

National Credit and Commerce Bank Limited and its Subsidiaries
Consolidated Balance Sheet (Un-audited)
As at 30 June 2014

<u>PROPERTY AND ASSETS</u>	30 June 2014 <u>Taka</u>	31 December 2013 <u>Taka</u>
Cash in hand (including foreign currencies)	1,265,024,409	1,256,477,870
Balances with Bangladesh Bank and its agent bank (s) (including foreign currencies)	8,713,338,010	6,618,784,769
Balances with other banks & financial institutions	2,390,309,230	685,796,808
Money at call and short notice	-	-
Investments	30,429,452,288	19,933,799,397
Loans and advances	92,058,384,915	90,769,740,749
Fixed assets including premises, furniture and fixtures	1,740,351,229	1,759,150,596
Other assets	4,574,807,974	3,589,618,260
Non-banking assets	-	-
Total Assets	<u>141,171,668,055</u>	<u>124,613,368,449</u>
<u>LIABILITIES AND CAPITAL</u>		
Liabilities :		
Borrowings from other banks, financial institutions and agents	8,794,321,606	2,757,729,890
Deposits and other accounts:	105,861,873,670	97,987,249,343
Current deposits and other accounts	8,968,545,144	7,844,546,026
Bills payable	1,205,461,093	1,319,767,208
Savings bank deposits	12,096,558,256	11,167,226,439
Fixed deposits	51,379,931,182	47,844,992,750
Term deposits	32,211,377,995	29,810,716,920
Other liabilities	13,350,724,962	10,594,947,547
Total liabilities	<u>128,006,920,238</u>	<u>111,339,926,780</u>
Shareholder's equity		
Share capital		
Paid up capital	8,029,254,580	7,646,909,130
Statutory reserve	4,461,074,427	4,283,429,378
General reserve	10,162,348	10,162,348
Minority interest	217	215
Other reserves-assets revaluation reserve	450,917,594	450,761,512
Profit & loss account-retained earnings	213,338,651	882,179,086
Total shareholder's equity	<u>13,164,747,817</u>	<u>13,273,441,669</u>
Total liabilities and shareholders' equity	<u>141,171,668,055</u>	<u>124,613,368,449</u>
<u>Off balance sheet items</u>		
Acceptances and endorsements	12,380,593,178	12,350,769,134
Letters of guarantee	10,860,869,273	6,148,244,590
Letters of credit issued	8,885,069,259	7,725,862,083
Bills for collection	7,484,626	3,894,651
Others	172,745,000	7,028,000
Total off balance sheet items	<u>32,306,761,336</u>	<u>26,235,798,458</u>

Sd/-

Mohammed Mizanur Rahman FCA

Senior Vice President &
Chief Financial Officer

Sd/-

Golam Hafiz Ahmed

Managing Director &
Chief Executive Officer

National Credit and Commerce Bank Limited and its Subsidiaries
Consolidated Profit and Loss Account (Un-audited)
For the half-year/quarter ended 30 June 2014

