-26)
Postage, stamp, telecommunication, etc.	(Note-27)
Stationery, printing, advertisement, etc.	(Note-28)
Managing Director's salary and fees	(Note-29)
Directors' fees & others expenses	(Note-30)

739,815,945	710,291,621
312,600,607	316,448,163
5,558,070	4,137,894
33,130,666	34,885,572
19,632,693	30,935,848
13,600,000	16,738,000
742,421	5,148,511



Hoda Vasi Chowdhury & Co

	31-Dec-2020	31-Dec-2019
	Taka	Taka
Auditors' fees	400,000	400,000
Repair of Bank's assets	37,779,742	41,118,682
	1,163,260,143	1,160,104,291
19 Interest income		
Interest on advances	3,878,946,570	4,349,870,861
Interest on money at call and short notice	23,589,862	24,640,999
Interest on balance with other banks	4,532,885	2,296,055
Interest on placement with other banks and Financial Institutions	157,949,621	226,525,082
	4,065,018,938	4,603,332,997
20 Interest paid on deposits and borrowings etc.		
Interest on deposits	2,915,433,172	2,907,947,642
Interest on borrowings	154,900,466	180,887,705
	3,070,333,638	3,088,835,347
21 Investment income		
Interest on Treasury Bill	64,681,064	51,641,815
Interest on Treasury Bond	529,429,572	376,965,863
Interest on bonds-Corporate	13,258,667	11,981,667
Interest on Commercial Paper	37,686,247	43,655,947
Capital Gain from trading in Govt. Securities	365,272,014	4,348,103
Trading loss on Govt. Securities	(97,425,782)	(132,141,297)
Capital Gain from sale of quoted Securities	26,297,538	18,763,078
Dividend on shares	55,761,525	71,903,900
	994,960,846	447,119,076
22 Commission, exchange and brokerage		
Fees, commission and changes	317,521,093	333,118,782
Exchange gain (net off exchange loss)	70,565,537	112,699,135
Brokerage	-	-
	388,086,630	445,817,916
22.1 Fees, commission and charges		
Loan processing fees	4,655,391	8,758,541
Service charges (Periodic and adhoc)	59,010,763	57,917,567
Early settlement fees	4,178,812	2,794,502
Cards fees and charges (net of cards direct expenses)	120,923,727	105,457,620
Commission on general banking (PO, FDD, Remittance etc.)	6,824,259	3,688,768
Commission on trade business (LC, LG, Acceptance)	121,928,141	154,501,783
	317,521,093	333,118,782
22.1.a Cards fees and charges (net of cards direct expenses)		
Cards fees and charges		
Fees and charges (Debit, prepaid cards etc.)	14,309,411	10,190,079
Fees and charges (Credit cards)		
Annual fees	15,593,500	13,141,850
Late payment and over limit fees	16,299,096	15,145,957
Cash advance fees	7,934,071	7,395,911
Interchange reimbursement fees	22,269,583	19,293,347
Risk assurance premium	31,221,857	27,016,238
Card cheque fees	26,530,306	31,192,716
Visa Markup Fees and EMI Commission	7,188,705	10,875,637
Replacement fees and others	1,196,805	1,130,094
	128,233,923	125,191,750
	142,543,334	135,381,829



