NRB Bank

Not Just Another Bank

2013

annual report

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Letter of Transmittal

All Shareholders

Bangladesh Bank

Bangladesh Securities & Exchange Commission

Registrar of Joint Stock Companies & Firms

Dear Sir(s),

Disclosure of Annual Report for the year ended 31 December 2013.

We are pleased to present the Annual Report 2013 of NRB Bank Limited along with Audited Financial Statements as at and for the year ended on 31 December 2013.

Audited Financial Statements of the Bank comprise Balance Sheet as at 31 December 2013, Profit & Loss Account, Cash Flow Statement, Statement of Changes in Equity for the year ended on 31 December 2013 and Liquidity Statement as at 31 December 2013 with accompanying Notes.

Sincerely Yours,

A.F.M. Zakaria Huqe
Deputy Company Secretary

Disclaimer

The financial statements of NRB Bank Limited are made up to 31 December 2013 and are prepared under the historical cost convention and in accordance with the First Schedule (Sec-38) of the Bank Companies Act, 1991, BRPD Circular # 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh, Companies Act, 1994, The Securities and Exchange Rules 1987, and other laws and rules applicable in Bangladesh. The Accounting Policies used in the preparation of the financial statements are appropriate and are consistently applied by the Bank.

The significant accounting policies and estimates that involve a high degree of judgment and complexity were discussed with our external auditors and the Audit Committee.

The Board of Directors and the Management of the Bank accept responsibility for the integrity and objectivity of these financial statements. The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Bank were consistently followed. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The financial statements of the Bank were audited by HOWLADAR YUNUS & CO. CHARTERED ACCOUNTANTS.

The Audit Committee of the Bank meets periodically with the internal audit team and the external auditors to review their audit plans, assess the manner in which these auditors are performing their responsibilities and to discuss their reports on internal controls and financial reporting issues. To ensure complete independence, the external auditors and the internal auditors have full and free access to the members of the Audit Committee to discuss any matter of substance.

We confirm that the Bank has complied with all applicable laws, regulations and guidelines.

VISION

To be the leading dedicated financial institution for NRBs to invest in Bangladesh and for Bangladeshi individuals and corporates to access international markets.

MISSION

NRB Bank aims to be the preferred provider of targeted financial services as a conduit for investment to and from Bangladesh for our Bangladeshi communities both domestically and internationally, to accelerate the industrialisation of Bangladesh.

We will strengthen these relationships by providing the right solutions that combine professionalism, expertise and financial strength.

VALUES

We are trusted financial advisors; valuing our local roots and remaining dedicated to our global presence by being different than any other banks.

Dynamic
We strive to change and perform to progress

Innovative
We foster ideas through finding better ways to improve

Global
We empower to create competitive edge to set international standard

Integrity
We govern by the principles of ethics and transparency

Technocentric
We step ahead with technological advancement

D I G I T

Corporate Directory

Formal Inauguration
AUGUST 04, 2013

Registered Office
RICHMOND CONCORD, 68 GULSHAN AVENUE
GULSHAN CIRCLE-1, DHAKA-1212, BANGLADESH

Website
www.nrbbankbd.com

Chairman
IQBAL AHMED OBE

Managing Director & CEO
MUKLESUR RAHMAN

Deputy Company Secretary
A.F.M. ZAKARIA HUQE

Authorised Capital
BDT 10,000,000,000

Paid-Up Capital
BDT 4,000,000,000

Total Manpower
146

Number of Branches
6

Number of ATM Booths
6

Auditors
HOWLADAR YUNUS & CO.
CHARTERED ACCOUNTANTS

Accounting Year End
31 December

Rating Agency
CRAB (Credit Rating Agency of Bangladesh)

Company Milestones

07 February | 2013

Bangladesh Bank issued No Objection Certificate for Registration with Registrar of Joint Stock Companies & Firms (RJSC) as Banking Company.

19 March | 2013

Registrar of Joint Stock Companies & Firms (RJSC) issued Certificate of Incorporation for NRB Bank Limited.

Registrar of Joint Stock Companies & Firms (RJSC) issued Certificate for Commencement of Business for NRB Bank Limited.

09 April | 2013

The 1st Board Meeting of the Bank was held successfully.

18 April | 2013

Bangladesh Security Exchange Commission (BSEC) issued Letter of Consent for raising of Paid-Up Capital.

25 April | 2013

NRB Bank Limited received Banking License from Bangladesh Bank.

30 April | 2013

NRB Bank Limited was gazetted as a scheduled Bank effective from 28 April, 2013.

28 May | 2013

NRB Bank Limited was officially Launched at Pan Pacific Sonargaon Hotel, Dhaka, Bangladesh.

01 August | 2013

Bangladesh Bank issued 1st Branch License for NRB Bank Limited.

04 August | 2013

NRB Bank Limited inaugurated its first branch (Main Branch) at NB Tower, 40/7, North Gulshan Avenue, Gulshan-2, Dhaka-1212, Bangladesh.

14 September | 2013

The Statutory Meeting of NRB Bank Limited was held successfully.

Chairman's Statement

IQBAL AHMED OBE
Chairman

Dear Shareholders,

It is my immense pleasure to welcome you all, on behalf of the Board of Directors to the First Annual General Meeting of our Bank, and present the first Annual Report of NRB Bank Limited to you-the sponsors, patrons and well-wishers of the bank.

In addition to your financial patronage, it is your sincere and all out support that brought our collective dreams of establishing a financial institution in Bangladesh into a reality – the first ever Non-Resident Bangladeshi (NRB) Bank. We received our certificate of incorporation and certificate of commencement from the Registrar of Joint Stock Companies and Firms of Bangladesh on 19th March 2013 and banking licence from Bangladesh Bank on 25th April 2013. However, it was not until 1st August 2013 when we received our first branch licence and opened our first branch on 4th August 2013 that we commenced our banking businesses. In less than 5 (five) months of operation in 2013, I am confident that we have made our mark into the financial landscape of the country.

The first and foremost challenge of pooling an experienced management team has been met. A strong team upholds a structure that helps deliver promises made to customers. It is fulfilling to see the bank delivering the commitments it has been making to its customers and clientele.

Highly skilled human resources and advanced technology are the next most enablers for delivering tough commitments made to customers. Right from the beginning, we have decided to create a facilitating environment for all our stakeholders and therefore, create a world class technology platform to pursue our dream of delivering top-notch and inclusive banking services. The dream translated into adoption of globally renowned core banking solution ORACLE UBS with strong hardware suite. Though world class technology for a new bank is expensive, we see this as investments for future and envisage leveraging our growth and profitability on appropriate exploitation of technology, and I am sure we will become successful in our efforts to achieve future goals.

Though conventional channels are still quite relevant in Bangladesh in growing a bank's businesses, we want to introduce alternate channels like internet banking, mobile banking, cards, agents, etc. within a permissible time span. Since initial investments are quite large in building

Chairman's Statement

these alternate channels, we have decided to carefully analyse every alternate channel to ensure that they eventually bring down costs of reaching our customers substantially. We will gradually introduce large outreach alternate channels in next 2 (two) years to reach as many of our target customers as possible. At the same time, we want to keep the growth of our conventional branches at a steady pace.

Since we are the pioneer NRB Bank in Bangladesh, we envision catering all segments of NRB customers with an exhaustive range of innovative products and services. We are working towards bringing in foreign currency investments into the country from High Net Worth (HNW) Bangladeshi diaspora residing across the globe, in addition to channeling NRB's home-bound remittances from abroad. We are in the process of designing innovative investment products for them and will certainly release these products within this year and the next. Besides, we are working towards partnering with Bangladeshi corporates in accessing offshore foreign currency funds at much lower rates in an attempt to lower their costs of doing business. We are also committed to promote sale of sovereign foreign currency bonds of Bangladesh government outside the country.

We are all aware that 2013 was an extremely difficult year for Bangladesh both politically and economically. The intermittent strikes and blockades during the last few months of 2013 due to disagreements over the parliamentary elections almost paralysed the supply networks of the country. Export suffered, import and credit growth remained sluggish, leading to gradual increase in the country's foreign currency reserve. 2013 was a terrible time to start a new venture and more so for a bank whose startup capital is much larger. The banking sector suffered badly, reflected by shrinkage in many of their bottom lines. Being just 5 (five) months into operations where almost 2 (two) months were lost because of strikes and blockades; we are still able to provide a healthy balance sheet with a good amount of profit despite a paltry loan deposit ratio. This is due to careful investments of our capital funds while the realistic target setting helped us restore our required capital adequacy.

Our commitment towards societies and communities we dwell remains transparent and focused. We are committed to working towards identifying promising small entrepreneurs and nurturing them with all kinds of advisory support on top of our core business of financing their ventures. By helping such small entrepreneurs grow their ventures profitably, we envision impacting the lives of people and communities around us and over a longer time, the economy as a whole, just through the way we do our business. We also envisage impacting our environment by reducing our carbon footprint by way of various initiatives we are planning to undertake.

Finally, my heartfelt appreciation and gratitude go to:

- The Bangladesh Bank and its honourable Governor and the Ministry of Finance for their continuous patronage in bringing our dream into a reality;
- The sponsor shareholders for firmly believing in the bank's coming into being, investing with us and supporting every step it took towards a steady beginning;
- The Board of Directors for their patience to regularly travel to the country from their respective countries of residence to attend meetings of board committees, to actively participate in debates on agenda and provide quick decisions;
- To the management and employees of the bank for their relentless efforts to put together all the required systems to support businesses, reach out to customers and deliver high quality products and services to them;
- The relevant regulators and government agencies that helped us come into being;
- The service providers for taking us into confidence and delivering best products and services;
- And last but not the least our loyal customers for believing in us.

I wish you all a very prosperous and successful 2014.

With best wishes

Yours sincerely

IQBAL AHMED OBE
Chairman

BOARD OF DIRECTORS, BOARD COMMITTEES & SPONSOR SHAREHOLDERS

Board of Directors

Iqbal Ahmed OBE
Chairman

Mr. Iqbal Ahmed OBE is one of the UK's most successful entrepreneurs. He is the Chairman & Chief Executive of Seamark Group of Companies with operations in the UK, Bangladesh and the USA.

Mr. Ahmed is also the Founder and Chairman of NRB Bank Limited, which he pioneered. He had the vision of creating a financial institution for Non Resident Bangladeshi and dreamt of unlocking a new horizon to the Bangladesh economy by facilitating inward investments into the country and to assist Bangladesh enterprises to access international markets.

Iqbal has successfully established NRB Bank Limited by bringing together 46 successful NRB entrepreneurs and investors from all over the world to invest in Bangladesh.

Iqbal's clear vision for Seamark has led to a string of prestigious awards. At home in the UK, excellence in the field has been recognised with a Queen's Award for Export Achievement in 1998, followed in 1999 by first prize in the prestigious Business in Europe Awards and an award for Frozen and Chilled Exporter of the Year. In 2003 Seamark was named in Europe's 500 Companies for its outstanding growth performance and contribution to employment creation, and in 2012 Seamark was listed in the Sunday Times Fast Track 200 International Private Companies.

His native Bangladesh has repeatedly recognised his achievements. Seamark (BD) Limited was awarded National Export Trophy Awards from the Bangladesh government for highest exports in the years 2002-2003, 2006-2007, 2009 -2010 (Gold), 2005-2006 (Silver) as well as a National Fish Medal in 2010.

Iqbal received his highest personal recognition when he was awarded an OBE (Officer of the Most Excellent Order of the British Empire) at the Queen's Honours List in 2001 for his services to International Trade. In 2012, he was Ernst & Young Entrepreneur of the Year Northwest winner and national finalist. He was also awarded by Variety, the Children's Charity, "Legends of Industry" Awards 2012 for his outstanding achievement in the export-import industry.

Bangladesh has been the focus of many of Iqbal's charity commitments including the development of Burunga Iqbal Ahmed High School and College for nearly 1,400 students in Sylhet. He is also involved in many charities in the UK as sponsor, trustee or member.

Board of Directors

Mohammed Mahtabur Rahman
Director

Mr. Mohammed Mahtabur Rahman, an eminent businessman, joined his family business in perfumes started by his late father Al Haj Kazi Abdul Haque under the name Al Haramain Perfumes, which was established in the year 1970 in the Holy city of Makkah, Saudi Arabia. Now Al Haramain Perfumes is one of the largest perfume manufacturing units and have several modern showrooms in the UAE. The company also owns exclusive showrooms and offices in the Kingdom of Saudi Arabia, Oman, Kuwait, Qatar & Bahrain besides distributors and agents all over the Gulf Countries and the MENA region. Now he is the Chairman & CEO of the 'Al Haramain Perfumes' Group of Companies.

He also diversified his business interest and was the Sponsor Director of Al Arafah Islami Bank Ltd. Now he is the Sponsor Director of AIBL Capital Services Ltd and United Airways (BD) Ltd., CEO of the TAC Aviation Ltd., Chairman of the Al Haramain Tea Company Ltd., Al Haramain Hospital Pvt. Ltd. and also Trustee of the University of Asia Pacific. He is also heading the Bangladesh Business Council-Dubai, UAE as the Founder President.

Al Haramain Perfumes was declared winner of the 1st position and was awarded in the Best Western Perfumes Category in the year 2002 in Dubai, UAE. It has also been granted the Double ISO Certification viz, ISO 9001:2008 and ISO 22716:2007.

Kamal Ahmed
Director

Mr. Kamal Ahmed is the Deputy Managing Director of Seamark plc in the UK and Seamark (BD) Ltd. in Bangladesh, both parts of the Seamark Group of Companies headquartered in Manchester, England.

He is a dual citizen of Bangladesh and the UK. Mr. Ahmed stands in for the Chairman and Chief Executive in his absence. He is in-charge of the operations and running of the Group's UK factories and is responsible for all matters with production, including the processing of major seafood and export to key European countries, the Middle East and Russia. He oversees the value added processing and export of seafood from Bangladesh.

He controls the national and export sales of Seamark Group resulting in a number of gold medals and export trophies awarded to Seamark (BD) Limited from the Government of Bangladesh, for highest exports. Seamark UK is also a recipient of an award for its export achievement - the prestigious Queen's Award.

He ensures that Seamark continues to set high standards in all aspects of food production in terms of hygiene, the environment and working conditions. He lends his support to many charities and fundraising appeals that the Group is involved in and associated with.

Mr. Ahmed has completed a degree in Business Management from Manchester Metropolitan University, UK.

Board of Directors

Md. Ekramul Haque
Director

Mr. Md. Ekramul Haque, aged 46, is a Civil Engineer and possesses more than 24 years' experience in different business sectors of Bangladesh and Malaysia, where he moved in early 1995 as a Director of BEL Construction Sdn Bhd, a company incorporated in Malaysia. The company has great contribution in the development of telecommunication and energy sector in Malaysia. More than 1000 km of High Tension Transmission Lines and hundreds of Telecommunication Base Station Projects were successfully implemented in Malaysia as well as in Bangladesh under the dynamic leadership of Mr. Md. Ekramul Haque. The in depth knowledge and expertise in the management of large construction projects, development of telecommunication infrastructure, power generation plant etc. have made Mr. Haque a successful entrepreneur. He is now, the Managing Director of Taufika Group consisting of BEL Construction Sdn Bhd, Taufika Engineering Limited, Taufika Energy Co. Ltd. Deltemerge Sdn Bhd, Innovative Corporation Ltd., HPE Engineering Ltd. and Cynzar Energy Services Ltd. OCTENN mobile is a popular brand name in the mobile handset market in our country and Mr. Haque has introduced the brand.

Mr. Haque is also involved in several community development and social welfare activities. He is the founder of a few educational institutions, which offer free education to under privileged children of the country. He was bestowed with the Gold Medal for two consecutive years in 2009 and 2010 by Ishwar Chandra Bidya Shagore and Lalon Academy for his outstanding achievement in the area of commerce and industry.

Mr. Haque is a genuine businessman having vast experience in the line of businesses he is engaged in. He possesses excellent business acumen and the capability to run any business venture, he intends to involved in, with much efficiency and the capacity towards accomplishment.

Mr. Haque has completed his Civil Engineering Degree from KUET, Bangladesh and MBA from Lusiana University, USA.

Dr. Mahiul Muhammed Khan Muqit
Director

Over the last 3 years, Dr. Mahiul Muhammed Khan Muqit has been collaborating with John Hopkins Hospital (USA) and Helen Keller International, and he has provided consultancy and training to an innovative and successful Diabetic Retinopathy Education Training and Treatment (DRETT) project based at Chittagong Eye Infirmary and Training Complex, Bangladesh. This project aims to reduce the burden of blindness for the diabetic population in Bangladesh using an international model of diabetic eye screening care.

Since Sept 2013, he has been serving as a Consultant at Moorfields Eye Hospital, London, specialising in Vitreoretinal Surgery and Medical Retinal Disorders.

Dr. Muqit was born in Scotland, and is an Ophthalmologist and Vitreoretinal Surgeon. He gained his MBChB medical degree from the University of Glasgow, B.Sc (Hons) from University of London and Ph.D from the University of Manchester. He was awarded FRCOphth and received the European Society of Ophthalmology Young Ophthalmologist Award in 2010-2011. He has completed two vitreoretinal surgery fellowships in Oxford Eye Hospital and Manchester Royal Eye Hospital, UK.

Board of Directors

Tateyama Kabir
Director

Mr. Tateyama Kabir is President of Kabir Auto Export Co Ltd. He is one of the most successful exporters of cars from Japan around the world. He is a dual citizen of Bangladesh and Japan.

He is expanding his investments in automobile sector in Bangladesh. He has the potential to build relationship between Japan and Bangladesh. He has completed his Masters in Japanese language from University of Toyoma, Japan.

Mohammed Idrish
Director

Mr. Mohammed Idrish is known to have grown the seeds of remittance business in Italy and is a present day philosopher of growing business today. He was awarded the Mother Teresa International Award in 2006 as recognition of his outstanding contribution to remittance business. In the year 2012 he was rewarded as a CIP for his continuous succeeding contributions.

Mr. Idrish obtained a Bachelors degree in Business Administration from the University of Darul Ihsan.

Board of Directors

Imtiaz Ahmed
Director

Mr. Imtiaz Ahmed is an educationalist. He did his Masters in Social Sciences and obtained a Law degree at the University of Dhaka, Bangladesh. After having moved to the UK for further education, he studied Law at the University of London. His growing interest in philosophy of education allowed him to study for and obtain a PGCE from the University of East London.

He has been enrolled as an advocate with Bangladesh Supreme Court and a member of the Sylhet District Bar Association.

Khalilur Rahman Choudhury
Director

Mr. Khalilur Rahman Choudhury, after completing his graduation in Commerce Faculty from Dhaka University, went to UK in 1960 and joined Pakistan High Commission London as an Auditor. In 1965 he started his own business in UK with a restaurant in Kent.

In 1980 he established Khalil Group as an NRB with fund brought from UK He is one of the pioneer of Garments Manufacturing and export business in Bangladesh. Khalil Group runs over a dozen industries and trading house which includes Composite Textile Industry, Garments Industries, Real Estate etc. He is one of the founding father of BGMEA and a donor of the Independent University of Bangladesh.

Mr. Choudhury has great contribution in the Lion Children's Hospital , Sylhet.

Board of Directors

Rabin Paul
Director

Mr. Rabin Paul is the Chairman of the General Auto Services, which has a turnover in excess of GBP 1.1 million per annum. Mr. Paul took over as Chairman in 2004 and has taken the company to an altogether high growth trajectory. In the nine years that he has been at the helm of the company, he has accelerated growth and enhanced the value and goodwill of the company manifold.

Today, General Auto Services is one of the largest and most respected accident management companies in the Asian community.

Engr. Abu Taher Mohammed Amanullah
Director

Engr. Abu Taher Mohammed Amanullah (born in 1952 in Comilla, Bangladesh) is a Bangladeshi businessman. He is the Chairman and CEO of Eastwest Placement Center, Private Recruitment Agency in the Philippines.

