

Information Memorandum

**Private placement of Non-convertible, Unsecured, Fully-redeemable, Floating Rate Subordinated Bond of 5,000,000,000
(Five Thousand Million Taka)**

Coupon Range: 6.00% - 9.00%

Issuer: National Bank Limited



Trustee to the Issue: First Security Islami Capital & Investment Limited



Registrar, Paying Agent, Transfer Agent: First Security Islami Capital & Investment Limited

**Type of Security: Non-convertible, Unsecured, Fully-redeemable, Floating Rate
Subordinated Bond**

Total Issue Amount: BDT 5,000,000,000

Credit Rating status of the Bond: Long Term: A+8, Outlook: Stable


Validity Date: June 16, 2022 to June 15, 2023

Joint Arrangers:


UCB Investment Limited & Prime Bank Investment Limited



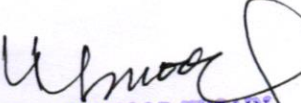
"If you have any query about this document, you may consult the issuer and the trustee"


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MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
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K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

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NOTICE & DISCLAIMER

National Bank Limited hereinafter referred as the “Bank” or the “NBL” or the “Issuer”) has authorized UCB Investment Limited & Prime Bank Investment Limited (hereinafter referred as “UCBIL” & “PBIL” or the “Joint Arrangers” to distribute this Information Memorandum (IM) in connection with the proposed transaction outlined in it (the “Transaction”) and the bonds proposed to be issued in the Transaction (the “Bonds”).

This Information Memorandum is provided to prospective investors on a private and confidential basis for use solely in connection with the issue, offer, sale or invitation to subscribe or purchase the Subordinated Bonds. This Information Memorandum shall not be, in whole or in part, reproduced or used for any other purpose without prior written consent of the Arranger.

The Issuer has prepared this information memorandum and is solely responsible for its contents. The issuer will comply with all rules, laws and regulations and is responsible for obtaining all regulatory, governmental and corporate approvals for the issuance of the Bonds. The Issuer, having made all reasonable inquiries, confirms that this Information Memorandum contains all the information with respect to itself and the Bonds to be issued by it, which is material in the context of the Bonds; that the information contained in this Information Memorandum is true and accurate in all material respects and is not misleading; that the opinions and intentions expressed in this Information Memorandum are honestly held and that there are no other facts the omission of which would make any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

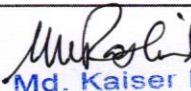
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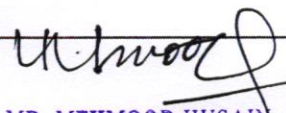
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ALL THE FEATURES OF 3rd NBL SUBORDINATED BOND ARE DRAFT ONLY AND FINALIZATION OF THESE FEATURES ARE SUBJECT TO THE APPROVALS OF COMPETENT REGULATORS. THESE FEATURES MAY BE MODIFIED AS PER THE DIRECTIONS OF BANGLADESH BANK AND BANGLADESH SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER COMPETENT REGULATORS.



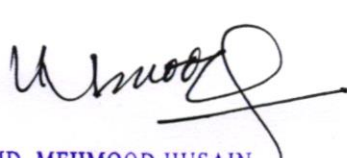
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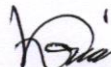
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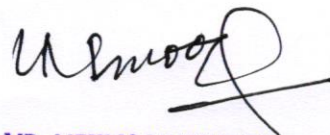
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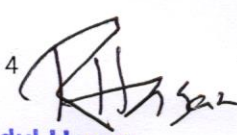
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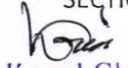
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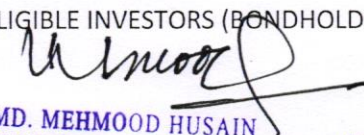
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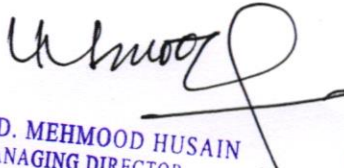

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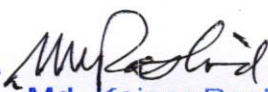
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ABBREVIATIONS

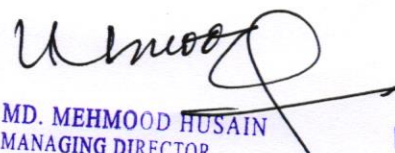
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|-------------|---|
| ALCO | ASSET LIABILITY MANAGEMENT COMMITTEE |
| ATM | Automated Teller Machine |
| BDT | Bangladeshi Taka |
| BRMC | Board Risk Management Committee |
| BSEC | Bangladesh Securities and Exchange Commission |
| CAGR | Compound Annual Growth Rate |
| CRAR | Capital to Risk-weighted Asset Ratio |
| CRM | Credit Risk Management |
| CRR | Cash Reserve Requirement |
| FBP | Foreign Bill Purchase |
| FDBP | Foreign Documentary Bills for Purchase |
| FDR | Fixed Deposit Receipts |
| IBP | Inland Bill Purchase |
| IC | Investment Committee |
| LATR | Loan Against Trust Receipt |
| MAT | Management Action Triggers |
| MCR | Minimum Capital Requirement |
| NFCD | Non-Resident Foreign Currency Deposit |
| NII | Net Interest Income |
| NIM | Net Interest Margin |
| NPA | Non-performing Assets |
| NPL | Non-performing Loan |
| OBU | Off-shore Banking Unit |
| OD | Over Draft |
| PCB | Private Commercial Bank |
| POS | Point of Sale |
| RFCD | Resident Foreign Current Deposit |
| RMU | Risk Management Unit |
| RWA | Risk Weighted Assets |
| SLR | Statutory Liquidity Ratio |
| SME | Small and Medium-sized Enterprises |
| SOD | Secured Over Draft |
| VAR | Value at Risk |


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SECTION 1: REPORT TO THE ELIGIBLE INVESTOR

By investing in the Bonds, you are hereby deemed to have acknowledged, represented and warranted to, and agree (as the case may be) for the benefit of the Arranger, as set out below:

High risk: You are fully aware that investment in the Bonds involves a high degree of risk.

Consultation with advisers: You have (i) consulted with your own legal, regulatory, tax, business, investment, financial and accounting advisers in connection herewith to the extent you have deemed necessary, (ii) collected and reviewed all information that you or your advisers believe is necessary or appropriate in connection with the purchase of the Bonds, and (iii) made your own investment decisions based upon your own judgment, due diligence and advice from such advisers as you have deemed necessary and not upon any view expressed by or on behalf of the Arranger.

No reliance: You acknowledge and agree that you may not rely on any investigation that the Arranger or any of its affiliates or any person acting on their behalf may have conducted with respect to the Issuer or any of their affiliates, and neither the Arranger nor its affiliates, employees, officers, directors, legal advisers or representatives have made any representation to you, express or implied, with respect to your investment in the Bonds.

Informed decision: You are in possession of all the information that you believe is necessary or appropriate in order to make an informed decision regarding your purchase of the Bonds, including without limitation, adequate information concerning the Issuer's business, financial condition, results of operations and prospects.

Knowledge and experience: You have such knowledge and experience in financial, business and international investment matters that you are capable of evaluating the merits and risks of purchasing the Bonds and are aware that you may be required to bear, and are able to bear, all risks including economic risk of an investment in the Bonds.

Information of the Company: You acknowledge that the information provided to you with regard to the Issuer and the Bonds in this Information Memorandum has been supplied to you by the Arranger only on behalf of the Issuer and that neither the Arranger nor any of its affiliates, employees, officers, directors, legal advisers or representatives has verified such information or makes any representation or warranty as to its accuracy or completeness.

Review of Information Memorandum: You have reviewed this Information Memorandum in its entirety, including the risks associated with investment in the Bonds, and you understand and acknowledge all of the risks described herein. By investing in the Bonds, you have determined that:

- i. the Bonds are a suitable investment for you and your investment in the Bonds does not and will not, when consummated, violate any investment or other guidelines, policies or restrictions (corporate or otherwise), or any law, rule, regulation or order applicable to you; and
- ii. you have obtained all approvals and consents (whether internal or external) and have made all notifications necessary for you to invest in the Bonds as contemplated; and you


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
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can bear the economic risk of the investment and are able to sustain a complete loss in connection with your investment.

Own account: You are purchasing the Bonds for your own account and not with a view to any distribution thereof.

No representation or warranty: The Arranger has not made, and you have not relied upon any representation, warranty or condition (express and/or implied), and the Arranger shall not owe any duty whatsoever to you in connection with the Bonds.

No obligation to purchase: The Arranger shall have no obligation to purchase or acquire all or any part of the Bonds purchased by you or to support losses, if any, directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Bonds, including the non-performance by the issuance, whether to you or otherwise.



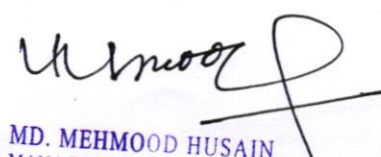
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SECTION 2: RISK FACTORS AND MANAGEMENT PERCEPTION ABOUT RISK

An investment in capital market involves a high degree of risk. The Bank is operating in an industry involving both external and internal risk factors having direct as well as indirect effects on the investments made by the investors. Potential investors of National Bank Limited Subordinated Bond are strongly encouraged to carefully evaluate all the information in this Information Memorandum, especially the risk factors both internal and external on their own merit and not by referent to any other debt securities whether of a comparable nature or otherwise before making any investment decision.

This section addresses the possible risks an investor might have to bear by investing in the bonds and each risk factor is followed by management's perception regarding the risk. If any of the risks described below materialize, it could have a serious impact on the Issuer's financial results, and the ability of the Issuer to fulfill its obligations under the Bonds to be issued. However, the list of risk factors is not meant to be a comprehensive description of all risks which may be relevant to a decision to invest in the Bonds. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences.

2.1 Interest Rate Risk

The banking book consists of assets and liabilities contracted basically on account of relationship or for steady income and statutory obligations and are generally held till maturity/payment by counter party. The earnings or changes in the economic value are the main focus in banking book. Interest rate risk is the risk that a bank will experience deterioration in its financial position as interest rates move over time. Interest rate risk in the banking book arises from a bank's core banking activities.

Management Perception

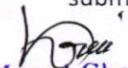
The Bank uses Duration Gap Analysis (DGA) for deriving value of capital requirement for interest rate risk. The Bank ensures that interest rate risk is not included within the market risk. The Bank has calculated the rate sensitive assets and liabilities with maturity up to 12 months' bucket and applied the sensitivity analysis to measure the level of interest rate shock on its capital adequacy.

2.2 Foreign Exchange Rate Risk

Exchange rate risk is defined as the potential change in earnings due to change in foreign exchange rates. Exchange rate fluctuation may reduce the profitability of the bank because its trade commitments from various sources of foreign exchange like export proceeds and remittances.

Management's perception

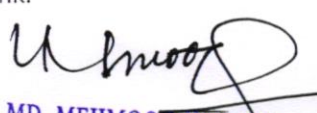
Treasury Department conducts the Foreign Exchange Deals for the Bank as per Bangladesh Bank (BB) guideline and their own policies. Treasury Mid Office is responsible to monitor all related limits of Treasury and limits of its respective counterparties independently. In addition to Mid Office job is to ensure compliance, manage and escalate overall Risk issues of Treasury as and when required. Treasury Back Office is responsible for verification of all deals executed by Treasury, settling payments and passing of entries in the books of account. Back Office is also ensuring revaluation in the Core Banking at Mark-to-Market rate basis as determined by BB on daily basis, submitting Foreign Exchange Position report as per BB guideline daily, reconciling/reporting all NOSTRO accounts with its book of entries and submitting all related reports to Bangladesh Bank.


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2.3 Non-repayment Risk

It arises mainly from lending, trade finance, settlement and other financial transactions. 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 counterparty or decline in his/her financial condition.

Management's perception

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, netting agreements, insurance, and other guarantees. The reliance that can be placed on these mitigates is carefully assessed in light of issues such as legal certainty and enforceability, market valuation correlation and counterparty risk of the guarantor. Risk mitigation policies determine the eligibility of collateral types. Collateral types which are eligible for risk mitigation include; cash, residential, commercial and industrial property; fixed assets such as motor vehicles, plant and machinery, marketable securities, commodities, bank guarantees, and letters of credit. Collateral is valued in accordance with our Methodology for Valuation of Security/Collateral Assets, which prescribes the frequency of valuation for different collateral types, based on the level of price volatility of each type of collateral. Collateral held against impaired loans is maintained at fair value.

2.4 Prepayment, Call or Refunding Risk

Prepayment, call or refunding risks are the risks associated with the principal amount of a bond.

Management's Perception

This bond is subordinated in nature. The bond is redeemable as per Repayment Schedule as depicted in features (5.1) section.

2.5 Security Risk


Security is the specific revenue sources or assets pledged by an issuer to the bondholder to secure repayment of the bond. Therefore, security risk is all about the process of recovering the investment by the bond holder by utilizing the charge against the collateral securities in case of Issuer's inability to repay the face value of the bond(s).

Management's Perception

3rd NBL Subordinated Bond is an unsecured bond. Specific revenue sources or assets are not being pledged against the issuance of the bonds. Investors will have the right on the NBL's cash flow to get repaid but rank of a bond holder is below than other loans (or securities) with regard to claims on assets or earnings.

2.6 Liquidity Risk

Liquidity risk is the risk to the bank's earnings and capital arising from its inability to timely meet obligations. Liquidity risk primarily arises due to the maturity mismatch associated with assets and liabilities of the bank. Although liquidity risk dynamics vary according to a bank's funding market, balance sheet, and inter-corporate structure, the most common signs of possible liquidity problems


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First Security Islami Capital & Investment Limited

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include rising funding costs, a rating downgrade, decreases in credit lines, or reductions in the availability of long-term funding.

Management's Perception

National Bank Limited maintains diversified and stable funding base comprising of core retail, corporate and institutional deposits to manage liquidity risk. The prime responsibility of the liquidity risk management of the Bank lies with Treasury Division under the supervision of ALCO, which maintains liquidity based on current liquidity position, anticipated future funding requirement, sources of fund, options for reducing funding needs, present and anticipated asset quality, present and future earning capacity, present and planned capital position etc. The intensity and sophistication of liquidity risk management process depend on the nature, size and complexity of a bank's activities. Sound liquidity risk management employed in measuring, monitoring and controlling liquidity risk is critical to the viability of the bank. The Asset Liability Committee (ALCO), which meets at least once in a month, is responsible for managing and controlling liquidity of the Bank. Treasury front office closely monitors and controls liquidity requirements on daily basis by appropriate coordination of funding activities and they are primarily responsible for management of liquidity in the Bank. A monthly projection of fund flows is reviewed in ALCO meeting regularly.

2.7 Management Risk

Management risk refers to the chance that bank managers' inefficiency or under performance which will finally affect the shareholders. The bondholders may suffer financial losses in such an event.

Management's Perception


The Bank has well established management structure with diverse knowledge, skills, experience and expertise in core area of banking operation in its bid to attain optimal utilization of available resources. The bank has also a well proven track record of having strong and effective leadership which already has shown an effect on the Bank's financial performances.

2.8 Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk may also arise from error and fraud due to lack of internal control and compliance across the bank.

Management's Perception

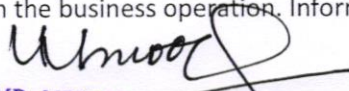
Operational Risk is inherent in every business organization and covers a wide spectrum of issues. In order to mitigate this, internal control and internal audit systems are used as the primary means. National Bank Limited manages this risk through a control based environment in which processes are documented, authorization is independent and transactions are reconciled and monitored. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risk events, which ensure that the bank stays in line with industry best practice and takes account of lessons learned from publicized operational failures within the financial services industry. National Bank Limited has operational risk management process which explains how the bank manages its operational risk by identifying, assessing, monitoring, controlling and mitigating the risk, rectifying operational risk events, and implementing any additional procedures required for compliance with Bangladesh Bank's requirements. Operational risk management responsibility is assigned to different level of management within the business operation. Information systems are used


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to record the identification and assessment of operational risks and to generate appropriate regular management reporting. Risk assessment incorporates a regular review of identified risks to monitor significant changes.

2.9 Business Risk

Business risk is the possibility that a company will have lower than anticipated profits, or that it will experience a loss rather than a profit. Business risk is influenced by numerous factors, including business environment, economic situation and government regulations.

Management's Perception

The performance and the quality and growth of Bank's assets are necessarily dependent on the health of the Bangladesh economy as well as on global economic conditions. An economic slowdown could adversely affect the business, including inability to grow asset portfolio, to maintain the quality of the assets and to implement business strategy. The domestic economy could be adversely affected by a variety of domestic as well as global factors. To mitigate business risk management continuously pursue to execute dynamic strategy on growth and business diversification.

2.10 Industry Risk

Industry risk is the possibility that a specific industry will not perform up to the level or at par. When problems plague one industry, they affect the individual organization of that particular industry. They may also cross over into other industries. The issuer is operating in a highly competitive market as modern banking industry has brought greater business diversification. Some banks in the industrialized world are entering into investments, underwriting of securities and portfolio management. The entry of new competitors may also deteriorate the competitive environment and result in lower profitability of the bank.


Management's Perception

The Bank has an established broad-based presence and has been taking steps to enhance customer satisfaction by upgrading skills, systems and technology to meet such challenges. The Bank is attempting to add quality assets on competitive terms and also taking steps to broad base its product bouquet with a special emphasis on enhancement in the non-fund-based income. On the resource-raising front, the Bank is actively endeavoring to broaden its reach and raise resources through its wide distribution network of branches.

2.11 Market and Technology Related Risk

Market risk is the risk of potential losses in the on-balance sheet and off-balance sheet positions of a bank, stems from adverse movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices. Market risk exposure may be explicit in bank's trading book and banking book.

The financial industry of Bangladesh is currently one of the fastest growing in the country and is increasingly becoming competitive. Strong marketing and brand management would be required to increase the bank's customer base.


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As the banking industry is becoming more and more technology dependent the risks deriving from technological use is increasing day by day. The bank might be exposed to risks such as cyber-attack, system collapse, system hacking, unauthorized electronic fund transfers, etc.

Management's Perception

The Board approves all policies related to market risk, sets limit and reviews compliance on a regular basis. The objective is to provide cost effective funding last year to finance asset growth and trade related transaction. Standardized (rule based) approach is used to measure the market risk of the Bank whereas for interest rate risk and equity risk both General and specific risk factors are applied for calculating capital charge and for foreign exchange and commodities only general risk factor is applied. The duties of managing the market risk including liquidity, interest rate and foreign exchange risk lies with the Treasury Division under the supervision of ALCO committee. The ALCO committee is comprised of senior executives of the Bank, who meets at least once in a month. The committee evaluates the current position of the bank and gives direction to mitigate the market risk exposure to a minimum level.

There are approved limits for Market risk related instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risk. The exchange rate committee of the Bank meets on a daily basis to review the prevailing market condition, exchange rate, forex position and transactions to mitigate foreign exchange risks.


Bank's business is highly dependent on ability to process a large number of transactions on a daily basis. Financial, accounting or other data processing systems may fail to operate adequately or may become disabled as a result of events that are wholly or partially beyond the control, including a disruption of electrical or communications services. These circumstances could affect bank's operations and may result in financial loss, disruption of businesses or may damage to bank's reputation. The Bank has set system and processes to protect its IT systems and network infrastructure from physical break-ins as well as security breaches and other disruptions caused by increased use of technology. Computer break-ins could affect the security of information stored in and transmitted through these computer systems and network infrastructure. The Bank continues to implement secured technology and establish operational procedures to prevent break-ins.

2.12 Risk Related to Potential or Existing Government Regulations

The company operates under, the Bank Companies Act-1991, Companies Act-1994, Income Tax Ordinance, 1984, Income Tax rules, 1984, Value Added Tax (VAT) Act, 1991, Value Added Tax (VAT) Rules, 1991, Customs Act, 1969, Bangladesh Securities and Exchange Rules, 1987 and other related regulations. The company also obtained license from Bangladesh Bank as a Bank under Bank Companies Act-1991. Any major changes in regulatory regime may cause the Bank to be a noncompliant one having adverse impact in the reputation of the Bank.

Management's Perception

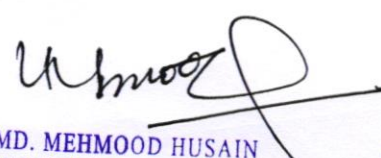
The laws and regulations or the regulatory or enforcement environment in Bangladesh may change at any time and may have an adverse impact on the products or services bank offers. Central Bank from time to time has instituted changes in regulations applicable loan provisioning, rescheduling, and amended Bank Company Act-1991(amended2013). Unless any policy change that may negatively and materially affect the industry as a whole, the business of the bank is expected not to be affected significantly.


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2.13 Risk Related to Potential Changes in Global and National Policies

Changes in existing global or national policies can have either positive or negative impacts for the Bank. The performance of the Bank will be hindered due to unavoidable circumstances both in Bangladesh and worldwide like political turmoil.

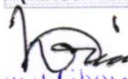
Management's Perception

A significant change in the global and national policies in the future, particularly in respect of the banking and financial sector could affect business and economic conditions in Bangladesh. This could also adversely affect the business, prospects, results of operations and financial condition. The management of the Bank transcribes the prevailing and upcoming future changes in the global or national policy and firms to response appropriately and timely management of the risk.

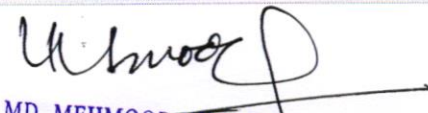
SECTION 3: DETAILED DESCRIPTION AND INFORMATION

Detailed description and information as per Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021; Schedule- A (Part I) is given as below:

| 1. Particular of the Issuer: | |
|---|--|
| Name of the Issuer | National Bank Limited |
| Legal Status | Public Limited Company under the Companies Act, 1994 (Act No. 18 of 1994) and also is governed by the Banking Companies Act 1991 (Amendment up to 2018) |
| Registered Address and Telephone Number of the Issuer | National Bank Limited 116/1, Kazi Nazrul Islam Avenue, Banglamotor, Ramna Dhaka-1000, Bangladesh Phone: +88-02-55138301 Fax: +88-02-41032460 SWIFT: NBLBDDH Email: ho@nblbd.com |
| Name, Address, Contact Number of the Contact Person | Name: Krishna Kamal Ghose, FCA Executive Vice President Department: Financial Administration Division Email: fad@nblbd.com Cell: 01914-735172 |
| Date of Incorporation | 28 March 1983 |
| Date of Commencement of Business | 23 March 1983 |
| Authorized Capital | BDT 50,000,000,000 (as of 30 June 2022) |
| Paid up Capital | BDT 32,197,395,700 (as of 30 June 2022) |
| Total Equity of the Issuer | BDT 49,875,392,787 (as of 30 June 2022) |
| Total Liabilities | BDT 501,161,831,250 (as of 30 June 2022) |
| Total Financial Obligations | N/A |
| Total Assets | BDT 551,037,224,037 (as of 30 June 2022) |
| Net worth of the Issuer | BDT 49,875,392,787 (as of 30 June 2022) |
| Total Tangible Assets (Fixed assets including | BDT 3,489,805,975 (as of 30 June 2022) |


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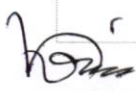
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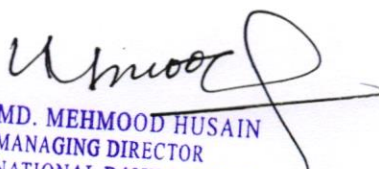
| land, building, furniture and equipment) | | | | | | | | | | | | | |
|--|--|-------|------------|------------------|-------|------------------|-------|------------------|-------|------------------|-------|------------------|-------|
| 2. Particular of Issue Manager: | Not Applicable as it is Private Offer | | | | | | | | | | | | |
| 3. Particular of the Issue: | | | | | | | | | | | | | |
| Name of the Issue: | 3 rd NBL Subordinated Bond | | | | | | | | | | | | |
| Type of instruments to be issued: | Non-convertible Unsecured Fully-redeemable Floating Rate Subordinated Bonds | | | | | | | | | | | | |
| Purpose of the Issue: | To raise Tier-II Regulatory Capital and thereby enhance Capital to Risk-weighted Asset Ratio (CRAR) as per "Guidelines on Risk-Based Capital Adequacy" of Bangladesh Bank | | | | | | | | | | | | |
| Number of Securities and total size of the issue to be offered | No of securities to be issued: 1000 (One Thousand) Total size of the Issue: BDT 5,000,000,000 (Five thousand million taka) | | | | | | | | | | | | |
| Face Value and Issue Price of securities | BDT 5,000,000 (Five Million Taka) per Bond | | | | | | | | | | | | |
| Coupon rate/ Rate of profit | Reference Rate + Coupon Margin | | | | | | | | | | | | |
| Yield to maturity (YTM)/ Rate of Return | Coupon Rate | | | | | | | | | | | | |
| Tenor: | 7 Years | | | | | | | | | | | | |
| Details of conversion/exchange option features: | This Bond Non-Convertible in nature | | | | | | | | | | | | |
| Repayment Schedule: | Face Value (principal) redemptions will be in 5 (five) annual tranches commencing at the end of the 36th month from the date of drawdown in the following manner: <table data-bbox="686 1160 1266 1422"> <thead> <tr> <th>Month</th><th>Redemption</th></tr> </thead> <tbody> <tr> <td>36th</td><td>20.0%</td></tr> <tr> <td>48th</td><td>20.0%</td></tr> <tr> <td>60th</td><td>20.0%</td></tr> <tr> <td>72nd</td><td>20.0%</td></tr> <tr> <td>84th</td><td>20.0%</td></tr> </tbody> </table> | Month | Redemption | 36 th | 20.0% | 48 th | 20.0% | 60 th | 20.0% | 72 nd | 20.0% | 84 th | 20.0% |
| Month | Redemption | | | | | | | | | | | | |
| 36 th | 20.0% | | | | | | | | | | | | |
| 48 th | 20.0% | | | | | | | | | | | | |
| 60 th | 20.0% | | | | | | | | | | | | |
| 72 nd | 20.0% | | | | | | | | | | | | |
| 84 th | 20.0% | | | | | | | | | | | | |
| Mode of option (call or put) if any: | The Bond is non-convertible and not-callable and has no prepayment option. | | | | | | | | | | | | |
| Applicable Tax Rate: | According to the laws of Bangladesh | | | | | | | | | | | | |
| Default Protection Mechanism (details of credit enhancement) if any: | This Bond is Unsecured in nature. No credit enhancement is applicable. | | | | | | | | | | | | |
| Type of collateral securities being offered, if any: | Unsecured | | | | | | | | | | | | |
| Status of securities holders in case of priority of payment: | 3 rd NBL Subordinated Bond is superior to the claims of investors in equity shares and Subordinated to the claims of the depositors and the other creditors as Tier 2 Capital (as defined in the Basel III Guidelines) of the Bank. It is neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors. | | | | | | | | | | | | |


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| | |
|--|--|
| Period within which securities to be issued: | As per the Consent Letter from BSEC |
| Nature of tradability or listing in stock exchange(s): | As per the Consent Letter from BSEC |
| Others: | |
| Investors: | Institutional investors and high net-worth individual investors |
| Mode of Placement: | Private Placement on a best effort basis |
| Reference Rate: | Latest average 6-months FDR rate of all private commercial banks (excluding foreign banks and Islamic banks) as published by Bangladesh Bank on the Quotation Day. The Reference Rate will be rounded to 2 (two) decimal places. |
| Quotation Day | Five (05) days before the first day of any period for which Coupon is to be paid. |
| Coupon Margin: | 2.00% |
| Range of Coupon Rate: | Floor: 6.00% - Ceiling: 9.00% at all times |
| Coupon Payment: | Semi-annually beginning at the end of 6 months from drawdown date. |
| Transferability/Liquidity: | Freely transferable in accordance with the provisions of the Trust Deed |
| Governing Law: | The Bonds are governed by and shall be construed in accordance with the existing laws of Bangladesh. Any dispute arising thereof shall be subject to the jurisdiction of the courts of Bangladesh. |
| 4. Particulars of Trustee: | |
| Name of Trustee | First Security Islami Capital & Investment Limited |
| Paid Up Capital | BDT 679,717,500.00/- |
| Net Worth of the Trustee | BDT 792,291,149.00/- |
| Name of the Issues where performing as Trustee | BBML Sukuk Al Ijarah, AIBL 4th Mudaraba Subordinate Bond |
| 5. Particulars of Credit Rating Company: | |
| Name of the Credit Rating Company | Emerging Credit Rating Limited |
| Credit rating status of the issuer | Long Term: AA Short Term: ST-2 Valid from: July 14, 2022 Valid To: July 13, 2023 |
| Credit rating status of the issue | Long Term: A+B Valid from: June 16, 2022 Valid to: June 15, 2023 |
| Latest default rate of the Credit Rating Company | 0.1 |
| Average time to default of the rated Category | 49 Months |
| Rating Trigger | N/A |
| Date of audited accounts, which is included in the IM | 30 June 2022 |
| 6. Particulars of Originators (if Any): | Not Applicable |
| 7. Particulars of other | Common Legal Counsel: Jurisconsults & Legal Solution |


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contractual
parties:

SECTION 4: USE OF PROCEEDS

Purpose of Issuance of National Bank Subordinated Bond

National Bank Limited (NBL) has decided to raise Tier-2 Capital through issuance of Non-Convertible, Unsecured Subordinated Bond in order to strengthen its capital base in accordance with Bangladesh Bank's Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III). The proposed bond issue will allow the bank to enhance its capital strength and continue to grow its balance sheet in the future years.

Plan Regarding Use of Proceeds from National Bank Subordinated Bond

The proposed bond will qualify as part of NBL's Tier-2 capital and will help maintain healthy capital adequacy ratios in the next few years. Besides, the BDT 5,000 million fund will be used for regular lending and general business activities of the bank which will help to grow the bank's loan and advance portfolio and other investment activities.

SECTION 5: FEATURES OF 3rd NBL Subordinated Bond

3rd NBL Subordinated Bond is a non-convertible and unsecured debt instrument. The major features of the 3rd NBL Subordinated Bond are presented below:

5.1 Basic Features of the Instrument

Table 1: Basic Features of 3rd NBL Subordinated Bond

| | |
|---|---|
| Name of the Instrument: | 3rd NBL Subordinated Bond |
| Issue Type: | Non-convertible Unsecured Fully-redeemable Floating Rate Subordinated Bonds |
| Issuer: | National Bank Limited |
| Purposes and Objectives: | To raise Tier-II Regulatory Capital and thereby enhance Capital to Risk-weighted Asset Ratio (CRAR) as per "Guidelines on Risk-Based Capital Adequacy" of Bangladesh Bank |
| Joint Arrangers: | UCB Investment Limited and Prime Bank Investment Limited |
| Trustee: | First Security Islami Capital & Investment Limited |
| Paying Agent, Registrar, Transfer Agent: | First Security Islami Capital & Investment Limited |
| Legal Counsel: | Jurisconsults & Legal Solutions |
| Credit Rating Agency: | Emerging Credit Rating Limited. |
| Issue Size: | BDT 5,000,000,000 (Five thousand million taka) |
| No. of Bonds to be issued: | 1,000 (One thousand) |
| Face Value: | BDT 5,000,000 (Five Million Taka) per Bond |
| Minimum Subscription: | BDT 5,000,000 (Five Million Taka) |
| Tenure: | 7 Years |

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| Investors: | Institutional investors and high net-worth individual investors | | | | | | | | | | | | |
|--|---|-------|------------|------------------|-------|------------------|-------|------------------|-------|------------------|-------|------------------|-------|
| Mode of Placement: | Private Placement on a best effort basis | | | | | | | | | | | | |
| Yield to Maturity / Rate of Return: | Coupon Rate | | | | | | | | | | | | |
| Coupon Rate: | Reference Rate + Coupon Margin | | | | | | | | | | | | |
| Reference Rate: | Latest average 6-months FDR rate of all private commercial banks (excluding foreign banks and Islamic banks) as published by Bangladesh Bank on the Quotation Day. The Reference Rate will be rounded to 2 (two) decimal places. | | | | | | | | | | | | |
| Quotation Day | Five (05) days before the first day of any period for which Coupon is to be paid | | | | | | | | | | | | |
| Coupon Margin: | 2.00% | | | | | | | | | | | | |
| Range of Coupon Rate: | Floor: 6.00% - Ceiling: 9.00% at all times | | | | | | | | | | | | |
| Coupon Payment: | Semi-annually beginning at the end of 6 months from drawdown date. | | | | | | | | | | | | |
| Repayment Schedule: | <p>Face Value (principal) redemptions will be in 5 (five) annual tranches commencing at the end of the 36th month from the date of drawdown in the following manner:</p> <table border="1"> <thead> <tr> <th>Month</th><th>Redemption</th></tr> </thead> <tbody> <tr> <td>36th</td><td>20.0%</td></tr> <tr> <td>48th</td><td>20.0%</td></tr> <tr> <td>60th</td><td>20.0%</td></tr> <tr> <td>72nd</td><td>20.0%</td></tr> <tr> <td>84th</td><td>20.0%</td></tr> </tbody> </table> | Month | Redemption | 36 th | 20.0% | 48 th | 20.0% | 60 th | 20.0% | 72 nd | 20.0% | 84 th | 20.0% |
| Month | Redemption | | | | | | | | | | | | |
| 36 th | 20.0% | | | | | | | | | | | | |
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| 60 th | 20.0% | | | | | | | | | | | | |
| 72 nd | 20.0% | | | | | | | | | | | | |
| 84 th | 20.0% | | | | | | | | | | | | |
| Prepayment, Call Refunding, Conversion Features: | The Bond is non-convertible and not-callable in nature and has no prepayment option. | | | | | | | | | | | | |
| Credit Rating of the Issue | Long Term: A+ Outlook: Stable Validity: June 16, 2022 to June 15, 2023 | | | | | | | | | | | | |
| Default Protection Mechanism (details of credit enhancement) if any: | This Bond is Unsecured in nature. No credit enhancement is applicable. | | | | | | | | | | | | |
| Mode of option (call or put) if any: | The Bond is non-convertible and non-callable | | | | | | | | | | | | |
| Tax Features: | According to the laws of Bangladesh | | | | | | | | | | | | |
| Late Redemption: | The Issuer shall pay a late payment penalty of 2% (two percent) higher than the Coupon Rate and be payable on the amount not paid on the due date up till the date of actual payment | | | | | | | | | | | | |
| Description of Collateral Security and type of charges to be created against the issue: | Unsecured | | | | | | | | | | | | |
| Transferability/Liquidity: | Freely transferable in accordance with the provisions of the Trust Deed | | | | | | | | | | | | |

| | |
|-----------------------|--|
| Governing Law: | The Bonds are governed by and shall be construed in accordance with the existing laws of Bangladesh. Any dispute arising thereof shall be subject to the jurisdiction of the courts of Bangladesh. |
|-----------------------|--|

5.2 Rate of Return, Yield to Maturity, Coupon/Discount Rate

Yield to Maturity: Reference Rate + Coupon Margin, Coupon Range: 6.0% to 9.00%.

5.3 Transferability/Liquidity

Freely transferable in accordance with the provisions of the Trust Deed

5.4 Prepayment, Call, Refunding, Conversion Feature

The Bond is non-convertible and non-callable in nature and the bond has no prepayment option.

5.5 Tax Features

The Company and any income from the Bond for the investors will be according to the Laws of Bangladesh.

5.6 Late Redemption:

The Issuer shall pay a late payment penalty of 2% (two per cent) higher than the Coupon Rate and be payable on the amount not paid on the due date up till the date of actual payment

5.7 Credit Enhancement:

It is not applicable for the subordinated bond of National Bank Limited.

5.8 Enforcement of Charges over securities


The Trustee shall enforce all payment obligations under the Bonds only by way of petitioning for the winding up or dissolution of the Issuer and/or by proving for the amount due and payable under the Bonds in the liquidation or administration of the Issuer. In the event of default by the Issuer in the performance or observance of any covenant, condition or provision contained in the Bond or the Trust Deed or any of the Issue Documents (save for failure to pay any amount of principal, coupon or expenses or in respect of any other payment obligation), (i) the Trustee or any Bondholder shall not be entitled to any remedy available to the Trustee or any Bondholder which in substance amounts to a remedy to recover any amounts under any payment obligation of the Issuer under the Bonds and (ii) any other remedy available.

5.9 Repayment Schedule:

As per BASEL III guideline (Annex IV: Specific Eligibility Criteria for Subordinated Debt to Qualify as Tier 2 Capital), the Bond is Subordinate in nature as the instrument is subordinated to deposits and other liabilities of the bank. It implies that the claims of the subordinated debt holders will be junior to the claims of the depositors and the other creditors. The bond will be unsecured and fully paid-up. The bond is redeemable as per Repayment Schedule as depicted in features (5.1) section.

| Repayment Schedule for BDT 5,000,000,000 Tier-II Bond | | | | | | |
|---|-------|--------------------------|-----------------------------|--------------------------|--|---------------|
| Semi-Annual Payment No. | Month | Principal Redemption (%) | Principal Redemption Amount | Ending Principal Balance | Scenario Analysis of Some Possible Coupon Payments | |
| | | | | | Each Coupon | Each Coupon |
| | | | | | Amount @ 6.0% | Amount @ 9.0% |

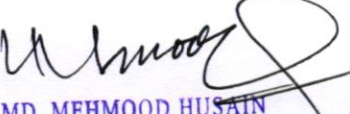
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| | | | | | | |
|------------------|----|--------|------------------|---------------|-------------|-------------|
| 1 st | 6 | 0.00% | - | 5,000,000,000 | 150,000,000 | 225,000,000 |
| 2 nd | 12 | 0.00% | - | 5,000,000,000 | 150,000,000 | 225,000,000 |
| 3 rd | 18 | 0.00% | - | 5,000,000,000 | 150,000,000 | 225,000,000 |
| 4 th | 24 | 0.00% | - | 5,000,000,000 | 150,000,000 | 225,000,000 |
| 5 th | 30 | 0.00% | - | 5,000,000,000 | 150,000,000 | 225,000,000 |
| 6 th | 36 | 20.00% | 1,000,000,000.00 | 4,000,000,000 | 150,000,000 | 225,000,000 |
| 7 th | 42 | 0.00% | - | 4,000,000,000 | 120,000,000 | 180,000,000 |
| 8 th | 48 | 20.00% | 1,000,000,000.00 | 3,000,000,000 | 120,000,000 | 180,000,000 |
| 9 th | 54 | 0.00% | - | 3,000,000,000 | 90,000,000 | 135,000,000 |
| 10 th | 60 | 20.00% | 1,000,000,000.00 | 2,000,000,000 | 90,000,000 | 135,000,000 |
| 11 th | 66 | 0.00% | - | 2,000,000,000 | 60,000,000 | 90,000,000 |
| 12 th | 72 | 20.00% | 1,000,000,000.00 | 1,000,000,000 | 60,000,000 | 90,000,000 |
| 13 th | 78 | 0.00% | - | 1,000,000,000 | 30,000,000 | 45,000,000 |
| 14 th | 84 | 20.00% | 1,000,000,000.00 | - | 30,000,000 | 45,000,000 |

SECTION 6: DESCRIPTION OF COLLATERAL SECURITY AND TYPE OF CHARGES TO BE CREATED

3rd NBL Subordinated Bond is superior to the claims of investors in equity shares and Subordinated to the claims of the depositors and the other creditors as Tier 2 Capital (as defined in the Basel III Guidelines) of the Bank. It is neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.

SECTION 7: RIGHTS AND OBLIGATIONS OF THE ISSUER


Rights and Obligations of the Issuer have been incorporated from the Trust Deed executed between the Issuer (National Bank Limited) and the Trustee (First Security Islami Capital & Investment Limited)

7.1 Covenant to Repay

The Issuer covenants with the Trustee that it will, as and when the Bonds or any of them become due to be redeemed or any principal on the Bonds or any of them becomes due to be repaid in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in Bangladesh Taka in Dhaka in immediately available freely transferable funds the principal amount of the Bonds or any of them becoming due for redemption or repayment on that date and shall (subject to the provisions of the Conditions) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions profit on the principal amount of the Bonds or any of them outstanding from time to time as set out in the Conditions provided that:

7.1.1 every payment of principal or profit in respect of the Bonds or any of them made to or to the account of the Bondholders shall satisfy, to the extent of such payment;

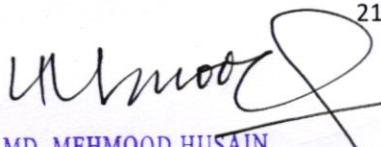
7.1.2 if any payment of principal or profit in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the [seventh day] after notice has been given to the Bondholders in accordance with the Conditions that the full amount has been received by the Trustee to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and


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7.1.3 in any case where payment of the whole or any part of the principal amount due in respect of any Bond is improperly withheld or refused penalty shall accrue at applicable rate of 2% p.a. for the Bond on the whole or such part of such principal amount from the date of such withholding or refusal until the date either on which such principal amount due is paid to the Bondholders or, if earlier, the seventh day after which notice is given to the Bondholders in accordance with the Conditions that the full amount payable in respect of the said principal amount is available for collection by the Bondholders provided that on further due presentation thereof such payment is in fact made.

The Trustee will hold the benefit of this covenant and the covenants in Clause 11.3 (Covenant to comply with Trust Deed, Conditions and Schedules) and Clause 11.4 (Covenants by the Issuer) on trust for the Bondholders.

7.2 Following an Event of Default

At any time after any Event of Default shall have occurred, the Trustee may:

7.2.1 by notice in writing to the Issuer, require it to make all subsequent payments in respect of Bonds to or to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, sub-clause 11.1.1 of Clause 11.1 (Covenant to Repay) and (so far as it concerns payments by the Issuer) Clause 19.2 (Payment to Bondholders) shall cease to have effect.

7.3 Covenant to comply with Trust Deed, conditions, Schedules and applicable law


7.3.1 The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of this Trust Deed, the Conditions (including, without limitation, Condition 5 (Covenants)) and the other Schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in this Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, this Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents applicable to them.


7.3.2 The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the applicable law including but is not limited to Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021. The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the applicable law and will be deemed to have notice of all of the provisions of the applicable law applicable to them.

7.3.3 The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions and the applicable law as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Bonds.

7.4 Covenants by the Issuer

The Issuer hereby covenants with the Trustee that, so long as any of the Bonds remain outstanding, it will:


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7.4.1 Books of account

At all times keep and procure that all its Subsidiaries keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow, subject to confidentiality obligations under applicable law, the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same with responsible officers of the Issuer;

7.4.2 Event of Default

Give notice in writing to the Trustee forthwith upon becoming aware of any Event of Default and without waiting for the Trustee to take any further action;

7.4.3 Corporate Governance

Comply (and shall ensure that each member of the Group will) in all material respects with the corporate governance guidelines set out by the Bangladesh Bank and the Bangladesh Securities and Exchange Commission.

7.4.4 Information

So far as permitted by applicable law, at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and in such form as it shall require in relation to Issuer for the performance of its obligations under the Bond Documents;

7.4.5 Execution of further Documents

So far as permitted by applicable law, at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the provisions of this Trust Deed;

7.4.6 Notices to Bondholders


Send or procure to be sent to the Trustee not less than 5 (five) business days prior to the date of publication, one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice;

7.4.7 Notification of non-payment

Notify the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds or any of them, pay unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Bonds;

7.4.8 Notification of late payment

In the event of the unconditional payment to the Trustee of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith give notice to the Bondholders that such payment has been made;


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7.4.9 Notification of redemption or repayment

14 (Fourteen) days prior to the Redemption Dates or purchase in respect of any Bond, give to the Trustee notice in writing of the amount of such redemption or purchase pursuant to the Conditions and duly proceed to redeem or purchase such Bonds accordingly;

7.4.10 Authorized Signatories

Upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustee a list of the Authorized Signatories of the Issuer, together with certified specimen signatures of the same; and

7.4.11 Payments

Pay moneys payable by it to the Trustee hereunder without set off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law will pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.

SECTION 8: RIGHTS AND OBLIGATION OF THE TRUSTEE


Rights and Obligations of the Trustee have been incorporated from the Trust Deed executed between the Issuer (National Bank Limited) and the Trustee (First Security Islami Capital & Investment Limited).

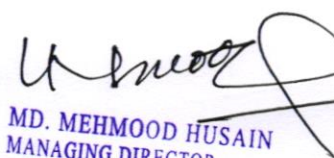
8.1.1 Applicable Law: Notwithstanding anything contained in this Trust Deed the Trustee shall have all such rights and powers granted to it under the applicable law including but is not limited to Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021.

8.1.2 Advice: The Trustee may in relation to this Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert (whether obtained by the Trustee, the Issuer, or any Subsidiary) and which advice or opinion may be provided on such terms (including as to limitations on liability) as the Trustee may consider in its sole discretion to be consistent with prevailing market practice with regard to advice or opinions of that nature and shall not be responsible for any Liability occasioned by so acting; any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, telex, cablegram or facsimile transmission;

8.1.3 Resolution or direction of Bondholders: the Trustee shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Bondholders;


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8.1.4 Trustee not responsible for investigations: save as otherwise provided by applicable law, the Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in this Trust Deed, the Bonds, or any other agreement or document relating to the transactions herein or therein contemplated or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof;


8.1.5 Entry on the Register: the Trustee shall not be liable to the Issuer or any Bondholder by reason of having accepted as valid or not having rejected any entry on the Register later found to be forged or not authentic and can assume for all purposes in relation hereto that any entry on the Register is correct;

8.1.6 Events of Default: save as otherwise provided by applicable law, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and under this Trust Deed and no event has happened as a consequence of which any of the Bonds may become repayable; and

8.1.7 Right to Deduct or Withhold: notwithstanding anything contained in this Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whenever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under this Trust Deed (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising there from or any action of the Trustee in connection with the trusts of this Trust Deed (other than the remuneration herein specified) or otherwise, then the Trustee shall be entitled to make such deduction or withholding or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax from the funds held by the Trustee upon the trusts of this Trust Deed.

8.1.8 Liability: The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed or the Bonds save in relation to its own gross negligence, wilful default or fraud. This Clause 6.1.8 shall survive the termination or expiry of this Trust Deed or the removal or termination of the Trustee.

8.1.9 Force Majeure: The Trustee shall not be liable for any failure or delay in the performance of its obligations under this Trust Deed or any other Bond Document because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labour disputes, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by this Trust Deed or any other Bond Document, inability to obtain or the failure of equipment, or interruption of communications


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or computer facilities, and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above.

8.1.10 Immunities: The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Trust Deed shall extend to the Trustee's officers, directors and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of this Trust Deed and final payment of the Bonds. The Issuer acknowledges that in any proceedings taken in relation to this Trust Deed, it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

8.1.11 Professional charges: any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of this Trust Deed and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with this Trust Deed, in each case as agreed pursuant to the Fee Letter (including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person);

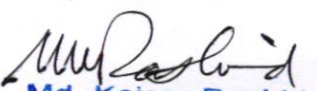
8.1.12 Expenditure by the Trustee: nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it; and

8.1.13 Trustee may enter into financial transactions with the Issuer: no Trustee and no director or officer of any corporation being a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, or from accepting the trusteeship of any other debenture stock, debentures or securities of the Issuer or any Subsidiary or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, and neither the Trustee nor any such director or officer shall be accountable to the Bondholders or the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, for any profit, fees, commissions, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty to retain the same for its or his own benefit.

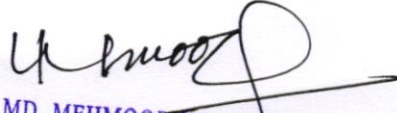
8.1.14 Trustee Liability: The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed or the Bonds save in relation to its own gross negligence, willful default or fraud.


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8.1.15 Right to Sue: The Trustee may sue and may be sued on behalf of the Bondholders.

8.2 Trustee's powers and duties

8.2.1 Applicable Law: Notwithstanding anything contained in this Trust Deed the Trustee shall have all such responsibility as set out in the applicable law including but is not limited to Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021.

8.2.2 Act for Bondholders: Subject to applicable law and terms and conditions of this Trust Deed, the Trustee shall act on behalf and for the exclusive interest of the Bondholders;

8.2.3 Monitoring: Trustee shall ensure that Issuer is observing the applicable law for the Bonds and the terms and conditions of the Bond Documents. As soon as the Trustee is aware of any breach by the Issuer it shall immediately inform the Bondholders and the Issuer of such breach;

8.2.4 Report to BSEC: Trustee shall submit an annual compliance report to the BSEC on the activities of the Issuer including repayment of dues to the Bondholders. When Trustee shall submit such report to the BSEC it shall provide copy to the Issuer and the Bondholders;

8.2.5 Grievances of the Bondholders: Upon receipt of a complaint from the Bondholders Trustee shall take necessary steps for redress of grievances of the Bondholders within one month of the date of receipt of the complaints and he shall keep the BSEC and the Issuer informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed;

8.2.6 Trustee's determination The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of this Trust Deed or contained in the Bonds is capable of remedy and if the Trustee shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer and the Bondholders;

8.2.7 Determination of questions: the Trustee as between itself and the Bondholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Trust Deed and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders;

8.2.8 Trustee's discretion: the Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Trust Deed or by operation of law, on reasonable ground have absolute and uncontrolled discretion as to the exercise or non exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non exercise thereof (save as otherwise provided by applicable law) but whenever the Trustee is under the provisions of this Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing;


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8.2.9 Trustee's consent: any consent given by the Trustee for the purposes of this Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require;

8.2.10 Application of proceeds: the Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Subordinated Bonds;

8.2.11 Error of judgment: the Trustee shall not be liable for any error of judgment made in good faith applying due diligence and without negligence by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters, save in relation to its own gross negligence, wilful default or fraud;

8.2.12 Agents: Subject to the provisions of the Trust Act 1882 and Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021, the Trustee may, in the conduct of the trusts of this Trust Deed instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money) with the consent of Issuer and the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person provided that the Trustee had exercised reasonable care in the appointment of such person;

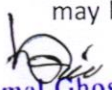
8.2.13 Confidential information: the Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder confidential information or other information made available to the Trustee by the Issuer in connection with this Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information.

8.2.14 Determination of Profit Rate: the Trustee shall determine Profit Rate in accordance with Condition of the Bond.

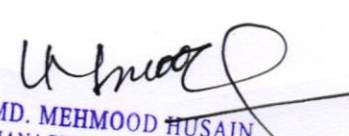
8.3 Exercise of Discretion

8.3.1 Notwithstanding anything in this Trust Deed to the contrary, the Trustee shall not be obliged to exercise or consider exercising any discretion or consider making or make any determination (including, without limitation, any determination as to whether any fact or circumstance or activity or thing is material or substantial or complies with some such similar quantitative standard) or to consider taking or take any action whatsoever in connection with or under or pursuant to the Bonds unless directed to do so by the holders of not less than 66 2/3 percent in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution of Bondholders (subject in all cases to the Trustee having been indemnified or provided with security to its satisfaction and otherwise being satisfied that it is lawful for it to so exercise discretion, make a determination or otherwise take any action). Such direction shall specify the way in which the Trustee shall exercise such discretion or, as the case may be, make the determination or take the action to be taken by the Trustee.

8.3.2 The Trustee will be responsible for any loss, expense, damage, claim, cost, charge or liability which may be suffered as a result of any exercise or non-exercise of a discretion or the making or failure to


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make any determination or the taking or failure to take any action by the Trustee, acting on the directions of the Bondholders as aforesaid or pending the provision of such a direction.

SECTION 9: RIGHTS AND OBLIGATION OF THE ISSUE MANAGER, UNDERWRITER, OR ANY OTHER CONTRACTUAL PARTY

Rights and obligations of the issue manager, underwriter, or any other contractual parties is not applicable for 3rd NBL Subordinate Bond.

SECTION 10: RIGHTS AND OBLIGATION OF THE ELIGIBLE INVESTORS (BONDHOLDERS)

Rights and Obligations of the Issuer have been incorporated from the Trust Deed executed between the Issuer (National Bank Limited) and the Trustee (First Security Islami Capital & Investment Limited)

10.1 Each Bondholder has the right to demand information from the Issuer as set out in this Trust Deed and the Condition attached in Schedule 1 Part B (Terms and Conditions of the Bonds).

10.2 Each Bondholder has the right to receive payment of principal amount of the Bond on the Redemption Date as set out in the Condition attached in Schedule 1 Part B (Terms and Conditions of the Bonds).

10.3 Each Bondholder has the right to receive profit on the Bond on the Profit Payment Date as set out in the Condition attached in Schedule 1 Part B (Terms and Conditions of the Bonds).


10.4 Each Bondholder has the right to attend meeting of the Bondholders and vote there in accordance with Condition 12 (Meetings of Bondholders, Modification, Waiver and Substitution).

SECTION 11: DESCRIPTION OF NATIONAL BANK LIMITED (THE ISSUER)

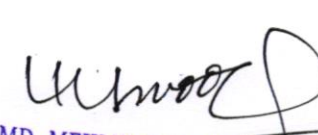
National Bank Limited (NBL) has its prosperous past, glorious present, prospective future and under processing projects and activities. Established as the first private sector bank fully owned by Bangladeshi entrepreneurs, NBL has been flourishing as the largest private sector Bank with the passage of time after facing many stress and strain. The members of the board of directors are creative businessmen and leading industrialists of the country. To keep pace with time and in harmony with national and international economic activities and for rendering all modern services, NBL, as a financial institution, automated all its branches with computer networks in accordance with the competitive commercial demand of time. Moreover, considering its fourth-coming future, the infrastructure of the Bank has been rearranging. The expectation of all class businessmen, entrepreneurs, and the general public is much more to NBL. At present, we have 219 branches and 14 sub branches. In addition, our effective and diversified approach to seize the market opportunities is going on a continuous process to accommodate new customers by developing and expanding rural, SME financing and offshore banking facilities.


