



114, Motijheel Commercial Area
Dhaka-1000
Bangladesh

NRB Commercial Bank Limited

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2nd Quarter Audited Consolidated Financial Statements for the period
ended 30 June 2020

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

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of NRB Commercial Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of NRB Commercial Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 30 June 2020 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the period then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 30 June 2020, and of its consolidated and separate profit and loss accounts and its consolidated and separate cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.00.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) 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

- Right of use asset and the lease Liability: We draw attention to note # 2.3 (v) to the consolidated financial statements where the bank disclosed the reason for unrecognized the Right of use asset and the lease Liability in the financial statements of the bank as per para 9 of IFRS-16 'Lease' although the bank has a rented Head office and Branch offices under the lease agreements. Our opinion is not modified in respect of this matter.
- Interest on (FDR/TDR) with NBFIs: Due to pandemic situation of COVID-19, during the period, Placement of fund with NBFIs (Note – 4.1(iii)) were not renewed or compounded with required interest at their maturity, hence no income was accrued in the balance sheets and recognised in the profit and loss accounts.
- Placement of Fund (FDR/TDR) with NBFIs: With reference to Note – 4.1.iii Placement of Fund (FDR/TDR) with NBFIs includes investment in FDR with Bangladesh Industrial Finance Company Limited Tk. 107,475,523 which might remain uncollectable due to liquidity crisis of the company.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

| Risk | How our audit addressed the key audit matter |
|---|---|
| Loans and Advances and Measurement of provisions | |
| <p>The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>At the period end June 2020, the Group reported total gross loans and advances of BDT 64,336.45 million (December 2019: BDT 62,059.56 million) and provision for leases, loans and advances of BDT 1,653.61 million (December 2019: BDT 1,510.20 million).</p> <p>We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> • Completeness and timing of recognition of loss events in accordance with criteria set forth in BRPD circular no 14 dated 23 September 2012 and subsequent amendments thereto from time to time; • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows. <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates;</p> | <p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for leases, loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the companies general and specific provisions; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. |

| Carrying value of investments in subsidiary by NRB Commercial Bank Limited | |
|--|---|
| <p>The NRB Commercial Bank Limited (the “Company”) has invested in equity shares of its subsidiary NRBC Bank Securities Limited as at 30 June 2020 the carrying value of this investment is BDT 36.00 million.</p> <p>At the time of conducting our audit of the separate financial statements of the NRB Commercial Bank Limited we have considered the recoverable value of the NRB Commercial Bank Limited’s investments in NRBC Bank Securities Limited stated at cost.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its subsidiary NRBC Bank Securities Limited in accordance with IAS 36</p> | <p>We have reviewed Management’s analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.</p> <p>In particular, our discussion with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p> <p>We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to and corroborating information was obtained with reference to external market information, third-party sources.</p> |
| Investment and provision for diminution in value of investment | |
| <p>Group investments in securities, mutual fund and non-listed unit fund are valued at BDT 18,814.87 (December 2019 BDT 15,625.66 million) and provision for diminution in value of investments of BDT 226.14 million (December 2019 BDT 140.60 million)</p> <p>Investments in quoted shares and unquoted shares are valued at average cost. However, the company made provision for diminution in value of investment as per BRPD circular no. 14 dated 25 June 2003.</p> <p>We focused on this area because of the significance of the investments in the financial statements, and departure from the recognition and presentation criteria of IFRS 9, IFRS 7 & IAS 32 to comply the above circular of Bangladesh Bank for determining the valuation methodology and presentation to be applied by the management of the company.</p> | <p>Our audit procedures included updating our understanding of the business processes employed by the Company for accounting for, and valuing, their investment portfolio.</p> <p>Our audit approach was a combination of test of internal control and substantive procedures.</p> <p>We obtained sufficient audit evidence to conclude that the inputs and methodologies used for the valuation of the investments are within a reasonable range and that valuation policies were consistently applied by the management of the company.</p> <p>We assessed the design and operating effectiveness of the Group’s key controls supporting the identification, measurement and oversight of valuation risk of financial assets.</p> <p>We tested the calculations of provision for diminution in value of investment and checked the presentation and disclosure of investment in compliance with FID circular no. 8 dated 3 August 2002 and DFIM circular no. 2 dated 31 January 2012 issued by Bangladesh Bank.</p> |
| Measurement of deferred tax assets | |
| <p>NRB Commercial Bank Limited has reported deferred tax assets BDT 366,57 million (December 2019: BDT 356.81) in respect of unabsorbed loan loss and other timing differences.</p> <p>There is inherent uncertainty involved in forecasting future taxable profits, which determines the extent to which deferred tax assets are or are not recognised.</p> <p>Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p> | <p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group’s key controls over the recognition and measurement of Deferred Tax Assets and the assumptions used in estimating the NRB Commercial Bank Limited ’s future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key</p> |

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|---|---|
| | <p>assumptions, controls, recognition and measurement of Deferred Tax Assets.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p> |
| IT systems and controls | |
| <p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.</p> | <p>We tested the design and operating effectiveness of the Group's IT access controls over the information systems that are critical to financial reporting. We also assessed the total IT security over its operation in accordance with the Guideline on ICT Security for Banks and Non-Bank Financial Institutions dated May, 2015 Version 3.0. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Group's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p> |
| Accuracy and completeness of revenue recognised | |
| <p>The Group reported revenue for the period ended June 2020 of BDT 3,384.29 million (June 2019: BDT 3,212.54 million) from loan and advance.</p> <p>The Group also reported revenue for the period ended June 2020 of BDT 2,284.24 million (June 2019: BDT 1,967.77 million) from investment, commission, charges and operating activities.</p> <p>The application of revenue recognition accounting standards is complex and involves a number of key judgments and estimates, including those applied on revenue arrangements with multiple elements and those contracts where there is existence of principal and agent relationship.</p> <p>Due to the estimates and judgment involved in the application of the revenue recognition accounting standards and the degree of complexity of IT systems and processes used, we have considered this matter as a key audit matter.</p> <p>The Group's accounting policies relating to revenue recognition are presented in note 2.12 to the consolidated financial statements.</p> | <p>Our audit approach included a combination of controls testing, data analytics and substantive procedures covering the following:</p> <ul style="list-style-type: none"> • we understood the significant revenue processes including performance of an end to end walkthrough of the revenue assurance process and identifying the relevant controls (including IT systems, interfaces and reports); • we tested the design and operating effectiveness of the relevant controls; • we involved our internal IT specialists to test IT general controls, system interfaces, data/ information reporting and application specific controls surrounding relevant revenue systems; • we reviewed significant new contracts and regulatory determinations, the accounting treatments opted and testing the related revenues recognised during the period; |

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| | <ul style="list-style-type: none"> • we performed data analysis and analytical reviews of significant revenue streams; • we reviewed key reconciliations performed by the Revenue Assurance team; • we performed specific procedures to test the accuracy and completeness of adjustments relating to multiple element arrangements and grossing up certain revenue and costs; and • we performed procedures to ensure that the revenue recognition criteria adopted by each group entity for all major revenue streams is appropriate and in line with the Group's accounting policies. <p>Through our instructions, supervision and review, the auditors of the Group's significant entities performed consistent audit procedures on revenue.</p> |
| COVID -19 impact on Financial Statements | |
| <p>COVID 19 is a force majeure event, unique in nature has devastated the world and mankind. Efforts are underway to contain and recover.</p> <p>From early March 2020, there has been health related safety prioritized restrictions on auditor's travel, meetings and access to Bank resources / sites in some jurisdictions, limitation in providing supporting documents and explanations by the concerned resources of the Bank.</p> <p>The commercial banks in Bangladesh are in the process of (i) credit risk due to high level of default loan; mostly centring around the Limited Companies (both publicly traded and other limited companies not operating diligently) (ii) market risk due to COVID-19 Pandemic that would lead to recession and the (iii) operational risk due to loss of business opportunities and continuation with operational and maintenance overheads. Furthermore, to extend that there are Control deficiencies - A control deficiency exists when the design or operation of a control does not allow management to prevent or detect misstatements in a timely manner. Design deficiency occurs when: a requisite control is missing, or an existing control is ineffective because it is not properly designed.</p> <p>Economy is the lifeline of the Country, institutions, community, environment and individuals. Providing finance is neither fruitful nor rewarding, unless effective feedback provides transparency and accountability and assists in educating the market. That, in turn would assist improving the process itself; while also embedding the proper cause and effect mindset within involved people and processes that is critical to achieving better results and further to improve the standard of submissions in the</p> | <p>Auditor's and the firms under force majeure event applied best judgements under the force majeure compulsion and the circumstances in developing alternative audit procedures to gather sufficient explanations as practicable. Bangladesh Banks involvements and contributions and initiations on relevant material issues controls and remedies as appropriate and practicable were taken into cognizance as audit evidences.</p> <p>Regulatory initiatives (FRC) and stimulus packages are under constant evaluations of the Government to sustain banking operations by enhancing the process of attention to loan covenants and lender requirements. Clients that were financially healthy entering 2020 may have found themselves with cash shortfalls by February onwards and would likely to continue until COVID is contained. Clients will be monitored on their financial information, particularly with outstanding loans and debt covenants from lenders and their obligatory diligent statutory reporting.</p> <p>On collective success assurance upon COVID, Bank is committed to visualize that authority always flows from top to bottom, responsibility flows from bottom to top and communicating across the bank that, accountability cannot be delegated and escaped.</p> <p>Auditor's has assessed the disclosures note 2.26 regarding impact of COVID -19 of its business process and going concern ability of the Bank next 12 months.</p> <p>Furthermore, Auditor's also extended</p> |

future. If these are not made sustainable; the money, time and resources will not be appropriately applied to defend the total investments. The Challenges ahead are huge, that would be addressed both by invention and discoveries and also with cognizance to the nature and nurture. Last but not the least, there is always light at the other end of a tunnel.

professional scepticism and judgement-based assurances under the circumstances, and relatively practicable support in the interest of Country's banking business to a broader perspective.

Other information

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2.00, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

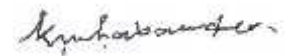
Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Bank 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 purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements 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 Group as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities [other than matters disclosed in these financial statements];

- (iii) financial statements of the Bank's subsidiaries namely, NRBC Bank Securities Limited have been audited by Haque Bhattacharjee Das & Co., Chartered Accountants and have been properly reflected in the consolidated financial statements;
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the period;
- (viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank
- (ix) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (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 3,660 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the period.

Place: Dhaka
Dated: 19 August 2020



K. M. HASAN & CO.
Chartered Accountants

NRB Commercial Bank Limited & Its Subsidiary
Consolidated Balance Sheet
As at 30 June 2020

| Particulars | Note | At June 30, 2020 | At Dec 31, 2019 |
|---|------|------------------|-----------------|
| | | Taka | Taka |
| PROPERTY AND ASSETS | | | |
| Cash: | 3a | 4,505,280,134 | 5,880,401,321 |
| In Hand (Including Foreign Currencies) | 3.1a | 1,642,217,219 | 1,842,555,955 |
| Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies) | 3.2a | 2,863,062,915 | 4,037,845,366 |
| Balance with other banks and financial institutions | 4a | 2,930,172,058 | 2,040,422,739 |
| In Bangladesh | | 1,943,456,316 | 1,894,223,425 |
| Outside Bangladesh | | 986,715,742 | 146,199,314 |
| Money at call and short notice | 5a | 2,744,300,000 | 856,700,000 |
| Investments | 6a | 18,814,867,968 | 15,625,662,093 |
| Government | | 15,877,451,711 | 12,715,430,910 |
| Others | | 2,937,416,257 | 2,910,231,183 |
| Loans and advances | 7a | 64,336,453,857 | 62,059,563,385 |
| Loans, cash credits, overdrafts etc./ investments | 7.2a | 62,395,937,822 | 59,993,700,830 |
| Bills purchased and discounted | 8a | 1,940,516,035 | 2,065,862,555 |
| Fixed assets including premises, furniture and fixtures | 9a | 590,285,629 | 513,295,067 |
| Other assets | 10a | 4,142,249,402 | 3,251,215,194 |
| Non - banking assets | | - | - |
| Total assets | | 98,063,609,049 | 90,227,259,800 |
| LIABILITIES AND CAPITAL | | | |
| Liabilities | | | |
| Borrowings from other banks, financial institutions and agents | 11a | 5,507,100,545 | 1,290,232,047 |
| Deposits and other accounts | 12a | 74,183,216,627 | 71,879,793,229 |
| Current accounts/Al-wadeeah current accounts and other accounts | | 9,648,925,665 | 6,293,695,523 |
| Bills payable | | 5,780,817,168 | 7,185,410,848 |
| Savings bank/Mudaraba savings bank deposits | | 6,576,861,360 | 5,238,707,700 |
| Special/Mudaraba notice deposits | | 6,729,892,269 | 7,207,653,534 |
| Fixed deposits/Mudaraba fixed deposits | | 11,885,726,483 | 13,795,849,738 |
| Schemes Deposit/ Mudaraba Scheme Deposits | | 33,560,993,682 | 32,158,475,886 |
| Other liabilities | 13a | 10,256,203,895 | 8,815,289,154 |
| Total liabilities : | | 89,946,521,067 | 81,985,314,429 |
| Total Shareholders' Equity | | 8,075,605,149 | 8,200,744,377 |
| Paid -up capital | 14 | 5,825,169,980 | 5,710,951,240 |
| Statutory reserve | 15 | 1,585,258,068 | 1,458,843,141 |
| Other reserve | 16a | 32,038,821 | 5,009,947 |
| Retained earnings | 17a | 633,138,280 | 1,025,940,050 |
| Minority Interest | 17b | 41,482,832 | 41,200,993 |
| Total Equity | | 8,117,087,981 | 8,241,945,370 |
| Total Liabilities and Shareholders' Equity | | 98,063,609,049 | 90,227,259,800 |

NRB Commercial Bank Limited & Its Subsidiary

Consolidated Balance Sheet

As at 30 June 2020

| Particulars | Note | At June 30, 2020 | At Dec 31, 2019 |
|-------------|------|------------------|-----------------|
| | | Taka | Taka |

OFF - BALANCE SHEET EXPOSURES

| | | | |
|-------------------------------|----|----------------|----------------|
| Contingent liabilities | 18 | 32,318,500,241 | 27,408,198,566 |
| Acceptances and endorsements | | 7,268,723,830 | 7,210,588,526 |
| Letters of guarantee | | 14,839,387,775 | 10,437,378,649 |
| Irrevocable letters of credit | | 5,653,899,444 | 5,729,243,714 |
| Bills for collection | | 4,556,489,192 | 4,030,987,678 |
| 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
Liabilities against forward purchase and sale

| | | |
|---|-----------------------|-----------------------|
| Total Off-Balance Sheet exposures including contingent liabilities | 32,318,500,241 | 27,408,198,566 |
|---|-----------------------|-----------------------|

Other memorandum items

| | | |
|--|--------------------|--------------------|
| Value of Govt Instrument & Wage Earner Bonds | 175,850,000 | 175,850,000 |
| | 175,850,000 | 175,850,000 |

These Financial Statements should be read in conjunction with annexed notes (1 to 49)



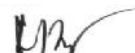
Md. Mukhter Hossain
Managing Director & CEO



Mohammed Adnan Imam, FCCA
Director, BoD

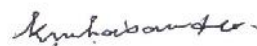


Rafikul Islam Mia Arzoo
Director, BoD



S M Parvez Tamal
Chairman, BoD

Signed as per annexed report on even date



K. M. HASAN & CO.
Chartered Accountants

Place: Dhaka
Dated: 19 August, 2020

NRB Commercial Bank Limited & Its Subsidiary


Consolidated Profit and Loss Account

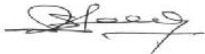
For the Period ended 30 June 2020


| Particulars | Note | Jan'20-Jun'20 Taka | Jan'19-June'19 Taka | April'20-June'20 Taka | April'19-June'19 Taka |
|---|------|-----------------------|------------------------|--------------------------|--------------------------|
| OPERATING INCOME | | | | | |
| Interest income | 20a | 3,384,293,499 | 3,212,540,717 | 1,858,948,443 | 1,953,721,433 |
| Interest paid/Profit Shared on deposits and borrowings, etc | 21a | 2,570,502,780 | 2,032,343,158 | 1,598,579,846 | 1,233,653,898 |
| Net interest income | | 813,790,719 | 1,180,197,559 | 260,368,597 | 720,067,534 |
| Investment income | 22a | 954,209,261 | 413,375,218 | 776,174,981 | 269,880,237 |
| Commission, exchange and brokerage | 23a | 410,186,936 | 282,834,259 | 291,993,180 | 155,804,570 |
| Other operating income | 24a | 106,056,885 | 91,365,818 | 64,915,939 | 55,430,786 |
| Total operating income (A) | | 2,284,243,801 | 1,967,772,854 | 1,393,452,697 | 1,201,183,128 |
| OPERATING EXPENSES | | | | | |
| Salary and allowances | 25a | 780,264,194 | 591,678,043 | 506,198,257 | 386,037,436 |
| Rent, taxes, insurance, electricity, etc. | 26a | 143,940,570 | 150,340,927 | 77,426,311 | 78,136,732 |
| Legal expenses | 27a | 369,396 | 1,113,820 | (60,924) | (73,130) |
| Postage, stamps, telecommunication, etc. | 28a | 18,816,557 | 16,770,387 | 8,531,347 | 9,480,572 |
| Stationery, printing, advertisement, etc. | 29a | 81,910,666 | 52,738,068 | 57,245,100 | 37,925,290 |
| Chief Executive's salary and fees | 30 | 5,162,854 | 8,130,000 | 962,854 | 8,130,000 |
| Directors' fees & meeting expenses | 31a | 4,664,384 | 4,406,590 | 3,433,657 | (12,185) |
| Auditors' fees | 32a | 172,500 | - | 172,500 | - |
| Charges on loan losses | 33 | - | - | - | - |
| Replacement, Repair and Depreciation of Bank's Assets | 34a | 88,646,799 | 82,980,044 | 47,697,399 | 31,195,662 |
| Other expenses | 35a | 245,982,758 | 155,339,564 | 195,233,717 | 107,265,397 |
| Total operating expenses (B) | | 1,369,930,678 | 1,063,497,443 | 896,840,218 | 658,085,773 |
| Profit before provision (C = A-B) | | 914,313,123 | 904,275,411 | 496,612,480 | 543,097,355 |
| Provision against loans and advances | 36a | 143,402,910 | 478,668,326 | 54,726,093 | 205,711,418 |
| Provision for diminution in value of investments | 37a | 89,504,127 | (2,339,818) | 81,173,953 | (14,171,394) |
| Provision for Off-Balance Sheet Exposures | 38a | 45,335,020 | 38,448,609 | 13,889,816 | 29,403,353 |
| Total provision (D) | | 278,242,057 | 514,777,117 | 149,789,863 | 220,943,377 |
| Profit before taxation (C-D) | | 636,071,066 | 389,498,294 | 346,822,617 | 322,153,977 |
| Provision for taxation | | 273,971,432 | 168,788,258 | 146,800,733 | 134,961,344 |
| Current Tax Expenses | 39a | 283,891,935 | 350,539,021 | 122,464,465 | 190,138,425 |
| Deferred Tax Expenses/(Income) | 40b | (9,920,503) | (181,750,763) | 24,336,268 | (55,177,081) |
| Net profit after taxation | | 362,099,634 | 220,710,036 | 200,021,884 | 187,192,633 |
| Appropriations: | | | | | |
| Statutory reserve | | 126,414,927 | 75,448,519 | 70,202,556 | 59,202,869 |
| Retained surplus | | 235,402,867 | 144,298,058 | 130,147,409 | 125,588,465 |
| Attributable to: | | | | | |
| Equity holders of NRBC Bank Limited | | 361,817,795 | 219,746,577 | 200,349,965 | 184,791,334 |
| Minority Interest | | 281,839 | 963,459 | (328,082) | 2,401,299 |
| Earnings per share (EPS) | 41a | 0.6216 | 0.3789 | 0.3066 | 0.3105 |

These Financial Statements should be read in conjunction with annexed notes (1 to 49)


Md. Mukhter Hossain
 Managing Director & CEO


Mohammed Adnan Imam, FCCA
 Director, BoD


Rafikul Islam Mia Arzoo
 Director, BoD


S M Parvez Tamal
 Chairman, BoD

Signed as per annexed report on even date


K. M. HASAN & CO.
 Chartered Accountants

Place: Dhaka
 Dated: 19 August, 2020

NRB Commercial Bank Limited & Its Subsidiary

Consolidated Statement of Cash Flows


For the Period ended 30 June 2020


| Particulars | Note | Jan'20-Jun'20 Taka | Jan'19-June'19 Taka |
|--|------|------------------------|------------------------|
| A. Cash flows from operating activities | | | |
| Interest receipts in cash | | 3,388,724,676 | 3,233,401,384 |
| Interest paid in cash | | (2,069,865,188) | (1,562,528,908) |
| Dividend receipts | | 13,240,151 | 19,471,546 |
| Fee and commission receipts in cash | | 410,712,619 | 284,183,073 |
| Recoveries on loans previously written off | | - | - |
| Payments to employees | | (781,454,299) | (676,870,247) |
| Payments to suppliers | | (85,100,498) | (59,225,878) |
| Income taxes paid | | (15,391,109) | (414,961,442) |
| Receipts from other operating activities | 42a | 1,002,497,989 | 485,441,564 |
| Payments for other operating activities | 43a | (411,032,316) | (331,521,787) |
| Operating profit before changes in operating assets & liabilities | | 1,452,332,025 | 977,389,307 |
| Increase/decrease in operating assets and liabilities | | | |
| Purchased of Trading Security | | - | - |
| Loans and advances to Other Bank(s) | | - | - |
| Loans and advances to customers | | (2,224,109,068) | 6,856,393,532 |
| Other assets | 44a | (821,523,676) | 36,099,603 |
| Deposits from other bank(s) | | 500,000,000 | 1,250,000,000 |
| Deposits from customers | | 1,803,474,670 | 8,242,394,919 |
| Trading liabilities (short-term borrowings) | | - | - |
| Other liabilities | 45 | 228,954,810 | 183,960,932 |
| Net increase/(decrease) in operating liabilities | | (513,203,264) | 356,061,923 |
| Net cash from operating activities (A) | | 939,128,761 | 1,333,451,230 |
| B. Cash flows from investing activities | | | |
| (Purchase)/ sale of government securities | 46 | (3,135,025,327) | (2,828,850,549) |
| (Purchase)/sale of Non-trading Security | | 90,000,000 | (311,000,000) |
| (Purchase)/Sale of Share/Securities | | (117,185,073) | (12,876,024) |
| (Purchase)/ sale of property, plant and equipment | | (154,447,865) | (77,406,240) |
| Net cash from/(used) in investing activities(B) | | (3,316,658,266) | (3,230,132,813) |
| C. Cash flows from financing activities | | | |
| Borrowing from other Bank(s)/ Bangladesh Bank | | 4,216,868,499 | 1,991,094,705 |
| Increase/(decrease) in long-term borrowings/ Loan Capital & Debt Capital | | 76,841,635 | (11,559,365) |
| Receipt from issue of Ordinary Shares/Disbursement of Fraction Share | | (285) | - |
| Receipt from issue of Ordinary Shares of Subsidiary's Minority Group | | - | - |
| Dividend paid (Cash Dividend) | | (513,985,612) | - |
| Net cash from/(used) in financing activities (C) | | 3,779,724,237 | 1,979,535,339 |
| D.Net increase/(decrease) in cash and cash equivalents (A+B+C) | | 1,402,194,732 | 82,853,756 |
| E. Cash and cash equivalents at the beginning of the year | | 8,778,976,160 | 7,954,057,697 |
| Cash and cash equivalents at the end of the year [D+E] | | 10,181,170,892 | 8,036,911,453 |
| Cash and cash equivalents: | | | |
| Cash | 3.1a | 1,642,217,219 | 1,351,252,810 |
| Prize Bonds | 6.1 | 1,418,700 | 1,566,500 |
| Money at call and on short notice | 5a | 2,744,300,000 | 836,400,000 |
| Reverse Repo | | | |
| Balance with Bangladesh Bank and its agent bank(s) | 3.2a | 2,863,062,915 | 3,351,871,386 |
| Balance with other banks and financial institutions | 4a | 2,930,172,058 | 2,495,820,757 |
| | | 10,181,170,892 | 8,036,911,453 |

These Financial Statements should be read in conjunction with annexed notes (1 to 49)


Md. Mukhter Hossain
 Managing Director & CEO


Mohammed Adnan Imam, FCCA
 Director, BoD


Rafikul Islam Mia Arzoo
 Director, BoD


S M Parvez Tamal
 Chairman, BoD

Place: Dhaka

Dated: 19 August, 2020

NRB Commercial Bank Limited & Its Subsidiary
Consolidated Statement of Changes in Equity
As at 30 June 2020


| Particulars | Paid-up capital | Statutory reserve | Foreign Currency translation Gain/(loss) | Reserve for amortization of treasury securities (HTM) | Reserve for revaluation of treasury securities (HFT) | Minority Interest | Retained earnings | Total |
|---|----------------------|----------------------|--|---|--|-------------------|----------------------|----------------------|
| Balance at 01 January 2020 | 5,710,951,240 | 1,458,843,141 | - | 4,032,413 | 977,534 | 41,200,993 | 1,025,940,050 | 8,241,945,370 |
| changes in accounting policy | | | | | | | | |
| Restated Balance | 5,710,951,240 | 1,458,843,141 | - | 4,032,413 | 977,534 | 41,200,993 | 1,025,940,050 | 8,241,945,370 |
| Addition of paid up capital by issuing Stock Dividend | 114,218,740 | | | | | | (114,218,740) | - |
| Payment the Fraction of share to shareholder -2019 | | | | | | | (285) | (285) |
| Net profit after taxation for the Period | | | | | | | 359,281,241 | 359,281,241 |
| Change in Minority Interest | | | | | | 281,839 | (281,839) | - |
| Profit/(Loss) from investment in Subsidiary | | | | | | | 2,818,392 | 2,818,392 |
| Transfer to statutory Reserve | | 126,414,927 | | | | | (126,414,927) | - |
| Cash Dividend Paid for 2019 | | | | | | | (513,985,612) | (513,985,612) |
| Reserve for HFT treasury securities | | | | | 29,737,584 | | - | 29,737,584 |
| Reserve for HTM securities | | | | (2,708,710) | - | | | (2,708,710) |
| Currency translation difference | | | - | | | | | - |
| Balance at 30 June 2020 | 5,825,169,980 | 1,585,258,068 | - | 1,323,703 | 30,715,118 | 41,482,832 | 633,138,280 | 8,117,087,981 |
| Balance at 31 December 2019 | 5,710,951,240 | 1,458,843,141 | - | 4,032,413 | 977,534.00 | 41,200,993 | 1,025,940,050 | 8,241,945,370 |

These Financial Statements should be read in conjunction with annexed notes (1 to 49)


Md. Mukhter Hossain
Managing Director & CEO


Mohammed Adnan Imam, FCCA
Director, BoD


Rafikul Islam Mia Arzoo
Director, BoD


S M Parvez Tamal
Chairman, BoD

Place: Dhaka
Dated: 19 August, 2020

NRB Commercial Bank Limited

Balance Sheet

As at 30 June 2020

| Particulars | Note | at June 30,2020 | at Dec 31, 2019 |
|---|------|-----------------|-----------------|
| | | Taka | Taka |
| PROPERTY AND ASSETS | | | |
| Cash: | 3 | 4,502,341,058 | 5,835,593,357 |
| In Hand (Including Foreign Currencies) | 3.1 | 1,639,278,143 | 1,797,747,991 |
| Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies) | 3.2 | 2,863,062,915 | 4,037,845,366 |
| Balance with other banks and financial institutions | 4 | 2,895,746,441 | 2,034,563,815 |
| In Bangladesh | | 1,909,030,699 | 1,888,364,501 |
| Outside Bangladesh | | 986,715,742 | 146,199,314 |
| Money at call and short notice | 5 | 2,744,300,000 | 856,700,000 |
| Investments | 6 | 18,411,634,839 | 15,298,165,096 |
| Government | | 15,877,451,711 | 12,715,430,910 |
| Others | | 2,534,183,128 | 2,582,734,186 |
| Loans and advances/investments | 7 | 64,376,172,608 | 62,015,021,854 |
| Loans, cash credits, overdrafts etc./ investments | 7.2 | 62,435,656,573 | 59,949,159,299 |
| Bills purchased and discounted | 8 | 1,940,516,035 | 2,065,862,555 |
| Fixed assets including premises, furniture and fixtures | 9 | 583,974,270 | 506,216,302 |
| Other assets | 10 | 4,475,439,515 | 3,571,823,622 |
| Non - banking assets | | | - |
| Total assets | | 97,989,608,730 | 90,118,084,046 |
| LIABILITIES AND CAPITAL | | | |
| Liabilities | | | |
| Borrowings from other banks, financial institutions and agents | 11 | 5,507,100,545 | 1,290,232,047 |
| Deposits and other accounts | 12 | 74,204,527,796 | 71,857,899,976 |
| Current accounts/Al-wadeeah current accounts and other accounts | | 9,616,717,013 | 6,172,581,839 |
| Bills payable | | 5,780,817,168 | 7,185,410,848 |
| Savings bank/Mudaraba savings bank deposits | | 6,576,861,360 | 5,238,707,700 |
| Special/Mudaraba notice deposits | | 6,783,412,090 | 7,306,873,965 |
| Fixed deposits/Mudaraba fixed deposits | | 11,885,726,483 | 13,795,849,738 |
| Schemes Deposit/ Mudaraba Scheme Deposits | | 33,560,993,682 | 32,158,475,886 |
| Other liabilities | 13 | 10,215,720,730 | 8,780,016,585 |
| Total liabilities : | | 89,927,349,072 | 81,928,148,607 |
| Total Shareholders' Equity | | 8,062,259,658 | 8,189,935,439 |
| Paid -up capital | 14 | 5,825,169,980 | 5,710,951,240 |
| Statutory reserve | 15 | 1,585,258,068 | 1,458,843,141 |
| Other reserve | 16 | 32,038,821 | 5,009,947 |
| Retained earnings | 17 | 619,792,789 | 1,015,131,111 |
| Total Liabilities and Shareholders' Equity | | 97,989,608,730 | 90,118,084,046 |


NRB Commercial Bank Limited

Balance Sheet


As at 30 June 2020


| Particulars | Note | at June 30,2020 | at Dec 31, 2019 |
|---|------|-----------------------|-----------------------|
| | | Taka | Taka |
| OFF - BALANCE SHEET EXPOSURES | | | |
| Contingent liabilities | 18 | 32,318,500,241 | 27,408,198,566 |
| Acceptances and endorsements | | 7,268,723,830 | 7,210,588,526 |
| Letters of guarantee | | 14,839,387,775 | 10,437,378,649 |
| Irrevocable letters of credit | | 5,653,899,444 | 5,729,243,714 |
| Bills for collection | | 4,556,489,192 | 4,030,987,678 |
| 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 | | | |
| Liabilities against forward purchase and sale | | | |
| Total Off-Balance Sheet exposures including contingent liabilities | | 32,318,500,241 | 27,408,198,566 |
| Other memorandum items | | | |
| Value of Govt Instrument & Wage Earner Bonds | | 175,850,000 | 175,850,000 |
| | | 175,850,000 | 175,850,000 |

These Financial Statements should be read in conjunction with annexed notes (1 to 49)

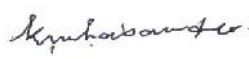

Md. Mukhter Hossain
 Managing Director & CEO


Mohammed Adnan Imam, FCCA
 Director, BoD


Rafikul Islam Mia Arzoo
 Director, BoD


S M Parvez Tamal
 Chairman, BoD

Signed as per annexed report on even date


K. M. HASAN & CO.
 Chartered Accountants


Place: Dhaka
 Dated: 19 August, 2020

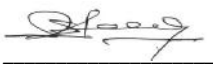
NRB Commercial Bank Limited
Profit and Loss Account
For the Period ended 30 June 2020


| Particulars | Note | Jan'20-June'20 Taka | Jan'19-June'19 Taka | April'20-June'20 Taka | April'19-June'19 Taka |
|--|------|------------------------|------------------------|--------------------------|--------------------------|
| OPERATING INCOME | | | | | |
| Interest income | 20 | 3,377,293,440 | 3,207,022,690 | 1,475,633,579 | 1,684,187,935 |
| Interest paid/Profit Shared on deposits and borrowings, etc. | 21 | 2,570,585,411 | 2,032,920,024 | 1,251,310,008 | 778,846,328 |
| Net interest income | | 806,708,029 | 1,174,102,667 | 224,323,571 | 905,341,607 |
| Investment income | 22 | 946,255,471 | 407,599,376 | 428,305,297 | 233,678,315 |
| Commission, exchange and brokerage | 23 | 404,618,418 | 272,970,762 | 251,243,862 | 161,443,136 |
| Other operating income | 24 | 105,770,004 | 90,915,869 | 54,719,375 | 50,069,787 |
| Total operating income (A) | | 2,263,351,923 | 1,945,588,673 | 958,592,105 | 1,350,532,845 |
| OPERATING EXPENSES | | | | | |
| Salary and allowances | 25 | 769,700,151 | 583,947,945 | 407,565,837 | 313,344,503 |
| Rent, taxes, insurance, electricity, etc. | 26 | 142,808,648 | 147,954,015 | 72,752,030 | 82,771,323 |
| Legal expenses | 27 | 318,796 | 1,113,820 | 74,775 | 683,500 |
| Postage, stamps, telecommunication, etc. | 28 | 18,521,008 | 16,290,856 | 8,150,952 | 6,222,522 |
| Stationery, printing, advertisement, etc. | 29 | 81,743,761 | 52,309,744 | 32,808,962 | 27,874,292 |
| Chief Executive's salary and fees | 30 | 5,162,854 | 8,130,000 | 2,900,000 | 3,930,000 |
| Directors' fees & meeting expenses | 31 | 4,592,793 | 4,374,090 | 196,372 | 3,143,363 |
| Auditors' fees | 32 | 172,500 | - | 172,500 | - |
| Charges on loan losses | 33 | - | - | - | - |
| Replacement, Repair and Depreciation of Bank's Assets | 34 | 87,691,630 | 81,301,633 | 43,758,625 | 41,094,112 |
| Other expenses | 35 | 246,277,193 | 156,028,680 | 77,040,838 | 104,979,447 |
| Total operating expenses (B) | | 1,356,989,335 | 1,051,450,782 | 645,420,891 | 584,043,063 |
| Profit before provision (C = A-B) | | 906,362,588 | 894,137,891 | 313,171,214 | 766,489,782 |
| Provision against loans and advances | 36 | 143,402,910 | 478,668,326 | 45,099,010 | 389,991,509 |
| Provision for diminution in value of investments | 37 | 85,550,021 | (221,639) | 11,388,806 | (8,726,115) |
| Provision for Off-Balance Sheet Exposures | 38 | 45,335,020 | 38,448,609 | 14,926,625 | 7,003,406 |
| Total provision (D) | | 274,287,951 | 516,895,295 | 71,414,441 | 388,268,800 |
| Profit before taxation (C-D) | | 632,074,636 | 377,242,596 | 241,756,773 | 378,220,982 |
| Provision for taxation | | 272,793,394 | 166,167,154 | 76,024,130 | (27,734,535) |
| Current Tax Expenses | 39 | 282,545,987 | 347,737,318 | 87,049,711 | 119,591,075 |
| Deferred Tax Expenses/(Income) | 40 | (9,752,593) | (181,570,164) | (11,025,581) | (147,325,610) |
| Net profit after taxation | | 359,281,242 | 211,075,442 | 165,732,643 | 405,955,517 |
| Appropriations: | | | | | |
| Statutory reserve | | 126,414,927 | 75,448,519 | 48,374,355 | 19,214,044 |
| Retained surplus to retained earnings | | 232,866,315 | 135,626,923 | 117,358,288 | 386,741,473 |
| Earnings per share (EPS) | 41 | 0.6168 | 0.3624 | 0.2781 | 0.0848 |

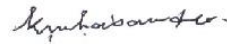
These Financial Statements should be read in conjunction with annexed notes (1 to 49)


Md. Mukhter Hossain
Managing Director & CEO


Mohammed Adnan Imam, FCCA
Director, BoD


Rafikul Islam Mia Arzoo
Director, BoD


S M Parvez Tamal
Chairman, BoD



K. M. HASAN & CO.
Chartered Accountants

Place: Dhaka
Dated: 19 August, 2020


NRB Commercial Bank Limited
Statement of Cash Flows
For the Period ended 30 June 2020

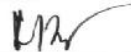
| Particulars | Note | Jan'20-Jun'20 Taka | Jan'19-Jun'19 Taka |
|--|------|------------------------|------------------------|
| A. Cash flows from operating activities | | | |
| Interest receipts in cash | | 3,378,693,266 | 3,227,883,357 |
| Interest paid in cash | | (2,066,916,468) | (1,562,528,908) |
| Dividend receipts | | 5,286,361 | 13,695,704 |
| Fee and commission receipts in cash | | 404,618,418 | 272,970,762 |
| Recoveries on loans previously written off | | - | - |
| Payments to employees | | (770,890,256) | (669,140,149) |
| Payments to suppliers | | (83,673,433) | (52,497,565) |
| Income taxes paid | | (13,236,296) | (411,783,894) |
| Receipts from other operating activities | 42 | 1,002,211,108 | 484,991,616 |
| Payments for other operating activities | 43 | (410,609,211) | (331,971,701) |
| Operating profit before changes in operating assets & liabilities | | 1,445,483,489 | 971,619,222 |
| Increase/decrease in operating assets and liabilities | | | |
| Purchased of Trading Security | | - | - |
| Loans and advances to Other Bank(s) | | - | - |
| Loans and advances to customers | | (2,231,527,715) | (6,840,730,481) |
| Other assets | 44 | (836,177,544) | 38,323,875 |
| Deposits from other bank(s) | | 500,000,000 | (1,250,000,000) |
| Deposits from customers | | 1,846,627,820 | 8,247,669,161 |
| Trading liabilities (short-term borrowings) | | - | - |
| Other liabilities | 45 | 228,954,810 | 183,960,932 |
| Net increase/(decrease) in operating liabilities | | (492,122,628) | 379,223,487 |
| Net cash from operating activities (A) | | 953,360,861 | 1,350,842,709 |
| B. Cash flows from investing activities | | | |
| (Purchase)/ sale of government securities | 46 | (3,135,025,327) | (2,828,850,549) |
| (Purchase)/sale of Non-trading Security | | 90,000,000 | (311,000,000) |
| (Purchase)/Sale of Share/Securities | | (41,448,941) | (41,200,983) |
| (Purchase)/ sale of property, plant and equipment | | (154,272,268) | (77,077,384) |
| Net cash from/(used) in investing activities(B) | | (3,240,746,536) | (3,258,128,916) |
| C. Cash flows from financing activities | | | |
| Borrowing from other Bank(s)/ Bangladesh Bank | | 4,216,868,499 | 1,991,094,705 |
| Increase/(decrease) in long-term borrowings/ Loan Capital & Debt Capital | | - | - |
| Receipt from issue of Ordinary Shares/Disbursement of Fraction Share | | (285) | - |
| Receipt from issue of Ordinary Shares of Subsidiary's Minority Group | | - | - |
| Dividend paid (Cash Dividend) | | (513,985,612) | - |
| Net cash from/(used) in financing activities (C) | | 3,702,882,602 | 1,991,094,705 |
| D. Net increase/(decrease) in cash and cash equivalents (A+B+C) | | 1,415,496,927 | 83,808,497 |
| E. Cash and cash equivalents at the beginning of the year | | 8,728,309,271 | 7,909,891,135 |
| Cash and cash equivalents at the end of the year [D+E] | | 10,143,806,199 | 7,993,699,632 |
| Cash and cash equivalents: | | | |
| Cash | 3.1 | 1,639,278,143 | 1,347,492,810 |
| Prize bonds | 6.1 | 1,418,700 | 1,566,500 |
| Money at call and on short notice | 5 | 2,744,300,000 | 836,400,000 |
| Reverse Repo | | | |
| Balance with Bangladesh Bank and its agent bank(s) | 3.2 | 2,863,062,915 | 3,351,871,386 |
| Balance with other banks and financial institutions | 4 | 2,895,746,441 | 2,456,368,936 |
| | | 10,143,806,199 | 7,993,699,632 |

These Financial Statements should be read in conjunction with annexed notes (1 to 49)


Md. Mukhter Hossain
Managing Director & CEO


Mohammed Adnan Imam, FCCA
Director, BoD


Rafikul Islam Mia Arzoo
Director, BoD


S M Parvez Tamal
Chairman, BoD

Place: Dhaka
Dated: 19 August, 2020


NRB Commercial Bank Limited
Statement of Changes in Equity
As at 30 June 2020


| Particulars | Paid-up capital | Statutory reserve | Foreign Currency translation Gain/(loss) | Reserve for amortization of treasury securities (HTM) | Reserve for revaluation of treasury securities (HFT) | Retained earnings | Total |
|---|----------------------|----------------------|--|---|--|----------------------|----------------------|
| Balance at 01 January 2020 | 5,710,951,240 | 1,458,843,141 | - | 4,032,413 | 977,534 | 1,015,131,111 | 8,189,935,439 |
| Changes in accounting policy | | | | | | | |
| Restated Balance | 5,710,951,240 | 1,458,843,141 | - | 4,032,413 | 977,534 | 1,015,131,111 | 8,189,935,439 |
| Addition of paid up capital by issuing Stock Dividend | 114,218,740 | | | | | (114,218,740) | - |
| Payment the Fraction of share to shareholder -2019 | | | | | | (285) | (285) |
| Net profit after taxation for the Period | | | | | | 359,281,241 | 359,281,241 |
| Transfer to statutory Reserve | | 126,414,927 | | | | (126,414,927) | - |
| Cash Dividend Paid for 2019 | | | | | | (513,985,612) | (513,985,612) |
| Reserve for HFT treasury securities | | | | | 29,737,584 | - | 29,737,584 |
| Reserve for HTM securities | | | | (2,708,710) | - | - | 2,708,710 |
| Currency translation difference | | | - | | | | - |
| Balance at 30 June 2020 | 5,825,169,980 | 1,585,258,068 | - | 1,323,703 | 30,715,118 | 619,792,789 | 8,062,259,658 |
| Balance at 31 December 2019 | 5,710,951,240 | 1,458,843,141 | - | 4,032,413 | 977,534 | 1,015,131,111 | 8,189,935,439 |

These Financial Statements should be read in conjunction with annexed notes (1 to 49)


Md. Mukhter Hossain
Managing Director & CEO


Mohammed Adnan Imam, FCCA
Director, BoD


Rafikul Islam Mia Arzoo
Director, BoD


S M Parvez Tamal
Chairman, BoD


Place: Dhaka
Dated: 19 August, 2020


NRB Commercial Bank Limited
Liquidity Statement
Assets and Liability Maturity Analysis
As at 30 June 2020

| Particulars | | | | | | Total |
|---|-------------------------|-------------------------|-------------------------|-------------------------|------------------------|-------------------------|
| | Up to 1 month | 1-3 months | 3-12 months | 1-5 years | Above 5 years | |
| Assets | | | | | | |
| Cash in hand and with banks | 1,846,626,357 | - | - | - | 2,655,714,701 | 4,502,341,058 |
| Balance with other banks and financial institutions | 1,006,406,666 | 687,978,901 | 1,164,891,675 | 36,469,199 | - | 2,895,746,441 |
| Money at call and on short notice | 2,744,300,000 | - | - | - | - | 2,744,300,000 |
| Investments | 225,924,813 | 2,667,680,598.84 | 2,232,872,562 | 6,284,316,126 | 7,000,840,738 | 18,411,634,839 |
| Loans and advances | 23,249,119,773 | 7,279,112,921 | 13,440,529,859 | 12,022,850,070 | 8,384,559,985 | 64,376,172,608 |
| Fixed assets including premises, furniture and fixtures | - | - | - | - | 583,974,270 | 583,974,270 |
| Other assets | 746,333,655 | 212,014,570 | 2,321,971,318 | 781,913,638 | 413,206,335 | 4,475,439,515 |
| Non-banking assets | - | - | - | - | - | - |
| Total Assets (A) | 29,818,711,264 | 10,846,786,990 | 19,160,265,414 | 19,125,549,032 | 19,038,296,029 | 97,989,608,730 |
| Liabilities | | | | | | |
| Borrowings from Bangladesh Bank, other banks, financial institutions and agents | (5,160,000,000) | - | (347,100,545) | - | - | (5,507,100,545) |
| Deposits and other accounts | (14,242,083,809) | (17,631,319,715) | (23,243,960,843) | (12,683,709,830) | (6,403,453,600) | (74,204,527,796) |
| Provision and other liabilities | (838,369,740) | (2,055,367,068) | (2,251,578,617) | (4,753,056,739) | (317,348,567) | (10,215,720,730) |
| Total Liabilities (B) | (20,240,453,549) | (19,686,686,782) | (25,842,640,006) | (17,436,766,569) | (6,720,802,167) | (89,927,349,072) |
| Net Liquidity Gap-Excess/(Shortage) (A-B) | 9,578,257,715 | (8,839,899,792) | (6,682,374,592) | 1,688,782,464 | 12,317,493,862 | 8,062,259,658 |

These Financial Statements should be read in conjunction with annexed notes (1 to 49)


Md. Mukhter Hossain
Managing Director & CEO


Mohammed Adnan Imam, FCCA
Director, BoD


Rafikul Islam Mia Arzoo
Director, BoD


S M Parvez Tamal
Chairman, BoD

Place: Dhaka
Dated: 19 August, 2020

NRB Commercial Bank Limited & Its Subsidiary
Explanatory Notes to the Financial Statements
For the year ended 30 June 2020

1 Legal Status of the Bank

NRB Commercial Bank Limited (NRBC Bank) having its Registered Office at 114 Motijheel Commercial Area, Dhaka-1000, Bangladesh, was incorporated (Inc. no. C-107535) on February 20, 2013 as a Public Limited Company under the Companies Act, 1994 (Act No.18 of 1994) and also is governed by the Banking Companies Act 1991 (Amendment upto 2013) with Authorized Capital of Tk. 10000 million and having initial capital base of Tk. 4446 million (Paid up Capital) by converting the hard earned foreign currency of 53 (Fifty three) qualified NRBs from business persons, community leaders, scientists, educationists, living in across the globe which includes USA, Canada, UK, Russia, Italy, Germany, UAE and Kuwait.

