

# ANNUAL REPORT 2015





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#### X NRB Bank Not Just Another Bank

### LETTER OF TRANSMITTAL

То

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 2015.

We are pleased to enclose a copy of the Annual Report along with the Audited Financial Statements and Balance Sheet as at 31 December 2015, Profit and Loss account, Cash Flow Statement, Statement of changes in equity, Liquidity Statement for the year ended 31 December 2015 together with notes thereon of NRB Bank Limited for your kind information and record.

Best regards,

Sincerely Yours,

11/26

A.F.M. Zakaria Huqe Deputy Company Secretary





### DISCLAIMER

This Annual Report 2015 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 112 to 171. 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 2016, negative growth in imports 2015, 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 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.

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- 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 the sere lationships 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
<b>G</b> 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, riskbased capital adequacy 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;

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- 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 04 AUGUST 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 (In-Charge) ZEESHAN HASIB

**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** 342

Number of branches 16

Number of ATM 20

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)



#### X NRB Bank Not Just Another Bank

## **COMPANY MILESTONES**

#### 07 February 2013

Bangladesh Bank issued No Objection Certificate (NOC) 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> Annual General Meeting (AGM) 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).

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**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.

**26 February 2015** NRB Bank Limited inaugurated GEC Moor branch.

**12 April 2015** NRB Bank Limited inaugurated Dilkusha branch.

#### 14 June 2015

The 1<sup>st</sup> Extraordinary General Meeting (EGM) and 2<sup>nd</sup> Annual General Meeting (AGM) of NRB Bank Limited was held successfully.

**15 June 2015** NRB Bank Limited inaugurated Moulvibazar branch.

**10 August 2015** NRB Bank Limited inaugurated Satkania branch.

#### 08 September 2015

NRB Bank Limited launched VISA Platinum Credit Card.

#### 21 December 2015

NRB Bank Limited inaugurated at Atibazar branch.

## FROM THE OFFICE OF THE CHAIRMAN

IQBAL AHMED OBE Chairman

#### **Dear fellow Shareholders,**

It is indeed an honor and pleasure for me to be here with all of you in the 3rd Annual General Meeting of NRB Bank Ltd. On behalf of the Board of Directors and myself, I would like to express my hearty welcome and profound gratitude to all of you for your continuous support and guidance in achieving excellence in the performance of the Bank. Our financial performance suggests that we continued to deliver for our shareholders. I feel privileged to present the 2015 annual report of NRB Bank Ltd before our valued shareholders at the 3rd Annual General Meeting.

#### **Changing scenario in Global Economy**

Global growth is picking up somewhat after a number of weak years. A global GDP growth rate 3.5%, the latest IMF forecast, is lower than the 4.5% average that preceded the decade before the great recession, but it is better than the average over the past five years.

Global growth disappointed again in 2015, slowing to 2.4 percent, and is expected to recover at a slower pace than previously envisioned. Growth is projected to reach 2.9 percent in 2016, as a modest recovery in advanced economies continues and activity stabilizes among major commodity exporters, according to the World Bank's Global Economic Prospects. Forecasts are



subject to substantial downside risks. A more protracted slowdown across large emerging markets could have substantial spillovers to other developing economies, and eventually hold back the recovery in advanced economies.

The decline in global oil prices has been a major benefit for the South Asian Region, driving improvements in fiscal and currents accounts, enabling subsidy reforms in some countries, and facilitating the easing of monetary policy

#### Bangladesh Economy on a stable path

Although the economy as a whole exhibited stability throughout the year, the banking industry had to go through rough water featured by sluggish investment and excess liquidity. To exacerbate it, interest rate on loans and advances fell drastically compared to the cost of deposit which in turn squeezed the spread and thus the profitability. You will be glad to know that your bank has confronted the adversity comfortably and has surpassed the growth of industry in every aspect of business. The business of Bank such as; Deposit, Loans & advance, Non-funded business and Investment were Tk. 13.35b, Tk. 11.09 b, Tk. 1.02 b, and Tk. 5.38b for the year-2015 registering growth 71%, 76%, 14% and 53% respectively compared to last year.

#### During the year 2015:

- 1. The exports of the country were USD 31.21 billion,
- 2. The wage earners' remittance inflow was USD 15.32 billion,
- 3. Foreign exchange reserve reached USD 26.4 billion.

#### A challenging year for the Banking Industry

The Banking sector has been facing numerous challenges, mostly homegrown, mainly due to falling interest rates, rising NPL and lower private sector credit demand aggravated by weak governance, poor risk management and control measures in respective banks mostly SCBs. Key profitability measures of the industry i.e. Return on Asset (ROA) and Return on Equity (RoE) have been in the declining trend. RoA declined slightly from 0.6% at the end of December 2014 to 0.5% at the end of June 2015 whereas RoE decreased to 6.6% at the end of June 2015 from 8.1% at the end of December 2014.

The industry NPL dropped to 8.79% at the year-end 2015 from 9.69% at the year-end 2014. Major reasons for the drop are: writing off a large chunk of bad loans and restructuring of a good number of loans.

#### How did our Bank perform in 2015

Efficient Balance Sheet management has produced satisfactory result in core banking activities. Excess liquid assets were invested in safer vehicles i.e. Govt.T-Bills / Bonds, Placement and long term Call lending in absence of adequate credit demand from private sectors which



eventually produced much higher investment income to compensate negative growth of Net Interest Income. Total operating income of the Bank during the year-2015 was BDT 1,124 M registering growth 138% compared to last year. Profit before Tax (PBT) during the year-2015 was stood BDT 344 M registering growth 789% compared to last year due to 76% increase in Loans & Advances and 53% increase in Investments. Retained earning of the Bank during the year-2015 stood BDT 167 M from the operating performance of the Bank. Closing Retained earning stood Tk. 107 M covering the loss of earlier year; which is 275% higher compared to last year. Deposit volume stood BDT 13,356 M; which is 71% higher compared to last year. Shareholder's Equity increased to BDT 4,478 M; which is 13% growth compared to last year.

Our Bank has already earned good name and fame amongst the 4th generation Banks. It is notable that NRB Bank has been awarded by Bangladesh Bank for the contribution in the Agricultural sector of the Country. We are confident to take our beloved institution to higher heights with our dedicated and committed services.

Our Bank also believes in network expansion and extending global outreach. We opened 5 new branches in 2015 including 2 rural and 3 urban branches and total branch networks stood 16 at the end of the year 2015 and Bank's own ATM networks stood in 2015: 20 including 1,588 shared ATMs all over the country to provide services to our valued customers.

#### Our commitment to the Society

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 specially women entrepreneurs, Green banking, special products for NRBs and NRB investors & Bangladesh diasporas to invest in the country 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 favorably 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.



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I express my sincere gratitude to all our stakeholders including Shareholders, Customers, Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), National Board of Revenue (NBR) 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 more efficiently and dedicatedly to keep our bank "Not Just Another Bank"

Wishing you all a very prosperous and successful 2016 and beyond.

With very best regards,

IQBAL AHMED OBE Chairman

MANAGING DIRECTOR & CEO'S ROUNDUP

X NRB Bank

Zeeshan Hasib Managing Director & CEO (In-Charge)

The global economy in the year 2015 remained 'subdued'. Whilst majority of the growth was accounted in emerging and developing economies – advanced economies also saw some recovery. As it came in the IMF report, three key transitions continued to influence the global outlook: (1) The gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing towards consumption and services, (2) Lower prices for energy and other commodities, and (3) A gradual tightening in monetary policy in the United States in the context of a resilient U.S. recovery. IMF projects global growth at 3.5% in 2016 and 3.6% in 2017. The projected growth, conversely, in the emerging and developing countries stands at 4.3% and 4.7% in 2016 and 2017, respectively. The economic and the business environment of Bangladesh in contrast continued to grow in 2015 in the backdrop of increasing exports, remittances, investments and constructive government policies. The economic situation improved in spite of uncertainties. Large scale private investments continued their growth along with growth in both the SME and the agricultural sector. Government continued to maintain its development focus in the areas of power and infrastructure. Notable major projects, such as construction of the The Padma Bridge, metro rail project, Paira Sea Port, power projects of Matarbari and Rampal, etc. are in the pipeline.





The country's macroeconomic parameters remained satisfactory. Inflation as of December 2015 stood at 6.19%, mainly due to the falling fuel and commodity prices. At the end of 2015 current account surplus stood at USD2 billion and the foreign exchange reserve at USD26.4 billion which covers around 7-months of the country imports. Overall, lending rates continued to fall amid declining deposit rates due to market liquidity. At the end of the year 2015, industry average rate of bank deposits dropped to 6.1% vis-à-vis average lending rate of 10.90%. The stock market following the bubble in year 2010 remained stable with DSEX index closing at around 4,629 points. In the year 2016 private sector credit is expected to grow over 14% with a GDP projection of 6.8%.

NRB Bank today stands out in the industry in terms of quality of portfolio, creative & strategic banking, young & energetic workforce and state-of-art technology. The Bank is growing stronger by being committed to customers and by offering tailor made product solutions. NRB Bank has successfully launched RTGS (Real Time Gross Settlement) in 2015 and is one of the very few banks that offer clients online trade applications and solutions.

2015 was a year of strategic planning and shifting gears. The execution of our strategy has made NRB Bank a more business focused bank addressing core risks and delivering the right priorities to all the stakeholders. With around 250 full time human resources, the bank is continuing in its growth towards its vision in this challenging environment, through service, leadership and team-work. The bank works with the community through its various CSR activities – targeted towards the underprivileged people and for the development of the community. In terms of providing services to Non-Resident Bangladeshis (NRBs), I am pleased to inform you that NRB Bank has chalked out major plans to assist NRBs across the globe and in accordance has participated in road-shows and seminars involving NRBs.

In 2015 NRB Bank made notable growth in both its lending and deposit portfolio amid declining interest rates. The bank focused on quality assets which yielded lower return but ensured the safety of the investments. The bank also worked on reducing the cost of deposit through efficient mix of funds. The loan portfolio of the bank, as of 31 December 2015, stood at BDT 11,092m a net growth of 76% compared to the figures in the preceding year. Similarly deposits grew by 70% in 2015, and stood at BDT 13,356m against BDT 7,805m in Year 2014. The bank focused its investment in various sectors including Garments & Textiles, Steel, Commodity, Pharmaceuticals, FMCG, etc. The Bank successfully achieved the agricultural disbursement target set by the Bangladesh Bank.

In 2016 we are targeting to conspicuously bring our costs further down so that we can invest more at a level playing ground which, in the end, will give better return to our stakeholders. 2016 will continue to be a year focused towards our clients and stakeholders as we look forward to executing our strategies. Our work is not complete – but we are on the right track making steady progress against our strategic targets. With every staff member committed to perform, we have strong confidence in our ability to deliver.

Finally, I am sincerely grateful to our regulator The Bangladesh Bank, Our Chairman, The Board of Directors, Shareholders, Customers and other Stakeholders for their continued support. A big thank you obviously goes to 'all' the staff members of NRB Bank, with the help of whom the bank is making steady progress to transpire as a strong emerging financial institution.

Thank you,

Zeeshan Hasib Managing Director & CEO (In-Charge)



BOARD OF DIRECTORS' PROFILE

## **BOARD OF DIRECTORS' PROFILE**



Iqbal Ahmed OBE Chairman

Mr. Iqbal is the Chairman & Chief Executive of Seamark Group of companies. He is also the Founder Chairman of NRB Bank Limited.

Seamark Group grew from a small family run business to supply seafood worldwide. Iqbal pioneered the import of frozen seafood in refrigerated containers and was the first to import Black Tiger shrimps into the UK and the EU. It wasn't long before he began to look at ways of expanding and created Iqbal Brothers & Company, now IBCO Limited, importing and distributing frozen seafood and all kinds of frozen food products.

As the business grew, it made sense to lqbal to create a new company, more reflective of the size and scope of the operation, and Seamark was established in 1991, specialising in the processing, value adding and stocking of shrimp products especially the black tiger and the fresh water king prawn, which are then exported to most countries in Europe and beyond.

Iqbal's clear vision for the business has led to a string of prestigious awards for Seamark in the UK and in Bangladesh. Excellence in the field has been recognised at home in the UK with a Queen's Award for Export Achievement in 1998 and a number of Gold trophy Awards from the Government of Bangladesh for achieving the highest exports of seafood.

One of his biggest achievements is the successful establishment of NRB Bank Limited in Bangladesh, where he brought together 46 NRB (non-resident Bangladeshi) entrepreneur investors from all over the world to invest in Bangladesh. Iqbal had a vision of creating a financial institution for Non-resident Bangladeshi. He dreamt of unlocking a new horizon to the Bangladesh economy by facilitating NRB inward and outward investment to and from Bangladesh, assisting Bangladeshi enterprises to access international market and increasing the inflow of foreign remittances.

Despite his busy schedule Iqbal makes time for charity works. He is connected with, as sponsor, trustee or member, many charitable organizations in the UK and Bangladesh, mainly situated within the educational sector and involving rehabilitation, training and community work, including the development of a secondary school and college for 1200 pupils in Sylhet in north east Bangladesh.

Iqbal received his highest personal recognition when he was awarded an OBE (Officer of the Most Excellent Order of the British Empire) at the Queen's honours list in 2001 for his services to International Trade.

Over the years lqbal Ahmed has played an active role in a number of government committees, ministries and advisory bodies in the UK.

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#### Mohammed Mahtabur Rahman (Nasir) Vice Chairman

Mr. Mohammed Mahtabur Rahman (Nasir) a seasoned businessman and well versed in a broad range of trade ventures around the world hails from Sylhet. Born in 1958, he completed his education there itself and pursued with passion his traditional family owned business, which was established in the holly city of Makkah, Kingdom of Saudi Arabia under the name **'Al Haramain Perfumes'**, in **1970**. He mastered the craftsmanship of the Fragrance Industry and surmounts the business to new heights. He is currently the **Chairman & Managing Director of the Al Haramain Perfumes Group of Companies**.

After foreseeing the potential Fragrance Markets in the GCC & MENA region, he moved his entire operation & manufacturing units to the UAE and built the modern and well equipped Head Office fitted with ORACLE-ERP Server in an area of **11,000 sq ft** and also established a Factory in the UAE over an area of around **177,000 sq ft**, 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,

He opened the first branch in Dubai and gradually expanded more than 100 branches all over the UAE/ GCC countries & beyond in the name of **Al Haramain Perfumes** and the following sister concerns:

- Al Haramain Trading L.L.C
- Oudh Al Haramain
- Noor Al Haramain Trading L.L.C
- Al Halal Perfumes Industry L.L.C

Al Halal Perfumes L.L.C was opened in the UAE, to cater to the fragrance needs of the mass markets.

Al Haramain Perfumes L.L.C with many branches was opened in the Sultanate of Oman for Omanis and for the entire markets in the country.

Al Haramain Perfumes Int'l W.L.L & Noor Al Haramain Perfumes Company W.L.L was opened in the State of Kuwait, with many branches, to cater to the Perfumery needs of the entire markets all over the country.

Al Haramain Perfumes W.L.L with many branches was opened in the state of Qatar, to meet the Perfumery needs of the valuable Qatari Customers & others.

Al Haramain Perfumes SPC with many branches in the neighborhood were opened in the Kingdom of Bahrain to satisfy the perfumery needs of elite Bahraini customers and others.

Al Haramain Perfumes PTE LTD. was opened in Singapore to meet the fragrance needs of Singapore and also the Indonesian & Brunei markets.

**Al Haramain Perfumes SDN. BHD** in Malaysia was opened to serve the perfumery needs of the entire Malaysian & other Asian Countries.

**Rich & Ruitz**, yet another Perfume company has been established in France with a manufacturing plant for production and distribution to capture the entire European & the American markets.

**4 Corners Distribution Ltd**, of Al Haramain Perfumes Group has been established in London, for the fragrance loving folks of the United Kingdom & the European Markets.

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Al Haramain Perfumes PVT LTD was established and opened the first showroom at Jamuna Future Park in Dhaka, catering to the perfumery needs of Bangladesh markets.

Currently Mr. Mohammed Mahtabur Rahman is associated with the following organizations:

**Bangladesh Business Council-Dubai,** in which he is the **Founder President**, has been established for Bangladeshi Business Communities in Dubai & the Northern Emirates in UAE.

Sheikh Khalifa Bin Zayed Bangladesh Islamia (Pvt) School in Abu Dhabi, UAE in which he is the sponsor.

Al Arafah Islami Bank Ltd, in which he was the Sponsor/ Director, is one of the popular banks in Bangladesh.

AIBL Capital market services Ltd, a subsidiary of Al Arafah Islami Bank Ltd, in which he is the **Sponsor / Director**.

The University of Asia Pacific in which he is the Trustee, is one of the leading Varsities in Bangladesh.

Al Haramain Tea Co Ltd in Bangladesh, in which he is the chairman, boosts the production of Bangladeshi Tea.

**Al Haramain Hospital Pvt Ltd** which is a 250 Bed Hospital, in which he is the **Chairman** is one of the most modern upcoming multi-specialty & multi story Hospital in Sylhet.

**Beani Bazar Cancer Hospital** in which he is a **Trustee** provides better treatment and care facilities to cancer patients in Bangladesh.

#### Awards:

- He was ranked the top Commercially Important Person (CIP) for the 3 consecutive years 2012-13, 2013-14 & 2014-15 by the Government of Bangladesh.
- He was also awarded the prestigious 'Bangladesh Bank Remittance Award' consecutively for 2 years 2013 & 2014 in recognition of his highest remittance into Bangladesh.







Mohammed Idrish Farazy Director

Mr. Mohammed Idrish Farazy obtained a Bachelor's degree in Business Administration from the University of Darul Ihsan.

Mr. Mohammed Idrish Farazy 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 2012-2013 and 2013-2014 he was rewarded as a CIP for his continuous succeeding contributions.



Dato' Engr. Md. Ekramul Haque Director

Dato' Engr. Md. Ekramul Haque, aged 48 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 25 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 Muqit 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 5 years, Dr. Mahiul Muhammed Khan Muqit has been collaborating with John Hopkins Hospital (USA) and Helen Keller International, and he has provided consultancy and training to an innovative and successful Diabetic Retinopathy Education Training and Treatment (DRETT) project based at Chittagong Eye Infirmary and Training Complex, Bangladesh. This project aims to reduce the burden of blindness for the diabetic population in Bangladesh using an international model of diabetic eye screening care.

Since Sept 2013, he has been serving as a Consultant at Moorefield's Eye Hospital, London, specializing in Vitreoretinal Surgery and Medical Retinal Disorders.



#### 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.

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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 Iqbal Bros Foundation Trust registered in the UK.

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



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.





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.



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.

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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 Crusher 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 (07 years) without any break.



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.





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.



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.

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M Badiuzzaman Director

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

He is a proficient businessman involved with local and overseas companies in Bangladesh and Singapore. His business affiliations are as following:

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

Independent Director, **Phoenix Finance & Investments Limited**, Bangladesh

Chairman, Bangladesh-Singapore Investment & Technologies Ltd. (Technology and Development Project-based Company in Bangladesh)

Chairman, **Bangladesh-Singapore Development Ltd**. Bangladesh (Real-Estate Development & Sourcing Company in Bangladesh)

Managing Director, **Tania International Pte Ltd**. Singapore (Export-Import and trading of Commodities and Business Consultancy in Singapore since 1990)

Managing Director, **Tania Development Pte. Ltd.** Singapore (Commercial & Industrial Real Estate Management Company in Singapore since 2008) Managing Director, **Rajib Enterprises Pte. Ltd.** Singapore (Food & Beverage and Publications Business in Singapore since 1989)

Sole Proprietor, **Asia Pacific Realty Investment Service**, Singapore (Project-based Consultancy Company in Singapore 2008)

Sole Proprietor, **Aangan Fine Dining Restaurant**, Singapore (Restaurant business since 1994 in Singapore)

Managing Editor, **The Far Eastern Business Review**, Singapore (International Business Publication since 2013 in Singapore)

Mr. M Badiuzzaman is a Graduate from Dhaka University and holds corporate/individual membership of 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).







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 Goalabazar 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 Goalabazar Public Library.

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**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.







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 26 years.



Zeeshan Hasib Managing Director & CEO (In-Charge)

Mr. Zeeshan Hasib is the Managing Director & CEO (In Charge), NRB Bank Limited. He joined NRB Bank Limited in September 2013 as The Head of Corporate Banking and was then named as The Deputy Managing Director in October 2014.

Mr. Hasib started his banking career in 1998 as an Officer Corporate Banking at Société Générale, in Dhaka. He in the following year joined the Corporate Banking team of Standard Chartered Bank as a Corporate Support Officer and then became Relationship Manager in Year 2001 and Senior Relationship Manager in Year 2003. In 2004 he joined The Hongkong and Shanghai Banking Corporation (HSBC) as a Senior Relationship Manager, Commercial Banking. He became Divisional Head Commercial Banking in Year 2006 and continued in this position till he left the bank in Year 2013. In between, at HSBC, he served as The Manager Chittagong for 2-years.

Mr. Hasib is a certified 'Credit Professional' accorded by Omega UK and a 'Trade Professional' conferred by Standard Chartered Bank, UK. He was also a part of The HSBC's 'Next Generational Development Program'. He, over the years, has attended several professional trainings across the globe and has participated in many seminars and conferences related to Banking, Finance and Leadership.

Mr. Hasib earned his Bachelor's Degree (BBA) from The Assumption University, Thailand and also holds an MBA from The Colorado State University, USA.

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SPONSOR SHAREHOLDERS



### SPONSOR SHAREHOLDERS













Dr. Mahiul Muhammed Khan Muqit, UK















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## SPONSOR SHAREHOLDERS





























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Dr. Uddin Ahmed Afser, UK









Dr. A.B.M. Badrul Amin Siddique, UK



Emdadur Hifzur Rahman, UK







Dr. Abul Kashem Mohammed Zakaria, UK



Mohammed Enamur Rahman, UK



Shabbir Ahmed Choudhury, UK



Salim Chowdhury, UK





## SPONSOR SHAREHOLDERS











UK UK







Misbah Abu Sadath, UK



Mosharraf Hossain, Canada



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## **BOARD COMMITTEES**



## BOARD COMMITTEES



### EXECUTIVE COMMITTEE

**Chairman** Dato' Engr. Md. Ekramul Haque

### Members

Mr. Mohammed Idrish Farazy Mr. Tateyama Kabir Mr. M Badiuzzaman Mr. Naveed Rashid Khan Mr. Khandakar R Amin Mr. Mohammed Jamil Iqbal

### AUDIT COMMITTEE

Chairman Mr. Mohammed Mahtabur Rahman (Nasir)

Members

Mr. Imtiaz Ahmed Mr. Kamal Ahmed Dr. Nesar Ahmed Choudhury Mr. Rabin Paul









### RISK MANAGEMENT COMMITTEE

Chairman Engr. Abu Taher Mohammed Amanullah

> Members Dato' Engr. Md. Ekramul Haque Mr. M Badiuzzaman Mr. Fazlur Rashid Khan Mr. Mohammed Rafique Miah



BOARD

COMMITTEES



MANAGEMENT COMMITTEE

# Management Committee



Sitting from left: Standing from left:

Md. Ziaur Rahman, Mahbubuzzaman, Zeeshan Hasib, Saaduddin Ahmed, Towhidul Islam,

Badal Kumar Nath, Major Sarker Tariq Ahmed (Retd.), Rahat Shams, Md. Towfiqul A. Chowdhury, A.F.M. Zakaria Huqe, Rafiqul Islam, Towhidu-zzaman Fuad

# DIRECTORS' REPORT

# DIRECTORS' REPORT

The Board of Directors has the privilege of welcoming you to the 3rd Annual General Meeting of NRB Bank Limited. The Directors take immense pleasure in presenting the Directors' Report, along with the audited financial statements of the Bank for the year ended 31 December 2015 and the Auditor's report thereon for your consideration.

### GLOBAL ECONOMY

Global growth is picking up somewhat after a number of weak years. A global GDP growth rate 3.5%, the latest IMF forecast, is lower than the 4.5% average that preceded the decade before the great recession, but it is better than the average over the past five years.

Global growth disappointed again in 2015, slowing to 2.4 percent, and is expected to recover at a slower pace than previously envisioned. Growth is projected to reach 2.9 percent in 2016, as a modest recovery in advanced economies continues and activity stabilizes among major commodity exporters, according to the World Bank's Global Economic Prospects. Forecasts are subject to substantial downside risks. A more protracted slowdown across large emerging markets could have substantial spillovers to other developing economies, and eventually hold back the recovery in advanced economies.

The decline in global oil prices has been a major benefit for the South Asian Region, driving improvements in fiscal and currents accounts, enabling subsidy reforms in some countries, and facilitating the easing of monetary policy

### BANGLADESH ECONOMIC GROWTH

Bangladesh's fiscal year 2014-15 (FY2015) closed with a number of macroeconomic advantages including lower inflation, declining interest rate, stable exchange rate, manageable fiscal deficit, positive balance of payment and augmented foreign exchange reserves. The low level of global commodity prices including that of oil has also provided some respite in terms of resources needed to meet subsidy demands. Developing countries of Asia managed to accelerate their growth rates, with India and the ASEAN countries being in the lead (ADB, 2015). On the other hand, the major economies in the global economic frontier (i.e. the United States of America, countries in the European Union and Japan) are growing at uneven pace, limiting the global growth prospects to only 3% in 2015, as projected by the World Bank (2015). On the basis of FY 2005-2006; as per provisional calculation by BBS; GDP growth rate expected to reach at 6.51% in FY 2015. In FY2015, at current market price GDP stood at BDT 15,135,997 Million which is 12.65% higher from last FY 2014GDP. In FY2015, GDP per capita is USD 1,235 and GNI per capita is USD 1,314.

On the basis of FY 2005-2006, in FY2015, as per provisional calculation by BBS total production of food grains was 383.49 lac metric tons which was 381.74 lac metric tons in FY2014. In FY2015, 28.43 lac metric tons of food grains were imported where 0.72 lac metric tons (only wheat) by government sector and rest 27.71 lac metric tons was imported by private sector (rice and wheat). Government did not import Rice in FY2015. Moreover, due to excess production 25,000 metric tons Rice was exported to Srilanka for the first time.

Fisheries sector contributed 3.69% in GDP in FY 2015. This sector holds 23% of total income from Agricultural sector. In FY2014 fisheries sector production was 35.48 lac metric tons and the target for FY2015 was 37.03 lac metric tons. Globally Bangladesh stands 4th in fisheries production.

Contribution of industry sector in GDP has been increasing steadily. As per provisional calculation in FY2015, industrial sector's contribution is 30.42% which was 29.55% in FY2014. Growth in the industrial sector has remained close to the Sixth Five Year Plan (SYFP) target. Manufacturing, which dominates the industrial sector, maintained a consistent level of growth during FY2011-2013. However growth slowed in the second half of the Plan period due to lack of enabling environment, particularly as a result of political instability in FY2014 and FY 2015. In contrast, mining and quarrying; electricity, water and gas maintained a moderate level of growth. Strikingly, production of gas performed dismally throughout the plan period.

Growth in the manufacturing sector is mainly led by medium and large scale enterprises. Despite various efforts over the plan period, the performance of small scale enterprises has been underwhelming, raising doubts over the efficacy of various initiatives and incentives that have been provided to small enterprises. Due to political unrest in FY2014 and the first half of FY2015, industrial production for domestic oriented market has suffered more compared to export-oriented market. According to CPD (2015), the disruption of

# X NRB Bank

January-March 2015 resulted in the total economic loss of approximately 0.4% of GDP.

Development of the power sector is one of the major policy priorities of the present government. During the plan period, power generation capacity increased from 3.267 MW in 2009 to 11,203 MW in 2015. However, this still remains below target of 15,757 MW. Various measures undertaken over the plan period have contributed to increase power generation capacity, its availability and its accessibility. In contrast, development of the gas sector is far behind target, falling short of the required level of growth. Currently 68% of the total population is enjoying electricity facility (including renewable energy).

Domestic savings & national savings estimated to be 22.30% and 29.01% of total GDP respectively. National savings reduced by 0.22% from FY2014. Overall investment increased, thanks to public sector investment which increased from 6.55% to 6.90% of total GDP.

Food inflation in FY2014 was on the upward trend which began to fall in the beginning of FY2015. On point to point basis in July 2014 overall inflation was 7.04% which reduced to 6.32% in April 2015. Food inflation reduced to 6.48% in April 2015 which was 7.94% in July 2014 whereas non-food inflation reached at 6.08% from 5.71% during the same period. During FY14-FY15 average inflation was 6.45%. The lower rate was caused by satisfactory internal production and stable international oil price. The overall inflation is expected to be within 6.5% in FY15.

### **DIVERSIFIED PRODUCTS AND SERVICES**

We have launched several deposit and Loan products, which have drawn huge public attention encouraging us to introduce more innovative products. Among the Deposit products Monthly Benefit Scheme, Double/ Triple Benefit Scheme, My DPS, My Future DPS, Secured DPS, Expat BDT Account, Expat FCY Account, RFCD Account, NITA Account, NRB My Savings Account, NRB FCY Account, Amar Shopno Account, Study Account, Pearl Account and Early Account are remarkable. In case of Loan products, My Loan, My Home Loan, NRB My Home Loan, My Car Auto Loan, Agricultural Ioan, SME Ioan, Women entrepreneur Ioan and Study Loan has received wide acceptance among people. We already have Debit and Credit Card service in collaboration with VISA cards.