Hoda Vasi Chowdhury & Co

	31-Dec-2020	31-Dec-2019
	Taka	Taka
Cards direct expense		
Membership Fee	2,121,250	1,690,000
VISA network charges	14,301,715	20,299,403
Other Charges	5,196,641	7,934,807
Total Cards fees and charges (net of cards direct expenses)	21,619,606	29,924,210
	120,923,727	105,457,620
23 Other operating income		
Rebate on nostro account	7,155,878	5,473,439
Swift charge recovered	4,518,000	5,199,198
Postage/telex charge recovered	1,489,497	1,220,257
Gain from sale of fixed assets	4,572,226	-
Other Income - PF Forfeiture	14,981,382	-
Non operating income	28,761,458	8,965,185
	61,478,441	20,858,079
24 Salaries and allowances		
Basic salary	323,319,012	310,181,680
Allowances	315,831,654	305,063,423
Performance bonus	-	-
Festival bonus	54,099,715	52,334,881
Bank's Contribution to provident fund	27,137,948	26,611,637
Contribution to gratuity fund	19,427,616	16,100,000
	739,815,945	710,291,621
25 Rent, taxes, insurance, electricity etc.		
Rent, rate and taxes	247,309,392	251,316,479
Insurance premium	29,291,199	25,520,312
Utilities	36,000,016	39,611,372
	312,600,607	316,448,163
26 Legal expenses and professional expenses		
Legal expenses	3,136,353	532,116
Other professional expenses	2,421,717	3,605,778
	5,558,070	4,137,894
27 Postage, stamps, telecommunication etc.		
Postage & Courier charges	2,865,038	3,093,339
Telephone	3,903,871	3,734,363
Swift and Bloomberg charges	10,063,442	11,901,479
Network link, internet, DC and DR	16,298,315	16,156,391
	33,130,666	34,885,572
28 Stationery, printing, advertisements etc.		
Printing and stationery	8,645,144	12,671,920
Publicity and advertisement	9,139,372	14,330,011
Promotional Expense	1,848,177	3,933,917
	19,632,693	30,935,848



Hoda Vasi Chowdhury & Co

29 Managing Director's salary and allowances

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

31-Dec-2020	31-Dec-2019
Taka	Taka
9,500,000	10,350,000
1,250,000	3,600,000
-	-
1,900,000	1,753,000
950,000	1,035,000
13,600,000	16,738,000

30 Directors' fees and other expenses

Meeting attendance fees
Other expenses

304,000	3,208,644
438,421	1,939,867
742,421	5,148,511

31 Auditors' fees

Statutory audit fees

400,000	400,000
400,000	400,000

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

38,658,904	35,470,872
23,204,948	26,872,486
18,302,300	22,574,413
500,407	638,497
6,088,783	6,366,052
22,088,016	21,958,476
108,843,358	113,880,796

Repair of bank's assets

Rented premises
Machinery and equipment
Computer and accessories
Software maintenance

2,486,132	4,304,498
5,462,865	6,569,461
326,223	539,670
29,504,522	29,705,053
37,779,742	41,118,682
146,623,100	154,999,478

33 Other expenses

Car expenses
Security Guard and Support Staff
Books, periodicals and publications
Donation and subscription
Staff recruitment and training expenses
Travelling expenses
Directors' travel and accommodation expenses
Entertainment
Business development expenses
Bank and other regulatory charges
Cash carrying expense
AGM expenses
Contract point verification expenses
Sales and collection commission
Miscellaneous expenses

64,487,540	64,218,896
32,534,349	41,819,311
910,533	1,279,511
42,627,025	16,661,423
608,682	2,833,662
3,137,744	5,965,127
935,738	19,054,444
4,296,955	8,421,226
4,780,492	10,982,957
1,425,266	1,809,133
7,438,700	7,686,911
-	963,093
2,747,876	4,783,013
34,452,508	23,773,340
16,997,279	18,943,606
217,380,687	229,195,654



Hoda Vasi Chowdhury & Co

	31-Dec-2020	31-Dec-2019
	Taka	Taka
34 Provision for loans, investments & off balance sheet items		
Provision for start-up fund	9,497,270	-
Provision for bad and doubtful loans and advances	(129,777,502)	814,076,927
Provision for unclassified loans and advances	93,948,404	75,087,071
Provision for off-balance sheet items	(33,703,162)	28,601,862
Provision for diminution in value of investments	(65,959,197)	100,854,567
Provision for other assets	126,649,955	197,000
	655,769	1,018,817,427
35 Receipts from other operating activities		
Rebate on nostro account	7,155,878	5,473,439
Swift charge recovered	4,518,000	5,199,198
Postage/telex charge recovered	1,489,497	1,220,257
Non operating income	8,761,458	8,965,185
	21,924,833	20,858,079
36 Payments for other operating activities		
Rent, rates and taxes	301,636,677	316,448,163
Legal expenses and professional expenses	5,558,070	4,137,894
Postage and communication charges, etc.	33,130,666	34,885,572
Stationery, printing, advertisements etc.	10,493,321	30,935,848
Directors' fees & other expenses	742,421	5,148,511
Miscellaneous expenses	250,449,785	270,714,336
	602,010,939	662,270,325
37 Earnings per share		
Net profit after tax	671,068,441	(125,356,213)
Number of ordinary shares outstanding	466,560,000	466,560,000
Earnings per share	1.44	(0.27)

