Independent Auditors' Report
&
Audited Financial Statements
of
National Credit and Commerce Bank Limited
&
its Subsidiaries

As at & for the year ended 31 December 2017

A. QASEM & CO.
Chartered Accountants Since 1953

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Independent Auditor's Report to the Shareholders of National Credit and Commerce Bank Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of National Credit and Commerce Bank Limitedand its subsidiaries (together referred to as the "Group") which comprise the consolidated balance sheet as at 31 December 2017, and the consolidated profit and loss account, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in Note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Banking Companies Act, 1991 and Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group and its subsidiaries as at 31 December 2017, and of its financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in note 2.

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Report on other Legal and Regulatory Requirements

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

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

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

  (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;

  (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities;

(iii) financial statements of two subsidiaries namely, NCCB Securities and Financial Services Limited have been audited by Shafiq Mizan Rahman & Augustine, Chartered Accountants and NCCB Capital Limited have been audited by Hoda Vasi Chowdhury & Co., Chartered Accountants have been properly reflected in the consolidated financial statements;

(iv) in our opinion, proper books of account as required by law have been kept by the Group 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 and payments made were for the purpose of the Group's business for the year;

(viii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;

(ix) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;

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

(xi) the information and explanations required by us have been received and found satisfactory;

(xii) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 1,200 person hours; and

(xiii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dated, Dhaka
April 30, 2018

A. Qasem& Co.
Chartered Accountants

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National Credit and Commerce Bank Limited and its Subsidiaries

Consolidated Balance Sheet

As on 31 December 2017

Particulars	Note	31.12.2017 Taka	31.12.2016 Taka
PROPERTY AND ASSETS			
Cash	5(a)	**12,396,577,641**	**10,446,800,672**
In hand (including foreign currencies)		1,610,360,438	1,336,119,522
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		10,786,217,203	9,110,681,150
Balance with other banks and financial institutions	6(a)	**4,347,764,755**	**5,018,380,483**
In Bangladesh		3,802,361,654	4,647,053,434
Outside Bangladesh		545,403,101	371,327,049
Money at call and short notice	7	**270,000,000**	-
Investments	8 (a)	**29,547,448,858**	**24,015,508,717**
Government		27,627,054,779	21,253,372,092
Others		1,920,394,079	2,762,136,625
Loans and advances	9(a)	**149,633,833,880**	**129,070,067,579**
Loans, cash credits, overdrafts, etc.		142,947,896,909	124,660,761,120
Bills purchased & discounted		6,685,936,971	4,409,306,459
Fixed assets including premises, furnitures and fixtures	10(a)	**2,498,962,078**	**2,514,179,788**
Other assets	11(a)	**4,951,110,724**	**3,002,073,146**
Non-banking assets		-	-
TOTAL ASSETS		**203,645,697,936**	**174,067,010,384**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12 (a)	**9,104,809,698**	**6,726,399,870**
Deposits and other accounts	13 (a)	**159,837,231,522**	**132,739,105,492**
Current deposits and other accounts		14,325,863,216	13,839,419,655
Bills payable		4,620,026,292	5,101,703,331
Savings bank deposits		21,002,021,411	18,732,883,987
Fixed deposits		69,549,270,735	50,135,024,925
Term deposits		50,340,049,868	44,930,073,594
Other liabilities	14(a)	**17,518,625,455**	**18,029,392,418**
TOTAL LIABILITIES		**186,460,666,675**	**157,494,897,780**
Shareholders' equity			
Paid up capital	**15.2**	8,832,180,030	8,832,180,030
Statutory reserve	**16**	6,545,223,669	5,927,548,654
General reserve	**17**	10,162,348	10,162,348
Non-controlling (Minority) interest	**15.8**	209	205
Other reserve including assets revaluation reserve	**18**	533,517,737	355,441,831
Foreign currency translation gain/(loss)	**19.3**	1,862,174	399,963
Surplus in profit and loss account	**19(a)**	1,262,085,095	1,446,379,574
TOTAL SHAREHOLDERS' EQUITY		**17,185,031,261**	**16,572,112,605**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**203,645,697,936**	**174,067,010,384**

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Particulars		31.12.2017 Taka	31.12.2016 Taka
OFF BALANCE SHEET ITEMS:			
Contingent liabilities			
Acceptances and endorsements	**20.1**	17,021,307,128	12,268,815,139
Letters of guarantee	**20.2**	22,463,034,687	17,877,420,213
Letters of credit issued	**20.3**	14,835,674,742	11,183,881,376
Bills for collection	**20.4**	35,929,211	10,160,692
Other commitments			
Claims against the bank not acknowledged as debt		-	-
Capital commitments		-	-
Export development fund (EDF)		-	-
TOTAL OFF BALANCE SHEETS ITEMS INCLUDING CONTINGENT LIABILITIES		**54,355,945,768**	**41,340,277,420**

These financial statements should be read in conjunction with the annexed notes from 1 to 43.

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

See annexed auditor's report to the Shareholders of the date.

Dated, Dhaka
30 April 2018

A. Qasem & Co.
Chartered Accountants

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National Credit and Commerce Bank Limited and its Subsidiaries

Consolidated Profit and Loss Account
For the year ended 31 December 2017

	Note	2017 Taka	2016 Taka
Interest income	22(a)	12,738,852,679	11,244,103,827
Less: Interest paid on deposits and borrowings	23(a)	8,102,787,529	7,281,263,723
Net interest income		**4,636,065,150**	**3,962,840,104**
Income from investments	24(a)	2,050,538,842	2,029,937,779
Commission, exchange and brokerage	25(a)	1,698,348,346	1,249,842,333
Other operating income	26(a)	512,821,107	414,776,290
Total operating income		**8,897,773,445**	**7,657,396,506**
Salary and allowances	27(a)	2,560,664,319	2,030,669,058
Rent, taxes, insurance, electricity etc.	28(a)	383,880,819	341,957,807
Legal expenses	29(a)	19,396,390	17,052,825
Postage, stamp, telecommunication etc.	30(a)	30,782,652	25,920,197
Stationery, printing, advertisement etc.	31(a)	67,946,744	66,782,314
Chief Executive Officer's salary and allowances	32	9,409,672	11,400,000
Director's fees & other meeting related expenses	33(a)	5,199,836	4,188,500
Auditors' fees	34(a)	398,750	393,000
Charges on loan losses		2,423,306	9,965,679
Repairs,maintenance,amortization and depreciation of bank's assets	35(a)	416,877,896	418,095,878
Other expenses	36(a)	356,726,116	221,073,959
Total operating expenses		**3,853,706,500**	**3,147,499,217**
Profit before provision		**5,044,066,945**	**4,509,897,289**
Provision for loans and advances		1,739,746,687	949,116,748
Specific provision	14.5.1(a)	1,625,428,766	820,069,430
General provision	14.5.1(b)	114,317,921	129,047,318
Provision for off-balance sheet exposures	14.6	130,156,684	68,187,074
Provision for off-shore banking unit	14.7	24,725,471	13,203,697
Provision for investment fluctuation in shares	8.3(a)	(77,049,532)	(83,277,797)
Provision for other assets	14.2	36,442,514	(3,837,276)
Provision for nostro accounts	14.11	(7,600,000)	7,700,000
Total provision		**1,846,421,824**	**951,092,446**
Profit after provision for loans & advances and others items		**3,197,645,121**	**3,558,804,843**
Contribution to NCC Bank's CSR Fund	14.9	7,500,000	25,000,000
Profit before tax		**3,190,145,121**	**3,533,804,843**
Provision for tax		**1,345,570,454**	**1,454,764,765**
Current tax	14.4	1,361,646,482	1,479,622,861
Deferred tax	14.4.1	(16,076,028)	(24,858,096)
Profit after tax for the year		**1,844,574,667**	**2,079,040,079**
Attributable to:			
Shareholders' of the bank		1,844,574,663	2,079,040,079
Non-controlling (Minority) interest		4	-
Balance of profit brought forward from last year	19.2	33,230,769	68,816,759
Total profit available for distribution		**1,877,805,435**	**2,147,856,838**
Appropriations:			
Statutory reserve		617,675,016	703,482,063
General reserve		-	-
		617,675,016	703,482,063
Retained earnings		**1,260,130,420**	**1,444,374,775**
Earnings per share (EPS)	42(a)	**2.09**	**2.35**

These financial statements should be read in conjunction with the annexed notes from 1 to 43.

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

See annexed auditor's report to the Shareholders of the date.

Dated, Dhaka
30 April 2018

A. Qasem & Co.
Chartered Accountants

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National Credit and Commerce Bank Limited and its Subsidiaries

Consolidated Cash Flow Statement

For the year ended 31 December 2017

	Note	2017 Taka	2016 Taka
A) Cash flows from operating activities			
Interest receipts		14,416,688,633	13,223,761,300
Interest payments		(11,091,642,298)	(4,985,730,989)
Dividend receipts		91,080,432	76,845,376
Fees & commission receipts		811,606,290	706,493,732
Recoveries of loans previously written off		7,244,915	16,485,152
Cash paid to employees		(2,444,324,952)	(1,715,456,714)
Cash paid to suppliers		(164,119,612)	(143,851,366)
Income taxes paid		(1,745,594,938)	(1,043,383,516)
Receipts from other operating activities	37(a)	1,408,582,733	1,014,509,619
Payments for other operating activities	38(a)	(853,254,011)	(832,298,700)
Operating cash flow before changes in operating assets and liabilities		436,267,192	6,317,373,894
Increase/(Decrease) in operating assets & liabilities:			
Purchase & sale of trading securities		(6,251,668,913)	(1,275,694,614)
Loans and advances to customers (Other than banks)		(20,563,766,301)	(21,069,323,411)
Other assets	39(a)	7,600,432	(155,131,698)
Deposits and borrowings from other banks		9,971,968,602	1,194,986,245
Deposits from customers (Other than banks)		19,056,491,559	19,810,948,812
Other liabilities account of customers		(1,039,433,515)	(692,430,597)
Other liabilities	40 (a)	22,017,622	180,971,922
Net Cash receipts from operating activities		**1,639,476,679**	**4,311,700,553**
B) Cash flows from investing activities			
Proceeds from sale of securities		1,951,908,080	171,740,054
Payment for purchase of securities		(918,654,949)	(1,332,032,654)
Purchase of property, plant and equipment		(208,655,721)	(116,117,568)
Sales proceeds of fixed assets		8,066,593	892,742
Net cash used in investing activities		**832,664,003**	**(1,275,517,426)**
C) Cash flows from financing activities			
Borrowings from other bank's , financial institutions and agents		483,580,755	23,155,373
Dividend paid		(1,413,148,805)	(1,126,102,954)
Net cash receipts/(payments) from financing activities		**(929,568,050)**	**(1,102,947,581)**
D) Net (decrease)/ increase in cash (A+B+C)		**1,542,572,632**	**1,933,235,546**
E) Effects of exchange rate changes on cash and cash-equivalents		1,462,211	(7,239,609)
F) Cash and cash-equivalents at the beginning of the year		15,474,059,254	13,548,063,317
G) Cash and cash-equivalents at the end of the year (D+E+F)	41(a)	**17,018,094,096**	**15,474,059,254**

These financial statements should be read in conjunction with the annexed notes from 1 to 43.

Chairman Director Director Managing Director & CEO

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National Credit and Commerce Bank Limited and its Subsidiaries

Consolidated Statement of Changes in Equity

For the year ended 31 December 2017

Particulars	Paid up capital	Statutory reserve	General reserve	Other reserve including asset revaluation reserve	F.C. Translation gain/(loss)	Non-controlling (Minority) interest	Surplus in profit and loss account	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance at 01 January 2017	**8,832,180,030**	**5,927,548,654**	**10,162,348**	**355,441,831**	**399,963**	**205**	**1,446,379,574**	**16,572,112,605**
Transferred from revaluation reserve against depreciation on revaluation of fixed assets	-	-	-	(1,954,679)	-	-	1,954,679	-
Revaluation of Govt. securities (treasury bills/bonds) HFT made during the year	-	-	-	180,030,584	-	-	-	180,030,584
Currency translation gain/(loss) not recognized in the income statement	-	-	-	-	1,462,211	-	-	1,462,211
Non-controlling (Minority) interest	-	-	-	-	-	4	-	4
Net profit for the year	-	-		-	-	-	1,844,574,663	1,844,574,663
Transfer to statutory reserve	-	617,675,016	-	-	-	-	(617,675,016)	-
Cash dividend for the year 2016	-	-	-	-	-	-	(1,413,148,805)	(1,413,148,805)
Balance at 31 December 2017	**8,832,180,030**	**6,545,223,669**	**10,162,348**	**533,517,737**	**1,862,174**	**209**	**1,262,085,095**	**17,185,031,261**
Balance at 31 December 2016	**8,832,180,030**	**5,927,548,654**	**10,162,348**	**355,441,831**	**399,963**	**205**	**1,446,379,574**	**16,572,112,605**

Chairman | Director | Director | Managing Director & CEO

A. QASEM & CO.
Chartered Accountants
Since 1953

National Credit and Commerce Bank Limited

Balance Sheet

As on 31 December 2017

Particulars	Note	31.12.2017 Taka	31.12.2016 Taka
PROPERTY AND ASSETS			
Cash	5	**12,396,572,982**	**10,446,766,212**
In hand (including foreign currencies)		1,610,355,779	1,336,085,062
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		10,786,217,203	9,110,681,150
Balance with other banks and financial institutions	6	**4,230,975,751**	**4,945,061,641**
In Bangladesh		3,685,572,650	4,573,734,592
Outside Bangladesh		545,403,101	371,327,049
Money at call and short notice	7	**270,000,000**	-
Investments	8	**29,403,282,926**	**23,958,163,884**
Government		27,627,054,779	21,253,372,092
Others		1,776,228,147	2,704,791,792
Loans and advances	9	**146,633,841,617**	**126,003,479,329**
Loans, cash credits, overdrafts, etc.		139,947,904,646	121,594,172,870
Bills purchased & discounted		6,685,936,971	4,409,306,459
Fixed assets including premises, furnitures and fixtures	10	**2,486,890,712**	**2,500,129,703**
Other assets	11	**6,887,897,205**	**4,852,632,066**
Non-banking assets		-	-
TOTAL ASSETS		**202,309,461,193**	**172,706,232,835**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12	**9,104,809,698**	**6,726,399,870**
Deposits and other accounts	13	**159,988,445,540**	**132,800,377,658**
Current deposits and other accounts		14,477,077,234	13,900,691,821
Bills payable		4,620,026,292	5,101,703,331
Savings bank deposits		21,002,021,411	18,732,883,987
Fixed deposits		69,549,270,735	50,135,024,925
Term deposits		50,340,049,868	44,930,073,594
Other liabilities	14	**16,142,211,125**	**16,637,259,091**
TOTAL LIABILITIES		**185,235,466,363**	**156,164,036,619**
Shareholders' equity			
Paid up capital	15.2	8,832,180,030	8,832,180,030
Statutory reserve	16	6,545,223,669	5,927,548,654
General reserve	17	10,162,348	10,162,348
Other reserve including assets revaluation reserve	18	533,517,737	355,441,831
Foreign currency translation gain/(loss)	18.1	1,862,174	399,963
Surplus in profit and loss account	19	1,151,048,872	1,416,463,390
TOTAL SHAREHOLDERS' EQUITY		**17,073,994,830**	**16,542,196,216**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**202,309,461,193**	**172,706,232,835**

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Particulars		31.12.2017 Taka	31.12.2016 Taka
OFF BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements	**20.1**	17,021,307,128	12,268,815,139
Letters of guarantee	**20.2**	22,463,034,687	17,877,420,213
Letters of credit issued	**20.3**	14,835,674,742	11,183,881,376
Bills for collection	**20.4**	35,929,211	10,160,692
Other commitments			
Claims against the bank not acknowledged as debt		-	-
Capital commitments		-	-
Export development fund (EDF)		-	-
TOTAL OFF BALANCE SHEETS ITEMS INCLUDING CONTINGENT LIABILITIES		**54,355,945,768**	**41,340,277,420**

These financial statements should be read in conjunction with the annexed notes from 1 to 43.

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

See annexed auditor's report to the Shareholders of the date.

A. Qasem & Co.
Chartered Accountants

Dated, Dhaka
30 April 2018

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National Credit and Commerce Bank Limited
Profit and Loss Account
For the year ended 31 December 2017

	Note	2017 Taka	2016 Taka
Interest income	22	12,714,103,096	11,272,071,375
Less: Interest paid on deposits and borrowings	23	8,102,787,529	7,281,263,723
Net interest income		**4,611,315,567**	**3,990,807,652**
Income from investments	24	2,024,936,995	2,015,414,055
Commission, exchange and brokerage	25	1,556,607,713	1,150,940,366
Other operating income	26	509,902,479	412,416,886
Total operating income		**8,702,762,754**	**7,569,578,959**
Salary and allowances	27	2,528,344,451	1,999,158,677
Rent, taxes, insurance, electricity etc.	28	371,777,981	329,395,840
Legal expenses	29	19,396,390	17,052,825
Postage, stamp, telecommunication etc.	30	30,466,873	25,659,731
Stationery, printing, advertisement etc.	31	67,281,104	65,641,616
Chief Executive Officer's salary and allowances	32	9,409,672	11,400,000
Director's fees & other meeting related expenses	33	4,898,586	3,976,000
Auditors' fees	34	345,000	345,000
Charges on loan losses		2,423,306	9,965,679
Repairs,maintenance,amortization and depreciation of bank's assets	35	411,187,127	411,176,523
Other expenses	36	334,610,066	204,585,594
Total operating expenses		**3,780,140,556**	**3,078,357,485**
Profit before provision		**4,922,622,198**	**4,491,221,474**
Provision for loans and advances		1,720,071,983	947,616,748
Specific provision	14.5(a)	1,605,754,062	818,569,430
General provision	14.5(b)	114,317,921	129,047,318
Provision for off-balance sheet exposures	14.6	130,156,684	68,187,074
Provision for off-shore banking unit	14.7	24,725,471	13,203,697
Provision for investment fluctuation in shares	8.3	(77,049,532)	(84,059,083)
Provision for other assets	14.2	36,442,514	(3,837,276)
Provision for nostro accounts	14.11	(7,600,000)	7,700,000
Total provision		**1,826,747,120**	**948,811,160**
Profit after provision for loans & advances and others items		**3,095,875,078**	**3,542,410,314**
Contribution to NCC Bank's CSR Fund	14.9	7,500,000	25,000,000
Profit before tax		**3,088,375,078**	**3,517,410,314**
Provision for tax		**1,324,920,454**	**1,439,302,819**
Current tax	14.3	1,340,996,482	1,464,160,915
Deferred tax	14.4.1	(16,076,028)	(24,858,096)
Profit after tax for the year		**1,763,454,624**	**2,078,107,496**
Balance of profit brought forward from last year	19.1	3,314,585	39,833,159
Total profit available for distribution		**1,766,769,209**	**2,117,940,654**
Appropriations:			
Statutory reserve		617,675,016	703,482,063
General reserve		-	-
		617,675,016	703,482,063
Retained earnings		**1,149,094,193**	**1,414,458,591**
Earnings per share (EPS)	42	**2.00**	**2.35**

These financial statements should be read in conjunction with the annexed notes from 1 to 43.

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

See annexed auditor's report to the Shareholders of the date.

Dated, Dhaka
30 April 2018

A. Qasem & Co.
Chartered Accountants

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National Credit and Commerce Bank Limited

Cash Flow Statement

For the year ended 31 December 2017

	Note	2017 Taka	2016 Taka
A) Cash flows from operating activities			
Interest receipts		14,391,939,050	13,251,742,695
Interest payments		(11,091,642,298)	(4,985,730,989)
Dividend receipts		79,795,425	65,092,594
Fees & commission receipts		663,885,657	607,591,764
Recoveries on loans previously written off		7,244,915	16,485,152
Cash paid to employees		(2,412,005,083)	(1,683,946,333)
Cash paid to suppliers		(145,389,066)	(129,662,404)
Income taxes paid		(1,724,197,388)	(1,027,503,558)
Receipts from other operating activities	37	1,405,664,104	1,012,150,215
Payments for other operating activities	38	(831,605,866)	(811,359,305)
Operating cash flow before changes in operating assets and liabilities		343,689,450	6,314,859,831
Increase/(decrease) in operating assets & liabilities			
Purchase & sale of trading securities		(6,251,668,913)	(1,275,694,614)
Loans and advances to customers (Other than banks)		(20,630,362,288)	(21,148,753,799)
Other assets	39	(108,024,640)	(25,698,015)
Deposits and borrowings from other banks		9,971,968,602	1,194,986,245
Deposits from customers (Other than banks)		19,146,433,411	19,985,113,355
Other liabilities account of customers		(971,658,388)	(940,896,383)
Other liabilities	40	22,073,431	180,971,922
Net cash receipts from operating activities		**1,522,450,665**	**4,284,888,542**
B) Cash flows from investing activities			
Proceeds from sale of securities		1,770,369,103	94,704,023
Payment for purchase of securities		(664,611,712)	(1,267,704,230)
Purchase of property, plant and equipment		(207,320,964)	(112,410,564)
Sales proceeds of fixed assets		7,813,227	892,742
Net cash used in investing activities		**906,249,654**	**(1,284,518,029)**
C) Cash flows from financing activities			
Borrowings from other bank's , financial institutions and agents		483,580,755	23,155,373
Dividend paid in cash		(1,413,148,805)	(1,126,102,954)
Net cash receipts/(payments) from financing activities		**(929,568,050)**	**(1,102,947,581)**
D) Net increase/(decrease) in cash (A+B+C)		**1,499,132,270**	**1,897,422,933**
E) Effects of exchange rate changes on cash and cash-equivalents		1,462,211	(7,239,608)
F) Cash and cash-equivalents at the beginning of the year		15,400,705,953	13,510,522,628
G) Cash and cash-equivalents at the end of the year (D+E+F)	41	**16,901,300,433**	**15,400,705,953**

These financial statements should be read in conjunction with the annexed notes from 1 to 43.

Chairman Director Director Managing Director & CEO

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National Credit and Commerce Bank Limited

Statement of Changes in Equity

For the year ended 31 December 2017

Particulars	Paid up capital	Statutory reserve	General reserve	Other reserve including assets revaluation reserve	F.C. Translation gain/(loss)	Surplus in profit and loss account	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance at 01 January 2017	**8,832,180,030**	**5,927,548,654**	**10,162,348**	**355,441,831**	**399,963**	**1,416,463,390**	**16,542,196,216**
Transferred from revaluation reserve against depreciation on revaluation of fixed assets	-	-	-	(1,954,679)	-	1,954,679	-
Revaluation of Govt. securities (treasury bills/bonds) HFT made during the year	-	-	-	180,030,584	-	-	180,030,584
Currency translation gain/(loss) not recognized in the income statement	-	-	-	-	1,462,211	-	1,462,211
Net profit for the year	-	-		-		1,763,454,624	1,763,454,624
Transfer to statutory reserve	-	617,675,016	-	-		(617,675,016)	-
Cash dividend for the year 2016	-	-	-	-	-	(1,413,148,805)	(1,413,148,805)
Balance at 31 December 2017	**8,832,180,030**	**6,545,223,669**	**10,162,348**	**533,517,737**	**1,862,174**	**1,151,048,872**	**17,073,994,830**
Balance at 31 December 2016	**8,832,180,030**	**5,927,548,654**	**10,162,348**	**355,441,831**	**399,963**	**1,416,463,390**	**16,542,196,216**

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

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National Credit and Commerce Bank Limited

Liquidity Statement

(Asset and Liability Maturity Analysis)

As on 31 December 2017

Amount in Taka

Particulars	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	Above 5-years term	Total
Assets:						
Cash	2,314,233,139	-	-	-	10,082,339,843	12,396,572,982
Balances with other banks and financial institutions	810,975,751	3,420,000,000	-	-	-	4,230,975,751
Money at call & short notice	270,000,000	-	-	-	-	270,000,000.00
Investments	3,863,776,877	-	15,000,000	12,077,741,280	13,446,764,769	29,403,282,926
Loans & advances	35,815,167,061	26,767,536,032	44,643,642,093	27,050,992,972	12,356,503,459	146,633,841,617
Fixed assets including premises, furniture & fixtures	23,916,598	51,538,941	237,425,235	221,621,234	1,952,388,703	2,486,890,712
Other assets	166,577,293	706,048,248	718,573,394	3,042,088,320	2,254,609,950	6,887,897,205
Non-banking assets	-	-	-	-	-	-
Total assets	**43,264,646,719**	**30,945,123,221**	**45,614,640,722**	**42,392,443,806**	**40,092,606,724**	**202,309,461,193**
Liabilities:						
Borrowing from other banks, financial institutions & agents	5,458,419,826	652,295,783	1,397,321,069	774,049,274	822,723,747	9,104,809,698
Deposits	42,361,296,643	27,962,278,550	37,706,278,455	41,552,460,970	5,786,104,631	155,368,419,248
Bills payable	4,620,026,292	-	-	-	-	4,620,026,292
Provision & other liabilities	841,300,809	1,448,322,811	3,719,901,113	4,909,717,827	5,222,968,564	16,142,211,125
Total liabilities	**53,281,043,571**	**30,062,897,144**	**42,823,500,636**	**47,236,228,071**	**11,831,796,941**	**185,235,466,363**
Net liquidity gap	**(10,016,396,852)**	**882,226,077**	**2,791,140,086**	**(4,843,784,265)**	**28,260,809,783**	**17,073,994,830**

Net result of the liquidity statement represents the 'shareholders' equity' of the bank.

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

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A. QASEM & CO.
Chartered Accountants
Since 1953

National Credit and Commerce Bank Limited & Its Subsidiaries
Notes to the Financial Statements

As at and for the year ended on 31 December 2017

1.1 Status of the Bank

The **National Credit and Commerce Bank Limited** (NCCBL) was formed as a public banking company limited by shares incorporated in Bangladesh with primary objective to carry on all kinds of banking business in and outside Bangladesh.

The registered office of the Bank is located at NCC Bank Bhaban, 13/1-2 Toyenbee Circular Road, Motijheel Commercial Area, Dhaka-1000. It commenced its banking business with 16 branches from May 17, 1993 under the license issued by Bangladesh Bank. Presently the Bank has 109 branches all over Bangladesh and 02 (Two) booths at Uttara Model Town, Uttara, Dhaka and Maniknagar, North Golapbagh, Dhaka. The Bank has no overseas branch as at 31 December 2017. It carries out all banking activities through it branches in Bangladesh. The Bank went for initial public offering in 1999 and its share is listed with Dhaka and Chittagong Stock Exchange Limited as a publicly traded company.

1.1.1 Principal activities

The principal activities of the Bank are to provide all kinds of commercial banking services i.e. loans and deposits services, personal and commercial banking, trade services etc. to its customers through its branches.

1.1.2 Offshore banking units

Offshore banking unit (OBU) is a separate business unit of NCC Bank Limited governed under the rules and guidelines of Bangladesh Bank. The Bank obtained permission for operation of offshore banking units located at NCC Bank Bhaban branch & Agrabad Branch vide Bangladesh Bank letter no. BRPD (P-3)744(113)/2010-1648 dated on 02 May 2010.Separate financial statements of offshore banking unit are shown in **Annexure-N.**

1.1.3 Information regarding subsidiary

The Bank has 02 (Two) fully owned subsidiary companies as on December 31, 2017. These are NCCB Securities and Financial Services Limited and NCCB Capital Limited. Information of subsidiary companies are given below:

1.1.3.1 NCCB Securities and Financial Services Limited

NCCB Securities and Financial Services Limited is a subsidiary company of NCC Bank Limited incorporated as a private company limited by shares on April 04, 2010 with the Registrar of Joint Stock Companies and Firms vide certificate of incorporation no.C-83683/10 dated April 04, 2010 under the Companies Act-1994. NCCBSFSL commenced its operation from March 07, 2011. The main objective of the company is to act as a full fledged stock broker & stock dealer to execute buy and sell order and to maintain own portfolio as well as customers' portfolio under the discretion of customers. The company also performs the other activities relates to capital market as and when regulators permit the company to carry out activities as per their guidelines. Financial statements for the year 2017 of the company are shown in **Annexure-O**

1.1.3.2 NCCB Capital Limited (NCCBCL)

NCCB Capital Limited (NCCBCL) is a subsidiary company of NCC Bank Limited incorporated as a private company limited by shares on April 01, 2010 with the Registrar of Joint Stock Companies and Firms vide certificate of incorporation no.C-83649/10 dated April 01, 2010 under the Companies, Act-1994. The main objective of the company is to provide full fledged merchant banking services like issue management, underwriting, advisory services & as and when regulators permits the company to carry out activities as per their guidelines. NCCBCL was not in operation till December 31, 2017. Financial statements of the company are shown in **Annexure-P**

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2 Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

The separate financial statements of the Bank as at and for the year ended 31 December 2017 comprise Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement and relevant notes and disclosures thereto of the Bank are prepared on a going concern basis under the historical cost convention, and the consolidated financial statements of the group comprise those of 'the Bank' (parent company) and its subsidiaries (together referred to as 'the group' and individually referred to as 'group entities/subsidiaries'), and in accordance with First Schedule of the Banking Companies Act 1991, as amended 2013, BRPD circular no. 14 of 25 June 2003, other Bangladesh Bank circulars, International Accounting Standards, and International Financial Reporting Standards adopted in Bangladesh as Bangladesh Accounting Standards (BASs), and Bangladesh Financial Reporting Standards (BFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh, the Companies Act, 1994, the Bangladesh Securities and Exchange Rules 1987. Wherever appropriate, such principles are explained in succeeding notes.

Statement of compliance

The financial statements of the Bank are prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) and the requirements of the Bank Companies Act 1991, as amended 2013, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, Securities and Exchange Rules 1987. In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRSs, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of BFRSs are as follows:

i) Investment in shares and securities

BFRS: As per requirements of BAS 39 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 BFRS 13) 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 book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognized at cost.

ii) Revaluation gains/losses on Government Securities

BFRS: As per requirement of BAS 39 where securities will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognized through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortized cost method using an effective interest rate and interest income is recognized through the profit and loss account.

Bangladesh Bank: HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognized in other reserves as a 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 amortization of discount are recognized in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortized at the year end and gains or losses on amortization are recognized in other reserve as a part of equity.

iii) Provision on loans and advances/investments

BFRS: As per BAS 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.

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Bangladesh Bank: As per BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012), BRPD circular No. 05 (29 May 2013), BRPD circular No.16 (18 November 2014) and and BRPD circular no. 8 (02 August 2015), a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 5% to 20%, 5% to 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

iv) Recognition of interest suspense

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

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

v) Other comprehensive income

BFRS: As per BAS 1 other comprehensive income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks in Bangladesh. The templates of financial statements issued by Bangladesh Bank neither include other comprehensive income nor are the elements of other comprehensive income allowed to be included in a single other comprehensive income (OCI) statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

vi) Financial instruments - presentation and disclosure

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in BAS 39. As such full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

vii) Financial guarantees

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

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

viii) Cash and cash equivalent

BFRS: Cash and cash equivalent items should be reported as cash item as per BAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call on short notice', treasury bills, Bangladesh Bank bills and prize bond are shown as cash and cash equivalents. Money at call on short notice presented on the face of the balance sheet, and treasury bills and prize bond are shown in investments.

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ix) Repo and Reverse Repo transactions

BFRS: When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement istreated as a loan and the underlying asset continues to be recognized in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. Same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank: As per DOS Circular letter no. 6 dated 15 July 2010 and subsequent clarification in DOS circular no.2 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book. However, as per DMD circular letter no.7 dated 29 July 2012, non primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) programme, whereby such banks may enter collaterallised repo arrangements with Bangladesh Bank. Here the selling bank accounts for the arrangement as a loan, thereby continuing to recognise the asset.

x) Non-Banking Assets
BFRS: No indication of non-banking asset is found in any BFRS.

Bangladesh Bank: As per BRPD 14, there must be stated a face item named as non-banking asset.

xi) Cash flow statement

BFRS: 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 14, cash flow is the mixture of direct and indirect methods.

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

BFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per BAS 7.
Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

xiii) Presentation of intangible asset

BFRS: An intangible asset must be identified and recognized, and the disclosure must be given as per BAS 38.
Bangladesh Bank: There is no regulation for intangible assets in BRPD 14.

xiv) Off-balance sheet items

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

Bangladesh Bank: As per BRPD 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

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

Bangladesh Bank: As per BRPD 14, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of NCC Bank Limited and its subsidiary companies - NCCB Securities and Financial Services Limited & NCCB Capital Limited. The consolidated financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards 10-"Consolidated Financial Statements". The Consolidated Financial Statements are prepared to common financial year ending 31 December 2017.

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Subsidiary

Subsidiary is the enterprise which is controlled by the Bank. Control exists when the Bank has the power, directly and indirectly, to govern the financial and operating policies of an enterprise from the date that control commences until the date that control ceases. The financial statements of subsidiary are included in the consolidated financial statements from the date that the control effectively commences until the date that it control effectively ceases. Subsidiary company is consolidated using the purchase method of accounting.

Transactions eliminated on consolidation

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profit and loss resulting from transactions is also eliminated on consolidation.

2.3 Use of estimates and judgments

In the preparation of financial statements, management requires to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

2.4 Functional and presentation currency

The financial statements are presented in Bangladeshi Taka which is the Bank's functional currency except as indicated.

2.5 Foreign currency transaction/translation

a) Foreign currencies transaction/translation

Foreign currency transactions are converted into equivalent taka using the ruling exchange rates on the dates of respective transactions as per BAS-21 "The Effects of Changes in Foreign Exchange Rates". Assets and liabilities in foreign currencies at 31 December 2017 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "Balances with other Banks and Financial Institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD(R) 717/2004-959 dated 21 November 2004.

b) Commitments

Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in Taka at the rates of exchange prevailing on the balance sheet date.

c) Translation gains and losses

The resulting exchange transaction gains and losses are included in the profit and loss account, except those arising on the translation.

2.6 Cash flow statement

Cash flow statement has been prepared in accordance with the BRPD Circular No. 14, dated June 25, 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank. It reported cash flows during the year classified by operating activities, investing activities and financing activities.

2.7 Liquidity statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following bases.

i) Balance with other banks and financial institutions, money at call and short notice, etc. are shown on the basis of their maturity term;
ii) Investments are on the basis of their respective maturity;
iii) Loans and advances / investments are on the basis of their repayment schedule;
iv) Fixed assets are on the basis of their useful lives;
v) Other assets are on the basis of their realization / amortization;
vi) Borrowing from other banks, financial institutions and agents, etc. are as per their maturity / repayment terms;

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vii) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors;
viii) Provisions and other liabilities are on the basis of their payment / adjustments schedule.

2.8 Reporting period

These financial statements cover the period from 01 January to 31 December 2017.

2.9 Offsetting

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

2.10 Assets and basis of their valuation

2.10.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, balances held with Bangladesh Bank & other Banks and FI which highly liquid financial asset which are subject to insignificant risk of changes in their fair value and are used by the bank management for its short-term commitments.

2.10.2 Loans and advances

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

b) Interest is calculated on a daily product basis but charged on quarterly basis and accounted for on accrual basis. Interest on classified loans and advances are kept in suspense account as per Bangladesh Bank instructions and such interest is not accounted for as income until realized from borrowers [please refer Note- 9.11 (x)]. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

c) The Bank are providing concessional interest rare to its' good borrowers.

d) Provision for loans and advances is made on the basis of quarter-end review by the management following instructions contained in Bangladesh Bank BCD Circular no. 34 dated 16 November 1989, BCD Circular no. 20 dated 27 December 1994, BCD Circular no. 12 dated 4 September 1995, BRPD Circular 16 dated 6 December 1998, BRPD Circular no. 9 dated 14 May 2001, BRPD Circular no. 09 of August 2005 and BRPD Circular no.17 dated 06 December 2005, BRPD Circular no.32 dated 27 October 2010, BRPD Circular no.14 dated 23 September 2012 and BRPD Circular no.19 dated 27 December 2012, BRPD Circular no.5 dated 29 May 2013 BRPD Circular no.16 dated 18 November 2014. The provision rates are given below:

Particulars	Rate
General provision on unclassified loans and advances	
Standard general loans and advances	1%
Standard small & medium enterprise financing	0.25%
Standard loans to merchant banking/BHs/SDs	2%
Std. Housing Fin. and loans for professional to set up a business	2%
Standard consumers loan scheme other than HF and LP	5%
Standard Short term agriculture and Micro credit	2.50%
Special mention account general loans and advances	1%
Special mention account small & medium enterprise Financing	0.25%
Special mention account loans to BHs/MBs/Sds	2%
Special mention account HF and LP	2%
Special mention account consumer's loan scheme other than HF & LP	5%
Specific provision on classified loans and advances	
Substandard (Agriculture & Micro credit)	5%
Doubtful (Agriculture & Micro credit)	5%
Substandard	20%
Doubtful	50%
Bad or Loss	100%

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e) Loans and advances with no realistic prospect of recovery have been written off against which full provisions are made and legal cases has been initiated. Detailed memorandum records for all such written off accounts are maintained.

2.10.3 Investments

All investments on securities are initially recognized at cost, being fair value of the consideration given, including acquisition charges associated with the investment. Premiums are amortized and discounts accredited, using the effective yield method and are taken to discount income. The valuation methods of investments used are:

Held to maturity (HTM)

Investments which have 'fixed or determinable payments' and are intended to be 'held to maturity' other than those that meet the definition of 'held at amortized cost-others' are classified as held to maturity. These investments are subsequently measured at present value as per Bangladesh Bank guideline. Investments in securities have been revalued as mark to market as at December 31, 2017. The gain of revaluation from the held to maturity securities has been shown in the statement of changes in equity of December 31, 2017.

Held for trading (HFT)

Investments classified in this category are acquired principally for the purpose of selling or repurchasing in short-trading or if designated as such by the management after initial recognition, investments are measured at fair value and any change in the fair value is recognized in the profit & loss account for the period in which it arises. These investments are subsequently revalued at current market value on weekly basis as per Bangladesh Bank guidelines. Revaluation gain has been shown in revaluation reserve account & revaluation loss has been shown in profit & loss account.

