

Independent Auditor's Report and
Audited Financial Statements
of
National Bank of Pakistan Bangladesh Branches
As at and for the year ended 31 December 2024

Independent Auditor's Report

To the Management of National Bank of Pakistan Bangladesh Branches

Opinion

We have audited the financial statements of National Bank of Pakistan Bangladesh Branches (the Bank), which comprise the balance sheet as at 31 December 2024 and the profit and loss account, statements of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as explained in note no. 2.

Basis for Opinion

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

Emphasis of Matters

Without modifying our opinion, we are drawing attention to the following matters:

1. As of December 31, 2024, the total amount of bad/loss loans and advances stands at BDT 13,540,373,234, out of total loans and advances of BDT 13,718,179,170. In comparison, as of December 31, 2023, the bad/loss loans and advances amounted to BDT 13,542,631,195, out of total loans and advances of BDT 13,787,773,949. As of December 31, 2024, the bad/loss loans and advances represent 98.70% of total loans and advances and 40.91% of total assets of BDT 33,095,987,890. For the previous year, as of December 31, 2023, bad/loss loans and advances were 98.22% of total loans and advances and 41.23% of total assets of BDT 32,843,902,347. This substantial amount raises significant concerns regarding the risk of going concern. However, we have received a 'Support Letter' from the National Bank of Pakistan - Head Office, assuring us of financial support for the Bank in the foreseeable future should any threats to its status as a going concern arise.

2. The Bank has recognized deferred tax assets despite concerns regarding their deductibility in the future, given the outlook for future taxable profits. The rationale for recognizing these deferred tax assets is disclosed by the Bank in Note No. 11.1.1 of the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Bank, being branches of the National Bank of Pakistan, is not required to publish a separate Annual Report and hence there is no other information to be audited.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with IFRSs as explained in note no. 2, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 as amended and the Bangladesh Bank Regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

- ii. to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
- a. internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate;
 - b. nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank other than matters disclosed in these financial statements;
- iii. in our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- iv. the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements; the statements of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- v. the expenditures incurred were for the purpose of the Bank's business for the year;
- vi. the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- vii. adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- viii. the information and explanations required by us have been received and found satisfactory;
- ix. we have reviewed over 80% of the risk-weighted assets of the Bank and spent over 2,050 person hours; and
- x. Capital to Risk-weighted Assets Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Mahamud Sabuj & Co., Chartered Accountants

FRC Registration # CAF -001 -049.

Dated, Dhaka.

24-Feb-2025



Md. Mahamud Hossain FCA

Managing Partner

ICAB Enrolment Number: 0833

DVC: 250 224 0833 AS 714 728

**NATIONAL BANK OF PAKISTAN
BANGLADESH BRANCHES
BALANCE SHEET
AS AT 31 DECEMBER 2024**

Particulars	Notes	Amount in BDT	
		31-Dec-24	31-Dec-23
PROPERTY AND ASSETS			
Cash		790,603,365	913,200,008
Cash in hand (including foreign currencies)	3	11,203,042	9,382,909
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)	4	779,400,323	903,817,099
Balance with other banks & financial institutions	5	88,663,218	170,580,017
In Bangladesh		-	-
Outside Bangladesh		88,663,218	170,580,017
Money at call on short notice	6	-	-
Investments (in shares / securities)	7	14,420,286,229	13,966,594,409
Government		14,420,286,229	13,966,594,409
Others		-	-
Loans & advances		13,718,179,170	13,787,773,949
Loan, cash credit, overdrafts etc.	8	12,448,228,570	12,517,823,348
Bills purchased & discounted	9	1,269,950,600	1,269,950,600
Fixed assets including premises, furniture & fixtures	10	33,021,514	40,066,574
Other assets	11	4,045,234,394	3,965,687,391
Non banking assets	12	-	-
TOTAL ASSETS		33,095,987,890	32,843,902,347
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions & agents	13	-	-
Deposits & other accounts	14	15,824,925,150	15,943,839,232
Current deposits & other accounts, etc.	14.1	14,909,966,092	13,988,860,167
Bills payable	14.2	33,827,741	28,212,805
Savings bank deposits	14.3	91,042,836	100,937,714
Fixed deposits	14.4	583,254,458	1,253,938,377
Scheme deposits	14.5	177,080,221	208,303,596
Bearer certificate of deposits	14.6	-	-
Other deposit (short term deposit)	14.7	29,753,803	363,586,573
Other liabilities	15	9,442,289,365	9,517,702,916
TOTAL LIABILITIES		25,267,214,515	25,461,542,147
Capital / Shareholders' Equity			
Capital fund	16	14,577,927,703	14,163,513,703
Statutory reserve		-	-
Other reserves	17	22,964,053	30,875,545
Surplus/(deficit) in profit and loss account	18	(6,772,118,382)	(6,812,029,048)
TOTAL SHAREHOLDERS' EQUITY		7,828,773,374	7,382,360,200
TOTAL LIABILITIES AND & SHAREHOLDERS' EQUITY		33,095,987,890	32,843,902,347



Particulars	Notes	Amount in BDT	
		31-Dec-24	31-Dec-23

OFF-BALANCE SHEET ITEMS

Contingent liabilities

Acceptances & endorsements
Letter of guarantee
Letter of credit
Bills for collection
Other contingent liabilities

19	101,118,221	156,564,655
	-	-
19.1	29,959,447	85,405,881
19.2	51,493,000	51,493,000
19.3	12,690,000	12,690,000
19.4	6,975,774	6,975,774

Other commitments

Documentary credits and short term trade related transactions
Forward assets purchased and forward deposits placed
Undrawn note issuance and revolving underwriting facilities
Undrawn formal standby facilities, credit lines and other commitments

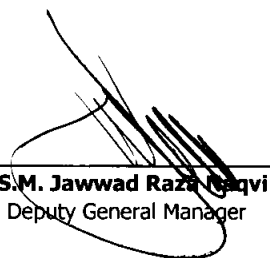
19.5	14,271,935,750	13,454,798,650
	-	-
	14,271,935,750	13,454,798,650
	-	-
	-	-

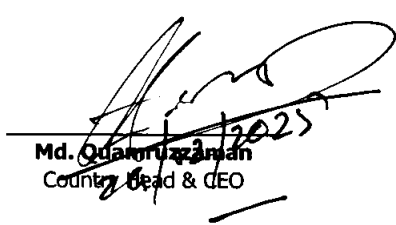
TOTAL OFF-BALANCE SHEET ITEMS

14,373,053,971 **13,611,363,305**

The accompanying notes 1 to 49 and Annexure A, B & C are an integral part of these financial statements.


Md. Ataur Rohoman Joardder
Head of Finance


S.M. Jawwad Raza Haqqi
Deputy General Manager


Md. Quamruzzaman
Country Head & CEO

Mahamud Sabuj & Co.,
Chartered Accountants
FRC Registration # CAF - 001 - 049

Dated, Dhaka.

24-Feb-2025


Md. Mahamud Hosain FCA
Managing Partner

ICAB Enrolment Number: 0833

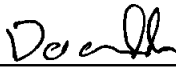
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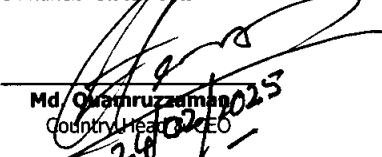
**NATIONAL BANK OF PAKISTAN
BANGLADESH BRANCHES
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2024**

Particulars	Notes	Amount in BDT	
		2024	2023
Interest income	21	2,576,599	3,807,299
Interest paid on deposits and borrowings etc	22	(1,179,609,579)	(747,564,581)
Net interest income		(1,177,032,980)	(743,757,282)
Investment income (in shares / securities)	23	1,342,737,752	1,237,758,556
Commission & exchange income	24	8,795,491	(131,229,206)
Other operating income	25	497,721	16,613,854
Total operating income		174,997,985	379,385,922
Salary & allowances	0.00 26	66,095,434	69,589,449
Rent, taxes, insurances, lighting etc.	27	5,599,928	51,002,960
Legal & other professional expenses	28	23,981,570	38,832,246
Postage, stamps and telecommunication etc.	29	480,088	499,850
Stationery, printing, advertisement etc.	30	1,225,345	1,382,210
Chief executive's salary & allowances	31	7,483,302	7,309,048
Director's fees	32	-	-
Audit fees	33	420,000	413,450
Charges on loan losses / write off loans & advances	34	-	-
Depreciation and repairs of bank's assets	35	36,243,607	16,743,388
Other expenses	36	23,321,153	29,675,192
Total operating expenses		164,850,427	215,447,793
Profit/(Loss) before provisions		10,147,558	163,938,128
Provision for loans and advances	37	(33,429,072)	(2,730,286)
Provision for off balance sheet exposure	38	-	-
Provision for dimension in value of investment	39	-	-
Other provision	40	-	-
Total provisions		(33,429,072)	(2,730,286)
Profit/(loss) before taxes		43,576,630	166,668,414
Provision for income tax	15.2	7,948,024	5,818,983
Deferred tax expenses/(income)	41	3,665,963	1,769,339
Net profit/(loss) after taxation		31,962,642	159,080,092
Appropriation			
Statutory reserve		Not Applicable	Not Applicable
General reserve		Not Applicable	Not Applicable
Dividends		Not Applicable	Not Applicable
Retained surplus/(deficit)		31,962,642	159,080,092
Earning Per Share (EPS)	48	Not Applicable	Not Applicable

The accompanying notes 1 to 49 and Annexure A, B & C are an integral part of these financial statements.


Md. Ataur Rohoman Joardder
Head of Finance


S.M. Jaywad Raza Naqvi
Deputy General Manager


Md. Qasimur Rahman
Country Head C&A
Mahamud Sabuj & Co.,
Chartered Accountants
FRC Registration # CAF - 001 - 049

Dated, Dhaka.

24-Feb-2025


Md. Mahamud Hosain FCA
Managing Partner


ICAB Enrolment Number: 0833

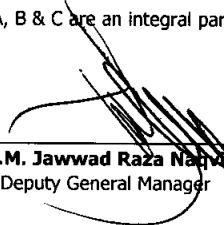
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NATIONAL BANK OF PAKISTAN
BANGLADESH BRANCHES
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

Particulars	Notes	Amount in BDT	
		2024	2023
A) Cash flows from operating activities			
Interest receipt in cash		1,315,498,902	1,246,612,829
Interest payments		(1,084,467,882)	(747,564,581)
Fee & commission receipt in cash	24	8,795,491	(131,229,206)
Cash payments to employees		(73,578,736)	(76,898,497)
Cash payments to suppliers	43	(10,242,557)	(8,043,442)
Income taxes paid		-	(555,376)
Receipts from other operating activities	25	376,344	23,885
Payments for other operating activities	44	(47,784,523)	(116,811,258)
Cash from Operating profit before changes in operating assets and liabilities		108,597,038	165,534,354
Increase / (Decrease) in operating assets/ liabilities			
Statutory deposits		-	-
Purchase/ Sale of trading securities		-	-
Loans and advances to other banks		-	-
Loans and advances to customers		69,594,779	40,801,971
Other assets (item wise)	45	(83,212,966)	(63,987,201)
Deposits from other banks		-	-
Deposits received from /returned to customers		(118,914,082)	(775,922,128)
Other liabilities account of customers		-	-
Trading liabilities		-	-
Other liabilities	46	(86,993,003)	65,625,958
Cash generated from changes in operating assets and liabilities		(219,525,272)	(733,481,399)
Net cash (used in) / received from operating activities		(110,928,234)	(567,947,046)
B) Cash flows from investing activities			
Proceeds from sale of securities (net of interest income)		11,492,726,948	7,336,159,790
Payment for purchase of securities		(11,547,677,934)	(7,133,066,192)
Purchase/ sale of property, plant & equipment		(6,775,845)	(2,131,050)
Purchase/ sale of subsidiaries		-	-
Net cash (used in) investing activities		(61,726,831)	200,962,549
C) Cash flows from financing activities			
Receipt from issue of loan capital & debt securities		-	-
Payment for redemption of loan capital & debt securities		-	-
Receipt from issuing ordinary share/receipt from head office		-	-
Lease payment		(31,858,376)	(23,052,087)
Dividend paid		-	-
Net cash received from financing activities		(31,858,376)	(23,052,087)
D) Net increase / (decrease) in cash		(204,513,442)	(390,036,585)
E) Effects of exchange rate changes on cash & cash equivalent		-	-
F) Cash & cash equivalents at the beginning of the period		1,083,780,025	1,473,816,610
G) Cash and cash equivalents at the end of the period	47	879,266,583	1,083,780,025

The accompanying notes 1 to 49 and Annexure A, B & C are an integral part of these financial statements.


Md. Ataur Rohoman Joardder
Head of Finance


S.M. Jawwad Raza Naqvi
Deputy General Manager


Md. Quamruzzaman
Country Head

Dated, Dhaka.

24-Feb-2025

NATIONAL BANK OF PAKISTAN
BANGLADESH BRANCHES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

Particulars	Fund deposited with Bangladesh Bank	Other reserve	Profit & loss account	Total
Balance as at 01 January 2024	14,163,513,703	30,875,545	(6,812,029,048)	7,382,360,200
Changes in accounting policy	-	-	-	-
Surplus/deficit on account of revaluation of properties	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	(7,911,492)	-	(7,911,492)
Adjustment of revaluation of investments	-	-	-	-
Currency translation difference	-	-	-	-
Net gain and losses not recognized in the income statement	-	-	-	-
Net profit/(loss) for the year	-	-	31,962,642	31,962,642
Revaluation of foreign currency	-	-	-	-
Dividend	-	-	-	-
Fund received from head office	414,414,000	-	-	414,414,000
Transfer to/from profit & loss A/C	-	-	7,948,024	7,948,024
Balance as at 31 December 2024	14,577,927,703	22,964,053	(6,772,118,382)	7,828,773,374
Balance as at 01 January 2023	14,163,513,703	49,083,413	(6,971,109,141)	7,241,487,976
Changes in accounting policy restated balance	-	-	-	-
Surplus/deficit on account of revaluation of properties	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	(18,207,868)	-	(18,207,868)
Adjustment of revaluation of investments	-	-	-	-
Currency translation difference	-	-	-	-
Net gain and losses not recognized in the income statement	-	-	-	-
Net profit/(loss) for the periods (restated)	-	-	159,080,092	159,080,092
Revaluation of foreign currency	-	-	-	-
Dividend	-	-	-	-
Issue of share capital/received from head office	-	-	-	-
Transfer to/from profit & loss A/C	-	-	-	-
Balance as at 31 December 2023	14,163,513,703	30,875,545	(6,812,029,048)	7,382,360,200
Other Reserves			2024	2023
General reserves			-	-
Retained earnings			-	-
Investment loss offsetting reserves			-	-
Share premium			-	-
Asset revaluation reserve			-	-
Dividend equalization A/C			-	-
Increase in HTM securities			6,797,459	13,886,183
Gain in revaluation of treasury bills & bonds HFT			16,166,594	16,989,362
Exchange equalization A/C			-	-
Total			22,964,053	30,875,545

The accompanying notes 1 to 49 and Annexure A, B & C are an integral part of these financial statements.


Md. Ataur Rohoman Joardder
Head of Finance


S.M. Jawwad Raza Naqvi
Deputy General Manager


Md. Quamruzzaman
Country Head & CEO

Dated, Dhaka.


24-Feb-2025




**NATIONAL BANK OF PAKISTAN
BANGLADESH BRANCHES
LIQUIDITY STATEMENT
ASSETS & LIABILITIES MATURITY ANALYSIS
AS AT 31 DECEMBER 2024**

Particulars	Up to 1 Months	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Assets						
Cash in hand	790,603,365	-	-	-	-	790,603,365
Balance with other banks & financial institutions	88,663,218	-	-	-	-	88,663,218
Money at call on short notice	-	-	-	-	-	-
Investments (in shares & securities)	34,000	5,465,649,327	3,441,770,709	3,721,427,351	1,791,404,843	14,420,286,229
Loan & advances	13,635,870,095	17,847,753	16,461,815	47,999,507	-	13,718,179,170
Fixed assets including premises, furniture & fixtures	2,751,793	5,503,586	24,766,135	-	-	33,021,514
Other assets	-	-	714,199,050	3,331,035,343	-	4,045,234,394
Non-banking assets	-	-	-	-	-	-
Total assets	14,517,922,471	5,489,000,666	4,197,197,709	7,100,462,201	1,791,404,843	33,095,987,890
Liabilities						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	-	-	-	-	-	-
Deposits	8,962,578,366	6,418,476,160	314,449,830	97,924,894	1,742,098	15,795,171,348
Other accounts	29,753,803	-	-	-	-	29,753,803
Provision & other liabilities	-	104,232,464	-	9,338,056,901	-	9,442,289,365
Total liabilities	8,992,332,169	6,522,708,625	314,449,830	9,435,981,795	1,742,098	25,267,214,515
Net liquidity gap	5,525,590,302	(1,033,707,959)	3,882,747,879	(2,335,519,594)	1,789,662,745	7,828,773,374

The accompanying notes 1 to 49 and Annexure A, B & C are an integral part of these financial statements.


