



Annual Report 2014

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LETTER OF TRANSMITTAL

To

All Shareholders of NRB Bank Limited Bangladesh Bank Bangladesh Securities & Exchange Commission Registrar of Joint Stock Companies & Firms

Dear Sir(s):

Annual Report of NRB Bank Limited for the year ended 31 December 2014.

We are pleased to enclose a copy of the Annual Report along with the Audited Financial Statements and Balance Sheet as at 31 December 2014, Profit and Loss account, Cash Flow Statement, Statement of changes in equity, Liquidity Statement for the year ended 31 December 2014 together with notes thereon of NRB Bank Limited for your kind information and record.

Best regards,

Sincerely Yours,

MARRAMAK

A.F.M. Zakaria Huqe
Deputy Company Secretary

DISCLAIMER

This Annual Report 2014 contains audited financial statements of the Bank along with other financial disclosures. Some parts particularly the financial statements of the Bank are audited which are presented in page from 99 to 150. Review of business and financial analysis presented in the Directors Report sections are based on audited financials as well as management information mostly unaudited unless otherwise specified. The Bank while recognizing financial transactions and presenting financial statements followed by relevant Bangladesh Financial Reporting Standards (BFRS) except in some cases where the Bangladesh Bank instructed banks to follow their prescribed guidelines. However, if there grew any confusion, the Bank followed instructions of Bangladesh Bank being the prime regulator for banking companies.

Business 'outlook' and management estimates and assumptions in recognizing certain financial transactions presented in different parts of this Annual Report can be no assurance that actual outcomes will turn up to the tune of these projections. Some of the factors that may cause projected outcomes differ from the actual ones can be put forth, which are not comprehensive as well:

- Changes in macroeconomic outlook: Lower than expected growth projection of GDP for ongoing FY 2015, negative growth in imports 2014, weak internal and external demand, restrained industrial activities, inflationary pressure, may change the macro economic outlook.
- General business and political uncertainties: Negative impact of political deadlock, associated risks in business environment,

price spiral, downbeat performance of capital market, declining demand for bank finance, environmental erosion, etc may erode the bank's earning substantially. In the absence of political agreement and stability, success in business is hard to achieve.

- Changes in Government and regulatory policy: Amendment of Bank Company Act 1991 and impact of such changes on banking business, underperformance of tax revenue by NBR, increased borrowing by government from banks, central bank directives for charging lower on banks' fees earnings, discontinuation of guidelines related to provisioning and rescheduling and others.
- Deterioration in borrowers' credit quality: Risk of deterioration of credit quality of borrowers is inherent in banking business. This could be driven by political unrest, economic slowdown and supply side disruption. Abrupt changes in the import pricing may affect the commodity sectors. Banks are under obligation to maintaining provision against potential credit loss.
- Power crisis and immature infrastructure: Stumbling block of adequate infrastructure, storage of sufficient supply of power to production facilities, political turmoil, soaring of cost of surviving businesses may push to cause slower growth of manufacturing and industrial activities.
- Challenges in managing business: Excess liquidity has burdened the Banking Industry in Bangladesh due to lower demand of credit

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for private sector. Govt. borrowing sometimes distorts the business plan of the banking sector in Bangladesh to maintain the liquidity management. Unhealthy competition of the banking sector becomes risky to face the challenge to meet required ROI. Corporate tax burden hinders to meet the expected EPS of Shareholders.

- Rising capital requirement: Basel III might cause internationally active banks to maintain more capital and follow more stringent rules. The Bank while doing trade finance with those banks might have to follow more stringent rules. Effective control calls for higher investment in technology and increased operating expenses.
- Climate change and natural calamities:
 Bangladesh as one of the vulnerable countries to climate change effects and natural disaster lies on an alarming geographical location and risks considerable loss in agricultural sector accounting for a significant portion of GDP.
- Fraud or financial crime: Increasing frauds and financial crimes in the banking industry is denting industry confidence. The incidence is a direct outcome of weak corporate governance, control loopholes and IT inefficiencies. NRB Bank is all vigilant to prevent such untoward incident by virtue of strong and effective control system, high ethical practices, good corporate governance and risk management mechanism. However, the Bank cannot rule out any such surprise as the industry closely intertwined with sophisticated financial relationships.

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 of technological

advancement

STATEMENT REGARDING FORWARD LOOKING APPROACH

The Annual Report contains some forward looking statements regarding the business environment and its likely effect in the financial conditions of the bank. We wish to caution you that these statements are based on management's expectations, estimates, projections and assumptions. Words such as "expects," "anticipates," "plans," "believes," "scheduled," "estimates" and variations of these words and similar expressions are intended to identify forward-looking statements, which include but are not limited to projections of revenues, earnings, cash flows. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results and trends may differ materially from what is forecast in forward-looking statements due to a variety of factors, which are:

- Changes in the general economic condition resulting from natural calamities and political disturbances;
- Changes in monetary & fiscal policy budget;
- The effect of changes to our credit rating;
- Amendments to, and interpretations of, risk-based capital guidelines and reporting instructions;
- The risk that the Bank's risk management models may not take into account all relevant factors;
- Changing customer demand or preferences for business, including the effects of economic conditions on the business;
- Changes in government policy issues;
- Increase in Tax, VAT on banking services;
- Increase in CRR and SLR of the banks;
- Lending rates to finance essential items;
- Provisioning requirement would change the ROA and ROE;
- Volatility in interest rates and currency values;
- Volatility in capital market arising from speculations;

- Changes in international prices of essential which is putting pressure on foreign exchange market resulting in volatility in the Foreign Exchange market;
- International embargo on certain countries is likely to affect remittances and trade;
- The accuracy and completeness of information of the Bank receives on customers and counterparties;
- The Bank's ability to expand existing distribution channels and to develop and realize revenues from new distribution channels;
- Compliance issues raised by the international forums which are likely to affect the export growth.

The preceding list of important factors is not exhaustive. When relying on forward looking statements to make decisions with respect to the Bank and its securities, investors and others should carefully consider the preceding factors, other uncertainties and potential events. The Bank does not undertake to update any forward looking statements, whether written or oral, that may be made from time to time by or on its behalf.

CORPORATE DIRECTORY

Formal Inauguration AUGUST 04, 2013

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

Web site www.nrbbankbd.com

Chairman IQBAL AHMED OBE

Managing Director & CEO MUKLESUR RAHMAN

Deputy Company Secretary A.F.M. ZAKARIA HUQE

Authorized Capital Tk. 10,000,000,000

Paid Up Capital Tk. 4,000,000,000

Total Manpower 248

Number of branches 11

Number of ATM Booths 13

Auditors
HOWLADAR YUNUS & CO.
CHARTERED ACCOUNTANTS

Tax Consultant ADN ASSOCIATES

Legal Advisor RAFIQUE-UL HUQ BARRISTER-AT LAW

Credit Rating Agency CREDIT RATING AGENCY OF BANGLADESH LTD (CRAB)

COMPANY MILESTONES

07 February 2013

Bangladesh Bank issued No Objection Certificate for Registration with 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.

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.

22 June 2014

The 1st Annual General Meeting of NRB Bank Limited was held successfully.

23 June 2014

NRB Bank Limited inaugurated call centre.

23 June 2014

NRB Bank Limited inaugurated eBanking (Internet Banking).

14 August 2014

NRB Bank Limited inaugurated Ashulia branch.

14 August 2014

NRB Bank Limited inaugurated Hotapara branch.

16 August 2014

NRB Bank Limited launched SME Banking.

18 August 2014

NRB Bank Limited inaugurated Bogra branch.

31 August 2014

NRB Bank Limited launched VISA EMV Debit Card.

01 November 2014

NRB Bank Limited launched VISA Credit Card.

10 December 2014

NRB Bank Limited inaugurated Uttara branch.

28 December 2014

NRB Bank Limited inaugurated Panchdona branch.



Dear Shareholders,

I feel proud and honored to welcome you once again to the 2nd Annual General Meeting of the Bank (NRBBL). I would like to take this opportunity to express my heartfelt gratitude and sincere thanks for your trust and confidence upon us that together we all will take our Bank to greater height of prosperity. We humbly acknowledge your continued cooperation and support to achieve our goals. On behalf of the Board of Directors, I have the pleasure to present the Integrated Annual Report of NRB Bank Limited for the year 2014.

You all are aware that the global economy remained consistent during 2014. Resultantly, our GDP growth improved slightly from 6.0% in FY 2013 to 6.1% in FY 2014. The world economy continues to expand at a subdued pace. Over the past two years, after a noticeable down-turn, global economic activity slightly picked up in the second half of 2013. Most world regions are likely to see a moderate pick-up in activity, but growth will continue to be below potential and employment gains, especially in developed economies, will remain feeble. The Bangladesh government and Bangladesh Bank through their fiscal and monetary policies provided supportive help to the economy. To maintain growth momentum they are trying to extend the social safety net.

The fact remains, however, that private sector growth has not achieved the rates we envisaged in our plans and this has inevitably exacerbated the problems facing new banks. We are looking to government agencies to adopt visionary policies to boost the private sector and provide incentives for NRB investment through tax holidays; flexible capital repatriation and the provision of more NRB related products from financial institutions.

At present the majority of loans are made to large corporate entities and the garment and textile sectors. We see a very real risk that the present structure encourages businesses to exploit the market simply to refinance on more favourable terms with the result that the market size does not grow organically and if this culture becomes more widespread the risk of major financial crisis grows. We would therefore like to see more focus on the SME and agri based industries to promote growth of the lending market and to stimulate exports of poultry products; value added shrimp products; fragrant and specialized rice products and vegetables, flowers and high value added jute products where we believe there is considerable growth and development potential.

During the year 2014:

- 1. The exports of the country were USD 29.77 billion,
- 2. The wage earners' remittance inflow was USD 14.12 billion,
- Foreign exchange reserve reached USD 21.51 billion.

Due to prolonged political disruption during the last part of the calendar year 2013, private sector investment declined to 21.4% of GDP during the first half of the year 2014 from 21.8% of previous year. Exports showed a sign of rebound at the later stage of the year 2014 growing at 11.7% slightly below the target growth of 12.9%. The overall inflation of 7.4% and foreign currency reserve of USD 21.51 billion were comfort for the economy.

However, GDP growth fell to 6.1% than its target of 7.20%.

Honorable members, though the overall economy of the country was relatively stable after the sudden stop of political agitation following the turbulent national election that was held in January 2014, the banking industry continued to face difficulties due to sluggish investment situation, excess liquidity pressure and special attention to nonperforming loan recovery. In spite of shaky economic outlook, NRB Bank has made a healthy growth in its core business areas. Cost of funds declined significantly to 9.83% compared to last year. Deposits and Loans increased to Tk 7,805 million and Tk 6,292 million resulting growth of 314% and 1,286% respectively. We have been able to utilize our resources at optimum level. Investment growth particularly in Treasury bill/bond stood at Tk 2,858.21 million evidencing 2,967% growth compared to last year. We have moderately streamlined our mission on the focus of investment of SME segment and have equipped our credit portfolio with Blue-chip clients to minimize our risk at significantly lower levels; which will generate good amounts of revenue over the next years.

Certainly the focus on retail banking among the fourth generation banks has created a positive impression in the market through familiarization of NRB Bank Ltd to our valued clients. We have been focusing on wide range of remittance inflows from the NRBs since the inception of the Bank's operations. We have also fostered our effort to streamline the mix of deposits as per market standard.

The first and foremost challenge of creating an experienced management team has been met. A strong team upholds a structure that helps deliver promises made to our 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 important 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 the adoption

of a 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 an investment 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 have introduced complementary channels such as internet banking, mobile banking, cards, agents, etc. NRB Bank Ltd has been providing technology based services to the customers in Urban and Rural areas with the introduction of alternative delivery channels and trying to bring a pool of customers under the umbrella of NRB Bank Ltd by providing outstanding customer service. We will gradually introduce large outreach alternative channels in next 2 (two) years to reach as many of our target customers as possible. At the same time, we want to maintain the growth of our conventional branches at a steady pace.

Since we are the pioneer NRB bank in Bangladesh, we envisage catering for 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 promoting the sale of sovereign foreign currency bonds of Bangladesh government outside the country.

Our commitment towards the societies and communities in which we dwell remains transparent and focused. We are committed to working towards identifying promising small entrepreneurs and nurturing them by all kinds of advisory support on top of our core business of financing their ventures. By helping such small entrepreneurs to grow their ventures profitably, we envisage 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 aspire to impact favourably our environment by reducing our carbon footprint by way of various initiatives we are planning to undertake.

Our Bank is ever more committed to sustainability not because of profitability but for making positive impacts on economic, environmental and social aspects. Good governance remains at the forefront of all priorities. Our Bank also believes in network expansion and extending global outreach. We opened 5 new branches in 2014 that include 4 rural and 1 urban and ATM networks stood in the year 2014: 11 branches, 13 own ATMs and more than 1,300 shared ATMs all over the country to provide services to our valued customers.

I would like to take this opportunity to express my sincere gratitude to all our stakeholders including shareholders, customers, Bangladesh Bank and other regulatory authorities for their guidance and continuous support. I also would like to thank all the members of NRB Bank Limited and my fellow Members of the Board of Directors for their continuous effort and sincerity towards achieving desired goals in line with our mission and vision. We will work together. Success is ours.

Wishing you all a very prosperous and successful 2015.

With best regards,

IQBAL AHMED OBE

Chairman



I am happy to report that during fiscal 2014 we sustained and further improved our performance. We adopted a balanced approach to growth, profitability and risk management. This strategy has helped us strengthen areas of our business. During this year, we have further strengthened our position with continued improvements in our key financial parameters, a strong deposit franchise and a healthy capital position; thereby a platform for robust growth.

Competitive pressures on business and a slow pace of economy in 2014 created the need for a better understanding of our processes and a greater need for making our business strategy flexible to keep us on the sustainable growth path. Year2014 was for us a year of soul searching, a year of structuring and modeling, and a year of reviewing our strategy for making it more flexible to adapt to changes occurring in the marketplace.

In 2014, in view of the prevailing macro market situation, our focus was on the improvement of asset quality and creation of selective new assets with the aim of maintaining a sound and safe portfolio. Simultaneously, good liquidity and lower

cost of fund throughout the year gave us additional strength. As such, our effort has been to bring stable and predictable earning. Our endeavor was to achieve meaningful long-term goal ensuring fundamental growth of the institution. Needless to say, in 2014 we kept away from macro market conditions and from cautious calculation of associated risk factors. We have launched VISA credit card with a vision to streamline our mission and also to cater services satisfactorily among the customers with the introduction of modern IT system to strengthen our customer base in order to familiarize our bank at home and abroad.

During the year 2014, we continued our efforts to further improve the deposit mix targeting a good reduction in the cost of funds. Our long-term endeavor to reach the larger number of clients by providing easy access to technology driven services to the masses continued as well during the year under review. Our networks have expanded through the introduction of different and innovative modes of delivery channels that currently include 11 Own ATMs and more than 1,300 shared ATMs. The result shows that under a highly competitive market, we were able to achieve 314.05% growth in customer deposits. Our aggregate cost of fund was 9.83% at the end of 2014, just lower than 11.97% of the previous year. Besides deposit, the loans and advances stood at BDT 6,292 million at the end of 2014 from BDT 453 million in 2013, thus having grown by 1,288.96%. The Bank continued to diversify its lending portfolio in 2014. It successfully distributed portfolios across different sectors in order to reduce client specific and industry specific concentration and overall portfolio risk.

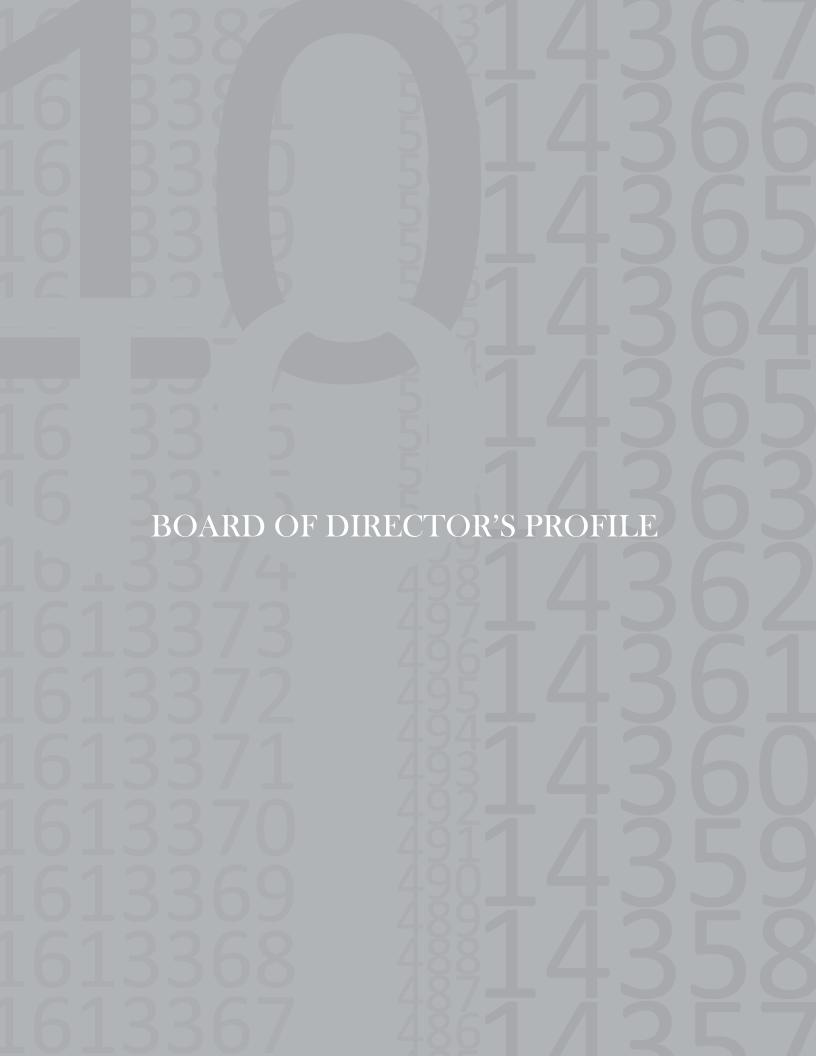
In maintaining adequate capital against overall risk exposure of the bank, our guiding philosophy has been to strengthen risk management and internal control. Bank's regulatory capital as on 31 December 2014 stood at BDT 4,031 million. As at the end of 2014, Capital Adequacy under Basel II was 41.73% against minimum requirement of 10.0%.

We look forward; we are committed to build a shared prosperity for our society to continue to meet the needs of future generations. The combined experiences of the senior management team have given us strength to see us through difficult times. We are confident that we are on the right track and we draw our strength from our tradition of providing the highest quality of service to our customers. Our objectives are simple enough; to continue to improve our operational efficiency and to offer innovative products and services to cater to the contemporary needs and tastes of the customer base. Given the uncertainties of the external environment, our approach in 2015 will be conservative especially in the areas of managing the balance sheet and maintaining asset quality.

In everything that we do keep our shareholders first. We are confident that we are well positioned to drive further value for our shareholders. As the challenges have increased, and our momentum slowed, we have been taking action to alleviate the effect and to accustom ourselves with the changing situation. To adapt to the new realities and challenges of 2015, we are making changes. These changes relate to our strategy to shape ourselves and to deploy our resources for delivering the sustainable, profitable growth and returns that drive shareholder value. In the coming years, we will keep innovating; digitizing and simplifying in order to improve productivity and effectiveness and will keep investing for growth simultaneously. At the same time our focus will be to maintain our asset quality, improve our deposit mix by increasing the portion of low cost deposits, cost rationalization and taking our service excellence to a new level.

I convey my heartiest gratitude to the Governor of Bangladesh Bank and his team for their constant support and guidance and also express my deep gratitude to the Chairman and Board of Directors of NRBBL for their prudence, stewardship and cooperation through thick and thin. A great debt is owed to our customers and shareholders who believed in us and remained loyal throughout. Last but certainly not the least; I thank my team for their constant enterprise, dedication and commitment to be the part of a winning team.

Muklesur Rahman Managing Director & CEO



BOARD OF DIRECTOR'S PROFILE



Igbal Ahmed OBE Chairman

Mr. Igbal 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 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.

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

Igbal'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.

Igbal 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. In November 2014, at the launch of UKTI 2015 Export Champions, Iqbal was recognised as one of UKTI North West Export Champions for his company's contribution to the economic growth of the region by exporting. Iqbal is also a Catalyst UK Member working with UK Trade & Investment promoting UK excellence internationally. Recently, he joined as mentor in Mosaic's International Leadership Programme (ILP).

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. Igbal is the Founder Chairman of the Igbal Bros Foundation Trust registered in the UK.

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Mohammed Mahtabur Rahman (Nasir) Director

Born in 1958 in the Sylhet district of Bangladesh he completed his education in Sylhet city. Later he joined his traditional family business which was doing well in the name of Al Haramain Perfumes in the Holy city of Makkah Saudi Arabia, since 1970. He learned the techniques of the Fragrance business from his father.

Having realized the potential Fragrance Markets in the GCC & MENA region, he moved his base to the UAE and built the Head Office fitted with ORACLE-ERP Server, Windows Server, CCTV System etc in an area of 11,000 sqft which is the nerve centre of the entire spectrum of his worldwide Business activities and also established a Factory in the UAE over an area of around 177,000 sqft, which grew into a state-of-the-art manufacturing unit using automatic & semi automatic ultra modern machineries including 'Agilent' quality control equipment in the R&D Department. The quality conscious Al Haramain Perfumes, has been accredited by the authorities with Dual ISO Certificates in QMS (ISO 9001:2008) & GMP (ISO 22716 : 2007) and received scores of Appreciation Certificates & accolades.

Knowing well about the potential markets in Dubai for the fragrance needs of the Arab customers and visitors to the UAE from all over the GCC countries & the MENA region, he opened the first branch in Dubai and gradually opened many more branches all over the UAE in the name Al Haramain Perfumes and also sister concerns like Al Haramain Trading L.L.C, Oudh Al Haramain, Noor Al Haramain Trading L.L.C, Al Halal Perfumes Industry L.L.C and Al Halal Perfumes L.L.C.

He also opened Al Haramain Perfumes L.L.C in Oman, Al Haramain Perfumes Int'l W.L.L & Noor Al Haramain Perfumes Company W.L.L. in Kuwait, Al Haramain Perfumes W.L.L in Qatar, Al Haramain Perfumes SPC in Bahrain, Al Haramain Perfumes Pte Ltd in Singapore, Al

Haramain Perfumes SDN BHD in Malaysia, Rich & Ruitz in France, 4 corner Distribution Ltd in London and Al Haramain Perfumes Pvt Ltd in Dhaka-Bangladesh to cater to the fragrance needs of the customers spread all over.

He diversified his business interest and was the Sponsor Director of Al Arafah Islami Bank Ltd. Now he is the Sponsor /Director of AlBL Capital Market Services Ltd, Chairman of Al Haramain Tea Company Ltd, Chairman of Al Haramain Hospital Pvt Ltd, Trustee of University of Asia Pacific and Trustee of Beani Bazar Cancer Hospital. He is also heading the Bangladesh Business Council-Dubai as the Founder President besides being a sponsor of Sheikh Khalifa Bin Zayed Bangladesh Islamia (Pvt) School in Abu Dhabi, UAE.

He was ranked the top Commercially Important Person (CIP) for the 2 consecutive years 2012-13 & 2013-14 by the Government of Bangladesh. He was also awarded the Bangladesh Bank Remittance Award — 2013 in recognition of his highest remittance into Bangladesh.

Social and Charity minded Mr. Mohammed Mahtabur Rahman is basically a philanthropist and has been involved in many Charity & welfare activities without much fanfare, and extends his helping hands always to the poor & needy ones and also to the people in distress regardless of their nationality.

His strong business acumen clubbed with olfactory sense helped his family owned small shop in the KSA during the 70s to elevate to the present level of being known as the Al Haramain Group, which brand name has become a household name globally, besides spreading its wings from Perfumery to other areas like, Banking, Healthcare, Tea Estates & Educational Institutions.



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 absence of the Chairman of the Group. 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. He is a Trustee of the Igbal Bros Foundation Trust registered in the UK.

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



Dato' Engr. Md. Ekramul Haque Director

Dato' Engr. Md. Ekramul Hague, aged 47 is a civil engineer by profession and the Group Managing Director of Taufika Group consisting BEL Construction Sdn Bhd, Taufika Engineering Co. Ltd, Taufika Energy Co. Ltd, Taufika Foods & Agro Ind. Ltd and Deltamerge Sdn Bhd. He has obtained his engineering degree from Bangladesh and MBA from USA.

He possesses more than 24 years experiences in different business sectors of Bangladesh and Malaysia. His in depth knowledge and expertise in the management on large construction project, development of telecommunication infrastructure power generation plants, etc have made Dato' Haque a successful entrepreneur.

Dato' Haque received the prestigious Malaysian Honour "DARJAH INDERA MAHKOTA PAHANG" which carries the title Dato', equivalent to Knight Commander of the most excellent order of the British Empire (KBE), commonly known as Sir. He also received Gold Medal (Consecutive year 2009-2010) awarded by Ishwar Chandra Bindda Shagore and Lalon Academy for his achievement in business. He is also involved in several projects in community development and social welfare activities. He is the founder of few educational institutions which offer free education to under privileged children of Bangladesh.

Dato' Engr. Md. Ekramul Haque is a genuine businessman having vast experience in the line of business he is engaged in. He possesses excellent business acumen and the capability to run business. Beside Taufika Group, Dato' Haque is also the sponsor shareholder and Director of NRB Bank Limited, Bangladesh.



Dr. Mahiul Muhammed Khan Muqit Director

Dr. Mahi Mugit was born in Scotland, and is an Ophthalmologist and Vitreoretinal Surgeon. He gained his MBChB medical degree from the University of Glasgow, BSc (Hons) from University of London and PhD 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.

Over the last 4 years, Dr. Mahiul Muhammed Khan Mugit 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.



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

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.



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, he went to U.K. in 1960 and joined Pakistan High Commission London as an Auditor. In 1965 he started his own business in U.K. with a restaurant in Kent.

In 1980 he established Khalil Group as an NRB with fund brought from U.K. 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 State 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.