Value of investments has been enumerated as follow:

Item	Applicable accounting value
Government treasury bills-HTM	Amortized value
Government treasury bills-HFT	Market value
Government treasury bonds-HTM	Amortized value
Government treasury bonds-HFT	Market value
Prize bonds	At cost

Investment in listed securities

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income. Unrealized gains are not recognized in the profit and loss account. But provision for diminution in value of investment is provided in the financial statements which market price is below the cost price of investment. Provision against mutual fund calculated as per B.B DOS Circular No-10 dated 28 June 2015 **(Note-8.3)**.

Investment in unquoted securities

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

Investment in subsidiary

Investment in subsidiary is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the BRFS-10. Accordingly Investment in subsidiary is stated in the Bank's balance sheet at cost, less impairment losses if any.

2.10.4 Property, plant and equipment

Recognition and measurement

All fixed assets except land and buildings/office premises are stated at historical cost which land and building/office premises at revalued amount (whenever applicable) less accumulated depreciation as per BAS -16" Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non refundable taxes.

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Subsequent cost

The cost of replacing part of such an item of fixed assets is recognized in the carrying amount of an item of property, plant and equipment if it is probable that the future economic benefits embodied with the part will flow to the company and the cost of the item can be measured reliably. The cost of day to day servicing of fixed asset is recognized in profit and loss as incurred.

Depreciation

Depreciation is charged for the year at the following rates on reducing balance method on all fixed assets other than vehicles, Computer Equipment and software on which straight line depreciation method is followed and no depreciation is charged on land:

Category of fixed assets	Rate of depreciation
Land	Nil
Building/Office premises	2.50%
Furniture & fixture	10.00% to 20.00%
Machineries & equipment	20.00%
Computer equipment	20.00%
Vehicles	20.00%

a) For additions during the year, depreciation is charged for the remaining days of the year and for disposal, depreciation is charged up to the date of disposal.

b) On disposal of fixed assets the cost and accumulated depreciation are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the profit and loss account which is determined with reference to the net book value of the assets and net sale proceeds.

2.10.5 Intangible assets

a) An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of assets can be measured reliably.

b) Software represents the value of computer application software licensed for use of the Bank, other than software applied to the operation software system of computers. Intangible assets are carried at its cost, less accumulated amortization and any impairment losses. Initial cost comprises license fees paid at the time of purchase and other directly attributable expenditures that are incurred in customizing the software for its intended use.

c) Software is being amortized using the following method and rates:

Category of intangible assets	Rate of amortization
Software (straight line)	20.00%

2.10.6 Other assets

Provision for other assets

Other assets have been classified as per BRPD circular no. 14 dated 25.06.2001 of Bangladesh Bank and necessary provisions have been made thereon accordingly and for item not covered under the circular, adequate provision have been made considering their recoverability.

2.10.7 Securities purchased under re-sale agreement

Securities purchased under re-sale agreements are treated as collateralized lending and recorded at the consideration paid and interest accrued thereon. The amount lent is shown as an asset either as loans and advances to customers or loans to other banks.

The difference between purchase price and resale price is treated as interest received and accrued evenly over the life of REPO agreement.

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2.10.8 Receivables

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity.

2.10.9 Inventories

Inventories are measured as per BAS-2.

2.10.10 Leasing

Leases are classified as finance leases whenever 'the terms of the lease' transfer substantially all the risk and rewards of ownership to the lessee as per BAS-17 "Lease".

The bank as lessor

Amount due from lessees under finance leases are recorded as receivables at the amount of the Banks loans and advances in the leases.

The bank as lessee

The Bank has no assets under finance or operating Leases.

2.10.11 Non-banking assets

The Bank has been awarded ownership of few mortgaged properties vide verdict under section 33(7) of the Artharin Adalat Act, 2003. Such properties have not been recognized as non banking assets as value measurements of the properties are under process.

2.11 Reconciliation of inter-bank and inter-branch account

Accounts with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled regularly and there are no material differences which may affect the financial statements significantly.

Un-reconciled entries / balances in case of inter-branch transaction as on the reporting date are not material.

2.12 Share capital

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

2.13 Statutory reserve

Bank Companies Act, 1991 (Amended up to 2013) requires the bank to transfer not less than 20% of its current period profit before tax to reserve until such reserve equals to Bank's paid up capital.

2.14 Revaluation reserve

When an asset's carrying amount is increased as a result of a revaluation, the increased amount credited directly to equity under the heading of revaluation surplus/reserve as per BAS-16: "Property, Plant and Equipment". The Bank revalued the assets of land and building which is absolutely own by the Bank and the increased amount transferred to revaluation reserve.

2.15 Non-controlling (Minority) interest in subsidiary

Non-controlling (Minority) interest in business is an accounting concept that refers to the portion of a subsidiary corporation's stock that is not owned by the parent corporation. The magnitude of the non-controlling (Minority) interest in the subsidiary company is always less than 50% of outstanding shares; else the corporation would cease to be a subsidiary of the parent. Non-controlling (Minority) interest belongs to other investors and is reported on the consolidated balance sheet of the owing company to reflect the claim on assets belonging to other, non-controlling shareholders. Also, non-controlling (Minority) interest is reported on the consolidated income statement as a share of profit belonging to non-controlling (Minority) shareholders.

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2.16 Deposits and other accounts

Deposits by customers and banks are recognized when the bank enters into contractual provisions of the arrangements with the counterparties, which is generally on trade date, and initially measured at the consideration received.

2.17 Borrowings from other banks, financial institutions and agents

Borrowed fund include call money deposits, borrowings from Bangladesh Bank and other Banks. They are stated in the balance sheet at amounts payable. Interest paid/payable on these borrowings is charged to the profit and loss account. Disclosures on borrowings against REPO are shown in **Annexure-J**

2.18 Basis for valuation of liabilities and provisions

2.18.1 Provision for taxation

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Profit & Loss Account because it excludes items of income or expense that are taxable or deductible. The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted before the date of balance sheet.

Provision for current income tax has been made @ 40.00% on accounting profit made by the Bank after considering some of the add backs of income and disallowances of expenditure as per Income Tax Ordinance 1984.

2.18.2 Deferred taxation

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing difference arising between the carrying values of assets, liabilities and their respective tax bases. Deferred tax assets & liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the profit and loss account as per BAS -12 "Income Taxes". Disclosures on deferred taxes are shown in **note-14.4.1.**

2.18.3 Retirement benefits to the employees

The retirement benefits accrued for the employees of the Bank as on reporting date have been accounted for in accordance with the provisions of BAS-19 "Employee Benefits". The Bank operates retirement benefits scheme for its permanent employees. Elements of which are as under:

a) Provident fund

Provident fund benefits are given to the permanent employees' of the Bank in accordance with Bank's service rules. Accordingly a trust of deed and provident fund rules were prepared. The Commissioner of Income Tax, Taxes Zone-04, Dhaka has approved the provident fund as a recognized provident fund within the meaning of section 2(52), read with the provisions of part - B of the First Schedule of Income Tax Ordinance 1984. The recognition took effect from 16.01.1992. The fund is operated by a Board of Trustees consisting 05 (five) members. All confirmed employees of the bank are contributing 10% of their basic salary as subscription to the fund. The bank also contributes equal amount of the employees' contribution. Interest earned from the investments is credited to the members account on yearly basis.

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b) Gratuity fund

The bank has operated gratuity fund which was approved by National Board of Revenue on 17.09.2009. The fund is operated Board of Trustees. Provision in respect of which is made annually covering all its permanent eligible employees as per BAS-19 "Employee Benefits".

c) Superannuation fund

The bank operates an employees' Superannuation Fund Trust by a separate Board of Trustees consisting of 05 (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 (NBR) effect from 01.01.2004 under the section 3 and 4 of part -A of First Schedule of Income Tax Ordinance 1984. The bank contributes to the fund annually as per Superannuation Fund Rules of the bank.

d) Benevolent fund

NCCBL employees' benevolent fund was established in the year 2007 for the welfare of the distressed employees and their dependents. The employees of the bank contribute to the fund at a rate applicable for each grade from their monthly salary.

e) Workers profit participation fund and welfare fund

SRO-336-AIN/2010 dated 5-10-2010 issued by the 'Ministry of Labor and Employment' and published in Bangladesh gazette on 7-10-2010 declares the status of business of certain institutions and companies like mobile operating companies, mobile network service providing company, all Govt. and Non-govt. money lending companies, all insurance companies etc. as "Industrial Undertakings" for the purposes of Chapter-XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) which deals with the workers' participation in company's profit by way of 'Workers Profit Participation Fund' and 'Welfare Fund'. The Bangladesh Labour Act, 2006 (as amended up to 2013) requires the "Industrial Undertakings" to maintain provision for workers' profit participation fund @ 5% on net profit. Since this requirement contradicts with the Section 11 of the 'Bank Companies Act 1991 (as amended up to 2013)', we took opinion from 'Bangladesh Bank' on the same. Subsequently, Bangladesh Bank has opined that the provisions of the two statutes shall be subject to challenge and shall vitiate the purpose of such legislation. Therefore, no provision in this regard has been made in the Financial Statements during the year under audit.

2.18.4 Provision for liabilities

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

2.18.5 Provision for off-balance sheet items

Off-balance sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank guidelines. As per BRPD Circular no.10 dated September 18, 2007 & BRPD Circular no.14 dated September 23, 2012, Banks are advised to maintain provision @ 1.00% against off-balance sheet exposure in addition to the existing provisioning arrangement.

2.18.6 Provision for NOSTRO accounts

As per instructions contained in the circular letter no. FEPD (FEMO)/01/2005-677 dated September 13, 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, Banks are required to make provision regarding the un-adjusted debit balance of NOSTRO account over more than three months as on the reporting date in these financials. There are 24 no of un-reconciled entries which are outstanding more than three months as on 31 December 2017. The bank has been maintained adequate provision as per above mentioned circular accordingly.

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2.19 Revenue recognition

2.19.1 Interest income

In terms of the provision of the BAS-18 "Revenue" the interest income is recognized on accrual basis. Interest on loans and advances ceases to be taken in to income when such advances are classified. It is than kept in interest suspense in a memorandum account. Interest on classified loans and advances is accounted for on a cash receipt basis.

2.19.2 Investment income

Interest income on investments is recognized on accrual basis. Capital gain on investments in shares is also included in investment income. Capital gain is recognized when it is realized.

2.19.3 Fees and commission income

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

2.19.4 Dividend income on shares

Dividend income is recognized when shareholders' right to receive is established.

2.19.5 Interest paid and other expenses

In terms of the provisions of BFRS, interest and other expenses are recognized on accrual basis.

2.19.6 Dividend payments

Interim dividends are recognized when they are paid to shareholders. Final dividend is recognized when it is approved by the shareholders.

Dividend payable to the bank's shareholders are recognized as a liability and deducted from the shareholders equity when it is payable/paid in the period in which the shareholders right to receive the payment is established.

2.20 Risk management

The risk of the Bank may be defined as the possibility of losses, financial or otherwise. The risk management of the Bank covers 06 core risks i.e. Credit Risk, Internal Control & Compliance Risk, Money Laundering Risk, Asset Liability Management Risk (Balance Sheet Risk), Foreign Exchange Risk and Information Technology Risk. As a part of risk management, adequate capital is maintained against Credit Risk, Market Risk and Operational Risk under Basel-III accord. Under the second pillar of Basel-III, a Supervisory Review Process (SRP) team has been formed to review, monitor and maintain adequate capital considering all relevant risks. Quarterly Stress Testing is conducted to assess the impact of different risks associated with banking business on asset, liability & ultimately on capital and the report is submitted before the Board of Directors and to Bangladesh Bank regularly. The prime objective of the risk management is that the bank evaluates and takes well calculative business risks and there by safeguarding the banks capitals, its financial resources and profitability from various business risks through its own measures and through implementing Bangladesh Bank guidelines and following some of the best practices as under:

2.20.1 Credit risk

It arises mainly from lending, trade finance, and leasing and treasury business. Credit Risk can be described as potential loss arises from the failure of a counter party to perform as per contractual agreement with the bank. The failure may result from unwillingness of the counter party of decline in his or her financial condition there for the banks credit risk management activities have been designed to address all these issues.

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The Bank has segregated duties of the officers / executives involved in credit related activities, a separate corporate division has been formed at Head office which is entrusted with the duties of maintaining effective relationship with the customers, marketing of credit products, exploring now business opportunities etc. moreover, credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, three separate units have been formed within the credit division these are a) Credit risk Management Unit b) Credit Administration Unit and c) Credit monitoring and recovery Unit. Credit risk management Unit is entrusted with the duties of maintaining assets quality, assessing risk in lending to a particular customer, sanctioning credit, formulating policy / strategy for lending operation, etc. Adequate provision has been made on classified loans is shown in **Note 14.5 (a)**.

A thorough assessment is done before sanction of any credit facility at Credit Risk Management Unit. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the proposed credit facility, etc. The assessment process starts at Corporate Credit Division by the Relationship Manager / Officer and ends at Credit Risk Management Unit when it is approved / declined by the competent authority. Credit approval authority has been delegated to the individual at executives. Proposals beyond their delegation are approved / declined by the Executives Committee and / or the Management of the Bank. In determining Single borrower / large loan limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted at periodical intervals to ensure compliance of Banks and Regulatory policies. Loans are classified as per Bangladesh Bank's guidelines. Concentration of single borrower/large loan limit is shown in **Annexure-C.**

2.20.2 Foreign exchange risk

Foreign exchange risk is defined as the potential change in earning due to change in exchange rate. 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 as determined by Bangladesh Bank at the month-end. All NOSTRO accounts are reconciled on a monthly basis and the management for its settlement reviews outstanding entry beyond 30 days. The position maintained by the bank at the end of day within the stipulated limit prescribed by the Bangladesh Bank.

2.20.3 Asset liability management

The assets liability committee (ALCO) of the Bank monitors Market risk and liquidity risks of the Bank. The Market risk is defined as potential charge 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 contingence plan. The primary objective of the ALCO is to monitor and avert significant volatility in Net Interest Income (NII), investment value and exchange earnings.

2.20.4 Money Laundering Risk

Money Laundering Risk arises from non-compliance of money laundering related instructions of the regulatory body. It's consequence are dire & far reaching and may be in the form of financial penalty, reputation loss, legal harassment and even the risk of sustainability. Weakness in money laundering prevention and combating terrorist financing may lower the image of the Bank in local & global environment. It may also reduce the confidence of the stakeholders. For involvement in money laundering & terrorist financing, the regulatory bodies may impose restrictions in expansion of business and Bank may lose the market share. Banks around the globe may be unwilling to establish correspondent banking relationship if money laundering prevention and combating financing terrorism status are not up to the mark. The following initiatives have been taken by our Bank to comply with the requirements of Bangladesh Financial Intelligence Unit, Bangladesh Bank:

AML-CFT Division at Head Office and Branch Compliance Unit (BCU) at branch level has been formed headed by Chief Anti-Money Laundering Compliance Officer (CAMLCO) and Branch Anti-Money Laundering Compliance Officer (BAMLCO) respectively.

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Policy Guideline on Anti Money Laundering (AML) and Combating Financing Terrorism (CFT) has been revised & updated complying with Bangladesh Bank's instruction & circulars/circular letters.

Uniform Account Opening Form was introduced where KYC is a must. As per Money Laundering Prevention Act-2012 (Amendment-2015) & Anti Terrorism Act-2009(Amendment-2013),Bangladesh Bank instruction and BFIU master circular no. 19; branches have been instructed to obtain full & accurate information of the clients while establishing banking relationship.

Actual transactions are compared with Transaction Profile (TP) to identify abnormal and suspicious transaction(s).

Branch generates monthly Cash Transaction Report (CTR) for threshold amount Tk. 10 lacs & above to **BFIU** through **goAML** Software within given deadline. Branches identified Suspicious Activity by transaction symptoms & generate **STR** and send to AML-CFT Division, Head Office. After investigate & evaluate AML-CFT Division then sends Suspicious Transaction Report (STR) directly to BFIU of Bangladesh **goAML** webportal by complying **article 6 & 7 of BFIU master circular 19**.

In accordance with the instructions of BFIU, Banks provide the information of customer account within the mentioned time limit in the issued letter. If any account / amount are freeze bank confirms the same immediately to BFIU.

Customers are graded on the basis of risk. High risk customers are closely monitored and Enhanced Due Diligence is applied in this case.

Self Assessment is done by the branches and a summary report is prepared and submitted to the Managing Director & CEO and thereafter to BFIU, Bangladesh Bank half yearly basis.

Independent Testing Procedure is done while conducting audit in the branches by ICC Division Audit Team. The same is summarized and placed before the Management and Bangladesh Bank half yearly basis."

As per **article 3.3, 3.4, 3.5 & 3.7, 3.8, 3.9, 3.10** of Bangladesh Bank's BFIU Circular No. 19, dated 17.09.2017, branches have been instructed to apply Enhance Due Diligence (EDD) in opening & maintaining accounts of Politically Exposed Persons (PEPs), Influential Persons (IPs), their family members and close associates.

Extensive training is being continuously imparted to the officials of the Bank to make them familiar with money laundering prevention and combating financing terrorism and to mitigate the risk arising there from. **In the year 2017, total 507 officials** were provided training on Anti Money Laundering & Combating Financing Terrorism through outreach workshop. Our Training Institute is also arranging training/ workshop on the issue on regular basis.

Emphasis is given to prevent Trade Base Money Laundering (TBML).Concern department of Head Office and Branches are advised to take all possible measures to prevent Trade Base Money laundering in case of Import & Export and to comply the Bank in this regard accordingly.

NID verification has been introduced for verification the genuineness of national identity of the customers; Branches are complying this issue inspect of account open, trade finance, and walking customers.

NCC Bank has developed a Sanction Screening Software **(Enfold)** for all Branches & Head Office for screening UN, OFAC EU, UK-HMT sanction list. Our all branch and Head Office is now screening UNSC, US-OFAC, EU, UK-HMT sanction list at the time of Account Opening, Inward Foreign Remittance payments and Opening any L/C.We utilize SWIFT Sanction Screening Software for screening Foreign National/Entity/ against L/C/, Import, Export& Foreign Remittance.

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Screening Mechanism is strictly followed for every customer and especially any foreign transactions like import, export, foreign remittance, foreign guarantee & correspondent banking relationship through System software procured by the bank.

Quarterly meeting of Central Compliance Committee (CCC) and Monthly meeting of Branch Compliance Unit (BCU) are arranged and the decisions are gradually implemented.

Before establishing correspondent banking relationship, status on money laundering prevention and combating financing terrorism of the respondent banks are obtained through a questionnaire developed by Bangladesh Bank. Correspondent banking relationships with any bank is established upon receipt of the desired information and subject to our satisfaction pursue by article **3.11** of BFIU master circular no **19**.

As a part of precautionary measure and as per instruction of Central Bank, we do not establish Correspondent Banking relationship with any shell bank or any bank having banking relationship with any shell bank.

Records of Accounts, supporting documents, Transactions, Instruments /vouchers & records of Walk in Customers are maintained for all operating accounts & above documents are always maintained at least for **5 (five)** years after closes of the account.

In compliance of directives of the Board of Directors, AML-CFT Division of Head Office sending compliance report on quarterly basis on anti Money Laundering (AML) & Combat Terrorist Financing (CFT) as per Money Laundering Prevention Act-2012(Amendment-2015) & Anti Terrorism Act-2009(Amendment-2013) and Bangladesh Financial Investigation Unit (BFIU) instructions.

2.20.5 Internal control and compliance

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

2.20.6 Information technology

NCCBL follows the guideline stated in BRPD Circular no. 14 dated 23 October 2005 regarding "Guideline on Information and Communication Technology for Scheduled Banks".

IT management deals with IT policy documentation, internal IT audit, training and insurance.

IT operation management covers the dynamics of technology operation management including change management, assets management and operating environment procedures management. The objective is to achieve the highest levels of technology service quality by minimum operational

Physical security involves providing environmental safeguards as well as controlling physical access to equipment and data.

In order to ensure that information assets are protected against risk, there are controls over:

a) Password
b) User ID maintenance
c) Input
d) Network security
e) Data encryption
f) Virus protection
g) Internet and e-mail

The Business Control Plan (BCP) is formulated to cover operational risk and taking into account the potential for wide area disasters, data center disasters and the recovery plan. The BCP takes into account the backup and recovery process.

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2.20.7 Market risk

Interest rate risk

Interest rate risk may arise either from trading portfolio and non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills of 28 days maturity. The short-term movement in interest rate is negligible or nil. Interest rate risk of non-trading business arises from mismatches between the future yield of an asset and its funding cost. Asset liability Committee (ALCO) monitors the interest rate movement on a regular basis.

Equity risk

Equity risk arises from movement in market value of equities held. The market value of equities is lesser than cost price against which provision is appearing made in these financial statements.

2.20.8 Reputation risk arising from money laundering incidences

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

2.20.9 Operational risk

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

2.21 Earnings per share

Basic earnings per share

Basic earnings per share have been calculated in accordance with BAS-33 "Earnings per Share" which has been shown on the face of the profit and loss account. This has been calculated by dividing the basic earning by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share

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

2.22 Memorandum items

Memorandum items are maintained to control all items of importance and for such transactions where the Bank has business responsibility but no legal commitment. Stock of Traveler's Cheques (TC), Saving Certificates and other fall under the memorandum items.

2.23 Compliance of Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the Official Standard setting body as well as the regulator of accounting profession in the country. ICAB has adopted most of the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs). While preparing the financial statements, NCC Bank has applied all the applicable of BASs & BFRSs for preparation and presentation of financial statements except described in note no.2.1 as noted below:

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Name of the BAS	BAS no	Status
Presentation of Financial Statements	1	Not Applied*
Inventories	2	Applied
Statement of Cash Flows	7	Not Applied*
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	Not applicable
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting of Government Grants and Disclosure of Government Assistan	20	Not applicable
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Not applicable
Separate Financial Statements	27	Applied
Investments in Associates and Joint Ventures	28	Not applicable
Financial Reporting in Hyperinflationary Economics	29	Not applicable
Financial Instruments: Presentation	32	Not Applied*
Earnings Per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Not Applied*
Investment Property	40	Applied
Agriculture	41	Not applicable

Name of the BFRS	BFRS no.	Status
First time adoption of International Financial Reporting Standards	1	Not applicable
Share Based Payment	2	Not applicable
Business Combinations	3	Not applicable
Insurance Contract	4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	5	Not applicable
Exploration for and Evaluation of Mineral Resources	6	Not applicable
Financial Instruments: Disclosure	7	Not Applied*
Operating Segments	8	Applied
Financial Instruments	9	Not Applied*
Consolidated Financial Statements	10	Applied
Joint Arrangements	11	Not applicable
Disclosure of interest in other entities	12	Not applicable
Fair Value Measurement	13	Not applicable

* The above BAS and BFRS are not applied due to compliance of the Banking Companies Act 1991, Rules and regulations and instructions issued by Bangladesh Bank time to time.

2.24 Regulatory and legal compliance

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

a) The Banking Companies Act 1991 (Amended up to 2013);

b) The Companies Act 1994;

c) Rules and regulations issued time to time by Bangladesh Bank;

d) The Bangladesh Securities and Exchange Rules 1987, The Bangladesh Securities and Exchange Ordinance 1969, The Securities and Exchange Commission Act 1993, The Bangladesh Securities and Exchange Commission (Public Issue) Rules 2006;

e) The Income Tax Ordinance 1984;

f) The VAT Act 1991;

g) Other laws & regulations as applicable.

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2.25 Information about business segments

Segments information is presented in respect of the group's business.

Business segments

Business segments report consists of products and services whose risks and returns are different from those of other business segments. These segments comprise conventional banking including offshore banking unit, investment services (NCCBSFSL & NCCBCL). Business segment report shown in **Annexure-M**

Geographical segments

Geographical segments report consists of products and services within a particular economic environment where risk and returns are different from those of other economic environments. These segments comprise of NCC Bank Limited, Offshore Banking Unit, NCCB Securities and Financial Services Limited & NCCB Capital Limited. Geographical segments reports are shown in **Annexure-M.**

Inter segment transactions, generally based on inter branch fund transfer measurements as determined by the management. Income, expenses, assets, liabilities are specifically identified with individual segments. Based on such allocation segment balance sheet as on 31 December 2017 and segment profit and loss account for the year ended 31 December 2017 have been prepared.

2.26 Events after the reporting period

Events after the reporting period provide additional information about the bank's position at the balance sheet date is reflected in the financial statements. Events after the reporting period are not adjusting event are disclosed in the notes when material.

2.27 Related party transaction

Related party transaction is a transfer of resources, services or obligation between related parties, regardless of whether a price is charged. Details disclosure shown in **Annexure- I**

2.28 Assets pledged as security

The bank has secured liability as mentioned in notes 12.01 and there was assets pledge as securities against liabilities.

2.29 Credit rating of the bank

Last seven years' Credit Ratings of our Bank are given below:

Year	Date of Rating	Long term	Short Term	Rating conducted by
2016	21.06.2017	AA	ST-1	Emarging Credit Rating Limited
2015	29.06.2016	AA	AR-1	Alpha Credit Rating Limited
2014	30.06.2015	AA	AR-2	Alpha Credit Rating Limited
2013	30.06.2014	AA	AR-2	Alpha Credit Rating Limited
2012	30.06.2013	AA-	AR-2	Alpha Credit Rating Limited
2011	24.05.2012	AA3	ST-2	Credit Rating Agency of Bangladesh Limited
2010	23.06.2011	A1	ST-2	

2.30 BASEL III implementation

The BASEL Committee on Banking Supervision has published a new framework for calculating minimum capital requirement, known as 'Basel III'. The new guideline is structured around three pillars: (i) minimum capital requirement (on credit risk, market risk and operation risk), (ii) supervisory review process and (iii) market discipline. Implementation of Basel II framework in Bangladesh will integrate the risk management process of the Bank and its capital adequacy requirement. Bangladesh Bank has formed a National Steering Committee and Coordination Committee for implementation of BASEL III in Bangladesh. As per the Committee decision BASEL II has been fully implemented in Bangladesh from January 2011. The National Steering Committee has indicated that the following methodology of BASEL III would be followed in Bangladesh:

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I. Standardized method for credit and market risk.
II. Basic indicator approach for operational risk.
III. Internal Ratings Base for credit risk has been applied from 2012 where prior permission from Bangladesh Bank would be required.

2.31 The Bank's compliance with related pronouncements by Bangladesh Bank

a) Internal control

The objective of internal control is to ensure that management has reasonable assurance that (a) operations are effective, efficient and aligned with strategy, (b) financial reporting and management information is reliable, complete and timely accessible, (c) the entity is in compliance with applicable laws and regulations as well as its internal policies and ethical values including sustainability, and (d) assets of the company are safeguarded and frauds & errors are prevented or detected.

National Credit and Commerce Bank Limited has established an effective internal control system whose primary aim is to ensure the overall control of risks and provide reasonable assurance that the objectives set by the bank will be met. It is designed to develop a high level risk prevention culture among the personnel of the bank, establish as efficient and qualified operating model of the bank, ensure reliability of internal and external information including accounting and financial information, secure the Bank's operations and assets, and comply with laws, regulatory requirements and internal policies.
The Board of Directors of NCC Bank Limited, through its Audit Committee, periodically reviews the effectiveness of Bank's internal control system covering all the material controls, including financial, operational and compliance controls, risk management systems, the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function, training programs, budget, etc. Board Audit Committee reviews the actions taken on internal control issues identified by the internal & external auditors and regulatory authorities. It has active oversight on the internal audit's independence, scope of work and resources and it also reviews the functions of Internal Control & Compliance Division of Head Office, particularly the scope of the annual audit plan and frequency of the internal audit activities.

b) Internal audit

Internal Audit is the continuous and systematic process of examining and reporting on the activities of an organization undertaken by the specially assigned staff(s). Internal Auditor works as the Eyes & Ears of the management. It may therefore be used to bridge the gap between management and shop floor. It can assure the management that the internal controls are adequate and in operations, the policies and systems laid down are being adhered to and accounting records provided by the lower level are correct.
Internal Audit Mechanism is used as an important element to ensure good governance of NCC Bank Limited. Internal Audit Activity of NCC Bank Limited is effective and it provides a number of important services to senior management. These include detecting and preventing fraud, testing internal control, and monitoring compliance with own policies & procedures, applicable rules & regulations, instructions/guidelines of regulatory authority etc.
During the period 2017, ICCD conducted inspection on many of the Branches/Divisions of Head Office of the Bank and submitted reports and presented the findings of the audits/inspections. Necessary control measures and corrective actions have been discussed in the meetings of the Audit Committee of the Board and necessary steps have been taken according to the decision of the Committee for correct functioning of Internal Controls & Compliance.

c) Fraud & forgeries

The increasing wave of fraud and forgery cases in the banking sector in recent time calls for concerted steps in identifying ways for reducing or preventing frauds and forgeries by analyzing the causes and effect of frauds and forgeries, and prescribing effective control strategies for salvaging frauds in the banking sector. NCC Bank does always pay due attention on anti-fraud internal controls for prevention of fraud and forgery. The Bank has already implemented some strategies like Financial Control Strategy, Personnel Control Strategy, Accounting Control Strategy, Credit Control Strategy, Cost Control Strategy, Administrative Control Strategy, Process Control Strategy etc. in order to strengthening the control system further. Although it is not possible to eliminate all frauds because of the inherent limitations of Internal Control System, the Board of Directors and

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management have taken all the measures to keep the operational risk in a very minimum level. Internal Control and Compliance Division (ICCD) assesses and evaluates the effectiveness of Bank's anti-fraud internal control measures, recommends for further improvement in implementation of aforesaid strategies and reports to the Bangladesh Bank of effectiveness of controls at the end of each quarter following their prescribed format.

3 Audit committee

The Audit Committee of the Board of Directors of the Bank formed in accordance with Bangladesh Bank's BRPD circular No. 11 dated 27 October 2013 and SEC Notification no. SEC/CMRRCD/2006-158/129/Admin/44 dated August 7, 2012 on corporate Governance, the current committee is constituted with the following members of the Board as on 31 December 2017:

Sl. No.	Name	Status with the Bank	Status with the committee	Educational qualifications
1	Mr. Md. Amirul Islam, FCS, FCA	Independent Director	Chairman	B.Com.(Hons), M.Com.,DAIBB, FCS, FCA
2	Mr. Md. Abul Bashar	Director	Member	B.S. (MIS), USA
3	Mr. Khairul Alam Chaklader	Director	Member	B.Com.
4	Mr. Mohammed Sazzad Un Newaz	Director	Member	M.B.A
5	Mr. K. A. M. Haroon	Independent Director	Member	B.Sc.Engg.

During the year, the Audit Committee of the Board conducted 13 (Thirteen) meetings in which the important issues were discussed/reviewed. (Refer to the report of the Board Audit committee for details).

4 General

4.1 Number of employees

Number of employees at December 31, 2017 was 2,146; (2016: 2,310) who were in receipt of remuneration for that year which in the aggregate was not less than Tk. 36,000 per annum.

4.2

Figures appearing in these financial statements have been rounded off to the nearest Taka.

Previous year's figures, whenever considered necessary, have been rearranged and restated in order to conform to current year's presentation.

Stock of Travelers' Cheques, Shanchaya patras are not reflected as off-balance sheet items in the financial statements.

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		31.12.2017 Taka	31.12.2016 Taka
5	**Cash**		
	Cash in hand (Including foreign currencies)		
	Conventional banking		
	Local currency	1,594,570,367	1,326,717,955
	Foreign currencies	15,785,412	9,367,107
		1,610,355,779	1,336,085,062
	Off-shore banking unit	-	-
		1,610,355,779	1,336,085,062
	Balance with Bangladesh Bank and its agent bank (s)		
	Conventional banking		
	Local currency	10,268,360,213	8,634,124,656
	Foreign currencies	144,335,796	132,712,829
		10,412,696,009	8,766,837,485
	Sonali Bank Ltd. as agent of Bangladesh Bank (Local currency)-**note 5.1**	373,521,194	343,843,665
		10,786,217,203	9,110,681,150
	Off-shore banking unit	-	-
		10,786,217,203	9,110,681,150
		12,396,572,982	**10,446,766,212**

5.1 Sonali Bank Ltd. as agent of Bangladesh Bank (Local currency)

Cox's bazar branch	12,622,493	22,101,085
Feni branch	75,230,768	60,317,286
Laxmipur branch	23,037,758	27,915,913
Moulvibazar branch	3,118,347	10,834,570
Jashore branch	11,737,784	571,508
Chaumuhani branch	769,444	21,112,565
Madaripur branch	1,314,376	1,208,303
Chakaria branch	3,665,395	776,594
Cumilla branch	5,569,292	6,609,518
Joydevpur branch	234,384	850,434
Mymensingh branch	32,351,918	18,264,058
Tangail branch	14,074,834	5,349,472
Naogaon branch	3,021,063	27,648,320
Kushtia branch	96,525,216	1,317,371
Narayanganj branch	491,425	41,629,655
Brahmanbaria branch	24,649,015	31,864,959
Narsingdi branch	47,557,458	33,647,917
Maijdee branch	13,095,567	16,340,541
Dinajpur branch	4,433,812	15,483,596
Hossainpur branch	20,845	-
	373,521,194	**343,843,665**

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

Cash Reserve Requirement (CRR) has been calculated and maintained in accordance with the Section 33 of the Banking Companies Act, 1991 (amended up to 2013), DOS circular no.01 dated 19 January 2014 and MPD circular no. 01 dated 23 June 2014. The cash reserve requirement (CRR) of the Bank is based on time and demand liabilities which is two months back of reporting month (i.e. CRR of December 2017 is based on weekly average balance of October 2017) at the rate of 6% on daily basis and 6.5% on bi-weekly basis has been calculated and maintained with Bangladesh Bank- current account. Reserves maintained by the bank as at 31 December 2017 are as follows:

Average total demand and time liabilities of October	**155,112,920,668**	**129,876,678,772**
Daily basis:		
Required Reserve (6% of total demand and time liabilities)	9,306,775,240	7,792,600,726
Actual reserve maintained	10,268,360,213	8,634,124,656
Surplus/ (deficit)	**961,584,973**	**841,523,930**
Bi-weekly Basis		
Required reserve (6.5% of total demand and time liabilities)	10,082,339,843	8,441,984,120
Actual reserve held	10,268,360,213	8,634,124,656
Surplus/ (deficit)	**186,020,370**	**192,140,536**

5.3 Statutory Liquidity Ratio (SLR)

Statutory Liquidity Ratio (SLR) has been calculated and maintained in accordance with the Section 33 of the Banking Companies Act, 1991 (amended up to 2013), DOS circular no.01 dated 19 January 2014 and MPD circular no. 01 dated 23 June 2014. The SLR of the Bank is also based on time and demand liabilities which is two months back of reporting month (i.e. SLR of December 2017 is based on weekly average balance of October 2017) at the rate of 13% has been calculated and maintained in the form of treasury bills, treasury bonds and debenture including FC balance with Bangladesh Bank. Reserves maintained by the bank as at 31 December 2017 are as follows:

Required reserve	20,164,679,687	16,883,968,215
Actual reserve held	29,610,931,752	22,933,300,819
Surplus/ (deficit)	**9,446,252,065**	**6,049,332,604**
Total required reserve	30,247,019,530	25,325,952,335
Actual reserve held	39,879,291,965	31,567,425,475
Total surplus	**9,632,272,435**	**6,241,473,140**

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		31.12.2017 Taka	31.12.2016 Taka
5(a)	**Consolidated cash**		
	Cash in hand		
	NCC Bank Limited **(Note-5)**	1,610,355,779	1,336,085,062
	NCCB Securities and Financial Services Limited	4,659	34,460
	NCCB Capital Limited	-	-
		1,610,360,438	1,336,119,522
	Balance with Bangladesh Bank and its agent bank(s)		
	NCC Bank Limited **(Note-5)**	10,786,217,203	9,110,681,150
	NCCB Securities and Financial Services Limited	-	-
	NCCB Capital Limited	-	-
		10,786,217,203	9,110,681,150
		12,396,577,641	**10,446,800,672**
6	**Balance with other banks and financial institutions**		
	In Bangladesh (Note -6.1)		
	Conventional banking	3,685,572,650	4,573,734,592
	Off-shore banking unit	52,513,039	-
		3,738,085,689	4,573,734,592
	Less: inter transaction between OBU and conventional banking	(52,513,039)	-
		3,685,572,650	4,573,734,592
	Outside Bangladesh (Note-6.2)		
	Conventional banking	545,403,101	371,327,049
	Off-shore banking unit	-	-
		545,403,101	371,327,049
		4,230,975,751	**4,945,061,641**
6.1	**In Bangladesh**		
	Conventional banking		
	Current account		
	Sonali Bank Limited	323,242	28,136,274
	Islami Bank Bangladesh Limited	155,067	63,378
	Trust Bank Limited	2,696,837	3,171,048
	Standard Chartered Bank	15,067,895	6,837,608
	Dutch Bangla Bank Limited	129,231	125,752
	Rupali Bank Limited	37,130,576	25,257,505
	EXIM Bank Limited	2,568,103	2,555,582
	First Security Islami Bank Limited	588,682	575,804
	Shahjalal Islami Bank Limited	591,090	575,448
	Eastern Bank Limited	510,646	500,000
	Bangladesh Commerce Bank Limited	1,158,019	1,132,184
	Social Islami Bank Limited	576,090	570,347
	BRAC Bank Limited	17,687	1,019,187
		61,513,164	70,520,117
	Special notice deposit account		
	Janata Bank Limited	3,559,486	2,110,401
	Dutch Bangla Bank Limited	-	604,074
	United Commercial Bank Limited	500,000	500,000
		4,059,486	3,214,475
	Fixed deposit account		
	Modhumoti Bank Limited	200,000,000	-
	Standard Bank Limited	-	1,000,000,000
	The Premier Bank Limited	-	300,000,000
	Modhumoti Bank Limited	-	200,000,000
	National Bank Limited	-	500,000,000
	Meghna Bank Limited	-	200,000,000
	Jamuna Bank Limited	-	1,000,000,000
	BRAC Bank Limited	-	1,000,000,000
	NRB Bank Limited	-	200,000,000
	National Bank of Pakistan	-	100,000,000
	IFIC Bank Limited	950,000,000	-
	Midland Bank Limited	200,000,000	-
	One Bank Limited	700,000,000	-
	National Housing Finance & Investments Limited	120,000,000	-
	Phonix Finance & Investments Limited	200,000,000	-
	GSP Finance Company (Bangladesh) Limited	80,000,000	-
	Delta Brac Housing Corporation Limited	200,000,000	-
	Bay Leasing & Investment Limited	120,000,000	-
	IPDC Finance Limited	150,000,000	-
	Lankabangla Finance Limited	250,000,000	-
	Uttara Finance Limited	100,000,000	-
	IDLC Finance Limited	250,000,000	-
	Industrial and Infrastructure Development Finance Company Limited	100,000,000	-
		3,620,000,000	4,500,000,000
		3,685,572,650	4,573,734,592
	Off-shore banking unit	52,513,039	-
		3,738,085,689	**4,573,734,592**