Md. Ataur Rohoman Joardder
Head of Finance


S.M. Jawwad Raza Naqvi
Deputy General Manager


Md. Qasimuzzaman
Country Head

Dated, Dhaka.

24-Feb-2025

**National Bank of Pakistan Bangladesh Branches
Notes to the Financial Statements
As at and for the year ended 31 December 2024**

1 Status and nature of business

a) Status of the Bank

National Bank of Pakistan (NBP) was established under the National Bank of Pakistan Ordinance, 1949 and is listed on all the stock exchanges in Pakistan. Both of its registered and head office is situated at I.I. Chundrigger Road, Karachi. It has been operating its banking activities in Bangladesh at Dhaka since August 1994, at Chattogram since April 2004, at Sylhet since March 2008 and at Gulshan since April 2008. Sylhet branch has been closed from 01 October 2021.

b) Nature of business

The principal activities of the Bank in Bangladesh are to provide all kinds of commercial banking services to its customers.

2 Basis of preparation

2.1 Statement of compliance

The financial statements of National Bank of Pakistan Bangladesh Branches (hereinafter referred as "the Bank") have been prepared under historical cost convention except investments which are measured at market value and in accordance with "First Schedule" of the Bank Company Act, 1991 as amended under Section 38(4) of the Act, relevant Bangladesh Bank Circulars, International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Financial Reporting Council (FRC), the Companies Act, 1994 and other rules and regulations applicable for banks in Bangladesh. In cases any requirement of provisions and circulars issued by Bangladesh Bank differ with those of other regulatory authorities, the provisions & circulars issued by Bangladesh Bank shall prevail. Material departures from the requirement of IASs & IFRSs are as follows:

a) Presentation of financial statements

IFRSs: As per IAS 1 Presentation of Financial Statements, financial statements shall comprise a statement of financial position as at the end of the period, a statement of profit or loss and other comprehensive income for the period, a statement of changes in equity for the period, a statement of cash flows for the period and notes – comprising significant accounting policies and other explanatory information. As per IAS 1, the entity shall also present current and non-current assets and liabilities as separate classifications in its statement of financial position.

Bangladesh Bank: The presentation of the financial statements in prescribed format (i.e., balance sheet, profit and loss account, cash flow statement, statement of changes in equity,

liquidity statement) and certain disclosures therein are guided by the First Schedule (section 38) of the Bank Company Act 1991 (as amendment up to date) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of Bangladesh Bank. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications.

b) Investment in shares & securities

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

Bangladesh Bank: As per BRPD Circular letter no. 14, dated 25 June 2003, investment 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 the value of investments; otherwise, investments are recognized at cost.

c) Revaluation gain & loss on government securities

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

Bangladesh Bank: According to DOS circular 5 dated 26 May 2008 and subsequent clarification in DOS circular 5 dated 28 January 2009, HFT Securities are revalued on the basis of mark to market and at the year-end any gains on revaluation of securities which have not matured as at the balance sheet date are recognized as other reserve as part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account.

Interests on HFT securities including amortization of discount are recognized in the profit and loss account. HTM securities which have not matured at the balance sheet date are amortized at the year end and gains and losses on amortization are recognized in other reserve as part of equity.

d) Provision on loans & advances

IFRSs: As per IFRS 9 an entity shall recognize an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those

loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

Bangladesh Bank: As per the Bangladesh Bank BRPD Circular letter no. 53 dated 22 December 2022, BRPD Circular letter no. 16 dated 18 July 2022, BRPD Circular letter no. 04 dated 12 April 2022, BRPD Circular Letter No. 52 dated 29 December 2021, BRPD Circular letter no. 50 dated 14 December 2021, BRPD Circular no. 52 dated 20 October 2020, BRPD Circular no. 16 dated 21 July 2020, BRPD Circular no. 56 dated 10 December 2020, BRPD Circular Letter no. 24 dated 17 November 2019, BRPD Circular Letter no. 6 dated 19 May 2019, BRPD Circular no. 5 dated 16 May 2019, BRPD Circular no. 3 dated 21 April 2019, BRPD circular no. 1 dated 20 February 2018, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012 and BRPD circular no. 05 dated 29 May 2013, a general provision at 0.25% to 5% under different categories of unclassified loans (standard/ SMA loans) should be maintained regardless of objective evidence of impairment. Specific provision for sub-standard loans, doubtful loans and bad losses should be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Also, a general provision at 1% should be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

e) **Other comprehensive income and appropriation of profit**

IFRSs: As per *IAS 1 Presentation of Financial Statement*, other comprehensive income (OCI) is a component of financial statements or the elements of other comprehensive income are to be included in a Single Comprehensive Income Statement.

Bangladesh Bank: Bangladesh bank has issued templates for financial statements through BRPD circular 14 dated 25 June 2003. The templates of financial statements issued by Bangladesh Bank do not include OCI nor are the elements of OCI allowed to be included in a single comprehensive income statement. As such the Bank does not prepare an OCI statement. However, the elements of OCI, if any, are shown in the statement of changes in equity.

f) **Financial instruments presentation & disclosure**

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in *IFRS 7 Financial Instruments Disclosures* and *IFRS 9 Financial Instruments*. As such some disclosures and presentation requirements of *IAS 7* and *IFRS 9* cannot be fully made in these financial statements.

g) **Repo and reverse repo transactions**

IFRSs: When an entity sells a financial asset and simultaneously enter into an agreement to repurchase the assets (or a similar assets) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a deposit, and the underlying assets continues to be recognized in the entity's financial statements. This transaction will be treated as loan and the difference between selling price and repurchased price will be treated as interest expenses. Same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank: As per DOS Circular letter 6 dated 15 July 2010 and DOS Circular letter 2 dated 23 January 2013, when a bank sells a financial asset and simultaneously enter into an agreement to repurchase the assets (or a similar assets) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transaction and the financial assets are derecognized in the seller's books and recognized in the buyer's book.

h) **Financial guarantee**

IFRSs: As per *IFRS 9*, 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 fail to make payment when due in accordance with the terms of debt instruments. Financial guarantee liabilities are recognized initially at their fair value and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognized less, income recognized in accordance with the principles of *IFRS 15*. Financial guarantee is included within other liability.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 financial guarantee such as letter of credit, letter of guarantee etc. will be treated as off-balance sheet items.

i) **Cash & cash equivalent**

IFRSs: As per *IAS 7 Statement of Cash Flows*, cash comprises cash on hand and demand deposits and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Cash and cash equivalent items should be reported as cash items.

Bangladesh Bank: Some cash and cash equivalent items such as "money at call on short notice" is shown as main item in the face of the balance sheet and the treasury bills, prize bonds are not shown as cash and cash equivalent items rather are shown as investments in the financial statements.

j) **Recognition of interest in suspense**

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

Bangladesh Bank: As per BRPD circular letter no 14, dated 23 September 2012 and BRPD Circular no. 03 dated 21 April 2019, once a loan is classified, interest on such loan are not allowed to be recognized as income, rather the corresponding amount needs to be credited to interest suspense account which is presented as liability in the balance sheet.

k) **Non-banking assets**

IFRSs: No indication of non-banking assets is found in any *IFRS* or *IAS*.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, there exists a separate balance sheet item named as "non-banking assets".

l) Cash flow statement

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

Bangladesh Bank: As per BRPD circular 14 dated 25 June 2003, cash flow statement is a mixture of direct and indirect method.

m) Balance with Bangladesh Bank (cash reserve requirement)

IFRSs: Balance with Bangladesh Bank maintained for CRR purpose should be treated as other assets as it is not available for use in day-to-day operations of the entity as per *IAS 7 Statement of Cash Flows*.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, balance with Bangladesh bank is treated as "Cash and cash equivalent".

n) Presentation of intangible assets

IFRSs: Intangible assets must be identified, recognized and presented in the face of the balance sheet and disclosure must be given as per *IAS 38 Intangible Assets*.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, there is no regulation on intangible assets.

o) Off-balance sheet items

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

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, off-balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately in the face of the Balance Sheet.

p) Loans & advances / investments net off provision

IFRSs: Loans & advances / investments should be presented by netting off provision.

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

q) Recognition of derivatives

IFRSs: As per *IAS 39*, all derivatives including forward contracts are initially recognized at fair value (as measured in accordance with *IFRS 13*) which is generally the transaction price. Subsequent to initial recognition, derivatives are classified as "fair value through profit & loss" and changes in fair value are recognized in profit and loss account.

Bangladesh Bank: As per BRPD Circular Letter no 14, dated 25 June 2003, derivative contracts are disclosed outside of balance sheet exposures.

2.2 Reporting Period

These financial statements of the Bank cover 01 (one) calendar year from 01 January to 31 December.

2.3 Use of estimates and judgments

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

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

Key estimates are made for loan loss provision, provision for current and deferred tax.

2.4 Going concern

The financial statements, namely Balance Sheet, Profit & Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement and relevant notes and disclosure thereto, have been prepared on going concern basis under historical cost convention, and in accordance with First Schedule of the Bank Company Act 1991 (amended in 2013), amended by BRPD circular no. 14 dated 25 June 2003.

2.5 Basis of measurement

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

- a) The Government treasury bills & bonds designated as "Held for Trading (HFT)" at market value using mark to market concept with gain credited to revaluation reserve account as per DOS circular letter no. 05 dated 26 May 2008 and DOS circular letter no. 05 dated 28 January 2009.
- b) The Government treasury bills & bonds designated as "Held to Maturity (HTM)" at amortized cost using effective interest rate as per DOS circular letter no. 05 dated 26 May 2008 and DOS circular letter no. 05 dated 28 January 2009.

Value of investments has been enumerated as follows:

Items	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 bond	At cost

2.6 Branch consolidation

The Bank is working in Bangladesh as a foreign branch of National Bank of Pakistan, incorporated in Pakistan and does not have any subsidiaries in Bangladesh; as such IFRS 10 "Consolidated Financial Statements" does not have any impact on these financial statements. To have an overall financial position in a single set of financial statements of Bangladesh operations, consolidated record for the statement of affairs and income and expenditure of the branches were maintained at the Controlling Office, 80 Gulshan Avenue, Dhaka of the Bank based on which these financial statements have been prepared.

2.7 Functional and presentation currency

The financial statements of the Bank have been presented in Bangladeshi Taka (BDT) which is the Bank's functional currency.

2.8 Foreign currency transaction

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per IAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign currencies balances held in USD are converted into Taka at mid-rate of the bank on the closing date of every week and on the reporting date.

- Foreign currency transactions are converted into Taka currency at the exchange rates prevailed on the dates of such transactions.
- Assets and liabilities outstanding on 31 December 2024 in foreign currency have been converted into Taka currency at the following rates:

Country	Currency	Mid-rate (Equivalent Taka)
U. S. A	USD 1	118.00
ACU Dollar	USD 1	118.00
U. K	GBP 1	147.7968
JAPAN	JPY 1	0.7475
EUROPE	EURO 1	122.1914

Gains and losses of transactions are dealt with through exchange account in profit and loss account except balance held with Bangladesh Bank in foreign currency against "Capital Fund".

2.9 Loans & advances

- Loans and advances have been stated at gross value as per requirements of the Bank Company Act, 1991
- Interest is calculated on daily product basis but charged and accounted for quarterly on accrual basis.
- Interests on regular loans and advances have been accounted for as income on accrual basis.
- Provision for loans and advances / investments is made on the basis of the following instructions contained in Bangladesh Bank BRPD Circular letter no. 52 dated 29 December 2021, BRPD Circular letter no. 50 dated 14 December 2021, BRPD Circular no. 52 dated 20 October 2020, BRPD Circular no. 16 dated 21 July 2020, BRPD Circular no. 56 dated 10

December 2020, BRPD Circular Letter no. 24 dated 17 November 2019, BRPD Circular Letter no. 6 dated 19 May 2019, BRPD Circular no. 5 dated 16 May 2019, BRPD Circular no. 3 dated 21 April 2019, BRPD circular no. 1 dated 20 February 2018, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012 and BRPD circular no. 05 dated 29 May 2013. The rates of provision for loans and advances / investments are given below:

Particulars	Rate
General provision on unclassified general loans and advances / investments	1%
General provision on unclassified small and medium enterprise financing	0.25%
General provision on interest receivable on loans / investments	1%
General provision on unclassified loans / investments for housing finance	1%
General provision on loans for professionals and loans to BHs/MBs against share etc.	2%
General provision on unclassified consumer financing other than housing finance and professionals	5%
General provision on short term Agriculture/Micro Credit	1%
General provision on credit card	2%
General provision on Special Mention Account (SMA) except Short Term Agriculture Loans	0.25%-5%
Specific provision on substandard loans and advances / investments	5%-20%
Specific provision on doubtful loans and advances / investments	5%-50%
Specific provision on bad / loss loans and advances / investments	100%

*1% and 2% General provisions are made for "Special General Provision COVID-19" as per BRPD Circular Letter No. 56 dated 10 December 2020 and Circular letter no. 52 dated 29 December 2021 respectively.

- e) Loans and advances are written off as per guidelines of Bangladesh Bank. These write off however will not undermine / affect the claim amount against the borrower.

2.10 Provision for off balance sheet exposure

General provision for off balance sheet exposures i.e. letters of credit, letter of guarantee etc. are made on the basis of year-end review by the management and of instructions contained in Bangladesh bank BRPD Circular No. 08 dated August 07, 2007 and BRPD Circular No. 10 dated September 18, 2007 and BRPD Circular No. 14 dated 23 September 2012 and BRPD Circular No. 07 dated June 21, 2018 and BRPD Circular No. 13 dated October 18, 2018 at the rate of 1%.

2.11 Fixed assets

- a) Property, plant & equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Bank and the cost of the assets can be reliably measured. Subsequently, these are stated at cost less accumulated depreciation as per IAS-16 *Property, Plant and Equipment*. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

- b) The depreciation of fixed assets has been charged as per Head Office circular No. 34/2006 dated May 09, 2006 in order to comply with the requirements of International Accounting standards. Depreciation is charged from the month the assets are brought into use and no depreciation is charged from the month the assets are sold/ disposed of. The method and rate of depreciation are as follows:

Particulars	Method of depreciation	Existing rate
Building (Freehold & leasehold)	On book value	5%
Furniture & fixture (Office)	On book value	10%
Library book	On book value	30%
Furniture & fixture (For executive)	On cost	20%
Computer (Hardware & Software)	On cost	33.33%
Electric & office equipment	On book value	20%
Sign board	On cost	20%
Motor Vehicles	On cost	20%

- c) Repairs and maintenance costs are charged to profit and loss account when incurred.

2.12 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) Expenditure incurred on software is capitalized only when it enhances and extends the economic benefits of computer software beyond their original specifications and lives and such cost is recognized as capital improvement and added to the original cost of software.
- d) Software is amortized using the straight-line method over the estimated useful life commencing from the date of the application. Software is available for use over its useful economic life.

2.13 Impairment of Assets

The Bank assesses at the end of each reporting period if events or changes in circumstances indicate that the carrying value of an asset may be impaired, whether there is any indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the bank makes an estimate of the asset's recoverable amount. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered as impaired and is written down to its recoverable amount by debiting to the profit & loss account.

Fixed assets are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying amount of an asset may be impaired.

2.14 Other assets

Provision for other assets

Other assets have been classified as per BRPD circular no. 14 dated 25 June 2003 of Bangladesh Bank and necessary provisions have been made thereon accordingly as per BRPD Circular No. 04 dated 12 April 2022 and for item not covered under the circular, adequate provision have been made considering their recoverability.

2.15 Leases

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

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

While implementing IFRS 16, the Bank observed that IFRS 16 is expected to have impact on various regulatory capital and liquidity ratios as well as other statutory requirements issued by various regulators. In addition, there are no direction from National Board of Revenue (NBR) regarding treatment of lease rent, depreciation on ROU assets and interest on lease liability for income tax purposes and applicability of VAT on such items. Finally, paragraph 5 of IFRS 16 provide the recognition exemptions to short-term leases and leases for which the underlying asset is of low value. Although, paragraphs B3 to B8 of the Application Guidance (Appendix B) of IFRS 16 provide some qualitative guidance on low value asset, but this guidance is focused towards moveable asset and immovable asset like rental of premises (i.e. real estate) is not covered on that guidance, nor any benchmark on quantification guidance on low value items have been agreed locally in Bangladesh.