<u>Income and expenditure</u>	<u>Half-year ended</u>		<u>Quarter ended</u>	
	<u>01 January 2014</u>	<u>01 January 2013</u>	<u>01 April 2014 to</u>	<u>01 April 2013 to</u>
	<u>to 30 June 2014</u>	<u>to 30 June 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Interest income	6,150,816,885	6,214,669,499	2,920,626,356	3,113,705,667
Less: Interest paid on deposits and borrowings	4,890,906,864	5,362,823,457	2,412,877,302	2,665,897,827
Net interest income	1,259,910,021	851,846,042	507,749,054	447,807,840
Income from investments	1,190,675,382	1,368,643,198	705,660,399	724,721,653
Commission, exchange and brokerage	474,694,688	499,061,885	232,737,425	282,319,487
Other operating income	186,490,617	180,845,099	118,346,852	125,461,288
Total operating income	3,111,770,708	2,900,396,224	1,564,493,730	1,580,310,268
Salary and allowances	816,985,060	691,059,707	389,005,858	380,892,869
Rent, taxes, insurance, electricity etc.	139,937,307	124,534,805	80,363,002	65,557,391
Legal expenses	10,277,196	4,425,502	7,389,999	2,340,613
Postage, stamp, telecommunication etc.	14,351,205	13,660,020	7,732,181	6,466,700
Stationery, printing, advertisement etc.	41,163,972	44,238,329	18,194,305	21,239,567
Managing Director's salary and allowances	3,449,516	4,540,000	1,564,516	1,770,000
Director's fees	755,000	615,000	430,000	390,000
Audit fees	-	-	-	-
Depreciation and repairs of Bank's assets	187,585,933	155,647,225	102,627,458	80,026,261
Other expenses	116,885,311	145,284,772	58,629,851	77,509,856
Total operating expense	1,331,390,500	1,184,005,360	665,937,170	636,193,257
Profit before provisions	1,780,380,208	1,716,390,864	898,556,560	944,117,011
Provision for loans and advances	740,051,567	787,049,651	373,640,284	528,038,931
Specific provision	720,179,548	841,059,054	374,568,393	637,306,931
General provision	19,872,019	(54,009,403)	(928,109)	(109,268,000)
Provision for off-balance sheet exposures	61,668,264	61,344,675	21,671,294	10,863,469
Provision for investment fluctuation in shares	70,911,896	12,742,891	68,969,795	(136,935,301)
Provision for other assets	(9,697,909)	10,950,207	(11,826,783)	10,950,207
Total provisions	862,933,818	872,087,424	452,454,590	412,917,306
Profit before tax	917,446,390	844,303,440	446,101,970	531,199,705
Provision for tax	567,481,777	564,830,636	235,873,211	353,888,446
Current tax	536,468,667	537,990,141	197,383,100	327,047,951
Deferred tax	31,013,110	26,840,495	38,490,111	26,840,495
Profit after tax	349,964,613	279,472,804	210,228,759	177,311,259
Attributable to:				
Shareholders of the bank	349,964,611	279,472,797	210,228,759	177,311,259
Minority interest	2	7	-	-
Add: Profit brought forward from last period	41,019,089	205,977,587	41,019,089	205,977,587
Total profit available for distribution	390,983,700	485,450,384	251,247,848	383,288,846
Appropriation:				
Statutory reserve	177,645,049	144,323,933	95,132,760	93,115,902
	177,645,049	144,323,933	95,132,760	93,115,902
Surplus in profit & loss account	213,338,651	341,126,451	156,115,088	290,172,944
Earnings per share (EPS)	0.44	0.37	0.26	0.23

Sd/-
Mohammed Mizanur Rahman FCA
Senior Vice President &
Chief Financial Officer

Sd/-
Golam Hafiz Ahmed
Managing Director &
Chief Executive Officer

National Credit and Commerce Bank Limited and its Subsidiaries
Consolidated Cash Flow Statement (Un-audited)
For the half-year ended 30 June 2014

Particulars	01 January 2014 to 30 June 2014 <u>Taka</u>	01 January 2013 to 30 June 2013 <u>Taka</u>
A) Cash flows from operating activities		
Interest received in cash	6,959,638,720	7,113,032,649
Interest paid by cash	(3,790,045,073)	(4,598,309,129)
Dividend received	37,292,727	14,782,149
Fees and commission received in cash	361,393,707	359,499,781
Recoveries of loans previously written off	8,853,112	9,442,338
Cash paid to employees	(820,434,576)	(695,599,707)
Cash paid to suppliers	(104,552,946)	(163,412,999)
Income tax paid	(667,682,761)	(868,711,984)
Received from other operating activities	533,327,823	706,941,139
Paid for other operating activities	(327,357,617)	(245,422,372)
Operating profit before changes in operating assets and liabilities	2,190,433,116	1,632,241,865
Increase/(decrease) in operating assets and liabilities		
Purchase-sale of trading securities	(10,617,848,661)	3,236,681,668
Loans and advances to other Banks	-	-
Loans and advances to customers (other than Banks)	(1,288,644,166)	(2,332,572,441)
Other assets	(201,959,572)	(332,864,957)
Deposit from other Banks/borrowings	8,074,624,327	(2,607,251,250)
Deposits from customers (other than Banks)	3,680,017,583	112,846,163
Other liabilities account of customers	(341,788,744)	(191,412,835)
Other liabilities	620,908,454	368,248,655
Net cash received from operating activities	2,115,742,337	(114,083,132)
B) Cash flows from investing activities		
Proceeds from sale of securities	171,439,445	108,635,248
Payment for purchase of securities	(105,172,931)	(125,675,279)
Purchase of property, plant & equipments	(53,582,370)	(79,471,073)
Sales proceeds of fixed assets	931,562	1,665,006
Net cash used in investing activities	13,615,706	(94,846,098)
C) Cash flows from financing activities		
Received from issue of loan capital and debt securities	2,156,574,133	(90,916,869)
Cash dividend paid	(458,814,548)	-
Net cash received from financing activities	1,697,759,585	(90,916,869)
D) Net increase/(decrease) in cash (A+B+C)	3,827,117,628	(299,846,099)
Effects of exchange rate changes on cash and cash-equivalents	-	-
E) Opening cash and cash-equivalents	8,546,496,621	9,037,722,218
F) Closing cash and cash-equivalents (D+E)	12,373,614,249	8,737,876,119