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		31.12.2017 Taka	31.12.2016 Taka
6.2	**Outside Bangladesh (NOSTRO Accounts)**		
	Conventional banking		
	Current account (non-interest bearing)		
	The Bank of Tokyo Mitsubishi UFJ Ltd, Japan	11,070,238	639
	Standard Chartered Bank, Tokyo	587,332	1,392,951
	Wells Fargo Bank, NA	76,536,759	9,069,874
	United Bank Limited, Karachi	8,582,957	6,541,419
	AXIS Bank Limited, Kolkata	671,482	18,289,885
	Nepal Bangladesh Bank Ltd., Nepal	3,276,708	3,118,309
	Sonali Bank (UK) Limited, London	5,315	73,322
	Bank of Bhutan, Phuentsholing	5,818,896	2,105,805
	Habib Metropolitan Bank, Pakistan	10,567,690	3,134,247
	Unicredit Spa, Milan	-	17,168,432
	Commerzbank AG, Frankfurt Am Main	-	6,163
	Nations Trust Bank Plc, Colombo	24,693,526	6,896,159
	Standard Chartered Bank, London	139,950	374,372
	Habibsons Bank Limited, UK	98,297	-
	ICICI Bank Limited, Kolkata	29,311,739	59,726
	ICICI Bank Limited	-	19,037
	Tokyo Mitsubishi, Kolkata	-	239
	Westpac Banking Corporation, Sydney	319,407	1,212,602
	Mashreq Bank Psc, Mumbai	22,550,844	29,518,704
	Standard Chartered Bank, Singapore	1,162,237	19,513,485
	Standard Chartered Bank, Kolkata	20,557,191	46,285,057
	Sonali Bank Limited, Kolkata	-	2,034,198
	Habib American Bank, NY	-	51,163,109
	Standard Chartered Bank, Frankfurt	-	13,819,812
		215,950,569	231,797,545
	Current account (interest bearing)		
	Mashreq Bank Psc. New York	30,323,634	46,581
	Citibank N.A., New York	76,084,724	24,583,094
	Standard Chartered Bank, New York	223,044,174	114,899,829
		329,452,532	139,529,504
	(Annexure 'A' may kindly be seen for details)	**545,403,101**	**371,327,049**
6.3	**Balance with other banks and financial institutions (according to remaining maturity grouping) payable :**		
	Payable on demand	61,513,164	70,520,117
	Up to one month	749,462,587	4,374,541,524
	Over one month but not more than three months	3,420,000,000	500,000,000
	Over three months but not more than six months	-	-
	Over six months but not more than one year	-	-
	Over one year but not more than five years	-	-
	Over five years	-	-
		4,230,975,751	**4,945,061,641**
6(a)	**Consolidated balance with other banks and financial institutions**		
	In Bangladesh		
	NCC Bank Limited **(Note-6.1)**	3,685,572,650	4,573,734,592
	NCCB Securities and Financial Services Limited	226,096,478	238,996,715
	NCCB Capital Limited	258,476,459	258,528,839
		4,170,145,587	5,071,260,146
	Less: Inter company transactions	(367,783,933)	(424,206,712)
		3,802,361,654	4,647,053,434
	Outside Bangladesh		
	NCC Bank Limited **(Note-6.2)**	545,403,101	371,327,049
	NCCB Securities and Financial Services Limited	-	-
	NCCB Capital Limited	-	-
		545,403,101	371,327,049
		4,347,764,755	**5,018,380,483**
7	**Money at call and short notice**		
	Banking companies	270,000,000	-
	Non-banking financial institutions	-	-
		270,000,000	**-**

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		31.12.2017 Taka	31.12.2016 Taka
8	**Investments**		
	Government securities **(Note-8.1)**	27,627,054,779	21,253,372,092
	Other investments**(Note-8.2)**	1,776,228,147	2,704,791,792
		29,403,282,926	**23,958,163,884**
8.1	**Government securities**		
	Conventional banking		
	Treasury bills		
	91 days treasury bills	-	-
	182 days treasury bills	-	-
	364 days treasury bills	-	-
		-	-
	Bangladesh Bank bill	2,298,857,600	5,796,023,899
	Treasury bonds		
	2 years treasury bonds	-	-
	5 years treasury bonds	6,512,487,397	3,844,281,477
	10 years treasury bonds	9,377,302,292	4,996,317,012
	15 years treasury bonds	4,315,916,354	3,319,892,642
	20 years treasury bonds	5,118,739,436	3,287,978,962
		25,324,445,479	15,448,470,093
	Prize bonds	3,751,700	8,878,100
		27,627,054,779	21,253,372,092
	Off-shore banking unit	-	-
		27,627,054,779	**21,253,372,092**
8.2	**Other investments**		
	Conventional banking		
	Commercial Paper		
	The City Bank Limited	-	500,000,000
	Dhaka Bank Limited	-	250,000,000
	Prime Bank Limited	-	200,000,000
		-	950,000,000
	Debenture & bond		
	Dhaka Bank subordinated bond	-	20,000,000
	National Bank subordinated bond	-	20,480,000
	Mutual Trust Bank subordinated bond	-	20,000,000
	UCBL subordinate bond	200,000,000	200,000,000
	Beximco pharmaceuticals (Debenture)	60,570	60,570
		200,060,570	260,540,570
	Investment in shares **(Note-8.6)**	1,899,515,376	1,894,648,553
	Less: Provision for investment fluctuation in shares **(Note-8.3)**	(323,347,799)	(400,397,331)
		1,576,167,577	1,494,251,222
		1,776,228,147	2,704,791,792
	Off-shore banking unit	-	-
		1,776,228,147	**2,704,791,792**
8.3	**Provision for investment fluctuation in shares**		
	Opening balance	400,397,331	484,456,414
	Add: Provision made during the year	-	-
	Less: Amount adjusted during the year	(77,049,532)	(84,059,083)
	Closing balance	**323,347,799**	**400,397,331**
8.3 (a)	**Consolidated provision for investment fluctuation in shares charged to profit and loss account**		
	NCC Bank Limited- **(Note-8.3)**	(77,049,532)	(84,059,083)
	NCCB Securities and Financial Services Limited	-	781,286
	NCCB Capital Limited	-	-
		(77,049,532)	**(83,277,797)**
8.4	**Investment classified as per Bangladesh Bank circular**		
	Held for Trading (HFT)	4,592,272,517	5,807,223,714
	Held to Maturity (HTM)	23,031,030,562	15,437,270,278
	Other securities	1,779,979,847	2,713,669,892
		29,403,282,926	**23,958,163,884**

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		31.12.2017 Taka	31.12.2016 Taka
8.5	**Maturity grouping of investments**		
	On demand	1,561,167,577	1,494,251,222
	Up to one month	2,302,609,300	6,244,901,999
	Over one month but not more than three months	-	750,000,000
	Over three months but not more than six months	-	-
	Over six months but not more than one year	15,000,000	262,661,477
	Over one year but not more than five years	12,077,741,280	7,998,402,164
	Over five years	13,446,764,769	7,207,947,022
		29,403,282,926	**23,958,163,884**
8.6	**Investment in shares**		
	Quoted		
	AB Bank Limited	6,219,000	6,219,000
	Active Fine Chemicals Limited	10,152,960	-
	Advance Chemical Industries Limited	-	38,785,319
	Agrani Insurance Co. Limited	8,774,040	8,774,040
	Agron Denims Limited	33,158,318	-
	Al-Arafah Islami Bank Limited	45,803,456	71,392,368
	Asia Insurance Limited	5,809,122	5,809,122
	Asia Pacific General Insurance Limited	30,603,248	30,603,248
	Bangladesh Auto Cars Limited	-	1,965
	Bashundhara Paper Mills Limited	3,458,080	-
	Bangladesh General Insurance Co. Limited	5,392,872	5,392,872
	Bank Asia Limited	-	28,890,612
	Baraka Power Limited	4,289,590	-
	Bata Shoe Co. (BD) Limited	3,368,950	3,368,950
	Bay Leasing & Investment Limited	66,145,144	66,145,144
	Bangladesh Building Systems Limited	5,673,977	-
	BBS Cables Limited	19,737,437	-
	Beximco Limited	4,872,875	4,872,875
	Bangladesh Submarine Cable Company Limited	32,186,769	25,969,818
	BSRM Steels Limited	14,301,993	9,324,638
	Dacca Dyeing & Manufacturing Co. Limited	6,540,520	6,540,520
	Delta Brac Housing Finance Corporation Limited	2,761,592	-
	Delta Life Insurance Company Limited	33,838,583	-
	Dhaka Electric Supply Company Limited	72,012,264	72,012,264
	Doreen Power Generations and Systems Limited	13,636,114	-
	Eagle Star Textile Mills Limited	4,227,951	4,227,951
	Eastern Bank Limited	-	10,382,818
	Envoy Textiles Limited	-	5,739,322
	Far Chemical Industries Limited	7,971,760	-
	Fareast Life Insurance Co. Limited	6,922,554	6,922,554
	FAS Finance & Investment Limited	16,701,407	-
	Family Textile (BD) Limited	-	1,572,746
	First Lease Finance & Investment Limited	1,178,613	1,178,613
	Fortune Shoes Limited	13,166,003	100,630
	GBB Power Limited	3,960,512	3,960,512
	GPH Ispat Limited	26,603,027	7,386,302
	Grameenphone Limited	6,287,621	22,635,437
	Green Delta Insurance Co. Limited	20,107,598	16,038,868
	Investment Corporation of Bangladesh	-	18,066,701
	ICB Islamic Bank Limited	-	2,624,656
	IDLC Finance Limited	5,123,805	25,566,544
	Islami Bank Bangladesh Limited	8,868,332	-
	IPDC Finance Limited	899,094	-
	Jamuna Bank Limited	18,278,045	18,278,045
	Jamuna Oil Company Limited	42,725,317	38,446,269
	Karnaphuli Insurance Company Limited	5,789,881	5,789,881
	Khulna Power Co. Limited	21,628,851	21,628,851
	Lafarge Surma Cement Limited	13,920,283	4,598,238
	Lanka Bangla Finance Limited	22,636,598	81,920,858
	Linde Bangladesh Limited	19,055,523	-
	Maksons Spinning Mills Limited	6,576,456	6,576,456
	Marico Bangladesh Limited	8,393,495	-
	Meghna Petroleum Limited	322,171	17,750,513
	Mercantile Bank Limited	-	4,152,810

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	31.12.2017	31.12.2016
	Taka	Taka
Mercantile Insurance Co. Limited	30,623,009	19,321,039
MI Cement Factory Limited	-	3,221,416
MJL Bangladesh Limited	30,821,425	7,264,320
National Bank Limited	25,531,210	25,531,210
Navana CNG Limited	25,019,069	53,162,602
Nahee Aluminum Composite Panel Limited	114,120	-
Oimex Electrode Limited	64,800	-
Olympic Industries Limited	41,343,402	12,390,377
Orion Pharma Limited	10,293,944	-
Padma Oil Company Limited	10,866,255	10,866,255
Peoples Leasing and Financial Services Limited	36,134,880	36,134,880
Phoenix Finance and Investment Limited	6,168,182	6,168,182
Power Grid Co. of Bangladesh Limited	1,731,905	1,731,905
Premier Leasing & Finance Limited	21,605,508	12,800,426
Prime Islami Life Insurance Company Limited	357,126	357,126
Prime Textile Spinning Mills Limited	-	598,840
Pubali Bank Limited	32,877,219	32,877,219
Quasem Drycells Limited	28,831,342	-
R.N. Spinning Mills Limited	50,171,728	50,171,728
Rupali Insurance Limited	9,892,089	9,892,089
Shahjalal Islami Bank Limited	-	17,854,098
Saiham Textile Mills Limited	1,193,306	1,193,306
Saif Powertec Limited	23,217,684	-
South East Bank Limited	49,268,566	34,017,583
Square Pharmaceuticals Limited	25,213,093	14,110,660
Square Textiles Limited	36,097,311	36,097,311
Summit Alliance Port Limited	50,726,064	17,053,007
Summit Power Limited	47,445,709	61,407,660
Titas Gas Transmission & Distribution Co. Limited	90,355,186	90,355,186
Union Capital Limited	5,255,911	2,665,589
Unique Hotel & Resorts Limited	31,553,613	31,553,613
United Airways (BD) Limited	33,362,945	33,362,945
United Commercial Bank Limited	7,550,080	-
United Power Generation & Distribution Company Limited	18,710,715	-
Uttara Bank Limited	24,292,803	9,018,594
Uttara Finance and Invesments Limited	11,152,300	-
Yeakin Polymer Limited	-	10,373
	1,527,924,302	1,340,837,870
Un-quoted		
Central Depository Bangladesh Limited (CDBL)	3,138,890	3,138,890
Bangladesh Rating Agency Limited	4,165,900	4,165,900
SWIFT	2,843,073	2,843,073
MSF Asset Management Company	2,000,000	2,000,000
Star Ceramics Limited	100,000,000	100,000,000
Summit Barisal Power Limited	-	140,000,000
Venture Investment Partner Bangladesh Limited	18,000,000	18,000,000
	130,147,863	270,147,863
Mutual fund		
Green Delta Mutual Fund	24,097,776	24,097,776
NCCBL Mutual Fund-1	47,979,044	47,979,044
MBL 1st Mutual Fund	10,000,000	10,000,000
NCCBL Mutual Fund-1	150,000,000	150,000,000
South East Bank 1st Mutual Fund	9,366,391	30,909,091
Trust Bank 1st. Mutual Fund	-	1,520,970
NLI 1st Mutual Fund	-	19,155,939
	241,443,211	283,662,820
(Annexure 'B' may kindly be seen for details)	**1,899,515,376**	**1,894,648,553**

8 (a) Consolidated investments

Government securities		
NCC Bank Limited **(Note-8.1)**	27,627,054,779	21,253,372,092
NCCB Securities and Financial Services Limited	-	-
NCCB Capital Limited	-	-
	27,627,054,779	21,253,372,092
Other investments		
NCC Bank Limited **(Note-8.2)**	1,776,228,147	2,704,791,792
NCCB Securities and Financial Services Limited	144,165,932	57,344,833
NCCB Capital Limited	-	-
	1,920,394,079	2,762,136,625
	29,547,448,858	**24,015,508,717**

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		31.12.2017 Taka	31.12.2016 Taka
9	**Loans and advances**		
	Loans, cash credits, overdrafts etc.**(Note-9.1)**	139,947,904,646	121,594,172,870
	Bills purchased and discounted **(Note-9.2)**	6,685,936,971	4,409,306,459
		146,633,841,617	**126,003,479,329**
9.1	**Loans, cash credits, overdrafts etc.**		
	Inside Bangladesh		
	Conventional banking		
	Overdraft	31,551,087,658	22,746,210,011
	Cash credit	25,264,795,211	21,655,944,088
	Loan - general	410,342,011	1,165,843,063
	Transport loan	746,137,314	468,632,267
	House building loan	3,132,094,276	2,388,264,429
	Loan against trust receipt (LTR)	10,836,993,208	9,982,028,608
	Loan against imported merchandise (LIM)	85,699,881	82,698,032
	Loan against packing credit	263,506,475	222,704,605
	Project loan	50,371,993	50,877,308
	Demand loan	22,380,861	31,902,273
	Lease finance	2,647,277,424	1,767,481,512
	Payment against document	386,408,508	304,227,995
	Consumer finance scheme	108,109,193	27,838,201
	Housing loan under B. Bank refinance scheme	15,417,364	18,633,237
	Staff loan	658,430,336	594,262,537
	Marriage loan	86,335,977	18,740,209
	Small business loan	603,045,729	666,666,814
	House renovation loan	2,740,545	4,668,328
	Personal loan scheme	2,461,909	6,545,025
	Term loan (small, medium & large)	36,775,497,377	28,890,373,027
	Time loan	9,725,149,272	9,088,974,896
	Agricultural credit	1,544,640,505	1,937,366,127
	Festival loan	38,535,799	35,978,007
	Special housing loan	1,668,034,459	1,168,498,200
	Credit card	453,869,006	447,732,068
	Forced loan	603,407,671	1,520,735,454
	Short term loan	9,901,040,763	14,976,943,279
	Retail loan	350,621,156	194,080,201
	NCCB- Garments wear & foot wear cluster	9,322,703	13,988,563
	Loan against EDF	1,997,497,487	1,109,877,868
	Loan against financial inclusion	5,101,465	4,794,210
	Education loan scheme	1,551,108	662,431
		139,947,904,646	121,594,172,870
	Off-shore banking unit	-	-
		139,947,904,646	121,594,172,870
	Outside Bangladesh		
	Conventional banking	-	-
	Off-shore banking unit	-	-
		-	-
		139,947,904,646	121,594,172,870
9.2	**Bills purchased and discounted**		
	Inside Bangladesh		
	Conventional banking		
	Inland bills purchased	-	83,656
	Local documentary bills purchased	1,619,445,738	1,883,233,577
		1,619,445,738	1,883,317,233
	Off-shore banking unit	-	-
		1,619,445,738	1,883,317,233
	Outside Bangladesh		
	Conventional banking		
	Foreign bills purchased	-	-
	Foreign documentary bills purchased	2,662,124,230	1,299,692,642
		2,662,124,230	1,299,692,642
	Off-shore banking unit	4,911,819,924	2,439,272,823
		7,573,944,154	3,738,965,465
	Less: inter transaction between OBU and conventional banking	(2,507,452,921)	(1,212,976,239)
		5,066,491,233	2,525,989,226
		6,685,936,971	4,409,306,459
		146,633,841,617	**126,003,479,329**

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		31.12.2017 Taka	31.12.2016 Taka
9.3	**Net loans and advances**		
	Gross loans and advances	146,633,841,617	126,003,479,329
	Less: Provision for loans and advances	(4,947,397,884)	(4,291,861,822)
	Interest suspense	(1,710,935,221)	(1,923,576,313)
		(6,658,333,105)	(6,215,438,135)
		139,975,508,512	**119,788,041,193**
9.4	**Residual maturity grouping of loans and advances including bills purchased and discounted**		
	Repayable on demand	22,380,861	31,902,273
	Up to one month	35,792,786,200	37,542,233,649
	Over one month but not more than three months	26,767,536,032	25,150,778,409
	Over three months but less than one year	44,643,642,093	31,261,566,093
	Over one year but less than five years	27,050,992,972	22,816,072,277
	Above five years	12,356,503,459	9,200,926,628
		146,633,841,617	**126,003,479,329**
9.5	**Loans and advances including bills purchased and discounted classified into the following broad categories**		
	In Bangladesh:		
	Loans	83,132,021,777	77,192,018,771
	Cash credit	25,264,795,211	21,655,944,088
	Overdraft	31,551,087,658	22,746,210,011
	Bills purchased & discounted	1,619,445,738	1,883,317,233
		141,567,350,384	123,477,490,103
	Outside Bangladesh		
	Bills purchased & discounted	5,066,491,233	2,525,989,226
		146,633,841,617	**126,003,479,329**
9.6	**Loans and advances on the basis of significant concentration including bills purchased and discounted classified into the following broad categories**		
	I) Advances to allied concerns of Directors of the Bank	36,327,000	134,632,000
	II) Advances to chief executive and other senior executives of the Bank	96,982,000	83,869,350
	III) Advances to customers' group-wise clients		
	a) Agricultural loans	1,782,061,461	2,011,013,525
	b) Export financing	4,137,632,626	4,388,383,790
	c) Import financing	18,534,599,227	18,900,611,134
	d) Transport and communication	550,985,942	370,161,358
	e) Commercial lending	23,045,706,335	19,494,624,375
	f) House building loan	5,269,074,459	5,905,667,060
	g) Staff loans other than chief executive and other senior executives	561,448,336	510,393,187
	h) Others including bills purchased and discount	19,114,985,655	16,303,059,438
		72,996,494,041	67,883,913,867
	IV) Industrial loans (including working capital) **(note 9.6 (a))**	73,504,038,576	57,901,064,112
		146,633,841,617	**126,003,479,329**
9.6 (a)	**Industrial loans (including working capital)**		
	Agro based industries	6,649,505,518	6,239,390,625
	Textile industries	3,083,967,529	3,252,783,726
	Food and allied industries	2,157,650,342	2,578,547,953
	Pharmaceutical industries	985,413,770	1,020,802,676
	Leather, chemical, cosmetics, etc.	2,812,804,807	2,958,553,283
	Cement and ceramic industries	889,539,856	788,952,379
	Service industries	11,265,262,253	9,152,104,412
	Transport and communication industries	1,374,650,446	1,305,013,250
	Other industries	44,285,244,055	30,604,915,808
		73,504,038,576	**57,901,064,112**

9.7 Number of clients with outstanding amount and classified loans and advances exceeding 10% of total capital of the Bank.

Number of clients with amount outstanding and classification status to whom loans and advances sanctioned exceeds 10% of the total capital of the Bank. Total capital of the Bank was Taka 1,830.61 Crore on Consolidated basis and Taka 1,819.54 Crore on Solo basis as at 31 December 2017 (Taka 1,767.56 Crore and 1,764.66 Crore as at 31 December 2016 respectively). (Details are shown in Annex - C)

Number of clients	15	14
Amount of outstanding advances	42,349,700,000	39,055,300,000
Amount of classified advances	-	-
Measures taken for recovery	-	-

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		31.12.2017 Taka	31.12.2016 Taka
9.8	**Loans and advances on the basis of geographical location wise**		
	Urban		
	Dhaka Division	99,499,071,202	81,107,064,525
	Chittagong Division	28,059,607,665	28,131,938,222
	Rajshahi Division	2,029,526,275	1,877,372,905
	Rangpur Division	785,667,406	1,217,803,341
	Sylhet Division	1,700,386,461	1,634,133,636
	Khulna Division	2,877,962,103	1,846,921,176
	Barisal Division	332,066,522	293,103,584
	Mymensingh Division	415,867,138	335,769,883
		135,700,154,772	116,444,107,272
	Rural		
	Dhaka Division	4,241,158,222	3,379,021,882
	Chittagong Division	4,604,186,837	4,312,468,367
	Rajshahi Division	438,720,969	241,763,776
	Rangpur Division	544,784,032	584,808,298
	Sylhet Division	708,017,297	711,369,130
	Khulna Division	197,485,706	143,123,748
	Mymensingh Division	199,333,782	186,816,856
		10,933,686,845	9,559,372,057
		146,633,841,617	**126,003,479,329**
9.9	**Classification of loans and advances**		
	Unclassified standard (including staff loans)	138,029,272,763	118,662,908,990
	Unclassified special mention account	114,500,475	66,563,727
	Sub-standard	152,140,100	198,950,158
	Doubtful	142,039,125	1,080,962,794
	Bad/Loss	8,195,889,154	5,994,093,660
		146,633,841,617	**126,003,479,329**

9.10 **Particulars of required provision for loans and advances**

Status	**Base for provision**	**Rate (%)**		
A. General provision				
Conventional banking				
Un-classified loans and advances	133,117,452,839	* Various	1,092,855,207	979,052,550
Special mention account	114,500,475	do	1,101,000	660,961
	133,231,953,314		1,093,956,207	979,713,511
Off-shore banking unit	4,911,819,924	1%	49,118,199	24,392,728
	138,143,773,238		**1,143,074,406**	**1,004,106,239**

* General provision is kept @ 1% on general loans and advances and 0.25% on small and medium enterprise financing, 2% on certain other types of lending and 5% on consumer financing.

	Base for provision	**Rate (%)**		
B. Specific provision				
Conventional banking				
Sub-standard - general	34,638,133	20	6,927,627	30,872,527
Sub-standard - agricultural	3,311,489	5	165,574	68,016
Doubtful	20,501,766	50	10,250,883	324,555,306
Doubtful - Agricultural	5,487,591	5	274,380	5,032
Bad/ Loss	3,685,822,987	100	3,685,822,987	2,956,360,113
	3,749,761,966		3,703,441,451	3,311,860,994
Off-shore banking unit				
Specific provision				
Sub-standard	-	20	-	-
Doubtful	-	50	-	-
Bad/ Loss	-	100	-	-
	-		-	-
	3,749,761,966		3,703,441,451	3,311,860,994
Required provision for loans and advances			**4,846,515,857**	**4,315,967,233**
Total provision maintained			4,996,516,082	4,316,254,550
Excess /(short) provision			**150,000,225**	**287,317**

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		31.12.2017 Taka	31.12.2016 Taka
Particulars of required provision on off -balance sheet exposure			
Conventional banking			
	Base for provision	**Rate (1%)**	
Acceptance and endorsements	17,021,307,128	170,213,071	122,688,151
Letter of guarantee	22,463,034,687	224,630,347	178,774,202
Letter of credit	14,835,674,742	148,356,747	111,838,814
Others	35,929,211	359,292	101,607
		543,559,458	413,402,774
Off-shore banking unit		-	-
Required provision on off -balance sheet exposure		**543,559,458**	**413,402,774**
Total provision maintained (note-14.6)		**543,559,458**	**413,402,774**
Excess/ (short) provision		**-**	**-**

9.11 Particulars of loans and advances

i) Loans considered good in respect of which the bank is fully secured	79,246,858,817	69,822,282,441
ii) Loans considered good against which the bank holds no other security other than the debtor's personal guarantee	18,958,628,543	12,936,629,435
iii) Loans considered good and secured by the personal security of one or more parties in addition to the personal guarantee of the debtors	48,428,354,257	43,244,567,453
iv) Loans considered doubtful or bad not provided for	-	-
	146,633,841,617	**126,003,479,329**
* v) Debts due by directors or officers of the bank or any of them either severally or jointly with any other persons	**694,757,336**	**594,262,537**
vi) Debts due by companies or firms in which the directors of the Bank are interested as directors, partners or managing agent or in case of private companies as members	**36,327,000**	**134,632,000**
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 severally or jointly with any other persons.	**694,757,336**	**594,262,537**
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 case of private companies as members.	**36,327,000**	**134,632,000**
ix) Due from banking companies	-	-
x) Amount of classified loans for which interest/profit not credited to income	**8,490,068,379**	**7,274,006,612**
a) Increase/(decrease) of provision (specific) during the year	541,293,141	142,483,586
b) Amount of provision kept against the amount classified as bad/loss at the Balance Sheet preparing date.	3,685,822,987	2,956,360,113
c) Amount of interest charged in interest suspense account	1,710,935,221	1,923,576,313
xi) Cumulative amount of written off debt		
Opening balance	5,538,537,044	4,707,999,356
Add: Amount of debt written off during the year	1,133,205,289	830,537,688
Closing balance	**6,671,742,333**	**5,538,537,044**
Recoveries of amount previously written off loan during the year	**7,244,915**	**16,485,152**
xii) Amount of written off debt against which law suit has been filed for its recovery during the year	**1,133,205,289**	**830,537,688**

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	31.12.2017 Taka	31.12.2016 Taka

9.12 Outstanding bad & loss loans written off

Bangladesh Bank issued a circular no.02 dated 13 January 2003 instructing all banks in the country to write off bad & loss loans which have passed five years after its classification and legal actions have been taken against all those default borrowers with an immediate effect. In compliance with the circular, the Bank formed a Debt Collection Unit in its Head Office from where monitoring has been made accordingly. During the year, the Bank allowed write off amounting to Tk. 113,32,05,289/- against which legal actions have been lying with the money suit court. In this connection, branches have been maintained a separate ledger for all individual cases. The debt collection unit will follow-up the realization of such debts in future also and time to time a progress report to be given to the management by the branches.

9.13 Bills purchased and discounted

a) Payable

In Bangladesh	1,619,445,738	1,883,317,233
Outside Bangladesh	5,066,491,233	2,525,989,226
	6,685,936,971	**4,409,306,459**

b) Bills purchased & discounted on the basis of the residual maturity grouping

Payable

Within one month	1,806,747,432	1,585,501,050
Over one month but less than three months	2,742,440,738	1,343,548,539
Over three months but less than six months	1,575,372,431	931,566,720
Over six months	561,376,370	548,690,150
	6,685,936,971	**4,409,306,459**

9 (a) Consolidated loans and advances

Loans, cash credits, overdrafts etc.

NCC Bank Limited **(Note-9.1)**	139,947,904,646	121,594,172,870
NCCB Securities and Financial Services Limited.	4,483,132,987	4,846,166,992
NCCB Capital Limited	-	-
	144,431,037,633	126,440,339,862
Less : Inter company transactions	(1,483,140,724)	(1,779,578,742)
	142,947,896,909	124,660,761,120

Bills purchased and discounted

NCC Bank Limited **(Note-9.2)**	6,685,936,971	4,409,306,459
NCCB Securities and Financial Services Limited.	-	-
NCCB Capital Limited	-	-
	6,685,936,971	4,409,306,459
Less : Inter company transactions	-	-
	6,685,936,971	4,409,306,459
	149,633,833,880	**129,070,067,579**

10 Fixed assets including premises, furniture and fixtures

Conventional banking **(Note-10.1)**	2,486,890,712	2,500,129,703
Off-shore banking unit **(Note-10.2)**	-	-
	2,486,890,712	**2,500,129,703**

10.1 Fixed assets including premises, furniture and fixtures

Conventional banking

Cost/valuation

Land	451,906,672	451,906,672
Buildings & office premises	1,340,041,477	1,338,311,564
Furniture and fixtures	672,803,984	644,187,122
Machinery and equipment	827,947,289	793,476,212
Computer equipment	478,157,216	385,953,625
Vehicles	141,611,663	131,129,924
Work in progress	5,500,000	-
Total Cost / valuation	**3,917,968,302**	**3,744,965,119**
Less: Accumulated depreciation	(1,431,077,590)	(1,244,835,416)
Net book value at the end of the year	**2,486,890,712**	**2,500,129,703**
(Annexure 'D' may kindly be seen for details)		

10.2 Off-shore banking unit - -

10(a) Consolidated fixed assets including premises, furniture and fixture

NCC Bank Limited **(Note-10)**	2,486,890,712	2,500,129,703
NCCB Securities and Financial Services Limited	12,071,366	14,050,085
NCCB Capital Limited	-	-
	2,498,962,078	**2,514,179,788**

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	31.12.2017 Taka	31.12.2016 Taka
11 Other assets		
Conventional banking **(Note-11.1)**	6,921,844,695	4,862,841,579
Off-shore banking unit	-	-
	6,921,844,695	4,862,841,579
Less: inter transaction between OBU and conventional banking	(33,947,490)	(10,209,513)
	6,887,897,205	**4,852,632,066**
11.1 Conventional banking		
Income generating other assets		
Investment in subsidiaries		
In Bangladesh		
NCCB Securities and Financial Services Limited	1,999,999,900	1,999,999,900
NCCB Capital Limited	249,999,900	249,999,900
	2,249,999,800	2,249,999,800
Outside Bangladesh	-	-
	2,249,999,800	**2,249,999,800**
Non-income generating other assets		
Stationery in hand	47,827,787	32,858,784
Stamps in hand	3,174,804	3,340,645
Security deposits	4,610,151	4,050,778
Advance against rent	163,260,263	175,915,071
Software	25,142,664	26,346,365
Visa card SBL	3,675,931	4,962,245
Receivable against sale proceeds of shares	25,636,933	19,374,141
Suspense account **(Note-11.2)**	171,226,967	106,053,766
Interest receivable **(Note-11.3)**	651,264,536	408,130,858
Dividend receivable **(Note-11.4)**	16,828,613	19,212,071
Advance corporate tax **(Note-11.5)**	3,379,301,115	1,655,103,727
Others **(Note-11.6)**	179,895,132	157,493,328
	4,671,844,895	2,612,841,779
	6,921,844,695	**4,862,841,579**
11.2 Suspense account		
Encashment sanchaypatra awaiting realization	16,277,138	16,866,862
Cash remittance	116,140,000	89,180,000
Clearing adjustment	38,809,829	6,904
	171,226,967	**106,053,766**
11.3 Interest receivable		
On loans and advances	-	1,349,885
On treasury bills/bonds	579,157,662	369,925,733
On commercial papers	-	8,519,444
On subordinate bonds	9,049,856	9,740,172
On bank balances/financial institutions/Others	63,057,018	18,595,624
	651,264,536	**408,130,858**
11.4 Dividend receivable		
Dividend Receivable from NCCB Securities and Financial Services Limited	-	-
Dividend receivable from listed companies	16,828,613	19,212,071
	16,828,613	**19,212,071**
11.5 Advance corporate tax		
Advance tax at source on treasury bills/ bonds	149,253,909	113,924,149
Advance tax at source on dividend	38,525,616	22,655,742
Advance tax at source on bank interest	38,169,493	20,664,314
Advance income tax deposited by Bank	3,127,564,313	1,483,864,554
5% Advance income tax paid on L/C commission	25,787,784	13,994,968
	3,379,301,115	**1,655,103,727**

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		31.12.2017 Taka	31.12.2016 Taka
11.6	**Others**		
	Advance against TA/DA	331,453	510,139
	Legal expenses	2,189,802	1,262,554
	Money Gram	6,535,800	3,871,728
	Proposed branches expenses	3,264,000	3,840,000
	Prefunding to TMSS	19,258,909	9,305,799
	UAE exchange	-	31,000
	Sundry debtors	52,103,664	47,514,298
	Applied for IPO	-	30,000,000
	Trans fast remittance LLC	2,553,803	1,787,519
	Protested bill	15,737,491	18,983,735
	AFX Fast Remit	3,244,457	826,523
	Prefunding to Ansar -VDP	6,764,941	4,414,207
	Xpress Money	2,982,652	2,016,037
	Habib Xpress MT	-	15,022
	Placid Express	1,435,137	5,084,699
	Continental Exchange Solutions (Ria)	1,802,435	1,802,460
	GS Money Transfer, Bedford, UK	120,000	120,000
	ATM adjustment	192,655	2,170,791
	Wall Street	-	251,825
	Japan Remit Finance Co. Ltd.	72,167	50,426
	IME (M) SDN.BHD.	3,475,681	3,770,672
	Prefunding to karmasansgthan Bank	18,264,892	-
	Majan Exchange	30,631	33,000
	Merchantrade Asia SDN BHD,Malaysia	513,913	327,820
	Advance for booking money agt.DSE Tower	850,000	850,000
	Western Union	5,900,665	6,240,598
	Prabhu group Inc., USA	1,903,531	-
	NEC Money Transfer Spain	-	342,173
	NEC Money Transfer Limited. UK	8,978,532	3,249,084
	Commercial Bank of Ceylon	1,077,500	1,077,500
	Arab National Bank	474,552	367,199
	National Exchange Company S.r.l	16,908,209	5,741,720
	Sigue Global Services Ltd	2,712,416	105,125
	Consolidated CMS Br.POS Trx.	-	1,009,840
	Others	215,246	519,835
		179,895,132	**157,493,328**
11(a)	**Consolidated other Assets**		
	NCC Bank Limited **(Note-11)**	6,887,897,205	4,852,632,066
	Less: Investment in NCCB Securities and Financial Services Limited **(Note-11.1)**	(1,999,999,900)	(1,999,999,900)
	Less: Investment in NCCB Capital Limited **(Note-11.1)**	(249,999,900)	(249,999,900)
		4,637,897,405	2,602,632,266
	NCCB Securities and Financial Services Limited	308,056,539	394,296,599
	NCCB Capital Limited	5,156,780	5,156,780
		313,213,319	399,453,379
		4,951,110,724	3,002,085,646
	Less: Inter company transactions	-	(12,500)
		4,951,110,724	**3,002,073,146**
12	**Borrowing from other banks, financial institutions and agents**		
	Conventional banking **(Note-12.1)**	6,822,986,234	5,583,973,428
	Off-shore banking unit **(Note-12.2)**	4,841,789,424	2,355,402,681
		11,664,775,658	7,939,376,109
	Less: inter transaction between OBU and conventional banking	(2,559,965,960)	(1,212,976,239)
		9,104,809,698	**6,726,399,870**
12.1	**Borrowing from other banks, financial institutions and agents**		
	In Bangladesh		
	Bangladesh Bank	3,980,679,184	3,489,598,428
	SME Foundation	10,000,000	17,500,000
	Prime Bank Limited	150,000,000	150,000,000
	IFIC Bank Limited	500,000,000	-
	Southeast Bank Limited	350,000,000	996,875,000
	Mutual Trust Bank Limited	550,000,000	-
	National Bank Limited	200,000,000	-
	Sonali Bank Limited	500,000,000	-
	Trust Bank Limited	-	550,000,000
	State Bank of India	360,000,000	380,000,000
		6,600,679,184	5,583,973,428