Rabin Paul Director

Mr. Rabin Paul is a distinguished and well-respected figure in the Bengali community. He arrived in the UK from Tajpur, Sylhet, in 1994. His father, the late Ronodhir Paul, was the reputed Headmaster of Goulabazar High School and Assistant Headmaster of Sharpur Azad Bokht High School and his mother, Shikha Rani Paul, is a retired teacher.

An entrepreneur, Mr Paul has worked relentlessly to ensure the success of his businesses. He has enjoyed continuous success as the Chairman of General Auto Services - one of the most successful and well-recognised accident management companies in the community. He also manages his property portfolio in the UK.

Aside from managing his business interests, Mr Paul is a keen believer in philanthropy and has donated to various causes. He is a life member of Mangalchandi Nishikanta High School, a donor member of Balagonj College, and a life member of Goulabazar Public Library.



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 East West Placement Center, Private Recruitment Agency in the Philippines.

He is the founder of EWPCI Training and Testing Center (ETC) in the Philippines, Amanco PTE Ltd (ACL) in Singapore, East West Human Resource Center Ltd. (EWH), and East West Training & Contractors Company Ltd. (ETC) all in Bangladesh.



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 is the founder and Chairman of Jamil Iqbal Ltd. which is one of the largest construction companies of Bangladesh. He is a successful NRB entrepreneur and investor. He is the chairman of Manor Trade and Divine Properties Ltd. Mr. Iqbal is the proprietor of M/S. Md. Jamil Iqbal, J.I. Stone and the owner of many cruising plants. He deals in exports and imports. He is used to import construction materials and machineries. Mr. Iqbal is the partner of Al Anood Perfumes Co. (LLC), Deira, Dubai, UAE.

Mr. Iqbal comes of a noble Muslim family of Beanibazar, Sylhet. Having obtained graduation he engaged himself in various types of business. He is the member of the Sylhet Chamber of Commerce and Industry. He is associated with various socioeconomic works.

Mr. Iqbal is a British Citizen. He is the highest Tax payer in Sylhet and received national award from the Government of the People's Republic of Bangladesh from assessment year 2007-08 to 2013-14 (7 years) without any break.



Naveed Rashid Khan Director

Mr. Naveed Rashid Khan currently resides in Dubai, U.A.E. 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.



M. Badiuzzaman Director

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Mr. M. Badiuzzaman is a versatile and experienced business professional with extensive knowledge and networking capacity to revolutionize business decision-making in international trade, commerce and finance industry.

Mr. M. Badiuzzaman is a proficient businessman involved with various local and overseas companies. Companies are namely; Chairman, Advance Homes Pvt. Ltd. Bangladesh (Residential and Commercial Real-Estate Development and Consultancy in Bangladesh), Partner, Advance Corporation, Bangladesh (Export-Import and Commodity Trading in Bangladesh), Independent Director, Phoenix Insurance Company Ltd, Bangladesh (Private Financial Institution in Banking Sector in Bangladesh), Bangladesh-Singapore Investment & Technologies Ltd. (Technology and Development Project-based company in Bangladesh), Bangladesh-Singapore Development Ltd. Bangladesh (Real-Estate Development & Sourcing Company in Bangladesh), Tania International Pte Ltd. Singapore (Export-Import and trading of Commodities and Business Consultancy in Singapore since 1990), Tania Development Pte. Ltd. Singapore (Commercial & Industrial Real Estate Management Company in Singapore since 2008), Rajib Enterprises Pte. Ltd. Singapore (Food & Beverage and Publications Business

in Singapore since 1989), Asia Pacific Realty Investment Service, Singapore (Project-based consultancy company in Singapore 2008), Aangan Fine Dining Restaurant, Singapore (Restaurant business since 1994 in Singapore), The Far Eastern Business Review, Singapore (International Business Publication since 2013 in Singapore).

Mr. M. Badiuzzaman is a Graduate from Dhaka University and a corporate/individual member of the Singapore Business Federation (SBF), Singapore, Textile & Fashion Federation (TAFF), Singapore, International Business Forum of Bangladesh (IBFB) and Real Estate and Housing Association of Bangladesh (REHAB).



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's in UK. Mr Rafique Miah is the Chairman of Bangladeshi Importers Association in the UK and honorary president of Tower Hamlets Cricket Club.

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



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 organization 'Sylhet Bivag Unnayan Parishad' which is based in Dubai, UAE. He is the Chief Advisor of another organization 'Bangladesh Shomaj Kollyan Shomitee' in UAE and one of the founder members of Bangladesh Business Council.



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 organizations at home and abroad.



Khandakar R. Amin Director

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

He is the proprietor of the following businesses in U.S.A.

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.



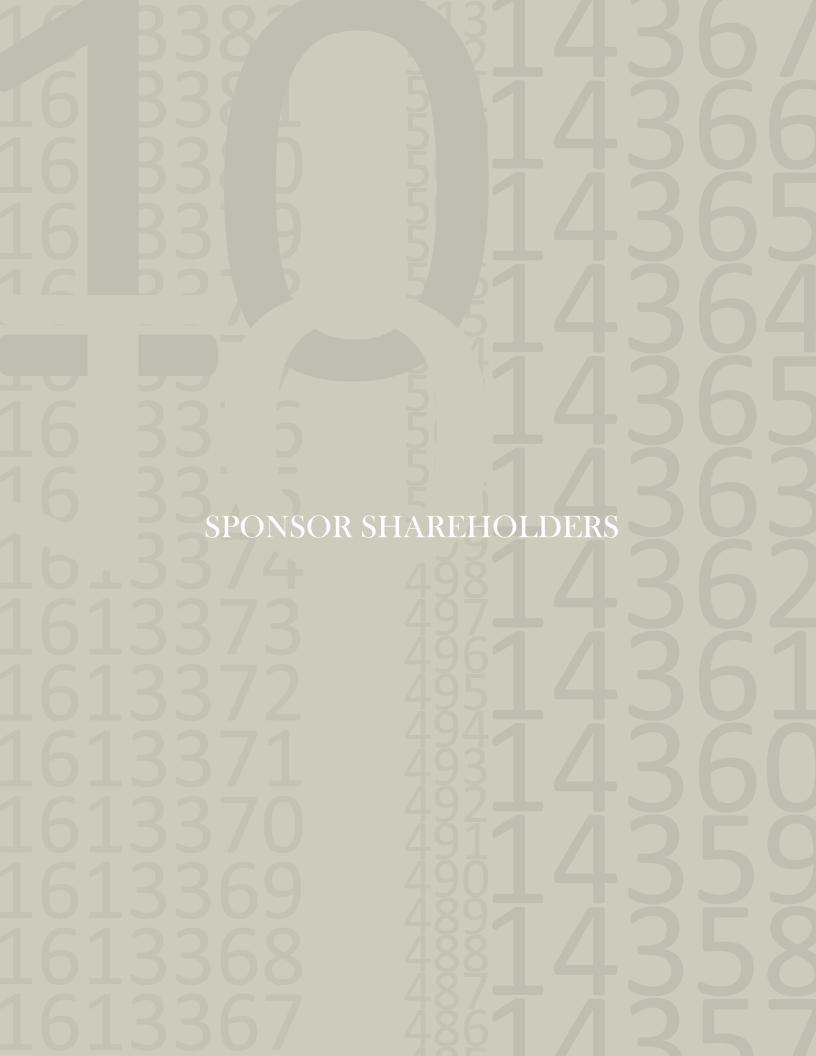
Muklesur Rahman Managing Director & CEO

Mr. Muklesur Rahman is a veteran banker with more than 30 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 at home and abroad, leading large teams in areas spanning from branch management, retail, SME, operations, distribution, compliance, foreign trade to project management,

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.



SPONSOR SHAREHOLDERS



Iqbal Ahmed OBE, UK



Mohammed Mahtabur Rahman (Nasir), UAE



Kamal Ahmed,UK



Dato' Engr. 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



M. Badiuzzaman, Singapore



Mohammed Rafique Miah,UK



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





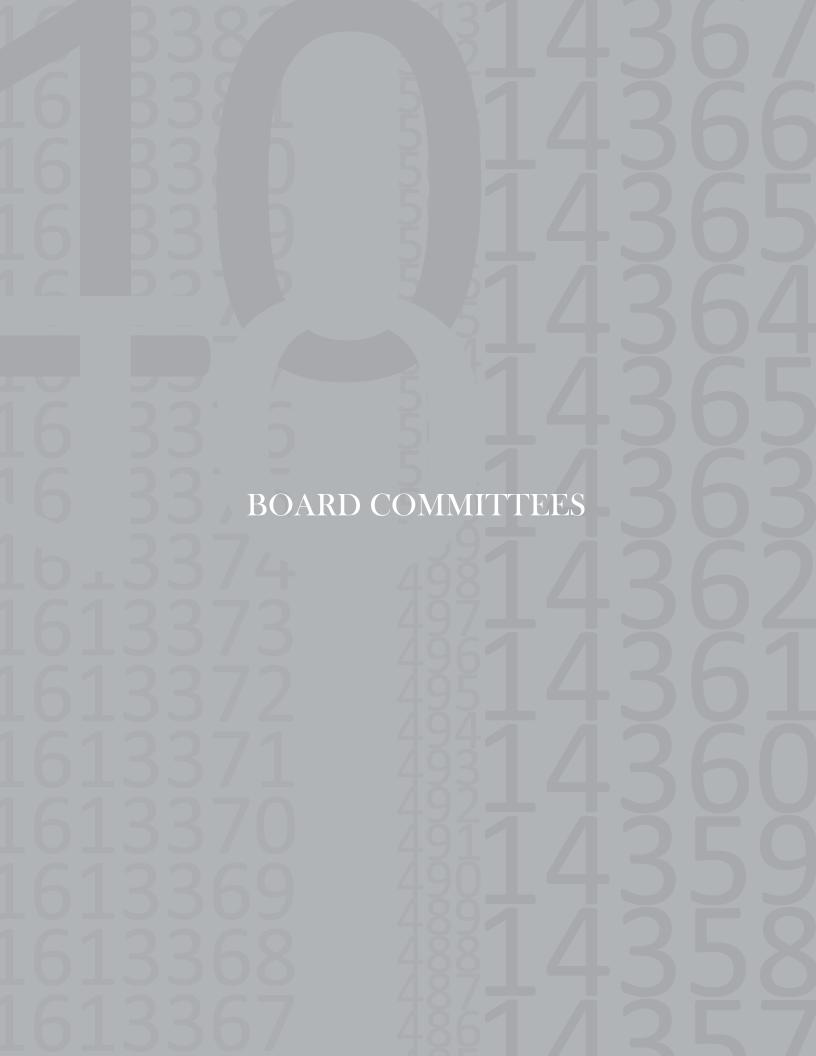
Abdul Muhith,UK



Abdul Hi Khalique, UK



Shahela Ferdush Rahman, USA



BOARD **COMMITTEES**

EXECUTIVE **COMMITTEE**

Chairman Mr. Iqbal Ahmed OBE

Members Mr. Mohammed Idrish Mr. Tateyama Kabir Engr. Abu Taher Mohammed Amanullah Mr. M. Badiuzzaman









AUDIT COMMITTEE







Mr. Mohammed Mahtabur Rahman (Nasir)

Members

Mr. Kamal Ahmed Mr. Imtiaz Ahmed

Mr. Khalilur Rahman Choudhury

Dr. Nesar Ahmed Choudhury







BOARD COMMITTEES











RISK MANAGEMENT **COMMITTEE**

Chairman Dato' Engr. Md. Ekramul Haque

> Members Mr. Naveed Rashid Khan Mr. Rabin Paul Mr. Khandakar R. Amin Mr. Mohammed Jamil Iqbal



Management Committee



Sitting from left:

Mahbubuzzaman, Head of CRM; Muklesur Rahman, Managing Director & CEO; Zeeshan Hasib, Deputy Managing Director.

Standing from left:

Shahrukh Ahmed, Head of HR & FM; Md. Towhidul Islam, Head of FI, Treasury & Acting CFO; Rahat Shams, Head of Retail Banking; Mamun Seraji, Head of IT & ADC Operations; A.F.M. Zakaria Huqe, Deputy Company Secretary; Md. Rafiqul Islam, Acting Head of ICC; Md Towhidu-zzaman Fuad, VP, Operations.



DIRECTORS' REPORT

The Board of Directors of NRB Bank Limited has the pleasure in welcoming you all to the 2nd Annual General Meeting and presenting Annual Report and Audited Financial Statements for the year 2014 together with the Report of the Auditors to the shareholders. Before going into detailed performance of the Bank, let us start with the status of local and global economy in brief.

GLOBAL ECONOMY

The global economy is still struggling to gain momentum as many high-income countries continue to grapple with legacies of the global financial crisis and emerging economies are less dynamic than in the past. Emerging markets are adjusting to rates of economic growth lower than those reached in the pre-crisis boom and the post-crisis recovery. Overall, the pace of recovery is becoming more country specific rather than global.

While activity in the United States and the United Kingdom has gathered momentum as labor markets heal and monetary policy remains extremely accommodative, the recovery has been sputtering in the Euro Area and Japan as legacies of the financial crisis linger, intertwined with structural bottlenecks. China, meanwhile, is undergoing a carefully managed slowdown. Disappointing growth in other developing countries in 2014 reflected weak external demand, but also domestic policy tightening, political uncertainties and supplyside constraints.

Several major forces are driving the global outlook: soft commodity prices; persistently low interest rates but increasingly divergent monetary policies across major economies; and weak world trade. In particular, the sharp decline in oil prices since mid-2014 will support global activity and help offset some of the headwinds to growth in oil-importing developing economies. However, it will dampen growth prospects for oil-exporting countries, with significant regional repercussions.

Overall, global growth is expected to rise

moderately, to 3.0 percent in 2015, and average about 3.3 percent through 2017. High-income countries are likely to see growth of 2.2 percent in 2015-17, up from 1.8 percent in 2014, on the back of gradually recovering labor markets, ebbing fiscal consolidation, and still-low financing costs. In developing countries, as the domestic headwinds that held back growth in 2014 ease and the recovery in high-income countries slowly strengthens, growth is projected to gradually accelerate, rising from 4.4 percent in 2014 to 4.8 percent in 2015 and 5.4 percent by 2017. Lower oil prices will contribute to diverging prospects for oil-exporting and importing countries, particularly in 2015.

BANGLADESH ECONOMIC GROWTH

The Economy of Bangladesh is rapidly developing and the country is classified as a Next Eleven emerging market and one of the Frontier Five. According to a recent opinion poll, Bangladesh has the second most pro-capitalist population in the developing world.

Despite widespread political demonstrations and turmoil in Bangladesh ahead of national elections in January 2014, gross domestic product (GDP) growth in Fiscal Year 2014 (ended 30 June 2014) was estimated at 6.2%, half a percentage point higher than projected in the Asian Development Outlook (ADO) 2014 in April. The strong performance came from higher public investment and strong exports. For FY2015, growth is now projected at 6.5%, slightly higher than forecasted earlier, even after being challenged by the political instability. Positive is there as a revival in worker remittances is expected to bolster private consumption, while private sector investment will pick up depending on political stability.

Food prices were high for much of FY2014 because political unrest disrupted supply, pushing inflation up by 60 basis points to an average of 7.4% for the year 2014. Price pressures are expected to soften with easing supply constraints, a better crop outlook, supportive monetary policy, and large

public stocks of food grain. Lower international food and oil prices will also contribute. But monetary specialists assume a reschedule of oil pricing at the later part of 2015 as it has been experienced downfall since mid-2014.

Strong expansion in exports outweighed a more moderate rise in imports to narrow the trade deficit in FY2014. Workers' remittances declined slightly but were sufficient to offset the trade deficit and push the current account to a surplus equal to 1.0% of GDP, not the 0.5% deficitthat had been projected by ADB. With higher remittances, the current account is now projected to post a surplus equal to 1.5% of GDP, rather than the 1.5% deficit projected earlier.

The 12-month average inflation based on the consumer price index (CPI) maintained a declining trend during the last six months and came down to 6.99% in December 2014 from 7.28% in July 2014 mainly due to declining food prices. Average food inflation moderated to 7.92% in December 2014 from 8.55% in July 2014 while average nonfood inflation edged up to 5.60% from 5.41% over the same time points. Food inflation from July to December 2014 has been declining partly as a consequence of declining global and regional food prices. Nonfood inflation for the first three months of FY2015 (July-September 2014) has been declining due to a slowdown in credit growth and remittances. Average CPI inflation pattern in rural and urban areas was almost similar but urban inflation (7.35%) was more acute than the rural one (6.80 percent) in December 2014.

An expected, rise in gas and electricity prices and inflation expectations originating from the upcoming salary hike in the public sector and the resulting wage hike in the private sector may put forth pressure on prices particularly on the nonfood prices in coming months. On the other side, price pressures are expected to be moderate with improvement in supply chain which has been disrupted to a great extent since the beginning of 2015. A better crop outlook and a continued supportive stance of monetary policy by Bangladesh Bank may help retain a moderate rate of inflation in 2015.

BANKING SECTOR

Throughout 2014, the banking sector continued to cast shadow on the overall economic scenario

through malpractices and inefficiencies. Low pick up of investment led to low credit growth in the banking sector. Till June 2014 domestic credit grew by only 11.6 percent against the target of 17.8 percent in MPS. Actual growth of domestic credit up to September 2014 was 12.3 percent while the target for December 2014 was 13.8 percent. Both credit to the public and private sectors has been sluggish during those periods. In September 2014 interest rate spread was 5.1 percent, a decline from 5.3 percent in June 2014. Despite demands for lower interest rate, banks in Bangladesh forced to charge high lending rates as the deposit rate also tends to be high in Bangladesh. The central bank has directed commercial banks to keep the interest rate spread within 5 percent, which is not followed guite often. Commercial banks claim that it is difficult to lower interest rate due to high cost of fund which is the result of inefficiency, high risks and low profitability of the sector.

Lower growth in credit coupled with increasing trend of non-performing loans (NPL) has worsened the performance of the banking sector. During January-September 2014 both classified loans and NPL have increased. Low capital adequacy and poor asset quality of banks are also worries of the State Owned Commercial Banks (SCBs). Primarily due to rise in default loans, capital adequacy ratio of SCBs fell to around 9 percent against their risk-weighted assets as opposed to the required level of 10 percent as of June 2014. In spite Private Banks put humongous endeavor to live with the expectations of stakeholders and customers.

Capital adequacy ratio (CAR) decreased to 10.6% at the end of September 2014 from 11.5% in December 2013 which is still exceeding the Basel accord of the minimum 10% capital adequacy ratio. Private commercial banks (PCBs) and foreign commercial banks (FCBs) are successfully maintaining the prevailing standard since December 2010 whereas SCBs and specialized banks (SBs) are still struggling to fulfill this regulatory requirement.

The central bank has taken various steps to improve supervision so that financial frauds can be minimized if not eliminated entirely in the banking sector. Digital technology has been deployed to investigate big financial transactions and loans in order to stop the repetition of banking irregularities.

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ECONOMY AND BANKING SECTOR OUTLOOK 2015

2015 will 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 from non performing loans with concern and care. While many of these figures are potentially alarming, Bangladesh Bank has already taken some corrective measures to clamp down on classified loans. We hope to see their descent soon. Banks have to take strong measures to recover these loans and if not take hit in their balance sheets for these irregularities. Bangladesh Bank will not be lenient in this regard.

While the cases of the credible borrowers with potential for better businesses will be reviewed, the central bank will not hesitate to take any stern measures against the habitual defaulters and bad borrowers with a track record of persistent delinguencies. The central bank has taken various steps to improve supervision so financial frauds can be minimized if not eliminated entirely. Digital technology has been deployed to investigate big financial transactions and loans in order to stop the repetition of banking irregularities. The Real Time Electronic Dashboard is an example in this regard. 2015 also started with same story of serious political unrest. Good news is there. World Bank approved \$1bn fresh loan. Government started the Padma bridge mega project completion of which may directly affect staggering 1% growth in GDP. Commodity prices are comparatively in control, as well as inflation. Keeping those in mind amid lot many ifs and buts we are still looking forward to a more brighter and prosperous year.

HIGHLIGHTS OF FINANCIAL PERFORMANCE

Banking sector in Bangladesh passed a very challenging year in terms of governance, profitability and soundness in 2014. Continued setback suffered by some major sectors in the economy i.e. textiles, ship-breaking, real estate and commodity trading and lackluster performance of the capital market put pressure on banking sectors' asset quality and profitability.

Total Assets

The Bank's total assets stood at BDT 13,492 million in 2014 from BDT 5,966 million in 2013 registering a growth of 126.15 percent. The increase in assets

of NRBBL was mainly driven by growth of customer deposits. The growth of deposits was used for funding growth in credit and holding of securities for SLR purpose and as a primary dealer. The economy witnessed a satisfactory growth scenario in credit and deposits mobilization.

Cash in hand and Balance with Bangladesh Bank & its Agent Bank(s)

Cash in hand and Balance with Bangladesh bank and its Agent Bank(s) of the bank stood at BDT 532 million in 2014 from BDT 202 million in 2013 registering a growth of 163.37 percent. The growth in deposits increased the Cash Reserve Requirement of the Bank which is maintained with Bangladesh Bank and its agent.

Balance with other banks and financial institutions Balance with other banks and financial institutions of the bank stood at BDT 1,620 million in 2014 from BDT 4,810 million in 2013 showing a negative growth of 66.32 percent.

Investment

Investment of the bank stood at BDT 3,520 million in 2014 from BDT 93 million in 2013 registering a growth of 3,684.94 percent. The bank purchased government treasury bills to cover the increased SLR requirement.

Loans and Advances

Loans and advances of the bank stood at BDT 6,292 million in 2014 from BDT 453 million in 2013 registering a growth of 1,288.96 percent. The increase in loans and advances was mainly due to growth in disbursing fresh loans.

Liabilities (excluding equity)

Total liabilities of the bank stood at BDT 9,522 million in 2014 from BDT 1,955 million in 2013 registering a growth of 387.06 percent. The increase in liabilities was mainly due to growth in deposits and borrowings.

Borrowings from other banks, financial institutions and agents

The borrowing of NRBBL stood at BDT 1,392 million which represents borrowings from other banks and Financial Institutions. The borrowed amount was mainly used for purchasing Treasury Bills/Bonds which were devolved on the bank in excess of SLR requirement.

Deposits

Deposits of the bank stood at BDT 7,805 million in 2014 from BDT 1,885 million in 2013 registering a growth of 314.05 percent. The growth was supported by branch network and high standard service provided to customers along with liability campaign carried out by retail liability team for mobilization of no cost and low cost deposits. Fixed deposits remained the main component of deposits contributing 90.05 percent of the total deposits.

Interest Income

During 2014, NRB Bank earned BDT 806 million as interest income, recording a growth of 253.51 percent over previous year. The growth in interest income was attributable to real growth in overall asset portfolio and efficient utilization of fund.

Interest Expense

Interest paid on deposits and borrowings during 2014 was BDT 485 million, an increase over 2013 by 736.21 percent. Interest expenses increased due to the increment of deposit volume by 5,920 million and increase of cost of deposit.

Investment Income

Investment income during 2014 was recorded at BDT 123 million compared to BDT 0.36 million of 2013, posting a growth of BDT 121.65 million due to higher investing activities and prudent treasury activities.

Operating Profit of the bank for the year 2014 stood at BDT 20 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/(loss) before tax (PBT) of the bank stood at BDT (66) million in 2014 compared to BDT 10 million in 2013.

APPOINTMENT OF AUDITORS

The Board of Directors of NRB Bank Limited, in the 1st AGM held on June 21, 2014 appointed M/S. Howlader Younus & Co, Chartered Accountants the statutory auditor for the year 2014. As per Bangladesh Bank circular letter no. 33 dated December 23, 1992, Howlader Younus & Co. is eligible for conducting audits for 3-year term. As such, the auditor is eligible for reappointment in the 2ndAGM of the Bank for the next one year.

GRATITUDE

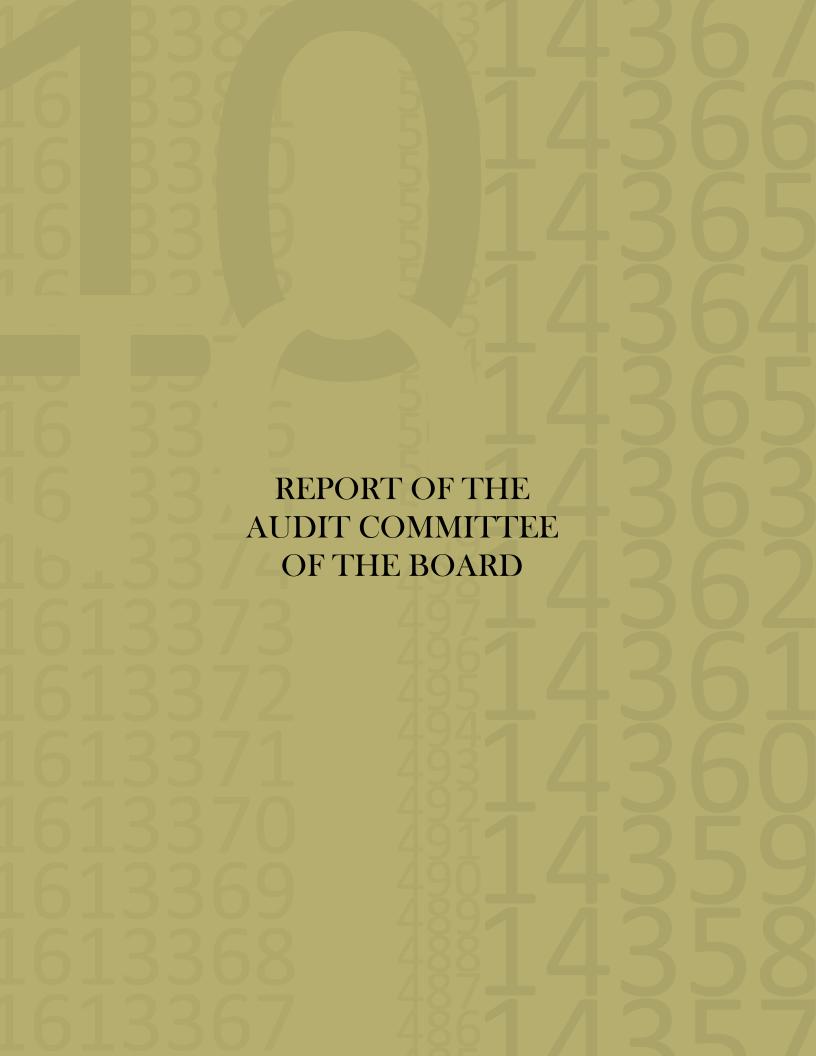
The Board of Directors of NRB Bank Limited take the opportunity of expressing their gratitude to all the sponsor shareholders, valued clients, patrons, all members of the staff and well-wishers for their continued co-operation and support.