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



38 Audit committee

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 111th meeting held on 17 January 2021 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. Mohammed Jamil Iqbal	Vice Chairman	Vice Chairman	B A (Hons)
3	Mr. Humayen Kabir Khan	Director	Member	Graduate (La Guardia College, USA)
4	Mr. Mohammed Giash Uddin	Director	Member	HSC
5	Mr. Md. Motior Rahman	Independent Director	Member	M.com (Accounting)

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:

33rd Audit Committee Meeting held on 23.01.2020

34th Audit Committee Meeting held on 20.06.2020

35th Audit Committee Meeting held on 27.06.2020

36th Audit Committee Meeting held on 08.08.2020

37th Audit Committee Meeting held on 13.12.2020

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 Bangladesh 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 LLC, UAE	Investor	100%
		Al Haramain Perfumes Holding LLC, UAE	Investor	100%
		Al Haramain Perfumes MFG & Oudh Processing Industry LLC, UAE	Managing Director	49%
		Al Halal Perfumes Industry LLC, UAE	Managing Director	25%
		Al Halal Perfumes LLC, UAE	Managing Director	49%
		Al Haramain Trading L.L.C, UAE	Partner	51%
		Noor Al Haramain Trading LLC, UAE	Managing Director	25%
		Oud Al Haramain LLC, UAE	Investor	100%
		Shaikh Khalifa Bin Zayed Bangladesh Islamia (Pvt) School, UAE	Sponsor	

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
		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 LLC, Oman	Managing Director	70%
		Al Haramain Perfumes, W.L.L, Qatar	Managing Director	49%
		Al Haramain Perfumes S.P.C, Bahrain	Managing Director	50%
		Al Haramain Perfumes PTE Limited, Singapore	Managing Director	99%
		Al Haramain Perfumes SDN BHD, Malaysia	Managing Director	50%
		Al Haramain Perfumes Pvt. Ltd. Bangladesh	Chairman	0.50%
		Al Haramain Hospitals Pvt. Ltd. Bangladesh	Chairman	0.10%
		Al Haramain Tea Co. Ltd. Bangladesh	Chairman	
		Al Arafah Islami Bank Limited, Bangladesh	Sponsor	0.93%
		AIBL Capital Market Services Ltd. Bangladesh	Director	1.50%
		Rich & Ruitz, France	Director	
		Al Haramain Perfumes, London	Director	
		Al Haramain Perfumes Inc, New York, USA	Managing Director	
Mr. Tateyama Kabir	Vice Chairman	Kabir Auto Export Co. Ltd. Japan	President	100%
		Ocean Auto Limited, Dhaka, Bangladesh	Proprietor	100%
		K M Global Limited, Dhaka, Bangladesh	Managing Director	50%
		K M International, Dhaka, Bangladesh	Proprietor	100%
		Sumday Development Company Ltd., Bangladesh	Managing Director	25%
Mr. Mohammed Jamil Iqbal	Vice Chairman	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 Plant, Bangladesh	Proprietor	100%
		Jamil Iqbal Ltd.	Chairman	50%
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%
		Khandakr Aquaculture 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
		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%
Mr. Imtiaz Ahmed	Director	Easy Let Early Sale, UK	Director	
Mr. Ali Ahmed	Director	Mirravale Holding Ltd.	Director	55%
		BJ Browing Business Ltd.	Director	55%
		AAB Estates Ltd.	Director	100%
		AA Express Food Dist. Ltd.	Director	75%
Mr. Iqbal Ahmed OBE DBA	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. 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%
		Sunday Development Company Ltd., Bangladesh	Director	25%
Mr. Abdul Karim	Director	Hassan Shahin Ahmed Perfumes L.L.C. Dubai, UAE	Proprietor	100%
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	
Dr. Nesar Ahmed Choudhury	Director	N.A. Choudhury Limited, UK	Director	50%
		Solace Service Limited	Shareholder	15%
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%
		Jabbar Jute Mills Ltd. Bangladesh	Director	10%
Mr. Naveed Rashid Khan	Director	Gentrade FZE, UAE	Chairman & MD	100%
		Bangladesh Medical Science and Technology Ltd	Director	10%
		Commodity First DMCC, Dubai, UAE	Managing Director	50%
		Comodity First Pte Ltd, Singapore	Director	50%