Sd/-

Mohammed Mizanur Rahman FCA

Senior Vice President &
Chief Financial Officer

Sd/-

Golam Hafiz Ahmed

Managing Director &
Chief Executive Officer

National Credit and Commerce Bank Limited and its Subsidiaries
Consolidated Statement of Changes in Equity
(Un-audited)

Particulars	For the period from 01 January 2013 to 30 June 2013						
	Paid-up capital	Statutory reserve	Other reserve (Assets & Govt.securities revaluation reserve)	Minority interest	General reserve	Profit and loss account-retained earnings	Total
Balance at 1st January 2013	6,951,735,580	3,818,042,032	469,729,455	212	10,162,348	894,666,660	12,144,336,287
Bonus Share transferred to paid-up capital	695,173,550	-	-	-	-	(695,173,550)	-
Net profit for the period ended 30 June 2013	-	-	-	-	-	279,472,797	279,472,797
Transfer to statutory reserve	-	144,323,933	-	-	-	(144,323,933)	-
Minority interest	-	-	-	7	-	-	7
Surplus/(deficit) on account of revaluation of Govt. Securities (Treasury bills/bonds) HTM & HFT adjusted during the period	-	-	(12,831,629)	-	-	-	(12,831,629)
Balance at 30 June 2013	7,646,909,130	3,962,365,965	456,897,826	219	10,162,348	334,641,974	12,410,977,462
Particulars	For the period from 01 January 2014 to 30 June 2014						
	Paid-up capital	Statutory reserve	Other reserve (Assets & Govt.securities revaluation reserve)	Minority interest	General reserve	Profit and Loss account-retained earnings	Total
Balance at 1st January 2014	7,646,909,130	4,283,429,378	450,761,512	215	10,162,348	882,179,087	13,273,441,670
Bonus share transferred to paid-up capital	382,345,450	-	-	-	-	(382,345,450)	-
Cash dividend paid	-	-	-	-	-	(458,814,548)	(458,814,548)
Net profit for the period ended 30 June 2014	-	-	-	-	-	349,964,611	349,964,611
Transfer to statutory reserve	-	177,645,049	-	-	-	(177,645,049)	-
Minority interest	-	-	-	2	-	-	2
Surplus/(deficit) on account of revaluation of Govt. securities (Treasury bills/bonds) HTM & HFT addition during the period	-	-	156,082	-	-	-	156,082
Balance at 30 June 2014	8,029,254,580	4,461,074,427	450,917,594	217	10,162,348	213,338,651	13,164,747,817

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Mohammed Mizanur Rahman FCA

Senior Vice President &
Chief Financial Officer

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Golam Hafiz Ahmed

Managing Director &
Chief Executive Officer

National Credit and Commerce Bank Limited
Balance Sheet (Un-audited)
As at 30 June 2014