Nevertheless, as first step the Bank has defined 'low value asset' which are to be excluded from IFRS 16 requirement. Thereafter, the Bank has reviewed lease arrangements for 'office premises' for consideration under IFRS 16.

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

In 2024, the Bank completed an assessment for all the rental agreements and recognized Right-of-use assets and leases liabilities for all leases under the scope of IFRS 16 Leases. On this transition, the weighted average incremental borrowing rate applied to lease liabilities recognized under IFRS 16 was 7.75%, 8.50%, 9.50% respectively.

a) Bank as Lessor

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

b) Bank as Lessee

For any new contracts entered into on or after 1 January 2019, the Bank considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Bank assesses whether the contract meets two key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Bank;
- the Bank has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Bank has the right to direct the use of the identified asset throughout the period of use. The Bank assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

2.16 Non-banking assets

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

2.17 Reporting period

The financial statements cover from 01 January 2024 to 31 December 2024.

2.18 Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. Advance tax paid and provision for tax of the bank is presented on net basis as a liability item if the liability is higher than asset and as an asset item if the asset is higher than liability.

2.19 Receivable

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



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

While preparing the financial statements, National Bank of Pakistan complied most of the IAS and IFRS, details of which are given below:

Sl. No.	Name of IAS	IAS	Status
1	Presentation of Financial Statements	1	Applied with some departures (note # 2.1)
2	Inventories	2	N/A
3	Statements of Cash Flows	7	Applied with some departures (note # 2.1)
4	Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
5	Events after the Reporting Period	10	Applied
7	Income Taxes	12	Applied
8	Property, Plant and Equipment	16	Applied
9	Employee Benefits	19	Applied with some departures-note # 2.32 (b)
10	The Effects of Changes in Foreign Exchange Rate	21	Applied
11	Borrowing Cost	23	Applied
12	Related Party Disclosures	24	Applied
13	Accounting and Reporting by Retirement Benefit Plans	26	Applied
14	Separate Financial Statements	27	Not Applicable
15	Investment in Associates	28	Not Applicable
16	Interest in Joint Ventures	31	Not Applicable
17	Financial Instruments: Presentation	32	Applied with some departures (note # 2.1)
18	Earnings per Share	33	Not Applicable
19	Interim Financial Reporting	34	Not Applicable
20	Impairment of Assets	36	Applied
21	Provisions, Contingent Liabilities and Contingent Assets	37	Applied
22	Intangible Assets	38	Applied
23	Financial Instruments: Recognition and Measurement	39	Applied with some departures (note # 2.1)
24	Investment Property	40	Not Applicable
25	Agriculture	41	Not Applicable

Sl. No.	Name of IFRS	IFRS	Status
1	First-time Adoption of International Financial Reporting Standards	1	Not Applicable
2	Share-Based Payment	2	Not Applicable
3	Business Combinations	3	Not Applicable
4	Non-current assets Held for Sale and Discontinued Operations	5	Not Applicable
5	Exploration for and Evaluation of Mineral Resources	6	Not Applicable
6	Financial Instruments: Disclosures	7	Applied with some departures (note # 2.1)
7	Operating Segments	8	Applied
8	Financial Instruments	9	Applied with some departures (note # 2.1)
9	Consolidated Financial Statements	10	Not Applicable
10	Joint Arrangements	11	Not Applicable
11	Disclosure of Interest in Other Entities	12	Not Applicable
12	Fair Value Measurement	13	Applied with some departures (note # 2.1)
13	Regulatory Deferral Accounts	14	Not Applicable
14	Revenue from Contracts with Customers	15	Applied
15	Leases	16	Applied
16	Insurance Contract	17	Not Applicable

2.21 Revenue recognition

Interest income

1. The interest receivable is recognized on accrual basis.
2. Interest on unclassified loan and advance is calculated on accrual basis and on daily product basis but charged and accounted for quarterly and in some cases yearly on accrual basis.
3. Commission and discounts on bills purchased and discounted are recognized at the time of realization.

a) Investment income

Income on investments other than shares in different limited companies has been accounted for on accrual basis.

b) Fees and commission income:

Fees and commission arise on services provided by the bank and recognized in cash receipts basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

2.22 Liquidity statement

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

- a) Balance with other banks and financial institutions, money at call on short notice etc. are on the basis of their maturity term.
- b) Investments are on the basis of their residual maturity term.
- c) Loan and advances are on the basis of their repayment/maturity schedule.
- d) Fixed assets are on the basis of their useful lives.
- e) Other assets are on the basis of their adjustment.
- f) Borrowings from other banks, financial institutions and agents as per their maturity/repayment term.
- g) Deposits and other accounts are on the basis of their maturity term and behavioral past trend.
- h) Other long-term liability on the basis of their maturity term.
- i) Provisions and other liabilities are on the basis of their settlement.

2.23 Statement of cash flow

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.

2.24 Statement of changes in equity

Statement of changes in equity has been prepared in accordance with *IAS-1, "Presentation of Financial Statements"* and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated June 25, 2003.

2.25 Taxation

(i) Current tax

Provision for current income tax has been made as per prescribed rate in the Finance Act, 2024 on the taxable income as per income tax law and International Accounting Standard (IAS) 12: "Income Taxes".

(ii) Deferred tax

Deferred tax liabilities are the amounts of income tax 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 taxable temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax basis. Deferred tax assets and 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. Disclosures of Deferred Tax have been made on the basis of the instructions contained in Bangladesh Bank BRPD Circular No. 11 dated 12 December 2011.

2.26 Deposits and other accounts

Deposits and other accounts include deposit accounts redeemable at cost, term deposit, savings deposit and bills payable. These terms are brought to financial statements at the gross value of the outstanding balance.

2.27 Investment

Value of investment has been calculated as follows:

Items	Applicable accounting value
Government treasury bill and bonds under HTM portfolio.	At amortized cost basis.
Government treasury bill and bonds under HFT portfolio.	Valued at mark to market on a weekly basis.

2.28 Reconciliation of inter-bank/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 the case of inter-branch transactions as on the reporting date are not material.

2.29 Accounting for provision, contingent liabilities and contingent assets:

The Bank recognizes provision only when it has a legal or constructive obligation as a result of a past event and it is provable that an outflow of economic benefit will be required to settle the obligations, in accordance with the *IAS 37 Provision, Contingent Liabilities and Contingent Assets*.

2.30 Contingent liabilities

A contingent liability is:

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

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

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

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

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

2.31 Borrowings from other banks, financial institutions and agents

Borrowed funds include call money deposits, borrowings, re-finance borrowings and other term borrowings from banks, financial institutions and agents. These are stated in the balance sheet at amounts payable. Interest paid / payable on these borrowings is charged to the profit & loss account.

2.32 Retirement benefits to the employee:

a) Provident Fund

Contributory provident fund benefit is given to the staffs of the bank who complete consecutive five years of his/her service with the bank. All confirmed permanent employee of the bank are contributing 10% of their basic salary as subscription of the fund. The bank also contributes equal amount of the employees' contribution to the fund. This amount is payable to the employee only at the time of retirement or release from the bank. In case the employee is dismissed by the bank before completion of his/ her service; he/she will get only his/her contribution towards provident fund account. The provident fund of NBP, Bangladesh Branch is recognized with National Board of Revenue (NBR) vide letter No. vobi/ta.onu(NBR)/briku/2018-2019/511(3) dated 28 October 2018.

b) Gratuity/pension fund

Gratuity fund is given only to that employee of the bank at the time of his/her retirement or release from the bank who completes consecutive five years of confirmed / permanent service with the bank. He /she will receive the following amount as Gratuity payment:

- i) Last drawn one-month basic salary for each completed years of confirmed / permanent service with the bank for the employees who have completed five years but less than fifteen years of confirmed / permanent service with the bank;
- ii) One and half times of last drawn basic salary for each completed years of confirmed / permanent service with the bank for the employees who have completed fifteen years or more of his confirmed / permanent service with the bank.

The gratuity fund of the NBP Bangladesh Branches is recognized from NBR vide letter no.08.01.0000.035.02.061.2018/391 dated 06 February 2019.

In accordance with the requirements of IAS 19 Employee Benefits, the Bank's net obligation in respect of its gratuity fund is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; discounting the benefit to determine its present value; and deducting the fair value of any plan assets. The calculation is performed by a qualified actuary using the Projected Unit Credit method. As per actuarial valuation report as of 31st December 2024 required amount of gratuity was BDT 39,517,997 which was kept with the fund bank account namely 'NBP-Bangladesh employees Gratuity Fund'. There was a remeasurement gains on gratuity fund amounting to BDT 1,361,207 which should be recognized in Other Comprehensive Income (OCI). However, since the Bangladesh Bank's prescribed financial reporting format (BRPD Circular 14 dated 25 June 2003) does not include OCI, the remeasurement gain/loss on gratuity has been adjusted with salary expenses to align with regulatory requirements. While this approach differs from IAS 19, it ensures adherence to regulatory guidelines.

2.33 Workers' profit participation fund (WPPF)

SRO-336-AIN/2010 dated 5 October 2010 issued by the 'Ministry of Labour and Employment' declares the status of business of certain institutions and companies along with Bank & insurance companies 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 Participation Fund' and 'Welfare Fund'. This Act 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 Company Act 1991 (as amended up to 2013)', Banks in Bangladesh took up the issue collectively and sought opinion from 'Association of Bankers Bangladesh Limited (ABB)' on the same. ABB wrote a letter to the 'Ministry of Finance' of Government of People's Republic of Bangladesh on 09.03.2016 to draw attention of the honorable Finance Minister regarding relevance and applicability of Chapter XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) for Bank Companies and to obtain a direction on the issue. The 'Ministry of Finance' revealed their opinion that WPPF should not be relevant for Bank Companies and therefore, it should not be applied there. They also sought for an opinion on this issue from Bangladesh Bank. Subsequently, Bangladesh Bank agreed on all the logics and legal opinion collected by the ABB and expressed their consensus with them on 29.11.2016. In this backdrop, the 'Ministry of Finance' has given their instruction, vide letter no. 53.00.0000.311.22.002.17.130 dated 14.02.2017, for not applying Chapter XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) in Bank Companies. Therefore, no provision in this regard has been made in the financial statements for the year ended on December 31, 2024.

2.34 Provision for Off-balance sheet exposures

Off-balance sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank guidelines. Banks are required to maintain provision against Off-balance sheet items as per BRPD Circular Letter No. 14, dated 23 September 2012 and BRPD Circular Letter No. 07 dated 21 June 2018.

2.35 Start Up Fund

SMESPD (SME and Special Programs Department) Circular No 05 (26 April 2021) issued by Bangladesh Bank, instructs Banks to maintain a 'Start Up Fund' by transferring 1% money from yearly net profit. The Bank has not made any provision for start-up fund as the Bank got the waiver from Bangladesh Bank.

2.36 Risk management

The risk of the Bank is defined as the possibility of losses, financial or otherwise. National Bank of Pakistan has established policies in compliance with Bangladesh Bank's guidelines covering major areas such as (a) Credit risk management, (b) Foreign exchange risk management, (c) Asset liability management, (d) Money laundering prevention, (e) Internal control & compliance and (f) Information and communication technology risk. The prime objective of the risk management is that the Bank takes well calculative business risks while safeguarding the Bank's capital, its financial resources and profitability from various risks.

(a) Credit risk management

Credit risk is one of the major risks that any bank has to face. This can be described as the potential loss arising area due to the failure of counter party to perform as per contractual agreement with the bank. Bank's credit risk management activities have been designed to mitigate the credit risks efficiently and properly.

All responsibilities are separated to the officers/executives involved in credit related activities. Credit approval, administration, monitoring and recovery functions have been segregated. The credit proposals are originated from the Relationship Managers' level and those are reviewed and analyzed by the Credit Risk Department. The essence of the Credit Risk Management Policy is to ensure that the risks are mitigated by taking adequate security, proper documentation and by regular supervision of extended facilities.

(b) Foreign exchange risk management

Foreign exchange risk is defined as the potential change in earnings arising due to change in market prices. The foreign exchange risk of the bank is the minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements. No dealing on banks account was conducted during the year.

Treasury department independently conducts the transactions and 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 valued at Market-to-Market rate as determined by Bangladesh Bank at the month-end. All Nostro Accounts are reconciled on monthly basis and outstanding entry beyond 30 days is reviewed by the management for its settlement.

(c) Asset's liability management

The Asset Liability Committee (ALCO) of the Bank monitors market risk and liquidity risks of the bank. The market risk is defined as potential change in earnings due to change in rate of interest, foreign exchange rates which are not of trading nature. Asset Liability Committee (ALCO) reviews liquidity requirement of the bank, the maturity of assets and liabilities, deposit and lending, pricing strategy and the liquidity contingency plan. The primary objective of the ALCO is to monitor and avert significant volatility in Net Interest Income (NIM), investment value and exchange earnings.

(d) Prevention of money laundering

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

The Bank has implemented an enterprise-wide AML (Anti-Money Laundering) and CFT (Combating the Financing of Terrorism) compliance program, which covers all the activities

of the Bank and is reasonably designed to comply with applicable laws and regulations. It is the policy of the Bank to take all reasonable and appropriate steps to prevent persons engaged in money laundering, fraud, or other financial crime, including the financing of terrorists or terrorist operations, from utilizing the Bank's products and services. The Bank makes every effort to remain in full compliance with all applicable AML and CFT laws, rules and standards in the jurisdictions in which it does business.

In order to facilitate compliance with AML and CFT requirements, the Bank has hired a Senior Executives as the CAMLCO (Chief Anti-Money Laundering Compliance Officer) and a team of employees with experience on AML and CFT requirements under law, as well as money laundering detection and prevention, to oversee AML and CFT program of the Bank.

(e) Information communication technology

ICT risk management is embedded in internal control and Compliance Policy of the Bank which are widely used for managing the union between business process and information system effectively. However, this control emphasizes both business and technological regulation and monitoring which in turn support business requirement and governance and at the same time ensure that ICT risk are properly identified and managed. According to Central Bank ICT Guideline, the Bank ICT policies have been prepared and reviewed on regular basis based on which operating procedures for all ICT functions are carried out, Besides, in other to assure the appropriate usage of resources and information, the Bank IT Audit Policy ensures that the IT systems are properly protected and is free from unauthorized access illegal tempering and malicious actions and all these actions are continuously monitored and supervised by Bank's IT auditor.

2.37 Internal control

The MANCOM of NBP Bangladesh has roles as stipulated in the 'Banking Companies (amended) Act 2013'. Accordingly, the MANCOM have worked on maintaining sound corporate governance and diligently discharged their responsibilities. The ICCD have adopted significant policies for internal control and risk management and implemented risk based internal audits as per 'sections 15 Kha& 15 Ga of the Banking Companies (amended) Act 2013' for ensuring that the Bank is appropriately and effectively managed and controlled. The MANCOM has reviewed the policies and manuals of various segments of businesses in order to establish an effective internal control system, which is adequate for achieving sustainable growth through orderly and efficiently conduct of business. The ICCD has also checked the control procedures for ensuring the safeguarding of the Bank's asset, the prevention and detection of fraud and error, the adequacy and completeness of accounting records, timely preparation of financial information and the efficient management of risks.