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The capital details of National Bank Limited are given below:

Authorized Capital: BDT 50,000,000,000 (As on 30 June 2022)

Paid-up Capital: BDT 32,197,395,700 (As on 30 June 2022)

(a) Capital Structure (Consolidated)

Table 2: Sources of Issuer's Capital Structure

| Particulars | Amount in BDT | |
|--|------------------------|------------------|
| | 30 June 2022 | % of Total Asset |
| Borrowings from other banks, financial institutions and agents | 12,737,034,193 | 2.31% |
| Deposits and other accounts | 444,806,434,651 | 80.72% |
| Current deposit and other accounts | 33,682,957,445 | 6.11% |
| Bills payable | 4,857,501,774 | 0.88% |
| Savings bank deposits | 67,063,463,000 | 12.17% |
| Fixed deposits | 116,388,760,994 | 21.12% |
| Term deposit | 222,813,751,438 | 40.44% |
| Subordinated bonds | 2,400,000,000 | 0.44% |
| Start-up fund | 36,808,199 | 0.01% |
| Other liabilities | 41,181,554,207 | 7.47% |
| Total liabilities | 501,161,831,250 | 90.95% |
| Shareholders' equity | | |
| Total shareholders' equity | 49,875,392,787 | 9.05% |
| Paid-up capital | 32,197,395,700 | 5.84% |
| Statutory reserve | 17,228,087,280 | 3.13% |
| General reserve | 32,766,423 | 0.01% |
| Other reserve | 1,362,438,448 | 0.25% |
| Retained earnings | (945,474,723) | -0.17% |
| Non-controlling (minority) interest | 179,659 | 0.000033% |
| Total liabilities and shareholders' equity | 551,037,224,037 | 100.00% |

Minimum Capital Requirement Capital adequacy Ratio:

Table 3: Description of Issuer's Total Capital

| Capital to Risk Weighted Assets Ratio (CRAR) | 2021 | 2020 |
|--|--------------------------|--------------------------|
| Core capital (Tier - I) | Consolidated | |
| Paid up capital | 32,197,395,700.00 | 30,664,186,390.00 |
| Statutory reserve | 17,228,087,280.00 | 17,108,889,287.00 |
| General reserve | 30,133,557.00 | 29,835,154.00 |
| Non-controlling (minority) interest | 172,292.00 | 135,537.00 |
| Retained earnings | 779,091,211.00 | 2,051,906,653.00 |
| | 50,234,880,040.00 | 49,854,953,021.00 |
| Lass: | | |
| For short provision against quoted shares | 666,375,357.00 | 1,356,308,386.00 |
| For short provision against loans and advances | - | - |
| Intangible assets | 886,103,640.00 | 1,001,401,675.00 |
| Deferred tax assets | 315,421,537.00 | 304,220,780.00 |

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| | | |
|--|---------------------------|---------------------------|
| Reciprocal cross holding of banking and NBFI shares | 541,509,703.00 | 442,999,563.00 |
| | 2,409,410,237.00 | 3,104,930,404.00 |
| Total Core capital (Tier - I) | 47,825,469,803.00 | 46,750,022,617.00 |
| Supplementary Capital (Tier II) | | |
| General provision maintained against unclassified loan | 5,672,193,896.00 | 5,172,193,896.00 |
| General provision on off-balance sheet exposure | 592,010,048.00 | 544,510,048.00 |
| Subordinated bonds | 2,400,000,000.00 | 3,450,000,000.00 |
| Start-up fund | 36,808,199.00 | 34,855,427.00 |
| Total Supplementary Capital (Tier II) | 8,701,012,143.00 | 9,201,559,371.00 |
| Total capital | 56,526,481,946.00 | 55,951,581,988.00 |
| Total risk weighted assets | 481,076,940,482.00 | 430,401,594,033.00 |
| Required capital | 60,134,617,560.00 | 53,800,199,254.00 |
| (Deficit)/Surplus (A-C) | (3,608,135,615.00) | 2,151,382,734.00 |
| | | |
| Capital adequacy ratio: | | |
| | Actual | |
| On core capital - against standard of minimum 6.00% | 9.94% | 10.86% |
| On supplementary capital | 1.81% | 2.14% |
| On total capital - including capital conservation buffer | 11.75% | 13.00% |

Shareholding Structure:


Table 4: Shareholding Structure of the Issuer

| | 2021 | | 2020 | |
|--------------------------|-------------------------|--------|-------------------------|--------|
| Category | No. of shares | % | No. of shares | % |
| Sponsors and Directors | 916,829,991.00 | 28.48% | 950,206,388.00 | 30.99% |
| Financial institutions | 754,428,179.00 | 23.43% | 643,459,462.00 | 20.98% |
| Foreign investors | 26,912,236.00 | 0.84% | 31,161,475.00 | 1.02% |
| Non-resident Bangladeshi | 681,345.00 | 0.02% | 715,910.00 | 0.02% |
| General public | 1,520,887,819.00 | 47.24% | 1,440,875,404.00 | 46.99% |
| | 3,219,739,570.00 | | 3,066,418,639.00 | |

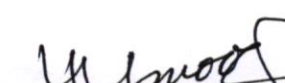
(b) Business

The emergence of National Bank Limited in the private sector was an important event in the Banking arena of Bangladesh. When the nation was in the grip of severe recession, the government took the farsighted decision to allow the private sector to revive the economy of the country. Several dynamic entrepreneurs came forward for establishing a bank with a motto to revitalize the economy of the country.

National Bank Limited was incorporated as the first Private Commercial Bank fully owned by Bangladeshi nationals. From the very inception, it was the firm determination of National Bank Limited playing a vital role in the national economy. We are determined to bring back the long-forgotten taste of banking services and flavors. We want to serve each one promptly and with a sense of dedication and dignity. The then President of the People's Republic of Bangladesh Justice Ahsanuddin Chowdhury inaugurated the bank formally on March 28, 1983, but the first branch at 48, Dilkusha Commercial Area,


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Dhaka started commercial operation on March 23, 1983. The 2nd Branch was opened on 11th May 1983 at Khatungonj, Chittagong.

NBL is providing banking services with excellence through its branch network located all over the country, covering even the neglected remote rural areas, keeping in mind its responsibilities to the society. Presently the Bank has a strong market-base with total 219 branches. The Bank has also 14 sub-branches for extending banking services at root level. Alongside, NBL is extending banking services through Off-shore Banking Unit (OBU) to foreign investors and local entrepreneurs. The Bank has been gradually building up extensive global connections to ease different commercial banking needs and also to facilitate the wage-earners and beneficiaries of homebound foreign remittances. In making global banking transactions the Bank established Relationship Management Application (RMA) with 442 banks and foreign correspondents in 56 countries. Furthermore, to facilitate the expatriate Bangladeshis to ease their home-bound remittances the Bank, by now has made Drawing Arrangements.

Vision:

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

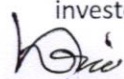
Mission:

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

Business:

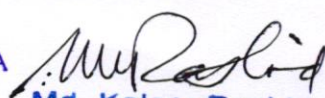
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NBL is also the first among domestic banks to introduce international Master Card in Bangladesh. In the meantime, NBL has also introduced the Visa Card and Power Card. The Bank has in its use the latest information technology services of SWIFT and REUTERS. NBL has been continuing its small credit program for disbursement of collateral free agricultural loans among the poor farmers of Barindra area in Rajshahi district for improving their livelihood. National Bank, has now acquired strength and expertise to support the banking needs of the foreign investors. NBL stepped into a new arena of business and opened its Off Shore Banking Unit at Mohakhali to serve the wage earners and the foreign investors better than before.



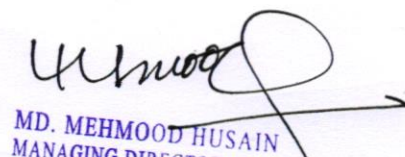
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Products and Services:

DEPOSIT PRODUCTS

Current Deposit: National Bank Limited offers customers current deposit facility for the day-to-day business transaction without any restriction.

NBL Monthly Savings Scheme (NMS): National Bank Limited offers monthly savings scheme for its retail customers with attractive rates.

Monthly Earning Scheme (MES): Under this scheme one will deposit a minimum of Tk.1,00,000/- or its multiple without any uppers limit and the benefit/ interest is giving on monthly basis.

Double Benefit Account: Under the revised rate of interest of Double Benefit Account (DBA) effective from February 01, 2022 the Deposited amount will be doubled in 10 (Ten) Years. Double Benefit Account (DBA) can be opened at multiple of Tk.1,00,000.00 (One Lac) without any upper limit.

NBL Millionaire Deposit Scheme (MDS): Under this scheme one will deposit a fixed amount on monthly basis for 4, 6, 9 or 12 years and on maturity he/she will be just a millionaire.

Apon Thikana Shanchoy Prakaipa (ATSP): The Revised Monthly Installment of ATSP Deposit Scheme:

| Tenure | Monthly Installment (Amount in Tk.) | Terminal Value (in Tk.) |
|----------|--|-------------------------|
| 5 Years | 42,150.00 | 3,000,000.00 |
| 8 Years | 27,680.00 | 3,500,000.00 |
| 10 Years | 23,555.00 | 4,000,000.00 |

Luxury Savings Deposit Scheme (LSDS): The Revised Monthly Installment of LSDS Deposit Scheme:

| Tenure | Monthly Installment (Amount in Tk.) | Terminal Value (in Tk.) |
|---------|--|-------------------------|
| 2 Years | 97,250.00 | 2,500,000.00 |
| 3 Years | 65,200.00 | 2,600,000.00 |
| 4 Years | 49,080.00 | 2,700,000.00 |
| 5 Years | 39,350.00 | 2,800,000.00 |

FC Deposit: National Bank Limited gives the opportunity to maintain foreign currency account through it's Authorized Dealer Branches.

Shadhinota, A Bi-Monthly Income Scheme: The period of the deposit is 2 years. The Beneficiary will receive Tk.550.00 as interest in every 2 (Two) Months against every Tk.50,000.00 initial deposit. i.e. total 12 interest payments will be made in 2(Two) Years and the initial deposit will be repaid upon expiry of the term. Deposit can immediately be liquidated in FULL at any point of time. No penalty will be charged for early encashment. Credit facilities up to 80% of the deposited amount will be allowed against lien on balance of the account at the prevailing rate of Interest of the Bank. Bank will not impose any charge of its own. Only Government Charges will be deducted from the account. This product is auto renewable. Payment schedule of the Scheme is given on the bank's official website.

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Century Deposit Scheme: The period of the deposit is 100 days. The revised interest rate is 6.00% p.a. with effect from 05 June 2022. The initial amount can be Tk. 50,000.00 or above. Interest Calculation is at actual day Basis (i.e. 365/360). This product is auto renewable (principal without interest / principal with interest). Credit facilities up to 80% of the deposited amount will be allowed against lien on balance of the account at the prevailing rate of interest of Bank. Bank will not impose any charge of its own. Only Government Charges will be deducted from Account. Link Account of this deposit can be maintained at any Branch of NBL.

Term Deposit: National Bank Limited is offering Term Deposit starting from 1 month with attractive interest rate based on tenure. (1M-5.50%, 3M- 5.50-5.75%, 6M-6.00%, 1Y-6.50%, 2Y-6.50%).

Savings Deposit: National Bank Limited offers customers a hassle-free and low charges savings account through the branches all over Bangladesh.

Payment of interest to SB A/C: Interest on Savings Account shall accrue half yearly and be applied on June and December every year. No interest is payable if 25% or above is withdrawn from an account or if number of withdrawals is 4 or above in a particular month.

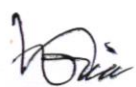
Sonar Bangla Amanot: Benefit Features-


- The period of the deposit is 45 days.
- The revised interest rate will be 5.75% p.a. with effect from 05 June 2022 instead of 6.50% p.a.
- The initial amount can be Tk. 50,000.00 or above.
- Interest Calculation is at actual day Basis (i.e. 365/360).
- This account can be opened till 31 December 2022.
- This product is auto renewable (principal without interest / principal with interest) and will be continued until the customer wants to mature / encash.
- Credit facilities up to 80% of the deposited amount will be allowed against lien on balance of the account at the prevailing rate of interest of Bank.
- Bank will not impose any charge of its own. Only Government Charges will be deducted from Account.
- Link Account of this deposit can be maintained at any Branch of NBL.


Higher Education Deposit Scheme (HED): We The revised initial deposits for different categories of HED:

| Category | Rate of Interest p.a. | Initial Deposit (Taka) for Different Categories | Gross Amount (Taka) Receivable by the Customers |
|------------|-----------------------|--|--|
| Category-A | 6.75% | 6,25,000.00 | 60,000.00 |
| Category-B | 6.75% | 5,21,000.00 | 50,000.00 |
| Category-C | 6.74% | 4,17,000.00 | 40,000.00 |

Preferred Service Account (PSA): Minimum rate of interest would be the highest rate of SND and the maximum rate of interest will be 6.50% p.a. with effect from 05 June 2022. The Competent Authority of Head Office will fix the interest rate within the aforementioned range considering the nature, volume & expected balance in the Account.


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Shwapno: The Revised Monthly Installment of Shwapno Deposit Scheme:

| Tenure | Monthly Installment (Tk.) | Terminal Value (Tk.) |
|---------|---------------------------|----------------------|
| 2 years | 3,900.00 | 1,00,000.00 |

NBL Aamar Account: Benefit Features-

- Interest bearing frequent transactional account for all individual customers.
- Interest will be calculated on daily product basis and to be credited to the account monthly.
- The Interest Rate of this product will be 2.00% P.A.

Probashi Shwapno: Benefit Features-

- The period of the deposit will be 01(one) year.
- The revised interest rate will be 6.80% p.a. with effect from 01 February 2022.
- The minimum amount can be Tk.50,000.00 or above.
- This product is auto renewable (principal without interest / principal with interest).
- Credit facilities up to 80% of the deposited amount will be allowed against lien on balance of the account at the prevailing rate of interest of Bank.
- Bank will not impose any charge of its own. Only Government Charges will be deducted from Account.

School Banking Account (SBD): In order to build up the tendency of savings by students as well as engage students in the banking services, NBL always encourage opening of School Banking Accounts. The applicable rate of interest on School Banking Deposits will be 2.50% p.a. with effect from February 01, 2022.

CREDIT PRODUCTS

Lease Finance: Leasing is an emerging sector and day by day it is becoming popular among the Banks and Financial Institutions. Keeping this in mind, National Bank Limited (NBL) in 2007 introduced Lease Finance Scheme for their valuable customers encompassing the following features-

Major Features of Lease:

The Contract: There are essentially two parties to a contract of lease financing, namely the owner and the user.

Assets: The assets/property to be leased is the subject matter of lease financing contract.

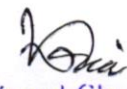
Lease Period: The basic lease period during which the lease is non-cancelable.

Rental Payments: The payment made by the Lessee to the Lessor against lease assets is called the lease rental.

Maintain: Provision for the payment of the costs of maintenance and repair, taxes, insurance, and other expenses appertaining to the asset leased.

Term of Lease: The term of the lease is the period for which the agreement of lease remains in operation.

Ownership: During the lease period, ownership of the assets is being kept with the lessor, and its use is allowed to the lessee.


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Terminating: At the end of the period, the contract may be terminated.

Renew or Purchase: An option to renew the lease or to purchase the assets at the end of the basic period.

Default: The lessee may be liable for all future payments at once, receiving title to the asset in exchange.

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

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

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

SME Finance: PPG based SME Products of NBL-

- NBL Small Business Loan (Limit up to Tk.5.00 lac without Collateral)
- NBL Festival Small Business Loan (Limit up to Tk.3.00 lac without Collateral)
- NBL Weavers Loan (Limit up to Tk.5.00 lac without Collateral)
- NBL Nari Jagaran (Limit up to Tk.5.00 lac without Collateral)
- NBL Nobo Uddog Loan (Limit up to Tk.25.00 lac, up-to Tk. 10.00 lac without Collateral)
- NBL Trinamul Uddog Loan (Limit up to Tk.0.50 lac without Collateral)

Retail Credit: Retail Loan products of NBL-

- Any purpose Loan (Limit up to Tk.10.00 lac without collateral)
- Consumer Durables Loan (Limit up to Tk.5.00 lac without collateral)
- Professional Loan (Limit up to Tk.10.00 lac without collateral)
- Education Loan (Limit up to Tk.5.00 lac without collateral)


Trade Finance:


a. Import: The bank support import functions through Letter of Credit (LC) and Loan against Trust Receipt (LTR).

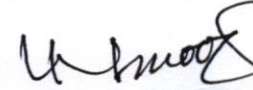
b. Export: To support the export functions, the Bank provides the following facilities –

i. Pre-shipment Finance through Back to Back Letter of Credit, Export LC (Advising & Transfer), EDF Loan, Over Draft (OD) and Packing Credit (PC).

ii. Post-shipment Finance through Export Bill Purchase, Export Bills for Collection, Local Documentary Bills Purchase (LDBP) / Foreign Documentary Bills Purchase (FDBP).


Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka
10 JAN 2023


Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka
10 JAN 2023


MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA
10 JAN 2023


K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited
10 JAN 2023

Agriculture Finance: Agriculture plays a vital role in Bangladesh economy and the development of our country significantly depends on the productivity of rural areas. Realizing the importance of agricultural finance in creating self-employment opportunities and socio-economic development of the country, National Bank Limited has been providing Agriculture & Rural credit facilities through its own branches across the country since its inception.

FEATURES

- Credit for cultivation of crops & farming of fishery, poultry & livestock and purchasing of agriculture tools & irrigation equipment;
- Credit for cultivation of Pulse, Oil Seeds, Spices & Maize under concessional rate of interest.

Working Capital Finance: National Bank Limited provides working capital finance facilities to the business concerns to meet their day to day expenses as under –

Funded: Over Draft (OD), Cash Credit (Hypothecation), Loan against Trust Receipt (LTR), Short Term Loan, Demand Loan.

Non-Funded: Bank Guarantees, Letter of Credits as best suited to client's liquidity requirement and risk profile.

Work/ Supply Order Finance: NBL provides Work / Supply Order Financing facilities to execute work / supply order favoring contractors / suppliers.

Work / Supply Order Finance enable contractors / suppliers financial accommodation in the form of Bid Bond, Performance Guarantee (PG), Advance Payment Guarantee (APG) and SOD (Work Order) facility.

Project Finance: NBL provides project finance for setting up industrial projects and for BMRE.

The Bank, from the very beginning has been an active partner of the private sector in developing large and medium scale industry of the country. The bank has been financing Term Loan (Industrial) facility for establishing new project and / or BMRE of various projects in the sectors namely textile, garments, power, steel, telecom, pharmaceuticals, packaging, consumer products, health and real estate. We are offering Short Term and Mid Term finance to our customers to meet emergency financial needs of their project / business.

Loan Syndication and Structured Finance: NBL Act as an arranger to raise fund for capital intensive projects for sharing risks & pooling of resources & reputation.

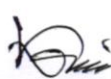
NBL also participates with other Banks / Financial Institutions to finance infrastructure projects and capital intensive industrial projects.

SERVICES

- Internet Banking
- Service Location

CARD PRODUCTS

Credit Card: National Bank Limited introduced Credit Card and Acquiring card transactions first ever in Bangladesh in 1997 among the local banks as a principal member of MasterCard International. Thereafter in 2003 National Bank Limited obtained principal membership of Visa


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Worldwide and introduced Visa Credit Card in the country with Acquiring of Visa card transaction.

| MasterCard | VISA |
|---------------|---------------|
| Platinum DUAL | Platinum DUAL |
| Gold DUAL | Gold DUAL |
| Classic DUAL | Classic DUAL |

Debit Card: National Bank Limited introduced EMV Chip Visa Debit Card in 2016 to provide 24/7 Banking services to its nationwide large customer base provided by ATM facilities with selective branches emphasizing customers' demand and business importance.

Features:

- EMV Chip Based Visa Card, most advanced technology for secure.
- Enable for most secured Two Factor Authentication (2FA) on e-commerce transactions through One-Time-Password.
- Can be used for 24/7 country wide ATMs for anytime Cash Withdrawal at nationwide ATMs bearing Visa, Q-cash & NPSB LogO.
- Can be used for anytime purchases/services at any merchant outlets, superstores, hospitals, clinics, hotel & restaurants bearing Visa Logo POS Terminals.
- Real Time SMS Transaction alert
- Minimum Card Fee & No Hidden Charges
- 24x7 Call Centre for Customer Services
- Discount/Privileges at different merchant outlets
- Easy to obtain- once customer opens an account with any of NBL Branches, we will issue a Debit Card upon request.
- No need of carrying cash or a cheque book.

(c) Board of Directors and Management

Board of Directors:

| Sl No | Name | Designation |
|-------|-----------------------------------|----------------------|
| 1 | Mrs. Monowara Sikder | Chairman |
| 2 | Ms. Parveen Haque Sikder, MP | Director |
| 3 | Mr. Alhaj Khalilur Rahman | Director |
| 4 | Mr. Moazzam Hossain | Director |
| 5 | Mr. Ron Haque Sikder | Director |
| 6 | Mr. Zakaria Taher | Director |
| 7 | Mr. Mabroor Hossain | Director |
| 8 | Mr. Md. Naimuzzaman Bhuiyan Mukta | Independent Director |
| 9 | Mr. Murshid Kuli Khan | Independent Director |

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| | | |
|----|--|--|
| 10 | Lieutenant General Md. Shafiqur Rahman, OSP (BAR), SPP, AFWC, PSC (Retd) | Nominated Director (Sikder Insurance Company Ltd.) |
| 11 | Mr. Md. Mehmood Husain | Managing Director & CEO |

Profile of the Board of Directors

Mrs. Monowara Sikder

Honorable Chairman

Mrs. Monowara Sikder is the Chairman of the Board of Directors of National Bank Limited. She is also involved with different socio economic organization of the country. Mrs. Sikder is the Member of the Executive Committee of the Board of Directors of National Bank Limited. She is also associated with the following Organizations:

Chairman

- Z H Sikder Women's Medical College & Hospital (Pvt.) Ltd.
- Sikder Real Estate Ltd.
- Monowara Sikder Medical College & Hospital
- Sikder Organic Market (Pvt.) Ltd.
- Trustee Board, Z H Sikder University of Science & Technology

Member

- Alhaj Mokforuddin Sikder Foundation
- Zarina Sikder Trust

Ms. Parveen Haque Sikder, MP

Director

Ms. Parveen Haque Sikder is the Chairperson of the Executive Committee of the Board of Directors of National Bank Limited. She has graduated in Medical Science from U.S.A.

Name of Concerns Associated

- 1) Vice Chairperson- Z H Sikder Womens Medical College & Hospital.
- 2) Chairperson- Millenium Int'l School.
- 3) Director- Sikder Real Estate.

Mr. Alhaj Khalilur Rahman

Director

Mr. Khalilur Rahman is one of the leading industrialists and business personalities of Bangladesh. He is the Chairman of KDS Group, one of the large business conglomerates of Bangladesh having footsteps in almost all the sectors. He is one of the Sponsor Directors of National Bank Limited and also the member of Executive Committee of the Board of Directors. He is a Bachelor of Science in Management and a Commercially Important Person (CIP). He is the President of Chittagong Metropolitan Chamber of Commerce & Industry (CMCCI), Vice President of Bangladesh Inland Container Depot Association (BICDA), Chairman of Bangladesh C. R. Coil Manufacturers & Exporters Association (BCRCMEA) and

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HEAD OFFICE, DHAKA
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Chief Executive Officer
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founder President of Patiya Samity at Chittagong City. He is a Shareholder of Al-Arafa Islami Bank Ltd. He is the Life Member of Bhatary Golf and Country Club, Chittagong Boat Club, Chittagong Club Ltd, Chittagong Metropolitan Lions Club, Chittagong Press Club, Chittagong Institute Limited (Senior's Club), Chittagong Maa & Shishu Hospital & Ziri Zanakollan Trust. He is the founder Chairman of Southern University Bangladesh and President of Khalilur Rahman Mohila College, Khalil Mir Degree College, Khalil Rahman Girls' High School, Kartala Belkhain Mohabodhi High School, Khalilur Rahman Shishu Niketon (Kinder Garten), Saberla Khalilia Senior Madrasa & Shaindair Gouchiya Tayoubia Delwara Begum Sunnia Alim Madrasa.

He is a well-known philanthropist and engaged in different socio economic activities of the country.

Mr. Moazzam Hossain

Director

Mr. Moazzam Hossain is a leading and successful entrepreneur in Bangladesh. He is a Sponsor Director & former Chairman of National Bank Limited. Presently, he is a Member of the Executive Committee of the Board of Directors of National Bank Limited.

After completing his graduation under the University of Dhaka, he left for higher studies at Nagoya University, Japan in the year 1968. He returned to Bangladesh in 1974 after completing post-graduation from Nagoya University. During his stay in Japan, he embarked in different business ventures in 1971. By the tender age of 24 years, Mr. Hossain successfully established himself as one of the youngest entrepreneurs. He pioneered in introducing reconditioned cars from Japan and pay as you earn concept in Bangladesh.


Mr. Hossain, the founder of Hosaf Group of Companies, was one of the first entrepreneurs in Bangladesh to have expanded his business both at home and abroad. With his strong sense of business acumen and foresight, he has established himself as one of the leading and successful businessman in the country. He has played a pioneering role in the establishment of the first joint venture company for deep sea fishing and barter trade with the East European Countries.

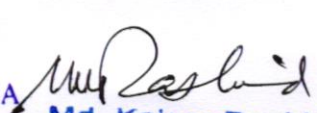
Currently, Mr. Hossain is the Chairman of Hosaf Group of Companies. He was also the former Chairman of Pragati Insurance Company Limited, President of Bangladesh Energy Companies Association, Vice President of BGMEA and Chairman of Presidency University.

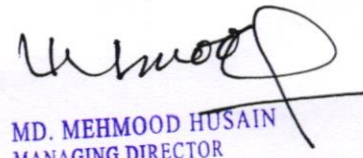
Mr. Ron Haque Sikder

Director

Mr. Ron Haque Sikder, an entrepreneur with diversified skill along with extensive international experience, leading with distinguished professional communication skills & intelligence. Additionally, he is bestowed with a unique capacity to think globally but to act locally. High degree of expert knowledge and dexterity in all facets of Banking, Trading, Health Care & Education, Real Estate & Large Infrastructure Development, Hotels / Hospitality, Power Generation, Fine Dining & Restaurant, Aviation, Fashion, & Life Style made him one of the most dynamic and energetic businesspersons of Bangladesh. Hailing from a praiseworthy family business background of high corporate standards, he is also actively involved with different socio-economic organizations of the country. He is the Member of the Executive Committee of the Board of Directors of National Bank Limited.


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MD. MEHMOOD HUSAIN
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He is associated with the following Organizations:

Chairman

- Power Pac Holdings Ltd.
- R & R Holdings Ltd.
- PowerPac Mutiara Keraniganj Power Plant Ltd. (100 MW)
- PowerPac Keraniganj-II Power Plant Ltd. (161 MW)
- PowerPac Mutiara Khulna Power Plant Ltd. (100 MW)
- PowerPac Mutiara Jamalpur Power Plant Ltd. (100 MW)

Director

- Z H Sikder Women's Medical College & Hospital (Pvt.) Ltd.
- Sikder Pharmaceuticals Ltd.
- Sikder Real Estate Ltd.

Managing Director

- R & R Aviation Ltd.
- BEL Construction SDN BHD Ltd.

Managing Partner

- PowerPac
- A1 Trade Center

Proprietor

- The River
- R & R Holdings

Member

- Z H Sikder University of Science & Technology
- Monowara Sikder Medical College & Hospital
- Alhaj Mokforuddin Sikder Foundation
- Zarina Sikder Trust

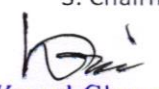
Mr. Zakaria Taher

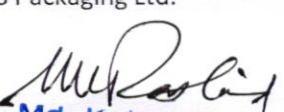
Director

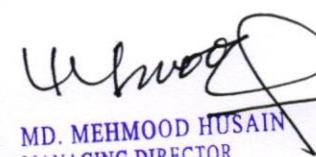
Zakaria Taher is a well-known business personality of Bangladesh and the Managing Director of Armana Group, one of the pioneers of denim-manufacturing and exporting in Bangladesh. He is a graduate from University of West Virginia, USA. He is involved with different socio-economic organization of the country and a renowned philanthropist. He is also a former member of Parliament of People's Republic of Bangladesh.

He has been at the helm of different companies listed below:

1. Chairman - Purbachal Drillers Ltd.
2. Chairman - TS Holdings Ltd.
3. Chairman - TS Packaging Ltd.


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4. Chairman - Zyta Garments Ltd.
 5. Chairman - Primordial Properties Ltd.
 6. Managing Director - Armana Apparels Ltd.
 7. Managing Director - Armana Fashion Ltd.
 8. Managing Director - Armach Logistic Ltd.
 9. Managing Director - Denimach Ltd.
 10. Managing Director - Denimach Washing Ltd.
 11. Managing Director - Denitex Ltd.
 12. Managing Director - Zyta Apparels Ltd.
 13. Director - Jeans Culture Ltd.
 14. Director - Trimco (Bangladesh) Company Ltd.
- He is also the Sponsor Shareholder of Pragati Life Insurance Ltd.

Mr. Mabroor Hossain

Director

Mr. Mabroor Hossain is currently a Director of Hosaf Group, one of the largest and fastest growing private sector companies in manufacturing and service based enterprises in Bangladesh. He has been involved in private sector businesses for the past 16 years. He manages diversified business interests in Bangladesh, including Power Generation, Real Estate, Telecommunication, IT and Banking. He is the co-founder of Infozillion Teletech Bd Ltd providing Mobile Number Portability Service in Bangladesh. He currently serves as a Director and Member of the Audit Committee on the Board of National Bank Limited. Mr. Hossain is on the Board of BIPPA (Bangladesh Independent Power Producers' Association). He was also the Director of Pragati Life Insurance Ltd. Mr. Hossain has an MBA from University College London (UCL) UK.


He is associated with the following Organizations:

Director


- Hosaf Meter Industry Ltd.
- Hosaf International Ltd.
- Hosaf Proficient Energy Ltd.
- Citi link Apartment Ltd.
- EnergyPrima Ltd.
- H F Power Limited
- Infozillion Teletech BD Ltd.
- Track Innovative Technologies Ltd.

Shareholder

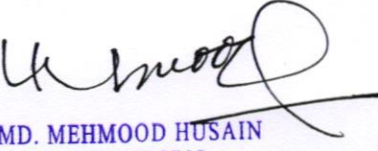
- Pragati Life Insurance Ltd.
- Pragati Insurance Ltd.


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Chief Executive Officer
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Mr. Md. Naimuzzaman Bhuiyan Mukta
Independent Director

Mr. Naimuzzaman Bhuiyan Mukta has been working for more than 25 years with a good reputation in the field of Sustainable Development, Digital Financial Inclusion, Participatory Research, Media Communication, Editing, Policy Advocacy, Local Governance, and Political Campaign. He has a Master's Degree in Development Studies.

Mr. Mukta worked with the UNDP-supported Access to Information (a2i) Programme housed at Prime Minister's Office from 2008 to 2017. During the time he led a couple of initiatives including the establishment of 45,000 e-service access points (popularly known as Digital Centers) at local government institutions, the development of National Mobile Banking Policy Guideline, initiation of Agent Banking and Life Insurance from Digital Centers across the country for the less privileged people. He also led the Human Development Media initiatives, a 360-degree approach to creating and sharing effective content.


Naimuzzaman Mukta has been serving as the Joint Editor to Bangladeshi leading English Daily "Bangladesh Post". He is also the Executive Editor of Quarterly Magazine "Shahos" and Online News Portal www.sahos24.com. He was the Editor of Banglar Beej (Seeds Bangladesh), a quarterly Journal on agriculture issues. He has been holding the position of a Member of the Research and Information Central Sub-Committee of Bangladesh Awami League since 2012. Being a political activist he successfully conducted multiple nationwide campaigns.

He is the Chairman of the Audit Committee of the Board of Directors of National Bank Limited.

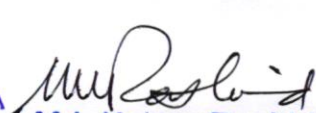
Mr. Murshid Kuli Khan
Independent Director

Mr. Murshid Kuli Khan, a prominent Banking Professional has long experience in financial supervisions and the regulation of the financial services. He is a man of huge experience and expertise in the Banking sector. He had long career in Bangladesh Bank where he joined as Assistant Director in the year 1976 and lastly served as Deputy Governor from November 2007 to December 2011. Apart from that he was the Managing Director of two large Nationalized Banks in Bangladesh namely Janata Bank and Bangladesh Krishi Bank. He was also the administrator (Chairman & Managing Director) of the Oriental Bank Limited. He is a member of the Executive Committee of the Board of Directors of National Bank Limited.

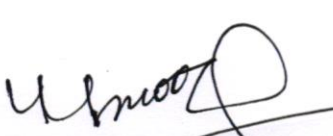
Mr. Khan participated in many Training Courses on banking at home & abroad including Bank of England, Federal Reserve Training Institute Washington DC, Bank of France and Reserve Bank of India etc. He is a certified Fellow of the Toronto Center, Canada and also a Fellow of the Institute of Bankers, Bangladesh. He has number of publications on Banking and Finance in national and international journals. He was adjunct professor of Khulna University and International University of Business Agriculture and Technology. He was founder Chairman of Janata Exchange Co. Srl, Rome, Italy. He was also Director of Eastern Bank Ltd., Investment Corporation of Bangladesh (ICB) & Industrial and Infrastructure Development Finance Company Limited (IIDFC). Mr. Khan completed his B.A (Honors) & M.A in Economics from University of Dhaka. He also completed M.A. in Banking & Finance from University of Wales, Bangor, U.K. Moreover, he studied Econometrics and Financial Analysis in the University of California, Irvine, USA.


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MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
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HEAD OFFICE, DHAKA

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K M Rasidul Hasan
Chief Executive Officer
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Lieutenant General Md. Shafiqur Rahman, OSP (BAR), SPP, afwc, psc (Retd)
Nominated Director (Sikder Insurance Company Ltd.)

Lieutenant General Md. Shafiqur Rahman, OSP (BAR), SPP, afwc, psc(Retd) is the representative Director of Sikder Insurance Company Ltd., a corporate shareholder of National Bank Ltd. He carries long 38 years' experience of serving Bangladesh Army and the nation at home and abroad including five years of active service in Chittagong Hill Tracts and four years of peacekeeping across Asia, Africa and the Middle East. He was conferred with Bangladesh Army Medals, 'Sena Parodoshita Padak – SPP' in early 2014, 'Outstanding Service Padak – OSP' in 2018 and 2019 consecutively for excellence in military professionalism.

Prior to his retirement in January 2021, General Shafique was the Chief of General Staff of Bangladesh Army and before that he served as the Director General of Special Security Force. The General has the rare honour of commanding three Infantry Divisions including prestigious 24 Infantry Division in Chittagong. General Shafique obtained his 'Masters of Defence Studies' from the National University of Bangladesh. He was also awarded with the 'Presidential Gold Medal' in April 2014 for academic excellence in the Masters of Security Studies degree under Bangladesh University of Professionals. He has the honour of obtaining a diploma in Strategic Planning and Development from Cranfield University of the United Kingdom. He attended number of international seminars, workshop and symposiums in different countries and regions of the world.

Mr. Md. Mehmood Husain
Managing Director & CEO

A seasoned banker with over 37 years experience in the financial sector of Bangladesh. During this long career, Mr. Husain held different senior positions in different private sector banks in Bangladesh including Additional Managing Director of Prime Bank Ltd. & 09 years as Managing Director & CEO in two reputed commercial banks namely Bank Asia Ltd. & NRB Bank Limited prior to joining at NBL as MD & CEO on December 09, 2021.

He has vast knowledge & experience in the field of banking and economics. He possesses expertise in strategic business development, financial risk and people management. A post graduate in Economics from the University of Dhaka, he started his banking career in 1984 as the probationary officer with National Bank Ltd. He has attended numerous professional workshops and seminars at home and abroad.

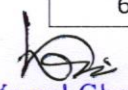
Mr. Husain is a member of Association of Bankers Bangladesh and life member of Bangladesh Economic Association. He is actively associated with various social organizations.

Management Profile

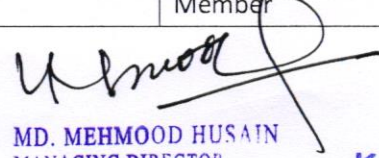
National Bank Limited's Top Management consists of the following officials:

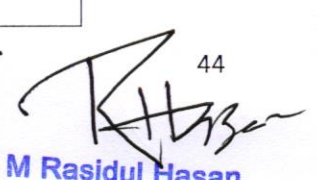
Executive Committee:

| SL. | Name of Member | Designation |
|-----|------------------------------|-------------|
| 1. | Ms. Parveen Haque Sikder, MP | Chairperson |
| 2. | Mrs. Monowara Sikder | Member |
| 3. | Mr. Alhaj Khalilur Rahman | Member |
| 4. | Mr. Moazzam Hossain | Member |
| 5. | Mr. Ron Haque Sikder | Member |
| 6. | Mr. Murshid Kuli Khan | Member |


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MD. MEHMOOD HUSAIN
 MANAGING DIRECTOR
 NATIONAL BANK LIMITED
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K M Rasidul Hasan
 Chief Executive Officer
 First Security Island Capital Investment Limited

| | | |
|----|---|-------------------|
| 7. | Lieutenant General Md. Shafiqur Rahman, OSP (BAR), SPP, AFWC, PSC (Retd) | Member |
| 8. | Mr. Md. Mehmood Husain | Ex-Officio Member |

Audit Committee:

| SL. | Name of Member | Designation |
|-----|-----------------------------------|-------------|
| 1. | Mr. Md. Naimuzzaman Bhuiyan Mukta | Chairman |
| 2. | Mr. Mabroor Hossain | Member |

Risk Management Committee:

| SL. | Name of Member | Designation |
|-----|------------------------------|-------------|
| 1. | Ms. Parveen Haque Sikder, MP | Chairperson |
| 2. | Mr. Ron Haque Sikder | Member |

Senior Management:

| SL. | Name of Member | Designation |
|-----|----------------------------------|---------------------------------|
| 1. | Mr. Md. Mehmood Husain | Managing Director & CEO |
| 2. | Mr. Syed Rois Uddin | Deputy Managing Director |
| 3. | Mr. Hossain Akhtar Chowdhury | Deputy Managing Director |
| 4. | Mr. Kazi Kamal Uddin Ahmed | Senior Executive Vice President |
| 5. | Mr. Sheikh Akhter Uddin Ahmed | Senior Executive Vice President |
| 6. | Mr. Arun Kumar Halder | Senior Executive Vice President |
| 7. | Mr. Md. Abdur Rahim | Executive Vice President |
| 8. | Mr. Md. Munshi Abu Zakaria | Executive Vice President |
| 9. | Mr. Krishna Kamal Ghose | Executive Vice President |
| 10. | Mr. Ashish Kumar Lasker | Executive Vice President |
| 11. | Mr. A K M Salah Uddin Khan | Senior Vice President |
| 12. | Mr. Mohammad Abu Rashed Nowab | Vice President |


(d) Description of Encumbered and Unencumbered Assets with Value thereof

Encumbered Assets:

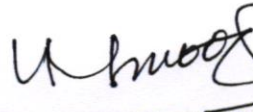
As of 30 June 2022, there is no encumbered asset of National Bank Limited.

Unencumbered Assets:

As of 30 June 2022, total unencumbered assets of National Bank Limited are BDT 551,037,224,037.


Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
110/1, Kazi Nazrul Islam Avenue, Dhaka.
10 JAN 2023


Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka
10 JAN 2023


MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA
10 JAN 2023


K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited
10 JAN 2023

(e) Description of Assets and Liabilities (Consolidated)

Description of Assets:

| Particulars | Amount in BDT 30 June 2022 |
|---|-------------------------------|
| PROPERTY AND ASSETS | |
| Cash | 18,627,831,403 |
| In hand (including foreign currencies) | 4,181,767,853 |
| Balance with Bangladesh Bank and its agent bank (including foreign currencies) | 14,446,063,550 |
| Balance with other banks and financial institutions | 1,646,268,447 |
| In Bangladesh | 759,199,779 |
| Outside Bangladesh | 887,068,668 |
| Money at call and on short notice | 91,300,000 |
| Investments | 74,674,087,557 |
| Government | 64,011,599,745 |
| Others | 10,662,487,812 |
| Loans and advances | 409,787,343,101 |
| Loans, cash credits, overdrafts, etc. | 403,726,115,740 |
| Bills purchased and discounted | 6,061,227,361 |
| Fixed assets including premises, furniture and fixtures | 3,489,805,975 |
| Other assets | 42,423,501,154 |
| Non-banking assets | 297,086,400 |
| Total assets | 551,037,224,037 |

Description of Liabilities:

| Particulars | Amount in BDT 30 June 2022 |
|---|-------------------------------|
| Borrowings from other banks, financial institutions and agents | 12,737,034,193 |
| Deposits and other accounts | 444,806,434,651 |
| Current deposit and other accounts | 33,682,957,445 |
| Bills payable | 4,857,501,774 |
| Savings bank deposits | 67,063,463,000 |
| Fixed deposits | 116,388,760,994 |
| Term deposit | 222,813,751,438 |
| Subordinated bonds | 2,400,000,000 |
| Startup fund | 36,808,199 |
| Other liabilities | 41,181,554,207 |
| Total liabilities | 501,161,831,250 |
| Shareholders' equity | |
| Total shareholders' equity | 49,875,392,787 |
| Paid-up capital | 32,197,395,700 |
| Statutory reserve | 17,228,087,280 |
| General reserve | 32,766,423 |
| Other reserve | 1,362,438,448 |
| Retained earnings | (945,474,723) |
| | 49,875,213,128 |
| Non-controlling (minority) interest | 179,659 |
| Total liabilities and shareholders' equity | 551,037,224,037 |

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(f) Description of Previously Issued Debt Securities:

The current status of previously issued debt as on 31st May, 2022 of National Bank Limited is given below:


Amount in Crore

| Year of Issue | Types of Issue | Subscription Amount | Maturity Date | Subscribers | Amount Invested | Outstanding Amount as on 31.05.2022 | Remarks |
|-----------------|-------------------|---------------------|---------------|------------------------------|-----------------|-------------------------------------|---------|
| 2010 | Subordinated Bond | 250.00 crore | 05.12.2017 | A. K. KHAN & COM. LTD | 5.00 | Nil. | |
| | | | | AGRANI BANK LTD. | 20.00 | | |
| | | | | BANGLADESH COMMERCE BANK LTD | 5.00 | | |
| | | | | BANGLADESH DEVELOPMENT BANK | 10.00 | | |
| | | | | CENTRAL DEPOSITORY BANGLADES | 30.00 | | |
| | | | | DELTA LIFE INSURANCE LTD. | 5.00 | | |
| | | | | DUTCH - BANGLA BANK LTD | 10.00 | | |
| | | | | EASTLAND INSURANCE COMPANY | 5.00 | | |
| | | | | JANATA BANK LTD | 20.00 | | |
| | | | | MERCANTILE BANK LTD. | 5.00 | | |
| | | | | NATIONAL CREDIT & COMMERCE | 5.00 | | |
| | | | | NATIONAL LIFE INSURA CO LTD | 5.00 | | |
| | | | | ONE BANK LTD. | 10.00 | | |
| | | | | PRIME BANK LTD. | 20.00 | | |
| | | | | PUBALI BANK LTD. | 10.00 | | |
| | | | | RUPALI BANK LTD. | 25.00 | | |
| | | | | SAUDI-BANGLADESH IND & AGRI | 20.00 | | |
| | | | | SADHARAN BIMA CORPORATION | 10.00 | | |
| | | | | SONALI BANK LTD. | 20.00 | | |
| | | | | STANDARD BANK LTD. | 5.00 | | |
| TRUST BANK LTD. | 5.00 | | | | | | |
| Total | | | | 250.00 | | | |

| Year of Issue | Types of Issue | Subscription Amount | Maturity Date | Subscribers | Amount Invested | Outstanding Amount as on 31.05.2022 | Remarks |
|---------------|-------------------|---------------------|--|-------------------|-----------------|-------------------------------------|---------|
| 2017-2018 | Subordinated Bond | 400.00 Crore | 1 st Trench 21.12.2024 2 nd Trench 16.05.2025 | AGRANI BANK LTD | 25.00 | 15.00 | |
| | | | | ONE BANK LTD | 25.00 | 15.00 | |
| | | | | RUPALI BANK LTD | 90.00 | 54.00 | |
| | | | | SADHARAN BIMA COR | 10.00 | 6.00 | |
| | | | | SONALI BANK LTD | 50.00 | 30.00 | |
| | | | | Mutual Trust Bank | 25.00 | 15.00 | |
| | | | | Uttara Bank Limit | 50.00 | 30.00 | |
| | | | | AB Bank Limited | 125.00 | 75.00 | |
| | | | | Total | 400.00 | 240.00 | |


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SECTION 12: AUDITORS' REPORT ALONG WITH AUDITED FINANCIAL STATEMENTS OF

NBL

Auditor's Report along with audited financial statements of NBL is also annexed with this Information Memorandum. Kindly check **Annexure – 3**



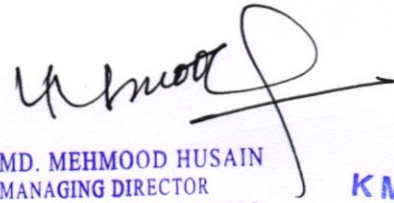
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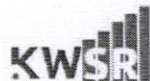
10 JAN 2023



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K M Rasidul Hasan
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10 JAN 2023

Khan Wahab Shafique Rahman & Co.
CHARTERED ACCOUNTANTS
SINCE 1968



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of independent audit, tax, accounting and consulting firms

**Independent Auditors' Report
To the Shareholders
of
National Bank Limited**

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of National Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of National Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 30 June 2022 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 balance sheet of the Group and the separate balance sheet of the Bank as at 30 June 2022 as per disclosure in note 10.1 & 15 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 notes 2 and comply with the Bank Company Act, 1991 (as amended up to date), the Companies Act 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable Laws and Regulations.

Basis for Opinion

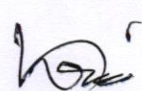
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the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

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



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FAX: 880-2-47122824, E-mail: info@kwsrbd.com, kwsrbd@gmail.com, Web: www.kwsrbd.com

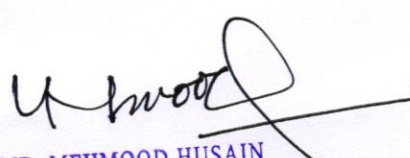
BRANCH OFFICE: FARUK CHAMBER (9TH FLOOR), 1403 SK. MUJIB ROAD, AGRABAD C/A, DOUBLE MOORING, CHATTOGRAM, BANGLADESH,
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10 JAN 2023


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10 JAN 2023


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10 JAN 2023

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated and separate financial statements for the period ended 30 June 2022. These matters were addressed in the context of the audit of the consolidated and separate financial statements, and in forming the Auditors' 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 Auditors' responsibilities for the audit of the consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements.

| Description of key audit matters | Our response to key audit matters |
|---|---|
| Measurement of provision for Loans and Advances | |
| <p>The process for estimating the provision for loans & advances portfolio associated with credit risk is judgmental and complex. While estimating such provision certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> • Future business performance of the borrower; • Key assumptions relating to further business performance of the borrower; • Market value of the collateral; • Ability to repossess collateral; and • Recovery rates. <p>Furthermore, these provisions are processed manually using the voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank (the central bank of Bangladesh) issued from time to time.</p> <p>Due to high level of judgement involved and using some manual process in estimating the provision for loans and advances, we considered this to be a key audit matter.</p> | <p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; and • Review of quarterly Classification of Loans (CL). • Follow Bangladesh Bank's circular and guidelines; <p>Our substantive procedures in relation to the provision for loan and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed general and specific provisions kept by the bank; • Assessed the methodologies on which the provision amounts based, checked the calculations of the provisions and tested the completeness and accuracy of the underlying information • Assessed the appropriateness and |



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10 JAN 2023

| Description of key audit matters | Our response to key audit matters |
|--|---|
| <p>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> <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p> <p>At the period end the Bank reported total gross loans and advances of BDT 406,670.03 Million (2021: BDT 445,287.71 Million) and total provision for Loans and Advances BDT 20,618.10 Million including provision for good borrowers (2021: BDT 20,614.96 Million). We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012, BRPD circular no. 03 dated 21 April 2019, BRPD circular no. 17 dated 28 September 2020 and BRPD circular no. 56 dated 10 December 2020. <p>Bangladesh Bank has taken into consideration the further negative impact on business and economy due to the subsequent waves of Covid-19 and issued BRPD Circulars no. 3 dated 31 January, 2021, no. 5 dated 24 March, 2021 and no. 51 dated 29 December 2021 and BRPD Circular letter No. 53 dated 30 December 2021 and BRPD Circular No. 14 dated 22 June 2022 respectively through which the Banks are allowed to continue moratorium on further downgrading of the classification of Investments subject to certain conditions. One of such conditions is to receive by 31 December 2021, at least 15% of the total instalment amounts due on 2021 from the</p> | <p>presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p> <ul style="list-style-type: none"> Finally, compared the amount of provision requirement as determined by Bangladesh Bank to the actual amount of provision maintained. |



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10 JAN 2023

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10 JAN 2023

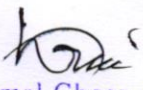
K M Rasidul Hasan
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| Description of key audit matters | Our response to key audit matters |
|---|---|
| concerned Client as per the Banker and Client relationship and by 30 June 2022, at least 50% of the total instalment due for the quarter April-June 2022. | |
| See note no 8 and 15.2 to the financial statements | |
| Waiver of interest | |
| <p>This period an amount of BDT 23,463.73 million has been recognised as other asset under the head unamortized interest waiver as per letters of Bangladesh Bank under certain conditions.</p> <p>The significance of the volume of the transactions has material effect on the financial statements of the bank and accordingly, this has been considered as key audit matter.</p> | <p>Our procedure includes in relation to the waiver of interest are as follows:</p> <ul style="list-style-type: none"> • Checked whether any principal amount has been waived, • Checked whether the other provisory requirements stated by Bangladesh Bank in this regard has been followed accordingly, • Assessed the recognition methodologies and calculations against relevant accounting standards and Bangladesh Bank guideline, • Finally, checked the related approval letters of Bangladesh Bank and board memo in this regard. • |
| See note no 10.1 to the financial statements | |
| Recognition of interest income from loans and advances and cost of deposits and borrowings and decreased profitability | |
| <p>Recognition of interest income has significant and wide influence on financial statements. Recognition and measurement of interest income has involvement of complex IT environment. We identify recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of interest by management to meet specific targets or expectations.</p> <p>Moreover, as per Bangladesh Bank BRPD circular no 53 dated 30 December 2021 and circular no 14 dated 22 June 2022, considering future risk banks were allowed</p> | <p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans and advances. We performed test of operating effectiveness on automated control in place to measure and recognise interest income. We have also performed substantive procedure to check whether interest income is recognised completely and accurately. We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p> <p>Finally, we also conducted substantive analytical procedures to assess reasonableness of interest recognized during</p> |



| Description of key audit matters | Our response to key audit matters |
|---|--|
| <p>to recognize outstanding/ arrear investment income on investment where deferral facilities were given upon receiving at least 15% of the total receivable amount of 31 December 2021 and 50% of the total instalment due for the quarter April-June 2022.</p> <p>The bank has reported interest income of BDT 12,086.57 million, which is 20.68%, lower than the previous period (2021: BDT 15,236.83 million). Meanwhile, the cost of deposits and borrowings as reported by the bank is BDT 14,112.04 million (2021: BDT 14,573.18 million). As a result, along with the outcome of continuous downgrade of recoverability of the loans because of the effect of covid-19 pandemic, the bank has incurred net loss of BDT 1903.25 million during the period and the EPS has been downgraded to (0.59) from 0.23 as compared to previous period. Moreover, negative net operating cash flow for the period was tk. (15,436.54) million.</p> <p>Accordingly, this has been considered as key audit matter.</p> | <p>the period with reference to the product wise outstanding loan balances.</p> <p>We performed several analytical and substantive procedures to check whether the calculations relating to the interest income, cost of deposits and borrowings and the EPS are accurate or not.</p> |
| See note no 22, 23 and 39 to the financial statements. | |
| Loans and advances | |
| <p>Loans and advances are the main element of financial statements of the Bank. Income of the Bank is mainly dependent on the portfolio of loans and advances. Management performance is highly dependent on the target achievement of loans and advances. Loan disbursement requires robust documentation followed by approval from appropriate level of authority. We have identified loans and advances as key audit matter because there is an inherent risk of fraud in disbursement of loans and advances by management to meet specific targets or expectations.</p> <p>In addition, the bank reported non-performing loan of BDT 93,942.90 Million,</p> | <p>We tested the design and operating effectiveness of key controls focusing on credit appraisal, loan disbursement procedures and monitoring process as well as the percentage of non-performing loan of loans and advances. We have performed procedure to check whether the Bank has ensured appropriate documentation as per Bangladesh Bank regulations and the Bank's policy before disbursement of loans and advances. In addition, we have performed procedure to check whether the loans and advances is recorded completely and accurately and that are existed at the reporting date. Furthermore, we have assessed the appropriateness of disclosure</p> |

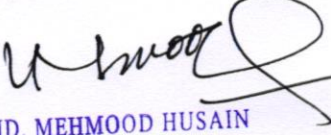



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| Description of key audit matters | Our response to key audit matters |
|--|---|
| 1.43% higher than the previous period (2021: BDT 92,617.11 Million), which is 23.10% of the total loans and advances. | against Bangladesh Bank guidelines. |
| See note no 8 to the financial statements | |
| Valuation of treasury bill and treasury bond | |
| The classification and measurement of treasury bill and treasury bond require judgment and complex estimates. | We assessed the processes and controls put in place by the Group to identify and confirm the existence of financial instruments. |
| In the absence of a quoted price in an active market, the fair value of treasury bill and treasury bond is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment. | We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the financial instrument valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments. |
| | Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. |
| See note no 7.1.1 to the financial statements | |
| Measurement of deferred tax assets (DTA) | |
| At the period end of 30 June 2022 the Bank reported total deferred tax assets of BDT 112.82 million (31 December 2021: BDT 112.82 million) and deferred tax income of BDT nil (30 June 2021: BDT nil). | We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of DTAs and the assumptions used. |
| Significant judgment is required in relation to deferred tax assets, as their recoverability is dependent on forecasts of future profitability over a number of periods. | We also assessed the completeness and accuracy of the data used. We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTAs. Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax. |
| Accordingly, this area has been considered as key audit matter. | |
| See note no 2.7.5 and 10.1.3 to the financial statements | |

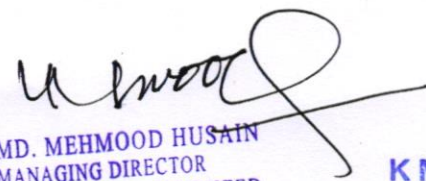



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| Description of key audit matters | Our response to key audit matters |
|---|--|
| IT Systems and controls | |
| Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. | We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. |
| 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. | We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. |
| | We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. |
| | We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit |

Other Information

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

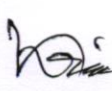
Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

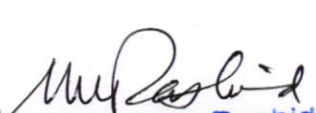
Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with IFRSs as explained in note 2 and comply with the Banking Companies Act, 1991 (as amended up to date), the Companies Act, 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable Laws and Regulations, and for such internal control as management determines is necessary to enable

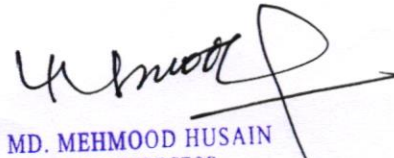



Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
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116/1, Kazi Nazrul Islam Avenue, Dhaka.

10 JAN 2023


Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office Dhaka.

10 JAN 2023


MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

10 JAN 2023


K M Rashedul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bangladesh Bank guidelines require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

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

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

As part of an audit in accordance with ISAs, we exercise professional judgement 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 auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.

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

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

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

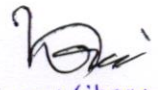
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report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

Report on other Legal and Regulatory Requirements


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

- 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;




Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
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10 JAN 2023


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Company Secretary
National Bank Limited
Head Office, Dhaka.

10 JAN 2023


MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

10 JAN 2023


K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on antifraud internal controls and instances of fraud and forgeries as stated under the Responsibility of Management and those charged with governance for the consolidated & Separate financial statements and internal control for the financial statements and internal control:
- a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities (other than matters disclosed in these financial statements);
- (iii) Consolidated financial statements of the Bank's subsidiaries namely, NBL Securities Limited, NBL Capital and Equity Management Limited, NBL Money Transfer Pte Limited (Singapore), NBL Money Transfer Sdn Bhd (Malaysia), NBL Money Transfer (Maldives Private Limited), NBL Money Transfer Payment Foundation SA (Greece) and NBL Money Transfer Inc. (USA) was unaudited and has been consolidated in the consolidated financial statements of the group.
- (iv) in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
 - (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
 - (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
 - (vii) the expenditures incurred were for the purpose of the Bank's business for the 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 subject to note no 2.6.3, 2.7.3, 10.1 and 15 of notes to the financial statements;
 - (ix) provisions have been made for loan and advance and others based on the financial statements for the year ended on 31 December 2021 which are in our opinion, doubtful of recovery as per tripartite meeting held on 20.04.2022 and Bangladesh Bank approval given vide letter no DBI-5(IS)/152/2022-406, dated 25.04.2022 and letter no DOS(CAMS)1157-1(II)-C/2022-2273, dated 28.04.2022. Moreover, as on 30.06.2022, required provision against loan and advance and other appears to be



provisionally Tk. 9,307.39 crore, whereas the bank maintained provision of Tk. 2,075.75 crore only as of the reporting period of the audit representing a shortfall of Tk. 7,231.64.