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	31.12.2017 Taka	31.12.2016 Taka
Outside Bangladesh:		
Bank of Bhutan	1,243,302	-
Standard Chartered Bank, Kolkata	8,147,181	-
Unicredito Italiano	3,655,552	-
ICICI Bank Limited, HKK	207,190,043	-
Sonali Bank(UK) Limited, London	855,846	-
Commerzbank AG, Frankfurt Am Main	1,215,127	-
	222,307,051	-
(Annexure 'E' may kindly be seen for details)	**6,822,986,234**	**5,583,973,428**
12.2 Off-shore banking unit	**4,841,789,424**	**2,355,402,681**
12.3 Security against borrowings from other banks, financial institutions and agents		
Conventional banking		
Secured	2,620,000,000	2,094,375,000
Unsecured	4,202,986,234	3,489,598,428
	6,822,986,234	5,583,973,428
Off-shore banking unit		
Secured	2,281,823,464	1,142,426,442
Unsecured	-	-
	2,281,823,464	1,142,426,442
	9,104,809,698	**6,726,399,870**
12.4 Borrowings from other banks, financial institutions and agents (according to remaining maturity grouping) payable		
On demand	2,610,000,000	2,076,875,000
Up to one month	2,848,419,826	1,352,936,239
Over one month but not more than three months	652,295,783	384,475,621
Over three months but less than six months	1,187,533,878	692,581,671
In more than six months but not more than one year	209,787,191	181,426,953
In more than one year but not more than five years	774,049,274	892,942,266
Above five Years	822,723,746	1,145,162,120
	9,104,809,698	**6,726,399,870**
12 (a) Consolidated borrowing from other banks, financial institutions and agents		
NCC Bank Limited **(Note-12)**	9,104,809,698	6,726,399,870
NCCB Securities and Financial Services Limited	1,483,140,724	1,779,578,742
NCCB Capital Limited	-	-
	10,587,950,422	8,505,978,612
Less: inter company transactions	(1,483,140,724)	(1,779,578,742)
	9,104,809,698	**6,726,399,870**
13 Deposits and other accounts		
Current deposits	9,470,960,361	9,767,090,430
Sundry deposits **(Note 13.5)**	5,006,116,873	4,133,601,391
	14,477,077,234	13,900,691,821
Saving deposits	21,002,021,411	18,732,883,987
Fixed deposits	69,549,270,735	50,135,024,925
Other Time deposits:		
Special notice deposits	17,234,414,962	14,356,110,832
Special savings scheme	21,581,002,768	17,552,260,926
Special deposit scheme	2,626,290,979	3,776,988,971
Money double program	8,066,525,062	8,575,111,214
Money triple program	755,745,238	602,203,962
FC term deposits	67,432,868	58,515,896
NCCB youngster maximus	8,637,991	8,881,793
	50,340,049,868	44,930,073,594
Bills Payable:		
Payment order (issued)	4,614,309,826	5,077,229,724
Demand draft	5,716,466	24,473,607
	4,620,026,292	5,101,703,331
	159,988,445,540	**132,800,377,658**

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		31.12.2017 Taka	31.12.2016 Taka
13.1	**(a) Demand deposits**		
	Deposit from banks	1,547,663	1,860,228
	Deposit from customers	20,987,285,453	20,688,354,711
		20,988,833,115	20,690,214,939
	(b) Time deposits		
	Deposit from banks		
	In fixed deposits accounts	8,104,250,000	-
	In other accounts	28,890,736	55,688,642
		8,133,140,736	55,688,642
	Deposit from customers	130,866,471,688	112,054,474,077
		159,988,445,540	**132,800,377,658**
13.2	**Deposits and other accounts**		
	Conventional banking **(Note-13)**	159,988,445,540	132,800,377,658
	Off-shore banking unit	-	-
		159,988,445,540	**132,800,377,658**
13.3	**Unclaimed block account balances for 10 years & above**		
	Savings deposits	-	-
	Pay order	113,875	54,255
	Sundry deposits	-	-
		113,875	**54,255**
13.4	**(a) Residual maturity grouping of deposits**		
	From other banks		
	Payable		
	On demand	1,547,663	1,860,228
	Within one month	3,028,890,736	55,688,642
	In more than one month but less than six months	5,104,250,000	-
	In more than six months but less than one year	-	-
	In more than one year but within five years	-	-
	In more than five years but within ten years	-	-
		8,134,688,399	57,548,870
	(b) From other than banks		
	Payable		
	On demand	6,508,660,556	6,785,802,662
	Within one month	37,442,223,980	28,484,519,174
	In more than one month but less than six months	43,041,752,238	42,117,628,940
	In more than six months but less than one year	17,522,554,766	13,100,263,915
	In more than one year but within five years	41,552,460,970	35,622,238,796
	In more than five years but within ten years	5,786,104,631	6,632,375,302
		151,853,757,141	132,742,828,788
		159,988,445,540	**132,800,377,658**
13.5	**Sundry deposits**		
	Sundry creditors	562,387,406	397,200,784
	Clearing adjustment	-	8,537,579
	Margin on letters of guarantee	1,052,192,816	851,804,839
	Margin on letters of credit	1,886,646,559	1,132,772,811
	Security deposits against locker	13,673,903	14,824,222
	Credit balance in CC, SOD, loan etc.	250,427,838	310,455,810
	Collection account	153,822	5,321,851
	Sanchaypatras	72,325,000	17,404,371
	LDBP, export bill/ proceeds	148,452,388	277,987,763
	Security deposit receipts	9,889,080	11,758,080
	U.A.E. Exchange	26,000	26,000
	FC, FCY retention quota	14,088,493	16,865,980
	Cash risk allowance/fund	25,442,393	34,774,912
	Three Star Remittance	-	439,379
	Advance rent on lease finance	42,177,564	39,420,111
	Al-Fardan exchange Co.L.L.C.	61,125	61,125
	K.M. Financial Services London	2,000	2,000
	Arab National Bank (KSA)	245,486	245,486
	Dhaka Janata Express	1,540,469	1,540,469
	Visa credit card & others	1,043,557	1,181,173
	Foreign remittance	75,198,675	17,684,988
	Retained commission from remittance	5,386,272	3,110,524

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	31.12.2017	31.12.2016
	Taka	Taka
Provident fund	33,500,119	26,302,040
Credit card deposit A/c.	440,475	3,580,708
Alternative cash assistance	-	39,475
SMS banking charge	285,375	8,796,818
National Exchange Co.	2,021	2,021
Al Zaman Exchange	5,049	5,049
Kushiara Financial Services Ltd.-London	-	72,529
Samso,s Express Money Transfer	-	1,157,109
AN Express UK	-	513,315
Benevolent fund	4,207,061	3,731,088
Bluestar Services	24,432	23,017
NCCB Sure Cash Consolidated	13,592	90,500
Enquiry charge of CIB	391,214	587,030
Export Proceed Back to Back (USD)	350,206,763	379,325,250
Foreign FDD & FTT Payable	13,084,615	36,262,327
Others Payable -Foreign	26,079,364	259,945,151
R & NRB-Foreign Remittance (Settlement A/C)	4,561,558	-
Unclaimed block account balances for 10 years & above	113,875	54,255
Bangladesh Bank Bach & Clearing Charge	399,387	302,201
Internet Banking Charge	20,053	821,853
Cards	18,925,018	13,893,097
Vostro Account	389,945,876	250,531,324
Others	2,550,180	4,144,979
	5,006,116,873	**4,133,601,391**

13 (a) Consolidated deposits and other accounts

Current deposits and other accounts

NCC Bank Limited **(Note-13)**	14,477,077,234	13,900,691,821
NCCB Securities and Financial Services Limited	216,569,915	362,934,546
NCCB Capital Limited	-	-
	14,693,647,149	14,263,626,367
Less: Inter company transactions	(367,783,933)	(424,206,712)
	14,325,863,216	13,839,419,655

Bills payable

NCC Bank Limited **(Note-13)**	4,620,026,292	5,101,703,331
NCCB Securities and Financial Services Limited	-	-
NCCB Capital Limited	-	-
	4,620,026,292	5,101,703,331

Savings bank deposits

NCC Bank Limited **(Note-13)**	21,002,021,411	18,732,883,987
NCCB Securities and Financial Services Limited	-	-
NCCB Capital Limited	-	-
	21,002,021,411	18,732,883,987

Fixed deposits

NCC Bank Limited **(Note-13)**	69,549,270,735	50,135,024,925
NCCB Securities and Financial Services Limited	-	-
NCCB Capital Limited	-	-
	69,549,270,735	50,135,024,925
Less: Inter company transactions	-	-
	69,549,270,735	50,135,024,925

Time deposits

NCC Bank Limited **(Note-13)**	50,340,049,868	44,930,073,594
NCCB Securities and Financial Services Limited	-	-
NCCB Capital Limited	-	-
	50,340,049,868	44,930,073,594
Less: Inter company transactions	-	-
	50,340,049,868	44,930,073,594
	159,837,231,522	**132,739,105,492**

14 Other liabilities

Conventional banking **(Note-14.1)**	16,078,476,933	16,608,008,820
Off-shore banking unit **(Note-14.7)**	49,118,199	24,392,728
Interest payable of off-shore banking unit	48,563,482	15,067,056
	16,176,158,615	16,647,468,604
Less: Inter transaction between OBU and conventional banking	(33,947,490)	(10,209,513)
	16,142,211,125	**16,637,259,091**

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		31.12.2017 Taka	31.12.2016 Taka
14.1	**Conventional banking**		
	Other liabilities		
	Interest payable	3,080,561,632	6,079,174,850
	Excise duty	137,308,550	116,608,914
	Liability for expenses	48,840,601	10,164,960
	Incentive bonus payable	252,415,250	145,429,200
	Audit fee payable including VAT	345,000	345,000
	Withholding tax payable	194,775,692	78,313,533
	Inter branch transaction account	335,795,114	101,080,591
	Withholding VAT Payable	113,752,427	96,035,999
	Provision for other assets **(Note-14.2)**	59,467,483	23,024,969
	Provision for income tax **(Note-14.3)**	4,120,414,595	2,779,418,113
	Deferred tax liabilities **(Note-14.4.1)**	421,612,598	437,688,626
	Provision for loans and advances **(Note-14.5)**	4,947,397,884	4,291,861,822
	Provision on off balance sheet items **(Note-14.6)**	543,559,458	413,402,774
	Interest suspense account **(Note-14.8)**	1,710,935,221	1,923,576,313
	Contribution to NCC Bank Foundation **(Note-14.9)**	16,842,229	28,577,729
	Provision for gratuity **(Note-14.10)**	75,000,000	56,237,011
	Provision for nostro accounts **(Note-14.11)**	100,000	7,700,000
	Reserve for unforeseen loss	19,353,200	19,368,416
		16,078,476,933	**16,608,008,820**
14.2	**Provision for other assets**		
	Opening balance	23,024,969	26,862,245
	Add: Provisions made during the year	36,442,514	-
	Less: Adjustment made during the year	-	(3,837,276)
	Closing balance	**59,467,483**	**23,024,969**
14.3	**Provision for income tax**		
	Opening balance	2,779,418,113	1,315,257,198
	Add: Provision made for current tax	1,340,996,482	1,464,160,915
	Less: Adjustment during the year	-	-
	Closing balance	**4,120,414,595**	**2,779,418,113**

Year wise unadjusted balance of provision for income tax

Accounting year	Assessment year		
2001	2002-2003	837,075	837,075
2003	2004-2005	79,740,525	79,740,525
2010	2011-2012	19,369,164	19,369,164
2011	2012-2013	12,149,862	12,149,862
2013	2014-2015	114,234,364	114,234,364
2014	2015-2016	195,664,397	195,664,397
2015	2016-2017	893,261,811	893,261,811
2016	2017-2018	1,464,160,915	1,464,160,915
2017	2018-2019	1,340,996,482	-
		4,120,414,595	**2,779,418,113**

14.4	**Consolidated provision for income tax**		
	Opening balance	3,026,283,465	1,546,660,604
	Add : Provision made for NCC Bank Limited	1,340,996,482	1,464,160,915
	Add : Provision made for NCCB Securities and Financial Services Limited	20,650,000	15,461,946
	Add : Provision made for NCCB Capital Limited	-	-
		1,361,646,482	1,479,622,861
	Less: Adjustment during the year	-	-
		4,387,929,947	**3,026,283,465**

14.4.1 Deferred tax

Deferred tax liabilities 2017

Particulars of liabilities	As per carrying value	As per tax base	Taxable temporary difference
Revaluation portion of land	320,083,348	-	320,083,348
Revaluation portion of building	127,054,133	-	127,054,133
Building/Office premises	1,048,487,037	583,075,943	465,411,094
Machinery & equipment	305,437,891	194,320,056	111,117,835
Computer equipment	149,625,583	75,227,199	74,398,384
Local software	25,142,664	9,551,376	15,591,288
Vehicle	36,032,944	32,544,198	3,488,746
Accrued interest on Govt. securities	579,157,662	-	579,157,662
Total	**2,591,021,262**	**894,718,772**	**1,696,302,490**
Rate			Applicable Rate
Deferred tax liabilities			**611,586,203**

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	31.12.2017 Taka	31.12.2016 Taka

Deferred tax liabilities 2016

Particulars of liabilities	As per carrying value	As per tax base	Taxable temporary difference
Revaluation portion of land	320,083,348	-	320,083,348
Revaluation portion of building	130,311,931	-	130,311,931
Building/Office premises	1,085,868,325	646,324,458	439,543,867
Machinery & equipment	438,072,470	262,813,947	175,258,523
Local software	26,346,365	5,052,836	21,293,529
Vehicles	41,051,625	33,091,324	7,960,301
Accrued interest on Govt. securities	369,925,733	-	369,925,733
Furniture & fixture	-	-	-
Total	**2,411,659,797**	**947,282,565**	**1,464,377,232**
Rate			Applicable Rate
Deferred tax liabilities			**518,816,101**

Opening balance	518,816,101	575,020,364
Add: Provision for revaluation reserve on land & building	-	-
	518,816,101	575,020,364
Less: Reverse provision for revaluation on land & building	-	-
	518,816,101	575,020,364
Addition during the year	92,770,102	-
	611,586,203	575,020,364
Adjustment made during the year	-	(56,204,263)
Closing balance	**611,586,203**	**518,816,101**

Deferred tax assets 2017

Particulars of assets	As per carrying value	As per tax base	Deductible temporary difference
Furniture and fixtures	362,846,452	379,865,182	(17,018,730)
Provision for investment fluctuation in shares	(323,347,799)	-	(323,347,799)
Provision for gratuity	(75,000,000)	-	(75,000,000)
Provision for other assets & provision for nostro accounts	(59,567,483)	-	(59,567,483)
Total	**(95,068,830)**	**379,865,182**	**(474,934,012)**
Rate			Applicable Rate
Deferred tax assets			**189,973,605**

* Determination of carrying value of vehicles considered as value mentioned in Third Schedule of ITO 1984.

Deferred tax assets 2016

Particulars of assets	As per carrying value	As per tax base	Deductible temporary difference
Furniture & fixture	365,168,811	380,926,186	(15,757,375)
Provision for investment fluctuation in shares	(400,397,331)	-	(400,397,331)
Provision for gratuity	(56,237,011)	-	(56,237,011)
Provision for other assets & provision for nostro accounts	(30,724,969)	-	(30,724,969)
Total	**(122,190,500)**	**380,926,186**	**(503,116,686)**
Rate			Applicable Rate
Deferred tax assets			**81,127,475**

Opening balance	81,127,475	112,473,642
Addition during the year	108,846,130	-
	189,973,605	112,473,642
Adjustment made during the year	-	(31,346,167)
Closing balance	**189,973,605**	**81,127,475**
Net deferred tax (assets)/liabilities	**421,612,598**	**437,688,626**
Net deferred tax (income)/ expense charged to P/L	**(16,076,028)**	**(24,858,096)**

14.5 Provision for loans and advances

a) Movement in specific provision on classified loans and advances

Opening balance	3,312,148,311	3,169,664,725
Less: Fully provided debt written off	(897,968,823)	(670,972,168)
Less: Waiver during the year	(173,737,013)	(21,598,828)
Add: Recoveries of amount previously written off	7,244,915	16,485,152
Net charged to profit and loss account	1,605,754,062	818,569,430
Closing balance	3,853,441,452	3,312,148,311

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		31.12.2017 Taka	31.12.2016 Taka
	b) Movement in general provision on unclassified loans and advances		
	Opening balance	979,713,511	851,676,063
	Add: Provision made for the year/net charge in profit and loss account	114,317,921	129,047,318
	Less: Waiver allowed against UC loan	(75,000)	(1,009,870)
		1,093,956,432	979,713,511
	Total (a+ b)	**4,947,397,884**	**4,291,861,822**
14.5.1	**Consolidated provision for loans and advances charged to profit and loss account**		
	a) Specific provision on classified loans and advances		
	NCC Bank Limited	1,605,754,062	818,569,430
	NCCB Securities and Financial Services Limited	19,674,704	1,500,000
	NCCB Capital Limited	-	-
		1,625,428,766	820,069,430
	b) Movement in general provision on unclassified loans and advances		
	NCC Bank Limited	114,317,921	129,047,318
	NCCB Securities and Financial Services Limited	-	-
	NCCB Capital Limited	-	-
		114,317,921	129,047,318
	Total (a+b)	**1,739,746,687**	**949,116,748**
14.6	**Provision on off-balance sheet items**		
	Opening balance	413,402,774	345,215,700
	Add: Provision made during the year	130,156,684	68,187,074
	Closing balance	**543,559,458**	**413,402,774**
14.7	**Provision for off-shore banking unit**		
	Opening balance	24,392,728	11,189,031
	Add: Provision made for the year/net charge in profit and loss account	24,725,471	13,203,697
	Less: Adjustment during the year	-	-
	Closing balance	**49,118,199**	**24,392,728**
14.8	**Interest suspense account**		
	Opening balance	1,923,576,313	1,719,322,140
	Add: Amount transferred during the year	699,843,169	982,053,601
	Less: Amount recovered during the year	(634,327,881)	(572,963,416)
	Less: Amount written off during the year	(235,236,466)	(159,565,520)
	Less: Amount waived during the year	(42,919,914)	(45,270,492)
	Closing balance	**1,710,935,221**	**1,923,576,313**
14.9	**Contribution to NCC Bank's CSR Fund**		
	Opening balance	28,577,729	25,000,000
	Add: Contribution during the year	7,500,000	25,000,000
	Less: Adjustment during the year	(19,235,500)	(21,422,271)
	Closing balance	**16,842,229**	**28,577,729**
14.10	**Provision for gratuity**		
	Opening balance	56,237,011	120,092,129
	Add: Provision made during the year	75,000,000	56,237,011
	Less: Adjusted/transferred to Fund	(56,237,011)	(120,092,129)
	Closing balance	**75,000,000**	**56,237,011**
14.11	**Provision for nostro accounts**		
	Opening balance	7,700,000	-
	Add: Provision made during the year	-	7,700,000
	Less: Adjustment made during the year	(7,600,000)	-
	Closing balance	**100,000**	**7,700,000**
14(a)	**Consolidated other liabilities**		
	NCC Bank Limited **(Note-14)**	16,142,211,125	16,637,259,091
	NCCB Securities and Financial Services Limited	1,371,245,050	1,386,964,047
	NCCB Capital Limited	5,169,280	5,181,780
		17,518,625,455	18,029,404,918
	Less: Inter company transactions	-	(12,500)
		17,518,625,455	**18,029,392,418**

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		31.12.2017 Taka	31.12.2016 Taka
15	**Share capital**		
15.1	**Authorized share capital**		
	1,000,000,000 ordinary shares @ of Tk. 10 each	**10,000,000,000**	**10,000,000,000**
15.2	**Issued, subscribed and fully paid-up capital**		
	39,000,000 Ordinary shares of Tk 10 each issued for cash	390,000,000	390,000,000
	699,734,433 Ordinary shares of Tk 10 each issued as bonus	6,997,344,330	6,997,344,330
	144,483,570 Ordinary shares of Tk 10 each issued as right share in Cash	1,444,835,700	1,444,835,700
	88,321,8003 Ordinary shares of Tk 10 each	**8,832,180,030**	**8,832,180,030**

15.3 History of paid-up capital of NCC Bank Limited

Accounting Year	Declaration	No. of Share	Value of capital	Cumulative
1993	Opening capital	19,500,000	195,000,000	195,000,000
1994	-	-	-	195,000,000
1995	-	-	-	195,000,000
1996	-	-	-	195,000,000
1997	-	-	-	195,000,000
1998	-	-	-	195,000,000
1999	Initial public offer (IPO)	19,500,000	195,000,000	390,000,000
2000	10% Bonus Share	3,900,000	39,000,000	429,000,000
2001	12% Bonus Share	5,148,000	51,480,000	480,480,000
2002	15% Bonus Share	7,207,200	72,072,000	552,552,000
2003	10% Bonus Share	5,525,520	55,255,200	607,807,200
2004	30% Bonus Share	18,234,210	182,342,100	790,149,300
2005	50% Right Share	30,238,570	302,385,700	1,092,535,000
2005	10% Bonus Share	10,925,350	109,253,500	1,201,788,500
2006	12.50% Bonus Share	15,022,350	150,223,500	1,352,012,000
2007	30% Bonus Share	40,560,360	405,603,600	1,757,615,600
2008	30% Bonus Share	52,728,460	527,284,600	2,284,900,200
2009	47% Bonus Share	107,390,300	1,073,903,000	3,358,803,200
2010	50% Right Share	114,245,010	1,142,450,100	4,501,253,300
2010	32% Bonus Share	144,040,105	1,440,401,050	5,941,654,350
2011	17% Bonus Share	101,008,123	1,010,081,230	6,951,735,580
2012	10% Bonus Share	69,517,355	695,173,550	7,646,909,130
2013	5% Bonus Share	38,234,545	382,345,450	8,029,254,580
2014	10% Bonus Share	80,292,545	802,925,450	8,832,180,030
		883,218,003	**8,832,180,030**	

15.4 % of shareholdings as on 31 December 2017

Particulars	No of share	% of holdings		
Directors/Sponsors	326,584,131	36.98	3,265,841,310	2,588,591,630
Financial institutions	159,063,688	18.01	1,590,636,880	1,037,967,980
Non Residence Bangladeshi	1,424,781	0.16	14,247,810	15,950,270
General shareholder	396,145,403	44.85	3,961,454,030	5,189,670,150
	883,218,003	**100.00**	**8,832,180,030**	**8,832,180,030**

15.5 Range wise shareholdings as on 31 December 2017

Range of holding of shares	No. of share holders	% of shares holding	No. of shares
Less than 5,000	44378	5.87	51,856,113
5,001 to 10,000	3445	2.86	25,237,214
10,001 to 20,000	1642	2.71	23,892,325
20,001 to 30,000	514	1.44	12,743,129
30,001 to 40,000	234	0.94	8,286,104
40,001 to 50,000	187	1.00	8,795,754
50,001 to 100,000	309	2.68	23,654,397
100,001 to 200,000	190	3.11	27,474,727
200,001 to 300,000	63	1.78	15,711,875
300,001 to 400,000	47	1.90	16,748,607
400,001 to 500,000	33	1.70	15,010,821
500,001 to 1,000,000	72	6.02	53,158,036
1,000,001 to 10,000,000	90	28.92	255,467,632
10,000,001 to 100,000,000	19	39.08	345,181,269
Total	**51223**	**100.00**	**883,218,003**

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	31.12.2017 Taka	31.12.2016 Taka
15.6 Capital to Risk-Weighted Asset Ratio (CRAR) (Solo Basis)		
i) Core capital (Tier- i)		
a) Common Equity Tier 1		
Paid-up capital	8,832,180,030	8,832,180,030
Statutory reserve -**(Note-16)**	6,545,223,669	5,927,548,654
General reserve -**(Note-17)**	10,162,348	10,162,348
Surplus in profit & loss account -**(Note-19)**	1,151,048,872	1,416,463,390
	16,538,614,919	**16,186,354,422**
Less: Regulatory adjustment for:		
Goodwill and other intangible assets	25,142,664	26,346,365
Reciprocal crossholdings in the CET-1 capital banking, financial and insurance entities	81,556,330	46,207,307
	106,698,994	**72,553,672**
	16,431,915,925	**16,113,800,750**
b) Additional Tier 1 Capital	-	-
	16,431,915,925	**16,113,800,750**
ii) Supplementary capital (Tier- ii)		
General provision on unclassified loan **(Note-14.5(b))**	1,093,956,432	979,713,511
General provision for off-balance sheet exposures **(Note-14.6)**	543,559,458	413,402,774
General Provision for off-shore banking unit **(Note-14.7)**	49,118,199	24,392,728
Revaluation reserve on Govt. securities	20,856,792	20,856,792
Assets revaluation reserve	171,301,883	171,301,883
	1,878,792,764	**1,609,667,688**
Less: Regulatory adjustment for assets revaluation	115,295,205	76,863,470
	1,763,497,559	**1,532,804,218**
A) Total capital (Tier-I + Tier-ii)	**18,195,413,484**	**17,646,604,967**
Total assets including off-balance sheet items	256,665,406,961	214,046,510,255
B) Total risk weighted assets **(Details computation of RWA shown in Annexure-G)**	158,051,151,604	147,483,461,822
C) Required capital except capital conservation buffer (10% of total risk weighted assets)	15,805,115,160	14,748,346,182
D) Required capital plus capital conservation buffer (11.25% of total risk weighted assets)	17,780,754,555	15,670,117,819
E) Surplus/(deficit) (A-D)	**414,658,929**	**1,976,487,149**
Capital to Risk-Weighted Asset Ratio (CRAR)	**11.51%**	**11.97%**

Capital to Risk-Weighted Asset Ratio (CRAR)

Capital requirement	2017		2016	
	Required	Held	Required	Held
Tier-I	6.00%	10.40%	5.50%	10.93%
Tier-II	4.00%	1.11%	4.50%	1.04%
Total Capital	**10.00%**	**11.51%**	**10.00%**	**11.97%**
Total Capital Plus Capital Conservation Buffer	**11.25%**	**11.51%**	**10.625%**	**11.97%**

15.7 Capital to Risk-Weighted Asset Ratio (CRAR) (Consolidated Basis)		
i) Core capital (Tier- i)		
a) Common Equity Tier 1		
Paid-up capital	8,832,180,030	8,832,180,030
Statutory reserve **(Note-16)**	6,545,223,669	5,927,548,654
General reserve **(Note-17)**	10,162,348	10,162,348
Non-controlling (Minority) interest **(Note-15.8)**	209	205
Surplus in profit & loss account **(Note-19(a))**	1,262,085,095	1,446,379,574
	16,649,651,351	**16,216,270,810**
Less: Regulatory adjustment for:		
Goodwill and other intangible assets	25,515,111	27,288,645
Reciprocal crossholdings in the CET-1 capital banking, financial and insurance entities	81,556,330	46,207,307
	107,071,441	**73,495,952**
	16,542,579,910	**16,142,774,859**
b) Additional Tier 1 Capital	-	-
	16,542,579,910	**16,142,774,859**
ii) Supplementary capital (Tier- ii)		
General provision on unclassified loan **(Note-14.5(b))**	1,093,956,432	979,713,511
General provision for off-balance sheet exposures **(Note-14.6)**	543,559,458	413,402,774
General provision for off-shore banking unit **(Note-14.7)**	49,118,199	24,392,728
Revaluation reserve on Govt. securities	20,856,792	20,856,792
Assets revaluation reserve of total	171,301,883	171,301,883
	1,878,792,764	**1,609,667,688**
Less: Regulatory adjustment for assets revaluation	115,295,205	76,863,470
	1,763,497,559	**1,532,804,218**
A) Total capital (Tier-I + Tier-ii)	**18,306,077,469**	**17,675,579,076**

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Total assets including off-balance sheet items	258,001,643,704	215,407,287,804
B) Total risk weighted assets	161,412,630,832	150,343,910,904
(Details computation of RWA shown in Annexure-G)		
C) Required capital except capital conservation buffer (10% of total risk weighted assets)	16,141,263,083	15,034,391,090
D) Required capital plus capital conservation buffer (11.25% of total risk weighted assets)	18,158,920,969	15,974,040,534
E) Surplus/(deficit) (A-D)	**147,156,500**	**1,701,538,543**
Capital to Risk-Weighted Asset Ratio (CRAR)	**11.34%**	**11.76%**

Capital to Risk-Weighted Asset Ratio (CRAR)

Capital requirement	2017		2016	
	Required	Held	Required	Held
Tier-I	6.00%	10.25%	5.50%	10.74%
Tier-II	4.00%	1.09%	4.50%	1.02%
Total Capital	**10.00%**	**11.34%**	**10.00%**	**11.76%**
Total Capital Plus Capital Conservation Buffer	**11.25%**	**11.34%**	**10.625%**	**11.76%**

15.8 Non-controlling (Minority) interest

Opening balance	205	205
Add: Profit attributable during the year	4	-
Less: Adjustment during the year	-	-
Closing balance	**209**	**205**

15.9 Name of the directors and their shareholdings:

S. L. No.	Name of directors	Status with Bank	Position as on 31.12.2017	Position as on 31.12.2016
1	Alhaj Md. Nurun Newaz	Chairman	18,043,901	18,043,901
2	Mrs. Sohela Hossain	Vice Chairman	19,215,472	17,715,472
3	Mr. Abdul Monem	Director	17,670,000	17,670,000
4	Mr. S.M. Abu Mohsin	Director	17,789,128	17,789,128
5	Mr. Md. Abdul Awal	Director	18,566,625	18,566,625
6	Mr. Yakub Ali	Director	17,666,512	17,666,512
7	Mr. Md. Abul Bashar	Director	18,568,275	18,568,275
8	Mr. Khairul Alam Chaklader	Director	33,172,058	33,172,058
9	Mr. Md. Moinuddin	Director	23,007,683	23,007,683
10	Mr. Md. Sazzad Un Newaz	Director	17,910,671	17,910,671
11	*Mr. Abdus Salam	Director	18,557,753	18,557,753
12	*Mr. Amjadul Ferdous Chowdhury	Director	17,680,444	17,680,444
13	Mr. K.A.M. Harun	Independent Director	-	-
14	Mr. Md. Amirul Islam, FCS, FCA	Independent Director	-	-
			237,848,522	**236,348,522**

* Mr. Abdus Salam and Mr. Amjadul Ferdous Chowdhury were not as a Director as on 31-12-2017. Both Directors are appointed by Board as on 13-02-2018.

16 Statutory reserve

Opening balance	5,927,548,654	5,224,066,591
Addition during the year (20% of pre-tax profit)	617,675,016	703,482,063
Closing balance	**6,545,223,669**	**5,927,548,654**

17 General reserve

Opening balance	10,162,348	10,162,348
Addition during the year	-	-
Adjustment during the year	-	-
Closing balance	**10,162,348**	**10,162,348**

18 Other reserve including assets revaluation reserve

Assets revaluation reserve on land and building **(Note - 18.(a))**	335,217,281	337,171,960
Revaluation reserve on Govt. securities **((Note - 18.(b))**	198,300,455	18,269,871
	533,517,737	**355,441,831**

18.(a) Assets revaluation reserve on land and building

Opening balance	337,171,960	339,176,759
Less : Adjustment for Provision for deferred tax	-	-
	337,171,960	339,176,759
Less: Depreciation on revalued amount transferred to retained earnings	1,954,679	2,004,799
	335,217,281	337,171,960
Add: Reverse deferred tax on revaluation on land	-	-
	335,217,281	337,171,960
Add: Addition during the year	-	-
	335,217,281	**337,171,960**

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	31.12.2017 Taka	31.12.2016 Taka
18.(b) Revaluation reserve on Govt. securities		
Opening balance	18,269,871	75,476,848
Add: Addition during the year	180,111,798	23,045,448
Held to maturity (HTM)	-	65,417
Held for trading (HFT)	180,111,798	17,184,537
Treasury bond (RM)	-	5,795,494
Less: Adjusted during the year	(81,214)	(80,252,425)
Held to maturity (HTM)	-	-
Treasury bond (RM)	-	(6,303,579)
Held for trading (HFT)	(81,214)	(73,948,846)
Closing balance	**198,300,455**	**18,269,871**
18.1 Foreign currency translation gain/(loss)		
Opening balance	399,963	7,639,571
Add: Transfer during the year	1,462,211	-
Less: Adjustment during the year	-	(7,239,608)
Closing balance	**1,862,174**	**399,963**
19 Surplus in profit and loss account		
Retained earnings brought forward from previous year (**Note-19.1**)	3,314,585	39,833,159
Profit for the year	1,763,454,624	2,078,107,496
Transfer to statutory reserve	(617,675,016)	(703,482,063)
	1,149,094,193	1,414,458,591
Depreciation on revalued amount of building transferred to retained earnings	1,954,679	2,004,799
	1,151,048,872	**1,416,463,390**
19(a) Consolidated surplus in profit and loss account		
Retained earning brought forward from previous year	33,230,769	68,816,759
Profit for the year	1,844,574,663	2,079,040,079
Transfer to statutory reserve	(617,675,016)	(703,482,063)
	1,260,130,416	1,444,374,775
Less: Non controlling (Minority) interest	-	-
	1,260,130,416	1,444,374,775
Depreciation on revalued amount of building Transferred to retained earnings	1,954,679	2,004,799
	1,262,085,095	**1,446,379,574**
19.1 Retained earnings		
Conventional banking	3,314,585	27,045,095
Off-shore banking unit	-	12,788,064
	3,314,585	**39,833,159**
Conventional banking		
Opening balance	1,372,903,218	1,153,148,049
Transferred from Offshore banking unit	43,560,172	-
Cash dividend paid	(1,413,148,805)	(1,126,102,954)
Closing balance	3,314,585	27,045,095
Off-shore banking unit		
Opening balance	43,560,172	12,788,064
Transferred to Onshore banking unit	(43,560,172)	-
Closing balance	-	12,788,064
19.2 Consolidated retained earnings		
Opening balance	1,446,379,574	1,194,919,713
Cash dividend paid	(1,413,148,805)	(1,126,102,954)
Closing balance	**33,230,769**	**68,816,759**
19.3 Consolidated foreign currency translation gain/(loss)		
NCC Bank Limited **(Note-18.1)**	1,862,174	399,963
NCCB Securities and Financial Services Limited	-	-
NCCB Capital Limited	-	-
	1,862,174	399,963
Less: Inter company transactions	-	-
	1,862,174	**399,963**

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		31.12.2017 Taka	31.12.2016 Taka
20	**Contingent liabilities**		
20.1	**Acceptances and endorsement**	**17,021,307,128**	**12,268,815,139**
20.2	**Letter of guarantee**		
	Money for which the Bank is contingently liable in respect of guarantees issued:		
	Directors	111,000	111,000
	Government	7,841,154,872	9,764,738,981
	Banks and other financial institutions	157,924,865	107,528,223
	Others	14,463,843,950	8,005,042,009
	Total	22,463,034,687	17,877,420,213
	Less: Margin **(Note 13.5)**	(1,052,192,816)	(851,804,839)
		21,410,841,871	**17,025,615,374**
20.3	**Letter of credit issued**		
	Documentary credit and short-term trade-related transactions	14,835,674,742	11,183,881,376
	Forward assets purchased and forward deposits placed	-	-
	Undrawn formal standby facilities, credit facilities and other commitments	-	-
	Spot and forward foreign exchange rate contract	-	-
	Other exchange contract	-	-
	Total	14,835,674,742	11,183,881,376
	Less: Margin **(Note 13.5)**	(1,886,646,559)	(1,132,772,811)
		12,949,028,183	**10,051,108,565**
20.4	**Bills for collection**	**35,929,211**	**10,160,692**

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		2017 Taka	2016 Taka
21	**Income statement**		
	Income		
	Interest, discount and similar income **(Note-21.1)**	14,661,628,125	13,212,571,814
	Dividend income **(Note-21.2)**	77,411,967	74,913,617
	Fee, commission and brokerage **(Note-21.3)**	663,885,657	607,591,764
	Gains less losses arising from dealing in foreign currencies	892,722,056	543,348,602
	Other operating income **(Note-26)**	509,902,479	412,416,886
		16,805,550,283	14,850,842,682
	Expenses		
	Interest, fee and commission **(Note-23)**	8,102,787,529	7,281,263,723
	Charges on loan losses	2,423,306	9,965,679
	Administrative expenses **(Note-21.4)**	3,234,762,759	2,630,373,755
	Other operating expenses **(Note-36)**	334,610,066	204,585,594
	Depreciation on banking assets **(Note-35)**	208,344,425	233,432,457
		11,882,928,085	10,359,621,208
		4,922,622,198	**4,491,221,474**
21.1	**Interest, discount and similar income**		
	Interest income on loans and advances	12,446,513,219	11,103,250,284
	Interest on balances with other banks and financial institutions	267,589,877	168,821,091
	Interest on treasury bill	-	80,525,321
	Interest on Reverse Repo (Treasury bills)	2,872,652	1,261,021
	Interest on treasury bond (RM)	232,569,770	375,012,494
	Gain on sale of shares	100,144,214	25,235,167
	Capital gain on sale of treasury bonds	3,039,569	56,384,727
	Interest on treasury bond (HTM)	1,414,829,354	1,267,155,197
	Interest on treasury bond (HFT)	40,861,174	15,032,882
	Interest on Bangladesh Bank bills	85,926,775	39,020,045
	Interest on subordinated bond	26,456,688	31,062,225
	Interest on commercial paper	40,824,832	38,519,444
	Discount on treasury bills and bonds	-	11,291,916
		14,661,628,125	**13,212,571,814**
21.2	**Dividend income**		
	Dividend on shares	77,411,967	74,913,617
	Dividend from NCCB Securities and Financial Services Ltd.	-	-
		77,411,967	**74,913,617**
21.3	**Commission and brokerage**		
	Commission	663,885,657	607,591,764
		663,885,657	**607,591,764**
21.4	**Administrative expenses**		
	Salary and allowances **(Note-27)**	2,528,344,451	1,999,158,677
	Rent, taxes, insurance, electricity etc. **(Note-28)**	371,777,981	329,395,840
	Legal expenses **(Note-29)**	19,396,390	17,052,825
	Postage, stamp and telecommunication **(Note-30)**	30,466,873	25,659,731
	Stationery, printing, advertisement etc. **(Note-31)**	67,281,104	65,641,616
	Chief executive officer's salary & allowances **(Note-32)**	9,409,672	11,400,000
	Director's fees & other meeting related expenses **(Note-33)**	4,898,586	3,976,000
	Auditors' fees **(Note-34)**	345,000	345,000
	Repairs & maintenance of bank's assets **(Note-35)**	202,842,702	177,744,066
		3,234,762,759	**2,630,373,755**
22	**Interest income**		
	Conventional banking **(Note-22.1)**	12,574,946,877	11,210,484,931
	Off-shore banking unit **(Note-22.2)**	182,423,085	89,566,501
		12,757,369,962	11,300,051,432
	Less: Inter transaction between OBU and conventional banking	(43,266,866)	(27,980,057)
		12,714,103,096	**11,272,071,375**