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, Bangladesh Securities and Exchange Commission and Registrar of Joint Stock Companies & Firms for their assistance, suggestions and directions extended to the bank.

We look forward for your kind support and patronization for meeting future expectations and overcoming the economic challenges adroitly.

On behalf of the Board of Directors,

IQBAL AHMED OBE CHAIRMAN, NRB BANK LIMITED



REPORT OF THE AUDIT

COMMITTEE OF THE BOARD

The Audit Committee of the Board of NRB Bank Limited was formed by the Board of Directors to provide independent oversight of the company's financial reporting, non-financial corporate disclosures, internal control systems and compliance to govern rules and regulations in compliance with Bangladesh Bank guidelines and Bangladesh Securities and Exchange Commission. Following are the major objectives of the Audit Committee:

- To review the financial reporting process, system of internal control and approach to manage risks, audit process, findings of Central Bank comprehensive audit and bank processes for monitoring compliance with laws and regulations and its own code of business conduct;
- To assist the Board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plans set by the Board for effective functioning of the bank.

Composition and Qualifications

In compliance with the section 3.2 (i) of Corporate Governance Notification issued by BSEC on 07 August 2012 and Bangladesh Bank BRPD Circular No.11, dated 27 October 2013, the Audit Committee of NRB Bank Limited was reconstituted by the Board in its 1st Meeting held on 09 April 2013 consisting of the following members:

SL No.	Name	Status with Bank	Status with the Committee	Educational Qualification
01.	Mohammed Mahtabur Rahman (Nasir)	Director	Chairman	Bachelor of Arts
02.	Kamal Ahmed	Director	Member	Graduate of Business Management
03.	Khalilur Rahman Choudhury	Director	Member	Bachelor of Commerce
04.	Imtiaz Ahmed	Director	Member	Post Graduate
05.	Dr. Nesar Ahmed Choudhury	Director	Member	MBBS

The Deputy Company Secretary acts as the Secretary of the Audit Committee to the Board.

Roles and responsibilities of Audit Committee

The roles and responsibilities of Audit Committee have been framed by following the provisions of BRPD Circular No 11 dated 27 October 2013, Corporate Governance Notification issued by BSEC on 07 August 2012, and other best practiced corporate governance guidelines and standards. Some important roles and responsibilities are as follows:

Internal Control

- Evaluate whether the bank's management has been able to build a compliance culture with respect to bank's internal control system;
- Consider the oversight of bank's compliance on recommendations made from time to time concerning

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establishment of an internal control framework by internal as well as external auditors;

Apprise the board of any fraud-forgery, internal control lapses found by internal or external auditors
and inspection team of regulatory authority or identification of such other areas and remedial
measures therein.

Financial Reporting

- To review the Annual Financial Statements and meet with Management and External Auditor for reviewing annual financial statements before finalization;
- To discuss with management the company's major financial risk exposures and the steps that management has taken to monitor and control such exposures;
- To review along with management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval.

Internal Audit

- To guide, approve and review Internal Audit Plan, Internal Audit Process and Procedure, bank management body for ensuring compliance on audit recommendation(s) and scope of development, compliance status of audit recommendation, annual assessment of the performance of audit and inspection activity and the efficiency and effectiveness of internal audit function;
- To recommend audit findings to be placed to the Board of Directors.

External Audit

- To review and guide external auditor's management report and financial audit report, bank's management for ensuring compliance with audit recommendation;
- Assist the Board regarding the appointment of the external auditors.

The Audit Committee expresses its sincere thanks and gratitude to the Members of the Board, Management and the Auditors for their excellent support to the Committee when they carried out their duties and responsibilities.

On behalf of the Audit Committee,

Mohammed Mahtabur Rahman

Chairman

The Audit Committee of the Board

CORPORATE

GOVERNANCE REPORT

Corporate governance is the set of principles, policies, procedures and clearly defined responsibilities and accountabilities framed to overcome the conflicts of interest inherent in the corporate world. Corporate in today's business world is subject to a variety of conflicts of interest arising out of inherent complexities in forms and structures. Fairness, transparency, accountability and responsibility are the standards of Corporate Governance. It is about commitment to values and maintaining ethics in the conduct of business. So, Corporate Governance must be there in order to:

- Eliminate or mitigate conflicts of interest, particularly of those between management and shareholders
- Ensure that the assets of the company are used efficiently and effectively and in the best interest of its shareholders and stakeholders

From the view point of conflicts of interest among Management, Stakeholders, Directors and Shareholders are the primary focus of most of the systems of corporate governance. Board of directors is a critical component for ensuring check and balance that lies at the heart of corporate governance. Board members owe a duty to make decisions based on what ultimately is best for the long-term interests of the shareholders. In order to do this effectively, Board members need a combination of three things:

- Independence
- Experience and
- Resources.

Corporate Governance Practice at NRB Bank

The corporate governance practices of NRB Bank is guided by the directives of regulatory bodies: Bangladesh Bank and Bangladesh Securities and Exchange Commission. However, the Bank's corporate governance philosophy encompasses not only regulatory and legal requirements but also embodies various internal rules, policies, procedures and practices based on the best practices of local and global banks. At the bank, we attach a simple meaning to 'Corporate Governance' which is 'Due diligence' in observing responsibilities by Board as well as by Management to safeguard interest of key stakeholders i.e. depositors, shareholders, employees and the society as a whole. Two very important pillars of a good corporate governance structure are:

- Transparency and
- Accountability

These two pillars are backed by strong Internal Control and Compliance Structure and MIS capabilities in the bank.

Composition of Board of Directors

According to Clauses 94 of the Articles of Association of NRB Bank Limited, the Board of Directors is currently constituted with 21 (Twenty One) Directors among whom 20 (Twenty) are Non Executive Directors including the Chairman and 1 (one) is Managing Director (Ex-Officio). All the Directors are well-qualified, experienced professionals and carrying tremendous value, in their respective management capability. These Directors are successful businessmen in their own right and they also hold very responsible positions in public life.

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Appointment of Directors

The members of the Board of NRBBL are appointed according to the provision of Companies Act 1994, Bank Company Act 1991 (Amended up to 2013), Corporate Governance Guidelines of BSEC, Guidelines of Bangladesh Bank and Articles of Association of the Bank. The Board is comprised of experienced members with diverse professional experiences and knowledges such as business, banking and finance, IT, accounting, marketing, administration, engineering which make the Board very proficient and balanced in directing Banks to achieve its desired objectives.

Retirement and Election of Directors

According to clauses 105 of the Articles of Association of NRB Bank Limited, at the 1st Annual General Meeting all the Directors shall retire from the office. All the directors retired and became eligible for re-election, were re-elected at the 1st Annual General Meeting (AGM) held on 22 June 2014.

As per Clauses 105 & 106 of the Articles of Association of the Bank, 1/3rd (one third) Directors shall retire by rotation from the office of the Directors in the 2nd AGM. All the retiring Directors are eligible for re-election in the ensuing 2nd AGM subject to compliance with the BSEC Notifications dated 22 November 2011 and dated 07 December 2011 respectively.

Board of Directors meetings

The Board of Directors holds meeting on a regular basis. At each meeting, management provides information, references and detailed working papers for each Agenda to all Directors for consideration at least three days before the meeting. The Chairman of the Board of Directors allocates sufficient time for the Directors to consider each Agenda in a prudent way and allow them to discuss freely, inquire and express opinions on the topics of interest at the meeting in order to fulfill the Directors' duties to the best of their abilities at the meeting.

Separation of Chairman and Chief Executive Officer Roles

In compliance with Bangladesh Bank BRPD Circular No. 11 and Circular Letter No. 18 dated 27 October 2013 and Clause 1.4 of BSEC CG Guidelines dated 07 August 2012, we report that the Chairman of the Board Mr. Iqbal Ahmed OBE has been elected from among the Directors and there are clear and defined roles and responsibilities of the Chairman and the Chief Executive Officer.

The Chairman of the Board of Directors approves the Agenda for the Board meetings, assisted by the Managing Director and the Company Secretary. Regular Agenda items include approving credits beyond CEO's authority and aspects of the Bank's corporate strategy, financial performance, core risks and credit policy, corporate governance, CSR and organizational structure, human resources policy, customer and services strategies, procurement policy, etc.

On the other hand, CEO being the Head of Management team of the Bank, is accountable to the Board and its Committees to run and manage the Bank in accordance with the prescribed policies, principles and strategies established by the Board and rules, regulations and guidelines from the Central Bank, BSEC and other regulatory authorities. Management's primary responsibilities are:

- Manage the operation of the Bank safeguarding interests of customers and other stakeholders in compliance with the highest standards of ethics and integrity;
- Implement the policies and strategic direction established by the Board;
- Establish and maintain a strong system of Internal Controls:
- Ensure that the Bank's compliance with applicable legal and regulatory requirements.

Roles and Responsibilities of the Board of Directors

The major roles and responsibilities of the Board, among others, are to set the vision, mission and policies of the Bank and to determine the goals, objectives and strategies to ensure efficient utilization of the Bank's resources. The roles and responsibilities of the Board of Directors are outlined below (but not limited to) in compliance with Bangladesh Bank BRPD Circular No. 11 dated 27 October 2013:

- Work planning and strategic management
- Lending and Risk Management
- Internal Control Management
- Human Resources Management and Development
- Financial Management
- Formation of Supporting Committees
- Appointment of Independent Directors
- **Appointment of Alternate Directors**
- Appointment of Managing Director & CEO

Responsibilities of the Chairman of the Board

To set out the following responsibilities, BRPD Circular No. 11 dated 27 October 2013 issued by Bangladesh Bank and Corporate Governance Notification issued by BSEC on 07 August 2012 has been taken into consideration. The overall responsibility of the Chairman is to:

- Ensure that the Board sets and implements the Bank's direction and strategy effectively.
- Act as the Bank's lead representative, explaining aims and policies to the Shareholders.
- Ensure no participation in or interfere into the administrative or operational and routine affairs of the Bank.

The specific responsibilities of the Chairman, among others, are to:

- Provide overall leadership to the Board, supplying vision and imagination, working closely with the CEO.
- Take a leading role in determining the composition and structure of the Board which will involve regular assessment for

the followings:

- -size of the Board,
- -interaction, harmony and involvement of the Directors.
- Set the Board's Agenda and plan Board Meetings;
- Chair all Board Meetings, constructive debate towards consensus;
- Ensure that the Board receives appropriate, accurate, timely and clear information;
- Chair the AGM and other Shareholders' Meetings to foster effective dialogue with the Shareholders;
- Ensure that the views of shareholders are communicated to the Board;
- Work with the Chairman of Board Committees:

Independence of Non-Executive Directors

All the Non-Executive Directors enjoy full freedom to carry out the respective responsibilities. They attend Board meetings regularly and participate in the deliberation and discussions effectively. They actively involved in the matter of formulation of general strategies of the Bank. But they do not participate in or interfere into the administrative or operational or routine affairs of the Bank. However, they ensure confidentiality of the Bank's agenda papers, discussions at the Board/ Committee Meetings, Notes and Minutes.

Board Committees and their Responsibilities

To ensure good governance i.e. corporate governance in bank management, Bangladesh Bank issued a circular (BRPD Circular No. 11 dated 27 October 2013) wherein it restricted banks to form more than three committees or sub-committees of the Board.

To ensure proper accountability and transparency through 'due diligence', the Bank has three Board committees namely Executive Committee, Audit Committee and Board Risk Committee mainly to oversee and direct the operations, performance and strategic directions of the Bank.

Executive Committee (EC)

Appointment and Composition

In Compliance with Section 15B (2) of The Bank Company Act (amended up to 2013) and BRPD Circular No. 11 dated 27 October 2013, the Board of Directors of the bank has ¬constituted the Executive Committee (EC) of the Board in 2014 with five members (maximum limit is seven members). None of them are the members of Audit Committee of the Board. The Company Secretary acts as the secretary to the committee.

The Executive Committee (EC) is comprised of 05 (five) Non–Executive Directors and Managing Director of the Bank.

Meeting and Responsibilities of EC

The Executive Committee of a larger sized Board of Directors usually acts as a proxy for full Board, can attend a meeting with short notice and take decisions to ensure smooth flow of banking businesses. However, any decision taken by the committee has to be subsequently ratified by the full Board.

Audit Committee (AC)

The Audit Committee of the Bank carries out its functions based on the Terms of Reference (ToR) approved by the Board and is accountable to the Board of Directors of the Bank. The Company Secretary acts as the secretary to the committee.

Appointment and Composition

In compliance with Bangladesh Bank BRPD Circular No.11 dated 27 October 2013, Audit Committee (AC) of the Bank has been constituted by the Board to review and oversee company's financial reporting, non-financial corporate disclosures, internal control systems and compliance to governing laws, rules and regulations etc. independently.

Qualification of Members of AC

All members of the Audit Committee are financially literate and one member has post-graduation degree in Accounting. Moreover, all members of the Audit Committee have reasonable knowledge on banking business, its operations, and risks

involved in it.

• Terms of Reference (ToR) of AC

The ToR of the AC has been framed by considering the provisions of BRPD Circular No. 11 dated 27 October 2013, Corporate Governance Guidelines issued by BESC on 07 August 2012, and other best practice corporate governance guidelines and standards. Some important roles and responsibilities of AC as per ToR have been described in "Report of the Audit Committee" section of this annual report.

Internal Control & Compliance Division's Access to Audit Committee

The Head of Internal Control & Compliance (ICC) has direct access to the Audit Committee as and when required. In addition, the Audit Committee meets the Head of ICCD at least once in a year, without management being present, to discuss their remit and any issues arising from the internal audits carried out.

Objectives and Activities of the Audit Committee

The AC regularly reviews the internal control systems of the Bank and also reviews along with the management, the quarterly, half yearly and annual financial statements of the Bank before submission to the Board for approval. The objectives and activities of the AC have been described in "Report of the Audit Committee" section of this annual report.

Meeting of the Audit Committee

The Audit Committee of the bank held 04 (four) meetings in the year 2014 and had detailed discussions and review session with the Head of Internal Control & Compliance, External Auditors etc. regarding their findings, observations and suggestions with corrective measures on the related areas and on other issues of Bank affairs that need improvement. The Audit Committee instructed the Management to follow those suggestions and accordingly monitored from time to time.

Board Risk Committee (BRC)

Appointment and Composition

In Compliance with BRPD Circular No. 11 dated 27 October 2013, the Board of Directors of the bank has constituted the Board Risk Committee (BRC) of the Board (maximum limit is five members). The BRC has been formed to reduce probable risks which may arise during implementation of Board approved policies, procedures and strategies. The BRC is entrusted to examine and review whether management is properly working on identification, management and mitigation of credit risk, foreign exchange risk, internal control and compliance risk, money laundering risk, information and communication technology risk, operational risk, interest rate risk and liquidity risk and keeping adequate provision and capital against the said risks.

Responsibilities of BRC

- It is the responsibility of BRC to identify and assess risk of the bank and guide management to formulate strategies for minimizing/ controlling of The committee shall review the risk management policy of the bank and modify the same as per requirement.
- For controlling of risk, it is the responsibility of BRC to ensure suitable administrative structure at the bank. To ensure the compliance of risk management guidelines relating to credit risk, foreign exchange risk, internal control and compliance risk, money laundering risk and information and communication technology risk, the BRC shall form separate committees at the management level and also monitor their activities.
- BRC shall review the risk management policy and guidelines of the bank at least once in a year, make necessary medications as per requirement and submit the same to the Board for approval. Besides, the committee shall review the approval limits of loan and others and take necessary initiatives to modify the same as per requirement.
- The committee shall review and examine the system regarding preservation of information and reporting of the management and make necessary approval

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for the same.

The committee shall monitor the overall implementation of risk management policy of the bank and also examine whether remedial measures have been taken for minimization of credit risk, market risk, operational and other risks of the bank.

Appointment of External Auditors

The Board of Directors of the Bank in its 1st Annual General Meeting held on June 22, 2014 appointed Howladar Yunus & Co., Chartered Accountants as the Statutory Auditors for the year 2014.

Services not provided by the External Auditor

As per BSEC guidelines, we declare M/S Howladar Yunus & Co., Chartered Accountants, involved in statutory audit was not involved in any of the followings during the year 2014:

- Appraisal or valuation services or fairness opinions.
- Financial information system design and implementation.
- Bookkeeping or other services related to accounting records or financial statements.
- Broker-dealer service.
- Actuarial services.
- Internal audit services.
- Audit/ certification services on compliance of corporate governance guidelines issued by BSEC.
- Any other service that the Audit Committee determines. No partner or employees of the Howladar Yunus & Co.,

No partner or employee of Howladar Yunus & Co. Chartered Accountants possess any share of the Bank during the tenure of their audit assignment at the Bank.

Effective Anti-Money Laundering and **Anti-terrorism Program**

The bank has established separate Central Compliance Unit (CCU) and appointed officials to ensure compliance of Anti-Money Laundering

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Prevention Act and Anti-Terrorism Act.

The CCU nominates Branch Anti-Money Laundering Compliance Officer (BAMLCO) and guide them about their day to day compliance activities.

The CCU arranges CAMLCO conference every year and train up bank employees through in- house experts and external experts.

Whistle blowing and Anti-Fraud Program

The Audit Committee of the Board reviews the Bank's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Audit Committee ensures that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up for action. The Audit Committee also reviews the Bank's procedures for detection and prevention of fraud. The Internal Control & Compliance Division (ICCD) of the Bank always engage in examination of whether any fraud-forgery or irregularities is going on in the Bank. The ICCD also conducts special audit or investigations as instructed by the Board or Audit Committee of the Bank. The ICCD submits reports upon the observations they detected throughout their audit to the Audit Committee at a regular interval of time.

Human Capital

Employee first is the motto of the bank. We believe that the source of our competitive advantages laid deep inside our company, in our people. Our core brand has always been our employees, appreciated for their passion to perform. For us, employees are the best brand. We do not offer our employees a job, we offer them a career to pursue.

Management committees and their responsibilities

In an effective CG Structure, bank management has a collective mandate under the leadership of MD & CEO to carry out daily operations in the best interest of the stakeholders. The Management team of NRBBL is headed by the Managing Director & Chief Executive Officer, Mr. Muklesur

Rahman. Several management committees have been formed to handle the banking operation and identify and manage risk. The committees are MANCOM, ALCO, RMC, Investment Committee and Purchase Committee etc. Managing Director leads the three most important Committees, MANCOM, ALCO and Investment Committee.

Management Committee

MANCOM is considered the highest decision and policy making authority of the management which consists of the CEO and different business and support unit heads. The major roles and responsibilities of MANCOM are as follows:

- Set or review vision, mission and strategies of the Bank as a whole and for business units for effective discharging of management responsibilities.
- Analysis of business and financial performance of the Bank.
- Monthly business review and analyses of each business unit (Corporate, SME, Retail and Treasury) performance
- Review and discuss policies and procedures of the Bank and make changes if necessary before taking to the Board.
- Discuss and approve Budget before forwarding to Board.

Risk Management Committee

The Bank formed a separate risk management unit tittle as 'Risk Management Committee' to ensure proper and timely identification, measurement and mitigation of risks exposed by the bank in a comprehensive way. The major roles and responsibilities of RMC are as follows:

- Review the organizational structure covering all individuals involved in risk taking as well as managing of it.
- Review and recommend formulating of overall risk assessment and management policies, methodologies, guidelines, and procedures in line with Bangladesh Bank

guidelines for identification, measurement and monitoring of risks.

- Review Bank's risk appetites recommend necessary changes to retain Bank's exposure within the acceptable level of risks as set by risk appetites.
- Endorse portfolio objectives in line with Bank's agreed risk appetites, and recommend tolerance limits/ benchmarks for each type of risk.
- Assist development of effective and efficient information system inflow process and data management capabilities to support the risk management functions of the bank.

Asset Liability Committee

ALCO was engaged in setting strategies and revamping previously taken strategies to cope up with current market scenario. The major roles and responsibilities of ALCO are as follows:

- Measuring overall risk appetite of the Bank both in banking book and in trading book.
- Measuring liquidity requirement of the Bank in various time buckets and taking strategic and proactive actions to meet the requirements.
- Monitoring the interest rate risk of the Bank and taking actions to keep the interest rate gap at the desired level.
- Monitoring the movement of macro variables and yield curve shift and taking strategy for short, mid and long term interest rate risk management.

Purchase Committee

The bank formed Purchase Committee (PC) drawing members from Facility Management, Operations, Finance, IT and Brand & Communication, who play an instrumental role in the procurement procedure of the Bank. The main objectives of this committee are to contribute towards sustainable development of the Bank following Board approved procurement policy and ensure that value for money is achieved in all procurement activities. The major functions of the committee are as follows:

- This committee recommends the lists of vendors for annual enlistment after thorough investigation of submitted documents and physical visit of vendors' facilities, if required, to the Managing Director & CEO for final approval.
- As per Procurement Manual, sealed quotations are invited and opened by Purchase Committee and recommend the vendors considering price and quality of the goods and services.
- In case of large procurement such as renovation of branches, PC opens the sealed quotations in front of vendors and declares the name of winning vendor. This practice has increased competitiveness among vendors which resulted in cost effectiveness in procurement of goods and services which ultimately increased the value to all stakeholders.

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BSEC guidelines for Corporate Governance: Our Compliance Status

The Bangladesh Securities and Exchange Commission (BSEC) issued Corporate Governance (CG) Guidelines in 2012 which are being followed by banks on 'Comply' basis. Status of compliance by NRBBL with the said CG guidelines issued by BSEC through Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is as follows:

Condition No	Title	Compliance Status (Put in the appropriate column)		Status (Put in the for No appropriate column) complia	Explanation for Non- compliance
		Complied	Not Complied	with the condition	
1.0	Board of Directors				
1.1	Board's Size: Board members shall not be less than 5 (Five) and more than 20 (Twenty).	٧			
1.2	Independent Director		endent Director has Yet	to be appointed	
1.3	Qualification of Independent Director (ID)	03 years from J		nity with the section 15(9)	
1.4	Chairman of the Board and Chief Executive	e Officer:			
	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	٧			
1.5	The Directors' of the companies shall inclu	de the follov	wing addition	nal statements	
1.5(i)	Industry outlook and possible future developments in the industry.	٧			
1.5 (ii)	Segment-wise or product-wise performance.	٧			
1.5 (iii)	Risks and concerns.	٧			
1.5 (iv)	A discussion on Cost of goods sold, Gross Profit Margin and Net Profit Margin.	٧			
1.5 (v)	Discussion on continuity of any Extra- Ordinary gain or loss.	٧			
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	٧			
1.5 (vii)	Utilization of proceeds from public issues, right issues and/or through any others instruments.			Not Applicable	

1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.		4	Not Applicable
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the Management shall explain about the variance on their Annual Report.		4	Not Applicable
1.5 (x)	Remuneration to directors including independent directors.	٧		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	٧	4	
1.5 (xii)	Proper books of account of the issuer company have been maintained.	٧		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	٧		
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	٧		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	٧		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	٧		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	٧		-5

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1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	٧		Reported Two Years only as Bank completed 2 years operation
1.5 (xix)	If the issuer company has not declared dividend (Cash or stock) for the year, the reasons thereof shall be given.	٧		
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	٧		
1.5 (xxi)	The Pattern of shareholding shall be reported to disclose the aggregate number of share (along with name wise details where stated below) held by:-	٧		3
1.5 (xxi) (a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	٧		
1.5 (xxi) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	٧		3
1.5 (xxi) (c)	Executives	٧		
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	٧		
1.5(xxii)	In case the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:-	٧		
1.5(xxii)(a)	A brief resume of the director;	٧		
1.5(xxii)(b)	Nature of his/her expertise in specific functional area;	٧		
1.5(xxii)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board;	٧		
2	Chief Financial Officer (CFO), Head of Intere	nal Audit ar	nd Compan	y Secretary (CS)
2.1	The company shall appoint a Chief Financial Officer (CFO), a head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	٧		

2.2	Requirement to attend the Board Meetings: The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and /or the Company Secretary shall not attend such part of meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	٧	
3	Audit Committee		
3 (i)	The company shall have an Audit Committee as a Sub-committee of the Board of Directors.	٧	
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	٧	
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	٧	
3.1	Constitution of the Audit Committee.		
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.		Not Applicable
3.1 (iii)	All members of the audit committee should be "Financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	٧	

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3.1 (iv)	When the term of service of the Committee members expires or there is any circumstances causing any Committee member to unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy (ies) immediately or not later than 1 (one) month from the date of vacancy (ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	V	
3.1 (v)	The company secretary shall act as the secretary of the Committee.	٧	
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (One) independent director.		Not Applicable
3.2	Chairman of the Audit Committee		
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.		Not Applicable
3.2 (ii)	Chairman of the audit committee shall remain Present in the Annual General Meeting (AGM).	٧	
3.3	Role of Audit Committee		
3.3 (ii)	Monitor choice of accounting policies and principles.	٧	
3.3 (iii)	Monitor Internal Control Risk management process.	٧	
3.3 (iv)	Oversee hiring and performance of external auditors.	٧	
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	٧	
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	٧	
3.3 (vii)	Review the adequacy of internal audit function.	٧	
	Turiction.		