- (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 3,300 person hours; and
- (xii) The Bank is required to maintain minimum Capital to Risk-weighted Asset Ratio (CRAR) 10% and 12.5% with conservation buffer, where the bank has maintained CRAR 9.38%.

Place: Dhaka

Dated: 28 DEC 2022


Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: Faruk Ahmed FCA

Partner

Enrolment No.: 1591


Firm's Registration No.: 11970 E.P.



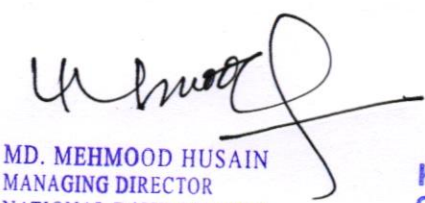

Krishna Kumar Ghose, FCA
EVP & CFO

Financial Administration Division
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10 JAN 2023


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10 JAN 2023


K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

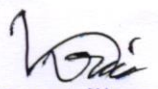
10 JAN 2023

National Bank Limited and Its Subsidiaries
Consolidated Balance Sheet
As at June 30, 2022

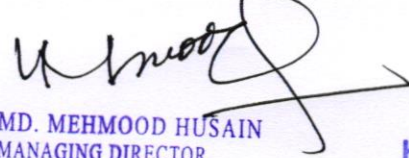
As at June 30, 2022

| Particulars | Notes | Amount in BDT | |
|---|-------|-----------------|-----------------|
| | | 30.06.2022 | 31.12.2021 |
| PROPERTY AND ASSETS | | | |
| Cash | | 18,627,831,403 | 24,781,372,906 |
| In hand (including foreign currencies) | 3 | 4,181,767,853 | 5,200,243,627 |
| Balance with Bangladesh Bank and its agent bank (including foreign currencies) | 4 | 14,446,063,550 | 19,581,129,279 |
| Balance with other banks and financial institutions | 5 | 1,646,268,447 | 3,898,448,454 |
| In Bangladesh | | 759,199,779 | 2,721,199,312 |
| Outside Bangladesh | | 887,068,668 | 1,177,249,142 |
| Money at call and on short notice | 6 | 91,300,000 | 91,300,000 |
| Investments | 7 | 74,674,087,557 | 81,118,617,888 |
| Government | | 64,011,599,745 | 70,761,420,030 |
| Others | | 10,662,487,812 | 10,357,197,858 |
| Loans and advances | 8 | 409,787,343,101 | 448,398,914,311 |
| Loans, cash credits, overdrafts, etc. | | 403,726,115,740 | 443,695,616,802 |
| Bills purchased and discounted | | 6,061,227,361 | 4,703,297,509 |
| Fixed assets including premises, furniture and fixtures | 9 | 3,489,805,975 | 3,474,623,483 |
| Other assets | 10 | 42,423,501,154 | 13,604,739,075 |
| Non-banking assets | 11 | 297,086,400 | 297,086,400 |
| Total assets | | 551,037,224,037 | 575,665,102,517 |
| LIABILITIES AND CAPITAL | | | |
| Liabilities | | | |
| Borrowings from other banks, financial institutions and agents | 12 | 12,737,034,193 | 12,587,662,983 |
| Deposits and other accounts | 13 | 444,806,434,651 | 472,833,316,865 |
| Current deposit and other accounts | | 33,682,957,445 | 37,016,656,753 |
| Bills payable | | 4,857,501,774 | 3,177,332,448 |
| Savings bank deposits | | 67,063,463,000 | 64,895,520,248 |
| Fixed deposits | | 116,388,760,994 | 133,885,463,535 |
| Term deposit | | 222,813,751,438 | 233,858,343,881 |
| Subordinated bonds | 14 | 2,400,000,000 | 2,650,000,000 |
| Startup fund | | 36,808,199 | 36,808,199 |
| Other liabilities | 15 | 41,181,554,207 | 35,634,286,107 |
| Total liabilities | | 501,161,831,250 | 523,742,074,154 |
| Shareholders' equity | | | |
| Total shareholders' equity | | 49,875,392,787 | 51,923,028,363 |
| Paid-up capital | 16 | 32,197,395,700 | 32,197,395,700 |
| Statutory reserve | 17 | 17,228,087,280 | 17,228,087,280 |
| General reserve | 18 | 32,766,423 | 30,133,557 |
| Other reserve | 19 | 1,362,438,448 | 1,688,148,323 |
| Retained earnings | 20 | (945,474,723) | 779,091,211 |
| | | 49,875,213,128 | 51,922,856,071 |
| Non-controlling (minority) interest | | 179,659 | 172,292 |
| Total liabilities and shareholders' equity | | 551,037,224,037 | 575,665,102,517 |




Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka
10 JAN 2023


Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.
10 JAN 2023


MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA
10 JAN 2023


K M Rasidul Hasan
Chief Executive Officer
First Security Islamic Capital & Investment Limited
10 JAN 2023

OFF-BALANCE SHEET ITEMS

Contingent liabilities

Acceptances and endorsements
Letters of guarantee
Irrevocable letters of credit
Bills for collection
Other contingent liabilities

| | | |
|----|----------------|----------------|
| | 67,915,717,319 | 65,200,916,359 |
| 21 | 18,179,598,984 | 14,755,627,287 |
| | 11,101,873,887 | 10,136,234,771 |
| | 29,924,152,521 | 33,048,561,892 |
| | 8,710,091,927 | 7,260,492,409 |

Other commitments

Lease rental commitments
Documentary credits and short term trade-related transactions
Forward assets purchased and forward deposits placed
Undrawn note issuance and revolving underwriting facilities
Undrawn formal standby facilities, credit lines and other commitments
Spot and forward foreign exchange rate contracts
Other exchange contracts

| | | |
|--|------------|---------------|
| | 92,950,000 | 1,372,942,500 |
| | - | - |
| | - | - |
| | - | - |
| | - | - |
| | 92,950,000 | 1,372,942,500 |
| | - | - |

Total off-balance sheet items including contingent liabilities

68,008,667,319 66,573,858,859

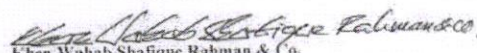
Accompanying notes 01 to 43 form an integral part of these financial statements.

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


Signed in terms of our separate report of even date.

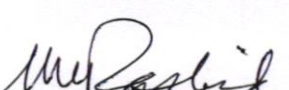
Place: Dhaka

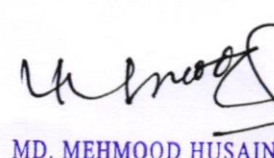
Date: **28 DEC 2022**


Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Enrolment No.: 1591
Firm's Registration No.: 11970 E.P.




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EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
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10 JAN 2023


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Company Secretary
National Bank Limited
Head Office, Dhaka
10 JAN 2023


MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA
10 JAN 2023


K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited
10 JAN 2023

National Bank Limited and Its Subsidiaries
Consolidated Profit and Loss Account
For the period ended June 30, 2022

| Particulars | Notes | Amount in BDT | |
|--|---------|------------------------|----------------------|
| | | 30 June 2022 | 30 June 2021 |
| Interest income | 22 | 12,246,696,279 | 15,299,215,872 |
| Less: Interest paid on deposits and borrowings, etc. | 23 | 14,112,044,749 | 14,573,182,306 |
| Net interest income | | (1,865,348,470) | 726,033,566 |
| Investment income | 24 | 2,578,812,257 | 3,577,488,989 |
| Commission, exchange and brokerage | 25 | 1,158,877,540 | 945,057,873 |
| Other operating income | 26 | 274,573,946 | 281,655,939 |
| | | 4,012,263,743 | 4,804,202,801 |
| Total operating income | | 2,146,915,273 | 5,530,236,367 |
| Salaries and allowances | 27 | 2,189,589,494 | 2,048,311,359 |
| Rent, taxes, insurance, electricity, etc. | 28 | 597,703,120 | 544,642,739 |
| Legal expenses | 29 | 13,451,096 | 7,452,075 |
| Postage, stamp, telecommunication, etc. | 30 | 46,916,134 | 45,184,283 |
| Stationery, printing, advertisement, etc. | 31 | 197,437,579 | 105,111,362 |
| Managing Director's salary and allowances | 32 | 8,790,000 | 2,387,564 |
| Directors' fees and other benefits | 33 | 2,146,127 | 552,240 |
| Auditors' fees | 34 | - | - |
| Charges on loan losses | | 5,498,487 | 229,308,616 |
| Repairs, maintenance and depreciation | 35 | 280,743,282 | 368,143,773 |
| Other expenses | 36 | 317,455,205 | 311,246,179 |
| Total operating expenses | | 3,659,730,524 | 3,662,340,190 |
| Profit before provision | | (1,512,815,251) | 1,867,896,177 |
| Provision for loans and advances | | | |
| Specific provision | 15.2(a) | - | 750,000,000 |
| General provision (Including off-balance sheet items) | 15.2(c) | - | - |
| Special general provision (Covid-19) | 15.2(d) | - | - |
| Provision for good borrowers | 15.2(e) | - | - |
| | | - | 750,000,000 |
| Provisions for other classified assets | 15.4 | - | - |
| Total provision | | - | 750,000,000 |
| Total profit before taxes | | (1,512,815,251) | 1,117,896,177 |
| Provision for taxation | | | |
| Current tax | 15.1 | 211,743,316 | 209,417,635 |
| Deferred tax | 10.1.3 | - | - |
| | | 211,743,316 | 209,417,635 |
| Net profit after tax | | (1,724,558,567) | 908,478,542 |
| Net profit after tax attributable to: | | | |
| Non-controlling interest | | 7,367 | 23,209 |
| Equity holders of parent company | | (1,724,565,934) | 908,455,333 |
| Net profit after taxation without non-controlling interests | | (1,724,565,934) | 908,455,333 |
| Retained earnings brought forward from previous year | | 779,091,211 | 2,051,906,653 |
| | | (945,474,723) | 2,960,361,986 |



Krishna
Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
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10 JAN 2023

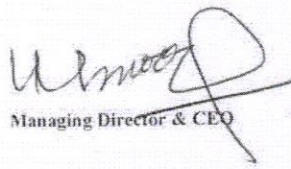
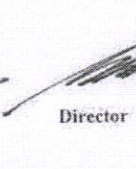
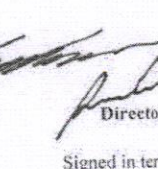
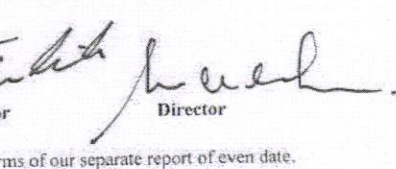
Md. Kaiser Rashid
Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.
10 JAN 2023

MD. MEHMOOD HUSAIN
MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA
10 JAN 2023

K M Rasidul Hasan
K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited
10 JAN 2023


| | | | |
|-----------------------------------|-------|---------------|---------------|
| Appropriations | | | |
| Statutory reserve | 17 | (179,966,682) | |
| | | (179,966,682) | |
| Retained earnings carried forward | | (945,474,723) | 2,780,395,304 |
| Earnings per share (EPS) restated | 39.02 | (0.54) | 0.28 |

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

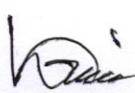
 Managing Director & CEO
 Director
 Director
 Director

Signed in terms of our separate report of even date.

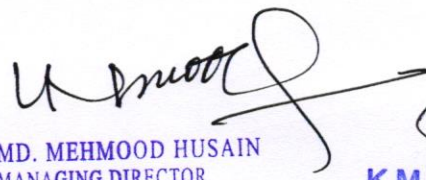
Place: Dhaka
Date: 28 DEC 2022


Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Enrolment No.: 1591
Firm's Registration No.: 11970 E.P.




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EVP & CFO
Financial Administration Division
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10 JAN 2023


Md. Kaiser Rashid
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MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA
10 JAN 2023


K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

National Bank Limited and Its Subsidiaries
Consolidated Statement of Changes in Equity
For the period ended June 30, 2022

| Particulars | Amount in BDT | | | | | |
|--|-----------------|-------------------|-----------------|---------------|-------------------|----------------|
| | Paid-up Capital | Statutory Reserve | General Reserve | Other Reserve | Retained Earnings | Total |
| Balance on January 01, 2022 | 32,197,395,700 | 17,228,087,280 | 30,133,557 | 1,688,148,323 | 779,091,211 | 51,923,028,363 |
| Net profit for the period | - | - | - | - | (1,724,565,934) | 172,292 |
| Transferred to statutory reserve | - | - | - | - | - | 7,367 |
| Transferred to startup fund | - | - | - | - | - | - |
| Revaluation of Government treasury bills, bonds and other investment | - | - | - | (325,709,875) | - | (325,709,875) |
| Addition during the period | - | - | 2,632,866 | - | - | 2,632,866 |
| Balance at June 30, 2022 | 32,197,395,700 | 17,228,087,280 | 32,766,423 | 1,362,438,448 | (945,474,723) | 49,875,392,787 |
| Balance at December 31, 2021 | 32,197,395,700 | 17,228,087,280 | 30,133,557 | 1,688,148,323 | 779,091,211 | 51,923,028,363 |

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

[Signature]
Director

[Signature]
Director

[Signature]
Managing Director & CEO



[Signature]
Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.
10 JAN 2023

[Signature]
Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.
10 JAN 2023

[Signature]
MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA
10 JAN 2023

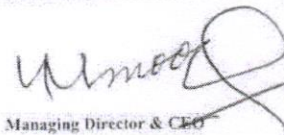
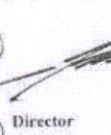
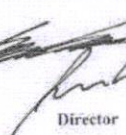
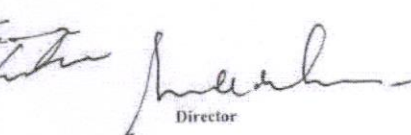
[Signature]
K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited
10 JAN 2023

National Bank Limited and Its Subsidiaries


Consolidated Cash Flow Statement
For the period ended June 30, 2022

| Particulars | Note | Amount in BDT | |
|--|------|-------------------------|-------------------------|
| | | 30 June 2022 | 30 June 2021 |
| A) Cash flows from operating activities | | | |
| Interest received | | 11,873,818,592 | 14,745,086,126 |
| Interest paid | | (9,277,056,095) | (10,633,125,711) |
| Income from Investment | | 1,828,908,509 | 2,366,303,954 |
| Fees, commission, exchange and brokerage | | 1,158,877,540 | 945,057,873 |
| Cash paid to employees | | (2,200,525,621) | (2,051,251,163) |
| Cash paid to suppliers | | (928,499,627) | (877,832,279) |
| Income taxes paid | 15.1 | (335,865,331) | (2,210,795,630) |
| Received from other operating activities | | 274,415,651 | 281,655,939 |
| Paid for other operating activities | | (282,780,089) | (311,246,179) |
| Operating profit before changes in operating assets and liabilities | | 2,111,293,529 | 2,253,852,930 |
| Increase/(decrease) in operating assets and liabilities | | | |
| Sale of trading securities | | 170,993,683 | 884,280,606 |
| Purchase of trading securities | | (178,110,147) | (823,298,960) |
| Loans and advances to other banks | | | |
| Loans and advances to customers | | 15,840,623,732 | (10,727,069,686) |
| Other assets | | (5,226,767,979) | (8,655,637,482) |
| Deposits from other banks | | (4,568,325,950) | (3,444,937,028) |
| Deposits from customers | | (23,458,556,264) | (4,100,405,968) |
| Other liabilities | | 82,116,853 | 728,604,047 |
| | | (17,338,026,072) | (26,138,464,471) |
| Net cash from/(used in) operating activities | | (15,226,732,543) | (23,884,611,541) |
| B) Cash flows from investing activities | | | |
| Proceeds from sale of Government and unquoted securities | | 17,428,912,271 | 29,310,162,753 |
| Investment made during the year (Govt. and unquoted securities) | | (10,280,697,881) | (13,017,412,346) |
| Purchase of property, plant and equipment | | (223,528,520) | (130,209,178) |
| Sale proceeds of fixed assets | | 159,853 | 123,203 |
| Net cash from/(used in) investing activities | | 6,924,845,723 | 16,162,664,432 |
| C) Cash flows from financing activities | | | |
| Borrowings from other banks, financial institutions and agents | | 149,371,210 | 7,284,859,416 |
| Redemption of sub-ordinated bonds | | (250,000,000) | (250,000,000) |
| Net cash from/(used in) financing activities | | (100,628,790) | 7,034,859,416 |
| D) Net increase/(decrease) in cash and cash equivalents (A+B+C) | | (8,402,515,610) | (687,087,693) |
| E) Effects of exchange rate changes on cash and cash equivalents | | (8,402,515,610) | (687,087,693) |
| F) Cash and cash equivalents at beginning of the year | | 28,780,209,360 | 28,264,687,089 |
| G) Cash and cash equivalents at end of the year (D+E+F) | | 20,377,693,750 | 27,577,599,396 |
| Cash and cash equivalents at end of the year | | | |
| Cash in hand (including foreign currencies) | | 4,181,767,853 | 3,577,965,585 |
| Balances with Bangladesh Bank and its agent bank (s) | | 14,446,063,550 | 18,440,764,660 |
| Balances with other banks and financial institutions | | 1,646,268,447 | 5,458,972,651 |
| Money at call and on short notice | | 91,300,000 | 91,300,000 |
| Prize bonds | | 12,293,900 | 8,596,500 |
| | | 20,377,693,750 | 27,577,599,396 |

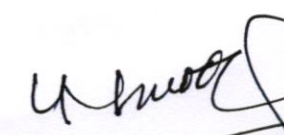
Accompanying notes 01 to 43 form an integral part of these financial statements.

 Managing Director & CEO
 Director
 Director
 Director




Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.
10 JAN 2023


Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.
10 JAN 2023



MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA
10 JAN 2023


K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited
10 JAN 2023

National Bank Limited
Balance Sheet
As at June 30, 2022

| Particulars | Notes | Amount in BDT | |
|--|-------|------------------------|------------------------|
| | | 30.06.2022 | 31.12.2021 |
| PROPERTY AND ASSETS | | | |
| Cash | | 18,496,562,171 | 24,683,043,905 |
| In hand (including foreign currencies) | 3 | 4,050,498,621 | 5,101,914,626 |
| Balance with Bangladesh Bank and its agent bank (including foreign currencies) | 4 | 14,446,063,550 | 19,581,129,279 |
| Balance with other banks and financial institutions | 5 | 1,054,736,977 | 3,483,781,563 |
| In Bangladesh | | 452,810,430 | 2,497,097,059 |
| Outside Bangladesh | | 601,926,547 | 986,684,504 |
| Money at call and on short notice | 6 | 91,300,000 | 91,300,000 |
| Investments | 7 | 77,333,246,433 | 83,804,939,715 |
| Government | | 64,011,599,745 | 70,761,420,030 |
| Others | | 13,321,646,688 | 13,043,519,685 |
| Loans and advances | 8 | 406,670,027,539 | 445,287,710,284 |
| Loans, cash credits, overdrafts, etc. | | 400,608,800,178 | 440,584,412,775 |
| Bills purchased and discounted | | 6,061,227,361 | 4,703,297,509 |
| Fixed assets including premises, furniture and fixtures | 9 | 3,447,094,259 | 3,430,978,259 |
| Other assets | 10 | 42,823,812,404 | 13,981,921,979 |
| Non-banking assets | 11 | 297,086,400 | 297,086,400 |
| Total assets | | 550,213,866,183 | 575,060,762,105 |
| LIABILITIES AND CAPITAL | | | |
| Liabilities | | | |
| Borrowings from other banks, financial institutions and agents | 12 | 12,737,034,193 | 12,587,662,983 |
| Deposits and other accounts | 13 | 445,212,130,482 | 473,103,890,802 |
| Current deposit and other accounts | | 33,703,291,901 | 37,025,558,090 |
| Bills payable | | 4,857,501,774 | 3,177,332,448 |
| Savings bank deposits | | 67,063,463,000 | 64,895,520,248 |
| Fixed deposits | | 116,388,760,994 | 133,885,463,535 |
| Term deposit | | 223,199,112,813 | 234,120,016,481 |
| Subordinated bonds | 14 | 2,400,000,000 | 2,650,000,000 |
| Startup fund | | 36,808,199 | 36,808,199 |
| Other liabilities | 15 | 40,113,306,972 | 34,738,856,310 |
| Total liabilities | | 500,499,279,846 | 523,117,218,294 |
| Shareholders' equity | | | |
| Total shareholders' equity | | 49,714,586,337 | 51,943,543,811 |
| Paid-up capital | 16.2 | 32,197,395,700 | 32,197,395,700 |
| Statutory reserve | 17 | 17,228,087,280 | 17,228,087,280 |
| Other reserve | 19 | 1,362,438,448 | 1,688,148,323 |
| Retained earnings | 20 | (1,073,335,091) | 829,912,508 |
| Total liabilities and shareholders' equity | | 550,213,866,183 | 575,060,762,105 |

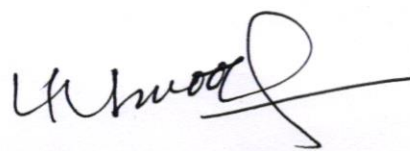



Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka

10 JAN 2023


Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.

10 JAN 2023


MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

10 JAN 2023


K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

OFF-BALANCE SHEET ITEMS

Contingent liabilities

Acceptances and endorsements
Letters of guarantee
Irrevocable letters of credit
Bills for collection
Other contingent liabilities

| | | |
|----|----------------|----------------|
| | 67,915,717,319 | 65,200,916,359 |
| 21 | 18,179,598,984 | 14,755,627,287 |
| | 11,101,873,887 | 10,136,234,771 |
| | 29,924,152,521 | 33,048,561,892 |
| | 8,710,091,927 | 7,260,492,409 |

Other commitments

Lease rental commitments
Documentary credits and short term trade-related transactions
Forward assets purchased and forward deposits placed
Undrawn note issuance and revolving underwriting facilities
Undrawn formal standby facilities, credit lines and other commitments
Spot and forward foreign exchange rate contracts
Other exchange contracts

| | | |
|--|----------------|----------------|
| | 92,950,000 | 1,372,942,500 |
| | - | - |
| | - | - |
| | - | - |
| | - | - |
| | 92,950,000 | 1,372,942,500 |
| | - | - |
| | 68,008,667,319 | 66,573,858,859 |

Total off-balance sheet items including contingent liabilities

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

[Signatures]
Managing Director & CEO Director Director Director

Signed in terms of our separate report of even date.

Place: Dhaka
Date:

[Signature]
Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Enrolment No.: 1591
Firm's Registration No.: 11970 E.P.



[Signature]
Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.
10 JAN 2023

[Signature]
Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.
10 JAN 2023


[Signature]
MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA
10 JAN 2023

[Signature]
K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited
67
10 JAN 2023

National Bank Limited
Profit and Loss Account
For the period ended June 30, 2022

| Particulars | Notes | Amount in BDT | |
|---|---------|------------------------|----------------------|
| | | 30 June 2022 | 30 June 2021 |
| Interest income | 22 | 12,086,566,549 | 15,236,826,090 |
| Less: Interest paid on deposits and borrowings etc. | 23 | 14,112,044,749 | 14,573,182,306 |
| Net interest income | | (2,025,478,200) | 663,643,784 |
| Investment income | 24 | 2,548,704,956 | 3,488,325,385 |
| Commission, exchange and brokerage | 25 | 970,849,036 | 759,429,663 |
| Other operating income | 26 | 271,329,521 | 277,721,346 |
| | | 3,790,883,513 | 4,525,476,394 |
| Total operating income | | 1,765,405,313 | 5,189,120,178 |
| Salaries and allowances | 27 | 2,123,788,510 | 1,992,250,809 |
| Rent, taxes, insurance, electricity etc. | 28 | 576,610,240 | 524,062,177 |
| Legal expenses | 29 | 13,451,096 | 7,452,075 |
| Postage, stamp, telecommunication etc. | 30 | 45,140,223 | 43,576,193 |
| Stationery, printing, advertisement etc. | 31 | 196,084,392 | 104,116,524 |
| Managing Director's salary and allowances | 32 | 8,790,000 | 2,387,565 |
| Directors' fees and other benefits | 33 | 1,040,703 | 552,240 |
| Auditors' fees | 34 | - | - |
| Charges on loan losses | | 5,498,487 | 229,308,616 |
| Repairs, maintenance and depreciation | 35 | 275,469,172 | 363,543,990 |
| Other expenses | 36 | 282,780,089 | 272,036,581 |
| Total operating expenses | | 3,528,652,912 | 3,539,286,770 |
| Profit before provision | | (1,763,247,599) | 1,649,833,408 |
| Provision for loans and advances | | | |
| Specific provision | 15.2(a) | - | 750,000,000 |
| General provision (including off-balance sheet items) | 15.2(c) | - | - |
| Special general provision (Covid-19) | 15.2(d) | - | - |
| Provision for good borrowers | 15.2(e) | - | - |
| | | - | 750,000,000 |
| Provision for other classified assets | 15.4 | - | - |
| Total provision | | - | 750,000,000 |
| Total profit before tax | | (1,763,247,599) | 899,833,408 |
| Provision for taxation | | | |
| Current tax | 15.1 | 140,000,000 | 150,000,000 |
| Deferred tax | 10.1.3 | - | - |
| | | 140,000,000 | 150,000,000 |
| Net profit after tax | | (1,903,247,599) | 749,833,408 |
| Retained earnings brought forward from previous year | | 829,912,508 | 2,288,995,361 |
| | | (1,073,335,091) | 3,038,828,769 |




Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.


Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.


MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA


K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

10 JAN 2023

10 JAN 2023

10 JAN 2023

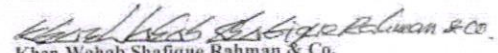
| | | | |
|-----------------------------------|-------|-----------------|---------------|
| Appropriations | | | |
| Statutory reserve | 17 | - | (179,966,682) |
| | | | (179,966,682) |
| Retained earnings carried forward | | (1,073,335,091) | 2,858,862,087 |
| Earnings per share (EPS) restated | 39.02 | (0.59) | 0.23 |

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


 Managing Director & CEO
 Director
 Director
 Director

Signed in terms of our separate report of even date.

Place: Dhaka
Date:


Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Enrolment No.: 1591
Firm's Registration No.: 11970 E.P.

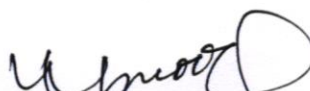



Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.

10 JAN 2023


Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka

10 JAN 2023


MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

10 JAN 2023


K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

National Bank Limited
Statement of Changes in Equity
For the period ended June 30, 2022

| Particulars | Paid-up Capital | Statutory Reserve | Amount in BDT | | | Total |
|---|-----------------|-------------------|---------------|-------------------|-----------------|-------|
| | | | Other Reserve | Retained Earnings | | |
| Balance at on January 01, 2022 | 32,197,395,700 | 17,228,087,280 | 1,688,148,323 | 829,912,508 | 51,943,543,811 | |
| Net profit for the period | - | - | - | (1,903,247,599) | (1,903,247,599) | |
| Transferred to statutory reserve | - | - | - | - | - | |
| Transferred to startup fund | - | - | - | - | - | |
| Revaluation of Govt. Treasury bills, bonds and other investment | - | - | (325,709,875) | - | (325,709,875) | |
| Balance at June 30, 2022 | 32,197,395,700 | 17,228,087,280 | 1,362,438,448 | -1,073,335,091 | 49,714,586,337 | |
| Balance at December 31, 2021 | 32,197,395,700 | 17,228,087,280 | 1,688,148,323 | 829,912,508 | 51,943,543,811 | |

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

[Signature]
Managing Director & CEO

[Signature]
Director

[Signature]
Director



[Signature]
Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.

[Signature]
Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka

[Signature]
MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

[Signature]
K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

10 JAN 2023

10 JAN 2023

10 JAN 2023

National Bank Limited
Liquidity Statement (Analysis of Maturity of Assets and Liabilities)
As at June 30, 2022

| Particulars | Amount in BDT | | | | | Total |
|--|----------------------------|------------------------|-------------------------|-------------------------|------------------------|------------------------|
| | Not more than 1 month term | 1-3 months term | 3-12 months term | 1-5 years term | Above 5 years term | |
| Assets | | | | | | |
| Cash in hand | 4,050,498,621 | - | - | - | - | 4,050,498,621 |
| Balance with Bangladesh Bank and its agent bank | 14,446,063,550 | - | - | - | - | 14,446,063,550 |
| Balance with other banks and financial institutions | 696,702,429 | 127,161,178 | 164,829,120 | 66,044,250 | - | 1,054,736,977 |
| Money at call and short notice | 91,300,000 | - | - | - | - | 91,300,000 |
| Investments | 216,981,354 | 1,223,254,478 | 3,739,615,008 | 16,186,147,901 | 55,967,247,693 | 77,333,246,433 |
| Loans and advances | 73,200,604,957 | 61,000,504,131 | 65,067,204,466 | 101,667,506,885 | 105,734,207,160 | 406,670,027,539 |
| Fixed assets including premises, furniture and fixtures | 43,894,954 | 87,789,908 | 395,054,585 | 1,249,901,831 | 1,670,452,981 | 3,447,094,259 |
| Other assets | 4,459,112,719 | 6,933,370,092 | 25,935,624,871 | 5,493,704,722 | - | 42,823,812,404 |
| Total assets | 97,205,158,584 | 69,372,079,787 | 95,302,327,990 | 124,962,391,989 | 163,371,907,833 | 550,213,866,183 |
| Liabilities | | | | | | |
| Borrowings from other banks, financial institutions and agents | 1,268,807,247 | 6,968,214,216 | 4,500,012,230 | - | - | 12,737,034,193 |
| Deposits and other accounts | 66,247,630,777 | 58,720,408,791 | 302,576,111,398 | 177,641,586,893 | 40,026,392,623 | 445,212,130,482 |
| Subordinated bond | - | - | 250,000,000 | 2,150,000,000 | - | 2,400,000,000 |
| Startup fund | 4,189,548,071 | 7,650,250,192 | 11,140,717,794 | 17,132,790,915 | - | 36,808,199 |
| Other liabilities | - | - | - | - | - | - |
| Total liabilities | 71,705,986,095 | 73,338,873,199 | 118,466,841,422 | 196,961,186,007 | 40,026,392,623 | 500,499,379,846 |
| Net liquidity gap | 25,499,171,989 | (3,966,793,412) | (23,164,513,432) | (71,998,794,018) | 123,345,515,210 | 49,714,586,337 |

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

Accompanying notes 01 to 33 form an integral part of these financial statements.

Wmoo
Managing Director & CEO

Wmoo
Director

Wmoo
Director

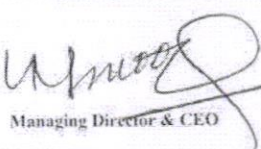
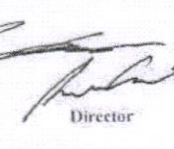
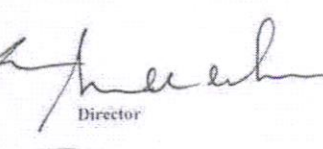
Wmoo
Director



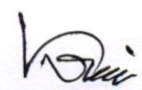
National Bank Limited
Cash Flow Statement
For the period ended June 30, 2022

| Particulars | Notes | Amount in BDT | |
|--|-------|-------------------------|-------------------------|
| | | 30 June 2022 | 30 June 2021 |
| A) Cash flows from operating activities | | | |
| Interest received | | 11,713,688,862 | 14,682,696,344 |
| Interest paid | | (9,277,056,095) | (10,633,125,711) |
| Income from investment | | 1,808,723,027 | 2,277,140,350 |
| Fees, commission, exchange and brokerage | | 970,849,036 | 759,429,663 |
| Cash paid to employees | | (2,133,619,213) | (1,995,190,614) |
| Cash paid to suppliers | | (899,003,539) | (850,049,006) |
| Income taxes paid | 15.1 | (335,865,331) | (2,210,795,630) |
| Received from other operating activities | | 271,266,537 | 277,598,244 |
| Paid for other operating activities | | (282,780,089) | (272,036,581) |
| Operating profit before changes in operating assets and liabilities | | 1,836,203,195 | 2,035,667,059 |
| Increase/(decrease) in operating assets and liabilities | | | |
| Sale of trading securities-quoted shares | | 170,993,683 | 884,280,606 |
| Purchase of trading securities-quoted shares | | (178,110,147) | (823,298,960) |
| Loans and advances to other banks | | - | - |
| Loans and advances to customers | | 15,846,735,267 | (10,554,824,459) |
| Other assets | 37 | (5,302,716,694) | (8,632,126,709) |
| Deposits from other banks | | (4,568,325,950) | (3,444,937,028) |
| Deposits from customers | | (23,323,434,370) | (4,121,508,542) |
| Other liabilities | 38 | 82,117,663 | 728,604,047 |
| | | (17,272,740,548) | (25,963,811,045) |
| Net cash from/(used in) operating activities | | (15,436,537,353) | (23,928,143,986) |
| B) Cash flows from investing activities | | | |
| Proceeds from sale of Government and unquoted securities | | 17,428,912,271 | 29,310,162,753 |
| Investment made during the year (Govt. and un-quoted securities) | | (10,280,697,881) | (13,017,412,346) |
| Purchase of property, plant and equipment | | (223,528,520) | (130,209,178) |
| Sale proceeds of fixed assets | | 159,853 | 123,203 |
| Net cash from/(used in) investing activities | | 6,924,845,723 | 16,162,664,432 |
| C) Cash flows from financing activities | | | |
| Borrowings from other banks, financial institutions and agents | | 149,371,210 | 7,284,859,416 |
| Cash dividend paid for the year 2019 | | (250,000,000) | (250,000,000) |
| Redemption of sub-ordinated bond | | (100,628,790) | 7,034,859,416 |
| Net cash from/(used in) financing activities | | (8,612,320,420) | (730,620,138) |
| D) Net increase/(decrease) in cash and cash equivalents (A+B+C) | | (8,612,320,420) | (730,620,138) |
| E) Effects of exchange rate changes on cash and cash equivalents | | (8,612,320,420) | (730,620,138) |
| F) Cash and cash equivalents at beginning of the year | | 28,267,213,468 | 27,305,312,955 |
| G) Cash and cash equivalents at end of the year (D+E+F) | | 19,654,893,048 | 26,574,692,817 |
| Cash and cash equivalents at end of the year | | | |
| Cash in hand (including foreign currencies) | | 4,050,498,621 | 3,512,616,522 |
| Balances with Bangladesh Bank and its agent bank (s) | | 14,446,063,550 | 18,440,764,660 |
| Balances with other banks and financial institutions | | 1,054,736,977 | 4,521,415,135 |
| Money at call and on short notice | | 91,300,000 | 91,300,000 |
| Prize bonds | | 12,293,900 | 8,596,500 |
| | | 19,654,893,048 | 26,574,692,817 |

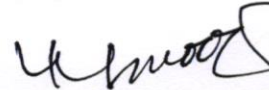
Accompanying notes 01 to 43 form an integral part of these financial statements.

 Managing Director & CEO
 Director
 Director
 Director




Krishna Kamal Ghose, FCA
 EVP & CFO
 Financial Administration Division
 National Bank Limited, Head Office
 116/1, Kazi Nazrul Islam Avenue, Dhaka.


Md. Kaiser Rashid
 Senior Vice President
 Company Secretary
 National Bank Limited
 Head Office, Dhaka.


MD. MEHMOOD HUSAIN
 MANAGING DIRECTOR
 NATIONAL BANK LIMITED
 HEAD OFFICE, DHAKA


K M Rasidul Hasan
 Chief Executive Officer
 First Security Islami Capital & Investment Limited

10 JAN 2023

10 JAN 2023

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10 JAN 2023

SECTION 13: COMPARATIVE FIVE YEARS FINANCIAL STATEMENTS OF NBL

Consolidated Balance Sheet of National Bank Limited and Its Subsidiaries

National Bank Limited and Its Subsidiaries
Consolidated Balance Sheet
As at June 30, 2022 and December 31, 2018-2021

Amount in BDT

| Particulars | 30.06.2022 | 31.12.2021 | 31.12.2020 | 31.12.2019 | 31.12.2018 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| PROPERTY AND ASSETS | | | | | |
| Cash | 18,627,831,403 | 24,781,372,906 | 22,244,348,716 | 24,361,375,116 | 20,700,260,203 |
| In hand (including foreign currencies) | 4,181,767,853 | 5,200,243,627 | 4,514,052,264 | 4,155,331,793 | 3,290,281,287 |
| Balance with Bangladesh Bank and its agent bank (including foreign currencies) | 14,446,063,550 | 19,581,129,279 | 17,730,296,452 | 20,206,043,323 | 17,409,978,916 |
| Balance with other banks and financial institutions | 1,646,268,447 | 3,898,448,454 | 5,917,304,173 | 4,733,424,814 | 4,806,844,364 |
| In Bangladesh | 759,199,779 | 2,721,199,312 | 3,882,874,929 | 3,473,839,676 | 3,879,714,515 |
| Outside Bangladesh | 887,068,668 | 1,177,249,142 | 2,034,429,244 | 1,259,585,138 | 927,129,849 |
| Money at call and on short notice | 91,300,000 | 91,300,000 | 91,300,000 | 91,300,000 | 91,300,000 |
| Investments | 74,674,087,557 | 81,118,617,888 | 70,933,444,060 | 59,958,541,121 | 54,635,972,783 |
| Government | 64,011,599,745 | 70,761,420,030 | 60,692,726,720 | 50,231,204,874 | 45,182,483,694 |
| Others | 10,662,487,812 | 10,357,197,858 | 10,240,717,340 | 9,727,336,247 | 9,453,489,089 |
| Loans and advances | 409,787,343,101 | 448,398,914,311 | 410,938,158,561 | 363,715,005,682 | 317,393,034,581 |
| Loans, cash credits, overdrafts, etc. | 403,726,115,740 | 443,695,616,802 | 404,375,504,874 | 358,432,032,668 | 309,746,999,284 |
| Bills purchased and discounted | 6,061,227,361 | 4,703,297,509 | 6,562,653,687 | 5,282,973,014 | 7,646,035,297 |
| Fixed assets including premises, furniture and fixtures | 3,489,805,975 | 3,489,805,975 | 3,705,534,844 | 2,769,590,163 | 2,473,199,881 |
| Other assets | 42,423,501,154 | 13,604,739,075 | 15,183,685,662 | 7,783,212,752 | 6,639,118,130 |
| Non-banking assets | 297,086,400 | 297,086,400 | 299,479,400 | 299,479,400 | 335,820,241 |
| Total assets | 551,037,224,037 | 575,665,102,517 | 529,313,255,416 | 463,711,929,048 | 407,075,550,183 |
| LIABILITIES AND CAPITAL | | | | | |
| Liabilities | | | | | |
| Borrowings from other banks, financial institutions and agents | 12,737,034,193 | 12,587,662,983 | 8,419,144,804 | 8,337,718,474 | 8,869,136,774 |
| Deposits and other accounts | 444,806,434,651 | 472,833,316,865 | 430,331,619,909 | 366,079,335,612 | 314,686,457,859 |
| Current deposit and other accounts | 33,682,957,445 | 37,016,656,753 | 34,562,375,594 | 26,804,331,592 | 25,003,225,512 |
| Bills payable | 4,857,501,774 | 3,177,332,448 | 4,285,058,100 | 3,337,258,268 | 3,557,774,516 |
| Savings bank deposits | 67,063,463,000 | 64,895,520,248 | 58,326,974,057 | 51,550,288,418 | 47,036,369,863 |
| Fixed deposits | 116,388,760,994 | 133,885,463,535 | 132,589,373,496 | 140,421,645,700 | 140,200,871,603 |
| Term deposit | 222,813,751,438 | 233,858,343,881 | 200,567,838,662 | 143,965,811,634 | 98,888,216,365 |
| Subordinated bonds | 2,400,000,000 | 2,650,000,000 | 3,450,000,000 | 4,000,000,000 | 4,000,000,000 |
| Startup fund | 36,808,199 | 36,808,199 | 34,855,427 | | |
| Other liabilities | 41,181,554,207 | 35,634,286,107 | 35,226,051,299 | 36,590,371,576 | 34,997,315,383 |
| Total liabilities | 501,161,831,250 | 501,161,831,250 | 477,461,671,439 | 415,007,425,662 | 362,552,910,016 |
| Shareholders' equity | 49,875,392,787 | | | | |
| Total shareholders' equity | 32,197,395,700 | 49,875,392,787 | 51,851,583,977 | 48,704,503,386 | 44,522,640,167 |
| Paid-up capital | 17,228,087,280 | 32,197,395,700 | 30,664,186,390 | 29,203,987,040 | 26,549,079,130 |
| Statutory reserve | 32,766,423 | 17,228,087,280 | 17,108,889,287 | 15,835,709,954 | 14,380,830,197 |
| General reserve | 1,362,438,448 | 30,133,557 | 29,835,154 | 29,809,840 | 29,468,778 |
| Other reserve | (945,474,723) | 1,688,148,323 | 1,996,630,956 | 965,975,208 | 902,123,990 |
| Retained earnings | 49,875,213,128 | 779,091,211 | 2,051,906,653 | 2,668,896,278 | 2,661,018,720 |
| | 49,875,392,787 | 51,922,856,071 | 51,851,448,440 | 48,704,378,320 | 44,522,520,815 |
| Non-controlling (minority) interest | 179,659 | 172,292 | 135,537 | 125,066 | 119,352 |
| Total liabilities and shareholders' equity | 551,037,224,037 | 575,665,102,517 | 529,313,255,416 | 463,711,929,048 | 407,075,550,183 |

Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/I, Kazi Nazrul Islam Avenue, Dhaka.

Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

10 JAN 2023

10 JAN 2023

10 JAN 2023

Consolidated Income Statement of National Bank Limited and Its Subsidiaries

National Bank Limited and Its Subsidiaries

Consolidated Profit and Loss Account

For the year ended June 30, 2022 and December 31, 2018-2021

Amount in BDT

| Particulars | June 22 | 2021 | 2020 | 2019 | 2018 |
|--|------------------------|----------------------|-----------------------|-----------------------|-----------------------|
| Interest income | 12,246,696,279 | 30,892,550,567 | 34,389,125,367 | 34,670,034,614 | 27,720,894,914 |
| Less: Interest paid on deposits and borrowings, etc. | 14,112,044,749 | 29,452,674,387 | 26,117,772,915 | 24,247,709,885 | 19,407,085,970 |
| Net interest income | (1,865,348,470) | 1,439,876,180 | 8,271,352,452 | 10,422,324,729 | 8,313,808,944 |
| Investment income | 2,578,812,257 | 5,800,382,604 | 6,074,075,353 | 3,133,069,095 | 4,732,190,569 |
| Commission, exchange and brokerage | 1,158,877,540 | 1,974,474,787 | 1,687,152,869 | 1,684,156,185 | 1,590,896,866 |
| Other operating income | 274,573,946 | 553,202,781 | 586,609,646 | 689,626,779 | 1,174,148,775 |
| | 4,012,263,743 | 8,328,060,172 | 8,347,837,868 | 5,506,852,059 | 7,497,236,210 |
| Total operating income | 2,146,915,273 | 9,767,936,352 | 16,619,190,320 | 15,929,176,788 | 15,811,045,154 |
| Salaries and allowances | 2,189,589,494 | 4,036,954,247 | 4,243,738,528 | 3,995,902,062 | 4,060,874,943 |
| Rent, taxes, insurance, electricity, etc. | 597,703,120 | 962,822,184 | 934,648,187 | 822,607,456 | 858,615,663 |
| Legal expenses | 13,451,096 | 13,709,012 | 18,648,607 | 24,064,367 | 50,232,808 |
| Postage, stamp, telecommunication, etc. | 46,916,134 | 90,372,886 | 84,201,637 | 82,383,407 | 91,322,698 |
| Stationery, printing, advertisement, etc. | 197,437,579 | 179,373,464 | 154,266,011 | 191,456,345 | 120,401,969 |
| Managing Director's salary and allowances | 8,790,000 | 7,629,209 | 10,440,000 | 10,440,000 | 9,990,387 |
| Directors' fees and other benefits | 2,146,127 | 2,854,171 | 8,555,088 | 4,323,459 | 5,269,663 |
| Auditors' fees | - | 2,877,142 | 2,090,811 | 1,971,414 | 1,588,656 |
| Charges on loan losses | 5,498,487 | 264,023,388 | - | 465,571,851 | 30,332,050 |
| Repairs, maintenance and depreciation | 280,743,282 | 867,427,039 | 742,100,605 | 712,675,065 | 687,148,809 |
| Other expenses | 317,455,205 | 942,659,708 | 1,031,674,807 | 804,497,651 | 905,857,547 |
| Total operating expenses | 3,659,730,524 | 7,370,702,450 | 7,230,364,281 | 7,115,893,077 | 6,821,635,193 |
| Profit before provision | (1,512,815,251) | 2,397,233,902 | 9,388,826,039 | 8,813,283,711 | 8,989,409,961 |
| Provision for loans and advances | | | | | |
| Specific provision | | 900,000,000 | 2,165,000,000 | 1,500,000,000 | 2,040,000,000 |
| General provision (Including off-balance sheet items) | | 47,500,000 | 85,000,000 | - | - |
| Special general provision (Covid-19) | | 500,000,000 | 589,800,000 | - | - |
| Provision for good borrowers | | - | - | 10,000,000 | - |
| | | 1,447,500,000 | 2,839,800,000 | 1,510,000,000 | 2,040,000,000 |
| Provisions for other classified assets | | 50,000,000 | - | 45,655,340 | - |
| Total provision | | 1,497,500,000 | 2,839,800,000 | 1,555,655,340 | 2,040,000,000 |
| Total profit before taxes | (1,512,815,251) | 899,733,902 | 6,549,026,039 | 7,257,628,371 | 6,949,409,961 |
| Provision for taxation | | | | | |
| Current tax | 211,743,316 | 541,820,872 | 2,897,217,767 | 3,124,375,595 | 3,163,864,604 |
| Deferred tax | | (23,668,358) | 40,353,964 | 10,044,745 | (71,132,887) |
| | 211,743,316 | 518,152,514 | 2,937,571,731 | 3,134,420,340 | 3,092,731,717 |
| Net profit after tax | (1,724,558,567) | 381,581,388 | 3,611,454,308 | 4,123,208,031 | 3,856,678,244 |
| Net profit after tax attributable to: | | | | | |
| Non-controlling interest | 7,367 | 36,755 | 10,471 | 5,714 | 3,135 |
| Equity holders of parent company | (1,724,565,934) | 381,544,633 | 3,611,443,837 | 4,123,202,317 | 3,856,675,109 |
| Net profit after taxation without non-controlling interests | (1,724,565,934) | 381,544,633 | 3,611,443,837 | 4,123,202,317 | 3,856,675,109 |
| Retained earnings brought forward from previous year | 779,091,211 | 2,051,906,653 | 2,668,896,278 | 2,661,018,720 | 3,084,723,413 |
| | (945,474,723) | 2,433,451,286 | 6,280,340,115 | 6,784,221,037 | 6,941,398,522 |

Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.
10 JAN 2023

Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office Dhaka.
10 JAN 2023
10 JAN 2023

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA
10 JAN 2023
10 JAN 2023

74
K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited
2023

Three (3) Years Rating Transition Matrix (2018-2020) (Corporate)

| Rating | AAA | AA+ | AA | AA- | A+ | A | A- | BBB+ | BBB | BBB- | BB+ | BB | BB- | CC+ | CC | CC- | C+ | C |
|--------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|-------|-------|-------|-------|
| AAA | 100.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| AA+ | 0.00% | 66.67% | 27.27% | 3.03% | 3.03% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| AA | 0.00% | 18.18% | 63.64% | 18.18% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| AA- | 0.00% | 0.00% | 13.33% | 62.22% | 20.00% | 4.44% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| A+ | 0.00% | 0.00% | 0.00% | 7.69% | 50.00% | 15.38% | 19.23% | 7.69% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| A | 0.00% | 0.00% | 0.00% | 0.00% | 6.67% | 53.33% | 14.67% | 10.67% | 14.67% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| A- | 0.00% | 0.00% | 0.00% | 0.00% | 14.46% | 71.08% | 7.23% | 4.82% | 2.41% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| BBB+ | 0.00% | 0.00% | 0.00% | 0.00% | 2.86% | 12.86% | 12.86% | 52.86% | 11.43% | 5.71% | 1.43% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| BBB | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.37% | 4.11% | 20.55% | 65.75% | 8.22% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| BBB- | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 3.03% | 6.06% | 18.18% | 57.58% | 15.15% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| BB+ | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 8.33% | 16.67% | 66.67% | 8.33% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| BB | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 33.33% | 66.67% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| BB- | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 33.33% | 66.67% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| CC+ | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| CC | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| CC- | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| C+ | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| C | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| C- | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| D | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Three (3) Years Rating Transition Matrix (2018-2020) (SME)

| Rating | AQSE-1 | AQSE-2 | AQSE-3 | AQSE-4 | AQSE-5 | AQSE-6 | AQSE-7 | AQSE-8 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| AQSE-1 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| AQSE-2 | 0.00% | 75.64% | 23.08% | 1.28% | 0.00% | 0.00% | 0.00% | 0.00% |
| AQSE-3 | 0.00% | 13.35% | 83.85% | 2.80% | 0.00% | 0.00% | 0.00% | 0.00% |
| AQSE-4 | 0.00% | 0.00% | 12.16% | 83.11% | 4.73% | 0.00% | 0.00% | 0.00% |
| AQSE-5 | 0.00% | 0.00% | 0.00% | 50.00% | 50.00% | 0.00% | 0.00% | 0.00% |
| AQSE-6 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| AQSE-7 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| AQSE-8 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

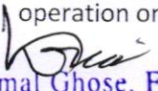
SECTION 17: DESCRIPTION OF TRUSTEE

First Security Islami Capital & Investment Limited (FSICIL), a subsidiary of First Security Islami Bank Limited (FSIBL) is a full-fledged Merchant Bank licensed by the Securities and Exchange Commission (BSEC) on 27 March 2011 (BSEC Registration Certificate No MB-65/2011) under 'The Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rules, 1996.

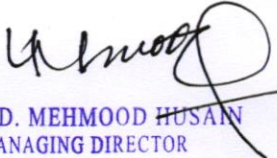
Before that FSICIL has obtained its certificate of incorporation as a private Limited company from the Registrar of Joint Stock Companies and Firms Bangladesh (RJSC) on 2nd December 2010 under the Companies Act 1994 (RJSC Certificate No : C-88567/10) with the objective to carry out the business as Issue Manager, Underwriter and Portfolio Manager.

FSICIL has obtained its custodian depository participate license in 2011 from Central depository Bangladesh Limited (CDBL). (SEC/Registration/CDBL-DP-353)

As a full-fledged Merchant Bank, First Security Islami Capital & Investment Limited has started its operation on November, 2011.


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EVP & CFO
Financial Administration Division
National Bank Limited Head Office
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Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.


MD. MEHMOOD HUSAN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA


K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

10 JAN 2023

10 JAN 2023

10 JAN 2023

FSICIL started functioning in the field of capital market to establish sustainable capital market as well as ensuring economic growth of the country. Their vision is to lead the market by innovating new products and introducing world class merchant banking functionalities in Bangladesh.

| | |
|-------------------------|------------------------|
| 1. Authorized Capital : | BDT 3,000,000,000.00/- |
| 2. Paid –up-Capital : | BDT 679,717,500.00/- |
| 3. Net worth : | BDT 792,291,149.00/- |

Shareholding Position:

| Shareholding position of FSICIL on 31-03-2022 | | | |
|---|---------------------------------|----------------|--------|
| Sl. | Name of Shareholder's | Nos. of Shares | % |
| 1. | First Security Islami Bank Ltd. | 3,466,559 | 51.00 |
| 2. | Others | 3,330,616 | 49.00 |
| | Total | 6,797,175 | 100.00 |

Business Activities of the Trustee:

First security Islami Capital & Investment Limited (FSICIL) currently provides following services:

1. Portfolio Management Service
2. Issue Management Service
3. Underwriting Management Service
4. Corporate Advisory Services
5. Private Placement
6. Trustee

2.1. Portfolio Management Service:

FSICIL has two types of Investment Account.

Discretionary Account:

- a. Investor's Discretionary Account (IDA):
- b. Non-Margin Investor's Discretionary Account (NIDA)

Non-Discretionary Account:

- a. Merchant Bank Discretionary Account (MBDA)


2.2. Issue Management Service:

FSICIL provides issue management services in the following areas:

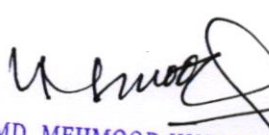
- a. Initial Public Offering (IPO)
- b. Repeat Public Offering (RPO)
- c. Right Issue Offer (RIO)
- d. Bond Issue Management

2.3. Underwriting Management Service:

FSICIL provides underwriting commitments for successful completion of IPO/Right Issue.


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EVP & CFO
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National Bank Limited, Head Office
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10 JAN 2023


Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.
10 JAN 2023


MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA
10 JAN 2023


K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited
10 JAN 2023

2.4. Corporate Advisory Services:

FSICIL provides all types of Corporate Advisory Services to the private and public limited companies.

2.5. Private Placement:

FSICIL Provides support to raise fund through Private Placement. We build & preserve relationships with key Bangladeshi, important clients and Institutes for arranging private placement.

2.6. Trustee:

With prior approval from Bangladesh Securities and Exchange Commission (BSEC), FSICIL act as Trustee of Debt Securities.

Board of Directors of the Trustee:


| Sl No | Board of Directors | Designation |
|-------|------------------------|---------------|
| 1 | MOHAMMAD SAIFUL ALAM | Chairman |
| 2 | FARZANA PARVEEN | Vice-Chairman |
| 3 | MOHAMMED ABDUL MALEQUE | Director |
| 4 | A.A.M. ZAKARIA | Director |
| 5 | HALIMA BEGUM | Director |
| 6 | MD. RUHUL AMIN | Director |
| 7 | MD.ABDULLAH HASAN | Director |
| 8 | SYED WASEQUE MD ALI | Director |
| 9 | K M RASIDUL HASAN | CEO |

Name and status of the issues where performing as trustee:

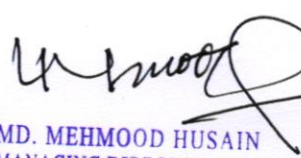
| Name of the Issuer | Name of the Issue | Maturity Period | IM Issue Date | Date of Completion of the Subscription | Issue Amount | Re-Payment Amount | Out-Standing Amount | Default s (if Any) | Remarks |
|---|----------------------|-----------------|---------------|--|--------------|-------------------|---------------------|--------------------|------------------------------|
| Banga Building Materials Limited (BBML) | BBML Sukuk Al Ijarah | 07 Years | N/A | N/A | 300.00 Cr | N/A | N/A | N/A | IM approval under processing |

Due Diligence Certificate by the Trustee

Due Diligence Certificate of the Trustee is annexed to this Information Memorandum. Please check Annexure – II.


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10 JAN 2023

SECTION 18: MODUS OPERANDI OF THE ISSUE

Modus Operandi of the Issue has been incorporated form the Trust Deed executed between the Issuer (National Bank Limited) and the Trustee (First Security Islami Capital & Investment Limited)

18.1 Application Procedure

The Bonds shall be distributed 100% through private placement on a best effort basis. Each Investor (Bondholder) shall enter into a separate Subscription Agreement with respect to their investment with the Issuer and shall be bound by the terms and conditions contained in the Subscription Agreement and the Trust Deed containing in details the rights and obligations of the Investor(s).

18.2 The Issuance of Bond

Notwithstanding anything contained anywhere in this Trust Deed, the Bonds shall be issued in dematerialised form as per the CDBL Bye Laws and the Issuer shall apply to the respective stock exchange(s) for listing in the Alternative Trading Board (ATB) immediately from the date of availing ATB facilities under the Bangladesh Securities and Exchange Commission (Alternative Trading System) Rules, 2019 and respective regulations of the stock exchange(s) in this regard.