Our Bank also believes in network expansion and extending global outreach. We opened 5 new branches in 2015 including 2 rural and 3 urban branches and total branch networks stood 16 at the end of the year 2015 and Bank's own ATM networks stood in 2015: 20 including 1,588 shared ATMs all over the country to provide services to our valued customers. At NRB Bank Limited, we believe that technological sophistication is the precondition for attaining comparative advantages in the age of today's modern and highly competitive modern arena. As such, we are putting due emphasis on strengthening our IT platform and at the same time continuously providing more IT based products to our customers. From the very first day of our operation we are using Oracle Flex cube Universal Banking System, a scalable, robust and functionally rich centralized core baking software with the objective to deliver real time online integrated, hassle free banking services to our valued customers. We have already introduced internet banking service for our customers. Our endeavor to continuous improvement of technological support will bring efficiency to operations and thereby ensure customer satisfaction to the extent of highest degree.

As a matter of priority, NRB Bank Limited is committed to facilitate the Bangladeshi Diasporas to invest in Bangladesh and Bangladeshi individuals to get access to the international market. We have already established a dedicated desk for NRBs to counsel with them regarding investment opportunities in Bangladesh. The Bank will devote in creating confidence for investment among the Bangladeshi expatriates offering desired services, attractive profitability and secured investment through various financial products. We are confident that these initiatives will in turn encourage and open the vista of opportunities for our intending manpower who made fit and skilled to compete with their peer group of other countries. NRB Bank shall arrange need based effective training and education program for the intending FC wage earners of Bangladesh to survive against competitors of other countries. We have already developed few products and services especially for NRBs. We are continuously increasing our drawing arrangements with foreign banks and exchange houses to facilitate remittance of their hard earned money to their near and dear ones within the shortest possible time. We are working on creating awareness among our expatriates to remit money through the banking channels and thus they can contribute efficiently to the development of the country.

### OUR GOALS- 2016 BETTERMENT OF ASSET QUALITY

No doubt, this remains always a biggest challenge for the banking industry. Our main focus in the year is to reduce the NPL. We are developing in-built capacity in the Bank to help expedite loan recovery process. We are considering to launch a strong recovery unit and new mechanism to avoid lengthy, expensive and cumbersome procedures for recovering loans.

### COST CONTROL

This year we are focusing on appropriating Profit after Tax at a higher level than the forgone years. Unless we





hold back expenses in phases, we can hardly expedite our earnings towards our goal. In three stages, we will try to do that:

- Control cost of fund by healthy deposit mix enhancing share of low cost deposit and refinancing from BB.
- Control operating expenses by boosting HR productivity, competitive bidding with the suppliers and rational promotion of banking business.
- Control provisions against bad loans by accelerating recovery mechanism both ongoing and alternative.

### SOUND BUSINESS MIX

We have prepared budget this year highlighting the importance on the sound business mix especially on the SME sectors, Women entrepreneur and Agri cultural sectors. We also focused on the mobilizing of CASA deposits to bring down the Cost of Deposits (COD) to a competitive position with other peer banks. As such, we already emphasized on designing NRB products in addition to existing products to attack Inward foreign remittance that will fetch the good impact on the bank's Cost of Deposit. Non-funded business is also the other solution to enrich the sound business portfolio mix; which can facilitate to bring down the Cost of Fund (COF) of the Bank that will ultimately assist to increase the loan portfolio with the attraction of blue-chip customers.

On the corporate sides, we will try to focus on growth supportive sectors including large infrastructure and PPP in the economy. For a sound business mix, we will introduce a bundle of new products and services in tandem with rising demand and need.

### **INTERNAL CONTROL AND RISK MANAGEMENT**

2016 and around, we will stay most vigilant about financial scams, irregularities and other operational failures. We will ensure stable well integrated operating process, new equipment to support work volume as well as strong customer complaint resolution process and Anti-money Laundering & Combatting Financing of Terrorism mechanism. To control credit losses, we will ensure appropriate debt rating models, rigorous monitoring of portfolio performance and timely and effective response to changes.

#### HR PRODUCTIVITY AND EFFICIENCY

We will give more concentration on HR productivity this year based on our experience and output in the last two years. We believe, heightened efficiency of HR forces adds more values to banking development than any other factors. We are committed to give every try to achieve the target by a combination of talent management, including expert bankers and brilliant chunk of business graduates, sharpening job efficiency, increasing learning curve and motivating through more reward and retribution.

#### **BUSINESS ETHICS TO REIGN SUPREME**

Whatever growth we achieve, we have to get back to the root: Ethical Standard in every sphere of business for a sustainable growth. Business ethics is more oriented with culture than administrative response, as we have experienced for long. To establish a good ethics culture, we have formed Ethics Committee comprising the Senior Management. This year we will focus on building loyalty to the organization, training on ethical practices, recognizing ethical precedence in performance appraisal and transparency in all banking operation

### SHAREHOLDERS VALUE

All of our actions must lead to an ultimate goalmaximization of shareholders' value for what we exist and excel. With this in mind, we will concentrate on enhancing profitability to raise Earnings per Share, Dividend as well as confidence of the Shareholders.

### HIGHLIGHTS OF FINANCIAL PERFORMANCE

Banking sector in Bangladesh passed a very challenging year in terms of governance, profitability and soundness in 2015. 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 20,535 million in 2015 from BDT 13,492 million in 2014 registering a growth of 52.20 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 1,232 million in 2015 from BDT 532 million in 2014 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 1,927 million in 2015 from BDT 1,620 million in 2014 showing a positive growth of 18.90 percent.

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### INVESTMENT

Investment of the bank stood at BDT 5,385 million in 2015 from BDT 3,520 million in 2014 registering a growth of 53.00 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 11,902 million in 2015 from BDT 6,292 million in 2014 registering a growth of 76.30 percent. The increase in loans and advances was mainly due to growth in disbursing fresh loans.

### LIABILITES (EXCLUDING EQUITY)

Total liabilities of the bank stood at BDT 16,056 million in 2015 from BDT 9,522 million in 2014 registering a growth of 68.62 percent. The increase in liabilities was mainly due to growth in deposits and borrowings.

# BORROWING FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AGENTS

The borrowing of the bank stood at BDT 1,360 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 13,357 million in 2015 from BDT 7,805 million in 2014 registering a growth of 71.13 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 87.37 percent of the total deposits.

### **INTEREST INCOME**

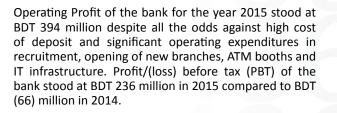
During 2015, NRB Bank earned BDT 1,384 million as interest income, recording a growth of 71.77 percent over previous year. The growth in interest income was attributable to real growth in overall asset portfolio and efficient utilization of fund.

### **INTEREST EXPENSE**

Interest paid on deposits and borrowings during 2015 was BDT 1,102 million, an increase over 2014 by 127.27 percent. Interest expenses increased due to the increment of deposit volume by 5,552 million and increase of cost of deposit.

### **INVESTMENT INCOME**

Investment income during 2015 was recorded at BDT 776 million compared to BDT 123 million of 2014, posting a growth of BDT 531.28 million due to higher investing activities and prudent treasury activities.



### THANKS AND GRATITUDE

The Bank closed the year 2015 displaying substantial improvement in core areas of operations in terms of volume of business and net profit. This was possible due to the dedicated efforts of the employees of the Bank and sincere cooperation of all concerned.

The Board of Directors is indebted to the valued clients, shareholders, business associates, and numerous wellwishers at home and abroad for their continued support, patronage and trust they reposed on the Bank. The Board of Directors expresses gratitude and thanks to the Govt. of Bangladesh, Ministry of Finance, Bangladesh Bank, BSEC, RJSC and other regulatory bodies for their valuable guidance from time to time.

The Board of Directors also like to place on record the warm appreciation for sincere and dedicated service rendered by the executives, officers and staff of the Bank that played an instrumental role for sustaining the growth of the Bank.

IQBAL AHMED OBE CHAIRMAN



REPORT OF THE AUDIT COMMITTEE OF THE BOARD

# 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 26<sup>th</sup> Meeting held on 14 June 2015 consisting of the following members:

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

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 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 (Nasir) Chairman The Audit Committee of the Board



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# CEO/CFO DECLARATION

### 10 May 2016

Board of Directors NRB Bank Limited Richmond Concord 68 Gulshan Avenue Dhaka-1212.

### SUB: CEO/CFO DECLARATION TO THE BOARD

The following is provided to the Board of Directors of NRB Bank Limited in our capacity as the persons responsible for performing the functions of Managing Director & CEO and Chief Financial Officer of the Bank.

Inaccordance with the notification of Bangladesh Securities and Exchange Commission No. SEC/CMRRCD/2006-158/134/ Admin/44 dated 07, August, 2012 we declare that for the financial year ended 31 December 2015:

- I. We have reviewed the financial statements for the year and that to the best of our Knowledge and belief:
  - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - 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;
- II. There are, to the best of knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violation of the Banks code of conduct.

Badal Kumar Nath, ACA Chief Financial Officer

Zeeshan Hasib Managing Director & CEO (Incharge)



# 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.

### **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 knowledge's 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.



### **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 reconstituted the Executive Committee (EC) of the Board in 2015 with seven 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 07 (seven) 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

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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 2015 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 risk. 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 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.

### 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 2015:

- 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 Antiterrorism Program

The bank has established separate Central Compliance Unit (CCU) and appointed officials to ensure compliance of Anti-Money Laundering 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 (In-Charge), Mr. Zeeshan Hasib. 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 and 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.



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ALCO are as follows:

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**Asset Liability Committee** 

at the desired level.

term interest rate risk management.

**Purchase Committee** 

CEO for final approval.

quality of the goods and services.

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

Monitoring the movement of macro variables and yield curve shift and taking strategy for short, mid and long

The bank formed Purchase Committee (PC) drawing members from Facilities Management, Operations, Finance, IT, FI & Treasury, Trade Operations 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 &

As per Procurement Manual, sealed quotations are invited and opened by Purchase Committee and recommend the vendors considering price and

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.

Measuring overall risk appetite of the Bank both in banking book and in trading book.

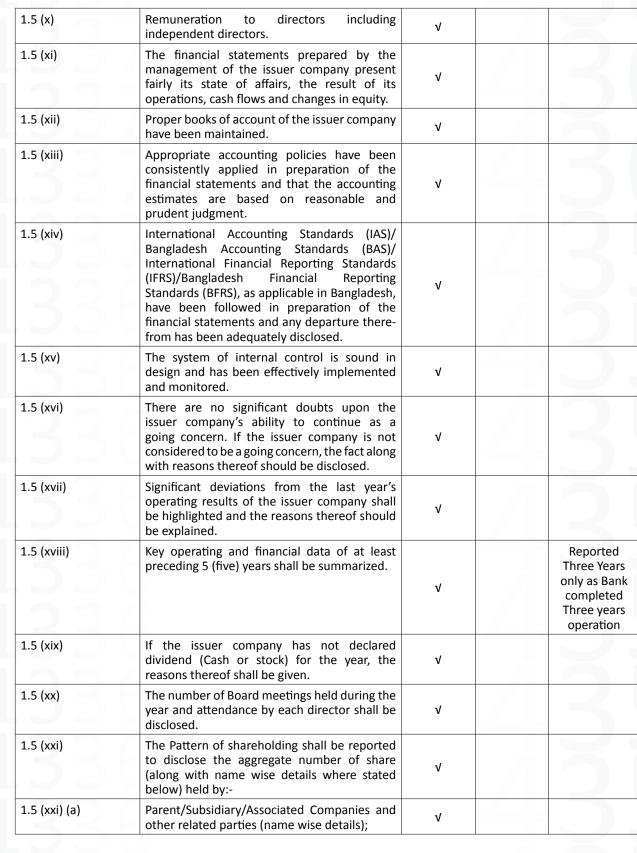
Measuring liquidity requirement of the Bank in various time buckets and taking strategic and proactive actions to meet the requirements. Monitoring the interest rate risk of the Bank and taking actions to keep the interest rate gap



### 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)		Explanation for Non- compliance	
		Complied	Not Complied	with the condition	
1.0	Board of Directors				
1.1	<b>Board's Size:</b> Board members shall not be less than 5 (Five) and more than 20 (Twenty).	٧			
1.2	Independent Director		ector has Yet to be app t of Independent Direc	ointed tor will be ensure within	
1.3	Qualification of Independent Director (ID)	03 years from Ju		ty with the section 15(9)	
1.4	Chairman of the Board and Chief Executive Off	icer:			
133	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.	V		30	
1.5	The Directors' of the companies shall include t	he following a	additional sta	tements	
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.	v			
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	V			
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	v			
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.			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.			Not Applicable	



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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);	v		3
1.5 (xxi) (c)	Executives	V		
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	v		X
1.5(xxii)	In case the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:-	v		. 5
1.5(xxii)(a)	A brief resume of the director;	V		
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;	v	4	
2	Chief Financial Officer (CFO), Head of Internal A	Audit and Com	npany Secreta	nry (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.	v	4	
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.	v		2
3	Audit Committee			
3 (i)	The company shall have an Audit Committee as a Sub-committee of the Board of Directors.	v		
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.	v	4	Ś
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.	v		. 5
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	5
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.	V	
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	5
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	
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.		4	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.	v		
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
3.4.1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately.			occurred
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
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	<b>External/Statutory Auditors:</b> The issuer company should not engage its ex following services of the company; namely:-	kternal/statute	ory auditors	to perform the
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.	v		
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.	٧		
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 Chief shall certify to The Board that:-	Financial C	Officer (CFO).	. The CEO and CF
6 (i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	٧		
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		2
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		K
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 Govern	ance:		
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.	V		3
7(ii)	The Directors of the company shall state, in accordance with the Annexure attached, in the Directors' report whether the company has	v		



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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:					
	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:	13				
	<ul> <li>a) Personal information of the nominated person;</li> <li>b) Nominated person's declaration;</li> <li>c) 'Declaration for confidentiality' by the nominated person;</li> <li>d) In case of Independent director, the approval letter from Bangladesh Security and Exchange commission;</li> <li>e) In case of Independent director, a declaration of the directors concern;</li> <li>f) CIB report of the nominated person;</li> <li>g) Updated list of the directors;</li> </ul>	Complied				
1.2	Vacation of office of Director:					
	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				
	<ul> <li>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.</li> </ul>	Complied				
	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.	Complied				
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				



1.4	Appointment of Alternate Director:	
30	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:	12
50	a) Bank has to collect and properly maintain the documentary evidences relating to departure and arrival of the original director. If there is any exception, the chief executive officer should immediately inform it to Bangladesh Bank.	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
2	c) Any loan defaulter or any person who is not eligible to become a director as per any rules & regulation will not be appointed as an alternate director.	Complied
	<ul> <li>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.</li> </ul>	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
02	Depositor Director:	
3	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
03	Information Regarding Directors:	
	Banks are advised to take the following steps regarding director information:	
	a) Every bank should keep an updated list of bank directors,	
	b) Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director.	Complied
	c) Banks should display a list of directors in the website and update it on a regular basis.	

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Page No

1	Respons	Responsibilities of the Board of Directors:						
	ic demar bank affa included tablishin	e good governance in the bank management it is essential to have specif- rcation of responsibilities and authorities among controlling bodies over airs. In the Bank Company Act, 1991 (amended up to 2013) the newly Section 15 (Kha) & (ga) give responsibility to the board of directors for es- g policies for the bank company, for risk management, internal controls, audit and compliance and for ensuring their implementation.	Complied					
1	Respons	ibilities and Authorities of the Board of Directors:						
	4.1 (a)	Work-planning and strategic management:						
		<ul> <li>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.</li> <li>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 &amp; officers immediate two tiers below the CEO, and have it evaluated from time to time.</li> </ul>	Complied					
	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:	
33	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:	
2332	<ul> <li>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 &amp; 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</li> </ul>	Complied
3	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
5	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





	4.1(e)	Financial Management:	
		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
	333	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
	33	<ul><li>iii. The board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.</li></ul>	Complied
	4.1(f)	Appointment of Chief Executive Officer (CEO):	
		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:	
		The board should follow and comply with the responsibilities assigned by Bangladesh Bank.	Complied
.2	Board o But Boa	<b>g of Board:</b> f directors may meet once or more than once in a month if necessary. rd of directors shall meet at least once in every three months. Excessive s are discouraged.	Complied
.3	Respons	sibilities 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
	33	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
	Formatio	on of committees from the Board of Directors:	
3	and 1(on other pe	k company can form 1(one) executive committee, 1(one) audit committee e) risk management committee with the directors. Board can't form any ermanent, temporary or sub-committee except the above mentioned mmittees.	Complied
.1	Executive tinue the meetings	e committee: e committee should be formed with the members of the board to con- e urgent and daily or routine works between the intervals of two board s. Executive committee will perform according to their terms of reference and by the board of directors.	Complied
	5.1 (a)	Organizational structure:	
	3	<ol> <li>Members of the committee will be nominated by the board of directors from themselves;</li> <li>The executive committee will comprise of maximum 07 (seven) members;</li> <li>Members may be appointed for a 03 (three)-year term of office;</li> <li>Chairman of the Board of Directors can be the chairman of executive committee;</li> <li>Company secretary of the bank will be the secretary of the executive committee.</li> </ol>	Complied
	5.1 (b)	5.1 (b) Qualifications of the Members:	
		<ol> <li>Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;</li> <li>Each member should be capable of making valuable and effective contributions in the functioning of the committee;</li> <li>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.</li> </ol>	Complied
	5.1 (c)	Roles and Responsibilities of the Executive Committee	
	88	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
	83	<ol> <li>The executive committee can take all necessary decision or can approve cases within power delegated by the board of directors.</li> <li>All decisions taken in the executive committee should be ratified in the next board meeting.</li> </ol>	Complied



	5.1 (d)	Meetings:	
2000	) CU CU	<ol> <li>The executive committee can sit any time as it may deem fit.</li> <li>The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary;</li> <li>To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;</li> <li>All decisions/observations of the committee should be noted in minutes.</li> </ol>	Complied
$\leq$	Audit Co	mmittee:	
30	the bank responsi system c and the	rd will approve the objectives, strategies and overall business plans of and the audit committee will assist the board in fulfilling its oversight bilities. The committee will review the financial reporting process, the of internal control and management of financial risks, the audit process, bank's process for monitoring compliance with laws and regulations and code of business conduct.	Complied
	5.2 (a)	Organizational structure:	
		<ol> <li>Members of the committee will be nominated by the board of directors from the directors;</li> <li>The audit committee will comprise of maximum 05 (five) members, with minimum 2 (two) independent director;</li> <li>Audit committee will comprise with directors who are not executive committee members;</li> <li>Members may be appointed for a 03 (three) year term of office;</li> <li>Company secretary of the bank will be the secretary of the audit committee.</li> </ol>	Complied
	5.2 (b)	Qualifications of the Member:	
		<ol> <li>Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;</li> <li>Each member should be capable of making valuable and effective contributions in the functioning of the committee;</li> <li>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.</li> <li>Professionally Experienced persons in banking/financial institutions specially having educational qualification in Finance, Banking, Management, Economics, Accounting will get preference in forming the committee.</li> </ol>	Complied

5.2 (c) i	Roles and Responsibilities of the Audit Committee		
	Internal Control:		
3333	<ol> <li>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;</li> <li>Review management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS);</li> <li>Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management;</li> <li>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.</li> </ol>	Complie	
5.2(c) ii	Financial Reporting:		
	<ol> <li>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 &amp; regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank;</li> <li>Discuss with management and the external auditors to review the financial statements before its finalization.</li> </ol>	Complie	
5.2(c)iii	Internal Audit:		
3330	<ol> <li>Audit committee will monitor whether internal audit working independently from the management.</li> <li>Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process;</li> <li>Examine the efficiency and effectiveness of internal audit function;</li> <li>Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.</li> </ol>	Complie	
5.2(c)iv	External Audit:		
	<ol> <li>Review the performance of the external auditors and their audit reports;</li> <li>Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not.</li> <li>Make recommendations to the board regarding the appointment of the external auditors.</li> </ol>	Complie	





5.2(c) v	Compliance with existing laws and Regulations:			
5	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:			
	<ol> <li>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;</li> <li>External and internal auditors will submit their related assessment report, if the committee solicit;</li> <li>Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.</li> </ol>	Complied		
5.2(d)	Meetings:			
	<ol> <li>The audit committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit;</li> <li>The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary;</li> <li>To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;</li> <li>All decisions/observations of the committee should be noted in minutes.</li> </ol>	Complied		
Risk Ma	nagement Committee:			
policies a risk m several i compliai risks, ma committ being pu	n effective role in mitigating impending risks arising out from strategies and formulated by the Board and to carry out the responsibilities efficiently, anagement committee will be formed. After identifying and assessing risk factors like credit risks, foreign exchange risks, internal control and nce risks, money laundering risks, information and communication anagement risks, interest risks, liquidity risks etc.; the risk management ee will scrutinize whether appropriate risk management measures are ut in place and applied and whether adequate capital and provision is aintained against the risks identified.	Complied		
5.3 (a)	Organizational Structure:			
	<ol> <li>Members of the committee will be nominated by the board of directors from themselves;</li> <li>The Risk Management Committee will comprise of maximum 05 (five) members;</li> <li>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.</li> <li>Company secretary of the bank will be the secretary of the Risk</li> </ol>	Complied		

5.3



5.3 (b)	Qualifications of the Member:		
	<ol> <li>Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;</li> <li>Each member should be capable of making valuable and effective contributions in the functioning of the committee;</li> <li>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.</li> </ol>	Complied	
5.3(c)	Roles and Responsibilities of the Risk Management Committee:		
5.3(c)i	Risk identification & control policy :		
32	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:		
ž	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	





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



CHIEF RISK OFFICER'S REPORT ON RISK MANAGEMENT

# CHIEF RISK OFFICER'S REPORT ON RISK MANAGEMENT

Risk is inherent So 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. Risk is the probability that an investment's actual return will be different than expected which includes the possibilities of losing partial or full of the original investment. NRB Bank is playing the significant role of financial intermediary, that manage the risk through coordinating steps to keep the loss at a tolerable limit which includes but not limited to control and monitoring.

The objective of risk management is to identify and analyze risks and manage their consequences. BASEL III Accord, the standards of Risk Management as guided by the Bank for International Settlements (BIS) and particularly Basel Committee on Banking Supervision (BCBS) has been applied by bank regulators across the world. Bangladesh Bank, the Central Bank of Bangladesh, also issued guidelines which forms the basis of risk management of all scheduled banks in Bangladesh. NRBBL's risk management strategy is based on a clear understanding of various risk, disciplined risk assessment measurement procedures and continuous monitoring.

#### **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 risk management process of the bank operates under following structure:

- The board approves overall risk management policies of the bank in line with the regulatory guidelines. The board also sets the risk appetite of the bank at the beginning of the year.
- Executive Committee (EC) of the Board is responsible for all sort of decision making as set by the board. All decisions taken by EC are ratified by the board afterward.
- Audit Committee (AC) of the Board reviews the internal audit reports of the bank and operational risk and assesses whether internal control of the bank is proper or not.

- Risk Management Committee (RMC) of the Board oversees the overall risk management of the bank. The committee also reviews risk management policies & guidelines and submits to the board for necessary revision each year.
- For managing risks, NRBBL established Credit Risk Division (CRM), Credit Administration Division (CAD), Internal Control and Compliance Division (ICCD), FI & Treasury Division and Risk Management Division (RMD). For managing money laundering risk Branch Anti money Laundering Compliance Officer (BAMLCO) for every Branch under dedicated Chief Anti Money Laundering Compliance Officer (CAMLCO) has been positioned.
- NRBBL also formed various risk management committee like Management Committee (MANCOM), Asset Liability Committee (ALCO), Credit Committee (CREDCO), Central Compliance Committee, Management Reporting System Committee (MRS) and Risk Management Committee (RMC) for managing & monitoring of risk throughout the organization. In addition of these committees a Risk Management Forum has also been introduced by Risk Management Division to capture and mitigate operational risk at different level of activities through combined effort.

#### **Risk Management Process**

Risk management is to balance the trade-off between risk and return and ensure optimum risk-adjusted return on capital. The risk management function of NRBBL strives to proactively anticipate vulnerabilities at the transaction as well as at the portfolio level through quantitative and qualitative analysis of the embedded risks. Risk is managed through a framework of policies and principles approved by the Board of Directors which ensures that the Bank operates within its risk appetite. The policies and procedures established for this purpose are continuously benchmarked with international best practices. Furthermore the Internal capital Adequacy Assessment Process (ICAAP) of the bank assesses all the significant risks other than the risks under Pillar-1 of Basel III and calculates the additional capital requirement.



**Identification:** A Bank's risks have to be identified before they can be measured and managed. NRRBL distinguishes Credit Risk, Market Risk, Liquidity Risk, Operational Risk and Information & Communication Technology (ICT) risk. Besides these concentration risk, strategic risk, residual risk, reputation risk, settlement risk, environmental & climate risk etc. are covered under Internal Capital Adequacy Assessment Process (ICAAP).

**Measurement:** The consistent assessment of the above mentioned types of risks is an essential prerequisite for successful risk management For example; in order to assess credit risk associated with any corporate financing proposal. NRBBL carries out various risk assessment like business analysis, industry analysis, financial spreadsheet analysis, credit risk grading (CRG) and other risk like concentration related to the borrower and the relevant industry.

**Aggregation:** NRBBL closely monitors aggregate risk in order to minimize its exposure to adverse financial developments such as a credit crunch or even insolvencyarising from a counterparty or client.

**Planning & Controlling:** NRBBL takes into consideration the business strategy while planning & setting control for mitigating risk. As risk management is the tradeoff between risk and return. Our bank always tries to manage the risk without hampering the business growth and stakeholders return. ICAAP is one of the largest part of planning and controlling of risk.

**Monitoring:** Risk monitoring is the challenging task in the whole risk management cycle as monitoring helps the Bank to identify earlier any probable risk that may take in place in many cases. Risk monitoring also helps to track whether the risks actually incurred lie within the prescribed limits thus ensuring an institution's capacity to bear those risks.

#### **Credit Risk Management**

While banking institutions have faced difficulties over the years for a multitude of reasons, the major cause of serious banking problems continues to be directly related to lax credit standards for borrowers and counterparties, poor portfolio risk management, or a lack of attention to changes in economic or other circumstances that can lead to a deterioration in the credit standing of a Bank's counterparties. Credit risk is most simply defined as the potential that a Bank's borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The goal of credit risk management is to maximize a Bank's risk adjusted rate of return by maintaining credit risk exposure within acceptable parameters. The effective management of credit risk is a critical component of a comprehensive approach to risk management and essential to the longterm success of any banking organization. That is why a risk based asset review framework has also been put in place wherein the frequency of asset review would be higher for high exposure cases and/or poor credit rating.

Sound practices that the Bank is trying to ensure are -

- Establishing an appropriate credit risk environment;
- Operating under a sound credit granting process;
- Maintaining an appropriate credit administration measurement and monitoring process;
- Ensuring adequate controls over credit risk.

The following sets of principles are used for the sustainable risk management culture:

**Balancing Risk and Return:** Risk is taken considering the interest of Bank's stakeholders in line with Bank's strategy and within its risk appetite.

**Responsibility:** All employees ensure that risk-taking is disciplined and focused.

Accountability: Risk is taken only by delegated authorities and where there is appropriate infrastructure and resources. NRBBL maintains a clear and transparent process for all risk-taking decisions.

Anticipation: NRBBL seeks to anticipate future risks and ensures awareness of all known risks.

Competitive advantage: The bank seeks to achieve competitive advantage through efficient and effective risk management and control. The credit policy of NRBBL operates under the following broad principles:

**A. Establishing an appropriate Credit Risk environment** The Board of Directors is responsible for approving and reviewing the credit risk strategies and policies of the bank periodically. The strategy reflects Bank's tolerance for risk and the level of profitability the bank expects to achieve for incurring various credit loss.



Senior management is responsible for implementing the credit risk strategy approved by the Board and for developing standard policies and procedures for identifying, measuring monitoring and controlling any type of risk associated with the strategy. Such policies and procedures address credit risk of the Bank's activities and at both the individual credit and portfolio level.

NRBBL ensures that the risks inherent in products and activities which are apparently new to the bank are subject to adequate procedures and controls before being introduced or undertaken and approved in advance by the Board of Directors or its appropriate committee. In order to streamline risk control features in a more effective manner NRBBL has put in place Standard Operating Procedure (SOP) in line with internationally accepted best practices. Moreover the Bank has centralized its corporate credit to ensure better management of corporate borrowers. Besides Credit Risk Management Division also set different limits in regard to sector concentration area concentration Off-Balance Sheet Exposure etc.

#### B. Operating under a sound credit granting process

NRBBL follows sound, well defined credit-granting criteria. These criteria include a thorough assessment of the borrower or the counterparty, as well as the purpose and structure of the credit and its source of repayment.

- Credit facilities are allowed in a manner so that asset growth can be maintained ensuring optimum asset quality and without compromising the Bank's standard of excellence;
- NRBBL carefully avoids name lending. Credit facility is being granted on business consideration with absolute due diligence;
- Risks inherent in a credit proposal are being identified and appropriate mitigating steps are taken accordingly;
- Collateral offered against a credit facility is properly valued and verified by the concerned Relationship Officer or Relationship Manager periodically.
- Risk grading of the accounts is being done as per the Bangladesh Bank's guidelines. Any credit approval/ Sanction are subject to the banking regulations in force or imposed by the regulatory body from time to time and subject to changes of the Bank's policy. Data collection check list and limit utilization format are prepared for regular assessment. Internal Audit & Inspection Division independently reviews the risk assessment at the time of conducting internal audit. NRBBL also performs borrower rating to assess its borrowers for ensuring sound asset quality.