2.38 Risk Management and other related matters

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

a) Liquidity risk

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

b) Market risk

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

c) Interest rate risk

Interest rate risk may arise either from trading portfolio or non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills. 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.

d) 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 divisions 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.

e) Monitoring activities and corrective measures

To ensure effective Internal control system in line with risk management framework of the Bank, the ICCD of the bank runs a strong monitoring unit. This unit ensures effectiveness of internal control on perpetual basis through set control mechanism, reviews approved tools and processes i.e., Departmental Control Function Check List (DCFCL), Quarterly Operations Report (QOR), Loan Documentation Check List (LDCL), and Self-Assessment Anti-Fraud Internal Control Check list etc. For any identified operational risks/lapses, this unit takes necessary steps for risk mitigation and escalates to the higher management/MANCOM of the NBP BD Ops for risk mitigation or absorption with specific recommendations. Moreover, International Compliance Division, Compliance Group, Head Office, Pakistan also monitors the activities of NBP BD Ops.

f) Preventing of money laundering and terrorist financing

NBP BD Operations performs a series of activities in identifying, assessing, mitigating and monitoring risks related to Money Laundering (ML) and Terrorist Financing (TF). Bank has established a control framework for strict compliance with all regulatory directives issued from Bangladesh Financial Intelligence Unit with regard to AML & CFT. For prevention of Money Laundering and Terrorist Financing, the bank has revised Central Compliance Committee (CCC)

with 8 department heads and Chief Manager, Dhaka Main Branch to ensure collective participation of different departments in comprehensive AML and CFT program. Under direction of CCC and dedicated Chief Anti Money Laundering Compliance Officer (CAMLCO), AML Department implements and monitors different AML & CFT programs across bank. In addition to nominating Branch Anti-Money Laundering Compliance Officer (BAMLCO) at branches, we have nominated Department Anti-Money Laundering Compliance Officer (DAMLCO) at crucial departments to oversee AML/CFT compliance at root level. NBP ND Ops has implemented manual transaction monitoring and automated sanction screening system to corroborate AML/CFT compliance program. To increase awareness among employees, NBP BD Ops has adopted training programs for its employees.

g) Information and communication technology risk

NBP, BD Ops follows ICT Security Guideline of Bangladesh Bank while framing ICT Security policies and procedures for the Bank. For demonstrating its commitment to protecting the confidentiality, integrity, and availability of IT systems and data in a professional manner NBP, BD Ops is doing its ISO 27001:2022 Standard Compliance Certification from an international accreditation organization. To protect sensitive ICT infrastructures from cyber criminals/fraudsters, the NBP, BD ICT division has implemented standard physical and logical security procedures (e.g., Data Center, Disaster Recovery Site, Power Rooms, Server Rooms, etc.). NBP, BD has advanced logical ICT security measures in place for all systems, such as an access control system, intrusion detection, an access log, and monthly security assessments. NBP, BD has installed a SIEM (Security Information and Event Management) solution to better monitor security occurrences. Internal and external vulnerability assessments and penetration testing are undertaken on a regular basis to detect security flaws and set controls for mitigation. Business Continuity Management (BCM) is in place at NBP, BD to handle any man-made or natural calamity. Through retail and corporate channels, the Information Security team has also taken steps to raise cyber security awareness among all NBP, BD officials and customers. We have a separate information system audit in place to identify control weaknesses which is conducted by Head Office, Karachi IS audit specialists regularly."

2.39 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 can assure the management that the controls are adequate and in operations, the policies and system laid down are being adhered to and the accounting records provided at the operation level are correct.

Internal Audit mechanism is used as an important tool to ensure good governance of the bank. Internal Audit Activity of the bank is found effective and it provides senior management with a number of important services. These include detecting and preventing fraud, testing internal control, monitoring and compliance in respect of internal policies & procedures, applicable laws & regulations, instruction/guidelines of regulatory authority.

The Bank, being quite small in size and operation, the management posted one person as Head of Audit for Bangladesh Operations. In addition, time to time review from the Group internal audit team is also conducted.

2.40 Fraud and 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. The 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 Management has 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 the implementation of aforesaid strategies and reports to the Bangladesh Bank on effectiveness of controls at the end of each quarter following their prescribed format.

2.41 Audit committee

According to BRPD Circular no 11 dated 27 October 2013, all banks are advised to constitute an audit committee comprising members of the Board. The audit committee will review amongst other the financial reporting process, the system of internal control and management of financial risks and the internal audit process.

Being a branch of a foreign bank, the Bank does not have a local Board of Directors from whom to select the audit committee. At the local country level, the Bank has Management Committee (MANCOM) which is empowered to oversee the overall control issues of the Bank. In addition, the Bank is subject to audit by the internal auditors from the Head Office.

The Bank's Management Committee during the year ended 31 December 2024 has comprised of following senior employees:

Name of the Persons	Designations	Educational and Professional Qualification
Md. Quamruzzaman	Country Head & CEO	M.Com (DU), MBA (Canada)
Syed Muhammad Jawwad Raza Naqvi	VP/DGM-Credit & Operations	MS, MBA (Islamia University, Bhawalpur, Pakistan), AIBP
Mohammad Ataur Rohoman Joardder	Head of Finance	B.Com(Hons), M.Com(Accounting) (DU), CA-CC(Application Level),JIBP
Mahfuzul Islam	Head of HR	MBA, MA (University of Dhaka), CFA

2.42 Approval of financial statements

These financial statements were reviewed by the audit committee in the meeting held on 12 February 2024 and subsequently approved by the MANCOM NBP BD operation in the meeting of same date.



2.43 Event after reporting period

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

- a) Those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- b) Those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period)
- c) Nothing occurred after reporting date which is reportable as events after reporting date.

2.44 Related party disclosures

- a) National Bank of Pakistan (NBP) was established under the National Bank of Pakistan Ordinance, 1949 and is listed on all the stock exchanges in Pakistan. Both of its registered and head office is situated at I.I. Chundrigger Road, Karachi. NBP BD Operations are the branch offices of National Bank of Pakistan (NBP), Karachi, Pakistan. There is no party and no related party transaction during the year 2024.

b) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per IAS 24 Related Party Disclosures, Bangladesh Bank. National Bank of Pakistan (NBP) was established under the National Bank of Pakistan Ordinance, 1949 and is listed on all the stock exchanges in Pakistan. Both of its registered and head office is situated at I.I. Chundrigger Road, Karachi. NBP BD Operations are the branch offices of National Bank of Pakistan (NBP), Karachi, Pakistan. There are no related party transactions other than inter-branch transactions with other branches for the year ended 31 December 2024.

2.45 General

- a) The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the books of the bank.
- b) Wherever considered necessary previous year's figures have been rearranged to conform to current year's presentation.
- c) Figures appearing in these financial statements have been rounded off to the nearest BDT.

**Notes to the financial statements
As at and for the year ended 31 December 2024**

Ncte	Amount in BDT	
	31-Dec-24	31-Dec-23
3 Cash in hand (including foreign currencies)		
In local currency	11,077,567	9,291,076
In foreign currency	125,475	91,833
	11,203,042	9,382,909
3.1 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)		
Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of Bank Companies Act, 1991 and MPD circular nos.01 & 02, dated June 23, 2014 and December 10, 2013 & DOS circular no.1 dated 19 January 2014 & MPD Circular no.01 dated April 03, 2018 & DOS circular letter no. 26 dated 19 August 2019 and MPD Circular no. 03 dated April 09, 2020.		
4% Cash Reserve Requirement (CRR) is required on the Banks average time and demand liabilities which Bank maintained with Bangladesh Bank in current account and 13% Statutory Liquidity Ratio, including CRR, on the same liabilities has also been maintained by the Bank in the form of treasury bills and bonds including balance with Bangladesh Bank. Both the reserve are maintained by the Bank as per statutory requirements, as shown below:		
3.2 CRR: 4% of average demand and time liabilities		
Required Reserve	629,448,000	619,673,000
Required Percentage (%)	4%	4%
Actual Reserve	684,482,155	806,033,362
Actual Percentage (%)	4.42%	5.20%
Surplus/ (Deficit)	0.42%	1.20%
3.3 SLR: 13% excluding CRR of average demand and time liabilities		
Required reserve	2,045,706,000	2,013,936,000
Required percentage (%)	13%	13%
Actual reserve	14,486,551,230	14,162,643,810
Actual percentage (%)	93.51%	91.42%
Surplus / (Deficit)	80.51%	78.42%
4 Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)		
a) In Bangladesh Bank	779,400,323	903,817,099
In local currency	684,482,155	806,033,362
In foreign currency	94,918,168	97,783,738
b) In agent bank		
In local currency	-	-
In foreign currency	-	-
	779,400,323	903,817,099
5 Balance with other banks & financial institutions		
In Bangladesh (Note # 5.1)	-	-
In short term deposit	-	-
Outside Bangladesh (Note # 5.2)	88,663,218	170,580,017
In current account	88,663,218	170,580,017
In term deposit	-	-
	88,663,218	170,580,017
5.1 In Bangladesh		
Name of the bank		
Bangladesh Bank	-	-
5.2 Outside Bangladesh		
Bank name	Branch name	
Standard Chartered Bank, India	Mumbai	1,091,934
HSBC New York (Regular)	New York	1,008,651
HSBC New York (Special)	New York	-
NBP Bahrain (Regular)	Bahrain	-
NBP Bahrain (Special)	Bahrain	-
NBP (Regular)	New York	-
NBP (Special)	New York	148,321,443
NBP Karachi	Karachi	7,232,717
NBP Tokyo (Regular)	Tokyo	47,406
NBP Tokyo (Special)	Tokyo	-
NBP Frankfurt (Exchange position)	Frankfurt	15,732,985
NBP- EPZ REG. USD ACC.	EPZ, Karachi	64,316,839
UBL UK	London	241,337
		88,663,218
		170,580,017

Annexure -A may kindly be seen for details of currency-wise amount and exchange rates.



Note	Amount in BDT	
	31-Dec-24	31-Dec-23
5.3 Maturity grouping of balance with other banks and financial institutions		
Repayable on demand	88,663,218	170,580,017
With a residual maturity of:		
Not more than 3 months	-	-
Over 3 months but not more than 1 year	-	-
Over 1 year but not more than 3 years	-	-
More than 3 years	-	-
	88,663,218	170,580,017
5.4 Segregation of balance with other banks and financial institutions	-	-
6 Money at call on short notice	-	-
6.1 Classification of money at call on short notice		
Commercial banks (Note # 6.1.1)	-	-
Financial institutions (public & private)	-	-
	-	-
6.1.1 Commercial banks		
a) Leading on call	-	-
b) Placement on term basis	-	-
	-	-
6.2 Maturity grouping of money at call on short notice		
Repayable on demand	-	-
With a residual maturity of:		
Upto 1 month	-	-
More than 1 month but less than 3 months	-	-
More than 3 month but less than 1 year	-	-
More than 1 year but less than 2 years	-	-
	-	-
7 Investments (in shares / securities)		
Government securities		
a) Government securities (Note # 7.1)	14,420,252,229	13,966,555,809
i. Held for trade	11,692,473	12,515,242
ii. Held for maturity	14,408,559,756	13,954,040,567
b) Prize bonds	34,000	38,600
c) Other investments	-	-
i. Shares	-	-
ii. Debentures & Bonds	-	-
iii. Others Investments	-	-
iv. Gold	-	-
v. Others	-	-
Total (a+b+c)	14,420,286,229	13,966,594,409
7.1 Comparable statement		
	Cost Price	Cost Price
28 days treasury bill	-	-
90 days treasury bill	3,417,978,376	528,292,026
182 days treasury bill	2,047,670,951	1,226,391,752
364 days treasury bill	-	1,967,912,596
2 Yrs BGT-bond	-	-
5 Yrs BGT- bond	1,101,791,086	1,623,424,336
10 Yrs BGT bond	4,477,252,303	5,230,543,040
15 Yrs BGT bond	1,450,323,944	1,452,510,039
20 Yrs BGT bond	1,925,235,570	1,937,482,020
	14,420,252,229	13,966,555,809
7.2 Maturity grouping of investments		
Repayable on demand	34,000	38,600
With a residual maturity of:		
Upto 1 month	-	-
More than 1 month but less than 3 months	5,465,649,327	1,025,253,410
More than 3 month but less than 1 year	3,441,770,709	3,920,800,383
More than 1 Year	5,512,832,194	9,020,502,016
	14,420,286,229	13,966,594,409



Note

Amount in BDT

	31-Dec-24	31-Dec-23
8 Loans & advances (loans, cash credit & overdrafts etc)		
In Bangladesh		
Cash credit	-	-
Loan against import merchandise	7,540,787	7,540,787
Loan against trust receipt	550,052,552	550,052,552
Loan against cash Incentive	-	-
Overdraft	3,710,540,758	3,756,631,264
Demand loan	594,612,119	594,612,119
Term loan	7,575,506,375	7,599,010,648
Packing credit	9,975,978	9,975,978
	12,448,228,570	12,517,823,348
Inside Bangladesh		
Bills purchased and discounted (Note # 9)	1,269,950,600	1,269,950,600
Total loans and advances	13,718,179,170	13,787,773,949
8.1 Residual maturity grouping of loans and advances including bills purchased and discounted		
Repayable on demand	-	-
With a residual maturity of:		
Not more than 3 months	13,653,717,848	13,722,895,058
Over 3 months but not more than 1 year	16,461,815	16,545,329
Over 1 year but not more than 5 years	47,999,507	48,333,562
More than 5 years	-	-
	13,718,179,170	13,787,773,949
8.2 Cash and other approved collateral including approved securities against		
Total outstanding loans and advances as at 31 December 2024	12,019,635,171	12,059,552,521
8.3 Countrywise classification of loans and advances (excluding bill purchased and discounted)		
Inside Bangladesh	12,448,228,570	12,517,823,348
Outside Bangladesh	-	-
	12,448,228,570	12,517,823,348
8.4 Loans and advances on the basis of significant concentration including bill purchased and discounted		
a) Loans and advances to directors of the bank	-	-
b) Loans and advances to chief executive and other senior executives	-	-
c) Loans and advances to customer group	13,718,179,170	13,787,773,949
d) Others	-	-
	13,718,179,170	13,787,773,949
8.5 Loans and advances allowed to each customer exceeding 10% of Bank's total		
Number of customers	4	5
Classified amount thereon	5,753,080,298	6,277,721,554
Measures taken for recovery	Yes	Yes
Customer wise outstanding (funded & non funded) as on 31.12.2024 are as follows		
Cotton Group	2,867,931,266	2,867,931,266
Nokon Group	473,113,040	473,113,040
Worldtel Bangladesh Limited	-	-
D.G. Knitting Company	-	-
Hard Trade Group	565,093,873	565,093,873
Koba Group	545,859,656	545,859,656
Ibrahim Group	1,825,723,719	1,825,723,719
Ayesha Group	-	-
	6,277,721,554	6,277,721,554



Note

Amount in BDT

8.6 Industry wise loans and advances

- a) Textile industries
- b) Food & allied industries
- c) Pharmaceuticals industries
- d) Leather, chemical, cosmetics industries etc
- e) Cement & ceramic industries
- f) Service industries (CNG)
- g) Plastic industries
- h) Telecommunication & mobile industry
- i) Others

31-Dec-24	31-Dec-23
5,301,863,219	5,306,083,219
194,075,250	194,075,250
-	-
269,175,164	269,175,164
-	-
-	33,287,157
-	-
481,380,735	481,380,735
7,471,684,803	7,503,772,424
13,718,179,170	13,787,773,948

8.7 Geographical location wise loans and advances

a) In Bangladesh

- Dhaka Division
- Chittagong Division
- Sylhet Division
- Khulna Division
- Rajshahi Division
- Rangpur Division

b) Outside Bangladesh

13,718,179,170	13,787,773,949
12,748,321,072	12,814,179,851
509,200,000	509,600,000
47,164,000	49,500,000
109,938,244	109,938,244
303,555,854	304,555,854
-	-
13,718,179,170	13,787,773,949

8.8 Classification of loans and advances

(including bills purchased and discounted)

a) Unclassified

- Superior
- Good
- Acceptable
- Marginal/Watchlist
- Special mention account

b) Classified

- Sub-standard
- Doubtful
- Bad/Loss

Total

177,805,936	245,142,754
-	-
-	-
-	-
177,805,936	245,142,754
-	-
13,540,373,234	13,542,631,195
-	-
-	-
13,540,373,234	13,542,631,195
13,718,179,170	13,787,773,949

8.9 Particulars of required provision for loans and advances and off balance sheet exposure

8.9.1 Particulars of required provision for loans and advances funded

As per CL Report submitted to Bangladesh Bank as at 31 December 2024

Status	Outstanding	Base for provision	Rate (%)	Required Provision (2024)	Required Provision (2023)
a) Unclassified-General Provision					
Small and medium enterprise	39,351,958	-	0.3%	688,659	774,176
Credit	-	-	2.5%	-	-
Others	138,453,978	-	1%	4,153,619	6,027,123
Special mention account	-	-	5%	-	-
Classified -Specific Provision					
Sub- standard	-	-	20%	-	-
Doubtful	-	-	50%	-	-
Bad/loss	13,540,373,234	7,269,821,003	100%	7,228,714,418	7,269,821,003
	13,718,179,170	7,269,821,003		7,233,556,697	7,276,622,302

As per instruction of Bangladesh Bank circular letter no. 52/2021 Dated 29 December 2021 & 53/2021 Dated 30 December 2021 regarding loan classification & Provisioning, General provision is extra required for 1.5% (BDT 5,90,279.37) on SME & 2% (BDT 2,769,079.56) on other than SME under General provision on loan and Advances for Covid-19



Note

Amount in BDT

31-Dec-24 31-Dec-23

8.9.2 Particulars of required provision for loans and advances

Status	Outstanding	Base for provision	Rate (%)	Required Provision (2024)	Required Provision (2023)
a) Unclassified-General provision					
Small and medium enterprise	39,351,958	-	0.25%	688,659	774,176
Agricultural loans & advances		-	2.5%	-	-
Others	138,453,978	-	1%	4,153,619	6,027,123
Special mention account	-	-	5%	-	-
Classified -Specific Provision					
Sub- standard	-	-	20%	-	-
Doubtful	-	-	50%	-	-
Bad/loss	13,540,373,234	7,269,821,003	100%	7,228,714,418	7,269,821,003
Total	13,718,179,170	7,269,821,003		7,233,556,697	7,276,622,302