The Bond shall be rated by the Credit Rating Agency and its periodical surveillance rating shall be done by the Credit Rating Agency in line with the provisions of the Credit Rating Companies Rules, 1996 up to the full and final redemption or conversion of the issued securities.

18.3 Allotment

On the Closing Date, to be determined, the Issuer shall allot and issue the Bonds to the Investor(s). The Bonds will be allotted according to the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021.

18.4 Refund

Not applicable at the time of Issuance. However, subject to receiving proper consent from the regulatory authorities Refund in relation to the subscription may be possible upon mutual agreement between the Issuer and each Bondholder.


18.5 Transfer

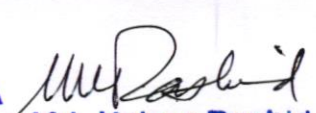
Bonds are transferable subject to the Terms and Conditions set out in the Trust Deed.

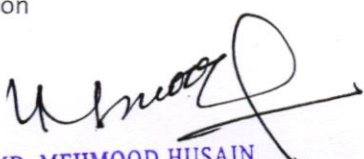
18.6 Repayment and Redemption features of the Bond

The Profit generated on the Bonds shall be paid on semi-annually beginning at the end of 6 months from drawdown date. The Profit Payment Dates shall be determined depending upon the Issue Date. Unless previously redeemed or purchased or cancelled, the principal of the Bonds will amortize, and paid annually on a pro rata basis to the Bondholders in installments of 20% per year in 5 (five) annual tranches commencing at the end of 36th, 48th, 60th, 72th and 84th month respectively from the date of drawdown. The final maturity of the Bonds will at the end of seventh year from the Issue Date of the Bonds.

18.7 Details of conversion or exchange option Not Applicable.


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10 JAN 2023


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HEAD OFFICE, DHAKA
10 JAN 2023


K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited
10 JAN 2023

18.9. REDEMPTION FEATURES

Each Bond shall be redeemed in accordance with Condition 8 (Redemption, Repurchase and Cancellation).

18.10. TRANSFER OF BONDS

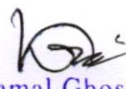
Bonds are transferable subject to the terms and conditions set out in the Bond Documents. Each Bond shall be transferred in accordance with Condition 4 (Transfer of Bonds).

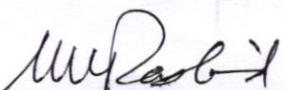
SECTION 19: DETAILS OF FEES STRUCTURE AND EXPENSES

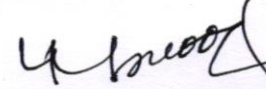
| Particulars | Basis of Calculation | Amount in BDT | |
|--|--|---------------|-------------------|
| A. Bangladesh Securities & Exchange Commission (BSEC) Fees: | | | 5,000,000 |
| Consent Fee | 0.10% on the issue size | 5,000,000 | 5,000,000 |
| B. CDBL Fees and Expenses: | | | 1,434,500 |
| Security Fee | Fixed (Refundable) | 500,000 | 500,000 |
| Documentation Fee | Fixed | 2,500 | 2,500 |
| Annual Fee (7 years) | BDT 5,000 up to BDT 5 Crore Issue Size | - | 140,000 |
| | BDT 10,000 up to BDT 20 Crore Issue Size | - | |
| | BDT 20,000 above BDT 20 Crore Issue Size | 20,000 | |
| Distribution Fee | 0.00015 of the issue size | 750,000 | 750,000 |
| Connection Fee (7 years) | Tk. 500 Per Month | 42,000 | 42,000 |
| D. Fees related to the Issue | | | 33,800,000 |
| Fund Arrangement Fee | 0.50% of the issue size | 25,000,000 | 25,000,000 |
| VAT on Fund Arrangement Fee | 15% of the Fund Arrangement Fee | 3,750,000 | 3,750,000 |
| Trustee Fee | Negotiable (For 7 Years) | 250,000 | 1,750,000 |
| Trustee Regulatory Fee | Application Fee: 50,000, Registration Fee: 100,000, Annual Fee: 50,000 for 7 years | 500,000 | 500,000 |
| Trust Deed Registration Fee | 0.1% of the total issue size and maximum BDT 1,000,000 | 5,000,000 | 1,000,000 |
| Credit Rating Fee | Negotiable (For 7 Years) | 150,000 | 1,050,000 |
| Lawyer Fee | Negotiable | 250,000 | 250,000 |
| Miscellaneous | Certificates and others if applicable | 500,000 | 500,000 |
| Grand Total | | | 40,234,500 |

SECTION 20: CONDITIONS IMPOSED BY THE COMMISSION IN THE CONSENT LETTER

- As per the Consent Letter by Bangladesh Securities and Exchange Commission.


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 10 JAN 2023


Md. Kaiser Rashid
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 Company Secretary
 National Bank Limited
 Head Office, Dhaka.
 10 JAN 2023


MD. MEHMOOD HUSAIN
 MANAGING DIRECTOR
 NATIONAL BANK LIMITED
 HEAD OFFICE, DHAKA
 10 JAN 2023


K M Rasidul Hasan
 Chief Executive Officer
 First Security Islami Capital & Investment Limited
 10 JAN 2023

**SECTION 21: DECLARATION AND DUE DILIGENCE CERTIFICATES AS PER ANNEXURE(S)- I
AND II**

Annexure- I

**Declaration about the responsibility of the Managing Director of
National Bank Limited in respect of the information memorandum**

[Rule 4(2)(a)]

This information memorandum has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.


We also confirm that full and fair disclosures have been made in this information memorandum to enable the investors to make a well-informed decision for investment.

Sd/-

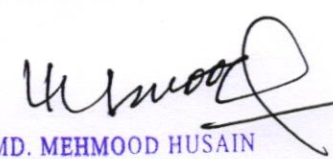
Managing Director & CEO

Place: Dhaka

Date:


Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.


Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka


MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA


K M Rasidul Nasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

Annexure-II

[Rule 3(1)(m), 4(1)(c) and 4(2) (a)]

Due diligence certificate of the Trustee

First Security Islami Capital & Investment Limited

To

The Bangladesh Securities and Exchange Commission

Sub: Issuance 1,000 numbers of Non-Convertible, Unsecured Subordinated Bond of BDT 5,000,000 (Five Million Taka) each of National Bank Limited.

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while act as trustee to the above-mentioned issue on behalf of the investors, have examined the draft Information Memorandum, legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft deed of trust and draft subscription agreement forwarded to the Commission has been approved by us;
- (b) we have also examined all documents of the assets to be charged with the trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM – N/A
- (c) while examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- (d) we shall act as trustee to the issue as mentioned above as per provisions of the deed of trust to be executed with the issuer or the originator, as applicable and shall assume the duties and responsibilities as described in the deed of trust and in the IM;
- (e) we shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and
- (f) the above declarations are unequivocal and irrevocable.


For Trustee

Sd/-

Managing Director & CEO

First Security Islami Capital & Investment Limited


Date:


Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islami Avenue, Dhaka.

10 JAN 2023


Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.

10 JAN 2023


MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

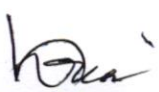
10 JAN 2023


K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

The Due Diligence Certificates are also annexed to this Information Memorandum as mentioned below:

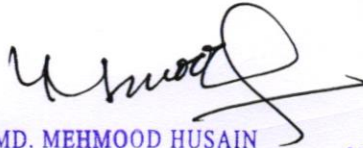
- a) Declaration of the Management of the Issuer as per Rule 3 (1) (i) of Bangladesh Securities and Exchange Commission (Debt Securities) Rule 2021. Kindly Check **Annexure-I**
- b) Due Diligence Certificate of the Trustee **[Rule 3(1)(m), 4(1)(c) and 4(2) (a)]**, is attached with this information memorandum. Kindly check **Annexure – II**
- c) Due Diligence Certificate of the Issuer Manager is Not Applicable for the 3rd NBL Subordinated Bond.
- d) Due Diligence Certificate of the Underwriter is Not Applicable for the 3rd NBL Subordinated Bond.


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10 JAN 2023


Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office Dhaka.

10 JAN 2023


MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA


10 JAN 2023



K M Rasidul Hasan⁹¹
Chief Executive Officer
First Security Islami Capital & Investment Limited

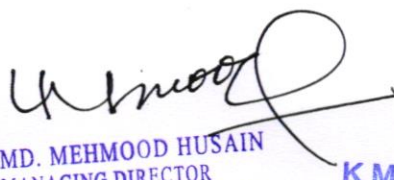
10 JAN 2023

Annexure – 1

(Credit Rating of the Issue)


Krishna Kamal Ghose, FCA
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National Bank Limited, Head Office
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10 JAN 2023


Md. Kaiser Rashid
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10 JAN 2023


MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA
10 JAN 2023


K M Rasidul Hasan
Chief Executive Officer
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10 JAN 2023

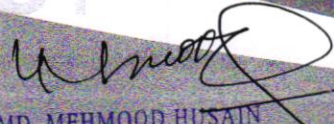



**Credit Rating Report
Of
3rd NBL Subordinated Bond**

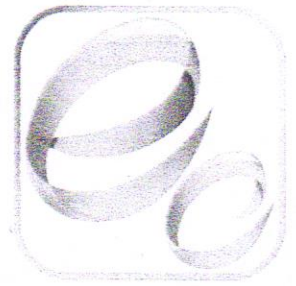
EMERGING
Credit Rating Ltd
an independent house of risk assessment


Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited Head Office
116/1, Kazi Nazimuddin Avenue, Dhaka
16 JAN 2023


Md. Kaiser Rashid
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Head Office, Dhaka
16 JAN 2023


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MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA
16 JAN 2023


K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited



EMERGING

Credit Rating Ltd

3rd NBL Subordinated Bond


Credit Rating Report

Subordinated Bond Rating

| Valid From | Valid Till | Rating Action | Long Term Rating | Outlook |
|---------------|---------------|---------------|------------------|---------|
| June 16, 2022 | June 15, 2023 | Initial | A+B | Stable |

* B denotes bond

| | |
|-------------------------|---|
| Date of Incorporation | : March 15, 1983 |
| Managing Director & CEO | : Mr. Md. Mehmood Husain |
| Issue | : 3rd NBL Subordinated Bond |
| Program Tenure | : 7 Years |
| Issuer | : National Bank Limited |
| Lead Arranger | : UCB Investment Limited |
| Joint Arranger | : Prime Bank Investment Limited |
| Trustee | : First Security Islami Capital & Investment Limited |
| Contact Analysts | : Md. Nazmul Hasan hasan@emergingrating.com Md. Rajiur Rahman rajiur@emergingrating.com |


NKA Mobin (FCA, FCS, CPC)
Managing Director & CEO
Emerging Credit Rating Ltd

Credit Analysis

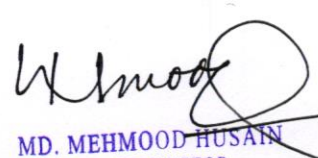
Subordinated Bond
Rating

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EVN & CO
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10 JAN 2023


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10 JAN 2023


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10 JAN 2023


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10 JAN 2023

Emerging Credit Rating Ltd

CREDIT ANALYSIS

Subordinated Bond Rating

2022 Initial Review

3rd NBL Subordinated Bond

Major Rating Factors

- Strengths**
- Regulatory compliant of CRR & SLR
 - Good number of branches in different location
- Challenge/ Risks**
- Competitive bond market
 - High level of non-performing loans
 - Relatively high exposure to large loans
 - Shortfall in provision
 - Capital deficit against the regulatory requirement
 - Exceeding the regulatory ceiling of loan to deposit ratio
 - Significant fall in net interest income and profit after tax

Rationale Emerging Credit Rating Limited (ECRL) has assigned **A+_B** (Pronounced as Single A Plus) long term credit rating to 3rd NBL Subordinated Bond (hereinafter referred to as "The Subordinated Bond" or "The Bond" or "The Issue") to be issued by National Bank Limited (NBL). The outlook on the rating is **Stable**. The rating is consistent with ECRL's methodology for this type of bond rating.

The Subordinated Bond, which qualifies as Tier-II capital for National Bank Limited (hereinafter referred to as "NBL" or "The Bank" or "The Issuer"), is rated lower than NBL's standalone rating, because of the Subordinated position of the bond relative to the NBL's depositors and other liabilities (borrowings).

The ratings reflect the strengths of the bank which is backed by its compliant with the regulatory requirement of CRR and SLR and countrywide network of branches. However, ECRL is highly concerned about that the bond market is competitive with limited subscribers, high level of non-performing loans, high level of bad loans in NPL (96.29% of total NPL), provision shortfall, capital deficit against the regulatory requirement, exceeding the regulatory ceiling of loan to deposit ratio over the years, relatively high exposure to large loans, a number of borrowers exceeding the single party exposure limit set by BB, considerable fall in net interest income and profit after tax. **The rating was assigned on the basis of draft information memorandum, draft agreements between the issuer and trustee provided by the entity in discussion and the rating may significantly change if the covenants in those documents are altered.**

The proposed bond will be non-convertible, unsecured, fully-redeemable, floating rate subordinated bonds which will be repayable in seven years with five equal installments starting from the end of year three. Semi-annual coupon payment will be paid starting at the end of 6 months from the drawdown date. The coupon rate for the bond would be between 7.00% to 9.00% p.a. Coupon rate of the bond will be determined by the benchmark rate/ reference rate plus 2.25% p.a. Moreover, UCB Investment Limited will act as the lead arranger, Prime Bank Investment Limited will act as the joint arranger and First Security Islami Capital & Investment Limited will act as the trustee for this issue. The fund will be used in regular lending and business activities of the bank which will help to grow the bank's loan & advance portfolio and other investments.

In terms of performance of the issuer, NBL bank has maintained CRAR of 11.78% against the regulatory requirement of 12.50% and tier-I ratio remained 9.97% in FY2021. Total eligible capital of the bank recorded at BDT 56,558.79 million in the

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EVP & CFO

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MANAGING DIRECTOR

NATIONAL BANK LIMITED

HEAD OFFICE, DHAKA

Emerging Credit Rating Ltd

K M Rasidul Hasan

Chief Executive Officer

First Security Islami Capital & Investment Limited

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FY2021 which was BDT 55,950.15 million in the FY2020; ultimately grew by only 1.09% in FY2021. On the other hand, risk weighted asset of the bank has seen a growth of 11.59% in FY2021 standing at BDT 480,162.83 million in FY2021, moderately faster than earlier year's growth of 5.24%. Based on this, the minimum capital requirement along with capital conservation buffer (12.50% of RWA) stood at BDT 60,020.35 million thus the bank had to face a capital deficit of BDT 3,461.56 million in FY2021.

National Bank Limited, being a first generation bank, has been facing severe crisis to uphold its reputation in the banking sector owing to its recent irregularities in new loan disbursement with some other issues regarding board of directors and top management. In addition the bank has been facing difficulties with its high level of non-performing loans, high exposure to large loans, weak performances of some large borrowers, decreasing profitability in recent years and with many other factors. Recently Bangladesh Bank (BB) has also imposed some restriction on the bank which has been presented in Exhibit 1.

As per the financials, the assets book of the bank grew over the years, finally posting a 8.70% growth in the FY2021 supported by the main component of assets- gross loans- occupying 77.43% of total assets. In line with this, the loans portfolio increased by 9.00% to reach BDT 445,287.71 million by the end of FY2021. The Non-Performing loans (NPL) of the bank immensely increased by 141.64% to BDT 92,617.11 million in FY2021 mainly due to some large borrowers' weak performance over the years whereas before pandemic the NPL was BDT 39,637.14 million in the FY2019. Hence, the NPL ratio of the bank increased to 20.80% of gross loans from 9.38% in FY2020. Moreover, 96.29% of non-performing loans is in bad loan status depicting the recoveries of such type loans are difficult historically. Moreover, the bank has recorded BDT 52,722.50 million fresh NPL during FY2021 which is 56.92% of total classified loans of FY2021, depicting significant deterioration in asset quality in FY2021. About 57.62% of the total NPLs of the bank originated from the top 5 default borrowers in the FY2021. Moreover, the bank has rescheduled BDT 2,101.50 million in the FY2021, leading to NPLs and rescheduled loans together representing 21.27% of the loan book in FY2021.

The bank's provision coverage ratio has also fallen in FY2021 due to the whopping increase in NPL. Loan loss reserve of the bank declined to 21.61% of the total NPL in FY2021 whereas this was 48.54% in FY2020 indicating relatively weaker safety against potential losses arising from the NPLs in future. The bank has obtained a provision deferral facility from BB against the loans and advances, whereas provision of BDT 20,010.30 million has been maintained against the requirement of BDT 79,032.20 million as of December 31, 2021 and the amount of provision shortfall will be retained equally within December 31, 2031.

NBL has very high exposure to large loan portfolio whereas the outstanding amount of top 20 funded loans amounted to BDT 196,309.20 million representing 44.09% of the gross loans. The largest funded loan exposure of the bank was BDT 26,517.30 million or 5.96% of total loan portfolio and 46.88% of the bank's total capital and eight (08) largest funded loan exposures of the bank exceed the regulatory ceiling range of the single party exposure limit set by the Bangladesh Bank.

The bank's ADR ratio is beyond the regulatory ceiling of Bangladesh Bank (87% for conventional banks) which stood at 90.46% during FY2021 and ADR ratio of the bank surpassed the regulatory limit over the years of review which is a matter of concern.

NBL has maintained CRR and SLR as per the regulatory requirement of BB with surplus CRR and SLR of BDT 881.37 million and BDT 20,697.40 million respectively in FY2021.

A massive level of NPLs, implementation of interest rate cap by BB in the banking sector, slow growth in credit of the bank, various other facilities for borrowers to combat the pandemic's effects; the interest income of NBL fell by 10.17% in FY2021.

Krishna Kamal Ghose, FCA
EVP & CFO

Financial Administration Division
3rd NBL Subordinated Bond
National Bank Limited
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10 JAN 2023

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Senior Vice President
Company Secretary
National Bank Limited
Head Office Dhaka

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

K M Rasidul Hasan
Executive Officer
First Security Islami Capital & Investment Limit

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compared to the previous year. On the other hand, the bank's interest expense has further increased due to incurred of higher interest expenses on deposits which increased by 14.12% in the FY2021 ultimately led to a significant 83.04% decrease in net interest income in FY2021. On the other hand, the non-interest income of the bank dropped by 2.11% due to mainly a 5.75% fall in income from investment. Finally, the total operating income of the bank has massively reduced by 43.21% in FY2021.

The cost to income ratio of the bank significantly increased to 77.23% in the FY2021 from 43.14% in FY2020 due to the increase in operating cost despite having the negative growth in operating income. NBL's operating expenses increased by 1.67% in 2021 owing to making charges on loss loans. As a result, the bank witnessed a considerable 77.26% drop in profit before provision standing at BDT 2,093.49 million in FY2021. Provision expense has significantly decreased by 47.27% in FY2021 than a year ago as the bank has provision deferral facility up to FY2031. Significant decrease in operating income further fell the pre-tax profit of the bank to BDT 595.99 million in FY2021 from BDT 6,365.90 million in FY2020. Considering the reduced tax expenses NBL has recorded post-tax profit of BDT 195.28 million only in FY2021 a massive nosedive from BDT 3,485.54 million in FY2020 exhibiting the significant deterioration in the profitability of the bank in FY2021 and translating the bank's overall weak business performances in the last couple of years.

ECRL views NBL's outlook as **Stable** due its current business position, good utilization of funds and compliance with CRR and SLR.

Exhibit 1: Bangladesh Bank's Special Instruction on National Bank Limited

| SL. | Restriction on National Bank Limited |
|-----|---|
| 01 | The bank can't disburse any large loan without prior approval of Bangladesh Bank. |
| 02 | The bank can't take over the loan of other banks & NBFIs. |
| 03 | Debt collection data of top 20 borrowers should be presented to Bangladesh Bank on monthly basis. |
| 04 | The bank should take approval from Bangladesh Bank for the appointment of Adviser, Consultant and anyone below the two posts of Managing Director on mandatory basis. |

**Exhibit 2: Financial Highlights: National Bank Limited
FY 31 December**

| | 2021 | 2020 | 2019 | 2018 |
|-----------------------------------|------------|------------|------------|------------|
| Total Assets (BDT million) | 575,060.76 | 529,052.55 | 463,574.78 | 407,227.40 |
| Total Assets Growth (%) | 8.70 | 14.12 | 13.84 | 16.10 |
| Gross Loans (BDT Million) | 445,287.71 | 408,510.60 | 360,769.74 | 314,507.26 |
| Gross Loans Growth (%) | 9.00 | 13.23 | 14.71 | 26.58 |
| Deposits (BDT Million) | 473,103.89 | 430,747.95 | 366,298.51 | 315,206.03 |
| Deposit Growth (%) | 9.83 | 17.59 | 16.21 | 15.56 |
| Gross NPL Ratio (%) | 20.80 | 9.38 | 10.99 | 9.50 |
| Loan/Deposit Ratio (%) | 90.46 | 92.96 | 95.27 | 97.49 |
| Net Interest Income (BDT million) | 1,394.25 | 8,221.19 | 10,455.88 | 8,504.22 |
| Net Interest Income Growth (%) | (83.04) | (21.37) | 22.95 | 32.07 |
| Non-Interest Income (BDT million) | 7,801.10 | 7,969.47 | 5,200.51 | 7,213.33 |
| Non-Interest Income Growth (%) | (2.11) | 53.24 | (27.90) | (24.91) |
| Pre-Tax Profit (BDT million) | 595.99 | 6,365.90 | 7,274.40 | 7,179.18 |
| Post-Tax Profit (BDT Million) | 195.28 | 3,485.54 | 4,164.35 | 4,100.31 |
| Post-Tax Profit Growth (%) | (94.40) | (16.30) | 1.56 | (12.69) |
| Post-Tax ROAE (%) | 0.38 | 6.90 | 8.87 | 9.63 |
| CRAR (%) | 11.78 | 13.00 | 13.38 | 14.04 |

FY2018-2021 Data Extracted from Audited Financial Statements

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NKA Mobin FCA, FCS, CFC
Managing Director & CEO
Emerging Credit Rating Ltd

K M Rasidul Hasan
Executive Officer
First Security Islami Capital & Investment Limited

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A. BUSINESS DESCRIPTION

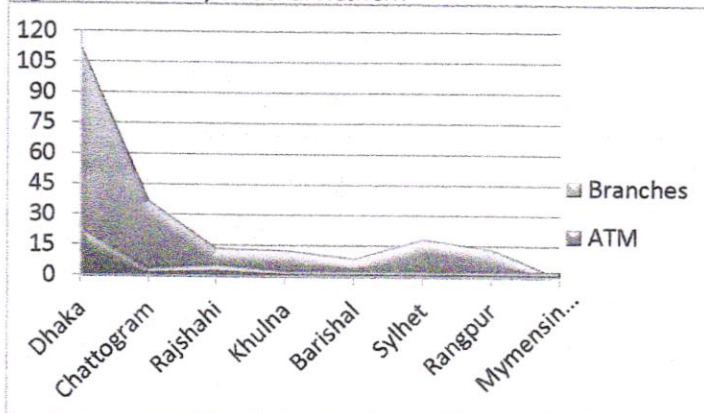
A.1. Company Background

National Bank Limited (NBL) was incorporated in Bangladesh as a public limited company with limited liability as on 15 March 1983 under Companies Act 1913 (Companies Act 1994) to carry out banking business. NBL started as the first hundred percent Bangladeshi owned Bank in the private sector of the country. NBL obtained license from Bangladesh Bank to carrying out banking business on 22 March 1983. The first branch of NBL started commercial operation on March 23, 1983 at 48, Dilkusha Commercial Area, Dhaka. NBL is listed with both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The principal activities of NBL are to provide a comprehensive range of financial services, personal and commercial banking, trade service, cash management, treasury, security and custodian services. NBL was also the first domestic bank to establish agency arrangements with the world famous Western Union in order to facilitate quick and safe remittance of the valuable foreign exchanges earned by the expatriate Bangladeshi nationals. The vision of the bank is to ensure highest standard of clientele services through best application of latest information technology, making due contribution to the national economy and establishing itself firmly at home and abroad as a front ranking bank of the country.

A.2. Operational Network

The Bank has been engaged in banking activities through its two hundred nineteen (219) branches including 42 AD Branches and 94 E-GP Branches throughout the country. The branches cover Dhaka, Chittagong, Rajshahi, Khulna, Barishal, Sylhet, Rangpur and all the major districts of the country. In addition to this NBL has total 14 (Fourteen) sub branches throughout the country. The bank also has subsidiaries in countries like Singapore, Oman, Malaysia, Maldives, Greece, and USA. As of December, 2021, NBL had total fifty three ATM booths in total of which twenty three are located in Dhaka, six are in Rajshahi, four are in Chattogram, eight are in Rangpur and rest of twelve are located in other cities.

Figure 1: NBL's Operational Network



A.3. Market Share

Figure 2: NBL's market share by loans & advances

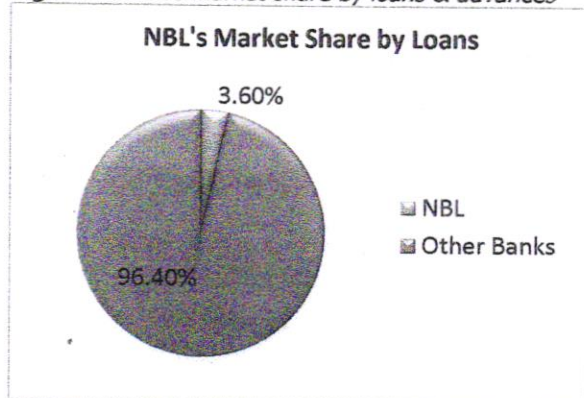
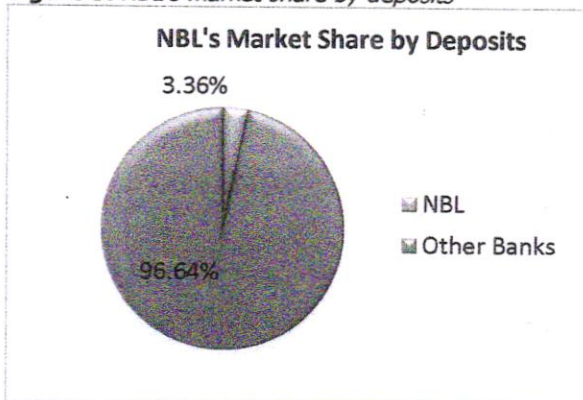


Figure 3: NBL's market share by deposits



NBL's loans and advances and deposit position were BDT 445,287.71 million and BDT 473,103.89 million respectively at the end December 2021. Considering the banking industry as a whole, all scheduled banks' total loans & advances and deposit were BDT 12,360,817.00 million and

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14,093,426.00 million respectively at the end of December 2021. NBL contributed 3.60% of market share in terms of loans and advances and 3.36% of market share in terms of deposit at the end of December 2021.

A.4. Products and Services

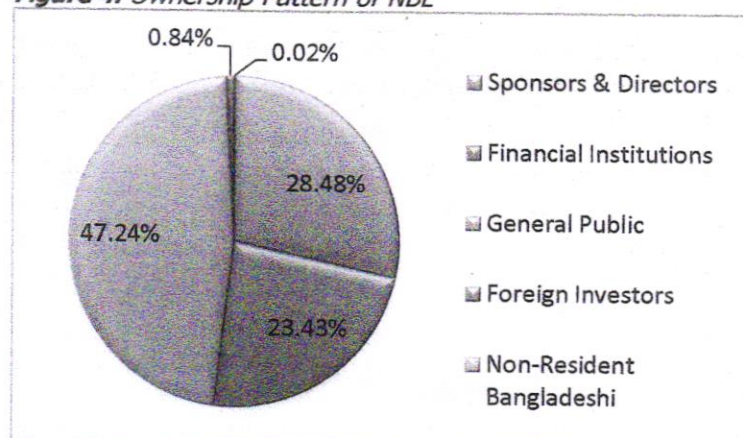
A wide range of commercial banking products and services which includes deposit banking, loans & advances, export import financing, inland and international remittance facility etc. are offered by NBL as a commitment to Excellence in Banking. The bank maintains a diverse loan products portfolio which includes overdraft, lease finance, house building finance, SME finance, consumer credit scheme, retail credit, trade finance, agriculture finance, working capital finance, work/supply order finance, project finance, loan syndication and structured finance etc. On the other hand, the bank has a number of deposit facilities tailored to match the needs of different customer segments along with regular deposits products like current deposit, savings deposit, NBL monthly savings scheme, monthly earning scheme, double benefit account, term deposit, foreign currency deposit, millionaire deposit scheme, apon thikana shanchoy prakalpa, luxury saving deposit scheme, shadhinota product, century deposit scheme, term deposit, saving deposit, sonar bangla amanot, higher education deposit scheme, Shwapno, NBL Aamar Account, School Banking Account etc.

In addition the bank offers Western Union Money Transfer, SMS Banking Service, Online service, Inward & Outward Remittances, locker service, offshore banking service to facilitate trade. NBL was also the first among domestic banks to introduce international Master Card in Bangladesh. NBL has also introduced the Visa Card and Power Card. Moreover, the Bank obtained the Offshore Banking permission from Bangladesh Bank on June 01, 2008. The unit commenced its operation from September 2008 and its office is located at 9, Mohakhali, Dhaka 1212. The second unit of Offshore Banking has started operation from November, 2016 and its office is located at 48, Dilkusha, Dhaka.

A.5. Shareholding Structure

National Bank Limited presently has authorized capital of BDT 50,000.00 million and paid-up capital of BDT 32,197.39 million as on December 31, 2021. Majority of the share is held by General Public (47.24%) whereas 28.48% share is held by Sponsors & Directors. Moreover, Financial Institutions, Foreign Investors and Non-resident Bangladeshi hold 23.43%, 0.84% and 0.02% respectively. The diagram depicts the shareholding structure of NBL as on December 31, 2021.

Figure 4: Ownership Pattern of NBL



A.6. 3rd NBL Subordinated Bond Issuance Objectives

The objective behind issuance of the Subordinated Bond is to further strengthen the capital base as supplementary (Tier-II) capital of the bank and to comply with the capital adequacy requirements as per Basel-III, which will enable the bank to reach sustainable growth in business. The fund raised through issuing the bond will provide the bank additional capital cushion under risk based capital adequacy framework, and will help the bank to grow its loans and advance portfolio.

A.7. Structure of 3rd NBL Subordinated Bond and Terms

Exhibit 3: Basic Features of 3rd NBL Subordinated Bond

| | | | | |
|-------------------------|---------------------------|-----------|------------------|---------------|
| Name of the Instrument: | 3rd NBL Subordinated Bond | | | |
| Issue Type: | Non-convertible | Unsecured | Fully-redeemable | Floating Rate |
| | Subordinated Bonds | | | |

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Chief Executive Officer
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10 JAN 2023

| | |
|---|--|
| Issuer: | National Bank Limited |
| Purposes and Objectives: | To raise Tier-II Regulatory Capital and thereby enhance Capital to Risk-weighted Asset Ratio (CRAR) as per "Guidelines on Risk-Based Capital Adequacy" of Bangladesh Bank |
| Lead Arranger: | UCB Investment Limited |
| Joint Arranger: | Prime Bank Investment Limited |
| Trustee: | First Security Islami Capital & Investment Limited |
| Paying Agent, Registrar, Transfer Agent: | First Security Islami Capital & Investment Limited |
| Legal Counsel: | Jurisconsults & Legal Solutions |
| Credit Rating Agency: | Emerging Credit Rating Limited (ECRL) |
| Issue Size: | BDT 5,000,000,000 (Five thousand million taka) |
| No. of Bonds to be issued: | 1,000 (One thousand) |
| Face Value: | BDT 5,000,000 (Five Million Taka) per Bond |
| Minimum Subscription: | BDT 5,000,000 (Five Million Taka) |
| Tenure: | 7 Years |
| Investors: | Institutional investors and high net-worth individual investors |
| Mode of Placement: | Private Placement on a best effort basis |
| Yield to Maturity/ Rate of Return: | Coupon Rate |
| Coupon Rate: | Reference Rate + Coupon Margin |
| Reference Rate: | Latest average 6-months FDR rate of all private commercial banks (excluding foreign banks and Islamic banks) as published by Bangladesh Bank on the Quotation Day. The Reference Rate will be rounded to 2 (two) decimal places. |
| Quotation Day: | Five (05) days before the first day of any period for which Coupon is to be paid |
| Coupon Margin: | 2.25% |
| Range of Coupon Rate: | Floor: 7.00% - Ceiling: 9.00% at all times |
| Coupon Payment: | Semi-annually beginning at the end of 6 months from drawdown date. |
| Repayment Schedule: | Face Value (principal) redemptions will be in 5 (five) annual tranches commencing at the end of the 36th month from the date of drawdown in the following manner: |

| Month | Redemption |
|------------------|------------|
| 36 th | 20.0% |
| 48 th | 20.0% |
| 60 th | 20.0% |
| 72 nd | 20.0% |
| 84 th | 20.0% |

Prepayment, Call Refunding, Conversion Features: The Bond is non-convertible and not-callable in nature and has no prepayment option.

Default Protection Mechanism (details of) This Bond is Unsecured in nature. No credit enhancement is applicable.

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Chief Executive Officer
First Security Islami Capital & Investment Limited
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| | |
|--|--|
| credit enhancement) if any: | |
| Mode of option (call or put) if any: | The Bond is non-convertible and non-callable |
| Tax Features: | According to the laws of Bangladesh |
| Late Redemption: | The Issuer shall pay a late payment penalty of 2% (two percent) higher than the Coupon Rate and be payable on the amount not paid on the due date up till the date of actual payment |
| Description of Collateral Security and type of charges to be created against the issue: | Unsecured |
| Transferability/Liquidity: | Freely transferable in accordance with the provisions of the Trust Deed |
| Governing Law: | The Bonds are governed by and shall be construed in accordance with the existing laws of Bangladesh. Any dispute arising thereof shall be subject to the jurisdiction of the courts of Bangladesh. |

B. FINANCIAL RISK ANALYSIS

B.1. Capital Adequacy

Exhibit 4: Selected indicators of NBL

| FY 31 December | 2021 | 2020 | 2019 | 2018 |
|---|------------|------------|------------|------------|
| Tier-I Capital (BDT Million) | 47,857.78 | 46,748.59 | 45,681.33 | 41,982.08 |
| Total Capital (BDT Million) | 56,558.79 | 55,950.15 | 54,723.24 | 51,144.37 |
| Total Risk Weighted Assets (BDT Million) | 480,162.83 | 430,292.81 | 408,851.70 | 364,254.80 |
| Tier-I Ratio (%) | 9.97 | 10.86 | 11.17 | 11.53 |
| CRAR (%) | 11.78 | 13.00 | 13.38 | 14.04 |

FY2018-2021 Data Extracted from Audited Financial Statements

As per the regulatory requirement directed by the Bangladesh Bank under the Basel - III, every bank has to maintain a minimum capital to risk weighted assets ratio (CRAR) of 12.50% in total from which minimum required Tier-1 capital ratio of 6.00%. The Tier-I or core capital of the bank has experienced a slight growth of 2.37% due to increase of paid-up capital by BDT 1,533.21 million through an issuance of 5.00% bonus share and a slight increase of statutory reserve. Tier-II capital of the bank reduced by 5.44% in the FY2021 compare to prior financial year due to repayment of subordinated bonds of the bank. Considering all together, total eligible capital of the bank recorded at BDT 56,558.79 million in the FY2021 which was BDT 55,950.15 million in the FY2020; ultimately grew by only 1.09% in FY2021. On the other hand, risk weighted asset of the bank has seen a growth of 11.59% in FY2021 standing at BDT 480,162.83 million in FY2021, moderately faster than earlier year's growth of 5.24%.

Based on this, the minimum capital requirement along with capital conservation buffer (12.50% of RWA) stood at BDT 60,020.35 million thus the bank had to face a capital deficit of BDT 3,461.56 million in FY2021. In FY 2021, the CRAR of the bank stood 11.78% which are below from the regulatory requirement of CRAR and tier-I ratio remained 9.97%. In this period, the CRAR moderately fell from earlier year due to significant increase of RWA and principal repayment of subordinated bond of the bank thus reduced the eligible capital of the bank.

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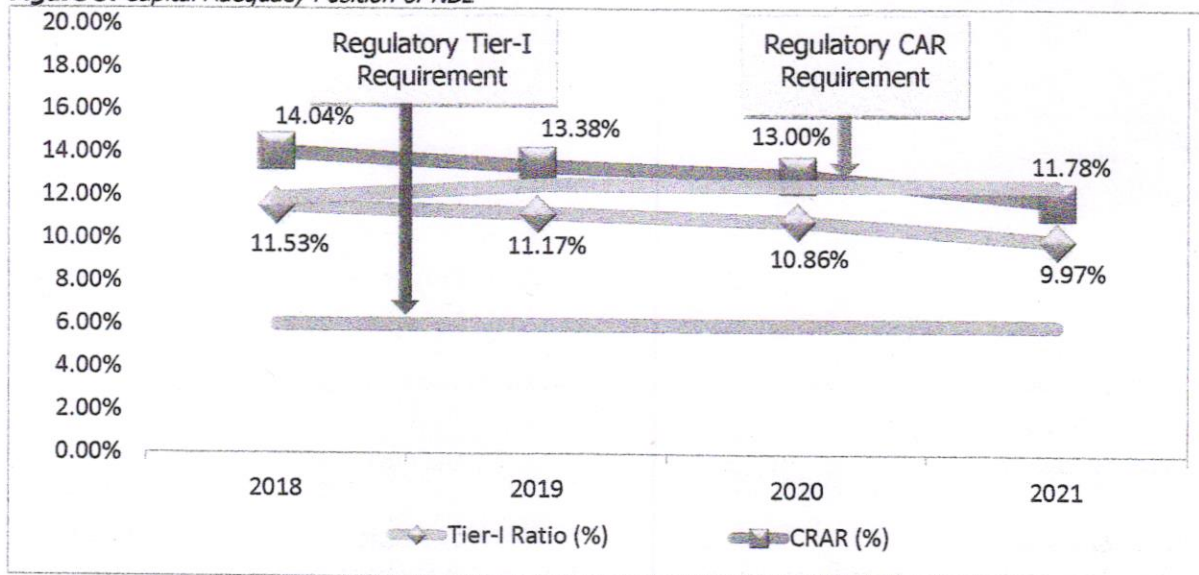
10 JAN 2023



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Figure 5: Capital Adequacy Position of NBL



B.2. Asset Composition & Trends

Exhibit 5: Selected Indicators for NBL

| FY 31 December | 2021 | 2020 | 2019 | 2018 |
|---|------------|------------|------------|------------|
| Total Asset (BDT Million) | 575,060.76 | 529,052.55 | 463,574.78 | 407,227.40 |
| Asset Growth (%) | 8.70 | 14.12 | 13.84 | 16.10 |
| Gross Loans (BDT Million) | 445,287.71 | 408,510.60 | 360,769.74 | 314,507.26 |
| Gross Loans Growth (%) | 9.00 | 13.23 | 14.71 | 26.58 |
| Investments (BDT Million) | 83,804.94 | 73,737.30 | 62,877.82 | 57,869.85 |
| Investments Growth (%) | 13.65 | 17.27 | 8.65 | (4.09) |
| NPLs (BDT Million) | 92,617.11 | 38,328.00 | 39,637.14 | 29,881.46 |
| NPLs Growth (%) | 141.64 | (3.30) | 32.65 | 12.98 |
| Gross Loans to Total Assets (%) | 77.43 | 77.22 | 77.82 | 77.23 |
| Gross NPL Ratio (%) | 20.80 | 9.38 | 10.99 | 9.50 |
| Net NPL Ratio (%) | 15.24 | 3.31 | 3.95 | 1.44 |
| Loan Loss Reserve Coverage (%) | 21.61 | 48.54 | 39.98 | 47.64 |
| NPLs to Equity & Loan Loss Reserve (%) | 128.72 | 54.21 | 61.09 | 50.61 |

FY2018-2021 Data Extracted from Audited Financial Statements

NBL's total asset base has continued its growth over the years of review as shown in the table above. Though the growth of the asset base was lower compared to the growth rate the bank saw in FY2020, asset portfolio of NBL saw an upsurge by 8.70% to BDT 575,060.76 million in FY2021. The growth was mainly a contribution of improvements in the components of the total asset such as loans and advances (9.00%), investments in shares and securities (13.65%) and cash balance (11.51%) at the end of FY2021. The concentration of loans & advances (77.43%) in composition of total asset has slightly increased from previous year (77.22%) while the bank has increased its investments (FY2021: 14.57%, FY2020:13.94%), two of the major components of total asset.

B.2.1. Asset Quality

The growth rate of gross loans and advances portfolio of NBL has fluctuated over the last four financial years and the gross loan base registered a growth of 9.00% in FY2021 reaching to BDT 445,287.71 million compared to the prior year growth of 13.23%. Notably, the loan basement may have been boosted by the non-repayment of loans which should be considered in assessing the asset quality of the bank. The loans and advances portfolio showed improved overdraft loan, general loan and house building loans as growth benefactors in FY2021.

To counter the lower interest earnings brought on by the pandemic and interest rate cap imposed from April 2020, many banks of the country focused more on their investment portfolio to diversify income sources and increase of non-interest income. Investment portfolio of NBL had continuous

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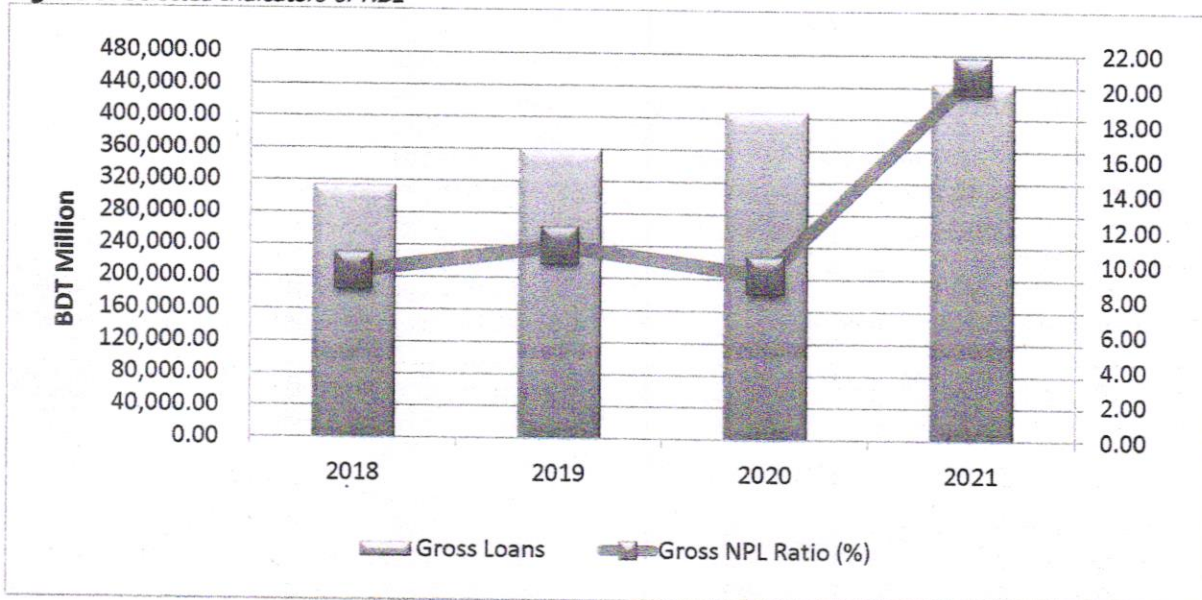
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growth in the recent years with a good 13.65% growth in FY2021. Increasing investment on government securities such as treasury bonds and investments in quoted and unquoted shares etc. has aided the investment growth in the recent year.

Non-performing loans (NPL) of the bank has significantly increased by 141.64% and reached at BDT 92,617.11 million as opposed to BDT 38,328.00 million in FY2020 indicating significant deterioration of asset quality of NBL. It has been observed that the NPL growth sharply increased in FY2021 compared to the previous year mainly due to some large borrowers' weak performances over the years. In line with this, the NPL ratio significantly increased to 20.80% in FY2021 from 9.38% in FY2020. Notably, the bank has recorded BDT 52,722.50 million fresh NPL during FY2021 which is 56.92% of total classified loans of FY2021, depicting significant amount of assets quality has deteriorated in the FY2021. Moreover, an amount of BDT 15,677.08 million of non-performing loans was in bad/loss loan status for more than two years which is a cause of concern for the bank to recover such amounts. This is also concerning that 96.29% of the NPL holds bad/loss loan status in FY2021 as compared to 92.62% in FY2020; as a result the NPL quality was further lowered. About 57.62% of the total NPLs of the bank originated from the top 5 default borrowers in the FY2021 also adding a high degree of risk.

Figure 6: Selected Indicators of NBL



The banks provision coverage ratio has notably fall in FY2021 due to the remarkable increase in NPL. Loan loss reserve of the bank declined to 21.61% of the total NPL in FY2021 whereas this was 48.54% in FY2020 indicating relatively weaker safety against potential losses arising from the NPLs in future. Provision coverage exhibited a worse scenario in last year and in the last couple of years NBL had a mentionable amount of shortfall in provision for which the bank has obtained approval from Bangladesh Bank with a condition to meet the requirement of provision against loan by FY2031. As per Bangladesh Bank letter no. DBI-5(IS)/152/2022-406 dated April 25, 2022 required provision against classified and unclassified loans and advances was BDT 79,032.20 million against which the bank maintained an amount of BDT 20,010.30 million resulting provision shortfall of BDT 59,021.90 million and the balance amount will be provided within December 31, 2031 equally as per Bangladesh Bank letter no. DOS (CAMS)1157-1(II)-C/2022-2273 dated April 28, 2022.

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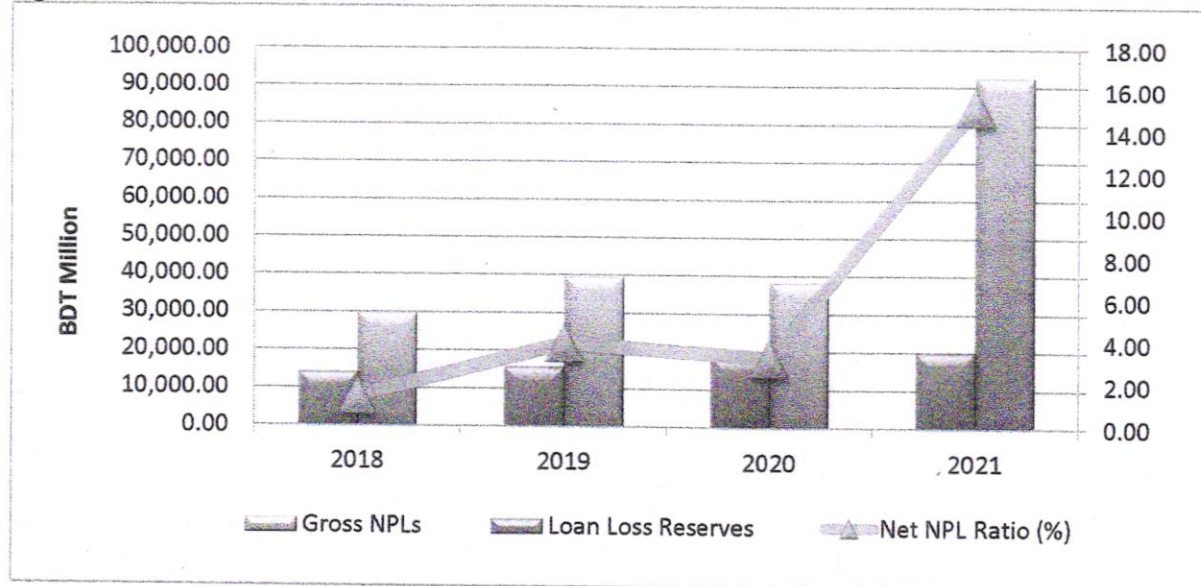


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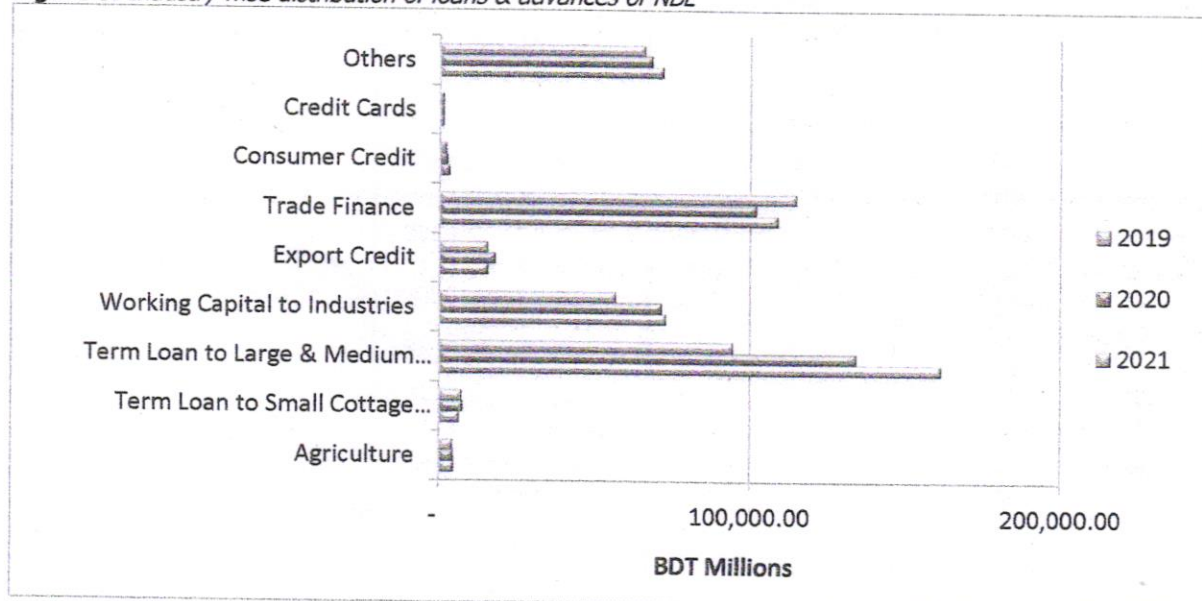
Figure 7: Selected Indicators of NBL



B.2.2. Loan Diversification and Concentration

NBL's loan portfolio is diverse with concentration in different sectors of the economy divided into agriculture loan, term loan to small cottage industries, term loan to large and medium industries, working capital to different industries, export credit, trade finance, consumer credit and many others. The industry wise concentration shows that loans and advances portfolio was led by term loan to large and medium industries (36.31%) followed by trade finance (24.45%) and working capital loan to different industries (16.30%) by the end of 2021. Geographically, 67.47% of the total loans of NBL were concentrated in the Dhaka region followed by Chittagong region which represented 25.24% of the total loan portfolio and rest of 7.29% of total loan portfolio is distributed in Khulna, Sylhet, Barisal, Rajshahi, Mymensingh and Rangpur division.

Figure 8: Industry wise distribution of loans & advances of NBL



B.2.3. Rescheduled and Written-Off Loans

Throughout the year 2021, NBL has rescheduled BDT 2,101.50 million loans and advances under 101 accounts which was BDT 9,742.30 million during 2020 against 59 accounts. The reschedule loan in terms of amount of the bank has decreased by 78.43% compared to previous year. In 2021, the rescheduled loans represented 0.47% of the total loan portfolio while it was 2.38% in the FY2020. Over the last few years the bank did not written off any of its bad loans and advances which was also

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nil in the FY2021. At the end of the FY2021, the NPLs and rescheduled loans together represented a sizeable 21.27% of the total loan book of the bank compared to 11.77% in FY2020.

B.2.4. Large Loan Exposure

NBL has very high exposure to its large loan portfolio whereas the outstanding amount of top 20 funded loans of NBL's amounted to BDT 196,309.20 million represented 44.09% of the gross loans portfolio while the top 10 and top 5 largest funded loans represented 28.10% and 17.78% of the loans portfolio respectively in FY2021. This indicates that the bank has high exposure of large loans in the loan portfolio but the concentration on large lone to gross loan has slightly decreased in the last financial year.

The largest funded single party exposure of the bank was BDT 26,517.30 million or 5.96% of total loan portfolio and 46.88% of the bank's total capital. The second and third largest funded loan represented 25.32% and 24.80% of the total capital of the bank and some of largest loan exposures of the bank exceed the regulatory ceiling range of the single party exposure limit set by the Bangladesh Bank. The high dependency on large loan exposure of the bank makes the loan portfolio vulnerable.

B.2.5. Treasury Assets

In FY2021, NBL has invested 14.57% of its total assets in government securities including treasury bills, treasury bonds, prize bond; quoted and unquoted shares, subordinated bond and fixed capital in Myanmar. At the end of FY2021, NBL's total investment portfolio stood at BDT 83,804.94 million which was BDT 73,737.30 million in the FY2020 moderately increased by 13.65%. NBL has made 84.43% of its investments in government securities, i.e. treasury bonds, prize bonds etc., 14.37% in quoted and unquoted shares, 1.19% in subordinated bonds and rest of 0.01% in fixed capital in Myanmar.

B.2.6. Off-Balance sheet exposure

Total off-balance sheet exposure of the bank amounted to BDT 66,573.86 million in FY2021 which was BDT 59,027.04 million in the FY2020. As a percentage of total assets, the off-balance sheet contingent liabilities of NBL were 11.58% of the total assets in FY2021. NBL's off-balance sheet items comprised 49.64% of irrevocable letters of credit, 22.16% of acceptances and endorsements, 15.23% of letter of guarantee, 10.91% of bills for collection and 2.06% of sport & forward foreign exchange rate contracts.

B.3. Funding and Liquidity

Exhibit 6: Selected indicators of NBL

| FY 31 December | 2021 | 2020 | 2019 | 2018 |
|--|------------|------------|------------|------------|
| Deposits (BDT in Millions) | 473,103.89 | 430,747.95 | 366,298.51 | 315,206.03 |
| Deposit Growth (%) | 9.83 | 17.59 | 16.21 | 15.56 |
| Loan to Deposit (%) | 90.46 | 92.96 | 95.27 | 97.49 |
| Net Loans to Stable Funding Base (%) | 100.32 | 100.48 | 101.16 | 102.57 |
| Net Loans to Customer Deposits (%) | 87.95 | 88.88 | 91.27 | 91.62 |
| Deposits to Total Funding (%) | 82.27 | 81.42 | 79.02 | 77.40 |
| Interbank Liabilities to Total Funding (%) | 2.19 | 1.59 | 1.80 | 2.18 |

FY2018-2021 Data Extracted from Audited Financial Statements

B.3.1. Fund Management

The majority of a bank's funding comes from its deposit base, as well as capital, financial instruments and credit facilities from other banks and financial organizations. Deposits make up 82.27% of NBL's total liabilities and equity base at the end of FY2021, with equity accounting for 9.03% followed by other liabilities (6.04%), interbank liabilities (2.19%), subordinated debt (0.46%) and startup fund (0.01%). NBL's deposit base has improved by 9.83% in FY2021 with the largest contribution made by term deposits & fixed deposit compared to a stagnant growth of 17.59% in FY2020. The deposit base of the NBL consists 49.49% of term deposits, 28.30% of fixed deposit and the rest of the deposit portion is covered by current deposit, savings deposit and bills payable in FY2021. Notably, the

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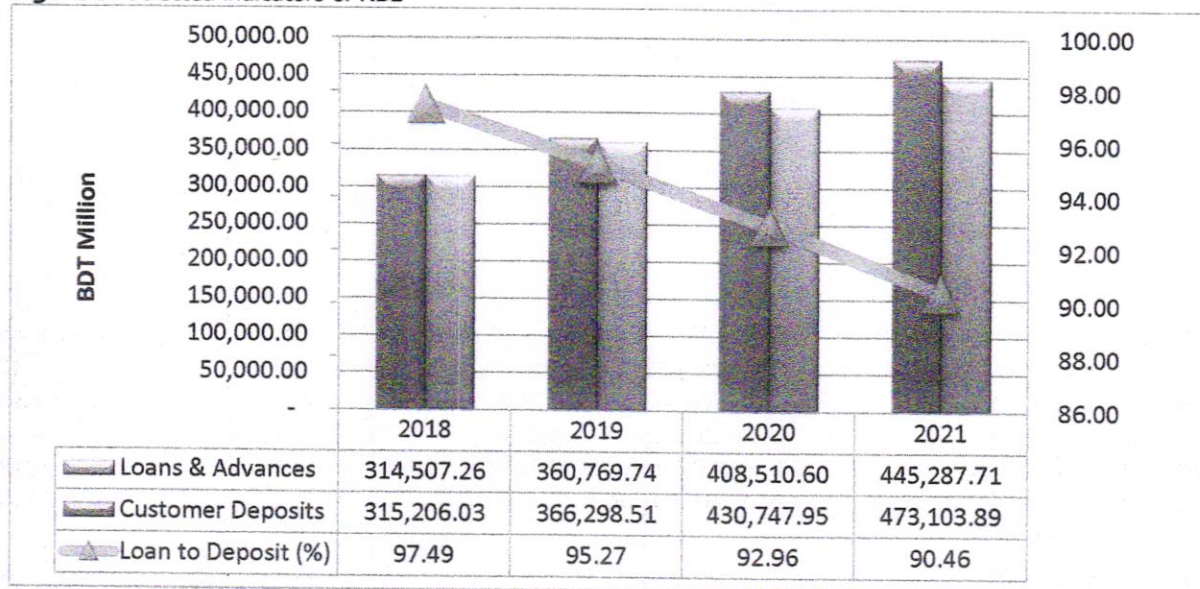
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interbank liabilities of the bank increased 49.51% from the preceding year exhibiting a slightly risky liquidity profile of the bank.