The bank has a clearly-established process in place for approving new credits as well as the extension of existing credits. A thorough credit risk assessment is done before granting loans. Credit risk assessment includes borrower risk analysis, industry risk analysis, historical financial analysis, projected financial performance, conduct of account, and security against the proposed loan. The assessment originates from relationship manager/ account officer and is reviewed by Head Office Credit Committee. The Credit analyst or executive duly delegated by proper authority approves the credit proposals. Executive Committee of the Board approves the proposals beyond the authority limit of the Management. The Board of Directors also reviews the proposals approved by the Executive Committee.

### C. Maintaining an appropriate credit administration, measurement and monitoring process

A system has been put in place by the bank for ongoing administration of various credit risk-bearing portfolios. Dedicated independent risk management units are developed for these purposes. Dedicated committees at management level have been set up to monitor risk. NRBBL segregated the total credit process into Relationship Management/Marketing, Credit Approval/ Risk Management and Credit Administration to improve the knowledge levels and expertise in each department and to impose controls over the disbursement of authorized loan facilities and obtain an objective and independent judgment of credit proposals. Credit Administration Division completes of credit proposals. Credit Administration Division completes security documentation after getting approval from Credit Risk Management Division and ensures adherence to approved terms and other requirements before limit creation and disbursement. To minimize credit losses, monitoring procedures and systems are placed which provides an early indication of the deteriorating financial health of a borrower.

Early Alert system is an example of such monitoring procedures. An Early Alert Account is one that has risks or potential weaknesses of a material nature requiring monitoring supervision, or close attention of the management. If such weaknesses are left uncorrected, they may result in deterioration of the repayment prospects for the asset or in the Bank's credit position at some future date with a likelihood of being downgraded. Early identification, prompt reporting and proactive management of Early Alert Accounts are prime responsibilities of all Relationship Managers/ Officers and the whole process is a continuous one. An Early Alert Report is completed by the Relationship Manager and sent to the approving authority in Credit Risk Management Division for any account that is showing signs of deterioration. The Risk Grade is also changed and referred to Credit Risk Management Division for assistance in recovery.

The bank has also put a system in place for monitoring the condition of individual credits including determining the adequacy of provisions and reserves. The guidelines established by the Bangladesh Bank for Credit Information Bureau (CIB) reporting, provisioning and write-off of bad and doubtful debts and suspension of interest are followed meticulously in all cases. Provision is maintained for any shortfall in the Forced Sale Value (FSV) to cover total loan outstanding once an account is classified.

NRBBL takes into consideration of potential future changes in economic conditions while assessing individual credits and credit portfolios. An important element of sound credit risk management involves discussing what could potentially go wrong with individual credits and within the various credit portfolios, and factoring this information into the analysis of the adequacy of capital and provisions.

#### D. Ensuring adequate controls over credit risk

NRB Bank Limited has taken initiative to introduce Risk Based Pricing Model and the model is under process for development. After completion and getting approval from the Board of Directors, the Risk Based Pricing Model will be in place for pricing corporate loans. Benefits of Risk Based Pricing are:

- Enhance shareholders value by ensuring that credit risk associated with the transaction is appropriately measured and priced.
- Enable the Bank to know well ahead of time, what kind of price will satisfy its risk/return preferences.
- Enhance the achievement of credit portfolio goals and objectives.

#### **Environmental Risk Management**

Environmental risk is one of the several risks that the Bank must take into account while assessing financing opportunities as it affects credit risk to a great extent. As environmental risk is a facilitating element of credit risk, the Bank has integrated Environmental Risk Management with Credit Risk Management in all aspects.

As instructed by the Bangladesh Bank, NRBBL has incorporated Environmental Risk Management guidelines into Credit Risk Management Policy. NRBBL use Environmental Risk Rating (EnvRR) for both financing of new, green field projects as well as those pertaining to existing facilities.

- If the EnvRR is high then the proposal for financing will have to be approved by the Board or its Executive Committee.
- If the EnvRR is low or moderate then the financing decision can be undertaken on the basis of the usual credit risk management guidelines.
- If the EnvRR is unclear, then it is required for the Bank to collect more information from the borrower so as to gain an understanding of the inherent risks and arrive at a high/ moderate/low decision. If a risk factor is not.

Wherever the EnvRR is "High", the credit risk management function will ensure that additional Conditions / covenants are included.

#### Liquidity Risk Management

Liquidity risk is the failure to meet obligations leading to an inability to support normal business activity and to meet liquidity regulatory requirements. Liquidity risk can arise due to market liquidity or funding liquidity. Market liquidity risk is the risk of the inability to sell assets due to lack of liquidity in the market. Funding liquidity risk is the risk of the inability to meet liabilities when they fall due or can only be met at abnormal high price.

To manage liquidity risk NRBBL maintains diversified and stable funding base comprising of core retail, corporate and institutional deposits. The principle responsibility of the liquidity risk management of the bank rests with Treasury Division which maintains liquidity based on historical requirements current liquidity position anticipated future funding requirement sources of fund options for reducing funding needs, present and anticipated asset quality, present and future earning capacity, present and planned capital position. ALCO manages the liquidity risk by:

- Setting tolerance limit for cumulative cash flow mismatches.
- Setting limit on loan to deposit ratio and
- Setting limits on dependence on institutional deposits which are volatile in nature.

#### Market Risk Management

Market risk is defined as the risk of losses in on and off -balance sheet positions arising from adverse movements in market prices which may impact the Bank's earnings and capital. The purpose of market risk management framework is to minimize the risk of loss and maximize profit in trading portfolio. The risk may pertain to interest rate related instruments (interest rate risk), equities (equity price risk) and foreign exchange rate risk (currency risk). Besides, the Bank is also exposed to liquidity or funding risk. Market Risk management is guided by well laid policies guidelines, processes and systems for the identification, measurement, monitoring and reporting of exposures against various risk limits. The Asset Liability Management Committee (ALCO) meets periodically and reviews the positions of trading groups, interest rate sensitivity, sets deposit and benchmark lending rates and determines the asset liability management business environment.

NRBBL uses various tools like structural liquidity profile, stress testing etc. for measuring liquidity risk. NRBBL maintains diversified sources of fund to facilitate the bank to meet funding requirements





#### **Interest Rate Risk Management**

Interest rate risk is the risk of losing profit by an interestbearing asset such as a loan or a treasury bond etc. due to variability of interest rates. In general as rates rise the price of a fixed rate bond will fall and vice versa.

NRBBL monitors interest rate risk through duration gap analysis sensitivity analysis and Daily Earning at Risk (DEAR) analysis. 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, which raise the risk of losing the net worth arising out of all re-pricing mismatches and other interest rate sensitive position.

#### Foreign Exchange Risk Management

It is the risk that the bank may suffer losses as a result of adverse exchange rate movements during a period in which it has an open position in an individual foreign currency. In addition, the bank is also exposed to interest rate risk and settlement risk on account of its foreign exchange business.

Foreign exchange risks are measured and monitored by mid office under FI & Treasury Division. To evaluate the extent of foreign risk, a Liquidity Gap Report is prepared for each currency Gap or mismatch of maturities can arise due to a customer transaction resulting in a long or a short position for the bank

#### **Equity Risk Management**

Equity risk is defined as losses due to changes in market price of equity held by the bank. To measure and identify the risk, mark to market valuations of the share investment portfolios are done. Mark to market valuation is done against a predetermined limit.

Equity Risk of the Bank is also monitored through analysis of own investment on shares by subsidiaries, margin loan against investment in share by subsidiaries and loan statement against share.

#### **Operational Risk Management**

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Operational risks vary in their components. Some are very high occurrence with low impact and some are low occurrence with high impact risks. Third consultative paper of Basel-II recommended following event based classification of operational risks:

- Internal fraud
- External Fraud
- Employment practices and workplace safety
- Client, Products and Business Practice
- Damage to Physical Assets
- Business Disruption and system failure

• Execution delivery and process management

In NRBBL operational risks are identified and measured in the following manner:

- Risks are identified with reference to the relevant policy manuals, processes, procedures and practices;
- Controls are evaluated as per Departmental Control Function Check List (DCFCL);
- Incident reporting and analysis of causes and actions taken on losses from both internal & external fraud and control lapses;
- Review of safety and control measures of premises.
- Quarterly operations report.

#### Money Laundering & Terrorist Financing Risk Management

Money Laundering means properties acquired or earned directly or indirectly through illegal means or illegal transfer or use of legally earned money, conversion and concealment of ownership and source of fund. Bangladesh Bank through BRPD Circular No. 17 dated October 07, 2003 advised the scheduled commercial banks operating in the country to put in place effective risk management system which includes Money Laundering Risk Management among others.

NRBBL has updated Anti Money Laundering Guidelines in 2012, which includes Senior Management commitment to the anti- money laundering program. The Management has developed such a culture for the Bank so that all the employees strictly adhere to each and every provision of Money Laundering Prevention Act 2012 and Anti-Terrorism Act-2009 with amendment of 2012. Later Circular was issued for compliance of the Anti-Terrorist (Amended) Act-2013. All employees of the Bank, irrespective of the position they hold, are accountable to the Top Management and regulatory bodies for their activities which might directly or indirectly related to money laundering.

For mitigating the risks, the management of the Bank has formed Anti Money Laundering Desk. The Bank has also nominated CAMLCO, Deputy CAMLCO centrally and BAMLCO at branches for monitoring compliance issues related to Anti Prevention of Money Laundering. The regulatory requirement s are being complied with the guidelines.

#### Internal Control and Compliance Risk Management

Internal Control and Compliance is a management process designed to achieve effectiveness and efficiency of operations, reliable financial reporting and compliance with laws and regulations. Internal Audit & Inspection Division conducts internal audit in all the Branches of our Bank to identify lapses/irregularities related Internal Audit & Inspection Division conducts internal audit in all the Branches of our Bank to identify lapses/irregularities related to account opening, preparation and update of

KYC and other related issues, preparation of accurate Transaction Profile (TP) and to build up the knowledge about AML issues/matters and forwards those to Internal Control & Compliance for follow-up.

Pillar 1 and Pillar 2 of Basel Accord also focuses on operational risk and supervisory review respectively attaching considerable importance to internal control & compliance and on supervision & monitoring. As prescribed in the Bangladesh Bank core risk guideline on Internal Control & Compliance, Management Committee (MANCOM) of NRBBL reviews the overall effectiveness internal control system.

#### Information & Communication Technology Risk Management

We are living in an era of information and communication technology and the banks have become more technology driven these days. Use of computer internet has become a common practice in the banking industry. There are certain risks involved in the use of information and communication technology. This risk may arise from malfunction of system, failure of network, lack of knowledge about the use of technology, virus attack, hacking etc.

NRBBL has a robust network infrastructure with scalable, secure, redundant and load balanced architecture to support its customers regarding the on-line transactions with highest level of security. NRBBBL uses world renowned Active Devices in its network infrastructure.

NRBBL has adopted world class Core Banking Software "Oracle Flexcube UBS" and also implemented Disaster Recovery (DR) site which is located in Mohakhali to make sure that the bank operates smoothly under unavoidable circumstances.

#### Internal Capital Adequacy Assessment Process (ICAAP)

The Bank conducts ICAAP process on time as stipulated by the Bangladesh Bank. ICAAP is aimed at ensuring that the bank maintains an amount of capital commensurate to its risk profile and improves upon its risk management systems and framework. It involves realistic assessment of the level of risks inherent in the business operations of the bank and setting aside adequate capital to cover all such risks like Residual Risk, Concentration Risk, Liquidity Risk, Reputation Risk, Strategic Risk, Settlement Risk etc. The assessment is done considering the operational presence, activities, and processes etc. Monitoring all the material risks also forms part of ICAAP. In short, ICAAP is integrated into the management and decision making process and is reflected in the processes and business operations of the Bank.

#### **Risk Management Paper**

As per Bangladesh Bank (BB) requirement Risk Management Division (RMD) under supervision of Chief Risk Officer (CRO) prepares Risk Management Reports

which is presented in the meeting of Risk Management Committee (RMC) on monthly basis. At the end of each month Risk Management Report along with the minutes is submitted to Bangladesh Bank by RMD. Also Comprehensive Risk Management Report is compiled on semi-annual and annual basis for submission to Bangladesh bank, Risk Management Report is a comprehensive document related to risk issues which is being placed in the Management Risk Committee's monthly meeting. It also allows identification and mitigation of risk under necessary guidance of the Senior Management of the Bank. In addition to the prescribed format of Bangladesh Bank, NRBBL has incorporated various analyses on Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Strategic Risk, profitability position among others.

Risk Management Paper is also being submitted to the Risk Management Committee of the Board and the decisions are being communicated with relevant divisions of the bank for necessary initiatives.

#### Stress Testing

A stress test, in financial terminology, is an analysis or simulation designed to test the ability of a given financial institution to deal during forecasted economic crisis. Instead of doing financial projection on a "best estimate" basis, a bank or its regulators do stress testing where it looks at how robust institutions is in certain crashes, a kind of "What-If" scenario analysis.

This type of analysis has become increasingly widespread and has been taken up by various governmental bodies as a regulatory requirement on certain financial institutions to ensure adequate capital allocation to cover potential losses incurred during extreme but plausible events.

Stress testing framework as provided by Bangladesh Bank assesses the impact on Capital to Risk Weighted Asset Ratio (CRAR) due to minor, moderate and major level of shock in terms of credit risk, exchange rate risk, liquidity risk, equity price risk and interest rate risk. Stress testing also assesses the impact of increase in the level of Non-Performing Loans (NPLs) of the banks.



Sáaduddin Ahmed **Chief Risk Officer** 



### MARKET DISCIPLINE DISCLOSURES ON RISK BASED CAPITAL (BASEL-III)

**Background:** These disclosures under Pillar III of Basel III are made following revised 'Guidelines on Risk Based Capital Adequacy (RBCA)' for banks issued by Bangladesh Bank (Central Bank of Bangladesh) in December 2014. These quantitative and qualitative disclosures are intended to complement the Minimum Capital Requirement (MCR) under Pillar I and Supervisory Review Process (SRP) under Pillar-2 of Basel III.

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 2015 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 2015 of NRB Bank. The report is prepared once a year and available on the website of the Bank (www.nrbbankbd.com).

1. Scope of App	lication	-	
Qualitative disclosure	a)	The name of the top corporate entity in the group to which this guidelines applies	NRB Bank Limited
	b)	An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk- weighted)	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
Quantitative disclosure	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
2. Capital Struct	ture:	<u> </u>	
Qualitative disclosure	a)	Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or in Tier 2.	As per the guidelines of Bangladesh Bank, Tier- <b>1 Capital</b> of NRB Bank consists of (i) Fully Paid-up Capital, (ii) Statutory Reserve and (iii) Retained Earnings <b>Tier-2 Capital consists of (i)</b> General Provision against unclassified Loans/ Investments and Off-balance sheet exposures and of revaluation reserve on securities.



Quantitative disclosure	b)	The amount of Tier-1 capital with separate disclosure of:	
			Figure in BDT Crore
		i.Fully Paid-up Capital	400.00
		ii.Statutory Reserve	7.42
		iii.Retained Earnings	10.68
		A) Sub-Total(CET-1)	<u>418.10</u>
		Less: Regulatory Adjustments	11.30
		B) Additional Tier-1 Capital	
		C) Total Tier-1 Capital (A+B)	406.80
	c)	The total amount of Tier-2:	
		General Provision	10.01
22		General Provision on Off-Balance sheet items	<u>1.03</u>
$\mathbf{C}$			<u>11.04</u>
		Less: Regulatory Adjustments	0.25
$\prec$		D) Total Tier-2 Capital	<u>10.79</u>
	e)	Total Regulatory Capital (C+D)	417.59

### 3. Capital Adequacy:

Qualitative dis-	a)	A summary discussion of the	The Bank has adopted Standardiz	ad Approach (SA)
closure	a)	bank's approach to assessing the adequacy of its capital to support current and future activities	for computation of capital charge market risk, and Basic Indicator A operational risk. Assessment of c carried out in conjunction with th reporting to the Bangladesh Bank	for credit risk and Approach (BIA) for apital adequacy is e capital adequacy
			The Bank has maintained capit of 26.03% respectively as again regulatory requirement of 10° adequacy ratio was 25.36% again regulatory requirement of 5.5%. The to manage and maintain its capital of maintaining strong capital ration The whole objective of the cap process in the Bank is to ensure remains adequately capitalized at	nst the minimum %. Tier-1 capital nst the minimum he Bank's policy is with the objective o and high rating. bital management re that the Bank
	b)	Capital requirement for credit risk		133.65
	c)	Capital requirement for market risk		17.94
	d)	Capital requirement for operational risk		8.84
	e)	<b>Total and Tier 1 capital ratio:</b> -For the consolidated group (%) -For Standalone Tier-1 capital out o	f maintained CRAR (%)	Not Applicable 25.36%
	f)	Capital Conservation Buffer		Not Required
	g)	Available Capital under Pillar 2 Requ	uirement	Not yet decided



80



Qualitative dis-	a) The general qualitative disclosur	The general qualitative disclosure requirement with respect to credit risk, including:		
Qualitative disclosure	a) The general qualitative disclosur i) Definitions of past due and impaired (for accounting purposes)	<ul> <li>e requirement with respect to credit risk, including:</li> <li>All the loans and advances are grouped into fo categories for the purpose of classification, name (i) Continuous Loan, (ii) Demand Loan (iii) Fixed Ter Loan and (iv) Short-term Agricultural and Mic Credit.</li> <li>They are classified as follows:</li> <li>Continuous &amp; Demand Loan are classified as: <ul> <li>Sub-standard- if it is past due/overdue fo 03(three) months or beyond but less than 06 (si months;</li> </ul> </li> <li>Doubtful- if it is past due/overdue for 06 (si months or beyond but less than 09 (nine months);</li> <li>Bad/Loss- if it is past due/overdue for 09 (nin months or beyond.</li> <li>In case of any installment(s) or part of installment of a Fixed Tern Loan amounting up to Tk 1 millio is not repaid within the due date, the amount unpaid installment(s) are treated as "past due overdue installment". Such types of Fixed Ter Loans are classified as under:</li> <li>Sub-standard- if the amount of past du installment is equal to or more than the amount installment(s) due within 06 (six) months, the entil loans are classified as "Sub-standard"</li> <li>Doubtful- if the amount of past due installment equal to or more than the amount installment (s) due within 06 (six) months, the entil loans are classified as "Doubtful- if the amount of installment equal to or more than the amount of installment equal to or more than the amount of installment due within 09 (nine) months, the entire loans a classified as "Doubtful-"</li> </ul>		



• **Bad/Loss-** if the amount of past due installment is equal to or more than the amount of installment(s) due within 12(twelve) months, the entire loans are classified as "Bad/Loss".

In case of any installment(s) or part of installment(s) of a **Fixed Term Loan amounting more than Tk 1 million** is not repaid within the due date, the amount of unpaid installment(s) are treated as "past due or overdue installment". Such types of Fixed Term Loans are classified as under:

**Sub-standard-** if the amount of past due installment is equal to or more than the amount of installment(s) due within 03 (three) months, the entire loans are classified as "Sub-standard".

**Doubtful-** if the amount of past due installment is equal to or more than the amount of installment(s) due within 06 (six) months, the entire loans are classified as "Doubtful".

**Bad/Loss-** if the amount of past due installment is equal to or more than the amount of installment(s) due within 09 (nine) months, the entire loans are classified as "Bad/Loss".

**Short-term Agricultural and Micro Credit** will be considered irregular if it is not repaid within the due date as stipulated in the loans agreement are classified as under:

• **Sub-standard-** if the irregular status continues after a period of 12 (twelve) months, the credits are classified as "Sub-standard".

• **Doubtful-** if the irregular status continue after a period of 36 (thirty six) months, the credits are classified as "Doubtful".

• **Bad/Loss-** if the irregular status continue after a period of 60 (sixty) months, the credits are classified as "Bad/Loss".

A Continuous loan, Demand loan or a Term Loan which remained overdue for a period of 02 (two) months or more, are treated as "Special Mention Account (SMA)".

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133		ii) Description of approaches followed for specific and general allowances and statistical methods	The Bank is required to maintain the general and specific provision in respect and unclassified loans and advances / on the basis of Bangladesh Bank guide	of classifie investmen
			from time to time:	
< <			Particulars	Rate
	-		General provision on unclassified Small and Medium Enterprise (SME) financing.	0.25%
155			General provision on unclassified loans and advances/investments.	1%
22			General provision on interest receivable on loans/Advances	1%
133			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%
133			General provision on unclassified loans and advances for housing finance, loans for professionals to set- up business under consumer financing scheme	2%
L33			General provision on the unclassified loans to Brokerage House, Merchant Banks, Stock Dealers, etc.	2%
122			General provision on unclassified amount for Consumer Financing.	5%
			General provision on outstanding amount for Special Mention Account (SMA).	0.25%-5
15-			Specific provision on Sub-Standard loans and advances.	20%
			Specific provision on Doubtful loans and advances.	50%
L 5 3			Specific provision on Bad /Loss loans and advances	100%
Quantitative Disclosure	b)	Total gross credit risk exposures broken down by major types of	Total Gross Credit Risk Exposures brok major types of credit exposure of the B	
		credit exposure	Particulars	Figures i BDT croi
			Loan (General)	932.93
$  \prec \neg$			Cash Credit	-
			Overdraft	165.95
			Staff Loan	9.75
			TOTAL	1,108.63



c)	Geographical distribution of exposures, broken down in significant areas by major types	Geographical distribution of expose down in significant areas by major ty exposure of the Bank:	
	of credit exposure	Particulars	Figures in BDT crore
		Dhaka Division	928.15
		Chittagong Division	172.89
		Sylhet Division	7.64
		Rajshahi Division	0.56
		Khulna Division	-
		TOTAL	1,109.24
d)	Industry or counterparty type distribution of exposures, broken down by major types of Credit exposure.	Industry or counterparty type distributer exposures, broken down by major type exposure of the Bank:	



		7	Particulars	Figures in BDT crore
			Commercial and Trading	130.37
			Importer of Commodity	88.06
		7	Construction	43.02
			Edible Oil Refinery Industry	-
			Electronics Goods	13.17
			Individuals	74.91
			Pharmaceuticals Industries	14.82
			Readymade Garments Industry	10.81
			Ship Breaking Industry	-
			Industries for Steel Products	4.42
			Telecommunication Sector	
			Textile Mills	74.68
			Power Sector	-
			Others	654.98
			TOTAL	1,109.24
		reakdown of the whole portfolio, roken down by major types of redit exposure.	whole portfolios, broken down by majo credit exposure of the Bank:	or types of
		credit exposure.	Particulars	Figures in
		credit exposure.	Particulars	Figures in BDT crore
		credit exposure.	Particulars Repayable on demand	
		credit exposure.		BDT crore
		credit exposure.	Repayable on demand In more than one month but not more	BDT crore 159.21
		credit exposure.	Repayable on demand In more than one month but not more than three months In more than three months but not	BDT crore 159.21 117.37
		credit exposure.	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	BDT crore 159.21 117.37 457.32
		credit exposure.	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	BDT crore 159.21 117.37 457.32 310.67
	f)	credit exposure. By major industry or counterparty	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 <b>TOTAL</b>	BDT crore 159.21 117.37 457.32 310.67 64.67
	f)	By major industry or counterparty i) Amount of impaired loans and	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 <b>TOTAL</b>	BDT crore 159.21 117.37 457.32 310.67 64.67
	f)	By major industry or counterparty i) Amount of impaired loans and separately.	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 type:	BDT crore 159.21 117.37 457.32 310.67 64.67 <b>1,109.24</b>
	f)	By major industry or counterparty i) Amount of impaired loans and separately. ii) Specific and general provisions	Repayable on demandIn more than one month but not more than three monthsIn more than three months but not more than one yearIn more than one year but not more than five yearsIn more than five yearsIn more than five yearsTOTALtype: if available, past due loans, provided	BDT crore 159.21 117.37 457.32 310.67 64.67 1,109.24 2.21
3333333		By major industry or counterparty i) Amount of impaired loans and separately. ii) Specific and general provisions iii) Charges for specific allowances a	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         and charge-offs during the period.	BDT crore 159.21 117.37 457.32 310.67 64.67 1,109.24 2.21
3333333	f) g)	By major industry or counterparty i) Amount of impaired loans and separately. ii) Specific and general provisions iii) Charges for specific allowances a Gross Non-Performing Assets (NPA	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 <b>TOTAL</b> type: if available, past due loans, provided and charge-offs during the period.	BDT crore 159.21 117.37 457.32 310.67 64.67 1,109.24 2.21 10.40 -
		By major industry or counterparty i) Amount of impaired loans and separately. ii) Specific and general provisions iii) Charges for specific allowances a Gross Non-Performing Assets (NPA Non-Performing Assets (NPAs) to O	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         type:         if available, past due loans, provided         and charge-offs during the period.         ts).         utstanding loans and advances.	BDT crore 159.21 117.37 457.32 310.67 64.67 1,109.24 2.21
3333333333		By major industry or counterparty i) Amount of impaired loans and separately. ii) Specific and general provisions iii) Charges for specific allowances a Gross Non-Performing Assets (NPA Non-Performing Assets (NPAs) to O Movement of Non-Performing Asset	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         type:         if available, past due loans, provided         and charge-offs during the period.         ts).         utstanding loans and advances.	BDT crore 159.21 117.37 457.32 310.67 64.67 1,109.24 2.21 10.40 - 0.19%
333333333333333333333333333333333333333		By major industry or counterparty i) Amount of impaired loans and separately. ii) Specific and general provisions iii) Charges for specific allowances a Gross Non-Performing Assets (NPA Non-Performing Assets (NPAs) to O Movement of Non-Performing Asset Opening Balance	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         type:         if available, past due loans, provided         and charge-offs during the period.         ts).         utstanding loans and advances.	BDT crore 159.21 117.37 457.32 310.67 64.67 1,109.24 2.21 10.40 - 0.19% 0.19%
		By major industry or counterparty         i) Amount of impaired loans and separately.         ii) Specific and general provisions         iii) Charges for specific allowances a         Gross Non-Performing Assets (NPA)         Non-Performing Assets (NPAs) to O         Movement of Non-Performing Assets         Opening Balance         Addition during the period	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         type:         if available, past due loans, provided         and charge-offs during the period.         ts).         utstanding loans and advances.	BDT crore 159.21 117.37 457.32 310.67 64.67 1,109.24 2.21 10.40 - 0.19%
333333333333333333333333333333333333333		By major industry or counterparty i) Amount of impaired loans and separately. ii) Specific and general provisions iii) Charges for specific allowances a Gross Non-Performing Assets (NPA Non-Performing Assets (NPAs) to O Movement of Non-Performing Asset Opening Balance	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         type:         if available, past due loans, provided         and charge-offs during the period.         ts).         utstanding loans and advances.	BDT crore 159.21 117.37 457.32 310.67 64.67 1,109.24 2.21 10.40 - 0.19% 0.19%





Movement of Specific Provisions for (NPAs):	
Opening Balance	-
Made during the period	0.38
Write-Off	-
Write-back of excess provisions	-
Closing balance	0.38

5. Equities: Disclosures for Banking Book Positions

Qualitative dis-	a)	The general qualitative disclosure	requirement with respect to equity risk, including:
closures		• Differentiation between holdings on which capital gains	Investment in equity securities are broadly catego- rized into two parts:
		are expected and those taken under other objectives including for relationship and strategic reasons; and	<ul> <li>i) Quoted Securities (Common or Preference Shares &amp; Mutual Fund) that are traded in the secondary market (Trading Book Assets).</li> </ul>
			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.
3333		• Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and Practices affecting valuation as well as significant changes in these practices.	The primary aim is to investment in these equity securities for the purpose of capital gain by selling them in future or held for dividend income. Dividends received from these equity securities are accounted for as and when received. Both Quoted and Un-Quoted equity securities are valued at cost and necessary provisions are maintained if the prices fall below the cost price. As per Bangladesh Bank guidelines, the HFT equity securities are revalued once in each week using marking to market concept and HTM equity securities are amortized once a year according to Bangladesh Bank guideline. The HTM equity securities are also revalued if any, are reclassified to HFT category with the approval of Board of Directors.
Quantitative disclosures	b)	Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	Quoted SharesFigures in BDT crore-At Cost Price36.90-At Market Value35.43



	c)	The cumulative realized gains (losses) arising from sales and liq- uidations in the reporting period.	-Cumulative R	Realized Gair			BDT crore =2.91
	d)	<ul> <li>Total unrealized gains (losses)</li> <li>Total latent revaluation gains (losses)</li> <li>Any amounts of the above included in Tier-2 capital.</li> </ul>	-Unrealized ga	ains (losses)	Fi	gures i	n BDT crore =1.46
33	e)	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements		Ν	Jil		32
6. Interest Rate R	isk in t	the Banking Book					
Qualitative dis- closures	a)	The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of Non- maturity deposits and frequency of IRRBB measurement.	Interest rate r interest rate financial conc both the cur as well as th value perspec apparent sou is often gauge assets that m period with th	s might ac dition. Chang rrent earnin ne net worth ctive). Re-pri rce of intere ed by compan nature or re-	dversely ges in in gs (earr h of the cing risk est rate r ring the -price w	affect terest nings p bank is ofte isk for volume ithin a	a bank's rates affect perspective (economic en the most a bank and of a bank's given time
			The short terr on the bank's term, changes on the assets, giving rise to arising out of interest rate s	Net Interes s in interest r liabilities ar a risk to th f all re-pricit	t Income rates imp nd off-ba ne net w ng mism	e (NII). bact the lance s vorth c	In a longer e cash flows heet items of the bank
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 Ser Total Risk Sen Cumulative G < 3 month <6 month <12 month	sitive Liabilit		9 1, (4 (1	res in BDT crore 88.68 395.75 46.68) 95.79) 07.07)
			CRAR before	shock (%)		2	6.03%
33			Assumed Change in Interest Rate	1.00%	2.00	9%	3.00%
33			Capital After Shock (in BDT Crore)	426.05	421.	98	417.91
i n n			CRAR After Shock (%)	25.78	25.5	52	25.27