8.9.3 Particulars of required provision for off balance sheet exposure

Status	Base for provision	Rate (%)	Required Provision (2024)	Required Provision (2023)
b) General provision				
Letter of credit	51,493,000	2%	1,029,860	514,930
Letter of guarantee*	28,487,683	2%	569,754	382,127
Total	79,980,683		1,599,614	897,057

Required provision for loans and advances (Funded + Non-Funded)

Loans & advances and off balance sheet exposure (a + b)

Further required provision

Provision maintained for loans and advances and off balance sheet exposure

Surplus / (Shortfall) of provision against total loans & advances (Funded+Non Funded)

7,235,156,311	7,277,519,359
-	-
7,512,869,195	7,546,298,267
277,712,884	268,778,908

8.10 Particulars of loans and advances

i) Debts considered good in respect of which the bank is fully secured.	10,816,824,904	10,886,419,682
ii) Loans considered good against which the banking company holds no security other than the debtors personal guarantee.	2,844,211,770	2,844,211,770
iii) Debts considered good and secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors.	57,142,496	57,142,496
iv) Debts considered doubtful / adversely classified or bad but not provided for	-	-
v) Debts due by directors or officers of the banking company or anyone of	-	-
vi) Debts due by companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies, as members.	-	-
vii) Debts considered good for which the bank holds no other security than the debtors' personal security.	-	-
viii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons.	-	-
ix) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in case of private companies, as members.	-	-
x) Due from banking companies	-	-
xi) Classified loans and advances	-	-
a) Classified loans and advances on which no interest is credited to income	13,540,373,234	13,542,631,195
b) Provision on classified loans and advances	7,228,714,418	7,269,821,003
c) Provision kept against loan classified as bad debts	7,418,102,721	9,459,243,376
d) Interest credited to interest suspense account	1,704,077,548	1,740,664,167
xii) Cumulative amount of written off loan		
Opening balance	-	-
Amount written off during the year	-	-
The amount of written off loan for which law suit has been filed	-	-

Note

Amount in BDT

9 Bills purchased and discounted

Payable in Bangladesh
Payable outside Bangladesh

31-Dec-24	31-Dec-23
1,269,950,600	1,269,950,600
-	-
1,269,950,600	1,269,950,600

**9.1 Residual maturity grouping of bill purchased and discounted
With a residual maturity of:**

Repayable within 1 (one) month
Over 1 month but less than 3 months
Over 3 months but less than 6 months
6 months or more

1,269,950,600	1,269,950,600
-	-
-	-
-	-
1,269,950,600	1,269,950,600

10 Fixed assets including premises, furniture & fixtures

Cost

Furniture and fixture
Electrical installation
Computer & computer equipments
Office equipment & machines
Motor vehicles
Software (Intangible Assets)
New furnishing limit to executive

Total cost

Less: Accumulated depreciation

25,464,190	17,035,041
17,146,333	17,146,333
56,868,566	55,325,760
9,214,277	9,103,779
13,911,274	13,911,274
23,931,855	23,931,855
2,896,209	2,896,209
149,432,704	139,350,251
133,534,199	131,405,143
15,898,505	7,945,108

Lease assets -Premises

Right-of-use assets
Less: Accumulated depreciation

39,289,816	41,651,234
22,166,807	9,529,768
17,123,009	32,121,466

Net book value at end of the year

33,021,514	40,066,574
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* Details are in Annexure -B.

11 Other assets

Classification of other assets

a) Income generating other assets

Office Equipment

- i) Income Tax paid at sources
 - In Bangladesh
 - Outside Bangladesh
- ii) Stationary, stamps, printing materials etc.
- iii) Advance rent and advertisement
- iv) Interest accrued on investment but not collected, commission and brokerage receivable on shares and debenture and other income receivables
- v) Security deposit
- vi) Preliminary, formation and organizational expenses, renovation,
- vii) Branch adjustment (NBP General Account)
- ix) Receivable against sanchoypatra
- x) Receivable from Bangladesh Bank
- xi) Other (Note # 11.01)

232,786,132	174,421,085
-	-
1,275,152	1,326,783
2,236,677	6,990,577
-	-
-	-
372,600	534,600
-	-
6,459,000	6,459,000
-	-
98,600,000	98,600,000
3,703,504,833	3,677,355,346
4,045,234,394	3,965,687,391

b) Non-Income generating other assets:

Total other assets

4,045,234,394	3,965,687,391
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11.1 Others

Deferred tax assets (Note # 11.1.1)
Sundries receivable (Note # 11.1.2)
Forward equalisation A/C
Adjusting A/C debit balance (Note # 11.1.3)
Sundries

2,990,580,934	2,994,246,898
425,573,163	425,573,163
-	-
287,350,735	257,535,286
-	-
3,703,504,833	3,677,355,346



Note

Amount in BDT

11.1.1 Deferred tax assets

Opening balance
Deferred tax income / (expense)- net
Closing balance

31-Dec-24	31-Dec-23
2,994,246,898	2,996,016,237
3,665,963	(1,769,339)
2,990,580,935	2,994,246,898

In terms of instructions contained in BRPD Circular No. 11 dated 12 December 2011 and provision of International Accounting Standard (IAS) - 12, "Taxation", is duly taken into consideration while computing the above deferred tax assets. As the above deferred tax assets are mainly resulted due to specific provision made against classified loans & advances, so necessary consideration has been made in respect to "Loan write off policy" of Bangladesh Bank and "Carry forward policy of business loss" as per Income Tax Act 2023. The Bank has also considered past operating results in dealing with recovery of NPLs and also the future projections and current efforts of the Management to recovery the classified loans and advances.

After a long period of time, the Bank has made a profit during the year 2021 and continued in the year 2022 as well. And the same trend continues in 2023. The Bank believes that it can continue the same profit in the future because the Bank has already kept adequate provisions following the guidelines of Bangladesh Bank. As mentioned in note # 8.08 The Bank has already appointed some valuation firm to revalue the collateral securities (comprising mostly of land) taken from the loan parties. In cases, the value of the collateral securities increases which is most likely in the future the Bank will be required to keep less provision. This will ultimately increase the profit of the Bank. Also, the Bank has been chasing the default loanes and appointed lawyers to recover the money either by mutual understanding or through a court settlement.

In addition to the above, interest on deposits has significantly decreased due to the decrease in the deposit rate, and the Bank has already settled a significant portion of the fixed deposit, which reduces the cost of the fund, which will ultimately increase the profit of the Bank. Due to the aforementioned reasons, the Bank believes that it can recover deferred tax assets with taxable income.

11.1.2 Sundries receivable includes interest receivable on IBP,B/E, LTR etc.

425,573,163 425,573,163

11.1.3 Adjusting A/C debit balance (Income receivable)

Interest on treasury bond
Interest receivable on agro loan
Interest on STD account
Interest on IFIC & Bangladesh Bank
Interest receivable on placement as call
Other receivable

287,350,735	257,535,286
-	-
-	-
-	-
-	-
-	-
287,350,735	257,535,286

12 Non banking assets

- -

13 Borrowings from other banks, financial institutions & agents

- -

In Bangladesh

Secured

Details of the above amount are as follows:

Premier Bank Limited
IPDC of BDS Limited
Bank Al Falah Limited
Bangladesh Development Bank Limited
Basic Bank Limited
Janata Bank Limited
Dutch Bangla Bank Limited
One Bank Limited
Agrani Bank Limited

-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-

Outside Bangladesh

- -

Unsecured

Repayable on demand

- -

Total

- -



Note

Amount in BDT

	31-Dec-24	31-Dec-23
13.1 Maturity grouping of borrowing from banks & financial institution and agents		
With a residual maturity of		
Not more than 1 month	-	-
Over 1 month but not more than 6 months	-	-
Over 6 months but not more than 1 year	-	-
More than 1 year but not more than 5 years	-	-
Unclaimed deposit 10 years or more	-	-
14 Deposits & other accounts	15,824,925,150	15,943,839,232
14.1 Current deposits & other accounts, etc.		
Cash credit account	-	-
Current account	97,981,462	173,003,957
Marginal deposit account	17,433,014	19,234,915
Foreign currency accounts	14,698,531,232	13,686,589,038
FDR Interest & other interest A/C	16,879,526	24,601,642
NBP, Head Office, Karachi (Vostro)	79,140,857	85,430,615
	14,909,966,092	13,988,860,167
14.2 Bills payable		
Payment order	33,827,741	28,212,805
	33,827,741	28,212,805
14.3 Savings bank deposits	91,042,836	100,937,714
14.4 Fixed deposits		
Inter bank deposit (Note # 14.4.1)	200,000,000	600,000,000
Sundry deposit	383,254,458	653,938,377
	583,254,458	1,253,938,377
14.4.1 Inter bank deposits		
Bank Al Falah Limited	-	400,000,000
Trust Bank Limited	200,000,000	200,000,000
	200,000,000	600,000,000
14.5 Scheme deposits	177,080,221	208,303,596
14.6 Bearer certificate of deposits	-	-
14.7 Other deposit (short term deposit)	29,753,803	363,586,573
Total deposits & other accounts	15,824,925,150	15,943,839,232
14.8 Maturity grouping of current account and other account		
Repayable on demand	1,979,397	1,979,397
With a residual maturity of		
Not more than 1 month	-	-
Over 1 month but more than 6 months	8,655,966,092	284,758,525
Over 6 months but not more than 1 year	6,254,000,000	13,704,101,642
More than 1 year but not more than 5 years	-	-
Unclaimed deposit 10 years or more	-	-
	14,909,966,092	13,988,860,167
14.9 Maturity grouping of inter bank deposit		
Total deposit & other accounts	-	-
With a residual maturity of		
Repayable within 1 month	-	-
Over 1 month but within 6 months	200,000,000	600,000,000
Over 6 months but not more than 1 year	-	-
Over 1 year but not more than 5 years	-	-
Over 5 years but within 10 years	-	-
Unclaimed Deposits for 10 years or more	-	-
	200,000,000	600,000,000

Note

Amount in BDT

14.10 The Bank has obtained various foreign currency (FC) deposits from its overseas network for an aggregate amount of BDT 14,691,000,000 at 31 December 2024. Corresponding SWAP arrangements have also been structured with a number of third party banks to repurchase these foreign currency deposits. As per section 39(a) of IAS 21- "The Effects of Changes in Foreign Exchange Rates, assets and liabilities for each statement of financial position has been translated at the closing rate at the date of that statement of Financial position.

15 Other liabilities

	31-Dec-24	31-Dec-23
Provision for loan and advances (funded only) (Note # 15.1)	7,509,535,373	7,542,964,444
Provision for taxation (Note # 15.2)	63,004,714	70,952,739
Provision for off balance sheet exposure (Note # 15.3)	3,333,822	3,333,822
Adjusting account credit (Note # 15.04)	76,460,235	60,402,675
Interest suspense account (Note # 15.1.C)	1,704,077,548	1,740,391,784
Provision for gratuity (Note # 15.5)	39,517,997	42,163,278
Vat and Tax Payable	24,435,820	24,710,490
Withholding tax (employees salary)	832,441	832,441
Lease liability (Note #15.6)	14,629,828	25,489,655
Provision for other assets	6,459,000	6,459,000
Cash incentive	2,588	2,588
	9,442,289,365	9,517,702,916

No provision is made for good borrowers because our borrowers do not meet the conditions prescribed in BRPD circular Nos. 03 dated 15 February 2016 and 06 dated 19 March 2015 issued by Bangladesh Bank.

15.1 Provision on loans & advances

a) Specific provision against classified loans & advances

Provision held at the beginning of the year	7,437,652,797	7,437,879,084
Fully provided debts written off	-	-
Provision against recoveries of classified loans & advances	-	-
Net charge to profit & loss account	(33,429,072)	(226,287)
Provision held at the end of the year	7,404,223,725	7,437,652,796

While calculating the specific provision on loans and advances, the Bank followed the rules prescribed by Bangladesh Bank (The Central Bank of Bangladesh). As per the guideline of Bangladesh Bank, NBP BB is required to conduct classification-activities quarterly. These activities must include periodic revaluations of collateral, no less frequently than one year for movables and no less frequently than three years for immovables.

b) Movement of general provision (1% on unclassified loans & advances

Provision held at the beginning of the year	105,311,648	107,815,647
Addition during the year	-	(410,050)
Provision transferred for classified loans and advances	-	(2,093,949)
Balance at the end of the year	105,311,648	105,311,648
Provision for classified loans and advances	-	-
Total provision for loans & advances (a+b)	7,509,535,373	7,542,964,444

c) Movement of interest in suspense against classified loans & advances

Balance at the beginning of the year	1,740,391,784	1,769,832,799
Amount transferred to suspense account during the year	-	-
Amount recovered from suspense account during the year	(36,314,236)	(29,441,015)
Amount written off/waived during the year	-	-
Balance at the end of the year	1,704,077,548	1,740,391,784

15.2 Provision for income tax

Opening balance	70,952,739	65,689,132
Add: Provision made during the year *	(7,948,024)	5,818,983
	63,004,714	71,508,115
Less: Payments during the year	-	555,376
Balance as at the year end	63,004,714	70,952,739

15.2.1 Details of provision for corporate tax & advance corporate tax

A. Advance Tax

Balance of income tax on 1st January	174,421,085	111,139,924
Addition in year	66,313,072	63,281,162
Adjusted during the year *	(7,948,024)	-
	232,786,133	174,421,085

Note

Amount in BDT

	31-Dec-24	31-Dec-23
B. Provisions		
Balance of income tax on 1st January	70,952,739	65,689,132
Provision made during the year *	(7,948,024)	5,818,983
	63,004,714	71,508,115
Net balance deficit / (surplus) at the year end (B-A)	(169,781,418)	(102,912,970)
* Considering the excess provision carried forward from previous years, the current year's minimum tax liability of BDT 7,948,024 (calculated at 0.6% of gross receipts) has been adjusted against the existing provision for income tax expenses. Consequently, this amount has been recognized as a prior-year income adjustment in "Surplus/(deficit) in profit and loss account" and reversed from the provision for income tax under liabilities. Additionally, Bangladesh Bank has deducted tax at source on Treasury Bills (T-Bills) and Treasury Bonds (T-Bonds), with an equivalent amount recorded as Advance Income Tax (AIT). This treatment aligns with the requirements of IAS 12 (Income Taxes) and applicable tax regulations.		
15.2.2 Provision for corporate tax*	7,948,024	5,818,983
15.3 Provision for off balance sheet exposure	3,333,822	3,333,822
15.4 Adjusting account credit		
Provision for expenses	1,323,357	34,272,783
Provision for interest on call money, fcy & swap	74,434,878	25,427,893
Provision for audit and credit rating	702,000	702,000
	76,460,235	60,402,675
15.5 Provision for gratuity		
Provision for gratuity *	39,517,997	42,163,278

* As of 31 December 2024, the gratuity liability has been recognized based on the actuarial valuation, with an actuarial value of BDT 3,95,17,997 (the actuarial valuation is disclosed in note 15.5.1) and a provision of BDT 40,879,204 as per the financial statements. The remeasurement gain on gratuity amounts to BDT 13,61,207. The financial statements reflect the actuarial assessment of gratuity liabilities, ensuring compliance with regulatory requirements while aligning with best practices for liability recognition.