He is the founder of EWPCI Training and Testing Center (ETC) and Pan Pacific Asia Placement Center, Inc. (PAP) both in the Philippines, Amanco PTE Ltd (ACL) in Singapore, Graphic Scan Ltd (GSL), Digital Engravers Ltd (DEL), Eastwest Human Resource Center Ltd. (EWH), and Eastwest Training & Contractors Company Ltd. (ETC) and Eastwest Engineering Ltd. (EWE), all in Bangladesh.

Board of Directors

Dr. Nesar Ahmed Choudhury
Director

Dr. Nesar Ahmed Choudhury is a General Practitioner and Principal Partner of Dr. Choudhury and Dr. Sultan Practice, and a tutor at Manchester Medical School.

Dr. Choudhury is a dual citizen of the UK and Bangladesh. He is the Chairman and Director of the North West Chapter of the Bangladesh Medical Association (UK). He holds other positions in the Bangladesh Welfare Services.

He has completed his MBBS from Sylhet MAG Osmani Medical College, Bangladesh and his MRCGP from the UK.

Mohammed Jamil Iqbal
Director

Mr. Mohammed Jamil Iqbal was born on August 4, 1970 in a noble Muslim family of Sylhet.

He obtained graduation and engaged himself in multiple businessess. He is a member of the Sylhet Chamber of Commerce and Industry and is associated with various socio-economic works. Mr. Iqbal is the proprietor of M/S. Md. Jamil Iqbal which is one of the largest construction firm in Bangladesh.

He is also the proprietor of J.I Stone & possesses many more crushing plants. He deals with export import business and imports construction materials & machineries. Mr. Iqbal is the Chairman of Manor Trade Ltd. & Divine Properties Ltd.

Mr. Jamil Iqbal is also a British Citizen. He is the partner of Al Anood Perfumes Co. (LLC), Deira, Dubai, UAE. He is the highest Tax payer in Sylhet and received national award from the Government of the People's Republic of Bangladesh for financial year 2007-08 to 2011-12 at a stretch.

Board of Directors

Naveed Rashid Khan
Director

Mr. Naveed Rashid Khan currently resides in Dubai, UAE. There he has set up and is the Managing Director of Commodity First DMCC, a Dubai based company that trades in agricultural products and agri-inputs with countries all around the world.

Mr. Khan holds a Bachelor of Social Science degree in Economics and Business Finance from Brunel University London, United Kingdom.

Mohammed Rafique Miah
Director

Mr. Mohammed Rafique Miah came to London in 1993 and started work in the family business Greenline, an importing & distributing company.

He established Bangla Town Cash and Carry in 1994 which is well-known in the Bangladeshi community in the UK. Mr. Miah is the Chairman of Bangladeshi Importers Association in the UK and Honourary President of Tower Hamlets Cricket Club.

Mr. Miah graduated in Bangladesh, having completed his degree from MC College, Sylhet in Social Science.

Board of Directors

M. Badiuzzaman
Director

Mr. Badiuzzaman is the Managing Director, Tania Group of Companies Singapore and Chairman, Advance Homes Pvt. Ltd. and Sister Concerns Bangladesh.

He is a versatile and experienced business professional with extensive knowledge and network capacity to revolutionise business in International trade, commerce and industry.

Abdul Karim
Director

Mr. Abdul Karim is an experienced businessman in the field of perfume industry. He started his business career by developing an interest towards making of perfumes. His company, Hassan Shahin Ahmed Perfumes L.L.C. was established in 1982, in Dubai, UAE. The perfumes are imported and exported from and around the globe. He now serves as the Managing Director of the company.

His keen concern in helping the needy in every way has given him many opportunities to serve the community. He is the chairman of a charitable organisation 'Sylhet Bivag Unnayan Parishad' which is based in Dubai, UAE. He is the Chief Advisor of another organisation 'Bangladesh Shomaj Kollyan Shomitee' in UAE and one of the founder members of Bangladesh Business Council.

Board of Directors

Nafih Rashid Khan
Director

An astute entrepreneur, Mr. Nafih Rashid Khan prides himself for being a primary part of the establishment, Deshi Group, since his early age. Its associate company, Bulk Trade International Ltd., is the largest trading house of fertilizer, fertilizer raw materials etc.

Based in Dubai, Mr. Khan is an honourable NRB, the Director of the company Commodity First DMCC that trades in agricultural commodities all over the world. He is also involved in operation of a fleet of ocean going cargo vessels.

Mr. Khan has completed his LLB (Hons.) from the University of Edinburgh, Scotland.

Fazlur Rashid Khan
Director

Mr. Fazlur Rashid Khan has established himself as a very successful businessman in real estate development business in USA. His business office is located in the New York Metropolitan area.

Mr. Khan obtained B.Sc from City University of New York, USA. Mr. Khan is also associated with various cultural organisations at home and abroad.

Board of Directors

Khandakar R. Amin
Director

Mr. Khandakar R. Amin is a Bangladeshi origin American citizen. He was born in Noakhali on 31 December, 1956. He is a successful entrepreneur.

He is the proprietor of the following businesses in USA.

Father Reality Corporation, Surma Reality Corporation, Amin Reality Corporation, Hirapur Reality Corporation, Bombay Grill (Indian Restaurant), Gandhi Place (Indian Restaurant), Amin Indian Restaurant, Rosai Indian Restaurant, Indian Place.

He is also the proprietor of the following businesses in Bangladesh:

Hotel New York, Cafe New York, Amin CNG filling Station, Dhaka New York Agro Fisheries and Khandakar Tower. Mr. Amin is also involved in many social developments in Bangladesh and abroad.

He holds a Bachelor Degree. He is running his business successfully both in America and Bangladesh for the last 25 years.

Muklesur Rahman
Managing Director & CEO

Mr. Muklesur Rahman is a veteran banker with more than 29 years' experience in reputed local and foreign banks. Prior to joining NRB Bank, he served various senior management positions in various local and global banks.

Commencing a career with United Commercial Bank in 1984, he gradually moved up the ladder by serving top global banks such as Standard Chartered, ANZ Grindlays, Citi NA in various senior management capacities leading large teams in areas spanning from branch management, retail, SME, operations, distribution, compliance, foreign trade to project management etc.

In his long career, he has successfully led some large projects including a mammoth core banking system migration at Eastern Bank where he led from the front as the Chairman of the Steering Committee of the project.

He has attended numerous leadership, management development and learning programmes at home and abroad and instilled international best practices in all entities he has served. He has brought numerous local and international accolades both for himself and for the organisations he worked.

Executive Committee

Mr. Iqbal Ahmed OBE	Chairman
Mr. Mohammed Mahtabur Rahman	Member
Mr. Md. Ekramul Haque	Member
Mr. Tateyama Kabir	Member
Mr. Mohammed Idrish	Member
Mr. Abu Taher Mohammed Amanullah	Member
Mr. Naveed Rashid Khan	Member

Audit Committee

Mr. Mohammed Mahtabur Rahman	Chairman
Mr. Kamal Ahmed	Member
Mr. Imtiaz Ahmed	Member
Mr. Khalilur Rahman Choudhury	Member
Dr. Nesar Ahmed Choudhury	Member

Sponsor Shareholders

Iqbal Ahmed OBE, UK

Mohammed Mahtabur Rahman, UAE

Kamal Ahmed, UK

Md. Ekramul Haque, MALAYSIA

Dr. Mahiul Muhammed Khan Muqit, UK

Tateyama Kabir, JAPAN

Mohammed Idrish, ITALY

Imtiaz Ahmed, UK

Khalilur Rahman Choudhury, UK

Rabin Paul, UK

Engr. Abu Taher Mohammed Amanullah, SINGAPORE

Dr. Nesar Ahmed Choudhury, UK

Sponsor Shareholders

Mohammed Jamil Iqbal, UK

Naveed Rashid Khan, UAE

Mohammed Rafique Miah, UK

M. Badiuzzaman, SINGAPORE

Abdul Karim, UAE

Nafih Rashid Khan, UAE

Fazlur Rashid Khan, USA

Khandakar R. Amin, USA

Bilal Ahmed, UK

Jahangir Mohammad Hossain, ITALY

Nazrul Islam, ITALY

Dr. Quazi Mohafuzal Haque, UK

Sponsor Shareholders

Dr. Uddin Ahmed Afser, UK

Dr. A B M Badrul Amin Siddique, UK

Dr. Abul Kashem Mohammed Zakaria, UK

Mohammed Nazam Uddin, UK

Emdadur Hifzur Rahman, UK

Mohammed Enamur Rahman, UK

Surat Miah, UK

Rafiqul Islam, UK

Shabbir Ahmed Choudhury, UK

Monir Ali, UK

Ali Ahmed, UK

Salim Chowdhury, UK

Sponsor Shareholders

Gulam Jilani Mahbub, UK

Helal Rahman, UK

Misbah Abu Sadath, UK

Mohammed Giash Uddin, UK

Dulal Ahmed, UK

Mosharraf Hossain, CANADA

Abdul Quayum Khalique, UK

Abdul Muhith, UK

Abdul Hai Khalique, UK

Shahela Ferdush Rahman, USA

Managing Director & CEO's Statement

Muklesur Rahman
Managing Director & CEO

Dear Shareholders,

It is my great pleasure to present you the Bank's first progress report for 2013 and also highlight the strategic priorities for the current year to steer the bank's journey towards further development.

2013 has been a challenging year for the economy as a whole, the banking industry has seen itself facing difficult environment. Credit growth in the private sector slowed to 12.1 percent which was 19.3 percent a year earlier, however deposits showed a positive growth by 13 percent. Call money rate hovered around 7.4 percent which was 9.8 percent a year earlier reflecting the buildup of excess liquidity in the banking system due to sluggish business environment. The spread between lending and deposit rates also decreased at the end of this year, primarily due to higher interest expenditure than interest income. The ratio of Non-Performing loan also went up from 11.9 percent to 12.8 percent mainly due to total classified loan increasing by 8.4 percent while total outstanding loan only increased by 1 percent.

Despite all the odds, the foreign exchange market remained stable with taka appreciating marginally, export earnings increased by 21.2 percent and Forex Reserve increased to almost 16 billion USD.

In the outset of this challenge, our Banks Performance was modest, just being in operation for less than five months, the bank ended with a deposit of BDT 1,885 million and loan of BDT 454 million. The bank faced further challenges due to national shutdown that prevailed before the general election, and restrained itself into further investments due to uncertainty. Despite all these challenges the bank reported an Operating Profit of BDT 30.72 million and Profit after Tax of BDT 10.46 million.

Our Bank gives highest attention to the right placement of its prime resource-human resources. Since inception, the bank has hired proficient professionals from both local and foreign banks. In most part of 2013, our 140 full

Managing Director & CEO's Statement

time employees worked together to make possible the technological advancement, expansion and modernisation plan that we set ourselves to achieve.

NRB Bank being a fourth generation private commercial bank has committed itself to grow into a leading dedicated financial institution for NRBs and for Bangladeshi Individuals. 2014 is a crucial year for us in that direction. This is the year when we plan to leverage on our technology by introducing internet banking that will provide a unique user experience through both Internet and Mobile application, Global VISA debit card that can be used anywhere in the world and introduction of Retail products under the name of "My Bangladesh", "My Future", "My DPS" & "My Loan". In addition we also plan to expand our branch network in Urban and Rural areas to better understand and fulfill customer needs. With that kind of a promising year full of projects and tasks, we can still take a breath and look into what went behind making 2013 a very tough and challenging year for the bank and the industry.

As already discussed by our honourable Chairman, our achievements in 2013 included universal core banking solution ORACLE UBS since day one of operation, opening 6 branches with online facility and placing own ATM network of 6. All these will have far reaching strategic impacts for us in the years to come. 2013 in that sense has been the stepping stone for many a thing to happen in the very near future.

Sustainable business growth, dynamic and talented human capital driven by values, excellent risk management, and involvement of mid-level management in decision making process will surely command some key strength for the Bank. Few of the major strategic moves that I have identified to drive and closely monitor for the current year are:

- Stand out clearly as one of preferred banks in the country within 3 years;
- Establish all alternate channels;
- Increase Branch Network;
- Bring change gradually in mix of Deposits;
- Increase non-funded (non-interest fee based) income;
- Keep around 50% of corporate bank's loan portfolio in blue chip corporates;
- Maintain capital base above regulatory requirement;
- Keep NPL (Non-Performing Loan) at 0%.

Finally, I would like to acknowledge the contribution of our stakeholder's, the prudence and guidance of our Board of Directors and the support of all the regulators in framing business-friendly policies. I especially thank our Chairman who has been extremely supportive of the projects and their speedy implementation. The interest of our stakeholders is always on the forefront of everything we do and we are grateful for their support as we build upon our strengths.

Wishing you all a successful 2014.

With best regards,

Muklesur Rahman
Managing Director & CEO

MANAGEMENT COMMITTEES

Management Committee

Sitting from left : Malick Musfique Reza, CFO & Head of Treasury; Muklesur Rahman, MD & CEO; Zeeshan Hasib, Head of Corporate & SME Banking.

Standing from left : Rafiqul Islam, Acting Head of Internal Control; Md. Shafquat Hossain, Head of Retail Banking; Shahrukh Ahmed, Head of HR & FM; Md. Towhidul Islam, Head of Financial Institutions and Services; Mahbubuzzaman, Head of CRM & CAD; Aftab Mahmud Khurshid, Head of Brand & Communications; Md. Towhidu-zzaman Fuad, VP, Operations; Mamun Seraji, Head of Information Technology & ADC Operations.

Asset Liability Committee

Mr. Muklesur Rahman, MD & CEO	Chairman
Mr. Malick Musfique Reza, CFO & Head of Treasury	Member
Mr. Zeeshan Hasib, Head of Corporate & SME Banking	Member
Md. Shafquat Hossain, Head of Retail Banking	Member
Mr. Mahbubuzzaman, Head of CRM & CAD	Member
Mr. Md. Towhidul Islam, Head of FI	Member
Mr. Shibly Sadeque, Vice President, Treasury	Member Secretary

Purchase Committee

Mr. Shafquat Hossain, Head of Retail Banking	Chairperson
Mr. Mahbubuzzaman, Head of CRM & CAD	Member
Mr. Mamun Seraji, Head of IT & ADC Operations	Member
Mr. Towhidul Islam, Head of FI	Member
Mr. Towhidu-zzaman Fuad, Vice President, Operations	Member
Major Sarker Tariq Ahmed(Retd.), Vice President, FM	Member
Mr. Md. Johir Uddin Shahriar Kabir, Assistant Vice President, Finance	Member
Mr. Toufiq Elahi, Senior Principal Officer, FM	Member

FINANCIAL HIGHLIGHTS
&
VALUE ADDED STATEMENT

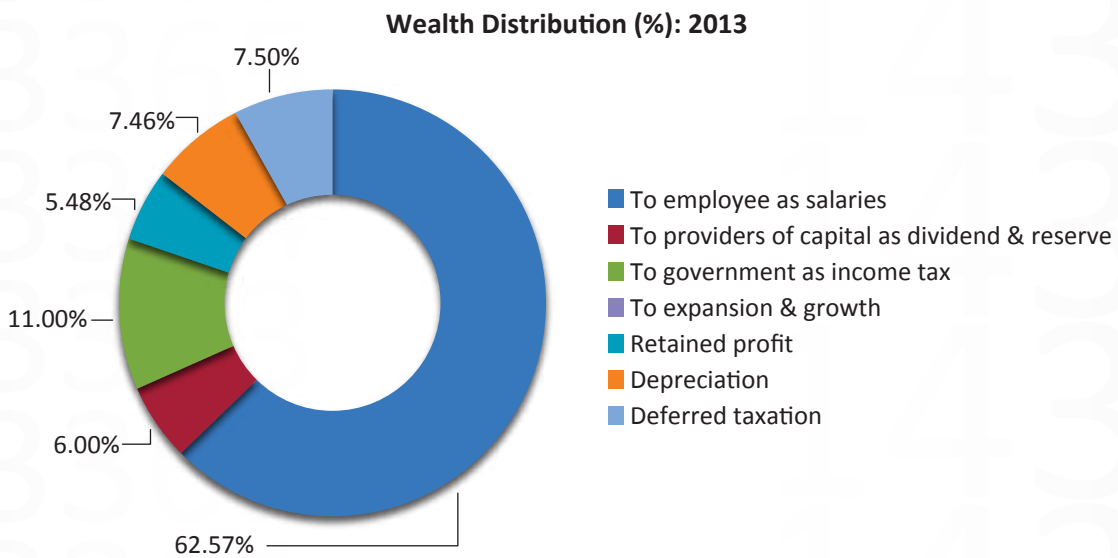
Financial Highlights

	(Taka in Million) 2013
Income Statement	
Interest Income	228
Interest Expenses	58
Non-Interest Income	1
Non-Interest Expenses	140
Profit Before Provision	31
Profit Before Tax	27
Profit After Tax	10
Balance Sheet	
Authorised Capital	10,000
Paid-up Capital	4,000
Reserve Fund & Surplus	11
Total Shareholders' Equity	4,011
Deposits	1,885
Loans and Advances	454
Investments	93
Fixed Assets	128
Total Assets	5,966
Off-Balance Sheet Exposures	0
Distribution Network	
Number of Branches	6
Number of ATM	6
Number of Employees	146

Value Added Statement

Value added statement shows how much value (wealth) has been created by the bank through utilisation of its capacity, capital, manpower and other resources and how it is allocated among different stakeholders i.e. employees, shareholders, government etc.

Particulars	Amount in Taka 2013
Wealth creation:	
Income from banking services	229,112,059
Less: Cost of services & supplies	134,560,419
Value added by banking services	94,551,640
Non-banking income	-
Provision for loans & off balance sheet items	(3,388,594)
Total wealth creation	**91,163,046**
Weath distribution	
To employee as salaries	57,036,476
To providers of capital as dividend & reserve	5,465,396
To government as income tax	10,024,730
To expansion & growth	
Retained profit	4,999,030
Depreciation	6,799,588
Deferred taxation	6,837,826
	18,636,443
Total Value Addition	**91,163,046**



SIGNIFICANT EVENTS OF 2013

Significant Events of 2013

April 09, 2013

1st board Meeting held at NRB Bank Corporate Head Office.

Sitting from Left: Mr. Khalilur Rahman Choudhury, Mr. Iqbal Ahmed OBE (Chairman), Mr. Mohammed Mahtabur Rahman, Mr. Iqbal Uddin Ahmed.

Standing from Left: Mr. Mohammed Idrish, Mr. Mohammed Jamil Iqbal, Mr. Aminur Rashid Khan, Mr. Imtiaz Ahmed, Mr. Naveed Rashid khan, Mr. Bilal Ahmed, Mr. Abu Taher Mohammed Amanullah, Mr. Khandakar R. Amin, Mr. Kamal Ahmed, Mr. Rabin Paul, Mr. Md. Ekramul Haque, Mr. Mustafa Alim Aolad, Mr. Tateyama Kabir, Mr. A.F.M. Zakaria Huqe & Ms. Rabeya Jamali.

May 28, 2013

*Official Launching of NRB Bank. NRB Bank Corporate Identity was formally unveiled by **Mr. Abul Maal Abdul Muhith**, honourable Member of Parliament and Minister of Finance of the Government of the People's Republic of Bangladesh as the Chief Guest. **Dr. Atiur Rahman**, Governor of Bangladesh Bank, Chairman of the Bank, Mr. Iqbal Ahmed OBE and MD & CEO Mr. Muklesur Rahman were also present. Mr. Nicholas Low, Acting British High Commissioner to Bangladesh also graced the event as the Guest of Honour.*

August 04, 2013

The inauguration of NRB Bank's Main Branch at Gulshan-2 (NB Tower, 40/7, North Gulshan Avenue, Gulshan-2, Dhaka 1212). The Main Branch was inaugurated by His Excellency Mr. Robert W Gibson CMG, The honourable British High Commissioner to Bangladesh, Mr. Iqbal Ahmed OBE, Chairman, NRB Bank, Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank and other senior officials of Bank & local distinguished guests were also present at the occasion.