### 7. Market Risk:

Qualitative dis- closures



100	ii) Methods used to measure Market risk	Measurement Methodology:
133	Market risk	As banks in Bangladesh are now in a stage o developing risk management models, Bangladesh Bank suggested the banks for using Standardized Approach for credit risk capital requirement fo
133		banking book and Standardized (rule based Approach for market risk capital charge in thei trading book.
133		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
133		slotted into a maturity ladder comprising 13 time bands (or 15 time-bands in case of low coupor 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.
133	6	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 requiremen calculated for each of these market risk sub categories. e.g.:
125		a) Capital Charge for Interest Rate Risk = Capita Charge for Specific Risk + Capital Charge for Genera Market Risk;
133		b) Capital Charge for Equity Position Risk = Capita Charge for Specific Risk + Capital Charge for Genera Market Risk;
100	0	c) Capital Charge for Foreign Exchange Risk = Capita Charge for General Market Risk;
133	6	d) Capital Charge for Commodity Position Risk = Capital charge for general market risk.
122	6	



22	7	iii) Market Risk Management system	Treasury Division manages the market risk and ALCO monitors the activities of treasury Division in managing such risk.
		iv) Policies and processes for Mitigating market risk.	To mitigate the several market risks the bank formed Asset Liability Management Committee (ALCO) who monitors the Treasury Division's activities to minimize the market risk. ALCO is primarily responsible for establishing the market risk management and asset liability management of the Bank, procedures thereof, implementing core risk management framework issued by the regulator, best risk management practices followed globally and ensuring that internal parameters, procedures, practices/polices and risk management prudential limits are adhered to. The Treasury Division are taking following measures to minimize the several market risks. i) Foreign exchange risk management: it is the risk that the bank may suffer losses as a result of adverse
33			exchange rate movement during a period in which it has an open position in an individual foreign currency. This risk is measured and monitored by the Treasury Division. To evaluate the extent of foreign exchange risk, a liquidity Gap report is prepared for each currency.
33			<ul> <li>ii) Equity Risk: Equity risk is defined as losses due to changes in market price of the equity held. To measure and identify the risk, mark-to-market valuation to the share investment portfolios are done. Mark-to-market valuation is done against a predetermined limit. At the time of investment, following factors are taken into consideration: <ul> <li>a) Security of Investment</li> <li>b) Fundamentals of securities</li> </ul> </li> </ul>
55			<ul> <li>c) Liquidity of securities</li> <li>d) Reliability of securities</li> <li>e) Capital appreciation</li> <li>f) Risk factors and</li> <li>g) Implication of taxes etc.</li> </ul>
Quantitative	b)	Capital requirement for:	Figures in BDT crore
disclosures		Interest rate related instruments	10.55
		Equities	7.09
		Foreign Exchange position	0.31
		Commodity Risk	0.00



8. Operational Ri	sk:		
Qualitative dis- closures	a)	i) Views of BOD on system to reduce Operational Risk	Operational risk is defined as the risk of loss resultin from inadequate or failed internal processes people and systems or from external events. Thi definition includes legal risk but excludes strategi and reputation risk. It is inherent in every business organization and covers a wide spectrum of issues The Board of Director (BOD) of the Bank and it Management firmly believe that this risk through control based environment in which processes ar documented, authorizations are independent an transactions are reconciled and monitored. This is supported by an independent program of periodi reviews undertaken by internal audit, and b monitoring external operational risk events, whice ensure that the Bank stays in line with industry bes practices and takes account or lessons learned from publicized operational failures within the financia services industry.
		ii) Potential external events	Risk factors/Potential external events: It is needless to say that there are certain risk factor which are external in nature and can affect th business of the Bank. The factors discussed below can significantly affect the business:
			• General business and political condition: NRB Bank's performance greatly depends on th general economic conditions of the country. Politica stability is must for growth in business activities.
			• Changes in credit quality of borrowers: Risk of deterioration of credit quality of borrower is inherent in banking business. This could resu due to global economic crisis and supply sid distortion. The changes in the import prices affecte the commodity sectors and ship breaking industry Deterioration in credit quality requires provisioning





Quantitative b)	The Capital Requirement for Opera	tional Risk	Figure in BDT crore
336		gross income Gross income Interest Incom is intended th i). be gross of ii). be gross of paid to outsoo iii). exclude re securities held iv). exclude ex	of the previous three years for which
337 337 337	charge for operational risk	the Basic Indi capital charge age, denoted gross income Figures for ar is negative of the numerato the average. T follows: K = [(GI 1 + GI Where- K = the capita proach GI = only posi vious three ye	Il charge under the Basic Indicator Ap- tive annual gross income over the pre-

92



### 9. Liquidity Ratio:

A) Qualitative Disclosures	
a) Views of BOD on system to reduce liquidity Risk	Liquidity Ratio: It is a risk management indicators pertaining to Liquidity risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss (o make the required profit) or when a bank is unable to fulfill it: commitments in time when payment fall due. Thus, liquidity risk can be of two types: (i)Funding liquidity risk and (ii) Market liquidity risk.
- 337 - 336 - 336	NRB Bank Limited maintains diversified and stable funding base comprising of core retail, corporate and institutional deposite to manage liquidity risk. The prime responsibility of managing the liquidity risk of the bank lies with Treasury Division. Different key ratios including LCR and NSFR are regularly discussed in monthly meeting of ALCO of the Bank. The committee meets at least once in every month to review LCR NSFR report and overall liquidity position of the bank. Treasury Division maintains liquidity based on current liquidity position, anticipated future funding requirement, sources of fund, options for reducing funding needs, present and anticipated asset quality, present and future earning capacity present and planned capital position, etc.
b) Methods used to measure Liquidity risk	A) A sound liquidity risk management employed in measuring monitoring and controlling liquidity risk is critical to th viability of the bank. The measurement tools those ar used to assess liquidity risks are:
	<ol> <li>Cash Reserve Requirement (CRR);</li> <li>Statutory Liquidity Ratio (SLR);</li> <li>Investment to Deposit Ratio (IDR);</li> <li>Structural Liquidity Profile (SLP);</li> <li>Maximum Cumulative Outflow (MCO);</li> <li>Liquidity Coverage Ratio (LCR);</li> <li>Net Stable Funding Ratio (NSFR);</li> <li>Volatile Liability Dependency Ratio;</li> <li>Liquid Asset to Total Deposit Ratio;</li> <li>Liquid Asset to Short Term Liabilities etc.</li> </ol>
	B) <u>Diversification to reduce liquidity risk</u> : A diversified load & advances as well as investment portfolio are maintained which help the bank to avoid liquidity risk without taking any special steps.
	A diversified portfolio consists of investments that ban can sell right away, such as bonds, as well as long-tern investments that are not liquid, such as CDs.
	Enough assets liquid are kept by the bank to cover short term obligations. This will allow us to sell our long-tern investments when they have risen in value, not when we are desperate for cash and may need to take a loss or limi our profit.

c) Liquidity risk management system	Liquidity is a financial institution's capacity to meet its cash and collateral obligations without incurring unacceptable losses. Adequate liquidity is dependent upon the institution's ability
554	to efficiently meet both expected and unexpected cash flows and collateral needs without adversely affecting either daily operations or the financial condition of the institution.
1007 1227	Liquidity risk is the risk to an institution's financial condition or safety and soundness arising from its inability (whether real or perceived) to meet its contractual obligations. The primary role of liquidity-risk management is to
	(1) Prospectively assess the need for funds to meet obligations and
33/	(2) Ensure the availability of cash or collateral to fulfill those needs at the appropriate time by coordinating the various sources of funds available to the institution under normal and stressed conditions.
226	The Asset Liability Committee (ALCO) of our bank, which meets at least once in a month to discuss and monitor for well managing and controlling liquidity of the bank. Treasury Division closely monitors day to day liquidity requirements on a daily basis by appropriate coordination among funding
	activities. Besides monthly fund flow projection is reviewed in ALCO meeting regularly in order to manage liquidity risk of the bank.
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d) Policies and processes for mitigating liquidity risk	a) b) c) d) e) f) g) h) i)	<ul> <li>conditions of stress</li> <li>Our bank ensure that assets are prudently valued according to relevant financial reporting and supervisory standards.</li> <li>The bank puts pressure on earnings and capital and further reduce counterparties' confidence in the bank, further constraining its access to funding markets.</li> <li>The bank recognize and consider the strong interactions between liquidity risk and the other types of risk to which it is exposed.</li> <li>The bank identify events that could have an impact on market and public perceptions about its soundness, particularly in wholesale markets.</li> <li>The bank identify, measure, monitor and control its liquidity risk positions for: <ul> <li>future cash flows of assets and liabilities;</li> <li>sources of contingent liquidity demand and related triggers associated with off-balance sheet positions;</li> <li>currencies in which a bank is active; and</li> </ul> </li> </ul>	
226		<ul> <li>Correspondent, custody and settlement activities.</li> </ul>	
B) Quantitative Disclosures		(BDT in crore)	
Liquidity Coverage Ratio	147.20%		
Net Stable Funding Ratio (NSFR)	101.04%		
Stock of High quality liquid assets		123.24	
Total net cash outflows over the next 30 calendar of	Total net cash outflows over the next 30 calendar days		
Available amount of stable funding	1.43		
Required amount of stable funding	1.42		

### 10. Leverage Ratio:

A) Qualitative Disclosures	
Views of BOD on system to reduce excessive leverage	As per Bank for International Settlement (BIS), Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage:
	Leverage ratio = Capital measure/Exposure measure
	Too much debt can be dangerous for a company and its investors. Uncontrolled debt levels can lead to credit downgrades or worse. On the other hand, too few debts can also raise questions. If a bank's operations can generate a higher rate of return than the interest rate on its loans, then the debt is helping to fuel growth in profits. A reluctance or inability to borrow may be a sign that operating margins are simply too tight.
	There are several different specific ratios that may be categorized as a leverage ratio, but the main factors considered are include debt, equity, assets and expenses. A leverage ratio may also refer to one used to measure a company's mix of operating costs, giving an idea of how changes in output will affect operating income. Fixed and variable costs are the two types of operating costs; depending on the company and the industry, the mix will differ.
	In this perspective, the responsibility of monitoring excessive leverage of the Bank lies with the Concerned Divisions under the guidance of the Board of Directors of the bank. The Board delivers policies and processes from time to time for managing the Bank's leverage ratio up to the mark.
770	



Policies and processes for managing excessive on and off-balance sheet leverage	<b>Capital measure:</b> The capital measure for the leverage ratio is the Tier-1 capital of the risk-based capital framework as defined in paragraph 49 to 96 of the Basel III framework of BIS, taking account of the transitional arrangements. In other words, the capital measure used for the leverage ratio at any particular point in time is the Tier-1 capital measure applying at that time under the risk-base framework.
337	<ul> <li>Exposure measure: The exposure measure for the leverage ratio generally follow the accounting value, subject to the following: <ul> <li>a) on-balance sheet, non-derivative exposures are included in the exposure measure net of specific provisions of accounting valuation adjustments (e.g accounting credivaluation adjustments);</li> <li>b) Netting of loans and deposits is not allowed.</li> <li>c) Unless specified differently below, bank must not tak account of physical or financial collateral, guarantee or other credit risk mitigation techniques to reduce the exposure measure.</li> <li>d) The bank's total exposure measure is the sum of the following exposures: (a) on-balance sheet exposures; (b) off-balance sheet (OBS) items.</li> </ul> </li> </ul>
Approach for calculating exposure	<ul> <li>(a) On-balance sheet exposures:</li> <li>The Bank must include <i>all</i> balance sheet assets in its exposure measure, to ensure consistency, balance sheet assets deducted from Tier 1 capital (as set out in paragraphs 66 to 89 of the Base III framework.</li> <li>The exposure measure for the leverage ratio generally follow the accounting measure of exposure. In order to measure the exposure consistently with financial accounts, the followin approaches are applied by the bank:</li> <li>i. On-balance sheet, non-derivative exposures are being net of specific provisions and valuation adjustments (e.g. surplus/ deficient on Available for sale (AFS)/ Held-for-trading (HFT) positions).</li> </ul>
	ii. Physical or financial collateral, guarantee or investment ris mitigation purchased is not allowed to reduce on-balance shee exposure.
	iii. Netting of investments and deposits is not allowed.
	The Bank has calculated the regulatory leverage ratio as per the guideline of Basel III. The numerator, capital measure calculated using the new definition of Tier I capital applicable from 01 January 2015. <b>B) Off-balance sheet items</b>
	This section explains the incorporation of OBS items as define in the Basel III framework into the leverage ratio exposur measure. OBS items include commitments (including liquidit facilities), whether or not unconditionally cancellable, direc credit substitutes, acceptances, standby letters of credit an trade letters of credit.
	In the risk-based capital framework, OBS items are converted under the standardised approach into credit exposure equivalent through the use of credit conversion factors (CCFs).

B) Quantitative Disclosures	
Leverage Ratio	19.01%
On balance sheet exposure	2,043.55
Off balance sheet exposure	85.31
Less: Regulatory Adjustment	(11.30)
Total exposure	2,140.15

### 11. Remuneration:

The following are the main disclosures on remuneration that our Bank includes in their Pillar 3 document. The Bank is strongly believe not only to disclose the required information, but to articulate as far as possible how these factors complement and support its overall risk management framework.

# The quantitative disclosures detailed below only cover senior management and other material risk takers and be broken down between these two categories:

A) Qualitative Disclosures					
a).Information relating to the bodies that oversee remuneration:					
<ol> <li>Name, composition and mandate of the main body overseeing remuneration.</li> <li>External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.</li> <li>A description of the scope of the bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.</li> <li>A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.</li> </ol>	with the remuneration related issues of employee as per specific provisions laid down in the Employees Service Rules of the Bank and Pay structure duly approved by the Board of Directors, while the same i governed and oversight by the Managing Director and Management Committee. NRB Bank has a well-defined Employees' Service Rule approved by the Board of Directors, which include remuneration/compensation packages, retiremen benefits of regular employees and incentive scheme etc.		tes of employees in the Employees' ay structure duly while the same is aging Director and rees' Service Rules s, which includes ages, retirement ncentive schemes y competitive and yees. remely fair and to all employees. her Management, opointments are ard of Directors on ment. k are considered December 2015, e Bank has been		
	SI#	Designation	Number		
	1	MD	1		
	2	DMD	2		
000	3	SEVP	1		
	4	EVP	4		
55h	5	SVP	5		
550	6	VP	9		
		Total	22		
550					

#### b).Information relating to the design and structure of remuneration processes:

- I. An overview of the key features and objectives of remuneration policy.
- II. Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made.
- III. A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.
- NRB Bank has a well-structured, competitive and rewarding scale of pay for the regular employees of the bank duly approved by the board of Directors. The pay package of all employees other than Managing Director and Contractual Employees are determined by the management in accordance with the approved scale of pay.
- The compensation package of Managing Director is determined by the Board of Directors and subject to the subsequent approval of the Central Bank, i.e. Bangladesh Bank. Remuneration Package of Contractual Employees, as and when required, are determined and approved by Board of Directors on case to case basis prior to appointment.
- The annual increment and incentive bonuses for the eligible employees are paid on the basis of performances under the purview of Board approved policies in this regard.
- The main objective of the remuneration policy of the bank is to retain the existing human resources, attract/hire the talented & experienced professionals and to motivate the workforce to put their best efforts for sustainable growth of the Bank.
- The remuneration policy and pay structure for the employees of the Bank is reviewed and revised/ reshuffled from time to time by management and subsequently got approved by the Board of Directors.
- The present pay structure of the Bank is very competitive in the industry.
- The officials/executives working in the Risk and Compliance areas under Internal Control and Compliance Division have got their specific job descriptions and job allocations and performing their responsibilities independently as per core risk management guidelines on ICCD. However, their service and remuneration are governed under the approved Employees' Service Rules of the Bank and pay structure and there is no differentiation with other employees of the Bank.

c). Description of the ways in which current and futu processes:	are risks are taken into account in the remuneration
<ol> <li>An overview of the key risks that the bank takes into account when implementing remuneration measures.</li> <li>An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed).</li> <li>A discussion of the ways in which these measures affect remuneration.</li> <li>A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.</li> </ol>	The Management takes into consideration the compensation package of risk taking officials by way of incentives, accelerated promotions etc. for their effective contributions and performances. Performance-based Remuneration Systems are increasingly being implemented by financial institutions to remain competitive. One of the ways to ensure that Banks maintain its competitive edge is to make sure that any increase in remuneration is supported by improved performance.
d).Description of the ways in which the bank seeks to period with levels of remuneration. Disclosures includes	
<ol> <li>An overview of main performance metrics for bank, top-level business lines and individuals.</li> <li>A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance.</li> <li>A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak.</li> <li>Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance.</li> </ol>	<ul> <li>Promotions, annual increments, incentives etc. of employees are completely based on individual performance appraisal.</li> <li>Bank evaluates performance of all employees on yearly basis which includes qualitative and quantitative judgments.</li> <li>Achieving of business targets are also rated and appraised.</li> <li>The performing employees are remunerated by way of effecting annual grade increment, promotion, incentives etc. which in turn accelerates their belongingness to the organization.</li> </ul>

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# f). Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms. Disclosures include:

	An overview of the forms of variable remuneration offered (ie cash, shares and share-linked instruments and other forms. A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees), a description the factors that determine the mix and their relative importance.	Bank mostly offers cash form of remuneration/ compensation which includes monthly salary & allowances, bonuses, increments, fixation of salaries upon promotion etc. on current/recurring in nature and future in nature as follows: <b>Present/prevailing nature:</b> 1. Monthly salary and allowances 2. Annual increment 3. Festival bonus 4. Incentive bonus 5. Executive Car maintenance allowance 6. Annual Leave Fare Assistance allowance 7. Corporate mobile phone facility 8. Furniture/Home furnishing allowance 9.Financial award for business target achievements. 10. Executive Car Scheme 11.Provident Fund 12.Gratuity 13. Leave Encashment 14. Employees' House Building Loan facility. <b>Future options:</b> 1. Super annuity Fund 2. Social Security Fund Above and beyond, promotion/accelerated promotions are considered as non-cash reward for performing and extra-ordinary performing employees. Management also selects the performing officials for foreign tours/training and provides certificates for outstanding achievements, which are also considered as non-cash award.
В).	Quantitative Disclosures	
1.	Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.	With the guidance of Managing Director & CEO and Management Committee, Human Resources Division disbursed the remuneration as per HR policy. No remuneration paid to its member during 2015 for this purpose.
11.	Number of employees having received a variable remuneration award during the financial year.	Nil

III. Number and total amount of guaranteed bonuses awarded during the financial year.	Festival Bonus has been disbursed twice during 2015. Breakdown is as follows:		
	Eid-Ul-Fitr	Ju	l 15
227	Employment Type	No of employee	Festival Bonus
557	Regular Employee	220	7,585,037
227	HR-Contractual Employee	76	649,848
	Eid-Ul-Azha	Sep 15	
007	Regular Employee	225	7,709,824
33/	HR-Contractual Employee	67	642,048
226	Total	588	16,586,756
550			
IV. Number and total amount of sign-on awards made during the financial year.		Nil	
V. Number and total amount of severance payments made during the financial year.		Nil	
VI. Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Nil		2
VII. Total amount of deferred remuneration paid out in the financial year.	Not Applicable		
VIII. Breakdown of amount of remuneration awards for the financial year to show:			$\mathbf{Z}$
Fixed and variable.	Not	Applicable	
<ul> <li>Deferred and non-deferred.</li> </ul>	Not Applicable		
<ul> <li>Different forms used (cash, shares and share linked instruments, other forms).</li> </ul>	Not Applicable		



# 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 2014. The summary of Rating is presented below:

Status	2015
Long Term	BBB2
Short Term	ST-2
Outlook Stable	Stable

IIn 2015, 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 categorized 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** 

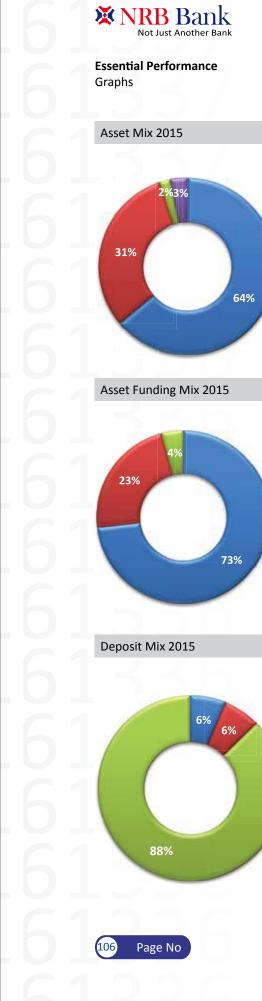
	2015	2014	Change (%	
Performance During the Year			8- () -	
Net Interest Income	282	321	(12.1%)	
Non Interest Income	842	151	455.9%	
Operating Income/(Loss)	1,124	472	137.9%	
Operating Profit/(Loss)	394	394 20		
Profit/(Loss) After Tax	236	(66)	458.5%	
Year End Financial Position				
Loan	11,092	6,292	76.3%	
Investment	5,385	3,520	53.0%	
Deposits	13,357	7,805	71.1%	
Eligible Capital (Tier-I & Tier-II)	4,176	4,031	3.6%	
Total Asset	20,535	13,492	52.2%	
Ratios (%)				
Capital to risk weighted assets ratio (as per Basel III & II)	26.0%	41.7%	(37.6%)	
Non performing loans	0.2%	0.0%	0.0%	
Cost to income ratio	65.0%	95.7%	(32.1%)	
Channel				
Branch	17	11	54.5%	
ATM (Own)	20	13	53.8%	
ATM (Shared)	1,588	1,337	18.8%	

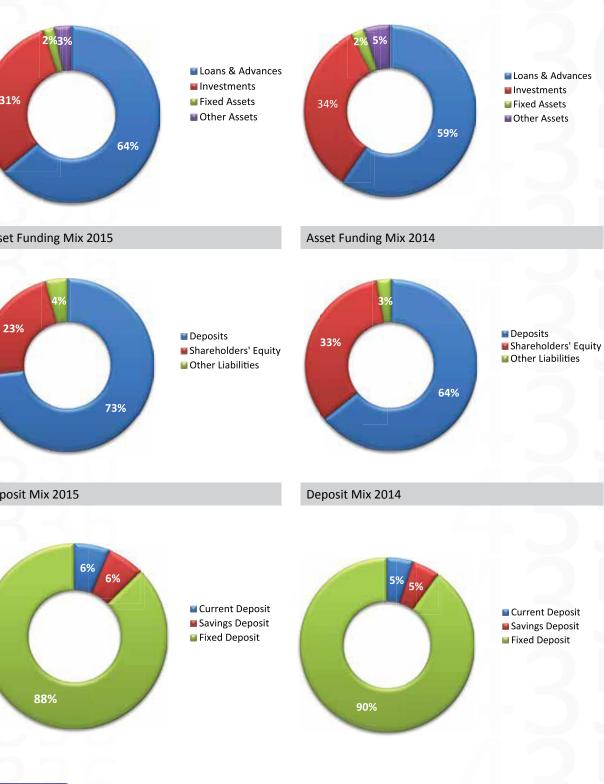
### Other Channel Standing in 2015

Call Center (24X7 Contact Center)	: Just a call away to 6000	
Internet Banking	: log in from PC or mobile from anywhere in the world	

# THREE-YEAR PROGRESSION OF NRB BANK

				BD	T Million
		Balance Sheet Metric	2015	2014	2013
Deposit Growth		Authorised capital	10,000	10,000	10,000
71%		Paid up capital	4,000	4,000	4,000
from 7,805 M of 2014		Eligible Capital (Tier-I & Tier-II)	4,176	4,031	0
		Deposits	13,357	7,805	1,885
Loan Growth		Borrowing	1,960	1,392	-
76%		Loans	11,092	6,292	454
from 6,292 M of 2014		Credit to deposit ratio	83.0%	77.3%	24.1%
		Investment	5,385	3,520	93
Investment Growth		Fixed assets	348	259	128
53%		Total assets	20,534	13,492	5,966
from 3,520 M of 2014		Income Statement Metric			
		Net interest income (excluding investment income)	282	321	170
		Non-interest income	842	151	1
		Investment income	776	123	0
		Operating income	1,124	472	171
		Operating expense	730	452	140
"Credit Rating"		Operating profit/(loss) -before provision and tax	394	20	31
Long Term	BBB2	Provision for loans, investment and other assets	50	70	3
Short Term	ST-2	Profit/(loss) before tax	344	(50)	27
		Profit/(loss) after tax	236	(66)	10
		Credit Quality			
		Non performing / classified loans (NPLs)	22	-	-
		Specific provision	3.8	-	-
		General provision	35	61	3
		NPL to total loans and advance	0.21%	0.0%	0.0%



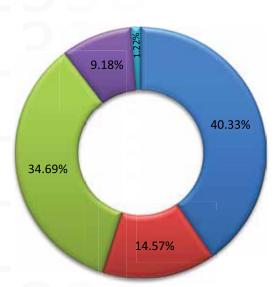


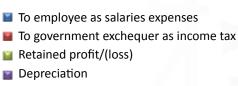
Asset Mix 2014

## 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 2015	
Wealth creation:		
Income from banking services	2,226,197,807	
Less: Cost of services & supplies	1,495,103,976	
Value added by banking services	731,093,831	
Non-banking income		
Provision for loans & off balance sheet items	(49,842,145)	
Total wealth creation	681,251,686	
Wealth distribution		
To employees as salary expenses	274,763,164	
To government exchequer as income tax	99,238,083	
To expansion & growth		
Retained profit/(loss)	236,346,164	
Depreciation	62,560,304	
Deferred taxation	8,343,971	
	307,250,439	
Total Value Addition	681,251,686	







# 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.

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### The capital adequacy computation as at 31 December 2015 is given below:

		2015	2014
Tie	r-1 Capital:	<u>Taka</u>	<u>Taka</u>
A) 1	Fotal Common Equity Tier 1 Capital		
Paie	d up capital	4,000,000,000	4,000,000,000
Sha	re premium	-	
Stat	tutory reserve	74,251,039	5,465,396
	neral reserve	-	· ·
Ret	ained earnings	106,732,944	(60,827,577)
		4,180,983,983	3,944,637,819
	s: Regulatory adjustments	112,967,985	
A) 1	Fotal Common Equity Tier 1 Capital	4,068,015,998	3,944,637,819
B)	Additional Tier 1 Capital:		
	d: Additional Tier 1 Capital	_	
	s: Regulatory adjustments	_	
	otal Tier-1 Capital	4,068,015,998	3,944,637,819
0,1		4,000,010,050	3,344,037,013
Tie	r 2 Capital (Gone -Concern Capital)		
	ordinated Bond	_	
	neral provision maintained against unclassified loan/investments	100,125,631	64,772,520
	neral provision on off-balance sheet items	10,249,754	9,001,401
	et revaluation reserve	-	-
Rev	aluation reserve of Government securities	-	12,331,383
		110,375,385	86,105,304
Les	s: Regulatory adjustments	2,466,277	
D) 1	Total Tier 2 Capital	107,909,109	86,105,304
E)	Total capital(C+D)	4,175,925,107	4,030,743,123
<b>F</b> )			
F)	Risk weighted assets (RWA)		
	Credit Risk:		
	On-Balance Sheet	12,487,811,997	7,398,515,776
	Off-Balance Sheet	876,977,815	888,656,673
		13,364,789,812	8,287,172,449
	Market Risk	1,794,237,680	891,079,370
	Operational Risk	883,630,472	481,910,859
	Total RWA	16,042,657,964	9,660,162,678
G)	Required Common Equity Tier 1 Capital (4.5% of RWA in 2015)	721,919,608	
H)	Required Tier 1 Capital (5.5% of RWA) (2014: 5%)	882,346,188	483,008,134
I)	Required total capital		
.,	(10% of RWA) or Minimum 4,000,000,000 whichever is higher	4,000,000,000	4,000,000,000
		.,,	.,,,,,
D.	Sumlus Common Equity Tion 1 Constal(A.C)	2 246 006 200	
1)	Surplus Common Equity Tier 1 Capital(A-G)	3,346,096,390	-





		2015	2014
		<u>Taka</u>	<u>Taka</u>
К)	Surplus Tier 1 Capital(C-H)	3,185,669,810	-
G)	Surplus total Capital (E-I)	175,925,107	30,743,123
-	ital to Risk-Weighted Assets Ratio:		
On	Common Equity Tier 1 Capital against standard of minimum 4.5%	25.36%	-
On	Tier 1 Capital - against standard of minimum 5.5%, (2014: 5%)	25.36%	40.83%
On	total capital - against standard of minimum 10%	26.03%	41.73%
.6 Lev	erage Ratio of the Bank		
A)	Tier 1 Capital considering all regulatory adjustment	4,068,015,998	
B)	On-Balance Sheet Exposure	20,435,455,899	-
C)	Off-Balance Sheet Exposure	853,119,996	-
D)	Deduction from on and off Balance sheet exposure/Regulatory adjustment	112,967,985	
E)	Total Exposure (B+C-D)	21,401,543,880	
Lev	erage Ratio (A/E)	19.01%	-
Liqu	uidity Coverage Ratio	147.24%	-
Net	Stable Funding Ratio	101.04%	

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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 2015 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 2015 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.0.

### **Report on Other Legal and Regulatory Requirements**

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

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

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(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:

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- i) internal audit, internal control and risk management arrangements of the Bank [as disclosed in note 2.27 of the financial statements] appeared to be materially adequate;
- ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities [ other than matters disclosed in these financial statements]
- (c) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- (d) the balance sheet and the profit and loss account dealt with by the report are in agreement with the books of account;
- (e) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- (f) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- (g) the records and statements submitted by the branches have been properly maintained and consolidated 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 1,150 person hours for the audit of the books and accounts of the Bank.