15.5.1 Actuarial Valuation as per IAS- 19 - NBP Employees Gratuity Fund:

A: Employee Benefits:

Particulars	Amount in BDT Thousand
Net Defined Benefit Asset	N/A
Total Employee Benefit Asset	N/A
Net Defined Benefit Liability	39,518
Liability for Social Security Contributions	-
Liability for Long Service Leave	-
Cash -Settled share based payment liability	-
Total Employee Benefits Liability	39,518
Non Current	39,297
Current	221

B: Movement in Net Defined Benefit (Asset) Liability:

	Amount in BDT Thousand		
Particulars	Defined Benefit Obligation	Faire Value of Plan Assets (Un Funded Scheme)	Net Defined Benefit (Asset)/Liability
Balance as on 01.01.2024	34,662	-	34,662
Current service Cost	2,352	-	2,352
Past service Cost	-	-	-
Interest Cost(Income)	4,316	-	4,316
	6,668	-	6,668
Financial Assumption	1,303	-	1,303
Experience Adjustment	(1,831)	-	(1,831)
Return on Plan Assets excluding interest income	(528)	-	(528)



Note

Amount in BDT

		31-Dec-24	31-Dec-23
Benefit Paid	(1,284)	-	(1,284)
Balance as at 31-12-2024	39,518	-	39,518

15.6 Lease liability

Current	14,629,828	1,922,736
Non-current	-	23,566,919
	14,629,828	25,489,655

16 Capital fund

Under Section 13(4) of Banking Companies Act, 1991 and Bangladesh Bank Circular No. BRPD 11 dated 14 August 2008 the required capital and reserves of the bank at the close of the business on 11 August 2011 should be Tk. 4 billion. Preliminary Expenses for branch incorporation of BDT 12,980,500 received from National Bank of Pakistan, Head Office Karachi has been shown as additional capital of the Bangladesh Branch which is approved by the Bangladesh Bank vide Circular No. BRPD (P) 720/98-1369 Dated 26-04-98. The bank also provided BDT 57,400,000 and BDT 329,980,500 as on 30-09-2002, BDT 191,970,790 as on 31-03-2004, BDT 489,740,302 in the year 2009, BDT 2,091,575,000 in the year 2011, BDT 911,950,000 in the year 2013, BDT 6,157,250,000 in the year 2014 and BDT 1,633,800,000 in the year 2015 and BDT 420,000,000 in 2019 and BDT 920,505,000 in 2020 and include additional Tier1(AT-1) - capital for BDT 414,414,000 as on 02.05.2024. As per BRPD Circular letter # 18 dated 15 June 2023(BRPD(R-1)(law review)717/2023-4628 dated 15 June 2023) minimum required paid up capital of a bank is BDT 500.00 crore (as on 31.12.2024 there is a surplus of regulatory capital BDT 81,696,761) . The constituents of the Capital of the Bank as of 31 December 2024 is presented below:

Particulars	USD	Rate		
a) Capital fund received from H.O	178,321,315	76.87	13,707,948,109	13,707,948,109
b) Amount in local currency				
Fund for Preliminary expenses			12,980,500	12,980,500
Additional Tier 1 (AT1) Capital			414,414,000	
c) Profit retained/converted as capital			442,585,094	442,585,094
Total capital fund			14,577,927,703	14,163,513,703

16.1 Capital (Equity) adequacy ratio (CAR)/Capital to Risk Weighted Asset's Ratio (CRAR)

According to section 13(3) of the Banking Companies Act 1991, as amended by BRPD Circular No. 11 (14 August 2008) and BRPD Circular No. 24 (03 August 2010) all banks are required to maintain a capital that is higher of BDT 5.00 billion or the minimum capital requirement calculated as 10% of risk weighted assets (RWA). In case of foreign bank working in Bangladesh, the stated amount needs to be deposited with Bangladesh Bank which can be in the form of cash or in unencumbered approved securities. The maintained capital by the Bank is significantly higher, currently it is maintaining 36.57% which is higher than the required capital of 10% of the RWA of the Bank at 31 December 2024. As per BRPD Circular letter # 18 dated 15 June 2023 (BRPD(R-1)(law review)717/2023-4628 dated 15 June 2023) minimum required paid up capital of a bank is BDT 500.00 crore (as on 31.12.2024 there is a surplus of regulatory capital BDT 81,696,761). The details calculation of the CRAR are as follows:

Total risk weighted assets as on 31 December 2024	13,895,821,656	13,877,823,781
10% Of risk weighted assets	1,389,582,166	1,387,782,378
Required equity	5,000,000,000	5,000,000,000

A) Core capital (Tier - I)

i) Paid up capital (Statutory Capital)		
a) Fund from HO & kept with Bangladesh Bank	14,150,533,203	13,954,040,567
b) ADDITIONAL TIER 1 (AT1) CAPITAL	414,414,000	
ii) Profit retained as capital	-	-
iii) Retained earnings	(6,772,118,382)	(6,812,029,048)
iv) Adjustment for deferred tax	(2,818,879,034)	(2,826,308,063)
Sub total-A	4,973,949,787	4,315,703,456



Note

Amount in BDT

	31-Dec-24	31-Dec-23
B) Supplementary capital (Tier - II)		
i) General provision	91,432,652	105,311,648
ii) Provision for off balance sheet exposure	3,333,822	3,333,822
iii) Revaluation reserve for fixed assets, securities & equity securities	-	-
iv) Exchange equalization account	-	-
v) Fund for Preliminary expenses remitted by HO	12,980,500	12,980,500
Sub Total-B	107,746,974	121,625,970
Grand Total (A+B)	5,081,696,761	4,437,329,426
Capital Surplus / (Shortfall) against total minimum	81,696,761	(562,670,574)
Capital adequacy ratio on the basis of the RWA	36.57%	31.97%
17 Other reserves		
Increase in HTM securities	6,797,459	13,886,183
Gain on revaluation on treasury bills/bonds	16,166,594	16,989,362
Exchange equalization A/C	-	-
	22,964,053	30,875,545
18 Surplus/(deficit) in profit and loss account		
Balance of profit/(loss) brought forward from previous years	(6,812,029,048)	(6,971,109,141)
Transfer to capital fund	-	-
Reversed of provision for nostro accounts	-	-
Reversal of prior year income tax provision	7,948,024	-
Net Profit/(loss) after tax for the year	31,962,642	159,080,092
	(6,772,118,382)	(6,812,029,048)
19 Contingent liabilities	101,118,221	156,564,655
19.1 Letter of guarantee		
Letter of guarantee (local)	29,959,447	85,405,881
Letter of guarantee (foreign)	-	-
Foreign counter guarantee	-	-
* Details in Note # 19.6	29,959,447	85,405,881
19.2 Letter of credit		
Back to back L/C	51,493,000	51,493,000
Back to back bills	-	-
Back to back bills (EDF)	-	-
Banks liabilities PAD (DEF)	-	-
	51,493,000	51,493,000
19.3 Bills for collection		
Outward bills for collection	12,690,000	12,690,000
Outward foreign bills for collection	-	-
Inward bills for collection	-	-
Inward foreign bills for collection	-	-
	12,690,000	12,690,000
19.4 Other contingent liabilities		
Acceptance of Constituents LC	6,975,774	6,975,774
Bangladesh savings certificates	-	-
	6,975,774	6,975,774
19.5 Other commitments		
i) Documentary credits and short term trade related transactions	-	-
ii) Forward asset purchased and forward deposit placed	14,271,935,750	13,454,798,650
iii) Undrawn formal standby facilities, credit lines and commitments to lend:		
Under one year	-	-
One year and over	-	-
Other exchange contracts	-	-
	14,271,935,750	13,454,798,650



Note

19.6 Letter of guarantee

- (i) Claim against the Bank which is not acknowledged as debt
- (ii) Money for which the Bank is contingently liable in respect of guarantees given favouring:
 - Directors
 - Government
 - Bank and other financial institutions
 - Others

Amount in BDT

	31-Dec-24	31-Dec-23
	-	-
	-	-
	-	-
	-	-
	29,959,447	85,405,881
	29,959,447	85,405,881



Note

Amount in BDT

20 Income statement

Income

Interest, discount and similar income
Dividend income
Fees, commission and brokerage
Gains less losses arising from dealing securities
Gains less losses arising from investment securities
Gains less losses arising from dealing in foreign currencies
Income from non-banking assets
Other operating income
Profit less losses on interest rate changes

2024	2023
1,345,314,351	1,241,565,855
-	-
8,795,491	(131,229,206)
-	-
-	-
-	-
497,721	16,613,854
-	-
1,354,607,564	1,126,950,503

Expenses

Interest, fee and commission
Losses on loans and advances
Administrative expenses
Other operating expenses
Depreciation on banking assets

1,179,609,579	747,564,581
-	-
105,285,667	169,029,214
23,321,153	29,675,192
36,243,607	16,743,388
1,344,460,006	963,012,375
10,147,558	163,938,128

Profit before tax and provision

21 Interest income

Loans & advances
Money at call on short notice
Interest on other accounts
Discount on credit bills negotiated
Interest on foreign bank accounts
Interest on Bangladesh Bank accounts

269,455	1,287,742
-	-
-	97,671
-	-
3,792	848,427
2,303,352	1,573,460
2,576,599	3,807,299

22 Interest paid on deposits and borrowings etc

Interest paid on savings deposit
Interest paid on fixed deposits
Interest paid on short term deposits
Interest paid on call deposits
Interest paid on NBP general A/C
Interest paid on scheme deposit
Interest paid on others

4,084,879	3,587,757
77,849,390	88,023,927
19,678,608	25,421,103
-	3,541,528
-	-
1,891,942	2,737,354
1,076,104,761	624,252,912
1,179,609,579	747,564,581

23 Investment income (in shares /securities)

Interest on treasury bill
Interest on treasury bonds
Interest on Bangladesh Bank bills

431,508,462	198,086,232
911,229,291	1,039,672,324
-	-
1,342,737,752	1,237,758,556

24 Commission & exchange income

Commission
Exchange gain/(loss)

440,005	942,290
8,355,486	(132,171,497)
8,795,491	(131,229,206)

25 Other operating income

Locker rent
Gain from lease modification
Miscellaneous earnings

-	-
121,378	16,589,969
376,344	23,885
497,721	16,613,854

Note

Amount in BDT

26 Salary & allowances

	2024	2023
Basic pay	24,309,007	23,701,852
Allowances	31,709,332	32,189,507
Bonus	4,664,392	4,337,770
Banks contribution to provident fund	2,669,320	2,553,446
Banks contribution to gratuity fund	335,141	3,303,271
Remeasurement (gain)/loss on gratuity *	(1,361,207)	-
Group insurance	-	-
Salary of temporary staff	3,769,450	3,503,603
	66,095,434	69,589,449

* As per IAS 19, remeasurement gains and losses on defined benefit obligations should be recognized in Other Comprehensive Income (OCI). However, since the Bangladesh Bank's prescribed financial reporting format (BRPD Circular 14 dated 25 June 2003) does not include OCI, the remeasurement gain/loss on gratuity has been adjusted with salary expenses to align with regulatory requirements. While this approach differs from IAS 19, it ensures adherence to regulatory guidelines.

27 Rent, taxes, insurances, lighting etc.

Rent & taxes	2,975,000	48,533,450
Insurance	-	-
Electricity and lighting etc	2,624,928	2,469,510
	5,599,928	51,002,960

28 Legal & other professional expenses

Legal expenses	20,318,320	33,693,896
Other professional expenses	3,340,750	4,815,850
Credit rating fees	322,500	322,500
	23,981,570	38,832,246

29 Postage, stamps and telecommunication etc.

Postage & stamp	301,346	301,589
Telephone (office)	129,042	142,662
Telephone (residence)	49,700	55,600
	480,088	499,850

30 Stationery, printing, advertisement etc.

Office & security stationery	722,738	886,254
Publicity & advertisement	502,608	495,956
	1,225,345	1,382,210

31 Chief executive's salary & allowances

(General manager's salary and fees)

Basic salary	3,495,780	3,438,240
Bonus	582,630	573,040
Allowance	3,404,892	3,297,768
Pension fund	-	-
	7,483,302	7,309,048

32 Director's fees

	-	-
--	---	---

33 Audit fees

	420,000	413,450
--	----------------	----------------

34 Charges on loan losses / write off loans & advances

Waiver of loans & advances	-	-
----------------------------	---	---



Note

Amount in BDT

35 Depreciation and repairs of bank's assets

Depreciation

Furniture & fixtures
Computer & computer equipments
Office equipment & electrical installation
Depreciations of others
Motor vehicles
Software (Intangible Assets)
Depreciations -Right of use assets
New furnishing limit to executives

Repair

2024	2023
1,004,903	361,687
676,978	406,601
323,319	360,591
-	-
-	-
-	-
30,614,956	12,469,380
123,858	267,200
32,744,013	13,865,459
3,499,593	2,877,929
36,243,607	16,743,388

36 Other expenses

Outside chamber entertainment
Inside chamber entertainment
Local conveyance
Computer expenses
Software maintenance
Fuel expenses
Books & newspapers
Travelling expenses
Honorarium to staff
Sundry expenses
SWIFT expenses
Tax & insurance of motor car
Cash carrying charge
Overtime allowances
Courier charges
Computer stationery & accessories
Water & sewerage
Security expenses
Office gas expenses
Photocopy expenses
Write off
Correspondence charges
Loss on revaluation on treasury bond
Cash remittance
Loss on fixed asset disposal
Clearing house maintenance charge
Medical attendance
General insurance
Rented premises repair
Donation
Interest expense (lease)
Training expenses

850,302	960,290
-	-
-	918,245
2,142,728	1,245,056
3,889,028	3,617,386
-	1,335,346
21,106	21,647
1,268,274	501,388
-	-
9,671,640	15,820,218
2,181,094	1,024,557
401,883	189,030
55,384	143,726
-	-
348,959	-
-	-
286,985	232,692
-	-
37,290	41,690
-	-
-	-
-	-
58	(104)
276,236	529,565
336,947	1,560,875
122,200	448,800
-	-
1,349,859	562,464
81,180	522,321
23,321,153	29,675,192

37 Provision for loans and advances

Provision for loans and advances(funded exposures)

(33,429,072)	(2,730,286)
(33,429,072)	(2,730,286)

38 Provision for off balance sheet exposure

Provision for off balance sheet*

-	-
-	-

* Created for Covid 19



Note	Amount in BDT	
	2024	2023
39 Provision for dimension in value of investment	-	-
40 Other provision		
Provision for other asset	-	-
41 Deferred tax expenses/(income)		
Opening deferred tax assets / (liabilities)	2,994,246,898	2,996,016,237
Closing deferred assets / (liabilities)	2,990,580,935	2,994,246,898
Deferred tax expenses/(income)	3,665,963	1,769,339
42 Litigation pending against banks		
Number of litigation pending against the bank.	14	14
43 Cash payments to suppliers*		
Stationery, printing, advertisement etc.	1,225,345	1,382,210
Postage, stamp & telecommunications	480,088	499,850
Computer expenses	2,142,728	1,245,056
Software maintenance	3,889,028	3,617,386
SWIFT expenses	2,181,094	1,024,557
Water & sewerage	286,985	232,692
Office gas expenses	37,290	41,690
	10,242,557	8,043,442

* Previous year's figures have been rearranged where found appropriate to conform to current year's

44 Payments for other operating activities*		
Outside chamber entertainment	850,302	960,290
Inside chamber entertainment	-	-
Local conveyance	-	918,245
Fuel expenses	-	1,335,346
Books & newspapers	21,106	21,647
Travelling expenses	1,268,274	501,388
Honorarium to staff	-	-
Sundry expenses	9,671,640	15,820,218
Tax & insurance of motor car	401,883	189,030
Cash carrying charge	55,384	143,726
Cash remittance	-	-
Loss on fixed asset disposal	-	-
Clearing house maintenance charge	58	(104)
Medical attendance	276,236	529,565
General insurance	336,947	1,560,875
Rented premises repair	122,200	448,800
Interest expense (lease)	1,349,859	562,464
Training expenses	81,180	522,321
Rent, taxes, insurance, electricity etc.	5,599,928	51,002,960
Legal expenses & other professional fees	23,659,070	38,832,246
Auditors fees	420,000	413,450
Repairs	3,499,593	2,877,929
Adjustment for non-cash item	170,863	170,863
	47,784,523	116,811,258

* Previous year's figures have been rearranged where found appropriate to conform to current year's



Note

Amount in BDT

45 Increase/(decrease) of other Assets

Stationery, stamps, printing materials etc.
Advance rent and advertisement
Interest accrued on investment but not collected, Commission and
brokerage receivable on shares and debenture and other income
receivable
Security deposit
Branch adjustment (NBP general account)
Suspense account
Receivable from Bangladesh Bank
Others

2024	2023
-	-
1,275,152	1,326,783
2,236,677	6,990,577
-	-
372,600	534,600
6,459,000	6,459,000
-	-
98,600,000	98,600,000
945,710,031	857,529,534
1,054,653,460	971,440,494
(83,212,966)	(63,987,201)

Increase/(decrease) of other assets:

46 Increase/ (decrease) of other liabilities

Adjusting account credit (Note # 15.4)
Net balance due to head office and other branch
Others

76,460,235	60,402,675
-	-
9,442,289,365	9,468,879,693
9,442,289,365	9,529,282,368
(86,993,003)	65,625,958

Increase/(decrease) of other liabilities

47 Cash and Cash Equivalent

Cash in hand (local currency)
Cash in hand (foreign currency)
Balance with Bangladesh Bank
Balance with other banks & financial institution

11,077,567	9,291,076
125,475	91,833
779,400,323	903,817,099
88,663,218	170,580,017
879,266,583	1,083,780,025

48 Earnings per share (EPS)

Not Applicable

Not Applicable

49 Related party disclosures

- i) Significant contracts where Bank is party and wherein directors have interest
ii) Shares issued to directors and executives without consideration or exercisable at discount
iii) Related party transactions

Not Applicable

Not Applicable

Not Applicable

Not Applicable

NBP-BD engages in interbranch interest-bearing loan transactions with Head Office and other foreign branches, as authorized by the Head Office and Bangladesh Bank. The outstanding balances with these branches and the interest paid during the year have been disclosed below.