As the bank's deposit base grew at a slightly faster rate compared to the growth rate of loan hence, loan to deposit ratio decreased to 90.46% in FY2021 from 92.96% in FY2020, which is still higher than the ceiling for loan to deposit ratio not more than 87% for General Banks as per the Bangladesh Bank's directive. The net loans (subtracting provision and interest suspense account from gross loans) were 100.32% of the stable funding base in 2021 which slightly decreased from previous year.

Figure 9: Selected indicators of NBL



B.3.2. Liquidity Management

As per Bangladesh Bank's regulatory requirement Statutory Liquidity Reserve (SLR) of 13.00% and Cash Reserve Ratio (CRR) of 3.50% on daily basis and 4.00% by weekly basis are to be maintained by conventional banks operating in Bangladesh. NBL has been maintaining CRR and SLR in line with Bangladesh Bank requirement. The bank has maintained CRR and SLR in a satisfactory manner as per requirement in FY2021 and as on December 31, 2021, NBL has maintained surplus CRR of BDT 881.37 million and surplus SLR of BDT 20,697.40 million.

On the other hand, the asset and liability maturity profile of NBL shows that the bank has net liquidity gap in 1-3 months, 3-12 months and 1-5 years bracket and shown surplus net liquidity in all other brackets. Eventually, the total net liquidity comprising all maturity periods in FY2021 has resulted in net cumulative surplus.

B.4. Earning Trends and Profitability

Exhibit 7: Selected Indicators of NBL

| FY 31 December | 2021 | 2020 | 2019 | 2018 |
|------------------------------------|----------|----------|-----------|----------|
| Net Interest Income (BDT Million) | 1,394.25 | 8,221.19 | 10,455.88 | 8,504.22 |
| Net Interest Income Growth (%) | (83.04) | (21.37) | 22.95 | 32.07 |
| Non-Interest Income (BDT Million) | 7,801.10 | 7,969.47 | 5,200.51 | 7,213.33 |
| Non-Interest Income Growth (%) | (2.11) | 53.24 | (27.90) | (24.91) |
| Pre-Provision Profit (BDT Million) | 2,093.49 | 9,205.70 | 8,784.40 | 9,219.18 |
| Pre-Tax Profit (BDT Million) | 595.99 | 6,365.90 | 7,274.40 | 7,179.18 |
| Post-Tax Profit (BDT Million) | 195.28 | 3,485.54 | 4,164.35 | 4,100.31 |
| Post-Tax Profit Growth (%) | (94.40) | (16.30) | 1.56 | (12.69) |
| Post - Tax ROAE (%) | 0.38 | 6.90 | 8.87 | 9.63 |
| Interest Spread (%) | 0.85 | 2.61 | 3.37 | 3.47 |
| Net Interest Margin (%) | 0.28 | 1.84 | 2.67 | 2.52 |
| Cost to Income Ratio (%) | 77.23 | 43.14 | 43.89 | 41.34 |

FY2018-2021 Data Extracted from Audited Financial Statements

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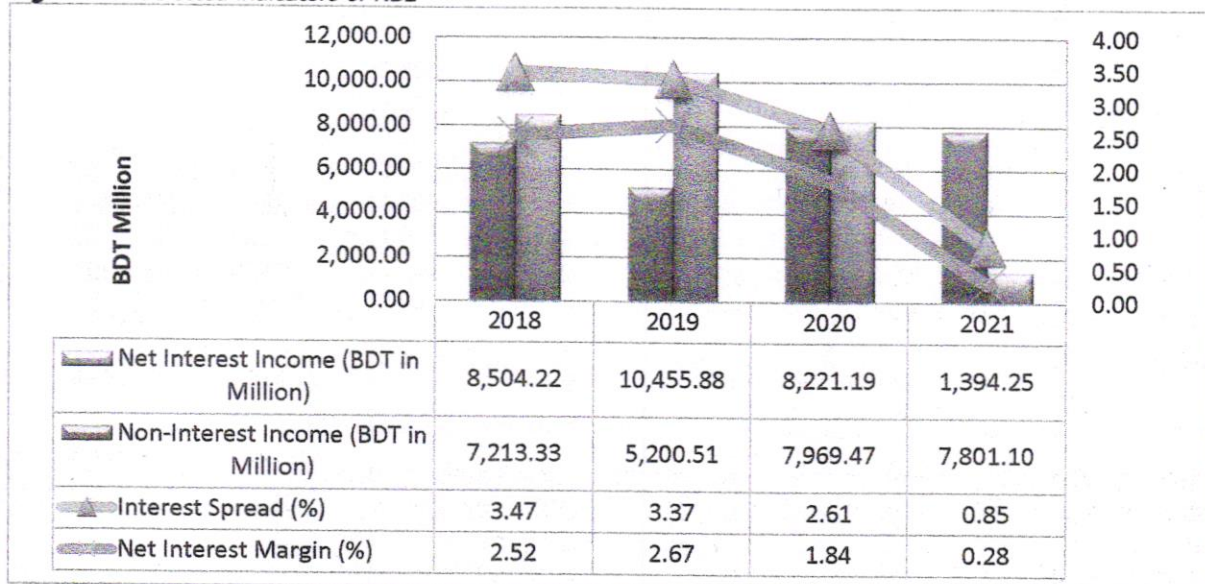
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In FY2021, implementation of interest rate cap imposed by Bangladesh Bank as well as slow growth of credit due to the ongoing covid-19 pandemic and weaker performance of few top borrowers the interest income of NBL fell by 10.17%. On the other hand, the bank's interest expense has increased further than its interest income due to higher interest expenses against deposits mainly which ultimately led to a significant decrease of 83.04% in net interest income in FY2021.

On the other hand, the non-interest income of the bank dropped by 2.11% due to mainly a 5.75% fall in income from investment which mainly led to an overall drop in non-interest income by 2.11% in FY2021 than a year ago despite an improved investment portfolio of the bank in 2021. In line with this, other operating income also fell by 7.22% while income from commission, exchange and brokerage saw a rise by 16.05% during the period. Cumulatively, the total operating income of the bank has reduced notably by 43.21% in FY2021 after a slight improve in FY2020. In 2021, total operating income of the bank consist 15.16% net interest income and 84.84% non-interest income whereas it was 50.78% and 49.22% respectively in FY2020.

Figure 10: Selected indicators of NBL



NBL's operating expenses increased by 1.67% in 2021 to stand at BDT 7,101.86 million due to making charges on loss loans. As per the financials, operating income of the bank has reduced whereas operating cost has increased resulting in a higher cost to income ratio standing at 77.23% in FY2021 from 43.14% in FY2020 indicating a deterioration in cost income ratio of the bank. As a result, the bank saw a 77.26% fall of profit before provision stood at BDT 2,093.49 million in FY2021. On the other hand, in FY2021 the bank's provision expense decreased by 47.27% in FY2021 than a year ago; as the bank has provision deferral facility up to FY2031 obtained from BB. But significant decrease of operating income has ultimately lowered the pre-tax profit of the bank compared to previous year stood at BDT 595.99 million which was BDT 6,365.90 million in the prior financial year. Moreover, considering the reduced tax expenses NBL has recorded post-tax profit of BDT 195.28 million only in FY2021 tremendously decreased from BDT 3,485.54 million in FY2020 presenting significant deterioration of the profitability of the bank in FY2021 and saw the lowest amount of profit after tax over the last few years.

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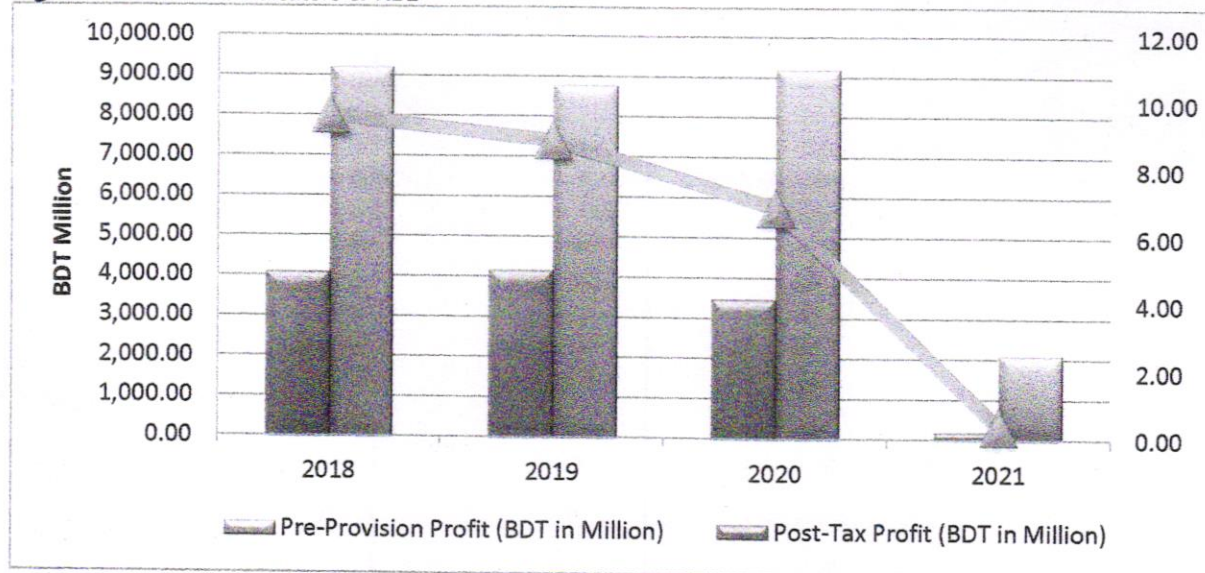
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Figure 11: Selected indicators of NBL



C. MARKET RISK ANALYSIS

Markets risks of a Subordinated Bond may arise due to uncertainty related to interest rate risk and pricing risk of the bond. Moreover bond by nature are exposed to many sources of risk. The term structure of the interest rate can shift and twist in different ways. Issuers may default due to sector wide problems or individual credit difficulties. However the bond market is still a new concept to the Bangladesh economy as well as the conventional bond market is underdeveloped.

The debt instrument that National Bank Limited is willing to issue to the market is sensitive towards both market and company specific risks. All investments which offer a Balance between risk and potential return are graded to be the higher rated investment. The Balance between risk and return varies by the type of investment (in this case Subordinated Bond), the entity that issues it, the state of the economy and the cycle of the securities markets (this risk is eliminated as it will not be publically traded in secondary market).

The entity in discussion will issue non-convertible Subordinated bond for the purpose of strengthening its Tire II capital base. UCB Investment Limited is acting as the lead arranger and Prime Bank Investment Limited is acting as the joint arranger whereas First Security Islami Capital & Investment Limited is acting as the trustee.

Interest rate risk affects the value of bonds that arises when an investment's value will change due to a change in the absolute level of interest rates. Coupon rate of the bond is determined by the benchmark rate and then a margin of 2.25% p.a. added to the benchmark rate. The coupon rate will be determined based on latest average 6-month FDR rate of all private commercial banks excluding banks licensed after 2010 as published by Bangladesh Bank on the quotation day on the quotation day plus 2.50% margin. The published deposit rate will be taken from Bangladesh Bank sources. This will be fixed semi-annually.

D. COMPANY SPECIFIC RISK ANALYSIS

Risk is an integral part of financing business and thus every financial institution is exposed to risk of different type and magnitude. So, the prime responsibility of every financial institution is to manage its risk such that its return from business can be maximized. Banks are exposed to six core risks through their operation, which are Credit Risk, Asset/Liability Risk, Foreign Exchange Risk, Internal Control & Compliance Risk, Money Laundering Risk, and Information & Communication Technology Security Risk. As a prudent and responsible financial institution, the bank attaches top priority to ensuring safety and security of the finances that are being extended.

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D.1. Impact of COVID-19

Banking sector of the country passed through a hard time due to long standing Covid-19 pandemic. Due to weaker credit appetite in the market, loan growth has slowed down over the last two years. As a result, surplus liquidity existed during the year 2021. Moreover, relaxation in the loan classification and provisioning rules helped the banking sector to keep the NPL ratio and debt charges at a moderate level. Therefore, the banks managed to post better-than-anticipated operating performance in the FY2021. It remains to be seen how the banks sustain and protect the overall financial health after the regulation is restored at pre-pandemic level. Covid-19 has huge negative impact on overall growth of the economy and escalated the new challenges for the banking industry of the country, in line with this NBL has also passed a hard time throughout the year which has reflected in the financial position of the bank.

D.2. Credit Risk

Credit risk entails the risk of loss that may occur from any borrower's failure to abide by the terms and conditions of any financial contract, principally the failure to make required payments to the Bank against a loan received by the borrower. The real risk from credit is the deviation of portfolio performance from its expected value. The credit risk of a bank is also effect the book value of a bank. The more credit of a particular is in risk, the more probability of a bank to be insolvent. The credit risk for the bank is relatively high due to weakness in internal control over new loan disbursement. Bangladesh Bank has already raised few concerns regarding the loan disbursement and imposed some restriction over the day to day activities of the bank. The high level NPL also represents the credit risk position of the bank.

D.3. Asset Liability Management Risk

Asset Liability Risk Management (ALM) can be defined as a mechanism to address the risk faced by a bank due to a mismatch between assets and liabilities either as a result of liquidity or changes in interest rates. Liquidity is an institution's ability to meet its liabilities either by borrowing or converting assets. Apart from liquidity, a bank may also have a mismatch due to changes in interest rates as banks typically tend to borrow short term and lend long term. NBL has developed an "Assets Liability Management Committee" comprising of the senior management of the bank to make important decisions related to the Balance Sheet of the bank. NBL has also developed a guideline of ALM.

Loans to deposit ratio (ADR) indicates a banks liquidity position and the ADR of the bank is above the regulatory limit for last few years which shows weaknesses in ALM. BB gave observation on this matter and restricted disbursing new loans unless the ADR gets within the regulatory limit. NBL's loans deposit ratio stood at 90.46% as on December 31, 2021 against the regulatory ceiling of 87.00%.

However, NBL has maintained surplus CRR of BDT 881.37 million and surplus SLR of BDT 20,697.40 million at the end of December 31, 2021 accordingly which complies with the Bangladesh Bank requirement of CRR and SLR to be 4.00% and 13.00% respectively.

D.4. Operational Risk

Bangladesh Bank defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This operational risk also includes legal risks but not strategic and reputational risks. Operational risk is NBL's exposure to potential losses that may be caused from inadequate internal process or systems, inadequate employee performance, external events and may also cause from the breach of compliance, contracts or internal regulation.

D.4.1. Anti-Money Laundering Policy

Money laundering risk refers to acquired or earned properties directly or indirectly through illegal means. In boarder sense, illegal transfer, conversion, concealment of location or assistance in the above act of the properties acquired or earned directly or indirectly through legal or illegal means. So Anti Money Laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering activities. NBL has a comprehensive "Anti Money Laundering & Combating Financing of Terrorism Policy guideline" in accordance with the BFIU

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Bangladesh Bank directives. At head office the Central Compliance Unit headed by the CAMLCO (Chief Anti Money Laundering Officer). The Branch Anti Money Laundering Compliance Officer (BAMLCO) is accountable for AML compliance at the respective branch.

D.4.2. Internal Control and Compliance (ICC)

Operational loss may arise from error and fraud due to lack of internal control and compliance. Management, through Internal Control and Compliance Division controls operational procedure of the Bank. Internal Control and Compliance Division undertakes periodical and special audit of the branches and departments at Head Office for review of the operation and compliance of statutory requirement. The Audit Committee of the Board subsequently reviews the reports of the Internal Control and Compliance Division. NBL has a diversified and complex financial activity within the country. Since its activity involves high risk, the issue of effective internal control system, corporate governance, transparency, accountability has become significant issues to ensure smooth performance in banking industry of Bangladesh.

D.4.3. Information & Communication Technology (ICT) Security System

At present context, ICT becomes an integral for banking institution in order to provide banking facilities to both urban and rural populations. ICT is becoming the largest distribution platform of providing banking service to millions of people in urban and rural as well as remote areas also. Risks surrounding IT, such as network failure, lack of skills, hacking and viruses and poor system integration have the potential to have a negative impact on a Bank. Risk in information and communication technology is a threat to business operation. Transformation of business processes in response to technology driven customer's needs and services brings changes in information technology platform of NBL. NBL has taken steps to automate its business process, data management, accounts to reflect real time on line banking via Straight through Processing (STP), a world class banking solution is in the process. Despite such measures BB officials raised a number of concerns regarding the bank's ICT policy which is required to improve by the bank.

E. MANAGEMENT AND OTHER QUALITATIVE FACTORS

E.1. Corporate Governance

The Board of Directors (BoD) of the bank has been revised and currently consists of 12 eminent members, and is headed by Mrs. Monowara Sikder, the Chairman of BoD. At present the Managing Director & CEO of the bank is Mr. Md. Mehmood Husain. The members of the BoD can broadly be described as businessmen who hold directorship/ownership interest in a variety of sectors including bank, NBFI, insurance, brokerage, metal, cement, transport, power, medical service, real estate, pharmaceuticals, garments & textile etc. During the year 2021, board of directors of the bank conducted total fourteen (14) meetings.

The BoD of NBL has three sub-committees. Details of these committees are presented below.

E.1.1. Executive Committee

The Executive Committee of the board of NBL currently constitutes of 8 board members and is headed by Ms. Parveen Haque Sikder, MP. The committee is involved with approval of all business proposals and generally makes important decisions. During the year 2021, executive committee of the bank conducted total seven (07) meetings.

E.1.2. Audit Committee

The Audit Committee of NBL is comprised of 2 members of the BoD and is led by Mr. Md. Naimuzzaman Bhuiyan Mukta, who is an independent director of the bank. The committee reviews the financial statement of the bank at least on quarterly basis, discusses accounting principles and changes thereto. The committee consults and advises the Board on the scope of internal audits. Audit Committee also meets with the external auditors to discuss audit plans and risk management processes of the bank. A total four (04) meeting were held of the audit committee of the bank during the year 2021.

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E.1.3. Risk Management Committee

The Risk Management Committee of NBL has been formed to carry out the analysis of risk management processes of the bank and monitoring of overall risk management policies. This committee consists of 2 members of the BoD and is chaired by Ms. Parveen Haque Sikder, MP. Risk Management Committee oversees whether proper risk mitigation processes/methods are being applied and required capital and provisions are being maintained by management after they have duly identified and measured credit risks, foreign exchange risks, internal control & compliance risks, money laundering risks, ICT risks, operating risks, interest risks, liquidity risks and other risks. Risk management committee of the bank conducted total four (04) meeting during the year 2021.

E.2. Senior Management

The strategic management activities and overall business operations of NBL are supervised and directed by the Managing Director, Mr. Md. Mehmood Husain, who is an eminent banking personality having extensive and immense experience in banking and other fields of management.

Apart from functional departments, several Management committees have been formed to handle the banking operation and identify and manage the risk associated with the business. The key committees are Management Committee (MANCOM) and Asset Liability Committee (ALCO) for ensuring compliance with Bangladesh Bank's guidelines.

Management Committee (MANCOM): MANCOM of NBL comprises of senior executives of the management headed by the Managing Director of the bank. MANCOM meets on regular basis to discuss relevant agenda and scrutinizes all the cases thoroughly before referring to Executive Committee/Board for due approval decision.

Asset Liability Committee (ALCO): The bank has set up Asset Liability Committee which is headed by the Managing Director. The committee consists of eleven (11) members as per information provided by the bank. The committee's prime roles and responsibilities include receiving and reviewing reports on liquidity risks, market risks and capital management, identifying balance sheet management issues, reviewing deposit-pricing and lending rate strategies, reviewing contingency plans and fund transfer pricing policies. As per management correspondence, the committee calls for a meeting once every month to set and review strategies on Asset-Liability Management. During the year of 2021, total twelve (12) ALCO meeting were held.

E.3. Human Resource Management

NBL is an equal opportunity employer which emphasizes on recruiting the best professionals while developing and retaining new talents through implementation of various programs. The bank is continuing its efforts towards the development of its employees by providing required trainings, workshops, seminars, etc. both at home and abroad. The bank ensures a congenial and respectful working environment which allows its employees to work with maximum effectiveness and efficiency. To attract and retain qualified and efficient employees, the bank has formulated a number of policies for the welfare of its employees in the form of contributory provident fund, gratuity fund, employees' social security and benevolent fund, employee house building investment scheme, employees' car financing scheme and house furniture benefits etc.

NBL had total 4,764 employees at the end of year 2021 and the bank provides due importance for the well-being of its employees by offering attractive remuneration and other fringe benefits. During the year 2021, the bank has recruited total 91 employees whereas the bank provided promotion to total 1,085 employees. During the year 2021 total 68 employees were resigned from their position and 21 employees were retired from the bank.

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CORPORATE INFORMATION

Board of Directors

Mrs. Monowara Sikder
Ms. Parveen Haque Sikder, MP
Mr. Alhaj Khalilur Rahman
Mr. Moazzam Hossain
Mr. Rick Haque Sikder
Mr. Ron Haque Sikder
Mr. Zakaria Taher
Mr. Mabroor Hossain
Mr. Md. Naimuzzaman Bhuiyan Mukta
Mr. Murshid Kuli Khan
Sikder Insurance Company Ltd.
[Represented by Lieutenant General Md. Shafiqur
Rahman, OSP (BAR), SPP, AFWC, PSC (Retd.)]
Mr. Md. Mehmood Husain

Chairman
Director
Director
Director
Director
Director
Director
Independent Director
Independent Director

Corporate Director

Managing Director & CEO

Senior Management Team

Mr. Md. Mehmood Husain
Mr. Syed Rois Uddin
Mr. Hossain Akhtar Chowdhury
Mr. Kazi Kamal Uddin Ahmed
Mr. Sheikh Akhter Uddin Ahmed
Mr. Arun Kumar Halder
Mr. Md. Abdur Rahim
Mr. Md. Munshi Abu Zakaria
Mr. Krishna Kamal Ghose
Mr. Ashish Kumar Lasker
Mr. A K M Salah Uddin Khan
Mr. Mohammad Abu Rashed Nowab

Managing Director & CEO
Deputy Managing Director
Deputy Managing Director
Senior Executive Vice President
Senior Executive Vice President
Senior Executive Vice President
Executive Vice President
Executive Vice President
Executive Vice President
Executive Vice President
Senior Vice President
Vice President

Shareholders

| | |
|--------------------------|--------|
| Sponsors & Directors | 28.48% |
| Financial Institutions | 23.43% |
| General Public | 47.24% |
| Foreign Investors | 0.84% |
| Non-Resident Bangladeshi | 0.02% |

Auditors

Khan Wahab Shafique Rahman & Co.
Chartered Accountants
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Rating Ltd

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BOND RATING SYMBOL

LONG-TERM RATINGS

ECRL's Long-Term Ratings are assigned to debt with maturities of more than one year. These debt ratings specifically assess the likelihood of timely repayment of principal and payment of interest over the term to maturity of such debts.

| RATING | |
|--------|--|
| AAA | Indicates that the ability to repay principal and pay interest on a timely basis is extremely high. |
| AA | Indicates a very strong ability to repay principal and pay interest on a timely basis, with limited increment risk compared to issues rated in the highest category. |
| A | Indicates the ability to repay principal and pay interest is strong. These issues could be more vulnerable to adverse developments, both internal and external, than obligations with higher ratings. |
| BBB | This grade indicates an adequate capacity to repay principal and pay interest. More vulnerable to adverse developments, both internal and external, than obligations with higher ratings. |
| BB | This rating suggests that likelihood of default is considerably less than for lower-rated issues. However, there are significant uncertainties that could affect the ability to adequately service debt obligations. |
| B | Indicates a higher degree of uncertainty, and therefore, greater likelihood of default. Adverse developments could negatively affect repayment of principal and payment of interest on a timely basis. |
| C | High likelihood of default, with little capacity to address further adverse changes in financial circumstances. |
| D | Payment in default. |

Notes: Long-Term Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories. Bank-guaranteed issues will carry a suffix (bg), corporate-guaranteed issues, a (cg), issues guaranteed by a financial guarantee insurer (FGI), an (fg), bond issues will carry a suffix (B) and all other supports, an (s) when such guarantees or supports give favourable effect to the assigned rating.

Rating Outlook

ECRL's Rating Outlook assesses the potential direction of the Bond Issuers over the intermediate term (typically over a one to two-year period). The Rating Outlook may either be :

| | |
|------------|---|
| POSITIVE | which indicates that a rating may be raised; |
| NEGATIVE | which indicates that a rating may be lowered; |
| STABLE | which indicates that a rating is likely to remain unchanged; or |
| DEVELOPING | Which indicates that a rating may be raised, lowered or remain unchanged. |

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Annexure – 2

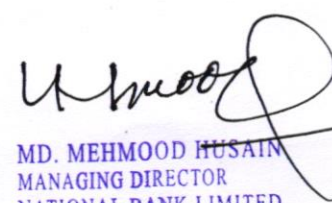
(Auditor's Report along with Audited Financial Statements)


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Khan Wahab Shafique Rahman & Co.

CHARTERED ACCOUNTANTS

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Independent Auditors' Report To the Shareholders of National Bank Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of National Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of National Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 30 June 2022 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 balance sheet of the Group and the separate balance sheet of the Bank as at 30 June 2022 as per disclosure in note 10.1 & 15 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 notes 2 and comply with the Bank Company Act, 1991 (as amended up to date), the Companies Act 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable Laws and Regulations.

Basis for Opinion

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

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

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NATURAL OFFICE: DHAKA
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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated and separate financial statements for the period ended 30 June 2022. These matters were addressed in the context of the audit of the consolidated and separate financial statements, and in forming the Auditors' 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 Auditors' responsibilities for the audit of the consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements.

| Description of key audit matters | Our response to key audit matters |
|---|---|
| Measurement of provision for Loans and Advances | |
| <p>The process for estimating the provision for loans & advances portfolio associated with credit risk is judgmental and complex. While estimating such provision certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> • Future business performance of the borrower; • Key assumptions relating to further business performance of the borrower; • Market value of the collateral; • Ability to repossess collateral; and • Recovery rates. <p>Furthermore, these provisions are processed manually using the voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank (the central bank of Bangladesh) issued from time to time.</p> <p>Due to high level of judgement involved and using some manual process in estimating the provision for loans and advances, we considered this to be a key audit matter.</p> | <p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; and • Review of quarterly Classification of Loans (CL). • Follow Bangladesh Bank's circular and guidelines; <p>Our substantive procedures in relation to the provision for loan and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed general and specific provisions kept by the bank; • Assessed the methodologies on which the provision amounts based, checked the calculations of the provisions and tested the completeness and accuracy of the underlying information • Assessed the appropriateness and |

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| Description of key audit matters | Our response to key audit matters |
|--|---|
| <p>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> <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p> <p>At the period end the Bank reported total gross loans and advances of BDT 406,670.03 Million (2021: BDT 445,287.71 Million) and total provision for Loans and Advances BDT 20,618.10 Million including provision for good borrowers (2021: BDT 20,614.96 Million). We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012, BRPD circular no. 03 dated 21 April 2019, BRPD circular no. 17 dated 28 September 2020 and BRPD circular no. 56 dated 10 December 2020. <p>Bangladesh Bank has taken into consideration the further negative impact on business and economy due to the subsequent waves of Covid-19 and issued BRPD Circulars no. 3 dated 31 January, 2021, no. 5 dated 24 March, 2021 and no. 51 dated 29 December 2021 and BRPD Circular letter No. 53 dated 30 December 2021 and BRPD Circular No. 14 dated 22 June 2022 respectively through which the Banks are allowed to continue moratorium on further downgrading of the classification of Investments subject to certain conditions. One of such conditions is to receive by 31 December 2021, at least 15% of the total instalment amounts due on 2021 from the</p> | <p>presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p> <ul style="list-style-type: none"> Finally, compared the amount of provision requirement as determined by Bangladesh Bank to the actual amount of provision maintained. |

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| Description of key audit matters | Our response to key audit matters |
|---|---|
| concerned Client as per the Banker and Client relationship and by 30 June 2022, at least 50% of the total instalment due for the quarter April-June 2022. | |
| See note no 8 and 15.2 to the financial statements | |
| Waiver of interest | |
| <p>This period an amount of BDT 23,463.73 million has been recognised as other asset under the head unamortized interest waiver as per letters of Bangladesh Bank under certain conditions.</p> <p>The significance of the volume of the transactions has material effect on the financial statements of the bank and accordingly, this has been considered as key audit matter.</p> | <p>Our procedure includes in relation to the waiver of interest are as follows:</p> <ul style="list-style-type: none"> • Checked whether any principal amount has been waived, • Checked whether the other provisory requirements stated by Bangladesh Bank in this regard has been followed accordingly, • Assessed the recognition methodologies and calculations against relevant accounting standards and Bangladesh Bank guideline, • Finally, checked the related approval letters of Bangladesh Bank and board memo in this regard. • |
| See note no 10.1 to the financial statements | |
| Recognition of interest income from loans and advances and cost of deposits and borrowings and decreased profitability | |
| <p>Recognition of interest income has significant and wide influence on financial statements. Recognition and measurement of interest income has involvement of complex IT environment. We identify recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of interest by management to meet specific targets or expectations.</p> <p>Moreover, as per Bangladesh Bank BRPD circular no 53 dated 30 December 2021 and circular no 14 dated 22 June 2022, considering future risk banks were allowed</p> | <p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans and advances. We performed test of operating effectiveness on automated control in place to measure and recognise interest income. We have also performed substantive procedure to check whether interest income is recognised completely and accurately. We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p> <p>Finally, we also conducted substantive analytical procedures to assess reasonableness of interest recognized during</p> |

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| Description of key audit matters | Our response to key audit matters |
|---|---|
| <p>to recognize outstanding/ arrear investment income on investment where deferral facilities were given upon receiving at least 15% of the total receivable amount of 31 December 2021 and 50% of the total instalment due for the quarter April-June 2022.</p> <p>The bank has reported interest income of BDT 12,086.57 million, which is 20.68%, lower than the previous period (2021: BDT 15,236.83 million). Meanwhile, the cost of deposits and borrowings as reported by the bank is BDT 14,112.04 million (2021: BDT 14,573.18 million). As a result, along with the outcome of continuous downgrade of recoverability of the loans because of the effect of covid-19 pandemic, the bank has incurred net loss of BDT 1903.25 million during the period and the EPS has been downgraded to (0.59) from 0.23 as compared to previous period. Moreover, negative net operating cash flow for the period was tk. (15,436.54) million.</p> <p>Accordingly, this has been considered as key audit matter.</p> | <p>the period with reference to the product wise outstanding loan balances.</p> <p>We performed several analytical and substantive procedures to check whether the calculations relating to the interest income, cost of deposits and borrowings and the EPS are accurate or not.</p> |

See note no 22, 23 and 39 to the financial statements

Loans and advances

| | |
|---|--|
| <p>Loans and advances are the main element of financial statements of the Bank. Income of the Bank is mainly dependent on the portfolio of loans and advances. Management performance is highly dependent on the target achievement of loans and advances. Loan disbursement requires robust documentation followed by approval from appropriate level of authority. We have identified loans and advances as key audit matter because there is an inherent risk of fraud in disbursement of loans and advances by management to meet specific targets or expectations.</p> <p>In addition, the bank reported non-performing loan of BDT 93,942.90 Million,</p> | <p>We tested the design and operating effectiveness of key controls focusing on credit appraisal, loan disbursement procedures and monitoring process as well as the percentage of non-performing loan of loans and advances. We have performed procedure to check whether the Bank has ensured appropriate documentation as per Bangladesh Bank regulations and the Bank's policy before disbursement of loans and advances. In addition, we have performed procedure to check whether the loans and advances is recorded completely and accurately and that are existed at the reporting date. Furthermore, we have assessed the appropriateness of disclosure</p> |
|---|--|

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| Description of key audit matters | Our response to key audit matters |
|--|---|
| 1.43% higher than the previous period (2021: BDT 92,617.11 Million), which is 23.10% of the total loans and advances. | against Bangladesh Bank guidelines. |
| See note no 8 to the financial statements | |
| Valuation of treasury bill and treasury bond | |
| <p>The classification and measurement of treasury bill and treasury bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of treasury bill and treasury bond is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p> | <p>We assessed the processes and controls put in place by the Group to identify and confirm the existence of financial instruments.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the financial instrument valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p> |
| See note no 7.1.1 to the financial statements | |
| Measurement of deferred tax assets (DTA) | |
| <p>At the period end of 30 June 2022 the Bank reported total deferred tax assets of BDT 112.82 million (31 December 2021: BDT 112.82 million) and deferred tax income of BDT nil (30 June 2021: BDT nil).</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 periods.</p> <p>Accordingly, this area has been considered as key audit matter.</p> | <p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of DTAs and the assumptions used.</p> <p>We also assessed the completeness and accuracy of the data used. We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's. Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p> |
| See note no 2.7.5 and 10.1.3 to the financial statements | |

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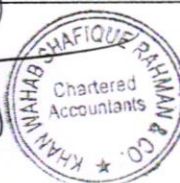
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| Description of key audit matters | Our response to key audit matters |
|---|--|
| IT Systems and controls | |
| Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. | We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. |
| 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. | We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. |
| | We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. |
| | We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit |

Other Information

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

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

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

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 financial statements of the Bank in accordance with IFRSs as explained in note 2 and comply with the Banking Companies Act, 1991 (as amended up to date), the Companies Act, 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable Laws and Regulations, and for such internal control as management determines is necessary to enable

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the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bangladesh Bank guidelines require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

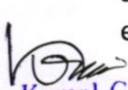
Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

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

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

As part of an audit in accordance with ISAs, we exercise professional judgement 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


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10 JAN 2023

the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.

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

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

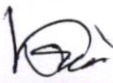
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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


Report on other Legal and Regulatory Requirements

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

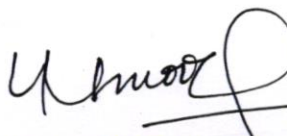
- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;


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(ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on antifraud internal controls and instances of fraud and forgeries as stated under the Responsibility of Management and those charged with governance for the consolidated & Separate financial statements and internal control for the financial statements and internal control:

- a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
- b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities (other than matters disclosed in these financial statements);

(iii) Consolidated financial statements of the Bank's subsidiaries namely, NBL Securities Limited, NBL Capital and Equity Management Limited, NBL Money Transfer Pte Limited (Singapore), NBL Money Transfer Sdn Bhd (Malaysia), NBL Money Transfer (Maldives Private Limited), NBL Money Transfer Payment Foundation SA (Greece) and NBL Money Transfer Inc. (USA) was unaudited and has been consolidated in the consolidated financial statements of the group.

(iv) in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;

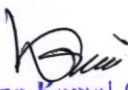
(v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;


(vii) the expenditures incurred were for the purpose of the Bank's business for the 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 subject to note no 2.6.3, 2.7.3, 10.1 and 15 of notes to the financial statements;

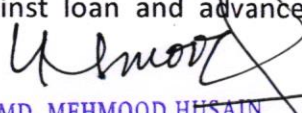
(ix) provisions have been made for loan and advance and others based on the financial statements for the year ended on 31 December 2021 which are in our opinion, doubtful of recovery as per tripartite meeting held on 20.04.2022 and Bangladesh Bank approval given vide letter no DBI-5(IS)/152/2022-406, dated 25.04.2022 and letter no DOS(CAMS)1157-1(II)-C/2022-2273, dated 28.04.2022. Moreover, as on 30.06.2022, required provision against loan and advance and other appears to be


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EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.

10 JAN 2023


Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka

10 JAN 2023


MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

10 JAN 2023




K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

provisionally Tk. 9,307.39 crore, whereas the bank maintained provision of Tk. 2,075.75 crore only as of the reporting period of the audit representing a shortfall of Tk. 7,231.64.

- (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 3,300 person hours; and
- (xii) The Bank is required to maintain minimum Capital to Risk-weighted Asset Ratio (CRAR) 10% and 12.5% with conservation buffer, where the bank has maintained CRAR 9.38%.

Place: Dhaka

Dated: 28 DEC 2022

Khan Wahab Shafique Rahman & Co.
Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: Faruk Ahmed FCA

Partner

Enrolment No.: 1591

Firm's Registration No.: 11970 E.P.



Krishna Kamal Ghose
Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.
10 JAN 2023

Md. Kaiser Rashid
Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.
10 JAN 2023

MD. MEHMOOD HUSAIN
MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA
10 JAN 2023

K M Rasidul Hasan
K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited
10 JAN 2023

National Bank Limited and Its Subsidiaries
Consolidated Balance Sheet
As at June 30, 2022

| Particulars | Notes | Amount in BDT | |
|---|-------|------------------------|------------------------|
| | | 30.06.2022 | 31.12.2021 |
| PROPERTY AND ASSETS | | | |
| Cash | | 18,627,831,403 | 24,781,372,906 |
| In hand (including foreign currencies) | 3 | 4,181,767,853 | 5,200,243,627 |
| Balance with Bangladesh Bank and its agent bank (including foreign currencies) | 4 | 14,446,063,550 | 19,581,129,279 |
| Balance with other banks and financial institutions | 5 | 1,646,268,447 | 3,898,448,454 |
| In Bangladesh | | 759,199,779 | 2,721,199,312 |
| Outside Bangladesh | | 887,068,668 | 1,177,249,142 |
| Money at call and on short notice | 6 | 91,300,000 | 91,300,000 |
| Investments | 7 | 74,674,087,557 | 81,118,617,888 |
| Government | | 64,011,599,745 | 70,761,420,030 |
| Others | | 10,662,487,812 | 10,357,197,858 |
| Loans and advances | 8 | 409,787,343,101 | 448,398,914,311 |
| Loans, cash credits, overdrafts, etc. | | 403,726,115,740 | 443,695,616,802 |
| Bills purchased and discounted | | 6,061,227,361 | 4,703,297,509 |
| Fixed assets including premises, furniture and fixtures | 9 | 3,489,805,975 | 3,474,623,483 |
| Other assets | 10 | 42,423,501,154 | 13,604,739,075 |
| Non-banking assets | 11 | 297,086,400 | 297,086,400 |
| Total assets | | 551,037,224,037 | 575,665,102,517 |
| LIABILITIES AND CAPITAL | | | |
| Liabilities | | | |
| Borrowings from other banks, financial institutions and agents | 12 | 12,737,034,193 | 12,587,662,983 |
| Deposits and other accounts | 13 | 444,806,434,651 | 472,833,316,865 |
| Current deposit and other accounts | | 33,682,957,445 | 37,016,656,753 |
| Bills payable | | 4,857,501,774 | 3,177,332,448 |
| Savings bank deposits | | 67,063,463,000 | 64,895,520,248 |
| Fixed deposits | | 116,388,760,994 | 133,885,463,535 |
| Term deposit | | 222,813,751,438 | 233,858,343,881 |
| Subordinated bonds | 14 | 2,400,000,000 | 2,650,000,000 |
| Startup fund | | 36,808,199 | 36,808,199 |
| Other liabilities | 15 | 41,181,554,207 | 35,634,286,107 |
| Total liabilities | | 501,161,831,250 | 523,742,074,154 |
| Shareholders' equity | | | |
| Total shareholders' equity | | 49,875,392,787 | 51,923,028,363 |
| Paid-up capital | 16 | 32,197,395,700 | 32,197,395,700 |
| Statutory reserve | 17 | 17,228,087,280 | 17,228,087,280 |
| General reserve | 18 | 32,766,423 | 30,133,557 |
| Other reserve | 19 | 1,362,438,448 | 1,688,148,323 |
| Retained earnings | 20 | (945,474,723) | 779,091,211 |
| | | 49,875,213,128 | 51,922,856,071 |
| Non-controlling (minority) interest | | 179,659 | 172,292 |
| Total liabilities and shareholders' equity | | 551,037,224,037 | 575,665,102,517 |

Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
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Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited



10 JAN 2023

10 JAN 2023

10 JAN 2023

JAN 2023

OFF-BALANCE SHEET ITEMS

Contingent liabilities

Acceptances and endorsements
Letters of guarantee
Irrevocable letters of credit
Bills for collection
Other contingent liabilities

| | | |
|----|----------------|----------------|
| | 67,915,717,319 | 65,200,916,359 |
| 21 | 18,179,598,984 | 14,755,627,287 |
| | 11,101,873,887 | 10,136,234,771 |
| | 29,924,152,521 | 33,048,561,892 |
| | 8,710,091,927 | 7,260,492,409 |
| | - | - |

Other commitments

Lease rental commitments
Documentary credits and short term trade-related transactions
Forward assets purchased and forward deposits placed
Undrawn note issuance and revolving underwriting facilities
Undrawn formal standby facilities, credit lines and other commitments
Spot and forward foreign exchange rate contracts
Other exchange contracts

| | | |
|--|------------|---------------|
| | 92,950,000 | 1,372,942,500 |
| | - | - |
| | - | - |
| | - | - |
| | - | - |
| | - | - |
| | 92,950,000 | 1,372,942,500 |
| | - | - |

Total off-balance sheet items including contingent liabilities

| | | |
|--|----------------|----------------|
| | 68,008,667,319 | 66,573,858,859 |
|--|----------------|----------------|


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

 Managing Director & CEO
 Director
 Director
 Director


Signed in terms of our separate report of even date.

Place: Dhaka

Date: 28 DEC 2022


Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Enrolment No.: 1591
Firm's Registration No.: 11970 E.P.

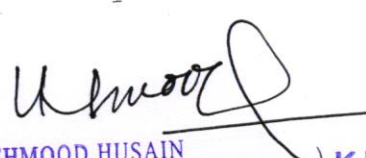



Krishna Kamal Ghose, FCA
F&P & CFO
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National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.

10 JAN 2023


Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka

10 JAN 2023

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MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

10 JAN 2023


K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

National Bank Limited and Its Subsidiaries
Consolidated Profit and Loss Account
For the period ended June 30, 2022

| Particulars | Notes | Amount in BDT | |
|--|---------|------------------------|----------------------|
| | | 30 June 2022 | 30 June 2021 |
| Interest income | 22 | 12,246,696,279 | 15,299,215,872 |
| Less: Interest paid on deposits and borrowings, etc. | 23 | 14,112,044,749 | 14,573,182,306 |
| Net interest income | | (1,865,348,470) | 726,033,566 |
| Investment income | 24 | 2,578,812,257 | 3,577,488,989 |
| Commission, exchange and brokerage | 25 | 1,158,877,540 | 945,057,873 |
| Other operating income | 26 | 274,573,946 | 281,655,939 |
| | | 4,012,263,743 | 4,804,202,801 |
| Total operating income | | 2,146,915,273 | 5,530,236,367 |
| Salaries and allowances | 27 | 2,189,589,494 | 2,048,311,359 |
| Rent, taxes, insurance, electricity, etc. | 28 | 597,703,120 | 544,642,739 |
| Legal expenses | 29 | 13,451,096 | 7,452,075 |
| Postage, stamp, telecommunication, etc. | 30 | 46,916,134 | 45,184,283 |
| Stationery, printing, advertisement, etc. | 31 | 197,437,579 | 105,111,362 |
| Managing Director's salary and allowances | 32 | 8,790,000 | 2,387,564 |
| Directors' fees and other benefits | 33 | 2,146,127 | 552,240 |
| Auditors' fees | 34 | - | - |
| Charges on loan losses | | 5,498,487 | 229,308,616 |
| Repairs, maintenance and depreciation | 35 | 280,743,282 | 368,143,773 |
| Other expenses | 36 | 317,455,205 | 311,246,179 |
| Total operating expenses | | 3,659,730,524 | 3,662,340,190 |
| Profit before provision | | (1,512,815,251) | 1,867,896,177 |
| Provision for loans and advances | | | |
| Specific provision | 15.2(a) | - | 750,000,000 |
| General provision (Including off-balance sheet items) | 15.2(c) | - | - |
| Special general provision (Covid-19) | 15.2(d) | - | - |
| Provision for good borrowers | 15.2(e) | - | - |
| | | - | 750,000,000 |
| Provisions for other classified assets | 15.4 | - | - |
| Total provision | | - | 750,000,000 |
| Total profit before taxes | | (1,512,815,251) | 1,117,896,177 |
| Provision for taxation | | | |
| Current tax | 15.1 | 211,743,316 | 209,417,635 |
| Deferred tax | 10.1.3 | - | - |
| | | 211,743,316 | 209,417,635 |
| Net profit after tax | | (1,724,558,567) | 908,478,542 |
| Net profit after tax attributable to: | | | |
| Non-controlling interest | | 7,367 | 23,209 |
| Equity holders of parent company | | (1,724,565,934) | 908,455,333 |
| Net profit after taxation without non-controlling interests | | (1,724,565,934) | 908,455,333 |
| Retained earnings brought forward from previous year | | 779,091,211 | 2,051,906,653 |
| | | (945,474,723) | 2,960,361,986 |

Krishna Kamal Ghose. FCA
EVP & CFO
Financial Administration Division
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Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office Dhaka

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited



10 JAN 2023

10 JAN 2023

10 JAN 2023

10 JAN 2023

Appropriations

Statutory reserve

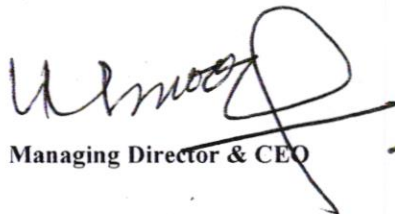
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| | |
|---------------|---------------|
| - | (179,966,682) |
| - | (179,966,682) |
| (945,474,723) | 2,780,395,304 |
| 39.02 | (0.54) 0.28 |

Retained earnings carried forward

Earnings per share (EPS) restated

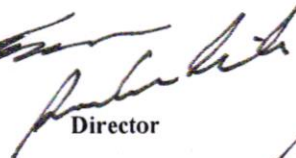
Accompanying notes 01 to 43 form an integral part of these financial statements.



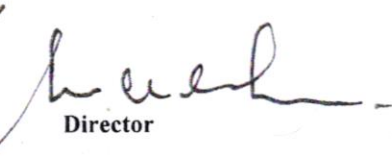
Managing Director & CEO



Director



Director



Director

Signed in terms of our separate report of even date.

Place: Dhaka

Date: 28 DEC 2022



Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: Faruk Ahmed FCA

Partner

Enrolment No.: 1591

Firm's Registration No.: 11970 E.P.




Krishna Kamal Ghose, FCA
EVP & CFOFinancial Administration Division
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116/1, Kazi Nazrul Islam Avenue, Dhaka.

Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.

10 JAN 2023

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MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

10 JAN 2023


K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.

10 JAN 2023

Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka

10 JAN 2023

National Bank Limited and Its Subsidiaries
Consolidated Statement of Changes in Equity
For the period ended June 30, 2022

| Particulars | Amount in BDT | | | | | | Non-controlling interest | Total equity |
|--|-----------------|-------------------|-----------------|---------------|-------------------|-----------------|--------------------------|----------------|
| | Paid-up Capital | Statutory Reserve | General Reserve | Other Reserve | Retained Earnings | Total | | |
| Balance on January 01, 2022 | 32,197,395,700 | 17,228,087,280 | 30,133,557 | 1,688,148,323 | 779,091,211 | 51,922,856,071 | 172,292 | 51,923,028,363 |
| Net profit for the period | - | - | - | - | (1,724,565,934) | (1,724,565,934) | 7,367 | -1,724,558,567 |
| Transferred to statutory reserve | - | - | - | - | - | - | - | - |
| Transferred to startup fund | - | - | - | - | - | - | - | - |
| Revaluation of Government treasury bills, bonds and other investment | - | - | - | (325,709,875) | - | (325,709,875) | - | (325,709,875) |
| Addition during the period | - | - | 2,632,866 | - | - | 2,632,866 | - | 2,632,866 |
| Balance at June 30, 2022 | 32,197,395,700 | 17,228,087,280 | 32,766,423 | 1,362,438,448 | (945,474,723) | 49,875,213,128 | 179,659 | 49,875,392,787 |
| Balance at December 31, 2021 | 32,197,395,700 | 17,228,087,280 | 30,133,557 | 1,688,148,323 | 779,091,211 | 51,922,856,071 | 172,292 | 51,923,028,363 |

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

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

10 JAN 2023

K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited



National Bank Limited and Its Subsidiaries

Consolidated Cash Flow Statement

For the period ended June 30, 2022

| Particulars | Note | Amount in BDT | |
|--|------|-------------------------|-------------------------|
| | | 30 June 2022 | 30 June 2021 |
| A) Cash flows from operating activities | | | |
| Interest received | | 11,873,818,592 | 14,745,086,126 |
| Interest paid | | (9,277,056,095) | (10,633,125,711) |
| Income from Investment | | 1,828,908,509 | 2,366,303,954 |
| Fees, commission, exchange and brokerage | | 1,158,877,540 | 945,057,873 |
| Cash paid to employees | | (2,200,525,621) | (2,051,251,163) |
| Cash paid to suppliers | | (928,499,627) | (877,832,279) |
| Income taxes paid | 15.1 | (335,865,331) | (2,210,795,630) |
| Received from other operating activities | | 274,415,651 | 281,655,939 |
| Paid for other operating activities | | (282,780,089) | (311,246,179) |
| Operating profit before changes in operating assets and liabilities | | 2,111,293,529 | 2,253,852,930 |
| Increase/(decrease) in operating assets and liabilities | | | |
| Sale of trading securities | | 170,993,683 | 884,280,606 |
| Purchase of trading securities | | (178,110,147) | (823,298,960) |
| Loans and advances to other banks | | - | - |
| Loans and advances to customers | | 15,840,623,732 | (10,727,069,686) |
| Other assets | | (5,226,767,979) | (8,655,637,482) |
| Deposits from other banks | | (4,568,325,950) | (3,444,937,028) |
| Deposits from customers | | (23,458,556,264) | (4,100,405,968) |
| Other liabilities | | 82,116,853 | 728,604,047 |
| | | (17,338,026,072) | (26,138,464,471) |
| Net cash from/(used in) operating activities | | (15,226,732,543) | (23,884,611,541) |
| B) Cash flows from investing activities | | | |
| Proceeds from sale of Government and unquoted securities | | 17,428,912,271 | 29,310,162,753 |
| Investment made during the year (Govt. and unquoted securities) | | (10,280,697,881) | (13,017,412,346) |
| Purchase of property, plant and equipment | | (223,528,520) | (130,209,178) |
| Sale proceeds of fixed assets | | 159,853 | 123,203 |
| Net cash from/(used in) investing activities | | 6,924,845,723 | 16,162,664,432 |
| C) Cash flows from financing activities | | | |
| Borrowings from other banks, financial institutions and agents | | 149,371,210 | 7,284,859,416 |
| Redemption of sub-ordinated bonds | | (250,000,000) | (250,000,000) |
| Net cash from/ (used in) financing activities | | (100,628,790) | 7,034,859,416 |
| D) Net increase/(decrease) in cash and cash equivalents (A+B+C) | | (8,402,515,610) | (687,087,693) |
| E) Effects of exchange rate changes on cash and cash equivalents | | - | - |
| | | (8,402,515,610) | (687,087,693) |
| F) Cash and cash equivalents at beginning of the year | | 28,780,209,360 | 28,264,687,089 |
| G) Cash and cash equivalents at end of the year (D+E+F) | | 20,377,693,750 | 27,577,599,396 |
| Cash and cash equivalents at end of the year | | | |
| Cash in hand (including foreign currencies) | | 4,181,767,853 | 3,577,965,585 |
| Balances with Bangladesh Bank and its agent bank (s) | | 14,446,063,550 | 18,440,764,660 |
| Balances with other banks and financial institutions | | 1,646,268,447 | 5,458,972,651 |
| Money at call and on short notice | | 91,300,000 | 91,300,000 |
| Prize bonds | | 12,293,900 | 8,596,500 |
| | | 20,377,693,750 | 27,577,599,396 |

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





Managing Director & CEO Director Director Director

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 EVP & CFO
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 Senior Vice President
 Company Secretary
 National Bank Limited
 Head Office Dhaka.