NRBC Bank started its journey from 02 April 2013 after getting permission vide memo No. BRPD (P-3)/745(60)/2013-1189 dated 10 March 2013 as a scheduled Bank. Presently NRBC Bank has 75 Branches, 42 sub-Branches and 145 land registration collection Booths in different locations of Bangladesh.

The registered office of the Bank is situated at Jasim Tarde Centre, 114 Motijheel C/A, Dhaka 1000, Bangladesh

1.01 Principal activities

The principal activities of the Bank are to provide all kinds of conventional and Islamic commercial banking services to its customers through its branches, islamic windows, SME centres, and vibrant alternative delivery channels in Bangladesh.

1.02 Islamic banking unit

NRBC Bank has got permission for Islami Banking Business window vide memo no. BRPD (P-3)/745(60)/2019-9274 dated 14 November 2019 and its soft operation inaugurated on 20 January 2020 of our 08 Branches. Bank is intended to expand operation all over the country in spirit of Islami Shariah.

1.03 NRBC Bank Securities Limited

NRBC Bank Securities Limited was formed as subsidiary company after getting approval from Bangladesh Bank following guidelines of the Bangladesh Securities and Exchange Commission (BSEC). It incorporated as company on 20 September 2015 bearing certificate of incorporation no. C-125904/2015 under the Companies Act 1994. The subsidiary company resumed its Commercial operation on December 12, 2016.

In addition to above, The Bank through its Branches and non-banking subsidiary provides a diverse range of financial services and products in Bangladesh.

2 Basis of preparation of the Consolidated financial statements and Significant accounting policies

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

The Consolidated Financial statements of the Bank as at 30 June 2020 have been prepared under the historical cost convention except investments categorized under held for trading, and in accordance with International Financial Reporting Standards (IFRS), the "First Schedule" (section-38) of the Banking Companies Act 1991, as amended by BRPD circular no. 14 dated 25 June 2003, the rules and regulations issued by Bangladesh Bank and other laws and rules applicable for the Bank.

Consolidated financial statements and financial statements of the Bank have been prepared in accordance with the measurement and recognition requirements of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh.

2.1 Basis of consolidation

Separate set of records for consolidating the financial statements of the Branches including Head office are maintained at the Head Office of the Bank, based on which these financial statements have been prepared. The consolidated financial statements of Bank and its Subsidiary M/s. NRBC Bank Securities limited have been prepared in accordance with the IFRS 10 "Consolidated Financial Statements". The Consolidated Financial Statements have been prepared on basis of :

- i Control over Investee i.e. Subsidiary M/s. NRBC Bank Securities limited is 90% of its shareholding or voting right
- ii Using uniform accounting policies for like transactions and other events in similar circumstances as well as common reporting period ended on 30 June 2020.
- iii Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries
- iv Offset (eliminate) the carrying amount of the parent's investment in subsidiary and the parent's portion of equity of subsidiary
- v Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities

2.2 Mandate for Interim Financial Reporting

NRB Commercial Bank Limited has been prepared interim Consolidated Financial statements of the Bank as at 30 June 2020 for submission of/filing for initial public offering (IPO) according to requirement of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015. However, Consolidated Financial statements have been prepared complying IAS 34 except Condensed and explanatory notes.

2.3 Statement of compliance:

The basis of preparation of Financial statements of the Bank differ with those of IAS/IFRS and, therefore, the requirements of the Bank Companies Act 1991, Income Tax Ordinance 1984, VAT Act, 2012 and provisions and circulars issued by Bangladesh Bank shall prevail.

As such Bank has departed from those contradictory requirements of IAS/BFRS in order to comply with rules and regulations of Bangladesh Bank which are disclosed below:

i. Presentation of financial statements

IAS/IFRS: As per IAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

Bangladesh Bank: A format of financial statements (i.e. balance sheet, profit and loss account, cash flows statement, changes in equity, liquidity statement) is prescribed in the "First Schedule" of section 38 of the Bank Company Act 1991 (amended up to 2018) and BRPD circular no. 14 dated 25 June 2003 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

ii. Investment in shares and securities

IAS/IFRS: As per requirements of IFRS 9, the investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "at fair value through other comprehensive income" where any change in the fair value of securities measured "at fair value through profit and loss account" is taken to profit and loss account and any changes in the fair value of securities measured "at fair value through other comprehensive income" is transfer to equity through other comprehensive income

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price revealed in the Stock exchange and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

iii. Revaluation gains/losses on Government securities

IAS/IFRS: As per requirement of IAS 39, T-bills and T-bonds fall under the category of "Held for Trading (HFT)" and "Held to Maturity (HTM)". Any change in the fair value of held for trading assets is recognised through profit and loss account. Securities designated as "Held to Maturity (HTM)" are measured at amortised cost method and interest income is recognised through the profit and loss account.

Bangladesh Bank: According to DOS Circular no. 05, dated 26 May 2008, DOS Circular no. 05, dated 28 January 2009, DOS Circular no. 02, dated 19 January 2012, the HFT securities are revalued once each week using Marking to Market concept and the HTM securities are amortized once a year according to Bangladesh Bank guidelines. The HTM securities are also revalued if they are reclassified to HFT category with the Board's approval.

iv. 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 recognized 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 DOS Circular letter no. 6 dated 15 July 2010 and subsequent clarification in DOS Circular no 03 dated 30 January 2012 and DOS circular no. 2 dated 23 January 2013, when a bank 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 or stock lending), the arrangement is accounted for as a normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

v. Recognition of Lease Rent of the Office premises

IAS/IFRS: As per IFRS 16 is specify single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

Bangladesh Bank : As per BRPD circular no. 14 dated 25 June 2003 (First Schedule of under section 38 of Banking Company Act, 1991, lease rent of the office Premises must be shown in the Profit and Loss account under "Rent, taxes, insurance, electricity etc."

Income Tax Ordinance 1984: According to section 53A of the act, where any specified person is a tenant/lessee in respect of a house property, the tenant has obligation to deduct tax from the rent of such house property which is preclude to treat it's shown Asset (right-of-use asset) and the lease liability instead of as direct expense.

VAT act, 2012 : According to VAT S-074 (Place and establishment renter) refer to any person, Organization or Corporation, who or whose has got the right to use of the place and establishment for certain period or renewal after period expire against consideration. VAT will be payable on basis of use of place and establishment for such period.

vi. Provision on loans and advances/investments

IAS/IFRS: As per IAS 36 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012 and BRPD circular no. 05 dated 29 May 2013 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012 a general provision at 1% is required to be provided for all off-balance sheet exposures with having some exception. Such provision policies are not specifically in line with those prescribed by IAS 36 as well as IAS 39

vii. Other comprehensive income

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 statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which are strictly to be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single 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.

viii. Financial instruments – presentation and disclosure

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

ix. Financial guarantees

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as letter of credit, letter of guarantee are to be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin.

x. Cash and cash equivalents

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 and short notice', treasury bills, Bangladesh Bank bills and prize bonds are not prescribed to be shown as cash and cash equivalents. Money at call and short notice are presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments. However, in the cash flow statement, money at call and short notice and prize bonds are shown as cash and cash equivalents besides cash in hand, balance with Bangladesh Bank and other banks.

xi. Non-banking asset

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

Bangladesh Bank: As per BRPD circular no. 14, dated 25 June 2003 there must exist a face item named Non-banking asset.

xii. Cash flow statement

IFRS: The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is 'applied consistently'.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, cash flow is the mixture of direct and indirect methods.

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

IFRS: Balance with Bangladesh Bank should be treated as other assets 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: An intangible asset must be identified and recognised, and the disclosure must be given as per IAS 38.

Bangladesh Bank: There is no regulation for 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. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

xvi. Disclosure of appropriation of profit

IFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed on the face of Profit and Loss Account.

xvii. Loans and Advances/Investments net of provision

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, provision on loans and advances/investments are presented separately as liability and can not be netted off against loans and advances.

Also refer to the Note 2.18 Compliance of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)

2.4 Functional and Presentational Currency

Financial statements of the Bank have been presented in Taka, which is the Bank's functional and presentational currency.

2.5 Materiality, Aggregation and Offsetting

The Bank aggregates each material class of similar items and separately which are dissimilar in nature or function unless those are immaterial.

The Bank did not offset assets and liabilities or income and expense, unless required or permitted by IAS/ IFRS.

2.6 Basis of measurement

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

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using mark to market concept with gain credited to revaluation reserve but loss charged to Profit and Loss Account.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortization concept.
- Investment in Share and Securities under quoted are valued at market price revealed in the stock exchange
- Zero Coupon Bond at present value using amortization concept.

2.7 Use of Estimates and Judgments

The preparation of financial statements of the Bank required for management to make judgments, estimates and assumptions that affected the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions have been reviewed ongoing basis. Revisions of accounting estimates have been recognised in the period in which the estimates have been revised and in the future periods affected, if applicable.

Key estimates includes the following:

- Loan loss provision
- Deferred Tax Assets/Liabilities
- Provision for other operating expenses
- Investment in Others Assets

2.8 Foreign Currency Transactions

Foreign Currency Translation

Foreign currency transactions have been converted into equivalent Taka currency at the ruling exchange rates on the respective date of such transactions as per IAS 21 "The Effects of Changes in Foreign Exchange Rates" and "balances with other banks and financial institutions" have been converted as per directives of Bangladesh Bank vide circular no. BRPD (R) 717/2004-959 dated 21 November 2004.

Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting /crediting exchange gain or loss account.

Translation Gain and Losses

Gains or losses arising out of translation of foreign exchange have been included in the Profit and Loss account.

2.9 Cash Flow Statement

Cash Flow Statement is prepared principally in accordance with IAS 7 "Cash Flow Statement" 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. Cash flows during the period have been classified as operating activities, investing activities and financing activities.

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.

2.11 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 bases:

| Particulars | Basis of use |
|--|---|
| Cash, Balance with other banks and financial institutions, money at call and short notice etc. | Maturity/behavioral trend. |
| Investments | Residual maturity term |
| Loans and advances | Repayment/maturity schedule and behavioral trend (non-maturity products). |
| Fixed assets | Useful life |
| Other assets | Realization/amortization basis. |
| Borrowing from other banks, financial institutions and agents | Maturity/ repayment terms |
| Deposits and others accounts | Maturity and behavioral trend (non-maturity products). |
| Other long term liability | Maturity term. |
| Provisions and Other liabilities | Settlement/adjustment schedule basis. |

2.12 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently except otherwise instructed by the Central Bank as prime regulator. Certain comparative amounts in the financial statements have been reclassified and rearranged to conform to the current year's presentation.

A Assets and basis of their valuation

i. Cash and cash equivalents

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

Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

ii. Investments

Investments have been initially recognised at cost, including acquisition charges associated with the investment. Government Treasury Bills and Bonds (categorized as HFT or/and HTM) are accounted for as per Bangladesh Bank DOS circular letter no. 05 dated 26 May 2008, DOS circular no. 05 dated 28 January 2009 and DOS Circular no. 02, dated 19 January 2012.

The valuation methods of investment used are:

Held to Maturity (HTM)

Investments which are intended to be held till maturity are classified as "Held to Maturity". These are measured at amortized cost at each year end by taking into account any discount or premium on acquisition. Premiums are amortized and discounted/ accredited, using the effective or historical yield method. Any increase or decrease in value of such investments is accounted for equity.

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 as per Bangladesh Bank DOS Circular no. 05 dated 28 January 2009.

REPO and Reverse REPO

REPO and Reverse REPO are recorded based on DOS Circular no. 06, dated 15 July 2010 of Bangladesh Bank and subsequent clarification in

Investments – Initial recognition and subsequent measurement at a glance

Value of investments has been enumerated as follows:

| Investment class | Initial recognition | Measurement after initial recognition | Recording of changes |
|----------------------------|---------------------|---------------------------------------|---|
| Treasury Bill / Bond (HFT) | Cost | Fair value | Loss to Profit & Loss Account, gain to Revaluation Reserve through Profit and Loss Account. |

| | | | |
|----------------------------|------------|-------------------------------|---|
| Treasury Bill / Bond (HTM) | Cost | Amortised value | Increase or decrease in value to equity. |
| Debenture/Bond | Face value | None | None |
| Shares (Quoted) * | Cost | Lower of cost or market value | Loss (net) to Profit and Loss Account but no unrealised gain booking. |
| Prize Bond | Cost | None | None |

* Provision has been made on unrealized loss (gain net off) according to DOS Circular no. 4, dated 24 November 2011.

iii. Loans, advances and provision

- Loans and advances are stated at gross amounts at 30 June 2020
- Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest on classified loans and advances will be kept in suspense account as per Bangladesh Bank instructions and such interest is not accounted for as income until realized from borrowers. Interest is not charged on bad and loss loans/ investments as per guideline of Bangladesh Bank.
- Provision for loans and advances is made on the basis of quarter-end review by the management and as per instructions contained in BRPD circular no. 14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013, BRPD Circular No. 16 dated November 18, 2014, BRPD Circular No. 12 dated August 20, 2018 BRPD Circular No. 15 dated 27 September 2018, BRPD Circular No. 01 dated 20 February 2018, BRPD Circular No. 07 dated 21 June 2018, BRPD Circular No. 03 dated 21 April 2019 and BRPD Circular Letter No. 07 dated 03 March 2020. The rates for provisions are stated below:

| Types of loans and advances | | General Provision | | Specific Provision | | |
|---|----------------------------------|-------------------|-------|--------------------|-----|------|
| | | UC | SMA | SS | DF | BL |
| Consumer Financing | Credit Card Financing | 2% | 2% | 20% | 50% | 100% |
| | Housing Finance | 1% | 1% | 20% | 50% | 100% |
| | Professionals to set up business | 2% | 5% | 20% | 50% | 100% |
| | Other Consumers Finance | 1% | 1% | 20% | 50% | 100% |
| Small & Medium Enterprise Finance (SME) | | 0.25% | 0.25% | 20% | 50% | 100% |
| Loan Reschedule under One time Exit Scheme * | | 50% | | 50% | | |
| loans to brokerage house/MBs/SDs against Share etc. | | 2% | 5% | 20% | 50% | 100% |
| Short-term agri-credit and micro credit | | 1% | | 5% | 5% | 100% |
| All Other Credits | | 1% | 1% | 20% | 50% | 100% |
| Off balance sheet exposures except Bills for Collection | | 1% | | | | |

* Required provision for Loan Reschedule under One time Exit Scheme kept in General Provision and Specific Provision

** However, as per BRPD Circular No. 13, dated 15 June 2020 the classification status of loan, lease or advance on January 01, 2020 will remain unchanged until September 30, 2020.

iv. Property, Plant and Equipment:

Recognition and measurement

All fixed assets are stated at cost less accumulated depreciation as per IAS 16 "Property, Plant and Equipment". 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 recognised in accordance with the specific requirements of the IFRS.

Property, plant & equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Bank and the cost of the assets can be measured reliably:

The cost of an item of Fixed Assets comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

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.

Depreciation

- Depreciation on fixed assets is charged on straight-line method irrespective of all assets. The rates of depreciation are as follows:

| Category of asset | Rate of depreciation |
|---|----------------------|
| Land | Nil |
| Building and Construction | 2.50% |
| Furniture and Fixtures | 10% |
| Equipment and Machinery | 20% |
| Computer and Computer Equipment | 20% |
| Intangible Assets/Bangladesh Made Computer Software | 20% |
| Professionals and Reference Books | 20% |
| Vehicles | 20% |
| Leasehold Assets - Vehicles | 20% |

- Depreciation on fixed assets acquired during the year is charged from the month of their acquisition. Full month's depreciation is charged in the month of addition irrespective of the date of acquisition and no depreciation is charged in the month of their disposal.
- The cost and accumulated depreciation of disposed assets are eliminated from the fixed assets schedule.
- Useful life and method of depreciation of fixed assets will be reviewed periodically. If useful life of assets do not differ significantly as these were previously estimated, revaluation of assets does not consider to be done.
- Bank also follows a policy for amortization of expenditure considering the durability and useful life of items. These are treated as intangible assets and are booked under the head "Fixed Assets" and amortized over their estimated useful life by charging under the broad head "Depreciation".

Derecognition of fixed asset

The carrying amount of an item of fixed assets is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of fixed assets is to be recorded in profit or loss when the item is derecognized.

v. Leased Assets

Where property, plant and equipment have been financed through lease arrangement under which substantially all the risks and rewards of ownership are transferred to the lessees are treated as finance leases as per IFRS 16 "Leases". All other leases are classified as operating leases as per IFRS 16 "Leases" if it not transfers substantially all the risks and rewards incidental to ownership of an underlying asset

The Bank as Lessor

Amount due from lessees under finance leases are recorded as receivables at the amount of the Bank's net investment in the leases (**note-7.1**). Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.

The Bank as Lessee

Assets held under finance leases are recognised as assets of the Bank at their fair value at the date of acquisition or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets and, already been depreciated.

Depreciation of Property, Plant & Equipment for Tax Purpose

The policy of Depreciation for tax purpose is different from accounting depreciation. According to third schedule of income tax ordinance, 1984, Depreciation is application on annual basis whatever it's purchased or to become workable condition. Equipment & Machinery in the Assets Management Software divided into Computer and Computer Equipment, Bangladesh Made Computer Software and Office Equipment & Machinery for accounting & tax purposes shown in the annexure-G & H. Differences of depreciation shall have effect on deferred assets or liabilities.

vi. Intangible Assets

According to IFRS-38, an intangible asset is recognized if-

- it is probable that the expected future economic benefits that are attributable to the assets will flow to the entity; and
- the cost of the assets can be measured reliably.

The software used by NRBC Bank represents the value of computer application software licensed for the use of the Bank. Software is carried out at cost less amortization/depreciation and any impairment losses. Initial cost comprise licensing fees paid at the time of purchase along with subsequent payment for user license and other directly attributable expenditure that are carried in customization of software for its intended use. Software is amortized/depreciated using the straight line method over the estimated useful life of 5 (five) years commencing from the month at which payment is made in line with third schedule of Income Ordinance-1984.

vii. Impairment of Assets

An asset is impaired when its carrying amount exceeds its recoverable amount as per IAS 36 "Impairment of Assets". The Bank assesses at the end of each reporting period whether there is any indication that an asset may be impaired and/or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recovered. If any such indication exists, the Bank and the subsidiaries make an estimate of the recoverable amount of the assets. The carrying amount of the asset is reduced to its recoverable amount, if the recoverable amount is less than its carrying amount and impairment losses are recognized in the profit and loss account. However, impairment of financial assets are guided by the relevant BB circulars/instructions and IAS 39.

No such impairment has been occurred/identified in the period ended June 30, 2020 except Loans and Advances which measured by relevant Bangladesh Bank Circulars.

viii. Other Assets

Other assets include advance for operating and capital expenditure, stocks of stationary and stamps, security deposits to government agencies etc. and such accounts may be quite insignificant in the overall financial condition of the Bank.

ix. Non-banking Assets:

There are no assets acquired in exchange for loan during the period of financial statements.

B Liabilities and Provisions:

i. Borrowings

Borrowings include call money, term borrowings and re-finance from other banks, financial institutions and Central Bank include interest bearing borrowings which are stated in the financial statements at principal amount of the outstanding balance. Interest payables on such borrowings are reported under other liabilities.

ii. Deposits and Other Accounts

Deposits and other accounts include non-interest bearing current deposits redeemable at call, interest bearing short-term deposits, savings deposits and fixed deposits which are initially measured at the consideration received. These items are subsequently measured and accounted for at the gross value of the outstanding balance in accordance with the contractual agreements with the counter parties.

iii. Other liabilities

Other liabilities are comprised of 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 (BFRS).

iv. Dividend payments

Dividend payable is recognized when it is recommended by Board of Directors. Final dividend is recognized when it is approved by the shareholders in AGM. 7th AGM already been held on June 07, 2020 for the year 2019 and duly recognized as liabilities. But Board has no intention to proposed any interim dividend for the period ended June 30, 2020, therefore, it has not been recognized as a liability in the balance sheet in accordance with IAS 10: "Events after the Reporting Period".

v. Provision for loans and advances

Provision for unclassified loans and advances is made on the basis of quarter end review as instructions contained in BRPD Circular no. 14 dated 23 September 2012 and BRPD Circular no. 19 dated 27 December 2012. Details are stated in Note 13.01 and 13.02.

vi. Provision for investment in capital market

For recognition of loss suffered from investment in capital market, provision has been made on unrealized loss (gain net off) according to DOS Circular No. 04 dated 24 November 2011 on portfolio basis.

vii. Provision for off-balance sheet exposures

In compliance with Bangladesh Bank guidelines, contingent liabilities have been disclosed under off-balance sheet items. As per BRPD Circular no.14 dated 23 September 2012 and BRPD Circular no. 07 dated 21 June 2018, the bank has been maintaining provision @ 1% against certain off-balance sheet exposures.

viii. Provision for other assets

Provision for other assets is made as per the guidelines mentioned (100% provision is required on other assets which are outstanding for one year and above) in the BRPD Circular No. 14 dated 25 June 2001.

ix. Provision for nostro account balance.

As per instructions contained in the circular letter no. FEPD (FEMO) / 01 / 2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, provision is to be maintained for the un-reconciled debit balance of Nostro account more than 3 months as on the reporting date in these financials.

Since there is no unreconciled entries which are outstanding for more than 3 months, Thereafter no provision has been made.

x. Provision for liabilities and accrued expenses

A provision is recognised in the balance sheet when the Bank has legal or constructive obligations as a result of past events and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with IAS 37 "Provision, Contingent Liabilities and Contingent Assets".

No provision is recognised for 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, or any present obligation that arises from past events and it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimates of the amount of obligation cannot be made. However, certain provisions on assets and liabilities are maintained in accordance with relevant Bangladesh Bank Circulars issued from time to time.

xi. Contingent liabilities

Contingent liabilities which include certain guarantees and letters of credit pledged as collateral are possible obligations that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank. Contingent liabilities are not recognized in the financial statements as per IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". However, disclosure on contingent liabilities have been made on the face of balance sheet under "Off-balance Sheet Items" as per the guidelines of BRPD Circular No. 14 dated 25 June 2003.

C Share capital and reserves

i. Authorized and issued 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 (allocate) among shareholders. Part of the authorized capital can (and frequently does) remain unissued. This number can be changed by shareholders' approval upon fulfillment of related provisions of Companies Act 1994. The part of the authorized capital which has been issued to shareholders is referred to as the Issued Share Capital of the bank.

Herewith ordinary shares are classified as equity which is transferable to another person/institution as restriction of transfer being expired.

ii. 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).

Paid up capital stood at Tk. 5,825.17 million after dully approved 2% stock dividend on 7th Annual General Meeting (AGM) held at June 07, 2020.

Furthermore, Paid up capital will be enhance to 7,025.17 million after completion of Initial public offering (IPO) subject to approval of Bangladesh Securities and Exchange Commission(BSEC)

iii. Statutory reserve

In compliance with the provision of Section 24 of Bank Companies 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 equals to the paid up capital of the bank.

iv. Asset revaluation reserve

When an asset's carrying amount is increased as a result of revaluation, the increased amount is credited directly to equity under the heading of assets revaluation reserve as per IAS 16- "Property, Plant and Equipment". The bank is also required to follow the asset's revaluation guidelines issued by BSEC on 18 August 2013.

No asset's revaluation has occurred during the reported financial year

v. Reserve for Amortization/ revaluation of securities

When a Financial Asset is categorised under HTM or HFT and subsequent value of the asset is increased as a result of amortisation of assets or mark to market revaluation, the net increased amount (for HTM increase or decrease of book value and for HFT loss to P&L but gain to revaluation reserve through P&L) is credited directly to equity under the heading of reserve for amortization/revaluation of securities as per Bangladesh Bank DOS circular no. 06, dated 15 July 2010.

D Revenue Recognition

i. Interest Income

According to the IFRS 15 "Revenue from Contracts with Customers", the interest income is recognized on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified as per BRPD circular no. 19 dated 27 December 2012 and is kept in interest suspense account. Interest on classified advances is accounted for as income when realized.

ii. Profit on investment (Islamic Banking)

Mark-up on investment is taken into income account proportionately from Unearned Income account. Income/compensation on classified investments is transferred to profit/rent/compensation/suspense account instead of income account.

iii. Interest income from investments

Interest income on investments in Government and other securities, debentures and bonds is accounted for on accrual basis.

iv. Fees and Commission Income

Fees and commission income on services provided by the Bank are recognised as and when the services are rendered. Commission charged to customers on letters of credit and letters of guarantee is credited to income at the time of effecting the transactions.

v. Income from Exchange

Exchange income includes all gains and losses from foreign currency's day to day transactions, conversions and revaluation of Non-Monetary items.

vi. Dividend income

Dividend income from investments is recognized at the time when it is declared, ascertained and right to receive the payment is established.

vi. Interest paid on Deposits and Borrowings

Interest paid on deposits, borrowings, etc. is accounted for on accrual basis according to the IAS 1 "Presentation of Financial Statements".

vii. Profit paid on deposits (Islamic Banking)

Profit paid to mudaraba deposits is recognised on accrual basis according to Income Sharing Ratio (ISR).

viii. Management and other expense

Expenses incurred by the Bank are recognised on actual and accrual basis.

ix. Taxation

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

a. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Provision for current income tax has been made on taxable income of the Bank @ 35% (except other business income i.e. 0% on gain of govt. securities, 10% on capital gain of trading shares in Secondary Market and 20% on dividend income) as prescribed in the Income Tax Ordinance 1984.

b. Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the

corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Bank is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the Profit and Loss Statement as per IAS-12 "Income Taxes" (note 39) and BRPD Circular no. 11 dated 12 December 2011.

ix. Retirement/post-employment benefits

The retirement benefits accrued for the employees of the Bank as on the reporting date have been accounted for in accordance with the provision of IAS 19 "Employee Benefit". Bases of enumerating the retirement benefit schemes operated by the Bank are outlined below:

a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which payments into the plan are fixed. Subsequent payments out of the plan to retired members are based on the size of the 'fund' meaning contributions that have been made into the scheme and investment returns on scheme assets. The Bank maintains one funded defined contribution plan i.e. "Provident fund" for its employees under a separate trustee board.

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% of 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 Commercial Bank Limited Employees' Provident Fund" and any investment decision out of this fund is made separately from that of the Bank's funds. This fund has received approval from the National Board of Revenue on 02 September 2014.

b) Defined benefit

Defined benefit plans are post-employment benefit plan other than defined contribution plans. These plans define the amount that retired members will receive from the plans during retirement, by reference to factors such as length of service and salary levels. Contributions are paid into the scheme based on policy of the plan approved by Board of Directors of its 2nd meeting held on 02 March 2013. The Bank retains an obligation to make up any shortfall in a plan, thereby bearing the risk of the plan under-performing. The Bank maintains one funded defined benefit plans "Gratuity fund" for its employees under separate trustee committee.

Staff Gratuity Fund

The Bank operates a funded gratuity scheme approved by the National Board of Revenue with effect from 21 September 2014. The Gratuity Fund is managed separately by "NRB Commercial Bank Limited Employees' Gratuity Fund Trust" and any investment decision out of this fund is also made by this Trust. The benefit is paid to the eligible employees i.e. who have completed minimum 3 (three) years of continuous service at the time of separation from the Bank. As per policy of the Bank, eligible employees are provided with the benefit equal to 2 monthly basic salary multiplied by varied rates as per service length.

2.13 Reconciliation of Books of Account

Books of accounts with regard to inter-bank (in Bangladesh and outside Bangladesh) and inter-branch transactions are reconciled and no material difference was found which may affect the financial statements significantly.

2.14 Earnings Per Share (EPS)

Basic Earnings Per Share

Basic earnings per share has been calculated in accordance with IAS 33 "Earnings Per Share" which has been shown in the face of the Profit and Loss Statement. This has been calculated by dividing the basic earnings by the total ordinary outstanding shares.

Diluted Earnings Per Share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year under review.

2.15 Directors' Responsibility on Statements

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

2.16 Memorandum items

Memorandum items are maintained to have control over all important items and for such transactions where the Bank has only a business responsibility and no legal commitment. Bills for collection, Stock of Govt. savings certificates and all other fall under the memorandum items. However, Bills for Collection is shown under contingent liabilities as per Bangladesh Bank's format of reporting.

2.17 Off-Balance Sheet Items

Off-Balance Sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank's guidelines. In accordance with BRPD circular no.14 dated 23 September 2012 and BRPD Circular No. 07 dated 21 June 2018, general provision @ 1% has been made on the outstanding balances of Off-Balance Sheet exposure except Bills for collection of the Bank as at June 30, 2020. Provision is made on the total exposure and amount of cash margin or value of eligible collateral is not deducted while computing Off-Balance sheet exposure.

2.18 Reporting Period

These financial statements of the Bank cover one calendar year from 1 January to 30 June

2.19 Segment Reporting

As per IFRS 8 "Operating Segments", is a component of an equity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity)
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performances, and
- for which discrete financial information is available

Bank reported its segments in respect of business segment and geographical segment. Business segments are comprised of Conventional Banking, Islamic Banking and NRBC Bank Securities Limited. Geographical segments report consist of location wise performance of above segments.

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

While preparing the financial statements, Bank applied most of the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh as applicable to the Bank:

| SL No. | Name of IAS | No. of IAS | Status |
|--------|---|------------|------------|
| 1 | Presentation of Financial Statements | 1 | Complied * |
| 2 | Inventories | 2 | Complied |
| 3 | Statement of Cash Flows | 7 | Complied |
| 4 | Accounting Policies, Changes in Accounting Estimates and Errors | 8 | Complied |
| 5 | Events after the Reporting Period | 10 | Complied |
| 6 | Income Taxes | 12 | Complied |
| 7 | Property, Plant and Equipment | 16 | Complied * |
| 8 | Employee Benefits | 19 | Complied |
| 9 | Accounting for Government Grants and Disclosure of Government | 20 | N/A ** |
| 10 | The Effects of Changes in Foreign Exchange Rates | 21 | Complied |
| 11 | Borrowing Costs | 23 | Complied |
| 12 | Related Party Disclosures | 24 | Complied |
| 13 | Accounting and Reporting by Retirement Benefit Plans | 26 | N/A ** |
| 14 | Separate Financial Statements | 27 | Complied |
| 15 | Investments in Associates | 28 | N/A |
| 16 | Financial Reporting in Hyper inflationary Economics | 29 | N/A |
| 17 | Financial Instruments: Presentation | 32 | Complied * |
| 18 | Earnings Per Share | 33 | Complied |

| | | | |
|----|--|----|------------|
| 19 | Interim Financial Reporting | 34 | Complied |
| 20 | Impairment of Assets | 36 | Complied |
| 21 | Provisions, Contingent Liabilities and Contingent Assets | 37 | Complied |
| 22 | Intangible Assets | 38 | Complied |
| 23 | Financial Instruments: Recognition and Measurement | 39 | Complied * |
| 24 | Investment Property | 40 | Complied |
| 25 | Agriculture | 41 | N/A |

| SL No. | Name of IFRS | No. of IFRS | Status |
|--------|--|-------------|------------|
| 1 | First-time Adoption of International Financial Reporting Standards | 1 | N/A |
| 2 | Share Based Payment | 2 | N/A |
| 3 | Business Combinations | 3 | N/A |
| 4 | Insurance Contracts | 4 | N/A |
| 5 | Non-Current Assets Held for Sale and Discontinued Operations | 5 | N/A |
| 6 | Exploration for and Evaluation of Mineral Resources | 6 | N/A |
| 7 | Financial Instruments: Disclosures | 7 | Complied * |
| 8 | Operating Segments | 8 | N/A |
| 9 | Financial Instruments | 9 | |
| 10 | Consolidated Financial Statements | 10 | Complied |
| 11 | Joint Arrangements | 11 | N/A |
| 12 | Disclosure of Interests in Other Entities | 12 | Complied |
| 13 | Fair Value Measurement | 13 | Complied * |
| 14 | Regulatory Deferral Accounts | 14 | N/A |
| 15 | Revenue from Contract with Customers | 15 | Complied * |
| 16 | Lease | 16 | Complied* |
| 17 | Insurance Contracts | 17 | N/A |

* In order to comply with certain specific rules and regulations of the local Central Bank (Bangladesh Bank) and National Board of Revenue which are different to IAS/IFRS, some of the requirements specified in these BAS/BFRSs are not applied. Departure from BAS/BFRS mentioned in the note 2.1.

** This Standard regards a retirement benefit plan as a reporting entity separate from the employers of the participants in the plan. Therefore, it is not applicable for the Bank's annual report as it is the employer and not the retirement benefit plan itself.

2.21 Regulatory and Legal Compliance

The Bank complied with the requirements of the following regulatory and legal authorities:

- i) The Banking Companies Act 1991 (amendment upto 2018)
- ii) The Companies Act 1994
- iii) Rules, regulations and circulars issued by the Bangladesh Bank from time to time
- iv) The Securities and Exchange Rules 1987
- v) The Income Tax Ordinance 1984 and Rules
- vi) The Value Added Tax (VAT) 2012 and Rules 2016

2.22 Risk Management

Risk is defined as uncertainties resulting in adverse variation of profitability or in losses, financial or otherwise. The risk management of the Bank covers core risk areas of banking viz, credit risk, liquidity risk, market risk that includes foreign exchange risk, interest rate risk, equity risk, operational risk and reputation risk. The objective of the risk management is that the Bank evaluates and takes well calculative business risks and thereby safeguarding the Bank's capital, its financial resources and profitability from various business risks through its own measures and through implementing Bangladesh Bank's guidelines and following some of the best practices as under:

2.22.1 Credit Risk

It arises mainly from lending, trade finance and treasury businesses. This can be described as potential loss arising from the failure of a counter party to perform as per contractual agreement with the Bank. The failure may result from unwillingness of the counter party or decline in his/her financial condition. Therefore, the Bank's credit risk management activities have been designed to address all these issues.

The Bank has segregated duties of the officers / executives involved in credit related activities. A separate Corporate Division has been formed at Head Office which is entrusted with the duties of maintaining effective relationship with the customers, marketing of credit products, exploring new business opportunities, etc. Moreover, credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, two separate divisions have been formed within the Credit Division. These are (a) Credit Risk Management Division and (b) Credit Administration Division. Credit Risk Management Division is entrusted with the duties of maintaining asset quality, assessing risk in lending to a particular customer, sanctioning credit, formulating policy / strategy for lending operation, etc.

A thorough assessment is done before sanction of any credit facility at Credit Risk Management Division. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the proposed credit facility, etc. The assessment process starts at Corporate Division by the Relationship Manager / Officer and ends at Credit Risk Management Division when it is approved / declined by the competent authority. Credit approval authority has been delegated to the individual executives. Proposals

beyond their delegation are approved / declined by credit committee or the Management of the Bank or / the Executive Committee. Concentration of credit risk is shown in note -7.7.

In determining a single borrower / large loan limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted at periodical intervals to ensure compliance of Bank's and Regulatory policies. Loans are classified as per Bangladesh Bank's guidelines. Concentration of single borrowers / large loan limits is shown in note- 7.7.

Bangladesh Bank has extended the loan repayment system until September 30 taking into consideration the impact of coronavirus on the country's trade and business. In our assessment 55% customer has taken the opportunity of deferral. As Bangladesh economy is recovering, Bank hope that all credited facilities will be realized in due time. Credit risk would not be worsen which might not effect on going concern ability.

2.22.2 Operational Risk

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

2.22.3 Market Risk

The exposure of market risk of the Bank is restricted to foreign exchange risk, interest rate risk and equity risk.

Foreign Exchange Risk

Foreign exchange risk is defined as the potential change in earnings due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements. Foreign exchange dealing on Bank's account was accounted & reconciled during the year.

Front Office of Treasury Division and International Division jointly conducted the foreign exchange transactions and the Mid Office and the Back Office of Treasury Division is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Market rate as determined by Bangladesh Bank at the month end. All Nostro accounts are reconciled on a monthly basis and outstanding entry is reviewed by the Management for its settlement. The position maintained by the Bank at the end of day was within the stipulated limit prescribed by the Bangladesh Bank.

Interest Rate Risk

Interest rate risk may arise from trading portfolio and non-trading portfolio. The trading portfolio of the Bank consists of government treasury bills, bond, etc. The short term movement in interest rate is negligible or nil. Interest rate risk of non trading business arises from mismatches between the future yield of an asset and its funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis.

Equity Position Risk

Equity risk arises from movement in market value of equities held. The NRBC Bank duly exposed the risk capital market movement and necessary provision has been made on diminution value in share.

2.22.4 Liquidity Risk comprising Asset Liability Management Risk

The object of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. To this end, the Bank is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional balance. Management of liquidity and funding is carried out by Treasury Department under approved policy guidelines. Treasury front office is supported by a very structured Back office. The Liquidity management is monitored by Asset Liability Committee (ALCO) on a regular basis. A written contingency plan is in place to manage extreme situation.

2.22.5 Money Laundering Risk

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has a designated Chief Compliance Officer at Head Office and Compliance Officers at branches, who independently review the transactions of the accounts to verify suspicious transactions. Manuals for prevention of money laundering have been established and transaction profile has been introduced. Training is continuously given to all the category of Officers and Executives for developing awareness and skill for identifying suspicious activities / transactions.

2.22.6 Information & Communication Technology (ICT) Security Risk

ICT security risk management is a threat to an information technology, data, critical systems and business processes. Bank exposed these risks through defining clear policies and procedure by assigning roles and responsibilities of the personnel, ongoing risk assessment, mitigation of risk involving prioritization of the risk sensitive area and implementing risk control mechanism, and establishing Data Centre (DC) & Disaster Recovery (DR) for physical security of ICT.

2.22.7 Internal Audit

The Bank has established an independent internal audit function with the head of internal control & compliance (ICC) reporting directly to the chairman of audit committee. 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.

2.22.8 Prevention of Fraud and Forgeries

As per the requirement of Bangladesh Bank regular reportings 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 prepare them to deal efficiently.

However, no such incident of fraud and forgeries has not been identified in the period ended June 30, 2020

2.23 Credit rating of the Bank

Credit Rating Information and Services Ltd.-CRISL (a joint venture rating agency of Rating Agency Malaysia Berhad (RAM) JCR-VIS Credit Rating Company Ltd., Pakistan, Prime Commercial Bank Ltd., Pakistan and Local Corporate/Sponsors Bangladesh) was engaged by the Bank for the purpose of rating the bank as per BRPD Circular No. 6 dated 5 July 2006, The following ratings have been awarded:

| Particulars | Periods | Date of Rating | Long term | Short term |
|-----------------------|---------------------------|----------------|-----------|------------|
| Initial Entity Rating | 18 April to December 2013 | 24-Jun-14 | BBB+ | ST-3 |
| Surveillance Rating | 2014 | 22-Feb-15 | A- | ST-3 |
| Surveillance Rating | 2015 | 30-Mar-16 | A | ST-3 |
| Surveillance Rating | 2016 | 4-Apr-17 | A | ST-3 |
| Surveillance Rating | 2017 | 23-Jun-18 | A | ST-3 |
| Surveillance Rating | 2018 | 30-May-19 | A | ST-2 |
| Surveillance Rating | 2019 | 19-Aug-20 | A | ST-2 |

2.24 Events after Reporting Period

As per IAS -10 "Events after Reporting Period" events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

(a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and

(b) those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

In pursuance of para (b) as mentioned above, event after reporting period is in the **Note-49**

2.25 Related party disclosures

A party is related to the company if:

- 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;
- the party is an associate;
- the party is a joint venture;
- the party is a member of the key management personnel of the Company or its parent;
- the party is a close member of the family of any individual referred to in (i) or (iv);
- 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
- 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.

Details of the related party transactions have been disclosed in **Annexure -I**

2.26 Disclosure on COVID-19

While World Health Organization (WHO) declared COVID-19 pandemic on March 11, 2020, Bangladesh Govt. has initiative to reduce the outbreak of COVID-19 resulting economy become slow. Bangladesh Bank has given directive with the tone of Govt. such as extended non-classification period of Loans and Advances till September 30, 2020 for the borrowers' failure to repay those as the corona virus outbreak has affected almost all the business sectors. Banks won't downgrade classification of any loan for non-payment of loan installments from January to September 2020.

With current economic environment, there are lot of changes to various elements of lease arrangements between lessor and lessee. Such changes include several forms of lease concessions which may include Rent waivers, Payment Deferrals, and cash rebates and key assumptions made by lessee on lease period, impairment considerations etc. NRBC Bank reduced its Office rent Expenses by TK 5.00 lac per month from April 2020 to June 2020 with the consent of its landlords

Government of Bangladesh has announced a number of stimulus packages for different sectors and beneficiaries including Stimulus package of BDT 5,000 crore for payment of wages and salaries of export-oriented industries. Under this scheme, the borrowers can avail loans for

BDT 3,000 crore for payment of wages and salaries of export-oriented industries. Under this scheme, the borrowers can avail loans for payment of wages and salaries of their workers for the months of April, May, and June. After a grace period of six months, the borrowers will repay the loan in 18 equal monthly installments from January, 2021 till June, 2022. The borrowers will not be charged with any interest/profit on this loan; rather, they will be charged a one-off 2% service charge on the loan amount. NRBC Bank applied for fund under this stimulus package on behalf of its customers and received an allocation of BDT 93.30 Crore (BDT 31.10 Crore/Month) for the payment of wages and salaries of export-oriented Customers of April 2020 to June 2020. However Bangladesh Bank Instructed Banks to disburse BDT 31.10 Crore from previously allocated TK 175.00 Crore under working Capital Stimulus fund under Industries/Services for May 2020, at the 9.00 percent interest (7.00 percent will be subsidized by Bangladesh Bank and 2.00 Percent will be paid by the borrowers). Bangladesh Bank once again allocated to NRBC Bank of BDT 31.10 crore for the month of June 2020 for payment of wages and salaries of export-oriented customers and instructed Banks to charge interest rate of 9.00 percent (4.50 percent will be subsidized by Bangladesh Bank and 4.50 Percent will be paid by the borrowers)

Overall banking cash flow has been affected negatively due to Non-Classification period of Loans and Advances set by the Central Bank. Borrowers won't be willing to repay the installment as their credit facilities cannot be downgraded by the Banks. The effect of cap on Lending interest rate brings down the Spread between Lending and Borrowing rate and eventually the profit will decline and cost income ratio will rise. Although the full extent of Corona virus pandemic cannot yet be predicted and overall Business will not be improved if the pandemic situation sustains.

In our Business review analysis, 65% of the loan client continues their loan instalments regularly and remaining client approached for deferring loan maturity as per BRPD Circular # 13 dated June 15, 2020. Deposit from client or surplus group also increased by 2.97% during the period of Pandemic. Hence no liquidity crisis will be outcome in near future. In the 2nd quarter of 2020, after tax profit remarkable increased as the same period of the last year.

Vibrant bond market has ample opportunity for the year 2020 which evidence from monitoring policy of Bangladesh Bank. Bank has taken few steps for cost curtail strategy such reduction of rent, business promotion expenses and unwanted expense to cope with notional strategy without having any effect of employees benefit at large scale.

2.27 Audit Committee of the Board of Directors

i) Functions of the Audit Committee

The Audit Committee is a Committee of the Board of Directors responsible for oversight of the financial reporting process, selection of the external auditor, and review of the audit reports, both internal & external. The Committee assists the Board of Directors to fulfill its corporate governance and oversee the responsibilities in relation to the entity's financial reporting, internal control system, internal & external audit functions and compliance with applicable laws, rules & regulations. The main responsibilities of the Audit Committee are as follows:

- Review the adequacy of Internal Control System,
- Review Financial Reporting Process & Financial Statements,
- Review Internal Audit & Inspection Reports and External Auditors Report (Management Report),
- Monitor the Internal Control Risk Management Process and Compliance culture,
- Recommendation for appointment of External Auditors,
- Compliance of rules & regulations, etc.

ii) Particulars of Audit Committee

The Audit Committee of the Board was reconstituted in the 85th Meeting of the Board of Directors of the Bank held on August 27, 2019 in accordance with the BRPD Circular No. 11 dated October 27, 2013 issued by Bangladesh Bank comprising 04 (four) directors of the Board:

| | | |
|---|-----------------------------|----------|
| 1 | Mr. Rafikul Islam Mia Arzoo | Chairman |
| 2 | Mr. Mohammed Nazim | Member |
| 3 | Mr. Mohammed Manzurul Islam | Member |
| 4 | Mr. AKM Mostafizur Rahman | Member |

As per regulatory guidelines, the Company Secretary of the Bank acts as the Secretary to the Audit and Senior officials of the Bank attend the Meetings on invitation.

Meetings of the Audit Committee and Major Focused Areas

Bangladesh Bank has suggested banks to hold at least 04 meetings in a year. During the year 2020, the Audit Committee of NRB Commercial Bank Ltd. held 02 (two) meetings up-to the period ended June 2020 and had had detailed discussions on the bank's financial reporting, audit review, compliance position, recovery of Non-Performing Loans and other relevant matters. Further the Committee discussed about the audited findings and remedial suggestions on various issues that need improvement. The Audit Committee instructed the Management to follow those remedial suggestions and monitored accordingly. Meeting dates are as follows:

| Sl. | Particulars | Date of Meeting |
|-----|-------------|-----------------|
|-----|-------------|-----------------|

| | | |
|---|-------------------------------------|-----------|
| 1 | 30th Meeting of the Audit Committee | 5-Jan-20 |
| 2 | 31st Meeting of the Audit Committee | 25-Mar-20 |

At the end of June 2020 under review, the Committee, inter alia, focused on the following activities:

- a. Reviewed the major findings identified by the Internal Auditors with a view to take corrective action on time.
- b. Reviewed the major findings identified by Bangladesh Bank through its different Inspection Reports and advised the Management of the Bank to take corrective steps for rectification of lapses/ irregularities toward fulfilling the compliance requirements of the regulator.
- c. Examined whether the findings & recommendations raised by the Internal Auditors of the Bank for removing the irregularities are duly acted upon by the Management in running the affairs of the Bank.
- d. Placed Compliance Reports/Minutes before the Board detailing the decisions taken/recommendations made by the Committee in its various Meetings for information/concurrence of the Board.
- e. Reviewed the audited Financial Statement of the Bank and recommended the same to the Board for consideration
- f. Monitored the Internal Control Mechanism of the Bank through using various control tools like DCFCL, QOR, LDCL, Self Assessment of Anti-Fraud Internal Control Checklist, Off-site Supervision, etc. time to time and provide effective recommendations to improve the overall System.