3.3 (viii)	Review statement of significant related party transactions submitted by the management.	٧	
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	٧	
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.		No Such event occurred in this period.
3.4	Reporting to the Audit Committee.		
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	٧	
3.4.1 (ii) a)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:- a) report on conflicts of interests.		No Such event
3.4.1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system.		occurred
3.4.1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations.		No Such event occurred
3.4.1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately.		
3.4.2	Reporting to the Authorities: Reporting to BSEC about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has unreasonably ignored, the Audit Committee shall report such finding to the BSEC, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.		No Such event occurred

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3.5	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	V		3
4	External/Statutory Auditors: The issuer company should not engage its ending the following services of the company; name		atutory aud	litors to perform
4 (i)	Appraisal or valuation services or fairness opinions.	٧		
4 (ii)	Financial information systems design and Implementation.	٧		
4 (iii)	Book-keeping or other services related to the Accounting records or financial statements.	٧		
4 (iv)	Broker-dealer services.	٧		
4 (v)	Actuarial services.	٧		
4 (vi)	Internal audit services.	٧		
4 (vii)	Any other service that the Audit Committee determines.	٧		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	V		3
4(ix)	Audit/certification services on compliance of corporate governance as required under cluse (i) of condition No. 7	٧		
5	Subsidiary Company			
6	Duties of Chief Executive Officer (CEO) and CCFO shall certify to The Board that:-	Chief Finan	icial Officer	(CFO). The CEO and
6 (i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	٧		2
6(i)(a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:	٧		3

6(i)(b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	٧	
6(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	٧	
7	Reporting and Compliance of Corporate Go	vernance:	
7(i)	The company shall obtain a certificate from a practicing Professional Accountant/ Secretary/ Chartered Accountant/Cost and Management Accountant /Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report.	٧	3
7(ii)	The Directors of the company shall state, in accordance with the Annexure attached, in the Directors' report whether the company has complied with these conditions.	٧	

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Status of Compliance of Bangladesh Bank's guideline for Corporate Governance (BRPD circular no 11 dated 27.10.2013

SI No	Particulars	Compliance Status
01	Formation of Board of Directors	
1.1	Appointment of New Directors:	
3	Under section 15(4) of the Bank Company Act, 1991 (amended upto 2013), every banking company, other than specialized banks, at the time of taking prior approval from Bangladesh Bank for appointing/reappointing directors should furnish the following documents along with the application:	-3
3333	 a) Personal information of the nominated person; b) Nominated person's declaration; c) 'Declaration for confidentiality' by the nominated person; d) In case of Independent director, the approval letter from Security and Exchange commission; e) In case of Independent director, a declaration of the directors concern; f) CIB report of the nominated person; g) Updated list of the directors; 	Complied
1.2	Vacation of office of Director:	
330	a) The office of director shall be vacated according to the instructions specified in section 108(1) of the Companies Act, 1994. Besides, when a bank director becomes defaulter and does not repay the loan within two months after getting a notice under the section 17 of the Bank Company Act, 1991; provides false statement at the time of appointment; or fails to fulfil the minimum eligibility criteria, the office of the director will be vacated.	Complied
	b) If the office of a director is vacated by a notice under the section 17 of BCA, the person will not be eligible to become a director of the bank or any other bank or any financial institution for one year from the date of repayment of the total amount due to the bank. It is mentionable here that the dues can be adjusted with the shares held by the director in that bank. When a director receives a notice under section 17 of BCA, 1991, he/she can't transfer his/her shares of that bank until he/she repays all the liabilities of the noticed bank or financial institution.	Complied
3	c) Besides, Bangladesh Bank can remove a director or chairman of a bank, except state owned banks, for conducting any kind of activities that is detrimental to the interest of the banks depositors or against the public interest under Section 46 and can supersede the board of a banking company under Section 47 of BCA, 1991.	

1.3	Removal of Directors from Office:	
	According to section 108(2) of the Companies Act, 1994, with the prior approval of Bangladesh Bank, a bank director other than specialized banks can be removed from his office for the reason specified in its Articles of Association. For this purpose, the reason and grounds of the dismissal/removal and copy of the decision of the board and list of directors should be submitted to Bangladesh Bank. In this case, the removal will be effective from the date of Bangladesh Bank's approval.	Complied
L.4	Appointment of Alternate Director:	
	Subject to compliance of section 101 of the Companies Act, 1994, an alternate director can be appointed to act for a director during his absence for a continuous period of not less than three months from Bangladesh. In this context, the following instructions should be followed:	13
	If there is any exception, the chief executive officer should	Complied
	b) The copy of the decision of the board regarding appointment of alternate director, with original director's probable returning date from abroad should be sent to Bangladesh Bank within 7 days of taking the decision and the director's arrival date must be intimated to Bangladesh Bank immediately after his return.	Complied
	director as per any rules & regulation will not be appointed as an alternate director.	Complied
	d) As appointment of alternate director is a temporary measure; therefore, he/she will not be included in any kind of committee constituted by the board.	Complied
	e) While in the office, an alternate director or his/her affiliated organization will not get any kind of loan facilities from his bank. In case of previous loan, enhancement of limit or extension of time period or any kind of exemption or interest waiver will not be allowed. Moreover, all restrictions applicable to directors according to rules & regulations will also be applicable to the alternate director.	Complied
)2	Depositor Director:	
	As the previous provisions regarding appointment of Depositor Directors of the Bank Company Act, 1991 has been amended; appointment of director from depositors is no longer required. But, after complying regulation under sec 15(9) of the Bank Company Act, 1991 (amended upto 2013) bank can consider the tenure of existing depositor director or may appoint them as independent director.	Not Applicable

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03	Informa	tion Regarding Directors:	
	Banks ar	re advised to take the following steps regarding director information:	
	a)	Every bank should keep an updated list of bank directors,	
		Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director.	Complied
		Banks should display a list of directors in the website and update it on a regular basis.	
04	Respons	sibilities of the Board of Directors:	
	specific bodies of 2013) th board of manage	re good governance in the bank management it is essential to have demarcation of responsibilities and authorities among controlling over bank affairs. In the Bank Company Act, 1991 (amended up to be newly included Section 15 (Kha) & (ga) give responsibility to the f directors for establishing policies for the bank company, for risk ment, internal controls, internal audit and compliance and for enheir implementation.	Complied
4.1	Respons	sibilities and Authorities of the Board of Directors:	
	4.1 (a)	Work-planning and strategic management:	
		 i. The board shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reformation for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor, at quarterly rests, the development of implementation of the work-plans. ii. The board shall have its analytical review incorporated in the Annual Report as regards to the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders of its opinions/ recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the CEO & officers immediate two tiers below 	Complied
		the CEO, and have it evaluated from time to time.	
	4.1 (b)	Credit and Risk Management:	
		i. The policies, strategies, procedures etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule and write-off thereof shall be made with the board's approval under the purview of the existing laws, rules and regulations. The board shall specifically distribute the power of sanction of loan/investment and such distribution should desirably be made among the CEO and his subordinate executives as much as possible. No director, however, shall interfere, direct or indirect, into the process of loan approval.	Complied

33	ii. The board shall frame policies for risk management and get them complied with and shall monitor the compliance at quarterly rests and review the concerned report of the risk management team and shall compile in the minutes of the board meeting. The board shall monitor the compliance of the guidelines of Bangladesh Bank regarding key risk management.	Complied	
4.1 (c)	Internal control management:		
333	The board shall be vigilant on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard of its loan/investment portfolio. The board will establish such an internal control system so that the internal audit process can be conducted independently from the management. It shall review the reports submitted by its audit committee at quarterly rests regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.	Complied	
4.1(d)	Human Resources Management and Development:		
	i. Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the board. The chairman or the directors shall in no way involve themselves or interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No member of the board of directors shall be included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer & punishment of the officers immediate two tiers below the CEO shall, however, rest upon the board. Such recruitment and promotion shall have to be carried out complying with the service rules i.e., policies for recruitment and promotion	Complied	
7333	ii. The board shall focus its special attention to the development of skills of bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, and to the adoption of modern electronic and information technologies and the introduction of effective Management Information System (MIS). The board shall get these programmes incorporated in its annual work plan.	Complied	
	iii. The board will compose Code of Ethics for every tier and they will follow it properly. The board will promote healthy code of conducts for developing a compliance culture.	Complied	

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	4.1(e)	Financial Management:			
	333	i. The annual budget and the statutory financial statements shall be finalized with the approval of the board. It shall at quarterly rests review/monitor the positions in respect of bank's income, expenditure, liquidity, non-performing asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures.	Complied		
	3333	ii. The board shall frame the policies and procedures for bank's purchase and procurement activities and shall accordingly approve the distribution of power for making such expenditures. The maximum possible delegation of such power of expenditures shall rest on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business shall, however, be adopted with the approval of the board.	Complied		
	3	iii. The board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.	Complied		
	4.1(f)	Appointment of Chief Executive Officer (CEO):			
	3	In order to strengthen the financial base of the bank and obtain confidence of the depositors, one of the major responsibilities of the board of directors is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. The Board of directors will appoint a suitable CEO with the approval of the Bangladesh Bank.	Complied		
	4.1(g)	Other Responsibilities of the Board:			
3		The board should follow and comply with the responsibilities assigned by Bangladesh Bank.	Complied		
2	Board o	g of Board: of directors may meet once or more than once in a month if ary. But Board of directors shall meet at least once in every three . Excessive meetings are discouraged.	Complied		
.3	Responsibilities of the Chairman of the Board of Directors:				
	4.3 (a)	As the chairman of the board of directors or chairman of any committee formed by the board or any director does not personally possess the jurisdiction to apply policy making or executive authority, he/she shall not participate in or interfere into the administrative or operational and routine affairs of the bank.	Complied		
	4.3 (b)	The chairman may conduct on-site inspection of any bank- branch or financing activities under the purview of the oversight responsibilities of the board. He may call for any information relating to bank's operation or ask for investigation into any such affairs;	Complied		

		he may submit such information or investigation report to the meeting of the board or the executive committee and if deemed necessary, with the approval of the board, he shall effect necessary action thereon in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised to Bangladesh Bank through the board along with the statement of the CEO.	Complied
	4.3 (c)	The chairman may be offered an office-room, a personal secretary/assistant, one peon/MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business-interest of the bank subject to the approval of the board.	Complied
5	Formati	on of committees from the Board of Directors:	
	commit Board o	the and 1(one) risk management committee with the directors. can't form any other permanent, temporary or sub-committee the above mentioned three committees.	Complied
5.1	Executive continued two boat terms of	Complied	
	5.1 (a)	Organizational structure:	
	3333	 Members of the committee will be nominated by the board of directors from themselves; The executive committee will comprise of maximum 07 (seven) members; Members may be appointed for a 03 (three)-year term of office; Chairman of the Board of Directors can be the chairman of executive committee; Company secretary of the bank will be the secretary of the executive committee. 	Complied
	5.1 (b)	Qualifications of the Members:	
		 Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee; Each member should be capable of making valuable and effective contributions in the functioning of the committee; To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks. 	Complied
	5.1 (c)	Roles and Responsibilities of the Executive Committee	
		1. The executive committee can decide or can act in those cases as instructed by the Board of directors that are not specifically assigned on full board through the Bank Company Act, 1991 and other laws and regulations.	Complied

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	3	 The executive committee can take all necessary decision or can approve cases within power delegated by the board of directors. All decisions taken in the executive committee should be ratified in the next board meeting. 	Complied
	5.1 (d)	Meetings:	
	3333	 The executive committee can sit any time as it may deem fit. The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary; To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; All decisions/observations of the committee should be noted in minutes. 	Complied
5.2	Audit Co	ommittee:	
3	of the book oversight process, the aud	rd will approve the objectives, strategies and overall business plans bank and the audit committee will assist the board in fulfilling its not responsibilities. The committee will review the financial reporting, the system of internal control and management of financial risks, it process, and the bank's process for monitoring compliance with d regulations and its own code of business conduct.	Complied
	5.2 (a)	Organizational structure:	
	00000	 Members of the committee will be nominated by the board of directors from the directors; The audit committee will comprise of maximum 05 (five) members, with minimum 2 (two) independent director; Audit committee will comprise with directors who are not executive committee members; Members may be appointed for a 03 (three) year term of office; Company secretary of the bank will be the secretary of the audit committee. 	Complied
	5.2 (b)	Qualifications of the Member:	
	3	 Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee; Each member should be capable of making valuable and effective contributions in the functioning of the committee; To perform his or her role effectively each committee member should have adequate understanding of the detailed 	Complied

5.2 (c) i	Roles and Responsibilities of the Audit Committee	
	Internal Control:	
	 Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities; Review management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS); Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management; Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the board after reviewing whether necessary corrective measures have been taken by the management. 	Complied
5.2(c) ii	Financial Reporting:	
	 Audit committee will check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank; Discuss with management and the external auditors to review the financial statements before its finalization. 	Complied
5.2(c)iii	Internal Audit:	
30332	 Audit committee will monitor whether internal audit working independently from the management. Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process; Examine the efficiency and effectiveness of internal audit function; Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not. 	Complied
5.2(c)iv	External Audit:	
	 Review the performance of the external auditors and their audit reports; Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not. Make recommendations to the board regarding the appointment of the external auditors. 	Complied

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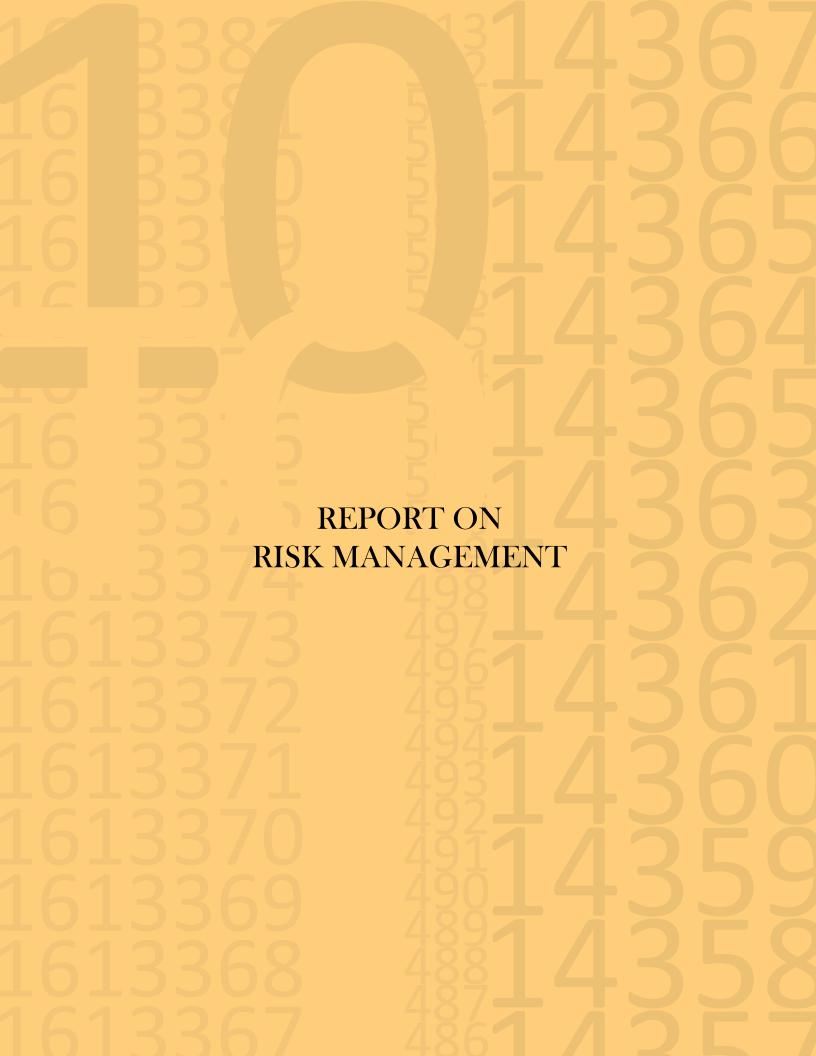
	E 2(c) v	Compliance with existing laws and Regulations:	
3	5.2(c) v	Review whether the laws and regulations framed by the regulatory authorities (central bank and other bodies) and internal regulations approved by the board are being complied with.	Complied
	5.2(c)vi	Other Responsibilities:	
3333	3	 Submit compliance report to the board on quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities; External and internal auditors will submit their related assessment report, if the committee solicit; Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis. 	Complied
	5.2(d)	Meetings:	
3333		 The audit committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit; The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary; To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; All decisions/observations of the committee should be noted in minutes. 	Complied
5.3	Risk Mai	nagement Committee:	
333	To play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently, a risk management committee will be formed. After identifying and assessing several risk factors like credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks etc.; the risk management committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified.		Complied
	5.3 (a)	Organizational Structure:	
2000		 Members of the committee will be nominated by the board of directors from themselves; The Risk Management Committee will comprise of maximum 05 (five) members; Members may be appointed for a 03 (three) year term of office; Company secretary of the bank will be the secretary of the Risk Management Committee. Company secretary of the bank will be the secretary of the Risk Management Committee. 	Complied

5.3 (b)	Qualifications of the Member:	
	 Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee; Each member should be capable of making valuable and effective contributions in the functioning of the committee; To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks. 	Complied
5.3(c)	Roles and Responsibilities of the Risk Management Committee:	
5.3(c)i	Risk identification & control policy :	
3	Formulation and implementation of appropriate strategies for risk assessment and its control is the responsibility of Risk Management Committee. Risk Management Committee will monitor risk management policies & methods and amend it if necessary. The committee will review the risk management process to ensure effective prevention and control measures.	Complied
5.3(c)ii	Construction of organizational structure:	
	The responsibility of Risk Management Committee is to ensure an adequate organizational structure for managing risk within the bank. The Risk Management Committee will supervise formation of separate management level committees and monitor their activities for the compliance of instructions of lending risk, foreign exchange transaction risk, internal control & compliance risk, money laundering risk, information & communication risk including other risk related guidelines.	Complied
5.3(c)iii	Analysis and approval of Risk Management policy:	
3	Risk management policies & guidelines of the bank should be reviewed annually by the committee. The committee will propose amendments if necessary and send it to the Board of Directors for their approval. Besides, other limits including lending limit should be reviewed at least once annually and should be amended, if necessary	Complied
5.3(c)iv	Storage of data & Reporting system:	
3	Adequate record keeping & reporting system developed by the bank management will be approved by the risk management committee. The committee will ensure proper use of the system. The committee will minute its proposal, suggestions & summary in a specific format & inform the Board of Directors.	Complied
5.3(c) v	Monitoring the implementation of overall Risk Management Policy:	
3	Risk Management Committee will monitor proper implementation of overall risk management policies. They will monitor whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk.	Complied

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	5.3(c)vi	Other responsibilities:	
		 Committee's decision and suggestions should be submitted to the Board of Directors quarterly in short form; Comply instructions issued time to time by the controlling body; Internal & external auditor will submit respective evaluation report whenever required by the committee. 	Complied
	5.3 (d)	Meetings:	
		 The risk management committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit; The committee may invite Chief Executive Officer, Chief Risk Officer and any other Officer to its meetings, if it deems necessary; To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; All decisions/observations of the committee should be noted in minutes. 	Complied
6	Training	for the Directors:	
		ctors shall make themselves fully aware of the banking laws and lated rules and regulations for performing his duties properly.	Complied



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 capitalization 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.
- 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.
- 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, NRBBL always underscores the need of proper risk identification and its appropriate management and recognizes 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, NRBBL 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.

OBJECTIVES

In order to ensure good asset quality and effective management of credit, NRBBL 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. Analyzing 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 minimizing 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 preinvestment 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 NRBBL. In order to make credit approvals fully compliant with regulatory norms, Bank Company Act, guidelines of Bangladesh Bank, and the optimal ethical standard, NRBBL 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 utilization, 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 NRBBL, 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 NRBBL, 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:

- 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.

MARKET DISCIPLINE

DISCLOSURES ON RISK BASED CAPITAL (BASEL-II)

Background: These disclosures under Pillar III of Basel II are made following revised 'Guidelines on Risk Based Capital Adequacy (RBCA)' for banks issued by Bangladesh Bank (Central Bank of Bangladesh) in December 2010. These quantitative and qualitative disclosures are intended to complement the Minimum Capital Requirement (MCR) under Pillar I and Supervisory Review Process (SRP) under Pillar II of Basel II.

The purpose of these disclosures is to present relevant information on adequacy of capital in relation to overall risk exposures of the Bank so that the market participants can assess the position and direction of the Bank in making economic decisions.

Consistency and Validation: The quantitative disclosures are made on the basis of audited financial statements of NRB Bank as at and for the year ended 31 December 2014 prepared under relevant international accounting and financial reporting standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and related circulars/instructions issued by Bangladesh Bank from time to time. So, information presented in the 'Quantitative Disclosures' section can easily be verified and validated with corresponding information presented in the audited financial statements 2014 of NRB Bank with separate audited financial statements 2014 of the Bank available on the website of the Bank (www.nrbbankbd.com).

1. Scope of App	licatio	on:	
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 nei-ther consolidated nor deducted (e.g. where the investment is risk-weighted)	The Bank has no subsidiaries
133	c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group	Not applicable
Quantita-tive disclo-sure	d)	The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the name (s) of such subsidiaries	Not applicable

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2. Capital Struc	ture:		
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.	1 Capital of NRB consists of (i) Fully Paid-up Capital, (ii) Statutory Reserve and (iii) Retained Earnings.
Quantitative disclosure	b)	The amount of Tier-1 capital wit	h separate disclosure of:
33		i.Fully Paid-up Capital ii.Statutory Reserve iii.Retained Earnings Sub-Total (A)	Figure in BDT Crore 400.00 0.55 (6.08) 394.46
	c)	The total amount of Tier-2 and 1	Fier-3 capital (B) 8.61
	d)	Other deductions from capital	
	e)	Total eligible capital (A+B)	403.07

3. Capital Adequacy:

or capital macqu					
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.		
59333			The Bank has maintained capital adequacy ratio of 41.7% respectively as against the minimum regulatory requirement of 10%. Tier-1 capital adequacy ratio was 40.8% 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 of the Bank is to ensure that the Bank remains adequately capitalized at all the time.		

Quantitative disclosure		Particulars	Figures in BDT crore
	b)	Capital requirement for credit risl	82.87
	c)	Capital requirement for market ri	sk 8.91
	d)	Capital requirement for operation	nal risk 4.82
	e)	Total and Tier 1 capital ratio: -For the consolidated group (%) -For Standalone Tier-1 capital out	Not Applicable of maintained CAR (%) 40.8

4. Credit Risk:					
a)	The general qualitative discloincluding:	osure requirement with respect to credit risk,			
	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 Tk 1 million is not repaid within the due date, the amount of unpaid installment(s) are treated as "past due or overdue installments". Such types of Fixed Term Loans are classified as under:			
		• 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"			
		• 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".			
		a) The general qualitative disclering including: i) Definitions of past due and impaired (for accounting			

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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 as irregular if it is not repaid within the due date as stipulated in the loan 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)".

	ii) Description of approaches followed for specific and general allowances and statistical methods	The Bank is required to maintain the follow general and specific provision in respect classified and unclassified loans and advance investments on the basis of Bangladesh Bank guidelines issued from time to time:	
		Particulars	Rate
22	7	General provision on unclassified Small and Medium Enterprise (SME) financing.	0.25%
		General provision on unclassified loans and advances/investments.	1%
		General provision on interest receivable on loans/investment	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%
336		General provision on unclassified loans and advances for housing finance, loans for professionals to set-up business under consumer financing scheme	2%
1336		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%-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%

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Quantitative Disclosure	b)	Total gross credit risk exposures broken down by major types of credit exposure		
			Particulars	Figures in BDT crore
			Loan (General)	586.44
			Cash Credit	0.00
			Overdraft	31.85
			Staff Loan	10.90
			TOTAL	629.19
	c)	Geographical distribution of exposures, broken down in significant areas by major types	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure of the Bank:	
		of credit exposure	Particulars	Figures in BDT crore
				DD1 CIOIC
			Dhaka Division	455.68
			Dhaka Division Chittagong Division	
				455.68
			Chittagong Division	455.68 168.56
			Chittagong Division Sylhet Division	455.68 168.56 4.87

20		Particulars	Figures in BDT crore
		Commercial and Trading	93.02
		Importer of Commodity	6.60
		Construction	-
		Edible Oil Refinery Industry	-
		Electronics Goods	3.97
		Individuals	37.45
		Pharmaceuticals Industries	13.88
		Readymade Garments Industry	0.27
		Ship Breaking Industry	-
		Industries for Steel Products	9.98
		Telecommunication Sector	-
		Textile Mills	55.43
		Power Sector	-
		Others	408.59
		TOTAL	629.19
(e)	Residual contractual maturity breakdown of the whole	Residual contractual maturity brea the whole portfolios, broken down	
	portfolio, broken down by major types of credit exposure	types of credit exposure of the Bar Particulars	Figures in
	portfolio, broken down by	types of credit exposure of the Bar Particulars	Figures in BDT crore
3	portfolio, broken down by	types of credit exposure of the Bar Particulars Repayable on demand	Figures in BDT crore
	portfolio, broken down by	types of credit exposure of the Bar Particulars	Figures in BDT crore
	portfolio, broken down by	Particulars Repayable on demand In more than one month but not	Figures in BDT crore
	portfolio, broken down by	Particulars Repayable on demand In more than one month but not more than three months In more than three months but	Figures in BDT crore 80.72 23.56
	portfolio, broken down by	Particulars Repayable on demand In more than one month but not more than three months In more than three months but not more than three months but not more than one year In more than one year but not	Figures in BDT crore 80.72 23.56 324.15
	portfolio, broken down by	Particulars Repayable on demand In more than one month but not more than three months In more than three months but not more than one year In more than one year but not more than five years	Figures ir BDT crore 80.72 23.56 324.15
	portfolio, broken down by	Particulars Repayable on demand In more than one month but not more than three months In more than three months but not more than one year In more than one year but not more than five years In more than five years	Figures in BDT crore 80.72 23.56 324.15 161.13 39.42
	portfolio, broken down by major types of credit exposure By major industry or	Particulars Repayable on demand In more than one month but not more than three months In more than three months but not more than one year In more than one year but not more than five years In more than five years	Figures in BDT crore 80.72 23.56 324.15 161.13 39.42
	By major industry or counterparty type: i) Amount of impaired loans and if available, past due loans,	Particulars Repayable on demand In more than one month but not more than three months In more than three months but not more than one year In more than one year but not more than five years In more than five years TOTAL	Figures in BDT crore 80.72 23.56 324.15 161.13 39.42

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5	g)	Gross Non-Performing Assets (Non-Performing Assets (NPAs)	Non-Performing Assets (NPAs). erforming Assets (NPAs) to Outstanding loans and advances.	
		Movement of Non-Performing Assets (NPAs).	Nil	
		Movement of Specific Provisions for(NPAs).	Nil	

5. Equities: Disclosures for Banking Book Positions

Qualitative disclosures	a)	The general qualitative disclosur including:	re requirement with respect to equity risk,
		Differentiation between holdings on which capital	Investment in equity securities are broadly categorized into two parts:
		gains are expected and those taken under other objectives including for relationship and strategic reasons; and	i) Quoted Securities (Common or Preference Shares & Mutual Fund) that are traded in the secondary market (Trading Book Assets).
		Strategic reasons, and	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.
333333333		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	b)	Value disclosed in the balance	Quoted Shares Fi	gures in BDT crore
	disclosures		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.	-At Cost Price	14.83 16.57
	133	c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	Fig -Cumulative Realized Gain(Lo	gures in BDT crore osses) 0.16
133		d)	 Total unrealized gains (losses) Total latent revaluation gains (losses) Any amounts of the above included in Tier-2 capital. 		gures in BDT crore 1.83
		e)	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and	Nil	43
	133		the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements		13

6. Interest Rate Risk in the Banking Book

Qualitative	a)	The general qualitative disclosure	Interest rate risk is the risk where changes in
disclosures	8 6	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.	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.