Significant Events of 2013

September 14, 2013

The Statutory Meeting of NRB Bank was held on September 14, 2013. Mr. Iqbal Ahmed OBE, Chairman, NRB Bank presided over the meeting. While the Directors, Sponsors, Shareholders of the Bank and Mr. Muklesur Rahman, Managing Director & CEO of NRB Bank were also present.

September 14, 2013

NRB Bank launched Gulshan Branch in Dhaka at Gulshan 1 (Nafi Tower, 1st Floor, 53, South Gulshan Avenue, Gulshan-1, Dhaka 1212). The Gulshan Branch was inaugurated by Dr. Gowher Rizvi, Adviser to Prime Minister, Government of The People's Republic of Bangladesh as Chief Guest. Mr. Iqbal Ahmed OBE, Chairman, NRB Bank, Mr. Muklesur Rahman, Managing Director & CEO of NRB Bank and other senior officials of the Bank & local distinguished guests were also present.

September 16, 2013

The inauguration of Sylhet Main Branch in Sylhet. The Branch was inaugurated by Ms. Rushanara Ali, honourable MP and Shadow Minister for International Development UK as Chief Guest, Ms. Shabana Mahmood, honourable MP & Shadow Minister for Business, Innovation & Skills UK as Guest of Honour, Mr. Iqbal Ahmed OBE, Chairman, NRB Bank, Mr. Muklesur Rahman, Managing Director & CEO of NRB Bank and other senior officials of the Bank & local distinguished guests were also present.

Significant Events of 2013

September 22, 2013

First MANCOM meeting held at NRB Bank Corporate Head Office. The meeting was presided by Mr.Muklesur Rahman, MD & CEO of NRB Bank in presence of other MANCOM members.

September 26, 2013

Mr. Muklesur Rahman, Managing Director and CEO of NRB Bank, with the participants of a foundation training course (Batch 01) for new joiners at BIBM. Mr. Shahrukh Ahmed, Head of Human Resources and Mr. Aftab Mahmud Khurshid, Head of Brand and Communications were also present.

October 04, 2013

Mr. Muklesur Rahman MD & CEO of NRB Bank addressing in the CEO's Recognition Night.

Significant Events of 2013

October 04, 2013

NRB Bank team with Mr. Muklesur Rahman, MD & CEO of NRB Bank in the CEO's Recognition Night.

October 30, 2013

NRB Bank organised a Press Meet in London. Mr. Muklesur Rahman, Managing Director & CEO of NRB Bank, Mr. Aftab Mahmud Khurshid, Head of Brand and Communications and Mr. Md. Mustafizur Rahman, Vice President, Retail Banking were seen in the picture. It was held in London to announce the road show and other awareness related events of NRB Bank in UK.

October 31, 2013

NRB Bank participated in British Bangladeshi Who's Who 2013 held in London, UK. Mr. Iqbal Ahmed OBE, Chairman of NRB Bank addressing in the event.

Significant Events of 2013

November 05, 2013

NRB Bank Awareness Programme was held at Dubai. Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank was present in the programme with other delegates and high officials of the Bank.

November 05, 2013

Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank handed over a crest of appreciation to the Ambassador of Bangladesh to Dubai H.E. Mr. Muhammad Imran at the NRB Bank Awareness Programme in Dubai. Mr. Mohammed Mahtabur Rahman, President of Dubai Business Council and Director of NRB Bank was also present in the programme.

November 25, 2013

NRB Bank signed an agreement with DHL Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank and Mr. Desmond Quiah; Country Manager of DHL Express Bangladesh signed an agreement on behalf of their respective organisations, while senior officials of both organisations were present.

Significant Events of 2013

FE Stock & Corporate

UNITED LEASING
• Deposit Opportunities
• Working Capital Solutions
• Asset Financing Options

NRB Bank puts thrust on entrepreneurship ethos

Enabling atmosphere to help Bangladesh attain double-digit growth

November 26, 2013:

Honourable Chairman of NRB Bank Mr. Iqbal Ahmed OBE has given an exclusive interview with the Financial Express where he has shared his thought on the overall banking sector of Bangladesh and his perspective on the overall sector.

November 28, 2013

NRB Bank inaugurated its Goala Bazar branch, Sylhet. Mr. Shahrukh Ahmed, Head of Human Resources and Facilities Management of NRB Bank inaugurated the branch along with other high officials of the Bank.

December 28, 2013

NRB Bank inaugurated Chittagong Main Branch in Chittagong. The Branch was inaugurated by Mr. Iqbal Ahmed OBE, Chairman, NRB Bank, while Mr. Mohammed Mahtabur Rahman, Director, Mr. Tateyama Kabir, Director, Mr. Badiuzzaman, Director and Mr. Muklesur Rahman, Managing Director & CEO of the Bank and local distinguished guests were also present.

DIRECTORS' REPORT

Directors' Report

GLOBAL ECONOMY

Despite improved global financial conditions and reduced short-term risks, the world economy continued to expand at a subdued pace. Since late 2012, several new policy initiatives in major developed economies have reduced systematic risks and helped stabilise consumer, business and investor confidence, but with very limited impacts on growth.

In the euro area, sovereign bond risk premia of debt-distressed countries have fallen notably, but the real economy was held back by austerity programmes, weak bank lending and continued uncertainty, and only a very gradual recovery is expected as these factors diminish.

In the United States, the avoidance of the fiscal cliff and the expansion of monetary easing, along with a continued recovery in the housing sector, have improved growth prospects. While private sector demand is projected to gradually strengthen, the automatic spending cuts and uncertainties associated with budget issues will continue to weigh on aggregate demand.

In Japan, the bold expansionary policy actions adopted by the monetary and fiscal authorities are expected to provide some support for economic activity in the short run.

Developing countries and economies in transition continued to register much stronger growth than developed economies. In response to the economic slowdown in 2012, many of them, including some large countries in East Asia, South Asia and Latin America, adopted more expansionary monetary and to a lesser extent fiscal policies to strengthen domestic demand.

The Least Developed Countries (LDCs) are projected to see faster growth than in the past two years. However, with commodity demand moderating and Official Development Assistance (ODA) falling, the pace of expansion in LDCs will still be notably slower than during the period 2004-2008.

BANGLADESH ECONOMIC GROWTH

Macroeconomic situation in Bangladesh has been quite stable for a considerable period of time in recent years and proved resilient to global financial crisis posting GDP growth rate averaging 6.2 percent during the past five years. In FY13 Bangladesh achieved a GDP growth of 6.0 percent. Substantial remittance inflows and export activities helped to achieve this solid economic growth rate.

Bangladesh's GDP growth rate of 6.0 percent in FY13 remains sound. Growth in agriculture sector declined from 3.1 percent in FY12 to 2.2 percent in FY13. Industry sector grew slightly more at 9.0 percent in FY13 compared to 8.9 percent in FY12 driven in large part by faster growth in mining and quarrying, construction and small scale industries. Services sector growth decreased to 5.7 percent in FY13 from 6.0 percent in FY12 affected mainly by lower growth of wholesale and retail trade sub-sector.

The average inflation rate moderated to 6.8 percent at the end of FY13 from 8.7 percent at the end of FY12. The decrease in average inflation during FY13 was driven mainly by a gradual fall of food inflation until January 2013 when food inflation bottomed out at 3.2 percent. A steady decline in non-food inflation during the second half of FY13 also contributed to fall in average inflation.

BB provided repo, special repo and Liquidity Support Facility (LSF) to the Primary Dealers (PDs) and non-PD banks against the eligible holding of treasury bills and bonds. BB's policy measures resulted in stable weighted average interest rate in the call money market ranging from 7.2 percent to 11.5 percent during FY13. The weighted average interest rate ranged from 9.8 percent to 19.7 percent during FY12. During FY13 the average volume of trade in the call money market increased by BDT 367.7 billion, which was 36.1 percent higher than that of FY12.

In the external sector, the Current Account Balance (CAB) continued to be in surplus reflecting the increasing inflows of remittances bolstered by continued export expansion and declining imports. Capital Account shows that foreign direct investment have increased from USD 1.2 billion in FY12 to USD 1.3 billion in FY13. Improved external balances are reflected in the accumulation of international reserves to over USD 15 billion at the end of FY13.

Broad Money (M2) recorded lower growth of 16.7 percent in FY13 against the targeted growth of 17.7 percent and 17.4 percent actual growth in FY12. The growth in broad money was attributed mainly by the growth in net foreign assets (NFA). The NFA of the banking system increased by 50.3 percent in FY13 against targeted 21.0 percent resulting from robust growth in remittance and low import growth.

Total exports in FY13 had a strong growth over the same period of FY12. Aggregate exports increased by 11.2 percent in FY13 to USD 27,027.4 million from USD 24,301.9 million in FY12. Apparels (woven garments and knitwear products) continued to occupy an overwhelming –above three fourth share of the export basket in FY13.

Import payments in FY13 were USD 33,576 million registering a positive growth of 0.8 percent compared to USD 33,309 million in FY12. Major items in the import basket were: petroleum related products, wheat, textiles, raw cotton, edible oil, sugar, capital machinery, plastics, rubber and fertilizer.

In FY13, the gross foreign exchange reserves of Bangladesh Bank reached at a record high of USD 15,344.9 million at the end of FY13 which is 47.8 percent higher than USD 10, 364.4 million of the same period of FY12.

Despite continued global economic slowdown, the flow of inward remittances from Bangladeshi nationals working abroad remained strong in FY13 and continued to play an important role in strengthening the current account balance. Remittance inflow increased by 12.6 percent to USD 14,338 million in FY13 from USD 12,734 million in FY12.

BANKING SECTOR PERFORMANCE

Banking sector in Bangladesh has come across a turbulent year facing many odds and pitfalls in the macroeconomic fundamentals. The major challenges faced by the banking industry were low credit growth, increasing trend of non-performing loans resulting to higher provisioning requirements, and surplus liquidity. The cumulative effects of these put pressure on the profitability of the banking sector as a whole.

Domestic Credit Growth was 10.78 percent in October-end 2013 against that of 16.85 percent of the previous period. However, deposit growth was over 18 percent in October-end 2013 against that of 19 percent over the previous period. Consequently, a considerable gap has been created in sources and uses of fund of the banking sector. As a result the industry has been burdened with liquidity surplus.

Total liquid asset of the banking sector in October-end, 2013 stood at BDT 1,860 billion which was more than 1.86 times higher than the required statutory liquidity ratio (SLR). With the same token, Advance deposit Ratio (ADR) of the sector reduced to 71.70 percent in September end-2013 against 76.59 percent in December-end 2012.

Despite low credit growth, non-performing loan (NPL) had continually been increasing at an increasing rate and reached to a record high of BDT 567 billion in September-end, 2013 registering around 33 percent increase over December-end 2012. Consequent to increase in NPL, the provisioning requirement increased by 32 percent to stand at BDT 320 billion in September-end 2013, against December-end, 2012 where required provision of PCBs increased to BDT 117.60 billion registering 40 percent growth.

Directors' Report

As consequence of low credit growth and high non-performing loan, coupled with increasing interest/profit expenses for additional mobilized deposit, profitability of the industry has been adversely affected.

Considering the likely disastrous performance of the banking sector, Bangladesh Bank (BB) at the end of 2013 relaxed the loan rescheduling policy for the next six months to facilitate financing for the businesses, affected by political unrest.

Thus banks have got enough room to improve the asset quality through rescheduling and add back provision requirement for showing better financial performance than anticipated.

2014 would be a more challenging year for the economy as well as the banking sector. The economy has entered into the New Year in a situation where most of the macro-economic indicators are under huge pressure because of political turbulence in the country. The major challenges of the banking industry in 2014 will be optimum utilisation of fund through achieving desired investment growth, preventing the deterioration of asset quality and maintenance of capital adequacy to absorb the risks.

PERFORMANCE OF NRB BANK IN 2013-FINANCIAL OVERVIEW

Achievements in 2013

During 2013, NRB Bank Limited earned BDT 228 million as interest income. Within a span of five months the bank was able to book this income due to its efficient utilisation of fund. Major drivers behind Interest income were (i) Interest on balance with other banks (BDT 214 million) and (ii) Interest on placement with other financial institutions (BDT 12 million).

Interest paid on deposits and borrowing during 2013 was BDT 58 million. As a new bank, deposit garnering was a major objective at the initial operation of the bank, hence the major cost driver was interest on deposit (BDT 47 million).

Net interest income (NII) during the year was recorded at BDT 170 million. In less than five months, this was possible due to a combination of efficiencies achieved both in interest income and interest expense.

Investment income during 2013 was recorded at BDT 0.4 million. A modest investment income was booked as the bank started investing in securities from November 2013.

Total operating income of the bank was BDT 171 million.

During 2013 the bank's total operating expenditure was BDT 140 million. Major contributions to banks operating expenditure included the following:

- Salaries & benefits of significant number of qualified and professional employees recruited in 2013;
- Opening of new branches, ATM booths;
- Depreciation expense due to building of new branches, ATM booths as well as investments in IT infrastructure.

A total Pre-operating expenditure of BDT 78 million has been deferred in 2013.

Operating Profit of the bank for the year 2013 stood at BDT 31 million despite all the odds against high cost of deposit and significant operating expenditures in recruitment, opening of new branches, ATM booths and IT infrastructure.

Profit after tax (PAT) of the bank stood at BDT 10 million in 2013. This year total provision of BDT 3.4 million was kept against loan and advances and off-balance sheet items.

In the year under review, Earnings per share (EPS) stood at BDT 0.03.

Directors' Report

Balance Sheet

The Bank's total assets at December 31, 2013 stood at BDT 5,966 million. Total Assets mainly comprised of Balance with other banks and FI's (81% of Total Assets) and Loans & advances (8% of Total Assets).

Loans and advances of the bank as on December 31, 2013 stood at BDT 454 million. Despite being in operation for less than five months and political unrest before the general election, the bank was able to book a modest amount of Loan.

Total deposit of the bank as on December 31, 2013 stood at BDT 1,885 million. Fixed deposits comprised 86% of total deposit.

The paid up capital of the bank stood at BDT 4,000 million, statutory reserve stood at BDT 5 million and retained earnings stood at BDT 5 million.

Related Party Transaction

Detail information is provided in Note No. 39

Attendance in the Board Meeting during the Period 1st January 2013 to 31st December 2013

	Name of Directors	Position	Number of Meetings Held in 2013	Attended
01	Mr. Iqbal Ahmed OBE	Chairman	09	09
02	Mr. Mohammed Idrish	Director	09	06
03	Mr. Md. Ekramul Haque	Director	09	09
04	Mr. Mohammed Mahtabur Rahman	Director	09	08
05	Dr. Mahiul Muhammed Khan Muqit	Director		
	Mr. Bilal Ahmed	Alternate Director	06	01
	Mr. Manzur Ahmed Iqbal	Alternate Director	03	01
06	Mr. Tateyama Kabir	Director	09	08
07	Mr. Kamal Ahmed	Director	09	05
08	Mr. Imtiaz Ahmed	Director	07	04
	Mr. Mohammed Nazam Uddin	Alternate Director	02	01
09	Mr. Fazlur Rashid Khan	Director	09	04
10	Mr. Nafih Rashid Khan	Director		
	Mr. Aminur Rashid Khan	Alternate Director	09	09
11	Mr. Naveed Rashid Khan	Director	09	08
12	Mr. Mohammed Jamil Iqbal	Director	04	03
	Mr. Mohammed Jahed Iqbal	Alternate Director	05	05
13	Dr. Nesar Ahmed Choudhury	Director	09	01
14	Mr. Abu Taher Mohammed Amanullah	Director	06	03
	Mr. Kalim Sharafi	Alternate Director	03	03
15	Mr. M Badiuzzaman	Director	09	03
16	Mr. Khalilur Rahman Choudhury	Director	09	09
17	Mr. Rabin Paul	Director	09	06
18	Mr. Mohammed Rafique Miah	Director	06	01
	Mr. Helel Rahman	Alternate Director	03	02
19	Mr. Abdul Karim	Director	09	03
20	Mr. Khandakar R. Amin	Director	09	07

Directors' Report

Attendance in the Board's EC Meeting Period 1st January 2013 to 31st December 2013

Name of Directors	Position	Number of Meetings Held	Attended
Mr. Iqbal Ahmed OBE	Chairman	03	03
Mr. Mohammed Mahtabur Rahman	Member	03	02
Mr. Md. Ekramul Haque	Member	03	03
Mr. Tateyama Kabir	Member	03	03
Mr. Mohammed Idrish	Member	03	00
Mr. Abu Taher Mohammed Amanullah	Member	03	00
Mr. Naveed Rashid Khan	Member	03	03

Attendance in the Board's Audit Committee Meeting Period 1st January 2013 to 31st December 2013

Name of Directors	Position	Number of Meetings Held	Attended
Mr. Mohammed Mahtabur Rahman	Chairman	03	03
Mr. Kamal Ahmed	Member	03	03
Mr. Khalilur Rahman Choudhury	Member	03	03
Dr. Nesar Ahmed Choudhury	Member	03	01
Mr. Imtiaz Ahmed	Member	03	01

Shareholding pattern of the Bank

A. Shares held by directors

	Name of Directors	Position	Total Shares Held	Percentage (%) of shares as on 31.12.2013
01	Mr. Iqbal Ahmed OBE	Chairman	20,000,000	5.0
02	Mr. Mohammed Idrish	Director	10,000,000	2.5
03	Mr. Md. Ekramul Haque	Director	18,000,000	4.5
04	Mr. Mohammed Mahtabur Rahman	Director	40,000,000	10
05	Dr. Mahiul Muhammed Khan Muqit	Director	31,201,200	7.8003
06	Mr. Tateyama Kabir	Director	10,000,000	2.5
07	Mr. Kamal Ahmed	Director	10,000,000	2.5
08	Mr. Imtiaz Ahmed	Director	2,000,000	0.50
09	Mr. Fazlur Rashid Khan	Director	20,000,000	5.0
10	Mr. Nafih Rashid Khan	Director	20,000,000	5.0
11	Mr. Naveed Rashid Khan	Director	20,000,000	5.0
12	Mr. Mohammed Jamil Iqbal	Director	20,000,000	5.0
13	Dr. Nesar Ahmed Choudhury	Director	2,500,000	0.625
14	Mr. Abu Taher Mohammed Amanullah	Director	24,000,000	6.0
15	Mr. M Badiuzzaman	Director	20,000,000	5.0
16	Mr. Khalilur Rahman Choudhury	Director	12,000,000	3.0
17	Mr. Rabin Paul	Director	7,500,000	1.875
18	Mr. Mohammed Rafique Miah	Director	3,000,000	0.75
19	Mr. Abdul Karim	Director	20,000,000	5.0
20	Mr. Khandakar R. Amin	Director	6,000,000	1.50

B. Shares held by CEO, CFO, Company Secretary and Head of ICC

Sl. No.	Name	Designation	No. of Shares	Name of Spouse
01	Mr. Muklesur Rahman	CEO	Nil	Mrs. Salina Chowdhury
02	Mr. Malick Musfique Reza	CFO	Nil	Mrs. Farzana Khan
03	Mr. A. F. M. Zakaria Huqe	DCS	Nil	Mrs. Fahmida Parveen
04	Mr. Rafiqul Islam	Acting Head ICC	Nil	Mrs. Jesmin Sarwar

Details of shares held by the Executives of the Bank

Sl. No.	Name	Designation	No. of Shares	Name of Spouse
01	Mr. Zeeshan Hasib	Head of Corporate Banking	Nil	Mrs. Tasneem Sabtina Hasib
02	Mr. Md. Shafquat Hossain	Head of Retail Banking	Nil	Mrs. Hasnain Alam
03	Mr. Mahbubuzzaman	Head of CRM	Nil	Mrs. Syeda Ferhana Zaman
04	Mr. Mamun Seraji	Head of IT & ADC	Nil	Mrs. Marufa Rahman
05	Mr. Md. Towhidul Islam	Head of Financial Institutions and Services	Nil	Mrs. Sayeda Aliya Joynab

APPOINTMENT OF AUDITOR

The Board of Directors of NRB Bank Limited in its 1st Board Meeting held on 09 April 2013 appointed M/S. Howlader Younus & Co., Chartered Accountants as external auditor for the year 2013.