(a) Balances with related parties (current deposits)

Amount in BDT

Name of Related parties	Nature of Relationship	Nature of Accounts	Balance as at 31 December 2024
NBP TCMG, HO, Karachi	Head Office	Vostro	79,140,857
NBP TCMG, HO, Karachi	Head Office	Foreign Currency Account	1,652,000,000
NBP Bahrain	Affiliated Branch	Foreign Currency Account	13,039,000,000

(b) Nostro Balances with Related Parties

Refer to Annexure-A.

(c) Interest paid during the period

Name of Related parties	Nature of Accounts	Interest paid in 2024
NBP TCMG, HO, Karachi	Foreign Currency Account	99,388,500
NBP Bahrain Branch	Foreign Currency Account	269,471,849
NBP EPZ Branch, Karachi	Foreign Currency Account	5,897,473

Note

Amount in BDT

2024	2023
------	------

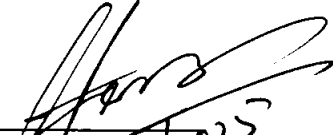
(d) Compensation of Key Management Personnel

Refer to note: 31.

iv) Lending policies to related parties	Not Applicable	Not Applicable
v) Lending to related parties is attested as per requirements	Not Applicable	Not Applicable
vi) Loan and advances to directors and their related concern	Not Applicable	Not Applicable
vii) Business other than banking business with any related concern of the directors as per Section 18(2) of the Banking Companies Act 1991	Not Applicable	Not Applicable
viii) Investment in the securities of directors and their related concern	Not Applicable	Not Applicable
ix) Assets pledged as security for liabilities	Not Applicable	Not Applicable
x) Listing of pledged collaterals	Not Applicable	Not Applicable


Md. Ataur Rohoman Joardder
 Head of Finance


S.M. Jawwad Raza Naqvi
 Deputy General Manager


Md. Qamruzzaman
 Country Head & CEO
 24/07/2025



**National Bank of Pakistan
Bangladesh Branches
Balance with other Banks outside Bangladesh (Nostro Account)
As at 31 December 2024**

Annexure-A

Name of the Bank	PC Bank A/C Number	A/C Type	Currency	2024			2023		
				FC Amount	Ex. Rate	Equivalent BDT	FC Amount	Ex. Rate	Equivalent BDT
Standard Chartered, Calcutta	9010704000	CD	ACU \$	9,254	118.00	1,091,934	9,254	109.00	1,008,651
HSBC, Mumbai	9010705000	CD	ACU \$	-	-	-	-	-	-
HSBC, New York (Regular)	9010707000	CD	USD	-	-	-	-	-	-
HSBC, New York (Special)	9010708000	CD	USD	-	-	-	-	-	-
NBP, New York (Regular)	9011602011	CD	USD	-	-	-	1,360,747	109.00	148,321,443
NBP, New York (Special)	9011602012	CD	USD	-	-	-	-	-	-
NBP, EPZ, Karachi (Regular)	9010602006	CD	USD	545,058	118.00	64,316,839	-	-	-
NBP, Karachi	9011602021	CD	ACU \$	61,294	118.00	7,232,717	61,294	109.00	6,681,069
NBP, Head Office, Karachi (Vostro)	9020407003	CD	ACU \$	-	-	-	-	-	-
NBP, Tokyo (Regular)	9011602031	CD	JPY	63,419	0.75	47,406	63,419	0.77	48,899
NBP, Tokyo (Special)	9011602032	CD	JPY	-	-	-	-	-	-
NBP, Frankfurt (Regular)	9011602041	CD	EURO	128,757	122.19	15,732,985	119,703	119.41	14,293,912
NBP, Frankfurt (Special)	9011602042	CD	EURO	-	-	-	-	-	-
NBP, London (Regular)	9011602051	CD	GBP	1,633	147.80	241,337	1,633	138.43	226,042
NBP, London (Special)	9011602052	CD	GBP	-	-	-	-	-	-
ICICI, Calcutta	9010706000	CD	USD	-	-	-	-	-	-
Total in BDT:						88,663,218			170,580,016



National Bank of Pakistan
Bangladesh Branches
Fixed Asset Schedule
As at 31 December 2024

Annexure B
Amount in BDT

Particulars	Cost				Rate of Dep.	Depreciation				Written down value as on 31-Dec-24	Written down value as on 31-Dec-23	
	Cost as on		Disposal/ adjustment during the year	Addition during the year		Accumulated Dep.	Dep. Charged during the year	Disposal/ adjustment during the year	Total dep. as on 31-Dec-24			
	1-Jan-24	2										3
1		2	3	4	(2+3-4)=5	6	7	8	9	(7+8-9)=10	(5-10)=11	12
Furniture & Fixture		17,035,041	8,429,149	-	25,464,190	10%	14,336,892	279,036	-	14,615,928	10,848,262	2,711,049
Electric Installation (Except Computer)		17,146,333	-	-	17,146,333	20%	16,095,390	282,746	-	16,378,136	768,197	1,094,075
Computer & Computer Equipment		55,325,760	1,542,806	-	56,868,566	33.33%	52,600,932	705,442	-	53,306,374	3,562,192	4,668,904
Office Equipment		9,103,779	110,498	-	9,214,277	20%	7,722,945	771,486	-	8,494,431	719,846	1,511,777
Motor Vehicle		13,911,274	-	-	13,911,274	20%	13,911,267	-	-	13,911,267	7	7
Software (Intangible Assets)		23,931,855	-	-	23,931,855	33.33%	23,931,854	-	-	23,931,854	1	1
New Furnishing Limit to executive		2,896,209	-	-	2,896,209	20%	2,805,863	90,346	-	2,896,209	-	90,346
Right-of-use assets		41,651,234	17,589,275	(19,950,693)	39,289,816	N/A	9,529,768	30,614,956	(17,977,917)	22,166,807	17,123,009	32,121,466
Balance as on 31 December 2024	181,001,485	27,671,728	(19,950,693)	188,722,519			140,934,911	32,744,012	(17,977,917)	155,701,006	33,021,514	42,197,625
Balance as on 31 December 2023	154,856,874	43,782,284	17,637,674	181,001,485			144,707,126	13,865,459	17,637,674	140,934,911	40,066,574	10,149,749

National Bank of Pakistan - Bangladesh Branches
Disclosures under Pillar III of Basel III for the year ended 31 December 2024

1. Disclosure policy:

Following disclosures have been made by National Bank of Pakistan Bangladesh Branches ("the Bank") as per its approved policy to The major highlighted regulations of the Bangladesh Bank are:

- a. To comply with international best practices and make the Bank's Capital more risk-absorbent.
- b. To maintain minimum capital requirement by the Bank against credit, operational and market risks.
- c. To maintain capital adequacy ratio as per requirement of the Bangladesh Bank's.
- d. To adopt the approved credit rating agencies as external credit assessment institutions (ECAI).
- e. To adopt standardised approach for both credit and market risks and basic indicator approach for operational
- f. To submit capital adequacy returns to Bangladesh Bank on a quarterly basis.

2. Scope of applications

Qualitative disclosure

The risk based capital adequacy framework applies to National Bank of Pakistan, Bangladesh Operations, on "Solo Basis" as the Bank has no subsidiaries or significant equity investments in any other separate entity rather operating in Bangladesh as a Branch of foreign bank, National Bank of Pakistan is a state owned bank, incorporated in Pakistan.

Quantitative disclosure

The Bank's capital as at 31.12.2024 stood BDT 5,081.70 Million. Though the Capital Adequacy Ratio (CAR)/Capital to Risk Weighted Asset Ratio (CRAR) is 36.57 % much more above than the minimum requirement of 10% of Risk Weighted assets. The maintained capital by the Bank is significantly higher, currently it is maintaining 36.57% which is higher than the required capital of 10% of the RWA of the Bank at 31 December 2024. As per BRPD Circular letter # 18 dated 15 June 2023(BRPD(R-1)(law review)717/2023-4628 dated 15 June 2023) minimum required paid up capital of a bank is BDT 500.00 crore(as on 31.12.2024 there is a surplus of regulatory capital BDT 81,696,761).

3. Disclosures framework

Disclosures framework and requirement are in line with the Basel-III guidelines and subsequent ammendment there on issued by the Bangladesh Bank.

3 Capital structure

Qualitative disclosure

The Bank's total capital as of 31 December 2024 was BDT 5,081.70 million out of which 97.88% i.e BDT 4,973.95 million was under Tier-I, highest quality of Capital elements. and remaining 2.12% i.e. BDT 107.75 million was under Tier-II. The main features of our Tier-I capital is BDT 14,150.53 million kept with Bangladesh Bank as per section 13 (4) of Banking Companies Act 1991 and the remaining (9,591.00) million is the retained loss due to specific provision against classified portfolio as at 31 December 2024. The Bank's Tier-II capital consists of general provision of BDT 91.432 million of UC loans ,BDT 3.333 Mln general provision for Off BS and remaining BDT 12.98 Million prilliminary expenses approved as capital as at 31 December 2024. The proportion of Tier-I & Tier-II capital as per BASEL III guideline has been duly maintained.

Quantitative Disclosure		Amounts in Million BDT
A) Amount of Tier-1 capital		
Fully paid-up capital/ capital deposited with BB		14,150.53
Non-repayable share premium account		-
Statutory reserve		-
General reserve		-
Retained earnings		(6,772.12)
Minority interest in subsidiaries		-
Non-cumulative irredeemable preferences shares		-
Dividend equalisation account		-
Additional Tier-1 capital		414.41
		7,792.83
B) Amount deducted from Tier-1 capital		
• Goodwill		-
• Shortfall		-
• Others		(2,818.88)

C) Net total of Tier-1 Capital (A+B)	4,973.95
D) Total amount of Tier 2 capital, net of deductions from Tier 2 capital	107.75
E) Total eligible capital (C+D)	5,081.70

3 Capital adequacy

Qualitative disclosure of capital adequacy

The Bank was adequately capitalized throughout the year. Quarterly Capital reporting under Basel-III guidelines has been made accordingly. Bank is in the process of preparation its own Internal Capital Adequacy Assessment Process (ICAAP) documents. The Bank's management is well involved in Capital Adequacy issues.

The Bank's Capital Adequacy Ratio (CAR) /Capital to Risk Weighted Asset Ratio (CRAR) as at 31 December 2024 is 36.57% as against the minimum requirement of 10% as of 31 December 2024 as per BRPD circular no. 10 dated 10 March 2012. Tier-I capital was 97.88% of risk weighted assets (RWA) against minimum requirement of 5% of RWA.

Quantitative disclosure of capital adequacy		Amounts in Million BDT
A) Amount of regulatory capital to meet unforeseen losses		
Amount of minimum capital required to meet credit risk		1,021.40
Amount of minimum capital required to meet market risk		18.38
Amount of minimum capital required to meet operational risk		349.80
		1,389.58
Minimum Capital Requirement (MCR)		5,000.00
B) Actual capital maintained:		
Total tier I capital		4,973.95
Total tier II capital		107.75
Total tier III capital		-
		5,081.70
C) Additional capital over MCR maintained by the Bank		81.70
% of capital adequacy required		
Tire I		10.00%
Total		10.00%
% of capital adequacy maintained		
Tire I		36.57%
Total		36.57%

3 Credit Risk

Qualitative Disclosures

The general qualitative disclosure requirement with respect to credit risk includes the following:

Definition of past due and impaired (for accounting purposes) assets

According to the Bangladesh Bank's Guidelines on Risk Based Capital Adequacy, claims that are past due for 90 days or more are clubbed under this past due category. Apart from Basel III requirement bank is maintaining its past due loan in accordance with the BRPD 14 dated September 23, 2012 on loan classification and provisioning.

Description of approaches followed for specific allowances and statistical methods.

The Bank is following the standardised approach in line with Bangladesh Bank guidelines and no other statistical model is used apart from the supervisory procedures prescribed by the Bangladesh Bank in this regard.

Bank's credit risk management policy

Credit risk is one of the major risks faced by the bank. This can be described as potential loss arising from the failure of counterparty to perform as per contractual agreement with the bank. The failure may result from unwillingness of the counterparty or decline in his/her financial condition. Therefore bank's credit risk management activities have been designed to address all these issues.

The bank has segregated duties of the officers/executives involved in credit related activities. Credit approval, administration, monitoring and recovery function have been segregated.



Credit risk has been considered as one of the most significant risks in terms of sustainability, regulatory and capital requirements, which National Bank of Pakistan, Bangladesh Operations is exposed to. Bank's policy is to develop a high quality and diversified credit portfolio comprising of corporate, SME and retail / personal customers in Bangladesh towards better credit risk management. Credit risk management focuses on the quality of customer's individual loans as well as the overall loans and advances portfolio, examining and reporting the underlying trends, concentrations and ensuring a sustainable credit risk culture throughout its Bangladesh Operations. Credit risk management system of the Bank also closely monitors the changes in economic and market conditions and guides business and functional management at all levels on their credit portfolio.

Thus the scope of credit risk management and identification practices need to follow the procedures below:

To identify and manage credit risk, the Bank engages in procedures such as-

- i. Set up and follow well defined strategy for credit origination and relationship management.
- ii. Follow Credit risk analysis and mitigation strategy both at pre and post approval level.
- iii. Follow defined Loan documentation and credit administration procedures.
- iv. Methodically approach Recovery and management of problem loans.
- v. Establish best practise for Portfolio management.
- vi. Convey credit status through reporting.
- i. Set up and follow well defined strategy for credit origination and relationship management.

The Bank uses internal lending guidelines and procedures to ensure that all lending officers understand the Bank's appetite for risk in servicing counter party requirements, and thus facilitates evaluation and approval of individual credit transactions. The Bank has standard methods of analyzing various risk aspects involved in extending credit, considering risk areas such as business risk, financial risk, management risk, security risk, etc besides continuously reviewing the exposures and concentrations of the customer, group, industry, geography and lending types. Outcome of these risk analyses is used to establish internal credit risk grading for each borrower.

Maintenance of specific provision

National Bank of Pakistan, Bangladesh Operations strictly complies with its internal credit procedure prepared in line with prevailing Bangladesh Bank's guidelines including BRPD circular no. 05 dated 05 June 2006 and also made necessary ammendmend as per BRDP Circular No 14 Dated September 23, 2012 concerning management of non-performing loans, loan classification and provisioning.

In line with above guidelines, the Bank reviews the loans and advances throughout the year so as to assess them in order to maintain the provision required thereagainst at the end of the each quarter during the year.

Provisioning rates

The specific provisioning rates on loans and advances is being maintained as guided by BRPD circular no. 14 dated 23 Septemebr 2012 and other subsequent ammendments of the same.

Base for provision

Provision is to be made at the prescribed rate on the net loan amount after deduction of the amount of interest in suspense and the allowable value of eligible securities from the outstanding balance of classified accounts in line with the above guidelines.

Moreover, BRPD circular no. 14, dated 23 September 2012 also warrants further provisioning based on our qualitative judgments in case where any uncertainty or doubts arises in respect of recovery of any continuous loan, demand loan or fixed term loan, which will also require the Bank to classify such loans on the basis of qualitative judgment.