<u>PROPERTY AND ASSETS</u>	30 June 2014	31 December 2013
	<u>Taka</u>	<u>Taka</u>
Cash in hand (including foreign currencies)	1,265,015,267	1,256,477,852
Balances with Bangladesh Bank and its agent bank (s) (including foreign currencies)	8,713,338,010	6,618,784,769
Balances with other banks & financial institutions	2,376,139,453	671,647,948
Money at call and short notice	-	-
Investments	30,402,883,411	19,908,322,002
Loans and advances	89,361,762,042	88,146,509,331
Fixed Assets including premises, furniture and fixtures	1,720,770,154	1,736,637,982
Other assets	6,640,197,136	5,689,537,290
Non-banking assets	-	-
Total assets	<u><u>140,480,105,473</u></u>	<u><u>124,027,917,174</u></u>
<u>LIABILITIES AND CAPITAL</u>		
Liabilities :		
Borrowings from other banks, financial institutions and agents	8,794,321,606	2,757,729,890
Deposits and other accounts:	106,101,551,978	98,229,442,528
Current deposits and other accounts	9,207,952,340	8,086,739,211
Bills payable	1,205,461,093	1,319,767,208
Savings bank deposits	12,096,558,256	11,167,226,439
Fixed deposits	51,379,931,182	47,844,992,750
Term deposits	32,211,649,107	29,810,716,920
Other liabilities	12,448,186,320	9,779,505,380
Total liabilities	<u><u>127,344,059,904</u></u>	<u><u>110,766,677,798</u></u>
Shareholders' equity		
Share capital		
Paid up capital	8,029,254,580	7,646,909,130
Statutory reserve	4,461,074,427	4,283,429,378
General reserve	10,162,348	10,162,348
Other reserves-assets revaluation reserve	450,917,594	450,761,512
Profit & loss account-retained earnings	184,636,620	869,977,008
Total shareholders' equity	<u><u>13,136,045,569</u></u>	<u><u>13,261,239,376</u></u>
Total liabilities and shareholders' equity	<u><u>140,480,105,473</u></u>	<u><u>124,027,917,174</u></u>
<u>Off balance sheet items</u>		
Acceptances and endorsements	12,380,593,178	12,350,769,134
Letters of guarantee	10,860,869,273	6,148,244,590
Letters of credit issued	8,885,069,259	7,725,862,083
Bills for collection	7,484,626	3,894,651
Others	172,745,000	7,028,000
Total off balance sheet items	<u><u>32,306,761,336</u></u>	<u><u>26,235,798,458</u></u>

Sd/-

Mohammed Mizanur Rahman FCA

Senior Vice President &
Chief Financial Officer

Sd/-

Golam Hafiz Ahmed

Managing Director &
Chief Executive Officer

National Credit and Commerce Bank Limited

Profit and Loss Account (Un-audited) For the half-year/quarter ended 30 June 2014

<u>Income and expenditure</u>	Half-year ended		Quarter ended	
	01 January 2014 to 30 June 2014	01 January 2013 to 30 June 2013	01 April 2014 to 30 June 2014	01 April 2013 to 30 June 2013
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Interest income	6,134,836,661	5,972,895,564	3,020,456,704	2,991,049,570
Less: Interest paid on deposits and borrowings	4,890,906,864	5,229,212,922	2,484,965,723	2,598,873,829
Net interest income	1,243,929,797	743,682,642	535,490,981	392,175,741
Income from investments	1,190,675,382	1,368,643,198	706,088,534	724,721,653
Commission, exchange and brokerage	423,011,054	458,709,716	214,409,729	257,805,444
Other operating income	185,204,140	177,951,819	117,931,847	125,369,788
Total operating income	3,042,820,373	2,748,987,375	1,573,921,091	1,500,072,626
Salary and allowances	801,592,626	678,645,392	381,192,434	374,948,374
Rent, taxes, insurance, electricity etc.	133,016,393	117,253,011	75,619,164	61,766,372
Legal expenses	10,277,196	4,425,502	7,389,999	2,340,613
Postage, stamp, telecommunication etc.	13,899,911	13,435,419	7,387,026	6,329,806
Stationery, printing, advertisement etc.	40,954,291	44,075,258	18,073,505	21,146,759
Managing Director's salary and allowances	3,449,516	4,540,000	1,564,516	1,770,000
Director's fees	755,000	615,000	430,000	390,000
Audit fees	-	-	-	-
Depreciation and repairs of Bank's assets	181,772,507	150,891,256	99,323,378	77,696,536
Other expenses	105,943,868	141,399,449	54,822,679	75,187,351
Total operating expense	1,291,661,308	1,155,280,287	645,802,701	621,575,811
Profit before provisions	1,751,159,065	1,593,707,088	928,118,390	878,496,815
Provision for loans and advances	740,051,567	787,049,651	373,640,284	528,038,931
Specific provision	720,179,548	841,059,054	374,568,393	637,306,931
General provision	19,872,019	(54,009,403)	(928,109)	(109,268,000)
Provision for off-balance sheet exposures	61,668,264	61,344,675	21,671,294	10,863,469
Provision for investment fluctuation in shares	70,911,896	12,742,891	68,969,795	(136,935,301)
Provision for other assets	(9,697,909)	10,950,207	(11,826,783)	10,950,207
Total provisions	862,933,818	872,087,424	452,454,590	412,917,306
Profit before tax	888,225,247	721,619,664	475,663,800	465,579,509
Provision for tax	554,760,589	518,824,219	246,238,074	329,281,616
Current tax	523,747,479	491,983,724	207,747,963	302,441,121
Deferred tax	31,013,110	26,840,495	38,490,111	26,840,495
Profit after tax	333,464,658	202,795,445	229,425,726	136,297,893
Add: Profit brought forward from last period	28,817,011	197,458,663	28,817,011	197,458,663
Total profit available for distribution	362,281,669	400,254,108	258,242,737	333,756,556
Appropriation				
Statutory reserve	177,645,049	144,323,933	95,132,760	93,115,902
	177,645,049	144,323,933	95,132,760	93,115,902
Surplus in profit & loss account	184,636,620	255,930,175	163,109,977	240,640,654
Earnings per share (EPS)	0.42	0.27	0.29	0.18