ACKNOWLEDGEMENT

For the unrelenting support and assistance, the Board of Directors of the Bank would like to convey its thanks to all honourable sponsors and shareholders, valued clients and well-wishers of NRB Bank Limited.

The Board also takes the pleasure to pass on earnest appreciation and profound thanks to the Government of The People's Republic of Bangladesh, Ministry of Finance, Bangladesh Bank, Securities and Exchange Commission and Registrar of Joint Stock Companies & Firms for their assistance, suggestions and directions extended to the bank.

IQBAL AHMED OBE
CHAIRMAN, NRB BANK LIMITED

BRAND
&
CORPORATE SOCIAL RESPONSIBILITY

Brand & Corporate Social Responsibility

Our brand identity defines a powerful way of promoting NRB Bank. It will focus on what NRB Bank stands for and enhance communication with target audiences to help them recognise NRB Bank as a leading financial institution.

The NRB Bank logo is the most important element for creating an impact and establishing visual identity. The logotype visually symbolises the brand identity so that it is instantly recognised and associated with NRB Bank and its values.

The symbol used in the logotype depicts two distinct elements surrounding a precious diamond in the center. This diamond symbolically represents Bangladesh while the surrounding Blue and Red elements represent both resident and non-resident Bangladeshis and their attachment to Bangladesh. The elements combine together to create strength in unity, representing the powerful bond which NRB Bank strives to achieve with its clients. The symbol can also be interpreted as an anchor which provides financial security and stability.

NRB Bank
Not Just Another Bank

Two bold and vibrant colours were chosen for the logotype, inspired by the Union Jack, to reflect regal yet understated sophistication.

NRB Bank logotype may be used as a dynamic graphic device. The graphic device may add as a dramatic element for creating impact and recognition. By which the logo has been transformed into a graphic device which depicts growth and a sense of energy and direction for reaching soaring heights. The aim of this abstract symbol is to create instant association with NRB Bank's values.

The tone of voice corresponds with the values, vision, mission and brand identity of NRB Bank. The style and language are consistent and consolidate what NRB Bank stands for. The verbal style is straightforward, with simple and direct; portrayed in a warm manner which reflects the bank's passion. The words should be utilized in a respectful manner which engages the audience and captures their enthusiasm, inspiring them to learn more about the bank. In line with the sophistication of the NRB Bank identity, the tone of voice is sincere and determined without being overly-excessive or exaggerated.

NRB Bank: Brand Marketing & Communications

Brand & Communications is the strategic communication partner for the entire Bank and is responsible for:

- Corporate Marketing & Branding
- Provide support to company/management as spokesperson
- Develop Marketing Communications (MarCom) strategies and concepts for Corporate and Business Units (BUs) for target groups
- Transfer the overall business strategy into a Corporate and Marketing communications strategy
- Align Corporate Communications and Business Units (BUs) Marketing Communications
- Strategise, Direct, Monitor and Support marketing communications and supervise the total visual identity and image of NRB Bank in and outside the country

Brand & Corporate Social Responsibility

We consider communications work – based on Bank's goals and strategies – to be a vital part of the business process. To increase company value by communicating goals, achievements and business strategies to our target groups through all our communications.

To build a distinctive visual, virtual and verbal corporate Identity and to create proper image we strongly follow the single brand strategy to create one brand, one voice philosophy in all sorts of communications. Because. **We're Not Just Another Bank**.

NRB Bank: Responsible Bank

CSR (Corporate Social Responsibility) significantly improves business house reputation and confidence of customers and business partners, and motivates the employees to work for a company they could feel proud of.

CSR is about (i) taking stock of the economic, social, and environmental impacts of a business, (ii) mitigating the negative impacts and bolstering the benign impacts, (iii) taking up action programme and community investments to reduce social exclusion and inequality and to address the key sustainable development challenges ('meeting the needs of the present generation without impairing the ability of future generations to meet theirs' is a generally accepted meaning of 'sustainable development'). Because of their ethical and public interest dimensions, many of the desired social and environmental practices are compulsorily mandated by laws and regulations (e.g., safe and healthy work environment, equal opportunity and fair treatment in respect of gender and ethnicity in hiring and career advancement, avoidance of forced labor or child labor, and so forth). CSR programme and actions go beyond such mandatory compliances into voluntary engagements to promote equitable, sustainable development. Besides the self-evident ethical case, a strong business case for CSR (as investment in a strategic asset or distinctive capability, rather than an expense) is also getting clearer with developing practice; seen as benefiting a business by:

- building reputation, brand value, customer loyalty, employee motivation and retention;
- mitigating risks in own operations and in assessing suppliers and clients;
- cutting down wastes (of energy, raw materials etc.), driving up efficiency;
- gaining new markets for products and services, in the communities/social groups benefited by the CSR actions.

It would be of strategic, longer run competitive advantage for banks and financial institutions in Bangladesh to embrace CSR in their management approaches and operations, with initiatives chosen in broad-based, extensive stakeholder engagement.

Due to utmost care and surveillance of Bangladesh Bank, the CSR practices in the banking sector of Bangladesh has been gaining huge momentum.

There were no explicit policies on CSR in Bangladesh prior to 2008. In 2008, Bangladesh Bank (BB) took initiatives for formalising CSR in the banking sector of Bangladesh and issued a detailed directive titled "Mainstreaming Corporate Social Responsibility (CSR) in banks and financial institutions in Bangladesh." The directive states the strategic objective for CSR engagement, priority areas to promote CSR in client business, and the first-ever CSR programme indicating some likely action plans. All the commercial banks are asked to formulate their own CSR policy with the annual outlay for CSR programme and include the CSR programme in their mainstream banking activities instead of short-term social works like providing grants, aids and donations.

Brand & Corporate Social Responsibility

Being a good corporate citizen CSR is rooted in four main areas, in which our actions as a responsible Bank take concrete form to enhance our brand image:

- economic responsibility: financing the economy in an ethical manner
- social responsibility: pursuing a committed and fair human resources policy
- civic responsibility: promoting education, sports and culture
- environmental responsibility: addressing climate change and other environmental issues

NRB Bank people strive each day to ensure successful outcomes for all those who place their trust in the bank and for the good of society. We are determined to be a responsible bank. The Banking sector is in a leading position in discharging Corporate Social Responsibilities (CSR) in the country and the CSR practices by banks have become an integral part of their business in recent years. CSR practices by banks not only improve their own standards but also catalyst the socially responsible behavior of other businesses. Banking industry itself can also be benefited from the positive effects of CSR on the society as a whole, particularly on its clients.

Globally, the notion of Corporate Social Responsibility (CSR) is gaining acceptance very fast as it contributes towards environmentally sustainable and socially equitable development; besides the usual financial reporting, 'non-financial' or 'sustainability' reporting is accordingly also fast gaining usage.

RISK MANAGEMENT

Report on Risk Management

NRB Bank is playing the role of financial intermediary, which is based on the identification, measurement, pricing, and management of risk. It is not possible on the part of a bank to dispel the risks entirely but try to pursue its business objectives in a measured, calculated and controlled fashion.

The level of risk NRB Bank is willing to take on is determined by our board, which also assumed responsibility for ensuring that the Risk, Capital and Compliance Committee manages and controls the risks adequately along with the combined effort of all departments. NRB Bank's risk appetite framework sets out specific principles, objectives and measures that link diverse considerations such as strategy setting, risk recognition, target capitalisation levels and acceptable levels of earnings volatility. As each business is ultimately tasked with the generation of sustainable returns, risk appetite acts as a constraint to the assumption of ever more risk in the pursuit of profits- both in quantum and in kind.

RISK GOVERNANCE

The board of the bank holds the ultimate responsibility for ensuring that risks are adequately identified, measured, monitored and managed. In addition, effective risk management requires multiple areas of control, or safeguard that should be applied at various levels of the organization consistently.
The bank's operation has 3 basic areas of control:

1 Risk ownership- Risk taking is inherent in the individual business activities and as such, business management carries the primary responsibility for the risks in its business, in particular with respect to identifying and managing it appropriately.
2. Risk control- Business heads are supported in this by deployed risk management functions that are involved in all business decisions and that are represented at executive level. These are overseen by an independent, central risk control function.
3. Independent assurance- The third major control point involves functions providing independent assurance on the adequacy and effectiveness of risk management practices across the Bank. These are the internal audit functions at a Bank level and external auditors who are also present at relevant board committee meetings.

The risk management and governance structure explicitly recognizes these lines of control. The following sections discuss the risk management and governance framework and the associated committee structures in more detail.

CREDIT RISK

NRB Bank upholds the principle of maintaining asset quality and therefore, it focuses on strict supervision of its asset portfolio. In conducting lending operations, NRB always underscores the need of proper risk identification and its appropriate management and recognises that failure in proper identification and management of credit risks may result in large volume of non-performing loan.

While pursuing a sound credit risk management process, NRB has made out its overall strategy by starting with setting up its objectives, mission and vision under its credit policy framework. Side by side effective credit management tools have also been put in place. The tools are:

i. Framing general policy guidelines
ii. Following a proper credit assessment and risk grading system
iii. Practicing credit approval division
iv. Segregation of duties
v. Conducting strong internal audit
vi. Pursuing strong credit monitoring and credit recovery
vii. Ensuring strict application of guidelines and instruction of central bank in overall credit operations

Report on Risk Management

OBJECTIVES

In order to ensure good asset quality and effective management of credit, NRB has set the following major objectives.

i. Contributing to the balanced development of economy by pursuing a sound credit policy aiming at lending in desired sector.
ii. Providing directional guidelines to pursue the policy of sound lending.
iii. Adoption of appropriate working method.
iv. Strict compliance with the laws and norms related to lending operation.
v. Identifying proper lending area.
vi. Maintaining balanced lending portfolio keeping strong watch on global economic situation.
vii. Analysing all aspects of credit and ascertaining viability of lending.
viii. Maintaining adequate liquidity, making judicious investment planning and attaining sustainable growth and profitability.
ix. Making credit documentation exhaustive.
x. Ensuring proper supervision, monitoring and follow up of asset portfolio.
xi. Strengthening asset quality, ensuring safe return of money lent minimising loss.

CREDIT PRINCIPLES

To enrich stake holders' value and protect the interest of the depositors as well as to improve asset quality, NRB Bank goes by the following general rules:

i. Extensions of all credits must comply with the requirement of Bank Company Act and the Central Bank.
ii. Credit is not extended to any person/entity which is not supported by CIB report.
iii. To maintain judicious ratio between loan and deposit.
iv. To allow credit in a manner which in no way compromises with bank's standard of excellence.
v. Extension of credit normally from customer's deposits and not out of short term funds or borrowing from other banks.
vi. To optimize risk and reward.
vii. To ensure ethical standard in all credit activities
viii. To extend credit in the areas, risk of which can be sufficiently understood and managed.
ix. To extend credit facility upon adequate pre-investment analyses and repayment capacity of the clients.
x. To avoid excessive credit concentration through rational diversification of credit.
xi. To avoid name lending
xii. To allow credit on business consideration after ascertaining viability credit requirement, quality of advance, security offered, cash flows and level of risks.

CREDIT RISK MANAGEMENT PROCESS

In credit approval, a regulated credit risk management process is followed at NRB. In order to make credit approvals fully compliant with regulatory norms, Bank Company Act, guidelines of Bangladesh Bank, and the optimal ethical standard, NRB follows general policy guidelines, consisting of the following major elements:

i. Financing legitimate and productive business, industrial and other activities, which are socially desirable, nationally important, and financially viable.
ii. Strict adherence to KYC policy, anti-money laundering regulations, BOI guidelines, industrial policy, Export policy, Import policy order, transfer of property Act.

iii. Lending to the clients having legitimate source of earning, clear purpose of loan utilisation, specific sources of loan repayment and capacity to enter into loan agreement.
iv. Discouraging credit extensions to low net worth or highly leveraged borrowers.
v. Assessing credit needs and setting loan tenors rationally matching cash conversion cycle/cash flows upholding central bank's directives in this regard.
vi. Extension of credit facilities generally, where industry/business data are available.
vii. Pursuing sector wise lending cap judiciously.
viii. Adoption generally, of, judicious industry and business focus.
ix. Lending to the clients who are reputed corporate, institutions, reliable individuals, firms, companies, retailers, etc.
x. Reflecting in lending, our responsiveness to declared country priorities (notably financing SMEs, women entrepreneurs, renewable energy, agriculture, etc.)
xi. Extension of credit in strict compliance with single borrower exposure limitation.

At NRB, credit risk management process starts with setting institutional objectives its mission- vision, credit principles and general policy guidelines followed by credit origination by the relationship, independent of credit risk management.

On critical review of credit proposal, CC (Credit Committee) recommends the same to credit approving authority where the approval is finally accorded. Credit proposal beyond the approval discretion at management level are decided by the Board.

CREDIT ADMINISTRATION

In NRB, proper credit disbursement functions are strictly handled by Credit Administration Department (CAD). This department is critical in ensuring that proper documentation and approvals are in place in respect of disbursement of credit facilities. CAD, in discharging its functions ensures that:

i. Credit approval has been obtained and it is documented.
ii. Security documents have been prepared in accordance with approved terms and those are legally enforceable.
iii. Limit creation has been done and loan documentation checklist (LDCL) has been completed.
iv. Legal counsel has been certified perfection of documents (where necessary).
v. Deferral in execution of certain documents has been allowed.
vi. Disbursement approval has been given after ensuring that all standard charge of documents and security documentation has been executed.

CREDIT MONITORING

The Credit Risk Management process encompasses all the steps right from entertaining a client to getting approval, documentation, disbursement, follow up, supervision, monitoring and recovery.

For effective credit monitoring, a fully dedicated credit monitoring cell is in place. Through credit monitoring covering review of account performance, status, recovery of loans, and identification of early signals of delinquencies are done. As an effective monitoring tool, various statements on early alert accounts, delinquent and special mention accounts are generated and necessary corrective measures are taken.

Disclosures on Risk Based Capital (Basel-II)

1. Scope of Application:

Qualitative disclosure	a)	The name of the top corporate entity in the group to which this guidelines applies	NRB Bank Limited
	b)	An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted) Any restrictions, or other major impediments, on transfer of	The Bank has no subsidiaries
	c)	funds or regulatory capital within the group The aggregate amount of capital deficiencies in all	Not applicable
Quantitative disclosure	d)	subsidiaries not included in the consolidation that are deducted and the name (s) of such subsidiaries	Not applicable

2. Capital Structure:

Qualitative disclosure	a)	Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or in Tier 2.	As per the guidelines of Bangladesh Bank, Tier-1 Capital of NRB consists of (i) Fully Paid-up Capital, (ii) Statutory Reserve and (iii) Retained Earnings. **Tier-2 Capital** consists of (i) General Provision against unclassified Loans/Investments and Off-balance sheet exposures.
Quantitative disclosure	b)	The amount of Tier-1 capital with separate disclosure of:	
			Figure in BDT Crore
		i.Fully Paid-up Capital	400.00
		ii.Statutory Reserve	0.55
		iii.Retained Earnings	0.50
		Sub-Total(A)	**401.05**
	c)	The total amount of Tier-2 and Tier-3 capital **(B)**	**0.34**
	d)	Other deductions from capital	-
	e)	**Total eligible capital (A+B)**	**401.39**

3. Capital Adequacy:

Qualitative disclosure	a)	A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities	The Bank has adopted Standardized Approach (SA) for computation of capital charge for credit risk and market risk, and Basic Indicator Approach (BIA) for operational risk. Assessment of capital adequacy is carried out in conjunction with the capital adequacy reporting to the Bangladesh Bank.

Disclosures on Risk Based Capital (Basel-II)

			The Bank has maintained capital adequacy ratio of 196.4% respectively as against the minimum regulatory requirement of 10%. Tier-1 capital adequacy ratio was 196.3% against the minimum regulatory requirement of 5%. The Banks policy is to manage and maintain its capital with the objective of maintaining strong capital ratio and high rating. The whole objective of the capital management process in the Bank is to ensure that the Bank remains adequately capitalized at all the times.
Quantitative disclosure		**Particulars**	**Figures in BDT crore**
	b)	Capital requirement for credit risk	17.83
	c)	Capital requirement for market risk	0.04
	d)	Capital requirement for operational risk	2.56
	e)	**Total and Tier 1 capital ratio:**	
		-For the consolidated group (%)	**Not Applicable**
		-For Standalone Tier-1 capital out of maintained CAR (%)	196.3

4. Credit Risk:

Qualitative disclosure	a)	The general qualitative disclosure requirement with respect to credit risk, including:	
		i) Definitions of past due and impaired (for accounting purposes)	All the loans and advances are grouped into four categories for the purpose of classification, namely (i) Continuous Loan, (ii) Demand Loan (iii) Fixed Term Loan and (iv) Short-term Agricultural and Micro Credit. They are classified as follows: **Continuous & Demand Loan are classified as:** ■ Sub-standard- if it is past due/overdue for 03 (three) months or beyond but less than 06 (six) months; ■ Doubtful-if it is past due/overdue for 06 (six) months or beyond but less than 09 (nine months); ■ Bad/Loss-if it is past due/overdue for 09 (nine) months or beyond. In case of any installment(s) or part of installment(s) of a **Fixed Term Loan amounting up to BDT 1 million** is not repaid within the due date, the amount of unpaid installment(s) are treated as "past due or overdue installment". Such types of Fixed Term Loans are classified as under: ■ Sub-standard- if the amount of past due installment is equal to or more than the amount of installment(s) due within 06 (six) months, the entire loans are classified as "Sub-standard". ■ Doubtful- if the amount of past due installment is equal to or more than the amount of installment(s) due within 09 (nine) months, the entire loans are classified as "Doubtful"

<table>
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■ Bad/Loss- if the amount of past due installment is equal to or more than the amount of installment(s) due within 12 (twelve) months, the entire loans are classified as “Bad/Loss”.

In case of any installment(s) or part of installment(s) of a Fixed Term Loan amounting more than Tk 1 million is not repaid within the due date, the amount of unpaid installment(s) are treated as “past due or overdue installment”. Such types of Fixed Term Loans are classified as under:
■ Sub-standard- if the amount of past due installment is equal to or more than the amount of installment(s) due within 03 (three) months, the entire loans are classified as “Sub-standard”.
■ Doubtful- if the amount of past due installment is equal to or more than the amount of installment(s) due within 06 (six) months, the entire loans are classified as “Doubtful”.
■ Bad/Loss- if the amount of past due installment is equal to or more than the amount of installment(s) due within 09 (nine) months, the entire loans are classified as “Bad/Loss”.

Short-term Agricultural and Micro Credit will be considered irregular if it is not repaid within the due date as stipulated in the loans agreement are classified as under:
■ Sub-standard- if the irregular status continues after a period of 12 (twelve) months, the credits are classified as “Sub-standard”.
■ Doubtful- if the irregular status continue after a period of 36 (thirty six) months, the credits are classified as “Doubtful”.
■ Bad/Loss- if the irregular status continue after a period of 60 (sixty) months, the credits are classified as “Bad/Loss”.