Dicida The.

Chartered Accountants Dated: Dhaka, 31 March 2016

X NRB Bank Not Just Another Bank

# **Balance Sheet**

As at 31 December 2015

	Notes	2015	2014
		Taka	Taka
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)		314,838,107	90,334,339
Balance with Bangladesh Bank and its agent bank (s)		917,320,156	441,734,884
(including foreign currencies)			
		1,232,158,263	532,069,223
Balance with other banks and financial institutions	4		
In Bangladesh		1,852,636,347	1,592,454,132
Outside Bangladesh		74,492,560	28,324,193
		1,927,128,907	1,620,778,325
Money at call and short notice	5	-	740,000,000
Investments	6		
Government		3,852,853,284	2,858,207,312
Others		1,532,052,696	661,299,262
		5,384,905,980	3,519,506,574
Loans and advances	7		
Loans, cash credits, overdrafts etc.		11,086,048,229	6,291,889,815
Bills purchased and discounted		6,367,945	-
		11,092,416,174	6,291,889,815
Fixed assets including premises, furniture and fixtures	8	348,348,777	259,383,360
Other assets	9	549,664,156	527,876,809
Non - banking assets		-	-
TOTAL ASSETS		20,534,622,257	13,491,504,106



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# **Balance Sheet**

As at 31 December 2015

	Notes	2015	2014
		Taka	Taka
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	1,960,000,000	1,392,450,000
Deposits and other accounts			
Current accounts and other accounts	11.1	791,361,409	314,766,713
Bills payable	11.2	31,368,871	61,196,277
Savings bank deposits	11.3	863,962,753	399,750,360
Fixed deposits	11.4	11,669,850,313	7,029,113,319
Bearer certificates of deposit		-	-
Other Deposits		-	-
		13,356,543,346	7,804,826,669
Other liabilities	12	739,563,087	324,926,852
TOTAL LIABILITIES		16,056,106,433	9,522,203,521
Capital/shareholders' equity			
Paid up capital	13.2	4,000,000,000	4,000,000,000
Statutory reserve	14	74,251,039	5,465,396
Revaluation reserve	15	297,531,841	24,662,766
Surplus in profit and loss account \ Retained earnings	16	106,732,944	(60,827,577)
TOTAL CAPITAL/SHAREHOLDERS' EQUITY		4,478,515,824	3,969,300,585
TOTAL LIABILITIES AND CAPITAL/SHAREHOLDERS' EQUITY		20,534,622,257	13,491,504,106

X NRB Bank Not Just Another Bank

# **Balance Sheet**

As at 31 December 2015

	Notes	2015	2014
		Taka	Taka
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	17		
Acceptances and endorsements		268,471,645	336,766,082
Letters of guarantee		241,204,274	118,471,813
Irrevocable letters of credit		489,892,050	442,196,936
Bills for collection		25,407,470	2,705,297
Other contingent liabilities		-	-
Total contingent liabilities		1,024,975,439	900,140,128
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 commitment	S	-	-
Liabilities against forward purchase and sale		-	-
		-	-
Total Off-Balance Sheet items including contingent liabilities		1,024,975,439	900,140,128

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



Chairman



Director

Signed as per our annex report of same date

Managing Director & CEO

Horada The.

Chartered Accountants Dated: Dhaka, 31 March 2016



# **Profit and Loss Account**

For the year ended 31 December 2015

	Notes	2015	2014
		Taka	Taka
Interest income	19	1,384,095,384	805,805,874
Interest paid on deposits and borrowings etc.	20	(1,101,908,248)	(484,849,474)
Net interest income	20	282,187,136	320,956,400
Income from investments	21	776,173,414	122,951,591
Commission, exchange and brokerage	22	60,894,921	26,546,397
Other operating income	23	5,034,088	1,980,443
		842,102,423	151,478,430
Total operating income (A)		1,124,289,559	472,434,830
	24		101 525 205
Salaries and allowances	24	263,480,674	194,536,296
Rent, taxes, insurance, electricity etc.	25	156,242,558	111,839,156
Legal expenses	26	2,656,378	4,263,668
Postage, stamp, telecommunication etc.	27	18,444,575	13,782,858
Stationery, printing, advertisements etc.	28	21,394,198	12,344,735
Managing Director's salary and fees	29	11,282,490	10,311,356
Directors' fees	30	5,872,415	1,404,318
Auditors' fees	31	264,500	230,000
Depreciation and repair of bank's assets	32	62,560,304	34,036,344
Other expenses	33	188,321,103	69,248,506
Total operating expenses (B)		730,519,196	451,997,237
Profit/(loss) before provision (C=A-B)		393,770,363	20,437,593
Provision for loans and advances			
General provision		35,353,111	61,386,050
Specific provision		3,801,995	
		39,155,106	61,386,050
Provision for off-balance sheet items		1,248,353	8,999,276
Provision for diminution in value of investments		9,438,686	-
Other provisions		-	
Total provision (D)	34	49,842,145	70,385,326
Total profit/(loss) before tax (C-D)		343,928,218	(49,947,733)
Provision for current tax	12.4	00 220 002	8,224,523
		99,238,083	
Deferred tax expense	12.5	8,343,971	7,654,351
		107,582,054	15,878,874
Net profit/(loss) after tax		236,346,164	(65,826,607)

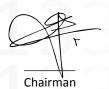
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# **Profit and Loss Account**

For the year ended 31 December 2015

Notes	2015	2014
	Taka	Taka
14	68,785,643	-
	-	-
	68,785,643	-
16	167,560,521	(65,826,607)
37	0.59	-0.16
	14 16	Taka           14         68,785,643           -         68,785,643           16         167,560,521

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



Director

Director

Managing Director & CEO

Signed as per our annex report of same date

Holada The

Howladar Yunus & Co. Chartered Accountants Dated: Dhaka, 31 March 2015





# **Cash Flow Statement**

For the year ended 31 December 2015

		Notes	2015	2014
			Taka	Taka
A)	Cash flows from operating activities			
	Interest receipts in cash		1,804,159,384	791,675,270
	Interest payments		(1,052,366,574)	(334,828,629)
	Dividend receipts		6,987,000	-
	Fees and commission received		60,894,921	26,546,397
	Cash payment to employees		(263,181,531)	(204,847,652)
	Cash payment to suppliers		(7,919,938)	(3,868,602)
	Income tax paid		(27,041,571)	(58,351,840)
	Receipts from other operating activities	35	5,034,088	1,980,443
	Payments for other operating activities	36	(309,811,021)	(211,012,376)
	Cash generated from operating activities before changes in Operating assets and liabilities		216,754,757	7,293,011
	Increase/(decrease) in operating assets and liabilities:			
	Loans and advances to customers		(4,800,526,359)	(5,838,075,827)
	Other assets		(118,713,063)	(60,508,692)
	Deposits from other banks / borrowings		567,550,000	1,392,450,000
	Deposits from customers		5,551,716,677	5,920,038,003
	Other liabilities		355,953,132	19,154,877
			1,555,980,386	1,433,058,362
	Net cash generated from operating activities		1,772,735,143	1,440,351,372
B)	Cash flows from investing activities			
	Payment for Purchase of trading securities		(721,776,896)	(2,740,719,369)
	Gain from sale of securities		235,663,575	6,102,938
	Payment for Purchase of shares and bonds		(870,753,434)	(661,299,262)
	Purchase of property and equipment		(149,303,882)	(163,701,985)
	Net cash used in investing activities		(1,506,170,637)	(3,559,617,678)
0	Cash flows from financing activities			
C)	Receipts from issue of ordinary shares			
	Dividend paid		-	
	Net Cash flows from financing activities		-	
	the cash nows non-maneng activities			



X NRB Bank Not Just Another Bank

# **Cash Flow Statement**

For the year ended 31 December 2015

	Notes	2015	2014
		Taka	Taka
D) Net increase in cash and cash equivalents (A+ B + C)		266,564,507	(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		2,892,961,862	5,012,228,168
G) Cash and cash equivalents at end of the year (D+E+F)		3,159,526,370	2,892,961,862
Cash and cash equivalents at end of the year represents			
Cash in hand (including foreign currencies)		314,838,107	90,334,339
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		917,320,156	441,734,884
Balance with other banks and financial institutions		1,927,128,906	1,620,767,239
Money at call and short notice		-	740,000,000
Prize bond		239,200	125,400
		3,159,526,370	2,892,961,862

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

Chairman

Director

Director

M

Managing Director & CEO

Dated: Dhaka, 31 March 2016



# **Statement of Changes in Equity**

For the year ended 31 December 2015

Particulars	Paid up capital	Statutory reserve	Share premium	Reserve for amortization of treasury securities	Reserve for revaluation of treasury securities	Retained earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1 January 2015	4,000,000,000	5,465,396	I	690,269	23,972,497	(60,827,577)	3,969,300,585
Reserve for amortization of HTM securities	ı		I	(679,455)	ı	I	(679,455)
Reserve for revaluation of HFT securities	I		ı	ı	273,548,531	I	273,548,531
Net profit after tax for the year	ı		ı	ı	ı	236,346,164	236,346,164
Transfer to statutory reserve	I	68,785,643	ı	ı	I	(68,785,643)	I
Balance as at 31 December 2015	4,000,000,000	74,251,039	I	10,814	297,521,028	106,732,944	106,732,944 4,478,515,824
Balance as at 31 December 2014	4,000,000,000	5,465,396	ı	690,269	23,972,497	(60,827,577)	(60,827,577) 3,969,300,585

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

Chairman

Dated: Dhaka, 31 March 2016

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Director

Director

Managing Director & CEO

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Liquidity Statement (Analysis of maturity of assets and liabilities) As at 31 December 2015

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X NRB Bank Not Just Another Bank

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Assets:						
Cash in hand (including balance with Bangladesh Bank and its agent Bank)	1,232,158,263	1	ı	ı		1,232,158,263
Balance with other banks and financial institutions	1,077,128,907	400,000,000	450,000,000	ı	I	1,927,128,907
Money at call and on short notice	I	I	I	ı	I	ı
Investments	369,266,623	200,000,000	430,590,652	541,924,959	3,843,123,746	5,384,905,980
Loans and advances	1,592,103,078	1,173,626,769	4,573,230,872	3,106,794,878	646,660,578	11,092,416,174
Fixed assets including premises, furniture and fix- tures	ı	ı	ı	·	348,348,777	348,348,777
Other assets	476,512	70,594,199	2,530,659	476,062,787	I	549,664,156
Non banking assets	I					ı
Total assets (A)	4,271,133,383	1,844,220,967	5,456,352,183	4,124,782,624	4,838,133,100	20,534,622,257
Liabilities:						
Borrowings from other banks, financial institutions and agents	1,160,000,000	800,000,000	ı	ı	ı	1,960,000,000
Deposits	1,874,107,770	5,404,747,778	5,541,458,513	297,212,369	239,016,915	13,356,543,346
Provision and other liabilities	252,403,417	223,673,281	142,686,985	7,707,490	113,091,914	739,563,087
Total liabilities (B)	3,286,511,188	6,428,421,059	5,684,145,498	304,919,859	352,108,829	16,056,106,433
Net liquidity gap (A - B)	984,622,195	(4,584,200,092)	(227,793,315)	3,819,862,765	4,486,024,271	4,478,515,824

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# **Notes to the Financial Statements**

As at and for the year ended 31 December 2015

### 1. The Bank and its activities

### 1.1 Reporting entity

The NRB Bank Limited ("the Bank") is a private commercial bank (PCB), incorporated as a public limited company in Bangladesh on 19 March 2013 under the Companies Act, 1994. It started its banking business from 04 August 2013 under the license issued by Bangladesh Bank. The Bank has currently 16 branches, 20 ATM booths and 1588 shared ATM booths all over Bangladesh . The Bank had no overseas branches as at 31 December 2015.

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 2015 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 differ with those of BFRS, the requirements of the Bank Shall prevail.

### 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) basis.

i)

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

### iv) Recognition of interest in suspense

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

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

### v) Other comprehensive income

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

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

### vi) Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines 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.

### vii) Repo transactions

**BFRS:** When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a collateralized borrowing and the underlying asset continues to be recognized in the entity's financial statements. This transaction will be treated as borrowing and the difference between selling price and repurchase price will be treated as interest expense.

**Bangladesh Bank:** As per BRPD guidelines, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

### viii) 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.

### ix) 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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### Cash flow statement

x)

**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.

### xi) 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.

### xii) 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.

### xiii) 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 with gain credited to revaluation reserve but loss charged to Profit and Loss Account.

- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using 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 to 31 December 2015.

### 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.

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 unrealized gain booking.
Prize bond	Cost	Cost	None

Investments are stated as per following bases:



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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	2.5%
Contingent assets	1%
Specific provision on:	
Substandard loans and advances other than short term agri credit and micro credit	20%
Doubtful loans and advances other than short term agri credit and micro credit	50%
Bad/loss loans and advances	100%
Substandard short term agri credit and micro credit	5%
Doubtful short term agri credit and micro credit	5%

### 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%
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 and stocks of stationery and stamps.

### 2.14 Borrowings from other banks, financial institutions and agents

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

### 2.15 Deposits and other accounts

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

### 2.16 Other liabilities

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

### 2.17 Contingent liabilities

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

Any present obligation that arises from past events but is not 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 are accounted on accrual basis.

### 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.



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### 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 offbalance 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 are 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 @ 40% as prescribed in the Finance Act, 2015 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. The Commissioner of taxes, LTU, Dhaka has approved the provident fund as a recognized provident fund within the meaning of section 2 (52), read with the provisions of part – B of the first Schedule of Income Tax Ordinance, 1984. The recognition took effect from 30 April 2015.

### **Gratuity fund**

The Bank operates a Gratuity Fund scheme on "Continuing Fund Basis", in respect of which provision is made annually which is covering all its permanent eligible employees in accordance with Bank Service Rules. The Gratuity Fund is managed separately by 'NRB Employees Gratuity Fund Trust' and any investment decision out of this fund is also made by this Trust. The Second Secretary (Tax Exemption), National Board of Revenue, Dhaka has approved the NRB Bank Limited Employees' Gratuity Fund as a recognized Gratuity Fund within the meaning of Para 2,3 & 4, read with the provisions of Part - C of the First Schedule of Income Tax Ordinance 1984. The recognition took effect from August 09, 2015.

### 2.25 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.

### 2.26 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 unreconciled balances within non material level.

### 2.27 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:

### 2.27.1 Credit risk Management

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

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

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

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

### 2.27.2 Foreign exchange risk management

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

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

### 2.27.3 Asset liability Management

The Asset Liability Committee (ALCO) of the Bank monitors market risk and liquidity risk of the Bank. The market risk is defined as potential change in earnings due to change in rate of interest, foreign exchange rates which are not of trading nature. Asset Liability Committee (ALCO) reviews liquidity requirement of the Bank, the maturity of assets and liabilities, deposit and lending, pricing strategy and the liquidity 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.

### 2.27.4 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.

### 2.27.5 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.

### 2.27.6 Internal control & compliance management

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

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

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

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.

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## X NRB Bank Not Just Another Bank

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

Name of the standards	Ref.	Status
Presentation of Financial Statements	BAS-1	Applied
Inventories	BAS-2	Not Applicable
Statements of cash flows	BAS-7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	BAS-8	Applied
Events after the reporting period	BAS-10	Applied
Construction Contracts	BAS-11	Not Applicable
Income Taxes	BAS-12	Applied
Property, Plant and Equipment	BAS-16	Applied
Leases	BAS-17	Applied
Revenue	BAS-18	Applied
Employee Benefits	BAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	BAS-20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	BAS-21	Applied
Borrowing Costs	BAS-23	Applied
Related Party Disclosures	BAS-24	Applied
Accounting and reporting by retirement benefit plans	BAS-26	Applied
Consolidated and Separate Financial Statements	BAS-27	Not Applicable
Investments in Associates	BAS-28	Not Applicable
Interests in Joint Ventures	BAS-31	Not Applicable
Financial Instruments: Presentation	BAS-32	Applied
Earnings Per Share	BAS-33	Applied
Interim Financial Reporting	BAS-34	Applied
Impairments of Assets	BAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS-37	Applied
Intangible Assets	BAS-38	Applied
Financial Instruments: Recognition and Measurement	BAS-39	Applied
Investment property	BAS-40	Not Applicable
Agriculture	BAS-41	Not Applicable
First-time adoption of Bangladesh Financial Reporting Standards	BFRS-1	Not applicable
Share based Payment	BFRS-2	Not applicable
Business Combination	BFRS-3	Not applicable
Insurance Contracts	BFRS-4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	BFRS-5	Not applicable
Exploration for and Evaluation of Mineral Resources	BFRS-6	Not applicable
Financial Instruments: Disclosures	BFRS-7	Applied
Operating Segments	BFRS-8	Not applicable

### 2.29 Approval of financial statements

The financial statements were reviewed by the Audit Committee of the Board of NRB Bank Limited in its 12th meeting held on 30 March 2016 and subsequently approved by the Board in its 36th meeting held on 31 March 2016.

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# **Notes to the Financial Statements**

As at and for the year ended 31 December 2015

		2015	2014
		Taka	Taka
3	Cash		
3.1	Cash in hand (including foreign currencies)		
	Local currency	298,472,492	86,281,872
	Foreign currencies	16,365,615	4,052,467
		314,838,107	90,334,339
3.2	Balance with Bangladesh Bank and its agent Bank(s)		
	(including foreign currencies)		
	Local currency	863,906,699	407,320,898
	Foreign currencies	53,413,457	34,413,985
		917,320,156	441,734,884

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

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 August 25, 2005, MPD circular no. 4 dated 01 December 2010 and MPD Circular no. 1 dated 23 June 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	776,718,560	364,048,170
	Actual reserve maintained*	864,150,525	407,375,353
	Surplus / (deficit)	87,431,965	43,327,183
	* As per Banladesh Bank Statements		
3.3.2	Statutory Liquidity Ratio (SLR)		
	Required reserve (including CRR)	2,270,408,108	1,092,144,500
	Actual reserve maintained (including CRR)	5,031,841,916	2,874,323,140
	Surplus / (deficit)	2,761,433,808	1,782,178,640



As at and for the year ended 31 December 2015

		2015	2014
		Taka	Taka
3.3.3	Actual reserve held		
	Cash in hand	314,838,107	90,334,339
	Balance with Bangladesh Bank (local Currency)	864,150,525	407,375,353
	Unencumbered approved securities (HFT)	2,393,518,055	1,857,583,406
	Unencumbered approved securities (HTM)	1,459,096,029	518,904,642
	Unencumbered approved securities (other eligible)	239,200	125,400
		5,031,841,916	2,874,323,140
4	Balance with other banks and financial institutions		
	In Bangladesh	1,852,636,347	1,592,454,132
	Outside Bangladesh	74,492,560	28,324,193
		1,927,128,907	1,620,778,325
4.1	In Bangladesh		
+.1			
	In Current Accounts with Trust Bank Limited	F 00F 004	2 110 112
	Brac Bank Limited	5,905,904	2,118,113 2,131,777
	Eastern Bank Limited	2,876,148	
		5,148,118 <b>13,930,170</b>	1,601,337 <b>5,851,22</b> 7
	In Short Term Deposit Accounts with	13,530,170	5,851,227
	Eastern Bank Limited	123,888,124	66,596,013
	Eastern Bank Limited	12,408,899	19,319,199
	The City Bank Limited	2,001,626	303,847
	Standard Bank Limited	407,528	383,846
		138,706,177	86,602,905
	In Fixed Deposit Accounts with banks and NBFIs		
	With banks		
	National Bank of Pakistan	250,000,000	
	Modhumoti Bank Ltd	100,000,000	
	Pubali Bank Limited	-	250,000,000
		350,000,000	250,000,000
	With financial institutions:		
	People's Leasing & Financial Services Ltd.	400,000,000	100,000,000
	Prime Finance & Investment Ltd.	-	,000,000
	IIDFC Limited	_	100,000,000
			_00,000,000

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# **Notes to the Financial Statements**

As at and for the year ended 31 December 2015

			2015	2014
			Taka	Taka
	MIDAS Financing Ltd.		-	50,000,000
	Bangladesh Industrial Finance Co Limited		100,000,000	100,000,000
	Reliance Finance Limited		200,000,000	100,000,000
	Lanka bangla Finance Ltd		-	50,000,000
	Hajj Finance Ltd		-	100,000,000
	Bangladesh Finance & Investment Co Limited	l	-	50,000,000
	Premier Leasing & Finance Limited		100,000,000	100,000,000
	First Lease Finance & investment		250,000,000	100,000,000
	Fareast Finance & Investment Limited		50,000,000	50,000,000
	Union Capital Limited		100,000,000	250,000,000
	International Leasing and Finance Ltd		100,000,000	
			1,350,000,000	1,250,000,000
			1,852,636,347	1,592,454,132
4.2	Outside Bangladesh			
	Current account			
	Habib American Bank, New York	USD	46,028,193	46,417,502
	United Bank of India	EURO	171,633	189,574
	United Bank of India	USD	1,783,432	(24,258,910)
	Mizhuo Bank Ltd, Japan	JPY	233,839	288,682
	Mashreq Bank PSC, New York	USD	24,580,153	1,696,059
	Mashreq Bank PSC, UK	GBP	1,120,286	3,708,504
	Mashreq Bank PSC ,UK	EUR	182,522	282,782
	AB Bank Limited, Mumbai	USD	392,502	
			74,492,560	28,324,193
	Details are shown in Annexure-B			
4.3	Maturity grouping of balance with other banks ar	nd financial institutions		
	On demand		1,077,128,907	620,778,325
	In more than one month but not more than t	hree months	400,000,000	680,000,000
	In more than three months but not more tha	n one year	450,000,000	320,000,000
	In more than one year but not more than five	e years	-	-
	More than 5 years		-	
			1,927,128,907	1,620,778,325
5	Money at call and short notice			
	Banking company		-	-
	Non-banking financial institutions		-	740,000,000
				740,000,000

6

6.a

6.1

6.1.1

# **Notes to the Financial Statements**

As at and for the year ended 31 December 2015

	Taka	Taka
Banking company	-	-
Non-banking financial institutions		
Delta Brac Housing Finance Corporation Ltd.	-	200,000,000
Lanka Bangla Finance Ltd	-	40,000,000
Industrial and Infrastructure Development Finance Company	-	150,000,000
International Leasing And Financial Services Limited	-	90,000,000
Bangladesh Industrial Finance Company Limited	-	50,000,000
Prime Finance & Investment Ltd	-	160,000,000
Fareast Finance & Investment Ltd	-	50,000,000
	-	740,000,000
<hr/>	-	740,000,000
Investments		
Government ( Note 6.1)	3,852,853,284	2,858,207,312
Others (Note 6.2)	1,532,052,696	661,299,262
	5,384,905,980	3,519,506,574
Investments classified as per Bangladesh Bank Circular:		
Held for trading (HFT)	2,393,518,055	1,857,687,956
Held to maturity (HTM)	1,459,096,029	517,978,220
Other securities	1,532,291,896	1,143,840,398
	5,384,905,980	3,519,506,574
Government (Investment in govt. securities)		
Treasury bill	-	136,297,769
Treasury bonds	3,852,614,084	2,239,368,407
Assured liquidity support	-	482,415,736
Prize Bonds	239,200	125,400
	3,852,853,284	2,858,207,312
Treasury bills	-,,,	_,,
91 days treasury bills	-	
182 days treasury bills	-	58,982,706
364 days treasury bills	-	77,315,063
		136,297,769

As at and for the year ended 31 December 2015

		2015	2014
		Taka	Taka
6.1.2	Treasury bonds		
	2 years treasury bond	51,730,940	-
	5 years treasury bond	157,403,441	329,110,024
	10 years treasury bond	869,955,552	1,182,266,612
	15 years treasury bond	850,883,085	557,909,270
	20 years treasury bond	1,922,641,066	170,082,501
		3,852,614,084	2,239,368,407
6.2	Others		
	Corporate bonds (6.2.1)	513,000,000	513,000,000
	Ordinary Shares and Mutual Funds (6.2.2)	369,052,696	148,299,262
	Preference Share (6.2.3)	50,000,000	-
	Commercial Paper (6.2.4)	600,000,000	-
		1,532,052,696	661,299,262
6.2.1	Corporate bonds		
	Mercantile Bank Limited	200,000,000	200,000,000
	City Bank Limited	313,000,000	313,000,000
		513,000,000	513,000,000
6.2.2	Ordinary Shares and Mutual Funds		
	Quoted Shares		
	ACI Limited	5,805,487	-
	Active Fine Chemicals Limited	119,808,800	90,000,000
	Apex Footwear Limited	2,044,859	-
	Baraka Power Limited	3,609,100	-
	Far East Knitting & Dyeing Industries Limited	9,387,300	-
	Grameenphone Limited	40,598,017	-
	Heidelberg Cement Bd. Limited	12,793,097	-
	IDLC Finance Limited	6,243,000	-
	Jamuna Oil Company Limited	10,401,000	-
	Khulna Power Company Limited	15,237,133	-
	Lafarge Surma Cement Limited	1,160,900	-
	MJL Bangladesh Limited	4,472,775	-
	Saif Powertec Limited	3,557,000	-
	Singer Bangladesh Limited	23,569,000	15,200,995
	Square Pharmaceuticals Ltd.	42,529,917	5,837,800
	Summit Power Limited	6,064,600	-
	The City Bank Limited	15,784,000	-
	Uttara Finance And Investments Limited	9,631,500	-
	Titas Gas Transmission & Distribution Co. Limited	-	26,320,000
	Benal Windsor Trermoplastices Limited	-	5,716,729
		332.697.486	143.075.524

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As at and for the year ended 31 December 2015

		2015	2014
		Taka	Taka
	Mutual Funds		
	AIMS Ist Mutual Fund	22,440,000	4,396,098
	LR Global Bangladesh Mutual Fund One	13,835,573	-
		36,275,573	4,396,098
	Free fund available	79,637	827,640
		369,052,696	148,299,262
	Details are shown in Annexure-C		
6.2.3	Preference Share		
	Union Capital Limited	50,000,000	-
		50,000,000	
6.2.4	Commercial Paper		
	Bangla Track	200,000,000	-
	Max Infrastructure	200,000,000	-
	GPH Isphat Ltd.	200,000,000	-
		600,000,000	-

### 6.3 (i) Disclosure regarding outstanding Repo as on 31 December 2015

Counter party name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
Agrani Bank Limited	28-12-2015	4-1-2016	597,103,068
Janata bank Limited	29-12-2015	3-1-2016	356,039,447
Basic bank Limited	31-12-2015	3-1-2016	566,452,973
Total			1,519,595,487

### (ii) Disclosure regarding outstanding Reverse Repo as on 31 December 2015

There is no outstanding Reverse Repo as at 31 December 2015 with the Bank.