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. 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%
		Strategic Enterprises Pvt. Ltd., Bangladesh	Chairman	30%
		Pay Union BD limited, Bangladesh	Director	30%
Mr. Humayen Kabir Khan	Director	Khan and Son Services Inc	Owner	100%
		Khan and Son Property LLC, USA	Owner	100%
		Estate of Fazlur Khan, USA	Owner & CEO	50%
Mr. Mohammed Giash Uddin	Director	Poundsaver, London	Proprietor	100%
Mr. Mohammed Ehsanur Rahman	Director	Al Haramain Hospital Pvt Ltd., BD	Managing	20%
		Al Haramain Perfumes Pvt Ltd., BD	Director	20%
		Hamidia Tea State Ltd., BD	Director	33%
Mr. Md. Abdul Jalil Chowdhury	Independent Director	-	-	-
Mr. Md. Motior Rahman	Independent Director	-	-	-
Mr. Mamoon Mahmood Shah	Managing Director & CEO	-	-	-

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 Company 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: Nil

B) i) Transactions relating to procurement, service & rent:

Name of the Company/ Person	Related Directors of NRBBL	Nature of Transactions	Amount of Transaction made in 2020
Manru Shopping City	Mr. Iqbal Ahmed OBE DBA	Rental payment for NRBBL Sylhet Main Br, Sylhet.	3,423,030
Advance Zaman Centre	Mr. M. Badiuzzaman	Rental payment for NRBBL Ghonapar Br, Gopalgonj.	397,950
Ocean Auto	Mr. Tateyama kabir	Ambulance purchase for Chattogram City Corporation as a part of CSR activity	1,850,000
Ocean Auto	Mr. Tateyama kabir	Lease rental payment of vehicle	3,600,000

- 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 Company Act 1991 : Nil
- vi) Investments in the Securities of Directors and their related concern : Nil

40 Auditors work hour

The external auditor of the Bank, M/s Hoda Vasi Chowdhury & Co, Chartered Accountants worked about 2,150 man hour. 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.



NRB Bank Limited
Schedule of fixed assets
as at 31 December 2020

Particulars	Cost				Rate of Depreciation	Accumulated Depreciation				Written down value as at 31 December 2020
	Balance as at 1 January 2020	Additions during the year	Disposal/ adjustment during the year	Balance as at 31 December 2020		Balance as at 1 January 2020	Charged during the year	Disposal/ adjustment during the year	Balance as at 31 December 2020	
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>		<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Tangible assets:										
Furniture and fixture	366,309,649	18,191,145	-	384,500,794	10%	123,145,459	38,658,904	-	161,804,363	222,696,431
Machinery and equipment	173,540,589	12,365,916	(734,000)	185,172,505	20%	111,965,948	23,204,948	(684,626)	134,486,270	50,686,235
Computer and network equipment	166,201,857	10,510,721	(1,168,021)	175,544,557	20%	114,583,448	18,302,300	(953,150)	131,932,598	43,611,959
Mobile Phone	2,088,159	226,163	-	2,314,322	50%	1,443,890	500,407	-	1,944,297	370,025
Vehicle	62,127,511	5,554,166	(15,323,395)	52,358,282	20%	44,669,332	6,088,783	(11,309,567)	39,448,548	12,909,734
Intangible assets:										
Software	177,990,856	2,295,000	-	180,285,856	12.5%	103,533,476	22,088,016	-	125,621,492	54,664,364
As at 31 December 2020	948,258,621	49,143,111	(17,225,416)	980,176,315		499,341,553	108,843,358	(12,947,343)	595,237,568	384,938,747
As at 31 December 2019	826,319,107	122,118,864	(179,350)	948,258,621		385,605,044	113,880,796	(144,287)	499,341,553	448,917,068