A Continuous loan, Demand loan or a Term Loan which remained overdue for a period of 02 (two) months or more, are treated as “Special Mention Account (SMA)”.
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<tr><td></td><td></td><td>ii) Description of approaches followed for specific and general allowances and statistical methods</td><td>
The Bank is required to maintain the following general and specific provision in respect of classified and unclassified loans and advances / investments on the basis of Bangladesh Bank guidelines issued from time to time:
<table>
<tr><th>Particulars</th><th>Rate</th></tr>
<tr><td>General provision on unclassified Small and Medium Enterprise (SME) financing.</td><td>0.25%</td></tr>
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Disclosures on Risk Based Capital (Basel-II)

			Particulars	**Rate**
			General provision on unclassified loans and advances/investments.	1%
			General provision on interest receivable on loans/ invest	1%
			General provision on off-balance sheet exposures (Provision has been made on the total exposure and amount of cash margin or value of eligible collateral were not deducted while computing off-balance sheet exposure).	1%
			General provision on unclassified loans and advances for housing finance, loans for professionals to set-up business under consumer financing scheme	2%
			General provision on the unclassified loans to Brokerage House, Merchant Banks, Stock Dealers, etc	2%
			General provision on unclassified amount for Consumer Financing	5%
			General provision on outstanding amount for Special Mention Account (SMA)	0.25% to 5%
			Specific provision on Sub-Standard loans and advances	20%
			Specific provision on Doubtful loans and advances	50%
			Specific provision on Bad /Loss loans and advances	100%
Quantitative Disclosure	b)	Total gross credit risk exposures broken down by major types of credit exposure	**Total Gross Credit Risk Exposures broken down by major types of credit exposure of the Bank:**	
			Particulars	**Figure in BDT crore**
			Loan (General)	29.52
			Cash Credit	0.00
			Overdraft	7.70
			Staff Loan	8.16
			TOTAL	**45.38**
	c)	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure	**Geographical distribution of exposures, broken down in significant areas by major types of credit exposure of the Bank:**	
			Particulars	**Figure in BDT crore**
			Urban:	
			Dhaka Division	42.03
			Sylhet Divsion	3.35
			TOTAL	**45.38**
	d)	Industry or counterparty type distribution of exposures, broken down by major types of Credit exposure.	**Industry or counterparty type distribution of exposures, broken down by major types of credit exposure of the Bank:**	
			Particulars	**Figure in BDT crore**
			Commercial and Trading	4.47
			Importer of Commodity	-
			Construction	-

			Edible Oil Refinery Industry	-
			Electronics Goods	-
			Individuals	14.49
			Pharmaceuticals Industries	10.02
			Readymade Garments Industry	-
			Ship Breaking Industry	-
			Industries for Steel Products	-
			Telecommunication Sector	-
			Textile Mills	-
			Power Sector	-
			Others	16.40
			TOTAL	**45.38**
	e)	Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	Residual contractual maturity break down of the whole portfolios, broken down by major types of credit exposure of the Bank:	
			Particulars	**Figure in BDT crore**
			Repayable on demand	-
			In more than one month but not	-
			more than three months	
			In more than three months but not	37.22
			more than one year	
			In more than one year but not more	8.16
			than five years	
			TOTAL	**45.38**
	f)	**By major industry or counterparty type:**		
		i) Amount of impaired loans and if available, past due loans, provided separately	**Nil**	
		ii) Specific and general provisions	**Nil**	
		iii) Charges for specific allowances and charge-offs during the period.	**Nil**	
	g)	**Gross Non-Performing Assets (NPAs).** **Non-Performing Assets (NPAs) to Outstanding loans and advances.**		
		Movement of Non-Performing Assets (NPAs).	**Nil**	
		Movement of Specific Provisions for (NPAs).	**Nil**	

Disclosures on Risk Based Capital (Basel-II)

5. Equities: Disclosures for Banking Book Positions

Qualitative disclosure	a)	The general qualitative disclosure requirement with respect to equity risk, including:	
		Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and	Investment in equity securities are broadly categorised into two parts: i) Quoted Securities (Common or Preference Shares & Mutual Fund) that are traded in the secondary market (Trading Book Assets). ii) Unquoted securities are categorized as banking book equity exposures which are further sub-divided into two groups: unquoted securities which are invested without any expectation that these will be quoted in near future i.e. held for maturity (HFM), and securities those are acquired under private placement or IPO and are going to be traded in the secondary market after completing required formalities. Unquoted securities are valued at cost.
		Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and Practices affecting valuation as well as significant changes in these practices.	The primary aim is to investment in these equity securities for the purpose of capital gain by selling them in future or held for dividend income. Dividends received from these equity securities are accounted for as and when received. Both Quoted and Un-Quoted equity securities are valued at cost and necessary provisions are maintained if the prices fall below the cost price. As per Bangladesh Bank guidelines, the HFT equity securities are revalued once in each week using marking to market concept and HTM equity securities are amortized once a year according to Bangladesh Bank guideline. The HTM equity securities are also revalued if any, are reclassified to HFT category with the approval of Board of Directors.
Quantitative disclosures	b)	Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	**Nil**
	c)	The cumulative realised gains (losses) arising from sales and liquidations in the reporting period.	**Nil**

	d)	• Total unrealised gains (losses) • Total latent revaluation gains (losses) • Any amounts of the above included in Tier-2 capital.	**Nil**
	e)	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements	**Nil**

6. Interest Rate Risk in the Banking Book

Qualitative disclosures	a)	The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of Non-maturity deposits and frequency of IRRBB measurement.	Interest rate risk is the risk where changes in market interest rates might adversely affect a bank's financial condition. Changes in interest rates affect both the current earnings (earnings perspective) as well as the net worth of the bank (economic value perspective). Re-pricing risk is often the most apparent source of interest rate risk for a bank and is often gauged by comparing the volume of a bank's assets that mature or re-price within a given time period with the volume of liabilities that do so. The short term impact of changes in interest rates is on the bank's Net Interest Income (NII). In a longer term, changes in interest rates impact the cash flows on the assets, liabilities and off-balance sheet items, giving rise to a risk to the net worth of the bank arising out of all re-pricing mismatches and other interest rate sensitive position.			
Quantitative disclosures	b)	The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).			**Fig. in Crore**	
			Total Risk Sensitive Asset		517.36	
			Total Risk Sensitive Liabilities		182.69	
			Cumulative Gap			
			< 3 month		295.37	
			3-6 month		324.67	
			6-12 month		334.67	
			CAR before shock (%)		196.3	
			Assumed Change in Interest Rate	1.00%	2.00%	3.00%
			Capital After Shock (in BDT Crore)	404.93	408.27	411.62
			CAR After Shock (%)	198.17	199.81	201.45

Disclosures on Risk Based Capital (Basel-II)

6. Interest Rate Risk in the Banking Book

Qualitative disclosures	a)	i) Views of Board of Directors (BOD) on trading/investment activities.	Market risk is the possibility of losses of assets in balance sheet and off-balance sheet positions arising out of volatility in market variables i.e. interest rate, exchange rate and price. Allocation of capital is required in respect of the exposure to risks deriving from changes in interest rate and equity prices in the bank's trading book, in respect of exposure to risks deriving from changes in foreign exchange rates and commodity price in the overall banking activity. The total capital requirement for banks against their market risk shall be the sum of capital charge against: i. Interest rate risk ii. Equity position risk iii. Foreign exchange (including gold) position risk throughout the bank's balance sheet iv. Commodity risk.

		ii) Methods used to measure Market risk	Measurement Methodology:
			As banks in Bangladesh are now in a stage of developing risk management models, Bangladesh Bank suggested the banks for using Standardized Approach for credit risk capital requirement for banking book and Standardized (rule based) Approach for market risk capital charge in their trading book.
			Maturity Method has been prescribed by Bangladesh Bank in determining capital against market risk. In the maturity method, long or short positions in debt securities and other sources of interest rate exposures, including derivative instruments, are slotted into a maturity ladder comprising 13 time-bands (or 15 time-bands in case of low coupon instruments). Fixed-rate instruments are allocated according to the residual term to maturity and floating-rate instruments according to the residual term to the next repricing date.
			In Standardised (rule based) Approach the capital requirement for various market risks (interest rate risk, price, and foreign exchange risk) are determined separately. The total capital requirement in respect of market risk is the sum of capital requirement calculated for each of these market risk sub-categories. e.g.:
			a) Capital Charge for Interest Rate Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk;
			b) Capital Charge for Equity Position Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk;
			c) Capital Charge for Foreign Exchange Risk = Capital Charge for General Market Risk;
			d) Capital Charge for Commodity Position Risk = Capital charge for general market risk.

		iii) Market Risk Management system	Treasury Division manages the market risk and ALCO monitors the activities of treasury Division in managing such risk.

		iv) Policies and processes for mitigating market risk.	To mitigate the several market risks the bank formed Asset Liability Management Committee (ALCO) who monitors the Treasury Division's activities to minimize the market risk. ALCO is primarily responsible for establishing the market risk management and asset liability management of the Bank, procedures thereof, implementing core risk management framework issued by the regulator, best risk management practices followed globally and ensuring that internal parameters, procedures, practices/polices and risk management prudential limits are adhered to. The Treasury Division are taking following measures to minimize the several market risks: i) Foreign exchange risk management: it is the risk that the bank may suffer losses as a result of adverse exchange rate movement during a period in which it has an open position in an individual foreign currency. This risk is measured and monitored by the Treasury Division. To evaluate the extent of foreign exchange risk, a liquidity Gap report is prepared for each currency. ii) Equity Risk: Equity risk is defined as losses due to changes in market price of the equity held. To measure and identify the risk, mark-to-market valuation to the share investment portfolios are done. Mark-to-market valuation is done against a predetermined limit. At the time of investment, following factors are taken into consideration: a) Security of Investment b) Fundamentals of securities c) Liquidity of securities d) Reliability of securities e) Capital appreciation f) Risk factors and g) Implication of taxes etc.
Quantitative disclosures	b)	**Capital requirement for:**	**Figures in BDT crore**
		Interest rate related instruments	0.01
		Equities	0.00
		Foreign Exchange position	0.03
		Commodity Risk	0.00
		TOTAL	**0.04**

8. Operational Risk:

Qualitative disclosures	a)	i) Views of BOD on system to reduce Operational Risk	Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputation risk. It is inherent in every business organization and covers a wide spectrum of issues. The Board of Director (BOD) of the Bank and its Management firmly believe that this risk through a control based environment in which processes are documented, authorizations are independent and transactions are reconciled and monitored. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risk events, which ensure that the Bank stays in line with industry best practices and takes account or lessons learned from publicized operational failures within the financial services industry.

Disclosures on Risk Based Capital (Basel-II)

		ii) Potential external events	Risk factors/Potential external events: It is needless to say that there are certain risk factors which are external in nature and can affect the business of the Bank. The factors discussed below can significantly affect the business: • General business and political condition NRB Banks performance greatly depends on the general economic conditions of the country. Political stability is must for growth in business activities. • Changes in credit quality of borrowers Risk of deterioration of credit quality of borrowers is inherent in banking business. This could result due to global economic crisis and supply side distortion. The changes in the import prices affected the commodity sectors and ship breaking industry. Deterioration in credit quality requires provisioning.
		iii) Approach for calculating capital charge for operational risk	The Banks operating in Bangladesh shall compute the capital requirements for operational risk under the Basic Indicator Approach (BIA). Under BIA, the capital charge for operational risk is a fixed percentage, denoted by α (alpha) of average positive annual gross income of the bank over the past three years. Figures for any year in which annual gross income is negative or zero, should be excluded from both the numerator and denominator when calculating the average. The capital charge may be expressed as follows: K = [(GI 1 + GI2 + GI3) α]/n Where- K = the capital charge under the Basic Indicator Approach GI = only positive annual gross income over the previous three years (i.e., negative or zero gross income if any shall be excluded) α = 15 percent n = number of the previous three years for which gross income is positive. Gross income: Gross Income (GI) is defined as "Net Interest Income" plus "Net non-Interest Income". It is intended that this measure should: i) be gross of any provisions; ii) be gross of operating expenses, including fees paid to outsourcing service providers; iii) exclude realised profits/losses from the sale of securities held to maturity in the banking book; iv) exclude extraordinary or irregular items; v) exclude income derived from insurance.
Quantitative disclosures	b)	**The Capital Requirement for Operational Risk**	*Figure in BDT crore* **2.56**

PRODUCTS & SERVICES

POWER SAVERS

DOUBLE
TRIPLE
My Double/Triple Benefit

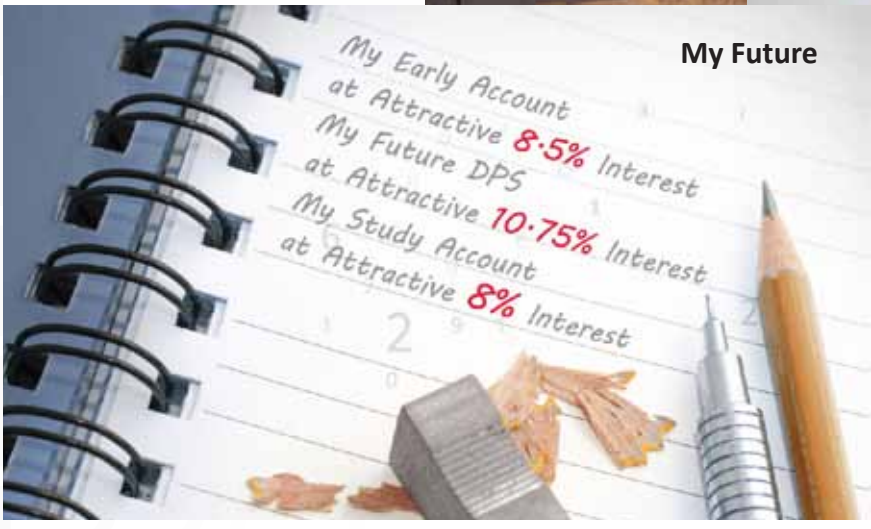
TRAVEL
WEDDING
FESTIVAL
INTERIOR
FURNITURE
My Loan

TWO WAY POWER
fx-991ES
NATURAL DISPLAY
MODE SETUP
ON
Current Account

Quick Cash

Savers

My Salary


My Future
My Early Account
at Attractive 8·5% Interest
My Future DPS
at Attractive 10·75% Interest
My Study Account
at Attractive 8% Interest

My DPS

Products & Services

RETAIL BANKING

Current Account: Easy access account to complete bulk and frequent transactions

Savers: Interest bearing taka account for the Bangladeshi citizens, interest is calculated on monthly minimum balance and paid half yearly

Power Savers: Daily interest bearing savings account for Bangladeshi citizens, interest calculated on daily balance, minimum balance requirement BDT 50,000.

Term Deposit: Term Deposits of different tenure & amount for the convenience of the customers.

Monthly Benefit Scheme: Term deposit product that offers monthly return on depositors fixed deposit amount over a certain period.

My DPS: Monthly savings plan of any multiple of BDT 500 with tenure options of 3, 5, 7 & 10 years.

Secures DPS: Monthly recurring savings scheme with full maturity value insured in case of customer's death.

My Double Benefit Scheme: Term deposit product that will get doubled of the initial deposit amount after a certain period.

My Triple Benefit Scheme: Term deposit product that will get tripled of the initial deposit amount after a certain period.

NRB BANKING PROPOSITION - MY BANGLADESH

To manage the expectations of the NRBs and to facilitate the NRB inward investment to Bangladesh
My Bangladesh offers three different products:

NRB My Savings: A daily interest bearing Taka savings account for non-resident Bangladeshis.

NRB FCY: A Foreign Currency Current Account featuring variety of currency – USD/ GBP/ EURO

NRB Rising: A Foreign Currency Fixed Deposit Account with choice of tenure.

STUDENT BANKING PROPOSITION - MY FUTURE

A rewarding and convenient, the student banking proposition for students up to age of 26 years. The proposition consists of three major products:

My Early Account: Savings account with flexible operating features for children aged from 6 years up to 18 years.

My Future DPS: Monthly recurrent savings plan for minors.

My Study Account: An especially designed daily interest bearing savings account for students aged from 18 years to 26 years.

Products & Services

PAYROLL BANKING PROPOSITION – MY SALARY

A convenient payroll management solution with host of custom-made products & propositions for corporates to manage their salary. The proposition offers wide range of benefits ranging from waivers and discount on different fees to privilege services.

My Salary Account: A daily interest bearing savings account for the payroll customers with ample other benefits.

RETAIL LOAN PRODUCTS

My Loan: An unsecured any purpose loan with EMI facility.

Quick Cash: An overdraft facility for resident and non-resident Bangladeshis against FD's and securities with flexible repayment options.

Quick Loan: An overdraft facility for resident and non-resident Bangladeshis against FD's and securities with EMI based repayment options.

CARD PRODUCT

ATM/Debit card tied with Q-cash network.

OTHER SERVICES

LOCKER SERVICES: A security service offered to the customers to safe-guard their valuables under Bank's custody. Locker Service is available at all the branches of NRB Bank.

ALLIANCE SERVICE: NRB bank has tied up with more than 20 entities as the alliance partner to provide privilege services to the customers. The strategic partnership ranges from renowned retailers and healthcare providers to lodging and restaurant brands of the country.

CORPORATE BANKING

Accounts and Services

Business Transaction Account: As your business grows you need your banking to grow with you. For the ease of your business we are here to serve you with smooth and easy business focus transaction accounts.

Special Notice Deposit (SND): The more you save, the more you get! This is an interest bearing account that gives you flexibility to withdraw upon your business requirement. Just let us know your need in advance and we are ready to serve you the best.

Cash Management Service: Countrywide collections and payments services in the forms of utility bills, payments, different fees etc. to best manage your cash operations. NRB Cash Management also offers online inter-banking fund transfer through NRB Internet Banking.

Term Deposits: NRB Term Deposits with auto-renewal facility can give you the best return of your money. Choose a tenure that best suits your business needs and enjoy a wide range of facilities from us.

Products & Services

Payroll Banking: NRB Payroll service just makes your payroll management easy. Its self-service features include direct deposit to employee accounts.

Loans & Finance

Working Capital Financing
Cash Advance Facility
Business Overdraft
Term Loans & Project Financing

Trade Finance & Bank Guarantees

Trade Financing
Export Services
Bank Guarantees

TREASURY PRODUCTS

Money Market
Call Money
Term Money

Fixed Income and Investment
Treasury Bill/Bonds

AUDITORS' REPORT
&
FINANCIAL STATEMENTS 2013

Independent Auditors' Report
to the Shareholders of NRB Bank Limited

Howladar Yunus & Co.
Correspondent Firm of
Grant Thornton International Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of NRB Bank Limited ("the Bank"), which comprise the balance sheet as at December 31, 2013 and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

Management of NRB Bank Limited is responsible for the preparation of financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note 2.0 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Companies Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at December 31, 2013 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.0.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Bank Companies Act 1991 and the rules and regulations issued by Bangladesh Bank, we also report the following:

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

(b) 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:

  i) internal audit, internal control and risk management arrangements of the Bank [as disclosed in note 2.26 of the financial statements] appeared to be materially adequate;

  ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities [other than matters disclosed in these financial statements]

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

(d) the balance sheet and the profit and loss account dealt with by the report are in agreement with the books of account;

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

(f) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;

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

(h) the information and explanation required by us have been received and found satisfactory; and

(i) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 850 person hours for the audit of the books and accounts of the Bank.

Howladar Yunus & Co.
Chartered Accountants
Dated: Dhaka, March 09, 2014

Balance Sheet
as at 31 December 2013

Howladar Yunus & Co.
Correspondent Firm of
Grant Thornton International Ltd.

	Notes	Amount in Taka 2013
PROPERTY AND ASSETS		
Cash	3	
Cash in hand (including foreign currencies)		22,399,216
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		179,531,247
		201,930,463
Balance with other banks and financial institutions	4	
In Bangladesh		4,807,308,106
Outside Bangladesh		2,972,099
		4,810,280,205
Money at call and short notice	5	-
Investments	6	
Government		93,181,446
Others		-
		93,181,446
Loans and advances	7	
Loans, cash credit, overdrafts etc.		453,813,988
Bills purchased and discounted		-
		453,813,988
Fixed assets including premises, furniture and fixtures	8	127,949,982
Other assets	9	278,808,107
Non - banking assets		-
Total assets		**5,965,964,191**
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	10	-
Deposits and other accounts	11	
Current accounts and other accounts		39,241,541
Bills payable		16,572,929
Savings bank deposits		201,388,581
Fixed deposits		1,627,585,615
Bearer certificates of deposit		-
Other Deposits		-
		1,884,788,666
Other liabilities	12	70,354,831
Total liabilities		**1,955,143,497**
Capital/shareholders' equity		
Paid up capital	13.2	4,000,000,000
Statutory reserve	14	5,465,396
Reserve for amortisation of treasury securities (HTM)	15.1	315,406
Reserve for revaluation of treasury securities (HFT)	15.2	40,862
Surplus in profit and loss account \ Retained earnings	16	4,999,030
Total shareholders' equity		**4,010,820,694**
Total liabilities and shareholders' equity		**5,965,964,191**

Balance Sheet
as at 31 December 2013

OFF-BALANCE SHEET ITEMS	Notes	Amount in Taka 2013
Contingent liabilities	17	
Letters of guarantees		212,500
Acceptances and endorsements		-
Irrevocable letters of credit		-
Bills for collection		-
Other contingent liabilities		-
Total contingent liabilities		**212,500**
Other commitments		
Documentary credits and short term trade-related transactions		-
Forward assets purchased and forward deposits placed		-
Undrawn note issuance and revolving underwriting facilities		-
Undrawn formal standby facilities, credit lines and other commitments		-
Liabilities against forward purchase and sale		-
		-
Total Off-Balance Sheet items including contingent liabilities		-
		212,500

The annexed notes 1 to 42 form an integral part of these financial statements.