(iii) Disclosure regarding overall transaction of Repo and Reverse repo

Counter party name	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under repo:			
With Bangladesh Bank	196,673,504	401,072,659	1,637,660
With other Banks & Financial Institutions	207,941,907	2,540,556,758	352,943,700
Securities purchased under reverse repo:			
With Bangladesh Bank	-	-	-
With other Banks & Financial Institutions	31,627,848	302,776,511	3,870,129

As at and for the year ended 31 December 2015

		2015	2014
		Taka	Taka
6.4	Maturity-wise grouping of investments		
	On demand	369,266,623	481,589,824
	In more than one month but not more than three months	200,000,000	137,492,275
	In more than three months but not more than one year	430,590,652	56,952,270
	In more than one year but not more than five years	541,924,959	217,937,509
	In more than five years	3,843,123,746	2,625,534,695
		5,384,905,980	3,519,506,573
7	Loans and advances	-,,	
	Loans, cash credit, overdrafts etc. (Note 7.1)	11,086,048,229	6,291,889,815
	Bills purchased and discounted	6,367,945	-
		11,092,416,174	6,291,889,815
7.1	Loans, cash credit, overdrafts etc.		
	Inside Bangladesh		
	Loans (General)	9,329,005,488	5,864,370,872
	Cash credit	-	-
	Overdraft	1,659,555,436	318,502,246
	Staff Loan	97,487,305	109,016,697
		11,086,048,229	6,291,889,815
	Outside Bangladesh	-	-
		11,086,048,229	6,291,889,815
7.2	Maturity-wise grouping of loans and advances		
	On demand	1,592,103,077	807,211,154
	In more than one month but not more than three months	1,173,626,769	235,630,106
	In more than three months but not more than one year	4,573,230,872	3,241,512,358
	In more than one year but not more than five years	3,106,794,878	1,613,333,709
	In more than five years	646,660,578	394,202,487
7.3	Loans and advances on the basis of significant concentration	11,092,416,174	6,291,889,815
7.3.1	Loans and advances to Directors, executives and others		
7.5.1	Advance to Directors and their allied concerns	32,130	_
	Advances to CEO & Managing Director	8,671,873	9,329,180
	Advances to Other executives and staffs	88,888,150	99,687,517
	Advances to Customers	3,788,903,370	1,789,949,400
	Industrial Advances	7,205,920,652	4,392,923,718
		11,092,416,174	6,291,889,815

### 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 2015.

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# As at and for the year ended 31 December 2015

		2015	2014
		Taka	Taka
		4.0	
	Number of the clients	18	8
	Amount of outstanding loans and advances	5,166,812,544	3,294,109,397
	Amount of classified loans and advances	-	-
		5,166,812,544	3,294,109,397
7.3.3	Industry-wise concentration of loans and advances		
	Commercial and Trading	1,303,626,557	930,166,930
	Importer of Commodity	880,650,995	65,985,650
	Construction	430,216,667	-
	Edible Oil Refinery Industry	-	-
	Electronics Goods	131,649,542	39,749,144
	Individuals	749,127,696	374,491,613
	Pharmaceuticals Industries	148,208,427	138,785,364
	Readymade Garments Industry	108,059,308	2,734,951
	Ship Breaking Industry	-	-
	Industries for Steel products	44,210,527	99,766,446
	Telecommunication Sector	-	-
	Textile Mills	746,856,700	554,340,802
	Power Sector	-	-
	Others	6,549,809,756	4,085,868,915
		11,092,416,174	6,291,889,815
7.3.4	Sector-wise concentration of loans and advances		
	Government	-	-
	Other public sector	51,728,784	99,766,446
	Private sector	11,040,687,390	6,192,123,369
		11,092,416,174	6,291,889,815
7.3.5	Business segment-wise concentration of loans and advances	//	
	Corporate	5,645,804,826	4,933,826,514
	SME	4,697,483,652	983,571,688
	Consumer	651,567,672	265,474,916
	Executives and staff	97,560,023	109,016,697
		11,092,416,174	6,291,889,815
7.3.6	Geographical location-wise concentration of loans and advances		
	Dhaka Division	9,281,528,419	4,556,852,387
	Chittagong Division	1,728,913,306	1,685,574,351
	Sylhet Division	76,395,944	48,688,969
	Rajshahi Division	5,578,504	774,109
	Khulna Division		
		11,092,416,174	6,291,889,815
		11,032,410,174	0,231,003,013



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2015

# **Notes to the Financial Statements**

As at and for the year ended 31 December 2015

		Taka	Taka
7.3.7	Security/Collateral-wise concentration of loans and advances		
	Collateral of movable/immovable assets	5,174,183,268	2,073,337,187
	Local Banks and financial institutions guarantee	-	-
	Government guarantee	-	-
	Foreign bank guarantee	-	-
	Export documents	-	-
	Fixed deposit receipts	1,351,659,134	674,571,696
	FDR of other banks	-	-
	Government bonds	-	-
	Personal guarantee	1,758,446,799	1,364,469,939
	Other securities	2,808,126,973	2,179,510,993
		11,092,416,174	6,291,889,815
7.3.8	Classified, unclassified, doubtful and bad loans & advances	11,092,416,174	6,291,889,815
7.3.8	Classified, unclassified, doubtful and bad loans & advances	11,092,416,174	6,291,889,815
7.3.8	Classified, unclassified, doubtful and bad loans & advances Unclassified	11,092,416,174	6,291,889,815
7.3.8		<b>11,092,416,174</b> 10,995,635,897	<b>6,291,889,815</b> 6,291,733,858
7.3.8	Unclassified		R
7.3.8	Unclassified Standard (Including Staff Loan)	10,995,635,897	6,291,733,858 155,957
7.3.8	Unclassified Standard (Including Staff Loan)	10,995,635,897 74,639,981	6,291,733,858 155,957
7.3.8	<b>Unclassified</b> Standard (Including Staff Loan) Special Mention Accounts (SMA)	10,995,635,897 74,639,981	6,291,733,858 155,957
7.3.8	Unclassified Standard (Including Staff Loan) Special Mention Accounts (SMA) Classified	10,995,635,897 74,639,981 11,070,275,878	6,291,733,858 155,957
7.3.8	Unclassified Standard (Including Staff Loan) Special Mention Accounts (SMA) Classified Sub-standard	10,995,635,897 74,639,981 11,070,275,878 12,063,038	6,291,733,858 155,957
7.3.8	Unclassified Standard (Including Staff Loan) Special Mention Accounts (SMA) Classified Sub-standard Doubtful	10,995,635,897 74,639,981 11,070,275,878 12,063,038 8,937,660	6,291,733,858



As at and for the year ended 31 December 2015

2015	2014
Taka	Taka

### 7.3.9 Particulars of required provision for loans and advances

Status	Outstanding	Base for provision	Rate (%)	Required provision December 2015	Required provision December 2014
All unclassified loans (Other than Small & Medium enterprise Financing, Consumer Financing,BHs/MBs/ SDs, Housing & Ioans for professional)	5,127,784,406	5,127,784,406	1%	51,277,844	54,313,686
Small & Medium enterprise financing	4,661,414,975	4,661,414,975	0.25%	11,653,537	2,458,929
Housing & loan for professional	454,977,184	454,977,184	2%	9,099,544	
Consumer finance	373,390,913	373,390,913	5%	18,669,546	7,992,106
Short Term Agricultural credit and Microcredit	280,508,396	280,508,396	2.50%	7,012,710	2
Special Mentioned Account (SMA)	74,639,981	74,639,981	0.25% -5%	2,412,450	7,798
Staff Loan	97,560,023	97,560,023	-	-	-
Total	11,070,275,879			100,125,631	64,772,519

### Provision required for off-balance sheet items (General Provision)

Name of Exposure	Outstanding	Rate (%)	Required provision December 2015	Required provision December 2014
Acceptances and endorsements	268,471,645	1%	2,684,716	3,367,661
Letters of guarantee	241,204,274	1%	2,412,043	1,184,718
Irrevocable letters of credit	489,892,050	1%	4,898,920	4,421,969
Bills for collection	25,407,470	1%	254,075	27,053
Total	1,024,975,439		10,249,754	9,001,401
otal required provision for unclassifie nce sheet items)	-bal-	110,375,385		
Provision maintained for unclassified a heet items)	lance	110,375,385		
Excess/(Short) provision at 31 Decem	ber 2015		-	



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Sta	itus	Outstanding	Base for provision	Rate (%)	Required provision December 2015	Required provision December 2014
Sub	-standard	12,063,039	11,382,553	20%	2,276,511	-
Dou	ıbtful	8,937,660	2,709,089	50%	1,354,545	-
Bad	/Loss	1,139,598	170,940	100%	170,940	-
Tota	al	22,140,296	14,262,582		3,801,995	-
Tota	l provision maintair	ned for classified asse	ets:			
		Sub Standard	ł		2,276,511	-
		Doubtful			1,354,545	-
		Bad/loss			170,940	
					3,801,995	-
Exce	ss/(Short) of provis	ion			-	
	iculars of loans and					
i)	Loans considere fully secured	ed good in respect of	6,525,842,402	2,747,908,883		
ii)	Loans considered good against which the bank holds no security other than the debtors' personal guarantee				1,758,446,799	1,364,469,939
iii)	<ul> <li>Loans considered good secured by the personal under- takings of one or more parties in addition to the personal guarantee of the debtor</li> </ul>				2,808,126,973	2,179,510,993
iv)				-	-	
					11,092,416,174	6,291,889,815
V)		rectors or officers of parately or jointly with	97,560,023	109,016,697		
vi)	or officers of th	companies or firms i e bank have interest a ents or in case of priv	-	R		
vii)	i) 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.				97,560,023	109,016,697
viii)	advances grant firms in which t directors, partn	amount of advances ed during the year to he directors of the ba ers or managing ager ies, as members.	-	12		
	private company	nes, as members.				

7.3.10



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X NRB Bank

x)

xi)

7.4

7.4.1

8

9

a)

b)

c)

Bills purchased and discounted

Payable outside Bangladesh

Payable in Bangladesh

Payable within 1 month

More than 6 months

Furniture and fixtures

Machinery and Equipment

Less: Accumulated depreciation

Details are shown in Annexure-A

Income generating other assets Income receivable (Note-9.1)

Deferred pre-operating expenses

Advances to staff for expenses

Security deposits with other entities

**Non-income generating other assets** Stationery, stamps, printing materials, etc.

Written down value at the end of the year

Cost:

Vehicle

Software

Other assets

Prepaid expenses

Advance income tax

Advances to vendors

Advance rent

Patents

**Notes to the Financial Statements** 

Classified loans for which interest has not been charged:

loans previously written off

Amount written off during the year

Cumulative amount of written off loans

Maturity-wise grouping of bills purchased and discounted

Fixed assets including premises, furniture and fixtures

**Opening Balance** 

**Closing Balance** 

More than 1 month but less than 3 months

More than 3 months but less than 6 months

**Computer and Network Equipment** 

(Decrease)/increase of provision (specific) Amount

Provision kept against loans classified as bad debts

of loan written off Amount realized against the

Interest credited to interest suspense account

The amount of written off loans for which law suit has been filed

2015

Taka

3,801,995

2,010,942

6,367,945

6,367,945

1,514,809

2,251,477

2,601,659

6,367,945

85,256,264

36,588,970

77,066,179

110,000 447,030,358

134,549,400

98,681,581

348,348,777

249,149,553

691,836

9,076,806

6,175,572

125,121,167

106,862,162

39,741,126

353,852

113,459,545

2014

Taka

73,958,730

86,740,023

21,949,670

49,796,608

65,171,446

297,726,477

38,343,117

259,383,360

142,373,214

901,240

6,214,349

77,686,608

6,175,572

79,820,592

79,276,798

444,802

133,209,678

110,000

As at and for the year ended 31 December 2015

As at and for the year ended 31 December 2015

Dividend Receivable on preference share Cash & ATM receivable Receivable against Sanchaypatra Others

2015	2014
Taka	Taka
7,442,500	-
629,721	502,679
4,147,989	-
271,871	1,271,277
549,664,156	527,876,809

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**9.1** 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		
In Bangladesh	1,960,000,000	1,392,450,000
Outside Bangladesh	-	-
	1,960,000,000	1,392,450,000
In Bangladesh		
Rupali Bank Ltd	200,000,000	330,000,000
Janata Bank Ltd	-	50,000,000
Dutch Bangla Bank Ltd	290,000,000	377,950,000
Basic Bank Ltd	-	150,000,000
SBAC Ltd	-	50,000,000
Bangladesh Bank against Assured Liquidity Support	-	434,500,000
Bank Asia Ltd	380,000,000	-
Brac Bank Ltd	300,000,000	-
Modhumoti Bank Ltd	300,000,000	-
Marcentile Bank Ltd	200,000,000	-
One Bank Ltd	250,000,000	-
Southeast Bank Ltd	40,000,000	-
	1,960,000,000	1,392,450,000
Outside Bangladesh	-	-
	1,960,000,000	1,392,450,000

10

As at and for the year ended 31 December 2015

Bills payable       (Note: 11.2)       31,368,871       61,196,         Savings bank deposits       (Note: 11.3)       863,962,753       399,750,         Fixed deposits       (Note: 11.4)       11,669,850,313       7,029,113, <b>11.1</b> Current deposits and other accounts, etc.       Image: Constraint of the constr					
11       Deposits and other accounts       (Note: 11.1)       791,361,409       314,766,         Bills payable       (Note: 11.2)       31,368,871       61,196,         Savings bank deposits       (Note: 11.3)       863,962,753       399,750,         Fixed deposits       (Note: 11.4)       11,669,850,313       7,029,113,         Fixed deposits and other accounts, etc.       11,669,850,313       7,029,113,         Current deposits and other accounts, etc.       735,655,397       242,932,         Current accounts       735,655,397       242,932,         Foreign currency deposits       24,837,699       9,297,         Deposit margin on facilities       30,868,313       62,537,         11.2       Bills payable       11,368,871       61,196,         Local currency       71,361,409       314,766,         Foreign currencies       170,548,196       80,604,         NRB savers       170,548,196       80,604,         NRB power savers       483,303,693       272,475,         NRB faff       11,403,711       11,460,         NRB my savings       62,311,982       18,568,         NRB my salary       16,133,862       1,029,         NRB my early       37,458,366       14,089,      <				2015	2014
Current deposits and other accounts, etc.       (Note: 11.1)       791,361,409       314,766,         Bills payable       (Note: 11.2)       31,368,871       61,196,         Savings bank deposits       (Note: 11.3)       863,962,753       399,750,         Fixed deposits       (Note: 11.4)       11,669,850,313       7,029,113,         Fixed deposits and other accounts, etc.       11.1       Current deposits and other accounts, etc.       735,655,397       242,932,         Current accounts       735,655,397       242,932,       792,361,409       9,297,         Deposit margin on facilities       730,868,313       62,537,       9,297,         Deposit margin on facilities       31,368,871       61,196,         Local currency       31,368,871       61,196,         Foreign currencies       -       -       -         NRB savers       170,548,196       80,604,         NRB power savers       483,303,693       272,475,         NRB faff       11,403,711       11,460,         NRB my savings       62,311,982       18,568,         NRB my salary       16,133,862       1,029,         NRB my salary       16,133,862       1,029,         NRB mar shopno       52,514       -				Taka	Taka
Current deposits and other accounts, etc.       (Note: 11.1)       791,361,409       314,766,         Bills payable       (Note: 11.2)       31,368,871       61,196,         Savings bank deposits       (Note: 11.3)       863,962,753       399,750,         Fixed deposits       (Note: 11.4)       11,669,850,313       7,029,113,         Till       Current deposits and other accounts, etc.       11,669,850,313       7,029,113,         Current accounts       735,655,397       242,932,         Foreign currency deposits       24,837,699       9,297,         Deposit margin on facilities       30,868,313       62,537,         Till       Bills payable       11,969,850,313       61,196,         Local currency       31,368,871       61,196,         Foreign currencies       -       -       11,969,851         NRB savers       170,548,196       80,604,         NRB power savers       483,303,693       272,475,         NRB faff       11,403,711       11,460,         NRB my salary       16,133,862       1,029,         NRB my salary       16,133,862       1,029,         NRB mar shopno       52,514       -					
Bills payable       (Note: 11.2)       31,368,871       61,196,         Savings bank deposits       (Note: 11.3)       863,962,753       399,750,         Fixed deposits       (Note: 11.4)       11,669,850,313       7,029,113,         11.1       Current deposits and other accounts, etc.       735,655,397       242,932,         Current accounts       735,655,397       242,932,         Foreign currency deposits       30,868,313       62,537,         Deposit margin on facilities       30,868,313       62,537,         11.2       Bills payable       791,361,409       314,766,         Local currency       31,368,871       61,196,         Foreign currencies       -       -       -         NRB savers       170,548,196       80,604,         NRB power savers       483,303,693       272,475,         NRB savers       11,403,711       11,460,         NRB my savings       62,311,982       18,568,         NRB my study       2,983,549       1,521,         NRB my salary       16,133,862       1,029,         NRB my early       37,458,366       14,089,         NRB amar shopno       52,514       -	11	Deposits and other accounts			
Savings bank deposits       (Note: 11.3)       863,962,753       399,750,         Fixed deposits       (Note: 11.4)       11,669,850,313       7,029,113, <b>11.1 Current deposits and other accounts, etc. 13,356,543,346 7,804,826, 11.1 Current deposits and other accounts, etc. 735,655,397</b> 242,932,         Foreign currency deposits       24,837,699       9,297,         Deposit margin on facilities       30,868,313       62,537, <b>11.2 Bills payable 11.2 31,368,871</b> 61,196,         Local currency       31,368,871       61,196, <b>61,196,</b> Foreign currencies <b>31,368,871</b> 61,196, <b>72,2475,</b> NRB savers       170,548,196       80,604, <b>80,604,</b> NRB power savers       483,303,693       272,475, <b>80,604,</b> NRB power savers       11,403,711       11,460,       11,403,711       11,460,         NRB sataff       11,403,711       11,460,       11,403,711       11,460,         NRB my savings       62,311,982       18,568,       14,089,         NRB my salary       16,133,862       1,029,       14,089,         NRB my early       37,458,36		Current deposits and other accounts, etc.	(Note: 11.1)	791,361,409	314,766,713
Fixed deposits       (Note: 11.4)       11,669,850,313       7,029,113,         11.1       Current deposits and other accounts, etc.       13,356,543,346       7,804,826,         Current accounts       735,655,397       242,932,         Foreign currency deposits       24,837,699       9,297,         Deposit margin on facilities       30,868,313       62,537,         11.2       Bills payable       791,361,409       314,766,         Local currency       31,368,871       61,196,         Foreign currencies       31,368,871       61,196,         NRB savers       170,548,196       80,604,         NRB power savers       483,303,693       272,475,         NRB staff       11,403,711       11,460,         NRB my savings       62,311,982       18,568,         NRB my savings       62,311,982       18,568,         NRB my salary       16,133,862       1,029,         NRB my early       37,458,366       14,089,         NRB pearl       79,766,880       14,089,         NRB amar shopno       52,514       14,089,		Bills payable	(Note: 11.2)	31,368,871	61,196,277
13,356,543,346       7,804,826,         11.1       Current deposits and other accounts, etc.       735,655,397       242,932,         Current accounts       735,655,397       242,932,         Foreign currency deposits       30,868,313       62,537,         Deposit margin on facilities       30,868,313       62,537,         11.2       Bills payable		Savings bank deposits	(Note: 11.3)	863,962,753	399,750,360
11.1       Current deposits and other accounts, etc.         Current accounts       735,655,397       242,932,         Foreign currency deposits       24,837,699       9,297,         Deposit margin on facilities       30,868,313       62,537,         791,361,409       314,766,         11.2       Bills payable       -         Local currency       31,368,871       61,196,         Foreign currencies       -       -         11.3       Savings bank deposits       -         NRB savers       170,548,196       80,604,         NRB power savers       483,303,693       272,475,         NRB staff       11,403,711       11,460,         NRB my savings       62,311,982       18,568,         NRB my salary       16,133,862       1,029,         NRB my early       37,458,366       14,089,         NRB pearl       79,766,880       14,089,         NRB amar shopno       52,514       -		Fixed deposits	(Note: 11.4)	11,669,850,313	7,029,113,319
Current accounts       735,655,397       242,932,         Foreign currency deposits       24,837,699       9,297,         Deposit margin on facilities       30,868,313       62,537,         791,361,409       314,766,       791,361,409         11.2       Bills payable       791,361,409       314,766,         Local currency       31,368,871       61,196,       61,196,         Foreign currencies       31,368,871       61,196,       61,196,         11.3       Savings bank deposits       31,368,871       61,196,         NRB savers       170,548,196       80,604,         NRB power savers       483,303,693       272,475,         NRB fif       11,403,711       11,460,         NRB my savings       62,311,982       18,568,         NRB my savings       62,311,982       18,568,         NRB my salary       16,133,862       1,029,         NRB my early       37,458,366       14,089,         NRB pearl       79,766,880       79,766,880         NRB amar shopno       52,514       14				13,356,543,346	7,804,826,669
Current accounts       735,655,397       242,932,         Foreign currency deposits       24,837,699       9,297,         Deposit margin on facilities       30,868,313       62,537,         791,361,409       314,766,         11.2       Bills payable       731,368,871       61,196,         Local currency       31,368,871       61,196,       61,196,         Foreign currencies       31,368,871       61,196,       61,196,         NRB savers       170,548,196       80,604,       80,604,         NRB power savers       483,303,693       272,475,       80,604,         NRB power savers       62,311,982       11,460,       80,604,         NRB my savings       62,311,982       18,568,       11,460,         NRB my savings       62,311,982       18,568,       14,069,         NRB my salary       16,133,862       1,029,       1,029,         NRB my early       37,458,366       14,089,       14,089,         NRB pearl       79,766,880       14,089,       14,089,         NRB amar shopno       52,514       14,089,       14,089,					
Foreign currency deposits       24,837,699       9,297,         Deposit margin on facilities       30,868,313       62,537,         791,361,409       314,766,         11.2       Bills payable       791,361,409         Local currency       31,368,871       61,196,         Foreign currencies       -       -         11.3       Savings bank deposits       -       -         NRB savers       170,548,196       80,604,         NRB power savers       483,303,693       272,475,         NRB staff       11,403,711       11,460,         NRB my savings       62,311,982       18,568,         NRB my study       2,983,549       1,521,         NRB my salary       16,133,862       1,029,         NRB my early       37,458,366       14,089,         NRB pearl       79,766,880       14,089,         NRB amar shopno       52,514       -	11.1	Current deposits and other accounts, etc.			
Deposit margin on facilities       30,868,313       62,537,         791,361,409       314,766,         11.2       Bills payable       31,368,871         Local currency       31,368,871       61,196,         Foreign currencies       -       -         11.3       Savings bank deposits       -       -         NRB savers       170,548,196       80,604,         NRB power savers       483,303,693       272,475,         NRB staff       11,403,711       11,460,         NRB my savings       62,311,982       18,568,         NRB my savings       62,311,982       18,568,         NRB my savings       62,311,982       18,568,         NRB my salary       16,133,862       1,029,         NRB my early       37,458,366       14,089,         NRB pearl       79,766,880       14,089,         NRB amar shopno       52,514		Current accounts		735,655,397	242,932,088
791,361,409       314,766,         11.2       Bills payable       -         Local currency       31,368,871       61,196,         Foreign currencies       -       -         11.3       Savings bank deposits       -       -         NRB savers       170,548,196       80,604,         NRB power savers       483,303,693       272,475,         NRB staff       11,403,711       11,460,         NRB my savings       62,311,982       18,568,         NRB my savings       62,311,982       18,568,         NRB my savings       16,133,862       1,029,         NRB my salary       16,133,862       1,029,         NRB my early       37,458,366       14,089,         NRB pearl       79,766,880       52,514		Foreign currency deposits		24,837,699	9,297,284
11.2       Bills payable       31,368,871       61,196,         Local currency       31,368,871       61,196,         Foreign currencies       31,368,871       61,196,         11.3       Savings bank deposits       31,368,871       61,196,         NRB savers       170,548,196       80,604,         NRB power savers       483,303,693       272,475,         NRB staff       11,403,711       11,460,         NRB my savings       62,311,982       18,568,         NRB my savings       62,311,982       18,568,         NRB my salary       16,133,862       1,029,         NRB my early       37,458,366       14,089,         NRB pearl       79,766,880       14,089,         NRB amar shopno       52,514       14,089,		Deposit margin on facilities		30,868,313	62,537,341
Local currency Foreign currencies         31,368,871         61,196, <b>31,368,871</b> 61,196,         31,368,871         61,196, <b>31,368,871</b> 61,196,         31,368,871         61,196, <b>11.3</b> Savings bank deposits         31,368,871         61,196,           NRB savers         170,548,196         80,604,           NRB power savers         170,548,196         80,604,           NRB power savers         483,303,693         272,475,           NRB staff         11,403,711         11,460,           NRB my savings         62,311,982         18,568,           NRB my savings         62,311,982         18,568,           NRB my study         2,983,549         1,521,           NRB my salary         16,133,862         1,029,           NRB my early         37,458,366         14,089,           NRB pearl         79,766,880         14,089,           NRB amar shopno         52,514         1				791,361,409	314,766,713
Foreign currencies         Image: solution of the solution of	11.2	Bills payable			
31,368,871       61,196,         11.3       Savings bank deposits       170,548,196       80,604,         NRB savers       170,548,196       80,604,         NRB power savers       483,303,693       272,475,         NRB staff       11,403,711       11,460,         NRB my savings       62,311,982       18,568,         NRB my study       2,983,549       1,521,         NRB my salary       16,133,862       1,029,         NRB my early       37,458,366       14,089,         NRB pearl       79,766,880       52,514		Local currency		31,368,871	61,196,277
11.3       Savings bank deposits       170,548,196       80,604,         NRB savers       170,548,196       80,604,         NRB power savers       483,303,693       272,475,         NRB staff       11,403,711       11,460,         NRB my savings       62,311,982       18,568,         NRB my study       2,983,549       1,521,         NRB my salary       16,133,862       1,029,         NRB my early       37,458,366       14,089,         NRB pearl       79,766,880       52,514		Foreign currencies		-	-
NRB savers       170,548,196       80,604,         NRB power savers       483,303,693       272,475,         NRB staff       11,403,711       11,460,         NRB my savings       62,311,982       18,568,         NRB my study       2,983,549       1,521,         NRB my salary       16,133,862       1,029,         NRB my early       37,458,366       14,089,         NRB pearl       79,766,880       52,514				31,368,871	61,196,277
NRB power savers       483,303,693       272,475,         NRB staff       11,403,711       11,460,         NRB my savings       62,311,982       18,568,         NRB my study       2,983,549       1,521,         NRB my salary       16,133,862       1,029,         NRB my early       37,458,366       14,089,         NRB pearl       79,766,880       52,514	11.3	Savings bank deposits			
NRB staff       11,403,711       11,460,         NRB my savings       62,311,982       18,568,         NRB my study       2,983,549       1,521,         NRB my salary       16,133,862       1,029,         NRB my early       37,458,366       14,089,         NRB pearl       79,766,880       52,514		NRB savers		170,548,196	80,604,679
NRB my savings       62,311,982       18,568,         NRB my study       2,983,549       1,521,         NRB my salary       16,133,862       1,029,         NRB my early       37,458,366       14,089,         NRB pearl       79,766,880       52,514		NRB power savers		483,303,693	272,475,903
NRB my study       2,983,549       1,521,         NRB my salary       16,133,862       1,029,         NRB my early       37,458,366       14,089,         NRB pearl       79,766,880       52,514		NRB staff		11,403,711	11,460,202
NRB my salary       16,133,862       1,029,         NRB my early       37,458,366       14,089,         NRB pearl       79,766,880       14,089,         NRB amar shopno       52,514       14,089,		NRB my savings		62,311,982	18,568,880
NRB my early       37,458,366       14,089,         NRB pearl       79,766,880       14,089,         NRB amar shopno       52,514       14,089,		NRB my study		2,983,549	1,521,728
NRB pearl79,766,880NRB amar shopno52,514		NRB my salary		16,133,862	1,029,115
NRB amar shopno 52,514		NRB my early		37,458,366	14,089,853
		NRB pearl		79,766,880	-
863,962,753 399,750,		NRB amar shopno		52,514	-
				863,962,753	399,750,360
11.4 Fixed deposits	11.4	Fixed deposits			
Fixed deposits 10,772,854,857 6,789,658,		Fixed deposits		10,772,854,857	6,789,658,163
				896,995,456	239,455,156
					7,029,113,319

2014

2015

### **Notes to the Financial Statements**

As at and for the year ended 31 December 2015

			Taka	Taka
11.5	Sector-wise break-up of deposits and other acc	ounts		
	Government		6,349,869	212,382,005
	Other public sector		970,545,561	317,997,445
	Private sector		12,379,647,916	7,274,447,219
			13,356,543,346	7,804,826,669
11.6	Maturity-wise grouping of deposits and other a	accounts		
	On demand		1,874,107,770	743,941,656
	In more than one month but not more than three	ee months	5,404,747,778	3,286,407,627
	In more than three months but not more than c	one year	5,541,458,513	3,358,243,516
	In more than one year but not more than five ye	ears	297,212,369	331,226,000
	In more than five years		239,016,915	85,007,870
			13,356,543,346	7,804,826,669
12	Other liabilities			
	Privileged creditors	12.1	20,920,853	11,691,466
	Interest payable		219,883,987	170,342,313
	Interest suspense on loans and advances	12.2	2,010,942	-
	Provision for loans and advances	12.3	103,927,626	64,772,520
	Provision on off-balance sheet exposures	12.4	10,249,754	9,001,401
	Provision against Revaluation of Quoted Shares		9,438,686	-
	Provision for expenses		31,767,774	19,037,213
	Provision for current tax	12.5	117,487,336	18,249,253
	Deferred tax liability	12.6	22,836,148	14,492,177
	Cash & ATM Payable		3,853,605	1,658,138
	Security Deposits Held		7,707,490	5,586,852
	Sanchayapatra/Bond Purchased		51,600,000	4,000,000
	EDF Payable		131,356,653	-
	Others Payable		6,522,232	6,095,518
			739,563,087	324,926,852

### 12.1 Privileged creditors

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

	20,920,853	11,691,466
Excise duty	9,477,280	2,561,710
VAT deduction at source	2,735,187	1,946,099
Tax deduction at source	8,708,386	7,183,657



As at and for the year ended 31 December 2015

	2015	2014
	Taka	Taka
Interest suspense on loans and advances		
Balance as at 1 January	-	-
Amount transferred during the year	2,010,942	-
Balance as at 31 December	2,010,942	•
Provision for loans and advances		
A General		
Balance at the beginning of the year	64,772,520	3,386,469
-	33,175,305	61,151,407
On Special Mention Account (SMA)	(	234,644
		61,386,050
·	100,125,631	64,772,520
	-	
Add: Provision made during the year	3,801,995	
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	3,801,995	
C. Total provision on loans and advances (A+B)	103,927,626	64,772,520
Dravision on off balance sheet evenesures		
	0.001.401	2,125
		8,999,276
		9,001,401
Balance as at 31 December	10,249,754	9,001,401
Provision for current tax		
Balance as at 1 January	18,249,253	10,024,730
Add: Provision made during the year	99,238,083	8,224,523
Balance as at 31 December	117,487,336	18,249,253
	<ul> <li>Balance as at 1 January</li> <li>Amount transferred during the year</li> <li>Balance as at 31 December</li> <li>Provision for loans and advances</li> <li>A General</li> <li>Balance at the beginning of the year</li> <li>Add: Provision made during the year</li> <li>On general loans and advances</li> <li>On Special Mention Account (SMA)</li> <li>Balance at the end of the year</li> <li>Balance at the beginning of the year</li> <li>Add: Provision made during the year</li> <li>Add: Recoveries of amounts previously written off Specific provision made during the year for other accounts</li> <li>Balance at the end of the year</li> <li>C. Total provision on loans and advances (A+B)</li> <li>Provision on off-balance sheet exposures</li> <li>Balance as at 1 January</li> <li>Add: Provision made during the year</li> <li>Balance as at 1 January</li> <li>Add: Provision made during the year</li> <li>Balance as at 1 January</li> <li>Add: Provision made during the year</li> <li>Add: Provision made during the year</li> <li>Balance as at 1 January</li> <li>Add: Provision made during the year</li> </ul>	TakaTakaBalance as at 1 JanuaryAmount transferred during the yearBalance as at 31 December2,010,942Provision for loans and advancesAGeneralBalance at the beginning of the yearAdd: Provision made during the yearOn general loans and advancesOn general loans and advancesOn general loans and advancesOn Special Mention Account (SMA)2,177,806Balance at the end of the yearAdd: Provision made during the yearBalance at the beginning of the yearBalance at the end of the yearBalance at the beginning of the yearAdd: Provision made during the yearWrite off during the yearAdd: Recoveries of amounts previously written off Specific provision made during the year for other accountsBalance at the end of the yearBalance at the end of the yearAdd: Recoveries of amounts previously written off Specific provision on loans and advances (A+B)103,927,626Provision on off-balance sheet exposuresBalance as at 1 JanuaryAdd: Provision for current taxBalance as at 1 JanuaryAdd: Provision made during the year10,249,753Add: Provision made during the year99,238,083

As at and for the year ended 31 December 2015

2015	2014
Taka	Taka

### 12.6 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		14,492,177	6,837,826
Provision made during the year for deferred ta	x expense	8,343,971	7,654,351
Balance as at 31 December		22,836,148	14,492,177
	Carrying		Taxable/
	amount on		(deductible)
	balance sheet	Tax base	temporary
	date		difference
	Taka	Taka	Taka
Fixed assets including premises, furniture and	fixtures		
At cost less accumulated depreciation	348,348,777	291,258,408	57,090,370
Net temporary difference			57,090,370
Applicable tax rate			40%
Deferred tax liability/(asset)			22,836,148

### 12.a Nostro Reconciliation

	As per our book		As per the	ir book
	<u>Debit (USD)</u>	<u>Credit (USD)</u>	<u>Debit (USD)</u>	<u>Credit (USD)</u>
Up to three months	250,759	549,132	97,320	456,429
More than three months but less than six months	-	-	-	
More than six months but less than nine months	-	-	-	-
More than nine months but less than twelve months	-	-	-	
More than twelve months	-	-		-
	250,759	549,132	97,320	456,429

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.