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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).	Total Risk S Liabilities Cumulative < 3 month <6 month <12 month	e Gap h	et	1 ((res in BDT crore ,202.00 882.13 210.30) 197.17) 170.92)
33			Assumed Change in Interest Rate	1.00%	2.0	0%	41.7 3.00 %
33			Capital After Shock (in BDT Crore)	380.17	356	.52	332.87
33			CAR After Shock (%)	39.35	36.	91	34.46

7. Market Risk:

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:
33			 i. Interest rate risk ii. Equity position risk iii. Foreign exchange (including gold) position risk throughout the bank's balance sheet
			iv. Commodity risk.

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 timebands (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 reprising date.

In Standardized (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.

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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 or 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 or 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.
		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 car affect the business of the Bank. The factors discussed below can significantly affect the business: • General business and political condition NRB Bank's performance greatly depends or the general economic conditions of the country Political stability is must for growth in business activities.
133			Changes in credit quality of borrowers Risk of deterioration of credit quality or 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.

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		iii) Approach for calculating capital charge for operational risk	compute operational Approach (for operational Approach (for operational denoted by gross incomplete income is refrom both when calcular of the capital lows: K = [(GI 1 + Where-K = the capital lows: K = [(GI 1 + Where-K = the capital lows: K = the capital lows: K = [(GI 1 + Where-K = the capital lows: K = the capital lows: K = [(GI 1 + Where-K = the capital lows: K = the capital lows: K = the capital lows: i) be gross incompassion inco	ve or zero gross income if any shall d)
				income derived from insurance.
Quantitative disclosures	b)	The Capital Requirement for O		Figure in BDT crore 4.82

CREDIT RATING REPORT

NRB Bank Limited was rated by Credit Rating Agency of Bangladesh Ltd. (CRAB) on the basis of audited Financial Statements as on 31 December 2013. The summary of Rating is presented below:

Status	2013
Long Term	BBB2
Short Term	ST-2
Outlook Stable	Stable

In 2014, Credit Rating Agency of Bangladesh Ltd. (CRAB) has assigned "BBB2" (Pronounced TripleB Two) rating in the Long Term and "ST-2" in the Short Term to NRB Bank Limited. The Outlook is "Stable".

Commercial Banks rated 'BBB' have adequate capacity to meet their financial commitments. However, adverse economic conditions or changing

circumstances are more likely to lead to a weakened capacity of the commercial banks to meet their financial commitments. BBB is subject to moderate credit risk.

Commercial Banks rated 'ST-2' are considered to have strong capacity for timely repayment. Commercial Banks rated in this category are categorised with commendable position in terms of liquidity, internal fraud generation and access to alternative sources of fund.

The Outlook "Stable" indicates that a rating is likely to remain unchanged.

FINANCIAL HIGHLIGHTS

BDT Million

	2014	2013	Change (%)
Performance During the Year	2014	2013	Change (70)
let Interest Income	321	170	88.78%
on Interest Income	151	1	21,596.22%
perating Income/(Loss)	472	171	176.75%
perating Profit/(Loss)	20	31	(33.46%)
ofit/(Loss) After Tax	(66)	10	(729.05%)
ar End Financial Position			
pan	6,292	453	1,288.96%
vestment	3,520	93	3,684.94%
posits	7,805	1,885	314.05%
gible Capital (Tier-I & Tier-II)	4,031	4,014	0.42%
tal Asset	13,492	5,966	126.15%
itios (%)			
apital adequacy ratio (as per Basel II)	41.7%	196.4%	(78.77%)
on performing loans	0.0%	0.0%	0.0%
ost to income ratio	95.7%	82.0%	16.67%
hannel			
anch	11	6	83.33%
M (Own)	13	7	85.71%
M (Shared)	1,337	1,019	31.21%

Other Channel Standing in 2014

Call Center (24X7 Contact Center): Just a call away to 6000

Internet Banking: Log in from PC or mobile from anywhere in the world

TWO-YEAR PROGRESSION OF NRB BANK

				BDT Million
		Balance Sheet Metric	2014	2013
Deposit Growth		Authorised capital	10,000	10,000
314%		Paid up capital	4,000	4,000
from 1,885 M of 2013		Eligible Capital (Tier-I & Tier-II)	4,031	4,014
		Deposits	7,805	1,885
Loan Growth		Borrowing	1,392	- (
1286%		Loans	6,292	454
from 454 M of 2013		Credit to deposit ratio - Gross	77.3%	24.08%
		Investment	3,520	93
Investment Growth		Fixed assets	259	128
3677%		Total assets	13,492	5,966
from 93 M of 2013		Income Statement Metric		
		Net interest income (excluding investment income)	321	170
		Non-interest income	151	1
		Investment income	123	0.36
		Operating income	472	171
		Operating expense	452	140
"Credit Rating"		Operating profit/(loss) -before provision and tax	20	31
Long Term	BBB2	Provision for loans, investment and other assets	70	3
Short Term	ST-2	Profit/(loss) before tax	(50)	27
		Profit/(loss) after tax	(66)	10
		Credit Quality		
		Non performing / classified loans (NPLs)	-	-
		Specific provision	-	-
		General provision	65	3
		NPL to total loans and advance	0.0%	0.0%

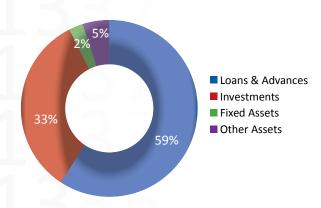
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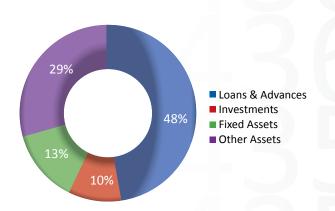
Essential Performance

Graphs

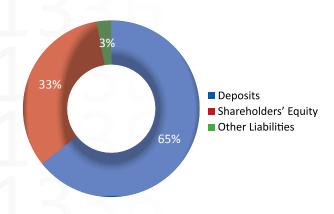
Asset Mix 2014



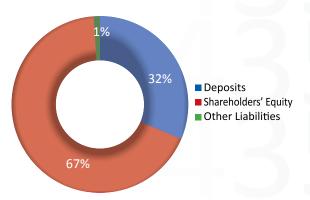
Asset Mix 2013



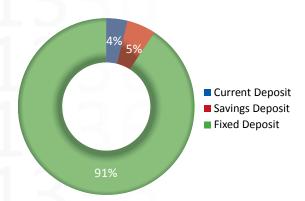
Asset Funding Mix 2014



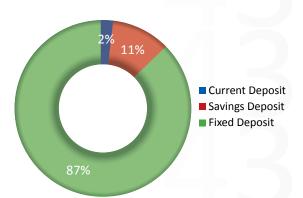
Asset Funding Mix 2013



Deposit Mix 2014



Deposit Mix 2013



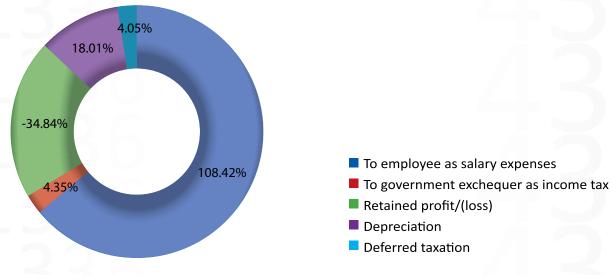
STATEMENT OF

VALUE ADDED AND ITS DISTRIBUTION

Value added statement shows how much value (wealth) has been created by the bank through utilization 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 2014
Wealth creation:	
Income from banking services	957,284,304
Less: Cost of services & supplies	697,962,714
Value added by banking services	259,321,590
Non-banking income	-
Provision for loans & off balance sheet items	(70,385,327)
Total wealth creation	188,936,263

Wealth distribution	
To employees as salary expenses	204,847,652
To government exchequer as income tax	8,224,523
To expansion & growth	
Retained profit/(loss)	(65,826,607)
Depreciation	34,036,344
Deferred taxation	7,654,351
	(24,135,912)
Total Value Addition	188,936,263



ECONOMIC IMPACT REPORT

The bank's overall mission is to deliver optimum value to its customers, employees, shareholders and the nation and the business strategy is geared towards achieving this. This section covers the value the bank delivers to its shareholders and the nation at large.

The bank's policy has been to deliver optimum value in a manner that is consistent with the highest levels of fairness and transparency. For the bank, it has not been a case of building financial value and enhancing the bottom line at any cost, but rather participating in a process of creating value through fair and ethical means. Building sustainable value of all stakeholders is an important corporate goal.

Some of the measures taken to create, sustain and deliver optimum value are as follows:

Maintaining capital adequacy

Capital adequacy symbolizes the financial strength and stability of a bank. It limits the extent up to which banks can expand their business in terms of risk weighted assets. Like all commercial institutions, banks too constantly look at ways of expanding their operations by acquiring property, plant and equipment, opening branches, in addition to mobilizing deposits, providing loans and investing in other assets.

Regulatory capital requirements are therefore necessary to prevent banks from expanding beyond their ability to manage, to improve the quality of bank's assets, to control the ability of the banks to leverage their growth and to lead to higher earnings on assets, leading to peace

of mind of all the stakeholders. The bank keeps a careful check on its capital adequacy ratios.

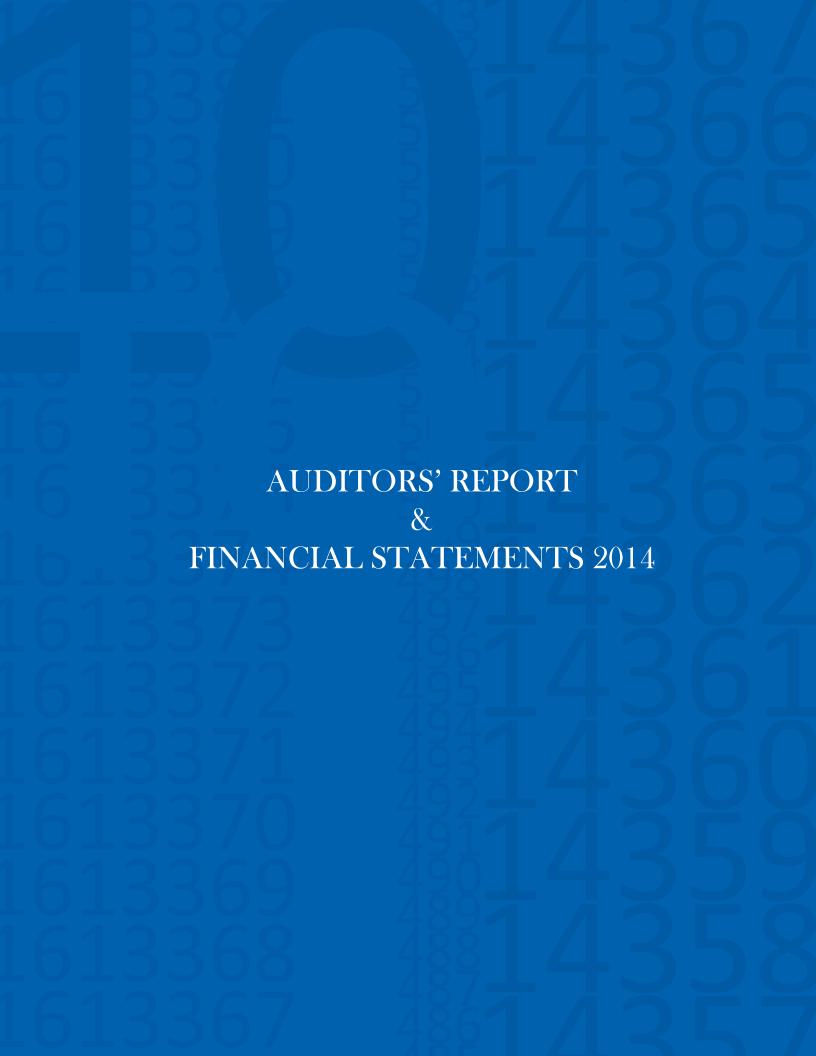
Maintaining liquidity

The liquidity policy of the bank has always been to carry a positive mismatch in the interest earning assets and interest bearing liabilities in the 1 to 30 days category. Our liquidity remained at optimum levels during the year. The assets and liabilities committee (ALCO) of the bank monitors the situation and maintains a satisfactory trade-off between liquidity and profitability.

The capital adequacy computation as at 31 December 2014 is given below:

Details of Capital Fund	2014	2013
	Taka	Taka
Tier – I: Core capital		
Paid up capital	4,000,000,000	4,000,000,000
Statutory reserve	5,465,396	5,465,396
General reserve	-	-
Dividend equalization reserve	-	-
Share premium	-	-
Retained earnings	(60,827,577)	4,999,030
Total Tier – I capital	3,944,637,820	4,010,464,426
Tier –II: Supplementary capital		
General provision maintained against unclassified loan	64,772,520	3,386,469
General provision on off-balance sheet items	9,001,401	2,125
Exchange equalization reserve	-	-
Asset revaluation reserve	-	-
Revaluation reserve of HFT securities (up to 50% of the revaluation reserves)	11,986,249	
Revaluation reserve of HTM securities (up to 50% of the revaluation reserves)	345,134	-
Total Tier –II capital	86,105,304	3,388,594
Total capital	4,030,743,124	4,013,853,020
Total risk- weighted assets	9,660,162,678	2,043,316,746
Core capital ratio (%)	40.84%	196.28%
Supplementary capital ratio (%)	0.89%	0.17%
Total capital adequacy ratio (%)	41.73%	196.45%

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF NRB BANK LIMITED

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 31 December 2014 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 31 December 2014 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.

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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:
- 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;
- 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 1150 person hours for the audit of the books and accounts of the Bank.

Howladar Yonus & Co. **Chartered Accountants**

Dated: Dhaka, 29 March 2015

Balance Sheet

As at 31 December 2014

	Notes	2014	2013
		Taka	Taka
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)		90,334,339	22,399,216
Balance with Bangladesh Bank and its agent bank (s)		441,734,884	179,531,247
(including foreign currencies)			
		532,069,223	201,930,463
Balance with other banks and financial institutions	4		
In Bangladesh		1,592,454,132	4,807,308,106
Outside Bangladesh		28,324,193	2,972,099
		1,620,778,325	4,810,280,205
Money at call and short notice	5	740,000,000	-
Investments	6		
Government		2,858,207,312	93,181,446
Others		661,299,262	-
		3,519,506,574	93,181,446
Loans and advances	7		
Loans, cash credit, overdrafts etc.		6,291,889,815	453,813,988
Bills purchased and discounted		-	-
		6,291,889,815	453,813,988
Fixed assets including premises, furniture and fixtures	8	259,383,360	127,949,982
Other assets	9	527,876,809	278,808,107
Non - banking assets		-	_
Total assets		13,491,504,106	5,965,964,191

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Balance Sheet

As at 31 December 2014

	Notes	2014	2013
		Taka	Taka
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	1,392,450,000	-
Deposits and other accounts			
Current accounts and other accounts	11.1	314,766,713	39,241,541
Bills payable	11.2	61,196,277	16,572,929
Savings bank deposits	11.3	399,750,360	201,388,581
Fixed deposits	11.4	7,029,113,319	1,627,585,615
Bearer certificates of deposit		-	-
Other Deposits		-	-
		7,804,826,669	1,884,788,666
Other liabilities	12	324,926,852	70,354,831
Total liabilities		9,522,203,521	1,955,143,497
Capital/shareholders' equity			
Paid up capital	13.2	4,000,000,000	4,000,000,000
Statutory reserve	14	5,465,396	5,465,396
Reserve for amortization of treasury securities (HTM)	15.1	690,269	315,406
Reserve for revaluation of treasury securities (HFT)	15.2	23,972,497	40,862
Surplus in profit and loss account \ Retained earnings	16	(60,827,577)	4,999,030
Total shareholders' equity		3,969,300,585	4,010,820,694
Total liabilities and shareholders' equity		13,491,504,106	5,965,964,191

Balance Sheet

As at 31 December 2014

	Notes	2014	2013
		Taka	Taka
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	17		
Letters of guarantees		118,471,813	212,500
Acceptances and endorsements		336,766,082	-
Irrevocable letters of credit		442,196,936	-
Bills for collection		2,705,297	-
Other contingent liabilities		-	-
Total contingent liabilities		900,140,128	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		900,140,128	212,500

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

Chairman

Director

Managing Director & CEO

Signed as per our annex report of same date

Howladar Yunus & Co. **Chartered Accountants**

Hortuda Tus

Dated: Dhaka, 29 March 2015

Annual Report 2014

Profit and Loss Account

For the year ended 31 December 2014

	Notes	2014	2013
		Taka	Taka
Interest income	19	805,805,874	228,413,880
Interest paid on deposits and borrowings etc.	20	(484,849,474)	(58,402,153)
Net interest income		320,956,400	170,011,727
Income from investments	21	122,951,591	359,041
Commission, exchange and brokerage	22	26,546,397	313,747
Other operating income	23	1,980,443	25,391
		151,478,430	698,179
Total operating income (A)		472,434,830	170,709,906
Salaries and allowances	24	194,536,296	53,105,205
Rent, taxes, insurance, electricity etc.	25	111,839,156	41,160,007
Legal and professional expenses	26	4,263,668	1,216,600
Postage, stamp, telecommunication etc.	27	13,782,858	3,827,618
Stationery, printing, advertisements etc.	28	12,344,735	11,751,590
Managing Director's salary and fees	29	10,311,356	3,931,272
Directors' fees and expenses	30	1,404,318	816,057
Auditors' fees	31	230,000	301,250
Depreciation and repair of bank's assets	32	34,036,344	6,799,588
Other expenses	33	69,248,506	17,085,143
Total operating expenses (B)		451,997,237	139,994,330
Profit/(loss) before provision (C=A-B)		20,437,593	30,715,576
Provision for loans and advances			
General provision		61,386,050	3,386,469
Specific provision		-	-
		61,386,050	3,386,469
Provision for off-balance sheet items		8,999,276	2,125
Provision for diminution in value of investments		-	-
Other provisions		-	-
Total provision (D)	34	70,385,326	3,388,594
Total profit/(loss) before tax (C-D)		(49,947,733)	27,326,982
Provision for current tax	12.4	8,224,523	10,024,730
Deferred tax expense	12.5	7,654,351	6,837,826
		15,878,874	16,862,556
Net profit/(loss) after tax		(65,826,607)	10,464,426

Profit and Loss Account

For the year ended 31 December 2014

	Notes	2014	2013
		Taka	Taka
Appropriations	14		
Statutory reserve		-	5,465,396
General reserve		-	-
		-	5,465,396
Retained earnings carried forward	16	(65,826,607)	4,999,030
Earnings per share (EPS)	37	(0.16)	0.03

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

Chairman

Director

Managing Director & CEO

Signed as per our annex report of same date

Howladar Yunus & Co. **Chartered Accountants**

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Hortuda Tus

Dated: Dhaka, 29 March 2015

Cash Flow Statement

For the year ended 31 December 2014

	Notes	2014	2013	
		Taka	Taka	
Interest receipts in cash		797,778,208	216,259,924	
Interest paid		(334,828,629)	(38,080,685)	
Fees and commission received		26,546,397	313,747	
Cash paid to employees		(204,847,652)	(57,036,477)	
Cash payment to suppliers		(3,868,602)	(159,947,633)	
Income tax paid		(58,351,840)	(21,479,838)	
Receipts from other operating activities	35	1,980,443	25,391	
Payments for other operating activities	36	(211,012,376)	(76,883,343)	
Cash generated from operating activities before changes in operationg assest and liabilities		13,395,949	(136,828,915)	
Increase/(decrease) in operating assets and liabilities:				
Loans and advances to customers		(5,838,075,827)	(453,813,988)	
Other assets		(60,508,692)	(118,860,474)	
Deposits from other banks / borrowings		1,392,450,000	-	
Deposits from customers		5,920,038,003	1,884,788,666	
Other liabilities		19,154,877	64,131,317	
		1,433,058,361	1,376,245,521	
Net cash generated from operating activities		1,446,454,310	1,239,416,606	
B) Cash flows from investing activities				
(Purchase) of trading securities		(2,740,719,369)	(93,163,946)	
(Purchase) of shares and bonds		(661,299,262)	_	
(Purchase) of property and equipment		(163,701,985)	(134,024,492)	
Net cash used in investing activities		(3,565,720,616)	(227,188,438)	
C) Cash flows from financing activities				
Receipts from issue of ordinary shares		-	4,000,000,000	
Dividend paid		-	_	
Net Cash flows from financing activities		-	4,000,000,000	

Cash Flow Statement

For the year ended 31 December 2014

D) Net increase in cash and cash equivalents (A+ B + C)	(2,119,266,306)
E) Effects of exchange rate changes on cash and cash equivalents	-
F) Cash and cash equivalents at beginning of the year	5,012,228,168
G) Cash and cash equivalents at end of the year (D+E+F)	2,892,961,862
Cash and cash equivalents at end of the year represents	
Cash in hand (including foreign currencies)	90,334,339
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	441,734,884
Balance with other banks and financial institutions	1,620,767,239
Money at call and short notice	740,000,000

Director

The anneyed	notes form an	integral nart	t of these finan	cial statements.
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Director

Notes

2014

Taka

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2013 Taka

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5,012,228,168

22,399,216

179,531,247

4,810,280,205

5,012,228,168

17,500

Dated: Dhaka, 29 March 2015

Prize bond

Chairman

Managing Director & CEO

Annual Report 2014

Statement of Changes in EquityFor the year ended 31 December 2014

Particulars	Paid up capital	Statutory reserve	Share premium	Reserve for amortization of treasury securities (HTM)	Reserve for revaluation of treasury securities (HFT)	Retained	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1 January 2014	4,000,000,000	5,465,396	1	315,406	40,862	4,999,030	4,010,820,694
Statutory reserve	ı		1	ı	1	ı	1
Reserve for amortization of HTM securities	ı	1	1	374,863	ı	ı	374,863
Reserve for revaluation of HFT securities	ı		1	ı	23,931,635	ı	23,931,635
Net profit/(loss) for the year						(65,826,607)	(65,826,607)
Balance as at 31 December 2014	4,000,000,000	5,465,396	•	690,269	23,972,497	(60,827,577)	3,969,300,585
Balance as at 31 December 2013	4,000,000,000	5,465,396	•	315,406	40,862	4,999,030	4,010,820,694

Chairman

Director

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Managing Director & CEO

Dated: Dhaka, 29 March 2015

Liquidity Statement(Analysis of maturity of assets and liabilities)
As at 31 December 2014

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Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
EEEE	Taka	Taka	Taka	Taka	Taka	Taka
Assets:						
Cash in hand (including balance with Bangladesh Bank and its agent Bank)	532,069,223	ı	ı	1	ı	532,069,223
Balance with other banks and financial institutions	620,778,325	680,000,000	320,000,000	1	ı	1,620,778,325
Money at call and on short notice	740,000,000	ı	ı	1	ı	740,000,000
Investments	481,589,825	137,492,275	56,952,270	217,937,509	2,625,534,695	3,519,506,574
Loans and advances	807,211,154	235,630,106	3,241,512,358	1,613,333,709	394,202,488	6,291,889,815
Fixed assets including premises, furniture and fixtures	ı	ı	ı	1	259,383,360	259,383,360
Other assets	83,747,991	257,934,806	91,161,312	95,032,701	ı	527,876,809
Non banking assets	-	1	-	-	-	ı
Total assets (A)	3,265,396,517	1,311,057,187	3,709,625,940	1,926,303,919	3,279,120,543	13,491,504,106
Liabilities:						
Borrowings from other banks, financial institutions and agents	1,392,450,000	ı	ı	1	ı	1,392,450,000
Deposits	743,941,657	3,286,407,626	3,358,243,516	331,226,000	85,007,870	7,804,826,669
Provision and other liabilities	41,551,768	5,722,138	154,683,850	14,891,667	108,077,429	324,926,852
Total liabilities (B)	2,177,943,425	3,292,129,765	3,512,927,367	346,117,667	193,085,299	9,522,203,521
Net liquidity gap (A - B)	1,087,453,092	-1,981,072,578	196,698,574	1,580,186,253	3,086,035,244	3,969,300,585

As at and for the year ended 31 December 2014

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 19 March 2013 under the Companies Act, 1994. It started its banking businesses from 04 August 2013 under the license issued by Bangladesh Bank. Presently the bank has 11 branches, 13 ATM booths and 1500 shared ATM booths all over Bangladesh. The Bank had no overseas branches as at 31 December 2014.

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 2014 have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and the requirements of the Bank Company (amendment) Act 2013, 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 Bank Company (amendment) Act 2013, 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 recognized at cost.

ii) Revaluation gains/losses on Government securities

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

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

iii) Provision on loans and advances

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)

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.