MD. MEHMOOD HUSAIN
 MANAGING DIRECTOR
 NATIONAL BANK LIMITED
 HEAD OFFICE, DHAKA

K M Rasidul Hasan
 Chief Executive Officer
 First Security Islami Capital & Investment Limited

10 JAN 2023

10 JAN 2023

10 JAN 2023

10 JAN 2023

National Bank Limited

Balance Sheet

As at June 30, 2022

| Particulars | Notes | Amount in BDT | |
|---|-----------|------------------------|------------------------|
| | | 30.06.2022 | 31.12.2021 |
| PROPERTY AND ASSETS | | | |
| Cash | | 18,496,562,171 | 24,683,043,905 |
| In hand (including foreign currencies) | 3 | 4,050,498,621 | 5,101,914,626 |
| Balance with Bangladesh Bank and its agent bank (including foreign currencies) | 4 | 14,446,063,550 | 19,581,129,279 |
| Balance with other banks and financial institutions | 5 | 1,054,736,977 | 3,483,781,563 |
| In Bangladesh | | 452,810,430 | 2,497,097,059 |
| Outside Bangladesh | | 601,926,547 | 986,684,504 |
| Money at call and on short notice | 6 | 91,300,000 | 91,300,000 |
| Investments | 7 | 77,333,246,433 | 83,804,939,715 |
| Government | | 64,011,599,745 | 70,761,420,030 |
| Others | | 13,321,646,688 | 13,043,519,685 |
| Loans and advances | 8 | 406,670,027,539 | 445,287,710,284 |
| Loans, cash credits, overdrafts, etc. | | 400,608,800,178 | 440,584,412,775 |
| Bills purchased and discounted | | 6,061,227,361 | 4,703,297,509 |
| Fixed assets including premises, furniture and fixtures | 9 | 3,447,094,259 | 3,430,978,259 |
| Other assets | 10 | 42,823,812,404 | 13,981,921,979 |
| Non-banking assets | 11 | 297,086,400 | 297,086,400 |
| Total assets | | 550,213,866,183 | 575,060,762,105 |
| LIABILITIES AND CAPITAL | | | |
| Liabilities | | | |
| Borrowings from other banks, financial institutions and agents | 12 | 12,737,034,193 | 12,587,662,983 |
| Deposits and other accounts | 13 | 445,212,130,482 | 473,103,890,802 |
| Current deposit and other accounts | | 33,703,291,901 | 37,025,558,090 |
| Bills payable | | 4,857,501,774 | 3,177,332,448 |
| Savings bank deposits | | 67,063,463,000 | 64,895,520,248 |
| Fixed deposits | | 116,388,760,994 | 133,885,463,535 |
| Term deposit | | 223,199,112,813 | 234,120,016,481 |
| Subordinated bonds | 14 | 2,400,000,000 | 2,650,000,000 |
| Startup fund | | 36,808,199 | 36,808,199 |
| Other liabilities | 15 | 40,113,306,972 | 34,738,856,310 |
| Total liabilities | | 500,499,279,846 | 523,117,218,294 |
| Shareholders' equity | | | |
| Total shareholders' equity | | 49,714,586,337 | 51,943,543,811 |
| Paid-up capital | 16.2 | 32,197,395,700 | 32,197,395,700 |
| Statutory reserve | 17 | 17,228,087,280 | 17,228,087,280 |
| Other reserve | 19 | 1,362,438,448 | 1,688,148,323 |
| Retained earnings | 20 | (1,073,335,091) | 829,912,508 |
| Total liabilities and shareholders' equity | | 550,213,866,183 | 575,060,762,105 |



Krishna Kamal Ghose, FCA
EVP & CFO
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MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

10 JAN 2023

10 JAN 2023

10 JAN 2023

OFF-BALANCE SHEET ITEMS

Contingent liabilities

Acceptances and endorsements
Letters of guarantee
Irrevocable letters of credit
Bills for collection
Other contingent liabilities

21

67,915,717,319

65,200,916,359

18,179,598,984

14,755,627,287

11,101,873,887

10,136,234,771

29,924,152,521

33,048,561,892

8,710,091,927

7,260,492,409

-

-

92,950,000

1,372,942,500

-

-

-

-

-

-

-

-

-

-

92,950,000

1,372,942,500

-

-

68,008,667,319

66,573,858,859

Other commitments

Lease rental commitments
Documentary credits and short term trade-related transactions
Forward assets purchased and forward deposits placed
Undrawn note issuance and revolving underwriting facilities
Undrawn formal standby facilities, credit lines and other commitments
Spot and forward foreign exchange rate contracts
Other exchange contracts

Total off-balance sheet items including contingent liabilities

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

Managing Director & CEO

Director

Director

Director

Signed in terms of our separate report of even date.

Place: Dhaka

Date:

Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: Faruk Ahmed FCA

Partner

Enrolment No.: 1591

Firm's Registration No.: 11970 E.P.



Krishna Kamal Ghose, FCA
EVP & CFO

Financial Administration Division
National Bank Limited, Head Office
110/1, Kazi Nazrul Islam Avenue, Dhaka.

10 JAN 2023

Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.

10 JAN 2023

19

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

10 JAN 2023

K M Rasidul Hasar
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

National Bank Limited
Profit and Loss Account
For the period ended June 30, 2022

| Particulars | Notes | Amount in BDT | |
|---|---------|------------------------|----------------------|
| | | 30 June 2022 | 30 June 2021 |
| Interest income | 22 | 12,086,566,549 | 15,236,826,090 |
| Less: Interest paid on deposits and borrowings etc. | 23 | 14,112,044,749 | 14,573,182,306 |
| Net interest income | | (2,025,478,200) | 663,643,784 |
| Investment income | 24 | 2,548,704,956 | 3,488,325,385 |
| Commission, exchange and brokerage | 25 | 970,849,036 | 759,429,663 |
| Other operating income | 26 | 271,329,521 | 277,721,346 |
| | | 3,790,883,513 | 4,525,476,394 |
| Total operating income | | 1,765,405,313 | 5,189,120,178 |
| Salaries and allowances | 27 | 2,123,788,510 | 1,992,250,809 |
| Rent, taxes, insurance, electricity etc. | 28 | 576,610,240 | 524,062,177 |
| Legal expenses | 29 | 13,451,096 | 7,452,075 |
| Postage, stamp, telecommunication etc. | 30 | 45,140,223 | 43,576,193 |
| Stationery, printing, advertisement etc. | 31 | 196,084,392 | 104,116,524 |
| Managing Director's salary and allowances | 32 | 8,790,000 | 2,387,565 |
| Directors' fees and other benefits | 33 | 1,040,703 | 552,240 |
| Auditors' fees | 34 | - | - |
| Charges on loan losses | | 5,498,487 | 229,308,616 |
| Repairs, maintenance and depreciation | 35 | 275,469,172 | 363,543,990 |
| Other expenses | 36 | 282,780,089 | 272,036,581 |
| Total operating expenses | | 3,528,652,912 | 3,539,286,770 |
| Profit before provision | | (1,763,247,599) | 1,649,833,408 |
| Provision for loans and advances | | | |
| Specific provision | 15.2(a) | - | 750,000,000 |
| General provision (including off-balance sheet items) | 15.2(c) | - | - |
| Special general provision (Covid-19) | 15.2(d) | - | - |
| Provision for good borrowers | 15.2(e) | - | - |
| | | - | 750,000,000 |
| Provision for other classified assets | 15.4 | - | - |
| Total provision | | - | 750,000,000 |
| Total profit before tax | | (1,763,247,599) | 899,833,408 |
| Provision for taxation | | | |
| Current tax | 15.1 | 140,000,000 | 150,000,000 |
| Deferred tax | 10.1.3 | - | - |
| | | 140,000,000 | 150,000,000 |
| Net profit after tax | | (1,903,247,599) | 749,833,408 |
| Retained earnings brought forward from previous year | | 829,912,508 | 2,288,995,361 |
| | | (1,073,335,091) | 3,038,828,769 |



Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.

10 JAN 2023

Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.

10 JAN 2023

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

10 JAN 2023

K M Rasidul Hasan
Chief Executive Officer
First Security Islamic Capital & Investment Lim

10 JAN 2023

Appropriations

Statutory reserve

| | | |
|-------|-----------------|---------------|
| 17 | - | (179,966,682) |
| | - | (179,966,682) |
| | (1,073,335,091) | 2,858,862,087 |
| 39.02 | (0.59) | 0.23 |

Retained earnings carried forward

Earnings per share (EPS) restated

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



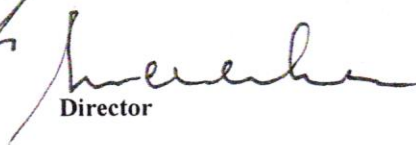
Managing Director & CEO



Director



Director



Director

Signed in terms of our separate report of even date.

Place: Dhaka

Date:



Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: Faruk Ahmed FCA

Partner

Enrolment No.: 1591

Firm's Registration No.: 11970 E.P.



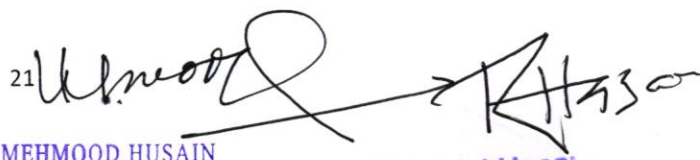

Krishna Kamal Ghose, FCA
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National Bank Limited, Head Office
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10 JAN 2023



Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka

10 JAN 2023



MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

10 JAN 2023


K M Rasidul Hasa
Chief Executive Officer
First Security Islami Capital & Investment Ltd

10 JAN 2023

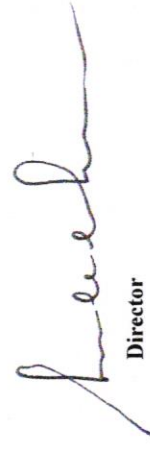
National Bank Limited
Statement of Changes in Equity
For the period ended June 30, 2022

| Particulars | Paid-up Capital | Statutory Reserve | Other Reserve | Retained Earnings | Total |
|---|-----------------|-------------------|---------------|-------------------|-----------------|
| | Amount in BDT | | | | |
| Balance at on January 01, 2022 | 32,197,395,700 | 17,228,087,280 | 1,688,148,323 | 829,912,508 | 51,943,543,811 |
| Net profit for the period | - | - | - | (1,903,247,599) | (1,903,247,599) |
| Transferred to statutory reserve | - | - | - | - | - |
| Transferred to startup fund | - | - | - | - | - |
| Revaluation of Govt. Treasury bills, bonds and other investment | - | - | (325,709,875) | - | (325,709,875) |
| Balance at June 30, 2022 | 32,197,395,700 | 17,228,087,280 | 1,362,438,448 | -1,073,335,091 | 49,714,586,337 |
| Balance at December 31, 2021 | 32,197,395,700 | 17,228,087,280 | 1,688,148,323 | 829,912,508 | 51,943,543,811 |


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


Managing Director & CEO

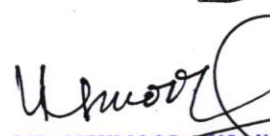

Director


Director




Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kaptai Island Avenue, Dhaka.


Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.


MD. MEHMOOB HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA


K M Rasidul Hasar
Chief Executive Officer
First Security Islami Capital & Investment

Krishna Kamal Ghose, FCA
EVP & CFO

Financial Administration Division
National Bank Limited Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.

10 JAN 2023

Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.

10 JAN 2023

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

10 JAN 2023

K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

National Bank Limited
Liquidity Statement (Analysis of Maturity of Assets and Liabilities)
As at June 30, 2022

| Particulars | Amount in BDT | | | | |
|--|----------------------------|------------------------|-------------------------|-------------------------|------------------------|
| | Not more than 1 month term | 1-3 months term | 3-12 months term | 1-5 years term | Above 5-years term |
| Assets | | | | | |
| Cash in hand | 4,050,498,621 | - | - | - | - |
| Balance with Bangladesh Bank and its agent bank | 14,446,063,550 | - | - | - | - |
| Balances with other banks and financial institutions | 696,702,429 | 127,161,178 | 164,829,120 | 66,044,250 | - |
| Money at call and short notice | 91,300,000 | - | - | - | - |
| Investments | 216,981,354 | 1,223,254,478 | 3,739,615,008 | 16,186,147,901 | 55,967,247,693 |
| Loans and advances | 73,200,604,957 | 61,000,504,131 | 65,067,204,406 | 101,667,506,885 | 105,734,207,160 |
| Fixed assets including premises, furniture and fixtures | 43,894,954 | 87,789,908 | 395,054,585 | 1,249,901,831 | 1,670,452,981 |
| Other assets | 4,459,112,719 | 6,933,370,092 | 25,935,624,871 | 5,495,704,722 | - |
| Non-banking assets | - | - | - | 297,086,400 | - |
| Total assets | 97,205,158,584 | 69,372,079,787 | 95,302,327,990 | 124,962,391,989 | 163,371,907,833 |
| Liabilities | | | | | |
| Borrowings from other banks, financial institutions and agents | 1,268,807,747 | 6,968,214,216 | 4,500,012,230 | - | - |
| Deposits and other accounts | 66,247,630,777 | 58,720,408,791 | 102,576,111,398 | 177,641,586,893 | 40,026,392,623 |
| Subordinated bond | - | - | 250,000,000 | 2,150,000,000 | - |
| Startup fund | - | - | - | 36,808,199 | - |
| Other liabilities | 4,189,548,071 | 7,650,250,192 | 11,140,717,794 | 17,132,790,915 | - |
| Total liabilities | 71,705,986,595 | 73,338,873,199 | 118,466,841,422 | 196,961,186,007 | 40,026,392,623 |
| Net liquidity gap | 25,499,171,989 | (3,966,793,412) | (23,164,513,432) | (71,998,794,018) | 123,345,515,210 |

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

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

[Signature]
Managing Director & CEO

[Signature]
Director

[Signature]
Director



National Bank Limited
Cash Flow Statement
For the period ended June 30, 2022

| Particulars | Notes | Amount in BDT | |
|--|-------|-------------------------|-------------------------|
| | | 30 June 2022 | 30 June 2021 |
| A) Cash flows from operating activities | | | |
| Interest received | | 11,713,688,862 | 14,682,696,344 |
| Interest paid | | (9,277,056,095) | (10,633,125,711) |
| Income from investment | | 1,808,723,027 | 2,277,140,350 |
| Fees, commission, exchange and brokerage | | 970,849,036 | 759,429,663 |
| Cash paid to employees | | (2,133,619,213) | (1,995,190,614) |
| Cash paid to suppliers | | (899,003,539) | (850,049,006) |
| Income taxes paid | 15.1 | (335,865,331) | (2,210,795,630) |
| Received from other operating activities | | 271,266,537 | 277,598,244 |
| Paid for other operating activities | | (282,780,089) | (272,036,581) |
| Operating profit before changes in operating assets and liabilities | | 1,836,203,195 | 2,035,667,059 |
| Increase/(decrease) in operating assets and liabilities | | | |
| Sale of trading securities-quoted shares | | 170,993,683 | 884,280,606 |
| Purchase of trading securities-quoted shares | | (178,110,147) | (823,298,960) |
| Loans and advances to other banks | | - | - |
| Loans and advances to customers | 37 | 15,846,735,267 | (10,554,824,459) |
| Other assets | | (5,302,716,694) | (8,632,126,709) |
| Deposits from other banks | | (4,568,325,950) | (3,444,937,028) |
| Deposits from customers | | (23,323,434,370) | (4,121,508,542) |
| Other liabilities | 38 | 82,117,663 | 728,604,047 |
| | | (17,272,740,548) | (25,963,811,045) |
| Net cash from/(used in) operating activities | | (15,436,537,353) | (23,928,143,986) |
| B) Cash flows from investing activities | | | |
| Proceeds from sale of Government and unquoted securities | | 17,428,912,271 | 29,310,162,753 |
| Investment made during the year (Govt. and un-quoted securities) | | (10,280,697,881) | (13,017,412,346) |
| Purchase of property, plant and equipment | | (223,528,520) | (130,209,178) |
| Sale proceeds of fixed assets | | 159,853 | 123,203 |
| Net cash from/(used in) investing activities | | 6,924,845,723 | 16,162,664,432 |
| C) Cash flows from financing activities | | | |
| Borrowings from other banks, financial institutions and agents | | 149,371,210 | 7,284,859,416 |
| Cash dividend paid for the year 2019 | | - | - |
| Redemption of sub-ordinated bond | | (250,000,000) | (250,000,000) |
| Net cash from/(used in) financing activities | | (100,628,790) | 7,034,859,416 |
| D) Net increase/(decrease) in cash and cash equivalents (A+B+C) | | (8,612,320,420) | (730,620,138) |
| E) Effects of exchange rate changes on cash and cash equivalents | | (8,612,320,420) | (730,620,138) |
| F) Cash and cash equivalents at beginning of the year | | 28,267,213,468 | 27,305,312,955 |
| G) Cash and cash equivalents at end of the year (D+E+F) | | 19,654,893,048 | 26,574,692,817 |
| Cash and cash equivalents at end of the year | | | |
| Cash in hand (including foreign currencies) | | 4,050,498,621 | 3,512,616,522 |
| Balances with Bangladesh Bank and its agent bank (s) | | 14,446,063,550 | 18,440,764,660 |
| Balances with other banks and financial institutions | | 1,054,736,977 | 4,521,415,135 |
| Money at call and on short notice | | 91,300,000 | 91,300,000 |
| Prize bonds | | 12,293,900 | 8,596,500 |
| | | 19,654,893,048 | 26,574,692,817 |

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


Managing Director & CEO


Director

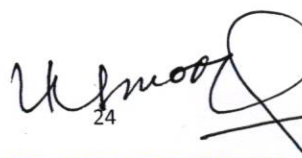

Director


Director


Krishna Kamal Ghose, FCA
EVP & CFO

Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.


Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.


MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA




K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

10 JAN 2023

10 JAN 2023

10 JAN 2023

National Bank Limited
Notes to the financial statements
For the period ended 30 June 2022

1. General information

1.1 Status of the Bank

National Bank Ltd (NBL / the Bank) is incorporated in Bangladesh as a public limited company on 15 March 1983 under the Companies Act 1913. It obtained license from Bangladesh Bank to carry out banking business on 22 March 1983. The Bank has been engaged in banking activities through its two hundred nineteen (219) branches throughout the country. The Bank has also 25 sub-branches providing banking service at root level. The Bank is listed with both Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd.

1.2 Principal activities

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

1.3 Offshore Banking Unit (OBU)

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

1.4 Subsidiaries of the Bank

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

NBL Securities Ltd

NBL Securities Ltd is a majority owned subsidiary company of NBL, incorporated as a Public Limited Company with the Registrar of Joint Stock Companies and Firms in Dhaka, Bangladesh bearing registration no. C-82154/10 dated 01 February 2010 under the Companies Act 1994 having registered office at 19, Dilkusha C/A, Dhaka. The main objectives of the company are to carry on the business as a Stock Broker/ Stock Dealer of Stock Exchanges and other related business in connection with dealing of listed securities. Other objectives of the Company are to buy, sell, hold or otherwise acquire or invest the capital of the Company in shares and fixed income securities, etc. It has Corporate Trading Right Entitlement Certificate of Dhaka Stock Exchange and Chittagong Stock Exchange and the license of depository participants of Central Depository Bangladesh Limited.


NBL Capital and Equity Management Ltd

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

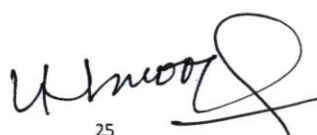
NBL Money Transfer Pte Ltd (Singapore)

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




Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
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Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.

25

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA


K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

10 JAN 2023

10 JAN 2023

NBL Money Transfer Sdn Bhd (Malaysia)

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

NBL Money Transfer (Maldives) Private Ltd

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

NBL Money Transfer Payment Foundation SA (Greece)

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

NBL Money Transfer Inc. (USA)

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

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

2.1 Statement of compliance

The consolidated financial statements of the Group and the financial statements of the bank have been prepared for the period ended 30 June 2022 in compliance with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Bangladesh Bank circulars, the Bank Companies Act 1991, the Companies Act 1994, Bangladesh Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Rules 1987, Listing Regulations of Dhaka and Chittagong Stock Exchanges and International Financial Reporting Interpretations (IFRI) as adopted by the Institute of Chartered Accountants of Bangladesh, and other applicable laws and regulations. In case any requirement of the Bank Companies Act 1991 and provisions and circulars issued by Bangladesh Bank (BB) differ those of IFRS, the requirements of the Bank Companies Act 1991, provisions and circulars issued by BB shall prevail. Material departure from the requirements of IFRS are as follows:

i) Presentation of financial statement

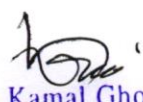
IFRS: As per IAS 1, a complete set of financial statements comprises of statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flow, adequate notes comprising summary of accounting policies and other explanatory information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

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

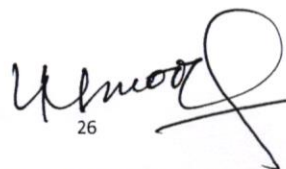
ii) Investment in shares, mutual funds and other securities

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

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


Krishna Kamal Ghose, FCA
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K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited



10 JAN 2023

10 JAN 2023

10 JAN 2023

iii) **Revaluation gains/losses on Government securities**

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

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

HTM

Investments classified as HTM are non-derivative financial instruments with fixed or determinable future receipt on maturity that the Bank's management has the intention and ability to hold till maturity. These particular investments is revalued as marked to market as at 30 June 2022, the revaluation gains on such securities is shown in the financial statements as part of equity.

HFT

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

iv) **Provision on loans and advances/investments**

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

Bangladesh Bank: As per BRPD circular No. 14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012 and BRPD circular No. 05 dated 29 May 2013 a general provision @ 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided @ 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision @ 1% is required to be provided for all off-balance sheet exposures. 1% Special provision for covid 19 has been maintained as per BRPD circular letter No. 56 dated December 10, 2020. Then again, further instructions of Bangladesh Bank vide BRPD Circular No. 03, dated 31 January 2021, BRPD Circular No. 05, dated 24 March 2021, BRPD Circular letter No. 51, dated 29 December 2021, BRPD Circular letter No. 53, dated 30 December 2021 & BRPD Circular letter No. 14, dated 22 June 2022 and other related circulars were followed. Such provision policies are not specifically in-line with those prescribed by IAS 39.

v) **Recognition of interest in suspense**

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

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

vi) **Other comprehensive income (OCI):**

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

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

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

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

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viii) **Financial guarantees**

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

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

ix) **Cash and cash equivalents**

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

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

x) **Non-banking asset**

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

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

xi) **Cash flow statement**

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

Bangladesh Bank: As per BRPD circular no. 14, cash flow is the combination of direct and indirect methods.

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

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

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

xiii) **Presentation of intangible asset**

IFRS: An intangible asset must be identified and recognised, and the disclosure must be given as per IAS 38: "Intangible Assets".

Bangladesh Bank: There is no regulation for intangible assets in circular no. BRPD 14.

xiv) **Off-balance sheet items**

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

Bangladesh Bank: As per BRPD circular no. 14, off-balance sheet items (e.g. Letter of credit, Letter of guarantee, etc) must be disclosed separately on the face of the balance sheet

xv) **Loans and advances/Investments net of provision**


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

Bangladesh Bank: As per BRPD 14, provision on loans and advances/investments are presented separately as liability and can not be netted off against loans and advances.

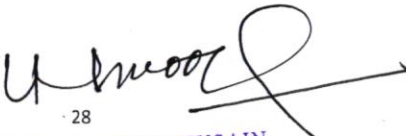
2.2 **Basis of preparation of financial statements**

These financial statements of the Bank as at June 30, 2022 have been prepared on a going concern basis under the historical cost convention and in accordance with the "First Schedule" of the Bank Companies Act 1991 (amended in 2013) and as per BRPD circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, IFRS, IASs, the Companies Act 1994, Bangladesh Securities and Exchange Rules 1987, the listing Regulations of the Stock Exchanges and other laws and rules applicable in Bangladesh. NBL has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the bank's ability to continue as a going concern.




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2.3 Basis of consolidation

The financial statements of the Bank include the financial statements of main operation of NBL and its two business unit namely, Offshore Banking Units" operating in Bangladesh.

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

The consolidated financial statements have been prepared in accordance with IAS-27: 'Separate Financial Statements' and IFRS-10: 'Consolidated Financial Statements.' The consolidated as well as separate financial statements are prepared for period ended 30 June 2022.

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

2.4 Use of estimates and judgment

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

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

2.5 Functional and presentation currency

The financial statements have been prepared and presented using Bangladeshi Taka (BDT) which is the functional currency of NBL.

2.6 Assets and basis of their valuation

2.6.1 Loans and advances

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

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

2.6.2 Investments

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

a) Held to maturity

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

b) Held for trading

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

c) Sale and repurchase agreement

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

d) Revaluation

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

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

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2.6.3 Fixed assets and depreciation

- a) All fixed assets are stated at cost less accumulated depreciation as per IAS-16: 'Property, Plant and Equipment.' Land is measured at cost.

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

| Category of fixed assets | Rate of depreciation |
|--------------------------|----------------------|
| Land | Nil |
| Building | 2.50% |
| Furniture, fixtures | 10.00% |
| General equipment | 20.00% |
| Computer equipment | 33.33% |
| Vehicles | 20.00% |
| Books | 20.00% |

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

- b) Leases

The bank has made recognition, measurement and disclosure in the financial statements-2021 both as Lessee and Lessor as per IFRS 16.

Bank as lessee:

The bank assesses at initiation of a contract whether the contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration, then the bank consider the contract. The bank as a lessee applies a single recognition and measurement approach for all leases, except for short-term leases, or, and lease of low value of assets. The bank recognises lease liabilities to make lease payment and right-of-use assets representing the right to use the underlying assets.

If tenor of a lease contract does not exceed twelve months from the date of initiation/application, the bank considers the lease period as short term in line with the recognition threshold of ROU assets as per FA policy of the bank. In case of low value of lease assets, the bank has set a materiality threshold which is 0.10 % of Total capital of the Bank. However, since adoption, the bank has been used a flat threshold of BDT 20 million and above' which is 0.033 % of total capital of the bank as of 30-06-2022. The reason behind considering the materiality threshold of BDT 20 million and above is that the bank operates many ATM booths, sub-branches with short and single contracts; recording of which as ROU assets would inflate the balance sheet both in assets and liabilities. Moreover, frequent changes of those establishments would create misreporting as well as complexity in recording.

Right-of-use assets (ROU)

The bank recognises the right-of-use assets (RoU) at the commencement date of the lease (i.e. the date the underlying asset is available for use). RoU assets are measured at cost less any accumulated depreciation and impairment of losses and adjusted cost incurred, and lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the lease term, or remaining period of the lease term. The bank assessed all lease contracts live in 2022 and recognised as RoU of assets of all leases, except short term and low value of assets as per the Banks' own policy set as per IAS 16 and IFRS 16.

Lease liability

At the commencement of the lease, the bank recognises lease liabilities measured at the present value of lease payments (initial payment), and amount is expected to be paid under residual value of guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the bank and payment of penalties for terminating the lease, to be made over the lease term. The lease payments include fixed and variable lease payment (less any adjustment for terminating the lease term). Our policy is to recognize lease liabilities and lease assets annually. Therefore, no lease liabilities & assets have been created for the period ended 30 June 2022. The lease along with its corresponding effects will be recognized for the year ended 31 December 2022.

The lease liabilities are presented in the note 15 of these financial statements.

Bank as a lessor

Leases where the bank does not transfer substantially all of the risk and benefit of ownership of any asset are classified as operating assets. Rental income is recorded as earned based on the contractual term of the lease. However, the Bank did not hold any such assets in 2022.

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As per IFRS 16, when consideration is made by the bank under contract in exchange of use of rental premises or assets for a period not exceeding a period of twelve months, and or, the present value of the obligation plus initial payment under contract does not exceed the threshold limit of the bank, and substantially all the risk and benefit of ownership of those rental premises/assets does not transfer to the bank, then the bank considers the payment (other than advance payment) as rental expense under IFRS 15 Revenue from contracts with customers.

Therefore, in 2022, NBL recognised those payment against contracts that do not qualify as lease item under IFRS 16 as rental expense which is presented in note 28 of the financial statements for the year ended 30 June 2022. These are short term and low value contracts for ATM booths, godown and small /sub-branch premises that donot meet the materiality threshold for recognition of lease assets.

- c) Intangible assets
Intangible assets are recognized initially at cost and amortized on straight line basis over its useful life

2.6.4 Non-banking assets

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

2.6.5 Other assets

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

2.7 Liabilities and provisions

2.7.1 Employees benefits

a) Short term benefits

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

b) Post-employment benefits

i) Defined contribution plan

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

Provident fund

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

ii) Defined benefit plans

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

Gratuity

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

Superannuation fund

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

c) Other benefits

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

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2.7.2 Provision for liabilities

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

2.7.3 Provision for loans and advances

Provision against classified loans and advances is made on the basis of periodical review by the management and instruction contained in BCD circular no. 12 dated 04 September 1995, BRPD circular no. 16 dated 06 December 1998, BRPD circular no. 09 dated 14 May 2001, BRPD circular no. 02 dated 15 February 2005, BRPD circular no. 05 dated 27 April 2005 and BRPD circular no. 32 dated 27 October 2010, BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 05 dated 29 May 2013, BRPD circular no. 08 dated 02 August 2015, BRPD Circular No. 15 dated 27 September 2017 and BRPD circular No.01 dated 20, February 2018. BRPD circular No.16 dated July 21, 2020, BRPD circular No. 17 dated September 28, 2020, BRPD circular letter No. 56 dated December 10, 2020, BRPD Circulars no. 3 dated 31 January, 2021, no. 5 dated 24 March, 2021 and no. 51 dated 29 December 2021 and BRPD Circular letter No. 53 dated 30 December 2021 and BRPD Circular No. 14 dated 22 June 2022. The provisioning rate as per Bangladesh Bank circulars are as follows:

| Business unit | | Rates of provisions | | | | |
|---------------|--|---------------------|-------|-----|-----|------|
| | | Standard | SMA | SS | DF | BL |
| Consumer | House building and professional | 1% | 1% | 20% | 50% | 100% |
| | Loans to professionals | 2% | 2% | 20% | 50% | 100% |
| | Other than house building and professional to setup business | 2% | 2% | 20% | 50% | 100% |
| | Small and medium enterprise | 0.25% | 0.25% | 5% | 20% | 100% |
| | BHs/MBs/ SDs against shares | 2% | 2% | 20% | 50% | 100% |
| | Short term agri-credit | 1% | 1% | 5% | 5% | 100% |
| | Special general provision COVID -19 | 1% | - | - | - | - |
| | Additional provision as per BRPD circular 53, dated 30 december, 2021. | 2% | - | - | - | - |
| | All others | 1% | 1% | 20% | 50% | 100% |

2.7.4 Provision against Off-balance sheet items

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

2.7.5 Provision for taxation

a) Current tax

Current tax is expected tax payable on taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment payable in respect of previous years. Provision for current income tax has been made @ 37.50% as prescribed in the Financial Act 2022 of the profit made by the Bank after considering major taxable allowances and disallowances.

b) Deferred tax

Deferred tax is calculated on the taxable/ deductible temporary differences between tax base amount and carrying amount of assets and liabilities as required by IAS-12: 'Income Tax'.

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

Deductible temporary differences are differences that will result in amounts that are deductible in determining taxable profit/ (loss) of future periods when the carrying amount of asset or liability is recovered or settled. Our policy is to recognise deferred tax income/expenses annually. Therefore, no deferred tax income/expense has been recognised for the period ended 30 June 2022. this will be recognised as on 31.12.2022.

2.7.6 Lease liabilities (present value of lease payments)

The bank recognized the lease liabilities which is present value of lease payments to be made over the lease term from the date of commencement. The lease payment include fixed and variable lease payment and the amount expected to be paid under residual value of guarantee. The lease liabilities has been discounted using bank rate.

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2.8 Off-balance sheet items

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

2.9 Revenue recognition

The revenues during the year are recognized complying all conditions of revenue recognition as prescribed in IFRS-15: 'Revenue Recognition.'

2.9.1 Interest income

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

2.9.2 Investment income

Income on investment is recognized on realization and accrual basis where applicable.

2.9.3 Fees and commission income

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

2.9.4 Dividend income on shares

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

2.9.5 Interest paid on borrowings and deposits

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

2.9.6 Management and other expenses

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

2.10 Shareholders' equity

Authorized capital

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

Paid-up capital

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

Statutory reserve

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

Non-controlling (minority) interest

Minority interest (non-controlling interest) in business is an accounting concept that refers to the portion of a subsidiary company's stock that is not owned by the parent company. NBL holds 99.99% of equity of NBL Securities Ltd, 99.95% of equity of NBL Capital and Equity Management Ltd, 100% of equity of NBL Money Transfer Pte Ltd (Singapore), 100% of equity of NBL Money Transfer Sdn Bhd (Malaysia), 100% of equity of NBL Money Transfer (Maldives) Private Ltd, 100% of equity of NBL Money Transfer Payment Foundation SA (Greece) and 100% of equity of NBL Money Transfer Inc. (USA). Minority interest belongs to a sponsor Director of the Bank and is reported on the consolidated balance sheet to reflect the claim on assets belonging to the other non-controlling shareholder. Also, minority interest is reported on the consolidated income statement reflects as a share of profit belonging to the minority shareholder.

2.11 Foreign currencies translation and balance with other banks

Amount in foreign currency are translated in accordance with the principles set forth in IAS-21: 'The Effects of Changes in Foreign Exchange Rates.' As per this standard monetary items not denominated in BDT and cash transactions not completed at the reporting date are translated into BDT using current market rates. Non-monetary items carried at fair value are translated into BDT using current market price at the reporting date and non-monetary items carried at cost are translated using the rate applicable at the time of acquisition. Transaction rates are used to translate the items related to income and expenses.

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2.12 Risk management

2.12.1 Asset liability management

The Asset Liability Committee (ALCO) of the Bank monitors market risk and liquidity risk of the Bank. The market risk is defined as potential change in earnings due to change in rate of interest, foreign exchange rates which are not of trading nature. ALCO reviews liquidity requirement of the Bank, the maturity of assets and liabilities, deposit and lending, pricing strategy and the liquidity contingency plan. The primary objective of the ALCO is to monitor and avert significant volatility in Net Interest Income (NII), return on assets, investment value and exchange earnings. The ALCO also monitors the Capital Adequacy Ratio on monthly/quarterly basis.

2.12.2 Money laundering risk management

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

2.12.3 Credit risk management

Credit Risk is defined as potential loss arising from the failure of a counter party to meet financial obligations as per contractual agreement with the Bank. For maintaining steady growth of the Bank and for economic development of the country, NBL manages credit risk meticulously. NBL extends credit facilities to different clients in different sectors after doing due diligence and mitigating risk factors properly as per guidelines set by Bangladesh Bank, Executive Committee of the Board of Directors and Management Credit Committee of the Bank.

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


2.12.4 Foreign exchange risk management

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

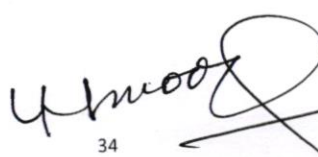
Treasury Department independently conducts the transactions and the back office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at mark-to-market rate at the month-end. All Nostro accounts are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

2.12.5 Internal control and compliance management

Operational loss may arise from error and fraud due to lack of internal control and compliance. Management, through Internal Control and Compliance Division controls operational procedure of the Bank. Internal Control and Compliance Division undertakes periodical and special audit of the branches and departments at Head Office for review of the operation and compliance of statutory requirement. The Audit Committee of the Board subsequently reviews the reports of the Internal Control and Compliance Division. Internal Control and Compliance Division (ICCD) assesses and evaluates the effectiveness of Bank's antifraud internal control measures, recommends for further improvement in implementation of strategies and reports to the Bangladesh Bank on effectiveness of controls at the end of each quarter following their prescribed format. No fraud has come to the attention during the year to the best of the knowledge of the management.


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Head Office Dhaka.


MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
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HEAD OFFICE, DHAKA


K M Rasidul Hasar
Chief Executive Officer
First Security Islami Capital & Investment Limited



10 JAN 2023

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2.12.6 ICT Risk Management

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

2.13 Earnings per share (EPS)

EPS have been calculated in accordance with IAS-33: 'Earnings per Share,' which is shown on the face of the Profit and Loss Statement. This has been calculated by dividing the net profit after tax by the weighted average number of ordinary shares outstanding as on 30 June 2022.

2.14 Cash flow statement

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

2.15 Statement of changes in equity

Statement of changes in equity has been prepared in accordance with IAS-1: 'Presentation of Financial Statements' and under the guidelines of Bangladesh Bank BRPD circular no.14 dated 25 June 2003.

2.16 Statement of liquidity

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

2.17 Reconciliation of inter-bank/books of accounts

Books of account in regard to inter bank (in Bangladesh and outside Bangladesh) as well as inter-branches are reconciled at a regular interval.

2.18 Off-setting financial assets and financial liabilities

Financial assets and financial liabilities are set off and the net amount reported in the Balance Sheet when, and only when the Bank has a legal right to offset the recognised amount and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards or for gains or losses arising from a group of similar transaction.

2.19 Subordinated bonds

Considering the regulatory, legal, present market condition and future capital requirement of the Bank, the NBL issued subordinated bonds valuing BDT 400 crore. This is eligible for Tier-II capital as per Basel III Guidelines of Bangladesh Bank. Details of terms and conditions are as follows:

| | |
|----------------------------|--|
| Issue size | BDT 400 crore |
| First tranche issue | BDT 275 crore |
| 2nd tranche issue | BDT 125 crore |
| Issue objectives | Raising of Tier -II capital to meet the requirement under Basel-III |
| Issue arranger | RSA Capital Limited |
| Nature of instrument | Un-secured, non-convertible, subordinated bond |
| Mode of placement | Private placement |
| Listing | Unlisted |
| Security | Unsecured |
| Rating status of the issue | A2 |
| Redemption | Paid annually on prorata basis to bond holders in installment of 20% per year commencing at the third anniversary of the bonds from the date of issue. |
| Redemption value | At par |
| Tenure | 7 years |
| Coupon rate | Base rate +2.50 % margin |

2.20 General

- Figures appearing in these financial statements have been rounded to the nearest BDT.
- Figures of previous year have been rearranged wherever necessary to conform to current period presentation.



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K M Rasidul Hasan
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JAN 2023

| Amount in BDT | | | |
|---------------|------|------------|------|
| Group | | Bank | |
| 30.06.2022 | 2021 | 30.06.2022 | 2021 |

3. Cash

3.1 In hand (including foreign currencies)

Local currency
Foreign currencies

| | | | |
|----------------------|----------------------|----------------------|----------------------|
| 4,024,872,398 | 5,068,028,305 | 4,024,740,108 | 5,067,954,516 |
| 156,895,455 | 132,215,322 | 25,758,513 | 33,960,110 |
| 4,181,767,853 | 5,200,243,627 | 4,050,498,621 | 5,101,914,626 |

4. Balance with Bangladesh Bank and its agent bank (including foreign currencies)

Balance with Bangladesh Bank

Local currency
Foreign currencies

| | | | |
|----------------|----------------|----------------|----------------|
| 13,498,998,218 | 18,047,403,967 | 13,498,998,218 | 18,047,403,967 |
| 664,589,752 | 495,828,030 | 664,589,752 | 495,828,030 |

Balance with agent bank (Sonali Bank Ltd)

| | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|
| 14,163,587,970 | 18,543,231,997 | 14,163,587,970 | 18,543,231,997 |
| 282,475,580 | 1,037,897,282 | 282,475,580 | 1,037,897,282 |
| 14,446,063,550 | 19,581,129,279 | 14,446,063,550 | 19,581,129,279 |

An amount of BDT 4,000,000 has been marked as lien with Bangladesh Bank upto 30 June 2022 against TT discounting facilities by various branches of NBL.

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

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with Section 33 of Banking Companies Act 1991 (amended upto 2013) and MPD circular no. 01 dated April 03, 2018, MPD circular No. 02 dated December 10, 2013 and MPD circular No. 03 dated April 09, 2020 issued by Bangladesh Bank.

The Cash Reserve Requirement on the Bank's time and demand liabilities @ 4.00% has been calculated and maintained with Bangladesh Bank in local currency and 13% Statutory Liquidity Ratio on the same liabilities has also been maintained in the form of cash in hand, balance with Bangladesh Bank and its agent bank (Sonali Bank Ltd), TT in transit and unencumbered approved securities. CRR and SLR maintained by the Bank are shown below:

4.1.1 Cash Reserve Requirement (CRR)

Average time and demand liabilities
(excluding inter-bank deposits)

| | | | |
|-----------------|-----------------|-----------------|-----------------|
| 437,302,024,000 | 432,337,197,000 | 437,302,024,000 | 432,337,197,000 |
|-----------------|-----------------|-----------------|-----------------|

Required reserve
(4.00% on average time and demand liabilities)

| | | | |
|----------------|----------------|----------------|----------------|
| 17,492,080,960 | 17,281,519,000 | 17,492,080,960 | 17,281,519,000 |
|----------------|----------------|----------------|----------------|

Actual reserve maintained

| | | | |
|----------------|----------------|----------------|----------------|
| 18,171,717,210 | 18,162,885,790 | 18,171,717,210 | 18,162,885,790 |
|----------------|----------------|----------------|----------------|

Surplus

| | | | |
|-------------|-------------|-------------|-------------|
| 679,636,250 | 881,366,790 | 679,636,250 | 881,366,790 |
|-------------|-------------|-------------|-------------|

4.1.2 Statutory Liquidity Ratio (SLR)

Average time and demand liabilities
(excluding inter-bank deposits)

| | | | |
|-----------------|-----------------|-----------------|-----------------|
| 437,302,024,000 | 432,337,197,000 | 437,302,024,000 | 432,337,197,000 |
|-----------------|-----------------|-----------------|-----------------|

Required reserve
(13% on average time and demand liabilities)

| | | | |
|----------------|----------------|----------------|----------------|
| 56,849,263,120 | 56,203,835,610 | 56,849,263,120 | 56,203,835,610 |
|----------------|----------------|----------------|----------------|

Actual reserve maintained (excluding CRR)

| | | | |
|----------------|----------------|----------------|----------------|
| 68,344,573,951 | 76,901,231,938 | 68,344,573,951 | 76,901,231,938 |
|----------------|----------------|----------------|----------------|

Surplus

| | | | |
|----------------|----------------|----------------|----------------|
| 11,495,310,831 | 20,697,396,328 | 11,495,310,831 | 20,697,396,328 |
|----------------|----------------|----------------|----------------|

4.1.3 Composition of SLR maintained*

Cash in hand
Balance with agent bank (Sonali Bank Ltd)
Unencumbered approved securities
(HTM, HFT and reverse REPO)

| | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|
| 4,050,498,621 | 5,101,914,626 | 4,050,498,621 | 5,101,914,626 |
| 282,475,580 | 1,037,897,282 | 282,475,580 | 1,037,897,282 |
| 64,011,599,750 | 70,761,420,030 | 64,011,599,750 | 70,761,420,030 |
| 68,344,573,951 | 76,901,231,938 | 68,344,573,951 | 76,901,231,938 |

* As per statement submitted to Bangladesh Bank

5. Balance with other banks and financial institutions

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

5.1 Inside Bangladesh

5.1.1 Current accounts

Agrani Bank Ltd.
Janata Bank Ltd.
Rupali Bank Ltd.
Standard Chartered Bank
Sonali Bank Ltd.

| | | | |
|----------------------|----------------------|----------------------|----------------------|
| 759,199,779 | 2,721,199,312 | 452,810,430 | 2,497,097,059 |
| 887,068,668 | 1,177,249,142 | 601,926,547 | 986,684,504 |
| 1,646,268,447 | 3,898,448,454 | 1,054,736,977 | 3,483,781,563 |

| | | | |
|-------------------|--------------------|-------------------|--------------------|
| 13,541,640 | 10,176,267 | 13,541,640 | 10,176,267 |
| 60,309,106 | 147,287,558 | 60,309,106 | 147,287,558 |
| 14,065,296 | 27,751,423 | 14,065,296 | 27,751,423 |
| - | 11,478,261 | - | 11,478,261 |
| 558,942 | 32,900,018 | 558,942 | 32,900,018 |
| 88,474,984 | 229,593,527 | 88,474,984 | 229,593,527 |

5.1.2 Short-notice deposit accounts

Eastern Bank Ltd.
Janata Bank Ltd.
National Credit and Commercial Bank Ltd.
First Security Islami Bank Ltd.
Dhaka Bank Ltd.
Trust Bank Ltd.

| | | | |
|--------------------|-------------------|--------------------|-------------------|
| 135,802,572 | 156,334 | 135,802,572 | 156,334 |
| - | 671,082 | - | 671,082 |
| - | 107,551 | - | 107,551 |
| - | 86,690 | - | 86,690 |
| - | 211,157 | - | 211,157 |
| 12,488,624 | 50,186,353 | 12,488,624 | 50,186,353 |
| 148,291,196 | 51,419,167 | 148,291,196 | 51,419,167 |

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Senior Vice President
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11 JAN 2023

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
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HEAD OFFICE, DHAKA



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5.1.3 Fixed deposit accounts (in local currency)

ICB Islamic Bank Ltd.
Global Islami Bank Ltd.
Union Bank Ltd.

Other financial institutions

Bank balance of subsidiaries

5.2 Outside Bangladesh

5.2.1 Fixed deposits accounts (interest bearing) :

JP Morgan Chase Bank, Singapore
Eastern Bank Ltd, OBU
AB Bank Ltd., OBU

In demand deposit accounts (non-interest bearing):

Standard Chartered Bank, Mumbai
Standard Chartered Bank, Frankfurt
Mashreq Bank, New York
JP Morgan Chase Bank, New York
Standard Chartered Bank, New York
Sonal Bank Ltd, Kolkata
Mashreq Bank, Mumbai
State Bank of India, Kolkata
United Bank, Karachi
NABIL Bank, Nepal
Standard Chartered Bank, Colombo
Myanmar Foreign Trade Bank, Myanmar
AB Bank Ltd, Mumbai
Bank of Bhutan, Thimpu
ICICI Bank Ltd, Mumbai
Axi Bank Ltd.
HDFC Bank Ltd, India
Meezan Bank Ltd., Karchi
Commerz Bank AG, Frankfurt
Alpha Bank AE, Athens
BOT, Tokyo
Union Bank of Switzerland, Switzerland
Habib Bank AG, Zurich
Habib American Bank, New York
Standard Chartered Bank, Singapore
ZCCB
ZCCB
Citibank N.A., New York

Bank Balance of subsidiaries

Details are shown in Annex B.

5.3 Maturity grouping of balance with other banks and financial institutions

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

6. Money at call and on short notice

Call money

With banking companies (note 6.1)

With non-banking financial institutions

6.1 Call Money - with banking companies

ICB Islamic Bank Ltd.

With Financial Institutions

| | | | |
|-------------|---------------|-------------|---------------|
| 66,044,250 | 66,084,365 | 66,044,250 | 66,084,365 |
| - | 1,500,000,000 | - | 1,500,000,000 |
| - | 500,000,000 | - | 500,000,000 |
| 66,044,250 | 2,066,084,365 | 66,044,250 | 2,066,084,365 |
| 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 |
| 216,044,250 | 2,216,084,365 | 216,044,250 | 2,216,084,365 |
| 452,810,430 | 2,497,097,059 | 452,810,430 | 2,497,097,059 |
| 306,389,349 | 224,102,253 | - | - |
| 759,199,779 | 2,721,199,312 | 452,810,430 | 2,497,097,059 |

| | | | |
|------------|-------------|------------|-------------|
| 67,844,700 | 62,290,800 | 67,844,700 | 62,290,800 |
| - | - | - | - |
| - | 128,700,000 | - | 128,700,000 |
| 67,844,700 | 190,990,800 | 67,844,700 | 190,990,800 |

| | | | |
|-------------|---------------|-------------|-------------|
| 26,642,546 | 141,570 | 26,642,546 | 141,570 |
| - | 194,509 | - | 194,509 |
| 69,210,390 | 119,222,369 | 69,210,390 | 119,222,369 |
| 26,220,630 | 2,270,395 | 26,220,630 | 2,270,395 |
| - | 857,868 | - | 857,868 |
| 24,638,709 | 39,227,739 | 24,638,709 | 39,227,739 |
| 7,185,329 | 47,861,690 | 7,185,329 | 47,861,690 |
| 2,233,648 | 163,198 | 2,233,648 | 163,198 |
| 2,917,082 | 2,678,284 | 2,917,082 | 2,678,284 |
| 27,634,713 | 22,038,534 | 27,634,713 | 22,038,534 |
| - | - | - | - |
| 12,882 | 11,828 | 12,882 | 11,828 |
| 31,978,981 | 69,479,967 | 31,978,981 | 69,479,967 |
| 25,101,136 | 34,535,111 | 25,101,136 | 34,535,111 |
| 3,575,235 | 3,282,560 | 3,575,235 | 3,282,560 |
| 2,864,936 | - | 2,864,936 | - |
| 37,659,206 | 44,613,531 | 37,659,206 | 44,613,531 |
| 14,669,166 | 15,209,842 | 14,669,166 | 15,209,842 |
| 1,120,849 | 1,360,531 | 1,120,849 | 1,360,531 |
| 9,762,516 | 16,526,993 | 9,762,516 | 16,526,993 |
| 414,667 | 6,507,736 | 414,667 | 6,507,736 |
| - | - | - | - |
| 2,339,529 | 801,967 | 2,339,529 | 801,967 |
| 92,249,812 | 151,527,377 | 92,249,812 | 151,527,377 |
| - | 3,669,074 | - | 3,669,074 |
| 20,695 | - | 20,695 | - |
| 13,291,233 | 2,572,007 | 13,291,233 | 2,572,007 |
| 112,337,957 | 210,939,024 | 112,337,957 | 210,939,024 |
| 534,081,847 | 795,693,704 | 534,081,847 | 795,693,704 |
| 285,142,121 | 190,564,638 | - | - |
| 819,223,968 | 986,258,342 | 534,081,847 | 795,693,704 |
| 887,068,668 | 1,177,249,142 | 601,926,547 | 986,684,504 |

| | | | |
|---------------|---------------|---------------|---------------|
| 831,383,510 | 1,439,954,122 | 239,852,040 | 1,025,287,231 |
| 456,850,389 | 51,419,167 | 456,850,389 | 51,419,167 |
| 127,161,178 | 190,990,800 | 127,161,178 | 190,990,800 |
| 164,829,120 | 2,150,000,000 | 164,829,120 | 2,150,000,000 |
| 66,044,250 | 66,084,365 | 66,044,250 | 66,084,365 |
| - | - | - | - |
| 1,646,268,447 | 3,898,448,454 | 1,054,736,977 | 3,483,781,563 |

| | | | |
|------------|------------|------------|------------|
| 91,300,000 | 91,300,000 | 91,300,000 | 91,300,000 |
| - | - | - | - |
| 91,300,000 | 91,300,000 | 91,300,000 | 91,300,000 |
| 91,300,000 | 91,300,000 | 91,300,000 | 91,300,000 |
| 91,300,000 | 91,300,000 | 91,300,000 | 91,300,000 |
| 91,300,000 | 91,300,000 | 91,300,000 | 91,300,000 |
| 91,300,000 | 91,300,000 | 91,300,000 | 91,300,000 |

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K M Rasidul Hasan
Chief Executive Officer
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7. Investments

Government (note 7.1)
Others (note 7.2)

7.1 Government

Treasury bonds (note 7.1.1)
Bangladesh Govt. Treasury bills
Prize bonds

7.1.1 Treasury bonds

2 years Bangladesh Government treasury bonds
5 years Bangladesh Government treasury bonds
10 years Bangladesh Government treasury bonds
15 years Bangladesh Government treasury bonds
20 years Bangladesh Government treasury bonds

7.2 Others

Share (quoted and unquoted) (note 7.2.1)
Subordinated bond
Fixed capital investment in Myanmar (note 7.2.2)
Investment under alternate fund

7.2.1 In ordinary shares (quoted and unquoted)

Quoted

Banking Companies
Non-Bank Financial Institutions
Insurance companies
Fuel & Power
Mutual Fund
Telecommunication companies
Textiles
Cement Industry
Engineering Companies
Paper & Printing
Pharmaceuticals & Chemicals
Travel & Leisure
Information Technology
Food and Allied
Service & Real Estate
Miscellaneous

Investment made by subsidiary

Un-quoted

Karma Sangsthan Bank Ltd.
Gulf Overseas Exchange LLC, Oman
Central Depository (Bangladesh) Ltd.
Industrial & Infrastructure Development Fin. Co. Ltd
Society for Worldwide Inter Bank Financial
Telecommunication (SWIFT)
NBL Securities Ltd.
NBL Capital & Equity Management Ltd.
NBL Money TRN SDN BHD Malaysia
NBL Money Transfer Pte. Ltd.
NBL Money Transfer (Maldives) PVT. Ltd.
NBL Money Transfer Inc., USA
NBL Money Trans. Payment Foundation SA Greece
Bangladesh Rating Agency Ltd.
Lanka Bangla Securities Ltd.
BD Venture Ltd.
Membership with DSE & CSE
Placement
CCBL

| | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|
| 64,011,599,745 | 70,761,420,030 | 64,011,599,745 | 70,761,420,030 |
| 10,662,487,812 | 10,357,197,858 | 13,321,646,688 | 13,043,519,685 |
| 74,674,087,557 | 81,118,617,888 | 77,333,246,433 | 83,804,939,715 |
| 63,999,305,845 | 70,752,332,030 | 63,999,305,845 | 70,752,332,030 |
| 12,293,900 | 9,088,000 | 12,293,900 | 9,088,000 |
| 64,011,599,745 | 70,761,420,030 | 64,011,599,745 | 70,761,420,030 |
| 404,531,860 | 3,283,812,186 | 404,531,860 | 3,283,812,186 |
| 2,714,122,700 | 7,989,711,665 | 2,714,122,700 | 7,989,711,665 |
| 27,973,605,040 | 30,046,085,363 | 27,973,605,040 | 30,046,085,363 |
| 14,456,621,902 | 12,367,460,593 | 14,456,621,902 | 12,367,460,593 |
| 18,450,424,343 | 17,065,262,223 | 18,450,424,343 | 17,065,262,223 |
| 63,999,305,845 | 70,752,332,030 | 63,999,305,845 | 70,752,332,030 |
| 9,408,197,812 | 9,352,907,858 | 12,067,356,688 | 12,039,229,685 |
| 750,000,000 | 1,000,000,000 | 750,000,000 | 1,000,000,000 |
| 4,290,000 | 4,290,000 | 4,290,000 | 4,290,000 |
| 500,000,000 | - | 500,000,000 | - |
| 10,662,487,812 | 10,357,197,858 | 13,321,646,688 | 13,043,519,685 |
| 5,588,545,852 | 5,594,308,257 | 5,588,545,852 | 5,594,308,257 |
| 513,095,076 | 517,655,751 | 513,095,076 | 517,655,751 |
| 268,130,263 | 239,406,132 | 268,130,263 | 239,406,132 |
| 214,671,280 | 214,795,318 | 214,671,280 | 214,795,318 |
| 59,501,318 | 52,498,218 | 59,501,318 | 52,498,218 |
| 63,522,413 | 72,265,904 | 63,522,413 | 72,265,904 |
| 48,010,783 | 36,508,545 | 48,010,783 | 36,508,545 |
| 25,268,144 | 19,651,431 | 25,268,144 | 19,651,431 |
| 131,905,921 | 123,502,574 | 131,905,921 | 123,502,574 |
| 3,892,416 | 3,564,148 | 3,892,416 | 3,564,148 |
| 278,543,690 | 262,013,279 | 278,543,690 | 262,013,279 |
| 44,080,929 | 42,292,423 | 44,080,929 | 42,292,423 |
| 11,719,433 | 13,209,995 | 11,719,433 | 13,209,995 |
| 16,054,868 | 13,326,377 | 16,054,868 | 13,326,377 |
| 19,881,535 | 26,870,965 | 19,881,535 | 26,870,965 |
| 81,924,407 | 99,756,568 | 81,924,407 | 99,756,568 |
| 7,368,748,328 | 7,331,625,885 | 7,368,748,328 | 7,331,625,885 |
| 1,241,553,213 | 1,214,390,262 | - | - |
| 8,610,301,541 | 8,546,016,147 | 7,368,748,328 | 7,331,625,885 |
| 90,000,000 | 90,000,000 | 90,000,000 | 90,000,000 |
| 27,746,250 | 27,746,250 | 27,746,250 | 27,746,250 |
| 6,277,770 | 6,277,770 | 6,277,770 | 6,277,770 |
| 62,800,260 | 62,800,260 | 62,800,260 | 62,800,260 |
| 5,930,642 | 5,930,642 | 5,930,642 | 5,930,642 |
| - | - | 3,999,940,000 | 3,999,940,000 |
| - | - | 249,865,000 | 249,865,000 |
| - | - | 20,590,000 | 20,590,000 |
| - | - | 19,041,270 | 19,041,270 |
| - | - | 17,160,000 | 17,160,000 |
| - | - | 82,368,000 | 82,368,000 |
| 4,165,900 | 4,165,900 | 35,497,819 | 35,497,819 |
| 4,998,049 | 4,998,049 | 4,165,900 | 4,165,900 |
| 20,000,000 | 20,000,000 | 4,998,049 | 4,998,049 |
| 523,750,000 | 523,750,000 | 20,000,000 | 20,000,000 |
| 14,727,400 | 23,722,840 | - | - |
| 37,500,000 | 37,500,000 | 14,727,400 | 23,722,840 |
| | | 37,500,000 | 37,500,000 |
| 797,896,271 | 806,891,711 | 4,698,608,360 | 4,707,603,800 |
| 9,408,197,812 | 9,352,907,858 | 12,067,356,688 | 12,039,229,685 |
| | | 6,262,308,980 | 6,629,611,629 |

Market value of the investments in quoted shares

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Chief Executive Officer
First Security Islamic Capital & Investment Limited
10 JAN 2023

7.2.2 Fixed capital investment in Myanmar

Fixed capital investment represents FDR for USD 50,000 bearing interest @ 1 % p.a. maintained with Myanmar Foreign Trade Bank for Representative Office of National Bank Ltd in Myanmar, translated into BDT using the rate prevailing at 30 June 2022 of the corresponding period.