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### X NRB Bank Not Just Another Bank

### Notes to the Financial Statements

As at and for the year ended 31 December 2015

		2015	2014	
		Taka	Taka	
13	Share capital			
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	

### 13.3 Percentage of shareholdings as at 31 December 2015

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

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 (Nasir)	Vice Chairman	10.00	40,000,000
3	Dato' Eng. Md. Ekramul Haque	Director	4.50	18,000,000
4	Mr. Mohammed Idrish Farazy	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	Engr. 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

### 13.4 Name of the Directors and their shareholdings as at 31 December 2015

### 13.5 Capital to Risk weighted Asset Ratio (CRAR) of the Bank

The calculation of CRAR has been done as per BRPD Circular no. 10 dated 10 March 2010, BRPD Circular no. 07 dated 31 March 2014 and the Basel-II & Basel-III guideline December 2010 & 2014 vide BRPD Circular no. 35 dated 29 December 2010, BRPD Circular no. 18 dated 21 December 2014 respectively.

Tier-1 Capital:	As per Basel-III	As per Basel-II
	2015	2014
A) Total Common Equity Tier 1 Capital	Taka	Taka
Paid up capital	4,000,000,000	4,000,000,000
Share premium	-	-
Statutory reserve (Note 14)	74,251,039	5,465,396
General reserve	-	
Retained earnings (Note 16)	106,732,944	(60,827,577)
	4,180,983,983	3,944,637,819
Less: Regulatory adjustments	112,967,985	-
A) Total Common Equity Tier 1 Capital	4,068,015,998	3,944,637,819
B) Additional Tier 1 Capital:		
Add: Additional Tier 1 Capital	-	-
Less: Regulatory adjustments	-	
C)Total Tier-1 Capital	4,068,015,998	3,944,637,819





		2015	2014
		Taka	Taka
	Tier 2 Capital (Gone -Concern Capital) Subordinated Bond		
	General provision maintained against unclassified loan/investments	- 100,125,631	64,772,520
	General provision on off-balance sheet items	10,249,754	9,001,401
	Asset revaluation reserve	10,249,754	9,001,401
	Revaluation reserve of Government securities	-	12,331,383
		110,375,385	86,105,304
	Less: Regulatory adjustments	2,466,277	
	D) Total Tier 2 Capital	107,909,109	86,105,304
	E) Total capital(C+D)	4,175,925,107	4,030,743,123
	F) Risk weighted assets (RWA)		
	Credit Risk:	42 407 044 007	7 200 545 77
	On-Balance Sheet	12,487,811,997	7,398,515,770
	Off-Balance Sheet	876,977,815	888,656,673
		13,364,789,812	8,287,172,449
	Market Risk	1,794,237,680	891,079,370
	Operational Risk	883,630,472	481,910,859
	Total RWA	16,042,657,964	9,660,162,67
	G) Required Common Equity Tier 1 Capital (4.5% of RWA in 2015)	721,919,608	
	H) Required Tier 1 Capital (5.5% of RWA) (2014: 5%)	882,346,188	483,008,134
	I) Required total capital		
	(10% of RWA) or Minimum 4,000,000,000 whichever is higher	4,000,000,000	4,000,000,000
	J) Surplus Common Equity Tier 1 Capital(A-G)	3,346,096,390	
	K) Surplus Tier 1 Capital(C-H)	3,185,669,810	
	L) Surplus total Capital (E-I)	175,925,107	30,743,123
	Capital to Risk-Weighted Assets Ratio:		
	On Common Equity Tier 1 Capital against standard of minimum 4.5%	25.36%	10.000
	On Tier 1 Capital - against standard of minimum 5.5%, (2014: 5%)	25.36%	40.839
	On total capital - against standard of minimum 10%	26.03%	41.739
.6	Leverage Ratio of the Bank		
	A) Tier 1 Capital considering all regulatory adjustment	4,068,015,998	
	B) On-Balance Sheet Exposure	20,435,455,899	
	C) Off-Balance Sheet Exposure	853,119,996	
	D) Deduction from on and off Balance sheet exposure/Regulatory adjustment	112,967,985	
	Total Exposure (B+C-D)	21,401,543,880	
	Louisinge Datio (A/E)	10.040/	
	Leverage Ratio (A/E)	19.01% 147.24%	
	Liquidity Coverage Ratio	147.24%	
	Net Stable Funding Ratio	101.04%	

As at and for the year ended 31 December 2015

		2015	2014
		Taka	Taka
14	Statutory reserve		
	Balance as at 1 January	5,465,396	5,465,396
	Add: Addition during the year ( 20% of pre-tax profit)	68,785,643	-
	Balance as at 31 December	74,251,039	5,465,396
15	Revaluation reserve		
	HTM securities (Note 15.1)	10,814	690,269
	HFT securities (Note 15.2)	297,521,028	23,972,497
	000	297,531,841	24,662,766
15.1	Reserve for amortization of treasury securities (HTM)		
15.1	Balance as at 1 January	690,269	315,406
	Addition during the year	090,209	374,863
	Adjustment made during the year	(679,455)	
	Balance as at 31 December	10,814	690,269
15.2	Reserve for revaluation of treasury securities (HFT)		
	Balance as at 1 January	23,972,497	40,862
	Addition during the year	273,548,531	23,931,635
	Adjustment made during the year	-	-
	Balance as at 31 December	297,521,028	23,972,497
16	Surplus in profit and loss account \ Retained earnings		
	Balance as at 1 January	(60,827,577)	4,999,030
	Net profit/(loss) for the year	236,346,164	(65,826,607)
	Transfer to statutory reserve	(68,785,643)	-
	Balance as at 31 December	106,732,944	(60,827,577)
17	Contingent liabilities		
	Letters of Guarantee	241,204,274	118,471,813
	Acceptances and Endorsements	268,471,645	336,766,082
	Letters of Credit	489,892,050	442,196,936
	Bills for Collection	25,407,470	2,705,297
		1,024,975,439	900,140,128

As at and for the year ended 31 December 2015

		2015	2014
		Taka	Taka
18	Income statement		
	Income:		
	Interest, discount and similar income (Note 18.1)	1,910,935,723	921,894,527
	Dividend income	13,669,500	760,000
	Fees, commission and brokerage (Note 18.2)	42,144,851	18,123,723
	Gains less losses arising from dealing in securities	206,492,857	4,519,651
	Gains less losses arising from investment securities	29,170,718	1,583,287
	Gains less losses arising from dealing in foreign currencies	18,750,070	8,422,673
	Income from non-banking assets	-	-
	Other operating income (Note 23)	5,034,088	1,980,443
	Profit less losses on interest rate changes	-	-
		2,226,197,807	957,284,304
	Expenses:		
	Interest paid on deposits and borrowings, etc. (Note 20)	1,101,908,248	484,849,474
	Losses on loans and advances	-	-
	Administrative expenses (Note 18.3)	481,859,628	350,480,125
	Other expenses (Note 33)	188,321,103	69,248,506
	Depreciation on banks assets (Note 32)	60,338,464	32,268,606
		1,832,427,444	936,846,711
		393,770,363	20,437,593
18.1	Interest, discount and similar income		
	Interest income (Note 19)	1,384,095,384	805,805,874
	Interest on treasury bills & bonds	526,840,339	116,088,653
		1,910,935,723	921,894,527
18.2	Fees, commission and brokerage		
	Commission	42,144,851	18,123,723
	Brokerage	-	-
	5 <b>5 b</b>	42,144,851	18,123,723



As at and for the year ended 31 December 2015

		2015	2014
		Taka	Taka
18.3	Administrative expenses		
	Salaries and allowances (Note 24)	263,480,674	194,536,296
	Rent, taxes, insurance, electricity, etc. (Note 25)	156,242,558	111,839,156
	Legal expenses (Note 26)	2,656,378	4,263,668
	Postage, stamp, telecommunication, etc. (Note 27)	18,444,575	13,782,858
	Stationery, printing, advertisement, etc. (Note 28)	21,394,198	12,344,735
	Managing Director's salary and fees (Note 29)	11,282,490	10,311,356
	Directors' fees & others (Note 30)	5,872,415	1,404,318
	Auditors' fees (Note 31)	264,500	230,000
	Repair of Bank's assets (Note 32)	2,221,840	1,767,738
		481,859,628	350,480,125
19	Interest income		
	Interest on advances	1,145,872,955	392,375,706
	Interest on money at call and short notice	27,282,593	15,446,285
	Interest on balance with other banks	9,879,975	151,125,539
	Interest on placement with other banks and Financial Institutions	201,059,861	246,858,343
		1,384,095,384	805,805,874
20	Interest paid on deposits and borrowings etc.		
	Interest on deposits	940,708,475	447,014,722
	Interest on borrowings	161,199,774	37,834,752
		1,101,908,248	484,849,474
21	Investment income		
	Interest on Treasury Bill	13,544,085	2,564,752
	Interest on Treasury Bond	428,096,205	83,215,048
	Interest on Reverse REPO	-	7,233,511
	Interest on bonds-Corporate	63,125,000	23,075,342
	Interest on Commercial Paper	31,035,050	- (
	Gain from trading in Govt. Securities	206,492,857	4,519,651
	Revaluation loss from HTM & HFT Securities	(8,960,001)	-
	Gain on shares traded in secondary market	29,170,718	1,583,287
	Dividend on shares	13,669,500	760,000
		776,173,414	122,951,591

As at and for the year ended 31 December 2015

		Taka	Taka
22	Commission, exchange and brokerage		
	Fees and commission	42,144,851	18,123,723
	Exchange gain net off exchange losses	18,750,070	8,422,673
	Brokerage	-	-
		60,894,921	26,546,397
23	Other operating income		
	Locker Rent	148,500	53,500
	Rebate received from foreign banks	2,295,657	785,141
	SWIFT Charge Recoveries	295,776	159,000
	Postage/telex charge recoveries	703,365	548,637
	Miscellaneous	1,590,790	434,165
		5,034,088	1,980,443
24	Salaries and allowances		
	Basic salary	103,248,983	86,693,334
	Allowances	108,870,379	93,805,917
	Incentive Bonus	11,581,633	-
	Festival bonus	15,667,677	10,940,470
	Bank's Contribution to Provident Fund	9,712,002	3,096,575
	Gratuity	14,400,000	-
		263,480,674	194,536,296
25	Rent, taxes, insurance, electricity etc.		
	Rent, rate and taxes	135,279,392	100,872,139
	Insurance	8,374,415	3,209,849
	Utility	12,588,751	7,757,168
		156,242,558	111,839,156
26	Legal expenses and professional expenses		
	Legal expenses	-	-
	Other professional expenses	2,656,378	4,263,668
		2,656,378	4,263,668
27	Postage, stamps, telecommunication etc.		
	Postage & Courier	578,537	412,127
	Telephone	1,611,136	1,200,441
	Lan, Wan, Swift and telex	16,254,902	12,170,290
	K K h	18,444,575	13,782,858

2015

2014



2014

2015

### **Notes to the Financial Statements**

As at and for the year ended 31 December 2015

		Taka	Taka
28	Stationery, printing, advertisements etc.		
	Printing and stationery	7,919,938	3,868,602
	Publicity and advertisement	13,474,260	8,476,133
		21,394,198	12,344,735
29	Managing Director's salary and allowances		
	Basic salary	5,045,806	4,587,097
	Allowances	5,365,484	4,932,259
	Festival bonus	871,200	792,000
		11,282,490	10,311,356
30	Directors' fees		
	Fees	1,162,000	1,000,000
	Directors' Travel expenses	4,067,869	-
	Directors' Entertainment and Refreshment expenses	642,546	404,318
		5,872,415	1,404,318
31	Audit fee		
	Audit fee	264,500	230,000
		264,500	230,000
32	Depreciation and repair of bank's assets		
	Depreciation: ( Annexure 'A')		
	Furniture and fixture	10,409,220	6,347,179
	Machinery & Equipment	13,255,236	6,018,766
	Computer & Network Equipment	16,773,915	9,191,075
	Motor vehicles	6,610,473	3,342,545
	Software	13,289,621	7,369,041
		60,338,464	32,268,606
	Repairs and Maintenance		
	Rented premises	992,025	1,054,802
	Machinery & Equipment	1,226,315	703,826
	Computer and accessories	3,500	9,110
		2,221,840	1,767,738
		62,560,304	34,036,344



As at and for the year ended 31 December 2015

		2015	2014
		Taka	Taka
33	Other expenses		
	Car maintenance expenses	21,554,113	26,067,520
	Contractual service expenses	29,208,371	18,530,549
	ATM card expenses	756,000	461,030
	Books, periodicals and publications	1,557,318	772,620
	Donation and subscription	7,802,352	1,995,242
	Staff recruitment and training expenses	1,309,724	1,291,444
	Software maintenance expenses	8,373,082	4,655,403
	Travelling expenses	3,973,795	2,715,459
	Entertainment	3,023,943	4,509,299
	Business development expenses	1,195,789	
	Bank and other regulatory charges	772,095	64,005
	Amortization of pre-operating expenses	77,686,608	-
	Cash carrying expense	2,571,277	645,951
	VISA expenses	3,012,723	1,672,609
	AGM expenses	270,122	453,592
	Loss on sale of shares Traded in Secondary Market	18,566,033	-
	Contract point verification expenses	228,548	-
	Miscellaneous expenses	6,459,212	5,413,783
		188,321,103	69,248,506
34	Provision for loans, investments & off balance sheet items		
	Provision for bad and doubtful loans and advances	3,801,995	-
	Provision for unclassified loans and advances	35,353,111	61,386,050
	Provision for off-balance sheet items	1,248,353	8,999,276
	Provision for diminution in value of investments	9,438,686	-
		49,842,145	70,385,327
35	Receipts from other operating activities		
	Locker Rent	148,500	53,500
	Rebate received from foreign banks	2,295,657	785,141
	SWIFT Charge Recoveries	295,776	159,000
	Postage/telex charge recoveries	703,365	548,637
	Miscellaneous	1,590,790	434,165
		5,034,088	1,980,443

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### **Notes to the Financial Statements**

As at and for the year ended 31 December 2015

		2015	2014
		Taka	Taka
36	Payments for other operating activities		
	Rent, rates and taxes	156,242,558	111,839,156
	Legal expenses and professional expenses	2,656,378	4,263,668
	Postage and communication charges, etc.	18,444,575	13,782,858
	Stationery, printing, advertisements etc.	13,474,260	8,476,133
	Directors' fees & other expenses	5,872,415	1,404,318
	Miscellaneous expenses	190,807,443	71,246,244
		387,497,629	211,012,376
37	Earnings per share (EPS)		
	Net profit(loss) after tax	236,346,164	(65,826,607)
	Number of ordinary shares outstanding	400,000,000	400,000,000
	Earnings per share (EPS)	0.59	(0.16)

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

### 38 Audit committee

### A. Particulars of audit committee :

In pursuance of the directives of the Bangladesh Bank vide BRPD Circular no.11 dated 27 October 2013, the Board of Directors in its 26<sup>th</sup> Meeting held on 14 June 2015 re-constituted the Audit Committee. Presently, the Audit Committee members are:

SI. no.	Name	Status with the Board	Status with the Audit Commit- tee	Educational Qualification
1	Mr. Mohammed Mahtabur Rahman (Nasir)	Vice Chairman	Chairman	Bachelor of Arts
2	Mr. Kamal Ahmed	Director	Member	Graduate of Business Management
3	Mr. Imtiaz Ahmed	Director	Member	Post Graduate
4	Dr. Nesar Ahmed Choudhury	Director	Member	MBBS
5	Mr. Rabin Paul	Director	Member	Higher Secondary Certificate



### 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:

7th Committee Meeting held on 26.01.2015 8th Committee Meeting held on 28.03.2015

9th Committee Meeting held on 13.06.2015

10th Committee Meeting held on 30.11.2015

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

The Audit committee through circular 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

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	Transaction amount TK
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	
	7	IBCO Food Industries Limited, Bangladesh	Chairman & Chief Executive	
		Seamark (Holdings) Limited, Bangladesh	Chairman & Chief Executive	
		Seamark (USA) Inc., USA	Managing Director	
220		ManRu Shopping City, Bangladesh	Senior Partner	
Mr. Mohammed Mahtabur Rahman (Nasir)	Vice Chairman	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	Managing Director	
		Best in Fragrance, Holy Makkah, KSA	Manager	
		Al Haramain Perfumes Int'l W.L.L, Kuwait	Manager	
		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	
	D	Al Haramain Perfumes SDN BHD, Malaysia	Managing Director	
		Al Haramain Perfumes, Dhaka, Bangladesh	Managing Director	
		AL Arafah Islami Bank Limited	Sponsor Shareholder	
		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, BD	Trustee	
		Cancer Hospital, Biyani Bazar, Sylhet	Trustee	
		Bangladesh Business Council Dubai, UAE	Founder President	
		Shaikh Khalifa Bin Zayad Bangladesh IslaMia 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	32,130
		Cynzar Energy Services Ltd., Dhaka, Bangladesh	Managing Director	
Mr. Mohammed Idrish Farazy	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, BD	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	Director	Tania International PTE. Ltd. Singapore	Managing Director	
Badiuzzaman		Rajib Enterprise PTE. Ltd., Singapore	Managing Director	
		Aangan Restaurant, Singapore	Proprietor	
		Tania Development PTE. Ltd.Singapore	Managing Director	
$S \leq h$		Asia Pacific Realty Investment Services, Singapore	Proprietor	
Dr. Nesar Ahmed	Director	N.A. Choudhury Limited, U.K.	Director	
Choudhury		Lower Broughton Health Centre, U.K.	Partner	
		Brookdale Surgery, U.K.	Partner	



Mr. Khalilur	Director	KRC Composite Textile Ind. Limited, BD	Managing Director
Rahman Choudhury		Khalil Garments Limited, Bangladesh	Managing Director
choudhary		Khalil & Khalil Investment Limited, BD	Managing Director
	7	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	Director	Commodity First DMCC, Dubai, UAE	Managing Director
Khan		Loch Shipping Intermediary FZE, UAE	Chairman & MD
		Jabbar Jute Mills Ltd. Bangladesh	Director
		Bangladesh Medical Science and Technology Limited, Bangladesh	Director
Mr. Naveed Rashid	Director	Commodity First DMCC, Dubai, UAE	Managing Director
Khan		Gentrade FZE, UAE	Chairman & MD
		Jabbar Jute Mills Ltd. Bangladesh	Director
220		Bangladesh Medical Science and Technology Ltd	Director
Mr. Mohammed	Director	Al Anood Perfumes Co., Dubai, UAE	Partner
Jamil Iqbal		M/S. Md. Jamil Iqbal Construction, BD	Proprietor
		JI Stone Supplier, Bangladesh	Proprietor
		New Maitri Stone Crushing, Bangladesh	Proprietor
		Divine Properties Limited, Bangladesh	Chairman
Eng . Abu Taher	Director	Amanco PTE. Ltd., Singapore	Chairman & CEO
Mohammed Amanullah		East west Placement Center, Philippines	Chairman & CEO
		EWPCI Testing Center, Philippines	Director
		East West Human Resources Center, BD	Chairman
		East West Training & Contractors Company Limited, Bangladesh	Chairman
$\underline{n}$		East west Engineering Ltd. Bangladesh	Chairman
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.	Director	Amin Realty Corporation, N.Y. USA	Proprietor
Amin		Hirapur Realty Corporation, N.Y. USA	President
Mr. Muklesur Rahman	MD & CEO	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 1150 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 - E.

### 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 2015.



**Annexure-A** 

## Schedule of Fixed Assets As at 31 December 2015

6		Cost	st		Rate		Depreciation	ation		Written
	Balance as at 1 January 2015	Additions during the year	Disposal/ adjustment during the year	Balance as at 31 December 2015	of Depreciation	Balance as at 1 January 2015	Charged during the year	Disposal/ adjustment during the year	Balance as at 31 December 2015	down value as at 31 December 2015
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka
Furniture and fixture	86,740,023	26,719,523	1	113,459,545	10%	9,128,336	10,409,220	I	19,537,555	93,921,990
Machinery and Equipment	49,796,608	27,269,571	1	77,066,179	20%	6,635,697	13,255,236	I	19,890,933	57,175,246
Computer and Network Equipment	73,958,730	11,297,534		85,256,264	20%	9,606,724	16,773,915	I	26,380,639	58,875,626
Vehicle	21,949,670	14,639,300		36,588,970	20%	4,570,565	6,610,473		11,181,038	25,407,932
Software	65,171,446	69,377,954		134,549,400	12.50%	8,401,794	13,289,621	1	21,691,415	112,857,985
Patents	110,000		ı	110,000		1			I	110,000
As at 31 December 2015 2	297,726,477	149,303,882	•	447,030,358		38,343,116	60,338,464	I	98,681,580	348,348,777

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Balance with other Banks-outsid	utside Bang	gladesh (No	e Bangladesh (Nostro Account)	3	Annexure-B	X NR
As at 31 December 2015			20	2015		BBa
Name of the Bank	Account type	Currency type	FC amount	Exchange rate	Equivalent Taka	
Habib American Bank, New York	9	USD	586,344.17	78.50	46,028,193	
United Bank of India	9	EURO	2,000.00	85.82	171,633	
United Bank of India	9	USD	22,718.78	78.50	1,783,432	
Mizhuo Bank Ltd, Japan	9	γdſ	359,035.00	0.65	233,839	
Mashreq Bank PSC, New York	9	USD	313,121.77	78.50	24,580,153	
Mashreq Bank PSC, UK	9	GBP	9,630.93	116.32	1,120,286	
Mashreq Bank PSC , UK	9	EUR	2,126.89	85.82	182,522	
AB Bank Limited, Mumbai	9	USD	5,000.00	78.50	392,502	
					74.492.561	

Annexure- C

# **Investment in Quoted Shares and Mutual Funds**

As at 31 December 2015

SL	Name of the Company	Face value per share	No. of shares	Cost of holding	Average Cost	Quoted rate per share as on 31.12.2015	Total market value of share as at 31.12.2015	Unrealised gain/ (loss)
	Quoted Shares							
1	ACI Limited	10	10,500	5,805,487	552.90	561.60	5,896,800	91,313
2	Active Fine Chemicals Limited	10	2,290,000	119,808,800	52.32	56.20	128,698,000	8,889,200
£	Apex Footwear Limited	10	5,000	2,044,859	408.97	347.20	1,736,000	(308,859)
4	Baraka Power Limited	10	110,000	3,609,100	32.81	30.70	3,377,000	(232,100)
ŋ	Far East Knitting & Dyeing Industries Limited	10	435,000	9,387,300	21.58	16.50	7,177,500	(2,209,800)
9	Grameenphone Limited	10	120,000	40,598,017	338.32	253.00	30,360,000	(10,238,017)
7	Heidelberg Cement Bd. Limited	10	20,000	12,793,097	639.65	562.10	11,242,000	(1,551,097)
8	IDLC Finance Limited	10	100,000	6,243,000	62.43	63.60	6,360,000	117,000
6	Jamuna Oil Company Limited	10	50,000	10,401,000	208.02	157.10	7,855,000	(2,546,000)
10	Khulna Power Company Limited	10	200,000	15,237,133	76.19	74.90	14,980,000	(257,133)
11	Lafarge Surma Cement Limited	10	10,000	1,160,900	116.09	74.60	746,000	(414,900)
12	MJL Bangladesh Limited	10	40,000	4,472,775	111.82	94.30	3,772,000	(700,775)
13	Saif Powertec Limited	10	50,000	3,557,000	71.14	66.80	3,340,000	(217,000)
14	Singer Bangladesh Limited	10	130,000	23,569,000	181.30	180.20	23,426,000	(143,000)
15	Square Pharmaceuticals Ltd.	10	170,000	42,529,917	250.18	253.70	43,129,000	599,083
16	Summit Power Limited	10	150,000	6,064,600	40.43	39.70	5,955,000	(109,600)
17	The City Bank Limited	10	800,000	15,784,000	19.73	20.40	16,320,000	536,000
18	Uttara Finance And Investments Limited	10	150,000	9,631,500	64.21	60.90	9,135,000	(496,500)
	Total (A)		4,840,500	332,697,486			323,505,300	(9,192,186)

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Annexure- C

As at 31 December 2015

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SL	Name of the Company	Face value per share	No. of shares	Cost of holding	Average Cost	Quoted rate per share as on 31.12.2015	Total market value of share as at 31.12.2015	Unrealised gain/(loss)	NAV @ Market Price	85% of NAV of Market Price	Required Provision
	<b>Mutual Funds</b>										
1	1 AIMS Ist Mutual Fund	10	1,000,000	22,440,000	22.44	19.70	19,700,000	(2,740,000)	26.11	22.19	(246,500)
2	LR Global Bangladesh Mutual Fund One	10	2,025,000	13,835,573	6.83	5.50	11,137,500	(2,698,073)	10.24	8.70	I
	Total (B)			36,275,573			30,837,500 (5,438,073)	(5,438,073)			(246,500)

Free fund available (C)

79,637

Grand Total (A+B+C)

369,052,696

(9,438,686)

# Annexure- D

### Statement of Tax Status As at 31 December 2015

(Figures in Taka)

7	<sup>/</sup> s 82BB	
Status	Submission of Tax Return u/s 82BB	Cubacian of Tay Datume 1/2 000
Excess/(Short) provision	(96,846)	
Tax demand as per assessment order	1	
Tax liability as per Tax demand as per tax return assessment order	10,121,576	10 679 01
Assessment Tax provision as Year per Account	10,024,730	CC3 VCC 0
Assessment Year	2014-2015	2015 2016
Accounting Year	2013	



### **Annexure-E**

### Highlights on the overall activities As at 31 December 2015

CI NI-	Deutlindens		2015	2014
SI No.	Particulars		2015	2014
1	Paid-up capital	Taka	4,000,000,000	4,000,000,000
2	Total capital (Tier-I & II)	Taka	4,175,925,107	4,030,743,124
3	Surplus\ (Shortage) Capital	Taka	175,925,107	30,743,124
4	Total assets	Taka	20,534,622,257	13,491,504,106
5	Total deposits	Taka	13,356,543,346	7,804,826,669
6	Total loans and advances	Taka	11,092,416,174	6,291,889,815
7	Total contingent liabilities and commitments	Taka	1,024,975,439	900,140,128
8	Loans to deposits ratio (total loans/total deposits)	%	82.51%	77.31%
9	Percentage of classified loans against total loans and advances	%	0.20%	0%
10	Profit/(loss) after tax and provision	Taka	236,346,164	(65,826,607)
11	Classified loans during current year	Taka	22,140,296	-
12	Provisions kept against classified loans	Taka	3,801,995	-
13	Provision surplus/(deficit) against classified loans	Taka	-	-
14	Cost of fund (Interest expenses/Average deposits and borrowings)	%	8.38%	9.83%
15	Interest earning assets	Taka	19,885,758,877	12,846,617,151
16	Non-interest earning assets	Taka	648,863,380	644,886,955
17	Return on investment (ROI)	%	8.72%	3.40%
18	Return on assets (ROA) [PAT/ Average assets]	%	2.02%	-0.25%
19	Income from investment	Taka	776,173,414	122,951,591
20	Earnings per share	Taka	0.59	(0.16)
21	Net income per share	Taka	0.59	(0.16)

### BRAND & CORPORATE SOCIAL RESPONSIBILITY

### X NRB Bank Not Just Another Bank

### 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 recognize 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 symbolizes the brand identity so that it is instantly recognized 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, and 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.

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 firstever 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 behaviour 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 2015 as part of its CSR activities. Some of the notable ones are: Financial Assistance to TMSS for Flood Victims, financial assistance to Prime Minister's Relief Fund, support and financial assistance to the Nepal Embassy for the earth quake victim people of Nepal, winter warm cloth distribution to support the poor people of Bangladesh.

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 esponsibility (CSR) is fast gaining acceptance due to the contribution that businesses can make voluntarily towards environmentally sustainable and socially equitable development.