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 recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognized in profit and loss account on the same basis based on revised carrying amount.

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

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.

Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categories, 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.

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 recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees 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 recognized for the guarantee except the cash margin.

viii) Cash and cash equivalent

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

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call 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.

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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 mark to market concept
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortization 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 recognized 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 25 June 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 basis:

- 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 2014 to 31 December 2014.

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 recognized 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 recognized 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 basis:

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.
Shares (Quoted)	Cost	Lower of cost or market value	Loss (gain net off) to P & L but no unrealised gain booking
Prize bond	Cost	Cost	None

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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 and BRPD Circular no. 16 dated 18 November 2014.

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 to 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	2.5%
Off balance sheet exposures	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 unrealized 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 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 recognized 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 recognized but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

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

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 recognized amounts and there is an intention to settle on a net basis, or realize 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.

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Fees and commission income

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

Interest paid on borrowings and deposits

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

2.20 Provision and accrued expenses

In compliance with BAS 37, provisions and accrued expenses are recognized 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 recognized 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/deductible 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 Employee Benefits

Provident fund

The Bank operates a contributory provident fund for its permanent employees funded by both the employees and the Bank equally; employees contribute 10% basic salary and the Bank contributes an equal amount. The Bank's contribution is made each month and recorded under salary and allowances. This fund is managed by a separate trustee board i.e. "NRB Bank Employees' Provident Fund" and any investment decision out of this fund is made separately from that of the Bank's funds.

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

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.

Foreign exchange risk management 2.26.2

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.

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The market risk is defined as potential change in earnings due to change in rate of interest, foreign exchange rates which are not of trading nature. Asset Liability Committee (ALCO) reviews liquidity requirement of the Bank, the maturity of assets and liabilities, deposit and lending, pricing strategy and the liquidity contingency plan. The Primary objective of the ALCO is to monitor and avert significant volatility in Net Interest Income, 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 4 August 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 6 numbers of branches and 8 departments were brought under the audit & inspection tasks in 2014 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 with Bangladesh Accounting standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs)

The Bank has complied the following BASs and BFRSs as adopted by ICAB during preparation of financial statements as at and for the year ended 31 December 2014.

8th meeting held on 28 March 2015 and subsequently approved by the Board in its 23rd meeting held on 29 March 2015.

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As at and for the year ended 31 December 2014

3	Cash

3.1 Cash in hand (including foreign currencies)

Local currency
Foreign currencies

3.2 Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)

Local currency
Foreign currencies

2014	2013
Taka	Taka
86,281,872	21,906,842
4,052,467	492,374
90,334,339	22,399,216
407,320,898	177,426,408
34,413,986	2,104,839
441,734,884	179,531,247

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

Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of Bank Companies Act, 1991, BRPD circular no.11 and 12, dated 25 August 2005, MPD circular no. 04 dated 01 December 2010 and DOS Circular no. 01 dated 19 Juanuary 2014.

All scheduled banks have to maintain a CRR of minimum 6.0% on daily basis and 6.5% on bi-weekly basis on weekly average demand and time liabilities and SLR of minimum 19% based on weekly average demand and time liabilities of the base month which is two months back of the reporting month. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:

3.3.1 Cash Reserve Requirement (CRR)

Required reserve

Actual reserve maintained*

Surplus / (deficit)

* As per Banladesh Bank Statements

3.3.2 Statutory Liquidity Ratio (SLR)

Required reserve (including CRR)

Actual reserve maintained (including CRR)

Surplus / (deficit)

2,874,323,140 1,782,178,640	292,514,695 62,388,335
1,092,144,500	230,126,360
43,327,183	104,754,926
407,375,353	177,426,408
364,048,170	72,671,482

As at and for the year ended 31 December 2014

IIDFC Limited

		2014	2013
		Taka	Taka
3.3.3	Actual reserve held		
	Cash in hand	90,334,339	21,906,842
	Balance with Bangladesh Bank (local Currency)	407,375,353	177,426,408
	Unencumbered approved securities (HFT)	1,857,583,406	34,705,070
	Unencumbered approved securities (HTM)	518,904,642	58,458,875
	Unencumbered approved securities (other eligible)	125,400	17,500
		2,874,323,140	292,514,695
4	Balance with other banks and financial institutions		
	In Bangladesh	1,592,454,132	4,807,308,106
	Outside Bangladesh	28,324,193	2,972,099
		1,620,778,325	4,810,280,205
	0.0.0		
4.1	In Bangladesh	2 440 442	2.040.400
	In Current Accounts with	2,118,113	2,040,400
	Trust Bank Limited	2,131,777	-
	Brac Bank Limited Eastern Bank Limited	1,601,337	2.040.400
	Edstern Bank Limited	5,851,227	2,040,400
	In Short Term Deposit Accounts with		
	Eastern Bank Limited	66,596,013	1,054,646,470
	Eastern Bank Limited	19,319,199	12,925,174
	The City Bank Limited	303,847	3,237,312,216
	Standard Bank Limited	383,846	383,846
		86,602,905	4,305,267,706
	In Fixed Deposit Accounts with banks and NBFIs		
	With banks		-
	Pubali Bank Limited	250,000,000	-
		250,000,000	
	With financial institutions:		
	International Leasing & Financial Services Ltd.	-	50,000,000
	People's Leasing & Financial Services Ltd.	100,000,000	50,000,000
	Prime Finance & Investment Ltd.	-	100,000,000

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100,000,000

150,000,000

As at and for the year ended 31 December 2014

			2014	2013
			Taka	Taka
	National Finance Limited		100,000,000	50,000,000
	MIDAS Financing Ltd.		50,000,000	50,000,000
	Bangladesh Industrial Finance Co Limited		100,000,000	50,000,000
	Reliance Finance Limited		100,000,000	-
	Lanka bangla Finance Ltd		50,000,000	-
	Hajj Finance Ltd		100,000,000	-
	Bangladesh Finance & Investment Co Limited		50,000,000	-
	Premier Leasing & Finance Limited		100,000,000	-
	First Lease Finance & investment		100,000,000	-
	Fareast Finance & Investment Limited		50,000,000	-
	Union Capital Limited		250,000,000	-
			1,250,000,000	500,000,000
			1,592,454,132	4,807,308,106
4.2	Outside Bangladesh			
	Current account			
	Habib American Bank	USD	46,417,502	2,545,600
	Mashreq Bank	USD	1,696,059	-
	United Bank of India	EURO	189,574	426,499
	United Bank of India	USD	(24,258,910)	-
	Mizhuo Bank	JPY	288,682	-
	Mashreq Bank	GBP	3,708,504	-
	Mashreq Bank	EUR	282,782	-
		'	28,324,193	2,972,099
4.3	Maturity grouping of balance with other banks a	and financial institutions		
	On demand		620,778,325	4,310,280,205
	In more than one month but not more than the	nree months	680,000,000	100,000,000
	In more than three months but not more than	n one year	320,000,000	400,000,000
	In more than one year but not more than five	years	-	-
	More than 5 years		-	-
		,	1,620,778,325	4,810,280,205
5	Money at call and short notice			
	Banking company		-	
	Non-banking financial institutions		740,000,000	-
		,	740,000,000	-

2014

2013

As at and for the year ended 31 December 2014

Banking company
Non-booking financial institutions
Non-banking financial institutions
Delta Brac Housing Finance Corporation Ltd.
Lanka Bangla Finance Ltd
Industrial and Infrastructure Development Finance Company
International Leasing And Financial Services Limited
Bangladesh Industrial Finance Company Limited
Prime Finance & Investment Ltd
Fareast Finance & Investment Ltd
Investments
Government (Note 6.1)
Others (Note 6.2)
Investments classified as per Bangladesh Bank Circular:
Held for trading (HFT)
Held to maturity (HTM)
Other securities
Government (Investment in govt. securities)
Treasury bill
Treasury bonds
Assured liquidity support
Prize Bonds
Treasury bills
91 days treasury bills
182 days treasury bills

6.1

6.1.1

6.1.2

364 days treasury bills

2014	2013
Taka	Taka
-	7
200,000,000	-
40,000,000	-
150,000,000	-
90,000,000	-
50,000,000	-
160,000,000	-
50,000,000	-
740,000,000	
740,000,000	<u> </u>
2,858,207,312	93,181,446
661,299,262	-
3,519,506,574	93,181,446
1,857,687,956	34,705,070
517,978,220	58,458,876
1,143,840,398	17,500
3,519,506,574	93,181,446
136,297,769	93,163,946
2,239,368,407	-
482,415,736	-
125,400	17,500
2,858,207,312	93,181,446
-	83,994,319
58,982,706	8,894,697
77,315,063	274,930
136,297,769	93,163,946

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As at and for the year ended 31 December 2014

6.1.3 Treasury bonds

2 years treasury bond

5 years treasury bond

10 years treasury bond

15 years treasury bond

20 years treasury bond

6.2 Others

Corporate bonds (6.2.1)

Shares (note-6.2.2)

6.2.1 Corporate bonds

Mercantile Bank Limited

City Bank Limited

6.2.2 Investment in shares

Quoted

Active Fine Chemicals Limited

Square Pharmaceuticals Limited

Titas Gas Transmission & Distributation Co. Limited

AIMS Ist Mutual Fund

Benal Windsor Trermoplastices Limited

Singer Bangladesh Limited

Free fund available

Details are shown in Annexure-C

6.3 Maturity-wise grouping of investments

On demand

In more than one month but not more than three months
In more than three months but not more than one year
In more than one year but not more than five years
In more than five years

2014	2013
Taka	Taka
-	-
329,110,024	-
1,182,266,612	-
557,909,270	-
170,082,501	-
2,239,368,407	
513,000,000	-
148,299,262	-
661,299,262	-
200,000,000	-
313,000,000	_
513,000,000	_
90,000,000	-
5,837,800	-
26,320,000	-
4,396,098	-
5,716,729	-
15,200,995	-
147,471,622	
827,640	<u> </u>
148,299,262	
481,589,824	17,500
137,492,275	83,994,319
56,952,270	9,169,627
217,937,509	-
2,625,534,695	-
3,519,506,573	93,181,446

As at and for the year ended 31 December 2014

		2014	2013
		Taka	Taka
7	Loans and advances		
	Loans, cash credit, overdrafts etc. (Note 7.1)	6,291,889,815	453,813,988
	Bills purchased and discounted	-	_
		6,291,889,815	453,813,988
7.1	Loans, cash credit, overdrafts etc.		
	Inside Bangladesh		
	Loans (General)	5,864,370,872	295,227,867
	Cash credit	-	-
	Overdraft	318,502,246	76,976,741
	Staff Loan	109,016,697	81,609,380
		6,291,889,815	453,813,988
	Outside Bangladesh	-	
		6,291,889,815	453,813,988
7.2	Maturity-wise grouping of loans and advances		
	On demand	807,211,154	-
	In more than one month but not more than three months	235,630,106	-
	In more than three months but not more than one year	3,241,512,358	372,204,608
	In more than one year but not more than five years	1,613,333,709	-
	In more than five years	394,202,488	81,609,380
		6,291,889,815	453,813,988
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	9,329,180	9,867,703
	Advances to Other executives and staffs	99,687,517	71,741,677
	Advances to Customers	1,789,949,400	115,636,613
	Industrial Advances	4,392,923,718	256,567,995
		6,291,889,815	453,813,988

7.3.2 **Detail of large loan**

Number of clients with amount of outstanding and classified loans and advances exceeding 10% of total capital of the Bank. Total capital of the Bank was Taka 4,000 million as at 31 December 2014.

Number of the clients	8	-
Amount of outstanding loans and advances	3,294,109,397	·
Amount of classified loans and advances	-	-
	3,294,109,397	-

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As at and for the year ended 31 December 2014

		2014	2013
		Taka	Taka
7.3.3	Industry-wise concentration of loans and advances		
	Commercial and Trading	930,166,930	44,743,580
	Importer of Commodity	65,985,650	_
	Construction	-	-
	Edible Oil Refinery Industry	-	-
	Electronics Goods	39,749,144	-
	Individuals	374,491,613	144,845,678
	Pharmaceuticals Industries	138,785,364	100,186,667
	Readymade Garments Industry	2,734,951	-
	Ship Breaking Industry	-	-
	Industries for Steel products	99,766,446	-
	Telecommunication Sector	-	-
	Textile Mills	554,340,802	-
	Power Sector	-	-
	Others	4,085,868,915	164,038,063
		6,291,889,815	453,813,988
7.3.4	Sector-wise concentration of loans and advances		
	Government	-	-
	Other public sector	99,766,446	-
	Private sector	6,192,123,369	453,813,988
		6,291,889,815	453,813,988
7.3.5	Business segment-wise concentration of loans and advances		
	Corporate	4,933,826,514	264,224,729
	SME	983,571,688	44,743,580
	Consumer	265,474,916	63,236,298
	Executives and staff	109,016,697	81,609,380
		6,291,889,815	453,813,988
7.3.6	Geographical location-wise concentration of loans and advances		
	Dhaka Division	4,556,852,387	420,277,613
	Chittagong Division	1,685,574,350	-
	Sylhet Division	48,688,969	33,536,375
	Rajshahi Division	774,109	-
	Khulna Division	-	-
		6,291,889,815	453,813,988

As at and for the year ended 31 December 2014

			2014	2012
			2014 Taka	2013 Taka
7.3.7	Secur	rity/Collateral-wise concentration of loans and advances	Iaka	Iaka
7.0.7		teral of movable/immovable assets	2,073,337,187	231,907,000
		Banks and financial institutions guarantee	-	-
		rnment guarantee	_	_
		gn bank guarantee	_	_
		rt documents	_	_
		deposit receipts	674,571,696	76,976,740
		of other banks	-	-
		rnment bonds	_	
		onal guarantee	1,364,469,939	44,743,580
		r securities	2,179,510,993	100,186,667
	Other	Securities	6,291,889,815	453,813,988
7.3.8	Classi	ified, unclassified, doubtful and bad loans & advances	0,231,003,013	433,013,300
7.3.0	Classi	med, unclassified, doubtful and bad loans & advances		
	Unc	lassified		
	Stan	dard (Including Staff Loan)	6,291,733,858	453,813,988
		cial Mention Accounts (SMA)	155,957	
		· /	6,291,889,815	453,813,988
	Clas	sified	, , ,	
		-standard	_	-
		ıbtful	_	
		/Loss	_	-
		7	6,291,889,815	453,813,988
7.3.9	Partic	culars of loans and advances		
	i)	Loans considered good in respect of which the bank is fully secured	2,747,908,883	308,883,740
	ii)	Loans considered good against which the bank holds no security other than the debtors' personal guarantee	1,364,469,939	44,743,580
	iii)	Loans considered good secured by the personal under- takings of one or more parties in addition to the personal guarantee of the debtor	2,179,510,993	100,186,667
	iv)	Loans adversely classified; provision not maintained there against	-	-

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453,813,988

6,291,889,815

As at and for the year ended 31 December 2014

		2014	2013
		Taka	Taka
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	-	21
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.	109,016,697	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.	-	35
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 realized against the loans previously written off 	-	5
	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	-	_
Fixed	assets including premises, furniture and fixtures		
Cost:			
Comp	uter and Network Equipment	73,958,730	8,833,066
Furnit	cure and fixtures	86,740,023	47,293,860
Vehicl	le	21,949,670	13,261,429
Machi	inery and Equipment	49,796,608	8,094,723
Softwa	are	65,171,446	56,431,414
Paten	ts	110,000	110,000
		297,726,477	134,024,492
Less: A	Accumulated depreciation	38,343,117	6,074,510
Writte	en down value at the end of the year	259,383,360	127,949,982

2014

2013

Details are shown in Annexure-A

As at and for the year ended 31 December 2014

	2014	2013
\prec \prec /	Taka	Taka
Other assets		
Income generating other assets		
Income receivable (Note-9.1)	142,373,214	12,153,957
Non-income generating other assets		
Stationery, stamps, printing materials, etc.	901,240	88,331
Prepaid expenses	6,214,349	1,129,078
Deferred pre-operating expenses	77,686,608	77,686,608
Advance rent	133,209,678	85,609,945
Security deposits with other entities	6,175,572	5,951,040
Advance income tax	79,820,592	21,479,838
Advances to vendors	79,276,798	74,337,688
Advances to staff for expenses	444,802	280,240
Cash & ATM receivable	502,679	575
Others	1,271,277	90,807
	527,876,809	278,808,107

- Income receivable: Amount represents interest receivable on loans and advances, interest on term placement & balance with other banks .
- Borrowings from other banks, financial institutions and agents 10

In Bangladesh		
Outside Bangladesh		

Iس	Da		امدا	ach
ın	Da	ngi	ıau	esh

Rupali Bank Ltd
Janata Bank Ltd
Dutch Bangla Bank Ltd
Basic Bank Ltd
SBAC Ltd
Dutch Bangla Bank Ltd
Bangladesh Bank against Assured Liquidity Support

Outside Bangladesh

1,392,450,000	-
-	-
1,392,450,000	-
330,000,000	-
50,000,000	-
300,000,000	-
150,000,000	-
50,000,000	-
77,950,000	-
434,500,000	_
1,392,450,000	-
-	-
1,392,450,000	-
	·

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As at and for the year ended 31 December 2014

			2014	2013
			Taka	Taka
11	Deposits and other accounts			
	Current deposits and other accounts, etc.	(Note: 11.1)	314,766,713	39,241,541
	Bills payable	(Note: 11.2)	61,196,277	16,572,929
	Savings bank deposits	(Note: 11.3)	399,750,360	201,388,581
	Fixed deposits	(Note: 11.4)	7,029,113,319	1,627,585,615
			7,804,826,669	1,884,788,666
11.1	Current deposits and other accounts, etc.			
	Current accounts		242,932,088	36,929,238
	Foreign currency deposits		9,297,284	2,099,803
	Deposit margin on facilities		62,537,341	212,500
			314,766,713	39,241,541
11.2	Bills payable			
	Local currency		61,196,277	16,572,929
	Foreign currencies		-	-
			61,196,277	16,572,929
11.3	Savings bank deposits			
	NRB savers		80,604,679	17,272,801
	NRB power savers		272,475,903	170,308,213
	NRB staff		11,460,202	12,657,590
	NRB my savings		18,568,880	1,149,977
	NRB my study		1,521,728	-
	NRB my salary		1,029,115	-
	NRB my early		14,089,853	_
			399,750,360	201,388,581
11.4	Fixed deposits			
	Fixed deposits		6,789,658,163	1,626,966,465
	Short term deposits		239,455,156	619,150
			7,029,113,319	1,627,585,615
11.5	Sector-wise break-up of deposits and other acco	ounts		
	Government		212,382,005	_
	Other public sector		317,997,445	61,648,970
	Private sector		7,274,447,219	1,823,139,696
			7,804,826,669	1,884,788,666

As at and for the year ended 31 December 2014

			2014	2013
			Taka	Taka
11.6	Maturity-wise grouping of deposits and other	r accounts		
	On demand		743,941,654	254,023,630
	In more than one month but not more than th	ree months	3,286,407,626	1,227,063,495
	In more than three months but not more than	one year	3,358,243,516	115,444,779
	In more than one year but not more than five	years	331,226,000	288,044,262
	In more than five years		85,007,870	212,500
			7,804,826,667	1,884,788,666
12	Other liabilities			
	Privileged creditors	(Note: 12.1)	11,691,466	9,046,031
	Interest payable		170,342,313	20,321,468
	Provision for loans and advances	(Note: 12.2)	64,772,520	3,386,469
	Provision on off-balance sheet exposures	(Note: 12.3)	9,001,401	2,125
	Provision for expenses		19,037,213	18,438,249
	Provision for current tax	(Note: 12.4)	18,249,253	10,024,730
	Deferred tax liability	(Note: 12.5)	14,492,177	6,837,826
	Cash & ATM Payable		1,658,138	1,159,329
	Security Deposits Held		5,586,852	544,873
	Others Payable		10,095,518	593,731
			324,926,852	70,354,831
42.4	Date the seed one discuss			

12.1 **Privileged creditors**

Balance at the end of the year

12.2

Three major categories of government dues are reported. Tax deduction at source, VAT and Excise duty payable to govt. exchequer.

, ,		
Tax deduction at source	7,183,657	6,619,898
VAT deduction at source	1,946,099	2,053,822
Excise duty	2,561,710	372,311
	11,691,466	9,046,031
Provision for loans and advances		
A General		
Balance at the beginning of the year	3,386,469	-
Add: Provision made during the year		
On general loans and advances	61,386,050	3,386,469
On Special Mention Account (SMA)	-	-
	61,386,050	3,386,469

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3,386,469

64,772,520

As at and for the year ended 31 December 2014

В.	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)

12.3 Provision on off-balance sheet exposures

Balance as at 1 January

Add: Provision made during the year

Balance as at 31 December

12.4 Provision for current tax

Balance as at 1 January

Add: Provision made during the year

Balance as at 31 December

2014	2013
Taka	Taka
-	-
-	-
-	_
-	-
-	-
-	
	- 205 450
64,772,520	3,386,469
2.425	
2,125	2 425
8,999,276	2,125
9,001,401	2,125
10,024,730	-
8,224,523	10,024,730
18,249,253	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

Add: Provision made during the year for deferred tax expense

Balance as at 31 December

14,492,177	6,837,826
7,654,351	6,837,826
6,837,826	-

As at and for the year ended 31 December 2014

						2014
						Taka
				Carrying		Taxable/
			;	amount on		(deductible)
			bal	ance sheet		temporary
				date	Tax base	difference
				Taka	Taka	Taka
	Fixed assets including premises, fu	ırniture and fixtu	ıres			
	At cost less accumulated deprecia	tion	25	59,383,361	225,284,121	34,099,241
	Net temporary difference					34,099,241
	Applicable tax rate					42.50%
	Deferred tax liability/(asset)					14,492,177
12. a	Nostro Reconciliation					
		As pe	r our boo	ok		As per their book
		Debit (USD)	Credi	t (USD)	Debit (USD)	Credit (USD)
	Up to three months		-	1,234,307	1,967	22,510
	More than three months but less than six months		-	-	-	-
	More than six months but less than nine months		-	-	4	-
	More than nine months but less than twelve months		-	-		-
	More than twelve months		-	-	-	-
			-	1,234,307	1,967	22,510

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.

		2014	2013
13	Share capital	Taka	Taka
13.1	Authorized capital		
	1,000,000,000 ordinary shares of Taka 10 each	10,000,000,000	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	4,000,000,000

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13.3 Percentage of shareholdings as at 31 December 2014

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 2014

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	Dato' Eng. 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

13.5 Capital adequacy ratio (BASEL II)

Tier – I (Core capital)

Paid up capital

Statutory reserve

General reserve

Dividend equalization reserve

Share premium

Retained earnings

2014	2013
Taka	Taka
4,000,000,000	4,000,000,000
5,465,396	5,465,396
	_
-	-
-	-
(60,827,577)	4,999,030
	8

3,944,637,820

4,010,464,426

As at and for the year ended 31 December 2014

14

			2014	2013
			Taka	Taka
Tier –II (Supplementary capital)				
General provision maintained ag	ainst unclassified loa	n	64,772,520	3,386,469
General provision on off-balance	sheet items		9,001,401	2,125
Exchange equalization reserve			-	-
Asset revaluation reserve			-	-
Revaluation reserve of HFT secureserves)	rities (up to 50% of tl	ne revaluation	11,986,249	
Revaluation reserve of HTM secureserves)	urities (up to 50% of	the revaluation	345,134	-
			86,105,304	3,388,594
Tier –III (Additional Supplement	ary capital)		-	
A) Total capital			4,030,743,124	4,013,853,020
B) Total risk weighted assets			9,660,162,678	2,043,316,746
C) Required capital based on 10 4,000,000,000 which is higher	% of RWA i.e. Taka 90	56,016,268 or	4,000,000,000	4,000,000,000
D) Surplus/(deficiency) (A-C)			30,743,124	13,853,020
Capital adequacy ratio:				
	Required	Held		
On core capital	5%	40.8%		
On supplementary capital	Not specified	0.89%		
On additional supplementary capital	Not specified	-		
On total capital	10%	41.7%		
Statutory reserve				
Balance as at 1 January			5,465,396	_
Add: Addition during the year (2	0% of pre-tax profit)		-	5,465,396
Balance as at 31 December			5,465,396	5,465,396

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As at and for the year ended 31 December 2014

15	Revaluation reserve	
	HTM securities (Note 15.1)	
	HFT securities (Note 15.2)	

15.1 Reserve for amortization of treasury securities (HTM)

Balance as at 1 January
Addition during the year
Adjustment made during the year
Balance as at 31 December

15.2 Reserve for revaluation of treasury securities (HFT)

Balance as at 1 January
Addition during the year
Adjustment made during the year
Balance as at 31 December

16 Surplus in profit and loss account \ Retained earnings

Balance as at 1 January
Net profit/(loss) for the year
Transfer to statutory reserve
Balance as at 31 December

17 Contingent liabilities

Letters of Guarantee
Acceptances and Endorsements
Letters of Credit
Bills for Collection

2014	2013
Taka	Taka
690,269	315,406
23,972,497	40,862
24,662,766	356,268
315,406	
374,863	315,406
374,803	315,400
-	245.406
690,269	315,406
40,862	-
23,931,635	40,862
-	_
23,972,497	40,862
4,999,030	-
(65,826,607)	10,464,426
-	(5,465,396)
(60,827,577)	4,999,030
118,471,813	212,500
336,766,082	212,300
442,196,936	
2,705,297	- 342.500
900,140,128	212,500

As at and for the year ended 31 December 2014

18	Income statement
ı×	Income statement

Interest, discount and similar income (Note 18.1)

Dividend income

Fees, commission and brokerage (Note 18.2)

Gains less losses arising from dealing in securities

Gains less losses arising from investment securities

Gains less losses arising from dealing in foreign currencies

Income from non-banking assets

Other operating income (Note 23)

Profit less losses on interest rate changes

Expenses:

Interest paid on deposits and borrowings, etc. (Note 20)

Losses on loans and advances

Administrative expenses (Note 18.3)

Other expenses (Note 33)

Depreciation on banks assets (Note 32)

18.1 Interest, discount and similar income

Interest income (Note 19)