7.3 Maturity wise grouping on investments

On demand
Up to 1 month
Over 1 month but not more than 3 months
Over 3 months but not more than 1 year
Over 1 year but not more than 5 years
Over 5 years

| | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|
| 216,981,354 | 620,056,824 | 216,981,354 | 620,056,824 |
| 1,223,254,478 | 1,221,937,648 | 1,223,254,478 | 1,221,937,648 |
| 3,739,615,008 | 9,668,467,739 | 3,739,615,008 | 9,668,467,739 |
| 16,186,147,901 | 23,896,710,744 | 16,186,147,901 | 23,896,710,744 |
| 53,308,088,817 | 45,711,444,933 | 55,967,247,693 | 48,397,766,760 |
| 74,674,087,557 | 81,118,617,888 | 77,333,246,433 | 83,804,939,715 |

8. Loans and advances

Loans, cash credits, overdrafts, etc (note 8.1)
Bills purchased and discounted (note 8.2)

8.1 Loans, cash credits, overdrafts, etc

In Bangladesh

Secured overdrafts
Cash credit
Over draft
Loans (general)
House building loans
Lease finance
Loan against trust receipts
Payment against documents
Credit card
Margin loan
Other loans and advances

| | | | |
|------------------------|------------------------|------------------------|------------------------|
| 403,726,115,740 | 443,695,616,802 | 400,608,800,178 | 440,584,412,775 |
| 6,061,227,361 | 4,703,297,509 | 6,061,227,361 | 4,703,297,509 |
| 409,787,343,101 | 448,398,914,311 | 406,670,027,539 | 445,287,710,284 |

Outside Bangladesh

| | | | |
|------------------------|------------------------|------------------------|------------------------|
| 7,248,775,306 | 7,188,878,797 | 7,248,775,306 | 7,188,878,797 |
| 88,000,536,028 | 63,039,448,847 | 88,000,536,028 | 63,039,448,847 |
| 61,532,722,089 | 138,955,618,621 | 61,532,722,089 | 138,955,618,621 |
| 197,736,448,927 | 185,992,292,453 | 200,089,003,913 | 188,376,347,439 |
| 24,194,417,894 | 25,041,182,300 | 24,194,417,894 | 25,041,182,300 |
| 112,422,314 | 128,208,178 | 112,422,314 | 128,208,178 |
| 5,916,749,868 | 5,210,373,008 | 5,916,749,868 | 5,210,373,008 |
| 538,108,985 | 513,597,010 | 538,108,985 | 513,597,010 |
| 1,176,993,633 | 1,202,700,519 | 1,176,993,633 | 1,202,700,519 |
| 5,469,870,548 | 5,495,259,013 | | |
| 11,799,070,148 | 10,928,058,056 | 11,799,070,148 | 10,928,058,056 |
| 403,726,115,740 | 443,695,616,802 | 400,608,800,178 | 440,584,412,775 |

8.2 Bills purchased and discounted

In Bangladesh

Local bills purchased and discounted
Foreign bills/documents purchased and discounted

| | | | |
|-----------------|-----------------|-----------------|-----------------|
| 403,726,115,740 | 443,695,616,802 | 400,608,800,178 | 440,584,412,775 |
|-----------------|-----------------|-----------------|-----------------|

Outside Bangladesh

| | | | |
|------------------------|------------------------|------------------------|------------------------|
| 1,569,229,243 | 1,111,261,146 | 1,569,229,243 | 1,111,261,146 |
| 4,491,998,118 | 3,592,036,363 | 4,491,998,118 | 3,592,036,363 |
| 6,061,227,361 | 4,703,297,509 | 6,061,227,361 | 4,703,297,509 |
| 6,061,227,361 | 4,703,297,509 | 6,061,227,361 | 4,703,297,509 |
| 409,787,343,101 | 448,398,914,311 | 406,670,027,539 | 445,287,710,284 |

8.3 Maturity wise grouping of loans and advances including bills purchased and discounted repayable

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

| | | | |
|------------------------|------------------------|------------------------|------------------------|
| 28,466,901,928 | 22,264,385,514 | 28,466,901,928 | 22,264,385,514 |
| 44,733,703,029 | 48,981,648,131 | 44,733,703,029 | 48,981,648,131 |
| 61,000,504,131 | 75,698,910,748 | 61,000,504,131 | 75,698,910,748 |
| 65,067,204,406 | 115,774,804,674 | 65,067,204,406 | 115,774,804,674 |
| 101,667,506,885 | 133,586,313,085 | 101,667,506,885 | 133,586,313,085 |
| 108,851,522,722 | 52,092,852,158 | 105,734,207,160 | 48,981,648,131 |
| 409,787,343,101 | 448,398,914,311 | 406,670,027,539 | 445,287,710,284 |

8.4 Loans and advances including bills purchased and discounted classified into

In Bangladesh:

Loans
Cash credits
Overdrafts
Bills purchased and discounted

| | | | |
|------------------------|------------------------|------------------------|------------------------|
| 254,192,857,623 | 241,700,549,334 | 251,075,542,061 | 238,589,345,307 |
| 88,000,536,028 | 63,039,448,847 | 88,000,536,028 | 63,039,448,847 |
| 61,532,722,089 | 138,955,618,621 | 61,532,722,089 | 138,955,618,621 |
| 6,061,227,361 | 4,703,297,509 | 6,061,227,361 | 4,703,297,509 |
| 409,787,343,101 | 448,398,914,311 | 406,670,027,539 | 445,287,710,284 |

Outside Bangladesh

| | | | |
|------------------------|------------------------|------------------------|------------------------|
| 409,787,343,101 | 448,398,914,311 | 406,670,027,539 | 445,287,710,284 |
|------------------------|------------------------|------------------------|------------------------|

8.5 Loans and advances on the basis of significant concentration

8.5.1 Loans and advances to directors, executives and others

Advances to directors and their allied concerns
Advances to CEO, senior executives and other staffs
Advances to customers (groupwise)
Industrial advances
Other customers

| | | | |
|------------------------|------------------------|------------------------|------------------------|
| 2,389,747,259 | 2,411,165,000 | 2,389,747,259 | 2,411,165,000 |
| 149,034,982,003 | 195,676,808,892 | 149,034,982,003 | 195,676,808,892 |
| 121,808,162,095 | 114,437,989,021 | 121,808,162,095 | 114,437,989,021 |
| 136,554,451,744 | 135,872,951,398 | 133,437,136,182 | 132,761,747,371 |
| 409,787,343,101 | 448,398,914,311 | 406,670,027,539 | 445,287,710,284 |

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Company Secretary
National Bank Limited
Head Office, Dhaka.

10 JAN 2023

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

10 JAN 2023



K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

8.5.2 Loans and advances allowed to each customer exceeding 10% of Bank's total capital

Total loans and advances (funded and non-funded)*

No. of customers

Classified amount thereon

Measures taken for recovery of classified loans: Pursuation for recovery is continued in addition to legal actions.

| | |
|-----------------|-----------------|
| 200,764,900,000 | 242,151,400,000 |
| 21 | 25 |
| 51,536,500,000 | 39,132,900,000 |

*The amount represents the sum of total loans and advances to each customer exceeding 10% of total capital of the Bank (i.e. BDT 453.13 crore being 10% of total capital of BDT 4,531.33 crore) as at June 30, 2022.

Details are shown in Annex C.

8.5.3 Industry wise concentration of loans and advances (Including bills purchased and discounted)

| | | | | |
|--|------------------------|------------------------|------------------------|------------------------|
| Agriculture | 4,457,783,255 | 4,597,466,378 | 4,457,783,255 | 4,597,466,378 |
| Term loan to small cottage industries | 7,625,090,477 | 6,378,459,504 | 7,625,090,477 | 6,378,459,504 |
| Term loan to large and medium industries | 118,122,831,137 | 161,683,377,045 | 118,122,831,137 | 161,683,377,045 |
| Working capital to industries | 89,095,293,344 | 72,598,531,837 | 89,095,293,344 | 72,598,531,837 |
| Export credit | 13,124,936,786 | 15,360,985,778 | 13,124,936,786 | 15,360,985,778 |
| Trade finance | 75,145,538,535 | 108,872,756,890 | 75,145,538,535 | 108,872,756,890 |
| Consumer credit | 3,125,184,521 | 3,030,721,310 | 3,125,184,521 | 3,030,721,310 |
| Credit cards | 1,176,993,633 | 1,202,700,519 | 1,176,993,633 | 1,202,700,519 |
| Others | 97,913,691,413 | 74,673,915,050 | 94,796,375,851 | 71,562,711,023 |
| | 409,787,343,101 | 448,398,914,311 | 406,670,027,539 | 445,287,710,284 |

8.5.4 Geographical location-wise grouping

In Bangladesh

| | | | | |
|---------------------|------------------------|------------------------|------------------------|------------------------|
| Dhaka Division | 305,468,033,303 | 303,548,070,212 | 302,350,717,741 | 300,436,866,185 |
| Chattagram Division | 72,454,015,573 | 112,386,989,305 | 72,454,015,573 | 112,386,989,305 |
| Khulna Division | 6,596,632,244 | 6,654,041,680 | 6,596,632,244 | 6,654,041,680 |
| Sylhet Division | 1,288,473,559 | 1,330,471,279 | 1,288,473,559 | 1,330,471,279 |
| Rangpur Division | 3,653,368,038 | 3,806,013,531 | 3,653,368,038 | 3,806,013,531 |
| Barisal Division | 2,329,473,412 | 2,389,983,908 | 2,329,473,412 | 2,389,983,908 |
| Rajshahi Division | 14,054,211,491 | 14,127,939,838 | 14,054,211,491 | 14,127,939,838 |
| Mymensingh Division | 3,943,135,481 | 4,155,404,558 | 3,943,135,481 | 4,155,404,558 |
| | 409,787,343,101 | 448,398,914,311 | 406,670,027,539 | 445,287,710,284 |

Outside Bangladesh

| | | | |
|------------------------|------------------------|------------------------|------------------------|
| 409,787,343,101 | 448,398,914,311 | 406,670,027,539 | 445,287,710,284 |
|------------------------|------------------------|------------------------|------------------------|

8.6 Grouping as per classification rules

Unclassified:

Standard

Special mentioned account

Classified:

Sub-standard

Doubtful

Bad/loss

Total

| | | | |
|------------------------|------------------------|------------------------|------------------------|
| 306,606,743,101 | 316,306,391,311 | 303,489,427,539 | 313,195,187,284 |
| 9,237,700,000 | 39,475,412,000 | 9,237,700,000 | 39,475,412,000 |
| 315,844,443,101 | 355,781,803,311 | 312,727,127,539 | 352,670,599,284 |
| 2,540,900,000 | 2,421,641,000 | 2,540,900,000 | 2,421,641,000 |
| 1,208,800,000 | 1,017,661,000 | 1,208,800,000 | 1,017,661,000 |
| 90,193,200,000 | 89,177,809,000 | 90,193,200,000 | 89,177,809,000 |
| 93,942,900,000 | 92,617,111,000 | 93,942,900,000 | 92,617,111,000 |
| 409,787,343,101 | 448,398,914,311 | 406,670,027,539 | 445,287,710,284 |

8.7 Particulars of loans and advances

i) Loans considered good in respect of which the Bank is fully secured

ii) Loans considered good against which the Bank holds no security other than the debtors' personal guarantee

iii) Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors

iv) Loans adversely classified; provision not maintained there

v) Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons.

vi) Loans due from companies or firms in which the directors of the bank have interest as directors, partners or managing agents or in case of private companies, as members.

| | | | |
|------------------------|------------------------|------------------------|------------------------|
| 338,625,195,632 | 349,939,521,138 | 335,507,880,070 | 346,828,317,111 |
| 36,085,249,683 | 43,603,380,226 | 36,085,249,683 | 43,603,380,226 |
| 35,076,897,786 | 54,856,012,947 | 35,076,897,786 | 54,856,012,947 |
| 409,787,343,101 | 448,398,914,311 | 406,670,027,539 | 445,287,710,284 |
| 2,389,747,259 | 2,411,165,000 | 2,389,747,259 | 2,411,165,000 |

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10 JAN 2023

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Senior Vice President
Company Secretary
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Head Office, Dhaka
10 JAN 2023

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
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HEAD OFFICE, DHAKA
10 JAN 2023



K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited
10 JAN 2023

vii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the bank or any of them either separately or jointly with any other person.

viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies, as members.

ix) Due from banking companies

x) Information in respect of classified loans advances

a) Classified loans for which interest is not credited to income

b) Provision kept against classified loans and advances (note 15.2a)

c) Interest credited to interest suspense account (note 15.2)

xi) Cumulative amount of written-off loans:

Opening balance

Amount written-off during the year

Amount recovered / provision released during the year against written-off loans

Waiver for final settlement

Balance of written-off loans and advances yet to be recovered

The amount of classified and written-off loans for which law suits have been filed

| | | | |
|---------------|---------------|---------------|---------------|
| 2,389,747,259 | 2,411,165,000 | 2,389,747,259 | 2,411,165,000 |
|---------------|---------------|---------------|---------------|

| | | | |
|---|---|---|---|
| - | - | - | - |
|---|---|---|---|

| | | | |
|---|---|---|---|
| - | - | - | - |
|---|---|---|---|

| | | | |
|----------------|----------------|----------------|----------------|
| 93,942,900,000 | 92,617,111,000 | 93,942,900,000 | 92,617,111,000 |
|----------------|----------------|----------------|----------------|

| | | | |
|----------------|----------------|----------------|----------------|
| 14,353,895,227 | 14,350,757,302 | 14,353,895,227 | 14,350,757,302 |
|----------------|----------------|----------------|----------------|

| | | | |
|---------------|---------------|---------------|---------------|
| 9,897,129,016 | 9,204,345,142 | 9,897,129,016 | 9,204,345,142 |
|---------------|---------------|---------------|---------------|

| | | | |
|----------------|----------------|----------------|----------------|
| 16,931,234,000 | 17,078,599,000 | 16,931,234,000 | 17,078,599,000 |
|----------------|----------------|----------------|----------------|

| | | | |
|---|---|---|---|
| - | - | - | - |
|---|---|---|---|

| | | | |
|---------------|---------------|---------------|---------------|
| (159,900,000) | (147,365,000) | (159,900,000) | (147,365,000) |
|---------------|---------------|---------------|---------------|

| | | | |
|---|---|---|---|
| - | - | - | - |
|---|---|---|---|

| | | | |
|----------------|----------------|----------------|----------------|
| 16,771,334,000 | 16,931,234,000 | 16,771,334,000 | 16,931,234,000 |
|----------------|----------------|----------------|----------------|

| | | | |
|-----------------|----------------|-----------------|----------------|
| 101,897,200,000 | 76,872,207,000 | 101,897,200,000 | 76,872,207,000 |
|-----------------|----------------|-----------------|----------------|

8.8 Bills purchased and discounted

(Maturity wise grouping of bills purchased and discounted)

Payable within 1 month

More than 1 month but less than 3 months

More than 3 months but less than 6 months

More than 6 months

| | | | |
|---------------|-------------|---------------|-------------|
| 1,010,204,560 | 783,882,918 | 1,010,204,560 | 783,882,918 |
|---------------|-------------|---------------|-------------|

| | | | |
|---------------|---------------|---------------|---------------|
| 2,020,409,120 | 1,567,765,836 | 2,020,409,120 | 1,567,765,836 |
|---------------|---------------|---------------|---------------|

| | | | |
|---------------|---------------|---------------|---------------|
| 3,030,613,681 | 2,351,648,755 | 3,030,613,681 | 2,351,648,755 |
|---------------|---------------|---------------|---------------|

| | | | |
|---|---|---|---|
| - | - | - | - |
|---|---|---|---|

| | | | |
|---------------|---------------|---------------|---------------|
| 6,061,227,361 | 4,703,297,509 | 6,061,227,361 | 4,703,297,509 |
|---------------|---------------|---------------|---------------|

9. Fixed assets including premises, furniture and fixtures

Cost / Revaluation:

Land

Building

Furniture and fixtures

General equipments

Computer equipments

Vehicles

Right of use assets (leased assets)

Books

| | | | |
|-------------|-------------|-------------|-------------|
| 693,216,752 | 693,216,752 | 693,216,752 | 693,216,752 |
|-------------|-------------|-------------|-------------|

| | | | |
|---------------|---------------|---------------|---------------|
| 1,276,289,796 | 1,276,289,796 | 1,276,289,796 | 1,276,289,796 |
|---------------|---------------|---------------|---------------|

| | | | |
|---------------|---------------|---------------|---------------|
| 1,286,239,579 | 1,246,285,790 | 1,286,239,579 | 1,246,285,790 |
|---------------|---------------|---------------|---------------|

| | | | |
|---------------|---------------|---------------|---------------|
| 1,306,566,507 | 1,270,946,919 | 1,306,566,507 | 1,270,946,919 |
|---------------|---------------|---------------|---------------|

| | | | |
|---------------|---------------|---------------|---------------|
| 2,859,449,640 | 2,722,159,274 | 2,859,449,640 | 2,722,159,274 |
|---------------|---------------|---------------|---------------|

| | | | |
|-------------|-------------|-------------|-------------|
| 309,093,509 | 308,811,546 | 309,093,509 | 308,811,546 |
|-------------|-------------|-------------|-------------|

| | | | |
|-------------|-------------|-------------|-------------|
| 418,991,341 | 418,991,341 | 418,991,341 | 418,991,341 |
|-------------|-------------|-------------|-------------|

| | | | |
|-----------|-----------|-----------|-----------|
| 2,540,523 | 2,481,544 | 2,540,523 | 2,481,544 |
|-----------|-----------|-----------|-----------|

| | | | |
|---------------|---------------|---------------|---------------|
| 8,152,387,648 | 7,939,182,962 | 8,152,387,648 | 7,939,182,962 |
|---------------|---------------|---------------|---------------|

| | | | |
|---------------|---------------|---------------|---------------|
| 4,705,293,389 | 4,508,204,703 | 4,705,293,389 | 4,508,204,703 |
|---------------|---------------|---------------|---------------|

Less: Accumulated depreciation

Written down value at the end of the year

Subsidiary companies balance

| | | | |
|---------------|---------------|---------------|---------------|
| 3,447,094,259 | 3,430,978,259 | 3,447,094,259 | 3,430,978,259 |
|---------------|---------------|---------------|---------------|

| | | | |
|------------|------------|---|---|
| 42,711,716 | 43,645,224 | - | - |
|------------|------------|---|---|

| | | | |
|---------------|---------------|---------------|---------------|
| 3,489,805,975 | 3,474,623,483 | 3,447,094,259 | 3,430,978,259 |
|---------------|---------------|---------------|---------------|

Details are shown in Annex A.

10. Other assets

Income generating

Non-income generating (note 10.1)

| | | | |
|---|---|---|---|
| - | - | - | - |
|---|---|---|---|

| | | | |
|----------------|----------------|----------------|----------------|
| 42,423,501,154 | 13,604,739,075 | 42,823,812,404 | 13,981,921,979 |
|----------------|----------------|----------------|----------------|

| | | | |
|----------------|----------------|----------------|----------------|
| 42,423,501,154 | 13,604,739,075 | 42,823,812,404 | 13,981,921,979 |
|----------------|----------------|----------------|----------------|

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HEAD OFFICE, DHAKA



K M Rasidul Hasan
Chief Executive Officer
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10.1 Non-income generating other assets

| | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Stock of stationery | 75,084,895 | 71,434,393 | 75,084,895 | 71,434,393 |
| Stamps in hand | 6,230,209 | 5,661,657 | 6,230,209 | 5,661,657 |
| Suspense account (note 10.1.1) | 1,064,854,605 | 1,189,059,830 | 1,064,854,605 | 1,189,059,830 |
| Advance and deposits | 5,789,336 | 5,716,286 | 5,789,336 | 5,716,286 |
| Interest and other receivables | 3,181,185,718 | 3,055,945,209 | 3,181,185,718 | 3,055,945,209 |
| Sundry assets (note 10.1.2) | 673,392,331 | 711,621,125 | 673,392,331 | 711,621,125 |
| Demand draft paid without advice | 500,000 | 733,250 | 500,000 | 733,250 |
| Bill purchased account - credit card | 350,452,929 | 433,578,501 | 350,452,929 | 433,578,501 |
| Unamortized interest waiver* | 23,463,731,352 | - | 23,463,731,352 | - |
| Deferred tax asset/liabilities(note 10.1.3) | 111,811,163 | 111,811,163 | 112,815,042 | 112,815,042 |
| Inter-branch adjustment account (net) (note 10.1.4) | 6,969,251,825 | 1,292,934,321 | 6,969,251,825 | 1,292,934,321 |
| Advance against cash assistance | 3,496,983 | 9,374,703 | 3,496,983 | 9,374,703 |
| Advance against branches | 3,408,000 | 5,444,000 | 3,408,000 | 5,444,000 |
| Advance against NBL Towers | 5,382,889,680 | 5,382,889,680 | 5,382,889,680 | 5,382,889,680 |
| Advance against fixed assets | 541,709,826 | 664,613,486 | 541,709,826 | 664,613,486 |
| Others | 589,712,302 | 663,921,471 | 989,019,673 | 1,040,100,496 |
| | 42,423,501,154 | 13,604,739,075 | 42,823,812,404 | 13,981,921,979 |

* Unamortized interest waiver account has been shown which represents the interests waived on few parties as per minutes of the 456th Board meeting dated 27.12.2021 and letters issued by Department of Off-site Supervision (DOS) of Bangladesh Bank vide various letters (7) On 22 December 2021. The amount shall be amortized as per the aforementioned letters over the period.

10.1.1 Suspense account

| | | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| Sundry debtors | 276,599,433 | 356,776,384 | 276,599,433 | 356,776,384 |
| Advance against TA/DA | 811,000 | 99,400 | 811,000 | 99,400 |
| Advance against postage | 3,210 | 6,463 | 3,210 | 6,463 |
| Encashment of PSP/ BSP | 278,349,566 | 354,858,554 | 278,349,566 | 354,858,554 |
| Advance against security printing | 2,880 | 4,240.00 | 2,880 | 4,240.00 |
| Encashment of wage earners development bond | 509,088,516 | 477,314,789 | 509,088,516 | 477,314,789 |
| | 1,064,854,605 | 1,189,059,830 | 1,064,854,605 | 1,189,059,830 |

10.1.2 Sundry assets

| | | | | |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|
| Cash remittance | 47,253,040 | 128,132,307 | 47,253,040 | 128,132,307 |
| Advance rent | 580,327,019 | 549,773,029 | 580,327,019 | 549,773,029 |
| Clearing adjustment account | 61,761 | 1,373,781 | 61,761 | 1,373,781 |
| Protested bill | 20,762,483 | 23,430,379 | 20,762,483 | 23,430,379 |
| Unexpired insurance premium | 24,988,028 | 8,911,629 | 24,988,028 | 8,911,629 |
| | 673,392,331 | 711,621,125 | 673,392,331 | 711,621,125 |

10.1.3 Deferred tax assets/(liabilities)

Deferred tax assets:

| | | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| Opening balance | 315,421,537 | 304,220,780 | 315,103,863 | 303,903,106 |
| Add: Addition/(Adjusted) during the year | - | 11,200,757 | - | 11,200,757 |
| Closing balance | 315,421,537 | 315,421,537 | 315,103,863 | 315,103,863 |

Deferred tax liabilities:

| | | | | |
|--|--------------------|---------------------|--------------------|---------------------|
| Opening balance | 203,610,374 | 216,077,975 | 202,288,821 | 214,756,422 |
| Add: Addition/adjustment during the year | - | (12,467,601) | - | (12,467,601) |
| Closing balance | 203,610,374 | 203,610,374 | 202,288,821 | 202,288,821 |
| Net deferred tax assets/(liabilities) | 111,811,163 | 111,811,163 | 112,815,042 | 112,815,042 |
| Deferred tax charge/(credit) | - | (23,668,358) | - | (23,668,358) |

10.1.4 Inter-branch adjustment account

Inter-branch adjustment account represents outstanding Inter-branch and Head Office transactions (net) originated but yet to be responded at the balance sheet date. However, most of the same has been adjusted subsequently.

11. Non- banking Assets

| | | | |
|--------------------|--------------------|--------------------|--------------------|
| 297,086,400 | 297,086,400 | 297,086,400 | 297,086,400 |
| 297,086,400 | 297,086,400 | 297,086,400 | 297,086,400 |

The Bank was awarded absolute ownership on few mortgaged properties through the verdict of Honourable High Court under section 33(7) of The Artha Rin Adalat Ain 2003 (Artha-rin Act). These were recorded as a non-banking assets. The value of assets received in addition to the loan outstanding or written off loans was kept as reserve against non-banking assets. The details are as follows in branches wise:

Sl no. Branches

| | | | |
|----|------------------|--------------------|--------------------|
| 1 | Bangshal | 1,100,000 | 1,100,000 |
| 2 | Dilkusha | 219,047,500 | 219,047,500 |
| 3 | Elephant road | 450,000 | 450,000 |
| 4 | Foreign exchange | 8,660,000 | 8,660,000 |
| 5 | Jessore | 75,900 | 75,900 |
| 6 | Malibagh | 1,934,000 | 1,934,000 |
| 7 | Kawran bazar | 15,019,000 | 15,019,000 |
| 8 | Rajshahi | 305,000 | 305,000 |
| 9 | Rangpur | 43,775,000 | 43,775,000 |
| 10 | Narayanganj | 6,720,000 | 6,720,000 |
| | Total | 297,086,400 | 297,086,400 |

Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
110/1, Kazi Nazrul Islam Avenue, Dhaka.

Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office Dhaka

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

K M Rasidul Hasan
Chief Executive Officer
First Security Islamic Capital & Investment Limited



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12. Borrowings from other banks, financial institutions and agents

| | | | | |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| In Bangladesh (note 12.1.1) | 12,737,034,193 | 12,587,662,983 | 12,737,034,193 | 12,587,662,983 |
| Outside Bangladesh (note 12.1.2) | - | - | - | - |
| | 12,737,034,193 | 12,587,662,983 | 12,737,034,193 | 12,587,662,983 |

12.1.1 In Bangladesh

| | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Export Development Fund (EDF) | 6,968,214,216 | 5,621,738,804 | 6,968,214,216 | 5,621,738,804 |
| Agricultural credit on special program | 161,549,414 | 348,332,311 | 161,549,414 | 348,332,311 |
| Bangladesh Bank | 7,258,333 | 18,520,834 | 7,258,333 | 18,520,834 |
| Stimulates package | 4,500,012,230 | 5,259,071,034 | 4,500,012,230 | 5,259,071,034 |
| Sonali Bank Ltd. | 500,000,000 | 1,090,000,000 | 500,000,000 | 1,090,000,000 |
| State Bank of India | 400,000,000 | 250,000,000 | 400,000,000 | 250,000,000 |
| Uttara Bank Ltd. | 200,000,000 | - | 200,000,000 | - |
| | 12,737,034,193 | 12,587,662,983 | 12,737,034,193 | 12,587,662,983 |

12.1.2 Outside Bangladesh

| | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | - | - | - | - |
| | 12,737,034,193 | 12,587,662,983 | 12,737,034,193 | 12,587,662,983 |

12.2 Security wise breakup of borrowing from other banks, financial institutions and agents

| | | | | |
|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Secured borrowings | 12,737,034,193 | 12,587,662,983 | 12,737,034,193 | 12,587,662,983 |
| Unsecured borrowings | - | - | - | - |
| | 12,737,034,193 | 12,587,662,983 | 12,737,034,193 | 12,587,662,983 |

12.3 Maturity-wise grouping of borrowings

| | | | | |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Repayable | | | | |
| On demand | 1,100,000,000 | 1,340,000,000 | 1,100,000,000 | 1,340,000,000 |
| Up to 1 month | 168,807,747 | 965,984,160 | 168,807,747 | 965,984,160 |
| More than 1 month but within 3 months | 6,968,214,216 | 1,931,968,320 | 6,968,214,216 | 1,931,968,320 |
| More than 3 months but within 1 year | 4,500,012,230 | 8,349,710,503 | 4,500,012,230 | 8,349,710,503 |
| More than 1 year but within 5 years | - | - | - | - |
| More than 5 years | - | - | - | - |
| | 12,737,034,193 | 12,587,662,983 | 12,737,034,193 | 12,587,662,983 |

13. Deposits and other accounts (note 13.1)

| | | | | |
|--|------------------------|------------------------|------------------------|------------------------|
| Current deposit and other accounts (note 13.2) | 33,682,957,445 | 37,016,656,753 | 33,703,291,901 | 37,025,558,090 |
| Bills payable (note 13.3) | 4,857,501,774 | 3,177,332,448 | 4,857,501,774 | 3,177,332,448 |
| Savings deposit | 67,063,463,000 | 64,895,520,248 | 67,063,463,000 | 64,895,520,248 |
| Fixed deposit | 116,388,760,994 | 133,885,463,535 | 116,388,760,994 | 133,885,463,535 |
| Term deposit (note 13.4) | 222,813,751,438 | 233,858,343,881 | 223,199,112,813 | 234,120,016,481 |
| | 444,806,434,651 | 472,833,316,865 | 445,212,130,482 | 473,103,890,802 |

The Bank Management advised to various branches to take necessary steps for depositing the amount of unclaimed deposits through head office following the Bangladesh Bank guidelines.

13.1 Deposit and other account

| | | | | |
|--|------------------------|------------------------|------------------------|------------------------|
| Deposit from banks (in Bangladesh) (note 13.1.1) | 15,932,457,381 | 20,602,458,029 | 15,932,457,381 | 20,602,458,029 |
| Other than bank | 428,873,977,270 | 452,230,858,836 | 429,279,673,101 | 452,501,432,773 |
| | 444,806,434,651 | 472,833,316,865 | 445,212,130,482 | 473,103,890,802 |

13.1.1 Deposit from banks (in Bangladesh)

A. In current account

| | | | | |
|----------------------------------|-------------------|--------------------|-------------------|--------------------|
| AB Bank Ltd. | 477 | 822 | 477 | 822 |
| Al-Arafah Islami Bank Ltd. | 7,233,504 | 135,125 | 7,233,504 | 135,125 |
| BRAC Bank Ltd. | - | 55,000 | - | 55,000 |
| Bangladesh Krishi Bank Ltd. | 2,755,000 | 3,455,686 | 2,755,000 | 3,455,686 |
| Dutch Bangla Bank Ltd. | - | 112,859 | - | 112,859 |
| Islami Bank Bangladesh Ltd. | 16,583,447 | 172,070,057 | 16,583,447 | 172,070,057 |
| Jamuna Bank Ltd. | 4,967,735 | 127,387 | 4,967,735 | 127,387 |
| Mercantile Bank Ltd. | 408,110 | 10,106 | 408,110 | 10,106 |
| Prime Bank Ltd. | 39,650 | 39,995 | 39,650 | 39,995 |
| Bangladesh Development Bank Ltd. | 1,606,000 | 506,657 | 1,606,000 | 506,657 |
| Rajshahi Krishi Unnayan Bank | 875,321 | 15,497,015 | 875,321 | 15,497,015 |
| Shahjalal Islami Bank Ltd. | 3,179 | 3,524 | 3,179 | 3,524 |
| Southeast Bank Ltd. | 8,016,955 | 17,500 | 8,016,955 | 17,500 |
| EXIM Bank Ltd. | 1,326 | 100,671 | 1,326 | 100,671 |
| | 42,490,704 | 192,132,404 | 42,490,704 | 192,132,404 |

B. In short notice deposit accounts

| | | | | |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
| BRAC Bank Ltd. | 263,955 | 232,000 | 263,955 | 232,000 |
| Al-Arafah Islami Bank Ltd. | 25,765,130 | - | 25,765,130 | - |
| Dhaka Bank Ltd. | 7,921,000 | 174,250 | 7,921,000 | 174,250 |
| Dutch-Bangla Bank Ltd. | - | 57,053 | - | 57,053 |
| EXIM Bank Ltd. | 22,658,000 | 11,530,105 | 22,658,000 | 11,530,105 |
| Jamuna Bank Ltd. | 407,959 | 5,578,000 | 407,959 | 5,578,000 |
| Janata Bank Ltd. | 35,000 | 35,000 | 35,000 | 35,000 |
| Mercantile Bank Ltd. | 1,186,326 | 145,938 | 1,186,326 | 145,938 |
| Rajshahi Krishi Unnayan Bank | 131,526,522 | 192,371,916 | 131,526,522 | 192,371,916 |
| The Premier Bank Ltd. | 202,785 | 201,363 | 202,785 | 201,363 |
| | 189,966,677 | 210,325,625 | 189,966,677 | 210,325,625 |

K M Rasidul Hasan
K M Rasidul Hasan
 Chief Executive Officer
 First Security Islamic Finance & Investment Limited
 10 JAN 2023

Krishna Kamal Ghose
Krishna Kamal Ghose, FCA
 EVP & CFO
 Financial Administration Division
 National Bank Limited, Head Office
 116/1, Kazi Nazrul Islam Avenue, Dhaka.
 10 JAN 2023

Md. Kaiser Rashid
Md. Kaiser Rashid
 Senior Vice President
 Company Secretary
 National Bank Limited
 Head Office Dhaka
 10 JAN 2023

MD. MEHMOOD HUSAIN
MD. MEHMOOD HUSAIN
 MANAGING DIRECTOR
 NATIONAL BANK LIMITED
 HEAD OFFICE, DHAKA
 10 JAN 2023



C. Term deposit accounts

| | | | | |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Agrani Bank Ltd. | 4,000,000,000 | 4,000,000,000 | 4,000,000,000 | 4,000,000,000 |
| Shimanta Bank Ltd. | 100,000,000 | 400,000,000 | 100,000,000 | 400,000,000 |
| National Credit & Commerce Bank Ltd. | 1,000,000,000 | 1,500,000,000 | 1,000,000,000 | 1,500,000,000 |
| Janata Bank Ltd. | 7,000,000,000 | 7,000,000,000 | 7,000,000,000 | 7,000,000,000 |
| Uttara Bank Ltd. | 1,100,000,000 | 1,800,000,000 | 1,100,000,000 | 1,800,000,000 |
| Rupali Bank Ltd. | 1,000,000,000 | 2,000,000,000 | 1,000,000,000 | 2,000,000,000 |
| Sonali Bank Ltd. | 1,500,000,000 | 3,500,000,000 | 1,500,000,000 | 3,500,000,000 |
| Total (A+B+C) | 15,700,000,000 | 20,200,000,000 | 15,700,000,000 | 20,200,000,000 |
| | 15,932,457,381 | 20,602,458,029 | 15,932,457,381 | 20,602,458,029 |

13.1.2 Maturity-wise grouping

Deposits from banks

Repayable

| | | | | |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| On demand | 42,490,704 | 634,492,683 | 42,490,704 | 634,492,683 |
| Up to 1 month | 189,966,677 | 3,215,383,940 | 189,966,677 | 3,215,383,940 |
| Over 1 month but within 6 months | 15,700,000,000 | 10,852,581,406 | 15,700,000,000 | 10,852,581,406 |
| Over 6 months but within 1 year | - | 5,900,000,000 | - | 5,900,000,000 |
| Over 1 year but within 5 years | - | - | - | - |
| Over 5 years but within 10 years | - | - | - | - |
| | 15,932,457,381 | 20,602,458,029 | 15,932,457,381 | 20,602,458,029 |

From others payable

Repayable

| | | | | |
|----------------------------------|------------------------|------------------------|------------------------|------------------------|
| On demand | 22,524,119,330 | 21,644,826,171 | 22,524,119,330 | 21,644,826,171 |
| Up to 1 month | 43,491,054,066 | 32,068,189,570 | 43,491,054,066 | 32,068,189,570 |
| Over 1 month but within 6 months | 71,700,681,318 | 107,612,474,333 | 71,700,681,318 | 107,612,474,333 |
| Over 6 months but within 1 year | 73,895,838,871 | 105,951,871,019 | 73,895,838,871 | 105,951,871,019 |
| Over 1 year but within 5 years | 177,641,586,893 | 142,757,841,884 | 177,641,586,893 | 142,757,841,884 |
| Over 5 years but within 10 years | 39,620,696,792 | 42,195,655,859 | 40,026,392,623 | 42,466,229,796 |
| | 428,873,977,270 | 452,230,858,836 | 429,279,673,101 | 452,501,432,773 |
| | 444,806,434,651 | 472,833,316,865 | 445,212,130,482 | 473,103,890,802 |

13.2 Current deposit and other accounts

| | | | | |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Current deposit | 19,171,471,791 | 21,318,990,312 | 19,171,471,791 | 21,318,990,312 |
| Foreign currency deposit | 259,038,687 | 240,015,460 | 259,038,687 | 240,015,460 |
| Exchange company Taka account | 273,751,580 | 310,301,904 | 294,086,036 | 319,203,241 |
| Exporters' foreign currencies account | 413,451,289 | 171,416,546 | 413,451,289 | 171,416,546 |
| Sundry deposits | 13,565,244,098 | 14,975,932,531 | 13,565,244,098 | 14,975,932,531 |
| | 33,682,957,445 | 37,016,656,753 | 33,703,291,901 | 37,025,558,090 |

13.3 Bills payable

| | | | | |
|---------------|----------------------|----------------------|----------------------|----------------------|
| Payment order | 4,841,858,034 | 3,161,447,437 | 4,841,858,034 | 3,161,447,437 |
| Demand draft | 15,643,740 | 15,885,011 | 15,643,740 | 15,885,011 |
| | 4,857,501,774 | 3,177,332,448 | 4,857,501,774 | 3,177,332,448 |

13.4 Term deposit

| | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|
| Short notice deposit | 22,586,719,108 | 29,549,661,032 | 22,972,080,483 | 29,811,333,632 |
| Non-resident foreign currency deposit | 279,730,936 | 374,911,495 | 279,730,936 | 374,911,495 |
| Resident foreign currency deposit | 607,557,730 | 544,091,569 | 607,557,730 | 544,091,569 |
| Non-resident investment Taka account | 186,899 | 288,961 | 186,899 | 288,961 |
| Monthly saving scheme | 48,744,869,053 | 49,894,858,583 | 48,744,869,053 | 49,894,858,583 |
| Special deposit scheme | 150,594,687,712 | 153,494,532,241 | 150,594,687,712 | 153,494,532,241 |
| | 222,813,751,438 | 233,858,343,881 | 223,199,112,813 | 234,120,016,481 |

14. Subordinated bonds

| | | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 2,400,000,000 | 2,650,000,000 | 2,400,000,000 | 2,650,000,000 |
| | 2,400,000,000 | 2,650,000,000 | 2,400,000,000 | 2,650,000,000 |

Bank issued subordinated bonds valuing BDT 400 crore. The process of redemption is paid annually on prorata basis to bond holders in installment of 20% per year commencing at the 3rd year from the issued date. Coupon rate of the bond is base rate plus 2.50 % margin and redeemed at par at 7 years.

Sl. Bond Holders

| | | | | | |
|---|---------------------------|----------------------|----------------------|----------------------|----------------------|
| 1 | Agrani Bank Ltd. | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 |
| 2 | AB Bank Ltd. | 750,000,000 | 1,000,000,000 | 750,000,000 | 1,000,000,000 |
| 3 | One Bank Ltd. | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 |
| 4 | Rupali Bank Ltd. | 540,000,000 | 540,000,000 | 540,000,000 | 540,000,000 |
| 5 | Sadharan Bima Corporation | 60,000,000 | 60,000,000 | 60,000,000 | 60,000,000 |
| 6 | Sonali Bank Ltd. | 300,000,000 | 300,000,000 | 300,000,000 | 300,000,000 |
| 7 | Mutual Trust Bank Ltd. | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 |
| 8 | Uttara Bank Ltd. | 300,000,000 | 300,000,000 | 300,000,000 | 300,000,000 |
| | Totals | 2,400,000,000 | 2,650,000,000 | 2,400,000,000 | 2,650,000,000 |

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Chief Executive Officer
First Security Island Capital & Investment Limited
10 JAN 2023

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EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.
10 JAN 2023

Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.
10 JAN 2023

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA
10 JAN 2023



15 Other liabilities

| | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Un-paid dividend | 1,751,160 | 10,009,092 | 1,751,160 | 10,009,092 |
| Provision for bonus | 17,507,457 | 22,071,627 | 17,507,457 | 22,071,627 |
| Tax liability (note 15.1) | 1,288,175,780 | 1,412,297,795 | 818,393,146 | 1,014,258,477 |
| Provision for loans & advances (including off-B/S items) (note 15.2) | 20,618,099,171 | 20,614,961,246 | 20,618,099,171 | 20,614,961,246 |
| Interest suspense account (note 15.3) | 9,897,129,016 | 9,204,345,142 | 9,897,129,016 | 9,204,345,142 |
| Provision for other assets (note 15.4) | 671,371,795 | 671,371,795 | 152,120,772 | 152,120,772 |
| Provision for gratuity (note 15.5) | - | - | - | - |
| ATM card holders' accounts | 45,179,014 | 26,802,023 | 45,179,014 | 26,802,023 |
| Foreign currencies adjustment account | 64,228,126 | 278,663,154 | 64,228,126 | 278,663,154 |
| Bills payable account MPS (CCD) | 14,317,375 | 14,199,430 | 14,317,375 | 14,199,430 |
| Adjusting account credit | 7,878,962,127 | 3,043,973,473 | 7,878,962,127 | 3,043,973,473 |
| Provision for LFA | 115,106,757 | 94,723,194 | 115,106,757 | 94,723,194 |
| Clearing adjusting account | 205,012,784 | 13,817,367 | 205,012,784 | 13,817,367 |
| Lease liabilities | 117,592,310 | 117,592,310 | 117,592,310 | 117,592,310 |
| Others | 247,121,335 | 109,458,459 | 167,907,757 | 131,319,003 |
| | 41,181,554,207 | 35,634,286,107 | 40,113,306,972 | 34,738,856,310 |

15.1 Tax liability

Provision for current tax

Opening balance

Add: Provision made during the year

Less: Adjustment made during the year

Closing balance

Advance income tax

Opening balance

Add: Paid during the year

Less: Adjustment made during the year

Closing balance

| | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|
| 13,625,750,104 | 13,083,929,232 | 13,196,869,264 | 12,772,488,165 |
| 211,743,316 | 541,820,872 | 140,000,000 | 424,381,099 |
| 13,837,493,420 | 13,625,750,104 | 13,336,869,264 | 13,196,869,264 |
| 6,059,617,494 | - | 6,059,617,494 | - |
| 7,777,875,926 | 13,625,750,104 | 7,277,251,770 | 13,196,869,264 |
| 12,213,452,309 | 9,330,151,836 | 12,182,610,787 | 9,299,310,314 |
| 335,865,331 | 2,883,300,473 | 335,865,331 | 2,883,300,473 |
| 12,549,317,640 | 12,213,452,309 | 12,518,476,118 | 12,182,610,787 |
| 6,059,617,494 | - | 6,059,617,494 | - |
| 6,489,700,146 | 12,213,452,309 | 6,458,858,624 | 12,182,610,787 |
| 1,288,175,780 | 1,412,297,795 | 818,393,146 | 1,014,258,477 |

Status of pending assessments

All the assessments of the Bank have been completed and necessary provisions have been made in the books of account except the assessment for the assessment years 1991-92, 1992-93 pending in Honorable High Court Division due to appeal filed by the Deputy Commissioner of Taxes. Adequate provisions for those assessment years have been made in the books of account. If any further provision is required it will be made upon receipt of final assessment order. The return for the year 2021 has already been submitted assessment of which is yet to be completed.

15.2 Provision for loans and advances (including off - balance sheet items)

(a) Specific provision against loans and advances

Opening balance

Fully provided debt written-off

Release of provision

Provision made during the year

Closing balance

| | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|
| 14,350,757,302 | 13,443,962,202 | 14,350,757,302 | 13,443,962,202 |
| - | - | - | - |
| 3,137,925 | 6,795,100 | 3,137,925 | 6,795,100 |
| - | 900,000,000 | - | 900,000,000 |
| 14,353,895,227 | 14,350,757,302 | 14,353,895,227 | 14,350,757,302 |

As per Bangladesh Bank letter no. DBI-5(IS)/152/2022-406 dated April 25, 2022 required provision against classified loans and advances is BDT 5,801.98 crore based on the financial statements for the year ended 31 December 2021 against which Bank maintained an amount of BDT 1,435.08 crore and the balance amount will be provided within December 31, 2031 equally as per Bangladesh Bank letter no. DOS(CAMS)1157-1(II)-C/2022-2273 dated April 28, 2022. Moreover, as on 30.06.2022, required provision against classified loans and advances comes to provisionally Tk. 6,399.50 crore, whereas we maintained provision of Tk. 1,435.39 crore.

(b) General provision against unclassified loans and advances (including provision for OBU)

Opening balance

Provision made during the year

Closing balance

| | | | |
|----------------------|----------------------|----------------------|----------------------|
| 4,569,669,347 | 4,569,669,347 | 4,569,669,347 | 4,569,669,347 |
| - | - | - | - |
| 4,569,669,347 | 4,569,669,347 | 4,569,669,347 | 4,569,669,347 |

(c) General provision against Off Balance Sheet items (including provision for OBU)

Opening balance

Provision made during the year

Transferred to/from other provision

Closing balance

| | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|
| 592,010,048 | 544,510,048 | 592,010,048 | 544,510,048 |
| - | 47,500,000 | - | 47,500,000 |
| 592,010,048 | 592,010,048 | 592,010,048 | 592,010,048 |
| 19,515,574,622 | 19,512,436,697 | 19,515,574,622 | 19,512,436,697 |

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10 JAN 2023



(d) Special general provision for Covid -19

| | | | | |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Opening balance | 1,089,800,000 | 589,800,000 | 1,089,800,000 | 589,800,000 |
| Provision made during the year | - | 500,000,000 | - | 500,000,000 |
| Closing balance | 1,089,800,000 | 1,089,800,000 | 1,089,800,000 | 1,089,800,000 |
| Sub total (a)+(b)+(c)+(d) | 20,605,374,622 | 20,602,236,697 | 20,605,374,622 | 20,602,236,697 |

As per Bangladesh Bank letter no. DBI-5(IS)/152/2022-406 dated April 25, 2022 required provision against UC Loans is BDT 2,101.24 crore based on the financial statements for the year ended 31 December 2021 against which Bank maintained an amount of BDT 565.95 crore and the balance amount will be provided within December 31, 2031 equally as per Bangladesh Bank letter no. DOS(CAMS)1157-1(II)-C/2022-2273 dated April 28, 2022. Moreover, as on 30.06.2022, required provision against UC loan and advance comes to provisionally Tk. 2,718.06 crore, whereas we maintained provision of Tk. 565.95 crore.

(e) Provision for good borrowers

| | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Opening balance | 12,724,549 | 12,724,549 | 12,724,549 | 12,724,549 |
| Provision made during the year | - | - | - | - |
| Less: Incentive paid to borrowers for the period | - | - | - | - |
| Closing balance | 12,724,549 | 12,724,549 | 12,724,549 | 12,724,549 |
| Total (a)+(b)+(c)+(d)+(e) | 20,618,099,171 | 20,614,961,246 | 20,618,099,171 | 20,614,961,246 |

Particulars of required provision for loans and advances and Off Balance Sheet items as on June 30, 2022.

| Particulars | Outstanding | Base for provision | Rate | Provision required |
|---|------------------------|------------------------|---------|-----------------------|
| General provision | | | | |
| On Unclassified loans | 303,489,427,539 | 303,489,427,539 | Various | 25,649,760,558 |
| On SMA loans | 9,237,700,000 | 9,237,700,000 | Various | 92,400,000 |
| | 312,727,127,539 | 312,727,127,539 | | 25,742,160,558 |
| Specific provision | | | | |
| On Substandard loans | 2,540,900,000 | 1,886,500,000 | Various | 377,300,000 |
| On Doubtful loans | 1,208,800,000 | 304,600,000 | Various | 152,300,000 |
| On Bad/loss loans | 90,193,200,000 | 63,465,400,000 | 100% | 63,465,400,000 |
| | 93,942,900,000 | 65,656,500,000 | | 63,995,000,000 |
| Special general provision for Covid -19 | | | | 1,438,400,000 |
| Off Balance sheet items | | | 1% | 585,648,140 |
| Total | | | | 91,761,208,698 |

15.3 Interest suspense account

| | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Opening balance | 9,204,345,142 | 7,048,031,146 | 9,204,345,142.0 | 7,048,031,146 |
| Add: Amount transferred to "interest suspense" account during the year | 2,578,020,572 | 3,308,837,452 | 2,578,020,572 | 3,308,837,452 |
| | 11,782,365,714 | 10,356,868,598 | 11,782,365,714 | 10,356,868,598 |
| Less: Amount credited to income | 1,878,354,300 | 1,138,824,021 | 1,878,354,300 | 1,138,824,021 |
| Interest waived during the year | 6,882,398 | 13,699,435 | 6,882,398 | 13,699,435 |
| Amount written-off during the year | - | - | - | - |
| | 1,885,236,698 | 1,152,523,456 | 1,885,236,698 | 1,152,523,456 |
| Closing balance | 9,897,129,016 | 9,204,345,142 | 9,897,129,016 | 9,204,345,142 |

15.4 Provision for other assets

Provision for fall in market price of shares

| | | | | |
|--------------------------------|--------------------|--------------------|-------------------|-------------------|
| Opening balance | 563,605,345 | 563,605,345 | 44,354,322 | 44,354,322 |
| Less: Adjusted during the year | - | - | - | - |
| Add: Addition during the year | - | - | - | - |
| Closing balance | 563,605,345 | 563,605,345 | 44,354,322 | 44,354,322 |

Provision for other classified assets

| | | | | |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|
| Opening balance | 107,766,450 | 57,766,450 | 107,766,450 | 57,766,450 |
| Add: Addition during the year | - | 50,000,000 | - | 50,000,000 |
| Closing balance | 107,766,450 | 107,766,450 | 107,766,450 | 107,766,450 |
| | 671,371,795 | 671,371,795 | 152,120,772 | 152,120,772 |

Bangladesh Bank vide letter no. DBI-5(IS)/152/2022-406 dated April 25, 2022 advised to maintained provision of BDT 67.70 crore based on the financial statements for the year ended 31 December 2021 against Provision for fall in market price of shares & BDT 26.10 crore against provision for other assets in addition to the above. Moreover, as on 30.06.2022, required provision against fall in market price of shares and other assets comes to provisionally Tk. 131.27 crore, whereas we maintained provision of Tk. 15.22 crore.

15.5 Provision for gratuity

The gratuity fund is administered by a Board of Trustee consisting of four (4) members. The Bank is contributing a certain amount to the fund on monthly basis. The Fund has invested in Govt. Securities.



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K M Rashedul Hasan
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16. Share capital

16.1 Authorised capital

5,000,000,000 ordinary shares of BDT 10 each

50,000,000,000 50,000,000,000

16.2 Issued, subscribed and fully paid-up capital

Issued for cash
Issued for other than cash (bonus share)
Total

| No. of shares | | Amount in BDT | |
|---------------|---------------|----------------|----------------|
| 30/06/2022 | 2021 | 30/06/2022 | 2021 |
| 23,730,000 | 23,730,000 | 237,300,000 | 237,300,000 |
| 3,196,009,570 | 3,196,009,570 | 31,960,095,700 | 31,960,095,700 |
| 3,219,739,570 | 3,219,739,570 | 32,197,395,700 | 32,197,395,700 |

16.3 Percentage of shareholdings at the closing date

Category
Sponsors and Directors
Financial institutions
Foreign investors
Non-resident Bangladeshi
General public

| 30/06/2022 | | 2021 | |
|---------------|--------|---------------|--------|
| No. of shares | % | No. of shares | % |
| 916,829,974 | 28.48% | 916,829,991 | 28.48% |
| 852,555,214 | 26.48% | 754,428,179 | 23.43% |
| 24,784,164 | 0.77% | 26,912,236 | 0.84% |
| 568,499 | 0.02% | 681,345 | 0.02% |
| 1,425,001,719 | 44.26% | 1,520,887,819 | 47.24% |
| 3,219,739,570 | | 3,219,739,570 | |

16.4 Statement of slab list as on June 30, 2022

Group/ type

De-materialization
Materialization

| No. of share holders | No. of shares | % of share holding |
|----------------------|---------------|--------------------|
| 75,920 | 3,194,224,721 | 99.21% |
| 4,156 | 25,514,849 | 0.79% |
| 80,076 | 3,219,739,570 | 100% |

De-materialization

Range

Less than 500
500 to 5,000
5,001 to 10,000
10,001 to 20,000
20,001 to 30,000
30,001 to 40,000
40,001 to 50,000
50,001 to 100,000
100,001 to 1,000,000
Over 1,000,000

Total De-materialization

| No. of share holders | No. of shares | % of share holding |
|----------------------|---------------|--------------------|
| 22,348 | 3,575,812 | 0.11% |
| 34,822 | 70,798,829 | 2.20% |
| 7,129 | 51,085,840 | 1.59% |
| 5,181 | 72,471,587 | 2.25% |
| 2,152 | 52,349,495 | 1.63% |
| 1,018 | 35,344,522 | 1.10% |
| 645 | 29,019,048 | 0.90% |
| 1,327 | 92,732,964 | 2.88% |
| 1,037 | 237,093,160 | 7.36% |
| 261 | 2,549,753,464 | 79.19% |
| 75,920 | 3,194,224,721 | 99.21% |



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K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Lim.