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		2017 Taka	2016 Taka
22.1	**Conventional banking**		
	Interest on loans and advances		
	Loan (General)	44,674,216	44,322,904
	Loan against house building	257,310,625	224,393,124
	Loan against imported merchandise	5,372,034	9,467,915
	Loan against trust receipts	937,406,099	1,078,377,238
	Loan against packing credit	18,198,157	14,766,999
	Demand Loan	1,392,657	39,420,061
	SOD against financial obligation	597,608,771	623,021,747
	Temporary business loan	-	172,773,879
	SOD general	1,794,952,355	1,297,827,189
	SOD export	51,488,081	16,814,097
	EDF	18,234,606	12,083,501
	Cash credit against pledge	3,655,731	6,920,661
	Cash credit against hypothecation	2,220,917,884	2,049,393,124
	Cash credit against export	915,174	591,094
	Forced loan	76,232,198	78,773,199
	FDBP & discounted	9,050,424	6,728,186
	Payment against documents	53,053,476	45,010,210
	Local documentary bills purchased	158,440,052	226,557,877
	Transport loan	50,513,598	35,731,893
	Lease finance	239,038,557	171,655,870
	Small business loan	67,200,992	79,152,606
	House renovation loan	224,077	571,062
	Personal loans	438,207	1,228,697
	Home improvement loan	33,387,772	26,890,776
	Short Term Finance (STF)	977,030,298	746,768,819
	Agricultural credit	174,616,771	167,723,341
	Festival small business loan	9,090,820	8,665,177
	Marriage loan	5,124,953	500,450
	Consumer loan	7,566,802	994,530
	Term loan (small, medium/large)	2,919,849,874	2,381,286,481
	Special housing loan	151,306,140	152,366,097
	Housing loan under refinance scheme	1,690,117	1,748,620
	Staff loan	17,961,306	15,552,181
	Staff house building loan	10,265,376	13,453,654
	Credit card	73,809,570	88,289,489
	Car loan scheme	20,058,029	13,578,763
	Short term loan	385,979,925	326,109,735
	Garments & foot wear cluster	661,944	1,207,685
	Time loan	869,278,724	832,810,920
	OBU	43,266,866	27,980,057
	Education loan scheme	93,742	153,931
		12,307,357,000	11,041,663,840
	Interest on balances with other banks and financial institutions		
	Fixed deposits with other banks	169,396,588	104,885,327
	Short term deposits with other banks	14,483,190	2,396,891
	Financial institutions	493,056	-
	Money at call & short notice	46,788,153	24,661,456
	Foreign banks	36,428,890	36,877,417
		267,589,877	168,821,091
		12,574,946,877	**11,210,484,931**
22.2	**Off-shore banking unit**	**182,423,085**	**89,566,501**
22(a)	**Consolidated interest income**		
	NCC Bank Limited **(Note-22)**	12,714,103,096	11,272,071,375
	NCCB Securities and Financial Services Limited	169,525,198	162,404,499
	NCCB Capital Limited	-	-
		12,883,628,294	11,434,475,874
	Less: Inter company transactions	(144,775,615)	(190,372,047)
		12,738,852,679	**11,244,103,827**
23	**Interest paid on deposits and borrowings**		
	Conventional banking **(Note-23.1)**	8,039,203,912	7,263,653,084
	Off-shore banking unit **(Note-23.2)**	106,850,483	45,590,696
		8,146,054,395	7,309,243,780
	Less: Inter transaction between OBU and conventional banking	(43,266,866)	(27,980,057)
		8,102,787,529	**7,281,263,723**

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	2017 Taka	2016 Taka
23.1 Conventional banking		
23.1a Interest paid on deposits		
Savings deposits	484,337,579	522,121,838
Short notice deposits	850,526,084	481,200,526
Fixed deposits	3,165,327,690	2,631,251,387
Special savings scheme	2,027,229,973	1,901,268,767
Special deposit scheme	290,613,212	450,338,623
NCCB youngster maximus & money plant scheme	7,635,602	10,740,831
Wage earners welfare DPS	1,694,082	13,862,198
Money double program	1,017,735,984	1,054,510,341
Money triple program	85,183,031	78,617,498
Foreign currency deposits	1,461,888	412,142
	7,931,745,127	7,144,324,151
23.1b Interest paid on borrowings		
Call deposits	70,280,492	27,945,565
Repurchase agreement (repo)	-	12,424,668
Bangladesh Bank refinance	37,178,293	78,958,700
	107,458,785	119,328,933
	8,039,203,912	**7,263,653,084**
23.2 Off-shore banking unit	**106,850,483**	**45,590,696**
23(a) Consolidated interest paid on deposits, borrowings, etc.		
NCC Bank Limited **(Note-23)**	8,102,787,529	7,281,263,723
NCCB Securities and Financial Services Limited	144,775,615	190,372,047
NCCB Capital Limited	-	-
	8,247,563,144	7,471,635,770
Less: Inter company transactions	(144,775,615)	(190,372,047)
	8,102,787,529	**7,281,263,723**
24 Income from investments		
Interest on treasury bills	-	80,525,321
Interest on Reverse Repo (Treasury bills)	2,872,652	1,261,021
Interest on treasury bond (RM)	232,569,770	375,012,494
Interest on treasury bond (HTM)	1,467,719,764	1,270,631,395
Interest on treasury bond (HFT)	40,861,174	15,032,882
Interest on Bangladesh Bank bills	85,926,775	39,020,045
Discount on treasury bills and bonds	-	11,291,916
Interest on subordinated bond	26,456,688	31,062,225
Interest on commercial paper	40,824,832	38,519,444
Dividend on shares	77,411,967	74,913,617
Gain on sale of shares	100,144,214	25,235,167
Capital gain on sale of treasury bonds	3,039,569	56,384,727
	2,077,827,405	2,018,890,253
Less: Loss on sale/revaluation/amortization of securities	(52,890,410)	(3,476,198)
	2,024,936,995	**2,015,414,055**
24(a) Consolidated income from investments		
NCC Bank Limited **(Note-24)**	2,024,936,995	2,015,414,055
NCCB securities and Financial Services Limited	25,601,847	14,523,724
NCCB Capital Limited	-	-
	2,050,538,842	2,029,937,779
Less: Inter company transactions	-	-
	2,050,538,842	**2,029,937,779**
25 Commission, exchange and brokerage		
Commission		
Commission on bill purchased	14,141,230	10,534,958
Commission on remittances	32,503,196	37,790,049
Commission on letter of guarantee	225,468,904	241,929,121
Commission on letter of credit	213,152,649	151,259,075
Commission on sanchaypatra	2,048,800	3,344,947
Commission on back to back LC.	30,632,236	24,452,689
Advising commission on letter of credit	8,240,112	7,915,969
Commission on acceptance of BTB L/C	29,749,018	26,950,274
Commission on acceptance (other than BTB)	104,511,656	100,742,992
Underwriting commission	3,040,055	2,576,290
Commission from national prize bonds	397,800	95,400
	663,885,657	607,591,764

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		2017 Taka	2016 Taka
	Exchange gain		
	Exchange gain	1,042,934,122	604,556,275
	Less: Exchange loss	(150,212,066)	(61,207,673)
		892,722,056	543,348,602
		1,556,607,713	**1,150,940,366**
25(a)	**Consolidated commission, exchange & brokerage**		
	NCC Bank Limited **(Note-25)**	1,556,607,713	1,150,940,366
	NCCB Securities and Financial Services Limited	147,720,633	98,901,967
	NCCB Capital Limited	-	-
		1,704,328,346	1,249,842,333
	Less: Inter company transactions	(5,980,000)	-
		1,698,348,346	**1,249,842,333**
26	**Other operating income**		
	Rent locker	4,471,387	4,287,823
	Rent godown	1,131,369	1,117,801
	Postage recoveries	6,371,518	6,315,698
	Telex, telegram, trunk call, fax, swift etc. recoveries	42,393,135	40,657,551
	Legal charge recoveries	453,970	15,000
	Service charges	83,396,121	84,173,980
	ATM transaction fees	2,022,181	1,787,517
	Risk allowance	1,506,990	1,281,752
	Account maintenance fees	96,582,761	93,059,943
	Card fees & others	59,968,312	55,886,708
	Banking & Clearing Charge	69,458,097	1,129,658
	Miscellaneous earnings	127,459,566	107,992,859
	Application and processing fees	14,687,072	14,710,596
		509,902,479	**412,416,886**
26(a)	**Consolidated other operating income**		
	NCC Bank Limited **(Note-26)**	509,902,479	412,416,886
	NCCB Securities and Financial Services Limited	2,918,628	2,359,404
	NCCB Capital Limited	-	-
		512,821,107	**414,776,290**
27	**Salary & allowances**		
	Conventional banking **(Note-27.1)**	2,524,979,056	1,996,129,822
	Off-shore banking unit **(Note-27.2)**	3,365,395	3,028,855
		2,528,344,451	**1,999,158,677**
27.1	**Conventional banking**		
	Basic salary	1,018,771,127	833,434,505
	House rent allowance	412,085,917	290,870,529
	Bank's contribution to provident fund	91,459,556	71,773,686
	Incentive Bonus	234,000,000	172,778,250
	Festival Bonus	167,615,705	132,496,600
	Other salary & allowances	526,046,751	438,539,241
	Gratuity-**(Note-14.10)**	75,000,000	56,237,011
		2,524,979,056	**1,996,129,822**
27.2	**Off-shore banking unit**	**3,365,395**	**3,028,855**
27(a)	**Consolidated salary & allowances**		
	NCC Bank Limited **(Note-27)**	2,528,344,451	1,999,158,677
	NCCB Securities and Financial Services Limited	32,319,868	31,510,381
	NCCB Capital Limited	-	-
		2,560,664,319	**2,030,669,058**
28	**Rent, taxes, insurance, electricity etc.**		
	Rent Office	200,763,660	176,620,041
	Rates and taxes		
	Rates	1,100,148	1,111,999
	Taxes	7,664,343	5,543,964
		8,764,491	6,655,963
	Insurance		
	Cash	6,455,755	6,705,134
	Fixed assets	1,211,684	1,263,813
	Deposits	89,459,885	74,532,168
		97,127,324	82,501,115
	Electricity	65,122,506	63,618,721
		371,777,981	**329,395,840**

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	2017 Taka	2016 Taka
28(a) Consolidated rent, taxes, insurance, electricity etc.		
NCC Bank Limited **(Note-28)**	371,777,981	329,395,840
NCCB Securities and Financial Services Limited	12,102,838	12,561,967
NCCB Capital Limited	-	-
	383,880,819	341,957,807
Less: Inter company transactions	-	-
	383,880,819	**341,957,807**
29 Legal expenses		
Legal charge	16,993,493	11,524,165
Stamp charge	334,470	135,920
Consultancy fee	1,663,375	5,142,740
Credit rating fee	405,052	250,000
	19,396,390	**17,052,825**
29 (a) Consolidated legal expenses		
NCC Bank Limited **(Note-29)**	19,396,390	17,052,825
NCCB Securities and Financial Services Limited	-	-
NCCB Capital Limited	-	-
	19,396,390	**17,052,825**
30 Postage, stamp and telecommunication		
Postage	9,597,066	10,677,149
Telex/swift/internet	13,093,482	7,761,540
Telephone -office	7,776,325	7,221,042
	30,466,873	**25,659,731**
30(a) Consolidated postage, stamp and telecommunication		
NCC Bank Limited **(Note-30)**	30,466,873	25,659,731
NCCB Securities and Financial Services Limited	315,779	260,466
NCCB Capital Limited	-	-
	30,782,652	**25,920,197**
31 Stationery, printing, advertisement etc.		
Printing and stationery:		
Printed stationery	19,934,085	19,685,447
Security stationery	10,813,855	11,215,273
Petty stationery	13,720,042	12,754,163
	44,467,982	43,654,883
Publicity and advertisement	22,813,122	21,986,733
	67,281,104	**65,641,616**
31(a) Consolidated stationery, printing, advertisement etc.		
NCC Bank Limited **(Note-31)**	67,281,104	65,641,616
NCCB Securities and Financial Services Limited	665,640	1,140,698
NCCB Capital Limited	-	-
	67,946,744	**66,782,314**
32 Chief Executive Officer's salary & allowances		
Basic salary	4,206,449	4,800,000
Festival bonus	500,000	800,000
Incentive bonus	1,000,000	1,000,000
Entertainment allowance	462,903	600,000
House maintenance allowances	1,110,966	1,440,000
Utility allowances	740,645	960,000
House rent allowance	1,388,709	1,800,000
	9,409,672	**11,400,000**
33 Director's fees & other meeting related expenses		
Meeting fees	3,082,000	2,432,000
Other benefits	1,816,586	1,544,000
	4,898,586	**3,976,000**

Bank has paid Tk. 8,000/- per attendance per person as honorarium according to the BRPD circular no. 11 dated 04 October 2015. Other benefits include traveling expenses of directors for attending meetings.

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	2017 Taka	2016 Taka
33(a) Consolidated Director's fees & other meeting related expenses		
NCC Bank Limited **(Note-33)**	4,898,586	3,976,000
NCCB Securities and Financial Services Limited	301,250	212,500
NCCB Capital Limited	-	-
	5,199,836	**4,188,500**
34 Auditors' fees	**345,000**	**345,000**
34(a) Consolidated auditors' fees		
NCC Bank Limited **(Note-34)**	345,000	345,000
NCCB Securities and Financial Services Limited	40,250	34,500
NCCB Capital Limited	13,500	13,500
	398,750	**393,000**
35 Repairs, maintenance, amortization and depreciation		
Repairs & maintenance		
Repairs & maintenance of fixed assets	178,093,118	148,581,608
Amortization of software	13,969,132	17,622,739
Renovation & maintenance of premises	10,780,452	11,539,719
	202,842,702	177,744,066
Depreciation (Annexure 'D')		
Furniture and fixtures	48,333,702	50,925,216
Machinery and equipment	78,485,905	92,134,363
Computer Equipment	35,905,530	42,098,296
Vehicles	15,500,420	17,473,175
Buildings & office premises	30,118,868	30,801,407
	208,344,425	233,432,457
	411,187,127	**411,176,523**
35(a) Consolidated repairs, maintenance, amortization and depreciation		
NCC Bank Limited **(Note-35)**	411,187,127	411,176,523
NCCB Securities and Financial Services Limited	5,690,769	6,919,355
NCCB Capital Limited	-	-
	416,877,896	**418,095,878**
36 Other expenses		
Conventional banking **(Note-36.1)**	334,520,741	204,585,594
Off-shore banking unit **(Note-36.2)**	89,325	-
	334,610,066	**204,585,594**
36.1 Other expenses		
Conventional banking		
Entertainment	26,757,310	24,626,435
Car expenses	60,137,436	57,582,372
Paper and periodicals	1,342,070	1,302,234
Trade subscription	6,219,078	8,005,034
Traveling & conveyance	29,082,537	26,084,225
Labour & other charges	2,966,043	1,885,663
Liveries and uniform	2,164,420	2,796,309
Water sewerage and gas	7,536,013	6,492,415
Laundry and cleaning	1,544,401	1,484,190
Training expenses	5,000,182	3,802,269
Business promotion	12,380,153	10,134,828
Donation	124,534,052	23,001,630
Welfare and recreation	1,886,500	1,660,000
Other bank charge	15,963,038	7,856,683
CDBL charge	38,571	27,253
Miscellaneous expenses	741,753	692,497
Credit card service charge	16,824,879	14,218,379
Loss on sale of fixed assets	4,402,304	6,133,179
Superannuation fund	15,000,000	6,800,000
	334,520,741	204,585,594
36.2 Off-shore banking unit	89,325	-
36(a) Consolidated other expenses		
NCC Bank Limited **(Note-36)**	334,610,066	204,585,594
NCCB Securities and Financial Services Limited	28,069,670	16,472,100
NCCB Capital Limited	26,380	16,265
	362,706,116	221,073,959
Less: Inter company transactions	(5,980,000)	-
	356,726,116	**221,073,959**

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		2017 Taka	2016 Taka
37	**Cash received from other operating activities**		
	Conventional banking		
	Other operating income	512,942,048	468,801,613
	Exchange earning	892,722,056	543,348,602
		1,405,664,104	1,012,150,215
	Off-shore banking unit	-	-
		1,405,664,104	**1,012,150,215**
37(a)	**Consolidated cash received from other operating activities**		
	NCC Bank Limited **(Note-37)**	1,405,664,104	1,012,150,215
	NCCB Securities and Financial Services Limited	2,918,629	2,359,404
	NCCB Capital Limited	-	-
		1,408,582,733	**1,014,509,619**
38	**Cash paid for other operating activities**		
	Conventional banking		
	Expenses for the year	870,281,507	815,323,363
	Add: Opening accrued expenses	10,509,960	6,545,902
	Less: Closing accrued expenses	(49,185,601)	(10,509,960)
		831,605,866	811,359,305
	Off-shore banking unit	-	-
		831,605,866	**811,359,305**
38(a)	**Consolidated cash paid for other operating activities**		
	NCC Bank Limited **(Note-38)**	831,605,866	811,359,305
	NCCB Securities and Financial Services Limited	21,648,145	20,913,395
	NCCB Capital Limited	-	26,000
		853,254,011	**832,298,700**
39	**Increase/(decrease) of other assets**		
	Conventional banking		
	Closing other assets		
	Stationery in hand	47,827,787	32,858,784
	Stamps and stamped forms in hand	3,174,804	3,340,645
	Advance deposit	4,610,151	4,050,778
	Advance against rent	163,260,263	175,915,071
	Suspense account	171,226,967	106,053,766
	Others	2,514,862,830	2,474,719,118
		2,904,962,801	2,796,938,162
	Opening other assets		
	Stationery in hand	32,858,784	8,960,384
	Stamps and stamped forms in hand	3,340,645	3,309,514
	Advance deposit	4,050,778	3,865,204
	Advance against rent	175,915,071	175,839,604
	Suspense account	106,053,766	140,378,949
	Others	2,474,719,118	2,438,886,492
		2,796,938,162	2,771,240,147
	Increase/(decrease) for the year	**108,024,640**	**25,698,015**
39(a)	**Increase/(decrease) of consolidated other assets**		
	Closing other assets		
	Stationery in hand	47,827,787	32,858,784
	Stamps and stamped forms in hand	3,174,804	3,340,645
	Advance deposit	4,610,151	4,050,778
	Advance against rent	163,260,263	175,915,071
	Suspense account	171,226,967	106,053,766
	Others	305,261,283	380,742,643
		695,361,255	702,961,687
	Opening other assets		
	Stationery in hand	32,858,784	8,960,384
	Stamps and stamped forms in hand	3,340,645	3,309,514
	Advance deposit	4,050,778	3,865,204
	Advance against rent	175,915,071	175,839,604
	Suspense account	106,053,766	140,378,949
	Others	380,742,643	215,476,333
		702,961,687	547,829,988
	Increase/(decrease) for the year	**(7,600,432)**	**155,131,698**

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		2017 Taka	2016 Taka
40	**Increase/(decrease) of other liabilities**		
	Conventional banking		
	Closing other liabilities		
	Interest suspense	1,710,935,221	1,923,576,313
	Inter branch transaction account	335,795,114	101,080,591
		2,046,730,335	2,024,656,904
	Opening other liabilities		
	Interest suspense	1,923,576,313	1,719,322,140
	Inter branch transaction account	101,080,591	124,362,842
		2,024,656,904	1,843,684,982
	Increase/(decrease) for the year	**22,073,431**	**180,971,922**
40(a)	**Increase/(decrease) of consolidated other liabilities**		
	NCC Bank Limited **(Note-40)**	22,073,431	180,971,922
	NCCB Securities and Financial Services Limited	(55,809)	-
	NCCB Capital Limited	-	-
		22,017,622	**180,971,922**
41	**Cash and cash equivalents**		
	Conventional banking		
	Cash in hand	1,610,355,779	1,336,085,062
	Balance with Bangladesh Bank and Sonali Bank Limited	10,786,217,203	9,110,681,150
	Balance with other bank and financial institutions	4,230,975,751	4,945,061,641
	Money at call and short notice	270,000,000	-
	Prize bonds	3,751,700	8,878,100
		16,901,300,433	15,400,705,953
	Off-shore banking unit	-	-
		16,901,300,433	**15,400,705,953**
41(a)	**Consolidated cash and cash equivalents**		
	NCC Bank Limited **(Note-41)**	16,901,300,433	15,400,705,953
	NCCB Securities and Financial Services Limited	116,793,663	73,353,301
	NCCB Capital Limited	-	-
		17,018,094,096	**15,474,059,254**
42	**Earnings per share (EPS)**		
	Net Profit after tax for the year (a)	1,763,454,624	2,078,107,496
	Weighted average number of ordinary share outstanding (b)	883,218,003	883,218,003
	Earnings per share (EPS) (a÷b)	**2.00**	**2.35**

Earnings per share have been calculated in accordance with BAS-33 "Earnings per share".

42 (a)	**Consolidated earnings per share**		
	Net Profit after tax for the year (a)	1,844,574,667	2,079,040,079
	Weighted average number of ordinary share outstanding (b)	883,218,003	883,218,003
	Consolidated earnings per share (a÷b)	**2.09**	**2.35**

Earnings per share have been calculated in accordance with BAS-33 "Earnings per share".

43 Events after the reporting period

The Board of Directors in its 382nd meeting held on 30-04-2018 approved the financial statements and also authorized the same for public issue. The Board also decided to recommend payment of 13% (Thirteen Percent) Cash dividend for the year 2017 for approval by the shareholders in the next ensuing Annual General Meeting (AGM). There are no other material events for disclosure.

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

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Annexure-A

National Credit and Commerce Bank Limited

BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS

Outside Bangladesh - Note 6.2
As on December 31, 2017

In demand deposit accounts (non interest bearing) with:

Name of the Bank	Currency Name	31-12-2017			31-12-2016		
		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.
AXIS Bank Ltd. Mumbai	ACU	8,119.49	82.70	671,482	232,393.57	78.70	18,289,885
Bank of Bhutan Ltd., Phuentsholing	ACU	-	-	-	26,756.62	78.70	2,105,805
Commerzbank AG, Frankfurt Am Main	EUR	-	-	-	75.25	81.91	6,163
Habib Metropolitan Bank Limited, Karachi	ACU	127,783.44	82.70	10,567,690	39,824.14	78.70	3,134,247
Habib American Bank, New York(OBU)	USD	-	-	-	650,084.86	78.70	51,163,109
Habibsons Bank Limited,UK	EUR	1,000.00	98.30	98,297	-	-	-
ICICI Bank Limited, Kolkata	ACU	354,434.58	82.70	29,311,740	758.88	78.70	59,726
ICICI Bank Limited	USD	-	-	-	241.89	78.70	19,037
Mashreqbank Psc, Mumbai	ACU	272,682.52	82.70	22,550,844	375,068.34	78.70	29,518,704
Nations Trust Bank Plc, Colombo	ACU	298,591.61	82.70	24,693,526	87,623.46	78.70	6,896,159
Nepal Bangladesh Bank Ltd., Kathmandu	ACU	39,621.62	82.70	3,276,708	39,621.62	78.70	3,118,309
Standard Chartered Bank, Singapore	SGD	18,826.29	61.73	1,162,237	359,514.00	54.28	19,513,485
Standard Chartered Bank, Tokyo	J.YEN	804,895.00	0.73	587,332	2,075,004.67	0.67	1,392,951
Standard Chartered Bank, Kolkata	ACU	-	-	-	588,103.72	78.70	46,285,057
Standard Chartered Bank, London	GBP	1,263.35	110.78	139,948	3,891.36	96.21	374,372
Standard Chartered Bank, Frankfurt Am Main	EUR	209,133.03	98.30	20,557,191	168,728.95	81.91	13,819,812
Sonali Bank (UK) Limited, London	GBP	47.98	110.78	5,315	459.42	96.21	44,199
Sonali Bank Limited, Kolkata	ACU	70,361.50	82.70	5,818,896	25,846.78	78.70	2,034,198
Sonali Bank (UK) Limited, London	USD	-	-	-	370.04	78.70	29,123
The Bank of Tokyo Mitsubishi UFJ Ltd, Tokyo	J.YEN	15,170,944.00	0.73	11,070,240	951.38	0.67	639
Tokyo Mitsubishi, Kolkata	ACU	-	-	-	3.04	78.70	239
United Bank Ltd., Karachi	ACU	103,784.24	82.70	8,582,957	83,116.09	78.70	6,541,419
Unicredit Spa, Milan	EUR	-	-	-	209,612.94	81.91	17,168,432
Westpac Banking Corporation, Australia	AUD	4,972.62	64.23	319,406	21,470.83	56.48	1,212,601.00
Wells Fargo Bank, NA	USD	925,474.72	82.70	76,536,759	115,242.96	78.70	9,069,874
				215,950,569			**231,797,545**

In demand deposit account (interest bearing) with :

CITI Bank NA, New York	USD	920,008.76	82.70	76,084,724	312,355.87	78.70	24,583,094.15
Mashreqbank Psc	USD	366,670.30	82.70	30,323,634	591.86	78.70	46,581
Standard Chartered Bank, New York	USD	2,697,027.50	82.70	223,044,174	1,459,932	78.70	114,899,829
				329,452,532			**139,529,504**
				545,403,101			**371,327,049**

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Annexure-B

National Credit and Commerce Bank Limited

Investment in Shares

As on 31 December 2017

SL No.	Name of Company	Face Value	No. of Shares	Cost value	Market Value per share as on 31.12.2017	Total Market Value as on 31.12.2017
	Quoted					
1	AB Bank Limited	10	156,552	6,219,000	22.10	3,459,799
2	Active Fine Chemicals Limited	10	250,000	10,152,960	35.20	8,800,000
3	Agrani Insurance Co. Limited	10	158,014	8,774,040	20.60	3,255,088
4	Agron Denims Limited	10	975,245	33,158,318	30.90	30,135,071
5	Al-Arafah Islami Bank Limited	10	1,968,970	45,803,456	24.10	47,452,177
6	Ambee Pharmaceuticals Limited	10	2,350	-	387.20	909,920
7	Asia Insurance Limited	10	77,339	5,809,122	23.90	1,848,402
8	Asia Pacific General Insurance Limited	10	790,500	30,603,248	25.20	19,920,600
9	Baraka Power Limited	10	115,000	4,289,590	34.40	3,956,000
10	Bata Shoe Co. (BD) Limited	10	5,000	3,368,950	1,171.80	5,859,000
11	Bay Leasing & Investment Limited	10	930,584	66,145,144	27.40	25,498,002
12	Bangladesh Building Systems Limited	10	110,000	5,673,977	38.20	4,202,000
13	Bangladesh Lamps Limited	10	806	-	186.80	150,561
14	BBS Cables Limited	10	156,000	19,737,437	105.70	16,489,200
15	Bangladesh Auto Cars Limited	10	7	-	107.50	753
16	Beximco Limited	10	80,341	4,872,875	27.00	2,169,207
17	Bangladesh General Insurance Co.	10	117,175	5,392,872	22.20	2,601,285
18	Bangladesh Submarine Cable Company Limited	10	204,932	32,186,769	103.10	21,128,489
19	Bashundhara Paper Mills Limited	10	43,226	3,458,080	80.00	3,458,080
20	BSRM Steel Limited	10	150,000	14,301,993	78.50	11,775,000
21	Dacca Dyeing & Manufacturing Co. Limited	10	175,159	6,540,520	8.90	1,558,915
22	Delta Life Insurance Company Limited	10	290,846	33,838,583	107.60	31,295,030
23	Dhaka Electric Supply Company Limited	10	1,036,616	72,012,264	45.40	47,062,366
24	Delta Brac Housing Finance Corporation Limited	10	21,991	2,761,592	136.00	2,990,776
25	Doreen Power Generations and Systems Limited	10	114,268	13,636,114	114.20	13,049,406
26	Eagle Star Textile Mills Limited	10	254,700	4,227,951	9.90	2,521,530
27	Far Chemical Industries Limited	10	330,000	7,971,760	19.50	6,435,000
28	FAS Finance & Investment Limited	10	750,000	16,701,407	21.70	16,275,000
29	Fareast Life Insurance Co. Limited	10	81,212	6,922,554	71.50	5,806,658
30	First Lease Finance & Investment Limited	10	50,529	1,178,613	11.60	586,136
31	Fortune Shoes Limited	10	268,800	13,166,003	39.70	10,671,360
32	GBB Power Limited	10	159,691	3,960,512	18.80	3,002,191
33	Grameenphone Limited	10	25,000	6,287,621	470.80	11,770,000
34	GPH Ispat Limited	10	624,750	26,603,027	38.80	24,240,300
35	Green Delta Insurance Co. Limited	10	242,285	20,107,598	61.40	14,876,299
36	Islami Bank Bangladesh Limited	10	230,000	8,868,332	36.60	8,418,000
37	IPDC Finance Limited	10	20,000	899,094	50.10	1,002,000
38	IDLC Finance Limited	10	100,000	5,123,805	85.30	8,530,000
39	Jamuna Bank Limited	10	774,650	18,278,045	22.00	17,042,300
40	Jamuna Oil Company Limited	10	215,300	42,725,317	189.70	40,842,410
41	Karnaphuli Insurance company Limited	10	163,280	5,789,881	17.60	2,873,728
42	Khulna Power Co. Limited	10	300,000	21,628,851	58.50	17,550,000
43	Lafarge Surma Cement Limited	10	215,000	13,920,283	69.90	15,028,500
44	Lanka Bangla Finance Limited	10	508,859	22,636,598	47.80	24,323,460
45	Linde Bangladesh Limited	10	14,353	19,055,523	1,284.70	18,439,299
46	Makson Spinning Mills Limited	10	265,890	6,576,456	10.10	2,685,489
47	Marico Bangladesh Limited	10	8,097	8,393,495	1,106.10	8,956,092
48	Mercantile Insurance Co. Limited	10	1,005,785	30,623,009	23.30	23,434,791
49	MJL Bangladesh Limited	10	251,770	30,821,425	109.10	27,468,107
50	Meghna Petroleum Limited	10	2,000	322,171	188.90	377,800
51	Navana CNG Limited	10	333,143	25,019,069	67.10	22,353,895
52	Nahee Aluminum Composite Panel Limited	10	12,553	114,120	73.40	921,390
53	National Bank Limited	10	1,524,495	25,531,210	13.00	19,818,435
54	Oimex Electrode Limited	10	7,128	64,800	65.20	464,746
55	Olympic Industries Limited	10	150,000	41,343,402	288.30	43,245,000
56	Orion Pharma Limited	10	200,000	10,293,944	48.70	9,740,000
57	Padma Oil Company Limited	10	45,804	10,866,255	239.00	10,947,156
58	Phoenix Finance and Investment Limited	10	160,000	6,168,182	37.70	6,032,000
59	Peoples Leasing & Financial Services Limited	10	668,896	36,134,880	13.70	9,163,875
60	Power Grid Co. Bangladesh Limited	10	27,500	1,731,905	52.20	1,435,500
61	Premier Leasing & Finance Limited	10	1,008,019	21,605,508	17.50	17,640,333

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SL No.	Name of Company	Face Value	No. of Shares	Cost value	Market Value per share as on 31.12.2017	Total Market Value as on 31.12.2017
62	Prime Islami Life Insurance Company Limited	10	4,767	357,126	54.90	261,708
63	Pubali Bank Limited	10	757,933	32,877,219	30.40	23,041,163
64	Quasem Drycells Limited	10	336,675	28,831,342	77.50	26,092,313
65	R.N. Spinning Mills Limited	10	1,809,360	50,171,728	16.50	29,854,440
66	Rupali Insurance Limited	10	254,115	9,892,089	20.40	5,183,946
67	Saiham Textile Mills Limited	10	42,262	1,193,306	19.20	811,430
68	Saif Powertec Limited	10	640,000	23,217,684	33.20	21,248,000
69	Summit Alliance Port Limited	10	1,107,680	50,726,064	34.30	37,993,424
70	South East Bank Limited	10	1,742,250	49,268,566	22.20	38,677,950
71	Square Textiles Limited	10	459,498	36,097,311	64.00	29,407,872
72	Square Pharmaceuticals Limited	10	131,400	25,213,093	301.80	39,656,520
73	Summit Power Limited	10	1,155,393	47,445,709	35.90	41,478,609
74	Titas Gas Transmission & Distribution Co. Limited	10	1,059,050	90,355,186	44.20	46,810,010
75	Union Capital Limited	10	177,291	5,255,911	20.10	3,563,549
76	Unique Hotel & Resorts Limited	10	266,400	31,553,613	56.80	15,131,520
77	United Airways (BD) Limited	10	1,680,448	33,362,945	5.60	9,410,509
78	United Commercial Bank Limited	10	300,000	7,550,080	23.60	7,080,000
79	United Power Generation & Distribution Compar	10	100,000	18,710,715	181.10	18,110,000
80	Uttara Finance and Invesments Limited	10	150,000	11,152,300	72.70	10,905,000
81	Uttara Bank Limited	10	558,754	24,292,803	35.30	19,724,016
			Total Quoted Share :	**1,527,924,302**		**1,188,385,885**
	Un-Quoted					
1	Bangladesh Rating Agency Limited		41,659	4,165,900	-	4,165,900
2	Central Depository Bangladesh Limited (CDBL)		1,142,361	3,138,890	-	3,138,890
3	MSF Asset Management Company		-	2,000,000	-	2,000,000
4	Star Ceramics Ltd.		10,000,000	100,000,000	-	100,000,000
5	SWIFT		14	2,843,073	-	2,843,073
6	Venture Investment Partner Bangladesh Limited		202,176	18,000,000	-	18,000,000
			Total Unquoted Share :	**130,147,863**		**130,147,863**
	Mutual Fund					
1	Green Delta Mutual Fund	10	2,540,000	24,097,776	9.20	23,368,000
2	NCCBL Mutual Fund-1	10	6,700,680	47,979,044	8.90	59,636,052
3	MBL 1st Mutual Fund	10	1,000,000	10,000,000	9.10	9,100,000
4	NCCBL Mutual Fund	10	15,000,000	150,000,000	9.10	136,500,000
5	SEBL 1st Mutual Fund	10	1,000,000	9,366,391	13.90	13,900,000
			Total Mutual Fund :	**241,443,211**		**242,504,052**
			Grand Total :	**1,899,515,376**		**1,561,037,800**

Calculation of required provision against investment in shares:

	Particulars		Cost Value	Value Considered for maintaining provision	Required Provision	Remarks
1	Quoted		1,527,924,302	1,188,385,885	(339,538,417)	Considered Market Value
2	Un-Quoted		130,147,863	130,147,863	-	
3	Mutual Fund		241,443,211	257,633,829	16,190,618	Considered NAV as per B.B DOS Circular No-10 dated 28 June 2015
	Grand Total		**1,899,515,376**	**1,576,167,577**	**(323,347,799)**	

Total market value of shares is lesser than cost price by Tk. 338,477,576/- against which provision of Tk. 323,347,799/- is appearing in these financial statements. As per DOS Circular No-10 dated 28 June 2015 reduced market value of mutual fund amounting to Taka 15,129,777/- was not considered in calculating required provision.