Interest on treasury bills

18.2 Fees, commission and brokerage

Commission

Brokerage

2014	2013
Taka	Taka
928,757,465	228,772,921
-	-
18,123,723	305,300
-	-
-	-
8,422,673	8,447
-	-
1,980,443	25,391
-	-
957,284,304	229,112,059
484,849,474	58,402,153
-	_
350,480,125	116,834,676
69,248,506	17,085,143
32,268,606	6,074,510
936,846,711	198,396,482
20,437,593	30,715,577
805,805,874	228,413,880
122,951,591	359,041
928,757,465	228,772,921
18,123,723	305,300
-	_
18,123,723	305,300

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As at and for the year ended 31 December 2014

		2014	2013
		Taka	Taka
18.3	Administrative expenses		
	Salaries and allowances (Note 24)	194,536,296	53,105,205
	Rent, taxes, insurance, electricity, etc. (Note 25)	111,839,156	41,160,007
	Legal expenses (Note 26)	4,263,668	1,216,600
	Postage, stamp, telecommunication, etc. (Note 27)	13,782,858	3,827,618
	Stationery, printing, advertisement, etc. (Note 28)	12,344,735	11,751,590
	Managing Director's salary and fees (Note 29)	10,311,356	3,931,271
	Directors' fees (Note 30)	1,404,318	816,057
	Auditors' fees (Note 31)	230,000	301,250
	Repair of Bank's assets (Note 32)	1,767,738	725,078
		350,480,125	116,834,676
19	Interest income		
	Interest on advances	392,375,706	1,931,596
	Interest on money at call and short notice	15,446,285	-
	Interest on balance with other banks	151,125,539	214,387,423
	Interest on placement with other banks and Financial Institutions	246,858,343	12,094,861
		805,805,874	228,413,880
20	Interest paid on deposits and borrowings etc.		
	Interest on deposits	447,014,722	46,574,531
	Interest on borrowings	37,834,752	11,827,622
		484,849,474	58,402,153
21	Investment income		
	Interest on Treasury Bill	2,564,752	359,041
	Interest on Treasury Bond	83,215,048	-
	Interest on Reverse REPO	7,233,511	-
	Interest on bonds-Corporate	23,075,342	-
	Gain from trading in Govt. Securities	4,519,651	_
	Gain on shares traded in secondary market	1,583,287	-
	Dividend on shares	760,000	
		122,951,591	359,041

As at and for the year ended 31 December 2014

22	Commission, exchange and brokerage
	Fees and commission
	Exchange gain net off exchange losses
	Brokerage
23	Other operating income
	Locker Rent
	Rebate received from foreign banks
	SWIFT Charge Recoveries
	Postage/telex charge recoveries
	Miscellaneous
24	Salaries and allowances
	Basic salary
	Allowances
	Festival bonus
25	Rent, taxes, insurance, electricity etc.
	Rent, rate and taxes
	Insurance
	Utility
26	Legal expenses and professional expenses
	Legal expenses
	Other professional expenses
27	Postage, stamps, telecommunication etc.
	Postage & Courier
	Telephone
	Lan, Wan, Swift and telex
20	Casting and address of the state of the stat
28	Stationery, printing, advertisements etc.
	Printing and stationery

Publicity and advertisement

2014	2013
Taka	Taka
18,123,723	305,300
8,422,673	8,447
-	-
26,546,397	313,747
53,500	600
785,141	_
159,000	-
548,637	750
434,165	24,041
1,980,443	25,391
86,693,334	20,505,346
96,902,492	28,400,144
10,940,470	4,199,715
194,536,296	53,105,205
100,872,139	38,252,779
3,209,849	423,914
7,757,168	2,483,314
111,839,156	41,160,007
-	-
4,263,668	1,216,600
4,263,668	1,216,600
412,127	428,506
1,200,441	121,192
12,170,290	3,277,920
13,782,858	3,827,618
3,868,602	1,434,952
8,476,133	10,316,638
12,344,735	11,751,590

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As at and for the year ended 31 December 2014

		2014	2013
		Taka	Taka
29	Managing Director's salary and allowances		
	Basic salary	4,587,097	1,800,000
	Allowances	4,932,259	1,771,272
	Festival bonus	792,000	360,000
		10,311,356	3,931,272
30	Directors' fees and expenses		
	Fees	1,000,000	359,467
	Other expenses	404,318	456,590
		1,404,318	816,057
31	Audit fee		
	Audit fee	230,000	301,250
		230,000	301,250
32	Depreciation and repair of bank's assets		
	Depreciation: (Annexure 'A')	6,347,179	2,781,157
	Furniture and fixture	6,018,766	616,931
	Machinery & Equipment	9,191,075	415,649
	Computer & Network Equipment	3,342,545	1,228,020
	Motor vehicles	7,369,041	1,032,753
	Software	32,268,606	6,074,510
	Repairs and Maintenance	1,054,802	317,240
	Rented premises	703,826	31,280
	Machinery & Equipment	9,110	376,558
	Computer and accessories	1,767,738	725,078
		34,036,344	6,799,588
33	Other expenses		
	Car maintenance expenses	26,067,520	2,674,462
	Contractual service expenses	18,530,549	6,948,850
	ATM card expenses	461,030	620,000
	Books, periodicals and publications	772,620	45,675
	Donation and subscription	1,995,242	966,850
	Staff recruitment and training expenses	1,291,444	828,160
	Software maintenance expenses	4,655,403	-
	Travelling expenses	2,715,459	2,867,418
	Entertainment	4,509,299	1,556,036

As at and for the year ended 31 December 2014

		Taka	Taka
	Bank charges	64,005	61,861
	Cash carrying expense	645,951	-
	VISA expenses	1,672,609	
	AGM expenses	453,592	-
	Miscellaneous expenses	5,413,783	515,831
		69,248,506	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	61,386,050	3,386,469
	Provision for off-balance sheet items	8,999,276	2,125
		70,385,326	3,388,594
35	Receipts from other operating activities		
	Locker Rent	53,500	600
	Rebate received from foreign banks	785,141	-
	SWIFT Charge Recoveries	159,000	-
	Postage/telex charge recoveries	548,637	750
	Miscellaneous	434,165	24,041
		1,980,443	25,391
36	Payments for other operating activities		
	Rent, rates and taxes	111,839,156	41,160,007
	Legal expenses and professional expenses	4,263,668	1,216,600
	Postage and communication charges, etc.	13,782,858	3,827,618
	Stationery, printing, advertisements etc.	8,476,133	11,751,590
	Directors' fees	1,404,318	816,057
	Miscellaneous expenses	71,246,244	18,111,471
		211,012,376	76,883,343
37	Earnings per share (EPS)		
	Net profit(loss) after tax	(65,826,607)	10,464,426
	Number of ordinary shares outstanding	400,000,000	400,000,000
	Earnings per share (EPS)	(0.16)	0.03

2014

2013

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

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As at and for the year ended 31 December 2014

38 Audit committee

A. Particulars of 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:

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

B. Meetings held by audit committee with senior management to consider and review the Bank's Financial Statements:

During the year under review the committee held several meetings to oversee / review various functions including reviewing the Annual Financial Statements in compliance with the Bangladesh Bank circular. Meetings held by the committee during the year by date:

3rd Committee Meeting held on 08.03.2014

4th Committee Meeting held on 13.04.2014

5th Committee Meeting held on 24.08.2014

6th Committee Meeting held on 21.10.2014

C. Steps taken for implementation of an effective internal control procedure of the Bank:

Through circular the committee placed its report regularly to the Board of Directors of the Bank mentioning its review results and recommendations on internal control system, compliance of rules and regulations and establishment of good governance within stipulated time.

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

Directors with the interes		Name of the firms/companies in which interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Status	
Mr. Iqbal Ahmed OBE	Chairman	Seamark PLC, United Kingdom	Chairman & Chief Executive	
		IBCO Limited, United Kingdom	Chairman & Chief Executive	
		IBCO Enterprise, United Kingdom	Senior Partner	
		Seamark (BD) Limited, Bangladesh	Chairman & Chief Executive	
		IBCO Food Industries Limited, Bangladesh	Chairman & Chief Executive	
		Seamark (Holdings) Limited, Bangladesh	Chairman & Chief Executive	
		Seamark (USA) Inc, USA	Managing Director	
		ManRu Shopping City, Bangladesh	Senior Partner	
Mr. Mohammed Mahtabur Rahman [Nasir)	Director	Al Haramain Perfumes Manufacturing & Oudh Processing Industry L.L.C, Ajman, UAE	Managing Director	
		Al Halal Perfumes Industry L.L.C, Ajman, UAE	Managing Director	
		Al Haramain Perfumes L.L.C. Dubai,UAE	Managing Director	
		Al Halal Perfumes L.L.C., Dubai, UAE	Managing Director	
		Al Haramain Trading L.L.C. Dubai, UAE	Managing Director	
		Noor Al Haramain L.L.C. , Dubai, UAE	Managing Director	
		Oudh Al Haramain L.L.C., Dubai, UAE	Manager	
		Best in Fragrance, Holy Makkah, KSA	Manager	
		Al Haramain Perfumes Int'l W.L.L,Kuwait	Managing Director	
		Noor Al Haramain Perfumes Co., Kuwait	Managing Director	
		Oudh Al Haramain W.L.L., Kuwait	Managing Director	
		Al Haramain Perfumes L.L.C., Muscat, Oman	Managing Director	
		Al Haramain Perfumes,W.L.L.,Doha,Qatar	Managing Director	
		Al Haramain Perfumes S.P.C, Bahrain	Managing Director	
		Al Halal Perfumes S.P.C., Bahrain	Managing Director	
		Al Haramain Perfumes Private Ltd.Singapore	Managing Director	
		Al Haramain Perfumes SDN BHD, Malaysia	Managing Director	
		Al Haramain Perfumes,Dhaka, Bangladesh	Managing Director	
		AL Arafah Islami Bank Limited	Sponsor Shareholder	

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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. Mohammed Mahtabur Rahman (Nasir)	Director	AIBL Capital Market Service Limited	Sponsor Shareholder
		United Airways (BD) Limited	Sponsor Director
		Hamidia Tea Company Ltd.Sylhet,Bangladesh	Chairman
		The University of Asia Pacific, Dhaka, Bangladesh	Trustee
		Cancer Hospital, Biyani Bazar, Sylhet	Trustee
		Bangladesh Business Council Dubai, UAE	Founder President
		Shaikh Khalifa Bin Zayad Bangladesh Isla-Mia Private School, Abu Dhabi.	Sponsor
Dato' Eng. Md. Ekramul Haque	Director	BEL Construction SDN BHD KL, Malaysia	Managing Director
		Taufika Energy Co. Ltd.,Dhaka,Bangladesh	Managing Director
		Cynzar Energy Services Ltd., Dhaka, Bangladesh	Managing Director
Mr. Mohammed Idrish	Director	National Exchange Company S.R.L. Italy	Chairman
		Popular Travels & Tours, Rome, Italy	Director
		Al Safa S.A.S, Rome, Italy	Chairman
		National Trust Express (pvt) Ltd.Dhaka, Bangladesh	Director
		Euru International Company S.N.C., Italy	Chairman
Mr. Kamal Ahmed	Director	Seamark PLC, United Kingdom	Deputy Managing Director
		IBCO Limited, United Kingdom	Deputy Managing Director
		IBCO Enterprise, United Kingdom	Deputy Managing Director
		Seamark (BD) Limited, Bangladesh	Deputy Managing Director
		IBCO Food Industries Limited, Bangladesh	Deputy Managing Director
		Seamark (Holdings) Limited, Bangladesh	Deputy Managing Director
		Seamark (USA) Inc, USA	Deputy Managing Director
		ManRu Shopping City, Bangladesh	Deputy Managing Director
Mr. Tateyama Kabir	Director	Kabir Auto Export Co. Ltd. Japan	President
		OCEAN Auto, Dhaka, Bangladesh	Proprietor
Mr. M. Badiuzzaman	Director	Tania International PTE. Ltd. Singapore	Managing Director
		Rajib Enterprise PTE. Ltd., Singapore	Managing Director
		Aangan Restaurant, Singapore	Proprietor
		Tania Development PTE. Ltd.Singapore	Managing Director
		Asia Pacific Realty Investment Services, Singapore	Proprietor

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
Dr. Nesar Ahmed Choudhury	Director	N.A. Choudhury Limited, U.K.	Director
		Lower Broughton Health Centre, U.K.	Partner
		Brookdale Surgery, U.K.	Partner
Mr. Khalilur Rahman Choudhury	Director	KRC Composite Textile Ind. Limited, Bangladesh	Managing Director
		Khalil Garments Limited, Bangladesh	Managing Director
		Khalil & Khalil Investment Limited, Bangladesh	Managing Director
		ATAIA Trading Corp. Limited, Bangladesh	Managing Director
		KRC CNG & Filling Station, Bangladesh	Proprietor
		Al-Hera Filling Station, Bangladesh	Proprietor
		KRC Industrial Park, Bangladesh	Proprietor
		KRC Rubber Plantation, Bangladesh	Proprietor
Mr. Nafih Rashid Khan	Director	Commodity First DMCC, Dubai, UAE	Managing Director
		Loch Shipping Intermediary FZE, UAE	Chairman & MD
		Jabbar Jute Mills Ltd. Bangladesh	Director
		Bangladesh Medical Science and Technology Ltd	Director
Mr. Naveed Rashid Khan	Director	Commodity First DMCC, Dubai, UAE	Managing Director
		Gentrade FZE, UAE	Chairman & MD
		Jabbar Jute Mills Ltd. Bangladesh	Director
		Bangladesh Medical Science and Technology Ltd	Director
		Al Anood Perfumes Co., Dubai, UAE	Partner
		M/S. Md. Jamil Iqbal Construction, Bangladesh	Proprietor
		JI Stone Supplier, Bangladesh	Proprietor
		New Maitri Stone Crushing, Bangladesh	Proprietor
		Divine Properties Limited, Bangladesh	Chairman
Mr. Abu Taher Mohammed Amanullah	Director	Amanco PTE. Ltd., Singapore	Chairman & CEO
		East west Placement Center, Philippines	Chairman & CEO
		EWPCI Testing Center, Philippines	Director
		East West Human Resources Center, Bangladesh	Chairman
		East West Training & Contractors Company Ltd, Bangladesh	Chairman
		East west Engineering Ltd. Bangladesh	Chairman

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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. Fazlur Rashid Khan	Director	Fazlur Rashid Khan Investment, USA	Proprietor
Mr. Mohammed Rafique Miah	Director	Bangla Trade UK Ltd. U.K.	Managing Director
Mr. Abdul Karim	Director	Hassan Shahin Ahmed Perfumes L.L.C. Dubai, UAE	Proprietor
Mr. Rabin Paul	Director	Claims Center Limited, U.K.	Director
Mr. Khandakar R. Amin	Director	Amin Realty Corporation, N.Y. USA	Proprietor
		Hirapur Realty Corporation, N.Y. USA	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) Lending Policies to Related Parties: Related parties are allowed Loans and Advances as per General Loan Policy of the Bank
- v) Business other than Banking business with any related concern of the Directors as per Section-18(2) of the Bank Companies Act 1991 : Nil
- vi) 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-D.

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 2014.

Annexure-A

Schedule of Fixed Assets As at 31 December 2014

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		Cost	st			Depreciation	iation		Written
	Balance	Additions	Disposal/	Balance	Balance	Charged	Disposal/	Balance	down
Particulars	as at	during	adjust-	as at	as at	during	adjust-	as at	value
	1 January	the year	ment	31 Decem-	1 January	the year	ment	31 Decem-	as at
	2014		during	ber	2014		during	ber	31 Decem-
			the year	2014			the year	2014	ber
									2014
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Furniture and fixture	47,293,860	39,446,163	1	86,740,023	2,781,157	6,347,179	1	9,128,336	77,611,687
Machinery and Equipment	8,094,723	41,701,885	1	49,796,608	616,931	6,018,766	1	6,635,697	43,160,911
Computer and Network Equipment	8,833,066	65,125,664		73,958,730	415,649	9,191,075	1	9,606,724	64,352,006
Vehicle	13,261,429	8,688,241		21,949,670	1,228,020	3,342,545		4,570,565	4,570,565 17,379,105
Software	56,431,414	8,740,032	1	65,171,446	1,032,753	7,369,041	1	8,401,794	56,769,652
Patents	110,000		-	110,000	-	-		-	110,000
As at 31 December 2014	134,024,492	163,701,985	-	297,726,477 6,074,510 32,268,606	6,074,510	32,268,606	-	38,343,116	38,343,116 259,383,361

Annexure-B

Balance with other Banks-outside Bangladesh (Nostro Account)

As at 31 December 2014

			2014	4	
Name of the Bank	Account type	Currency type	FC	Exchange rate	Equivalent Taka
Habib American Bank	CD	USD	595,477.90	77.95	46,417,502
Mashreq Bank	CD	USD	21,758.29	77.95	1,696,059
United Bank of India	СО	EURO	2,000.00	94.79	189,574
United Bank of India	CD	USD	(311,211.16)	77.95	(24,258,910)
Mizhuo Bank	СО	Уdſ	443,035.00	0.65	288,682
Mashreq Bank	CD	GBP	30,630.59	121.07	3,708,504
Mashreq Bank	CD	EUR	2,983.34	94.79	282,782

28,324,193

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Annexure- C

Investment In Quoted Shares

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As at 31 December 2014

22	Name of Company	Face value per share	No. of shares	Cost of holding	Average Cost	Quoted rate per share as at 31.12.2014	Total market value of share as at 31.12.2014	Unrealised gain/(loss)
1	Active Fine Chemicals Limited	10	1,500,000	90,000,000	09	74	110,850,000	20,850,000
7	Square Pharmaceuticals Limited	10	23,000	5,837,800	254	259	5,945,500	107,700
က	Titas Gas Transmission & Distributation Co. Ltd	10	300,000	26,320,000	88	80	23,910,000	(2,410,000)
4	AIMS Ist Mutual Fund	10	170,000	4,396,098	26	29	4,879,000	482,902
72	Benal Windsor Thermoplastics Limited	10	100,000	5,716,729	57	59	5,940,000	223,271
9	Singer Bangladesh Limited	10	65,000	15,200,995	234	219	14,222,000	(978,995)
				147,471,622			165,746,500	18,274,878

147,471,622	827,640	148,299,262
	Free fund available	Total

18,274,878

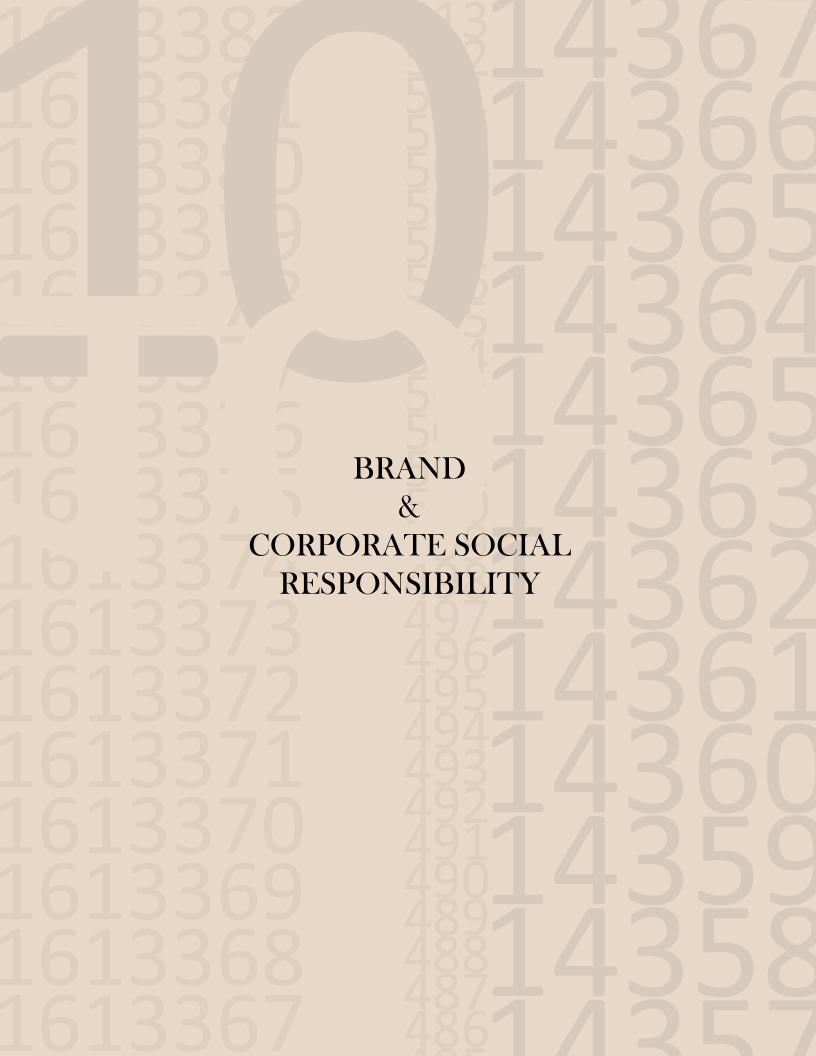
165,746,500

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Highlights on the overall activities As at 31 December 2014

SI No.	Particulars		2014	2013
1	Paid-up capital	Taka	4,000,000,000	4,000,000,000
2	Total capital (Tier-I & II)	Taka	4,030,743,124	4,013,853,020
3	Surplus\ (Shortage) Capital	Taka	30,743,124	13,853,020
4	Total assets	Taka	13,491,504,106	5,965,964,189
5	Total deposits	Taka	7,804,826,669	1,884,788,666
6	Total loans and advances	Taka	6,291,889,815	453,813,988
7	Total contingent liabilities and commitments	Taka	900,140,128	212,500
8	Loans to deposits ratio (total loans/total deposits)	%	77.31%	24.08%
9	Percentage of classified loans against total loans and advances	%	-	
10	Profit/(loss) after tax and provision	Taka	(65,826,607)	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 (Interest expenses/Average deposits and borrowings)	%	9.83%	11.97%
15	Interest earning assets	Taka	12,846,617,151	5,571,360,057
16	Non-interest earning assets	Taka	644,886,955	394,604,132
17	Return on investment (ROI)	%	10.49%	8.70%
18	Return on assets (ROA) [PAT/ Average assets]	%	-0.25%	0.18%
19	Income from investment	Taka	122,951,591	359,041
20	Earnings per share	Taka	(0.16)	0.03
21	Net income per share	Taka	(0.16)	0.03



BRAND &

CORPORATE SOCIAL RESPONSIBILITY

Our brand identity defines a powerful way of promoting NRB Bank. It focuses on what NRB Bank stands for and enhances communication with the target audience, to help them recognise NRB Bank as a leading financial institution.

The NRB Bank's logo is the most important element for creating an impact and establishing a visual identity. The logotype visually symbolises the brand identity so that it is instantly recognised and associated with the 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 combined together create strength in the form of 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.

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. The logo thus 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 an instant association with values of the bank.

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, simple and direct; portrayed in a warm manner which reflects the Bank's passion.

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 a 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
- * Strategize, Direct, Monitor and Support marketing communications and supervise the total visual identity and image of NRB Bank within and outside the country.

We consider communications—based on Bank's goals and strategies — to be a vital part of the business process to increase company values by communicating goals, achievements and business strategies to our target groups.

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 a business house's reputation, and confidence of customers and its business partners, and motivates the employees to work for a company they 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 programs 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 programmes 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 formalizing 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 commercial banks operating in Bangladesh have been 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. 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. These are:

- 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: 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 betterment 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 activities practiced by banks have become an integral part of their business in recent years. CSR activities practiced by banks not only improve their own standards but also work as a catalyst for the socially responsible behavior of other businesses. Banking industry itself can also be benefited from the positive effects of CSR activities on the society as a whole, particularly on its clients.

As a socially responsible bank, NRB Bank has contributed in different sectors in the year 2014 as part of its CSR activities. Some of the notable ones are: financial assistance to the Divisional Sports Association, Sylhet for the development of the Sylhet Divisional Stadium, financial assistance to the needy and meritorious students of the Burunga Igbal Ahmed High School & College. The Bank also donated tables, chairs, desktop PCs, winter cloths to the under privileged people of Sylhet.

In a significant way CSR activities improves a business house's reputation, helps grow the confidence of customers and business partners, and motivate the employees to work for a company they feel proud of. We sincerely believe, it would be of strategic, longer run competitive advantage for banks and financial institutions in Bangladesh to include CSR in their management approaches and operations, with initiatives chosen in broad-based, extensive stakeholder engagement.

Globally, the notion of Corporate Social Responsibility (CSR) is fast gaining acceptance due to the contribution that businesses can make voluntarily towards environmentally sustainable and socially equitable development.

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PRODUCT & SERVICES

CORPORATE BANKING PRODUCTS & SERVICES

BUSINESS TRANSACTION ACCOUNT

A regular business account to conduct day to day business transactions.

TERM DEPOSITS

NRB Term Deposits with auto-renewal facility can give the best return of money. Client can choose a tenure that best suits business needs and can enjoy a wide range of other facilities.

SPECIAL NOTICE DEPOSIT (SND)

'The more you save, the more you get!' This is an interest bearing account that gives flexibility to withdraw upon business requirement.

PAYROLL BANKING

NRB Payroll service makes business payroll management easy. Its self-service features include direct deposit to employee accounts.

CASH MANAGEMENT SERVICE

Countrywide collections and payments services in the form of utility bills, payments, different fees etc. are designed to best manage clients' cash operations. Banks cash Management also offers online inter-bank platform fund transfer through the banks Internet Banking platform.

Loans & Finance

WORKING CAPITAL FINANCING

Working capital support from NRB Bank let clients free up working capital for effective management of business cash flow. Here, payments can be tailored to suit clients' seasonal cash flow.

BUSINESS OVERDRAFT

NRB Bank makes overdraft facility easy for businesses. Keeping customers' business priorities in mind, we offer the facility to cover day-to-day business spending.

CASH ADVANCE FACILITY

If your business can benefit from a short-term cash injection, just let us know. Our competitive rates and fast processing of the loan will timely enable you to meet your objective.

TERM LOANS & PROJECT FINANCING

Clients' business is always our priority! Financing business, projects and acquisitions with short, midium and long-term financing options is our prime focus.