Chairman	Director	Director	Managing Director & CEO

Signed as per our annex report of same date

Dhaka, March 9, 2014

Howladar Yunus & Co.
Chartered Accountants

Profit and Loss Account
for the year ended 31 December 2013

Howladar Yunus & Co.
Correspondent Firm of
Grant Thornton International Ltd.

	Notes	Amount in Taka 2013
Interest income	19	228,413,880
Interest paid on deposits and borrowings etc.	20	(58,402,153)
Net interest income		170,011,727
Income from investments	21	359,041
Commission, exchange and brokerage	22	313,747
Other operating income	23	25,391
		698,179
Total operating income (A)		170,709,906
Salaries and allowances	24	53,105,205
Rent, taxes, insurance, electricity etc.	25	41,160,007
Legal and professional expenses	26	1,216,600
Postage, stamp, telecommunication etc.	27	3,827,618
Stationery, printing, advertisements etc.	28	11,751,590
Managing Director's salary and fees	29	3,931,272
Directors' fees and expenses	30	816,057
Auditors' fees	31	301,250
Depreciation and repair of bank's assets	32	6,799,588
Other expenses	33	17,085,143
Total operating expenses (B)		139,994,330
Profit before provision (C=A-B)		30,715,576
Provision for loans and advances		
General provision		3,386,469
Specific provision		-
		3,386,469
Provision for off-balance sheet items		2,125
Provision for diminution in value of investments		-
Other provisions		-
Total provision (D)	34	3,388,594
Total profit before tax (C-D)		27,326,982
Provision for current tax	12.4	10,024,730
Deferred tax expense	12.5	6,837,826
		16,862,556
Net profit after tax		10,464,426
Appropriations		
Statutory reserve	14	5,465,396
General reserve		-
		5,465,396
Retained surplus	16	4,999,030
Earnings per share (EPS)	37	0.03

The annexed notes 1 to 42 form an integral part of these financial statements.

Chairman | Director | Director | Managing Director & CEO

Signed as per our annex report of same date

Dhaka, March 9, 2014

Howladar Yunus & Co.
Chartered Accountants

Cash Flow Statement

for the year ended 31 December 2013

	Notes	Amount in Taka 2013
A) Cash flows from operating activities		
Interest receipts in cash		216,259,924
Interest paid		(38,080,685)
Fees and commission received		313,747
Cash paid to employees		(57,036,477)
Cash payment to suppliers		(159,947,633)
Income tax paid		(21,479,838)
Receipts from other operating activities	35	25,391
Payments for other operating activities	36	(76,883,343)
Cash generated from operating activities before changes in operating assets and liabilities		(136,828,915)
Increase/(decrease) in operating assets and liabilities:		
Loans and advances to customers		(453,813,988)
Other assets		(118,860,474)
Deposits from customers		1,884,788,666
Other liabilities		64,131,317
		1,376,245,521
Net cash generated from operating activities		1,239,416,606
B) Cash flows from investing activities		
(Purchase)/sale of trading securities		(93,163,946)
Purchase of property and equipment		(134,024,492)
Net cash used in investing activities		(227,188,438)
C) Cash flows from financing activities		
Receipts from issue of ordinary shares		4,000,000,000
Net Cash flows from financing activities		4,000,000,000
D) Net increase in cash and cash equivalents (A+ B + C)		5,012,228,168
E) Effects of exchange rate changes on cash and cash equivalents		-
F) Cash and cash equivalents at beginning of the year		-
G) Cash and cash equivalents at end of the year (D+E+F)		5,012,228,168
Cash and cash equivalents at end of the year represents		
Cash in hand (including foreign currencies)		22,399,216
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		179,531,247
Balance with other banks and financial institutions		4,810,280,205
Prize bond		17,500
		5,012,228,168

The annexed notes 1 to 42 form an integral part of these financial statements.

Chairman	Director	Director	Managing Director & CEO

Dhaka, March 9, 2014

Statement of Changes in Equity

for the year ended 31 December 2013

Particulars	Paid up capital	Statutory reserve	Share premium	Reserve for amortisation of treasury securities (HTM)	Reserve for revaluation of treasury securities (HFT)	Retained earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1 January 2013	-	-	-	-	-	-	-
Issuance of share capital	4,000,000,000						4,000,000,000
Statutory reserve		5,465,396					5,465,396
Reserve for amortisation of HTM securities				315,406			315,406
Reserve for revaluation of HFT securities					40,862		40,862
Net profit for the year						4,999,030	4,999,030
Balance as at 31 December 2013	4,000,000,000	5,465,396	-	315,406	40,862	4,999,030	4,010,820,694

The annexed notes 1 to 42 form an integral part of these financial statements.

Chairman | Director | Director | Managing Director & CEO

Liquidity Statement

(Analysis of Maturity of Assets and Liabilities)

as at 31 December 2013

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Assets:						
Cash in hand (including balance with Bangladesh Bank and its agent Bank)	201,930,463	-	-	-	-	201,930,463
Balance with other banks and financial institutions	4,310,280,205	100,000,000	400,000,000	-	-	4,810,280,205
Money at call and on short notice	-	-	-	-	-	-
Investments	17,500	83,994,319	9,169,627	-	-	93,181,446
Loans and advances	-	-	372,204,608	-	81,609,380	453,813,988
Fixed assets including premises, furniture and fixtures				89,227,607	38,722,375	127,949,982
Other assets	16,434,116	13,086,687	46,355,619	202,931,685		278,808,107
Non banking assets	-	-	-	-	-	-
Total assets (A)	4,528,662,284	197,081,006	827,729,854	292,159,292	120,331,755	5,965,964,191
Liabilities:						
Borrowings from other banks, financial institutions and agents	-	-	-	-	-	-
Deposits	254,023,630	1,227,063,495	403,489,041	212,500	-	1,884,788,666
Provision and other liabilities	26,349,816	11,469,320	12,272,468	20,263,227	-	70,354,831
Total liabilities (B)	280,373,446	1,238,532,815	415,761,509	20,475,727	-	1,955,143,497
Net liquidity gap (A - B)	4,248,288,838	(1,041,451,809)	411,968,345	271,683,565	120,331,755	4,010,820,694

Notes to the Financial Statements

as at and for the year ended 31 December 2013

1. The Bank and its activities

1.1 Reporting entity

The NRB Bank Limited ("the Bank") is a private commercial bank (PCB), incorporated as a public limited company in Bangladesh on March 19, 2013 under the Companies Act, 1994. It started its banking businesses from August 04, 2013 under the license issued by Bangladesh Bank. Presently the bank has 6 branches, 7 ATM booths and 1019 shared ATM booths all over Bangladesh . The Bank had no overseas branches as at 31 December 2013.

The registered office of the Bank is located at Richmond Concord (7th Floor), 68 Gulshan Avenue, Gulshan Circle-01, Dhaka-1212.

1.2 Principal activities

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

2. Significant accounting policies and basis of preparation of financial statements

2.1 Statement of compliance

The financial statements of the Bank as at and for the year ended 31 December 2013 have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and the requirements of the Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994 and the Securities and Exchange Rules 1987. In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS, the requirements of the the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail.

i) Investment in shares and securities

BFRS: As per requirements of BAS 39 investment in shares and securities generally falls either under “at fair value through profit and loss account” or under “available for sale” where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

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

ii) Revaluation gains/losses on Government securities

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

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

iii) Provision on loans and advances

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

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

iv) Recognition of interest in suspense

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

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

v) Other comprehensive income

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

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

vi) Financial instruments – presentation and disclosure

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

vii) Financial guarantees

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

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

viii) Cash and cash equivalent

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

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

ix) Cash flow statement

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

Bangladesh Bank: As per BRPD 14, cash flow is the mixture of direct and indirect methods.

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

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

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

xi) Off-balance sheet items

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

Bangladesh Bank: As per BRPD 14, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

xii) Loans and advances net of provision

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

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

2.2 Basis of measurement

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

- "Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using marking to market concept with gain credited to revaluation reserve but loss charged to Profit and Loss Account."

- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortisation concept.

2.3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (BDT), which is the Bank's functional and presentation currency. All financial information presented in Taka has been rounded off to the nearest Taka except when otherwise indicated.

2.4 Use of estimates and judgments

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

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

2.5 Cash flow statement

Cash flow statement has been prepared in accordance with the Bangladesh Financial Reporting Standard-7 " Cash Flow Statement" under direct method as recommended in the BRPD Circular No. 14, dated June 25 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

2.6 Liquidity statement

The liquidity statement has been prepared in accordance with remaining maturity grouping of Assets and Liabilities as at the close of the year as per following bases:

i) Balance with other banks and financial institutions, money at call and short notice etc. on the basis of their maturity term.
ii) Investments on the basis of their residual maturity term.
iii) Loans and advances on the basis of their repayment/maturity schedule.
iv) Fixed assets on the basis of their useful lives.
v) Other assets on the basis of their adjustment.
vi) Borrowings from other banks and financial institutions, as per their maturity/repayment term.
vii) Deposits and other accounts on the basis of their maturity and behavioral trend.
viii) Other long term liability on the basis of their maturity term.
ix) Provisions and other liabilities are on the basis of their payment/adjustments schedule.

2.7 Reporting period

These financial statements cover one calendar year from 1 January to 31 December 2013.

2.8 Foreign currency transactions

Transactions in foreign currencies are translated into respective functional currencies at the standard mid rate of exchange ruling at the date of transactions as per BAS 21 "The Effects of changes in Foreign Exchange Rates". Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currencies at the standard mid rate of exchange prevailing on that date. Foreign exchange differences (rates at which transactions were initially recorded and the rate prevailing on the reporting date/date of settlements) of the Bank's monetary items are recorded in the Profit and Loss Account.

2.9 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and ATM, unrestricted balances with Bangladesh Bank and its agent bank, balances with other banks and financial institutions, money at call and on short notice and prize bond.

2.10 Investments

All investment securities are initially recognised at cost, being fair value of the consideration given, including acquisition charges associated with the investment. The valuation method of investments used are:

Held to Maturity (HTM)

Investments which are intended to be held to maturity are classified as "Held to Maturity". These are measured at amortized cost at each year end by taking into account any discount or premium in acquisition. Any increase or decrease in value of such investments is booked to equity.

Held for Trading (HFT)

Investment primarily held for selling or trading is classified in this category. After initial recognition, investments are marked to market weekly and any decrease in the present value is recognised in the profit and loss account and any increase is booked to Revaluation Reserve Account through Profit and Loss Account as per Bangladesh Bank DOS Circular No. 05, dated 28 January 2009.

Investments are stated as per following bases:

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Govt. T-bills (HFT)	Cost	Fair Value	Loss to P & L, gain to Revaluation Reserve through P & L
Govt. T-bills (HTM)	Cost	Amortized cost	Increase or decrease in value to equity
Prize bond	Cost	Cost	None

2.11 Loans and advances

Loans and advances are stated at gross amount. General provisions on unclassified loans and contingent assets, specific provisions for classified loans and interest suspense account thereon are shown under other liabilities. Provision against classified loans and advances is made on the basis of quarter end review by the management

and instructions contained in BRPD Circular no. 14, dated 23 September 2012 and BRPD Circular no. 19 dated 27 December 2012.

Heads	Rates
General provision on:	
Unclassified (including SMA) general loans and advances	1%
Unclassified (including SMA) small and medium enterprise	0.25%
Unclassified (including SMA) loans for BHs/MBs/SDs against Shares etc.	2%
Unclassified (including SMA) loans for housing finance and on loans for professionals	2%
Unclassified (including SMA) consumer financing other than housing financing and loans for professionals	5%
Short term agri credit and micro credit	5%
Contingent assets	1%
Specific provision on:	
Substandard loans and advances other than short term agri credit and micro credit	20.00%
Doubtful loans and advances other than short term agri credit and micro credit	50.00%
Bad/loss loans and advances	100.00%
Substandard short term agri credit and micro credit	5.00%
Doubtful short term agri credit and micro credit	5.00%

2.12 Property, plant and equipment

2.12.1 Recognition and measurement

All fixed assets are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

2.12.2 Subsequent costs

The Bank recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred.

2.12.3 Depreciation

Depreciation is charged at the following rates on all fixed assets on the basis of estimated useful lives as determined by fixed asset policy of the Bank. In all cases depreciation is calculated on the straight line method. Depreciation of the assets is charged from the date of acquisition and intended to use and no depreciation is charged from the date when the assets are disposed.

Category of fixed assets	Rate of depreciation
Furniture and fixture	10% to 20%
Machinery and Equipment	20%
Computer and Network Equipment	20%
Vehicle	20%
Software	12.5%

2.13 Other assets

Other assets include all other financial assets and include fees and other unrealised income receivable, advance for operating and capital expenditure, pre-operating expense and stocks of stationery and stamps.

2.14 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents include interest-bearing borrowings.

2.15 Deposits and other accounts

Deposits and other accounts include non interest-bearing current deposit redeemable at call, interest bearing on demand and short-term deposits, savings deposit and fixed deposit.

2.16 Other liabilities

Other liabilities comprise item such as provision for loans and advances, provision for taxes, interest payable on deposit and borrowing and accrued expenses

2.17 Contingent liabilities

Any possible obligation that arises form 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.

Any present obligation that arises from past events but is not recognised because:

* it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

* the amount of the obligation cannot be measured with sufficient reliability.

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

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

2.18 Offsetting

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

2.19 Revenue recognition

Interest income

Interest on unclassified loans and advances have been accounted for as income on effective interest basis, interest on classified loans and advances have been credited to interest suspense account with actual receipt of interest there from credited to income as and when received as per instruction contained in BRPD Circular No. 14 dated 23 September 2012 & BRPD Circular No. 19 dated 27 December 2012 of Bangladesh Bank.

Investment income

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

Fees and commission income

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

Interest paid on borrowings and deposits

Interest paid on Borrowings and Deposits are calculated on 360 days in a year and recognised on accrual basis.

2.20 Provision and accrued expenses

In compliance with BAS 37, provisions and accrued expenses are recognised in the financial statements when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.21 Provision for nostro accounts

The Bank maintains provision for nostro accounts in accordance with the guideline of Foreign Exchange Policy Department of Bangladesh Bank, FEPD Circular No. FEPD (FEMO) / 01/2005-677 dated 13 September 2005.

2.22 Provision for off-balance sheet exposures

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

2.23 Taxation

Income tax expenses comprises current and deferred tax. Current and Deferred tax expenses is recognised in profit or loss account.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Provision for current income tax has been made @ 42.5% as prescribed in the Finance Act, 2013 on the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance 1984.

Deferred tax

Deferred tax is calculated on taxable/deductable temporary differences between tax base amount and carrying amount of assets and liabilities as required by BAS 12 "Income taxes" and BRPD Circular no.11 dated 12 December 2012.

2.24 Earnings Per Share

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

2.25 Reconciliation of books and account

Books of accounts in regard to inter-bank (in Bangladesh and outside Bangladesh) as well as inter-branches are reconciled at regular intervals to keep the unreconcile balances within non material level.

2.26 Risk management

The risk is defined as the possibility of losses, financial or otherwise. The risk management of the Bank covers core risk areas of banking viz. credit risk, foreign exchange risk , asset liability risk, money laundering risk, information and communication technology security risk, Internal control & compliance risk. The prime objective of the risk management is that the Bank evaluates and takes well calculative business risks and thereby safeguards the Bank's capital, its financial resources and profitability from various business risks through its own measures and through implementing Bangladesh Bank's guidelines and following some of the best practices as under:

2.26.1 Credit risk Management

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

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

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

In determining Single borrower/Large loan limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted at periodical intervals to ensure compliance of Bank's and Regulatory polices. Loans are classified as per Bangladesh Bank's guidelines.

2.26.2 Foreign exchange risk management

Foreign exchange risk is defined as the potential change in earnings due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements.

Treasury Department independently conducts the transactions and the back office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to-Market rate as determined by Bangladesh Bank at the month-end. All Nostro accounts are reconciled on a monthly basis and outstanding entry beyond 30 days is reviewed by the management for its settlement.

2.26.3 Asset liability Management

The Asset Liability Committee (ALCO) of the Bank monitors market risk and liquidity risk of the Bank. The market risk is defined as potential change in earnings due to change in rate of interest, foreign exchange rates which are not of trading nature. Asset Liability Committee (ALCO) reviews liquidity requirement of the Bank, the maturity of assets and liabilities, deposit and lending, pricing strategy and the liquidity contengency plan. The Primary objective of the ALCO is to monitor and avert significant volatility in Net Interest Income, return on assets, investment value and exchange earnings. The ALCO also monitors the Capital Adequacy Ratio on monthly/quarterly basis.

2.26.4 Money laundering risk management

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

2.26.5 Information and communication technology security risk management

Transformation of business process in response to technology driven customers'' needs and services has brought in tremendous change in information technology platform in the Bank. The Bank has adopted measures to protect the information and communication platform from unauthorized access, modification, virus, disclosure and destruction in order to ensure business continuity, data safety and security thereby protecting customers' interest at large.

2.26.6 Internal control & compliance management

Internal Control is the process, effected by a company's Board of Directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws, regulations and internal policies. Internal Controls are the policies and procedures established and implemented alone, or in concert with other policies or procedures, to manage and control a particular risk or business activity or combination of risks and business activities to which the company is exposed or in which it is engaged.

NRB Bank Limited has established an effective internal control environment through the Board of Directors, Management, organizational and procedural controls and an independent mechanism in order to ensure that the Bank is managed and controlled in sound and prudent manner right after its launching of business operations on August 4, 2013. The bank has taken all possible measures to identify its weakness through internal control system and to overcome the weaknesses.

The board of Directors of the Bank has established an Audit Committee to monitor the effectiveness of internal control system of the Bank. The Audit Committee meets the senior management periodically to discuss the effectiveness of internal control system of the bank and ensure that the management has taken appropriate actions as per the recommendations of the auditors and the Internal Control and Compliance Department (ICCD).

As per the approved audit plan 3 numbers of branches and 9 departments were brought under the audit & inspection tasks in 2013 and the ICCD could afford to complete the audit and inspection tasks as per its audit plan for the year.

The MANCOM of the Bank reviews on a yearly basis the overall effectiveness of the control system of the organization and provide feedback on a yearly basis to the Board of directors on the effectiveness of internal control policy, practice and procedure. Internal Control team conducts comprehensive internal audit of the internal control system of the Bank. The significant deficiencies identified by the Internal Control team are reported to the Audit Committee of the Board.