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Annexure-C

National Credit and Commerce Bank Limited

Statement of Large Loan Exposure
more than 10% of Total Capital of the Bank (Note-9.7)
As on 31 December 2017

(Amount in Crore

Sl. No	Name of Clients	2017			2016		
		Taka			Taka		
		Outstanding		Total	Outstanding		Total
		Funded	Non-Funded	Amount	Funded	Non-Funded	Amount
1	Doreen Power Generation & Systems Ltd.	265.04	80.77	345.81	359.50	75.28	434.78
2	Max Pre-Stress & Max Automobiles Ltd.	432.81	417.05	849.86	139.17	675.37	814.54
3	Ziri Subader Steel Re-Rolling Mills	-	-	-	195.60	9.33	204.93
4	Abul Khair Steel Industries Ltd.	151.73	194.80	346.53	151.57	172.92	324.49
5	NCCB Securities & Financial Services Limited	148.31	52.00	200.31	177.95	52.00	229.95
6	BSRM Steel Ltd.	158.38	69.25	227.63	-	-	-
7	Partex Group	-	-	-	168.55	20.03	188.58
8	DAF P.P. Ind. & allied concern	169.36	62.06	231.42	162.61	75.33	237.94
9	BRB Cable Industries Ltd.	106.32	152.17	258.49	-	-	-
10	City Group	30.06	192.94	223.00	99.73	99.44	199.17
11	Pran Agro Ltd.	223.35	70.59	293.94	156.75	54.89	211.64
12	Metro Group (Best Holdings Ltd.)	-	-	-	189.63	-	189.63
13	Navana Group	150.52	101.63	252.15	136.22	98.12	234.34
14	Apex Group	-	-	-	220.73	4.00	224.73
15	Kabir Group	194.76	-	194.76	-	-	-
16	T.K. Group	68.79	124.91	193.70	-	-	-
17	Brac	-	-	-	199.99	-	199.99
18	The Builders Engineer's Associates Ltd.	136.29	93.25	229.54	-	-	-
19	Noman Group	170.27	27.42	197.69	-	-	-
20	Summit Group	-	-	-	210.82	-	210.82
21	Mosharaf Group	152.96	37.18	190.14	-	-	-
	Grand -Total	**2,558.95**	**1,676.02**	**4,234.97**	**2,568.82**	**1,336.71**	**3,905.53**

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Annexure-D

National Credit and Commerce Bank Limited

Fixed Assets Schedule

As on 31 December 2017

Particulars	Cost/Revaluation				Depreciation				Written Down Value (WDV) as on 31 December 2017
	Balance as on 1 January 2017	Additions during the year	(Disposals) / adjustments during the year	Balance as on 31 December 2017	Balance as on 1 January 2017	Charge for the year	(Disposals)/ adjustments during the year	Balance as on 31 December 2017	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Land	451,906,672	-	-	451,906,672	-	-	-	-	451,906,672
Buildings and Office Premises:									
Building (Head Office premise on Land - 1)	602,095,117	1,729,913	-	603,825,030	29,473,308	14,336,161	-	43,809,469	560,015,561
Building (Structure on Land -2)	2,287,523	-	-	2,287,523	420,642	46,672	-	467,314	1,820,209
Dhanmondi Branch	102,180,815	-	-	102,180,815	15,606,758	2,164,351	-	17,771,109	84,409,706
Islampur Branch	56,785,217	-	-	56,785,217	9,083,149	1,192,551	-	10,275,700	46,509,517
Savar Branch	35,597,332	-	-	35,597,332	5,504,064	752,332	-	6,256,396	29,340,936
Bijoynagar Branch	99,179,248	-	-	99,179,248	14,130,957	2,126,207	-	16,257,164	82,922,084
Pragoti Sarani Branch	64,779,730	-	-	64,779,730	9,759,867	1,375,497	-	11,135,364	53,644,366
Uttara Branch	70,347,200	-	-	70,347,200	10,079,912	1,506,682	-	11,586,594	58,760,606
Agrabad Branch	60,682,473	-	-	60,682,473	8,609,159	1,301,833	-	9,910,992	50,771,481
Elephant Road Branch	85,401,266	-	-	85,401,266	12,045,796	1,833,887	-	13,879,683	71,521,583
Mitford Branch	23,264,107	-	-	23,264,107	3,129,830	503,357	-	3,633,187	19,630,920
O. R. Nizam Road Branch	135,711,537	-	-	135,711,537	16,537,998	2,979,338	-	19,517,336	116,194,201
Total Land, Buildings & Office Premises	**1,790,218,236**	1,729,913	-	**1,791,948,149**	**134,381,439**	**30,118,868**	-	**164,500,307**	**1,627,447,842**
Furniture & fixture	644,187,122	50,237,127	(21,620,265)	672,803,984	279,018,311	48,333,702	(17,394,481)	309,957,532	362,846,452
Machinery & equipment	793,476,212	41,166,946	(6,695,869)	827,947,289	448,731,263	78,485,905	(4,707,770)	522,509,398	305,437,891
Computer equipment	385,953,625	92,203,592	-	478,157,216	292,626,104	35,905,530	-	328,531,634	149,625,583
Vehicles	131,129,924	10,481,739	-	141,611,663	90,078,299	15,500,420	-	105,578,719	36,032,944
Work in Progress	-	5,500,000	-	5,500,000	-	-	-	-	5,500,000
December -2017 Total	**3,744,965,119**	**201,319,317**	**(28,316,134)**	**3,917,968,302**	**1,244,835,416**	**208,344,425**	**(22,102,251)**	**1,431,077,590**	**2,486,890,712**
December -2016 Total	**3,661,366,995**	**112,410,564**	**(28,812,440)**	**3,744,965,119**	**1,033,189,478**	**233,432,457**	**(21,786,519)**	**1,244,835,416**	**2,500,129,703**

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A. QASEM & CO.
Chartered Accountants
Since 1953

Annexure - E

NATIONAL CREDIT AND COMMERCE BANK LTD.

Borrowings from other banks, Financial Institutions and agents.
(Outside Bangladesh) - Note -12.1
As on December 31, 2017

Name of the Bank	Currency Name	2017			2016		
		Amount in Foreign Currency	Conversion rate per unit FC	Amount in BDT.	Amount in Foreign Currency	Conversion rate per unit FC	Amount in BDT.
ICICI Bank Limited, HKK	USD	2,505,320.96	82.70	207,190,043	-	-	-
Standard Chartered Bank, Kolkata	ACU	98,514.88	82.70	8,147,181	-	-	-
Commerzbank AG, Frankfurt Am Main	EUR	12,361.77	98.30	1,215,127	-	-	-
Sonali Bank London	USD	10,348.80	82.70	855,846	-	-	-
Unicredit Spa, Milan	EUR	37,188.77	98.30	3,655,552	-	-	-
Bank of Bhutan	ACU	15,033.88	82.70	1,243,302	-	-	-
				222,307,051			-

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Annexure-F

National Credit and Commerce Bank Limited

Corporate Tax Position
As on 31 December 2017

Accounting Year	Assessment Year	Current Tax Provision as per accounts	Tax Liability as per Assessment Order/Return	Excess/ (Shortage) provision	Advance Income Tax paid	Dues/ (Refund)	Remarks
1	2	3	4	5=(3-4)	6	7=(4-6)	8
Up to 2000	-	142,334,958	213,676,031	(71,341,073)	215,471,134	(1,795,103)	Assessment Completed
2001	2002-2003	119,081,542	146,692,885	(27,611,343)	139,829,928	6,862,957	Judgment received from High Court Division but revised assessment order yet to receive.
2002	2003-2004	171,702,723	177,842,495	(6,139,772)	177,842,495	-	Assessment Completed
2003	2004-2005	255,478,335	86,888,016	168,590,319	159,999,990	(73,111,974)	Judgment received from High Court Division but revised assessment order yet to receive.
2004	2005-2006	160,339,772	222,971,622	(62,631,850)	226,708,126	(3,736,504)	Assessment Completed
2005	2006-2007	328,285,074	322,779,734	5,505,340	322,779,734	-	Assessment Completed
2006	2007-2008	574,346,619	571,482,876	2,863,743	547,620,741	23,862,135	Reference to High Court Division
2007	2008-2009	658,972,487	765,003,802	(106,031,315)	739,195,123	25,808,679	Reference to High Court Division
2008	2009-2010	886,681,988	842,159,000	44,522,988	828,728,119	13,430,881	Reference to High Court Division
2009	2010-2011	780,131,543	815,826,019	(35,694,476)	796,981,982	18,844,037	Reference to High Court Division
2010	2011-2012	1,082,996,677	1,223,524,512	(140,527,835)	1,134,075,103	89,449,409	Reference to High Court Division
2011	2012-2013	1,423,823,445	1,450,710,827	(26,887,382)	1,409,879,461	40,831,366	Revised assessment order received but department reference to High Court Division.
2012	2013-2014	1,311,459,496	1,466,109,345	(154,649,849)	1,331,302,532	134,806,813	Tribunal order received but revised assessment order yet to receive
2013	2014-2015	1,204,981,256	1,133,206,082	71,775,174	1,063,429,734	69,776,348	Filed appeal before the appellate tribunal
2014	2015-2016	869,355,654	673,691,256	195,664,398	673,691,256	-	Assessment under process
2015	2016-2017	893,261,811	1,001,861,572	(108,599,761)	1,001,861,572	-	Return filed u/s-82BB but assessment order yet to receive.
2016	2017-2018	1,464,160,915	1,458,209,938	5,950,977	1,458,209,938	-	Return filed u/s-82BB but assessment order yet to receive.
2016	2017-2018	1,340,996,482	1,340,996,482	-	-	-	Return to be filed on 30 September 2018
Total		**13,668,390,777**	**13,913,632,494**	**(245,241,717)**	**12,227,606,968**	**345,029,044**	

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A. QASEM & CO.
Chartered Accountants
Since 1953

Annexure-G

National Credit and Commerce Bank Limited

Figure in Crore where applicable

Computation of Risk Weighted Assets (RWA)-Solo Basis as on 31 December 2017

Total Risk Weighted Assets (RWA)

Particulars	December 31,2017	December 31,2016
A. Credit Risk:		
On-Balance Sheet	11,749.19	11,161.55
Off-Balance Sheet	2,383.56	2,109.39
B. Market Risk	382.24	295.73
C. Operational Risk	1,290.14	1,181.68
Total Risk Weighted Assets (A+B+C)	**15,805.12**	**14,748.35**

a. i) Risk Weighted Assets for Credit Risk On Balance Sheet Exposure

SL. No.	Particulars	Bangladesh Bank's Rating Grade	December 31,2017			December 31,2016	
			Risk Weight	Exposure	Risk Weighted Assets	Exposure	Risk Weighted Assets
a)	Cash		0%	161.04	-	133.61	-
b)	Claims on Bangladesh Government (Other than PSEs) and BB (denominated in domestic and foreign currency)		0%	3,343.52	-	2,421.30	-
c)	Claims on other Sovereigns & Central Banks		0%	-	-	-	-
d)	Claims on Bank for International Settlements International Monetary Fund and European Central Bank		0%	-	-	-	-
e)	Claims on Multilateral Development Banks (MDBs)		0%	-	-	-	-
	i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, CEDB		0%	-	-	-	-
	ii) Other MDBs	1	20%	-	-	-	-
		2,3	50%	-	-	-	-
		4,5	100%	-	-	-	-
		6	150%	-	-	-	-
		Unrated	50%	-	-	-	-
f)	Claims on Public Sector Entities (excluding equity exposure)	1	20%	-	-	-	-
		2,3	50%	-	-	-	-
		4,5	100%	-	-	-	-
		6	150%	-	-	-	-
		Unrated	50%	-	-	-	-
g)	Claims on Banks and NBFIs (denominated in domestic as well as foreign currency)						
	i) Original maturity over 3 months	1	20%	-	-	-	-
		2,3	50%	-	-	-	-
		4,5	100%	-	-	-	-
		6	150%	-	-	-	-
		Unrated	100%	499.39	499.39	463.37	463.37
	ii) Original maturity up to 3 months		20%	165.48	33.10	248.85	49.77
h)	Claims on Corporate	1	20%	980.89	196.18	286.12	57.22
		2	50%	2,242.95	1,121.48	2,144.22	1,072.11
		3,4	100%	1,465.05	1,465.05	937.76	937.76
		5,6	150%	-	-	-	-
		Unrated	125%	276.54	345.68	983.97	1,229.96
h1)	Claims on SME	1	20%	9.59	1.92	-	-
		2	40%	14.60	5.84	224.77	89.91
		3	60%	1,002.60	601.56	212.50	127.50
		4	80%	259.27	207.42	94.64	75.72
		5	120%	-	-	-	-
		6	150%		-		-
		Unrated (Small enterprise & <BDT 3.00M)	75%	1,001.37	751.03	867.64	650.73
		Unrated (Small enterprise having≥ BDT 3.00M & medium enterprise)	100%	3,047.60	3,047.60	4,012.53	4,012.53
i)	Claims under Credit Risk Mitigation	PSE	N/A	-	-	-	-
		Banks & NBFIs	N/A	-	-	-	-
		Corporate	N/A	299.82	17.64	194.88	23.62
		Retail & Small	N/A	247.74	9.73	262.1706298	8.42
		Cons.Finance	N/A	-	-	-	-
		Res. Property	N/A	-	-	-	-
		Comm. Real estate	N/A	-	-	-	-

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j)	Claims categorized as retail portfolio (excluding SME Consumer Finance & Staff loan) up to 1 crore		75%	1,315.36	986.52	313.23	234.92
k)	Consumer Loan		100%	141.02	141.02	113.45	113.45
l)	Claims fully secured by residential property		50%	158.21	79.11	136.02	68.01
m)	Claims fully secured by commercial real estate		100%	262.99	262.99	212.99	212.99
n)	1. Past due claims (Risk weights are to be assigned net of specific provision)						
	Where specific provisions are less than 20 percent of the outstanding amount of the past due claim		150%	277.32	415.98	149.89	224.84
	Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim.		100%	103.14	103.14	143.8356291	143.84
	Where specific provisions are more than 50 percent of the outstanding amount of the past due claim.		50%	65.02	32.51	57.83474083	28.92
	2. Claims fully secured against residential property that are past due for more than 90 days and /or impaired and specific provision held there-against is less than 20% of outstanding amount.		100%	38.12	38.12	38.70684168	38.71
	3. Loans and Claims fully secured against residential property that are past due for more than 90 days and or impaired and specific provision held there-against is more than 20% of outstanding amount.		75%	2.78	2.09	4.066212285	3.05
o)	Capital Market Exposures		125%	148.31	185.39	180.84	226.05
p)	Unlisted equity investments and regulatory Capital instruments issued by other banks (Other than those deducted from capital) held in the banking book		125%	258.02	322.53	373.0688233	466.34
q)	Investments in venture capital		150%	-	-	-	-
r)	Investments in premises, plant and equipment and all other		100%	248.69	248.69	250.0129703	250.01
s)	Claims on all fixed assets under operating lease		100%	-	-	-	-
t)	All other assets:						
	i) Claims on GoB & BB		0%	339.56	-	67.01	-
	ii) Staff Loans		20%	79.54	15.91	60.00	12.00
	iii) Cash items in Process of Collection		20%	3.88	0.78	0.00	0.00
	iv) Claims on offshore Banking Unit		100%	496.43	496.43	249.04	249.04
	iv) Other assets (not specified above) [net of specific provision if any		100%	114.40	114.40	90.76	90.76
	Total			**19,070.24**	**11,749.19**	**15,929.09**	**11,161.55**

a ii). Risk Weighted Assets for Off-balance sheet exposure

SL. No.	Particulars	Bangladesh Bank's Rating Grade	December 31,2017			December 31,2016	
			Risk Weight	Exposure	Risk Weighted Assets	Exposure	Risk Weighted Assets
a.	Claims on Bangladesh Government and Bangladesh Bank		0%	-	-	-	-
b.	Claims on other Sovereigns & Central Banks		0%	-	-	-	-
c.	Claims on Bank for International Settlements International Monetary Fund and European Central Bank		0%	-	-	-	-
d.	Claims on Multilateral Development Banks (MDBs)		0%	-	-	-	-
	i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, CEDB		0%	-	-	-	-
	ii) Other MDBs	1	20%	-	-	-	-
		2,3	50%	-	-	-	-
		4,5	100%	-	-	-	-
		6	150%	-	-	-	-
		Unrated	50%	-	-	-	-
e.	Claims on Public Sector Entities (other than Government) in Bangladesh	1	20%	-	-	-	-
		1,2	50%	-	-	-	-
		4,5	100%	-	-	-	-
		6	150%	-	-	-	-
		Unrated	50%	-	-	-	-
f.	Claims on Banks and NBFIs			-	-	-	-
	i) Original maturity over 3 months	1	20%	-	-	-	-
		2,3	50%	-	-	-	-
		4,5	100%	-	-	-	-
		6	150%	-	-	-	-
		Unrated	100%	-	-	-	-
	ii) Original maturity less than 3 months		20%	-	-	-	-

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g)	Claims on Corporate	1	20%	787.85	157.57	328.97	65.79
		2	50%	1,186.54	593.27	695.32	347.66
		3,4	100%	533.57	533.57	295.56	295.56
		5,6	150%	-	-	-	-
		Unrated	125%	43.68	54.60	29.78	37.23
h)	Claims on SME	1	20%	-	-	-	-
		2	40%	2.63	1.05	9.32	3.73
		3	60%	166.31	99.79	257.60	154.56
		4	80%	60.50	48.40	22.64	18.11
		5	120%	-	-	-	-
		6	150%	-	-	-	-
		Unrated (Small enter-prise & <BDT 3.00M)	75%	111.41	83.56	113.79	85.34
		Unrated (Small enter-prise having> BDT 3.00M & medium enterprise)	100%	811.75	811.75	1,101.41	1,101.41
i)	Claims against retail portfolio and small & medium enterprise (excluding consumer loan)		75%	-	-	-	-
j)	Consumer Loan		100%	-	-	-	-
k)	Claims fully secured by residential property		50%	-	-	-	-
l)	Claims fully secured by commercial real estate		100%	-	-	-	-
m	Investments in venture capital		150%	-	-	-	-
n	All other assets		100%	-	-	-	-
	Total			**3,704.24**	**2,383.56**	**2,854.39**	**2,109.39**

b. Risk Weighted Assets for Market Risk Balance Sheet Exposure

Sl. No	Particulars	Capital Charge for Specific Risk	Capital Charge for General Market Risk	Total Capital Charge for Market Risk	Risk Weighted Assets against Market Risk	
					December 31,2017	December 31,2016
A.	Interest Rate Related Instruments	-	7.88	7.88	**78.82**	**0.50**
B.	Equities	14.46	14.46	28.92	**289.20**	**244.82**
C.	Foreign Exchange Position	-	1.42	1.42	**14.22**	**50.40**
	Total (A+B+C)	**14.46**	**23.76358**	**38.22**	**382.24**	**295.73**

c. Risk Weighted Assets for Operational Risk

SL. No.	Year	Gross Income	Average Gross Income	Capital Charge for Operational Risk	Risk Weighted Assets against Operational Risk	
					December 31,2017	December 31,2016
A.	2015	784.85				
B.	2016	855.16	860.09	129.01	**1,290.14**	**1,181.68**
C.	2017	940.26				

Computation of Risk Weighted Assets (RWA)-Consolidated Basis

Total Risk Weighted Assets (RWA)

Particulars	December 31,2017	December 31,2016
A. Credit Risk:		
On-Balance Sheet	11,857.99	11,309.50
Off-Balance Sheet	2,383.55	2,109.39
B. Market Risk	449.57	303.31
C. Operational Risk	1,450.15	1,312.19
Total Risk Weighted Assets (A+B+C)	**16,141.26**	**15,034.39**

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a. **i) Risk Weighted Assets for Credit Risk On Balance Sheet Exposure**

SL. No.	Particulars	Bangladesh Bank's Rating Grade	December 31,2017			December 31,2016	
			Risk Weight	Exposure	Risk Weighted Assets	Exposure	Risk Weighted Assets
a)	Cash		0%	161.04	-	142.83	-
b)	Claims on Bangladesh Government (Other than PSEs) and BB (denominated in domestic and foreign currency)		0%	3,343.52	-	2,421.30	-
c)	Claims on other Sovereigns & Central Banks		0%	-	-	-	-
d)	Claims on Bank for International Settlements International Monetary Fund and European Central Bank		0%	-	-	-	-
e)	Claims on Multilateral Development Banks (MDBs)		0%	-	-	-	-
	i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, CEDB		0%	-	-	-	-
	ii) Other MDBs	1	20%	-	-	-	-
		2,3	50%	-	-	-	-
		4,5	100%	-	-	-	-
		6	150%	-	-	-	-
		Unrated	50%	-	-	-	-
f)	Claims on Public Sector Entities (other than Government) in Bangladesh	1	20%	-	-	-	-
		2,3	50%	-	-	-	-
		4,5	100%	-	-	-	-
		6	150%	-	-	-	-
		Unrated	50%	-	-	-	-
g)	Claims on Public Sector Entities (excluding equity exposure)						
	i) Original maturity over 3 months	1	20%	-	-	-	-
		2,3	50%	-	-	-	-
		4,5	100%	-	-	-	-
		6	150%	-	-	-	-
		Unrated	100%	499.39	499.39	463.37	463.37
	ii) Original maturity up to 3 months		20%	202.94	40.59	399.60	79.92
h)	Claims on Corporate	1	20%	980.89	196.18	286.12	57.22
		2	50%	2,242.95	1,121.48	2,144.22	1,072.11
		3,4	100%	1,465.05	1,465.05	937.76	937.76
		5,6	150%		-		-
		Unrated	125%	276.54	345.68	983.97	1,229.96
h1)	Claims on SME	1	20%	9.59	1.92	-	-
		2	40%	14.60	5.84	224.77	89.91
		3	60%	1,002.60	601.56	212.50	127.50
		4	80%	259.27	207.41	94.64	75.72
		5	120%	-	-	-	-
		6	150%	-	-	-	-
		Unrated (Small enterprise & <BDT 3.00M)	75%	1,001.37	751.03	867.64	650.73
		Unrated (Small enterprise having> BDT 3.00M & medium enterprise)	100%	3,047.60	3,047.60	4,012.53	4,012.53
i)	Claims under Credit Risk Mitigation	PSE	N/A	-		-	
		Banks & NBFIs	N/A	-		-	
		Corporate	N/A	299.82	17.64	194.88	23.62
		Retail & Small	N/A	104.34	6.39	115.83	6.42
		Cons.Finance	N/A	143.40	3.34	146.34	2.01
		Res. Property	N/A	-	-	-	-
		Comm. Real estate	N/A	-	-	-	-
j)	Claims categorized as retail portfolio (excluding SME Consumer Finance & Staff loan) up to 1 crore		75%	1,315.36	986.52	313.23	234.92
k)	Consumer Loan		100%	141.02	141.02	113.45	113.45
l)	Claims fully secured by residential property		50%	158.21	79.10	136.02	68.01
m)	Claims fully secured by commercial real estate		100%	262.99	262.99	212.99	212.99
n)	1. Past due claims (Risk weights are to be assigned net of specific provision)						
	Where specific provisions are less than 20 percent of the outstanding amount of the past due claim		150%	277.32	415.98	149.89	224.84
	Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim.		100%	103.14	103.14	143.84	143.84
	Where specific provisions are more than 50 percent of the outstanding amount of the past due claim.		50%	65.02	32.51	57.83	28.92
	2. Claims fully secured against residential property that are past due for more than 90 days and /or impaired and specific provision held there-against is less than 20% of outstanding amount.		100%	38.12	38.12	38.71	38.71

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	3. Loans and Claims fully secured against residential property that are past due for more than 90 days and or impaired and specific provision held there-against is more than 20% of outstanding amount.		75%	2.78	2.09	4.07	3.05
o)	Capital Market Exposures		125%	448.31	560.39	484.58	605.72
p)	Unlisted equity investments and regulatory Capital instruments issued by other banks (Other than those deducted from capital) held in the banking book		125%	34.96	43.70	150.01	187.51
q)	Investments in venture capital		150%	-	-	-	-
r)	Investments in premises, plant and equipment and all other fixed assets		100%	249.90	249.90	251.42	251.42
s)	Claims on all fixed assets under operating lease		100%	-	-	-	-
t)	All other assets:						
	i) Claims on GoB & BB		0%	366.95	-	91.41	-
	ii) Staff Loans		20%	79.54	15.91	60.00	12.00
	iii) Cash items in Process of Collection		20%	3.88	0.78	0.00	0.00
	iv) Claims on offshore banking Unit		100%	496.43	496.43	249.04	249.04
	v) Other assets (not specified above) [net of specific provision if any		100%	118.33	118.33	106.31	106.31
	Total			**19,217.16**	**11,857.99**	**16,211.09**	**11,309.50**

a ii). Risk Weighted Assets for Off-balance sheet exposure

SL. No.	Particulars	Bangladesh Bank's Rating Grade	December 31,2017			December 31,2016	
			Risk	Exposure	Risk	Exposure	Risk
a.	Claims on Bangladesh Government and Bangladesh Bank		0%	-	-	-	-
b.	Claims on other Sovereigns & Central Banks		0%	-	-	-	-
c.	Claims on Bank for International Settlements International Monetary Fund and European Central Bank		0%	-	-	-	-
d.	Claims on Multilateral Development Banks (MDBs)		0%	-	-	-	-
	i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, CEDB		0%	-	-	-	-
	ii) Other MDBs	1	20%	-	-	-	-
		2,3	50%	-	-	-	-
		4,5	100%	-	-	-	-
		6	150%	-	-	-	-
		Unrated	50%	-	-	-	-
e.	Claims on Public Sector Entities (other than Government) in Bangladesh	1	20%	-	-	-	-
		1,2	50%	-	-	-	-
		4,5	100%	-	-	-	-
		6	150%	-	-	-	-
		Unrated	50%	-	-	-	-
f.	Claims on Banks and NBFIs			-	-	-	-
	i) Original maturity over 3 months	1	20%	-	-	-	-
		2,3	50%	-	-	-	-
		4,5	100%	-	-	-	-
		6	150%	-	-	-	-
		Unrated	100%	-	-	-	-
	ii) Original maturity less than 3 months		20%	-	-	-	-
g)	Claims on Corporate	1	20%	787.85	157.57	328.97	65.79
		2	50%	1,186.54	593.27	695.32	347.66
		3,4	100%	533.57	533.57	295.56	295.56
		5,6	150%	-	-	-	-
		Unrated	125%	43.68	54.60	29.78	37.23
h)	Claims on SME	1	20%	-	-	-	-
		2	40%	2.63	1.05	9.32	3.73
		3	60%	166.31	99.78	257.60	154.56
		4	80%	60.50	48.40	22.64	18.11
		5	120%	-	-	-	-
		6	150%	-	-	-	-
		Unrated (Small enter-prise & <BDT 3.00M)	75%	111.41	83.56	113.79	85.34
		Unrated (Small enter-prise having≥ BDT 3.00M & medium enterprise)	100%	811.75	811.75	1,101.41	1,101.41

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i)	Claims against retail portfolio and small & medium enterprise (excluding consumer loan)		75%	-	-	-	-
j)	Consumer Loan		100%	-	-	-	-
k)	Claims fully secured by residential property		50%	-	-	-	-
l)	Claims fully secured by commercial real estate		100%	-	-	-	-
m	Investments in venture capital		150%	-	-	-	-
n	All other assets		100%	-	-	-	-
	Total			**3,704.24**	**2,383.55**	**2,854.39**	**2,109.39**

b. **Risk Weighted Assets for Market Risk Balance Sheet Exposure**

Sl. No	Particulars	Capital Charge for Specific Risk	Capital Charge for General Market Risk	Total Capital Charge for Market Risk	Risk Weighted Assets against Market Risk	
					December 31,2017	December 31,2016
A.	Interest Rate Related Instruments	-	7.88	7.88	78.82	0.50
B.	Equities	16.20	16.20	32.40	324.01	252.41
C.	Foreign Exchange Position	-	4.67	4.67	46.74	50.40
	Total (A+B+C)	**16.20**	**28.75645**	**44.96**	**449.57**	**303.31**

c. **Risk Weighted Assets for Operational Risk**

SL. No.	Year	Gross Income	Average Gross Income	Capital Charge for Operational Risk	Risk Weighted Assets against Operational Risk	
					December 31,2017	December 31,2016
A.	2015	881.34	966.77	145.02	**1,450.15**	**1,312.19**
B.	2016	958.10				
C.	2017	1060.87				

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Annexure-H

National Credit and Commerce Bank Limited

Statement of the Name of the Directors and the entities in which they have interest as on 31 December 2017

SL. No.	Name of Directors	Status with the NCCBL	Name of the firms/companies in which interested as proprietor, partner, Director, managing agent, guarantor, employee etc.	% of interest
1	Alhaj Md. Nurun Newaz	Chairman	Royal International, Proprietor	100.00%
			Electro Mart Limited, Chairman	17.50%
			Trade International Marketing Ltd., Chairman	20.00%
			Newaz International Ltd., Managing Director	35.00%
			The Royal Bengal Agency, Proprietor	100.00%
			Central Insurance Company Limited, Shareholder	2.50%
			Electro Appliances Mfg.Industries Limited , Chairman	30.00%
			Orchid Energy Limited, Chairman	20.00%
2	Mrs. Sohela Hossain	Vice Chairman	Mir Akhter Hossain Ltd., Director	15.00%
			Mir Cement Ltd., Director	25.00%
			Mir Real Estate Ltd., Director	25.00%
			Mir Concrete Products Ltd., Director	25.00%
			Mir Power Ltd., Director	25.00%
			Mir Group of Companies Ltd., Director	25.00%
			Mir Supply Chain Ltd., Director	25.00%
			Rego Communications Ltd., Director	25.00%
3	Mr. Abdus Salam	Director	The Bengal Electric Ltd., Managing Director	70.00%
			Multiple Equipment & Engineering Ltd., Managing Director	60.00%
			Gangatia Fisheries Ltd., Managing Director	20.00%
			Bengal Shipyard Ltd., Managing Director	25.00%
4	Mr. Abdul Monem	Director	Abdul Monem Limited, Managing Director	32.13%
			Abdul Monem Sugar Refinery Limited, Managing Director	6.49%
			Igloo Foods Limited, Managing Director	15.38%
			AM Securities & Financial Services Limited, Director	3.33%
			AM Energy Limited,Managing Director	15.00%
			Igloo Ice Cream Limited, Managing Director	33.33%
			Novus Pharmaceuticals Limited , Director	4.98%
			Igloo Dairy Limited, Managing Director	18.18%
			AM Channel Limited, Managing Director	25.00%
			AM Auto Bricks Limited, Managing Director	20.00%
			AM Asphalt & Ready Mix Limited, Managing Director	20.00%
			Abdul Monem Economic Zone Limited, Director	14.35%
			AM Foods Limited, Managing Director	25.00%
			AM Development limited, Managing Director	25.00%
			AML Power Limited., Managing Director	10.00%
			AML Infotech Limited, Managing Director	10.00%
			AM Pharma Limited., Director	10.00%
			AM Beverage Limited. , Managing Director	40.00%
			AM Consulting Limited, Managing Director	33.33%
			AM Agricultural Products Limited, Managing Director	25.00%
			Millennium Cement Limited, Managing Director	10.00%
			Pure Foods and Beverage Industries (Pvt.) Ltd., Director	25.00%
5	Mr. S.M. Abu Mohsin	Director	Continental Insurance Limited, Director	3.77%
			Alliance Deep Sea Fishings Ltd, Chairman	12.50%
			Brothers Oxygen Ltd., Managing Director	80.00%
			Food of Accommodation Limited, Chairman	33.32%
			Rainbow CNG Service Station Ltd., Managing Director	58.50%
6	Mr. Mohammed Sazzad Un Newaz		Electro Mart Limited, Director	12.50%
			Trade International Marketing Ltd., Director	15.00%
			Newaz International Ltd., Director	10.00%
			Central Insurance Company Limited, Director	2.00%
			Blueberry Corporation, Sole Proprietorship	100.00%
			Orchid Corporation, Sole Proprietorship	100.00%
			Orchid Energy Limited, Managing Director	40.00%
7	Mr. Khairul Alam Chaklader	Director	Desh Medical College & Hospital , Chairman	50.00%
			Desh Diagnostic Center, Chairman	50.00%
			Gulshan Point (Pvt) Ltd., Managing Director	30.00%
			Gold Vision Industries Ltd., Managing Director	30.00%
			Eastern Logistics Ltd., Director	5.00%
			Maxwell Electronics, Proprietor	100.00%

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SL. No.	Name of Directors	Status with the NCCBL	Name of the firms/companies in which interested as proprietor, partner, Director, managing agent, guarantor, employee etc.	% of interest
8	Mr. Md. Abdul Awal	Director	Unique Steel Industries Ltd., Managing Director	8.33%
			Steel Enterprise Ltd., Managing Director	0.49%
			Prime Steel Re-Relling Mills Ltd., Managing Director	0.265%
			Jahanabad Ship Breakers Ltd., Chairman	50.00%
			Prime Textile Spinning Mills Ltd., Managing Director	6.12%
			Prime Peoples Property Ltd., Managing Director	24.40%
			Doleswar Iron & Engg. Works Ltd., Managing Director	0.28%
			Prime Trans National Ltd., Managing Director	0.20%
			Prime World Trade Ltd., Managing Director	80.00%
			Prime Super Printing Mills Ltd., Managing Director	80.00%
			Prime Synthetic Ltd., Managing Director	80.00%
			Prime Dyeing & Finishing Mills Ltd., Managing Director	80.00%
			Prime Blended Yarn Mills Ltd., Managing Director	99.912%
			Prime Weaving Mills Ltd., Managing Director	80.00%
			Prime Composite Mills Ltd., Managing Director	6.509%
			Prime Dairy & Poultry Ind. Ltd., Managing Director	80.00%
			Prime Fisheries Industries Ltd., Managing Director	80.00%
			Prime Melange Yarn Mills Ltd., Managing Director	12.50%
			Prime Knit Fashion Ltd., Managing Director	60.00%
			Prime Information Technology Ltd., Managing Director	50.00%
			Prime Group of Industries Ltd., Managing Director	20.00%
			Prime Knit Fabrics Ltd., Managing Director	75.00%
			Prime Textile Fabrics Ltd., Managing Director	75.00%
			Prime Energy Ltd., Managing Director	3.76%
			Prime Compact Yarn Mills Ltd., Managing Director	60.00%
			Prime Ship Breakers Ltd., Chairman	25.93%
			Prime Ship Recycling Ltd., Chairman	15.50%
			Prime FSS Ship Breakers Ltd., Chairman	5.025%
			Prime Steel Mills Ltd., Managing Director	10.00%
			Prime Ship Building Ltd., Managing Director	50.00%
			Prime Financial Consultants & Equities Ltd., Chairman	48.29%
			Prime Specialized Mills Ltd., Managing Director	50.00%
			Prime Platinum Fashion Ltd., Managing Director	50.00%
			Prime Fashionista Ltd., Managing Director	50.00%
			Prime Peoples Pharma Ltd., Managing Director	40.00%
			Prime Denims Ltd., Managing Director	40.00%
			Prime Home Textiles Ltd., Managing Director	40.00%
9	Mr. Yakub Ali	Director	Ali Fashion Limited, Chairman	23.81%
			Anowara Apparels Limited, Chairman	22.22%
			Anowara Fashions Limited, Chairman	21.83%
			Anowara Paper Mills Limited, Chairman	35.00%
			Bangladesh Fertilizer & Agro Chemicals Limited, Director	18.35%
			Diamond Cement Limited, Chairman	11.56%
			Fortune Navigation, Managing Partner	25.00%
			Habib Printers and Publisher Limited, Chairman	33.35%
			Habib Share & Securities Limited, Chairman & Managing Director	16.67%
			Habib Sons, Managing Partner	1:3
			Habib Steels Limited, Chairman	33.34%
			HG Aviation Limited, Director	8.33%
			Legacy Fashion Ware Limited., Chairman	10.60%
			Maam Textile Mills Limited, Chairman	16.00%
			MTS Re-rolling Mills Limited, Chairman	23.34%
			Mudys Navigation Limited, Chairman	35.00%
			Noor Garments Limited, Chairman	31.25%
			Ocean Merit Pte. Ltd., Director	10.00%
			Regent Energy and Power Limited, Chairman	0.02%
			Regent Fabrics Limited, Chairman	16.67%
			Regent Power Limited, Chairman	13.33%
			Regent Spinning Mills Limited., Chairman	1.09%
			Regent Textile Mills Limited., Chairman	12.06%
			Regent Weaving Limited, Chairman	33.33%
			Saims Superior Limited, Chairman	1.00%
			Valiant Fashion Ware Limited, Chairman	16.67%
			Valiant Garments Limited, Chairman	16.84%

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SL. No.	Name of Directors	Status with the NCCBL	Name of the firms/companies in which interested as proprietor, partner, Director, managing agent, guarantor, employee etc.	% of interest
10	Mr. Amjadul Ferdous Chowdhury	Director	B.S.A. Garments Ind. (Pvt.) Limited, Managing Director	19.00%
			B.S.A. Fashion Limited, Chairman	50.00%
			B.S.A. Apparels Limited, Chairman	25.00%
			Vanguard Garments Ltd., Chairman	50.00%
			Vanguard Fashion Ltd., Chairman	15.00%
			Vanguard Dresses Limited, Chairman	33.00%
			Vanguard Packages Limited, Chairman	33.00%
			Vanguard Maritime Limited, Chairman	30.00%
			Vanguard Designers Limited, Chairman	40.00%
			BSA Shipping Limited, Director	30.00%
			Glare Fashion Limited, Managing Director	50.00%
			Royal Cement Limited, Chairman	10.00%
			Brave Royal Shipping Limited, Managing Director	20.00%
			Royal P. P Bags Limited, Chairman	15.00%
			Harrods Garments Ltd., Director	46.00%
			S.N.Sports Wear Limited, Director	43.00%
			Glare Trading, Importer of Ahmed Foods , Proprietor	100.00%
			Vanguard Shares & Securities Ltd., Director	6.00%
11	Mr. Md. Abul Bashar	Director	Unique Steel Industries Ltd., Dy. Managing Director	4.17%
			Steel Enterprise Ltd., Dy.Managing Director	0.01%
			Prime Steel Re-Relling Mills Ltd., Dy.Managing Director	0.006%
			Jahanabad Ship Breakers Ltd., Managing Director	10.00%
			Prime Textile Spinning Mills Ltd., Dy.Managing Director	5.00%
			Prime Peoples Property Ltd., Dy.Managing Director	0.20%
			Doleswar Iron & Engg. Works Ltd., Dy.Managing Director	0.14%
			Prime Trans National Ltd., Dy.Managing Director	0.005%
			Prime World Trade Ltd., Dy.Managing Director	2.00%
			Prime Super Printing Mills Ltd., Dy.Managing Director	2.00%
			Prime Synthetics Ltd., Dy.Managing Director	2.00%
			Prime Dyeing & Finishing Mills Ltd., Dy.Managing Director	2.00%
			Prime Blended Yarn Mills Ltd., Dy.Managing Director	0.009%
			Prime Weaving Mills Ltd., Dy.Managing Director	2.00%
			Prime Composite Mills Ltd., Dy.Managing Director	0.219%
			Prime Dairy & Poultry Ind. Ltd., Dy.Managing Director	3.00%
			Prime Fisheries Industries Ltd., Dy.Managing Director	3.00%
			Prime Melange Yarn Mills Ltd., Dy.Managing Director	1.00%
			Prime Knit Fashion Ltd., Dy.Managing Director	5.00%
			Prime Information Technology Ltd., Dy.Managing Director	25.00%
			Prime Group of Industries Ltd., Dy.Managing Director	1.00%
			Prime Knit Fabrics Ltd., Dy.Managing Director	5.00%
			Prime Textile Fabrics Ltd., Dy.Managing Director	5.00%
			Prime Energy Ltd., Dy.Managing Director	0.54%
			Prime Compact Yarn Mills Ltd., Dy.Managing Director	5.00%
			Prime Steel Mills Ltd., Dy.Managing Director	2.00%
			Prime Ship Breakers Ltd., Managing Director	5.19%
			Prime Financial Consultants & Equities Ltd., Managing Director	16.46%
			Prime Ship Recycling Ltd., Managing Director	10.00%
			Prime FSS Ship Breakers Ltd., Managing Director	1.51%
			Prime Ship Building Ltd., Dy.Managing Director	8.00%
			Prime Specialized Mills Ltd., Dy. Managing Director	8.00%
			Prime Platinum Fashion Ltd., Dy. Managing Director	10.00%
			Prime Fashionista Ltd., Dy. Managing Director	10.00%
			Prime Peoples Pharma Ltd., Dy. Managing Director	10.00%
			Prime Denims Ltd., Dy. Managing Director	10.00%
			Prime Home Textiles Ltd., Dy. Managing Director	10.00%
12	Mr. Md. Moinuddin	Director	Janata Real Estate, Managing Director	60.00%
			Central Paris, Managing Director	70.00%
			Gausia Trading, Proprietor	100.00%
			Salam Trading	65.00%
13	Mr. Md. Amirul Islam, FCS, FCA	Independent Director	The Dacca Dyeing & Manufacturing Co. Limited, Independent Director	Nil
			Hakkani Pulp and Paper Mills Limited, Independent Director	Nil
			K.M. Hasan & Co. Chartered Accountants, Senior partner	20.00%
14	Mr. K.A.M. Haroon	Independent Director	Working as deputy team leader for "Consultancy Services for Techno-Economic Feasibility Study of Feni-Belonia Railway Line"'. A joint venture project by M/S Aarvee Associates Engineers & Consultants Pvt. Ltd, India with M/S ACE Consultants Ltd., Dhaka, Bangladesh.	Nil

* Mr. Abdus Salam and Mr. Amjadul Ferdous Chowdhury were not as a Director as on 31-12-2017. Both Directors are appointed by Board as on 13-02-2018.