Sd/-
Mohammed Mizanur Rahman FCA
Senior Vice President &
Chief Financial Officer

Sd/-
Golam Hafiz Ahmed
Managing Director &
Chief Executive Officer

National Credit and Commerce Bank Limited
Cash Flow Statement (Un-audited)
For the half-year ended 30 June 2014

Particulars	01 January 2014 to 30 June 2014 <u>Taka</u>	01 January 2013 to 30 June 2013 <u>Taka</u>
A) Cash flows from operating activities		
Interest received in cash	6,943,658,496	6,775,776,448
Interest paid by cash	(3,790,045,073)	(4,464,698,594)
Dividend received	37,188,427	14,782,149
Fees and commission received in cash	312,097,322	319,147,612
Recoveries of loans previously written off	8,853,112	9,442,338
Cash paid to employees	(805,042,142)	(683,185,392)
Cash paid to suppliers	(104,552,946)	(162,734,447)
Income tax paid	(641,404,779)	(836,656,376)
Received from other operating activities	529,776,387	704,047,859
Paid for other operating activities	(305,970,389)	(231,861,818)
Operating profit before changes in operating assets and liabilities	<u>2,184,558,415</u>	<u>1,444,059,779</u>
Increase/(Decrease) in operating assets and liabilities		
Purchase-sale of trading securities	(10,617,848,661)	3,236,681,668
Loans and advances to other banks	-	-
Loans and advances to customers (other than Banks)	(1,215,252,711)	(2,131,196,085)
Other assets	(193,707,687)	(217,444,472)
Deposit from other banks/borrowings	3,680,017,583	(2,607,251,250)
Deposits from customers (other than Banks)	8,072,109,450	125,098,846
Other liabilities account of customers	(342,504,654)	(185,591,510)
Other liabilities	547,249,079	219,784,841
Net cash received from operating activities	<u>2,114,620,814</u>	<u>(115,858,183)</u>
B) Cash flows from investing activities		
Proceeds from sale of securities	171,439,445	109,628,208
Payment for purchase of securities	(104,081,449)	(125,675,279)
Purchase of property, plant & equipments	(53,582,370)	(79,431,073)
Sales proceeds of fixed assets	931,562	1,665,006
Net cash used in investing activities	<u>14,707,188</u>	<u>(93,813,138)</u>
C) Cash flows from financing activities		
Received from issue of loan capital and debt securities	2,156,574,133	(90,916,869)
Cash dividend paid	(458,814,548)	-
Net cash received from financing activities	<u>1,697,759,585</u>	<u>(90,916,869)</u>
D) Net increase/(decrease) in cash (A+B+C)	3,827,087,587	(300,588,190)
Effects of exchange rate changes on cash and cash-equivalents	-	-
E) Opening cash and cash-equivalents	8,532,347,743	9,034,009,417
F) Closing cash and cash-equivalents (D+E)	<u>12,359,435,330</u>	<u>8,733,421,227</u>