2.28 Approval of financial statements

These financial statements were reviewed by the Audit Committee of the Board of NRBC Bank Limited in its 33rd meeting held on August 19, 2020 and was subsequently approved by the Board in its 101th Board Meeting held on August 19, 2020

2.29 General

- i. Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year without, however, creating any impact, except mentioned above, on the operating result and
- ii. Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- iii. These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

| | | at June 30, 2020 Taka | at Dec 31, 2019 Taka |
|---|---------------|--------------------------|-------------------------|
| 3 Cash: | | | |
| Conventional and Islamic banking | | | |
| Cash In hand (including foreign currencies) : | (Note: 3.1) | 1,639,278,143 | 1,797,747,991 |
| Balance with Bangladesh Bank and its agent bank(s) | (Note: 3.2) | 2,863,062,915 | 4,037,845,366 |
| | | <u>4,502,341,058</u> | <u>5,835,593,357</u> |
| 3a Consolidated Cash: | | | |
| NRBC Bank Limited | | 4,502,341,058 | 5,835,593,357 |
| NRBC Bank Securities Limited | | 2,939,076 | 44,807,964 |
| | | <u>4,505,280,134</u> | <u>5,880,401,321</u> |
| 3.1 Cash In hand (including foreign currencies) : | | | |
| Conventional and Islamic banking | | | |
| In local currency | (Note: 3.1.1) | 1,628,712,300 | 1,767,543,417 |
| In foreign currency | | 10,565,843 | 30,204,574 |
| | | <u>1,639,278,143</u> | <u>1,797,747,991</u> |
| 3.1.1 Cash In Hand: | | | |
| Conventional and Islamic banking | | | |
| Cash in Hand | | 1,585,467,800 | 1,720,408,917 |
| Cash at ATM and Branch Agent Point | | 43,244,500 | 47,134,500 |
| | | <u>1,628,712,300</u> | <u>1,767,543,417</u> |
| 3.1a Consolidated Cash In Hand (Including Foreign Currency) | | | |
| NRBC Bank Limited | | 1,639,278,143 | 1,797,747,991 |
| NRBC Bank Securities Limited | | 2,939,076 | 44,807,964 |
| | | <u>1,642,217,219</u> | <u>1,842,555,955</u> |
| 3.2 Balance with Bangladesh Bank and its agent bank(s) | | | |
| Conventional and Islamic banking | | | |
| In local currency (LCY) | (Note: 3.2.1) | 2,649,858,799 | 3,873,522,100 |
| In foreign currency (FCY) | (Note: 3.2.2) | 22,132,475 | 78,093,887 |
| | | <u>2,671,991,274</u> | <u>3,951,615,987</u> |
| Sonali Bank Ltd. | | | |
| (as an agent bank of Bangladesh Bank) - local currency | | 191,071,642 | 86,229,379.31 |
| | | <u>2,863,062,915</u> | <u>4,037,845,366</u> |
| 3.2a Balance with Bangladesh Bank and its agent bank(s) | | | |
| NRBC Bank Limited | | 2,863,062,915 | 4,037,845,366 |
| NRBC Bank Securities Limited | | - | - |
| | | <u>2,863,062,915</u> | <u>4,037,845,366</u> |
| 3.2.1 Balance with Bangladesh Bank and its agent bank(s)-LCY | | | |
| Conventional and Islamic banking | | | |
| Bangladesh Bank, Dhaka Office | | 2,637,407,218 | 3,862,713,766 |
| Bangladesh Bank, Chittagong Office | | 1,033,815 | 477,963 |
| Bangladesh Bank, Barisal Office | | 2,064,851 | 74,435 |
| Bangladesh Bank, Sylhet Office | | 2,566,567 | 368,014 |
| Bangladesh Bank, Rangpur Office | | 3,055,720 | 977,177 |
| Bangladesh Bank, Khulna Office | | 605,264 | 731,395 |
| Bangladesh Bank, Rajshahi Office | | 2,982,270 | 7,774,478 |
| Bangladesh Bank, Bogra Office | | 143,093 | 404,871 |
| | | <u>2,649,858,799</u> | <u>3,873,522,100</u> |

Reconciliation between Bangladesh Bank statement and Bank's book

| Particular | As per Bangladesh Bank Statement | As Per Bank's General ledger | Reconciling Difference |
|---|----------------------------------|------------------------------|------------------------|
| Bangladesh Bank, Dhaka Office | 3,003,826,516 | 2,597,407,218 | 406,419,297 |
| Bangladesh Bank, Dhaka Office, Islamic Banking Wings | 40,000,000 | 40,000,000 | - |
| Bangladesh Bank, Chittagong Office | 1,033,815 | 1,033,815 | - |
| Bangladesh Bank, Barishal Office | 5,961,890 | 2,064,851 | 3,897,039 |
| Bangladesh Bank, Sylhet Office | 2,653,183 | 2,566,567 | 86,616 |
| Bangladesh Bank, Rangpur Office | 3,055,512 | 3,055,720 | (208) |
| Bangladesh Bank, Khulna Office | 605,214 | 605,264 | (50) |
| Bangladesh Bank, Rajshahi Office | 2,982,270 | 2,982,270 | - |
| Bangladesh Bank, Bogra Office | 143,093 | 143,093 | - |
| | | | <u>410,402,694</u> |
| Bank credited but not debited by Bangladesh Bank | | | 4,000,000 |
| Bank debited but not credited by Bangladesh Bank | | | (251,779,428) |
| Bangladesh Bank credited but not debited by Bank | | | 924,107,489 |
| Bangladesh Bank debited but not credited by Bank | | | (265,925,366) |
| | | | <u>410,402,694</u> |

3.2.2 Balance with Bangladesh Bank -FCY

| | at June 30, 2020 | at Dec 31, 2019 |
|----------------------------------|-------------------|-------------------|
| | Taka | Taka |
| Conventional and Islamic banking | | |
| FC Clearing US Dollar | 22,067,812 | 77,895,511 |
| FC Clearing EURO | 64,663 | 198,377 |
| | 22,132,475 | 78,093,887 |

Details of Balance with BB (FCY Wise) Account and reconciliation between Bangladesh Bank statement and Bank's book reconciliation are given in **Annexure-A**

3.2.3 Maturity grouping of balance with other banks

| | | |
|----------------------------------|------------|------------|
| Repayable -on demand | 22,132,475 | 78,093,887 |
| - up to 3 months | - | - |
| - over 3 months but below 1 year | - | - |
| - over 1 year but below 5 years | - | - |
| - over 5 years | - | - |

3.3 Statutory deposits:

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR):

Cash reserve requirement and statutory liquidity ratio have been calculated and maintained in accordance with clause 1 of section 33 of Bank Company Act -1991 (Amended upto 2018) along with DOS circular no. 01 dated 19 January 2014 and DOS Circular Letter No.26 dated 19 August 2019 read with BRPD Circular No.-02 dated 25 February 2019 and BRPD Circular Letter No.-09 dated 27 May 2019.

The statutory Cash Reserve Requirement (CRR) is calculated on the Bank's average total demand and time liabilities (ATDTL) and maintained accordingly with Bangladesh Bank in current account while Statutory Liquidity Ratio (SLR) is in the form of treasury bills and bonds including foreign currency balance with Bangladesh Bank. Both the reserves are maintained by the Bank in excess of the statutory requirements, as shown below:

A. Cash Reserve Requirement (CRR) :

As per Bangladesh Bank MPD Circular No. 03 dated April 09, 2020, Bank maintained CRR of minimum 3.5% on daily basis and 4% on bi-weekly basis on average total demand and time liabilities (ATDTL) of the base month which is two months back of reporting month.

Conventional Banking

i. Daily Position as on the reporting date:

Average total demand and time liabilities (ATDTL) excluding inter-bank deposit for basis of determining daily Cash Reserve Requirement (Daily CRR is basis of every two months back of average time and demand liabilities):

| | | |
|---|--------------------|--------------------|
| Average time and demand liabilities (excluding inter-bank deposit) | 71,502,420,000 | 67,755,254,000 |
| Required Reserve (3.5% on daily basis of Average Time and Demand Liabilities) | 2,502,584,700 | 3,387,762,700 |
| Actual reserve maintained with Bangladesh Bank | 2,922,981,711 | 3,773,262,005 |
| Surplus (Maintained over requirement) | 420,397,011 | 385,499,305 |

ii. Bi-weekly cumulative Position

Average total demand and time liabilities (ATDTL) excluding inter-bank deposit for basis of determining Bi-weekly Cash Reserve Requirement (Bi-weekly CRR is basis of every two months back of average time and demand liabilities):

| | | |
|--|-------------------|-------------------|
| Average time and demand liabilities (excluding inter-bank deposit) | 71,502,420,000 | 67,755,254,000 |
| Required Reserve (4.00% on bi-weekly basis of Average Time and Demand Liabilities) | 2,860,096,800 | 3,726,538,970 |
| Average actual reserve maintained | 2,922,981,511 | 3,773,262,005 |
| Surplus (Maintained over requirement) | 62,884,711 | 46,723,035 |

Islamic Banking

i. Daily Position as on the reporting date:

| | at June 30, 2020 | at Dec 31, 2019 |
|---|-------------------|-----------------|
| | Taka | Taka |
| Average time and demand liabilities (excluding inter-bank deposit) | 96,334,000 | - |
| Required Reserve (3.5% on daily basis of Average Time and Demand Liabilities) | 3,371,690 | - |
| Actual reserve maintained with Bangladesh Bank | 40,000,000 | - |
| Surplus (Maintained over requirement) | 36,628,310 | |

ii. Bi-weekly cumulative Position

| | | |
|---|-------------------|---|
| Average time and demand liabilities (excluding inter-bank deposit) | 96,334,000 | |
| Required Reserve (4% on bi-weekly basis of Average Time and Demand Liabilities) | 3,853,360 | 0 |
| Average actual reserve maintained | 40,000,000 | 0 |
| Surplus (Maintained over requirement) | 36,146,640 | |

B. Statutory Liquidity Ratio (SLR) of 13 % Average Demand and Time Liabilities

Conventional Banking

As per clause 1 of section 33 of Bank Company Act -1991 (Amended upto 2018) & DOS circular No - 01 dated 19 January 2014 and DOS Circular Letter No.26 dated 19 August 2019, all scheduled banks have to maintain SLR of minimum 13% based on average total demand and time liabilities (ATDTL) of the base month which is two months back of the reporting month:

| | | |
|--|-----------------------|-----------------------|
| Average time and demand liabilities(excluding inter-bank deposit) | 71,502,420,000 | 67,755,254,000 |
| Required reserve of SLR(13% on basis of Average Time & Demand Liabilities) | 9,295,314,600 | 8,808,183,020 |
| Average Actual SLR maintained (details in the note C) | 17,710,569,678 | 16,284,949,425 |
| Surplus / (deficit) | 8,415,255,078 | 7,476,766,405 |

Islamic Banking

| | | |
|---|-------------------|----------|
| Average time and demand liabilities(excluding inter-bank deposit) | 96,334,000 | |
| Required reserve of SLR(5.5% on basis of Average Time & Demand Liabilities) | 5,298,370 | - |
| Average Actual SLR maintained (details in the note C) | 94,365,949 | - |
| Surplus / (deficit) | 89,067,579 | |

C. Components of Statutory Liquidity Ratio (SLR)

Conventional Banking

| | | |
|---|-----------------------|-----------------------|
| Ave. Cash in hand including Foreign Currency | 1,632,896,747 | 1,490,493,378 |
| Ave. Excess Reserve of Bi-weekly @5.5% under CRR Bal with Bangladesh Bank | 93,378,915 | 67,343,769 |
| Ave. Unencumbered approved securities (HTM) | 12,636,670,400 | 9,295,443,313 |
| Ave. Unencumbered approved securities (HFT) | 3,346,246,891 | 5,430,120,201 |
| Ave. Other Eligible Security i.e. Prize Bond | 1,376,727 | 1,548,765 |
| | 17,710,569,678 | 16,284,949,425 |

Islamic Banking

| | | |
|--|-------------------|----------|
| Cash in hand | 48,218,949 | - |
| Excess of CRR - Balance with Bangladesh Bank | 36,147,000 | - |
| Government securities | 10,000,000 | - |
| | 94,365,949 | - |

BRPD Circular No.-02 dated 25/02/2019 and BRPD Circular Letter No.-09 dated 27/05/2019 on Policy for Offshore Banking Operation of the Banks in Bangladesh is not applicable for Bank. Hence refer to DOS Circular Letter No.26 dated 19/08/2019 has no obligation to maintain CRR and SLR

4 Balance with other banks and financial institutions

| | | | |
|----------------------------------|-------------|----------------------|----------------------|
| In Bangladesh | (Note: 4.1) | 1,909,030,699 | 1,888,364,501 |
| Conventional and Islamic banking | | | |
| Outside Bangladesh | (Note: 4.2) | 986,715,742 | 146,199,314 |
| Conventional and Islamic banking | | 2,895,746,441 | 2,034,563,815 |

4a Consolidated Balance with other banks and financial institutions

| | | | |
|--------------------|--------------|----------------------|----------------------|
| In Bangladesh | (Note: 4.1a) | 1,943,456,316 | 1,894,223,425 |
| Outside Bangladesh | (Note: 4.2a) | 986,715,742 | 146,199,314 |
| | | 2,930,172,058 | 2,040,422,739 |

4.1 Conventional and Islamic banking In Bangladesh

i. Current Deposits:

Bank Asia Ltd, Ruhitpur Br.
Standard Bank Ltd, Principal Br.
NCC Bank Ltd, Bhaban Br.
Sonali Bank Ltd, Rangpur Corporate Br.
Sonali Bank Ltd, Gopalgonj Br.
Sonali Bank Ltd, Feni Br.

| at June 30, 2020 | at Dec 31, 2019 |
|-------------------|-------------------|
| Taka | Taka |
| 986 | 830 |
| 0 | 467 |
| 2,674,355 | 3,929,507 |
| 32,232 | 10,041,547 |
| 14,229,048 | 11,853,697 |
| 14,862,551 | 8,772,433 |
| 31,799,172 | 34,598,481 |

ii. Special Notice Deposits

Mercantile Bank Ltd, Main Br.
Mercantile Bank Ltd., Agrabad Br.
Mercantile Bank Ltd., Sylhet Br.
Mercantile Bank Ltd., Barisal Br.
Janata Bank Ltd, Local Office
Mercantile Bank Ltd., Rajshahi Br.
Southeast Bank Ltd., Principal Br.
NCC Bank Ltd., Motihjeel Br.
Eastern Bank Ltd., Principal Br.
Jamuna Bank Ltd., FEX Br.
Agrani Bank Ltd., Principal Br.
Agrani Bank Ltd., Sonargaon Br.
Khulna Corp. Branch, Sonali Bank Ltd
Sonali bank Ltd.Tangail Br.
Sonali bank Ltd. Narsingdi Br.
Sonali Bank Ltd., Baitul Mokarram Branch
Sonali Bank Ltd, Dilkusha Corporate Branch
Agrani Bank Ltd-Sub-Branch
Trust Bank Ltd, Dilkusha Corp Br (Q-cash Settlement A/c)
Southeast Bank Limited, Motihjeel Islamic Banking Branch (Islamic)
First Security Islamic Bank, Dilkusha Branch (Islamic)

| | |
|--------------------|--------------------|
| 15,617,066 | 27,655,797 |
| - | - |
| 3,460 | 4,150 |
| - | - |
| 6,670,267 | 11,822,274 |
| 914 | 914 |
| 16,020,396 | 23,921,912 |
| 9,723,546 | 32,073,074 |
| 29,176,702 | 35,873,143 |
| 16,652,366 | 18,775,497 |
| 87,143,048 | 107,902,617 |
| 3,417,042 | 12,331,833 |
| 4,964 | 19,284 |
| 4,520 | 1,520 |
| 22,384,726 | 1,331,508 |
| 530,754 | 18,186,242 |
| 102,857,653 | 40,308,024 |
| 12,510,000 | - |
| 1,989,488 | 3,360,157 |
| 59,999,540 | |
| 5,000,000 | |
| 389,706,454 | 333,567,947 |

iii. Fixed Deposits Receipt (FDRs)

FDR placement to NBFIs **
FDR placement to Banks **
bKash Limited (Money Transfer A/c)

| | |
|----------------------|----------------------|
| 1,467,475,523 | 1,481,475,523 |
| - | - |
| 1,429,879 | 1,210,470 |
| 1,468,905,402 | 1,482,685,992 |

**** Details of Placement with Bank & NFBI in Annexure-B**

iv. Balance with Brokerage Houses Trading A/C.

MBL Securities Ltd
IIDFC Securities Ltd
NRBC Bank Securities Ltd

| | |
|-------------------|-------------------|
| 34,458 | 34,458 |
| 10,788 | 10,788 |
| 18,574,425 | 37,466,834 |
| 18,619,671 | 37,512,080 |

4.1a Consolidated In Bangladesh

NRBC Bank Limited
NRBC Bank Securities Limited

Less: Inter company transaction

| | |
|----------------------|----------------------|
| 1,909,030,699 | 1,888,364,501 |
| 87,945,438 | 105,079,356 |
| 1,996,976,137 | 1,993,443,856 |
| 53,519,821 | 99,220,431 |
| 1,943,456,316 | 1,894,223,425 |

4.2 Conventional and Islamic banking Outside Bangladesh

Current Deposits:

Habib American Bank NY, USD
Mashreq Bank PSC NY, USD
AB Bank Ltd Mumbai, Acu Dollar
Mashreq Bank PSC London GBP

| | |
|-------------|------------|
| 155,221,979 | 56,607,996 |
| 781,023,971 | 64,393,142 |
| 5,448,499 | 1,776,027 |
| - | 10,594 |

| | at June 30, 2020 | at Dec 31, 2019 |
|--|-----------------------|----------------------|
| | Taka | Taka |
| United Bank of India, Kolkata, Acu Dollar | 1,407,418 | 2,013,396 |
| United Bank of India, Kolkata, Acu Euro | 1,333,389 | 91,898 |
| Mashreq Bank Mumbai Acu Dollar | 2,053,925 | 377,444 |
| Habib Metro Bank Limited, Karachi Acu Dollar | 641,795 | 5,320,789 |
| Axis Bank Limited, India | 16,674,784 | 10,391,581 |
| Banca UBAE S.P.A., Italy | 869,183 | 131,236 |
| Kookmin Bank, Korea Republic | 971,052 | 120,253 |
| Habib Metro BANK Limited-ACU-Dollar | 7,530,540 | - |
| Axis Bank Limited India | 13,539,207 | - |
| | 986,715,742 | 146,199,314 |
| 4.2.1 Maturity grouping of balance with other banks | | |
| Repayable -on demand | 986,715,742 | 146,199,314 |
| - up to 3 months | | - |
| - over 3 months but below 1 year | | - |
| - over 1 year but below 5 years | | - |
| - over 5 years | | - |
| | 986,715,741.69 | 146,199,314 |
| 4.2a Consolidated Outside Bangladesh (Nostro Accounts) | | |
| NRBC Bank Limited | 986,715,742 | 146,199,314 |
| NRBC Bank Securities Limited | - | - |
| | 986,715,742 | 146,199,314 |
| Less: Inter company transaction | - | - |
| | 986,715,742 | 146,199,314 |
| 4.3 Account-wise/grouping of balance with other banks and financial institutions: | | |
| Current Deposits | 1,037,134,584.85 | 218,309,875 |
| Saving Deposit | - | - |
| Special Notice Deposits | 389,706,454 | 333,567,947 |
| Fixed Deposits | 1,468,905,402 | 1,482,685,992 |
| | 2,895,746,441 | 2,034,563,815 |
| 5 Money at call and short notice : In Bangladesh | | |
| Money at call and short notice to Banks (Note: 5.1) | 2,500,000,000 | 500,000,000 |
| Money at call and short notice to NBFIs (Note: 5.1) | 244,300,000 | 356,700,000 |
| | 2,744,300,000 | 856,700,000 |
| 5.1 Money at call and short notice to Banks | | |
| AB Bank Limited | 500,000,000 | 500,000,000 |
| Bangladesh Krishi Bank | 1,000,000,000 | - |
| Midland Bank Limited | 500,000,000 | - |
| The City Bank Limited | 500,000,000 | - |
| | 2,500,000,000 | 500,000,000 |
| 5.2 Money at call and short notice to NBFIs | | |
| GSP Finance Company(Bangladesh) Limited | 45,200,000 | 47,800,000 |
| Union Capital Ltd. | 2,000,000 | 8,300,000 |
| Fareast Finance and Investment Ltd. | 45,200,000 | 45,800,000 |
| Bangladesh Finance and Investment Company Ltd. | - | 2,800,000 |
| Phoenix Finance & Investment Limited | 7,500,000 | 87,500,000 |
| FAS Finance and Investment Limited | 4,000,000 | 4,100,000 |
| Industrial and Infrastructure Development Finance Company Ltd | 100,000,000 | 120,000,000 |
| International Leasing & Financial Services Ltd | 40,400,000 | 40,400,000 |
| | 244,300,000 | 356,700,000 |
| 5.3 Maturity grouping of Money at call and short notice | | |
| Repayable -on demand | - | - |
| - up to 3 months | 2,744,300,000 | 856,700,000 |
| - over 3 months but below 1 year | - | - |
| - over 1 year but below 5 years | - | - |
| - over 5 years | - | - |
| 5a Consolidated money at call and on short notice | | |

| | | at June 30, 2020 | at Dec 31, 2019 |
|--|---------------|-----------------------|-----------------------|
| | | Taka | Taka |
| NRBC Bank Limited | | 2,744,300,000 | 856,700,000 |
| NRBC Bank Securities Limited | | - | - |
| | | 2,744,300,000 | 856,700,000 |
| 6 Investments | | | |
| <u>Type of Investment</u> | | | |
| Treasury Bill | | 119,252,994 | 2,340,132,971 |
| Treasury Bond | | 15,756,780,017 | 10,373,845,838 |
| Prize Bond | | 1,418,700 | 1,452,100 |
| Other Investment | | 2,534,183,128 | 2,582,734,186 |
| | | 18,411,634,839 | 15,298,165,096 |
| <u>Nature wise:</u> | | | |
| Held for Trading | | 4,363,245,677 | 3,469,902,880 |
| Held to Maturity | | 11,512,787,334 | 9,244,075,930 |
| Others | | 2,535,601,828 | 2,584,186,286 |
| | | 18,411,634,839 | 15,298,165,096 |
| <u>Claim wise:</u> | | | |
| Government securities | (Note: 6.1) | 15,877,451,711 | 12,715,430,910 |
| Other investments | (Note: 6.2) | 2,534,183,128 | 2,582,734,186 |
| | | 18,411,634,839 | 15,298,165,096 |
| 6a Consolidated investments | | | |
| NRBC Bank Limited | | 18,411,634,839 | 12,715,430,910 |
| NRBC Bank Securities Limited | | 403,233,129 | 2,582,734,186 |
| | | 18,814,867,968 | 15,298,165,096 |
| Less: Inter company transaction | | - | - |
| | | 18,814,867,968 | 15,298,165,096 |
| 6.1 Government securities - Conventional and Islamic banking | | | |
| Treasury bills and Bonds (Govt. Securities) | (Note: 6.1.1) | 15,876,033,011 | 12,713,978,810 |
| Prize Bond | | 1,418,700 | 1,452,100 |
| | | 15,877,451,711 | 12,715,430,910 |
| 6.1.1 Treasury bills: | | | |
| <u>a.Unencumbered</u> | | | |
| <u>i. Held for Trading(HFT)</u> | | | |
| 91 Days Treasury Bills | | - | 339,341,772 |
| 182 Days Treasury Bills | | - | 1,223,061,750 |
| 364 Days Treasury Bills | | 119,252,994 | 777,729,449 |
| 2 Year Treasury Bonds | | 904,160,700 | 348,576,550 |
| 5 Year Treasury Bonds | | 1,836,103,831 | 521,453,200 |
| 10 Year Treasury Bonds | | 1,058,911,850 | 202,619,687 |
| 15 Year Treasury Bonds | | 239,953,302 | 48,325,312 |
| 20 Year Treasury Bonds | | 204,863,000 | 8,795,160 |
| | | 4,363,245,677 | 3,469,902,880 |
| <u>ii. Held to Maturity(HTM)</u> | | | |
| 91 Days Treasury Bills | | - | - |
| 182 Days Bangladesh Government Islamic Investment Bond | | 10,000,000 | - |
| 364 Days Treasury Bills | | - | - |
| 2 Year T-Bonds | | 109,294,818 | 107,594,464 |
| 5 Year T-Bonds | | 2,114,620,887 | 1,965,688,092 |
| 10 Year T-Bonds | | 3,483,670,803 | 3,028,905,248 |
| 15 Year T-Bonds | | 3,622,826,108 | 3,029,719,958 |
| 20 Year T-Bonds | | 2,172,374,718 | 1,112,168,167 |
| | | 11,512,787,334 | 9,244,075,930 |
| b. Encumbered : Disclosure regarding of the securities were being lien under re-purchased agreement in the Annexure- D as per DOS Circular No.- 06 dated 15 July 2010. | | | |
| 6.1a Consolidated Government securities | | | |
| NRBC Bank Limited | | 15,877,451,711 | 12,715,430,910 |
| NRBC Bank Securities Limited | | - | - |
| | | 15,877,451,711 | 12,715,430,910 |
| Less: Inter company transaction | | - | - |
| | | 15,877,451,711 | 12,715,430,910 |
| 6.2 Other investments | | | |

| | at June 30, 2020 Taka | at Dec 31, 2019 Taka |
|---|--------------------------|-------------------------|
| A. Quoted shares & Mutual Funds | | |
| Investment in Listed Company Share Through NRBC Bank Securities Limited | 780,705,487 | 739,256,546 |
| Mutual Fund (MFs) Through NRBC Bank Securities Limited | 20,000,000 | 20,000,000 |
| | 800,705,487 | 759,256,546 |
| B. Unquoted shares | | |
| Investment in IPO Subscription | | - |
| Investment in SWIFT Share (6 no. of Share) of SWIFT SCRL, Belgium | 2,779,967 | 2,779,967 |
| | 2,779,967 | 2,779,967 |
| C. Investment in Preference Share: | | |
| Preference Share- Regent Energy and Power Ltd. | 30,697,674 | 30,697,674 |
| | 30,697,674 | 30,697,674 |
| D. Investment in Bond: | | |
| Mercantile Bank Subordinated Bond | 90,000,000 | 180,000,000 |
| Trust Bank Subordinated Bond | 60,000,000 | 60,000,000 |
| One Bank Subordinated Bond -III | 500,000,000 | 500,000,000 |
| UCBL Subordinated Bond -Iv | 500,000,000 | 500,000,000 |
| IPDC Finance Subordinate bond | 150,000,000 | 150,000,000 |
| AB Bank Subordinated Bond | 40,000,000 | 40,000,000 |
| UCBL Subordinated Bond | 60,000,000 | 60,000,000 |
| MTB Subordinated Bond | 120,000,000 | 120,000,000 |
| 2nd AB Bank Subordinated Bond | 180,000,000 | 180,000,000 |
| | 1,700,000,000 | 1,790,000,000 |
| Total (A+B+C+D) | 2,534,183,128 | 2,582,734,186 |

Details in the Annexure-E

6.2a Consolidated other investments

| | | |
|---------------------------------|----------------------|----------------------|
| NRBC Bank Limited | 2,534,183,128 | 2,582,734,186 |
| NRBC Bank Securities Limited | 403,233,129 | 327,496,997 |
| | 2,937,416,257 | 2,910,231,183 |
| Less: Inter company transaction | - | - |
| | 2,937,416,257 | 2,910,231,183 |

6.3 Maturity grouping of Investment

| | | |
|----------------------------------|-----------------------|-----------------------|
| Redeemable-on demand | | - |
| – up to 3 months | 2,893,605,412 | 588,855,522 |
| – over 3 months but below 1 year | 2,232,872,562 | 2,813,113,475 |
| – over 1 year but below 5 years | 6,284,316,126 | 5,685,763,086 |
| – over 5 years | 7,000,840,738 | 6,210,433,012 |
| | 18,411,634,839 | 15,298,165,096 |

| | at June 30,2020 | at Dec 31, 2019 |
|--|-----------------------|-----------------------|
| | Taka | Taka |
| 7 Loans and Advances/Investments | | |
| Loans, cash credits, overdrafts, etc./Investments | 62,435,656,573 | 59,949,159,299 |
| Bills purchased and discounted | 1,940,516,035 | 2,065,862,555 |
| | 64,376,172,608 | 62,015,021,854 |
| 7.a Consolidated Loans and advances /Investments | | |
| NRBC Bank Limited | 64,376,172,608 | 62,015,021,854 |
| NRBC Bank Securities Limited | 130,995,530 | 138,414,177 |
| | 64,507,168,138 | 62,153,436,031 |
| Less: Inter company transaction | 170,714,281 | 93,872,646 |
| | 64,336,453,857 | 62,059,563,385 |
| 7.1 Product wise Loans and Advances/Investments: | | |
| i) Loans, cash credits, overdrafts, etc./Investments | | |
| Conventional and Islamic banking | | |
| <u>Inside Bangladesh</u> | | |
| Overdraft | 12,082,398,366 | 9,651,506,886 |
| Cash Credit | 9,097,621,755 | 9,395,865,175 |
| Time loan | 5,625,269,700 | 8,628,526,739 |
| Term loan | 11,462,936,121 | 10,977,776,017 |
| Payment Against Document | 248,790,386 | 179,702,223 |
| Loans against Trust Receipt | 3,346,311,368 | 3,019,096,336 |
| Packing Credit | 851,929,847 | 800,255,579 |
| EDF Loan | 479,391,617 | 249,704,135 |
| SME Credit | 6,230,979,815 | 7,273,519,011 |
| Lease Finance | 609,262,772 | 606,176,395 |
| Hire Purchase/HPSM (Transport) | 2,080,821,859 | 2,062,764,421 |
| Retails Credit | 1,034,921,852 | 746,809,794 |
| Staff Loan | 616,982,606 | 532,232,616 |
| Credit card | 597,293,849 | 400,848,907 |
| Other Loans and Advances | 8,070,744,660 | 5,424,375,063 |
| | 62,435,656,573 | 59,949,159,299 |
| <u>Outside Bangladesh</u> | | |
| ii) Bills purchased and discounted | | |
| Conventional and Islamic banking | | |
| Payable Inside Bangladesh | | |
| Inland bills purchased | 1,241,390,338 | 1,241,359,981 |
| | 1,241,390,338 | 1,241,359,981 |
| Payable Outside Bangladesh | | |
| Foreign bills purchased and discounted | 699,125,697 | 824,502,574 |
| | 699,125,697 | 824,502,574 |
| | 1,940,516,035 | 2,065,862,555 |
| Total (i+II) | 64,376,172,608 | 62,015,021,854 |
| 7.2 <u>Loans, cash credits, overdrafts, etc./Investment (Inside Bangladesh)</u> | | |
| <u>In Bangladesh</u> | | |
| Loans | 41,271,653,403 | 40,901,787,238 |
| Overdrafts | 12,066,381,414 | 9,651,506,886 |
| Cash Credit | 9,097,621,755 | 9,395,865,175 |
| | 62,435,656,573 | 59,949,159,299 |
| <u>Outside Bangladesh</u> | | |

| | at June 30,2020 | at Dec 31, 2019 |
|--|-----------------------|-----------------------|
| | Taka | Taka |
| Loans | - | - |
| Overdrafts | - | - |
| Cash Credit | - | - |
| | - | - |
| | 62,435,656,573 | 59,949,159,299 |
| 7.2a Consolidated Loans, cash credits, overdrafts, etc./Investment (Inside Bangladesh) | | |
| NRBC Bank Limited | 62,435,656,573 | 59,949,159,299 |
| NRBC Bank Securities Limited | 130,995,530 | 138,414,177 |
| | 62,566,652,103 | 60,087,573,476 |
| Less: Inter company transaction | 170,714,281 | 93,872,646 |
| | 62,395,937,822 | 59,993,700,830 |
| 7.3 Loans and Advances/Investments under following Broad categories: | | |
| <u>In Bangladesh</u> | | |
| Loans | 41,271,653,403 | 40,901,787,238 |
| Overdrafts | 12,066,381,414 | 9,651,506,886 |
| Cash Credit | 9,097,621,755 | 9,395,865,175 |
| Bills purchased and discounted | 1,241,390,338 | 1,241,359,981 |
| | 63,677,046,911 | 61,190,519,280 |
| <u>Outside Bangladesh</u> | | |
| Bills purchased and discounted | 699,125,697 | 824,502,574 |
| | 64,376,172,608 | 62,015,021,854 |
| 7.4 Residual maturity grouping of loans and advances including bills purchased and discounted | | |
| Payable on demand | 23,249,119,773 | 13,939,119,099 |
| Not more than 3 months | 7,279,112,921 | 12,156,741,698 |
| More than 3 months but not more than 1 year | 13,440,529,859 | 24,733,979,322 |
| More than 1 year but not more than 5 years | 12,022,850,070 | 10,940,611,692 |
| More than 5 years | 8,384,559,985 | 244,570,043 |
| | 64,376,172,608 | 62,015,021,854 |
| 7.5 Net loans and advances/investments | | |
| Gross loans and advances/investments | 64,376,172,608 | 62,015,021,854 |
| Less: Interest suspense (Note 13.10) | 601,196,218 | 471,573,179 |
| Provision for loans and advances/investments (Note 13.2) | 841,662,637 | 846,915,130 |
| | 1,442,858,855 | 1,318,488,309 |
| | 62,933,313,753 | 60,696,533,545 |
| 7.6 Sectorwise Loans and Advances excluding bill purchased and discounted: | | |
| Govt. Sector | - | - |
| Public Sector | - | - |
| Co-operative sector | - | - |
| Private Sector | 64,376,172,608 | 62,015,021,854 |
| | 64,376,172,608 | 62,015,021,854 |
| 7.7 Loans and Advances on the basis of significant concentration including Bills Purchased and Discounted. | | |
| a) Loans and advances given in favor of sister concern of the Directors ; | - | - |
| b) Loans and advances given to Chief Executive and other senior executives & staff of the Banks : | | |
| Managing Director & CEO | - | - |
| other executives and staffs | 623,695,876 | 532,232,616 |
| | 623,695,876 | 532,232,616 |
| c) Loans and advances allowed to customer exceeding 10% of Bank's Total Equity for the period ended June 30, 2020: | | |

Total capital of the Bank (Figure in lac Taka)

No. of Customer

Amount of Outstanding Facilities:

Funded Facilities

Non-Funded Facilities

Classified loan thereon

Measures taken for recovery

| at June 30,2020 | at Dec 31, 2019 |
|--------------------|-----------------|
| Taka | Taka |
| 90,339.6 | 89,072.57 |
| 49 | 49 |
| Amount in lac taka | |
| 227,061 | 224,826 |
| 120,950 | 113,587 |
| Nil | Nil |
| Nil | Nil |

Figure in Lac

| SL | Name of Client | Facilities approved by Bank | | Balance/Business as on 30.06.2020 | |
|-------|--|-----------------------------|------------|-----------------------------------|------------|
| | | Funded | Non-Funded | Funded | Non-Funded |
| 1 | IFAD Group | 5731+((4000)) | 4,000.00 | 5,526.00 | 2,406.00 |
| 2 | AG Agro * | 3000+((4000)) | 10,150.00 | - | 164.00 |
| 3 | Anwar Group | 12933+((60.0)) | 9,888.00 | 8,726.80 | 1,066.00 |
| 4 | Navana Group | 5,850.00 | 1,000.00 | 2,816.60 | 150.00 |
| 5 | Mir Akhter Hossain Limited | 6500+((5833)) | 10,000.00 | 12,770.00 | 3,096.88 |
| 6 | Abul Khair Limited* | 7,340.00 | 7,660.00 | 5,895.00 | 7,530.80 |
| 7 | Habib Steels Limited | 8,073.80 | - | 8,352.00 | - |
| 8 | Jahangir And Others Limited* | 7,574.00 | 7,000.00 | 9,317.00 | 2,201.19 |
| 9 | Western Engineering (Pvt.) Limited | 10,215.56 | 7,500.00 | 10,687.65 | 7,323.82 |
| 10 | Nassa Group | 4000+((7000)) | 16,500.00 | 6,264.00 | 664.19 |
| 11 | Labib Group | 9450+((4000)) | 7,500.00 | 10,656.52 | - |
| 12 | Goldstar Group | 7507+((3000)) | 5,336.61 | 8,071.00 | 96.40 |
| 13 | M/s. Md. Rasheduzzaman | 5,450.00 | 799.00 | 4,087.00 | 799.28 |
| 14 | Manobik Shajya sangstha | 0.00 | 9,975.00 | - | - |
| 15 | M M Ship Breaking Industries | 7084+((7000)) | 8,000.00 | 7,082.00 | - |
| 16 | Jamuna Industrial Agro Group | 9426+((500)) | 5,000.00 | 11,361.00 | 901.80 |
| 17 | Nitol Motors Ltd. | 5,000.00 | 5,000.00 | - | 2,254.39 |
| 18 | Stylish Garments Limited* | 9,938.00 | 16,500.00 | 6,640.82 | 5,695.42 |
| 19 | Gram Unnayan Karma (GUK) | 6,000.00 | 5,000.00 | 6,089.00 | 239.19 |
| 20 | Blue Planet Knitwear Limited | 3185+((1030)) | 1,100.00 | 4,476.00 | - |
| 21 | Computer Network System | 8,528.00 | 12,300.00 | 7,353.82 | 9,249.60 |
| 22 | Ahmed Enterprise | 4450+((380)) | 6,430.00 | 2,310.90 | 5,334.00 |
| 23 | AA Synthetic Fibres Ltd. | 7,968.80 | 500.00 | 9,729.50 | - |
| 24 | Aftab Automobiles Ltd* | 10,409.00 | 5,000.00 | 7,523.00 | - |
| 25 | Silver Apperals Ltd. | 3,600.00 | 2,000.00 | 665.02 | 181.49 |
| 26 | Mahade Fashion Pvt. Ltd | 2,840.00 | 3,500.00 | 2,614.53 | 235.47 |
| 27 | NORTHERN HATCHERIES | 3,500.00 | 3,159.52 | 3,159.52 | 5,337.87 |
| 28 | Samira Saima Textile Mills | 500.00 | 11,250.00 | 504.59 | 6,098.00 |
| 29 | M/S Hasan & Brothers* | 3,800.00 | 11,000.00 | 1,124.00 | 5,465.88 |
| 30 | Aleya Feeds Ltd & its Associates* | 4838+((3200)) | 3,700.00 | 7,988.79 | 115.83 |
| 31 | Taratex Fashion Limited | 3,996.90 | 10,575.00 | 2,640.62 | 9,279.00 |
| 32 | Blessing Knitwear Limited* | 5230+((705)) | 2,969.00 | 6,202.00 | 2,141.70 |
| 33 | Sanji Group | 16,500.00 | 0.00 | - | - |
| 34 | LA-Muni Apparels Ltd | 7,500.00 | 5,000.00 | 5,388.00 | 213.00 |
| 35 | ARISTOCRATS PROPERTIES LTD. ANI | 5,574.50 | 11,500.00 | 66.70 | 11,255.90 |
| 36 | Beq Group | 7,500.00 | 11,410.56 | 7,975.00 | 7,195.46 |
| 37 | SB Group* | 7,361.00 | 4,000.00 | 7,800.65 | 180.18 |
| 38 | Al-Falah Steel & Re-rolling Mills Ltd. | 5,900.00 | 2,000.00 | 4,016.70 | - |
| 39 | Star Particle Borad Mills Limited* | 500.00 | 228.00 | 186.00 | 228.00 |
| 40 | POPULAR DIAGNOSTIC CENTRE LTD | 9,900.00 | 4,000.00 | 10,270.77 | 1,082.29 |
| 41 | MAX Group | 0.00 | 0.00 | - | - |
| 42 | BSRM | 700.00 | 8,755.00 | 156.50 | 1,000.00 |
| 43 | SOUTH BENGAL INTERNATIONAL TR | 150.00 | 500.00 | 148.78 | 222.00 |
| 44 | THREE ANGLE MARINE LTD. | 3080+((1430)) | 6,198.00 | 2,478.00 | 9,674.55 |
| 45 | Energypac Power Generation Ltd | 0.00 | 8,370.00 | - | 5,995.00 |
| 46 | Pragoti Industries Ltd | 2000+((4500)) | 4,500.00 | 2,253.00 | 1,496.00 |
| 47 | S K S Foundation | 23,000.00 | 0.00 | - | 284.00 |
| 48 | Center for Development Innovation | 0.00 | 7,455.00 | - | 4,095.00 |
| 49 | Chisty Group | 6,673.00 | 3,285.00 | 5,686.17 | - |
| Total | | | | 227,060.95 | 120,949.58 |

| at June 30,2020 | at Dec 31, 2019 |
|-----------------|-----------------|
| Taka | Taka |

****Note: Inner limit exist in (*) mark customer's.**

d) Industry wise loans including Bills purchased & discounted:

| <u>SL</u> | <u>Industries</u> | <u>Taka</u> | <u>Taka</u> |
|-----------|------------------------------|-----------------------|-----------------------|
| 1 | Agri cultural Industry | 688,493,086 | 740,530,956 |
| 2 | Textile | 2,188,293,642 | 2,607,327,229 |
| 3 | RMG | 7,897,466,228 | 6,710,570,005 |
| 4 | NBFI | 900,063,892 | 911,196,404 |
| 5 | Food | 144,905,932 | 211,505,367 |
| 6 | Beverage | 448,003,055 | 288,749,693 |
| 7 | Pharmaceutical | 25,548,754 | 296,033,440 |
| 8 | Chemical | - | 117,081,118 |
| 9 | Electrical | 225,347,017 | 276,288,923 |
| 10 | Construction | 3,593,993,228 | 3,858,121,586 |
| 11 | House Building Residential | 1,311,271,557 | 1,131,306,251 |
| 12 | Leather | 10,054,445 | 58,295,881 |
| 13 | Service Industry | 3,769,402,379 | 3,706,342,195 |
| 14 | Transport | 249,343,976 | 248,019,663 |
| 15 | Basic Metal | - | 125,177 |
| 16 | Capital Market | 156,514,956 | 93,872,646 |
| 17 | Car loan | 4,478,663 | 5,248,950 |
| 18 | Insurance | 113,440,431 | 105,304,054 |
| 19 | Consumer Finance | 2,510,019,780 | 2,501,162,588 |
| 20 | Printing | 300,799,191 | 770,228,650 |
| 21 | Ship Breaking | 1,145,356,926 | 430,041,638 |
| 22 | SME | 22,776,227,596 | 13,314,469,566 |
| 23 | Staff Loan | 617,951,151 | 532,342,540 |
| 24 | Steel | 645,463,896 | 2,387,252,650 |
| 25 | Trade Industry | 6,763,225,526 | 11,162,923,135 |
| 26 | Card | 597,293,849 | 400,848,907 |
| 27 | Other Manufacturing Industry | 7,066,127,654 | 8,577,067,706 |
| 28 | Others | 227,085,799 | 572,764,936 |
| | | 64,376,172,608 | 62,015,021,854 |

7.8 Geographical location-wise Loans and Advances

Urban Branch

| | | |
|------------------|-----------------------|-----------------------|
| Dhaka | 43,158,070,059 | 39,632,751,798 |
| Chittagong | 7,222,373,195 | 7,300,639,406 |
| Rajshahi | 2,597,738,878 | 3,070,377,790 |
| Sylhet | 1,165,719,382 | 1,206,310,737 |
| Barisal | 467,218,955 | 515,995,180 |
| Rangpur | 159,409,938 | 248,336,656 |
| Khulna | 501,365,280 | 726,768,835 |
| Mymensingh | 140,409,938 | 372,989,261 |
| Sub-total | 55,412,305,625 | 53,074,169,664 |

Rural Branch

| | | |
|------------|---------------|---------------|
| Dhaka | 5,488,988,201 | 5,719,561,406 |
| Chittagong | 1,585,796,468 | 1,812,461,131 |

| | at June 30,2020 | at Dec 31, 2019 |
|------------------|-----------------------|-----------------------|
| | Taka | Taka |
| Rajshahi | 326,389,450 | 235,155,066 |
| Sylhet | 221,959,781 | 212,379,808 |
| Barisal | 676,373,583 | 365,432,079 |
| Rangpur | 161,046,069 | 215,386,217 |
| Khulna | 347,985,509 | 147,784,762 |
| Mymensingh | 155,327,921.96 | 232,691,721.98 |
| Sub-total | 8,963,866,983 | 8,940,852,190 |
| Total | 64,376,172,608 | 62,015,021,854 |

**7.9 Classification of loans, advances and lease/investments
Conventional & Islamic**

| | | |
|-------------------------------|-----------------------|-----------------------|
| Standard including Staff Loan | 60,334,077,218 | 57,596,562,895 |
| Special Mention Account (SMA) | 1,986,781,317 | 2,433,368,109 |
| | 62,320,858,535 | 60,029,931,005 |
| Classified | | |
| Substandard | 554,430,368 | 502,564,441 |
| Doubtful | 156,936,277 | 135,933,206 |
| Bad/Loss | 1,343,947,428 | 1,346,593,202 |
| | 2,055,314,072 | 1,985,090,849 |

7.10 Particulars of required provision for loans and advances (for Funded facility):

| For Unclassified Loans | Base for Provision | Rate (%) | | |
|-------------------------------|---------------------------|-----------------|--------------------|--------------------|
| Standard Including Staff Loan | 60,150,957,979 | Various (*) | 480,441,562 | 417,704,065 |
| Special Mention account | 1,348,687,566 | Various (*) | 331,501,810 | 245,583,904 |
| Sub-Total (a) | | | 811,943,372 | 663,287,969 |

(*) General Provision is Kept @ 2% on Credit Card Loan, 2% Loan for Professional, 1% on housing loan, 5% on Consumer Financing and 0.25% on small and medium enterprise Financing and 1% on rest unclassified Loans and advances.