NRB Bank Limited
Balance with other banks-Outside Bangladesh (Nostro Account)
as at 31 December 2020

Name of the Bank	Account type	Currency type	2020			2019		
			FC amount	Exchange rate	Equivalent Taka	FC amount	Exchange rate	Equivalent Taka
Habib American Bank, New York	CD	USD	139,974.93	84.80	11,870,028	447,286.76	84.90	37,974,646
United Bank of India	CD	ACU	75,770.19	84.80	6,425,395	82,253.14	84.90	6,983,292
United Bank of India	CD	ACU EUR	38,003.46	103.89	3,948,012	7,830.16	94.89	742,992
Mizhuo Bank Ltd, Japan	CD	JPY	47,588.00	0.82	38,975	784,938.00	0.78	608,876
Mashreq Bank PSC, New York	CD	USD	799,223.73	84.80	67,775,051	1,029,140.97	84.90	87,374,069
Mashreq Bank PSC, UK	CD	GBP	-	114.50	-	49,871.89	111.10	5,540,563
Aktif Bank, Turkey	CD	EUR	27,381.66	103.89	2,844,560	109,039.92	94.89	10,346,634
AB Bank Limited, Mumbai	CD	ACU	49,364.34	84.80	4,186,150	78,688.07	84.90	6,680,617
National Commercial Bank	CD	SAR	109,758.13	22.60	2,480,183	109,208.13	22.62	2,470,626
					99,568,355			158,722,315

NRB Bank Limited
Investment in Quoted Shares and Mutual Funds
as at 31 December 2020

Annexure- C

Name of the Company	Face value per share	No. of shares	Cost of holding	Average Cost	Quoted rate per share as on 31.12.2020	Total market value of share as at 31.12.2020	Unrealised gain/(loss)
Quoted Shares							
General Portfolio							
Active Fine Chemicals Limited	10	400,000	9,735,840	24.34	16.90	6,760,000	(2,975,840)
Premier Bank Limited	10	363,825	4,579,140	12.59	11.00	4,002,075	(577,065)
Prime Bank Limited	10	400,000	7,434,880	18.59	17.10	6,840,000	(594,880)
BRAC Bank Limited	10	100,000	4,950,882	49.51	44.30	4,430,000	(520,882)
Mutual Trust Bank Limited	10	11,550	336,805	29.16	24.10	278,355	(58,450)
Heidelberg Cement Bangladesh Limited	10	83,000	43,459,370	523.61	149.60	12,416,800	(31,042,570)
MJL Bangladesh Limited	10	840,000	97,181,052	115.69	76.90	64,596,000	(32,585,052)
ACI Limited	10	33,000	9,308,251	282.07	246.00	8,118,000	(1,190,251)
Grameenphone Limited	10	140,000	50,313,173	359.38	347.10	48,594,000	(1,719,173)
Olympic industries Limited	10	130,000	25,436,724	195.67	191.10	24,843,000	(593,724)
Singer Bangladesh Limited	10	200,000	39,358,131	196.79	175.60	35,120,000	(4,238,131)
BBS Cables Limited	10	220,000	14,762,927	67.10	54.80	12,056,000	(2,706,927)
Dominage Steel Building Systems Limited	10	24,813	248,130	10.00	34.50	924,531	676,401
Crystal Insurance Company Limited	10	10,879	108,790	10.00	39.40	428,633	319,843
Esquire Knit Composite Limited	10	20,890	940,050	45.00	26.30	549,407	(390,643)
Runner Automobiles Limited	10	20,000	1,156,998	57.85	50.90	1,018,000	(138,998)
Sea Pearl Beach Resort & Spa Limited	10	3,916	37,300	9.53	79.10	309,756	272,456
Coppertech Industries Limited	10	4,978	47,410	9.52	21.10	105,036	57,626
Ring Shine Textiles Limited	10	233,531	2,010,600	8.61	6.40	1,494,598	(516,002)
Robi Axiata Limited	10	271,253	2,712,530	10.00	29.80	8,083,339	5,370,809
Meghna Petroleum Limited	10	100,000	20,194,338	201.94	198.00	19,800,000	(394,338)
Total		3,611,635	334,313,321			260,767,530	(73,545,791)