RETAIL BANKING PRODUCTS & SERVICES

DEPOSIT PRODUCTS

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

Current Plus Account: Interest bearing current account for the individuals and SME-Small customers.

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 is BDT 50,000.

Pearl Account: Daily interest bearing savings account designed exclusively for female customers Interest calculated on daily balance. Minimum balance requirement is BDT 25,000.

RFCD Account: Interest bearing account which can be opened in USD/GBP/EUR without restriction on transaction frequency.

Term Deposit: Term deposits of different tenure and amount for customers convenience.

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

My Double Benefit Scheme: Term deposit product where the initial deposit amount is doubled after a certain period.

My Triple Benefit Scheme: Term deposit product that where the initial deposit amount is tripled after a certain period.

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

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

NRB BANKING PROPOSITION - MY BANGLADESH

To manage the expectations of the NRBs and to facilitate NRB inward investment to Bangladesh, The products specially designed for NRB's are:

NRB FCY: A foreign currency current account featuring variety of currency –USD / GBP / EURO.

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

NRB Rising: A foreign currency fixed deposit account with choice of tenure.

STUDENT BANKING PROPOSITION - MY FUTURE

A rewarding and convenient offering, 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 6 to 18 years.

My Future DPS: Monthly recurrent savings plan for minors.

My Study Account: Specially designed daily interest bearing savings account for students aged 18 to 26 vears.

PAYROLL BANKING PROPOSITION -MY SALARY

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

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

LOAN PRODUCTS

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

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

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

Home Loan: Secured mortgage loan with EMI facility.

CARD PRODUCTS

Local Debit Card: VISA Local Debit Card with EMV chip and lots of other benefits.

Global Debit Card: VISA Global Debit Card with Highly secured EMV chip card, worldwide acceptance and lots of benefits.

VISA Classic Credit Card: Plastic currency with an unsecured credit limit of up to BDT 1.0 Lac

VISA Gold Credit Card: Plastic currency with an unsecured credit limit of up to BDT 3.5 Lac

VISA Platinum Credit Card: Plastic currency with an unsecured credit limit of up to BDT 5.0 Lac

OTHERS

Alliance Partners: NRB Bank has tied up with more than 70 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 restaurants brands of the country.

Locker Service: 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.

ALTERNATE DELIVERY CHANNELS

ATM: NRB Bank facilitated Automated Teller Machine (ATM) of leading NCR brand at all the branches from the very beginning of the banks operation. Now we have 14 ATMs, of which 2 are off-site ATMs. Customers are getting notification for every ATM transaction through SMS notification service.

Internet Banking: Internet Banking solution make, banking more convenient for you. Its features include transfer of funds, balance inquiry, view account statement as well as instant mobile top-up. Our eBanking service can be accessed from PC, Tab or Mobile device.

Call Center: 24 Hour state-of-the-art Call Center with world's leading technology solution AVAYA. One call does it all: +88 09666456000.

SME-SMALL LOAN PRODUCTS

NRB Pashe: It is a combination of a term loan and an overdraft facility for entrepreneurs involved in the business of trading, manufacturing, service and agriculture.

NRB Proshar: It is an EMI based unsecured terminating loan facility and for the purpose of financing business requirements.

NRB Prerona: Credit facilities to finance the business requirements for prospective women entrepreneurs.

NRB Young Entrepreneur: It is an EMI based unsecured terminating loan facility for the purpose of financing the business requirements.

TREASURY PRODUCTS

Money Market

Call Money Term Placement Repo/Reverse Repo

Fixed Income and Investment

Treasury Bill/Bonds

Others

Foreign Currency Outright Buy Sale Dollar Depo SWAP Government Securities Trading

INFORMATION TECHNOLOGY @ NRB BANK

www.nrbbankbd.com

From the birth, NRB bank has always been at the forefront when it comes to adopting state of the art technology to provide product and services to its valued customer. The best application, the best hardware, the best people are the three things that have kept us in front.

With finest banking platform which are Oracle® Flexcube® Universal Banking System® and Oracle® Flexcube® Direct banking®— we are able to offer wide range of products and anywhere banking. We are one of the few bank in the country offering corporate internet banking with personalized apps for Apple and Android devices for individuals. Using internet banking customer can view all kind of account activity instantly. He/she can transfer fund to any account of any bank within the country.

NRB bank is the first bank among 4th generation banks to adopt card management system (CMS) and Tranzware CMS from Compass Plus enabled us to offer wide range of card base products including debit, credit and prepaid. We are the early mover with EVM based chip card with 2nd factor authentication to ensure best possible security for card transactions.

Bank has strong technology platform to support any kind of MIS development. MIS & Reporting platform from Oracle® enabled IT to extract and present data in quickest possible time.

NRB Bank has entered into strategic partnerships with some of the best known Information Technology majors to ensure reliability, stability and scalability. In the era of cloud, virtualization and IT outsourcing we has taken remarkable steps to ensure best utilization of resources by virtualization and reduced capex by outsourcing several IT services ensuring utmost security.

At NRB Bank, life in technology means lives made much easier. Without it, we wouldn't be in business perhaps.

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SIGNIFICANT EVENTS OF 2014

01 January 2014

Celebration of New Year 2014

Mr. Iqbal Ahmed OBE, Chairman, NRB Bank was cutting cake with employees to celebrate New Year 2014 at NRB Bank Corporate Head Office. Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank and other high officials of the bank were also present.



13 January 2014

NRB Bank signed corporate agreement with MetLife Alico Bangladesh

Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank and Mr. M. Nurul Islam, Regional Senior Vice President & Head of South Asia of MetLife Alico Bangladesh signed agreement on behalf of their respective organisations, while senior officials of both organisations were also present.

18 January 2014

NRB Bank distributed winter blankets as part of CSR programme

Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank distributed winter blankets among the cold affected people of Burunga Bazar, Sylhet at the premises of Burunga Iqbal Ahmed High School, Sylhet as part of the Bank's CSR programme. While other senior officials of the bank were also present.



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31 January 2014

NRB Bank sponsors ISD Fair

NRB Bank sponsored and participated in the ISD fair.



Customer's Night

7 February 2014

NRB Bank organised Customer's Night in Chittagong

Mr. Iqbal Ahmed OBE, Chairman, NRB Bank and Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank were seen with the Board of Directors and Management Officials of NRB Bank at the Customer's Night event in Chittagong.

8 March 2014

NRB Bank participated in School **Banking Conference in Chittagong**

NRB Bank participated in the School Banking Conference, held in Chittagong - organised by Bangladesh Bank.



10 March 2014

on **Programme** International Women's Day 2014

Mr. Iqbal Ahmed OBE, Chairman, NRB Bank, was cutting cake along with Dr. Fahmida Khatun, Research Director of Centre for Policy Dialogue (CPD) to celebrate the International Women's Day 2014 at the Bank's Corporate Head Office. Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank with other officials of the bank were also present.



O NEED Bank **MOU Signing Ceremony**

25 March 2014

MOU signing with DBH

Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank and Quazi Md. Shariful Ala, Managing Director & CEO, Delta Brac Housing Finance Corporation Ltd. seen exchanging documents after signing an agreement on collection of EMI through Bangladesh Electronic Fund Transfer Network (BEFTN).

31 March 2014

"Fire Safety & Fire Fighting Drill" organized by NRB Bank

NRB Bank organised "Fire Safety & Fire Fighting Drill" at Corporate Head Office, Gulshan, Dhaka in association with Fire Service and Civil Defense, where all the members of the Corporate Head Office participated in the drill.



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31 March 2014

NRB Bank signed agreement with Resource Integration Centre (RIC)

Mr. Zeeshan Hasib, Deputy Managing Director, NRB Bank and Mr. Khaledul Islam, Deputy General Manager, Micro Finance Department, Resource Integration Centre (RIC) was exchanging documents after signing an agreement on collection of Micro Finance Collections & Payments through Bangladesh Electronic Fund Transfer Network (BEFTN).



17 April 2014

NRB Bank organised Chairman's Night

Mr. Iqbal Ahmed OBE, Chairman, NRB Bank was addressing to the audience on the occasion of Chairman's Night of the Bank. Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank and other officials of the bank were also present at the occasion.

03 May 2014

NRB Bank participated in School Banking Conference at Sylhet

NRB Bank participated in School Banking Conference, held in Sylhetorganised by Bangladesh Bank. Deputy Governor of Bangladesh Bank Mr. S. K. Sur Chowdhury inaugurated the event and visited the NRB Bank stall.



06 May 2014

NRB Bank signed agreement with **ITCL** for Card System Implementation Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank and Mr. Kazi Saifuddin Munir, Managing Director & CEO, ITCL signed an agreement on behalf of their respective organisations, while other senior officials of both organisations were present. Under this agreement ITCL will implement Tranzware Card Management System for NRB Bank.



09 June 2014

NRB Bank signed agreement Bangladesh Bank

NRB Bank signed an agreement with Bangladesh Bank under "Refinance Scheme for Agro-Based Product Processing Industries in Rural Areas" and "Refinance Scheme for Small Enterprises".

Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank and Mr. Md. Masum Patwary, General Manager, SME & SPD, Bangladesh Bank signed the agreement on behalf of their respective organisations and other senior officials of both organisations were present.

12 June 2014

NRB Bank signed agreement with

Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank and Engr. Md. Shofiqul Islam, Company Secretary of DESCO signed agreement on DESCO Electricity Bills Collection in Dhaka. Mr. Zeeshan Hasib, Deputy Managing Director, NRB Bank and other senior officials of both organisations were also present.



22 June 2014

1st Annual General Meeting of NRB Bank

1st Annual General Meeting of NRB Bank Ltd was held on 22 June, 2014. Mr. Iqbal Ahmed OBE, Chairman, NRB Bank presided over the meeting. Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank, Board of Directors and Shareholders of the Bank were also present.



YEAR CEFERATOR

22 June 2014

NRB Bank Celebrated 1st Anniversary

1st Anniversary of NRB Bank was held in Pan Pacific Sonargaon Hotel. Mr. Tofael Ahmed MP, honourable Minister of Commerce, Government of the Peoples Republic of Bangladesh was present as Chief Guest at the program. Mr. Mohammad Farashuddin Phd., former Governor of Bangladesh Bank & Barrister Rafiqul Haque were also present in the program as Guest of Honour and Special Guest respectively, Mr. Iqbal Ahmed OBE, Chairman, NRB Bank and Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank were also seen in the picture.

23 June 2014

NRB Bank Call Centre inaugurated

NRB Bank Call Centre inaugurated by Mr. Iqbal Ahmed OBE, Chairman, NRB Bank, while Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank with other senior officials were present in the programme.



23 June 2014

NRB Bank inaugurated eBanking (Internet Banking)

NRB Bank eBanking (Internet Banking) inaugurated by Mr. Iqbal Ahmed OBE, Chairman, NRB Bank. Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank, and other senior officials of the bank were present along with valued customers.



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14 August 2014

NRB Bank inaugurated Ashulia Branch

NRB Bank inaugurated Ashulia Branch in Ashulia. The branch was inaugurated by Mr. Iqbal Ahmed OBE, Chairman, NRB Bank; while Mr. Tateyama Kabir, Director, NRB Bank, Mr. M. Badiuzzaman, Director of NRB Bank, local distinguished guests and other senior officials of NRB Bank were also present.

14 August 2014

NRB Bank inaugurated Hotapara Branch

NRB Bank inaugurated Hotapara branch in Gazipur. The Branch was inaugurated by Mr. Iqbal Ahmed OBE, Chairman, NRB Bank. While Mr. Tateyama Kabir, Director, NRB Bank, Mr. M. Badiuzzaman, Director, NRB Bank, local distinguished guests and other senior officials of NRB Bank were also present.



16 August 2014

NRB Bank launched SME banking

NRB Bank Launched SME Banking and organised a seminar on 'Challenges and Future of SME'. Mr. Iqbal Ahmed OBE, Chairman, NRB Bank, Abul Kashem, Deputy Governor, Bangladesh Bank, Engr. Dr. Syed Md Ihsanul Karim, Managing Director, SME Foundation, Dr.Toufic Ahmad Choudhury, Director General, Bangladesh Institute of Bank Management, Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank and Mr. Zeeshan Hasib, Deputy Managing Director, NRB Bank were present at the programme.



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18 August 2014

NRB Bank inaugurated Bogra Branch

NRB Bank inaugurated Bogra Branch in Bogra. The branch was inaugurated by Mr. Iqbal Ahmed OBE, Chairman, NRB Bank. While Mr. Md. Masudur Rahman, President Bogra Chamber of Commerce & Industry was present as Special Guest; Mr. Tateyama Kabir, Director, NRB Bank; Mr. M. Badiuzzaman, Director, NRB Bank, local distinguished guests and other senior officials of the bank were also present.

31 August 2014

NRB Bank launched VISA EMV Debit

Mr. Iqbal Ahmed OBE, Chairman, NRB Bank officially launched NRB Bank VISA EMV Debit Card. While Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank with other high officials and valued partners were also present.



01 November 2014

NRB Bank launched VISA Credit Card

Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank launched VISA Credit Card that is EMV chip based. While Mr. Zeeshan Hasib, Deputy Managing Director, Mr. Rahat Shams, Head of Retail Banking, Mr. Mahbubuzzaman, Head of CRM & CAD, Mr. Mamun Seraji, Head of IT & ADC Operations with other high officials of the bank were also present in the programme.



NRB Bank SME Pr Financing Fair - 2014

13 November 2014

NRB Bank participated in the SME

NRB Bank participated in the SME Financing Fair – 2014 jointly organised by Bangladesh Bank and SME Foundation. Mr. Muklesur Rahman, Managing Director and CEO, NRB Bank were seen with the NRB Bank officials in front of the bank's stall in the fair.

06 December 2014

NRB Bank participated in the AIUB Job Fair 2014

NRB Bank has participated in the AIUB Job Fair 2014 that was held at AIUB campus. Mr. Shahrukh Ahmed, Head of HR of NRB Bank were present with other officials of NRB Bank HR department at the fair.



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06 December 2014

NRB Bank organised a seminar on "Challenges of Microfinance in Bangladesh"

NRB Bank organised a seminar on "Challenges of Microfinance in Bangladesh" in association with Credit & Development Forum (CDF). Mr. Zeeshan Hasib, Deputy Managing Director, NRB Bank, Mr. Mahbubuzzaman, Head of CRM & CAD, NRB Bank, Mr. Md. Mosharrof Hossain, Chairman, CDF, Mr. Md. Abdul Awal, Executive Director, CDF, were present among others in the seminar.





10 December 2014

NRB Bank inaugurated Uttara Branch.

NRB Bank inaugurated Uttara Branch at Dhaka. The branch was inaugurated by Mr. Igbal Ahmed OBE, Chairman, NRB Bank. While Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank, honourable Directors, local distinguished guests and other high officials were also present.

20 December 2014

NRB Bank donated 10,000 blankets to the Prime Minister's Relief and Welfare Fund.

Mr. Iqbal Ahmed OBE, Chairman, NRB Bank donated 10,000 blankets to Prime Minister Sheikh Hasina as contribution towards the Prime Minister's relief and welfare fund at Gono Bhaban for the under privileged people of the country. Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank was also present at the occasion.



BRANCH AND ATM NETWORK

Gulshan-2	(1st floor) n Gulshan Avenue , Dhaka 1212, Bangladesh. +880 9666457109 ! 8881357	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
891 Mir Bo Chowhatta IP Phone : Tel: +880 8	in Branch opping City (Ground Floor) ox Tula Road a,Sylhet, Bangladesh +880 9666457210 321 710282, +880 821 710237	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
World Trac	g Main Branch de Center (2nd floor) grabad Commercial Area g, Bangladesh.	Joypara Branch Monowara Mansion (1st floor) East Lotakhola, Joypara Dohar, Dhaka, Bangladesh. IP: +880 9666457301
Holding No Bashundha Baipile, As Dhaka 134	nplex (1st floor)	Hotapara Branch Surma Valley (KRC Commercial and Residential Building, 1st floor) Holding No. 651 Hotapara, Gazipur Sadar, Gazipur 1740, Bangladesh. IP Phone: +8809666457450
Bogra Brai Bogra Trad 766 (ii) Rai Datta Bari, Bogra-580	nch le Centre (Ground floor) ngpur Road, Borogola, 0, Bangladesh. :+8809666457400	Uttara Branch Marina Tower (Ground & 1st Floor) House # 14, Road # 2, Sector # 3 Uttara Model Town Dhaka 1230, Bangladesh. IP Phone: +8809666457550
Panchdona Narsingdi S Narsingdi-	wer (1st floor) a Bazar	GEC Moor Branch 565/A CDA Avenue(1st Floor) GEC Circle East Nasirabad Chittagong, Bangladesh. IP Phone: +8809666457600

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Dilkusha Branch PFI Tower (1st Floor) 56-57 Dilkusha C/A Dhaka – 1000, Bangladesh. IP Phone: +8809666457700	
NB: ATM is situated adjacent with the branch	TM Network
Main Branch ATM Booth NB Tower (Ground Floor) 40/7 North Gulshan Avenue Gulshan-2, Dhaka 1212, Bangladesh. Sylhet Main Branch ATM Booth ManRu Shopping City (Ground Floor) 891 Mir Box Tula Road Chowhatta, Sylhet 3100, Bangladesh.	Gulshan Branch ATM Booth Nafi Tower (1st Floor) 53 South Gulshan Avenue Gulshan-1, Dhaka 1212, Bangladesh. Goala Bazar Branch ATM Booth Al Murad Plaza (Ground floor) Goala Bazar, Osmaninagar Sylhet 3124, Bangladesh.
Joypara Branch ATM Booth Monowara Mansion (Ground floor) East Lotakhola, Joypara Dohar, Dhaka 1330, Bangladesh.	Ashulia Branch ATM Booth Ahsan Complex (Ground Floor) Holding No. 356/1, Bashundhara EPZ Road Baipile, Ashulia, Savar Dhaka 1349, Bangladesh.
Hotapara Branch ATM Booth Surma Valley (KRC Commercial and Residential Building, Ground Floor) Holding No. 651 Hotapara, Gazipur Sadar Gazipur 1740, Bangladesh.	Bogra Branch ATM Booth Bogra Trade Centre (Ground floor) 766 (ii) Rangpur Road, Datta Bari Borogola, Bogra-5800, Bangladesh.
Panchdona Branch ATM Booth Jubayer Tower (Ground floor) Panchdona Bazar Narsingdi Sadar, Narsingdi 1603, Bangladesh.	Dhanmondi ATM Booth House # 24/C (Old 405/C) Road # 16 (Old 27), Dhanmondi R/A Dhaka – 1209, Bangladesh.
Banani ATM Booth House # 26 (Ground floor) Road # 11, Block # F Banani, Dhaka-1213, Bangladesh.	GEC Moor Branch ATM Booth 565/A CDA Avenue(Ground Floor) GEC Circle East Nasirabad Chittagong, Bangladesh.
Chittagong Main Branch ATM Booth World Trade Center (2nd floor) 102-103 Agrabad Commercial Area Chittagong 4000, Bangladesh.	Dilkusha Branch ATM Booth PFI Tower (Ground Floor) 56-57 Dilkusha C/A Dhaka – 1000, Bangladesh.

CORRESPONDENT BANKING

Being a new entity, it has been certainly a challenge to establish our credentials in the local & foreign market. Notwithstanding significant challenges and difficulties NRB FI has successfully established RMA with 38 nos. of global banks in 23 countries around the world considering business potentials. We have already opened USD, GBP, Euro, ACU USD, ACU Euro & JPY accounts with foreign banks after complying all their necessary due diligence process. Most of the major clearing accounts with Bangladesh Bank (the Central Bank) have been opened for doing local/ foreign currency clearing in the local market. NRB Bank has also successfully established relationship with local counterparts for accommodating UPAS request with confirmation and financing facility. HBZ Finance, Hong Kong has accepted clean confirmation limit (case to case) for NRB Bank Ltd on last year. We have established GPAG (Global Payments Advisory Group) as process agent to accept service of legal process on behalf of NRB Bank for maintaining USD account at NY. Our Bank has also established relationship with D&B (Dun & Bradstreet) and Bureau van Dijk for obtaining credit report on companies/ suppliers for the bank as well. Recently we have registered our bank with IRS (Internal Revenue Services), U.S. to comply FATCA regulations & obtained GIIN (Global Intermediary Identification Number) as ELTG2L.99999.SL.050. Our formal enlistment in Bankers Almanac website has been completed. All of our bank's relevant information and credentials are available in this global portal. Considering AML regulations and to run business smoothly, we have obtained one of the world renowned web-portal "Online Compliance" by Accuity, Singapore which is a single source look-up tool for inclusive sanctioned data.

	NOSTRO	Accounts	
Currency	Correspondent Bank	SWIFT/BIC	Account No
ACU EUR	United Bank of India, Kolkata	UTBI IN BB	Account Number: 0084050097389
ACU USD	United Bank of India, Kolkata	UTBI IN BB	Account Number: 0084050097370
EUR	MashreqBank PSC, London	MSHQ GB 2L	Account Number: 00013404
GBP	MashreqBank PSC, London	MSHQ GB 2L	Account Number: 00013374
JPY	Mizuho Bank Ltd, Tokyo	MHCB JP JT	Account Number: 7151010
USD	Habib American Bank, New York	HANY US 33	Account Number: 20729250
USD	MashreqBank PSC, New York	MSHQ US 33	Account Number: 70010167

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	RMA List (Overseas)					
SL	Country	City	Bank Name	SWIFT CODE		
1	Australia	Sydney	Mizuho Bank	MHCBAU2S		
2	Bahrain	Manama	Mashreq Bank	BOMLBHBM		
3	Canada	Toronto	Habib Canadian Bank	HBZUCATT		
4	China	Shanghai	Bank of Communications	COMMCNSH		
5	Egypt	Cairo	Mashreq Bank	MSHQEGCA		
6	France	Paris	Mizuho Bank	MHCBFRPP		
7	Germany	Dusseldorf	Mizuho Bank	MHCBDEDD		
8		Kiel	HSH NORDBANK AG	HSHNDEHH		
9	Hong Kong	Hong Kong	AB International Finance Ltd.	ABFLHKHH		
10			HBZ Finance Ltd.	HFLIHKHH		
11			ICICI Bank	ІСІСНКНН		
12			Mashreq Bank	МЅНQНКНН		
13			Mizuho Bank	МНСВНКНН		
14	India	Mumbai	ICICI Bank	ICICINBB		
15			Mashreq Bank	MSHQINBB		
16		Kolkata	United Bank of India	UTBIINBBOVE		
17	Italy	Verona	Banco Popolare Soc. Coop.	BAPPIT22		
18		Milan	Mizuho Bank	МНСВІТММ		
19	Japan	Tokyo	Mizuho Bank	MHCBJPJT		
20			Sumitomo Mitsui Banking Corporation	SMBCJPJT		
21	Korea	Seoul	Shinhan Bank	SHBKKRSE		
22	Kuwait	Kuwait	Mashreq Bank	MSHQKWKW		
23	Malaysia	Kualalum- pur	Mizuho Corporate Bank (Malaysia) Berhad	МНСВМҮКА		
24	Qatar	Qatar	Mashreq Bank	MSHQQAQA		
25	Singapore	Singapore	ICICI Bank	ICICSGSG		
26			Mizuho Bank	MHCBSGSG		
27	Switzerland	Zurich	Habib Bank AG Zurich	HBZUCHZZ		
28			BSI SA	BSILCH22		
29	Taiwan	Taipei	Mizuho Bank	MHCBTWTP		
30	Ukraine	Dnipropet- rovsk	PJSC 'BANK CREDIT DNEPR'	CRDEUA2N		
31	Thailand	Bangkok	Mizuho Bank	МНСВТНВК		
32	United Arab Emirates	Dubai	Emirates NDB	EBILAEAD		
33			Mashreq Bank	BOMLAEAD		
34			United Bank Ltd.	UNILAEAD		
35	United King- dom	London	Mashreq Bank	MSHQGB2L		
36			Mizuho Bank	MHCBGB2L		
37	United States	New York	Habib American Bank	HANYUS33		
38	of America		Mashreq Bank	MSHQUS33		

NRB Bank Limited

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

Notice of the 2nd Annual General Meeting

Notice is hereby given to all the Members of NRB Bank Limited that the 2nd Annual General Meeting (AGM) of the honorable Members of NRB Bank Limited will be held on Sunday, 14 June 2015 at 11:30 A.M. at Eden Ballroom, Hotel Amari Dhaka, House # 46, Road # 41, Gulshan-2, Dhaka-1212, Bangladesh to transact the following Agenda:

AGENDA:

- To receive, consider and adopt the Profit & Loss Account of the Company for the year ended 31 December 2014 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 and fixation of their remuneration.

By order of the Board of Directors

MARRARAN

A.F.M. Zakaria Huge **Deputy Company Secretary** Dhaka, 24 May 2015

NOTES:

- The Members (Sponsors) whose names would appear in the Register of Members of the Company will be eligible to attend the 2nd 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. 20.00 and submitted at the Registered Office of the Company not later than 48 hours before the time fixed for the Annual General Meeting.
- 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.
- The existing auditors, Howladar Yunus & Co., Chartered Accountants will retire and as per rule they are e) eligible for re-appointment.

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NRB Bank Limited PROXY FORM

I/Webeing 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 2nd Annual General Meeting of NRB Bank Limited to be held on Sunday, 14 June 2015 at 11:30 A.M. at Eden Ballroom, Hotel Amari Dhaka, House # 46, Road # 41, Gulshan-2, Dhaka-1212, Bangladesh at any adjournment thereof.
Signed this
Signature of Proxy
Signature of Fronty
Signature of Member
Signature of Member
Membership No.
No. of Shares
No. of Shares
This proxy form, duly completed, must be deposited at the Registered Office of the Company not later than 48 (forty eight) 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 2nd Annual General Meeting of NRB Bank Limited to be held on Sunday, 14 June 2015 at 11:30 A.M. at Eden Ballroom, Hotel Amari Dhaka, House # 46, Road # 41, Gulshan-2, Dhaka-1212, Bangladesh.
Name of Member/Proxy
Membership No.
Signature
Date

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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

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