However, as per BRPD Circular No. 13, dated 15 June 2020 the classification status of loan, lease or advance on January 01, 2020 will remain unchanged until September 30, 2020.

| For Classified Loans | Base for Provision | Rate (%) | | |
|---|---------------------------|-----------------|----------------------|----------------------|
| Substandard Loan (SS) (**) | 352,527,128 | 20% | 70,443,521 | 67,128,738 |
| Doubtful (DF) (**) | 66,807,867 | 50% | 33,403,934 | 25,529,720 |
| Bad/loss (BL) | 737,815,183 | 100% | 737,815,183 | 754,256,672 |
| Sub-Total (b) | | | 841,662,637 | 846,915,130 |
| Required Provision for Loan and advance (c=a+b) | | | 1,653,606,009 | 1,510,203,099 |
| Total Provision maintained (Note:13.1 & 13.2) | | | 1,653,606,009 | 1,510,203,099 |
| Excess/(Shortfall) of provision as of 30 June 2020 | | | - | - |

(**) Except Short-term agri-credit and micro credit where 5% provision has to be kept on base for provision under SS & DF stage

7.11 Particulars of Loans and Advances:

| | | |
|--|----------------|----------------|
| (i) Loans and advances considered good in respect of which the Bank is fully secured | 25,880,482,072 | 24,853,063,859 |
|--|----------------|----------------|

| | at June 30,2020 | at Dec 31, 2019 |
|--|-----------------------|-----------------------|
| | Taka | Taka |
| (ii) Loans and advances considered good against which, the Bank holds no security other than, the debtors' personal guarantee | 16,955,019,168 | 11,943,633,361 |
| (iii) Loans and advances considered as good which is secured owing to personal liability of one or more parties in addition to debtors' personal | 532,203,519 | 530,407,048 |
| (iv) Loans and advances adversely classified; Such a classified loan for which no provision has been left | - | - |
| | 43,367,704,759 | 37,327,104,268 |
| (v) Loans and advances due by directors or officers of the banking company or any of them either separately or jointly with any other persons | 11,293,808,971 | 12,203,827,335 |
| (vi) Loans and advances due from companies or firms in which the directors of the Bank have interest as directors, partners or managing agents or in case of private companies, as members | - | - |
| (vii) Maximum total amount of loans and advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either separately or jointly with any other person. | 12,000,000 | 12,000,000 |
| (viii) Maximum total amount of loans and advance, including temporary Loans and advances granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in the case of private companies, as members | 1,582,418,000 | 1,672,491,000 |
| (ix) Money Receivable/Due from different banking companies | - | - |
| (x) The amount of classified loan on which interest has not been charged: | | |
| a. (Decrease)/ increase of provision (Specific) | 1,343,947,428 | 123,178,454 |
| b. Amount of loan write off | - | - |
| c. Amount realized against loan previously written off | - | - |
| d. Provision kept against classified loan as bad/loss account on the date of preparation of balance sheet; | 737,815,183 | 754,256,672 |
| e. Interest imposed in suspense account | 601,115,424 | 314,786,268 |
| (xi) Movement of write off loan : | | |
| Opening balance | - | - |
| Add: During the period/year | - | - |
| Less: Amount realised against loans & advances previously written off | - | - |
| Closing Balance | | |

7.12 Securities against Loans including Bill purchased and discounted

| | |
|--|----------------|
| Collateral of movable/immovable assets | 40,627,000,000 |
| Local Banks & Financial Institutions Guarantee | 1,695,100,000 |
| Export Documents | 529,500,000 |
| Fixed Deposit Receipt | 4,312,400,000 |

Personal Guarantee
Other Securities

| at June 30, 2020 | at Dec 31, 2019 |
|------------------|-----------------------|
| Taka | Taka |
| | 9,395,400,000 |
| | 5,455,621,854 |
| - | 62,015,021,854 |

7.13 Direction of Court Order regarding Classified Loan (Details Description)

The amount reported under Standard/SMA category includes certain loan accounts with an aggregate outstanding of Tk 746.32 million as at 30-06-2020 which has not been reported as classified at year-end due to stay order from the Honorable High Court Division of the Supreme Court of Bangladesh. out of which, as at June 2020, an aggregate amount of Tk. 30.45 million has been kept as specific provision treating the customer accounts as bad/loss.

7.14 Loan and advance related with Large loan restructuring

No large loan restructuring took place till and as on June 30, 2020.

7.15 Suits filed by the Bank (Branch wise details)

As of the responding Date, the Bank filed lawsuit against recovery of its default loans and advances as under

| | | |
|-----------------------|--------------------|----------------------|
| Principal Branch | - | 180,045,000 |
| Gulshan Branch | 19,304,608 | 208,002,000 |
| Ruhitpur Branch | - | 8,963,000 |
| Mawna Branch | 1,375,409 | - |
| Chinishpur Branch | 12,127,032 | 28,121,000 |
| Uttara Branch | - | 150,877,000 |
| Dhanmondi Branch | - | 208,609,000 |
| O R Nizam Road Branch | - | 84,948,000 |
| Banani Branch | 75,054,787 | 75,055,000 |
| Agrabad Branch | 273,795,359 | - |
| Naogaon Branch | - | 5,346,000 |
| Hatirpul Branch | 1,371,311 | 15,502,000 |
| Harirampur Branch | 15,163,928 | 21,629,000 |
| Mirpur Brnach | 450,129 | 450,000 |
| Sylhet Branch | 25,694,201 | 93,485,000 |
| Sylhet Uposhor Branch | 6,252,579 | 9,999,000 |
| Chatkhil Branch | 1,214,242 | 1,373,000 |
| | 431,803,585 | 1,092,404,000 |

8 Bills purchased and discounted:

Conventional & Islamic

| | | |
|------------------------------|----------------------|----------------------|
| Repayable in Bangladesh | 1,241,390,338 | 1,241,359,981 |
| Repayable outside Bangladesh | 699,125,697 | 824,502,574 |
| | 1,940,516,035 | 2,065,862,555 |

8.1 Maturity grouping of Bills purchased and discounted

| | | |
|--|---------------|-------------|
| Receivable within a period not exceeding 01 month | 1,927,173,331 | 842,488,309 |
| Receivable within a period exceeding 01 months but less than 03 months | 910,851,685 | 795,530,798 |
| Receivable within a period exceeding 03 months but less than 06 months | 9,371,574 | 421,587,971 |
| Receivable within a period equal to 06 months or exceeding that time | 988,092 | 6,255,478 |

8a Consolidated Bills purchased and discounted:

| | | |
|------------------------------|----------------------|----------------------|
| NRBC Bank Limited | 1,940,516,035 | 2,065,862,555 |
| NRBC Bank Securities Limited | - | - |
| | 1,940,516,035 | 2,065,862,555 |

| | at June 30, 2020 | at Dec 31, 2019 |
|--|---------------------------|---------------------------|
| | Taka | Taka |
| 9 Fixed assets including premises, furniture and fixtures of the Bank | | |
| <u>Conventional and Islamic banking</u> | | |
| Land, Building and Construction | - | - |
| Furniture and fixtures | 495,465,911 | 407,898,478 |
| Equipment and Machinery | 421,968,606 | 385,031,016 |
| Computer & Computer Equipment | 219,673,845 | 190,730,101 |
| Intangible Assets/ Bangladesh Made Software | 165,423,465 | 164,599,965 |
| Motor Vehicles | 46,850,000 | 46,850,000 |
| Professionals and Reference Books | 23,370 | 23,370 |
| Leased Assets: Motor Vehicle | 20,330,624 | 20,330,624 |
| | <u>1,369,735,820</u> | <u>1,215,463,553</u> |
| Less: Accumulated Depreciation | <u>785,761,551</u> | <u>709,247,252</u> |
| Book Value | <u>583,974,270</u> | <u>506,216,302</u> |

A schedule of fixed assets for accounting purpose and Tax Purpose Annexure-G

9a Consolidated Fixed assets including premises, furniture and fixtures

At cost:

NRBC Bank Limited
NRBC Bank Securities Limited

| | |
|----------------------|----------------------|
| 1,369,735,820 | 1,215,463,553 |
| 14,200,521 | 14,024,924 |
| <u>1,383,936,341</u> | <u>1,229,488,477</u> |

Accumulated depreciation:

NRBC Bank Limited
NRBC Bank Securities Limited

| | |
|--------------------|--------------------|
| 785,761,551 | 709,247,252 |
| 7,889,161 | 6,946,159 |
| <u>793,650,712</u> | <u>716,193,411</u> |

Net Book Value

| | |
|---------------------------|---------------------------|
| <u>590,285,629</u> | <u>513,295,067</u> |
|---------------------------|---------------------------|

10 Other assets

i. Income Generating-Equity Investment

90% equity shareholding of NRBC Bank Securities limited

| | |
|-------------|-------------|
| 360,000,000 | 360,000,000 |
|-------------|-------------|

NRBC Bank formed the subsidiary company NRBC Bank Securities Limited on 20 September 2015 bearing certificate of incorporation no. C-125904/2015 under the Companies Act 1994 wherein Bank has 90% stakeholding of the company.

ii. Non-Income Generating

Advance Security Deposit
Stock of Stationery and printing items [Note -10.3]
Suspense Account [Note -10.4]
Deferred Tax Assets (Note 10.5)
Stamps in Hand
Advance Office Rent
Interest Receivable on Loans and Advances (LDOs)
Interest Receivable on Balance with Banks & FIs
Interest Receivable on Call Loan & Short Notice Loan
Interest Receivable on Treasury Bonds
Interest Receivable on Treasury Bills
Interest Receivable on Coupon Bond
Prepaid Insurance Premium
Prepaid Expense-Others
Prepaid for House Furnishing cost & Passage for Travel (LFA)
Interest Receivable-COVID Block Account
Advance Income Tax [Note -10.6]
Membership with Visa Worldwide PLC Ltd.
Share Sale proceed Receivable
Dividend Receivable on Share/Preference Share
Inter Branch General Account (IBGA) Debit Balance [Note -10.7]

| | |
|-----------------------------|-----------------------------|
| 4,626,033 | 4,517,026 |
| 14,378,322 | 12,448,650 |
| 137,379,143 | 121,808,113 |
| 366,570,382.81 | 356,817,790 |
| 3,571,976 | 2,879,876 |
| 166,873,420 | 174,629,512 |
| - | - |
| 29,581,865 | 30,981,691 |
| 1,986,392 | 826,678 |
| 337,200,063 | 260,403,695 |
| - | - |
| - | 29,719,829 |
| 3,958,311 | 1,286,054 |
| 1,095 | 1,095 |
| 24,111,949 | 28,084,699 |
| 831,148,936 | - |
| 2,189,124,123 | 2,175,887,828 |
| 2,311,500 | 2,311,500 |
| - | - |
| 2,616,004 | 6,324,250 |
| - | 2,895,338 |
| <u>4,115,439,515</u> | <u>3,211,823,622</u> |
| <u>4,475,439,515</u> | <u>3,571,823,622</u> |

10.1 Aging of Others Assets

Up to 6 months
Over 6 Months to 1 Year
Over 1 Years to 4 Years
Above 4 Years

| | |
|-----------------------------|-----------------------------|
| 1,626,133,877 | 808,192,095 |
| 7,188,768 | 666,263,724 |
| 7,233,585 | 888,861,056 |
| 2,602,163,188 | 1,208,506,748 |
| <u>4,242,719,418</u> | <u>3,571,823,622</u> |

| | at June 30,2020 | at Dec 31, 2019 |
|--|----------------------|----------------------|
| | Taka | Taka |
| 10.2 Classification Status of Others Assets | | |
| Unclassified | 4,242,719,418 | 3,571,823,622 |
| Doubtful | - | - |
| Bad/Loss | - | - |
| | 4,242,719,418 | 3,571,823,622 |

** No protested bill and legal expenses included in the Other Assets

10a Consolidated Other assets

| | | |
|---------------------------------|----------------------|----------------------|
| NRBC Bank Limited | 4,475,439,515 | 3,571,823,622 |
| NRBC Bank Securities Limited | 28,176,796 | 40,675,850 |
| | 4,503,616,311 | 3,612,499,472 |
| Less: Inter company transaction | 361,366,909 | 361,284,278 |
| | 4,142,249,402 | 3,251,215,194 |

10.3 Stock of Stationery and printing items

| | | |
|--|-------------------|-------------------|
| Printing Stationery(Coventional & Islamic) | 13,593,207 | 10,677,620 |
| Security Papers | 378,595 | 876,550 |
| Security Stationery - CARD | 406,520 | 894,480 |
| | 14,378,322 | 12,448,650 |

10.4 Suspense Account:

| | | |
|---|--------------------|--------------------|
| Advance against New Branches | 29,057,600 | 49,310,600 |
| Advance Against Suppliers | 10,536,076 | 9,391,577 |
| Receivable against payment for Principal of Govt. Securities (BSP/PSP/3MB) | 53,682,901 | 20,982,901 |
| Advance against TA/DA | 171,600 | 200,000 |
| Cash Remittance - Banking Booth/Other Bank | 9,440,000 | 25,950,000 |
| Suspense A/C Bank POS and NPSB TXN Dispute amount | 393,769 | - |
| Suspense Others | 7,893,756 | 2,907,645 |
| Interest Receivable Against payment for Interest of Govt. Securities (BSP/PSP/3MB) | 24,825,201 | 11,616,723 |
| Foreign Remittance Agencies | 635,528 | - |
| Receivable Against expense of Defaulter/CL | - | 1,053,506 |
| Xpress Money Transfer | 51,093 | - |
| Stamp for Utility Bill Collection | 691,620 | 395,160 |
| | 137,379,143 | 121,808,113 |

| Aging of Suspense Account (30 June ,2020) | | | | |
|--|----------------|------------------------------|-------------------------|---------------|
| Head of Account | Up to 6 Months | Over 6 Months to 1 Year (**) | Over 1 Years to 4 Years | Above 4 Years |
| Advance against New Branches (**) | 29,057,600 | | | - |
| Advance against TA/DA | 171,600 | - | | - |
| Advance against Suppliers | 8,036,076 | 2,500,000 | | - |
| Cash Incentive agst Western Union FR Payment | - | | | - |
| Cash Remitted to HO/Feeding Branch | 9,440,000 | | | - |
| Suspense A/C Bank POS and NPSB TXN Dispute at | 393,769 | | | - |
| Principal & Intt. Paid for Govt. Securities (BSP/PS | 72,622,102 | 5,886,000 | - | - |
| Suspense Others | 7,558,756 | 335,000 | | - |
| Receivable Against expense of Defaulter/CL | - | | | - |
| Foreign Remittance Agencies | 635,528 | | | - |
| Xpress Money Transfer | 51,093 | | | - |
| Stamp for Utility Bill Collection | 691,620 | | | - |

**This includes the amounts that are kept in temporary parking accounts shown under other assets. These balances are in the process of regular monitoring so that it remains within a non material level.

10.5 Deferred Tax Assets

| | | |
|--------------------------------------|--------------------|--------------------|
| Opening Balance | 356,817,790 | 295,810,436 |
| Additional provision during the Year | 9,752,593 | 61,007,354 |
| Less: Adjustment/Settlement | - | - |
| | 366,570,383 | 356,817,790 |

Based on detailed analysis Management are satisfied that there would be adequate taxable profit available in future against of such temporary differences.

10.6 Advance Income Tax

Advance income tax represents the tax payment to the government exchequer.

Opening Balance

Add: Advance Corporate Tax and withholding Tax during the year

Less: Settlement during the year *

* [Completion of Assessment 2017-18 u/s 82BB/82BB(3)/83(2)]

| at June 30,2020 | at Dec 31, 2019 |
|----------------------|----------------------|
| Taka | Taka |
| 2,175,887,828 | 1,382,275,162 |
| 492,711,330 | 793,612,666 |
| 2,668,599,157 | 2,175,887,828 |
| 479,475,034 | - |
| 2,189,124,123 | 2,175,887,828 |

10.6.1 Advance Corp. Tax & With-holding Tax in details

Advance Corporate Tax (Under Section #64 of ITO, 1984)

[TDS@10% & 15% on Interest Income from FDR and Balance with Bank & Fls](#)

TDS @ 20% on Cash Dividend received from Quoted Share

Tax deposited @ 5% on commission on L/C

Upfront @ 5% on Interest of T-Bills/Reverse REPO deducted by Bangladesh Bank

Advance Tax to City Corporation/Purasuva under section 52k

Advance Tax on Interest on Securities of Bill and Bond (u/s 51)

Advance Tax on Others Income

Advance Tax for Bank's Pool Vehicles

| | |
|----------------------|----------------------|
| 1,829,698,807 | 1,455,649,377 |
| 295,989,567 | 655,182,495 |
| 9,698,293 | 11,708,068 |
| 11,063,900 | 11,588,742 |
| 40,402,895 | 40,402,895 |
| 58,450 | 56,250 |
| 1,080,000 | - |
| 2,210 | - |
| 1,130,000 | 1,300,000 |
| 2,189,124,123 | 2,175,887,828 |

10.7 Inter Branch General Account Balance

Inter Branch General Account Debit Balance

Inter Branch General Account Credit Balance

| | |
|---|------------------|
| | 2,845,168 |
| | 5,740,506 |
| - | 2,895,338 |

| | at June 30, 2020 | at Dec 31, 2019 |
|--|-----------------------|-----------------------|
| | Taka | Taka |
| 11 Borrowings from other Banks, Financial Institutions and Agents | | |
| In Bangladesh (Note 11.1) | 5,507,100,545 | 1,290,232,047 |
| Outside Bangladesh | - | - |
| | 5,507,100,545 | 1,290,232,047 |
| 11.1 In Bangladesh | | |
| Bangladesh Bank (Refinance under SPD/SME/WE) * | 347,100,545 | 10,232,047 |
| Borrowing Short Notice from Bank | - | - |
| Bangladesh Bank-FCY (GBP/EURO/USD) | 5,160,000,000 | 1,280,000,000 |
| Borrowings Call and Short Notice from Banks & Fis | 5,507,100,545 | 1,290,232,047 |
| * Detail of Refinance from Bangladesh Bank under Branches and Product wise in the Annexure-F | | |
| 11.2 Analysis by Security | | |
| Borrowing with Security | - | - |
| Borrowing without Security | 5,507,100,545 | 1,290,232,047 |
| | 5,507,100,545 | 1,290,232,047 |
| 11.3 Repayment pattern | | |
| Repayable on demand | 5,160,000,000 | 1,280,000,000 |
| Repayable on maturity/terms | 347,100,545 | 10,232,047 |
| | 5,507,100,545 | 1,290,232,047 |
| 11a Borrowings from Bangladesh Bank, other Banks, Financial Institutions and Agents | | |
| NRBC Bank Limited | 5,507,100,545 | 1,290,232,047 |
| NRBC Bank Securities Limited | - | - |
| | 5,507,100,545 | 1,290,232,047 |
| 12 Deposits and other accounts | | |
| Deposit from Inter Bank (Note-12.1) | 2,500,000,000 | 2,000,000,000 |
| Deposit from Customers (Note-12.2) | 71,704,527,796 | 69,857,899,976 |
| | 74,204,527,796 | 71,857,899,976 |
| 12a Consolidated Deposits and other accounts | | |
| NRBC Bank Limited | 74,204,527,796 | 71,857,899,976 |
| NRBC Bank Securities Limited | 32,208,652 | 121,113,684 |
| | 74,236,736,448 | 71,979,013,660 |
| Less: Inter company transaction | 53,519,821 | 99,220,431 |
| | 74,183,216,627 | 71,879,793,229 |
| 12.1 Deposits from Inter Bank | | |
| Fixed Deposit: | | |
| Agrani Bank Limited | - | 400,000,000 |
| AB Bank Limited | 500,000,000 | - |
| Bangladesh Krishi Bank | 1,000,000,000 | - |
| One Bank Limited | - | 500,000,000 |
| Sonali Bank Limited | - | 500,000,000 |
| Midland Bank Limited | 500,000,000 | - |
| Bank Asia Limited | - | 600,000,000 |
| The City Bank Limited | 500,000,000 | - |
| | 2,500,000,000 | 2,000,000,000 |
| 12.2 Deposits and other accounts | | |
| i. Current accounts and other accounts | | |
| Current Deposit/Al-Wadeah Current Deposit Account | 6,670,508,311 | 4,038,984,453 |
| Non-Resident Taka Account-NRTA | 575 | - |
| Foreign Currency Deposit | 114,252,873 | 68,313,838 |
| Sundry for Retail Business | 6,414,605 | 7,337,524 |
| Sundry Deposit for retailer Point | 41,556 | 19,129 |
| Sundry Deposit | 2,825,499,094 | 2,057,926,894 |
| Note: 12.2.1 | 9,616,717,013 | 6,172,581,839 |

| | at June 30,2020 | at Dec 31, 2019 |
|---|-----------------|-----------------|
| | Taka | Taka |
| ii. Bills Payable | | |
| Pay Order (Conventional & Islamic) | 5,780,817,168 | 7,185,410,848 |
| iii. Savings Bank Deposit/Mudaraba Savings Deposit (MSDA) | 6,576,861,360 | 5,238,707,700 |
| iv. Term Deposit/Fixed Deposit | | |
| Fixed Deposit/Mudaraba Term Deposit Receipt Account (MTDR) | 9,385,726,483 | 11,795,849,738 |
| Short Term Deposit/Mudaraba Term Deposit Receipt Account (MTDR) | 6,783,412,090 | 7,306,873,965 |
| Deposit Under Schemes/Mudaraba Scheme Deposits | 33,560,993,682 | 32,158,475,886 |
| | 49,730,132,254 | 51,261,199,589 |
| | 71,704,527,796 | 69,857,899,976 |

12.2.1 Sundry Deposit

| | | |
|---|---------------|---------------|
| Margin on Letter of Guarantee | 1,198,371,918 | 762,855,980 |
| Margin on Letter of Credit(Conventional & Islamic) | 554,885,655 | 540,155,177 |
| Margin on Bills | 121,599,351 | 120,593,954 |
| Margin on IDBC/ IDBP Collected Bills | 21,447,699 | 11,315,408 |
| Margin on Others | 147,032,640 | 164,858,265 |
| Sale Proceeds of Govt. Savings Certificates | 35,315,000 | 52,425,000 |
| Security Deposits | 3,013,027 | 3,389,173 |
| Risk Fund on Loans and Advances | 4,766,014 | 4,724,934 |
| Employees Welfare Fund | 5,646,052 | 4,448,737 |
| VAT, Excise Duty and Withholding Tax (Conventional & Islamic) | 136,996,624 | 159,147,596 |
| Value Added Tax - VAT on Utility Bills Collection | 36,542,985 | 25,584,814 |
| Sundry Creditors | 28,552,517 | 1,112,935 |
| Proceed from Lottery Sale | 500 | 700 |
| Bills/ Fees Collection-Agent Point | 31,323 | 29,769 |
| Sundry Creditors Forex EFTN TXN | 16,320,038 | 1,642,247 |
| Sundry NPSB Txn_ Dispute A/C | 2,355,492 | 833,081 |
| Sundry VISA Txn_ Dispute A/C | 45,293 | 33,114 |
| Dividend Payable | 124,659,417 | 21,626,274 |
| Sundry Txn Fees Q-Cash/NPSB/VSA for Settlement | 798 | 322 |
| Sundry Deposit-Agent Point | 100,659 | 100,659 |
| Other Sundry Deposits | 387,816,093 | 185,274,626 |
| | 2,825,499,094 | 2,057,926,894 |

12.3 Maturity Analysis of Interbank Deposit

| | | |
|-----------------------------------|---------------|---------------|
| Repayable on demand | - | - |
| Payable within 1 month | 2,500,000,000 | 600,000,000 |
| Over 1 month but within 3 months | | 900,000,000 |
| Over 3 months but within 6 months | - | 500,000,000 |
| Over 6 months but within 1 year | - | - |
| Over 1 year but within 5 years | - | - |
| Over 5 years but within 10 years | - | - |
| Over 10 years | - | - |
| | 2,500,000,000 | 2,000,000,000 |

12.4 Maturity Analysis of Other Deposit

| | | |
|-----------------------------------|----------------|----------------|
| Repayable on demand | 1,446,078,146 | 1,183,607,440 |
| Payable within 1 month | 9,377,002,662 | 10,652,466,959 |
| Over 1 month but within 3 months | 17,901,542,785 | 13,377,266,514 |
| Over 3 months but within 6 months | 15,340,133,244 | 9,072,128,987 |
| Over 6 months but within 1 year | 8,260,071,747 | 17,776,810,975 |
| Over 1 year but within 5 years | 12,878,104,297 | 12,082,373,853 |
| Over 5 years but within 10 years | 6,501,594,914 | 5,713,245,248 |
| Over 10 years | | |
| | 71,704,527,796 | 69,857,899,976 |

12.5 Demand and Time Deposits

A. Demand Deposits

Current Accounts and Other Accounts

Savings Deposits (9%)

Sundry Deposit

Foreign Currency Deposit

Deposit Under Q-Cash

M-Pay Deposit Account

Bills Payable

B. Time Deposits

Savings Deposits (91%)

Short Notice Deposits

Fixed Deposits

Deposit Under Schemes

Total Demand and Time Deposits

| at June 30,2020 | at Dec 31, 2019 |
|-----------------|-----------------|
| Taka | Taka |

| | |
|-----------------------|-----------------------|
| 6,670,508,886 | 4,038,984,453 |
| 591,917,522 | 471,483,693 |
| 2,825,540,650 | 2,057,926,894 |
| 114,252,873 | 68,313,838 |
| 6,414,605 | 7,337,524 |
| - | 19,129 |
| 5,780,817,168 | 7,185,410,848 |
| 15,989,451,704 | 13,829,476,380 |

| | |
|-----------------------|-----------------------|
| 5,984,943,838 | 4,767,224,007 |
| 6,783,412,090 | 7,306,873,965 |
| 11,885,726,483 | 13,795,849,738 |
| 33,560,993,682 | 32,158,475,886 |
| 58,215,076,092 | 58,028,423,596 |
| 74,204,527,796 | 71,857,899,976 |

| | | at June 30,2020 | at Dec 31, 2019 |
|--------------|---|-----------------------|----------------------|
| | | Taka | Taka |
| 13 | Other Liabilities | | |
| | Conventional and Islamic banking | | |
| | Accumulated Provision against unclassified Loans and Advances (Note 13.1) | 811,943,372 | 663,287,969 |
| | Accumulated Provision against Classified Loans and Advances (Note 13.2) | 841,662,637 | 846,915,130 |
| | Accumulated Provision against off Balance Sheet (OBS) items (Note 13.4) | 265,495,089 | 220,160,069 |
| | Payable to Recognized NRBC Bank Employees' Gratuity Fund (Note 13.5) | - | - |
| | Provision for diminution of Share of listed Company and Securities (Note 13.8) | 226,146,543 | 140,596,522 |
| | Accrued Interest Payable (Note 13.7) | 3,188,852,988 | 2,687,390,186 |
| | Coupon Interest Payable | 33,895,495 | 31,689,354 |
| | Current Income Tax Payable (Note 13.9) | 2,906,051,079 | 3,102,980,126 |
| | Interest Suspense of classified Loans & Advances (Note 13.11) | 601,196,218 | 471,573,179 |
| | Payable/Provision for Incentive Bonus-Employees | 61,364,396 | 61,364,396 |
| | Provision for Office Rent | 19,593,792 | 2,755,400 |
| | Provision for Telephone Bill-Office | 45,312 | 54,042 |
| | Provision for Telephone Bill-Residence | 15 | - |
| | Provision for Power and Electricity Expense | 321,856 | 614,302 |
| | Unearn Income on LDBP | 325,444 | - |
| | Compensation Account | 5,491 | - |
| | Provision for Printing Stationary | 20,538 | 20,538 |
| | Provision for Other Expenditure | 904 | 22,100 |
| | Provision for Wasa, Gas and Sewerage Bill | 15,050 | 26,485 |
| | Provision for Postage | 3,336 | 20 |
| | Apps/Mobile Banking Credit Adjustment-QR Code Settlement Account | 500 | - |
| | Payable/Provision for Ex-gratia-Security and Cleaning support Staff | 10,114,212 | 10,114,212 |
| | FC Held Against BTB Bills, EDF Loan and Others | 1,235,412,475 | 539,082,727 |
| | Audit Fees payable | 747,500 | 632,500 |
| | Social Safety Fund/Contribution | - | - |
| | Accrued Revenue for Disbursement-Cards Business | 3,522,971 | 737,328 |
| | Lease Payable for Lease Hold Property (Note 13.10) | - | - |
| | Clearing Adjustment A/C | - | - |
| | Inter Branch General Account (IBGA) Credit Balance (Note 13.12) | 8,983,517 | - |
| | | 10,215,720,730 | 8,780,016,585 |
| 13.1 | Provision against Unclassified of loans, advances and lease/investments | | |
| | Conventional and Islamic banking | | |
| | Standard including Staff loan | 480,441,562 | 417,704,065 |
| | Special Mentioned Account (SMA) | 331,501,810 | 245,583,904 |
| | | 811,943,372 | 663,287,969 |
| | i. General Provision for Standard Loans | | |
| | Provision held at the beginning of the period | 417,704,065 | 389,808,475 |
| | Add : Provision During the period | 62,737,497 | 27,895,590 |
| | | 480,441,562 | 417,704,065 |
| | ii. General provision for Special Mentioned Account (SMA) | | |
| | Provision held at the beginning of the period | 245,583,904 | 19,916,276 |
| | Add: Provision during the period | 85,917,906 | 225,667,628 |
| | | 331,501,810 | 245,583,904 |
| 13.2 | Provision against classified off loans, advances and lease/investments | | |
| | Substandard | 70,443,521 | 67,128,738 |
| | Doubtful | 33,403,934 | 25,529,720 |
| | Bad/Loss | 737,815,183 | 754,256,672 |
| | | 841,662,637 | 846,915,130 |
| 13.03 | Movement of Provision against Classified Loans and Advances/Investments | | |
| | <u>The movement in specific provision for Bad and Doubtful Debts</u> | | |
| | Provision held at the beginning of the period | 846,915,130 | 723,736,676 |
| | Less : Fully provisioned Depreciated/written off loan during the period | - | - |
| | Add: Recovery of amounts previously Depreciated /written off Loan | - | - |
| | Add: Special provision kept for the period for other Accounts | - | - |
| | Add: Transferred to general provision of Unclassified Loans | - | - |
| | Add : Transferred from general provision of Unclassified Loans | - | - |
| | Less: Recoveries and such provision which are no longer required | - | - |
| | Add: Net charge to Profit and Loss Statement (Note 36) | (5,252,493) | 123,178,454 |
| | Provision held as on 30 June, 2020 | 841,662,637 | 846,915,130 |

| at June 30,2020 | at Dec 31, 2019 |
|-----------------|-----------------|
|-----------------|-----------------|

13.4 Movement the Provision against Off Balance Sheet (OBS) items

| | | |
|---|--------------------|--------------------|
| Provision held at the beginning of the period | 220,160,069 | 160,459,933 |
| Less : Transferred to general reserve | - | - |
| Add: Provision made during the period | 45,335,020 | 59,700,136 |
| Less: Adjustment during the period | - | - |
| Provision held as on 30 June | 265,495,089 | 220,160,069 |

13.4.1 Particulars of required provisions for off balance sheet items

| Particulars | Outstanding Amount (Tk.) | % of Required Provision | Required Prov. June-2020 | Required provision 2019 |
|---|-----------------------------|----------------------------|-----------------------------|----------------------------|
| Acceptances and endorsements | 6,056,221,654 | 1.00% | 60,562,217 | 58,493,845 |
| Letters of guarantee | 14,839,387,775 | 1.00% | 148,393,878 | 104,373,786 |
| Irrevocable letters of credit | 5,653,899,444 | 1.00% | 56,538,994 | 57,292,437 |
| Bills accepted for collection | 4,556,489,192 | 0.00% | - | - |
| Required Provision | | | 265,495,089 | 220,160,069 |
| Previous Year Balance | | | 220,160,069 | 160,459,933 |
| Required charged to Profit and Loss account | | (Note-38) | 45,335,020 | 59,700,136 |

13.5 Recognized NRBC Bank Employees' Gratuity Fund

| | | |
|--|---|-----------|
| Opening Balance | - | - |
| Add: Contribution made by Bank during the year | - | 6,500,000 |
| Less: Release from Bank to the Fund | - | 6,500,000 |
| Closing Balance | - | - |

National Board of Revenue approved "NRB Commercial Bank Limited Employees' Gratuity Fund" on 21 September 2014, (Ref:08.01.0000.03502.0021.2014/322) as per clause 2, 3, 4 of Part-C of First Schedule, Income Tax Ordinance 1984. "The Trusty" will manage the fund and settle the liabilities of employees.

13.06 Provision for diminution of Share of listed Company and Securities

| | | |
|--|--------------------|--------------------|
| Opening Balance | 140,596,522 | 32,401,536 |
| Add: Provision kept for devaluation of Share value of DSE & CSE invest by Bank | 85,550,021 | 108,194,986 |
| Less: Decrease of devaluation of Share value of DSE & CSE invest by Bank | - | - |
| | 226,146,543 | 140,596,522 |
| Provision requirement for quoted and unquoted share (Annex E) | 226,146,543 | 140,596,522 |
| Provision maintained | 226,146,543 | 140,596,522 |
| Excess/(Shortfall) | - | - |

13.7 Accrued Interest/Profit Payable Conventional and Islamic banking

| | | |
|--|----------------------|----------------------|
| Interest/Profit Payable on SB A/C | 28,896 | - |
| Interest/Profit Payable on SND A/C | 241,572 | - |
| Interest Payable of FDR-Day basis | 6,824,420 | 5,884,016 |
| Interest/Profit Payable of FDR-1 month | 710,956 | 412,436 |
| Interest Payable of FDR-1 month-Agent | 10,010 | 24 |
| Interest/Profit Payable of FDR-3 months | 24,705,687 | 37,905,136 |
| Interest Payable of FDR-3 months-Agent | 20,513 | 11,400 |
| Interest/Profit Payable of FDR-6 months | 41,829,467 | 77,761,242 |
| Interest Payable of FDR-6 months-Agent | 12,233 | 39,331 |
| Interest/Profit Payable of FDR-12 months | 195,322,457 | 204,536,483 |
| Interest Payable of FDR-12 months-Agent | 489,042 | 193,138 |
| Interest Payable of FDR-24 months | 8,679,725 | 6,802,387 |
| Interest Payable of FDR-24 months-Agent | 112,671 | 90,219 |
| Interest Payable of FDR-36 months | 19,558,318 | 25,801,548 |
| Interest/Profit Payable on Deposit Under Scheme | 2,864,587,687 | 2,289,057,272 |
| Interest Payable on borrowing from Bangladesh Bank | 51,612 | 224,873 |
| Interest Payable on borrowing from Other Banks & FIs | 5,812,500 | 35,965,278 |
| Interest Payable on Repo borrowing from Other Banks & FIs | 19,138,554 | 2,349,849 |
| Interest Payable on borrowing from Call Money and Short Notice | 716,667 | 355,556 |
| | 3,188,852,988 | 2,687,390,186 |

| | at June 30,2020 | at Dec 31, 2019 |
|--|-----------------|-----------------|
| 13.8 Provision for diminution of Share of listed Company and Securities | | |
| Opening Balance | 140,596,522 | 32,401,536 |
| Add: Provision kept for devaluation of Share value of DSE & CSE invest by Bank | 85,550,021 | 108,194,986 |
| Less: Decrease of devaluation of Share value of DSE & CSE invest by Bank | - | - |
| Closing Balance | 226,146,543 | 140,596,522 |

13.9 Current Income Tax Payable

| | | |
|------------------------------------|---------------|---------------|
| Opening Balance | 3,102,980,126 | 2,147,730,763 |
| Add: Provision during the Period | 282,545,987 | 955,249,363 |
| Less: Adjustment during the period | 479,475,034 | - |
| Less: Payment | - | - |
| | 2,906,051,079 | 3,102,980,126 |

Note: 39

13.10 Deferred Tax Payable

| | | |
|-------------------------------------|--|--|
| Opening Balance | | |
| Additional Expenses during the Year | | |
| Less: Adjustment/Settlement | | |

Deductible temporary differences may be incurred due to application of different depreciation method from third schedule of ITO-1984 and classified loan loss provision. Inception of company, temporary difference in respective accounting depreciation was lesser than tax depreciation which already been revert. At the same, BRPD ciucular no 06 dated 31 July 2011 impairment of loan assets claimed for deferred tax purpose unless it will be expense while write off from Books of account and will be charge in the profit & loss account.

13.11 Movement of Interest Suspense Account:

| | | |
|---|-------------|---------------|
| Opening Balance | 471,573,179 | 156,786,910 |
| Add: Amount of Interest Transferred/credited as suspended in the Year | 141,928,629 | 1,092,418,331 |
| | 613,501,808 | 1,249,205,242 |
| Less: Amount of suspended interest Recovered during the year | 12,305,590 | 777,304,886 |
| Less: Amount of suspended interest depreciated/Waived during the year | - | 327,177 |
| | 601,196,218 | 471,573,179 |

13.12 Inter Branch General Account Balance

| | No. of Entry | | |
|---|--------------|------------|---|
| Inter Branch General Account Credit Balance | 42 | 32,624,656 | - |
| Inter Branch General Account Debit Balance | 14 | 23,641,138 | - |
| | | 8,983,517 | - |

Note: Aging of Outstanding amount of Inter Branch General account Balance is less than 01 month

13a Consolidated Other liabilities

| | | |
|---------------------------------|----------------|---------------|
| NRBC Bank Limited | 10,215,720,730 | 8,780,016,585 |
| NRBC Bank Securities Limited | 41,850,074 | 36,556,847 |
| | 10,257,570,804 | 8,816,573,432 |
| Less: Inter company transaction | 1,366,909 | 1,284,278 |
| | 10,256,203,895 | 8,815,289,154 |

| at June 30, 2020 | at Dec 31, 2019 |
|------------------|-----------------|
| Taka | Taka |

14 Share Capital

14.1 Authorized Capital

| | | |
|---|-----------------------|-----------------------|
| 100,00,00,000 ordinary shares of Taka 10 each | 10,000,000,000 | 10,000,000,000 |
|---|-----------------------|-----------------------|

14.2 Issued, Subscribed and Paid-up-Capital

| | | |
|---|----------------------|----------------------|
| 582,516,998 ordinary shares of Taka 10 each issued for cash | 5,825,169,980 | 5,710,951,240 |
|---|----------------------|----------------------|

14.3 Movement of Paid-up-Capital

| | | |
|--|----------------------|----------------------|
| Opening Balance | 5,710,951,240 | 5,145,001,340 |
| Addition during the Year by issuing Stock Dividend | 114,218,740 | 565,949,900 |
| | 5,825,169,980 | 5,710,951,240 |

** on 07 June 2020, The shareholder approved 2% stock dividend (2 Bonus Share for every 100 Shares) in the 7th AGM

14.4 Particulars of Share Capital

| Particulars | Shareholding as of 30.06.2020 | | Shareholding as of 31.12.2019 | |
|------------------------|-------------------------------|---------------|-------------------------------|---------------|
| | In Number | In Percentage | In Number | In Percentage |
| Sponsors/Promoters | 517,048,214 | 88.76% | 512,828,542 | 89.80% |
| Shareholders | 65,468,784 | 11.24% | 58,266,582 | 10.20% |
| Financial Institutions | | - | | - |
| Others | | - | | - |
| Total | - | 100.00% | 571,095,124 | 100.00% |

14.5 Movement of Paid Up Capital :

| Year | Declaration | Number of Shares | Value (TK) | Cumulative |
|------|-------------------------------|------------------|---------------|---------------|
| 2013 | Initial | 444,605,900 | 4,446,059,000 | 4,446,059,000 |
| 2014 | | - | - | 4,446,059,000 |
| 2015 | | - | - | 4,446,059,000 |
| 2016 | Bonus @3% for the Year-2015 | 13,338,177 | 133,381,770 | 4,579,440,770 |
| 2017 | Bonus @7% for the Year-2016 | 32,056,069 | 320,560,690 | 4,900,001,460 |
| 2018 | Bonus @ 5% for the Year-2017 | 24,499,988 | 244,999,880 | 5,145,001,340 |
| 2019 | Bonus @ 11% for the Year-2018 | 56,594,990 | 565,949,900 | 5,710,951,240 |
| 2020 | Bonus @ 2% for the Year-2019 | 11,421,874 | 114,218,740 | 5,825,169,980 |

14.6 Name of the Directors and their shareholdings according to Form XII :

| SL | Name of the Directors | Status | As of 30 June 2020 | | |
|----|--------------------------------|----------|--------------------|-------------|-----------|
| | | | No. of Shares held | Taka | Holding % |
| 1 | Mr. SM Tamal Parvez | Chairman | 33,025,241 | 330,252,410 | 5.67% |
| 3 | Mr. Mohammed Adnan Imam, FCCA | Director | 18,434,137 | 184,341,370 | 3.16% |
| 4 | Mr. Rafikul Islam Mia Arzoo | Director | 30,463,619 | 304,636,190 | 5.23% |
| 5 | Mr. Mohammed Oliur Rahman | Director | 24,640,199 | 246,401,990 | 4.23% |
| 6 | Mr. Abu Bakr Chowdhury | Director | 26,203,750 | 262,037,500 | 4.50% |
| 7 | Mr. Loquit Ullah | Director | 26,666,547 | 266,665,470 | 4.58% |
| 8 | Mr. Mohammed Nazim | Director | 26,725,932 | 267,259,320 | 4.59% |
| 9 | Dr. Nuran Nabi | Director | 2,620,374 | 26,203,740 | 0.45% |
| 10 | Mr. Mohammed Manzurul Islam | Director | 1,329,052 | 13,290,520 | 0.23% |
| 11 | Mr. AKM Mostafizur Rahman | Director | 19,797,295 | 197,972,950 | 3.40% |
| 12 | Mr. Abu Mohammad Saidur Rahman | Director | 18,369,486 | 183,694,860 | 3.15% |

The Board of directors represent/hold 39.19% share of the company.