2.27 Compliance of Bangladesh Accounting standard (BAS) and Bangladesh Financial Reporting Standard (BFRS)

Name of the standards	Ref.	Status
Presentation of Financial Statements	BAS-1	Applied
Inventories	BAS-2	Not Applicable
Statements of cash flows	BAS-7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	BAS-8	Applied
Events after the reporting period	BAS-10	Applied
Construction Contracts	BAS-11	Not Applicable
Income Taxes	BAS-12	Applied
Property, Plant and Equipment	BAS-16	Applied
Leases	BAS-17	Applied
Revenue	BAS-18	Applied
Accounting for Government Grants and Disclosure of Government Assistance	BAS-20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	BAS-21	Applied
Borrowing Costs	BAS-23	Applied
Related Party Disclosures	BAS-24	Applied
Accounting and reporting by retirement benefit plans	BAS-26	Not Applicable
Consolidated and Separate Financial Statements	BAS-27	Not Applicable
Investments in Associates	BAS-28	Not Applicable
Interests in Joint Ventures	BAS-31	Not Applicable
Financial Instruments: Presentation	BAS-32	Applied
Earnings Per Share	BAS-33	Applied
Interim Financial Reporting	BAS-34	Applied
Impairments of Assets	BAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS-37	Applied
Intangible Assets	BAS-38	Applied
Financial Instruments: Recognition and Measurement	BAS-39	Applied
Investment property	BAS-40	Not Applicable
Agriculture	BAS-41	Not Applicable
First-time adoption of Bangladesh Financial Reporting Standards	BFRS-1	Not applicable
Share based Payment	BFRS-2	Not applicable
Business Combination	BFRS-3	Not applicable
Insurance Contracts	BFRS-4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	BFRS-5	Not applicable
Exploration for and Evaluation of Mineral Resources	BFRS-6	Not applicable
Financial Instruments: Disclosures	BFRS-7	Not applicable
Operating Segments	BFRS-8	Not applicable

2.28 Approval of financial statements

The financial statements were approved by the Board of Directors on March 9, 2014.

		Amount in Taka 2013
3	**Cash**	
3.1	**Cash in hand (including foreign currencies)**	
	Local currency	21,906,842
	Foreign currencies	492,374
		22,399,216
3.2	**Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)**	
	Local currency	177,426,408
	Foreign currencies	2,104,839
		179,531,247

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

Cash Reserve Requirement (CRR) and Statutory Liquidity Requirement (SLR) have been calculated and maintained in accordance with Section 33 of Bank Companies Act, 2013, Bangladesh Bank letter No – DOS (SR)1153/120-A/2013-213 and MPD circular no.04 and 05 dated 01 December 2010.

As per Bangladesh Bank letter No – DOS (SR)1153/120-A/2013-213, NRB Bank Limited maintained CRR of minimum 6% and SLR of minimum 19% on weekly basis on weekly average demand and time liabilities from 04 August 2013 to 30 October 2013 (i.e. CRR and SLR of August 3rd week was based on Thursday position of August 2nd week of 2013). From November 2013 NRB Bank have maintained CRR & SLR according to MPD circular nos.04 and 05 dated 01 December 2010. (i.e. CRR and SLR of December 2013 was based on average demand and time liabilities of October 30 2013).

3.3.1	**Cash Reserve Requirement (CRR)**	
	6% of required Average Demand and Time Liabilities:	
	Required reserve	72,671,482
	Actual reserve maintained	177,426,408
	Surplus	104,754,926
3.3.2	**Statutory Liquidity Ratio (SLR)**	
	19% of required average Demand and Time Liabilities including 6% CRR:	
	Required reserve (including CRR)	230,126,360
	Actual reserve maintained (including CRR)	292,514,695
	Surplus	62,388,335
3.3.3	**Actual reserve held**	
	Cash in hand	21,906,842
	Balance with Bangladesh Bank (local Currency)	177,426,408
	Unencumbered approved securities (HFT)	34,705,070
	Unencumbered approved securities (HTM)	58,458,875
	Unencumbered approved securities (other eligible)	17,500
		292,514,695

		Amount in Taka 2013
4	**Balance with other banks and financial institutions**	
	In Bangladesh	4,807,308,106
	Outside Bangladesh	2,972,099
		4,810,280,205
4.1	**In Bangladesh**	
	In Current Accounts with	
	Trust Bank Limited	2,040,400
		2,040,400
	In Short Term Deposit Accounts with	
	Eastern Bank Limited	1,054,646,470
	Eastern Bank Limited	12,925,174
	The City Bank Limited	3,237,312,216
	Standard Bank Limited	383,846
		4,305,267,706
	In Fixed Deposit Accounts with banks and NBFIs	
	With banks	-
	With financial institutions:	
	International Leasing & Financial Services Ltd.	50,000,000
	People's Leasing & Financial Services Ltd.	50,000,000
	Prime Finance & Investment Ltd.	100,000,000
	IIDFC Limited	150,000,000
	National Finance Limited	50,000,000
	MIDAS Financing Ltd.	50,000,000
	BD Finance Ltd.	50,000,000
		500,000,000
		4,807,308,106
4.2	**Outside Bangladesh**	
	Interest bearing:	2,545,600
	Habib American Bank, New York	2,545,600
	Non-interest bearing:	426,499
	United Bank of India	426,499
		2,972,099
4.3	**Maturity grouping of balance with other banks and financial institutions**	
	On demand	4,310,280,205
	In more than one month but not more than three months	100,000,000
	In more than three months but not more than one year	400,000,000
	In more than one year but not more than five years	-
	More than 5 years	-
		4,810,280,205
5	**Money at call and short notice**	-
		-
6	**Investments**	
	Government (Note 6.1)	93,181,446
	Others	-
		93,181,446

		Amount in Taka 2013
6.1	**Government**	
	Treasury bills (Note 6.1.1)	93,163,946
	Prize Bonds	17,500
		93,181,446
6.1.1	**Treasury bills**	
	91 days treasury bills	83,994,319
	182 days treasury bills	8,894,697
	364 days treasury bills	274,930
		93,163,946
6.2	**Investments classified as per Bangladesh Bank Circular:**	
	Held for trading (HFT)	34,705,070
	Held to maturity (HTM)	58,458,876
	Other securities	17,500
		93,181,446
6.3	**Maturity-wise grouping of investments**	
	On demand	17,500
	In more than one month but not more than three months	83,994,319
	In more than three months but not more than one year	9,169,627
	In more than one year but not more than five years	-
	In more than five years	-
		93,181,446
7	**Loans and advances**	
	Loans, cash credit, overdrafts etc. (Note 7.1)	453,813,988
	Bills purchased and discounted	-
		453,813,988
7.1	**Loans, cash credit, overdrafts etc.**	
	Inside Bangladesh	295,227,867
	Loans (General)	-
	Cash credit	76,976,741
	Overdraft	81,609,380
	Staff Loan	453,813,988
	Outside Bangladesh	-
		453,813,988
7.2	**Maturity-wise grouping of loans and advances**	
	On demand	-
	In more than one month but not more than three months	-
	In more than three months but not more than one year	372,204,608
	In more than one year but not more than five years	-
	In more than five years	81,609,380
		453,813,988

		Amount in Taka 2013
7.3	**Loans and advances on the basis of significant concentration**	
7.3.1	**Loans and advances to Directors, executives and others**	
	Advance to Directors and their allied concerns	-
	Advances to CEO & Managing Director	9,867,703
	Advances to other executives and staffs	71,741,677
	Advances to Customers	115,636,613
	Industrial Advances	256,567,995
		453,813,988
7.3.2	**Large Loan details (Loans and Advances allowed to each customer exceeding 10% of bank's total capital)**	
	Number of the clients	-
	Amount of outstanding loans and advances	-
	Amount of recovery	-
	Amount of classified loans and advances	-
		-
7.3.3	**Industry-wise concentration of loans and advances**	
	Commercial and Trading	44,743,580
	Importer of Commodity	-
	Construction	-
	Edible Oil Refinery Industry	-
	Electronics Goods	-
	Individuals	144,845,678
	Pharmaceuticals Industries	100,186,667
	Readymade Garments Industry	-
	Ship Breaking Industry	-
	Industries for Steel products	-
	Telecommunication Sector	-
	Textile Mills	-
	Power Sector	-
	Others	164,038,063
		453,813,988
7.3.4	**Sector-wise concentration of loans and advances**	
	Government	-
	Other public sector	-
	Private sector	453,813,988
		453,813,988
7.3.5	**Business segment-wise concentration of loans and advances**	
	Corporate	264,224,729
	SME	44,743,580
	Consumer	63,236,298
	Executives and staff	81,609,380
		453,813,988

		Amount in Taka 2013
7.3.6	**Geographical location-wise concentration of loans and advances**	
	Dhaka Division	420,277,613
	Chittagong Division	-
	Sylhet Division	33,536,375
	Rajshahi Division	-
	Khulna Division	-
		453,813,988
7.3.7	**Security/Collateral-wise concentration of loans and advances**	
	Collateral of movable/immovable assets	231,907,000
	Local Banks and financial institutions guarantee	-
	Government guarantee	-
	Foreign bank guarantee	-
	Export documents	-
	Fixed deposit receipts	76,976,740
	FDR of other banks	-
	Government bonds	-
	Personal guarantee	44,743,580
	Other securities	100,186,667
		453,813,988
7.3.8	**Classified, unclassified, doubtful and bad loans & advances**	
	Unclassified	
	Standard (Including Staff Loan)	453,813,988
	Special Mention Accounts (SMA)	-
		453,813,988
	Classified	
	Sub-standard	-
	Doubtful	-
	Bad/Loss	-
		-
		-
		453,813,988
7.3.9	**Particulars of loans and advances**	
i)	Loans considered good in respect of which the bank is fully secured	158,586,121
ii)	Loans considered good against which the bank holds no security other than the debtors' personal guarantee	-
iii)	"Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor"	295,227,867
iv)	Loans adversely classified; provision not maintained there against	-
		453,813,988
v)	Loans due by directors or officers of the bank or any of them either separately or jointly with any other persons	81,609,380
vi)	Loans due from companies or firms in which the directors or officers of the bank have interest as directors, partners or managing agents or in case of private companies, as members	-

		Amount in Taka 2013
vii)	Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the bank or any of them either separately or jointly with any other person.	81,609,380
viii)	Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies, as members.	-
ix)	Due from banking companies	-
x)	Classified loans for which interest has not been charged:	
	a) (Decrease)/increase of provision (specific) Amount of loan written off Amount realised against the loans previously written off	-
	b) Provision kept against loans classified as bad debts	-
	c) Interest credited to interest suspense account	-
xi)	Cumulative amount of written off loans	
	Opening Balance	-
	Amount written off during the year	-
	Closing Balance	-
	The amount of written off loans for which law suit has been filed	

8 Fixed assets including premises, furniture and fixtures

Cost:	
Furniture and fixtures	47,293,860
Machinery and Equipment	8,094,723
Computer and Network Equipment	8,833,066
Vehicle	13,261,429
Software	56,431,414
Patents	110,000
	134,024,492
Less: Accumulated depreciation	6,074,510
Written down value at the end of the year	127,949,982

Details are shown in Annexure-A

		Amount in Taka 2013
9	**Other assets**	
	Income generating other assets	
	Income receivable (Note-9.1)	12,153,957
	Non-income generating other assets	
	Stationery, stamps, printing materials, etc.	88,331
	Prepaid expenses	1,129,078
	Deferred pre-operating expenses	77,686,608
	Advance rent	85,609,945
	Security deposits with other entities	5,951,040
	Advance income tax	21,479,838
	Advances to vendors	74,337,688
	Advances to staff for expenses	280,240
	Cash & ATM receivable	575
	Petty Cash	90,807
		278,808,107
9.1	**Income receivable: Amount represents interest receivable on loans and advances, interest on term placement & balance with other banks .**	
10	**Borrowings from other banks, financial institutions and agents**	-
		-
11	**Deposits and other accounts**	
	Current deposits and other accounts, etc. 11.1	39,241,541
	Bills payable 11.2	16,572,929
	Savings bank deposits 11.3	201,388,581
	Fixed deposits 11.4	1,627,585,615
		1,884,788,666
11.1	**Current deposits and other accounts, etc.**	
	Current accounts	36,929,238
	Deposit margin on facilities(LG)	212,500
	Foreign currency deposits	2,099,803
		39,241,541
11.2	**Bills payable**	
	Local currency	16,572,929
	Foreign currencies	-
		16,572,929
11.3	**Savings bank deposits**	
	NRB savers	17,272,801
	NRB power savers	170,308,213
	NRB staff	12,657,590
	NRB my savings	1,149,977
		201,388,581

			Amount in Taka 2013
11.4	**Fixed deposits**		
	Fixed deposits		1,626,966,465
	Short term deposits		619,150
			1,627,585,615
11.5	**Sector-wise break-up of deposits and other accounts**		
	Government		-
	Other public sector		61,648,970
	Private sector		1,823,139,696
			1,884,788,666
11.6	**Business segment-wise break-up of deposits and other accounts**		
	Corporate		1,044,385,307
	SME		271,791
	Consumer		827,657,275
	Executives and staff		12,474,293
			1,884,788,666
11.7	**Maturity-wise grouping of deposits**		
	On demand		254,023,630
	In more than one month but not more than three months		1,227,063,495
	In more than three months but not more than one year		115,444,779
	In more than one year but not more than five years		288,044,262
	In more than five years		212,500
			1,884,788,666
12	**Other liabilities**		
	Privileged creditors	12.1	9,046,031
	Interest payable		20,321,468
	Provision for loans and advances	12.2	3,386,469
	Provision on off-balance sheet exposures	12.3	2,125
	Provision for expenses		18,438,249
	Provision for current tax	12.4	10,024,730
	Deferred tax liability	12.5	6,837,826
	Cash & ATM payable		1,159,329
	Security deposits held		544,873
	Others payable		593,731
			70,354,831
12.1	**Privileged creditors**		
	Three major categories of government dues are reported. Tax deduction at source, VAT and Excise duty payable to govt. exchequer.		
	Tax deduction at source		6,619,898
	VAT deduction at source		2,053,822
	Excise duty		372,311
			9,046,031

		Amount in Taka 2013
12.2	**Provision for loans and advances**	
	A. General	
	Balance at the beginning of the year	-
	Add: Provision made during the year	
	On general loans and advances	3,386,469
	On Special Mention Account (SMA)	-
		3,386,469
	Balance at the end of the year	3,386,469
	B. Specific	
	Balance at the beginning of the year	-
	Less: Interest waiver during the year	-
	Write off during the year	-
	Add: Recoveries of amounts previously written off	-
	Specific provision made during the year for other accounts	-
		-
	Balance at the end of the year	-
	C. Total provision on loans and advances (A+B)	3,386,469
12.3	**Provision on off-balance sheet exposures**	
	Balance as at 1 January	-
	Add: Provision made during the year	2,125
	Balance as at 31 December	2,125
12.4	**Provision for current tax**	
	Balance as at 1 January	
	Add: Provision made during the year	-
	Balance as at 31 December	10,024,730
		10,024,730
12.5	**Deferred tax liability**	
	Deferred tax liability recognized in accordance with the provision of BAS-12 "Income Taxes", is arrived as follows:	
	Balance as at 1 January	-
	Provision made during the year for deferred tax expense	6,837,826
	Balance as at 31 December	6,837,826

	Carrying amount on balance sheet date Taka	Tax base Taka	Taxable/ (deductible) temporary difference Taka
Fixed assets including premises, furniture and fixtures			
At cost less accumulated depreciation	127,949,982	111,860,980	16,089,002
Net temporary difference			16,089,002
Applicable tax rate			42.50%
Deferred tax liability/(asset)			6,837,826

Notes to the Financial Statements
as at and for the year ended 31 December 2013

12.a Nostro Reconciliation

	As per our book		As per their book	
	Debit (USD)	Credit (USD)	Debit (USD)	Credit (USD)
Up to three months	-	-	-	-
More than three months but less than six months	-	-	-	-
More than six months but less than nine months	-	-	-	-
More than nine months but less than twelve months	-	-	-	-
More than twelve months	-	-	-	-
	-	-	-	-

The Bank is not required to make provision regarding the unreconciled debit balance as at balance sheet date since there was no debit entry aging more than three months.

13 Share capital

13.1 Authorised capital

1,000,000,000 ordinary shares of Taka 10 each	10,000,000,000

13.2 Issued, subscribed and fully paid up capital

400,000,000 ordinary shares of Taka 10 each issued for cash	4,000,000,000

13.3 Percentage of shareholdings as at 31 December 2013

Shareholders' group	No. of shares	(%) of share holding	Taka
Directors	316,201,200	79.05%	3,162,012,000
Sponsor Shareholders	83,798,800	20.95%	837,988,000
Total	400,000,000	100.00%	4,000,000,000

13.4 Name of the Directors and their shareholdings as at 31 December 2013

SL No.	Name of the directors	Status	Shareholding percentages	Number of shares
1	Mr. Iqbal Ahmed OBE	Chairman	5.00	20,000,000
2	Mr. Mohammed Mahtabur Rahman	Director	10.00	40,000,000
3	Mr. Md. Ekramul Haque	Director	4.50	18,000,000
4	Mr. Mohammed Idrish	Director	2.50	10,000,000
5	Dr. Mahiul Muhammed Khan Muqit	Director	7.80	31,201,200
6	Mr. Imtiaz Ahmed	Director	0.50	2,000,000
7	Mr. Kamal Ahmed	Director	2.50	10,000,000
8	Mr. Fazlur Rashid Khan	Director	5.00	20,000,000
9	Mr. Nafih Rashid Khan	Director	5.00	20,000,000
10	Mr. Naveed Rashid Khan	Director	5.00	20,000,000
11	Mr. Mohammed Jamil Iqbal	Director	5.00	20,000,000
12	Mr. Tateyama Kabir	Director	2.50	10,000,000
13	Dr. Nesar Ahmed Choudhury	Director	0.63	2,500,000
14	Mr. Abu Taher Mohammed Amanullah	Director	6.00	24,000,000
15	Mr. M Badiuzzaman	Director	5.00	20,000,000
16	Mr. Khalilur Rahman Choudhury	Director	3.00	12,000,000
17	Mr. Rabin Paul	Director	1.88	7,500,000
18	Mr. Mohammed Rafique Miah	Director	0.75	3,000,000
19	Mr. Abdul Karim	Director	5.00	20,000,000
20	Mr. Khandakar R. Amin	Director	1.50	6,000,000

		Amount in Taka 2013
13.5	**Capital adequacy ratio (BASEL II)**	
	Tier – I (Core capital)	
	Paid up capital	4,000,000,000
	Statutory reserve	5,465,396
	General reserve	-
	Dividend equalization reserve	-
	Share premium	-
	Retained earnings	4,999,030
		4,010,464,426
	Tier – II (Supplementary capital)	
	General provision maintained against unclassified loan	3,386,469
	General provision on off-balance sheet items	2,125
	Exchange equalization reserve	-
	Asset revaluation reserve	-
	Revaluation reserve of HTM securities (up to 50% of the revaluation reserves)	-
	Tier – III (Additional Supplementary capital)	3,388,594
	A) Total capital	-
		4,013,853,020
	B) Total risk weighted assets	2,043,316,746
	C) Required capital based on 10% of RWA i.e. Taka 204,331,675 or 4,000,000,000 which is higher	4,000,000,000
	D) **Surplus (A-C)**	13,853,020

Capital adequacy ratio:

	Required	Held
On core capital	5%	196.3%
On supplementary capital	Not specified	0.17%
On additional supplementary capital	Not specified	-
On total capital	**10%**	**196.4%**

14	**Statutory reserve**	
	Balance as at 1 January	
	Add: Addition during the year (20% of pre-tax profit)	-
	Balance as at 31 December	5,465,396
		5,465,396
15	**Revaluation reserve**	
	HTM securities (Note 15.1)	
	HFT securities (Note 15.2)	315,406
		40,862
		356,268

		Amount in Taka 2013
15.1	**Reserve for amortisation of treasury securities (HTM)**	
	Balance as at 1 January	
	Addition during the year	-
	Adjustment made during the year	315,406
	Balance as at 31 December	-
		315,406
15.2	**Reserve for revaluation of treasury securities (HFT)**	
	Balance as at 1 January	
	Addition during the year	-
	Adjustment made during the year	40,862
	Balance as at 31 December	-
		40,862
16	**Surplus in profit and loss account\Retained earnings**	
	Balance as at 1 January	
	Profit for the year	
	Transfer to statutory reserve	-
	Balance as at 31 December	10,464,426
		(5,465,396)
17	**Contingent liabilities**	4,999,030
	Letters of guarantees	212,500
18	**Income statement**	
	Income:	
	Interest, discount and similar income (Note 18.1)	228,772,921
	Dividend income	-
	Fees, commission and brokerage (Note 18.2)	305,300
	Gains less losses arising from dealing in securities	-
	Gains less losses arising from investment securities	-
	Gains less losses arising from dealing in foreign currencies	8,447
	Income from non-banking assets	-
	Other operating income (Note 23)	25,391
	Profit less losses on interest rate changes	-
		229,112,059
	Expenses:	
	Interest paid on deposits and borrowings, etc. (Note 20)	58,402,153
	Losses on loans and advances	-
	Administrative expenses (Note 18.3)	116,834,676
	Other expenses (Note 33)	17,085,143
	Depreciation on banks assets (Note 32)	6,074,510
		198,396,482
		30,715,577