Name of the Mutual Fund	Face value per share	No. of shares	Cost of holding	Average Cost	Quoted rate per share as on 31.12.2020	Total market value of share as at 31.12.2020	Unrealised gain/(loss)	NAV @ Market Price	85% of NAV @ Market Price	Required Provision
Mutual Funds										
LR Global Bangladesh Mutual Fund One	10	8,900,000	66,965,638	7.52	6.60	58,740,000	(8,225,638)	11.60	9.86	-
AIBL 1st Islamic Mutual Fund	10	9,990,000	86,904,179	8.70	8.40	83,916,000	(2,988,179)	11.49	9.77	-
MBL 1st Mutual Fund	10	6,427,603	53,153,879	8.27	7.50	48,207,023	(4,946,857)	11.58	9.84	-
Grameen One : Scheme Two Mutual Fund	10	8,000,000	129,418,186	16.18	16.80	134,400,000	4,981,814	18.70	15.90	-
Southeast Bank 1st Mutual Fund	10	2,600,000	30,418,658	11.70	11.80	30,680,000	261,342	12.93	10.99	-
Peninsula Balanced Fund	10	1,000,000	10,000,000	10.00	11.76	11,760,000	1,760,000	10.69	9.09	-
IBBL Mudaraba Perpetual Bond	1,000	17,726	17,188,447	969.67	1,010.00	17,903,260	714,813	NA	NA	-
Ashuganj Power Station Company Ltd Bond	5,000	2,000	10,000,000	5,000.00	5,218.50	10,437,000	437,000	NA	NA	-
Total			404,048,988			396,043,283	(8,005,705)			-
			738,362,309			656,810,812	(81,551,496)			

**NRB Bank Limited
Highlights on the overall activities
as at 31 December 2020**

SL No	Particulars		2020	2019
1	Paid-up capital	Taka	4,665,600,000	4,665,600,000
2	Total capital (Tier-1 & Tier-2)	Taka	6,013,169,821	5,196,643,690
3	Surplus\ (Shortage) Capital	Taka	2,013,169,821	1,196,643,690
4	Total assets	Taka	55,363,485,719	54,722,974,357
5	Total deposits	Taka	41,830,983,438	41,809,853,016
6	Total loans and advances	Taka	38,848,570,390	38,932,317,978
7	Total contingent liabilities and commitments	Taka	10,880,863,570	14,417,316,055
8	Loans to deposits ratio (total loans/total deposits)	%	85.52%	87.82%
9	Percentage of classified loans against total loans and advances	%	3.71%	4.14%
10	Profit after tax and provision	Taka	671,068,441	(125,356,213)
11	Classified loans during current year	Taka	1,443,024,908	1,611,029,271
12	Provisions kept against classified loans	Taka	820,539,986	1,109,513,256
13	Provision surplus/(deficit) against classified loans	Taka	-	122,141,768
14	Cost of fund (Interest expenses/Average deposits and borrowings)	%	6.53%	7.69%
15	Interest earning assets	Taka	53,496,555,319	52,826,601,927
16	Non-interest earning assets	Taka	1,866,930,400	1,896,372,430
17	Return on assets (ROA) [PBT/ Average assets]	%	1.22%	-0.25%
19	Income from investment	Taka	994,960,846	447,119,076
18	Return on investment (ROI)	%	12.50%	6.43%
20	Earnings per share	Taka	1.44	(0.27)
21	Net income per share	Taka	1.44	(0.27)