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Annexure-I

National Credit and Commerce Bank Limited

Related Party Transactions:
As on 31 December 2017

The Bank in normal course of business has had transactions with other entities that fall within the definition of Related party as contained in Bangladesh Accounting Standards (BAS-24) (Related Party Disclosures) and as defined in the BRPD Circular # 14 dated 25 June 2003.

The Significant Related party transactions during the year were as follows:

Figure in Lac

SL. No.	Name of the Organization	Directors relation with the concern	Representing Directors	Nature of Transaction	Outstanding (Funded)	Outstanding (Non-funded)	Total Outstanding
1	Habib Sons Habib Shares & Securities Ltd.	Managing Partner Chairman & Managing Director	Mr. Yakub Ali do	LTR SOD(G)	237.52 22.87	- -	237.52 22.87
2	Prime Steel Re-rolling Mills Limited	Managing Director	Mr. Md. Abdul Awal	B/G	-	1.11	1.11
3	Shaheedullah & Associates	Guarantor	Mrs. Sohela Hossain	SOD(G)	102.88	-	102.88
				Total	**363.27**	**1.11**	**364.38**

A. QASEM & CO.
Chartered Accountants
Since 1953

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Annexure-J

National Credit and Commerce Bank Limited

Disclosure Regarding Outstanding Repo

As on 31 December 2017

a.(i) Disclosure regarding outstanding Repo as on 31 December 2017

Sl No	Counter Party Name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
1				Nil
2				
3				
4				
Total				-

a.(ii) Disclosure regarding outstanding reverse repo as on 31 December 2017

Sl No	Counter Party Name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
				Nil
Total				-

b. Disclosure regarding overall transaction of Repo and Reverse repo.

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under repo:			
i) with Bangladesh Bank			
ii) with other banks & FIs	401,215,900	999,510,000	233,454,317
Securities purchased under repo:			
i)from Bangladesh Bank			
ii)from other banks & FIs	49,595,250	700,991,482	88,997,781

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Annexure-K

National Credit and Commerce Bank Limited and its Subsidiaries
CONSOLIDATED FINANCIAL HIGHLIGHTS
For the year ended 31 December 2017

Sl. No.	Particulars	2017	2016
1	Paid-up capital	8,832,180,030	8,832,180,030
2	Total capital	18,306,077,469	17,675,579,076
3	Capital surplus/(deficit)	147,156,500	1,701,538,543
4	Total assets	203,645,697,936	174,067,010,384
5	Total deposits	159,837,231,522	132,739,105,492
6	Total loans & advances	149,633,833,880	129,070,067,579
7	Total contingent liabilities	54,355,945,768	41,340,277,420
8	Credit deposit ratio*	83.56%	83.92%
9	Percentage of classified loans against total loans & advances	5.67%	5.64%
10	Profit after tax & provision	1,844,574,667	2,079,040,079
11	Amount of classified loan during current year	8,490,068,379	7,274,006,612
12	Provision kept against classified loans	3,853,441,452	3,312,148,311
13	Provision surplus/(deficit)	150,000,225	287,317
14	Cost of fund (%)	7.83%	8.37%
15	Interest earning assets	174,682,068,406	147,967,664,007
16	Non-interest earning assets	28,963,629,530	26,099,346,377
17	Return on equity (ROE)	10.93%	12.89%
18	Return on assets (ROA)	0.98%	1.29%
19	Income from investment	2,050,538,842	2,029,937,779
20	Earnings per share (Taka)	2.09	2.35
21	Net income per share (Taka)	2.09	2.35
22	Price earning ratio (Times)	8.48	5.35

* Credit deposit ratio (CDR) calculation is made as per Bangladesh Bank guidelines.

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Annexure-L

National Credit and Commerce Bank Limited
FINANCIAL HIGHLIGHTS OF THE BANK
For the year ended on 31 December 2017

Sl. No.	Particulars	2017	2016
1	Paid-up capital	8,832,180,030	8,832,180,030
2	Total capital	18,195,413,484	17,646,604,967
3	Capital surplus/(deficit)	414,658,929	1,976,487,149
4	Total assets	202,309,461,193	172,706,232,835
5	Total deposits	159,988,445,540	132,800,377,658
6	Total loans & advances	146,633,841,617	126,003,479,329
7	Total contingent liabilities	54,355,945,768	41,340,277,420
8	Credit deposit ratio*	83.56%	83.92%
9	Percentage of classified loans against total loans & advances	5.79%	5.77%
10	Profit after tax & provision	1,763,454,624	2,078,107,496
11	Amount of classified loan during current year	8,490,068,379	7,274,006,612
12	Provision kept against classified loans	3,853,441,452	3,312,148,311
13	Provision surplus/(deficit)	150,000,225	287,317
14	Cost of fund (%)	7.83%	8.37%
15	Interest earning assets	173,892,060,704	149,711,418,156
16	Non-interest earning assets	28,417,400,489	22,994,814,679
17	Return on equity (ROE)	10.49%	12.91%
18	Return on assets (ROA)	0.94%	1.30%
19	Income from investment	2,024,936,995	2,015,414,055
20	Earnings per share (Taka)	2.00	2.35
21	Net income per share (Taka)	2.00	2.35
22	Price earning ratio (Times)	8.86	5.36

* Credit deposit ratio (CDR) calculation is made as per Bangladesh Bank guidelines.

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Annexure-M

National Credit and Commerce Bank Limited

Financial Reporting by Segments

For the year ended on 31 December 2017

i) Geographical Segment

Particulars	In Bangladesh							
	Solo			Subsidiaries			Inter Company Transaction	Consolidated
	NCC Bank Limited (Conventional Banking)	Off-Shore Banking Units	Total	NCCB Securities and Financial Services Limited	NCCB Capital Limited	Total		
Income	16,666,394,064	182,423,085	16,848,817,149	345,766,306	-	345,766,306	(150,755,615)	17,043,827,840
Less: Inter segmental income	(43,266,866)	-	(43,266,866)	-	-	-	-	(43,266,866)
Total Income	16,623,127,198	182,423,085	16,805,550,283	345,766,306	-	345,766,306	(150,755,615)	17,000,560,974
Operating profit (Profit before unallocated expenses and tax)	16,623,127,198	182,423,085	16,805,550,283	345,766,306	-	345,766,306	(150,755,615)	17,000,560,974
Allocated expenses	11,815,889,748	110,305,203	11,926,194,951	224,281,679	39,880	224,321,559	(150,755,615)	11,999,760,895
Less: Inter segmental expenses	(43,266,866)	-	(43,266,866)	-	-	-	-	(43,266,866)
Total expenses	11,772,622,882	110,305,203	11,882,928,085	224,281,679	39,880	224,321,559	(150,755,615)	11,956,494,029
Provision against loans and advances and others	1,809,521,649	24,725,471	1,834,247,120	19,674,704	-	19,674,704	-	1,853,921,824
Profit/(loss) before tax	3,040,982,667	47,392,411	3,088,375,078	101,809,923	(39,880)	101,770,043	-	3,190,145,121
Income tax including deferred tax	1,324,920,454	-	1,324,920,454	20,650,000	-	20,650,000	-	1,345,570,454
Net Profit after tax	1,716,062,213	47,392,411	1,763,454,624	81,159,923	(39,880)	81,120,043	-	1,844,574,667
Segment assets	199,939,041,680	4,964,332,963	204,903,374,643	5,173,527,962	263,633,239	5,437,161,201	(4,100,924,458)	206,239,611,386
Less: Inter segmental assets	(2,593,913,450)	-	(2,593,913,450)	-	-	-		(2,593,913,450)
Total Assets	197,345,128,230	4,964,332,963	202,309,461,193	5,173,527,962	263,633,239	5,437,161,201	(4,100,924,457)	203,645,697,936
Segment Liabilities & Equity	199,939,041,680	4,964,332,963	204,903,374,643	5,173,527,962	263,633,239	5,437,161,201	(4,100,924,458)	206,239,611,386
Less: Inter segmental Liabilities	(2,593,913,450)	-	(2,593,913,450)	-	-	-	-	(2,593,913,450)
Total Liabilities & Equity	**197,345,128,230**	**4,964,332,963**	**202,309,461,193**	**5,173,527,962**	**263,633,239**	**5,437,161,201**	**(4,100,924,458)**	**203,645,697,936**

ii) Business Segment

Particulars	Conventional Banking	Off-Shore Banking Units	Remittance	Investment (NCCBSFSL & NCCBCL)	Total	Inter Company Transaction	Consolidated
Income	16,633,890,868	182,423,085	32,503,196	345,766,306	17,194,583,455	(150,755,615)	17,043,827,840
Less: Inter segmental income	(43,266,866)	-	-	-	(43,266,866)		(43,266,866)
Total Income	16,590,624,002	182,423,085	32,503,196	345,766,306	17,151,316,589	(150,755,615)	17,000,560,974
Operating Profit (Profit before unallocated expenses and tax)	16,590,624,002	182,423,085	32,503,196	345,766,306	17,151,316,589	(150,755,615)	17,000,560,974
Allocated expenses	11,802,243,873	110,305,203	13,645,875	224,321,559	12,150,516,510	(150,755,615)	11,999,760,895
Less: Inter segmental expenses	(43,266,866)	-	-	-	(43,266,866)	-	(43,266,866)
Total Expenses	11,758,977,007	110,305,203	13,645,875	224,321,559	12,107,249,644	(150,755,615)	11,956,494,029
Provision against loans and advances and othe	1,809,521,649	24,725,471	-	19,674,704	1,853,921,824	-	1,853,921,824
Profit/(Loss) before tax	3,022,125,346	47,392,411	18,857,321	101,770,043	3,190,145,121	-	3,190,145,121
Income tax including deferred tax	1,324,920,454	-	-	20,650,000	1,345,570,454	-	1,345,570,454
Net Profit after tax	1,697,204,892	47,392,411	18,857,321	81,120,043	1,844,574,667	-	1,844,574,667
Segment Assets	199,939,041,680	4,964,332,963	-	5,437,161,201	210,340,535,844	(4,100,924,458)	206,239,611,386
Less: Inter segmental assets	(2,593,913,450)	-		-	(2,593,913,450)	-	(2,593,913,450)
Total Assets	197,345,128,230	4,964,332,963	-	5,437,161,201	207,746,622,394	(4,100,924,458)	203,645,697,936
Segment Liabilities & Equity	199,939,041,680	4,964,332,963	-	5,437,161,201	210,340,535,844	(4,100,924,458)	206,239,611,386
Less: Inter segmental Liabilities	(2,593,913,450)	-	-	-	(2,593,913,450)	-	(2,593,913,450)
Total Liabilities & Equity	**197,345,128,230**	**4,964,332,963**	**-**	**5,437,161,201**	**207,746,622,394**	**(4,100,924,458)**	**203,645,697,936**

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A. QASEM & CO.
Chartered Accountants
Since 1953

Annexure-N

National Credit and Commerce Bank Limited
Off-shore Banking Unit
Balance Sheet
As at 31 December 2017

PROPERTY AND ASSETS	Notes	31.12.2017		31.12.2016	
		USD	BDT	USD	BDT
Cash		-	-	-	-
In hand (including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		-	-	-	-
Balance with other banks and financial institutions	3	**634,982**	**52,513,039**	**650,103**	**51,163,109**
In Bangladesh		-		-	-
Outside Bangladesh		634,982	52,513,039	650,103	51,163,109
Loans and advances	4	**59,393,228**	**4,911,819,924**	**30,994,572**	**2,439,272,822**
Loans, cash credits, overdrafts, etc.	4.1	-	-	-	-
Bills purchased & discounted	4.2	59,393,228	4,911,819,924	30,994,572	2,439,272,822
Fixed assets including premises, furnitures and fixtures	5	-	-	-	-
Other assets	6	-	-	-	-
Non-banking assets		-	-	-	-
TOTAL ASSETS		**60,028,210**	**4,964,332,963**	**31,644,675**	**2,490,435,931**
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents	7	**58,546,426**	**4,841,789,424**	**30,578,981**	**2,406,565,791**
Deposits and other accounts	8	-	-	-	-
Current deposits and other accounts		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Fixed deposits		-	-	-	-
Term deposits		-	-	-	-
Other liabilities	9	**871,211**	**73,288,954**	**507,116**	**39,910,006**
TOTAL LIABILITIES		**59,417,637**	**4,915,078,377**	**31,086,097**	**2,446,475,796**
Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
General reserve		-	-	-	-
Other reserve-assets revaluation reserve		-	-	-	-
Revaluation gain/(Loss)		-	-	-	-
Foreign currency translation gain/(loss)	9.2	-	1,862,174	-	399,963
Surplus in profit and loss A/C	10	610,573	47,392,411	558,579	43,560,172
TOTAL SHAREHOLDERS' EQUITY		**610,573**	**49,254,586**	**558,579**	**43,960,135**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**60,028,210**	**4,964,332,963**	**31,644,675**	**2,490,435,931**
CONTRA ENTRIES		-		-	-
Off balance sheet items:					
Contingent liabilities	11				
Acceptances and endorsements		-	-	-	-
Letters of guarantee		-	-	-	-
Letters of credit issued		-	-	-	-
Bills for collection		-	-	-	-
Other contingent liabilities :					
Claims against the bank not acknowledged as debt		-	-	-	-
Capital commitments		-	-	-	-
Export development fund (EDF)					
TOTAL OFF BALANCE SHEET ITEMS		-	-	-	-

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

A member firm of Ernst & Young Global Limited
EY refers to the global organization, and/or one or more of the independent member firms of Ernst & Young Global Limited

National Credit and Commerce Bank Limited (Off-shore Banking Unit)
Profit and Loss Account
For the year ended on 31 December 2017

	Notes	2017		2016	
		USD	BDT	USD	BDT
Interest income	12	2,262,799	182,423,085	1,141,496	89,566,501
Less: Interest paid on deposits and borrowings	13	1,325,387	106,850,483	581,038	45,590,696
Net interest income		**937,412**	**75,572,602**	**560,457**	**43,975,805**
Commission, exchange and brokerage	14	-	-	-	-
Total operating income		**937,412**	**75,572,602**	**560,457**	**43,975,805**
Salary and allowances	15	**41,745**	**3,365,395**	-	-
Rent, taxes, insurance, electricity etc.	16	-	-	-	-
Legal expenses	17	-	-	-	-
Postage, stamp, telecommunication etc.	18	-	-	-	-
Stationery, printing, advertisement etc.	19	-	-	-	-
Audit fee	20	-	-	-	-
Depreciation and repair of bank's assets	21	-	-	-	-
Other expenses	22	**1,108**	**89,325**	-	-
Total operating expense		**42,853**	**3,454,720**	-	-
Profit before provisions		**894,559**	**72,117,882**	**560,457**	**43,975,805**
Provision for loans and advances		**283,987**	**24,725,471**	**168,357**	**13,203,697**
Specific provision		-		-	
General provision		283,987	24,725,471	168,357	13,203,697
Provision for off-balance sheet exposures		-	-	-	-
Provision for gratuity		-	-	-	-
Provision for investment fluctuation in shares		-	-	-	-
Provision for incentive Bonus		-	-	-	-
Provision for other assets		-	-	-	-
Total provisions		**283,987**	**24,725,471**	**168,357**	**13,203,697**
Profit before tax		**610,573**	**47,392,411**	**392,100**	**30,772,108**
Provision for tax		-		-	
Current tax		-	-	-	-
Deferred Tax		-	-	-	-
Profit after tax		**610,573**	**47,392,411**	**392,100**	**30,772,108**

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National Credit and Commerce Bank Limited (Off-shore Banking Unit)

Cash Flow statement

For the year ended on 31 December 2017

	2017		2016	
	USD	BDT	USD	BDT
A) Cash flows from operating activities				
Interest received in cash	2,262,799	182,423,085	1,339,425	105,103,926
Interest paid by cash	(935,332)	(73,804,278)	(383,868)	(30,073,419)
Dividend received	-	-	-	-
Fees & commission received in cash	-	-	-	-
Recoveries of loans previously written off	-	-	-	-
Cash paid to employees as salary	(41,745)	(3,365,395)	-	-
Cash paid to suppliers	-	-	-	-
Income taxes paid	-	-	-	-
Received from other operating activities	-	-	-	-
Paid for other operating activities	(1,108)	(89,325)	-	-
Operating profit before changes in operating assets and liabilities	1,284,614	105,164,088	955,556	75,030,507
Increase/(decrease) in operating Assets & Liabilities				
Purchase-sale of trading securities	-	-	-	-
Loans and advances to other banks	(28,398,656)	(2,472,547,102)	(16,835,722)	(1,320,369,715)
Loans and advances to customers (Other than Banks)	-	-	-	-
Other assets				
Deposits/ borrowings from other Banks	27,967,445	2,435,223,633	15,881,870	1,252,842,560
Deposits from customers (Other than Banks)	-	-	-	-
Other liabilities account of customers	-	-	-	-
Other liabilities	(309,946)	(24,392,728)	-	-
Net Cash received from operating activities	**543,458**	**43,447,890**	**1,703**	**7,503,352**
B) Cash flows from investing activities				
Proceeds from sale of securities	-	-	-	-
Payment for purchase of Securities	-	-	-	-
Purchase of property, plant and equipment	-	-	-	-
Sales proceeds of fixed assets	-	-	-	-
Net cash used in investing activities	-	-	-	-
C) Cash flows from financing activities				
Received from issue of loan capital and debt securities	-	-	-	-
Payment for redemption of loan capital & debt security	-	-	-	-
Dividend paid in cash to HO	(558,579)	(43,560,172)	-	-
Net cash received from financing activities	(558,579)	(43,560,172)	-	-
D) Net (decrease) / increase in cash (A+B+C)	**(15,121)**	**(112,282)**	**1,703**	**7,503,352**
Effects of exchange rate changes on cash and cash-equivalents	-	1,462,212	-	(7,239,608)
E) Opening cash and cash-equivalents as 1st January	650,103	51,163,109	648,400	50,899,365
F) Closing cash and cash-equivalents (D+E)	**634,982**	**52,513,039**	**650,103**	**51,163,109**

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

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National Credit and Commerce Bank Limited (Off-shore Banking Unit)
Notes to the Financial Statements

As at and for the year ended on 31 December 2017

1.1 Status of the Units

Off-shore Banking Unit (OBU) of NCCBL governed under rules and guidelines of Bangladesh Bank. The Bank obtained permission from Bangladesh Bank for operating of Off-shore Banking units located at our Foreign Exchange Branch & Agrabad Branch vide Bangladesh Bank Letter No. BRPD (P-3)744(113)/2010-1648 dated 02 May 2010. The Bank commenced the operation of its Off-shore Banking Units from 26 August 2013 at Foreign Exchange Branch, Dhaka. Operation of OBU located at Agrabad Branch, Chittagong will be started within very soon.

1.1.1 Principal activities

The principal activities of the OBU are to provide all kinds of commercial banking services to its customers through its Off-shore Banking units in Bangladesh.

1.2 Significant accounting policies and basis of preparation of financial statements

1.2.1 Basis of accounting

The off-shore banking Units maintain its accounting records in USD from which accounts are prepared according to the Bank Companies Act-1991, Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs) Other laws and regulations applicable in Bangladesh and applicable directives issued by Bangladesh Bank.

1.2.2 Use of estimates and judgments

The preparation of financial statements requires management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets. Liabilities, income and expenses. Actual expenses may differ from these estimates. The figure appearing in these financial statements have been rounded off to the nearest integer.

1.2.3 Foreign currency transaction

a) Foreign currencies transaction

Foreign currency transactions are converted in to equivalent Taka using the ruling exchange rates on the dates of respective transactions as per BAS-21 "The effects of changes in Foreign Exchange Rates". Foreign currency balances held in US Dollars are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month.

b) Transaction gains and losses

The resulting exchange transaction gains and losses are included in the profit and loss account.

1.2.4 Cash flow statement

Cash flow statement has been prepared in accordance with the BRPD circular no.14 dated 25 June 2003 issued by the Banking Regulations and Policy Department of Bangladesh bank.

1.2.5 Reporting period

The financial statements cover from 01 January 2017 to 31 December 2017

1.3 Assets and their valuations

1.3.1 Cash and cash equivalents

cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk to change in their fair value, and are used by the unit management for its short-term commitments.

1.3.2 Loans and Advances

a) Loans and advances of off-shore banking units are stated in the balance sheet on gross basis.

b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss as per guidelines of Bangladesh. Records of such interest amounts are kept in separate memorandum accounts.

1.4 Basis for valuation of liabilities and provisions

Provision for liabilities

A provision for recognized in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an out flow of economic benefit will be required to settle the obligations, in accordance with the BAS 37 " Provisions, Contingent liabilities and Contingent Assets".

1.5 Revenue recognition

1.5.1 Interest income

In terms of the provisions of the BAS-18 " Revenue", the interest income is recognized on accrual basis.

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1.5.2 Interest paid

In terms of the provisions of the BAS-1 " Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

2 General

a) These financial statements are presented in taka, which is the Bank's functional currency. Figure appearing in these financial statements have been rounded off to the nearest Taka.

b) Assets and liabilities & Income and expenses have been converted into Taka currency closing rate as at transaction date and average rate.

		31.12.2017		31.12.2016	
		USD	Taka	USD	Taka
3	**Balance with other Banks and financial institutions :**				
	In Bangladesh	-	-	-	-
	Outside Bangladesh	634,982	52,513,039	650,103	51,163,109
		634,982	**52,513,039**	**650,103**	**51,163,109**
4	**Loans and Advances**				
	Loans, cash credits, overdrafts etc.**(Note-4.1)**	-	-	-	
	Bills purchased and discounted **(Note-4.2)**	59,393,228	4,911,819,924	30,994,572	2,439,272,822
		59,393,228	**4,911,819,924**	**30,994,572**	**2,439,272,822**
4.1	**Loans, cash credits, overdrafts etc.**				
	Inside Bangladesh:	-	-	-	-
	Outside Bangladesh:	-	-	-	-
		-	-	-	-
4.2	**Bills purchased and discounted**				
	Inside Bangladesh:	-		-	
	Outside Bangladesh:	59,393,228	4,911,819,924	30,994,572	2,439,272,822
		59,393,228	**4,911,819,924**	**30,994,572**	**2,439,272,822**
5	**Fixed assets including premises, furniture and fixtures**	-	-	-	-
6	**Other assets**				
	Interest receivable on loans and advances	-	-	-	-
		-	-	-	-
7	**Borrowing from other banks, financial institutions and agents**				
	Demand borrowing	**58,546,426**	**4,841,789,424**	**30,578,981**	**2,406,565,791**
8	**Deposits and other accounts**	-	-	-	-
8.1	**Bills payable:**				
9	**Other liabilities**				
	Provision for loans and advances (9.1)	593,932	49,118,199	309,946	24,392,728
	Interest payable (HO)	410,490	33,947,490	129,727	10,209,513
	Interest payable (Others)	176,735	14,615,992	67,443	5,307,764
	Provision amount Transferred to HO upto 31.12.2016	(309,946)	(24,392,728)	-	-
		871,211	**73,288,954**	**507,116**	**39,910,006**
9.1	**Provision for loans and advances**				
	Opening Balance	309,946	24,392,728	141,588.50	11,189,031.07
	Provision for loans and advances charged during the year	283,987	24,725,471	168,357.22	13,203,697
	Closing Balance	**593,932**	**49,118,199**	**309,946**	**24,392,728**
9.2	**Foreign currency translation gain/(loss)**		**1,862,174**		**399,963**
10	**Surplus in profit and loss account**				
	Opening balance	558,579	43,560,172	166,479	12,788,064
	Profit/(Loss) during the year	610,573	47,392,411	392,100	30,772,108
	Profit/(Loss) transferred to Head Office (NCCBL) upto 31.12.2016	(558,579)	(43,560,172)		
	Closing balance	**610,573**	**47,392,411**	**558,579**	**43,560,172**
11	**Contingent liabilities :**				
				-	-
11.1	**Acceptances and endorsement**	-	-		
				-	-
11.2	**Letter of guarantee**	-	-		
				-	-
11.3	**Letter of credit issued**	-	-	-	-

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11.4	**Bills for collection**	-	-	-	-
		2017 ($)	**2017 (Tk)**	**2016 ($)**	**2016 (Tk)**
12	**Interest income**				
	Interest on loans and advances	**2,262,799**	**182,423,085**	**1,141,496**	**89,566,501**
13	**Interest paid on deposits and borrowings**				
	Interest on borrowings	**1,325,387**	**106,850,483**	**581,038**	**45,590,696**
14	**Commission, exchange and brokerage**	-	-	-	-
15	**Salary & allowances**	**41,745**	**3,365,395**	-	-
16	**Rent, taxes, insurance, electricity etc.**	-	-	-	-
17	**Legal Expenses**	-	-	-	-
18	**Postage, stamp and telecommunication**	-	-	-	-
19	**Stationery, printing, advertisement etc.**	-	-	-	-
20	**Audit fees**	-	-	-	-
21	**Repairs, maintenance, amortization and depreciation**				
21.1	**Repairs & maintenance :**	-	-	-	-
21.2	**Depreciation:**	-	-	-	-
22	**Other expenses-Service Charge of Nostro Account**	**1,108**	**89,325**	-	-

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Annexure - O

NCCB Securities and Financial Services Limited

Statement of Financial Position

As at 31 December 2017

	Notes	31.12.2017 Taka	31.12.2016 Taka
Assets			
Non-Current Assets			
Property, Plant & Equipment	3	12,071,366	14,050,085
Intangibles Assets	4	372,447	942,280
Investments in Shares of Stock Exchanges	5	19,401,385	19,401,385
Total Non Current Assets		**31,845,198**	**34,393,750**
Current Assets			
Investment in Marketable Shares	6	124,764,547	37,943,448
Accounts Receivable	7	30,653,813	145,095,366
Advance, Deposit and Prepayments	8	8,244,616	9,440,632
Advance Income Tax	9	268,785,664	238,818,322
Margin Loan to Customer	10	4,483,132,987	4,846,166,992
Cash and Cash Equivalent	11	226,101,136	239,031,175
Total Current Assets		**5,141,682,763**	**5,516,495,934**
Total Assets		**5,173,527,961**	**5,550,889,684**
Equity and Liabilities			
Equity			
Paid-up Capital	12	2,000,000,000	2,000,000,000
Retained Earnings	13	102,572,272	21,412,350
Total Equity		**2,102,572,272**	**2,021,412,350**
Non Current Liabilities		-	-
Current Liabilities			
Short Term Loan	14	1,483,140,724	1,779,578,742
Accounts Payable	15	1,128,692,922	1,341,888,487
Other Liabilities	16	212,099,834	190,207,688
Provision for Income Tax	17	247,022,209	217,802,417
Total Current Liabilities		**3,070,955,689**	**3,529,477,334**
Total Liabilities		**3,070,955,689**	**3,529,477,334**
Total Equity and Liabilities		**5,173,527,961**	**5,550,889,684**

These financial statements should be read in conjunction with the annexed notes from 1 to 37.

Sd/-	Sd/-	Sd/-
Company Secretary	**Chief Executive Officer (c.c)**	**Chairman**

Dated, Dhaka
30 April, 2018

Sd/-
SHAFIQ MIZAN RAHMAN & AUGUSTINE
CHARTERED ACCOUNTANTS

NCCB Securities and Financial Services Limited

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended on 31 December, 2017

	Notes	2017 Taka	2016 Taka
Operating Revenue:			
Brokerage Commission	**18**	147,720,633	98,901,967
Other Operating Revenue	**19**	16,835,051	5,095,846
		164,555,684	**103,997,813**
Less: Direct Expenses	**20**	14,797,846	9,255,572
Net Revenue from Operation		**149,757,838**	**94,742,241**
Interest on Margin Loan	**21**	159,240,604	154,610,327
Less: Interest Expense on Short Term Loan	**22**	144,775,615	190,372,047
Net Interest Income		**14,464,989**	**(35,761,720)**
Add: Other Income	**23**	21,970,017	19,581,453
Total Revenue		**186,192,844**	**78,561,974**
General & Administrative Expenses			
Salaries & Allowances	**24**	32,319,868	31,510,381
Rent, Taxes, Insurance,Electricity etc.	**25**	12,102,838	12,561,967
Postage, Stamp & Telecommunication	**26**	315,779	260,466
Stationery,Printing and Advertisement	**27**	665,640	1,140,698
Directors' Fees	**28**	301,250	212,500
Audit Fees	**29**	40,250	34,500
Depreciation Expenses on Fixed Assets	**30**	3,629,942	4,015,398
Other Expenses	**31**	15,332,651	10,120,485
		64,708,218	**59,856,394**
Profit Before Provisions		**121,484,626**	**18,705,580**
Provision for Unrealized Loss on Investment in Shares	**6.1**	-	781,286
Provision for Unrealized Loss in Margin Loan	**16.1**	19,674,704	1,500,000
Total Provision		**19,674,704**	**2,281,286**
Profit Before Tax		**101,809,922**	**16,424,294**
Less: Provision for Income Tax	**17**	20,650,000	15,461,946
Net Profit After Tax		**81,159,922**	**962,348**
Othe Comprehensive Income		-	-
Total Comprehensive Income		**81,159,922**	**962,348**
Earnings Per Share of Tk. 100 each		**4.06**	**0.05**

These financial statements should be read in conjunction with the annexed notes from 1 to 37.

Sd/-	Sd/-	Sd/-
Company Secretary	**Chief Executive Officer(c.c)**	**Chairman**

Signed in terms of our separate report of even date annexed.

Dated, Dhaka
30 April, 2018

Sd/-
SHAFIQ MIZAN RAHMAN & AUGUSTINE
CHARTERED ACCOUNTANTS

NCCB Securities and Financial Services Limited

Statement of Changes in Equity

Particulars	For the Year Ended on 31 December, 2017		
	Paid up Capital (Taka)	Retained Earnings (Taka)	Total (Taka)
Balance as on 01 January 2017	**2,000,000,000**	**21,412,350**	**2,021,412,350**
Net Profit /(Loss) during the year	-	81,159,922	81,159,922
Balance as on 31 December 2017	**2,000,000,000**	**102,572,272**	**2,102,572,272**

Particulars	For the Year Ended on 31 December, 2016		
	Paid up Capital (Taka)	Retained Earnings (Taka)	Total (Taka)
Balance as on 01 January 2016	**2,000,000,000**	**20,450,002**	**2,020,450,002**
Net Profit /(Loss) during the year		962,348	962,348
Balance as on 31 December 2016	**2,000,000,000**	**21,412,350**	**2,021,412,350**

These financial statements should be read in conjunction with the annexed notes from 1 to 37.

Sd/-	Sd/-	Sd/-
Company Secretary	**Chief Executive Officer(c.c)**	**Chairman**

Signed in terms of our separate report of even date annexed.

Sd/-
SHAFIQ MIZAN RAHMAN & AUGUSTIN
CHARTERED ACCOUNTANTS

Dated, Dhaka
30 April, 2018

NCCB Securities and Financial Services Limited

Statement of Cash Flows

For the Year Ended on 31 December, 2017

		2017 Taka	2016 Taka
A.	**Cash Flows from Operating Activities:**		
	Brokerage Commission Received	147,720,633	98,901,967
	Interest Received on Margin Loan	159,254,451	154,596,480
	Received from Operating Income	13,203,223	10,403,577
	Cash Paid to Service Provider	(6,133,910)	(20,428,168)
	Cash Paid for Operating Activities	(156,526,823)	(50,973,221)
	Interest Paid	(144,775,615)	(190,372,047)
	Income Taxes Paid	(29,967,342)	(15,879,958)
	Net Cash Used from Operating Activities	**(17,225,382)**	**(13,751,370)**
B.	**Cash Flows from Investing Activities:**		
	Fixed Assets Acquisition	(1,334,756)	(3,707,005)
	Sale Proceeds of Fixed Assets	253,365	-
	Purchase of Shares	(254,043,237)	(64,328,424)
	Sale of Shares	181,538,977	77,036,032
	Dividend Received	11,285,007	11,752,781
	Margin Loan Payment to Customers	(44,488,219)	(16,244,688)
	Margin Loan Recovery	407,522,224	171,015,146
	Net Cash Used from Investing Activities	**300,733,361**	**175,523,842**
C.	**Cash Flows from Financing Activities:**		
	Loan Re-payment	(296,438,018)	(104,583,350)
	Net Cash Used from Financing Activities	**(296,438,018)**	**(104,583,350)**
D.	**Net Cash Increase/ (Decrease) (A+B+C)**	**(12,930,039)**	**57,189,122**
E.	**Cash and Cash Equivalents at Beginning of the Year**	239,031,175	181,842,053
F.	**Cash and Cash Equivalents at End of the Year**	**226,101,135**	**239,031,175**
	Closing Balance Represents		
	Cash in Hand	4,659	34,460
	Cash at Banks	226,096,477	238,996,715
		226,101,136	**239,031,175**

These financial statements should be read in conjunction with the annexed notes from 1 to 37.

Sd/-	Sd/-	Sd/-
Company Secretary	**Chief Executive Officer (c.c)**	**Chairman**

Signed in terms of our separate report of even date annexed.

Dated, Dhaka
30 April, 2018

Sd/-
SHAFIQ MIZAN RAHMAN & AUGUSTINE
CHARTERED ACCOUNTANTS

NCCB Securities and Financial Services Limited

Notes, Comprising a summary of significant Accounting policies and other explanatory information

For the Year Ended on 31 December, 2017

1. Significant Accounting Policies & Other Material Information

1.1 Legal Form of the Entity

NCCB Securities and Financial Services Limited (the "Company") was incorporated in Bangladesh with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no.C - 83683/10 dated April 04, 2010 as a Private Company Limited by share under the Companies Act, 1994. Registered office of the company is situated at NCC Bank Bhaban (3rd Floor), 13/1 & 13/2 Toyenbee Circular Road, Motijheel C/A, Dhaka-1000.

1.2 Nature of Business

The main objective of the Company is to act as a full fledged Stock Broker & Stock Dealer to execute buy and sell order and to maintain own portfolio as well as customers portfolio under the discretion of customers. The Company also performs the other activities related to Capital Market as and when regulators permits the Company to carry out activities as per their guidelines.

2 Significant Accounting Policies

2.1 Basis of Presentation of Financial Statements

The Financial Statements have been prepared on a going concern basis following accrual basis of accounting except for statement of cash flows in accordance with the company's Act 1994, Securities & Exchange Rules 1987, the listing regulators of Dhaka & Chittagong Stock Exchanges and International Accounting Standards (IAS's), International Financial Reporting Standards (IFRS's) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BAS's) and Bangladesh Financial Reporting Standards (BFRS's) and other applicable laws & regulations. In several cases, the laws, circulars, guidelines or directives of Bangladesh Securities and Exchange Commission differ from those of financial reporting standards as promulgated by International Accounting Standards Body (IASB) and as adopted by national standard setter, i.e., Institute of Chartered Accountants of Bangladesh (ICAB).

2.2 Regulatory and Legal Compliance

The Company complied with the requirements of the following regulatory and leagal complience:

a) The Companies Act,1994
b) The Securities and Exchange rules 1987, The Securities and Exchange Ordinance 1969, The Securites and Exchange Commission Act,1993
c) The Income Tax Ordinance, 1984
d) The VAT Act, 1991
e) Central Depository Bangladesh Limited (CDBL) Act,1999

2.3 Components of the Financial Statements

The Financial Statements referred to here comprised of:
(a) Statement of Financial Position;
(b) Statement of Profit or Loss and Other Comprehensive Income;
(c) Statement of Changes in Equity;
(d) Statement of Cash Flows; and
(e) Notes, Comprising a Summary of Significant Accounting Policies and Other Explanatory Information.

2.3 Basis of Measurement

The Financial Statements have been prepared based on historical cost convention basis. No adjustment has been made for inflationary factors affecting the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the company and are consistent with those of the previous year.

2.4 Going Concern

The company has adequate resources to continue its operation for foreseeable future. For this reason the financial statements have been prepared on going concern basis. As per management assessment there is no material uncertainty related to events or conditions which may cast significant doubt upon the company's ability to continue as a going concern.

2.5 Functional and Presentational Currency

These financial statements are prepared in Bangladesh Taka , which is the Company's functional currency. All financial information presented in Taka has been rounded to the nearest integer.

2.6 Reporting Period

These financial Statements cover for the period from January 01, 2017 to December 31, 2017.

2.7 Consistency

In accordance with the BFRS framework for the presentation of financial statements together with BAS 1 and BAS 8, NCCB Securities and Financial Services Limited. Finance applies the accounting disclosure principles consistently from one period to the next. In case of selecting and applying new accounting policies, changes in accounting policies applied and correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of BAS-8.