		Amount in Taka 2013
18.1	**Interest, discount and similar income**	
	Interest income (Note 19)	228,413,880
	Interest on treasury bills	359,041
		228,772,921
18.2	**Fees, commission and brokerage**	
	Commission	305,300
	Brokerage	-
		305,300
18.3	**Administrative expenses**	
	Salaries and allowances (Note 24)	53,105,205
	Rent, taxes, insurance, electricity, etc. (Note 25)	41,160,007
	Legal and professional expenses (Note 26)	1,216,600
	Postage, stamp, telecommunication, etc. (Note 27)	3,827,618
	Stationery, printing, advertisement, etc. (Note 28)	11,751,590
	Managing Director's salary and fees (Note 29)	3,931,271
	Directors' fees (Note 30)	816,057
	Auditors' fees (Note 31)	301,250
	Repair of Bank's assets (Note 32)	725,078
		116,834,676
19	**Interest income**	
	Interest on advances	1,931,596
	Interest on balance with other banks	214,387,423
	Interest on placement with other Financial Institutions	12,094,861
		228,413,880
20	**Interest paid on deposits and borrowings etc.**	
	Interest on deposits	46,574,531
	Interest on borrowings	11,827,622
		58,402,153
21	**Investment income**	
	Interest on treasury bills	359,041
		359,041
22	**Commission, exchange and brokerage**	
	Fees and commission	305,300
	Brokerage	-
	Exchange gain net off exchange losses	8,447
		313,747

		Amount in Taka 2013
23	**Other operating income**	
	Locker charge	600
	Postage/telex recoveries	750
	BACH cheque processing	2,758
	Miscellaneous	21,283
		25,391
24	**Salaries and allowances**	
	Basic salary	20,505,346
	Allowances	28,400,144
	Festival bonus	4,199,715
		53,105,205
25	**Rent, taxes, insurance, electricity etc.**	
	Rent, rate and taxes	38,252,779
	Insurance	423,914
	Utility	2,483,314
		41,160,007
26	**Legal and professional expenses**	
	Legal expenses	506,350
	Other professional charges	710,250
		1,216,600
27	**Postage, stamps, telecommunication etc.**	
	Courier	428,506
	Telephone	121,192
	SWIFT charge	389,754
	Data connectivity charge	2,888,166
		3,827,618
28	**Stationery, printing, advertisements etc.**	
	Printing and stationery	1,434,952
	Publicity and advertisement	10,316,638
		11,751,590
29	**Managing Director's salary and allowances**	
	Basic salary	1,800,000
	Allowances	1,771,272
	Festival bonus	360,000
		3,931,272
30	**Directors' fees and expenses**	
	Fees	359,467
	Other expenses	456,590
		816,057

		Amount in Taka 2013
31	**Audit fee**	
	Audit fee	301,250
		301,250
32	**Depreciation and repair of bank's assets**	
	Depreciation: (Annexure 'A')	
	Furniture and fixture	2,781,157
	Machinery & Equipment	616,931
	Computer & Network Equipment	415,649
	Motor vehicles	1,228,020
	Software	1,032,753
		6,074,510
	Repairs	
	Rented premises	317,240
	Machinery & Equipment	31,280
	Computer and accessories	376,558
		725,078
		6,799,588
33	**Other expenses**	
	Car maintenance expenses	1,624,462
	Contractual service expenses	6,948,850
	ATM card expenses	620,000
	Books, periodicals and publications	45,675
	Donation and subscription	966,850
	Staff recruitment and training expenses	828,160
	Travelling expenses	2,867,418
	Entertainment	1,556,036
	Bank charges	61,861
	Lease rent for vehicle	1,050,000
	Miscellaneous expenses	515,831
		17,085,143
34	**Provision for loans & off balance sheet items**	
	Provision for bad and doubtful loans and advances	-
	Provision for unclassified loans and advances	3,386,469
	Provision for off-balance sheet items	2,125
		3,388,594
35	**Receipts from other operating activities**	
	Locker charge	600
	Postage/telex recoveries	750
	BACH cheque processing	2,758
	Miscellaneous	21,283
		25,391

		Amount in Taka 2013
36	**Payments for other operating activities**	
	Rent, rates and taxes	41,160,007
	Legal and professional expenses	1,216,600
	Postage and communication charges, etc.	3,827,618
	Stationery, printing, advertisements etc.	11,751,590
	Directors' fees	816,057
	Miscellaneous expenses	18,111,471
		76,883,343
37	**Earnings per share (EPS)**	
	Net profit after tax (Numerator)	10,464,426
	Number of ordinary shares outstanding (Denominator)	400,000,000
	Earnings per share (EPS)	0.03

Earnings per share has been calculated in accordance with BAS 33: "Earnings Per Share (EPS)".

38 Audit committee

In pursuance of the directives of the Bangladesh Bank vide BRPD Circular no.12 dated 23 December 2002, the Board of Directors in its 1st meeting held on 09 April 2013 constituted an Audit Committee. Presently, the Audit Committee members are:

Sl. No.	Name	Status in the Board	Status in the Audit Committee	Educational Qualification
1	Mr. Mohammed Mahtabur Rahman	Director	Chairman of the Audit Committee	Bachelor of Arts
2	Mr. Kamal Ahmed	Director	Member of the Audit Committee	Graduate of Business Management
3	Mr. Khalilur Rahman Choudhury	Director	Member of the Audit Committee	Bachelor of Commerce Post Graduate
4	Mr. Imtiaz Ahmed	Director	Member of the Audit Committee	MBBS
5	Dr. Nesar Ahmed Choudhury	Director	Member of the Audit Committee	

The Deputy Company Secretary of the Bank acts as the Secretary of the Committee.

In the year 2013, the Audit Committee of the Board conducted 2 (two) meetings in which among others, the following issues were discussed:

- Internal Audit Plan up to 31st December 2013.
- To review and approve Statutory Report Audited and Certified by External Auditors Howladar Yunus & Co.
- To review balance sheet and Income statement up to 31 August 2013.
- To note and approve the Minutes of the 1st Audit Committee Meeting held on 14th September 2013.
- To review Financials of 30 November 2013 (Balance sheet and P&L)
- Schedule of Audit Committee Meeting for the year 2014.
- To review and note regarding Internal Control and Compliance (ICC) and Audit Inspection.
- Internal Audit report of branches -2013.

39 Related party disclosures

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial and operating decisions that fall within the definition of 'Related Party' as contained in Bangladesh Accounting Standards (BAS) - 24 (related party disclosures) and as defined in the BRPD Circular no. 14 dated 25 June 2003. Related party information are given below:

i) Directors' interest in different entities

Name of Directors	Status with the Bank	Name of the firms/companies in which interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Status
Mr. Iqbal Ahmed OBE	Chairman	Seamark (BD) Limited IBCO Food Industries Limited Seamark (Holdings) Limited Manru Shopping City	Chairman & Chief Executive Chairman & Chief Executive Chairman & Chief Executive Senior Partner
Mr. Mohammed Mahtabur Rahman	Director	Al Haramain Perfumes (PVT) Ltd. Al Haramain Hospital (PVT) Ltd. AL Arafah Islami Bank Limited AIBL Capital Market Service Ltd. United Airways (BD) Limited TAC Aviation Limited The University of Asia Pacific Cancer Hospital, Biyani Bazar, Sylhet	Chairman Chairman Sponsor Shareholder Sponsor Director Sponsor Director Sponsor Director Trustee Trustee
Mr. Md. Ekramul Haque	Director	Taufika Energy Co. Limited Cynzar Energy Service Limited Innovative Corporation Limited	Managing Director Managing Director Chief Executive Officer
Mr. Mohammed Idrish	Director	National Trust Express (PVT) Ltd.	Director
Mr. Kamal Ahmed	Director	Seamark (BD) Limited IBCO Food Industries Limited Seamark (Holdings) Limited Manru Shopping City	Deputy Managing Director Deputy Managing Director Deputy Managing Director Deputy Managing Director
Mr. Tateyama Kabir	Director	Ocean Auto	Proprietor
Mr. Khalilur Rahman Choudhury	Director	KRC Composite Textile Ind. Ltd. Khalil Garments Limited Khalil & Khalil Investment Ltd. ATAIA Trading Corp. Limited KRC CNG & Filling Station Al-Hera Filling Station KRC Industrial Park KRC Rubber Plantation	Managing Director Managing Director Managing Director Managing Director Proprietor Proprietor Proprietor Proprietor
Mr. Nafih Rashid Khan	Director	Jabbar Jute Mills Limited Bangladesh Medical Science and Technology Ltd	Director Director
Mr. Naveed Rashid Khan	Director	Jabbar Jute Mills Limited Bangladesh Medical Science and Technology Ltd	Director Director
Mr. Mohammed Jamil Iqbal	Director	M/S. Md. Jamil Iqbal Construction JI Stone Supplier New Maitri Stone Crushing Divine Properties Limited	Proprietor Proprietor Proprietor Partner
Mr. Abu Taher Mohammed Amanullah	Director	Graphic Scan Limited Digital Engravers Limited East West Human Resources Limited East West Training & Contractors Co. Limited East West Engineering Limited	Chairman Chairman Chairman Chairman Chairman
Mr. Khandakar R. Amin	Director	Hotel New York Amin CNG Filling Station	Proprietor President
Mr. Muklesur Rahman	MD & CEO	Nil	Nil

ii) Significant contracts where Bank is a party & wherein Directors have interest : Nil

iii) Shares issued to Directors and Executives without consideration or exercisable at discount : Nil

iv) Related Party Transactions:

Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per BAS - 24. The Bank in normal course of business had transactions with other entities that fall within the definition of 'Related Party' as contained in Bangladesh Accounting Standards (BAS) - 24 (related party disclosures) and as defined in the BRPD Circular no. 14 dated 25 June 2003.

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

a) Transaction relating to pre-establishment & pre-operating expenses:

Figures in Taka

Name of the Director	Principal	Interest	Total Transaction made during the year	Outstanding as at 31 December 2013
Mr. Iqbal Ahmed OBE	65,539,573	4,472,218	70,011,791	-
Mr. Mohammed Mahtabur Rahman	57,350,788	3,368,947	60,719,735	-
Mr. M Badiuzzaman	10,000,000	565,479	10,565,479	-
Mr. A.T.M. Amanullah	20,000,000	881,753	20,881,753	-
Mr. Naveed Rashid Khan	20,000,000	581,918	20,581,918	-
Mr. Mohammed Jamil Iqbal	10,000,000	428,877	10,428,877	-
Mr. Nafih Rashid Khan	20,000,000	549,041	20,549,041	-
Mr. Md. Ekramul Haque	7,375,000	568,241	7,375,000	568,241
Mr. Tateyama Kabir	6,914,537	411,148	7,325,685	-

Since the Bank had access to the paid-up capital only after the first branch was opened on 04 August, 2013 as advised by Bangladesh Bank, it was necessary to borrow funds from the Directors in the form of either cash or assets or expenses directly paid by them from their personal accounts to fund the revenues and capital expenses incurred during the period which was approved in the 7th Board Meeting of the bank held on 15 September 2013 at 12% simple interest per annum.

b) Transactions relating to procurement and rent

Name of the Company	Name of the Director	Nature of transaction	Transaction made during the year
Ocean Auto	Mr. Tateyama Kabir	Purchase of Motor Vehicle	2,750,000
Taufika Energy Co. LTD.	Mr. Md. Ekramul Haque	Advance for imported Leased Motor Vehicle	1,700,000
	Mr. Iqbal Ahmed OBE	Advance rent for Sylhet Main Branch & ATM	7,050,180
	Mr. Iqbal Ahmed OBE	Monthly rent for Head Office, Sylhet Main Branch & ATM Tk. 1,337,050, 454,140 & 53,350 respectively	29,160,550

v) Lending Policies to Related Parties : Related parties are allowed Loans and Advances as per General Loan Policy of the Bank

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

vii) Investments in the Securities of Directors and their related concern : Nil

40 Auditors work hour

The external auditor of the Bank, M/s Howladar Yunus & Co., Chartered Accountants worked about 850 man hour. They have reviewed more than 80% of the Bank's risk weighted assets as at the Balance Sheet date.

41 General

Highlights on the overall activities of the bank have been furnished in Annexure - C.

42 Events after the balance sheet date

There are no significant events subsequent to the balance sheet date to report which had an influence on the balance sheet or the income statement as at and for the year ended 31 December 2013.

Schedule of fixed assets

as at 31 December 2013

Annexure-A

Particulars	Cost				Depreciation				Written down value as at 31 December 2013
	Balance as at 1 January 2013	Additions during the year	Disposal/ adjustment during the year	Balance as at 31 December 2013	Balance as at 1 January 2013	Charged during the year	Disposal/ adjustment during the year	Balance as at 31 December 2013	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Furniture and fixture	-	47,293,860	-	47,293,860	-	2,781,157	-	2,781,157	44,512,703
Machinery and Equipment	-	8,094,723	-	8,094,723	-	616,931	-	616,931	7,477,792
Computer and Network Equipment	-	8,833,066	-	8,833,066	-	415,649	-	415,649	8,417,417
Vehicle	-	13,261,429	-	13,261,429	-	1,228,020		1,228,020	12,033,409
Software	-	56,431,414	-	56,431,414	-	1,032,753	-	1,032,753	55,398,661
Patents	-	110,000	-	110,000	-	-		-	110,000
As at 31 December 2013	-	134,024,492	-	134,024,492	-	6,074,510	-	6,074,510	127,949,982

Balance with other banks-Outside Bangladesh (Nostro Account)

as at 31 December 2013

Annexure-B

Name of the Bank	Account type	2013			
		Currency type	FC amount	Exchange rate	Equivalent Taka
Interest bearing:					
Habib American Bank (USD)	CD	USD	32,741	77.75	2,545,600
Non-interest bearing:					
United Bank of India (EURO)	CD	EURO	5,485	77.76	426,499
					2,972,099

Highlights on the overall activities

as at 31 December 2013

Annexure-C

Sl No.	Particulars		2013
1	Paid up capital	Taka	4,000,000,000
2	Total capital (Tier-1 & Tier-2)	Taka	4,013,853,020
3	Surplus\(Shortage) Capital	Taka	13,853,020
4	Total assets	Taka	5,965,964,191
5	Total deposits	Taka	1,884,788,666
6	Total loans and advances	Taka	453,813,988
7	Total contingent liabilities and commitments	Taka	212,500
8	Loans to deposits ratio (total loans/total deposits)	%	24.08%
9	Percentage of classified loans against total loans and advances	%	0%
10	Profit after tax and provision	Taka	10,464,426
11	Classified loans during current year	Taka	-
12	Provisions kept against classified loans	Taka	-
13	Provision surplus/(deficit) against classified loans	Taka	-
14	Cost of fund (SLR adjusted cost of deposit)	%	11.97%
15	Interest earning assets	Taka	5,571,360,057
16	Non-interest earning assets	Taka	394,604,132
17	Return on investment (ROI) [PAT/(Shareholders equity + Borrowing)]	%	0.26%
18	Return on assets (ROA) [PAT/Average assets]	%	0.18%
19	Income from investment	Taka	359,041
20	Earnings per share	Taka	0.03
21	Net income per share	Taka	0.03
22	Price earning ratio	Times	-

Branch and ATM Network

Main Branch NB Tower (1st floor) 40/7 North Gulshan Avenue Gulshan-2, Dhaka 1212, Bangladesh. IP Phone: +880 9666457109 Tel: +880 2 8881357 Fax: +880 2 8881358	**Gulshan Branch** Nafi Tower (1st Floor) 53 Gulshan Avenue (South) Gulshan-1, Dhaka 1212, Bangladesh. IP Phone: +880 9666457151 Tel: +880 2 9840474 Fax: +880 2 9840475
Sylhet Main Branch ManRu Shopping City (Ground Floor) 891 Mir Box Tula Road Chowhatta,Sylhet, Bangladesh. IP Phone : +880 9666457210 Tel: +880 821 710282, +880 821 710237 Fax: +880 821 711230	**Goala Bazar Branch** Al Murad Plaza (1st floor) Goala Bazar, Osmaninagar Sylhet, Bangladesh. IP Phone : +880 9666457251 Tel: +880 8242 56163 Fax: +880 8242 56164
Chittagong Main Branch World Trade Center (2nd floor) 102-103 Agrabad Commercial Area Chittagong, Bangladesh.	**Joypara Branch** Monowara Mansion (1st floor) East Lotakhola, Joypara Dohar, Dhaka, Bangladesh. IP: +880 9666457301
NB: ATM is situated adjacent to the branch	

NRB Bank Limited

Registered Office: Richmond Concord (7th Floor)
68 Gulshan Avenue, Gulshan Circle-01, Dhaka-1212, Bangladesh

Notice of the 1st Annual General Meeting (AGM)

Notice is hereby given to all the Members of the NRB Bank Limited that the 1st Annual General Meeting (AGM) of the honourable Members of NRB Bank Limited will be held on **Sunday, 22 June 2014 at 11:00 AM at La Vita Hall, Lakeshore Hotel, Road-41, House-46, Gulshan-2, Dhaka-1212, Bangladesh** to transact the following Agenda:

AGENDA:

01. To receive, consider and adopt the Profit & Loss Account of the Company for the year ended on 31 December 2013 and the Balance Sheet as of that date together with the Reports of the Directors and Auditors thereon.
02. To elect Directors.
03. To appoint Auditors of the Company for the term until conclusion of the next Annual General Meeting (AGM) and to fix their remuneration.

By order of the Board

A.F.M. Zakaria Huqe
Deputy Company Secretary
Dhaka, 03 June 2014

NOTES:

a) Members (Sponsors) whose names would appear in the Register of Members of the Company will be eligible to attend the 1st Annual General Meeting (AGM).

b) A Member eligible to attend the AGM is entitled to appoint a Proxy to attend and vote on his/her behalf at the AGM. Proxy Form must be affixed with revenue stamp of Tk.20 and submitted at the Registered Office of the Company not later than 48 hours before the time fixed for the AGM.

c) Members (Sponsors) are requested to notify the change of address, if any, well in time.

d) Election of Directors shall be dealt in accordance with the provisions of the Articles of Association of the Company and the relevant rules/circulars of the regulatory authorities.

NRB Bank Limited
PROXY FORM

I/We..... of ..... being a member of NRB Bank Limited, do hereby appoint Mr./Ms. ..... of ..... as my/our proxy to attend and vote for me/us, and on my/our behalf, at the 1st Annual General Meeting of NRB Bank Limited to be held on **Sunday, 22 June 2014 at 11:00 AM at La Vita Hall, Lakeshore Hotel, Road-41, House-46, Gulshan-2, Dhaka-1212** or at any adjournment thereof.

Signed this..... day of 2014

Signature of Proxy .....

Revenue Stamp Tk.20/=

_____

Signature of Member

Membership No. | | | | | | | | | |

No. of Shares | | | | | | | | | |

N.B.

This proxy form, duly completed, must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the AGM. Proxy is invalid if not signed and stamped as explained above.

NRB Bank Limited
ATTENDANCE SLIP

I hereby record my attendance at the 1st Annual General Meeting of NRB Bank Limited to be held on Sunday, 22 June 2014 at 11:00 AM at La Vita Hall, Lakeshore Hotel, Road-41, House-46, Gulshan-2, Dhaka-1212.

Name of Member/Proxy .....

Membership No. | | | | | | | | | |

Signature .....

Date .....

NRB Bank Limited

Corporate Head Office
Richmond Concord (7th Floor), 68 Gulshan Avenue
Gulshan Circle-01, Dhaka-1212, Bangladesh
T: +880-2-9855161-4, F: +880-2-9855001

www.nrbbankbd.com