14.7 Capital to Risk Weighted Assets Ratio (CRAR) - as per BASEL III for period end on June 30, 2020

In terms of section 13(2) of Banking Companies Act, 1991 and Bangladesh Bank BRPD Circular No. 07 & 18 dated March 31, 2014 and December 21, 2014 respectively, required capital based on RWA (Solo and Consolidated Basis) of the Bank are shown below:

| at June 30, 2020 | at Dec 31, 2019 |
|------------------|-----------------|
| Taka | Taka |

Core Capital/Common Equity (Tier I) (Going Concern Capital)

Fully Paid-up-Capital
Statutory Reserve
Retained Earnings
Non-Controlling Interest in Subsidiaries

| Amt in Million | Amt in Million |
|-----------------|--------------------|
| Solo Basis | Consolidated Basis |
| 5,825.17 | 5,825.17 |
| 1,585.26 | 1,585.26 |
| 619.79 | 633.14 |
| - | 41.48 |
| 8,030.22 | 8,085.05 |

Regulatory Adjustment from Tier-1 (Core Capital)

Deferred Tax Assets (DTA)
Admissible Tier-I Capital
Additional Tier-1 Capital after adjustment
Total Admissible Additional Tier-1 Capital

| | |
|-----------------|-----------------|
| 299.84 | 299.84 |
| 7,730.38 | 7,785.21 |
| - | - |
| 7,730.38 | 7,785.21 |

Tier -2 Capital (Gone-Concern Capital)

General Provision

| | |
|----------|----------|
| 1,303.59 | 1,327.42 |
|----------|----------|

Regulatory Adjustment from Tier-2

Admissible Tier-II Capital
Total Regulatory Capital (Tier I + Tier II)

| | |
|----------|----------|
| 1,303.59 | 1,327.42 |
| 9,033.96 | 9,112.63 |

A. Total Assets including off-Balance Sheet items

| | |
|------------|------------|
| 130,308.11 | 130,382.11 |
|------------|------------|

B. Total Risk-Weighted Assets (RWA)

Credit Risk on

Balance Sheet Exposure
Off Balance Sheet Exposure

| | |
|--------|--------|
| 54,932 | 54,802 |
| 9,527 | 9,527 |
| 64,459 | 64,329 |

Market Risk

Operational Risk

| | |
|---------------|---------------|
| 2,706 | 2,911 |
| 4,942 | 4,953 |
| 72,107 | 72,193 |

C. Required capital based on Risk Weighted Assets (12.5% of RWA for June 30, 2020)

| | |
|-------|-------|
| 9,013 | 9,024 |
|-------|-------|

D. Capital Surplus / (Shortfall)

| | |
|-------|-------|
| 20.59 | 88.55 |
|-------|-------|

E. Capital to Risk Weighted Assets Ratio (CRAR) (%)

| | |
|--------|--------|
| 12.53% | 12.62% |
|--------|--------|

Calculation basis of Risk Weighted Assets in the Annexure-H (A)-Solo and Annexure-H(B)-Consol Basis

Capital Requirement (Percentage of Capital on Risk-Weighted Assets)

| | Solo | | Consolidated | |
|---|----------|--------|--------------|--------|
| | Required | Held | Required | Held |
| Core Capital (Tier - I) excl. Cap. Conservation Buffer | 7.000% | 10.72% | 7.000% | 10.78% |
| Supplementary Capital (Tier II) | | 1.81% | | 1.84% |
| Total Capital to Risk Weighted Assets Ratio (CRAR) | | 12.53% | | 12.62% |
| Minimum Total Capital plus Capital Conservation Buffer for 2020 | | 12.50% | | 12.50% |
| Excess of CRAR for June 30, 2020 | | 0.03% | | 0.12% |

14.8 Capital to Risk Weighted Assets Ratio (CRAR) - as per BASEL III for period end on 31.12.2019

In terms of section 13(2) of Banking Companies Act, 1991 and Bangladesh Bank BRPD Circular No. 07 & 18 dated March 31, 2014 and December 21, 2014 respectively, required capital based on RWA (Solo and Consolidated Basis) of the Bank are shown below:

| | at June 30, 2020 Taka | at Dec 31, 2019 Taka |
|--|--------------------------------------|--|
| Core Capital/Common Equity (Tier I) (Going Concern Capital) as of 31.12.2019 | Amt in Million Solo Basis | Amt in Million Consolidated Basis |
| Fully Paid-up Capital/Funds from Head Office for the Purpose of Meeting the Capital Adequacy | 5,710.95 | 5,710.95 |
| Statutory Reserve | 1,458.84 | 1,458.84 |
| Retained Earnings | 1,015.13 | 1,025.94 |
| Dividend Equalization Account | - | - |
| Non-Controlling Interest in Subsidiaries | - | 41.20 |
| | 8,184.93 | 8,236.94 |
| Regulatory Adjustment from Tier-1 (Core Capital) | | |
| Deferred Tax Assets (DTA) | 301.71 | 301.71 |
| | 301.71 | 301.71 |
| Admissible Tier-I Capital | 7,883.21 | 7,935.22 |
| Tier -2 Capital (Gone-Concern Capital) | | |
| General Provision | 1,024.04 | 1,043.93 |
| Revaluation Reserves as on 31 December 2014 (50 % of Fixed Assets & Securities) | 17.49 | 17.49 |
| | 1,041.54 | 1,061.43 |
| Regulatory Adjustment from Tier-2 | | |
| Revaluation Reserves for Fixed Assets, Securities and Equities Securities (Phase in) | 17.49 | 17.49 |
| | 17.49 | 17.49 |
| Admissible Tier-II Capital | 1,024.04 | 1,043.93 |
| Total Regulatory Capital (Tier I + Tier II) | 8,907.26 | 8,979.16 |
| A. Total Assets including off-Balance Sheet items | 117,526.28 | 117,635.46 |
| B. Total Risk-Weighted Assets (RWA) | | |
| Credit Risk on | | |
| Balance Sheet Exposure | 50,910.51 | 50,845.74 |
| Off Balance Sheet Exposure | 8,254.66 | 8,254.66 |
| | 59,165.17 | 59,100.40 |
| Market Risk | 2,354.53 | 2,455.51 |
| Operational Risk | 4,942.50 | 4,962.80 |
| | 66,462.20 | 66,518.71 |
| C. Required capital based on Risk Weighted Assets (12.50% of Total RWA for 2019) | 8,307.77 | 8,314.84 |
| D. Capital Surplus / (Shortfall) | 599.48 | 664.32 |
| (E) Capital to Risk Weighted Assets Ratio (CRAR) (%) | 13.40% | 13.50% |

Capital Requirement (Percentage of Capital on Risk-Weighted Assets)

| | Solo | | Consolidated | |
|--|----------|--------|--------------|--------|
| | Required | Held | Required | Held |
| Core Capital (Tier - I) plus Cap. Conservation Buffer | 7.000% | 11.86% | 7.000% | 11.93% |
| Supplementary Capital (Tier II) | | 1.54% | | 1.57% |
| Total Capital to Risk Weighted Assets Ratio (CRAR) | | 13.40% | | 13.50% |
| Minimum Total Capital plus Capital Conservation Buffer for 2019 | | 12.50% | | 12.50% |
| Excess of CRAR for 2019 | | 0.90% | | 1.00% |

15 Statutory Reserve

| | at June 30, 2020 | at Dec 31, 2019 |
|--|----------------------|----------------------|
| | Taka | Taka |
| Opening Balance at the beginning of the period | 1,458,843,141 | 1,050,341,869 |
| Add: Addition during the year * | 126,414,927 | 408,501,272 |
| Add./less Adjustment for Foreign Exchange Rate Fluctuation | - | - |
| Closing Balance at the end of the period | 1,585,258,068 | 1,458,843,141 |

* As per Section-24 of Banking Companies Act 1991, 20% of Pre Tax Profit has been transferred to statutory Account

16 Other Reserve:

| | | |
|---|-------------------|------------------|
| General Reserve (Note 16.1) | - | - |
| Assets Revaluation Reserve (Note 16.2) | - | - |
| Investment Revaluation Reserve (Note 16.3) | 32,038,821 | 5,009,947 |
| Foreign Currency Translation Gain/ (Loss) (Note 16.4) | - | - |
| | 32,038,821 | 5,009,947 |

16.1 General Reserve

| | | |
|--|-----|---|
| Opening Balance at the beginning of the period | - | - |
| Add: Addition during the year | (+) | - |
| Closing Balance at the end of the period | - | - |

As per rule, Bonus Share/ Cash Dividend may be issued out of surplus of the profit of the year. If there is any short fall, that may be covered from General Reserve Account as per approval of Board of Directors of the Bank.

16.2 Assets Revaluation Reserve

| | | |
|--|-----|---|
| Opening Balance at the beginning of the period | - | - |
| Add: Addition during the year | (+) | - |
| Less : Adjustment during the year | (-) | - |
| Closing Balance at the end of the period | - | - |

16.3 Investment Revaluation Reserve:

Revaluation Reserve for HFT Securities (a)

| | | |
|--|-------------------|----------------|
| Opening Balance at the beginning of the period | 977,534 | 8,779,800 |
| Add: Addition during the year | (+) | 29,737,584 |
| Less : Adjustment during the year | (-) | - |
| Closing Balance at the end of the period | - | 7,802,266 |
| | 30,715,118 | 977,534 |

Revaluation Reserve for HTM Securities (b)

| | | |
|--|------------------|------------------|
| Opening Balance at the beginning of the period | 4,032,413 | 2,165,529 |
| Add: Addition during the year | (+) | - |
| Less : Adjustment during the year | (-) | 1,866,884 |
| Closing Balance at the end of the period | 2,708,710 | - |
| | 1,323,703 | 4,032,413 |

Total Revaluation Reserve for HFT & HTM Securities (a+b)

| | |
|-------------------|------------------|
| 32,038,821 | 5,009,947 |
|-------------------|------------------|

16.4 Foreign Currency Translation Gain/ (Loss)

| | | |
|--|-----|---|
| Opening Balance at the beginning of the period | - | - |
| Add: Addition during the year | (+) | - |
| Closing Balance at the end of the period | - | - |

16a Consolidated Other Reserve:

| | | |
|------------------------------|-------------------|------------------|
| NRBC Bank Limited | 32,038,821 | 5,009,947 |
| NRBC Bank Securities Limited | - | - |
| | 32,038,821 | 5,009,947 |

17 Retained Earnings/Movement of Profit and Loss Account

| | at June 30, 2020 | at Dec 31, 2019 |
|--|-----------------------|-----------------------|
| | Taka | Taka |
| Opening Balance | 1,015,131,111 | 841,318,178 |
| Add: Post-Tax Profit during the period | (+) 359,281,241 | 1,148,264,352 |
| Less: Transfer to Statutory Reserve | (-) 126,414,927 | 408,501,272 |
| Less: Cash Dividend | (-) 513,985,612 | |
| Less: Stock Dividend | (-) 114,218,740 | 565,949,900 |
| Less: Payment the Fraction of share to shareholder | (-) 285 | 247 |
| Less: Transfer to General Reserve | (-) - | - |
| Add/(Less): Foreign Exchange Translation Loss | (-) - | - |
| | 619,792,789 | 1,015,131,111 |
| 17a Retained Earnings/Movement of Profit and Loss Account | | |
| NRBC Bank Limited | 619,792,789 | 1,015,131,111 |
| NRBC Bank Securities Limited | 14,828,324 | 12,009,932 |
| | 634,621,112 | 1,027,141,043 |
| Less: Minority Interest | 1,482,832 | 1,200,993 |
| | 633,138,280 | 1,025,940,050 |
| 17b Non-Controlling Interest | | |
| NRBC Bank Securities Limited: | | |
| Equity Capital of Minority Group | 40,000,000 | 40,000,000 |
| Add: Retained Earning/(Loss) | 1,482,832 | 1,200,993 |
| | 41,482,832 | 41,200,993 |
| 18 Contingent liabilities | 32,494,350,241 | 27,408,198,566 |
| 18.1 Acceptances and Endorsements | | |
| Accepted Bills Against BTB LC - Local | 2,709,595,592 | 2,604,659,444 |
| Accepted Bills Against BTB LC - Foreign | 750,776,669 | 732,475,975 |
| Customer Liability agst EDF Fund | 283,644,352 | 173,991,958 |
| Accepted Bills Against BTB LC EPZ | 1,212,502,176 | 1,361,204,000 |
| Accepted Bills Against LC Cash | 2,312,205,041 | 2,338,257,148 |
| | 7,268,723,830 | 7,210,588,526 |
| 18.2 Letters of Guarantee | | |
| Money for which the Bank is in contingently liable in respect of guarantees issued in favour of: | | |
| Directors | - | - |
| Government | - | - |
| Banks and other Financial Institutions | - | - |
| Others (Note 18.2a) | 14,839,387,775 | 10,437,378,649 |
| | 14,839,387,775 | 10,437,378,649 |
| 18.2a Letters of Guarantee -Others | | |
| Shipping Guarantee Against Cash LC-Sight | 63,966,621 | 69,932,304 |
| Bid Bond Local | 931,638,837 | 843,212,744 |
| Performance Guarantee Local | 10,064,636,849 | 6,653,257,460 |
| Advance Payment Guarantee Local | 3,779,145,469 | 2,870,976,141 |
| Shipping Guarantee agst. BTB LC | - | - |
| Performance Guarantee Foreign | - | - |
| | 14,839,387,775 | 10,437,378,649 |
| 18.3 Irrevocable Letters of Credit | 5,653,899,444 | 5,729,243,714 |
| 18.4 Bills For Collection | 4,556,489,192 | 4,030,987,678 |
| 18.5 Liability for Sale of Govt. Securities | 175,850,000 | 175,850,000 |
| 18.6 Workers' profit participation fund (WPPF) | | |

As per Bangladesh Labour Act 2006 and SRO no. 336/Law/2010, all companies falling within the scope of WPPF are required to provide 5% of its

profit before charging such expense to their eligible employees within the stipulated time. Bank and Financial Institution Division, Ministry of Finance, vide their letter no.53.00.0000.311.22.002.17.130 dated 14 February 2017 opined that Chapter 15 "Participation in company Profit by Worker" of Bangladesh Labor Act, 2006 and amendment made in the July 22, 2013, is not applicable for Bank & Financial Institution. As such the Bank did not make any provision for WPPF.

19 Income statement

Income :

Interest, discount and similar income (Note-19.1)
Dividend income (Note-22)
Fees, commission and brokerage (Note-23)
Gains less losses arising from dealing in securities (Note-19.2)
Other operating income (Note-24)

| at June 30, 2020 | at Dec 31, 2019 |
|----------------------|----------------------|
| Taka | Taka |
| 4,098,226,532 | 3,590,685,849 |
| 1,578,115 | 8,749,484 |
| 404,618,418 | 272,970,762 |
| 223,744,264 | 15,186,733 |
| 105,770,004 | 90,915,869 |
| 4,833,937,334 | 3,978,508,697 |

Expenses :

Interest / profit paid on deposits, borrowings, etc. (Note-21)
Losses on loans, advances and lease/ investments
Administrative expenses (Note-19.3)
Other operating expenses (Note-35)
Depreciation on banking assets (Note-34)

| | |
|----------------------|----------------------|
| 2,570,585,411 | 2,032,920,024 |
| - | - |
| 1,034,197,843 | 822,218,478 |
| 246,277,193 | 156,028,680 |
| 76,514,299 | 73,203,625 |
| 3,927,574,746 | 3,084,370,806 |

19.1 Interest, discount and similar income

Interest Income (Note 20)
Interest on Treasury Bills (Note:22)
Interest Income Money at Call (Note:22)
Interest on Treasury Bonds (Note:22)
Interest on Coupon Bonds (Note:22)
Interest on Reverse Repo (Note:22)
Interest on Zero Coupon Bonds
Interest on Bangladesh Bank Bill (Note:22)
Gain on Sale of Assets, Properties and Others

| | |
|----------------------|----------------------|
| 3,377,293,440 | 3,207,022,690 |
| 38,797,059 | 4,974,060 |
| 23,883,247 | 27,128,268 |
| 657,445,320 | 318,721,573 |
| 775,000 | 54,260 |
| 32,466 | - |
| - | - |
| - | 32,784,997 |
| - | - |
| 4,098,226,532 | 3,590,685,849 |

19.2 Gains less losses arising from dealing in securities

Gain on Sale of Shares and Securities listed with DSE/CSE (Note:22)
Gain on Sale of Bonus Shares listed with DSE/CSE (Note:22)
Gain on Sale of Approve Govt. Securities (Note : 22)

| | |
|--------------------|-------------------|
| - | - |
| - | 160,246 |
| 223,744,264 | 15,026,487 |
| 223,744,264 | 15,186,733 |

Less : losses arising from dealing in securities

19.3 Administrative expenses

Salaries and Allowances (Note : 25)
Rent, Taxes, Insurance, Electricity, etc. (Note : 26)
Regulatory and Legal expenses (Note : 27)
Postage, Stamps, Telecommunication, etc (Note : 28)
Stationery, Printing, Advertisement, etc (Note : 29)
Chief Executive's salary and fees (Note : 30)
Directors' Fees & Meeting Expenses (Note : 31)
Auditors' Fees (Note : 32)
Purchased of Spares parts/Accessories for Replacement of Banks Assets(Note: 34)
Repairs of Bank's Assets (Note : 34)

| | |
|----------------------|--------------------|
| 769,700,151 | 583,947,944.90 |
| 142,808,648 | 147,954,015.22 |
| 318,796 | 1,113,819.75 |
| 18,521,008 | 16,290,855.66 |
| 81,743,761 | 52,309,743.71 |
| 5,162,854 | 8,130,000.00 |
| 4,592,793 | 4,374,090.00 |
| 172,500 | - |
| 9,475,131 | 6,386,667.86 |
| 1,702,201 | 1,711,340.40 |
| 1,034,197,843 | 822,218,478 |

| | Jan'20-Jun'20 Taka | Jan'19-June'19 Taka |
|--|-----------------------|------------------------|
| 20 Interest Income/profit on investments | | |
| <u>Interest/Profit on Loans and Advances:</u> | | |
| Loans and Advances | 3,297,041,305 | 3,053,624,759 |
| Bills Purchased and Discounted | 13,766,435 | 17,314,357 |
| | 3,310,807,740 | 3,070,939,116 |
| <u>Interest on:</u> | | |
| Bangladesh Bank | - | - |
| Foreign and Domestic Bank & Financial Institutions in Foreign Currency (FCY) | - | 20,151,239 |
| Bank & Financial Institutions in Local Currency (FCY) | 283,166 | - |
| Bank & Financial Institutions in Local Currency (LCY) | 66,202,534 | 115,932,335 |
| | 66,485,700 | 136,083,574 |
| | 3,377,293,440 | 3,207,022,690 |
| 20.1 Product wise Interest/profit on investments | | |
| Interest Income on Overdraft | 741,122,156 | 661,565,195 |
| Interest Income-Term Loan | 511,135,734 | 401,462,907 |
| Interest Income-Lease Finance | 33,589,115 | 34,711,621 |
| Interest Income-Hire Purchase | 120,947,825 | 107,188,643 |
| Profit received from Bai-Murabaha | 13,289 | - |
| Profit from Hire Purchase Shirkatul Meelk (HPSM) | 85,925 | - |
| Interest Income-Time Loan | 496,491,433 | 478,869,202 |
| Interest Income from Home Loan | 25,712,262 | 8,912,519 |
| Interest Income-LTR | 175,837,995 | 143,252,554 |
| Interest Income-Packing Credit | 31,446,900 | 24,225,678 |
| Interest Income-EDF Loan | 7,749,926 | 10,775,503 |
| Interest Income - SME Credit | 349,112,755 | 293,928,232 |
| Interest Income Consumer Loan | 76,835,975 | 47,153,788 |
| Interest Income from Agricultural Credit | 27,329,056 | 32,532,756 |
| Interest Income from Construction Finance | 153,990,383 | 184,284,611 |
| Interest Income from PAD | 20,033,044 | 5,569,521 |
| Interest Income from Staff Loan | 7,564,230 | 6,807,742 |
| Interest Income from Micro Credit | 5,662 | - |
| Interest Income from Cash Credit Hypo | 518,037,639 | 612,384,287 |
| | 3,297,041,305 | 3,053,624,759 |
| Profit Rcvd. from Bills Purchased and Discounted | 228,407 | - |
| Interest Income from Documentary Bill Purchase | 13,538,029 | 17,314,357 |
| | 3,310,807,740 | 3,070,939,116 |
| 20a Consolidated Interest Income/Profit on investments | | |
| NRBC Bank Limited | 3,377,293,440 | 3,207,022,690 |
| NRBC Bank Securities Limited | 10,031,409 | 6,140,837 |
| | 3,387,324,850 | 3,213,163,528 |
| Less: Inter company transaction | 3,031,351 | 622,811 |
| | 3,384,293,499 | 3,212,540,717 |
| 21 Interest Paid/profit shared on Deposits and Borrowings, etc. | | |
| Interest Paid on Deposits (Note 21.1) | 2,309,782,504 | 1,850,122,329 |
| Interest Paid on Borrowings (Note 21.2) | 260,802,907 | 182,797,695 |
| | 2,570,585,411 | 2,032,920,024 |
| 21a Consolidated Interest Paid/Profit shared on Deposits and Borrowings, etc. | | |
| NRBC Bank Limited | 2,570,585,411 | 2,032,920,024 |
| NRBC Bank Securities Limited | 2,948,720 | 45,945 |
| | 2,573,534,131 | 2,032,965,969 |
| Less: Inter company transaction | 3,031,351 | 622,811 |
| | 2,570,502,780 | 2,032,343,158 |

| | Jan'20-Jun'20 Taka | Jan'19-June'19 Taka |
|---|-----------------------|------------------------|
| 21.1 Interest Paid/Profit shared on Deposits | | |
| Current Account | 10,103,076 | 5,104,276 |
| Sohoj Sonchoy | 27,759,388 | 17,986,908 |
| Savings Account/Mudaraba Savings Deposit (MSDA) [Customer] | 55,481,663 | 43,947,458 |
| Savings Account [Staff] | 902,027 | |
| Special Notice Deposits (SND)/ Mudaraba Savings Deposit (MSDA) | 135,999,819 | 155,497,939 |
| Fixed/Mudaraba Deposit Receipts | 447,271,249 | 440,379,004 |
| Schemes/Mudaraba Scheme Deposits | 1,632,265,282 | 1,187,206,744 |
| | 2,309,782,504 | 1,850,122,329 |
| 21.2 Interest Paid on Borrowings | | |
| Interest Paid on Borrowing from Bangladesh Bank | 7,166,239 | - |
| Interest Paid on USD Borrowings | 521,500 | |
| Interest Paid on Call and Short Notice borrowing | 54,298,875 | 16,468,264 |
| Interest Paid for REPO Borrowed from Other Banks and FIs | 111,047,625 | 4,483,375 |
| Interest Paid for Refinance from Bangladesh Bank | 37,240 | 539,427 |
| Interest Paid on Other Bank Deposit | 50,566,781 | 120,239,167 |
| Interest Paid on Secondary Security Purchased | 37,164,649 | 41,067,463 |
| | 260,802,907 | 182,797,695 |
| 22 Investment Income | | |
| <u>Conventional and Islamic banking</u> | | |
| Interest on Treasury Bills | 38,797,059 | 4,974,060 |
| Interest Income Money at Call | 23,883,247 | 27,128,268 |
| Interest on Treasury Bond | 657,445,320 | 318,721,573 |
| Interest on Coupon Bond | 775,000 | 54,260 |
| Interest on Reverse Repo | 32,466 | - |
| Interest on Bangladesh Bank Bill | - | 32,784,997 |
| Dividend Income | 1,578,115 | 8,749,484 |
| Gain from Investment in Share and Debenture | - | 160,246 |
| Gain on Sale of Approve Govt. Securities | 223,744,264 | 15,026,487 |
| | 946,255,471 | 407,599,376 |
| 22a Consolidated Investment income | | |
| NRBC Bank Limited | 946,255,471 | 407,599,376 |
| NRBC Bank Securities Limited | 7,953,790 | 5,775,842 |
| | 954,209,261 | 413,375,218 |
| Less: Inter company transaction | - | - |
| | 954,209,261 | 413,375,218 |
| 23 Commission, Exchange and Brokerage | | |
| <u>Conventional and Islamic banking</u> | | |
| Commission on Letter of Credit including BTB Letter of Credit | 52,248,816 | 53,719,301 |
| Commission on Bank Guarantee | 109,382,493 | 71,818,411 |
| Commission on Export Bills | 2,784,994 | 3,099,667 |
| Commission on Accepted Bill including BTB Letter of Credit | 40,223,398 | 41,041,100 |
| Commission on Clean (FBP/IBP Purchased) Bill | 577,502 | 215,095 |
| Commission on Remittance including Foreign Remittance | 9,036,153 | 5,396,838 |
| Commission on Sale of FC Cash | 40,775 | 71,500 |
| Commission from Other Services | 127,443 | 132,326 |
| Underwriting Commission for selling of Govt. Securities | 2,134 | 122,003 |
| Commission on Agent Banking | 54,069 | 38,904 |
| Exchange gain for Trading of Foreign Currency through Export, Import, dealing, remittance (Net) | 190,140,641 | 97,315,617 |
| | 404,618,418 | 272,970,762 |

Commission income arises on service provided by the bank recognized on a cash basis. Commission charged the Customer on Letter of Credit and letter of Guarantee are credited to income at the time of effecting the transaction.

23a Consolidated Commission, Exchange and Brokerage

| | Jan'20-Jun'20 Taka | Jan'19-June'19 Taka |
|---|-----------------------|------------------------|
| <u>Conventional and Islamic banking</u> | | |
| NRBC Bank Limited | 404,618,418 | 272,970,762 |
| NRBC Bank Securities Limited | 6,094,200 | 11,212,311 |
| | 410,712,619 | 284,183,073 |
| Less: Inter company transaction | 525,683 | 1,348,814 |
| | 410,186,936 | 282,834,259 |
| 24 Other Operating Income | | |
| <u>Conventional and Islamic banking</u> | | |
| Service Charges and Fees | 29,554,432 | 18,921,446 |
| Locker Rental Income | 359,000 | 245,000 |
| Online Transaction Commission | 1,081,871 | 729,700 |
| Income from Card Services | 7,925,469 | 3,169,112 |
| Brokerage House Income | 123,610 | 400 |
| Trade Finance Fees & Charges | 52,155,647 | 56,656,920 |
| Miscellaneous Earnings | 14,569,975 | 11,193,292 |
| | 105,770,004 | 90,915,869 |
| 24a Consolidated Other Operating Income | | |
| NRBC Bank Limited | 105,770,004 | 90,915,869 |
| NRBC Bank Securities Limited | 286,881 | 449,949 |
| | 106,056,885 | 91,365,818 |
| Less: Inter company transaction | - | - |
| | 106,056,885 | 91,365,818 |
| 25 Salaries and Allowances | | |
| Basic Salary | 269,782,500 | 193,213,594 |
| Festival Bonus | 40,100,960 | 28,958,000 |
| Incentive (Recovery/Campaign) Bonus | 367,829 | - |
| Leave Encashment/Retirement/Service benefit on Resignation from bank | 17,992,822 | 14,388,819 |
| Contributed to Recognized NRBC Employees' Gratuity Fund Payment/Expense | - | 20,000,000 |
| Bank Contribution To Recognized NRBC Employees' Provident Fund | 19,926,873 | 15,955,957 |
| House Furnishing Cost/Furniture Allowance & Leave Fare Assistance | 43,996,075 | 36,779,050 |
| Contractual Salary | 5,313,724 | 9,010,793 |
| Salary of Security and support Staff | 75,052,014 | 51,633,188 |
| Exgratia/Bonus of Security and support Staff | 4,754,834 | 4,858,362 |
| Special COVID-19 Duty Allowance during Holiday | 15,000,000 | - |
| Allowances | 277,412,520 | 209,150,182 |
| | 769,700,151 | 583,947,945 |
| 25a Consolidated Salaries and Allowances | | |
| NRBC Bank Limited | 769,700,151 | 583,947,945 |
| NRBC Bank Securities Limited | 10,564,043 | 7,730,098 |
| | 780,264,194 | 591,678,043 |
| Less: Inter company transaction | - | - |
| | 780,264,194 | 591,678,043 |
| 26 Rent, Taxes, Insurance, Electricity, etc. | | |
| Office and Garage Rent (Note : 26.1) | 117,634,756 | 109,995,069 |
| Rates, Taxes and Duties (Note : 26.2) | 1,344,388 | 1,625,714 |
| Insurance Expenses including DMB Insurance to BB (Note : 26.3) | 2,635,588 | 15,629,208 |
| Electricity and Utility Expenses (WASA/Water Supply by Div./Purasuva) | 21,193,917 | 20,704,025 |
| | 142,808,648 | 147,954,015 |

26.1 Office and Garage Rent

| | Jan'20-Jun'20 Taka | Jan'19-June'19 Taka |
|---------------------------------|-----------------------|------------------------|
| Office Rent -Branch &HO | 110,726,706 | 109,955,569 |
| Office Rent -Sub-Branch | 6,188,799 | - |
| Office Rent -ATM | 666,750 | - |
| Office Rent - Godown/Store Room | 2,500 | 39,500 |
| Garage Rent for Car Parking | 50,000 | - |
| | <u>117,634,756</u> | <u>109,995,069</u> |

* In addition to note 2.2 regarding Departure of IFRS -16, According to lease agreement with landlord for office premises, termination clause is maximum 06 months period referred to the right of use of the assets become fall below 12 months, hence lease liability will be questioned. Depreciation and interest expense will be charge in the Profit and Loss account if we comply the IFRS - 16 and, none of the expenses, are not subject to Tax and VAT as per acts.

26.2 Rates, Taxes and Duties

| | | |
|--|------------------|------------------|
| Trade/Gun License and Patent Right Tax | 433,426 | 615,315 |
| Holding, Municipality, Sign Board Tax | 140,812 | 103,813 |
| Vehicle Registration, Tax token, Fitness, etc. | 36,822 | 77,775 |
| Toll and Parking Tax/Charge | 304,725 | 217,811 |
| Excise/Supplementary Duty | 422,803 | 610,000 |
| NBR Fees & Charge (Tax and VAT) | 1,000 | 1,000 |
| Other Rates and Taxes | 4,800 | - |
| | <u>1,344,388</u> | <u>1,625,714</u> |

26.3 Insurance Expenses including DMB Insurance to BB

| | | |
|--|------------------|-------------------|
| Deposit Money Insurance to Bangladesh Bank | - | 12,990,697 |
| Central Insurance Policy (Cash in safe, Counter & Transit) | 1,835,842 | 1,733,540 |
| Vehicle Insurance Premium | 208,575 | 413,039 |
| Fixed Assets Insurance Premium | 591,171 | 491,932 |
| | <u>2,635,588</u> | <u>15,629,208</u> |

26a Consolidated Rent, Taxes, Insurance, Electricity, etc.

| | | |
|---------------------------------|--------------------|--------------------|
| NRBC Bank Limited | 142,808,648 | 147,954,015 |
| NRBC Bank Securities Limited | 1,131,922 | 2,386,912 |
| | <u>143,940,570</u> | <u>150,340,927</u> |
| Less: Inter company transaction | - | - |
| | <u>143,940,570</u> | <u>150,340,927</u> |

27 Legal, Regulatory Fees and Documentation Expense

| | | |
|--|----------------|------------------|
| Consultancy/Professional Fees and Charges | 268,346 | 417,806 |
| Lawyer Fees and Charge | 14,950 | 415,000 |
| Power of Attorney/Court Fees with Stamp Charge | 35,500 | 176,000 |
| RJSC & SEC fees | - | 93,014 |
| DSE and CDBL Fees | - | 12,000 |
| | <u>318,796</u> | <u>1,113,820</u> |

27a Consolidated Legal, Regulatory Fees and Documentation Expense

| | | |
|---------------------------------|----------------|------------------|
| NRBC Bank Limited | 318,796 | 1,113,820 |
| NRBC Bank Securities Limited | 50,600 | - |
| | <u>369,396</u> | <u>1,113,820</u> |
| Less: Inter company transaction | - | - |
| | <u>369,396</u> | <u>1,113,820</u> |

28 Postage, Stamps, Telecommunication, etc

| | | |
|---|-------------------|-------------------|
| Stamps and Cartridge Cost | 58,453 | 50,598 |
| Govt. Postal/Registered Postal Service Charge | 73,085 | 16,982 |
| Courier Charges | 2,127,256 | 1,400,474 |
| Telephone and Mobile Expenses | 3,926,188 | 4,138,952 |
| SWIFT, Internet & WIFI Expense and WAN(Link) Connection Charges | 12,336,026 | 10,683,850 |
| | <u>18,521,008</u> | <u>16,290,856</u> |

28a Consolidated Postage, Stamps, Telecommunication, etc

| | Jan'20-Jun'20 Taka | Jan'19-June'19 Taka |
|---|-----------------------|------------------------|
| NRBC Bank Limited | 18,521,008 | 16,290,856 |
| NRBC Bank Securities Limited | 295,549 | 479,531 |
| | 18,816,557 | 16,770,387 |
| Less: Inter company transaction | - | - |
| | 18,816,557 | 16,770,387 |
| 29 Stationery, Printing, Advertisement, etc | | |
| Stationery and Printing Expenses [Note:29.01] | 20,280,271 | 11,339,150 |
| Advertisement and Sponsorship Expense [Note:29.02] | 11,467,601 | 9,714,625 |
| Computer Expenses including Toner, Ribbon, Other Computer Expenses [Note:29.03] | 49,995,889 | 31,255,969 |
| | 81,743,761 | 52,309,744 |
| 29.1 Stationery and Printing Expenses | | |
| Printing Stationery (Expense) | 2,028,166 | 1,749,274 |
| Security Papers/ Stationery (Expense) | 9,884,777 | 3,817,532 |
| Office Stationery (Expense) | 7,824,603 | 5,431,330 |
| Crockeries and Utensils Expense | 272,819 | 244,743 |
| Electric Bulbs/Tube and Wire Expense | 269,908 | 96,272 |
| | 20,280,271 | 11,339,150 |
| 29.2 Advertisement and Sponsorship Expense | | |
| Advertisement in News Papers and Magazine Exp. | 5,148,651 | 5,109,775 |
| Advertisement in Radio, Television and Online Media | 3,530,500 | 690,900 |
| Souvenir/ Calendar / Dairy | 2,607,500 | 3,908,500 |
| Hoarding & Neon Sign | 6,450 | 2,450 |
| Advertisement In Newspapers, Radio and Television Through Media Agent | 2,000 | 3,000 |
| Sponsorship of Program, event and Sports | 172,500 | - |
| | 11,467,601 | 9,714,625 |
| 29.3 Computer and Software related Expense | | |
| Computer Papers/Stationeries | 2,360 | 131,422 |
| Toner, Ribbon, Printer Ink Expenses | 3,595,606 | 2,714,639 |
| CBS Annual Maintenance Expense | 5,692,499 | 5,368,972 |
| Data Base Software Annual Maintenance Expense | - | 11,900,000 |
| Software (Other) Maintenance Cost/Expense | 3,417,901 | 3,248,490 |
| DC and DRC Maintenance Expense | 1,000,000 | 1,500,000 |
| Parts purchased (Replacement) for DC and DRC | - | 600,440 |
| Other IT Enable Expenses | 36,287,523 | 5,792,006 |
| | 49,995,889 | 31,255,969 |
| 29a Consolidated Stationery, Printing, Advertisement, etc | | |
| NRBC Bank Limited | 81,743,761 | 52,309,744 |
| NRBC Bank Securities Limited | 166,905 | 428,325 |
| | 81,910,666 | 52,738,068 |
| Less: Inter company transaction | - | - |
| | 81,910,666 | 52,738,068 |
| 30 Chief Executive's salary and fees | | |
| Basic Salary | 2,897,097 | 4,550,000 |
| Festival Bonus | 500,000 | 650,000 |
| Allowances | 1,765,757 | 2,930,000 |
| | 5,162,854 | 8,130,000 |
| 31 Directors' Fees & Meeting Expenses | | |
| Directors' Fees | 554,400 | 506,000 |
| Directors' Haulage and Travel (BB Circular) | 3,622,517 | 3,157,229 |
| Directors Meeting Stationery Expense | 29,230 | 29,027 |
| Board Meeting Expenses including refreshment and Tips to the Drivers | 386,646 | 681,834 |
| | 4,592,793 | 4,374,090 |

Each Director is entitled to get honorium@Tk.8000 & travelling expenses at actual for attending meeting of the board of directors as per BRPD Circular Letter #11 dated October 04, 2015. There were no other financial benefits provided to the Directors of the Bank.

31a Consolidated Directors' Fees & Meeting Expenses

| | Jan'20-Jun'20 Taka | Jan'19-June'19 Taka |
|---|-----------------------|------------------------|
| NRBC Bank Limited | 4,592,793 | 4,374,090 |
| NRBC Bank Securities Limited | 71,591 | 32,500 |
| | 4,664,384 | 4,406,590 |
| Less: Inter company transaction | - | - |
| | 4,664,384 | 4,406,590 |
| 32 Auditors' Fees | | |
| Statutory | 172,500 | - |
| Others | - | - |
| | 172,500 | - |
| 32a Consolidated Auditors' Fees | | |
| NRBC Bank Limited | 172,500 | - |
| NRBC Bank Securities Limited | - | - |
| | 172,500 | - |
| 33 Charges on Loan Losses | | |
| Loan-written off | - | - |
| Interest waived | - | - |
| | - | - |
| 34 Depreciation and Repairs of Bank's Assets | | |
| <u>Conventional and Islamic banking</u> | | |
| Purchased of Spares parts/Accessories for Replacement of Banks Assets (a): | | |
| Items purchased for Replacement of Land, Building and Construction | 30,830 | 42,360 |
| Items/Accessories purchased (Replacement) for Furniture and Fixtures | 2,381,924 | 1,049,576 |
| Parts purchased (Replacement) for Equipment & Machineries | 3,010,138 | 2,766,656 |
| Items/Accessories purchased (Replacement) for Rented Premises | 495,496 | 232,489 |
| Electricity Connection Fee, Installation & Replacement | 1,104,894 | 852,760 |
| Telephone Connection Fee, Installation & Replacement | 45,769 | 14,990 |
| Domain/Internet Connection Fee & Installment | 1,800 | - |
| Parts/Accessories purchased (Replacement) for Computer and Computer Equipment | 588,399 | 303,365 |
| Parts/Accessories purchased (Replacement) for Vehicles | 1,812,779 | 1,114,423 |
| Parts purchased (Replacement) for Plant | - | 3,000 |
| Domain/Internet Connection Fee & Installment | - | 2,999 |
| Parts purchased (Replacement) for Premises | 3,102 | 4,050 |
| | 9,475,131 | 6,386,668 |
| Repair, Renovation & Maintenance of Bank's Assets (b): | | |
| Repair and Maintenance for Furniture and Fixtures | 180,063 | 481,591 |
| Repair and Maintenance for Equipment & Machineries | 1,057,045 | 815,496 |
| Repair and Maintenance for Rented Premises | 127,387 | 88,586 |
| Repair and Servicing of Computer and Computer Equipment | 66,455 | 24,405 |
| Repair and Servicing of Vehicles | 271,251 | 301,262 |
| | 1,702,201 | 1,711,340 |
| <u>Depreciation of Bank's Assets-Own Assets (c) *:</u> | | |
| Land, Building and Construction | - | - |
| Furniture & Fixtures | 23,315,605 | 17,697,808 |
| Equipment and Machinery | 28,193,655 | 30,963,309 |
| Computer and Computer Equipment | 9,756,675 | 8,667,502 |
| Intangible Assets/Bangladesh Made Computer Software | 12,285,033 | 12,755,023 |
| Vehicle | 2,963,332 | 3,118,332 |
| Books | - | 1,648 |
| | 76,514,299 | 73,203,622 |
| *Depreciation has been charged from the month of purchased | | |
| Total [a+b+c+d] | 87,691,630 | 81,301,633 |
| 34a Consolidated Depreciation and Repairs | | |
| NRBC Bank Limited | 87,691,630 | 81,301,633 |
| NRBC Bank Securities Limited | 955,168 | 1,678,411 |
| | 88,646,799 | 82,980,044 |

| | Jan'20-Jun'20 Taka | Jan'19-June'19 Taka |
|--|-----------------------|------------------------|
| Less: Inter company transaction | - | - |
| | 88,646,799 | 82,980,044 |
| 35 Other Expenses | | |
| Bank Charges (Note: 35.1) | 2,204,298 | 1,464,204 |
| Donation/Contribution and Corporate Social Responsibility (CSR) | 36,913,500 | 9,375,400 |
| Car, Vehicles and helicopters Expenses (Note: 35.2) | 9,653,706 | 2,864,411 |
| Brokerage/Commission to Bank/FIs/Share Trading Co. (Note: 35.3) | 212,864 | 643,162 |
| Training & Internship Allowances (Note: 35.4) | 1,530,712 | 2,821,507 |
| Annual Subscription/Membership Fees-Regulatory/Govt./Institutions/Others | 4,857,383 | 3,011,790 |
| Entertainment and other Expenses (Note: 35.5) | 4,460,085 | 6,822,018 |
| Travelling Expenses (Inland & Foreign) for official purpose (Note: 35.6) | 4,127,471 | 3,514,538 |
| Conveyance, Labor, Carriage and Freight Expense (Note: 35.7) | 3,220,520 | 3,350,458 |
| Development and Publicity (Note: 35.8) | 6,981,518 | 8,862,569 |
| Liveries and Uniforms payment /Expense for Support Staff | 137,090 | 48,728 |
| First Aid/Medical Expenses | 12,534 | 443,879 |
| Newspaper, Magazine and Periodicals | 299,699 | 342,543 |
| Manpower/Security Service Providers Commission & Charge (Note: 35.9) | 26,382,490 | 11,214,844 |
| Loss on sale of Secondary Govt. Trading Securities | 28,265,486 | 16,706,731 |
| Card Division Fees, Charges and Expenses (Note: 35.10) | 1,514,859 | 1,587,387 |
| Agent Banking Charge and Expenses | 1,740,409 | 837,666 |
| Miscellaneous Expenses (Note: 35.11) | 20,333,541 | 12,997,148 |
| Loss on HFT (Rev) Treasury Bills | 73,382 | 665,744 |
| Loss on HFT (Rev) Treasury Bonds | 28,355,646 | 53,453,952 |
| Loss on Other Govt. Securities (Rev) | 65,000,000 | 15,000,000 |
| | 246,277,193 | 156,028,680 |
| 35.1 Bank Charges | | |
| Clearing Cheque Charge (VAT Incl.) | 32,678 | 103,061 |
| Online/SMS Banking Charge (VAT Incl.) | 1,165,663 | 470,197 |
| Bank Charge incl. A/c Maintain./Cheq. Issue (VAT Incl.) | 1,005,498 | 720,345 |
| NPSB Transactions Commission (VAT Incl.) | - | 170,601 |
| | 2,203,838 | 1,464,204 |
| 35.2 Car, Vehicles and helicopters Expenses | | |
| Car or Vehicles Fuel (Oil/Gas/LPG) Cost | 3,682,951 | 2,764,011 |
| Car or Vehicles Hiring Charge | 5,970,755 | 100,400 |
| | 9,653,706 | 2,864,411 |
| 35.3 Brokerage/Commission and Discount paid to Bank/FIs | | |
| Commission paid to Bank/FIs | 1,700 | 2,175 |
| Brokerage Commission/Fees - Share Trading (VAT Exempted) | 211,164 | 640,987 |
| | 212,864 | 643,162 |
| 35.4 Training, Scholarship and Allowance | | |
| Training and Seminar Fees & Expenses (Note 35.4.1) | 519,536 | 563,059 |
| Recruitment Test/Fees/Allowance | - | 320,677 |
| Honorarium/Trainer Fees/Allowance | 316,000 | 180,000 |
| Scholarship and Higher Study Training | 229,250 | 19 |
| Research and Development Exp./Allowance | 30,000 | - |
| Internship Allowances to Universities Graduate | 230,926 | 502,752 |
| Stipend, Reward and Recognition | 205,000 | 1,255,000 |
| | 1,530,712 | 2,821,507 |
| 35.4.1 Training and Seminar Fees & Expenses | | |
| Domestic Training & Seminar Fees | 104,075 | 258,072 |
| Other Training Arranging Fees & Expenses | 390,518 | 304,987 |
| Seminar and Awareness Program Expense by BB/Regulators | 24,943 | - |
| | 519,536 | 563,059 |
| 35.5 Entertainment and Refreshment Expenses | | |
| Process Food Items Through Mushak-11 (M-6.3) or VAT Paid | 1,574,960 | 2,440,575 |
| Food Items from Street or open Market | 2,518,408 | 3,887,631 |
| Green Food Item from open Market | 366,717 | 493,812 |

| | Jan'20-Jun'20 Taka | Jan'19-June'19 Taka |
|--|-----------------------|------------------------|
| 35.6 Travelling Expenses (Inland & Foreign) for official purpose | 4,460,085 | 6,822,018 |
| Foreign Travel -Bank Sponsored | 323,729 | 370,226 |
| Inland or Domestic Travel by Staff | 3,803,742 | 3,144,312 |
| | 4,127,471 | 3,514,538 |
| * Section 30(K) of Income tax Ordinance, 1984, Foreign Travel engaged in providing any service to the Government or Travel for Trade delegates of Govt. will not be considered for limited of expense i.e. 1.25% of yearly Turnover. | | |
| 35.7 Conveyance, Carriage, Freight and Worker Charge | | |
| Local Conveyance by Staff | 3,028,137 | 3,148,505 |
| Plumber, Electrician and labor Charge | 168,783 | 201,753 |
| Physically Carriage and Freight Charge | 23,600 | 200 |
| | 3,220,520 | 3,350,458 |
| 35.8 Payment for Development and Publicity Purpose | | |
| Business Development (Gift of Prize Bond, Goods/items to valued clients of the Bank) | 6,788,391 | 7,136,875 |
| Promotion and Routine Expense (Promotional Items Distributed to Prospective Clients) | 193,127 | 1,725,694 |
| | 6,981,518 | 8,862,569 |
| 35.9 Manpower/Security Service Providers Commission & Charge | | |
| Security Service Providers Commission & Charge | 17,553,270 | 11,214,844 |
| Manpower Service Providers Commission & Charge | 8,829,220 | - |
| | 26,382,490 | 11,214,844 |
| 35.10 Card Charges and Expenses | | |
| Fees and Charges for VISA Card | 1,362,369 | 1,408,135 |
| Publicity and Advertisement for Card | 152,490 | 179,252 |
| Card Contract Point Verification | | |
| | 1,514,859 | 1,587,387 |
| 35.11 Miscellaneous Expenses | | |
| Laundry and Cleaning (Note : 35.11.1) | 1,047,281 | 758,350 |
| Binding, Photograph and Photocopy | 265,706 | 117,347 |
| Cash Carrying/Remitting Charge to Security Service Provider | 3,218,732 | 2,936,544 |
| Nursery and Plantation Cost/Exp. | 282,963 | 414,282 |
| COVID-19 (Coronavirus) Related Expenses | 11,554,439 | - |
| Employee Welfare Expenses | 5,000 | - |
| Discomfort/Closing/Saturday Banking Expense | 805,705 | 1,968,121 |
| Conference/Shareholders Meeting/Programs/Opening Ceremony Expense | 2,526,583 | 6,585,889 |
| NID Verification Charge to Bangladesh Election Commission (Incl. VAT) | 522,010 | 100,052 |
| Sundry Expenses | 105,122 | 116,563 |
| | 20,333,541 | 12,997,148 |
| 35.11.1 Laundry and Cleaning Expenses | | |
| Manual Laundry and Cleaning Expense | 1,023,616 | 758,350 |
| Auto Laundry and Cleaning Expense | 23,665 | - |
| | 1,047,281 | 758,350 |
| 35a Consolidated Other Expenses | | |
| NRBC Bank Limited | 246,277,193 | 156,028,680 |
| NRBC Bank Securities Limited | 231,248 | 659,698 |
| | 246,508,441 | 156,688,378 |
| Less: Inter company transaction | 525,683 | 1,348,814 |
| | 245,982,758 | 155,339,564 |
| 36 Provision against loans and advances | | |
| <u>i. Provision against unclassified loans and advances</u> | | |
| Provision for Unclassified/Standard Loans and Advances | 85,917,905.54 | (9,832,718) |
| Provision for SMA Loans and Advances | 62,737,497.49 | 34,683,362 |
| | 148,655,403.03 | 24,850,644 |
| <u>ii. Provision against classified loans and advances</u> | | |

| | Jan'20-Jun'20 Taka | Jan'19-June'19 Taka |
|--|-----------------------|------------------------|
| Provision for Sub-Standard Loans and Advances | 3,314,783 | 120,677,083 |
| Provision for Doubtful Loans and Advances | 7,874,213.19 | (51,819,253) |
| Provision for Bad & Loss of Loans and Advances | (16,441,489) | 384,959,852 |
| | (5,252,493) | 453,817,682 |
| 36a Consolidated provision against loans and advances | 143,402,910 | 478,668,326 |
| NRBC Bank Limited | 143,402,910 | 478,668,326 |
| NRBC Bank Securities Limited | - | - |
| | 143,402,910 | 478,668,326 |
| 37 Provision for Diminution in Value of Investments | | |
| Provision for diminution of Shares list with DSE | 85,550,021 | (221,639) |
| Others | - | - |
| | 85,550,021 | (221,639) |
| Unrealized loss decrease while Financial Statements authorize to issue | | |
| 37a Consolidated Provision for Diminution in Value of Investments | | |
| NRBC Bank Limited | 85,550,021 | (221,639) |
| NRBC Bank Securities Limited | 3,954,105 | (2,118,178) |
| | 89,504,127 | (2,339,818) |
| 38 Provision for Off-Balance Sheet Exposures | | |
| Conventional and Islamic banking | 45,335,020 | 38,448,609 |
| | 45,335,020 | 38,448,609 |
| 38a Provision for Off-Balance Sheet Exposures | | |
| NRBC Bank Limited | 45,335,020 | 38,448,609 |
| NRBC Bank Securities Limited | - | - |
| | 45,335,020 | 38,448,609 |