Quantitative disclosure		Amounts in Million BDT
Total exposures of credit risk		
A. Funded		
a) Domestic		25,597.17
b) Overseas (Nostro Balances)		88.66
		25,685.83
B. Non-Funded		
a) Domestic		24.04
b) Overseas		-
		24.04
C. Distribution of risk exposure by claims		
a) Cash and cash equivalents		11.20
b) Claims on Bangladesh Government and Bangladesh		15,199.69
c) Claims on other sovereigns and central banks*		-
d) Claims on Bank for international settlements, International Monetary Fund and European Central Bank		-
e) Claims on multilateral development banks (MDBs)		-
f) Claims on public sector entities (other than Govt. of Bangladesh) in Bangladesh		-
g) Claims on banks & NBFIs:		-
Maturity over 3 months		-
Maturity less than 3 months		88.66
h) Claims on corporate (excluding equity exposure):		138.45
i) Claims under credit risk mitigation		-

j) Claims categorised as retail portfolio & small enterprise (excluding consumer finance)	39.35
k) Consumer finance	-
l) Claims fully secured by residential property	-
m) Claims fully secured by commercial real estate	-
n) Past due loans/NPL	6,122.27
o) Investments in premises, plant and equipment and all other fixed assets	33.02
p) Claims on fixed assets under operating lease	-
q) All other assets	-
i) Claims on GoB & BB (advance income tax)	240.73
ii) Staff loan/Investments	-
iii) Other assets	3,812.45
r) Off-balance sheet items:-	
Claims on Banks:	
Maturity over 3 months	-
Maturity less than 3 months	-
Claims on corporate	24.04
Retail portfolio and small enterprises	-
	25,709.87
D. Details of exposure under credit risk mitigation (CRM)	
• Claims secured by financial collateral	-
• Net exposure after the application of haircuts	-
• Claims secured by eligible guarantee	-
	13,540.37
E. Gross non-performing assets (NPAs)	
Total loans and advances	13,718.18
Non-performing loans and advances including SMA	
Special mentioned account (SMA)	-
Sub-standard (SS)	-
Doubtful (DF)	-
Bad/loss (BL)	13,540.37
Total non-performing loans and advances	13,540.37
Non-performing assets (NPAs) to outstanding loans and advances (Excluding SMA)	98.70%
G. Movement of non-performing assets (NPAs)	
Opening balance	13,542.63
Addition during the year	(2.26)
Reduction during the year	-
Closing balance	13,540.37
H. Movement of specific provisions for NPAs	
Opening balance	7,437.65
Add: Provisions made during the period	(19.55)
Less :Write-off	-
Less: Write-back of excess provisions	-
Closing balance	7,418.10
I.Industry wise loans and advances	
1. Textile industries	5,302
2. Food & allied industries	194
3. Pharmaceuticals industries	-
4. Leather,chemical, cosmetics industries etc	269
5. Cement & ceramic industries	-
6. Service industries(CNG)	-
7. Plastic industries	-
8. Telecommunication & mobile industry	481
9. Others	7,472
J. Geographical location wise loans and advances	13,718.18
In Bangladesh	
Dhaka Division	12,748.32
Chittagong Division	509.20
Sylhet Division	47.16
Khulna Division	109.94
Rajshahi Division	303.56
Rangpur Division	-
Outside Bangladesh	13,718.18

K. Residual maturity grouping of loans and advances including bills purchased and discounted

Repayable on demand	-
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With a residual maturity of :

Not more than 3 months	13,653.72
Over 3 months but not more than 1 year	16.46
Over 1 year but not more than 5 years	48.00
More than 5 years	-
	13,718.18

L. Loans & advances (loans, cash credit & overdrafts etc)

In Bangladesh:

Cash credit	-
Loan against import merchandise	7.54
Loan against trust receipt	550.05
Loan against cash Incentive	-
Overdraft	3,710.54
Demand loan	594.61
Term loan	7,575.51
Packing credit	9.98
	12,448.23

Inside Bangladesh

Bills purchased and discounted (Note # 9)	1,269.95
	1,269.95
	13,718.18

Total loans and advances

***The information provided from page number 55 to 59 has been made in line with the last LCR and NSFR report submitted to Bangladesh Bank, not based on these financial statements.**

3 Assets

Qualitative disclosure

Assets of the Bank includes both banking book assets and trading book assets. Trading book assets consist of foreign currency in hand, balances of nostro accounts and investment in treasury bills/bonds under Held for Trading (HFT) while all other assets of balance sheet such as loans and advances, investment in treasury bills/bonds under Held to Maturity (HTM), money at call and short notice and all fixed assets are the part of banking book assets. Assets are also divided in earning assets and non earning assets. The Balance Sheet size of the National Bank of Pakistan, Bangladesh Operations as on 31 December 2024 increased by 0.79% compared to 31 December 2023. All the fixed assets of the Bank are properly insured. Apart from the credit portfolio of traditional banking activities and fixed assets, the Bank has significant amount of investment in treasury bonds.

Earning assets:

Following assets are included as earning assets as these are generating revenue for the Bank:

- Loans and advances/credit portfolio;
- Investments;

Foreign currency held with Bangladesh Bank and overseas correspondent banks from which we earned interest.

Non-earning assets:

Non-earning assets are those assets from which do not generate revenue. Following are the components of non-earning assets:

- Cash in hand and balance with Bangladesh Bank and it's agent bank in local currency
- Fixed assets
- Other assets

Foreign currency held with overseas correspondent banks' current account from which we do not earned any interest.

Overall loans and advances as at 31 December 2024 stood at 13,718.18 million registering 0.50% decreased compared with 31 December 2023. Overall investments as at 31 December 2024 stood at BDT 14,420.29 million registering 3.25% positive growth compared with 31 December 2023.

Assets are monitored on a regular basis to cope with unexpected risk. Assets Liability Committee (ALCO) monitors and reviews the behaviour patterns of the assets. Assets are classified as per the directives of Bangladesh Bank.

Assets are classified as per directives and guidelines time to time issued by Bangladesh Bank. Classified loans and advances of the Bank as at 31 December 2024 was BDT 13,540.37 million which is 98.70% of total loan portfolio. Classified loans and advances have decreased by BDT 2.26 million compared to the year 2023. Adequate specific provision has been kept against such classified loans and advances as per Bangladesh Bank guidelines.



Quantative Disclosures	Amounts in Million BDT
i) Banking book assets	
A. Cash in hand and balance with Bangladesh Bank excluding foreign currency (FC)	695.56
B. Balance with other banks excluding FC	695.56
C. Money at call and on short notice	-
D. Investment (HTM)	
a. Government	14,408.56
b. Qualifying (banks, etc)	-
c. Equities	-
d. Others	-
	14,408.56
E. Loans and advances	
a. Past Due	-
SMA	-
SS	-
DF	-
BL	13,540.37
b. Unclassified	177.81
	13,718.18
F. Risk weighted assets (RWA)	
a. Below 100% RWA	-
b. 100% RWA	-
c. Above 100% RWA	-
G. Rating Status	
a. Rated assets	-
b. Unrated assets	-
H. Other assets including fixed assets	4,078.26
i) Total banking book assets	4,078.26
	32,900.55
ii) Trading book assets	
1. Foreign currencies held in hand	0.13
2. Foreign currencies held in Bangladesh Bank and nostro account	183.58
3. Investment (trading)	
a. Govt. (part of govt. HTM if held above the required SLR amount)	11.73
ii) Total trading book assets (1+2+3)	195.43
Total assets (i+ii)	33,095.99

4 Equities: Disclosures for banking book position

Qualitative disclosure

The Bank has no investment in quoted shares.

4 Interest rate risk in the banking book (IRRBB)

Qualitative disclosure

Interest rate risk refers to fluctuations in Bank's net interest income and the value of its assets and liabilities arising from internal and external factors. External factors cover general economic conditions.

Internal factors include the composition of the Bank's assets and liabilities, quality, maturity, interest rate and re-pricing period of deposits, borrowings, loans and investments. Rising or falling interest rates impact the Bank depending on Balance Sheet positioning. Interest rate risk is prevalent on both the assets as well as the liability sides of the Bank's Balance Sheet.

4 Market risk

Market risk in trading book

Views of board of directors on market risk

Market risk is the risk of adverse revaluation or movement of any financial instrument as a consequence of changes in market prices or rates. Market risk exists in all trading, banking and investment portfolios but for the purpose of this report, it is considered as a risk specific to trading book of the Bank. The major types of market risk as specified in the Risk Based Capital Adequacy (RBCA) are as follows:

- Interest rate risk
- Equity position risk
- Foreign exchange risk and
- Commodity risk

Among the above list, the main types of market risk faced by the Bank are interest rate risk and foreign exchange risk. The management of Bangladesh operations has given significant attention to market risk in trading book to assess the potential impact on the Bank's business due to the unprecedented volatility in financial markets.



Methods used to measure market risk

According to Bangladesh Bank guideline, National Bank of Pakistan, Bangladesh Operation is presently following the standardised approach for market risk under Basel III.

Market risk management system and policies and processes for mitigating market risk

The Bank has an independent market risk framework to assess, manage and control the risk management function, which is responsible for measuring market risk exposures in accordance with prescribed policies, and monitoring and reporting these exposures against the approved limits on a daily basis according to Bank's appetite for market risk.

Interest rate risk

Interest Rate Risk (IRR) is a major source of market risk and is unavoidable in any financial institution where the re-pricing of assets and liabilities are not identically matched. The ALCO of Bangladesh Operations manages the potential impact, which might be caused by the volatility of changes in the market interest rates and yield curves.

The securities (Treasury bills/bonds) acquired with the intention to trade by taking advantage of short-term price and interest rate movement is classified under the trading book. The marked to market (MTM) of securities in the trading book is done at market value as per the Bangladesh Bank guidelines.

Foreign exchange risk

All foreign exchange exposures and related risks are reviewed by the ALCO monthly, which provides additional guidance to treasury dealing room in managing the risks. This is to ensure that any adverse exchange rate movements on the results of the Bank due to un-hedged foreign exchange positions are restrained within acceptable parameters.

In addition to daily revaluation of spot position and monthly revaluation of forward positions the treasury uses Value at Risk (VaR) to assess the market risk. VaR provides a single number to the management that reflects the maximum loss, which can occur within a confidence level over a certain period of time.

Quantitative disclosure		Amounts in Million BDT
The capital requirements for:		
A. Interest rate risk		-
B. Equity position risk		-
C. Foreign exchange risk		18.38
D. Commodity risk		-
		18.38

4 Operational risk

Qualitative disclosure

The Management of National Bank of Pakistan has strong corporate governance and bank operational risk is well monitored as a part of risk management process. A sound internal process to assess the operational risk through a robust Internal Control mechanism is in place.

Operational risk Management process applied are as follows:

Risk based Audit has been rolled out to keep operational lapses at a minimum level in our all Branches by reinforcing Internal Audit throughout the year by ICC- Internal audit team, Regional Office as well as Head Office Pakistan Inspection team as a continuous process via on line and on site auditing through periodic basis.

In addition following mitigating steps are taken:

- a) Clear management reporting lines for each business units and branches with empowerment and accountability
- b) Appropriate segregation of duties
- c) Due diligence process in establishing customer relationship
- d) Regular staff rotation/transfers
- e) Regular system generated reporting to identify exceptional transactions
- f) Blanket Insurance cover against potential losses from internal & external events.

Performance gap of executives and staffs are being reviewed at the Management Committee Meeting and Audit Committee meeting and also in operation meeting held on monthly basis. Mitigation steps are decided and implemented accordingly.

Potential external events: Counter-party Risk are well monitored with enhanced due diligence. External threats Like, Payment gateway Control, Access Control/ Firewall etc. has been put in place and effectively working.

Operational Manuals are in place and Operating Instructions are being circulated regarding operational process with a view to mitigation of operational risk. Business Continuity Plan/ Disaster recovery site have been already worked out and are in place. HO team in in the process to finalize the details of BCP.

Presently the bank is maintaining adequate capital to mitigate its operational risk as per RBCA guideline by following the "Basic Indicator Approach".



Quantitative Disclosure	Amounts in Million BDT
The capital requirements for operational risk	349.80

4 Liquidity ratio

Qualitative disclosure

Liquidity Risk is the the risk that the bank does not have sufficient financial resources to meet its obligations as they fall due or will have to do so at excessive cost. The risk arises from mismatch in the timing of cashflows.

The objective of liquidity framework is to allow the Bank to withstand very severe stresses. It is designed to adaptable to change the business modes, markets, regulators. The liquidity risk management framework requires:

- * Liquidity to manage by Bank on stand-alone basis with no reliance on the Bangladesh Bank;
- *to comply with all regulatory limits;
- *to maintain positive stressed cash flow;
- *monitoring the contingent funding commitments;
- *moitoring the structural term mismatch between maturing assets and liabilities;
- *maintenance of ribust and practical liquidity contingency plan;
- *maintain diverse sources of funding and adequate back up lines;

Liquidity management of the Bank is centered on the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) based on BASEL III. The Bank has ALM (Asseet liability management) desk to manage this risk. There are others tools like SLR,CRR,AD Ratio,MCO,MTF etc

The Bank has adopted Liquidity Coveragr Ratio (LCR) and Net Stable Funding Ratio for liquidity risk management. LCR ensures that Bank mainatains enough high liquidity unencumbered liquid assets to meet its liquidity needs for 30 calendar time-line whereas NSFR ensures availability of stable funding is greater than required funding over 1 year period.

Bank has Asset Liability Management Committee (ALCO) to monitor the liquidity risk on a monthly basis.

Quantitative Disclosure	Amounts in Million BDT
Liquidity coverage ratio (%)	210.94%
Net stable funding ratio (%)	27.36%
Stock of high liquid assets	802.30
Total net cash outflows over the next 30 calendar days	250.55
Available amount of stable funding	5,888.91
Required amount of stable funding	21,523.06

4 Leverage ratio

Qualitative disclosure

Leverage ratio is the ratio of tier 1 capital to total on and off-balance sheet exposures. The leverage ratio was into the BASEL-III framework as a non-risk based backstop limit, to suppliment risk-based capital requirements.

In order to avoid building up excessive on and off balance sheet leverage in the banking system, a simple transparent, non risk based leverage ratio has been introduced by the Bangladesh Bank. The leverage ratio acts as a credible supplementary measure to the risk based capital requirements. The leverage ratio is intended to achieve the following objectives:

- constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy
- reinforce the risk based requirements with an easy to understand and non-risk based measure.

The Bank has calculated the regulatory leverage ratio as per the guideline of Basel-III. The numerator, capital measure is calculated using the new definition of Tier I capital applicable from 01 January 2015. The denominator, exposure measure is calculated on the basis the Basel III leverage ratio framework as adopted by the Bangladesh Bank. The exposure measure generally follows the accounting value

Quantitative disclosure

Leverage ratio	2024 BDT 21.73%
On balance sheet exposure	25,685.83
Off balance sheet exposure	25.31
Total Deduction from on and off balance sheet exposure/regulatory adjustments made to Tier 1 capital	2,818.88
Total exposure	22,892.26



4 Remuneration

NBP BD operations focuses to attract , retain and motivate top talents to meet its objectives. Bank has a competitive pay and benefits packages to fulfill its objectives

Banks rewards strategy aims to reward success. In order to ensure alignment between remuneration and Bank's business strategy, individual remuneration is determined through assessment of performance delivered against both annual and longterm objectives.

NBPs reward package consists of the following key elements:

Fixed Pay:

The purpose of the fixed pay is to attract and retain employees by paying market competitive pay for the role, skills, and experience required for the business. This includes basic salary, LFA and other allowances in accordance with local market practices.

Benefits :

NBP Bangladesh operations provided benefits in accordance with local market practice. There are medical insurance and life insurance policy for employees

***Key Features of NBP BD Operations remuneration framework include:**

*assessment of performance with reference to clear and relevant objectives

*the use of discretion to assess the extent to which performance has been achieved.

Quantitive disclosures:

Number of meeting held by mainbody overseeing remuneration during the financial year
Remuneration paid to the mainbody overseeing remuneration during the financial
Number of employees having received a variable remuneration award during the financial year

Nil
Nil
Nil

Guaranteed bonuses awarded during financial year:

Number of employees
Total amount of guaranteed bonuses

60
5,247,021.57

Sign-on awards made during the financial year:

Number of employees
Total amount of sign-on awards

Nil
Nil

Severance payments during the financial year :

Number of employee
Total amount of severance payment
Total amount of outstanding deferred remuneration (In cash)
Total amount of deferred remuneration paid out in the financial year
Breakdown of amount of remuneration awards for the financial year
Fixed and variable
Variable pay
Deferred
Non-deferred

Nil
Nil
Nil
Nil
Nil

Nil
Nil
Nil



**National Bank Of Pakistan
Bangladesh Branches
Financial Highlights
For the year ended 31 December 2024**

Particulars	Amount in BDT	
	2024	2023
Paid up capital/capital fund	14,577,927,703	14,163,513,703
Total equity/capital	5,081,696,761	4,437,329,426
Total assets	33,095,987,890	32,843,902,347
Total deposits	15,824,925,150	15,943,839,232
Total loans and advances	13,718,179,170	13,787,773,949
Total contingent liabilities and commitments	14,373,053,971	13,611,363,305
Credit deposit ratio	86.69%	86.48%
Percentage of classified loans against total loans & advances	98.70%	98.22%
Profit after tax and provision	31,962,642	159,080,092
Total amount of classified loans & advances	13,540,373,234	13,542,631,195
Provision kept against classified loans & advances	7,404,223,724	7,437,652,796
Provision surplus/ (deficit)	277,712,884	268,778,908
Cost of fund	7.43%	4.58%
Interest earning assets	28,322,046,785	28,022,732,111
Non-interest earning assets	4,773,941,105	4,823,301,286
Return on investment (ROI)	9.46%	8.79%
Return on assets (ROA)	0.10%	0.48%
Income from investment	1,342,737,752	1,237,758,556
Earning per share	Not Applicable	Not Applicable
Net income per share	Not Applicable	Not Applicable
Price earning ratio	Not Applicable	Not Applicable