Sd/-

Mohammed Mizanur Rahman FCA
Senior Vice President &
Chief Financial Officer

Sd/-

Golam Hafiz Ahmed
Managing Director &
Chief Executive Officer

National Credit and Commerce Bank Limited
Statement of Changes in Equity
(Un-audited)

Particulars	For the period from 01 January 2013 to 30 June 2013					
	Paid-up capital	Statutory reserve	General reserve	Other reserve (Assets & Govt. securities revaluation reserve)	Profit and loss account-retained earnings	Total
Balance at 1st January 2013	6,951,735,580	3,818,042,032	10,162,348	469,729,455	886,147,736	12,135,817,151
Bonus share transferred to paid-up capital	695,173,550	-	-	-	(695,173,550)	-
Net profit for the period ended 30 June 2013					202,795,445	202,795,445
Transfer to statutory reserve		144,323,933			(144,323,933)	-
Surplus/(deficit) on account of revaluation of Govt. Securities (Treasury Bills/Bonds) HTM & HFT adjusted during the period				(12,831,629)		(12,831,629)
Balance at 30 June 2013	7,646,909,130	3,962,365,965	10,162,348	456,897,826	249,445,698	12,325,780,967
Particulars	For the period from 01 January 2014 to 30 June 2014					
	Paid-up capital	Statutory reserve	General reserve	Other reserve (Assets & Govt. securities revaluation reserve)	Profit and loss account-retained earnings	Total
Balance at 1st January 2014	7,646,909,130	4,283,429,378	10,162,348	450,761,512	869,977,009	13,261,239,377
Bonus share transferred to paid-up capital	382,345,450	-	-	-	(382,345,450)	-
Cash dividend paid					(458,814,548)	(458,814,548)
Net profit for the period ended on 30 June 2014					333,464,658	333,464,658
Transfer to statutory reserve		177,645,049			(177,645,049)	-
Surplus/(deficit) on account of revaluation of Govt. Securities (Treasury bills/bonds) HTM & HFT made during the period				156,082		156,082
Balance at 30 June 2014	8,029,254,580	4,461,074,427	10,162,348	450,917,594	184,636,620	13,136,045,569

Sd/-

Mohammed Mizanur Rahman FCA

Senior Vice President &
Chief Financial Officer

Sd/-

Golam Hafiz Ahmed

Managing Director &
Chief Executive Officer

National Credit and Commerce Bank Limited

Selective Notes to the Financial Statements (Un-audited) for the half-year ended on 30 June 2014

1.1 Accounting policy in the half-yearly financial statements are same as that were applied in its last annual financial statements of December 31, 2013. Consolidated financial statements include position of NCCB Securities and Financial Services Limited, NCCB Capital Limited & NCCB Exchange (UK) Limited.

1.2 Loans and advances, off balance sheet items, investment in shares & other assets:

Adequate provisions for loans and advances, off balance sheet items, investments and other assets have been made as per directives of Bangladesh bank issued from time to time.

1.3 Provision for taxation

Provision for income tax has been made on taxable income after necessary add back in accordance with the provision of Finance Act-2014 and the Income Tax Ordinance 1984.

1.4 There is no significant policy changes during the reporting period ended on 30 June 2014.

Credit Rating Report of the Bank

Rating	Year	
	2013	2012
Long Term	AA (Very Strong Capacity)	AA- (Very Strong Capacity)
Short Term	AR-2 (High Grade)	ST-2 (High Grade)
Date of Rating	June 30, 2014	June 30, 2013
Validity	June 29, 2015	June 29, 2014
Rated by:	Alpha Credit Rating Limited	

Sd/-

Mohammed Mizanur Rahman FCA

Senior Vice President &
Chief Financial Officer

Sd/-

Golam Hafiz Ahmed

Managing Director &
Chief Executive Officer