39 Current Tax Expense /Payable

| SL | Particulars | Jan'19-Jun'19 | Jan'19-Jun'19 |
|----|--|---------------|---------------|
| | | Taka | Taka |
| 1 | Net Income Before Tax | 906,362,588 | 894,137,891 |
| 2 | <u>Less: Bank Income where tax rate is lesser/Zero</u> | | |
| | Gain on Sale of Approved Securities [Nil Tax U/S 32 (7)] | 158,744,264 | - |
| | Dividend Income [20% Tax as per Paripatra 2020-21] | 1,578,115 | 8,749,484 |
| | Gain on Sale of Shares and Debentures [10% Tax as per SRO no.196/2015] | - | - |
| | Gain on sale of Bonus Share [Nil tax u/s 2(26), 2 (34) & Paripatra -2020-21] | - | - |
| | Gain on sale of Assets [Used for Business Purpose u/s 32(5) & Paripatra 2020]* | | |
| | Interest on Govt. Securities Accrued and Credited | 697,017,378 | |
| | | 857,339,757 | 8,749,484 |
| 3 | Net Income Before Tax after Considering extra ordinary items [1-2] | 49,022,830 | 885,388,407 |
| 4 | <u>Add</u> Interest on Govt. Securities (on cash basis) | 649,940,840 | - |
| 5 | <u>Add:</u> Payment for Corporate Social Responsibility | 36,913,500 | 9,375,400 |
| | | 686,854,340 | 9,375,400 |
| 6 | Net Income Before Tax after Considering extra ordinary items [3+4+5] | 735,877,170 | 894,763,807 |
| 7 | <u>Add:</u> Entertainment and Refreshment Expenses | 4,460,085 | 6,822,018 |
| | <u>Add:</u> Excess Perquisite | | |
| 8 | <u>Add:</u> Depreciation for Accounting Purpose | 76,514,299 | 73,203,625 |
| | | 80,974,384 | 80,025,643 |
| 9 | <u>Less:</u> Depreciation for Tax Purpose | 49,933,564 | 42,834,203 |
| 10 | <u>Less:</u> Entertainment and Refreshment Expenses | | |
| | i. @4% On 1st 10 lac of Profit including Entertainment) | 40,000 | |
| | ii. @2% remaining balance of Taxable Profit | 28,354,125 | |
| | (Whichever is lower between Actual Cost & Rule 65) | 28,394,125 | |
| | | 4,460,085 | 6,822,018 |
| | Total | 54,393,649 | 49,656,221 |
| 1 | Taxable Income | 762,457,905 | 925,133,229 |
| 2 | Current Tax Payable @37.5% before considering extra ordinary items | 285,921,714 | 346,924,961 |
| 3 | Less: 10% Tax exemption/rebate on actual expenditure of CSR [SRO 229/2011] | (3,691,350) | (937,540) |
| 4 | Add: Dividend Income Tax [20% Tax as per Paripatra 2020-21] | 315,623 | 1,749,897 |
| 5 | Add: Gain on Sale of Shares and Debentures [10% Tax as per SRO no.196/2015] | - | - |
| 6 | Current Tax Payable after considering extra ordinary items | 282,545,987 | 347,737,318 |
| 7 | Deferred Tax Liability for the period | (9,752,593) | (181,570,164) |
| 8 | Tax Expense for the Period | 272,793,394 | 166,167,154 |

39a Consolidated Current Tax Expense

| | | |
|------------------------------|--------------------|--------------------|
| NRBC Bank Limited | 272,793,394 | 166,167,154 |
| NRBC Bank Securities Limited | 1,178,038 | 2,621,104 |
| | 273,971,432 | 168,788,258 |

39b Consolidated Current Tax Payable

| | | |
|------------------------------|--------------------|--------------------|
| NRBC Bank Limited | 282,545,987 | 347,737,318 |
| NRBC Bank Securities Limited | 1,345,948 | 2,801,703 |
| | 283,891,935 | 350,539,021 |

40 Deferred Tax (Income)/Expense

| | Carrying Amt | Tax Base | Temporary Difference | |
|--|--|-------------|----------------------|-----------------|
| Fixed Assets | 583,974,270 | 719,832,652 | (135,858,383) | (95,460,572) |
| | Total Taxable Temporary Difference at Asset side | | (135,858,383) | (95,460,572) |
| Provision for Classified Loan | 841,662,637 | - | (841,662,637) | (1,177,554,358) |
| | Total Deductible Temporary Difference at Liability side | | (841,662,637) | (1,177,554,358) |
| Net Taxable deductible Temporary Difference [i.e. Tax will be paid in future period] | | | (977,521,020) | (1,273,014,930) |
| Tax Rate @37.50% i.e deferred Tax Liability | | | (366,570,382) | (477,380,599) |
| Less : Deferred Tax Income as at 31.12.2019 | | | (356,817,789) | (295,810,435) |
| Deferred Tax Income for the year | | | (9,752,593) | (181,570,164) |

40a Consolidated Deferred Tax (Income)/ Expense

NRBC Bank Limited
NRBC Bank Securities Limited

| | |
|--------------------|----------------------|
| (9,752,593) | (181,570,164) |
| (167,910) | (180,599) |
| (9,920,503) | (181,750,763) |

41 Earnings Per Share (EPS)

Profit after Taxation
Number of Ordinary Shares outstanding
Earnings Per Share

| | |
|---------------|---------------|
| 359,281,242 | 211,075,442 |
| 582,516,998 | 582,516,998 |
| 0.6168 | 0.3624 |

41a Consolidated Earnings Per Share (EPS)

Net Profit attributable to the shareholders of parent company
Number of Ordinary Shares outstanding
Earnings Per Share

| | |
|---------------|---------------|
| 362,099,634 | 220,710,036 |
| 582,516,998 | 582,516,998 |
| 0.6216 | 0.3789 |

Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 30 June 2020 in terms of Bangladesh Accounting Standard (BAS)-33.

| | Jan'19-Jun'19 Taka | Jan'18-June'18 Taka |
|---|-----------------------|------------------------|
| 42 Receipts from Other Operating Activities | | |
| Interest on Treasury Bill | 38,797,059 | 26,899,953 |
| Interest on Money at call | 22,723,533 | 27,538,664 |
| Interest on Treasury Bond | 580,648,952 | 295,991,767 |
| Interest on Coupon Bond | 30,494,829 | 54,260 |
| Interest on Bangladesh Bank Bill | - | 32,784,997 |
| Gain on Sale of Shares and Securities listed with DSE/CSE | - | 160,246 |
| Interest on Reverse Repo | 32,466 | - |
| Gain on Sale of Approve Securities | 223,744,264 | 15,026,487 |
| Service Charges and Fees | 29,554,432 | 18,921,446 |
| Locker Rental Income | 359,000 | 245,000 |
| Online Transaction Commission | 1,081,871 | 729,700 |
| Income from Card Services | 7,925,469 | 3,169,112 |
| Charges on Trade Finance | 52,155,647 | 52,276,293 |
| Brokerage House Income | 123,610 | 400 |
| Miscellaneous Earnings | 14,569,975 | 11,193,292 |
| | 1,002,211,108 | 484,991,616 |
| 42a Consolidated Receipts from Other Operating Activities | | |
| NRBC Bank Limited | 1,002,211,108 | 484,991,616 |
| NRBC Bank Securities Limited | 286,881 | 749,300 |
| | 1,002,497,989 | 485,740,916 |
| 43 Payments for Other Operating Activities | | |
| Rent, Taxes, Insurance, Electricity, etc | 128,946,394 | 149,289,968 |
| Legal, Regulatory Fees and Documentation Expense | 318,796 | 1,111,520 |
| Audit Fees | 57,500 | 345,000 |
| Postage, Stamps, Telecommunication, etc | 19,218,507 | 12,834,518 |
| Directors' fees & Meeting Expenses | 4,592,793 | 4,374,090 |
| Purchased for Replacement/Spares parts /Accessories of Banks Assets | 9,475,131 | 6,386,668 |
| Repair & Maintenance of Bank's Assets | 1,702,201 | 1,711,340 |
| Payment for Donation/Contribution/CSR | 36,913,500 | 9,375,400 |
| Other Expenses | 209,384,389 | 146,543,197 |
| | 410,609,211 | 331,971,701 |
| 43a Consolidated Payments for Other Operating Activities | | |
| NRBC Bank Limited | 410,609,211 | 362,464,257 |
| NRBC Bank Securities Limited | 423,105 | 649,086 |
| | 411,032,316 | 363,113,343 |
| Cash Increase/(Decrease) through Intercompany Transaction | - | 1,099,000 |
| | 411,032,316 | 362,014,343 |
| 44 Payment/(Settled/Received) for Other Assets | | |
| Advance Security Deposit | 109,007 | 267,797 |
| Suspense Account | 15,571,030 | (11,252,024) |
| Advance Rent | (7,756,092) | (27,742,853) |
| Inter Branch General Account Balance (Dr Balance) | (2,895,338) | 403,205 |
| Interest Receivable-COVID Block Account | 831,148,936 | - |
| | 836,177,544 | (38,323,875) |
| 44a Consolidated Payment/(Settled) for Other Assets | | |
| NRBC Bank Limited | 836,177,544 | (38,323,875) |
| NRBC Bank Securities Limited | (14,653,867) | 2,224,272 |
| | 821,523,676 | (36,099,603) |
| Cash Increase/(Decrease) through Intercompany Transaction | - | - |
| | 821,523,676 | (36,099,603) |
| 45 (Payment)/Received of Other Liabilities | | |
| FC Held Against BTB Bills, EDF Loan and Others | 696,329,749 | 170,901,339 |
| Adjustment Account Clearing | - | - |
| Inter Branch General Account Balance (Cr Balance) | 8,983,517 | (2,387,088) |
| Current Tax Adjustment | (479,475,034) | - |
| Received against service of Card Business (Accrued income) | 2,785,643 | 15,446,681 |
| Unearn Income on LDBP (Islamic) | 325,444 | - |
| Compensation Account (Islamic) | 5,491 | - |
| | 228,954,810 | 183,960,932 |
| 46 (Purchase)/Sale of Government Securities | | |

| | Jan'19-Jun'19 Taka | Jan'18-June'18 Taka |
|--|------------------------|------------------------|
| Treasury Bills-HFT | (893,342,797) | (1,287,916,343) |
| Treasury Bills-HTM | (2,268,711,405) | (1,530,828,833) |
| Less: Decrease of Revaluation Gain on Treasury Bills which is non cash | 27,028,874 | (10,105,373) |
| | (3,135,025,327) | (2,828,850,549) |

47 Currency Conversion Rates

Assets and Liabilities as at 30 June 2020 denominated in foreign currencies have been converted to local currency Bangladesh Taka (BDT) at the following exchange rates:

| Currency | Abbreviation | Unit | Equivalent BDT |
|--------------|--------------|------|----------------|
| US Dollar | USD | 1 | 84.90 |
| ACU Dollar | ACU | 1 | 84.90 |
| Japanese Yen | JPY | 1 | 0.79 |
| EURO | EURO | 1 | 95.37 |
| ACU EURO | ACU EURO | 1 | 95.37 |
| GBP | GBP | 1 | 104.33 |

48 Highlights of overall activities of the Bank

| Sl | Particulars | 30-Jun-20 | 31-Dec-19 |
|----|--|----------------|----------------|
| | | Taka | Taka |
| 1 | Paid-up Capital | 5,825,169,980 | 5,710,951,240 |
| 2 | Total Capital | 9,112,630,505 | 8,907,256,537 |
| 3 | Capital Surplus | 20,590,030 | 599,481,679 |
| 4 | Shareholders' Equity/Capital | 8,117,087,981 | 8,200,744,377 |
| 5 | Total Assets | 98,063,609,049 | 90,227,259,800 |
| 6 | Total Deposits | 74,183,216,627 | 71,879,793,228 |
| 7 | Total Loans and Advances | 64,336,453,857 | 62,059,563,385 |
| 8 | Total Contingent Liabilities and Commitments | 32,318,500,241 | 27,408,198,566 |
| 9 | Credit-Deposit Ratio | 81.85% | 82.54% |
| 10 | Ratio of Classified Loans against Total Loans and Advances | 3.19% | 3.20% |
| 11 | Profit after Tax and Provisions | 362,099,634 | 1,153,570,194 |
| 12 | Loans Classified | 2,055,314,072 | 1,985,090,849 |
| 13 | Provision kept against Classified Loans | 841,662,637 | 846,915,130 |
| 14 | Provision Surplus/(deficit) | - | - |
| 15 | Cost of Fund | 9.69% | 10.52% |
| 16 | Interest Earning Assets | 87,805,860,269 | 80,400,098,322 |
| 17 | Non-interest Earning Assets | 10,257,748,779 | 9,827,161,478 |
| 18 | Net Interest Income (NIM) | 813,790,719 | 2,550,005,474 |
| 19 | Return on Investments (ROI) | 4.70% | 15.04% |
| 20 | Return on Assets (ROA) | 0.41% | 1.47% |
| 21 | Income from Investments | 946,255,471 | 1,340,370,651 |
| 22 | Earnings Per Share | 0.6216 | 2.02 |
| 23 | Net Income Per Share | 0.6216 | 2.02 |
| 24 | Net Assets Value | 13.93 | 14.36 |
| 25 | Price-Earnings Ratio (Times) * | N/A | N/A |

* Bank is yet to be listed with any stock exchange in Bangladesh

49 Events after Reporting Period

- No other events occurred after reporting whose has impact in the Financial Statements except Corona Virus Pandemic

NRB COMMERCIAL BANK LIMITED

As of 30 June 2020

A. Currency wise balance position of FC Clearing Accounts With Bangladesh Bank

| SL | Name of the Account | Location | Currency Types | As at 31 June 2020 | | | As at 31 December 2019 | | |
|--------------|-----------------------------|----------|----------------|--------------------|------------|---------------------------|-------------------------|-----------------|---------------------------|
| | | | | Foreign Currency | Conversion | Equivalent Amount in Taka | Foreign Currency Amount | Conversion Rate | Equivalent Amount in Taka |
| 1 | Bangladesh Bank FC Clearing | Dhaka | USD | 259,927 | 84.9000 | 22,067,812 | 917,497 | 84.9000 | 77,895,511 |
| 2 | Bangladesh Bank FC Clearing | Dhaka | Euro | 678 | 95.3714 | 64,663 | 2,091 | 94.8758 | 198,377 |
| Total | | | | 260,605 | | 22,132,475 | 919,588 | | 78,093,887 |

B. Reconciliation between Bangladesh Bank statement and Bank's book

| B-1 | Foreign Currency | As per Bangladesh Bank Statement | As Per Bank's General ledger | | Reconciling Difference |
|-----|--|----------------------------------|------------------------------|------------|------------------------|
| | | USD | USD | BDT | USD |
| | USD -Clearing Account | 3,489,912 | 259,927 | 22,067,812 | 3,229,985 |
| | | 3,489,912 | 259,927 | 22,067,812 | 3,229,985 |
| | Bank credited but not debited by Bangladesh Bank | | | | 2,987,736 |
| | Bank debited but not credited by Bangladesh Bank | | | | - |
| | Bangladesh Bank credited but not debited by Bank | | | | 242,249 |
| | Bangladesh Bank debited but not credited by Bank | | | | - |
| | | | | | 3,229,985 |

| B-2 | Foreign Currency | As per Bangladesh Bank Statement | As Per Bank's General ledger | | Reconciling Difference |
|-----|--|----------------------------------|------------------------------|---------------|------------------------|
| | | EUR | EUR | BDT | EUR |
| | EUR -Clearing Account | 678 | 678 | 64,663 | - |
| | | 678 | 678 | 64,663 | - |
| | Bank credited but not debited by Bangladesh Bank | | | | - |
| | Bank debited but not credited by Bangladesh Bank | | | | - |
| | Bangladesh Bank credited but not debited by Bank | | | | - |
| | Bangladesh Bank debited but not credited by Bank | | | | - |
| | | | | | - |

NRB Commercial Bank Limited
Placement of Fund (FDR/TDR) with Banks/NBFIs
as at 30 June 2020

a. Placement of Fund (FDR/TDR) with Banks : Nil

b. Placement of Fund (FDR/TDR) with NBFIs

| SL | Name of the NBFIs | Period | Issue Date | Maturity Date | Principal Amount |
|--------------|---|----------|------------|---------------|----------------------|
| 1 | BANGLADESH INDUSTRIAL FINANCE COMPANY LIMITED | 365 Days | 03/11/18 | 03/11/19 | 52,404,994 |
| 2 | BANGLADESH INDUSTRIAL FINANCE COMPANY LIMITED | 365 Days | 04/15/18 | 04/15/19 | 55,070,529 |
| 3 | FAREAST FINANCE AND INVESTMENT LTD. | 91 Days | 01/28/20 | 04/28/20 | 50,000,000 |
| 4 | FAS FINANCE AND INVESTMENT LIMITED | 182 Days | 07/04/19 | 01/02/20 | 50,000,000 |
| 5 | FIRST LEASE FINANCE AND INVESTMENT LTD. | 96 Days | 06/30/20 | 10/04/20 | 17,500,000 |
| 6 | GSP FINANCE COMPANY (BANGLADESH) LIMITED | 90 Days | 02/03/20 | 05/03/20 | 150,000,000 |
| 7 | INTERNATIONAL LEASING & FINANCIAL SERVICES LTD. | 366 Days | 05/19/19 | 05/19/20 | 30,000,000 |
| 8 | INTERNATIONAL LEASING & FINANCIAL SERVICES LTD. | 182 Days | 07/18/19 | 01/16/20 | 70,000,000 |
| 9 | INVESTMENT CORPORATION OF BANGLADESH | 92 Days | 06/28/20 | 09/28/20 | 450,000,000 |
| 10 | MERIDIAN FINANCE AND INVESTMENT LIMITED | 91 Days | 06/03/20 | 09/02/20 | 40,000,000 |
| 11 | MERIDIAN FINANCE AND INVESTMENT LIMITED | 182 Days | 06/03/20 | 12/02/20 | 100,000,000 |
| 12 | MERIDIAN FINANCE AND INVESTMENT LIMITED | 97 Days | 06/03/20 | 09/08/20 | 40,000,000 |
| 13 | PHOENIX FINANCE & INVESTMENT LIMITED | 182 Days | 11/12/19 | 05/12/20 | 40,000,000 |
| 14 | PHOENIX FINANCE & INVESTMENT LIMITED | 91 Days | 02/06/20 | 05/07/20 | 70,000,000 |
| 15 | PHOENIX FINANCE & INVESTMENT LIMITED | 90 Days | 06/22/20 | 09/20/20 | 40,000,000 |
| 16 | PRIME FINANCE & INVESTMENT LIMITED | 180 Days | 10/09/19 | 04/06/20 | 35,000,000 |
| 17 | PRIME FINANCE & INVESTMENT LIMITED | 91 Days | 01/02/20 | 04/02/20 | 37,500,000 |
| 18 | UNION CAPITAL LTD. | 182 Days | 10/06/19 | 04/05/20 | 50,000,000 |
| 19 | UNION CAPITAL LTD. | 91 Days | 01/05/20 | 04/05/20 | 40,000,000 |
| 20 | UNION CAPITAL LTD. | 91 Days | 01/28/20 | 04/28/20 | 50,000,000 |
| Total | | | | | 1,467,475,523 |

Due to pandemic situation of COVID-19, Placement of fund with NBFIs were not servicing or renewal on account of close down of their operation, hence no income was accrued during the period considering national and global business situation. In recent time, aforesaid placement has been renewed and servicing accordingly

In addition to above, Bankers' Meeting held on January 14, 2020 [Ref. BRPD(P-2)/748/2020-1541 dated February 09, 2020] presiding by Hon'ble Governor decided that Bank will be continue placement of fund facility i.e. term deposit.

NRB Commercial Bank Limited

a. Balance with other banks-Outside Bangladesh (Nostro Account) as at 30 June 2020

| SL | Name of the bank | Location | Name of currency | As at 30 June 2020 | | | As at 31 December 2019 | | |
|--------------|---------------------------|---------------------|------------------|-------------------------|-----------------|--------------------|-------------------------|-----------------|--------------------|
| | | | | Foreign Currency Amount | Conversion Rate | Equivalent to Taka | Foreign Currency Amount | Conversion Rate | Equivalent to Taka |
| 1 | Habib American Bank | New York | USD | 1,828,292 | 84.9000 | 155,221,979 | 666,761 | 84.9000 | 56,607,996 |
| 2 | Mashreq Bank PSC | New York | USD | 9,199,340 | 84.9000 | 781,023,971 | 758,459 | 84.9000 | 64,393,142 |
| 3 | AB Bank Limited | Mumbai | Acu Dollar | 64,175 | 84.9000 | 5,448,499 | 20,919 | 84.9000 | 1,776,026 |
| 4 | Mashreq Bank PSC | London | GBP | Account Closed | | | 95 | 111.0152 | 10,594 |
| 5 | United Bank of India | Kolkata | Acu Dollar | 16,577 | 84.9000 | 1,407,418 | 23,715 | 84.9000 | 2,013,396 |
| 6 | United Bank of India | Kolkata | Acu Euro | 13,981 | 95.3714 | 1,333,388 | 969 | 94.8758 | 91,898 |
| 7 | Mashreq Bank PSC | London | EURO | Account Closed | | | Account Closed | | |
| 8 | BHF-Bank | Aktiengesellschaft, | EURO | Account Closed | | | Account Closed | | |
| 9 | Mashreq Bank PSC | Mumbai | Acu Dollar | 24,192 | 84.9000 | 2,053,925 | 4,446 | 84.9000 | 377,444 |
| 10 | National Bank of Pakistan | Tokyo | Jap. Yen | 813,738 | 0.7887 | 641,795 | 3,855,944 | 0.7758 | 2,991,441 |
| 11 | Kookmin Bank | Seoul | USD | 196,405 | 84.9000 | 16,674,784 | 23,245 | 84.9000 | 1,973,517 |
| 12 | Kookmin Bank | Seoul | GBP | 9,307 | 104.3316 | 971,052 | 1,083 | 111.0152 | 120,253 |
| 13 | Habib Metro Bank Limited | Karachi | Acu Dollar | 88,699 | 84.9000 | 7,530,540 | 62,671 | 84.9000 | 5,320,789 |
| 14 | Aktif Yatirim Bankasi A.S | Istanbul | EURO | Account Closed | | | Account Closed | | |
| 15 | Banca UBAE S.P.A | Rome | EURO | 9,114 | 95.3714 | 869,183 | 1,383 | 94.8758 | 131,236 |
| 16 | Axis Bank Limited | Kolkata | Acu Dollar | 159,472 | 84.9000 | 13,539,207 | 122,398 | 84.9000 | 10,391,581 |
| Total | | | | 12,423,293 | | 986,715,742 | 5,542,088 | | 146,199,314 |

b. Statement of outstanding unreconciled entries (nostro account) as at 30 June 2020

| Sl. No | Period of Unreconciliation | As per Local book | | | | As per Correspondent's book | | | |
|--------|---|-------------------|-------------|----------------|-------------|-----------------------------|-------------|----------------|-------------|
| | | Debit Entries | | Credit Entries | | Debit Entries | | Credit Entries | |
| | | Number | Amount(USD) | Number | Amount(USD) | Number | Amount(USD) | Number | Amount(USD) |
| 1 | Less than one (01) Month | | | 38 | 673,863 | 5 | 4,851 | 88 | 2,433,783 |
| 2 | More than 1 Month but less than 3 Months | 0 | - | 2 | 9,949 | | | 5 | 16,126 |
| 3 | More than 3 Month but less than 6 Months | 0 | | - | | | | | |
| 4 | More than 6 Month but less than 9 Months | 0 | | - | | | | | |
| 5 | More than 9 Month but less than 12 Months | 0 | | - | | | | | |
| 6 | More than 12 Months | 0 | | - | | | | | |
| | | 0 | - | 40.00 | 683,812 | 5.00 | 4,851 | 93.00 | 2,449,909 |

NRB Commercial Bank Limited

Disclosure regarding of the securities under Repo and Reverse Repo
as at 30 June 2020

a. (i) Disclosure regarding outstanding Repo as on 30 June 2020

| SL No | Counter party name | Agreement Date | Reversal Date | Amount (1st leg cash consideration) |
|-------|--------------------|----------------|---------------|--|
| 1 | Bangladesh Bank | 6/15/2020 | 7/13/2020 | 2,260,565,188 |
| 2 | Bangladesh Bank | 6/11/2020 | 7/9/2020 | 1,991,738,800 |
| 3 | Pubali Bank Ltd. | 6/25/2020 | 7/2/2020 | 1,040,605,478 |
| 4 | Agrani Bank Ltd. | 6/30/2020 | 7/7/2020 | 1,455,220,500 |
| 5 | Pubali Bank Ltd. | 6/29/2020 | 7/6/2020 | 527,592,235 |

a. (ii) Disclosure regarding outstanding Reverse Repo as on 30 June 2020

| SL No | Counter party name | Agreement Date | Reversal Date | Amount (1st leg cash consideration) |
|-------|--------------------|----------------|---------------|--|
| | | Nil | | |
| Total | | | | - |

b. Disclosure regarding overall transaction of outstanding Repo and Reverse repo on 30 June 2020

| SL No | Counter party name | Minimum outstanding during the year | Maximum outstanding during the year | Daily average outstanding during the year |
|---|-----------------------|--|--|--|
| Securities Sold Under repo: | | | | |
| i. | With Bangladesh Bank | 154,765,509 | 2,576,766,058 | 291,145,598 |
| ii | With Other Bank & FIs | 103,635,893 | 1,805,344,507 | 297,904,028 |
| Securities purchased under reverse repo | | | | |
| i. | From Bangladesh Bank | | | |
| ii | from Other Bank & FIs | | | |

NRB COMMERCIAL BANK LIMITED
Investment in Share Portfolio, Preference Share and Bonds
as at 30 June 2020

a. Quoted shares & MFs:

| SL | Industry Types | Market Value (Tk.) | Cost Value (Tk.) | Appreciation/(Depreciation) |
|--------------|-----------------------------|--------------------|--------------------|-----------------------------|
| 1 | Banks | 281,331,022 | 376,025,853 | (94,694,831) |
| 2 | NBFIs | 35,532,054 | 53,071,786 | (17,539,732) |
| 3 | Engineering | 79,204,629 | 123,794,100 | (44,589,470) |
| 4 | Textiles | 10,720,881 | 21,172,793 | (10,451,913) |
| 5 | Fuel & Power | 27,195,418 | 37,823,212 | (10,627,794) |
| 6 | Pharmaceuticals & Chemicals | 37,094,715 | 50,553,015 | (13,458,300) |
| 7 | Food & Allied | 19,709,572 | 27,482,133 | (7,772,561) |
| 8 | Insurance | 5,800,000 | 7,877,980 | (2,077,980) |
| 9 | IT Sector | 19,174,374 | 20,999,900 | (1,825,527) |
| 10 | Services & Real Estate | 18,350,811 | 28,121,610 | (9,770,800) |
| 11 | Telecommunication | 20,298,000 | 33,765,341 | (13,467,341) |
| 12 | Travel & Leisure | 147,522 | 17,764 | 129,757 |
| 13 | Mutual Fund | 20,000,000 | 20,000,000 | - |
| Total | | 574,558,997 | 800,705,487 | (226,146,490) |

c. Investment in Preference Share:

| SL | Issuer Name | Financial Product | Tenure | Intt. Rate/ Divi. | Maturity Date | Amount (Taka) | Major Feature |
|--------------|----------------------|-------------------------------|---------|-------------------|---------------|-------------------|--|
| 1 | Regent Power Limited | Regent Power Preference Share | 6 Years | 13.00% | 11-May-20 | 30,697,674 | Preference Share with having tax Rebate. However, Lead Arranger the City Bank confirmed that Preferred Dividend will be paid till to the payment on meeting held July 27, 2020 and no dividend was accrued in the Financial Statements |
| Total | | | | | | 30,697,674 | |

d. Investment in Bonds:

| SL | Issuer Name | Financial Product | Tenure | Intt. Rate/ Divi. | Maturity Date | Amount (Taka) | Major Feature |
|----|--------------------------------|-----------------------------------|---------|-------------------|---------------|---------------|--|
| 1 | Mercantile Bank Limited | Mercantile Bank Subordinated Bond | 7 Years | Floating rate | 29-Jun-21 | 90,000,000 | Subordinated Bond. Floating Rate bond Ranging from 12% to 15% based on 6 month average FDR rate plus 3% mark-up |
| 2 | The Trust Bank Limited | Trust Bank Subordinated Bond | 7 Years | 12.50% | 7-Sep-21 | 60,000,000 | Subordinated Bond at Fixed Rate. |
| 3 | One Bank | One Bank Subordinated Bond-iii | 7 years | Floating rate | 5-May-26 | 500,000,000 | Ranging From 7% to 9% based on 6 month average FDR rate of schedule Bank Plus 2.0% markup. |
| 4 | United Commercial Bank Limited | UCBL Subordinated Bond-iv | 7 years | Floating rate | 5-Dec-26 | 500,000,000 | Coupon Range 7%-10.50%.Based on 6 month average FDR rate of schedule Bank Plus 2.0% markup. |
| 5 | IPDC Finance | IPDC Finance Subordinated Bond | 6 years | Floating rate | 31-Jul-25 | 150,000,000 | 7.96%+3%=10.96% Ranging From 7.50% to 11% based on 6 month average FDR rate of schedule Bank Plus 3.0% markup. |
| 6 | AB Bank Limited | AB Bank Subordinated Bond | 7 Years | Floating rate | 26-Aug-21 | 40,000,000 | Subordinated Bond. Floating Rate bond Ranging from 9.82% to 12.82%. based on 5 year Govt. Treasury Bond Rate plus 3% |

| | | | | | | | |
|--------------|--------------------------------|-------------------------------|---------|---------------|-----------|----------------------|--|
| 7 | United Commercial Bank Limited | UCBL Subordinated Bond | 7 years | Floating rate | 29-Jul-22 | 60,000,000 | Subordinated Bond having Floating Rate of Govt bond Ranging from 10% to 13.50% based on 6 month average FDR rate of schedule Bank Plus 2.5% mark-up |
| 8 | Mutual Trust Bank Limited | MTB Subordinated Bond | 7 years | Floating rate | 20-Oct-22 | 120,000,000 | Subordinated Bond having Floating Rate of Govt bond Ranging from 10.50% to 13.50% based on 6 month average FDR rate of schedule Bank Plus 2.5% mark-up |
| 9 | AB Bank Limited | 2nd AB Bank Subordinated Bond | 7 years | Floating rate | 29-Sep-22 | 180,000,000 | Subordinated Bond having Floating Rate of Govt bond Ranging from 10.50% to 13.50% based on 6 month average FDR rate of schedule Bank Plus 2.5% margin |
| Total | | | | | | 1,700,000,000 | |

NRB Commercial Bank Limited
Refinance Terms & Payment on maturity
As of 30 June 2020

A. Refinance from Bangladesh Bank under Refinance Scheme

| SL | Refinance Scheme | Branch Name | No. of Refinance Facilities | Tenure | Intt. Rate | Maturity Date | Amount (Taka) |
|--------------|--------------------------|------------------|-----------------------------|----------|------------|---------------|-------------------|
| 1 | Women Entrepreneur | Principal Branch | 1 | 01 Year | 5.00% | 12/22/2020 | 760,000 |
| | Agri | Principal Branch | 1 | 01 Year | 5.00% | 1/23/2021 | 30,000,000 |
| 2 | Agriculture | Mawna Branch | 1 | 05 Years | 5.00% | 1/1/2023 | 3,500,000 |
| 5 | Women Entrepreneur | Mugrapara Branch | 1 | 05 Years | 5.00% | 11/16/2021 | 210,000 |
| 6 | Women Entrepreneur | Sylhet Branch | 1 | 01 Year | 5.00% | 4/10/2023 | 325,000 |
| 7 | Women Entrepreneur | Barisal Branch | 1 | 05 Years | 5.00% | 9/23/2020 | 625,000 |
| 8 | Effluent Treatment Plant | Chatkhil Branch | 1 | 05 Years | 5.00% | 12/21/2019 | 454,545 |
| 9 | Women Entrepreneur | Bhulta Branch | 2 | 01 Year | 5.00% | 1/4/2023 | 300,000 |
| Total | | | | | | | 36,174,545 |

A-1. Refinance from Bangladesh Bank according Product wise

| SL | Refinance Scheme | Branch Name | No. of Refinance Facilities | Tenure | Intt. Rate | Maturity Date | Amount (Taka) |
|-------------|--------------------------|------------------|-----------------------------|----------|------------|---------------|---------------|
| 1 | Women Entrepreneur | Principal Branch | 6 | 01 Year | 5% | 12/22/2020 | 760,000 |
| 3 | Women Entrepreneur | Mugrapara Branch | | 05 Years | 5% | 11/16/2021 | 210,000 |
| 4 | Women Entrepreneur | Sylhet Branch | | 05 Year | 5% | 4/10/2023 | 325,000 |
| 5 | Women Entrepreneur | Bhulta Branch | | 05 Year | 5% | 9/23/2020 | 300,000 |
| 6 | Women Entrepreneur | Barisal Branch | | 05 Year | 5% | 1/4/2023 | 625,000 |
| Sub-Total | | | | | | | 2,220,000 |
| 1 | Effluent Treatment Plant | Chatkhil Branch | 1 | 05 Years | 5% | 21-Dec-23 | 454,545 |
| Sub-Total | | | | | | | 454,545 |
| | | | | | | | |
| 1 | Agri | Principal Branch | 1 | 01 Year | 5% | 21-Dec-23 | 30,000,000 |
| Sub-Total | | | | | | | 30,000,000 |
| | | | | | | | |
| 1 | Agri | Mawna Branch | 1 | 05 Years | 5% | 21-Dec-23 | 3,500,000 |
| Sub-Total | | | | | | | 3,500,000 |
| Grand Total | | | | | | | 36,174,545 |

B. Branch Wise-Covid-19-Stimulus Fund for RMG-Workers from Bangladesh Bank Under Refinance Scheme

| SL | Refinance Scheme | Branch Name | No. of Refinance Facilities | Tenure | Intt. Rate | Maturity Date | Amount (Taka) |
|------------------|------------------------|------------------|-----------------------------|-----------|------------|---------------|-------------------|
| 1 | Covid-19-Stimulus Fund | Principal Branch | 1 | 1.5 Years | - | 10/28/2021 | 6,835,777 |
| 2 | Covid-19-Stimulus Fund | Principal Branch | 1 | 1.5 Years | - | 10/28/2021 | 1,942,500 |
| Sub-Total | | | | | | | 8,778,277 |
| 1 | Covid-19-Stimulus Fund | Gulshan Branch | 1 | 1.5 Years | - | 10/28/2021 | 2,353,100 |
| 2 | Covid-19-Stimulus Fund | Gulshan Branch | 1 | 1.5 Years | - | 11/5/2021 | 8,950,000 |
| Sub-Total | | | | | | | 11,303,100 |
| 1 | Covid-19-Stimulus Fund | Uttara Branch | 1 | 1.5 Years | - | 4/28/2020 | 20,172,635 |
| 2 | Covid-19-Stimulus Fund | Uttara Branch | 1 | 1.5 Years | - | 4/28/2020 | 25,234,844 |
| 3 | Covid-19-Stimulus Fund | Uttara Branch | 1 | 1.5 Years | - | 4/28/2020 | 51,145,205 |
| 4 | Covid-19-Stimulus Fund | Uttara Branch | 1 | 1.5 Years | - | 4/28/2020 | 11,531,891 |
| 5 | Covid-19-Stimulus Fund | Uttara Branch | 1 | 1.5 Years | - | 4/28/2020 | 1,805,250 |
| 6 | Covid-19-Stimulus Fund | Uttara Branch | 1 | 1.5 Years | - | 4/28/2020 | 5,309,200 |
| 7 | Covid-19-Stimulus Fund | Uttara Branch | 1 | 1.5 Years | - | 4/28/2020 | 17,446,638 |
| 8 | Covid-19-Stimulus Fund | Uttara Branch | 1 | 1.5 Years | - | 4/28/2020 | 10,577,886 |
| 9 | Covid-19-Stimulus Fund | Uttara Branch | 1 | 1.5 Years | - | 4/28/2020 | 9,863,409 |
| 10 | Covid-19-Stimulus Fund | Uttara Branch | 1 | 1.5 Years | - | 4/28/2020 | 14,866,667 |
| 11 | Covid-19-Stimulus Fund | Uttara Branch | 1 | 1.5 Years | - | 4/28/2020 | 5,367,679 |
| 12 | Covid-19-Stimulus Fund | Uttara Branch | 1 | 1.5 Years | - | 4/28/2020 | 30,230,033 |
| 13 | Covid-19-Stimulus Fund | Uttara Branch | 1 | 1.5 Years | - | 4/28/2020 | 4,178,197 |
| 14 | Covid-19-Stimulus Fund | Uttara Branch | 1 | 1.5 Years | - | 4/28/2020 | 9,575,991 |
| 15 | Covid-19-Stimulus Fund | Uttara Branch | 1 | 1.5 Years | - | 4/28/2020 | 9,000,000 |
| 16 | Covid-19-Stimulus Fund | Uttara Branch | 1 | 1.5 Years | - | 4/28/2020 | 6,741,867 |

| | | | | | | | |
|------------------|------------------------|---------------|---|-----------|---|-----------|--------------------|
| 17 | Covid-19-Stimulus Fund | Uttara Branch | 1 | 1.5 Years | - | 4/28/2020 | 3,487,611 |
| 18 | Covid-19-Stimulus Fund | Uttara Branch | 1 | 1.5 Years | - | 4/28/2020 | 9,052,514 |
| 19 | Covid-19-Stimulus Fund | Uttara Branch | 1 | 1.5 Years | - | 4/28/2020 | 1,284,200 |
| 20 | Covid-19-Stimulus Fund | Uttara Branch | 1 | 1.5 Years | - | 5/5/2020 | 13,288,841 |
| 21 | Covid-19-Stimulus Fund | Uttara Branch | 1 | 1.5 Years | - | 5/5/2020 | 6,892,159 |
| Sub-Total | | | | | | | 267,052,717 |

| | | | | | | | |
|------------------|------------------------|--------------------|--|-----------|---|------------|------------------|
| 1 | Covid-19-Stimulus Fund | Dhanmondi Branch | | 1.5 Years | - | 10/28/2021 | 1,034,500 |
| Sub-Total | | | | | | | 1,034,500 |
| 1 | Covid-19-Stimulus Fund | Hatirpool Branch | | 1.5 Years | - | 10/28/2021 | 3,377,890 |
| Sub-Total | | | | | | | 3,377,890 |
| 1 | Covid-19-Stimulus Fund | Narayangonj Branch | | 1.5 Years | - | 10/28/2021 | 4,110,142 |
| 2 | Covid-19-Stimulus Fund | Narayangonj Branch | | 1.5 Years | - | 10/28/2021 | 2,305,042 |
| Sub-Total | | | | | | | 6,415,184 |

| | | | | | | | |
|------------------|------------------------|-------------------|--|-----------|---|------------|-------------------|
| 1 | Covid-19-Stimulus Fund | Horirampur Branch | | 1.5 Years | - | 10/28/2021 | 10,079,314 |
| Sub-Total | | | | | | | 10,079,314 |
| 1 | Covid-19-Stimulus Fund | Nayabazar Branch | | 1.5 Years | - | 10/28/2021 | 2,885,018 |
| Sub-Total | | | | | | | 2,885,018 |

B-1. Productwise: Covid-19-Stimulus Fund for RMG-Workers from Bangladesh Bank Under Refinance Scheme

| SL | Refinance Scheme | Branch Name | No. of Refinance Facilities | Tenure | Intt. Rate | Maturity Date | Amount (Taka) |
|----|------------------------|--|-----------------------------|-----------|------------|---------------------------|---------------|
| 1 | Covid-19-Stimulus Fund | Principal Branch Gulshan Branch Uttara Branch Dhanmondi Branch Narayangonj Branch Horirampur Branch Nayabazar Branch Hatirpool Branch | 31 | 1.5 Years | - | 28/10/2021, 05/11/2021 | 310,926,000 |

NRB Commercial Bank Limited
Schedule of Property, Plant & Equipment for Accounting Purpose
As at 30 June 2020

| SI NO. | Properties & Assets | Assets | | | | Rate of Depreciation | Depreciation | | | | Book Value |
|----------------------------|--|----------------------|--------------------------|--------------------------|----------------------|----------------------|--------------------|--------------------------|--------------------------|--------------------|--------------------|
| | | Opeing Balance | Addition during the year | Disposal during the year | Closing Balance | | Opeing Balance | Addition during the year | Disposal during the year | Closing Balance | |
| 1 | Land, Building and Construction | - | - | - | - | 2.50% | - | - | - | - | - |
| 2 | Furniture and fixtures | 407,898,478 | 87,567,433 | - | 495,465,911 | 10.00% | 136,260,022 | 23,315,605 | - | 159,575,626 | 335,890,285 |
| 3 | Equipment and Machinery | 385,031,016 | 36,937,590 | - | 421,968,606 | 20.00% | 249,636,506 | 28,193,655 | - | 277,830,161 | 144,138,445 |
| 4 | Computer & Computer Equipment | 190,730,101 | 28,943,744 | - | 219,673,845 | 20.00% | 156,933,808 | 9,756,675 | - | 166,690,483 | 52,983,362 |
| 5 | Intangible Assets/ Bangladesh Made Computer Software | 164,599,965 | 823,500 | - | 165,423,465 | 20.00% | 114,690,437 | 12,285,033 | - | 126,975,470 | 38,447,995 |
| 6 | Motor Vehicles | 46,850,000 | - | - | 46,850,000 | 20.00% | 31,372,495 | 2,963,332 | - | 34,335,827 | 12,514,173 |
| 7 | Professionals and Reference Books | 23,370 | - | - | 23,370 | 20.00% | 23,365 | - | - | 23,365 | 5 |
| 8 | Leased Assets: Motor Vehicle | 20,330,624 | - | - | 20,330,624 | 20.00% | 20,330,619 | - | - | 20,330,619 | 5 |
| Total | | 1,215,463,553 | 154,272,267 | - | 1,369,735,820 | | 709,247,252 | 76,514,299 | - | 785,761,551 | 583,974,270 |
| Total-December-2019 | | 1,047,208,223 | 175,031,331 | 6,776,000 | 1,215,463,553 | | 572,355,069 | 143,668,182 | 6,775,999 | 709,247,252 | 506,216,302 |

NRB Commercial Bank Limited
Schedule of Property, Plant & Equipment for Tax Purpose (3rd Schedule As Per IT Rule, 1984)
As at 30 June 2020

| SI NO. | Properties & Assets | Assets | | | | Rate of Depreciation | Depreciation | | | | Book Value |
|----------------------------|---|----------------------|--------------------------|--------------------------|----------------------|----------------------|--------------------|--------------------------|--------------------------|--------------------|--------------------|
| | | Opeing Balance | Addition during the year | Disposal during the year | Closing Balance | | Opeing Balance | Addition during the year | Disposal during the year | Closing Balance | |
| 1 | Land, Building and Construction | - | - | - | - | 2.50% | - | - | - | - | - |
| 2 | Furniture and fixtures | 407,898,478 | 87,567,433 | - | 495,465,911 | 10.00% | 130,624,916 | 18,242,050 | - | 148,866,966 | 346,598,945 |
| 3 | Office Equipment and Machinery | 385,031,016 | 36,937,590 | - | 421,968,606 | 10.00% | 127,795,264 | 14,708,667 | - | 142,503,931 | 279,464,674 |
| 4 | Computer and Computer Equipment | 190,730,101 | 28,943,744 | - | 219,673,845 | 30.00% | 151,997,823 | 10,151,403 | - | 162,149,227 | 57,524,618 |
| 5 | Intangible Assets/Bangladesh Made Computer Software | 164,599,965 | 823,500 | - | 165,423,465 | 50.00% | 148,598,660 | 4,206,201 | - | 152,804,861 | 12,618,604 |
| 6 | Motor Vehicles | 46,850,000 | - | - | 46,850,000 | 20.00% | 26,571,660 | 2,027,834 | - | 28,599,494 | 18,250,506 |
| 7 | Professionals and Reference Books | 23,370 | - | - | 23,370 | 30.00% | 20,621 | 412 | - | 21,033 | 2,337 |
| 8 | Leased Assets: Motor Vehicle | 20,330,624 | - | - | 20,330,624 | 20.00% | 14,360,661 | 596,996 | - | 14,957,657 | 5,372,967 |
| Total | | 1,215,463,553 | 154,272,267 | - | 1,369,735,820 | | 599,969,604 | 49,933,564 | - | 649,903,168 | 719,832,652 |
| Total-December-2019 | | 1,047,208,223 | 175,031,331 | 6,776,000 | 1,215,463,553 | | 507,263,918 | 97,384,362 | 4,678,676 | 599,969,604 | 610,815,276 |