2.8 Use of Estimates and Judgments

The preparation of financial statements in conformity with Bangladesh Financial Reporting Standards (BFRS) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Provisions and accrued expenses are recognized in the financial statement in line with the Bangladesh Accounting Standard (BAS) 37 "Provisions, Contingent Liabilities and Contingent Assets" when;

- the Company has a legal or constructive obligation as a result of past event.
- it is probable that an outflow of economic benefit will be required to settle the obligation.
- a reliable estimate can be made of the amount of the obligation.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

2.9 Corporate governance

The company recognizes the importance of high standards of corporate governance. Through regular Board Meeting and documented procedures of independence, the company endeavors to meet the standards expected. The Board is also committed to effective communication between the company and its regulators.

2.10 Margin Loan Policy:

Company provide Financial Support to the clients for investment in the secondary market against their margin deposit within the limit set by the management from time to time as per Margin Rules, 1999 of Bangladesh Securities & Exchange Commission (BSEC). The management determines the margin limits of investors. The Management periodically announces the marginable stocks. Investors have to utilize their margin facilities in the selected stocks only.

2.11 Fees & Charges

a) Competitive commission rate transaction value
b) Interest on Margin Loan is 14% which is accrued daily and charged quarterly

2.12 Cash Flow Statement

Cash flow statement has been prepared as per Bangladesh Accounting Standard BAS 7 Under Direct Method.

2.13 Investments

Investments comprise of equity securities and mutual fund. All investments are initially recognized at cost, being fair value of the consideration given, including cost of acquisition associated with the investment.

Investment in DSE & CSE shares

The Investment in DSE and CSE shares is mesured at cost price at these have not a quoted market price in an active market and its fair value can not be reliably measured.

Investment in marketable shares

The subsecquent measurement of investment in marketable shares is made at fair value through profit or loss as per BAS:39. Financial Instrument recognitions as these are acquired or held for trading purpose in Dealer Account.

2.14 Income Recognition

Income from brokerage commission is recognized on daily basis in the statement of profit and loss and other comprehensive income account after receiving the trading note of securities transacted from Dhaka Stock Exchange Limited & Chittagong Stock Exchange Limited, at which point performance is assured to be completed. Brokerage Commission is recognized as income when Selling or Buying order of the Clientis is executed.

a) Brokerage commission
Brokerage commission is recognized as income when selling or buying order is signed and trade is executed.

b) Dividend income
Company earns dividend income from Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited and Investment from dealer account. Dividend Income is recognized when it is realized.

c) Interest on Margin Loan
Interest on margin loan is calculated on client's loan balance on daily basis at the applicable rate and charged in the margin loan account on quarterly basis. Interest on Margin loan having equity erosion more than 125% of the debt equity ratio is booked in a memorandum register. Interest Income on other margin loan is recognized as income.

2.15 Property, Plant and Equipment

Recognition and Measurement

Items of property, plant and equipment are recognized initially at cost and subsequently at cost less accumulated depreciation in compliance with the BAS 16, "Property Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any direct cost attributable to bringing the assets to its working condition for its intended use. Expenditure incurred after the assets have been put into use, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred.

Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably.

Depreciation

Depreciation is charged on the addition of assets from the date when such assets are available for use during the year up to the date of disposal. The method and rates of depreciation are as follows:

Particulars	Method of Depreciation	Rate of Dep.
Computer & Peripherals	Straight Line Method	20%
Office Equipment	Reducing Balance Method	20%
Furniture & Fixtures	Reducing Balance Method	10%

Disposal of property and equipment

On disposal of fixed assets, the cost and accumulated depreciation are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sale proceeds.

2.16 Intangibles

Recognition and Measurement

Intangible assets comprise the value of computer software. Intangible assets acquired separately are measured on initial recognition at cost and are carried at cost less accumulated amortization and accumulated impairment losses if any. Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits in the specifications to which it relates.

Amortization of Intangible Assets

Amortization is calculated using the straight line method to write down the cost of intangible assets to their residual values over their estimated useful lives based on the management best estimates. Intangible assets are amortized at the rate of 20% on the straight line method.

2.17 Accounts Receivable

Accounts Receivable are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the period end.

2.18 Advances, Deposits & Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as Property, Plant & Equipment, Inventory or Expenses. Deposits are measured at payment value. Pre-payments are initially measured at cost. After initial recognition, pre-payments are carried at cost less charges to Income Statement.

2.19 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and cash at bank which are available for use by the Company without any restriction. There is an insignificant risk of changes in value of these current assets.

2.20 Provision for Unrealized Loss in Margin Loan and Interest Wavier

As per BSEC Circular No.SEC/CMRRCD/2009-193/196 dated on 28.12.2016 a general provision has been made by the company to cover unforeseen losses on loans and investments . The provision including interest suspense is considered adequate to meet any probable future losses.

2.21 Provision for liabilities

A provision is recognized in the statement of comprehensive income when the Company 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 the BAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

2.22 Provision for Current Tax

Provision for tax is assessed under section 82C of the Income Tax Ordinance (ITO) 1984 on income from Company's normal course of business and at 35% on company's income from other sources. Under section 82C, income tax deducted under certain sections of the ITO is treated as minimum tax of the company from that source.

2.23 Earnings per Share (EPS)

The company calculates EPS in accordance with the requirement of BAS – 33: "Earnings Per Share", which has been shown on the face of the Statement of Profit or Loss and Other Comprehensive Income.

This represents earnings for the year ended on 31 December 2017 attributable to the ordinary shareholders.

2.24 Related Party Transactions

As per Bangladesh Accounting Standards (BAS)-24 Related Party Disclosures, parties are considered to be related if one of the parties has the ability to control the order party or exercise significant influence over the other party in making financial and operational decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties.

2.25 Directors' Responsibility Statement

The Board of Directors takes the responsibility for the preparation and presentation of these Financial Statements.

2.26 Employees' benefit obligation

a) Salary and allowances

Salary and allowances comprise basic salary, house rent, medical allowance, conveyance allowance, festival bonus,

leave fare assistance etc. All expenses related to salary and allowances are recognized on accrual basis of accounting.

b) Provident Fund

Provident Fund benefits are given to the parmanent employees' of the Company in accordance with Companies service rules. All confirmed employees of the Company are contributing 10% of their basic salary as subscription of the fund.The Company also contributes equal amounts of the employees contribution. Interest earned from the investments is credited to the members account on yearly basis.

2.27 General

Previous year's figures, whenever considered necessary have been rearranged and restated in order to conform to current year's presentation.

	31.12.2017 Taka	31.12.2016 Taka
3 Property, Plant & Equipment		
Property Plant & Equipment at Cost	40,954,089	40,540,585
Less: Accumulated Depreciation	28,882,723	26,490,500
Written Down Value (WDV)	**12,071,366**	**14,050,085**
Annexure-A may kindly be seen for details.		
4 Intangible Assets		
Software		
Bluechip Software at Cost	1,020,000	1,020,000
Bluechip Software (MSA)	150,000	150,000
IPO Application Software	100,000	100,000
X-Broker Software at Cost	125,000	125,000
Software at Cost (Microsoft)	1,454,160	1,454,160
	2,849,160	2,849,160
Less: Accumulated Amortization	2,476,713	1,906,880
	372,447	**942,280**
Annexure-B may kindly be seen for details.		
5 Investment in Shares of Stock Exchanges		
Dhaka Stock Exchange Limited	400,385	400,385
Chittagong Stock Exchange Limited	19,001,000	19,001,000
	19,401,385	**19,401,385**

5.1 Investment in Shares of Dhaka Stock Exchange Ltd.

The Dhaka Stock Exchange Ltd allotted 72,15,106 number of Ordinary shares of Tk 10 each against the membership held with them as approved scheme of Demutualization under the provision of Exchange Demutualization Act, 2013 as under:

Shares Allotted

40% Ordinary Shares i.e 2,886,042 shares of Tk 10/- each credited to BO A/C # 1202090050877041 of NCCB Securities and Financial Services Ltd.	28,860,420	28,860,420
60% Ordinary Shares i.e 4,329,064 shares of Tk 10/- each credited to DSE Demutualization Blocked Account maintained by DSE.	43,290,640	43,290,640
	72,151,060	**72,151,060**

5.2 Investment in Shares of Chittagong Stock Exchange Ltd.

The Chittagong Stock Exchange Ltd allotted 4,287,330 number of Ordinary shares of Tk 10 each against the membership held with them as approved scheme of Demutualization under the provision of Exchange Demutualization Act, 2013 as under:

Shares Allotted

40% Ordinary Shares i.e 1714932 shares of Tk 10/- each credited to BO A/C # 1202090050877041 of NCCB Securities and Financial Services Ltd.	17,149,320	17,149,320
60% Ordinary Shares i.e 2572398 shares of Tk 10/- each credited to CSE Demutualization Blocked Account maintained by CSE.	25,723,980	25,723,980
	42,873,300	**42,873,300**

6 Investment in Marketable Shares		
Investment in Shares at Cost Value	133,702,310	46,881,211
Less: Provision for Unrealized Loss on Investment in Shares	8,937,763	8,937,763
	124,764,547	**37,943,448**
6.1 Provision for Unrealized Loss on Investment in Shares		
Balance at the Beginning of the Year	8,937,763	8,156,477
Add: Provision Made during the Year	-	781,286
Less: Adjustment during the Year	-	-
Closing Balance	**8,937,763**	**8,937,763**

Annexure-C may kindly be seen for details of Investment in Shares.

	31.12.2017 Taka	31.12.2016 Taka
7 Accounts Receivable		
Receivable from Dhaka Stock Exchange Limited	30,505,251	134,617,549
Receivable from Chittagong Stock Exchange Limited	60,969	10,463,970
Receivable from Share Trading (Capital Gain)	87,593	-
Interest Receivable on Margin Loan	-	13,847
	30,653,813	**145,095,366**
8 Advance, Deposit and Prepayments		
Suspense Account-Settlement of DSE & CSE	-	1,047,107
Suspense A/C - Advance for Client IPO	-	3,705,000
Investment in IPO Dealer A/C	4,863,480	11,420
Advance Against Office Rent	2,993,636	4,289,605
Prepayments to Z N Consultants for HR Manual	387,500	387,500
	8,244,616	**9,440,632**
9 Advance Income Tax		
Advance Income Tax paid in Cash	184,517,758	174,554,741
Income Tax deducted at source by DSE & CSE	81,907,248	62,929,831
Advance Income Tax deducted at source on Bank Interest	2,360,658	1,333,750
	268,785,664	**238,818,322**

Annexure-D may kindly be seen for Year wise Advance Income Tax.

10 Margin Loan to Customers	**4,483,132,987**	**4,846,166,992**
11 Cash and Cash Equivalents		
Cash in Hand	**4,659**	**34,460**
Cash at Banks		
Special Notice Deposit Account with		
IFIC Bank Limited, Stock Exchange Branch (Customer A/C)	106,517,177	72,703,240
One Bank Limited, Principal Branch	10,271,827	615,601
NCC Bank Limited, Bhaban Branch (Customer A/C)	106,864,198	121,961,766
NCC Bank Limited, Motijheel Main Branch	2,051,671	97,399
	225,704,873	**195,378,007**
Current Deposit Account with		
NCC Bank Limited, Bhaban Branch (IPO A/C)	391,605	43,618,708
Total Cash at Banks	**226,096,478**	**238,996,715**
Total Cash and Cash Equivalents	**226,101,136**	**239,031,175**
12 Share Capital		
12.1 Authorized Capital		
50,000,000 Ordinary shares @ of Tk. 100 each	**5,000,000,000**	**5,000,000,000**

12.2 Issued, Subscribed and Paid up Capital

The Issued, Subscribed and Paid up Capital is Tk 2,000,000,000/- divided into 20,000,000 ordinary shares of Tk. 100 each fully paid. The shareholding position of the company is as follows:

Name of Shareholders	Number of shares held		
NCC Bank Limited	19,999,999	1,999,999,900	1,999,999,900
Alhaj Md. Nurun Newaz	1	100	100
Total	**20,000,000**	**2,000,000,000**	**2,000,000,000**

13 Retained Earnings		
Balance at the Beginning of the Year	21,412,350	20,450,002
Add: Net Profit During the Year	81,159,922	962,348
	102,572,272	**21,412,350**

	31.12.2017 Taka	31.12.2016 Taka
14 Short Term Loan		
NCC Bank Limited (SOD), Motijheel Main Branch	**1,483,140,724**	**1,779,578,742**
15 Accounts Payable		
Sundry Creditors	4,816,922	42,765,984
Interest Suspense	896,024,329	896,080,138
Payable to CDBL	682,572	612,400
Payable to Bluechip Software Ltd.	-	48,250
Payable to Dhaka Stock Exchange Limited	1,182,473	-
Payable to Chittagong Stock Exchange Limited	4,838,508	617,403
Suspense Account-Settlement of DSE & CSE	2,944,316	-
Payable to Clients	216,569,915	362,934,546
Payable to BO Account Closing Fee	357,773	1,080
Accounts Payable	943,250	895,000
Payable to Interest expenses	-	93,276
Payable to Auditor	40,250	34,500
Payable to IPO A/C	-	37,490,000
Other Payables	292,612	315,912
	1,128,692,922	**1,341,888,487**
16 Other Liabilities		
Provision for Expenses	3,228,650	1,011,208
Provision for Unrealized Loss in Margin Loan (Note-16.1)	208,871,184	189,196,480
	212,099,834	**190,207,688**
16.1 Provision for Unrealized Loss in Margin Loan		
Balance at the Beginning of the Year	189,196,480	178,825,296
Add: Provision for Interest Waiver	-	8,871,184
Add: Charged During the Year	19,674,704	1,500,000
	208,871,184	**189,196,480**
17 Provision for Income Tax		
Balance at the Beginning of the Year	217,802,417	202,340,471
Add: Provision Made During the Year	20,650,000	15,461,946
Add: Provision for Prior's Year Tax (Transfer from Sundry Creditors)	8,569,792	-
	247,022,209	217,802,417
Less: Adjustment During the Year	-	-
	247,022,209	**217,802,417**

Annexure-D may kindly be seen for Year wise Provision for Income Tax.

	2017 Taka	2016 Taka
18 Brokerage Commission		
Brokerage Commission-DSE	143,450,429	95,891,643
Brokerage Commission-CSE	4,270,204	3,010,324
	147,720,633	**98,901,967**
19 Other Operating Revenue		
Account Opening Fee	44,559	-
BO Account Maintenance Fee	1,154,900	1,112,800
Account Closing Fee	50,400	150,213
Service Charge income	99,317	112,000
Capital Gain on Sale of Shares (Dealer A/C) (Note: 19.1)	14,316,839	2,770,941
Income from IPO	102,401	69,345
Income from CDBL Charges	1,066,635	880,547
	16,835,051	**5,095,846**
19.1 Capital Gain on Sale of Shares (Dealer A/C)		
Share Sold During the Year	181,538,977	4,187,213
Less: Cost Price of Shares Sold	167,222,138	1,416,272
	14,316,839	**2,770,941**
20 Direct Expenses		
Howla Charge DSE	2,700	2,300
Howla Charge CSE	205,556	58,454
Laga Charge DSE	9,180,268	6,167,390
Laga Charge CSE	212,727	149,542
Investor Protection Fund	39,185	24,416
CDBL Charges	5,157,411	2,853,469
	14,797,846	**9,255,572**
21 Interest Income on Margin Loan		
Interest on Margin Loan	**159,240,604**	**154,610,327**
22 Interest Expense on Short Term Loan		
Interest Expenses on NCC Bank SOD A/C	**144,775,615**	**190,372,047**
23 Other Income		
Interest from Other Banks	10,284,594	7,794,172
Cash Dividend from Dhaka Stock Exchange Limited	7,215,106	7,215,106
Cash Dividend from Chittagong Stock Exchange Limited.	2,572,398	2,572,398
Cash Dividend from Dealer A/C	1,497,503	1,965,277
Other Income	400,416	34,500
	21,970,017	**19,581,453**
24 Salary and Allowances		
Basic Salary	15,776,915	17,677,119
House Rent Allowance	4,459,646	4,958,175
Entertainment Allowance	498,123	726,312
Medical Allowance	1,075,596	1,583,569
Conveyance Allowance	848,141	984,966
Company Contribution to PF	1,217,992	1,203,072
Other Allowance	60,700	180,400
Bonus	6,723,200	3,700,400
Casual Wages	1,659,555	496,368
	32,319,868	**31,510,381**
25 Rent, Taxes, Insurance, Electricity etc.		
Rent Office	10,630,544	10,896,121
Electricity Bill	1,472,295	1,665,845
	12,102,838	**12,561,967**
26 Postage, Stamp & Telecommunication		
Stamp, Postage & Courier	80,833	48,962
Telephone Bill	234,946	211,504
	315,779	**260,466**

	2017 Taka	2016 Taka
27 Stationery, Printing and Advertisement		
Printing and Press	132,115	424,215
Stationary	459,662	666,483
Publicity & Advertisement	73,863	50,000
	665,640	**1,140,698**
28 Directors' Fees		
Directors' Fees	**301,250**	**212,500**
29 Audit Fees		
Statutory Annual Audit Fees (Including VAT)	**40,250**	**34,500**
30 Depreciation Expenses on Fixed Assets		
Depreciation on Fixed Assets (Annexure-A)	3,060,110	3,444,004
Amortization of Software (Annexure-B)	569,832	571,394
	3,629,942	**4,015,398**
31 Other Expenses		
Utilities	95,870	98,600
Newspaper & Periodicals	70,086	89,874
Donations	20,000	5,000
Liveries & Uniform	70,322	50,960
Travelling Expenses	192,800	161,849
Conveyance	69,385	65,332
Entertainment	835,697	905,411
Legal and Proffessional Fees	-	143,300
Connectivity Charges	3,792,292	3,644,396
Subscription, Renewal & Registration	685,170	598,820
Training, Development and Promotion	-	95,336
Technical Allowance	90,000	-
LFA Expenses	245,080	219,250
Repair & Maintenance	2,060,827	2,903,957
Mobile Bill Allowance	368,393	405,350
Bank Charges	115,335	68,265
Business Promotion Expenses	216,908	52,850
Miscellaneous Expense	59,048	8,500
Service Charges	365,438	103,435
Commission Charge for Bank Guarantee	5,980,000	-
Regulatory Penalty	-	500,000
	15,332,651	**10,120,485**

	2017 Taka	2016 Taka
32 Reconcilation of Statement of Cash Flows from Operating Activities Under Indirect Method		
Profit and Loss Before Provision	**121,484,626**	**18,705,580**
Adjustment for Non Cash Item		
Depriciation on Fixed Asset	3,060,110	3,444,004
Amortization on Softwere	569,832	571,394
	3,629,942	**4,015,398**
Changes in Operating Asset and Liabilities		
Changes in Accounts Receivable	114,441,553	(125,508,454)
Changes in Advance, Deposit	1,196,016	(3,951,574)
Changes in Accounts Payable	(204,625,773)	123,892,910
Changes in Other Liabilities	2,217,442	(501,550)
	(86,770,762)	**(6,068,667)**
Capital Gain from Dealer A/C	(14,316,839)	(2,770,941)
Cash Dividend Income (DSE,CSE and Dealer A/C)	(11,285,007)	(11,752,781)
	(25,601,846)	**(14,523,722)**
Income Tax Paid	(29,967,342)	(15,879,958)
	(29,967,342)	**(15,879,958)**
Net Cash Used from Operating Activities	**(17,225,381)**	**(13,751,370)**

33 Capital Expenditure Comitment

There was no capital expendituure contracted but not incurred or provided as on 31.12.2017
There is no material capital expenditure authorized by the Board but not contracted for as on 31.12.2017

34 No. of Board Meeting

The Board of Directors of the Company held 4 (Four) Board meetings, an Annual General Meeting (AGM) and an Executive Committee meetinq during the year ended on 31 December 2017

35 Credit Facility

There was no credit facilities available to the Company except SOD A/C with NCC Bank Linited, Motijheel Branch during the year ended on 31 December, 2017.

36 Contingent Liability

There was no sum for which the Company was contigently liable as on 31 December, 2017

37 Events After the Reporting Period

37.1 Board of Directors in its 53rd meeting has approved the Financial Statements for the year ended 31 December, 2017 for placement before the shareholders for approval of next annual general meeting of the Company.

37.2 Except the above, there was no significant event between the Balance Sheet date and the date when the Financial Statement were authorized for issue by the Board of Directors.

Sd/-	Sd/-	Sd/-
Company Secretary	**Chief Executive Officer(c.c)**	**Chairman**

Dated, Dhaka
30 April, 2018

Annexure-A

NCCB Securities and Financial Services Limited

Schedule of Property, Plant & Equipment

As at 31 December 2017

Particulars	Cost				Rate of Dep.	Depreciation				Written Down Value (WDV) as at 31 Dec-2017
	Balance as 01-Jan-2017	Addition during the year	Disposal/ Adjustment during the year	Balance as at 31 Dec-2017		Balance as 01-Jan-2017	Charged for the year	Disposal/ Adjustment during the year	Balance as at 31 Dec-2017	
Computer & Peripherals	15,694,987	200,093	-	15,895,080	20%	13,423,061	1,627,335	-	15,050,396	844,684
Office Equipment	8,555,873	232,675	858,000	7,930,548	20%	5,863,690	497,178	642,774	5,718,094	2,212,454
Furniture & Fixture	16,289,725	901,988	63,252	17,128,461	10%	7,203,749	935,597	25,113	8,114,233	9,014,228
Total	**40,540,585**	**1,334,756**	**921,252**	**40,954,089**		**26,490,500.00**	**3,060,110**	**667,887**	**28,882,723.02**	**12,071,366**

Annexure-B

NCCB Securities and Financial Services Limited

Schedule of Intangibles

As at 31 December 2017

Particulars	Cost				Rate of Ammortization.	Ammortization				Written Down Value (WDV) as at 31 Dec-2017
	Balance as 01-Jan-2017	Addition during the year	Disposal/ Adjustment during the year	Balance as at 31 Dec-2017		Balance as 01-Jan-2017	Charged for the year	Disposal/ Adjustment during the year	Balance as at 31 Dec-2017	
Software	2,849,160	-	-	2,849,160	20%	1,906,881	569,832	-	2,476,713	372,447
Total	**2,849,160**	-	-	**2,849,160**		**1,906,881**	**569,832**	-	**2,476,713**	**372,447**

NCCB Securities and Financial Services Limited
Statement of Portfolio Investment in Dealer Account
As at 31 December 2017

Annexure-C

SL No	Name of Company	No. of Shares	Cost Price	Market Price	Unrealized Gain/(Loss)	% Gain (Loss)
1	1JANATAMF	200,000	1,343,893	1,280,000	(63,893)	(4.75)
2	ABBANK	56,250	1,241,041	1,243,125	2,084	0.17
3	ACTIVEFINE	93,750	3,697,965	3,300,000	(397,965)	(10.76)
4	ALARABANK	70,000	1,685,263	1,687,000	1,737	0.10
5	APOLOISPAT	7,000	113,631	115,500	1,869	1.65
6	ARGONDENIM	60,000	1,978,498	1,854,000	(124,498)	(6.29)
7	ASIAINS	44,500	980,520	1,063,550	83,030	8.47
8	BANKASIA	100,000	2,094,570	2,310,000	215,430	10.29
9	BARKAPOWER	57,500	2,017,762	1,978,000	(39,762)	(1.97)
10	BBSCABLES	5,310	46,180	561,267	515,087	1,115.39
11	BENGALWTL	33,000	1,669,213	1,290,300	(378,913)	(22.70)
12	BGIC	39,000	821,063	865,800	44,737	5.45
13	BSC	125,000	7,525,624	5,837,500	(1,688,124)	(22.43)
14	BSRMSTEEL	20,000	1,680,556	1,570,000	(110,556)	(6.58)
15	CENTRALINS	1,626	35,742	36,422	680	1.90
16	CENTRALPHL	22,000	400,300	411,400	11,100	2.77
17	CITYBANK	40,000	1,883,412	2,128,000	244,589	12.99
18	CITYGENINS	50,000	950,646	910,000	(40,646)	(4.28)
19	DELTALIFE	15,000	1,485,113	1,614,000	128,887	8.68
20	DESCO	30,000	1,460,094	1,362,000	(98,094)	(6.72)
21	DHAKABANK	80,000	1,768,325	1,760,000	(8,325)	(0.47)
22	DUTCHBANGL	14,000	2,032,053	2,143,400	111,347	5.48
23	EASTLAND	10,000	240,302	238,000	(2,302)	(0.96)
24	EBL	25,000	1,353,014	1,277,500	(75,514)	(5.58)
25	EBLNRBMF	150,000	985,739	990,000	4,261	0.43
26	ETL	40,000	681,511	656,000	(25,511)	(3.74)
27	EXIMBANK	50,000	920,690	860,000	(60,690)	(6.59)
28	FARCHEM	110,000	2,323,598	2,145,000	(178,598)	(7.69)
29	FBFIF	200,000	1,255,941	1,140,000	(115,941)	(9.23)
30	FEKDIL	40,000	835,526	780,000	(55,526)	(6.65)
31	FIRSTSBANK	120,000	2,006,504	1,836,000	(170,504)	(8.50)
32	GBBPOWER	21,000	396,297	394,800	(1,497)	(0.38)
33	HEIDELBCEM	12,000	5,833,772	5,098,800	(734,972)	(12.60)
34	ICB3RDNRB	200,000	1,355,891	1,280,000	(75,891)	(5.60)
35	ICBAGRANI1	100,000	797,598	810,000	12,402	1.55
36	ICBAMCL2ND	50,000	450,307	410,000	(40,307)	(8.95)
37	IDLC	20,000	1,631,223	1,706,000	74,777	4.58
38	IFIC	100,000	1,981,485	1,800,000	(181,485)	(9.16)
39	IFILISLMF1	100,000	805,248	750,000	(55,248)	(6.86)
40	ISLAMICFIN	10,000	232,674	210,000	(22,674)	(9.75)
41	JAMUNABANK	49,858	1,112,667	1,096,876	(15,791)	(1.42)

NCCB Securities and Financial Services Limited
Statement of Portfolio Investment in Dealer Account
As at 31 December 2017

Annexure-C

SL No	Name of Company	No. of Shares	Cost Price	Market Price	Unrealized Gain/(Loss)	% Gain (Loss)
42	JAMUNAOIL	10,000	2,065,603	1,897,000	(168,603)	(8.16)
43	KEYACOSMET	72,000	907,754	885,600	(22,154)	(2.44)
44	KPCL	60,000	4,632,772	3,510,000	(1,122,772)	(24.24)
45	LAFSURCEML	90,000	9,869,647	6,291,000	(3,578,647)	(36.26)
46	LANKABAFIN	30,000	1,914,435	1,434,000	(480,435)	(25.10)
47	LINDEBD	1,000	1,291,427	1,284,700	(6,727)	(0.52)
48	MERCANBANK	50,000	1,377,032	1,320,000	(57,032)	(4.14)
49	MHSML	73,500	1,628,220	1,403,850	(224,370)	(13.78)
50	MPETROLEUM	20,000	4,010,777	3,778,000	(232,777)	(5.80)
51	NAHEEACP	9,698	85,570	711,833	626,263	731.87
52	NBL	100,000	1,377,032	1,300,000	(77,032)	(5.59)
53	NURANI	14,347	130,430	268,289	137,859	105.70
54	OIMEX	3,888	32,400	253,498	221,098	682.40
55	ONEBANKLTD	90,000	2,162,621	2,160,000	(2,621)	(0.12)
56	ORIONPHARM	50,000	2,526,763	2,435,000	(91,763)	(3.63)
57	PDL	56,250	1,102,013	1,102,500	487	0.04
58	POPULARLIF	20,000	1,377,532	1,430,000	52,468	3.81
59	PURABIGEN	29,000	524,493	501,700	(22,793)	(4.35)
60	RAKCERAMIC	50,000	3,262,845	2,995,000	(267,845)	(8.21)
61	RELIANCE1	200,000	2,291,718	2,200,000	(91,718)	(4.00)
62	RELIANCINS	20,000	1,172,814	1,094,000	(78,814)	(6.72)
63	RNSPIN	100,000	1,878,108	1,650,000	(228,108)	(12.15)
64	RSRMSTEEL	20,000	1,172,640	1,236,000	63,360	5.40
65	RUPALIINS	40,000	823,617	816,000	(7,617)	(0.92)
66	SAIFPOWER	192,000	5,080,668	6,374,400	1,293,732	25.46
67	SANDHANINS	30,000	907,561	945,000	37,439	4.13
68	SIMTEX	65,000	1,734,790	1,911,000	176,210	10.16
69	SINGERBD	5,000	946,209	977,500	31,291	3.31
70	SOUTHEASTB	100,000	2,309,231	2,220,000	(89,231)	(3.86)
71	SQURPHARMA	10,750	2,791,842	3,244,350	452,508	16.21
72	SUMITPOWER	70,000	2,897,346	2,513,000	(384,346)	(13.27)
73	TAKAFULINS	30,000	753,908	744,000	(9,908)	(1.31)
74	TITASGAS	50,000	2,420,564	2,210,000	(210,564)	(8.70)
75	TRUSTB1MF	50,000	340,255	335,000	(5,255)	(1.54)
76	TRUSTBANK	30,000	1,340,004	1,278,000	(62,004)	(4.63)
77	UTTARABANK	35,000	1,392,043	1,235,500	(156,543)	(11.25)
78	VAMLBDMF1	100,000	1,058,173	950,000	(108,173)	(10.22)
Total:			**133,702,310**	**125,695,960**	**(8,006,350)**	**(5.99)**
Provision made as on 31.12.2017					8,937,763	

Annexure-D

NCCB Securities and Financial Services Limited
As at 31 December 2017

Accounting Year	Assessment Year	Provision for Income Tax	Advance Income Tax Paid	Tax Liability As per Return	(Shortage)/ Excess	Remarks
1	2	3	4	5	6=(3-5)	7
2011	2012-2013	84,544,924	69,966,727	69,966,727	14,578,197	Return Filed u/s -82BB of ITO-1984
2012	2013-2014	44,751,951	52,811,854	52,811,854	(8,059,903)	Appealed filed before tribunal u/s 156 of ITO -1984
2013	2014-2015	68,829,871	59,249,794	59,350,764	9,479,107	Appealed filed before tribunal u/s 156 of ITO -1985
2014	2015-2016	11,689,159	19,340,561	8,034,124	3,655,035	Return Filed u/s -82BB of ITO-1984
2015	2016-2017	1,094,359	21,590,425	11,916,092	(10,821,733)	Return Filed u/s -82BB of ITO-1984
2016	2017-2018	15,461,946	15,858,961	13,289,654	2,172,292	Return Filed u/s -82BB of ITO-1984
2017	2018-2019	20,650,000	29,967,342		20,650,000	
Total Amount		**247,022,209**	**268,785,664**	**215,369,215**	**31,652,995**	

Annexure - P

NCCB Capital Limited

Statement of Financial Position

As at 31 December 2017

Particulars	Notes	31.12.2017 Taka	31.12.2016 Taka
Sources of fund			
Shareholders' equity			
Share capital	3	250,000,000	250,000,000
Retained earnings	4	8,463,959	8,503,839
		258,463,959	258,503,839
Total Sources of fund		**258,463,959**	**258,503,839**
Applications of fund			
Non-current assets		-	-
Current assets			
Cash at bank	5	258,476,459	258,528,839
Advance and prepayments	6	5,156,780	5,156,780
		263,633,239	263,685,619
Less: Current liabilities			
Payable to NCC Bank Limited	7	-	12,500
Provision for expenses	8	12,500	12,500
Provision for taxation	9	5,156,780	5,156,780
		5,169,280	5,181,780
Net current assets		**258,463,959**	**258,503,839**
Total Applications of fund		**258,463,959**	**258,503,839**
		-	-

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

Sd/-	Sd/-	Sd/-
Company Secretary	**Chief Executive Officer**	**Chairman**

See annexed auditors' report to the shareholders of even date

Dhaka,
30 April 2018

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants

NCCB Capital Limited

Statement of Comprehensive Income

For the year ended on 31 December 2017

Particulars	Notes	2017 Taka	2016 Taka
Operating income		-	-
Less: Operating expenses		-	-
Net Income from operation		-	-
Other income		-	-
		-	-
Less: Office & administrative expenses	**10**	39,880	29,765
Profit/(Loss) before financial expenses		**(39,880)**	**(29,765)**
Less: Financial expenses		-	-
Net Profit/ (Loss) before tax		**(39,880)**	**(29,765)**
Less: Provision for income tax		-	-
Net Profit/(Loss) after tax		**(39,880)**	**(29,765)**

These Financial Statements should be read in conjunction with the annexed notes.

Sd/-	Sd/-	Sd/-
Company Secretary	**Chief Executive Officer**	**Chairman**

See annexed auditors' report to the shareholders of even date

Dhaka,
30 April 2018

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants

NCCB Capital Limited

Statement of Cash Flows

For the year ended on 31 December 2017

Particulars	2017 Taka	2016 Taka
Cash flows from operating activities		
Payment for office and administrative expenses	(26,380)	(16,265)
Income tax paid		-
Repayment of other liabilities	(26,000)	-
Net cash generated from /used for operating activities	**(52,380)**	**(16,265)**
Cash flows from investing activities	-	-
Net cash used in investing activities	-	-
Cash flows from financing activities		
Issuance of share capital	-	-
Net cash received from financing activities	-	-
Net (decrease) / increase in cash and cash equivalents	**(52,380)**	**(16,265)**
Cash and cash equivalents at the beginning of the year	258,528,839	258,545,104
Cash and cash equivalents at the end of the year	**258,476,459**	**258,528,839**
Cash at bank	**258,476,459**	**258,528,839**

These Financial Statements should be read in conjunction with the annexed notes.

Sd/-	Sd/-	Sd/-
Company Secretary	**Chief Executive Officer**	**Chairman**

NCCB Capital Limited

Statement of Changes in Equity

For the year ended on 31 December 2017

Particulars	Paid up capital	Retained earnings/ (accumulated losses)	Total
	Taka	Taka	Taka
Opening balance as at 01 January 2017	**250,000,000**	**8,503,839**	**258,503,839**
Net Profit/(Loss) for the year	-	(39,880)	(39,880)
Balance as at 31 December 2017	**250,000,000**	**8,463,959**	**258,463,959**

Particulars	Paid up capital	Retained earnings/ (accumulated losses)	Total
	Taka	Taka	Taka
Opening balance as at 01 January 2016	**250,000,000**	**8,533,604**	**258,533,604**
Net Profit/(Loss) for the year	-	(29,765)	(29,765)
Balance as at 31 December 2016	**250,000,000**	**8,503,839**	**258,503,839**

Sd/-	**Sd/-**	**Sd/-**
Company Secretary	**Chief Executive Officer**	**Chairman**

NCCB Capital Limited

Notes to the financial statements
For the year ended on 31 December 2017

1.00 Background of the company :

NCCB Capital Limited (the "Company") a fully owned subsidiary company of NCC Bank Limited has been incorporated as a private limited company with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh bearing Registration No.C - 83649/10 dated April 01, 2010 under the Companies Act, 1994 having registered Office at NCC Bank Bhaban, 13/1, 13/2, Toyenbee Circular Road, Motijheel C/A, Dhaka-1000.(Previously at Bhuiyan Center, 68, Dilkusha C/A, Dhaka-1000)

1.01 Nature of business :

The Main objective of the Company is to act as a full fledged merchant banking activities like issue management, underwriting, advisory services. The company applied to the Securities & Exchange Commission for its license for carrying out its operations but yet to get clearance up to 31 December 2017, the company could not formally started its operation.

2.00 Basis of accounting

The Financial Statements, namely, Statement of financial position, Statement of Comprehensive Income, Cash Flow Statement, Statement of Changes in Equity and relevant notes thereto, of NCCB Capital Limited are prepared on a going concern basis under the historical cost convention and in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS) , the Companies Act-1994, and other laws and rules applicable thereto.

		31.12.2017 Taka	31.12.2016 Taka
3.00 Share capital :			
Authorized share capital (10,000,000 shares @ of Tk. 100 each)		**1,000,000,000**	**1,000,000,000**
Issued, subscribed and paid up capital (2,500,000 shares @ of Tk. 100 each)		250,000,000	250,000,000
		250,000,000	**250,000,000**
3 Percentage of shareholdings:			
Particulars	**No of shares**		
NCC Bank Limited	2,499,999	249,999,900	249,999,900
Mr. Gazi Hassan Mahmood	1	100	100
	2,500,000	**250,000,000**	**250,000,000**
4 Retained earnings			
Opening balance		**8,503,839**	**8,533,604**
Add: Profit/(Loss) during the year		(39,880)	(29,765)
Closing balance		**8,463,959**	**8,503,839**
5 Cash & bank balance :			
Cash in hand			
Cash at bank:			
Current deposit account with NCCBL, Dilkusha branch (Account No.0028-0210017040)		258,476,459	258,528,839
		258,476,459	**258,528,839**
6 Advances & prepayments			
Advance against office rent			
Interest receivable on FDR			
Advance income tax paid		2,817,308	2,817,308
Advance income tax deducted at source on interest of FDR		2,339,472	2,339,472
		5,156,780	**5,156,780**

		31.12.2017 Taka	31.12.2016 Taka
7	**Payable to NCC Bank Limited :**		
	Audit fees	-	12,500
		-	**12,500**
8	**Provision for expenses**		
	Audit Fee	12,500	12,500
		12,500	**12,500**
9	**Provision for income tax**		
	Opening balance	5,156,780	5,156,780
	Add: Addition during the period	-	-
	Closing balance	**5,156,780**	**5,156,780**

		2017 Taka	2016 Taka
10	**Office and administrative expenses**		
	Bank charges	1,380	1,265
	Audit fees	13,500	13,500
	Excise Duty	25,000	15,000
		39,880	**29,765**

11 Reporting currencies :

The figure in the financial statement represent Bangladeshi Taka currency and rounded off to the nearest Taka.

12 Reporting period

These Financial Statements cover the period from 01 January 2017 to 31 December 2017.

Sd/-	**Sd/-**	**Sd/-**
Company Secretary	**Chief Executive Officer**	**Chairman**