10 JAN 2023

Materialization

Range

Less than 500
500 to 5,000
5,001 to 10,000
10,001 to 20,000
20,001 to 30,000
30,001 to 40,000
40,001 to 50,000
50,001 to 100,000
100,001 to 1,000,000
Over 1,000,000

| No. of share holders | No. of shares | % of share holding |
|----------------------|-------------------|--------------------|
| 2,447 | 354,461 | 0.01% |
| 1,341 | 2,466,485 | 0.08% |
| 174 | 1,223,343 | 0.04% |
| 94 | 1,369,107 | 0.04% |
| 44 | 1,052,277 | 0.03% |
| 15 | 519,903 | 0.02% |
| 11 | 485,869 | 0.02% |
| 17 | 1,136,541 | 0.04% |
| 13 | 16,906,863 | 0.53% |
| - | - | 0.00% |
| 4,156 | 25,514,849 | 0.79% |

Bonus share approved

Total Materialization

16.5 Capital to Risk Weighted Assets Ratio (CRAR)

Core capital (Tier - I)

Paid up capital (note 16.2)

Statutory reserve (note 17)

General reserve (note 18)

Non-controlling (minority) interest

Retained earnings (note 20)

| | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|
| 32,197,395,700 | 32,197,395,700 | 32,197,395,700 | 32,197,395,700 |
| 17,228,087,280 | 17,228,087,280 | 17,228,087,280 | 17,228,087,280 |
| 32,766,423 | 30,133,557 | - | - |
| 179,659 | 172,292 | - | - |
| (945,474,723) | 779,091,211 | (1,073,335,091) | 829,912,508 |
| 48,512,954,339 | 50,234,880,040 | 48,352,147,889 | 50,255,395,488 |

Less:

For short provision against quoted shares

For short provision against loans and advances

Intangible assets

Deferred tax assets

Reciprocal cross holding of banking and NBFI shares

| | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|
| 1,093,824,361 | 666,375,357 | 1,057,870,355 | 654,901,663 |
| 8,155,762,819 | - | 8,155,762,819 | - |
| 944,560,900 | 886,103,640 | 944,560,900 | 886,103,640 |
| 315,421,537 | 315,421,537 | 315,103,863 | 315,103,863 |
| 466,489,810 | 541,509,703 | 466,489,810 | 541,509,703 |
| 10,976,059,427 | 2,409,410,237 | 10,939,787,747 | 2,397,618,869 |
| 37,536,894,912 | 47,825,469,803 | 37,412,360,142 | 47,857,776,619 |

Supplementary Capital (Tier II)

General provision maintained against unclassified loan

General provision on off-balance sheet exposure

Subordinated bonds

Startup fund

| | | | |
|-------------------------|------------------------|-------------------------|------------------------|
| 5,672,193,896 | 5,672,193,896 | 5,672,193,896 | 5,672,193,896 |
| 592,010,048 | 592,010,048 | 592,010,048 | 592,010,048 |
| 1,600,000,000 | 2,400,000,000 | 1,600,000,000 | 2,400,000,000 |
| 36,808,199 | 36,808,199 | 36,808,199 | 36,808,199 |
| 7,901,012,143 | 8,701,012,143 | 7,901,012,143 | 8,701,012,143 |
| 45,437,907,055 | 56,526,481,946 | 45,313,372,285 | 56,558,788,762 |
| 483,810,471,537 | 481,076,940,482 | 483,093,985,110 | 480,162,825,441 |
| 60,476,308,942 | 60,134,617,560 | 60,386,748,139 | 60,020,353,180 |
| (15,038,401,887) | (3,608,135,614) | (15,073,375,854) | (3,461,564,418) |

A) Total capital

B) Total risk weighted assets

C) Required capital

D) (Deficit)/Surplus (A-C)

Capital adequacy ratio:

On core capital - against standard of minimum 6.00%

On supplementary capital

On total capital - including capital conservation buffer

| Actual | | | |
|--------------|---------------|--------------|---------------|
| 7.76% | 9.94% | 7.74% | 9.97% |
| 1.63% | 1.81% | 1.64% | 1.81% |
| 9.39% | 11.75% | 9.38% | 11.78% |



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| | | | | |
|---|-----------------------|-----------------------|------------------------|-----------------------|
| 17. Statutory reserve | | | | |
| Opening balance | 17,228,087,280 | 17,108,889,287 | 17,228,087,280 | 17,108,889,287 |
| Add: Addition during the year/ period (20% of pre-tax profit) | - | 119,197,993 | - | 119,197,993 |
| Closing balance | 17,228,087,280 | 17,228,087,280 | 17,228,087,280 | 17,228,087,280 |
| 18. General reserve | | | | |
| Opening balance | 30,133,557 | 29,835,154 | - | - |
| Add: Addition during the period (overseas subsidiaries) | 2,632,866 | 298,403 | - | - |
| | 32,766,423 | 30,133,557 | - | - |
| Less: Adjustment during the period | - | - | - | - |
| Transferred from general reserve (overseas oper.) | - | - | - | - |
| Closing balance | 32,766,423 | 30,133,557 | - | - |
| 19. Other reserve | | | | |
| Revaluation reserve (Govt. treasury bills and bonds) (note 19.1) | 979,235,594 | 1,304,945,469 | 979,235,594 | 1,304,945,469 |
| Revaluation reserve (foreign investment) (note 19.2) | 29,197,839 | 29,197,839 | 29,197,839 | 29,197,839 |
| Revaluation reserve (property) (note 19.3) | 354,005,015 | 354,005,015 | 354,005,015 | 354,005,015 |
| | 1,362,438,448 | 1,688,148,323 | 1,362,438,448 | 1,688,148,323 |
| 19.1 Revaluation reserve (Govt treasury bills and bonds) | | | | |
| Opening balance | 1,304,945,469 | 1,611,287,589 | 1,304,945,469 | 1,611,287,589 |
| Add: Addition during the period | 491,690,503 | 464,400,508 | 491,690,503 | 464,400,508 |
| | 1,796,635,972 | 2,075,688,097 | 1,796,635,972 | 2,075,688,097 |
| Less: Adjustment during the period | 817,400,378 | 770,742,628 | 817,400,378 | 770,742,628 |
| Closing balance | 979,235,594 | 1,304,945,469 | 979,235,594 | 1,304,945,469 |
| 19.2 Revaluation reserve (foreign investment) | | | | |
| Opening balance | 29,197,839 | 31,338,352 | 29,197,839 | 31,338,352 |
| Add/(Adjustment) during the year/ period | - | (2,140,513) | - | (2,140,513) |
| Closing balance | 29,197,839 | 29,197,839 | 29,197,839 | 29,197,839 |
| 19.3 Revaluation reserve (property) | | | | |
| Opening balance | 354,005,015 | 354,005,015 | 354,005,015 | 354,005,015 |
| Less: Adjustment during the year/ period | - | - | - | - |
| Closing balance | 354,005,015 | 354,005,015 | 354,005,015 | 354,005,015 |
| Revaluation of foreign investments has been made in 2022 as per IAS -21 " Effect of changes in Foreign Exchange Rates". On the other hand, Govt. treasury bill and bonds have been valued at market price as per Bangladesh Bank BRPD Circular No. 05 dated October 31, 2005. | | | | |
| 20. Retained earnings | | | | |
| Opening balance | 779,091,211 | 2,051,906,653 | 829,912,508 | 2,288,995,361 |
| Add: Post-tax profit/(loss) for the year/ period | (1,724,565,934) | 381,544,633 | (1,903,247,599) | 195,277,222 |
| | (945,474,723) | 2,433,451,286 | (1,073,335,091) | 2,484,272,583 |
| Less: Dividend | | | | |
| Bonus dividend @5% for 2020 | - | 1,533,209,310 | - | 1,533,209,310 |
| Transfer to statutory reserve | - | 119,197,993 | - | 119,197,993 |
| Transfer to startup fund | - | 1,952,772 | - | 1,952,772 |
| Dividend paid by overseas subsidiaries | - | - | - | - |
| | - | 1,654,360,075 | - | 1,654,360,075 |
| Closing balance | (945,474,723) | 779,091,211 | (1,073,335,091) | 829,912,508 |
| 21. Letters of guarantee | | | | |
| Directors | - | - | - | - |
| Government | 5,717,630,262 | 8,783,518,480 | 5,717,630,262 | 8,783,518,480 |
| Banks and other financial institutions | 1,112,410,800 | 146,967,319 | 1,112,410,800 | 146,967,319 |
| Others | 5,238,118,902 | 2,249,493,960 | 5,238,118,902 | 2,249,493,960 |
| | 12,068,159,964 | 11,179,979,759 | 12,068,159,964 | 11,179,979,759 |
| Less: Margin | 966,286,077 | 1,043,744,988 | 966,286,077 | 1,043,744,988 |
| | 11,101,873,887 | 10,136,234,771 | 11,101,873,887 | 10,136,234,771 |
| 22. Interest income | | | | |
| Interest on advances | 12,233,666,189 | 15,256,623,557 | 12,073,536,459 | 15,194,233,775 |
| Interest on money at call and short notice | - | - | - | - |
| Interest on placement with other banks | 10,008,954 | 41,642,991 | 10,008,954 | 41,642,991 |
| Interest on foreign currency balances | 3,021,136 | 949,324 | 3,021,136 | 949,324 |
| | 12,246,696,279 | 15,299,215,872 | 12,086,566,549 | 15,236,826,090 |
| 23. Interest paid on deposits and borrowings, etc | | | | |
| Interest on deposits | 13,826,040,636 | 14,246,472,608 | 13,826,040,636 | 14,246,472,608 |
| Interest on borrowings | 277,635,334 | 313,950,902 | 277,635,334 | 313,950,902 |
| Interest on lease liability | 8,368,779 | 12,758,796 | 8,368,779 | 12,758,796 |
| Discount | - | - | - | - |
| | 14,112,044,749 | 14,573,182,306 | 14,112,044,749 | 14,573,182,306 |

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24. Investment income

Dividend on shares

| | | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| Local | 226,627,452 | 268,477,602 | 206,441,970 | 179,313,998 |
| Overseas | 8,094,923 | 6,618,964 | 8,094,923 | 6,618,964 |
| | 234,722,375 | 275,096,566 | 214,536,893 | 185,932,962 |
| Interest on treasury bills and bonds | 1,392,046,368 | 1,741,903,943 | 1,392,046,368 | 1,741,903,943 |
| Interest on debenture and bonds | 36,633,351 | 45,695,616 | 36,633,351 | 45,695,616 |
| Gain on Government securities | 875,465,365 | 1,398,314,226 | 875,465,365 | 1,398,314,226 |
| Profit from sale of share of listed company | 39,927,798 | 116,411,118 | 30,005,979 | 116,411,118 |
| Prize bonds | 17,000 | 67,520.00 | 17,000 | 67,520 |
| | 2,578,812,257 | 3,577,488,989 | 2,548,704,956 | 3,488,325,385 |

25. Commission, exchange and brokerage

| | | | | |
|---------------------------------------|----------------------|--------------------|--------------------|--------------------|
| Commission | 680,855,429 | 680,901,733 | 492,826,925 | 495,273,523 |
| Exchange gain net off exchange losses | 478,022,111 | 264,156,140 | 478,022,111 | 264,156,140 |
| Brokerage | - | - | - | - |
| | 1,158,877,540 | 945,057,873 | 970,849,036 | 759,429,663 |

26. Other operating income

| | | | | |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
| Locker rent | | | | |
| Credit card and ATM | 5,071,706 | 4,524,288 | 5,071,706 | 4,524,288 |
| Confirmation charges | 315,272 | 2,441,941 | 315,272 | 2,441,941 |
| Gain from sales of assets | 158,295 | 123,102 | 158,295 | 123,102 |
| Remittance income | 4,633,673 | 8,311,592 | 4,633,673 | 8,311,592 |
| Other receipts | 264,395,000 | 266,255,016 | 261,150,575 | 262,320,423 |
| | 274,573,946 | 281,655,939 | 271,329,521 | 277,721,346 |

27. Salaries and allowances

| | | | | |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Basic salary | 1,100,657,645 | 1,037,065,859 | 1,034,856,661 | 981,005,309 |
| Allowances | 833,616,240 | 700,470,053 | 833,616,240 | 700,470,054 |
| Bonus | 158,452,791 | 150,619,179 | 158,452,791 | 150,619,179 |
| Bank's contribution to provident fund | 92,312,188 | 86,557,854 | 92,312,188 | 86,557,854 |
| Gratuity | | | | |
| Provision for the year | - | - | - | - |
| Paid during the year | 4,550,630 | 73,598,414 | 4,550,630 | 73,598,414 |
| | 2,189,589,494 | 2,048,311,359 | 2,123,788,510 | 1,992,250,809 |

28. Rent, taxes, insurance, electricity, etc.

| | | | | |
|-----------------------|--------------------|--------------------|--------------------|--------------------|
| Rent, rates and taxes | 384,710,492 | 359,887,756 | 363,617,612 | 339,307,194 |
| Insurance | 153,816,298 | 131,073,030 | 153,816,298 | 131,073,030 |
| Electricity | 59,176,330 | 53,681,953 | 59,176,330 | 53,681,953 |
| | 597,703,120 | 544,642,739 | 576,610,240 | 524,062,177 |

29. Legal expenses

| | | | | |
|----------------------------|-------------------|------------------|-------------------|------------------|
| Law charges | 12,690,721 | 6,331,129 | 12,690,721 | 6,331,129 |
| Other professional charges | 760,375 | 1,120,946 | 760,375 | 1,120,946 |
| | 13,451,096 | 7,452,075 | 13,451,096 | 7,452,075 |

30. Postage, stamp, telecommunication, etc

| | | | | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| Telephone - office | 4,375,752 | 6,046,440 | 4,375,752 | 6,046,440 |
| Telephone - residence | 69,149 | 15,004 | 69,149 | 15,004 |
| Telegram, telex, fax and e-mail | 36,442,378 | 33,697,145 | 34,666,467 | 32,089,055 |
| Postage | 6,028,855 | 5,425,694 | 6,028,855 | 5,425,694 |
| | 46,916,134 | 45,184,283 | 45,140,223 | 43,576,193 |

31. Stationery, printing, advertisement, etc

| | | | | |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|
| Printing and stationery | 53,580,297 | 34,780,291 | 52,227,110 | 33,785,453 |
| Publicity and advertisement | 143,857,282 | 70,331,071 | 143,857,282 | 70,331,071 |
| | 197,437,579 | 105,111,362 | 196,084,392 | 104,116,524 |

32. Managing Director's salary and allowances

| | | | | |
|---------------------------------------|------------------|------------------|------------------|------------------|
| Basic salary | 5,400,000 | 1,351,451 | 5,400,000 | 1,351,452 |
| Allowance | 2,436,000 | 900,968 | 2,436,000 | 900,967 |
| Bonus | 900,000 | - | 900,000 | - |
| Bank's contribution to provident fund | 54,000 | 135,145 | 54,000 | 135,145 |
| | 8,790,000 | 2,387,564 | 8,790,000 | 2,387,565 |

33. Directors' fees and other benefits

| | | | | |
|------------------------------|------------------|----------------|------------------|----------------|
| Fees | 1,825,424 | 400,000 | 720,000 | 400,000 |
| Other benefits | | | | |
| Haltage, traveling and other | 72,100 | 40,600 | 72,100 | 40,600 |
| Refreshment | 248,603 | 111,640 | 248,603 | 111,640 |
| | 320,703 | 152,240 | 320,703 | 152,240 |
| | 2,146,127 | 552,240 | 1,040,703 | 552,240 |

Each Director is paid an amount of BDT 8,000 per board meeting and per committee meeting attended as per BRPD circular letter no. 11 dated 04 October 2015.

34. Auditors' fees

K M Rasidul Hasan
Chief Executive Officer
First Security Island Capital Investment Limited

Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.
10 JAN 2023

Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office Dhaka.
10 JAN 2023

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA
10 JAN 2023



35. Repair, maintenance and depreciation

A. Depreciation

| | | | | |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Buildings | 15,928,863 | 15,928,863 | 15,928,863 | 15,928,863 |
| Furniture and fixture | 37,085,353 | 38,324,942 | 37,085,353 | 38,324,942 |
| General equipments | 33,366,870 | 32,601,784 | 33,366,870 | 32,601,784 |
| Computer equipments | 114,226,717 | 96,959,860 | 114,226,717 | 96,959,860 |
| Vehicles | 7,069,919 | 8,823,265 | 7,069,919 | 8,823,265 |
| Books | 73,862 | 63,239 | 73,862 | 63,239 |
| Right of use assets (Leased assets) | - | - | - | - |
| | 207,751,584 | 192,701,953 | 207,751,584 | 192,701,953 |

B. Repairs and maintenance

| | | | | |
|------------------------|-------------------|--------------------|-------------------|--------------------|
| Office premises | 7,937,897 | 6,780,248 | 7,937,897 | 6,780,248 |
| Furniture and fixtures | 1,941,855 | 2,527,355 | 1,941,855 | 2,527,355 |
| Vehicles | 3,879,581 | 4,029,362 | 3,879,581 | 4,029,362 |
| Equipments | 59,232,365 | 162,104,855 | 53,958,255 | 157,505,072 |
| | 72,991,698 | 175,441,820 | 67,717,588 | 170,842,037 |

Totals (A+B)

36. Other expenses

| | | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| Car expenses | 68,704,087 | 74,756,884 | 68,704,087 | 74,756,884 |
| Credit card expenses | 24,746,391 | 608,614 | 24,746,391 | 608,614 |
| Entertainment | 36,531,818 | 29,608,318 | 36,531,818 | 29,608,318 |
| Traveling expenses | 6,017,496 | 3,726,127 | 6,017,496 | 3,726,127 |
| Donations | 44,579,876 | 100,779,600 | 44,579,876 | 100,779,600 |
| Subscriptions | 10,784,122 | 3,641,770 | 10,784,122 | 3,641,770 |
| Periodicals | 627,670 | 492,782 | 627,670 | 492,782 |
| Cartage/freight | 18,344,150 | 28,077,905 | 18,344,150 | 28,077,905 |
| Medical expense | 42,163,632 | 6,937,538 | 42,163,632 | 6,937,538 |
| Uniform and liveries | 5,918,684 | 777,052 | 5,918,684 | 777,052 |
| Training expenses | 1,895,638 | 4,810,654 | 1,895,638 | 4,810,654 |
| Loss on sale of share/ property/ asset | - | 119,619 | - | 119,619 |
| Miscellaneous | 57,141,641 | 56,909,316 | 22,466,525 | 17,699,718 |
| | 317,455,205 | 311,246,179 | 282,780,089 | 272,036,581 |

37. Changes in other assets

A. Balance at the beginning of the year

| | | |
|---------------------------------------|-----------------------|----------------------|
| Stock of stationery | 71,434,393 | 54,284,588 |
| Stamps in hand | 5,661,657 | 5,421,602 |
| Suspense account | 1,189,059,830 | 507,622,823 |
| Advance deposits | 5,716,286 | 5,694,631 |
| Sundry assets | 711,621,125 | 338,222,313 |
| Demand draft paid without advice | 733,250 | 5,303,404 |
| Bill purchase account - credit card | 433,578,501 | 356,585,312 |
| Inter-branch adjustment account (Net) | 1,292,934,321 | 1,205,581,490 |
| Advance against cash assistance | 9,374,703 | 2,819,368 |
| Advance against branches | 5,444,000 | 13,122,623 |
| Advance against NBL Tower | 5,382,889,680 | 1,941,287,000 |
| Advance against fixed assets | 664,613,486 | 1,634,223,477 |
| Others | 1,040,100,496 | 610,496,918 |
| | 10,813,161,728 | 6,680,665,549 |

B. Balance at the end of the year

| | | |
|-------------------------------------|-----------------------|-----------------------|
| Stock of stationery | 75,084,895 | 54,966,569 |
| Stamps in hand | 6,230,209 | 5,653,896 |
| Suspense account | 1,064,854,605 | 2,769,596,665 |
| Advance deposits | 5,789,336 | 5,712,726 |
| Sundry assets | 673,392,331 | 618,989,247 |
| Demand draft paid without advice | 500,000 | 733,250 |
| Bill purchase account - credit card | 350,452,929 | 371,995,099 |
| Inter-branch adjustment account | 6,969,251,825 | 3,057,563,146 |
| Advance against cash assistance | 3,496,983 | - |
| Advance against branches | 3,408,000 | 8,066,299 |
| Advance against NBL Tower | 5,382,889,680 | 1,941,287,000 |
| Advance against fixed assets | 541,709,826 | 656,695,551 |
| Others | 1,038,817,803 | 593,395,416 |
| | 16,115,878,422 | 10,084,654,864 |

Net changes (A-B)

| | | |
|--|------------------------|------------------------|
| | (5,302,716,694) | (3,403,989,315) |
|--|------------------------|------------------------|

Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazimul Islam Avenue, Dhaka.

10 JAN 2023

Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office Dhaka

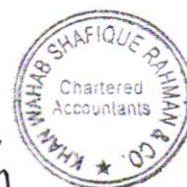
10 JAN 2023

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

10 JAN 2023

K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023



38. Changes in other liabilities

A. Balance at the beginning of the year

| | | |
|---------------------------------------|--------------------|----------------------|
| Un-paid dividend | 10,009,092 | 10,009,092 |
| Provision for bonus | 22,071,627 | 293,523,189 |
| ATM card holders' accounts | 26,802,023 | 28,628,452 |
| Foreign currencies adjustment account | 278,663,154 | 219,489,113 |
| Bills payable account MPS (CCD) | 14,199,430 | 13,248,429 |
| Provision for LFA | 94,723,194 | 96,474,860 |
| Clearing adjusting account | 13,817,367 | 4,737,608 |
| Lease liabilities | 117,592,310 | 221,682,960 |
| Others | 131,319,003 | 151,306,388 |
| | 709,197,200 | 1,039,100,091 |

B. Balance at the end of the year

| | | |
|---------------------------------------|--------------------|--------------------|
| Un-paid dividend | 1,751,160 | 10,009,092 |
| Provision for bonus | 17,507,457 | 157,939,352 |
| ATM card holders' accounts | 45,179,014 | 40,178,397 |
| Foreign currencies adjustment account | 64,228,126 | 58,910,920 |
| Bills payable account MPS (CCD) | 14,317,375 | 13,440,629 |
| Provision for LFA | 115,106,757 | 96,655,097 |
| Clearing adjusting account | 205,012,784 | 151,104,449 |
| Lease liabilities | 117,592,310 | 256,735,631 |
| Others | 210,619,070 | 10,736,243 |
| | 791,314,053 | 795,709,810 |

Net Changes (A-B)

82,116,853 (243,390,281)

39. Calculation of NAV, EPS, NOCF per shares

39.01 Calculation of Net Asset Value (NAV) per Share

| | June 30, 2022 | June 30, 2021 | June 30, 2022 | June 30, 2021 |
|--|----------------|----------------|----------------|----------------|
| Total Net Asset Value (A) | 49,875,213,128 | 53,023,167,978 | 49,714,586,337 | 53,074,233,525 |
| Number of ordinary share outstanding (B) | 3,219,739,570 | 3,066,418,639 | 3,219,739,570 | 3,066,418,639 |
| Net Asset Value (NAV) per Share (A/B) | 15.49 | 17.29 | 15.44 | 17.31 |

39.02 Earnings per share (EPS) Restated

| | | | | |
|---|-----------------|---------------|-----------------|---------------|
| (a) Net profit after tax | (1,724,558,567) | 908,478,542 | (1,903,247,599) | 749,833,408 |
| (b) Number of ordinary shares outstanding | 3,219,739,570 | 3,219,739,570 | 3,219,739,570 | 3,219,739,570 |
| (c) Issue of bonus shares during the year 5% of (b) | - | - | - | - |
| (d) Number of ordinary shares outstanding (d=b+c) | 3,219,739,570 | 3,219,739,570 | 3,219,739,570 | 3,219,739,570 |
| Earnings per share (EPS) (a/d) | (0.54) | 0.28 | (0.59) | 0.23 |

Earnings per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of June 30, 2022 in terms of IAS 33: "Earnings Per Share (EPS)".

39.03 Calculation of Net Operating Cash Flow Per Share (NOCFPS)

| | | | | |
|--|------------------|------------------|------------------|------------------|
| Net Operating Cash Flow (A) | (15,226,732,543) | (23,884,611,541) | (15,436,537,353) | (23,928,143,986) |
| Number of ordinary share outstanding (B) | 3,219,739,570 | 3,066,418,639 | 3,219,739,570 | 3,066,418,639 |
| Net Operating Cash Flow Per Share (NOCFPS) (A/B) | (4.73) | (7.79) | (4.79) | (7.80) |

39.04 Reconciliation of operating cash flow:

| | | | | |
|-----------------------------------|------------------------|------------------------|------------------------|------------------------|
| Operating profit | (1,512,815,251) | 1,867,896,177 | (1,763,247,599) | 1,649,833,408 |
| Adjustment for: | | | | |
| Income Tax paid | (335,865,331) | (2,210,795,630) | (335,865,331) | (2,210,795,630) |
| Gain on sale of Govt. Securities | (875,465,365) | (1,398,314,226) | (875,465,365) | (1,398,314,226) |
| Gain on sale of quoted securities | (39,927,798) | (116,411,118) | (30,005,979) | (116,411,118) |
| Gain on sale of fixed assets | (158,295) | (3,483) | (158,295) | (123,102) |
| Audit fee | - | - | - | - |
| Provision for gratuity and bonus | - | - | - | - |
| Charges on loan loss | 5,498,487 | 229,308,616 | 5,498,487 | 229,308,616 |
| Depreciation | 207,751,584 | 192,701,953 | 207,751,584 | 192,701,953 |
| | (1,038,166,718) | (3,303,513,888) | (1,028,244,899) | (3,303,633,507) |

Adjustment for changes in other assets and liabilities

| | | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| Changes in interest receivables on loans and advances | (372,877,687) | (554,129,746) | (372,877,687) | (554,129,746) |
| Changes in interest receivables on securities | 165,489,415 | 303,540,309 | 165,489,415 | 303,540,309 |
| Changes in interest payables | 4,869,663,770 | 3,940,060,078 | 4,835,083,965 | 3,940,056,595 |
| | 4,662,275,498 | 3,689,470,641 | 4,627,695,693 | 3,689,467,158 |
| Operating profit before changes in operating assets and liabilities | 2,111,293,529 | 2,253,852,930 | 1,836,203,195 | 2,035,667,059 |

Due to continuous impact of covid-19 borrowers could not repay the installments in time consequently interest on advance could not be taken to income and profitability, EPS and NOCFPS have been decreased significantly as compared to previous period.

40. Number of employees

The number of employees engaged for the whole year or part thereof who received a total remuneration of BDT 36,000 per annum or above were 4,821.

K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.

Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA



41. Audit committee

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

| Sl. no. | Name | Status with NBL | Status with the committee | Educational qualification |
|---------|------|-----------------|---------------------------|---------------------------|
|---------|------|-----------------|---------------------------|---------------------------|

- | | | | |
|--------------------------------------|----------------------|----------|---------------|
| i) Mr. Md. Naimuzzaman Bhuiyan Mukta | Independent Director | Chairman | Post Graduate |
| ii) Mr. Murshid Kuli Khan | Independent Director | Member | Post Graduate |

During the year under review, the audit committee of the Board conducted 04 (Four) meetings in which, among others, the following issues were discussed:

- Review of Bank's financial statements and recommended for consideration of the Board.
- Review of draft audited financial statements of subsidiary companies of the Bank.
- Review of internal control and compliance system of the Bank.
- Review of internal audit reports of different branches. Identification of minor/major lapses and compliances against them.
- Guidelines for audit program during the year 2023.
- Review of working of the credit administration division of the Bank.
- Review of Green Banking and stress Testing of the Bank.

42. Event after the Balance Sheet date

No material event had occurred after the balance sheet date.

43. Related party disclosures

- i) Name of the Directors and the entities in which they have interest as on June 30, 2022

| Name of Directors | Status with the Bank | Name of the firms / companies in which Directors are associated as proprietor, partner, director, managing agent, guarantor, employee etc. | Percentage (%) of holding/ interest in the concern |
|-------------------|----------------------|--|--|
|-------------------|----------------------|--|--|

| | | | |
|------------------------------|-------------|--|---------|
| Mrs. Monowara Sikder | Chairperson | Managing Director & Chairperson | |
| | | Z H Sikder Women's Medical College & Hospital (Pvt) Ltd. | 9.40% |
| | | Sikder Real Estate Ltd. | 10.00% |
| | | Managing Director | |
| | | Sikder Pharmaceuticals Ltd. | 15.00% |
| | | Chairperson | |
| | | Monowara Sikder Medical College and Hospital. | |
| | | Sikder Organic Market (Pvt) Ltd. | |
| | | Vice Chairperson | |
| | | Z H Sikder University of Science & Technology | |
| Ms. Parveen Haque Sikder, MP | Director | Proprietor | |
| | | Western Community Center | |
| | | Member | |
| | | Alhaj Mokforuddin Sikder Foundation | |
| | | Chairperson | |
| | | Millennium International School | 34.80% |
| | | Mandy Dental College & Hospital | |
| | | J & M Builders (Pvt) Ltd. | 50.00% |
| | | Jeffrey Institute of Health Science & Technology | 100.00% |
| | | | |

K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
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Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka

10 JAN 2023

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

10 JAN 2023



Alhaj Khalilur Rahman

Director

Mr. Rick Haque Sikder

Director

Vice Chairperson

Z H Sikder Women's Medical College & Hospital (Pvt.) Ltd.

9.40%

Sikder Real Estate Ltd.

10.00%

Director

Sikder Pharmaceuticals Ltd.

10.00%

Treasurer

Z H Sikder University of Science & Technology

Proprietor

Z M Real Estate

Member

Monowara Sikder Medical College and Hospital.

Alhaj Mokforuddin Sikder Foundation

Zarina Sikder Trust

Chairman

KDS Garments Ind. Ltd.

50.15%

KDS Apparels Ltd.

49.88%

KIY Steel Ind. Ltd.

95.00%

KDS Fashion Ltd.

12.50%

Steel Accessories Ltd.

50.00%

KDS Logistics Ltd.

43.24%

KDS IDR Ltd.

45.00%

KDS Thread Ltd.

20.00%

KDS Accessories Ltd.

51.89%

KDS Poly Ind. Ltd.

74.00%

Managing Director

KDS Textile Mills Ltd.

20.27%

KYCR Coil Ind. Ltd.

9.21%

KY Steel Mills Ltd.

98.00%

Sky Securities Ltd.

42.46%

Shareholder

Al-Arafah Islami Bank Ltd.

86,78,444 shares

Pragati Insurance Ltd.

33,17,004 shares

Pragati Life Insurance Ltd.

3,07,209 shares

Chairman

Power Pac Holdings Ltd.

50.00%

PowerPac Mutiara Keraniganj Power Plant Ltd. (100 MW)

50.00%

PowerPac Keraniganj-II Power Plant Ltd. (161 MW)

50.00%

PowerPac Mutiara Khulna Power Plant Ltd. (100 MW)

50.00%

Multiplex Holdings Limited

50.00%

PowerPac Ports Ltd.

10.00%

A1 Trade Centre (PVT) Ltd.

50.00%

R & R Restaurant Group Ltd.

50.00%

R & R Helicopter Training School Ltd.


50.00%

Keraniganj Developers Ltd.

50.00%


K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital Investment Limited
10 JAN 2023


Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.
10 JAN 2023


Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.
10 JAN 2023


MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA
10 JAN 2023



| | |
|--|--------|
| Power Pac Energy Ltd. | 50.00% |
| PowerPac Plant Ltd. | 50.00% |
| R & R eco Solution Ltd. | 50.00% |
| R & R Energy Ltd. | 50.00% |
| Sikder Holdings Ltd. | 50.00% |
| The River Holdings Ltd. | 50.00% |
| R & R Media Ltd. | 40.00% |
| PowerPac Petroleum Ltd. | 50.00% |
| JR Architects International Ltd. | 33.00% |
| PowerPac Steel Mills Ltd. | 50.00% |
| Sikder Cement Ltd. | 50.00% |
| Sikder Boulder & Stones Ltd. | 50.00% |
| PowerPac Infrastructure Ltd. | 50.00% |
| PowerPac Mutiara Jamalpur Power Plant Ltd.(100 MW) | 50.00% |

Director

| | |
|--|--------|
| Z H Sikder Women's Medical College & Hospital (pvt) Ltd. | 9.40% |
| Sikder Pharmaceuticals Ltd. | 10.00% |
| Sikder Television Ltd. | 25.00% |
| Sikder Fuwang Tiles Industry Ltd. | 26.00% |

Vice-Chairman

| | |
|-------------------------|--------|
| Sikder Real Estate Ltd. | 10.00% |
|-------------------------|--------|

Managing Director

| | |
|-------------------------------|--------|
| R & R Aviation Ltd. | 81.90% |
| BEL Construction SDN BHD Ltd. | 80.00% |

Managing Partner

| | |
|---------------------|--------|
| Power Pac | 50.00% |
| The Privilege Club | 50.00% |
| O2 Renewable Energy | 50.00% |
| ABC Global.TV | 37.50% |
| R & R Cruise Line | 50.00% |
| Interrealty | 50.00% |
| A1 Trade Center | 50.00% |

Proprietor

| | |
|-----------------|---------|
| The River | 100.00% |
| Bangladesh Post | 100.00% |

Member

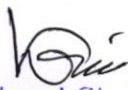
Z H Sikder University of Science & Technology
Monowara Sikder Medical College and
Alhaj Mokforuddin Sikder Foundation
Zarina Sikder Trust


Mr. Ron Haque Sikder Director

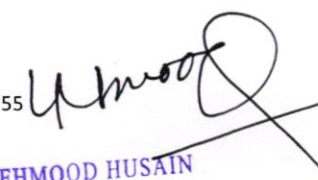
Managing Director

| | |
|---|--------|
| Power Pac Holdings Ltd. | 50.00% |
| PowerPac Mutiara Keraniganj Power Plant Ltd. (100 MW) | 50.00% |
| PowerPac Mutiara Khulna Power Plant Ltd. (100 MW) | 50.00% |
| Multiplex Holdings Limited | 50.00% |


K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited
10 JAN 2023


Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
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116/1, Kazi Nazimuddin Avenue, Dhaka.
10 JAN 2023


Md. Kaiser Rashid
Senior Vice President
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National Bank Limited
Head Office Dhaka
10 JAN 2023

55 
MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA
10 JAN 2023



| | |
|--|--------|
| A1 Trade Centre (PVT) Ltd. | 50.00% |
| R & R Restaurant Group Ltd. | 50.00% |
| R & R Helicopter Training School Ltd. | 50.00% |
| Keraniganj Developers Ltd. | 50.00% |
| Power Pac Energy Ltd. | 50.00% |
| Powerpac Power Plant Ltd. | 50.00% |
| R & R Eco-Solution Ltd. | 50.00% |
| R & R Energy Ltd. | 50.00% |
| The River Holdings Ltd. | 50.00% |
| R & R Media Ltd. | 40.00% |
| PowerPac Petroleum Ltd. | 50.00% |
| PowerPac Steel Mills Ltd. | 50.00% |
| Sikder Cement Ltd. | 50.00% |
| Sikder Boulder & Stones Ltd. | 50.00% |
| PowerPac Mutiara Jamalpur Power Plant Ltd.(100 MW) | 50.00% |

Director

| | |
|--|--------|
| Z H Sikder Women's Medical College & Hospital (pvt) Ltd. | 9.40% |
| Sikder Pharmaceuticals Ltd. | 10.00% |
| Sikder Television Ltd. | 25.00% |
| Sikder Fuwang Tiles Industry Ltd. | 26.00% |

Vice-Chairman

| | |
|-------------------------|--------|
| Sikder Real Estate Ltd. | 10.00% |
|-------------------------|--------|

Managing Partner

| | |
|---------------------|--------|
| Power Pac | 50.00% |
| The Privilege Club | 50.00% |
| O2 Renewable Energy | 50.00% |
| ABC Global.TV | 37.50% |
| R & R Cruise Line | 50.00% |
| Interrealty | 50.00% |
| A1 Trade Center | 50.00% |

Proprietor

| | |
|----------------|---------|
| R & R Holdings | 100.00% |
|----------------|---------|

Member

Z H Sikder University of Science & Technology
Monowara Sikder Medical College and Hospital.
Alhaj Mokforuddin Sikder Foundation
Zarina Sikder Trust

Shareholder

| | |
|---------------------|--------|
| R & R Aviation Ltd. | 18.00% |
|---------------------|--------|

Chairman

| | |
|----------------------------|--------|
| Purbachal Drillers Ltd. | 50.00% |
| T S Holdings Ltd. | 60.00% |
| Zyta Garments Ltd. | 59.97% |
| T S Packaging Ltd | 40.00% |
| Primordial Properties Ltd. | 50.00% |

Mr. Zakaria Taher


Director




K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023


Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.


Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka

10 JAN 2023

56 
MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

10 JAN 2023



Managing Director

| | |
|-----------------------|--------|
| Armana Fashions Ltd. | 50.50% |
| Armana Ltd. | 40.00% |
| Armana Apparels Ltd. | 50.00% |
| Zyta Apparels Ltd. | 51.00% |
| Denimach Ltd. | 15.00% |
| Denimach Washing Ltd. | 10.00% |
| Denitex Ltd. | 20.00% |
| Armach Logistics Ltd. | 60.00% |
| Armach Apparels Ltd. | 22.50% |
| Armach Washing Ltd. | 25.00% |

Director

| | |
|--------------------------|--------|
| Jeans Culture Ltd. | 35.00% |
| Trimco (BD) Company Ltd. | 14.00% |

Sponsor shareholder

| | |
|-----------------------------|----------------|
| Pragati Life Insurance Ltd. | 698,270 shares |
| Pragati Insurance Ltd. | 217,038 shares |

| | | | |
|-----------------------------------|---|-----|-----|
| Mr. Md. Naimuzzaman Bhuiyan Mukta | Independent Director | Nil | Nil |
| Mr. Murshid Kuli Khan | Independent Director | Nil | Nil |
| Mr. Lt. Gen. Md. Shafiqur Rahman | Nominated Director (Sikder Insurance Company Limited) | Nil | Nil |
| Mr. Md. Mehmood Husain | Managing Director & CEO | Nil | Nil |
| ii) | Significant contracts where bank is a party and wherein Directors have interest: | | Nil |
| iii) | Shares issued to Directors and executives without consideration or exercisable at discount: | | Nil |
| iv) | a. Related party transactions-Lending | | |

| Name of the party | Nature of relation | Nature of transaction | June 2022 (BDT in crore) |
|---------------------|---|-----------------------|-----------------------------|
| KDS Garments Ltd | Alhaj Khalilur Rahman, Chairman and Mr. Salim Rahman, Managing Director of KDS Garments Limited and Director of the Bank. | BG | 0.25 |
| NBL Securities Ltd. | Subsidiary | Loan | 235.26 |
| Total | | | 235.51 |

b. NBL has insurance coverage agreement with Sikder Insurance Limited, an amount of Tk. 217.99 lac paid during the period as premium.

v) Lending policies to related parties

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

vi) Business other than banking business with any related concern of the Directors as per section 8(2) of the Banking Companies Act 1991: Nil

vii) Investments in the securities of Directors and their related concern : Nil

Managing Director & CEO

Director

Director

Director

Krishna Kamal Ghose, FCA
EVP & CFO

Financial Administration Division
National Bank Limited, Head Office
110/1, Kazi Nazrul Islam Avenue, Dhaka.

10 JAN 2023

Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka

10 JAN 2023

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

10 JAN 2023



K M Rashedul Hasan
Chief Executive Officer
First Security Islamic Capital & Investment Limited

10 JAN 2023

National Bank Limited
Schedule of fixed assets
As at June 30, 2022

Annex - A

| Particulars | Cost / Revaluation | | | Rate (%) | Depreciation/Amortization | | | | Written down value at June 30, 2022 |
|-------------------------|------------------------|----------------------------|----------------------|----------|---------------------------|--------------------------|----------------------|--------------------------|-------------------------------------|
| | As at January 01, 2022 | Addition During the period | Disposal/ adjustment | | Upto January 01, 2022 | Charge During the period | Disposal/ adjustment | Total upto June 30, 2022 | |
| Land | 693,216,752 | - | - | - | - | - | - | - | 693,216,752 |
| Building | 1,276,289,796 | - | - | 2.50% | 330,741,681 | 15,928,863 | - | 346,670,544 | 929,619,252 |
| Furniture and fixtures | 1,246,285,790 | 44,460,229 | 4,506,440 | 10.00% | 926,019,648 | 37,085,353 | 4,504,188 | 958,600,813 | 327,638,766 |
| General equipment | 1,270,946,919 | 38,869,427 | 3,249,839 | 20.00% | 1,093,048,419 | 33,366,870 | 3,249,783 | 1,123,165,506 | 183,401,001 |
| Computer equipment (*) | 2,722,159,274 | 140,199,408 | 2,909,042 | 33.33% | 1,728,039,280 | 114,226,717 | 2,908,927 | 1,839,357,070 | 1,020,092,570 |
| Vehicles | 308,811,546 | 281,963 | - | 20.00% | 274,659,537 | 7,069,919 | - | 281,729,456 | 27,364,053 |
| Right of use assets | 418,991,341 | - | - | ** | 153,499,977 | - | - | 153,499,977 | 265,491,364 |
| Books | 2,481,544 | 58,979 | - | 20.00% | 2,196,161 | 73,862 | - | 2,270,023 | 270,500 |
| As at June 30, 2022 | 7,939,182,962 | 223,870,007 | 10,665,321 | | 4,508,204,703 | 207,751,584 | 10,662,898 | 4,705,293,389 | 3,447,094,259 |
| As at December 31, 2021 | 7,691,676,187 | 262,884,495 | 15,377,720 | | 4,048,673,354 | 474,827,328 | 15,295,979 | 4,508,204,703 | 3,430,978,259 |

** Amortized over the lease term (See note no. 2.6.4(b))

(*) Core Banking Software for Tk. 1,002,881,250 included in computer equipment, which is amortized using the straight line method over the estimated useful life of 10 (ten) years. Current book value is Tk. 835,734,375.00 as on June 30, 2022.

Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
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Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA



K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited
10 JAN 2023

National Bank Limited
Balance with other Banks and Financial Institutions (Outside Bangladesh)
As at June 30, 2022

Annex- B

| Particulars | Currency Name | 30.06.2022 | | | 2021 | | |
|--|---------------|----------------------------|------------------------------|--------------------|----------------------------|------------------------------|--------------------|
| | | Amount in Foreign Currency | Conversion Rate Per Unit F.C | Amount in BDT | Amount in Foreign Currency | Conversion Rate Per Unit F.C | Amount in BDT |
| In fixed deposit accounts (interest bearing) with: | | | | | | | |
| JP Morgan Chase Bank, Singapore | USD | 726,000.00 | 93.4500 | 67,844,700 | 726,000.00 | 85.8000 | 62,290,800 |
| AB Bank Ltd., Mumbai | USD | - | 93.4500 | - | 1,500,000.00 | 85.8000 | 128,700,000 |
| Sub-total | | | | 67,844,700 | | | 190,990,800 |
| In demand deposit accounts (non interest bearing) with: | | | | | | | |
| Mashreq Bank, New York | USD | 740,614.12 | 93.4500 | 69,210,390 | 1,389,538.10 | 85.8000 | 119,222,369 |
| JP Morgan Chase Bank New York | USD | 280,584.59 | 93.4500 | 26,220,630 | 26,461.48 | 85.8000 | 2,270,395 |
| Standard Chartered Bank, New York | USD | - | 93.4500 | - | 9,998.46 | 85.8000 | 857,868 |
| Standard Chartered Bank, Mumbai | ACU | 285,099.48 | 93.4500 | 26,642,546 | 1,650.00 | 85.8000 | 141,570 |
| Sonali Bank, Kolkata | ACU | 263,656.60 | 93.4500 | 24,638,709 | 457,199.76 | 85.8000 | 39,227,739 |
| Mashreq Bank, Mumbai | ACU | 76,889.56 | 93.4500 | 7,185,329 | 557,828.56 | 85.8000 | 47,861,690 |
| State Bank of India, Kolkata | ACU | 23,902.07 | 93.4500 | 2,233,648 | 1,902.07 | 85.8000 | 163,198 |
| United Bank, Karachi | ACU | 31,215.43 | 93.4500 | 2,917,082 | 31,215.43 | 85.8000 | 2,678,284 |
| NABIL Bank, Nepal | ACU | 295,716.57 | 93.4500 | 27,634,713 | 256,859.37 | 85.8000 | 22,038,534 |
| Myanmar Foreign Trade Bank Yangon | ACU | 137.85 | 93.4500 | 12,882 | 137.85 | 85.8000 | 11,828 |
| AB Bank Ltd., Mumbai | ACU | 342,204.18 | 93.4500 | 31,978,981 | 809,789.82 | 85.8000 | 69,479,967 |
| Bank of Bhutan, Thimpu | ACU | 268,604.99 | 93.4500 | 25,101,136 | 402,507.12 | 85.8000 | 34,535,111 |
| ICICI Bank Ltd., Mumbai | ACU | 38,258.27 | 93.4500 | 3,575,235 | 38,258.27 | 85.8000 | 3,282,560 |
| Axis Bank Ltd. | ACU | 30,657.42 | 93.4500 | 2,864,936 | - | 0.0000 | - |
| HDFC Bank, India | ACU | 402,987.76 | 93.4500 | 37,659,206 | 519,971.22 | 85.8000 | 44,613,531 |
| Meezan Bank, Karchi | ACU | 156,973.42 | 93.4500 | 14,669,166 | 177,270.88 | 85.8000 | 15,209,842 |
| Commerz Bank, Frankfurt | EURO | 11,477.61 | 97.6553 | 1,120,849 | 13,989.42 | 97.2543 | 1,360,531 |
| Alpha Bank AE Athens | EURO | 99,969.14 | 97.6553 | 9,762,516 | 169,935.86 | 97.2543 | 16,526,993 |
| BOT Tokyo | JPY | 606,149.00 | 0.6841 | 414,667 | 8,728,187.00 | 0.7456 | 6,507,736 |
| Habib Bank Zurich | CHF | 23,893.49 | 97.9149 | 2,339,529 | 8,557.12 | 93.7193 | 801,967 |
| Habib American Bank | USD | 987,156.90 | 93.4500 | 92,249,812 | 1,766,053.35 | 85.8000 | 151,527,377 |
| Standard Chartered Bank, Singapore | SGD | - | - | - | 57,807.19 | 63.4709 | 3,669,074 |
| Citibank N.A New York | USD | 1,202,118.31 | 93.4500 | 112,337,957 | 2,458,496.78 | 85.8000 | 210,939,024 |
| ZCCB | CNY | 1,482.44 | 13.9601 | 20,695 | - | - | - |
| ZCCB | USD | 142,228.27 | 93.4500 | 13,291,233 | 29,976.77 | 85.8000 | 2,572,007 |
| Sub-total | | | | 534,081,847 | | | 795,693,704 |
| Grand total | | | | 601,926,547 | | | 986,684,504 |



Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited Head Office
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Company Secretary
National Bank Limited
Head Office, Dhaka

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

10 JAN 2023

10 JAN 2023

National Bank Limited

Status of large loan

As at June 30, 2022

Annex- C

(BDT in crore)

| SL no. | Name of the borrower | Funded | Non-funded | Total outstanding | Remarks |
|--------|--|------------------|-----------------|-------------------|---------|
| 1 | Abul Khair | 133.56 | 92.16 | 225.72 | |
| 2 | Basundhara Group | 822.00 | 97.40 | 919.40 | |
| 3 | Basundhara Import Export | 720.16 | - | 720.16 | |
| 4 | Basundhara Multi Food Product Ltd. | 756.28 | 279.22 | 1,035.50 | |
| 5 | Basundhara Oil & Gas Co Ltd. | 286.45 | 666.86 | 953.31 | |
| 6 | Beximco Group | 801.18 | - | 801.18 | |
| 7 | Beximco LPG Unit | 1,161.29 | 92.70 | 1,253.99 | |
| 8 | Bloom Success International Ltd. | 773.11 | - | 773.11 | |
| 9 | Broadway Real Estate Ltd & Prokriti Associates | 712.27 | - | 712.27 | |
| 10 | Ehsan Group | 627.23 | - | 627.23 | |
| 11 | FMC Group | 1,434.52 | 102.58 | 1,537.10 | |
| 12 | Karnaphully Group | 613.62 | 24.23 | 637.85 | |
| 13 | Maisha Group | 2,710.35 | 29.18 | 2,739.53 | |
| 14 | Manha Precast Technology | 647.16 | - | 647.16 | |
| 15 | NASSA Group | 1,543.59 | 40.13 | 1,583.72 | |
| 16 | Opex Group | 574.21 | 46.00 | 620.21 | |
| 17 | Pran RFL Group | 535.98 | 24.52 | 560.50 | |
| 18 | Radium Composite Mills Ltd. | 745.74 | - | 745.74 | |
| 19 | Saad Musa Group | 1,031.96 | - | 1,031.96 | |
| 20 | Saif Port Holdings & Powertec Ltd. | 1,002.96 | 129.65 | 1,132.61 | |
| 21 | Western Marine Shipyard Ltd. | 818.24 | - | 818.24 | |
| | Total | 18,451.86 | 1,624.63 | 20,076.49 | |



Krishna Kamal Ghose, FCA
EVP & CFO
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Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

K M Rasidul Hasan
Chief Executive Officer
First Security Islamic Capital & Investment Limited

National Bank Limited
Status on REPO and Reverse REPO
As at June 30, 2022

Annex-D

- A. i) Disclosure regarding outstanding REPO
As per DOS Circular No. 06 dated July 15, 2010.

(BDT in crore)

| Counter party | Agreement date | Reversal date | Amount BDT |
|-------------------|----------------|---------------|-----------------|
| Eastern Bank Ltd. | 28/06/2022 | 05/07/2022 | 102.08 |
| Eastern Bank Ltd. | 29/06/2022 | 06/07/2022 | 248.10 |
| Eastern Bank Ltd. | 27/06/2022 | 04/07/2022 | 96.93 |
| Brac Bank Ltd. | 26/06/2022 | 03/07/2022 | 197.96 |
| Agrani Bank Ltd. | 30/06/2022 | 07/07/2022 | 308.83 |
| Pubali Bank Ltd. | 30/06/2022 | 07/07/2022 | 164.89 |
| Trust Bank Ltd. | 27/06/2022 | 04/07/2022 | 99.74 |
| Uttara Bank Ltd. | 29/06/2022 | 06/07/2022 | 115.45 |
| AB Bank Ltd. | 29/06/2022 | 03/07/2022 | 152.59 |
| Total | | | 1,486.57 |

- ii) Disclosure regarding outstanding Reverse REPO

| Counter party | Agreement date | Reversal date | Amount BDT |
|---------------|----------------|---------------|------------|
| | | | |
| Total | - | - | - |

- B. Disclosure regarding overall Transaction of REPO and Reverse REPO

| Counter party | Minimum outstanding during the year | Maximum outstanding during the year | Daily Average outstanding during the year |
|-----------------------------|-------------------------------------|-------------------------------------|---|
| REPO/ALS | | | |
| Bengal Commercial Bank Ltd. | 8.36 | | 172.25 |
| Janata Bank Ltd. | | 443.31 | |
| Bangladesh Bank (ALS)/Repo | | 526.65 | |
| Bangladesh Bank (ALS)/Repo | 219.45 | | |
| Reverse REPO | | | |
| | | | Nil |
| | | | |



Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited Head Office
110/1, Kazi Nazrul Islam Avenue, Dhaka.
10 JAN 2023

Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka
10 JAN 2023

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA
10 JAN 2023

K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited
10 JAN 2023

National Bank Limited
Highlights on the activities of the Bank
As at June 30, 2022

(BDT in Million)

| Sl. No. | Particulars | Jun-22 | Dec-21 |
|---------|---|----------------------|----------------------|
| 1 | Paid-up Capital | 32,197.40 | 32,197.40 |
| 2 | Total Capital (Tier-I+II) | 45,313.37 | 56,558.79 |
| 3 | Capital Surplus/ (Deficit) | (15,073.38) | (3,461.56) |
| 4 | Total Assets | 550,213.87 | 575,060.76 |
| 5 | Total Deposits | 445,212.13 | 473,103.89 |
| 6 | Total Loans and Advances | 406,670.03 | 445,287.71 |
| 7 | Total Contingent Liabilities and Commitments | 68,008.67 | 66,573.86 |
| 8 | Advance / Deposit Ratio (%) | 85.89% | 90.46% |
| 9 | Percentage of Classified Loans against total Loans and Advances | 23.10% | 20.80% |
| 10 | Amount of Classified Loans | 93,942.90 | 92,617.11 |
| 11 | Provision kept against Classified Loans | 14,353.90 | 14,350.76 |
| 12 | Provision Surplus / (Deficit) against classified loans | | |
| 13 | Cost of Fund (including operating cost) | 5.89% | 7.78% |
| 14 | Interest Earning Assets | 485,473.82 | 533,176.17 |
| 15 | Non-interest Earning Assets | 64,740.05 | 41,884.59 |
| 16 | Return on Investment (ROI) | 6.33% | 7.21% |
| 17 | Return on Assets (ROA) | -0.68% | 0.04% |
| 18 | Price Earning Ratio (Times) | -13.53 | 115.42 |
| | | June 30, 2022 | June 30, 2021 |
| 19 | Profit after Provision & Tax | (1,903.25) | 749.83 |
| 20 | Income from Investment | 2,548.70 | 3,488.33 |
| 21 | Earnings per Share (Taka) | -0.59 | 0.23 |
| 22 | Net income per Share (Taka) | -0.59 | 0.23 |
| 23 | Net Assets Value per shares (Taka) | 15.44 | 17.31 |



Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
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10 JAN 2023

Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.

10 JAN 2023

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA

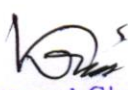
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K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

10 JAN 2023

Annexure – I

(Declaration of the Management of the Issuer)


Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazimuddin Avenue, Dhaka.


Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka


MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA


K M Rasidul Nasan
Chief Executive Officer
First Security Islami Capital & Investment Limited



National Bank Limited

FINANCIAL ADMINISTRATION DIVISION

HEAD OFFICE: 116/1, KAZI NAZRUL ISLAM AVENUE, RAMNA, DHAKA-1000, BANGLADESH, TEL: PABX: +88-02-41032461-3, 41032435-36, FAX: 88-02-41032460, E-mail: bank@nbl.com, www.nbl.com, SWIFT: NBLBD33

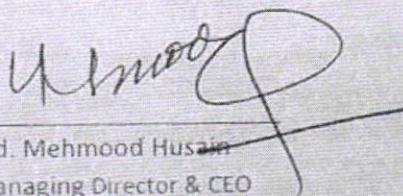
Date: 21 June 2022

Annexure- I

Declaration about the responsibility of the Managing Director of
National Bank Limited in respect of the information memorandum
[Rule 4(2)(a)]

This information memorandum has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this information memorandum to enable the investors to make a well-informed decision for investment.

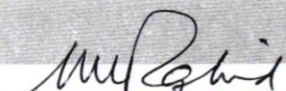


Md. Mehmood Husain
Managing Director & CEO

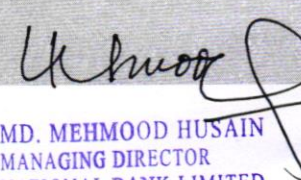
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Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.

10 JAN 2023


Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka

10 JAN 2023


MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA


10 JAN 2023

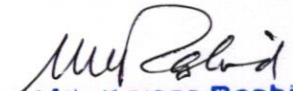

K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited

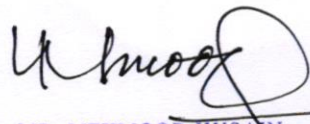
10 JAN 2023

Annexure – II

(Due Diligence Certificate of the Trustee)


Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazrul Islam Avenue, Dhaka.
10 JAN 2023


Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office, Dhaka.
10 JAN 2023


MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE, DHAKA
10 JAN 2023


K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital Markets Limited
10 JAN 2023



ফার্স্ট সিকিউরিটি ইসলামী ক্যাপিটাল এন্ড ইনভেস্টমেন্ট লিঃ
FIRST SECURITY ISLAMI CAPITAL & INVESTMENT LTD.

Due diligence certificate of the Trustee

First Security Islami Capital & Investment Limited

To

The Bangladesh Securities and Exchange Commission

Sub: Issuance 1,000 numbers of Non-Convertible, Unsecured Subordinated Bond of BDT 5,000,000 (Five Million Taka) each of National Bank Limited.

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while act as trustee to the above-mentioned issue on behalf of the investors, have examined the draft Information Memorandum, legal and other documents and materials as relevant to our decision; and

2. On the basis of such examination and the discussions with the Issuer, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the Issuer.

WE CONFIRM THAT:

(a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft deed of trust and draft subscription agreement forwarded to the Commission has been approved by us;

(b) we have also examined all documents of the assets to be charged with the trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;

(c) while examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;

(d) we shall act as trustee to the issue as mentioned above as per provisions of the deed of trust to be executed with the issuer or the originator, as applicable and shall assume the duties and responsibilities as described in the deed of trust and in the IM;

(e) we shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and

(f) the above declarations are unequivocal and irrevocable.

For Trustee

K M Rasidul Hasan
Chief Executive Officer

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Krishna Kamal Ghose, FCA
EVP & CFO
Financial Administration Division
National Bank Limited, Head Office
116/1, Kazi Nazimuddin Road, Dhaka.
10 JAN 2023

Md. Kaiser Rashid
Senior Vice President
Company Secretary
National Bank Limited
Head Office Dhaka.
10 JAN 2023

MD. MEHMOOD HUSAIN
MANAGING DIRECTOR
NATIONAL BANK LIMITED
HEAD OFFICE DHAKA
10 JAN 2023

K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Limited
10 JAN 2023