Detailed of Risk Weighted Assets on Solo Basis under Basel III as at 30 June 2020

| Risk Weighted Assets (RWA) for | 30-Jun-2020 | | Dec-19 | |
|------------------------------------|----------------|---------------------|----------------|---------------------|
| | Exposure | Risk Weighted Asset | Exposure | Risk Weighted Asset |
| A. Credit Risk | 96,491,624,497 | 64,458,907,078 | 88,029,367,272 | 59,165,169,704 |
| On- Balance Sheet (as shown below) | 85,448,777,502 | 54,931,836,045 | 79,489,390,479 | 50,910,512,492 |
| Off-Balance Sheet (as shown below) | 11,042,846,996 | 9,527,071,033 | 8,539,976,793 | 8,254,657,212 |
| B. Market Risk | - | 2,705,582,413 | - | 2,354,530,686 |
| C. Operational Risk | - | 4,942,498,478 | - | 4,942,498,478 |
| Total: RWA (A+B+C) | 96,491,624,497 | 72,106,987,969 | 88,029,367,272 | 66,462,198,868 |

Credit Risk - On Balance Sheet Items

| SL | Exposure Type | 30-Jun-20 | | | |
|-----|--|----------------|---|------------|---------------------|
| | | Exposure | Rating | Risk Weigh | Risk Weighted Asset |
| a | Cash and Cash Equivalents | 1,632,896,747 | - | 0% | - |
| b | Claims on Bangladesh Government and Bangladesh Bank | 14,325,850,249 | - | 0% | - |
| c | Claims on other Sovereigns & Central Banks* | - | - | 50% | - |
| d | Claims on Bank for International Settlements, International Monetary Fund and European Central Bank | - | - | 0% | - |
| e | Claims on Multilateral Development Banks (MDBs): | - | - | 0% | - |
| i. | IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB | - | - | - | - |
| ii. | Others MDBs | - | 1 | 20% | - |
| | | - | 2, 3 | 50% | - |
| | | - | 4, 5 | 100% | - |
| | | - | 6 | 150% | - |
| | | - | Unrated | 50% | - |
| f | Claims on Public Sector Entities (other than Government) in Bangladesh | - | 1 | 20% | - |
| | | - | 2, 3 | 50% | - |
| | | - | 4, 5 | 100% | - |
| | | - | 6 | 150% | - |
| | | - | Unrated | 50% | - |
| g | Claims on Banks and Non-bank Financial Institution (NBFI): | - | - | - | - |
| i) | Original maturity over 3 months | 1,027,371,179 | 1 | 20% | 205,474,235.72 |
| | | 201,319,687 | 2, 3 | 50% | 100,659,843.33 |
| | | 19,622,204 | 4, 5 | 100% | 19,622,203.95 |
| | | - | 6 | 150% | - |
| | | 390,899,222 | Unrated | 100% | 390,899,222.32 |
| ii) | Original Maturity Up to 3 months | 5,007,546,787 | - | 20% | 1,001,509,357.46 |
| | | 4,214,555,391 | 1 | 20% | 842,911,078.21 |
| h | Claims on Corporate (excluding equity exposure) | 6,558,055,964 | 2 | 50% | 3,279,027,982.10 |
| | | 10,055,484,795 | 3, 4 | 100% | 10,055,484,794.92 |
| | | - | 5, 6 | 150% | - |
| | | 8,977,211,582 | Unrated | 125% | 11,221,514,477.20 |
| i | Claim on SME | - | SME 1 | 20% | - |
| | | 2,260,136 | SME 2 | 40% | 904,054.50 |
| | | 1,642,440,520 | SME 3 | 60% | 985,464,311.95 |
| | | 790,204,896 | SME 4 | 80% | 632,163,916.48 |
| | | 33,178,383 | SME 5 | 120% | 39,814,059.79 |
| | | 21,927,758 | SME 6 | 150% | 32,891,637.02 |
| | | 2,715,131,486 | Unrated (Small Enterprise & <BDT 3.00m) | 75% | 2,036,348,614.87 |
| | | 13,489,760,624 | Unrated (Small enterprise having ≥ BDT 3.00m & medium enterprise) | 100% | 13,489,760,624.31 |
| j | Claims under Credit Risk Mitigation | - | PSE | - | - |
| | | 95,422,790 | Banks & NBFIs | - | - |
| | | 2,607,317,656 | Corporate | - | 1,416,241,211.92 |
| | | 2,081,367,514 | Retail & Small | - | 1,527,003.20 |
| | | 678,753,684 | SME | - | 411,656,920.15 |
| | | 2,070,584 | Consumer Finance | - | - |
| | | 4,132,937 | Residential property | - | - |
| | | 3,302,732 | Commercial Real State | - | 2,985,168.07 |
| k | Claim categories as retail portfolio (Excluding SME, Consumer Finance & Staff loan) Upto 1 Crore | 1,031,142,327 | - | 75% | 773,356,745.16 |
| l | Consumer Loan | 967,984,750 | - | 100% | 967,984,749.69 |
| m | Claims fully secured by residential property | 1,178,089,898 | - | 50% | 589,044,949.24 |
| n | Claims fully secured by commercial real estate | 1,347,850,228 | - | 100% | 1,347,850,227.79 |
| o | 1. Past Due Claims (Risk weights are to be assigned net of specific provision): | - | - | - | - |
| | Where Specific provisions are less than 20 percent of the outstanding amount of the past due claim | 2,189,263,491 | - | 150% | 3,283,895,237.02 |
| | Where Specific provisions are no less than 20 percent of the outstanding amount of the past due claim | 20,042,071 | - | 100% | 20,042,070.67 |
| | Where Specific provisions are more than 50 percent of the outstanding amount of the past due claim | 12,608,157 | - | 50% | 6,304,078.41 |
| | 2. Claims fully secured against residential property that are past due for more than 60 days and/or impaired specific provision held there-against is less than 20 percent of outstanding amount | 15,085,949 | - | 100% | 15,085,948.66 |
| | 3. Loans & Claims fully secured against residential property that are past due for more than 60 days and/or impaired and specific provision held there-against is more than 20 percent of outstanding amount | - | - | 75% | - |
| p | Capital Market Exposure | 156,514,956 | - | 125% | 195,643,695.21 |

| | | | | | |
|--------------|---|-----------------------|--|------|-----------------------|
| q | Investment in Equity and Regulatory Capital Instruments issued by other banks and Merchant Bank/Brokerage Houses/Exchange Houses which are not listed in Stock Exchange (other than those deducted from capital) held in banking book | 393,477,641 | | 125% | 491,847,051.00 |
| r | Investments in Venture Capital | - | | 150% | - |
| s | Investments in premises, plant and equipment and all other fixed assets | 583,974,268 | | 100% | 583,974,267.62 |
| t | Claims on all fixed assets under operating lease | - | | 100% | - |
| u | All other Assets | - | | | - |
| | i. Claims on GoB & BB | - | | 0% | - |
| | ii. Staff Loan/Investment | 605,889,940 | | 20% | 121,177,987.92 |
| | iii. Cash Item in process of Collection | - | | 20% | - |
| | iv. Claim on Offshore Banking Unit (OBU) | - | | 100% | - |
| | v. Other Assets (Not specified above) (Net of Specific Provision, If any) | 368,768,319 | | 100% | 368,768,319.42 |
| Total | | 85,448,777,502 | | | 54,931,836,045 |

Credit Risk - Off Balance Sheet items

| SL | Exposure Type | 2019 | | | Risk Weighted Asset |
|--------------|---|-----------------------|---|------|----------------------|
| | | Exposure | | | |
| a | Claims on Bangladesh Government (Other than PSEs) and Bangladesh Bank | - | | 0% | - |
| b | Claims on other Sovereigns & Central Banks* | - | | | - |
| c | Claims on Bank for International Settlements, International Monetary Fund and European Central Bank | - | | 0% | - |
| d | Claims on Multilateral Development Banks (MDBs): | | | | - |
| | i. IBRD, IFC, ADB, AfDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB | - | - | - | - |
| | ii. Other MDBs | - | 1 | 20% | - |
| | | - | 2, 3 | 50% | - |
| | | - | 4, 5 | 100% | - |
| | | - | 6 | 150% | - |
| | | - | Unrated | 50% | - |
| e | Claims on Public Sector Entities (other than Government) in Bangladesh | - | 1 | 20% | - |
| | | - | 2, 3 | 50% | - |
| | | - | 4, 5 | 100% | - |
| | | - | 6 | 150% | - |
| | | - | Unrated | 50% | - |
| f | Claims on Banks and NBFIs: | | | | - |
| | i) Maturity over 3 months | - | 1 | 20% | - |
| | | - | 2, 3 | 50% | - |
| | | - | 4, 5 | 100% | - |
| | | - | 6 | 150% | - |
| | | - | Unrated | 100% | - |
| | ii) Maturity less than 3 months | - | | 20% | - |
| g | Claims on Corporate | 588,596,806 | 1 | 20% | 117,719,361 |
| | | 1,550,443,206 | 2 | 50% | 775,221,603 |
| | | 2,127,474,302 | 3, 4 | 100% | 2,127,474,302 |
| | | - | 5, 6 | 150% | - |
| | | 2,165,274,516 | Unrated | 125% | 2,706,593,145 |
| h | Claims against retail portfolio (excluding SME & consumer loan) | 262,144,710 | | 75% | 196,608,533 |
| i | Claim On SME | - | SME 1 | 20% | - |
| | | 3,143,165 | SME 2 | 40% | 1,257,266 |
| | | 962,803,053 | SME 3 | 60% | 577,681,832 |
| | | 9,602,216 | SME 4 | 80% | 7,681,773 |
| | | 1,641,400 | SME 5 | 120% | 1,969,680 |
| | | - | SME 6 | 150% | - |
| | | 1,427,440,335 | Unrated (Small Enterprise & <BDT 3.00m) | 75% | 1,070,580,251 |
| | | 1,944,283,288 | Unrated (Small enterprise having ≥ BDT 3.00m & medium enterprise) | 100% | 1,944,283,288 |
| j | Consumer Finance | - | | 100% | - |
| k | Claims fully secured by residential property | - | | 50% | - |
| l | Claims fully secured by commercial real estate | - | | 100% | - |
| m | Investments in venture capital | - | | 150% | - |
| n | All other assets | - | | 100% | - |
| Total | | 11,042,846,996 | | | 9,527,071,033 |

Detailed of Risk Weighted Assets on Consolidated basis under Basel III as at 30 June2020

| Risk Weighted Assets (RWA) for | 30-Jun-2020 | | 31-Dec-2019 | |
|------------------------------------|----------------|---------------------|----------------|---------------------|
| | Exposure | Risk Weighted Asset | Exposure | Risk Weighted Asset |
| A. Credit Risk | 96,445,552,344 | 64,328,922,250 | 88,036,576,523 | 59,100,401,857 |
| On- Balance Sheet (as shown below) | 85,402,705,348 | 54,801,851,217 | 79,496,599,730 | 50,845,744,645 |
| Off-Balance Sheet (as shown below) | 11,042,846,996 | 9,527,071,033 | 8,539,976,793 | 8,254,657,212 |
| B. Market Risk | | 2,910,776,988 | | 2,455,514,214 |
| C. Operational Risk | | 4,952,944,417 | | 4,962,798,646 |
| Total: RWA (A+B+C) | 96,445,552,344 | 72,192,643,655 | 88,036,576,523 | 66,518,714,717 |

Credit Risk - On Balance Sheet Items

| SL | Exposure Type | 30-Jun-2020 | | | |
|----|---|----------------|---|------------|---------------------|
| | | Exposure | Rating | Risk Weigh | Risk Weighted Asset |
| a | Cash and Cash Equivalents | 1,677,704,711 | | 0% | - |
| b | Claims on Bangladesh Government and Bangladesh Bank | 14,325,850,249 | | 0% | - |
| c | Claims on other Sovereigns & Central Banks* | - | | 50% | - |
| d | Claims on Bank for International Settlements, International Monetary Fund and European Central Bank | - | | 0% | - |
| e | Claims on Multilateral Development Banks (MDBs): | | | | |
| | i. IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB | - | | | - |
| | ii. Others MDBs | - | 1 | 20% | - |
| | | - | 2,3 | 50% | - |
| | | - | 4,5 | 100% | - |
| | | - | 6 | 150% | - |
| | | - | Unrated | 50% | - |
| f | Claims on Public Sector Entities (other than Government) in Bangladesh | - | 1 | 20% | - |
| | | - | 2,3 | 50% | - |
| | | - | 4,5 | 100% | - |
| | | - | 6 | 150% | - |
| | | - | Unrated | 50% | - |
| g | Claims on Banks and Non-bank Financial Institution (NBFI): | | | | |
| | i) Original maturity over 3 months | 1,027,371,179 | 1 | 20% | 205,474,236 |
| | | 201,319,687 | 2, 3 | 50% | 100,659,843 |
| | | 19,622,204 | 4, 5 | 100% | 19,622,204 |
| | | - | 6 | 150% | - |
| | | 390,899,222 | Unrated | 100% | 390,899,222 |
| | ii) Original Maturity Up to 3 months | 5,013,405,712 | | 20% | 1,002,681,142 |
| h | Claims on Corporate (excluding equity exposure) | 4,214,555,391 | 1 | 20% | 842,911,078 |
| | | 6,558,055,964 | 2 | 50% | 3,279,027,982 |
| | | 10,055,484,795 | 3, 4 | 100% | 10,055,484,795 |
| | | - | 5, 6 | 150% | - |
| | | 8,977,211,582 | Unrated | 125% | 11,221,514,477 |
| i | Claim on SME | - | SME 1 | 20% | - |
| | | 2,260,136 | SME 2 | 40% | 904,055 |
| | | 1,642,440,520 | SME 3 | 60% | 985,464,312 |
| | | 790,204,896 | SME 4 | 80% | 632,163,916 |
| | | 33,178,383 | SME 5 | 120% | 39,814,060 |
| | | 21,927,758 | SME 6 | 150% | 32,891,637 |
| | | 2,715,131,486 | Unrated (Small Enterprise & <BDT 3.00m) | 75% | 2,036,348,615 |
| | | 13,489,760,624 | Unrated (Small enterprise having ≥ BDT 3.00m & medium enterprise) | 100% | 13,489,760,624 |
| j | Claims under Credit Risk Mitigation | - | PSE | | - |
| | | 95,422,790 | Banks & NBFIs | | - |
| | | 2,607,317,656 | Corporate | | 1,416,241,212 |
| | | 2,081,367,514 | Retail & Small | | 1,527,003 |
| | | 678,753,684 | SME | | 411,656,920 |
| | | 2,070,584 | Consumer Finance | | - |
| | | 4,132,937 | Residential property | | - |
| | | 3,302,732 | Commercial Real State | | 2,985,168 |
| k | Claim categories as retail portfolio (Excluding SME, Consumer Finance & Staff loan) Upto 1 Crore | 1,031,142,327 | | 75% | 773,356,745 |
| l | Consumer Loan | 967,984,750 | | 100% | 967,984,750 |
| m | Claims fully secured by residential property | 1,178,089,898 | | 50% | 589,044,949 |
| n | Claims fully secured by commercial real estate | 1,347,850,228 | | 100% | 1,347,850,228 |
| o | 1. Past Due Claims (Risk weights are to be assigned net of specific provision): | | | | - |
| | Where Specific provisions are less than 20 percent of the outstanding amount of the past due claim | 2,189,263,491 | | 150% | 3,283,895,237 |
| | Where Specific provisions are no less than 20 percent of the outstanding amount of the past due claim | 20,042,071 | | 100% | 20,042,071 |
| | Where Specific provisions are more than 50 percent of the outstanding amount of the past due claim | 12,608,157 | | 50% | 6,304,078 |
| | 2. Claims fully secured against residential property that are past due for more than 60 days and/or impaired specific provision held there-against is less than 20 percent of outstanding amount | 15,085,949 | | 100% | 15,085,949 |
| | 3. Loans & Claims fully secured against residential property that are past due for more than 60 days and/or impaired and specific provision held there-against is more than 20 percent of outstanding amount | - | | 75% | - |
| p | Capital Market Exposure | 106,823,988 | | 125% | 133,529,985 |
| q | Investment in Equity and Regulatory Capital Instruments issued by other banks and Merchant Bank/Brokerage Houses/Exchange Houses which are not listed in Stock Exchange (other than those deducted from capital) held in banking book | 305,498,324 | | 125% | 381,872,905 |
| r | Investments in Venture Capital | - | | 150% | - |

| | | | | | |
|---|--|-----------------------|--|------|-----------------------|
| s | Investments in premises, plant and equipment and all other fixed assets | 590,285,627 | | 100% | 590,285,627 |
| t | Claims on all fixed assets under operating lease | - | | 100% | - |
| u | All other Assets | | | | - |
| | i. Claims on GoB & BB | - | | 0% | - |
| | ii. Staff Loan/Investment | 605,889,940 | | 20% | 121,177,988 |
| | iii. Cash Item in process of Collection | - | | 20% | - |
| | iv. Claim on Offshore Banking Unit (OBU) | - | | 100% | - |
| | v. Other Assets (Not specified above) (Net of Specific Provision, if any) | 403,388,203 | | 100% | 403,388,203 |
| | Total | 85,402,705,348 | | | 54,801,851,217 |

Credit Risk - Off Balance Sheet items

| SL | Exposure Type | 2019 | | |
|----|---|-----------------------|---|----------------------|
| | | Exposure | | Risk Weighted Asset |
| a | Claims on Bangladesh Government (Other than PSEs) and Bangladesh Bank | - | 0% | - |
| b | Claims on other Sovereigns & Central Banks* | - | | - |
| c | Claims on Bank for International Settlements, International Monetary Fund and European Central Bank | - | 0% | - |
| d | Claims on Multilateral Development Banks (MDBs): | | | - |
| | i. IBRD, IFC, ADB, AfDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB | - | - | - |
| | ii. Other MDBs | - | 1 | 20% |
| | | - | 2, 3 | 50% |
| | | - | 4, 5 | 100% |
| | | - | 6 | 150% |
| | | - | Unrated | 50% |
| e | Claims on Public Sector Entities (other than Government) in Bangladesh | - | 1 | 20% |
| | | - | 2, 3 | 50% |
| | | - | 4, 5 | 100% |
| | | - | 6 | 150% |
| | | - | Unrated | 50% |
| f | Claims on Banks and NBFIs: | | | - |
| | i) Maturity over 3 months | - | 1 | 20% |
| | | - | 2, 3 | 50% |
| | | - | 4, 5 | 100% |
| | | - | 6 | 150% |
| | | - | Unrated | 100% |
| | ii) Maturity less than 3 months | - | | 20% |
| g | Claims on Corporate | 588,596,806 | 1 | 20% |
| | | 1,550,443,206 | 2 | 50% |
| | | 2,127,474,302 | 3, 4 | 100% |
| | | - | 5, 6 | 150% |
| | | 2,165,274,516 | Unrated | 125% |
| h | Claims against retail portfolio (excluding SME & consumer loan) | 262,144,710 | | 75% |
| i | Claim On SME | - | SME 1 | 20% |
| | | 3,143,165 | SME 2 | 40% |
| | | 962,803,053 | SME 3 | 60% |
| | | 9,602,216 | SME 4 | 80% |
| | | 1,641,400 | SME 5 | 120% |
| | | - | SME 6 | 150% |
| | | 1,427,440,335 | Unrated (Small Enterprise & <BDT 3.00m) | 75% |
| | | 1,944,283,288 | Unrated (Small enterprise having ≥ BDT 3.00m & medium | 100% |
| j | Consumer Finance | - | | 100% |
| k | Claims fully secured by residential property | - | | 50% |
| l | Claims fully secured by commercial real estate | - | | 100% |
| m | Investments in venture capital | - | | 150% |
| n | All other assets | - | | 100% |
| | Total | 11,042,846,996 | | 9,527,071,033 |

Related Party Disclosure

The parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or significant influence. Related party information are given below:

i. Directors' interest in different entities

| SI | Name of Director | Status with Bank | Experience | Name of the firms/companies in which interested as Proprietor, Partner, Director, Managing Agent, Guarantor, Employee, etc. | Status as in Column E | Percentage of Holding/Interest in the concern |
|----|-------------------------------|------------------|------------|---|--|---|
| A | B | C | D | E | F | G |
| 1 | Mr. S.M.Parvez Tamal | Chairman | 23 Years | a. System Invest Trekhrudnaya, 11/13, Off 25, Moscow, Russia. | a. Director | a. 95% |
| | | | | b. R & M , Kurtskaya, Moscow, Russia | b. Owner | b. 63% |
| | | | | c. Telexia Oy, Finland | c. Board Member | c. 33% |
| | | | | d. Makia Fashion Clothing, Finland | d. Share holder | d. 05% |
| | | | | e. Bangla Grow Agro Ltd. Damarpara, Jamgram, Kahaloo, Bogura, Bangladesh | e. Shareholder | e. 20% |
| | | | | f. Turuntie 40 Oy, Finland | f. Share holder | e. 15% |
| | | | | g. NRBC Bank Securities Limited, 114 Motijheel C/A, Dhaka | g. Sponsor-Director | g.0.57% |
| 2 | Mr. Mohammed Adnan Imam, FCCA | Director | 18 Years | a. IPE Group (Holdings) Limited 73, New Bond Street, Mayfair, London, W1S 1RS, UK. | a. Managing Director | a. 100% |
| | | | | b. IPE Ventures Limited 73, New Bond Street, Mayfair, London, W1S 1RS, UK. | b. Shareholder | b. 100% |
| | | | | c. Genex Infosys Ltd. House # 9, Road-25/A, Block-A, Banani, Dhaka-1213, Bangladesh. | c. Managing Director | c. 10% |
| | | | | d. Green & Red Technologies Limited House # 9, Road-25/A, Block-A, Banani, Dhaka-1213, Bangladesh. | d. . Chairman & Representative Director of Genex Infosys Limited | d.1% |
| | | | | e. Denim Asia Limited 117/A, Tejgaon Industrial Area, Dhaka-1208 | e. Director | e. 21% |
| | | | | f. AWR Developments (BD) Limited, House # 9, Road-25/A, Block-A, Banani, Dhaka-1213, Bangladesh. | f. Managing Director | f. 98% |
| | | | | g. AWR Real Estate Limited, House # 9, Road-25/A, Block-A, Banani, Dhaka-1213, Bangladesh. | g. Managing Director | g. 50% |
| | | | | h. Oracle Services Ltd. House # 9, Road-25/A, Block-A, Banani, Dhaka-1213, Bangladesh. | h. Managing Director | h. 50% |
| | | | | i. NRBC Bank Securities Limited, 114 Motijheel C/A, Dhaka | i. Sponsor-Director | i. 0.57% |
| 3 | Mr. Rafikul Islam Mia Arzoo | Director | 27 Years | a. Bonanza, 2nd Magietralnaya 14 G, Moscow, Russia. | a. President | a. 80% |
| | | | | b. Mela, 2nd Magietralnaya 14 G, Moscow, Russia. | b. MD | b. 89.5% |
| | | | | c. Lisichka, St. Bibirovskaya 2/1, Moscow, Russia. | c. Director | c. 67% |
| | | | | d. JSC Bibirevo, St. Bibirovskaya 2/1 Moscow, Russia | d. Director | d. 94% |
| | | | | e. NRBC Bank Securities Limited, 114 Motijheel C/A, Dhaka | g. Sponsor-Director | g.0.057% |
| 4 | Mr. A M Saidur Rahman | Director | 16 Years | a. Saidur Rahman Foundation | a. Chairman | |
| | | | | b. Pandemic Fisheries Ltd. | b. Chairman | B.25% |
| | | | | c. Royal Denim | c. Chairman | |
| | | | | d. NRBC Bank Securities Limited, 114 Motijheel C/A, Dhaka | d. Sponsor-Director | d. 0.5% |

| | | | | | | | |
|----|-----------------------------|----------|----------|----|---|--------------------------------|-----------|
| 5 | Mr. Mohammed Oliur Rahman | Director | 27 Years | a. | Al Haramain Trading LLC, PO Box: 13754, Dubai, UAE. | a. Director | a. 24% |
| | | | | b. | Al Haramain Perfumes MFG & Oudh Processing Industry LLC, PO Box: 1885, Aiman, UAE. | b. Shareholder | b.20% |
| | | | | c. | Al Haramain Perfumes LLC, Dubai, UAE. | c. Shareholder | c.30% |
| | | | | f. | Al Haramain Hospital Pvt. Ltd., Kazi Tower, Samata-10, Bishwa Road, Chali Bandar, Subhani Chat, Sulhet 2100, Bangladesh | f. Vice Chairman | |
| | | | | g. | Al Haramain Perfumes Ltd. | g. Sponsor-Director | |
| | | | | h. | Al Haramain Trading | g. Proprietor | |
| | | | | d. | NRBC Bank Securities Limited, 114 Motijheel C/A, Dhaka | d. Sponsor-Director | d. 0.07% |
| 6 | Mr. Abu Bakr Chowdhury | Director | 17 Years | a. | Baizid Steel Industries Ltd., Rahima Center, 4th Floor, 1618/1839 CDA Avenue, Nasirabad, Chittagong. | a. MD | a) 59.50% |
| | | | | b. | CSS Corporation (BD) Ltd., Rahima Center, 4th Floor, 1618/1839 CDA Avenue, Nasirabad, Chittagong. | b. MD | b. 40% |
| | | | | c. | CSS Power Ltd., Rahima Center, 4th Floor, 1618/1839 CDA Avenue, Nasirabad, Chittagong. | c. MD | c. 80% |
| | | | | d. | ABC Marks Holdings Ltd., Rahima Center, 4th Floor, 1618/1839 CDA Avenue, Nasirabad, Chittagong. | d. MD | d. 50% |
| | | | | e. | ATN News Ltd., Hassan Plaza, 53 Kawran Bazar, Dhaka-1215. | e. Shareholder | e. 10% |
| | | | | f. | ABC Associates Ltd., Rahima Center, 4th Floor, 1618/1839 CDA Avenue, Nasirabad, Chittagong. | f. MD | g. 2.50% |
| | | | | g. | Alliance Deep Sea Fishing | g. Nominated Director by Govt. | |
| | | | | h. | NRBC Bank Securities Limited, 114 Motijheel C/A, Dhaka | h. Sponsor-Director | g.0.5% |
| 7 | Mr. Loquit Ullah | Director | 36 Years | a. | Store Alamin SNC, Via Principe Amedia, 134-136, Rome, Italy. | a. Managing Director | a.100% |
| | | | | b. | NRBC Bank Securities Limited, 114 Motijheel C/A, Dhaka | b. Sponsor-Director | b.0.5% |
| 8 | Mr. Mohammed Nazim | Director | 19 Years | a. | Al Majal Car Wash and Maint, Al Maliha Street, Industrial Area,-10, Near Gico, PO: 29037, Sharjah, UAE. | a. MD | a. 50% |
| | | | | b. | Al Badar Car Washing Station, New I/A, PO Box-1267, Ajman, UAE. | b. MD | b. 100% |
| | | | | c. | Dar Al Madina Washing Station, Jouraf I/A-1, Near China Mall, Ajman, UAE. | c. MD | c. 100% |
| | | | | d. | Dar Al Salam Car Washing Station, Ajman, UAE. | d. MD | d. 100% |
| | | | | e. | Al Ardh Al Thahabiah Trucks & Heavy Machines Maint. Center, Sharjah, UAE. | e. MD | e. 50% |
| | | | | f. | Lucent Developments Limited Madina Tower,(6th Floor), 805/A, CDA Avenue, GEC Circle, Khulshi, Chittagong, Bangladesh | f. Director | f. 20% |
| 9 | Dr. Nuran Nabi | Director | 32 Years | | Plainsboro Township, New Jersey, USA | Councilman | None. |
| 10 | Mr. Mohammed Manzurul Islam | Director | 18 Years | a. | ATN News Ltd., Hasan Plaza, 53, Kawran Bazar, Dhaka. | a. Director | a. 20% |
| | | | | b. | iPay Systems Limited, 52 Gulshan Avenue, Dhaka-1212 | b. Director | b. 5% |
| | | | | c. | Dhaka Bangla Media & Communications Ltd, Ahsan Tower, 76 Bir Uttam A.K Khandakar Sarak, Dhaka, Bangladesh | c.Sponsor-Director | c. 10% |
| | | | | d. | NRBC Bank Securities Limited, 114 Motijheel C/A, Dhaka | d. Sponsor-Shareholder | d. 0.5% |
| 11 | Mr. AKM Mostafizur Rahman | Director | 17Years | a. | Pendamic Trade International | a. Managing Director | a. 20% |
| | | | | b. | Pendamic Agro Fisheries | b. Managing Director | b. 5% |
| | | | | c. | NAVA IT Management & Consultancy | c. Managing Director | c. 10% |
| | | | | d. | Royal Denim Ltd. | d. Vice Chairman | d. 0.05% |

| | | | | | | |
|--|--|--|----|--|------------------------|----------|
| | | | e. | Meghna Bank Ltd. | e. Sponsor | e. 100% |
| | | | f. | EZY Fintech Ltd. | f. Chairman | f. 100% |
| | | | g. | Pandemic Fisheries Ltd. | g. Managing Director | g. 50% |
| | | | h. | Pandemic Packaging | h. Chairman | |
| | | | i. | Dr. Tamanna Mostafizur Foundation | i. Chairman | |
| | | | j. | NRBC Bank Securities Limited, 114 Motijheel C/A, Dhaka | j. Sponsor-Shareholder | j. 0.57% |

ii. Significant contracts were executed where the Bank is a party and wherein Directors have interest: Nil

iii. Shares to the Directors and Executives without consideration or exercisable at discount: Nil

iv. Related Party relationship and transaction: Given in the Annexure I1

v. Lending policies for granting loan to the Related Party : Related parties are allowed Loans and Advances as per General Loan Policy of the Bank.

vi. Business other than Banking business with any related concern of the Directors as per section -18 (2) of the Banking Companies Act, 1991: Nil

vii. Investments in the Security of Directors and their related concerns: Nil

Related Party Transactions

While making any related party transactions the management always pays proper attention to economic efficiency and competitive pricing and necessary approval of Bangladesh Bank and other authorities had been obtained wherever applicable. Significant related party transactions of the Bank for the period January – June 2020 is given below:

| Name of Organization/ Representing Director | Relationship | Service Type | Financial Involvement or Transaction amount (Tk.) |
|--|--|--------------------------|--|
| Mr. Rafikul Islam Mia Arzoo | Common Director | Office Rent | Monthly Rent Tk.10,000.00 (1000 Sft @ Tk. 10.00) of Kalimohor Sub-Branches Tk. 60,000.00 |
| NRBC Bank Securities Limited | Common Directors / Close family members Director | Interest on Bank Deposit | 82,630.93 |
| NRBC Bank Securities Limited | Do | Interest on OD Facility | 2,948,719.58 |
| NRBC Bank Securities Limited | Do | Brokerage Commission | 525,683.17 |
| NRBC Bank Securities Limited | DO | Bank Charge | 1,725.00 |

NRB Commercial Bank Limited
Islamic Banking Operations
as at and for the period ended 30 June 2020

The operation of our Islamic Banking is totally different from the Bank's conventional operation as the former operates their business on the basis of Islamic Shariah. Accounting system is vital for ensuring Shariah compliance in such banking operation. Our Islamic Banking operation is committed to follow the accounting principles that refrain from interest. In a nutshell, we follow under noted principles for accounting under its Islamic Banking umbrella, run through a separate Islamic Banking software namely Ultimus

1 Deposit Collection and income Sharing Ratio (ISR) based Profit Distribution

For procuring funds from depositors, our Islamic Banking follows Al-Wadiah and Mudaraba principles. In case of Al-Wadiah Account, no profit is allowed at present. But for Mudaraba depositors, NRBC is follow Income Sharing technique in our Islamic Banking operator.

Income sharing module of NRBC has been appreciated by different quarters/institutions/ organizations, particularly by the Central Shariah Board for Islamic Banks of Bangladesh and Islamic Banks Consultative Forum. Our module offers pre-defined Income Sharing Ratio (ISR) for each type of depositor and the Bank. The ISR determines the portion of income for each type of depositor and the Bank. For example, the ISR of 75 : 25 would mean that 75% of distributable income is to be shared by the concerned depositors and the rest 25% to be shared by the Bank. The ISR between each type of Mudaraba depositors and the Bank (Mudarib) are duly disclosed at the time of Account opening and/or beginning of the concerned period. Profit rate is emerged at actual, as derived from the income fetched from deployment of the concerned fund. As such our rate of profit on deposit under Islamic Banking is nothing but a post facto expression of the respective agreed sharing ratios. Our profit rate is an output based on the Bank's earning on investment.

| Types of Mudaraba Deposit | Distributable Investment Income Sharing Ratio | |
|--|--|------|
| | Client | Bank |
| Al-Wadeah Current Deposit A/c (AWCDA) | 0% | 100% |
| Mudaraba Savings Account (MSA) | 45% | 55% |
| Mudaraba Shohoj Shanchay | 50% | 50% |
| Mudaraba Special Notice Deposit Account (MSND) | 35% | 65% |
| Mudaraba Term Deposit A/c (MTDR 1 Month) | 60% | 40% |
| Mudaraba Term Deposit A/c (MTDR 2 Months) | 60% | 40% |
| Mudaraba Term Deposit A/c (MTDR 3 Months) | 70% | 30% |
| Mudaraba Term Deposit A/c (MTDR 6 Months) | 72% | 28% |
| Mudaraba Term Deposit A/c (MTDR 1 Year) | 72% | 28% |
| Mudaraba Term Deposit A/c (MTDR 2 Year) | 72% | 28% |
| Mudaraba Term Deposit A/c (MTDR 3 Year) | 72% | 28% |
| Mudaraba Term Deposit A/c (MTDR 4 Year) | 72% | 28% |
| Mudaraba Term Deposit A/c (MTDR 5 Year) | 72% | 28% |
| Mudaraba Monthly Installment Scheme | 75% | 25% |
| Mudaraba Monthly Profit Scheme | 75% | 25% |

Despite of above mentioned sharing principle, Bank distributed the profit by making expenditure as per direction of Board in its 93rd meeting held on January 18, 2020

2 Investment Operation and Return Thereon

Investments of our Islamic Banking are broadly categorized in the following two types in respect of charging (rate of) return:

- Fixed return based investment
- Variable return based investment

Fixed return base investment system is applicable for our Bai-Murabaha Muajjal Investment mode. Under this mode, Bank sells the goods to a client at a fixed profit /mark-up on deferred payment including post import basis. Hire Purchase Shirkatul Melk (HPSM) is also a fixed return based investment mode. In this case rate of rent is fixed but amount of rent becomes variable on the basis of diminishing balance method.

Variable return based income is applied for our Musaharaka mode of investment. In these cases, only ratio of Income Sharing is stated in the agreement. Bank bags income on the basis of the concerned venture according to the agreed ratio (comparable to our Mudaraba deposit products). Genuine loss, if any, is borne according to capital ratio of the client & the Bank.

3 Income/ Revenue Recognition Principle

The bank earns income from various sources such as charges, fees, commission and investment income. To recognize all sorts of income, Bank follows Shariah principle strictly. Usually charges, fees & commission etc. are recognized on actual basis. Recognition of income from investment follows principles as under:

For Bai-Murabaha Muajjal Investment

While creating each deal, in case of Bai-Murabaha Muajjal mode of investment, markup/profit is added to the bank's purchase cost with a credit to unearned income A/c. Thereafter time apportionment of profit is recognized out of the unearned income amount at the end of each month on accrual basis. Allowance (rebate) for early repayment, if any, may however be applied at Bank's discretion.

For Hire Purchase Shirkatul Melk (HPSM) Investment

In case of HPSM mode of investment rent is charged and taken into income account at the end of each month on accrual basis.

If the account has a provision of gestation period, generally no income is earned during the period. In this case income starts just after the end of gestation period. However rent is chargeable in spite of gestation, if the delivery of asset is completed in usable condition such as a machine or a set of machinery or building etc.

All accrual income is subject to prevailing classification and provisioning rules of Bangladesh Bank.

For Musharaka Investment

In recognizing the revenue from Musharaka Investment we follow the actual (cash/ realization) basis instead of accrual i.e. no income is recognized until the result of the venture is arrived at.

4 Cost Recognition Principle

Cost in respect of profit paid on deposit is recognized on accrual basis. Monthly accruals in this respect are calculated on the basis of Income Sharing Ratio. Other costs are also recognized on the accrual basis following the matching concept of Accounting.

To ensure/ supervise Shariah compliance in banking operation, NBRC has a knowledgeable Shariah Supervisory Committee comprising renowned Fuqaha, Islamic bankers and academicians conversant in Islamic Economics & Finance.

NRB Commercial Bank Limited
Islamic Banking Unit
 Balance Sheet
As at 30 June 2020

| Particulars | At Mar 31, 2020 | At Dec 31, 2019 |
|--|--------------------|-----------------|
| | Taka | Taka |
| PROPERTY AND ASSETS | | |
| Cash: | 46,381,396 | - |
| In Hand (Including Foreign Currencies) | 6,381,396 | - |
| Balance with Bangladesh Bank and its agent bank (s) (including FC) | 40,000,000 | - |
| Balance with other banks and financial institutions | 64,999,540 | - |
| In Bangladesh | 64,999,540 | - |
| Outside Bangladesh | - | - |
| Placement with other banks and financial institutions | - | - |
| Investments | 10,000,000 | - |
| Government | 10,000,000 | - |
| Others | - | - |
| investments | 18,024,303 | - |
| General investments | 2,007,351 | - |
| Bills purchased and discounted | 16,016,952 | - |
| Fixed assets including premises, furniture and fixtures | 2,715,029 | - |
| Other assets | 508,740 | - |
| Total assets | 142,629,009 | - |
| LIABILITIES AND CAPITAL | | |
| Liabilities | | |
| Placement from other banks, financial institutions and agents | - | - |
| Deposits and other accounts | 133,234,894 | - |
| Al-wadeeah current accounts and other accounts | 8,309,174 | |
| Bills payable | 1,233,387 | |
| Mudaraba Shohoj Shanchay | 10,267,368 | |
| Mudaraba savings bank deposits | 11,674,601 | |
| Mudaraba notice deposits | 1,356,366 | |
| Mudaraba fixed deposits | 88,826,832 | |
| Mudaraba Scheme Deposits | 7,327,225 | |
| Sundry Deposits | 4,239,940.92 | |
| Other liabilities | 9,394,115 | |
| Total liabilities | 142,629,009 | - |

NRB Commercial Bank Limited

Islamic Banking Unit

Balance Sheet

As at 30 June 2020

OFF - BALANCE SHEET EXPOSURES

Acceptances and endorsements

Letters of guarantee

Irrevocable letters of credit

Bills for collection

Other contingent liabilities

Other commitments**Total Off-Balance Sheet exposures including contingent liabilities**

| | |
|-------------------|----------|
| - | |
| - | |
| 14,771,250 | |
| 20,332,511 | |
| - | |
| - | |
| 35,103,761 | - |

NRB Commercial Bank Limited
Islamic Banking Unit
Profit and Loss Account
For the Period ended 31 March 2020

| Particulars | | Jan'20-June'20 Taka | Jan'19-June'19 Taka |
|---|--|------------------------|------------------------|
| OPERATING INCOME | | | |
| Investment income | | 327,621 | - |
| Profit paid on deposits and borrowings, etc | | 1,520,369 | - |
| Net investment income | | (1,192,748) | - |
| Profit on Investment with bank and financial institutions | | - | - |
| Commission, exchange and brokerage | | 364,680 | - |
| Other operating income | | 195,323 | - |
| Total operating income (A) | | (632,746) | - |
| OPERATING EXPENSES | | | |
| Salary and allowances | | - | - |
| Rent, taxes, insurance, electricity, etc. | | - | - |
| Legal expenses | | - | - |
| Postage, stamps, telecommunication, etc. | | - | - |
| Stationery, printing, advertisement, etc. | | 843,200 | - |
| Chief Executive's salary and fees | | - | - |
| Directors' fees & meeting expenses | | - | - |
| Auditors' fees | | - | - |
| Charges on loan losses | | - | - |
| Depreciation and repairs of Bank's assets | | 59,873 | - |
| Other expenses | | 460 | - |
| Total operating expenses (B) | | 903,533 | - |
| Profit before provision (C = A-B) | | (1,536,279) | - |
| Provision for investments | | | |
| General provision | | 180,243 | - |
| Specific provision | | - | - |
| | | 180,243 | - |
| Provision for of balance sheet items | | 351,038 | - |
| Total provision (D) | | 531,281 | - |
| Profit before taxation (C-D) | | (2,067,560) | - |

NRB Commercial Bank Limited

Segment Reporting

The Bank reports its operations under the following business segments as per Bangladesh Financial Reporting Standards (BFRS) 8 “Operating segment”

| Particulars | NRBC Bank Limited | | | NRBC Bank Limited's Subsidiary | Inter Company Transaction | Consolidated |
|--|----------------------|-----------------|----------------|--------------------------------|---------------------------|----------------|
| | Conventional Banking | Islamic Banking | Total | NRBC Bank Securities Limited | | |
| Cash | 4,455,959,662 | 46,381,396 | 4,502,341,058 | 2,939,076 | - | 4,505,280,134 |
| Balance with other banks and financial institutions | 2,830,746,901 | 64,999,540 | 2,895,746,441 | 87,945,438 | (53,519,821) | 2,930,172,058 |
| Money at call and short notice | 2,744,300,000 | - | 2,744,300,000 | - | - | 2,744,300,000 |
| Investments | 18,401,634,839 | 10,000,000 | 18,411,634,839 | 403,233,129 | 0.00 | 18,814,867,968 |
| Loans and advances/investments | 64,358,148,304 | 18,024,303 | 64,376,172,608 | 130,995,530 | (170,714,281) | 64,336,453,857 |
| Fixed assets including premises, furniture and fixtures | 581,259,240 | 2,715,029 | 583,974,270 | 6,311,360 | 0.00 | 590,285,629 |
| Other assets | 4,474,930,775 | 508,740 | 4,475,439,515 | 28,176,796 | (361,366,909) | 4,142,249,402 |
| Total Assets | 97,846,979,721 | 142,629,009 | 97,989,608,730 | 659,601,329 | (585,601,011) | 98,063,609,048 |
| Borrowings from other banks, financial institutions and agents | 5,507,100,545 | - | 5,507,100,545 | - | - | 5,507,100,545 |
| Deposits and other accounts | 74,071,292,902 | 133,234,894 | 74,204,527,796 | 32,208,652 | (53,519,821) | 74,183,216,627 |
| Other liabilities | 10,206,326,616 | 9,394,115 | 10,215,720,730 | 212,564,355 | (172,081,190) | 10,256,203,895 |
| Total liabilities | 89,784,720,063 | 142,629,009 | 89,927,349,072 | 244,773,006 | (225,601,011) | 89,946,521,067 |
| Total Equity | 8,062,259,658 | - | 8,062,259,658 | 414,828,324 | (360,000,000) | 8,117,087,981 |
| Total Liabilities and Shareholders' Equity | 97,846,979,721 | 142,629,009 | 97,989,608,730 | 659,601,330 | (585,601,011) | 98,063,609,049 |

NRB Commercial Bank Limited
Segment Reporting

The Bank reports its operations under the following business segments as per Bangladesh Financial Reporting Standards (BFRS) 8 “Operating segment”

| Particulars | NRBC Bank Limited | | | NRBC Bank Limited's Subsidiary | Inter Company Transaction | Consolidated |
|---|----------------------|-----------------|---------------|-----------------------------------|------------------------------|---------------|
| | Conventional Banking | Islamic Banking | Total | NRBC Bank Securities Limited | | |
| Interest income | 3,376,965,819 | 327,621 | 3,377,293,440 | 10,031,409 | (3,031,351) | 3,384,293,499 |
| Interest paid/Profit Shared on deposits and borrowings, etc | 2,569,065,042 | 1,520,369 | 2,570,585,411 | 2,948,720 | (3,031,351) | 2,570,502,780 |
| Net interest income | 807,900,777 | (1,192,748) | 806,708,029 | 7,082,690 | - | 813,790,719 |
| Investment income | 946,255,471 | - | 946,255,471 | 7,953,790 | - | 954,209,261 |
| Commission, exchange and brokerage | 404,253,739 | 364,680 | 404,618,418 | 6,094,200 | (525,683) | 410,186,936 |
| Other operating income | 105,574,682 | 195,323 | 105,770,004 | 286,881 | - | 106,056,885 |
| Total operating income (A) | 2,263,984,669 | (632,746) | 2,263,351,923 | 21,417,562 | (525,683) | 2,284,243,801 |
| | | | | | - | |
| Salary and allowances | 769,700,151 | | 769,700,151 | 10,564,043 | - | 780,264,194 |
| Rent, taxes, insurance, electricity, etc. | 142,808,648 | | 142,808,648 | 1,131,922 | - | 143,940,570 |
| Legal expenses | 318,796 | | 318,796 | 50,600 | - | 369,396 |
| Postage, stamps, telecommunication, etc. | 18,521,008 | | 18,521,008 | 295,549 | - | 18,816,557 |
| Stationery, printing, advertisement, etc. | 80,900,561 | 843,200 | 81,743,761 | 166,905 | - | 81,910,666 |
| Chief Executive's salary and fees | 5,162,854 | | 5,162,854 | | - | 5,162,854 |
| Directors' fees & meeting expenses | 4,592,793 | | 4,592,793 | 71,591 | - | 4,664,384 |
| Auditors' fees | 172,500 | | 172,500 | - | - | 172,500 |
| Charges on loan losses | - | | 0 | | - | - |
| Depreciation and repairs of Bank's assets | 87,631,758 | 59,873 | 87,691,630 | 955,168 | - | 88,646,799 |
| Other expenses | 246,276,733 | 460 | 246,277,193 | 231,248 | (525,683) | 245,982,758 |
| Total operating expenses (B) | 1,356,085,802 | 903,533 | 1,356,989,335 | 13,467,026 | (525,683) | 1,369,930,678 |
| Profit before provision (C = A-B) | 907,898,867 | (1,536,279) | 906,362,588 | 7,950,536 | - | 914,313,123 |
| Provision against loans and advances | 143,222,667 | 180,243 | 143,402,910 | - | - | 143,402,910 |
| Provision for diminution in value of investments | 85,550,021 | | 85,550,021 | 3,954,105 | - | 89,504,127 |
| Provision for Off-Balance Sheet Exposures | 44,983,982 | 351,038 | 45,335,020 | - | - | 45,335,020 |
| Total provision (D) | 273,756,671 | 531,281 | 274,287,951 | 3,954,105 | - | 278,242,057 |
| Profit before taxation (C-D) | 634,142,196 | (2,067,560) | 632,074,636 | 3,996,430 | - | 636,071,066 |
| Provision for taxation | 272,793,394 | - | 272,793,394 | 1,178,038 | 0 | 273,971,432 |
| Current Tax Expenses | 282,545,987 | | 282,545,987 | 1,345,948 | 0 | 283,891,935 |
| Deferred Tax Expenses/(Income) | (9,752,593) | | (9,752,593) | (167,910) | - | (9,920,503) |
| Net profit after taxation | 361,348,802 | (2,067,560) | 359,281,242 | 2,818,392 | - | 362,099,634 |

**Independent Auditor's Report
To the Shareholders of NRBC Bank Securities Limited
Report on the Audit of the Financial Statements**

Opinion

We have audited the interim condensed financial statements of NRBC Bank Securities Limited., which comprise the Statement of Financial Position as at 30 June 2020, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the period then ended, and notes to the interim condensed financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 30 June 2020, and of its financial performance and its cash flows for the half year period then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the company.