PRODUCTS & SERVICES





### X NRB Bank Not Just Another Bank

### PRODUCT & SERVICES

### **RETAIL DEPOSIT PRODUCTS**

**Current Account:** Current Account is an easy access account focused on meeting the customer's need of frequent and bulk amount transactions.

**Current Plus Account:** Current Plus Account is an interest bearing current account for individuals and SME-Small Customers.

**Savers Account:** Savers Account is an interest bearing savings account for Bangladeshi citizens. Interest is calculated on monthly minimum balance and paid half yearly.

**Power Savers Account:** Power Savers Account is an interest bearing savings account for Bangladeshi citizens. Interest is calculated on daily balance and paid half yearly.

**Pearl Account:** Pearl Account is an interest bearing deposit account designed exclusively for female customers.

**Investment Savings Account:** iSavings Account is an interest bearing account for the resident Bangladeshi investors which can be maintained in respect to portfolio investments in Bangladesh.

**NITA Account:** NITA account is an account for the nonresident Bangladeshi investors for portfolio investment in Bangladesh. It is a non-interest bearing account.

"আমার শ্বপ্ন" Account: "আমার শ্বপ্ন" Account is an account specially created for including the unbanked population of Bangladesh under the banking service. This is an interest bearing account with minimum initial deposit as low as BDT 10.

**RFCD Account:** RFCD Account is a foreign currency account for Bangladeshi Nationals which can be opened in USD/GBP/EUR. It is an interest bearing account.

**Term Deposit:** Term Deposit is a smart solution to get more out of long term investments with choice of tenor option. Tenor is 1 month, 3 Months, 6 Months, 1 Year or 2 Years.

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

**My Double/Triple Benefit Schemes:** My Double/Triple Benefit Scheme is a time specified deposit scheme for customers where the deposited amount will double or triple on maturity.

**My DPS:** My DPS is a recurring monthly savings scheme of BDT 500 or multiple with tenure options of 3, 5, 7, & 10 years..

**Secured DPS:** Secured DPS is a recurring monthly savings scheme with full maturity value insured in case of customer's death.

### **RETAIL LOANS**

**My Loan:** My Loan is an unsecured any purpose loan with equal monthly instalment (EMI) facility.

**Quick Cash:** Quick Cash is an overdraft facility for resident and non- resident Bangladeshis against FDs and securities with flexible repayment options.

**Quick Loan:** Quick Loan is an EMI based secured credit facility. This is a quick, convenient and easy way to meet financial needs in an emergency.

**My Home Loan:** My Home Loan is **a** secured mortgage loan with EMI facility.

**My Study Loan:** My Study Loan is an EMI based loan to finance meritorious students who choose to pursue a higher education abroad. This loan will not only cover tuition fees but also overseas living expenses.

**My Car Loan:** My Car Loan is an EMI based car loan facility to fulfil the customer's dream of owning a car.

### **CARD PRODUCTS**

**Local Debit Card:** VISA Local Debit Card with highly secured EMV chip and a wide range of benefits.

**Global Debit Card:** VISA Global Debit Card with Highly secured EMV chip card, worldwide acceptance and a wide range 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



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

### ALTERNATE DELIVERY CHANNELS

**ATM:** NRB Bank facilitated Automated Teller Machines (ATM) at all branches from the very beginning of the bank's operation. Our ATM network comprises of 19 ATMs including 2 offsite ATMs.

**Internet Banking:** Our Internet Banking service provides banking facility anytime, from anywhere as per customer's convenience and it's free of charge. Features of internet banking include transfer of funds, balance inquiry, viewing 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.

### **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 Account:** A foreign currency current account featuring variety of currency –USD / GBP / EURO.

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

### **STUDENT BANKING PROPOSITION – MY FUTURE**

Student Banking proposition includes a rewarding and convenient offering 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 years.

### 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 array 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 an array of benefits.

### OTHERS

**Strategic Alliance Partnership:** In order to provide customers with exciting discounts and offers, NRB Bank has tied up with more than 60 partners. These partnership ranges from renowned retailers, hotel and hospitality, restaurants, healthcare etc.

**Locker Service:** A security service offered to the customers to safe-guard their valuables under Bank's custody.

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### X NRB Bank Not Just Another Bank

### SOPHISTICATED IT PLATFORM @ NRB BANK

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<sup>®</sup> Flexcube<sup>®</sup> Universal Banking System<sup>®</sup> and Oracle<sup>®</sup> Flexcube<sup>®</sup> Direct banking<sup>®</sup>– 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.

SIGNIFICANT EVENTS OF 2015

# SIGNIFICANT EVENTS OF 2015

#### January 05, 2015

#### Stress State State

NRB Bank Inaugurated DESCO Bill Collection Booth at Uttara

Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank and Mr. Md. Rofi Uddin, Executive Director (Finance & Accounts), DESCO has inaugurated NRB Bank's DESCO bill collection booth at Uttara, sector 12.



#### February 02, 2015

## NRB Bank Inaugurated DESCO Bill Collection Booth at Baridhara

Mr. Zeeshan Hasib, Deputy Managing Director, NRB Bank and Mr. Mohammad Abu Yousuf, Manager (Banking), DESCO with other high officials of both of the organisations has inaugurated NRB Bank's DESCO bill collection booth at Baridhara.

#### February 12, 2015

#### NRB Bank Inaugurated DESCO Bill Collection Booth at Agargaon

Mr. Zeeshan Hasib, Deputy Managing Director, NRB Bank and Mr. Mohammad Abu Yousuf, Manager (Banking), DESCO with other high officials of both of the organisations has inaugurated NRB Bank's DESCO bill collection booth at Agargaon.





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#### February 14, 2015

#### NRB Bank organised a workshop on "Money Laundering Prevention & Combating Financing of Terrorism"

NRB Bank has recently organised a workshop on "Money Laundering Prevention & Combating Financing of Terrorism". Mr. M. Mahfuzur Rahman, Executive Director & Deputy Head of BFIU, Bangladesh Bank, Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank, Mr.Zeeshan Hasib, Deputy Managing Director, NRB Bank, Mr.Mahbubuzzaman, Head of CRM & CAD, NRB Bank were present among others in the workshop.

@ NRB Bank



2015



#### March 02, 2015

#### NRB Bank organised Business Review Meeting - 2015

NRB Bank has recently organised "Business Review Meeting – 2015". Mr. Iqbal Ahmed OBE, Chairman, NRB Bank was present as the Chief Guest in the program. While Mr. Muklesur Rahman, Managing Director & CEO, honourable Directors and other high officials of the bank were also present.

#### March 08, 2015

NRB Bank celebrates International Women's Day 2015

NRB Bank has recently celebrated International Women's Day 2015 at NRB Bank Corporate Head Office. Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank, Ms. Rubana Huq, Managing Director, Mohammadi Group, Mr. Zeeshan Hasib, DMD, NRB Bank, Mr. Shahrukh Ahemd, Head of HR & FM, NRB Bank were present with other high officials of the bank in the program







#### May 07, 2015

## NRB Bank Signs Agreement with Grand Sultan Tea Resort & Golf

Mr. Rahat Shams, Head of Retail Banking, NRB Bank and Md. Sayedul Islam Bhuiyan, Head of Sales & Marketing, Grand Sultan Tea Resort & Golf exchanging documents after signing an agreement on customer benefit on behalf of both of the organisations. Mr. Mustafizur Rahman, Head of Products, ADC & Cards, NRB Bank, Mr. M.Z.I. Dalton Zahir, Manager, Grand Sultan Tea Resort & Golf were present among others on the occasion



**<sup>®</sup>NRB** Bank



#### May 10, 2015

#### NRB Bank Inaugurated Dilkusha Branch

NRB Bank has recently inaugurated Dilkusha branch at PFI Tower (1st Floor), 56-57 Dilkusha C/A, Dhaka. The Branch was inaugurated by Mr. Iqbal Ahmed OBE, Honourable Chairman, NRB Bank; while Mr. Muklesur Rahman, Managing Director & CEO, Honourable Directors, local distinguished guests and other high officials of the bank were also present.



#### 2nd Annual General Meeting of NRB Bank

2nd Annual General Meeting of NRB Bank Ltd was held on14 June, 2015. Mr. Iqbal Ahmed OBE, Chairman of the bank presided over the meeting. While Mr. Muklesur Rahman, Managing Director & CEO, board of directors and shareholders of the Bank were also present.





#### June 15, 2015

## NRB Bank Inaugurated Moulvibazar Branch

NRB Bank has recently inaugurated Moulvibazar branch at Holding No. 985 & 986, M Saifur Rahman Road, Moulvibazar. The Branch was inaugurated by Mr. Iqbal Ahmed OBE, Honourable Chairman, NRB Bank; while Mr. Muklesur Rahman, Managing Director & CEO, Honourable Directors, local distinguished guests and other high officials of the bank were also present





#### August 01, 2015

#### NRB Bank Vice Chairman received "Bangladesh Bank Remittance Award 2014"

Mr. Mohammed Mahtabur Rahman (Nasir), Vice Chairman, NRB Bank, Chairman & Managing Director, Al Haramain Perfumes have received the "Bangladesh Bank Remittance Award 2014" from Bangladesh Bank Governor Dr. Atiur Rahman recently.

#### August 01, 2015

#### NRB Bank Director received "Bangladesh Bank Remittance Award 2014"

Mr. Mohammed Idrish Farazy, Director, NRB Bank, Chairman, National Exchange Company have received the "Bangladesh Bank Remittance Award 2014" from Bangladesh Bank Governor Dr. Atiur Rahman recently.







## X NRB Bank Not Just Another Bank

#### August 27, 2015

## NRB Bank signed agreement with The Westin Dhaka

Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank and Mr. Daniel Muhor, GM, The Westin Dhaka signed an agreement on customer benefit on behalf of both of the organizations. Mr. Zeeshan Hasib, DMD, NRB Bank, Mr. Mahbubuzzaman, Head of CRM & CAD, NRB Bank, Mr. Rahat Shams, Head of Retail Banking, NRB Bank, Mr. Mustafizur Rahman, Head of Products, ADC & Cards, NRB Bank, Mr. Amit Paul, Head of Sales & Marketing, The Westin Dhaka were present among others on the occasion.



#### September 08, 2015

#### NRB Bank launched VISA Platinum Credit Card

Mr. Muklesur Rahman, Managing Director & CEO of NRB Bank has launched VISA Platinum Credit Card that is EMV chip based. While Mr. Rahat Shams, Head of Retail Banking, NRB Bank, Mr. Mamun Seraji, Head of IT and ADC Operations, NRB Bank, Mr. Rafiqul Islam, Head of Internal Control & Compliance, NRB Bank were present with other high officials of the bank in the programme.





#### September 08, 2015

#### NRB Bank signed agreement with Grand Oriental Hotel

Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank and Mr. M. Zubaidur Rahman, Managing Director, Grand Oriental Hotel signed an agreement on customer benefit on behalf of both of the organizations. Mr. Rahat Shams, Head of Retail Banking, NRB Bank, Mr. Rafiqul Islam, Head of Internal Control & Compliance, NRB Bank, Mr. Mustafizur Rahman, Head of Products, ADC & Cards, NRB Bank were present among others on the occasion.



# ANNUAL REPORT **2015**

#### September 23, 2015

NRB Bank signed agreement with New Jarwa House Pvt. Limited

Mr. Rahat Shams, Head of Retail Banking, NRB Bank and Mr. Avi Roy, Director, New Jarwa House Pvt. Limited signed an agreement on customer benefit on behalf of both of the organizations. Mr. Zeeshan Hasib, DMD, NRB Bank, Mr. Badal C. Roy, Managing Director, New Jarwa House Pvt. Limited were present among others on the occasion.



#### October 18, 2015

#### NRB Bank Inaugurated Bill Collection Booth at Mirpur

Mr. Zeeshan Hasib, Deputy Managing Director, NRB Bank and Brig General Md Shahid Sarwar, ndc, psc (Retd), Managing Director, DESCO with other high officials of both of the organisations has inaugurated NRB Bank's Bill Collection Booth (DESCO bills and BRTA MV tax and fees collection) at Mirpur Shah Ali, Zoo Road. Md. Rafi Uddin, Executive Director (Finance & Accounts), DESCO, Eng. Md Golam Rabbani, Executive Engineer, Shah Ali Sales & Distribution Division, DESCO, Md. Mahbubur Rashid, Head of Corporate Liability, NRB Bank were present among others on the occasion..





#### October 26, 2015

NRB Bank signed agreement with the Central Procurement Technical Unit (CPTU) of the IME Division under the Ministry of Planning

Mr. Zeeshan Hasib, DMD, NRB Bank exchanging documents with Mr. Md. Faruque Hossain, DG, CPTU after signing the MoU. Under this agreement NRB Bank will be able to involve in the electronic government procurement (e-GP) system to receive registration, renewal and tender document fees from tenderers for e-tendering. The Secretary of the IME Division, Md Shahid Ullah Khandaker, presided over the signing ceremony at the Conference Room of the CPTU. Among others Gopa Chowdhury, Additional Secretary, IMED, and high officials of CPTU, IMED, Md. Towhidu-Zzaman Fuad, Vice President, Operations, NRB Bank, Major Tariq, Vice President, NRB Bank and other officials from the NRB Bank were present on the occasion.





### X NRB Bank Not Just Another Bank

#### November 07, 2015

#### NRB Bank organised "Annual Town Hall Meeting 2015"

NRB Bank has recently organised "Annual Town Hall Meeting 2015" at a city hotel. Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank with other high officials and employees of the bank were present at the program.



#### November 23, 2015

#### NRB Bank Participated Banking Fair Bangladesh 2015

NRB Bank Limited Participated Banking Fair Bangladesh 2015 while Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank Limited ,Mr. Rahat Shams, Head of Retail Banking, NRB Bank Limited was present with other high officials at the program.





#### November 24, 2015

NRB Bank launched 'Amar Shopno' product at the 'Banking Fair Bangladesh 2015'

Ms. Nazneen Sultana, Deputy Governor, Bangladesh Bank with Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank Limited has launched a new product named "Amar Shopno" at the 'Banking Fair Bangladesh 2015'. Mr. Rahat Shams, Head of Retail Banking, NRB Bank Limited was present with other high officials at the program.





#### 06 December 2015

Formal Launching Of Real Time Gross Settlement (RTGS) NRB Bank Limited introduced the Real Time Gross Settlement (RTGS) system recently, which is a great achievement for the banking sector of Bangladesh and should also be treated as a landmark in the achievement of dream for Digital Bangladesh. Mr. Muklesur Rahman, Managing Director and CEO of NRB Bank Limited, the veteran banker Mr. Syed Abu Naser Bukhtear Ahmed, Zeeshan Hasib, Deputy Managing Director along with other high officials of NRB Bank were present on the occasion



#### 10 December 2015

## NRB Bank signed agreement with National Exchange Company (NEC)

NRB Bank Limited and National Exchange Company SLR (NEC) has signed an agreement on Electronic Fund Transfer (EFT) drawing arrangement on December 10, 2015. NEC has presence in more than 90 countries with main operations in Europe, Asia and South America and has more than 16000 payment points. In order to facilitate transfer of funds NRB Bank Limited is now a proud partner to NEC in Bangladesh.

Mr. Muklesur Rahman – Managing Director and CEO, Mr. Iqbal U Ahmed – Adviser, Mr. Saaduddin Ahmed – DMD, other high officials of NRB Bank Limited and Mr. Mohammed Idrish - Chairman, Dr. Anower Farazy – Director, Mr. Monir Farazy – Director, Mr. Shamim Ahmed – GM, other high officials of NEC were present on the occasion.





#### 18 December 2015

# NRB Bank wins four consecutive matches in 'Corporate Amateur Cricket Tournament'

NRB Bank wins four consecutive matches in Corporate Amateur Cricket Tournament (CACT) against SCB, Cadet College Club, CACA EC & HSBC recently. Through which NRB Bank already gone-up to the semi-final. It is the tremendous performance showing by NRB Tigers in this year tournament!

# BRANCH AND ATM NETWORK

X NRB Bank Not Just Another Bank

Main Branch NB Tower (Ground Floor) 40/7 North Gulshan Avenue Gulshan-2, Dhaka 1212 Tel: +880 2 8881356, 8881357 Fax: +880 2 8881358	Dilkusha Branch PFI Tower (Ground Floor) 56-56 Dilkusha C/A Dhaka-1000. IP Phone: +8809666457700
Gulshan Branch Nafi Tower(1stFloor) 53SouthGulshanAvenue Gulshan-1, Dhaka 1212 IP Phone: +88 09666457150	Sylhet Main Branch           ManRu Shopping City(Ground Floor).           891 Mir Box Tula Road           Chowhatta, Sylhet 3100.           IP Phone : +8809666457200           Tel: +880 821 710282, 711230           Fax: +880 821 710237
Bogra Branch Bogra Trade Centre (Ground floor) 766(ii) Rangpur Road, Datta Bari Borogola, Bogra-5800 IP Phone: :+8809666457400 Tel: 051-67126, Fax: 051-67127	Moulvibazar Branch HoldingNo.985&986(Ground Floor) M Saifur Rahman Road Moulvibazar, Bangladesh. IP Phone: +880 9666457800
GEC Moor Branch 565/A CDA Avenue (Ground Floor) GEC Circle East Nasirabad Chittagong, Bangladesh IP Phone: +8809666457600	Panchdona Branch Jubayer Tower (Ground floor) Panchdona Bazar Narsingdi Sadar, Narsingdi-1603. IP Phone: +8809666457650
Joypara Branch Monowara Mansion (1stfloor) East Lotakhola, Joypara Dohar, Dhaka1330, Bangladesh. IP:+8809666457300	Hotapara Branch Surma Valley (KRC Commercial and Residential Building, Ground Floor) HoldingNo.651 Hotapara, Gazipur Sadar, Gazipur 1740. IP Phone: +8809666457450
Uttara Branch Marina Tower(Ground&1stFloor) House#14,Road#2,Sector#3 Uttara Model Town Dhaka1230,Bangladesh. IP Phone: +8809666457550	Ashulia Branch Ahsan Complex (Ground Floor) HoldingNo.356/1, Bashundhara EPZ Road Baipile, Ashulia, Savar Dhaka 1349. IP Phone: +8809666457500
Chittagong Main Branch World Trade Center (2ndfloor) 102-103AgrabadCommercialArea Chittagong 4000. IP Phone: :+8809666457350 Tel: 031-2516477 Fax: 031-2516478	SatkaniaBranch Ula Miah Market (1st Floor) Keranihat, Satkania Chittagong, Bangladesh IP Phone: +880 9666457750





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Goala Bazar Branch Al Murad Plaza(Ground floor) Goala Bazar, Osmaninagar Sylhet 3124.	Ati Bazar Branch House # 122, 81 Bapari Plaza PO: Shyamlapur Naogaon, Taranagar Union 3 Keranigonj, Dhaka
NB: ATM is situated adjacent with the brand	
	ATM Network
Main Branch ATM Booth NB Tower (Ground Floor) 40/7 North Gulshan Avenue Gulshan-2, Dhaka 1212	Dilkusha Branch ATM Booth PFI Tower (Ground Floor) 56-56 Dilkusha C/A Dhaka-1000.
Gulshan Branch ATM Booth Nafi Tower(1stFloor) 53SouthGulshanAvenue Gulshan-1, Dhaka 1212	Sylhet Main Branch ATM Booth ManRu Shopping City (Ground Floor) 891 Mir Box Tula Road Chowhatta, Sylhet 3100.
<b>Bogra Branch ATM Booth</b> Bogra Trade Centre (Ground floor) 766(ii) Rangpur Road, Datta Bari Borogola, Bogra-5800	Moulvibazar Branch ATM Booth HoldingNo.985&986(Ground Floor) M Saifur Rahman Road Moulvibazar, Bangladesh.
GEC Moor Branch ATM Booth 565/A CDA Avenue (Ground Floor) GEC Circle East Nasirabad Chittagong, Bangladesh	<b>Panchdona Branch ATM Booth</b> Jubayer Tower (Ground floor) Panchdona Bazar Narsingdi Sadar, Narsingdi 1603.
Joypara Branch ATM Booth Monowara Mansion (1stfloor) East Lotakhola, Joypara Dohar, Dhaka1330, Bangladesh. IP:+8809666457300	Hotapara Branch ATM Booth Surma Valley (KRC Commercial and Residential Building, Ground Floor) HoldingNo.651 Hotapara, Gazipur Sadar Gazipur 1740
Uttara Branch Marina Tower(Ground&1stFloor) House#14,Road#2,Sector#3 Uttara Model Town Dhaka1230,Bangladesh. IP Phone: +8809666457550	Ashulia Branch ATM Booth Ahsan Complex (Ground Floor) HoldingNo.356/1, Bashundhara EPZ Road Baipile, Ashulia, Savar Dhaka 1349.
<b>Chittagong Main Branch ATM Booth</b> World Trade Center (2ndfloor) 102-103AgrabadCommercialArea Chittagong 4000.	Dhanmondi ATM Booth House#24/C(Old405/C) Road#16(Old27),Dhanmondi R/A Dhaka – 1209.
Goala Bazar Branch ATM Booth Al Murad Plaza(Ground floor) Goala Bazar, Osmaninagar Sylhet 3124.	Banani ATM Booth House# 26 (Ground Floor) Road#11, Block# F, Banani, Dhaka# 1213
Ati Bazar ATM Booth House # 122, 81 Bapari Plaza PO: Shyamlapur Naogaon, Taranagar Union 3 Keranigonj, Dhaka	43



# Not Just Another Bank

X NRB Bank

# CORRESPONDENT BANKING

Financial Institutions Department is one of the key business functions of NRB Bank. FI has successfully accommodated a good number of transactions which require adding confirmation and financing facility through its local and global correspondents. Being new entity in the market, it is certainly very encouraging. We are maintaining strong bilateral business relationship with all local and foreign counterparts. NOSTRO accounts in all major tradable currencies have been established and a healthy volume of transaction is channelized through them while meeting their rigorous AML/KYC requirements time to time.

NRB bank is registered with IRS (Internal Revenue Services), U.S. to comply FATCA regulations & obtained GIIN (Global Intermediary Identification Number) as ELTG2L.99999.SL.050. Our bank's name is subscribed in Bankers Almanac and all of our bank's relevant information and credentials are available in this global portal. We met all regulatory requirements related to compliance and guidelines though our continuous effort and internal insight. We have also registered our bank's name with all required financials and AML/KYC documents in SWIFT KYC Registry. It will surely help our counterparts all over the world to feel additional comfort on our name.

#### **NOSTRO Accounts**

Curr	Correspondent Bank	SWIFT/BIC	Account No	СР	FX	MM
ACU	United Bank of India, Kolkata	UTBI IN BB	Account Number: 0084050097389; Euro	СР	FX	MM
ACU	United Bank of India, Kolkata	UTBI IN BB	Account Number: 0084050097370; Dollar	СР	FX	MM
EUR	MashreqBank PSC, London	MSHQ GB 2L	Account Number: 00013404	СР	FX	MM
GBP	MashreqBank PSC, London	MSHQ GB 2L	Account Number: 00013374	СР	FX	MM
JPY	Mizuho Bank Ltd, Tokyo	MHCB JP JT	Account Number: 7151010	СР	FX	MM
USD	Habib American Bank, New York	HANY US 33	Account Number: 20729250	СР	FX	MM
USD	MashreqBank PSC, New York	MSHQ US 33	Account Number: 70010167	СР	FX	MM
ACU	AB Bank Limited, Mumbai	ABBL IN BB	Account Number: 5001-000079-155	СР	FX	MM

**CP** = Commercial Payments **FX** = Foreign Exchange **MM** = Money Markets

#### RMA (Foreign)

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		Bank of Communications	COMMCNSH		
5	China	Shanghai	AXIS Bank Ltd.	AXISCNSH		
6	Egypt	Cairo	Mashreq Bank	MSHQEGCA		
7	Deria		Mizuho Bank	MHCBFRPP		
8	France	Paris	UBAF	UBAFFRPP		
9	Company	Dusseldorf	Mizuho Bank	MHCBDEDD		
10	Germany	Kiel	HSH NORDBANK AG	HSHNDEHH		





SL	Country	City	Bank Name	SWIFT CODE
11	Hong Kong	Hong Kong	AB International Finance Ltd.	ABFLHKHH
12			AXIS Bank Ltd.	АХІЅНКНН
13			HBZ Finance Ltd.	HFLIHKHH
14			ICICI Bank	ІСІСНКНН
15			Mashreq Bank	МЅНQНКНН
16			Mizuho Bank	МНСВНКНН
17			UBAF	UBAFHKHX
18	India	Mumbai	AB Bank	ABBLINBB
19		Walliou	AXIS Bank Ltd.	AXISINBB
20			ICICI Bank	ICICINBB
21			Mashreg Bank	MSHQINBB
22			Punjab National Bank	PUNBINBB
23			Yes Bank	YESBINBB
24		Kolkata	United Bank of India	UTBIINBBOVE, TBIINBBCA
25	Italy	Verona	Banco Popolare Soc. Coop.	BAPPIT22
26	Italy	Milan	Mizuho Bank	MHCBITMM
20	lanan		Mizuho Bank	
	Japan	Токуо		MHCBJPJT
28	550		Sumitomo Mitsui Banking Corporation	SMBCJPJT
29			UBAF	UBAFJPJX
30	Korea	Seoul	Shinhan Bank	SHBKKRSE
31			UBAF	UBAFKRSX
32	Kuwait	Kuwait	Mashreq Bank	MSHQKWKW
33	Malaysia	Kuala Lumpur	Mizuho Corporate Bank (Malaysia) Berhad	МНСВМҮКА
34	Qatar	Qatar	Mashreq Bank	MSHQQAQA
35	Singapore	Singapore	AXIS Bank Ltd.	AXISSGSG
36			ICICI Bank	ICICSGSG
37			Mizuho Bank	MHCBSGSG
38			UBAF	UBAFSGSX
39	Spain	Sabadell	Banco De Sabadell S.A.	BSABESBB
40	Sri Lanka	Colombo	AXIS Bank Ltd.	AXISLKLX
41			ICICI Bank	ICICLKLX
42	Switzerland	Zurich	Habib Bank AG Zurich	HBZUCHZZ
43			BSI SA	BSILCH22
44	Taiwan	Taipei	Mizuho Bank	MHCBTWTP
45			Bank Sinopac	SINOTWTP
46			CTCB Bank Co.	CTCBTWTP
47	Ukraine	Dnipropetrovsk	PJSC 'BANK CREDIT DNEPR'	CRDEUA2N
48	Thailand	Bangkok	Mizuho Bank	МНСВТНВК
49		Banghon	TMB Bank Public Company Ltd.	ТМВКТНВК
50	United Arab Emirates	Dubai	AXIS Bank Ltd.	AXISAEAD
51		Dubui	Emirates NDB	EBILAEAD
52			Habib Bank AG Zurich	HBZUAEAD
53			Mashreq Bank	BOMLAEAD
55 54			United Bank Ltd.	UNILAEAD
55	United Kingdom	London	Mashreq Bank	
55 56	onited Kingdom	LOHUOH		MSHQGB2L
_			Euro Exim Bank Ltd.	EUEIGB22
57	Linited Chatter of	New Verd	Mizuho Bank	MHCBGB2L
58	United States of	New York	Express Trade Capital Inc.	USCCUS33
59	America		Habib American Bank	HANYUS33
60			Mashreq Bank	MSHQUS33

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# **X NRB** Bank

**Registered Office** 

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

## Notice of the 3rd Annual General Meeting

Notice is hereby given to all the Members of NRB Bank Limited that the 3<sup>rd</sup> Annual General Meeting (AGM) of the company will be held on Sunday, 26 June 2016 at 04:00 P.M. at Eden Ballroom, Hotel Amari Dhaka, House # 47, Road # 41, Gulshan-2, Dhaka-1212, Bangladesh to transact the following Agenda:

#### AGENDA :

- 01. To receive, consider and adopt the Profit & Loss Account of the Company for the year ended 31 December 2015 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.
- 04. To transact any other business with permission of the chair.

#### By order of the Board of Directors

**A.F.M. Zakaria Huqe** Deputy Company Secretary Dhaka, 12 June 2016

#### NOTES:

- a) The Members (Sponsors) whose names would appear in the Register of Members of the Company will be eligible to attend the 3<sup>rd</sup> 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.



## **X NRB** Bank

**Registered Office** 

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

#### **PROXY FORM**

I/We	
of being a member of NRB Bank Limited, do hereby appoint Mr./Ms. of	
as my/our proxy to attend and vote for me/us and on my/our behalf at the 3 <sup>rd</sup> Annual Genera Company to be held on Sunday, 26th June 2016 at 04:00 P.M. at Eden Ballroom, Hotel Amari D Road # 41, Gulshan-2, Dhaka-1212, Bangladesh at any adjournment thereof.	
Signed this day of June 2016.	
Signature of the Member	Revenue Stamp
Folio No.	Tk. 20/-
Number of Shares held	
Signature of Proxy	
<b>Note:</b> This proxy form, duly completed, must be deposited at the Registered Office of the Company (forty eight) hours before the time fixed for the AGM. Proxy is invalid if not signed and stamped as	explained above.
Registered Office	LR

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

#### **ATTENDANCE SLIP**

I/We hereby record my/our attendance at the **3**<sup>rd</sup> **Annual General Meeting** of NRB Bank Limited to be held on **Sunday**, **26th June 2016 at 04:00 P.M.** at Eden Ballroom, Hotel Amari Dhaka, House # 47, Road # 41, Gulshan-2, Dhaka-1212, Bangladesh.

Name of Member/Proxy.....

Folio No.				
Number of Shares held				

Signature of Member/ Proxy .....

Date .....





## NRB Bank Limited

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

www.nrbbankbd.com