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

Those charged with governance are responsible for overseeing the financial reporting process.

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- (c) the statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns;

Dated, Dhaka
18 August, 2020

-SD-
Avijit Bhattacharjee, FCA
Hoque Bhattacharjee Das & Co.
Chartered Accountants

NRBC Bank Securities Limited
Statement of Financial Position
As at June 30, 2020

| Properties & Assets | Notes | At June 30, 2019 Taka | At Dec 31, 2019 Taka |
|--|-------|--------------------------|-------------------------|
| <u>Non Current Assets:</u> | | | |
| Property, Plant & Equipment | 4.0 | 6,311,360 | 7,078,765 |
| <u>Investments :</u> | | | |
| Investment in Share & Stock | 5.0 | 403,233,129 | 327,496,997 |
| <u>Loan and Advances :</u> | | | |
| Margin Loan | 6.0 | 130,995,530 | 138,414,177 |
| <u>Current Assets:</u> | | | |
| Advances, Deposits, Prepayments, Receivables | 7.0 | 28,176,797 | 40,675,850 |
| Cash and Cash Equivalents | 8.0 | 90,884,514 | 149,887,320 |
| | | 119,061,311 | 190,563,170 |
| Total Assets | | 659,601,330 | 663,553,109 |
| <u>Shareholders' Equity:</u> | | | |
| | | 414,828,324 | 412,009,932 |
| Share Capital | 9.0 | 400,000,000 | 400,000,000 |
| Retained Earnings | 10.0 | 14,828,324 | 12,009,932 |
| <u>Current Liabilities</u> | | | |
| | | 244,773,006 | 251,543,177 |
| Other Liabilities | 11.0 | 74,058,725 | 157,670,531 |
| Overdraft NRBC Bank Ltd | 12.0 | 170,714,281 | 93,872,646 |
| Total equity and Liabilities | | 659,601,330 | 663,553,109 |

The annexed notes form an integral part of the Financial Statements.

-SD-
Chief Executive Officer

-SD-
Director

-SD-
Chairman

Signed as per annexed report on even date

-SD-
Hoque Bhattacharjee Das & Co.
Chartered Accountants

Place: Dhaka
Date: August 18, 2020

NRBC Bank Securities Limited
Statement of Profit or Loss and Other Comprehensive Income
For the period from January 01,2020 to June 30, 2020

| Particulars | Notes | Jan'20-June'20 Taka | Jan' 19 June' 19 Taka |
|--|-------|------------------------|--------------------------|
| Operating Income | | | |
| Interest Income | 13 | 10,031,409 | 6,140,837 |
| Interest Expenses | 14 | 2,948,720 | 45,945 |
| Net Interest Income | | 7,082,690 | 6,094,893 |
| Brokerage Commission | 15 | 6,094,200 | 11,212,311 |
| Investment Income | 16 | 7,953,790 | 5,775,842 |
| Other Operating Income/Loss | 17 | 286,881 | 449,949 |
| Total operating income | | 21,417,562 | 23,532,995 |
| Operating Expenses | | | |
| Salary & Allowances | 18 | 10,564,043 | 7,730,098 |
| Rent, Taxes, Insurance, Electricity, etc. | 19 | 1,131,922 | 2,386,912 |
| Legal/Professional/Preliminary Expenses | 20 | 50,600 | - |
| Stamp, Postage & Telecommunication etc. | 21 | 295,549 | 479,531 |
| Stationery, Printing, Advertisement, etc. | 22 | 166,905 | 428,325 |
| Board of Directors' Meeting Expense | 23 | 71,591 | 32,500 |
| Other Financial Expenses | 24 | 10,332 | 13,708 |
| Depreciation & Repair of Property, Plant & Equipme | 25 | 955,168 | 1,678,411 |
| Other Expenses | 26 | 220,916 | 342,482 |
| Total Operating Expenses | | 13,467,026 | 13,091,967 |
| Profit/(Loss) before provision | | 7,950,536 | 10,441,028 |
| Provision against Diminution of Share | 27 | 3,954,105 | (2,118,178) |
| Total Provision | | 3,954,105 | (2,118,178) |
| Profit/(Loss) before Taxation | | 3,996,430 | 12,559,206 |
| Provision for Taxation | | 1,178,038 | 2,621,104 |
| Current Tax | 28 | 1,345,948 | 2,801,703 |
| Deferred Tax | 29 | (167,910) | (180,599) |
| Profit/Loss after taxation | | 2,818,392 | 9,938,103 |
| Other Comprehensive Income | | - | - |
| Total Comprehensive Income/(loss) | | 2,818,392 | 9,938,103 |
| Earnings Per Share (EPS) | 30 | 0.07 | 0.25 |

The annexed notes form an integral part of the Financial Statements.

-SD-
Chief Executive Officer

-SD-
Director

-SD-
Chairman

Signed as per annexed report on even date

-SD-
Hoque Bhattacharjee Das & Co.
Chartered Accountants

Place: Dhaka
Date: August 18,2020

NRBC Bank Securities Limited
Statement of Cash Flows
For the period from January 01,2020 to June 30, 2020

| Particulars | Jan'20-June'20 Taka | Jan' 19 June' 19 Taka |
|--|------------------------|--------------------------|
| A. Cash flows from operating activities | | |
| Cash received from : | | |
| Interest income | 10,031,409 | 5,955,684 |
| Investment Income | 7,953,790 | 22,846,383 |
| Brokerage Commission Receipts | 6,094,200 | 23,999,019 |
| Receipts from Other operating activities | 286,881 | 749,300 |
| | 24,366,281 | 53,550,386 |
| Cash payment to : | | |
| Interest expenses | 2,948,720 | - |
| Paid to the Employee | 10,564,043 | 13,940,445 |
| Legal/Preliminary Expense | 50,600 | 65,940 |
| Audit Fees | 57,500 | 17,250 |
| Payments to suppliers/Service providers | 1,427,064 | 7,581,123 |
| Paid for Other Operating Activities | 315,005 | 1,706,585 |
| | 15,362,932 | 23,311,343 |
| Operating profit before changes in operating assets & liabilities | 9,003,349 | 30,239,043 |
| Increased/decreased in operating assets and liabilities | | |
| Increased/(Decreased) of Deposit from client against Share purchased | (88,865,135) | (44,603,945) |
| Increased/(Decreased) of Deposit from client against IPO Fund | 11,374 | (30,065,000) |
| (Receivable)/payable to Parents Company | - | (631,926) |
| (Increased) / Decreased in Operating Assets | (88,853,761) | (75,300,871) |
| Net cash from/(used in) operating activities (A) | (79,850,412) | (45,061,828) |
| Cash used in Investing Activities | | |
| Purchase of Property, Plant and Equipment | (175,597) | (6,046,325) |
| Investment in Shares/Securities | (75,736,132) | (15,584,495) |
| Advances, deposits, prepayments, Receivables | 12,499,054 | 21,017,841 |
| Loan and Advances | 7,418,647 | (39,402,699) |
| Net cash used in Investing Activities (B) | (55,994,028) | (40,015,678) |
| Cash flows from Financing Activities | | |
| Share Capital | - | - |
| Loan From Parent Company (NRBC Bank Ltd)/OD facility | 76,841,635 | - |
| Dividend Paid | - | - |
| Net cash flows from financing activities (C) | 76,841,635 | - |
| Net Surplus/(Deficit) in Cash and Bank Balances for the year (A+B+C) | (59,002,805) | (85,077,506) |
| Cash and Bank Balance at beginning of the year | 149,887,319 | 100,623,474 |
| Cash & Bank Balance at the end of the year (*) | 90,884,514 | 15,545,968 |
| (*) Cash & Bank Balance: | | |
| Cash in Hand | 2,939,076 | 1,896 |
| Cash at Bank | 87,945,438 | 15,544,071 |
| | 90,884,514 | 15,545,968 |

The annexed notes form an integral part of the Financial Statements.

-SD-
Chief Executive Officer

-SD-
Director

-SD-
Chairman

Signed as per annexed report on even date

Place: Dhaka
Date: August 18,2020

NRBC Bank Securities Limited
Statement of Changes in Equity
For the period from January 01, 2020 to June 30, 2020

| Particulars | Paid up capital | Retained earnings | Total |
|-------------------------------------|------------------------|--------------------------|--------------------|
| Opening Balance at January 01, 2020 | 400,000,000 | 12,009,932 | 412,009,932 |
| | | | - |
| Net Profit after Tax for the year | - | 2,818,392 | 2,818,392 |
| Balance at June 30, 2020 | 400,000,000 | 14,828,324 | 414,828,324 |
| Balance at December 31, 2019 | 400,000,000 | 12,009,932 | 412,009,932 |

-SD-
Chief Executive Officer

-SD-
Director

-SD-
Chairman

Place: Dhaka
Date: August 18, 2020

NRBC Bank Securities Limited
Selective Notes to the Preparation of Financial Statements
For the period from January 01, 2020 to June 30, 2020

1.1 Nature of Business Activities

NRBC Bank Securities Limited (the Company), a majority owned subsidiary company of NRBC Bank Limited was incorporated as a Public limited company in Bangladesh on 20 September 2015 bearing certificate of incorporation no. C-125904/2015 under the Companies Act 1994 having its registered office at 114 Motijheel Commercial Area, Dhaka - 1000.

1.2 Nature of business

The main objective of the company is to carry on the business of a stock broker and stock dealer that is to be buy, sell and deal in shares, stocks, debentures and other securities under stock exchange in Bangladesh and/ or elsewhere as well as to carry on any business as permissible for a broker and dealer duly licensed by the Bangladesh Securities and Exchange Commission (BSEC).

2.0 Significant accounting policies and basis of preparation of financial statements

2.1 Statement of compliance:

The financial statements of the Company are prepared on a going concern basis under historical cost conversion in accordance with International Financial Reporting Standards (IFRS). The financial statements has also been made in accordance with the Companies Act 1994, the Securities and Exchange Rules 1987, the listing Rules of Dhaka Stock Exchange, Guidelines from Bangladesh Bank, other applicable laws and regulations.

NRBC Bank Securities Ltd. was also registered with the Bangladesh Securities and Exchange Commission (BSEC) to act as Stock Dealer for carrying its own investment in the capital market.

2.2 Use of estimates and judgments

The preparation of financial statements are in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the periods in which the estimate were made and in any future periods affected.

2.3 Going Concern Assessment

The Company has adequate resources to continue in operation for foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the financial statements. The Probable credit facilities from parents and Others as well as adequate resources of the Company provide sufficient funds to meet the present requirements of its businesses and operations in the future.

2.4 The financial statements referred to here comprise :

- a. Statement of Financial Position
- b. Statement of Profit or Loss and Other Comprehensive Income
- c. Statement of Cash Flows
- d. Statement of Changes in Equity and
- e. Notes to the Financial Statements

2.5 Statements of Cash flows

Statement of cash flows is prepared in accordance with the International Accounting Standard-7 "Statement of Cash Flows".

2.6 Reporting period

These financial statements cover one calendar year from 1 January to 30 June 2020.

2.7 Functional and presentational currency

The financial statements are presented in Bangladesh Taka, which is the Company's functional currency.

3.0 Consistency accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, as per IFRS /IAS 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

3.2 Depreciation policy

Full month's depreciation has been charged on additions irrespective of date when the related assets are put into use and no depreciation is charged for the month of disposal. Depreciation is provided at the following rates on straight-line basis in accordance with IAS 16 over the periods appropriate to the estimated useful lives of the different types of assets:

| Categories of Assets | Rate of Depreciation (%) |
|-----------------------------------|--------------------------|
| Furniture and fixtures | 10 |
| Office Equipment's | 10 |
| Computer and Accessories | 20 |
| Bangladesh Made Computer Software | 20 |
| Motor Vehicles | 30 |
| Professionals and Reference Books | 10 |

3.3 Investment in TREC (Membership)

Investment in Stock Exchanges for TREC (Membership) are stated at cost. The cost of acquisition of a TREC (Membership) is the purchase price paid to the previous holder. As per the Demutualization Act, 2013, Trading Right Entitlement Certificate (TREC) has been allotted 7,215,106 no. of ordinary shares of Dhaka Stock Exchange Limited (DSE).

In persuasion of Demutualization Act, 2013, Dhaka Stock Exchange sold 25% share holding of 7,215,106 to Strategic Partner M/s. Shenzhen Stocks & Shanghai Stock Exchange @Tk.21.00 in 2018 and, therefore, holding of is reduced to 5,411,330 shares

3.4 Investment in Securities

Investment in listed securities are to be recognized at cost. Quarterly impairment test will be carried out by comparing cost with market price as a whole of its total holdings. In case of diminution of market value compared to cost, provision will be made on portfolio basis but no unrealized gain will be booked when market value exceeds cost.

3.5 Margin loan/Loan to customer

The Company extends margin loan to the portfolio investors at an agreed ratio (between investors deposit and loan amount) of

3.6 Advance, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to income statement.

3.7 Deferred taxation

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary Differences. Deferred tax

3.8 Provision for income tax

Provision for current income tax has been made in compliance with relevant provisions of income tax law 1984 along with Financial

3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at bank, which are held and available for use by the company without any restriction and are readily convertible to a known amount of cash and that are subject to an insignificant risk of change in value.

3.10 Share Capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

3.11 Payables

Trade and other payables will be stated at their nominal values.

3.12 Other Liabilities for Expenses

Liabilities are to be recognized for the goods and services received, whether paid or not for those goods and services. Payables will not interest bearing and are stated at their nominal values.

3.13 Revenue Recognition:

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the company in

3.13.1 Interest income

Income from margin loan/bank deposit are recognised on accrual basis. Such income is calculated considering daily margin loan balance of the respective parties or balances with the banks.

3.13.2 Brokerage commission

Brokerage commission is recognized as income when selling or buying order executed.

3.13.3 Other Business Income

Other income, comprises of service charges and capital gain, is recognized when service rendered and sell process completed.

3.14 Event after the reporting period

As per IAS - 10 "Events after the Reporting period", events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

- i) those that provide evidence of conditions that existed at the end of the reporting period (Adjusting events after the reporting period) and
- ii) those that are indicative of conditions that arose after the reporting period (Non- adjusting events after the reporting period).

There was no material events which have occurred after the reporting period which could affect the values stated in the financial statements

3.15 Related party transaction

As per IAS 24 "Related Party Disclosures", a related party is a person or entity that is related to the entity (i.e. NRBCBSL) that is preparing its financial statements. Related party transaction is a transfer of resources, services, or obligations between a reporting entity and a related party, regardless of whether a price is charged as per IAS 24.

Related Parties include the Company's Directors, key management personnel, associates, companies under common directorship etc. as per IAS 24 "Related Party Disclosures". All transactions involving related parties arising in the normal course of business are conducted as arm's length transactions. Related parties disclosure given in the **Note-31**

3.16 General

- i. Figures relating to previous year/period included in this report have been rearranged, wherever considered necessary.
- ii. The figures appearing in these financial statements are expressed in Taka currency and rounded off to the nearest Taka

| | At June 30, 2020 | At Dec 31, 2019 |
|---|-------------------|-------------------|
| | Taka | Taka |
| 4.00 Property, Plant and Equipment | | |
| At Cost | | |
| Opening Balance | 14,024,924 | 12,016,468 |
| Add: Addition During the Year | 175,597 | 2,008,456 |
| | 14,200,521 | 14,024,924 |
| Less: Accumulated Depreciation | 7,889,161 | 6,946,159 |
| Written Down Value | 6,311,360 | 7,078,765 |

A Schedule of Property, Plant and Equipment is given in Annexure-1 for accounting & Tax Purpose

| | | |
|--|--------------------|--------------------|
| 5.00 Investment in Share & Stock | | |
| Quoted Share (Publicly Traded listed with DSE) | 135,374,956 | 70,376,314 |
| Cost of Acquisition of DSE TREC & Share | 247,120,683 | 247,120,683 |
| Share in Lockin | - | - |
| Initial Public Offering | 10,737,490 | - |
| Unquoted Shares (Demat Share & approved by BSEC) | 10,000,000 | 10,000,000 |
| | 403,233,129 | 327,496,997 |

A Schedule of Investments in Shares is given in Annexure -2

| | | |
|-------------------------------|--------------------|--------------------|
| 6.00 Loan and Advances | | |
| Margin Loan | 130,995,530 | 138,414,177 |
| | 130,995,530 | 138,414,177 |

This represent amount of loan to the customer against shares purchased under prescribed guidelines of BSEC

| | | |
|--|-------------------|-------------------|
| 7.00 Advances, deposits, prepayments, Receivables | | |
| Security Deposit (Note: 7.01) | 200,000 | 200,000 |
| Advance Income Tax (Note: 7.02) | 25,788,294 | 23,633,481 |
| Advance Others (Note: 7.03) | 2,111,253 | 2,613,107 |
| Accounts Receivable (Note: 7.04) | 77,249 | 14,229,262 |
| | 28,176,796 | 40,675,850 |

| | | |
|---|----------------|----------------|
| 7.01 Security deposits | | |
| Security Deposit with Central Depository Bangladesh Ltd. (CDBL) | 200,000 | 200,000 |
| | 200,000 | 200,000 |

| | | |
|------------------------------------|-------------------|-------------------|
| 7.02 Advance Income Tax | | |
| On Turnover | 15,268,217 | 13,922,269 |
| On Bank Interest | 1,477,262 | 1,464,765 |
| On Dividend Income | 7,102,374 | 6,306,006 |
| Advance Tax- Others | 46,500 | 46,500 |
| Advance Tax- Strategic Investment* | 1,893,941 | 1,893,941 |
| | 25,788,294 | 23,633,481 |

Gain Tax on Sale of Share (25% i.e. 1,803,777X21 less cost) no. Share sale to Shenzhen Stocks & Shanghai Stock Exchange @Tk.21.00 Through DSE in 2018 which to be utilized after expiry of 3 (Three) Years as S.R.O No 319 - Ayin/Aykor/2018 Dated Nov-11-2018

| | | |
|--|------------------|------------------|
| 7.03 Advance Others | | |
| Advance Office Rent (Head Office & Modhumita Ext Office) | 1,644,300 | 1,796,100 |
| Others | 466,953 | 817,007 |
| | 2,111,253 | 2,613,107 |

| | | |
|---|---------------|-------------------|
| 7.04 Accounts Receivable | | |
| Dhaka Stock Exchange Ltd. (Settlement A/c) Broker | 72,852 | 14,229,262 |
| Receivable from Merchant Bank | 4,397 | - |
| | 77,249 | 14,229,262 |

| | | |
|---------------------------------------|-------------------|--------------------|
| 8.00 Cash and Cash Equivalents | | |
| Cash in Hand (* With unclear cheque) | 2,939,076 | 44,807,964 |
| Cash at Bank (Note: 08.01) | 87,945,438 | 105,079,356 |
| | 90,884,514 | 149,887,320 |

* Cash in hand means cash kept as petty for maintaining daily regular expenses which adjust periodically. and included Uncleared Cheque value of Tk.29,21,500 kept in hand

| | | |
|---|------------|------------|
| 8.01 Cash at Bank | | |
| NRB Commercial Bank Limited, Principal Branch (a) | 34,945,396 | 61,753,597 |
| NRB Commercial Bank Limited Cus A/C 0101-360-099 | 33,055,366 | 60,074,997 |

NRB Commercial Bank Limited IPO A/C 0101-360-098
 NRB Commercial Bank Limited Operation A/C 0101-364-002
Al-Arafah Islami Bank Limited, Motijheel Branch (b)
 Al-Arafah Islami Bank Limited Cus A/C 0021220006396
 Al-Arafah Islami Bank Limited Dealer A/C 0021220006385
 Al-Arafah Islami Bank Limited Strategic A/C 0021220007836
Total (a+b)

| | |
|-------------------|--------------------|
| 329,422 | 326,525 |
| 1,560,607 | 1,352,075 |
| 53,000,043 | 43,325,759 |
| 16,990,496 | 7,212,050 |
| 24,230 | 128,392 |
| 35,985,316 | 35,985,316 |
| 87,945,438 | 105,079,356 |

According to Demutualization Act 2013, DSE was agreed to sale 25% share to Strategic partner to Shenzhen Stock Exchange & Shanghai Stock Exchange. At the same National Board of Revenue(NBR) issued এস.আর.ও নং ৩১৯-আইন/আয়কর/২০১৮- Income Tax Ordinance 1984 dated October 30, 2018 stated that all proceed of selling to Strategic partner will be operated in BO Account 1205950066923412.

9.00 Share Capital

Authorized Capital

100,000,000 Ordinary Shares of Taka 10.00 each

1,000,000,000 **1,000,000,000**

Issued, Subscribed and Paid-up Capital

40,000,000 Ordinary Shares of Taka 10.00 each fully paid

400,000,000 **400,000,000**

Shareholding position at June 30, 2020 is as follows:

| Name of Shareholders | No. of shares |
|-------------------------------|----------------------|
| NRB Commercial Bank Limited | 36,000,000 |
| Dr. Toufique Rahman Chowdhury | 200,000 |
| Mr. Md. Shahidul Ahsan | 200,000 |
| Mr. Mohammed Mahtabur Rahman | 200,000 |
| Ms. Anika Rahman | 200,000 |
| Mr. Marzanur Rahman | 200,000 |
| Mr. A M Saidur Rahman | 200,000 |
| Mr. A.K.M Mostafizur Rahman | 228,570 |
| Mr. Abu Bakr Chowdhury | 200,000 |
| Mr. Mohammad Shahid Islam | 228,580 |
| Mr. Loquit Ullah | 200,000 |
| Mr. Tamal S.M Parvez | 228,570 |
| Mr. Rafikul Islam Mia Arzoo | 228,570 |
| Mr. Md. Mohiuddin | 228,570 |
| Ms. Shamimatun Nasim | 200,000 |
| Mr. Mohammed Adnan Imam | 228,570 |
| Mr. Mohammed Oliur Rahman | 28,570 |
| Mr. Dr. Rafiqul Islam Khan | 200,000 |
| Mr. Mohammad Zakaria Khan | 200,000 |
| Mr. Aziz U Ahmad | 200,000 |
| Mr. Mohammed Manzurul Islam | 200,000 |
| | 40,000,000 |

10.00 Retained Earnings

Opening Balance
 Add: Total Comprehensive Income/(Loss) during the year
 Less: Dividend Paid During the Year

| | |
|-------------------|-------------------|
| 12,009,932 | 6,704,090 |
| 2,818,392 | 5,305,842 |
| 14,828,324 | 12,009,932 |
| - | - |
| 14,828,324 | 12,009,932 |

11.00 Other Liabilities

Payable to Stock Exchanges (Note: 11.01)

144,039 104,142

| | | |
|--|-------------------|--------------------|
| Payable to Clients (Note: 11.02) | 32,208,652 | 121,113,684 |
| Current Income Tax Payable (Note: 11.03) | 17,045,942 | 15,699,994 |
| Deferred Tax Liability (Note: 11.04) | (45,103) | 122,807 |
| CDBL Charge | 111,204 | - |
| Statutory Audit Fee payable | - | 57,500 |
| TDS at Source | 169,899 | 71,545 |
| VDS at Source | 107,641 | 119,067 |
| Incentive and Performance Bonus | 465,350 | 465,350 |
| Provision for Diminution of Shares/Investment (Note: 11.05) | 23,838,655 | 19,884,550 |
| Payable with Marchant Bank | - | 30,820 |
| Other payable | 12,446 | 1,072 |
| | 74,058,725 | 157,670,531 |
| 11.01 Payable to Stock Exchanges | | |
| Dhaka Stock Exchange Ltd. (Broker) | 144,039 | 104,142 |
| | 144,039 | 104,142 |
| 11.02 Payable to Clients | 32,208,652 | 121,113,684 |
| This represents amount payable to customers against sale of shares and/or receipts for purchasing of shares. | | |
| 11.03 Current Income Tax Payable | | |
| Opening Balance | 15,699,994 | 11,517,433 |
| Add: Addition During the Year | 1,345,948 | 4,182,561 |
| | 17,045,942 | 15,699,994 |
| Less: Adjustment during the period | - | - |
| | 17,045,942 | 15,699,994 |
| 11.04 Deferred Tax Liability | | |
| Opening Balance | 122,807 | 354,495 |
| Add: Addition During the Year | - | - |
| | 122,807 | 354,495 |
| Less: Adjustment During the Year | (167,910) | 231,688 |
| | (45,103) | 122,807 |
| 11.05 Provision for Diminution of Shares/Investment | | |
| Opening Balance | 19,884,550 | 13,130,650 |
| Add: Addition During the Year | 3,954,105 | 6,753,900 |
| | 23,838,655 | 19,884,550 |
| Less: Adjustment During the Year | - | - |
| | 23,838,655 | 19,884,550 |
| 12.00 Overdraft Facility From NRBC Bank Ltd | 170,714,281 | 93,872,646 |
| NRBC Bank Securities Ltd. Availed Overdraft facility from our Parent Company NRBC Bank limited having Limit of Tk.30,00,00,000 @9% Per annum | | |

| | Jan'20-June'20 | Jan'19-June'19 |
|--|-------------------|---------------------|
| | Taka | Taka |
| 13.00 Interest Income | | |
| Interest on Bank Deposit | 124,975 | 772,923 |
| Interest Income from Margin Loan | 9,906,435 | 5,367,914 |
| | 10,031,409 | 6,140,837 |
| 14.00 Interest Expense | 2,948,720 | 45,945 |
| NRBC Bank Securitit Ltd. availed Overdraft facility @9% Per annum on outstanding balance | | |
| 15.00 Brokerage Commission | | |
| Brokerage Commission | 6,766,361 | 12,333,298 |
| Less: Direct Charges | 672,161 | 1,120,987 |
| | 6,094,200 | 11,212,311 |
| 15.01 Direct Charges for getting Brokerage Commission | | |
| Laga Charge | 672,161 | 1,120,987 |
| | 672,161 | 1,120,987 |
| 16.00 Investment Income (Listed Company) | | |
| Dividend Income | 3,981,976 | 4,107,043 |
| Gain on Sale of Shares and Debentures(Net) | 3,971,815 | 1,668,799 |
| | 7,953,790 | 5,775,842 |
| 17.00 Other Operating Income | | |
| Transaction / Transmission Fee | 6,698 | 18,170 |
| Account Opening/Closing Fee | 46,667 | 99,015 |
| Other Income(CDBL,Ch Dis fee,Ch Collection fee) | 233,200 | 321,284 |
| IPO Commission/fee | 315 | 11,480 |
| | 286,881 | 449,949 |
| 18.00 Salary and Allowance | | |
| Basic Salary | 3,506,800 | 2,605,072 |
| Allowances | 5,319,656 | 4,280,272 |
| Incentive/Performance Bonus | 456,400 | - |
| Festival Bonus | 588,600 | 586,628 |
| Salary & allowances (Security & Clearing Staff) | 370,792 | - |
| Ex- Gratia Security & Clearing Staff | 27,200 | - |
| Overtime Casual Staff | 11,055 | - |
| Discomfort allowance /Saturday allowance | 15,900 | - |
| Payment to Recognized Gratuity Fund | - | - |
| Company Contribution to Recognized Providend Fund | 267,640 | 258,126 |
| | 10,564,043 | 7,730,097.70 |
| 19.00 Rent, Taxes, Insurance, Electricity, etc. | | |
| Office Rent | 613,410.00 | 1,260,000 |
| Rate & Taxes (Note : 19.01) | - | 6,889 |
| DES/BSEC/RJSC Fees & Charge (Note : 19.02) | 104,573 | 322,607 |
| CDBL Charges (Note : 19.03) | 175,929 | 572,678 |
| Insurance Premium Expenses (Inc VAT) | - | 9,800 |
| Power and Electricity Expenses (inc VAT) | 156,809 | 149,397 |
| Wasa, Gas and Sewerage Expenses (inc VAT) | - | 65,541 |
| Common Utility Bill (Electricity .Gas,Wasa,Security guard salary etc.) | 81,200 | - |
| | 1,131,922 | 2,386,912 |
| 19.01 Rate & Taxes | | |
| Patent /Trade License/Holding Tax/Sign Board Tax | - | 6,889 |
| 19.02 DSE/BSEC/RJSC Fees & Charge | | |
| RJSC Fees | 8,073 | - |
| DSE/Broker Association Membership Fee | 12,500 | 199,428 |
| TREC Rennewal Fees | 78,500 | 50,000 |
| Authorized Representative Fee | 5,500 | 26,700 |
| Investor Protection Fund Fees | - | 3,479 |
| TWS establishment Fees | - | 43,000 |
| | 104,573 | 322,607 |
| 19.03 CDBL Charges | | |
| CDBL Charges - Share Trading | 175,929 | 572,678 |
| CDBL Charges - Fees | - | - |
| | 175,929 | 572,678 |
| 20.00 Legal/Professional/Preliminary Expenses | | |

| | | |
|---|------------------|--------------------|
| Legal & Consultancy Fees | 50,600 | - |
| | 50,600 | - |
| 21.00 Stamp, Postage & Telecommunication etc. | | |
| Postage & Courier Charges | 1,830 | 10,365 |
| Telephone Charges & Mobile | 63,369 | 99,605 |
| Fax, Networking/Bandwith Charge | 230,350.0 | 369,561 |
| | 295,549 | 479,531 |
| 22.00 Stationery, Printing, Advertisement, etc. | | |
| Stationery Expenses | - | 241,701 |
| Printing Expenses | 50,580 | - |
| Stationary General | 113,125 | 153,961 |
| Photocopy & Book Binding | - | 2,090 |
| Computer Expenses | 3,200 | 30,573 |
| | 166,905 | 428,325 |
| 23.00 Board of Directors' Meeting Expenses | | |
| BOARD Meeting Expenses * | 71,591 | 32,500 |
| *Expense include fees and Tips,Stationery etc. | 71,591 | 32,500 |
| 24.00 Bank/Financial Expenses | | |
| Excise Duty | - | - |
| Bank Charge & Commission | 10,332 | 13,708 |
| | 10,332 | 13,708 |
| 25.00 Depreciation and Repair of the Property, Plant & Equipment | | |
| A. Depreciation of the Freehold Properties | | |
| Furniture & Fixtures | 111,209 | 75,889 |
| Office Equipment | 129,601 | 74,546 |
| Computer Accessories | 522,192 | 494,961 |
| Bangladesh Made Software | 180,000 | 180,000 |
| Motor Vehicles | - | 372,000 |
| | 943,002 | 1,197,395 |
| B. Parts (Replacement), Repair & Maintenance of the Company's Assets: | | |
| Parts (Replacement) of Office Premises items | 2,310 | 117,528 |
| Parts (Replacement) of Office Appliance & Equipment | 9,856 | - |
| Servicing and spare parts replcement of vehicle | - | 59,980 |
| Annual Software Maintenance and IT Enable cost | - | 303,508 |
| | 12,166 | 481,016 |
| Total [a+b] | 955,168 | 1,678,411 |
| 26.00 Other Expenses | | |
| Office Maintenance | 31,089 | 17,320 |
| Local Conveyance | 13,210 | 23,032 |
| Uniform & Lerveries-SCS Staff | 31,804 | 34,539 |
| IPO Application Fee | 13,000 | 12,000 |
| Entertainment | 128,863 | 238,940 |
| Newspaper and Periodical | 2,950 | 16,651 |
| | 220,916 | 342,482 |
| 27.00 Provision for dinimunation of Share/Securities | | |
| Provision for unrealized loss of share/securities | 3,954,105 | (2,118,178) |
| Provision for Others | - | - |
| | 3,954,105 | (2,118,178) |
| Provisions for diminution in value of investments have been maintained in accordance with BAS-37 and kept 25% of unrealized loss as per BSEC Circular # BSEC/Survilance/Mukhopatro(5th'part)2019/196 Dated July 16,2020 | | |
| 28.00 Current Tax Expense | | |
| Operating Profit | 7,950,536 | 10,441,028 |
| Taxable Income/(Loss) for standard tax rate applicable | 329,204 | 5,181,184 |
| Taxable Income other than standard tax rate | 7,953,790 | 5,775,842 |
| Total Taxable Income per Income tax Act, 1984 | 8,282,995 | 10,957,026 |
| Current Tax Expenses for Standard Tax rate @35% and other applicable rate | 1,345,948 | 2,801,703 |

29.00 Deferred Tax Expense

Carrying Amt

Tax Base

| | | | | |
|---|-----------|-----------|------------------|------------------|
| Fixed Assets | 6,311,360 | 6,292,940 | 18,420 | 496,845 |
| Net Taxable Temporary Difference [i.e. Tax will be paid in future Period] | | | 18,420 | 496,845 |
| Corporate Tax @ 32.5% I.e. Deffered Tax Liability as of 30.06.2020 | | | 5,986 | 173,896 |
| Less : Deffered tax Liabilities in 2019 | | | 173,896 | 354,495 |
| Deffered Tax exprese for the year end on 30.06.2020 | | | (167,910) | (180,599) |

30.00 Earnings Per Share (EPS)

| | | |
|---------------------------------------|-------------|-------------|
| Profit after Taxation | 2,818,392 | 9,938,103 |
| Number of Ordinary Shares Outstanding | 40,000,000 | 40,000,000 |
| | 0.07 | 0.25 |

Earnings per shares (EPS) have been computed by dividing the basic earnings by the number of ordinary shares outstanding as on June 30, 2020 in accordance with BAS-33.

31.00 Nature and type of related party transaction of the company

A. NRBC Bank Limited : Parents Subsidiary Relationship

| Nature of Transaction for Balancesheet Items | Types | Note | 30 Jun-2020 | 2019 |
|---|-------------------------|------|-------------|------------|
| Advance Income Tax- AIT on Interest | Assets - Inter Company | 7 | 1,366,909 | 1,284,278 |
| Bank Deposit: | Assets - Inter company | 8 | 34,945,396 | 23,865,520 |
| NRB Commercial Bank Limited A/C 0101-360-099 | | | 33,055,366 | 20,860,462 |
| NRB Commercial Bank Limited A/C 0101-360-098 | | | 329,422 | 1,474,912 |
| NRB Commercial Bank Limited A/C 0101-364-002 | | | 1,560,607 | 1,530,147 |
| Payable to NRBC Bank Ltd : Client Depsoit | Liability-Inter Company | 11 | 18,574,424 | 36,147,128 |
| Rent Payable to the Parents* | Liability-Inter Company | 12 | - | - |
| (*Settled during the period from parents Premises and discontinued the sub-lease) | | | | |
| Overdraft Facility From NRBC Bank Ltd | Liability-Inter Company | 12 | 170,714,281 | 93,872,646 |
| Nature of Transaction for P/L items | Types | Note | 30-Jun-20 | 30-Jun-19 |
| Interest on Bank Deposit | Income-Inter company | 13 | 82,631 | 245,601 |
| Interest on OD Facility | Expense-Inter company | 14 | 2,948,720 | 45,945 |
| Brokerage Commission | Income-Inter company | 15 | 525,683 | 1,348,814 |
| Rent, Tax and Insurance : Office Rent | Expense-Inter Company | 20 | - | 1,099,000 |
| Bank/Financial Expense | Expense-Inter Company | 24 | 1,725 | 1,725 |

B. Other Related Parties with Directors :

- No other transaction been occurred with stake holding of Directors of NRBC Bank Securities Limited
- Above transactions has been occurred under normal course of business

Annexure - 1

NRBC Bank Securities Limited
Details of Property, Plant & Equipment for Accounting Purpose
For the period from January 01, 2020 to June 30, 2020

| SI NO. | Properties & Assets | Assets | | | | Rate of Depreciation | Depreciation | | | | Book Value |
|--------------|-----------------------------------|-------------------|--------------------------|--------------------------|-------------------|----------------------|------------------|--------------------------|--------------------------|------------------|------------------|
| | | Opening Balance | Addition during the year | Disposal during the year | Closing Balance | | Opeing Balance | Addition during the year | Disposal during the year | Closing Balance | |
| 1 | Furniture and Fixtures | 2,224,172 | - | - | 2,224,172 | 10.00% | 384,823 | 111,209 | | 496,032 | 1,728,140 |
| 2 | Office Equipment | 2,358,827 | 115,597 | - | 2,474,424 | 10.00% | 377,833 | 129,601 | | 507,434 | 1,966,990 |
| 3 | Computer and Accessories | 5,161,925 | 60,000 | - | 5,221,925 | 20.00% | 2,593,503 | 522,193 | | 3,115,696 | 2,106,230 |
| 4 | Bangladesh Made Computer Software | 1,800,000 | - | - | 1,800,000 | 20.00% | 1,110,000 | 180,000 | | 1,290,000 | 510,000 |
| 5 | Motor Vehicles | 2,480,000 | - | - | 2,480,000 | 30.00% | 2,480,000 | - | | 2,480,000 | - |
| 6 | Professionals and Reference Books | - | - | - | - | 10.00% | - | - | | - | - |
| Total | | 14,024,924 | 175,597 | | 14,200,521 | | 6,946,159 | 943,002 | - | 7,889,161 | 6,311,360 |

Details of Property, Plant & Equipment for Tax Purpose
For the period from January 01, 2020 to June 30, 2020

| SI NO. | Properties & Assets | Assets | | | | Rate of Depreciation | Depreciation | | | | Book Value |
|--------------|-----------------------------------|-------------------|--------------------------|--------------------------|-------------------|----------------------|------------------|--------------------------|--------------------------|------------------|------------------|
| | | Opening Balance | Addition during the year | Disposal during the year | Closing Balance | | Opeing Balance | Addition during the year | Disposal during the year | Closing Balance | |
| 1 | Furniture and Fixtures | 2,224,172 | - | - | 2,224,172 | 10.00% | 427,018 | 89,858 | | 516,876 | 1,707,296 |
| 2 | Office Equipment | 2,358,827 | 115,597 | - | 2,474,424 | 10.00% | 417,187 | 102,862 | | 520,049 | 1,954,375 |
| 3 | Computer and Accessories | 5,161,925 | 60,000 | - | 5,221,925 | 30.00% | 3,301,141 | 288,118 | | 3,589,259 | 1,632,666 |
| 4 | Bangladesh Made Computer Software | 1,800,000 | - | - | 1,800,000 | 50.00% | 1,687,500 | 28,125 | | 1,715,625 | 84,375 |
| 5 | Motor Vehicles | 2,480,000 | - | - | 2,480,000 | 20.00% | 1,464,192 | 101,581 | | 1,565,773 | 914,227 |
| 6 | Professionals and Reference Books | - | - | - | - | 10.00% | - | - | | - | - |
| Total | | 14,024,924 | 175,597 | | 14,200,521 | | 7,297,038 | 610,543 | - | 7,907,581 | 6,292,940 |

NRBC Bank Securities Limited
Investments in Shares
As at June 30, 2020

Annexure - 2

A. Portfolio Invest Shares listed with DSE (quoted):

| Category | Particulars | Number of Shares | Market price per share | Market price | Cost per share | Total Cost |
|-----------------------------|-------------|------------------|------------------------|----------------------|----------------|-----------------------|
| Pharmaceuticals & Chemicals | ACMELAB* | 34569 | 63.4 | 2,191,674.60 | 60.79 | 2,101,618.97 |
| Pharmaceuticals & Chemicals | SILVAPHL* | 67427 | 18.3 | 1,233,914.10 | 18.36 | 1,237,630.62 |
| Pharmaceuticals & Chemicals | SQURPHARMA* | 15000 | 172.5 | 2,587,500.00 | 162.56 | 2,438,423.53 |
| Mutual Funds | ATCSLGF* | 340930 | 6.8 | 2,318,324.00 | 8.69 | 2,962,922.17 |
| Mutual Funds | CAPMIBLMF* | 62000 | 6.9 | 427,800.00 | 9.41 | 583,339.09 |
| Engineering | BBS* | 247192 | 16.2 | 4,004,510.40 | 30.57 | 7,556,125.89 |
| Engineering | KDSALTD* | 73642 | 38.6 | 2,842,581.20 | 44.09 | 3,247,210.29 |
| Engineering | QUASEMIND* | 369001 | 34.9 | 12,878,134.90 | 43.23 | 15,950,506.18 |
| Engineering | RUNNERAUTO* | 12366 | 46.1 | 570072.6 | 65.73 | 812,771.66 |
| Engineering | SINGERBD* | 98205 | 147 | 14,436,135.00 | 170.21 | 16,715,852.57 |
| Engineering | COPPERTECH | 2371 | 20.7 | 49,079.70 | 9.52 | 22,581.18 |
| Financial Institutions | ISLAMICFIN* | 100000 | 12.4 | 1,240,000.00 | 15.73 | 1,572,873.56 |
| Financial Institutions | LANKABAFIN* | 706115 | 12.9 | 9,108,883.50 | 24.80 | 17,511,811.84 |
| Financial Institutions | MERCANBANK* | 1063945 | 10.6 | 11,277,817.00 | 16.02 | 17,043,755.54 |
| Financial Institutions | NHFIL* | 129597 | 24.6 | 3,188,086.20 | 36.27 | 4,700,076.48 |
| Financial Institutions | UNIONCAP | 114361 | 4.8 | 548,932.80 | 18.18 | 2,079,587.39 |
| Insurance | PRAGATILIF* | 6711 | 88.3 | 592,581.30 | 118.70 | 796,577.05 |
| Insurance | SONARBAINS* | 70300 | 30.1 | 2,116,030.00 | 38.22 | 2,687,183.26 |
| Textile | ESQUIRENIT* | 186303 | 21.9 | 4,080,035.70 | 24.99 | 4,654,792.50 |
| Textile | QUEENSOUTH* | 177394 | 24 | 4,257,456.00 | 31.21 | 5,536,525.95 |
| Textile | RINGSHINE* | 100530 | 6.4 | 643,392.00 | 7.92 | 796,692.84 |
| Paper & Printing | BPML* | 4085 | 39.9 | 162,991.50 | 80.00 | 326,800.00 |
| Ceramics Sector | RAKCERAMIC* | 321475 | 26 | 8,358,350.00 | 29.61 | 9,517,414.08 |
| Tannery Industries | APEXTANRY | 63025 | 106.9 | 6,737,372.50 | 133.88 | 8,437,557.96 |
| Services & Real Estate | SAPORTL | 221374 | 16.6 | 3,674,808.40 | 27.34 | 6,053,143.09 |
| Travel & Leisure | SEAPEARL | 1865 | 79.1 | 147,521.50 | 16.72 | 31,182.44 |
| | | Total | | 99,673,984.90 | | 135,374,956.13 |

B. Invest in Shares (unquoted):

| Particulars | No. of Share | Cost per Share | At Cost |
|----------------------------|----------------|----------------|-------------------|
| UFS-Pragati Life Unit Fund | 1000000 | 10 | 10,000,000 |
| Total | 1000000 | | 10,000,000 |

C. Initial Public Offer:

| Particulars | No. of Share | Cost per Share | At Cost |
|--------------------------------|---------------|----------------|-------------------|
| Walton Hi-Tech Industries LTD. | 16500 | 600 | 9,900,000 |
| Express Insurance Ltd | 83749 | 10 | 837,490 |
| Total | 100249 | | 10,737,490 |

D. Cost of Acquisition of DSE TREC & Share [Locked in Share]:**247,120,683**

This represents our original investment cost for DSE memberships in exchange of which shares at a face value of Tk. 10 each have been allotted in favor of the Company through vendor agreement on October 12, 2015 and subsequently it endorsed by Dhaka Stock Exchange in its 812th meeting held on November 12, 2015. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Security Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange Ltd. (DSE) allotted total 72,15,106 ordinary Shares at face value of Tk.10.00 each and, out of which. the 60% shares (shares 43,29,064) were kept in blocked accounts as per the provisions of the Exchange Demutualization Act, 2013, and as such the value of these shares have been classified as investment (Blocked Share) and considered under non-current assets in the books of accounts. At the same time, Out of the above DSE has transferred 2,886,042 shares directly credited to the Beneficiary Owner's account of the Company which is 40% of the total holding of the shares and also shown as investment. Meanwhile, as per the section 12 of the Exchange Demutualization Act-2013 scheme, The DSE sold 25% company shares to the strategic partners to Shenzhen Stock Exchange & Shanghai Stock Exchange.

Moreover remaining 75% shares have not been shown in the monthly report on Net Capital Balance as prescribed in rule 3(4) of the Securities and Exchange Rules 1987 to the stock exchange. As there is no active market for shares DSE , we have shown the value at original cost of our investment in accordance with paragraph B 5.2.3 of IFRS 9, " cost can be considered as an estimate of fair value if insufficient more recent information is available to measure fair value".